



May 16, 2022

Greenville County Council Finance Committee
Greenville County Council
301 University Ridge
Greenville, SC 29601

Re: FY2022/2023 Accommodations Tax Recommendations

Honorable Members of Council:

I am pleased to report that projected Accommodations Tax Revenue from our County hotels is nearly that of pre-pandemic amounts. However, we remain cautious and have budgeted a total projected revenue for FY 2022/2023 in the amount of \$1,000,000.

The budget is as follows:

Projected Budget	\$ 1,000,000
County	<u>\$ 25,000</u>
	\$ 975,000
County 5%	\$ 48,750
VGSC 30%	<u>\$ 292,500</u>
	\$ 633,750
County Council Approved:	
Recreation	<u>\$ 50,000</u>
	\$ 583,750
VGSC 40%	<u>\$ 233,500</u>
Remaining for Grants	\$ 350,250

As always, we reviewed State and County rules and guidelines for funding, studied the applications submitted, and on May 2, interviewed all applicants. The committee met the following day to deliberate grading and proposed funding. As mandated, applicants are graded with an A, B or C. Those graded with a C receive a total of 10% of the net revenue, while the Bs and Cs receive the balance. Those graded with an A represent events and organizations that have the greatest impact on hotel revenue outside the city limits. Those graded with a B have less proven direct, but significant, impact on County hotels. The Cs generally represent organizations and events that are vital to maintaining Greenville's image as a cultural destination.

The two highest recommendations are the BMW ProAm, which had requested \$110,000, but we are proposing \$62,500, and the 2023 Greenville Scottish Games, who requested \$85,000, and we are recommending \$60,000. All

others in that category were recommended at 100% of their request. Those graded with a B are recommended at 60% of their requests. The remaining 10% (\$35,025) was divided among the Cs in a range of \$3,000 - \$10,000. Please see the attached worksheet for details.

Those graded with a D have either not shown sufficient tourism impact or do not qualify under the rules of the State or County. JBM & Associates, Everything Outdoor Fest was given a D because it is a for-profit corporation, and therefore not eligible for funding. The City of Fountain Inn requested funding to support their Christmas celebration, but stated that they are actually at capacity with regards to the tourists they can accommodate for their primary attraction...the carriage rides. Conestee Nature Preserve had requested funding for building a Nature Playscape. In the interview, they stated that they had the money to build it without accommodations tax funding.

As you may recall, a new State rule requires that Accommodations Tax Committees review and approve the budgets for local tourism offices that are recipients of the 30% and 40% automatic funding allocation. In a separate vote, our committee voted to approve the budget submitted by VisitGreenville SC.

The committee relies heavily on information from our County hotels and VGSC to determine impact on our county hotels, since the tax revenue is derived directly from them. In spite of the proliferation of downtown hotels, County hotels are still seeing good numbers because of – among other things – price point and compression. Also, we are seeing the results of an increase in business travel. So, the prospects for 2022/2023 are good, depending, of course, on what COVID might do this year.

On behalf of the Advisory Committee, I wish to thank Council for the opportunity to serve on this important committee. We appreciate the work of each applicant and consider each of them to be of value to Greenville County and its citizens. We understand that Council may have questions regarding these recommendations and welcome the opportunity to address them.

Yours truly,



BJ Koonce, Chair

cc: Nicole B. Wood, Assistant County Administrator, Greenville County

Committee:

Dave Edwards, GSP; Brian Crowe, Airport Marriott; Penny Cooper and Joyce McCarrell