



The Town of Hilton Head Island
Accommodations Tax Advisory Committee

Thursday, April 1, 2021, 9:00 a.m.

AGENDA

In accordance with the Town of Hilton Head Island Municipal Code Section 2-5-15, this meeting is being conducted virtually and can be viewed live on the Town's Public Meeting Facebook Page at <https://www.facebook.com/townofhiltonheadislandmeetings/>. Following the meeting, the video record will be made available on the Town's website at <https://www.hiltonheadislandsc.gov/>.

1. Call to Order

2. FOIA Compliance - Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.

3. Roll Call

4. Approval of Agenda

5. Approval of Minutes

a. Accommodations Tax Advisory Committee Meeting, November 5, 2020

6. Citizen Comments

[Citizens who wish to address the Committee on new committee business must contact the Committee Secretary by 12:00 p.m. the day prior to the scheduled meeting. All comments are limited to 3 minutes.]

7. Unfinished Business-None

8. New Business

a. Hearing regarding the Hilton Head Island-Bluffton Chamber of Commerce/Visitor & Convention Bureau's proposed 2021-2022 Marketing Plan and Budget of Expenditures of the 30% Allocation of State Accommodations Tax Funds for the Advertising and Promotion of Tourism.

b. Proposed 2021 Accommodations Out-of-Cycle Grant Process & Calendar

9. Adjournment

Public comments concerning agenda items can be submitted electronically via the Town's Virtual Town Hall public comment portal at <https://hiltonheadislandsc.gov/opentownhall/>. The portal will close at **4:30 p.m.** the day prior to the scheduled meeting. Citizens may also call (843) 341-4646 to sign up for public comment participation during the meeting by phone. The public comment period will close at **4:30 p.m.** the day prior to the scheduled meeting. All comments will be provided to the Committee for review and made part of the official record.

Please note that a quorum of Town Council may result if four (4) or more of their members attend this meeting



Town of Hilton Head Island
**Accommodations Tax
Advisory Committee**

Thursday, November 5, 2020 at 9:00 am

MEETING MINUTES

Present from the Committee: Andrew Brown, *Chairman*; James Fluker, *Vice-Chairman*; Richard Thomas, Stephen Arnold, Julie Martin, James Berghausen and John Farrell

Present from Town Council: Tom Lennox

Present from Town Staff: John Troyer, *Director of Finance*; Erica Madhere, *Finance Administrator*; Cindaia Ervin, *Finance Assistant*

Present from the Media: None

1. Call to Order:

The meeting was called to order at 9:00 a.m.

2. FOIA Compliance:

Public notification of this meeting has been published, posted and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Roll Call- See as noted above.

4. Approval of Agenda

Chairman Brown asked for a motion to approve the agenda. Mr. Fluker moved to approve the agenda as submitted. Mr. Arnold seconded. By way of roll call, the motion was approved by a vote of 7-0.

5. Approval of Minutes

a. Accommodations Tax Advisory Committee, October 15, 2020

Chairman Brown asked for a motion to approve the meeting minutes from October 15, 2020. Mr. Fluker moved to approve the meeting minutes as submitted. Mr. Arnold seconded. By way of roll call, the motion was approved by a vote of 7-0.

b. Accommodations Tax Advisory Committee, October 22, 2020

Chairman Brown asked for a motion to approve the meeting minutes from October 22, 2020. Mr. Fluker moved to approve the meeting minutes as submitted. Mr. Arnold seconded. By way of roll call, the motion was approved by a vote of 7-0.

6. Citizen Comments

Cindaia Ervin, Committee Secretary, stated that comments concerning agenda items were to be submitted electronically via the Town's Open Town Hall portal. The public comment period closed the day prior to the meeting at 4:30 p.m. At the conclusion of the Open Town Hall, there was no public comment; however, there was one request from a citizen to speak to the Committee by phone.

Skip Hoagland addressed the members of the Accommodations Tax Advisory Committee regarding his concerns of the Hilton Head Island-Bluffton Chamber of Commerce, the Freedom of information Act and other issues related to the Town of Hilton Head Island.

7. Unfinished Business- None

8. New Business:

a. Review & Recommendation for the 2021 Accommodations Tax Grants.

A spreadsheet was displayed listing all applicants along with the amount each applicant requested. Committee members discussed each individual application and ultimately, the Accommodations Tax Advisory Committee decided upon the following recommendations:

Calendar Year 2021 Accommodations Tax Advisory Grant Requests					
	2020 GRANTS		2021 GRANTS		
	ATAC Recom- mendation	Town Council Award	2021 Applicant Request	ATAC Recom- mendation	Town Council Award
12 Jewels of Life	\$ -	\$ -	\$ 40,000	\$ -	\$ -
Art League of Hilton Head	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000
Arts Center of Coastal Carolina	\$ 395,000	\$ 406,000	\$ 325,000	\$ 325,000	\$ 325,000
David M. Carmines Memorial Fnd	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000
Gullah Museum of Hilton Head Island	\$ 55,000	\$ 55,000	\$ 17,000	\$ 17,000	\$ 17,000
Harbour Town Merchants Assoc.	\$ 21,000	\$ 21,000	Did not apply for 2021 ATAX Grant		
Hilton Head Audubon Society	\$ 3,600	\$ 3,600	Did not apply for 2021 ATAX Grant		
Hilton Head Choral Society	\$ 40,000	\$ 40,000	\$ 16,000	\$ 16,000	\$ 16,000
Hilton Head Concours d'Elegance	\$ 265,000	\$ 282,000	\$ 88,000	\$ 88,000	\$ 88,000
Hilton Head Dance Theater	\$ 15,000	\$ 15,000	\$ 19,000	\$ 19,000	\$ 19,000
Hilton Head Disc Golf	\$ 20,000	\$ 20,000	Did not apply for 2021 ATAX Grant		
Hilton Head Island Airport	\$ 90,000	\$ 90,000	\$ 165,000	\$ 165,000	\$ 165,000
Hilton Head Island Bridge Assoc.	\$ 25,000	\$ 25,000	Did not apply for 2021 ATAX Grant		
Hilton Head Island Land Trust	\$ 15,000	\$ 15,000	\$ 30,000	\$ 28,684	\$ 28,684
HHI Rec Association (Wingfest & Oyster Festival)	\$ 25,000	\$ 25,000	\$ 10,000	\$ 10,000	\$ 10,000
HHI St. Patrick's Day Parade	\$ 22,000	\$ 22,000	Did not apply for 2021 ATAX Grant		
HHI Wine and Food, Inc.	\$ 120,000	\$ 125,000	\$ 88,000	\$ 88,000	\$ 88,000
HHI-Bluffton Chamber of Commerce VCB	\$ 575,000	\$ 575,000	\$ 350,000	\$ 476,994	\$ 350,000
Hilton Head Symphony Orchestra-Operations	\$ 250,000	\$ 260,000	\$ 270,000	\$ 270,000	\$ 270,000
Lean Ensemble Theatre	\$ 35,000	\$ 35,000	\$ 40,000	\$ 40,000	\$ 40,000
Lowcountry Golf Course Owners Assoc.	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Lowcountry Gullah	\$ -	\$ -	\$ 75,000	\$ 75,000	\$ 75,000
Main Street Youth Theater	\$ 17,000	\$ 17,000	\$ 25,000	\$ 25,000	\$ 25,000
Mitchelville Preservation Project	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000
Native Island Business & Community	\$ 125,000	\$ 125,000	\$ 225,000	\$ 225,000	\$ 225,000
Operation R & R <i>(New Application)</i>			\$ 15,000	\$ 2,000	\$ 2,000
Sea Turtle Patrol HHI <i>(New Application)</i>			\$ 10,660	\$ -	\$ -
Shelter Cove Harbour Company	\$ 80,000	\$ 80,000	Did not apply for 2021 ATAX Grant		
Skull Creek July 4th Celebration	\$ 21,000	\$ 21,000	Did not apply for 2021 ATAX Grant		
The Boys & Girls Club of Hilton Head	\$ 22,000	\$ 22,000	Did not apply for 2021 ATAX Grant		
The Coastal Discovery Museum-Operations	\$ 297,500	\$ 297,500	\$ 310,000	\$ 310,000	\$ 310,000
The Coastal Discovery Museum-Lowcntry Fair	\$ 5,000	\$ 5,000	Did not apply for 2021 ATAX Grant		
The Coastal Discovery Museum-Honey Horn Capital Improvements <i>(New Application)</i>			\$ 350,000	\$ 350,000	\$ 350,000

The Heritage Library	\$ 115,000	\$ 115,000	\$ 110,000	\$ 110,000	\$ 110,000	
The Outside Foundation			\$ 20,000	\$ 10,367	\$ 10,367	
The Sandbox	\$ 54,500	\$ 54,500	\$ 17,875	\$ 17,875	\$ 17,875	
Town of Hilton Head Island-Operations	\$ 1,389,941	\$ 1,346,941	\$1,000,000	\$1,126,994	\$ 1,000,000	
World Affairs Council of HH <i>(New Application)</i>			\$ 10,000	\$ 8,984	\$ 8,984	
Total	\$ 4,538,541	\$ 4,538,541	\$4,066,535	\$4,244,898	\$ 3,990,910	
				126,994	Reserved for later use	
Balance Available	-			-		
Total Allocation				4,371,892		
				(0)		
				Additional amounts:		
The Committee voted to allocate the remaining \$389,966 to the following purposes 1/3 each:			1/3	126,994	DMO/marketing	
			1/3	126,994	Town Operations	
			1/3	126,994	Reserve for future grants	
Note this is slightly different than presented because of a formula error.				380,983		

Andrew Brown, Chairman, stated that he would like the Committee to review the applicants request carefully to ensure that each is awarded appropriately. Due to the global pandemic, Covid-19, the Committee felt they had an obligation to consider each applicant and the impact they will have on our community. They commended those that applied and encouraged those that were not recommended funding, to apply for funding next year with proven metrics and data to present to the Committee for potential awarding.

Mr. Fluker made a motion to approve the recommendations as assigned and displayed on the projected spreadsheet (summarized in the table above). Mr. Thomas seconded the motion. All Committee members voted unanimously to approve (except for individual line items where individual members recused themselves-details listed at end of minutes).

During the discussion of the Hilton Head Island-Bluffton Chamber of Commerce, Mr. Brown disclosed a potential conflict of interest and did not participate. Mr. Farrell disclosed a potential conflict of interest during the discussion of The First Tee of the Lowcountry and did not participate. During the presentation by the Coastal Discovery Museum, Mr. Thomas disclosed a potential conflict of interest and did not participate. During the discussion of The Heritage Library, Mr. Thomas disclosed a potential conflict of interest and did not participate. Mr. Arnold and Mr. Farrell disclosed a potential conflict of interests during the discussion of Lowcountry Golf Course Owners Association and they did not participate. The required disclosure forms are attached.

9. Adjournment:

Mr. Brown adjourned the meeting at 10:34 a.m.

Submitted by: Cindaia Ervin, Secretary

Approved: _____



TOWN OF HILTON HEAD ISLAND

Finance Department

TO: Accommodations Tax Advisory Committee
VIA: Marc Orlando, *Town Manager*
VIA: Josh Gruber, *Deputy Town Manager*
FROM: John M. Troyer, *Director of Finance*
DATE: March 26, 2021
SUBJECT: 2021-2022 HHI-Bluffton Chamber of Commerce Marketing Plan & Budget

Recommendation:

Staff recommends that the Accommodations Tax Advisory Committee review for approval or denial, the attached 2021-2022 Hilton Head Island-Bluffton Chamber of Commerce/Visitor & Convention Bureau's proposed marketing plan and budget of expenditures of the 30% allocation of State Accommodations Tax Funds for advertising & promotion of tourism.

Summary:

Per State Law, Section 6-4-10(3), Allocation to general fund; special fund for tourism; management and use of special fund. The funds received by a municipality or a county in county areas collecting more than fifty thousand dollars from the local accommodations tax provided in Section 12-36-2630(3) must be allocated in the following manner:

(3) Thirty percent of the balance must be allocated to a special fund and used only for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity. To manage and direct the expenditure of these tourism promotion funds, the municipality or county shall select one or more organizations, such as a chamber of commerce, visitor and convention bureau, or regional tourism commission, which has an existing, ongoing tourist promotion program. If no organization exists, the municipality or county shall create an organization with the same membership standard in Section 6-4-25. To be eligible for selection the organization must be organized as a nonprofit organization and shall demonstrate to the municipality or county that it has an existing, ongoing tourism promotion program or that it can develop an effective tourism promotion program. Immediately upon an allocation to the special fund, a municipality or county shall distribute the tourism promotion funds to the organizations selected or created to receive them. Before the beginning of each fiscal year, an organization receiving funds from the accommodations tax from a municipality or county shall submit for approval a budget of planned expenditures. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the municipality or county which distributed them. Fees allocated pursuant to this subsection must not be used to pledge as security for bonds and to retire bonds. Also, fees allocated pursuant to this subsection must be allocated to a special fund and used only for advertising and promotion of tourism to develop and increase tourist

attendance through the generation of publicity, and not used to pledge as security for bonds and to retire bonds.

Background:

Town Council executed a contract with the Hilton Head Island-Bluffton Chamber to advertise and promote Hilton Head Island. Prior to the end of each fiscal year, such organization receiving funds, must submit for review and approval a budget of expenditures. Once reviewed, the formal recommendation will be forwarded to Town Council for their final approval.



TOWN OF HILTON HEAD ISLAND

Finance Department

TO: Accommodations Tax Advisory Committee
VIA: Marc Orlando, *Town Manager*
VIA: Josh Gruber, *Deputy Town Manager*
FROM: John M. Troyer, *Director of Finance*
DATE: March 26, 2021
SUBJECT: 2021 Accommodations Tax (Out-of-Cycle) Grants

Recommendation:

Staff recommends that the Accommodations Tax Advisory Committee proceed with an Out-of-Cycle grant process to recommend and award the remaining \$380,983 for 2021.

Summary:

The Finance Department has prepared a Out-of-Cycle grant process for urgent and emergent needs of non-profits on Hilton Head Island that meet the State Law Requirement (section 6-4-10) of Accommodations Tax funds for the use of tourism-related expenditures.

This process will require the electronic submission of the following:

1. Summary of Grant Request

- a. Provide the organization name and the name of the project/event.
- b. Provide the requested contact information for the organization and a primary contact.
- c. List the organization's total annual budget and its 2021 out-of-cycle grant request amount.
- d. Provide financials for the current and previous fiscal years.
- e. Provide a detailed description of the intended use of the grant and outline how the money would be used.
- f. Describe how urgent or emergent this event/project either drives tourism to the Island or enhances the visitor experience. Show how this is currently being measured. *This provides the Committee with the necessary insight as to how the organization/event impacts the general tourism industry on the Island.*
- g. Provide the total annual number of patrons served by the organization/event. Also, provide the total number of tourists, visitors and locals served separately. *This provides*

the Committee with an estimated tourist ratio which may be used to determine grant award allocation based off of TERC recommended practices. Also, please state how this number is calculated.

2. Description of Operations

- a. Describe the organization/event purpose and overall operation.
- b. The description must state what is intended to be accomplished by Accommodation Tax funds, and the source and amount of other funds to be committed to the operations.
- c. Describe the impact to the organization should it not be fully funded for the 2021 grant request.
 - a. Per State requirements, please show how the grant request would be classified (as a percentage). The total amount must equal 100%.
 - b. To qualify for an award, all planned expenditures must fall into the categories described in Section 6-4-10 of State Law. Please ensure that the entire grant request is eligible and adequately described in this application. All details described must reconcile with the total request.

3. Funding

- a. Provide a brief description on how the organization is currently funded.
- b. Please list the top 3 sources of public funding applied for, or received, for 2020 and 2021.

4. Financial Guarantees and Procedures

- a. Applicants must include a copy of their organization's official minutes wherein the organization approves the application and commits the organization to financial responsibility for carrying it out to the stage of completion contemplated in the application, should funding be approved.

4. Application Submission

- a. Requests for funding must be submitted by a non-profit organization. Applications cannot be accepted from individuals, for-profit entities, or ad-hoc committees. Proof of non-profit status must accompany applications, e.g., IRS 501 (c) (3) letter.
- b. The full name, postal mailing address, email address and telephone number of a primary contact person, given the authority and responsibility to represent the application before the Committee, must be included.

5. Application Timeline (Proposed Schedule)

- a. Monday April 26, 2021
 - i. 8:00 am 2021 ATAC Out-of-Cycle Grants available for email filing
- b. Friday May 7, 2021
 - i. 4:30 pm 2021 ATAC Out-of-Cycle Grants deadline
- c. May 10, 2021 – May 14, 2021
 - i. Town Staff review of 2021 ATAC Out-of-Cycle Applications
- d. May 19, 2021
 - i. Applicant Hearing
- e. May 26, 2021
 - i. Applicant Hearing/ Review & Recommendation by ATAC
- f. May 28, 2021
 - i. Applicant Hearing/ Review & Recommendation by ATAC (If needed)

Background:

On December 15, 2020, Town Council considered and awarded the 2021 Accommodations Tax Advisory grants. At that time the Accommodations Tax Advisory Committee decided to leave a surplus for the use at a later date. Council discussed and decided to continue to hold surplus funds of \$380,983 until such time they would be needed. They also asked that a process be developed for out of cycle grant requests for implementation.

**ACCOMMODATIONS TAX ADVISORY COMMITTEE
2021 SCHEDULE- (Out-of-Cycle)**

Monday	April 26	8:00 a.m. – Grant Application available for email filing	Email: cindaiae@hiltonheadislandsc.gov
Friday	May 7	4:30 p.m. – Application Deadline	Email: cindaiae@hiltonheadislandsc.gov
Monday - Friday	May 10 - May 14	Staff Review of received Out-of-Cycle Applications	
Wednesday	May 19	Applicant Hearing	Virtual
Wednesday	May 26	Applicant Hearing / Review & Recommendation	Virtual
Friday	May 28	Applicant Hearing / Review & Recommendation (If Needed)	Virtual

Note: Town Council will meet to award the 2021 Out-of-Cycle Accommodations Tax Grant, date TBD.

APPROVED: _____