

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

**Date:** October 23, 2014 **Time:** 9:00 a.m.

**Members Present:** Mike Alsko, *Chairman*; Rob Bender, *Vice-Chairman*, Trish Heichel, Stewart Brown, Bob Spear, Brad Marra, Charlie Miner

**Members Absent:** None

**Staff Present:** Greg Deloach, *Assistant Town Manager*; Susan Simmons, *Director of Finance*; Brian Hulbert, *Staff Attorney*; Marcy Benson, *Senior Grants Administrator*; Erica Madhere, *Finance Assistant*

**Council Present:** None

**Others Present:** David Tigges, Susan Thomas, Jack Reed, Kathy Winings, Kim Nelson, Leta Salazar, and Representatives from the Hilton Head Island-Bluffton Chamber of Commerce; The Hilton Head Visitors and Convention Bureau; Jay Wiendl, Sonesta Resort; Rev. Ben Williams, Mt. Calvary Missionary Baptist Church; Chris Anselmo, Red Roof Inn; Mira Scott, Picture This Gallery; Mary Briggs, Hilton Head Symphony Orchestra; Tami Bream, Hilton Head Wine and Food, Inc.; Kathleen Bateson, Jeffrey Reeves and Representatives from the Art Center of Coastal Carolina; Peter Buonaiuto, Helen Price, Water Cookies; Larry Heichel, Art League; Ezra Callahan, The Heritage Library; Leonard Law, NIBCAA; Ben Hoover, RPS, Jocelyn Staigar, Realtors Association; Grant Cully, Harbour Health Insurance; Justin Rice, First Citizens Bank; Patricia Owen, Faces; Raymond Warco, Webster Rogers, LLP; Dot Law, Joyce Wright, Thomas Barnwell and Lavon Stevens, Mitchelville Presentation Project; Louise Cohen, Gullah Museum of Hilton Head; various representatives from organizations that applied for Accommodations Tax Grants; members of the public.

**Media:** Dan Burley

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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 September 4, 2014. Mr. Bender seconded the motion. The Motion passed unanimously.

**4. Chairman's Report:**

First, Chairman Mike Alsko recapped the recent outcome of the Non-Recurring ATAX Grant awards. At the October 7<sup>th</sup> Town Council meeting, the decision was made to award \$260,850 to the Arts Center, \$100,000 to the Hilton Head Island-Bluffton Chamber of Commerce, and \$85,000 to the Hilton Head Concours d'Elegance. For those organizations that did not receive a Non-Recurring award, Town Council passed a motion that all of the remaining applications

for Non-Recurring Accommodations Tax Grants will be carried forward for consideration during the standard ATAX grant cycle, with the understanding that these organizations will not need to present before the ATAX Committee a second time (for the Non-Recurring application). The Committee's previous recommendations for the Non-Recurring grants are no longer valid, so the Committee will be reviewing the requests again along with the traditional requests at the November 13, 2014 meeting and will be voting on all grant recommendations at that time. There is also a Non-Recurring fund balance of \$32,610 that will carry forward and will be added to the funds available for this next round of grants. Second, he stated that the Town does not have complete information about the amount of funding or type of funding that will be available for upcoming grants, but hopefully more will be known by the end October.

**5. Unfinished Business:**

None

**6. New Business:**

**a. Preliminary Review of Applications:**

Mr. Brown requested additional information from the Gullah Museum of Hilton Head and asked for the Museum's 2013 attendance data. A member from the Gullah Museum was in attendance and stated she will submit this information promptly.

Mr. Alsko explained that Town Staff conducts an administrative review of all application packages and notes what requested information is missing. Town Staff also screens the applications for potential eligibility issues as well as discrepancies in the budget and/or category breakdown of expenses. Mr. Alsko asked Town Staff to reach out to those organizations that have incomplete application packages or whose application packages raise questions regarding discrepancies or compliance issues.

**b. Review and approval of individual dates and times for Applicant Hearings:**

The individual hearings will take place on Thursday, October 30 and Thursday, November 6, 2014. If an organization has a special request for a specific date or time, they may work with Town Staff to revise as necessary. Mr. Brown moved to accept the individual dates and times for the Applicant Hearings and to allow future revisions as necessary and Ms. Heichel seconded the motion. The motion was approved 7-0.

**c. Approval of 2015 Proposed Meeting Dates:**

Ms. Heichel moved to approve the 2015 Proposed Meeting Dates and Mr. Bender seconded the motion. Mr. Brown noted that the 2015 Concours d'Elegance event is taking place after the conclusion of the Applicant Hearings; therefore the organization will not have complete data available to present. The Committee held a vote and unanimously approved the 2015 Proposed Meeting Dates.

**d. Presentation by The Hilton Head Island Visitors & Convention Bureau for consideration for Designated Marketing Organization (DMO) status:**

Mr. Peter Buonaiuto, Executive Director of The Hilton Head Island Visitors & Convention Bureau (HHIVCB) presented to the Committee and expressed the organization's desire to become a Designated Marketing Organization for the Town of Hilton Head Island. Mr. Buonaiuto spoke about his organization's belief that a change in the DMO model is necessary because the current model is not working as well as it should; tourism levels have not risen above 1998 levels; transparency in the DMO is needed; and the Hilton Head Island brand needs restoration. He also compared tourism data between Hilton Head Island and

Myrtle Beach and his interpretation of the data is that Myrtle Beach is outpacing Hilton Head Island in terms of total annual visitors and average daily rate. More necessary changes in his opinion include separating the Chamber of Commerce and Visitor and Convention Bureau, the DMO should be subject to FOIA laws, and benchmarking the DMO's annual performance should occur. Mr. Buonaiuto went on to say the HHIVCB would like to become a dual DMO with the current DMO in the interim, with the ultimate goal of becoming the sole DMO. The HHIVCB would like to offer community support for the Arts, Cultural and History community of Hilton Head, the Military Market, Media Companies, short-term vacation rental companies, and limited service hotels as the HHIVCB believes these segments are struggling. The HHIVCB would also like to attract meetings, conferences and groups, specifically in the off-season, and would target groups with 25-100 attendees as this would be the perfect fit for the facilities available on Hilton Head Island. Finally, Mr. Buonaiuto concluded by saying The Hilton Head Island Visitors and Convention Bureau is here to help make a big and very positive difference and it's time to try something new.

The Committee then questioned Mr. Buonaiuto about the two board members of the organization and their experience with starting, running and consulting businesses. The Committee also asked if the HHIVCB is aware of the Designated Marketing Accreditation Program and if they are prepared to follow the policies, to which Mr. Buonaiuto stated the Program has been reviewed but they are not at the stage to follow the Program at this point. Other questions and answers were discussed regarding the 20 paid members of the HHIVCB and the potential membership; if the ability exists for the current and potential DMO's to collaborate; and if the DMO applicant shows the potential for economic growth. The Committee conversed about the section of State law that references eligibility requirements for a DMO, which states: To be eligible for selection the organization must be organized as a nonprofit organization and shall demonstrate to the municipality or county that it has an existing, ongoing tourism promotion program or that it can develop an effective tourism promotion program.

The Committee then opened up the meeting for public comments. The following members of the public individually spoke in support of the Hilton Head Island-Bluffton Chamber of Commerce/VCB: David Tigges, Hilton Head Island-Bluffton Chamber of Commerce Board of Directors Member and Attorney; Ray Warco, Member of the Finance Committee for the Hilton Head Island-Bluffton Chamber of Commerce/VCB and CPA; Jay Wiendl, Vice Chairman of the Marketing Committee for the Hilton Head Island-Bluffton Chamber of Commerce/VCB and General Manager of the Sonesta Resort; Reverend Ben Williams of the Mt. Calvary Missionary Baptist Church; Ezra Callahan, six-year resident of Hilton Head Island and participant in many Hilton Head Island non-profit organizations; Dot Law, Joyce Wright and Lavon Stevens, members of Board of Directors / Staff of the Mitchelville Preservation Project; Ray Deal, Controller of the Hilton Head Island-Bluffton Chamber of Commerce/VCB; and Chris Anselmo, General Manager at the Red Roof Inn.

The following members of the public individually spoke in favor of The Hilton Head Island Visitors and Convention Bureau attaining dual DMO status: Skip Hoagland, Hilton Head Island Entrepreneur; Peter Buonaiuto, Executive Director of The Hilton Head Island Visitors and Convention Bureau; and Mira Scott, owner of Picture This Gallery on Hilton Head Island.

The Committee thanked everyone for their comments. Mr. Alsko stated the Committee is tasked with making a recommendation if the Candidate should be considered for DMO Status. The Committee needs to discuss and decide 1.) if eligibility can be determined, and

2.) if yes, would the Committee recommend DMO Status for the Candidate. Mr. Spear voiced his concern that the HHIVCB may not be eligible since it does not have an on-going tourism promotion plan, and after listening to the presentation and reviewing the materials provided he did not understand what plan would be developed. Ms. Heichel and Mr. Brown agreed with Mr. Spear and thought that the Candidate did not yet have a viable plan, and did not have much information to be able to evaluate any degree of success the Candidate could achieve. Mr. Alsko thought there was not an established program, and although the Candidate has intent to develop a program, it cannot be demonstrated if it would be effective at this time. He believes the Candidate is not at the point yet to become a DMO, as the organization is still in infancy with a limited Board and without any local tourism leaders. Mr. Alsko also stated he is very unsure if the current and potential DMO's could be united and work together to promote tourism on the Island. Mr. Miner thinks in order to demonstrate capability of the development of an effective plan, a positive plan should be presented, which was not done today. Mr. Bender does not think the Candidate is eligible since there is not an existing program in place and could not demonstrate concrete evidence that an effective program could be developed. Mr. Alsko believes the Candidate is ineligible now as the organization is too new, and an effective program cannot be demonstrated.

Mr. Bender made a motion that the Committee recommend to Town Council that The Hilton Head Island Visitors and Convention Bureau be determined not eligible to be selected as a Designated Marketing Organization, as it does not have an existing, ongoing tourism promotion program and has not demonstrated that it can develop an effective tourism program at this time. Mr. Brown seconded the motion. The Committee voted unanimously in favor of the motion (7-0). Mr. Alsko instructed the HHIVCB that it will be able to apply again in the future if it wishes to do so and thanked Mr. Buonaiuto for his time, presentation, and passion.

**7. Adjournment:**

Mr. Brown moved to adjourn the meeting. Ms. Heichel seconded the Motion. The meeting was adjourned at 11:10 a.m.

**Approved:**

**Respectfully submitted:**

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**Mike Alsko, Chairman**

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**Erica Madhere, Secretary**