

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

Date: April 05, 2018 **Time:** 9:00 a.m.

Members Present: Stewart Brown; *Chairman*; Mike Alsko, Rob Bender, Cliff McMackin and Richard Thomas

Members Absent: Brad Marra and Roger Freedman

Staff Present: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; John Troyer, *Director of Finance*; Rich Groth, *Procurement Officer*; Brian Hulbert, *Staff Attorney*; Jenn McEwen, *Director of Cultural Affairs*; Cindaia Ervin, *Finance Assistant*

Council Present: John McCann, David Ames and Bill Harkins

Others Present: Jeffrey Reeves, *Arts Center of Coastal Carolina*; Trish Heichel, Eleanor Lightsey, *Lowcountry Inside Track*; Bill Miles, Ariana Pernice, Ray Deal, Brenda Ciapanna, Charlie Clark, and more representatives from the Hilton Head Island-Bluffton Chamber of Commerce/VCB; and other members of the public.

Media: None

1. Call to Order:

The meeting was called to order at 9:01 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 of New ATAC Member:

Town Manager Steve Riley swore in newly appointed committee member Richard Thomas. He congratulated Mr. Thomas on behalf of Town Council and thanked him for his important role he will now serve in the community.

4. Approval of Minutes:

Mr. Alsko moved to approve the Minutes of November 2, 2017. Mr. Bender seconded the motion. The Motion passed with a vote of 4-0.

5. Chairman's Report:

Stewart Brown, Chairman, thanked all members of the community and the Hilton Head Island-Bluffton Chamber of Commerce for attending the meeting. He mentioned to the Committee members the current term expirations and that there would be 3 members exiting the Accommodations Tax Advisory Committee in June. Mr. Brown stated that Mr. Alsko and Mr.

McMackin and himself would be leaving the Committee. However, he is confident in those remaining to continue on the good work they all have accomplished.

6. Unfinished Business:

None

7. New Business:

a. Hearing regarding the Chamber of Commerce and Visitor & Convention Bureau's proposed 2018-2019 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 / Visitor & Convention Bureau (VCB), presented the Committee members with the 2018-2019 Destination Marketing Organization Plan (DMO). 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 VCB is the destination marketing division of the Chamber and the marketing efforts put forth by the VCB are delivered on a consistent basis to a well-defined consumer that aligns with the Chamber/VCB visitor research. The mission is to mutually lead its membership, travel and tourism industry by marketing and guiding the Hilton Head Island destination brand experience to generate sustainable economic strength. Mrs. Pernice stated that in 2017 based on the metrics received that Hilton Head Island was favorable with its competitors. The Hilton Head Revenue per Available Room (Revpar) is \$121.00 (average daily rate), occupancy is up 5.2%, the average daily rate is down 2.6% and revpar is up 2.5%. Mrs. Pernice stated that having successful metrics in 2017 helped lead to the 2.74M visitors to Hilton Head last year.

Mrs. Pernice recapped the short term goals of the VCB in 2017. She stated that they wished to grow shoulder and off-season group business by increasing: group room nights by 10% (up 53.7%), increase business prospects by 12.5% (up by 354.4%) and increase destination presence within new and current airline markets of origin (up 12%). Mrs. Pernice informed the Committee members that the VCB continues to focus on international marketing. The top three international markets are: Canada, UK and Germany. The continued approach with the international market is to push print, TV & digital advertising and participate in trade shows.

Public relations efforts compared to 2016 were successful. In 2016, there were 1,867 stories and mentions over 1 billion impressions worth a \$12M ad value. In 2017, there were 2,198 stories and mentions 2 billion impressions worth \$29M in ad value. Two success stories that allowed Hilton Head to be seen were The Bachelorette and The Weather Channel. The Bachelorette created a buzz for Hilton Head as cast and crew filmed and once aired it reached 19.3 million visitors. The Weather Channel created similar success on the first day of spring. The Weather Channel broadcasted live from Hilton Head which featured the island's history, culture, culinary and beaches.

The Committee thanked Mrs. Pernice and the VCB for providing the 2018-2019 budget and marketing plan. Mr. Brown opened up the meeting to questions and comments from the Committee. The overall consensus of the committee was that they are excited to see that the comments from last year were heard and how well the VCB is taking action to keep Hilton Head Island current. Mike Alsko, commended the VCB also on allowing themselves to be transparent of its advertising and marketing efforts that worked, those that did not work and the

efforts to continue to improve going forward. Overall, the Committee believes the VCB is representing the Island well and will continue to evolve Hilton Head as the travelers needs change.

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

8. Adjournment:

Mr. Alsko 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 10:34 a.m.

Approved:

Respectfully submitted:

, Chairman

Cindaia Ervin, Secretary