

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

Date: September 4, 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: Brian Hulbert, *Staff Attorney*; Susan Simmons, *Finance Director*; Rene Phillips, *Website Administrator*; Erica Madhere, *Finance Assistant*

Council Present: Mayor Drew Laughlin, Councilwoman Kim Likins

Others Present: Members of Organizations interested in applying for 2015 Accommodations Tax Grants; Members of Organizations applying for 2015 Non-Recurring Accommodations Tax Grants; Members of the public.

Media: Dan Burley

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. Swearing in New Member

- a. Mayor Drew Laughlin swore in Charles Miner to the Accommodations Tax Advisory Committee, then took a moment to thank the entire Committee for volunteering their time and providing excellent service to the Community.

4. Approval of Minutes:

a. Accommodations Tax Advisory Committee Meeting of July 15, 2014

Mr. Brown moved to approve the Minutes of July 15, 2014. Ms. Heichel seconded the motion. The Motion passed unanimously. (7-0)

4. Chairman's Report:

As a new grant season is about to begin, Chairman Alsko briefly reviewed the historical philosophy of the Committee which is to look for grant applications that will support economic growth by either driving or enhancing tourism on the Island, leading to repeat guests and ultimately increased dividends year after year. Important factors the Committee considers include the sustainability and viability of the organization, and collaboration between organizations to maximize their exposure and use of grant funds.

Secondly, Chairman Alsko reported there is a new organization called the Hilton Head Island Visitors and Convention Bureau, Inc. that is interested in applying to become a Designated Marketing Organization (DMO) for the Town of Hilton Head Island. State statute allows for

the Municipality to select one or more organizations as the DMO to receive an allocation of 30% of the total State Accommodations Tax funds received (after distributions are made to the Municipality) to be used specifically for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity. Town Council has asked that the Accommodations Tax Advisory Committee hear a presentation from this new organization and make a recommendation regarding its request for DMO status. Chairman Alsko recommended adding this item to the upcoming Preliminary Review of Applications meeting on October 16th. The Members agreed with the suggestion, but also discovered several members have conflicts on this day. Mr. Brown made a motion to cancel the meeting on October 16th and reschedule a meeting on October 23rd at 9:00am to preliminarily review the 2015 ATAX Grant Applications and hear from the potential DMO candidate. Mr. Spear seconded the motion, and the Committee voted unanimously in favor (7-0). If the Hilton Head Island Visitor and Convention Bureau has material to be included in the agenda packet, it will need to be submitted to Erica Madhere by October 13, 2014.

5. Unfinished Business:

None

6. New Business:

a. Calendar Year 2015 Accommodations Tax Grant Applicant Workshop to discuss the Application process, changes, expectations, and to address Applicant questions and concerns.

First, the Committee discussed the changes to the application including adding word limits to the answers, the addition of questions that are typically asked during the applicant hearings, a specific location to state the total number of people served and the total number of tourists served, and a requirement for two years instead of three years of financial statements. The purpose of the modifications is to make the application more clear and concise so that the Applicant can easily understand and provide the information the Committee needs in order to fully evaluate the request. When completing the application, Applicants should keep in mind what they want the Committee to take away from the request by being crystal clear and succinct with the information they are submitting.

Rene Phillips, Website Administrator for the Town, then walked the Workshop attendees through the online process and explained each step in detail. She reiterated that word limits have been placed on the answers and once the limit has been reached the field will cut off so that the limits cannot be exceeded. She also mentioned organizations that have applied in the past received their usernames and passwords which allow them to pre-populate the 2015 application with the information submitted for the 2014 application including the budgets and financial statements so that only the current year statements need to be uploaded with the application. If an organization has a USCB survey, this can now be uploaded through the online application system. Once the final application has been submitted to the Town, the applicant will receive a confirmation email and will be able to print the application to PDF. Brian Hulbert, Staff Attorney, reminded the Workshop attendees that anything within the application package they submit to the Town has the potential to become public information.

Chairman Alsko ended this portion of the meeting by reviewing the State's Tourism Expenditure Review Committee's (TERC) recommended practice of reimbursing Tourism Advertising/Marketing expenses at 100%, and reimbursing all other types of expenditures at a percentage that is equal to the average percentage of tourists that attend the organization's event(s). The Town follows this policy since the spirit of ATAX is to fund tourism related

expenses only, and to allow the local portion of the expenses to be funded in other ways. He reminded the Workshop attendees that the Town will work with the organizations in order to ensure all eligible expenditures have been identified and also that the organization's tourism percentage has been properly calculated.

The Committee broke for recess at 9:50 a.m. and reconvened at 10:00 a.m. to continue with the second portion of the meeting.

b. Review of Non-Recurring Accommodations Tax Grant Applications; Committee / Applicant Question and Answer Sessions; determine Non-Recurring Accommodations Tax Grant award recommendations for Town Council's consideration.

Applications were received from 16 organizations for funds from the remaining Non-Recurring money held over from the 2014 grant cycle. The total amount requested was \$1,464,737 and the Non-Recurring Funds available for awards are \$478,460. The Committee held Question and Answer sessions with each of the Applicants, then discussed and reviewed each Application in detail. A spreadsheet was displayed listing all applicants along with the amount each applicant requested. The Accommodations Tax Advisory Committee decided upon the following Recommendations:

Applicant	Non-Recurring Funds Application	Non-Recurring Amount ATAC Recommends	ATAC Recommendation Notes
Art League of Hilton Head	11,001	2,750	Prorated award based on Tourism %.
Arts Center of Coastal Carolina	260,850	124,432	Applicant to work with Town Staff to determine if other expenditures exist to meet Tourism % guidelines.
Hilton Head Choral Society	4,790	4,790	
Hilton Head Concours d'Elegance	85,000	85,000	
Hilton Head Audubon Society	30,000	0	
Hilton Head Land Trust	15,000	15,000	Facilities portion of award prorated based on Tourism %.
Hilton Head Wine and Food, Inc.	25,000	0	
Hilton Head Island-Bluffton Chamber of Commerce VCB	340,000	0	
Hilton Head Symphony Orchestra	82,800	0	
Hilton Head Symphony Orchestra / Hilton Head Choral Society Joint Application	30,200	12,000	Request guidance from TERC on classification of request / Prorated award based on joint Tourism %.
Hilton Head Island Visitors and Convention Bureau	250,000	0	
Lowcountry Golf Course Owners Association	42,510.26	42,510	
Shelter Cove Harbour Company	73,929	0	
The Coastal Discovery Museum	102,613	102,613	Prorated award based on Tourism %. Prorated amount calculated from total project cost.
Applicant	Non-Recurring Funds Application	Non-Recurring Amount	ATAC Recommendation Notes

		ATAC Recommends	
The Heritage Library	8,421	7,242	Facilities portion of award prorated based on Tourism %.
The Sandbox	102,623	82,123	Facilities portion of award prorated based on Tourism %. \$25,000 for future exhibit is not included in award recommendation.
Total	\$1,464,737.26	\$478,460	

Susan Simmons, Finance Director for the Town, reminded the Committee and Non-Recurring ATAX Grant Applicants that if there is a concern about any organization not being able to receive the full recommended grant amount when its Tourism Percentage is applied, then the organization should work with Town Support Staff before the October 7th Town Council meeting to look at its budget in order to ensure all qualifying expenditures have been identified.

Mr. Brown made a motion to approve the recommendations as assigned and displayed on the projected spreadsheet (and summarized in the table above). 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 recommended amounts listed. (7-0)

During the Q & A Sessions, review of applications, and recommendation of Non-Recurring ATAX Grants, the following Committee Members disclosed the following potential conflicts of interest and did not participate in the discussions related to these organizations. The required disclosure forms are attached.

- Art League: Ms. Trish Heichel and Mr. Charlie Miner recused themselves
- Hilton Head Concours d’Elegance: Mr. Stewart Brown recused himself
- Hilton Head Audubon Society: Mr. Charlie Miner recused himself
- Lowcountry Golf Course Owners Association: Mr. Brad Marra recused himself
- Shelter Cove Harbour Company: Mr. Brad Marra recused himself

7. Adjournment:

Mr. Brown moved to adjourn the meeting. Ms. Heichel seconded the Motion. All Members voted unanimously in favor and the meeting was adjourned at 3:08 p.m.

Approved:

Respectfully submitted:

Mike Alsko, Vice-Chairman

Erica Madhere, Secretary