



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

**Tuesday, April 17, 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. Accommodations Tax Advisory Committee Meeting of December 8, 2011
- 4. Chairman's Report**
- 5. Unfinished Business**
None
- 6. New Business**
 - a. Hearing regarding the Chamber of Commerce and Visitor & Convention Bureau's proposed budget of expenditures for 2012-2013 of the 30% allocation of State Accommodations Tax Funds for advertising of tourism.
- 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, 2011 **Time:** 9:00 a.m.

Members Present: Bret Martin; *Chairman*, Willis O. Shay; *Vice-Chairman*, John Diamond, John Munro, Frank Soule, Robert Stenhammer, Trish Heichel

Members Absent: None

Staff Present: Susan Simmons; *Director of Finance*, Brian Hulbert; *Staff Attorney*, Lori Schmidt; *Billing and Cash Receipting Manager*, John Valvo; *Systems Analyst*, 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 9:00 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 29, 2011 and December 1, 2011. Mr. Soule seconded the motion. The Motion passed unanimously. (7-0)
4. **Chairman's Report:** Mr. Martin noted that after the review and recommendations part of the meeting, there would be a presentation by Dr. John Salazar, of the University of South Carolina Beaufort concerning his research on the tourism impact of ATAX applicants.
5. **Unfinished Business:** None
6. **New Business:** Mr. Martin asked Mr. Shay to give the Committee an overview of how he came up with his initial thoughts regarding the recommendations he would present as a starting point to the overall recommendation process. Mr. Shay stated that his numbers are only starting figures and the Committee should consider everything that will be discussed at this meeting before deciding on a final figure. Susan Simmons, Director of Finance explained how she calculated the estimate of the funds available for the 2012 ATAX Grants. Mr. Munro made a motion to adopt the figures that Mr. Shay had presented for discussion purposes only. Ms. Heichel seconded the motion.

a. 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	2013 Funds Application	ATAC Recommendation	
Arts Center of Coastal Carolina	387,000	350,703	
Native Island Business & Community Affairs	150,000	76,140	same as last year, adj. to final, then subject to inc/dec.
Town of Hilton Head Island	1,103,876	888,300	
Total	\$1,640,876	\$1,315,143	

Applicant	2012 Funds Application	ATAC Recommendation	
Art League of Hilton Head	79,300	50,000	
Beaufort Co. Black Chamber of Commerce	22,000	0	
Harbour Town Merchants Association-(4th of July fireworks)	12,500	8,000	
Hilton Head Audubon Society	12,825	5,000	
Hilton Head Choral Society	25,000	22,000	
Hilton Head Concours d'Elegance (adv. only)	110,000	98,000	
Hilton Head Dance Theater	25,966	12,000	
Hilton Head Hospitality Association	70,400	34,000	
Hilton Head Airport	115,237	0	
Hilton Head Island St. Patrick's Day Parade	17,500	8,000	
Hilton Head Island-Bluffton Chamber of Commerce VCB	358,000	240,000	
Hilton Head Symphony Orchestra-special request	41,700	30,000	
Main Street Youth Theater	60,000	42,000	
Mitchelville Preservation Project	100,000	0	
SC Lowcountry & Resort Islands Tourism	35,000	0	
Shelter Cove Harbour Company-(4th of July fireworks)	18,600	8,000	
Skull Creek July 4th Celebration	6,650	6,650	
South Carolina Repertory Company	35,000	10,000	
The Coastal Discovery Museum	180,000	168,000	
The Heritage Library	32,000	10,000	
The Sandbox	70,300	45,000	
Total	\$1,427,978	\$796,650	

During the discussion of the Hilton Head Hospitality Association grant recommendation, Mr. Munro made a motion, for discussion purposes only, to increase the amount to \$28,000 and try to get that figure closer to \$35,000 as the Committee goes through the recommendation process. Ms. Heichel seconded the motion. The Motion passed unanimously. (7-0)

During the discussion of the Hilton Head-Bluffton Chamber of Commerce grant recommendation, the Committee suggested that the Chamber use the grant funds in the following format: \$150,000 for golf, \$60,000 for culinary and \$25,000 for cultural activities.

The Committee broke at 10:30 a.m. and resumed the meeting at 10:40 a.m.

During the discussion of the South Carolina Repertory Company, Mr. Munro made a motion, for discussion purposes only, to reduce the amount to \$10,000 and reallocate the remaining \$6,000 to the Hilton Head Hospitality Association. Mr. Stenhammer seconded the motion. The motion passed (4-3). Mr. Shay, Mr. Diamond and Ms. Heichel opposed.

During the discussion of the Heritage Library Foundation grant recommendation, Mr. Martin made a motion, for discussion purposes only, to reduce the amount to \$10,000 and reallocate the remaining \$5,000 to the Chamber of Commerce to be used for either golf, culinary or cultural advertising. Mr. Munro seconded the motion. The motion failed (2-4-1). Mr. Shay, Mr. Diamond, Ms. Heichel and Mr. Soule opposed. Mr. Stenhammer abstained. Mr. Martin made a motion, for discussion purposes only, to reduce the amount to \$10,000 and reallocate the remaining \$5,000 to the Chamber of Commerce (making the Chambers recommendation \$240,000) to be used for either culinary or cultural advertising using the remaining \$150,000 for golf advertising. The motion passed (4-2-1). Mr. Shay and Mr. Diamond opposed. Mr. Stenhammer abstained.

Mr. Shay made a motion to approve the recommendations as displayed on the projected spreadsheet (recommendations attached on page 2). Ms. Heichel seconded the motion. 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)

Mr. Shay reminded the Committee that last year Town Council voted to terminate forward funding next year. Last year the Committee recommended adjusting the approved amounts, by either an increase or decrease depending on revenues. Mr. Shay moved to recommend the forward funded request be limited to the amount they receive out of this year's revenue, which will be received in January, subject to adjustment, depending upon how much money is available next year as compared to this year. Ms. Heichel seconded the motion. Mr. Martin commented that there is some change going on within the Native Island Business & Community Affairs organization and he is a little uncomfortable recommending a grant that far out before knowing that the organization is sound. He noted that the Committee may want to get some additional information at some point. The motion passed unanimously. (7-0)

Susan Simmons reminded the Committee and those applicants in attendance, that the submitted applications include the same category breakdown as in the TERC report, that is sent to the State. Applicants will be required to submit their reimbursements within the same percentage breakdowns as submitted in their applications.

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-Bluffton Chamber of Commerce, Mr. Robert Stenhammer disclosed a potential conflict of interest and did not participate. The required disclosure form is attached. During the discussion of the Art League, Ms. Heichel disclosed a potential conflict of interest and did not participate. The required disclosure form is attached.

The Committee broke at 11:40 a.m. and returned at 11:45 a.m.

b. Presentation by Dr. John Salazar of USCB

Dr. John Salazar, Director of the Lowcountry Resort Islands Tourism Institute and Professor of Hospitality Management at the University of South Carolina Beaufort gave a presentation regarding their Hilton Head Island Tourism Research Initiative including special event research.

Mr. Munro left the dais at 12:15 p.m.

7. Adjournment:

Ms. Heichel moved to adjourn the meeting. Mr. Soule seconded the Motion. The meeting was adjourned at 12:30 p.m.

Approved:

Respectfully submitted:

Bret Martin, Chairman

Debra Cyrilla, Secretary

Hilton Head Island-Bluffton Chamber of Commerce

Hilton Head Island Visitor Convention Bureau Schedule of Functional Revenues Expenditures
FY 2012-13 Budget

Revenues	VCB TOTALS	Town of HHI DMO	VCB Private Sector	SCPRT Dest. Specific	SCPRT Co-ops	Town of Bluffton DMO	Beaufort Co DMO	Membership
Town of HHI DMO	1,095,000	1,095,000						
Town of HHI Supplemental Grant	240,000	240,000						
VCB Private Sector	368,500		368,500					
SCPRT Destination Specific	770,000			770,000				
SCPRT Coop	430,000				430,000			
Private Match Coop	860,000				860,000			
Town of Bluffton DMO	65,000					65,000		
B/C Bluffton & Daufuskie	305,000						305,000	
Total Revenues	4,133,500	1,335,000	368,500	770,000	1,290,000	65,000	305,000	
Membership								1,700,000
Total Revenues with Membership	5,833,500							
Expenses								
Research & Planning	88,000	43,146	14,520	30,334				
Packaging Promotions								
Webinars/Workshops	10,000							
Facebook Promos	10,000							
Sub-total	20,000	9,806	3,300	6,894				
Destination PR								
Agency Fees	144,000							
Out-of-Pocket/ Promos	18,000							
UK Culinary Promo	8,000							
Sub-total	170,000	83,351	28,050	58,599				
Destination Photography	50,000	24,515	8,250	17,235				
Social Media								
Agency Promotions	40,000							
Blog/Writers	27,000							
Video Production	12,000							
Sub-total	79,000	38,734	13,035	27,231				
Digital Marketing								
VERB Daily Site Work	36,000							
Special Section Updates	20,000							
SEO/Ad Serve/Hosting	24,000							
SEM Marketing	105,000							
Trip Advisor DMO Promo	50,000							
Mobile site/App Updates	12,000							
Mobile Promotions	12,000							
YouTube Promos	12,000							
SCPRT Coops	25,000							
Media Contingency	15,000							
Sub-total	311,000	152,483	51,315	107,202				

Hilton Head Island-Bluffton Chamber of Commerce

Hilton Head Island Visitor Convention Bureau Schedule of Functional Revenues Expenditures
FY 2012-13 Budget

	VCB TOTALS	Town of HHI DMO	VCB Private Sector	SCPRT Dest. Specific	SCPRT Co-ops	Town of Bluffton DMO	Beaufort Co DMO	Membership
Consumer Promos & Lead Gen								
Oprah Magazine	34,988							
America's Best Vacations	9,990							
Ad Production	<u>12,000</u>							
Sub-total	56,978	27,936	9,401	19,640				
Sweet Tea Partnership								
Atlanta Dining App	15,000							
Collaborate	5,000							
NY Fall Media Promo	<u>15,000</u>							
Sub-total	35,000	17,161	5,775	12,065				
Insiders/Collateral/Fulfillment								
E-Promos/E-News	24,000							
Vacation Planner	140,000							
Envelopes	6,000							
Digital VP	5,000							
Fulfillment Mail Ops/ Postage/Visitor Database	55,000							
Toll-Free Phone	<u>3,600</u>							
Sub-total	233,600	114,534	38,544	80,522				
Group Sales & Marketing								
Lead Prospecting/SDR	42,000							
Trade Sponsorships	33,000							
Healthcare Events	10,000							
Backyard Marketing	5,000							
Select Service Sales Blitz	10,000							
Select Service FAM	5,000							
Site inspections	3,000							
Sales Industry Dues	2,600							
Website Refresh	15,000							
Mobile Template	6,000							
Social Media	5,000							
Promotional Giveaways	6,000							
Trade Shows	<u>29,350</u>							
Sub-total	171,950	84,307	28,372	59,271				
International								
Coastal SC USA Coop	48,000							
Brand USA Coops	25,000							
ITB Trade Show	6,000							
Ontario Motorcoach Show	2,500							
Pow Wow Trade Show	8,000							
Web SEO & Translations	<u>6,000</u>							
Sub-total	95,500	46,824	15,758	32,919				
VCB Contingency	20,472	9,952	3,350	7,170				

