



ACCOMMODATIONS TAX ADVISORY COMMITTEE

11:00am, Thursday, October 5, 2023

1207 Palm Boulevard, Isle of Palms, SC

MINUTES

1. Call to order

Present: Chas Akers, Doug Truslow, Ray Burns, Barb Bergwerf, Rebecca Kovalich, Chrissy Lorenz

Absent: Gloria Clarke

Staff Present: Administrator Fragoso, Treasurer Hamilton

2. Approval of previous meeting's minutes – May 16, 2023

Ms. Bergwerf made a motion to approve the minutes of the May 16, 2023 meeting, and Ms. Lorenz seconded the motion. The motion passed unanimously.

3. Financial Statements

Treasurer Hamilton reported that the unaudited balance of the ATAX account at the end of FY23 was \$4.1 million with revenues of \$3.6 million versus a budget of \$2.6 million. Expenses for FY23 were as budgeted except for the amount due to the CVB since that amount is in correlation to the monies received by the City. Total expenditures for FY23 were \$2.4 million versus a budget of \$2.7 million.

The account balance as of 8/31/23 is \$4.1 million. Only \$44,000 in expenses have been realized so far in FY24 and the account has earned \$34,000 in interest income.

Administrator Fragoso said an FY23 budget overage of \$3,439 for the Public Works truck will be voted on at the next meeting.

4. Old Business

5. New Business

A. Presentation from Charleston Visitors Bureau of the City's FY23 expenditures of 30% tourism promotion

Catherine Dority and Chris Campbell of the CVB gave a brief report on the media expenditures in FY23. The complete FY23 audited budget will be available after the audit is completed in November. Mr. Campbell explained that "36% of revenue in the approved budget for FY23 was allocated to IOP-specific initiatives, and we are pleased to report that the actual year-end report, the number ended up being for expenditures specific to IOP 41%."

Ms. Dority pointed out the larger IOP specific, media-related expenditures including \$147,541 for website optimization, \$44,000 for the VRBO campaign, and \$157,000 for Instagram and Facebook. There were no IOP-specific print ads. Mr. Burns asked for a list of the keywords that are used to optimize IOP.

Ms. Dority reported that the Facebook/Instagram posts garnered 373,000 click-throughs at an average cost of \$0.42/click. The paid ad on TikTok has generated over 6 million views since last October, and the VRBO campaign generated almost \$4 million worth of booked room nights.

B. Discussion and consideration of request from the IOP Chamber of Commerce for funding for the “Light Up Front Beach” Project

Mr. Ryan Buckhannon of the IOP Chamber of Commerce came before the Committee requesting a \$10,000 grant to offset the costs of adding to the current “Light Up Front Beach” project. The additional lights be hung on the landward side of Ocean Boulevard in front of the trees and up 14th Avenue to the County Park. The Chamber spent \$25,000 on the original installation of lights.

Mr. Buckhannon said they have spoken with numerous Public Safety officials and members of the Turtle Team to ensure these lights will not be disruptive to the turtles. The Chamber pays for quarterly maintenance of the lights and hopes to have these new lights up before the holiday lights are put up. Electricity for these lights is paid through tourism funds.

Mr. Burns noted that a modified application is needed reflecting the proper placement of these new lights. Mr. Burns said that he researched whether something like this would qualify as an ATAX expenditure, and he believes that it is.

Administrator Fragoso explained, “There is a guideline that is prepared by the Tourism Expenditure Review Committee that we have, and it specifically says that they may approve the installation, maintenance, and operation of lighting and landscaping where the Committee believes it promotes travel and tourism. So that document specifies lighting and landscaping.”

Administrator Fragoso also explained that this application was received outside of the newly enacted application guidelines, but she presented Mr. Burns with the application and he decided it could be on the agenda for the meeting.

Mr. Truslow expressed concern that Mr. Buckhannon was applying for this grant outside of the application process. Administrator Fragoso said, “When we were going through the budget process, the Committee approved a budget of \$50,000 for programs, events, and activities that would be eligible under this provision because you all wanted to maintain some flexibility and the ability to take on requests throughout the year as they may come.” There is still \$40,000 in this part of the budget to be allocated should the Committee vote to do so.

She added that there are guidelines surrounding the application process, not laws, and the Committee is allowed to consider and recommend applications at any time. Mr. Truslow and Ms. Bergwerf said they know of people who did not apply for funds because they thought the

deadline had passed. Mr. Truslow is concerned that voting on this now will set a precedent. Mr. Burns did not feel it will set a precedent.

Mr. Akers said he sees this light display much like an art installation, and since the Chamber is paying for most of the lighting, he does not see a reason why the application should not be considered.

MOTION: Ms. Bergwerf made a motion to accept and recommend the application from the Isle of Palms Chamber of Commerce in the amount of \$10,000. Mr. Akers seconded the motion. A vote was taken as follows:

Ayes: Bergwerf, Akers, Lorenz, Kovalich, Burns

Nays: Truslow

The motion passed.

Prior to voting, Ms. Kovalich said that while she supports the beautification of the island, she is not in favor of not following the rules set forth by the Committee.

The Committee then discussed the possibility of opening up the application process again for FY24 as there is still money left to be awarded. Administrator Fragoso will advertise that the Committee will be accepting new applications for FY24 and those applications will be reviewed in November. The Committee would like to have unused grant funds rolled over into the next fiscal year.

C. Report of schedule for FY25 State ATAX Grant applications

Mr. Akers would like language added to the schedule that considers another round of funding halfway through the year if not all funds are awarded at the beginning of the year. Administrator Fragoso said she will add “if funds are available, the Committee may consider opening up a second round of funding” to the application guidelines.

6. Miscellaneous Business

The next meeting of the ATAX Committee will be Wednesday, November 8, 2023.

7. Adjournment

Ms. Bergwerf made a motion to adjourn, and Mr. Burns seconded the motion. The meeting was adjourned at 12:06pm.

Respectfully submitted,

Nicole DeNeane
City Clerk