

Currituck eyes \$10M from Tourism

By Cindy Beamon
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Thursday, June 6, 2013

CURRITUCK — Tourism remains Currituck's top industry, with the county expected to collect close to \$10 million in occupancy tax revenue in the coming year.

The 6 percent levy on vacationers' lodging on the Outer Banks will pay for a multi-million advertising effort, beefed-up services for summer and some costly capital projects in 2013-14.

Currituck's Board of Commissioners, in their capacity as the county's Tourism Development Authority, approved the travel and tourism spending plan on Monday.

A large part of the county's Travel and Tourism Department's \$10.5 million budget will go toward providing services to a swelling population of visitors in the summer.

Occupancy taxes will pay for \$563,000 in lifeguard services, \$1.1 million in emergency medical services and \$1 million in additional law enforcement. Another \$800,000 will go toward operating the Whalehead Club and Heritage Park, a year-round museum and entertainment venue.

Next year's budget also sets aside \$609,378 for a new public restroom facility near the Currituck Lighthouse but closer to the beach. The county has been negotiating with landowners for a location at the end of Corolla Village Road.

The upcoming budget also includes some more controversial expenditures on the mainland.

In recent years, the county's use of the money for mainland construction projects, including the county-owned YMCA/community building in Maple, has drawn criticism from the tourism industry. Outer Banks residents and businesses have argued occupancy taxes should go toward projects on the Outer Banks since that's where the taxes are generated. Critics have also questioned if some of the projects are actually "tourism-related" as required under state statute.

Among the mainland projects in this coming year's tourism budget are:

- Construction of a new museum and operating costs totaling \$693,000 for the Rural Center in Powells Point; and
- \$1.5 million for Maple Commerce Park.

In his recent budget presentation, County Manager Dan Scanlon said county expenditures meet state guidelines even though some residents may disagree with how and where the money is spent.

Nothing requires that occupancy taxes be spent on the Outer Banks, he said. State law also gives a broad definition for what “tourism-related” means, he added. Basically, an expenditure is allowed if, in the Board of Commissioners’ judgment, it offers lodging, meeting/convention facilities, or recreation that attracts tourist and business travelers to the county.

More straightforward is a provision in the legislation requiring that about a third of occupancy tax revenue — \$3.3 million — go toward promoting the Outer Banks. The largest chunk of that — about 67 percent — will go toward advertising.

Spending on advertising will stay close to the same as last year, except for a continued shift to more online media versus print. With more tourists planning their vacations online, it only makes sense to spend more on online advertising, said Tourism Director Diane Nordstrom.

Travel and Tourism’s staff of eight, including three who oversee visitor centers, account for not quite a fifth of the promotions budget.

One debated expenditure has been the tourism department’s \$5.5 million loan to the county for an upgrade to the Southern Outer Banks water system. The county paid \$1.1 million in 2012-13 toward the five-year loan from the promotions budget, which the state says must be spent on advertising and promoting the Outer Banks. Under the 2013-14 budget, the county reduces that annual loan payment to \$113,987.