

**TOURISM EXPENDITURE REVIEW COMMITTEE  
MEETING MINUTES  
April 26, 2010  
SC Department of Revenue  
10 a.m.**

**ATTENDANCE:**

**Committee Members in Attendance:** Frans Mustert, Chairman; Lanneau Siegling, Susan Cruse, Rod Swaim, Edward Riggs, Kevin Yokim, Mark Williams, Andy Cajka, Harriett Green and Toni Nance.

**Staff in Attendance:** Lauren Sponseller, TERC Staff.

**Guests in Attendance:** John Hoefler, TERC Counsel, Tom Sponseller, SC Hospitality Association.

**CALL TO ORDER /ADMINISTRATIVE TASKS/UPDATES:**

- 1. Call to Order:** The Meeting was called to order by Chairman Mustert.
- 2. Travel Vouchers:** The Committee remitted travel vouchers to Ms. Sponseller.
- 3. Minutes Approval:** Mr. Swaim motioned to approve the minutes from the February 8, 2010 meeting, Mr. Siegling seconded, and The Committee unanimously voted to approve the minutes.
- 4. Legislative Update:** Mr. Sponseller updated the Committee on a proposed bill that would provide that appeals of a decision by the Tourism Expenditure Review Committee go the appropriate county legislative delegation instead of the Administrative Law Judge Division - current law keeps politics out of the decision-making process.

TERC voted to go into executive session to discuss confidential matters with its counsel, John Hoefler, Willoughby and Hoefler.

The Committee voted to come out of executive session.

Mr. Riggs made a motion to withhold funds from City of Myrtle Beach in the amount of \$312,545.00 for items that were tourism related expenditures, but were not reviewed by the City's local advisory committee for the City's FY 08-09 Report. Mr. Swaim seconded the motion, and Mr. Yokim voted against the decision. The motion was passed.

Mr. Cajka made a motion that TERC's attorney, Mr. John Hoefler, continue with declaratory action the City of Myrtle Beach. Mr. Riggs seconded the motion, and the Committee unanimously agreed.

**5. PRESENTATION**

Town of Duncan - *Ryan Cothran, Chief of Police for Town of Duncan, Missy Nowack, Showcase Marketing, and Barry Frost, Fire Chief*- presented information regarding disbursement to Shipwreck Cove Waterpark. Mr. Cothran explained to TERC that the zip code register is not necessarily an accurate representation of the amount of visitors to the park since it's opening in June of 2009. The representatives expressed that roughly 40% of the 63,000 visitors were from outside of the 50 mile radius. Atax funds were used to fund marketing projects that included design and recommendation of locations for billboards near Charlotte and Atlanta, business publications, rack cards at visitors' centers and You Tube videos.

The representatives also stated that this project has had an impact on tourism in the area to hotels and local restaurants. Mr. Swaim made a motion in favor of allowing the project, and Ms. Cruse seconded. The Committee unanimously approved, but wished to ask the Town to provide an outline of room nights and out of market advertising for future disbursements to this project, and that the total amount of the project funded should reflect the percentage of tourists that are served.

#### **6. Review New of FY 08-09 Reports-**

**Kevin/Lanneau-**

**Kershaw County-** Needs to report interest.

**Rod/Harriett-**

**Goose Creek-** Needs to report interest.

#### **7. Review Responses of 08-09 Reports-**

**Susan/Ed-**

**City of Beaufort-** TERC approved information provided by the City on Ghost Tours, and the City's change in coding on expenditures to Penn Center and Main Street Beaufort.

**Oconee County-** TERC answered questions from the County in relation to questions that TERC had on the County's disbursement to the SC Apple Festival. Questions (and TERC's answers) were as follows:

1. Can you please define for us what TERC deems to be out of market advertising? Would visitors from NC and GA be considered tourists?

TERC's answer: Yes, visitors from both NC and GA would be considered tourists. The Tourism Expenditure Review Committee has considered adopting the geographical definition used by the national Tourism Industry Association and the South Carolina Department of Parks Recreation and Tourism. While it is acknowledged that there is no commonly accepted definition of travel in use at this time, these entities define tourism "as activities associated with all overnight trips away from home in paid or unpaid accommodations and day trips to places 50 miles or more, one way, from the traveler's origin."

2. Should advertising grants match the level of tourism impact for events/festivals?

TERC's answer: Yes, the grants should match the percentage of the level of tourism impact for events and festivals.

3. Is there a percentage of tourism impact that TERC looks for to determine if a festival is a local benefit vs. an event attracting tourists?

TERC's answer: Yes, it depends on where the attendees are coming from. A good way to track the attendees is through license plate count during the actual event or guest surveys during/after the event.

**Pickens County-** TERC reviewed and approved information provided by the County regarding Carolina Chaos that proved that the project now has non-profit status.

**City of Simpsonville-** TERC reviewed and approved additional information regarding Freedom Weekend Aloft, but notes that future disbursements to this event must be spent exclusively on marketing and advertising, and that back-up information will need to be submitted.

**Kevin/Lanneau-**

**Richland County-** TERC reviewed and approved information submitted by the County relating to coding breakouts.

**City of Spartanburg-** TERC reviewed the City's response for the Math in Daily Life event at Spartanburg Regional History Museum. The City stated that they will submit a guest register to provide clarification of tourists who attended after the event takes place.

**Town of Springdale-** TERC reviewed the Town's response regarding expenditures to Professional Lawn Care, P&P Lawn Care and Lamar for billboard advertising, and asks that funding be channeled through a non-profit organization in the future to be compliant.

**Rod/Harriett-**

**Charleston County-** TERC reviewed information provided by the County regarding lack of interest reported, but asked that the County report the small amount that is collected on future reports.

**Town of Edisto Beach-** TERC reviewed and approved information submitted by the Town of Edisto Beach regarding the difference between the Town's and the amount SC State Treasurer reported. TERC also approved the additional information regarding the disbursement for beach wheel chairs, but was of the opinion that funds would be better used on promotion and advertising for the Town.

**Town of Folly Beach-** TERC reviewed and approved additional information provided regarding Surfers Healing Team Charleston.

**8. Miscellaneous Issues:**

Ms. Sponseller thanked the Committee members for filing their Statement of Economic Interest forms.

Ms. Sponseller distributed copies of the Annual Accommodation Tax Revenue Report for FY 07-08 that was compiled by SC PRT for the Committee's review.

TERC considered a letter submitted by Berkeley County Councilman Tim Callahan concerning the make-up of the County's local atax committee. Mr. Callahan stated that four of the County's advisory committee members had been stripped of their positions due to an opinion from the County's attorney regarding where advisory committee members reside. He requested that TERC issue an advisory opinion. After review the matter in executive session with TERC's attorney, TERC determined that it did not have the authority to make a determination in this regard since it does not involve an expenditure of accommodations tax funds, a report regarding same, or a complaint regarding same. TERC directed that Mr. Callahan be so advised and that it be suggested that County Council seek the opinion of a court regarding the meaning of the pertinent statute.

A letter was submitted by Berkeley County Councilman Tim Callahan concerning the make-up of the County's local atax committee. Mr. Callahan explained that four of the County's advisory committee members had been stripped of their positions due to an opinion from the County's attorney regarding where advisory committee members reside. After review with TERC's attorney, and much discussion, TERC felt that they do not have the authority to review and pass judgment on this type of issue, and would ask that the County Council consider contacting an Administrative Law Judge for further opinion.

Anderson County: Ms. Sponseller confirmed that she did follow up with Greenville County and Town of Hilton Head on funding of projects related to refurbishments of sporting facilities, and Ms. Green made a motion that TERC reverse their decision to withhold funds from Anderson County for tennis court refurbishments in the amount of \$10,000. Ms. Cruse seconded, and the Committee unanimously agreed. Ms. Sponseller was asked to notify the SC State Treasurer of the decision that was made.

The following miscellaneous questions were reviewed by the Committee:

Oconee State Park is attempting to address a need in Oconee County by providing suitable meeting space to attract small corporate meetings and management retreats. Oconee State Park has 19 cabins constructed by the Civilian Conservation Corps, a barracks facility and 151 campsites which are all very popular on weekends and holidays. The park is attempting to both address the meeting space need in Oconee County, and also increase the park's occupancy in its overnight facilities during the week and during the slower times of the year by attracting corporate meetings. The park has seen limited success in attracting businesses but many of the groups have requested increased amenities

like better climate control, wireless internet, and audio/visual equipment. The park is presently addressing some of these needs by installing a quieter HVAC system and wireless internet capability, but we need your help to provide the audio/visual equipment package.

The audio/visual package that has been requested through A-tax funding will include a power point projector that will be permanently installed in the ceiling of the meeting room facility, hard wired in the wall to junction boxes in the room. It also includes a drop down projection screen and speakers mounted in the ceiling. This equipment will not be rented separately; it will serve as a value added amenity for the meeting room facility user. We feel that this package, along with the other improvements listed, will provide a quality facility to attract corporate meetings and retreats to this beautiful park. Once the renovations are complete, the meeting facility will be marketed through all the state parks, state welcome centers, our reservation website with Reserve America and our state parks website [www.southcarolinaparks.com](http://www.southcarolinaparks.com).

Answer: TERC was of the opinion that this would not be an acceptable project to fund because the *implementation of the equipment* does not promote and advertise for tourism. Funds may be used to promote and advertising that this project has been put into place could be funded, but not funding the actual equipment itself.

Is there any type of training for our ATAX Board members?

Answer: TERC currently has no formal training seminars scheduled, but encourages all entities to submit questions to TERC's staff liaison. There are also several useful tools on TERC's website under "Frequently Asked Questions", as well as TERC's Policy on the Interpretation of "Tourism Related Expenditures" under Laws and Procedures icon.

Do you think the Town of Edisto Beach would be permitted to hire part time police officers with ATAX funds for a special event? Our industry is tourism (our beaches). Our former Town Administrator previously wrote to TERC and TERC agreed that Edisto Beach was unique even though we do not fall under the normal guidelines.

Answer: Under the SC Code of Laws (Section 6-4-10), this is not allowable due to the Town not being located within an area of high concentration of tourism.

There being no other business, the meeting adjourned.

Respectfully Submitted,

*Lauren Sponseller*

**Lauren Sponseller, TERC Staff**