

City of Isle of Palms, SC Accommodations Task Force

May 24, 2022

Agenda

1. Welcome and acknowledgement that the press and the public have been duly notified of this meeting in accordance with the Freedom of Information Act.
2. Approval of previous meeting's minutes – May 12, 2022
3. Presentation from the IOP Chamber of Commerce
4. Brainstorming session to define success based on stated goal and discussion of ideas and recommendations for the management of the 30% for tourism promotion
5. Discussion of what additional data/research/information needed by taskforce
6. Next steps/assignments
7. Next meeting date



**Accommodations Task Force Meeting
9:00am, Thursday, May 12, 2022
1207 Palm Boulevard, Isle of Palms, SC and
broadcasted live on YouTube: <https://www.youtube.com/user/cityofisleofpalms>**

MINUTES

1. Call to Order

Present: Rusty Streetman, Sam Parris, Sarah Vega, Curtis Kay, Ray Burns

Absent: Melissa Simbana, Randy Walker, Bret Jones

Staff Present: Administrator Fragoso, Director Kerr

2. Approval of Previous Meeting's Minutes – April 21, 2022

MOTION: Ms. Vega made a motion to approve the minutes of the April 21, 2022 meeting, and Ms. Limbach seconded the motion. The motion passed unanimously.

3. Citizen's Comments

Glenda Nemes, member of the ATAX Committee, stated that the recommendation from the ATAX Committee to City Council was for the City to form its own DMO similar to Folly Beach and give the same amount of money to the CVB that Folly does. She detailed the research done by the ATAX Committee that brought them to that conclusion.

Doug Truslow, member of the ATAX Committee, said that any path forward needs a contract with metrics, oversight, and accountability. He said the City of Isle of Palms gives more money to the CVB and gets less advertising. He spoke highly of Mr. Burn's leadership and knowledge on the topic.

Robert Smith, owner and operator of Charleston.com and The Chart Group, said that his company develops content focused on tourism. He said they understand the analytics of the IOP tourist and would like to be a resource of information for the City.

4. Brainstorming session to define success based on stated goal and discussion of ideas and recommendations for the management of the 30% for tourism promotion

Council Member Streetman asked Administrator Fragoso to review the handout that detailed the suggestions from the previous meeting of what success looks like with regards to the City working with a DMO. When discussing a contract with the CVB, Administrator Fragoso reported that Charleston County's contract with the CVB is a boilerplate document that references State law. It does not include any specific performance metrics. Mr. Burns said the City needs to see more specific IOP-related financial reporting when it comes to the expense of

the 30%. Council Member Streetman pointed out that the CVB has been more open to IOP-specific activities including a website for all island business owners, whether or not they are members of the CVB. He also noted that in a weekly recap email from the CVB the Isle of Palms does not get a lot of mention considering the amount of money they receive from the City's ATAX funds.

Administrator Fragoso said the City has always followed State law when it comes to the spending of the 30%. Many have asked for more flexibility from the State on how those funds are spent. She said, "The way that the City has always interpreted that section, it's very, very clear that it is to be spent on tourism promotion and advertisement, not on other tourism-related expenditures, which is what is available to the City with the 65%, the other 65, which we currently use to support City operations with police, fire, and public works, which as everybody knows, are severely impacted during the summer months because of tourism activity and visitation. Therefore, I think that the energy and the advocacy should be focused on advocating in the General Assembly for changing the language in State law that would give more flexibility to in the expenditure of the 30%. But in the meantime, we have to operate within the existing bounds of State law and follow that section.

She also shared that Mayor Pounds has spoken to the City's lobbyist in Columbia about this advocacy. He has also reached out to mayors from other beach communities to develop a coalition of municipalities that would support this effort.

Ms. Vega said that in her conversations with residents about ATAX expenditures they find it hard to "wrap their minds around the indirect benefits" of supporting public safety efforts instead of something the entire community can enjoy. Task Force members would like to see some of that money used for City events like parades and concerts.

Administrator Fragoso said that when this section of the law was created no one could have foreseen the amount of money it was going to generate. She said, "It is something that has to be managed and maintained. You have to kind of feed the beast so that you can continue to enjoy the revenues that the City receives from tourism activity that help offset a lot of the cost that the City would otherwise have to essentially pay for using property tax revenues. I think that is a very important point that the City has been able to mitigate that by using the tourism funds this way."

Any change to the way the 30% is used will have to come through a change to State law.

Council Member Streetman noted that in 2002, the City contributed just over \$200,000 to the CVB and this year the contribution will exceed \$800,000, which is a testament to the CVB's success in promoting the Charleston area.

Administrator Fragoso reminded the Task Force that Little Dog Agency and Folly Beach measure the success of their advertising by the growth of their ATAX dollars as well as in the number of mentions it receives in the press. She said the question is whether or not the City can maintain or do better by having their own DMO.

Mr. Kay would like to see the City have its own DMO to control its “own destiny” and not be happy with the CVB just giving the City its own website.

Task Force members discussed how residents could be more involved in deciding how ATAX funds are spent. Surveys were mentioned, but Mr. Burns said the creation of the DMO oversight board would create that input due to the appointment of residents to that board.

Task Force members also suggested the addition of a staff member to act as the liaison between the DMO board and the City to create an avenue of more collaboration.

Administrator Fragoso said that advertising of the off-season concerns some residents as it could extend the busy season. Mr. Parris said the focus of off-season advertising should be on weddings and conferences in an attempt to bring in a different clientele.

With regards to supporting tourism management while preserving and maintaining residential quality of life, Administrator Fragoso said, “I think that in order to support tourism management, the City has to establish or have in place infrastructure to support tourism activity whether that is more City resources to support that.”

Mr. Parris said, “I think this starts with the vision of our strategic goals and then that will flow down to the DMO. We need to define how that DMO is managed to a certain degree, the City in working with close collaboration with whatever DMO we choose...We really need a dedicated manager of the DMO...I think there needs to be some sort of point person managing that relationship.”

Ms. Vega said, “I think we all know that residents benefit greatly from ATAX funding and we also incur some challenges or problems as a result of all those tourists coming. I think that this ties back to number three [More flexibility in the use of the 30% ATAX] with trying to get a reduction in that percentage and giving us more flexibility to have messaging that addresses some of those problems that residents talk about often. Trash on the beach, for instance, or people struggling to find a parking space. If we have greater flexibility in how we are able to spend ATAX funding then it allows us to tie those two pieces together and really address some of the concerns that residents have and make sure that we’re reinvesting that money and trying to create a viable solution.”

The Task Force briefly discussed whether or not the newly formed Chamber of Commerce could be considered for the City’s DMO. Administrator Fragoso said that State law allows for a local Chamber of Commerce to act as a City’s DMO, but City Council will have their own opinions on the matter.

5. Discussion of what additional data/research/information is needed

Mr. Burns asked for an update on where the ATAX money is generated on the island. He was interested in how much is generated by Wild Dunes. He noted that if taxes from online travel companies have remained flat, the increase in ATAX monies must be coming from Wild Dunes.

The Isle of Palms Chamber of Commerce will make a presentation at the next Task Force meeting.

Administrator Fragoso said she will seek clarity on whether or not a staff member acting as liaison between the DMO and the City can be paid with ATAX funds.

6. Miscellaneous Business

The next regular meeting of the Accommodations Task Force will be on Tuesday, May 24, 2022 at 9:00am.

Council

7. Adjournment

Mr. Kay made a motion to adjourn, and Mr. Parris seconded the motion. The meeting was adjourned at approximately 10:34am.

Respectfully submitted,

Nicole DeNeane
City Clerk