



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

Thursday, November 7, 2024, at 9:00 a.m.

## **MEETING MINUTES**

**Present from the Committee:** Stephen Arnold, *Chairman*; John Farrell, *Vice-Chairman*; Cecile Eck, Martin Lesch, Keith Schlegel, Adriaan Radder, and Thomas Dowling

**Absent from the Committee:** None

**Present from Town Council:** None

**Present from Town Staff:** Adriana Burnett, *Director of Finance*; Erica Madhere, *Budget Analyst*; Shena Smith, *Finance Assistant*; Michele Bunce, *Senior Grants Administrator*, and Jacob Schreib, *IT Analyst*

**Present from the Media:** None

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### **1. Call to Order**

The meeting was called to order at 9:00 a.m.

### **2. Adoption of the Agenda**

Chairman Arnold called for a motion to approve the agenda. Mr. Schlegel moved to approve the agenda as presented, and Mr. Farrell seconded. The motion passed unanimously (7-0-0)

### **3. Approval of the Minutes**

#### **a. Regular Meeting Minutes from Monday, October 7, 2024**

Chairman Arnold called for a motion to approve the minutes from October 7, 2024. Mr. Schlegel moved to approve the minutes, and Mr. Lesch seconded. The motion passed unanimously, with a 7-0-0 vote.

#### **b. Regular Meeting Minutes from Thursday, October 17, 2024**

Chairman Arnold requested a motion to approve the minutes from October 17, 2024. Mr. Radder moved to approve the minutes, and Ms. Eck seconded. The motion passed unanimously, with a 7-0-0 vote.

#### **c. Regular Meeting Minutes from Thursday, October 24, 2024**

Chairman Arnold requested a motion to approve the minutes from October 24, 2024. Mr. Schlegel moved to approve the minutes, and Mr. Lesch seconded. The motion passed unanimously, with a 7-0-0 vote.

## **4. New Business**

### **a. Consideration of the Proposed Calendar Year 2025 Meeting Dates – Shena Smith, Finance Assistant**

Shena Smith, Finance Assistant, presented the proposed 2025 meeting dates, noting that they may be adjusted based on the Town Council's schedule to avoid conflicts. Once the Town Council finalizes its schedule in December, the Accommodations Tax Advisory Committee's meeting dates will be posted on the Town's website. The mandatory status of the August workshop for applicants will be discussed at a future meeting.

A motion to approve the 2025 meeting schedule was made by Ms. Eck, seconded by Mr. Lesch, and passed unanimously (7-0-0).

### **b. Review & Recommendation for the 2025 Accommodations Tax Grants – Adriana Burnett, Director of Finance**

Adriana Burnett, Director of Finance, presented the estimated ATAX revenue projections for the third and fourth quarters. She clarified that actual figures from the state had not yet been provided, and the projections were based on declining trends from previous quarters. The projected total revenue for 2024 is \$12,236,834.45, with 32% (\$3,891,644) allocated to the ATAX grant. Total grant requests amounted to \$4,241,650, exceeding the estimated projected funds.

The committee reviewed and discussed each grant application, allocating funds over three rounds, with the total amounts allocated in each round as follows:

- **Round 1:** \$4,186,065 allocated
- **Round 2:** \$3,962,630 allocated
- **Round 3:** \$4,044,765 allocated

Concerns were raised regarding reduced funding due to the allocation for Workforce Housing and the conservative revenue estimates.

Mr. Radder made a motion to approve the first-round allocation of \$4,186,065 as the committee's recommendation, seconded by Mr. Lesch. He then made a second motion to recommend the third-round allocation of \$4,044,765, contingent on actual revenue matching the current projection, seconded by Mr. Schlegel. Both motions passed unanimously (7-0-0).

### **Recusals (previous meetings):**

- **10/17:** Mr. Farrell recused himself from the First Tee of the Lowcountry and Lowcountry Golf Course Owners Association presentation due to his board membership (no direct conflict of interest). Disclosure forms are on file.
- **10/24:** Mr. Dowling recused himself from the Boys & Girls Club presentation due to his board membership (no direct conflict of interest).
- **10/24:** Mr. Farrell recused himself from the Harbour Town Merchants Association presentation due to a potential perceived conflict of interest.

## Calendar Year 2025 Accommodations Tax Advisory Grant Requests

	2025 GRANTS			
	2025 Applicant Request	ATAC 1st Round	ATAC 2nd Round	ATAC 3rd Round
Art League of Hilton Head	\$ 80,000	\$ 80,000	\$ 75,000	\$ 77,500
Arts Center of Coastal Carolina	\$ 447,000	\$ 447,000	\$ 430,000	\$ 438,500
David M. Carmines Memorial Fnd	\$ 185,000	\$ 185,000	\$ 181,000	\$ 183,000
Gullah Museum of Hilton Head Island	\$ 180,000	\$ 180,000	\$ 150,000	\$ 165,000
Harbour Town Merchants Assoc.	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000
Hilton Head Audubon Society	\$ 21,400	\$ 15,000	\$ 15,000	\$ 15,000
Hilton Head Choral Society	\$ 20,000	\$ 15,000	\$ 15,000	\$ 15,000
Hilton Head Concours d'Elegance	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Hilton Head Dance Theater	\$ 23,000	\$ 20,000	\$ 20,000	\$ 20,000
Hilton Head Island Airport	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Hilton Head Island Bridge Assoc.	\$ 21,000	\$ 15,000	\$ 15,000	\$ 15,000
Hilton Head Land Trust	\$ 47,000	\$ 37,000	\$ 37,000	\$ 37,000
HHI Rec ASSOC. (Wingfest, Oyster & Jeep Fest)	\$ 75,000	\$ 75,000	\$ 60,000	\$ 67,500
HHI St. Patrick's Day Parade	\$ 80,000	\$ 68,388	\$ 68,388	\$ 68,388
HHI Wine and Food, Inc (Rhythm & Brews Fest)	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
HHI Wine and Food, Inc. (Wine & Food Fest)	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
Hilton Head MLK Committee for Justice	\$ 5,000	\$ 2,980	\$ 2,980	\$ 2,980
Hilton Head Symphony Orchestra	\$ 350,000	\$ 350,000	\$ 330,000	\$ 345,000
Lean Ensemble Theatre	\$ 55,000	\$ 55,000	\$ 50,000	\$ 52,500
Lowcountry Golf Course Owners Assoc.	\$ 200,000	\$ 200,000	\$ 200,000	\$ 175,000
Long Cove Club Darius Rucker Intercollegiate	\$ 65,450	\$ 61,897	\$ 61,897	\$ 61,897
Lowcountry Gullah	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Mitchelville Preservation Project	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000
Native Island Business & Community	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000
Rotary Club of Hilton Head Island	\$ 40,000	\$ 40,000	\$ -	\$ -
Sea Turtle Patrol HHI	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Shelter Cove Harbour Company	\$ 293,800	\$ 293,800	\$ 244,600	\$ 280,000
TEDx Hilton Head	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
The Boys & Girls Club of Hilton Head	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
The Coastal Discovery Museum	\$ 400,000	\$ 400,000	\$ 375,000	\$ 387,500
The First Tee of the Lowcountry	\$ 50,000	\$ 50,000	\$ 40,000	\$ 45,000
The Heritage Library	\$ 143,000	\$ 135,000	\$ 135,000	\$ 135,000
The Outside Foundation	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000
The Sandbox	\$ 64,000	\$ 64,000	\$ 60,765	\$ 62,000
<b>Total</b>	<b>\$ 4,241,650</b>	<b>\$ 4,186,065</b>	<b>\$ 3,962,630</b>	<b>\$ 4,044,765</b>
<b>Balance Available</b>		\$ (294,421)	\$ (70,986)	\$ (153,121)

*\*Highlighted portion reflects the round that was voted to be recommended to Town Council.*

The Committee recommended full funding for 25 organizations. Nine organizations were not fully funded: three were limited by TERC-based funding caps, and the rest received reductions due to the constrained budget. *(See Grant Request Chart above)*

## **1. Public Comment – Non Agenda Items**

Christy Cohen, representing the Darius Rucker Intercollegiate at Long Cove, expressed concern about the ATAX award timeline. She noted that uncertainty regarding funding until mid-January creates challenges for events scheduled in the first quarter of 2025.

Jim Fluker, former Chairman of the Accommodations Tax Grant Advisory Committee, acknowledged the committee's hard work and the difficult decisions they face. He suggested scheduling a Town Council workshop prior to the ATAX recommendation to discuss the recommendations in more detail, ideally with third-quarter revenue numbers available.

## **2. Adjournment**

At 11:11 a.m. Mr. Arnold adjourned the meeting.

**Submitted by:** Shena Smith, Secretary

**Approved:** April 3, 2025