

1 Agreement between the City of Myrtle Beach and the
2 Myrtle Beach Area Chamber of Commerce Concerning
3 Accommodations Tax Revenues
4

5 This Agreement is entered into this _14th_ day of June, 2023, by and between the City of Myrtle
6 Beach (“City) and the Myrtle Beach Area Chamber of Commerce (“COC”) (collectively the
7 “Parties”) to establish expectations concerning the allocation of Accommodations Tax revenues
8 as provided in Title 6, Chapter 4 of the South Carolina Code of Laws as well as expectations
9 for reporting and effective use of the allocated Accommodations Tax revenues.

10
11 Pursuant to Title 6, Chapter 4 of the South Carolina Code of Laws, the Accommodations Tax
12 funds received by the City of Myrtle Beach will be allocated in the following manner:

13 1. The first twenty-five thousand dollars must be allocated to the General Fund of the City
14 and is exempt from all other requirements of Chapter 4.

15 2. Five percent of the balance must be allocated to the General Fund of the City and is exempt
16 from all other requirements of Chapter 4.

17 3. Thirty percent of the balance must be allocated to a special fund and used only for
18 advertising and/or promotion of tourism to develop and increase tourist attendance through the
19 generation of publicity.¹

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21 To manage and direct the expenditure of the tourism promotion funds, the City shall select one
22 or more organization, such as a chamber of commerce, visitor and convention bureau, or regional
23 tourism commission to manage and direct the expenditure of those funds, or if such an
24 organization does not exist, the City shall create one.

25
26 Upon allocation to the special fund, the City shall distribute the tourism promotion funds to the
27 organizations selected or created to receive them.

28
29 The effectiveness of the advertising and tourism promotion program shall be determined by the
30 Myrtle Beach City Council.

31
32 NOW THEREFORE, the Parties agree as follows:

33 1. Designation of Organization and Term of Agreement
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35 For the four quarters of the City’s fiscal year 2023 – 2024 (“Fiscal Year”), the Parties mutually agree
36 that, pursuant to S.C. Code Title 6, Chapter 4, the Myrtle Beach Area Chamber of Commerce (the
37 “COC”) shall be the sole and exclusive Destination Marketing Organization for the City for the
38 purpose of managing and directing the expenditure of the special fund described above for

¹ South Carolina budget proviso number 109.10 of the 2023-24 South Carolina state budget (as proposed for adoption) allows for one-half of the total of the thirty percent fund to be set aside and used by the City for direct policing purposes related to tourism, thereby reducing the portion of the funds allocated and governed by this Agreement.

1 advertising and/or promotion of tourism to develop and increase tourist attendance through the
2 generation of publicity.

3
4 Either party may terminate this Agreement immediately for material breach or for cause. If this
5 Agreement is terminated, the COC shall return to the City all unspent Accommodations Tax funds
6 allocated to the COC and provide an accounting of expenditures through the date of termination.
7 The party terminating the Agreement shall give notice of termination in writing to the other party
8 by certified or registered mail with prepaid postage using the addresses set forth below. Notice
9 shall be effective upon mailing.

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11 As to the City:

City of Myrtle Beach
P.O. Box 2468
Myrtle Beach, SC 29577
Attention: City Manager Jonathan “Fox” Simons, Jr.

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17 As to the COC:

Myrtle Beach Area Chamber of Commerce
1200 N. Oak Street
Myrtle Beach, SC 29577
Attention: ____Karen Riorden____

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24 **2. Marketing Plan and Budget for Advertising and/or Promotion Expenditures**

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26 Before the distribution of funds described in this Agreement, the COC shall submit to the
27 Myrtle Beach City Council for approval a detailed plan (“Plan”) and budget (“Budget”) for
28 advertising and/or promotion expenditures to develop and increase tourist attendance through
29 the generation of publicity (the “Plan and Budget”). The Plan shall specifically indicate the goals
30 of the program for the ensuing year and the strategies proposed to achieve those goals. The Plan will
31 show that revenues from the Accommodations Tax will be used outside a 50 mile radius from the
32 City’s municipal limits but within the State of South Carolina. The Budget shall describe use and
33 amount of the funds anticipated to be received for this purpose during the City’s Fiscal Year.
34 Prior to the submission of a final Plan and Budget, the COC shall share with Myrtle Beach City
35 Council the COC’s strategic initiatives and principal objectives for the year and invite City
36 Council to share its marketing and promotional priorities. The purpose of this requirement is to
37 allow Myrtle Beach City Council meaningful input into the formulation of the Plan and
38 Budget.

39
40 The Accommodations Tax revenues dedicated to advertising and tourism promotion shall be
41 used primarily to advertise and promote events, venues, and attractions within the municipal
42 limits of the City with the objective of increasing Accommodations Tax revenues within the
43 City. However, this provision does not prohibit the COC from advertising or promoting
44 venues or attractions outside the City’s municipal limits.
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2 3. Accounting and Reporting Requirements
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4 The Accommodations Tax revenues allocated to the COC shall be accounted for in a separate
5 account according to Generally Accepted Accounting Principles for governmental and non-profit
6 reporting entities. These funds may not be commingled with any other funds. The Budget shall be a
7 public document available from the City and the COC and shall be available on the media platforms of
8 both Parties.
9

10 Records concerning the funds allocated to the COC are to be maintained in such a manner that the names of
11 payees and the purpose of each payment are readily available to and can be easily discerned by the
12 public. To that end, the COC shall provide the following reports to the City and the reports shall be
13 made available on the media platforms of both Parties:
14

15 (a) Special Purpose Reports

- 16 i. Quarterly updates on expenditures to accomplish budgetary objectives shall be
17 provided to the City at City Council Meetings in the month of September 2023 (for
18 the quarter beginning July 1, 2023), December 2023 (for the quarter beginning
19 October 1, 2023), March 2024 (for the quarter beginning December 1, 2023), and
20 June 2024 (for the quarter beginning March 1, 2024). Upon the City's receipt, the
21 update shall be a public document and shall be available from the City and the COC
22 on the media platforms of both Parties. The updates shall include, at a minimum:
23 • A narrative report on the results of the approved advertising and/or promotional
24 expenditures of the fund indicating progress toward the goals indicated in the Plan.
25 • A budget vs. actual report of the COC's accommodations tax tourism promotion
26 fund showing the budgeted expenditures by line-item along with expenditures for
27 the period, expenditures for the year-to-date, and variances.
28 • A detailed expense ledger report showing itemized expenditures with vendor name
29 and expense description, grouped by line-item in a format similar to Exhibit A
30 attached hereto.
31 • Other metrics as may be agreed upon by the Parties based upon the approved
32 Plan and Budget.
33
- 34 ii. In December 2023, the COC shall render an accounting of the expenditures and
35 progress toward the goals described in the Plan for the COC's Program Year to the Myrtle
36 Beach City Council in public session. The accounting shall include a discretely
37 presented Balance Sheet and Statement of Revenues, Expenditures and Changes
38 in Fund Balances for the Accommodations Tax funds presented in a manner
39 consistent with Generally Accepted Principles for governmental and non-profit
40 accounting. The presentation of the accounting and progress shall be a public document
41 available from the City and the COC and shall be available on the media platforms of the
42 Parties.
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44 (b) General Purpose Reports

45 In addition to the special purpose reports described above, the COC shall render certain general-
46 purpose financial reports at the end of the Fiscal Year as follows:

- 47 i. An accounting of the expenditures and program results presented to the City in public

1 session. Upon the City's receipt of the report, the presentation of the accounting
2 shall be a public document available from the City, and the COC, and shall be
3 available on the media platforms of the Parties.

- 4 ii. An annual independent audit performed according to Generally Accepted Government
5 Auditing Standards shall be performed on the COC's use of the funds, and the results
6 shall be provided to the City and made available on the media platforms of both
7 Parties. The report, which shall include the auditor's opinion letter, may be
8 incorporated into the COC's Comprehensive Annual Financial Report.
- 9 iii. In addition to the audits and financial reviews conducted by the COC, the City may at
10 any point inspect, or cause to be inspected, any or all of the records pertaining to these
11 funds. The COC shall cooperate in the inspections and any ensuing reports related to
12 such inspections.

14 4. Reservations of Advertising and/or Promotion of Tourism Funding

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16 The Parties agree that 5% of the Accommodations Tax revenues allocated by the City to the COC
17 shall be reserved for eligible uses as directed by the City. If the City fails to request expenditures
18 totaling 5% of the funds allocated to the COC, the COC shall use the unspent difference on other Plan
19 objectives. The parties acknowledge that eligible expenses include but are not limited to:

- 20 (a) Advertising and/or promotion of Festival and/or Special Events,
21 (b) Advertising and/or promotion Sports Tourism Events,
22 (c) Advertising and/or promotion of events at the Myrtle Beach Convention Center,
23 (d) Promotional public information efforts, and
24 (e) Destination improvements, including but not limited to the following, which promote
25 tourism and increase publicity by enhancing the visitor's experience:
26 i. Photo op structures; and
27 ii. Ornamental lighting, flags, decorative jackets for barricades, holiday décor,
28

29 5. Applicable Law

30 This Agreement shall be interpreted, governed and enforced in accordance with the laws of the
31 State of South Carolina.

32 6. Counterparts

33 This Agreement may be executed in counterparts, each of which when so executed and delivered
34 will be an original, but all counterparts together will constitute one and the same document.

35 7. Severability

36 Should any portion of this Agreement be declared or determined by a court of competent
37 jurisdiction to be illegal, invalid, or unenforceable, the validity of the remaining parts, terms, or
38 provisions shall not be affected thereby and said illegal, invalid or unenforceable part, term or
39 provision shall then be deemed not to be a part of this Agreement. The parties expressly intend
40 for this Agreement to be enforceable by the Court, and if any material term is omitted, the Court
41 shall determine what is reasonable rather than voiding this Agreement.

42 8. Jointly Drafted

1 The Parties to this Agreement and their respective counsel mutually contributed to the
2 preparation of this Agreement and have had the opportunity to review and revise the same. No
3 provision of this Agreement shall be construed against any Party because that Party or its counsel
4 drafted the provision. All terms of this Agreement shall be construed equally as to both Parties.

5
6 City of Myrtle Beach

Myrtle Beach Chamber of Commerce

7
8 By: _____
9 (Signature of Authorized Representative)

By: _____
(Signature of Authorized Representative)

10
11 _____
12 (Print Name of Authorized Representative)

(Print Name of Authorized Representative)

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