



**The Town of Hilton Head Island
Accommodations Tax Advisory Committee
Regular Meeting**

**Tuesday, October 19, 2010
9:00 a.m. – Benjamin M. Racusin Council Chambers**

AGENDA

As a Courtesy to Others Please Turn Off All Cell Phones and Pagers during the Meeting

- 1. Call to Order**
- 2. Freedom of Information Act 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. Approval of Minutes**
 - a. Special Accommodations Tax Advisory Committee Meeting of August 25, 2010
- 4. Chairman's Report**
- 5. Unfinished Business**
None
- 6. New Business**
 - a. Preliminary Review of Applications
 - b. Review individual dates and times for Applicant Hearings
 - c. Approval of 2011 Proposed Meeting Dates
- 7. Adjournment**

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

**TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

Date: August 25, 2010 **Time:** 9:00 a.m.

Members Present: Willis O. Shay; *Chairman*, John Diamond; *Vice-Chairman*, Michael A. Keskin, John Munro, Bret Martin, Frank Soule, Jason Presley

Members Absent: None

Staff Present: Susan Simmons; *Director of Finance*, Greg DeLoach; *Assistant Town Manager*, Steven Markiw; *Deputy Finance Director*, Debra Cyrilla; *Accounting Specialist*

Others Present: Bill Ferguson; *Councilman*, William Harkins; *Councilman*, Kim Likins, Pamela June, Barry Bryant; *Main Street Youth Theater*, Susan Thomas, Ray Deal, Dave Zunker; *Hilton Head Island-Bluffton Chamber of Commerce*, Ann-Marie Adams; *Hilton Head Hospitality Association*

Media: Tom Barton; *Island Packet*

1. Call to Order:

The meeting was called to order at 9:05 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. Approval of Minutes:

Mr. Martin moved to approve the Minutes of July 7, 2010. Mr. Keskin seconded the motion. The Motion passed unanimously. (7-0)

4. Chairman's Report:

Mr. Shay introduced Jason Presley, the new member of the Accommodations Tax Advisory Committee, and then reviewed the purpose of the meeting.

5. Unfinished Business: None

6. New Business:

a. Presentation of request for supplemental funding for the 2010 season by Main Street Youth Theater.

Kim Likins, Pam June and Barry Bryant spoke on behalf of the Main Street Youth Theater and explained the details of their move into a new facility. They have moved from the building that they had been leasing on Main Street to a new facility on New Orleans Road, where they will provide educational classes, rehearsals and set building/storage. Performances are being presented at other venues including the VPAC at Hilton Head High School and at Shelter Cove in the Band Shell. They are saving

approximately \$6,000 per month on rent and related expenses as a result of the move. This figure does not include the cost of rent for shows. Those costs are on a per show basis. However, the overall cost savings is considerable and MSYT is more financially stable as a result of the move.

They explained how they have used the funds that have been recently received from the Gallagher estate bequest and the Judy Gallagher endowment. Those funds will not be used for operating expenses.

Committee Members commended MSYT for the fine work they have done with the Theater. Mr. Martin made a motion to allocate \$22,714 to Main Street Youth Theater as a supplement to the previously awarded grant. Mr. Diamond seconded the motion. The Motion passed unanimously.(7-0)

b. Report from the VCB on tourist activity and projected accommodations revenue for the first six months of 2010.

Susan Thomas of the VCB explained to the Committee how the VCB calculates the number of visitors to Hilton Head Island and how those numbers impact the amount of accommodations tax dollars collected. They did a visitor profile in 2009 and 2010, collecting data on visitors to the island and where they stay. The information was divided into five groups; hotels, home/villa rentals, timeshares, second homeowners/guests and day visitors, using the same formula for both years. Using that data the VCB estimates the number of home/villa rental units that are not submitting accommodations taxes to be approximately 2,055 units. That figure indicates that a significant amount of revenue is not being collected on both a state and local level. The Committee asked Susan Simmons if she would contact the State of South Carolina and request the amount of accommodations tax revenue collected each month for both 2009 and 2010 from the Town of Hilton Head Island, Charleston and Myrtle Beach. The revenues from Hilton Head Island can then be compared to what was actually received and what the VCB has projected those figures could be.

c. Report from Susan Simmons on the progress of identifying and tracking rentals of homes and villas by owners who do not collect or remit applicable taxes.

Susan Simmons reported that the Revenue and Collections Department is building their data base on rental properties. Based on what was reported by the VCB, it appears that they are approximately halfway to completion of building that data base. They have researched and identified the rental companies on the island and have brought the majority of them into compliance. The Deputy Finance Director, Steven Markiw is currently cross-checking the information gained from rental companies and Beaufort County tax records to build that data base. He has identified 64 properties that may have business license issues. After the data base is completed they intend to do a sample audit with current staff before recommending any staff additions to Town Council. They intend to audit 100 properties advertised on various websites, from 4 different areas on the island, to determine if those properties are listed with a rental agency or rented only by the owners. From that information they will determine if taxes are being remitted for those properties. Using two staff members, it is estimated to take

3 weeks for that part of the audit. Ms. Simmons added that new revenue codes are also being established for the Town's system to track what is being collected as a result of this recovery effort. Mr. Shay asked what the penalty was for not remitting accommodations taxes. Ms. Simmons informed the committee that locally the penalty is 5% per month. Failure to obtain a business license is 5% of the business license fee per month. The Town does issue citations and also has the ability to close a business for failure to pay.

7. Adjournment:

Mr. Martin moved to adjourn the meeting. Mr. Diamond seconded the Motion. The meeting was adjourned at 11:10 a.m.

Approved:

Respectfully submitted:

Willis O. Shay, Chairman

Debra Cyrilla, Secretary

2011 Application Year Atax Grant Requests and Recommendations

October 18, 2010

Organization Name	Activity Name	2011 Requests	2012 Requests	Committee Recommendation	Town Council Approved	Received By
Art League of Hilton Head	The Visual Arts Increases Tourism	68,400	0	0	0	Online Submittal
Arts Center of Coastal Carolina	Supplemental Operating Support for the Arts Center	200,000	0	0	0	Online Submittal
Arts Center of Coastal Carolina	Tourism Operations Support for the Arts Center	0	414,542	0	0	Online Submittal
Community Foundation of the Lowcountry	The Mitchelville Preservation Project	75,000	0	0	0	Online Submittal
Harbour Town Merchants Association	Harbour Town 4th of July Fireworks	12,500	0	0	0	Online Submittal
Heritage Classic Foundation	The Heritage PGA TOUR Golf Tournament	370,000	0	0	0	Online Submittal
Hilton Head Audubon Society	ATAX Grant Proposal	65,000	0	0	0	Online Submittal
Hilton Head Choral Society	Hilton Head Choral Society Performance Season	24,500	0	0	0	Online Submittal
Hilton Head Concours d'Elegance, Inc	Hilton Head Concours d'Elegance & Motoring Festival	100,000	0	0	0	Online Submittal
Hilton Head Dance Theatre	Hilton Head Dance Theatre Performance Season	39,500	0	0	0	Online Submittal
Hilton Head Island Airport	Hilton Head Island Airport	300,000	0	0	0	Online Submittal
Hilton Head Island St. Patrick's Day Parade	Hilton Head Island St. Patrick's Day Parade	8,000	0	0	0	Online Submittal

Organization Name	Activity Name	2011 Requests	2012 Requests	Committee Recommendation	Town Council Approved	Received By
Hilton Head Island St. Patrick's Day Parade	Law Enforcement Officers Overtime	9,000	0	0	0	Online Submittal
Hilton Head Island-Bluffton Chamber of Commerce	2010 Hilton Head Island Destination Marketing ATAX Application	425,000	0	0	0	Online Submittal
Hilton Head Island-Bluffton Chamber of Commerce	Brand Hospitality Training Program Grant	91,300	0	0	0	Online Submittal
Hilton Head Symphony Orchestra, Inc	Audience Development and Tourism Services - FF	0	170,000	0	0	Online Submittal
Hilton Head Symphony Orchestra, Inc	Hilton Head Symphony Special Request	100,000	0	0	0	Online Submittal
Keep Beaufort County Beautiful	Community Clean and Beautiful Organization	4,800	0	0	0	Online Submittal
Main Street Youth Theater	Main Street Youth Theater	60,000	0	0	0	Online Submittal
Native Island Business and Community Affairs Assoc, Inc	Hilton Head Island Gullah Celebration	0	100,000	0	0	Online Submittal
SC Lowcountry & Resort Islands Tourism Commission	SC Lowcountry & Resort Islands Tourism Commission	39,500	0	0	0	Online Submittal
Shelter Cove Harbour Company (Property Owners Association)	HarbourFest	25,000	0	0	0	Online Submittal
ShelterCoveHarbourCompany	4th of July at Shelter Cove Harbour	18,000	0	0	0	Online Submittal
Skull Creek July 4th Celebration, Inc	Skull Creek July 4th Celebration	8,000	0	0	0	Online Submittal
South Carolina Repertory Company	General Operating support for South Carolina Repertory Company	25,000	0	0	0	Online Submittal
The Coastal Discovery Museum	Cultural and Eco-Tourism Programs	175,000	0	0	0	Online Submittal
The Heritage Library Foundation	Fort Mitchel Civil War Sesquicentennial Refurbishments	14,500	0	0	0	Online Submittal

Organization Name	Activity Name	2011 Requests	2012 Requests	Committee Recommendation	Town Council Approved	Received By
The Heritage Library Foundation	The Heritage Library	30,000	0	0	0	Online Submittal
The Island School Council for the Arts	Art on the Green	30,982	0	0	0	Online Submittal
The Sandbox	Increasing Tourism through the Expansion of Young Minds	52,160	0	0	0	Online Submittal
Town of Hilton Head Island	Municipal Town Operations - Tourism Support	0	1,141,515	0	0	Online Submittal
		2,371,142	1,826,057	0.00	0.00	

**ATAX SCHEDULE
INDIVIDUAL HEARINGS
COUNCIL CHAMBERS**

	Monday November 29, 2010			Thursday December 2, 2010
TIME	APPLICANT		TIME	APPLICANT
9:00-9:20	Art League of Hilton Head Island		9:00-9:30	Coastal Discovery Museum
9:20-9:40	Island School Council for the Arts		9:30-9:50	Heritage Library Foundation (2 Applications)
9:40-10:00	Harbour Town Merchants Assoc. 4 th of July Celebration		9:50-10:10	The Sandbox
10:00-10:20	BREAK		10:10-10:20	BREAK
10:20-10:50	Town of Hilton Head Island		10:20-10:45	Hilton Head Island-Bluffton Chamber of Commerce (2 Applications)
10:50-11:10	Skull Creek 4 th of July Celebration		10:45-11:10	HH Concours d'Elegance
11:10-11:30	Hilton Head Dance Theater		11:10-11:35	Arts Center of Coastal Carolina (2 Applications)
11:30-11:50	HH St. Patrick's Day Parade (2 Applications)		11:35-11:55	South Carolina Repertory Co.
11:50-1:30	LUNCH		11:55-1:30	LUNCH
1:30-2:00	Hilton Head Symphony Orchestra (2 Applications)		1:30-2:00	Heritage Classic Foundation
2:00-2:20	Hilton Head Choral Society		2:00-2:20	Community Foundation of the Lowcountry
2:20-2:40	Lowcountry Tourism Commission		2:20-2:40	Hilton Head Audubon Society
2:40-3:00	Main Street Youth Theater		2:40-3:10	Hilton Head Airport
3:00-3:10	BREAK		3:10-3:20	Keep Beaufort Beautiful
3:10-3:30	Native Island Business & Comm. Affairs Association			
3:30-3:50	Shelter Cove Harbour Company/Harbourfest (2 Applications)			

**2011 ACCOMMODATIONS TAX ADVISORY COMMITTEE
SCHEDULE
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

Friday	April 8	9:00 a.m. Affiliated Agencies	Council Chambers
Thursday	July 7	9:00 a.m. Swearing in of members, Election of officers	Council Chambers
Monday	August 29	8:00 a.m. Electronic Filing Available – on- line	www.hiltonheadislandsc.gov
Thursday	September 8	9:00 a.m. - 11:00 a.m. ATAX Applicant Workshop (All ATAC members are not required to attend)	Council Chambers
Friday	September 30	4:00 p.m. – Application Deadline	www.hiltonheadislandsc.gov
Tuesday	October 18	9:00 a.m. – 11:00 a.m. Preliminary Review of Applications	Council Chambers
Tuesday	November 29	9:00 a.m. – 4:30 p.m. Applicant Hearings	Council Chambers
Thursday	December 1	9:00 a.m. – 4:30 p.m. Applicant Hearings	Council Chambers
Thursday	December 8	9:00 a.m. – 1:00 p.m. Review and Recommendations	Council Chambers