

## TOWN COUNCIL

### STAFF REPORT

#### Finance & Administration Department



<b>MEETING DATE:</b>	March 11, 2025
<b>PROJECT:</b>	Consideration of Accommodations Tax Advisory Committee Funding Recommendations for Quarter Ending December 31, 2024
<b>PROJECT MANAGER:</b>	Chris Forster, MPA, CPFO, CGFM, Assistant Town Manager

#### **REQUEST:**

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

<b>Requesting Organizations</b>	<b>Requested Amount</b>	<b>Recommended Amount</b>
<b>The Rotary Club of Bluffton:</b> MayFest Weekend in Bluffton	\$ 24,000	\$ 24,000
<b>Total for the Quarter</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>

#### **BACKGROUND:**

In accordance with the grant process, the Accommodations Tax Advisory Committee (ATAC) held a meeting on February 18, 2025 to review the quarterly applications. Three (3) applications were submitted for the December 31, 2024 deadline with only The Rotary Club of Bluffton having a recommendation for support by ATAC.

Historic Bluffton Foundation submitted an application for a Spring Tour of Homes requesting \$3,000 in support and a separate application requesting \$40,000 to support the Heyward House from April through June 2024. Historic Bluffton Foundation requested both applications submitted be withdrawn for consideration.

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

When comparing the State Accommodations Tax collections for the quarter ending December 2024 to the same quarter of last year, the revenues are up \$42,430 or approximately 18.5%.

Total estimated State Accommodations Tax funds currently available for distribution are \$706,350 as outlined in the following chart:

State ATAX	
Remaining from Previous Quarters	\$ 524,084
2 <sup>nd</sup> Quarter Revenue	289,489
First \$25k to General Fund*	N/A
5% to General Fund	(14,474)
30% to DMO	(86,847)
15% to Town of Bluffton – Housing	(43,423)
Lapsed Grants	37,521
<b>Total State ATAX Funds Remaining for Distribution</b>	<b>\$ 706,350</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:

❑ **The Rotary Club of Bluffton requests \$24,000 to support advertising and promotion of tourism, facility support, and trolley services for MayFest Weekend in Bluffton.**

- The total budget for the project is \$43,780 with approximately 26% or \$24,000 being requested.
- Mayfest will be held on the Saturday of Mother's Day weekend each year from 10 a.m. – 5 p.m. Food, music, craft and artisan vendors line the streets to celebrate the quirky, eclectic, different and unique people and identity of Bluffton.
- Tourists comprised 25% of the 2024 Mayfest Event attendees; zip codes were collected on the shuttles.

**Britt motioned to award \$18,880 with ability to increase up to full ask of \$24,000. Garibaldi seconded. The motion failed with a 0-5 vote. Britt motioned recommending an award of \$24,000 and seconded by Garibaldi. The motion carried unanimously as presented in the chart below:**

Eligible Tourism-Related Expense Categories (per SC Code of Laws)	Total Budget for Category		Budget Items Recommended for ATAX Funds
Advertising & Promotion of Tourism or Arts and Cultural Events	\$15,080		\$ 15,080
Facilities for Civic and Cultural Events	3,000		3,000
Public Facilities	1,700	*	595
Municipality and County Services	7,500	*	2,925
Tourist Transportation	6,000	*	2,400
Other/Ineligible Project Expenses	10,500		-
<b>Total</b>	<b>\$ 43,780</b>		<b>\$ 24,000</b>

\* Reimbursement will be based on the estimated percentage of tourist attendance

**NEXT STEPS:**

Town Staff will notify organizations of award amount and requirements.

**SUMMARY:**

Below are the applications received for quarter ending December 31, 2024 and ATAC's recommendation for each:

<b>Requesting Organizations</b>	<b>Requested Amount</b>	<b>Recommended Amount</b>
<b>Historic Bluffton Foundation:</b> Spring Tour of Homes	\$3,000	Withdrawn
<b>Historic Bluffton Foundation:</b> Heyward House Museum (Q4 FY2025)	40,000	Withdrawn
<b>The Rotary Club of Bluffton:</b> MayFest Weekend in Bluffton	24,000	24,000
<b>Total for the Quarter</b>	<b>\$ 67,000</b>	<b>\$ 24,000</b>

ATAC also recommends adding language pertaining to operation expenses for facilities for civic and cultural event to the current guidelines. The recommendation is as follows:

- Adding personnel expenses, to include salaries and wages, as ineligible tourism-related expenditures to the Notes and Guidelines section of the Town of Bluffton's Accommodations Tax Application.
- Capping operational expenditures related to cultural and civic facilities to no more than 25% annually or at the documented annual percentage of tourist attendance, whichever is less, with the maximum annual amount not to exceed \$50,000.

**ATTACHMENTS:**

1. ATAC draft meeting minutes from February 18, 2028
2. The Rotary Club of Bluffton: MayFest Weekend in Bluffton Grant Application
3. The Rotary Club of Bluffton: MayFest Weekend in Bluffton ATAC Staff Report
4. ATAC Scoring Table Rating Matrix
5. Previously Funded Grant Listing
6. ATAC Guideline Recommendation for Cultural and Civic Facilities
7. Revenue Ruling 98-22
8. TERC Further Clarification
9. ATAX Application Instructions
10. Recommended Motions