



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

**Tuesday, February 18, 2014  
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 November 14, 2013
- 4. Special Orders**
  - a. Election of Chairman and Vice Chairman for the remainder of Fiscal Year 2014
- 5. Chairman's Report**
- 6. Unfinished Business**
  - a. Discuss best methods of use of remaining "Non-recurring" Accommodations Tax Funds received in Calendar Year 2013
- 7. New Business**

None
- 8. 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:** November 14, 2013 **Time:** 9:00 a.m.

**Members Present:** Robert Stenhammer, *Chairman*; Mike Alsko, *Vice-Chairman*; Frank Soule, Trish Heichel, Stewart Brown, Rob Bender, Bob Spear

**Members Absent:** None

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

**Staff Present:** Susan Simmons, *Director of Finance*; Bret Martin, *Deputy Director of Finance*; Brian Hulbert, *Staff Attorney*; Marcy Benson, *Senior Grants Administrator*; Erica Madhere, *Finance Assistant*

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

**Media:** Tom Barton

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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:**

Mrs. Heichel moved to approve the Minutes of November 7, 2013. Mr. Brown seconded the motion. The Motion passed unanimously. (7-0)

**4. Chairman's Report:**

Mr. Stenhammer stated the amount of Accommodations Tax available for 2014 Grants is much higher than it has been during the past several years. He explained several varying reasons why the amount has increased including: the South Carolina Department of Revenue made corrections to previous inaccurate allocations that the Town should have received in the past; the Town received a portion from lawsuit settlements with online travel agencies; "Forward Funded Grants" have ceased as of 2013, meaning none of the money has already been awarded for future grants; there has been a general increase in performance of overnight accommodations on the Island; and finally, the Town has added many new Accommodations Tax accounts through the ATAX Recovery Project which identified businesses and individuals that were not remitting Accommodations Taxes as required. Some of these factors should be recurring, leading to increases year-over-year; however some are non-recurring and will truly be a one-time occurrence. Due to the unique nature of Accommodations Tax revenue this year, the total funds available to recommend for 2014 grants have been divided into "Recurring"

funds of approximately \$2,714,126, and “Non-recurring” funds of approximately \$566,610. It is the Committee’s intention not to lose sight of its focus on how well the organization drives and/or serves tourists, or the Return on Investment of a grant. When making its recommendations, the Committee plans to make a clear distinction between the recurring and non-recurring funds and reserve non-recurring funds for one-time expenses, or possibly start-up events. Ultimately, the Committee believes it is important for the organization’s dependency on ATAX grants to decrease over time.

**5. Unfinished Business:**

None

**6. New Business:**

**a. Review Applications and Determine Final Recommendations to Town Council**

A spreadsheet was displayed listing all applicants along with the amount each applicant requested. Committee members discussed each individual application and ultimately, the Accommodations Tax Advisory Committee decided upon the following Recommendations:

<b>Applicant</b>	<b>2014 Funds Application</b>	<b>Total Amount ATAC Recommends</b>	<b>Non-Recurring Funds Portion*</b>	<b>Recommended Grant Restrictions</b>
Art League of Hilton Head	72,500	45,000	0	All Advertising
Arts Center of Coastal Carolina	378,000	365,000	0	\$94,500 for Advertising
Arts Center of Coastal Carolina Capital Improvement	86,000	86,000	86,000	All Non-Recurring
Beaufort Co. Black Chamber of Commerce	25,000	0	0	
Beaufort County Government (Hilton Head Air Day)	10,000	0	0	
Center for Service Leadership	25,000	0	0	
David M. Carmines Memorial Foundation	10,000	2,500	0	All Advertising
Experience Green	8,000	0	0	
Harbour Town Merchants Association-(4th of July fireworks)	18,000	9,000	0	
Hilton Head Choral Society	28,000	15,000	0	All Advertising / \$3,800 specifically for advertising of Professional Org
Hilton Head Concours d'Elegance (adv. only)	134,000	134,000	0	All Advertising
Hilton Head Dance Theater	15,392	12,000	0	All Advertising
Hilton Head Island Institute	150,000	0	0	
Hilton Head Island St. Patrick's Day Parade	16,000	12,000	0	
Hilton Head Wine and Food, Inc.	100,350	100,350	0	All Advertising
Hilton Head Island-Bluffton Chamber of Commerce VCB	375,000	330,000	0	All Advertising / Grant not for Meeting Planner App
Hilton Head Symphony Orchestra	200,000	175,000	0	\$120,000 for Advertising
Italian American Club of Hilton Head	64,200	5,000	0	All Advertising
Lowcountry Golf Course Owners Association	50,000	50,000	0	All Advertising

<b>Applicant</b>	<b>2014 Funds Application</b>	<b>Total Amount ATAC Recommends</b>	<b>Non-Recurring Funds Portion*</b>	<b>Recommended Grant Restrictions</b>
Main Street Youth Theater	50,000	5,000	0	All Advertising
Mitchelville Preservation Project	50,000	28,000	0	All Advertising
Native Island Business & Community Affairs Association	150,000	95,000	0	All Advertising
SC Lowcountry & Resort Islands Tourism	36,800	15,000	0	Digital Marketing of HHI
Shelter Cove Harbour Company-4th of July & Harbourfest fireworks	43,850	19,000	10,000	\$9,000 for July 4, \$10,000 non-recurring for Tues Harbourfests
Skull Creek July 4 <sup>th</sup> Celebration	9,000	9,000	0	
South Carolina Repertory Company	27,000	8,100	0	All Advertising
The Coastal Discovery Museum	185,000	185,000	0	
The Heritage Library	27,370	12,150	2,150	\$10,000 for Advertising; \$2,150 non-recurring for maintenance
The Sandbox	50,000	50,000	0	\$25,000 for Advertising
Town of Hilton Head Island	1,175,559	1,045,176	0	
<b>Total</b>	<b>\$3,570,021</b>	<b>\$2,812,276</b>	<b>\$98,150</b>	

*\*The amount in the Non-Recurring Funds Portion column is included in the Total Amount ATAC Recommends column.*

After the discussions of the individual applications, Mr. Stenhammer reminded the Committee that the remaining \$468,460 does not need to be recommended at this meeting. He suggested that the Committee reconvene in February, once the grant awards have been made and the actual 4<sup>th</sup> Quarter revenues have been received, to further discuss methods of use for the remaining funds. The Committee discussed potential ideas such as additional capital projects and one-time marketing uses. In general, the Committee believes the remaining funds should be used for projects that will have a good return on investment, and will attract more tourism in the future. The Committee members checked their calendars and decided to schedule this meeting, to be used as a dialogue session, at 9:00 a.m. on Tuesday, February 18, 2014 in Benjamin M. Racusin Council Chambers.

Next, Mr. Stenhammer asked for public comments, of which there were none. Mrs. Heichel made a motion to approve the recommendations as assigned and displayed on the projected spreadsheet (and summarized in the table above) and to leave the remaining \$468,460 available for future discussion and use. Mr. Brown 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 recommended amounts and restrictions listed. (7-0)

During the discussion of the Art League, Mrs. Trish Heichel disclosed a potential conflict of interest and did not participate. The required disclosure form is attached. During the discussions of the David M. Carmines Foundation and the Italian American Club of Hilton

Head, Mr. Frank Soule disclosed a potential conflict of interest and did not participate. The required disclosure forms are attached. During the discussions of the Harbour Town Merchants Association 4<sup>th</sup> of July Fireworks, Mr. Rob Bender 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 Concours d'Elegance, Mr. Stewart Brown disclosed a potential conflict of interest and did not participate. The required disclosure form is attached.

**7. Adjournment:**

The meeting was adjourned at 11:55 a.m.

**Approved:**

**Respectfully submitted:**

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**Mike Alsko, Vice-Chairman**

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**Erica Madhere, Secretary**

**Calendar Year 2014 Accommodations Tax Advisory Committee Recommendations**

	2011 Town Council Award - inc. Fwd-Fd Grants	2012 Town Council Award - inc. Fwd-Fd Grants	2013 Town Council Award - inc. Fwd-Fd Grants	2014 Applicant Request	2014 ATAC Recommendation	Specific from Non-Recurring	Town Council Award	Specific from Non-Recurring	2014 ATAC Recommended Restrictions	Town Council Additional Restrictions
Art League of Hilton Head	45,000	50,000	40,000	72,500	45,000		45,000		all advertising	
Arts Center of Coastal Carolina	350,703	346,678	366,993	378,000	365,000		365,000		94.5k adv	
Arts Center of Coastal Carolina - Capital Improvement	75,000	N/A	N/A	86,000	86,000	86,000	86,000	86,000	non-recurring	hold \$ pending study
Beaufort County Black Chamber of Commerce	N/A	0	0	25,000	-		-			
Beaufort County Government (Hilton Head Air Day)	N/A	N/A	N/A	10,000	-		-			
Center for Service Leadership	N/A	N/A	N/A	25,000	-		-			
David M. Carmines Memorial Foundation	N/A	N/A	0	10,000	2,500		4,000		all advertising	
Experience Green	N/A	N/A	N/A	8,000	-		-			
Harbour Town Merchants Assoc.-(July 4th fireworks)	8,000	8,000	8,000	18,000	9,000		9,000			
Hilton Head Choral Society	17,000	22,000	12,000	28,000	15,000		18,000		\$3.8k for prof org; rest for adv	suggest but not require
Hilton Head Concours d'Elegance (advertising only)	88,000	103,000	115,000	134,000	134,000		134,000		all advertising	
Hilton Head Dance Theater	9,000	12,000	12,000	15,392	12,000		12,000		all advertising	
Hilton Head Island Institute	N/A	N/A	25,000	150,000	-		-			
HHI St. Patrick's Day Parade	8,000	8,000	8,000	16,000	12,000		12,000			
HH Area Hospitality Association / Hilton Head Wine and Food, Inc.	N/A	36,853	40,000	100,350	100,350		100,350		all advertising	
Hilton Head Island-Bluffton Chamber of Commerce VCB	208,850	240,000	250,000	375,000	330,000		330,000		all adv excludes meeting planner	suggest bullet pt-Ironman
Hilton Head Symphony Orchestra	143,820	142,169	175,000	200,000	175,000		200,000		mobile app	
Italian American Club of Hilton Head	N/A	N/A	0	64,200	5,000		5,000		\$120k adv	
Lowcountry Golf Course Owners Association	N/A	N/A	50,000	50,000	50,000		50,000		all advertising	
Main Street Youth Theater	40,000	42,000	12,000	50,000	5,000		12,000		all advertising	mgmt corrective plan/improve app, esp
Mitchelville Preservation Project	50,000	0	15,000	50,000	28,000		28,000		all advertising	
Native Island Business & Community	75,000	75,266	79,673	150,000	95,000		95,000		all advertising	
SC Lowcountry & Resort Islands Tourism	N/A	0	0	36,800	15,000		15,000		digital mkt of HHI	
Shelter Cove Harbour Company-(July 4th fireworks)	8,000	8,000	8,000	43,850	19,000	10,000	9,000	-	9k July 4; 10k non-rec for Tues	Tues not approved
Skull Creek July 4th Celebration	8,000	6,650	8,000	9,000	9,000		9,000			
South Carolina Repertory Company	15,000	15,000	12,000	27,000	8,100		12,000		all advertising	
The Coastal Discovery Museum	165,000	168,000	168,000	185,000	185,000		185,000			
The Heritage Library	15,000	15,000	10,000	27,370	12,150	2,150	17,150	2,150	\$10k mkt; Ft Mit \$2.15k non-rec	
The Sandbox	42,500	50,000	50,000	50,000	50,000		50,000		\$25k advertising	
Town of Hilton Head Island	888,300	878,106	929,563	1,175,559	1,045,176		999,776			
<b>Subtotal of Current Year Recommendations/Awards</b>					<b>2,812,276</b>	<b>98,150</b>	<b>2,802,276</b>	<b>88,150</b>		
<b>Reserved for Future Allocation (Non-recurring Funds)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>468,460</b>		<b>478,460</b>			
<b>Totals</b>	<b>2,278,373</b>	<b>2,261,722</b>	<b>2,394,229</b>	<b>3,570,021</b>	<b>3,280,736</b>	<b>98,150</b>	<b>3,280,736</b>	<b>88,150</b>		

**Remaining Balance Available**

	CY2013	CY2012	Total
Grant Funds Available	3,157,869	122,867	3,280,736
Non-Recurring Funds - Timing and Award Process to be Determined	(443,743)	(122,867)	(566,610)
Recurring Funds available for 2013 Grants	2,714,126	-	2,714,126

ATAC will reconvene to discuss Non-recurring Funds:  
Tues Feb 18 at 9 a.m.

ATAC recommends various restrictions and budgeted categories for these grant recommendations as outlined in its recommendation letter.

	ATAC	Town Council
Total Grant Funds Awarded	2,812,276	2,802,276
Less Non-Recurring Funds Awarded	(98,150)	(88,150)
Recurring Funds Awarded	2,714,126	2,714,126
Balance of Non-Recurring Funds	468,460	478,460