



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

**Thursday, October 18, 2012
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 July 10, 2012
- 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 2013 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: July 10, 2012

Time: 9:00 a.m.

Members Present: Bret Martin, *Chairman*; Robert Stenhammer, *Vice-Chairman*; Trish Heichel, Mike Alsko, Stewart Brown

Members Absent: John Munro, Frank Soule

Staff Present: Susan Simmons, *Director of Finance*; Brian Hulbert, *Staff Attorney*; Marcy Benson, *Senior Grants Administrator*; Vicki Pfannenschmidt, *Executive Assistant*; Erica Madhere, *Finance Assistant*

Council Present: Drew Laughlin, Kim Likins, Ken Heitzke

Others Present: Jeffrey Reeves, The Arts Center; Susan Thomas and Charlie Clark, Hilton Head Island-Bluffton Chamber of Commerce; Eleanor O'Key, Low Country Inside Track; Mary Briggs, Hilton Head Symphony Orchestra

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. Approval of Minutes:

Ms. Heichel moved to approve the Minutes of April 17, 2012. Mr. Stenhammer seconded the motion. The motion passed unanimously. (5-0)

4. Swearing in of Reappointed and New Members:

Mayor Drew Laughlin swore in reappointed committee member Bret Martin and newly appointed committee members Mike Alsko and Stewart Brown.

5. Crystal Award Presentation:

Mayor Drew Laughlin presented Mr. Willis Shay and Mr. John Diamond with the Crystal Awards on behalf of the Town of Hilton Head Island for their respective seven years and six years of service on the Accommodation Tax Advisory Committee. Mayor Laughlin thanked Mr. Shay and Mr. Diamond for their hard work and dedication to the Committee and for serving the Town of Hilton Head Island exceedingly well for so many years. Mayor Laughlin encouraged them both to continue their remarkable involvement with the Town.

6. Reception:

A short reception was held in recognition of the newly appointed, reappointed, and out-going members of the Committee.

7. Special Orders:

Election of Chairman and Vice Chairman:

- a. Trish Heichel nominated Bret Martin as Chairman. Robert Stenhammer seconded the motion. There were no other nominations. Mr. Martin was elected unanimously. (5-0)
- b. Trish Heichel nominated Robert Stenhammer as Vice Chairman. Mike Alsko seconded the motion. There were no other nominations. Mr. Stenhammer was elected unanimously. (5-0)

8. Chairman's Report

9. Unfinished Business

10. New Business:

a. Review 2012 – Accommodations Tax Advisory Committee Schedule

The Committee reviewed the remainder of the 2012 meeting dates and all of the members agreed the dates were acceptable. Mr. Martin asked for volunteers to attend the ATAX Applicant Workshop on September 6 and it was decided that Mr. Martin and Ms. Heichel would attend the entire Workshop and Mr. Alsko and Mr. Brown could alternate attendance.

Mr. Martin asked if anyone had other items to discuss. First, Mr. Stenhammer asked for an update on the status of the USCB Festival and Special Event Monitoring Initiative, which was presented by Dr. John Salazar to Town Council in May. Susan Simmons, Director of Finance for the Town, explained that Town Council was not ready to vote on the Initiative at this point because, while they are interested, they are concerned some of the smaller organizations that receive ATAX grants would not be able to afford the cost. Town Council is encouraging the Committee to fine tune the program and present the proposal again next year. Kim Likins, Council Member, elaborated by saying that an objective measurement for the recommendation of ATAX funds is considered to be extremely important by Town Council, although there may be other methods to explore besides the survey that could provide effective measurement. Mr. Stenhammer stated he would like to work on refining the survey process with Dr. Salazar to make it economically feasible for all organizations so that the survey could eventually be a requirement for all applicants.

Next, Mr. Stenhammer brought up the latest efforts by Town Staff to recover Accommodations Tax from vacation home rentals, and the related issue regarding whether or not the owners of vacation home rentals are required to have a business license. It is his opinion that an owner who rents out their vacation home independently should be required to have a business license, but an owner who rents their home through a licensed vacation rental company should not be required to have one since the rental company is already licensed.

Susan Simmons gave an update on the Accommodations Tax Recovery Project saying that a net of \$100,000 was recovered in fiscal year 2011. Due to staff vacancies, the amount will be less in fiscal year 2012. After being on hold for a few months, the project is now underway again and owners of vacation home rentals are being contacted through sites such as vrbo.com. Also part of the project is monthly reporting to the State Department of Revenue so that more State ATAX can be collected as well.

Ms. Simmons continued to say that currently all owners of more than one transient residential property must have a business license in addition to remitting state and local accommodations tax. She stated that she understood Mr. Stenhemmer's thinking about requiring a license for the first property for owners not with a rental company and no license for owners with only one residential property using a rental company. However, she stated that, in order to be fair and consistent, the Town would not be allowed to differentiate between those with or without a rental management company. She requested that she be allowed to evaluate the results of Recovery Project at the end of the summer, then meet with a subcommittee of ATAC so that that ATAC can determine its recommendations to Town Council regarding business license requirements and collection efforts for owners of vacation home rentals. Mr. Stenhammer and Mr. Alsko volunteered to be part of the subcommittee, with the possibility of Mr. Munro joining, as well. Mr. Martin suggested that this topic should go on a future meeting agenda so that the subcommittee can report on its progress.

Lastly, Mr. Brown asked for an update on the Accommodations Tax revenues so far this year. Susan Simmons stated that the first quarter of 2012 revenues were 26% higher than the first quarter of 2011. She explained, however, that this is the slowest quarter of the year so the increase in revenues is not likely to continue throughout the busy seasons. The second quarter numbers are due July 20 so she will be able to report on those at the next meeting.

11. Adjournment:

Ms. Heichel moved to adjourn the meeting. Mr. Brown seconded the Motion. The meeting was adjourned at 10:00 a.m.

Approved:

Respectfully submitted:

Bret Martin, Chairman

Erica Madhère, Secretary

2013 Application Year Atax Grant Requests and Recommendations

October 9, 2012

Organization Name	Activity Name	2013 Requests	Committee Recommendation	Town Council Approved
Art League of Hilton Head	Visual Arts Enhance Tourism	61,900	0	0
Beaufort County Black Chamber of Commerce	ATAX Application	10,000	0	0
David M. Carmines Memorial Foundation	Hilton Head Island Seafood Fest	10,000	0	0
Harbour Town Merchants Association	Harbour Town 4th of July Fireworks	15,000	0	0
Harbour Town Merchants Association	Harbour Town Lights	10,000	0	0
Hilton Head Choral Society	Hilton Head Choral Society ATAC Initiatives	28,000	0	0
Hilton Head Concours d'Elegance, Inc.	Hilton Head Concours d'Elegance & Motoring Festival	134,000	0	0
Hilton Head Dance Theatre	Hilton Head Dance Theatre Performance Season	19,300	0	0
Hilton Head Hospitality Association	* 2013 Hilton Head Wine and Food Festival	0 *	0	0
Hilton Head Island Wine and Food, Hilton Head Island Airport	* 2013 Hilton Head Wine and Food Festival	104,769 *	0	0
Hilton Head Island Institute	The Institute Fall Event	150,000	0	0
Hilton Head Island St. Patrick's Day Parade	Hilton Head Island St. Patrick's Day Parade	15,000	0	0

* An application for the 2013 Hilton Head Island Wine and Food Festival was submitted by two organizations because the production of the Festival is being restructured to a new company, HHI Wine and Food, Inc., which is still awaiting 501(c)(3) status. If a 2013 grant is awarded for the Festival and HHI Wine and Food, Inc. does not receive 501(c)(3) status in time, the grant should be awarded to Hilton Head Hospitality Association.

October 9, 2012

Organization Name	Activity Name	2013 Requests	Committee Recommendation	Town Council Approved
Hilton Head Island-Bluffton Chamber of Commerce	2013 Culinary, Cultural & Heritage, Golf & Tennis Destination Marketing	400,000	0	0
Hilton Head Symphony Orchestra, Inc.	HHSO General Operating and Audience Development 2013	175,000	0	0
Italian American Club of Hilton Head	Italian Heritage Festival	64,310	0	0
LoCo Motion	LoCo Motion Atax Grant	27,000	0	0
Lowcountry Golf Course Owners Association	Publicity and Media Relations Program	67,500	0	0
Main Street Youth Theater	Main Street Youth Theater	60,000	0	0
Mitchelville Preservation Project	Accommodations Tax Grant Application	85,000	0	0
Penn Center, Inc.	Hilton Head Island Accommodation Tax Grant Request	15,000	0	0
SC Lowcountry & Resort Islands Tourism Commission	SC Lowcountry & Resort Islands Tourism Commission	35,000	0	0
SC Watercolor Society (DBA SC Watermedia Society)	2013 Art Exhibition and Related Events	3,500	0	0
Shelter Cove Harbour Company	4th of July at Shelter Cove Harbour	18,600	0	0
Skull Creek July 4th Celebration, Inc.	Skull Creek July 4th Celebration	8,500	0	0
South Carolina Repertory Company	General Operating support for South Carolina Repertory Company	30,000	0	0
The Coastal Discovery Museum	Cultural and Eco-Tourism Programs	180,000	0	0

October 9, 2012

Organization Name	Activity Name	2013 Requests	Committee Recommendation	Town Council Approved
The Heritage Library Foundation	Encyclopedia Hilton Head	40,000	0	0
The Heritage Library Foundation	The Heritage Library	15,000	0	0
The Sandbox	Increasing Tourism through the Expansion of Young Minds	70,000	0	0
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**ATAX SCHEDULE
INDIVIDUAL HEARINGS
COUNCIL CHAMBERS**

	Wednesday November 28, 2012			Thursday December 6, 2012
TIME	APPLICANT		TIME	APPLICANT
9:00-9:20	Art League of Hilton Head Island		9:00-9:20	Mitchelville Preservation Project
9:20-9:40	Hilton Head Hospitality Assoc./ Hilton Head Wine and Food, Inc.		9:20-9:40	The Heritage Library Foundation
9:40-10:00	Beaufort County Black Chamber of Commerce		9:40-10:00	The Heritage Library: Encyclopedia Hilton Head
10:00-10:20	Hilton Head Island Institute		10:00-10:20	Italian American Club of Hilton Head
10:20-10:40	BREAK		10:20-10:40	BREAK
10:40-11:00	Hilton Head Island Airport		10:40-11:20	Hilton Head Island-Bluffton Chamber of Commerce
11:00-11:20	LoCo Motion		11:20-11:40	HH Concours d'Elegance
11:20-11:40	Hilton Head Dance Theater		11:40-12:00	South Carolina Repertory Co.
11:40-12:00	HH St. Patrick's Day Parade		12:00-1:30	LUNCH
12:00-1:30	LUNCH		1:30-1:50	Penn Center, Inc.
1:30-1:50	Hilton Head Symphony Orchestra		1:50-2:10	SC Watercolor Society
1:50-2:10	Hilton Head Choral Society		2:10-2:20	Harbour Town Merchants Assoc. 4 th of July Celebration
2:10-2:30	SC Lowcountry & Resort Islands Tourism Commission		2:20-2:40	Harbour Town Merchants Assoc. Harbour Town Lights
2:30-2:50	Main Street Youth Theater		2:40-3:00	BREAK
2:50-3:10	BREAK		3:00-3:10	Shelter Cove Harbour Company 4 th of July Fireworks
3:10-3:30	Lowcountry Golf Course Owners Assoc.		3:10-3:20	Skull Creek 4 th of July Celebration
3:30-3:50	The Sandbox		3:20-3:40	David M. Carmines Memorial Foundation
3:50-4:10	Coastal Discovery Museum			

Red print is for special requests

**2013 ACCOMMODATIONS TAX ADVISORY COMMITTEE
PROPOSED SCHEDULE
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

Wednesday	April 10	9:00 a.m. Affiliated Agencies	Council Chambers
Tuesday	July 16	9:00 a.m. Swearing in of members, Election of officers	Council Chambers
Monday	August 26	8:00 a.m. Electronic Filing Available – on- line	www.hiltonheadislandsc.gov
Tuesday	September 10	9:00 a.m. - 11:00 a.m. ATAX Applicant Workshop (All ATAC members are not required to attend)	Council Chambers
Friday	September 27	4:00 p.m. – Application Deadline	www.hiltonheadislandsc.gov
Thursday	October 17	9:00 a.m. – 11:00 a.m. Preliminary Review of Applications	Council Chambers
Thursday	November 21	9:00 a.m. – 4:30 p.m. Applicant Hearings	Council Chambers
Thursday	December 5	9:00 a.m. – 4:30 p.m. Applicant Hearings	Council Chambers
Thursday	December 12	9:00 a.m. – 2:00 p.m. Review and Recommendations	Council Chambers