



THE TOWN OF HILTON HEAD ISLAND ACCOMMODATION TAX ADVISORY COMMITTEE

To: Mayor David Bennett, Town of Hilton Head Island
Town Council Members, Town of Hilton Head Island

Cc: Steve Riley, Town Manager, Town of Hilton Head Island

From: Stewart Brown, Chairman, Accommodations Tax Advisory Committee

Date: November 17, 2017

Subject: ATAC Recommendations for 2018 ATAX Grant Awards

On November 2, 2017, the Accommodations Tax Advisory Committee (ATAC) met to make grant funding recommendations for 29 ATAX grant applications that were solicited from our traditional 2018 grant cycle. As a result, the ATAC was pleased to make funding recommendations on 28 of the 29 submitted ATAX grant applications with a suggested carryover amount of \$121,894 to be used for possible 2018 out of cycle grant requests focused on Arts and Cultural Initiatives.

Total Applicant Funding Requests	\$4,811,118
Total Available Funding for Grants (after required \$50,000 reserve)	\$4,243,224
ATAC Funding Recommendations for Grants	<u>\$4,121,330</u>
ATAC Recommended Carryover for Out of Cycle Grants	\$ 121,894

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 both a clear vision and an achievable direction? Does the organization have other sources of public and private support available and 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 and feels that it is important to evolve our thinking to adapt to the strategic focuses of the Town, the best practices of other ATAX municipalities, and evaluate feedback solicited through the past year. There are several items of note for the 2018 cycle:

- The 2018 application remains unchanged from 2017 with the unanimous support of the applicants. The 2018 applicants are comfortable submitting both "visitor" and "tourist" counts, as defined by the ATAX statute and TERC

opinion

- All fireworks applications were reviewed for their individual merits and needs after determining that each applicant had varying levels of expenses; we evolved away from a past practice of recommending an equitable award across all three applicants
- There are a number of individual entities and applicants participating in the Cultural Preservation Initiative that is emerging. There is a significant need for improved strategic planning and multi-year business planning (financial) by the participating applicants. The committee was pleased that the Mitchelville Project management is trying hard to develop their strategic plan. The committee expressed its strong desire to see the other Cultural Preservation applicants make a similar step-change improvement by developing their business and strategic plans. We have encouraged several to approach SCORE – Service Core of Retired Executives – as a free and confidential consulting / guidance resource located at the Chamber of Commerce.
 - We believe strengthened strategic planning by these applicants will result in better and more effective use of marketing grants, improved collaboration with other organizations, stronger organization viability and ROI, and stronger confidence in the stewardship of the public’s financial support.
 - We are not suggesting the merger of these organizations. Rather stronger collaboration / coordination / cooperation so that there is a “product” to sell that will bring tourists to the island in search of pre & post-civil war and preserved heritage history.
 - To use an analogy – we’re not making a big burger made with beef, veal, pork, turkey, chicken, shrimp, fish, and quail. Rather we are making a superior Cobb Salad with tomatoes, lettuce, egg, bacon, cucumber, and a variety of other tasty ingredients that people far and wide will come to town to taste for multiple days during their visit. A Product not a bunch of little things but a whole multi-days experience.
 - Carryover Funds for Out of Cycle Grants for 2018 is restricted to Arts and Culture Initiatives. In late March or early April the ATAC Committee will hear requests for additional support of projects that emerge from Cultural Preservation organizations’ efforts to improve their strategic and business plans.

In an effort to provide an additional layer of summary detail 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 five categories will group applications together based on whether they received recommendations for additional funding above initial ask, full, partial, TERC capped, or no funding. As with previous recommendation memos, a detailed view of the Committee’s recommendation of each application will follow these summaries.

Applicants Receiving Recommendations of Full Funding

This year, the Committee was again in a fortunate position to make a number of full funding recommendations due to increased ATAX receipts in fiscal year 2017. The Committee felt that these 13 organizations that fell into this category were thoughtful with their grant requests, demonstrated a reasonable financial need, and were able to show a strong ROI with how they chose to invest their financial resources to drive and enhance tourism on Hilton Head Island.

	<u>Committee</u>	<u>Request</u>
Art League of Hilton Head	\$ 65,000	\$ 65,000
Harbour Town Merchants Assoc.	\$ 20,000	\$ 20,000
HH Choral Society	\$ 40,000	\$ 40,000
Hilton Head Concours d’Elegance	\$ 220,000	\$ 220,000
HHI Wine and Food, Inc.	\$ 130,000	\$ 130,000
HHI Chamber and VCB	\$ 485,000	\$ 485,000
HH Symphony Orchestra	\$ 250,000	\$ 250,000
Lean Ensemble Theatre	\$ 30,000	\$ 30,000
Lowcountry Golf Course Owners Assoc.	\$ 50,000	\$ 50,000
The Coastal Discovery Museum	\$ 279,000	\$ 279,300
The Sandbox	\$ 50,500	\$ 50,500
Skull Creek July 4 Celebration	\$ 16,250	\$ 16,250
Shelter Cove Harbour Company	\$ 76,800	\$ 76,800
Total Full Funding	\$ 1,712,550	\$1,712,550

Applicants Receiving Recommendations of Partial Funding

Some organizations were not recommended for full funding, despite being eligible and not being subjected to any 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 generally fell within the ATAC's belief that any funding above the recommended amount possibly would not generate a favorable ROI on the use of the additional funds, even though they could be made available to the applicant. 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 11 organizations were impacted by the Committee's partial funding recommendations. This resulted in a \$279,968 variance between what was requested by the applicant and what was recommended by the Committee. 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 and also recommending the carryover of excess funds for possible future out of cycle grant requests.

	<u>Committee</u>	<u>Request</u>	<u>Variance</u>
Arts Center of Coastal Carolina	\$ 385,000	\$ 416,000	(\$ 31,000)
David M. Carmines Memorial Foundation	\$ 91,000	\$ 127,000	(\$ 36,000)
Gullah Museum of Hilton Head Island	\$ 50,000	\$ 100,000	(\$ 50,000)
Hilton Head Dance Theater	\$ 15,000	\$ 20,000	(\$ 5,000)
HH Rec Association (Wingfest & Oyster Festival)	\$ 25,000	\$ 30,000	(\$ 5,000)
Mitchelville Preservation Project	\$ 160,000	\$ 185,000	(\$ 25,000)
Main Street Youth Theater	\$ 15,000	\$ 20,000	(\$ 5,000)
Native Island Business & Community	\$ 110,000	\$ 175,000	(\$ 65,000)
Main Street Youth Theater	\$ 15,000	\$ 25,000	(\$ 10,000)
The Heritage Library	\$ 60,000	\$ 70,000	(\$ 10,000)
The First Tee – B- Disc Golf	\$ 25,000	\$ 55,000	(\$ 30,000)
Town of Hilton Head Island	\$1,400,000	\$1,437,968	(\$ 37,968)
	\$2,351,000	\$ 2,660,968	(\$ 309,968)

Applicants Receiving Recommendations with TERC-based Reimbursement Caps

This year there were a total of 4 applicants whose requests did not fully meet certain reimbursement requirements and were subject to maximum allowable reimbursement limits as defined by state statute and/or TERC opinion. In these situations, with the assistance of Town staff, the ATAC used the tourism metrics provided by the applicant to determine the maximum allowable reimbursement amount each applicant would be eligible to receive if awarded.

	<u>Committee</u>	<u>Request</u>	<u>Max Allowed</u>	<u>Variance*</u>
HH St Patrick's Day Parade	\$ 17,580	\$ 18,000	\$ 17,580	(\$ 420)
Boys and Girls Club – Pedal Event	\$ 18,300	\$ 20,000	\$ 18,300	(\$ 1,700)
The First Tee – A - Operations	\$ 20,000	\$ 60,000	\$ 20,000	(\$ 40,000)
The Heritage Library – History Day	\$ 16,900	\$ 19,600	\$ 16,900	(\$ 2,700)
	\$ 72,780	\$ 117,600	\$ 72,780	(\$ 44,820)

Applicants Receiving Recommendations of No Funding

Unfortunately, there was one application that was submitted this year that did not receive a recommendation for funding. This application was thoughtful and well-presented; however, the Committee felt that funding this organization would not meet the civic, cultural, or event qualification requirements of TERC. The application was for Landscaping at the airport entry and grounds in front of the existing terminal. This project is the first step in a 5 year plan for commercial air service expansion and the resulting need for a significant multi-million dollar terminal expansion.

	<u>Committee</u>	<u>Request</u>
Hilton Head Airport	\$ 0	\$ 345,000

The remainder of this recommendation memo will provide summary information on the applicant organizations, a snapshot of their funding requests, and the Committee's recommendation and rationale. 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 2018 grant cycle. A spreadsheet of the committee's grants recommendations accompanies this memo.

BASED ON THE ATAC'S REVIEW OF EACH GRANT APPLICATION, THE APPLICANT'S INDIVIDUAL PRESENTATIONS, AND THE COMMITTEE'S PUBLIC DISCUSSION, THE ATAC SUBMITS THE FOLLOWING RECOMMENDATIONS TO TOWN COUNCIL FOR REVIEW AND APPROVAL:

<p><u>Hilton Head Airport</u> 2018 Grant Application</p>
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Recommendation: **No funding due to uncertain tourism impact and TERC qualification**

ATAC Opinion: The Committee appreciated learning about this community asset 5 year plan but did not feel this project would either drive or enhance tourism. Further TERC qualifies funding must support tourism, civic or cultural events. New Landscaping at the airport entry and grounds of the parking area are pleasing to the eye and may have a convenience factor for tourists, but the project does not drive or strongly enhance the tourist's visit. This landscape project presented is the first of a multi stage 5 year plan to expand commercial air service and a terminal renovation and expansion.

Undoubtedly, further discussion of this topic between The Town of Hilton Head Island and the Beaufort County Council will be happening in the future.

<p><u>ART LEAGUE OF HILTON HEAD</u> 2018 Grant Application</p>
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The Art League of Hilton Head has firmly established itself as a core component of the local arts community. The League is requesting funds to provide a strong visual art presence on Hilton Head Island through its innovative Gallery and Academy, and market creative events and partnerships with local organizations and businesses.

"ATAX Application"

Tourism Ratio: 48% 21,000 visitors served out of 44,000 total people; of which 10,000 were beyond 50 miles

Grant Request: **\$65,000**

Grant Reason: Marketing and advertising through media partners.

Recommendation: **\$65,000 – Full Funding**

ATAC Opinion: Grant request is the same as 2017 request. The Committee was impressed with the League's continued marketing efforts and its commitment towards evolving towards digital media and marketing. Last year's increased award was redirected to improving their website. Effectiveness measurement of marketing resources correctly identified the need for this change. The diversity of offerings helps enhance the visitor stay on the Island and the Committee feels that continued funding is important to the mission. **The Committee continues to feel that the Art League is a good steward of ATAX funds.**

ARTS CENTER OF COASTAL CAROLINA
2018 Grant Application

The Arts Center provides year-round, high quality programming to both tourists and residents through the production of theater, performing arts, and community festivals. Additionally, the Arts Center will continue to host multiple exhibitions and educational programs throughout the year.

“Tourism Operations Support for the Arts Center of Coastal Carolina”

Tourism Ratio: 54% / 25,641 visitors served out of 47,478 total people; of which 11,163 were beyond 50 miles
Grant Request: **\$416,000** = 9.7% of total budget \$4,270,296
Grant Reason: To support marketing efforts in addition to the visitor portion of program costs for theater, performing arts, and community festivals. Total cost to provide these programs in FY18 will be \$4,270,296. The Arts Center pointed out that this grant application supports its marketing and programming and does not include any supplementary facility maintenance requests.

Recommendation: **\$380,000**
ATAC Opinion: The Committee feels strongly that the Arts Center is the focal point of arts within our community. The quality and diversity of programming provided to both tourists and residents showcases our Island as a world class destination and assists in both the driving and enhancing tourist stays. Improved programming and scheduling increased out of area attendance by 13%. **The Committee believes the Arts Center is both a driver and enhancer of tourism. This year’s recommendation is \$15,000 less than last year and \$31,000 below the grant request. The Committee continues to put additional scrutiny on larger grant recipients to ensure that there is a strong ROI on ATAX funds’ use. The Committee feels stronger tailoring of advertising to fit programming and market segments will result in greater effectiveness of grant money. The Committee did not feel the funding would be the highest and best use of limited funds.**

DAVID M. CARMINES MEMORIAL FOUNDATION
2018 Grant Application

The David M. Carmines Memorial Foundation organizes the annual Hilton Head Island Seafood Fest, currently in its 10th year. This week-long event culminates in an all day festival at Shelter Cove Community Park featuring food, live entertainment, family activities, and other contests.

“Hilton Head Island Seafood Fest”

Tourism Ratio: 63% / 5,355 visitors served out of 8,500 total people; of which 4,760 were beyond 50 miles
Grant Request: **\$127,000**
Grant Reason: For public relations and event marketing expenses through print, online, social, TV, and radio
Recommendation: **\$91,000 – Partial Funding**
ATAC Opinion: The Committee was thoroughly impressed with continued success and growth of the event. Total Patrons was up 71%. Due to the event’s tourist draw and impressive survey metrics, the Committee felt it was important to continue funding this organization to bolster the marketing budget and assist in continuing to increase the event attendance. From the presentation provided, the Committee feels strongly that 2018 will be this organization’s break-out year for solidifying its reputation and gaining a regional following. **The Committee’s recommendation of \$91,000 is 65% higher than last year’s award of \$55,000, but less than the 131% increase requested. Limited available funding prevented the committee from awarding full funding. This event has strong management, good creativity, excellent metrics systems, and marketing. Success in 2017 was primarily driven by an enhanced marketing and image campaign and the retaining of a PR firm to bolster awareness of this event. As with previous years, the Committee continues to have confidence that this event is well on the way to being another signature event showcasing the culinary heritage and talent of our area.**

GULLAH MUSEUM OF HILTON HEAD ISLAND**2018 Grant Application**

The Gullah Museum of Hilton Head Island is requesting funding for its Gala Awards (January 21, 2017), Artist in Residence program (April 1 to August 31, 2017), Gullah Food Festival (October 21, 2017), and Gullah Christmas celebration (December 17, 2017)

“Gullah Museum”

Tourism Ratio:	40% based on the previous year’s information – Hurricane reduced 2017 results
Grant Request:	<u>\$100,000</u>
Grant Reason:	For event marketing and operation expenses related to 8 events
Recommendation:	<u>\$50,000</u>
ATAC Opinion:	The Committee was impressed with the applicant’s continuing commitment and contribution towards enhancing the cultural experience of tourists. Management is making progress in measuring marketing funding effectiveness but needs continuing effort in this area. Attendance is only 500 people in 2017. 2018 programming features 8 events between October and April – a significant increase in scope. How everything will get accomplished is unclear. There is a need for a strategic plan that realistically plots events, growth in attendance, and collaboration with other Cultural and Heritage groups on the island. The grant request for 2018 is 66% of total operating budget and a 186% increase over 2017 award. <u>A conservative approach was used by the Committee -being cautious about establishing a funding benchmark that might not be viable in future years and due to not having an established track record of success for the specific events and programming outlined in the application. However, the Committee is committed to ensuring that cultural tourism is properly supported and feel this applicant can be a strong contributor to enhancing the tourism experience on the Island. The Committee has recommended an award that is \$15,000 higher than last year which reflects the additional events being planned by the applicant for 2018 and to encourage their strategic and business planning efforts.</u>

HARBOUR TOWN MERCHANTS ASSOCIATION**2018 Grant Application**

The Harbour Town Merchants Association is seeking grant funding for its annual Fourth of July Fireworks display. The Association estimates that over 7,000 attended the display in 2017, which was a mixture of residents and tourists.

“Harbour Town 4th of July Fireworks”

Tourism Ratio:	Estimated 7,000+ total people served
Grant Request:	<u>\$20,000</u>
Grant Reason:	For event marketing and operational expenses
Recommendation:	<u>\$20,000 - Full funding</u>
ATAC Opinion:	As with previous years, the Committee feels that it is appropriate to support this fireworks display as it is a worthwhile tourism enhancer for one of the Island’s busiest weeks of the year. <u>The Committee’s recommendation reflects a 20% increase from 2017 to help the applicant offset increasing event expenses.</u>

HILTON HEAD CHORAL SOCIETY
2018 Grant Application

In 2018, its 43rd^d season, the Hilton Head Choral Society is planning to produce 5 concerts throughout the year, many in collaboration with other organizations. The Choral Society volunteers have worked hard to remain a fiscally responsible organization and have worked diligently to identify new marketing mediums that are more cost effective and efficient.

“Hilton Head Choral Society Performance Season”

Tourism Ratio:	29% / 814 visitors served out of 2806 total people; of which 286 were beyond 50 miles
Grant Request:	<u>\$40,000</u>
Grant Reason:	The majority of the request will be used for marketing expenses.
Recommendation:	<u>\$40,000</u> – full funding
ATAC Opinion:	The Committee continues to be impressed with this organization. The Society produces great events and is an excellent collaborator with other organizations. HHCS has streamlined its management and governance, developed a 3 year strategic plan, created a Reserve Fund for financial sustainability, and introduced new committee structures to optimize member volunteer efforts. It takes a business approach to operations and has impressed the Committee with how it is fine-tuning itself year over year. <u>As with similar organizations with a low tourism ratio, the Committee is hesitant to recommend increased awards each year without a ROI justification. However, because the Choral Society will be presenting an additional event – it’s 5th of the season - the Committee recommends a full funding award of \$40,000.</u>

HILTON HEAD ISLAND CONCOURS D’ELEGANCE, INC.
2018 Grant Application

The Hilton Head Island Motoring Festival & Concours d’Elegance continues to prove its position as one of the premiere destination events on the East Coast. Organizers continues to pursue three core strategies initiated in 2016: differentiation, diversification and collaboration. The move from Honey Horn to Port Royal Golf Club is a successful step to remain competitive with other top –tier national events. In 2016, the event added a vintage aircraft exhibition and gala with great success, despite the hurricane, adding a new market segment of attendees and sponsors.

“Hilton Head Concours d’Elegance & Motoring Festival”

Tourism Ratio:	74% / 10,200 visitors served out of 13,800 total people; of which 7162 were beyond 50 miles* <i>(*Based on 2016 attendance; the 2017 event occurred during the 2018 application cycle)</i>
Grant Request:	<u>\$220,000</u>
Grant Reason:	For event marketing and advertising, which contributes towards a total event budget of \$1,208,300. The 2018 request is up only \$5,000 or 2% from 2017
Recommendation:	<u>\$220,000 – Full funding</u>
ATAC Opinion:	The Committee feels very strongly the Motoring Festival is a signature event for our Island and will only continue to grow and improve. Due to the Festival’s ability to grow substantially year over year, show a clear vision and direction, and prove that it both drives and enhances tourism, the Committee recommends full funding of the grant request. <u>This recommendation is \$5,000 greater than the 2017 award.</u>

HILTON HEAD DANCE THEATER
2018 Grant Application

Currently in its 32nd season, the Hilton Head Dance Theater has two major planned productions for 2018, in addition to several smaller ones. The Dance Theater's production of The Nutcracker generates the most tourist visits out of any of the other showings.

"Hilton Head Dance Theatre Performance Season"

Tourism Ratio: 16% / 416 visitors served out of 2577 total people; of which 251 were beyond 50 miles
Grant Request: **\$20,000**
Grant Reason: For event marketing for 2 major productions in 2017
Recommendation: **\$15,000 – partial funding**
ATAC Opinion: The Committee feels that this is a worthy organization to continue supporting due to its ability to collaborate with other organizations and the quality of its productions. **The current recommendation is at the same level as the 2017 award. As with similar organizations with a low tourism ratio, the Committee is hesitant to recommend increased awards each year without a ROI justification.**

HILTON HEAD ISLAND RECREATION ASSOCIATION
2018 Grant Application

The Hilton Head Island Recreation Association organizes its annual Wingfest and Oyster Festival, two separate events. Entering its 23rd year, Wingfest has become the "Super Bowl" of the chicken wing industry for local restaurants and food lovers. It has been showcased on national outlets, such as the Oprah Network and The Outdoor Channel. The Oyster Festival, entering its 17th year, is a true Lowcountry event that showcases the true essence of the area.

"ATAX Application for Events"

Tourism Ratio: 641% / 7,000 visitors served out of 11,000 total people; of which 4,500 were beyond 50 miles
Grant Request: **\$30,000**
Grant Reason: For event marketing with a strong focus on regional marketing through billboard, radio, mobile billboards, and social media.
Recommendation: **\$25,000 – partial funding**
ATAC Opinion: Due to the event's tourist draw and impressive survey metrics, the Committee felt it was important to fund this organization to bolster its marketing budget to help continue increasing event attendance. This event is showing strong growth under good management. **Unfortunately, limited available funds did not allow for full funding.**

HILTON HEAD ISLAND ST. PATRICK'S DAY PARADE
2018 Grant Application

The Hilton Head Island St. Patrick's Day Parade will celebrate its 35th year in 2018. The parade is comprised of floats, marching bands, walking groups, automobiles, animal units and other creative entries.

"Hilton Head Island St. Patrick's Day Parade"

Tourism Ratio: 41% / 9,020 visitors served out of 22,000 total people
Grant Request: **\$18,000**
Grant Reason: For event related expenses and securing additional entertainment participants.
Recommendation: **\$17,580 – Full funding**
ATAC Opinion: The Committee continues to be pleased with the progressive success of this event and recommends that it continues to be funded. **This year's recommendation is \$1,580 higher than last year's award and at the TERC limit for this event type.**

HILTON HEAD WINE AND FOOD, INC

2018 Grant Application

The Hilton Head Wine and Food Festival is going to celebrate its 33rdnd year in 2018. In 2015, the Festival announced a venue change to the Sea Pines Resort. HHWFF is a strong collaborator with other local organizations – HHI Motoring Festival, HHI Symphony, the Art League, and the HHI Chamber and VCB.

“Hilton Head Island Wine and Food Festival”

Tourism Ratio:	66% / 1,980 visitors served out of 3,000 total people;
Grant Request:	<u>\$130,000</u>
Grant Reason:	To elevate event marketing through the placement of advertisements focused on the fly/drive market and targeting affluent travelers in an effort to increase the quality of tourist demographics currently experienced.
Recommendation:	<u>\$130,000 – Full funding</u>
ATAC Opinion:	The Committee continues to be impressed with this organization. It is impressive to see the strides this organization has taken over the past few years. The Committee was impressed with applicant’s continued self-assessment of its events in 2015 and 2016, appreciating the candidness of what worked well and what did not and making appropriate changes. <u>Committee recommends full funding at 130,000 unchanged from 2017.</u>

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE / VCB

2018 Grant Application

The Chamber of Commerce has applied for a supplemental grant of \$485,000 for group business travel, golf, and accolade marketing. The goal in driving group business travel to the Island is to help create market compression in the gap left over from traditional leisure travel. The continued and significant recognitions that our destination received in 2017 is reason to highlight these awards. The golf marketing goal is to continue the collaborative efforts with the Lowcountry Golf Course Owners Association to drive golf business to the Island.

“Hilton Head Island Destination Marketing Promotion”

Tourism Ratio:	2,400,000 unique visitors to destination website w 1,000,000+ prospects converted to referrals (42%)
Grant Request:	<u>\$485,000</u>
Grant Reason:	For group and meeting travel marketing, accolade awareness, and general golf promotion
Recommendation:	<u>\$485,000 – Full funding</u>
ATAC Opinion:	The Committee feels strongly that the Town’s DMO has the greatest reach and best potential to reach the maximum amount of potential visitors to our Island. Due to the successful year that the Island had in terms of tourism and accolades, it is clear that there is a need to reinvest in ourselves to continue to drive and enhance tourism. <u>The Committee continues to feel that our DMO provides our Island with strong marketing and PR programs accompanied by strong business management skill and processes. While recognizing golf is a very significant tourism asset, the Committee reminded the Chamber not to ignore other opportunities to strengthen the local economy – residential real estate and assisting in the development of the emerging opportunity to develop an Arts, Cultural, and Historic Preservation tourism “product”.</u>

HILTON HEAD SYMPHONY ORCHESTRA, INC.
2018 Grant Application

The Hilton Head Symphony Orchestra provides world-class arts programming for residents and visitors. In addition to Symphony productions and collaborative performances with many of the other local arts organizations, the Symphony hosts and produces the International Piano Competition which helps drive tourism over a week-long period. In 2016, the Symphony added live streaming of its piano competition events in order to gain additional exposure. In 2018, the Symphony will change office location to Coligny, open a new venue at Coligny for added programming focused directly to visitors on vacation and a younger demographic.

“HHSO General Operating Grant”

Tourism Ratio: 44.6% / 6,512 visitors served out of 14,598 total people; of which 4165 were beyond 50 miles
Grant Request: **\$250,000**
Grant Reason: For marketing and operational expenses to contribute towards the organization’s full year budget of \$1,990,000
Recommendation: **\$250,000 – Full Funding**
ATAC Opinion: The Symphony is a signature organization within our community and has remained consistent in its success and quality of productions. The Committee commends the HHSO with successfully executing its live stream of the annual piano competition which reached viewers in 59 countries. The Symphony is opening a new smaller venue, offering new programming in a more relaxed atmosphere tailored to younger audiences. **The Committee supports this next step in diversifying the Symphony’s music contributions to Hilton Head by recommending a \$20,000 (8.7%) increase in its funding award over the 2017 award.**

LEAN ENSEMBLE
2018 Grant Application

This is the 2nd ATAX application for the Lean Ensemble Theater which is a professional, performing arts-based company that was founded in August 2014. The mission is to bring an innovative form of theater to the Lowcountry using both equity actors and local talent. The 2017/2018 season runs from October through May. They will offer 4 productions and 2 benefit performances during the season.

“Lean Ensemble Theater Productions”

Tourism Ratio: 51% / 1650 visitors served out of 3235 total people; of which 1294 were beyond 50 miles
Grant Request: **\$30,000**
Grant Reason: For marketing and operational expenses to contribute towards the organization’s full year budget of \$250,000
Recommendation: **\$30,000 – Full funding**
ATAC Opinion: The Committee was impressed with this application and believes this organization will provide a different arts experience for our visitors. It was appreciated that this organization worked to establish itself within the community over the past two years before applying for ATAX funding. **The Committee recommends full funding of \$30,000 which is unchanged from the previous cycle and equal to the requested funding. We note the addition of cable TV advertising as an experiment to increase attendance from 50% to 75% capacity The Committee has confidence in the management of this applicant.**

LOWCOUNTRY GOLF COURSE OWNERS ASSOCIATION
2018 Grant Application

The Lowcountry Golf Course Owners Association is an organization that is focused on driving golf tourism to the local area golf courses and is comprised of 31 member courses across Beaufort County. The LGCOA works closely with the Town's DMO to ensure golf tourism messaging and marketing channels align with the overall Hilton Head Island brand. In 2016, these efforts resulted in 50 travel articles being written about golfing on Hilton Head Island.

"2017 Golf Tourism Public Relations Campaign"

Tourism Ratio: Not directly reported in the application*
**If referencing last year's numbers the tourism ratio was 75.0% (calculated as 425,000 total golf rounds were played across HHI's 15 member courses with 318,750 being considered visitors)*

Grant Request: **\$50,000**

Grant Reason: For the marketing and PR efforts

Recommendation: **\$50,000 – Full funding**

ATAC Opinion: The Committee continues to feel that the LGCOA has the ability to drive business to the Island. The Committee feels confident in the applicant's ability to reach national and regional media to generate a strong ROI on it's spend. The media PR firm used by the applicant is very effective and will continue into its 3rd year. **While the Committee continues to feel that this applicant partners well with our DMO to drive strong PR programs, some Committee members have concerns about DMO overweighting golf when other market segments are emerging.**

MAIN STREET YOUTH THEATER
2018 Grant Application

Main Street Youth Theater is planning to offer 3 productions in 2018. The MSYT is dedicated to providing opportunities for youth and adults to experience live theater productions.

"Main Street Youth Theater"

Tourism Ratio: 17.5% / 350 visitors served out of 2000 total people; of which 235 were beyond 50 miles

Grant Request: **\$25,000**

Grant Reason: For marketing expenses to promote season productions

Recommendation: **\$15,000** – partial funding

ATAC Opinion: The Committee feels it is important to continue to support this arts organization. **Although the Committee had the ability to recommend full funding, the current recommendation is at the same level as the 2017 award. As with similar organizations with a low tourism ratio and low visitor counts, the Committee is hesitant to recommend increased awards each year without a ROI justification.**

MITCHELVILLE PRESERVATION PROJECT

2018 Grant Application

Mitchelville Preservation Project (MPP), now in its 6th year as a non-profit organization, is dedicated to preserving, protecting and promoting the heritage of Mitchelville – the first self-governed freedmen’s town in America. MPP educates the public on the compelling story of its inhabitants and their quest for education, self-reliance and inclusion as members of a free society. Ultimately, MPP’s goal is to establish Mitchelville Freedom Park which will feature replicas of original buildings and a series of ever-changing learning opportunities (i.e., revolving exhibits, lectures, forums, tours and cultural programs).

“Accommodations Tax Grant Application”

Tourism Ratio: 81.7% / 14,586 visitors served out of 17,853 total people; of which 11,199 were beyond 50 miles
Grant Request: **\$185,000**
Grant Reason: For marketing and promotion of the exhibit at the Westin Resort, the promotion of the 2017 Juneteenth Celebration, the Blues and BBQ event, and the Dawn of Freedom programs and tours.
Recommendation: **\$160,000** – partial funding
ATAC Opinion: The Committee has been pleased in the progression of the vision and commitment of Mitchelville’s board over the years. The Committee members were pleased to see the collaborating effort with the Island’s other cultural organizations. **The Committee recommends partial funding, at \$160,000 – a \$50,000 increase above the 2017 award and a total of \$120,000 increase in the last 2 years. This is reflective of the growing success of this organization (17% increase in visitors 2017 over 2016) and the expansion of its programming and events (6 events in 2018) to provide unique opportunities to drive and enhance tourism. The management’s focus on a written formalized strategic plan is noteworthy and urgently needed in order to sustain future funding at this 2018 level. As with similar organizations receiving large ATAX funding recommendations, the Committee is focused on ensuring there will be a strong ROI each year with the use of these funds.**

NATIVE ISLAND BUSINESS & COMMUNITY AFFAIRS ASSOCIATION, INC.

2018 Grant Application

The Native Island Business & Community Affairs Association produces the annual Gullah Celebration on Hilton Head Island. NIBCAA will host the 22st annual event in 2018 which will be held across the month of February. Over this month, NIBCAA produces a number of arts and cultural events, festivals, and expos.

“GC21”

Tourism Ratio: 67.3% / 11,254 tourists served out of 16,723 total people; of which 11,254 were beyond 50 miles
Grant Request: **\$175,000**
Grant Reason: For marketing and event expenses
Recommendation: **\$110,000** – Partial Funding – TERC limit for marketing restricts larger funding
ATAC Opinion: The Committee commended NIBCAA for its month-long effort to drive and enhance tourism during a historically slow tourism period. Based on its figures, the Committee feels strongly that NIBCAA’s events are a tourist draw and enhance the stay of Island guests through its diverse offering. **The Committee recommendation of \$110,000 is at the same level as the 2017 award. The Committee fully supports the event, but shared concern as to the ROI of full funding at this time. Stronger strategic and business planning and evaluation of the series of events will help energize and freshen this valuable community effort and enlarge public confidence and support.**

SHELTER COVE HARBOUR COMPANY

2018 Grant Application

The Shelter Cove Harbour Company hosts a summertime fireworks series at its marina. There are 10 events that include nine Tuesday night displays and one July 4th display. These events have become a tradition for many Island tourists, as they have been continuously operated for 27 years. **“HarbourFest”; inclusive of July 4th Fireworks display**

Tourism Ratio: 100% / 60,000 tourists served out of 60,000 total people; of which 58,000 were beyond 50 miles
Grant Request: **\$76,800**
Grant Reason: For event expenses related to nine peak tourist season Tuesday night displays and the annual 4th of July firework display. This SCHC has a superior fireworks supplier, significantly improved performance with a \$40,000 annual higher cost but delivers greater reliability, higher quality shows, and a more professional execution of the shows. 2017 Parking Shuttle improvements brought a parking problem under much better control. Drone activity, a new challenge, was brought under control as well. Statistics are impressive:
 92% of attendees were visitors to Hilton Head Island
 75% were returning visitors
 84% of the visitors stayed in lodging that generated accommodation tax revenues
 57% had previously attended the Shelter Cove HarbourFest event
 43% were first time visitors to the event
 88% of attendees would recommend this event to friends
 71% indicated they would return to HarbourFest event

Recommendation: **\$76,800 – Full funding**

ATAC Opinion: The Committee sees a capable and responsive management team delivering a series of fireworks events that is the expectation of a large group of tourists who visit the Island. **As such, the Committee recommends full funding be awarded to allow the applicant to offset the additional expenses associated with the 10 firework displays during the Island’s peak season. This year’s recommendation is equal to last year’s award and 100% of 2018 request.**

<p><u>SKULL CREEK JULY 4TH CELEBRATION, INC.</u> 2018 Grant Application</p>

The Skull Creek July 4th Celebration, Inc. hosts an annual July 4th fireworks display in Skull Creek and is sponsored by a number of local business, many of which receive direct benefit from this display.

“Skull Creek July 4th Celebration

Tourism Ratio: 85% / estimated 1,000 tourists served
Grant Request: **\$16,250**
Grant Reason: For marketing and event expenses
Recommendation: **\$16,250 – Full Funding**
ATAC Opinion: **This event is a well-attended and well managed event for July 4th – 1 of 3 on the island. Recommended funding is 100% of request and very close to 2017 award.**

The Boys and Girls Club – Pedal Hilton Head
2018 Grant Application

Pedal Hilton Head Island is a new venture this year (spun out of an 11 year old event) created to leverage

our Island's growing popularity among cyclists throughout the southeast.

Tourism Ratio:	100% / 60,000 tourists served out of 60,000 total people; of which 58,000 were beyond 50 miles
Grant Request:	<u>\$20,000</u>
Grant Reason:	Grant funds will be used to expand the regional marketing of Pedal Hilton Head Island and to cover expenses associated with staging the event. The 2018 event will be the 11th consecutive year of the Island's only community bike ride, a requirement to maintain Hilton Head's Gold Level Bike Friendly Community designation.
Recommendation:	<u>\$18,300 – Partial Funding – TERC limited</u>
ATAC Opinion:	Boys and Girls Club is the organizing entity whose application reflects strong management planning that engenders confidence in their ability to be good stewards of the public's money. <u>The Committee seeks to support this emerging popular activity and sees this as a potentially large tourism draw. The Committee recommends \$18,300 funding, equal to TERC limitations and 91.5% of requested funding.</u>

<u>THE COASTAL DISCOVERY MUSEUM</u> 2018 Grant Application

The Coastal Discovery Museum was established in 1985 with the mission to educate the public about cultural heritage and natural history of the Lowcountry. The Museum provides over 1,600 programs per year. The Museum consistently has high attendance with a large saturation of tourists.

“Cultural and Eco-Tourism Programs”

Tourism Ratio:	79% / 73,302 tourists served out of 88,397 total people; of which 73,302 were beyond 50 miles
Grant Request:	<u>\$279,000</u>
Grant Reason:	For marketing, event, and facility expenses
Recommendation:	<u>\$279,000 – Full funding</u>
ATAC Opinion:	The Committee continues to be impressed with the Museum and its ability to enhance tourism on the Island. Each year, the Museum creates new experiences for visitors and enhances its static exhibits. The Museum's commitment to continuous growth and evolution plays a key part in providing repeat visitors with new experiences and memories <u>The Committee is impressed with the skill with which the Museum has recovered from a long delayed reopening following hurricane cleanup activities which essentially closed the facility for 6 months. Smart management of marketing funds, adjustment of programming, and expansion to local school children are noteworthy. Recovery is still ongoing with certain market segments (weddings) and may take as much as 3 years to fully recover. The Committee recommends full funding of \$279,000 to facilitate continuing recovery activities and the resumption of attendance growth.</u>

<u>THE FIRST TEE OF THE LOWCOUNTRY</u> 2018 Grant Applications (A) (B)

The First Tee of the Lowcountry was created through the collaboration of The Boys and Girls Club of Hilton Head Island and

The First Tee beginning in 2013. The organization aims to bring golf and life skills to younger players. The First Tee is a nationally recognized brand that offers similar programs across the country. The First Tee offers visitors a family friendly and affordable golf experience (or Disc Golf experience) on Hilton Head Island. Additionally, they plan to add a Disc Golf tournament in February 2017 that aims to generate tourism.

A. "Golf & Disc Golf Multigenerational Fun"

Tourism Ratio: 72% / 3058 visitors served out of 4258 total people; of which 1104 were beyond 50 miles

Grant Request: **\$60,000**

Grant Reason: For marketing and facility expenses

Recommendation: **\$20,000 – Partial Funding**

ATAC Opinion: The Committee views this application positively and believes this organization will provide a different sports and family experience to our visitors. It was appreciated that this organization worked to establish itself within the community over the past three years before applying for ATAX funding. **Participation at this venue is growing -3/4 x 2016 and still climbing. This is an enhancement to visitors and is emerging as a tourist attraction. The Committee recommends continued funding at \$20,000 to sustain marketing of this facility to visiting tourists. TERC restrictions exclude sporting events and grounds maintenance contained in the applicant's \$60,000 request**

B. Disc Golf Tournament and Exhibition

Tourism Ratio: 55%/ 100 players and 125 visitors

Grant Request: **\$55,000**

Grant Reason: **Marketing and Promotion of Invitational Disc Golf Tournament**

Recommendation: **\$25,000 – Partial Funding**

ATAC Opinion: Disc Golf currently has a low public profile, but it is growing rapidly. Enthusiastic players and their friends travel long distances with large duffle bags filled with equipment for the chance to show off their skills and to win tournaments held all over the country. Last year's event attracted 225 people all from out of state – as far away as Ohio and Illinois! The 2018 goal is 300 players plus friends with a goal of over 1000 by 2020. ESPN Sports Television carried a National Tournament in Indiana live in 2017. The Hilton Head facility has little geographic completion and thereby, is especially attractive to participants. **This is another emerging tourist driver in its early development stage. Organizers are determined to make this location the #1spot in the southeast US and the applicant has significant support from the Disc Golf Association leadership and champions. The Committee is impressed with the professional and thorough planning and approach management is taking to grow this event. The Committee recommends partial funding at \$25,000 to support the marketing and promotion of this activity while recognizing tourist participation at this stage is low but with potential of strong growth.**

THE HERITAGE LIBRARY FOUNDATION

2018 Grant Applications (A) (B)

(A) **"2018 History Day"**

History Day 2015 saw breakout success in sheer volume of interest and attendance. However, the 2016 event had to be cancelled due to Hurricane Matthew. The Heritage Library collaborates with the Coastal Discovery Museum on this event. The event will feature both bike and trolley events across the Island and will surround two themes – Civil War Fishing and Farming and Military History.

Tourism Ratio:	Attendance count not available for 2016 due to event cancellation* <i>*In 2015, 109 tourists served out of 731 registered participants</i>
Grant Request:	<u>\$19,600</u>
Grant Reason:	For event marketing
Recommendation:	<u>\$16,900 – TERC limited</u>
ATAC Opinion:	The Committee agrees that this is a great event for tourism and expertly highlights the cultural and historical heritage of our destination. It was a disappointment that the 2016 event was unable to be held due to the hurricane. The Committee feels that it is appropriate to help enlarge the marketing and promotion of this even to ensure a strong turnout in 2018. <u>The Committee’s recommendation is TERC limited to \$16,900 and 7800 higher over the 2016 funding. As with similar organizations with a low visitor count, the Committee is focused on ensuring ATAX funds are recommended in their highest and best use.</u>

(B) “Heritage Library”

The Heritage Library Foundation is a history and genealogy research center and owns and maintains Ft. Mitchel and the Zion Chapel of Ease Cemetery. The Library changed its management structure four years ago, rebranded with a fresh, new look, and has now embarked on a mission to become much more tourist-oriented. They are pursuing historical events, programs, and invited speakers of note. The Library also collaborates extensively with other Cultural and Historic Preservation activities and events.

Tourism Ratio:	17%/827 visitors served out of 4873 total people with 524 beyond 50 miles
Grant Request:	<u>\$70,000</u>
Grant Reason:	For promotion of special events and programs and historical site maintenance at the cemetery – tree removal at the mausoleum
Recommendation:	<u>\$60,000 – partial funding</u>
ATAC Opinion:	The Committee continues to applaud the efforts of this organization. The Foundation has found new ways to reinvent itself. The Committee was impressed with the efforts focusing cultural and historical promotion, and its commitment to historical site preservation. <u>The Committee recommendation is \$60,000 – up \$10,400 from the 2016 award. The Committee has encouraged the Library to capture on video interviews with elder individuals who have critical experience and unique knowledge on the Cultural history of the community. The Committee believes this organization is doing a good job representing and promoting the cultural heritage of our destination</u>

THE SANDBOX
2018 Grant Application

The Sandbox is a museum attraction for tourist families visiting the Hilton Head Island area. The Sandbox promotes hands-

on educational learning in a fun and safe environment. Throughout the years, The Sandbox has steadily grown and enhanced its programming. During the summer months, The Sandbox offers a number of events and programs geared towards tourists – including hosting parent’s night out – providing an opportunity for parents to enjoy the Island’s culinary options. This is a well-run and managed organization who is requesting less funding than in 2017!

“Enhancing the Tourist Experience with Educational Play”

Tourism Ratio: 80% / 17,441 visitors out of 21,813 total people; of which 15,797 were beyond 50 miles

Grant Request: **\$50,500**

Grant Reason: For marketing, advertising, programming, and minor exhibit repairs

Recommendation: **\$54,000 – Full funding**

ATAC Opinion: The Committee continues to applaud the efforts of The Sandbox which has shown steady and consistent growth since inception. The Committee takes great consideration in the fact that over 75% of the people served are visitors and that many are repeat visitors. The Sandbox fills a unique niche in our community by providing our Island’s youngest guests the opportunity to create lasting memories. **The Committee’s recommendation is \$50,500 – full funding.**

TOWN OF HILTON HEAD ISLAND

2018 Grant Application

The Town of Hilton Head Island is requesting funding to offset municipal operations that directly support tourism related public services. Included items are police and beach safety services; municipal code and land management ordinance enforcement services; and roadside, pathway, and public park maintenance.

“Municipal Town Operations – Tourism Support”

Tourism Ratio: 98.6% / 2,644,595 tourists out of 2,681,694 total people served

Grant Request: **\$1,437,968**

Grant Reason: For tourism-related public services such as police and beach safety, code and LMO enforcement, and roadside, pathway, and park maintenance.

Recommendation: **\$1,400,000 – Partial Funding**

ATAC Opinion: The Committee feels that the services provided by the Town are vital towards enhancing and serving the tourists. As in previous years, the Committee works to ensure proper funding recommendations for all other applicants before making a funding recommendation for the Town. The Committee believes that all other organizations received fair funding recommendations based on their individual merit and demonstrated financial need. The Committee is also cognizant of the need for at least \$121,000 in carry-over funds to support Cultural and Historic Preservation newly identified initiatives that result from their focused development of enhanced strategic and business plans, in addition to \$50,000 in required emergency reserves. As a consequence, we reduced our recommendation to \$1,400,000 down from a 5.3% increase to a 2.5% increase.

Respectfully submitted on behalf of the Accommodations Tax Advisory Committee,



Stewart Brown, Chairman

2017/2018 Accommodations Tax Advisory Committee Members:

Stewart Brown, Chairman

Brad Marra, Vice Chairman

Mike Alsko

Rob Bender

Roger Freedman

Cliff McMackin

Heather Rath- resigned September 2017

Calendar Year 2018 Accommodations Tax Advisory Committee Recommendations

	2017 GRANTS			2018 GRANTS		
	2017 Applicant Request	ATAC Recommendation	Town Council Award	2018 Applicant Request	ATAC Recommendation	Town Council Award
Art League of Hilton Head	65,000	65,000	65,000	65,000	65,000	
Arts Center of Coastal Carolina	411,800	400,000	400,000	416,000	385,000	
David M. Carmines Memorial Foundation	55,000	55,000	55,000	127,000	91,000	
Gullah Museum of Hilton Head Island	50,000	35,000	35,000	100,000	50,000	
Harbour Town Merchants Assoc.	20,000	16,705	16,705	20,000	20,000	
Hilton Head Choral Society	43,000	35,000	35,000	40,000	40,000	
Hilton Head Concours d'Elegance	215,000	215,000	215,000	220,000	220,000	
Hilton Head Dance Theater	19,000	15,000	15,000	20,000	15,000	
Hilton Head Island Airport				345,000	-	
HHI Rec Association (Wingfest & Oyster Festival)	20,000	20,000	20,000	30,000	25,000	
HHI St. Patrick's Day Parade	16,000	16,000	16,000	18,000	17,580	
HHI Wine and Food, Inc.	130,000	130,000	130,000	130,000	130,000	
HHI-Bluffton Chamber of Commerce VCB	405,000	405,000	405,000	485,000	485,000	
Hilton Head Symphony Orchestra	245,000	230,000	230,000	250,000	250,000	
Lean Ensemble Theatre	30,000	30,000	30,000	30,000	30,000	
Lowcountry Golf Course Owners Association	50,000	50,000	50,000	50,000	50,000	
Main Street Youth Theater	25,000	15,000	15,000	20,000	15,000	
Mitchelville Preservation Project	133,000	110,000	110,000	185,000	160,000	
Native Island Business & Community	150,000	110,000	110,000	175,000	110,000	
Shelter Cove Harbour Company	76,800	76,800	76,800	76,800	76,800	
Skull Creek July 4th Celebration	15,325	17,825	17,825	16,250	16,250	
The Boys & Girls Club Pedal event				20,000	18,300	
The Coastal Discovery Museum (Cultural & Eco-Tourism Programs)	239,340	239,340	239,340	279,000	279,000	
The First Tee of the Lowcountry-A Operations	60,000	20,000	20,000	60,000	20,000	
The First Tee of the Lowcountry-B Disc Golf				55,000	25,000	
The Heritage Library - History Day	15,000	15,000	15,000	19,600	16,900	
The Heritage Library	77,360	50,000	50,000	70,000	60,000	
The Sandbox	54,000	54,000	54,000	50,500	50,500	
Town of Hilton Head Island	1,365,900	1,365,900	1,365,900	1,437,968	1,400,000	
Total	4,037,225	3,792,270	3,792,270	4,811,118	4,121,330	

Balance Available to Award from CY 2017

288,866

4,243,224

STATE ACCOMMODATIONS TAX REVENUE ANALYSIS
 Calendar 2017 Revenues Available for Calendar Year 2018 Grants
 with comparative information for the prior year

	Calendar Year 2017 Revenues Available for CY2018 Grants	Calendar Year 2016 Revenues Available for CY2017 Grants	\$ Difference	% Difference
SOURCES:				
Jan - Mar ATAX Revenue	417,652	354,505	63,147	17.81%
Apr - June ATAX Revenue	2,171,824	1,934,945	236,879	12.24%
July - Sept ATAX Revenue	2,809,551	2,793,958	15,593	0.56%
Oct - Dec ATAX Revenue:				
Estimated Oct - Dec, actual received end of January after grants awarded	770,935 A	733,235 B	37,700	5.14%
Estimated ATAX Revenues for CY17/CY16	6,169,961	5,816,643	353,319	6.07%
	Recurring Portion	Recurring Portion		
Other Amounts to be granted:				
Interest (Estimated last 2-3 months)	550	556		
Lapsed Grants	-	26,255		
Total CY Sources	6,170,511	5,843,454		
USES:				
First \$25,000 to the Town's General Fund	(25,000)	(25,000)		
30% to Chamber (Town's Designated Advertising & Promotion Agency) (Est. for last qtr.)	(1,843,488)	(1,737,493)		
5% to the Town's General Fund (Est. for last qtr.)	(307,248)	(289,582)		
Available for Grants	3,994,775	3,791,379		
Amount Available in Prior Year but not Awarded	288,866	231,898		
Amount Available in New Year due to Prior Year 4th Qtr being higher than Estimate (65% Fund Portion Only)	9,584 B	113,709		
Amount Available to Award New grants - Subtotal	4,293,224	4,136,986		
Less Amount to be Reserved for MidYear Grants/Emergenicies	(50,000)	(50,000)		
Amount Available to Award New grants	4,243,224	4,086,986		
Requested "New" Grants/CY17 Grant Balance of Non-recurring Requests	4,811,118	4,037,225		
Percentage of Grant Requests that can be funded	88%	101%		

Notes:

A. The estimated amount for the 4th quarter is the last three years' average for that quarter

B. The amount is the estimated amount used to determine what was available for last year. The actual amount was \$747,979. The difference of \$14,744 has been added to the available amount in the new year's column.

**Town of Hilton Head Island
Accommodations Tax Fund
Ending 12/5/2017**

Accommodations Tax Applicants	Amount Requested	Approved Grants	Paid FY 2017	Paid FY 2018 as of 12/5/2017	Amount Available
FY 2017-2018 (CY 2017 Grants)					
12 Jewels of Life	\$ 50,000.00	\$ -			
Art League of Hilton Head	\$ 65,000.00	\$ 65,000.00	\$ -	\$ 31,867.38	\$ 33,132.62
Arts Center of Coastal Carolina	\$ 411,800.00	\$ 400,000.00	\$ 400,000.00	\$ -	\$ -
David M. Carmines Memorial Foundation	\$ 55,000.00	\$ 55,000.00	\$ 54,943.17	\$ -	\$ 56.83
Gullah Museum of Hilton Head	\$ 50,000.00	\$ 35,000.00	\$ 10,000.00	\$ 14,375.74	\$ 10,624.26
Harbour Town Merchants Association	\$ 20,000.00	\$ 16,705.00	\$ -	\$ 16,705.00	\$ -
Hilton Head Choral Society	\$ 43,000.00	\$ 35,000.00	\$ 11,757.98	\$ -	\$ 23,242.02
Hilton Head Concours d' Elegance	\$ 215,000.00	\$ 215,000.00	\$ 98,260.56	\$ 100,958.00	\$ 15,781.44
Hilton Head Dance Theatre	\$ 19,000.00	\$ 15,000.00	\$ 5,523.00	\$ -	\$ 9,477.00
Hilton Head Island Recreation Association	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Hilton Head St. Patrick's Day Parade	\$ 16,000.00	\$ 16,000.00	\$ 11,317.20	\$ -	\$ 4,682.80
Hilton Head Wine & Food	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00	\$ -	\$ -
HHI-Bluffton Chamber of Commerce	\$ 405,000.00	\$ 405,000.00	\$ 236,406.03	\$ 58,539.32	\$ 110,054.65
Hilton Head Symphony Orchestra, Inc	\$ 245,000.00	\$ 230,000.00	\$ 230,000.00	\$ -	\$ -
Lean Ensemble Theater	\$ 30,000.00	\$ 30,000.00	\$ 27,083.41	\$ 2,916.59	\$ -
Main Street Youth Theater	\$ 25,000.00	\$ 15,000.00	\$ 8,430.88	\$ 6,569.12	\$ -
Mitchelville Preservation Project	\$ 133,000.00	\$ 110,000.00	\$ 58,242.60	\$ 10,975.00	\$ 40,782.40
MLK Jr. Celebration Planning Committee	\$ 700.00	\$ 700.00	\$ 700.00	\$ -	\$ -
Native Island Business and Community Affairs Assoc, Inc.	\$ 150,000.00	\$ 110,000.00	\$ 89,135.75	\$ 20,864.25	\$ -
SC Lowcountry Golf Course Owners Assoc.	\$ 50,000.00	\$ 50,000.00	\$ 25,000.00	\$ 12,500.00	\$ 12,500.00
Shelter Cove Harbour Company	\$ 76,800.00	\$ 76,800.00	\$ -	\$ 76,800.00	\$ -
Skull Creek July 4th Celebration, Inc.	\$ 15,325.00	\$ 17,825.00	\$ -	\$ 15,897.92	\$ 1,927.08
The Coastal Discovery Museum	\$ 239,340.00	\$ 239,340.00	\$ 103,553.27	\$ 91,849.18	\$ 43,937.55
The First Tee of the Lowcountry	\$ 60,000.00	\$ 20,000.00	\$ 5,000.00	\$ 5,366.00	\$ 9,634.00
The Heritage Library Foundation	\$ 77,360.00	\$ 50,000.00	\$ 15,402.94	\$ 26,879.34	\$ 7,717.72
The Heritage Library Foundation-History Day	\$ 15,000.00	\$ 15,000.00	\$ 256.25	\$ 14,740.67	\$ 3.08
The Sandbox	\$ 54,000.00	\$ 54,000.00	\$ 17,342.29	\$ 23,290.64	\$ 13,367.07
Town of Hilton Head Island	\$ 1,365,900.00	\$ 1,365,900.00	\$ 1,365,900.00	\$ -	\$ -
CY 2017 GRANTS Total	4,037,225.00	3,792,270.00	2,914,255.33	531,094.15	346,920.52

2018

Accommodations Tax Funds Request Application

Organization Name: Hilton Head Island-Bluffton Chamber of Commerce

Project/Event Name: Hilton Head Island Destination Marketing Promotion

Executive Summary

An ATAX Effectiveness Measurement form has been attached to this application.

2018

Accommodations Tax Funds Request Application

Date Received: 09/22/2017

Time Received: 03:31 PM

By: Online Submittal

Applications will not be accepted if submitted after 4:00 P.M. on September 22, 2017

A. SUMMARY OF GRANT REQUEST:

ORGANIZATION NAME: Hilton Head Island-Bluffton Chamber of Commerce

Project/Event Name: Hilton Head Island Destination Marketing Promotion

Contact Name: Ariana Pernice

Title: Vice President, Hilton Head Island Visitor & Convention Bureau

Address: P.O. Box 5647, Hilton Head Island, SC 29938

Email Address:

apernice@hiltonheadisland.org

Contact Phone(s): 843-341-8366

Event Date:

Event Location:

Total Budget: \$485,000.00

Grant Requested: \$485,000.00

Provide a brief summary on the intended use of the grant and how the money would be used. (100 words or less)

As Hilton Head Island's contracted DMO we are committed to sustaining and growing the ROI from these substantial investments, which will benefit the entire Island economy and have positive economic impact regionally. Funding received from this grant will be used by the Town's DMO to market specific, core tourism product segments that drive shoulder and off-season travel, market compression, and market share growth opportunities for Hilton Head Island to include the following niches: **Meetings and Group, Destination Golf, Culinary, Festival & Events Promotion, and an Accolade Marketing Initiative.**

How does the organization/event either drive tourism to Hilton Head Island or enhance the visitor experience on Hilton Head Island? How is this impact being measured? (100 words or less)

As the Designated Marketing Organization (DMO) for the Town of Hilton Head Island, our organization is the official travel and tourism marketing arm for the Town, entrusted with the responsibility of representing the Hilton Head Island brand to the world. Our Hilton Head Island Visitor & Convention Bureau was formed as part of the chamber in 1983, we have led the

tourism industry with accurate and detailed documentation with consistent growth year over year of well over \$1.4billion in tourism economic impact to the Island. Our work quantifiably drives overnight visitation and referrals to our Island businesses throughout the year.

Total Number of Patrons Served, including Visitors: 2016 Website Visitation was 2.5 million, and actual visitors served reached 2.67 million

Documented Number of Visitors Served: In 2016 we have served 2.67 million visitors

Documented Number of Tourists Served: 2.67 million documented tourists served
A tourist is considered a "traveler" from 50 miles away or more.

How was the Number of Visitors/Tourists Documented?

Google Analytics, EBMS, fulfillment database, MailChimp, STR, DetiMetrics/Inntopia, USCB, Phone

B. DESCRIPTION OF OPERATIONS:

1. For state reporting purposes, give a brief description of the organization. (250 words or less)

The Hilton Head Island Visitor & Convention Bureau is a division of the Hilton Head Island-Bluffton Chamber of Commerce, which is a 501©6 non-profit organization. The chamber was chartered in 1957, shortly after the bridge to the Island opened, and the Visitor & Convention Bureau was added in 1983 when the Town of Hilton Head Island was incorporated. Our organization was designed at the Town's official destination marketing organization, (DMO). For over 30 years, a strong, collaborative and productive working relationship between the Chamber's VCB, local travel and tourism industry, business community at large, and Town government has led to a highly effective, efficient and internationally recognized destination marketing organization (DMO) that meets and exceeds all national and international accreditation criteria and standards, best practices, and importantly, code of ethics, for DMOs worldwide.

Our organization meets and/or exceeds the criteria in *all* of these non-profit organizational domains for DMO's as established worldwide by the Destination Marketing Accreditation Program. We were re-accredited, after an in-depth independent audit of these areas of our organization.

Code of Ethics

Governance

Finance

- Human Resources
- Technology
- Brand Management
- Marketing
- Visitor Services
- Group Services
- Sales
- Communications
- Membership
- Management and Facilities
- Destination Development
- Research/ Market Intelligence
- Innovation
- Stakeholder Relationships

2. Describe in detail how the requested grant funding would be used? (250 words or less)

DUE TO WORD COUNT LIMIT – THIS SECTION HAS BEEN SUBMITTED AS ATTACHMENT A.

PLEASE REFER TO ATTACHMENT A

GRANT FUNDING DETAIL FOR THE FOLLOWING PROGRAMS:

• Meetings and Group	\$95,000
• Destination Golf	\$210,000
• Culinary	\$30,000
• Festival & Events Promotion	\$50,000
• Accolade Marketing Initiative	\$100,000
TOTAL	\$485,000

3. What impact would partial funding have on the activities, if full funding were not received? What

would the organization change to account for partial funding? (100 words or less)

If a relatively small percentage of the overall grant was not funded, the Chamber's VCB would work to retain as many of the outlined programs as possible, and decrease media expenditures in each program. If the proposal is severely reduced, whole programs would need to be cut and/or eliminated, depending on scope of funding granted.

The result would be less-inquiries than projected, less visitors coming to Hilton Head Island in the shoulder and off-season, and therefore, less year-round economic impact, job sustainability and tax revenues to the Town.

4. What is expected economic impact and benefit to the Island's tourism? (100 words or less)

2016 Economic Impact of Tourism Report by Clemson University and USCB

- 2.67 million overnight visitors to the Island in 2016
- \$1.4 Billion Economic Impact for Hilton Head Island in 2016
- For every ATAX Dollar invested in marketing an ROI of \$21.26 is returned to the local economy in net local government revenue. In short, visitors and businesses look to our organization to provide the services and programs that further brand awareness that leads to conversion and ultimately an overnight stay.

5. In order to comply with the State's Tourism Expenditure Review Committee annual reporting requirements, **please classify your current grant request into the following authorized categories:**

1 - Destination Advertising/Promotion <i>Advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity.</i>	100 %
2 - Tourism-Related Events <i>Promotion of the arts and cultural events.</i>	0 %
3 - Tourism-Related Facilities <i>Construction, maintenance and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities.</i>	0 %
4 - Tourism-Related Public Services <i>The criminal justice system, law enforcement, fire protection, solid waste collection and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourist. Also includes public facilities such as restrooms, dressing rooms, parks and parking lots.</i>	0 %

5 - Tourist Public Transportation <i>Tourist shuttle transportation.</i>	0 %
6 - Waterfront Erosion/Control/Repair <i>Control and repair of waterfront erosion.</i>	0 %
7 - Operation of Visitor Information Centers <i>Operating visitor information centers.</i>	0 %
Total:	100 %

6. If not covered elsewhere in the application, please describe (a) how the organization will collaborate with other organizations to enhance tourism efforts, and (b) provide a venue or service not otherwise available to visitors to the Town of Hilton Head Island. (250 words or less)

Our organization’s application is the only one you will receive that directly serves and actively collaborates with the entire tourism and travel industry on the Island, both private and non-profit, to market travel to the Island year-round. We actively work with private sector partners, who have made \$400+ million in investments, to drive shoulder & off-season business. Through our Hilton Head Island Marketing Council, our industry stakeholders have set a strong emphasis on garnering meetings and group business to the island. This focus is a "rising tide" that positively impacts all sectors of the island economy. We work with lodging, restaurants, event and outdoor/sports partners to develop and implement feeder market initiatives and programs. Collaboration breeds efficiency and success, and our organization operates under a broad tent to ensure the sustainability and measureable impact of the programs outlined in this grant.

7. Additional comments. (250 words or less)

Documented Number of Visitors Served:

2016 showed a record number of 2.67 million visitors to the destination. An additional 75,708 vacation planners and Golf island brochures were sent through fulfillment. Servicing visitors through the following mediums: In person, phone and email, along with group sales trade show connections.

How was the Number of Visitors Documented?

Google Analytics, EBMS, fulfillment database, MailChimp, STR, DetiMetrics/Inntopia, USCB, Phone

C. FUNDING:

1. Please describe how the organization is currently funded. (100 words or less)

The Hilton Head Island Visitor & Convention Bureau is a division of the Hilton Head Island-Bluffton Chamber of Commerce. VCB revenues are funded separately, and VCB expenses are managed and line item accounted for separately from the chamber budget, clearly defined within our internal financial reports and independent audit reports. The Chamber's VCB is funded from five primary sources: private sector marketing funds, South Carolina Destination Specific Tourism match grant funds, Town of Hilton Head Island DMO and grant funds, Town of Bluffton DMO and grant funds, and Beaufort County DMO and grant funds .

2. Please also estimate, as a percentage, the source of the organization's total annual funding.

<u>51.8</u>	Private Contributions, Donations and Grants
Government Sources	<u>37.6</u>
Corporate Support, Sponsors	<u>10.6</u>
Ticket Sales, or Sales and Services	Membership, Dues, Subscriptions
_____	Other

3. Has the organization requested other ATAX or any other funding from other public sources or organizations?

Yes X No

If so, please list top 3 sources and amounts.

Beaufort County Supplemental Grant	\$40,000.00
Town of Bluffton ATAX Grant	\$25,000.00
South Carolina Destination Specific Grant (SCPRT)	\$1,500,000.00
Bluffton DMO Funds	\$98,000.00
Beaufort County DMO funds	\$260,000.00

D. FINANCIAL INFORMATION:

Fiscal Year Disclosure: Start Month: JUNE End Month: JULY

Financial Statement Requirements:

1. The upcoming year's **operating budget** for the organization.

Budget Years Provided:

FY 2017-2018

2. The previous two years and current year **profit and loss reports** for the organization.

Profit and Loss Years Provided:

June 2015
June 2016
June 2017

3. The previous two years and current year **balance sheets**.

Balance Sheet Years Provided:

2014 AUDIT
2015 AUDIT
2016 AUDIT
2017 Audit

4. The previous two years and current year **IRS Form 990 or 990T**.

IRS Form 990 or 990T Years Provided:

2014
2015
2016

E. FINANCIAL GUARANTEES AND PROCEDURES:

1. Provide a copy of the **official minutes** wherein the organization approves the submission of this application.

An official set of minutes have been attached to this application.

2. Indicate whether your organization follows Town procurement guidelines or has its own procurement guidelines which are utilized and followed in the expenditure of ATAX grant funds.

- Follow Town procurement guidelines
 Utilize and follow organization's own procurement guidelines
 Our organization does not have or follow procurement guidelines

F. MEASURING EFFECTIVENESS:

If you received 2016 or 2017 HHI ATAX funds

1. List any ATAX award amounts received in 2016 and/or 2017.

2015	\$365,000.00	Destination Marketing
2016	\$405,000.00	Destination Marketing

2. How were the ATAX funds used? To what extent were the objectives achieved? The ATAX Effectiveness Measurement spreadsheet available in the application portal will show the numerics. Use the space below for verbal comments. *(200 words or less)*

Please refer to the 2017 year review Executive Summary worksheet submitted with this grant application.

3. What impact did this have on the success of the organization/event and how did it benefit the community? *(200 words or less)*

Please refer to the 2017 Executive Summary worksheet submitted with this grant application.

4. How does the organization measure the effectiveness of both the overall activity and of individual programs? *(200 words or less)*

Our organization is one of only 180 in the world accredited through the Destination Marketing Accreditation Program (DMAP), governed by the Destination Marketing Association International (DMAI). The Chamber's VCB meets and/or exceeds DMAI metrics reporting standards. Primary metrics measured include brand impressions, earned media value, inquiry sources, website traffic, traditional visitor inquiries, conversion and referral rates, trade activity reports, booking trends, overnight visitors generated, average visitor segment profiles and spending, destination lodging metrics, as well as economic and tax impact. These reports can be found on our marketing, economic and business metrics portal at www.thinkhiltonhead.org.

Signature: Ariana Pernice

Title/Position:

Mailing Address: P.O. Box 5647, Hilton Head Island, SC 29938

Email Address: apernice@hiltonheadisland.org

Office Phone Number: 8433418366

Home Phone Number: 8433418366

B. DESCRIPTION OF OPERATIONS

Question #2: Describe in detail how the requested grant funding would be used?

1. MEETINGS & GROUP

A. RFP GENERATION PROGRAM with Cvent

The Hilton Head Island Visitor & Convention Bureau will continue our collaboration with Cvent. It is the right company to meet our initiative of increasing group business to the island. Cvent, Inc. is the leading cloud-based enterprise event management platform. Cvent offers software solutions to event planners for online venue selection, event management, mobile apps for events, e-mail marketing and web surveys. Cvent provides Destination Marketing Organizations (DMO's) with an integrated platform, enabling destinations to increase group business demand through targeted advertising and improve conversion through proprietary demand management and business intelligence solutions.

Strategy: Cvent recognizes the value that Visitors & Convention Bureaus (VCBs) add to the site selection and sourcing process. It is their goal to help educate their planners about the incredible services and resources that VCBs provide. Cvent strives to promote VCBs as one of the best first points of contact to help in finding the ideal venue for any type of event. Currently (fiscal year July – June) Cvent produces over 861 unique RFPs to Hilton Head Island VCB and the island resorts with 13.9% converting to booked business. Our goal would be to increase this to a conversion rate of 15.5%. This would increase the current awarded RFP value for HHI of \$8,198,978 by \$131,184.

Media Execution:

A 12-month marketing campaign (January 2018 - December 2018) on the Cvent Website which has over 74,000 active planner users:

- Website - Billboard Destinations
 - This is the ultimate exposure to meeting planners in their researching mode looking for potential destinations to host their event. They use this platform to collect meeting info on particular destinations. The billboard is at a prime position at the very top of the page above the fold. The ad placement links back to our Cvent profile – pulling the planner to our profile dedicated to marketing Hilton Head Island as a meeting destination. Their website has over 653,000 page views per month.
- Featured Content Ads
 - Will be one of 16 rotating ads to benefit from extensive brand exposure, whenever a meeting planner visits a regional or state market, our banner ad will rotate in. This ad will be in the center of the page, above the fold.
- Banner Ads
 - Banner ads will be linked to our destination, supplier profile and brand page at the regional & state level. A Hilton Head Island banner ad will be positioned on our competitive destination pages, allowing Hilton Head Island to shift share back to our island.

- Blog Sponsorship
 - Blog newsletters to over 130,000 meeting planners with a featured article on the what the VCB services are provided to planners
 - Display advertisement with up to 4 image-based ads
 - Content promotions with up to 4 image and text ads
 - Footer promotions with up to 2 images and text ads
- 2 Diamond Level
 - Secures better placement in the search results
 - Higher placement = more RFPs
 - More content = more qualified leads
 - Higher placement + more content = more booked business

B. MULTI-CHANNEL PROSPECT GENERATION PROGRAM WITH HELMSBRISCOE (HB)

As the global leader in meeting procurement, HelmsBriscoe leverages the experiences of more than 1,300 Associates spanning more than 55 countries to deliver world-class solutions. The sheer volume of room nights booked and the collective insights shared between their seasoned Associates is beyond comparison. HB's process gives the meeting planner back valuable time.

2016 HelmsBriscoe by the numbers:

- 1,300 Associates
- 48,000 programs
- 6 million hotel rooms booked
- \$1.2 billion in room revenue
- Operating in 55 countries
- Business conducted in 35 languages

Strategy: HelmsBriscoe's Destination Partnership program allows CVB/DMOs and national tourism entities the opportunity to increase the awareness of their destination and services within the HelmsBriscoe worldwide network.

Media Execution: CVB/DMOs participating in the partner program receive many value-added benefits which include:

- Preferred listings in HelmsBriscoe Connect Website
- Enhanced information within HelmsBriscoe InSite and Intranet
- Partner registration for HelmsBriscoe the Annual Business Conference and Partner Fair
- Enhanced communication vehicles within the HelmsBriscoe system worldwide
- Ability to list special needs periods and value offerings within HelmsBriscoe InSite and the Partner Promotional Site
- Access to HelmsBriscoe's destination production analytics

- Inclusion in all technology enhancements that HelmsBriscoe develops

C. MULTI-CHANNEL PROSPECT GENERATION PROGRAM WITH **CONFERENCEDIRECT (CD)**

One Source for Global Meetings & Events, ConferenceDirect helps clients save time and money by securing the best hotel accommodations, meeting space, conference venues, and hospitality services available — at the most favorable terms possible. From the site selection and contract negotiation to room block management and post event audits, everything we do helps minimize risk and maximize your ROI.

ConferenceDirect By the Numbers:

- 325 Associates – Meeting Professionals
- 11,040 – Events represented/year
- 3.8+ Million – Hotel rooms booked/year
- \$778+ Million – Group room contracts negotiated/year
- 262,800 – Transactions Handled by Registration
- 636,000 – Room Nights Booked Through Housing

Strategy: Preferred Partner Program: ConferenceDirect places thousands of meetings and events into hotels and destinations around the world every year. Their commitment to their clients is to find the very best fit for their meetings and events every time – with the most favorable terms available.

In order to accomplish this, they rely on partners that understand the business and want to drive market share from their organization while providing the best options for their clients. As such, ninety-six percent of their events are placed with Preferred Partners.

Media Execution:

CVB/DMOs participating in the partner program receive many value-added benefits which include:

- Website Tile & Banner Ads
- Print and online Ads in Meeting Mentor Magazine
- Annual Partner Meeting (APM) attendance and sponsorship
- Industry Insights sponsorship
- Webinar & Presentation Opportunities

D. Multi-CHANNEL PROSPECT GENERATION PROGRAM WITH **LUXURY MEETING SUMMIT**

The Luxury Meetings Showcase is the ideal chance for qualified meeting planners to learn about and meet with various luxury hotels and destinations, while exchanging ideas and information with other meeting planners. During the Luxury Meetings Showcase you will participate in 2 hours of face-to-face meetings that are 5-minutes in duration, meeting with up to 30 different luxury properties/destinations. Following the meetings, a gourmet plated luncheon will be hosted. Ultimately you will walk away with new ideas and relationships that will lead to better business and better meetings.

Luxury Meetings Summit by the numbers

- Minimum of 140 - ½ day events
- Each event has minimum of 25 meeting planners attending
- Receive a detailed recap with every planner who attended the event with notes about their meeting needs and all contact information
- Anticipate receiving 3,500 qualified prospects
- Featured inclusion in 1 of their monthly e-campaign newsletter
- Distributed to over 300,000 in their meeting, event & incentive planners

REVENUES:

TOWN OF HILTON HEAD ISLAND:	<u>\$95,000</u>
MEETINGS & GROUPS BUDGET:	\$95,000

2. Destination Golf

2017 marked the sixth year of a very targeted golf marketing effort for the VCB, in partnership with Island golf courses, to continue broadening the overall awareness of the Island golf vacation experience, particularly in the shoulder seasons. The primary objective is to drive qualified visitor traffic to our golf microsite, www.HiltonHeadGolfIsland.com. Our primary target is the affluent golfer (\$150k+ household income) who travels from our core markets in the south-east, mid-Atlantic, northeast, mid-west and Canada.

Golf is the #2 driver of revenue to the local economy and a 2015 economic impact study, completed by LRITI at USCB/Regional Transactions Concepts, LLC at Clemson University, punctuates the importance of broadening our golf tourism message throughout our core markets.

In 2015, 2.65 million people visited Hilton Head Island. Of this, 999,359 visitors reported that they played golf, accounting for 37.7% of total visitors.

Report Findings

Impact of Golf Tourism

- i. For every dollar spent by golf tourists on Hilton Head Island, \$1.29 is put back into the Beaufort County economy.

Total Economic Impact on Beaufort County, 2015

- i. \$588.8 million was generated from visitors who played golf on Hilton Head Island out of the \$1.1 billion generated by all tourists spending on Hilton Head Island.
- ii. A net of \$5.3 million in revenue to county and municipal governments derives from the \$588.8 million economic impact, not including state and local ATAX and Hospitality taxes.

Jobs

- iii. 12,740 are created in Beaufort County due to tourism. These are indirectly and directly tied to tourism. The 12,740 jobs make up 13.4% of all jobs in Beaufort County.
- iv. 7,087 jobs are here due to the impact of golf tourism, which makes up 6.8% of all jobs in Beaufort County.
 - i. These jobs are directly and indirectly related to golf tourism:

- i. Direct: golf caddy, greens keeper, pro shop
- ii. Indirect: lodging, suppliers, restaurants

Golfer Profile

- Spend 17% more dollars than an average non-golfing tourist
- Fill our golf courses
- Fill our hotels/motels
- Occupy rental homes & villas
- Fill our restaurants
- Spend money in our retail stores
- Purchase real estate
- Prefer to visit the Hilton Head Island area each spring and fall —the seasons in which the area needs their business

Taking what we have learned from past marketing successes, all marketing strategies and mediums are heavily weighted toward the affluent golf traveler and their online vacation research and planning habits. Our primary goal of the 2018 golf marketing effort is to increase stay and play golf vacation business to serve both golf and accommodations. This year's results show great gains over 2016 as we on pace for 1400 golf vacation quote requests submitted through HiltonHeadGolfIsland.com (up 33% through August 31st) and we will send more than 80,000 visitors to partner resort and course websites (up 14% through August 31st).

To accomplish this goal, our marketing objectives will focus on the following:

- Driving increased and more qualified traffic to www.HiltonHeadGolfIsland.com to interact online with our golf destination experience
- Driving website visitors to complete an online trip quote request to grow stay and play golf vacation business in the shoulder seasons
- Encouraging website visitors to visit the websites of the island courses through highly visible outbound links, seasonal golf package promotions and special events
- Increasing our email and direct mail marketing databases through contest entries, requests for more information, golf package requests, Hilton Head Insider registrations and consumer golf shows

To continue the momentum gained over the past 6 years with golf travel, the Chamber's VCB in partnership with the Lowcountry Golf Course Owners Association (LGCOA) proposes the following marketing program for 2018:

Golf-Specific Digital Promotions: Comprehensive 12-month promotion for www.HiltonHeadGolfIsland.com, including:

- Paid SEM golf and travel keyword search (search engine marketing)
- SEO (Search engine optimization)
- Retargeting digital advertising campaigns
- Email marketing design, deployment and tracking
- Dedicated email campaigns through regional golf publication/website partnerships
- Mobile marketing
- Social media content and advertising
- Ongoing website content updates
- Golf and golf travel-related website advertising
- Content creation and targeted delivery of content through strategic online partnerships
- Weekly, monthly, quarterly and annual analytics and measurement

BUDGET: \$105,000

Golf Insider Blog: Minimum of 2 blog posts per month written by Island golf experts and national golf writers about Hilton Head Island's golf experience. Expanded blog content will help with search engine rankings, as well as provide opportunities for sharing of the content across other digital channels.

GOLF BLOGGERS: \$ 9,000

PRODUCTION: \$ 3,000

BUDGET: \$12,000

XM/SIRIUS PGA Tour Radio: Radio campaign on the PGA Tour Network on XM Radio 93 and Sirius 208, utilizing popular shows such as the evening drive time show, *Katrek and Maginnes on Tap* and the weekday morning show, *Inside the Ropes with Carl and Dennis Paulson*, to promote our golf course properties using commercials, on-air reads, live interviews with key Hilton Head Island golf spokespersons and promotion of trip giveaways/contests. The campaign will consist of two, 14 week segments beginning mid-January through the RBC Heritage and picking back up mid-July through the FedEx Cup/Tour Championship.

BUDGET: \$20,000

Broadcast TV Spot Market Campaign: Campaign for Hilton Head Island Destination Golf featuring :30 television spots in select markets during key PGA Tour events January through April, major golf championships and The Ryder Cup, on Golf Channel. Cost also includes minor updates to :30 commercial.

BUDGET: \$20,000

Direct Marketing Promotions: Design, print, production and fulfillment of a 48-page Hilton Head Island Golf Vacation Planner to be used for the following: 1) Seasonal mailings to our in-house customer database, as well as targeted lists of avid golfers in key drive and feeder markets in the US and Canada. 2) Planners are also the primary marketing vehicle distributed at all consumer golf shows. 3) The Planner and/or its content will be included in the new Chamber/VCB Destination Magazine with an estimated distribution of 125,000.

BUDGET: \$50,000

Golf Consumer Trade Shows: Expand the visibility of Hilton Head Island golf by exhibiting at key mid-Atlantic, northeast and mid-west consumer golf shows. Includes show booth rental, displays, promotional materials and leave behinds for those in attendance.

BUDGET: \$43,000

Golf Agency Support and Creative Production: Includes golf marketing, media planning and placement services, as well as the execution and oversight of the entire golf marketing program by Impact Golf Marketing for 2018 - paid for by the LGCOA.

IMPACT MARKETING:	\$30,000
CREATIVE DEVELOPMENT:	<u>\$ 2,500</u>
BUDGET:	\$ 32,500

Golf Island Billboard Campaign: Maintain one southbound billboard on I-95 promoting www.HiltonHeadGolfIsland.com in 2018.

BUDGET:	\$10,000
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Visitor Inquiry Fulfillment & Contingency: First Class Mail fulfillment of inquiries for golf vacation planners.

BUDGET:	\$ 7,500
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Golf-Specific Print Advertising: Select regional and state golf association magazines will be used to deliver the Hilton Head Golf Island message to high-income, golf travel enthusiasts. These partnerships will also provide content opportunities and other digital programs to further tell our story and deliver frequency of our message.

BUDGET:	\$ 20,000
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Sources for Matching Dollars:

REVENUES:

TOWN OF HILTON HEAD ISLAND:	\$210,000 * This Grant Request
LGCOA GOLF MARKETING BUDGET:	\$100,000
BEAUFORT COUNTY:	<u>\$ 10,000</u>
GOLF MARKETING BUDGET TOTAL:	\$320,000

3. Culinary Promotion

Culinary travel continues to be a driver of tourism across all generations, tied to the experience movement. Our recent research with U. S. Travel Association states that domestic and international travelers spent \$176 billion on food service in 2016 up 4.1% from 2015. Our year-long website analysis executed by our research partner Destination Analysts, shows that 51.6% of our potential visitors are looking for information on restaurants while searching our destination website. We can also show from our 2016 Economic Impact Report provided by Lowcountry and Resort Islands Tourism Institute (LRITI) that the average spent per person on restaurant dining was \$65.68 from travelers visiting Hilton Head Island.

Food tells the story of a destination’s history, culture and people. The Island’s unique culinary offerings will be front and center with a dinner at the coveted James Beard House in New York City. The James Beard House is one of New York’s most sought after culinary establishments...a “performance space” for America’s best chefs.

Hilton Head Island will have the rare opportunity to showcase the best of our island’s culinary talent and position the island as a culinary destination to not only food enthusiasts but to key national media in attendance at the dinner as well. In addition to media presence at the prestigious dinner, we will also host a separate media event designed to garner exposure for the cuisine of the Lowcountry and the destination’s rich culinary heritage and history.

To extend the conversation and media exposure of the event, further tie it back to the destination and our visitors, we will launch an out-market campaign promoting the destination culinary scene – highlighting the NYC event. The media campaign will highlighting Hilton Head Island chefs from the James Beard House event as well as our destination food scene overall. The media campaign will live across digital, social, SEO/SEM all driving to a dedicated landing page on hiltonheadisland.org. In Addition, we will host an out-market contest enticing our foodie potential visitors to show us their culinary skills in an effort to win a culinary experience with one of the destinations top Chefs.

REVENUES:

TOWN OF HILTON HEAD ISLAND:	<u>\$30,000</u>
Culinary Promotion	\$30,000

4. Festival & Events Promotion

Hilton Head Island is an amazing destination three hundred and sixty-five days a year. There is an experience to be had during every season, from PGA Tour tournament golf, to classic cars and vintage aircraft, to music performances and oyster roasts, along with our rich history and culture. The Visitor and Convention Bureau has made a consistent effort to partner with the island's marquee events and in partnership implement a marketing campaign that helps add additional brand exposure in identified out-markets.

Our strategy for the past several years has been focused on marketing fall, winter and early spring travel. Our efforts have proven positive, resulting in increased visitation to the island and an increase in occupancy year-over-year. To ensure our growth trajectory within these timeframes the chamber will continue to grow partnerships through enhanced marketing initiatives and programs. Growing this platform allows us to continue to speak directly to the consumer about the events and festivals that take place on Hilton Head Island.

Strategy

The fall, winter, and early spring timeframe on Hilton Head Island plays host to many Lowcountry events and festivals. To grow our marketing initiative for travel during the fall and winter seasons to Hilton Head Island. We are requesting funding to highlight these partner events that occur within the fall, winter and early spring timeframe. These events and festivals, content, imagery and URL's, will live within our destination website and on a dedicated landing page for each partner.

The requested funding will allow for creation of assets dedicated to the fall, winter and early spring campaigns to targeted fly and drive markets.

2018 Partners and Events:

- Gullah Celebration
- Hilton Head International Piano Competition & Bravo Piano!
- Wine & Food Festival
- Heritage Foundation, RBC Heritage
- Island Rec Center Events
- Hilton Head Island Motoring Festival & Concours d'Elegance

Media Execution

- Individualized marketing campaign created for each partner
- Visitor & Convention Bureau assets, PR outreach and strategic media partners
- Strategic flow of message across the various touch points

Website

- Build out of website enhancements
- Dedicated landing page(s)
- Review and refresh of imagery and video content

Search Engine Marketing (SEM)

- SEM, dedicated campaign to promote and drive qualified traffic
- Keyword initiative to strength terms associated with identified events and festivals

Display

- Dedicated funding
- Creation of assets, co-branded
- Focus on affinity audiences, in-market audiences and demographic targeting

Paid Social Media (compliment to our organic social media)

- Implement paid initiatives that target geographic, demographic, interest, behavioral and Remarketing
- Festival and event specific imagery and video
- Sweepstakes and contests enticing travel during this timeframe

E-newsletter

- Enhancing the fall and winter newsletter communications to our Hilton Head Insider database
- Template enhancements to allow for video and imagery inclusion

Targeted Media Buys and Public Relations

- Targeted print and digital media buys with publications that speak to the breadth of consumers we attract, e.g. Southern Living, Conde Nast, Garden & Gun, Local Palate, Smithsonian, AJC, etc.
- Incorporating this enhanced fall, winter, and early spring story into our media pitches, desk side appointments, curating our bloggers and writers that visit the destination

REVENUES:

TOWN OF HILTON HEAD ISLAND: **\$50,000**
Festival and Events Promotion: **\$50,000**

5. Accolade Marketing Initiative

The accolades and recognition received by the destination in the last year alone have been outstanding. Being Named the #1 island in the Continental U.S., a second year in a row, by *Travel+Leisure* readers and the #2 island in the world is not only a tremendous third-party endorsement of Hilton Head Island—it’s a travel influencer.

Accolades such as this are a powerful force in marketing. Being named as Best Beaches in South Carolina by *Coastal Living* magazine, or being on *Yahoo’s* top 50 list of Best Beaches in America builds brand credibility and further validates our brand messaging via a third party. Accolades such as this are a powerful form of “word of mouth” recommendation and one that we should continue to capitalize on for maximum impact with potential travelers.

The destination is afforded the unique opportunity to utilize these endorsements as an important ancillary component to our overall marketing efforts.

We are seeking funding to promote these accolades as well as those received throughout the coming year on a variety of platforms including digital, social, PR and print outreach. This request would be in addition to our DMO media buys that we plan at the beginning of the year.

Many destinations would love to garner the outpouring of recognition we’ve received and continue to receive from trusted sources in travel. The destination is afforded the unique opportunity to advance our brand via accolade marketing and communicate to consumers that Hilton Head Island is a credible and worthy vacation experience.

Today’s travelers, especially those upscale, shoulder-season travelers we target and covet, have a myriad of destination choices. To further amplify our voice utilizing these tremendous endorsements will not only continue to tell our brand story in a positive way, they serve to leverage our overall marketing in a significant way and drive awareness and visitation to Hilton Head Island.

REVENUES:

TOWN OF HILTON HEAD ISLAND:	\$100,000
Accolade Marketing Initiative:	\$100,000