

AGENCY NAME:	Parks, Recreation & Tourism		
AGENCY CODE:	P280	SECTION:	049



Fiscal Year 2014-15 Accountability Report

SUBMISSION FORM

AGENCY MISSION

Growing South Carolina's economy by fostering sustainable tourism economic development and effectively marketing our state to increase visitation and improve the quality of life for all South Carolinians.

Please identify your agency's preferred contacts for this year's accountability report.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
PRIMARY CONTACT:	Amy Duffy	803-734-3272	aduffy@scprt.com
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I have reviewed and approved the enclosed FY 2014-15 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR
(SIGN/DATE):

Duane Parrish

9/14/2015

(TYPE/PRINT NAME):

Duane Parrish

BOARD/CMSN CHAIR
(SIGN/DATE):

(TYPE/PRINT NAME):

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AGENCY'S DISCUSSION AND ANALYSIS

TOURISM ECONOMY:

SOUTH CAROLINA'S TOURISM HAS CONTINUED TO GROW AND EXPAND SINCE 2011. IN CY 2013, TRAVEL AND TOURISM CONTRIBUTED \$18.1 BILLION TO THE STATE'S ECONOMY, UP 3.0 % FROM 2012. THIS TOTAL CONTRIBUTION INCLUDES \$9.6 BILLION SPENT BY OUT-OF-STATE DOMESTIC VISITORS, \$710 MILLION SPENT BY INTERNATIONAL VISITORS, \$3.5 BILLION SPENT BY SOUTH CAROLINA RESIDENTS AND BUSINESSES ON IN-STATE TRAVEL SERVICES AND GOODS, MORE THAN \$743 MILLION IN TOURISM CAPITAL INVESTMENT, \$366 MILLION IN GOVERNMENT SPENDING, AND \$3.3 BILLION IN MERCHANDISE TRADE. IN CY 2014, DOMESTIC VISITOR EXPENDITURES IN SOUTH CAROLINA TOTALED \$12.2 BILLION, UP 5.3% FROM 2013.

SCPRT TRACKS THREE MAJOR TOURISM-RELATED ECONOMIC METRICS EACH MONTH TO GAUGE THE OVERALL ECONOMIC HEALTH OF SOUTH CAROLINA'S TOURISM INDUSTRY. ALL THREE METRICS EXPERIENCED POSITIVE GROWTH DURING FY 15.

	<i>FY 14</i>	<i>FY 15</i>	<i>PERCENT CHANGE</i>
HOTEL REVPAR	\$55.55	\$61.25	10.3%
ADMISSIONS TAX COLLECTIONS	\$34.1M	\$36.9M	8.5%
STATE PARK REVENUE	\$24.0M	\$26.9M	11.9%

FROM JANUARY – JUNE 2015, STATEWIDE HOTEL OCCUPANCY INCREASED BY 1.9%. COMBINED WITH A 6.1% INCREASE IN THE AVERAGE DAILY ROOM RATE, HOTEL REVPAR (REVENUE PER AVAILABLE ROOM) INCREASED BY 8.1%. THROUGH JUNE 2014, SOUTH CAROLINA'S REVPAR GROWTH HAS OUTPACED BOTH THE NATIONAL AVERAGE (7.2%). NEARLY ALL SOUTH CAROLINA DESTINATIONS HAVE EXPERIENCED CONTINUAL GROWTH IN BOTH HOTEL OCCUPANCY RATES AND HOTEL REVENUES DURING THE LAST FISCAL YEAR.

OVERALL STATEWIDE ADMISSIONS TAX COLLECTIONS INCREASED SIGNIFICANTLY DURING FY 14/15, WITH AN 8.5% INCREASE REPRESENTING AN ADDITIONAL \$2.8 MILLION IN ADMISSIONS TAX COLLECTIONS COMPARED TO THE PREVIOUS FISCAL YEAR. ADMISSIONS TAX COLLECTIONS FOR GOLF, A SUBSET OF THE TOTAL COLLECTIONS, WERE ALSO RELATIVELY FLAT DURING FY 14/15, WITH A 0.4% DECREASE COMPARED TO THE PREVIOUS FISCAL YEAR.

TOURISM MARKETING:

DURING FY 13, SCPRT BEGAN DEVELOPING A NEW MARKETING STRATEGY, TERMED UNDISCOVERED SC, TO TARGET AND PROMOTE THE STATE'S VAST RURAL TOURISM DESTINATIONS, ATTRACTIONS AND AMENITIES. UNDISCOVERED SC IS COMPRISED OF DESTINATIONS – BOTH COASTAL AND INLAND – THAT LACK THE INDIVIDUAL RESOURCES TO CREATE WIDESPREAD, SIGNIFICANT EXPOSURE FOR THEIR RESPECTIVE TOURISM ATTRACTIONS, EVENTS AND AMENITIES. THE UNDISCOVERED SC CAMPAIGN IS DESIGNED TO TARGET THOSE DESTINATIONS THAT WILL MOST DIRECTLY BENEFIT FROM AWARENESS GENERATED THROUGH SCPRT'S MARKETING PROGRAM. IN ADDITION TO SPREADING THE BENEFITS OF TOURISM ACROSS THE STATE, THE UNDISCOVERED SC CAMPAIGN CAN HELP THESE DESTINATIONS AND THEIR BUSINESS COMMUNITIES BETTER REALIZE THEIR FULL TOURISM POTENTIAL.

IN 2014, SCPRT SHIFTED ITS FOCUS FOR THE UNDISCOVERED SC MARKETING CAMPAIGN FROM SC-BASED BARBECUE EXPERIENCES TO SOUTH CAROLINA'S VAST AND VARYING OUTDOOR RECREATION EXPERIENCES. ACCORDING TO THE RESULTS FROM AN ADVERTISING EFFECTIVENESS STUDY FOR SCPRT'S FALL AND SPRING ADVERTISING CAMPAIGNS, 40% OF THE TARGET AUDIENCE RECALLED SEEING ONE OR MORE ELEMENTS OF EITHER CAMPAIGN. THIS EQUATES TO APPROXIMATELY 4.5 MILLION AD-AWARE

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HOUSEHOLDS. IN ADDITION, SCPRT GENERATED MORE THAN 86 MILLION MEDIA IMPRESSIONS THROUGH ITS SUPPORTING PUBLIC RELATIONS EFFORTS, WHICH REINFORCE THE PAID MEDIA STRATEGY OF THE MARKETING PLAN.

SCPRT'S ADVERTISING AND COOPERATIVE ADVERTISING SALES PROVIDE TWO DIRECT BENEFITS. THEY ALLOW SCPRT TO OFFSET SOME OF THE COST FOR ITS PAID ADVERTISING PURCHASES. IN ADDITION, THESE SALES PROVIDE SOUTH CAROLINA'S TOURISM DESTINATIONS THE OPPORTUNITY TO SECURE ADVERTISING IN MAINSTREAM MEDIA OUTLETS AT A REDUCED COST, ALLOWING THEM GREATER MEDIA EXPOSURE WITHOUT INCURRING SIGNIFICANT INDIVIDUAL EXPENSE.

THE STRENGTH OF SCPRT'S MARKETING PROGRAM CAN ALSO BE MEASURED BY INDUSTRY PARTNER PARTICIPATION IN THE AGENCY'S VARIOUS ADVERTISING AND COOPERATIVE ADVERTISING PROGRAMS. IN FY14/15, THESE SALES EITHER REACHED COMPARABLE LEVELS OR EXCEEDED SALES FOR THE PREVIOUS FISCAL YEAR:

- IN FY 15, COOPERATIVE ADVERTISING SALES FOR THE 2014 VACATION GUIDE TOTALED \$419,902, WHICH COVERED BOTH PRODUCTION AND PRINTING COSTS FOR THE GUIDE.
- ADVERTISING SALES FOR THE WELCOME CENTER PROGRAM WERE \$110,839 IN FY 15.
- COOPERATIVE ADVERTISING SALES FOR FY 15 WERE \$388,924.
- ADVERTISING SALES FOR THE DISCOVER WEBSITE WERE TEMPORARILY SUSPENDED AFTER SCPRT RELAUNCHED ITS NEWLY REDESIGNED LEISURE CONSUMER WEBSITE IN JULY 2014. WEBSITE AD SALES WERE RESUMED AS OF JULY 2015.

SOUTH CAROLINA'S NINE WELCOME CENTERS RECEIVED OVER 960,000 VISITORS IN FY 15, AND ASSISTED WITH OVER 12,000 ACCOMMODATIONS RESERVATIONS AND NEARLY 3,000 ATTRACTIONS RESERVATIONS. ACCOMMODATIONS RESERVATIONS EQUATED 15,484 ROOM NIGHTS, REPRESENTING OVER \$1.5 MILLION WORTH OF DIRECT ROOM REVENUE FOR SOUTH CAROLINA LODGING PROPERTIES (BASED ON A \$99.99 AVERAGE DAILY RATE).

AFTER SIGNING AN MOU WITH SCDOT IN JULY 2014, TRANSFERRING ALL WELCOME CENTER FACILITIES AND OPERATIONS TO SCPRT, SCPRT BEGAN ITS STAGED RENOVATION PLANS OF THE WELCOME CENTERS. THE FIRST PHASE OF THESE RENOVATIONS HAS BEEN TO ADDRESS AND UPDATE LANDSCAPING AT ALL OF THE WELCOME CENTERS. IN FEBRUARY 2014, SCPRT COMPLETED ITS INTERIOR REDESIGN OF THE LANDRUM WELCOME CENTER, INTEGRATING NEW TECHNOLOGIES THAT ALLOW WELCOME CENTER STAFF TO BETTER ASSIST GUESTS WITH THEIR TRAVEL AND TOURISM PLANNING NEEDS. THE TECHNOLOGY UPGRADES AT THE LANDRUM WELCOME CENTER WILL BE INCORPORATED INTO EACH OF THE OTHER WELCOME CENTERS AS PART OF THE TOTAL RECONSTRUCTION PLANS. CURRENTLY, THE WELCOME CENTERS AT HARDEEVILLE AND FORT MILL ARE IN THE PLANNING STAGES FOR COMPLETE REDESIGN AND RECONSTRUCTION OF ALL BUILDINGS LOCATED ON WELCOME CENTER GROUNDS.

STATE PARK SERVICE:

IN FY 15, THE STATE PARK SERVICE GENERATED NEARLY \$27 MILLION IN REVENUE, AN 11.9% INCREASE FROM THE PREVIOUS FISCAL YEAR. OPERATIONAL SELF-SUFFICIENCY FOR THE STATE PARK SERVICE INCREASED TO 94.2%. SCPRT CONTINUES TO PURSUE ITS GOAL OF ATTAINING 100% OPERATIONAL SELF-SUFFICIENCY FOR THE STATE PARK SYSTEM. SCPRT CONTINUES TO UTILIZE STANDARD HOTEL BUSINESS PRACTICES TO IMPROVE FINANCIAL PERFORMANCE AT STATE PARKS. THESE BUSINESS PRACTICES INCLUDE PREMIUM EXPERIENCE PRICING FOR TARGETED, HIGH VISITATION DATES AND YIELD MANAGEMENT STRATEGIES TO IMPROVE OCCUPANCY RATES.

IN TERMS OF OVERNIGHT VISITATION, SOUTH CAROLINA STATE PARKS EXPERIENCED A DECREASE OF 198 CABIN RENTAL NIGHTS (APPROXIMATELY -4.0 PERCENT CHANGE) IN FY 15 COMPARED TO THE PREVIOUS FISCAL YEAR, TOTALING 28,813. CAMPSITE RENTAL NIGHTS INCREASED BY 9,643 (+1.0% CHANGE) TO TOTAL 374,388 IN FY 15. GOLF ROUNDS AT CHERAW STATE PARK DECREASED BY 2.1% TO TOTAL 16,648 FOR FY 15, WHILE GOLF ROUNDS AT HICKORY KNOB STATE PARK DECREASED 11.1% TO TOTAL 13,313.

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ADDRESSING DEFERRED MAINTENANCE PROJECTS IS ALSO A KEY COMPONENT FOR SCPRT'S LONG TERM STRATEGY TO ACHIEVE 100% OPERATIONAL SELF-SUFFICIENCY FOR STATE PARKS. MANY OF THESE PROJECTS, IF LEFT UNADDRESSED, WOULD EVENTUALLY IMPACT PARK USAGE OR VISITATION, ULTIMATELY NEGATIVELY IMPACTING REVENUE FOR THE STATE PARK SYSTEM.

DURING FY 15, SCPRT REPLACED AGING SEWER SYSTEMS AT SANTEE AND TABLE ROCK STATE PARKS, COMPLETED CAMPSITE UPGRADES AND PAVING AT LAKE GREENWOOD STATE PARK, AND BEGAN CONSTRUCTION PLANNING FOR THE INSTALLATION OF A SPLASH PAD AT SESQUICENTENNIAL STATE PARK. REPLACING THE SEWER SYSTEMS AT SANTEE AND TABLE ROCK PROTECT REVENUE BY ELIMINATING THE POTENTIAL FOR SEWAGE PROBLEMS THAT WOULD REQUIRE CLOSING THE PARKS FOR PUBLIC USE. THE ELECTRICAL AND WATER UPGRADES AT LAKE GREENWOOD STATE PARK ALLOW THE PARK TO PROVIDE ADEQUATE SERVICE FOR RVs AND CAMPERS, ENSURING THE PARK'S ABILITY TO SATISFY CHANGING CONSUMER DEMANDS. THE SPLASH PAD AT SESQUICENTENNIAL STATE PARK WILL UTILIZE THE PARK'S URBAN LOCATION AND PROVIDE AN ADDITIONAL ATTRACTION THAT WILL INCREASE VISITATION DURING LATE SPRING AND SUMMER MONTHS.

DONATIONS AND CONTRIBUTIONS FROM SOUTH CAROLINA-BASED BUSINESSES AND ORGANIZATIONS ALSO ALLOW THE SCPRT TO ENHANCE THE VISITOR EXPERIENCE AT STATE PARKS WITHOUT INCURRING SIGNIFICANT ADDITIONAL EXPENSES. DURING FY 15, SOUTH CAROLINA STATE PARKS RECEIVED OVER \$66,000 IN MAJOR CONTRIBUTIONS FROM PRIVATE OR CORPORATE DONORS. THESE CORPORATE CONTRIBUTIONS INCLUDED \$11,000 FROM CONTINENTAL TIRES FOR POINSETT STATE PARK, \$20,000 FROM DUKE ENERGY FOR INTERPRETATIVE DISPLAYS AT JONES GAP STATE PARK, AND \$10,000 FROM BOSCH FOR INTERPRETATIVE SIGNAGE AT SADLERS CREEK STATE PARK.

TOURISM AND RECREATION GRANTS:

IN FY 15, TO FURTHER ITS EFFORT TO SUPPORT AND PROMOTE TOURISM THROUGHOUT "UNDISCOVERED SOUTH CAROLINA," SCPRT DEVELOPED A PRODUCT DEVELOPMENT GRANT PROGRAM DESIGNED TO ASSIST COMMUNITIES AND NON-PROFIT ORGANIZATIONS WITH THE DEVELOPMENT OF PUBLICLY-OWNED TOURISM PRODUCTS THAT WILL ENCOURAGE VISITORS TO TRAVEL THROUGHOUT SOUTH CAROLINA. THROUGH THE UNDISCOVERED SC GRANT PROGRAM, SCPRT PROVIDES FINANCIAL ASSISTANCE FOR APPROVED APPLICANTS IN THE CREATION OR EXPANSION OF VIABLE TOURISM PRODUCTS WHICH WILL ADD VALUE TO THEIR COMMUNITIES AND BRING VISITORS TO "UNDISCOVERED" SOUTH CAROLINA. IN FY 15, SCPRT AWARDED TWO UNDISCOVERED SC GRANTS FOR \$250,000 FOR AN EXPANSION PROJECT AT THE SC EQUINE CENTER IN Kershaw County AND INSTALLATION OF COMPETITIVE ROWING FACILITIES AT LANGLEY POND IN AIKEN.

SCPRT HAS ALSO RECENTLY SECURED FUNDING FOR AN ADDITIONAL GRANT PROGRAM DESIGNED TO ASSIST LOCAL GOVERNMENTS IN THEIR EFFORTS TO RECRUIT COMPETITIVE SPORTS EVENTS. SPECIFICALLY, THIS GRANT WILL PROVIDE FINANCIAL ASSISTANCE FOR BIDDING AND HOSTING EXPENSES INCURRED BY DESTINATIONS. THE INTENT OF THIS PROGRAM IS TO INCREASE OPPORTUNITIES FOR DESTINATIONS TO ATTRACT SPORTS EVENTS THAT WILL ELEVATE SOUTH CAROLINA'S PROFILE AS A PREMIER SPORTS TOURISM DESTINATION.

SC FILM OFFICE

DESPITE THE LOSS OF THE CBS SERIES *RECKLESS*, WHICH CBS STUDIOS DECIDED TO DISCONTINUE AFTER ITS FIRST SEASON, THE SOUTH CAROLINA FILM OFFICE HAD A VERY SUCCESSFUL YEAR IN FY 15, PARTICULARLY IN TERMS OF TELEVISION SERIES RECRUITMENT. DURING FY 15, SCPRT SUCCESSFULLY RECRUITED THREE CABLE NETWORK SERIES: *VICE PRINCIPALS* (HBO), *OUTCAST* (CINEMAX), AND *SOUTH OF HELL* (WE). IN ADDITION, SCPRT ALSO SUCCESSFULLY RECRUITED A CBS CHILDREN'S EDUCATIONAL SERIES, *THE INSPECTORS*, AND TWO FEATURE FILMS, *IVY LEAGUE FARMER* AND *SOPHIE AND THE RISING SUN*. ALTOGETHER, THESE PROJECTS GENERATED APPROXIMATELY \$9.1 MILLION IN SOUTH CAROLINA-BASED PURCHASES, AND CREATED OVER 500 EMPLOYMENT OPPORTUNITIES FOR SOUTH CAROLINA RESIDENTS AND FILM CREW.