

ACCOMMODATIONS TAX ADVISORY COMMITTEE

STAFF REPORT

Department of Finance & Administration



MEETING DATE: February 20, 2024
 SUBJECT: Old Town Bluffton Merchants Society: Bluffton as a Destination
 PROJECT MANAGER: Shannon Milroy, Budget, Grants & Procurement Administrator

Summarized below is the application from The Old Town Bluffton Merchants Society for Accommodations Tax grant dollars in support of advertising and promotion for the "Bluffton as a Destination" initiative.

Total Budget: \$46,350
Requested Amount: \$28,500
Percentage of Request^: 61%

^Includes up to 100% for Advertising & Promotion plus up to 50% of remaining expenses

| 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 | \$36,750 | | \$ 28,500 |
| Facilities for Civic and Cultural Events | - | | |
| Public Facilities | - | | |
| Municipality and County Services | - | * | |
| Tourist Transportation | - | * | |
| Other/Ineligible Project Expenses | 9,600 | | |
| Total | \$46,350 | | \$ 28,500 |

*Reimbursement will be based on the estimated percentage of tourists provided for

Budgeted Eligible Expenses:

Advertising & Promotion:

Total budget \$36,750

- Print and Digital Advertising (\$22,350), Tourist Maps (\$6,900), Radio (\$1,500), and Social Media (\$6,000)

Other/Ineligible Project Expenses:

Total Budget: \$9,600

- Insurance costs, professional fees, web hosting and updating, and miscellaneous event expenses

Table Rating (Scores 0-5 with 5 satisfying the qualifications best, exception Advertising 0-15)

| Amount Recommended | Advertising (15) | Tourism Draw % (5) | Benefit to Tourism (5) | Self-Sufficiency % (5) | Misc. (10) | Total of 40 possible | Comments |
|--------------------|------------------|--------------------|------------------------|------------------------|------------|----------------------|----------|
| \$28,500 | 12 | 4 | 4 | 2 | 9 | 31 | |

Advertising: Comprises 100% of the requested funds. Specific markets, publications or other vehicles of promotion were not indicated in the application.

Tourism Draw %: Special Events attract a 53/47 ratio of visitors to residents and Art Walks consistently show 45-50% attendees from outside the Bluffton/Hilton Head area. Surveys, zip code collection and guest registry logs of many shops and galleries show attendees from more than 30 different states and Canada.

Benefit to Tourism: The project is designed to focus on Bluffton as a separate entity from Hilton Head Island. Merchants show a marked increase in tourist traffic throughout their stores, restaurants, and galleries.

Self-Sufficiency % (Financial Need): Eligible amount requested is 61% of total budget. Anticipated revenue of \$21,000 from membership dues and \$9,600 from website ad space.

| Previous Funding Amounts | | | | | | |
|--------------------------|------------------|-------------|-----------------------------------|-----------------------|-------------|---|
| Fiscal Year | Requested Amount | % of Budget | Advisory Committee Recommendation | Town Council Approved | Expended | Comments |
| 2023 | \$14,000 | 51% | \$14,000 | \$14,000 | \$5,070.00 | Final Report submitted; Final reimbursement not yet requested |
| 2022 | \$16,000 | 49% | \$16,000 | \$16,000 | \$10,837.65 | |
| 2021 | \$25,000 | 55% | \$22,600 | \$22,600 | \$6,955.70 | |

Accommodations Tax Committee Recommendations and Comments:

The Committee recommends funding \$28,500 for advertising and promotion expenses.