

**THE TOWN OF HILTON HEAD ISLAND
ACCOMMODATION TAX ADVISORY COMMITTEE**

To: Mayor Alan Perry, Town of Hilton Head Island
Town Council Members, Town of Hilton Head Island

Cc: Marc Orlando, *ICMA-CM, Town Manager*
Josh Gruber, *Deputy Town Manager*

From: James Fluker, Chairman, Accommodations Tax Advisory Committee

Date: December 19, 2022

Subject: Calendar Year 2023 Accommodations Tax Advisory Grants Recommendations

On November 3, 2022, the Accommodations Tax Advisory Committee (ATAC) met to make grant funding recommendations for 34 ATAC grant applications that were solicited from our traditional 2022 grant cycle. As a result, the ATAC was pleased to make funding recommendations on all 34 of the submitted ATAC grant applications.

Total Applicant Funding Requests	\$5,100,592
Total Available Funding for Grants (after required \$50,000 reserve)	\$5,100,592
ATAC Funding Recommendations for Grants	\$5,033,548

As with past practice, the ATAC has worked to establish a consistent philosophy in how applications are reviewed and prioritized. Over the past five years, the review and recommendation approach of the ATAC has evolved through continuous improvement into the following guiding principles:

Economic Growth Through Tourism - Does the applicant organization drive overnight visitors to Hilton Head Island?

Creation of Sustainable Visitor Traffic - Does the applicant organization enhance or improve the visitor experience on Hilton Head Island creating opportunities that would encourage visitors to return to Hilton Head Island?

Collaboration Amongst Organizations - How well does the applicant organization collaborate with other local organizations, especially fellow grant applicants? Where possible, do applicants cross-promote each other to further enhance the visitor experience?

Organization Viability and Return on Investment - Does the organization possess a clear vision and an achievable direction? Does the organization have other sources of public and private support available? What is the organization's long-term dependency on ATAX funding going to be? Do established applicant organizations have the financial means to support themselves without an ATAX award for the upcoming year and/or beyond? Do organizations with a strong balance sheet have a strategic plan for their cash reserves?

Operational Confidence - How well do the applicant organizations understand their operations? Do they track and report metrics, do they provide sufficient transparency and are they accountable for their results?

The Committee also strives to enhance the grant review process as it is important to evolve our thinking to the strategic focuses of the Town, the best practices of other ATAX municipalities and evaluate feedback solicited through the past year.

To provide an additional layer of summary with our recommendation, each application has been broken out into sections categorizing, at the highest level, the type of recommendation each application received from the Committee this year. These two categories will group applications together based on whether they received recommendations for full or partial funding. A spreadsheet was displayed during the meeting listing all applicants along with the amount each applicant requested. The Committee Members discussed each individual application and ultimately, the Accommodations Tax Advisory Committee decided upon the following for funding:

Applicants Receiving Recommendations of Full Funding

With the passing of the global pandemic of COVID-19, the Committee was in a fortunate position to make several full-funding recommendations. The Committee felt that the twenty-seven organizations that fell into this category were thoughtful with their grant requests, demonstrated a reasonable financial need, and were able to show a strong Return on Investment (ROI) with how they chose to invest their financial resources to drive and enhance tourism on Hilton Head Island. Furthermore, the Committee is cautious in recommending increased year over year funding to ensure that a new benchmark would not be created that could adversely impact the applicant in upcoming years if the same funding levels were not available in the future.

	<u>Request</u>	<u>Committee Recommends</u>	<u>Variance</u>
Art League of Hilton Head	\$ 75,000	\$ 75,000	-
Arts Center of Costal Carolina	\$ 420,000	\$ 420,000	-
David M. Carmines Memorial Foundation	\$ 181,000	\$ 181,000	-
Harbour Town Merchants	\$ 29,000	\$ 29,000	-
Hilton Head Audubon Society	\$ 17,588	\$ 17,588	-
Hilton Head Concours d'Elegance	\$ 385,000	\$ 385,000	-
Hilton Head Dance Theater	\$ 20,000	\$ 20,000	-
Hilton Head Island Airport	\$ 155,000	\$ 155,000	-
Hilton Head Island Bridge Assoc.	\$ 15,000	\$ 15,000	-
Hilton Head Island Recreation Assoc.	\$ 60,000	\$ 60,000	-
Hilton Head Wine & Food Inc. (Rhythm & Brews Fest.)	\$ 25,000	\$ 25,000	-
Hilton Head Wine & Food Inc. (Wine & Food Fest.)	\$ 130,000	\$ 130,000	-
Hilton Head Island-Bluffton Chamber of Comm	\$ 710,000	\$ 710,000	-
Hilton Head Symphony Orchestra	\$ 300,000	\$ 300,000	-
Lean Ensemble Theater	\$ 50,000	\$ 50,000	-
Lowcountry Golf Course Owners Assoc.	\$ 50,000	\$ 50,000	-
Mitchellville Preservation Project	\$ 185,000	\$ 185,000	-
Native Island Business & Community Assoc.	\$ 235,000	\$ 235,000	-
Sea Turtle Patrol HHI	\$ 64,500	\$ 64,500	-
Shelter Cove Harbour Company	\$ 195,000	\$ 195,000	-
TEDx Hilton Head	\$ 25,000	\$ 25,000	-
The Boys & Girls Club of Hilton Head	\$ 35,000	\$ 35,000	-
The Coastal Discovery Museum (Operations)	\$ 325,000	\$ 325,000	-
The Coastal Discovery Museum (Honey Horn)	\$ 695,350	\$ 695,350	-
The First Tee of the Lowcountry	\$ 40,000	\$ 40,000	-
The Heritage Library	\$ 118,000	\$ 118,000	-
The Sandbox	\$ 59,895	\$ 59,895	-
Total Full Funding	\$4,600,333	\$4,600,333	\$ 0

Applicants Receiving Recommendations of Partial Funding

Seven organizations were not recommended for full funding, despite otherwise being eligible. Five organizations were not recommended for full funding due to TERC based funding caps. The ATAC's approach has been to evaluate the individual merit of each application irrespective of total available funding. The ATAC feels strongly that partial funding should not be considered as a negative reflection on the organization. The final determination fell within Staffs guidelines for partial funding for budgetary reasonings. Furthermore, the Committee was cautious in recommending increased year over year funding to ensure that a new benchmark would not be created that could adversely impact the applicant in upcoming years if the same funding levels were not available in the future. A total of seven organizations were impacted by the Committee's partial funding recommendations. This resulted in a \$67,044 variance between what the applicant requested and what the Committee recommended. The Committee believes in making recommendations in the highest and best use of the available funds and felt comfortable making these specific partial-funding recommendations for this year's grant requests.

	<u>Request</u>	<u>Committee Recommends</u>	<u>Variance</u>	
Gullah Museum of Hilton Head Island	\$ 150,000	\$ 139,700	(\$ 10,300)	TERC Based
Hilton Head Choral Society	\$ 40,000	\$ 10,000	(\$ 30,000)	
Hilton Head Island St. Patrick's Day Parade	\$ 86,000	\$ 71,704	(\$ 14,296)	TERC Based
Long Cove Club	\$ 54,259	\$ 51,442	(\$ 2,817)	TERC Based
Lowcountry Gullah	\$ 100,000	\$ 95,889	(\$ 4,111)	TERC Based
The Outside Foundation	\$ 60,000	\$ 59,480	(\$ 520)	TERC Based
World Affairs Council of HH	\$ 10,000	\$ 5,000	(\$ 5,000)	
Total Partial Funding	\$ 500,259	\$ 433,215	(\$ 67,044)	

Full Funding	\$ 4,600,333
Partial Funding	\$ 433,215
Total CY 2023 Grant Funding	\$ 5,033,548

This memo is not meant to encompass all the applicant data or information, as this can be further referenced within each individual grant application that was submitted for the 2023 grant cycle.

At the conclusion of the meeting, Mr. Thomas made a motion to approve the recommendations as assigned and displayed on the projected spreadsheet (summarized above). Ms. Martin seconded the motion. All Committee members voted unanimously to approve, (except for individual line items where individual members recused themselves-during the meeting). For record purposes, Mr. Arnold abstained from voting as he was a candidate seeking election as a Town Council member and he did not want to vote on recommendations that he could potentially have to vote on as a Council member. The final vote made by roll call was, 6-0-1.

Respectfully submitted on behalf of the Accommodations Tax Advisory Committee,

James Fluker, Chairman

2023 Accommodations Tax Advisory Committee Members:

James Fluker, Chairman
 Stephen Arnold, Vice Chairman
 Richard Thomas
 Julie Martin
 John Farrell
 James Berghausen
 Margaret Johnson

Town of Hilton Head Island
Accommodations Tax Grants 2018 to 2022 and 2023 Requests and Recommendations
by Calendar Year

Attachment 4

	2018	2019	2020	2021	2021	2022	2023 GRANTS		
	Town Council Award	Town Council Award	Town Council Award	Town Council Award	Out-of-Cycle Town Council Award	Town Council Award	2023 Applicant Request	ATAC Recommendation	Town Council Award
Art League of Hilton Head	65,000	65,000	65,000	65,000	-	95,000	75,000	75,000	
Arts Center of Coastal Carolina	400,000	400,000	406,000	325,000	-	405,000	420,000	420,000	
David M. Carmines Memorial Foundation	91,000	100,000	115,000	115,000	-	19,600	181,000	181,000	
Gullah Museum of Hilton Head Island	50,000	55,000	55,000	17,000	-	125,000	150,000	139,700	
Harbour Town Merchants Association	20,000	21,000	21,000	-	-	23,000	29,000	29,000	
HHI Audubon Society	-	-	3,600	-	-	-	17,588	17,588	
HHI Choral Society	40,000	40,000	40,000	16,000	-	50,000	40,000	10,000	
HHI Concours d'Elegance	220,000	250,000	282,000	88,000	-	307,000	385,000	385,000	
HHI Dance Theater	15,000	15,000	15,000	19,000	-	19,000	20,000	20,000	
Hilton Head Disc Golf	-	-	20,000	-	-	-	-	-	
Hilton Head Island Airport	100,000	40,000	90,000	165,000	-	160,000	155,000	155,000	
Hilton Head Island Bridge Association	-	20,000	25,000	-	-	-	15,000	15,000	
Hilton Head Island Land Trust	-	-	15,000	28,684	-	41,000	-	-	
HHI Rec Assoc.(Wingfest & Other Festivals)	25,000	25,000	25,000	10,000	-	35,000	60,000	60,000	
HHI St. Patrick's Day Parade	17,580	20,000	22,000	-	-	41,235	86,000	71,704	
HHI Wine & Food,Inc (Rhythm and Brews)	130,000	130,000	125,000	88,000	-	-	25,000	25,000	
HHI Wine and Food Fest)	-	-	-	-	-	130,000	130,000	130,000	
HHI Symphony Orchestra	250,000	250,000	260,000	270,000	29,813	270,000	300,000	300,000	
Lean Ensemble Theatre	30,000	30,000	35,000	40,000	25,000	40,000	50,000	50,000	
Lowcountry Golf Course Owners Assoc.	50,000	50,000	50,000	50,000	-	50,000	50,000	50,000	
Long Cove Club	-	-	-	-	-	30,000	54,259	51,442	
Lowcountry Gullah	-	-	-	75,000	-	75,000	100,000	95,889	
Main Street Youth Theater	15,000	15,000	17,000	25,000	-	-	-	-	
Mitchelville Preservation Project	160,000	172,500	185,000	185,000	-	185,000	185,000	185,000	
Native Island Business & Community	110,000	120,000	125,000	225,000	-	205,000	235,000	235,000	
Operation R & R	-	-	-	2,000	-	-	-	-	
Palmetto Quilt Guild	-	-	-	-	4,110	-	-	-	
Sea Pines Forest Preserve	-	-	-	-	-	35,000	-	-	
Sea Turtle Patrol HHI	-	-	-	-	26,988	47,900	64,500	64,500	
Shelter Cove Harbour Company	76,800	80,000	80,000	-	-	150,000	195,000	195,000	
Skull Creek July 4th Celebration	16,250	17,737	21,000	-	-	-	-	-	
TEDx Hilton Head	-	-	-	-	-	16,000	25,000	25,000	
The Boys & Girls Club of Hilton Head	18,300	20,000	22,000	-	-	30,000	35,000	35,000	
The Coastal Discovery Museum	279,000	285,000	297,500	310,000	64,319	325,000	325,000	325,000	
Coastal Discovery Museum- Disc Golf	-	25,000	-	-	-	-	-	-	
Coastal Disc. Museum-Lowcountry Fair	-	-	5,000	-	-	-	-	-	
Coastal Disc. Museum(Honey Horn)	-	-	-	350,000	-	-	695,350	695,350	
The First Tee of the Lowcountry	20,000	25,000	25,000	25,000	30,000	40,000	40,000	40,000	
First Tee of the Lowcountry-(Disc Golf)	25,000	-	-	-	-	-	-	-	
The Heritage Library	60,000	58,000	115,000	110,000	-	120,000	118,000	118,000	
The Heritage Library- History Day	16,900	6,946	-	-	-	-	-	-	
The Heritage Library-Zion History Park	-	55,000	-	-	-	-	-	-	
The Outside Foundation	-	8,500	-	10,367	20,000	34,400	60,000	59,480	
The Sandbox	50,500	45,895	54,500	17,875	135,000	44,400	59,895	59,895	
Town of HH Island-(Lantern Parade)	-	10,000	-	-	-	-	-	-	
World Affairs Council of HHI	-	-	-	8,984	-	5,000	10,000	5,000	
Subtotal	2,351,330	2,455,578	2,616,600	2,640,910	335,230	3,153,535	4,390,592	4,323,548	\$ -
DMO Supplemental Grant	485,000	535,000	575,000	350,000	-	530,000	710,000	710,000	-
Total Grants	2,836,330	2,990,578	3,191,600	2,990,910	335,230	3,683,535	5,100,592	5,033,548	-