



**The Town of Hilton Head Island
Accommodations Tax Advisory Committee
Regular Meeting**

**Thursday, December 08, 2011
9:00 a.m. – Benjamin M. Racusin Council Chambers**

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. Regular Accommodations Tax Advisory Committee Meeting of November 29, 2011
 - b. Regular Accommodations Tax Advisory Committee Meeting of December 01, 2011
- 4. Chairman's Report**
- 5. Unfinished Business**
None
- 6. New Business**
 - a. Review and Agreement of Recommendations to Town Council
 - b. Presentation by Dr. John Salazar of the University of South Carolina Beaufort concerning his research on the tourism impact of ATAX applicants.
- 7. 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
ACCOMMODATIONS TAX ADVISORY COMMITTEE**

Date: November 29, 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

Council Present: Kim Likins, Bill Ferguson

Staff Present: Susan Simmons; *Director of Finance*, Brian Hulbert; *Staff Attorney*, Stephanie Green; *Revenue Collector*, Marcy Benson; *Senior Grants Administrator*, Debra Cyrilla; *Accounting Specialist*

Others Present: Various representatives from some of the organizations that applied for ATAX Grants, members of the public

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:

Mr. Shay moved to approve the Minutes of October 18, 2011. Mr. Munro seconded the motion. The Motion passed unanimously. (7-0)

4. Chairman's Report:

Mr. Martin reported that he, Mr. Shay, Mr. Diamond, and Town Council members Kim Likins and Lee Edwards had met with Dr. John Salazar of the University of South Carolina Beaufort. Mr. Martin will give a report of that meeting at the December 8, 2011 Accommodations Tax Advisory Committee meeting, noting that there is a possibility that Dr. Salazar will also attend and give a presentation.

5. Unfinished Business: None

6. New Business:

a. Hearing of applicants

Mr. Martin stated that the Committee would begin the hearing of applicants. The following applicants made presentations to the Committee:

1. Art League of Hilton Head Island
2. Hilton Head Hospitality Association
3. Beaufort County Black Chamber of Commerce
4. Town of Hilton Head Island
5. Hilton Head Island Airport
6. Hilton Head Audubon Society
7. Hilton Head St. Patrick's Day Parade (a representative was not available to give a presentation)

During the presentation by the Art League, Ms. Heichel disclosed a potential conflict of interest and did not participate. The required disclosure form is attached.

The Committee broke for lunch at 12:00 p.m. and resumed the meeting at 1:30 p.m.

8. Hilton Head Symphony Orchestra
9. Hilton Head Choral Society
10. Lowcountry Tourism Commission
11. Main Street Youth Theater
12. Native Island Business & Community Affairs Association
13. Coastal Discovery Museum

Mr. Shay and Mr. Munro were unable to attend the entire meeting and left the dais at 3:10 p.m.

Susan Simmons, Director of Finance approached the dais and distributed the State Accommodations Tax Revenue Analysis that she had prepared. There was some discussion regarding the forward funded grants awarded last year and will be discussed further at the Review and Recommendation meeting on December 8, 2011.

7. Adjournment:

Mr. Diamond moved to adjourn the meeting. Ms. Heichel seconded the Motion. The meeting was adjourned at 4:28 p.m.

Approved:

Respectfully submitted:

Bret Martin, Chairman

Debra Cyrilla, Secretary

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

Date: December 01, 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

Council Present: Bill Ferguson

Staff Present: Brian Hulbert; *Staff Attorney*, Bruce Seeley; *Inspections, Collections & Audit Manager*, Lori Schmidt; *Billing & Cash Receipting Manager*, Jayme Lopko; *Senior Planner*, Debra Cyrilla; *Accounting Specialist*

Others Present: Various representatives from some of the organizations that applied for ATAX Grants, members of the public

Media: none

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: None

4. Chairman's Report:

Mr. Martin confirmed that Dr. John Salazar of the University of South Carolina Beaufort will give a presentation at the December 8, 2011 Accommodations Tax Advisory Committee meeting concerning his research and approach to the tourism impact of ATAX applicants.

5. Unfinished Business:

Mr. Shay stated that he will ask Susan Simmons, Director of Finance, to recalculate the figures that she presented at the previous meeting and reduce funding to the applicants that received forward funding for the 2011 Grant period by the degree to which revenues are down this year as compared to last year. Ms. Simmons was not able to attend this meeting and Mr. Shay will contact her regarding this matter.

6. New Business:

a. Hearing of applicants

Mr. Martin stated that he would like applicants to complete their presentations within ten minutes allowing five to ten minutes for questions from the Committee. The following applicants made presentations to the Committee:

1. Mitchelville Preservation Project
2. The Heritage Library Foundation
3. The Sandbox
4. Hilton Head Island-Bluffton Chamber of Commerce
5. Hilton Head Concours d'Elegance
6. Arts Center of Coastal Carolina
7. South Carolina Repertory Company

Mr. Shay was unable to attend the entire meeting and left the dais at 11:05 a.m. The Committee broke for lunch at 12:23 p.m. and resumed the meeting at 1:30 p.m.

8. Hilton Head Dance Theater
9. Harbour Town Merchants Association
10. Shelter Cove Harbour Company
11. Skull Creek 4th of July Celebration

During the presentation by the Hilton Head Island-Bluffton Chamber of Commerce, Mr. Stenhammer disclosed a potential conflict of interest and did not participate. The required disclosure form is attached.

During the presentation by Harbour Town Merchants Association, Mr. Munro disclosed a potential conflict of interest and did not participate. The required disclosure form is attached.

During the presentation by Shelter Cove Harbour Company, Mr. Martin disclosed a potential conflict of interest and did not participate. The required disclosure form is attached.

7. Adjournment:

Ms. Heichel moved to adjourn the meeting. Ms. Soule seconded the Motion. The meeting was adjourned at 2:08 p.m.

Approved:

Respectfully submitted:

Bret Martin, Chairman

Debra Cyrilla, Secretary

STATE ACCOMMODATIONS TAX REVENUE ANALYSIS - REVISED

	<u>Calendar Year 2011 Revenues Available for CY2012 Grants</u>	<u>Calendar Year 2010 Revenues Available for CY2011 Grants</u>	\$ Difference	% Difference
SOURCES:				
Jan - Mar ATAX Revenue	171,509	186,174	(14,665)	-7.88%
Apr - June ATAX Revenue	1,116,037	1,078,401	37,637	3.49%
July - Sept ATAX Revenue	<u>1,727,579</u>	<u>1,793,945</u>	<u>(66,366)</u>	-3.70%
Actual at end of 3 Quarters	3,015,125	3,058,520	(43,395)	-1.42%
Oct - Dec Estimated ATAX Revenue	428,387 Est, 1	<u>450,934</u>	<u>(22,547)</u> Est	-5.00% Est
Estimated ATAX Revenues for CY11	3,443,512	3,509,453	(65,941) Est	-1.88% Est
Other Amounts to be granted:				
Interest	700 Est	1,762		
Lapsed Grants	<u>1,399</u>	<u>12,426</u>		
Total CY Sources	3,445,611 Est	3,523,641	(78,030)	-2.21%
USES:				
First \$25,000 to the Town's General Fund	(25,000)	(25,000)		
30% to Chamber (Town's Designated Advertising & Promotion Agency)	(1,025,554) Est	(1,045,336)		
5% to the Town's General Fund	(170,926) Est	(174,932)		
Available for Grants	2,224,132	2,278,373		
Forward-Funded Grants Awarded last year	(1,458,963)	(1,457,823)		
Estimated Adjustment due to decreased revenues	32,308 Est, 2	N/A		
	(1,426,655) Est	(1,457,823)		
Amount Available to Award New grants	<u>797,477</u> Est	<u>820,550</u>		
Requested "New" Grants	1,427,978			
Percentage of "New" Grant Requests that can be funded	56%			

Est = Estimate

1 - 4th Quarter estimate is 95% of prior year's 4th quarter. The third quarter was down 3.7%. For State ATAX, third quarter means what the State collected from businesses in July, August and September. Most businesses would have been paying based on their June, July and August revenues. Our research indicates that through CY July 2011, the Town improved over the same month(s) in CY2010; August was flat; and September 2011 was down. To be conservative, we are estimating that October through December 2011 will be down 5%.

2 - At its March 15, 2011 meeting, Council approved the recommendations of ATAC which included that forward-funded grants would increase or decrease according to the same increase or decrease in 2011 revenues. The current estimate is that revenues will be down 2.21%. Therefore, the forward-funded grants have been estimated downward by the same 2.21%. The revised estimate available for new grants is \$797,477.