



## Town of Hilton Head Island

### Finance and Administrative Committee Meeting

Thursday, June 26, 2025, 10:00 AM

1 Town Center Court, Hilton Head Island, SC  
Benjamin M. Racusin Council Chambers

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The meeting can be viewed on the [Town's YouTube Channel](#), the [Beaufort County Channel](#), and Spectrum Channel 1304.

1. **Call to Order**
2. **Adoption of the Agenda**
3. **Approval of the Minutes**
  - a. Regular Meeting Minutes of May 29, 2025
4. **Presentations**
  - a. Town of Hilton Head Island FY2025 Monthly Financial Update
5. **New Business**
  - a. Consideration of a Resolution of the Town Council of the Town of Hilton Head Island to approve a Comprehensive South Carolina Accommodations Tax Program to include Application Process and Fund Distribution Policy - Michele Bunce, Senior Grants Administrator
6. **Public Comment - Non Agenda Items**
7. **Adjournment**

FOIA Compliance: Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the Town of Hilton Head Island will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. Auditory accommodations are available. Any person requiring further accommodation should contact the Town of Hilton Head Island ADA Coordinator as soon as possible but no later than 48 hours before the scheduled event.

Municipal Association of South Carolina (MASC) Civility Pledge:  
“I pledge to build a stronger and more prosperous community by advocating for civil engagement, respecting others and their viewpoints, and finding solutions for the betterment of my city or town.”



# Town of Hilton Head Island FINANCE AND ADMINISTRATIVE COMMITTEE MEETING Thursday, May 29, 2025, 2:00 PM Minutes

## Call to Order

Chair Brown called the meeting to order at 2:00 p.m.

Committee Members Present: Alex Brown, Chair; Patsy Brison, and Melinda Tunner

Other Members of Town Council Present: Steve Alfred

## Adoption of the Agenda

**Ms. Brison made a motion to adopt. Ms. Tunner seconded. Motion carried 3-0.**

## Approval of the Minutes

Regular Meeting Minutes of April 29, 2025

**Ms. Brison made a motion to approve. Ms. Tunner seconded. Motion carried 3-0.**

## Presentations

Town of Hilton Head Island FY2025 Monthly Financial Update – Adriana Burnett, Finance Director

Adriana Burnett addressed the Committee regarding the item with the following information.

### Monthly/Year to Date-4/30/2025

#### General Fund:

- Revenues collected in April totaled approximately \$9.5M, compared to \$5.9M in April to the previous fiscal year. Top revenue sources included \$5.3M in business license fees, \$2.6M in Local Accommodation Tax and \$346K in interest earned.
- Fiscal year 2025 year-to-date revenues are 12% higher than fiscal year 2024, excluding transfer-ins.
- Expenditure for April is \$4.8M, compared to \$4.2M in April of the previous fiscal year. Top uses of funds included \$3.5M in personnel expenses and \$1.2M in overall operating expenses and \$180K in affiliated agencies reimbursements.
- Fiscal year 2025 year-to-date expenditures are 6.0% higher than fiscal year 2024, excluding transfers-out.

#### Capital Improvement Program Fund (CIP)

- Revenues for April were approximately \$471K primarily from: \$250K in Sunday Liquor Permit Fees and \$174K in CDBG grant reimbursement. Revenues collected were 14% lower compared to April of the previous fiscal year 2024.

- Expenditures for April totaled approximately \$1.8M, including \$525K on Park Improvements, \$600K on Roadway Improvements and \$352K on Beach Improvements. Last fiscal year April's expenditure totaled \$1.5M, indicating a 15% increase, primarily due to vendor payment timing.
- Year-to-Date expenditures, including encumbrances, represent approximately \$38.7M, leaving a remaining budget balance of \$50M. A significant portion of the remaining balance is attributed to the \$16.5M budgeted for the Beach Renourishment Program. A budget amendment for Land Acquisition of \$5.9M is included in the FY2025 Land Acquisition & Administration Approved Budget total column.

#### DEBT SERVICE FUND

- Top sources of revenue for April include \$131K in property tax and \$53K in interest earned.
- Expenditures for April included \$1.3K in "other expenses" with no comparable spending recorded for the same period last year.
- Year-to-Date revenues totals reflect a 4.0% increase in property tax revenue compared to last year's figures and a 5.3% increase in Investment Income, before any transfers-in. There is also a decrease of 5.7% in principle and a 13.5% decrease in interest. Overall year-to-date expenditures declined by 7.6%, reflecting ongoing debt repayments.

#### STORMWATER FUND

- Top sources of revenues for April included \$77K in stormwater fees and \$38K in interest earned.
- Expenditures for April included \$162K for personnel, operating and debt service and \$148K in stormwater maintenance.
- Year-to-Date revenues increased by 4.0% compared to last year, driven by a 2.3% increase in stormwater utility fees and an 84.2% increase in plan review fees.
- Year-to-Date expenditures are approximately \$3M in actual expenses, with an additional \$1.6M encumbered.

#### GGHNCDC FUND

- Revenues for April included \$11K in interest earned and \$18K in expenditure on personnel expenses.
- Year-to-Date expenditures are \$229.5K in actual expenses compared to \$88K last year. The main expenditure difference includes personnel salary and operating expenses.

#### HOUSING FUND

- Expenditures for April include an operating expense of \$14K for workforce housing.
- Operating budget year-to-date reflects activity of \$148.3K in actual expenses and \$1.2M in encumbered expenses for Northpoint Public Private Partnership, leaving a remaining budget fund balance for the year of \$2.7M.

Committee Members had questions, comments and discussion regarding: the possibility of additional funds being received for Local Accommodations Tax; receiving an update regarding business license funds when available; clarification of the Fire Truck lease and where the Town

Town of Hilton Head Island Finance and Administrative Committee  
Meeting Minutes

5/29/2025

is in the process of the Request for Proposal being made public; if Beach Funding would be carried forward; appreciating how the Finance Team is working to reconcile the accounts and show the public and educate them; if possible having a workshop to explain Tax Increment Financing and where Town funding stands for its Stormwater Maintenance Utility Program.

Chair Brown asked for public comments.

There was no public comment at this time.

### New Business

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, Authorizing the Town Manager to Apply for Funds from the South Carolina Opioid Recovery Fund Board, Authorizing the Distribution of any Funds Received from the South Carolina Opioid Recovery Fund Board, Authorizing the Execution and Delivery of an Opioid Recovery Fund Use Agreement between the Town of Hilton Head Island, South Carolina and the Low Country Alliance for Healthy Youth, Inc. - Chris Blankenship, Fire Chief

Peter Janura addressed the Committee regarding the item with the following information.

The State of South Carolina and its political subdivisions, including the Town of Hilton Head Island, are recipients of opioid abatement settlement funds from nationwide litigation against opioid manufacturers and distributors. These funds are distributed by the South Carolina Opioid Recovery Fund Board and are intended to support evidence-based prevention, treatment, and recovery efforts.

The Town of Hilton Head Island is eligible to receive opioid abatement settlement funds through the South Carolina Opioid Recovery Fund Board under the Guaranteed Political Subdivision SubFund. Eligible uses include prevention, treatment, recovery, and harm reduction efforts consistent with the state's approved strategies.

As an eligible recipient of the "Guaranteed Political Subdivision SubFund," the Town may apply to receive opioid settlement funds for approved uses. One such approved use includes funding local community anti-drug coalitions that engage in opioid and drug misuse prevention.

The Town Council is asked to consider a consolidated funding request totaling \$331,864.35 from the Guaranteed Political Subdivision Subfund of the South Carolina Opioid Recovery Fund, allocated to two entities as follows:

1. Hilton Head Island Fire Rescue, focused on intervention, treatment linkage, and community-based response — Request: \$93,859.35
  - a. Fire Rescue proposes establishing a Substance Abuse and Mental Health Management Team to proactively identify and support individuals at risk of opioid use disorder (OUD) and co-occurring mental health (MH) conditions. The program includes field outreach, peer support, and treatment referrals.
2. Low Country Alliance for Healthy Youth (LCAHY), focused on youth prevention and

education – Request: \$238,005

- a. The Low Country Alliance for Healthy Youth (LCAHY) is a nonprofit coalition operating in the Town that focuses on drug misuse prevention through education, public awareness, community engagement, and school-based programs. LCAHY has submitted a proposal for \$238,005 to implement a range of prevention initiatives in accordance with the state’s approved opioid fund use categories.

The proposed Agreement outlines the terms under which the Town will apply for, receive, and distribute \$238,005 in Opioid Recovery Funds to LCAHY. The funding will support a comprehensive set of prevention efforts including media campaigns, public education on drug disposal, distribution of drug deactivation systems, school- and faith-based programs, mental health training, and youth engagement strategies. If authorized the Town will submit its grant application by the July 31, 2025, deadline.

The Agreement:

- Requires LCAHY to use funds only for state-approved purposes.
- Includes detailed reporting, financial accountability, and recordkeeping requirements.
- Specifies a two-year term or until all funds are expended and reporting obligations are complete.
- Establishes that the Town’s role is limited to facilitating the disbursement and oversight of funds, without establishing an employment or agency relationship.

**Ms. Brison made a motion to forward to Town Council for consideration of approval a resolution authorizing the Town Manager to apply for funds from the South Carolina Opioid Recovery Fund Board, authorizing the distribution of any funds received from the South Carolina Opioid Recovery Fund Board, authorizing the execution and delivery of an Opioid Recovery Fund Use Agreement between the Town of Hilton Head Island, South Carolina and the Low Country Alliance for Healthy Youth, Inc. Ms. Tunner seconded.**

Committee Members had questions, comments and discussion regarding: understanding that there is a problem and having funding will support the needs of our community; thank you for bringing this subject to light about our community as this gives us an opportunity to prevent and support those in need; information on what facilities are available for those in need; appreciate the mission of the Lowcountry Alliance for Healthy Youth and the proposed path forward with the plan; thoughts on the data of the average age of individuals dealing with opioid addictions; questions regarding the use of the plan and ensuring that it will be used for Hilton Head only; thoughts on engaging the youth in our schools to participate in this program if needed; and the application process and deadline.

For more information about the Lowcountry Alliance for Healthy Youth contact a representative at <https://www.lcahealthyouth.com/>, [lliance4healthyouth@gmail.com](mailto:lliance4healthyouth@gmail.com) or (843) 816-0205.

Chair Brown asked for public comments.

**Eugene Zepfel** addressed the Committee, suggesting that this program presents an opportunity

to collect valuable data for future use. He recommended tracking metrics such as visitor versus resident participation, total usage over a defined period, and the average age of participants. This data could help inform and support the development of future programs and initiatives.

**Motion carried 3-0.**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, Authorizing and Ratifying the Execution of Certain Redevelopment Projects Undertaken Pursuant to the Town's Tax Increment Financing (TIF) Redevelopment Plan, Including Projects in Adjacent Areas that Directly Benefit the Redevelopment Area, and Provide Notice to the Taxing Entities in Accordance with State Law - Shawn Colin, Assistant Town Manager

Shawn Colin addressed the Committee regarding the item with the following information.

In 1999, Town Council adopted Ordinance No. 99-35, establishing the Hilton Head Island Tax Increment Financing (TIF) Redevelopment Plan (the "Original Plan") in accordance with South Carolina Code Title 31, Chapter 6. The Original Plan was amended in 2014 by Ordinance No. 2014-13 (the "Plan Amendment"), to authorize additional redevelopment projects (the "Amended Projects") and extend the life of the TIF District through the fiscal year ending June 30, 2025.

The Town secured consent from Beaufort County, the Beaufort County School District, and the Hilton Head Public Service District (collectively, the "Taxing Entities") to the Plan Amendment. These agreements allowed the Town to use incremental tax revenues generated within the TIF district for approved redevelopment projects.

Per Section 31-6-80(F)(3) of the South Carolina Code of Laws, if the redevelopment project or portion of it is to be located outside of the redevelopment project area, the municipality shall by resolution make a specific finding of benefit to the redevelopment project area and provide written notice to the affected taxing district. No further action is required of the municipality.

The following provides an accounting of expenditures of TIF revenues to date for improvements, including infrastructure, public amenities, transportation, and environmental enhancements, which have been undertaken within four defined initiative areas.

Investments in Projects within the Redevelopment Project Areas | Total: Approx. \$48.7M

- Sea Pines Circle, Coligny Circle, and Palmetto Bay Road Areas
- Matthews/Gardner Area
- Stoney/Inland Entrance Area
- Chaplin/Broad Creek Area

Investments in Projects within Areas Adjacent to the Redevelopment Areas| Total: Approx. \$2.14M

- Green Shell Park
- Chaplin Community Park
- Shelter Cove Community Park/Boardwalk & Expansion
- Mid-Island Tract
- Patterson Family Park

Investment in these projects, which are located adjacent to the Redevelopment Areas, are directly supportive of the goals of the TIF District by improving infrastructure, connectivity, quality of life, and public safety in areas that are functionally and economically linked to the Redevelopment Project Area.

Committee Members had questions, comments and discussion regarding: clarification of if funds have already been spent and the properly communicated; are there any further obligations beyond the resolution; the time limit of the remaining funds; break down committed vs. spent funding; how funds are spent and what is/will be committed; are there any lessons learned, positives of the TIF redevelopment plan; and explanation of the TIF closing procedures.

**Ms. Brison made a motion to forward to Town Council for consideration of approval a resolution authorizing and ratifying the execution of certain redevelopment projects undertaken pursuant to the Town's Tax Increment Financing (TIF) Redevelopment Plan, including projects in adjacent areas that directly benefit the redevelopment area, and provide notice to the taxing entities in accordance with the State Law. Ms. Tunner seconded.**

Chair Brown asked for public comments.  
There was no public comment at this time.

**Motion carried 3-0.**

Public Comment - Non Agenda Items  
There was no public comment at this time.

Adjournment

Chair Brown adjourned the meeting at 4:04 p.m.

**The recording of this Meeting can be found on the Town's website at [www.hiltonheadislandsc.gov](http://www.hiltonheadislandsc.gov)**



# FY 2025 MONTHLY FINANCIAL UPDATE - MAY

June 26, 2025

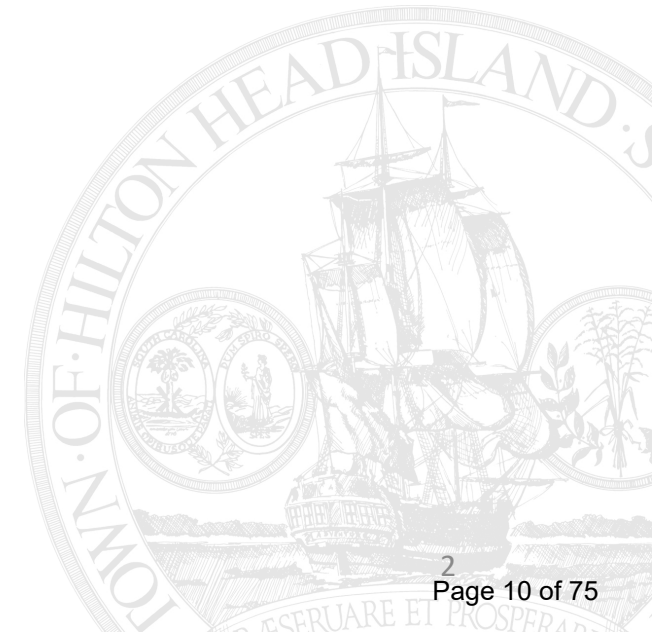


# FINANCIAL UPDATE

## Fiscal Year 2025 – YTD 05/31/25

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# FINANCIAL UPDATE

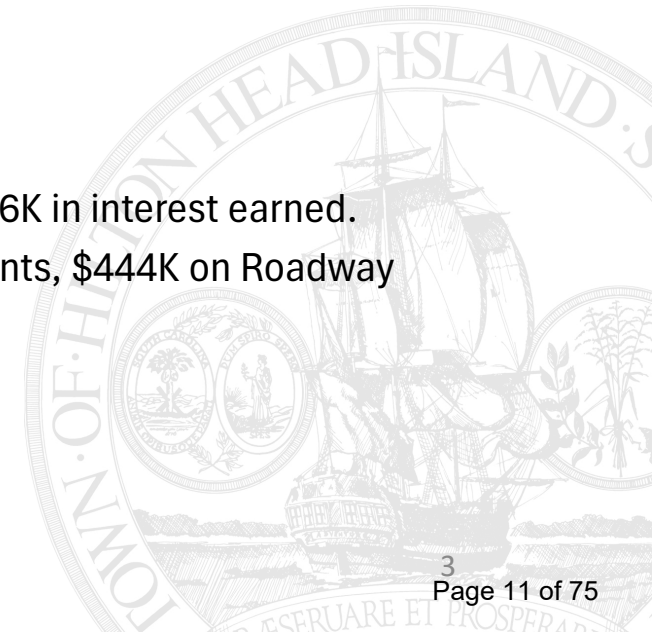
## Monthly / Year to Date - 05/31/25

### GENERAL FUND

- General Fund revenues collected in May totaled approximately \$2.3 million. Top revenue sources included \$1.1 million in Business License Fees, \$406K in Local Accomodation Tax (ATAX) and \$244K in EMS revenue.
- General Fund fiscal year 2025 year-to-date revenues are 11.8% higher than fiscal year 2024, excluding transfer-ins.
- General Fund expenditures for May are \$4.9 million. Top uses of funds included \$3.5 million in personnel expenses and \$1.1 million in overall operating expenses and \$47K in affiliated agencies reimbursements.
- General Fund fiscal year 2025 year-to-date expenditures are 17.7% higher than fiscal year 2024, excluding transfers-out and affiliated agencies reimbursements.

### CAPITAL IMPROVEMENT PROGRAM FUND (CIP)

- CIP Fund revenues for May were approximately \$47K primarily from: \$10K in Traffic Impact Fees and \$36K in interest earned.
- CIP Fund expenditures for May totaled approximately \$1.2 million, including \$130K on Park Improvements, \$444K on Roadway Improvements and \$424K on Facility & Equipment Improvements.





## FINANCIAL UPDATE

### Monthly / Year to Date - 04/30/25

- CIP Fund year-to-date expenditures, including encumbrances represent approximately \$40.3 million, leaving a remaining budget balance of \$48.5 million. A significant portion of the remaining balance is attributed to the \$16.5 million budgeted for the Beach Renourishment Program.

#### DEBT SERVICE FUND

- Debt Service Fund top sources of revenue for May include \$70K in property tax and \$55K in interest earned.
- Debt Service Fund expenditures for May totaled \$5.2 million, consisting of \$5.0 million in principal payments and \$186,000 in interest payments.
- Debt Service Fund year-to-date revenues totals reflect a 5.1% increase in property tax revenue compared to last year's figures and a 16.0% increase in Investment Income, before any transfers-in. There is also a decrease of 2.8% in principal, a 14.4% decrease in interest and a 5.2% decrease in bank fees. Overall year-to-date Debt Service Fund declined by 4.9% compared to last year, reflecting ongoing debt repayments.

#### STORMWATER FUND

- Stormwater Fund top sources of revenues for May included \$45K in stormwater fees and \$35K in interest earned.
- Stormwater Fund expenditures for May included \$195K for personnel, operating and debt service and \$31K in stormwater maintenance.
- Stormwater Fund year-to-date revenues increased by 4.0% compared to last year, driven by a 2.2% increase in stormwater utility fees, 7.3% increase in investment income and an 78.6% increase in plan review fees.



## TOWN OF HILTON HEAD ISLAND

# FINANCIAL UPDATE

## Monthly / Year to Date - 04/30/25

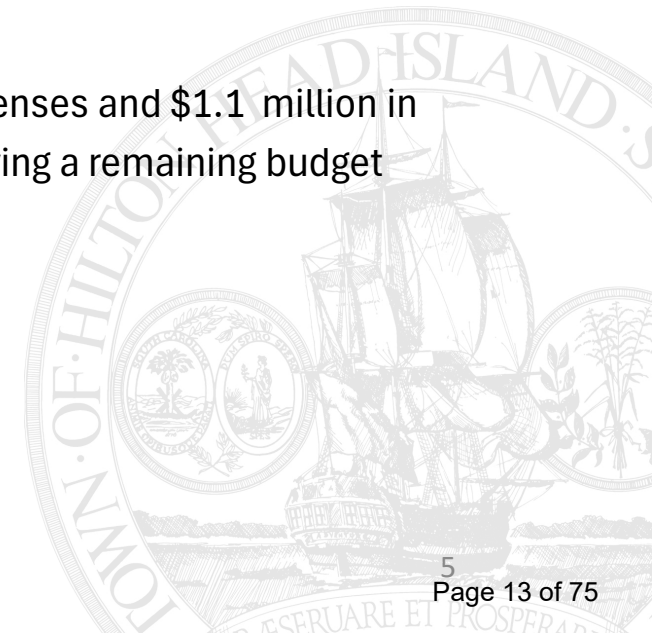
- Stormwater Fund year-to-date expenditures are approximately \$3.2 million in actual expenses, with an additional \$1.5 million encumbered.

### GGHNCDC FUND

- GGHNCDC Fund revenues for May included a \$8K in interest earned and \$22K in expenditure for personnel expenses.
- GGHNCDC Fund year-to-date expenditures are \$253.7K in actual expenses with an additional \$36.5K encumbered compared to \$109.6K last year. The main expenditure difference includes personnel salary and operating expenses.

### HOUSING FUND

- Housing Fund expenditures for May include an operating expense of \$17K for workforce housing.
- Housing Fund housing program operating budget year-to-date reflects activity of \$165.4K in actual expenses and \$1.1 million in encumbered expenses for Northpoint Public Private Partnership and Housing Operating expenses, leaving a remaining budget fund balance for the year of \$2.7 million.

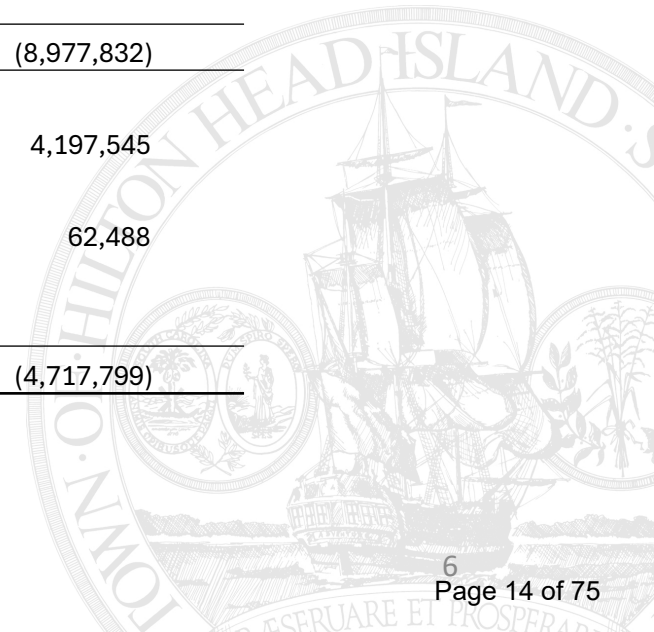


# TOWN OF HILTON HEAD ISLAND



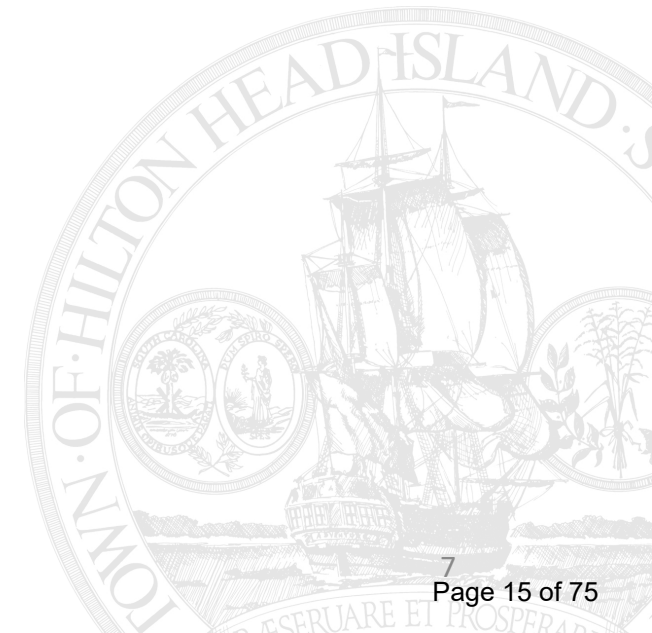
## FY 2025 - May Activity

CORE FUNDS	MONTHLY REVENUES	MONTHLY EXPENDITURES	NET ACTIVITY
GENERAL FUND	\$ 2,274,121	\$ 4,907,474	\$ (2,633,353)
DEBT SERVICE FUND	\$ 124,732	\$ 5,187,933	\$ (5,063,201)
CIP FUND	\$ 46,487	\$ 1,155,475	\$ (1,108,987)
STORMWATER UTILITY FUND	\$ 94,596	\$ 233,626	\$ (139,030)
GGHNCDC FUND	\$ 8,192	\$ 24,277	\$ (16,085)
HOUSING FUND	\$ -	\$ 17,176	\$ (17,176)
<b>SUBTOTAL</b>	<b>\$ 2,548,127</b>	<b>\$ 11,525,960</b>	<b>\$ (8,977,832)</b>
OTHER FINANCING SOURCES	\$ 4,977,163	\$ 779,617	\$ 4,197,545
TRANSFERS IN/OUT	\$ 4,886,203	\$ 4,823,715	\$ 62,488
<b>TOTAL</b>	<b>\$ 12,411,493</b>	<b>\$ 17,129,293</b>	<b>\$ (4,717,799)</b>



# MAJOR FUND BALANCES

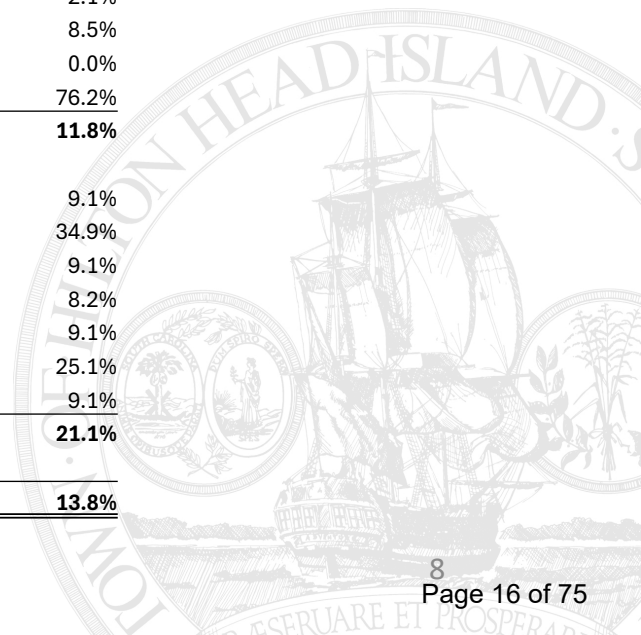
BUDGET COMPARISON: REVENUES & EXPENDITURES





# FY 2025 GENERAL FUND REVENUES – YTD 5/31/25

	FY 2025 Budget	FY 2025 Actual YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual Change	% Change
<b>Revenues &amp; Transfers In</b>						
Property Taxes	\$ 18,076,000	\$ 18,932,401	\$ (856,401)	\$ 18,106,461	\$ 825,940	4.6%
Local Accommodations Tax	6,880,890	6,689,224	191,666	4,686,730	2,002,494	42.7%
Business Licenses	12,690,924	11,296,492	1,394,432	10,094,835	1,201,657	11.9%
Franchise Fees	840,000	881,098	(41,098)	835,865	45,233	5.4%
Permit Fees	1,800,000	2,271,247	(471,247)	2,172,830	98,416	4.5%
Intergovernmental Grants - 911 Dispatch/Other	973,093	981,781	(8,688)	930,105	51,676	5.6%
Beach Services/Parking	-	-	-	125,067	(125,067)	-100.0%
Other	236,232	69,484	166,748	152,725	(83,241)	-54.5%
Public Safety - EMS	294,704	172,686	122,018	200,331	(27,646)	-13.8%
Public Safety - Other	2,036,000	2,457,543	(421,543)	1,788,833	668,710	37.4%
Investment Income	-	1,470	(1,470)	1,440	30	2.1%
Prior Year Funds	1,500,000	2,211,435	(711,435)	2,037,642	173,793	8.5%
Sale of Vehicle/Equipment	2,862,058	-	2,862,058	-	-	0.0%
	-	41,128	(41,128)	23,347	17,781	76.2%
<b>Subtotal Revenues</b>	<b>48,189,901</b>	<b>46,005,989</b>	<b>2,183,912</b>	<b>41,156,211</b>	<b>4,849,777</b>	<b>11.8%</b>
<b>Transfers In:</b>						
Beach Preservation Fee	1,983,508	1,983,508	-	1,818,216	165,292	9.1%
Hospitality Fee	6,257,894	6,257,894	-	4,640,556	1,617,338	34.9%
Tax Increment Financing (TIF)	110,000	110,000	-	100,833	9,167	9.1%
State Accommodations Tax	3,515,021	3,262,685	252,336	3,014,702	247,983	8.2%
Electric Franchise Fee	540,603	540,603	-	495,553	45,050	9.1%
Short Term Rental Permit Fee	1,825,000	1,825,000	-	1,458,333	366,667	25.1%
Stormwater Fee	125,000	125,000	-	114,583	10,417	9.1%
<b>Subtotal Transfers In</b>	<b>14,357,026</b>	<b>14,104,690</b>	<b>252,336</b>	<b>11,642,776</b>	<b>2,461,914</b>	<b>21.1%</b>
<b>Total Revenues &amp; Transfers In</b>	<b>\$ 62,546,927</b>	<b>\$ 60,110,679</b>	<b>\$ 2,436,248</b>	<b>\$ 52,798,987</b>	<b>\$ 7,311,691</b>	<b>13.8%</b>

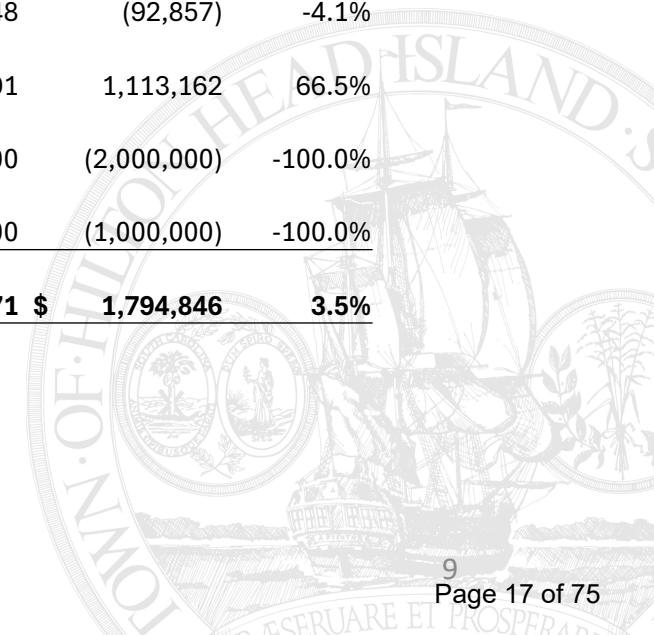




# FY 2025 GENERAL FUND EXPENDITURES – YTD 5/31/25

Expenditures by Category	FY 2025 Budget	FY 2025 Actual YTD	FY 2025 Encumbrance YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual Change *	% Change
Salaries & Benefits	\$ 38,483,711	\$ 32,890,331	\$ 443	\$ 5,592,937	\$ 31,218,518	\$ 1,672,256	5.4%
Operating	18,170,575	12,267,342	2,648,556	3,254,677	12,813,614	2,102,284	16.4%
Contracted Public Safety	2,642,000	2,098,887	83,205	459,908	2,274,948	(92,857)	-4.1%
Affiliated Agencies	3,250,641	2,787,053	-	463,588	1,673,891	1,113,162	66.5%
Transfer to Housing Fund	-	-	-	-	2,000,000	(2,000,000)	-100.0%
Transfer to Land Acquisition Fund	-	-	-	-	1,000,000	(1,000,000)	-100.0%
<b>Total Expenditures</b>	<b>\$ 62,546,927</b>	<b>\$ 50,043,613</b>	<b>\$ 2,732,204</b>	<b>\$ 9,771,110</b>	<b>\$ 50,980,971</b>	<b>\$ 1,794,846</b>	<b>3.5%</b>

\*Includes encumbrances.





# FY 2025 CIP FUND REVENUES – YTD 5/31/25

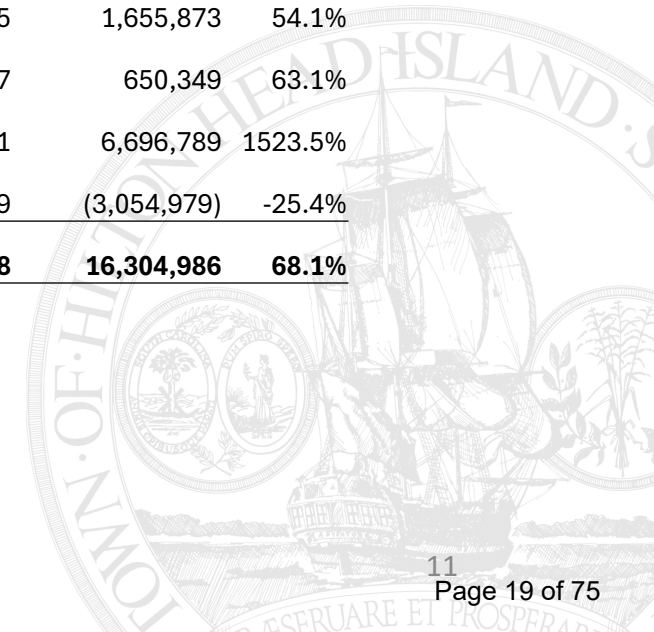
	FY 2025 Budget	FY 2025 Actual YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual Change	% Change
<b>Revenues &amp; Transfers In</b>						
Traffic & Park Impact Fees	\$ 947,601	\$ 136,107	\$ 811,494	\$ 227,877	(91,770)	-40.3%
Sunday Liquor Permit Fees	1,455,811	282,150	1,173,661	245,950	36,200	14.7%
HTAX Supported Lease	11,384,707	-	11,384,707	-	-	0.0%
Prior Bond Proceeds	-	-	-	9,289	(9,289)	-100.0%
Capital Investment Income	554,702	556,870	(2,168)	698,853	(141,984)	-20.3%
Sale of Land	1,283,020	9,075	1,273,945	200	8,875	4437.5%
Grants	500,000	366,715	133,285	3,692,991	(3,326,276)	-90.1%
<b>Subtotal Revenues</b>	<b>16,125,841</b>	<b>1,350,916</b>	<b>14,774,925</b>	<b>4,875,160</b>	<b>(3,524,243)</b>	<b>-72.3%</b>
<b>Transfers In:</b>						
Beach Preservation Fees	21,275,174	893,366	20,381,808	6,289,527	(5,396,161)	-85.8%
Hospitality Tax	18,601,126	3,503,751	15,097,375	1,488,261	2,015,490	135.4%
Tax Increment Financing (TIF)	11,260,717	6,031,398	5,229,319	465,333	5,566,065	1196.1%
General Fund	-	-	-	1,000,000	(1,000,000)	-100.0%
State ATAX	3,200,000	943,555	2,256,445	3,084,314	(2,140,759)	-69.4%
Road Usage Fee	762,871	480,731	282,140	(265,507)	746,238	-281.1%
Electric Franchise Fee	8,497,848	8,497,848	-	7,143,731	1,354,117	19.0%
Real Estate Transfer Fee	885,912	3,261,498	(2,375,586)	5,785,805	(2,524,307)	-43.6%
Short Term Rental Permit Fee	-	-	-	-	-	0.0%
Stormwater Utility Fee	2,193,310	-	2,193,310	860,000	(860,000)	-100.0%
<b>Subtotal Transfers In</b>	<b>66,676,958</b>	<b>23,612,146</b>	<b>43,064,812</b>	<b>25,851,464</b>	<b>(2,239,318)</b>	<b>-8.7%</b>
<b>Total Revenues &amp; Transfers In</b>	<b>\$ 82,802,799</b>	<b>\$ 24,963,062</b>	<b>\$ 57,839,737</b>	<b>\$ 30,726,623</b>	<b>\$ (5,763,561)</b>	<b>-18.8%</b>



# FY 2025 CIP FUND EXPENDITURES – YTD 5/31/25

	FY 2025 Budget	FY 2025 Actual YTD	FY 2025 Encumbrance YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual % Change *
<b>Expenditures by Program</b>						
Beach Program	\$ 21,599,000	\$ 873,292	\$ 842,410	\$ 19,883,298	\$ 2,447,219	(731,516) -29.9%
Pathway Program	5,500,000	512,434	389,593	4,597,973	1,339,122	(437,095) -32.6%
Roadway Program	10,317,218	2,632,269	2,088,838	5,596,111	1,961,863	2,759,244 140.6%
Park Program	19,815,273	2,934,663	7,489,551	9,391,059	1,657,893	8,766,321 528.8%
Facility & Equipment Program	8,402,291	3,623,448	1,091,050	3,687,793	3,058,625	1,655,873 54.1%
Stormwater Program	2,193,310	291,219	1,389,468	512,623	1,030,337	650,349 63.1%
Fleet Program	11,750,707	4,737,022	2,399,338	4,614,347	439,571	6,696,789 1523.5%
Land Acquisition & Administration	9,142,904	8,950,281	20,399	172,224	12,025,659	(3,054,979) -25.4%
<b>Total Expenditures</b>	<b>\$ 88,720,703</b>	<b>\$ 24,554,627</b>	<b>\$ 15,710,647</b>	<b>\$ 48,455,429</b>	<b>\$ 23,960,288</b>	<b>16,304,986 68.1%</b>

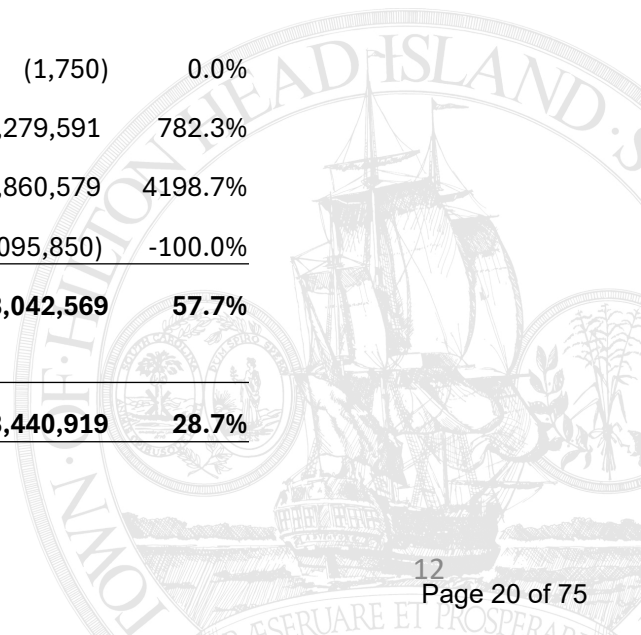
\*includes encumbrances





# FY 2025 DEBT SERVICE FUND REVENUES – YTD 5/31/25

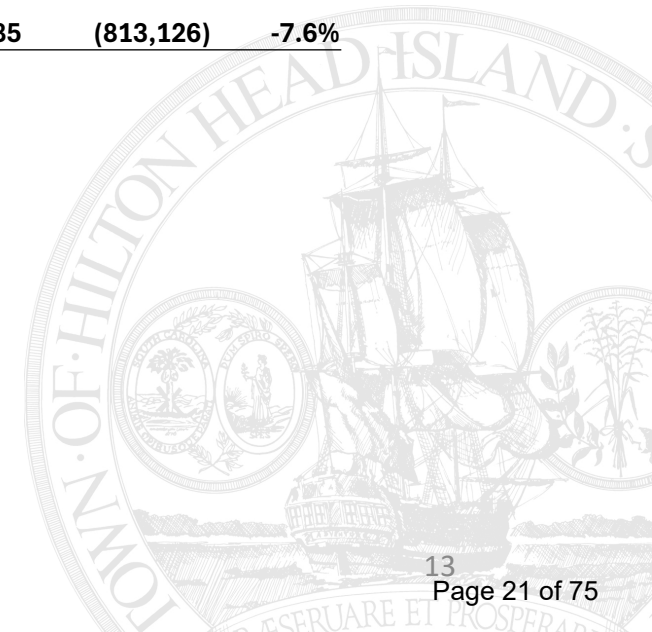
	FY 2025 Budget	FY 2025 Actual YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual Change	% Change
<b>Revenues &amp; Transfers In</b>						
Property Taxes	\$ 5,843,144	\$ 6,534,757	\$ (691,613)	\$ 6,218,567	316,191	5.1%
Investment Income	338,365	594,658	(256,293)	512,499	82,159	16.0%
<b>Subtotal Revenues</b>	<b>6,181,509</b>	<b>7,129,416</b>	<b>(947,907)</b>	<b>6,731,066</b>	<b>398,350</b>	<b>5.9%</b>
<b>Transfers In:</b>						
Beach Preservation Fees	4,346,625	3,946,625	400,000	3,948,375	(1,750)	0.0%
Hospitality Fees	1,843,158	1,443,158	400,001	163,567	1,279,591	782.3%
Tax Increment Financing (TIF)	3,928,708	2,928,708	1,000,000	68,130	2,860,579	4198.7%
Real Estate Transfer Fee	400,000	-	400,000	1,095,850	(1,095,850)	-100.0%
<b>Subtotal Transfers In</b>	<b>10,518,491</b>	<b>8,318,491</b>	<b>2,200,000</b>	<b>5,275,921</b>	<b>3,042,569</b>	<b>57.7%</b>
<b>Total Revenues &amp; Transfers In</b>	<b>\$ 16,700,000</b>	<b>\$ 15,447,906</b>	<b>\$ 1,252,094</b>	<b>\$ 12,006,987</b>	<b>\$ 3,440,919</b>	<b>28.7%</b>





# FY 2025 DEBT SERVICE FUND EXPENDITURES – YTD 5/31/25

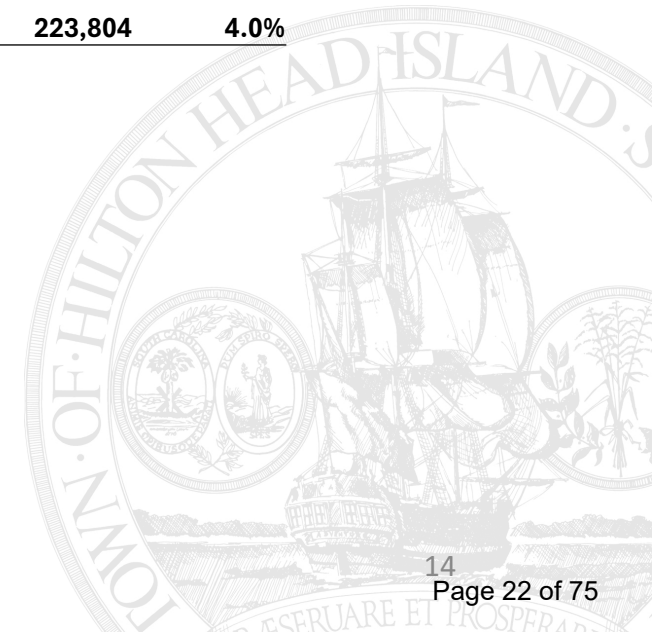
	FY 2025 Budget	FY 2025 Actual YTD	FY 2025 Encumbrances YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual Change	% Change
<b>Expenditures</b>							
Principal	\$ 12,625,000	\$ 7,625,000	\$ -	\$ 5,000,000	\$ 8,090,000	(465,000)	-5.7%
Interest	2,403,968	2,218,034	-	185,934	2,563,335	(345,301)	-13.5%
Bank Fees	71,032	13,025	-	58,007	15,850	(2,825)	-17.8%
Anticipated Debt Costs	1,600,000	-	2,140	1,597,860	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 16,700,000</b>	<b>\$ 9,856,059</b>	<b>\$ 2,140</b>	<b>\$ 6,841,801</b>	<b>\$ 10,669,185</b>	<b>(813,126)</b>	<b>-7.6%</b>





# FY 2025 STORMWATER FUND REVENUES – YTD 5/31/25

	FY 2025 Budget	FY 2025 Actual YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual Change	% Change
<b>Revenues</b>						
Stormwater Utility Fees	\$ 5,067,000	\$ 5,347,830	\$ (280,830)	\$ 5,233,895	113,935	2.2%
Prior Year Funds	3,753,271	-	3,753,271	-	-	0.0%
Investment Income	150,000	317,853	(167,853)	296,284	21,570	7.3%
Plan Review Fees	112,420	200,640	(88,220)	112,340	88,300	78.6%
<b>Total Revenues</b>	<b>\$ 9,082,691</b>	<b>\$ 5,866,323</b>	<b>\$ 3,216,368</b>	<b>\$ 5,642,518</b>	<b>\$ 223,804</b>	<b>4.0%</b>





# FY 2025 STORMWATER FUND EXPEDITURES – YTD 5/31/25

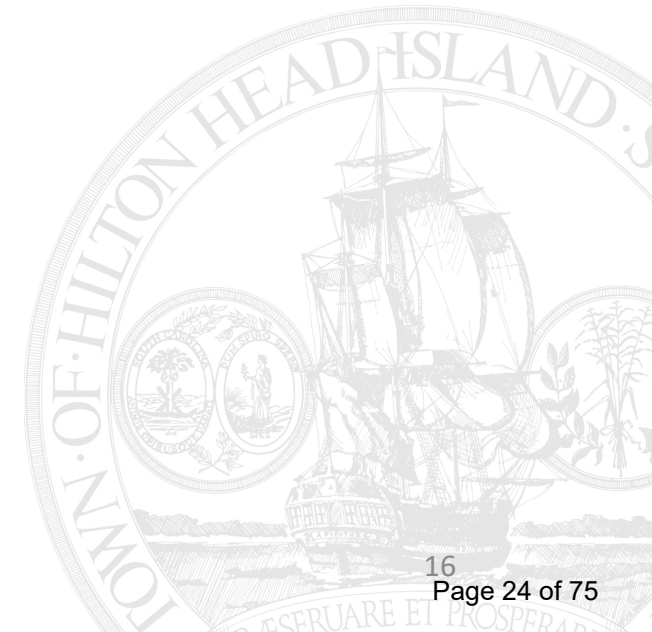
	FY 2025	Budget	FY 2025 Actual YTD	FY 2025 Encumbrances YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual Change *	% Change
<b>Expenditures by Category</b>								
Salaries & Benefits	\$	842,381	\$ 689,095	\$ -	\$ 153,286	\$ 676,647	12,448	1.8%
Operating		198,570	135,512	4,517	58,540	152,949	(12,919)	-8.4%
Monitoring		194,000	26,268	69,174	98,558	58,254	37,188	63.8%
Inventory & Modeling / Analysis		680,432	179,017	334,391	167,025	36,751	476,656	156.2%
POA Systems Corrective Maintenance		1,597,253	91,489	330,906	1,174,858	305,070	117,325	0.0%
Public Systems Corrective Maintenance		735,057	103,424	91,421	540,212	491,237	(296,392)	-60.3%
Routine Maintenance & Contingency		1,228,595	407,254	124,571	696,770	378,649	153,176	40.5%
Pump Station Maintenance		1,050,277	321,152	575,805	153,320	206,795	690,162	333.7%
Stormwater Depreciation, Amortization, Interest & Fees		1,248,574	1,156,906	-	91,668	1,055,234	101,673	9.6%
Transfers Out:							-	0.0%
General Fund		125,000	125,000	-	-	114,583	10,417	9.1%
CIP Stormwater Program		1,182,552	-	-	1,182,552	860,000	(860,000)	-100.0%
<b>Total Expenditures</b>	<b>\$</b>	<b>9,082,691</b>	<b>\$ 3,235,119</b>	<b>\$ 1,530,785</b>	<b>\$ 4,316,788</b>	<b>\$ 4,336,169</b>	<b>429,734</b>	<b>9.9%</b>

\*Includes Encumbrances \$ - \$ - \$ -



# FY 2025 GGHNCDC FUND REVENUES – YTD 5/31/25

	FY 2025 Budget	FY 2025 Actual YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual Change	% Change
<b>Revenues</b>						
Prior Year Grant - South Carolina	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -	-	0.0%
Prior Year Grant - Beaufort County	216,434	-	216,434	-	-	0.0%
Investment Income	125,000	209,676	(84,676)	254,298	(44,622)	-17.5%
<b>Total Revenues</b>	<b>\$ 5,341,434</b>	<b>\$ 209,676</b>	<b>\$ 5,131,758</b>	<b>\$ 254,298</b>	<b>(44,622)</b>	<b>-17.5%</b>

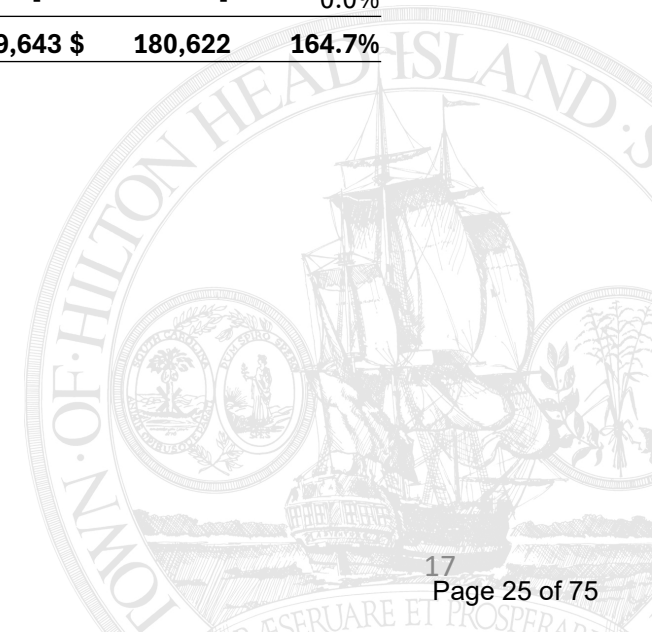




# FY 2025 GGHNCDC FUND EXPENDITURES – YTD 5/31/25

	FY 2025 Budget	FY 2025 Actual YTD	FY 2025 Encumbrances YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual Change *	% Change
<b>Expenditures by Category</b>							
Personnel & Benefits	\$ 200,376	\$ 181,826	\$ -	\$ 18,550	\$ 107,285	\$ 74,541	69.5%
Operating Expenses	65,125	11,964	-	53,161	2,358	9,606	407.4%
Professional Services	310,000	59,955	36,520	213,525	-	96,475	0.0%
Grants & Incentives Loans	1,500,000	-	-	1,500,000	-	-	0.0%
Capital Outlay & Land Acquisition	1,250,000	-	-	1,250,000	-	-	0.0%
Project Expenses & Contingency	80,000	-	-	80,000	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 3,405,501</b>	<b>\$ 253,745</b>	<b>\$ 36,520</b>	<b>\$ 3,115,236</b>	<b>\$ 109,643</b>	<b>\$ 180,622</b>	<b>164.7%</b>

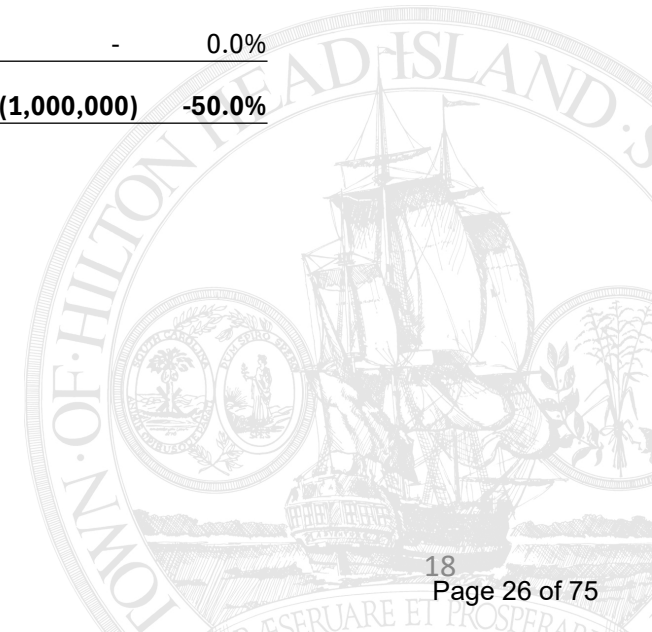
\*Includes Encumbrances





# FY 2025 HOUSING FUND REVENUES – YTD 5/31/25

	FY 2025 Budget	FY 2025 Actual YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual Change	% Change
<b>Revenues</b>						
Transfer from General Fund	\$ -	\$ -	\$ -	\$ 2,000,000	(2,000,000)	-100.0%
Transfer from Capital Projects	-	-	-	-	-	0.0%
Transfer from State ATAX	1,000,000	1,000,000	-	-	1,000,000	0.0%
Prior Year Housing Funds	2,000,000	-	2,000,000	-	-	0.0%
Prior Year Funds from ARPA	1,000,000	-	1,000,000	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 4,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ (1,000,000)</b>	<b>-50.0%</b>

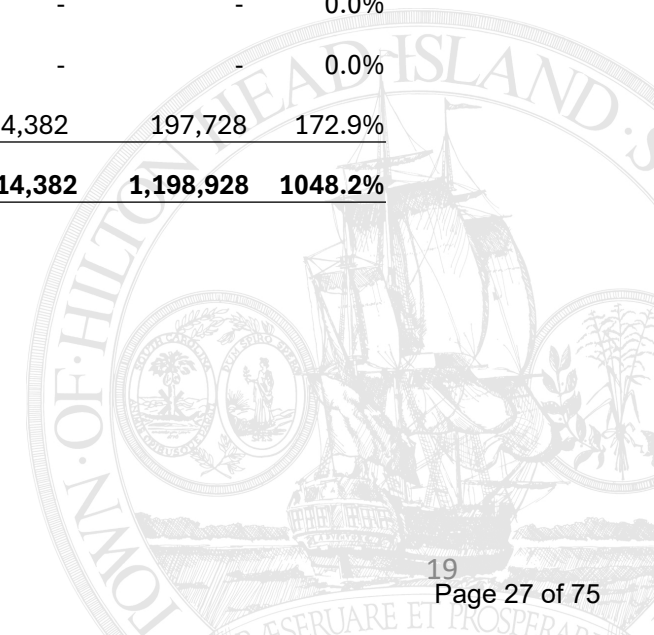




# FY 2025 HOUSING FUND EXPENDITURES – YTD 5/31/25

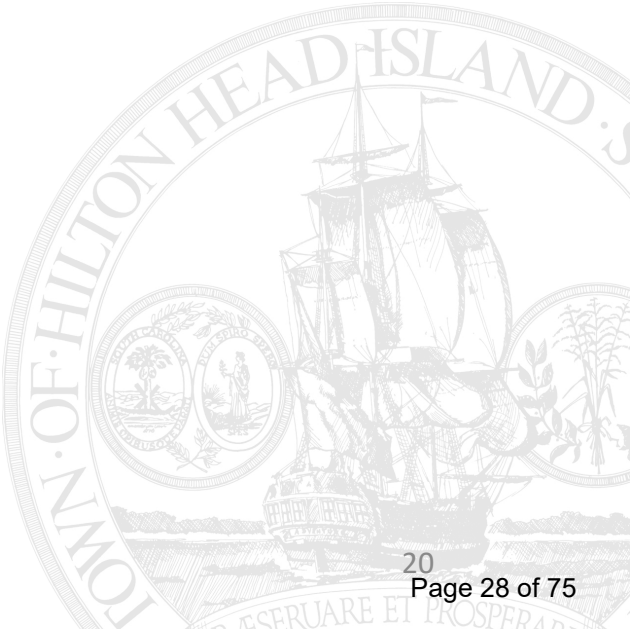
	FY 2025 Budget	FY 2025 Actual YTD	FY 2025 Encumbrances YTD	FY 2025 Remaining Budget YTD	FY 2024 Actual YTD	FY 2025 Actual to FY 2024 Actual Change *	% Change
<b>Expenditures by Category</b>							
Northpoint Public Private Partnership	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	1,000,000	0.0%
Muddy Creek Neighborhood Stabilization	1,500,000	300	-	1,499,700	-	300	0.0%
Bryant Road Public Private Partnership	1,000,000	900	-	999,100	-	900	0.0%
Beaufort Jasper Housing Trust Dues	89,206	-	-	89,206	-	-	0.0%
Housing Program Personnel	-	-	-	-	-	-	0.0%
Housing Program Operating	410,794	164,244	147,866	98,684	114,382	197,728	172.9%
<b>Total Expenditures</b>	<b>\$ 4,000,000</b>	<b>\$ 165,444</b>	<b>\$ 1,147,866</b>	<b>\$ 2,686,690</b>	<b>\$ 114,382</b>	<b>1,198,928</b>	<b>1048.2%</b>

\*Includes Encumbrances



# SPECIAL REVENUE FUNDS

QUARTERLY COMPARISON: FY2019 – FY2025





# FY 2019 - FY 2025 SPECIAL REVENUE FUNDS – YTD 5/31/25

**SUMMARY**

Fund Name	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
Beach Preservation Fee	7,480,142	7,083,230	11,123,801	14,053,062	13,896,931	13,889,049	11,764,418	79,290,633
Hospitality Tax (HTAX)	7,545,777	6,284,461	8,051,256	9,907,025	10,400,345	10,574,379	7,447,890	60,211,133
Tax Increment Financing (TIF)	4,687,575	5,031,311	5,361,090	5,792,527	6,443,778	7,844,686	8,246,523	43,407,490
State Accomodations Tax (ATAX)	6,880,027	6,490,407	10,183,479	13,569,288	13,344,903	12,790,329	8,378,702	71,637,135
Real Estate Tax Fee	3,380,107	3,552,965	7,127,885	6,957,245	4,975,631	4,883,205	4,719,397	35,596,435
Electric Franchise Fee	2,812,503	2,706,003	2,811,144	2,707,124	2,805,261	2,893,618	2,707,970	19,443,623
Short Term Rental Fee (STR)	-	-	-	-	1,659,511	2,012,495	1,839,000	5,511,006
<b>Total Special Revenue Funds</b>	<b>32,786,131</b>	<b>31,148,377</b>	<b>44,658,655</b>	<b>52,986,271</b>	<b>53,526,360</b>	<b>54,887,761</b>	<b>45,103,901</b>	<b>315,097,456</b>



# FY 2019 - FY 2025 SPECIAL REVENUE FUNDS – YTD 5/31/25

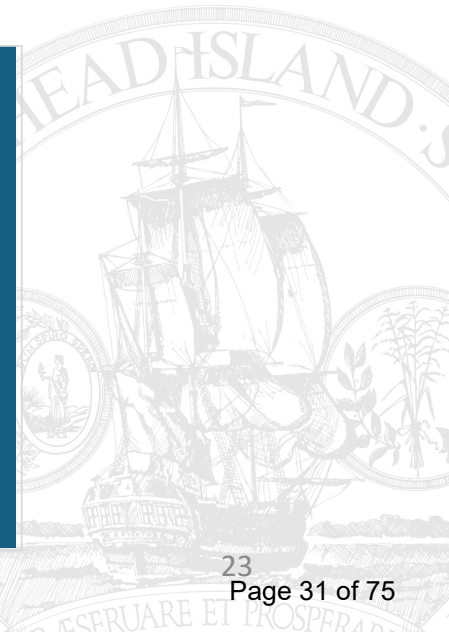
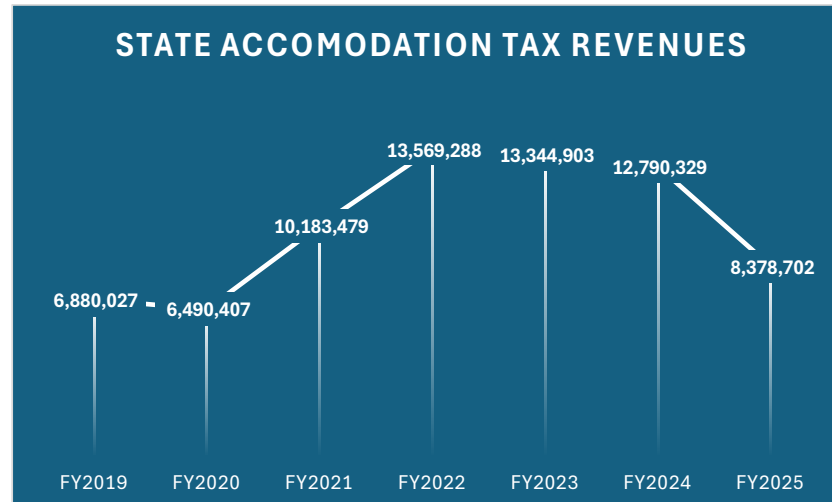
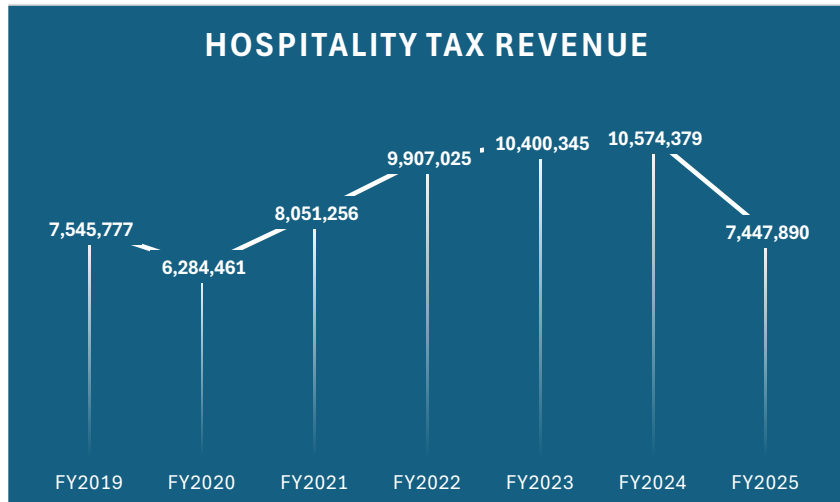
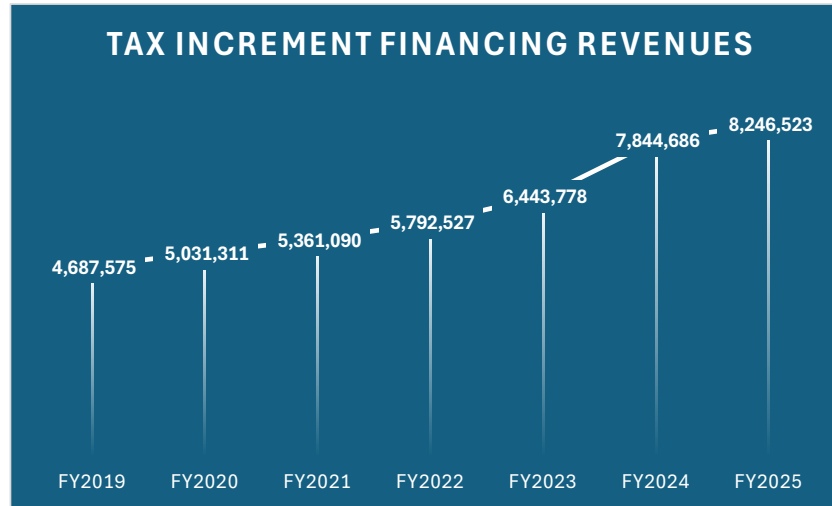
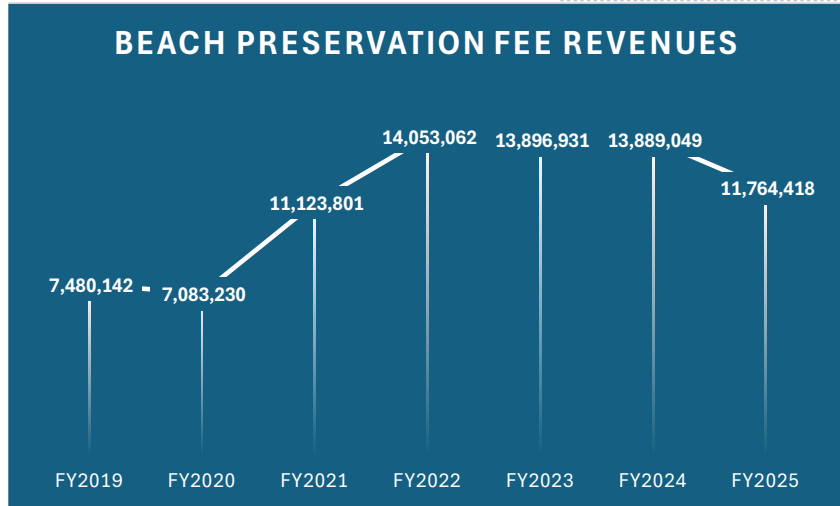
DETAIL

Fund Name	Fiscal Quarter	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
Beach Preservation Fee	1	360,475	438,222	1,080,921	1,473,674	1,506,824	1,610,269	1,279,595	7,749,980
Hospitality Tax (HTAX)	1	822,359	761,080	780,859	1,073,648	1,099,256	1,125,307	1,073,329	6,735,838
Tax Increment Financing (TIF)	1	45,776	55,615	46,830	46,429	11,238	31,963	97,675	335,526
State Accomodations Tax (ATAX)	1								-
Real Estate Tax Fee	1	816,199	948,586	1,731,460	1,838,046	1,383,888	1,318,874	1,279,168	9,316,221
Electric Franchise Fee	1	585,026	599,629	596,562	557,281	580,877	590,376	632,749	4,142,500
Short Term Rental Fee (STR)	1						113,000	68,750	181,750
<b>Total Q1 - Special Revenue Funds</b>		<b>2,629,835</b>	<b>2,803,132</b>	<b>4,236,632</b>	<b>4,989,078</b>	<b>4,582,083</b>	<b>4,789,789</b>	<b>4,431,267</b>	<b>28,461,816</b>
Beach Preservation Fee	2	2,718,355	2,925,961	3,309,067	4,510,245	4,574,360	4,467,560	4,351,239	26,856,787
Hospitality Tax (HTAX)	2	1,935,991	2,048,516	1,994,950	2,608,933	2,727,970	2,807,303	2,740,003	16,863,666
Tax Increment Financing (TIF)	2	(10,724)	2,755	17,002	625,166	686,503	232,203	1,058,673	2,611,578
State Accomodations Tax (ATAX)	2	3,034,478	3,223,818	3,655,462	5,082,956	5,342,323	5,148,616	5,293,425	30,781,078
Real Estate Tax Fee	2	873,232	893,417	1,928,441	1,697,896	1,127,907	1,014,836	1,159,632	8,695,361
Electric Franchise Fee	2	689,096	697,355	715,452	662,501	693,152	709,564	734,560	4,901,680
Short Term Rental Fee (STR)	2						1,341,750	1,379,500	2,721,250
<b>Total Q2 - Special Revenue Funds</b>		<b>9,240,428</b>	<b>9,791,822</b>	<b>11,620,374</b>	<b>15,187,697</b>	<b>15,152,215</b>	<b>15,721,832</b>	<b>16,717,032</b>	<b>93,431,400</b>
Beach Preservation Fee	3	777,247	859,209	1,198,453	1,544,074	1,512,979	1,439,610	1,743,088	9,074,660
Hospitality Tax (HTAX)	3	1,284,789	1,318,840	1,327,998	1,765,373	1,820,982	1,836,198	1,842,822	11,197,002
Tax Increment Financing (TIF)	3	4,569,388	4,814,500	5,031,663	5,014,045	5,602,071	6,974,566	7,033,782	39,040,015
State Accomodations Tax (ATAX)	3	855,629	950,416	1,598,915	2,048,139	1,814,391	1,770,069	1,835,526	10,873,085
Real Estate Tax Fee	3	710,862	797,437	1,438,540	1,507,966	1,024,881	1,136,910	1,266,208	7,882,804
Electric Franchise Fee	3	696,282	585,710	642,141	642,941	703,541	691,427	845,620	4,807,662
Short Term Rental Fee (STR)	3					1,350,261	389,500	282,250	2,022,011
<b>Total Q3 - Special Revenue Funds</b>		<b>8,894,197</b>	<b>9,326,112</b>	<b>11,237,710</b>	<b>12,522,538</b>	<b>13,829,106</b>	<b>14,238,280</b>	<b>14,849,297</b>	<b>84,897,240</b>
Beach Preservation Fee	4	3,624,065	2,859,838	5,535,360	6,525,069	6,302,768	6,371,610	4,390,495	35,609,205
Hospitality Tax (HTAX)	4	3,502,638	2,156,025	3,947,449	4,459,071	4,752,137	4,805,571	1,791,736	25,414,627
Tax Increment Financing (TIF)	4	83,135	158,441	265,595	106,887	143,966	605,954	56,393	1,420,371
State Accomodations Tax (ATAX)	4	2,989,920	2,316,173	4,929,102	6,438,193	6,188,189	5,871,644	1,249,751	29,982,972
Real Estate Tax Fee	4	979,814	913,525	2,029,444	1,913,337	1,438,955	1,412,585	1,014,388	9,702,048
Electric Franchise Fee	4	842,099	823,309	856,989	844,401	827,691	902,251	495,041	5,591,781
Short Term Rental Fee (STR)	4					309,250	168,245	108,500	585,995
<b>Total Q4 - Special Revenue Funds</b>		<b>12,021,671</b>	<b>9,227,311</b>	<b>17,563,939</b>	<b>20,286,958</b>	<b>19,962,956</b>	<b>20,137,860</b>	<b>9,106,305</b>	<b>108,307,000</b>
<b>Grand Total Special Revenue Funds</b>		<b>32,786,131</b>	<b>31,148,377</b>	<b>44,658,655</b>	<b>52,986,271</b>	<b>53,526,360</b>	<b>54,887,761</b>	<b>45,103,901</b>	<b>315,097,456</b>



# FY 2019 - FY 2025 SPECIAL REVENUE FUNDS – YTD 5/31/25

MODELING

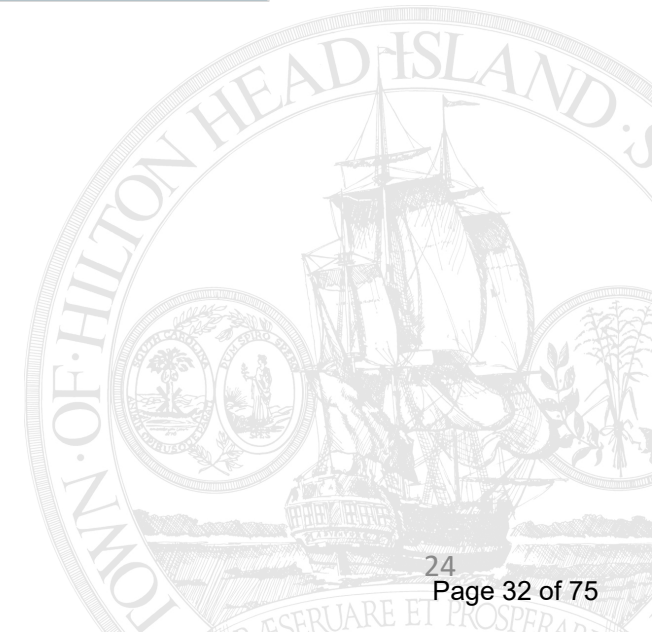
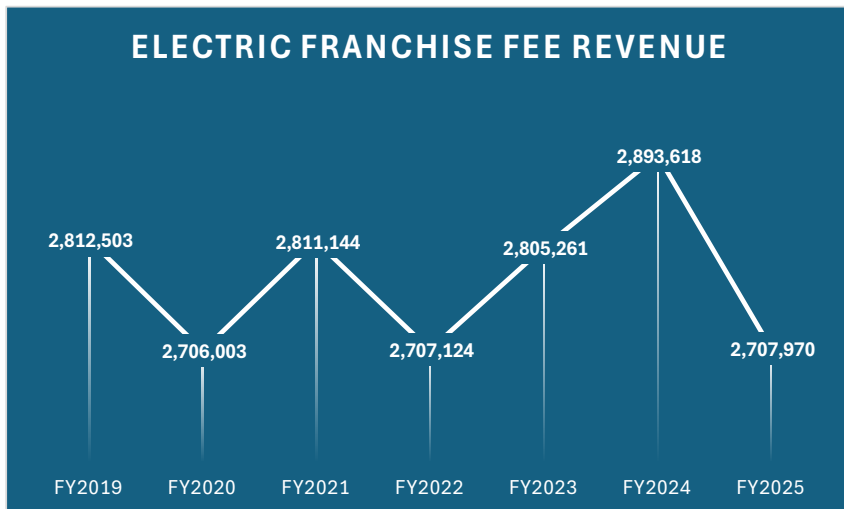
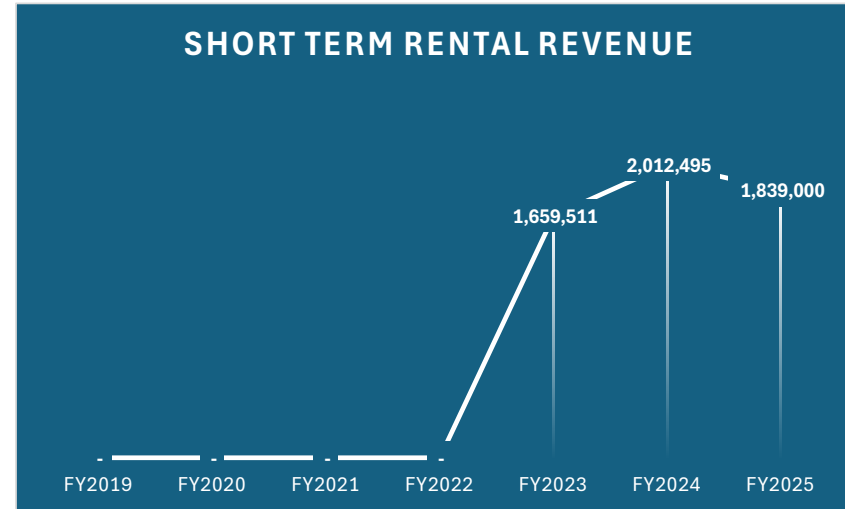
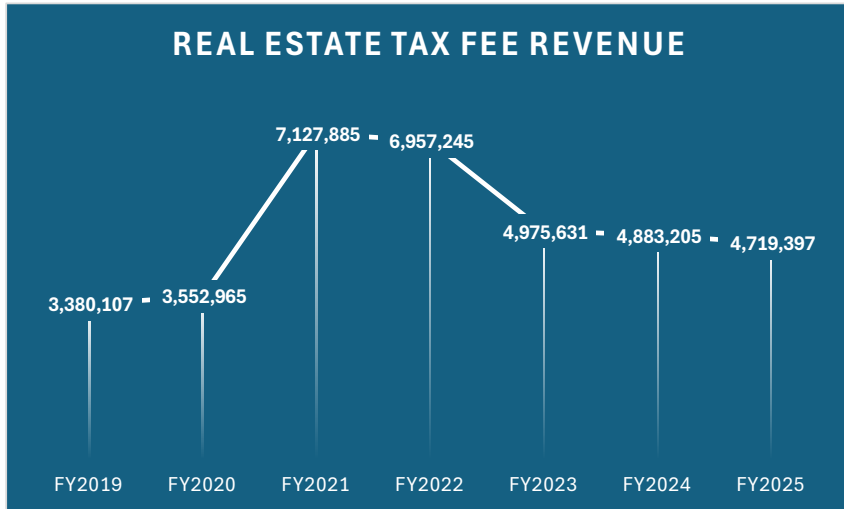


# TOWN OF HILTON HEAD ISLAND



## FY 2019 - FY 2025 SPECIAL REVENUE FUNDS – YTD 5/31/25

MODELING





# FY 2025 CONSOLIDATED FINANCIALS YTD FUND BALANCES – 5/31/25

CORE FUNDS	FY22	FY23	FY24	FY25 YEAR BEGINNING BALANCE	YTD REVENUES	YTD EXPENDITURES	YTD ENDING FUND BALANCE 5/31/25
GENERAL FUND	\$ 29,062,865	\$ 33,502,808	\$ 39,536,669	\$ 39,536,669	\$ 46,005,989	\$ 50,043,613	\$ 35,499,045
DEBT SERVICE FUND	\$ 11,239,657	\$ 12,159,356	\$ 13,716,563	\$ 13,716,563	\$ 7,129,416	\$ 15,043,992	\$ 5,801,987
CIP FUND	\$ 8,796,482	\$ 3,402,646	\$ 7,675,346	\$ 7,675,346	\$ 1,350,916	\$ 24,554,627	\$ (15,528,364)
STORMWATER UTILITY FUND	\$ 10,540,740	\$ 13,178,610	\$ 13,754,708	\$ 13,754,708	\$ 5,866,323	\$ 3,110,119	\$ 16,510,912
GGHNCDC FUND	\$ -	\$ 5,415,560	\$ 5,561,896	\$ 5,561,896	\$ 209,676	\$ 253,745	\$ 5,517,827
HOUSING FUND	\$ -	\$ -	\$ 2,148,477	\$ 2,148,477	\$ -	\$ 165,444	\$ 1,983,033
<b>SUBTOTAL</b>	<b>\$ 59,639,744</b>	<b>\$ 67,658,980</b>	<b>\$ 82,393,659</b>	<b>\$ 82,393,659</b>	<b>\$ 60,562,319</b>	<b>\$ 93,171,539</b>	<b>\$ 49,784,440</b>
OTHER FINANCING SOURCES	\$ 129,980,212	\$ 143,762,604	\$ 147,377,808	\$ 147,377,808	\$ 54,475,384	\$ 11,643,407	\$ 190,209,784
TRANSFERS IN/OUT					\$ 47,035,326	\$ 43,772,641	\$ 3,262,685
<b>TOTAL</b>	<b>\$ 189,619,956</b>	<b>\$ 211,421,584</b>	<b>\$ 229,771,467</b>	<b>\$ 229,771,467</b>	<b>\$ 162,073,029</b>	<b>\$ 148,587,588</b>	<b>\$ 243,256,909</b>



# TOWN OF HILTON HEAD ISLAND

## Finance & Administrative Committee

**TO:** Finance & Administrative Committee  
**FROM:** Michele Bunce, Senior Grants Administrator  
**VIA:** Shawn Colin, Assistant Town Manager  
**CC:** Marc Orlando, Town Manager  
**DATE:** June 26, 2025  
**SUBJECT:** Consideration of a Resolution of the Town Council of the Town of Hilton Head Island to approve a Comprehensive South Carolina Accommodations Tax Program to include Application Process and Fund Distribution Policy

### **RECOMMENDATION:**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island to approve a Comprehensive South Carolina Accommodations Tax Program to include Application Process and Fund Distribution Policy, shown as Attachment 1.

### **BACKGROUND:**

At the January 14, 2025 meeting, Town Council directed staff to develop an South Carolina State Accommodations Tax (ATAX) Funds Distribution Policy to help ensure the process of allocating these public funds is transparent, consistent, and aligned with SC State law requirements and the Town's Strategic Plan. In support of this request, the following information is provided:

#### **I. Purpose:**

This memorandum provides a comprehensive overview of the Town of Hilton Head Island's policy and process for accepting, reviewing, and awarding grants funded by ATAX revenues. It includes relevant South Carolina Code provisions, outlines the application and review process, and proposes decision-making and voting protocols followed by the Accommodations Tax Advisory Committee (ATAC), the Town Council's Finance and Administrative Committee, and the full Town Council. In addition, the process provides direction for the Town Council regarding the distribution of SC ATAX funds.

By establishing clear guidelines, policy, and procedures, these measures ensure that funds are allocated appropriately, promoting tourism and related activities in accordance with state laws. This structured approach fosters accountability and public trust in the management of ATAX resources.

This policy framework shown in Exhibit A of the Resolution and outlined thoroughly below, will improve consistency, transparency, and alignment with the Town of Hilton Head's Strategic Plan.

## **II. Overview of the South Carolina Accommodations Tax (ATAX)**

The South Carolina Accommodations Tax (ATAX) is imposed under the authority of S.C. Code Ann. § 9-36-920(A)(Supp. 2024) and has three parts, one of which is a two-percent local ATAX on all transient lodging rentals, including hotels, motels, inns, and short-term vacation rentals, which is credited to the county or municipality where the tax was paid under the authority of S.C. Code Ann. § 12-36-2630(3)(Supp. 2024). The use of the 2% local ATAX is governed by S.C. Code Ann. § 6-4-10, et seq. (Supp. 2024). The information below provides additional details to overview the South Carolina Code of Laws related to ATAX.

### **A. Statutory Reference**

The following from Title 6, Chapter 4 of the South Carolina Code of Laws govern the collection, use, and oversight of ATAX revenues:

- Establishes the 2% state accommodations tax.
- Defines "tourism-related expenditures."
- Requires municipalities receiving more than \$50,000 in annual revenue to appoint an Accommodations Tax Advisory Committee (ATAC).
- Outlines eligible uses and restrictions for ATAX funds.
- Requires local governments to prepare a housing impact analysis prior to giving second reading to the ordinance authorizing use of ATAX funds toward the development of workforce housing.
- States that the Tourism Expenditure Review Committee (TERC) shall serve as the oversight authority on all questionable tourism-related expenditures and has statutory authority to impose fines and withhold funds.

### **B. Permitted Uses of Funds**

ATAX revenues must be spent on eligible tourism-related expenditures, which include:

- Advertising and promotion of tourism
- Cultural, recreational, or historic facilities
- Beach access and renourishment
- Highways, roads, and transportation systems serving tourists
- Tourist-related public safety services (police, fire, EMS)
- Operation of visitor information centers
- Workforce housing (see Section VII)

### **III. ATAX Grant Program – Town of Hilton Head Island**

The Town of Hilton Head Island administers an annual ATAX Grant Program to support organizations and projects that enhance tourism and benefit the local economy. This program includes a public application process, committee and staff review, and Town Council approval.

#### **A. Application Requirements**

Applicants must submit:

- Completed ATAX application form
- Detailed project description
- Budget and specific funding request
- Projected tourism impact and visitor metrics
- Marketing and outreach strategy
- Past ATAX funding history (if applicable)
- Proof of nonprofit status or qualifying entity structure

#### **B. Submission Timeline**

Generally, the submission timeline is as follows:

- Applications typically open in August with deadlines in early September
- Review and recommendation process occurs September through October
- Town Council approval occurs early December, before start of the new fiscal year

The Fiscal Year 2026 ATAX calendar, as shown in Attachment 2, is as follows:

- August 4 – September 5, 2025: Application window
- September – October: Staff and ATAC review
- November 6, 2025: ATAC recommendations to Finance and Administrative Committee
- November 18, 2025: Finance and Administrative Committee recommendations to Town Council
- December 9, 2025: Town Council final approval
- December 12, 2025: Award letters distributed

### **IV. Grant Review and Recommendation Process**

#### **A. Staff and Technical Review**

Town staff perform the initial screening for:

- Application completeness and eligibility
- Compliance with S. C. Code Ann. § 6-4-10, *et seq.* (Supp. 2024)
- Duplication of Town services or existing efforts
- Alignment with the Town's Strategic Action Plan

## **B. Accommodations Tax Advisory Committee (ATAC) Review**

- Appointed per SC Code § 6-4-25 (Supp. 2024)
- Includes stakeholders from hospitality, lodging, and tourism sectors
- Reviews applications, may request presentations
- Scores and ranks projects based on evaluation criteria

## **C. Finance & Administrative Committee Review**

- Reviews ATAC recommendations and evaluates fiscal implications
- Ensures alignment with Town budget policies and goals
- May adjust or seek clarification on recommendations

## **D. Town Council Review and Final Decision**

- Reviews staff and committee recommendations
- Holds public meeting for deliberation and action
- Final grant awards approved by majority vote

## **V. Evaluation Criteria Used in Funding Decisions**

Projects are evaluated for consistency with S.C. Code Ann. § 6-4-10, *et seq.* (Supp. 2024) using the following criteria:

- Tourism impact: Expected visitor volume
- Overnight stays: Influence on lodging demand
- Marketing: Strategy effectiveness and target market reach
- Economic impact: Benefit to local businesses and tax base
- Project readiness: Timeline, leadership, and deliverability
- Matching funds: Leveraging other funding sources
- Accountability: Performance on prior grants

## **VI. Post-Award Requirements**

Grantees must:

- Enter into a formal agreement with the Town
- Submit regular progress and final outcome reports
- Maintain documentation of all expenditures
- Submit documentation to request reimbursements
- Return unused or misused funds

## **VII. Town Council Voting and Approval Process**

Following staff and committee review, Town Council formally votes on grant awards at a scheduled public meeting.

### **A. Agenda Item Placement**

- Grant recommendations appear on the agenda as an action item
- Includes award list, committee summaries, and supporting documentation

### **B. Deliberation Procedures**

- ATAC Chair presents ATAX grant funding recommendations to Town Council with Finance Director or designee support
- Town Council members may ask questions of staff, the ATAC Chair, or applicants (if present).
- Discussion may include priorities, potential funding adjustments, or requests for additional information.

### **C. Motions and Amendments (Standard Operating Procedure)**

#### **1. Approval as submitted:**

- Motion to approve full list as presented.
- No amendments needed; proceeds to vote.

#### **2. Partial approval with amendments:**

- Motion to approve parts of the list.
- Amendments to add, reduce, or defer specific awards are voted on individually.

#### **3. Rejection or deferral:**

- Town Council may reject and request a revised recommendation.
- May also defer decision to a later meeting.

### **D. Voting Procedure**

- Roll call vote conducted by the Town Clerk
- Majority vote required for passage
- Results recorded in the official meeting minutes
- Upon approval, staff initiate grant agreements and disbursements

## **VIII. Use of ATAX for Workforce Housing**

### **A. Legislative Background**

In 2024, the South Carolina General Assembly amended the ATAX statute to allow a temporary use of ATAX funds for workforce housing. This was authorized to provide a funding tool for local jurisdictions to address the challenge of providing housing options for employees.

**B. Authorized Use and Limitations**

- Permitted Use: Support, subsidy, or development of workforce housing

**C. Sunset Provision**

- This provision expires on December 30, 2030, unless extended
- All commitments must be executed within this timeframe
- Staff must track expenditures and ensure compliance

**D. Implementation Considerations for Hilton Head Island**

- Ensure legal compliance, reporting, and documentation

**IX. FY26 Projected Revenues and Distribution Policy**

**A. Overview of FY26 Revenue Projections**

For Fiscal Year 2026, the Town of Hilton Head Island has projected SC Accommodations Tax (ATAX) revenues totaling \$12,354,522

This estimate is based on historical revenue trends and reviewed in Attachment 3.

**B. Recommended Distribution Policy**

To ensure consistency, fiscal responsibility, and alignment with the Town’s Strategic Plan, staff propose a SC ATAX Fund Distribution Policy outlined below, and has provided details on funding distributions proposed in FY19 – FY25 in Attachment 4.

Distribution Category	Required Distribution	Proposed Distribution	Proposed \$ Distribution
First \$25,000 to General Fund	\$25,000	\$25,000	\$25,000
5% to General Fund	5%	5%	\$616,476
30% to DMO	30%	30%	\$3,698,857
ATAX Grant Awards	—	30%	\$3,706,357
General Fund (Tourism Operating Expenses)	—	20%	\$2,454,654
Capital Improvement Program (CIP)	—	10%	\$1,235,452
Tourism-Serving Housing Program	—	5%	\$617,726
Total	35%	100%	\$12,354,522

### **C. Policy Intent**

This distribution policy is designed to:

- Meet statutory obligations under SC Code Title 6, Chapter 4
- Ensure a balanced and transparent allocation between grants, operational needs, capital projects, and strategic housing investment
- Reinforce alignment with the Town of Hilton Head Island Strategic Plan goals, particularly in the areas of economic development, tourism sustainability, infrastructure investment, and workforce housing

### **D. Strategic Outcomes**

By adopting this structured distribution framework, the Town aims to:

- Provide predictable funding for eligible tourism initiatives
- Maintain strong oversight and evaluation of grant-funded projects
- Support Town-managed tourism operations through the General Fund
- Invest in tourism-related infrastructure and long-term capital needs
- Pilot and sustain targeted housing initiatives to support the tourism workforce

### **X. Next Steps**

If supported by the Finance and Administrative Committee to Advance to the full Town Council, the following steps will be taken:

- Town Council consideration of SC Accommodations Tax Fund Distribution Policy: July 15, 2025
- ATAX applications, included as Attachment 5: August 4 – September 5, 2025
- ATAC recommendation of FY26 ATAX Grant approvals to F&A Committee, based upon evaluation criteria and scoring guide included as Attachment 6: November 6, 2025
- F&A Committee recommendation of FY26 ATAX Grants to Town Council: November 18, 2025
- Town Council consideration of FY26 ATAX Grants: December 9, 2025
- ATAX Grant award letters distributed: December 12, 2025

### **ATTACHMENTS:**

1. South Carolina Accommodations Tax Resolution
2. FY2026 South Carolina Accommodations Tax Calendar
3. South Carolina Accommodations Tax Historical Funding Distribution FY19-FY25
4. South Carolina Accommodations Tax Proposed Funding Distribution FY19-FY25
5. Town of Hilton Head Island FY2026 Accommodations Tax Application
6. Town of Hilton Head Island Application Evaluation and Scoring Rubric Guide

**THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ADOPTING AND AUTHORIZING THE IMPLEMENTATION OF AN “ATAX GRANT PROGRAM” SETTING OUT THE PROCESS AND REQUIREMENTS FOR ATAX GRANTS AND ESTABLISHING TRAINAING REQUIREMENTS FOR TOWN ACCOMMODATIONS TAX ADVISORY COMMITTEE MEMBERS.**

WHEREAS, sales taxes on accommodations for transients are imposed under the authority of S. C. Code Ann. § 9-36-920(A)(Supp. 2024); and,

WHEREAS, the tax imposed by S. C. Code Ann. § 9-36-920(A)(Supp. 2024), has three parts, one of which is a two-percent local accommodations tax which is credited to the county or municipality where the tax was paid under the authority of S. C. Code Ann. § 12-36-2630(3)(Supp. 2024) (herein, “ATAX”); and,

WHEREAS, the use of ATAX by counties and municipalities is governed by S. C. Code Ann. § 6-4-10, *et seq.* (Supp. 2024); and,

WHEREAS, a county or municipality that receives more than fifty thousand dollars in ATAX must appoint a local Accommodations Tax Advisory Committee (herein, “ATAC”) with the membership and duties described in S. C. Code Ann. § 6-4-25(A)(Supp. 2024); and,

WHEREAS, the Town receives more than fifty thousand dollars in ATAX; and,

WHEREAS, S. C. Code Ann. § 6-4-25(B)(Supp. 2024) requires the Town to adopt guidelines for its ATAC that include the requirements for applications for funds from the special fund used for tourism-related expenditures; and,

WHEREAS, at its January 14, 2025, meeting, the Town Council of the Town of Hilton Head Island directed the Town Manager to develop a formal policy for the

application, review, and allocation of ATAX funds to ensure transparency, consistency, and alignment with both state law and the Town's Strategic Plan; and

WHEREAS, the proposed "Town of Hilton Head Island Comprehensive South Carolina Accommodations Tax (ATAX) Program, Application Process and Fund Distribution Policy," attached hereto as "Exhibit A," establishes a clear and comprehensive process for accepting applications, evaluating proposals, and awarding funds in a manner that reinforces public trust and accountability; and

WHEREAS, the proposed "Town of Hilton Head Island Comprehensive South Carolina Accommodations Tax (ATAX) Program, Application Process and Fund Distribution Policy," outlines roles and responsibilities for the Accommodations Tax Advisory Committee (ATAC), the Finance and Administrative Committee of Town Council, and Town Council itself in the review and decision-making process related to Accommodations Tax funds; and

WHEREAS, the Town Council finds that the proposed "Town of Hilton Head Island Comprehensive South Carolina Accommodations Tax (ATAX) Program, Application Process and Fund Distribution Policy," is a structured and consistent approach to the administration of ATAX funds that supports tourism promotion, community priorities, and sound fiscal stewardship; and,

WHEREAS, the Town Council for Town of Hilton Head Island, South Carolina, has determined that the proposed "Accommodations Tax (ATAX) Grant Program" is in the best interest of the Town and promotes the health, safety and welfare of the Town and its citizens, property owners and residents.

**NOW, THEREFORE, BE IT, AND IT HEREBY IS, RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA:**

- (a) The “Town of Hilton Head Island Comprehensive South Carolina Accommodations Tax (ATAX) Program, Application Process and Fund Distribution Policy,” attached hereto as Exhibit “A” is hereby adopted.
- (b) The Town Manager is authorized to take all actions as are necessary to implement the “Town of Hilton Head Island Comprehensive South Carolina Accommodations Tax (ATAX) Program, Application Process and Fund Distribution Policy,” attached hereto as Exhibit “A”
- (c) This Resolution is effective as of the date of its adoption by the Town Council.

**MOVED, APPROVED, AND ADOPTED THIS \_\_\_\_\_ DAY OF JULY, 2025.**

**TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA**

**By:** \_\_\_\_\_  
Alan R. Perry, Mayor

**ATTEST:**

\_\_\_\_\_  
Kimberly Gammon, Town Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Curtis L. Coltrane, Town Attorney

Introduced by Council Member: \_\_\_\_\_

**EXHIBIT "A" TO RESOLUTION ADOPTING ATAC GUIDELINES**



# Town of Hilton Head Island Comprehensive South Carolina Accommodations Tax (ATAX) Program, Application Process, and Fund Distribution Policy

## I. Purpose

This policy provides a comprehensive policy for the Town of Hilton Head Island's program and process for accepting applications for grants, reviewing applications for grants, and awarding grants funded by South Carolina State Accommodations Tax (ATAX) revenues. It includes relevant South Carolina Code provisions, outlines the application and review process, and proposes decision-making and voting protocols to be followed by the Accommodations Tax Advisory Committee (ATAC), the Town Council's Finance and Administrative Committee, and the Town Council. In addition, the process provides direction for the Town Council regarding the distribution of SC ATAX funds.

By establishing clear guidelines, policy, and procedures, these measures ensure that funds are allocated appropriately, promoting tourism and related activities in accordance with State laws. This structured approach fosters accountability and public trust in the management of ATAX funds.

This policy will improve consistency, transparency, and alignment with the Town of Hilton Head Island's Strategic Plan.

## II. Overview of the South Carolina Accommodations Tax (ATAX)

The South Carolina Accommodations Tax (ATAX) is imposed under the authority of S. C. Code Ann. § 9-36-920(A)(Supp. 2024) has three parts, one of which is a two-percent local ATAX on all transient lodging rentals, including hotels, motels, inns, and short-term vacation rentals, which is credited to the county or municipality where the tax was paid under the authority of S. C. Code Ann. § 12-36-2630(3)(Supp. 2024). The use of the 2% local ATAX is governed by S. C. Code Ann. § 6-4-10, *et seq.* (Supp. 2024). The information below provides additional details to overview the South Carolina Code of Laws related to ATAX.

### A. Statutory Reference

S. C. Code Ann. § 6-4-10, *et seq.* (Supp. 2024) governs the collection, use, and oversight of ATAX revenues, and:

- Defines "tourism-related expenditures."
- Requires municipalities receiving more than \$50,000 in annual revenue to appoint an Accommodations Tax Advisory Committee (ATAC).

- Outlines eligible uses and restrictions on uses for ATAX funds.
- Requires local governments to prepare a housing impact analysis prior to giving second reading to the ordinance authorizing use of ATAX funds toward the development of workforce housing.
- States that the Tourism Expenditure Review Committee (TERC) shall serve as the oversight authority on all questionable tourism-related expenditures and has statutory authority to impose fines and withhold funds.

## **B. Permitted Uses of Funds**

ATAX revenues must be spent on eligible tourism-related expenditures, which include:

- Advertising and promotion of tourism
- Construction, maintenance and operation of cultural, recreational, or historic facilities
- Beach access and renourishment
- Highways, roads, and transportation systems serving tourists
- Tourist-related public safety services (police, fire, EMS)
- Operation of visitor information centers
- Workforce housing (see Section VIII, below)

## **III. ATAX Grant Program – Town of Hilton Head Island**

The Town of Hilton Head Island administers an annual ATAX Grant Program to support organizations and projects that enhance tourism and benefit the local economy. This program includes a public application process, committee and staff review, and Town Council approval.

### **A. Application Requirements**

Applicants must submit:

- Completed ATAX application form
- Detailed project description
- Budget and specific funding request
- Projected tourism impact and visitor metrics
- Marketing and outreach strategy
- Past ATAX funding history (if applicable)
- Proof of nonprofit status or qualifying entity structure

### **B. Application Requirements**

Generally, the submission timeline is as follows:

- Applications typically open in August with deadlines in early September
- Review and recommendation process occurs September through October

- Town Council approval occurs early December, before start of the new fiscal year

The Fiscal Year 2026 ATAX calendar is shown as an example below:

- August 4 – September 5, 2025: Application window
- September – October: Staff and ATAC review
- November 6, 2025: ATAC recommendations to Finance and Administrative Committee
- November 18, 2025: Finance and Administrative Committee recommendations to Town Council
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#### **IV. Grant Review and Recommendation Process**

##### **A. Staff and Technical Review**

Town staff perform the initial screening for:

- Application completeness and eligibility
- Compliance with S. C. Code Ann. § 6-4-10, *et seq.* (Supp. 2024)
- Duplication of Town services or existing efforts
- Alignment with the Town's Strategic Action Plan

##### **B. Accommodations Tax Advisory Committee (ATAC) Review**

- Appointed per SC Code § 6-4-25 (Supp. 2024)
- Includes stakeholders from hospitality, lodging and cultural sectors
- Reviews applications, may request presentations
- Scores and ranks projects based on evaluation criteria

##### **C. Finance & Administrative Committee Review**

- Reviews ATAC recommendations and evaluates fiscal implications
- Ensures alignment with Town budget policies and goals
- May adjust or seek clarification on recommendations

##### **D. Town Council Review and Final Decision**

- Reviews staff and committee recommendations
- Holds public meeting for deliberation and action
- Final grant awards approved by majority vote

## **V. Evaluation Criteria Used in Funding Decisions**

Projects are evaluated for consistency with S. C. Code Ann. § 6-4-10, *et seq.* (Supp. 2024) using the following criteria:

- Tourism impact: Expected visitor volume
- Overnight stays: Influence on lodging demand
- Marketing: Strategy effectiveness and target market reach
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- Project readiness: Timeline, leadership, and deliverability
- Matching funds: Leveraging other funding sources
- Accountability: Performance on prior grants

## **VI. Post-Award Requirements**

Grantees must:

- Enter into a formal agreement with the Town
- Submit regular progress and final outcome reports
- Maintain documentation of all expenditures
- Submit documentation to request reimbursements
- Return unused or misused funds

## **VII. Town Council Voting and Approval Process**

Following staff and committee review, Town Council formally votes on grant awards at a scheduled public meeting.

### **A. Agenda Item Placement**

- Grant recommendations appear on the agenda as an action item
- Includes award list, committee summaries, and supporting documentation

### **B. Deliberation Procedures**

- ATAC Chair presents ATAX grant funding recommendations to Town Council with Finance Director or designee support
- Town Council members may ask questions of staff, the ATAC Chair, or applicants (if present).
- Discussion may include priorities, potential funding adjustments, or requests for additional information.

### **C. Motions and Amendments (Standard Operating Procedure)**

1. Approval as submitted:
  - Motion to approve full list as presented.

- No amendments needed; proceeds to vote.
2. Partial approval with amendments:
    - Motion to approve parts of the list.
    - Amendments to add, reduce, or defer specific awards are voted on individually.
  3. Rejection or deferral:
    - Council may reject and request a revised recommendation.
    - May also defer decision to a later meeting.

#### **D. Voting Procedure**

- Roll call vote conducted by the Town Clerk
- Majority vote required for passage
- Results recorded in the official meeting minutes
- Upon approval, staff initiate grant agreements and disbursements

### **VIII. Use of ATAX for Workforce Housing**

#### **A. Legislative Background**

In 2024, the South Carolina General Assembly amended the ATAX statute to allow a temporary use of ATAX funds for workforce housing. This addresses the challenge of providing affordable housing options for workforce.

#### **B. Authorized Use**

- Permitted Use: Support, subsidy, or development of workforce housing.

#### **C. Sunset Provision**

- This provision expires on December 30, 2030, unless extended
- All commitments must be executed within this timeframe
- Staff must track expenditures and ensure compliance

#### **D. Implementation Considerations for Hilton Head Island**

- Ensure legal compliance, reporting, and documentation

## IX. FY26 Projected Revenues and Distribution Policy

### A. Overview of FY26 Revenue Projections

For Fiscal Year 2026, the Town of Hilton Head Island has projected SC Accommodations Tax (ATAX) revenues totaling \$12,354,522.

This estimate is based on historical revenue trends and is included to illustrate the implementation of the fund distribution policy below.

### B. Recommended Distribution Policy

To ensure consistency, fiscal responsibility, and alignment with the Town’s Strategic Plan, staff propose a SC ATAX Fund Distribution Policy as outlined below as it is applied to the FY26 proposed distributions:

Distribution Category	Required Distribution	Proposed Distribution	Proposed \$ Distribution
First \$25,000 to General Fund	\$25,000	\$25,000	\$25,000
5% to General Fund	5%	5%	\$616,476
30% to DMO	30%	30%	\$3,698,857
ATAX Grant Awards	—	30%	\$3,706,357
General Fund (Tourism Operating Expenses)	—	20%	\$2,454,654
Capital Improvement Program (CIP)	—	10%	\$1,235,452
Tourism-Serving Housing Program	—	5%	\$617,726
Total	35%	100%	\$12,354,522

### C. Policy Intent

This distribution policy is designed to:

- Meet statutory obligations under S. C. Code Ann. § 6-4-10, *et seq.* (Supp. 2024)
- Ensure a balanced and transparent allocation between grants, operational needs, capital projects, and strategic housing investment
- Reinforce alignment with the Town of Hilton Head Island Strategic Plan goals, particularly in the areas of economic development, tourism sustainability, infrastructure investment, and workforce housing

## **D. Strategic Outcomes**

By utilizing this structured distribution framework, the Town aims to:

- Provide predictable funding for eligible tourism initiatives
- Maintain strong oversight and evaluation of grant-funded projects
- Support Town-managed tourism operations through the General Fund
- Invest in tourism-related infrastructure and long-term capital needs
- Pilot and sustain targeted housing initiatives to support the tourism workforce



**Town of Hilton Head Island  
FY26 South Carolina Accommodations  
Tax Calendar**

---

***June 2025***

**June 12**

- Preliminary Meeting with F & A Committee Chairman to discuss ATAX Grant cycle schedule, strategic priorities, and proposed SC ATAX Grant Fund Distribution Policy.

**June 13 – 20**

- Individual one-on-one meetings with F & A Committee members to gather feedback on proposed ATAX Grant program changes and process improvements.

**June 26**

- Finance and Administrative Committee Meeting
    - SC ATAX Fund Distribution Policy presented and considered.
- 

***July 2025***

**July 15**

- Town Council Meeting
  - SC ATAX Fund Distribution Policy presented and considered.

**July 17**

- Town announces SC ATAX Grant cycle via website, media release, email outreach, and social media.

**July 24**

## Attachment 2 – FY2026 South Carolina Accommodation Tax Calendar

- Accommodations Tax Advisory Committee Meeting
  - Election of new ATAC Chair
  - Onboarding session for new and returning members to review roles, responsibilities, and the updated grant process.

### **July 30**

- Mandatory training workshop for potential ATAX applicants to understand eligibility, application requirements, and portal navigation. (PM Workshop)

### **July 31**

- Mandatory training workshop for potential ATAX applicants to understand eligibility, application requirements, and portal navigation. (AM Workshop)
- 

## *August 2025*

### **August 4**

- SC ATAX Grant Application opens; online portal open for submissions.

### **August 4 – September 5**

- Staff available to applicants for technical assistance and process questions.
- 

## *September 2025*

### **September 5**

- SC ATAX Grant Application closes; online portal closes for submissions.

### **September 6 – 16**

- Staff review and verify SC ATAX Grant submissions for completeness of application, eligibility, and documentation compliance.

### **September 18**

- Accommodations Tax Advisory Committee Meeting
  - Align committee members on evaluation rubric, ensure fairness, and clarify scoring criteria.

### **September 22**

- Staff notifies ATAX applicants of their application status – approved for advancement or not proceeding.

**September 25**

- Accommodations Tax Advisory Committee Meeting
    - Review ATAX applicant list.
    - Review scoring process and discuss evaluation procedures.
- 

***October 2025***

**October 16**

- Accommodations Tax Advisory Committee Meeting
  - ATAX Applicant Presentations.

**October 23**

- Accommodations Tax Advisory Committee Meeting
    - ATAX Applicant Presentations.
- 

***November 2025***

**November 6**

- Accommodations Tax Advisory Committee Meeting
  - Recommend SC ATAX Grant awards for F & A Committee consideration.

**November 18**

- Finance and Administrative Committee Meeting
    - Review ATAC recommendations for SC ATAX Grant awards.
    - Make recommendation to Town Council for consideration.
- 

***December 2025***

**December 4**

- Public Notice of Town Council consideration of SC ATAX Grant awards.

## Attachment 2 – FY2026 South Carolina Accommodation Tax Calendar

### **December 9**

- Town Council Meeting
  - Consideration of SC ATAX Grant awards.

### **December 12**

- SC ATAX Grant award letters and next-step instructions issued to all SC ATAX Grant recipients.

### Attachment 3 - South Carolina Accommodations Tax Historical Funding Distribution

	2019	2020	2021	2022	2023	2024	2025 Projection	2026 Projection
<b>REVENUES - FISCAL YEAR</b>	6,880,027	6,490,407	10,183,479	13,569,288	13,344,903	12,790,329	12,811,107	12,354,522
							Approved FY2025 Revenue Estimate	Proposed FY2026 Funding Distribution
<b>Required Expenditures:</b>								
First \$25,000 to General Fund	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
5% to General Fund	342,751	323,270	507,924	677,214	665,995	638,266	639,305	616,476
Required DMO 30%	2,056,508	1,939,622	3,047,544	4,063,286	3,995,971	3,829,597	3,835,832	3,698,857
<b>Required Expenditures</b>	<b>2,424,259</b>	<b>2,287,892</b>	<b>3,580,468</b>	<b>4,765,501</b>	<b>4,686,966</b>	<b>4,492,863</b>	<b>4,500,137</b>	<b>4,340,333</b>
ATAX Distribution as a % of Revenues	35%	35%	35%	35%	35%	35%	35%	35%
<b>Remaining - Available for other purposes</b>	<b>4,455,768</b>	<b>4,202,515</b>	<b>6,603,011</b>	<b>8,803,787</b>	<b>8,657,937</b>	<b>8,297,466</b>	<b>8,310,970</b>	<b>8,014,189</b>
<b>Town Appropriations - Historical/Projections:</b>								
Supplemental Grant DMO	596,218	541,150	234,085	419,458	437,090	215,608	-	-
ATAX Distribution as a % of Revenues	9%	8%	2%	3%	3%	2%	0%	0%
Approved Town Grants	2,122,802	2,530,408	1,629,223	4,032,501	3,559,779	4,573,538	4,180,077	3,706,357
ATAX Distribution as a % of Revenues	31%	39%	16%	30%	27%	36%	33%	30%
Operating Expenses (GF)	1,389,630	1,346,941	1,173,470	992,997	1,754,216	2,851,755	2,850,716	2,454,654
ATAX Distribution as a % of Revenues	20%	21%	12%	7%	13%	22%	22%	20%
Capital Improvements Plan (CIP)			-	-	232,592	14,294	3,200,000	1,235,452
ATAX Distribution as a % of Revenues	0%	0%	0%	0%	2%	0%	25%	10%
Stormwater (CIP)			-	-	490,000	-	-	-
ATAX Distribution as a % of Revenues	0%	0%	0%	0%	4%	0%	0%	0%
Land Purchases			-	-	-	2,000,000	-	-
ATAX Distribution as a % of Revenues	0%	0%	0%	0%	0%	16%	0%	0%
Housing			-	-	-	1,100,000	1,000,000	617,726
ATAX Distribution as a % of Revenues	0%	0%	0%	0%	0%	9%	8%	5%
<b>Town Appropriations - Historical/Projections:</b>	<b>4,108,650</b>	<b>4,418,499</b>	<b>3,036,778</b>	<b>5,444,956</b>	<b>6,473,677</b>	<b>10,755,195</b>	<b>11,230,793</b>	<b>8,014,189</b>
ATAX Distribution as a % of Revenues	60%	68%	30%	40%	49%	84%	88%	65%
<b>Total Remaining - Unallocated/Overspent</b>	<b>347,118</b>	<b>(215,984)</b>	<b>3,566,233</b>	<b>3,358,832</b>	<b>2,184,260</b>	<b>(2,457,729)</b>	<b>(2,919,823)</b>	<b>0</b>
ATAX Distribution as a % of Revenues	95%	103%	65%	75%	84%	119%	123%	100%
<b>Cumulative Current ATAX Fund Balance *</b>	<b>3,636,820</b>	<b>3,443,421</b>	<b>7,015,838</b>	<b>10,387,797</b>	<b>12,943,692</b>	<b>10,985,197</b>	<b>8,065,374</b>	<b>8,689,350</b>

## ATTACHMENT 4 - South Carolina Accommodations Tax Proposed Funding Distribution

	2019	2020	2021	2022	2023	2024	2025 Projection	2026 Projection
<b>REVENUES - FISCAL YEAR</b>	<b>6,880,027</b>	<b>6,490,407</b>	<b>10,183,479</b>	<b>13,569,288</b>	<b>13,344,903</b>	<b>12,790,329</b>	<b>12,811,107</b>	<b>12,354,522</b>

	2019	2020	2021	2022	2023	2024	2025 Projection	2026 Projection	Proposed % Distribution	Proposed \$ Distribution
<b>Required Expenditures:</b>										
State Required Distributions	35%	35%	35%	35%	35%	35%	35%	35%	<b>35%</b>	\$ 4,340,333
										\$ -
										\$ -
<b>Town Appropriations - Historical/Projections:</b>										
Supplemental Grant DMO	9%	8%	2%	3%	3%	2%	0%	0%	<b>0%</b>	\$ -
ATAX Grants	31%	39%	16%	30%	27%	36%	33%	30%	<b>30%</b>	\$ 3,706,357
Operating Expenses - General Fund	20%	21%	12%	7%	13%	22%	22%	20%	<b>20%</b>	\$ 2,454,654
Capital Improvement Program - CIP	0%	0%	0%	0%	2%	0%	25%	10%	<b>10%</b>	\$ 1,235,452
Stormwater - CIP	0%	0%	0%	0%	4%	0%	0%	0%	<b>0%</b>	\$ -
Land Purchases - CIP	0%	0%	0%	0%	0%	16%	0%	0%	<b>0%</b>	\$ -
Housing Program	0%	0%	0%	0%	0%	9%	8%	5%	<b>5%</b>	\$ 617,726
<b>Total Town Distribution %</b>	<b>60%</b>	<b>68%</b>	<b>30%</b>	<b>40%</b>	<b>49%</b>	<b>84%</b>	<b>88%</b>	<b>65%</b>	<b>65%</b>	\$ 8,014,189
<b>Total Distribution %</b>	<b>95%</b>	<b>103%</b>	<b>65%</b>	<b>75%</b>	<b>84%</b>	<b>119%</b>	<b>123%</b>	<b>100%</b>	<b>100%</b>	\$ 12,354,522



## ACCOMMODATIONS TAX ADVISORY COMMITTEE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

### 2026 Accommodations Tax Grant Application

**All applications must be fully completed and submitted electronically to the Town of Hilton Head Island no later than 4:00 p.m. on Friday, September 5, 2025.**

This complete application package includes the following:

1. Application Guidelines
2. Accommodations Tax Funds Application
3. Accommodations Tax Advisory Committee (ATAC) Members
4. Application Training Workshops (Mandatory)
5. ATAC Meeting Schedule
6. SC Accommodations Tax Laws

Applications will first be subject to Town Staff and ATAC review for compliance with the law as to eligibility. For those applications passing the initial review, the applicants will be asked to make personal presentations at ATAC hearings. These presentations are scheduled for **October 16 and October 23, 2025**. Each applicant will be notified using the email provided on the application of their scheduled presentation time.

The ATAC Committee requests each applicant to adhere strictly to the guidelines and requirements provided herein.

**Failure to correctly complete the application in its entirety, including the necessary board resolution and financial data, may disqualify what may be an otherwise qualifying application.**

### **GUIDELINES FOR APPLICATIONS FOR ACCOMMODATIONS TAX FUNDS**

#### **A. INTRODUCTION**

1. As applicable to Hilton Head Island, the State law (See copy attached and section 6-4-10 in particular.) specifies three groups, in general, which are entitled to receive bed tax funds after other mandated distributions have been made from the total funds available:

- a. Town government: "Based on the estimated percentage of costs directly attributed to tourists," Town expenditures for "the criminal justice system, law enforcement, fire protection, solid waste collection and health facilities when required to serve tourists and tourist facilities." See 6-4-10(b) and (b.4).
  - b. Qualified groups advertising and promoting tourism in order to develop and increase tourism. See 6-4-10(b.1).
  - c. Qualified sponsors of arts and cultural events and for construction, maintenance, and operation of facilities for civic and cultural activities. See 6-4-10(b.2 and b.3).
2. The law requires that the funds be used for **tourism-related expenditures** "primarily in the geographical area ... (of Hilton Head Island)." See 6-4-10(d). Therefore, the committee will not look with favor on applications for funds to be spent outside the Town or for activities or enterprises conducted outside the Town. The Committee will consider how applications either drive tourism to the Town or enhance our visitors' experience.
  3. Applications must be filed by the publicly announced filing deadline. The Committee may, for extraordinary reasons which prevent timely filing, extend the filing deadline.

**B. NOTES REGARDING THE APPLICATION**

**1. Summary of Grant Request**

- a. Provide the organization's name and the name of the project/event.
- b. Provide preferred contact information for the organization and primary contact.
- c. List the organization's total annual budget and 2026 grant request amount.
- d. Provide a brief description of the intended use of the grant and outline how the money would be used. *The Committee uses this as a cover page summary; applicants will have an opportunity to provide more detail in the application.*
- e. Describe how the organization either drives tourism to the Island or enhances the visitor experience. Show how this is currently being measured. *This provides the Committee with the necessary insight as to how the organization/event impacts the general tourism industry on the Island.*
- f. Provide the annual number of patrons served by the organization/event. Also, provide the total number of tourists served. *This provides the Committee with an estimated tourist ratio which may be used to determine grant award allocation based off TERC recommended practices.*

**2. Description of Operations**

- a. Describe the organization/event purpose and overall operation.
- b. The description must state what is intended to be accomplished by Accommodation Tax funds, and the source and amount of other funds to be committed to the operations.
- c. Describe the impact to the organization should it not be fully funded for the 2026 grant request.

- d. The "Impact on or Benefit to Tourism" statement should be supported by data and other records or history insofar as possible. All applicants must be able to provide the number of visitors served on an annual basis, or at the event for which funds are requested, and state how this number is calculated. Whenever possible, applicants should provide additional data on how their attendance numbers drive tourism. *(The State's legal definition of a "visitor" is someone who travels from beyond the government's limits, i.e., outside the Town of Hilton Head Island; however, strong consideration will be given to the State's Tourism Expenditure Review Committee (TERC) preferred definition that a "tourist" is someone who travels from outside a 50-mile radius.)*
- e. Per State requirements, please show how the grant request would be classified (as a percentage) by the categories listed. The total amount must equal 100%.
- f. To qualify for an award, all planned expenditures must fall into the categories described in Section B.5 of this application (Section 6-4-10 of State Law). Please ensure that the entire grant request is eligible and adequately described in Sections B.1-4 of this application. All details described must reconcile with the total request.

### **3. Funding**

- a. Provide a brief description on how the organization is currently funded.
- b. As a percentage, show how the current funding is categorized.
- c. Please list the top 3 sources of public funding applied for, or received, for 2025 and 2026.

### **4. Financial Guarantees and Procedures**

- a. Applicants must include a copy of their organization's official minutes wherein the organization approves the application and commits the organization to financial responsibility for carrying it out to the stage of completion contemplated in the application, should funding be approved.

### **5. Measuring Effectiveness:**

- a. Provide a description of how the prior ATAX funds were used, and to what extent the organization's objectives were achieved. Numerics are encouraged. Bullets or an outline format may be used.
- b. Describe how the organization plans to reduce its dependency on ATAX funds in the future or increase its impact on tourism.

### **6. Executive Summary:**

- a. Please use the link in the application portal to access and complete the "ATAX Effectiveness" form to report uses of the organization's prior ATAX grant, if applicable. When completing the form, reference the Categories in Section B.5 of this application, and report on the specifics of each Category awarded to your organization in its most recent ATAX grant. If you choose to create your own format for the Executive Summary instead of using the ATAX Effectiveness form, please reference the form and use the criteria as a guideline.

**7. Application Submission**

- a. Requests for funding must be submitted by a non-profit organization. Applications cannot be accepted from individuals, for-profit entities, or ad-hoc committees. Proof of non-profit status must accompany applications, e.g., IRS 501 (c) (3) letter. Non-profits are defined pursuant to SC Code of Laws.
  
- b. The full name, postal mailing address, email address and telephone number of a primary contact person, given the authority and responsibility to represent the application before the Committee, must be included in this section.

# 2026

## ACCOMMODATIONS TAX FUNDS REQUEST APPLICATION

<b>For Office Use Only</b>	Time Received:	By:
Date Received:		

*Applications will not be accepted if submitted after 4:00 P.M. on September 5, 2025*

### **A. Summary of Grant Request:**

ORGANIZATION NAME: \_\_\_\_\_

Project/Event Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_ Contact Phone: \_\_\_\_\_

Event Date: \_\_\_\_\_ Event Location: \_\_\_\_\_

Total Budget: \_\_\_\_\_ Grant Amount Requested: \_\_\_\_\_

**Provide a brief summary on the intended use of the grant and how the money would be used.**  
(100 words or less)

**How does the organization/event either drive tourism to Hilton Head Island or enhance the visitor experience on Hilton Head Island? How is this impact being measured?** (100 words or less)

- A. **Total Number of Physical Tourists Served:** \_\_\_\_\_  
(A Tourist is considered a non-resident, traveling more than 50 miles to the Town of Hilton Head Island)
- B. **Total Number of Physical Visitors Served:** \_\_\_\_\_  
(A Visitor is considered a non-resident, who travels 50 miles or less to visit the Town of Hilton Head Island)
- C. **Total Number of Physical Residents Served:** \_\_\_\_\_  
(A Resident is considered any person who claims their property address within the limits of the Town of Hilton Head Island as their primary residence.)
- D. **Total Number of Physical Patrons Served (A+B+C=D)** \_\_\_\_\_

**How was the Number of Visitors Documented? (250 words or less)**

(Please explain if you had virtual events and approximately how many visitors attended).

**B. DESCRIPTION OF OPERATIONS:**

- 1. **For state reporting purposes, give a brief description of the organization. (250 words or less)**

- 2. **Describe in detail how the requested grant funding would be used. (250 words or less)**

3. **What impact would partial funding have on the activities if full funding were not received? What would the organization change to account for partial funding?** (100 words or less)

4. **What is the expected economic impact and benefit to the Island’s tourism?** (100 words or less)

5. In order to comply with the State’s *Tourism Expenditure Review Committee* annual reporting requirements, **please classify the current grant request into the following authorized categories:**

- 1 – Destination Advertising/Promotion \_\_\_\_\_ %  
*Advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity*
- 2 – Tourism-Related Events \_\_\_\_\_ %  
*Promotion of the arts and cultural events*
- 3 – Tourism-Related Facilities \_\_\_\_\_ %  
*Construction, maintenance and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities*
- 4 – Tourism-Related Public Services \_\_\_\_\_ %  
*The criminal justice system, law enforcement, fire protection, solid waste collection and health facilities when required to serve tourists and tourist facilities (This is based on the estimated percentage of costs directly attributed to tourists. It also includes public facilities such as restrooms, dressing rooms, parks and parking lots)*
- 5 – Tourist Public Transportation \_\_\_\_\_ %  
*Tourist shuttle transportation*
- 6 – Waterfront Erosion/Control/Repair \_\_\_\_\_ %  
*Control and repair of waterfront erosion*
- 7 – Operation of Visitor Information Centers \_\_\_\_\_ %  
*Operating visitor information centers*

Total: 100 %

6. If not covered elsewhere in the application, please describe measures the organization has already taken, is currently taking, and/or will be taking with other like tourism service providers to (a) explore opportunities for collaborative promotional or operational efforts to collectively enhance tourism, (b) better leverage spending to drive tourism, and/or (c) to provide a venue of service not otherwise available to tourists and visitors to the Town of Hilton Head Island.

**7. Additional comments**

**C. FUNDING:**

1. Please describe how the organization is currently funded. (100 words or less)

2. Please also estimate, as a percentage, the source of the organization's total annual funding.

_____ Government Sources	_____ Private Contributions, Donations & Grants
_____ Corporate Support, Sponsors	_____ Membership Dues, Subscriptions
_____ Ticket Sales, or Sales & Services	_____ Other

3. Has the organization requested other ATAX or any other funding from other public sources or organizations? If so, please list top 3 sources and amounts.

**D. FINANCIAL INFORMATION:**

Fiscal year disclosure: Start Month: \_\_\_\_\_ End Month: \_\_\_\_\_

**Financial Statement Requirements:**

1. The upcoming fiscal year’s operating budget for the organization.
2. The previous two fiscal years and current year-to-date profit and loss reports for the organization.
3. The previous two fiscal years and current year-to-date balance sheets.
4. The previous two years and current year IRS Form 990 or 990T.

**E. FINANCIAL GUARANTEES AND PROCEDURES:**

1. Provide a copy of the official minutes wherein the organization approves the submission of this application.
2. Indicate whether or not your organization has its own procurement guidelines, which are utilized and followed in the expenditure of ATAX grant funds.
  - Our organization utilizes and follow our own procurement guidelines.
  - Our organization does not have or follow procurement guidelines.

**F. MEASURING EFFECTIVENESS:**

If you received 2024 or 2025 HHI ATAX funds

1. **List any ATAX award amounts received in 2024 and/or 2025. How were the ATAX funds used? To what extent were your objectives achieved? The ATAX Effectiveness Measurement spreadsheet available in the application portal will show the numerics. Use the space below for verbal comments. (200 words or less)**

2. **What impact did this have on the success of the organization/event and how did it benefit the community? (200 words or less)**

3. How does the organization measure the effectiveness of both the overall activity and of individual programs? (200 words or less)

**G. Executive Summary:**

Provide an executive summary using the ATAX Effectiveness Measurement spreadsheet provided via a link in the application portal, or your own format. If creating your own format, please refer to the ATAX Effectiveness Measurement spreadsheet and use the criteria as a guideline. (1300 words or less)



## 2026 Accommodations Tax Grant

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### APPLICATION FINAL CHECKLIST

(Complete and return this list with the application.)

- The application is being submitted by September 5, 2025, 4:00 PM deadline.
- We have reviewed and followed the application guidelines.
- We have provided a Board Resolution approving this application.
- We have supplied all Financial Data required for a complete application.
- We will be prepared to make a verbal presentation to the Committee and answer questions at the appropriate time scheduled.
- We will have attended one of the two mandatory applicant training workshops.



**Town of Hilton Head Island  
Accommodations Tax (ATAX) Grant Program**

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# **Application Evaluation & Scoring Guide**

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*This guide provides the Accommodations Tax Advisory Committee with standardized tools and criteria to assess ATAX grant applications and ensure alignment with State guidelines and the Town's Strategic Plan Priorities.*

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# Evaluation and Funding Scoring Instructions

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## Instructions for ATAC Members

1. **Review each application thoroughly**, focusing on the following criteria:
    - Alignment with the Town’s Strategic Plan priorities
    - Community and Economic Impact
    - Potential for growth and Tourism Expansion
    - Application Quality and Clarity
    - Long-Term Sustainability and Fiscal Responsibility
  2. **Score each of the five evaluation criteria on a scale from 1 to 5** using the guide below:
    - 1 = Poor – Does not meet the criteria
    - 2 = Fair – Partially meets the criteria
    - 3 = Good – Meets the criteria
    - 4 = Very Good – Meets most or all criteria well
    - 5 = Excellent – Fully meets or exceeds the criteria
  3. **Provide brief comments for each criterion to justify your score.** These notes are essential for maintaining transparency and supporting meaningful feedback to applicants.
  4. **Assess the applicant’s tourism data using the Tourism Metrics-Based Funding Tier (see on pg. 2).** Use this to determine a Suggested Tourism Percentage. This percentage determines the eligible reimbursement rate for all expense categories except Category 1: Advertising and Promotion, which is reimbursed at 100%.
  5. **Record the "Suggested Tourism Percentage"** based on the quality, source, and reliability of the tourism metrics provided by the applicant.
  6. **Record your “Suggested Funding Total”** based on your overall evaluation of the application.
  7. **Prepare to discuss your scoring and Suggested Tourism Percentage** during the ATAC review meetings. These tools assist in deliberation and do not constitute a final funding recommendation to Town Council.
-

## Tourism Metrics-Based Funding Tier

Tier	Description	Guidance
<b>High</b>	Clear, verifiable tourism data (see examples below)	Support the applicants full estimated tourism percentage (recommend up to 100% as provided)
<b>Moderate</b>	Partial or inconsistent tourism data	Recommend a moderated tourism percentage that reflects the data quality, generally up to 75% of the applicant's original estimate
<b>Low/Absent</b>	No reliable tourism data or questionable methodology	Recommend a reduced tourism percentage, typically 50% or less of the applicant's original estimate, depending on data limitation and justification

**Note:** New applicants without historical data may still receive funding consideration if they provide:

- A clear and realistic plan to collect tourism data during their first event
- Evidence of tourism-focused outreach or partnerships
- Demonstrated regional marketing strategies or potential tourism appeal

In such cases, ATAC may apply a default Suggested Tourism Percentage with potential for future increases contingent on post-event reporting.

## Tourism Impact Documentation Guidance

All applicants must demonstrate a measurable connection between their project or operations and tourism activity on Hilton Head Island. This applies to both ticketed and non-ticketed events (e.g., festivals, parades, exhibits).

**Acceptable documentation includes, but is not limited to:**

- Surveys or interviews asking where attendees are from
- Zip code or geolocation data from RSVPs, mailing lists, social media followers, or contest entries
- Hotel partner feedback or booking data linked to the event date
- Website or social media analytics showing non-local engagement
- Press coverage in regional, statewide, or national outlets
- Photographic or drone evidence of crowd size, supported by estimated attendance
- Letters of support from tourism partners or local businesses
- Third-party tourism impact reports, if available

**Special Guidance for Parades and Open-Access Events** Acceptable documentation may include:

- Estimates or rosters of out-of-area event vendors and entertainers
- Reserved hotel room blocks or special rates for out-of-town attendees
- Post-event surveys from spectators and attendants indicating travel origin
- Traffic, shuttle, or parking data demonstrating visitor inflow
- Copies of outreach materials distributed outside Hilton Head (e.g., Savannah, Charleston)

**Evaluation Criteria: Scoring Rubric**

Area	Evaluation Focus	Key Considerations
1. Alignment with Strategic Plan	Supports the Town’s Strategic Plan priorities	• Relevance to strategic goals • Contribution to both local and visitor communities
2. Community & Economic Impact	Drives local tourism and supports the economy	• Benefits to local businesses • Off-peak timing • Cultural or educational value
3. Growth Potential	Potential to expand tourism impact	• Targeted marketing strategy • Visitor engagement • Innovation and reach
4. Application Quality	Clarity and professionalism	• Defined goals and outcomes • Project readiness Clear projected budget outline
5. Long-Term Sustainability	Progress toward financial independence	• Effective use of previous ATAX grants • Matching funds • Evidence of planning

**Total Score:** \_\_\_\_\_ / 25

**Final Summary**

- **Suggested Tourism %:** \_\_\_\_\_%
- **Be prepared to discuss** your scoring and tourism percentage assignments in ATAC review meetings.
- These scores will assist in group deliberations and development of formal funding recommendations.

# ATAX Grant Evaluation Packet: Sample Scoring Sheets

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## Sample 1: High-Impact Organization with Questionable Tourism Metrics

**Applicant Name:** Heritage Food & Music Festival

**Categories Requested:**

- Category 1 – Advertising & Promotion: \$15,000
- Category 2 – Tourism-Related Events: \$25,000
- Category 3 – Tourism-Related Facilities: \$10,000

**Total Request:** \$50,000

**Evaluator:** [ATAC Member Name]

**Date:** [Insert Date]

### Scoring Rubric (1–5 scale)

Evaluation Area	Score	Evaluator Comments
1. Alignment with Strategic Plan	4	Aligns with cultural tourism and community engagement objectives.
2. Community & Economic Impact	5	Longstanding event with strong local and regional attendance.
3. Growth Potential	4	Clear plans for vendor and regional growth, but marketing appears locally focused.
4. Application Quality	4	Well-prepared and clear. Popular local event but lacking depth in describing tourism data.
5. Fiscal Responsibility	4	Budget appears balanced, but ATAX dependency remains.

**Total Score:** 21 / 25

### Tourism Metrics Submitted:

Claimed 99% tourism rate based on 85 license plates. No surveys, hotel reports, or outreach analytics. Marketing primarily in local channels.

**Tourism Tier:** Low to Moderate

**Suggested Tourism Percentage:** 50%

**Suggested Funding Total:** \$50,000

*(\$15,000 for Category 1; \$25,000 for Category 2, \$10,000 for Category 3)*

### Final Recommendation:

High-impact event, but limited tourism data supports a reimbursement rate of 50% for non-advertising categories.

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## Sample 2: Strong Applicant with Questionable Budget Detail

**Applicant Name:** Island Arts Festival

**Categories Requested:**

- Category 1 – Advertising & Promotion: \$100,000
- Category 2 – Tourism-Related Events: \$50,000

**Total Request:** \$150,000

**Evaluator:** [ATAC Member Name]

**Date:** [Insert Date]

### Scoring Rubric (1–5 scale)

Evaluation Area	Score	Evaluator Comments
1. Alignment with Strategic Plan	5	Strong support for strategic goals around arts, culture, and off-season tourism.
2. Community & Economic Impact	4	Known draw with multi-day programming. Opportunities to expand beyond region.
3. Growth Potential	4	Potential is evident, but budget doesn't show where growth will be targeted.
4. Application Quality	3	Proposal is organized, but vague budget: "\$100,000 to marketing" lacks specifics.
5. Fiscal Responsibility	3	Needs a clearer, line-item financial plan for such a large request.

**Total Score:** 19 / 25

**Tourism Metrics Submitted:**

Strong metrics including zip code data, website analytics, hotel partner feedback, regional press coverage.

**Tourism Tier:** High

**Suggested Tourism Percentage:** 90%

**Suggested Funding Total:** \$120,000

*(\$70,000 for Category 1 and \$50,000 for Category 2)*

**Final Recommendation:**

Tourism documentation supports funding, but lack of detail on marketing expenses warrants partial funding for Category 1.