



Town of Hilton Head Island

Accommodations Tax Advisory Committee Meeting

Thursday, September 25, 2025, 9:00 AM
1 Town Center Court, Hilton Head Island, SC
Benjamin M. Racusin Council Chambers

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 July 24, 2025
4. **New Business**
 - a. Review of the Proposed Dates and Times for Applicant Hearings - Michele Bunce, Senior Grants Administrator
 - b. Preliminary Review of the 2026 Accommodations Tax Grant Applications - Michele Bunce, Senior Grants Administrator
5. **Public Comment - Non Agenda Items**
6. **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.

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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
ACCOMMODATIONS TAX ADVISORY
COMMITTEE MEETING
Thursday, July 24, 2025, 2:00 PM
Minutes

Call to Order

Current Vice-Chair Farrell called the meeting to order at 2:00 p.m.

Committee Members Present: Keigh Schlegel, *Chairman*; Martin Lesch, *Vice-Chairman*; Cecile Eck, John Farrell, Adriaan Radder and Dave Ferguson

Members Absent: Thomas Dowling

Members of Town Council Present: Alex Brown, Mayor Pro-Tem

Introduction of Newly Appointed Members

Michele Bunce, Senior Grants Administrator, introduced newly appointed Accommodations Tax Advisory Committee Member, Dave Ferguson. Town Staff and Committee Members welcomed Mr. Ferguson to the Committee.

Adoption of the Agenda

Mr. Lesch made a motion to adopt. Mr. Schlegel seconded. Motion carried 6-0.

Approval of the Minutes

Regular Meeting Minutes of April 3, 2025

Mr. Lesch made a motion to approve. Mr. Schlegel seconded. Motion carried 6-0.

New Business

Election of Chairman and Vice Chairman

Current Vice-Chair Farrell nominated Mr. Schlegel as Chair. Motion carried 5-0-1 (Mr. Schlegel abstained).

Current Vice-Chair Farrell nominated Mr. Lesch as the new Vice-Chair. Motion carried 5- 0-1 (Mr. Lesch abstained).

Overview of Accommodations Tax Advisory Committee Role, Responsibilities, and Statutory Requirements - Curtis Coltrane, Town Attorney

Mr. Coltrane presented an overview of the need for and requirements of the Accommodations Tax Advisory Committee, including its role and responsibilities. He stated that the Committee's primary purpose is to guide the distribution of grant funds and provide

recommendations for the ATAX Grant Awards, with the final decision made by Town Council. He also reviewed the role of the Tourism Expenditure Review Committee (TERC), which serves as the oversight authority to ensure compliance with State law by reviewing reporting forms submitted by Municipalities.

Mr. Coltrane further explained how the Accommodations Tax is calculated and outlined the statutory regulations governing its use. He clarified the distinction between the Local and State accommodations tax and noted that State law requires 65% of ATAX revenue to be allocated to Tourism-Related Expenditures. He also provided examples of expenditures that qualify under State guidelines.

Review of Accommodations Tax Advisory Committee Bylaws and Rules of procedure - Curtis Coltrane, Town Attorney

Review of Election of Officers Requirement

Mr. Coltrane reviewed the procedural guidelines governing the Committee's operations, including the process for electing officers. He emphasized the importance of members being familiar with the governing documents and understanding their responsibilities to ensure proper conduct and compliance with the bylaws.

Committee members asked questions regarding the new ATAX Fund Distribution Policy, particularly the percentage allocations set by the Town. Mr. Coltrane explained that State statute allows the Town to establish its own distribution guidelines and noted that the final allocation of ATAX funds may be adjusted by Town Council. He advised that if the Committee believes further review is needed, the matter should be brought before Town Council.

Mr. Coltrane also reminded the Committee that they have the authority to amend their bylaws if necessary.

Review of South Carolina Freedom of Information Act Requirements - Curtis Coltrane, Town Attorney

Meeting Quorum

Communication Among Committee Members and the Public

Public Records

Executive Session

Mr. Coltrane stated that the Committee is a public body and that all activities conducted in its service are considered public record. He noted that meetings must be properly noticed and that a quorum of at least four members is required for the Committee to take official action.

He emphasized that all communications and documents related to Committee business, regardless of platform or device, are subject to disclosure under the Freedom of Information Act (FOIA), including personal phones and emails.

Mr. Coltrane reviewed the use of Executive Sessions, explaining that they may be appropriate for receiving legal advice; however, the topic of discussion must still be publicly disclosed, and any resulting actions must be taken in open session.

Committee members raised questions regarding ethical responsibilities, such as accepting gifts and determining when to abstain from voting. Mr. Coltrane explained that the key factor is whether a member might personally benefit from a decision. He emphasized that recusal is ultimately a decision for the individual member.

Members discussed scenarios involving their affiliations with local organizations applying for ATAX funds. Mr. Schlegel noted that such experience is valuable but reiterated that if there is any appearance of a conflict, it is best to err on the side of recusal. He stated that disclosure of potential relationships is always recommended, even though the Committee serves in an advisory role rather than as a final decision-making body.

The discussion also addressed distinctions between volunteering and profiting. Mr. Coltrane clarified that while donating time does not present financial gain, disclosure is still good practice, and the decision to recuse remains with the member.

Committee members requested that the Town Attorney provide the relevant state ethics language for further guidance. Mr. Coltrane concluded by emphasizing the importance of thoughtful consideration and discussion on these matters.

Presentation Regarding 2026 Accommodation Tax Grant Application Policy and Process - Michele Bunce, Senior Grants Administrator

Mrs. Bunce asked the Committee if there were any questions or comments regarding the ATAX policy and process. With the exception of new member Mr. Ferguson, members indicated they were already familiar with the procedures. She reminded the Committee that policies and procedures remain open to improvement.

Mrs. Bunce clarified that the Committee recommends funding allocations to the Finance and Administrative Committee and Town Council, which hold final authority. She noted that the distribution policy promotes consistency, clarity, and informed recommendations. She also explained that the application form is a Town document based on State law.

Regarding applicant workshops, Mrs. Bunce stated that at the request of the ATAX Committee attendance is mandatory for all 2026 applicants that will apply. Members expressed concern this could discourage participation, while Mrs. Bunce emphasized the workshops provide valuable updates, clarification, and mentoring opportunities.

The Committee and Mrs. Bunce thanked Shena Smith for her efforts in supporting the Accommodations Tax program.

Public Comment - Non Agenda Items

There was no public comment at this time.

Adjournment

Mr. Farrell adjourned the meeting at 3:05 p.m.

The recording of this Meeting can be found on the Town's website at www.hiltonheadislandsc.gov.



TOWN OF HILTON HEAD ISLAND

Accommodations Tax Advisory Committee

TO: Accommodations Tax Advisory Committee
FROM: Michele Bunce, Senior Grants Administrator
CC: John Troyer, Interim Finance Manager
DATE: September 25, 2025
SUBJECT: Review of the Proposed Dates and Times for Applicant Hearings

RECCOMENDATION:

This is for review purposes only. No action needed by the Committee.

BACKGROUND:

The purpose of this memorandum is to provide the Committee and applicants with an overview of the proposed dates and times for the upcoming Accommodations Tax (ATAX) applicant hearings. The approved hearing dates are **October 16** and **October 23, 2025**.

Each applicant has been scheduled for a total of 20 minutes: 10 minutes for their presentation and 10 minutes for Committee questions and discussion. Applicants are encouraged to arrive early, as some presentations may conclude before the allotted time.

In the event of a scheduling conflict, applicants are asked to notify Town Staff no later than October 1, 2025, so that alternative arrangements may be made.

ATTACHMENTS:

1. Draft Applicant Hearing Dates & Times

2026 Accommodations Tax Advisory Committee Applicant Hearings

Thursday October 16, 2025		Thursday October 23, 2025	
TIME	APPLICANT	TIME	APPLICANT
9:10-9:30	Lowcountry Gullah	9:10-9:30	Long Cove Club (Darius Rucker Intercollegiate)
9:30-9:50	Hilton Head Wine & Food Festival	9:30-9:50	Arts Center of Coastal Carolina
9:50-10:10	Mitchelville Preservation Project	9:50-10:10	Hilton Head Island Airport
10:10-10:30	HHI Rhythm & Blues Festival	10:10-10:30	The Outside Foundation
10:30-10:50	BREAK	10:30-10:50	BREAK
10:50-11:10	Hilton Head Island Concours	10:50-11:10	The Boys & Girls Club of Hilton Head Island
11:10-11:30	NIBCAA	11:10-11:30	Rotary Club of Hilton Head Island Charitable Foundation
11:30-11:50	Beach Cat Sailors of Hilton Head Island	11:30-11:50	Sea Turtle Patrol Hilton Head Island
11:50-12:10	Hilton Head Island Recreation Association	11:50-12:10	Community Foundation of the Lowcountry
12:10-1:10	LUNCH	12:10-1:10	LUNCH
1:10-1:30	David M. Carmines Seafood Festival	1:10-1:30	Hilton Head Symphony Orchestra, Inc
1:30-1:50	The Sandbox	1:30-1:50	Sea Pines Forest Preserve Foundation
1:50-2:10	The Heritage Library Foundation	1:50-2:10	Lowcountry Golf Course Owners
2:10-2:30	Hilton Head Audubon Society	2:10-2:30	Shelter Cove Harbour Company
2:30-2:50	Lean Ensemble Theater	2:30-2:50	Hilton Head Dance Theatre
2:50-3:10	BREAK	2:50-3:10	BREAK
3:10-3:30	Hilton Head Island St. Patrick's Day Parade	3:10-3:30	Harbour Town Merchants Association
3:30-3:50	The First Tee of The Lowcountry	3:30-3:50	Gullah Traveling Theater, Inc
3:50-4:10	Hilton Head Island Bridge Association	3:50-4:10	Hilton Head Choral Society
4:10-4:30	Art League of Hilton Head	4:10-4:30	Gullah Museum of Hilton Head Island
4:30-4:50	The Coastal Discovery Museum	4:30-4:50	Hilton Head Land Trust
4:50-5:10	Palmetto Quilt Guild	4:50-5:10	



TOWN OF HILTON HEAD ISLAND

Accommodations Tax Advisory Committee

TO: Accommodations Tax Advisory Committee
FROM: Michele Bunce, Senior Grants Administrator
CC: John Troyer, Interim Finance Manager
DATE: September 25, 2025
SUBJECT: Preliminary Review of the 2026 Accommodations Tax Grant Applications

Town Staff are presenting the FY 2026 ATAX Grant applications for review and evaluation by the Accommodations Tax Advisory Committee (ATAC). The FY26 application opened on August 4, 2025, and closed on September 5, 2025. A total of 37 applications were submitted requesting a combined \$4,655,093 in funding.

On July 15, 2025, Town Council approved an ATAX Funding Distribution Policy to ensure consistency, fiscal responsibility, and alignment with the Town's Strategic Plan. After meeting the required State distributions, the remaining 65% of ATAX funds were allocated as follows:

- ATAX Grants: 33%
- General Fund (Tourism Operating Expenses): 20%
- Capital Improvement Program (CIP): 7%
- Tourism-Serving Housing Program: 5%

For 2026, the total proposed funding to be distributed totaled \$12,354,522, of which \$4,076,992 is available for ATAX Grant allocations. The Funding Distribution Policy not only meets statutory obligations under SC Code Title 6, Chapter 4 but also provides a structured distribution framework with a predictable funding for eligible tourism initiatives.

Next Steps:

Hearings are scheduled for both October 16 and October 23, 2025, for FY26 ATAX Grant applicants. The ATAC Committee will review and evaluate the FY26 applications and forward a funding recommendation at their November 6, 2025, meeting to the Finance and Administrative Committee. The Finance and Administrative Committee will then review the recommendations and forward their recommendation to Town Council for further consideration at their November 18, 2025, meeting. Final approval of the FY26 applications will be considered and determined by Town Council at their December 9, 2025, meeting.

Attachment:

1. 2026 Application Year ATAX Grant Request

Town of Hilton Head Island

2026 Application Year Atax Grant Requests

September 9, 2025

Organization Name	Activity Name	2026 Requests	Committee Recommendation	Town Council Approved
Art League of Hilton Head	ATAX Application	100,000	0	0
Arts Center of Coastal Carolina	Tourism Operations Support for the Arts Center of Coastal Carolina	447,000	0	0
Beach Cat Sailors of Hilton Head Island	Hilton Head Island Multi Hull Beach Regatta	100,000	0	0
Community Foundation of the Lowcountry	Jerseys & Dresses Charitable Fund Annual Tailgate	16,500	0	0
David M. Carmines Memorial Foundation	Hilton Head Island Seafood Fest	201,095	0	0
Gullah Museum of Hilton Head Island	Gullah Museum of Hilton Head	180,000	0	0
Gullah Traveling Theater, Inc	Gullah Traveling Theater's Hilton Head Island Showcase	25,000	0	0
Harbour Town Merchants Association	Harbour Town 4th of July Fireworks	50,000	0	0
Hilton Head Audubon Society	Hilton Head Audubon	27,955	0	0
Hilton Head Choral Society	2025-2026 Concert Season	20,000	0	0
Hilton Head Concours d'Elegance, Inc	Hilton Head Concours d'Elegance & Motoring Festival	350,000	0	0
Hilton Head Dance Theatre	Hilton Head Dance Theatre Performance Season	20,000	0	0

Organization Name	Activity Name	2026 Requests	Committee Recommendation	Town Council Approved
Hilton Head Island Airport	Hilton Head Island Airport	175,000	0	0
Hilton Head Island Bridge Association	Marketing competitive Bridge to Tourists	20,000	0	0
Hilton Head Island Recreation Association	ATAX Application for Events	75,000	0	0
Hilton Head Island St. Patrick's Day Parade	Hilton Head Island St. Patrick's Day Parade	100,000	0	0
Hilton Head Island Wine and Food Inc	Hilton Head Island Rhythm and Brews	40,000	0	0
Hilton Head Island Wine and Food Inc	Hilton Head Island Wine and Food Festival	130,000	0	0
Hilton Head Land Trust	Fort Howell Renovations	50,000	0	0
Hilton Head Symphony Orchestra, Inc	HHSO Season Operating Grant	360,000	0	0
Lean Ensemble Theater	Lean Ensemble Theater Productions	55,000	0	0
LGCOA - Lowcountry Golf Course Owners	Golf Tourism Public Relations Campaign	150,000	0	0
Long Cove Club	Darius Rucker Intercollegiate	67,250	0	0
Lowcountry Gullah	Lowcountry Gullah	100,000	0	0
Mitchelville Preservation Project	Accommodations Tax Grant Application	205,000	0	0
Native Island Business and Community Affairs Assoc, Inc	Hilton Head Island Gullah Celebration	320,000	0	0
Palmetto Quilt Guild	Quilt Festival	8,000	0	0
Rotary Club of Hilton Head Island Charitable Foundation	Quench Buggy	5,000	0	0

Organization Name	Activity Name	2026 Requests	Committee Recommendation	Town Council Approved
Sea Pines Forest Preserve Foundation	Sea Pines Forest Preserve Foundation Leisure Trail	48,000	0	0
Sea Turtle Patrol Hilton Head Island	Responsibility and Renourishment	70,000	0	0
Shelter Cove Harbour Company	HarbourFest	336,500	0	0
The Boys & Girls Club of Hilton Head Island	Pedal Hilton Head	45,000	0	0
The Coastal Discovery Museum	Cultural and Eco-Tourism Programs	400,000	0	0
The First Tee of The Lowcountry	Increasing Visitors and Upgrading the First Tee Learning Center	63,593	0	0
The Heritage Library Foundation	ATAX Application Heritage Library	140,000	0	0
The Outside Foundation	Environmental Sustainability	72,000	0	0
The Sandbox	Enhancing the Tourist Experience	82,200	0	0
		4,655,093.00	0.00	0.00