



Town of Hilton Head Island  
**Accommodations Tax Advisory Committee**

Thursday, May 28, 2020 at 2:00 pm

**MEETING MINUTES**

**Present from the Committee:** Brad Marra, *Chairman*; Dru Brown; *Vice-Chairman*; Roger Freedman, Jim Fluker, Julie Smith, Richard Thomas and Stephen Arnold

**Present from Town Council:** None

**Present from Town Staff:** John Troyer, *Director of Finance*; Jennifer McEwen, *Director of Cultural Affairs*; Cindaia Ervin, *Finance Assistant*

**Present from the Media:** None

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**1. Call to Order:**

The meeting was called to order at 2:10 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. Roll Call-** See as noted above.

**4. Approval of Agenda**

Chairman Marra asked for a motion to approve the agenda. Vice Chairman Brown moved to approve as submitted. Mr. Fluker seconded. By way of roll call, the motion was approved by a vote of 7-0.

**5. Approval of Minutes**

Mr. Fluker stated that there needed to be a change made to the minutes to reflect Mr. Arnold being present and the correct spelling of a Non-Profit.

Chairman Marra asked for a motion to approve the revised meeting minutes of November 7, 2019. Vice Chairman Brown moved to approve the revised meeting minutes. Mr. Fluker seconded. By way of roll call, the motion was approved by a vote of 7-0.

**6. Citizen Comments**

Citizen Comments Public comments concerning agenda items could be submitted electronically via the Town's Virtual Town Hall portal. Citizens could comment on agenda items by phone during the meeting, by signing up with the Board Secretary. The public comment period closed the day prior to the meeting at Noon. There were 4 comments submitted for a total of 12 minute of public comment. There was 1 request from a citizen to participate by phone. All citizens' comments were provided to the Board members for review and made a part of the record.

**Skip Hoagland:** Addressed members of the Committee via phone regarding the Hilton Head Island-Bluffton Chamber of Commerce.

**7. Unfinished Business- None**

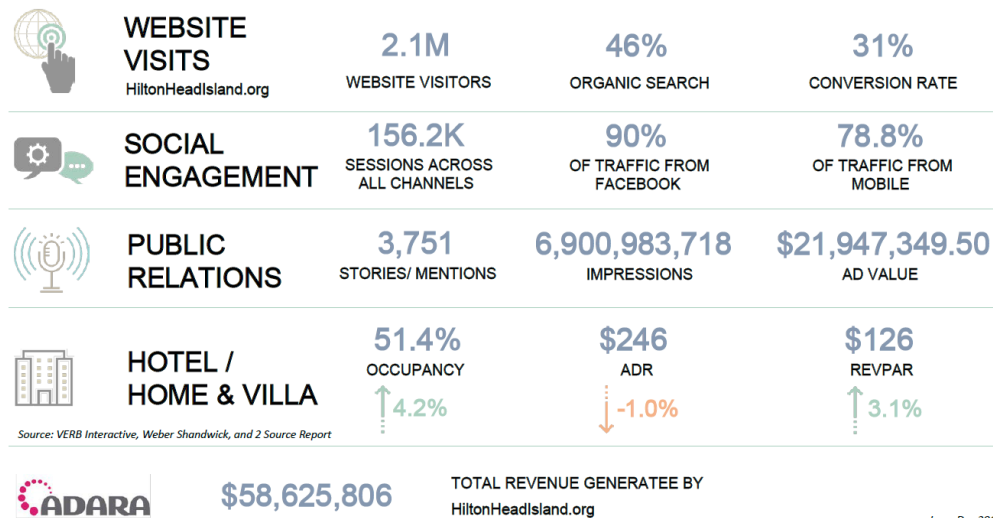
## 8. New Business:

- a. Hearing regarding the Hilton Head Island-Bluffton Chamber of Commerce/Visitor & Convention Bureau's proposed 2020-2021 Marketing Plan and Budget of Expenditures for the 30% Allocation of State Accommodations Tax Funds for the Advertising and Promotion of Tourism.

(Prior to the discussion, Chairman Marra and Vice Chairman Brown indicated that they had a conflict of interest and needed to recuse themselves. The required conflict of interest was completed, signed and made a part of the record.)

Ariana Pernice, VP of the Hilton Head Island-Bluffton Visitor and Convention Bureau (HHIVCB), started the presentation by reviewing the past year. She shared information regarding the number of visitors to Hilton Head, website visits, social engagement, public relations ad equivalency and Hotel/Home & Villa statistics. The statics showed positive records for Hilton Head thru their strong marketing efforts. The vision of the Destination Marketing Organization (DMO) is to lead the Hilton Head Island Region, community and partners collaboratively in effective education, advocacy and innovative programming ensuring tourism development and sustainable growth. The Hilton Head Island Visitor & Convention Bureau continues to design campaigns to reach Hilton Head's target audience keeping evolving and international markets at the top of their mind. The goal of the Destination Marketing Organization is to focus on personalization and customization when speaking to today's traveler through ensuring choices and options for all to enjoy while on Hilton Head. Additionally, the DMO's mission is to envision and advocate the common interest of their partners and stimulate the regional economy while enhancing the quality of life for all. Mrs. Pernice was also able to speak about the projected downturns of the U.S. travel industry as a result of the 2020 Coronavirus. She stated that a decline in the travel industry could cause more than a \$1.2 Trillion total economic loss and more than 8M people with total loss of employment subsequently causing more than 9x the impact of 9/11.

## Year in Review



Significant discussion points included: Very effective 2019 Public Relations and Media recognition of Hilton Head Island with over 3,700 covered stories; 6.9B impressions for an ad equivalency of \$21M; ADARA Technology; announcement and integration providing unique and holistic insight on today's traveler and articulating the value of the HiltonHeadIsland.org website to stakeholders and expansion of air-service and air-carriers at both, Hilton Head Island Airport and Savannah/Hilton Head International Airport and embarked on a 10 year Destination Management Plan that will provide the roadmap and shared vision for the community to ensure responsible and sustainable tourism growth.

The Committee was impressed and pleased with the format and content of the 2020-2021 Marketing Plan & Budget. Continuing to stay relevant on the visitors mind with the marketing tools provided has shown a year over year positive effect. There was an extensive question and answer session between the Committee and Mrs. Pernice related to the presentation. In addition, the Committee commended Mrs. Pernice's positive influence on how well she and her team have consistently prepared for and handled the presentation. The Committee remains encouraged with the direction of the Island's destination marketing efforts and applauds the HHIVCB's extensive tourism research and continuous forward planning. The path to dealing with the Global Pandemic of Covid-19 will be a difficult road, however, we are confident in the HHIVCB's plan to market effectively and responsibly.

Mr. Arnold made a motion to approve the revised 2020-2021 Destination Marketing Organization plan and budget as submitted. Mrs. Smith seconded. Without further discussion, by way of roll call, the motion was approved by vote of 5-0.

- b.** Consideration of policy recommendations to Town Council for ATAX grants affected by the COVID-19 virus.

John Troyer, Director of Finance, gave the Committee a brief update regarding some of the challenges that the 2020 Accommodations Tax grantees are facing due to Covid-19. He stated that Town Council was looking for a recommendation of how best to move forward. Mr. Troyer stated some points to consider were if funds were spent in good faith on the approved purposes, those funds should be reimbursable. If an event was cancelled, but funds were not spent, the funds will not automatically carryforward to next year. Each grant is intended for a set period (2020). However, consideration should be given toward that agency in their proposal for 2021 to these funds not disbursed. There is an expectation that 2021 revenues will be down from 2020. The Accommodations Tax Advisory Committee can only recommend granting funds that are available. Funds not spent in 2020 will help give the Committee more resources to work with in 2021.

The Committee had an extensive discussion regarding the impact that Covid-19 has had on the 2020 Accommodations Tax grantees. Funding for the 2021 cycle is still unknown as Tax Revenues have been delayed by the State and most counties across South Carolina, however, they are hopeful that revenues will produce adequate funding for the 2021 Accommodations Tax Grant Cycle. The overall consensus of The Committee was that each organization should be considered on a case by case basis review for each applicant that has received funding for 2020, publically convey that the Committees future decision would not impact the applicants potential as of 2021 funding and also pose to the Town's Legal Counsel the consideration to extend the 2020 spend into 2021 after the Committees review.

Vice Chairman Brown made a motion to recommend policy recommendations to Town Council for the 2020 Accommodations Tax grantees. Mr. Fluker seconded. Without further discussion, by way of roll call, the motion was approved by vote of 7-0.

## **9. Adjournment:**

Mr. Marra adjourned the meeting at 3:17 p.m.

**Submitted by:** Cindaia Ervin, Secretary

**Approved:** July 9, 2020



# Accommodations Tax Advisory Committee July 9, 2020 Agenda

July 8, 2020, 12:06 PM

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## Accommodations Tax Advisory Committee July 9, 2020 Agenda

We are seeking public comment for items on the Accommodations Tax Advisory Committee July 9, 2020, 9 am Agenda.

## Introduction

Welcome. Thank you for joining the Town of Hilton Head Island's Virtual Open Town Hall comment portal.

The Hilton Head Island Accommodations Tax Advisory Committee will be conducting a virtual July 9, 2020, 9 am Special Meeting.

The July 9, 2020 Accommodations Tax Advisory Committee Special Meeting agenda is available at <https://hiltonheadislandsc.gov/boards/boardagendas.cfm?DetailID=ATAX>.

Public comments concerning agenda items can be submitted electronically via the Town's Virtual Open Town Hall portal. Please take a moment to share your comments with this brief survey. Additionally, Citizens may also call 843-341-4646 to sign up for public comment participation during the meeting by phone.

The public comment period will close at Noon the day prior to the scheduled meeting. All comments will be provided to the Committee for review and made a part of the official record.

The Accommodations Tax Advisory Committee virtual meeting will be live-streamed on our Public Meeting Facebook page at <https://www.facebook.com/townofhiltonheadislandmeetings/>. Following the meeting, the video record will be made available on the Town's website at <https://hiltonheadislandsc.gov>.

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# Summary Of Comments

<b>As of July 8, 2020, 12:06 PM, this forum had:</b>		<b>Topic Start</b>
Attendees:	50	July 2, 2020, 2:28 PM
Comments:	9	
Minutes of Public Comment:	27	

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### QUESTION 1

#### Name

Answered	9
Skipped	0

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### QUESTION 2

#### Address

Answered	8
Skipped	1

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### QUESTION 3

**Do you have any comments or suggestions about the consideration of policy recommendations to Town Council for the 2020 Accommodations Tax grant recipients' affected by the COVID-19 virus?**

Answered	9
Skipped	0

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### QUESTION 4

**Do you have any comments or suggestions about the discussion Regarding Potential Improvements to the Accommodations Tax Grant Application for 2021?**

Answered	3
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## Accommodations Tax Advisory Committee July 9, 2020 Agenda

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Skipped

6

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## Accommodations Tax Advisory Committee July 9, 2020 Agenda

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# Survey Questions

QUESTION 1

**Name**

QUESTION 2

**Address**

QUESTION 3

**Do you have any comments or suggestions about the consideration of policy recommendations to Town Council for the 2020 Accommodations Tax grant recipients' affected by the COVID-19 virus?**

QUESTION 4

**Do you have any comments or suggestions about the discussion Regarding Potential Improvements to the Accommodations Tax Grant Application for 2021?**



## Accommodations Tax Advisory Committee July 9, 2020 Agenda

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## Individual Comments

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### Stephen Alfred

inside Town Limits

July 6, 2020, 10:07 AM

#### Question 1

Stephen Alfred

#### Question 2

18 Pine Island Ct

#### Question 3

Help out important institutions survive

#### Question 4

No response

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### Name not available

July 6, 2020, 10:53 AM

#### Question 1

Rita Johnston

#### Question 2

No response

#### Question 3

Another tax on top of two taxes we residents have to pay for enjoyment of dining out? This is nuts!

#### Question 4

No response

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### Jodi Baganz

inside Town Limits

July 6, 2020, 11:12 AM

#### Question 1

Jodi Baganz

#### Question 2

59 Hammock Oaks Cir

#### Question 3

We all see things differently, but I think we can agree a good majority of the hospitality business here has struggled this year. The dollars may or may not be there for distribution, but please make sure the Boys and Girls club gets what they request. I spent 27 years in public service and of all the places that made an impact, the greatest was the Boys and Girls Club.

#### Question 4

No response

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### Name not available

July 6, 2020, 1:39 PM

#### Question 1

Jane Joseph

#### Question 2

Hilton Head Plantation

#### Question 3

On a March 19, 2020 Zoom panel discussion hosted by Grantmakers in the Arts (a national association of public and private arts funders), 10 major granting organizations discussed how to handle grants during the COVID-19 crisis. The unanimous opinion was that granting organizations should be creative and flexible and do what they can to get as much resources to Arts organizations as quickly as possible and keep it coming. Ideas included loosening application requirements for known organizations to a bare minimum to speed the process and allowing funds to be used fully for operations expenses rather than advertising or other areas that would not be fruitful during the crisis. Arts organizations are suffering badly in the pandemic and ATAX funds can be an important element in keeping them going. These organizations provide gathering places for people and Quality of Life elements that we need to be sure remain available in future years. This will benefit our residents as well as our visitors.

#### Question 4

## Accommodations Tax Advisory Committee July 9, 2020 Agenda

We are seeking public comment for items on the Accommodations Tax Advisory Committee July 9, 2020, 9 am Agenda.

We should be including a demographic data requirement in the ATAX application (including racial, age, income ability statistics) of staff, boards and audiences. It is important to do this to ensure that the funding granted from ATAX funds is distributed equitably across our Town. Many of our arts organizations have diversity goals and plans and if they don't, this will be an incentive for them to do this. Also, it will send a message to the community that equitable distribution of funds is a Town priority.

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### Jane Joseph

inside Town Limits

July 6, 2020, 2:12 PM

#### Question 1

Jane Joseph

#### Question 2

Hilton Head Plantation

#### Question 3

Grantmakers in the Arts (a national association of public and private arts funders) held a panel discussion on March 19, 2020 on funding for arts organizations during the pandemic. 10 speakers discussed potential actions to support known arts organizations during the crisis. The unanimous opinion was that granting organizations need to be creative and flexible to get funds to the organizations as quickly as possible and keep it coming. The ideas included shortening the application requirement to a bare minimum to get the funds out faster and to allow organizations to use the funds solely for operational expenses, eliminating requirements for other types of expenditures that would not be fruitful at this time. Arts organizations are gathering places for people and Quality of Life providers and we need to ensure that they are available in future years. This benefits our residents as well as visitors.

#### Question 4

We should be including a demographic data requirement in the ATAX application (including racial, age, income ability statistics) of staff, boards and audiences. It is important to do this to ensure that the funding granted from ATAX funds is distributed equitably across our Town. Many of our arts organizations have diversity goals and plans and if they don't, this will be an incentive for them to do this. Also, it will be an indicator to the community that equitable distribution of funds is a Town priority.

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### Name not shown

outside Town Limits

July 7, 2020, 7:18 AM

#### Question 1

Jennifer Wenner

#### Question 2

170 Snapfinger Drive , Athens , GA

#### Question 3

Please don't raise the taxes again on my little condo .

#### Question 4

No response

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### Name not available

July 7, 2020, 10:04 AM

#### Question 1

Mike Riley

#### Question 2

2 Windy Cove Ct

#### Question 3

Any adjustments should tax the tourist at a higher rate. They are the ones using the services. Increase tax on individual alcohol drinks

#### Question 4

No response

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### Name not available

July 7, 2020, 12:55 PM

#### Question 1

Kim Likins

#### Question 2

258 Berwick Drive

#### Question 3

Many organizations who receive ATAX funds have been hit extremely hard by COVID-19 with some still not able to reopen their doors during

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prime tourist season. I hope the committee will take into consideration how especially hard the arts and cultural organizations have suffered. They play an important role in the quality of life of our residents and without them we would not have the heart and soul that is unique to our Island. Please do all you can to help them survive this very difficult time. Additionally, there are many nonprofit organizations who depend on these funds for events. Please provide them the flexibility to reschedule their events at times when they can ensure success even if this means carrying funds over to a new year. Thank you!

### Question 4

No response

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### Nell Hay

inside Town Limits

July 7, 2020, 10:30 PM

### Question 1

Nell Hay

### Question 2

82 UNION CEMETERY RD

### Question 3

You need to make the application process easier than in the past. Consider relaxing the methods for reimbursement of funds.

### Question 4

We're going to have to change our presentation to make it virtual. We are hoping that the Atax committee will be more flexible with the funding. The COVID-19 has definitely caused a negative impact on the way we are accustomed to the way things are done.