



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.

Approved: November 6, 2025

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