

ACCOMMODATIONS TAX COMMITTEE

Isle of Palms, South Carolina

January 10, 2007

The regular meeting of the Accommodations Tax Committee was held at 11:00 a.m. on Wednesday, January 10, 2007 in Council Chambers, City Hall, 1207 Palm Boulevard, Isle of Palms, South Carolina. Present were Chairwoman Julia Tucker, Committee Members Malcolm Burgis, Rick Linville, Margaret Miller and Jimmy Ward, City Administrator Tucker, City Treasurer Suggs, City Clerk Darrow and Recreation Director Page.

1. Call to Order. Julia Tucker, 2006 Committee Chair, called the Accommodations Tax Committee meeting to order and stated that members of the press and the public have been duly notified in accordance with State Law. She welcomed Terri Haack as the newest member of the Committee, applauding the service that former Committee member David Nelson provided to the community. She noted that Terri Haack was out of town, but her absence was excused. She further noted Ron Davis' absence, but indicated the Committee had a quorum.

2. Election of Chair.

MOTION: Mr. Burgis nominated Julia Tucker as Committee Chair; seconded by Mr. Linville; MOTION UNANIMOUSLY PASSED.

MOTION: Chairwoman Tucker nominated Margaret Miller as Committee Vice Chair; seconded by Mr. Burgis; MOTION UNANIMOUSLY PASSED.

3. Approval of Previous Month's Minutes – November 20, 2006

MOTION: Mr. Ward made a motion to approve the November 20, 2006 minutes as presented; seconded by Mr. Linville; MOTION UNANIMOUSLY PASSED.

4. Monthly Financial Statement

Treasurer Suggs reviewed the State Accommodations Tax Balance Sheet, Revenue Statement and Expense Statement ending December 30, 2006 and the current Revenue and Expense Projection report (**Exhibit A**). Treasurer Suggs referred the Committee to the State Tourism Expenditure Review Committee's January 4, 2007 correspondence regarding City Accommodations Tax expenditures associated with the Half-Rubber tournaments (**Exhibit B**).

The Committee discussed the Front Beach restroom operational hours, with Treasurer Suggs noting that the restrooms would be open on weekends only in January and February, pursuant to the Committee's recommendation last month. In answer to Chairwoman Tucker's question about budgeted Front Beach restroom closures, Treasurer Suggs clarified that pursuant to the FY07-08 budget, the facilities would be closed the months of October, November, December, January and February. Mr. Linville commented that, as a Front Beach business owner near to the public restrooms, he would advocate the restrooms being open as much as possible. He noted that, whenever the temperature reaches sixty (60) degrees or warmer, beach and Front Beach patronage picks up. With the City's moderate fall and winter seasons, he reasoned that there would be many warm days between October and February to draw beach visitors. After additional discussion regarding the pros and cons of extending restroom hours, Treasurer Suggs

noted the City would include funding in the proposed FY07-08 budget for increased Front Beach restroom hours.

5. Old Business.

A. City promotion opportunities on the Spoleto Festival USA website.

City Administrator reported that City staff continues to coordinate with Spoleto representatives to maximize the exposure the City will receive as a corporate sponsor of the event. The City is shown in the Festival booklet, already in distribution, as the sponsor of the Swan Lake ballet, a high profile event, future newspaper advertisements connected with Swan Lake and possibly some sort of sponsor identification on the event ticket and/or ballet program guide.

As for the Spoleto website, Administrator Tucker reported that the City is already listed on the corporate sponsor webpage with a live link to our website and a short advertisement can be put on the Spoleto accommodations website page. Additionally, she noted that the City is scheduled to be part of a Spoleto email blast at the end of January. Administrator Tucker commented that she would like the January email blast to highlight the City's Marina, as she feels that a City marina, with its various available water activities, would set the City apart from other beach communities as being special or unique. Another advertisement possibility would include a link on the Charleston page of the Spoleto website.

Chairwoman Tucker asked if the City could accomplish an email blast about the Spoleto event this winter/spring. Administrator Tucker noted that she did not have sufficient staff, at this time, to accomplish this activity. Given the many City priorities and the fact that all Charleston area accommodations are full during Spoleto Festival, Administrator Tucker submitted the time and effort associated with an email blast could be better served working on other City projects, with the current staff level she has.

Chairwoman Tucker then commented on previous discussions with Stephenie Steele of Spoleto Festival USA, where the Committee expressed a desire for tickets to provide island senior citizens such as the Keenagers. She asked staff to follow up with the possibility of these tickets and advise.

Mr. Ward commented that he continues to have doubts about the expenditure of \$15,000 for corporate sponsorship of this Festival. He acknowledged that Spoleto's communication with the City and its willingness to advertise the City are improvements, but he still submits the City is still spending too much money to sponsor this event, funds that could be spent helping local artists. Chairwoman Tucker noted that the Spoleto USA Festival is a premier festival with national notoriety, all opportunities for the City to put its name out across the nation and the world, drawing a demographic that the City continues to strive to bring to the island. She applauded Mr. Ward for his past efforts to push and question the City's corporate sponsorship, because such questions help improve Spoleto's efforts with the City. Administrator Tucker noted that the beach experience increasingly drives visitor participation in the Spoleto Festival and Chairwoman Tucker agreed, submitting it was a factor that grows each year and is something of which Spoleto organizers should and are becoming increasingly more aware.

B. Discussion of revised City tourism brochures.

Administrator Tucker noted the City has approximately 4,200 brochures left. She noted that the Committee has indicated an interest in providing input on the existing brochures. Administrator Tucker noted that the brochures are acceptable, but she would prefer to have new brochures designed with fresh text and fresh pictures. She did note, however, that she does not have the time nor staff to devote to the

re-design of these brochures. She further submitted that, if the City did contract the re-design of the brochures, she would still have to expend effort to ensure the brochures were done correctly and were of high standard. Administrator Tucker asked the Committee for direction on this matter.

Mr. Ward commented that he felt the brochures were fine as they currently existed. Chairwoman Tucker asked how long the current stock of brochures would last. Administrator Tucker deferred to Perrin Lawson with the Charleston Visitors Bureau (CVB), who responded that the brochure stock might last two months, until April.

Chairwoman Tucker noted that there are only two (2) main ways that the City can reach out to the public to draw tourism to the island: the website and the visitor's brochure. She submitted that the City should ensure it had the best brochure available to entice visitors to the island to vacation and spend money. Chairwoman Tucker acknowledged and respected how busy Administrator Tucker and her staff was, but submitted that Accommodations Tax funds could pay for a professional company to re-design the brochure, perhaps an advertising agency.

MOTION: Chairwoman Tucker made a motion to gather bids and proposals from and outside vendor to re-design and print a new visitor's brochure; Mr. Burgis seconded.

Discussion:

The Committee briefly discussed the use of an advertisement agency to develop the brochures and whether costs might require a formal request for bid process, pursuant to the City's procurement code. Chairwoman Tucker noted that she would start gathering information and prices for a re-design of the brochure and report back to the Committee.

Call for the question: MOTION UNANIMOUSLY PASSED.

6. New Business.

A. Application for \$1,044.00 from the South Carolina Film Commission for advertisement in the 2007 South Carolina Film Commission Production Guide.

Robbin Bernhardt with Acadia Publishing highlighted the Commission's application. Mr. Ward asked if there have been any films made in the Lowcountry recently. Ms. Bernhardt enumerated a number of movies made in the Lowcountry and South Carolina. Mr. Ward asked if there were any movies made in the Lowcountry in the last five (5) years and Ms. Bernhardt noted she did not have a list available to provide the Committee. Chairwoman Tucker submitted that there needed to be more movies in the Lowcountry, as this area would be ideal for such productions. Mr. Linville noted that many states are aggressively lobbying the movie industry for filming in their state. He noted that recently South Carolina Governor Sanford proposed waiving the payment of Accommodations Tax fees to movie production companies while they were shooting films. Administrator Tucker noted that the City lodged an objection regarding that issue, submitting that movie companies displace other visitors who might choose to come to vacation in City lodgings, reducing the City's tax revenues.

Mr. Perrin Lawson of the CVB commented that many states are aggressively seeking film industry patronage of their states, with Louisiana leading the nation in big incentives to the film industry. He noted, however, that there will be a saturation point in chasing this industry business, then States will scrutinize the cost-benefit to pursuing the industry. He further noted that filming in downtown Charleston

is very desirable to filmmakers, but is becoming increasingly difficult to do, particularly in the South of Broad area. He suggested that this obstacle might be a reason why some filmmakers are deterred from using the Charleston area for filmmaking.

Chairwoman Tucker suggested that the City could increase its daily fee for a production license in lieu of the lost Accommodations Tax revenue. She suggested this might be one of various other options for recouping the tax funds lost while encouraging the type of revenues that film production companies bring to an area during a film shoot. City Administrator Tucker noted that the City currently charges \$100/day for production license fee and Chairwoman Tucker submitted that fee was too low.

Thereafter Chairwoman Tucker noted that she was affiliated with Acadia Publishing and would recuse herself from voting on this motion.

MOTION: Mr. Linville made a motion to recommend to Ways & Means Committee the expenditure of \$1,044.00 for advertisement in the 2007 South Carolina Film Commission Production Guide; seconded by Mr. Burgis; MOTION UNANIMOUSLY PASSED WITH ONE (1) ABSTENTION.

7. Miscellaneous

At Administrator Tucker's suggestion, Recreation Director Page recapped the upcoming special events for the Recreation Center and City from February through August 2007. Committee members complimented the holiday tree at the Front Beach and the Holiday Tree Lighting ceremony held at Front Beach. Chairwoman Tucker asked about the status of the gymnasium flooring. Director Page clarified that the Recreation Department was working on the fitness floor, which has an adhesive issue. She stressed that the flooring matter was not a safety issue but, rather, an item that the Recreation Department is attempting to get off of its punch list on the new facility. Director Page indicated that she wanted to stress, for the record, that the project contract, David Matthews with Harbor Construction, has been in constant communication with her on this matter and has made every effort to try and help facilitate a successful conclusion to this matter.

Next Meeting Date: 11:00 a.m., Wednesday, February 14, 2007, with applications due by Friday, February 2, 2007.

There being no further business, the meeting was unanimously adjourned at 11:40 a.m.

Respectfully submitted,
Julia Tucker, Chairwoman