



Town of Hilton Head Island

Accommodations Tax Advisory Committee Meeting

Thursday, November 6, 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 September 25, 2025
 - b. Regular Meeting Minutes of October 16, 2025
 - c. Regular Meeting Minutes of October 23, 2025
4. **New Business**
 - a. Review & Recommendation for the 2026 Accommodations Tax Grants - Dave Byrd, Finance Director
 - b. Consideration of the Proposed Calendar Year 2026 Meeting Dates - Michele Bunce, Senior Grants Administrator
5. **Public Comment - Non Agenda Items**
6. **Adjournment**

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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
**ACCOMMODATIONS TAX ADVISORY
COMMITTEE MEETING**
Thursday, September 25, 2025, 9:00 AM
Minutes

Call to Order

Chair Schlegel called the meeting to order at 9:00 AM.

Committee Members Present: Keith Schlegel, Chair; Martin Lesch, Vice-Chair; Thomas Dowling; Cecile Eck, John Farrell; and Dave Ferguson

Committee Members Absent: Adriaan Radder

Town Attorney Present: Curtis Coltrane

Adoption of the Agenda

Vice-Chair Lesch made a motion to adopt. Mr. Dowling seconded. Motion carried 6-0.

Approval of the Minutes

Regular Meeting Minutes of July 24, 2025

Vice-Chair Lesch made a motion to approve. Mr. Farrell seconded. Motion carried 6-0.

New Business

Review of the Proposed Dates and Times for Applicant Hearings - Michele Bunce, Senior Grants Administrator

Michele Bunce, Senior Grants Administrator, presented the proposed dates and times for the FY 2026 ATAX Grant Applicant Hearings. The hearings are scheduled for October 16, 2025, and October 23, 2025. Mrs. Bunce stated that each applicant has been scheduled for a total of 20 minutes: 10 minutes for their presentation and 10 minutes for Committee questions and discussion.

Preliminary Review of the 2026 Accommodations Tax Grant Applications - Michele Bunce, Senior Grants Administrator

Mrs. Bunce expressed her appreciation to Shena Smith and Cindaia Ervin for their tremendous efforts in reviewing the FY 2026 ATAX Grant applications. She noted that the process was a true team effort, requiring a full week for the three staff members to review and organize the applications to best support the Committee's review.

Mrs. Bunce stated that there are five additional applicants this year compared to last year, resulting in an overall increase in funding requests totaling \$4,655,093. In accordance with the

recently approved Town ATAX Distribution Policy, \$4,076,992 is available for FY 2026 ATAX grant allocations.

Included in the packet was a document summarizing ATAX fund distributions from previous years, showing that the average amount of ATAX awards equaled approximately \$3.4 million, which is less than the amount available this year. Mrs. Bunce noted that staff had consistently reminded both the Committee and ATAX applicants that ATAX funds were expected to decrease as revenues leveled post-COVID.

She also shared a preliminary review document outlining any missing documentation for each applicant and noted that applicant responses to these items were included in the materials provided to the Committee. Additionally, Mrs. Bunce referenced the evaluation and scoring rubric as an optional tool for Committee members to use when assessing grant applications, noting that its use is not required and members are not obligated to submit completed forms to staff.

The Committee held discussion and asked questions regarding the proposed hearing schedule and allocation process; the increase in total funding requests and available ATAX funds; the newly adopted ATAX Distribution Policy and its impact on future allocations; and the comparison between awarded and redeemed grant amounts. Members also discussed the completeness of applicant documentation, the use of the evaluation and scoring rubric, and the importance of applicants demonstrating a measurable tourism impact as required by state law. Additional discussion included clarification on the purpose of required documents, the consideration of new versus returning applicants, and the expectation for applicants to work toward financial independence from ATAX grant funding.

Public Comment - Non Agenda Items

There was no public comment at this time.

Adjournment

At 9:29 am, Vice-Chair Lesch made a motion to adjourn. Mr. Farrell seconded. Motion carried 6-0. The meeting was adjourned at 9:29 AM.

The full recording and a transcript of this meeting can be found on the Town's website at www.hiltonheadislandsc.gov.



Town of Hilton Head Island ACCOMMODATIONS TAX ADVISORY COMMITTEE MEETING Thursday, October 16, 2025, 9:00 AM Minutes

Call to Order

Vice Chair Lesch called the meeting to order at 9:00 am.

Committee Members Present: Martin Lesch, Vice-Chair; Thomas Dowling; Cecile Eck; John Farrell; Dave Ferguson; and Adriaan Radder

Committee Members Absent: Keith Schlegel, Chair

Adoption of the Agenda

Mr. Ferguson made a motion to amend the agenda to allow for public comment prior to the start of the hearings. Mr. Dowling seconded. Motion carried 6-0.

New Business

Hearing of Applicants - Michele Bunce, Senior Grants Administrator

The following applicants made presentations to the Committee during the morning session:

- Lowcountry Gullah
- Hilton Head Wine & Food Festival
- Mitchelville Preservation Project
- Hilton Head Wine & Food Festival- HHI Rhythm & Brews
- Hilton Head Island Concours
- Native Island Business Community Affairs Association
- Beach Cat Sailors of Hilton Head Island
- Hilton Head Island Recreation Association

The Committee broke for lunch at 12:13 pm and resumed the meeting at 1:12 pm. During the afternoon session, the following applicants made presentations to the Committee:

- David M. Carmines Seafood Foundation
- The Sandbox
- The Heritage Library Foundation
- Hilton Head Audobon Society
- Lean Ensemble Theater
- Hilton Head Island St. Patrick's Day Parade

- The First Tee of the Lowcountry
- Hilton Head Island Bridge Association
- Art League of Hilton Head
- Palmetto Quilt Guild

Mr. Dowling recused himself from discussion and voting on *The First Tee of the Lowcountry* presentation and discussion due to his relationship with the Boys & Girls Club of Hilton Head Island. Ms. Eck recused herself from the presentation and discussion on the *Beach Cat Sailors of Hilton Head* due to a personal long-time association. Mr. Farrell recused himself from discussion and presentation on *The First Tee of the Lowcountry* grant application as he currently serves on the Board of Directors. The required disclosure and recusal forms are on file.

Public Comment - Non Agenda Items

There was no public comment at this time.

Adjournment

At 3:57 pm, Mr. Radder made a motion to adjourn. Mr. Dowling seconded. Motion passes 6-0.

The full recording and a transcript of this meeting can be found on the Town's website at www.hiltonheadislandsc.gov.



Town of Hilton Head Island ACCOMMODATIONS TAX ADVISORY COMMITTEE MEETING Thursday, October 23, 2025, 9:00 AM Minutes

Call to Order

Chair Schlegel called the meeting to order at 9:00 am.

Committee Members Present: Keith Schlegel, Chair; Martin Lesch, Vice-Chair; Thomas Dowling; Cecile Eck; John Farrell; Dave Ferguson; and Adriaan Radder

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

Adoption of the Agenda

Mr. Lesch made a motion to adopt. Mr. Radder seconded. Motion carried 7-0.

New Business

Hearing of Applicants - Michele Bunce, Senior Grants Administrator

The following applicants made presentations to the Committee during the morning session:

- Long Cove Club (Darius Rucker Intercollegiate)
- Arts Center of Coastal Carolina
- Hilton Head Island Airport
- The Outside Foundation
- The Boys & Girls Club of Hilton Head Island
- Rotary Club of Hilton Head Island Charitable Foundation
- Sea Turtle Patrol Hilton Head Island
- Gullah Traveling Theater, Inc

The Committee broke for lunch at 12:25 p.m. and resumed the meeting at 1:15 p.m. During the afternoon session, the following applicants made presentations to the Committee:

- Hilton Head Symphony Orchestra
- Sea Pines Forest Preserve
- Lowcountry Golf Course Owners Association
- Shelter Cove Harbour Company
- Hilton Head Dance Theater
- Harbour Town Merchants Association
- Community Foundation of the Lowcountry

- Hilton Head Choral Society
- Gullah Museum of Hilton Head Island
- Hilton Head Island Land Trust
- The Coastal Discovery Museum

Mr. Dowling recused himself from presentation and discussion on the *Boys & Girls Club of the Lowcountry – Pedal HHI* grant application as he serves as a member of the Board of Directors. Mr. Farrell recused himself from presentation and discussion on the *Lowcountry Golf Course Owners Association* grant application as he serves as a member of the Board of Directors. The required disclosure and recusal forms are on file.

Public Comment - Non Agenda Items

There was no public comment during this time.

Adjournment

At 5:06 pm Mr. Radder made a motion to adjourn. Mr. Dowling seconded. Motion carried 6-0 (Mr. Lesch left prior to the start of the afternoon session).

The full recording and a transcript 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: Dave Byrd, Finance Director
VIA: Michele Bunce, Senior Grants Administrator
DATE: November 6, 2025
SUBJECT: Review and Recommendation for the 2026 Accommodations Tax Grants

RECOMMENDATION:

Staff recommends that the Accommodations Tax Advisory Committee (ATAC) review the applications for the 2026 Accommodations Tax (ATAX) Grant Program and finalize their funding recommendations to the Finance and Administrative Committee, followed by Town Council.

This review should include summarizing evaluation results, allocating award funding, and engaging in discussion to ensure that the final recommendations reflect a comprehensive assessment of each project's potential benefits to tourism and the community.

BACKGROUND:

Each year, local organizations and initiatives submit proposals designed to promote tourism and strengthen the local economy through ATAX funding. The Accommodations Tax Advisory Committee is responsible for reviewing ATAX Grant applications and recommending funding allocations to Town Council. Following adoption of the new ATAX Policy in July 2025, the committee's recommendations will first be presented to the Finance and Administrative Committee before consideration by Town Council.

On July 15, 2025, Town Council approved the Comprehensive South Carolina Accommodations Tax Program, Application Process, and Fund Distribution Policy via Resolution. For Fiscal Year 2026, the Town of Hilton Head Island has projected total State Accommodations Tax revenues of \$12,354,522, with a proposed distribution of \$4,076,992 (33%) allocated for the ATAX Grant Awards.

The Accommodations Tax Program is governed by South Carolina Code of Laws Title 6, Chapter 4, which outlines eligible expenditures and reporting requirements. Local governments are required to ensure that funds are used to attract and promote tourism and to support tourism-related facilities and services. The Tourism Expenditure Review Committee (TERC) provides state-level oversight of this program, reviewing local expenditures annually to confirm compliance with statutory requirements and proper use of tourism tax revenues.

For the 2026 funding cycle, the ATAC received a diverse array of applications from local organizations proposing projects aligned with the objectives of the Accommodations Tax Program. To facilitate a thorough and transparent review, the following process has been undertaken:

1. **Initial Application Screening:** Staff reviewed all submissions for completeness and compliance with application requirements.
2. **Evaluation of Proposals:** Committee members assessed each application based on key criteria, including project feasibility and sustainability, anticipated tourism impact, and consistency with the mission of the ATAX Program.
3. **Applicant Presentations:** Applicants were invited to present their proposals to the ATAC, providing an opportunity for committee members to ask questions and gain additional insight into each project.

Each application is being evaluated according to the following established criteria:

- Potential impact on local tourism
- Community benefits
- Alignment with the Town's strategic goals

SUMMARY:

The Accommodations Tax Advisory Committee will now conduct its final review of the 2026 ATAX Grant applications to determine its funding recommendations. Recommended recipients should demonstrate a strong commitment to enhancing the visitor experience, promoting tourism, and contributing to the long-term economic vitality of Hilton Head Island.

All funding recommendations, once approved by Town Council, will be reported to the South Carolina Tourism Expenditure Review Committee (TERC) to ensure compliance with state law and continued eligibility for future ATAX distributions.

ATTACHMENTS:

1. Accommodations Tax Advisory Committee- 5 Year Award Chart

Town of Hilton Head Island
Accommodations Tax Grants 2022 to 2026
by Calendar Year

Grantee Agency	2022	2023	2024	2025	2026 GRANTS			
	Town Council Award	Town Council Award	Town Council Award	Town Council Award	2026 Applicant Request	ATAC Recommendation	Finance & Admin Recc.	Town Council Award
Art League of Hilton Head	95,000	75,000	75,000	80,000	100,000			
Arts Center of Coastal Carolina	405,000	420,000	430,000	447,000	447,000			
Beach Cat Sailors (Previously Paul Miller Fund)					100,000			
Community Foundation of the Lowcountry					16,500			
David M. Carmines Memorial Foundation	19,600	181,000	181,000	185,000	201,095			
Gullah Traveling Theater, Inc.					25,000			
Gullah Museum of Hilton Head Island	125,000	139,700	150,000	180,000	180,000			
Gullah Roots Historical Foundation			-					
Habitat for Humanity of the Lowcountry			-					
Harbour Town Merchants Association	23,000	29,000	29,000	29,000	50,000			
HHI Audubon Society	-	17,588	20,100	21,400	27,955			
HHI Choral Society	50,000	10,000	15,000	20,000	20,000			
HHI Concours d'Elegance	307,000	385,000	362,000	350,000	350,000			
HHI Dance Theater	19,000	20,000	20,000	23,000	20,000			
Hilton Head Island Airport	160,000	155,000	150,000	150,000	175,000			
Hilton Head Island Bridge Association	-	15,000	15,000	15,000	20,000			
Hilton Head Island Land Trust	41,000	-	36,632	47,000	50,000			
HHI Rec Assoc.(Wingfest & Other Festivals)	35,000	60,000	60,000	75,000	75,000			
HHI St. Patrick's Day Parade	41,235	71,704	74,065	80,000	100,000			
HH MLK Committee for Justice			4,513	2,980				
HHI Wine & Food, Inc (Rhythm and Brews)		25,000	30,000	30,000	40,000			
HHI Wine and Food Fest	130,000	130,000	130,000	130,000	130,000			
HHI Symphony Orchestra	270,000	300,000	330,000	350,000	360,000			
Lean Ensemble Theatre	40,000	50,000	50,000	55,000	55,000			
Lowcountry Golf Course Owners Assoc.	50,000	50,000	100,000	150,000	150,000			
Long Cove Club (Darius Rucker Intercollegiate)	30,000	51,442	56,653	61,897	67,250			
Lowcountry Gullah	75,000	95,889	100,000	100,000	100,000			
Mitchelville Preservation Project	185,000	185,000	190,000	190,000	205,000			
Native Island Business & Community	205,000	235,000	225,000	225,000	320,000			
Rotary Club of Hilton Head (Quenchbuggy)				40,000	5,000			
Palmetto Quilt Guild			7,500		8,000			
Paul Miller Fund (Currently Beach Cat Sailors)			16,500					
Sea Pines Forest Preserve	35,000		40,000		48,000			
Sea Turtle Patrol HHI	47,900	64,500	70,000	70,000	70,000			
Shelter Cove Harbour Company	150,000	195,000	244,600	293,800	336,500			
TEDx Hilton Head	16,000	25,000	45,000	10,000				
The Boys & Girls Club of Hilton Head	30,000	35,000	40,000	40,000	45,000			
The Coastal Discovery Museum	325,000	325,000	375,000	400,000	400,000			
Coastal Disc. Museum (Honey Horn-CIP)		695,350	300,000					
The First Tee of the Lowcountry	40,000	40,000	40,000	50,000	63,593			
The Heritage Library	120,000	118,000	135,000	143,000	140,000			
The Outside Foundation	34,400	59,480	72,000	72,000	72,000			
The Sandbox	44,400	59,895	60,765	64,000	82,200			
University of South Carolina			2,000					
World Affairs Council of HHI	5,000	5,000	-					
Subtotal	3,153,535	4,323,548	4,282,328	4,180,077	4,655,093			
DMO Supplemental Grant	530,000	350,000						
Total Grants	3,683,535	4,673,548	4,282,328	4,180,077	4,655,093			

*Any grant funds awarded but not expended by recipient organizations by the end of the 2026 grant year cycle will be carried forward in full (100%) and applied to the 2027 ATAX Grant Fund allocation.



TOWN OF HILTON HEAD ISLAND

Accommodations Tax Advisory Committee

TO: Accommodations Tax Advisory Committee
FROM: Dave Byrd, Finance Director
VIA: Michele Bunce, Senior Grants Administrator
DATE: November 6, 2025
SUBJECT: Consideration of the Proposed Calendar Year 2026 Meeting Dates

RECOMMENDATION:

Staff recommends that the Accommodations Tax Advisory Committee (ATAC) review and approve the proposed 2026 meeting schedule. The schedule is structured to ensure committee member attendance and facilitate an efficient, thorough review process for applicants seeking Accommodations Tax Grant funding.

BACKGROUND:

The Accommodations Tax Advisory Committee plays a vital role in reviewing and evaluating applications for the Accommodations Tax Grant each year. The committee's meetings follow an annual schedule that aligns with the ATAX funding cycle and key decision-making milestones.

The 2026 ATAX funding cycle will begin in April with the presentation of the Town's Destination Marketing Organization (DMO) Budget and Marketing Plan. This initial meeting establishes the foundation for strategically allocating funds to support tourism-related initiatives and events throughout the year. The committee will conclude its work in September by presenting funding recommendations to the Finance and Administrative (F & A) Committee. In October, the F & A Committee will forward its FY 2026 ATAX Grant recommendations to Town Council for final approval in November.

To facilitate an organized and effective review process, the following timeline is proposed:

April

- Presentation of DMO Budget & Marketing Plan

July

- Welcome New Committee Members and Election of Officers
- ATAX Grant Application Time Period (Opens July 1 and Closes July 31)
- ATAX Grant Applicant Workshops

August

- Preliminary Review of ATAX Grant Applications

September

- ATAX Grant Applicant Hearings
- ATAX Grant Recommendations to be submitted to Finance and Administrative Committee and Town Council

SUMMARY:

Approval of the proposed meeting schedule will allow the ATAC to maintain a consistent and organized review process for the 2026 funding cycle. The structured timeline ensures committee members have sufficient time to prepare for each phase of evaluation and review, supporting timely and well-informed recommendations to the Finance and Administrative Committee and ultimately Town Council.

ATTACHMENTS:

1. Accommodations Tax Advisory Committee 2026 Schedule



Town of Hilton Head Island
Accommodations Tax Advisory Committee

2026 Meeting Schedule

MEETING DATES
April 9, 2026
July 23, 2026
August 20, 2026
September 3, 2026*
September 10, 2026*
September 24, 2026

Regular meetings are held at 9:00 a.m., unless otherwise noted. **Hearing dates may last up to eight hours, depending on the number of applicants.*