



The Town of Hilton Head Island Finance & Administrative Committee Meeting

**Tuesday, October 16, 2018
2:00 PM – Conference Room 3**

AGENDA

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. Finance and Administrative Committee Meeting, June 27, 2018.
- 4. Unfinished Business**
None
- 5. New Business**
 - a. Discussion regarding supporting documentation and disclosure associated with expenditures by the DMO/VCB of the 30% Promotional Accommodations Tax Funds.
- 6. 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

FINANCE AND ADMINISTRATIVE COMMITTEE MEETING

Date: June 27, 2018 **Time:** 1:00 p.m.

Members Present: John McCann, *Chairman*; Kim Likins and Tom Lennox, *Council Members*

Members Absent: None

Staff Present: Steve Riley, *Town Manager*; John Troyer, *Director of Finance*; Charles Cousins, *Director of Community Development*; Shawn Colin, *Deputy Director of Community Development*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Brian Hulbert, *Staff Attorney* and Cindaia Ervin, *Finance Assistant*

Others Present: David Ames and Bill Harkins, *Council Members*; Bill Miles, Ariana Pernice, Ray Deal; *Hilton Head Island-Bluffton Chamber of Commerce*; Stew Brown, *Accommodations Tax Advisory Committee-Chairman*; Chester C. Williams, *Law office of Chester C. Williams LLC*; Skip Hoagland, Larry Landry, Larry Myers and other members of the community.

Media: None

1. Call to Order:

The meeting was called to order at 1:02 p.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:

- a. Mr. Lennox moved to approve the minutes from the Finance and Administrative Committee Meeting on June 19, 2018 at 2:00 p.m. Mrs. Likins seconded, and the motion passed unanimously.

4. Unfinished Business:

None

5. New Business

a. General Discussion of Current Destination Marketing Organization Metrics.

John McCann, Chairman, shared with the Committee and those present that the intent of this meeting is to better understand the current Destination Marketing Organizations (DMO) metrics. He explained that the current contract between the Town and the Hilton Head Island-Bluffton Chamber of Commerce (HHIBCC) for the DMO includes valuable metrics that both parties agreed upon to measure occupancy rate and the factors that drive it. Kim Likins, Committee Member, made comments regarding the current metrics and if they are best suited for Hilton Head Island based on the unique make up of our community. She asked if the overall marketing efforts are attracting the same level of tourist from 20 years ago and if expanding could be an option. Bill Miles, Hilton Head Island-Bluffton Chamber of Commerce (President & CEO),

stated that visitor of 20 years ago versus today has changed along with their income. Over the last few years, Hilton Head Island has changed and businesses have grown and evolved. Mr. Miles stated that the current discussion is if the visitor with an income of \$150K is the best to market to or are marketing efforts more valuable at higher income base. Mrs. Likins asked if they have thought to expand the visitor profile to include millennials. Ariana Pernice, Hilton Head Island-Bluffton Chamber of Commerce (Vice President), stated that the DMO looks into things such as generational shifts, income and upcoming interests to determine how Hilton Head Island is evolving. Tom Lennox, Committee Member, stated to the committee his thoughts of possibly changing the current model for attracting visitors and by doing so Hilton Head could lose its core visitors and not see them come back. He used Palmetto Bluff as an example of having fewer visitors spending more money however, doing so for Hilton Head Island may have its trials. Mr. Miles informed the Committee that the DMO is committed to building a marketing plan that will come before the Accommodations Tax Advisory Committee that will outline its future marketing efforts for Hilton Head Island. Mr. Miles also stated that the Hilton Head Island Chamber of Commerce has a website, "thinkhiltonheadisland.org" which hosts a vast variety of research and data they have studied relevant to the subject at hand. Mr. McCann thanked the Committee and those present from the HHIBCC for their comments and the great discussion.

b. General Discussion of the Tax Increment Financing District Revenues and Project Update.

Steve Riley, Town Manager, shared with the Committee an update regarding the Tax Increment Financing District Revenues (TIF) and Project Update. He stated that there is \$6.8M in road and pathway improvements that are planned and shared TIF information including the current appropriations and cost estimates for the Coligny Redevelopment Project. He mentioned that there is an opportunity for a grant to assist with the cost for the Coligny Redevelopment Project however, given the timeline and likelihood of being awarded the grant as it is a statewide grant, it would be best to make alternate plans of funding the project. There is a timeframe of 21 months from the time the grant is awarded to when the agreement is signed as there will be workshops for the recipients and paperwork to be approved by the state during that time. At that point construction costs for the project could have risen which is a concern. Mr. Riley stated that he would like the Town to go out to bid for the first phase of the Coligny project to begin to move the individual phases of the project along. The Town is required to have cash on hand when going out to bid however, there are possibilities for inter-fund borrowing to match what is needed along with phasing the project. Scott Liggett, Director of Public Projects & Facilities, stated that there will be one master bid date, which is July 27th. After that the bids are received & reviewed, he stated he intends to share the collective information at the August Town Council meeting. Once approved, a notice to proceed will be sent no later than September 4th with a final project completion date of spring 2020. Mr. Riley stated that the new proposed Coligny Redevelopment does deviate slightly from the original master plan however, they can discuss further as more information becomes available. Mr. McCann thanked everyone in attendance for a very informative meeting.

6. Adjournment:

Mrs. Likins made a motion to adjourn and Mr. Lennox seconded. The motion passed with a vote of 3-0 and the meeting was adjourned at 2:05 p.m.

Approved:

John McCann, Chairman

Respectfully submitted:

Cindaia Ervin, Secretary