

City of Isle of Palms

Guidelines for City of Isle of Palms Accommodations Tax (ATAX) Grant Applications

To the extent City of Isle of Palms ATAX grants may be available, please note that they are limited in amount and are funded exclusively through the collection of specific accommodation taxes. City of Isle of Palms ATAX grant funding is, in most cases, not available for *ad hoc* committees or to inure to the benefit of For-Profit entities to the detriment of the City of the Isle of Palms. City of Isle of Palms ATAX grant funding should be expected to be awarded on a reimbursement basis. Applications with documented expenditures occurring within the City of Isle of Palms are often viewed more favorably. Filing an application for City of Isle of Palms ATAX funding is no guarantee that same will be awarded. City of Isle of Palms ATAX grants are required to be used for the designed and sole purpose of promoting local community tourism and tourism related activities in accordance with State of South Carolina law. Stated another way, City of Isle of Palms ATAX grants are to be used to enhance the provision of Isle of Palms public and other services and benefits for tourists. ATAX grants may be used for no other purpose, other than as designed and designated by law. For more detailed information relative to the specified use of ATAX grants, please refer to, *inter alia*, SC Code Sections 6-1-530, 6-4-10 et. seq., TERC directives, its advisory opinions and relevant Court Decisions.

Please note that any City of Isle of Palms grant of ATAX funds, as well as Applications for City of Isle of Palms ATAX grants, will be subject to disclosure under what is commonly known as Freedom of Information laws. City of Isle of Palms ATAX grants are, with limited exceptions, intended to support and not supplant local community projects, to the benefit of tourists. City of Isle of Palms ATAX grants for advertising are expected to be utilized to generate local tourism from outside the local and regional communities. A high priority will usually be given to those projects and events generating overnight stays on the Isle of Palms during the traditionally non-peak periods of tourism. Projects or events for which City of Isle of Palms ATAX funding is sought must take place within the city limits of the City of Isle of Palms, be designed so as to not limit or impose a hardship on tourism, visitors and residents within the City of Isle of Palms and be open to the general public.

Events requiring the purchase of tickets to third party venues outside of the City of Isle of Palms shall not, except in extraordinary circumstances, be considered for ATAX funding purposes. Applicants for City of Isle of Palms ATAX funding grants must be qualified to conduct business within the city limits of the City of Isle of Palms and in South Carolina. Applicants for City of Isle of Palms ATAX grants must provide proof of the maintenance of a checking account with a duly recognized financial institution. Applicants must establish that ATAX funds received from the City of Isle of Palms are used for the intended purposes of enhancing tourism within the City of Isle of Palms. Normally, City of Isle of Palms ATAX grants are not available nor to be used for staffing purposes or for merchandise “giveaways”. Matching grants are typically looked on with more favor than sole source City of Isle of Palms ATAX grant funding. At least 50% of advertising for City of Isle of Palms events is expected to take place outside the confines of the region.

ATAX Grant Process

To be considered for funding, a fully completed Isle of Palms ATAX grant application must be timely submitted to the City of Isle of Palms, utilizing the form and format set forth by City of Isle of Palms (see application readily available online at www.iop.net). Upon verification that the application is complete and, subsequent to an initial staff assessment, the existing City of Isle of Palms policy and procedure is for the application(s) to be submitted to the Isle of Palms Accommodations Tax Advisory Committee (Committee) for further review and consideration. The Committee must have a sufficient opportunity to review the application(s) and shall thereafter set a meeting date. The applicant will be publicly advised of date(s) set for the Committee meeting, for the purpose of recommending, declining adjusting applications and/or further action relative to the ATAX grant(s) being sought. Please note that the Committee meets at least once per year and usually more frequently, depending on the number and complexity of applications, as well as other factors and competing interests that may need to be assessed. It is stressed that it is the obligation of those applying for grants to independently verify and confirm the dates set for Committee meetings.

A designated person authorized by the ATAX grant applicant must attend the City of Isle of Palms ATAX Advisory Committee meeting to present the application for grant funding and be available to answer any questions that may be asked unless non-appearance has been requested in writing and specifically approved by the City of Isle of Palms Administrator and the Committee. ATAX grant applicant verbal presentations should be concise and are normally expected to last less than ten minutes, absent unusual circumstances and within the sole discretion of the Committee. Complete, thorough applications are likely to be viewed more favorably and may indeed obviate the need for verbal presentations in the discretion of the Committee. Upon due consideration, the City of Isle of Palms ATAX Advisory Committee will vote (and/or take other action) and thereafter, in its final analysis, submit its funding recommendations to the City of Isle of Palms Ways and Means Committee and in turn to the City of Isle of Palms City Council. Please note that City of Isle of Palms City Council makes the ultimate decision on the municipality’s behalf relative to funding of City of Isle of Palms

ATAX grant applications, but it does give due consideration to the opinions and recommendations of the City of Isle of Palms ATAX Advisory Committee.

Funding is, of course, dependent upon many factors, including the availability of ATAX funds received by City of Isle of Palms, TERC opinions that may have been considered, relevant Court decisions, in consideration of competing interests and needs for the funds. It is noted that the City of Isle of Palms' responsibility for beach renourishment, as well as in consideration of health and safety issues for the public in conjunction with tourist promotions tend to have a high priority in the evaluation of ATAX grant application criteria.

Organizational Eligibility Requirements

- Applicant organizations are normally expected to have been in existence for at least one year prior to requests for ATAX grant funding.
- Except as otherwise allowed by law, applicants must provide proof of non-profit status and fall under one of the following categories:
 - Organizations exempt from federal income tax under Section 501 (C) (3) of the Internal Revenue Code and whose primary goal is to attract additional visitors through tourism promotion.
 - Destination Marketing Organizations, which are recognized non-profit organizations charged with the responsibility of marketing tourism for specific municipalities, counties or regions.
 - City of Isle of Palms organizational departments which do not otherwise have to meet Section 501 ©(3), et. seq. mandates, provided they may meet other requirements relative to benefiting tourists and/or promoting tourism within the City of Isle of Palms.

The City of Isle of Palms will not award ATAX funds to individuals, fraternal organizations or organizations that support political campaigns. The City of Isle of Palms will not provide ATAX funding for religious activity, however, funding may be considered for local non-secular activities that promote and/or benefit tourism. ATAX funds are not permitted to be used for the payment of legal fees, educational workshops, nor for health care services. ATAX grants are not available for scholarship purposes. In broad terms, ATAX funds are not allowed for local school related activities nor are they otherwise designed to be used merely to serve only a local community or region exclusively. Likewise, Isle of Palms ATAX funding is not available to fund the activities of remote locales that do not directly and specifically enhance tourism on the City of Isle of Palms.

Grantees of City of Isle of Palms ATAX grant funding are not permitted to use such funds received to re-grant, “pass through” or otherwise transfer ATAX funds received to other organizations. All ATAX funds received must be utilized solely on direct program expenditures to promote local tourism by the entity receiving the funds. Any funds not utilized or expended for local tourism purposes must be returned to the City of Isle of Palms promptly, not to exceed one year of being granted.

Criteria for Project Eligibility

Organizations and/or projects to be funded from City of Isle of Palms ATAX grants must have as their primary mission the attraction of tourists to the Isle of Palms and/or enhancing their tourist experiences, to include the metric of analysis of what is commonly called “heads on beds”. Those seeking to receive funding from City of Isle of Palms ATAX grants should expect their applications to be reviewed for the purpose of assessing the impact they have and/or are expected to have on the municipality’s tourism and tourism efforts. Priority will be given to organizations and/or projects that have the following characteristics:

- Generation of overnight stays in recognized commercially available lodging facilities within the City of Isle of Palms and are otherwise economically beneficial to the City of Isle of Palms by virtue of tourism, advertising, promotion, and aiding in replenishing the municipality’s ATAX account, as well as promotion , enhancement and highlighting of City of Isle of Palms’ historical and/or cultural venues, its beach in particular, recreational facilities and local community events, along with an appreciation of and enhancing the advantageous character and uniqueness of the local City of Isle of Palms community.

Funding priorities: The ATAX Advisory Committee considers the definition of “travel” and “tourism” in a customary manner and consistent with that utilized by TERC, to wit; the actions and activities of people traveling outside their home communities to the City of Isle of Palms for a purpose other than daily commuting to and from work. City of Isle of Palms ATAX grants are to be used to attract and provide positive experiences for its tourists, with an understanding and appreciation that the expenditure of those funds may as an ancillary matter benefit the local community and region as well. The concept of persons traveling to City of Isle of Palms from a distance of more than fifty miles and staying overnight has ordinarily been an accepted, complementary and appropriate definition of tourists/tourism for these purposes. *De minimus*, indirect contact by mere occasional visitors and/or “day trippers” from nearby regional communities for their benefit in particular are not normally considered acceptable for City of Isle of Palms ATAX grant funding purposes despite the fact that they may involve otherwise commendable and laudable goals and/or benefits.

The City of Isle of Palms ATAX Advisory Committee encourages those local projects which leverage ATAX funds as matching or “challenge” grants and/or which stimulate or add to the financial support contributed to the City of Isle of Palms projects for which ATAX funding is sought by private and commercial /industry purses. The Committee will not ordinarily look with favor on those applications that have used and/or contemplate using any portion of ATAX grant funds to retire old debt or to cover previously incurred expenses or operating losses not forming a basis for the City of Isle of Palms ATAX grant currently being sought. All grant funds awarded are expected to be expended by the recipient in a timely manner and are not designed or anticipated to be used for purposes of a debt “carry forward”. Again, it is reemphasized that re-granting, sub-granting, pass-throughs and/or other similar transfer to another entity of City of Isle of Palms ATAX grants is strictly prohibited.

Application Components

Completed applications are to be timely submitted to:

Isle of Palms

1207 Palm Blvd.

PO Box 508 Isle of Palms, SC 29451

If you have questions, you may call 843-886-6428 or email Rhanna@iop.net

Make sure all fields of your application are completed. Failure to do so may be considered as grounds alone to reject an application. The application must be signed by an authorized representative of the entity seeking City of Isle of Palms ATAX funding. If your organization is volunteer driven and does not have an executive director, please note it in the application and indicate who is designated, who has agreed to act on behalf of the organization and who is otherwise fully responsible for its acts. Eight copies of your Isle of Palms ATAX grant application are required to be submitted to the City of Isle of Palms.

General Description – Describe the project for which ATAX funding is sought (a) in its totality and as expected completion of the presently known ultimate stage, and/or (b) the portion, phase or section of the total project for which funding is now being requested. In particular, describe how your project will promote tourism within the Isle of Palms.

- Include a thorough, but concise description (who, what, when, where and why).
- Include information about innovative ideas, community support and partnerships.
- Describe coordination that has been completed or will be needed with other organizations, if they are engaged in similar or competing activities, and/or, if they will be expected to be the beneficiary of this project.

Benefit to Tourism – Describe how will your project or event will promote and highlight the City of Isle of Palms historic and cultural venues, recreational facilities, beach and special events, and the uniqueness and overall personality of the local community. Describe how your project will impact tourism within the City of Isle of Palms, both positively and negatively. Include all relevant and supporting data. Describe how you are working with local hotels and others providing tourist lodging within the City of Isle of Palms, as well as hospitality related businesses, to enhance tourists’ positive experiences.

Benefit to the Community - Describe how your project will benefit and/or detract from the City of Isle of Palms, its residents, tourists and visitors. Include all relevant supporting data and other records or history.

Previous Success/Organization Capability – Describe how your organization will manage and has in the past successfully managed or failed in its efforts to manage this project or similar projects. Describe your organization’s capacity for managing your project for which you seek City of Isle of Palms ATAX funding.

Project Marketing Plan – Set forth your marketing, advertising and other promotional plans for your project or event. How will you track tourists, visitors and overnight stays? What methods are you using to separately track tourists, visitors (such as day trippers) and residents. How will you separately count the number of tourists, visitors and residents that attend your event or otherwise participate? It is reemphasized that it is important that you provide credible evidence reflecting the number of tourists spending the night on the Isle of Palms, as well as the financial impact as a result of your project/event.

BUDGET AND ELIGIBLE EXPENDITURES – Your budget should reflect in financial terms the actual costs of achieving the objectives of the project(s) you propose in your application. City of Isle of Palms ATAX funds are to be used for tourism related expenses only.

Per Title Six (6-4-5) of SC State Law, ATAX funds are required to be used for:

- a) advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;
- b) promotion of the arts and cultural events;
- c) construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;
- d) the criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;

- e) public facilities such as restrooms, dressing rooms, parks, and parking lots;
- f) tourist shuttle transportation;
- g) control and repair of waterfront erosion;
- h) operating visitor information centers.

All grant funds must be expended by the recipient organization for tourism purposes. Otherwise, they are to be promptly returned to the City of Isle of Palms. Re-granting, sub-granting and/or "pass through" of ATAX grant funds is **not** allowed.

Expenditures must be consistent with your application budget. Only goods and services that comply with the ATAX Guidelines and State Law are permitted. Project or event vendors will not be paid directly by the City of Isle of Palms from ATAX grants. Your budget should reflect in financial terms the actual costs of achieving the objectives of the project(s) you propose and/or have expended in your application. Be as detailed as possible in your budget narrative. If awarded, this information will be compared to your payment requests.

APPLICATION EVALUATION – Though not an all-exhaustive list, the Committee will use the following evaluation criteria along with other relevant factors to evaluate applications and proposed projects. The individual factors are important in project evaluation, as they are an indication of the degree to which the proposed project will contribute to tourism within the city limits of the City of Isle of Palms. Please ensure that you review these factors and include the elements in your application. These factors include, but are not limited to:

- Thoroughness of Proposal: Are responses clear and complete? Is your project's budget complete? Are all relevant project documents provided?
- Benefit to Tourism: How well and to what degree will your project promote tourism within the City of Isle of Palms? If so, how? Will it promote a positive image for the City of Isle of Palms? Will it attract tourists and visitors, build new audiences and encourage tourism expansion? Will it increase awareness and appreciation for the local amenities, history, facilities, and natural environment, as well as affect local residents in a positive manner so as to promote tourism? How and why do you expect it to do so?
- Benefit to the Community: How will this project benefit the citizens of the City of Isle of Palms in context? Will the project benefit or detract from other communities in the region? Who will attend the event? How many tourists and visitors will the event be expected to serve? Where will they be expected to park? What means are they expected to use for transportation on and off Isle of Palms? How will traffic, public safety and first responders, as well as Isle of Palms residents be affected by your project or event?
- Innovation: Is this project unusual or unique? If so, why? Does it move an existing program in a new direction and if so, how?
- Community Support: Does the project have broad-based community appeal or support? What is the evidence of need for this project within the City of Isle of Palms

city limits?

- Evidence of Partnerships: What kind and degree of partnership with others does the project exhibit? Does it exhibit volunteer involvement, inter-jurisdictional, corporate, business, and/or civic support?
- Management Capability: Does the applicant organization demonstrate an ability to successfully complete the project through effective business practices in the areas of finance, administration, marketing, and production? If so, how? If this organization has received funding previously, was the project more than marginally successful and how do you measure your successes and failures?
- Economic Impact & Accountability
- Reliable Tracking Mechanism: What metrics are you using to measure success? Surveys, ticket sale data, etc.
- Expected Revenue Generated: What are the projected direct and indirect dollar expenditures by visitors/tourists and others on the Isle of Palms as a result of your project? What is the estimated number of meals expected to be purchased and consumed on Isle of Palms by tourists and visitors relating to this project? What other expenditure of funds are tourists and visitors expected to make to benefit Isle of Palms? How many overnight stays on the Isle of Palms are expected as a result of your project's efforts and how do you track the success or lack thereof in attracting overnight tourists on the Isle of Palms?
- Reasonable Cost / Benefit Ratio Analysis: Does the benefit of the project (i.e. number of tourists estimated and expected revenue generated) exceed the cost of the project? If so how? Is this project "worth" its cost? What public services will be expended to accommodate your event (such as extra police, fire department, first responders, beach services, etc. ?

APPLICATION PACKAGE In order to be considered for funding, applicants must submit a complete application package for the City of Isle of Palms ATAX grant program. Complete applications include:

- Completed and signed application form. You can download the forms at the City of Isle of Palms web site- www.iop.net/Accomodations Tax Advisory Committee.
- Agreement with the terms set forth herein by signature of the board chair or the executive director - If your organization does not have an Executive Director, please note this in the grant application and indicate who is assuming overall responsibility for your proposed project.
- Project budget and narrative (form included with the application).
- Required Attachments:
 - 1) IRS determination letter indicating the organization's 501 © (3) charitable status.
 - 2) Proof of current registration as a charity with the SC Secretary of State's Office. Visit http://www.sos.sc.gov/Public_Charities for more information.

- 3) Current list of board of directors
- 4) Three years most recent 990 tax returns.
- 5) Isle of Palms business license or business license assessment form where applicable.
- 6) If insurance is relevant, you must include a copy of your insurance policy listing Isle of Palms as an additional insured.

As well, you are required, as a condition of receiving a City of Isle of Palms ATAX grant, to agree to hold harmless and indemnify the City of Isle of Palms and its employees and City representatives relative to any and all claims against events or projects to which your City of Isle of Palms ATAX grant may relate, to include all legal fees and costs.

Also, if ATAX funds granted by the City of Isle of Palms are deemed by the City of Isle of Palms in its sole discretion to have been either misused and/or not utilized within six months of being granted, the applicant shall be required to return all such granted funds to the City of Isle of Palms, plus interest and legal fees that may be incurred, if any, associated with collection of those sums due the City of Isle of Palms.