

**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