



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

**Thursday, December 13, 2012  
9:00 a.m. – Benjamin M. Racusin Council Chambers**

## **AGENDA**

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**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 06, 2012
- 4. Chairman's Report**
- 5. Unfinished Business**  
None
- 6. New Business**
  - a. Review applications and determine final 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 06, 2012 **Time:** 9:00 a.m.

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

**Members Absent:** None

**Council Present:** William Harkins, Kim Likins

**Staff Present:** Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; Erica Madhere, *Finance Assistant*

**Others Present:** Various representatives from organizations that applied for ATAX Grants, members of the public

**Media:** none

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**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 November 28, 2012. Mr. Munro seconded the motion. The Motion passed with a vote of 6-0 (Mr. Martin abstained as he was not in attendance at the November 28, 2012 meeting).

**4. Chairman's Report:**

Mr. Martin commented that the schedule this year calls for a quick turnaround, as the Town Council meeting to award the grants has been scheduled for January 3, which is at least one month ahead of the schedule last year. After the Accommodations Tax Advisory Committee meeting next Thursday, December 13, the Committee will have about one week to finalize its recommendation letter to Town Council.

**5. Unfinished Business:**

None

**6. New Business:**

**a. Hearing of applicants**

The following applicants made presentations to the Committee:

1. Mitchelville Preservation Project
2. The Heritage Library Foundation
3. The Heritage Library: Encyclopedia Hilton Head
4. Italian American Club of Hilton Head

5. Hilton Head Island-Bluffton Chamber of Commerce
6. Hilton Head Island Motoring Festival and Concours d'Elegance
7. South Carolina Repertory Company

During the presentation by The Heritage Library: Encyclopedia Hilton Head, Barbara Muller, President of The Heritage Library, asked to reduce its requested grant amount from \$40,000 to \$26,000 because the organization recently received two new grants for the project.

Mr. Soule disclosed a potential conflict of interest during the presentation by the Italian American Club of Hilton Head, and did not participate. The required disclosure form is attached.

During the presentation by the Hilton Head Island-Bluffton Chamber of Commerce, Mr. Stenhammer disclosed a potential conflict of interest and did not participate. The required disclosure form is attached.

Mr. Brown disclosed a potential conflict of interest during the presentation by the Hilton Head Island Motoring Festival and Concours d'Elegance, and did not participate. The required disclosure form is attached.

The Committee broke for lunch at 11:45 a.m. and resumed the meeting at 1:30 p.m. Mr. Munro was unable to attend the entire meeting and did not return after the lunch break.

8. Penn Center, Inc.
9. SC Watercolor Society
10. David M. Carmines Memorial Foundation
11. Skull Creek 4<sup>th</sup> of July Celebration
12. Harbour Town Merchants Assoc.: Harbour Town Lights
13. Harbour Town Merchants Assoc.: 4<sup>th</sup> of July Celebration
14. Shelter Cove Harbour Company 4<sup>th</sup> of July Fireworks
15. Hilton Head Symphony Orchestra

During the presentation by David M. Carmines Memorial Foundation, Mr. Soule disclosed a potential conflict of interest and did not participate. The required disclosure form is attached.

During the presentation by Shelter Cove Harbour Company, Mr. Martin disclosed a potential conflict of interest and did not participate. The required disclosure form is attached.

After the final presentation concluded, Susan Simmons, Director of Finance for the Town of Hilton Head Island, approached the dais to inform the Committee that the amount available for new 2013 grants is \$1,018,023. This amount is comprised of actual revenue for the first three quarters of 2012 and an estimated amount for the fourth quarter of 2012. She explained that the amount available for new grants is a slight increase over the amount that was available for 2012 grants. She noted that the Symphony Orchestra is not a Forward Funded grant as it was in the past, and reminded the Committee that Forward Funded grants have been approved for 2013 for The Arts Center of Coastal Carolina, Native Island Business & Community Affairs Association, and the Town of Hilton Head Island, and also that 2013 is the last year for all Forward Funded grants.

The committee members were pleased many of the organizations came prepared with valuable data that will be helpful during the grant recommendation process. Additionally, this type of data can enhance the organization's efficiency, and can also be a useful informational tool for other island businesses, real estate, and even economic development in the long run.

**7. Adjournment:**

Mr. Brown moved to adjourn the meeting. Ms. Heichel seconded the Motion. The meeting was adjourned at 3:54 p.m.

**Approved:**

**Respectfully submitted:**

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**Bret Martin, Chairman**

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**Erica Madhere, Secretary**

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**STATE ACCOMMODATIONS TAX REVENUE ANALYSIS**  
 Calendar 2012 Revenues Available for Calendar Year 2013 Grants  
 with comparative information for the prior year

	<u>Calendar Year 2012 Revenues Available for CY2013 Grants</u>	<u>Calendar Year 2011 Revenues Available for CY2012 Grants</u>	\$ Difference	% Difference
<b>SOURCES:</b>				
Jan - Mar ATAX Revenue	217,109	171,509	45,600	26.59%
Apr - June ATAX Revenue	1,267,859	1,116,037	151,822	13.60%
July - Sept ATAX Revenue	1,748,948	1,727,579	21,369	1.24%
Oct - Dec Actual 2011, Estimated Oct - Dec 2012 ATAX Revenue	<u>471,200</u>	<u>465,848</u>	<u>5,352</u>	1.15%
<b>Estimated ATAX Revenues for CY11</b>	<b>3,705,116</b>	<b>3,480,973</b>	<b>224,143</b>	<b>6.44%</b>
Other Amounts to be granted:				
Interest (Estimated last 2 months)	357	829	(472)	
Lapsed Grants	<u>0</u>	<u>1,399</u>	(1,399)	
<b>Total CY Sources</b>	<b>3,705,473</b>	<b>3,483,201</b>	<b>222,272</b>	<b>6.38%</b>
<b>USES:</b>				
First \$25,000 to the Town's General Fund	(25,000)	(25,000)		
30% to Chamber (Town's Designated Advertising & Promotion Agency) (Est. for last qtr.)	(1,102,475)	(1,025,554)		
5% to the Town's General Fund (Est. for last qtr.)	(183,746)	(170,926)		
<b>Available for Grants</b>	<b>2,394,252</b>	<b>2,261,722</b>	132,530	<b>5.86%</b>
Forward-Funded Grants Awarded last year	(1,300,050)	(1,458,963)		
Estimated Adjustment due to changes in CY revenues	(76,179) 2	<u>16,744</u> 1		
	(1,376,229)	(1,442,219)		
<b>Amount Available to Award New grants</b>	<b><u>1,018,023</u></b> 3	<b><u>819,503</u></b>	<b>198,520</b>	
<b>Requested "New" Grants</b>	<b>1,960,987</b>	<b>1,427,978</b>		
<b>Percentage of "New" Grant Requests that can be funded</b>	<b>52%</b>	<b>57%</b>		

1 - At its March 15, 2011 meeting, Council approved the recommendations of ATAC which included that forward-funded grants would increase or decrease according to the same increase or decrease in 2011 revenues. Total sources decreased 1.15%. Therefore, the forward-funded grants have been adjusted downward by the same 1.15%. The revised forward funding amount is \$1,442,219 leaving \$819,503 available for new grants.

2 - When Town Council awarded its CY2012 grants, it again approved that forward-funded grants would increase or decrease according to the same increase or decrease in 2012 revenues. It is estimated the increase after the effect of the required distributions) will be 5.86%. Therefore, the forward-funded grants will be adjusted \$76,179. This leaves \$1,018,023 available for new grants.

3 - It is important to note that while revenues have increased, the majority of the increase is due to the change in forward-funded grants. The Symphony has been forward-funded in prior years but will need to be funded from the amount available for "new" grants. For comparison purposes, the Symphony received \$142,169 and has requested \$175,000 for CY2013.

## 2013 Accommodations Tax Advisory Committee Recommendations

	<b>Council Grant 2011</b>	<b>2012 Town Council Award - (inc. Fwd-Fd Grants)</b>	<b>Adjusted Forward Approved for 2013</b>	<b>2013 Request</b>	<b>ATAC Recom- mendation</b>	<b>Town Council Award</b>
<i>Art League of Hilton Head</i>	45,000	50,000	N/A	61,900		
<i>Arts Center of Coastal Carolina</i>	350,703	346,678	366,993	N/A	N/A	N/A
<i>Arts Center of Coastal Carolina - Capital Improvement</i>	75,000	N/A	N/A	N/A	N/A	N/A
<i>Beaufort County Black Chamber of Commerce</i>	N/A	0	N/A	10,000		
<i>David M. Carmines Memorial Foundation</i>				10,000		
<i>Harbour Town Merchants Assoc.-(July 4th fireworks)</i>	8,000	8,000	N/A	15,000		
<i>Harbour Town Merchants Assoc.-(Harbour Town Lights)</i>				10,000		
<i>Hilton Head Audubon Society</i>	3,200	5,000	N/A	N/A	N/A	N/A
<i>Hilton Head Choral Society</i>	17,000	22,000	N/A	28,000		
<i>Hilton Head Concours d'Elegance (advertising only)</i>	88,000	103,000	N/A	134,000		
<i>Hilton Head Dance Theater</i>	9,000	12,000	N/A	19,300		
<i>HH Area Hospitality Association (culinary advertising)</i>	N/A	36,853	N/A	104,769		
<i>Hilton Head Island Airport</i>	withdrawn	0	N/A	132,608		
<i>Hilton Head Island Institute</i>				150,000		
<i>HHI St. Patrick's Day Parade (band &amp; refreshments only)CY12 inc. LEO</i>	8,000	8,000	N/A	15,000		
<i>Hilton Head Island-Bluffton Chamber of Commerce VCB</i>	208,850	240,000	N/A	400,000		
<i>Hilton Head Symphony Orchestra</i>	143,820	142,169	N/A	175,000		
<i>Hilton Head Symphony Orchestra - Special Request</i>	15,000	30,000	N/A	N/A	N/A	N/A
<i>Italian American Club of Hilton Head</i>				64,310		
<i>LoCo Motion</i>				27,000		
<i>Lowcountry Golf Course Owners Association</i>				67,500		
<i>Main Street Youth Theater (incl 2010 \$22,714 supplemental grant)</i>	40,000	42,000	N/A	60,000		
<i>Mitchelville Preservation Project</i>	50,000	0	N/A	85,000	0	
<i>Native Island Business &amp; Community</i>	75,000	75,266	79,673	N/A	N/A	N/A
<i>Penn Center</i>				15,000		
<i>SC Lowcountry &amp; Resort Islands Tourism</i>	N/A	0	N/A	35,000		
<i>SC Watercolor Society dba SC Watermedia Society</i>				3,500		
<i>Shelter Cove Harbour Company-(July 4th fireworks)</i>	8,000	8,000	N/A	18,600		
<i>Skull Creek July 4th Celebration</i>	8,000	6,650	N/A	8,500		
<i>South Carolina Repertory Company</i>	15,000	15,000	N/A	30,000		
<i>The Coastal Discovery Museum</i>	165,000	168,000	N/A	180,000		
<i>The Heritage Library</i>	15,000	15,000	N/A	15,000		
<i>The Heritage Library - Encyclopedia Hilton Head</i>				26,000		
<i>The Sandbox</i>	42,500	50,000	N/A	60,000		

Town of Hilton Head Island

**Totals**

**Remaining Balance Available**

Grant Funds Available for 2013

Already approved for 2013 (forward-approved grants)\*\*

Funds available for 2013 New Grants

888,300	878,106	929,563	N/A	N/A	N/A
<b>2,278,373</b>	<b>2,261,722</b>	<b>1,376,229</b>	<b>1,960,987</b>	<b>0</b>	<b>0</b>
				<b>\$ 1,018,023</b>	
2,394,252					
<u>(1,376,229)</u>					
1,018,023					