

**TOWN OF HILTON HEAD ISLAND  
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

**Date:** January 14, 2011 **Time:** 9:00 a.m.  
**Members Present:** Willis O. Shay; *Chairman*, John Diamond; *Vice-Chairman*, Michael A. Keskin,  
John Munro, Bret Martin, Jason Presley  
**Members Absent:** Frank Soule  
**Staff Present:** Susan Simmons; *Director of Finance*, Debra Cyrilla; *Accounting Specialist*  
**Others Present:** Bill Harkins; *Councilman*, Dr. John Salazar; USCB, Charlie Clark, Susan  
Thomas; Hilton Head-Bluffton Chamber of Commerce, Kathy Bateson, Jeffrey  
Reeves; Arts Center of Coastal Carolina, Mary Briggs; Hilton Head Symphony  
Orchestra  
**Media:** None

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**1. Call to Order:**

The meeting was called to order at 9:04 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. Martin moved to approve the Minutes of December 8, 2010. Mr. Keskin seconded the motion. The Motion passed unanimously. (6-0)

**4. Chairman's Report:**

Mr. Shay reviewed the agenda and encouraged the committee members to ask questions of Dr. Salazar during his presentation. He also noted that Mr. Martin would make the introductions and lead the discussion.

**5. Unfinished Business:** None

**6. New Business:**

**a. Presentation by Dr. John Salazar of USCB.**

Mr. Martin introduced Dr. John Salazar of the University of South Carolina, Beaufort who had prepared some detailed analysis of visitors to the island and Susan Thomas and Charlie Clark of the Hilton Head-Bluffton Chamber of Commerce and Visitors and Convention Bureau. Dr. Salazar presented the Committee with a visitors report using a formula generated by the U.S. Travel Association which is used throughout the country in other communities. The formula

gauges how many visitors per year come to a destination and is used to measure their economic impact. Dr. Salazar's report is attached.

Susan Thomas reported that the formula that was used by the VCB previous to 2009 was not as accurate as the formula being used today because it was only using data from hotels/motels and timeshares and did not include home and villa rentals. The second home owner study and day visitor methodology have not yet been completed. Dr. Salazar and the VCB hope to have that completed by the end of February.

After a lengthy discussion regarding visitor numbers, Mr. Martin made a motion to adopt the formula as presented by Dr. Salazar, as a recommendation to utilize in the Town's calculations for their 2012 application and future applications. John Munro seconded the motion. Susan Simmons commented that regardless of which formula is used, the Town had applied for far less than they were eligible for. Mr. Shay suggested that rather than recommending a specific change to the formula the Town uses, the committee should recommend adopting the same amounts approved for 2011, based upon revenue, for all the forward funding requests and review the formula used for the Town at a later date. After another lengthy discussion Mr. Shay called for a vote on the Motion. The Motion passed. (4-2) Mr. Shay and Mr. Diamond voted against the Motion.

**b. Review and agreement of 2012 forward funding recommendation to Town Council.**

Mr. Shay reminded the Committee that Town Council had not yet made a decision to approve the Committee's recommendation to adjust the 2011 forwarded funded grants by 2.6%, (84.6% of their 2009 grant award). After a short discussion about this year's lodging trends to date, Mr. Martin made a motion to recommend the 2012 forward funding awards to the Arts Center of Coastal Carolina, Hilton Head Symphony Orchestra, Native Island Business and Community Affairs and the Town of Hilton Head Island at 84.6% of their 2009 grant award subject to adjustment depending on actual 2011 revenues. Mr. Keskin seconded the motion. The Motion passed unanimously. (6-0) It was noted that the Committee still recommends against forward funding except for NIBCA and that this recommendation is only to be used if Town Council decides to approve forward funding.

**7. Adjournment:**

Mr. Diamond moved to adjourn the meeting. Mr. Munro seconded the Motion. The meeting was adjourned at 10:38 a.m.

**Approved:**

**Respectfully submitted:**

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**Willis O. Shay, Chairman**

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**Debra Cyrilla, Secretary**