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October 4, 2016

**City of Myrtle Beach**  
SOUTH CAROLINA

Mr. Joe Defeo  
Board Chairman  
PO Box 260005  
Conway, SC 29528-6005

Dear Mr. Defeo,

Thank you again for allowing me to speak to you last Monday evening regarding the partnership between the Horry County School District generally as well as our specific request relating to the Doug Shaw Memorial Stadium project. The relationship with the School Board is clearly a vital one for the City of Myrtle Beach and we are looking forward to strengthening these ties as both bodies seek to make this community even stronger and greater than it is today.

I have included the attached information in response to questions raised by Ms. Graham relating to the District's return on investment in supporting the City's sports tourism efforts. As this report indicates, in 2015 the sports tourism events in the City of Myrtle Beach alone equated to nearly \$168,000,000 of direct visitor spending into the local economy. From that we estimate that nearly \$14,700,000 was generated in State and local taxes, with approximately \$992,000 annually flowing directly to the School District as a part of the one percent capital option sales tax for school construction. Further as I stated, approximately \$27 million is collected from within the city of Myrtle Beach's boundaries of the approximate \$70 million of the one percent sales tax collected county-wide annually representing 38% of the total county-wide collections.

I would also like to address an issue that I neglected to mention on Monday. As you saw the cost estimate, our architect has determined that the cost of the improvements to bring the facility up to District standard (per the agreement between the Board and Council) is approximately \$2,000,000. We recognize that, given the Board's other priorities, that appropriating that sum in next year's budget may be a very difficult task. As the City plans to bond our share of the improvements, we would be happy to simply include that \$2,000,000 in our issue and have you pay us the amount of the corresponding debt service (which we would calculate to be about \$160,000 annually for 20 years) or agree to some other flexible repayment schedule that meets your budget priorities.

Again, on behalf of the Myrtle Beach City Council, I appreciate your time last Monday night and your consideration of our interpretation of the intergovernmental agreement. We look forward to working with the Board and staff in fulfillment of this project. Please feel free to contact me at 843-267-6277 with any questions.

Sincerely,

Wayne Gray  
Councilmember  
City of Myrtle Beach

## 2015 Sports Tourism Tax Summary

<b>Total Estimated Direct Spending</b>	<b>\$167,725,802</b>
County A-Tax	\$192,222
County Hospitality Fee	\$1,540,974
Business License	\$40,177
<b>Total County Revenues</b>	<b>\$1,773,373</b>
City A-Tax	\$682,997
City Hospitality Fee	\$687,808
Sales Tax (TDF)	\$1,239,767
Business License	\$370,113
<b>Total City Revenues</b>	<b>\$2,980,685</b>
State Sales Tax	\$7,320,726
State Admissions Tax	\$1,305,638
A-Taxes Retained/Redistributed	\$74,175
<b>Total State Revenues</b>	<b>\$8,700,539</b>
Horry County Schools Sales Tax	\$991,809
CCU Sales Tax (.135%)	\$167,372
HGTC Sales Tax (.065%)	\$80,587
<b>Total Governmental Revenues</b>	<b>\$14,694,365</b>