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**ACCOMMODATIONS TAX ADVISORY COMMITTEE  
1:00pm, Monday, June 20, 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**: Doug Truslow, Ray Burns, Barb Bergwerf, Chas Akers, Chrissy Lorenz

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

Mr. Burns asked Committee members to introduce themselves and give a brief background statement.

2. **Approval of the previous meetings’ minutes – April 7, 2022**

**MOTION: Ms. Bergwerf made a motion to approve the minutes. Mr. Truslow seconded the motion. The minutes passed unanimously.**

3. **Financial Statements** – Treasurer Suggs

Treasurer Suggs said there is $2.5M in cash of ATAX funds as of May 31, 2022. She reviewed the expenditures and ATAX-approved sponsorships through May 31, 2022. For the benefit of the new members, she gave a detailed explanation of each expenditure.

4. **Old Business**

**Discussion and consideration of request for ATAX funding from the IOP Chamber of Commerce for website Development**

Katrina Limbach, founding president of the Isle of Palms Chamber of Commerce, gave a brief history of the formation of the Chamber and the work of the Board to date. They came before the Committee requesting $10,000 towards the expense of social media development and management. They are ready to sign a contract to begin that social media interaction.

After a lengthy discussion, Committee members felt it was necessary for the Chamber to amend its original application to clarify that the money will be used for social media development and management for the purpose of attracting tourists. Ms. Limbach and Mr. Sandy Stone, founding treasurer of the Chamber, believe the total advertising budget will be $120,000-$175,000 in the first year.

Administrator Fragoso clarified for the Committee: “If you look at the State law where it talks about what is eligible, tourism-related expenditures, it talks about the advertisement and promotion of tourism in the area, and I think if the Chamber can make a direct link between their social media activity and how that is generating tourism through the generation of publicity, then that would be an eligible expense.”

Mr. Truslow asked why the CVB could not completely fund these efforts on behalf of the Chamber since there is so much overlap between the work of the two organizations. Mr. Stone said that a portion of website traffic for all CVB members and eventually for the Chamber is fed by the CVB driving people to their websites. He would like that to continue.

**MOTION: Ms. Bergwerf made a motion to approve the Chamber’s request of $10,000 contingent upon the receipt of the amended application specifying the social media component and a report to the ATAX Committee on the expenditures of those funds. Mr. Akers seconded the motion.**

Mr. Truslow said that he would not vote in favor of the request since this is a new venture and believes seed money cannot be given to new ventures. He would like to hold off on voting until the two new members are seated and there is a more streamlined application process in place.

Administrator Fragoso clarified again, “The law requires that the expenditure be used to attract and provide for tourists and the promotion of tourism on the island. I think that is up to them to make their case whether or not what they are requesting monies for, which is social media development for tourism, it’s that definition or not.

Ms. Limbach said the CVB has been very supportive of their formation and initial efforts. The CVB has paid Blue Ion directly for the formation of the Chamber’s website and has not capped the amount of money they are using to support its development.

Administrator Fragoso noted that a common theme from discussions of the previous ATAX Committee and the ATAX Taskforce was the need for more IOP-focused marketing. She said this social media component from the Chamber is an opportunity to fill that need.

Administrator Fragoso clarified 1:16:45

**VOTE: A vote was taken as follows:**

Ayes: Bergwerf, Akers, Burns, Lorenz  
 Nays: Truslow

**The motion passed 4-1.**

5. **New Business**

A. **Discussion of proposed FY23 budget from the Charleston Visitors Bureau for the City’s 30% state ATAX funds for tourism promotion and advertisement**

Lori Smith, COO and Chris Campbell, Communications Director of the CVB, came before the Committee to present the CVB’s FY23 budget. Ms. Smith said the budget is based on an assumption the CVB will receive $875,000 in ATAX funding from the City’s ATAX funds.

Ms. Smith explained in detail where IOP ATAX dollars are spent in proportion to the share and makeup of available rooms in the municipalities covered by the CVB. Ms. Smith admitted this is a new model of accounting that is complicated, but they hope will be more easily measured since it is based on the inventory of rooms in participating municipalities.

Ms. Smith said the IOP-specific website being created by the CVB is still in development. The City is helping to contact all island businesses to make them aware of their ability to list their business on this website even if they are not CVB members.

Committee members asked if there will be priority given to those municipalities, such as IOP, who pay more into the CVB. Ms. Smith said there will be more information about that in future after they have taken this model to all participating municipalities. IOP will pay for ad shares based on the number of rooms as indicated earlier in their presentation. Mr. Akers said “at a bare minimum” he would like to see a 50-50 split between spends on local versus regional marketing. Ms. Smith indicated that IOP-specific print advertising has been done in response to requests from the ATAX Committee.

Ms. Smith said, “What we are trying to do is grow beyond our original mission, which was to promote the region and also address your concerns to promote your local municipality.”

Ms. Smith also said that their annual report back to the ATAX Committee will provide metrics aligned around rates and occupancy to show the success of their advertising. The CVB will also provide ATAX Committee members with the quarterly email they send to City Council regional and municipal statistics such as occupancy, average daily rates, and booked average daily rates. Quarterly updates from the CVB to the ATAX Committee were briefly discussed.

Mr. Burns asked that future marketing target short-term rental owners since a large share of ATAX funds are generated by visitors staying in short-term rentals.

B. **Discussion of standardizing the grant application process for state ATAX funds**

Administrator Fragoso referred to a one-page document provided to Committee members proposing a new way of administering sponsorship applications in the future. She said many municipalities handle this through a standardized annual process. Applications would be solicited once a year from nonprofit organizations for activities, events, or programs that fall within the statutory tourism-related expenditures. Those applicants could participate in a workshop to clarify the eligibility criteria and explain the application. All applications would be reviewed at one time so that the allocation of those funds could be embedded into the City’s budgeting process.

This will be done to streamline the process and keep meetings to a minimum. She said it will be important for the Committee to establish criteria so that sponsorship applicants know what to expect before coming to the Committee to make a financial request. The new process will also establish reporting requirements to make sure the ATAX monies are being spent in accordance with the State law.

Mr. Burns would like to see the process started in the fall so that there is time to review the applications and have it seamlessly feed into the FY24 budgeting process. Committee members agreed they would like to discuss increasing the $50,000 sponsorship budget.

Administrator Fragoso said she would bring something to the next meeting for discussion and finalization.

6. **Miscellaneous Business**

The next meeting of the ATAX Committee will be held on Tuesday, August 23, 2022 at 1pm.

7. **Adjournment**

Ms. Bergwerf made a motion to adjourn, and Mr. Akers seconded the motion. The meeting was adjourned at 3:57pm.

Respectfully submitted,

Nicole DeNeane  
City Clerk