



Accommodations Tax Advisory Committee

1:00 p.m., Monday, June 20, 2022

Council Chambers

1207 Palm Boulevard

Isle of Palms, South Carolina

Public Comment:

Citizens may provide public comment here:

<https://www.iop.net/public-comment-form>

Agenda

1. **Call to Order** and acknowledgment that the press and the public had been duly notified of the meeting in accordance with the Freedom of Information Act.
2. **Approval of Previous Meeting's Minutes** - April 13, 2022
3. **Financial Statements** – Debbie Suggs, City Treasurer
4. **Old Business**
Discussion and consideration of request for ATAX funding from the IOP Chamber of Commerce for website development
5. **New Business**
 - a. Discussion of proposed FY23 budget from the Charleston Visitors Bureau for the City's 30% state ATAX funds for tourism promotion and advertisement
 - b. Discussion of standardizing the grant application process for state ATAX funds
6. **Miscellaneous**
Date of next meeting: 11:00 a.m., _____, 2022.
7. **Executive Session**
8. **Adjournment**



ACCOMMODATIONS TAX ADVISORY COMMITTEE

11:00am, Thursday, April 7, 2022

1207 Palm Boulevard, Isle of Palms, SC and

broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>

MINUTES

1. Call to order

Present: Doug Truslow, Ray Burns, Glenda Nemes, David Nelson, Sally Muhlig

Absent: Malcolm Burgiss

Staff Present: Administrator Fragoso, Treasurer Suggs

2. Election of Chair and Vice Chair

Mr. Truslow nominated Mr. Burns as Chair of the ATAX Committee. Mr. Nelson seconded the nomination. There being no other nominations, a vote was taken with all in favor of Mr. Burns as Chair of the ATAX Committee.

Ms. Nemes nominated Mr. Truslow as Vice Chair of the ATAX Committee. Mr. Burns seconded the motion. There being no other nominations, a vote was taken with all in favor of Mr. Truslow as Vice Chair of the ATAX Committee.

3. Approval of the previous meetings' minutes – January 19, 2022

MOTION: Mr. Burns made a motion to approve the minutes. Mr. Nelson seconded the motion.

Ms. Nemes asked that the word "all" be added in front of "legal advice" in her comments about Executive Session.

VOTE: The amended minutes passed unanimously.

MOTION: Mr. Burns made a motion to change the order of the agenda to allow for the funding considerations to be heard first. Mr. Truslow seconded the motion. The motion passed unanimously.

4. New Business

A. Discussion and consideration of request for ATAX funding from the IOP Chamber of Commerce for website Development

Katrina Limbach, founding president of the Isle of Palms Chamber of Commerce, gave a history of the formation of the Chamber, the work of the Board to date, and shared the mission and vision statements of the Chamber of Commerce. Their objectives for the first year include creating a brand, acting as a conduit between the City and business owners, and to become a resource for local businesses to better connect with the community. She also shared previous work of the agency (Blue Ion) they have selected to build their website. They are asking for \$10,000 towards that expense.

Ms. Nemes said she believes their request to be “misplaced” and the Chamber should ask the CVB for the funding of their website. She said that the Chamber of Commerce will include members who are not tourism-related businesses “so I think the people who are collecting and contributing need to be highly represented when we give grants.”

Mr. Burns asked if the Chamber of Commerce intends to become a DMO and contend for the 30% ATAX funds. Ms. Limbach said yes but added that the best way forward is a good working relationship with the CVB. Mr. Burns said the taxpayers deserve a committee that is “cross functional” to where it represents all of the City. He does not want to see another CVB.

Administrator Fragoso said, “I think there are two issues. The request that is coming before the Committee is not to bless or somehow legitimize the IOP Chamber of Commerce as the City’s new DMO. They are not arguing or requesting that. They are requesting for a specific initiative that fits within the tourism-related expenditures that is allowable with the 65% funds that the City holds. I just want to clarify, and if I am not mistaken, that this is a request for a specific initiative that ultimately will promote tourism through the generation of publicity for the island.

Mr. Burns and Mr. Nelson agreed it was a legitimate use of ATAX monies. Administrator Fragoso said the Chamber would have to go through a different process to seek approval as the City’s DMO.

Mr. Sandy Stone, founding Treasurer of the Chamber of Commerce, said that the Chamber will be a member-driven organization that will determine the direction of the works of the Chamber. That direction and the needs of the community will change over time.

Ms. Limbach said the CVB will be paying the remaining \$25,000 of the website costs directly to the Blue Ion Agency for the website. She said the request before the ATAX Committee was at the suggestion of several members of the community and City Council, and “we said we would do our due diligence in trying to fund as best we can by ourselves that we didn’t feel or it didn’t appear that we were fully funded by them because we could see that appearing like we were not independent.”

Administrator Fragoso noted, “We receive requests like this or questions about sources of funding and certainly this seemed to us like something very appropriate for funds from the 65%,”

particularly the allotment that City Council approves every year for \$50,000 for programs and sponsorships such as this throughout the year. So yes, it was made as a recommendation that they come forward with the request and certainly be available to answer questions about how they would plan to use this money for the generation of publicity and increased tourism activity on the island.”

MOTION: Mr. Nelson made a motion to approve, and Ms. Muhlig seconded the motion.

Mr. Truslow said that in light of recent statements by TERC he would like more time to consider this request. Ms. Nemes added that they have presented no metrics about putting “heads in beds.” She also said their membership will include bars, and ATAX monies are not to be used for alcohol-related events. She noted their application did not include any insurance. She added that ATAX monies are already paying the CVB for the development of an IOP-specific website.

Mr. Stone said insurance is not needed since they are not an event. Ms. Limbach added that anyone can be a member of the Chamber, not just business owners. Ms. Muhlig indicated that the Lowvelo event will likely serve alcohol and that many ATAX funding requests are for events that serve alcohol.

Mr. Burns agrees there is a tourism component to their request, but he would like to delay the vote so they can receive further advice about funding local chambers of commerce.

Administrator Fragoso said that website initiatives have been supported in the past, but she can get some more information.

MOTION: Mr. Truslow made a motion to table the discussion to allow more time for research. Ms. Nemes seconded the motion. A vote was taken as follows:

Ayes: Nemes, Truslow, Burns

Nays: Nelson, Muhlig

The motion passed.

B. Discussion and consideration of request for ATAX funding from MUSC Hollings Cancer Center for Lowvelo Bike Ride at IOP on November 5, 2022

Rachel Haynie, Event Manager for Lowvelo gave a presentation about the intents and purposes of Lowvelo and provided specific metrics about last year’s events, specifically that 24% of the participants were from outside the tri-county area. She also spoke about their efforts to attract more people from outside the area as well as focusing on ways to better include local businesses and residents in the event. She did not have information detailing how many people stayed on the Isle of Palms last year, but they will include such questioning in this year’s after-action survey. They would like to partner with local businesses to increase the chances of more people staying on the island.

Ms. Nemes said ATAX money is not for fundraisers and must be used for advertising. Ms. Haynie said the Isle of Palms was a sponsor last year and they partner with the CVB to promote the event.

Mr. Truslow suggested there was an issue with the 990s and wanted to ensure there are no financial pass throughs to other organizations. Ms. Haynie said the money stays with Lowvelo.

Ms. Nemes said a review of their budget shows Lowvelo paying other organizations for services that the City is providing them for free. Administrator Fragoso said that the City's Police Department does provide services to them, and Lowvelo also hires extra security.

MOTION: Mr. Burns made a motion to approve, and Mr. Nelson seconded the motion.

MOTION: Mr. Truslow made a motion to amend to have City Council ensure there are no pass throughs before giving money to Lowvelo. Ms. Nemes seconded the motion.

Administrator Fragoso said there is no mechanism in place for City Council to ensure that.

VOTE: A vote was taken on the motion to amend as follows:

Ayes: Nemes, Truslow

Nays: Burns, Nelson

The motion failed.

VOTE: A vote was taken on the original motion as follows:

Ayes: Burns, Nelson, Truslow

Nays: Nemes

The motion passed.

5. Financial Statements – Treasurer Suggs

Treasurer Suggs said there is \$2.6M in cash in ATAX funds as of March 31, 2022. She reviewed the expenditures through March 31, 2022.

She shared a spreadsheet detailing the history of State ATAX distributions to the City over time. She said, "We use this schedule as kind of a basis for estimating what we think is going to happen for FY23. We rely heavily on historical trends."

6. Old Business - none

7. New Business

C. Discussion and consideration of FY23 proposed State ATAX budget

Administrator Fragoso conducted a line-by-line review of the proposed FY23 State ATAX budget for the Committee. She said City Council has seen the budget and will be discussing it further at the April Ways & Means Committee meeting. This is the second draft of the budget and includes changes made by City Council at the Budget Workshop.

The Committee would like to see language included in the notes that matches State law allowing City Council to consider making a change to the current DMO.

MOTION: Mr. Burns made a motion to recommend the approval of the FY23 State ATAX budget to City Council. Mr. Truslow seconded the motion.

Mr. Truslow said he does not feel that 14 minutes is enough time to review and approve the budget. He said TERC said the ATAX Committee should not be “a rubber stamp.” He does not want to vote on something he had not part in preparing.

VOTE: A vote was taken as follows:

Ayes: Burns, Nelson

Nays: Nemes, Truslow

The motion failed.

D. Discussion of ATAX Committee’s roles and responsibilities

Mr. Burns reviewed the responsibilities of the ATAX Committee: to review and vote on approval of the budget of planned expenditures, review expenditures of the DMO at the end of the fiscal year, to review grant applications, and work on special projects as assigned by City Council. The City completes the reporting to TERC on behalf of the ATAX Committee.

Ms. Nemes read a letter dated January 21, 2022 from Mayor Philip Pounds to the members of the ATAX Committee thanking them for the work they had done over the past few months looking into potential alternatives for the allocation of tourism promotion dollars. He encouraged the Committee to return “to its intended purpose of reviewing applications of funds for tourism-related expenses.” Ms. Nemes said she believes the letter creates “total confusion” because it is “in conflict with State regulations.”

Administrator Fragoso said, “At the time that that letter was written, the Committee had already rejected the CVB’s review of their proposed FY22 budget which is something that the TERC committee recently changed and requested local tax advisory boards to look at. That had already been done. The FY22 budget that you all, just like we did today, review and make a recommendation on that had already been approved. Therefore, the remaining tasks that the Committee had for the remainder of the fiscal year essentially is review the programs and sponsorship allocations, which you heard two of them.”

Ms. Nemes would like to see the ATAX Committee have a more active role in the preparation of the budget.

Administrator Fragoso explained that it is the role of the City Administrator to prepare a budget and present the proposed budget to City Council for review, changes, additions, and deletions. She went on to explain the budget formation process at the staff level. Each City committee is asked for their input as well.

Ms. Nemes said she does not feel the budget process allows for resident input. She would like for the Committee to survey the residents and find out what they want.

Administrator Fragoso said that if the Committee has requests, this meeting is the opportunity to bring those forward so they can be discussed with City Council. Mr. Burns said he has some ideas to share and they can be discussed at the next meeting.

Mr. Truslow said he would like to see Mayor Pounds retract his letter as it has the appearance of restricting the Committee.

8. **Miscellaneous Business**

8. **Adjournment**

Mr. Nelson made a motion to adjourn, and Mr. Burns seconded the motion. The meeting was adjourned at 1:27pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

**City of Isle of Palms
State Accommodations Tax
Balance Sheet
as of May 31, 2022**

	5/31/2021	5/31/2022
CASH @ BB&T	\$ (77,738)	\$ 34,048
CASH @ SC LOCAL GOVERNMENT INVESTMENT POOL	1,984,053	2,518,271
ACCOUNTS RECEIVABLE	-	-
AMOUNTS DUE FROM OTHER FUNDS	-	-
	<hr/>	<hr/>
TOTAL ASSETS	1,906,314	2,552,319
	<hr/>	<hr/>
ACCOUNTS PAYABLE	10,142	90,579
AMOUNTS DUE TO OTHER FUNDS	-	-
	<hr/>	<hr/>
TOTAL LIABILITIES	10,142	90,579
	<hr/>	<hr/>
FUND BALANCE Beginning	1,680,864	1,798,371
Excess Revenues Over/(Under) Expenditures	215,308	663,369
FUND BALANCE	1,896,172	2,461,740
	<hr/>	<hr/>
TOTAL LIABILITIES & FUND BALANCE	\$ 1,906,314	\$ 2,552,319
	<hr/>	<hr/>

City of Isle of Palms
State Accommodations Tax
Revenue Statement for the 11 Months Ending May 31, 2022
Fiscal Year Ending June 30, 2022

Date	Description	Total
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Revenues

September Quarterly Payment from State	1,258,679
December Quarterly Payment from State	507,590
March Quarterly Payment from State	246,742
June Quarterly Payment from State	-
YTD Interest Income	5,000

Grand Total	<u>2,018,011</u>
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State Accommodations Tax
Detailed Expense Statement for the 11 Months Ending May 31, 2022
Fiscal Year Ending June 30, 2022

		<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Description	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Public Restroom Operations					
Dominion	YTD electricity for restrooms	592	500		
IOP WSC	YTD water & irrigation	10,135	12,000		
Bltch, etc	YTD maintenance	5,762	45,080		
Port City Paper	YTD paper & cleaning supplies	8,791	7,500		
SCMIRF/Wright Flood	YTD property & flood insurance	7,585	7,000		
Quality Touch Cleaning	YTD cleaning	20,274	40,000		
IOP Payroll	YTD attendant	16,363	22,800		
		69,503	134,880		65,377
Beach Barrel & Front Beach Business District Trash Pickup					
JLG Enterprise LLC	YTD trash pickup per contract	75,412			
		75,412	85,000		9,588
Irrigation at Breach Inlet Sign					
IOP WSC	YTD irrigation	283			
		283	600		317
Beach Trash Barrels					
Zoro Tools	1 barrel	76			
		76	7,500		7,424
Repair 4500 linear feet of sidewalk in Front Beach Area					
		-			
		-	70,000	-	70,000
IOP website T-shirt Promo					
		-			
		-	15,000	-	15,000

State Accommodations Tax
Detailed Expense Statement for the 11 Months Ending May 31, 2022
Fiscal Year Ending June 30, 2022

		<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Description	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Charleston CVB - 30% Tourism Promotion Funds					
Charleston Area CVB	30% distribution for Sept Qtr	397,475			
Charleston Area CVB	30% distribution for Dec Qtr	160,292			
Charleston Area CVB	30% distribution for Mar Qtr	77,919			
Charleston Area CVB	30% distribution for Jun Qtr	-			
		635,685	675,474	-	39,789
Transfer to IOP Marina for 75% of Bond Debt Service					
Isle of Palms Marina Enterprise Fund		249,920	249,920	-	(0)
4th of July Fireworks - Year 2022					
Munnerlyn Pyrotechnics	deposit on 7/4/22 fireworks show	17,500			
		17,500	35,000	-	17,500
4th of July Fireworks - Year 2021 (cancelled due to Covid-19)					
	carryover from FY21			16,702	
Costco, Walmart, Sams	staff meal	798			
		798	-	16,702	15,904
Recreation Dept Replace or Add Playground Equipment as Needed					
8/10/21 Peggs Recreation	replace rusted part on Bongo equip	1,200			
		1,200	10,000	-	8,800
Sponsor Isle of Palms Beach Run (annually in July)					
IOP Rec Building Fund	annual sponsorship	-			
		-	3,000	-	3,000
Sponsor IOP Connector Run and Walk for the Child (annually in October)					
		-	7,500	-	7,500

State Accommodations Tax
Detailed Expense Statement for the 11 Months Ending May 31, 2022
Fiscal Year Ending June 30, 2022

		<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Description	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Music in the Park					
The Blue Plantation Band	deposit	400			
Lowcountry Bluegrass	deposit	1,000			
Amazon	supplies for event	72			
		1,472	4,000		2,528
Easter Egg Hunt					
		-	4,500		4,500
Fund Salary & Fringes for Police and all Beach Service Officers					
			201,137	-	201,137
Police Dept Body Armor					
Premier Body Armor	body armor less \$1092 SCMIT rebate	4,353			
		4,353	7,100		2,747
Replace 2 Police Patrol Vehicles					
East Coast 911 Upfitters	equipment for two Durango SUVs	19,530			
		19,530	82,000		62,470
Digital License Plate Reader for parking enforcement					
		-	50,000		50,000
Police Department - replace Low Speed Vehicle					
Baker Motor Company	Polaris GEM E2 LSV	16,933			
		16,933	17,000		67

State Accommodations Tax
Detailed Expense Statement for the 11 Months Ending May 31, 2022
Fiscal Year Ending June 30, 2022

		<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Description	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Fire Dept Debt Service on 75' Ladder Truck					
Truist Governmental Finance	debt service principal & interest	91,915			
		91,915	91,915		0
Fire Dept 1/3rd of SCBA equipment replacement					
Safe Industries	replace SCBA equipment	96,739			
		96,739	96,667		(72)
Fire Dept replace 1 Pickup Truck					
			42,000		42,000
Fire Dept Replacement ATV					
John Deere Company	2022 John Deere Gator ATV	18,882			
		18,882	25,000		6,118
Fund Salaries & Fringes for the Fire Department					
			157,334	-	157,334
Public Works - Replace z-track mower					
STI Turf Care Equipment	52 Inch Toro Z-Track Mower	8,174			
		8,174	15,000		6,826

State Accommodations Tax
Detailed Expense Statement for the 11 Months Ending May 31, 2022
Fiscal Year Ending June 30, 2022

	<i>A</i>	<i>B</i>	<i>C</i>	<i>B+C-A</i>
Vendor	Actual Expenditure	FY2022 Budget	Committee Approved	(Over)/ Under
Unexpended Projects/Miscellaneous				
2021 Carolina Coast Surf Club Surf Cam sponsorship	1,000		1,000	
2021 VFW Post 3137 sponsorship	15,000			
2021 MUSC Foundation/Lowvelo sponsorship	10,000			
2022 IOP Community Corp LENS Program sponsorship	10,000			
2022 MUSC Foundation/Lowvelo sponsorship	10,000			
Budget provision for expenditures recommended by Atax Committee		50,000		
Add/replace/maintain fixtures at Carmen Bunch Park	268	1,000		
Marina Public Dock		150,000		
Marina maintenance		50,000		
Miscellaneous/undesignated		1,500		
	46,268	252,500	1,000	207,232
Grand Total	1,354,643	2,340,027	17,702	1,003,086

City of Isle of Palms																				
SC State Accommodations Tax - Distribution of Funds Received																				

State Accommodations Tax Advisory Committee
Isle of Palms, South Carolina

Application for City of Isle of Palms ATAX Grant

For Office Use Only

Date Received: _____	Total Project Cost: _____
Total Accommodations Tax Funds Requested: _____	
Recommendation by City of IOP Staff (yes and if so amount ; no; defer to committee; n/a) : _____	
Action Taken By Accommodations Tax Advisory Committee:	
Date _____ Approved _____ Denied _____ Amended _____ Other _____	

(Please Use Additional Paper and Include Pertinent Documentation as May Be Needed)

A. Project Name: Isle of Palms Chamber of Commerce Website Development

B. Applicant Organization: Isle of Palms Chamber of Commerce

1. Mailing Address: 1304 Palm Blvd., Isle of Palms, SC 29451

Telephone: 843-224-7280 Email: sandy@islandrealty.com

2. Project Director: Katrina Limbach

Telephone: 810-531-3644 Email katrina@iopbeachchair.com

3. Description of Organization, Its Goals and Objectives:

The Isle of Palms Chamber of Commerce advocates to advance commerce by serving residents and guest by working with the marketing and web-site development team of Blue Ion.
Blue Ion is a full-service creative and digital marketing agency committed to helping visionary brands share the energy they're made of.

C. Description and Location of Project:

The development of the website by the Isle of Palms Chamber of Commerce with the help from the professional team of Blue Ion that currently hosts the Charleston CVB website and marketing will help to build a healthy economy for our businesses and improve the quality of life for residents and visitors.

☒ Single Event?

☐ Ongoing Event/Annual Need?

1. Date(s): of project/ event or start date: April 2022 Completion date: June 2022
2. Impact on Tourism: What percentage of persons benefitting from this project are tourists, ie. those coming from more than 50 miles away and expected to spend the night on Isle of Palms (25 %) compared to Isle of Palms residents (50 %) vs. visitors from within 50 miles such as “day trippers” (25 %)
Anticipated impact based on current market conditions. Once the website is running more data will be available to share with the community.
*Source of tourist data (website tracking, surveys, lodging data, sales information, etc.)
3. If this application is for an ongoing event, what is the percentage increase/decrease in tourist attendance compared to each of the past three years’ events? N/A
*Source of tourist data N/A
(website tracking, surveys, lodging data, sales information, etc.)
4. Is your event to be conducted entirely on Isle of Palms? yes If not, please set forth the percentage occurring on Isle of Palms, as well as the specific locations and the percentages occurring elsewhere.
5. To your knowledge, does anyone else promote projects similar to yours within the city limits of Isle of Palms? If so, how is your project similar and/or unique? Given the parameters, please explain why your project is entitled to City of Isle of Palms ATAX funding.
No, Currently, only the Charleston CVB, many of those visiting the site will be tourism guests
6. Set forth fully the successes and failures you have experienced for your proposed project for which you seek City of Isle of Palms ATAX funding for each of the past three years. Set forth the metrics by which you have

measured success for the past three years, as well as the metrics by which you will measure success for the current year's project/event on the City of Isle of Palms. Basing our need and success on the success of the CVB's website and individual licensed IOP businesses

7. Describe fully how and why your proposed project/event qualifies for City of Isle of Palms ATAX funding. The site will enhance the visitor's knowledge of businesses & events
8. If your project is granted City of Isle of Palms ATAX funding and realizes a profit, do you commit to returning the profit to the City of Isle of Palms? no profit
If not, please explain fully, to include what you will do with the money. **Note:** It is impermissible to donate or "pass through" City of Isle of Palms ATAX grants to any other organization, except as authorized by City of Isle of Palms. Further, the City of Isle of Palms does not approve of "carry forwards" of ATAX grants for use in ensuing years, absent extraordinary and compelling reasons in the sole discretion of the City of Isle of Palms. Excess funds must be returned to the City of Isle of Palms.
9. Please attach your budget reflecting the amounts and sources of all related income and donations from others for the project/event, as well as expenditures for each of the last three years. In addition, set forth projected income and expenses for this year's project/event, as well as all expenses, both incurred and paid, as well as projected.

D. Financial Justification ("heads on beds" and ancillary benefits)

1. Describe fully and provide relevant documentation for each of the past three years reflecting:
 - Where, as a specific result of your project/event, have tourists spent the night on Isle of Palms, ie. those incurring accommodations taxes for lodging. Include the lodging providers addresses phone numbers, rooms utilized, costs and nights stayed.
 - Where do you project tourists for this year's project to spend the night (ie. lodging for those expected to pay accommodations taxes, to include hotels, condos, house rentals, etc.)? What is the basis for your projection? As an illustration, you may set forth blocks of rooms in hotels that have been reserved, private lodging that has been booked or are expected to be booked, etc.

This is a start-up venture for the new Isle of Palms Chamber of Commerce. The budget is in development.

Additional monies for this website well be granted from its members and member sponsors.
2. Provide all additional economic and other relevant information justifying the grant of ATAX funding by City of Isle of Palms for your project/event, as well as your means of calculation. N/A
3. Set forth the number of tourists attending your project/event on the Isle of Palms for each of the past three years. Include where applicable all relevant documentation along with the methodology by which you have done your calculations.
N/A
4. Set forth the number of attendees projected for this year's project/event, and well as the means of calculation. N/A

5. Is the project/event for which you seek City of Isle of Palms ATAX funding during the “off season” or “shoulder season”? If not, please explain the justification. Are proposed dates flexible so as to be amenable to off-season and/or shoulder season scheduling? This website will be in place for years to come.
6. Describe fully all potentially negative aspects of your project/event, if any. This would include, by way of illustration, the potential for overcrowding particularly during warm weather months, parking challenges, health and safety issues, added responsibilities and difficulties imposed on first responders, impact on peace and tranquility- especially in residential neighborhoods and for tourists and factors potentially impacting adversely on the character of the City of Isle of Palms.

The site will help to guide guests visiting the island all year long, "Our vibrant island lifestyle is always in season"

E. Marketing Plan

Describe fully your past three years marketing for your project/event, as well as your current year's advertising and marketing plan, to include all means of broadcast. Please include and attach all applicable documentation and the projected costs involved.

The Isle of Palms Chamber of Commerce is newly formed and is working to be known through the website and social media

F. Funding: Sources of Income for This Project/Event (Please attach all supporting documents)

1. Sponsorships or Fundraising: Amount \$ _____ From _____

2. Entry Fees : Amount \$ _____ From _____

3. Donations: Amount \$ _____ From _____

4. Accommodations Tax Funds Request: Amount \$ 10,000

Date(s) Required: April 15th Lump Sum Installments _____

5. Other:

6. Total Funding: \$10,000 Total Budget: \$35,000

G. Financial Analysis

Please Provide a Line Item Budget for your project/event

Projected costs for website development and social media presence are expected to be in the \$50,000 annually.

If awarded, Isle of Palms ATAX funds are requested as follows:

Revised February 8, 2021

(1) Lump Sum(s): \$ 10,000 on April 15, 2022 (date),
\$ on (date),
\$ on (date).

(2) Payment of Invoices as submitted to City Staff. Invoices should be submitted at least two weeks prior to due date.

H. Miscellaneous

1. In what category do you place your project/event and why?
 - Festival
 - Marketing X
 - Other (Please Explain):

2. Have you affirmatively reached out to the City of Isle of Palms staff for initial review for your project/event and if not, please explain. If you have reached out, what feedback did you receive, both positive and negative and specifically from whom?

The IOPCC and its board have been in touch with the City Administrator and council members who have encouraged the development.

3. If applicable, explain why you have not sought funding from sources other than the City of Isle of Palms for the funding of your project/event. If you have sought alternate or additional funding, explain fully the results to include the source(s) for funding, from whom received and set forth all amounts received or expected to be received from other sources.

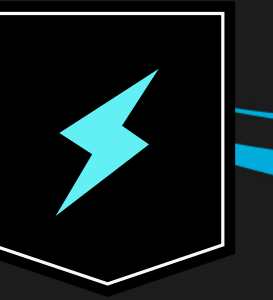
The Chamber will have additional revenue from its members and sponsors

4. Does your project/event have applicable liability insurance, to include the City of Isle of Palms, its employees and agents and if so, what are the liability limits? If not, please explain why not and explain who will agree to bear the costs, burdens, damages and legal fees for your project/event in case claims for damages are made against the City of Isle of Palms, its employees and agents as a result of your project/event. A minimum of \$300,000 of liability insurance is typically required unless that requirement is specifically waived in writing by the City of Isle of Palms in its sole discretion. If there is applicable insurance, do you commit to making the City of Isle of Palms, its employees and agents additional insured(s)? If not, explain fully the basis. If applicable, you must include a copy of the relevant insurance policy reflecting the City of Isle of Palms, its employees and agents are additional insured(s) for your project/event. N/A
5. Do you assert that the project/event for which you seek City of Isle of Palms ATAX funding is sustainable in the future? If so, please explain fully. If not, please explain fully. There is a firm commitment from the Board of Directors for the Chamber to succeed
6. In the event City of Isle of Palms grants your project/event ATAX grant funding, do you acknowledge that no such funds can be spent for the purchase of alcohol or tobacco products? yes If not, please explain your justification.
7. In the event your project/event is awarded City of Isle of Palms ATAX grant

funding, but is postponed for more than 180 days of receipt of funding, do you acknowledge that you must return to the City of Isle of Palms all ATAX grant money received from Isle of Palms absent extraordinary circumstances and within the sole discretion of the City of Isle of Palms? Do you agree? yes If you do not agree, please set forth fully your reasons. _____

8. In the event your project/event is granted City of Isle of Palms ATAX grant funding, you must and do hereby agree by the filing your application personally to hold harmless and indemnify the City of Isle of Palms, its employees and agents from and against any claims for damages to include, *inter alia*, legal fees relative to your project/event. Do you agree? yes If not, please explain. _____
If not, please explain fully your basis. _____
9. In the event the City of Isle of Palms provides ATAX grant funding for your event/project, set forth in detail how you will acknowledge the City of Isle of Palms as a grantor of funding.

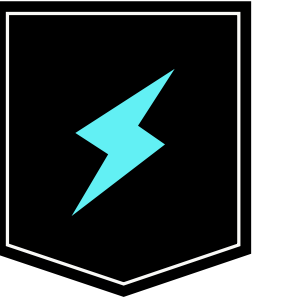
recognition on the website of all sponsors _____



KICKOFF MEETING

IOP Chamber of Commerce

BLUEION



Project Team



BRIAN DADIN
Lead Web Developer



TORI GIPE
Project Manager



NIC LAURETANO
Creative Director



ADAM OLEJARCZYK
Digital Brand Manager



CHRIS SIMPSON
Head of Agency Sales & Performance



EMILY STORROW
Editorial Manager



PHASE I

GOALS & TASKS

What are the **key goals** for this project?

01 Define the Brand, Develop Messaging

Develop the positioning and core messaging for the brand through our discovery and writing process.

02 Create a Compelling Identity

Develop the new brand identity and supporting design concepts for the new IOP Chamber brand.

03 Launch the Website

Plan, develop and launch the new IOP Chamber website.

04 Support the Community

Ultimately, these efforts need to support the IOP residents, businesses, and its visitors. How can we measure the impact of the new site and materials?

What are the **key tasks** for this phase of the project?

01 Insights and Research

We'll immerse ourselves in your world to assess just where your brand fits in the bigger picture.

02 Copy and Positioning

Write the core brand messaging to support the development of launch materials and future marketing efforts.

03 Brand Design

Craft a unique identity and brand palette that differentiates the IOP Chamber from other entities and excites the community and its partners.

04 Web Plans

Develop the site architecture, content outline, tech notes, and final build budget before proceeding into phase II.



Creative Process

BRAND DESIGN & LAUNCH

Our Creative Process

How we'll collaborate together on the new brand messaging and design.

The task? Develop new messaging and a fresh identity for the brand.



01 Brand About Copy

Develop succinct “about us” copy and headlines to support the development of launch materials and future marketing efforts.

02 Brand Identity

Beginning with a moodboard, create a new IOP Chamber identity: core mark, palette, illustrations, lockups, and more.

03 Brand Style Tile

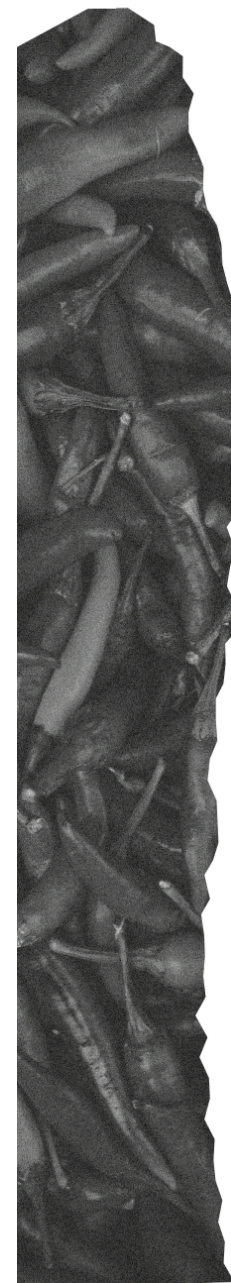
Share how the new brand can come to life through a series of creative concepts and executions.

04 Brand Toolkit

Provide an expanded brand guidelines document for all internal and external teams to use moving forward.

About Copy

The elevator pitch / snapshot / summary of what the brand is all about. This copy will set the stage for the materials to come.



Sobremesa Mole and Sauces is a small-batch salsa and mole company in Charleston, South Carolina. We believe in taking the time to do things right, from the thought and care that goes into crafting our products to pressing pause and enjoying them with family and friends. Because to us, food is not just something to eat—it's an experience to savor.



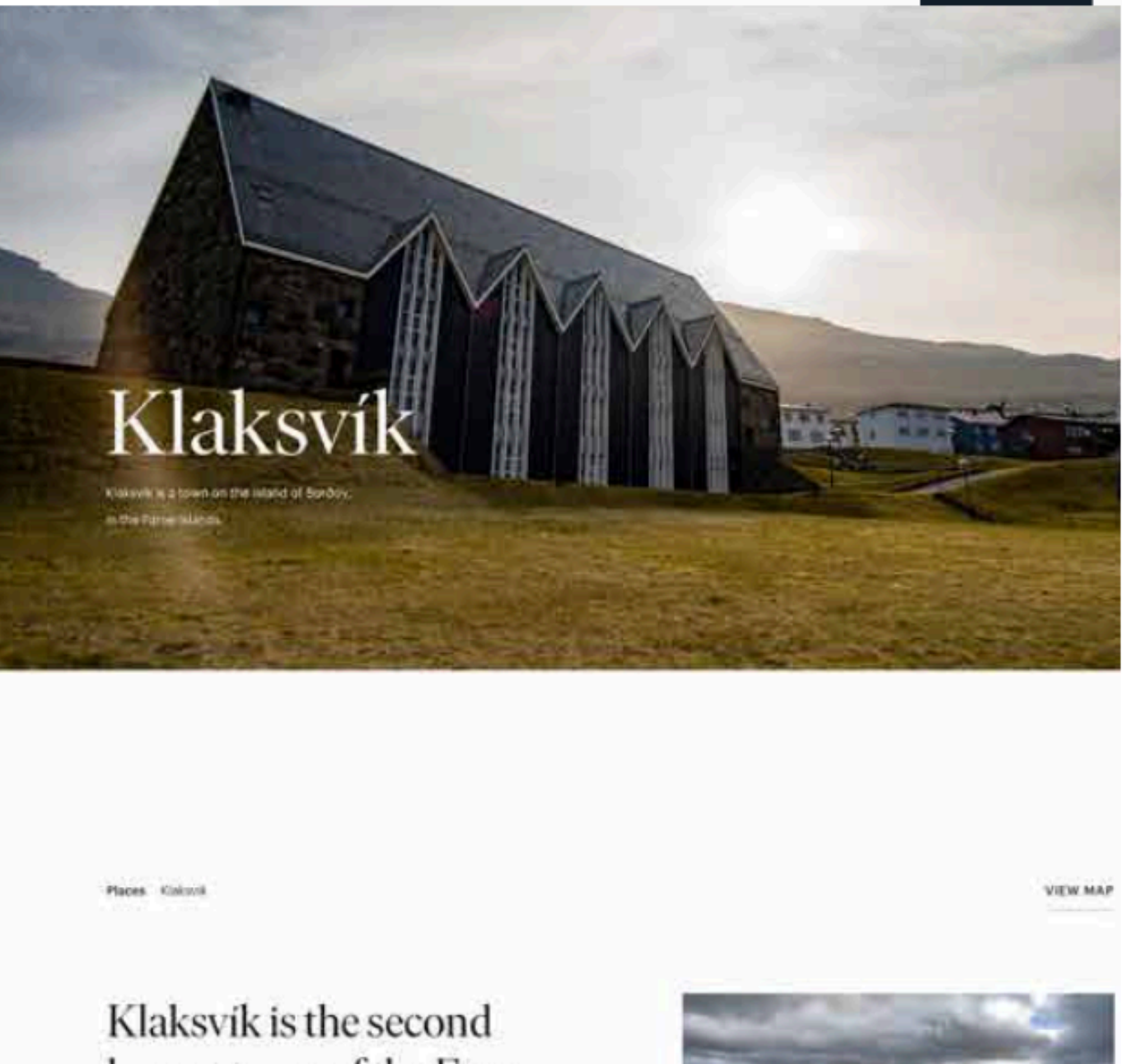
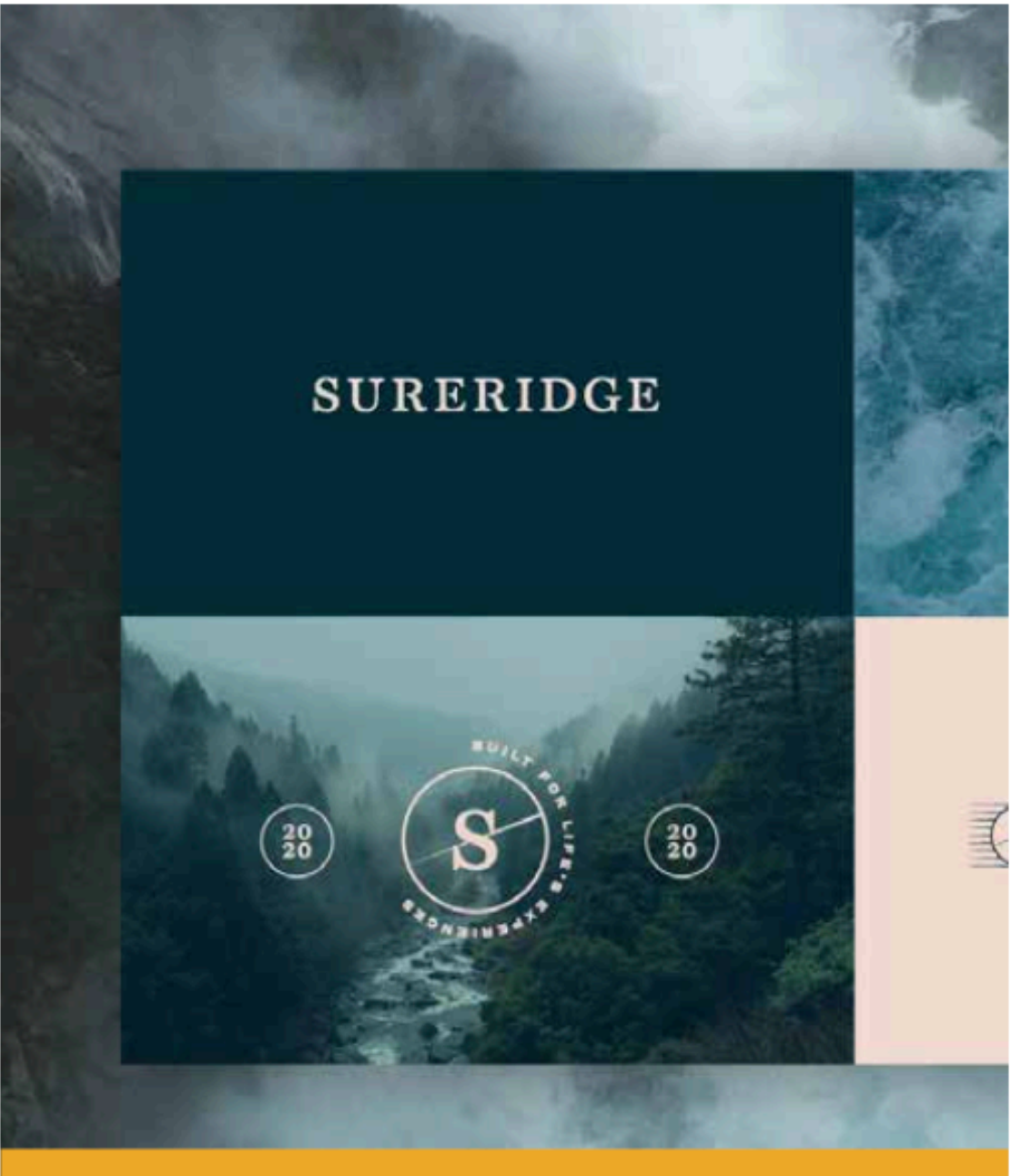
About Copy

The elevator pitch / snapshot / summary of what the brand is all about. This copy will set the stage for the materials to come.



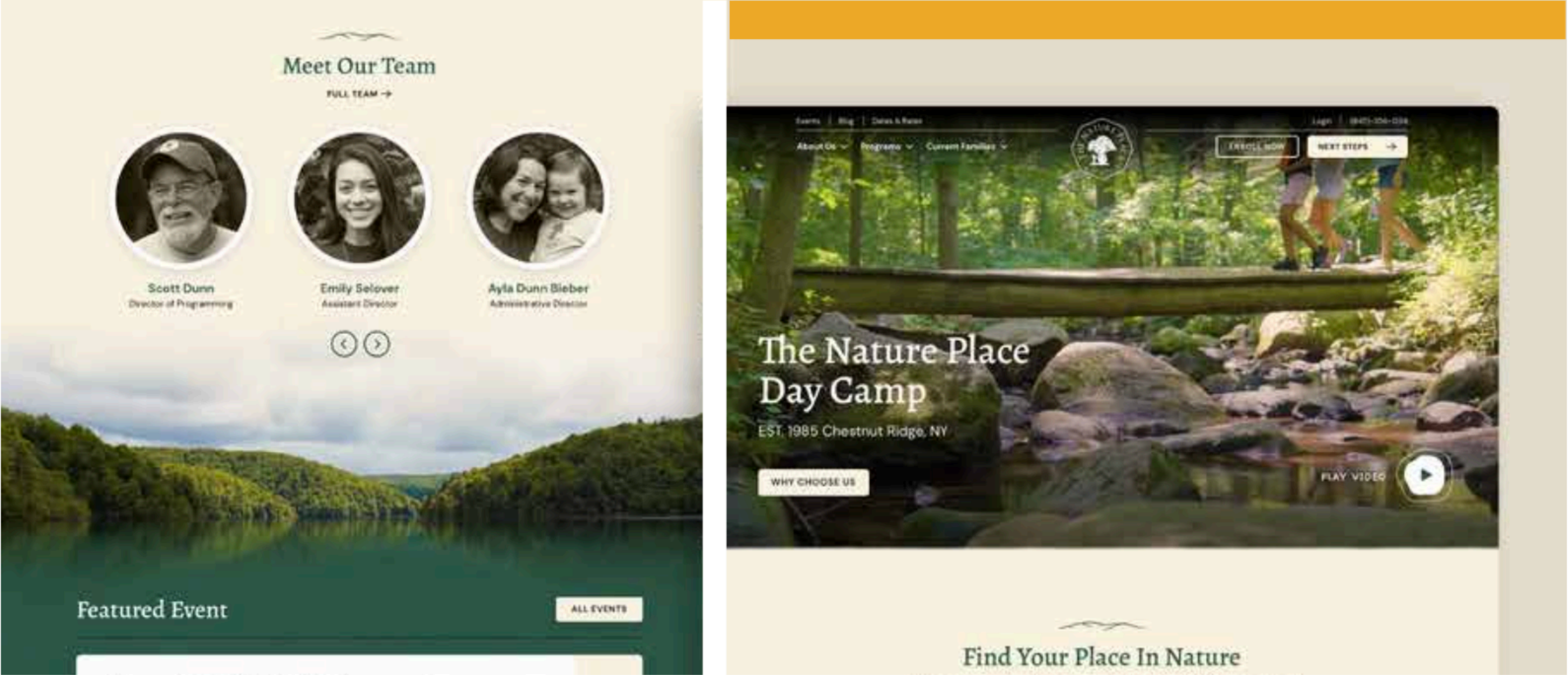
Moodboards

Inspirations that help narrow the design focus.



Moodboards

Inspirations that help narrow the design focus.



Moodboards

Inspirations that help narrow the design focus.



Brand Identity

Start with sketches and a broad array of ideas. Collaborate together and build into vector-based identity.

1



2



3



4



5



6



7



8



9



10



11



12



13



14



Brand Identity

Start with sketches and a broad array of ideas. Collaborate together and build into vector-based identity.



Nutrition Facts

64 servings per container
Serving size 1 tbsp (14g)

Amount per serving	
Calories	130
<hr/>	
Total Fat	14g 18% DV*
Saturated Fat	2g 10%
Trans Fat	2g
Polyunsaturated Fat	4g
Monounsaturated Fat	6g
Sodium	0mg 0%
Total Carbohydrate	0g 0%
Protein	0g
<small>Not a significant source of cholesterol, dietary fiber, total sugars, added sugars, vitamin D, calcium, iron, and potassium</small>	
<small>*%DV = %Daily Value</small>	

INGREDIENTS

Lorem ipsum Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed diam nonummy nibh euismod tincidunt ut laoreet dolore magna aliquam erat volutpat. Ut wisi enim ad minim veniam, quis nostrud

REAL FOOD SEPARATES. SHAKE IT! REFRIGERATE AFTER OPENING™

SOBREMESA MOLE & SALSAS

123 Salsa Lane
Charleston, South Carolina 12345
843-123-3456
SobremesaMole&Salsas.com

HEAT SCALE

Sobremesa

MOLE & SALSAS

MOLE POBLANO

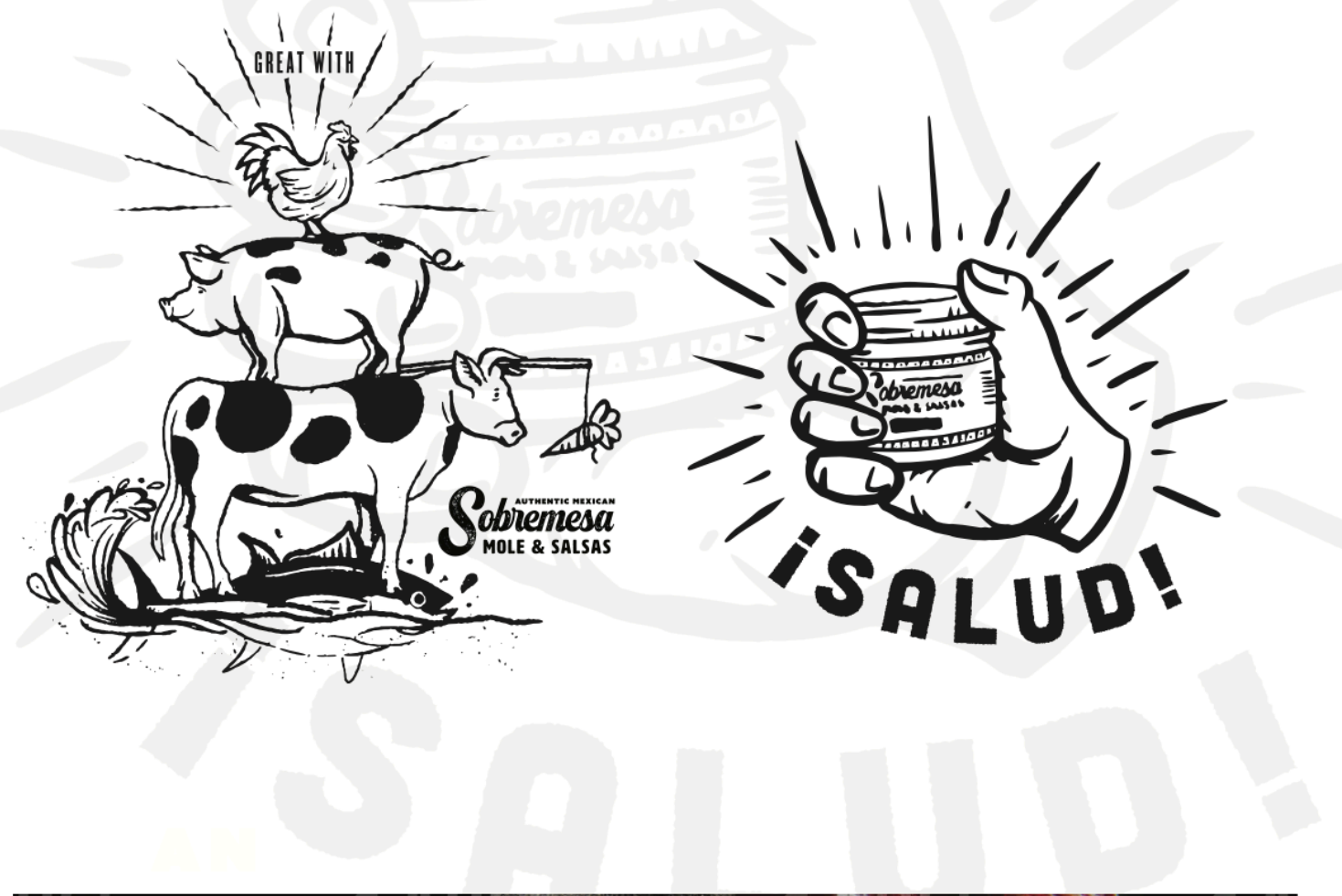
NET WT 12 OZ

Batch Number: 12-22-2021

Sobremesa is a small-batch salsa and mole company in Charleston, South Carolina. We believe in taking the time to do things right, from the thought and care that goes into crafting our products to pressing pause and enjoying them with family and friends. Because to us, food is not just something to eat, **It's an experience to savor.**

7 98304 43621 1

SOCIAL MEDIA ADS



Style Tiles

A style tile is a brand recipe - a group of design elements including identity systems, font choices and typographic treatments, primary and secondary color choices, illustration and icon choices, photography examples and treatments - all combined into a thoughtful mix of layouts, modules, and design conventions.

BLUEION



Arrival SELECT DATE → Departure SELECT DATE → Rooms 2 Adults 2 Children 2 SEARCH AVAILABILITY HAVE A PROMO CODE? →



Savor the comforts of home and the luxuries of an Aspen ski resort

Situated in a tranquil 5 acre enclave at the base of Aspen Mountain, The Gant is Aspen's premier condominium resort; providing the comforts of home with the services of a fine hotel, all within a world-class destination.

ACCOMMODATIONS & AMENITIES →



The Gant boasts a distinct collection of upscale condominiums ideally suited for excursions amidst the Colorado Rocky Mountains

Of the one to four bedroom floor plans, choose between standard, deluxe or premier rated condominiums. Each of the condominiums feature the luxurious services you would expect from a superior Aspen hotel. Among the many amenities our guests enjoy are valet parking, bell and concierge service, and complimentary airport and in-town transportation.



A few brand and content questions for you. ⚡⚡⚡

01 Timely Topics

What issues matter most to IOP residents and visitors right now? Do those differ from the broader Charleston landscape?

03 Brand Voice

How do you hope your audiences will perceive your brand? As an informative authority? Casual friend? Cool-kid club they want to be a part of?

02 Diverse Identity

You're a business chamber, regional development and relocation tool, and visitors bureau rolled into one. Are those parts equal, or is one aspect more weighted than another?

04 Tone and Voice Inspo

Thinking both within and outside the industry, are there any brands out there that nail the tone you're imagining? Or an example of what you *don't* want to be?

What **creative questions** ⚡⚡ do we have right now?

01 Concepts

As we begin work on the branding process, are there any concepts/ideas/styles/direction that have been created we should pull from? Or are we starting completely fresh?

03 Aspirational Brands

Any aspirational brands we should look to as we get underway?

02 The Logo

Are there any restrictions to consider when designing the logo? Any themes or topics you want to avoid?

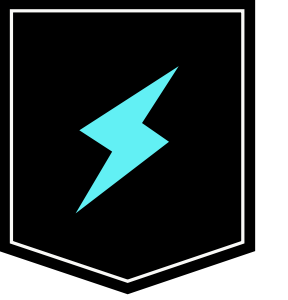
04 Your Brand

How would you like your brand to be perceived?



Digital Strategy

REVEALING THE STORY WITHIN



DIGITAL STRATEGY

Laying the Foundation for Success.

01 Data-Driven Site Architecture / UX Process

Our crew will collaborate to define various options for the site organization, key user flows, and confirmation of core page templates.

02 Content Strategy

We'll develop an outline detailing what content will populate the sections of the new site. From there, we'll work together to assess which of these elements already exist and simply need a fresh set of eyes, versus what content will be written from scratch.

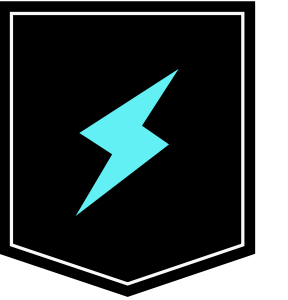
03 Technical Strategy and Build Budget

We'll work together to define the overall technical plans for the site—including CMS platforms, admin functionality, integration points with external platforms, and incorporate ideas that we've uncovered during this phase.

Finally, we'll re-confirm the full website build budget to make sure we're within the parameters of the original proposal and agreement.

Site Architecture

Originally proposed content:



01 Home Page

Mission statement. Become a member teaser/member highlight. Messaging and paths for visitors and residents. Feed of upcoming events and meetings.

02 Visitors Section

Overview of mission and key partners. Integration of relevant news, white papers, etc. Call-to-action to the team section.

03 Members Section

Become a Member overview page with membership info, contact form, pricing, benefits, etc. Membership Directory - filterable list of members with photos, links to member websites.

04 News & Resources

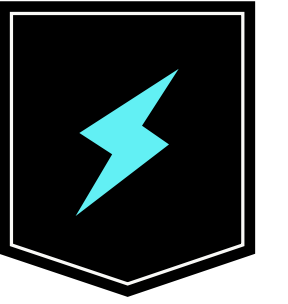
Hub for all relevant news and events. Filters/categories for visitors, member-specific info, and resident-specific info.

05 About Us

Info on IOP Chamber team, bios, etc.

06 Other Content

Privacy Policy, 404 Pages, Address/Phone Number.



Tech & Content Details

Some early items to confirm:

01 Proposed CMS Tools

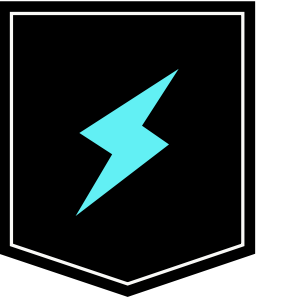
News & Resources, Events, About, Membership on the resident and visitors sections, Homepage.

02 City of IOP Business License Feed

Utilize RSS feed or scraping to pull in latest business information for identifying new members.

03 Member-editable CMS

Do we want members to be able to submit their own listings/images/events? What about ongoing edits?



PROJECT MANAGEMENT

Our dedicated producers act as the liaison between you and the Blue Ion team.

01 Project Status

Weekly or as-needed updates and regroupings on where we're at.

02 Schedule

Making sure we're keeping pace and moving along according to plan.

03 Budget and Scope

Keeping track of budget and working through scope changes, if applicable.

04 QA and Launch

Helping to prepare, proof, and ensure the beta site works and is ready to launch!



What's Next?

Setting the **foundation** for the work ahead.

01 Blue Ion Collab (BIC)

Invite to our team project management portal, AKA our central hub for discussions, tasks, and timelines.

02 Gather Assets

Provide Blue Ion access to any existing creative materials, marketing or strategic plans, etc.

03 Moodboard Process

Get feedback on moodboards and start on brand identity ideas.

04 Web Plans

Work on finalizing the initial website content outline and approach.

**LETS
CREATE
SOMETHING
EXTRAORDINARY
TOGETHER**

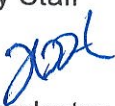
BLUEION



MEMORANDUM

April 29, 2022

TO: Isle of Palms Mayor and City Council
Isle of Palms Accommodations Tax Advisory Committee
Isle of Palms City Staff

FROM: Helen T. Hill 
CEO, Explore Charleston

SUBJECT: Proposed Budget FY 22/23, 30% State Accommodations Tax

It's my pleasure to share with you Explore Charleston's draft FY22/23 budget for the City of Isle of Palms. As you know, the State of South Carolina requires that 30% of state accommodations tax be allocated to advertising and promotion. We appreciate Isle of Palms' historical designation of Explore Charleston as your destination marketing organization and value our long-standing partnership. We remain committed to building programs of work that align with your strategic objectives and ensure a thriving hospitality and tourism economy that contributes significantly to the city's municipal revenue.

The attached document outlines Explore Charleston's projected FY22/23 expenditures on your behalf. In response to your request for more specifics regarding our marketing efforts, you'll see that certain initiatives are specific to Isle of Palms, while some promote Charleston area island communities collectively, and others support regional branding and promotion. The power of our model lies in a blended approach where local municipalities enjoy greater returns on investment through integrated destination promotion strategies. We leverage economies of scale and our negotiating power to deliver more value and reach a larger audience for Isle of Palms than otherwise possible.

Isle of Palms' projected cost for each expenditure is based on one of five allocation formulas:

- Share of total lodging inventory in community
 - IOP has 5.5% of the region's total inventory (STR units+hotel rooms).
- Share of community's full-service hotel room inventory
 - IOP has 8% of the region's full-service hotel room inventory.
- Share of room inventory in community's luxury meeting properties
 - IOP has 24% of the region's luxury meeting lodging inventory.
- Share of room inventory in island/beach communities
 - IOP has 34.23% of area island/beach STR units + hotel rooms.
- IOP-specific initiatives allocated at 100%

Explore Charleston's FY22/23 budget will be presented to our Board of Governors for approval at our May meeting. We're honored that Councilman Rusty Streetman represents the City of Isle of Palms on our Board. Again, we value our partnership with the City of Isle of Palms and look forward to our continued work together!

CHARLESTON AREA CONVENTION & VISITORS BUREAU

375 Meeting Street | Charleston, South Carolina 29403 | 843.853.8000 | ExploreCharleston.com

  @ExploreCharleston   @ExploreCHS

Charleston Area CVB/Explore Charleston
 Summary of FY23 Budget Submitted to City of Isle of Palms

	<u>Cost to CVB</u>	<u>IOP Share Based on Community Inventory at 5.5%*</u>	<u>IOP Share Based on Full Service (Group) Inventory at 8%**</u>	<u>IOP Share Based on Luxury (Group) Room Inventory at 24%***</u>	<u>IOP Share Based on Islands Inventory at 34.23%****</u>	<u>100% IOP</u>	<u>Total IOP Budget</u>	<u>% of Total CVB Cost</u>
Marketing & Advertising	651,500	15,950	-	-	62,812	178,000	256,762	39.4%
Negotiated Ad Buys	656,080				123,594	141,105	264,699	40.3%
Group Sales	265,225	-	6,774	43,332	-	-	50,106	18.9%
Market Research								
Market Research - Island specific	35,000	-	-	-	11,981	-	11,981	34.2%
Market Research - App tracking	170,000	9,350	-	-	-	-	9,350	5.5%
Destination Services & Promotion								
General Destination Services*	6,896,725	379,320	-	-	-	-	379,320	5.5%
Regional Destination Promotion	12,804,216	-	-	-	-	-	-	0.0%
Total	21,478,746	404,620	6,774	43,332	198,387	319,105	972,217	4.5%

* Includes CVB personnel costs and overhead

BUDGETED INCOME FY 22/23: City of Isle of Palms Budget Draft #3 April 2022										\$826,528
Expenditure Type	EXPENSE SPECIFIC TO ISLE of PALMS	Benefit to IOP	Cost to CVB	IOP Share Based on Community Inventory at 5.5%*	IOP Share Based on Full Service (Group) Inventory at 8%**	IOP Share Based on Luxury (Group) Room Inventory at 24%***	IOP Share Based on Islands Inventory at 34.23%****	100% IOP	Subtotals	
Website - development	IOP Specific site	adding non-member information	\$37,000					\$37,000		
Website - enhancement	Site presence: IOP on Beaches site	https://www.charlestoncvb.com/beaches/isle-of-palms/	\$31,000					\$31,000		
Website - Search Engine Optimization (SEO)	Adwords, IOP-specific, Beaches Site		\$60,000				\$20,538			
Website - SEO	Adwords, ExploreCharleston core visitor site		\$290,000	\$15,950						
Commercial - production	Vive Media	creation of :30 sec commerical for television; :30 sec for social media platforms	\$30,000					\$30,000		
Commercial - distribution	Sinclair Broadcasting	distribution of :30 sec commercial in Southeast and Northeast (6 months x \$20,000/month)	\$120,000				\$41,076			
Advertising - Photography & Videography	Vive Media		\$20,000					\$20,000		
Advertising - digital campaign	The Knot	store front annual, wedding specific	\$3,500				\$1,198			
Advertising - social media campaigns	Facebook & Instagram	paid promotion - 12 months	\$20,000					\$20,000		
Advertising - social media campaigns	TikTok	paid promotion - 12 months	\$20,000					\$20,000		
Advertising - social media campaigns	YouTube	paid promotion - 12 months	\$20,000					\$20,000		
Subtotal Marketing & Advertising			\$651,500	\$15,950	\$0	\$0	\$62,812	\$178,000	\$256,762	
Advertising - print	AAA Living (Georgia, Tennessee, North & South Carolina)	two placements of full page + full page advertorial	#					#		
Advertising - print	AAA World (DC, Maryland, Virginia & Delaware)	two placements of two page spread	#					#		
Advertising - print	Southern Bride (North Carolina)	full page placement in Summer/Fall and Winter/Spring	#					#		
Advertising - print	Discover SC	Annual state vacation guide - full page	#					#		
Advertising - print	Coastal Living	spreads in Fall and Winter issues	#				#			
Advertising - print	Midwest Living	spreads in Fall and Winter issues	#				#			
Advertising - print	Conde Nast Traveler	high impact unit of 12 pages specific to islands + spread	#				#			
Subtotal Negotiated Ad Buys: Terms confidential between buyer/seller. #Placements total \$264,699.			\$656,080	\$0	\$0	\$0	\$123,594	\$141,105	\$264,699	
Group Sales										
Sales - Luxury Tradeshows, most difficult to sell	American Society of Association Executives	Tradeshow: Washington, DC - August 2022; Ongoing events throughout the year	\$11,150			\$2,676				
Sales - Luxury Tradeshows, most difficult to sell	CONNECT Marketplace	Appointment show: Detroit, MI - August 2022	\$10,200			\$2,448				
Sales - Luxury Tradeshows, most difficult to sell	CONNECT DC Marketplace	Appointment show: Washington, DC - Nov 2022	\$8,550			\$2,052				
Sales - Luxury Tradeshows, most difficult to sell	Destination Southeast/Northstar	Appointment show: Daytona Beach, FL - Sept. 2022	\$3,900			\$936				
Sales - Luxury Tradeshows, most difficult to sell	Destination East/Northstar	Appointment show: Albany, NY. Oct 2022	\$3,450			\$828				
Sales - Luxury Tradeshows, most difficult to sell	Independent Planners Education Conf/Northstar	Appointment show: Memphis, TN Jan 2023	\$3,750			\$900				

<u>Expenditure Type</u>	<u>EXPENSE SPECIFIC TO ISLE of PALMS</u>	<u>Benefit to IOP</u>	<u>Cost to CVB</u>	<u>IOP Share Based on Community Inventory at 5.5%*</u>	<u>IOP Share Based on Full Service (Group) Inventory at 8%**</u>	<u>IOP Share Based on Luxury (Group) Room Inventory at 24%***</u>	<u>IOP Share Based on Islands Inventory at 34.23%****</u>	<u>100% IOP</u>	<u>Subtotals</u>
<i>Sales - Luxury Tradeshows, most difficult to sell</i>	Financial & Insurance Conference Professionals	Membership only	\$950			\$228			
<i>Sales - Luxury Tradeshows, most difficult to sell</i>	HelmsBriscoe	Appointment show: TBD - May 2023; Preferred Partner Destination membership	\$20,750			\$4,980			
<i>Sales - Luxury Tradeshows, most difficult to sell</i>	IMEX America	Appointment & Tradeshow: Las Vegas, NV - November 2022	\$38,500			\$9,240			
<i>Sales - Luxury Tradeshows, most difficult to sell</i>	Luxury Meetings Summit	Appointment show: TBD - Feb. 2023	\$8,000			\$1,920			
<i>Sales - Luxury Tradeshows, most difficult to sell</i>	Luxury Travel Industry	Atlanta (Feb 2023) & New York (April 2023) travel advisors	\$14,250			\$3,420			
<i>Sales - Luxury Tradeshows, most difficult to sell</i>	Meeting Professionals International	Tradeshow: TBD - June 2023	\$8,350			\$2,004			
<i>Sales - Luxury Tradeshows, most difficult to sell</i>	Professional Convention Mgmt Assoc.	Tradeshow: Columbus, OH - January 2023	\$12,650			\$3,036			
<i>Sales - Luxury Tradeshows, most difficult to sell</i>	Professional Convention Mgmt Assoc.	Destination Showcase: March 2023	\$11,250			\$2,700			
<i>Sales - Luxury Tradeshows, most difficult to sell</i>	Signature Travel Network	Appointment show: Las Vegas, NV - November 2022; membership	\$5,700			\$1,368			
<i>Sales - Luxury Tradeshows, most difficult to sell</i>	Society of Incentive Travel Executives	Annual Meeting: TBD - December 2022	\$6,150			\$1,476			
<i>Sales - Luxury Tradeshows, most difficult to sell</i>	Virtuoso	Tradeshow: Las Vegas, NV - August 2022	\$13,000			\$3,120			
<i>Sales - Other Tradeshows</i>	Association Executives of North Carolina	Tradeshow: Raleigh, NC - December 2022; Ongoing events throughout the year	\$7,725		\$618				
<i>Sales - Other Tradeshows</i>	Council of Engineering and Scientific Society Executives	Tradeshow: Richmond, VA; Ongoing events throughout the year	\$6,700		\$536				
<i>Sales - Other Tradeshows</i>	Georgia Society of Association Executives	Annual Meeting: TBD, GA - May 2023; Ongoing events throughout the year	\$10,250		\$820				
<i>Sales - Other Tradeshows</i>	GovTravels	Tradeshow: Washington, DC - March 2023	\$5,250		\$420				
<i>Sales - Other Tradeshows</i>	Holiday Showcase Association Forum	Tradeshow: Chicago, IL - December 2022	\$8,300		\$664				
<i>Sales - Other Tradeshows</i>	Meeting Professionals International	Tradeshow: TBD - June 2023	\$8,350		\$668				
<i>Sales - Other Tradeshows</i>	South Carolina Society of Association Executives	Tradeshow: Columbia, SC - January 2023; Ongoing events throughout the year	\$14,000		\$1,120				
<i>Sales - Other Tradeshows</i>	Tennessee Society of Association Executives	Tradeshow: Knoxville, TN - December 2022	\$10,200		\$816				
<i>Sales - Other Tradeshows</i>	Travel South International	Tradeshow: Louisville, KY - November 2022	\$10,800		\$864				
<i>Sales - Other Tradeshows</i>	Virginia Society of Association Executives	Tradeshow: Richmond, VA - October 2022	\$3,100		\$248				
<u>Subtotal Group Sales</u>			<u>\$265,225</u>	<u>\$0</u>	<u>\$6,774</u>	<u>\$43,332</u>	<u>\$0</u>	<u>\$0</u>	<u>\$50,106</u>
<u>Market Research, Destination Services and Promotion</u>									
<i>Market Research - Key Data</i>	Key Data Research, specific to islands / beaches	Historical and forward-looking projections on beach rental performance / key metrics (IOP, Folly, Kiawah)	\$35,000				\$11,981		
<i>Market Research</i>	Office of Tourism Analysis research; Datafy - phone app tracking	Allocated between funding communities	\$170,000	\$9,350					



MEMORANDUM

May 13, 2022

TO: Board of Governors

FROM: Helen T. Hill, Chief Executive Officer
Laurie Smith, VP of Operations
Kreig Brugler, CPA, Director of Finance

RE: Proposed Budget FY 2022-23

Attached to this memorandum, you'll find the proposed FY 2022-23 budget built by your Explore Charleston leadership team over the last few months. This information is intended to provide a thorough overview of our proposed budget prior to our time together at the board meeting on Wednesday, May 18, at 4 PM. This is a lot of information to discuss in a BOG meeting, so please call on us in advance with any questions. ***Our finance team will offer an in-depth budget conversation and review on Monday, May 16, at the Charleston Visitor Center, 375 Meeting Street, at 4 PM for those of you who want a deeper dive. Please let Laurie know at 843-805-3063 if you plan to attend!***

At the close of 2021, hotel supply in the greater Charleston area stood at 19,056 rooms, an increase of 10.5% over the last four years. Hotel occupancy, average daily rate and RevPAR, while having taken a nosedive during the darkest days of Covid, have steadily increased, with lodging rates leading the country. ***Explore Charleston continues to be laser-focused on creating the type of demand that will produce growth in our industry's metrics, while furthering our commitment to tourism management, supporting responsible economic development and maintaining quality of life for our locals.***

REVENUE

Our budget is a tripod of sorts, comprised of revenue from diverse sources:

1. **Business / Membership revenue**, non-public monies include membership, destination fees, advertising sales, co-operative tradeshow income and interest. Customer revenues also factor into this portion of the budget through participation in various program services through our four area visitor centers. ***(38.4% of budgeted revenue)***
2. Funds through the **State of South Carolina** to include the Destination Specific grant program administered through the SC Department of Parks, Recreation & Tourism, and regional revenues for our work through the SC Association of Tourism Regions. ***(29.3% of budgeted income)***
3. **Local public revenue** to include an allocation of accommodations taxes from ten local funding governments. ***(32.3% of budgeted revenue)***

CHARLESTON AREA CONVENTION & VISITORS BUREAU

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We project revenue growth by 13% in FY 22-23, to \$24.2M. It is not lost on us that many communities are not in the same position!

EXPENSE

From a staffing perspective, we find ourselves in the same rocky waters as the rest of the country, trying to navigate an unusual workforce environment. Wage compression is at play and, as a result, this budget reflects some adjustments to level out inconsistencies that have arisen because of this situation. All employees, however, are slated to receive at least a 3% cost-of-living adjustment. Benefits for our full-time employees remain unchanged, although we anticipate an increase in cost for health insurance again in 2023.

Administrative costs are made up of our Operational, Executive and Finance / HR Departments; they total 6% of our expenses. As a not-for-profit, it is always our goal to keep these areas operating lean so that the vast majority of our efforts are spent directly on destination marketing and management programs to fulfill our mission. Administrative expenses are relatively flat to FY 21-22, at \$1.7M.

Our Visitors Services team has not skipped a beat as they absorbed full operational responsibility for running the "Visitor Campus" centered at 375 Meeting. In this budget, we reflect the cost of our operating four area visitor centers to include staffing, maintenance and daily cleaning, and other expenses associated with visitor support. ***This budget reflects an estimated net loss of (\$816K) through Visitor Services in FY 22-23.*** Our team continues to manage various programs in order to offset costs to this department. These programs include selling tickets for 57 tour companies and attractions, booking same-day lodging through Lowcountry Reservation Service on behalf of 96 local lodging properties, as well as venue rentals and retail sales through the Marketplace. Although it operates at a loss, and comprises approximately 6% of the overall budget, our work through the visitor centers is a responsibility we have to the community. It demonstrates our commitment to tourism management each and every day as we are face-to-face with our visitors!

Collectively, our Group Sales, Destination Marketing and Media Departments reflect \$21M in expenditures, or 87% of our overall expenses. Digging into each of these areas will provide more insight into our strategy, which always begins and ends with the question, "How does this expense create an overnight visitor?"

Explore Charleston's Group Sales and Sports Development team is ready to hit the road in the new fiscal year! It is no secret that group business and corporate travel have been slower to recover than leisure demand; group business simply isn't as nimble as individual travelers can be. Cultivating relationships with meeting planners and associations in our drive and nonstop fly markets is paramount so that our destination is top-of-mind in this lucrative business segment. The Group Sales team's efforts to stay connected during the worst of the pandemic are paying off; while other destinations had to start over building relationships, our staff never left the arena! In addition to geographically-attractive group business opportunities, our team has

developed a calendar of tradeshow and meeting planner events to attend across various market segments including Association, Corporate, Government, Incentive, Leisure Travel, Tour & Travel, Weddings, and Sports. For the International market, we forecast a return of our European visitors as the last COVID restrictions are lifted. Our goal will be to secure nonstop air service from Europe...for a second time! ***Our sales staff will be selling the destination at over 35 events in the coming fiscal year.***

As you would expect, the Destination Marketing department accounts for the most significant portion of our budget. Integrated advertising campaigns through paid placements in print and digital formats include many titles such as AAA, AFAR, Better Homes & Gardens, Bon Appetit, Conde' Nast Traveler, Cosmopolitan, Departures, Essence, Food Network Magazine, Food & Wine, Garden & Gun, Kingdom, Midwest Living, The New Yorker, Smithsonian Magazine, Southern Living, Travel & Leisure and a little closer to home, Western NC. Travel advisors are alive and well, and their travel recommendations are highly valued by travelers across the globe. Our team captures the opportunity to connect with top travel agencies through partnership with Virtuoso and Signature Travel. Weddings remain a profitable market for our area, promoted through The Knot, Heart of NC Weddings, Southern Bride, WedLuxe, and Bridal Guide magazine. Social media remains a crucial component of tying together our integrated campaigns and staying front and center in the digital world, as does our investment in engaging web content and Google AdWords. And, we are very excitedly investing more advertising dollars into our national broadcast initiatives through successful OTT streaming platforms!

All of our advertising and promotion is based on solid, consistent market research. Our partnerships continue with the College of Charleston's Office of Tourism Analysis, Smith Travel Research, Key Data, and Travel Click, all of which provide valuable information to guide our decisions on ad timing, placement, and content. In addition, we have incorporated Datafy into our research toolkit. Datafy utilizes GPS data to help us better understand our visitor origin and how they're traveling within our community. Equally as important, in the new fiscal year, we look forward to using Datafy to differentiate between area residents and visitors, information which is crucial to our tourism management efforts.

Once our marketing efforts stimulate demand, we invest in resources to convert inquiries into booked business! Expenses are budgeted for production of the Charleston Area Visitors Guide, Charleston Area Destination Planning Guide, the Charleston Area Wedding Guide as well as the cost to mail these response pieces. Corresponding websites, continuously updated, are also key to maintaining digital interest, as is current photography and videography. ***And air service initiatives are also included in this department's activity.*** Until Covid-19, it was increased air service that most changed our local tourism landscape in recent years, making nonstop fly markets equally as important as our drive markets for visitation. We have come a long way in regaining market share and expect to soon surpass where we were in 2019. We know that creating access for our visitors with nonstop air service is key to the destination's future success!

Our Media Department is constantly vetting, then hosting editors, journalists, influencers and broadcast media as they visit and experience our community in person. Having hosted the British Guild of Travel Writers, for example, gives us a springboard to further our message with these individuals long after they leave our destination, and this group remains on our radar for FY 22-23. Our team members never forget their “bread and butter,” nurturing relationships cultivated over many years through the Society of American Travel Writers (SATW), and the Public Relations Society of America (PRSA). New to our media effort, we look forward to building those same strong relationships through the National Association of Black Journalists (NABJ). Efforts with important groups such as these are essential to the long-term success of our media team, as are one-on-one desk-side visits with editors in some of our key feeder markets. Lastly, department members plan to host bloggers through a FAM trip to our area, introducing new opportunities with writers who may not have experienced our destination before. Keeping the Charleston region top-of-mind is the key to the Media Department’s success, and we are not shy about engaging others to garner earned media on behalf of area businesses and municipalities!

Please call us with any questions at 843-805-3023 (Helen), 843-805-3063 (Laurie) or 843-805-3046 (Kreig). Enjoy the weekend, and we look forward to seeing you at the Board of Governors meeting this coming Wednesday, May 18, 4 PM at the Cooper River Room!

Charleston Area CVB Budget

	Approved 06/30/2022	Approved 06/30/2023	Budget Variance
Revenue by Department			
Operational Department	6,735,123	7,841,000	1,105,877
Executive Department	333,032	445,000	111,968
Finance/HR Department	1,200	12,000	10,800
Visitor Services Revenue	434,292	675,492	241,200
Group Sales and Sports Development	9,000	0	(9,000)
Destination Marketing	6,616,099	8,174,500	1,558,401
Destination Specific Grant Revenue	7,350,000	7,100,000	(250,000)
Total Departmental and Grant Revenue	<u>21,478,746</u>	<u>24,247,992</u>	<u>2,769,246</u>
Expense by Department			
Operational Department	661,699	647,703	(13,997)
Executive Department	362,154	321,466	(40,687)
Finance/HR Department	676,494	722,893	46,399
Visitor Services Department	1,243,629	1,491,921	248,292
Group Sales and Sports Development Expense	1,592,837	1,637,160	44,323
Destination Marketing Expense	9,604,414	10,243,949	639,535
Media Department	824,322	1,278,872	454,550
Destination Specific Grant Expense	6,438,197	7,829,028	1,390,831
Total Departmental and Grant Expense	<u>21,403,746</u>	<u>24,172,992</u>	<u>2,769,246</u>
Total Increase/(Decrease) in Net Assets	<u><u>75,000</u></u>	<u><u>75,000</u></u>	<u><u>0</u></u>