

ACCOMMODATIONS TAX ADVISORY COMMITTEE

11:00 a.m., Wednesday, July 6, 2011

The regular meeting of the Accommodations Tax Advisory Committee was held at 11 a.m. on Wednesday, July 6, 2011 in Council Chambers of City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Attending the meeting were Committee members Malcolm Burgis, Jimmy Carroll, Rick Linville, Margaret Miller, David Nelson, Sandy Ferencz and Chair Jimmy Ward, City Administrator Tucker, City Treasurer Suggs, Assistant to the Administrator Dziuban and City Clerk Copeland. A quorum was present to conduct business.

1. Chair Ward called the meeting to order and acknowledged that the press and public had been duly notified of the meeting in accordance with the Freedom of Information Act.

2. Approval of Previous Meetings' Minutes

MOTION: Mr. Nelson moved to approve the minutes of the regular meeting of April 6, 2011 and the Special Meetings of May 4 and June 15, 2011 as submitted; Mr. Burgis seconded and the motion PASSED UNANIMOUSLY.

3. Citizens' Comments – None

4. Financial Statement – Treasurer Debbie Suggs

Treasurer Suggs initiated her comments by emphasizing that the information being presented today was the preliminary and unaudited financial information through June 30, 2011; at this early date, neither all of the invoices for June nor the final quarterly collection from the state have been received. (Copies of the financial reports and schedules are attached to the historical record of the meeting.) Cash totaling eight hundred ninety thousand dollars (\$890,000) is divided between the Local Government Investment Pool and BB&T where the interest rates are three tenths of a percent (0.3%) and twenty-five hundredths of a percent (0.25%), respectively. Revenues for the first three (3) quarters of FY11 exceed seven hundred twenty-six thousand dollars (\$726,000); the fourth quarterly payment of FY10 was in excess of three hundred twenty-eight thousand dollars (\$328,000), therefore a like amount is expected for FY11. For the detailed expenditures, the Treasurer focused on transactions since the April meeting; the following items were of interest because the expenditures were not made in FY11 and have been re-budgeted to FY12:

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| • Replace and expand Front Beach surveillance system | \$25,000 |
| • Mobile radio repeater for improved communications | 12,000 |
| • Balance in 50% cost to design and permit marina dredging | 48,097 |

In the account for Beach Trash Barrels, an additional over-budget amount of one hundred seventy-four dollars fifty-seven cents (\$174.57) has occurred since the April meeting.

MOTION: Mr. Carroll moved to approve the over-budget amount of \$174.57; Ms. Miller seconded and the motion PASSED UNANIMOUSLY.

The Treasurer directed attention to the schedule entitled "Revenue and Expense Projection for the Year Ending 6/30/11;" she remarked that the amounts referenced as "estimate" were based on invoices in-hand and prior year actual amounts. Based on her calculations, the State ATAX fund will end the year with a small surplus of forty-three thousand five hundred forty-seven dollars (\$43,547) rather than the predicted budget deficit of more than two hundred seven thousand dollars (\$207,000). The surplus is the result of collections that exceeded budget by ninety-one thousand dollars (\$91,000) and the expenditures, referenced earlier, that were not made in FY11 and re-budgeted into FY12.

MOTION: Ms. Miller moved to approve the preliminary, unaudited financial statements as presented; Mr. Linville seconded and the motion PASSED UNANIMOUSLY.

5. Old Business – None

6. New Business

Charleston Visitors Bureau 2011-2012 Accomplishments and Goals

Perrin Lawson of the Charleston Visitors Bureau (CVB) was present to provide the Committee with a review of the areas major accomplishments in FY11 and anticipated activities in FY12. Like the City of Isle of Palms, the Charleston Visitors Bureau is just beginning the process of closing its FY11 books. In general, he reported that room nights sold was up nine and four tenths percent (9.4%) through May, 2011, but the daily rates were down one half of a percent (0.5%), which is consistent with the balance of the country. He referenced the following reasons for the strong Charleston market:

- The Visitors Bureau not only continued its advertising campaign, but also became more aggressive in promoting Charleston and the surrounding area.
- The weekly Carnival Cruises brought additional people into the City's hotels.
- Construction at Boeing has been completed, and the area is beginning to see the ancillary benefits of Boeing's presence.
- The arrival of Southwest Airlines in March, 2011 has brought new people into the City; he reported that, in their first week of flights, the airport ran out of rental cars. Southwest is expected to add more flights to more cities, but the timing is still unknown. Additionally the success of Southwest Airlines has created interest from other airlines about entering the market.
- The events surrounding the Civil War Sesquicentennial, especially the "first shot" event, brought positive national media attention to the City in April as reporters emphasized that the events were the commemoration of historical events important to the history of the United States.

Mr. Lawson offered the *Spirit* magazine, Southwest's airline magazine, to show the excellent coverage they have given to Charleston in their fortieth (40th) anniversary edition; he commented that the CVB had requested reprints of the article that he would be happy to provide to the City.

Among the activities anticipated in FY12, Mr. Lawson foreshadowed the following:

- Calendar year-wise through May, Mr. Lawson reported that rooms sold are up four and three tenths percent (4.3%) and up two percent (2%) in average daily rates.
- Now that Boeing is in the business of producing airplanes, the City will host their suppliers and meetings, as well as those who purchase the planes, i.e. multiple opportunities to bring people into the community to spend money.
- Because of the flurry of activities in the area, Charleston is “hot” with the travel media at present; Mr. Lawson showed the Committee a volume three to four (3-4) inches thick that contains copies of all of the articles written about the Charleston Area in the first six (6) months of 2011.
- The CVB is working heavily in the family travel field being promoted by a number of websites; they have just launched a program called “Charleston Explorers” – a program that encourages young people and their families to enjoy various attractions. To-date, approximately four hundred fifty (450) youths have registered for the program.
- The CVB is reorganizing its entire support sales effort, transitioning from a sports council to a sports commission and concentrating on participatory sports for youth and adults; they are looking at the type of events that encompass the entire community, rather than just Mount Pleasant or North Charleston.
- The CVB is working with Hospitality and Tourism Management Department at the College of Charleston for better tracking for lodging occupancy in rental units and condominiums.
- In conclusion, Mr. Lawson noted that the CVB is working with the Charleston Regional Development Alliance and Charleston County Economic Development to more closely align what the CVB does with what they do to go after the meetings’ market in industry clusters, like airlines, aerospace, defense, and automotive.

7. Miscellaneous Business

Mr. Carroll asked the City Administrator for an explanation as to the City Council’s override of the ATAX Committee’s vote not to support the additions to the FY12 budget for the parking nodes on Ocean Boulevard.

Administrator Tucker responded that City Council has within its purview the right to agree with the Committee, disagree with the Committee or modify the Committee’s decisions. The Administrator emphasized that, based on the charge to staff from City Council, funding had to be included in the FY12 Budget to execute a project related to parking, and the project that staff was asked to price was the parking nodes on Ocean Boulevard. The parking nodes were seen as the project most immediately executable.

According to the Administrator, residents will have multiple opportunities for input into a final decision for a parking management initiative - whether the project to be executed will be the parking nodes remains to be decided. In addition, Administrator Tucker stated that, in her opinion, Councilmembers were open to listening to new ideas not only in the Ocean Boulevard area, but island-wide beach access parking.

The Administrator also expressed the opinion that City Council was responding to those members of the community who have been outspoken that they have “reached the end of their ropes” in dealing with visitors to the island who park in their yards and are most disrespectful to them and to their property.

The Administrator recounted that City Council had originally tasked the Planning Commission with developing a parking management plan two (2) years ago, and residents and Council believed that the time had come for action. In addition, Administrator Tucker explained that, in her discussion with Council after the ATAX Special Meeting in June, she had tried to objectively and accurately relate what the Committee had said, as well as the impression she had gotten from the Committee. The Administrator had indicated to Council how the vote had gone and exactly what the comments were; Council also had copies of the minutes of the meeting to study.

Committee members were encouraged to contact Councilmembers to discuss their opinions and/or offer new ideas relative to parking management initiatives or tweeks to the proposal being discussed.

Ms. Ferencz asked what restrictions on the use of ATAX funds exist for residential parking and the database; she stated that, in her opinion, that portion of the project was not tourist-related. Administrator Tucker responded that the cost of the entire project was being split between state ATAX and Municipal Accommodations fees, but she contended that the residential parking passes could be justified by the fact that the City would not need the residential parking passes if tourists were not coming to the island.

In the Administrator's opinion, one good thing that has come from the plan for parking nodes on Ocean Boulevard is that island residents have become engaged in the parking issues being faced by many; she suggested that, had the community become engaged sooner, the parking project included in the FY12 Budget could be different. Administrator Tucker expressed hope that the discussions taking place island-wide would produce positive, collective, executable ideas.

Mr. Carroll voiced his opinion that parking was a problem that extended beyond the Isle of Palms and that discussions, including all levels of government, would be most beneficial in developing a solution.

Mr. Ward reported that, as a veteran, he was very sensitive to seeing the flag on the Connector not properly illuminated at night; he asked Administrator Tucker to find a way to ensure that it was always properly lighted. Administrator Tucker responded that the flag on the Connector was an initiative of the Fire Department and that the maintenance falls to them; she asked that the City be notified whenever someone notices the light is not on.

Next Meeting Date: 11:00 a.m., Wednesday, October 5, 2011.

8. Adjourn

MOTION: Mr. Nelson moved to adjourn the meeting at 11:58 a.m.; Ms. Miller seconded and the motion PASSED UNANIMOUSLY.

Respectfully submitted:

Marie Copeland
City Clerk