



The Town of Hilton Head Island Accommodations Tax Advisory Committee Special Meeting

**Friday, January 14, 2011
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. Regular Accommodations Tax Advisory Committee Meeting of December 8, 2010
- 4. Chairman's Report**
- 5. Unfinished Business**
None
- 6. New Business**
 - a. Presentation by John Salazar of USCB
 - b. Review and agreement of 2012 forward funding recommendations to Town Council
- 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: December 08, 2010 **Time:** 9:09 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*, Debra Cyrilla; *Accounting Specialist*

Others Present: Kim Likins; *Councilwoman*, Various representatives from some of the organizations that applied for ATAX Grants

Media: Tom Barton

1. **Call to Order:** The meeting was called to order at 9:09 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. Keskin moved to approve the Minutes of November 29, 2010. Mr. Martin seconded the motion. The Motion passed unanimously. (7-0)
Mr. Martin moved to approve the Minutes of December 2, 2010. Mr. Munro seconded the motion. The Motion passed unanimously. (7-0)
4. **Chairman's Report:** Mr. Shay stated that Hilton Head Island is being challenged with finding its place in the new economy and the Committee is faced with making recommendations which could affect the future of the Island.
5. **Unfinished Business:** None
6. **New Business:**
 - a. **Consider amending agenda to reverse the two items under new business.**
John Diamond moved to reverse the agenda items under new business. Mr. Martin seconded the motion. The Motion passed unanimously. (7-0)
 - b. **Consider recommending to Town Council the adjustment of the 2011 forward funding grants to recognize 2010 ATAX revenue.**
Mr. Martin made a motion to discuss a recommendation to Town Council regarding an adjustment of the 2011 forward funding grants. Mr. Soule seconded the motion. After a lengthy discussion Mr. Martin made a motion to adjust the forward funding amounts for the Art Center, the Symphony Orchestra and the Town of Hilton Head Island from 82% to 84.6% of their 2009 Grants. Mr. Diamond seconded the motion. The Motion passed unanimously. (7-0)

c. Review and Agreement of Recommendations to Town Council

Committee members discussed each individual application and the Accommodations Tax Advisory Committee Recommendations were as follows:

Applicant	2012 Funds Application	ATAC Recommendation
Arts Center of Coastal Carolina	414,542	0
Hilton Head Symphony Orchestra	170,000	0
Native Island Business & Community Affairs	100,000	Approved but amt. to be determined
Town of Hilton Head Island	1,141,515	0
Total	\$ 1,826,057	\$ -

Applicant	2011 Funds Application	ATAC Recommendation
Art League of Hilton Head	68,400	45,000
Arts Center of Coastal Carolina- (supplemental operating support)	200,000	60,000
Community Foundation of the Lowcountry	75,000	35,000
Harbour Town Merchants Association- (4th of July fireworks)	12,500	8,000
Heritage Classic Foundation	370,000	160,000
Hilton Head Audubon Society	65,000	3,200
Hilton Head Choral Society	24,500	17,000
Hilton Head Concours d'Elegance (adv. only)	100,000	78,000
Hilton Head Dance Theater	39,500	9,000
Hilton Head Island St. Patrick's Day Parade (band & refreshments only)	8,000	8,000
Hilton Head Island St. Patrick's Day Parade (law enforcement overtime)	9,000	0
Hilton Head Island-Bluffton Chamber of Commerce VCB	425,000	135,000
Hilton Head Symphony Orchestra-special request	100,000	30,000
Keep Beaufort County Beautiful	4,800	0
Main Street Youth Theater	60,000	30,000
SC Lowcountry & Resort Islands Tourism	39,500	0
South Carolina Repertory Company	25,000	0
Shelter Cove Harbour Company- (Harbourfest)	25,000	0
Shelter Cove Harbour Company-(4th of July fireworks)	18,000	8,000
Skull Creek July 4th Celebration	8,000	8,000
The Coastal Discovery Museum	175,000	145,000
The Heritage Library-(Fort Mitchel Civil War Sesquicentennial)	14,500	0
The Heritage Library	30,000	0
Island School Council for the Arts	30,982	0
The Sandbox	52,160	32,500
Total	\$ 1,979,842	\$ 811,700

All Committee members voted unanimously in favor, (except for individual line items where individual members had recused themselves-details listed at end of minutes), to recommend to Town Council, to adopt each of the amounts listed. (7-0)

The Committee discussed and voted unanimously in favor, to recommend to Town Council, the following restrictions to the above recommendations. (7-0)

- Heritage Classic Foundation – Only fund if no major sponsor and certain of having tournament. If there are funds available from 4th Qtr., Town Council should consider additional funding; 1st \$15k goes to Heritage Classic with the balance going to the Chamber.
- Chamber – Funds to be used at the discretion of the Chamber, but advertising for golf should be exclusively for golf on Hilton Head Island.

After a very brief discussion regarding forward funding, Mr. Diamond moved to recommend to Town Council that they discontinue the practice of approving grant requests a year in advance. Mr. Munro seconded the motion. Mr. Martin moved to amend the motion to recommend forward funding only to Native Island Business & Community Affairs because their event is held in February every year. Mr. Munro seconded the motion. The motion passed unanimously. (7-0)

Mr. Shay stated that last year, even though the Committee recommended against forward funding, Town Council voted in favor of approving grant requests a year in advance. He suggested that the Committee recommend an amount for each request, should Town Council approve forward funding for 2012. After a lengthy discussion the Committee decided to review this issue sometime in January, after the Chamber has received the visitor's report from USCB.

During the discussion of the Harbour Town Merchants Association, Mr. John Munro disclosed a potential conflict of interest and did not participate. The required disclosure form is attached. During the discussion of the Shelter Cove Harbour Company, Mr. Bret Martin disclosed a potential conflict of interest and did not participate. The required disclosure form is attached. During the discussion of the Hilton Head Symphony Orchestra, Mr. Willis Shay disclosed a potential conflict of interest and did not participate. The required disclosure form is attached.

7. Adjournment:

Mr. Keskin moved to adjourn the meeting. Mr. Munro seconded the Motion. The meeting was adjourned at 1:00 p.m.

Approved:

Respectfully submitted:

Willis O. Shay, Chairman

Debra Cyrilla, Secretary

2011 Accommodations Tax Advisory Committee Recommendations

	Town Council Grant Awards		2011	Forward-Approved	ATAC	2011	ATAC	See Note 1	
	2009	2010	Request	for 2011**	Recom-mentation	Request for 2012	Recom-mentation	If 2.6%	Increase
Art League of Hilton Head	43,700	54,000	68,400	N/A	45,000	N/A	N/A		
Arts Center of Coastal Carolina-(supplemental operating support)	-	-	200,000	N/A	60,000	N/A	N/A		
Arts Center of Coastal Carolina	414,542	352,360	N/A	350,703		414,542	0	359,821	See Note 2
Community Foundation of the Lowcountry	-	-	75,000	N/A	35,000	N/A	N/A		
Harbour Town Merchants Association-(4th of July fireworks)	7,625	8,000	12,500	N/A	8,000	N/A	N/A		
Heritage Classic Foundation	-	-	370,000	N/A	160,000	N/A	N/A		See Note 2
Hilton Head Audubon Society	-	-	65,000	N/A	3,200	N/A	N/A		See Note 2
Hilton Head Choral Society	15,810	17,000	24,500	N/A	17,000	N/A	N/A		
Hilton Head Concours d'Elegance (advertising only)	78,920	78,000	100,000	N/A	78,000	N/A	N/A		
Hilton Head Dance Theater	10,230	9,000	39,500	N/A	9,000	N/A	N/A		
Hilton Head Island Airport	-	-	300,000	N/A	withdrawn	N/A	N/A		
Hilton Head Area Hospitality Association (culinary advertising)	-	-	-	N/A	N/A	N/A	N/A		
Hilton Head Island St. Patrick's Day Parade (band & refreshments only)	8,500	8,000	8,000	N/A	8,000	N/A	N/A		
Hilton Head Island St. Patrick's Day Parade (LEO OT)	-	5,000	9,000	N/A	0	N/A	N/A		
Hilton Head Island-Bluffton Chamber of Commerce VCB	297,600	300,000	425,000	N/A	135,000	N/A	N/A		See Note 2
Hilton Head Island-Bluffton Chamber of Commerce (hospitality training program)	-	-	91,300	N/A	withdrawn	N/A	N/A		
Hilton Head Island-Bluffton Chamber of Commerce (forward-funded)	80,000	68,000	-	N/A	N/A	N/A	N/A		
Hilton Head Symphony Orchestra	170,000	144,500	N/A	143,820		170,000	0	147,559	
Hilton Head Symphony Orchestra - Special Request	-	-	100,000	N/A	30,000	N/A	N/A		
Hilton Head Symphony Orchestra - Shell Programs	18,000	15,000	-	N/A	N/A	N/A	N/A		
Keep Beaufort County Beautiful	-	-	4,800	N/A	0	N/A	N/A		
Main Street Youth Theater (incl 2010 \$22,714 supplemental grant)	51,150	47,714	60,000	N/A	30,000	N/A	N/A		
Native Island Business & Community	90,000	76,500	N/A	75,000		100,000		76,950	
SC Lowcountry & Resort Islands Tourism	5,000	4,000	39,500	N/A	0	N/A	N/A		
South Carolina Repertory Company	17,205	15,000	25,000	N/A	0	N/A	N/A		
Shelter Cove Harbour Company-(Harbourfest)	-	-	25,000	N/A	0	N/A	N/A		
Shelter Cove Harbour Company-(4th of July fireworks)	7,625	8,000	18,000	N/A	8,000	N/A	N/A		
Skull Creek July 4th Celebration	7,625	8,000	8,000	N/A	8,000	N/A	N/A		
The Coastal Discovery Museum	162,750	165,000	175,000	N/A	145,000	N/A	N/A		
The Coastal Discovery Museum - Capital	100,000	-	-	N/A	-	N/A	N/A		
The Heritage Library-(Fort Mitchel Civil War Sesquicentennial)	-	-	14,500	N/A	0	N/A	N/A		
The Heritage Library	23,250	15,000	30,000	N/A	0	N/A	N/A		
Island School Council for the Arts	-	-	30,982	N/A	0	N/A	N/A		
The Sandbox	32,550	30,000	52,160	N/A	32,500	N/A	N/A		
Town of Hilton Head Island	1,050,000	892,500	N/A	883,384		1,141,515	0	906,352	
Town of Hilton Head Island - Capital	-	-	-	N/A	N/A	N/A	N/A		
Totals	2,692,082	2,320,574	2,371,142	1,452,907	811,700	1,826,057	0	1,490,683	
Remaining Balance Available					\$ 2,906,676				
Estimated Grant Funds Available for 2011			2,265,469						
Already approved for 2011 (forward-approved grants)**			(1,452,907)						
Funds available for 2011 grants			3,718,376						

** Forward-approved grants are funded a year in advance, i.e., four 2011 grants were approved in 2010. Originally, the authorized grants for the Arts Center, the Orchestra and the Town were capped at 82% of the amt. granted in 2009. After 3rd qtr. 2010 actual revenues are available, Council will review that amount. ATAC approved increasing to 84.6% of 2009 grant to present to TC. Amounts above reflect 84.6%.

