



## **Accommodations Tax Advisory Committee**

11:00 a.m., Wednesday, January 19, 2022

Council Chambers

1207 Palm Boulevard

Isle of Palms, South Carolina

### **Public Comment:**

Citizens may provide public comment here:

<https://www.iop.net/public-comment-form>

### **Agenda**

1. **Call to Order** and acknowledgment that the press and the public had been duly notified of the meeting in accordance with the Freedom of Information Act.
2. **Approval of Previous Meeting's Minutes** - November 16, 2021
3. **Financial Statements** – Debbie Suggs, City Treasurer
4. **Old Business**
5. **New Business**  
Discussion and consideration of request for ATAX funding from the Law Enforcement Neighborhood Support Program
6. **Miscellaneous**  
Date of next meeting: 11:00 a.m., \_\_\_\_\_, 2022
7. **Executive Session** in accordance with S.C. Code Section 30-4-70 (a) (2) to receive legal advice regarding state accommodations tax revenue and alternatives for the allocation of the 30% tourism promo
8. **Adjournment**



## **ACCOMMODATIONS TAX ADVISORY COMMITTEE**

**11:00am, Tuesday, November 16, 2021**

**1207 Palm Boulevard, Isle of Palms, SC and**

**broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>**

### **MINUTES**

#### **1. Call to order**

**Present:** Doug Truslow, Ray Burns, Glenda Nemes, Sally Muhlig

**Absent:** Rusty Williamson, David Nelson, Malcolm Burgiss

**Staff Present:** Administrator Fragoso, Treasurer Suggs

#### **2. Approval of the previous meetings' minutes – October 27, 2021**

Mr. Burns said, "Our last meeting was October 27<sup>th</sup>, and at that meeting Helen Hill, the CEO of the CVB, addressed this committee in order to present a report of the CVB's past year expenditure and new year budget. Ms. Hill used the opportunity to resort to personal attacks of me saying that what I have said is absolutely not correct and then double down on it calling me disingenuous. Ms. Hill went on to state that the CVB FY21 audit was presented to our committee. She further made a snarky remark to Glenda when Glenda said she had not seen the report. The truth of the matter is the CVB FY21 audit was not in the meeting packet as she said, and in fact, we just received it. At least I just received it for the first time yesterday. Ms. Hill went on to say that the CVB has a very close relationship with the Tourism Expenditure Review Committee, and she reported that the recent FY22 budget report was reviewed by TERC, and the feedback they got is that it not only meets the new TERC requirements but exceeds it. CVB did report this back to us on September 20, 2021 concerning a meeting that was held to review the budget report with Dan Blumenstock, a TERC committee member. What Ms. Hill did not tell you is that Dan Blumenstock, in addition to his role on the TERC Committee, he also is past Chairman of the Board of the CVB and currently is in a leadership position on the CVB Board. I communicated with the TERC support manager concerning this approval yesterday, and I was told that Dan Blumenstock does not speak for TERC. CVB needs to understand that Isle of Palms is responsible for the reporting to TERC and CVB needs to give us the information that we need in order to comply with the new TERC reporting requirements. Ms. Hill next discussed the Domain New Media lawsuit that I described earlier in the meeting concerning how it is increasing the reporting requirements for municipalities. Ms. Hill went onto explain her interpretation of the Domain New Media lawsuit. Her version of the ruling is they upheld their right to the confidential information, about their confidential information, how they do what they do, associated with destination marketing. Prior to Ms. Hill's presentation, I discussed the

Doman New Media ruling, and to be accurate, I quoted verbatim from the Domain New Media South Carolina Supreme Court ruling as well as the memorandum from TERC on the new reporting requirements. Ms. Hill reduced the Domain New Media ruling to a point where it was solely protecting their rights of confidentiality and ignored the direction of the South Carolina Supreme, South Carolina Attorney General, South Carolina Supreme Court, and the TERC Committee. That is really all I have to say about that. My intent is to correct the record that Ms. Hill made a point of wanting to put her comments on the record.”

**MOTION: Mr. Truslow made a motion to approve the minutes of the October 27, 2021 meeting. Ms. Muhlig seconded the motion.**

Mr. Truslow said, “In defense of the Isle of Palms administration, you did not get the information in order to give to us. I want the record to be clear that through no fault of our administration that we did not get the information because it was not given to you before the meeting to come to us. I would like to give Ms. Hill the benefit of the doubt. Perhaps she misunderstood and thought her staff had mailed it to us or given it to us long before this, and I would like to put this behind us and put it in the rearview mirror and look forward.”

**VOTE: The minutes passed unanimously.**

**3. Financial Statements – Treasurer Suggs**

Treasurer Suggs said there is \$1.73M in the ATAX account as of 10/31/2021. There are currently \$32,000 in liabilities due to the General Fund covering the restroom attendant salary. No quarterly payment has been received from the State yet. The few expenditures since the last meeting included costs associated with the public restrooms, beach barrel trash pickup, and two approved payments to the VFW and Lowvelo.

Ms. Nemes questioned how the CVB can spend money from a quarterly payment not yet received by the City from the State. Treasurer Suggs said the City does not send the money directly to the CVB. The CVB uses their general funds to pay for work being done prior to monies being received. Discussion ensued as to whether or not the 30% allocation has to be given immediately to the DMO of record. Administrator Fragoso said that the 30% tourism allocation is a line item in the City’s approved budget and the monies must go to the CVB until the City designates an alternative. She added that the ATAX Committee, in its advisory capacity, could recommend to City Council that a procurement process and contract is needed with the DMO.

**MOTION: Ms. Nemes made a motion to recommend to City Council that it set aside the tourism promotion dollars in a separate account until City approves the allocation the funds as set forth by the DMO. Mr. Truslow seconded the motion.**

Administrator Fragoso said that City Council could take such a recommendation under advisement and seek legal advice from the City Attorney as to whether or not the funds can be held or must be disbursed immediately.

Administrator Fragoso said, “I see three separate issues. One is the question has been asked can the City hold the money that we currently distribute to the CVB, the 30% tourism promotion dollars. Can the City hold that in a separate fund rather than send them directly to the CVB until City Council makes a decision about next steps, whatever that looks like with a separate DMO. There’s a separate question that has been asked about the procurement code does the City have to follow procurement code and competitively procure the CVB or a separate non-profit. I see those as two separate issues.”

Ms. Nemes said she would like to know if their recommendation is legal before sending it to City Council. Administrator Fragoso said the ATAX Board is able to receive legal advice from the City Attorney.

**VOTE: The motion passed unanimously.**

Mr. Burns said he has asked the City Attorney about the need for a procurement process and contract with the DMO, and he is waiting to hear back. Administrator Fragoso reminded the Board that Ms. Hill said a contract with the CVB is possible and that the Board may want to consider what goals and metrics need to be in such a contract.

4. **Old Business - none**

5. **New Business**

**A. Discussion of accounting expenditures from FY21 30% ATAX allocation distributed to the Charleston Visitor’s Bureau**

Administrator Fragoso explained, “The accounting of expenditures needs to be reviewed just to ensure that it is compliant with the budget that we have for the prior year.” She added, “There are two items here we need to submit to TERC. They are the accounting of the expenditures for FY21. That is the fiscal year that ended on June 30<sup>th</sup> this year. You are to approve or recommend the Council approve the FY22 budget. Then next year you will receive an accounting of expenditures for FY22 which we then will submit to the TERC per the new guidelines.”

She noted that the CVB has presented a more “regional” budget up to now. In the future, they will be working on a more IOP-specific accounting of expenditures.

Mr. Burns said that all that is required of this ATAX Board is a review of the FY21 expenditures which was discussed last meeting.

**B. Discussion and consideration of FY22 budget of proposed expenditures by the Charleston Visitor’s Bureau**

Administrator Fragoso reported that she and Mr. Burns met with the CVB “to communicate how you all wanted to see the budget or how specific you wanted to see the budget for IOP specifically and that’s the document that is included in your packet for today’s meeting. I think that the goal would be to get your feedback or questions from you all about whether the format of that budget is something that you all would consider appropriate for what you all are asked to approve.”

Mr. Burns commended the CVB on their efforts but said there is still some work to do on the budget. He said the math does account for Folly Beach paying in less to the CVB, making it appear as if Folly Beach is “getting more bang for the buck.” He believes it is premature to accept this budget and would like further discussion with the CVB. Mr. Truslow also said he would like more detail before approving the budget.

Referring to a print ad in a *Gun & Garden* magazine, Ms. Nemes said the CVB is working on an old paradigm with regards to marketing and would like to see more monies allocated to digital marketing.

**MOTION: Ms. Nemes made a motion to reject the FY22 budget as presented by the Charleston Visitor’s Bureau. Mr. Truslow seconded the motion. The motion passed unanimously.**

Treasurer Suggs said she would reach out to TERC to see if they would accept the rejected budget.

Mr. Burns said he would like to continue to meet with the CVB to help refine their budget presentation between now and the next ATAX meeting. He would like guidance from City Council as to whether or not to keep working with the CVB.

Administrator Fragoso said, “I will remind you all that earlier this year the City Council instructed you all to look at the alternatives or should the City consider an alternative. And the recommendation from last month from this committee was for the City to look into alternatives. You all have met that assignment from City Council. So now it falls in City Council’s lap, and City Council will decide what they need to do moving forward with the DMO. There were some recommendations today about how to maybe allocate the funds to a special fund rather than sending them directly to the CVB. That recommendation will also go to City Council. So all of your recommendations ultimately fall on City Council, and it is up to them to act on it and instruct staff in what direction they want to go. So it seems to me that this advisory committee has completed the assignment given by Council to look at whether or not the City wants to look at alternatives, and you all have already taken action on that. I don’t think that, unless it comes back to this committee, I don’t think that you all need to rediscuss it because you have already made that recommendation.”

Ms. Nemes said, “We would like to continue to work with CVB as they update and modernize their paradigm to meet our needs and to give them another opportunity to be one of the options for the future.”

## **6. Miscellaneous Business**

The next meeting of the ATAX Committee will be Wednesday, January 19, 2022 at 11am.

## **7. Adjournment**

Ms. Muhlig made a motion to adjourn, and Mr. Truslow seconded the motion. The meeting was adjourned at 12:23pm.

*ATAX Minutes, 11/16/2021*

Respectfully submitted,

Nicole DeNeane

City Clerk

State Accommodations Tax Advisory Committee  
Isle of Palms, South Carolina

Application for City of Isle of Palms ATAX Grant

For Office Use Only

Date Received: _____	Total Project Cost: _____
Total Accommodations Tax Funds Requested: _____	
Recommendation by City of IOP Staff (yes and if so amount ; no; defer to committee; n/a) : _____	
Action Taken By Accommodations Tax Advisory Committee:	
Date _____ Approved _____ Denied _____ Amended _____ Other _____	

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**(Please Use Additional Paper and Include Pertinent Documentation as May Be Needed)**

A. Project Name: THE LENS (Law Enforcement Neighborhood Support) Program

B. Applicant Organization: Isle of Palms Community Corporation

1. Mailing Address: IOP CC/LENS, PO Box 201, IOP SC 29451

Telephone: \_\_\_\_\_ Email: kinghorn.ted@gmail.com

2. Project Director: Ted Kinghorn

Telephone: 703.203.1238 Email kinghorn.ted@gmail.com

3. Description of Organization, Its Goals and Objectives:

Providing law enforcement and first responders with support to

strengthen community and tourist relations and improve public safety on the Isle of Palms. This will enhance tourist and visitor experience, public safety ensuring

confidence of visitors. See attached for more detail.

### C. Description and Location of Project:

Project description is to give back by supporting initiatives that focus on

families and those in need in exclusive partnership with the

IOP Police Department and first responders. To provide support to our

officers and their families by sponsoring morale boosting initiatives that show our appreciation for all they

do. See attached for more detail.

Single Event?

X

           Ongoing Event/Annual Need?

1. Date(s): of project/ event or start date: January 2022 Completion date: ongoing

2. Impact on Tourism: What percentage of persons benefitting from this project are tourists, ie. those coming from more than 50 miles away and expected to spend the night on Isle of Palms (█ %) compared to Isle of Palms residents (█ %) vs. visitors from within 50 miles such as “day trippers” (█ %)

Police interaction with residents and guests, websites, published information, special events, social media

\*Source of tourist data (website tracking, surveys, lodging data, sales information, etc.)

3. If this application is for an ongoing event, what is the percentage increase/decrease in tourist attendance compared to each of the past three years' events? *The goal is to provide added value for tourist interactions with law enforcement*

\*Source of tourist data \_\_\_\_\_  
(website tracking, surveys, lodging data, sales information, etc.)

4. Is your event to be conducted entirely on Isle of Palms? YES If not, please set forth the percentage occurring on Isle of Palms, as well as the specific locations and the percentages occurring elsewhere.

5. To your knowledge, does anyone else promote projects similar to yours within the city limits of Isle of Palms? If so, how is your project similar and/or unique? Given the parameters, please explain why your project is entitled to City of Isle of Palms ATAX funding.

6. Set forth fully the successes and failures you have experienced for your proposed project for which you seek City of Isle of Palms ATAX funding for each of the past three years. Set forth the metrics by which you have



measured success for the past three years, as well as the metrics by which you will measure success for the current year's project/event on the City of Isle of Palms. New program. Law enforcement need, improve safety, community support

7. Describe fully how and why your proposed project/event qualifies for City of Isle of Palms ATAX funding. Above and attached Tourists, visitors and others need for assistance
8. If your project is granted City of Isle of Palms ATAX funding and realizes a profit, do you commit to returning the profit to the City of Isle of Palms? No profits  
If not, please explain fully, to include what you will do with the money. **Note:** It is impermissible to donate or "pass through" City of Isle of Palms ATAX grants to any other organization, except as authorized by City of Isle of Palms. Further, the City of Isle of Palms does not approve of "carry forwards" of ATAX grants for use in ensuing years, absent extraordinary and compelling reasons in the sole discretion of the City of Isle of Palms. Excess funds must be returned to the City of Isle of Palms.
9. Please attach your budget reflecting the amounts and sources of all related income and donations from others for the project/event, as well as expenditures for each of the last three years. In addition, set forth projected income and expenses for this year's project/event, as well as all expenses, both incurred and paid, as well as projected.

**D. Financial Justification** ("heads on beds" and ancillary benefits)

1. Describe fully and provide relevant documentation for each of the past three years reflecting:
  - Where, as a specific result of your project/event, have tourists spent the night on Isle of Palms, ie. those incurring accommodations taxes for lodging. Include the lodging providers addresses phone numbers, rooms utilized, costs and nights stayed.
  - Where do you project tourists for this year's project to spend the night (ie. lodging for those expected to pay accommodations taxes, to include hotels, condos, house rentals, etc. )? What is the basis for your projection? As an illustration, you may set forth blocks of rooms in hotels that have been reserved, private lodging that has been booked or are expected to be booked, etc.

Island safety and visitor confidence is critical to ensure continued hospitality, sustainability and growth  
IOP has been recognized by leading hospitality organizations as a "family friendly resort. The LENS program will improve upon this designation thereby increasing heads in beds.

2. Provide all additional economic and other relevant information justifying the grant of ATAX funding by City of Isle of Palms for your project/event, as well as your means of calculation. Special events will highlight safety
3. Set forth the number of tourists attending your project/event on the Isle of Palms for each of the past three years. Include where applicable all relevant documentation along with the methodology by which you have done your calculations.  
N/A. New program
4. Set forth the number of attendees projected for this year's project/event, and well as the means of calculation. All visitors to be positively impacted on an onqlign basis.

5. Is the project/event for which you seek City of Isle of Palms ATAX funding during the "off season" or "shoulder season"? If not, please explain the justification. Are proposed dates flexible so as to be amenable to off-season and/or shoulder season scheduling?  
Yes. Ongoing daily activities at police force for enhance tourist experience, especially off season.
6. Describe fully all potentially negative aspects of your project/event, if any. This would include, by way of illustration, the potential for overcrowding particularly during warm weather months, parking challenges, health and safety issues, added responsibilities and difficulties imposed on first responders, impact on peace and tranquility- especially in residential neighborhoods and for tourists and factors potentially impacting adversely on the character of the City of Isle of Palms.

No negative impact

#### E. Marketing Plan

Describe fully your past three years marketing for your project/event, as well as your current year's advertising and marketing plan, to include all means of broadcast. Please include and attach all applicable documentation and the projected costs involved.

Promotion through social media, web sites, events and published materials

#### F. Funding: Sources of Income for This Project/Event (Please attach all supporting documents)

1. Sponsorships or Fundraising: Amount \$ 25,000 From \_\_\_\_\_  
Individuals, business donors, civic organizations, special events
2. Entry Fees : Amount \$ \_\_\_\_\_ From \_\_\_\_\_
3. Donations: Amount \$ \_\_\_\_\_ From \_\_\_\_\_
4. Accommodations Tax Funds Request: Amount \$ 5,000.  
Date(s) Required: Jan 2022 Lump Sum \_\_\_\_\_ Installments \_\_\_\_\_
5. Other:
6. Total Funding: \$25,000. Total Budget: \$25,000.

#### G. Financial Analysis

Please Provide a Line Item Budget for your project/event

If awarded, Isle of Palms ATAX funds are requested as follows:

Revised February 8, 2021

(1) Lump Sum(s): \$ 5,000. on January 2022 (date),  
\$ \_\_\_\_\_ on \_\_\_\_\_ (date),  
\$ \_\_\_\_\_ on \_\_\_\_\_ (date).

(2) Payment of Invoices as submitted to City Staff. Invoices should be submitted at least two weeks prior to due date.

## H. Miscellaneous

1. In what category do you place your project/event and why?
  - Festival X in conjunction with police week.
  - Marketing X ongoing in conjunction with Giving Tuesday
  - Other (Please Explain):  
Ongoing support of law enforcement requests
2. Have you affirmatively reached out to the City of Isle of Palms staff for initial review for your project/event and if not, please explain. If you have reached out, what feedback did you receive, both positive and negative and specifically from whom?  
Very positive; IOPPD, staff, Mayor and Council
3. If applicable, explain why you have not sought funding from sources other than the City of Isle of Palms for the funding of your project/event. If you have sought alternate or additional funding, explain fully the results to include the source(s) for funding, from whom received and set forth all amounts received or expected to be received from other sources.  
New Initiative
4. Does your project/event have applicable liability insurance, to include the City of Isle of Palms, its employees and agents and if so, what are the liability limits? If not, please explain why not and explain who will agree to bear the costs, burdens, damages and legal fees for your project/event in case claims for damages are made against the City of Isle of Palms, its employees and agents as a result of your project/event. A minimum of \$300,000 of liability insurance is typically required unless that requirement is specifically waived in writing by the City of Isle of Palms in its sole discretion. If there is applicable insurance, do you commit to making the City of Isle of Palms, its employees and agents additional insured(s)? If not, explain fully the basis. If applicable, you must include a copy of the relevant insurance policy reflecting the City of Isle of Palms, its employees and agents are additional insured(s) for your project/event. Yes
5. Do you assert that the project/event for which you seek City of Isle of Palms ATAX funding is sustainable in the future? If so, please explain fully. If not, please explain fully. Yes, see budget projections, events, public and Exchange Club support
6. In the event City of Isle of Palms grants your project/event ATAX grant funding, do you acknowledge that no such funds can be spent for the purchase of alcohol or tobacco products? YES If not, please explain your justification. \_\_\_\_\_
7. In the event your project/event is awarded City of Isle of Palms ATAX grant

funding, but is postponed for more than 180 days of receipt of funding, do you acknowledge that you must return to the City of Isle of Palms all ATAX grant money received from Isle of Palms absent extraordinary circumstances and within the sole discretion of the City of Isle of Palms? Do you agree? Yes If you do not agree, please set forth fully your reasons. \_\_\_\_\_

8. In the event your project/event is granted City of Isle of Palms ATAX grant funding, you must and do hereby agree by the filing your application personally to hold harmless and indemnify the City of Isle of Palms, its employees and agents from and against any claims for damages to include, *inter alia*, legal fees relative to your project/event. Do you agree? Yes If not, please explain. \_\_\_\_\_  
If not, please explain fully your basis. \_\_\_\_\_
9. In the event the City of Isle of Palms provides ATAX grant funding for your event/project, set forth in detail how you will acknowledge the City of Isle of Palms as a grantor of funding.

\_\_\_\_\_  
"Founding Sponsor" designation

*Isle of Palms  
Exchange Club*

P.O. Box 314  
Isle of Palms, SC 29451



*Isle of Palms  
Community Corporation*

P.O. Box 131  
Isle of Palms, SC 29451

Isle of Palms Accommodation Tax Advisory Committee  
1207 Palm Boulevard  
Isle of Palms, SC 29451

To whom it might concern;

I am sending this letter of endorsement in support of the new LENS (Law Enforcement Neighborhood Support) Program grant application. It has long been a goal of the IOP Exchange Club and our non-profit arm, the IOP Community Corporation, to work closely with our Public Safety partners on the IOP to help in furthering the safety of our residents and tourists. The LENS program is a way for us to formalize this partnership with the City of IOP and bring further focus within our community to the importance and recognition of our Police Department. This will ultimately have a positive impact on our tourism dollars, as in today's environment an increasingly important consideration when making travel plans is safety at the destination.

The IOP Exchange Club which is made up of just under 200 members, many of whom live on IOP, has committed several members to support the administration of this program, as well as several of our members have committed financial support to the LENS program. We firmly believe that this program will appropriately recognize our police department and in turn will result in the increased safety of our visitors and residents. We ask that in the spirit of partnership, the City also support this important and popular initiative.

Thank you for your consideration.

Sincerely,

*Kitty Riley*

Kitty Riley, IOP Exchange Club – President & Community Service Lead  
1 Sand Dollar Dr.  
Isle of Palms, SC 29451  
843.412.8070