



## Town of Hilton Head Island

### Town Council Special Meeting and Workshop

Tuesday, March 31, 2026, 3:00 PM

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. **Unfinished Business**
  - a. Consideration of an Ordinance of the Town of Hilton Head Town Council to Amend the Budget for the Fiscal Year Ending June 30, 2026; to Provide for the Budgeted Appropriations of the Prior Year Budget Roll Forward and Certain Other Appropriations and Commitments and the Expenditures of Certain Funds; to Allocate the Sources of Revenue for the Said Funds; and to Provide for Severability and an Effective Date - Second Reading – Dave Byrd, Finance Director
4. **Workshop Discussion**
  - a. Review and Discussion of the Town of Hilton Head Island's Designated Marketing Organization (DMO) FY2027 Destination Marketing Plan, Budget, and Industry Metrics
5. **Public Comment - Non Agenda Items**
6. **Adjournment**

FOIA Compliance: Public notification of this workshop 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

## *Town Council*

**TO:** Hilton Head Island Town Council Members  
**FROM:** Dave Byrd, Finance Director  
**CC:** Marc Orlando, Town Manager  
**DATE:** March 31, 2026  
**SUBJECT:** Consideration of an Ordinance of the Town of Hilton Head Town Council to Amend the Budget for the Fiscal Year Ending June 30, 2026; to Provide for the Budgeted Appropriations of the Prior Year Budget Roll Forward and Certain Other Appropriations and Commitments and the Expenditures of Certain Funds; to Allocate the Sources of Revenue for the Said Funds; and to Provide for Severability and an Effective Date – Second Reading

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### **RECOMMENDATION:**

The Town Council consider proposed budget amendments for Fiscal Year 2026 to the Capital Improvements Program (CIP) Fund, Debt Service Fund, General Fund, and the Town of Hilton Head Island Master Fee Schedule as follows (**there have been no changes to the Ordinance since the First Reading on March 10, 2026**):

- The proposed amendments to the CIP address budgeted carry forwards for existing projects or contracts; funding for new improvement projects that have arisen since the Fiscal Year 2026 budget development; funding for land acquisitions previously approved by Town Council; and bond proceeds from the Special Revenue Beach Bond and upcoming General Obligation Bond.
- The proposed amendments to the Debt Service Fund address the payments on the Special Revenue Beach Bonds and the upcoming General Obligation Bond.
- The proposed amendments to the General Fund address additional staffing, operating and equipment costs related to the planned enhancements to the Short-Term Rental program, additional Fire Rescue equipment funded by a generous donation from the community, and additional Affiliated Agency funding for the Lowcountry Regional Transit Authority (LRTA).
- The amendment to the Town of Hilton Head Island Master Fee Schedule proposes a Short-Term Rental Permit Fee change from a flat fee of \$250 per property to a fee of \$150 per bedroom, plus the addition of a \$250 late fee.

An ordinance to amend the Fiscal Year 2026 budget is enclosed as **Attachment 1**.

### **SUMMARY OF BUDGET AMENDMENTS:**

Pursuant to Section 5 of the Town's adopted Fiscal Year 2026 budget Ordinance, for all funds, all outstanding encumbrances as of June 30, 2025, will carry forward into Fiscal Year 2026 to the same department, account, or project for which they are encumbered in Fiscal Year 2025 subject to approval by the Town Council via an appropriate budget amendment.

Therefore, as part of the annual budget review process, the Town evaluates its current budgeted funds following the closure of the previous fiscal year to determine if a corresponding budget amendment is necessary. With Fiscal Year 2026 now underway it is recommended that the Town Council consider several budget amendments provided for within this Staff Report. A detailed description for each of the recommended budget amendments is as follows:

**1. Capital Improvements Program Fund Amendments – Totaling \$46,929,034:**

In the development of the Fiscal Year 2026 Capital Improvements Program (CIP) Budget, an initial estimate of the “Carry Forward” funding from the Fiscal Year 2025 budget was included in the adopted budget. With the closure of the Fiscal Year 2025 budget, these preliminary estimates are being revised to reflect the actual unspent balances across various CIP budget line items. A detailed spreadsheet outlining the proposed budget amendment amounts for each respective CIP project is enclosed as **Attachment 2**.

**a) Budgeted Carry Forward Adjustments - \$5,958,531**

1. Budgeted appropriations identified in Fiscal Year 2025 CIP Fund budget that remain unspent and have not previously rolled forward for Capital Improvement Projects that remain open and continue to be active in Fiscal Year 2026 total \$5,958,531. Included in this total are:
  - \$199,119 for Beach projects
  - \$376,986 for Roadway projects
  - \$1,691,878 for Park projects
  - \$472,264 for Facility & Equipment projects
  - \$753,446 for Stormwater projects
  - \$2,464,838 for Fleet projects (2 Quints)

**b) New Capital Improvement Project funding for items that have arisen since budget development - \$3,988,373**

1. As required by United State Postal Service (USPS) time constraints, the Town has a need to begin site and infrastructure improvements at the USPS property adjacent to the Northpoint development in Fiscal Year 2026 - \$3,200,000. Improvements at the site include:
  - Demolition and Erosion Control - \$175.8 thousand
  - Design and Construction Services - \$127.3 thousand
  - Storm Drainage, Paving, Grading, Marking and Earthwork - \$1.4 million
  - Landscaping and Electrical Lighting - \$248.5 thousand
  - Insurance, Overhead and Contingency - \$933.8 thousand
  - Miscellaneous - \$314.6 thousand
2. The backflow preventer for the fire sprinkler system at the Island Recreation Center failed an annual inspection. While the fire sprinkler system remained operational, the backflow preventer had to be replaced to pass inspection. The estimated cost of the repair was \$111,364.95. This repair was not considered as part of the FY26 approved budget. The Island Rec Center used contingency funds from their reserves to pay for the repairs. This

budget amendment request is to replenish their contingency funds.

3. Funding is requested for preliminary improvements to 10 Park Lane to include but not be limited to signage, lighting, landscape and various building improvements to facilitate the relocation of Fire Rescue Headquarters, the Emergency Operations Center, and Dispatch. \$677,008 is requested for the remainder of FY26. We will finalize improvements to 9 and 10 Park Lane in the FY27 CIP budget to include but not be limited to 9 Park Lane building demolition, parking lot enhancement and ADA compliance, E911 Dispatch relocation, Audio Visual / Podcast Room, etc.

<b>Town of Hilton Head Island</b>		
<b>10 Park Lane Renovation OPC</b>		
1	Design and General Conditions (Architectural and Mechanical Design, Overhead, Etc.)	\$ 107,386.00
2	Interior/Exterior Finishes (Carpentry, Painting, Signage, Flagpole, ADA Door Access Etc.)	\$ 174,400.00
3	MEP (Plumbing, Electrical, Mechanical, Etc.)	\$ 120,222.00
4	Generator	\$ 275,000.00
<b>Total OPC FY26</b>		<b>\$ 677,008.00</b>

**c) Land Acquisition Funding - \$10,081,300**

1. Town Council previously authorized the purchase of a 6.58-acre property located at 164 Jonesville Road in an amount totaling \$2,600,000. An appropriation of funds from available Real Estate Transfer Fee balance is therefore requested in the amount of \$413,000 to the CIP budget. An additional amount of \$2,187,000 was applied to this purchase via the Beaufort County Green Space Program.
2. Town Council previously authorized the purchase of 6 properties totaling 3.26-acres located at 75, 77, 79, 81, 91 and 93 William Hilton Parkway in the Stoney area in an amount totaling \$2,170,000. An appropriation of funds from available Real Estate Transfer Fee balance is therefore requested in the amount of \$705,800 to the CIP budget. An additional amount of \$1,464,200 will be applied to this purchase via the Beaufort County Green Space Program.
3. Town Council previously authorized the purchase of a .78-acre property and 7,000 square foot building located at 117 William Hilton Parkway totaling \$1,525,000. An appropriation of \$762,500 from available Tax Increment Financing (TIF) balance is therefore requested in this amount to the CIP budget. An appropriation of \$762,500 is also applied to the Gullah Geechee Historic Neighborhoods Community Development Corporation (GGHNCDC) Fund. It should be noted that the Fiscal Year 2026 GGHNCDC Fund's budget was adopted at the fund level and included funds for land acquisition and capital outlay and, therefore, does not require a budget amendment at this time.
4. Town Council previously authorized the purchase of 1.53-acres located at 1 & 5 Old Wild Horse Road totaling \$1,000,000. An appropriation of \$500,000 from available Tax Increment Financing (TIF) balance is therefore requested in this amount to the CIP budget. An appropriation of \$500,000

is also applied to the Gullah Geechee Historic Neighborhoods Community Development Corporation (GGHNCD) Fund. It should be noted that the Fiscal Year 2026 GGHNCD Fund's budget was adopted at the fund level and included funds for land acquisition and capital outlay and, therefore, does not require a budget amendment at this time.

5. Town Council previously authorized the purchase of a 1.49-acre property and 4,000 square foot building located at 9 Park Lane totaling \$1,750,000. An appropriation from the upcoming General Obligation Bond Proceeds is therefore requested in this amount to the CIP budget.
6. Town Council previously authorized the purchase of a 1.67-acre property and 16,608 square foot building located at 10 Park Lane totaling \$5,950,000. An appropriation from the upcoming General Obligation Bond Proceeds is therefore requested in this amount to the CIP budget.

**d) General Obligation Bond Proceeds – Up to \$35,000,000** (\$8,377,008 of which is funding the new Fire Rescue Headquarters and has been addressed in sections b and c above)

1. Town Council approved an ordinance authorizing the issuance and sale of up to \$35,000,000 General Obligation bonds with the proceeds being used to fund the acquisition and renovation of 9 Park Lane and 10 Park Lane, the future acquisition of strategic land parcels for conservation purposes, and specific Town Council approved future capital projects.

**e) Special Revenue Bond Proceeds and Cost of Issuance - \$19,277,838**

1. Town Council approved an ordinance authorizing the issuance and sale of \$19,000,000 Special Revenue bonds with the proceeds being used to fund the on-going beach renourishment project, therefore reducing the use of Beach Preservation Fees for the beach renourishment project in the same amount.
2. The \$277,838 cost of bond issuance is funded by Beach Preservation Fees.

**2. Debt Service Fund Amendments – Totaling \$12,220,198**

**a) Special Revenue Bond Payments - \$289,310**

1. An increase in interest payments for paying off the callable Beach Bond, as well as the first payment on the new Beach Bond during FY 2026.

**b) General Obligation Bond Payment - \$11,930,888**

1. The anticipated debt cost of the upcoming General Obligation Bond to be paid utilizing the Debt Service Fund Balance is \$11,930,888.

**3. General Fund Amendments – Totaling \$607,939:**

**a) Donation to Fire Rescue - \$80,000**

1. Fire Rescue received a generous donation from the community in August 2025. Fire Rescue intends to utilize the donation towards the purchase of equipment during Fiscal Year 2026.

**b) Additional Staffing, Operating and Equipment costs related to the amendment of the Short-Term Rental Program Ordinance - \$475,411 for the remainder of Fiscal Year 2026**

1. On October 21, 2025, Town Council adopted amendments to the Short-Term Rental (STR) Ordinance addressing parking, occupancy, enforcement, and fire and life safety requirements. At that time, Town Council directed the Town Manager to return with a separate item to address staffing, operational costs, and associated fee amendments necessary to administer the amended ordinance.
2. The proposed budget amendment implements that direction. The amendment includes additional STR program revenues generated through adoption of a \$150 per-bedroom annual STR permit fee and a \$250 late fee for STR permit renewals submitted after May 15<sup>th</sup> (for 2026 only, in following years the late fee will be applied on May 1<sup>st</sup>). The Town currently licenses 7,368 STR units, and the per-bedroom structure ensures equitable, scalable funding based on property size and operational impact.
3. In order to administer the STR program according to the amended Ordinance, support for a net increase of four (4) positions, achieved through a combination of new full-time hires and conversion of existing part-time positions to full-time, resulting in six (6) STR-dedicated FTEs. In addition, the current Public Safety Supervisor is being promoted to a manager to oversee the compliance requirements of the STR program. For the remainder of fiscal year 2026, these positions total \$189,115 including salaries, benefits and overhead\*:
  - i. Public Safety Senior Code Enforcement (2 positions) - \$55,688
  - ii. Public Safety Senior Code Enforcement promotion - \$17,311
  - iii. Senior Fire Inspector - \$31,159
  - iv. STR Rapid Response Hotline Operator - \$21,057
  - v. Convert existing Finance Part-Time Short-Term Rental Services Coordinators to Regular Full-Time STR Senior Revenue Collector and STR Service Coordinator positions - \$63,900

\*Funding amount represents three months of funding, except for the STR Senior Revenue Collector FTE which is six months of funding

4. The amendment also funds operational and equipment needs required to implement the amended ordinance totaling \$286,296, including:
  - i. Three new vehicles and associated fuel and maintenance expenses- \$143,200
  - ii. Six handheld radios - \$37,096
  - iii. Equipment upgrades for ten vehicles utilized for the Short-Term Rental Program - \$81,000
  - iv. Communications and marketing enhancements - \$25,000

**c) Lowcountry Regional Transit Authority (LRTA) Affiliated Agency Funding - \$52,528**

1. The Finance and Administrative Committee met on February 9, 2026, to consider an additional FY26 funding request supporting the Lowcountry Regional Transit Authority. The Committee voted 3-0 to recommend to the full Town Council support of this funding request.

**4. Short-Term Rental Permit Fee Amendments:**

**a) Short-Term Rental (STR) Permit Fee**

1. After evaluating the costs to administer the amended Short-Term Rental Program, the following are recommended:
  - Call Center improvements including converting from outsourced to in-house rapid response hotline.
  - The annual impact of the additional staffing, operating and equipment costs listed above in order to operate the Program on a revenue-neutral basis.
  - Updated internal cost allocations based upon review of actual time utilized.

Based upon the enhancements listed above, and the total cost to administer this program, it is recommended to amend the STR Permit Fee to \$150 per bedroom. This fee is calculated by taking the total cost divided by the total number of bedrooms in the program. The amended Master Fee Schedule is enclosed as **Attachment 3** showing the amended Short-Term Rental Permit Fee on page 2.

A detailed analysis of the recommended amended Short-Term Rental Permit Fee is also enclosed as **Attachment 4** and **Attachment 5**.

**b) Late Fee**

A late fee of \$250 shall apply to any Short-Term Rental Permit renewal after May 15<sup>th</sup> (for 2026 only, in following years, the late fee will be applied on May 1<sup>st</sup>).

**5. Short-Term Rental Program Impact:**

The additional STR revenue fully funds enhanced inspections and enforcement, a Town- operated 24/7 response capability, improved coordination with public safety partners, expanded communications and transparency tools, and required personnel and equipment. This funding approach aligns with best practices in peer communities and supports the Town's strategic priority to protect neighborhood quality of life while maintaining a well-managed visitor economy.

## **CONCLUSION:**

The Town Council consider proposed budget amendments for Fiscal Year 2026 to the Capital Improvements Program Fund, General Fund, and the Town of Hilton Head Island Master Fee Schedule. These proposed amendments address budgeted carry forwards for existing projects or contracts, unbudgeted requests due to unanticipated new projects, approval of funding for land acquisitions previously authorized by the Town Council, adjustments due to the enhancements to the Short-Term Rental Program, and adjustments to the Short-Term Rental Permit Fee.

## **ATTACHMENTS:**

1. Fiscal Year 2026 Budget Ordinance Amendment
2. Fiscal Year 2026 Proposed Revised Capital Improvements Program
3. Town of Hilton Head Island Master Fee Schedule
4. Town of Hilton Head Island Staff Memo outlining Short-Term Rental Program Enhancements – Sustainable Funding Strategy, Fee Amendment and Staffing Plan
5. Town of Hilton Head Island Short-Term Rental Permit Fee Reconciliation

**ATTACHMENT 1**

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

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2026; TO PROVIDE FOR THE BUDGETED APPROPRIATIONS OF PRIOR YEAR BUDGET CARRY FORWARDS AND CERTAIN OTHER APPROPRIATIONS AND COMMITMENTS AND THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, Section 5-7-260(3) of the Code of Laws for South Carolina 1976, as amended, and Section 2-7-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina, require that the Town Council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

**WHEREAS**, the Fiscal Year 2026 budget was adopted on June 3, 2025; and

**WHEREAS**, pursuant to the budget amendment policy as stated in the Town’s annual budget document, the Town Council is desirous of amending the budget so as to provide for the budgeted appropriations of prior year budget roll-forwards and certain other appropriations and commitments from the Fund Balance and other revenue sources; and

**WHEREAS**, Town Council is desirous of amending certain fee structures previously established with the adoption of the Fiscal Year 2026 budget; and

**WHEREAS**, the Town Council finds that adoption of the proposed budget amendments is in the best interest of the Town, and will support the health, safety and general welfare of the citizens, residents, property owners and business owners in the Town.

**NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS HEREBY ORDAINED BY THE AUTHORITY OF THE SAID COUNCIL:**

**Section 1. Amendment.** The adopted 2026 Fiscal Year budget is amended to make the following changes as additions to the funds from prior years and to the projected revenue and expenditure as summarized below and as detailed in Attachments 2, 3, 4 and 5.

**Capital Improvements Program Fund Amendments – Total Fund Adjustment - \$46,929,034**

In the development of the Fiscal Year 2026 Capital Improvements Program (CIP) Budget, an initial estimate of the “Carry Forward” funding from the Fiscal Year 2025 budget was included in the adopted budget. With the closure of the Fiscal Year 2025 budget, these preliminary estimates are being revised to reflect the actual unspent balances across various CIP budget line items. These appropriations remain unspent from the prior Fiscal Year 2025 budget and have not previously rolled forward to Fiscal Year 2026.

**a) Budgeted Carry Forward Adjustments – \$5,958,531**

- i. Beach Program – The Town has commitments for Beach Program projects that began in Fiscal Year 2025 and are ongoing in Fiscal Year 2026 in the amount of \$199,119.

- ii. Roadway Program – The Town has commitments for Roadway Program projects that began in Fiscal Year 2025 and are ongoing in Fiscal Year 2026 in the amount of \$376,986.
- iii. Park Program – The Town has commitments for Park Program projects that began in Fiscal Year 2025 and are ongoing in Fiscal Year 2026 in the amount of \$1,691,878.
- iv. Facility & Equipment Program – The Town has commitments for Facility & Equipment Program projects that began in Fiscal Year 2025 and are ongoing in Fiscal Year 2026 in the amount of \$472,264.
- v. Stormwater Program – The Town has commitments for Stormwater Program projects that began in Fiscal Year 2025 and are ongoing in Fiscal Year 2026 in the amount of \$753,446.
- vi. Fleet Program – The Town has commitments for Fleet Program projects that began in Fiscal Year 2025 and are ongoing in Fiscal Year 2026 in the amount of \$2,464,838.

In addition to the budgeted Carry Forward adjustments, an increase in the CIP budget is requested to accommodate the following new capital improvements which were unforeseen during the development of the Fiscal Year 2026 budget.

**b) New Capital Improvement Projects - \$3,988,373**

- i. Roadway Program – As required by United States Postal Service (USPS) time constraints, the Town now has a need to begin site infrastructure improvements at the USPS property adjacent to the Northpoint development project in Fiscal Year 2026 - \$3,200,000. Improvements at the site include:
  - Demolition and Erosion Control - \$175.8 thousand
  - Design and Construction Services - \$127.3 thousand
  - Storm Drainage, Paving, Grading, Marking and Earthwork - \$1.4 million
  - Landscaping and Electrical Lighting - \$248.5 thousand
  - Insurance, Overhead and Contingency - \$933.8 thousand
  - Miscellaneous - \$314.6 thousand
- ii. Park Program – The backflow preventer for the fire sprinkler system at the Island Recreation Center failed an annual inspection. While the fire sprinkler system remained operational, the backflow preventer had to be replaced to pass inspection. The estimated cost of the repair was \$111,364.95. This repair was not considered as part of the FY26 approved budget. The Island Rec Center used contingency funds from their reserves to pay for the repairs. This budget amendment request is to replenish their contingency funds.
- iii. Facility & Equipment Program – Funding is requested for preliminary improvements to 10 Park Lane to include but not be limited to signage, lighting, landscape and various building improvements to facilitate the relocation of Fire Rescue Headquarters, the Emergency Operations Center, and Dispatch. \$677,008 is requested for the remainder of FY26. We will finalize improvements to 9 and 10 Park Lane in the FY27 CIP budget to include but not be limited to 9 Park Lane building demolition, parking lot enhancement and ADA compliance, E911 Dispatch relocation, Audio Visual / Podcast Room, etc.

<b>Town of Hilton Head Island</b>		
<b>10 Park Lane Renovation OPC</b>		
1	Design and General Conditions (Architectural and Mechanical Design, Overhead, Etc.)	\$ 107,386.00
2	Interior/Exterior Finishes ( Carpentry, Painting, Signage, Flagpole, ADA Door Access Etc.)	\$ 174,400.00
3	MEP (Plumbing, Electrical, Mechanical, Etc.)	\$ 120,222.00
4	Generator	\$ 275,000.00
<b>Total OPC FY26</b>		<b>\$ 677,008.00</b>

Typically, the Town does not include funding for Land Acquisition in the initial adopted budget. During the year, once Town Council approves the purchase of property, a budget amendment is executed. A budget amendment is therefore requested for the purchase of the following properties authorized by Town Council since July 1, 2025.

**c) Land Acquisition Funding - \$10,081,300**

- i. 164 Jonesville Road – 6.58-acre property purchase of \$413,000 funded by Real Estate Transfer Fees (an additional \$2,187,000 was applied to this purchase via the Beaufort County Green Space Program)
- ii. Stoney Peninsula properties at 75, 77, 79, 81, 91 and 93 William Hilton Parkway – 3.26-acre property purchase of \$705,800 funded by Real Estate Transfer Fees (an additional \$1,464,200 will be applied to this purchase via the Beaufort County Green Space Program)
- iii. 117 William Hilton Parkway - .78-acre property and 7,000 square foot building purchase of \$762,500 funded by Tax Increment Financing (TIF) (an additional \$762,500 was funded in the Gullah Geechee Historic Neighborhoods Community Development Corporation Fund)
- iv. 1 and 5 Old Wild Horse Road – 1.53-acre property purchase of \$500,000 funded by Tax Increment Financing (TIF) (an additional \$500,000 was funded in the Gullah Geechee Historic Neighborhoods Community Development Corporation Fund)
- v. 9 Park Lane – 1.49-acre property and 4,000 square foot building purchase of \$1,750,000 funded by future General Obligation Bond Proceeds
- vi. 10 Park Lane – 1.67-acre property and 16,608 square foot building purchase of \$5,950,000 funded by future General Obligation Bond Proceeds

**d) General Obligation Bond Proceeds – Up to \$35,000,000** (\$8,377,008 of which is funding the new Fire Rescue Headquarters and has been addressed in sections b and c above.)

- i. Town Council approved an ordinance authorizing the issuance and sale of up to \$35,000,000 General Obligation bonds with the proceeds being used to fund the acquisition and renovation of 9 Park Lane and 10 Park Lane, the future acquisition of strategic land parcels for conservation purposes, and specific future capital projects.

**e) Special Revenue Bond Proceeds and Cost of Issuance - \$19,277,838**

- i. Town Council approved an ordinance authorizing the issuance and sale of \$19,000,000 Special Revenue bonds with the proceeds being used to fund the on-going beach renourishment project, therefore reducing the use of Beach Preservation Fees in the same amount.
- ii. The \$277,838 cost of bond issuance is funded by Beach Preservation Fees.

The chart below provides a cumulative summary of the amendments within the CIP. A detailed spreadsheet outlining the proposed Fiscal Year CIP budget adjustments for each respective CIP line is enclosed as **Attachment 2**.

Programs	FY 2025 Unspent Budget	FY 2026 Approved Budget	FY 2026 Proposed Budget Amendment	FY 2026 Proposed Revised Budget
Beach Program Total	19,749,194	48,820,000	199,119	49,019,119
Pathway Program Total	4,802,793	1,650,000	-	1,650,000
Roadway Program Total	5,861,815	5,079,500	3,576,986	8,656,486
Park Program Total	15,533,937	10,636,000	1,803,243	12,439,243
Facility & Equipment Program Total	3,332,611	4,721,000	1,149,272	5,870,272
Stormwater Program Total	1,336,683	6,350,880	753,446	7,104,326
Fleet Program Total	7,012,361	180,000	2,464,838	2,644,838
<b>Subtotal FY 2026 Capital Program</b>	<b>57,629,394</b>	<b>77,437,380</b>	<b>9,946,904</b>	<b>87,384,284</b>
<b>Land Acquisition Program</b>				-
Land Acquisition & Administration	92,938	250,000	-	250,000
164 Jonesville Road Purchase	-	-	413,000	413,000
Stoney Peninsula Purchase	-	-	705,800	705,800
117 William Hilton Parkway Purchase	-	-	762,500	762,500
1 & 5 Old Wild Horse Road Purchase	-	-	500,000	500,000
9 Park Lane Purchase	-	-	1,750,000	1,750,000
10 Park Lane Purchase	-	-	5,950,000	5,950,000
<b>Land Acquisition Program Total</b>	<b>92,938</b>	<b>250,000</b>	<b>10,081,300</b>	<b>10,331,300</b>
<b>Other Financing Uses</b>				
Special Revenue Bond Cost of Issuance (Beach)	-	-	277,838	277,838
<i>Future Town Council Approved Land Acquisition and Capital Projects to be Funded by GO Bond Proceeds</i>	-	-	26,622,992	26,622,992
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>26,900,830</b>	<b>26,900,830</b>
<b>Total FY 2026 Capital Program</b>	<b>57,722,333</b>	<b>77,687,380</b>	<b>46,929,034</b>	<b>124,616,414</b>

**Capital Improvements Program Fund Revenues and Other Funding Sources**

The chart below reflects the total Revenues and Other Funding Sources for the proposed amended Fiscal Year 2026 Capital Improvements Program. A detailed spreadsheet outlining the proposed Fiscal Year CIP budget adjustments for each respective CIP line is enclosed as **Attachment 2**.

Funding Sources	FY 2026 Approved Budget	FY 2026 Proposed Budget Amendment	FY 2026 Proposed Revised Budget
Traffic & Park Impact Fees	\$ 1,100,000	\$ -	\$ 1,100,000
Sunday Liquor Permit Fees	1,000,000	153,887	1,153,887
HTAX Supported Lease	-	2,464,838	2,464,838
Prior Bond Proceeds	66,197	-	66,197
Special Revenue Bond Proceeds (Beach)	-	19,000,000	19,000,000
Future GO Bond Proceeds	-	35,000,000	35,000,000
Capital	3,279,803	75,000	3,354,803
Grants	7,365,538	-	7,365,538
Transfers In:			-
Beach Preservation Fees	41,220,000	(18,523,043)	22,696,957
Hospitality Tax	9,934,462	4,064,662	13,999,124
Tax Increment Financing (TIF)	2,242,934	1,262,500	3,505,434
State ATAX	2,832,066	113,117	2,945,183
Road Usage Fee	1,354,500	913,834	2,268,334
Electric Franchise Fee	511,000	531,993	1,042,993
Real Estate Transfer Fee	250,000	1,118,800	1,368,800
Short Term Rental Permit Fee	180,000	-	180,000
Stormwater Utility Fee	6,350,880	753,446	7,104,326
<b>Total FY 2026 Capital Program</b>	<b>\$ 77,687,380</b>	<b>\$ 46,929,034</b>	<b>\$ 124,616,414</b>

## **General Fund Expenditures**

The chart below reflects an increase to the Fiscal Year 2026 General Fund, which includes the addition of staffing, operational enhancements, vehicles, equipment, fuel and maintenance related to the Short-Term Rental Program for the remainder of the fiscal year. Also included in this budget amendment is a donation Fire Rescue received in August 2025, to be utilized for the purchase of Fire Rescue equipment, as well as additional Affiliated Agency funding for the Lowcountry Regional Transit Authority (LRTA) as recommended by a 3-0 vote at the February 9<sup>th</sup> Finance & Administrative Committee meeting. Details of these budget amendments are as follows:

**a) Donation to Fire Rescue for the purchase of Equipment - \$80,000**

**b) Additional staffing, operating, and equipment costs related to the planned enhancements to the Short-Term Rental Program for the remainder of fiscal year 2026 - \$475,411**

Staffing - \$189,115 including salaries, benefits and overhead

- i. Public Safety Senior Community Code Enforcement Officers (two positions) - \$55,688
- ii. Public Safety Supervisor to Manager promotion - \$17,311
- iii. Senior Fire Inspector - \$31,159
- iv. STR Rapid Response Hotline Operator - \$21,057
- v. Convert existing Finance Temporary Short-Term Rental Services Coordinators to regular full-time STR Senior Revenue Collector and STR Service Coordinator positions - \$63,900

Operational Enhancements - \$286,296

- i. Three (3) new vehicles and associated fuel and maintenance- \$143,200
- ii. Six (6) handheld radios - \$37,096
- iii. Equipment upgrades for ten (10) vehicles utilized for the Short-Term Rental Program - \$81,000
- iv. Communications and marketing enhancements - \$25,000

**c) Lowcountry Regional Transit Authority Affiliated Agency Funding - \$52,528**

General Fund	FY 2026 Adopted Budget	FY 2026 Proposed Budget Amendment	FY 2026 Proposed Revised Budget
Town Council	432,314	-	432,314
Town Manager	1,305,583	-	1,305,583
Finance	3,533,296	63,900	3,597,196
Human Resources	997,963	-	997,963
Community Engagement	612,260	-	612,260
Office of Cultural Affairs	386,649	-	386,649
Information Technology	4,628,241	-	4,628,241
Communications	711,530	25,000	736,530
Legal & Administration	-	-	-
Engineering & Projects Administration	477,691	-	477,691
Transportation	453,560	-	453,560
Capital Projects	813,051	-	813,051
Facilities Maintenance	6,237,994	-	6,237,994
Beach Operations	837,635	-	837,635
Public Services	-	-	-
Facilities Administration	1,090,733	-	1,090,733
Planning & Operations	271,974	-	271,974
Planning Administration	463,328	-	463,328
Building Services	1,346,880	-	1,346,880
Development Review and Zoning	681,480	-	681,480
Community Development Services	1,056,927	-	1,056,927
Community Planning	1,013,147	-	1,013,147
Workforce Housing	-	-	-
Built Environment	211,683	-	211,683
Fire Rescue	23,957,431	101,057	24,058,488
Public Safety	1,140,907	365,453	1,506,360
Townwide	4,243,186	-	4,243,186
Townwide Community Events	663,862	-	663,862
Affiliated Agency Partnerships	1,988,516	52,528	2,041,044
Transfer to Housing Fund	197,049	-	197,049
Transfer to CIP-Land Acquisition	-	-	-
<b>Total FY 2026 General Fund</b>	<b>59,754,870</b>	<b>607,939</b>	<b>60,362,809</b>

**General Fund Revenues and Other Funding Sources**

The chart below reflects the total Revenues and Other Funding Sources for the amended Fiscal Year 2026 General Fund, which includes an additional Transfer-In from Short-Term Rental Permit Fees to fund the addition of staffing, operational enhancements, vehicles, equipment, fuel and maintenance related to the Short-Term Rental Program for the remainder of Fiscal Year 2026. Also included is a donation Fire Rescue received in August 2025, to be used for the purchase of Fire Rescue equipment.

<b>General Fund</b>	<b>FY 2026 Adopted Budget</b>	<b>FY 2026 Proposed Budget Amendment</b>	<b>FY 2026 Proposed Revised Budget</b>
Property Taxes	17,935,450	-	17,935,450
Local Accommodations Tax	6,812,769	-	6,812,769
Business Licenses	13,565,155	-	13,565,155
Franchise Fees	861,065	-	861,065
Permit Fees	1,800,000	-	1,800,000
Intergovernmental	978,035	-	978,035
Beach Services / Parking	650,000	-	650,000
Other Revenue	356,848	-	356,848
Public Safety - EMS	2,036,000	-	2,036,000
Investment Income	1,500,000	-	1,500,000
Prior Year Funds	275,000	52,528	327,528
Donations	-	80,000	80,000
Transfers In:			
Beach Preservation Fee	248,548	-	248,548
Sale of Vehicles / Equipment	16,000	-	16,000
Hospitality Tax	6,500,000	-	6,500,000
State Accommodations Tax	3,500,000	-	3,500,000
Electric Franchise Fee	545,000	-	545,000
Short Term Rental Permit Fee	1,825,000	475,411	2,300,411
Stormwater Fee	350,000	-	350,000
<b>Total FY 2026 General Fund</b>	<b>59,754,870</b>	<b>607,939</b>	<b>60,362,809</b>

**Debt Service Fund Expenditures**

The chart below reflects an increase to the Fiscal Year 2026 Debt Service Fund, which includes the Interest Payments on the Callable Special Revenue beach bond and the new Special Revenue beach bond, and the Anticipated Debt Costs for the upcoming General Obligation bond of up to \$35 million.

Debt Service Fund	FY 2026 Approved Budget	FY 2026 Proposed Budget Amendment	FY 2026 Proposed Revised Budget
Principal	7,325,000	-	7,325,000
Interest	1,626,483	289,310	1,915,793
Bank Fees	17,600	-	17,600
Anticipated Debt Costs	2,400,000	11,930,888	14,330,888
Callable Bond - Beach Preservation S.O. Bond	7,495,000	-	7,495,000
<b>Total FY 2026 Debt Service Fund</b>	<b>18,864,083</b>	<b>12,220,198</b>	<b>31,084,281</b>

**Debt Service Fund Revenues and Other Funding Sources**

The chart below reflects the total Revenues and Other Funding Sources for the amended Fiscal Year 2026 Debt Service Fund, which includes an additional Transfer-In from Beach Preservation Fees for the beach bond Interest payments, and the use of Debt Service Fund Balance for a portion of the first payment of the upcoming General Obligation bond.

Debt Service Fund	FY 2026 Approved Budget	FY 2026 Proposed Budget Amendment	FY 2026 Proposed Revised Budget
Property Taxes	\$ 6,035,600	\$ -	\$ 6,035,600
Investment Income	325,115	-	325,115
Transfers In:			-
Beach Preservation Fees	11,062,000	289,310	11,351,310
Hospitality Tax	1,441,368	-	1,441,368
Debt Service Fund Balance	-	11,930,888	11,930,888
<b>Total FY 2026 Debt Service Fund</b>	<b>\$ 18,864,083</b>	<b>\$ 12,220,198</b>	<b>\$ 31,084,281</b>

The effects of these budget amendments for Fiscal Year 2026 are presented below:

**Governmental Funds:**

	General Fund		CIP Fund *		Debt Service	
	Expenditures	Revenues	Expenditures	Revenues	Expenditures	Revenues
Original Budget	\$ 59,754,870	\$ (59,754,870)	\$ 77,687,380	\$ (77,687,380)	\$ 18,864,083	\$ (18,864,083)
Amendment 1	607,939	(607,939)	46,929,034	(46,929,034)	12,220,198	(12,220,198)
Revised Budget	\$ 60,362,809	\$ (60,362,809)	\$124,616,414	\$ (124,616,414)	\$ 31,084,281	\$ (31,084,281)

\*\$26,000,000 in GO Bond Proceeds will be added to the CIP Fund Balance at June 30 2026.

**Governmental Funds:**

	BIGHN Community Development Corporation Fund		Housing Fund		Total Governmental Funds	
	Expenditures	Revenues	Expenditures	Revenues	Expenditures	Revenues
Original Budget	\$ 3,286,603	\$ (3,286,603)	\$ 3,978,137	\$ (3,978,137)	\$ 163,571,073	\$ (163,571,073)
Amendment 1	-	-	-	-	59,757,171	(59,757,171)
Revised Budget	\$ 3,286,603	\$ (3,286,603)	\$ 3,978,137	\$ (3,978,137)	\$ 223,328,244	\$ (223,328,244)

**Enterprise Fund**

**Stormwater Fund:**

	Enterprise Fund Stormwater Fund	
	Expenditures	Revenues
Original Budget	\$ 11,140,277	\$ (11,140,277)
Amendment 1	-	-
Revised Balance	\$ 11,140,277	\$ (11,140,277)

**Section 2. Fees.** The 2026 Fiscal Year budget is amended to make the following changes to the Master Fee Schedule as summarized below and as detailed in **Attachment 3**.

**Short-Term Rental Permit Fees**

After evaluating the total costs to administer the amended Short-Term Rental Program, divided by the number of bedrooms being supported by the Short-Term Rental permit holders, the Short-Term Rental Permit Fee shall be changed to \$150 per bedroom. A \$250 late fee will be applied after May 15<sup>th</sup> (for 2026 only, in following years, the late fee will be applied on May 1<sup>st</sup>). A detailed analysis of the amended Short-Term Rental Permit Fee is enclosed as **Attachment 4** and **Attachment 5**.

**Section 3. Severability.** If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

**Section 4. Effective Date.** This Ordinance shall be effective upon its enactment by the Town Council for the Town of Hilton Head Island.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2026.**

\_\_\_\_\_  
Alan R. Perry, Mayor

ATTEST:

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

APPROVED AS TO FORM:

\_\_\_\_\_  
Curtis Coltrane, Town Attorney

**ATTACHMENT 2**

**FY 2026 Capital Improvements Program**

Projects	FY 2025 Unspent Budget	FY 2026 Approved Budget	FY 2026 Proposed Budget Amendment	FY 2026 Proposed Revised Budget	FY 2026 Proposed Funding Sources
<b>Beach Program</b>					
Beach Management & Monitoring	70,620	220,000	70,620	290,620	Beach Fee
Beach Renourishment	15,965,265	47,500,000	-	21,500,000	Beach Fee
				19,000,000	Beach Bond Proceeds
				7,000,000	FEMA Reimbursement
Coligny Beach Park Maintenance	-	250,000	-	250,000	Beach Fee
Islanders Beach Park Improvements	3,644,354	-	128,499	128,499	Beach Fee
Beach Park Maint. & Improvements	8,615	150,000	-	150,000	Beach Fee
Harbour Town Dredge	-	600,000	-	600,000	Hospitality Tax
Contingency	-	100,000	-	100,000	Beach Fee
Beach Wheelchair Storage	60,339	-	-	-	
<b>Beach Program Total</b>	<b>19,749,194</b>	<b>48,820,000</b>	<b>199,119</b>	<b>49,019,119</b>	
<b>Pathway Program</b>					
William Hilton Parkway EB (Wexford to Arrow)	77,000	300,000	-	300,000	State ATAX
Pathway Maintenance & Improvements	2,690	500,000	-	500,000	Sunday Liquor Permit Fee
William Hilton Parkway EB (Mathews to BCSO)	24,093	-	-	-	
Jonesville Road	4,470,628	500,000	-	500,000	Sunday Liquor Permit Fee
Dunnagans Alley	71,537	250,000	-	250,000	TIF
Cordillo Parkway at Pope Ave	72,203	-	-	-	
Contingency	84,643	100,000	-	100,000	State ATAX
<b>Pathway Program Total</b>	<b>4,802,793</b>	<b>1,650,000</b>	<b>-</b>	<b>1,650,000</b>	
<b>Roadway Program</b>					
Mitchelville Lane	948,474	910,000	-	910,000	Road Usage Fee
Alfred Lane	44,645	44,500	-	44,500	Road Usage Fee
WHP Gateway & Stoney Corridors	23,163	100,000	-	100,000	Hospitality Tax
			23,163	23,163	Electric Franchise Fee
Islandwide Intersection Improvements	140,072	250,000	-	250,000	Capital
			104,265	104,265	Electric Franchise Fee
			33,736	33,736	Road Usage Fee
Seg 3 Beach City to Dillon Rd. Improvements	308,456	-	113,068	113,068	Hospitality Tax
Pope Ave Streetscapes	236,023	250,000	-	250,000	TIF
Main Street Enhancements	1,288,366	-	-	-	
Roadway Maintenance & Improvements	45,957	250,000	-	250,000	Road Usage Fee
			45,957	45,957	Electric Franchise Fee
WHP Corridor Ped/Veh Enhancements	-	-	-	-	
Horse Sugar Lane & Alice Perry Drive	960,067	50,000	-	50,000	Road Usage Fee
Freddie's Way	565,565	50,000	-	50,000	Road Usage Fee
Contingency	18,308	100,000	-	100,000	Hospitality Tax
Benjamin Drive	63,203	50,000	-	50,000	Road Usage Fee
			56,797	56,797	Electric Franchise Fee
Adaptive Signal System Maintenance	548,260	1,100,000	-	1,100,000	Traffic Impact Fee
Mathews to Shelter Cove Ln Imprvmnts	-	300,000	-	300,000	TIF
Sea Pines, Pope, Coligny Area Impvmnts	553,862	350,000	-	350,000	TIF
Landscape, Lighting, Safety Enhancmnts	117,393	750,000	-	750,000	Hospitality Tax
Jonesville & Spanish Wells	-	100,000	-	100,000	Hospitality Tax
Northpoint Access Improvements	-	150,000	-	150,000	Capital
<b>Northpoint USPS Site Improvements</b>	<b>-</b>	<b>-</b>	<b>2,319,902</b>	<b>2,319,902</b>	<b>Hospitality Tax</b>
			<b>880,098</b>	<b>880,098</b>	<b>Road Usage Fee</b>

## FY 2026 Capital Improvements Program

Projects	FY 2025 Unspent Budget	FY 2026 Approved Budget	FY 2026 Proposed Budget Amendment	FY 2026 Proposed Revised Budget	FY 2026 Proposed Funding Sources
Tabby Walk Entrance Relocation	-	200,000	-	200,000	Capital
Folly Field Pedestrian Safety	-	75,000	-	75,000	Hospitality Tax
<b>Roadway Program Total</b>	<b>5,861,815</b>	<b>5,079,500</b>	<b>3,576,986</b>	<b>8,656,486</b>	
<b>Park Program</b>					
Public Art Program	3	35,000	-	35,000	Hospitality Tax
Chaplin Linear Park w/ Boardwalk	350,000	-	-	-	
Crossings Park & Bristol Renovation	4,151,270	1,000,000	-	1,000,000	Hospitality Tax
Chaplin Community Park Renovation	1,242,772	-	-	-	
Mid-Island Tract Park	1,880,185	750,000	207,744	957,744	Hospitality Tax
Patterson Family Park	2,563,539	2,590,000	-	2,384,727	Hospitality Tax
				205,273	CDBG Grant
<b>Island Recreation Association</b>	9,008	511,000	<b>111,365</b>	622,365	Electric Franchise Fee
Shelter Cove Community Park Exp.	288,862	-	153,887	153,887	Sunday Liquor Permit Fee
Taylor Family Park	2,632,935	2,750,000	-	2,589,735	Hospitality Tax
				160,265	CDBG Grant
Barker Field including Extension	1,330,247	-	1,330,247	1,330,247	Hospitality Tax
Ford Shell Ring	16,876	-	-	-	
Greens Shell Park Enhancements	184,274	-	-	-	
Old Schoolhouse Park Enhancements	276,547	750,000	-	750,000	TIF
Contingency	75,696	100,000	-	100,000	Hospitality Tax
Coligny Circle Quadrant Pocket Park	457,178	900,000	-	900,000	Capital
Jarvis Creek Park Enhancement	11,864	-	-	-	
Crossings Park Renovation-Phase 2 Bristol	-	750,000	-	750,000	Hospitality Tax
Crossings Park Renovation-Phase 3 Baseball	-	250,000	-	250,000	Capital
General Park Enhancements	62,680	250,000	-	250,000	Hospitality Tax
<b>Park Program Total</b>	<b>15,533,937</b>	<b>10,636,000</b>	<b>1,803,243</b>	<b>12,439,243</b>	
<b>Facility &amp; Equipment Program</b>					
Town Hall Facility Enhancements	1,463,667	200,000	-	200,000	State ATAX
			90,783	90,783	Electric Franchise Fee
Fire Rescue Training Center Enhancements	264,006	-	-	-	
Coastal Discovery Museum CIP	1	496,000	-	496,000	Capital
IT Equipment & Software	154,060	625,000	-	625,000	State ATAX
			66,542	66,542	Electric Franchise Fee
Fire/Medical Systems & Equipment	21,206	-	-	-	
Security Cameras & Connectivity	51,062	150,000	-	83,803	Capital
				66,197	Prior GO Bond Proceeds
Fire Hydrant Expansion	50,000	50,000	-	50,000	State ATAX
			33,121	33,121	Electric Franchise Fee
			16,879	16,879	Hospitality Tax
Shelter Cove/BCSO Office	45,992	-	-	-	
Historic Mitchelville Freedom Park	908,318	250,000	-	250,000	State ATAX
			75,000	75,000	Capital
Furniture Replacement	-	300,000	-	300,000	Capital
SCDOT Toll Plaza Building Demo	4,935	-	-	-	
Contingency	65,300	100,000	-	100,000	Hospitality Tax
Wild Wing Café Demo	45,552	-	-	-	
Wild Wing Café Renovations	-	-	-	-	
Tree Planting & Forest Management	38,780	150,000	-	150,000	Capital
Fire Station 1 Replacements	-	-	-	-	

## FY 2026 Capital Improvements Program

Projects	FY 2025 Unspent Budget	FY 2026 Approved Budget	FY 2026 Proposed Budget Amendment	FY 2026 Proposed Revised Budget	FY 2026 Proposed Funding Sources
Fire Station 3 Replacements	98,033	-	6,931	6,931	Hospitality Tax
Fire Station 4 Replacements	61,835	-	80,192	80,192	State ATAX
Fire Station 5 Replacements	192	-	-	-	Hospitality Tax
Fire Station 6 Replacements	1,769	-	28,522	28,522	State ATAX
Fire Station 7 Replacements	698	-	28,523	28,523	
Fire Training Center	-	-	-	-	
Fire Rescue HQ Replacements	6,408	-	-	-	
EOC Replacements	5,027	-	-	-	
Security Access Upgrades	45,771	-	41,369	41,369	Hospitality Tax
			4,402	4,402	State ATAX
Facility Maintenance & Improvements	-	500,000	-	500,000	State ATAX
Facilities Equipment	-	50,000	-	50,000	State ATAX
4 Office Way Renovations	-	1,100,000	-	342,934	TIF
				757,066	State ATAX
Jonesville Horse Barn	-	500,000	-	500,000	Capital
Town Refuse & Recycling Management	-	250,000	-	250,000	Hospitality Tax
Improvements to new Fire Rescue HQ	-	-	677,008	677,008	Future GO Bond Proceeds
<b>Facility &amp; Equipment Program Total</b>	<b>3,332,611</b>	<b>4,721,000</b>	<b>1,149,272</b>	<b>5,870,272</b>	
<b>Stormwater Program</b>					
Stormwater General Contingency	-	500,000	-	500,000	Stormwater Utility Fee
Stormwater Contingency-Non PUD	-	1,800,000	-	1,800,000	Stormwater Utility Fee
Stormwater Contingency-PUD	-	2,000,000	-	2,000,000	Stormwater Utility Fee
Palmetto Hall Outfall Improvements	80,000	150,000	-	150,000	Stormwater Utility Fee
Lawton Pump Station	-	-	-	-	
Wexford Debris System Design	753,915	750,000	753,446	1,503,446	Stormwater Utility Fee
25 Moonshell Road	99,242	60,000	-	60,000	Stormwater Utility Fee
Gum Tree Road Improvements	11,527	120,000	-	120,000	Stormwater Utility Fee
Jarvis Creek Outfall	150,000	50,000	-	50,000	Stormwater Utility Fee
Cordillo Court Improvements	-	95,880	-	95,880	Stormwater Utility Fee
Water Level Monitoring	-	75,000	-	75,000	Stormwater Utility Fee
Weather Monitoring	-	50,000	-	50,000	Stormwater Utility Fee
Howell Tract Access Gate	20,000	-	-	-	
Main Street Drainage Improvements	222,000	50,000	-	50,000	Stormwater Utility Fee
75 Helmsman Way Clearing	-	50,000	-	50,000	Stormwater Utility Fee
Bryant Road Pond Restoration	-	25,000	-	25,000	Stormwater Utility Fee
Old Woodlands-26 Indian Trail	-	80,000	-	80,000	Stormwater Utility Fee
Gum Tree Channel Capacity	-	120,000	-	120,000	Stormwater Utility Fee
Arrow Road Laydown Yard Improvements	-	75,000	-	75,000	Stormwater Utility Fee
Stormwater Pump Station Maintenance	-	300,000	-	300,000	Stormwater Utility Fee
<b>Stormwater Program Total</b>	<b>1,336,683</b>	<b>6,350,880</b>	<b>753,446</b>	<b>7,104,326</b>	
<b>Fleet Program</b>					
Town Vehicle Replacement	0	80,000	-	80,000	Short Term Rental Permit Fee
F/R Apparatus & Vehicle Replacement					
Engine/Pumper/Quint Company	2,464,838	-	2,464,838	2,464,838	HTAX Supported Lease
Support Vehicle Replacement	2,821	-	-	-	
Ladder Truck Replacement (2)	4,500,000	-	-	-	
Public Safety Boat	-	-	-	-	

## FY 2026 Capital Improvements Program

Projects	FY 2025 Unspent Budget	FY 2026 Approved Budget	FY 2026 Proposed Budget Amendment	FY 2026 Proposed Revised Budget	FY 2026 Proposed Funding Sources
Contingency	44,702	100,000	-	100,000	Short Term Rental Permit Fee
<b>Fleet Program Total</b>	<b>7,012,361</b>	<b>180,000</b>	<b>2,464,838</b>	<b>2,644,838</b>	
<b>Subtotal FY 2026 Capital Program</b>	<b>57,629,395</b>	<b>77,437,380</b>	<b>9,946,904</b>	<b>87,384,284</b>	
<b>Land Acquisition Program</b>					
Land Acquisition & Administration	92,938	250,000	-	250,000	Real Estate Transfer Fee
164 Jonesville Road Purchase	-	-	413,000	413,000	Real Estate Transfer Fee
Stoney Peninsula Purchase	-	-	705,800	705,800	Real Estate Transfer Fee
117 William Hilton Parkway Purchase	-	-	762,500	762,500	TIF
1 & 5 Old Wildhorse Road Purchase	-	-	500,000	500,000	TIF
9 Park Lane Purchase	-	-	1,750,000	1,750,000	Future GO Bond Proceeds
10 Park Lane Purchase	-	-	5,950,000	5,950,000	Future GO Bond Proceeds
<b>Land Acquisition Program Total</b>	<b>92,938</b>	<b>250,000</b>	<b>10,081,300</b>	<b>10,331,300</b>	
<b>Other Financing Uses</b>					
Special Revenue Bond Cost of Issuance (Beach)	-	-	277,838	277,838	Beach Fee
<i>Future Town Council Approved Land Acquisition and Capital Projects to be Funded by GO Bond Proceeds</i>	-	-	26,622,992	26,622,992	<i>Future GO Bond Proceeds</i>
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>26,900,830</b>	<b>26,900,830</b>	
<b>Total FY 2026 Capital Program</b>	<b>57,722,332</b>	<b>77,687,380</b>	<b>46,929,034</b>	<b>124,616,414</b>	



## ATTACHMENT 3

### Town of Hilton Head Island Master Fee Schedule

Section I:	Hospitality Fees	Page 2
Section II:	Business License Fees	Page 3
Section III:	Ambulance Fees	Pages 4-6
Section IV:	Growth Management Fees	Pages 7-10
Section V:	Impact Fees	Pages 11-12
Section VI:	GIS Map Fees	Page 13
Section VII:	Stormwater Fees	Page 14
Section VIII:	Miscellaneous Fees	Page 15



## ATTACHMENT 3

### Town of Hilton Head Island Master Fee Schedule

#### Section I- Hospitality Fees

Item/Description	Basis	Fee
Taxation Fees		
Hospitality Tax Fees	Quarterly on the dates listed in the table below	2% of Prepared Meals/Beverages
Accommodations Tax	Quarterly on the dates listed in the table below	3% of Gross Sales Price of Accommodations*
Short-Term Rental Permit	<del>Yearly running with the calendar year</del> 12-month period starting May 1, 2026	<del>\$250 per property</del> \$150 per bedroom per property \$250 late fee after May 15, 2026 (Starting in 2027, the late fee will be assessed on May 1.)

\*1/3 of the Accommodations Tax (or 1% of Gross Price of Accommodations) goes towards tourism-related expenditures including such things as tourism-related buildings, beach access, roads, water and sewer infrastructure, maintenance, police, fire protections and emergency medical services.

2/3 of the Accommodations Tax (or 2% of Gross Price of Accommodations) is allocated to the Beach Preservation Fee used for beach renourishment, and beach related services and facilities.

Collected	Due
First Quarter (January, February, March)	April 20 <sup>th</sup> of the calendar year
Second Quarter (April, May, June)	July 20 <sup>th</sup> of the calendar year
Third Quarter (July, August, September)	October 20 <sup>th</sup> of the calendar year
Fourth Quarter (October, November, December)	January 20 <sup>th</sup> of the following calendar year



### ATTACHMENT 3

## Town of Hilton Head Island Master Fee Schedule

### Section II- Business License Fees

#### Business License Rate Schedule

Rate Class/Charge Code	New Rates effective 01/01/2026		A=In Town (IT) B=Out of Town (OT)
	New base rate	New per thousand rate	
01A	\$ 48.60	\$ 0.80	
01B	\$ 97.20	\$ 1.60	
02A	\$ 56.70	\$ 1.10	
02B	\$ 113.40	\$ 2.20	
03A	\$ 64.60	\$ 1.20	
03B	\$ 129.20	\$ 2.40	
04A	\$ 72.80	\$ 1.40	
04B	\$ 145.60	\$ 2.80	
05A	\$ 80.90	\$ 1.50	
05B	\$ 161.80	\$ 3.00	
06A	\$ 89.00	\$ 1.60	
06B	\$ 178.00	\$ 3.20	
07A	\$ 97.00	\$ 1.80	
07B	\$ 194.00	\$ 3.60	
08D	Exempt	Exempt	
08.1A Contractors, Construction	\$64.60	\$1.20	
08.1B Contractors, Construction	\$129.20	\$2.40	
08.51A Type I & II Amusement Machine Operator	\$12.50		Business License Flat Rate
08.11 Type I & II Per Each Machine Permit	\$12.50		Amusement Machine
08.52A Type III Amusement Machine Operator	\$12.50		Business License Flat Rate
08.13 Type III Per Each Machine Permit	\$180.00		Amusement Machine
08.6A Pool Halls or Billiards	\$64.60	\$1.20	
08.12 Per Each Billiard/Pool Table Permit	\$5.00		Pool Table
09.10A Online Travel Arrangements	\$187.50	\$3.24	Same Rate for IT/OT
09.10B Online Travel Arrangements	\$187.50	\$3.24	
09.30A Auto Dealers	\$56.70	\$1.10	
09.30B Auto Dealers	\$113.40	\$2.20	
09.70A Drinking Places	\$113.20	\$1.80	
09.70B Drinking Places	\$226.40	\$3.60	
08EE- Taxi Stickers	\$25.00		Per Taxi



## ATTACHMENT 3

### Town of Hilton Head Island Master Fee Schedule

#### Non-Resident Rates:

Unless otherwise specifically provided, all taxes and rates shall be doubled for nonresidents and itinerants having no fixed principal place of business within the municipality.

#### Irrigation Trade Certificates:

Item	Fee
Irrigation Trade Test	\$75.00
Initial Irrigation Trade Certificate (issued for one calendar year)	\$25.00
Renewal Fee (due December 31 <sup>st</sup> )	\$10.00
Late Renewal Fee	\$20.00

#### Section III- Ambulance Service Fees

Billing Category	Rate
<b>BLS-</b> Basic Life Support- Non-emergency	\$460 plus \$17.25/mile
<b>BLS-</b> Basic Life Support- Emergency	\$626 plus \$17.25/mile
<b>ALS-1-</b> Advanced Life Support- Non-emergency	\$520 plus \$17.25/mile
<b>ALS-1-</b> Advanced Life Support- Level 1 Emergency	\$745 plus \$17.25/mile
<b>ALS-2-</b> Advanced Life Support- Level 2	\$1076 plus \$17.25/mile
<b>Treatment-</b> No Transport - BLS	\$100 per incident
<b>Treatment-</b> No Transport - ALS	\$175 per incident

Emergency response is a BLS, ALS 1 or ALS 2 level of service provided in immediate response to a 911 call or the equivalent.



## ATTACHMENT 3

### Town of Hilton Head Island Master Fee Schedule

#### **Ambulance Billing Category Descriptions**

##### **BLS (non-emergency)**

Response to treat/transport a patient includes:

- Checking vitals, oxygen administration, etc.
- Maintaining an existing IV but no IV initiated
- Minimal use of supplies
- These calls are mostly non-emergency "transport" patients who are routinely transported by private ambulance services to various locations (hospitals, doctor's offices, homes, etc.)
- The Town of Hilton Head Island Fire Rescue rarely handle these types of calls and do so only in defined critical situations.

##### **BLS (emergency)**

Emergency response for a patient who is treated /transported to a hospital includes:

- Checking vitals, oxygen administration, splinting, bandaging, etc.
- Maintaining an existing IV but no IV initiated
- Minimal to moderate use of supplies
- These are emergency calls that The Town of Hilton Head Island Fire Rescue routinely handles.

##### **ALS 1 (non-emergency)**

Response for a patient who is treated/transported includes:

- an ALS assessment or ALS skills such as IV initiation, cardiac monitoring, blood draws, BGL checks, or up to two (2) drugs administered
- minimal to moderate use of supplies
- These are mostly non-emergency "transport" calls between facilities that require an ALS assessment and/or the use of ALS procedures that are above the scope of BLS care.
- The Town of Hilton Head Island Fire Rescue rarely handles these types of calls and do so only in defined critical situations.



## ATTACHMENT 3

### Town of Hilton Head Island Master Fee Schedule

#### **ALS 1 (emergency)**

Emergency response for a patient who is treated/transported to a hospital and requires:

- an ALS assessment or ALS skills such as IV initiation, cardiac monitoring, blood draws, BGL checks, or up to two (2) drugs administered
- minimal to moderate use of supplies
- These are emergency calls are primarily patients suffering from seizure, diabetic emergencies, breathing problems, auto accidents, etc.
- The Town of Hilton Head Island Fire Rescue routinely handles these emergency calls.

#### **ALS 2**

Emergency response for a patient who is treated/transported to a hospital and requires:

- an ALS assessment or ALS skills plus three (3) or more separate drug administrations and/or the use of any one of the following:
  - Manual defibrillation
  - Cardio-version
  - Cardiac pacing
  - Endotracheal intubation
  - Chest decompression
  - Intraosseous line
- maximum use of supplies
- These emergency calls are primarily patients in cardiac or respiratory arrest, shock, or critical trauma patients.
- The Town of Hilton Head Island Fire Rescue routinely handles these emergency calls.

#### **Treatment-No Transport**

Response to calls where "treatment" was performed but no transport to a medical facility took place. Treatment is described as providing oxygen administration, splinting, bandaging, applying hot or cold compresses, IV fluid administration, etc.



### ATTACHMENT 3

## Town of Hilton Head Island Master Fee Schedule

### Section IV- Growth Management Fees

Item/Description	Value of Construction	Fee
<b>New Structure Single Family Permits</b>	\$0-\$2,000	\$35.00
	\$2,001-\$3,000	\$38.50
	\$3,001-\$50,000	\$38.50 + \$4.50 per \$1,000 or fraction thereof
	\$50,001 and above	\$250.00 + \$3.50 per \$1,000 or fraction thereof over \$50,000
	Plan Review Fee	50% of permit fee (non-refundable)
<b>Miscellaneous Single Family Permits</b>	\$0-\$1,000	\$35.00
	\$1,001-\$2,000	\$70.00
	\$2,001-\$3,000	\$77.00
	\$3,001-\$50,000	\$77.00 + \$9.00 per \$1,000 or fraction thereof
	\$50,001 and above	\$500.00 + \$3.50 per \$1,000 or fraction thereof over \$50,000
	Plan Review Fee	50% of permit fee (non-refundable)
<b>New Structure Commercial Permits</b>	\$500-\$2,000	\$35.00
	\$2,001-\$3,000	\$38.50
	\$3,001-\$50,000	\$38.50 + \$4.50 per \$1,000 or fraction thereof
	\$50,001 and above	\$250.00 + \$4.00 per \$1,000 or fraction thereof over \$50,000
	Plan Review Fee	75% of permit fee (non-refundable)
<b>Miscellaneous Commercial Permits</b>	\$0-\$1,000	\$35.00
	\$1,001-\$2,000	\$70.00
	\$2,001-\$3,000	\$77.00
	\$3,001-\$50,000	\$77.00 + \$9.00 per \$1,000 or fraction thereof
	\$50,001 and above	\$500.00 + \$4.00 per \$1,000 or fraction thereof over \$50,000
	Plan Review Fee	75% of permit fee (non-refundable)

Fees shall be waived for single family construction alterations to enlarge, alter, repair, remodel or add additions to existing structures when the value of said alteration is less than one thousand dollars (\$1,000.00).

- A permit is still required.
- Mechanical work is not subject to this waiver.



### ATTACHMENT 3

## Town of Hilton Head Island Master Fee Schedule

### Permit Application Fees

Item/Description	Basis	Fee
Construction Trailers	Each	\$25.00
Demolition	Each	\$50.00
Electrical < 200 amps	Each	\$25.00
Electrical > 200 amps	Each	\$35.00
Electrical Other	Each	
HVAC Change Out (per unit)	Each	\$50.00
LP Gas Permit- Residential > 1,000 gallons	Each	\$50.00
LP Gas Permit- Commercial < 1,000 gallons	Each	\$50.00
LP Gas Permit- Commercial > 1,000 gallons	Each	\$75.00
Water Heater Change Out	Each	\$50.00
Manufactured Homes	Each	\$25.00 + impact fees
Moving a Structure	Each	\$100.00
Swimming Pool or Spa Single Family	Each	\$100 + \$200 surety deposit*
Swimming Pool or Spa Commercial	Each	\$150 + \$200 surety deposit*
Irrigation Systems (per system)	Each	\$100 + \$200 surety deposit*
Tent, Stage or Air Supported Structure	Each	\$50.00
Water Feature (Fountains)	Each	\$100 + \$200 surety deposit*
Re-inspection of each permit	Each	\$50.00
Construction Board of Adjustments and Appeals	Each	\$75.00
Remark Single Family Plans	Each	\$50.00
Safety Inspection	Each	\$100.00
Withdrawn Permits with Plans	Each	\$50.00 or 10% of permit fee, whichever is larger
Withdrawn Permits Without Plans	Each	Refund Permit Fee or \$50, whichever is larger
Stop Work Order	Each	Double permit fee + possible fine
Building Permit Transfer	Each	\$50.00
Permit Extension Request	Each	\$25.00
Permit Reinstatement Fee	Each	\$25.00

\*Surety Deposits are refundable if final inspection is approved within six months of permit issuance.

Building permit fees are based on a comparison of the declared value of construction and the minimum value of construction as outlined in the Building Valuation Data as published by the International Code Council. The fee is calculated using the higher of the two compared figures.



## ATTACHMENT 3

### Town of Hilton Head Island Master Fee Schedule

#### Planning and Environmental Permit Fees

<b>Description</b>	<b>Fee</b>
Address Request	\$0.00
Appeal	\$100.00
Certificate of Compliance	\$0.00 + \$200 for each reinspection
Designation of Contributing Structure	\$0.00
Design Review Board: New Development Conceptual	\$175.00
Design Review Board: New Development Final	\$175.00
Design Review Board: Alteration/Addition	\$100.00
Development Naming	\$0.00
Development Review Plan: Major-Residential	\$200.00 + \$10 per unit
Development Review Plan: Major-Non-Residential	\$500.00 + \$20 per 1000 sq ft
Development Review Plan: Major-Hotel/Motel	\$200.00 + \$10 per room plus non-residential fee
Development Review Plan: Minor (no new building/addition)	\$100.00
Emergency Permitting	\$0.00
Exempt Plat	\$0.00
Family Compound	\$0.00
Minor Corridor Review	\$50.00
Natural Resource Request	\$0.00
Plat Stamping	\$0.00
Pre-Application	\$0.00
Pre-Clear Inspection	\$0.00 + \$200 for each re-inspection
Public Project	\$0.00
Sign	\$25.00 + \$25.00 per sign face
Silviculture	\$0.00
Site Lighting	\$0.00
Small Residential Plan Review	\$50.00 + \$10 per unit
Special Exception	\$200.00
Street Naming	\$0.00
Street Renaming	\$0.00
Substitution of Non-Conformities	\$0.00
Subdivision: Major	\$200.00 + \$10 per lot
Subdivision: Minor	\$100.00 + \$10 per lot
Traffic Impact Analysis Plan	\$250.00



### ATTACHMENT 3

## Town of Hilton Head Island Master Fee Schedule

### Planning and Environmental Permit Fees (continued)

<b>Description</b>	<b>Fee</b>
Tree Removal	\$0.00
LMO Text Amendment	\$0.00
Utility Project	\$0.00
Variance	\$250.00
Zoning Map Amendment	\$500.00
Zoning Permit	\$0.00
Zoning Verification Letter	\$0.00



### ATTACHMENT 3

## Town of Hilton Head Island Master Fee Schedule

### Section V- Impact Fees

Impact fees are due to the community when issuing new structure building permits to help build the infrastructure required to serve the new occupants. The Beaufort County fees are collected by the Town of Hilton Head Island at the issuance of the permit and distributed to the county monthly.

#### Beaufort County Road Development Impact Fees

Residential (per housing unit)  
sqft)

Unit Size (sq. ft)	Fee
1,000 or less	\$1,551.00
1,001 to 1,250	\$1,939.00
1,251 to 1,500	\$2,284.00
1,501 to 1,750	\$2,585.00
1,751 to 2,000	\$2,844.00
2,001 to 2,500	\$3,231.00
2,501 to 3,000	\$3,576.00
3,001 to 3,500	\$3,835.00
3,501 to 4,000	\$4,093.00
4,001 or more	\$4,309.00

Non-Residential (per 1,000

Use Type	Fee
Retail	\$5,024.00
Office/Service	\$2,497.00
Industrial	\$1,007.00
Institutional	\$2,326.00

#### Beaufort County Library Development Fees

Residential (per housing unit)

Unit Size (sq. ft)	Fee
1,000 or less	\$151.00
1,001 to 1,250	\$189.00
1,251 to 1,500	\$227.00
1,501 to 1,750	\$252.00
1,751 to 2,000	\$278.00
2,001 to 2,500	\$316.00
2,501 to 3,000	\$353.00
3,001 to 3,500	\$379.00
3,501 to 4,000	\$404.00
4,001 or more	\$417.00



### ATTACHMENT 3

## Town of Hilton Head Island Master Fee Schedule

### Town of Hilton Head Island Road Development Fees

Land Use	Fee Per	Fee
Single Family (<1500 sq ft)	Dwelling	\$635.00
Single Family (>1500 sq ft)	Dwelling	\$816.00
Multifamily	Dwelling	\$500.00
Retirement Housing	Dwelling	\$282.00
Hotel	Room	\$805.00
Motel	Room	\$870.00
Bank w/out drive-thru	1,000 sq ft	\$1,800.00
Bank w/ drive-thru	1,000 sq ft	\$3,394.00
Church	1,000 sq ft	\$795.00
Community College	1,000 sq ft	\$1,099.00
Convenience Market	1,000 sq ft	\$9,445.00
Day Care Center	1,000 sq ft	\$1,013.00
Discount Store	1,000 sq ft	\$4,487.00
Elementary/Secondary School	1,000 sq ft	\$915.00
Golf Course	Acre	\$3,208.00
High School	1,000 sq ft	\$930.00
Hospital	1,000 sq ft	\$1,431.00
Industry, Light	1,000 sq ft	\$595.00
Library	1,000 sq ft	\$3,882.00
Marina	Berth	\$252.00
Medical Clinic/Office	1,000 sq ft	\$2,916.00
Mini-Warehouse	1,000 sq ft	\$223.00
Office, General (<25,000 sq ft)	1,000 sq ft	\$1,988.00
Office, General (>25,000 sq ft)	1,000 sq ft	\$1,418.00
Park	Acre	\$191.00
Racquet Club	1,000 sq ft	\$1,462.00
Restaurant, Quality	1,000 sq ft	\$6,175.00
Restaurant, High- Turnover	1,000 sq ft	\$8,761.00
Restaurant, Fast Food	1,000 sq ft	\$14,562.00
Service Station	Hose	\$1,236.00
Shopping Center (<50,000 sq ft)	1,000 sq ft	\$2,604.00
Shopping Center (>50,000 sq ft)	1,000 sq ft	\$3,317.00
Supermarket/Food Store	1,000 sq ft	\$4,283.00
Warehousing	1,000 sq ft	\$416.00



## ATTACHMENT 3

### Town of Hilton Head Island Master Fee Schedule

#### Section VI: GIS Map Fees

##### Standard Pre-Made Maps and Reprints

Size	Fee
8.5" x 11"	\$1.00
11' x 17" (Tabloid)	\$2.00
24" x 36" (Arch D)	\$10.00
36" x 48" (Arch E)	\$20.00

##### Custom Maps and Aerial Photos (Produced by Staff)

Same price as above with \$40.00 per hour for Staff time- charges added in 15 minute increments. Minimum staff time charge of \$10.00.

Maps larger than 36" x 48" (Arch E) will be billed at \$1.67 per square foot.



## ATTACHMENT 3

### Town of Hilton Head Island Master Fee Schedule

#### Section VII- Stormwater Fees

Permit Type	Initial NPDES Plan Review	Plan Amendment/ Resubmittal	Routine Inspection (monthly)	Notice of Violation (per inspection)	Stop Work Order (per inspection)
Single Family Residential	\$100	\$75	\$90 (6 month minimum)	\$140	\$190
Pool or Spa (residential)	\$100	\$75	\$90 (3 month minimum)	\$140	\$190
Demolition (Residential, <1 acre)	\$100	\$75	\$90 (1 month minimum)	\$140	\$190
Residential Subdivision, Multifamily and Non-residential **	\$250/acre* (\$5000 max)	\$150/acre* (\$2500 max)	\$50 + \$50/acre* (\$500 max)	\$100 + \$50/acre* (\$550 max)	\$150 + \$50/acre* (\$600 max)

\*Per disturbed acre, rounded up to the nearest whole acre.

\*\*Including Land Disturbance Permits and Commercial Demolitions

Minimum monthly inspection fees due prior to permit issuance, inspections above the minimums will be due in full prior to final CO issuance.



### ATTACHMENT 3

## Town of Hilton Head Island Master Fee Schedule

### Section VIII- Miscellaneous Fees

Item/Description	Basis	Fee
Resident Beach Parking Pass*	Yearly (calendar year)	\$0 per vehicle with a 2 vehicle per address limit
Non-Resident Beach Parking Fee*	March 1 <sup>st</sup> through September 7 <sup>th</sup> (Monday through Friday)	\$3 per hour with a maximum daily charge of \$15 per vehicle
	March 1 <sup>st</sup> through September 7 <sup>th</sup> (Monday through Friday)	\$20 per vehicle flat daily rate
Real Estate Transfer Fee	Upon closing of real estate	.25%
Special Event Fee	Per Event	\$100 + \$500 event bond**

\*All visitors will be required to pay for parking at all locations except Coligny Beach Park.

- Free parking for youth recreational sports will remain available at Chaplin Community Park (Burkes Beach Access).
- Beach parking fees will be enforced at Chaplin Community Park (Burkes Beach Access) from 7 am to 5 pm, beginning May 19<sup>th</sup> and through September 7<sup>th</sup>, following the end of the youth sports season.
- Individuals with registered handicap placards and/or license plates may park for free at all beach parks, per South Carolina state law.
- Disabled veterans and recipients of the Purple Heart are exempt from the payment of municipal parking meter fees when their vehicles bear a disabled veteran's or Purple Heart license plate issued by the Department of Motor Vehicles. A new parking privilege has been added to certain military license plates that allows free parking in metered areas in SC. These benefits do not apply to military license plates issued before May 6, 2022.

\*\*The \$500 event bond is refundable pending the event completion with all Town of Hilton Head event requirements satisfied.

ATTACHMENT 4



**TOWN OF HILTON HEAD ISLAND**  
*TOWN COUNCIL*

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**TO:** Hilton Head Town Council Members  
**FROM:** Dave Byrd, Finance Director  
**CC:** Marc Orlando, Town Manager  
**DATE:** March 10, 2026  
**SUBJECT:** Short-Term Rental Program Enhancements – Sustainable Funding Strategy, Fee Amendment, and Staffing Plan

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**PURPOSE:**

The purpose of this memorandum is to provide detailed justification and supporting analysis for a proposed budget amendment to implement enhancements to the Town’s Short-Term Rental (STR) Program. Specifically, this memorandum:

- Responds to Town Council’s prior direction to return with a separate funding, fee, and staffing proposal following adoption of the amended STR ordinance;
- Identifies the operational demands created by the amended ordinance;
- Presents a sustainable funding strategy, including a proposed \$150 per-bedroom annual STR permit fee and \$250 late renewal fee; and
- Recommends a staffing and operational plan resulting in six (6) STR program-dedicated full-time equivalent (FTE) positions, representing a net increase of four (4) FTEs.

This memorandum is submitted as **Attachment 4** to the Budget Amendment Ordinance Staff Report and provides detailed support for the requested action.

**BACKGROUND:**

On October 21, 2025, Town Council adopted comprehensive amendments to the Short-Term Rental Ordinance to strengthen regulations related to:

- Parking and occupancy,
- Enforcement and compliance,
- Fire and life-safety standards, and
- Program accountability and responsiveness.

At the time of adoption, Town Council directed the Town Manager to return with a separate item addressing:

- Required staffing enhancements,
- Operational and equipment needs, and
- Fee schedule amendments necessary to support the enhanced program.

The ordinance amendments were intentionally adopted without a concurrent budget or fee schedule amendment, necessitating this follow-up action to ensure full and effective implementation.

The Town currently permits 7,368 short-term rental units, representing one of the largest STR inventories among similarly sized resort communities. The scale, geographic dispersion, and intensity of STR activity—particularly within residential neighborhoods—has significantly increased demand for:

- Proactive inspections and enforcement,
- Timely and consistent complaint response,
- Fire and life-safety inspections,
- 24/7 operational responsiveness, and
- Clear and consistent communication with residents, property owners, agents, and visitors.

### **EXISTING STR PROGRAM STAFFING (Pre-Amendment):**

Prior to adoption of the amended ordinance, the STR program operated under a limited and distributed staffing model funded by a \$250 flat annual STR permit fee, including:

- Finance staff supporting STR permitting and compliance,
- Shared Community Code Enforcement staff without STR-dedicated assignments, and
- Reliance on a third-party vendor to provide nuisance hotline services with no internal 24/7 intake or rapid response capability.

This existing staffing model and fee structure are insufficient to administer the amended ordinance and do not meet Town Council's expectations for responsiveness, accountability, and neighborhood protection.

### **PROPOSED FUNDING STRUCTURE:**

Staff recommend amending the Town of Hilton Head Island Master Fee Schedule to adopt the following STR permit fee structure:

- \$150 per-bedroom annual STR permit fee, and

- \$250 late fee for STR permit renewals submitted after May 15, 2026 (Beginning in 2027, the late fee will apply on May 1).

All revenue generated by the proposed per-bedroom permit fee and late fee will be restricted to STR program operations and used exclusively to fund staffing, equipment, technology, and operational enhancements necessary to administer the program.

This approach aligns STR-related fees directly with the scale and intensity of use, ensuring that program costs are borne by STR operations rather than the general taxpayer.

### **STR PROGRAM ENHANCEMENTS SUPPORTED BY REVENUE:**

The proposed funding structure supports the following STR program enhancements:

- Funding for an additional four (4) STR program-dedicated FTEs;
- Conversion of two (2) STR program-dedicated part-time positions to full-time positions;
- Promotion of one (1) Community Code Enforcement Supervisor to address expanded compliance requirements;
- Acquisition of three (3) additional vehicles, equipment, and supporting technology;
- Implementation of STR compliance software, dashboards, system maintenance, training, and public transparency tools;
- Proactive and complaint-based inspections with defined response standards;
- Establishment of a Town-operated 24/7 STR Rapid Response Hotline through Fire Rescue Dispatch;
- Enhanced coordination with the Beaufort County Sheriff's Office (BCSO);
- Centralized case management, tracking, and escalation of repeat violations;
- Improved communication with residents, owners, agents, and visitors; and
- Annual STR program performance reporting to Town Council.

### **STR PROGRAM STAFFING AND OPERATIONS PLAN AND NET IMPACT:**

#### **Existing Cost Structure Adjustments**

The current \$250 flat permit fee supports STR program-related staffing and costs across multiple departments, including Public Safety, Fire Rescue, Community Development, IT, Legal, Finance, Facilities, Operations, and Communications, as well as STR software licensing.

A review of staff time allocations versus budgeted assumptions was conducted. Adjustments were made based on actual workload, and a 10% overhead factor was applied to account for indirect administrative costs. The attached spreadsheet details these adjustments by category.

The net impact of these updates represents an increase of \$312,554 to support the existing STR program at current service levels.

Existing STR Program Staffing and Operation Expense	Existing Annual STR Costs		Comments
	2026 FY Budget	2026 Actual	
<b>STAFFING:</b>			
Public Safety	\$ 634,530	\$ 697,983	Added 10% Overhead Allocation
Fire Rescue	\$ 154,217	\$ 169,639	Added 10% Overhead Allocation
Community Development Customer Service	\$ 140,202	\$ -	Updated based on usage
IT, Legal, Finance	\$ 290,286	\$ 677,578	Updated based on time allocation of Revenue Team; added 10% Overhead Allocation
Facilities and Operations	\$ 291,065	\$ 270,156	10% Overhead and time allocation
Communications and Marketing	\$ 75,000	\$ 82,500	Added 10% Overhead Allocation
<b>Total Staffing</b>	<b>\$ 1,585,300</b>	<b>\$ 1,897,855</b>	
<b>OPERATING EXPENSES:</b>			
3rd Party Software - Neumo (Formerly GovOS)	\$ 239,700	\$ 239,700	
<b>Total Operating Expenses</b>	<b>\$ 239,700</b>	<b>\$ 239,700</b>	
<b>Total Revised and Recommended STR Costs - Annual</b>	<b>\$ 1,825,000</b>	<b>\$ 2,137,554</b>	

### New STR Program Staffing and Operational Requirements

In addition to adjustments to the existing cost structure, the amended ordinance necessitates new staffing and operational investments to meet enhanced compliance and enforcement standards.

### Proposed STR Program-Dedicated Positions

#### New Positions (4.0 New FTE):

- Two (2) Senior Community Code Enforcement Officers
  - Proactive inspections, complaint response, repeat-violation follow-up, and neighborhood quality-of-life enforcement.
- One (1) Senior Fire Inspector
  - STR-specific fire and life-safety inspections, re-inspections, and coordination with Fire Rescue.
- One (1) Dispatcher – STR Rapid Response Hotline Operator
  - Operation of a Town-managed 24/7 STR hotline through Fire Rescue Dispatch, replacing the outsourced Neumo (formerly GovOS) service.

### **Converted and Promoted Positions (0 New Positions):**

- Conversion of two (2) Finance positions from part-time to full-time:
  - Short-Term Rental Services Coordinator – Program administration, permitting coordination, communications, case oversight, metrics, and reporting.
  - Senior Revenue Collector – STR Program – STR collections, audits, compliance tracking, and coordination with Finance.
- Promotion of one (1) existing Public Safety Supervisor to a Manager position to address expanded compliance responsibilities.

This STR program staffing model represents the optimal operational capacity required to effectively administer an STR program of this size and complexity.

### **Capital and Operational Investments**

Additional investments required to support the enhanced STR program include:

- Expanded communications support to implement a comprehensive STR communications strategy;
- Three (3) new vehicles, including maintenance and fuel;
- Ten (10) vehicle equipment upgrades;
- Six (6) handheld radios.

Detailed cost information is provided in the attached spreadsheet.

New STR Operation Expense	Comments	Total STR Expense
\$ 222,750	2 - FTE Senior Code Enforcement Officers	
\$ 124,635	1 - FTE Senior Fire Inspector	
\$ 17,311	Promote Supervisor to Manager	
\$ 84,229	1 - FTE STR Rapid Response Hotline Operator	
\$ 70,350	.5 - FTE STR Services Coordinator	
\$ 92,625	.5 - FTE Senior Revenue Collector	
<b>\$ 611,900</b>		<b>2,509,754</b>
\$ (29,700)	Eliminate STR Nuisance Hotline	
\$ 50,000	Comprehensive Communication Strategy	
\$ 143,200	New Vehicles (3)	
\$ 81,000	Vehicle Equipment Upgrades (10)	
\$ 37,096	Handheld Radios (6)	
<b>\$ 281,596</b>		<b>521,296</b>
<b>\$ 893,496</b>		<b>3,031,050</b>

**CONCLUSION:**

This budget amendment implements Town Council's prior direction by aligning the amended STR ordinance with the staffing, operational resources, and funding necessary for effective administration of the STR program. The proposed fee structure and staffing plan establish a sustainable, transparent, and accountable STR program that protects neighborhood quality of life while supporting a well-managed visitor economy.

**Attachment 5** provides a consolidated overview of the proposed staffing, operational enhancements, and amended STR fee schedule.

**ATTACHMENT 5**

Existing STR Program Staffing and Operation Expense	Existing Annual STR Costs		Comments
	2026 FY Budget	2026 Actual	
<b>STAFFING:</b>			
<b>Public Safety</b>	\$ 634,530	\$ 697,983	Added 10% Overhead Allocation
<b>Fire Rescue</b>	\$ 154,217	\$ 169,639	Added 10% Overhead Allocation
<b>Community Development Customer Service</b>	\$ 140,202	\$ -	Updated based on usage
<b>IT, Legal, Finance</b>	\$ 290,286	\$ 677,578	Updated based on time allocation of Revenue Team; added 10% Overhead Allocation
<b>Facilities and Operations</b>	\$ 291,065	\$ 270,156	10% Overhead and time allocation
<b>Communications and Marketing</b>	\$ 75,000	\$ 82,500	Added 10% Overhead Allocation
<b>Total Staffing</b>	<b>\$ 1,585,300</b>	<b>\$ 1,897,855</b>	
<b>OPERATING EXPENSES:</b>			
<b>3rd Party Software - Neumo (Formerly GovOS)</b>	\$ 239,700	\$ 239,700	
<b>Total Operating Expenses</b>	<b>\$ 239,700</b>	<b>\$ 239,700</b>	
<b>Total Revised and Recommended STR Costs - Annual</b>	<b>\$ 1,825,000</b>	<b>\$ 2,137,554</b>	

New STR Operation Expense	Comments	Total STR Expense
\$ 222,750	2 - FTE Senior Code Enforcement Officers	
\$ 124,635	1 - FTE Senior Fire Inspector	
\$ 17,311	Promote Supervisor to Manager	
\$ 84,229	1 - FTE STR Rapid Response Hotline Operator	
\$ 70,350	.5 - FTE STR Services Coordinator	
\$ 92,625	.5 - FTE Senior Revenue Collector	
<b>\$ 611,900</b>		<b>2,509,754</b>
\$ (29,700)	Eliminate STR Nuisance Hotline	
\$ 50,000	Comprehensive Communication Strategy	
\$ 143,200	New Vehicles (3)	
\$ 81,000	Vehicle Equipment Upgrades (10)	
\$ 37,096	Handheld Radios (6)	
<b>\$ 281,596</b>		<b>521,296</b>
<b>\$ 893,496</b>		<b>3,031,050</b>

STR Bedrooms	Number of STR Permits	Number of Bedrooms	New STR Permit Fee	Change vs Existing Fee	Total STR Permit Fee
Studio	6	6	\$ 150	\$ (100.00)	\$ 900
1 Bedroom	1,057	1,057	\$ 150	\$ (100.00)	\$ 158,550
2 Bedrooms	3,121	6,242	\$ 300	\$ 50.00	\$ 936,300
3 Bedrooms	1,492	4,476	\$ 450	\$ 200.00	\$ 671,400
4 Bedrooms	763	3,052	\$ 600	\$ 350.00	\$ 457,800
5 Bedrooms	435	2,175	\$ 750	\$ 500.00	\$ 326,250
6 Bedrooms	322	1,932	\$ 900	\$ 650.00	\$ 289,800
7 Bedrooms	130	910	\$ 1,050	\$ 800.00	\$ 136,500
8 Bedrooms	28	224	\$ 1,200	\$ 950.00	\$ 33,600
9 Bedrooms	7	63	\$ 1,350	\$ 1,100.00	\$ 9,450
10 Bedrooms	7	70	\$ 1,500	\$ 1,250.00	\$ 10,500
<b>Total</b>	<b>7,368</b>	<b>20,207</b>			<b>\$ 3,031,050</b>
<b>Per Bedroom STR Permit Fee</b>					<b>\$ 150</b>



## TOWN OF HILTON HEAD ISLAND

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### TOWN COUNCIL

**TO:** Town Council  
**FROM:** Angie Stone, Assistant Town Manager  
Dave Byrd, Finance Director  
**CC:** Marc Orlando, ICMA-CM, Town Manager  
**DATE:** March 31, 2026  
**SUBJECT:** Destination Marketing Organization Workshop

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#### **RECOMMENDATION:**

Conduct a workshop to review the Destination Marketing Organization's (DMO) proposed Fiscal Year 2027 Budget (**Attachment 1**) and Marketing Plan (**Attachment 2**), including alignment with the Town's updated DMO agreement (**Attachment 3**).

#### **SUMMARY:**

The annual DMO Workshop provides Town Council with an early and collaborative review of the DMO's preliminary Budget and Marketing Plan prior to formal consideration and approval.

This year's workshop reflects the Town's recent work with the Hilton Head Island-Bluffton Chamber of Commerce to update and refine its agreement as the community's designated Destination Marketing Organization. The updated agreement reinforces a shared commitment to strategic alignment, measurable outcomes, and continued coordination in support of the Town's long-term vision.

The workshop offers Town Council and the community an opportunity to review how the proposed FY 2027 Budget and Marketing Plan advance these shared priorities.

#### **OBJECTIVES OF THE WORKSHOP:**

- **Alignment with the Updated DMO Agreement**  
Review how the proposed Budget and Marketing Plan reflect the intent of the updated agreement, including clearly defined services, expectations, and performance measures.
- **Early Review and Collaboration**  
The DMO will present preliminary versions of its Budget and Marketing Plan, allowing Town Council to ask questions, provide input, and help guide priorities ahead of the formal approval process.
- **Use of Tourism Funds**  
Review how the DMO proposes to allocate the statutory Thirty Percent (30%) Fund

dedicated to tourism promotion and advertising, consistent with State law and community priorities.

- **Alignment with Town Priorities and Core Values**  
Evaluate how the Marketing Plan supports the Town’s priorities, including sustainable tourism, protection of natural resources, quality of life for residents, and preservation of Hilton Head Island’s character.
- **Performance Metrics and Outcomes**  
Review the performance framework outlined in the agreement, including key indicators such as visitor trends, economic impact, return on investment, digital engagement, and brand awareness.
- **Marketing Strategy and Target Markets**  
Understand the DMO’s approach to visitor targeting, seasonality, and attracting visitors who align with the Island’s desired experience and economic goals.
- **Local Event Promotion and Investment Strategy**  
Review proposed investments in local events and initiatives supported by the Thirty Percent Fund, including prior-year outcomes and community benefit.
- **Coordination with Town Initiatives**  
Discuss ongoing coordination between the DMO and Town initiatives, including beach management, mobility, infrastructure, and public safety, to support a well-managed visitor experience.

**CONCLUSION:**

The DMO Workshop provides Town Council with an important opportunity to review and help shape the upcoming year’s tourism marketing strategy in coordination with the Town’s updated DMO agreement.

This process supports continued alignment between destination marketing efforts and the Town’s broader goals of economic vitality, environmental stewardship, and maintaining a high quality of life for residents.

The DMO’s proposed Budget and Marketing Plan will be provided to Town Council for consideration and will follow the formal review schedule below:

- ATAX Committee – April 23, 2026
- Finance & Administrative Committee – May 11, 2026
- Town Council – June 9, 2026

**ATTACHMENTS**

- Attachment 1 - DMO FY 2027 Proposed Budget
- Attachment 2 - DMO Workshop Presentation including FY 2027 Proposed Marketing Plan
- Attachment 3 - Destination Marketing Organization Agreement between the Town of Hilton Head Island and Hilton Head Island-Bluffton Chamber of Commerce

# Budget Requirements

## Article 5.II

	VCB TOTAL	TOWN OF HHI DMO	VCB PRIVATE SECTOR	SCRPT FUNDING	TOWN OF BLUFFTON DMO	BEAUFORT COUNTY DMO
REVENUES						
Town of HHI DMO	\$3,700,000	\$3,700,000				
Town of Bluffton DMO	\$340,000				\$340,000	
Southern BC DMO	\$260,000					\$260,000
SCPRT Destination Specific	\$2,000,000			\$2,000,000		
SCPRT Tourism Recovery	\$1,000,000			\$1,000,000		
Private Match Coop	\$2,150,000		\$2,150,000			
Private Sector-Other	\$580,000		\$580,000			
<b>Total Revenues</b>	<b>\$10,030,000</b>	<b>\$3,700,000</b>	<b>\$2,730,000</b>	<b>\$3,000,000</b>	<b>\$340,000</b>	<b>\$260,000</b>
Membership Revenue	\$2,200,000					
<b>Total Revenues with Membership</b>	<b>\$12,230,000</b>					

Name of Government: Town of Hilton Head Island  
 Contact Person: Ariana Pernice  
 Phone: 843-341-8366  
 Email: apernice@hiltonheadisland.org

Name of Organization Designated to Receive Special Fund: Hilton Head Island & Bluffton Chamber of Commerce/ Visitor & Convention Bureau

Project Category and Brief Explanation			GL Code	Amount Budgeted for 25-26	ACTUAL Spent for 25-26	Amount Budgeted for 26-27
<b>1 - Advertising (Print, digital, broadcast, social, etc.)</b>						
1.a. Media Buys	exp: Smithsonian Magazine, Conde Nast Traveler, Garden & Gun, Southern Living	6460-200		\$		240,000.00
1.b. Golf Marketing	Golf microsite, digital promotion (digital ads and social ads), print parterships, public relations, email	6479-200		\$		100,000.00
1.c. Digital Agency	Digital agency retainer	6519-200		\$		100,000.00
1.d. Marketing Strategy & Council	Marketing Strategy & Council	6527-200		\$		42,000.00
1.e. Digital Promotions	Destination ads on Google, Meta, Bing	6520-200		\$		750,000.00
1.f. Social Media Management	Digital agency retainer	6521-200		\$		102,000.00
1.g. Technology Improvement	Website hosting and updates	6522-200		\$		60,000.00
1.h. Paid Brand Social Media	Paid advertising exp: Meta, YouTube, Spotify	6525-200		\$		250,000.00
1.i. International Promotions & Events	Media partnerships exp: Virtuoso, Brand USA, Travel South	7115-200		\$		150,000.00
1.j. International Tradeshows	Virtuoso, Brand USA, Travel South	7127-200		\$		100,000.00
<b>2 - Promotional Materials/Publications</b>						
1.a Kennickell	Fulfillment and distribution	6430-200		\$		75,000.00
<b>3 - Marketing support (creative, photography, videography)</b>						
3.a. Destination Photography	Professional photography for destination marketing	6490-200		\$		75,000.00
3.b. Zartico	Market level geolocation and visitor tracking	7155-200		\$		28,192.00
3.c. Placer.ai	Property level geolocation and visitor tracking	7155-200		\$		51,030.00
3.d. CofC Reports (Economic Impact, Visitor Profile Study)	Economic Impact Reports, Visitor Profile Studies	7155-200		\$		10,875.00
3.e. USCB Event Research for Local Events	Ground level surveying for event attendance and sentiment	7155-200		\$		15,500.00
3.f. Keydata Dashboard	Market level lodging KPIs for performance tracking	7155-200		\$		45,360.00
<b>4 - Group Sales &amp; Marketing</b>						
4.a. National Tradeshows & Direct Planner Engagement	Corporate, Association, Incentive trade shows and partnership events (Exp:MPI, Northstar, Connect Tours)	various		\$		40,000.00
4.b. SEM: Meetings Focused	Paid digital advertising on Google, Bing with Geo-targeting key feeder markets	6886-200		\$		65,000.00
4.c. Social Media: Planner Targeting	Paid social media advertising exp: Meta, LinkedIn campaigns and job title targeting	6887-200		\$		50,000.00
4.d. Planner Incentive and Conversion Fund	Familiarization (FAM) tours, air support for sites, shoulder season incentives designed to drive closure	various		\$		30,000.00
4.e. Marketing Collateral, CRM & Website Redesign	Meetings landing page, digital planner, RFP ready collateral, video and digital meeting assets, CRM enhancements	various		\$		25,000.00
<b>5. Destination PR</b>						
5.a. PR Strategy, Mainenance & Support	Public Relations Firm Retainer	6950-200		\$		285,000.00
<b>6. Visitor Services (Centers, Call/Chat Centers)</b>						
<b>Marketing Total</b>						<b>\$ 2,689,957.00</b>
<b>7. Other</b>						
7.a. VCB Management - Payroll	VCB management payroll paid by 30% funds			\$		247,155.00
7.b. VCB Management - Payroll Taxes	VCB management payroll taxes paid by 30% funds (7%)			\$		17,301.00
7.c. VCB Management - 401K Expenses	VCB management 401K expenses paid by 30% funds (6%)			\$		14,829.00
7.d. VCB Management - Insurance Expenses	VCB management insurance expenses paid by 30% funds			\$		9,000.00
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7.o. Communications - 401K Expenses	Communications 401K expenses paid by 30% funds (6%)			\$		5,750.00
7.p. Communications - Insurance Expenses	Communications insurance expenses paid by 30% funds			\$		5,400.00
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<b>Personnel Total</b>						<b>\$ 1,010,657.00</b>
<b>Grand Total</b>						<b>\$ 3,700,614.00</b>



# HILTON HEAD ISLAND

SOUTH CAROLINA

FY 2026-2027 DMO Workshop

An aerial photograph of a coastal town. In the foreground, there is a body of water with a rocky shoreline and some reeds. A long pier extends into the water, with several boats docked. In the middle ground, there is a large building complex, including a prominent lighthouse with red and white stripes. To the right, there is a large green golf course. The background shows more buildings and a dense line of trees. The sky is clear and blue.

# Goals for Today's Meeting

An aerial photograph of a coastal town at dusk or dawn. The scene features a large body of water on the left with a marina containing several boats. A prominent lighthouse with red, white, and blue stripes stands near the water's edge. To the right, a lush green golf course is visible, followed by residential buildings and dense trees. The sky is a deep, dark blue, and the overall lighting is soft and atmospheric.

# Partnership & Input



# Agenda

- Tourism & The Visitor Economy
- DMO Budget Review
- Contract Review & Alignment
  - Article 5.II: Budget Requirements
  - Article 6.I: Marketing Plan Approval
  - Article 6.II: Marketing Plan Requirements
- Questions

# What Tourism means to The United States

- \$1.3T in travel spending
- \$2.9T in economic output
- 15M+ jobs supported
- \$89B in state and local tax revenue
- 2.5% of national GDP

Source: Tourism Economics, US Travel Association and US Department of Commerce



# What Tourism means to Hilton Head Island

- 2.67M annual visitors
- \$2.89B in visitor spending
- \$3.95B in overall economic impact
- 31K+ jobs supported
- \$49M in tax revenue (ATAX, HTAX, beach preservation fees)

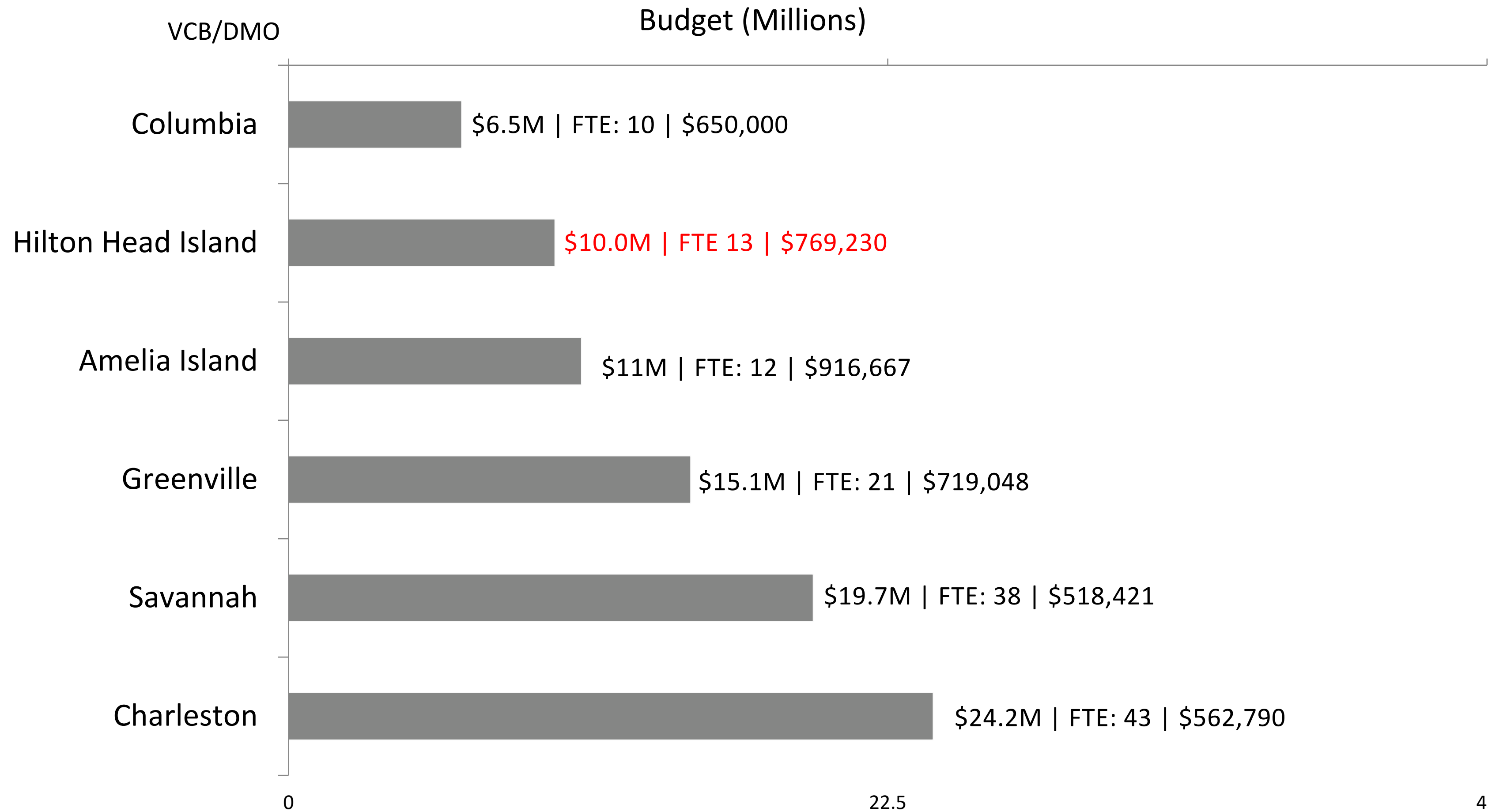
Each dollar spent by the Visitor & Convention Bureau yielded an estimated return of \$34.40 in local tax revenue.

## A clear View of Market Scale

Myrtle Beach operates on a dramatically different scale. Charleston and Savannah represent the next tier of investment. Hilton Head Island delivers strong outcomes with a lean, focused budget.



# Destination Marketing Budget Comparison



# Article 5.II: Budget Requirements

# Budget Requirements

## Article 5.II

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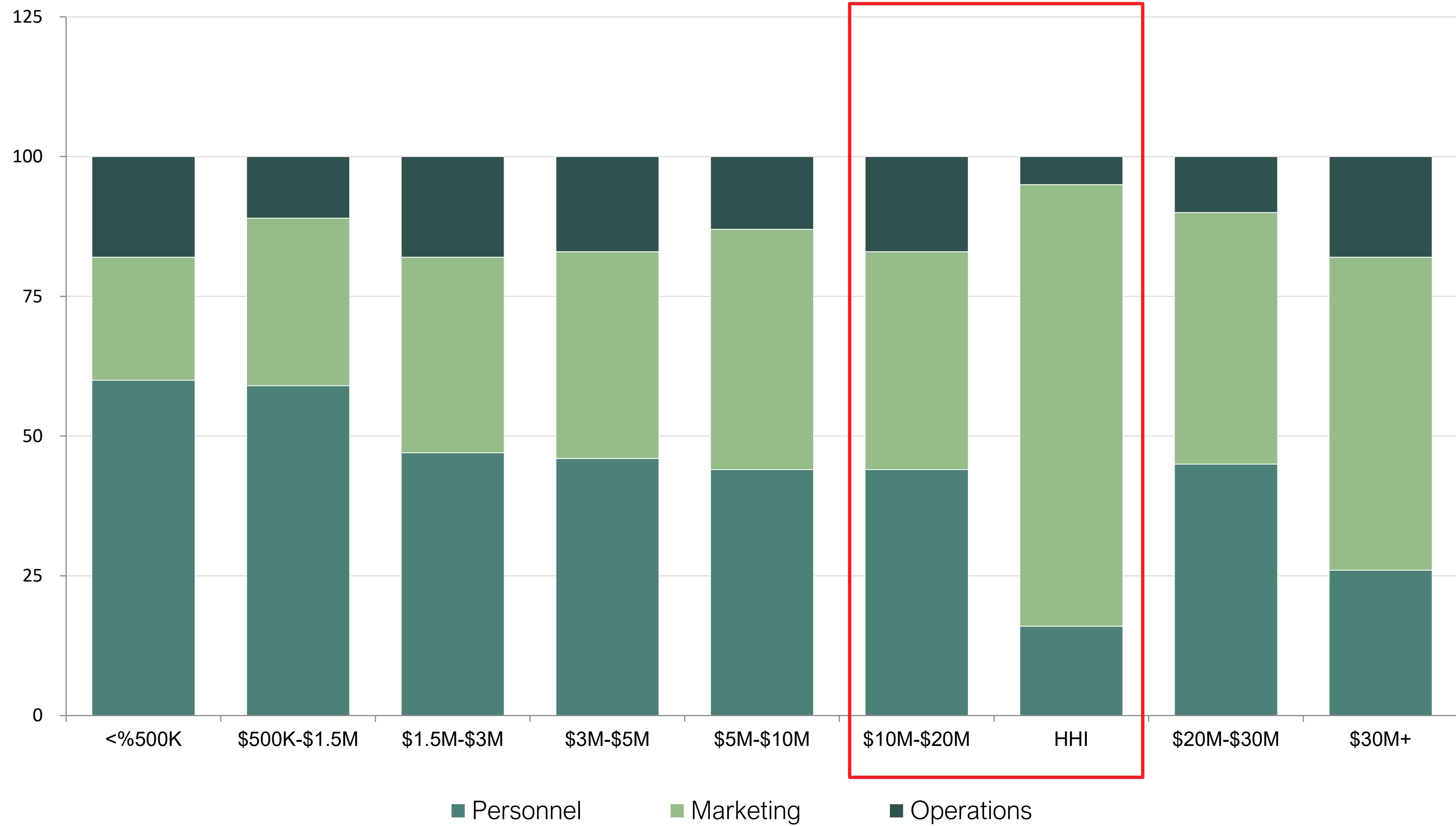
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<b>Personnel Total</b>						<b>\$ 1,010,657.00</b>
<b>Grand Total</b>						<b>\$ 3,700,614.00</b>



# Marketing Cost Comparison



# Comprehensive Approach to Planning



## Hilton Head Island

Residents  
Community  
Businesses



## Town of Hilton Head Island

Town's Strategic Plan  
Town's Comprehensive Plan  
DMO Contract



## Hilton Head Island & Bluffton

Community Cornerstone Plan  
DMO Marketing Plan  
Chamber Strategic Plan  
Destination Management Plan

# Partnership & Alignment

Comprehensive Approach to Planning



**Destination Management Plan**  
 2021-2031 (10 Years)  
 Shared vision for our community, managing the sustainability of tourism while safeguarding the quality of life for those who live and work here.



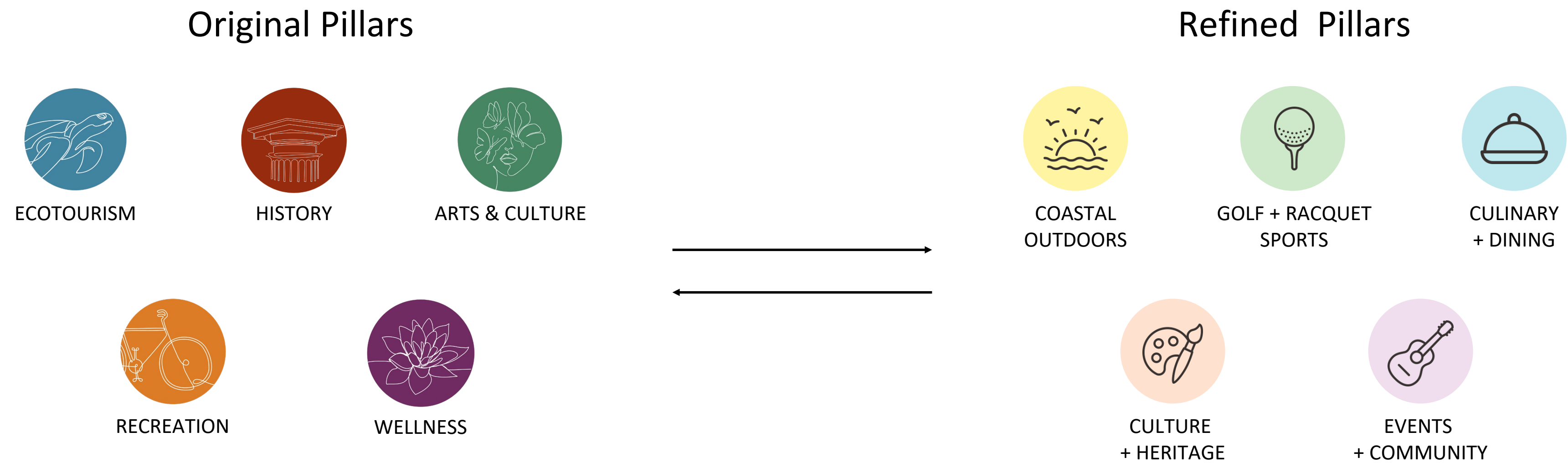
**Internal Strategic Plan**  
 2027-2029 (3 Years)  
 Ensures alignment with our Board of Directors and collaborative efforts with our partners and community.



**Destination Marketing Plan**  
 2026-2027 (1 Years)  
 Operational document that outlines marketing strategies and tactics for the fiscal year that our organization will implement to generate tourism.

# What matters to All of Us

Destination values build on the Town’s core priorities and were shaped through Strategic Vision’s stakeholder research, including surveys and one-on-one interviews. These insights were refined into a market-focused message uniting ecotourism, arts and culture, Hilton Head Island history, wellness, and recreation to inspire desired visitation and strengthen the Island’s identity.



A photograph of a sunset over a field of tall grasses. The sun is low on the horizon, creating a warm, golden glow. The grasses are silhouetted against the bright sky. The text "Contract Alignment" is overlaid in the center of the image.

# Contract Alignment

# Article 6.I Marketing Plan Approval



**COASTAL  
OUTDOORS**



**GOLF + RACQUET  
SPORTS**



**CULINARY  
+ DINING**



**CULTURE  
+ HERITAGE**



**EVENTS  
+ COMMUNITY**

In close partnership with the Town of Hilton Head Island, our destination values are rooted in, and directly aligned with, the Town’s established priorities.

We have refined these shared pillars into a market-focused message that elevates ecotourism, arts & culture, Hilton Head Island history, wellness, and recreation. By translating community priorities into compelling, out-of-market storytelling, we extend the Town’s vision to target audiences, driving visitation while strengthening and preserving the Island’s identity.



## Article 6.II - Marketing Plan Requirements

# Strategic Plan

Article 6.II(b)

**Hilton Head Island & Bluffton 2027-2029 Strategic Plan Executive Summary**

## Mission

Stimulate the regional economy while enhancing life for all

---

## Vision

To ensure Hilton Head Island region is a welcoming community, focused on embracing nature culture and economic vibrancy for residents and visitors.

# Strategic Plan

## Article 6.II(b)

### Hilton Head Island & Bluffton 2027-2029 Strategic Plan Executive Summary

#### 4 Strategic Pillars

##### Pillar 1

Destination Alignment & Community Engagement

- Foster Increased Community Support for Tourism
- Strengthen Partnerships with Local Government & Industry Leaders
- Measure and Monitor Community Sentiment

KPI Targets

- HHI Resident Sentiment Study

##### Pillar 2

Sustainable Tourism & Infrastructure Preservation and Development

- Support Sustainable Infrastructure Growth & Mobility
- Enhance Outdoor Recreation Infrastructure
- Foster Resident and Guest Culture of Sustainability

KPI Targets

- Infrastructure Project Progress
- Golf Rounds
- Racquet Sport Measurement (to begin collection in early 2026)
- New Brand Study (sustainability/sports)

##### Pillar 3

Rejuvenate and Elevate the Destination with a Focus on Quality over Quantity

- Attract a High-Value but Diverse Visitor Mix
- Expand Off-Season & Shoulder Season Offering
- Integrate Sustainability & Stewardship into Visitor Experience

Strengthen Connections Across the Destination

KPI Targets

- New Brand Study
- Occupancy/RevPar/ADR
- HHI Visitor Profile Study
- Bluffton Visitor Profile Study

##### Pillar 4


Priority Sales and Marketing Initiative

- Build a Robust Group, MICE, Leisure, and Weddings Sales Strategy
- Focused International Market Research
- Leverage Technology & AI to Drive Engagement
- Strategic Partnership & Sponsorship Programs
- Evolve Owned Media & Co-op Investment Opportunities

Develop a Tactical Sales & Marketing Culture

KPI Targets

- New Brand Study
- Occupancy/RevPar/ADR
- Meetings/Groups/Weddings/Consumer Leads Volume



Article 6.II(c) - Local Events  
Hilton Head Island Connections and Experiences

# Local Events

## Article 6.II(c)

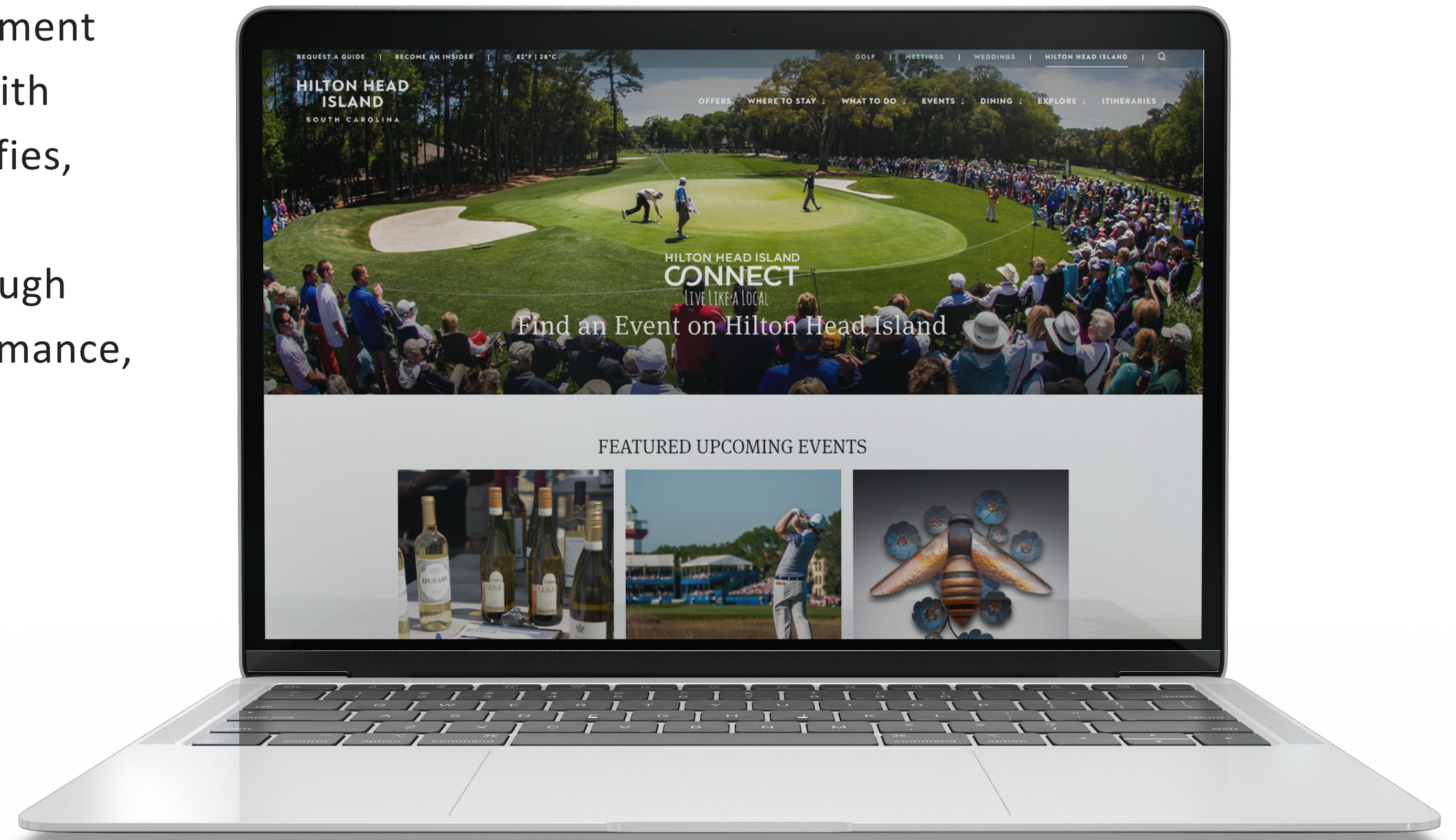
We position Hilton Head Island's events as a key driver of visitation and year-round engagement through a centralized Events page along with organic social media that promotes, amplifies, and supports the visitor planning process.

In partnership with USC Beaufort and through Placer.ai insights, we analyze event performance, attendance, and visitor origin to inform strategy.

2025 Events Page Performance

274K Views

217K External Link Clicks



# Local Events


## Article 6.II(c)

We strategically deploy targeted paid media behind Hilton Head Island’s demand-driving events, prioritizing those that generate the highest levels of out-of-market and overnight visitation from 50+ miles beyond the Island, particularly during key need timeframes. These campaigns expand reach, attract high-value visitors, and maximize economic impact.

Priority events include the Hilton Head Island Gullah Celebration, Hilton Head Island Seafood Festival, Hilton Head Island Wine & Food Festival, Hilton Head Island Motoring Festival and Concours d’Elegance, and Crescendo Celebration of Arts and Culture, each amplified through tailored, performance-driven campaigns.

Full partner campaign reports and performance details will be included in the Marketing Plan Appendix.





Article 6.11(d) - Survey & Metrics  
Measuring What Matters, Together

# Survey & Metrics\*

## Article 6.II(d)

- Visitor and resident sentiment
- Revenue per available room (RevPAR)
- Occupancy rates for Hilton Head Island and comparisons of occupancy rates with comparable destinations
- Visitor spending and economic impact, including average spend per visitor and by category with comparisons to comparable destinations
- Return on investment (visitor spending per dollar invested)
- Local tax revenues generated by visitors
- Number of visitors by season and demographic categories, including insights into overnight visitation
- Website engagement and referrals to local businesses
- Group sales metrics including number of leads sent to partners
- Public relations performance (media stories/mentions, impressions, and ad-value equivalency)
- Jobs supported by tourism
- Event attendance and out-of-market participation
- Industry recognition and awards
- Referral traffic from AI and generative search platforms as identifiable within available analytics tools\*\*
- Visibility of Hilton Head Island content within generative search results, including presence in AI-generated responses for priority travel queries\*\*

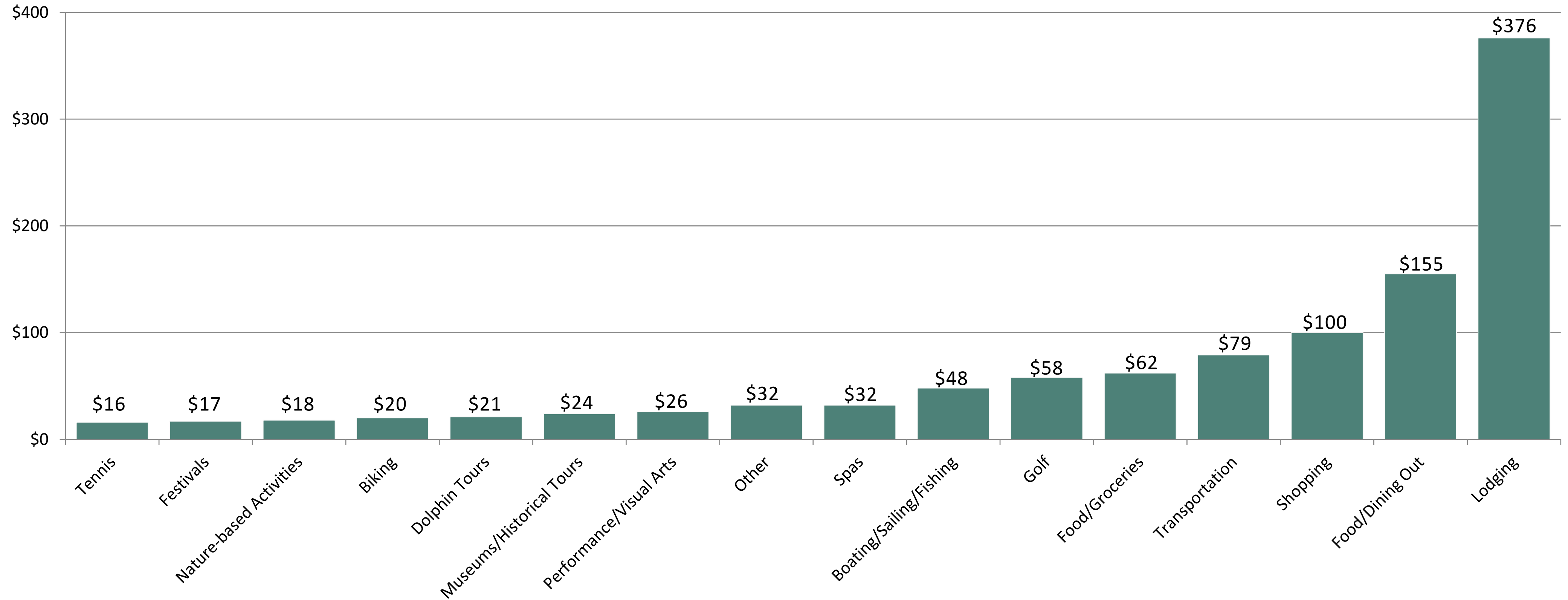
**think** Transparency in  
Tourism Marketing

\*Full metrics will be available in the Marketing Plan Appendix

\*\*Denotes new metrics that will be tracked in FY 2026-2027

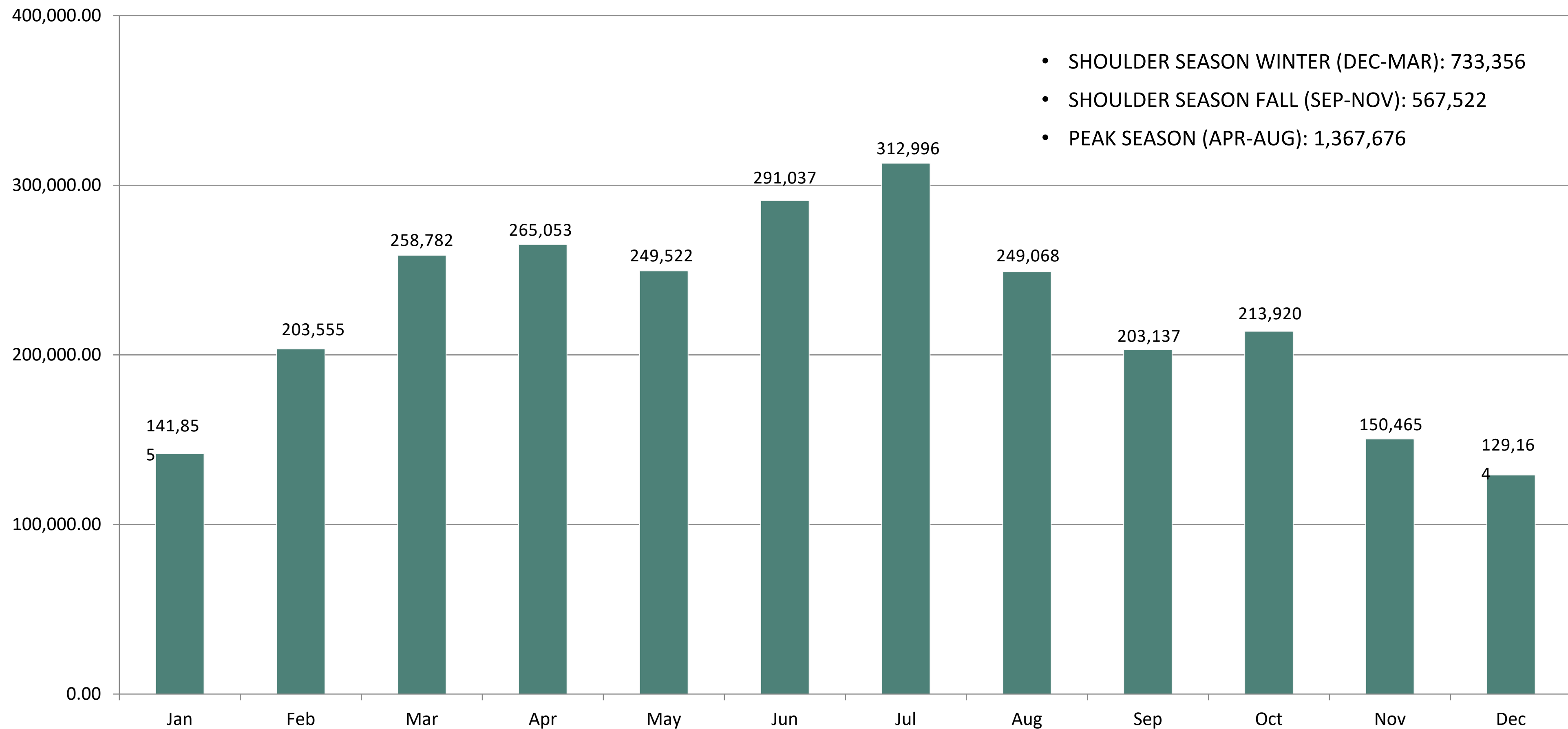
# Average Spend Per Visitor and by Category\*

Article 6.II(d)(i)(1)



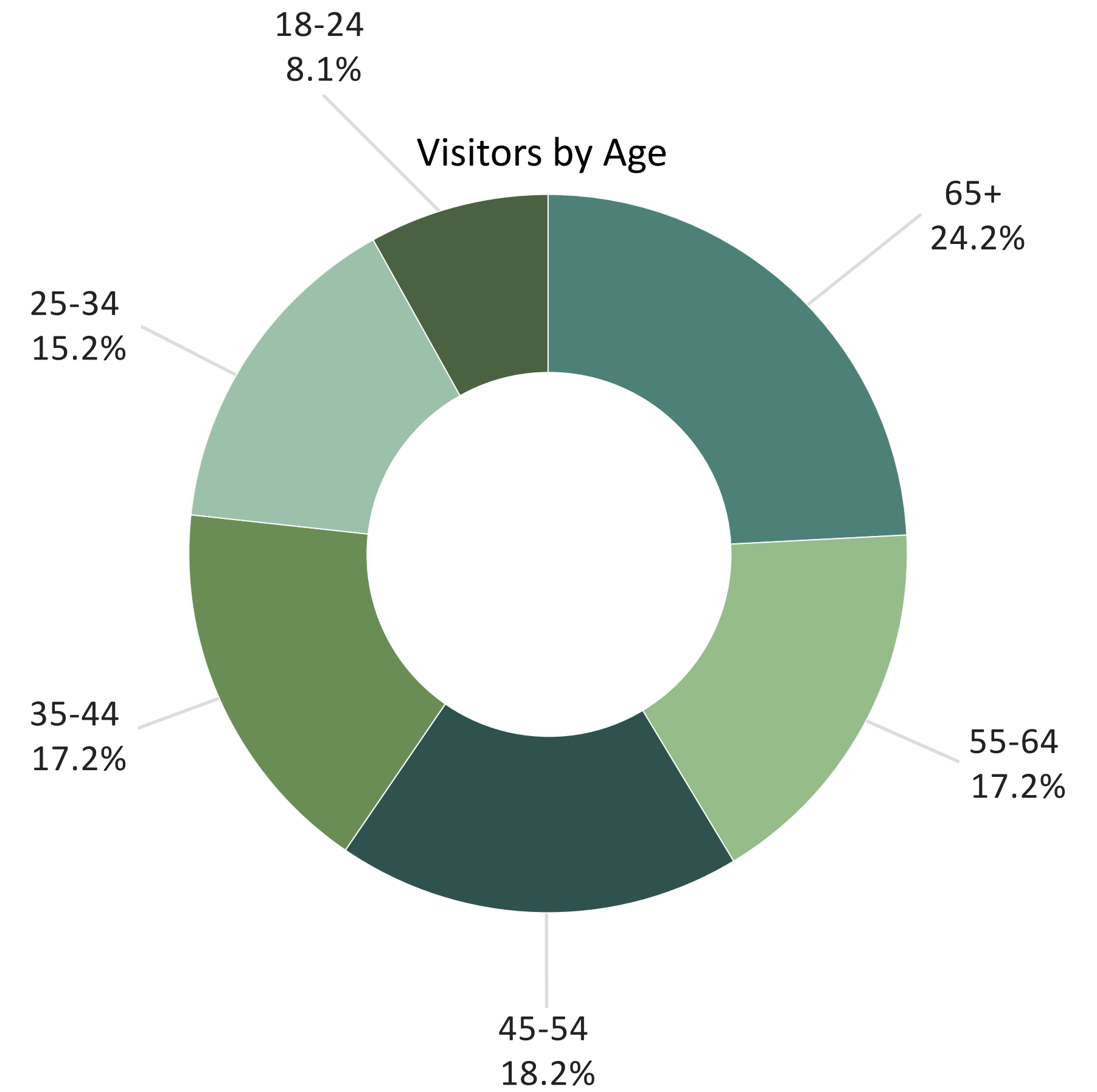
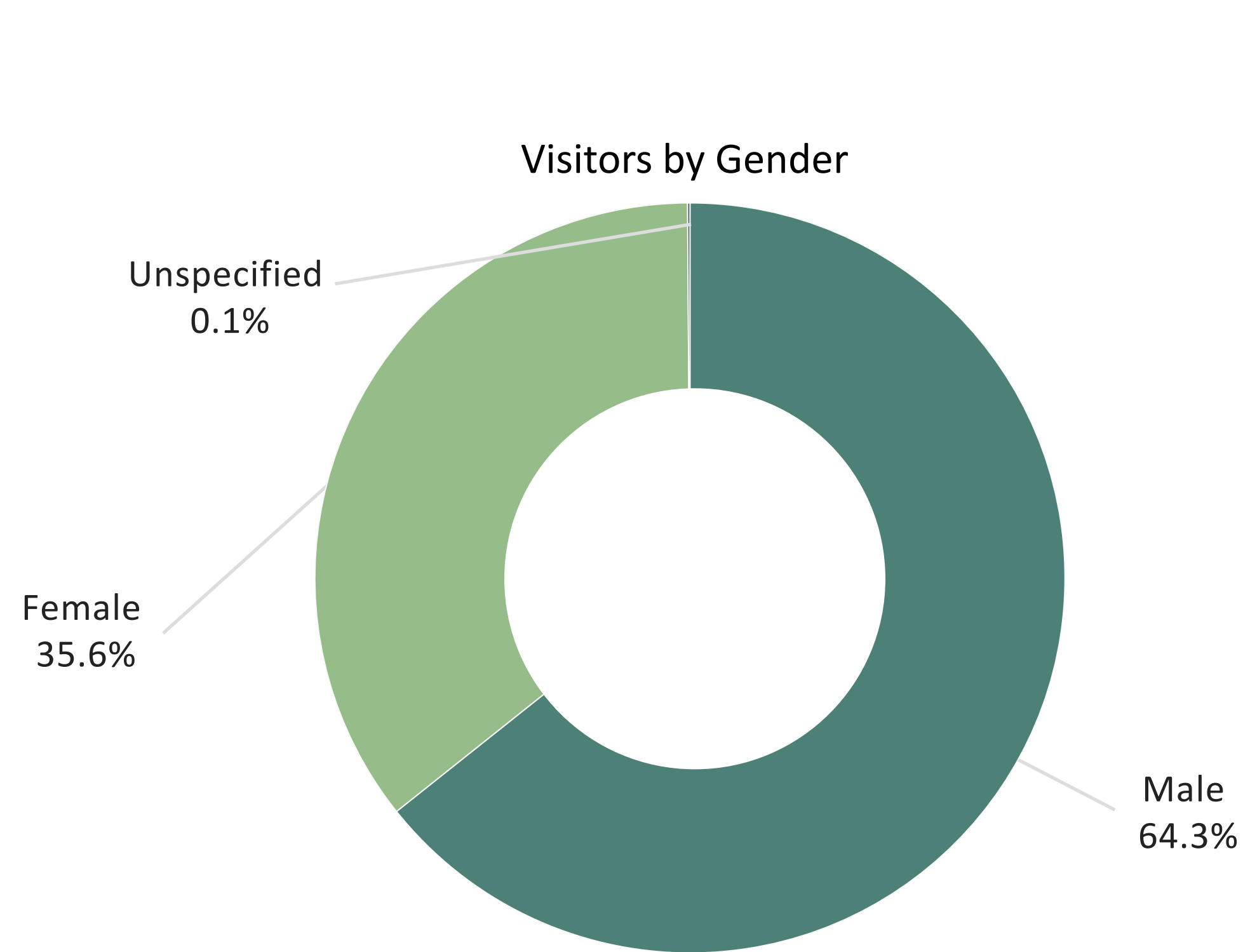
# Number of Visitors by Season

Article 6.II (d)(i)(2)



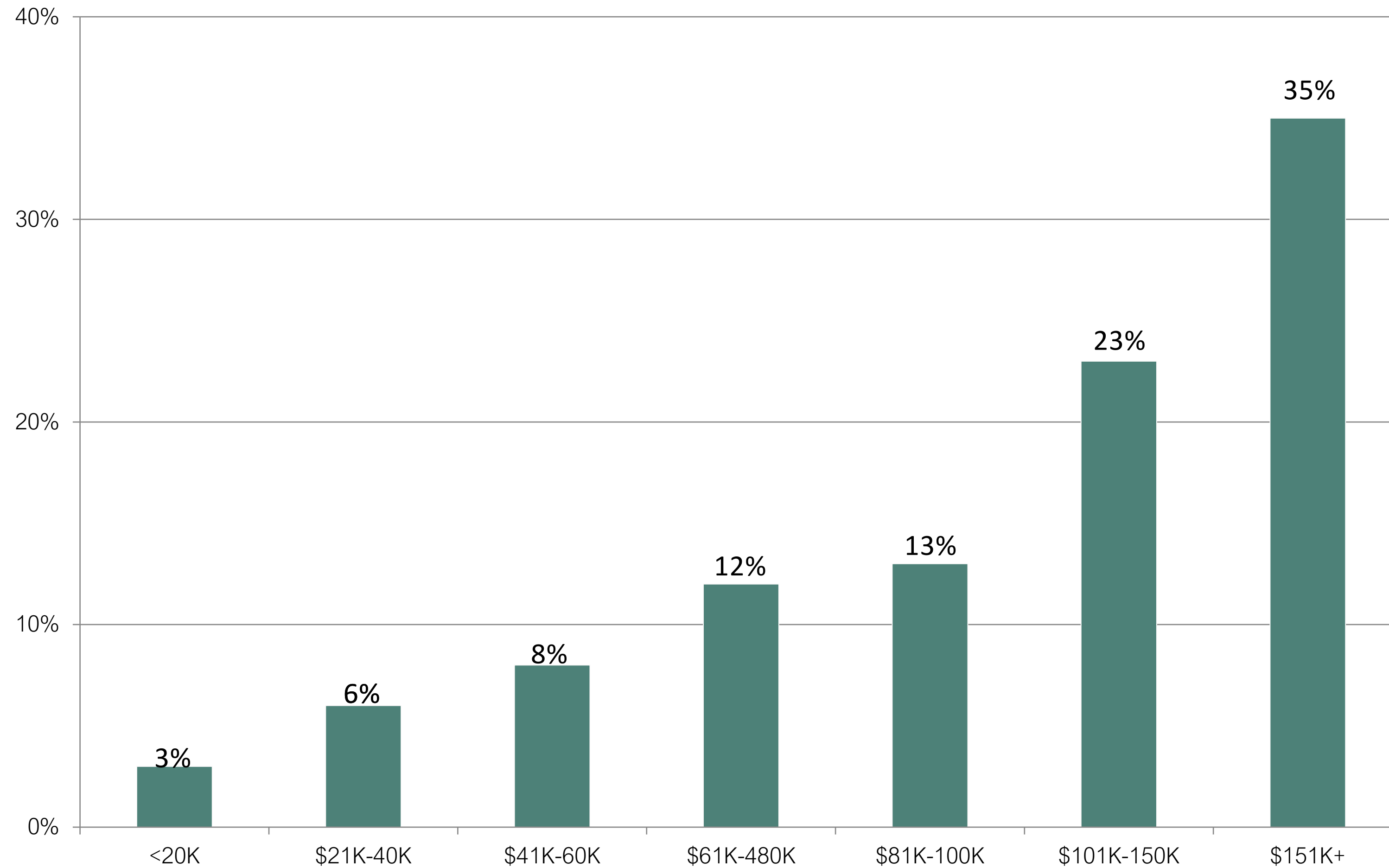
# Visitors Demographic by Category

Article 6.II (d)(i)(2)



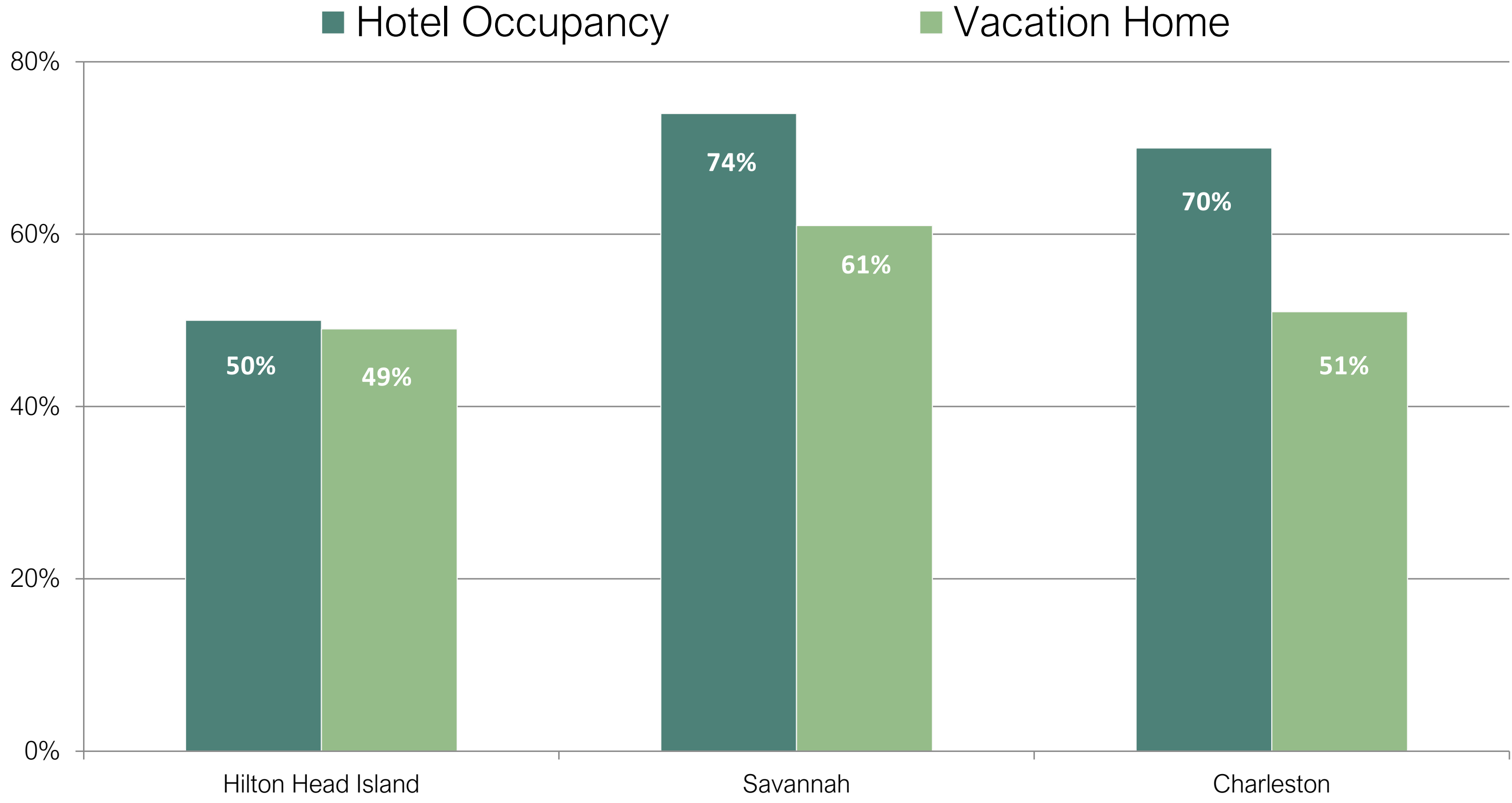
# Visitors by Income

Article 6.II (d)(i)(2)



# Occupancy Comparison

Article 6.II (d)(i)(3)



Source: KeyData

# Group Sales Metrics

Article 6.II (d)(iii)

LEAD GENERATION (DMO OUTREACH)			
	2026 YTD	2025 Full Year	YOY Pacing
# of Leads	37	63	59%
Room Nights Requested	2,926	6,727	43%
Planner Touchpoints	320	291	110%
New Accounts Created	173	96	180%
Trade Shows Attended	2	12	17%

LEAD GENERATION (DMO OUTREACH)			
	2026 YTD	2025 YTD	YOY Pacing
Definite Groups	12	19	63%
Definite Room Nights	999	1,744	57%
Conversion Rate	32%	30%	

ECONOMIC IMPACT	
	DEFINITE 2026
Total Economic Impact	\$3.5M
Avg Spend per Attendee	\$275

**58%** of groups in need periods

**95 attendee** average group size

Most VCB-influenced group business falls within Hilton Head Island’s target range of **75–250 peak room nights** and contributes to demand during identified need periods.

Source: Simpleview CRM

2026 data reflects performance through March 1, 2026, and should be viewed as early-year pace. 2025 data reflect full calendar year totals. Directional comparisons are intended to show pacing and trends rather than direct year-over-year equivalency. Additionally, a new data tracking process implemented in September 2025 may impact comparability across periods.



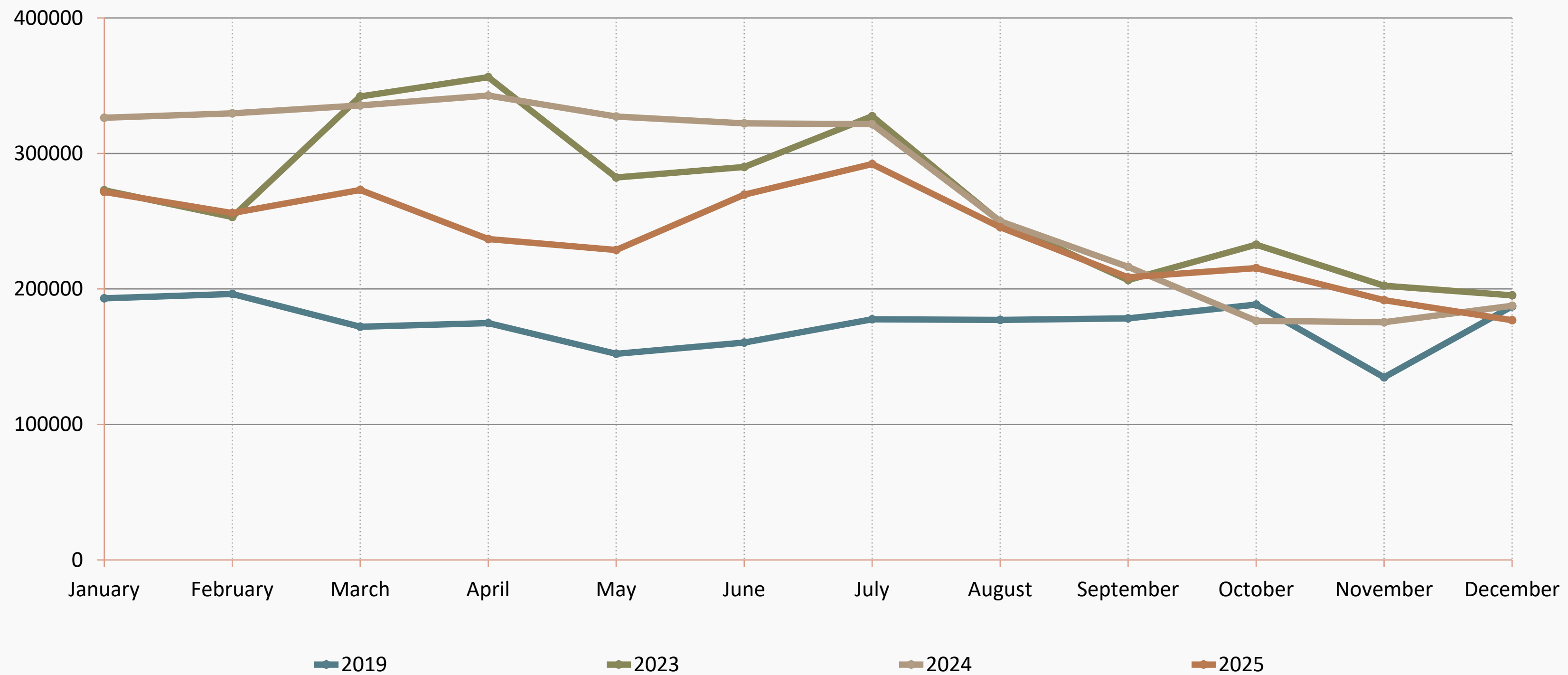
# Digital Performance Metrics

Article 6.II (d)(iv)

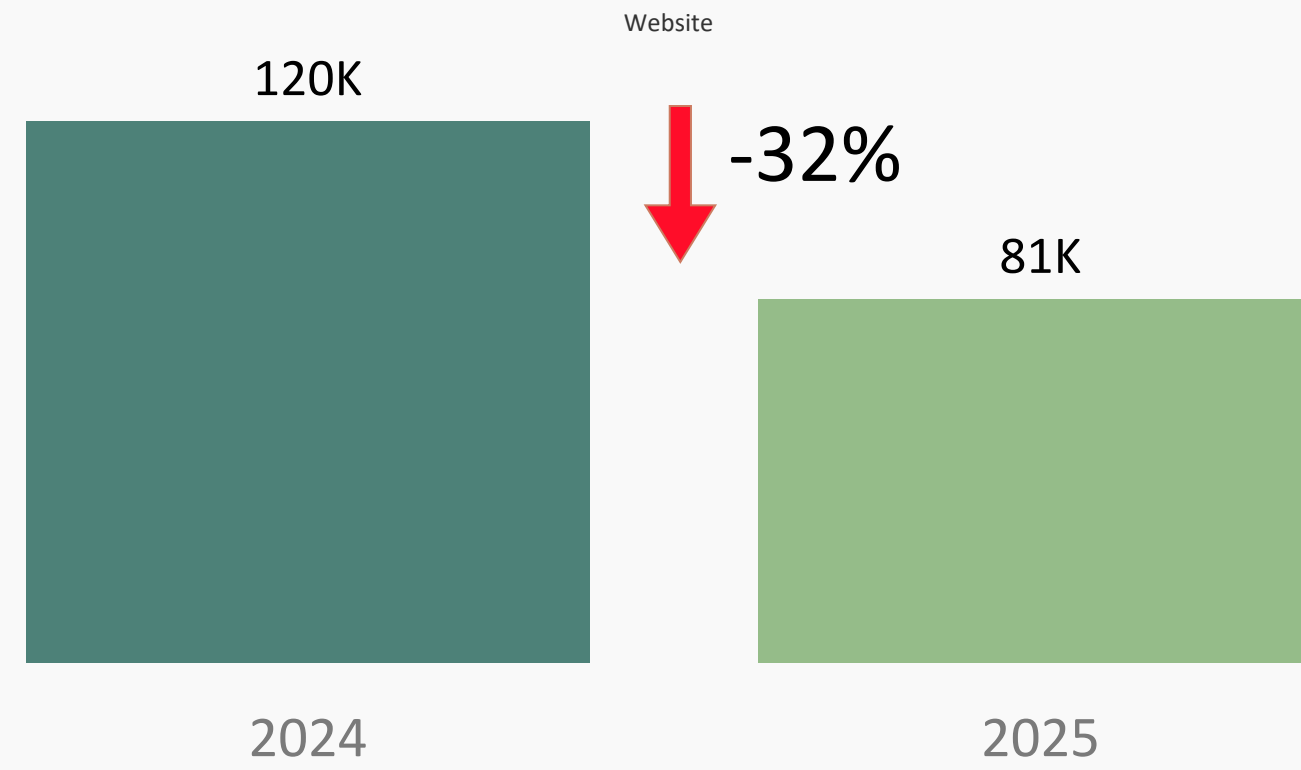
- Website traffic
- Engagement
- Social media growth
- Social media engagement
- Social media reach
- Website conversion rate

# Digital Performance Metrics - 2025

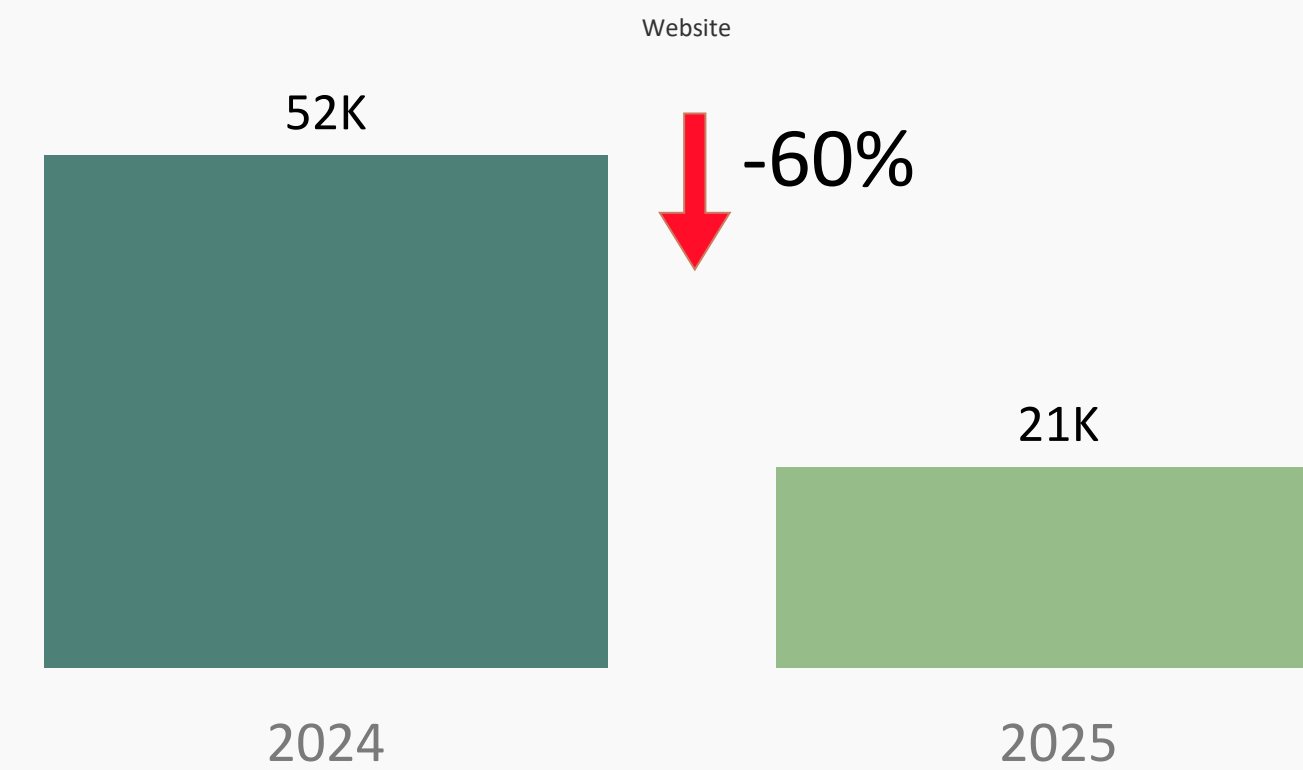
- Total Website Visit 2.8M, with Social Media Growth 537.6K (+9.5% YoY)
- Average Engagement rate 69.3%, Website Conversion rate 29.45%



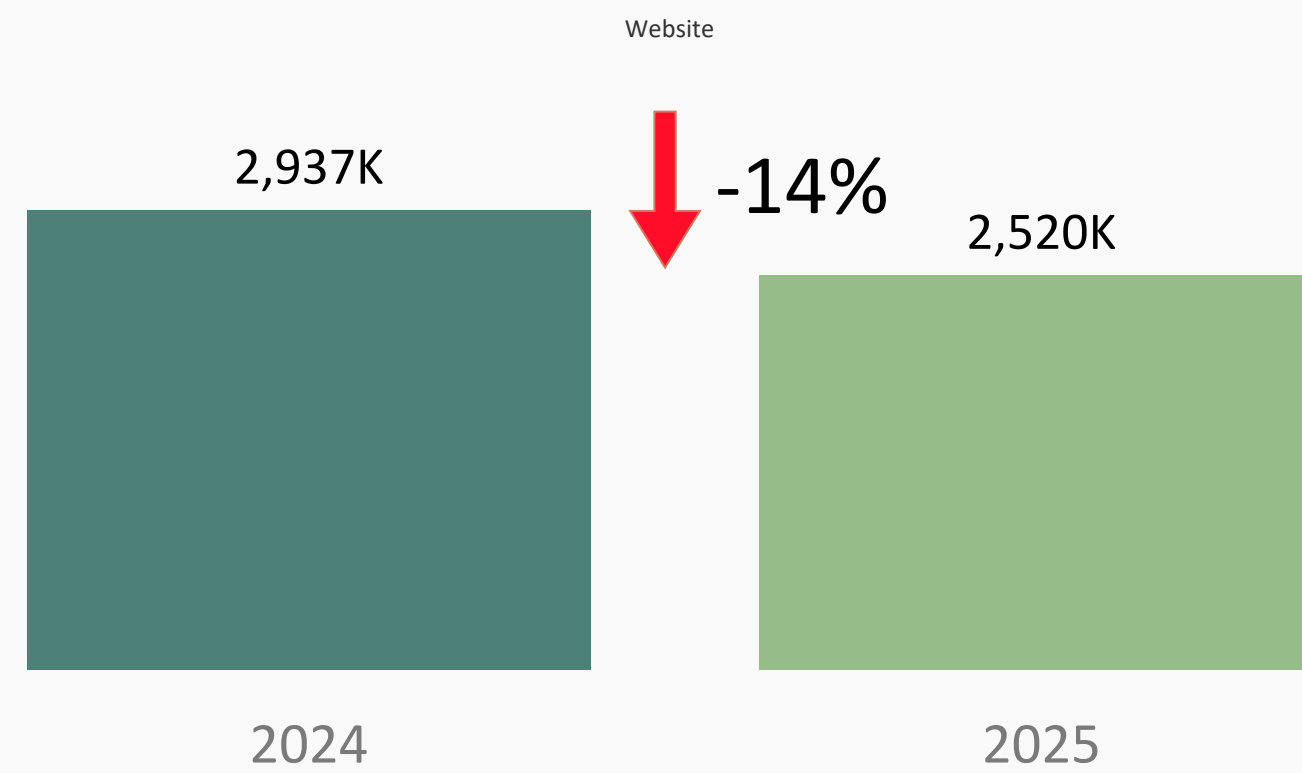
## International Visits



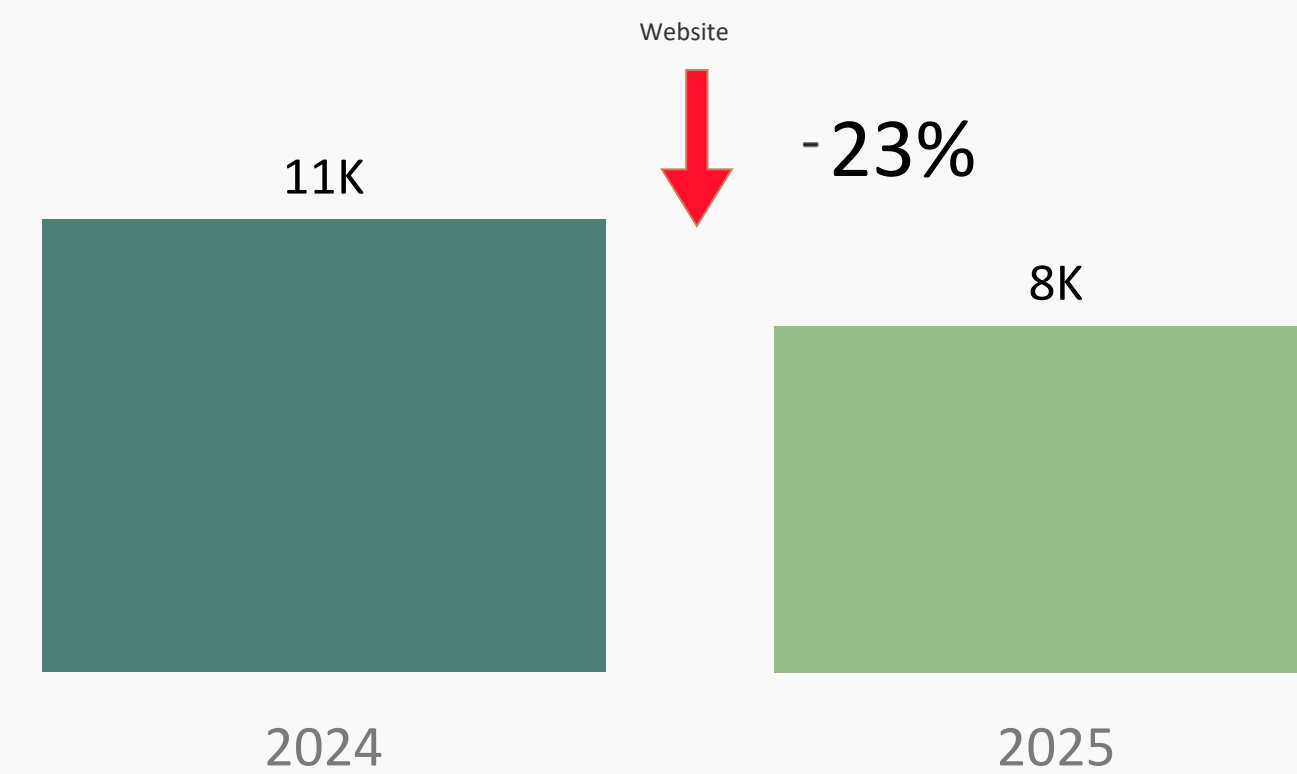
## Canada Visits



## United States Visits

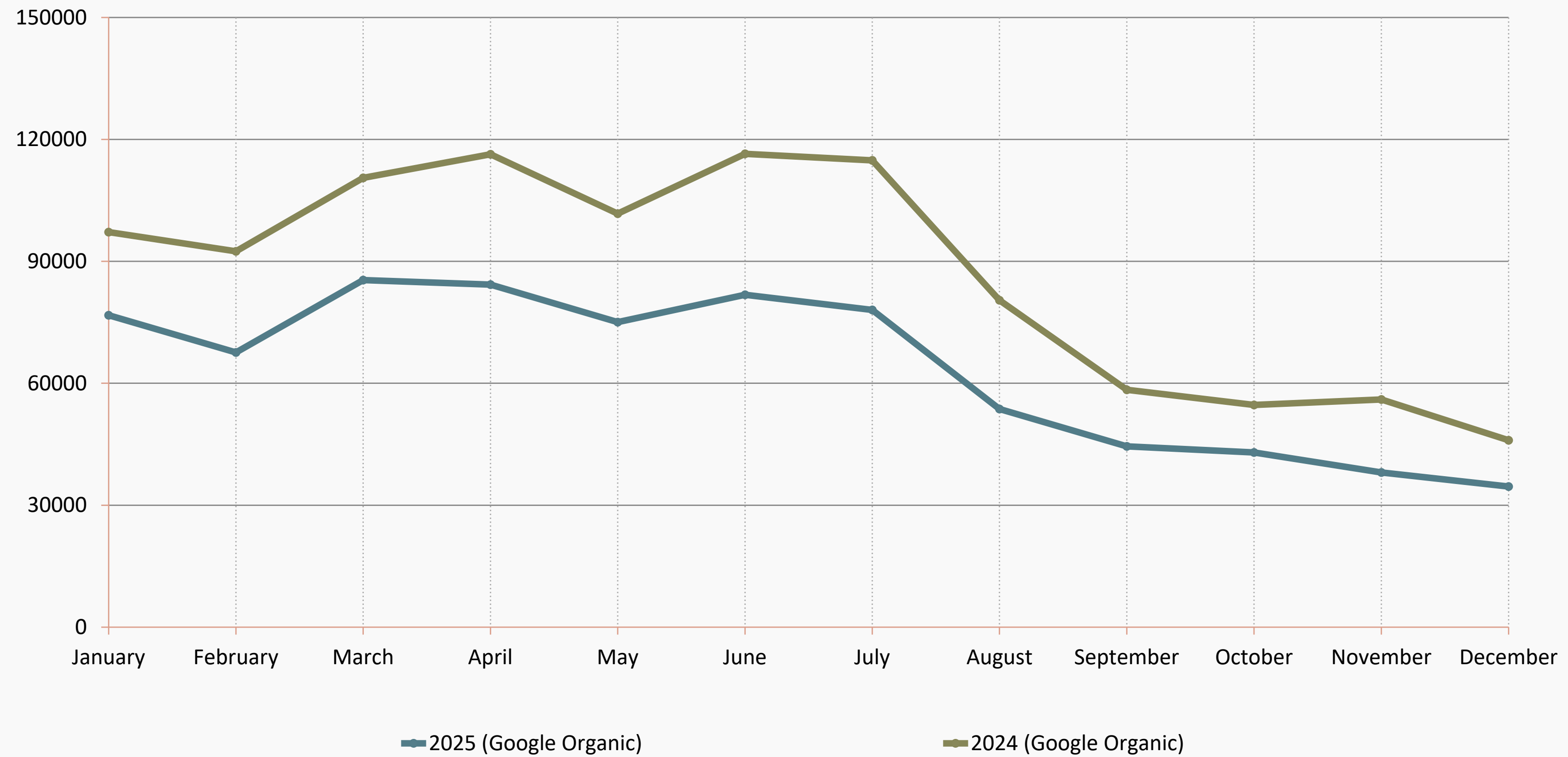


## United Kingdom Visits

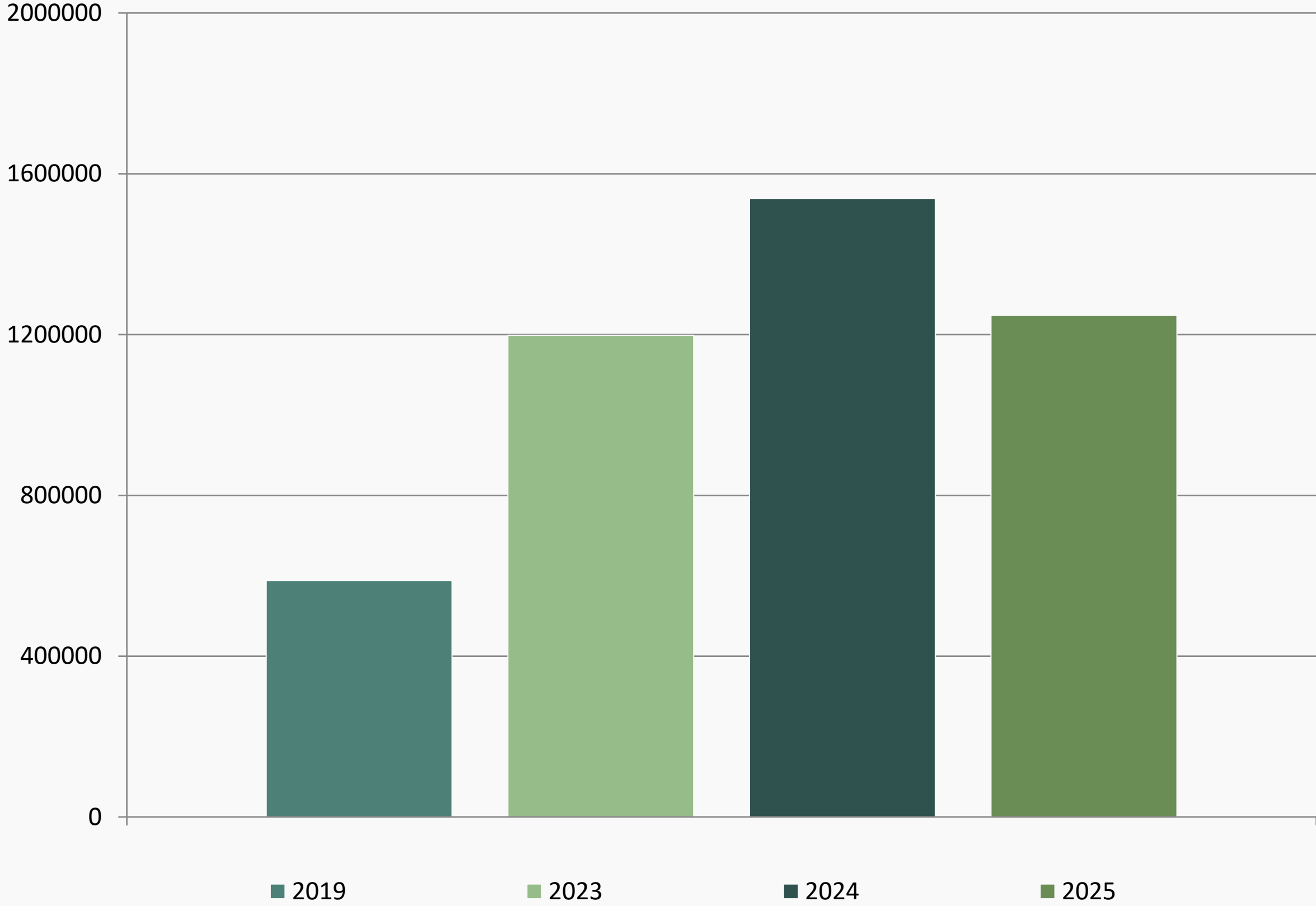


# AI and the Impact on Organic Search

Google Organic Search Traffic is down **-27%** YoY.



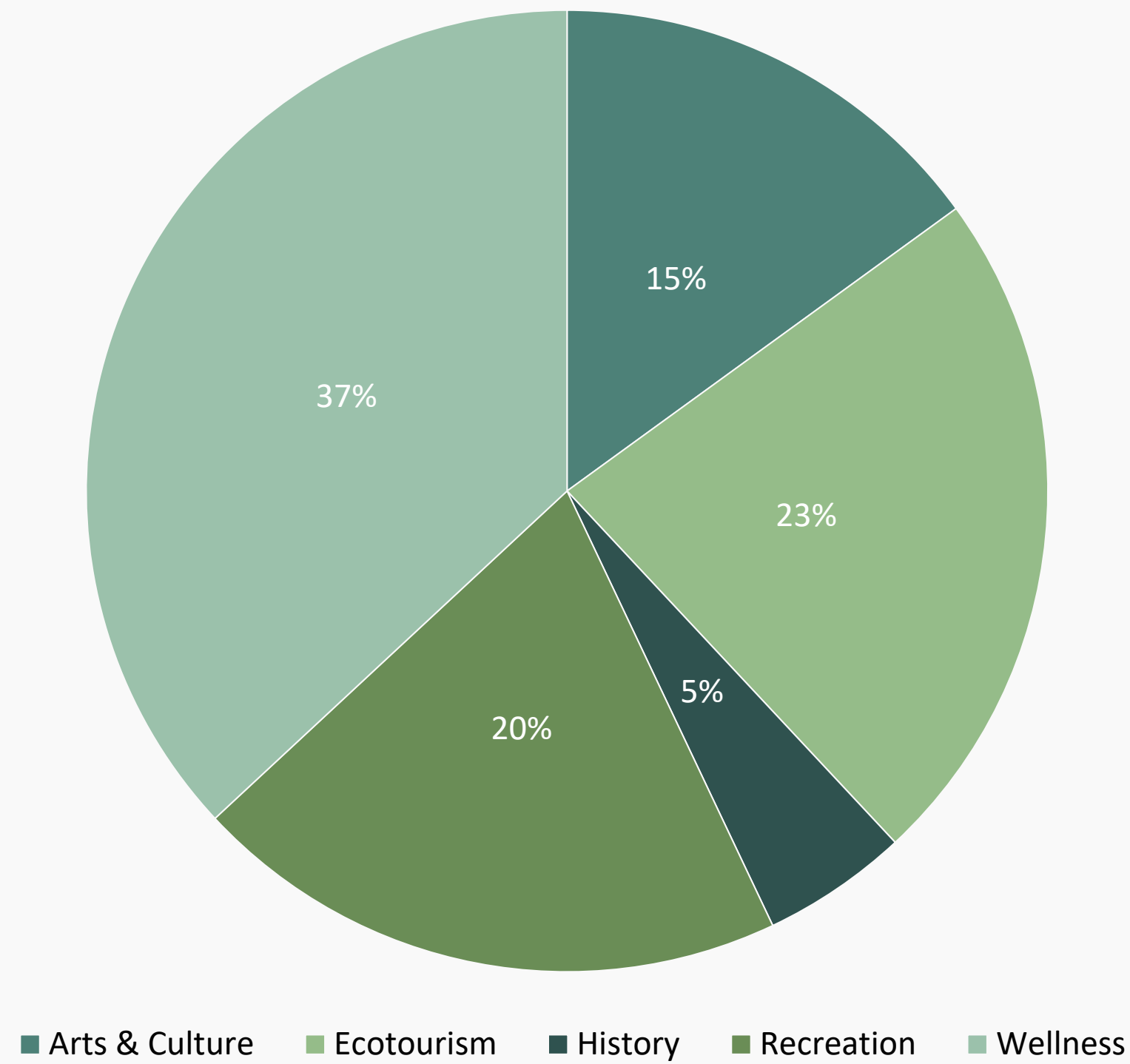
# Partner Referrals



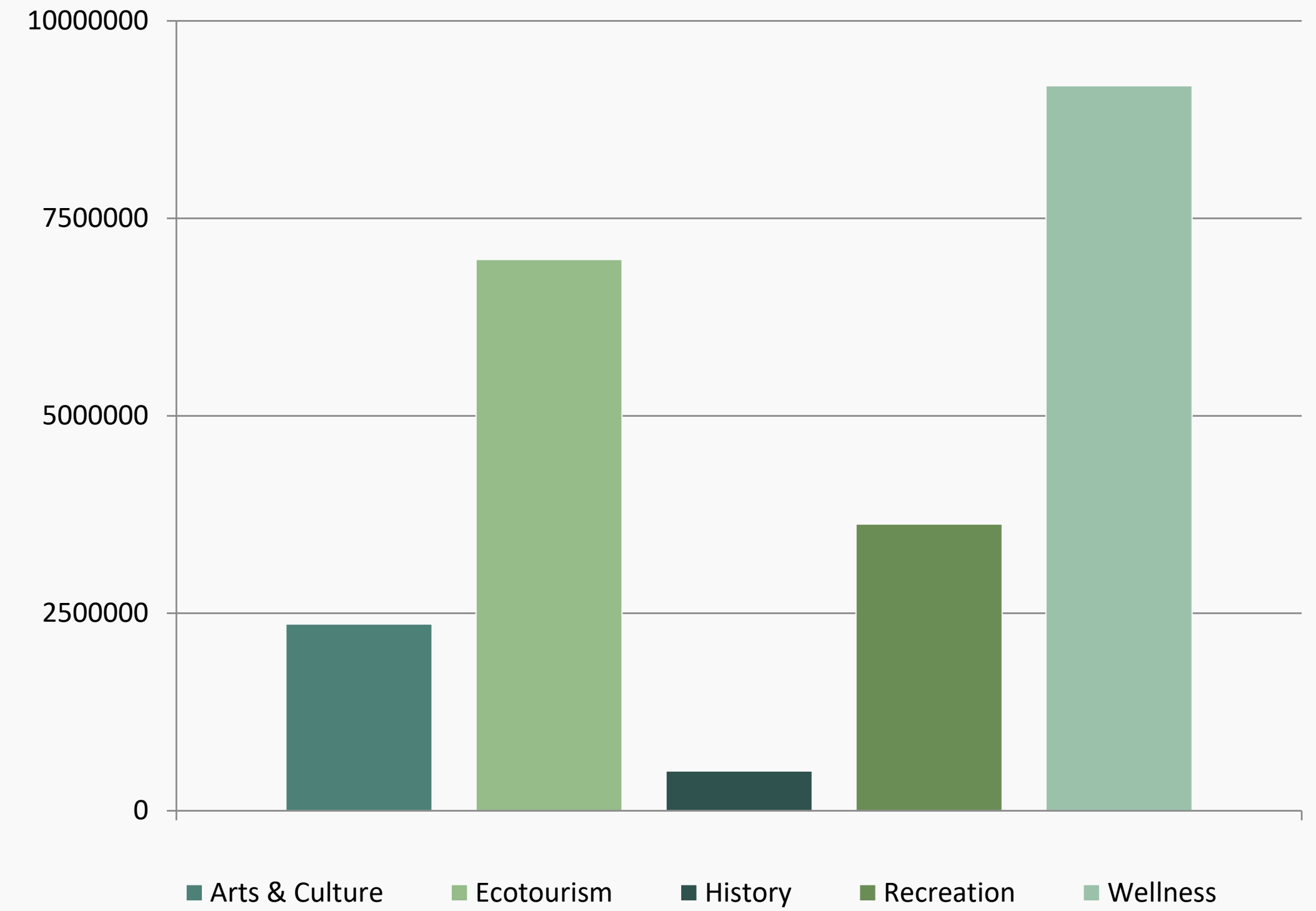
Partner referrals have decreased by **-14.4%** YoY across all programs.

Partner referrals have grown by **+113%** since 2019.

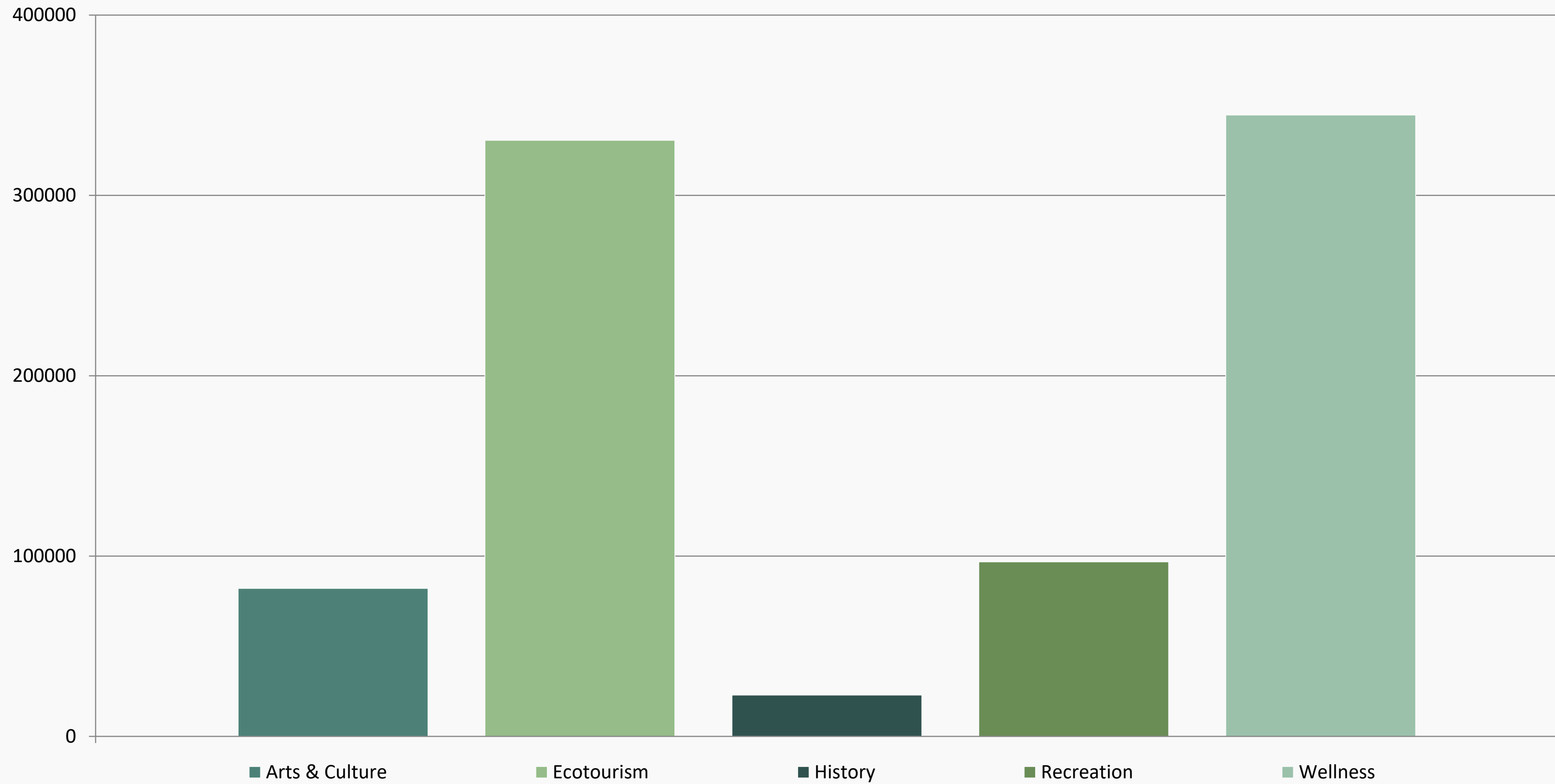
# Social Media Content Breakdown



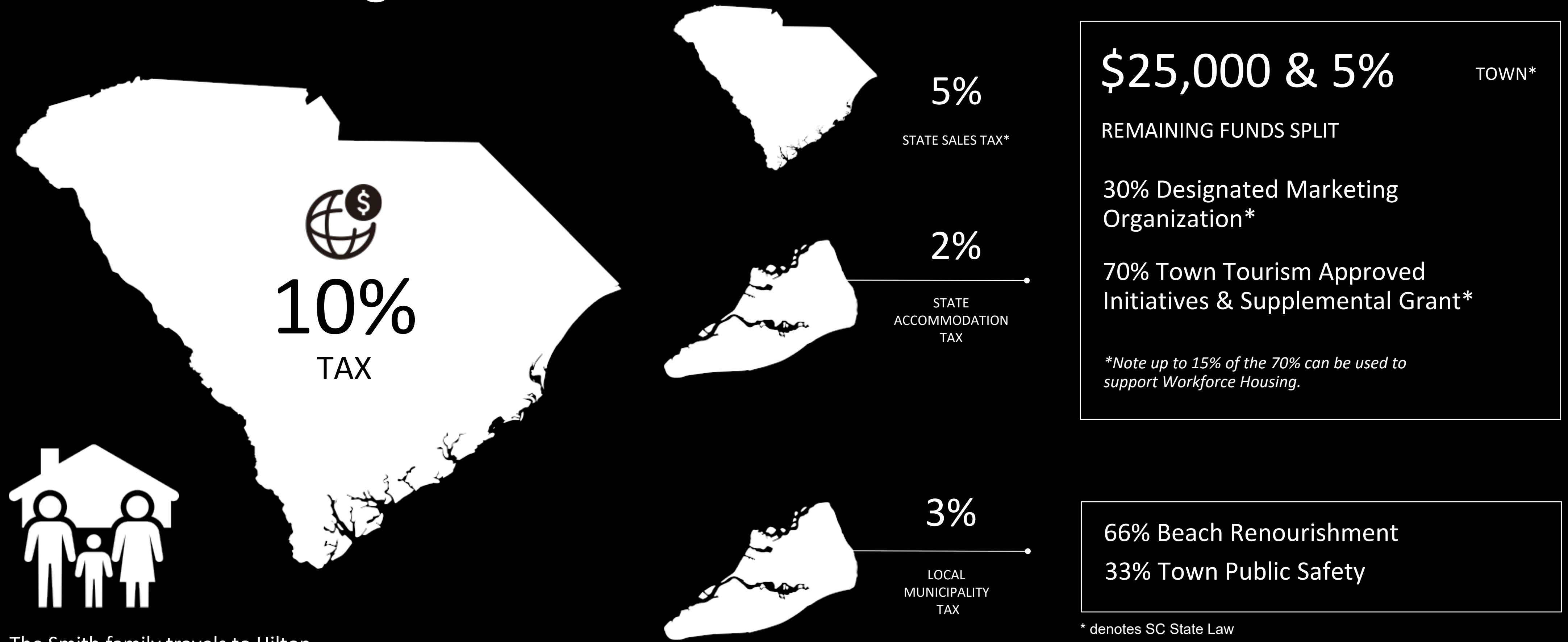
# Total Content Impressions



# Total Engagements



# Tourism Funding Flow

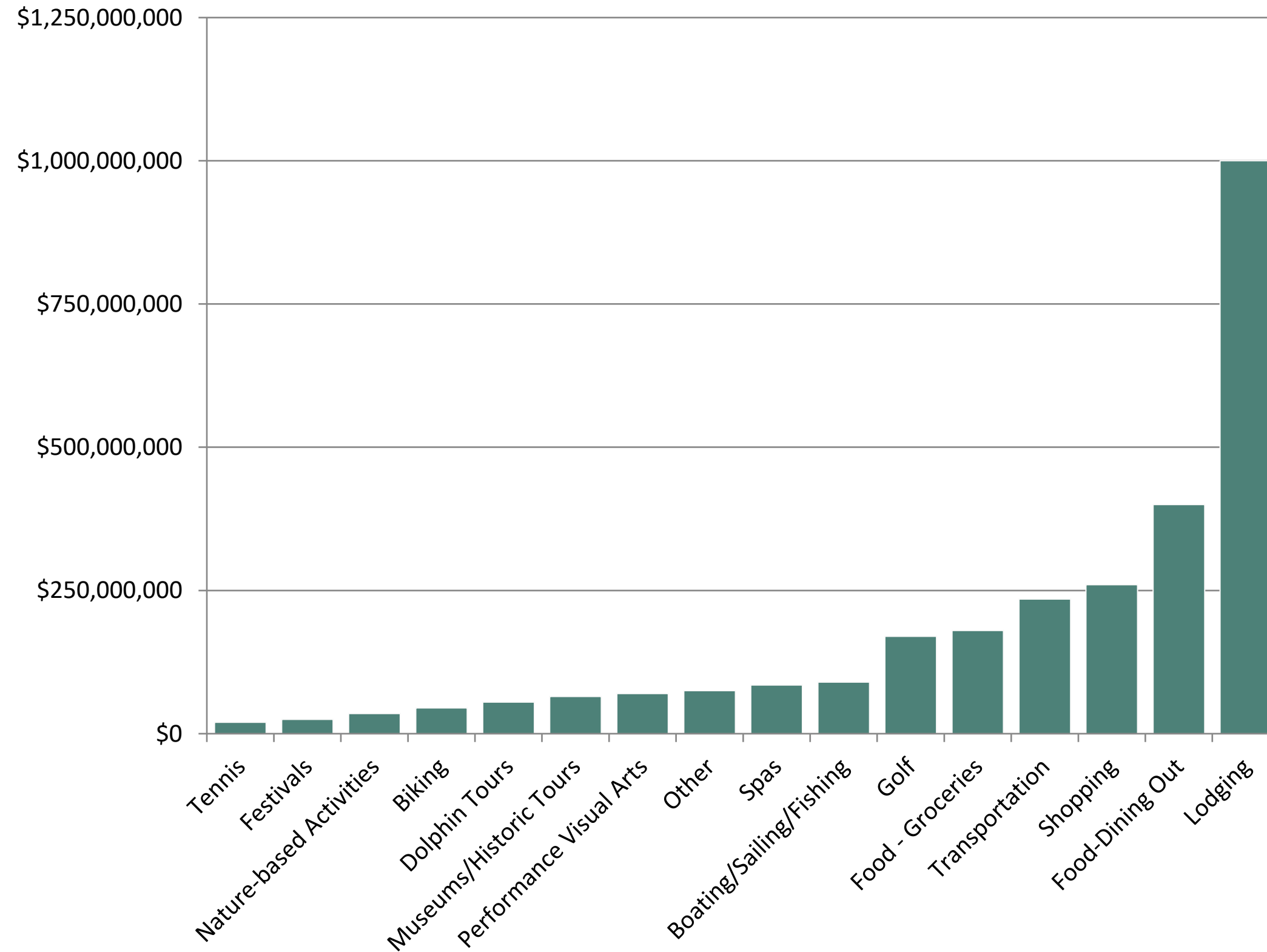


The Smith family travels to Hilton Head Island on vacation. Their home/villa or hotel stay includes an 10% tax.

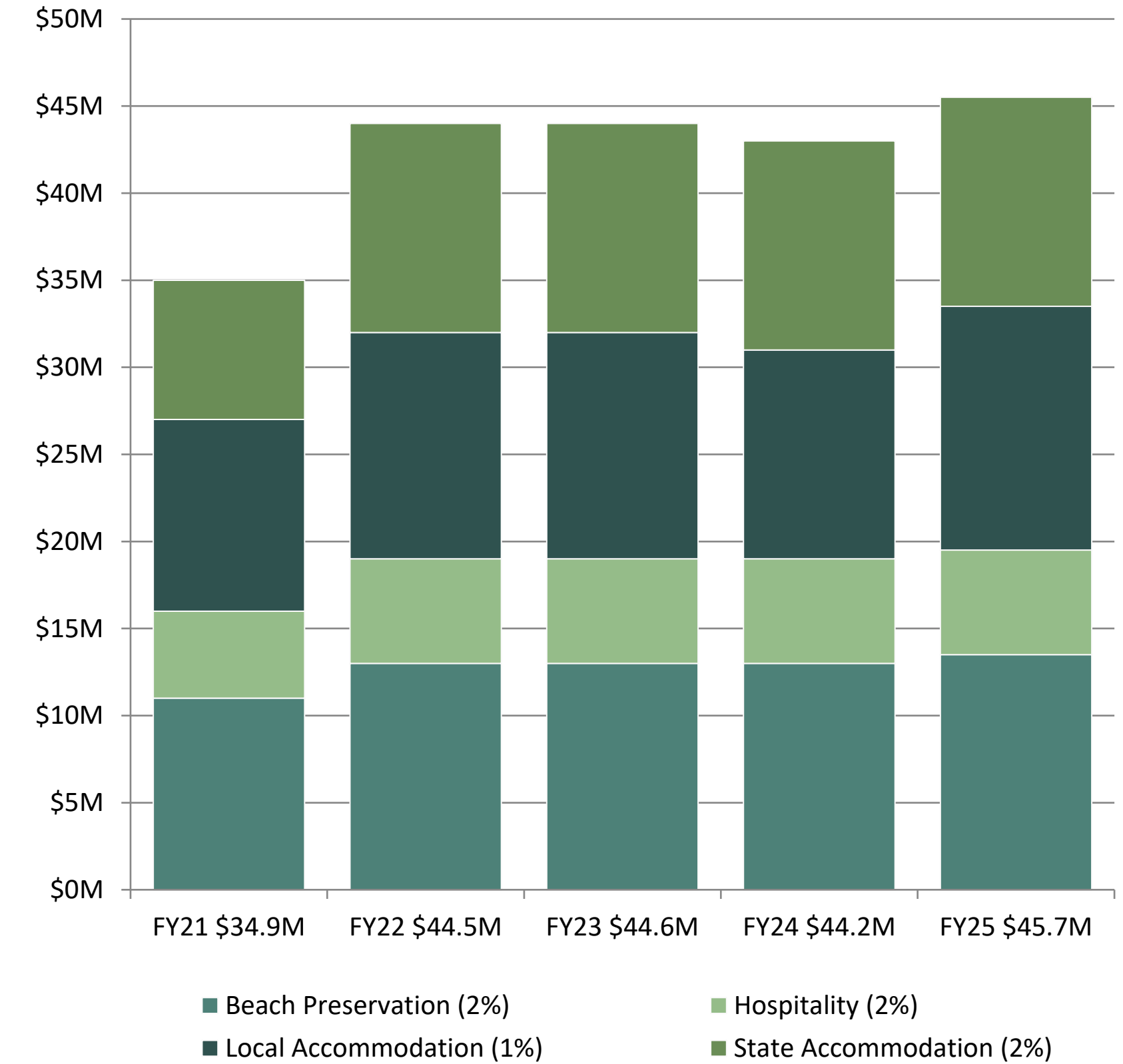
# Economic Impact

## Article 6.II (d)(v)

Local Business Revenues from Tourism



Tourism Related Tax Revenues



Source: 2025 Estimated Total Impact of Tourism in Hilton Head Island on Beaufort County, South Carolina - College of Charleston Office of Tourism Analysis

A serene landscape at dusk or dawn. In the foreground, tall, golden-brown reeds grow in a body of water. A wooden dock extends from the right side into the water, where a man in a dark suit and a woman in a white dress are sitting together. The water reflects the dock and the couple. In the background, a line of trees and houses is visible under a dark sky. The overall mood is peaceful and romantic.

## Article 6.II.(d)(vi) - Media & Brand Awareness Metrics

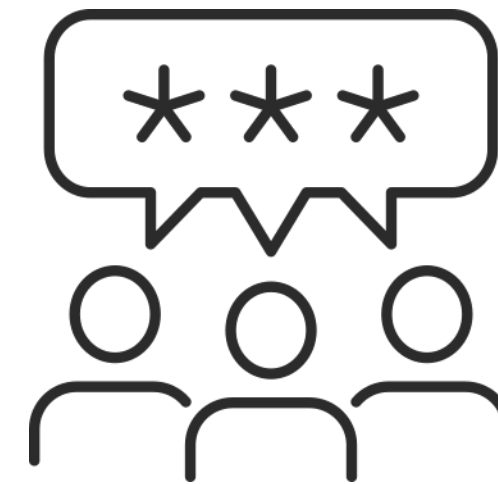
# Media & Brand Awareness Metrics

Article 6.II (d)(vi)



2,464

Stories and mentions



24,478,291,321

Impressions

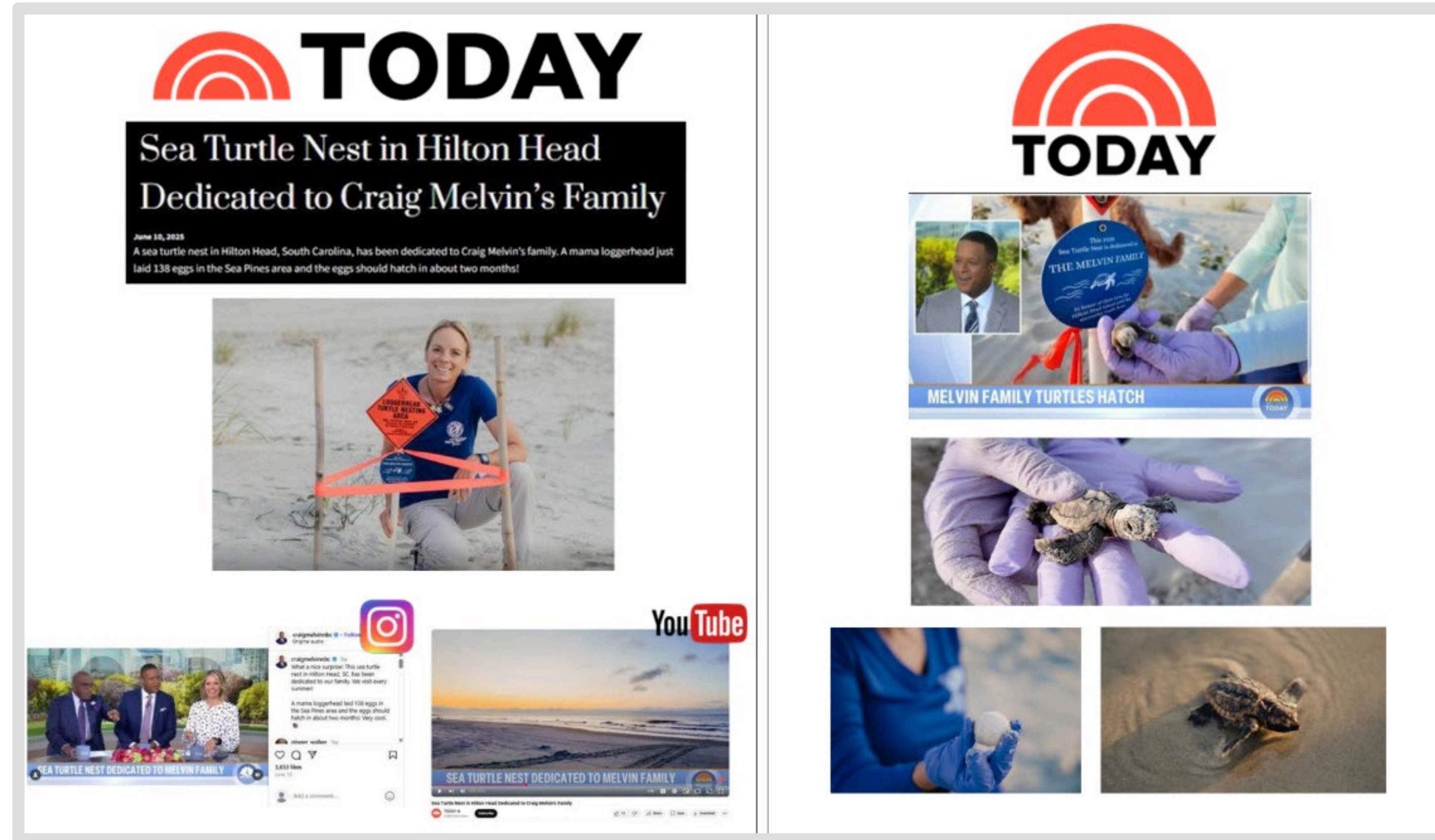


\$32M

Ad value equivalency

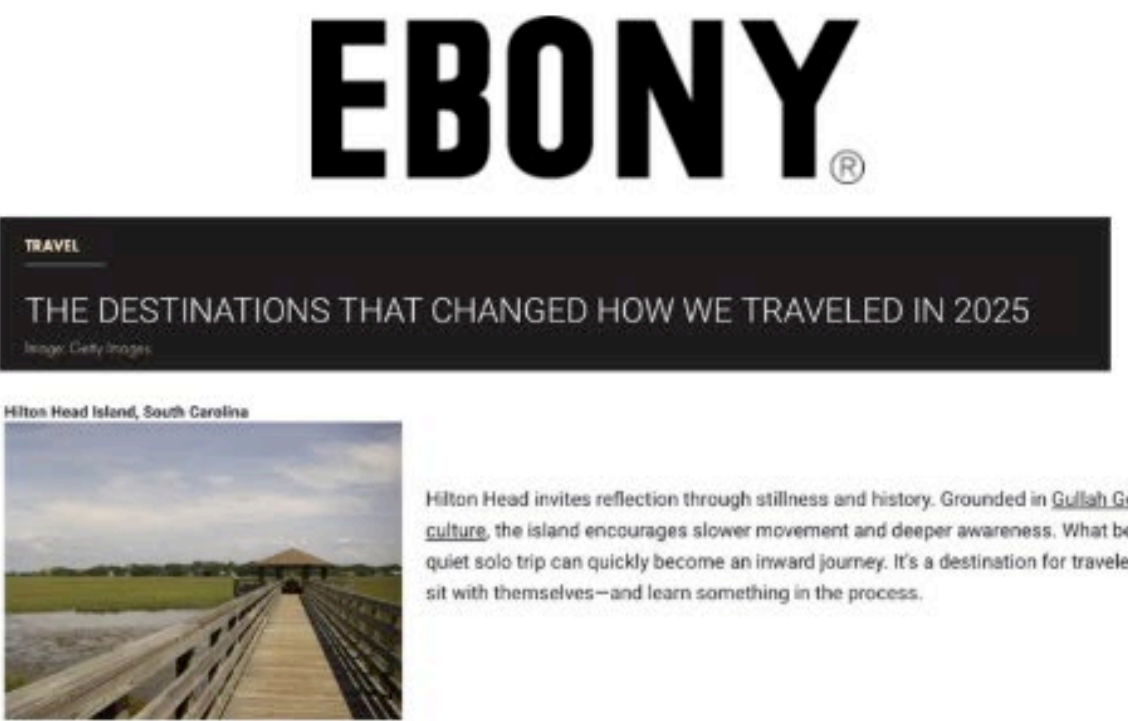
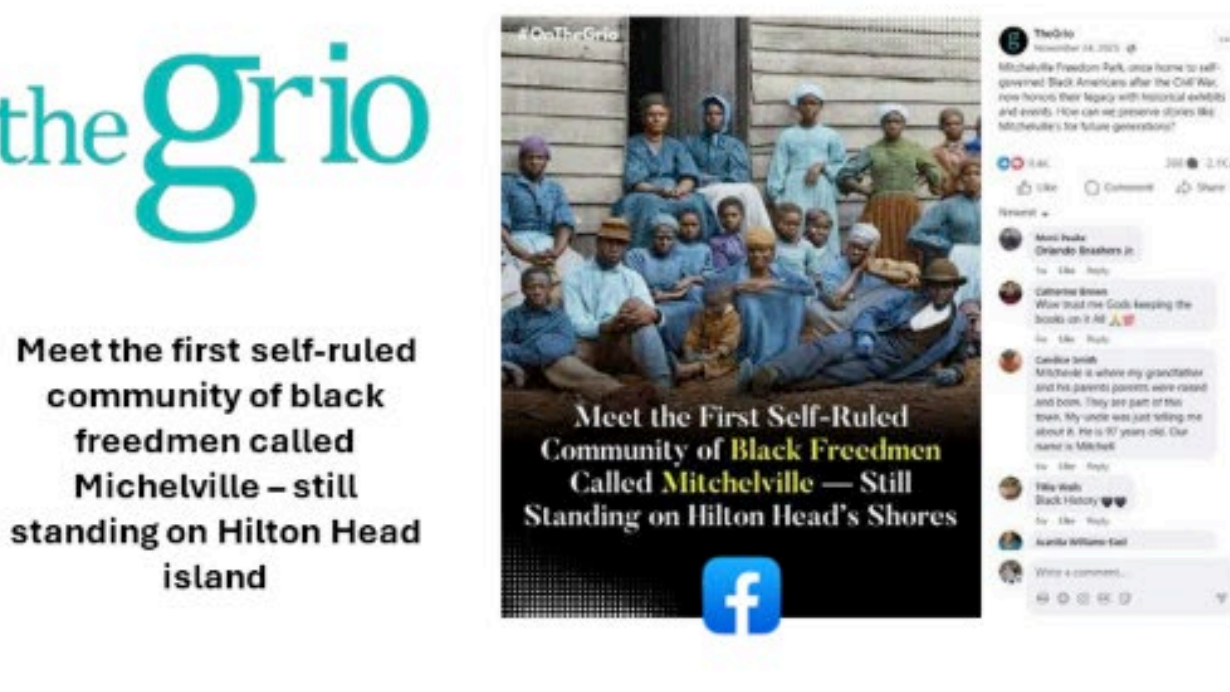


# Media & Brand Awareness Metrics

Article 6.11 (d)(vi)






# Media & Brand Awareness Metrics

Article 6.11 (d)(vi)

 <p><b>EBONY</b></p> <p>TRAVEL</p> <p>THE DESTINATIONS THAT CHANGED HOW WE TRAVELED IN 2025</p> <p>Hilton Head Island, South Carolina</p> <p>Hilton Head invites reflection through stillness and history. Grounded in Gullah Geechee culture, the island encourages slower movement and deeper awareness. What begins as a quiet solo trip can quickly become an inward journey. It's a destination for travelers willing to sit with themselves—and learn something in the process.</p>	 <p>the grio</p> <p>Meet the first self-ruled community of black freedmen called Michelville – still standing on Hilton Head island</p> <p>Meet the First Self-Ruled Community of Black Freedmen Called Michelville — Still Standing on Hilton Head's Shores</p>
 <p>REFINERY29</p> <p>Traveling With My Dad Taught Me About Legacy &amp; The Gift Of Time</p> <p>Traveling With My Dad Taught Me About Legacy &amp; The Gift Of Time</p>	 <p>Instagram</p> <p>r2sunbothered and dontairatell</p> <p>Traveling With My Dad Taught Me About Legacy &amp; The Gift Of Time</p>

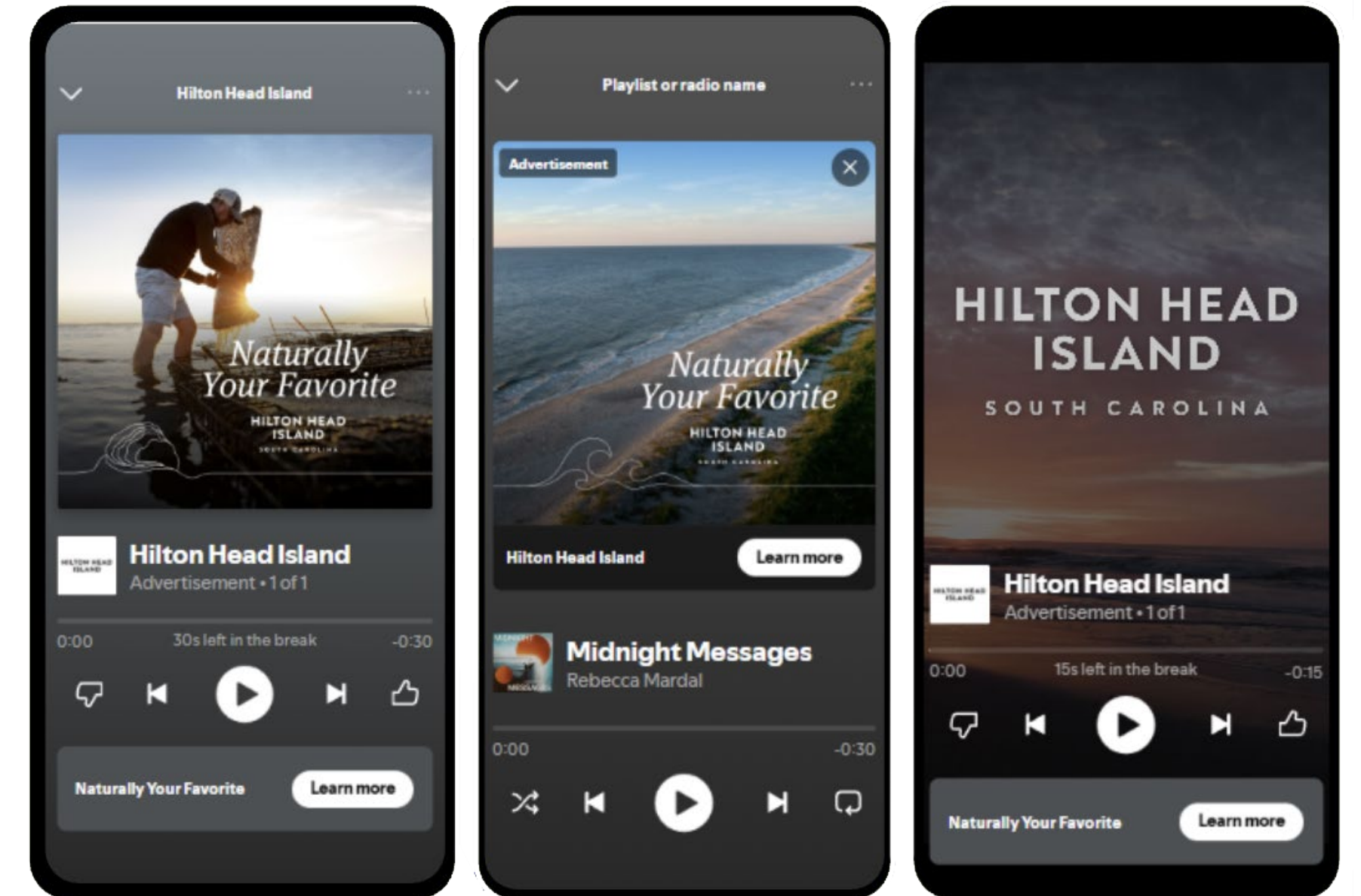
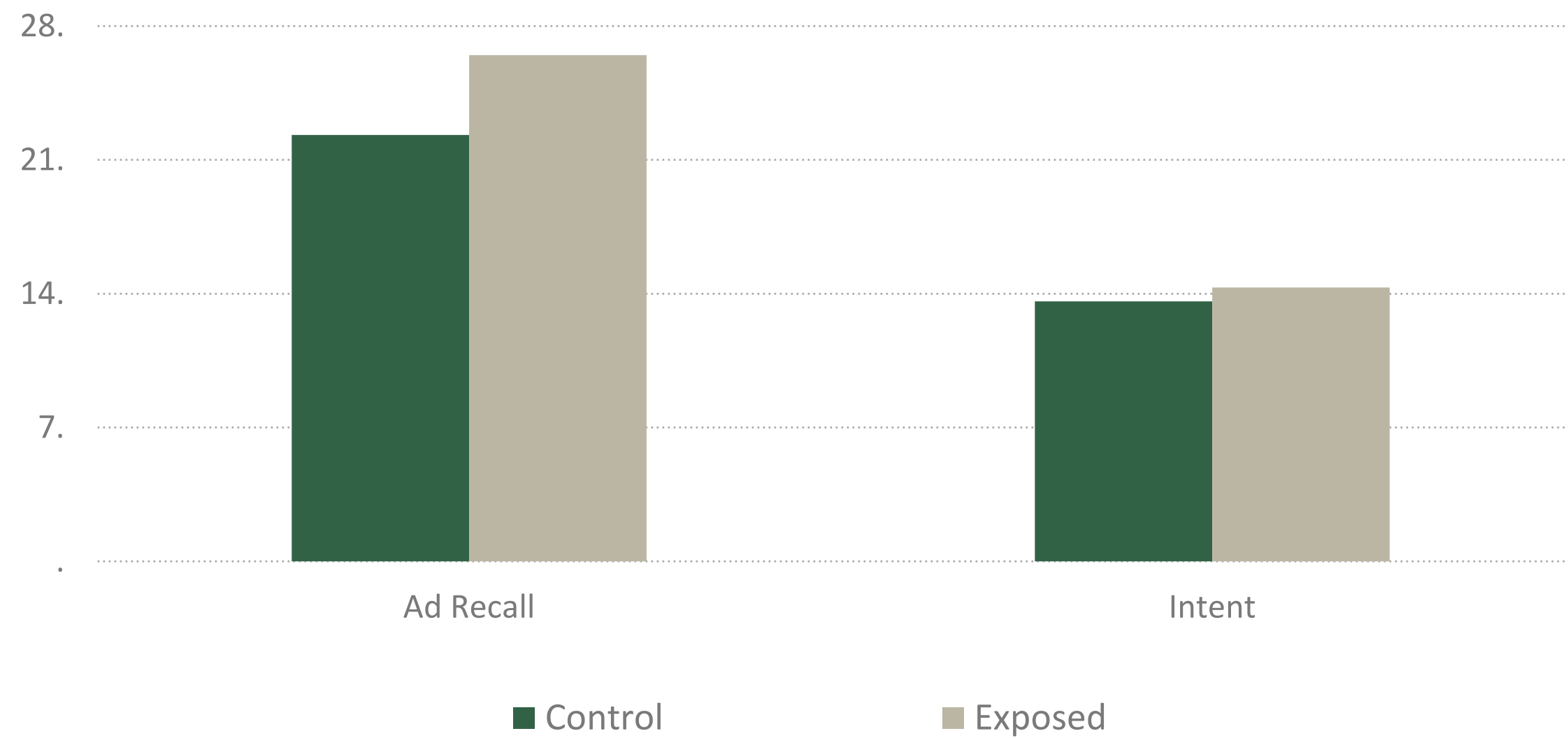
# Media & Brand Awareness Metrics

Article 6.II (d)(vi)

<p><b>Medium</b></p> <p><b>Where To Go On Holiday In Spring: Destinations You'll Love</b></p> <p>For the Calm Couple: <a href="#">The Westin Hilton Head Island Resort &amp; Spa</a></p> <p>For the Fun Family: <a href="#">The Sea Pines Resort</a></p> <p>For the Friends: <a href="#">Beach House Hilton Head Island</a></p>	<p><b>Southern Living</b></p> <p><b>15 Charming Beach Towns To Visit This Winter</b></p>  <p><small>Hilton Head is a low-key Lowcountry island that has something for everyone. The classic cuisine (like shrimp and grits with hush puppies) is enough to bring us in; but Harbour Town, known for its red-and-white striped lighthouse, charms with its beachy shops, abundant activities, and food with a westward-view (you have to catch the sunset here). Your getaway wouldn't be complete without a visit to the popular Salty Dog Café for an easygoing atmosphere, as well as plenty of long bike rides along the shaded pathways.</small></p> <p><a href="#">EXPLORE HILTON HEAD ISLAND</a></p>
<p><b>ShermansTravel</b></p> <p><b>8 Great Getaways for Snowbirds</b></p> <p>Hilton Head, South Carolina</p> <p><small>For Lowcountry charm, consider upscale Hilton Head. While not without seasonal differentiation, winter is usually mild enough to enjoy outdoor activities on the island. It may be too cold to swim in the ocean, but fat-tire biking on the packed sand is a popular way to enjoy the beach.</small></p>	<p><b>TRAVEL+ LEISURE</b></p> <p><b>13 of the Best Spring Break Ideas for Family Vacations</b></p> <p><small>Hilton Head Island, South Carolina</small></p> <p><small>Plan a memorable trip that both parents and kids will enjoy.</small></p> 
<p><b>THE EVERYGIRL</b></p> <p><b>Detour Destinations Are the Affordable Travel Trend You Need to Try in 2025</b></p> 	<p><b>TRAVEL+ LEISURE</b></p> <p><b>10 Best Spring Break Destinations in the U.S.</b></p> <p><small>Hilton Head Island attracts beach bums from all over the Midwest and East Coast with its 12 miles of Atlantic shoreline. Its waters are ideal for spotting sea life with Dolphin Discoveries or collecting shells at Driessen Beach Park. There's rarely a shortage of things to do in Hilton Head, thanks to multiple golf resorts and over 60 miles of cycling trails. The weather is warm, with highs in the 60s and 70s, but not too hot to spend entire days outside visiting the family-friendly Coligny Beach or picking up a pole and going fishing at Fish Haul Creek Park.</small></p> <p><small>Where to stay: Consider The Westin Hilton Head Resort &amp; Spa, a grand hotel with multiple pools, private beach access, and the Port Royal Golf &amp; Racquet Club right next door.</small></p>

# Brand Awareness Benchmark Study results

The Naturally Your Favorite campaign included a Brand Lift Study through Spotify, with results collected in-app through a three-question survey. The campaign successfully drove a **significant increase** in ad recall and intent.



**HILTON HEAD ISLAND**



Article 6.II.(d)(vii) – Seasonal Impact Metrics

# Seasonal Impacts Metrics

Article 6.II (d)(vii)

## Occupancy

Shoulder Season Winter  
(Dec.-Mar.)

- Hotels: 36%
- HV: 39%

Shoulder Season Fall  
(Sept.-Nov.)

- Hotels: 48%
- HV: 34%

Peak Season  
(Apr.-Aug.)

- Hotels: 63%
- HV: 64%





# Article 6.II.(d)(viii) – Stakeholder Satisfaction Survey

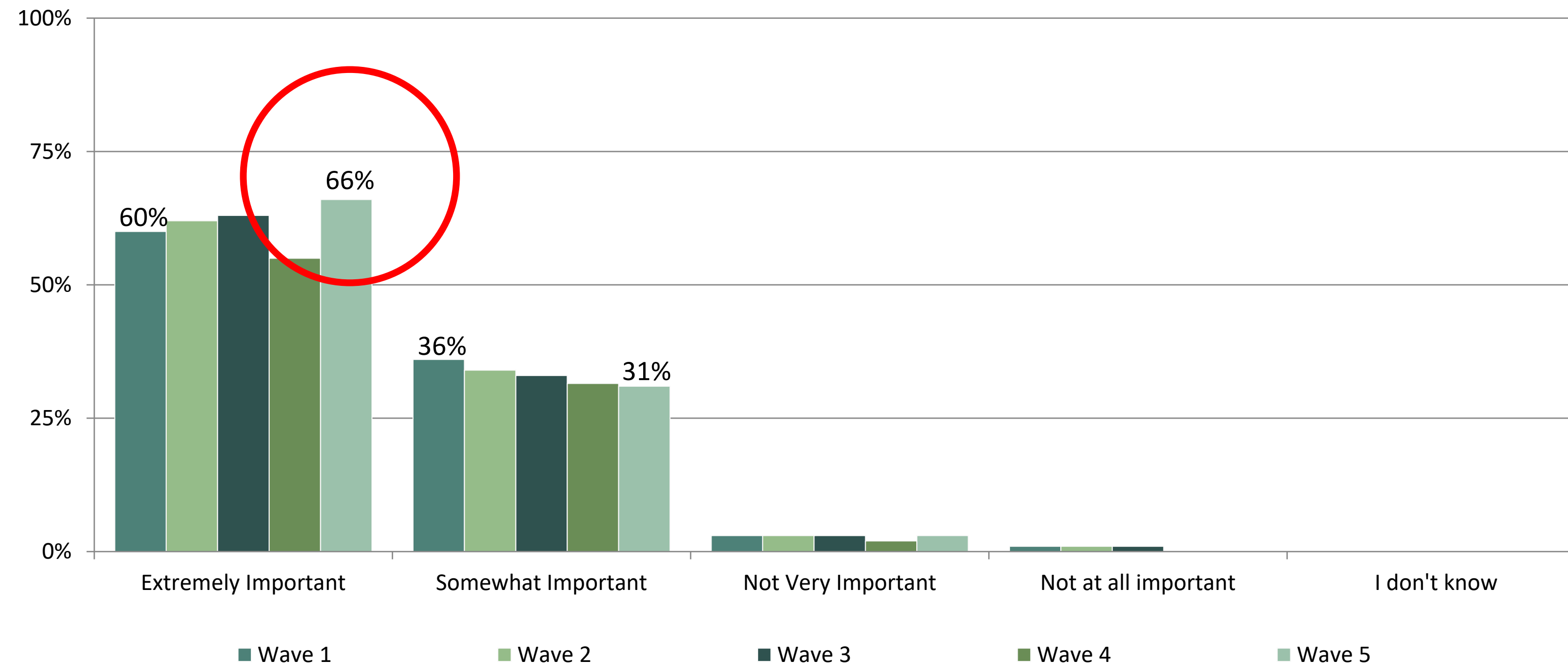
# Stakeholder Satisfaction Survey

## Article 6.II (d)(viii)

(Resident Sentiment Survey, over 3000 respondents)

Similar to previous waves, two-thirds of residents believe tourism is extremely important to the local economy.

Importance of Tourism Question: How important do you believe tourism is to the local Hilton Head Island Community?

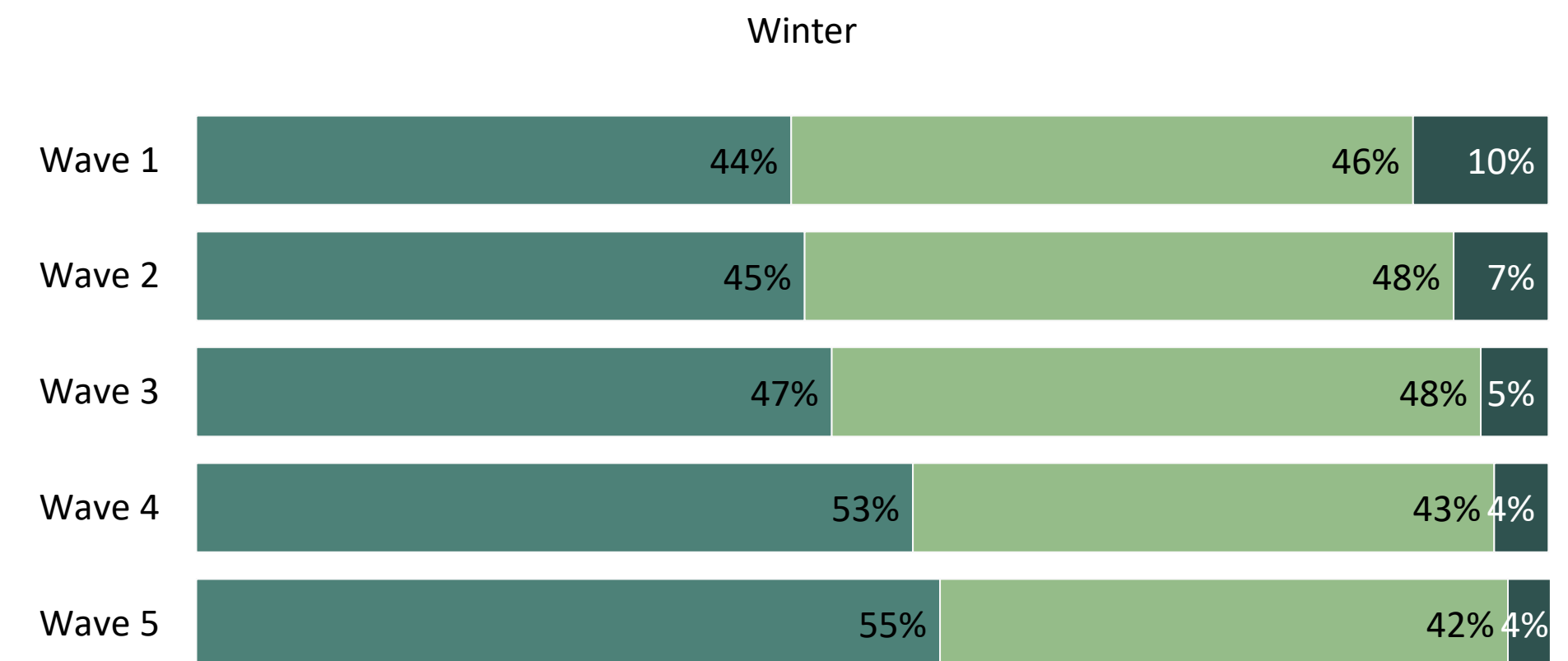
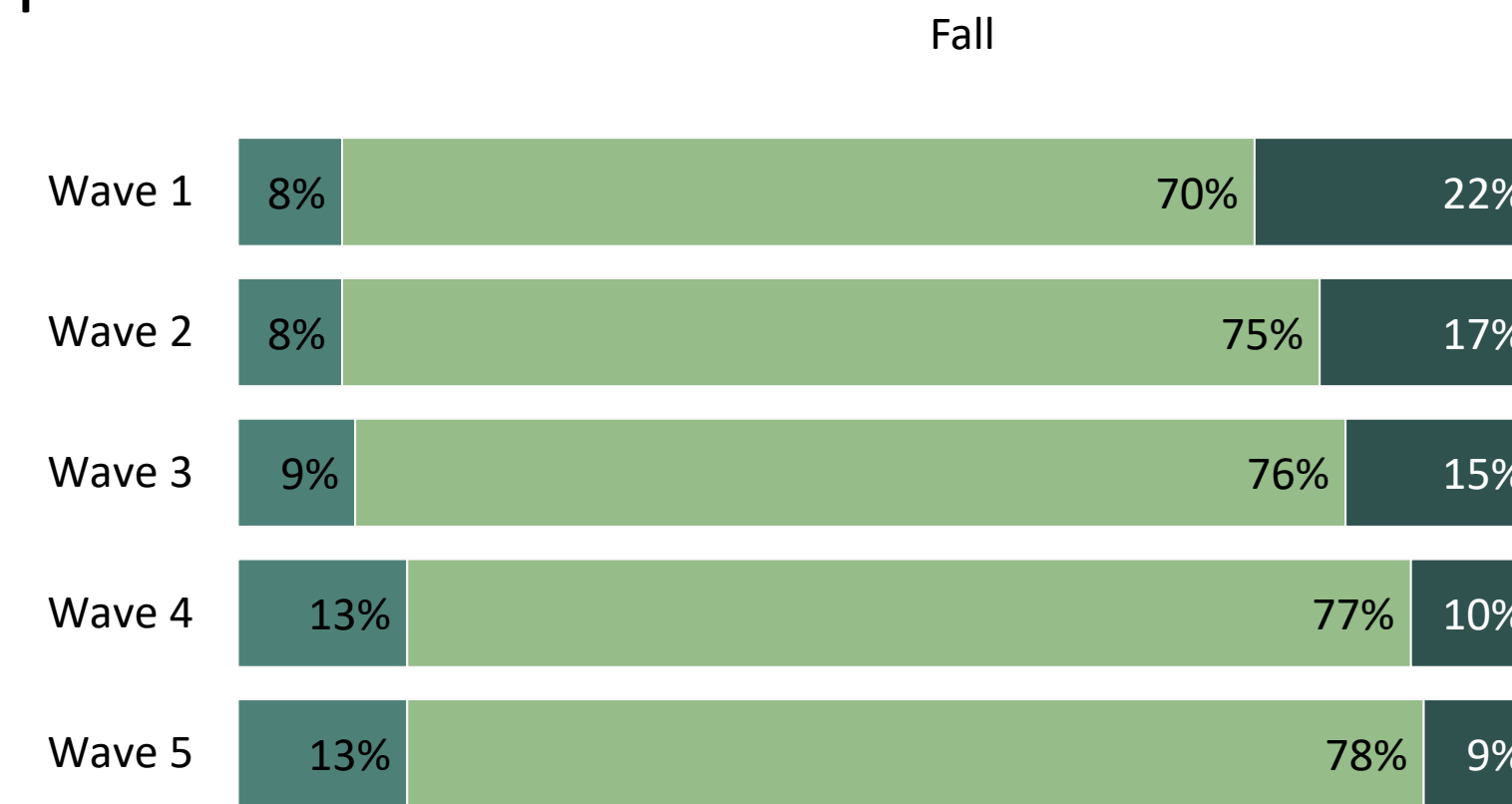
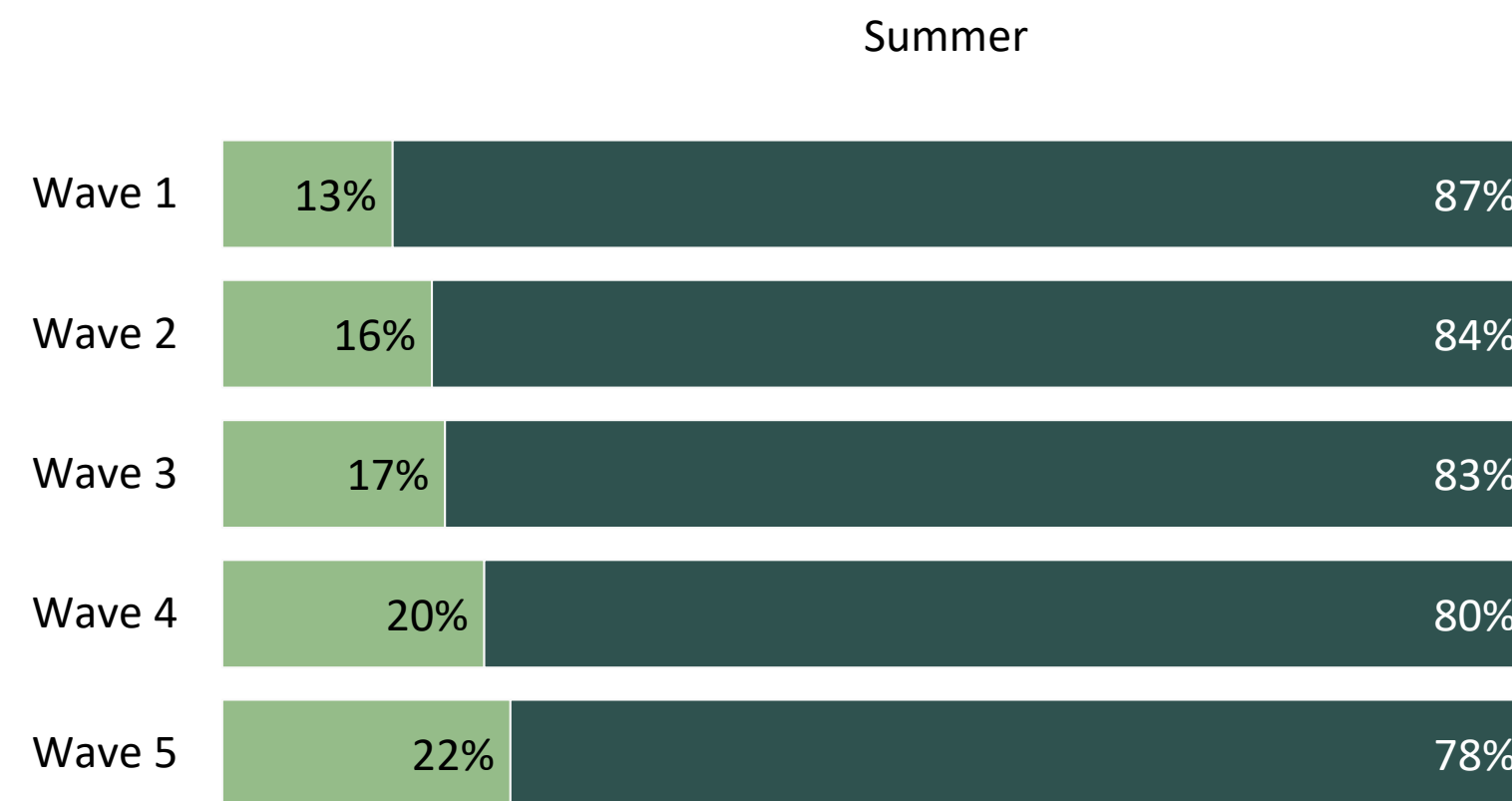
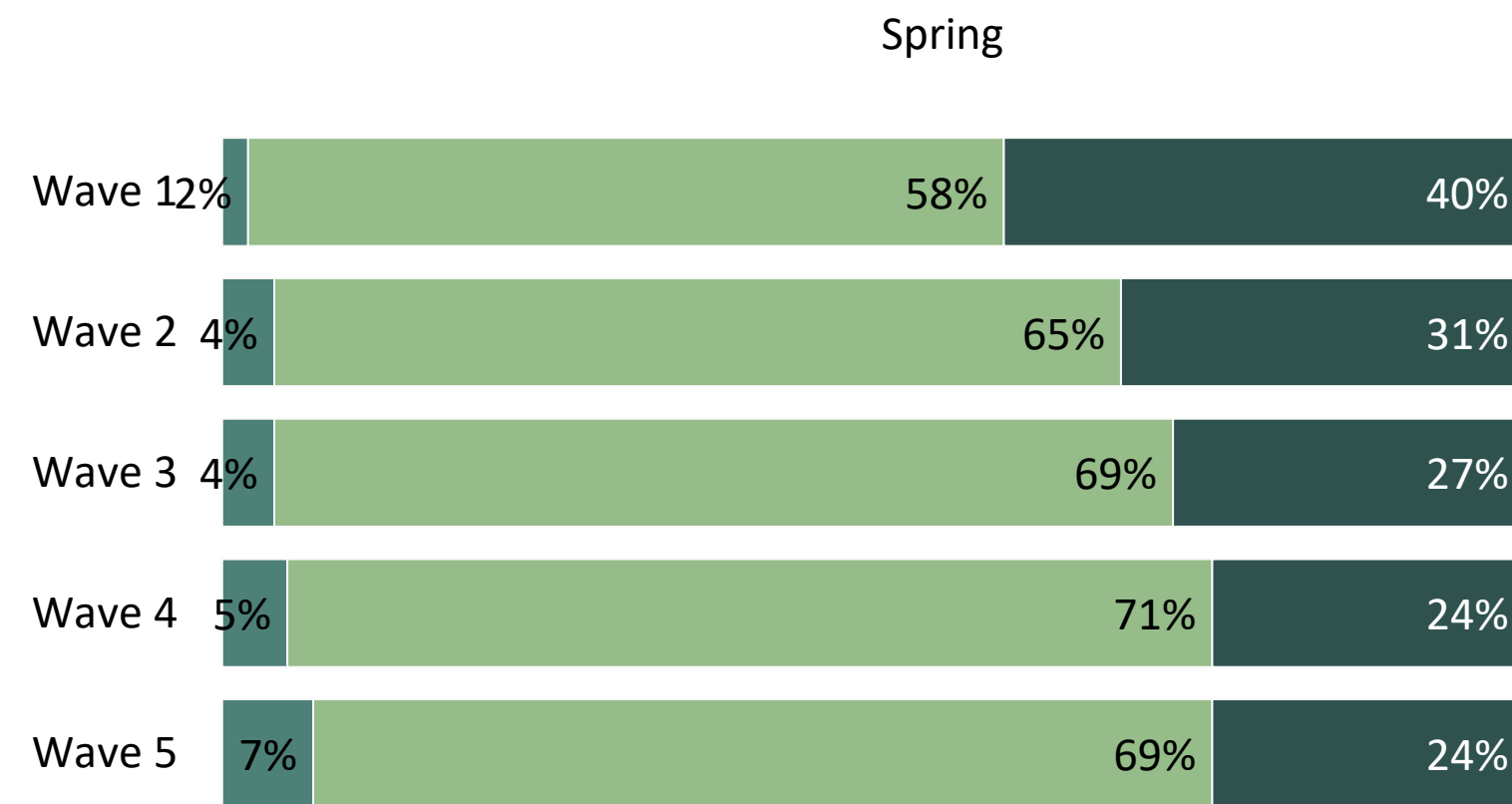


# Stakeholder Satisfaction Survey

## Article 6.II (d)(viii)

(Resident Sentiment Survey)

### Seasonal Perceptions



■ Just Right

■ Too Crowded

Source: MMGY Travel Intelligence

# Stakeholder Satisfaction Survey

## Article 6.II (d)(viii)

(Resident Sentiment Survey)

Residents Continue to agree that tourism generates tax revenue and creates jobs for area residents.

POSITIVE STATEMENTS (%AGREE - TOP 6)	WAVE 1	WAVE 2	WAVE 3	WAVE 4	WAVE 5
Generates tax revenues for state, county and local governments	76%	80%	81%	83%	84%
Creates jobs for area residents	71%	73%	74%	78%	78%
Provides restaurants that local residents can also enjoy	63%	68%	71%	74%	74%
Increases Real Estate Values	64%	66%	67%	72%	68%
Supports local business creation	64%	68%	69%	70%	72%
Provides amenities and attractions that local residents can also enjoy	56%	62%	64%	68%	69%

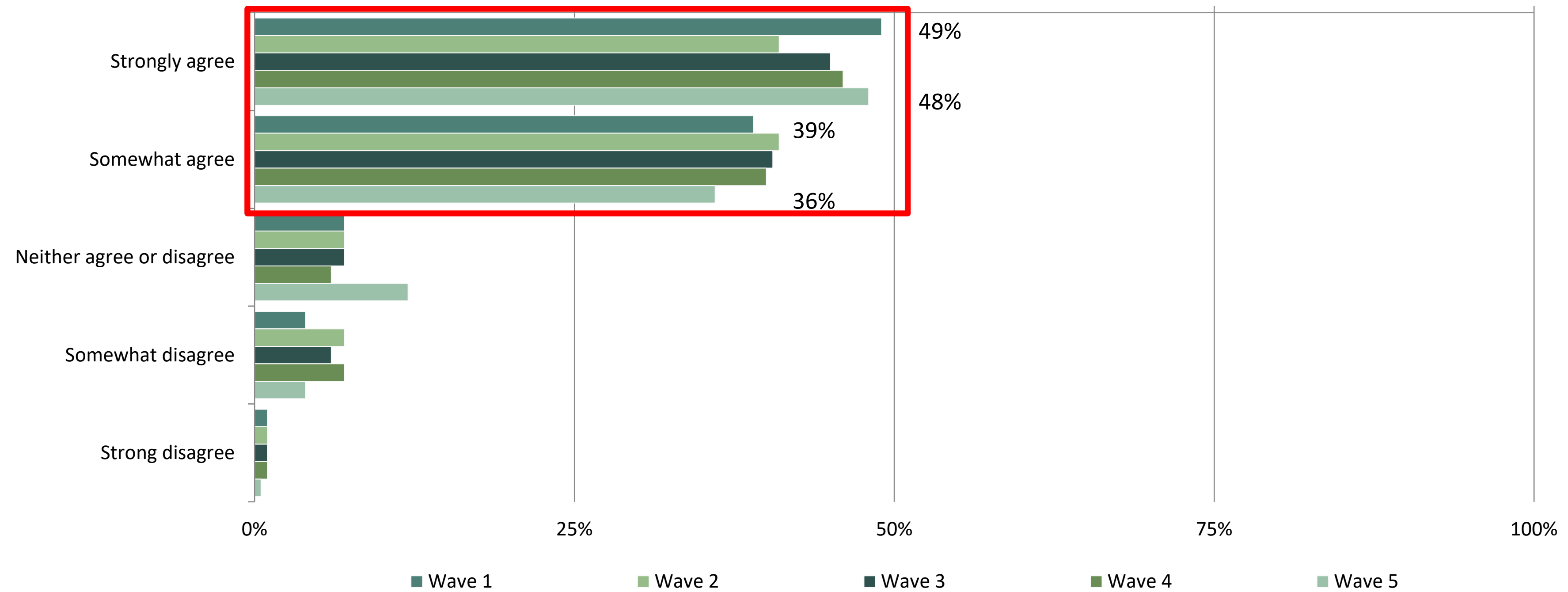
# Stakeholder Satisfaction Survey

## Article 6.II (d)(viii)

(Resident Sentiment Survey)

84% of residents agree that Hilton Head Island is a very safe place to live.

Question: Please indicate your level of agreement with the following statement: "I believe Hilton Head Island is a very safe place to live"

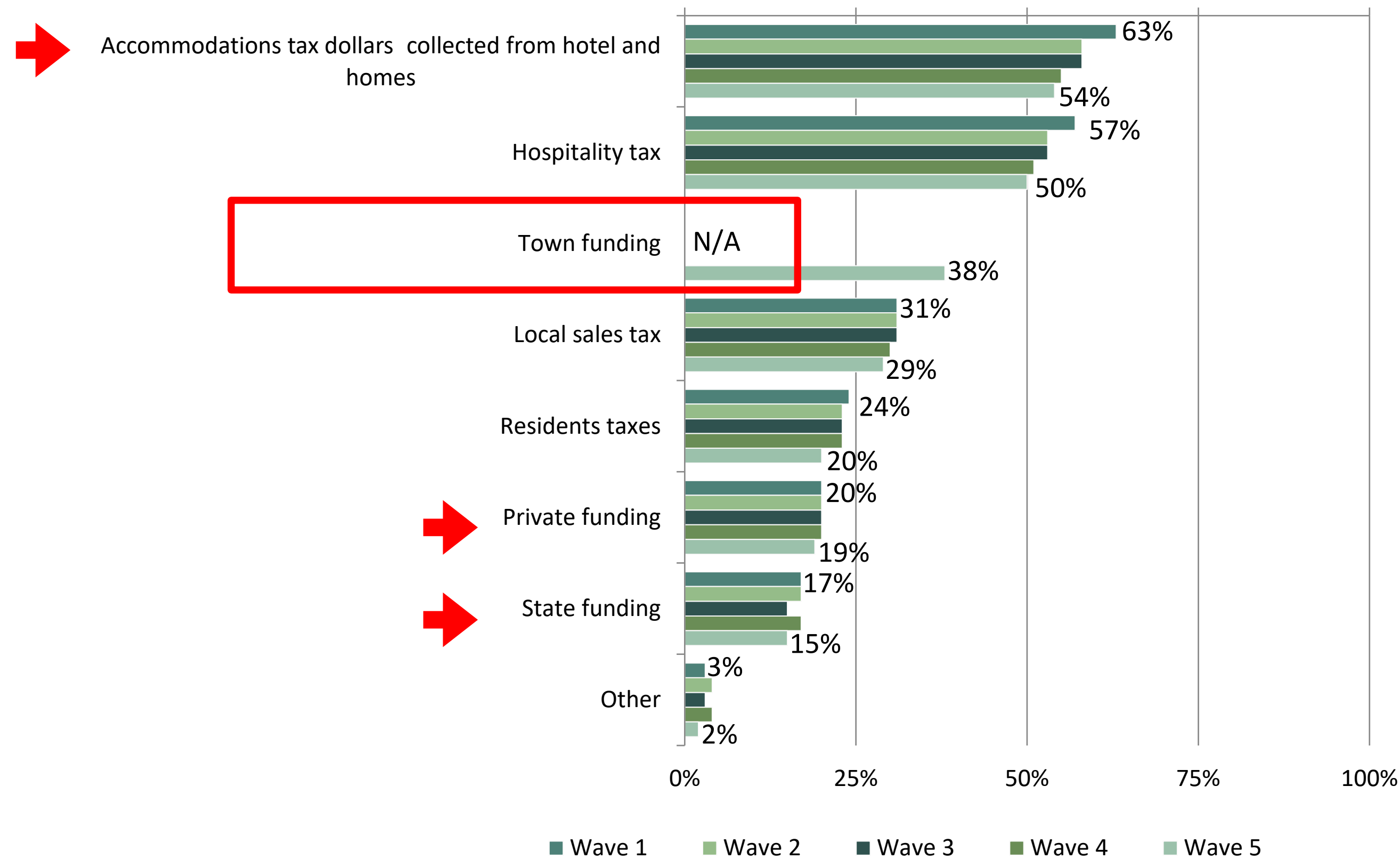


# Stakeholder Satisfaction Survey

## Article 6.II (d)(viii)

(Resident Sentiment Survey)

Question: Which of the following do you believe funds the Hilton Head Island-Bluffton Chamber of Commerce tourism marketing efforts? Please select all that apply.



### Hilton Head Island-Bluffton Chamber of Commerce Funding

69%

Of residents believe they know what funds the Hilton Head Island Chamber of Commerce tourism marketing efforts.

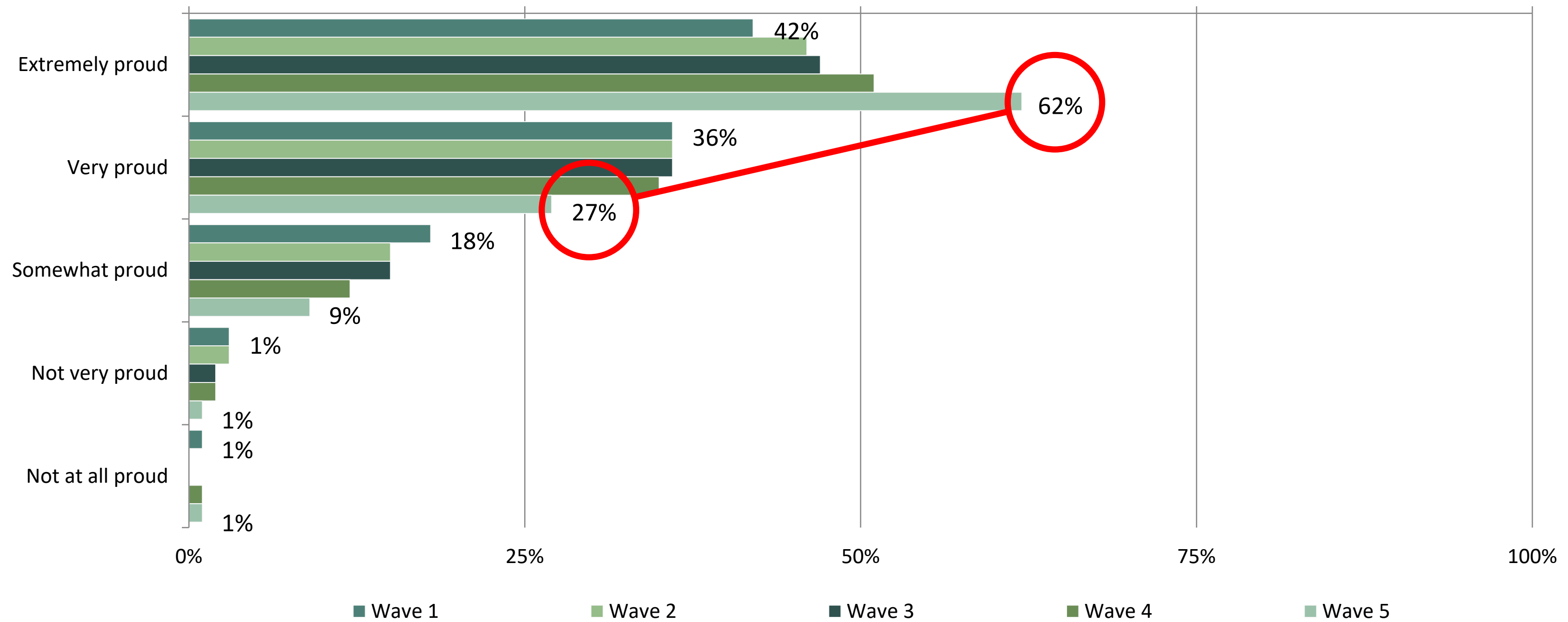
# Stakeholder Satisfaction Survey

## Article 6.II (d)(viii)

(Resident Sentiment Survey)

Pride rose to an all time high, with 89% of residents saying they are extremely/very proud to be residents of Hilton Head Island.

Question: Please indicate the level of pride you feel in being a resident of Hilton Head Island



# Stakeholder Satisfaction Survey

## Article 6.II (d)(viii)

(Resident Sentiment Survey)

### Top Concerns Facing the Community

	WAVE 2	WAVE 3	WAVE 4	WAVE 5
278 Corridor project	38%	39%	40%	51%
Workforce Shortage	48%	44%	40%	43%
Overall Development	29%	34%	33%	43%
On-island workforce housing	36%	35%	33%	33%
Short-term rental noise and parking	16%	18%	21%	32%
General infrastructure needs (eg. Water/sewer, roads, other utilities)	20%	18%	20%	28%
Repurposing/modernizing Island commercial buildings	14%	14%	14%	17%
Sea Pines Circle/Coligny Traffic	16%	17%	17%	14%
Mid-Island initiative and redevelopment (Northridge Plaza, Port Royal Plaza, Mid-Island Park)	12%	12%	11%	13%
Arts and development of cultural assets (eg. Mitchelville Freedom Park)	4%	4%	4%	4%
Other	9%	10%	9%	6%
None of the above	0%	1%	1%	1%

\*South-end traffic in previous years

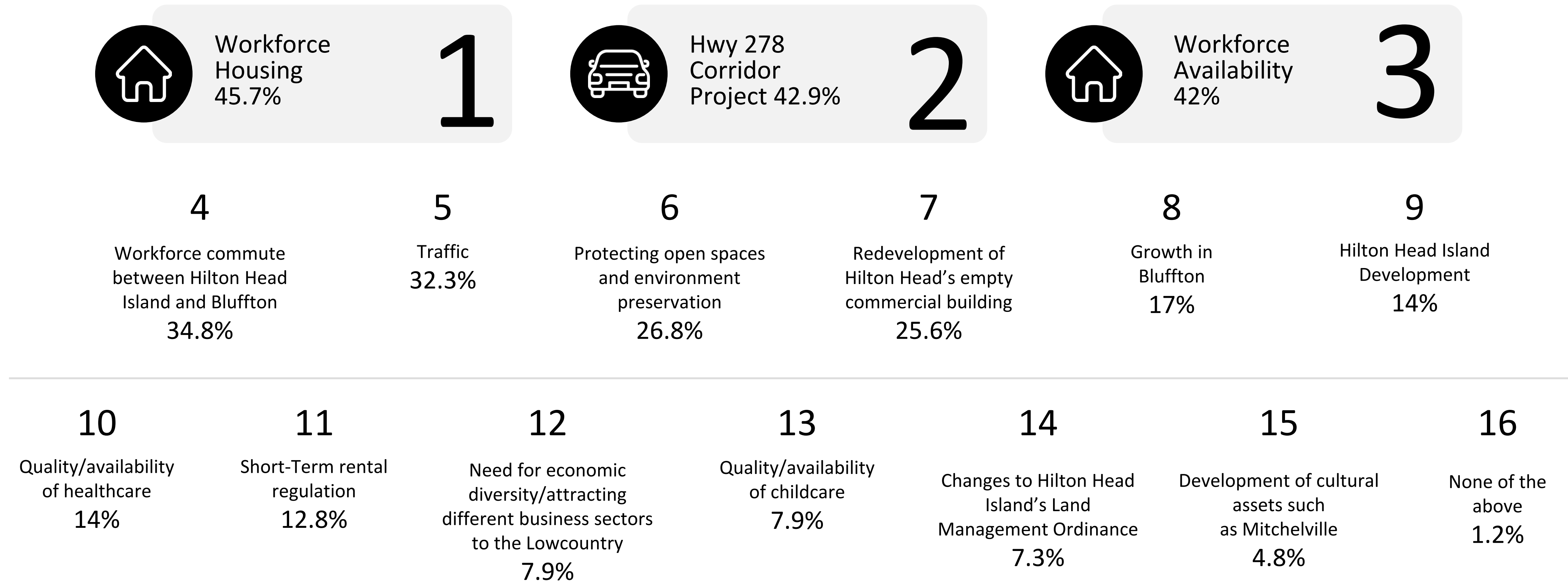
Source:  MMGY Travel Intelligence

# Stakeholder Satisfaction Survey

Article 6.II (d)(viii)

(Membership Survey)

What do you feel are the **top three issues** facing our area?

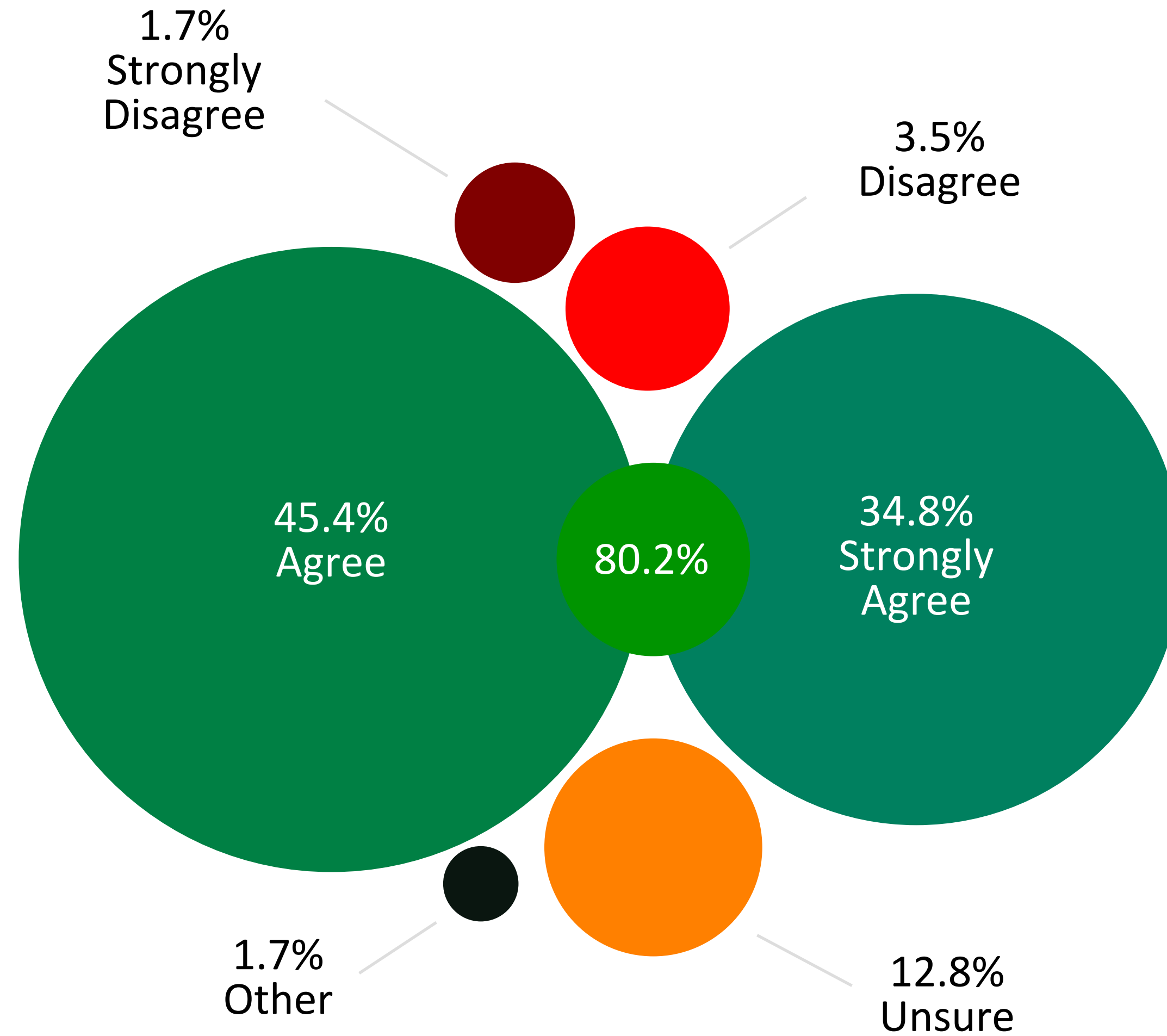


# Stakeholder Satisfaction Survey

Article 6.II (d)(viii)

(Membership Survey)

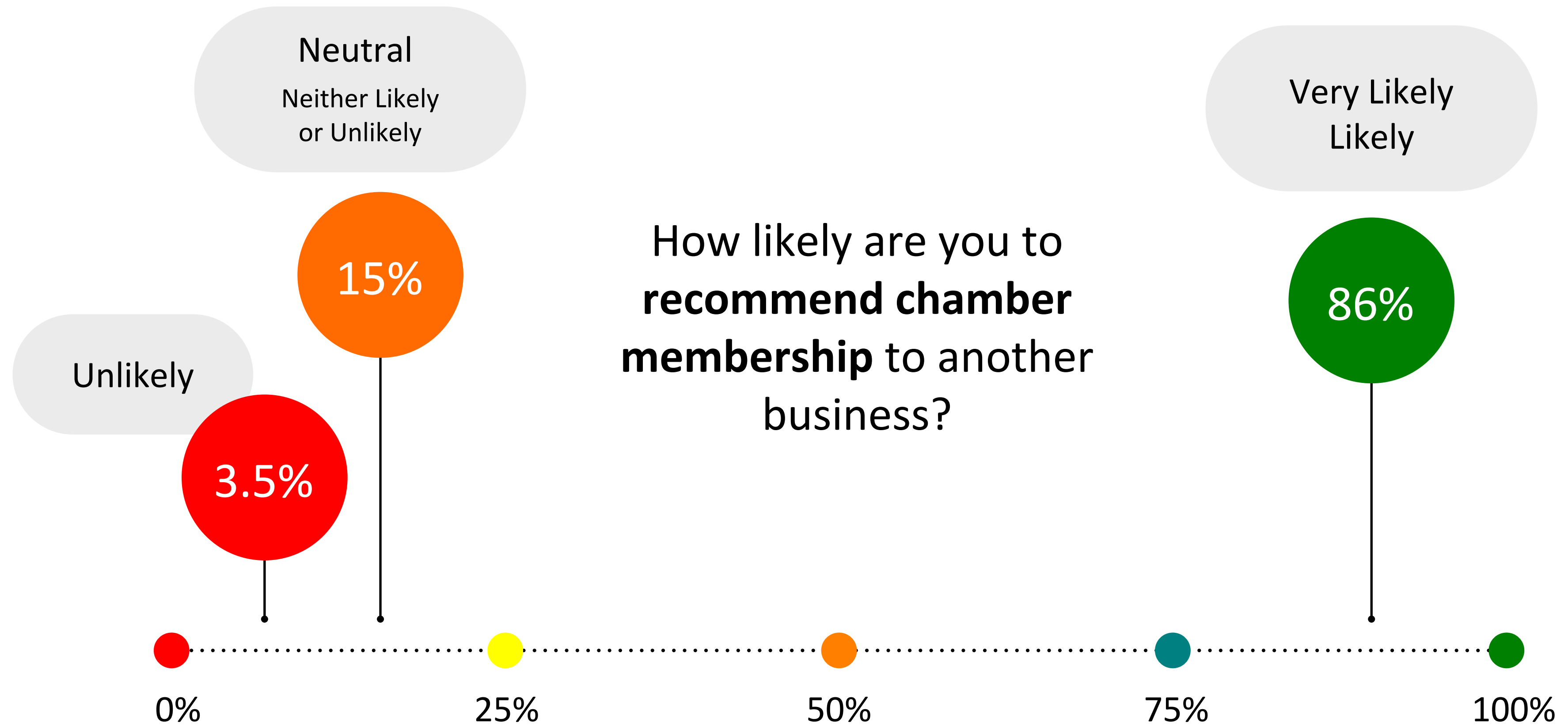
My **partnership** with the Chamber **adds value** to my business as a whole.



# Stakeholder Satisfaction Survey

Article 6.II (d)(viii)

(Membership Survey)



An aerial photograph of a coastal area. On the left, there is a wide, sandy beach that curves along the shoreline. The ocean is visible on the far left. To the right of the beach is a dense forest of trees. In the center-right, there are several large, light-colored buildings, possibly a resort or a government complex. The background shows a vast expanse of land with more trees and some water bodies. The overall scene is a mix of natural and developed areas.

# What's Ahead in FY 2026-2027



# Section 1: Advertising

(Print, Digital, Broadcast, Social, Etc.)

Our advertising strategy ensures we meet travelers at every stage of their journey, while adapting to the rapidly evolving way people search, discover, and plan travel. By optimizing for Generative Engine Optimization (GEO) and traditional SEO, our approach ensures Hilton Head Island remains visible, relevant, and easy to choose.

# Section 1: Advertising

(Print, Digital, Broadcast, Social, Etc.)

## The Old Way

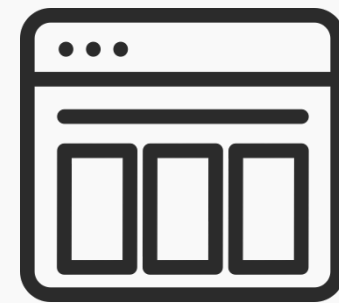


## The New Way



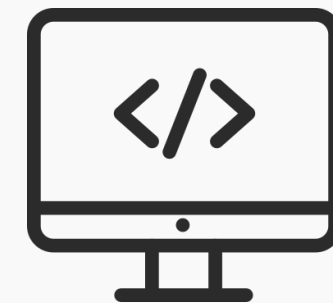
# SEO & GEO - Laying the Groundwork

A successful data-informed content strategy that will grow the organic search footprint for your brand both on traditional SERPs (Search Engine Results Page) as well as within Generative AI applications can be focused on the following core pillars:



On Page

The optimization and data-informed creation of content will drive increased exposure in search engines leading to better engagement.



Technical

Ongoing technical audit and comprehensive review of the existing website to ensure current issues in the technical infrastructure are identified.



Off Page

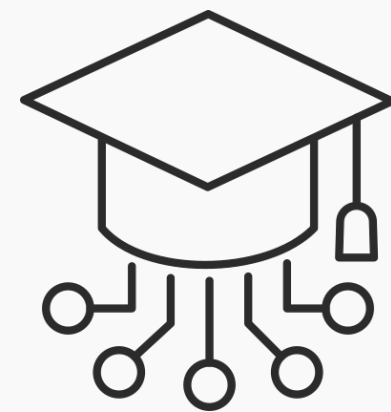
Link building through a personalized outreach program, and amplified exposure through influencer outreach and a targeted social media strategy.

# Section 1: Advertising

(Print, Digital, Broadcast, Social, Etc.)

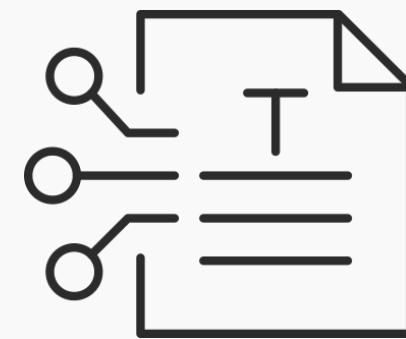
## AI and the Opportunity To Support AI Discoverability

A strong GEO strategy is crucial for DMOs and operators to remain visible and relevant in a changing digital landscape.



### Become the Answer

Position your brand as an authority so your content is the source for direct AI answers.



### Stand Out with AI

Clear, structured website information makes it more likely that your organization will be featured in these direct answers.



### Future-Proof Your Strategy

Continuing to follow SEO best practices and investing in a strong website foundation sets you up for long-term success.

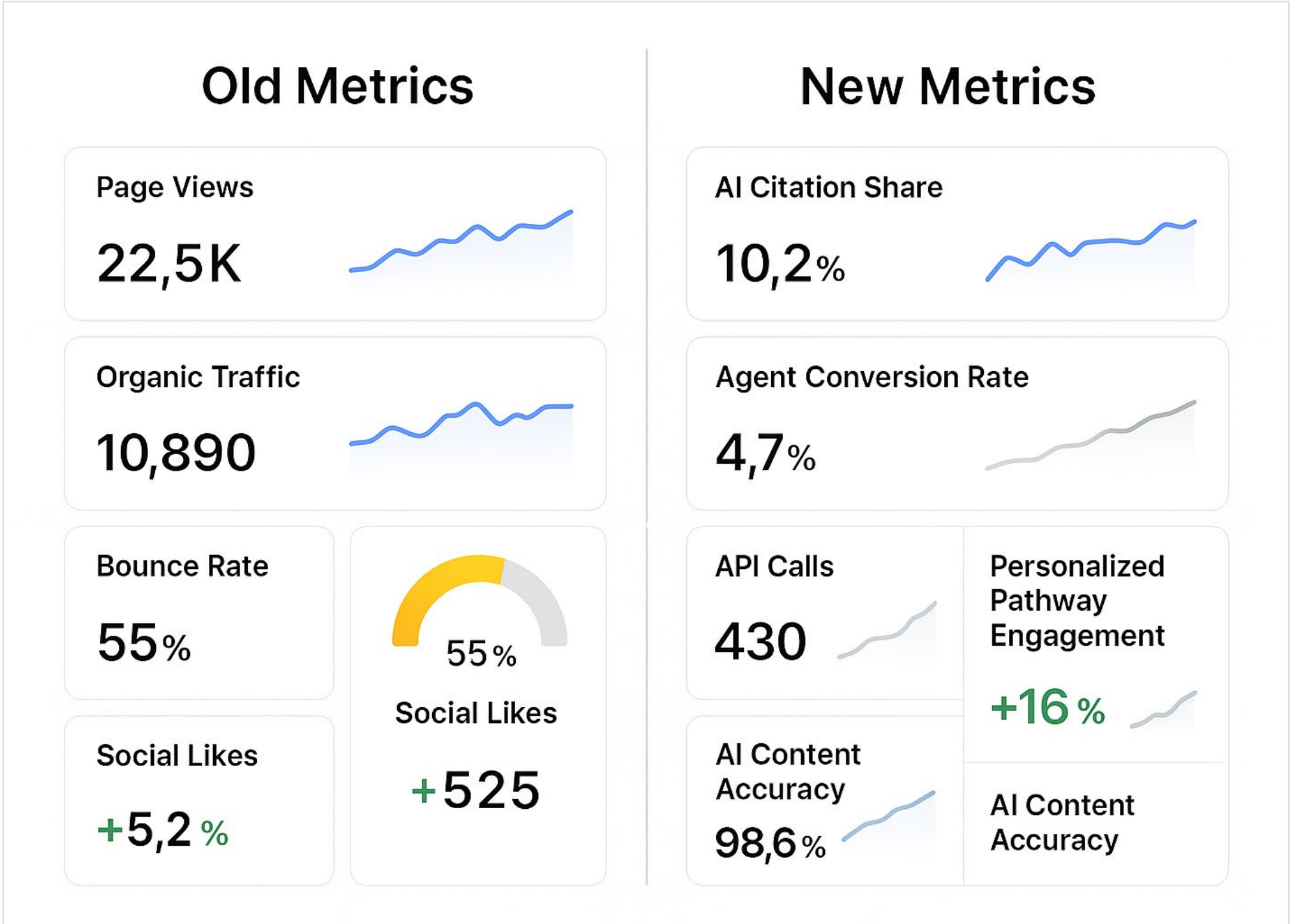


### Track and Analyze Brand Performance

Investing in a GEO platform, assigning dedicated resources for configuration, adjusting prompts, and optimizing results.

# Traditional KPIs, such as page views and organic traffic, no longer tell the full story. New KPIs could include:

- AI Search Visibility: Share of citations in generative AI results for target queries.
- Agent-Driven Conversions: Number and value of bookings completed through AI agents.
- API Engagement: Call volume, uptime, and usage by third-party platforms.
- Audience Engagement: Interaction with personalized pathways and tailored content.
- Content Performance in AI: Frequency and accuracy of brand mentions in AI responses.



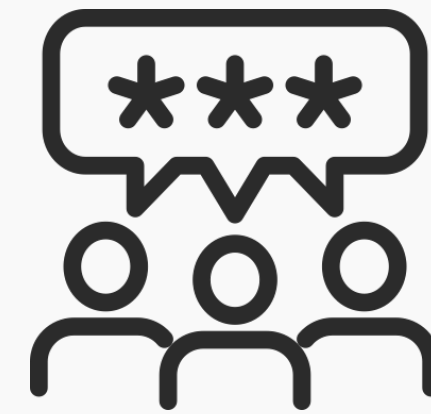
# What's Next? GEO is the New Digital PR



## Be Technically Impeccable

Keep your site fast, error-free, and structured so AI can read and trust it. Use emerging tools (like llms.txt) to give Large Language Models extra context about your brand.

Build Digital Credibility



Cultivate partnerships, manage your online reputation, and earn authoritative backlinks. Keep your brand details (NAP) consistent so LLMs see you as a trusted source.

## Create AI-Ready Content

Publish high-value, relevant, and diverse



Content designed to be cited in AI answers—then test and refine for the new search landscape.

# Section 1: Advertising

(Print, Digital, Broadcast, Social, Etc.)

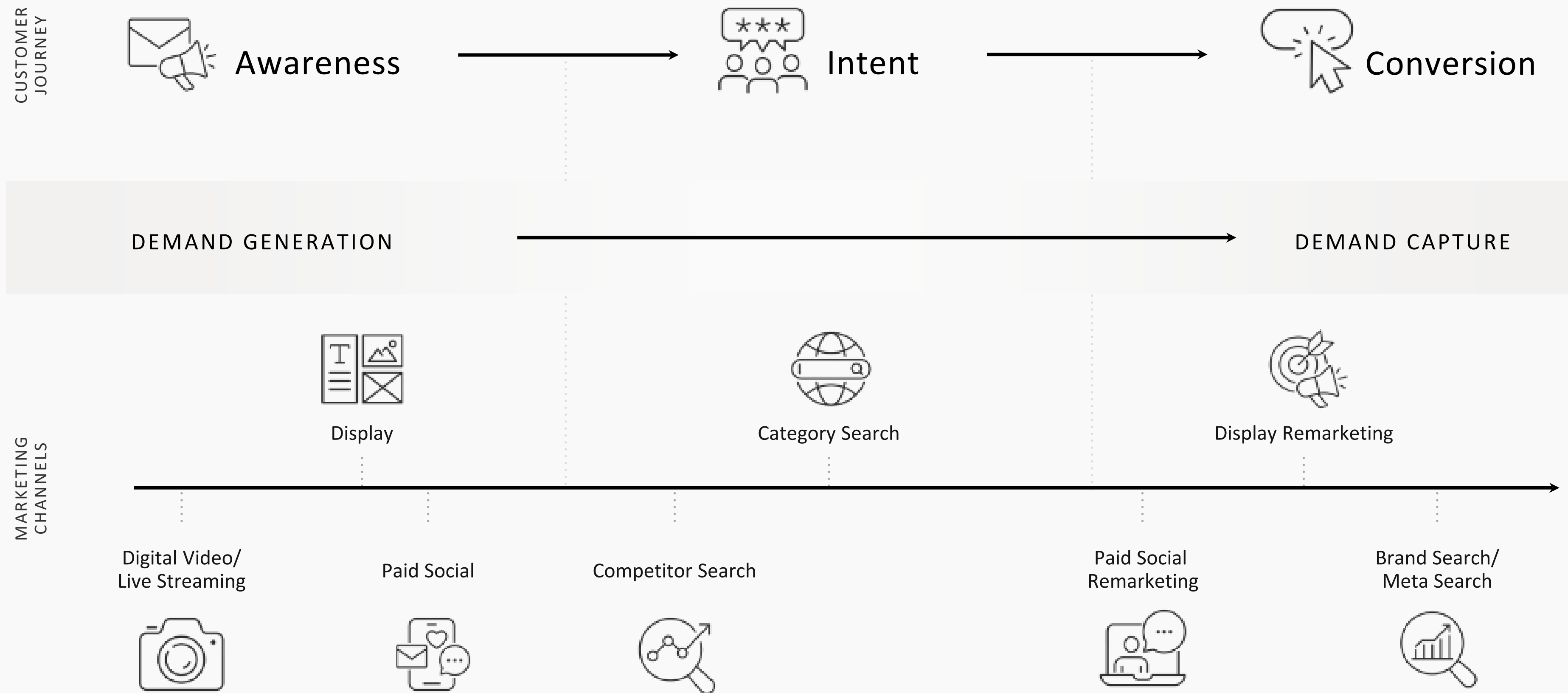
Our social and digital strategy plays a critical role in shaping how travelers discover and engage with Hilton Head Island. Across platforms, we deliver visually compelling, on-trend content that reflects the Island's experiences while positioning the destination within the moments and conversations that influence travel decisions.

Short-form video, curated itineraries, and partner storytelling work together to inspire new visitors and encourage return trips. Paid and organic efforts are closely aligned, allowing us to reach highly targeted audiences while maintaining an authentic and engaging brand presence.

Local creators and influencers are central to this approach, bringing a credible, on-the-ground perspective that strengthens storytelling and expands reach. By elevating these voices, we create a steady stream of relevant content that resonates with today's traveler.

# Section 1: Advertising

(Print, Digital, Broadcast, Social, Etc.)



# Section 1: Advertising

(Print, Digital, Broadcast, Social, Etc.)

HiltonHeadIsland.org serves as the foundation of our marketing ecosystem, evolving to meet the expectations of today's AI-driven traveler. Through ongoing enhancements, the site is designed not only to inspire, but to seamlessly guide users toward planning and booking.


Our focus on Generative Engine Optimization (GEO) ensures that content is structured to perform across both traditional and AI-powered search, increasing visibility in how travelers now discover destinations. This is complemented by the integration of Mindtrip's AI-powered chatbot and itinerary tools, which transform the website into an interactive planning experience.

Together, these enhancements allow us to connect inspiration with action, ensuring visitors can easily explore, personalize, and plan their Hilton Head Island experience in real time.



**Visit Hilton Head Island**  
Today at 19:33 · 🌐

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Like Comment Share

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**Visit Hilton Head Island**  
Today at 19:33 · 🌐

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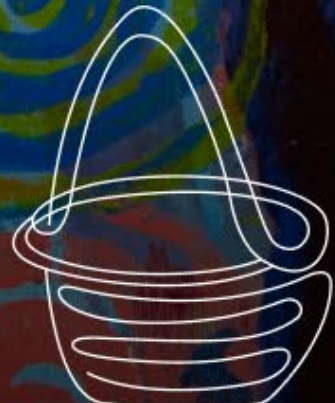
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Write something... 😊 📷 🎬 🗨️



*Naturally  
Your Favorite*

**HILTON HEAD  
ISLAND**  
SOUTH CAROLINA



*Naturally  
Your Favorite*

**HILTON HEAD  
ISLAND**  
SOUTH CAROLINA



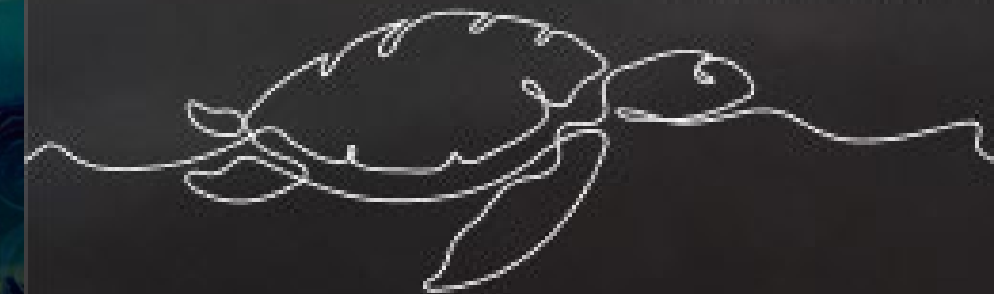
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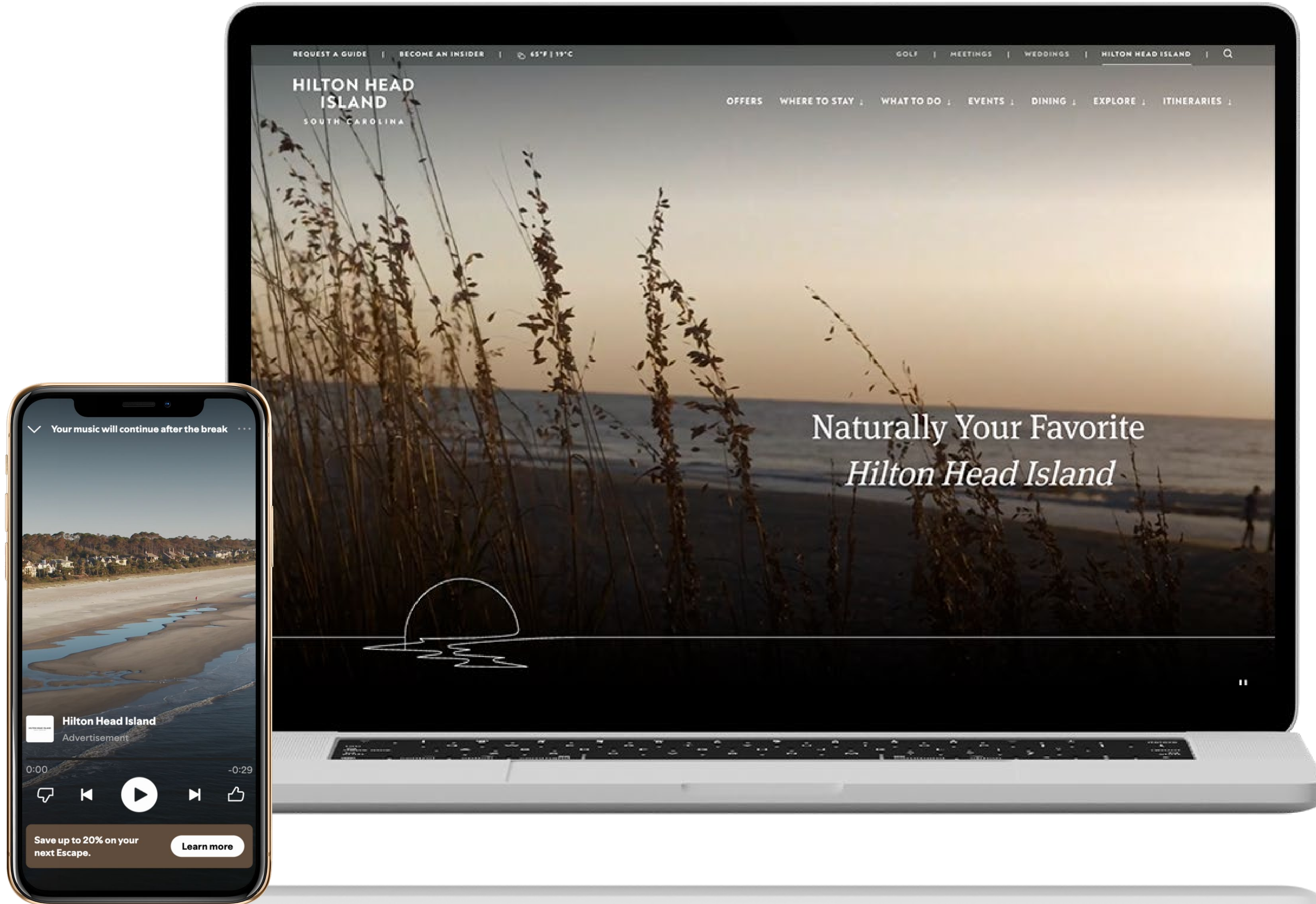
**HILTON HEAD  
ISLAND**  
SOUTH CAROLINA



*Naturally  
Your Favorite*

**HILTON HEAD  
ISLAND**  
SOUTH CAROLINA







## Section 2: Fulfillment

The Hilton Head Island Vacation Planner is a premium, “coffee table” style publication that showcases the destination through high-quality design, photography, and storytelling—offering a tangible, immersive way for potential visitors to engage with the Island.

Our focus is on ensuring this piece reaches the right audience. Through direct mail fulfillment to individuals who actively request it, along with placement in all South Carolina welcome centers and other key touchpoints, the planner is delivered into the hands of travelers already in a planning mindset. This targeted distribution makes it a highly effective and worthwhile investment, extending the reach of the destination in a way that is both memorable and impactful.



## Section 3: Marketing Support

(Creative, Photography, Videography, Research)

Research is not simply a support function—it is a strategic pillar that guides how we position, target, and grow Hilton Head Island as a destination. Every major marketing decision is grounded in data, ensuring our efforts are aligned with both visitor demand and community priorities.

Through a combination of first-party research and third-party data partnerships, we develop a clear, evolving understanding of who our visitors are, how they behave, and what motivates them to choose Hilton Head Island. This foundation allows us to move beyond assumptions and make informed, confident decisions that strengthen both performance and long-term sustainability.



## Section 3: Marketing Support

(Creative, Photography, Videography, Research)

Our research framework reflects a deliberate shift from volume to value. Success is not defined by increasing visitation, but by attracting the right visitors, those who support the Island's economy and increase the Island's quality of life.

To guide this approach, we utilize cutting-edge tools such as Placer.ai and Zartico to better understand who our visitors are, where they come from, and what drives them to choose Hilton Head Island. These insights allow us to refine targeting and focus on high-value audiences rather than broad demand.

This makes measuring economic impact essential. Through an annual economic impact report and ongoing visitor and resident sentiment research, we ensure tourism delivers meaningful economic benefit while preserving the character of the Island.

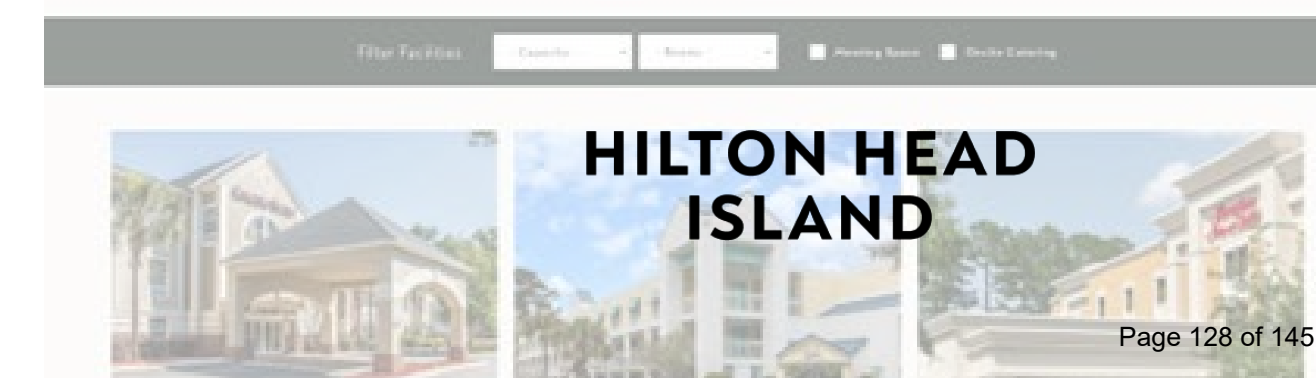
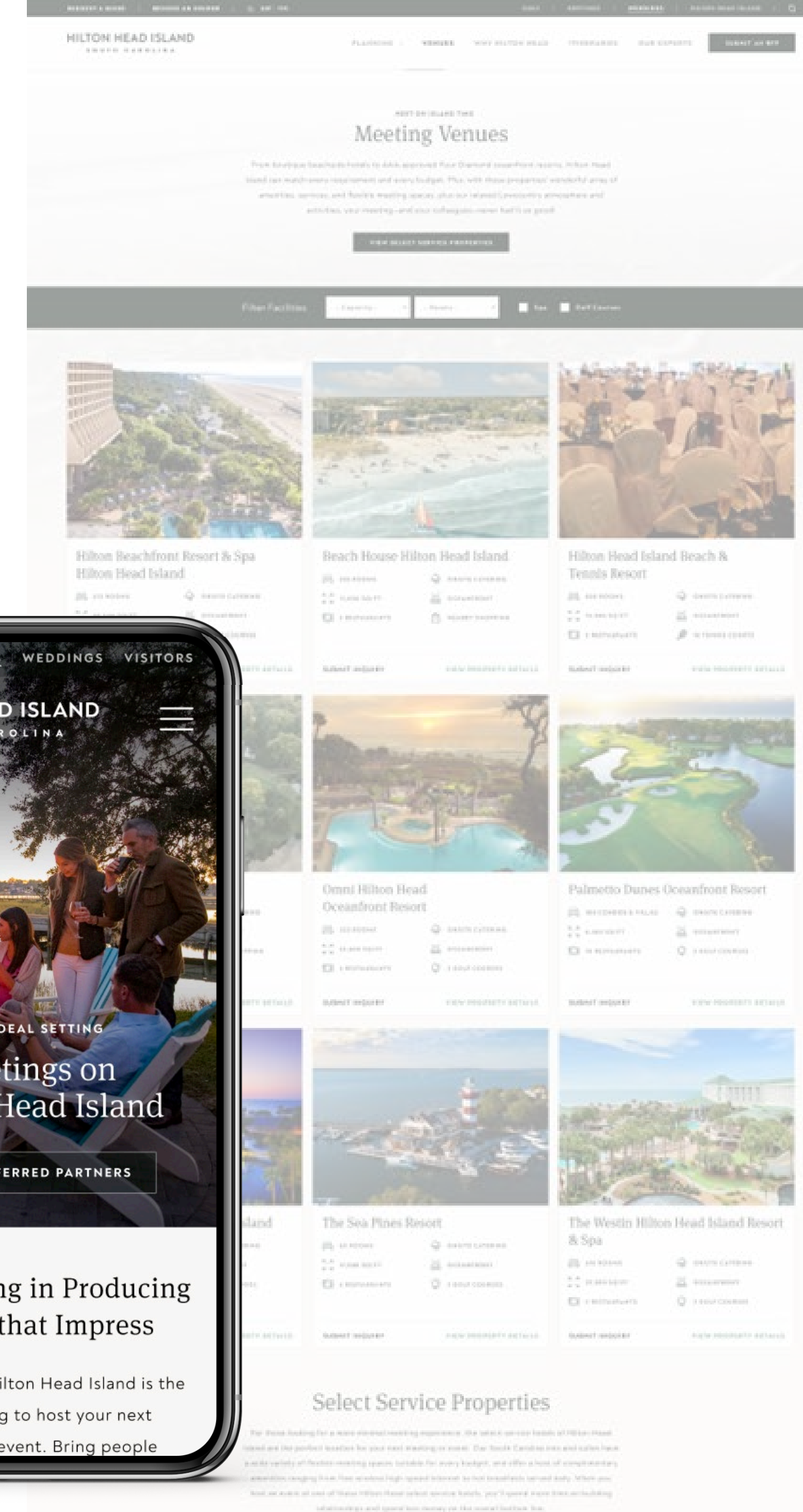
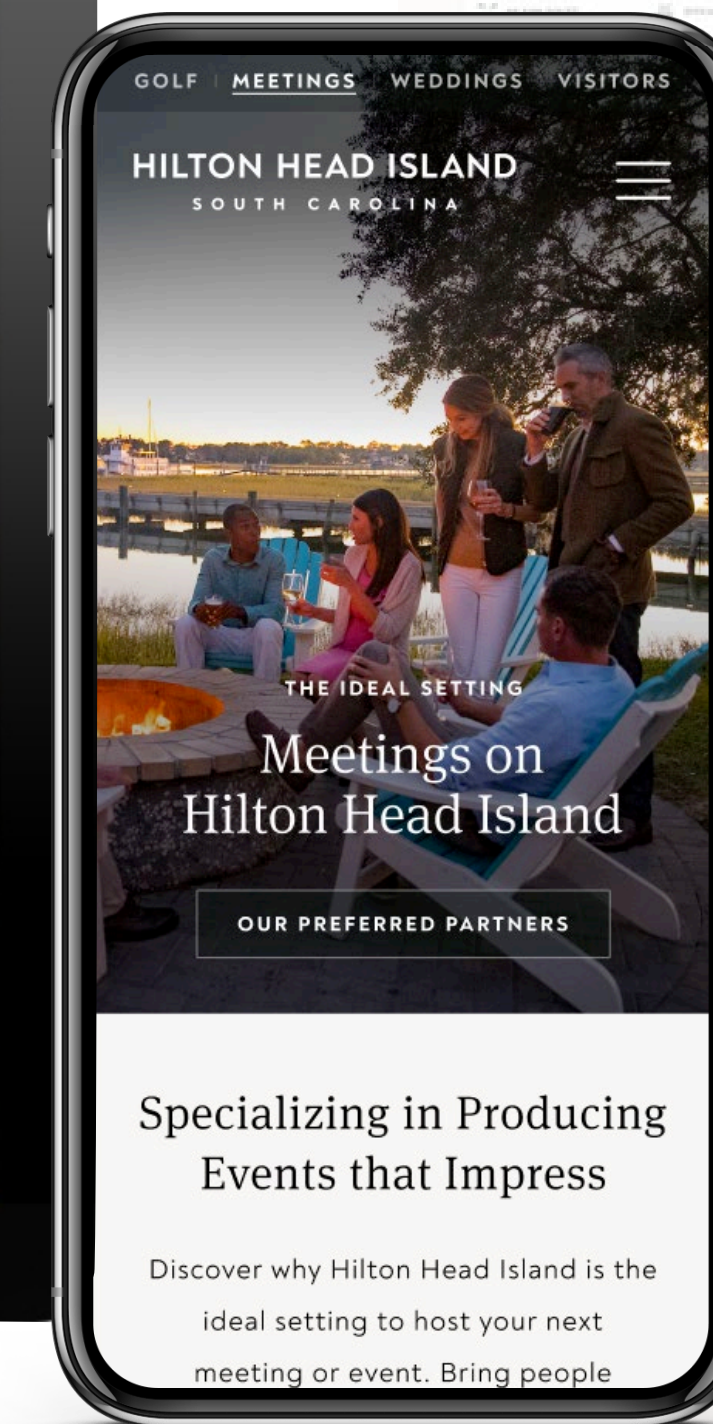
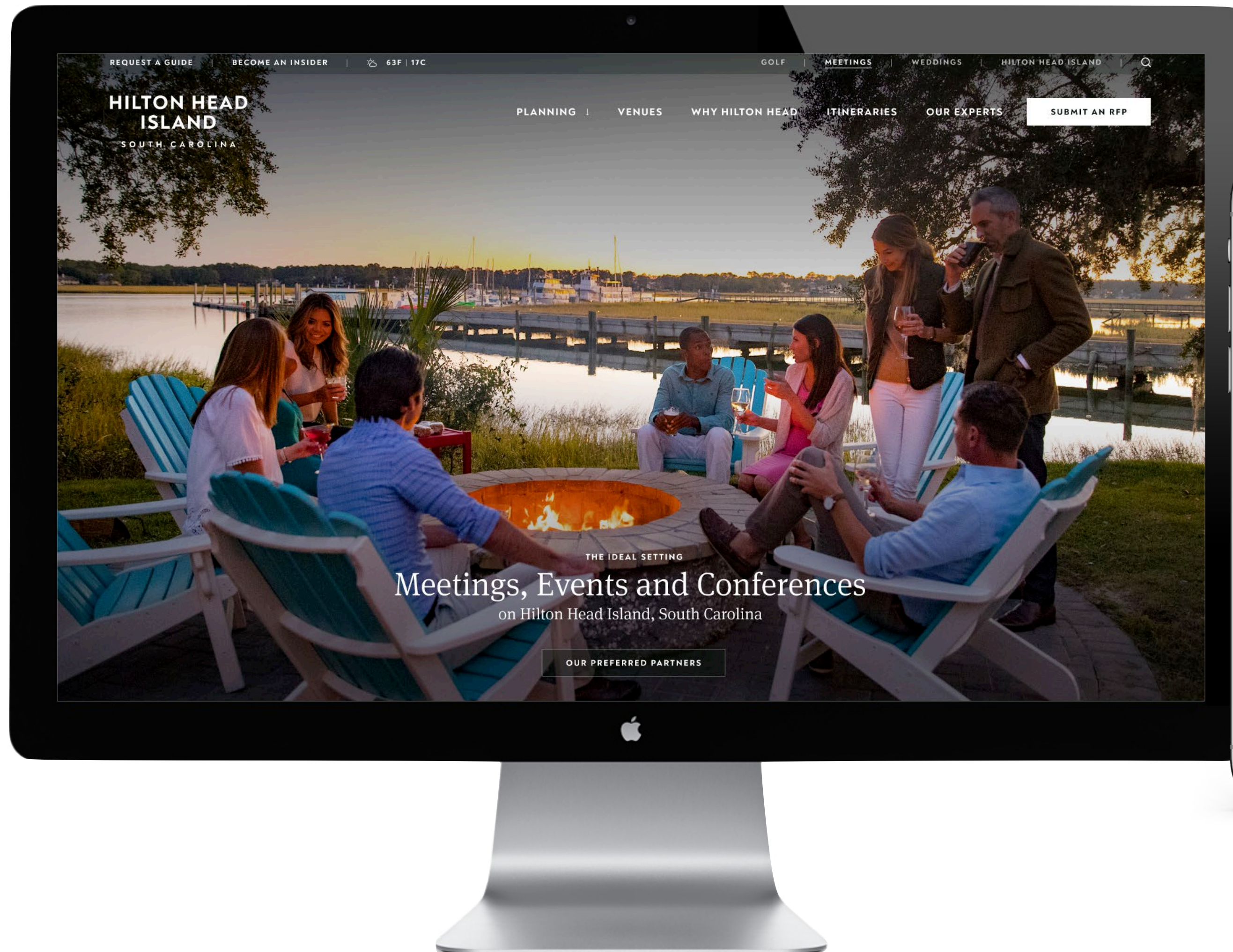
## Section 4: Group Sales & Marketing

Group sales play a strategic role in delivering high-value visitation that aligns with Hilton Head Island's focus on quality over quantity. By targeting meetings, corporate retreats, and small-to-mid-size groups, we are able to drive meaningful economic impact while maintaining balance within the destination.

Our efforts focus on core drive and short-haul markets, including the Southeast and key feeder states such as South Carolina, North Carolina, Georgia, and Florida, as well as markets like Ohio, New York, Pennsylvania, and Illinois. Within these markets, we prioritize corporate retreats, leadership meetings, association groups, incentive travel, and wellness-focused gatherings that align with the Island's upscale, experiential offering.

By focusing on groups that generate strong return, higher average daily rates, increased spending, and year-round demand, we support local businesses while helping to fill need periods without adding pressure to peak seasons.

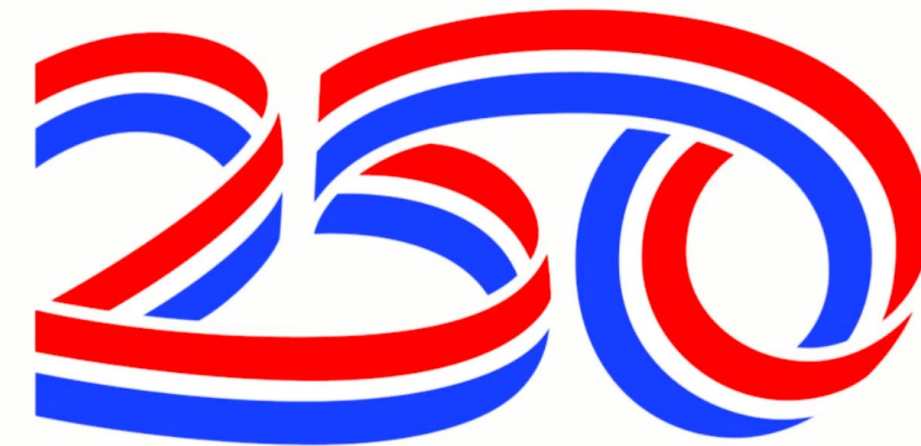
# Section 4: Group Sales & Marketing



# Section 5: Destination PR

What's Ahead in 2026

## AMERICA



- Spring Culinary and sustainability focused media trip in NY
- Visiting Journalist Program
- America 250 outreach efforts
- RBC Heritage media trip in partnership with Weber/Zyrtec

# Destination Accolades

- Conde Nast Traveler: #1 Island in the U.S. in the Readers' Choice Awards for the 9th Consecutive Year
- Travel + Leisure: Travel + Leisure Readers' 15 Favorite Islands in the Continental U.S. of 2025
- Southern Living: The 50 Best Beach Towns In The South 2025
- Tripadvisor: Top 10 of Tripadvisor's top trending destinations in the US
- USA Today 10Best: Best Beach in South Carolina - Coligny Beach
- Travel + Leisure: Hilton Head Island one of the Best Beach Towns to Live in Year-Round
- US News & World Report: 12 Best Places to Visit in South Carolina
- Travel & Leisure: 11 Best Places to Live in South Carolina
- USA Today 10 Best: Best Resort Airport (Hilton Head Island Airport)
- Southern Living: The 8 Most Beautiful Places On The South Carolina Coast

A photograph of a beach scene at dusk or dawn. The foreground is dominated by tall, dark green grasses and dunes. In the middle ground, a wooden fence runs across the frame. Beyond the fence, a sandy beach is visible with several blue beach umbrellas and lounge chairs. The ocean is in the background under a cloudy sky.

# HILTON HEAD ISLAND

SOUTH CAROLINA

Thank You

**C2025-76**

**Exhibit A**

STATE OF SOUTH CAROLINA	)	CONTRACT FOR A DESIGNATED MARKETING
	)	ORGANIZATION
COUNTY OF BEAUFORT	)	

**THIS CONTRACT FOR A DESIGNATED MARKETING ORGANIZATION** (the "*Contract*") is made effective as of December 19th, 2025 ("*Effective Date*"), by and between **Hilton Head Island - Bluffton Chamber of Commerce**, a not-for-profit corporation organized and existing under the laws of the State of South Carolina ("*Chamber*" or "*DMO*") and the **Town of Hilton Head Island**, a municipal corporation and political subdivision of the State of South Carolina ("*Town*"); hereinafter individually referred to as a "*Party*" and collectively referred to as the "*Parties*".

**WHEREAS**, S.C. Code Ann. § 12-36-920(A)(Supp. 2025) imposes a sales tax of seven (7%) percent on accommodations provided to transients in the State of South Carolina. Under S.C. Code Ann. § 12-36-2630(3)(Supp. 2025), one component of the tax on accommodations is a two (2%) percent local accommodations tax that is credited to the counties and municipalities in the State in accordance with S.C. Code Ann. § 6-4-5, *et seq.*(Supp. 2025); and,

**WHEREAS**, Counties and municipalities in which more than fifty thousand and no/100 (\$50,000.00) Dollars is collected must allocate the two (2%) percent accommodations tax credited to them in the manner stated in S.C. Code Ann. §6-4-10 (Supp. 2025); and,

**WHEREAS**, S.C. Code Ann. §6-4-10(3)(Supp. 2025), reads, in relevant part:

Thirty percent of the balance must be allocated to a special fund and used only for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity. To manage and direct the expenditure of these tourism promotion funds, the municipality or county shall select one or more organizations, such as a chamber of commerce, visitor and convention bureau, or regional tourism commission, which has an existing, ongoing tourist promotion program. If no organization exists, the municipality or county shall create an organization with the same membership standard in Section 6-4-25. To be eligible for selection the organization must be organized as a nonprofit organization and shall demonstrate to the municipality or county that it has an existing, ongoing tourism promotion program or that it can develop an effective tourism promotion program. Immediately upon an allocation to the special fund, a municipality or county shall distribute the tourism promotion funds to the organizations selected or created to receive them. Before the beginning of each fiscal year, an organization receiving funds from the accommodations tax from a municipality or county shall submit for approval a budget of planned expenditures. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the municipality or county which distributed them.

The fund described in S.C. Code Ann. §6-4-10(3)(Supp. 2025), is known as the "*Thirty Percent Fund*"; and,

**WHEREAS**, businesses in the Town collect more than fifty thousand and no/100 (\$50,000.00) Dollars per year in accommodations taxes imposed by S.C. Code Ann. § 12-36-920(A)(Supp. 2025); therefore, under S.C. Code Ann. § 6-4-10(3)(Supp. 2025) the Town must select or create an organization to manage and direct the Thirty Percent Fund, said organization referred to as a destination marketing organization, herein the "*DMO*"; and,

**WHEREAS**, the Chamber seeks to serve as the DMO, and reference to the DMO herein includes the Chamber and reference to the Chamber includes the DMO; and,

**WHEREAS**, the Parties desire to enter into this Contract to establish the standards of performance to be met by the DMO in the fulfilment of its statutory obligations to submit for approval its annual budget at the beginning of each fiscal year, DMO's obligation to submit an accounting of the expenditures at the end of each fiscal year, and formalize the Town's expectations for reporting of all marketing activity.

**NOW, THEREFORE**, in consideration of the mutual promises, undertaking and covenants set forth herein, the receipt and sufficiency of which are acknowledged and affirmed, the Parties hereto agree as follows:

**ARTICLE 1. Incorporation of Recitals.** The above recitals are hereby incorporated herein as if restated fully and are hereby made an integral part hereof so that their contents are a substantive part of this Contract.

**ARTICLE 2. Term.** This Contract shall be effective as of the Effective Date and shall continue for a period of three (3) years ("**Term**"), unless otherwise terminated as herein provided.

- I. *Renewal Term.* This Contract may be renewed at the end of the Term for a period not to exceed two (2) years and may not be renewed more than one (1) time ("**Renewal Term**"). Parties agree the Renewal Term must be considered by Town Council thirty (30) calendar days after the beginning of the third (3<sup>rd</sup>) year of this Contract and prior to a Request for Qualification ("**RFQ**") for a DMO as required in Subsection II of this Article.
- II. *End of Term RFQ.* The Parties acknowledge and understand that one (1) year prior to the end of the Term or Renewal Term, the Town will issue a RFQ for DMO services and the Town will review all responses pursuant to the Town's procurement process.

**ARTICLE 3. DMO Funding**

- I. *Allocation and Use of Funds.* Pursuant to the authority and requirements established in the S.C. Code and as detailed in the recitals of this Contract, the Town shall allocate the monies held in the Thirty Percent Fund to the DMO. Said funds shall be allocated to the DMO quarterly based on the Fiscal Year. The Thirty Percent Funds shall be used pursuant to South Carolina state law, State of South Carolina Tourism Expenditure Review Committee ("**TERC**") oversight and as established in this Contract. DMO agrees the Thirty Percent Funds shall be held in a separate account from all other funds held by the DMO or in a manner that allows for a detailed accounting of the funds to be provided to the Town as required by this Contract. Failure by the DMO to use the Thirty Percent Funds as specified and required by this Contract shall be deemed a default by the DMO and shall result in a termination of this Contract.
- II. *Availability of Funds.* The Parties acknowledge, understand and agree that the Thirty Percent Fund is funded from a fluctuating revenue source, thus the availability of funds may be inconsistent with the projected amounts. The Parties agree that the Town shall not be responsible for the difference between projected funding and the actual funding available and the Town shall not be requested or required to allocate any monies from any other funding source other than the Thirty Percent Fund. Nothing herein prevents the DMO from requesting additional funding from the Town.

**ARTICLE 4. Annual Approvals and Required Presentations.**

- I. *Annual Package Required.* The Parties acknowledge and agree that as a condition of eligibility for funding, the DMO shall prepare and submit to the Town of Hilton Head Island Town Council (“Town Council”), on or before April 6 of each year the finalized Budget, Marketing Plan, Marketing Council Calendar, and Point of Contact for review and approval; hereinafter collectively referred to as the “Annual Package”. The Annual Package shall not be presented to or approved by Town Council unless all required documents are included.
- II. *Budget and Marketing Workshop.* The DMO must submit a preliminary Budget and preliminary Marketing Plan to the Town Manager no later than March 1 of each year. The Town Manager will return a revised or approved copy of the Budget and Marketing Plan by March 16 of each year. The Budget and Marketing Plan shall be presented to the Town Council by the DMO at a workshop to be held no later than March 31 of each year.
- III. *Required Public Presentations.* The DMO shall provide presentations and reports on the operations of the DMO to the Town when requested by the Town Council or Town Manager within fourteen (14) business days following the request. The DMO shall provide a presentation, report and update on marketing and the Budget every year as follows:
  - (a) Once per Fiscal Year to the Town’s Accommodations Tax Advisory Committee at a time determined appropriate by the committee; and,
  - (b) A Quarterly Report to Town Council at a public meeting held between September 1 and October 31; and,
  - (c) A Quarterly Report to Town Council at a public meeting held between May 1 and June 30.

The required public presentations shall include:

- (a) a mutually agreed upon marketing analysis based on defined key performance indicators as defined by Destinations International; and,
- (b) report on status of marketing projects as described in the Marketing Plan; and,
- (c) a budget update; and,
- (d) update on projects and promoted and advertised local events; and,
- (e) overview of any other projects and actions being taken in furtherance of the Core Values.

Town Council reserves the right to postpone or combine required public presentations and/or request for reports at its discretion.

**ARTICLE 5. Annual Budget.**

- I. *Annual Budget Approval.* Pursuant to the requirements established in Article 4 herein, the DMO’s annual budget (“**Budget**”) shall be approved by Town Council as part of the Annual Package. The Budget shall be a detailed budget in a mutually agreed upon format that shall include a comparison to the previous fiscal year budget. The DMO shall provide a proposed budget format to the Town Manager no later than January 1 of each year for review and approval. For purposes of this Contract the fiscal year shall be from July 1 to June 30 (“**Fiscal Year**”).
- II. *Budget Requirements.* To be considered for approval by Town Council, the Budget shall be submitted utilizing the “30 Percent (NONPROFIT DMO) Budget Form” (“**Budget Form**”) as adopted by TERC and in the agreed format as established in Section 5(I) of this Contract, and shall include all

of the following:

- (a) A description of all planned revenues of the DMO including but not limited to the Thirty Percent Fund, any other revenues from any other sources and amount by source fund.
- (b) A description of all planned expenditures of the DMO. The line items for proposed expenditures shall include the proposed expenditures, identified by amount, for:
  - (i) All advertising or promotions placed in or utilizing any print, television, radio, all social media/digital/internet-based media or platforms, however described; and,
  - (ii) On-site advertising at airports, other transportation hubs and visitor/welcome centers; and,
  - (iii) All advertising or promotions through the South Carolina Parks, Recreation and Tourism co-op channels and group travel organizations, sponsors, and plans as it relates to Thirty Percent Funds; and,
  - (iv) All full-time employee personnel costs, including salary and benefits, charged or allocated to the DMO and funded by the Thirty Percent Funds; and whereby said breakdown shall include the percentage and dollar amount of Thirty Percent Funds contributed to each employee position total salary; and,
  - (v) All office costs, including but not limited to rent or other charges for office space, office supplies and utilities by expense as it relates to Thirty Percent Funds; and,

**ARTICLE 6. Marketing Plan.**

- I. *Marketing Plan Approval.* Pursuant to the requirements established in Article 4 herein, the DMO shall deliver to the Town a Marketing Plan as part of the Annual Package. The Marketing Plan shall demonstrate adherence to the promotion of the Town’s goal of sustainable and responsible tourism practices in alignment with the Town’s strategic plan by promoting Ecotourism, Arts & Culture, Hilton Head Island History, Wellness, and Recreation (herein, the “*Core Values*”) and as further required by this Article. The Parties agree the Marketing Plan shall adhere to the requirements established in Section 6(II), but the Town reserves the right to request additional documents and/or information as desired.
- II. *Marketing Plan Requirements.* The Parties agree the Marketing Plan shall include:
  - (a) *General Requirements.* If applicable the advertising rates charged by the DMO for the Vacation Planner; planned print, television, radio, all social media/digital/internet based media or platforms, however described; on-site advertising at airports, other transportation hubs and visitor/welcome centers; direct mail or e-mail; and all advertising or promotions through the South Carolina Parks, Recreation and Tourism co-op channels and group travel organizations, sponsors and plans including group name, estimated number of room nights and venue rental; resident outreach plan with specific audiences and topics; and specifics on how each of the five Core Values will be marketed as associated with the Thirty Percent Fund.
  - (b) *Strategic Plan Required.* The DMO shall prepare and implement a Chamber Strategic Plan in accordance with South Carolina state law, TERC policies, and the Core Values.
  - (c) *Local Events.* The Marketing Plan shall include specific local events that will be promoted and

advertised throughout the year with Thirty Percent Funds; where the local event promotes the Town as a destination, attracts visitors from fifty (50) miles away or more, and visitors that stay in the Town overnight. The DMO shall provide the local event name, the previous year statistics associated with the local event, and the amount of Thirty Percent Funds being used to promote the local event.

(d) *Surveys and Metrics.* In addition to any other requirements established in this Article and to confirm compliance with industry standards, the Marketing Plan shall include the most current Industry Standard metrics as published by “Destinations International” and reports of the metrics aligned with the Core Values to include but not be limited to:

(i) Visitor Metrics shall include:

- (1) the average spend per visitor and by category (such as tours, lodging and dining);
- (2) the number of visitors by season and demographic categories;
- (3) a comparison of occupancy rates between the Town and comparable destinations; and,
- (4) a comparison of the average spend per visitor between the Town and comparable destinations.

(ii) The identification of specific local events held within the Town, together with a detailed breakdown of the proposed strategies, timelines, and initiatives to be implemented for the purpose of promoting and enhancing attendance at such local events; where the local event promotes the Town as a destination, attracts visitors from fifty (50) miles away or more, and visitors that stay in the Town’s jurisdiction overnight; and,

(iii) Group Sales metrics including year-over-year comparisons of DMO outreach to Group Sales providers, Group Sales attributable to DMO outreach, number of attendees per event, and economic impact or spend; and,

(iv) Digital Performance metrics including website traffic and engagement metrics (e.g., unique visitors, time on site, bounce rate); social media growth, engagement rates, and reach; and conversion rates for booking or other calls to action; and,

(v) Economic Impact metrics including local business revenues from tourism and tourism-related tax revenues; and,

(vi) Media and Brand Awareness metrics including earned media value, number of media placements and sentiment and brand recognition surveys; and,

(vii) Seasonal Impact metrics including Shoulder Season bookings, visitor numbers, and Peak Season bookings and visitor numbers; and,

(viii) Stakeholder Satisfaction metrics including surveys of Town businesses, residents, and industry stakeholders with a survey that meets statistical validity based on survey research best practices. For the resident survey, there must be a minimum of 3000 responses and a collaborative approach to outreach efforts. The DMO shall provide the Town with details of the outreach efforts at the Budget and Marketing Workshop.

## **ARTICLE 7. Annual Accounting and Financial Transparency.**

- I. *Accounting Report Required.* In addition to an annual audit and as required by S.C. Code Ann. § 6-4-10(3)(Supp. 2025), on or before September 30 of each year, the DMO shall deliver to the Town an accounting report of the DMO’s expenditure of the revenues described in the Budget for the preceding Fiscal Year for the Thirty Percent Funds, hereinafter referred to as “*Accounting Report*”.

An audit and the related Accounting Report must be prepared by an independent certified public accounting firm and must conform to the standards set by the American Institute of Certified Public Accountants. The Accounting Report must include:

- (a) One Hundred (100%) percent of all invoices and receipts paid from or charged against the revenues of the DMO including the Thirty Percent Fund and any other revenues and expenses identified in the Budget; and shall include all revenues and expenditures identified in the Budget for the preceding Fiscal Year; and,
- (b) The most recent Federal and State tax returns filed related to the revenues and expenses of the DMO, and if the revenues and expenses of the DMO are included in Federal and State tax returns of any other organization, including the Chamber, then those Federal and State tax returns must be included. The Federal and State tax returns shall be prepared and filed by a tax professional that must execute the returns as a tax preparer as defined by the Internal Revenue Code, the South Carolina tax code, and/or their regulations.

II. *Fiscal Year Annual Audit.* The Accounting Report required in this Article is in addition to an annual audit completed by a Certified Public Accountant for each Fiscal Year. The DMO agrees to provide a copy of the fiscal year audit to the Town and post on the website as required in Section 7(V) of this Contract. Following a review of the Fiscal Year audit, the Town Manager or Town Council may request to inspect additional information or documentation related to the Thirty Percent Funds as described below.

III. *Inspection Rights.* The Town Manager (or a designee that satisfies the same standard to interview auditors as set forth herein), or a representative from the Town's Finance and Administration Committee (who also satisfied the same standard to interview auditors as set forth herein) may, upon reasonable notice, inspect the necessary financial records, including third party invoices, of the Chamber in order to verify compliance of the Accounting Report in all material respects. This inspection right shall not be exercised more than twice a Fiscal Year, unless otherwise agreed by the Parties.

IV. *DMO Warranties and Representations.* The DMO hereby warrants and represents the following:

- (a) The DMO warrants and represents that it has all necessary licenses and consents required for the DMO to enter into and fully perform this Contract.
- (b) The DMO warrants and represents to perform all tasks required under this Contract with a degree of skill and care of reputable organizations and experts of the same profession in South Carolina.
- (c) The DMO warrants and represents to properly withhold from all wages, commissions, salaries, and fees paid by DMO to third parties or employees, agents, or sub-contractors of DMO, all amounts required by state or federal law to be withheld for or on account of taxes, social security payments, or other withholdings mandated by law or regulation.

V. *Records on Website.* The DMO shall be solely responsible for ensuring each year's Budget, Marketing Plan, and Accounting Report required in Section 6(II)(d) of this Contract are posted on the website with an address of [www.ThinkHiltonHeadIsland.org](http://www.ThinkHiltonHeadIsland.org). The documents posted on the website shall be easily accessible to the public and be in a format that can be accessed by the public or in a format that allows for the documents to be downloaded by a typical user. The DMO will also provide the previous ten (10) years of Accounting Reports, annual audits and yearly Budget on [www.thinkhiltonheadisland.org](http://www.thinkhiltonheadisland.org).

**ARTICLE 8. Additional Grants.**

- I. *Request for Additional Grants.* Any request by the DMO or the Chamber for an Additional Grant of Accommodations Tax funds (“*Additional Grant*”) or any other Town funds shall be accompanied by a detailed budget. To be considered for approval by the Town Council, the Additional Grant budget shall include all of the following:
- (a) A description of all planned revenues to be applied to the matter that is the subject of the Additional Grant, including all Town funds and any other revenues from any other sources.
  - (b) A description of all planned expenditures related to the matter that is the subject of the Additional Grant. The line items for proposed expenditures shall include the proposed expenditures, identified by amount and recipient, for:
    - (i) All advertising or promotions placed in or utilizing any print, television, radio, all social media/digital/internet-based media or platforms, however described; and,
    - (ii) On-site advertising at airports, other transportation hubs and visitor/welcome centers; and,
    - (iii) direct mail or e-mail; and,
    - (iv) All advertising or promotions through the South Carolina Parks, Recreation and Tourism co-op channels and group travel organizations, sponsors, and plans; and,
    - (v) All personnel costs, including salary and benefits, charged or allocated to the DMO; and,
    - (vi) All fees for marketing support, including call/chat centers, creative development of materials, photography, videography and the like; and,
    - (vii) All office costs, including rent or other charges for office space, office supplies and utilities; and,
    - (viii) All professional fees and costs charged to or incurred by the DMO, including but not limited to professional fees for accounting, legal, website and web-based application development and maintenance.
- II. *Required Reports.* Following the expenditure of any Additional Grant by the DMO, but in no event less than one hundred eighty (180) days following the delivery of any Additional Grant, the DMO shall deliver to the Town an accounting of the DMO’s expenditure of the revenues described in the budget for the Additional Grant. The accounting must be prepared by an independent certified public accounting firm and must conform to the standards set by the American Institute of Certified Public Accountants. The accounting must include One Hundred (100%) percent of all invoices and receipts paid from or charged against the revenues of the DMO related to the Additional Grant including all revenues identified in the budget for the Additional Grant. The accounting shall include all revenues and all expenditures identified in the budget for the Additional Grant.

**ARTICLE 9. Public Engagement.**

- I. *Appointment of Members.* The DMO acknowledges and agrees that the Town Mayor shall appoint one member of the Town Council and one staff member from the Town to the DMO Marketing Council of the Chamber.

- II. *Marketing Council Calendar.* The DMO shall ensure that specific dates are established for the DMO Marketing Council to meet throughout the year starting July 1 through June 30 of the following year. The calendar of meetings required in this Section shall be included in the Annual Package; hereinafter collectively referred to as “*Marketing Council Calendar*”.

**ARTICLE 10. Materials and Data.**

- I. *Assignability of Contracts.* To the extent available by the DMO’s license and/or ownership, the DMO acknowledges and agrees that if this Contract is terminated or not renewed, the Town shall have the right to request for any contract related to the use of Thirty Percent Funds and pursuant to TERC may be assigned to the Town.
- II. *Sale of Materials.* For purposes of this Contract, “Materials and Assets” shall include, but not be limited to, photography, data subscriptions, web-based applications, websites, and any other materials paid for in whole or in part with funds from the Thirty Percent Fund or any Additional Grant. To the extent available by the DMO’s license and/or ownership any Materials and Assets, the Town shall have a first right of refusal to purchase the Materials and Assets pursuant to the terms of this Section. Within fifteen (15) days of receipt of the Town’s written request, or the end of the Term or Termination of this Contract, the DMO shall deliver to the Town a written acknowledgment and bill of sale identifying the specific Material and Asset. The Town shall have ninety (90) days from the date of receipt of the DMO’s written acknowledgement and bill of sale to purchase said Material and Asset in their entirety, resulting in the DMO having no ownership in any of the Materials and Asset.
- III. *Sale of Domain Names.* To the extent available by the DMO’s license and/or ownership of the domain names associated with the Websites, these may be sold to the Town pursuant to the terms of this Section. If this Contract is terminated or not renewed within six (6) months from the end of a Term or Renewal Term, then the Town shall have the right of first refusal to purchase the domain names associated with the Websites, if DMO offers same for sale, at a fair market value established by a mutually agreed upon third party; whereby the fair market value shall be discounted by the amount of the Thirty Percent Fund that has been allocated to the use and promotion of the said domain names over the term of the contract. The Town shall have ninety (90) days from the date the fair market value is established to inform the DMO in writing of the Town’s desire to purchase the domain names associated with the Websites; and the sale and purchase of the said domain names shall occur within ninety (90) days of the Town’s written intent to the DMO.
- IV. *Data and Information.* The Parties acknowledge that technology including software programs and artificial intelligence may be used to obtain data and information to form future marketing plans as well as to determine the effectiveness of current marketing strategies. To the extent available by the DMO’s license and/or ownership the DMO acknowledges and agrees that upon a written request from the Town, the DMO shall within a commercially reasonable time provide to the Town any data and/or information gathered by software and/or artificial intelligence which has been purchased or obtained in any amount from the use of Thirty Percent Funds and pursuant to TERC.

**ARTICLE 11. Correction of Errors, Inquiries and Requests.**

- I. *Websites.* The DMO is solely responsible for maintaining the websites with domain names www.ThinkHiltonHeadIsland.org and HiltonHeadIsland.org, collectively referred to as the “*Websites*”. DMO shall ensure that Websites are free from errors, have current and accurate information at all times and function properly. The DMO shall correct errors or inaccurate or out of date information on the Websites within a commercially reasonable amount of time after receiving written notice of the

alleged error, but in a period not to exceed fourteen (14) calendar days or within a longer period of time as approved by the Town whereby said approval shall not be unreasonably withheld.

- II. *Requests from Town Generally.* The DMO shall have fourteen (14) calendar days to respond to written inquiries or requests for information from the Town. The DMO acknowledges and agrees that any failure to respond to written inquiries or requests for information from the Town in the stated timeframe is a breach of this Contract.

## **ARTICLE 12. DMO Warranties and Role**

- I. *Warranties and Representations.* All warranties and representations of the DMO shall survive the expiration of the Term or any Termination as described in this Contract. The DMO hereby warrants and represents:
- (a) it has all necessary licenses and consents required for the DMO to enter into and fully perform this Contract; and,
  - (b) it shall perform all tasks required under this Contract with a degree of skill and care of reputable organizations of the same profession in South Carolina; and,
  - (c) to properly withhold from all wages, commissions, salaries, and fees paid by DMO to third parties or employees, agents, or sub-contractors of Chamber, all amounts required by State or Federal law to be withheld for or on account of taxes, social security payments, or other withholdings mandated by law or regulation; and,
  - (d) to comply with all state accommodation tax laws, including but not limited to S.C. Code Ann. § 6-4-5, *et seq.* (Supp. 2025), in administering the Thirty Percent Fund; and,
  - (e) to comply with all Federal and State income tax laws.
- II. *DMO Role and Revenues.* The Chamber acknowledges that its role as the DMO and as the recipient and end user of the Thirty Percent Fund and is a division of the Chamber of Commerce and will continue to act pursuant to South Carolina state law, TERC oversight, and the terms of this Contract.
- III. *Point of Contact.* The Parties agree to provide the other Party a Point-of-Contact. The Point-of-Contact shall be a representative of each Party who will be used for regular communication and reporting purposes. Each Party shall provide to the other Party a specific name and all contact information for the Point-of-Contact. If a Party's Point-of-Contact changes, then the Party shall provide written notice to the other Party of said change. The DMO shall include the Point-of-Contact in the Annual Package. The Town shall provide the DMO a Point-of-Contact with its approval of the Annual Package. The Point-of-Contact shall not be used for formal notices as established in Article 15(IX) of this Contract.

## **ARTICLE 13. Termination.**

- I. *Default by DMO.* The Parties agree to act in good faith and take all available actions to avoid a termination pursuant to the terms of this Section. In the event of a breach by the DMO, the Town shall deliver a written notice to the DMO specifying the actions or inactions constituting the breach and specifying the actions necessary to cure the breach. Unless otherwise established in this Contract, the DMO shall have ninety (90) days following receipt of the written notice from the Town to cure the breach. If the DMO fails to cure the breach within the ninety (90) day period, then the Town may terminate this Contract by providing ninety (90) days written notice of the Termination to the DMO ("*Termination Notice*"). This Contract shall Terminate on the thirty first (31st) day following receipt of the Town's written Termination

Notice (the “*Termination*”). Immediately following the Termination, or sooner at the DMO’s election, the DMO shall return to the Town any part of the Thirty Percent Fund that was allocated to it and which has not been spent by the DMO in accordance with this Contract and the requirements of S.C. Code Ann. § 6-4-10(3)(Supp. 2025). Termination of this Contract shall not relieve the DMO of its obligations, responsibilities, or any representations and warranties as established in this Contract.

- II. *Immediate Termination.* This Contract is hereby terminated and voided immediately if 1) due to an unforeseeable catastrophic event, not otherwise covered by the Force Majeure clause included in this Contract, which dramatically effects the Town’s economy and tourism resulting in funding ceasing to exist; or 2) the South Carolina law is at any time amended whereby said amendment results in this Contract being unenforceable and/or illegal.
- III. *Allocation of Remaining Funds.* Following a termination or non-renewal of this Contract the Town shall be responsible for allocating any Thirty Percent Funds remaining owed to the DMO. Upon receipt of the Thirty Percent Funds from the state, the Town shall issue the remaining Thirty Percent Funds owed to the DMO within sixty (60) days of receipt. If this Contract is terminated prior to the end of a quarter, the allocation of funds shall be calculated based on the percentage of the quarter the DMO provided its services and this Contract was in place. This Section shall remain fully enforceable following a termination or non-renewal of the Contract.

**ARTICLE 14. Authorization to Execute, Deliver and Perform.** Each Party warrants that it has taken such actions as are necessary to authorize the execution, delivery, and performance of this Contract; that the officers signing this Contract are authorized to do so; and that their signatures are valid and sufficient to bind the Parties.

**ARTICLE 15. Miscellaneous Terms.**

- I. *Binding Effect.* This Contract shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns, if any are permitted hereunder.
- II. *Non-Assignability.* The DMO may not assign or transfer this Contract without the prior written approval of the Town, and any attempt to do so shall be void.
- III. *Entire Agreement, Amendment, Changes and Modifications.* This Contract supersedes all prior discussions and agreements between the Parties with respect to the matters contained in this Contract and constitutes the sole and entire agreement and understanding between the Parties with respect to the matters and things contemplated herein. This Contract shall not be modified or amended except by an instrument in writing signed by both Parties.
- IV. *Severability.* If any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision.
- V. *Counterparts.* This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- VI. *Applicable Law:* This Contract shall be governed by and construed in accordance with the laws of the State of South Carolina. Venue is agreed to proper in Beaufort County and the associated state and Federal courts therein.
- VII. *Captions.* The captions or headings herein are for convenience only and in no way define, limit, or describe the scope or intent of any provisions, Sections or Articles of this Contract.

VIII. *No Third-Party Beneficiaries.* The Parties affirmatively represent that this Contract is made solely for the benefit of the signature parties hereto and their respective successors and assigns and not for the benefit of any third party who is not a signature party hereto. No party other than the signature Parties and their respective successors and assigns hereto shall have any enforceable rights hereunder, or have any right to the enforcement hereof, or any claim for damages as a result of any alleged breach hereof.

IX. *Notices.* All notices, applications, requests, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered in person; mailed by Certified mail, postage prepaid (in such case, delivery shall be deemed complete upon mailing); or by email including a read receipt, provided that the receiving party acknowledges the read receipt, addressed as follows, or to such other place as may be designated in writing by the Parties:

To the Town:

The Town of Hilton Head Island  
Attn: Marc A. Orlando, Town Manager One  
Town Center Court  
Hilton Head Island, SC 29928  
Email: marco@hiltonheadislandsc.gov

To the DMO:

Hilton Head Island – Bluffton Chamber of Commerce, Inc.  
Attn: William G. Miles, President & CEO 1 Chamber of  
Commerce Drive  
Hilton Head Island, SC 29928  
Email: bmiles@hiltonheadisland.org

The Parties acknowledge that each has an obligation under this Contract to acknowledge receipt of any notice delivered by email, and each warrants and agrees that it will acknowledge receipt of email notices within twenty-four (24) hours of receipt.

X. *No Waiver.* The failure of a Party to exercise any right or power given to either hereunder, or to insist on strict compliance by the other party of its obligations hereunder, nor any custom or practice of the Party at variance with the express terms hereof shall constitute a waiver of either Party’s right to demand exact compliance with the terms hereof.

XI. *Force Majure.* Neither Party shall be held liable for failure or delay in fulfilling obligations established in this Contract due to unforeseeable circumstances including, but not limited to, acts of God, natural disasters, war, terrorism, and pandemics.

XII. *No Joint Venture.* The DMO shall not, by entering into this Contract, become a servant, agent, or employee of Town, but shall remain at all times an independent contractor. This Contract shall not be deemed to create any joint venture, partnership, or common enterprise between the Parties, and the rights and obligations of the Parties shall not be other than as expressly set forth herein.

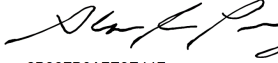
(Signature Page to Follow)


IN WITNESS WHEREOF, the Parties with the duly authorized officers of the DMO and Town have caused this Contract to be duly executed and sealed as of the Effective Date.

**THE HILTON HEAD ISLAND - BLUFFTON  
CHAMBER OF COMMERCE, INC.**

Signed by:  
**William G. Miles** 1/6/2026  
76E30094A90F47A...  
By: \_\_\_\_\_  
**William G. Miles, President & CEO**

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

Signed by:  
 1/6/2026  
2B36FB0A7E3E44E...  
By: \_\_\_\_\_  
**Alan R. Perry, Mayor**

DocuSigned by:  
 1/6/2026  
5BD25854CB57423...  
By: \_\_\_\_\_  
**Marc A. Orlando, Town Manager**

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

**A RESOLUTION BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA  
APPROVING THE EXECUTION OF A CONTRACT WITH THE HILTON HEAD  
ISLAND-BLUFFTON CHAMBER OF COMMERCE FOR DESTINATION  
MARKETING ORGANIZATION SERVICES**

**WHEREAS**, S.C. Code Ann. § 12-36-920(A)(Supp. 2025) imposes a sales tax of seven (7%) percent on accommodations provided to transients in the State of South Carolina. Under S.C. Code Ann. § 12-36-2630(3)(Supp. 2025), one component of the tax on accommodations is a two (2%) percent local accommodations tax that is credited to the counties and municipalities in the State in accordance with S.C. Code Ann. § 6-4-5, *et seq.*(Supp. 2025); and,

**WHEREAS**, Counties and municipalities in which more than fifty thousand and no/100 (\$50,000.00) Dollars is collected must allocate the two (2%) percent accommodations tax credited to them in the manner stated in S.C. Code Ann. §6-4-10 (Supp. 2025); and,

**WHEREAS**, S.C. Code Ann. §6-4-10(3)(Supp. 2025) establishes that “thirty percent of the balance must be allocated to a special fund and used only for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity”, hereinafter the “**Thirty Percent Fund**”; and,

**WHEREAS**, businesses in the Town of Hilton Head Island (“**Town**”) collect more than fifty thousand and no/100 (\$50,000.00) Dollars per year in accommodations taxes imposed by S.C. Code Ann. § 12-36-920(A)(Supp. 2025); therefore, under S.C. Code Ann. § 6-4-10(3)(Supp. 2025) the Town must select or create an organization to manage and direct the Town’s Thirty Percent Fund, said organization referred to as a destination marketing organization (“**DMO**”); and,

**WHEREAS**, the Town followed its procurement process in soliciting qualifications from interested parties to provide DMO services; and,

**WHEREAS**, the Hilton Head Island-Bluffton Chamber of Commerce (“**Chamber**”) was found to be the most qualified eligible respondent; and,

**WHEREAS**, the Town and the Chamber have negotiated a mutually acceptable contract for DMO services and desire to enter into said contract in order to establish the standards of performance to be met by the Chamber. The terms of the contract shall be substantially similar to those terms, conditions and requirements provided for in **Exhibit A** attached hereto and incorporated herein by reference; and,

**WHEREAS**, in accordance with the applicable State laws provided for above, the Town Council of the Town of Hilton Head Island finds it in the best interest of the citizens and visitors of the Town to enter into a contract with the Chamber to provide DMO services as described in Exhibit A.

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

1. The Mayor of the Town of Hilton Head Island is authorized to execute a contract for DMO services with the Chamber.
2. Town of Hilton Head Island, approves a contract for DMO services substantially similar to the terms, conditions and requirements as established in Exhibit A, attached hereto and incorporated herein by reference.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS 18th DAY OF DECEMBER, 2025.**

THE TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA



Alan R. Perry, Mayor

ATTEST:



Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:



Curtis L. Coltrane, Town Attorney