

## TOWN COUNCIL

### STAFF REPORT

#### Finance & Administration Department



<b>MEETING DATE:</b>	June 13, 2023
<b>PROJECT:</b>	Consideration of Accommodations Tax Advisory Committee Funding Recommendations for Quarter Ending March 31, 2023 (Fiscal Impact – <b>\$244,628</b> )
<b>PROJECT MANAGER:</b>	Natalie Majorkiewicz, CGFO, Director of Finance & Administration

#### REQUEST:

Town Staff requests Town Council to consider the Accommodations Tax Advisory Committee's (ATAC) recommendations for grant awards as presented below:

Requesting Organization	Amount Requested	Amount Recommended
<b>Society of Bluffton Artists:</b> Promoting the Arts in the Lowcountry and Beyond	\$ 15,000	\$ 15,000
<b>Hilton Head Symphony Orchestra:</b> 2023 Bluffton Concerts	48,628	48,628
<b>Historic Bluffton Foundation:</b> Welcome Center at the Heyward House	150,000	150,000
<b>Bluffton MLK Observance Committee:</b> Bluffton 8 <sup>th</sup> Annual Juneteenth Celebration	20,000	20,000
<b>BlacQuity SC:</b> BlacQuity Oyster Roast – <i>Presented as Roots &amp; River Festival</i>	28,135	11,000
<b>Total for the Quarter</b>	<b>\$ 261,763</b>	<b>\$ 244,628</b>

#### BACKGROUND:

In accordance with the grant process, the Accommodations Tax Advisory Committee (ATAC) held a meeting on May 16, 2023 to review the quarterly applications. There were five (5) applications to review and make recommendations of funding to Town Council.

#### **Funds Currently Available for Distribution:**

When comparing the estimated State and Local Accommodations Tax collections for the quarter ending March 2023 to the same quarter of last year, the revenues are down \$238,400.05 or approximately 43.7%. Timing in receipt and processing is contributing to some of the decrease.

Total estimated State and Local Accommodations Tax funds currently available for distribution are \$2,781,156 as outlined in the following chart:

<b>State ATAX</b>		<b>Local ATAX</b>	
Remaining from Previous Qtr.	\$ 195,197	Remaining from Previous Qtr.	\$ 2,435,814
3 <sup>rd</sup> Quarter Revenue	144,102	3 <sup>rd</sup> Quarter Revenue	163,282
First \$25k to General Fund*	N/A	51% to Town of Bluffton CIP	(75,799)
5% to General Fund	(7,205)	Disaster Recovery Designation	(1,633)
30% to DMO	(43,231)	8% to DMO	(13,063)
		10% to Town of Bluffton Gen. Fund	(16,328)
<b>Total State ATAX Funds Remaining for Distribution</b>	<b>\$ 288,863</b>	<b>Total Local ATAX Funds Remaining for Distribution</b>	<b>\$ 2,492,293</b>

\* First \$25k taken in 1<sup>st</sup> Quarter of Fiscal Year and Not Applicable (N/A) to the remaining quarters.

#### **Funds Requested for Distribution:**

**□ Society of Bluffton Artists (SoBA) requested \$15,000 in support of advertising and promotion of tourism for Promoting the Arts in the Lowcountry and Beyond.**

- The gallery/education center is located at 6 Church Street in Old Town Bluffton and is currently going through a rebranding process to update its logo.
- To grow media presence and expand advertising of monthly and seasonal community arts events and activities offered.
- Eligible “tourism-related expenditures” include:
  - “Advertising and promotion of tourism” is budgeted at \$30,000 for regional marketing via weekly ads in local newspapers, area map, Chamber Vacation Planner, online magazines and social media outlets, ads in LOCAL LIFE Magazine, rack cards placed at hotels and airports, posters, website fees, and Google ads.

The committee voted to recommend a total award of \$15,000 presented in the chart below:

<b>Promoting the Arts in the Lowcountry and Beyond</b>	<b>Total Budget</b>	<b>Recommended ATAX Grant (50% of project budget)</b>
Advertising and Promotion of Tourism:	\$ 30,000	\$ 15,000
<b>Total</b>	<b>\$ 30,000</b>	<b>\$ 15,000</b>

**□ Hilton Head Symphony Orchestra requested \$48,628 to support advertising and promotion of tourism and facilities for civic and cultural events for the 2023 Bluffton Concerts.**

- There are two events scheduled; the Outdoor Pops concert in October 2023 to coincide with the Historic Arts & Seafood Festival and a Holiday Pops concert held on November 25, 2023 at St. Gregory the Great Catholic Church.
- The project is a continuation of the long-range goal of regular, annual concerts presented in Bluffton.

- Eligible “tourism-related expenditures” include:
  - “Advertising and promotion of tourism” is budgeted at \$18,000.
  - “Promotion of the Arts & Cultural Events” is budgeted at \$3,500.
  - “Facilities for cultural events” is budgeted at \$27,128 for stage and tent rentals.

The committee voted to recommend a total award of \$48,628 presented in the chart below:

2023 Bluffton Concerts	Total Budget	Recommended ATAX Grant (54% of project budget)
Advertising and Promotion of Tourism:	\$ 18,000	\$ 18,000
Promotion of the Arts & Cultural Events	30,605	3,500
Facilities for Civic & Cultural Events	29,603	27,128
Project Expenses	11,731	N/A
<b>Total</b>	<b>\$89,939</b>	<b>\$48,628</b>

N/A – Not Applicable

□ **Historic Bluffton Foundation (HBF) requested \$150,000 to support the Welcome Center at the Heyward House.**

- The Heyward House serves as the Town of Bluffton’s official Welcome (Visitors) Center.
- The request of \$150,000 is approximately 84% of the Welcome Center’s budget and 53% of the entire HBF budget.
- This year’s request is \$25,000 or 14% less than last year’s annual request of \$175,000.
- Total visitors for FY2022 was 16,423 with approximately 88% of those being from out of town.

Below is a comparison of the Welcome Center’s FY2023 and FY2024 budgets:

Bluffton Welcome Center	FY2023 Budget	FY2023 ATAX Award	FY2024 Budget	FY2024 Recommended ATAX Award 53%	% Increase/ (Decrease) in ATAX Awards
Salaries and Benefits:	\$ 130,000	\$ 107,000	\$ 110,000	\$ 93,325	(13%)
Mortgage, Insurance & Utility Costs:	29,000	21,950	32,000	29,750	36%
Events/Programs:	2,000	2,000	1,250	1,250^	(38%)
Advert. & Marketing:	6,500	6,500	10,250	10,250^	58%
Equipment Upgrades:	3,000	2,550	500	425	(83%)
Contract Services:	29,800	15,000	18,700	15,000	0%
Other:	8,200	-	6,400	-	0%
Capital Improvements:	25,000	20,000	-	-	100%
<b>Total</b>	<b>\$ 233,500</b>	<b>\$ 175,000</b>	<b>\$ 179,100</b>	<b>\$ 150,000</b>	<b>(14%)</b>

^ Notes items funded at 100% while others are funded based on percentage of tourism. N/A – Not Applicable

- Eligible “tourism-related expenditures” include:
  - “Advertising and promotion of tourism” is budgeted at \$10,250.
  - “Arts & Cultural Events” is budgeted at \$1,250 for tours and events.
  - “Operating Visitor Information Center” remaining amount requested is \$138,500 and qualifies per SC Revenue Ruling #98-22, *“expenditures that will qualify under this category are any monies spent to operate and maintain centers whose primary purpose is to provide information, brochures, and other services to tourist.”*
    - Operating Expenses of \$138,500 include personnel, mortgage and utilities, equipment upgrades and contract services for the Heyward House.

The committee voted to recommend a total award of \$150,000 presented in the chart below:

Welcome Center at the Heyward House	Total Welcome Center Budget	Recommended ATAX Grant (approx. 84% of project budget)
Advertising and Promotion of Tourism:	\$ 10,250	\$ 10,250
Arts & Cultural Events:	1,250	1,250
Operating Visitor Information Center:	167,600	138,500
<b>Total</b>	<b>\$ 179,100</b>	<b>\$ 150,000</b>

- **Bluffton MLK Observation Committee requested \$20,000 to support advertising and promotion of tourism, facilities for civic and cultural events, municipality services, and tourist transportation for Bluffton Juneteenth Celebration, with ATAC recommending \$20,000.**

- This event is scheduled to be held June 16 - 18, 2023 at the Burnt Church Distillery.
- The project is aimed at bringing overnight guests to the event with it being held over a weekend.
- Eligible “tourism-related expenditures” include:
  - “Advertising and promotion of tourism” \$10,000 recommended.
  - “Facilities for cultural events” \$5,000 for stage and tent rentals.
  - “Municipality services” \$3,600 based upon % of tourist attendance.
  - “Tourist transportation” \$1,400 based upon % of tourist attendance.

The committee voted to recommend a total award of \$20,000 presented in the chart below:

Bluffton Juneteenth Celebration	Total Budget		Recommended ATAX Grant (40% of project budget)
Advertising and Promotion of Tourism:	\$ 13,500		\$ 10,000
Facilities for Civic & Cultural Events:	18,500		5,000
Municipality Services:	5,000	*	3,600
Tourist Transportation:	3,000	*	1,400
Project Expenses:	10,000		N/A
<b>Total</b>	<b>\$ 50,000</b>		<b>\$ 20,000</b>

\* Based on percentage directly related to tourist attendance

N/A – Not Applicable

❑ **BlacQuity SC requested \$28,135 to support advertising efforts for the updated Roots & River Festival project.**

- This is the first request from BlacQuity for an event to be held on September 9, 2023 at Oyster Factory Park from 4 pm-9 pm.
- The original total budget for the oyster roast project was \$67,925 with approximately 41% or \$28,135 requested. During the ATAC, the project presented was amended from an oyster roast to a Roots & River Festival.
- Due to the change in scope and budget, ATAC recommended BlacQuity submit an amended application by the upcoming June 30, 2023 quarterly deadline to request any additional allowable expenses.
- ATAC recommended \$11,000 advertising and promotion for the updated Roots & River Festival presented and not for any branding expenses.

**The committee voted to recommend a total award of \$11,000 as presented in the chart below:**

<b>Roots &amp; River Festival</b>	<b>Total Budget*</b>	<b>Recommended ATAX Grant</b>
Advertising and Promotion of Tourism:	\$ 17,000*	\$ 11,000
Project Expenses:	TBD	N/A
<b>Total</b>	<b>\$ 17,000*</b>	<b>\$ 11,000</b>

N/A – Not Applicable

\*ATAC requested an updated budget for the Roots & River Festival

**NEXT STEPS:**

Town Staff will notify organizations of award amount and requirements.

**SUMMARY:**

Below are the applications received for quarter ending March 31, 2023 and ATAC's recommendation for each:

<b>Requesting Organization</b>	<b>Amount Requested</b>	<b>Amount Recommended</b>
<b>Society of Bluffton Artists:</b> Promoting the Arts in the Lowcountry and Beyond	\$ 15,000	\$ 15,000
<b>Hilton Head Symphony Orchestra:</b> 2023 Bluffton Concerts	48,628	48,628
<b>Historic Bluffton Foundation:</b> Welcome Center at the Heyward House	150,000	150,000
<b>Bluffton MLK Observance Committee:</b> Bluffton Juneteenth Celebration	20,000	20,000
<b>BlacQuity SC:</b> Roots & River Festival (formerly Oyster Roast)	28,135	11,000
<b>Total for the Quarter</b>	<b>\$ 261,763</b>	<b>\$ 244,628</b>

**ATTACHMENTS:**

1. Presentation
2. ATAC draft meeting minutes from May 16, 2023
3. Society of Bluffton Artists: Promoting the Arts in the Lowcountry and Beyond Grant Application
4. Society of Bluffton Artists: Promoting the Arts in the Lowcountry and Beyond ATAC Staff Report
5. Hilton Head Symphony Orchestra: 2023 Bluffton Concerts Grant Application
6. Hilton Head Symphony Orchestra: 2023 Bluffton Concerts ATAC Staff Report
7. Historic Bluffton Foundation: Welcome Center at the Heyward House Grant Application
8. Historic Bluffton Foundation: Welcome Center at the Heyward House ATAC Staff Report
9. Bluffton MLK Observance Committee: Bluffton Juneteenth Celebration Grant Application
10. Bluffton MLK Observance Committee: Bluffton Juneteenth Celebration ATAC Staff Report
11. BlacQuity SC: BlacQuity Oyster Roast Grant Application
12. BlacQuity SC: BlacQuity Oyster Roast ATAC Staff Report
13. ATAC Scoring Table Rating Matrix
14. Previously Funded Grant Listing
15. Recommended Motions