

# SCPRT ARPA Funding Request

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# THE PANDEMIC

The South Carolina Tourism Industry was hit very hard by the pandemic, more so than any other industry in terms of revenue and job loss.

In Calendar Year 2020

- Visitor spending by domestic travelers to South Carolina fell 31%, a drop of **\$4.8 billion**.
- Visitor spending by international visitors to South Carolina fell 80%, a drop of **\$760 million**.

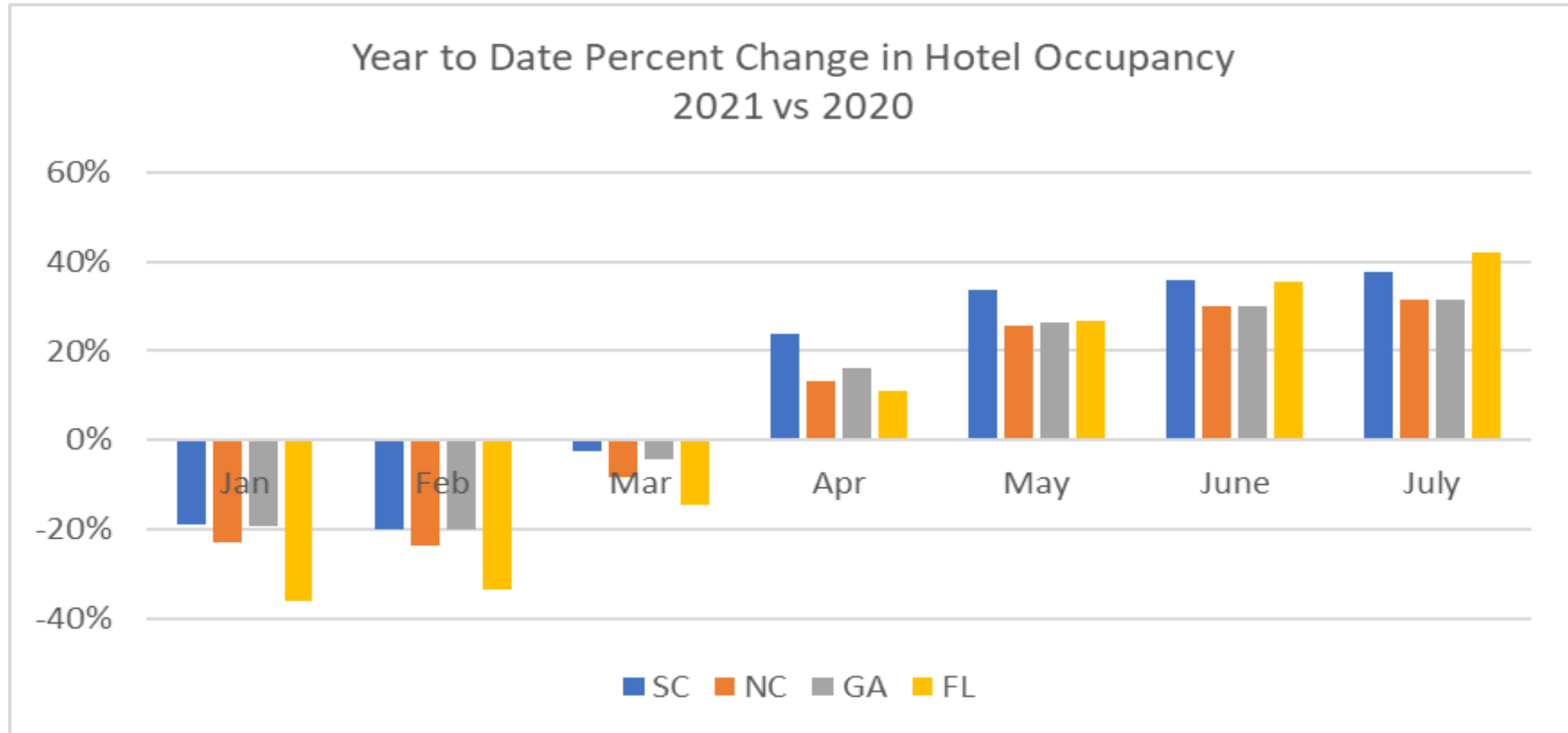
# THE RECOVERY

Since the beginning of 2021, South Carolina has recovered faster than the nation overall due to our product offerings and our investment in marketing.

- So far this year, South Carolina total occupancy (hotels and vacation rentals) is **up 32%** vs the same period in 2020 compared with the United States which is up 27%.
- South Carolina lodging revenue for January through July 2021 is **\$1.1 billion higher** than the same period in 2020 and \$280 million higher than the same period in 2019.
- So far in 2021, South Carolina lodging taxes are **\$125 million higher** than the same period in 2020. When compared with the \$20 million we began investing in marketing in late 2020, this is a **\$6.30 to \$1 ratio**.

# THE FUTURE

As we emerge from this recovery, our competition is recovering at similar or faster rate than us and they are spending a lot of time, money and effort to come out on top.



# TOURISM RECOVERY STRATEGIES

The South Carolina Department of Parks, Recreation & Tourism is requesting **\$50 million** from South Carolina's apportionment of American Rescue Plan state funds for continued, long-term tourism recovery efforts over the next five years.

While the state as a whole has experienced a significant recovery of domestic leisure travel in the first half of 2021, tourism business has not reached pre-COVID levels and certain segments of the industry – particularly international travel, business travel, meetings and conventions – have yet to experience the same rate of recovery as domestic leisure travel.

SCPRT has provided in the table below, three main categories for proposed expenditures and estimated amounts for each category. The agency would plan to spend these funds over the next five years. These amounts designated for each category may fluctuate, depending on changing circumstances, either nationally or internationally.

Category	Estimated Amount
Domestic Branding & Advertising	\$12,500,000.00
International Recovery Marketing	\$17,500,000.00
DMO Grant Support	\$20,000,000.00
Total	\$50,000,000.00

# TOURISM RECOVERY STRATEGIES

Previous recovery advertising efforts by SCPRT focused on nearby drive markets; however, continual increases in air travel, as evidenced by the increase in passenger traffic at South Carolina's five major airports, presents an opportunity to continue domestic travel recovery efforts on a broader scale.

Domestic Branding & Advertising would include increased marketing and advertising in a wider consumer market radius, utilizing strategies designed to reach a wider audience.

International travel has regularly contributed \$800 million - \$900 million each year to our state's tourism economy and is critical for tourism business stability in our coastal destinations.

As travel restrictions are lifted, it is imperative that South Carolina re-engage with consumers and tour operators in key international markets to ensure the recovery of international travel business.

SCPRT also intends to utilize a portion of its funds to provide support – in the form of grants – to destination marketing organizations (DMOs).

These grant funds will allow DMOs the necessary financial resources to continue their own recovery efforts, which will ultimately complement and support the state's efforts.

# STATE PARKS CAPACITY MANAGEMENT

The South Carolina Department of Parks, Recreation & Tourism is requesting **\$14 million** from South Carolina's apportionment of American Rescue Plan state funds for projects that will address the increase in visitation capacities issues experienced at South Carolina State Parks since the COVID pandemic began.

The demand for outdoor recreation at State Parks has increased substantially since May 2019.

The drastic increase in demand has also resulted in more State Parks regularly reaching maximum capacity – leading to increased frustrations and discouragement.

In addition to a sharp increase in day visits, State Parks has also experienced significant increases in demand for camping.

Overall, camping occupancy has been in the 70%+ range throughout the spring of 2021.

At many parks with higher visitor demand, occupancy rates have been above 80% occupancy each month this spring, with several parks above 90%, and two exceeding 99%.

Many of our State Parks, especially the most frequently visited ones, are fully developed and do not have the necessary space to expand access or capacity.

# STATE PARKS CAPACITY

SCPRT proposes to utilize the ARP funds to develop new park properties (broadly identified in the table below) in order to alleviate capacity issues at existing State Parks and provide more opportunities for outdoor recreation.

These new park developments will provide additional overnight accommodations, ocean/lake/river access, and event/group space.

SCPRT currently has an approximate cost estimate to develop access and trails at the Gap Creek property, which the agency already owns.

An overall estimate is provided for the other park sites listed, as the agency is currently in the process of acquiring these properties.

Category	Location	Estimated Amount
<b>New Park Development</b>		
	Gap Creek	\$1,000,000.00
	Charleston/May Forest	\$13,000,000.00
	Black River	
	Coastal Location	
	Midlands Locations	
<b>Total</b>		\$14,000,000.00



# BEACH NOURISHMENT

South Carolina Department of Parks, Recreation & Tourism is requesting **\$15 million** from South Carolina's apportionment of American Rescue Plan State and Local Fiscal Recovery Funds for beach nourishment projects to ensure the continued resiliency of our state's coastal destinations and their tourism business communities.

South Carolina's five coastal counties (Beaufort, Charleston, Colleton, Georgetown, Horry) generated nearly \$9.5 billion in domestic visitor spending in 2019, accounting for 63% of all domestic visitor spending in South Carolina.

This visitor spending supported over 89,000 jobs in these five counties. In addition to domestic visitation, these counties also account for a substantial portion of the international visitation to South Carolina, which – in total – contributed \$806 million to South Carolina's economy in 2019.

# BEACH NOURISHMENT

Maintaining the state's beaches through nourishment not only ensures adequate recreational space and tourism continuity, but also replenishes the dune systems, which are essential to ensuring the resiliency of the state's coastal destinations for events such as king tides, tropical storms and hurricanes.

Natural erosion combined with accelerated erosion from major weather events necessitates continual reinvestment in the state's coastal infrastructure.

These funds, if approved, would be used to provide grant funds for *critical need* nourishment projects at the state's publicly accessible beaches.

Per the Interim Final Rule from the US Treasury Department on May 17, 2021 (Federal Register Vol. 86 No. 93), SCPRT believes this request to be an eligible use of funds, as it would provide funding for "projects to improve resilience to the effects of climate change."