TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE

Date:	April 07, 2016	**Time:**	9:00 a.m.
Members Present:	Mike Alsko, *Chairman*; Stewart Brown, *Vice-Chairman;* Trish Heichel, Rob Bender and Cliff McMackin		
Members Absent:	Brad Marra		
Staff Present:	Susan Simmons, *Director of Finance*; Brian Hulbert, *Staff Attorney;* Cindaia Ervin, *Finance Assistant*		
Council Present:	John McCann, Bill Harkins, and Kim Likins		
Others Present:	Ariana Pernice, Ray Deal, Bill Miles, Brenda Ciapanna, Charlie Clark, Kelly Smith and more representatives from the Hilton Head Island-Bluffton Chamber of Commerce/VCB; Linda Bloom, Arts Center of Coastal Carolina; Louise Cohen, Gullah Museum of Hilton Head; Joyce Wright and Shirley Peterson, Mitchelville Preservation Project; Peter Cooper and Lou Benfante, Heritage Library; Carolyn Vanagel, Hilton Head Concourse d 'Elegance; Skip Hoagland and other members of the public.		
Media:	None		

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1. Call to Order:

The meeting was called to order at 9:03 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. Brown moved to approve the Minutes of February 25, 2016. Ms. Heichel seconded the motion. The Motion passed unanimously. (5-0)

There was an error in the minutes and Cliff McMackin's name was left out of Members present.

Mr. Brown moved to approve the amended Minutes of February 25, 2016. Ms. Heichel seconded the motion. The Motion passed unanimously. (5-0)

4. Chairman's Report:

Chairman Alsko thanked everyone for being present at the meeting and explained the purposes of this meeting: 1.to evaluate the Designated Marketing Organization's (DMO) proposed marketing plan and FY 2017 budget of expenditure's for the 30% allocation of State Accommodations Tax fund and that it will being used wisely and effectively for the advertising and promotion of tourism on Hilton Head Island and also review and award the 2016 out-of-cycle ATAX applicants.

6. Unfinished Business:

None

7. New Business:

a. Hearing regarding the Chamber of Commerce and Visitor & Convention Bureau's proposed 2016-2017 marketing plan and budget of expenditures for the 30% allocation of State Accommodations Tax Funds for the advertising and promotion of tourism.

Ariana Pernice, VP of the Hilton Head Island-Bluffton Chamber of Commerce/ VCB, presented the Committee members with the 2016-2017 destination marketing plan book. She stated that this is a new look for the Chamber and they are happy with the final product presented. Mrs. Pernice stated that the purpose of a DMO is to represent the destination and help the long-term development of a community through a travel and tourism strategy. The mission is to mutually lead its membership and travel and tourism industry by marketing and guiding the Hilton Head Island destination brand experience to generate sustainable economic vitality. She also pointed out some of the new trends they have started to see over the past year. There is a new traveler they have seen emerge which is ages 6-20 years old and makes up 40% of the population. They are seeing that this traveler can make a decision in 8 seconds or less and they are more visual and tend to stay on top of trends more by using social media.

Mrs. Pernice stated that Hilton Head metrics are favorable with its competitors and the Hilton Head Revenue per Available Room (Revpar) of is $168.80, occupancy is up 3%, the average daily rate is up 4.7% and revpar is up 7.8%. She also informed the committee that the VCB is the destination marketing division of the Chamber and the marketing efforts put forth by the VCB are delivered on a consistent bases to a well-defined consumer that aligns with the Chamber/VCB visitor research.

Mrs. Pernice spoke about the goals of the VCB: short-term vs. long-term. She highlighted some of the short-term goals: as they wish to grow shoulder and off-season group business by increasing group room nights by 5%, grow off-season group business by increasing prospects by 7%, increase destination presence within new and current airline markets of origin, increase destination presence within key drive markets and increase conversion rate for member referrals by 10%. Long-term plans include to drive year-round business growth by use of strategic initiatives and programming; research and develop branding for the destination; build public and private funding for the DMO through the pass-through, legislation Tourism Improvement District and Visitor & Convention Bureau packaging programs. She stated by branding in national and quality publications, the VCB has grown the 2015 estimated visitor count to 2.65M. The VCB has evolved its website to meet more of the customers need for planning trips, using the Island Compass App while here, and making sure the visitor turns into repeat guests after they leave.

Mrs. Pernice informed the Committee members that the VCB is also focused on international marketing. The top five international markets are: Canada, UK, Germany, France, and Brazil. The approach with the international market is to push print, TV & digital adverting and participate in trade shows. She also touched on today's leisure traveler. This traveler wants experiences and choices when traveling. The VCB approached this opportunity by applying a multi-faceted marketing program, utilizing print as the foundation to engage the consumer on

multiple levels. Through its destination public relations program, the VCB has been able to advertise with some of the top companies nationwide such as Garden & Gun, TODAY, Forbes and Southern Living.

Mrs. Pernice spoke about meetings and group sales marketing and how this is an important subject for Hilton Head. The VCB does not move forward with partners that are not able to track the audience they are marketing. They are making opportunities such as enewsletters to keep the audience engaged and interactive to bring their group to our destination. They partnered with Destination Analyst, a San Francisco-based travel and tourism market research firm that conducted a study for Hilton Head in 2014. They brought forth suggestions such as promoting non-traditional offerings, offering incentives, and attracting small corporate meetings. She stated that one challenge that Hilton Head faces is that it currently does not have the availability of a convention center, however, through tradeshow exposure they have been able to market Hilton Head Island as a consideration of choice and with the VCB's support their lodging partners are able to convert the customer from research to closing the sale.

The Committee thanked Mrs. Pernice and the VCB for providing the budget and marketing plan, and Mr. Alsko opened up the meeting to questions from the Committee. The Committee inquired about the future of the VCB and how it can expand beyond what it currently does well. Mrs. Pernice felt that the group sales and marketing efforts will continue to help grow Hilton Head Island. The Committee stated the VCB setting a good example for Town businesses to emulate. ATAC appreciates the direction of VCB, applauds the VCB's extensive tourism research and planning, and encourages the VCB continue the good work. Overall, the Committee believes the VCB is representing the Island well and has revised and presented the material in a way the Committee has requested.

Mr. Alsko asked for public comment. Skip Hoagland stated that he feels that the Hilton Head Island-Bluffton Chamber of Commerce/VCB needs to be transparent with how its funds are spent. He informed the Committee members that there has never been an audit done on a Chamber in the U.S. that did not find wrong doings by those audited. He feels that if there were no DMO for Hilton Head Island, there would still be "2M plus" visitors annually.

The Committee thanked all members of the Hilton Head Island-Bluffton Chamber of Commerce/VCB for their presentation and time. Mr. Brown made a motion to approve the marketing plan and budget as submitted. Mr. Alsko seconded the motion. The motion was approved by a vote of 5-0.

At 10:40 a.m. Mr. Alsko stated that he would like to take a brief break. The meeting was called back to order at 10:50 a.m.

b. Hearing 2016 Out-of-Cycle Applications

The Committee conducted hearings of the 2016 Out-of-Cycle:

1. 12 Jewels of Life (Incomplete Application; did not attend hearing)
2. Arts Center of Coastal Carolina
3. Hilton Head Island Concours d' Elegance
4. Heritage Library Foundation
5. Mitchelville Preservation Project

6. The Gullah Museum of Hilton Head Island

Mr. Brown disclosed a potential conflict of interest during the presentation by the Hilton Head Island Concours d' Elegance and Motoring Festival and did not participate. The required disclosure form is attached.

A spreadsheet was displayed listing all 2016 Out-of-Cycle applicants along with the amount each applicant requested. Committee members discussed each individual application and ultimately, the Accommodations Tax Advisory Committee decided upon the following recommendations:

Calendar Year 2016 Out-of-Cycle Accommodations Tax Advisory Committee Recommendations

	2016 GRANTS		2016 Out-of-Cycle Grants		
	2016 Applicant Request	**ATAC /TC Award**	**2016 Applicant Request**	**ATAC Recom-mendation**	**ATAC Restric-tions**
12 Jewels of Life	**N/A**	**N/A**	50,000	-	Incomplete app; requested items not eligble
Arts Center of Coastal Carolina	396,000	396,000	8,220	-	Bring back in fall more developed w/ collaboration
Gullah Museum of Hilton Head Island	50,000	30,000	2,743	1,831	Full Funding based on tourisim %
Hilton Head Concours d'Elegance	165,000	165,000	50,000	50,000	
Mitchelville Preservation Project	60,000	40,000	60,000	60,000	
The Heritage Library	50,160	49,606	28,563	-	
Totals	**3,709,516**	**3,422,504**	**199,526**	**111,831**	
Remaining Balance Available to Award		**293,729**		**181,898**	
Grant Funds Avail	3,766,233				
Reserve	(50,000)	See NOTE		(50,000)	
Balance to award	**3,716,233**			**231,898**	

Mrs. Heichel made a motion to approve the 2016 out-of-cycle recommendations as assigned and displayed on the projected spreadsheet. Mr. McMackin seconded the motion. All Committee members voted unanimously to approve 5-0 (except for 4-0 Hilton Head Concourse d' Elegance where Mr. Brown recused himself).

8. Adjournment:

Mr. Brown moved to adjourn the meeting. Mr. McMackin seconded the motion. The motion was approved by a vote of 5-0 and the meeting was adjourned at 1:07 p.m.

Approved: July 20, 2016 **Respectfully submitted:**

Mike Alsko, Chairman **Cindaia Ervin, Secretary**