Town of Hilton Head Island

Town Council Meeting

Tuesday, June 9, 2026, 3:00 PM
1 Town Center Court, Hilton Head Island, SC
Benjamin M. Racusin Council Chambers

The meeting can be viewed on the Town's YouTube Channel, the Beaufort County Channel, and Spectrum Channel 1304.

1. **Call to Order**
2. **Pledge to the Flag**
3. **Invocation – Rev. Eric Bash, All Saints Episcopal Church**
4. **Adoption of the Agenda**
5. **Executive Session**
   - **a.** Discussion of Employment, Appointment, and/or Contractual Arrangements and Proposals [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70(a)(1)(2)] related to:

     1. Selection of a Town Council Appointed Attorney Following Interviews Conducted Pursuant to the Request for Proposal Process
6. **Action from Executive Session**
7. **Approval of the Minutes**
   - **a.** Special Meeting Minutes of May 5, 2026
   - **b.** Regular Meeting Minutes of May 12, 2026
   - **c.** Special Meeting Minutes of May 13, 2026
8. **Presentations and Recognitions**
   - **a.** Report of the Town Manager
   - **b.** Beaufort County School District Character Education Student of the Month - Mayor Alan Perry
   - **c.** Juneteenth Proclamation - Mayor Alan Perry

d. Carolina Day Proclamation — Mayor Alan Perry

e. 250th Anniversary of the United States Declaration of Independence Proclamation - Mayor Alan Perry

f. 2026 Annual Update of the Community Rating System's Repetitive Loss Area Analysis - Shari Mendrick, Floodplain Administrator

g. 2026 Annual Update of the Community Rating System's Program for Public Information - Shari Mendrick, Floodplain Administrator

9. Reports from Members of Town Council

a. General Reports from Town Council

b. Report of the Lowcountry Area Transportation Study - Councilmember Tamara Becker

c. Report of the Lowcountry Council of Governments - Councilmember Steve Alfred

d. Report of the Beaufort County Airports Board - Councilmember Melinda Tunner

e. Report of the Southern Lowcountry Regional Board - Councilmember Patsy Brison

f. Report of the Island Recreation Association Board - Mayor Pro Tempore Alex Brown

g. Report of the Beaufort County Economic Development Corporation - Mayor Alan Perry

h. Report of the Gullah Geechee Historic Neighborhoods Community Development Corporation - Mayor ProTempore Alex Brown

i. Report of the Community Development and Public Services Committee - Councilmember Tamara Becker

j. Report of the Finance and Administrative Committee - Mayor Pro Tempore Alex Brown

10. Public Hearing

a. Consideration of an Ordinance Adopting the Consolidated Municipal Budget for the Town of Hilton Head Island for Fiscal Year 2027, Ending June 30, 2027 - Public Hearing and Final Reading - Marc Orlando, Town Manager

11. New Business

a. Consideration of a Resolution to Adopt the Destination Marketing Organization FY27 Marketing Plan, Budget and Industry Metrics - Angie Stone, Assistant Town Manager

b. Consideration of a Resolution Authorizing the Renaming the Rowing and Sailing Center at Squire Pope Community Park to Hilton Head Island Fishing Cooperative Park - Thomas Boxley, Executive Director, Gullah Geechee Historic Neighborhoods Community Development Corporation

c. Consideration of a Resolution to Authorize Execution of Wetland Impact Documents, Including a Declaration of Restrictive Covenants and a Wetland and Stream Mitigation Purchase Agreement for Patterson Family Park Project - Shawn Gillen, Assistant Town Manager

d. Consideration of a Resolution Authorizing the Mayor and Town Manager to Execute and Deliver a Contract between the Town and St. James Baptist Church for the Purchase of 1.70 Acres at the Corner of Beach City Road and Dillon Road, and to Take all Actions to Complete the Transactions Described in the Contract - Ben Brown, Director of Strategic Initiatives

e. Consideration of a Resolution Authorizing the Mayor and Town Manager to Execute and Deliver a Contract between the Town of Hilton Head Island and Beaufort County, South Carolina, for the Sale of 4.667 Acres on Union Cemetery Road, and to Take all Actions to Complete the Transaction Described in the Contract - Ben Brown, Director of Strategic Initiatives

f. Consideration of an Ordinance Authorizing the Long-Term Lease of Improved Real Property to St. James Baptist Church, and the Possible Re-Conveyance of Real Property to St. James Church upon the Occurrence of Certain Events Described in the Contracts between the Town of Hilton Head Island and St. James Church and Beaufort County, South Carolina, and Providing or Severability and an Effective Date - First Reading - Ben Brown, Director of Strategic Initiatives

g. Consideration of an Ordinance Authorizing the Conveyance of 4.667 Acres of Real Property Owned by the Town of Hilton Head Island to Beaufort County, South Carolina, Pursuant to the Terms and Conditions of the Contract between the Town of Hilton Head Island and Beaufort County, South Carolina, and Providing for Severability and an Effective Date - First Reading - Ben Brown, Director of Strategic Initiatives

12. Public Comment - Non Agenda Items

13. Executive Session

a. Discussion of Appointment to Boards, Commissions, and Committees [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70 (a)(1)] related to:

1. Accommodations Tax Advisory Committee
2. Beaufort Jasper Water and Sewer Board
3. Board of Zoning Appeals
4. Construction Board of Adjustments and Appeals
5. Design Review Board
6. Gullah Geechee Historic Neighborhood Community Development Corporation

7. Gullah Geechee Task Force
8. Housing Action Committee
9. Parks and Recreation Commission
10. Planning Commission

b. Discussion of Negotiations Incident to Proposed Contractual Arrangements for Proposed Sale or Purchase of Property [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70(a)(2)] related to:

1. Marshland Road Area

c. Discussion of Negotiations Incident to Proposed Contractual Arrangements [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70 (a)(2)] related to:

1. Sports and Recreation Facilities Economic Development

d. Discussion of Legal Advice and Negotiations from the Town Attorney Incident to the Settlement of Pending Litigation Involving the Town, which is Covered Under the Attorney-Client Privilege [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70 (a)(2)]

e. Discussion of Legal Updates from the Town Attorney on Matters Covered Under the Attorney-Client Privilege [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70(a)(2)]

14. Action from Executive Session

15. Adjournment

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

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

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

Town of Hilton Head Island
TOWN COUNCIL SPECIAL MEETING
Tuesday, May 5, 2026, 1:00 PM
Minutes

Call to Order

Mayor Perry called the meeting to order at 1:00 p.m.

Council Members present: Alan Perry, Mayor; Alex Brown, Ward 1, Mayor Pro-Tempore; Patsy Brison, Ward 2; Steve DeSimone, Ward 3; Tammy Becker, Ward 4; Steve Alfred, Ward 5; Melinda Tunner, Ward 6

Others Present: Kim Gammon, Town Clerk

Adoption of the Agenda

Ms. Becker moved to approve. Ms. Brison seconded. Motion carried 7-0.

Public Comment - Non Agenda Items

Mayor Perry asked for public comment.

Skip Hoagland addressed council regarding Town Attorney, Town Manager and Chamber of Commerce relationships, legal fees and use of ATAX funds.

Executive Session

At 1:05 p.m., Mr. Alfred moved to enter into Executive Session for the item listed below. Ms. Becker seconded. Motion carried 7-0.

Discussion of Contractual Arrangements and Proposals [Pursuant to the South Carolina Freedom of Information Act 30-4-70(a)(2)] related to:

1. Interviews and Evaluation of Firms Responding to the Request for Proposal for Town Council Appointed Attorney

Action from Executive Session

At 3:35 p.m., Mr. Alfred moved to end Executive Session and return to the regular meeting. Ms. Becker seconded. Motion carried 7-0.

Mayor Perry stated that there is no action to be taken as a result of the Executive Session.

Adjournment

At 3:36 p.m., Mr. Alfred moved to adjourn. Ms. Becker seconded. Motion carried 7-0.

_____
Kimberly Gammon, Town Clerk

_____
Alan R. Perry, Mayor

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

Town of Hilton Head Island
TOWN COUNCIL MEETING
Tuesday, May 12, 2026, 3:00 PM
Minutes

Call to Order

Mayor Perry called the meeting to order at 3:00 p.m.

Council Members present: Alan Perry, Mayor; Alex Brown, Ward 1, Mayor Pro-Tempore; Patsy Brison, Ward 2; Steve DeSimone, Ward 3; Tammy Becker, Ward 4; Steve Alfred, Ward 5; Melinda Tunner, Ward 6

Others Present: Marc Orlando, Town Manager; Curtis Coltrane, Town Attorney; Kim Gammon, Town Clerk

Pledge to the Flag

Invocation – G. Eddie Patten, Sr., Wheat and Tares Ministries

Pastor G. Eddie Patten, Sr. of Wheat and Tares Ministries delivered the invocation.

Adoption of the Agenda

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 7-0.

Approval of the Minutes

Special Meeting and Workshop Minutes of March 31, 2026

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 6-1 (Ms. Tunner voted against).

Regular Meeting Minutes of April 7, 2026

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 6-1 (Ms. Tunner voted against).

Workshop Meeting Minutes of April 28, 2026

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 6-1 (Ms. Tunner voted against).

Presentations and Recognitions

Report of the Town Manager

Mr. Orlando reminded everyone of the upcoming Budget Workshop Meetings on May 14th and May 19th, as well as the Public Hearing and Final Reading of the Budget for Fiscal Year 2027 on June 9th. He also announced the launch of the Short-Term Rental Awareness Campaign and provided an update on the completion and opening of Coligny Circle Pocket Park as well as an update on the request for qualifications seeking a development partner to improve homes on a seven-acre tract of land in the Muddy Creek neighborhood.

Additionally, Mr. Orlando provided an update on the Modern Classic Motor Site, now the Novant Healthcare Site, which was sold to Novant for $4,341,500.00. Development plans include an approximately 25,000 square foot medical office with a future investment of approximately 15,000 square feet and is intended to provide urgent care, primary care, physical therapy, urology and other primary and secondary care departments and is expected to provide job growth for the Island community.

Finally, Mr. Orlando talked about the Mayor's Youth Service Ceremony held at Hilton Head Island Beach and Tennis Resort, recognizing the 179 students who have collectively volunteered over 20,000 hours of service to the community; he reminded everyone of the upcoming Hilton Head Island Fire Rescue Carnival on May 17th; the Post-Vacation Food Donation Program in which visitors to the Island can drop unopened non-perishable items into donation bins before leaving the Island, and that Town offices will be closed in observance of Memorial Day with a ceremony to be held at Veterans Memorial Park. He also relayed that the Office of Cultural Affairs is conducting audience surveys at some of the Island's upcoming cultural events and that in partnership with the Hilton Head Audubon Society, the hallway outside of Council Chambers has artwork consisting of photos of local birds on display.

Beaufort County School District Character Education Student of the Month - Mayor Alan Perry

Mayor Perry recognized and congratulated Antonia Avila Veronica, from Hilton Head Island School for the Creative Arts, who was selected as Beaufort County School District Character Education Student of the Month for the character trait, self-control.

Amyotrophic Lateral Sclerosis (ALS) Awareness Month Proclamation - Mayor Alan Perry

Bob Scannell was present to accept the proclamation recognizing Amyotrophic Lateral Sclerosis (ALS) Awareness Month, on behalf of the ALS Association.

Bike Month Proclamation - Mayor Alan Perry

Bill Zurilla, Chair of the Town of Hilton Head Island Parks and Recreation Commission and Charlie Quigg of Bike Walk HHI, as well as a member of the Town of Hilton Head Island Parks and Recreation Commission, accepted the proclamation on behalf of the Town, recognizing Bike Month.

Reports from Members of Town Council

General Reports from Town Council

Mayor Perry addressed communication Town Council has been receiving with regard to 229 Marshland Road, which is under development, acknowledging concerns regarding the National Conservancy located in the area. He relayed that Town Council has been working to change some land management ordinances that could correct previous development ordinances. Mayor Perry relayed that the Town has been in contact with the landowner regarding a possible purchase of the property, but the owner is not interested in selling it. Mayor Perry stated that he wants the community to know that Town Council is aware of the situation and is hopeful that they can work with the developers to secure some protection of the area.

Ms. Becker added that she and a team from Indigo Run have met several times with the developer in order to create a good neighbor approach to protecting the rookery/conservative and they will continue to look for solutions and opportunities to reduce the impact of the development. Ms. Brison added that the LMO Task Force is looking into revisions to Ordinances to include wetland protection.

Ms. Becker pointed out that the Ride of Silence is taking place on Wednesday, May 20th, in honor of those cyclists who have lost their lives on roads throughout the country.

Mayor Perry also mentioned that several non-profit events raised a total of approximately $1.1 million for various charities on the Island and he commended the great character of the people of the Island for doing so.

Report of the Lowcountry Area Transportation Study - Councilmember Tamara Becker

No report. Mr. Alfred relayed that there will be a Public Open House on May 28th from 4:00 p.m. to 6:30 p.m. at the Hilton Head Branch Library, dealing with an upcoming LATS Corridor Study, which is a traffic-related study of US 278 from I-95 through Sea Pines Circle, with a second Public Open House to be scheduled in the future.

Report of the Lowcountry Council of Governments - Councilmember Steve Alfred

No report.

Report of the Beaufort County Airports Board - Councilmember Melinda Tunner

No report. Ms. Tunner did relay that the Airport had its ribbon-cutting ceremony and that Phase I is complete and open and was finished on time and on budget.

Report of the Southern Lowcountry Regional Board - Councilmember Patsy Brison

Ms. Brison reported that the Board met on April 28th and received a report and presentation from the Executive Director of Beaufort-Jasper Housing Trust as well as a presentation from the SCORE mentoring program. The reports and presentations are available on the Town of Hardeeville's website or SCORE's website (score.org/sc/sc-lowcountry), respectively. Beaufort-Jasper Housing Trust is working on a housing directory and addressing home repairs.

Southern Lowcountry Regional Board (SOLOCO) provided an update on its review of what other jurisdictions are doing to regulate e-bikes, provided suggestions as to how to adopt regulations and relayed plans to have workshops regarding e-bike regulation. The next meeting is May 26th in Bluffton.

Report of the Island Recreation Association Board - Mayor Pro Tempore Alex Brown

Mr. Brown reported that Hilton Head Island Recreation Center hosted a Family Fun Day and held an All-American Football Camp with 150 children as well as college athletes. He also reported for the first season since COVID, lacrosse will be fielding a team in the Savannah league, free conditioning clinics are taking place on Friday nights for Gator football, there is a weekly adult cornhole league, and the Disc Golf Tournament had 60 participants.

Report of the Beaufort County Economic Development Corporation - Mayor Alan Perry

Mayor Perry reported that some economic development searches were performed where the target prospects were Chief Operating Officers and Operations Vice Presidents for industries in cybersecurity technology, financial services, hospitality, supply chain, life sciences, light manufacturing and medical suppliers, to generate awareness and interest for businesses to consider locating to this area and that the search results show great interest in what this area has to offer.

Report of the Gullah Geechee Historic Neighborhoods Community Development Corporation - Mayor ProTempore Alex Brown

Mr. Brown reported that the Gullah Geechee Historic Neighborhoods Community Development Corporation will meet on Wednesday, May 20, at 10:00 a.m. The agenda will include discussion regarding the 2026 Strategic Planning process, consideration of a potential name change associated with the Community Development Act, and Executive Session for matters relating to employee performance and legal matters associated with the Community Development Act.

Report of the Community Development and Public Services Committee - Councilmember Tamara Becker

Ms. Becker reported that the Community Development and Public Safety Committee met on Tuesday, April 28, 2026 in which they conducted interviews of selected applicants for vacant Boards and Commissions positions. The Committee will present recommendations for appointment of selected applicants to Town Council at the June meeting. The meeting scheduled for May 11, 2026, was cancelled, due to lack of agenda items.

Report of the Finance and Administrative Committee - Mayor Pro Tempore Alex Brown

No report.

Public Hearing

Consideration of an Ordinance Adopting the Consolidated Municipal Budget for the Town of Hilton Head Island for Fiscal Year 2027 Ending June 30, 2027 - Public Hearing and First Reading - Marc Orlando, Town Manager

Mr. Orlando presented. He stated that the Consolidated FY27 Budget proposes **$233,284,719.00** total in projected revenues and expenditures with no increase in property tax millage.

The proposed budget, emphasizes alignment with the Town of Hilton Head Island Strategic Action Plan for Fiscal Years 2026-2028 and the following Strategic Action Plan priorities:

- Protect the Island's Character through Managing Growth
- Enhance Major Corridors and Streets
- Reinforce Island Resilience
- Invest in Stormwater Management Infrastructure
- Enhance Public Safety Readiness and Facilities
- Support Economic Development, Business Recruitment, and Retention
- Advance Workforce Housing Opportunities
- Preserve, Protect, and Celebrate Gullah Geechee Culture and Heritage
- Protect and Enhance Environmental Sustainability
- Enhance Community Well-being Through Implementation of the Parks and Recreation Master Plan and Program Enhancements

In support of these community priorities, the budget goals are as follows:

- Enhance community amenities, including recreation, leisure, and public facilities
- Maintain high-quality municipal services delivered efficiently and effectively
- Foster a workplace culture of innovation, customer service, and employee engagement
- Invest in transformative capital projects and long-term infrastructure resilience
- Protect and elevate the Island’s identity, including its environmental and cultural assets
- Leverage fiscal planning as a tool for progress, innovation, and continuous improvement

The FY 2027 Proposed Consolidated Budget highlights include:
A balanced budget supported by a diverse portfolio of revenue sources, including property taxes, business license fees, accommodation and hospitality taxes, user fees (stormwater, real estate transfer and permits), and return on financial investments.

Revenue Strategy and Fiscal Diversification
The FY 2027 Consolidated Budget is built on a foundation of strategic revenue diversification and responsible fiscal planning, enabling the Town to advance priorities while maintaining the current tax millage rates to the community. Highlights include sustained investment capacity, short-term rental revenue stream enhancements, adjustments in the Fund Balance Reserve Policy to strengthen the Town's financial position and ensure adequate resources for long-term sustainability and resilience, Triple A credit ratings from Moody's, Standard and Poor's and Fitch received as part of the GO Bond executed in 2026, and continued high-quality services as the Island benefits from a strong economy and steady revenues, supported by a healthy tax base.

General Fund - Organizational Capacity, Public Service and Community Experience
The FY 2027 Consolidated Budget reflects the Town's strategic investment in staff capacity, operational excellence, and enhanced quality of life for residents and visitors and includes allocations for 290 full-time positions, personnel, operational efficiencies, Town Council (legal fees and appropriate funds for the Calendar Year 2026 Municipal Election), Land Management Modernization, Community Investment and Engagement, public space enhancements, technology and operational advancements, public safety enforcement and support.

Affiliated Agency Partnerships
The FY 2027 Consolidated Budget reflects $2,414,446.00 in funding support allocated across nonprofit and community partners through a new comprehensive application and review process with recommendations as follows:
- Island Recreation Association ($1,544,682.00)
- Coastal Discovery Museum ($149,148.00)
- Mitchelville Preservation Project ($105,000.00)
- Lowcountry Regional Transportation Authority (Palmetto Breeze) ($433,201.00)
- Beaufort County Economic Development Corporation ($42,000.00)
- Sea Turtle Patrol HHI ($94,415.00)
- The Outside Foundation ($46,000.00)

Capital Improvements Projects Program (CIP) Investments
The FY 2027 Consolidated Budget allocates $55,205,752.00 (consisting of FY 2026 Carry Forward - $12,181,755 and FY 2027 New Funding - $41,785,792) to the Capital Improvements Program, including:
- Beach Program ($7,449,119.00)
- Road Program ($9,701,553.00)
- Pathway Program ($1,418,937.00)
- Stormwater Program ($4,205,586.00)
- Park Program ($17,451,552.00)
- Facility and Equipment Program ($8,510,800.00)
- Fleet Program ($4,980,000.00)
- Land Acquisition Administration Program ($250,000.00)

FY 2027 Capital Improvement Project Investment Highlights include:
- Crossings Park Phase 1 Pickleball and Phase 2 Pump Track
- Patterson Family Park
- Northpoint on Jarvis Creek neighborhood/ United States Postal Service access improvements
- Vehicle and pedestrian safety improvements on Spanish Wells Road, Squire Pope Road, Folly Field Road, Gum Tree Road
- Jonesville Barn Renovation.
- Fire Rescue Headquarters Renovation and Relocation of Emergency Operations Center
- Jarvis Creek Pump Station Pump Replacement
- Acquisition of two new Fire Rescue Ladder Trucks
- Planning for future land acquisition

Stormwater System Investment and Resilience

The FY 2027 Consolidated Budget allocates $7,583,334.00 to the Town's stormwater program (without any rate increase) demonstrating a strong commitment to responsible fiscal management and environmental resilience which supports:

- Increased investment in management, construction and maintenance of critical stormwater infrastructure
- Enhanced program efficiencies to ensure long-term system performance and flood mitigation
- Ongoing efforts to safeguard water quality, reduce environmental impact, and improve drainage capacity across the Island
- Completion of the Stormwater Master Plan
- Completion of the Resilience Plan

Gullah Geechee Historic Neighborhoods Community Development Corporation

The FY 2027 Consolidated Budget includes dedicated funding in the amount of $1,694,756.00 to support the Gullah Geechee Historic Neighborhood Community Development Corporation. Funding will assist:

- Quality-of-life enhancements for community residents
- Encouraging entrepreneurialism
- Preventing gentrification
- Assisting in business attraction, expansion, and retention
- Providing land planning and development assistance
- Pursuing affordable housing opportunities
- Identifying infrastructure needs
- Providing critical financial opportunities

Workforce Housing Program

The FY 2027 Consolidated Budget of $3,211,498.00 continues the Town's strategic commitment to advancing workforce housing opportunities and neighborhood stabilization through targeted public-private partnerships and capital investments. Initiatives include:

- Muddy Creek Neighborhood Stabilization ($1,500,000.00)
- Bryant Road Public-Private-Partnership and Other Housing Initiatives ($1,000,000.00)
- Transfer to Housing Fund Balance for Future Housing Needs ($619,616.00)

The proposed FY 2027 Consolidated Budget and the separate Funds are as follows:

- **General Fund ($67,652,550.00)** – used to account for all financial resources except those required to be accounted for in another fund; primary operating expenditures are general government, administrative services, sheriff and other public safety, fire, community services and public projects and facilities; principal sources of revenue are property taxes, business licenses, local ATAX and permit fees
- **Capital Improvements Program Fund ($55,205,752.00 (consisting of FY 2026 Carry Forward - $12,181,755 and FY 2027 New Funding - $41,785,792)** – used to account for and report on financial resources that are restricted, committed, or assigned for the acquisition, construction, or renovation of major capital facilities; ongoing major capital improvement projects; and major equipment or other capital asset acquisitions including land acquisition

which are not financed by another fund
- **Debt Service Funds ($11,513,988.00)** – used for accumulating resources for the payment of interest and principal on general long-term obligation debt of the governmental funds; primary sources of revenue are property tax, beach preservation fees and hospitality tax
- **Stormwater Utility Fund ($7,583,334.00)** – used to account for revenues generated from stormwater utility fees that support the Town's Municipal Separate Storm Sewer System Program, also known as MS4, and its management of stormwater discharges into federal, state, and local waters
- **Housing Fund ($3,211,498.00)** – used to account for and report the costs associated with the development, implementation and delivery of the strategies and tactics identified within the Town's adopted Workforce Housing Framework; current sources of revenue are transfers from the State Accommodations Tax Fund and prior year fund balance
- **Gullah Geechee Historic Neighborhoods Community Development Corporation Fund ($1,694,756.00)** – used to account for and report the costs associated with the actions of the Corporation to protect the Town's historic and culturally sensitive neighborhoods; the focus is to enhance the quality of life for community residents, encourage entrepreneurship, prevent gentrification, assist in business attraction, expansion and retention, provide land planning and development assistance, pursue affordable housing opportunities, identify infrastructure needs and provide critical financial opportunities; primary sources of revenue are State and County Grants
- **Special Revenues Fund ($86,422,841.00)** – used to account for local taxes and fees including State ATAX, hospitality tax, beach preservation fees, real estate transfer fees, electric franchise fees, short-term rental permit fees, fire truck lease proceeds and Grants; supports the General Fund, Debt Service Fund, Capital Improvements Program and Housing Funds; direct expenses consist primarily of ATAX Grants, Destination Marketing Organization funding, beach monitoring, deed processing and grant expenses

For all funds, all outstanding encumbrances as of June 30, 2026, will carry forward into Fiscal Year 2027 to the same department, account, or project for which they are encumbered in Fiscal Year 2026 subject to approval by the Town Council via an appropriate budget amendment.

Council raised several questions in order to obtain a better understanding of budget allocations:
- Whether Island events are being tracked with regard to economic impact to the community in order to provide data supporting the importance of such events
- Future of the beach shuttle
- Request for two salaried employees for the Community Development Corporation
- Why State ATAX funds are shown as declining while local tax funds are increasing
- More clarity regarding variances in budget amounts year-to-year

The Town Manager and Council agreed that these items could be discussed at the Budget Workshop.

Council raised questions with regard to the reserve policy on page 4 of Exhibit E to the Ordinance as it relates to the $4,341,500 funds acquired from the sale of what was formerly

known as the Modern Classic Motor Site, now to be known as the Novant Healthcare Site. Council inquired as to whether such funds are to be kept strictly as a reserve or whether Council would be able to spend against such funds. The Town Manager stated that clarity would be needed to show the funds are designated for economic development and could be used for future opportunities. Council requested a revision to page 4 of Exhibit E by adding a green column for a proposed minimum balance policy for the funds for economic development by moving the $4,341,500 number into the “Projected Fund Balance at 6/30/2027” column and putting zero into the “Projected Restricted Fund Balance at 6/30/2027” column.

Public Hearing opened at 5:08 p.m.

Skip Hoagland addressed Council with regard to City Doge and municipal budgets.

Richard Bisi addressed Council with regard to questions from his review of the Proposed Budget.

Public Hearing closed at 5:15 p.m.

Ms. Brison moved to adopt on first reading, an Ordinance to raise revenues, provide for expenditures and adopt a consolidated budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2027, to establish a property tax levy, to establish various funds, to establish a policy for acquisition of rights of way and easements, and provide for severability and effective date with the Amendment to Page 4 of Exhibit E attached to the Ordinance as shown to the Town Council on the screen. Mr. Alfred seconded. Motion carried 6-1 (Ms. Becker voted against).

Consent Agenda

Consideration of an Ordinance to Amend Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance, to Amend the Overlay Zoning District Standards for the Holiday Homes Neighborhood Character Overlay District (HH-NC-O), to Include the Following Section: 16-3-106.J, to Modify and Add Standards Related to Setbacks, Buffers, Impervious Coverage, Floor Area Ratio, Parking, Building Height, and Minimum Lot Size and Provide for Severability and Effective Date – Second Reading - Trey Lowe, Interim Planning Director

Background and a summary was provided by Mr. Lowe.

Properties within the Holiday Homes neighborhood are zoned Residential Single-Family-6 Zoning District with the Holiday Homes Neighborhood Character Overlay District. The purpose of the overlay is to provide additional zoning regulations that support the desired character of the neighborhood. These additional regulations are related to setbacks, buffers, impervious coverage, floor area ratio, parking, and minimum lot size.

This Ordinance was approved under Pending Doctrine at the First Reading on April 7, 2026. There have been no changes since the approval.

Ms. Becker moved to approve. Ms. Brison seconded.

Mayor Perry asked for public comment.

Matt Lewis addressed Council regarding his support of the Ordinance and thanked Council and Town staff for all of their help.

Motion carried 6-1 (Mr. Brown voted against).

New Business

Consideration of a Resolution of the Town of Hilton Head Island Town Council Approving Rental Locations Proposed by Shore Beach Services for 2026 Beach Season - Ben Brown, Interim Deputy Town Manager

Ben Brown provided a brief overview regarding the item.

Shore Beach Services has provided lifeguarding services since the Town's incorporation in 1983. These services have always been provided through the execution of a Non-Exclusive Franchise Agreement. Over the years, the agreement has been renegotiated, and the scope of services has varied. Shore Beach Services currently provides lifeguards and beach rental equipment to the Town under a Franchise Agreement dated June 18, 2024. Section 5 of the Franchise Agreement requires Shore Beach Services to submit, on or before December 1 of each year, a listing of proposed rental locations and the quantities of rental equipment to be operated during the ensuing beach season. Overall equipment quantities remain largely consistent with the prior year, with only minor reallocations between adjacent locations, specifically Dunes House and the Hilton Resort.

This item was discussed in the Community Development Services and Public Services Committee (CDSPSC) meetings held on February 9, 2026 and March 9, 2026. On March 9, 2026, the Committee voted unanimously to forward the Resolution to Town Council for consideration of approval.

Ms. Becker moved to approve. Mr. Alfred seconded.

Mayor Perry asked for public comment. There was none.

Motion to adopt the Resolution carried 7-0.

Consideration of a Resolution Authorizing the Town Manager to Execute and Deliver Form ABL-956 to the South Carolina Department of Revenue in Connection with an Application for an Alcoholic Beverage License filed by NYCP Shelter, LLC, d/b/a Chophouse 119 - Angie Stone, Assistant Town Manager

Angie Stone provided a brief overview regarding the item. Ms. Stone stated that this is an administrative request for a Form ABL-956 Affirmation Waiving Distance Requirement from a

business owner that had their license lapse between the time that they received their first license and application for renewal.

Under South Carolina's licensing requirements for the on-premise sale of alcohol, applicants must demonstrate that their establishment is more than 300 feet from a church, school, or playground or obtain a waiver of the distance requirement. When a playground is owned and operated by a municipality, State law allows the local governing body to waive this requirement through formal action.

NYCP Shelter, LLC (DBA Chophouse 119) is applying for an Alcohol Beverage License from the South Carolina Department of Revenue. Because of its proximity to the Town-owned playground at Shelter Cove Community Park, a waiver of the distance requirement must be granted by the Town Council of the Town of Hilton Head Island.

Ms. Becker moved to approve. Mr. Brown seconded.

Mayor Perry asked for public comment. There was none.

Council raised questions and had a discussion regarding possible future instances where other establishments may also require such waivers. Council requested that the Town Attorney and the Finance and Administrative Committee further investigate the State rules concerning distance requirements so that Council will be better informed.

Motion to adopt the Resolution carried 6-1 (Ms. Brison voted against).

Public Comment - Non Agenda Items

Skip Hoagland addressed Council regarding the use of ATAX funds and DMO contracts.

Executive Session

At 5:50 p.m., Mr. Alfred moved to enter into Executive Session for the item listed below. Ms. Becker seconded. Motion carried 7-0.

Discussion of Negotiations Incident to Proposed Contractual Arrangements for the Proposed Sale or Purchase of Property [Pursuant to the South Carolina Freedom of Information Act Section 30-4-7 (a)(2)] related to:

1. Beach City Road Area
2. Union Cemetery Road Area
3. William Hilton Parkway - Chaplin Park Area
4. Squire Pope Road Area
5. Office Park Road Area

Action from Executive Session

At 7:07 p.m., Mr. Alfred moved to end Executive Session and return to the regular

meeting. Ms. Becker seconded.

Mayor Perry asked if there was any business as a result of Executive Session.

Consideration of a Resolution authorizing the execution and delivery of a contract for the purchase of real property containing 0.83 acres total and 0.51 acres of high ground, on U.S. Highway 278, on Hilton Head Island, South Carolina, and the completion of the transaction described in the contract

Mr. Brown moved to approve. Ms. Becker seconded.

Mayor Perry asked for public comment. There was none.

Motion carried 7-0.

Consideration of a Resolution authorizing the execution and delivery of a contract for the purchase of real property containing 1.396 acres and 0.737 acres of high ground, more or less, on Squire Pope Road, on Hilton Head Island, South Carolina, and the completion of the transaction described in the contract

Mr. Brown moved to approve. Ms. Brison seconded.

Mayor Perry asked for public comment. There was none.

Motion carried 7-0.

Adjournment

At 7:10 p.m., Mr. Alfred moved to adjourn. Ms. Becker seconded. Motion carried 7-0.

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Kimberly Gammon, Town Clerk

_____
Alan R. Perry, Mayor

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

Town of Hilton Head Island
TOWN COUNCIL SPECIAL MEETING
Wednesday, May 13, 2026, 2:00 PM
Minutes

Call to Order

Mayor Perry called the meeting to order at 2:00 p.m.

Council Members present: Alan Perry, Mayor; Alex Brown, Ward 1, Mayor Pro-Tempore; Patsy Brison, Ward 2 (arrived during Executive Session); Steve DeSimone, Ward 3; Tammy Becker, Ward 4; Steve Alfred, Ward 5; Melinda Tunner, Ward 6 (arrived at 2:01 p.m.)

Others Present: Kim Gammon, Town Clerk

Adoption of the Agenda

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 5-0. (Ms. Tunner and Ms. Brison were not present for the vote.)

Public Comment - Non Agenda Items

Skip Hoagland addressed Council regarding the costs for the Town appointed attorney in comparison to other municipalities.

Executive Session

At 2:04 .m. Mr. Alfred moved to enter into Executive Session for the item listed below. Ms. Becker seconded. Motion carried 6-0. (Ms. Brison was not present for the vote.)

Discussion of Contractual Arrangements and Proposals [Pursuant to the South Carolina Freedom of Information Act 30-4-70(a)(2)] related to:

1. Interviews and Evaluation of Firms Responding to the Request for Proposal for Town Council Appointed Attorney

Action from Executive Session

At 4:00 p.m., Mr. Alfred moved to end Executive Session and return to the regular meeting. Ms. Becker seconded. Motion carried 7-0.

Mayor Perry stated that there is no action to be taken as a result of the Executive Session.

Adjournment

At 4:03 p.m, Mr. Alfred moved to adjourn. Ms. BEcker seconded. Motion carried 7-0.

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Kimberly Gammon, Town Clerk

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Alan R. Perry, Mayor

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

The Town of Hilton Head Island

Juneteenth Proclamation

WHEREAS, Juneteenth is often referred to as our country's second independence day and has long been celebrated among the African American community, its historical significance has largely been omitted from educational curricula, making it relatively unknown to the wider population; and

WHEREAS, despite the Emancipation Proclamation by President Abraham Lincoln on January 1, 1863 and passage of the 13th Amendment by the U.S. Congress, more than 250,000 enslaved Africans and their descendants remained in bondage in the State of Texas until the arrival of Union troops at Galveston on the 19th day of June, 1865; and

WHEREAS, when the news of their emancipation spread, following the reading of "General Order Number Three" by Major General Gordon Granger, the formerly enslaved people of Texas reacted with joyous celebrations, launching what would become an annual event known as Juneteenth; and

WHEREAS, early celebrations of Juneteenth consisted of family and community gatherings filled not only with special food and festivities but also prayer, reflection and respect for ancestors who suffered under slavery and celebrates African American freedom and achievement while encouraging continuous self-development and respect for all cultures; and

WHEREAS, the elected leaders of the Town of Hilton Head Island and Town staff pledge to continue our efforts to lift up the importance and history of Juneteenth and work tirelessly to root out institutional racism wherever it exists and advance equity and inclusion for all members of our community.

NOW THEREFORE, I, Alan R. Perry, Mayor of the Town of Hilton Head Island, South Carolina, do hereby proclaim the 19th day of June 2026 as Juneteenth in the Town of Hilton Head Island and encourage all community members to observe this day with activities and reflections that celebrate freedom and justice for all people.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed on this 9th day of June, in the year of our Lord, two thousand and twenty-six.

Alan R. Perry, Mayor

Attest:

Kimberly Gammon, Town Clerk

The Town of Hilton Head Island

Proclamation Observing and Commemorating Carolina Day
June 28, 1776

WHEREAS, on June 28, 1776, brave patriots of South Carolina and Continental soldiers from several colonies, under the command of Colonel William Moultrie, defended the unfinished palmetto-log fort on Sullivan's Island against a powerful British naval assault; and

WHEREAS, the steadfast courage of these defenders, many of them from Beaufort District who were withstanding a British assault by land to the rear of the fort, secured a decisive victory that preserved Charleston, inspired the American cause, and rallied hope across the colonies; and

WHEREAS, the victory at Sullivan's Island proved that the desire for freedom could withstand the oppression of tyranny, and that it was followed one week later by the adoption of the Declaration of Independence on July 4, 1776, setting forth the ideals of liberty and self-government that still guide us today; and

WHEREAS, the people of South Carolina and our nation at large continue to honor the sacrifice, valor, and vision of those who stood firm on that day, marking it as Carolina Day, a commemoration of South Carolina's vital role in the birth of the United States; and

WHEREAS, it is fitting that our community join in observance of this historic anniversary, to remember the courage of the patriots of 1776, to educate future generations about our shared heritage, and to renew our commitment to the enduring principles of liberty and independence.

NOW, THEREFORE, on the occasion of the 250th Anniversary of the Battle of Sullivans Island, I, Mayor Alan R. Perry, Mayor of the Town of Hilton Head Island, South Carolina, do hereby proclaim June 28, 2025, as **CAROLINA DAY** in the Town of Hilton Head Island, and I encourage all citizens to observe this day and those between June 28th and July 3rd as **CAROLINA DAYS**, with appropriate ceremonies, programs, and remembrances honoring the bravery and sacrifice of those who secured our freedom.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed on this ninth day of June, in the year of our Lord, two thousand and twenty-six.

SEAL

Alan R. Perry, Mayor

Attest:

Kimberly Gammon, Town Clerk

The Town of Hilton Head Island

250th Anniversary of the United States Declaration of Independence Proclamation

WHEREAS, the year 2026 marks the 250th Anniversary of the signing of the Declaration of Independence and the founding of the United States of America; and this historic milestone, known nationally as the United States Semiquincentennial, commemorates two and a half centuries of American liberty, democracy, service, sacrifice and civil responsibility; and

WHEREAS, the citizens of South Carolina played a vital role in the American Revolution, contributing courage, leadership, and determination in the pursuit of independence and self-government; and

WHEREAS, local governments are the bedrock of American democracy, providing millions of residents with an accountable, responsive, ethical and transparent government; and the Town of Hilton Head Island proudly recognizes the enduring values upon which this Nation was founded, including freedom, equality, representative government and opportunity for all; and

WHEREAS, the Town of Hilton Head encourages all residents, businesses, schools, veteran's organizations, civic groups and visitors to participate in events and activities throughout the year to celebrate America's 250th Anniversary and to inspire future generations to preserve the blessings of liberty.

NOW, THEREFORE, I, Alan R. Perry, Mayor of the Town of Hilton Head Island, South Carolina, do hereby proclaim July 4, 2026 shall be recognized in the Town of Hilton Head Island as the 250th Anniversary of the United States Declaration of Independence and the year 2026 as the United States of America's 250th Anniversary Commemorative Year.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed on this 9th day of June, in the year of our Lord, two thousand twenty-six.

Alan R. Perry, Mayor

Attest:

Kimberly Gammon, Town Clerk

TOWN OF HILTON HEAD ISLAND

Town Council

TO:	Town Council
FROM:	Shari Mendrick, Floodplain Administrator
CC:	Trey Lowe, Interim Planning Director. Interim LMO Official Ben Brown, Interim Deputy Town Manager Marc Orlando, ICMA-CM, Town Manager
DATE:	June 9, 2026
SUBJECT:	2026 Annual Update of the Community Rating System's Repetitive Loss Area Analysis

BACKGROUND:

The Town has actively participated in the Community Rating System (CRS) program since October 1, 1991. The Town is currently a Class 5 Community, which gives its residents in the Special Flood Hazard Area (SFHA) a 25% discount on their flood insurance premiums.

Town Council adopted the Repetitive Loss Area Analysis (RLAA) in 2024 as a credited activity in CRS program. The purpose of the RLAA is to assess the potential causes of flooding in areas that have historically flooded and properties with repeated flood losses and maintain reduced FEMA flood insurance premium costs to residents.

To maintain CRS credit for the RLAA, the RLAA document must be evaluated annually to maintain site-specific detail for each property, such as structure's finish floor height, exterior a/c units, grades, plus nearby storm water inlets, catch basins and drainage waterway features. The results of the assessment are used to update recommendations for appropriate mitigation strategies to reduce or eliminate future flood losses. There is no mandate for property owners to mitigate flood risk; however, the RLAA provides a guide and available resources to property owners to make improvements and protect their property. An annual report of this evaluation must be prepared and submitted to Town Council.

SUMMARY:

The attached report is the 2026 update of the Community Rating System (CRS) Repetitive Loss Area Analysis (RLAA) which was adopted by Town Council in 2024.

ATTACHMENTS:

2026 Repetitive Loss Area Analysis Annual Evaluation Report

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

Repetitive Loss Area Analysis Annual Evaluation Report

Prepared May 2026 by:
Town of Hilton Head Island
Shari Mendrick, P.G., CFM,
Floodplain Administrator and Community Rating System Coordinator

Background

In 2024, The Town of Hilton Head Island, South Carolina, completed a Repetitive Loss Area Analysis (RLAA) to identify and evaluate repetitive loss properties throughout the Town. The plan was adopted by Town Council on October 15, 2024.

The RLAA identified 25 repetitive loss areas within the Town. Within the 25 Repetitive Loss Areas, there are currently 87 unmitigated properties and 942 properties that have the same or similar flooding conditions but have either been mitigated, constructed to higher standards, or do not have repetitive claims paid against the NFIP. The RLAA suggests methods to mitigate or reduce flood loss potential for each property including flood insurance promotion and flood awareness, property protection information, floodproofing and site-specific drainage improvements, drainage system maintenance, and elevation of structures and equipment.

Summary

In response to the annual recertification requirements to continue to be eligible for Community Rating System (CRS) Credits, the Town of Hilton Head Island must prepare the annual evaluation report describing progress made in the implementation of the mitigation actions stated in the Repetitive Loss Area Analysis. Annual evaluation of mitigation actions gives the community a framework for monitoring the plan's effectiveness and a mechanism to track progress in the implementation of the community's mitigation actions.

In accordance with the CRS requirements for Activity 510 Floodplain Management Planning, the following questions are addressed:

1. **How can a copy of the original plan be obtained?**
   The Repetitive Loss Area Analysis can be viewed on the Town's website at: https://hiltonheadislandsc.gov/reports/RepetitiveLossAreaAnalysis.pdf

2. **Describe how this progress report was prepared and how it was submitted to the governing body, released to the media, and made available to the public:**
   This report was prepared by the Town's Floodplain Administrator. The report was presented to Town Council on June 9, 2026, released to the media, and made available to the public. The report is available to the public for review via the Town's website, or by contacting Town staff in the Community Development Department for copies.

3. **Provide a description of the implementation of each recommendation or action item in the action plan or area analysis report, including a statement on how the project was implemented or not implemented during the previous year:**

Mitigation Action	Status	Milestones
1. Flood Insurance Promotion and Flood Awareness	Ongoing	The Town's Floodplain Administrator continues to provide the most relevant up-to-date flood insurance information to all property owners within the repetitive loss areas through annual outreach. The Town's Floodplain Administrator and Emergency Manager continue to host neighborhood meetings to promote flood awareness and flood preparedness.
2. Property Protection Information	Ongoing	The Town's Floodplain Administrator provides the most relevant up-to-date information to all property owners within the repetitive loss areas.
3. Floodproofing and Site-Specific Drainage Improvements	Ongoing	The Floodplain Administrator and Stormwater Department are available to meet with property owners to provide property protection advice and assistance to property owners who may wish to implement such measures. This service is publicized within the repetitive loss areas through annual outreach.
4. Drainage System Maintenance	Ongoing	For infrastructure that is maintained by the Town, the Town has implemented a comprehensive drainage system maintenance program that includes a biannual schedule for inspection and maintenance. The Town continues to work closely with the neighborhood associations to develop and implement maintenance agreements, such that the neighborhood associations are bound by similar maintenance programs. The Town is in the process of developing a Stormwater Master Plan that will identify, analyze and prioritize infrastructure improvements to protect people and property from flooding, improve water quality, and ensure infrastructure sustainability.
5. Elevate Structures and Equipment	Ongoing	The Town's Floodplain Administrator continues to promote effective flood protection measures and provide advice and assistance to property owners who may wish to implement such measures in an on-going program. During this reporting period, two repetitive loss properties have been mitigated. The damaged structures have been demolished and replaced with new structures constructed to higher regulatory standards.

4. **Discuss why any objectives were not reached or why implementation is behind schedule:**
   All applicable mitigation strategies are ongoing. When possible, the Town recommends that property owners take advantage of federal grants which can be slow to obtain and fund.

5. **What are the recommendations for new projects or revised recommendations?**
   The Town will continue with ongoing efforts and will take advantage of funding opportunities as they arise to move the action items forward.

TOWN OF HILTON HEAD ISLAND

Town Council

TO:	Town Council
FROM:	Shari Mendrick, Floodplain Administrator
CC:	Trey Lowe, Interim Planning Director. Interim LMO Official Ben Brown, Interim Deputy Town Manager Marc Orlando, ICMA-CM, Town Manager
DATE:	June 9, 2026
SUBJECT:	2026 Annual Update of the Community Rating System's Program for Public Information

BACKGROUND:

The Town has actively participated in the Community Rating System (CRS) program since October 1, 1991. The Town is currently a Class 5 Community, which gives its residents in the Special Flood Hazard Area (SFHA) a 25% discount on their flood insurance premiums.

Town Council adopted the original Program for Public Information (PPI) in 2015 and the required five-year update in 2025 as a credited activity in CRS program. The purpose of the PPI is to maintain reduced FEMA flood insurance premium costs to residents and to provide flood-related information to property owners through a robust outreach program.

To maintain CRS credit for the PPI, the PPI Committee must meet annually to monitor, evaluate and revise, as needed, the outreach projects and flood insurance coverage assessment that are included in the program. An annual report of this evaluation must be prepared and submitted to Town Council and the document must be updated every 5 years. The PPI Committee determined that the PPI should be updated this year due to additional data that has been provided by FEMA to receive additional CRS credit.

SUMMARY:

The attached report is the 2026 update of the outreach projects and flood insurance coverage assessment that are part of the Community Rating System (CRS) Program for Public Information (PPI) which was adopted by Town Council in 2015.

ATTACHMENTS:

2026 Program for Public Information Annual Evaluation Report

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

Program for Public Information Annual Evaluation Report

Prepared May 2026 by:
Town of Hilton Head Island
Shari Mendrick, P.G., CFM,
Floodplain Administrator and Community Rating System Coordinator

Background

The Town of Hilton Head Island has been actively participating in the Community Rating System (CRS) program since October 1, 1991. The Town is currently a Class 5 Community, which gives its residents a 25% discount on their flood insurance premiums. In an effort to maintain the reduced flood insurance premium costs to its residents and to provide flood-related information to property owners through a more aggressive outreach program, the Town developed the Program for Public Information (PPI). Through the public information program, people at risk can learn about the hazards they face, prepare for flooding, and take steps to reduce their exposure to flood damage.

The Town incorporated a Flood Insurance Coverage Assessment and Coverage Improvement Plan into the PPI because residents may not be aware of flood insurance requirements or may not see a need to insure their property. By having an outreach program and flood insurance coverage improvement plan, which assembles all activities and educational opportunities in a coordinated document, the Town hopes residents will have the information they need to protect themselves and their property.

The goal of the PPI is to better inform our residents of their flood risks, how to improve their flood hazard preparedness, identify what they can do to decrease future damage and the benefits of having flood insurance coverage for both the structure and contents. All of the public information activities have the same objective: to get people to protect themselves and their property, whether it is to take flood protection steps, such as buying flood insurance, developing a family emergency plan, retrofitting a building, or complying with floodplain management regulations.

The Town's PPI Program is based on specific information discussed further in this document. The messages dispersed will educate the public, through outreach materials such as publications and brochures, will provide flood response preparation and disaster recovery information when needed, and will help other organizations on getting the word out about flood awareness, educate contractors, builders, realtors, insurance agencies and mortgage brokers on the importance of flood awareness and promoting flood insurance and assist the stakeholders in their outreach efforts.

Town Council adopted the original PPI on August 4, 2015. The PPI Committee is required to meet annually to monitor the implementation of the outreach projects and to reassess flood insurance coverage. The committee evaluates whether the outcomes desired were achieved and what, if anything, should be changed. An evaluation report is to be prepared each year and presented to Town Council. It will also be included as part of the annual CRS recertification.

Program for Public Information Committee Members

The PPI Committee consists of eleven members. Four of the members are Town staff and seven are volunteers from the community that together have a wealth of knowledge regarding flood hazards and flood risk. The community members, or stakeholders, represent real estate, flood insurance, mortgage lender, property management, resort management and home builders. Some of the members of the committee are Hilton Head Island floodplain residents.

- Shari Mendrick, Floodplain Administrator
- Brian Eber, Principal Planner
- Tom Dunn, Emergency Manager
- Carolyn Grant, Communications Manager
- Kim Smith, Business Development Banker, Mortgage Lender
- Kristin Hayrinen, Senior Vice President, HUB International Southeast
- Michelle Sandula, Chief Executive Officer, Hilton Head Area Realtors
- Brian Kinard, Sales Executive Dunes Real Estate
- Cliff McMackin, Director of Resort Development, Sea Pines Resort
- Brandon Arent, Director, Owner Relations, Coastal Home and Villa
- Michelle Edwards, Membership Engagement Director, and Adrian Cain, Chief Executive Officer, Hilton Head Area Homebuilders Association

Annual Committee Meeting

The annual meeting to evaluate the program took place on April 23, 2026. The members present were Shari Mendrick, Brian Eber, Tom Dunn (online), Carolyn Grant, Kristin Hayrinen, Michelle Sandula, Brian Kinard, Cliff McMackin (online) Brandon Arent, Michelle Edwards (online) and Adrian Cain (online).

The PPI held a short introduction for all members of the committee. The Floodplain Administrator introduced the new CEO of the Hilton Head Area Realtors and Michelle Edwards and Adrian Cain of the Hilton Head Area Homebuilders Association.

Outreach Projects

The annual Message from the Mayor will be published in the Hilton Head Sun and CH2 in May 2026, which encourages residents to purchase flood insurance or increase their flood insurance coverage. This publication has been found to be a very effective means of supplying information to citizens as it comes from an elected official. Our insurance representative reported that about 90% of new residents are purchasing flood insurance. We believe this is directly related to the outreach resources we are providing.

The Annual Flood Awareness Guide will be sent out before June 1st, 2026. The committee discussed adding information to help homeowners better understand current home rebuilding

costs, to include estimated replacement cost ranges for homes. The information will be updated with input from the Home Builders Association, to gain attention, raise awareness, and encourage adequate insurance coverage.

The Committee also discussed the repetitive loss properties on the island. Since the last meeting, three more residents have mitigated their homes. All three projects were voluntary and consisted of demolishing the original structure and replacing the structure with a new compliant, elevated building. The repetitive loss outreach will be mailed to residents in June 2026.

The Flood Hazard Video Series is still in development and hoped to be launched soon. This video series will include information related to Stormwater and Floodplain Management. Committee members discussed developing a segment on marsh migration that discusses nature-based strategies such as thin-layer sediment placement, enhanced vegetative shelves, and reef construction to support marsh resilience and migration, while avoiding hard armoring whenever possible.

Short-Term Rental & Real Estate Outreach has received limited attention in previous efforts but will now become a renewed focus as we have a new representative of this industry. We will be having a subsequent conversation to review information provided to short-term rental companies to allow them to educate and provide information to their property owners.

The committee discussed flood response and preparation and the importance of educating homeowners that flooding can occur even without an active hurricane or tropical storm. Increased awareness of local flooding threats, including storm surges and king tides will help homeowners understand how to be prepared for these events. The committee discussed implementing a single interactive map with layers identifying flood zones, high-risk areas, storm surge and locations with historical flood losses to improve public awareness and preparedness.

PPI Projects and Initiatives Table

OUTREACH PROJECTS (OP)

Topics:
1. Know your flood hazard
2. Insure your property for your flood hazard
3. Protect people from the hazard
4. Protect your property from the hazard
5. Build responsibly
6. Protect natural floodplain functions
7. Disaster preparedness
8. Coastal erosion
9. Flood warning
10. What happens after the storm?

Target Audiences:
1. Entire Island
2. V Zone Properties
3. Hispanic Population
4. Gullah-Geehee Communities
5. Rental Community
6. Repetitive Loss Areas
7. Real Estate, Mortgage, and Insurance Companies
8. Prospective Buyers
9. Builders, Contractors, Architects, Surveyors and Landscapers
10. Property Owner Associations
11. Private Sector Partners

OP#	PPI Project Information/Description	Topic #s	Target Audience	Outcome	Assignment	Schedule/Distribution	Stakeholder
OP #1	**Town-wide mailer**: "Flood Awareness Guide. Are you flood ready?"	1-10	1	Increased understanding of flood risks in our community	Floodplain Administrator	Available year round; Mailed every June at the beginning of hurricane season, available at Town Hall and taken to offsite public outreach	N/A
OP #2	**WHHI Television Interviews:** The Town's Floodplain Administrator and Emergency Manager conduct interviews with the local television station to discuss various floodplain management and hazard preparation topics	1-10	1	Inform people about their exposure to flooding	Floodplain Administrator and Emergency Manager	Annually before hurricane Season	
OP #3	**Hurricane Guide:** Annual edition dedicated fully to flood and hurricane topics.	2,7	1	Inform residents about preparing for a disaster and to have no injuries or fatalities related to flooding	Floodplain Administrator	On display in Town Hall and published in the Island Packet annually in the spring prior to hurricane season	Island Packet Newspaper
OP #4	**A Message from the Mayor:** The Mayor provides an editorial column for the Hilton Head Sun that encourages residents to purchase flood insurance or increase their flood insurance coverage. The information is provided on the Town's homepage and social media.	2	1	Increase the number of flood insurance policies	Communications Director	Published before hurricane season in the Hilton Head Sun, mailed to all residents of Hilton Head Island	The Hilton Head Sun
OP #5	**"No Dumping. Protect Our Waterways" signs:** The Town's Stormwater Division installed 37 signs at key locations in the drainage system, parks and schools. Drainage system maintenance and regulations that prohibit dumping are publicized in OP#1.	6	1	Reduction in the amount of dumping and water pollution to improve water quality	Stormwater Manager	Year Round	N/A
OP #6	**Video Series on Flood Hazards:** Town staff, to include the Senior Environment Planner, Stormwater Maintenance Program Administrator and Floodplain Administrator are developing a video series covering various stormwater, natural functions and topics. The video series will be periodically posted on social media.	1-6, 8	1	Inform people about their exposure to flooding and the importance of protection natural floodplain functions and promote sound stormwater practices.	Stormwater Maintenance Program Manager, Environmental Planner and Floodplain Administrator	Year Round	N/A

OP #7	**Juneteenth Festival at Mitchelville Freedom Park:** The Floodplain Administrator and other Town Staff set up a booth and are available to answer questions regarding protecting themselves and their property from flood hazards and building responsibly. Brochures provided: OP#13, OP#14, OP #15, OP#16, OP#20, OP#21, OP#22, OP#23, OP#24, OP#25, OP#26, OP#27, OP#29, OP#32, OP#33, OP#34, OP#35, OP#36, OP#37, OP#38.	1-10	1,4	Increase the number of flood insurance policies and reduce the number of flood losses	Floodplain Administrator	Annually in June	N/A
OP #8	**Repetitive Loss Properties Outreach:** The Town's Floodplain Administrator sends a letter to all properties in the repetitive loss areas annually. The letter includes OP#1 and OP#29.	1-10	6	Reduce the number of repeated flood losses and repeated insurance claims; Decrease the number of structures below the BFE	Floodplain Administrator	Annually in May	N/A
OP #9	**V Zone Properties Outreach**: The Town's Floodplain Administrator sends a letter to all properties located in zone V annually. The letter includes OP#3, OP#21, OP#20, and Sea Turtle brochure.	2,3,6,8	2	Increase the number of flood insurance policies and reduce the number of flood losses	Floodplain Administrator	Annually in May	N/A
OP #10	**Property Owner Associations Outreach:** Provide each Property Owner Association with flood related topics to be posted to their community website or included in community newsletters. Conduct annual education presentations on flood insurance, flood hazards, flood awareness and building responsibly.	1-10	10	Educate the Property Owner Associations so that they can assist in distribution of information on flood hazards, flood insurance and disaster preparedness	Floodplain Administrator	Annually meeting with each Property Owner Association	Area Property Owner Associations
OP #11	**Rental Property Outreach:** Letter to Property Management Companies with package for new renters that includes: OP#1, OP#13, OP#14, OP#15, Flood Smart Contents Coverage Brochure, and Sea Turtle Brochure.	2,3,6,7	5	Increase number of contents coverage policies, increase awareness of local hazards, and protect the natural habitats on the Island	Dru or Kristin? Floodplain Administrator	Delivered to Property Management companies annually and as needed	Property Management Companies
OP #12	**Real Estate Companies Outreach:** Package for new and prospective buyers for local real estate agencies that includes: OP#1, OP#13, OP#14 OP#15, OP#17, OP#18, OP#30, OP#31, and Sea Turtle Brochure.	1,2,4,5,7	7,8	Increase the number of people getting flood information assistance from Town Staff, Real Estate Agents, Mortgage Lenders, and Insurance Companies	Hilton Head Area Association of Realtors and Floodplain Administrator	Delivered to Real Estate Agencies annually and as needed	Hilton Head Area Realtors
OP #13	**Flood Information Contacts Business Cards:** Business card containing contact information for Floodplain Administrator, FEMA, Flood Smart, Library, SCDNR, OCRM and USACE. E-subscription sign-up information.	1,2	1	Increase the number of map information inquires and number of flood insurance policies	Floodplain Administrator	On display year-round at Town Hall and distributed to Property Management Companies and Real Estate Agencies annually and as needed	Hilton Head Area Realtors and Property Management Companies
OP #14	**Refrigerator Magnets:** "Turn Around Don't Drown"	3	1	People will not drive in flooded streets	Floodplain Administrator	Available at Town Hall and distributed as part of various outreach projects	N/A
OP #15	**Brochure:** "Guide to Emergency Preparedness" (English and Spanish)	3,4,5,7,9,10	1,3	Inform residents about preparing for a disaster	Emergency Manager	On display year-round at Town Hall and Fire Rescue Headquarters, distributed at events and on the Town's website	N/A
OP #16	**Brochure:** "Emergency Permitting"	5,7	1	Increase the number of structures being repaired or rebuilt with permits	Floodplain Administrator	On display year-round at Town Hall and distributed in field after a flood event	N/A
OP #17	**Brochure:** "About the Mandatory Purchase of Flood Insurance"	2	7,8	Increase the number of flood insurance policies	Floodplain Administrator	On display year-round at Town Hall distributed to Local Real Estate Agencies	Hilton Head Area Realtors
OP #18	**Brochure:** "Flood Hazard: Check Before You Buy"	2	7,8	Increase the number of flood insurance policies	Floodplain Administrator	On display year-round at Town Hall distributed to Local Real Estate Agencies	Hilton Head Area Realtors
OP #19	**Brochure:** "Substantially Improved or Damaged Buildings and the National Flood Insurance Program"	5	1	Decrease the amount of structures below the BFE	Community Development Department	On display year-round at Town Hall and Hilton Head Library and delivered to Hilton Head Area Home Builders Association	Hilton Head Library and Hilton Head Area Home Builders Association
OP #20	**Brochure:** "Coastal Erosion Hazards"	8	1	Reduction in number of flood losses and keep the dunes intact so they function as protection against damage	Floodplain Administrator	On display year-round at Town Hall, Fire Rescue Headquarters and Hilton Head Library and distributed at events	N/A

OP #21	**Brochure**: "Why Do I Need Flood Insurance" (English and Spanish)	1,2	1,3	Increase the number of flood insurance policies	Floodplain Administrator	On display year-round at Town Hall, Fire Rescue Headquarters and Hilton Head Library and distributed at events	FEMA Hilton Head Library
OP #22	**Brochure**: "Cheaper Flood Insurance"	2	1	Increase the number of flood insurance policies	Floodplain Administrator	On display year-round at Town Hall, Fire Rescue Headquarters and Hilton Head Library and distributed at events	FEMA Hilton Head Library
OP #23	**Brochure**: "Benefits of Flood Insurance Versus Disaster Assistance"	2	1	Increase the number of flood insurance policies	Floodplain Administrator	On display year-round at Town Hall, Fire Rescue Headquarters and Hilton Head Library and distributed at events	FEMA Hilton Head Library
OP #24	**Brochure**: "What You Need to Know About Federal Disaster Assistance"	2	1	Increase the number of flood insurance policies	Floodplain Administrator	On display year-round at Town Hall, Fire Rescue Headquarters and Hilton Head Library and distributed at events	FEMA Hilton Head Library
OP #25	**Brochure**: "Flood Insurance Requirements for Recipients of Federal Disaster Assistance" (English and Spanish)	2	1,3	Increase the number of flood insurance policies	Floodplain Administrator	On display year-round at Town Hall, Fire Rescue Headquarters and Hilton Head Library and distributed at events	FEMA Hilton Head Library
OP #26	**Brochure**: "Flood Preparation and Safety" (English and Spanish)	1-4	1,3	Increased knowledge of flood hazards and ways to mitigate them	Floodplain Administrator	On display year-round at Town Hall, Fire Rescue Headquarters and Hilton Head Library and distributed at events	FEMA Hilton Head Library
OP #27	**Brochure**: "Build Back Safer and Stronger" (English and Spanish)	1,4,5	1,3	Decrease the amount of structures below the BFE	Floodplain Administrator	On display year-round at Town Hall, Fire Rescue Headquarters and Hilton Head Library and distributed at events	FEMA Hilton Head Library
OP #28	**Brochure:** "Filing your Flood Insurance Claim"	10	1	Be prepared to file claims after a disaster	Floodplain Administrator	On display year-round at Town Hall and distributed in field after a flood event	FEMA
OP #29	**Brochure**: "Homeowners Guide To Retrofitting"	1,2,3,4,5,9	1	People will retrofit their homes to protect them from flooding	Floodplain Administrator	On display year-round at Town Hall, Fire Rescue Headquarters and Hilton Head Library and distributed at events	FEMA Hilton Head Library
OP #30	**Brochure**: "Questions and Answers About Flood Insurance for Real Estate Professionals"	2	1,7	Increase the number of flood insurance policies	Floodplain Administrator	On display year-round at Town Hall and distributed to Local Real Estate Agencies	FEMA Hilton Head Area Realtors
OP #31	**Brochure**: "Help Protect Your Customers New Home"	2	1,7	Increase the number of flood insurance policies	Floodplain Administrator	On display year-round at Town Hall and distributed to Local Real Estate Agencies	FEMA Hilton Head Area Realtors
OP #32	**Brochure:** "Safety First-Disaster Preparedness"	3,4,7	1	Residents will prepare their home for disasters and stay safe during a storm	Building Division Staff	On display year-round at Town Hall and distributed at events	International Code Council
OP #33	**Brochure:** "Flood Cleanup"	10	1	Maintain public health throughout the cleanup period after a flood event	Building Division Staff	On display year-round at Town Hall and distributed at events	International Code Council
OP #34	**Brochure:** "Benefits of Building Permits"	4,5	1	Property Owners will apply for a permit before they start building	Building Division Staff	On display year-round at Town Hall and distributed at events	International Code Council
OP #35	**Brochure:** "Building Green – Living Better"	4,5,6	1	Inform the public of the benefits of building green and living with your environment	Building Division Staff	On display year-round at Town Hall and distributed at events	International Code Council
OP #36	**Project "Wet" Activity Booklet:** "Floods"	3,6,7,9	1	Inform children about flood risks and staying safe in an event	Floodplain Administrator	On display year-round at Town Hall and distributed at events	Project "Wet"
OP #37	**Brochure:** "FEMA Expands Options for Homeowners"	4	1	Inform residents of documentation required for Federal Disaster Assistance	Floodplain Administrator	On display year-round at Town Hall and distributed at events	FEMA
OP #38	**Brochure:** "FEMA Assistance Requires Proof of Occupancy"	4	1	Inform residents of documentation required for Federal Disaster Assistance	Floodplain Administrator	On display year-round at Town Hall and distributed at events	FEMA

FLOOD RESPONSE PREPARATION (FRP)

Topics:
1. Know your flood hazard
2. Insure your property for your flood hazard
3. Protect people from the hazard
4. Protect your property from the hazard
5. Build responsibly
6. Protect natural floodplain functions
7. Disaster preparedness
8. Coastal erosion
9. Flood warning
10. What happens after the storm?

Target Audiences:
1. Entire Island
2. V Zone Properties
3. Hispanic Population
4. Gullah-Geechee Communities
5. Rental Community
6. Repetitive Loss Areas
7. Real Estate, Mortgage, and Insurance Companies
8. Prospective Buyers
9. Builders, Contractors, Architects, Surveyors and Landscapers
10. Property Owner Associations
11. Private Sector Partners

OP#	PPI Project Information/Description	Topic #s	Target Audience	Outcome	Assignment	Schedule/Distribution	Stakeholder
FRP #1	**Town of Hilton Head Island Emergency Management Division E-Subscription Service**	1,3,4,9	1	To have no injuries or fatalities related to a flooding event	Emergency Manager	Released at first flood/hurricane notice and as needed during a storm event	N/A
FRP #2	**Press Releases** (Town Website, Facebook, Twitter, Flickr, YouTube)	2,3,4,6,9	1	To have no injuries or fatalities related to a flooding event	Emergency Manager	Released at first flood/hurricane notice and as needed during a storm event	N/A
FRP #3	**Fact Sheet:** "Increased Cost of Compliance"	2,4	1	More complaint structures and increase the number of flood mitigation projects. Increase the number of flood insurance policies and reduce flood claims	Floodplain Administrator	On display year-round at Town Hall and distributed at events	FEMA
FRP #5	**Private Sector Partners Outreach**: The Town's Emergency Manager hosts meeting with local utility companies, medical facilities, security companies and other companies to provide information on hurricane operations, debris management, damage assessment, etc.	7	10	To have no injuries or fatalities related to a flood or disastrous event; More families will be prepared for a disaster; Reduce the number of rescues and calls to 911 for non-threatening emergencies	Emergency Manager and Floodplain Administrator	Once a year prior to hurricane season	N/A

TOWN OF HILTON HEAD ISLAND

Town Council

TO: Town Council
FROM: Marc Orlando, *Town Manager, ICMA-CM*
CC: Dave Byrd, *Finance Director*
DATE: June 9, 2026
SUBJECT: Consideration of an Ordinance Adopting the Consolidated Municipal Budget for the Town of Hilton Head Island for Fiscal Year 2027 Ending June 30, 2027 – Public Hearing and Second Reading

RECOMMENDATION:

Town Council is requested to review and consider the proposed **Fiscal Year 2027 Consolidated Balanced Budget** in projected revenues and scheduled expenditures and encompasses all funds as follows:

- General Fund - **$67,652,550**
- Capital Improvements Program Fund - **$55,205,752:**
  - FY 2026 Carry Forward - **$12,181,755**
  - FY 2027 New Funding - **$41,785,792**
- Debt Service Fund - **$11,513,988**
- Stormwater Utility Fund - **$7,583,334**
- Housing Fund - **$3,211,498**
- Gullah Geechee Historic Neighborhoods Community Development Corporation Fund - **$1,694,756**
- Special Revenues Fund - **$86,422,841**

The Fiscal Year 2027 Consolidated Balanced Budget totals $233,284,719.

Since the First Reading, the following amendments to the Proposed Fund Reserve Policies have occurred, as included in Attachment 1.e:

- **Amendment to the Beach Preservation Fee Fund Reserve Policy** – The proposed minimum balance was revised from the fiscal year ending fund balance amount to a minimum of $40 million. Each year, the Town shall reserve available fund balance amounts exceeding the established minimum with a target reserve balance of $60 million by the end of Fiscal Year 2033 to prepare for the next major beach renourishment project.

- **Amendment to the Natural Disasters Fund Reserve Policy** – The proposed minimum balance was revised from the fiscal year ending fund balance to a

minimum of $36 million. The minimum required fund balance shall increase annually by the amount of unassigned General Fund balance transferred above the 55% General Fund threshold and by investment income earned within the fund. The Natural Disasters Fund shall have no maximum fund balance limitation.

BACKGROUND:

In accordance with the South Carolina Constitution Article X, § 7(b) and South Carolina Code of Laws § 5-13-30(3) and § 5-13-90(2), the Town of Hilton Head Island must adopt a balanced annual budget. As required by § 4-1-20 of the Municipal Code, the Town Manager has prepared this proposed budget for Council's consideration and is responsible for its administration following adoption.

Upon review, Town Council is requested to consider the Fiscal Year 2027 Budget Ordinance on First Reading. The Ordinance, provided in **Attachment 1**, including **Exhibits A through F**, establishes appropriations for all funds included in the Consolidated Budget.

In addition to the six major funds that have been budgeted historically, the Fiscal Year 2027 Consolidated Budget also includes the Special Revenues Fund. The revenues generated support the General, Debt Service, Capital Improvements Program and Housing Funds. The direct expenses in this fund consist primarily of Accommodations Tax grants, Destination Marketing Organization (DMO) funding, beach monitoring, deed processing, and grant expenses.

The Total Consolidated Budget accounts for the roll-up of the six major funds, along with the Special Revenues Fund, which provides a consolidated revenue and expenditure view for the Town, provides a Town-wide balanced budget, and gives a total view of the Town's use of funds.

This change in budgeting practice was implemented to reflect all fund balances for the Town based upon the proposed operating and capital expenditures. Since many of the funding sources for the Capital Improvements Program come from Special Revenues, inclusion of these funds within the Special Revenues Fund budget is required to ensure available fund balance to support these Program expenditures. In addition, operating expenditures within the Special Revenues Fund such as Destination Marketing Organization and State Accommodations Tax Grants are required to be budgeted to provide a total expense budget for the Town.

This proposed consolidated budget provides a strategic and balanced financial plan that advances Town Council's Strategic Action Plan, supports the vision of the 2020 Comprehensive Plan, and is intended to address Hilton Head Island's evolving needs and available resources. It is shaped by the Town's current operational programs and the strategic goals identified by Town Council during the February 2025 Town Council Strategic Planning Workshop and formally adopted during the July 15, 2025 Town Council meeting.

In this regard, the FY 2027 Consolidated Budget supports the following Strategic Action Plan priorities identified by Town Council:

- Protect the Island's Character through Growth Management
- Invest in Stormwater Management Infrastructure
- Enhance Major Corridors and Streets
- Enhance Public Safety Readiness and Facilities
- Support Economic Development and Business Recruitment and Retention
- Assess and Reinforce Island Resilience
- Preserve, Protect, and Celebrate Gullah Geechee Culture and Heritage
- Advance Workforce Housing Opportunities
- Protect and Enhance Environmental Sustainability
- Enhance Community Well-being through Implementation of the Parks and Recreation Master Plan and Program Enhancements

Further, in support of these community priorities, the FY 2027 budget goals are as follows:

- Enhance community amenities, including recreation, leisure, and public facilities;
- Maintain high-quality municipal services delivered efficiently and effectively;
- Foster a workplace culture of innovation, customer service, and employee engagement;
- Invest in transformative capital projects and long-term infrastructure resilience;
- Protect and elevate the Island's identity, including its environmental and cultural assets; and
- Leverage fiscal planning as a tool for progress, innovation, and continuous improvement.

FY27 Proposed Consolidated Budget highlights include:

- **Balanced $233,284,719 budget** across all funds.

- **Revenue Strategy and Fiscal Diversification:**
  - The FY27 budget is built on a foundation of strategic revenue diversification and responsible fiscal planning**,** enabling the Town to advance priorities while maintaining current tax and millage rates to the community.
  - Highlights include:
    - Sustained investment capacity is supported by a diverse portfolio of revenue sources**,** including property taxes, business license fees, accommodation and hospitality taxes, user fees (stormwater, real estate transfer and permits), and return on financial investments**.**
    - Short-term rental (STR) revenue stream which funds enhanced enforcement and compliance driven by the STR program regulations amended by Town Council in October 2025.
    - The proposed budget includes a change in the Fund Balance Reserve Policy across several major funds, including the General

Fund, Beach Preservation Fund, Stormwater Fund, and the Natural Disaster Fund. These adjustments reflect our commitment to strengthening the town's financial position and ensuring adequate resources for long-term sustainability and resilience.

- After executing **$54.0 million** in new bond debt in FY26, planned payments of $15.7 million for the 2026 General Obligation (GO) Bonds, $7.5 million for the 2017 Beach Bonds, as well as regularly scheduled debt payments of $17.5 million, our outstanding debt balance as of June 30, 2027, will be $77.8 million, or **$13.3 million** over the FY25 debt balance.
- As a part of the GO Bond executed in FY26, the Town received Triple A ratings from Moody's, Standard and Poor's, and Fitch based on the following credit financial factors:
  - Growing tax base
  - Growing and diverse non-property tax revenues
  - Prudent fiscal management
  - Strong fund balance
  - High liquidity ratio
- The Town continues to maintain and enhance high-quality services while responding to community needs given the variable economic headwinds in the local economy such as inflation, tariffs and global events. Hilton Head Island continues to be resilient, benefitting from a strong economy and steady revenues, supported by a healthy tax base.
- The Consolidated Budget includes a net usage of fund balance in the amount of $19.9 million, to partially fund the $54.0 million Capital Improvements Program.

- **General Fund - Organizational Capacity, Public Service, and Community Experience:**

  - The FY27 budget reflects the Town's strategic investment in staff capacity, operational excellence, and enhanced quality of life for residents and visitors.

  - Highlights include:

    - **290 Full-Time Positions:** No increase in staff outside of the six new STR positions added in the FY26 Budget Amendment approved on March 31, 2026, by Town Council to support the new Short-Term Rental program compliance regulations.
    - **Personnel:** 6.9% Increase to include –
      - 4% performance-based pay increase (3.2% year-over-year)
      - Class & Compensation Assessment and salary adjustments (approximately 3.6%)
      - Full-year impact of the new STR positions (1%)

- **Operational Efficiencies:** Outside of one-time investments, a 0.5% decrease in General Fund operating expenses versus the FY26 Amended Budget. These targeted decreases in operating expenses were achieved during a time of inflationary pressure by strategic cost reductions and resource optimization without compromising service quality.
- **Town Council:** Consolidation of Townwide legal fees into one account, and appropriate funds for the Calendar Year 2026 Municipal Election.
- **Land Management Modernization:** Continued support for the comprehensive update to the Land Management Ordinance (LMO), enabling more effective land use policy and community development practices.
- **Community Investment and Engagement:** Funding for staff training and development, community events, and expanded cultural programming, including enhanced holiday lighting and seasonal celebrations.
- **Public Space Enhancements:** Targeted improvements to amenities in Town parks and beach parks to elevate recreational opportunities and visitor experience.
- **Technology and Operational Advancements:** Investments in new and existing technology and systems to improve Town operations, transparency, customer service, and responsiveness.
- **Public Safety and Enforcement Support:** Strengthened funding for public safety, including program enhancements for Fire Rescue, Shore Beach Services, and expanded Community Code Enforcement efforts.

- **Affiliated Agency Partnerships**:
    - $2.414 million in funding support ($373.4k / 18.3% increase from the FY 2026 Amended Budget) allocated across nonprofit and community partners through a new comprehensive application and review process. The table below provides an overview of FY 2026 and FY 2027 funding for each affiliated agency. The $2.414 million is included in the FY 2027 budget based on the Finance and Administrative Committee recommendation as follows.

	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2027 Requests	FY 2027 F&A Recommendations	FY26 Amended to FY27 Budget $ Change	FY26 Amended to FY27 Budget % Change
Island Recreation Association	$ 1,252,366	$ 1,252,366	**$ 1,544,682**	**$ 1,544,682**	$ 292,316	23.3%
Coastal Discovery Museum	141,650	141,650	**149,148**	**149,148**	7,498	5.3%
Mitchelville Preservation Project	105,000	105,000	**105,000**	**105,000**	-	0.0%
LRTA (Palmetto Breeze)	350,000	402,528	**433,201**	**433,201**	30,673	7.6%
Beaufort County EDC	42,000	42,000	**42,000**	**42,000**	-	0.0%
Sea Turtle Patrol HHI	97,500	97,500	**94,415**	**94,415**	(3,085)	-3.2%
The Outside Foundation	-	-	**46,000**	**46,000**	46,000	0.0%
Total	**$ 1,988,516**	**$ 2,041,044**	**$ 2,414,446**	**$ 2,414,446**	**$ 373,402**	**18.3%**

- **Capital Improvements Projects Program (CIP) Investments**:
  - **$54.0 million allocated to capital projects, including:**
    - Beach Program - $7.5 million
    - Road Program - $9.7 million
    - Pathway Program - $1.4 million
    - Stormwater Program - $4.2 million
    - Park Program - $17.5 million
    - Facilities and Equipment Program - $8.5 million
    - Fleet Program - $5.0 million
    - Land Acquisition Administration Program - $250k
  - **FY27 CIP Highlights Include:**
    - Crossings Park – Phase 1 Pickleball & Phase 2 Pump Track
    - Patterson Park
    - Northpoint / USPS Access Improvements
    - Spanish Wells Road, Squire Pope Road, Folly Field Road, and Gum Tree Road Vehicle and Pedestrian Safety Improvements
    - Jonesville Barn Renovation
    - Fire Rescue Headquarters Renovation and Relocation of Emergency Operations Center
    - Jarvis Creek Pump Station Pump Replacement
    - Acquisition of two new Fire Rescue Ladder Trucks
- **Stormwater System Investment and Resilience**:
  - The FY27 budget allocates $7.59 million to the Town's stormwater program (without any rate increase) demonstrating a strong commitment to responsible fiscal management and environmental resilience. This funding supports:
    - Increased investment in management, construction, and maintenance of critical stormwater infrastructure.
    - Enhanced program efficiencies to ensure long-term system performance and flood mitigation.

- Ongoing efforts to safeguard water quality, reduce environmental impact, and improve drainage capacity across the Island.
- Completion of the Stormwater Master Plan
- Completion of the Resilience Plan.

- **Gullah Geechee Historic Neighborhoods Community Development Corporation:**

  - Dedicated funding in the amount of $1.69 million to support the Gullah Geechee Historic Neighborhood Community Development Corporation (GGHNCDC) as a key partner in preserving and revitalizing Hilton Head Island's historic neighborhoods. This investment reinforces the Town's commitment to cultural heritage, land retention, and community-led development. Funding will assist with:

    - Quality-of-life enhancements for community residents.
    - Encouraging entrepreneurialism.
    - Preventing gentrification.
    - Assisting in business attraction, expansion, and retention.
    - Providing land planning and development assistance.
    - Pursuing affordable housing opportunities.
    - Identifying infrastructure needs.
    - Providing critical financial opportunities.

- **Workforce Housing Program**:

  - The FY27 budget of $3.21 million continues the Town's strategic commitment to advancing workforce housing opportunities and neighborhood stabilization through targeted public-private partnerships and capital investments. Initiatives include:
    - **Muddy Creek Neighborhood Stabilization ($1.5 million)**: Capital Improvement Projects are based upon neighborhood infrastructure assessment and community feedback. **FY27 Capital Improvement Projects include:**
      - Stormwater maintenance, ditch clearing, and roadway/landscape improvements on Muddy Creek Road and Bryant Road
      - Construct new sidewalks along Muddy Creek Road (west side), Bryant Road and Muddy Creek Court intersections
      - Add multiple crosswalks along Muddy Creek Road, Bryant Road, and Muddy Creek Court intersections
      - Install neighborhood identification, wayfinding, and crosswalk signage
      - Add lighting at crosswalks; consider bollard lighting along sidewalks and pathways, pending community input

- **FY27 Next Steps**:
- Develop concept drawings
- Meet with Muddy Creek neighborhood residents for review & feedback – Q1/FY27
- Begin engineering design, complete final design, permitting, and implementation

- **Bryant Road Public-Private-Partnership and Other Housing Initiatives ($1 million)**: Advances the Bryant Road public-private partnership project along with various workforce housing efforts.
- **Transfer to Housing Fund Balance for Future Housing Needs ($620k):** Town Council approved State Accommodations Tax Policy equaling 5% of the Revenues after the first $25k.

FISCAL YEAR 2027 PROPOSED CONSOLIDATED BUDGET:

The proposed Fiscal Year 2027 Consolidated Budget is outlined below and highlights each separate fund as follows:

A. General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Its primary operating expenditures are general government, administrative services, public safety, fire rescue, community services, and public projects and facilities. Principal sources of revenue are property taxes, business licenses, local accommodations tax, permit fees, and interest earnings. Other financing sources, which are used to support many of the general operations and expenses of the Town government, include transfers of revenue from Beach Preservation Fee, State Accommodations Tax, Hospitality Tax, Short-Term Rental Permit Fee, Electric Franchise Fee, and Stormwater Fee. These combined revenues support the operations and expenses of the General Fund.

The proposed Fiscal Year 2027 budget includes the following Ambulance Service Fee increases as per Town Code, these rates are to be set at 150% or above the most recent Medicare fee schedule:

Billing Category	**Rate**
BLS- Basic Life Support- Non-emergency	$460 plus $17.25/mile
BLS- Basic Life Support- Emergency	~~$626 plus $17.25/mile~~ $660 plus $17.25/mile
ALS-1- Advanced Life Support- Non-emergency	$520 plus $17.25/mile
ALS-1- Advanced Life Support- Level 1 Emergency	~~$745 plus $17.25/mile~~ $785 plus $17.25/mile
ALS-2- Advanced Life Support- Level 2	~~$1076 plus $17.25/mile~~ $1,135 plus $17.25/mile
Treatment- No Transport - BLS	$100 per incident

Treatment- No Transport - ALS	$175 per incident

For Fiscal Year 2027, the following schedules show the General Fund budget as compared to the Fiscal Year 2026 amended budget as follows:

General Fund	2026 Amended Budget	2027 Budget
Town Council & Town Attorney	434,814	669,905
Town Manager & Deputy Town Manager	1,673,536	1,611,579
Finance	3,427,169	3,550,499
Human Resources	965,911	881,545
Community Engagement	644,312	651,857
Office of Cultural Affairs	386,649	401,491
Information Technology & CIO	4,628,241	4,908,170
Communications	736,530	797,521
Engineering & Projects	1,088,503	774,108
Capital Projects	653,299	1,067,569
Facilities Maintenance	8,231,362	7,337,248
Assistant Town Manager - Operations	271,974	624,002
Planning Administration	463,328	522,492
Inspections & Compliance	1,462,155	1,274,842
Development Review and Zoning	681,480	693,027
Community Development Services	1,056,927	1,084,301
Community Planning	911,628	755,224
Workforce Housing	-	137,821
Fire Rescue	24,058,488	24,772,830
Public Safety	1,506,361	2,394,015
Townwide	4,178,186	6,214,210
Townwide Community Events	663,862	638,862
Affiliated Agency Partnerships	2,041,044	2,414,446
Transfers Out	197,049	3,474,986
Total General Fund	**60,362,808**	**67,652,550**

B. Capital Improvements Program Fund

The Town's Capital Improvements Program Fund is used to account for and report on financial resources that are restricted, committed, or assigned for the acquisition, construction, or renovation of major capital facilities; ongoing major capital improvement projects; and major equipment or other capital asset acquisitions including land acquisition which are not financed by another fund. The Capital Improvements Program (CIP) is the Town's program for planning capital improvement needs identified in the Comprehensive Plan, and other adopted Town Plans, and align those needs to forecasted revenues for the current and up-coming Fiscal Years.

The South Carolina Local Government Comprehensive Planning Enabling Act of 1994 requires that all local governments who have adopted a Comprehensive Plan, inclusive of a Priority Investment chapter, must present the annual CIP budget to the local Planning Commission for its review and recommendation of the Program's elements. The proposed Fiscal Year 2027 CIP projects were presented to the Planning Commission on April 15, 2026, and are enclosed in **Attachment 1** - **Exhibit B,** which also includes Fiscal Years 2027 – 2031 Capital Improvements Program Priorities. The FY 2027 funding source for each Capital Improvement Project is shown in **Attachment 1** - **Exhibit C.**

A schedule showing the proposed Fiscal Year 2027 CIP budget as compared to the FY 2026 amended CIP budget is shown as follows:

Capital Improvements Program Fund	2026 Amended Budget	2027 Budget
Beach Program	49,019,119	7,449,119
Pathway Program	1,650,000	1,418,937
Roadway Program	8,656,486	9,701,553
Park Program	12,439,243	17,451,552
Facility and Equipment Program	5,870,272	8,510,800
Stormwater Program	7,104,326	4,205,586
Fleet Program	2,644,838	4,980,000
Land Acquisition and Administration Program	10,331,300	250,000
Total Capital Improvements Program	**97,715,584**	**53,967,547**
Transfer to Capital Fund Balance	-	1,238,205
Total Capital Improvements Program Expenditures	**97,715,584**	**55,205,752**

C. Debt Service Fund

The Town's Debt Service Fund accounts for the financial resources that are restricted or committed to expenditures for, and the payment of, principal and interest on the Town's general long-term obligation debt, bonds, or other similar debt issued in support of its governmental activities.

For Fiscal Year 2027, a schedule showing the Debt Service budget as compared to the 2026 amended budget is proposed as follows:

Debt Service Fund	2026 Amended Budget	2027 Budget
Principal	7,325,000	8,605,000
Interest	1,915,793	2,888,988
Other	17,600	20,000
Anticipated Debt Costs	14,330,888	-
Callable Special Obligation Beach Bond	7,495,000	-
Total Debt Service Fund	**31,084,281**	**11,513,988**

D. Stormwater Utility Fund

The Town's Stormwater Utility Fund is used to account for revenues generated from stormwater utility fees that support the Town's Municipal Separate Storm Sewer System Program, also known as MS4, and its management of stormwater discharges into federal, state, and local waters. The Town strives to protect surrounding water bodies and enhance the natural resources by improving water quality through the promotion and implementation of effective stormwater management practices, regulation of land development, collaboration with regional jurisdictions, along with public education and outreach through its Stormwater Management Program.

The Fiscal Year 2027 Budget includes strategic use of interfund transfers to support both operational needs and long-term capital priorities. It includes a transfer of $375,000 from the Stormwater Fund to the General Fund to provide operational support for stormwater-related support staff and street sweeping services, ensuring effective alignment between day-to-day functions and the Town's broader resilience objectives. Also, a transfer of $4,205,586 from the Stormwater Fund to the Capital Improvements Program (CIP) is included to support corrective maintenance and infrastructure improvement projects. These funds also enable reimbursements to active drainage agreement partners, reinforcing the Town's commitment to collaborative stormwater management and sustainable infrastructure investment.

For Fiscal Year 2027, a schedule showing the Stormwater Utility budget as compared to the 2026 amended budget is proposed as follows:

Stormwater Utility Fund	2026 Amended Budget	2027 Budget
Personnel and Benefits	916,066	792,020
Debt Service	42,851	24,176
Operations	1,290,480	1,178,215
Maintenance, Modeling and Monitoring	2,190,000	1,008,337
Transfer to General Fund	350,000	375,000
Transfer to Capital Improvements Fund	6,350,880	4,205,586
Total Stormwater Fund	**11,140,277**	**7,583,334**

E. Housing Fund

The Fiscal Year 2027 Budget reflects an accounting of housing-related expenditures to align with program objectives. In Fiscal Year 2026, the Town completed its funding obligation for the Northpoint Public Private Partnership. In Fiscal Year 2027, the Town will focus on implementation of the Muddy Creek Neighborhood Stabilization and Bryant Road projects. Additionally, Housing Operations and Personnel expenses are being covered by the General Fund in Fiscal Year 2027.

The following schedule shows the 2027 Housing Fund budget as compared to the 2026 adopted budget is proposed as follows:

Housing Fund	2026 Budget	2027 Budget
Northpoint Housing	1,000,000	-
Muddy Creek Neighborhood Stabilization	1,500,000	1,500,000
Bryant Road	1,000,000	1,000,000
Beaufort Jasper Housing Trust Dues	181,088	91,882
Workforce Housing Operations	102,717	-
Workforce Housing Personnel	194,332	-
Subtotal Housing Fund	**3,978,137**	**2,591,882**
Transfer to Housing Fund Balance	-	619,616
Total Housing Fund	**3,978,137**	**3,211,498**

F. Gullah Geechee Historic Neighborhoods Community Development Corporation

The Town Council created the Gullah Geechee Historic Neighborhoods Community Development Corporation to serve the Town's historic neighborhoods identified as Bay Gall, Big Hill, Chaplin, Gardner, Grassland, Jarvis, Jonesville, Marshland, Mitchelville, Spanish Wells, Squire Pope, and Stoney areas of the Island. This action was taken to address significant threats to these areas due to a sustained and continuing absence of viable economic opportunities, lack of access to safe, respectable, and quality affordable

housing options, limited access to critical skills, training, and education programs. The revenues identified within this Fund will be used to support the operations of the Corporation as well as implementing its adopted Strategic Plan.

At its March 2026 meeting, the Board of Directors for the Gullah Geechee Historic Neighborhoods Community Development Corporation voted unanimously to endorse the proposed budget that is contained with this Staff Memorandum and corresponding Budget Ordinance.

For Fiscal Year 2027, the Gullah Geechee Historic Neighborhoods Community Development Corporation budget as compared to the 2026 adopted budget is proposed as follows:

Gullah Geechee Historic Neighborhoods Community Development Corporation (GGHNCDC) Fund	**2026 Budget**	**2027 Budget**
Personnel and Benefits	212,801	359,026
Operating	39,592	74,520
Professional Services	204,210	111,210
Grants and Incentives Loans	1,500,000	125,000
Capital Outlay and Land Acquisition	1,250,000	1,000,000
Project Expenses and Contingency	80,000	25,000
Total GGHNCDC Fund	**3,286,603**	**1,694,756**

G. Special Revenues Fund

The Special Revenues Fund is used to account for local taxes and fees including State Accommodations Tax, Hospitality Tax, Beach Preservation Fees, Real Estate Transfer Fees, Palmetto Electric Franchise Fees, Short-Term Rental Permit Fees, and Grants. The revenues generated support the General, Debt Service, Capital Improvements, and Housing Funds. The direct expenses in this fund consist primarily of Accommodations Tax grants, Destination Marketing Organization funding, beach monitoring, deed processing, and grant expenses.

For Fiscal Year 2027, the Special Revenues Fund budget as compared to the 2026 Projection is proposed as follows:

Special Revenues Fund	2026 Budget*	2026 Projection	2027 Budget
Operating Expenditures	-	536,096	664,564
Accommodations Tax Grants	-	4,076,992	4,089,462
Destination Marketing Organization (DMO)	-	3,785,976	3,717,693
Transfer to General Fund	-	13,093,959	16,236,626
Transfer to Capital Improvements Program Fund	-	40,611,857	46,104,356
Transfer to Debt Service Fund	-	12,792,678	4,484,733
Transfer to Housing Fund	-	1,000,000	619,616
Transfer to Fund Balance	-	9,494,253	10,505,791
Total Special Revenues Fund	**-**	**85,391,811**	**86,422,841**

*As mentioned previously, for FY 2026 the Town did not budget the Special Revenues Fund. The FY 2026 Projection is being utilized for comparison purposes.

H. Additional Considerations

The proposed Fiscal Year 2027 Budget provides for additional considerations that are important to highlight as part of this Memorandum. These considerations include the following:

1. Funded positions are identified in the Fiscal Year 2027 Budget Ordinance and consist of 290 full-time employees, and 16 part-time employees (excluding Town Council members). This represents no increase from the amended Fiscal Year 2026 Budget.

2. All budget transfer and supplements for the six major funds shall be made in conformance with the Town's budget policies consistent with FY 2026 (in FY 2027 we have added a policy for the Special Revenues Fund) and as outlined herein:

   A. General Fund. The General Fund budgetary authority is to be adopted at the departmental level with the exception that the Town Manager, or designee, shall have the authority to transfer funds across departmental accounts to implement staff reorganizations and salary adjustments. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

   B. Capital Improvements Program Fund. The Capital Improvements Program Fund is to be adopted at the program level. The Town Manager, or designee, shall have the authority to transfer appropriated funds between projects within each program category identified in the Capital Improvement Program Fund if the project(s) fall under the same functional program category. The appropriated projects under the Capital Improvement Program Fund are on a multi-year project basis and are effective as of July 1, 2026, and shall be reappropriated each new fiscal year until the project is complete but said appropriations are subject to cancellation or amendment by the Town Council as may be in the best interest of the Town.

C. Debt Service Fund. The Debt Service Fund is to be adopted at the fund level and does not contain additional provisions for the transfers of budgeted funds within this fund.

D. Stormwater Fund. The Stormwater Fund is to be adopted at the fund level. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

E. Housing Fund. The Housing Fund is to be adopted at the fund level and does not contain additional provisions for the transfers of budgeted funds within this fund.

F. Gullah Geechee Historic Neighborhoods Community Development Corporation. The Gullah Geechee Historic Neighborhoods Community Development Corporation Fund is to be adopted at the fund level. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

G. Special Revenues Fund. The Special Revenues Fund is to be adopted at the fund level and does not contain additional provisions for the transfers of budgeted funds within this fund.

For all funds, all outstanding encumbrances as of June 30, 2026, will carry forward into Fiscal Year 2027 to the same department, account, or project for which they are encumbered in Fiscal Year 2026 subject to approval by the Town Council via an appropriate budget amendment.

I. Fund Reserve Policy

The proposed Fiscal Year 2027 Budget provides for updates to the Fund Reserve Policy. These considerations include the revisions shown in **Attachment 1 - Exhibit E** and as follows:

The Fund Reserve Policy reaffirms the following:

- The Real Estate Transfer Fee Fund Reserve is maintained at a minimum of $1.0 million.
- The Hospitality Tax Reserve is maintained at a minimum of $5.0 million.

The Fund Reserve Policy includes the following revisions:

- The General Fund Operating Reserve policy is being modified from a lower limit of 40% to a lower limit of 50% of next year's budget and an upper limit of 55% of next year's budget. This action recognizes Town Council's commitment to prudent

operations, strong reserves, strong bond ratings and strong emergency preparedness.

- Proceeds from the sale of the Modern Classic Motors site of $4.3 million will be added to the Capital Reserves for future economic development purposes.
- The Beach Preservation Reserve has been increased from a minimum of $20.0 million to a minimum of $40.0 million. Each year, the Town shall reserve available fund balance amounts exceeding the established minimum with a target reserve balance of $60.0 million by the end of Fiscal Year 2033 to prepare for the next major beach renourishment project. Based upon FY 2027 projections, the anticipated fund balance reserve is expected to be $42,845,384 at June 30, 2027, however this amount could change depending on actual revenues and expenditures.
- The Stormwater Utility Fund Reserve of a minimum of $5.0 million has been calibrated to $3 million to cover one-year operating expenses.
- The Stormwater Utility Fund Net Asset Reserve has been added to reflect the calculated net assets at the end of the fiscal year.
- The Natural Disaster Reserve shall maintain a minimum fund balance of $36 million to support emergency preparedness, disaster response, storm recovery, and community resiliency needs. The minimum required fund balance shall increase annually by the amount of unassigned General Fund balance transferred above the 55% General Fund threshold and by investment income earned within the fund. Based upon FY 2027 projections, the anticipated fund balance reserve is expected to be $39,745,965 at June 30, 2027, however this amount could change depending on actual revenues and expenditures.

ANNUAL BUDGET ADOPTION PROCESS:

Pursuant to § 5-13-90(2) of the South Carolina Code of Laws and § 2-9-40(2) of the Municipal Code for the Town of Hilton Head Island, the Town Manager is charged with presenting a balanced budget for review by the Town Council beginning in May as part of the annual budget adoption process. The Town Manager and financial staff developed the FY 2027 budget with feedback and collaboration from department heads.

The schedule for review and adoption of the budget is as follows:

- Notice of First Public Hearing on Fiscal Year 2027 Budget Published -- April 26, 2026
- First Public Hearing on Fiscal Year 2027 Budget – May 12, 2026
- First Reading of Budget Ordinance – May 12, 2026
- Budget Workshop on the General Fund, Debt Service Fund, Housing Fund, Gullah Geechee Historic Neighborhoods Community Development Corporation Fund, and Special Revenues Fund – May 14, 2026
- Budget Workshop on the CIP Fund, Stormwater Utility Fund, and Consolidated Budget – May 19, 2026
- Notice of Second Public Hearing on Fiscal Year 2027 Budget Published – May 24, 2026

- Second Public Hearing on Fiscal Year 2027 Budget – June 9, 2026
- Second Reading of Budget Ordinance – June 9, 2026

The Town Manager therefore provides this proposed Fiscal Year 2027 Consolidated Budget to fulfill this obligation and recommends this budget to Town Council for its adoption for the Fiscal Year ending June 30, 2027.

ATTACHMENTS:

1. Proposed Fiscal Year 2027 Budget Ordinance
   a. Exhibit A – Link to Fiscal Year 2027 Consolidated Budget Summary
   b. Exhibit B – Fiscal Year 2027 Capital Improvements Program Budget and Fiscal Years 2027-2031 Capital Improvements Program Priorities
   c. Exhibit C – Fiscal Years 2027 Capital Improvements Project Funding Sources
   d. Exhibit D – Town of Hilton Head Island Staff 2027 Holiday Schedule
   e. Exhibit E – Fund Reserve Policy
   f. Exhibit F – Town of Hilton Head Island Master Fee Schedule

2. DRAFT Fiscal Year 2027 Consolidated Budget Presentation

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

ORDINANCE NO. _____

AN ORDINANCE TO RAISE REVENUES, PROVIDE FOR EXPENDITURES, AND ADOPT A CONSOLIDATED BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2027; TO ESTABLISH A PROPERTY TAX LEVY; TO ESTABLISH VARIOUS FUNDS; TO ESTABLISH A POLICY FOR ACQUISITION OF RIGHTS OF WAY AND EASEMENTS; 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, Town Council desires to identity its operating and capital budgets for the upcoming fiscal year, to set aside any remaining funds into its reserve accounts, to provide for emergency-related expenditures, and to offset any prior fiscal year tax revenue income stream deficiencies; and

WHEREAS, Town Council finds that it is economical and efficient to authorize the Town Manager to move forward with construction contract modifications, change orders, contract price adjustments, and execution of contracts for supplies, services, and construction where the contract amount involved does not exceed budget funds either as approved by Town Council or from a transfer of funds as provided for within this Consolidated Municipal Budget; and

WHEREAS, the Town Council finds that the proposed budget of estimated revenues and expenditures shows fiscally responsible and appropriate levels staffing for the Town in order to carry out the work program established by the Town Manager, and includes fiscally responsible and appropriate levels of funding for the Town's capital improvements projects, maintenance and operation of public facilities, permitting, review, inspections and compliance for development, building and short term rentals and business licenses, Fire, Rescue and EMS operations, stormwater and beach management, code enforcement, parking and public safety operations, affiliated agency operations, and other Town operations and Town projects identified in the proposed budget; and,

WHEREAS, the Town Council finds that the proposed budget demonstrates a fiscally responsible use of the various funds established in the proposed budget including the General Fund, the Capital Improvements Program Fund, the Debt Service Fund, the Stormwater Utility Fund, the Housing Fund, the Gullah Geechee Historic Neighborhoods Community Development Corporation Fund and the Special Revenues Fund; and,

WHEREAS, the Town Council finds that the proposed budget maintains/increases the Town's Reserve Fund balances, which is a fiscally responsible and appropriate method of having funds on hand to address unexpected and future needs of the Town; and,

WHEREAS, the Town Council finds that the proposed tax levy in the amount of 19.4 mills, the same as the tax levy for fiscal year 2026, and the Town Council finds that the proposed tax levy in the amount of 19.4 mills is a fiscally responsible and appropriate imposition for fiscal year 2027; and,

WHEREAS, the Town Council finds that adoption of the proposed budget for fiscal year 2027 is in the best interests of the Town, and that adoption of the proposed budget for fiscal year 2027 will promote the health, safety, convenience and general welfare of the Town and its citizens, residents, visitors, property owners and business owners.

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. Adoption of the Budget. The prepared budget of estimated revenues and expenses, a copy of which is attached hereto and incorporated herein as **Exhibit A**, consisting of a consolidated budget in the amount of $233,284,719 estimated revenues and estimated expenses is hereby adopted as the budget for the Town of Hilton Head Island for the fiscal year ending June 30, 2027.

Through the adoption of this budget, the Town Manager is hereby authorized to employ a total of 290 full-time employees, and 16 part-time employees which are hereby deemed funded positions. The Town Manager shall be authorized to amend his or her organizational structure to add, remove, or to reassign individuals to new or alternative roles within the organization so long as the cumulative number of funded positions identified above are not exceeded within the respective categories of full-time, or part-time employees.

The General Fund budgetary authority is hereby adopted at the Fund level as follows.

General Fund	2026 Amended Budget	2027 Budget
Town Council & Town Attorney	434,814	669,905
Town Manager & Deputy Town Manager	1,673,536	1,611,579
Finance	3,427,169	3,550,499
Human Resources	965,911	881,545
Community Engagement	644,312	651,857
Office of Cultural Affairs	386,649	401,491
Information Technology & CIO	4,628,241	4,908,170
Communications	736,530	797,521
Engineering & Projects	1,088,503	774,108
Capital Projects	653,299	1,067,569
Facilities Maintenance	8,231,362	7,337,248
Assistant Town Manager - Operations	271,974	624,002
Planning Administration	463,328	522,492
Inspections & Compliance	1,462,155	1,274,842
Development Review and Zoning	681,480	693,027
Community Development Services	1,056,927	1,084,301
Community Planning	911,628	755,224
Workforce Housing	-	137,821
Fire Rescue	24,058,488	24,772,830
Public Safety	1,506,361	2,394,015
Townwide	4,178,186	6,214,210
Townwide Community Events	663,862	638,862
Affiliated Agency Partnerships	2,041,044	2,414,446
Transfers Out	197,049	3,474,986
Total General Fund	**60,362,808**	**67,652,550**

A schedule showing the Fiscal Year 2027 Capital Improvements Program, which includes priority recommendations from the Planning Commission, and Fiscal Years 2027 – 2031 Capital Improvements Program Priorities, is attached hereto and incorporated by reference as **Exhibit B.** A schedule showing the funding sources for the Fiscal Year 2027 Capital Improvement Projects is shown as **Exhibit C.** The Capital Improvements Program Fund is hereby adopted at the Fund level as follows:

Capital Improvements Program Fund	2026 Amended Budget	2027 Budget
Beach Program	49,019,119	7,449,119
Pathway Program	1,650,000	1,418,937
Roadway Program	8,656,486	9,701,553
Park Program	12,439,243	17,451,552
Facility and Equipment Program	5,870,272	8,510,800
Stormwater Program	7,104,326	4,205,586
Fleet Program	2,644,838	4,980,000
Land Acquisition and Administration Program	10,331,300	250,000
Total Capital Improvements Program	**97,715,584**	**53,967,547**
Transfer to Capital Fund Balance	-	1,238,205
Total Capital Improvements Program Expenditures	**97,715,584**	**55,205,752**

The Debt Service Fund budget includes scheduled debt payments, enabling the Town to manage debt proactively while supporting critical infrastructure investments. The Debt Service Fund is hereby adopted at the Fund level as follows:

Debt Service Fund	2026 Amended Budget	2027 Budget
Principal	7,325,000	8,605,000
Interest	1,915,793	2,888,988
Other	17,600	20,000
Anticipated Debt Costs	14,330,888	-
Callable Special Obligation Beach Bond	7,495,000	-
Total Debt Service Fund	**31,084,281**	**11,513,988**

The Stormwater Utility Fund is hereby adopted at the Fund level as follows:

Stormwater Utility Fund	2026 Amended Budget	2027 Budget
Personnel and Benefits	916,066	792,020
Debt Service	42,851	24,176
Operations	1,290,480	1,178,215
Maintenance, Modeling and Monitoring	2,190,000	1,008,337
Transfer to General Fund	350,000	375,000
Transfer to Capital Improvements Fund	6,350,880	4,205,586
Total Stormwater Fund	**11,140,277**	**7,583,334**

The Housing Fund is hereby adopted at the Fund level as follows:

Housing Fund	2026 Budget	2027 Budget
Northpoint Housing	1,000,000	-
Muddy Creek Neighborhood Stabilization	1,500,000	1,500,000
Bryant Road	1,000,000	1,000,000
Beaufort Jasper Housing Trust Dues	181,088	91,882
Workforce Housing Operations	102,717	-
Workforce Housing Personnel	194,332	-
Subtotal Housing Fund	**3,978,137**	**2,591,882**
Transfer to Housing Fund Balance	-	619,616
Total Housing Fund	**3,978,137**	**3,211,498**

The Gullah Geechee Historic Neighborhoods Community Development Corporation Fund is hereby adopted at the Fund level as follows:

Gullah Geechee Historic Neighborhoods Community Development Corporation (GGHNCDC) Fund	2026 Budget	2027 Budget
Personnel and Benefits	212,801	359,026
Operating	39,592	74,520
Professional Services	204,210	111,210
Grants and Incentives Loans	1,500,000	125,000
Capital Outlay and Land Acquisition	1,250,000	1,000,000
Project Expenses and Contingency	80,000	25,000
Total GGHNCDC Fund	**3,286,603**	**1,694,756**

The Special Revenues Fund is hereby adopted at the Fund level as follows:

Special Revenues Fund	2026 Budget*	2026 Projection	2027 Budget
Operating Expenditures	-	536,096	664,564
Accommodations Tax Grants	-	4,076,992	4,089,462
Destination Marketing Organization (DMO)	-	3,785,976	3,717,693
Transfer to General Fund	-	13,093,959	16,236,626
Transfer to Capital Improvements Program Fund	-	40,611,857	46,104,356
Transfer to Debt Service Fund	-	12,792,678	4,484,733
Transfer to Housing Fund	-	1,000,000	619,616
Transfer to Fund Balance	-	9,494,253	10,505,791
Total Special Revenues Fund	**-**	**85,391,811**	**86,422,841**

Section 2. Establishment of Property Tax Levy. A tax to cover the period from July 1, 2026 through June 30, 2027, inclusive, for the sums and in the manner hereinafter mentioned, is and shall be, levied, collected and paid into the treasury of the Town of Hilton Head Island for its uses at a millage (mill) rate on assessed value of real estate and personal property of every description owned in the Town of Hilton Head Island, except such property as is exempt from taxation under the Constitution and laws of the State of South Carolina. Said tax levy shall be paid into the Town Treasury for the credit of the Town of Hilton Head Island for its corporate purposes, for the purpose of paying current operational expenses of the said municipality in the amount of **14.3 mills** and Debt Service in the amount of **5.1 mills** making the total levy for Fiscal Year 2026 of **19.4 mills**.

Section 3. Establishment of Budgeted Funds. To facilitate operations, there shall be established and maintained a General Fund, a Capital Improvements Program Fund, a Debt Service Fund, a Stormwater Utility Fund, a Housing Fund, a Gullah Geechee Historic Neighborhood Community Development Corporation Fund, and a Special Revenues Fund, and such other appropriate funds in such amounts as are provided for in this Budget, or as hereafter modified pursuant to appropriate Town Council action.

Section 4. Other Funds. The Natural Disaster Fund, as part of the Special Revenues Fund, is limited to activity related to an officially declared emergency. This fund captures the financial activities from declared disasters, reimbursements from state and federal agencies and holds funds set aside for future emergencies.

Section 5. Transfer of Funds. All budget transfers and supplements shall be made in conformance to the Town's budget policies as outlined herein:

A. General Fund. The General Fund budgetary authority is to be adopted at the departmental level with the exception that the Town Manager, or designee, shall have the authority to transfer funds across departmental accounts to implement staff reorganizations and salary adjustments. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this Fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

B. Capital Improvements Program Fund. The Capital Improvements Program Fund is to be adopted at the program level. The Town Manager, or designee, shall have the authority to transfer appropriated funds between projects within each program category identified in the Capital Improvement Program Fund if the project(s) fall under the same functional program category. The appropriated projects under the Capital Improvements Program Fund are on a multi-year project basis and are effective as of July 1, 2026, and shall be reappropriated each new fiscal year until the project is complete but said appropriations are subject to cancellation or amendment by the Town Council as may be in the best interest of the Town.

C. Debt Service Fund. The Debt Service Fund is to be adopted at the Fund level and does not contain additional provisions for the transfers of budgeted funds within this Fund.

D. Stormwater Fund. The Stormwater Fund is to be adopted at the Fund level. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this Fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

E. Housing Fund. The Housing Fund is to be adopted at the Fund level and does not contain additional provisions for the transfers of budgeted funds within this Fund.

F. Gullah Geechee Historic Neighborhoods Community Development Corporation. The Gullah Geechee Historic Neighborhoods Community Development Corporation Fund is to be adopted at the Fund level. Additionally, the Town Manager, or designee, shall have the authority to transfer up to $100,000 within this Fund as may be necessary to achieve the goals of the budget; larger transfers will require Town Council approval.

G. Special Revenues Fund. The Special Revenues Fund is to be adopted at the Fund level and does not contain additional provisions for the transfers of budgeted funds within this Fund.

For all Funds, all outstanding encumbrances as of June 30, 2026, will carry forward into Fiscal Year 2027 to the same department, account, or project for which they are encumbered in Fiscal Year 2026 subject to approval by the Town Council via an appropriate budget amendment.

Section 6. Affiliated Agency Funding. This budget provides funding for entities identified as Affiliated Agents of the Town. Affiliated Agents are those entities who serve as an integral partner who is contracted by the Town to deliver public services on the Town's behalf instead of the Town providing those services directly. By virtue of adopting this budget, the Town hereby states that the services to be provided under the Affiliated Agency program will benefit the public by virtue of the nature of the services to be provided, that the public will be the primary beneficiary of such service, that the services are not of a speculative nature and are well defined in terms of the benefits to be provided to the public, and that on balance, the services to be provided will ultimately serve a public interest as compared to any ancillary benefit to a private party or entity.

For Fiscal Year 2027, the Town's Finance and Administrative Committee voted on March 9, 2026, to recommend funding as displayed in the table below for Affiliated Agencies in the cumulative amount of $2,414,446 and is included in the General Fund in Section 1 under Affiliated Agency Partnerships.

Affiliated Agencies	2026 Amended Budget	2027 Budget
Island Recreation Association	1,252,366	1,544,682
Coastal Discovery Museum	141,650	149,148
Mitchelville Preservation Project	105,000	105,000
LRTA (Palmetto Breeze)	402,528	433,201
Beaufort County EDC	42,000	42,000
Sea Turtle Patrol HHI	97,500	94,415
The Outside Foundation	-	46,000
Total Affiliated Agencies	**2,041,044**	**2,414,446**

Section 7. Acquisition of Rights of Way and Easements. The Town Manager is charged with the duty of executing all necessary documents to obtain rights of way, easements, and other property interests necessary to complete duly authorized Capital Improvement Projects.

Capital Improvement Projects, based on the ownership and life expectancy of the assets or improvements or based on the funding source authorized, may be budgeted in the General, Capital Improvements Program or Stormwater Funds. If expenditures are expressly authorized for an approved Capital Improvement Project in any of the budgeted funds, then the Town Manager is hereby authorized to execute all necessary documents and to expend such funds as are approved pursuant to the Capital Improvements Program Budget. Provided, however, if the costs of acquisition of such real property interests materially exceed the amount budgeted in the approved Capital Improvement Project and the Town Manager is unable to move sufficient additional funds from other authorized sources, the Town Manager shall be required to obtain the approval of Town Council for such additional expenditures. Nothing herein shall obviate the requirement that no condemnations shall be commenced without the appropriate approval of the Town Council for the Town of Hilton Head Island.

Section 8. Holiday Schedule. As part of the adoption of the Budget, the Town Council approves the Town of Hilton Head Island Staff 2027 Holiday Schedule in accordance with the schedule shown in **Exhibit D**.

Section 9. Approval of State Accommodation Tax. State Accommodations Tax is budgeted as part of the Special Revenues Fund. The Town's General Fund Budget is relying on State Accommodation Tax (State ATAX) revenues for the operation of the Town in accordance with the Tourism Expenditure Review Committee guidelines in the amount of $3,123,078. This amount is inclusive of the amounts as provided by State Law formulas

($25,000 and 5% of State ATAX collections) and is hereby approved with this budget. Town Council also authorizes tourism related capital projects from State Accommodations Taxes in accordance with the Tourism Expenditure Review Committee guidelines for parks, facilities, and equipment in the amount of $5,410,921 in the Town's Capital Improvements Program for 2026-2027 plus any carryforward of capital projects from the 2025-2026 Capital Improvements Program budget. The Town Council also authorizes workforce housing related projects from State Accommodations Taxes in accordance with South Carolina law and the Tourism Expenditure Review Committee guidelines in the amount of $619,616 in the Town's Housing Fund for 2026-2027.

Section 10. Financial Policies GFOA Updates. The Government Finance Officers Association publishes best practices financial policies. The Town reviews the applicability of those policies and incorporates many of those into the Town's policies. These are published annually in the budget document. Subjects addressed are:

1. Measurement Focus and Basis of Accounting
2. Fund Reserve
3. Grants
4. Debt Management
5. Investment
6. Accounting and Financial Reporting
7. Risk Management and Internal Controls
8. Procurement
9. Long-Term financial planning
10. Structurally balanced budget
11. Capital Assets
12. Capital Improvements Plan
13. Revenues
14. Expenditures
15. Operating Budget
16. Municipal Check Signing

As part of the adoption of the Budget, the Town Council approves a revised Fund Reserve Policy as shown in **Exhibit E**.

The Fund Reserve Policy reaffirms the following:

1. The Real Estate Transfer Fee Fund Reserve is maintained at a minimum of $1.0 million.
2. The Hospitality Tax Reserve is maintained at a minimum of $5.0 million.
3. The Long-Term General Obligation Debt Limit is maintained at 8% of the total assessed value of taxable property located within that government's boundaries. The Town may incur General Obligation Debt over the eight percent (8%) limit when approved by a majority vote in a referendum as authorized by law. In addition, Town Council has imposed an 80% cap on this amount. The remaining 20% is reserved for additional bonding associated with disaster recovery.

The Fund Reserve Policy includes the following revisions:

1. The General Fund Operating Reserve policy shall be a lower limit of 50% of the next year's budgeted expenditures and an upper limit of 55% of next year's budgeted expenditures. This action recognizes Town Council's commitment to support fiscal stability, emergency preparedness, cash flow needs, and long-term financial resiliency. Any unassigned General Fund balance exceeding 55% at fiscal year-end shall be transferred to the Natural Disasters Fund. Encumbered or assigned amounts appropriated for expenditure in the subsequent fiscal year shall be excluded from the excess fund balance calculation and shall not be transferred.
2. Proceeds from the sale of the Modern Classic Motors site will be added to the Capital Reserves for future economic development opportunities.
3. The Town shall maintain a minimum Beach Preservation Fee Fund balance of $40 million to support long-term shoreline protection, beach renourishment, and coastal resiliency initiatives. Each fiscal year, the Town shall reserve available fund balance amounts exceeding the established minimum with a target reserve balance of $60 million by the end of Fiscal Year 2033 to prepare for the next major beach renourishment project. Based upon FY 2027 projections, the anticipated fund balance reserve is expected to be $42,845,384 at June 30, 2027, however this amount could change depending on actual revenues and expenditures. Reserved funds shall be used solely for expenditures detailed in the Fund Reserve Policy and approved by the Town Council of Hilton Head Island.
4. The Stormwater Utility Fund Reserve of a minimum of $5.0 million has been calibrated to $3.0 million.
5. The Stormwater Utility Fund Net Asset Reserve has been added to reflect the calculated net assets at the end of the fiscal year.
6. The Town shall maintain a minimum Natural Disasters Fund balance of $36 million to support emergency preparedness, disaster response, storm recovery, and community resiliency needs. The minimum required fund balance shall increase annually by the amount of unassigned General Fund balance transferred above the 55% General Fund threshold and by investment income earned within the fund. Based upon FY 2027 projections, the anticipated fund balance reserve is expected to be $39,745,965 at June 30, 2027, however this amount could change depending on actual revenues and expenditures. The Natural Disasters Fund shall have no maximum fund balance limitation. Funds shall be reserved exclusively for disaster preparedness, response, recovery, mitigation, and resiliency-related expenditures approved by the Town Council of Hilton Head Island.

It is our intent that the substance of these policies will be included in the annual budget document and the annual comprehensive financial report and that both will be available for public inspection following their adoption and/or completion.

Section 12. Fees. To be competitive, the Town fee schedule is updated as part of **Exhibit F**, which is incorporated as if fully restated herein and is hereby adopted as part of this Ordinance.

Section 13. 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 14. 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 Perry, Mayor

ATTEST:

_____
Kimberly Gammon, Town Clerk

First Public Hearing: _____

Second Public Hearing: _____

APPROVED AS TO FORM:

_____
Curtis Coltrane, Town Attorney

EXHIBIT A

LINK TO FISCAL YEAR 2027 CONSOLIDATED BUDGET SUMMARY

www.hiltonheadislandsc.gov/government/finance/budget/2027

CAPITAL IMPROVEMENT PROGRAM - FY 2027 BUDGET

Revised: April 3, 2026

	Project	Project Type	Project Scope	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2028 Priority 2	FY 2029 Priority 3	FY 2030 Priority 4	FY 2031 Priority 5	FY 2027 Planning Commission Priority	FY 2027 Project Schedule		
													Design	Permitting	Construction
	BEACH PROGRAM														
1	Beach Park Maintenance & Improvements	Maintenance	Repairs, replacements, and general improvements to beach parks, including upgrades to facilities, hardscapes, landscaping, lighting, boardwalks, beach access mats, site furnishings, and other capital infrastructure.	$ 150,000	$ -	$ 150,000	**$ 150,000**	Priority	Priority	Priority	Priority	★			✓
2	Beach Management & Monitoring	Maintenance	Management and monitoring of the beach and dune system including island-wide beach surveys, endangered species monitoring, and other related environmental activities.	$ 290,620	$ 70,620	$ 150,000	**$ 220,620**	Priority	Priority	Priority	Priority	★			
3	Beach Renourishment	Maintenance	Follow up sand fencing and dune plantings work to support completed improvements. Sand fencing and dune plantings help build new dunes and fill gaps in existing dune ridges. These measures reduce local wind speeds, trap sand, and promote the formation of new dunes with increased height.	$ 47,500,000	$ 600,000	$ -	**$ 600,000**					★			✓
4	Islanders Beach Park Improvements	Discretionary	The improvements include the expansion and renovation of parking areas, upgrades to stormwater infrastructure, replacement of playground equipment, construction of a new pathway along the southern property line, and enhancements to landscaping.	$ 128,499	$ 128,499	$ 5,000,000	**$ 5,128,499**					★			✓
5	Folly Field Beach Park Improvements	Discretionary	Renovations consisting of restroom building exterior renovation, landscaping enhancements, new signage, consolidation of lighting and camera systems, and other improvements.	$ -	$ -	$ -	**$ -**	Priority							
6	Coligny Beach Park Boardwalk Maintenance	Maintenance	Replacement and repair to existing decking, including structural repairs where necessary.	$ 250,000	$ -	$ -	**$ -**	Priority	Priority	Priority	Priority				
7	Harbour Town Dredge	Maintenance	Agreement with South Island Dredging Association to assist with funding for dredging of Harbour Town Yacht Basin and Braddock Cove Creek.	$ 600,000	$ 600,000	$ -	**$ 600,000**								
8	Beach Operations Center Renovations	Discretionary	Renovation of a facility that will incorporate modern technology and classroom space to support education about the Hilton Head beach environment. The facility will house Town Beach Operations, Shore Beach Services, Town Code Enforcement offices, and other public safety and environmental organizations.	$ -	$ -	$ 300,000	**$ 300,000**	Priority				★	✓		
9	Beach Wayfinding and Signage	Discretionary	Renovation of Town beach signage and wayfinding starting with Islanders, Folly Field, and Fish Haul.	$ -	$ -	$ 200,000	**$ 200,000**	Priority	Priority	Priority	Priority	★	✓	✓	✓
10	69 Pope Avenue Beach Parking Lot	Discretionary	Expand the existing parking lot to provide additional public parking (scheduled for completion in fall 2026) to improve access and accommodate increased visitor demand.	$ -	$ -	$ 150,000	**$ 150,000**					★			✓
11	Beach Program Contingency	N/A	Contingency fund to cover unexpected expenses related to beach projects.	$ 81,222	$ -	$ 100,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			
	Total Beach Program			**$ 49,019,119**	**$ 1,399,119**	**$ 6,050,000**	**$ 7,449,119**								
	PATHWAY PROGRAM														
12	Pathway Maintenance & Improvements	Maintenance	Maintenance and enhancement of existing pathways and supporting infrastructure, including repairs, surface rejuvenation, restriping, and safety upgrades. These improvements are intended to increase consistency and uniformity while ensuring full ADA compliance across all pathways including pathway connectivity to Town properties.	$ 225,000	$ 143,937	$ 500,000	**$ 643,937**	Priority	Priority	Priority	Priority	★			✓
	New Pathway Segments														
13	Jonesville Road Pathway (Western Terminus to Spanish Wells Road)	Discretionary	Construction of a new pedestrian pathway connecting Spanish Wells Road to and through the Jonesville neighborhood.	$ 500,000	$ 200,000	$ -	**$ 200,000**	Priority	Priority	Priority		★	✓		

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												FY 2027 Planning Commission Priority	Design	Permitting	Construction
14	Dunnagans Alley Pathway (Wexford Drive to Arrow Road)	Discretionary	Expansion of the existing pedestrian pathway along Dunnagans Alley (extending from Wexford Drive to Arrow Road) to improve connectivity, accessibility, beautification, traffic calming and safety.	$ 250,000	$ -	$ -	$ -	Priority	Priority						
15	William Hilton Parkway EB Pathway (Wexford Drive to Arrow Road)	Discretionary	Design development of a new pedestrian pathway connecting the Village at Wexford to Arrow Road as part of the SC DOT TAP Grant Project, enhancing connectivity, accessibility, and safety for pedestrians. SC DOT will commence with easement acquisition and construction anticipated in FY28.	$ 120,000	$ -	$ -	$ -	Priority	Priority						
16	Lagoon Road Pathway (Avocet Road to North Forest Beach Drive)	Discretionary	Enhance the pedestrian and vehicular safety including crossings to improve safety and accessibility.	$ -	$ -	$ 300,000	$ **300,000**	Priority	Priority			★	✓		
17	Palmetto Parkway Pathway (Mathews Drive to William Hilton Parkway)	Discretionary	Enhance pedestrian pathway along Palmetto Parkway in the Northridge area to improve connectivity and accessibility.	$ -	$ -	$ -	$ -	Priority	Priority						
18	Spanish Wells Pedestrian Bridge	Maintenance	Renovation of existing wooden pedestrian bridge along Spanish Wells Road.	$ -	$ -	$ -	$ -			Priority					
19	Fish Haul Road (Baygall Road to Alice Perry Drive)	Discretionary	Phase 1: Baygall Road to Mangrove Street (800 linear feet). Phase 2: Mangrove Street to Alice Perry Drive (1,700 linear feet).	$ -	$ -	$ -	$ -			Priority	Priority				
20	William Hilton Parkway EB Pathway (Mathews Drive / Folly Field Road to Shelter Cove Lane)	Discretionary	Construction of a new pathway, including landscaping and bollard lighting, along William Hilton Parkway eastbound from Mathews Drive / Folly Field Road intersection to Shelter Cove Lane (6,400 linear feet).	$ -	$ -	$ -	$ -			Priority	Priority				
21	South Forest Beach Drive Pathway at Seascape Villas	Discretionary	Reconfigure the pathway near the entry drive and parking lot to address safety concerns and improve pedestrian flow.	$ -	$ -	$ 175,000	$ **175,000**					★			✓
22	Port Royal Entrance Pathway	Discretionary	Reconfigure the pathway near the entrance to Port Royal Plantation to enhance pedestrian safety and improve traffic flow.	$ -	$ -	$ -	$ -		Priority	Priority					
23	Palmetto Bay Pathway (Point Comfort to Target Road)	Discretionary	Construction of a new pathway.	$ -	$ -	$ -	$ -	Priority	Priority	Priority					
	Subtotal New Pathway Segments			**$ 870,000**	**$ 200,000**	**$ 475,000**	**$ 675,000**								
24	Pathway Program Contingency	N/A	Contingency fund to cover unexpected expenses related to pathway projects.	$ 100,000	$ -	$ 100,000	$ **100,000**	Priority	Priority	Priority	Priority	★			
	Total Pathway Program			**$ 1,650,000**	**$ 343,937**	**$ 1,075,000**	**$ 1,418,937**								
	ROADWAY PROGRAM														
25	Roadway Maintenance & Improvements	Maintenance	Maintenance and improvement of existing roadways, including general repairs such as potholes, curbing, and shoulders, as well as pavement markings and installation or replacement of permanent traffic signs including roads serving Town properties.	$ 95,957	$ 97,870	$ 250,000	$ **347,870**	Priority	Priority	Priority	Priority	★			✓
26	Signal System Maintenance	Maintenance	Maintenance of the traffic signal system, including routine mast arm maintenance, signage, aging traffic cabinets, signal heads, and installation of battery backup systems to ensure reliable operation.	$ 1,100,000	$ 550,000	$ 550,000	$ **1,100,000**	Priority	Priority	Priority	Priority	★			✓
27	Signal Mast Arm Replacements	Maintenance	Multi-year project to replace aging poles and signal mast arms, cabinets, and signal heads at two intersections per year that have exceeded their useful life, ensuring continued safety, reliability, and operational efficiency of the traffic signal system.	$ -	$ -	$ 400,000	$ **400,000**	Priority	Priority	Priority	Priority	★			✓

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28	Streetscape and Traffic Calming Enhancements	Maintenance	Enhance roads on Hilton Head Island through landscaping, lighting upgrades, aesthetics, visibility, and overall safety for motorists and pedestrians including access to Town properties.	$ 605,501	$ 241,808	$ 750,000	**$ 991,808**	Priority	Priority	Priority	Priority	★			✓
29	Jonesville Road and Spanish Wells Right Turn Lane Improvements	Maintenance	Survey and design to improve the right-turn lane from Jonesville Road onto Spanish Wells Road to enhance traffic flow, safety, and efficiency at the intersection.	$ 100,000	$ 100,000	**$** -	**$ 100,000**	Priority				★	✓	✓	
30	Northpoint USPS Side Improvements	Discretionary	Implement access improvements connecting Northpoint to Gum Tree Road through the USPS site, including roadway and pathway enhancements, drainage upgrades, and landscaping improvements to improve connectivity, safety, and aesthetics.	$ 3,350,000	$ 2,800,000	**$** -	**$ 2,800,000**					★			✓
31	Tabby Walk Entrance Relocation	Maintenance	Survey and design to relocate the Tabby Walk entrance from Mathews Drive to Palmetto Parkway to improve safety and access.	$ 200,000	$ 121,860	$ -	**$ 121,860**	Priority				★	✓	✓	
32	William Hilton Parkway Gateway Corridor & Stoney Corridor	Discretionary	Conduct additional planning for improvements to William Hilton Parkway to enhance traffic flow, safety, and overall roadway efficiency.	$ 123,163	$ -	$ 100,000	**$ 100,000**					★	✓		
33	Main Street	Discretionary	Implement sidewalk, safety enhancements, landscaping, signage, lighting, and other identified improvements to enhance functionality, aesthetics, and overall corridor safety.	$ 26,045	$ -	**$** -	**$** -	Priority	Priority	Priority					
34	New Orleans Road	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	**$** -	**$** -			Priority	Priority				
35	Old Wild Horse	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	**$** -	**$** -			Priority	Priority				
36	Palmetto Bay Road	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	**$** -	**$** -			Priority	Priority				
37	Pope Avenue Streetscape Improvements	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and intersection improvements at Pope Avenue and Lagoon Road.	$ 148,000	$ -	$ 150,000	**$ 150,000**	Priority	Priority			★	✓		
38	Arrow Road	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, pedestrian pathways including the Target Road intersection, and other improvements identified.	$ -	$ -	$ -	**$** -	Priority	Priority	Priority					
39	Segment 1 - Spanish Wells Road / Wild Horse Road to Wilborn Road / Jarvis Park Road	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	$ -	**$** -			Priority	Priority				
40	Segment 2 - Wilborn Road / Jarvis Park Road to Beach City Road / Gardner Drive	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	$ -	**$** -			Priority	Priority				
41	Segment 3 Interim Safety Improvements - Beach City Road / Gardner Drive to Dillon Road	Discretionary	Construct pedestrian safety improvements, including lighting, crosswalk markings, landscaping, and signage, to enhance visibility, accessibility, and overall safety for pedestrians.	$ 113,068	$ -	$ -	**$** -			Priority	Priority				
42	Segment 4 - Dillon Road to Mathews Drive / Folly Field Road	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	**$** -	**$** -			Priority	Priority				

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43	Segment 5 - Mathews Drive / Folly Field Road to Shelter Cove Lane	Discretionary	Implement recommendations from the Major Thoroughfares and Corridors Plan, including safety enhancements, landscaping, signage, lighting, and other identified improvements to enhance corridor safety, functionality, and aesthetics.	$ 300,000	$ 51,160	$ -	**$ 51,160**	Priority	Priority	Priority		★	✓		
44	Segment 6 - Shelter Cove Lane to Queens Folly Road / King Neptune Drive	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	$ -	$ -			Priority	Priority				
45	Segment 7 - Queens Folly Road / King Neptune Drive to Wexford Drive / Shipyard Drive	Discretionary	Implementation of recommendations from the Major Thoroughfares and Corridors Plan including safety improvements, landscaping, signage, lighting, and other improvements identified.	$ -	$ -	$ -	$ -			Priority	Priority				
46	Segment 8 - Sea Pines Circle to Wexford Drive / Shipyard Drive	Discretionary	Collaborate with SCDOT on schematic design and design development documents to implement recommendations from the Major Thoroughfares and Corridors Plan, including safety enhancements, landscaping, signage, lighting, and other identified improvements to improve corridor safety, functionality, and aesthetics. permitting, and implementation of improvements to Sea Pines Circle.	$ 350,000	$ 300,477	$ -	**$ 300,477**	Priority	Priority	Priority		★	✓		
47	Folly Field Road Safety Improvements	Maintenance	Implement improvements on Folly Field Road, including traffic calming measures and enhanced pedestrian crossings to improve safety and mobility for all users. Improvements include speed feedback signs and up to four (4) raised intersections (pending SCDOT approval).	$ 75,000	$ -	$ 250,000	**$ 250,000**	Priority				★	✓	✓	✓
48	South Forest Beach and North Forest Beach Corridor Safety Enhancements	Discretionary	Enhance the pedestrian and vehicular safety including crossings to public beach access to improve safety and accessibility.	$ -	$ -	$ 200,000	**$ 200,000**	Priority				★	✓		
49	Gum Tree Road Corridor Improvements 1	Discretionary	Establish a new pedestrian pathway from the USPS site along Marshpoint Drive and Gum Tree Road to the crosswalk at Bus Drive. This pathway will complete the connection between the Northpoint and Marshpoint communities and provide safe access to nearby school campuses. There will also be a RRFB install at crosswalk.	$ -	$ -	$ 650,000	**$ 650,000**					★	✓	✓	✓
50	Gum Tree Road Corridor Improvements 2	Discretionary	Roadway enhancements including but not limited to pathway connectivity, intersection improvements, traffic calming, pedestrian safety, stormwater enhancements, etc.	$ -	$ -	$ 250,000	**$ 250,000**	Priority	Priority			★	✓		
51	Squire Pope Road Corridor Improvements	Discretionary	Roadway enhancements including but not limited to pathway connectivity, intersection improvements, traffic calming, pedestrian safety, stormwater enhancements, etc.	$ -	$ -	$ 755,000	**$ 755,000**	Priority				★	✓	✓	✓
52	Squire Pope & WHP Intersection Improvements	Discretionary	Survey and develop design plans for initial items to improve traffic flow and enhance pedestrian safety.	$ -	$ -	$ 400,000	**$ 400,000**	Priority	Priority	Priority		★	✓		
53	Spanish Wells & WHP Intersection Improvements	Discretionary	Survey and develop design plans for initial items to improve traffic flow and enhance pedestrian safety.	$ -	$ -	$ 300,000	**$ 300,000**	Priority	Priority	Priority	Priority	★	✓		
54	Indigo Run Circle Interior Enhancements	Discretionary	Implement landscape and hardscape improvements to enhance and support the Veterans Memorial area.	$ -	$ -	$ 160,000	**$ 160,000**					★			✓
	Dirt Road Paving Program		Establish a program to accept dedications of private dirt roads through procurement and right-of-way acquisition, improving public access and connectivity.												
55	Mitchelville Road	Discretionary	Replace the existing dirt road on Mitchelville Road with asphalt pavement and implement drainage improvements to enhance safety, accessibility, and durability.	$ 910,000	$ -	$ -	$ -								

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56	Alice Perry Drive	Discretionary	Replace the existing dirt road in the Bay Gall area of Hilton Head with asphalt pavement and implement drainage improvements to enhance safety, accessibility, and roadway durability.	$ 50,000	$ 44,869	$ -	**$ 44,869**	Priority	Priority			★	✓	✓	
57	Freddie's Way	Discretionary	Replace the existing dirt road off Oak View Road with asphalt pavement and implement drainage improvements to improve safety, accessibility, and roadway longevity.	$ 50,000	$ 43,280	$ -	**$ 43,280**	Priority	Priority			★	✓	✓	
58	Alfred Lane	Discretionary	Replace the existing dirt road off Bryant Road with asphalt pavement and implement drainage improvements to enhance safety, accessibility, and roadway durability.	$ 44,500	$ 44,500	$ -	**$ 44,500**	Priority	Priority			★	✓	✓	
59	Benjamin Drive	Discretionary	Replace the existing dirt road off Jonesville Road with asphalt pavement and implement drainage improvements to improve safety, accessibility, and roadway longevity.	$ 106,797	$ 40,729	$ -	**$ 40,729**	Priority	Priority			★	✓	✓	
60	Christopher Drive	Discretionary	Dirt road identified for future extension of paved road off of William Hilton Parkway.	$ -	$ -	$ -	**$ -**		Priority	Priority					
61	Darling Road	Discretionary	Dirt road identified for future extension of paved road off of William Hilton Parkway.	$ -	$ -	$ -	**$ -**		Priority	Priority					
62	Manatee Way	Discretionary	Dirt road identified for future extension of paved road off of Otter Hole Road.	$ -	$ -	$ -	**$ -**		Priority	Priority					
63	Pine Field	Discretionary	Dirt road identified for future extension of a paved road off of Marshland Road.	$ -	$ -	$ -	**$ -**		Priority	Priority					
64	Amelia Court	Discretionary	Dirt road identified for future extension of paved road off of Squire Pope Road.	$ -	$ -	$ -	**$ -**		Priority	Priority					
65	Evelina Road	Discretionary	Dirt road identified for future extension of paved road off of Squire Pope Road.	$ -	$ -	$ -	**$ -**			Priority	Priority				
	Subtotal Dirt Road Paving Program			**$ 1,161,297**	**$ 173,378**	**$ -**	**$ 173,378**								
66	Roadway Program Contingency	N/A	Contingency fund to cover unexpected expenses related to roadway projects.	$ 73,955	$ -	$ 100,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			
	Total Roadway Program			**$ 8,656,486**	**$ 4,436,553**	**$ 5,265,000**	**$ 9,701,553**								
	PARK PROGRAM														
67	Park Maintenance and Improvements	Maintenance	Perform repairs, replacements, and general improvements to non-beach parks, including facilities, hardscape, landscaping, lighting, boardwalks, site furnishings, and other capital infrastructure to enhance safety, accessibility, and visitor experience.	$ 250,000	$ 25,000	$ 225,000	**$ 250,000**	Priority	Priority	Priority	Priority	★			✓
68	Public Art Program	Discretionary	Manage the installation, upkeep, maintenance, and repair of sculptures and other elements within the permanent collection and associated sites to preserve artistic integrity and ensure public safety and accessibility.	$ 35,000	$ -	$ 52,000	**$ 52,000**	Priority	Priority	Priority	Priority	★			✓
	Island Recreation Association CIP		**Recreation Center enhancements**												
69	Rec Center Building Improvements	Maintenance	Implement improvements to the Recreation Center building and its supporting equipment, vehicles, and infrastructure to enhance operations, safety, and user experience.	$ 344,865	$ -	$ 367,500	**$ 367,500**	Priority	Priority	Priority	Priority	★			✓

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70	Rec Center Pool Improvements	Maintenance	Enhance pool facilities through updates to dome and pool equipment, installation of windscreens, replacement of lockers, pool covers, and other related improvements to support safety, functionality, and user experience.	$ 195,000	$ -	$ 118,000	**$ 118,000**	Priority	Priority	Priority	Priority	★			✓
71	Basketball Court Improvements	Maintenance	Implement improvements to basketball courts, including replacement of backboards, installation of sun shades, upgraded lighting, and resurfacing or full court replacement to enhance safety, usability, and player experience.	$ -	$ -	$ 15,000	**$ 15,000**					★			✓
72	Athletic Equipment Improvements	Maintenance	Provide new and replacement equipment to support athletics, including practice and game goals for soccer, to enhance safety, functionality, and the overall athletic experience.	$ 15,000	$ -	$ 20,000	**$ 20,000**	Priority		Priority		★			✓
73	Event Equipment Improvements	Maintenance	Provide new and replacement equipment to support special events, ensuring safe, efficient, and high-quality event operations.	$ 67,500	$ -	$ 249,500	**$ 249,500**	Priority	Priority	Priority	Priority	★			✓
	Subtotal Island Recreation Association CIP			**$ 622,365**	**$ -**	**$ 770,000**	**$ 770,000**								
74	Barker Field - Extension Field Improvement	Discretionary	Renovate the soccer field with improvements to lighting, landscaping, fencing, storage enclosures, and the adjacent parking lot to enhance safety, accessibility, and overall user experience.	$ 1,330,247	$ -	$ -	$ -								
75	Barker Field Phase 2 & Mitchelville Property Improvements	Discretionary	Develop a master plan and identify future projects to guide strategic improvements, prioritize investments, and enhance overall community assets and amenities.	$ -	$ -	$ -	$ -			Priority	Priority				
76	Chaplin Community Park Renovation - Phase 1: Parking Renovation & Expansion	Discretionary	Expand the existing northern and southern parking lots to add approximately 154 additional parking spaces, improving access, capacity, and overall user convenience.	$ -	$ -	$ -	$ -		Priority	Priority	Priority				
77	Chaplin Community Park Renovation - Phase 2: Soccer Complex, Facility Upgrades, and Parking Expansion	Discretionary	Connect the northern parking lot to Castnet Drive and add approximately 82 parking spaces. Renovate the soccer fields, tennis courts, and dog park, and construct a new pavilion, a multi-use facility with restrooms, pickleball courts, and a playground to enhance recreational amenities and accessibility.	$ -	$ -	$ -	$ -			Priority	Priority				
78	Coligny Circle NW Quadrant Pocket Park	Discretionary	Develop a new pocket park along Pope Avenue to connect the beach and nearby shops, facilitate pedestrian traffic along the corridor, provide seating areas, and incorporate signage to enhance accessibility and user experience.	$ 900,000	$ -	$ -	$ -								
79	Crossings Park Renovation - Phase 1: Pickleball Complex	Discretionary	Construct a new pickleball complex featuring 19 courts, a clubhouse with restrooms, a parking lot, landscaping, and a pathway connection to the Bristol Sports Area to enhance recreational opportunities and accessibility.	$ 1,000,000	$ 191,605	$ 8,400,000	**$ 8,591,605**	Priority	Priority			★		✓	✓
80	Crossings Park Renovation - Phase 2: Bristol Sports Arena, Skate Park, and Pump Track	Discretionary	Renovate the Bristol Sports Arena to include a new skate park, pump track, and parking lot upgrades.	$ 750,000	$ 114,086	$ 4,600,000	**$ 4,714,086**	Priority	Priority			★		✓	✓
81	Crossings Park Renovation - Phase 3: Baseball Complex	Discretionary	Conduct schematic design for the construction of two new baseball fields, a restroom facility, parking lot, and Champions Plaza, along with the renovation of three existing baseball fields, concessions, training facility, stormwater infrastructure, landscaping, and parking areas to enhance overall functionality and user experience.	$ 126,000	$ -	$ -	$ -			Priority	Priority				
82	Jarvis Creek Park Improvements	Discretionary	Replace existing playground equipment to improve safety, accessibility, and overall play experience.	$ 6,696	$ -	$ -	$ -	Priority							

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83	Mid-Island Tract Park - Phase 1	Discretionary	Implement improvements to stormwater drainage and lagoon systems, pathways, landscaping, parking facilities off Union Cemetery Road, and restroom amenities to support the development of a 102-acre passive park.	$ 957,744	$ -	$ -	$ -		Priority	Priority	Priority				
84	Patterson Family Park	Discretionary	Construct a new neighborhood park on Marshland Road featuring a pavilion, open lawn area, viewing platform overlooking Broad Creek, pedestrian connectivity, parking, and associated site amenities to enhance recreation and community access.	$ 2,789,000	$ 2,408,296	$ -	**$ 2,408,296**					★		✓	✓
85	Shelter Cove Community Park Expansion, Phase 2	Discretionary	Install a Best Buddies playground designed to meet the needs of all children, along with expansion of the Broad Creek boardwalk and viewing platform, and additional landscaping and parking improvements to enhance accessibility and overall visitor experience.	$ 153,887	$ -	$ -	$ -	Priority	Priority						
86	Taylor Family Park	Discretionary	Construct a new neighborhood park on Wild Horse Road featuring a pavilion, open lawn area, recreational play amenities, pedestrian connectivity, parking, and associated site amenities to enhance community recreation and access.	$ 2,750,000	$ 315,565	$ -	**$ 315,565**					★			✓
87	Chaplin Linear Park Extension	Discretionary	Develop a linear park featuring a trailhead upfit, a pedestrian bridge at the Broad Creek inlet, a treehouse structure, and a marsh-side trail connection to Singleton Beach Road to enhance connectivity and recreational opportunities.	$ -	$ -	$ -	$ -		Priority	Priority	Priority				
88	Old Schoolhouse Park Improvements	Discretionary	Implement landscape and site improvements, including ADA-compliant parking and sidewalks, pickleball court replacement, restroom upgrades, shade structures, signage, seating, and landscaping to enhance accessibility, safety, and user experience.	$ 675,000	$ -	$ -	$ -								
89	Park Program Contingency	N/A	Establish a contingency fund to cover unexpected expenses related to park projects, ensuring flexibility and timely completion of planned improvements.	$ 93,304	$ -	$ 350,000	**$ 350,000**	Priority	Priority	Priority	Priority	★			
	Total Park Program			**$ 12,439,243**	**$ 3,054,552**	**$ 14,397,000**	**$ 17,451,552**								
	FACILITY & EQUIPMENT PROGRAM														
90	Facility Maintenance & Improvements	Maintenance	Perform repairs, replacements, and general improvements to Town facilities, including buildings, plumbing, electrical systems, roofing, HVAC, hardscape, landscaping, lighting, boardwalks, site furnishings, and other capital infrastructure to enhance safety, functionality, and longevity.	$ 500,000	$ -	$ 200,000	**$ 200,000**	Priority	Priority	Priority	Priority	★			✓
91	Facilities Equipment	Maintenance	Provide landscape equipment, watering tanks, and other tools necessary for the maintenance of capital infrastructure to ensure effective upkeep, safety, and aesthetics.	$ 50,000	$ -	$ -	$ -	Priority	Priority	Priority	Priority				
92	Town Hall Facility Improvements	Maintenance	Perform repairs, replacements, and general improvements to the Town Hall facility to enhance safety, functionality, and overall building performance.	$ 290,783	$ -	$ -	$ -		Priority	Priority	Priority				
93	4 Office Way Renovations	Maintenance	Renovate the recently acquired former bank building to accommodate the Engineering & Projects Department on the first floor and the Technology & Innovation Department on the second floor, improving functionality, workflow, and departmental operations.	$ 1,100,000	$ -	$ -	$ -								
94	IT Equipment & Software	Maintenance	Replace and acquire IT hardware and software, including servers, network switches, computers, and associated equipment, to ensure reliable operations, security, and technological efficiency.	$ 691,542	$ -	$ 633,000	**$ 633,000**	Priority	Priority	Priority	Priority	★			

CAPITAL IMPROVEMENT PROGRAM - FY 2027 BUDGET

Revised: April 3, 2026

	Project	Project Type	Project Scope	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2028 Priority 2	FY 2029 Priority 3	FY 2030 Priority 4	FY 2031 Priority 5	FY 2027 Planning Commission Priority	FY 2027 Project Schedule		
													Design	Permitting	Construction
95	Fire Hydrant Expansion	Maintenance	Install new fire hydrants, with a focus on historic neighborhoods, to enhance fire protection, public safety, and emergency response capabilities.	$ 100,000	$ 50,000	$ 50,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			✓
96	Fire & Medical Systems Equipment	Maintenance	Replace self-contained breathing apparatus (SCBA), replace turnout gear, and medical equipment to ensure reliability, safety, and compliance with current standards for emergency response operations.	$ -	$ -	$ 1,295,000	**$ 1,295,000**	Priority	Priority	Priority	Priority	★			
97	Furniture Replacement	Maintenance	Replace furniture in Town facilities to improve functionality, comfort, and aesthetics for staff and visitors.	$ 300,000	$ -	$ 150,000	**$ 150,000**	Priority	Priority	Priority	Priority	★			
98	Security Cameras & Connectivity	Maintenance	Replace aging cameras and upgrade Wi-Fi infrastructure at Coastal Discovery Museum, Barker Field Park, and Compass Rose Park facilities. Install new camera systems at Coligny Beach, Schoolhouse Park, Taylor Family Park, Bristol Park, and Jonesville Stables to enhance security, connectivity, and operational efficiency across Town facilities.	$ 150,000	$ -	$ 630,000	**$ 630,000**	Priority	Priority	Priority	Priority	★			
99	Tree Planting Program	Discretionary	Implement a town-wide tree planting program to enhance green infrastructure, improve environmental quality, and promote community aesthetics and sustainability.	$ 150,000	$ -	$ 150,000	**$ 150,000**	Priority	Priority	Priority	Priority	★			
	Coastal Discovery Museum CIP Improvements		Provide funding to the Coastal Discovery Museum to support the improvement and ongoing maintenance of its buildings and grounds, ensuring safety, accessibility, and an enhanced visitor experience.												
100	Discovery House	Maintenance	Perform exterior and interior painting, replace doors and hardware, and repair wood rot to maintain building integrity, appearance, and functionality.	$ 20,500	$ -	$ 307,000	**$ 307,000**	Priority	Priority	Priority	Priority	★			✓
101	Armstrong / Hack House	Maintenance	Renovate office spaces, including flooring upgrades, to improve functionality, aesthetics, and workplace efficiency.	$ 10,500	$ -	$ 9,500	**$ 9,500**	Priority	Priority	Priority	Priority	★			✓
102	Pavilion	Maintenance	Perform roof and electrical improvements to enhance building safety, reliability, and operational efficiency.	$ 4,500	$ -	$ 3,600	**$ 3,600**	Priority		Priority		★			✓
103	Discovery Lab	Maintenance	Perform interior repairs to maintain building functionality, safety, and appearance.	$ 4,500	$ -	$ -	**$ -**	Priority	Priority						
104	Pavilion / Restroom Building	Maintenance	Perform structural repairs to ensure building integrity, safety, and long-term durability.	$ 350,000	$ -	$ 5,000	**$ 5,000**	Priority	Priority			★			✓
105	Horse Barn	Maintenance	Perform structural repairs to ensure building integrity, safety, and long-term durability.	$ 23,000	$ -	$ 5,000	**$ 5,000**	Priority		Priority		★			✓
106	Hay Barn	Maintenance	Perform interior repairs to maintain building functionality, safety, and appearance.	$ 50,000	$ -	$ -	**$ -**	Priority	Priority	Priority	Priority				
107	Miscellaneous Improvements	Maintenance	Perform tree maintenance, fence repairs, landscaping, and other necessary site improvements to maintain safety, functionality, and aesthetics of Town properties.	$ 23,000	$ -	$ 152,500	**$ 152,500**	Priority	Priority	Priority	Priority	★			✓
108	Event Space Improvements	Maintenance	Construction of Town-initiated enhancements including ADA compliance and lighting upgrades.	$ 10,000	$ -	$ 10,000	**$ 10,000**					★			✓
109	Coastal Discovery Museum Facilities Assessment	Discretionary	Conduct assessments of existing facilities, including surveys and reserve studies, to develop a forward-looking plan for maintenance, improvements, and long-term capital planning.	$ -	$ -	$ 250,000	**$ 250,000**					★	✓		

CAPITAL IMPROVEMENT PROGRAM - FY 2027 BUDGET

Revised: April 3, 2026

	Project	Project Type	Project Scope	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2028 Priority 2	FY 2029 Priority 3	FY 2030 Priority 4	FY 2031 Priority 5	FY 2027 Project Schedule			
												FY 2027 Planning Commission Priority	Design	Permitting	Construction
	Subtotal Coastal Discovery Museum CIP Improvements			**$ 496,000**	**$ -**	**$ 742,600**	**$ 742,600**								
110	Jonesville Horse Barn	Maintenance	Renovate existing stables, demolish the home behind the stables, repair and replace fencing, and perform miscellaneous site improvements to make the site accessible and safe for public use.	$ 500,000	$ -	$ 500,000	**$ 500,000**					★	✓	✓	✓
111	Mitchelville Freedom Park Improvements	Discretionary	Construct a new paved loop road with an accompanying parking lot to support future growth and improve public accessibility.	$ 325,000	$ -	$ 2,310,200	**$ 2,310,200**					★			✓
112	Town Refuse & Recycling Management Improvements	Discretionary	Implement improvements and acquire equipment for refuse and recycling operations on the beach to include new waste collection and recycling containers and corrals.	$ 250,000	$ -	$ 250,000	**$ 250,000**					★			✓
113	Fire Radio Replacement	Maintenance	Replacement of radio communication equipment.	$ -	$ -	$ -	**$ -**			Priority					
114	Fire Rescue HQ	Discretionary	Implement improvements to the newly acquired 9 and 10 Park Lane property to support the Fire Rescue Headquarters, Emergency Operations Center (EOC), and call center, enhancing functionality, safety, and operational efficiency.	$ 677,008	$ 577,008	$ 622,992	**$ 1,200,000**					★	✓	✓	✓
115	Gullah Geechee Cultural Heritage Center Renovations	Discretionary	Renovate an existing building to establish the new Gullah Geechee Heritage Center, enhancing cultural preservation, accessibility, and visitor experience.	$ -	$ -	$ 250,000	**$ 250,000**	Priority	Priority			★	✓		
116	Facilities and Equipment Program Contingency	N/A	Establish a contingency fund to cover unexpected expenses related to facility projects, ensuring flexibility and timely completion of planned improvements.	$ 100,000	$ -	$ 100,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			
	Total Facility & Equipment Program			**$ 5,870,272**	**$ 627,008**	**$ 7,883,792**	**$ 8,510,800**								
	STORMWATER PROGRAM														
117	Stormwater Maintenance & Improvements - Non-PUD	Maintenance	Various stormwater corrective maintenance and improvement projects based on service request priority scores, including easement acquisitions as needed including needed stormwater improvements for Town properties.	$ 1,018,301	$ 892,524	$ 150,000	**$ 1,042,524**	Priority	Priority	Priority	Priority	★	✓	✓	✓
118	Stormwater Maintenance Agreement Program - PUD	Maintenance	Stormwater program allocation for qualifying corrective maintenance reimbursements for active agreement partners.	$ 2,000,000	$ 650,000	$ 350,000	**$ 1,000,000**	Priority	Priority	Priority	Priority	★	✓	✓	✓
119	25 Moonshell Road	Maintenance	Permitting & installation of pipes, inlet structures, and control structures to improve efficiency and reduce long-term maintenance costs along the existing Folly Field ditch between Starfish Drive and the Island Club including improvements to the outfall connection to the Port Royal main channel (under Folly Field Road and Wimbledon Court).	$ 127,238	$ 25,000	$ 95,000	**$ 120,000**	Priority				★	✓		
120	75 Helmsman Way Drainage Improvements	Maintenance	Replace existing pipes and replace with larger pipes at a higher elevation with backflow prevention devices to correct identified deficiencies (resilience project).	$ 50,000	$ 25,000	$ -	**$ 25,000**	Priority	Priority			★	✓		
121	Bryant Road Pond Restoration	Maintenance	Restoration of existing ponds and new pipe interconnection on property recently acquired by the Town to address drainage system deficiencies.	$ 25,000	$ -	$ -	**$ -**								
122	Cordillo Courts Drainage Improvements	Maintenance	Installation of new drainage infrastructure including pipe, inlets and expansion of an existing detention basin.	$ 95,880	$ -	$ -	**$ -**								

CAPITAL IMPROVEMENT PROGRAM - FY 2027 BUDGET

Revised: April 3, 2026

	Project	Project Type	Project Scope	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2028 Priority 2	FY 2029 Priority 3	FY 2030 Priority 4	FY 2031 Priority 5	FY 2027 Planning Commission Priority	FY 2027 Project Schedule		
													Design	Permitting	Construction
123	Gum Tree Road Drainage Improvements	Maintenance	Improvements to address various deficiencies along Gum Tree Road between Katie Miller Drive and Georgianna Drive, including regrading of ditches, installation of new inlets, new pipe and repairs along the outfall system.	$ 131,479	$ 90,000	$ -	**$ 90,000**	Priority	Priority			★	✓		
124	Jarvis Creek Outfall	Maintenance	Installation of flap gates on the outfall end of two 84-inch diameter concrete pipes that discharge stormwater from the Jarvis Creek Pump Station outfall system; necessary to improve operation and effectiveness of the pump station during extreme events by mitigating the impacts of tidal storm surge on the system. (resilience project).	$ 56,136	$ 25,000	$ -	**$ 25,000**	Priority	Priority	Priority		★	✓		
125	Jarvis Creek Pump Station - Pump Replacements	Maintenance	Procure and install new pumps (4 total, 1 replaced per year).	$ 300,000	$ 300,000	$ 400,000	**$ 700,000**	Priority	Priority	Priority		★			✓
126	Main Street Drainage Improvements	Maintenance	Improvements based on 2019 assessment completed by Stormwater Utility.	$ 56,437	$ -	$ -	**$ -**								
127	Old Woodlands-26 Indian Trail Improvements	Maintenance	Improvements along the back lot line of three residential properties to address a chronic drainage issue.	$ 80,000	$ 80,000	$ -	**$ 80,000**	Priority				★	✓	✓	
128	Palmetto Hall Outfall Improvements	Maintenance	Addition of hydraulic capacity at the system outfall and addition of backflow prevention devices.	$ 150,000	$ 124,616	$ -	**$ 124,616**	Priority	Priority			★	✓		
129	Water Level Monitoring	Maintenance	Installation of remote monitoring devices to facilitate disaster preparation, pond management, and dynamic model calibration efforts.	$ 75,000	$ -	$ 75,000	**$ 75,000**	Priority	Priority	Priority	Priority	★			✓
130	Weather Monitoring	Maintenance	Installation of weather stations in various locations to provide essential data during extreme weather events and to calibrate dynamic hydraulic models.	$ 50,000	$ -	$ 50,000	**$ 50,000**	Priority	Priority	Priority	Priority	★			✓
131	Central Island Pump Station Overhaul	Maintenance	Overhaul including 2 new pumps, new controls, debris screens, new genset, new conduit, new SCADA monitoring system, and new control building.	$ 1,503,446	$ 53,446	$ 50,000	**$ 103,446**					★			✓
132	Ashmore Channel Resilience/278 Backflow Prevention Port Royal	Maintenance	Install flap gates on each of two large diameter pipes to protect Port Royal and adjacent upstream properties during extreme weather events (resilience project).	$ -	$ -	$ -	**$ -**		Priority	Priority	Priority				
133	Gum Tree Channel Capacity Improvements at Chinaberry Crossing	Maintenance	Channel and road crossing improvements to address identified system deficiencies.	$ 120,000	$ 55,000	$ 165,000	**$ 220,000**	Priority	Priority			★	✓	✓	
134	24 Pope Avenue Outfall to Shipyard	Maintenance	Design and install drainage infrastructure to correct an identified deficiency impacting drainage on Pope Avenue.	$ -	$ -	$ -	**$ -**		Priority	Priority	Priority				
135	Arrow Road Laydown Yard Improvements	Maintenance	Addition of rock to reduce tracking of sediment onto Arrow Road.	$ 75,000	$ -	$ -	**$ -**								
136	Arrow Road Outfall at Greenery	Maintenance	Relocate a primary system outfall pipe that drains portions of Arrow Road, Palmetto Bay Road, and Archer Road to address an identified deficiency.	$ -	$ -	$ -	**$ -**		Priority	Priority	Priority				
137	Burkes Beach Area Drainage Improvements	Maintenance	Design and install drainage infrastructure to correct several identified deficiencies on Burkes Beach Road, Beach Front Lane, Barrier Beach Cove, and Sandy Beach Trail.	$ -	$ -	$ -	**$ -**		Priority	Priority	Priority				

CAPITAL IMPROVEMENT PROGRAM - FY 2027 BUDGET

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	Project	Project Type	Project Scope	FY 2026 Approved Amended Budget	FY 2027 Estimated Roll Forward Request from FY 2026 Budget	FY 2027 New Funding Requests	Proposed Budget FY 2027 Priority 1	FY 2028 Priority 2	FY 2029 Priority 3	FY 2030 Priority 4	FY 2031 Priority 5	FY 2027 Project Schedule			
												FY 2027 Planning Commission Priority	Design	Permitting	Construction
138	Gardner Channel Capacity Improvements at 278	Maintenance	Excavate a primary system channel to restore conveyance capacity.	$ -	$ -	$ -	$ -		Priority	Priority	Priority				
139	Marshland Road Pathway Drainage Issues	Maintenance	Implement various improvements along the Town-owned pathway to address identified deficiencies.	$ -	$ -	$ -	$ -			Priority	Priority				
140	North Forest Beach Pipe Replacements	Maintenance	Replacement of perforated pipe along 9 streets in North Forest Beach to restore and improve functionality of Town-owned systems along private roads with in Town easements.	$ -	$ -	$ -	$ -	Priority	Priority						
141	Shipyard Pump Station Overhaul	Maintenance	Overhaul of a critical pump station including replacement of electronic controls, generator, and pumps.	$ -	$ -	$ -	$ -			Priority	Priority				
142	Squire Pope Outfalls-Backflow Prevention (2)	Maintenance	Add flap gates at the end of two primary system outfalls to improve hydraulic functionality (resilience project).	$ -	$ -	$ -	$ -			Priority	Priority				
143	The Links at Port Royal Improvements	Maintenance	Drainage system capacity improvements to protect Port Royal, Folly Field, Island Club, Islanders Beach Park, and residential properties along Wimbledon Court.	$ -	$ -	$ 50,000	**$ 50,000**	Priority	Priority			★	✓		
144	Woodlake Villas/Mathews Drive Outfall Improvements	Maintenance	Design and implement drainage system improvements to correct identified deficiencies and mitigate flooding potential in Woodlake Villas.	$ -	$ -	$ -	$ -			Priority	Priority				
145	Woodward Ave Pipe Rehabilitation	Maintenance	Line or replace a primary system pipe to address an identified deficiency.	$ -	$ -	$ -	$ -			Priority					
146	Arrow Road Powerline Channel Excavation - Capacity Improvements	Maintenance	Excavate a primary system channel to restore conveyance capacity.	$ -	$ -	$ -	$ -				Priority				
147	Shell Midden/Cordillo Parkway Drainage Improvements	Maintenance	Drainage system improvements to correct identified deficiencies and mitigate flooding on Shell Midden Lane, Hickory Lane, and Cordillo Parkway including road, pathway, structure, and yard flooding.	$ -	$ -	$ 150,000	**$ 150,000**	Priority				★	✓	✓	✓
148	Point Comfort Outfall	Maintenance	Replace (or line) an existing outfall pipe that drains a portion of Sea Olive Road.	$ -	$ -	$ 50,000	**$ 50,000**	Priority				★	✓	✓	✓
149	Stormwater Program Contingency	N/A	Contingency for unexpected project expenses.	$ 333,710	$ -	$ 300,000	**$ 300,000**	Priority	Priority	Priority	Priority	★			
	Total Stormwater Program			**$ 7,104,326**	**$ 2,320,586**	**$ 1,885,000**	**$ 4,205,586**								
	FLEET PROGRAM														
150	Ladder Truck Replacement	Maintenance	Ladder Truck Replacement - (2) Tillers 36 month build (minimum lead time).	$ -	$ -	$ 4,500,000	**$ 4,500,000**					★			
151	Engine/Pumper Replacement/Quint Company Replacement	Maintenance	Replacement of fire response vehicles.	$ 2,464,838	$ -	$ -	$ -								
152	Specialty Vehicles	Maintenance	Replacement of specialty vehicles such as Search and Rescue Vehicle, Hazmat Truck, and/or Brush Truck.	$ -	$ -	$ -	$ -	Priority		Priority					

CAPITAL IMPROVEMENT PROGRAM - FY 2027 BUDGET

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													Design	Permitting	Construction
153	Battalion 1 Replacement	Maintenance	Replacement of Battalion 1 primary response mobile command equipped vehicle that has reached its 120,000 mile / 12-year mark. F350 diesel truck with expected useful life of over 200,000 miles.	$ -	$ -	$ 150,000	**$ 150,000**					★			
154	Medic Unit Replacement	Maintenance	Replacement of Medic Units (10-year cycle).	$ -	$ -	$ -	**$ -**		Priority						
155	Secondary Response Vehicle Replacement	Maintenance	Replace two fire rescue vehicles equipped with medical response equipment that have reached their 120,000 mile / 12-year mark.	$ 80,000	$ -	$ 130,000	**$ 130,000**	Priority	Priority	Priority	Priority	★			
156	Support Vehicle Replacement	Maintenance	Replace the 26-year old industrial forklift necessary for the maintenance and operation of the Town's fleet to ensure reliability, efficiency, and safety.	$ -	$ -	$ 100,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			
157	New Staff Vehicles	Maintenance	New non-emergency vehicles.	$ -	$ -	$ -	**$ -**	Priority	Priority	Priority	Priority				
158	Fleet Program Contingency	N/A	Contingency for unexpected project expenses.	$ 100,000	$ -	$ 100,000	**$ 100,000**	Priority	Priority	Priority	Priority	★			
	Total Fleet Program			**$ 2,644,838**	**$ -**	**$ 4,980,000**	**$ 4,980,000**								
	LAND ACQUISITION PROGRAM														
159	Land Acquisition Administration	Discretionary		$ 250,000	$ -	$ 250,000	**$ 250,000**	Priority	Priority	Priority	Priority	★			
	Total Land Acquisition Program			**$ 10,331,300**	**$ -**	**$ 250,000**	**$ 250,000**								
	Total Capital Improvements Program Fund			**$ 97,715,584**	**$ 12,181,755**	**$ 41,785,792**	**$ 53,967,547**								

FY 2027 PROPOSED BUDGET
SOURCES OF FUNDS - CAPITAL IMPROVEMENTS PROGRAM

ATTACHMENT 1.c - EXHIBIT C

		BEACH PRESERVATION FEES	HTAX FEES	FIRE TRUCK LEASE PROCEEDS	TIF TAXES	ROAD USAGE FEES	STATE ATAX FEES	REAL ESTATE TRANSFER FEES	PALMETTO ELECTRIC FEES	SHORT TERM RENTAL FEES	TOTAL SPECIAL REVENUE	CAPITAL PROJECTS		STORMWATER FUND	TOTAL ALL FUNDS
FY2026 CARRYFORWARD CIP															
STORMWATER	2,320,586										-			2,320,586	**2,320,586**
BEACH HARBOUR TOWN DREDGE	600,000		600,000								600,000				**600,000**
BEACH	799,119	799,119									799,119				**799,119**
PATHWAYS:															
PATHWAY MAINTENANCE & IMPROVEMENTS	143,937										-	143,937	SUNDAY LIQ PERMIT		**143,937**
JONESVILLE PATHWAY	200,000										-	200,000	SUNDAY LIQ PERMIT		**200,000**
DUNNAGANS ALLEY PATHWAY	-				-						-				**-**
ROADWAYS:															
ROADWAY MAINTENANCE & IMPROVEMENTS	97,870					97,870					97,870				**97,870**
SIGNAL SYSTEM MAINTENANCE	550,000										-	550,000	TRAFFIC IMPACT		**550,000**
STREETSCAPE & TRAFFIC CALMING	241,808										-	241,808	TRAFFIC IMPACT		**241,808**
JONESVILLE & SPANISH WELLS	100,000		100,000								100,000				
NORTHPOINT USPS	2,800,000		2,238,920			561,080					2,800,000				
TABBY WALK ENTRANCE	121,860										-	121,860	CAPITAL		
SEGMENT 5 MATHEWS TO SHELTER	51,160				51,160						51,160				
SEGMENT 8 SEA PINES TO WEXFORD	300,477				300,477						300,477				
ALICE PERRY DRIVE	44,869					44,869					44,869				**44,869**
FREDDIE'S WAY	43,280					43,280					43,280				**43,280**
ALFRED LANE	44,500					44,500					44,500				**44,500**
BENJAMIN DRIVE	40,729					40,729					40,729				**40,729**
PARKS:															
PARK MAINTENANCE AND IMPROVEMENTS	25,000		25,000								25,000				**25,000**
CROSSINGS PARK RENO - PHASE 1	191,605		191,605								191,605				**191,605**
CROSSINGS PARK RENO - PHASE 2	114,086		114,086								114,086				**114,086**
PATTERSON FAMILY PARK	2,408,296		2,408,296								2,408,296				**2,408,296**
TAYLOR FAMILY PARK	315,565		315,565								315,565				**315,565**
FACILITIES & EQUIPMENT:															
FIRE HYDRANT EXPANSION	50,000		16,879				33,121				50,000				**50,000**
FIRE RESCUE HEADQUARTERS	577,008										-	577,008	26 GO BONDS		**577,008**
TOTAL FY2026 CIP CARRYFORWARD FUNDING	**12,181,755**	**799,119**	**6,010,351**	**-**	**351,637**	**832,328**	**33,121**	**-**	**-**	**-**	**8,026,556**	**1,834,613**		**2,320,586**	**12,181,755**
FY 2027 CIP PROJECTS NEW FUNDING															
STORMWATER	1,885,000										-			1,885,000	**1,885,000**
BEACH	6,050,000	6,050,000									6,050,000				**6,050,000**
LAND	250,000							250,000			250,000				**250,000**
PATHWAYS:															
PATHWAY MAINTENANCE	500,000						500,000				500,000				**500,000**
LAGOON ROAD PATHWAY	300,000						300,000				300,000				**300,000**
SOUTH FOREST BEACH DR. PATHWAY AT SEASCAPE	175,000						175,000				175,000				**175,000**
PATHWAY CONTINGENCY	100,000						100,000				100,000				**100,000**
ROADWAYS:															
ROADWAY MAINTENANCE & IMPROVEMENTS	250,000								250,000		250,000				**250,000**
TOWN ROAD RESURFACING	-								-		-				**-**
SIGNAL SYSTEM MAINTENANCE	550,000								550,000		550,000				**550,000**
SIGNAL MAST ARM REPLACEMENTS	400,000								400,000		400,000				
STREETSCAPES & TRAFFIC CALMING	750,000								750,000		750,000				**750,000**
ISLAND-WIDE INTERSECTION PED/VEH SAFETY	-								-		-				**-**
WHP GATEWAY CORRIDOR/STONEY CORRIDOR	100,000								100,000		100,000				**100,000**
POPE AVENUE STREETSCAPE IMPROVEMENTS	150,000								150,000		150,000				**150,000**
FOLLY FIELD ROAD PEDESTRIAN SAFETY	250,000								250,000		250,000				**250,000**
SOUTH FOREST BEACH & NORTH FOREST BEACH	200,000								200,000		200,000				**200,000**
ROADWAY PROJECT MGMT & CONTINGENCY	-								-		-				**-**
GUM TREE ROAD CORRIDOR IMPROVEMENTS 1	650,000				150,000						150,000	500,000	2026 GO BONDS		**650,000**
GUM TREE ROAD CORRIDOR IMPROVEMENTS 2	250,000				250,000						250,000				**250,000**
SQUIRE POPE ROAD CORRIDOR IMPROVEMENTS	755,000				755,000						755,000				**755,000**
SQUIRE POPE & WHP INTERSECTION	400,000										-	400,000	2026 GO BONDS		**400,000**
SPANISH WELLS & WHP INTERSECTION	300,000										-	300,000	2026 GO BONDS		**300,000**
INDIGO RUN CIRCLE INTERIOR	160,000								160,000		160,000				**160,000**
ROADWAY PROGRAM CONTINGENCY	100,000								100,000		100,000				**100,000**
PARKS:															
PARK MAINTENANCE AND IMPROVEMENTS	225,000		225,000								225,000				**225,000**
PUBLIC ART PROGRAM	52,000		52,000								52,000				**52,000**
REC CENTER:											-				**-**
REC CENTER BUILDING IMPROVEMENTS	367,500		367,500								367,500				**367,500**

FY 2027 PROPOSED BUDGET
SOURCES OF FUNDS - CAPITAL IMPROVEMENTS PROGRAM

		BEACH PRESERVATION FEES	HTAX FEES	FIRE TRUCK LEASE PROCEEDS	TIF TAXES	ROAD USAGE FEES	STATE ATAX FEES	REAL ESTATE TRANSFER FEES	PALMETTO ELECTRIC FEES	SHORT TERM RENTAL FEES	TOTAL SPECIAL REVENUE	CAPITAL PROJECTS	STORMWATER FUND	TOTAL ALL FUNDS
REC CENTER POOL IMPROVEMENTS	118,000		118,000								118,000			**118,000**
BASKETBALL COURT IMPROVEMENTS	15,000		15,000								15,000			**15,000**
ATHLETIC EQUIPMENT IMPROVEMENTS	20,000		20,000								20,000			**20,000**
EVENT EQUIPMENT IMPROVEMENTS	249,500		249,500								249,500			**249,500**
CROSSINGS PARK RENO - PHASE 1	8,400,000		8,400,000								8,400,000			**8,400,000**
CROSSINGS PARK RENO - PHASE 2	4,600,000		4,600,000								4,600,000			**4,600,000**
PARK PROGRAN CONTINGENCY	350,000		350,000								350,000			**350,000**
FACILITIES & EQUIPMENT:														
FACILITY MAINTENANCE & IMPROVEMENTS	200,000						200,000				200,000			**200,000**
IT EQUIPMENT & SOFTWARE	633,000								633,000		633,000			**633,000**
FIRE HYDRANT EXPANSION	50,000						50,000				50,000			**50,000**
FIRE & MEDICAL SYSTEMS & EQUIPMENT + PPE	1,295,000								1,295,000		1,295,000			**1,295,000**
FURNITURE REPLACEMENT	150,000								150,000		150,000			**150,000**
SECURITY CAMERAS & CONNECTIVITY	630,000								630,000		630,000			**630,000**
TREE PLANTING PROGRAM	150,000								150,000		150,000			**150,000**
CDM:											-			-
DISCOVERY HOUSE	307,000						307,000				307,000			**307,000**
ARMSTRONG/HACK HOUSE	9,500						9,500				9,500			**9,500**
PAVILION	3,600						3,600				3,600			**3,600**
PAVILION/RESTROOM BUILDING	5,000						5,000				5,000			**5,000**
HORSE BARN	5,000						5,000				5,000			**5,000**
MISC IMPROVEMENTS	152,500						152,500				152,500			**152,500**
EVENT SPACE IMPROVEMENTS	10,000						10,000				10,000			**10,000**
CDM FACILITIES ASSESSMENT	250,000						250,000				250,000			**250,000**
JONESVILLE HORSE BARN	500,000						500,000				500,000			**500,000**
MITCHELVILLE FREEDOM PARK	2,310,200						2,310,200				2,310,200			**2,310,200**
TOWN REFUSE & RECYCLING IMPROVEMENTS	250,000						250,000				250,000			**250,000**
FIRE RESCUE HEADQUARTERS	622,992										-	622,992 2026 GO BONDS		**622,992**
GULLAH GEECHEE CULTURAL HERITAGE CENTER	250,000						250,000				250,000			**250,000**
FACILITIES & EQUIPMENT CONTINGENCY	100,000								100,000		100,000			**100,000**
FLEET:														
SECONDARY RESPONSE VEHICLE	130,000		130,000								130,000			**130,000**
SUPPORT VEHICLE REPLACEMENT	100,000			100,000							100,000			**100,000**
LADDER TRUCK REPLACEMENT	4,500,000			4,500,000							4,500,000			**4,500,000**
BATTALION 1 REPLACEMENT	150,000		150,000								150,000			**150,000**
FLEET CONTINGENCY	100,000		100,000								100,000			**100,000**
TOTAL NEW PROJECTS	**41,785,792**	**6,050,000**	**14,777,000**	**4,600,000**	**1,155,000**	**-**	**5,377,800**	**250,000**	**5,868,000**	**-**	**38,077,800**	**1,822,992**	**1,885,000**	**41,785,792**
TOTAL ROLLOVER AND NEW PROJECTS	**53,967,547**	**6,849,119**	**20,787,351**	**4,600,000**	**1,506,637**	**832,328**	**5,410,921**	**250,000**	**5,868,000**	**-**	**46,104,356**	**3,657,605**	**4,205,586**	**53,967,547**
ENDING FUND BALANCE (AFTER RESTRICTIONS)		**22,845,384**	**932,403**	**-**	**-**	**-**	**6,037,977**	**23,506,806**	**1,024,395**	**301,690**	**54,648,654**	**31,656,350**	**746,329**	**87,051,333**

TOWN OF HILTON HEAD ISLAND STAFF
2027 HOLIDAY SCHEDULE

New Year's Day 2027	**January 1, 2027 (Thursday)**
Martin Luther King, Jr. Day	**January 18, 2027 (Monday)**
Presidents Day	**February 15, 2027 (Monday)**
Memorial Day	**May 31, 2027 (Monday)**
Juneteenth (observed)	**June 18, 2027 (Friday)**
Independence Day (observed)	**July 5, 2027 (Monday)**
Labor Day	**September 6, 2027 (Monday)**
Veterans' Day	**November 11, 2027 (Thursday)**
Thanksgiving Day	**November 25, 2027 (Thursday)**
Day after Thanksgiving	**November 26, 2027 (Friday)**
Christmas Eve	**December 24, 2027 (Friday)**
Christmas Day (observed)	**December 27, 2027 (Monday)**
New Year's Day 2027 (observed)	**December 31, 2027 (Friday)**

Floating Holidays:

Employees hired during the first half of the calendar year will be granted the full annual allocation of floating holidays to be taken by the end of the calendar year. Employees hired during the second half of the calendar year will be granted one half of the annual allocation to be taken by the end of the calendar year. See Section 5.02 of the Policy Manual for additional details regarding floating holidays.

FY2027 BUDGET
FUND RESERVE POLICY

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4. ANNUAL REVIEW AND DETERMINATION OF FUND BALANCE RESERVE AMOUNTS **Page 8**

1. REPORTING AND GOVERNMENTAL FUND TYPE DEFINITIONS

The Town of Hilton Head Island hereby establishes and will maintain reserves of Fund Balance as defined herein in accordance with the Governmental Accounting and Financial Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund Balance represents the difference between assets and fund liabilities in the governmental funds balance sheet and is commonly referred to as fund equity. This Policy shall apply to the Town's General Fund and all governmental funds. This policy does not apply to the Proprietary Fund.

The fund balance policy addresses the following components:

1) Clearly defined classifications that make the nature and extent of the constraints placed on the various fund balances more transparent;
2) Providing a better understanding of fund balances by clarifying the definitions of governmental fund types;
3) Reservations of the Town's General Fund and all governmental funds; and,
4) The Town's order of spending regarding restricted and unrestricted fund balance and the order of spending for committed, assigned and unassigned fund balance.

A. *Classifications of Fund Balances*

Under GASB Statement No. 54, fund balances are classified as non-spendable, restricted, committed, assigned or unassigned amounts.

1) **Non-Spendable** – Amounts that cannot be spent because they are either in a (a) non-spendable form, including items not expected to be converted to cash (i.e. inventories, prepaid amounts, long-term portion of loans and notes receivable and property acquired for resale), or (b) legally or contractually required to be maintained intact (i.e. the principal of an endowment, etc.).
2) **Restricted** – Amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.
3) **Committed** – Amounts that are constrained to be used for a specific purpose as per action by the Town Council. Amounts classified as committed are not subject to legal enforceability like restricted resources; however, they cannot be used for any other purpose unless the Council removes or changes the commitment by taking the same action it employed to impose the commitment. Committed amounts for the Town consist of amounts passed and approved by Town Council.
4) **Assigned** – Amounts that are intended to be used for a specific purpose but are neither restricted nor committed. The intent shall be expressed by the Town Council, or a designee authorized by the Town Council for a specific purpose in accordance with policy established by the Town Council. The Town reserves the right to assign fund balance by simple majority vote of Town Council.
5) **Unassigned** – Amounts available for any purpose (amounts that are not Non-Spendable, Restricted, Committed or Assigned) for all governmental funds. The General Fund should be the

only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to these purposes, it may be necessary to report a negative unassigned fund balance.

B. ***Governmental Fund Type Definitions***

The Town's governmental fund types as defined by GASB No. 54 are as follows:

1) The **General Fund** is the general operating fund of the Town and accounts for all revenues and expenditures of the Town except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.
2) The **Special Revenue Fund** account for the proceeds from dedicated revenue sources that are required by law to be segregated from the General Fund and used for specific allowable expenditures. Special Revenue funds include but are not limited to the Tax Increment Financing ("TIF") District Fund, the Beach Preservation Fee Fund, the Real Estate Transfer Fee Fund, Accommodations Tax Fund, the Hospitality Fees Fund, the Palmetto Electric Franchise Fee Fund, Operating Grants Fund, the Road Usage Fee Fund, the Natural Disasters Fund, the Firemen's Fund, and the Home Grant Fund.
3) The **Capital Projects Fund** is used to account for and report financial resources that are restricted, committed, or assigned for expenditures of capital outlay related to equipment, site acquisitions, construction renovation of capital facilities, and other capital assets for the Town expect for those financed in the Enterprise Fund.
4) The **Debt Service Fund** is used to account for and report the accumulation of financial resources that are restricted for the payment of all long-term principal, interest, and related costs of the Town.
5) The **Gullah Geechee Historic Neighborhoods Community Development Corporation Fund** is used to account for and report the costs associated with the actions of the Corporation to protect the Town's historic and culturally sensitive neighborhoods.
6) The **Housing Fund** is used to account for and report the costs associated with the development, implementation, and delivery of the strategies and tactics identified within the Town's adopted Workforce Housing Framework.

2. DISASTER PLANNING RESERVES

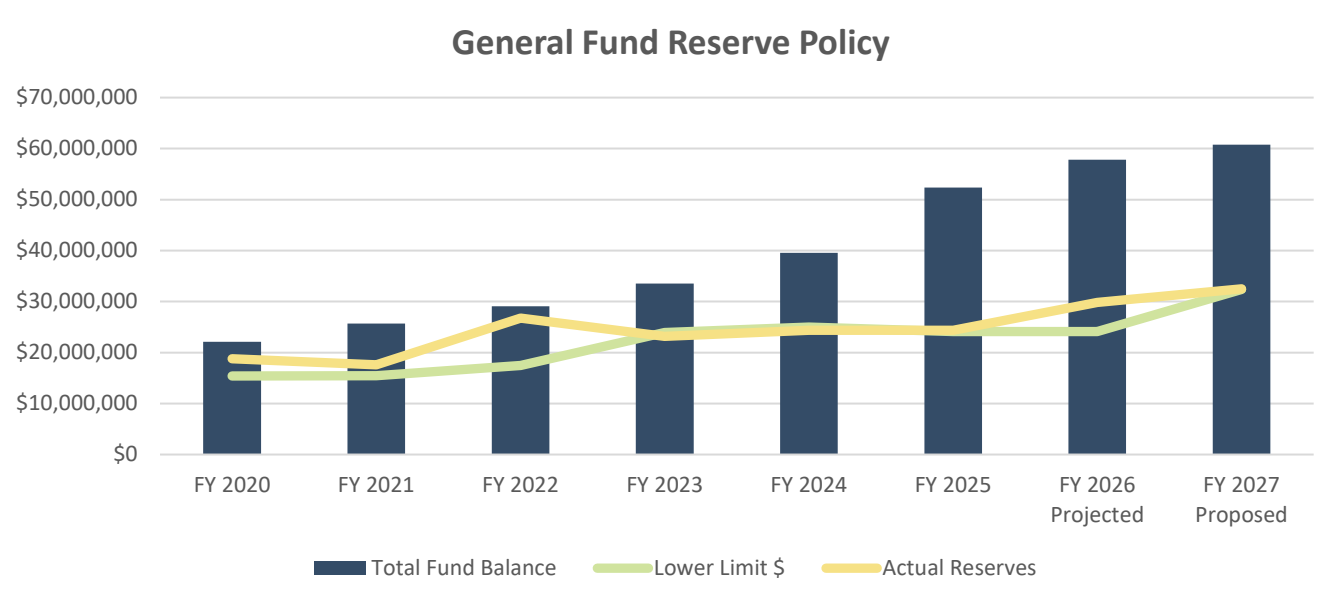
To protect its assets during catastrophic events, the Town established the following reserves:

	Projected Fund Balance at 6/30/2026	Current Reserve Policy	Projected Fund Balance at 6/30/2027	Proposed Minimum Reserve Policy FY 2027	Projected Reserve Fund Balance at 6/30/2027	FY 2027 Proposed Reserve Policy
Operating:						
General Fund	$ 57,836,280	$ 24,370,000	$ 60,744,369	**$ 32,372,231**	$ 32,744,003	The Town shall maintain an assigned General Fund balance between 50% and 55% of annual General Fund expenditures to support fiscal stability, emergency preparedness, cash flow needs, and long-term financial resiliency. Any unassigned General Fund balance exceeding 55% at fiscal year-end shall be transferred to the Natural Disasters Fund. Encumbered or assigned amounts appropriated for expenditure in the subsequent fiscal year shall be excluded from the excess fund balance calculation and shall not be transferred.
Debt Service Fund	2,951,753	-	2,741,999	-	-	No Minimum Balance
Housing Fund	2,865,792	-	893,527	-	-	No Minimum Balance
GGHNCDC Fund	4,074,501	-	2,951,272	-	-	No Minimum Balance
Stormwater Utility Fund	12,891,854	5,000,000	11,217,082	**3,000,000**	10,090,752	$3 million and net assets
Subtotal Operating	**$ 80,620,180**	**$ 29,370,000**	**$ 78,548,249**	**$ 35,372,231**	**$ 42,834,755**	
Capital:						
Capital Improvements Program Fund	$ 37,159,645	$ -	$ 35,997,851	-	$ 4,341,500	Town Council designates $4,341,500 for Economic Development opportunities.
Subtotal Capital	**$ 37,159,645**	**$ -**	**$ 35,997,851**	**$ -**	**$ 4,341,500**	
Special Revenues:						
TIF Fund	$ 1,506,637	$ -	$ -	-	$ -	No Minimum Balance
State ATAX Fund	10,205,635	-	6,037,976	-	-	No Minimum Balance
Real Estate Transfer Fee Fund	19,335,175	1,000,000	24,506,805	**1,000,000**	1,000,000	$1 Million Current Policy
Beach Preservation Fee Fund	38,623,827	20,000,000	42,845,384	**42,845,384**	42,845,384	The Town shall maintain a minimum Beach Preservation Fee Fund balance of $40 million to support long-term shoreline protection, beach renourishment, and coastal resiliency initiatives. Each fiscal year, the Town shall reserve available fund balance amounts exceeding the established minimum with a target reserve balance of $60 million by the end of Fiscal Year 2033 to prepare for the next major beach renourishment project. Reserved funds shall be used solely for beach preservation, renourishment, shoreline stabilization, and related coastal resiliency expenditures approved by the Town Council of Hilton Head Island.
Hospitality Tax Fund	22,933,201	5,000,000	5,932,403	**5,000,000**	5,000,000	$5 Million Current Policy
Road Usage Fee Fund	832,328	-	-	-	-	No Minimum Balance
Palmetto Electric Franchise Fee Fund	3,641,983	-	1,024,485	-	-	No Minimum Balance
Short-Term Rental Fee Fund	876,611	-	301,689	-	-	No Minimum Balance
Natural Disasters Fund	38,633,361	36,000,000	39,745,965	**39,745,965**	39,745,965	The Town shall maintain a minimum Natural Disasters Fund balance of $36 million to support emergency preparedness, disaster response, storm recovery, and community resiliency needs. The minimum required fund balance shall increase annually by the amount of unassigned General Fund balance transferred above the 55% General Fund threshold and by investment income earned within the fund. The Natural Disasters Fund shall have no maximum fund balance limitation. Funds shall be reserved exclusively for disaster preparedness, response, recovery, mitigation, and resiliency-related expenditures approved by the Town Council of Hilton Head Island.
Operating Grants Fund	363,151	-	-	-	-	No Minimum Balance
Fire Truck Lease Proceeds Fund	84,828	-	-	-	-	No Minimum Balance
Subtotal Special Revenues	**$ 137,036,738**	**$ 62,000,000**	**$ 120,394,707**	**$ 88,591,349**	**$ 88,591,349**	
Total:	**$ 254,816,564**	**$ 91,370,000**	**$ 234,940,810**	**123,963,580**	**$ 135,767,604**	
Reserved Ending Fund Balance %		**36%**		**53%**	**58%**	

A. General Fund Reserves (Operating)

1. The Town shall maintain a minimum assigned General Fund balance equal to fifty percent (50%) of annual General Fund expenditures.
2. The Town shall maintain a maximum assigned General Fund balance equal to fifty-five percent (55%) of annual General Fund expenditures.
3. Any assigned General Fund balance exceeding the fifty-five percent (55%) maximum threshold at the close of the fiscal year shall be transferred to the Natural Disasters Fund, as determined through the Town's annual financial audit and fiscal year-end closing process.

4. Amounts that are assigned or encumbered for expenditure in the subsequent fiscal year shall not be considered excess fund balance for purposes of calculating transfers above the fifty-five percent (55%) threshold.
5. Encumbered appropriations and contractual obligations approved by the Town and carried forward into the subsequent fiscal year shall remain available for their intended purpose and shall not be subject to transfer to the Natural Disasters Fund.
6. The purpose of this policy is to maintain the Town's long-term fiscal stability, support emergency preparedness and disaster response capabilities, preserve strong financial ratings, and ensure operational continuity during economic fluctuations or unforeseen events.



The Annual Comprehensive Financial Report of the Town includes all information presented in this General Fund reserve policy.

B. ***Long Term General Obligation Debt Limit***

General statutes limit the amount of general obligation debt that a unit of government can issue up to eight percent (8%) of the total assessed value of taxable property located within that government's boundaries. The Town may incur General Obligation Debt over the eight percent (8%) limit when approved by a majority vote in a referendum as authorized by law. In addition, Town Council has imposed an 80% cap on this amount. The remaining 20% is reserved for additional bonding associated with disaster recovery.

C. ***Real Estate Transfer Fee Reserve***

The Town shall maintain a minimum of $1 million of real estate transfer fees. The funds will be used to fund debt service payments during a disaster or financial crisis. The Town Manager has the discretion to allocate this reserve balance for emergency purposes.

D. ***Beach Preservation Fee Reserve***

The Town shall maintain a reserve with a goal of allocating funds equivalent to the projected cost of the next Beach Renourishment project in preparation for the next scheduled renourishment effort.

1) The Town shall maintain a minimum Beach Preservation Fee Fund balance of forty million dollars ($40,000,000).
2) The minimum fund balance shall serve as a financial reserve dedicated to future beach renourishment, shoreline protection, beach preservation, and coastal resiliency projects.
3) Each fiscal year, the Town shall reserve available fund balance amounts in excess of the established minimum balance with a target reserve balance of sixty million dollars ($60,000,000) to be achieved by the end of Fiscal Year 2033.
4) Amounts reserved above the minimum balance shall be designated for the next major beach renourishment project and related eligible coastal protection expenditures.
5) Monies within the Beach Preservation Fee Fund shall not be used for unrelated operational expenditures and shall remain restricted to beach preservation, shoreline stabilization, renourishment activities, coastal resiliency initiatives, environmental mitigation, and associated project costs approved by the Town Council.
6) The purpose of this policy is to ensure long-term financial planning for the preservation of the Town's beaches, protect critical economic and environmental assets, reduce future financial risk associated with coastal erosion and storm impacts, and maintain the sustainability of the Town's beach management program for Hilton Head Island.

Authorization to utilize reserve funds shall require a resolution duly adopted by the Town Council, provided that circumstances allow for a Council meeting to be convened. If circumstances do not permit the convening of a Town Council meeting, the Town Manager may authorize the use of reserve funds, with the understanding that such action must be presented to the Town Council for ratification at the earliest practicable opportunity.

E. ***Hospitality Tax Reserve***

The Town Shall maintain a reserve of $5 million. This reserve calculation represents six months of revenue from the prior fiscal year.

Funds held in the reserve account may be used for the following items.

1) Direct expenditures to pay costs of any project or purposes identified in the Municipal Section 4-9-70 as such may be amended of the Municipal Code.
2) To pledge as security for or to use as debt service for any debt or financial obligation of the Town incurred for a purpose as identified in subsection (A) above.
3) To advance monies needed by the Town to meet extenuating circumstances created by a storm or natural disaster, provided that the Town Council shall have a reasonable expectation that such amounts would be reimbursed, at least in part, from a local, state, or federal source.

Authorization to utilize reserve funds shall require a resolution duly adopted by the Town Council, provided that circumstances allow for a Council meeting to be convened. If circumstances do not

permit the convening of a Town Council meeting, the Town Manager may authorize the use of reserve funds, with the understanding that such action must be presented to the Town Council for ratification at the earliest practicable opportunity.

F. ***Stormwater Utility Fund Reserve***

The Town Shall maintain a reserve of $3 million. Funds held in the reserve account may be used for the following items.

1) Direct expenditures to pay costs of any project or purposes identified in the Municipal Section 4-9-70 as such may be amended of the Municipal Code.
2) To pledge as security for or to use as debt service for any debt or financial obligation of the Town incurred for a purpose as identified in subsection (A) above.
3) To advance monies needed by the Town to meet extenuating circumstances created by a storm or natural disaster, provided that the Town Council shall have a reasonable expectation that such amounts would be reimbursed, at least in part, from a local, state, or federal source.

In addition, the Town shall maintain an additional restriction for net fixed assets based on prior capital purchases less any outstanding debt. This restriction is needed to reflect the proper available fund balance for future spending. This restriction is required based upon the accounting for Enterprise Funds. The FY 2027 total net fixed asset restriction is $7.1 million. This amount will adjust every year based upon the addition of new fixed assets offset by current year depreciation expense and/or outstanding debt.

Authorization to utilize reserve funds shall require a resolution duly adopted by the Town Council, provided that circumstances allow for a Council meeting to be convened. If circumstances do not permit the convening of a Town Council meeting, the Town Manager may authorize the use of reserve funds, with the understanding that such action must be presented to the Town Council for ratification at the earliest practicable opportunity.

G. ***Natural Disasters Fund Reserve***

The Town shall maintain a reserve to account for the potential for greater damage and higher costs associated with unpredictable natural disasters.

1. The Town shall maintain a minimum Natural Disasters Fund balance of thirty-six million dollars ($36,000,000).
2. The Natural Disasters Fund shall serve as a dedicated financial reserve for disaster preparedness, emergency response, storm recovery, hazard mitigation, infrastructure resiliency, and other emergency-related expenditures.
3. The minimum required fund balance shall increase annually by:
   a. Any unassigned General Fund balance transferred from amounts exceeding the General Fund balance policy maximum threshold; and
   b. Investment income earned and retained within the Natural Disasters Fund.
4. The Natural Disasters Fund shall not have a maximum fund balance limitation.

5. Monies within the Natural Disasters Fund shall remain restricted for expenditures associated with natural disasters, severe weather events, emergency response activities, infrastructure stabilization, recovery operations, hazard mitigation initiatives, resiliency planning, and other related purposes approved by the Town Council.
6. The purpose of this policy is to strengthen the Town's long-term financial resiliency, reduce reliance on debt or emergency funding following disasters, support continuity of operations, and enhance the Town's ability to respond to and recover from hurricanes, flooding, coastal impacts, and other emergency events affecting Hilton Head Island.

H. ***Capital Improvements Fund Reserve***

During the adoption of the annual budget, the Town shall designate amounts within the Capital Improvements Fund to reserve for Economic Development opportunities.

3. PRIORITIZATION OF FUND BALANCE USE (SPENDING POLICY)

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Town to use the restricted amounts first as permitted under the law. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Town to use the committed amounts first, followed by the assigned amounts and then unassigned amounts.

4. ANNUAL REVIEW AND DETERMINATION OF FUND BALANCE RESERVE AMOUNTS

Compliance with the provisions of this policy shall be reviewed as part of the closing of the financial books at year-end (June 30) and the amounts of non-spendable, restricted, committed, and assigned fund balance will be determined. Any residual general fund balance amounts will be classified as unassigned. Changes to Fund Reserve will be implemented during the next fiscal year and proposed to Town Council during the Budget proposal discussions.

ATTACHMENT 1.f – EXHIBIT F

Town of Hilton Head Island
Master Fee Schedule

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Section III:	Ambulance Fees	Pages 4-6
Section IV:	Growth Management Fees	Pages 7-10
Section V:	Impact Fees	Pages 11-12
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Section VIII:	Miscellaneous Fees	Page 15

ATTACHMENT 1.f – EXHIBIT F

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	12-month period starting May 1	$150 per bedroom per property $250 late fee after 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 20th of the calendar year
Second Quarter (April, May, June)	July 20th of the calendar year
Third Quarter (July, August, September)	October 20th of the calendar year
Fourth Quarter (October, November, December)	January 20th of the following calendar year

ATTACHMENT 1.f – EXHIBIT F

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 New base rate	New per thousand rate	A=In Town (IT) B=Out of Town (OT)
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 Onlne 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

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 31st)	$10.00
Late Renewal Fee	$20.00

Section III- Ambulance Service Fees

Billing Category	Rate
BLS- Basic Life Support- Non-emergency	$460 plus $17.25/mile
BLS- Basic Life Support- Emergency	~~$626 plus $17.25/mile~~ $660 plus $17.25/mile
ALS-1- Advanced Life Support- Non-emergency	$520 plus $17.25/mile
ALS-1- Advanced Life Support- Level 1 Emergency	~~$745 plus $17.25/mile~~ $785 plus $17.25/mile
ALS-2- Advanced Life Support- Level 2	~~$1076 plus $17.25/mile~~ $1,135 plus $17.25/mile
Treatment- No Transport - BLS	$100 per incident
Treatment- 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.

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.

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.

Town of Hilton Head Island
Master Fee Schedule

Section IV- Growth Management Fees

Item/Description	Value of Construction	Fee
New Structure Single Family Permits	$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)
Miscellaneous Single Family Permits	$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)
New Structure Commercial Permits	$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)
Miscellaneous Commercial Permits	$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 1.f – EXHIBIT F

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 1.f – EXHIBIT F

Town of Hilton Head Island
Master Fee Schedule

Planning and Environmental Permit Fees

Description	Fee
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

Planning and Environmental Permit Fees (continued)

Description	Fee
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

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)

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 sqft)

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 1.f – EXHIBIT F

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

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 1.f – EXHIBIT F

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 1.f – EXHIBIT F

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 1st through September 7th (Monday through Friday)	$3 per hour per vehicle
	March 1st through September 7th (Saturday and Sunday)	$5 per hour per vehicle
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 19th and through September 7th, 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.

Town of Hilton Head Island

FY 2027 PROPOSED CONSOLIDATED BUDGET

DRAFT

Town Council Meeting // June 9, 2026

FY 2027 PROPOSED CONSOLIDATED BUDGET OUTLINE

01

COMMUNITY FACTORS + ECONOMIC DRIVERS

02

STRATEGIC ACTION PLAN + GOALS

FY27 Proposed Consolidated Budget Goals

03

OVERVIEW

FY27 Proposed Consolidated Budget Overview

04

REVIEW

FY27 Proposed Consolidated Budget Review & Approval Process

STRATEGIC ACTION PLAN

FY 2027 CONSOLIDATED BUDGET STRATEGIC PLAN PRIORITIES

The Town of Hilton Head Island Strategic Action Plan for Fiscal Years 2026 – 2028 was adopted on July 15, 2025. The Strategic Action Plan Goals are:

- **Protect Island Character through Managing Growth**
- **Enhance Major Corridor and Streets**
- **Reinforce Island Resilience**
- **Invest in Stormwater Management Infrastructure**
- **Enhance Public Safety Readiness and Facilities**
- **Support Economic Development and Business Recruitment and Retention**
- **Advance Workforce Housing Opportunities**
- **Preserve, Protect and Celebrate Gullah Geechee Culture and Heritage**
- **Protect and Enhance Environmental Sustainability**
- **Enhance Community Well-being Through Implementation of the Parks and Recreation Master Plan and Program Enhancements**

FY 2027 CONSOLIDATED BUDGET GOALS

- **Enhance community amenities, including recreation, leisure, and public facilities.**
- **Maintain high-quality municipal services delivered efficiently and effectively.**
- **Foster a workplace culture of innovation, customer service, and employee engagement.**
- **Invest in transformative capital projects and long-term infrastructure resilience.**
- **Protect and elevate the Island's identity, including its environmental and cultural assets.**
- **Leverage fiscal planning as a tool for progress, innovation, and continuous improvement.**

The State of South Carolina requires the Town Council to adopt an annual balanced budget ordinance prior to July 1. The annual budget is adopted in conjunction with Town Council, Department Heads, Planning Commission, and citizens through this budget process.

FY 2027 PROPOSED CONSOLIDATED BUDGET

FY 2027 CONSOLIDATED BUDGET REVIEW & APPROVAL PROCESS

MAY 12

Budget Ordinance to Town Council for Public Hearing & First Reading

MAY 14

Town Council Budget Workshop:
General Fund
Debt Service Fund
GGHNCDC Fund
Housing Fund
Special Revenues Fund

MAY 19

Town Council Budget Workshop:
CIP Fund
Stormwater Fund
Consolidated Budget

JUNE 9

Budget Ordinance to Town Council for Public Hearing & Second and Final Reading

FY 2027 PROPOSED CONSOLIDATED BUDGET

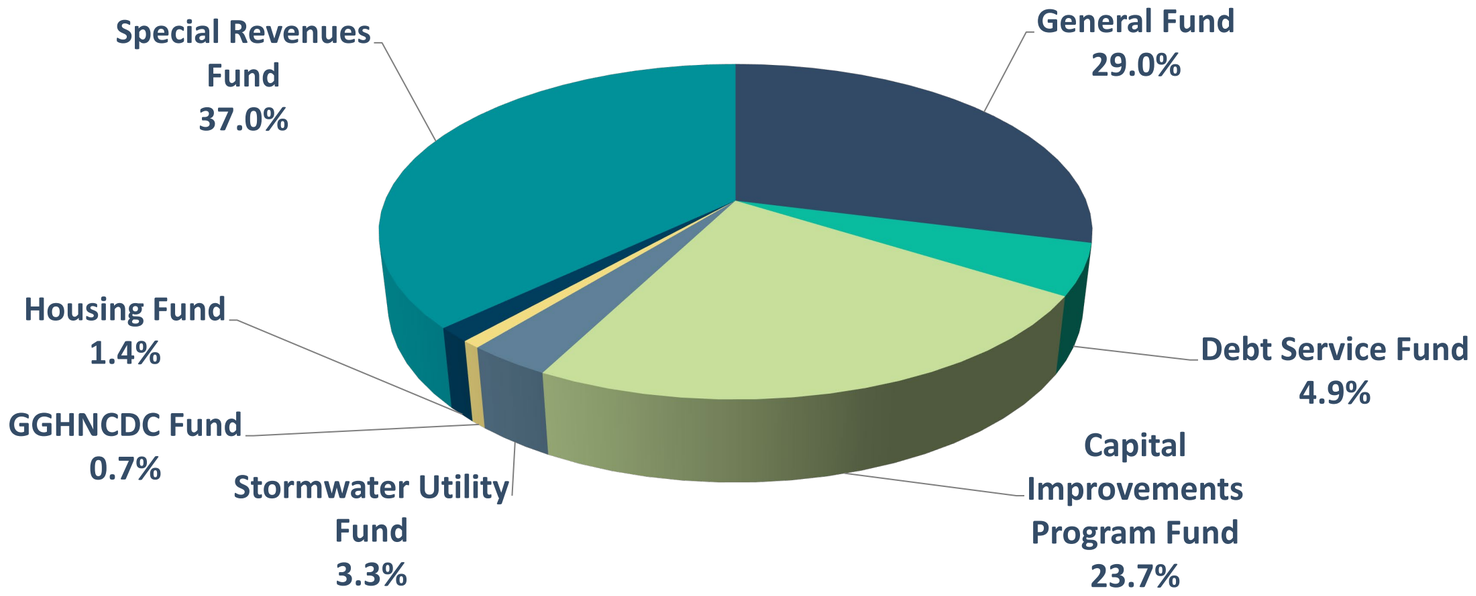
ALL FUNDS

- ✓ General Fund
- ✓ Capital Improvements Program Fund
- ✓ Debt Service Fund
- ✓ Stormwater Utility Fund
- ✓ Gullah Geechee Historic Neighborhoods Community Development Corporation Fund
- ✓ Housing Fund
- ✓ Special Revenues Fund

FY 2027 PROPOSED CONSOLIDATED BUDGET

- ✓ The Consolidated Budget accounts for the roll-up of the six funds, along with all Special Revenue Funds.
- ✓ The Consolidated Budget provides a total revenue and expenditure view for the Town. It is recommended that the Town provides a consolidated balanced budget to give a total view for the Town's use of funds.

FY 2027 PROPOSED CONSOLIDATED BUDGET REVENUES – ALL FUNDS



Revenues	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
General Fund	$ 63,856,831	$ 70,609,525	$ 59,754,870	$ 60,362,809	$ 65,387,249	**$ 67,652,550**	$ 7,289,741	12.1%
Debt Service Fund	17,377,789	15,573,441	18,864,083	31,084,281	30,960,656	**11,513,988**	(19,570,293)	-63.0%
Capital Improvements Program Fund	31,671,440	32,966,666	77,687,380	124,616,414	110,369,157	**55,205,752**	(69,410,662)	-55.7%
Stormwater Utility Fund	5,726,307	5,944,113	11,140,277	11,893,723	6,552,349	**7,583,334**	(4,310,389)	-36.2%
GGHNCDC Fund	275,478	279,404	3,286,603	3,286,603	1,718,563	**1,694,756**	(1,591,847)	-48.4%
Housing Fund	2,350,000	1,000,000	3,978,137	3,978,137	1,199,442	**3,211,498**	(766,639)	-19.3%
Six Major Funds Subtotal	**121,257,844**	**126,373,150**	**174,711,350**	**235,221,967**	**216,187,416**	**146,861,878**	**(88,360,089)**	-37.6%
Special Revenues Fund	63,095,398	71,524,951	-	-	85,391,811	**86,422,841**	86,422,841	0.0%
Consolidated Budget	**$ 184,353,242**	**$ 197,898,100**	**$ 174,711,350**	**$ 235,221,967**	**$ 301,579,227**	**$ 233,284,719**	**$ (1,937,248)**	**-0.8%**

FY 2027 PROPOSED CONSOLIDATED BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Projection $ Change	FY27 to FY26 Projection % Change
Property Taxes	$ 24,582,416	$ 25,809,924	$ 23,971,050	$ 23,971,050	$ 25,600,000	**$ 26,112,000**	$ 2,140,950	$ 512,000	2.0%
Business Licenses	14,749,382	17,585,602	13,565,155	13,565,155	14,847,121	**14,995,592**	1,430,437	148,471	1.0%
Franchise Fees	835,865	1,061,803	861,065	861,065	842,555	**842,555**	(18,510)	-	0.0%
Stormwater Utility Fees	5,275,035	5,384,264	5,275,035	5,275,035	5,500,962	**5,610,981**	335,946	110,019	2.0%
Local Accommodations Tax	6,944,525	8,841,406	6,812,769	6,812,769	7,275,251	**7,384,380**	571,611	109,129	1.5%
EMS Revenue	2,252,547	2,627,171	2,036,000	2,036,000	2,713,836	**2,461,122**	425,122	(252,714)	-9.3%
Permit Fees	2,437,719	2,670,404	1,922,580	1,922,580	3,063,000	**1,922,580**	-	(1,140,420)	-37.2%
Intergovernmental	930,105	981,781	978,035	978,035	1,021,747	**1,042,182**	64,147	20,435	2.0%
State Accommodations Tax	12,790,329	13,167,662	-	-	12,644,919	**12,417,310**	12,417,310	(227,609)	-1.8%
Beach Preservation Fees	13,889,049	17,268,782	-	-	14,550,475	**14,768,732**	14,768,732	218,257	1.5%
Hospitality Tax	10,574,379	10,559,662	-	-	10,760,553	**10,878,919**	10,878,919	118,366	1.1%
TIF Taxes	7,844,686	3,258,859	-	-	16,682	**-**	-	(16,682)	-100.0%
Road Usage Fee	1,724	950	-	-	228	**-**	-	(228)	-100.0%
Real Estate Transfer Fee	4,883,205	5,228,355	-	-	6,324,914	**5,029,064**	5,029,064	(1,295,850)	-20.5%
Electric Franchise Fee	2,893,617	3,258,395	-	-	3,380,869	**3,507,652**	3,507,652	126,783	3.8%
Short Term Rental Fee	2,012,495	1,882,500	-	-	3,031,050	**3,031,050**	3,031,050	-	0.0%
Grants	5,522,874	3,155,760	7,365,538	7,365,538	8,442,684	**1,250,000**	(6,115,538)	(7,192,684)	-85.2%
Investment Income	10,699,467	10,885,143	2,100,115	2,100,115	8,912,490	**7,966,015**	5,865,900	(946,475)	-10.6%
Beach Parking	193,034	520,770	650,000	650,000	650,000	**650,000**	-	-	0.0%
Sunday Liquor Permit Fees	279,950	316,500	1,000,000	1,153,887	332,325	**348,941**	(804,946)	16,616	5.0%
Impact Fees	236,672	148,347	1,100,000	1,100,000	199,234	**187,248**	(912,752)	(11,986)	-6.0%
Capital	62,120	62,120	-	-	62,120	**62,120**	62,120	-	0.0%
Prior Year Bond Proceeds (GO Bonds)	-	-	-	-	-	**-**	-	-	100.0%
Sale of Land/Equipment	-	97,703	-	-	4,341,500	**-**	-	(4,341,500)	-100.0%
Other	787,745	389,987	356,848	436,848	506,113	**560,000**	123,152	53,887	10.6%
Total Operating Revenues	**$ 130,678,939**	**$ 135,163,851**	**$ 67,994,190**	**$ 68,228,077**	**$ 135,020,628**	**$ 121,028,443**	**$ 52,800,366**	**$ (13,992,185)**	**-10.4%**

» Total Consolidated Budget Revenues are continued on the next slide

FY 2027 PROPOSED CONSOLIDATED BUDGET REVENUES

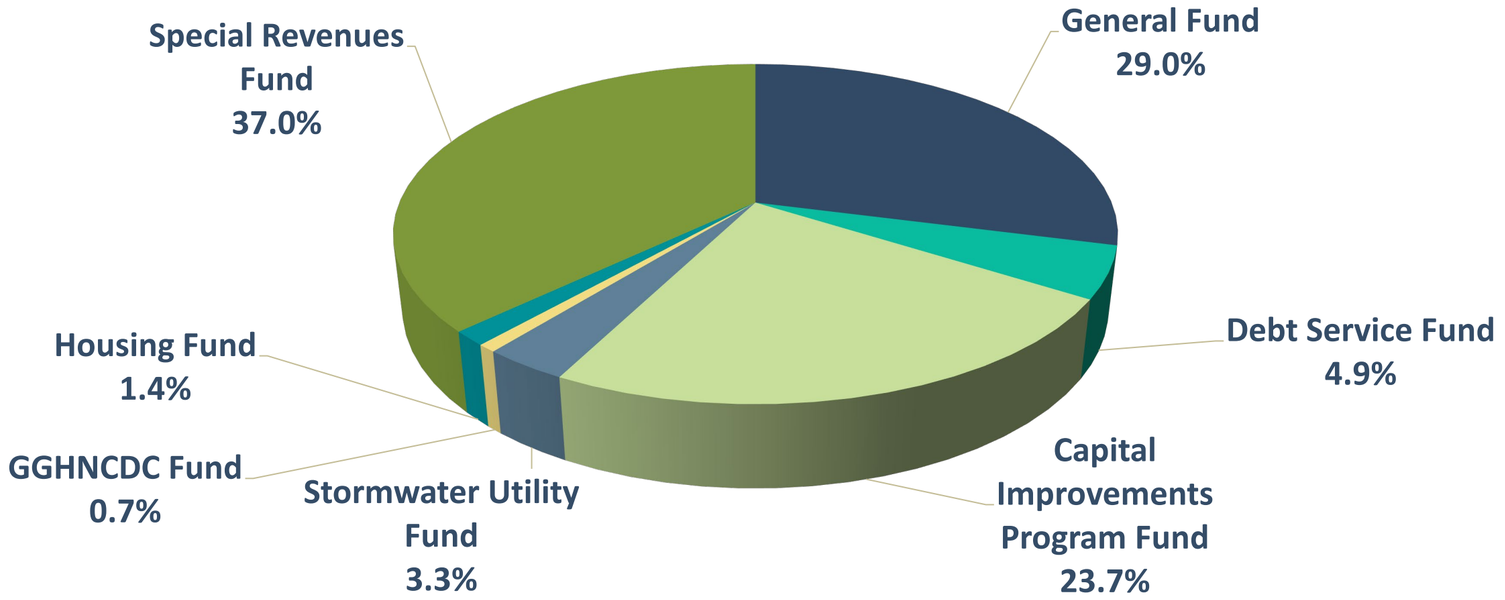
	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Projection $ Change	FY27 to FY26 Projection % Change
Use of Fund Balance:									
General Fund	$ -	$ -	$ 275,000	$ 327,528	$ -	**$ -**	$ (327,528)	$ -	100.0%
Stormwater Fund	-	-	5,592,662	6,346,108	744,774	**1,674,773**	(4,671,335)	929,999	124.9%
Capital Projects Fund (Operating)	-	-	3,279,803	3,354,803	-	**-**	(3,354,803)	-	100.0%
Prior Year Bond Proceeds (CIP Fund)	-	-	66,197	66,197	-	**2,400,000**	2,333,803	2,400,000	100.0%
Debt Service Fund	-	-	-	11,930,888	11,291,759	**209,755**	(11,721,133)	(11,082,004)	-98.1%
GGHNCDC Fund	-	-	3,161,603	3,161,603	1,489,774	**1,123,230**	(2,038,373)	(366,544)	-24.6%
Special Revenue Grants	-	-	-	-	-	**363,151**	363,151	363,151	100.0%
Housing Fund	-	-	3,781,088	3,781,088	2,393	**2,591,883**	(1,189,205)	2,589,490	108211.0%
Beach Preservation Fee	-	-	-	-	16,701,035	**-**	-	(16,701,035)	-100.0%
Hospitality Tax	-	-	-	-	5,870,513	**17,000,798**	17,000,798	11,130,285	189.6%
Fire Truck Lease	-	-	-	-	-	**84,828**	84,828	84,828	100.0%
TIF Tax	-	-	-	-	2,566,404	**1,506,637**	1,506,637	(1,059,767)	-41.3%
Road Usage Fee	-	-	-	-	1,435,778	**832,328**	832,328	(603,450)	-42.0%
State Accommodations Tax	-	-	-	-	1,129,535	**4,167,659**	4,167,659	3,038,124	269.0%
Electric Franchise Fee	-	-	-	-	-	**2,617,498**	2,617,498	2,617,498	100.0%
Short Term Rental Fee	-	-	-	-	-	**574,921**	574,921	574,921	100.0%
Total Use of Fund Balance	**-**	**-**	**16,156,353**	**28,968,215**	**41,231,965**	**35,147,460**	**6,179,245**	**(6,084,505)**	**-14.8%**

» Total Consolidated Budget Revenues are continued on the next slide

FY 2027 PROPOSED CONSOLIDATED BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Projection $ Change	FY27 to FY26 Projection % Change
Transfers In									
From General Fund for Housing	2,000,000	-	197,049	197,049	197,049	-	(197,049)	$ (197,049)	-100.0%
From General Fund for GGHNCDC	1,000,000	-	-	-	-	**359,026**	359,026	359,026	100.0%
From General Fund for Special Revenue	-	-	-	-	-	**207,872**	207,872	207,872	100.0%
From Beach Preservation Fee	8,848,605	6,945,849	52,530,548	34,296,815	33,159,836	**12,357,922**	(21,938,893)	(20,801,914)	-62.7%
From Hospitality Tax	9,246,221	17,273,617	17,875,830	21,940,492	17,526,286	**28,730,176**	6,789,684	11,203,890	63.9%
From Fire Truck Lease Proceeds	-	-	-	2,464,838	-	**4,600,000**	2,135,162	4,600,000	100.0%
From TIF Tax	4,494,978	9,171,775	2,242,934	3,505,434	2,909,274	**1,506,637**	(1,998,797)	(1,402,637)	-48.2%
From Road Usage Fee	(137,533)	481,323	1,354,500	2,268,334	1,436,006	**832,328**	(1,436,006)	(603,678)	-42.0%
From State ATAX	6,629,315	5,770,126	6,332,066	6,445,183	6,307,066	**9,153,614**	2,708,431	2,846,548	45.1%
From Real Estate Transfer Fee	8,332,751	3,336,556	250,000	1,368,800	1,368,800	**250,000**	(1,118,800)	(1,118,800)	-81.7%
From Electric Franchise Fee	10,137,278	9,038,451	1,056,000	1,587,993	1,310,815	**6,408,603**	4,820,610	5,097,788	388.9%
From Short Term Rental Permit Fee	1,750,000	1,825,000	2,005,000	2,480,411	2,480,411	**3,606,050**	1,125,639	1,125,639	45.4%
From Capital Projects Fund	350,000	-	-	-	-	-	-	-	100.0%
From Federal Grants	-	-	-	-	1,000,000	-	-	(1,000,000)	-100.0%
From Natural Disaster Fund	-	-	-	-	-	-	-	-	100.0%
From Stormwater Utility Fee	985,000	1,307,552	6,700,880	7,454,326	3,609,591	**4,580,586**	(2,873,740)	970,995	26.9%
Total Transfers In	**53,636,615**	**55,150,249**	**90,544,807**	**84,009,675**	**71,305,134**	**72,592,815**	**(11,416,860)**	**1,287,681**	**1.8%**
Other Financing Sources									
From Sale of Equipment/Vehicles	37,688	-	16,000	16,000	21,500	**16,000**	-	$ (5,500)	-25.6%
Proceeds from GO Bonds	-	-	-	35,000,000	35,000,000	-	(35,000,000)	(35,000,000)	-100.0%
Proceeds from Beach Bonds	-	-	-	19,000,000	19,000,000	-	(19,000,000)	(19,000,000)	-100.0%
Proceeds from Fire Truck Lease	-	7,584,000	-	-	-	**4,500,000**	4,500,000	4,500,000	100.0%
Total Other Financing Sources	**$ 37,688**	**$ 7,584,000**	**$ 16,000**	**$ 54,016,000**	**$ 54,021,500**	**$ 4,516,000**	**$ (49,500,000)**	**$ (49,505,500)**	**-91.6%**
Total Revenues and Other Financing Sources	**$ 184,353,242**	**$ 197,898,100**	**$ 174,711,350**	**$ 235,221,967**	**$ 301,579,227**	**$ 233,284,719**	**$ (1,937,248)**	**$ (68,294,508)**	**-22.6%**

FY 2027 PROPOSED CONSOLIDATED BUDGET EXPENDITURES – ALL FUNDS



Expenditures	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
General Fund	$ 57,822,970	$ 57,775,830	$ 59,754,870	$ 60,362,809	$ 65,387,249	**$ 67,652,550**	$ 7,289,741	12.1%
Debt Service Fund	15,820,581	15,046,492	18,864,083	31,084,281	30,960,656	**11,513,988**	(19,570,293)	-63.0%
Capital Improvements Program Fund	27,398,738	31,066,109	77,687,380	124,616,414	110,369,157	**55,205,752**	(69,410,662)	-55.7%
Stormwater Utility Fund	5,150,208	6,062,194	11,140,277	11,893,723	6,552,349	**7,583,334**	(4,310,389)	-36.2%
GGHNCDC Fund	129,142	277,025	3,286,603	3,286,603	1,718,563	**1,694,756**	(1,591,847)	-48.4%
Housing Fund	201,523	280,287	3,978,137	3,978,137	1,199,442	**3,211,498**	(766,639)	-19.3%
Six Major Funds Subtotal	**106,523,162**	**110,507,937**	**174,711,350**	**235,221,967**	**216,187,416**	**146,861,878**	(88,360,089)	-37.6%
Special Revenues Fund	59,513,257	63,570,215	-	-	85,391,811	**86,422,841**	86,422,841	0.0%
Consolidated Budget	**$ 166,036,419**	**$ 174,078,152**	**$ 174,711,350**	**$ 235,221,967**	**$ 301,579,227**	**$ 233,284,719**	**$ (1,937,248)**	**-0.8%**

FY 2027 PROPOSED CONSOLIDATED BUDGET EXPENDITURES

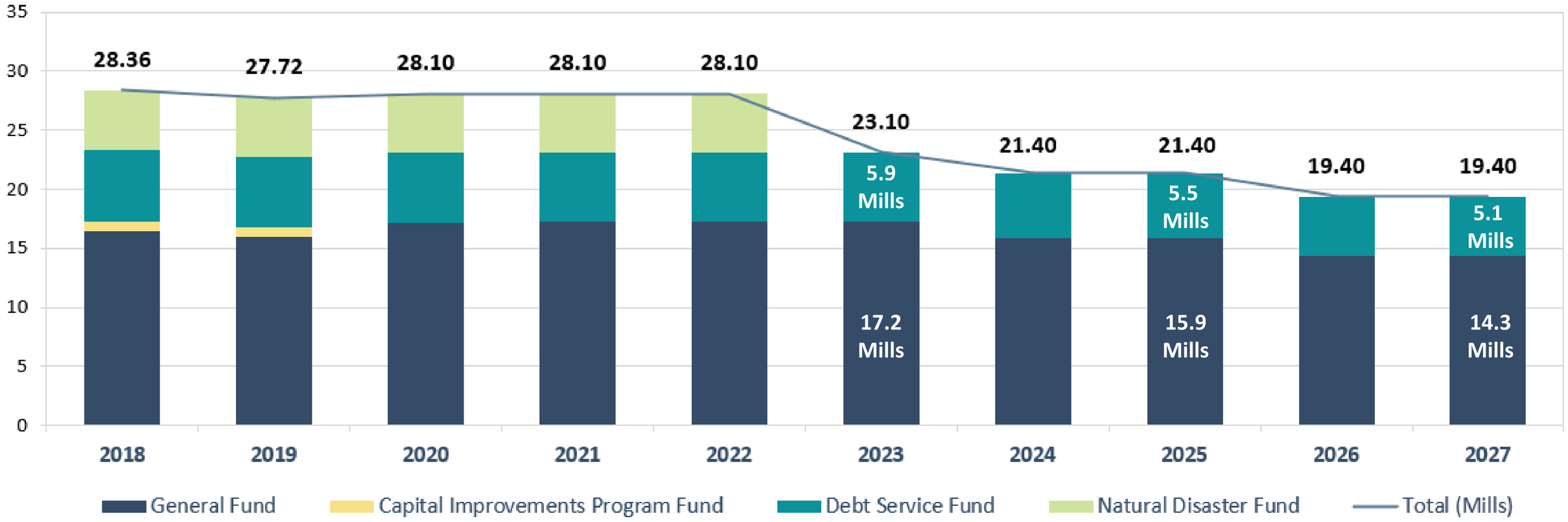
Operating Expenses	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Salaries and Benefits	$ 35,860,967	$ 37,484,867	$ 41,550,730	$ 41,739,845	$ 41,004,008	**$ 44,423,064**	$ 2,683,219	6.4%
Operating	14,974,788	15,552,427	18,935,556	19,204,520	17,627,291	**18,650,895**	(553,625)	-2.9%
Contracted Public Safety	2,595,199	2,756,658	420,500	517,832	517,832	**446,032**	(71,800)	-13.9%
Affiliated Agency Partnerships	2,056,525	3,208,939	1,988,516	2,041,044	2,041,044	**2,414,446**	373,402	18.3%
Debt Service	17,200,152	16,256,845	20,006,934	32,227,132	32,001,712	**12,538,164**	(19,688,968)	-61.1%
Beach Consulting Expense	35,500	38,350	-	-	43,250	**43,250**	43,250	100.0%
Deed Processing Expense	48,832	52,297	-	-	63,250	**50,291**	50,291	100.0%
ATAX Grants	4,789,146	3,521,165	-	-	4,076,992	**4,089,462**	4,089,462	100.0%
ATAX DMO	3,829,599	3,942,799	-	-	3,785,976	**3,717,693**	3,717,693	100.0%
Buried Underground Cable	16,649	-	-	-	-	**-**	-	100.0%
ARPA Grant Expenses	618,772	1,159,149	-	-	14,344	**-**	-	100.0%
Grant Expenses	814,998	400,849	-	-	416,747	**571,023**	571,023	100.0%
Disaster Expenses	60,529	481,903	-	-	-	**-**	-	100.0%
Capital Projects Expenditures	26,828,181	30,998,370	78,937,380	98,965,584	83,778,527	**54,967,547**	(43,998,037)	-44.5%
Housing	201,523	280,287	3,783,805	3,783,805	1,105,406	**2,500,000**	(1,283,805)	-33.9%
Stormwater Corrective & Routine Maintenance	1,900,922	2,277,175	1,290,000	1,290,000	688,413	**610,500**	(679,500)	-52.7%
Stormwater Modeling, Analysis, Monitoring	198,718	383,323	900,000	900,000	287,553	**397,837**	(502,163)	-55.8%
Cost of Issuance/Bond Proceeds Future CIP	-	132,500	-	277,838	277,838	**-**	(277,838)	-100.0%
Other Capital Outlay	368,805	-	-	-	-	**-**	-	100.0%
Total Operating Expenses	**$ 112,399,805**	**$ 118,927,903**	**$ 167,813,421**	**$ 200,947,600**	**$ 187,730,183**	**$ 145,420,206**	**$ (55,527,394)**	**-27.6%**
Transfers-out								
Transfer to General Fund	$ 14,279,087	$ 14,357,026	$ 12,968,548	$ 13,443,959	$ 13,443,959	**$ 16,611,626**	$ 3,167,667	23.6%
Transfer to CIP Fund	26,594,910	31,474,733	64,875,842	57,575,989	43,871,448	**50,309,942**	(7,266,047)	-12.6%
Transfer to Debt Service Fund	10,412,618	8,318,491	12,503,368	12,792,678	12,792,678	**4,484,733**	(8,307,945)	-64.9%
Transfer to Housing Fund	2,350,000	1,000,000	1,197,049	1,197,049	1,197,049	**619,616**	(577,433)	-48.2%
Transfer to GGHNCDC Fund	-	-	-	-	-	**359,026**	359,026	100.0%
Transfer to Special Revenue Fund	-	-	-	-	-	**207,872**	207,872	100.0%
Total Transfers-out	**$ 53,636,615**	**$ 55,150,250**	**$ 91,544,807**	**$ 85,009,675**	**$ 71,305,134**	**$ 72,592,815**	**$ (12,416,860)**	**-14.6%**
Fund Balance Surplus (Bond Proceeds)	$ -	$ -	$ -	$ 26,622,992	$ 26,622,992	**$ -**	$ (26,622,992)	-100.0%
Fund Balance Surplus (Future Use)	-	-	-	-	15,920,918	**15,271,698**	15,271,698	100.0%
Total Fund Balance Surplus	**$ -**	**$ -**	**$ -**	**$ 26,622,992**	**$ 42,543,910**	**$ 15,271,698**	**$ (11,351,294)**	**-42.6%**
Total Expenditures	**$ 166,036,420**	**$ 174,078,153**	**$ 259,358,228**	**$ 312,580,267**	**$ 301,579,227**	**$ 233,284,719**	**$ (79,295,548)**	**-25.4%**

FY 2027 CONSOLIDATED BUDGET HIGHLIGHTS

- ✓ No Millage Increase
- ✓ Operating Revenues flat year-over-year while the Town still benefits from ongoing economic strength and growth that underpins our healthy tax base trends and strong, reliable financial performance
- ✓ Fiscal discipline supports the Town's Triple A Bond Ratings from the following Agencies, which reinforce confidence in our efforts to maintain a fiscally sound operation:
  - Standard & Poor's
  - Moody's Investor Services
  - Fitch

MILLAGE RATES

Mill rate is a tax rate—the amount of tax payable per dollar of the assessed value of a property.



Note(1): Fiscal Year 2017 was Hurricane Matthew. Five (5) Mills were added for Disaster Recovery in Fiscal Years 2018-2022.

Note(2): Fiscal Year 2024 was a property value reassessment year. Millage was reduced to offset the effect of the increase in property values.

Millage was reduced again in FY 2026

FY 2027 BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Program Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

FY 2027 PROPOSED GENERAL FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Projection $ Change	FY27 to FY26 Projection % Change
Property Taxes	$ 18,274,380	$ 19,190,794	$ 17,935,450	$ 17,935,450	$ 19,000,000	**$ 19,364,000**	$ 1,428,550	$ 364,000	1.9%
Local Accommodations Tax	6,944,525	8,841,406	6,812,769	6,812,769	7,275,251	**7,384,380**	571,611	109,129	1.5%
Business Licenses	14,749,382	17,585,602	13,565,155	13,565,155	14,847,121	**14,995,592**	1,430,437	148,471	1.0%
Franchise Fees	835,865	1,061,803	861,065	861,065	842,555	**842,555**	(18,510)	-	0.0%
Permit Fees	2,315,139	2,461,684	1,800,000	1,800,000	2,940,420	**1,800,000**	-	(1,140,420)	-38.8%
State Shared Funds	930,105	981,781	978,035	978,035	1,021,747	**1,042,182**	64,147	20,435	2.0%
Grants	157,414	-	-	-	-	**-**	-	-	0.0%
Beach Services/Parking	193,034	520,770	650,000	650,000	650,000	**650,000**	-	-	0.0%
Other	665,371	388,217	356,848	436,848	452,867	**416,000**	(20,848)	(36,867)	-8.1%
Public Safety - EMS	2,252,547	2,627,171	2,036,000	2,036,000	2,713,836	**2,461,122**	425,122	(252,714)	-9.3%
Public Safety - Other	1,440	1,770	-	-	-	**-**	-	-	0.0%
Investment Income	2,222,495	2,502,871	1,500,000	1,500,000	2,177,993	**2,069,093**	569,093	(108,900)	-5.0%
Total Operating Revenues	**49,541,696**	**56,163,871**	**46,495,322**	**46,575,322**	**51,921,790**	**51,024,924**	**4,449,602**	**(896,866)**	**-1.7%**
Use of Fund Balance	-	-	275,000	327,528	-	**-**	(327,528)	-	0.0%
Transfers-In:									
Beach Preservation Fee	1,983,508	1,983,508	248,548	248,548	248,548	**2,466,895**	2,218,347	2,218,347	892.5%
Hospitality Tax	5,154,955	6,257,894	6,500,000	6,500,000	6,500,000	**6,500,000**	-	-	0.0%
Tax Increment Financing (TIF)	110,000	110,000	-	-	-	**-**	-	-	0.0%
State ATAX	4,615,021	3,515,021	3,500,000	3,500,000	3,500,000	**3,123,078**	(376,922)	(376,922)	-10.8%
Electric Franchise Fee	540,603	540,603	545,000	545,000	545,000	**540,603**	(4,397)	(4,397)	-0.8%
Short Term Rental Permit Fee	1,750,000	1,825,000	1,825,000	2,300,411	2,300,411	**3,606,050**	1,305,639	1,305,639	56.8%
Stormwater Fee	125,000	125,000	350,000	350,000	350,000	**375,000**	25,000	25,000	7.1%
Total Transfers-In	**14,279,087**	**14,357,026**	**12,968,548**	**13,443,959**	**13,443,959**	**16,611,626**	**3,167,667**	**3,167,667**	**23.6%**
Sale of Vehicle/Equipment	36,048	88,628	16,000	16,000	21,500	**16,000**	-	(5,500)	-25.6%
Total Revenues	**$ 63,856,831**	**$ 70,609,525**	**$ 59,754,870**	**$ 60,362,809**	**$ 65,387,249**	**$ 67,652,550**	**$ 7,289,741**	**$ 2,265,301**	**3.5%**

FY 2027 PROPOSED GENERAL FUND BUDGET EXPENDITURES

Expenditures by Category:	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Personnel	$ 34,994,207	$ 36,513,039	$ 40,227,531	$ 40,489,895	$ 39,873,223	**$ 43,272,018**	$ 2,782,123	6.9%
Operating	14,808,233	15,697,393	16,823,942	17,116,988	17,292,186	**18,045,068**	928,080	5.4%
Contracted Public Safety	2,595,199	2,356,458	517,832	517,832	517,832	**446,032**	(71,800)	-13.9%
Affiliated Agencies	2,056,525	3,208,939	1,988,516	2,041,044	2,041,044	**2,414,446**	373,402	18.3%
Capital Outlay (Parking Equipment)	368,805	-	-	-	-	**-**	-	0.0%
Subtotal Expenditures	**54,822,969**	**57,775,830**	**59,557,821**	**60,165,759**	**59,724,285**	**64,177,563**	**4,011,804**	**6.7%**
Transfers-Out:								
Transfer to GGHNCDC Fund	-	-	-	-	-	**359,026**	359,026	0.0%
Transfer to Housing Fund	2,000,000	-	197,049	197,049	197,049	**-**	(197,049)	-100.0%
Transfer to Capital Fund (Land Acquisition)	1,000,000	-	-	-	-	**-**	-	0.0%
Transfer to Special Revenue Fund	-	-	-	-	-	**207,872**	207,872	0.0%
Total Transfers-Out	**3,000,000**	**-**	**197,049**	**197,049**	**197,049**	**566,898**	**369,849**	**187.7%**
Fund Balance Surplus (Future Use)	-	-	-	-	5,465,915	**2,908,088**	2,908,088	0.0%
Total Expenditures	**$ 57,822,969**	**$ 57,775,830**	**$ 59,754,870**	**$ 60,362,808**	**$ 65,387,249**	**$ 67,652,550**	**7,289,742**	**12.1%**

A contribution to the General Fund - Fund Balance is planned for FY 2027

FY 2027 GENERAL FUND BUDGET HIGHLIGHTS

- ✓ **The FY 2027 General Fund Balanced Budget of $67.7 million is funded by diverse revenue streams and maintains and increases service levels across all Town Service Programs**

- ✓ **$7.3 million increase from FY 2026 Amended Budget includes:**

  - **Personnel -** $2.8 million increase includes Class & Compensation study implementation, up to a 4% performance-based merit increase, and no new FTEs

  - **Operating -** $928 thousand increase includes one-time expenses for ADA & Public Safety Assessments, E911 Dispatch radio upgrades, and Municipal Election funding; increases for Technology maintenance contracts & programs, consolidation of legal fees into the General Fund, leadership development, and commercial insurance policies

  - **Contracted Public Safety -** $72 thousand decrease includes new Shore Beach Services agreement, BCSO stipends and holiday bonuses, & Town Hall security services

  - **Affiliated Agencies -** $373 thousand increase fully funds Finance & Administrative Committee recommendations for Affiliated Agency funding requests

  - **Transfers to Other Funds -** $370 thousand increase includes funding for GGHNCDC salaries & benefits, grant funding in the Special Revenues Fund, & the elimination of funding for Housing salaries & benefits

  - **Fund Balance Surplus -** $2.9 million increase is a planned contribution to the General Fund Reserves at FY 2027 year-end

FY 2027 CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Project Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

Special Revenues Fund

Consolidated Budget

FY 2027 PROPOSED CIP SOURCES OF FUNDS

Funding Sources	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Sunday Liquor Permit Fees	$ 279,950	$ 316,500	$ 1,000,000	$ 1,153,887	$ 332,325	**$ 348,941**	$ (651,059)	-65.1%
Traffic & Park Impact Fees	236,672	148,347	1,100,000	1,100,000	199,234	**187,248**	(912,752)	-83.0%
GO Bond Proceeds	-	-	-	35,000,000	35,000,000	**-**	-	0.0%
Beach Bond Proceeds	-	-	-	19,000,000	19,000,000	**-**	-	0.0%
Investment / Lease Income	742,764	587,371	3,279,803	3,354,803	659,112	**709,620**	(2,570,183)	-78.4%
Sale of Land	200	9,075	-	-	4,341,500	**-**	-	0.0%
Grants	3,692,991	430,640	7,365,538	7,365,538	6,965,538	**1,250,000**	(6,115,538)	-83.0%
Use of Fund Balance (GO Bond Proceeds)	1,534	-	66,197	66,197	-	**2,400,000**	2,333,803	3525.5%
SBITA Asset Revenue	122,418	-	-	-	-	**-**	-	0.0%
Subtotal	**$ 5,076,529**	**$ 1,491,933**	**$ 12,811,538**	**$ 67,040,425**	**$ 66,497,709**	**$ 4,895,810**	**$ (7,915,729)**	**-61.8%**
Transfers-In:								
Beach Preservation Fees	2,916,722	1,015,716	41,220,000	22,696,957	21,559,978	**6,849,119**	(34,370,881)	-83.4%
Hospitality Tax	2,654,133	4,521,431	9,934,462	13,999,124	9,584,918	**20,787,351**	10,852,889	109.2%
Fire Truck Lease Proceeds	-	5,051,135	-	2,464,838	-	**4,600,000**	4,600,000	0.0%
Tax Increment Financing (TIF)	453,719	6,133,067	2,242,934	3,505,434	2,909,274	**1,506,637**	(736,297)	-32.8%
General Fund	1,000,000	-	-	-	-	**-**	-	0.0%
State ATAX	2,014,294	1,255,105	2,832,066	2,945,183	2,807,066	**5,410,921**	2,578,855	91.1%
Road Usage Fee	(137,533)	481,323	1,354,500	2,268,334	1,436,006	**832,328**	(522,172)	-38.6%
Electric Franchise Fee	9,596,675	8,497,848	511,000	1,042,993	765,815	**5,868,000**	5,357,000	1048.3%
Real Estate Transfer Fee	7,236,901	3,336,556	250,000	1,368,800	1,368,800	**250,000**	-	0.0%
Short Term Rental Permit Fee	-	-	180,000	180,000	180,000	**-**	(180,000)	-100.0%
Stormwater Utility Fee	860,000	1,182,552	6,350,880	7,104,326	3,259,591	**4,205,586**	(2,145,294)	-33.8%
Total Transfers-In	**$ 26,594,910**	**$ 31,474,733**	**$ 64,875,842**	**$ 57,575,989**	**$ 43,871,448**	**$ 50,309,942**	**$ (14,565,900)**	**-22.5%**
Total Funding Sources	**$ 31,671,440**	**$ 32,966,666**	**$ 77,687,380**	**$ 124,616,414**	**$ 110,369,157**	**$ 55,205,752**	**$ (22,481,628)**	**-28.9%**

FY 2027 PROPOSED CIP USES OF FUNDS

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Beach Program	$ 2,404,079	$ 1,849,805	$ 48,820,000	$ 49,019,119	$ 47,559,978	**$ 7,449,119**	$ (41,370,881)	-84.7%
Pathway Program	1,527,321	697,207	1,650,000	1,650,000	1,088,563	**1,418,937**	(231,063)	-14.0%
Roadway Program	2,770,550	4,455,402	5,079,500	8,656,486	4,070,410	**9,701,553**	4,622,053	91.0%
Park Program	2,323,598	4,281,336	10,636,000	12,439,243	8,599,572	**17,451,552**	6,815,552	64.1%
Facility & Equipment Program	3,623,957	5,010,036	4,721,000	5,870,272	4,953,325	**8,510,800**	3,789,800	80.3%
Stormwater Program	1,088,427	856,627	6,350,880	7,104,326	3,259,591	**4,205,586**	(2,145,294)	-33.8%
Fleet Program	1,071,075	4,797,990	180,000	2,644,838	2,644,838	**4,980,000**	4,800,000	2666.7%
Land Acquisition & Administration	12,019,174	9,049,966	250,000	10,331,300	10,331,300	**250,000**	-	0.0%
Subtotal CIP Programs	**26,828,180**	**30,998,369**	**77,687,380**	**97,715,584**	**82,507,577**	**53,967,547**	**(23,719,833)**	**-30.5%**
Other Uses:								
Fund Balance Surplus (Future Use)*	-	-	-	-	26,583,742	**1,238,205**	1,238,205	0.0%
Transfer to Housing	350,000	-	-	-	-	**-**	-	0.0%
Debt Service	220,558	67,740	-	-	-	**-**	-	0.0%
Bond Issuance Costs	-	-	-	277,838	277,838	**-**	-	0.0%
Future GO Bond Projects	-	-	-	26,622,992	-	**-**	-	0.0%
Total Use of Funds	**$ 27,398,738**	**$ 31,066,109**	**$ 77,687,380**	**$124,616,414**	**$109,369,157**	**$ 55,205,752**	**$ (22,481,628)**	**-28.9%**

» *Fund Balance Surplus is related to FY 2027 Sunday Liquor Permit Fees, Impact Fees, and Investment Income and will be available for future capital project funding

FY 2027 PROPOSED CIP USES OF FUNDS

Summary	Estimated Carry Forward from FY 2026 Budget	FY 2027 New Funding	FY 2027 Total Funding	Funding Sources
Beach Program	$ 1,399,119	$ 6,050,000	**$ 7,449,119**	Beach Fee, HTAX
Pathway Program	343,937	1,075,000	**1,418,937**	State Accommodation Tax
Roadway Program	4,436,553	5,265,000	**9,701,553**	TIF, GO Bond, Electric Franchise Fee
Park Program	3,054,552	14,397,000	**17,451,552**	Hospitality Tax
Facility & Equipment Program	627,008	7,883,792	**8,510,800**	State Accommodation Tax, Electric Franchise Fee, GO Bond
Stormwater Program	2,320,586	1,885,000	**4,205,586**	Stormwater Fee
Fleet Program	-	4,980,000	**4,980,000**	Lease Proceeds, Hospitality Tax
Land Acquisition & Administration	-	250,000	**250,000**	Real Estate Transfer Fee
Total FY 2027 CIP Projects	**$ 12,181,755**	**$ 41,785,792**	**$ 53,967,547**	
Fund Balance Surplus (Future Use)*	-	-	1,238,205	
Total FY 2027 CIP Budget	**$ 12,181,755**	**$ 41,785,792**	**$ 55,205,752**	

***Note -** $1.2 million is related to FY 2027 Sunday Liquor Permit Fees, Impact Fees, and Investment Income and will be available for future capital project funding.

FY 2027 CAPITAL IMPROVEMENTS PROGRAM FUND BUDGET HIGHLIGHTS

- ✓ **Use of $19.9 million fund balance supports the FY 2027 CIP program**
- ✓ **FY 2027 Project Highlights:**
  - Islanders Beach Park Improvements
  - Crossings Park – Phase 1 Pickleball + Phase 2 Pump Track
  - Patterson Family Park
  - Taylor Family Park
  - Beach Wayfinding & Signage
  - Pathway Maintenance & Improvements
  - Lagoon Road Pathway
  - Signal Mast Arm Replacements
  - Streetscape & Traffic Calming Enhancements
  - Jonesville Road & Spanish Wells Road Right Turn Lane Improvements
  - William Hilton Parkway Gateway Corridor and Stoney Corridor
  - Roadway Vehicular and Pedestrian Safety Enhancements:
    - Mathews Drive / Folly Field Road to Shelter Cove Lane
    - Sea Pines Circle to Wexford Drive / Shipyard Drive
    - Folly Field Road
    - South Forest Beach and North Forest Beach Corridor
    - Gum Tree Road Corridor
    - Squire Pope Road Corridor

FY 2027 CAPITAL IMPROVEMENTS PROGRAM FUND BUDGET HIGHLIGHTS

✓ FY 2027 Project Highlights:

- Indigo Run Circle Interior Enhancements
- Coastal Discovery Museum CIP Improvements
- Northpoint / USPS Access Improvements
- Mitchelville Freedom Park Improvements
- Gullah Geechee Heritage Center Enhancements
- Jonesville Barn Renovation
- Fire Rescue Headquarters Renovation and Relocation of EOC
- Stormwater Maintenance, Improvements & Enhancements
- Two new Fire Rescue Ladder Trucks

FY 2027 CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Project Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

FY 2027 PROPOSED DEBT SERVICE FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Property Taxes	$ 6,308,036	$ 6,619,129	$ 6,035,600	$ 6,035,600	$ 6,600,000	**$ 6,732,000**	$ 696,400	11.5%
Investment Income	657,135	635,822	325,115	325,115	276,218	**87,500**	(237,615)	-73.1%
Total Operating Revenues	**6,965,171**	**7,254,951**	**6,360,715**	**6,360,715**	**6,876,218**	**6,819,500**	**458,785**	**7.2%**
Transfers In:								
Beach Preservation Fees	3,948,375	3,946,625	11,062,000	11,351,310	11,351,310	**3,041,908**	(8,309,402)	-73.2%
Hospitality Fees	1,437,134	1,443,158	1,441,368	1,441,368	1,441,368	**1,442,825**	1,457	0.1%
Tax Increment Financing (TIF)	3,931,259	2,928,708	-	-	-	**-**	**-**	0.0%
Real Estate Transfer Fee	1,095,850	-	-	-	-	**-**	**-**	0.0%
Natural Disasters Fund	-	-	-	-	-	**-**	**-**	0.0%
Total Transfers-In	**10,412,618**	**8,318,491**	**12,503,368**	**12,792,678**	**12,792,678**	**4,484,733**	**(8,307,945)**	-64.1%
Use of Fund Balance*	-	-	-	11,930,888	11,291,759	**209,755**	(11,721,133)	-98.2%
Total Revenues	**$ 17,377,789**	**$ 15,573,441**	**$ 18,864,083**	**$ 31,084,281**	**$ 30,960,656**	**$ 11,513,988**	**$ (19,570,293)**	**-63.0%**

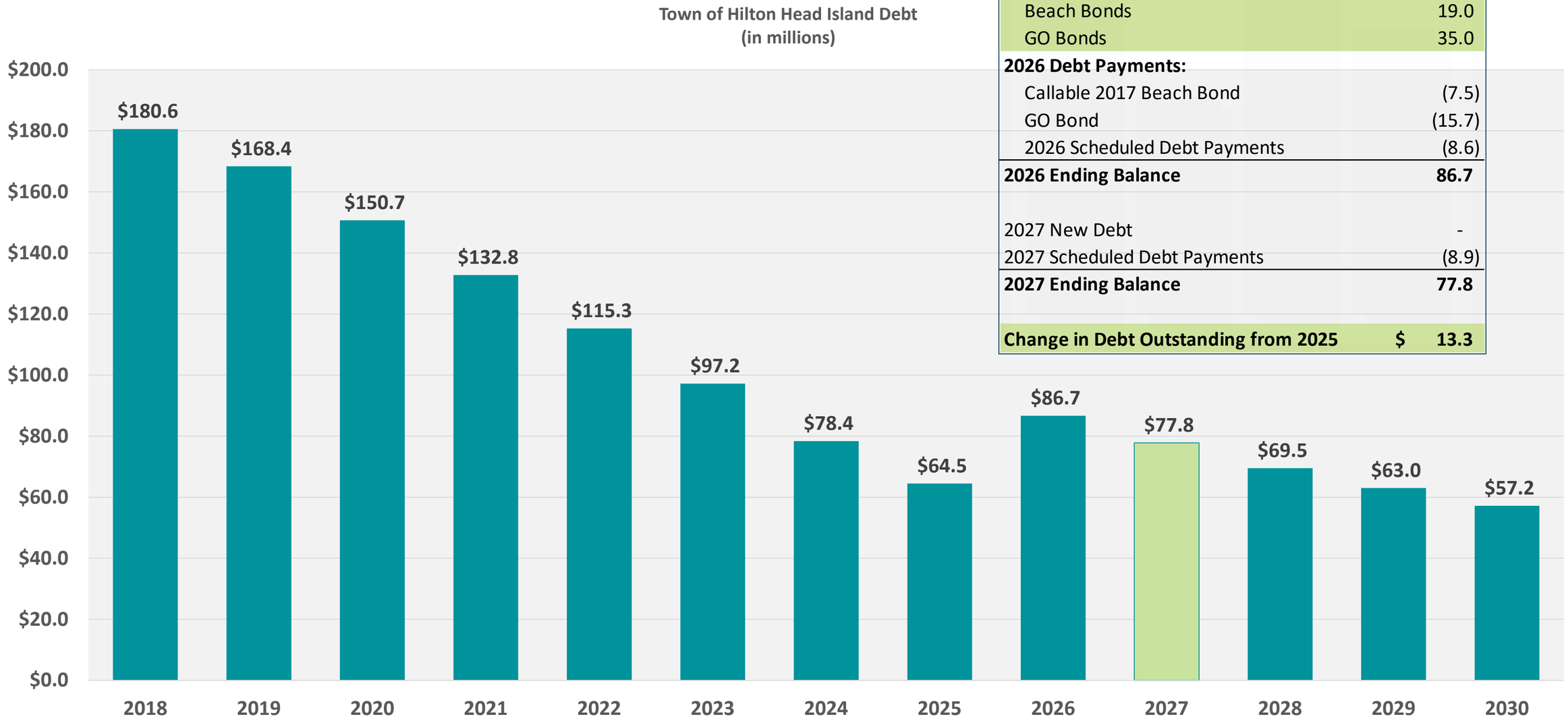
***Reduction of Use of Fund Balance is due to the planned one-time FY26 GO Bond payment**

FY 2027 PROPOSED DEBT SERVICE FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Principal	$ 12,995,000	$ 12,625,000	$ 7,325,000	$ 7,325,000	$ 7,325,000	**$ 8,605,000**	$ 1,280,000	17.5%
Interest	2,809,733	2,403,967	1,626,483	1,915,793	1,915,793	**2,888,988**	973,195	50.8%
Bank Fees	15,850	15,025	17,600	17,600	17,600	**20,000**	2,400	13.6%
Anticipated Debt Costs	-	2,500	2,400,000	14,330,888	14,207,263	**-**	(14,330,888)	-100.0%
Callable Bond - Beach Preservation S.O. Bond	-	-	7,495,000	7,495,000	7,495,000	**-**	(7,495,000)	-100.0%
Total Expenditures	**$ 15,820,583**	**$ 15,046,492**	**$ 18,864,083**	**$ 31,084,281**	**$ 30,960,656**	**$ 11,513,988**	**$ (19,570,293)**	**-63.0%**

TOTAL DEBT FY 2018 – FY 2030

	in millions
Ending FY 2025 Outstanding Balance	**$ 64.5**
2026 New Debt:	
Beach Bonds	19.0
GO Bonds	35.0
2026 Debt Payments:	
Callable 2017 Beach Bond	(7.5)
GO Bond	(15.7)
2026 Scheduled Debt Payments	(8.6)
2026 Ending Balance	**86.7**
2027 New Debt	-
2027 Scheduled Debt Payments	(8.9)
2027 Ending Balance	**77.8**
Change in Debt Outstanding from 2025	**$ 13.3**



» The Town's debt has decreased steadily from FY 2018 – 2025
The Town issued new Beach and General Obligation Bonds in FY 2026

FY 2027 DEBT SERVICE FUND BUDGET HIGHLIGHTS

- ✓ $93.9 million in debt reduction from FY18 to FY26 (Includes $19 million Beach Bond and $19.3 million GO Bond net new debt as of June 30, 2026)
- ✓ An additional $8.6 million debt reduction is planned in FY27 (not including Stormwater)
- ✓ The Town continues to improve its financial position and capacity by steadily decreasing debt, increasing reserves, and increasing assessed values
- ✓ Includes annual review of Moody's 4 Key Performance Indicators (KPIs):
  - Available Fund Balance
  - Liquidity Ratio
  - Long Term Liabilities Ratio
  - Fixed Assets Cost Ratio

FY 2027 CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Project Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

FY 2027 PROPOSED STORMWATER UTILITY FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Stormwater Utility Fees	$ 5,275,035	$ 5,384,264	$ 5,275,035	$ 5,275,035	$ 5,500,962	**$ 5,610,981**	$ 335,946	6.4%
Plan Review Fees	122,580	208,720	122,580	122,580	122,580	**122,580**	-	0.0%
Investment Income	328,692	351,129	150,000	150,000	184,033	**175,000**	25,000	16.7%
Use of Fund Balance	-	-	5,592,662	5,592,662	744,774	**1,674,773**	(3,917,889)	-70.1%
Total Revenues	**$ 5,726,307**	**$ 5,944,113**	**$ 11,140,277**	**$ 11,140,277**	**$ 6,552,349**	**$ 7,583,334**	**$ (3,556,943)**	**-31.9%**

» **The Use of Fund Balance is for one-time expenditures**

The Projected FY27 Stormwater Fund balance is $11.2 million (prior to restrictions)

FY 2027 PROPOSED STORMWATER UTILITY FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change	% of Budget
Salaries & Benefits	$ 750,240	$ 770,240	$ 916,066	$ 916,066	$ 784,291	**$ 792,020**	$ (124,046)	86.5%	10.4%
Operating	156,316	155,023	190,480	190,480	141,444	**178,215**	(12,265)	93.6%	2.4%
Monitoring	97,814	71,739	110,000	110,000	60,143	**86,000**	(24,000)	78.2%	1.1%
Inventory & Modeling / Analysis	100,905	337,852	790,000	790,000	227,410	**311,837**	(478,163)	39.5%	4.1%
POA Systems Corrective Maintenance	487,335	802,083	-	-	-	**-**	-	0.0%	0.0%
Public Systems Corrective Maintenance	633,149	168,686	-	-	-	**-**	-	0.0%	0.0%
Routine Maintenance & Contingency	467,674	515,674	735,000	735,000	318,368	**230,000**	(505,000)	31.3%	3.0%
Pump Station Maintenance	312,765	790,733	555,000	555,000	370,045	**380,500**	(174,500)	68.6%	5.0%
Depreciation, Interest & Fees	1,159,011	1,142,614	1,142,851	1,142,851	1,041,057	**1,024,176**	(118,675)	89.6%	13.5%
Transfers Out:									
General Fund	125,000	125,000	350,000	350,000	350,000	**375,000**	25,000	107.1%	4.9%
CIP Stormwater Program	860,000	1,182,552	6,350,880	6,350,880	3,259,591	**4,205,586**	(2,145,294)	66.2%	55.5%
Total Expenditures & Transfers Out	**$ 5,150,209**	**$ 6,062,194**	**$ 11,140,277**	**$ 11,140,277**	**$ 6,552,349**	**$ 7,583,334**	**$ (3,556,943)**	**68.1%**	**100.0%**

» **Stormwater Corrective Maintenance and Improvement projects, Stormwater Maintenance Agreement projects, and Water Level / Weather Monitoring are included in the CIP Stormwater Program again in FY27**

FY 2027 STORMWATER UTILITY FUND BUDGET HIGHLIGHTS

- ✓ Fully Funds Hilton Head Island Resilience Plan
- ✓ Fully Funds Hilton Head Island Master Plan
- ✓ Service delivery is provided by the following programs:
  - Water Quality – LMO Compliance & MS4 Permit
  - Inventory & Modeling
  - Routine Maintenance
    - Channel Maintenance
    - Pond Management
  - Pump Station Maintenance (4)
  - Monitoring
    - Water Quality
    - Tides
    - Weather
  - Corrective Maintenance
    - Public System
    - Private Systems (POA Agreements)
  - Transfer of funds to CIP for Stormwater Program Projects

FY 2027 CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Program Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

FY 2027 PROPOSED GGHNCDC FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Prior Year Grant - South Carolina (Use of Fund Balance)	$ -	$ -	$ 2,945,169	$ 2,945,169	$ 1,489,774	**$ 1,123,230**	$ (1,821,939)	-61.9%
Prior Year Grant - Beaufort County (Use of Fund Balance)	-	-	216,434	216,434	-	**-**	(216,434)	-100.0%
Investment Income	275,478	279,404	125,000	125,000	169,789	**52,500**	(72,500)	-58.0%
Fundraising & Donations	-	-	-	-	14,000	**100,000**	100,000	0.0%
Memory Matters Lease Back	-	-	-	-	45,000	**60,000**	60,000	0.0%
Transfer from General Fund	-	-	-	-	-	**359,026**	359,026	0.0%
Total Revenues	**$ 275,478**	**$ 279,404**	**$ 3,286,603**	**$ 3,286,603**	**$ 1,718,563**	**$ 1,694,756**	**$ (1,591,847)**	**-48.4%**

FY 2027 PROPOSED GGHNCDC FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Salaries & Benefits	$ 125,464	$ 201,588	$ 212,801	$ 212,801	$ 345,346	**$ 359,026**	$ 146,225	68.71%
Operating	3,678	15,482	39,592	39,592	29,267	**74,520**	34,928	88.22%
Professional Services	-	59,955	204,210	204,210	73,000	**111,210**	(93,000)	-45.54%
Grants & Incentives Loans	-	-	1,500,000	1,500,000	-	**125,000**	(1,375,000)	-91.67%
Capital Outlay & Land Acquisition	-	-	1,250,000	1,250,000	1,270,950	**1,000,000**	(250,000)	-20.00%
Project Expenses & Contingency	-	-	80,000	80,000	-	**25,000**	(55,000)	-68.75%
Total Expenditures	**$ 129,142**	**$ 277,025**	**$ 3,286,603**	**$ 3,286,603**	**$ 1,718,563**	**$ 1,694,756**	**$(1,591,847)**	**-48.43%**

The FY 2027 Projected Ending Fund Balance is $3.0 million

FY 2027 GGHNCDC FUND BUDGET HIGHLIGHTS

- ✓ Budget proposal endorsed by the Board of Directors in March 2026

- ✓ Salaries & Benefits - $359k - 69% increase
  - Includes 2 staff (reclassed 1 in FY26 from General Fund) and increases for up to 4% performance-based pay and workers compensation

- ✓ Operating - $76k - 88% increase
  - Increase in Promotion and Hospitality related to fundraising event expenses

- ✓ Professional Services - $111k - 46% decrease
  - Wayfinding Application – Experience Gullah - $40k
  - Legal Services – Community Support for legal matters and appraisals - $41k
  - Consulting Services – Lowcountry Gullah - $30k

- ✓ Grants and Incentive Loans - $125k - 92% decrease
  - Pitch Competition
  - Stoney Community Improvement grant program

- ✓ Capital Outlay and Land Acquisition - $1.0m - 20% decrease
  - Purchase of site(s) for economic development

- ✓ Project Expense & Contingency - $25k - 69% decrease
  - Unforeseen costs of main office development and other projects

FY 2027 CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS

General Fund

Capital Improvements Program Fund

Debt Service Fund

Stormwater Utility Fund

Gullah Geechee Historic Neighborhoods Community Development Corporation Fund

Housing Fund

FY 2027 PROPOSED HOUSING FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projected	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Transfer from General Fund	$ 2,000,000	$ -	$ 197,049	$ 197,049	$ 197,049	**$ -**	$ (197,049)	-100.0%
Transfer from Capital Projects	350,000	-	-	-	-	**-**	**-**	0.0%
Transfer from State ATAX	-	1,000,000	-	-	-	**619,616**	619,616	100.0%
Use of Fund Balance (General Fund & State ATAX)	-	-	2,781,088	2,781,088	2,393	**2,591,882**	(189,206)	-6.8%
Transfer-in Federal Grants (ARPA)	-	-	1,000,000	1,000,000	1,000,000	**-**	(1,000,000)	-100.0%
Total Revenues	**$ 2,350,000**	**$ 1,000,000**	**$ 3,978,137**	**$ 3,978,137**	**$ 1,199,442**	**$ 3,211,498**	**$ (766,639)**	**-19.3%**

Per Town Council's State ATAX Policy, 5% of State ATAX Revenue is allocated to the Housing Fund each fiscal year for the development of the workforce housing program

FY 2027 PROPOSED HOUSING FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
Northpoint Public Private Partnership	$ 90,775	$ 4,805	$ 1,000,000	$ 1,000,000	$ 1,000,000	**$ -**	$ (1,000,000)	-100.0%
Muddy Creek Neighborhood Stabilization	-	300	1,500,000	1,500,000	-	**1,500,000**	-	0.0%
Bryant Road Public Private Partnership	-	900	1,000,000	1,000,000	-	**1,000,000**	-	0.0%
Beaufort Jasper Housing Trust Dues	-	86,559	181,088	181,088	89,206	**91,882**	(89,206)	-49.3%
Lateral Sewer Connections	-	-	-	-	-	**-**	-	0.0%
Housing Program Personnel	-	-	194,332	194,332	1,148	**-**	(194,332)	-100.0%
Housing Program Operating	110,748	187,729	102,717	102,717	109,088	**-**	(102,717)	-100.0%
Fund Balance Surplus (Future Use)	-	-	-	-	-	**619,616**	619,616	0.0%
Total Expenditures	**$ 201,523**	**$ 280,293**	**$ 3,978,137**	**$ 3,978,137**	**$ 1,199,442**	**$ 3,211,498**	**$ (766,639)**	**-19.3%**

The Housing Program Personnel and Operating is in the General Fund Budget in FY 2027
The FY 2027 Projected Ending Fund Balance is $893.5k

FY 2027 HOUSING FUND BUDGET HIGHLIGHTS

- ✓ Muddy Creek Neighborhood Stabilization Plan – $1.5m
  - Muddy Creek Neighborhood Capital Improvement Projects are based upon neighborhood infrastructure assessment and community feedback

  - FY27 capital improvement projects include:
    - Stormwater maintenance, ditch clearing, and roadway/landscape improvements on Muddy Creek Road and Bryant Road
    - Construct new sidewalks along Muddy Creek Road (west side), Bryant Road and Muddy Creek Court intersections
    - Add multiple crosswalks along Muddy Creek Road, Bryant Road, and Muddy Creek Court intersections
    - Install neighborhood identification, wayfinding, and crosswalk signage
    - Add lighting at crosswalks; consider bollard lighting along sidewalks and pathways, pending community input

  - FY27 Next Steps:
    - Develop concept drawings
    - Meet with Muddy Creek neighborhood residents for review & feedback – Q1/FY27
    - Begin engineering design, complete final design, permitting, and implementation

- ✓ RFQ/RFP for Bryant Road Public-Private Partnership and related infrastructure improvements - $1.0m

FY 2027 SPECIAL REVENUES BUDGET OVERVIEW

FY 2027 SPECIAL REVENUES BUDGET OVERVIEW

SPECIAL REVENUE FUNDS:

- ✓ Beach Preservation Fees
- ✓ Hospitality Taxes
- ✓ Fire Truck Lease Proceeds
- ✓ State Accommodations Taxes
- ✓ Real Estate Transfer Fees
- ✓ Palmetto Electric Franchise Fees
- ✓ Short-Term Rental Permit Fees
- ✓ Grants

FY 2027 PROPOSED SPECIAL REVENUES FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original / Amended Budget	FY 2026 Projected	FY 2027 Proposed Budget	FY27 to FY26 Projected $ Change	FY27 to FY26 Projected % Change
Operating Grants	$ 711,710	$ 1,529,756	$ -	$ 458,777	**$ -**	$ (458,777)	-100.0%
Beach Preservation Fee	13,889,049	17,268,782	-	14,550,475	**14,768,732**	218,257	1.5%
Hospitality Taxes	10,574,379	10,559,662	-	10,760,553	**10,878,919**	118,366	1.1%
TIF	7,844,686	3,258,859	-	16,682	**-**	(16,682)	-100.0%
Road Usage Fees	1,724	950	-	228	**-**	(228)	-100.0%
State A-Tax	12,790,329	13,167,662	-	12,644,919	**12,417,310**	(227,609)	-1.8%
Real Estate Transfer Fee	4,883,205	5,228,355	-	6,324,914	**5,029,064**	(1,295,850)	-20.5%
Palmetto Electric Franchise Fee	2,893,617	3,258,395	-	3,380,869	**3,507,652**	126,783	3.8%
Short-Term Rental License Fees	2,012,495	1,882,500	-	3,031,050	**3,031,050**	-	0.0%
Federal Grants	770,460	1,195,364	-	1,018,369	**-**	(1,018,369)	-100.0%
Investment Income	6,723,744	6,590,666	-	5,501,711	**4,934,421**	(567,290)	-10.3%
Total Operating Revenue	**63,095,398**	**63,940,951**	**-**	**57,688,547**	**54,567,148**	**(3,121,399)**	**-5.4%**
Transfer in General Fund	-	-	-	-	**207,872**	207,872	100.0%
Use of Fund Balance							
Special Revenue	-	-	-	-	**363,151**	363,151	100.0%
Beach Preservation Fee	-	-	-	16,701,035	**-**	(16,701,035)	-100.0%
Hospitalty Tax Fund	-	-	-	5,870,513	**17,000,798**	11,130,285	189.6%
Fire Truck Lease Proceeds	-	-	-	-	**84,828**	84,828	100.0%
TIF	-	-	-	2,566,404	**1,506,637**	(1,059,767)	-41.3%
Road Usage	-	-	-	1,435,778	**832,328**	(603,450)	-42.0%
State A-Tax	-	-	-	1,129,535	**4,167,659**	3,038,124	269.0%
Palmetto Electric Franchise Fee	-	-	-	-	**2,617,498**	2,617,498	100.0%
Short-Term Rental Fund	-	-	-	-	**574,921**	574,921	100.0%
Total Use of Fund Balance	**-**	**-**	**-**	**27,703,264**	**27,147,820**	**(555,444)**	**-2.0%**
Fire Truck Lease Proceeds	-	7,584,000			4,500,000	4,500,000	100.0%
Total Revenues	**$ 63,095,398**	**$ 71,524,951**	**$ -**	**$ 85,391,811**	**$ 86,422,841**	**$ 1,031,029**	**1.2%**

FY 2027 PROPOSED SPECIAL REVENUES FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Actual	FY 2026 Original / Amended Budget	FY 2026 Projected	FY 2027 Proposed Budget	FY27 to FY26 Projection $ Change	FY27 to FY26 Projection % Change
Operating Grants	$ 875,526	$ 882,751	$ -	$ 416,747	**$ 571,023**	$ 154,276	37.0%
Beach Consulting Services	35,500	38,350	-	43,250	**43,250**	-	0.0%
Cost of Issuance - Lease	-	132,500	-	-	-	-	100.0%
ATAX Grants	4,789,146	3,521,165	-	4,076,992	**4,089,462**	12,470	0.3%
DMO (30%)	3,829,599	3,942,799	-	3,785,976	**3,717,693**	(68,283)	-1.8%
Beaufort County ROD Deed Processing	48,832	52,297	-	63,250	**50,291**	(12,959)	-20.5%
Buried Underground Cable	16,649	-	-	-	-	-	100.0%
Professional Services/Bank Charges	(2,382)	(1,494)	-	(1,495)	-	1,495	-100.0%
ARPA Grants	618,772	1,159,149	-	14,344	-	(14,344)	-100.0%
Total Operating Expenses	**10,211,642**	**9,727,517**	**-**	**8,399,064**	**8,471,719**	**72,655**	**0.9%**
Transfers Out							
Transfers to General Fund	14,154,087	14,232,026	-	13,093,959	**16,236,626**	3,142,667	24.0%
Transfers to Debt Service	10,412,618	8,318,491	-	12,792,678	**4,484,733**	(8,307,945)	-64.9%
Transfers to CIP Fund	24,734,910	30,292,181	-	40,611,857	**46,104,356**	5,492,499	13.5%
Transfers to Housing Fund	-	1,000,000	-	1,000,000	**619,616**	(380,384)	-38.0%
Total Transfer Out	**49,301,615**	**53,842,698**	**-**	**67,498,494**	**67,445,330**	**(53,164)**	**-0.1%**
Fund Balance Surplus (Future Use)							
Natural Disasters Fund	-	-	-	1,089,492	**1,112,604**	23,112	2.1%
Special Revenue Grants	-	-	-	42,030	-	(42,030)	-100.0%
Fire Truck Lease Proceeds	-	-	-	83,060	-	(83,060)	-100.0%
Palmetto Electric	-	-	-	2,368,426	-	(2,368,426)	-100.0%
Short Term Rental	-	-	-	552,216	-	(552,216)	-100.0%
Beach Prervation Fund	-	-	-	-	**4,221,557**	4,221,557	100.0%
RETF Fund	-	-	-	5,359,029	**5,171,630**	(187,399)	-3.5%
Total Fund Balance Surplus (Future Use)	**-**	**-**	**-**	**9,494,253**	**10,505,791**	**1,011,538**	**10.7%**
Total Expenditures and Transfers Out	**$ 59,513,257**	**$ 63,570,215**	**$ -**	**$ 85,391,811**	**$ 86,422,841**	**$ 1,031,030**	**1.2%**

FY 2027 RESERVE POLICIES

FY 2027 PROPOSED RESERVE POLICIES

	Projected Fund Balance at 6/30/2026	Current Reserve Policy	Projected Fund Balance at 6/30/2027	Proposed Minimum Reserve Policy FY 2027	Projected Reserve Fund Balance at 6/30/2027	FY 2027 Proposed Reserve Policy
Operating:						
General Fund	$ 57,836,280	$ 24,370,000	$ 60,744,369	**$ 32,372,231**	$ 32,744,003	The Town shall maintain an assigned General Fund balance between 50% and 55% of annual General Fund expenditures to support fiscal stability, emergency preparedness, cash flow needs, and long-term financial resiliency. Any unassigned General Fund balance exceeding 55% at fiscal year-end shall be transferred to the Natural Disasters Fund. Encumbered or assigned amounts appropriated for expenditure in the subsequent fiscal year shall be excluded from the excess fund balance calculation and shall not be transferred.
Debt Service Fund	2,951,753	-	2,741,999	-	-	No Minimum Balance
Housing Fund	2,865,792	-	893,527	-	-	No Minimum Balance
GGHNCDC Fund	4,074,501	-	2,951,272	-	-	No Minimum Balance
Stormwater Utility Fund	12,891,854	5,000,000	11,217,082	**3,000,000**	10,090,752	$3 million and net assets
Subtotal Operating	**$ 80,620,180**	**$ 29,370,000**	**$ 78,548,249**	**$ 35,372,231**	**$ 42,834,755**	
Capital:						
Capital Improvements Program Fund	$ 37,159,645	$ -	$ 35,997,851	-	$ 4,341,500	Town Council designates $4,341,500 for Economic Development opportunities.
Subtotal Capital	**$ 37,159,645**	**$ -**	**$ 35,997,851**	**$ -**	**$ 4,341,500**	
Special Revenues:						
TIF Fund	$ 1,506,637	$ -	$ -	-	$ -	No Minimum Balance
State ATAX Fund	10,205,635	-	6,037,976	-	-	No Minimum Balance
Real Estate Transfer Fee Fund	19,335,175	1,000,000	24,506,805	**1,000,000**	1,000,000	$1 Million Current Policy
Beach Preservation Fee Fund	38,623,827	20,000,000	42,845,384	**42,845,384**	42,845,384	The Town shall maintain a minimum Beach Preservation Fee Fund balance of $40 million to support long-term shoreline protection, beach renourishment, and coastal resiliency initiatives. Each fiscal year, the Town shall reserve available fund balance amounts exceeding the established minimum with a target reserve balance of $60 million by the end of Fiscal Year 2033 to prepare for the next major beach renourishment project. Reserved funds shall be used solely for beach preservation, renourishment, shoreline stabilization, and related coastal resiliency expenditures approved by the Town Council of Hilton Head Island.
Hospitality Tax Fund	22,933,201	5,000,000	5,932,403	**5,000,000**	5,000,000	$5 Million Current Policy
Road Usage Fee Fund	832,328	-	-	-	-	No Minimum Balance
Palmetto Electric Franchise Fee Fund	3,641,983	-	1,024,485	-	-	No Minimum Balance
Short-Term Rental Fee Fund	876,611	-	301,689	-	-	No Minimum Balance
Natural Disasters Fund	38,633,361	36,000,000	39,745,965	**39,745,965**	39,745,965	The Town shall maintain a minimum Natural Disasters Fund balance of $36 million to support emergency preparedness, disaster response, storm recovery, and community resiliency needs. The minimum required fund balance shall increase annually by the amount of unassigned General Fund balance transferred above the 55% General Fund threshold and by investment income earned within the fund. The Natural Disasters Fund shall have no maximum fund balance limitation. Funds shall be reserved exclusively for disaster preparedness, response, recovery, mitigation, and resiliency-related expenditures approved by the Town Council of Hilton Head Island.
Operating Grants Fund	363,151	-	-	-	-	No Minimum Balance
Fire Truck Lease Proceeds Fund	84,828	-	-	-	-	No Minimum Balance
Subtotal Special Revenues	**$ 137,036,738**	**$ 62,000,000**	**$ 120,394,707**	**$ 88,591,349**	**$ 88,591,349**	
Total:	**$ 254,816,564**	**$ 91,370,000**	**$ 234,940,810**	**123,963,580**	**$ 135,767,604**	
Reserved Ending Fund Balance %		**36%**		**53%**	**58%**	

FY 2027 FUND RESERVE POLICY HIGHLIGHTS

- ✓ **General Fund –**
  - ✓ The Minimum Reserve increased from 40% to 50% of budgeted expenditures, while the Maximum remains at 55%
  - ✓ Any unassigned balance exceeding 55% shall be transferred to the Natural Disaster Fund unless it is encumbered or assigned for use in the subsequent fiscal year
  - ✓ The Projected General Fund Reserve is anticipated to increase by $8.4 million from the FY 2026 current Reserve Policy vs the budgeted FY 2027 year-end balance
  - ✓ This policy is to maintain the Town's long-term fiscal stability, support emergency preparedness and disaster response capabilities, preserve strong financial ratings, and ensure operational continuity during economic fluctuations or unforeseen events
- ✓ **Stormwater Utility Fund –**
  - ✓ The Operating Reserve has been calibrated from $5 million to $3 million plus an additional net asset reserve to reflect the proper available fund balance for future spending

FY 2027 FUND RESERVE POLICY HIGHLIGHTS

- ✓ **Capital Improvements Program Fund –**
  - ✓ A new reserve in the amount of $4.3 million for Economic Development opportunities

- ✓ **Beach Preservation Fee Fund –**
  - ✓ The Minimum Reserve increased from $20 million to $40 million
  - ✓ The Projected Beach Preservation Fee Reserve is anticipated to be $42.8 million at FY 2027 year-end, an increase of $22.8 million from the current Reserve Policy
  - ✓ This policy is to support long-term shoreline protection, beach renourishment, and coastal resiliency initiatives

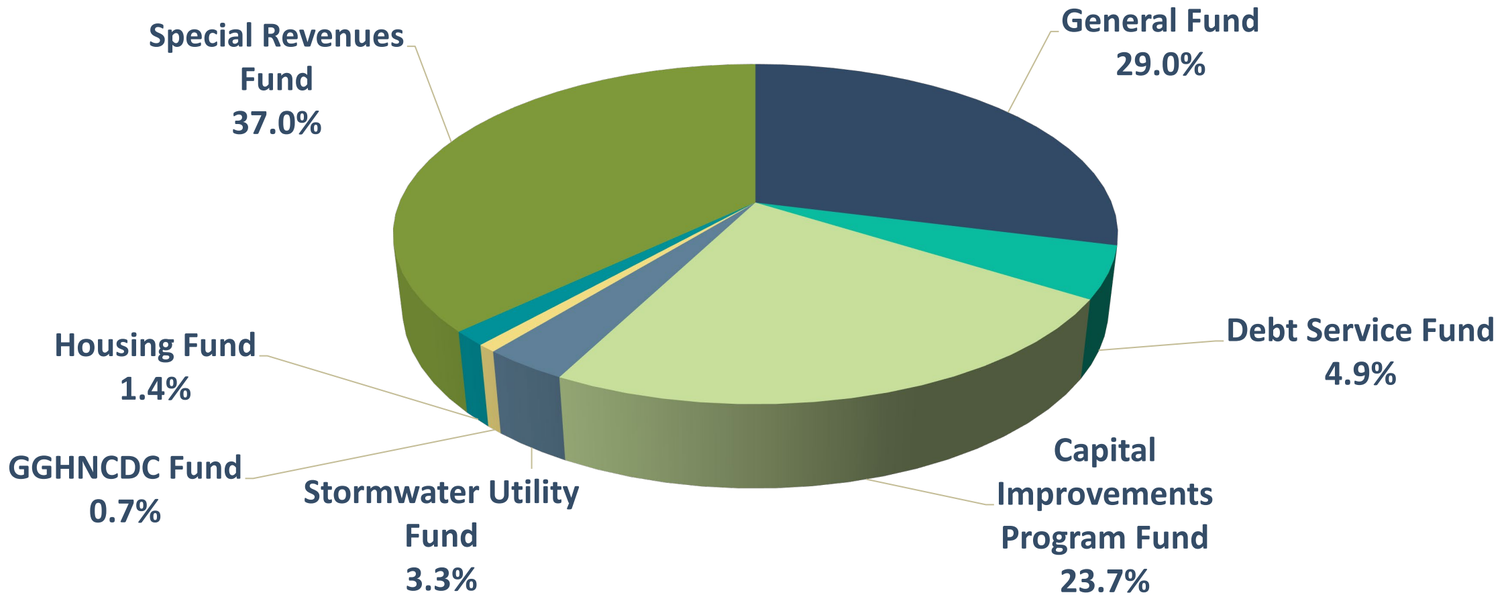
- ✓ **Hospitality Tax Fund –**
  - ✓ The Reserve Policy remains at $5 million

- ✓ **Real Estate Transfer Fee Fund –**
  - ✓ The Reserve Policy remains at $1 million

FY 2027 FUND RESERVE POLICY HIGHLIGHTS

- ✓ **Natural Disaster Fund –**
  - ✓ The Minimum Reserve changed from $36 million to an annual increase by the amount of unassigned General Fund balance transferred above the 55% threshold, and by investment income earned within the Fund. The Fund shall have no maximum fund balance limitation.
  - ✓ The Projected Natural Disaster Fund Reserve is anticipated to be $39.7 million at FY 2027 year-end, an increase of $3.7 million from the current Reserve Policy
  - ✓ This policy shall reserve funds exclusively for disaster preparedness, response, recovery, mitigation, and resiliency-related expenditures approved by Town Council.
- ✓ **Total Projected Reserves –**
  - ✓ The total Projected Reserve Fund Balance at FY 2027 year-end is anticipated to be $135.8 million, or 58% of the total Projected Fund Balance, up from $91.4 million, or 36% in FY 2026

FY 2027 PROPOSED CONSOLIDATED BUDGET EXPENDITURES – ALL FUNDS



Expenditures	FY 2024 Actual	FY 2025 Actual	FY 2026 Original Budget	FY 2026 Amended Budget	FY 2026 Projection	FY 2027 Proposed Budget	FY27 to FY26 Amended Budget $ Change	FY27 to FY26 Amended Budget % Change
General Fund	$ 57,822,970	$ 57,775,830	$ 59,754,870	$ 60,362,809	$ 65,387,249	**$ 67,652,550**	$ 7,289,741	12.1%
Debt Service Fund	15,820,581	15,046,492	18,864,083	31,084,281	30,960,656	**11,513,988**	(19,570,293)	-63.0%
Capital Improvements Program Fund	27,398,738	31,066,109	77,687,380	124,616,414	110,369,157	**55,205,752**	(69,410,662)	-55.7%
Stormwater Utility Fund	5,150,208	6,062,194	11,140,277	11,893,723	6,552,349	**7,583,334**	(4,310,389)	-36.2%
GGHNCDC Fund	129,142	277,025	3,286,603	3,286,603	1,718,563	**1,694,756**	(1,591,847)	-48.4%
Housing Fund	201,523	280,287	3,978,137	3,978,137	1,199,442	**3,211,498**	(766,639)	-19.3%
Six Major Funds Subtotal	**106,523,162**	**110,507,937**	**174,711,350**	**235,221,967**	**216,187,416**	**146,861,878**	(88,360,089)	-37.6%
Special Revenues Fund	59,513,257	63,570,215	-	-	85,391,811	**86,422,841**	86,422,841	0.0%
Consolidated Budget	**$ 166,036,419**	**$ 174,078,152**	**$ 174,711,350**	**$ 235,221,967**	**$ 301,579,227**	**$ 233,284,719**	**$ (1,937,248)**	**-0.8%**

FY 2027 CONSOLIDATED BUDGET REVIEW & APPROVAL PROCESS

MAY 12

Budget Ordinance to Town Council for Public Hearing & First Reading

MAY 14

Town Council Budget Workshop:
General Fund
Debt Service Fund
GGHNCDC Fund
Housing Fund
Special Revenues Fund

MAY 19

Town Council Budget Workshop:
CIP Fund
Stormwater Fund
Consolidated Budget

JUNE 9

Budget Ordinance to Town Council for Public Hearing & Second and Final Reading

TOWN · OF · HILTON HEAD · ISLAND · SOUTH CAROLINA
PRÆSERVARE ET PROSPERARE
1663 · 1983

THANK YOU

TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO: Town Council
FROM: Angie Stone, Assistant Town Manager
CC: Marc Orlando, ICMA-CM, Town Manager
Dave Byrd, Finance Director
DATE: June 9, 2026
SUBJECT: Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, Approving the 2026-2027 Destination Marketing Organization Marketing Plan and Budget

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RECOMMENDATION:

Consideration of a resolution of the Town Council of the Town of Hilton Head Island approving the Destination Marketing Organization (DMO) 2026-2027 Destination Marketing Plan and Budget, as contained in the DMO 2026 Annual Package **(Attachment 1)**.

BACKGROUND:

South Carolina Code of Laws Section 6-4-10 requires that municipalities who have collected more than $50,000.00 in local accommodations taxes (ATAX) to allocate the taxes based on a prescribed formula. The first $25,000 plus 5% of the balance must be allocated to the general fund. Beyond that, the formula requires that 30% 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 is required to 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. The Town has designated the Hilton Head Island-Bluffton Chamber of Commerce as its DMO.

The DMO Agreement **(Attachment 2)**, entered into by the Town and DMO, includes specific terms related to the submission of an annual marketing plan, budget, and industry metrics and outlines the review and approval process. In compliance with SC law, Town code, and the DMO agreement, the DMO prepares a budget based on the anticipated ATAX revenues for the upcoming fiscal year. The accompanying marketing plan and

industry metrics provide detailed information on how the funds will be utilized and how performance will be measured.

The annual budget, marketing plan, and industry metrics are considered by the Town Council and the Accommodations Tax Advisory Committee (ATAC) in public meetings prior to the beginning of each fiscal year. Those meetings include:

- A Town Council Workshop which was held on March 31.
- Presentation to the ATAC which occurred on April 23.
- Presentation to the Finance and Administrative Committee which occurred on May 11.
- Approval by Town Council prior to July 1, 2026.

SUMMARY:

Town Council reviewed the FY2027 DMO Marketing Plan and Budget at a workshop on March 31 and provided feedback and direction on both. The DMO made requested revisions and presented the FY2027 DMO Marketing Plan, Budget, and Industry Metrics to the ATAC on April 23. ATAC members voted unanimously to recommend the Marketing Plan, Budget and Industry Metrics for Town Council approval. The Finance and Administrative Committee reviewed the annual package at their May 11 meeting, provided feedback, and sent the package forward for final approval by Town Council.

ATTACHMENTS:

1. Resolution Approving the 2026-2027 Destination Marketing Organization Marketing Plan, Budget, and Industry Metrics.
2. Destination Marketing Organization Contract.

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

RESOLUTION 2026/_____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, APPROVING THE 2026-2027 DESTINATION MARKETING ORGANIZATION MARKETING PLAN AND BUDGET

WHEREAS, pursuant to South Carolina Code, the funds received by a municipality or a county in county areas collecting more than fifty thousand dollars from the local accommodations tax ("***A-Tax***") authorized in S.C. Code Ann. §12-36-920 (Supp. 2025) and S.C. Code Ann. §12-36-2630(3)(Supp. 2025) must be allocated as stated in S.C. Code Ann. §6-4-10(3)(Supp. 2025), which requires, among other things, that following certain distributions to the general fund: 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; and

WHEREAS, the Town of Hilton Head Island ("***Town***") receives more than fifty thousand dollars from the local A-Tax authorized in S.C. Code Ann. §12-36-2630(3)(Supp. 2025); and,

WHEREAS, among other things, S.C. Code Ann. §6-4-10(3)(Supp. 2025), requires the Town to: 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 to manage and direct the expenditure of these tourism promotion funds; and,

WHEREAS, as required by the S.C. Code, the Town selected the Hilton Head Island-Bluffton Chamber of Commerce ("***Chamber***") and entered into a contract dated December 18, 2025 ("***Contract***"), to manage and expend the local A-Tax; and,

WHEREAS, among other things, S.C. Code Ann. §6-4-10(3)(Supp. 2025), and the Contract, requires the organization selected to receive the funds to submit for approval a budget of planned expenditures prior to the beginning of each fiscal year; and,

WHEREAS, as is required by S.C. Code Ann. § 6-4-25 (Supp. 2025), the Town appoints an Accommodations Tax Advisory Committee ("***A-Tax Committee***") to advise and recommend to the Town Council of Hilton Head Island ("***Town Council***") on the expenditure of revenue generated from the local A-Tax; and,

WHEREAS, on April 23, 2026, the Chamber presented the 2026-2027 Destination Marketing Organization Marketing Plan and Budget to the A-Tax Committee. After review and discussions, the A-Tax Committee recommended approval; and

Whereas, on May 11, 2026, the Chamber presented the 2026-2027 Destination Marketing Organization Marketing Plan and Budget to the Town Council Finance and Administration Committee; and,

WHEREAS, Town Council now desires to approve the Chamber's 2026-2027 Destination Marketing Organization Marketing Plan and Budget as presented to the A-Tax Committee, and as provided in ***Exhibit A***, attached hereto and incorporated herein by reference.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA that the Town Council does hereby approve the 2026-2027 Destination Marketing Organization Marketing Plan and Budget, as provided in Exhibit A attached hereto and incorporated herein by reference, and as presented to and recommended by the Accommodations Tax Advisory Committee on April 23, 2026.

MOVED, APPROVED, AND ADOPTED THIS ____DAY OF _____, 2026.

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By:_____
Alan R. Perry, *Mayor*

ATTEST:

_____
Kimberly Gammon, *Town Clerk*

APPROVED AS TO FORM:

_____
Curtis L. Coltrane, *Town Attorney*

EXHIBIT A

2026 DMO ANNUAL PACKAGE

HILTON HEAD ISLAND

SOUTH CAROLINA

BUDGET

ARTICLE 5.II

BUDGET REQUIREMENTS

	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			
Total Revenues	**$10,030,000**	**$3,700,000**	**$2,730,000**	**$3,000,000**	**$340,000**	**$260,000**
Membership Revenue						**$2,200,000**
Total Revenues with Membership	**$12,230,000**					

DRAFT

The FY 2026–2027 budget was developed using the 30% (Nonprofit DMO) Budget Form established by the South Carolina Tourism Expenditure Review Committee (TERC).

As a result, this format differs significantly from prior years. The line items shown include only those funded by the 30% allocation of State accommodations tax (ATAX). Any items not included do not utilize these funds and are therefore not reported on the SC TERC Form, consistent with standard reporting practices.

For prior years, the budget amounts shown reflect only the portion allocated to State ATAX funding.

Year-to-date (YTD) figures represent total expenditures for each line item based on the full budget, not just the State ATAX portion. The allocation of those expenditures to State ATAX will not be finalized until the end of the fiscal year.

In contrast, for FY 2026–2027, these line items will be funded exclusively with State ATAX dollars, with no blending of other revenue sources.

BUDGET FORM

Name of Government: Town of Hilton Head Island
Contact Person: Arlene Pernice
Phone: 843-341-6366
Email: apernice@hiltonheadisland.org
Name of Organization Designated to Receive Special Fund: Hilton Head Island & Bluffton Chamber of Commerce/ Visitor & Convention Bureau

20 Percent (NONPROFIT DMO) Budget Form (Adopted October 14, 2020)

Project Category and Brief Explanation					GL Code	Amount Budgeted for 25-26	ACTUAL Spent for 25-26	Amount Budgeted for 26-27
1 - Advertising (Print, digital, broadcast, social, etc.)								
	1.a. Media Buys	exp: Smithsonian Magazine, Conde Nast Traveler, Garden & Gun, Southern Living			6460-200	$ 488,546.00	$ 1,132,526.00	$ 240,000.00
	1.b. Golf Marketing	Golf microsite, digital promotion (digital ads and social ads), print partnerships, public relations, email			6479-200	$ 135,981.00	$ 83,415.90	$ 100,000.00
	1.c. Digital Agency	Digital agency retainer			6519-200	$ 67,991.00	$ 66,666.00	$ 100,000.00
	1.d. Marketing Strategy & Council	Marketing Strategy & Council			6527-200	$ 28,556.00	$ -	$ 42,000.00
	1.e. Digital Promotions	Destination ads on Google, Meta, Bing			6520-200	$ 503,871.00	$ 438,594.00	$ 750,000.00
	1.f. Social Media Management	Digital agency retainer			6521-200	$ 61,191.00	$ 60,000.00	$ 102,000.00
	1.g. Technology Improvement	Website hosting and updates			6522-200	$ 40,794.00	$ 16,063.00	$ 60,000.00
	1.h. Paid Brand Social Media	Paid advertising exp: Meta, YouTube, Spotify			6525-200	$ 163,177.00	$ 210,259.00	$ 250,000.00
	1.i. International Promotions & Events	Media partnerships exp: Virtuoso, Brand USA, Travel South			7115-200	$ 105,664.00	$ 158,238.00	$ 150,000.00
	1.j. International Tradeshows	Virtuoso, Brand USA, Travel South			7127-200	$ 67,991.00	$ 38,002.00	$ 100,000.00
2 - Promotional Materials/Publications								
	1.a Kennickell	Fulfillment and distribution			6430-200	$ 81,589.00	$ 25,777.00	$ 75,000.00
3 - Marketing support (creative, photography, videography)								
	3.a. Destination Photography	Professional photography for destination marketing			6490-200	$ 16,996.00	$ 13,440.00	$ 75,000.00
	3.b. Zartico	Market level geolocation and visitor tracking			7155-200	$ 26,782.00	$ 24,291.67	$ 28,192.00
	3.c. Placer.ai	Property level geolocation and visitor tracking			7155-200	$ 52,500.00	$ 33,390.00	$ 51,030.00
	3.d. CoIC Reports (Economic Impact, Visitor Profile Study)	Economic Impact Reports, Visitor Profile Studies			7155-200	$ 21,750.00	$ -	$ 10,875.00
	3.e. USCB Event Research for Local Events	Ground level surveying for event attendance and sentiment			7155-200	$ 15,100.00	$ 500.00	$ 15,500.00
	3.f. Keydata Dashboard	Market level lodging KPIs for performance tracking			7155-200	$ 48,187.00	$ 47,783.00	$ 45,360.00
4 - Group Sales & Marketing								
	4.a. National Tradeshows & Direct Planner Engagement	Corporate, Association, Incentive trade shows and partnership events (Exp:MPI, Northstar, Connect Tours)			various	$ 99,266.00	$ 105,994.00	$ 40,000.00
	4.b. SEM: Meetings Focused	Paid digital advertising on Google, Bing with Geo-targeting key feeder markets			6696-200	$ 44,194.00	$ 37,352.00	$ 65,000.00
	4.c. Social Media: Planner Targeting	Paid social media advertising exp: Meta, LinkedIn campaigns and job title targeting			6887-200	$ 33,895.00	$ 33,333.00	$ 50,000.00
	4.d. Planner Incentive and Conversion Fund	Familiarization (FAM) tours, air support for sales, shoulder season incentives designed to drive closure			various	$ 1,360.00	$ 2,360.00	$ 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	$ 20,398.00	$ -	$ 25,000.00
5. Destination PR								
	5.a. PR Strategy, Maintenance & Support	Public Relations Firm Retainer			6950-200	$ 203,972.00	$ 200,000.00	$ 285,000.00
6. Visitor Services (Centers, Call/Chat Centers)								
	Marketing Total					**$ 2,329,851.00**	**$ 2,706,003.67**	**$ 2,689,957.00**
7. Other								
	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
	7.e. VCB Management - Operational Expenses	VCB management operational expenses paid by 30% funds by FTE (1.5)						$ 21,196.00
	7.f. VCB Management - Building Expenses	VCB Management building expenses paid by 30% funds by FTE (1.5)						$ 14,814.00
	7.g. VCB Support - Payroll	VCB support payroll paid by 30% funds						$ 250,017.00
	7.h. VCB Support - Payroll Taxes	VCB support payroll taxes paid by 30% funds (7%)						$ 17,501.00
	7.i. VCB Support - 401K Expenses	VCB support 401K expenses paid by 30% funds (6%)						$ 15,001.00
	7.j. VCB Support - Insurance Expenses	VCB support insurance expenses paid by 30% funds						$ 17,250.00
	7.k. VCB Support - Operational Expenses	VCB support operational expenses paid by 30% funds by FTE (2.88)						$ 40,625.00
	7.l. VCB Support - Building Expenses	VCB support building expenses paid by 30% funds by FTE (2.88)						$ 28,125.00
	7.m. Communications - Payroll	Communications payroll paid by 30% funds						$ 95,839.00
	7.n. Communications - Payroll Taxes	Communications payroll taxes paid by 30% funds (7%)						$ 6,709.00
	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
	7.q. Communications - Operational Expenses	Communications operational expenses paid by 30% funds by FTE (0.9)						$ 12,717.00
	7.r. Communications - Building Expenses	Communications building expenses paid by 30% funds by FTE (0.9)						$ 8,804.00
	7.s. Finance - Payroll	Finance payroll paid by 30% funds						$ 133,942.00
	7.t. Finance - Payroll Taxes	Finance payroll taxes paid by 30% funds (7%)						$ 9,376.00
	7.u. Finance - 401K Expenses	Finance 401K expenses paid by 30% funds (6%)						$ 8,037.00
	7.v. Finance - Insurance Expenses	Finance insurance expenses paid by 30% funds						$ 6,300.00
	7.w. Finance - Operational Expenses	Finance operational expenses paid by 30% funds by FTE (1.05)						$ 14,837.00
	7.x. Finance - Building Expenses	Finance building expenses paid by 30% funds by FTE (1.05)						$ 10,272.00
	Personnel Total					**$ 1,053,000.00**		**$ 1,010,657.00**
	Grand Total							**$ 3,700,614.00**

Project Categories - All must attract or provide for tourists.

1 - Advertising (Print, digital, broadcast, social, etc.)
2 - Promotional Materials/Publications
3 - Marketing support (creative, photography, videography)
4 - Group Sales Efforts and Tradeshows

Certification that the Local Accommodations Tax Advisory Committee Reviewed Budgets Submitted and Made Recommendations per Section 6-4-25 of the SC Code of Laws.

(Please type YES or NO below. If NO, please offer explanation)

Use space below to offer brief explanation of difference between budget and actual expenses or attach supplemental documentation from DMO.

HILTON HEAD ISLAND DESTINATION MARKETING PLAN

HILTON HEAD ISLAND

SOUTH CAROLINA

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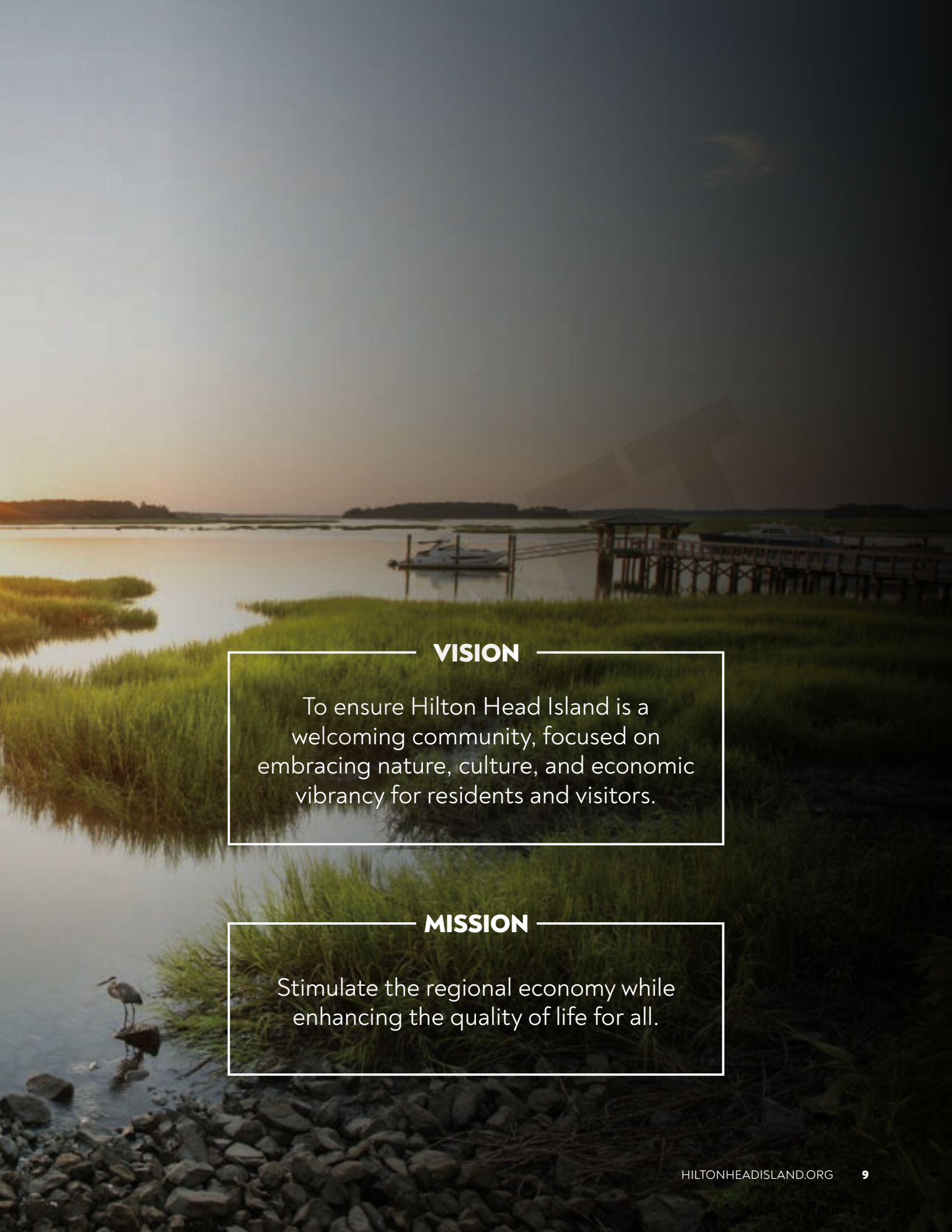
IT STARTS WITH A VISIT

Millions of people think we're a pretty special place, and we do, too. We believe that balance is critical to our way of life and vital to keeping our tourism-based economy healthy and to resident quality of life.

We are the Designated Marketing Organization (DMO) for the Town of Hilton Head Island. Destination marketing is funded through South Carolina's accommodations tax (ATAX), which is paid by visitors, not residents, and governed by strict state and local regulations. No property taxes or resident-paid taxes are used for tourism marketing.

The Chamber serves as a contracted marketing vendor to the Town of Hilton Head Island, responsible for delivering defined marketing services within an approved budget. Each year, we outline how state ATAX funds will be invested in our annual marketing plan, which is developed with local tourism leaders and reviewed by the Chamber of Commerce Marketing Council, the Chamber of Commerce Board of Directors, Town of Hilton Head Island Accommodations Tax Committee, Town of Hilton Head Island Finance & Administrative Committee, Town of Hilton Head Island Town Council, and the South Carolina Tourism Expenditure Review Committee (TERC).

The FY 2026-2027 DMO Strategic Marketing Plan ladders into our organization's three-year Strategic Plan and ultimately into our community-centric 10-year Destination Management Plan. Our approach to long-term tourism success sits alongside the Town of Hilton Head Island's 20-year comprehensive plan. Our efforts complement and support a vibrant and collaborative partnership with the Town of Hilton Head Island to ensure the future of the destination for residents and visitors.



VISION

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

MISSION

Stimulate the regional economy while enhancing the quality of life for all.

DEFINING OUR COMMUNITY CORNERSTONE

Our community is the heart of who we are and how we present ourselves to the world. Tourism is a competitive landscape. Every destination must compete with every other tourism destination for its share of the world's attention, visitation, and investment. A destination needs to integrate the community into marketing efforts to create the desire amongst travelers to experience the destination, meet its people, and experience its authentic offering.

For any destination to ensure its competitive advantage and increase visitor revenue, there must be a clear strategic framework for developing, articulating, and promoting the destination brand. That is why destination marketing and management organizations exist. They have the unique mandate to steward the community's identity and reputation in the global visitor marketplace daily.

A destination brand is rooted in community priorities. It is a common good and a shared value. Promoting the destination is for the benefit and well-being of everyone in the community. Therefore, the stewardship of the brand is an essential investment for enhancing the quality of life and increasing opportunities for all residents.

The Designated Marketing Organization warrants and represents that the marketing plan shall include a "Community Cornerstone plan" which engages the community with public relations, education, and social media strategies.

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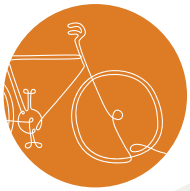
OUR SHARED VALUES

Arts & Culture

Ecotourism

History



Recreation

Wellness

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VISITOR EXPERIENCE FOUNDATIONS

COASTAL OUTDOORS

Core Values

Year-round access to nature and outdoor recreation

Ecotourism

Sustainability

Beaches

Leisure Trails

Sea Turtle Nesting

Kayaking & Paddle-boarding

Nature Preserves & Parks

Birding & Wildlife Viewing

Coastal Discovery

Wellness

GOLF, RACQUET, AND SPORTS

Core Values

A world-class hub for golf and racquet sports

Championship Golf Courses

Golf Events (eg. Kingdom Cup, RBC Heritage)

Tennis

Pickleball

Padel

Instruction Programs + Academies

Racquet Events

Active Lifestyles

Wellness

Skateparks

Gold Level Bicycle Friendly Community

CULINARY + DINING

Core Values

A diverse and thriving food scene shaped by sea, land and culture

Local Seafood + Lowcountry Cuisine

Chef-Owned Restaurants

Culinary Events + Festivals

Waterfront Dining

Gullah-Inspired Cuisine

Farmers Markets

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CULTURE + HERITAGE

Core Values

A deep sense of place rooted in Gullah history and creative expression

Gullah Heritage
Mitchelville Freedom Park
Native Islander Traditions
Museums & Public Art
Performance Arts
Cultural Tours
Storytelling
Mariculture

EVENTS + COMMUNITY

Core Values

Celebrations that bring the Island's culture and community to life

Music + Art Festivals
Food + Wine Events
Sports Tournaments
Local Traditions
Family + Seasonal
Weddings + Celebrations
Signature Island Events
Philanthropy

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TRANSLATING OUR SHARED VALUES ARTICLE 6.I

COASTAL OUTDOORS

Building upon our established positioning in both sustainable tourism and outdoor recreation, we will craft integrated messaging encouraging visitors and residents to adventure responsibly in the great outdoors. Our focus will be on enjoying the Island's natural beauty while acting as stewards of the land. Leveraging existing assets and activations, including our rich wildlife and general recreation storytelling and imagery, we will position conservation as lifestyle, spotlighting seasonally appropriate activities to inspire visitors to experience the natural beauty of Hilton Head Island, leaving our main message of leaving nothing but your footprints.

GOLF, RACQUET, AND SPORTS

Golf, tennis, and pickleball have all seen a significant surge in popularity in recent years. With growing consumer appetite for active vacations and golf-centric travel, Hilton Head Island is perfectly positioned to capture this demand through storytelling, images, and creative campaigns highlighting the Island's world-class tennis facilities and booming pickleball scene alongside existing assets that reinforce its status as a premier golf destination. In addition, we will elevate Hilton Head Island's designation as a Gold Level Bicycle Friendly Community by showcasing its extensive network of leisure pathways, scenic coastal routes, and commitment to safe, accessible cycling, positioning the Island as an ideal destination for both recreational riders and cycling enthusiasts seeking immersive, active travel experiences.

CULINARY + DINING

A core experiential pillar of Hilton Head Island, culinary, and dining represents a major new area of focus. Our approach combines visual and written storytelling, moving beyond a mere directory of the Island's 250+ restaurants to spotlight Hilton Head Island as a true culinary destination. Utilizing our website, social media, display campaigns, and search engine marketing, we will develop content spotlighting the Island's sea-to-table dining, unique Gullah cuisine, year-round outdoor dining options, and annual culinary events like the Hilton Head Oyster Festival, Hilton Head Island Seafood Festival, and Hilton Head Island Wine & Food Festival.

CULTURE + HERITAGE

We are dedicated to promoting Hilton Head Island's unique arts, culture, and heritage by translating traditional historical narratives, including those rooted in Gullah history and culture, into compelling, visitor-focused experiences such as tours, festivals, and live performances. This approach emphasizes bringing the Island's stories to life in ways that feel engaging, immersive, and relevant to today's travelers. By leveraging visual storytelling, curated itineraries, and integrated digital and social campaigns, we will further position Hilton Head Island as a premier destination for authentic cultural experiences and meaningful connections to its history.

EVENTS + COMMUNITY

Events & Community represents a prime opportunity to drive year-round engagement, while highlighting the vibrant community behind the destination. Weaving this content into all destination touchpoints, website, digital, social, and beyond, creates a dynamic opportunity for storytelling that changes with the seasons, emphasizing the wealth of diverse festivals, events, and experiences offered while showcasing the one-of-a-kind spirit of the Island's community.

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DESTINATION GOALS

INSPIRING NEW VISITS, NURTURING LOYAL GUESTS, AND CARING FOR OUR COMMUNITY

This year, tried-and-true tactics are augmented with advances in AI optimizations and new technology channels, an attention-grabbing brand campaign, curating targeted content for Leisure Visitors, Meetings, Incentives, Conferences and Events (MICE) and Travel Advisor audiences. Our values are rooted in the community and continue to guide visitors as we continue to connect with what's best for our destination. and helping them be good stewards of the Island.

GOALS 1-4

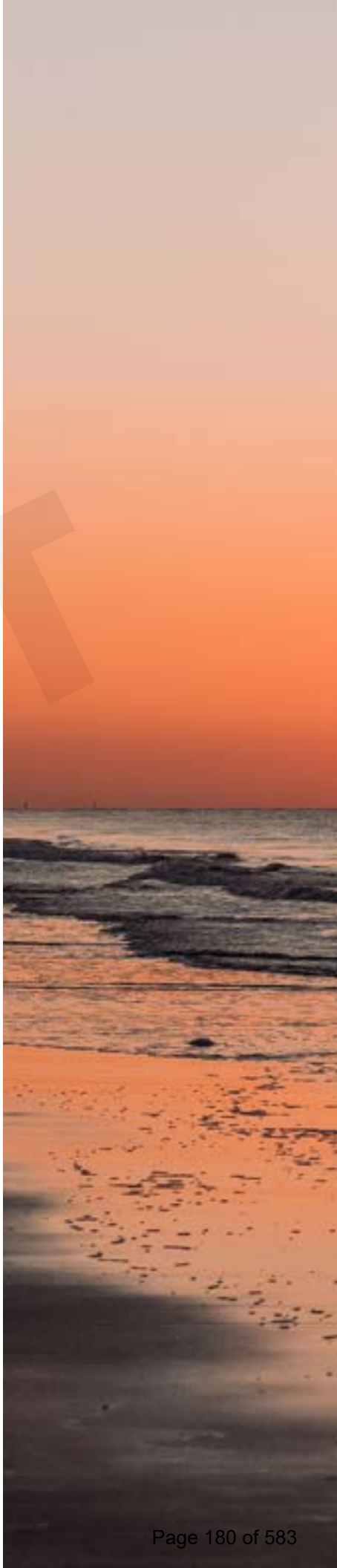
The following goals outline our continuous efforts to market our destination to potential visitors, and our successes in our out-marketing efforts support our overarching mission of defining and implementing our Community Cornerstone Plan.

1 **DESTINATION ALIGNMENT & COMMUNITY ENGAGEMENT**

2 **SUSTAINABLE TOURISM & INFRASTRUCTURE PRESERVATION AND DEVELOPMENT**

3 **REJUVENATE AND ELEVATE THE DESTINATION WITH A FOCUS ON QUALITY OVER QUANTITY**

4 **PRIORITY SALES AND MARKETING INITIATIVES**



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STRATEGIC PLAN ARTICLE 6.II (b)

HILTON HEAD ISLAND & BLUFFTON CHAMBER OF COMMERCE

2027-2029 STRATEGIC PLAN EXECUTIVE SUMMARY

1 DESTINATION ALIGNMENT & COMMUNITY ENGAGEMENT

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

2 SUSTAINABLE TOURISM & INFRASTRUCTURE PRESERVATION AND DEVELOPMENT

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

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

4 PRIORITY SALES AND MARKETING INITIATIVES

- 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

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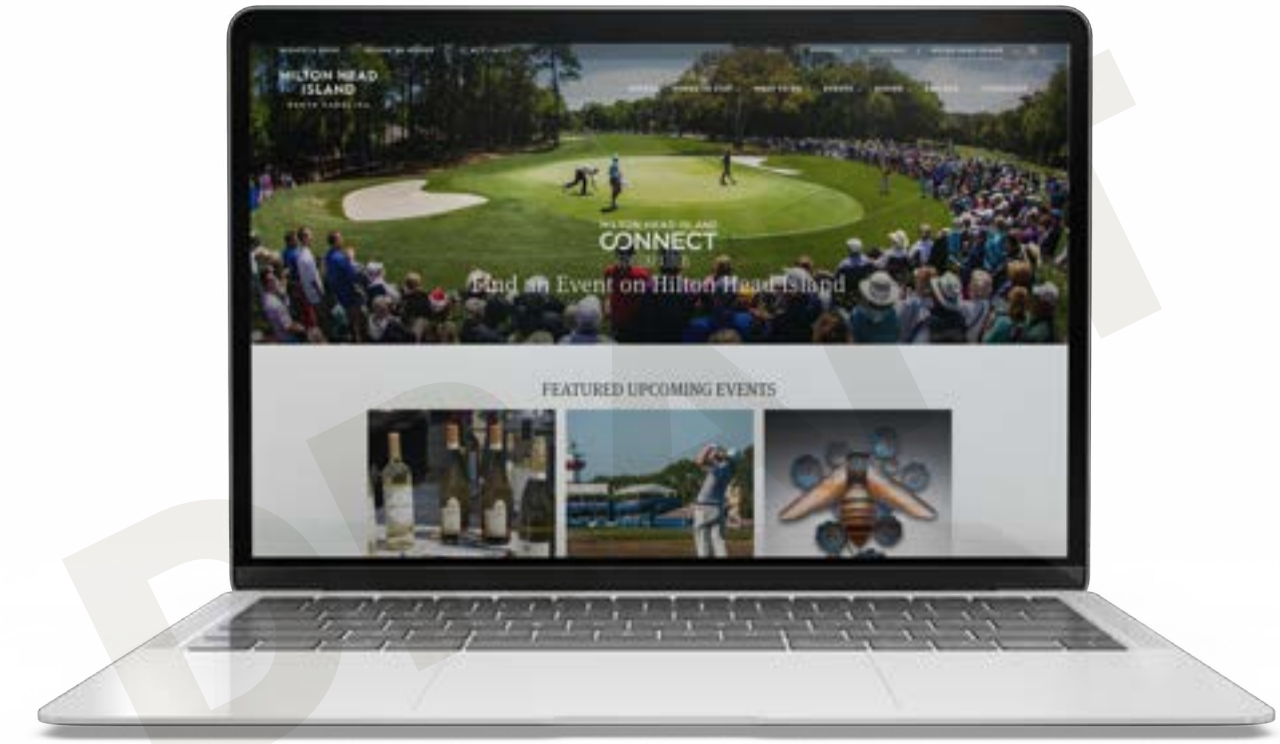
LOCAL EVENTS

ARTICLE 6.II (C)

HILTON HEAD ISLAND CONNECTIONS AND EXPERIENCES

We are committed to elevating Hilton Head Island's vibrant events calendar as a key driver of visitation, community connection, and year-round engagement. Through our Events page, we provide a centralized, always-on platform to promote and amplify local events, ensuring prospective visitors have access to timely, comprehensive information that supports trip planning and enhances the overall visitor experience. This effort is further supported through ongoing organic social media, where we highlight events in real time, extend their reach, and reinforce the Island's dynamic, experience-driven identity. Together, these channels serve as a foundational ecosystem for showcasing the breadth of events taking place across Hilton Head Island.



In partnership with the University of South Carolina Beaufort, we support on-the-ground event research when requested, providing valuable, real-time insights into attendance, visitor origin, and engagement. These efforts are complemented by Placer.ai reporting, enabling deeper, data-driven analysis of event performance and visitor behavior to inform future strategy and optimize impact.

With a strategic emphasis on driving out-of-market and overnight visitation, we deploy targeted paid media and campaign support behind key demand-driving events. These efforts are designed to extend reach beyond the region, attract high-value visitors, and maximize economic impact. These events include:

» Hilton Head Island Gullah Celebration

» Hilton Head Island Seafood Festival

» Hilton Head Island Wine & Food Festival

» Hilton Head Island Concours d'Elegance and Motoring Festival

» Crescendo Celebration of Arts & Culture

Looking ahead to FY 2026–2027, we plan to further strengthen this approach by working closely with the Town of Hilton Head Island and other community partners to identify, and promote new events with strong potential to generate overnight visitation and economic impact. These events may include: The Hilton Head Island Lantern Parade, RBC Heritage, Hilton Head Island Jam Songwriter Festival, and the Juneteenth Celebration.

Over the past year, these combined efforts have generated meaningful reach, engagement, and visitation.

Combined, these campaigns drove:

» 25K visits/session to event landing pages

» 6K conversions to event partners

HILTON HEAD ISLAND GULLAH CELEBRATION

60,081	1,525	86	1,004	339
SOCIAL IMPRESSIONS	SOCIAL ENGAGEMENTS	SOCIAL LINK CLICKS	WEBSITE VIEWS	WEBSITE LINK CLICKS

HILTON HEAD ISLAND SEAFOOD FESTIVAL

143,565	4,992	192	3,425	1,921
SOCIAL IMPRESSIONS	SOCIAL ENGAGEMENTS	SOCIAL LINK CLICKS	WEBSITE VIEWS	WEBSITE LINK CLICKS

HILTON HEAD ISLAND WINE & FOOD FESTIVAL

321,937	11,683	1,552	12,552	2,537
SOCIAL IMPRESSIONS	SOCIAL ENGAGEMENTS	SOCIAL LINK CLICKS	WEBSITE VIEWS	WEBSITE LINK CLICKS

HILTON HEAD ISLAND CONCOURS D'ELEGANCE AND MOTORING FESTIVAL

125,897	3,174	396	2,848	688
SOCIAL IMPRESSIONS	SOCIAL ENGAGEMENTS	SOCIAL LINK CLICKS	WEBSITE VIEWS	WEBSITE LINK CLICKS

CRESCENDO CELEBRATION OF ARTS & CULTURE

48,644	2,219	566	5,709	1,326
SOCIAL IMPRESSIONS	SOCIAL ENGAGEMENTS	SOCIAL LINK CLICKS	WEBSITE VIEWS	WEBSITE LINK CLICKS

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SURVEYS AND METRICS

ARTICLE 6.II (d)

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MEASURING WHAT MATTERS, TOGETHER

Guided by Destinations International best practices, we have identified thirteen core metrics to measure performance. Looking ahead to FY 2026–2027, we will introduce additional metrics that reflect the evolving technology landscape, particularly the continued rise of artificial intelligence (AI) and generative search.

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

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

Along with the selected metrics called out later in this plan, the full metrics are published annually in our DMO Metrics Book, which can be found in the appendix. Additionally, the DMO Metrics Book, along with our annual economic impact reports, visitor profile studies, marketing plans (inclusive of budget), and independent audits are published on THINK: Transparency in Tourism Marketing.

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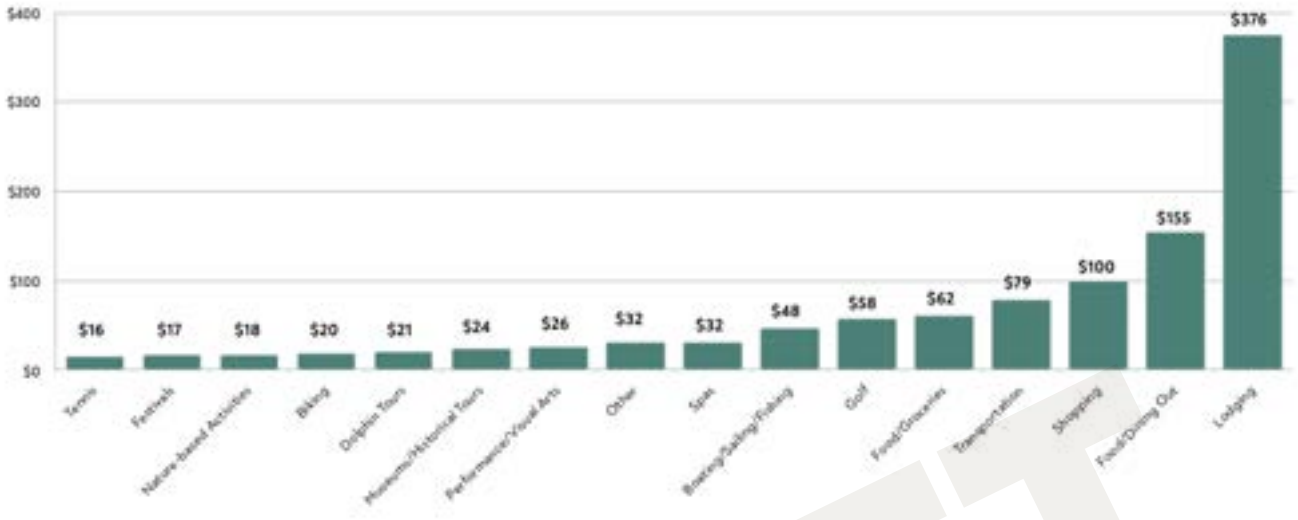
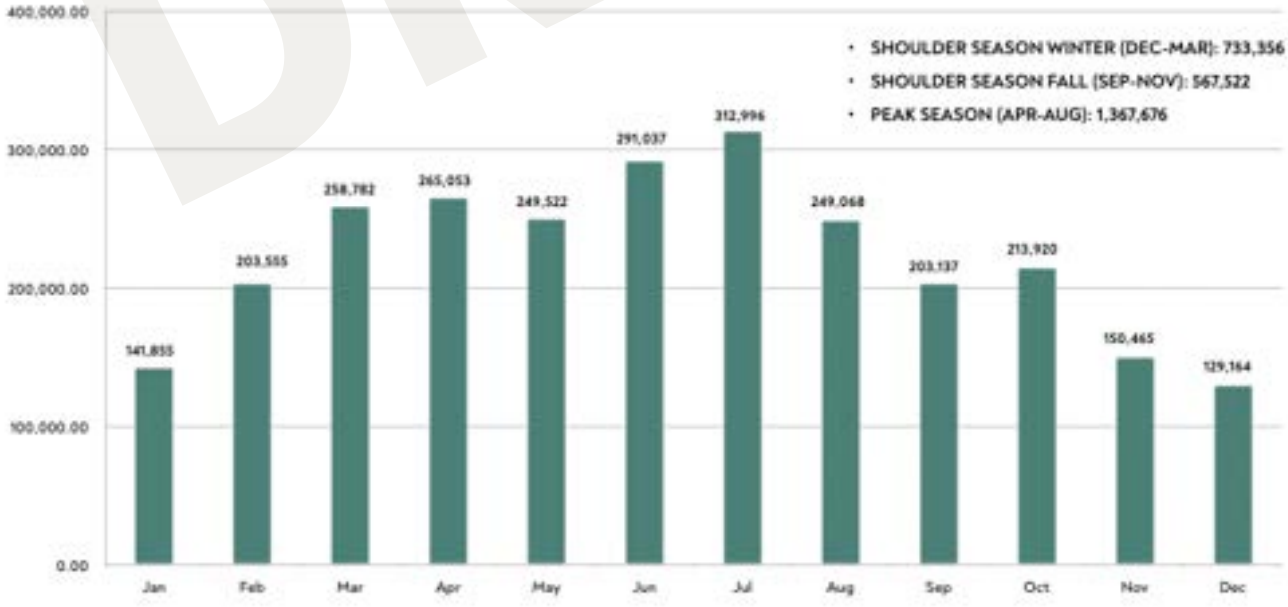
AVERAGE SPEND PER VISITOR AND BY CATEGORY
ARTICLE 6.II(d)(i)(1)



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

NUMBER OF VISITORS BY SEASON
ARTICLE 6.II(d)(i)(2)



Note: This visitor number is inclusive of all visitors. This includes: villa rentals, hotels, timeshares, second homeowners, non-paying guests, and daytrippers. Source: College of Charleston Office of Tourism Analysis

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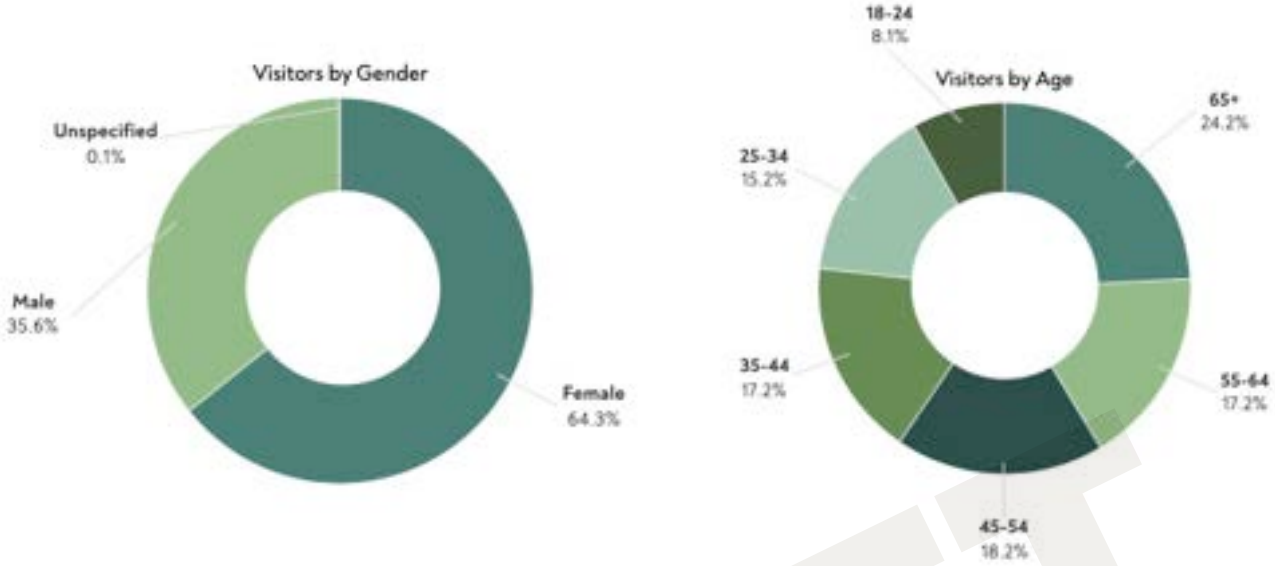
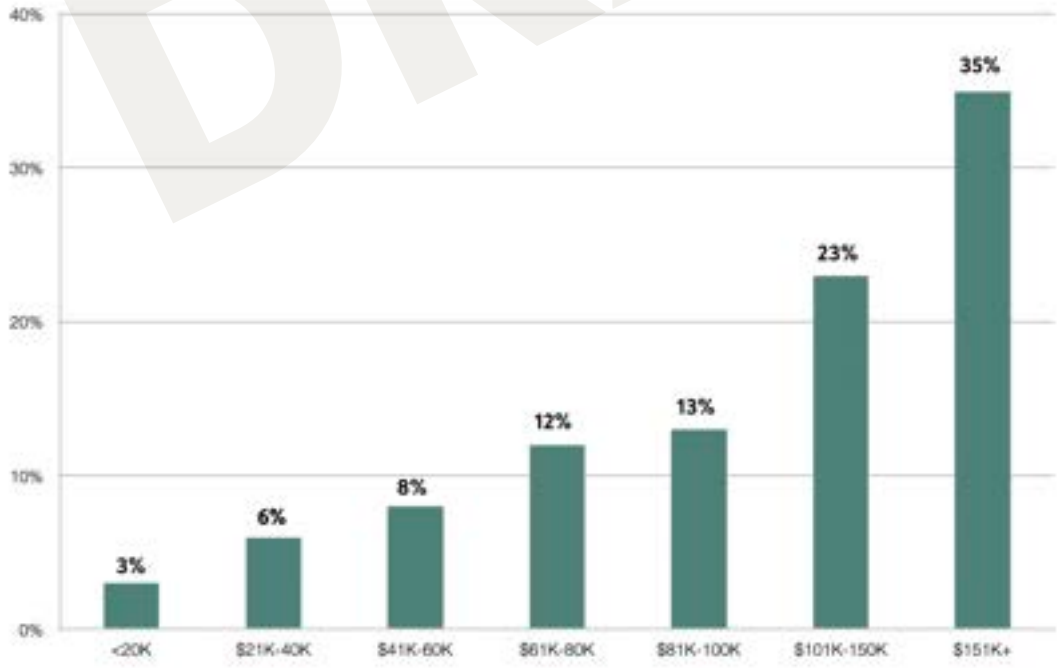
VISITOR DEMOGRAPHICS BY CATEGORY
ARTICLE 6.II(d)(i)(2)



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

VISITORS BY INCOME
ARTICLE 6.II(d)(i)(2)



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

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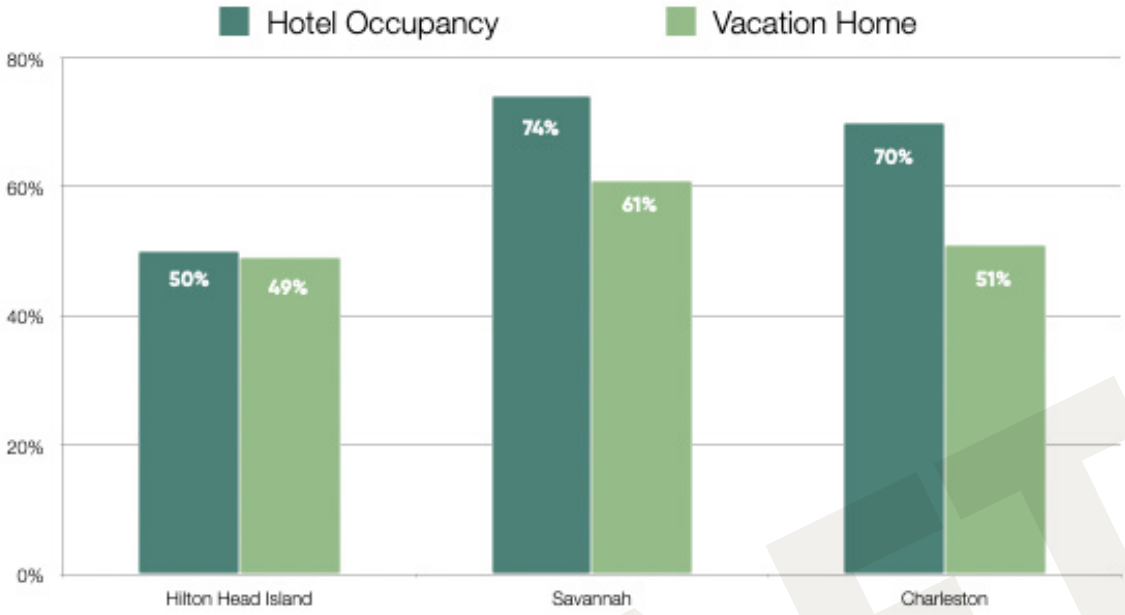
OCCUPANCY COMPARISON
ARTICLE 6.II(d)(i)(3)



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

Source: Simpleview CRM
Note: 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.

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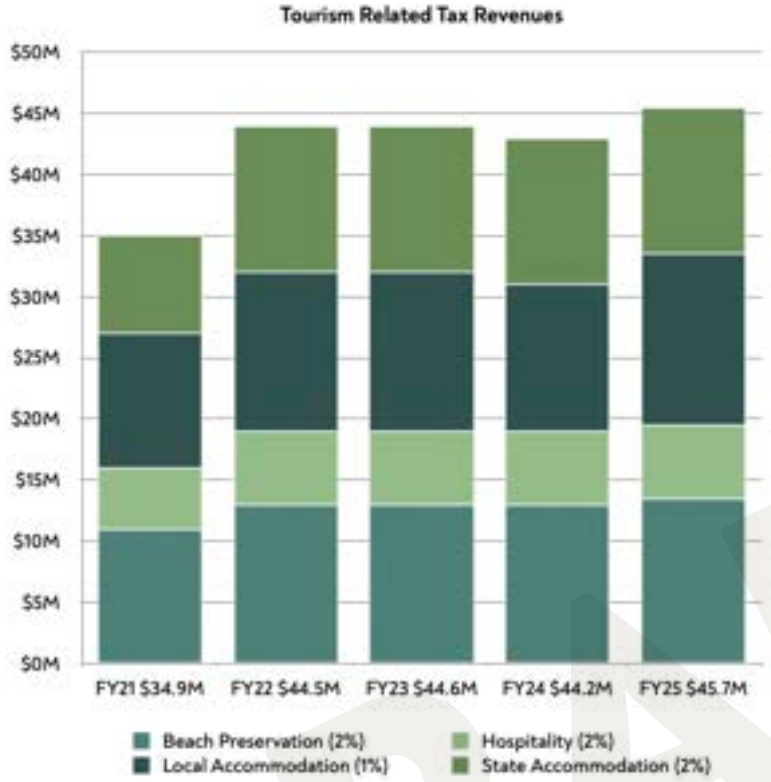
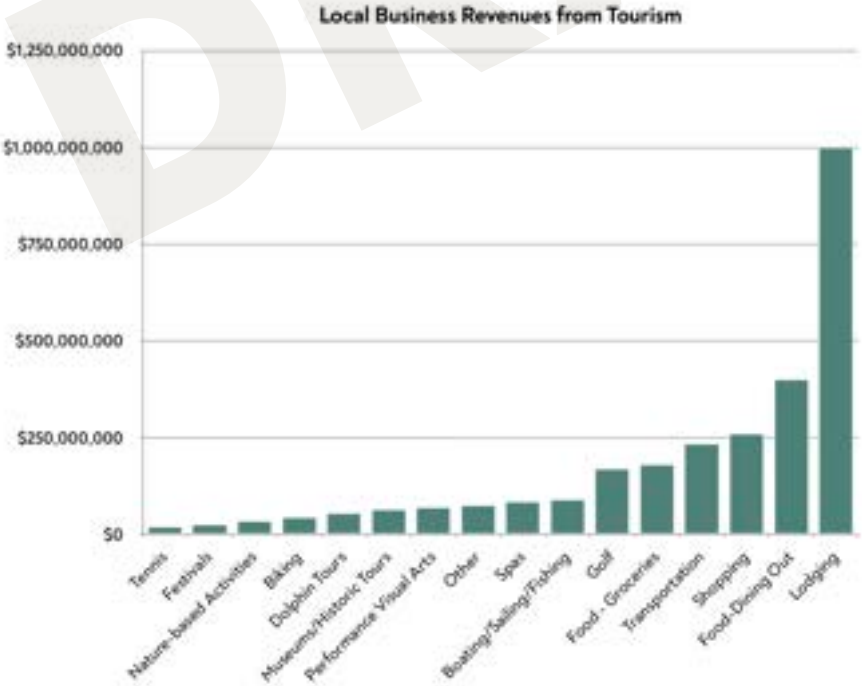
SURVEYS AND METRICS

ARTICLE 6.II(d)(iv)

ECONOMIC IMPACT
ARTICLE 6.II(d)(v)





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

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MEDIA & BRAND AWARENESS METRICS

ARTICLE 6.II(d)(vi)

2,487
STORIES AND MENTIONS

24,478,291,321
IMPRESSIONS

$32M
AD VALUE EQUIVALENCY

Source: Cision/Critical Mention

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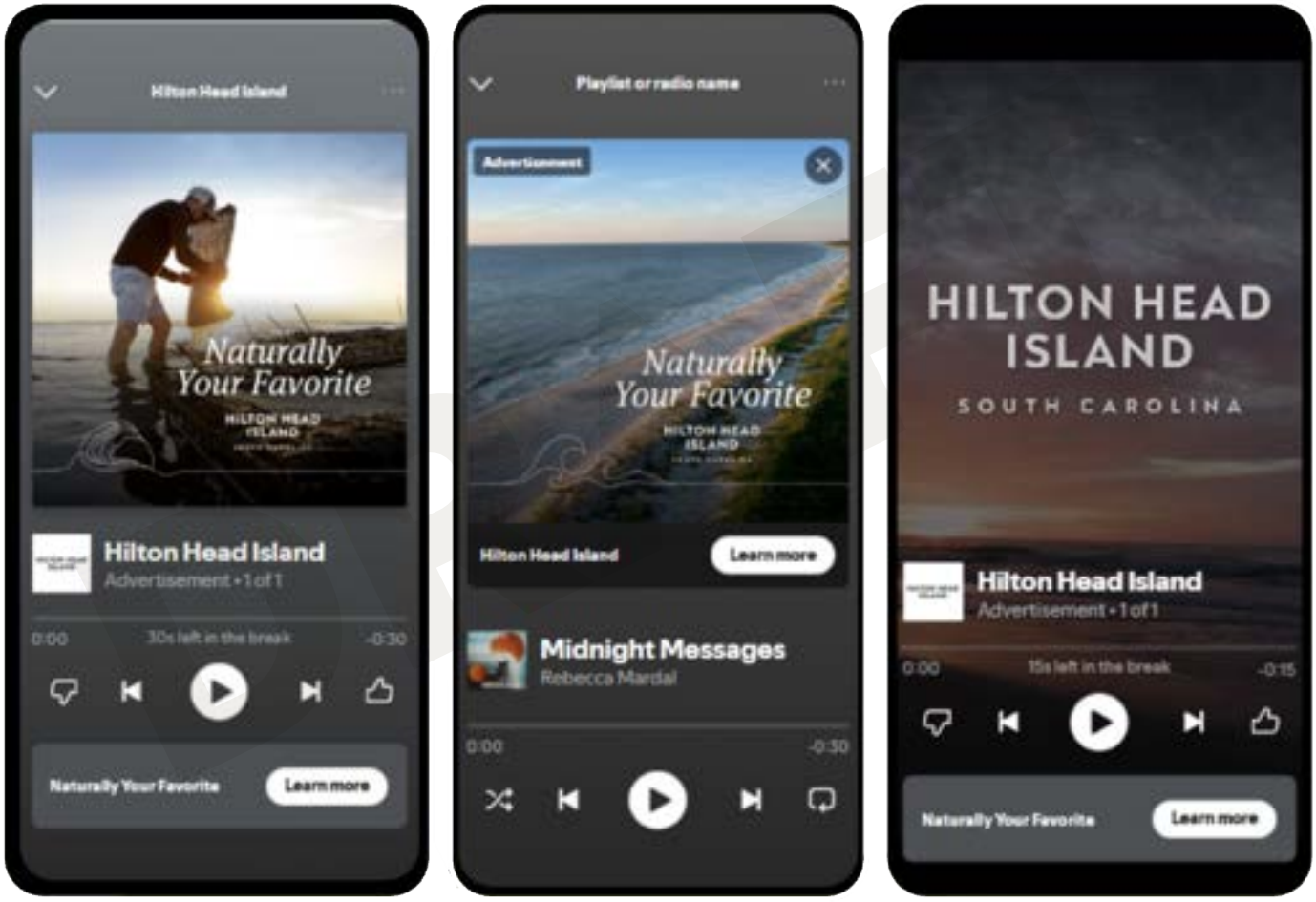
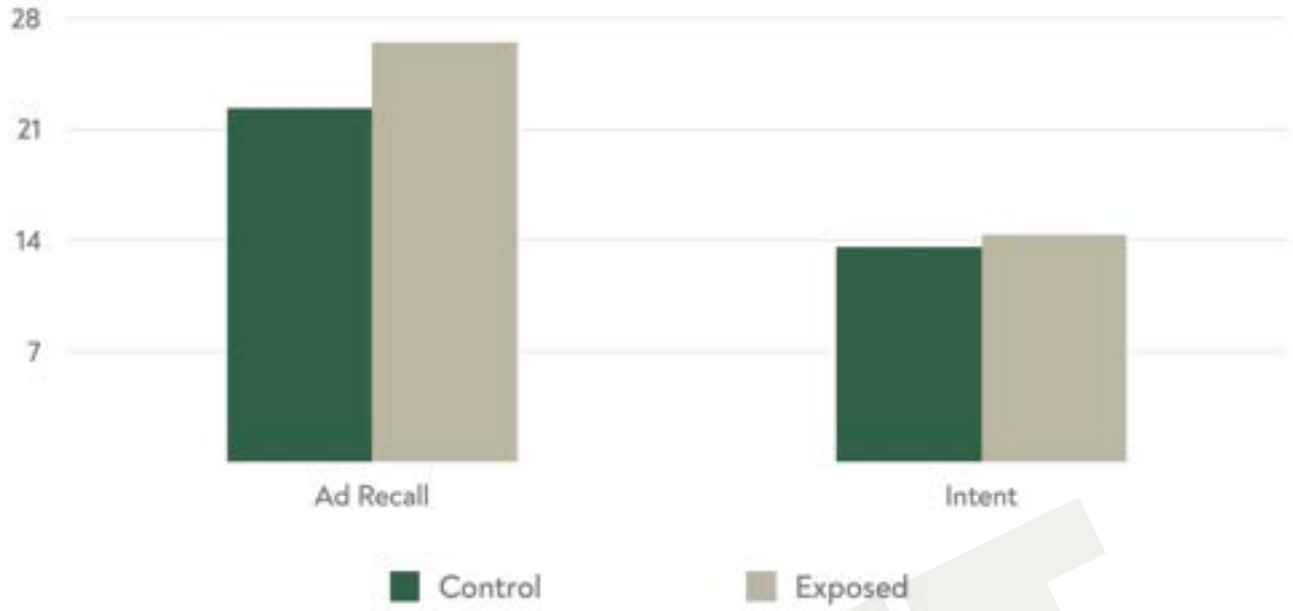
BRAND AWARENESS BENCHMARK STUDY RESULTS

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.





SEASONAL IMPACT METRICS

ARTICLE 6.II(d)(vii)

Source: KeyData

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STAKEHOLDER SATISFACTION SURVEYS

ARTICLE 6.II(d)(viii)

Measuring stakeholder satisfaction is a critical component of our marketing strategy, ensuring alignment with the priorities of Hilton Head Island residents. In partnership with MMGY Travel Intelligence, we conduct and publish an annual Resident Sentiment Survey to assess perceptions of tourism's impact on the Island. This provides valuable insight to help guide our efforts in a way that reflects community priorities.

In addition, we administer an annual Membership Survey to better understand the needs and perspectives of our business community.

Together, these insights inform our strategic direction, supporting a balanced and collaborative approach that benefits visitors, residents, and local businesses alike.

The full Resident Sentiment Survey and key highlights from the Membership Survey are included in the appendix.

DRAFT

WHAT'S AHEAD IN FY 2026-2027

ADVERTISING

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.

THE OLD WAY

THE NEW WAY

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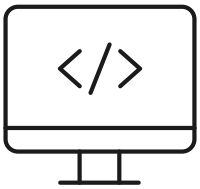
SEO & GEO - LAYING THE GROUNDWORK

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:

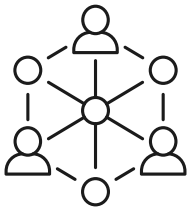
ONPAGE

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.

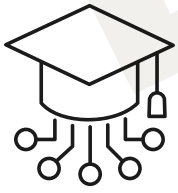


OFF PAGE

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

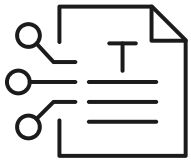
AI AND THE OPPORTUNITY TO SUPPORT AI DISCOVERABILITY

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



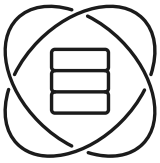
BECOME THE ANSWER

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

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

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Traditional key performance indicators (KPIs), such as views and organic traffic, no longer tell the full story. In this new environment, 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.

This represents an emerging and continually evolving paradigm in marketing. As technology and processes advance, we will remain leaders in the destination marketing space by staying nimble and adaptable, continually refining our KPIs and strategies to leverage new developments.

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OLD METRICS

22.5K
PAGE VIEWS

10,890
ORGANIC TRAFFIC

55%
BOUNCE RATE

+5.2%
SOCIAL LIKES

55%
SOCIAL LIKES

+525

NEW METRICS

10.2%
AI CITATION SHARE

4.7%
AGENT CONVERSION RATE

430
API CALLS

98.6%
AI CONTENT ACCURACY

PERSONALIZED PATHWAY ENGAGEMENT
+16%

GEO IS THE NEW DIGITAL PR

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:

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

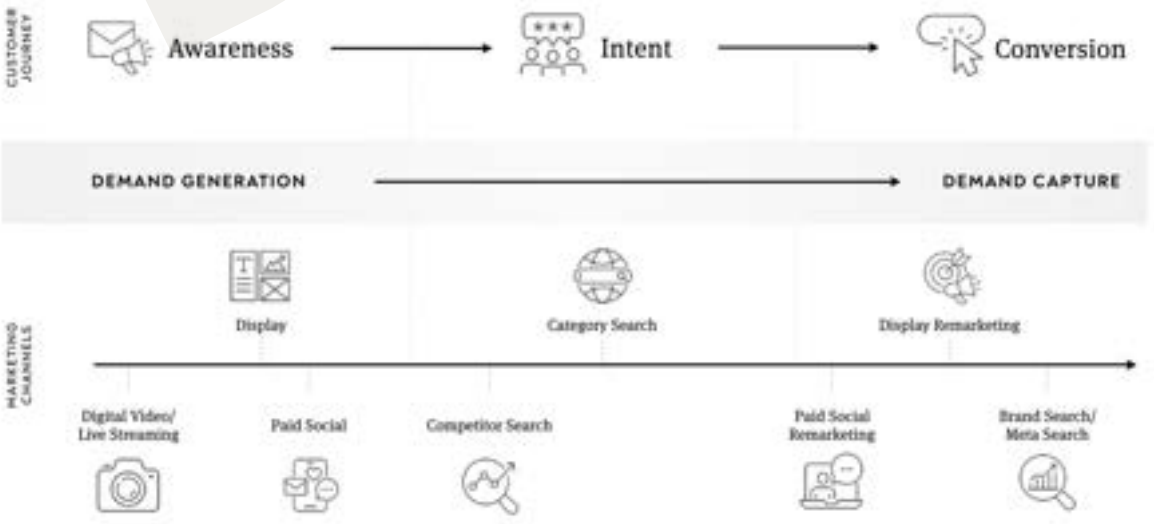
Cultivate partnerships, manage your online reputation, and earn authoritative backlinks. Keep your brand details (NAP) consistent so LLMs see you as a trusted source.

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.

SOCIAL AND DIGITAL STRATEGY

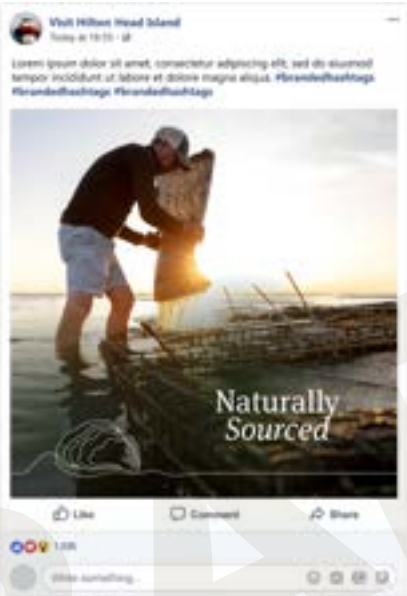
Our social and digital strategy plays a critical role in shaping how travelers discover and engage with Hilton Head Island. Across platforms, we deliver visually compelling, on-trend content that reflects the Island's experiences while positioning the destination within the moments and conversations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



DRAFT

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.



HILTONHEADISLAND.ORG

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.

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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.

MARKETING SUPPORT

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.

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.

All economic impact reports, visitor profile studies, marketing plans (inclusive of budget), DMO metrics books, and independent audits are available at THINK: Transparency in Tourism Marketing.

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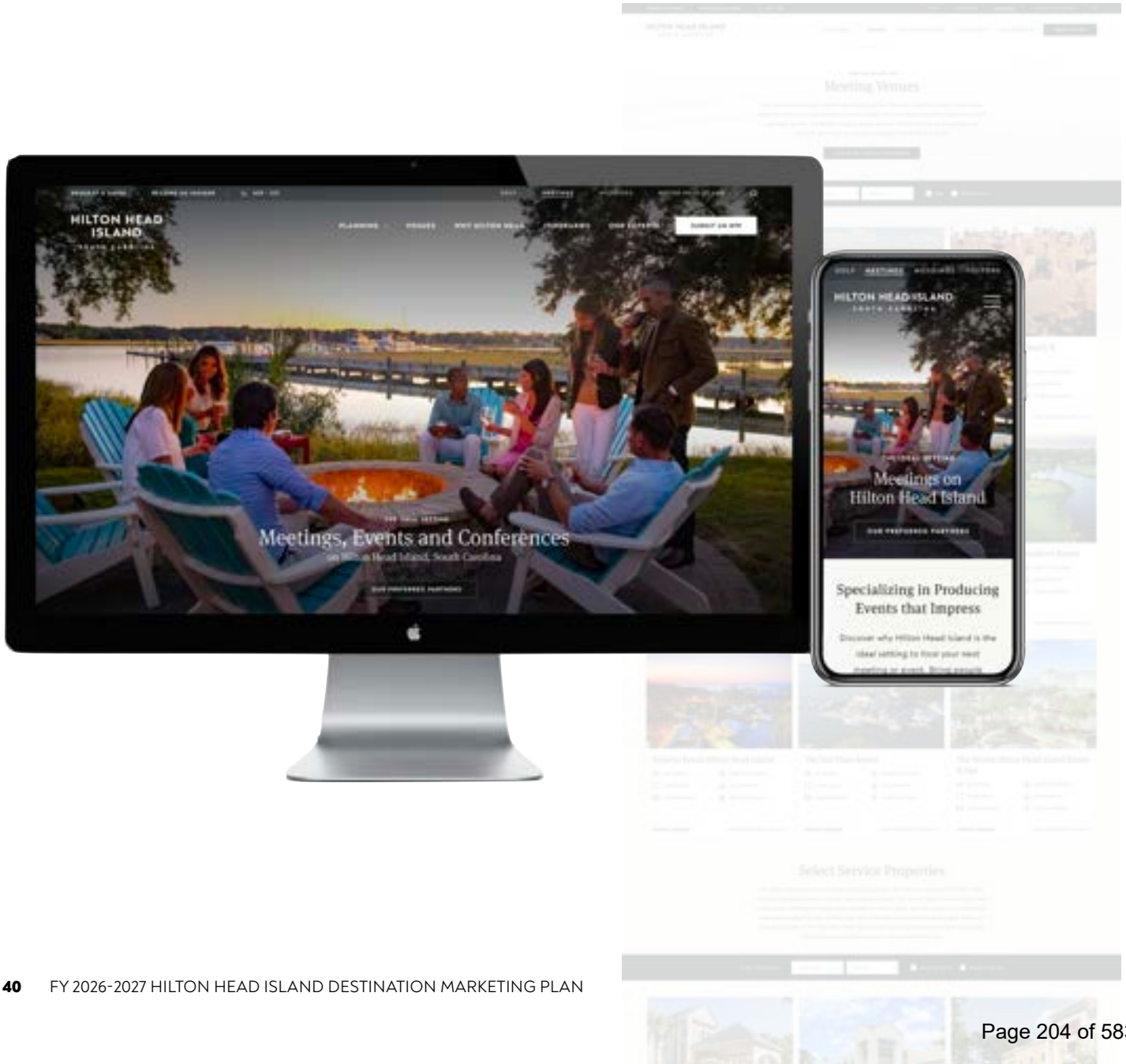
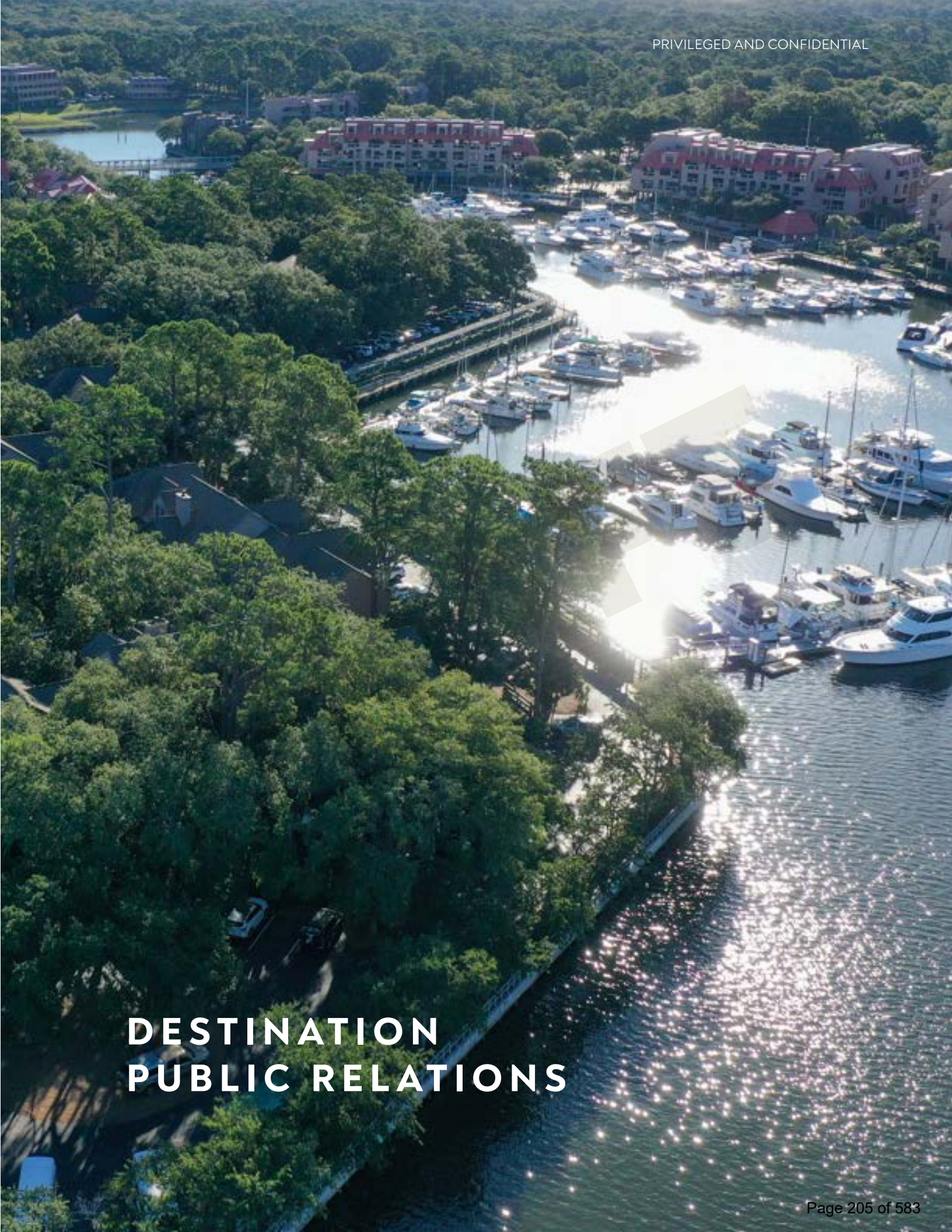
GROUP SALES & MARKETING

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.





DESTINATION PUBLIC RELATIONS

The Hilton Head Island & Bluffton Chamber of Commerce's FY 2026–2027 public relations strategy is designed to differentiate the destination in an increasingly competitive travel landscape while converting first-time visitors into repeat guests.

Despite economic uncertainty, travel demand remains strong, with consumers prioritizing meaningful, experience-driven trips, particularly to destinations that offer sustainability, culture, and a sense of escape from crowded hotspots. Hilton Head Island is well-positioned to capitalize on these trends, and the plan will build on established PR tactics while leveraging strong media relationships and evolving platforms to maintain visibility as a premier domestic island destination.

The media landscape continues to shift rapidly, with traditional outlets declining and digital platforms, freelancers, and social media playing a larger role in shaping travel narratives. Influencers are now a major driver of travel decisions, particularly among younger audiences, making their integration into earned media strategies essential. At the same time, journalists are planning further in advance and increasingly require firsthand destination experiences, necessitating earlier outreach and more strategic press trip planning. These changes will require a more agile, forward-looking PR approach that blends traditional media relations with influencer and digital-first storytelling.

Consumer travel trends present key opportunities for Hilton Head Island to align its messaging with what travelers are seeking today. These include interest in "detour destinations" that offer proximity and authenticity, slower joy of missing out (JOMO)-style travel experiences, deeper cultural and heritage exploration, and sustainable tourism practices. The destination will also continue targeting core audiences such as families, regional drive markets, and high-value travelers, while expanding into new channels like podcasts, lifestyle programming, and influencer-driven platforms to reach broader and more diverse audiences.

To bring this strategy to life, the plan prioritizes storytelling across key themes including Gullah culture, ecotourism, events and festivals, wellness, recreation, and culinary experiences. Execution will be driven through a mix of tactics such as customized journalist and influencer visits, paid influencer partnerships, always-on media relations, and strategic brand collaborations. Together, these efforts aim to amplify Hilton Head Island's unique identity, drive sustained media coverage, and inspire year-round visitation.

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DESTINATION ACCOLADES

Women's Health

2025 Health Travel Awards
Best Wellness Program Hilton Head Health & Wellness Resort & Spa

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Travel + Leisure

"Hilton Head Island one of the Best Beach Towns to Live in Year-Round"

Golf Digest

America's 100 Greatest Golf Courses

USA Today 10Best

Best Beach in South Carolina - Coligny Beach

USA Today 10Best

Best Resort Airport (Hilton Head Island Airport)

US News & World Report

12 Best Places to Visit in South Carolina

Yahoo Lifestyle

These Are the Best Spa Resorts in the U.S. for a Relaxing Weekend

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MSN Travel

20 Best Islands to Visit Without Leaving the U.S.

Travel + Leisure

12 Best Beach Towns on the East Coast

Travel Noire

Domestic Wellness Destinations To Relax, Relate, And Release

USA Today 10Best

Best Beach Bar - The Beach House

USA Today 10Best

Best Wellness Retreat Center

US News & World Report

2 SC Hotels are the Best in the US for 2025

DESTINATION ACCOLADES

Condé Nast Traveler

Hilton Head Island among the Best Beaches in the United States

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Travel + Leisure

“Hilton Head Island one of the Best Beach Towns to Live in Year-Round”

Travel & Leisure

16 Best Spa Weekend Getaways in the U.S.

Travel & Leisure

Travel + Leisure Readers’ 15 Favorite Islands in the Continental U.S. of 2025

Southern Living

“Hilton Head Beach has the Bluest Water in S.C.”

Southern Living

The 8 Most Beautiful Places On The South Carolina Coast

Condé Nast Traveler

11 Coastal Hotels in the US for a Sunny Spring Break

Travel + Leisure

12 Best Beach Towns on the East Coast

Travel & Leisure

11 Best Places to Live in South Carolina

Travel & Leisure

10 Best Vacation Destinations for Seniors

Southern Living

The 50 Best Beach Towns In The South 2025

Tripadvisor

Top 10 of Tripadvisor’s Top Trending Destinations in the US

APPENDIX

GLOSSARY OF TERMS

HILTON HEAD ISLAND-BLUFFTON CHAMBER OF COMMERCE
Board of Directors & DMO Marketing Council

DEMOGRAPHICS

COMMUNITY CORNERSTONE PLAN
2025 Performance, Goals 1-5

MMGY INTELLIGENCE
Community Sentiment Survey Executive Summary, Wave 3

OFFICE OF TOURISM ANALYSIS, COLLEGE OF CHARLESTON
2025 Visitor Profile Study

OFFICE OF TOURISM ANALYSIS, COLLEGE OF CHARLESTON
2025 Estimated Total Impact of Tourism in Hilton Head Island on Beaufort County

VERB INTERACTIVE
2025 Digital and Social Media Marketing Recap

WEBER SHANDWICK
2025 Public Relations Recap

HIGHLIGHTS FROM THE CHAMBER MEMBERSHIP SURVEY

GLOSSARY OF TERMS

FULFILLMENT

Fulfillment - The number of physical vacation planners distributed from requests throughout multiple platforms: online, media and home inquiries. In addition, we also distribute the planner to state and local welcome centers, airports, along with tradeshows and promotional events.

HOTEL, HOME & VILLA OCCUPANCY

Corporate Housing - Lodging created by local businesses and organizations specifically to house seasonal workers.

Occupancy - Used within the accommodations industry to gauge the health of tourism. Occupancy percentage is calculated by dividing the occupied rooms by total room supply.

ADR (Average Daily Rate) - Metric widely used to indicate the average realized room rental per day. ADR is calculated by dividing the room revenue by the total rooms sold.

RevPAR (Revenue Per Available Room) - Used to gauge industry health and is calculated by dividing the total room revenue by total room supply within a specific time period.

Corporate Hosting - A corporate event is an event that is sponsored by a company within a destination. The event focuses on either the employees or the clients of the company. Corporate events can be anything from a holiday party to an award ceremony.

Association Events - A group of people who work in the same industry. They aim to promote their profession, the interests of people and organizations in that profession, and the public interest. They gather regularly, e.g. monthly, quarterly, annually.

MEDIA PARTNERSHIPS

Paid Media - Paid promotional efforts, such as advertising and sponsored content, where payment is made to third parties for placement across various channels.

HHI - Household Income noted in Media Partnership section

PUBLIC RELATIONS

Earned Media - Refers to the instances when a destination or brand is featured in content without direct payment.

Impressions - This metric quantifies the number of times destination content has been viewed.

Ad Values - Sometimes known as AVE, or ad value equivalency, it's a calculation that estimates the value of a story or mention by comparing it to the cost of a comparable ad in the outlet for that coverage.

Mentions - Any instance where a brand or individual is discussed in various media, including news articles, social media posts, blogs, and interviews. These mentions contribute to overall visibility and help assess the impact of communication efforts.

UVPM (Unique Visitors per Month) - This metric represents the number of visitors to a media outlet.

Heritage Travel - A form of tourism in which individuals or groups visit destinations primarily to explore and connect with their cultural, historical, or familial heritage. This type of travel often involves visiting ancestral hometowns, landmarks, museums, historical sites, and other places significant to one's cultural or familial background.

Sustainable Travel - Refers to responsible travel practices that minimize negative impacts on the environment, preserve cultural heritage, and benefit local communities economically and socially.

Shoulder Season - Refers to the period between the peak and off-peak seasons in travel and tourism. During this time, there is a decrease in tourist activity compared to the peak season, but it's still more active than the off-peak season.

REPORTING PLATFORMS

2-Source Report - The 2-source report is an aggregated report of both Home and Villa and Hotel data.

Keydata - Keydata is a real time home and villa platform that allows users to view on the books and historical villa data.

STR - Smith Travel Research (STR).

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SOCIAL MEDIA

Impressions - The amount of times your content was seen across a feed or in search terms.

Engagements - A measurement on how much your audience interacts with your content. This can be measured in likes, comments, shares, etc.

Total Audience - Number of followers across each platform combined.

UGC (User Generated Content) - Content captured by users online, who have given permission to have their content reposted.

WEBSITE PERFORMANCE

Demand Generation - The strategic efforts aimed at creating interest and awareness among potential customers for a product or service. It involves utilizing various digital channels and tactics to attract, engage, and ultimately convert prospects into leads or customers.

Demand Capture - The strategic efforts aimed to target individuals who are already actively seeking your brand with the goal of converting those individuals.

Visits - A website visit in Google Analytics 4 (GA4) refers to a period of user interaction with a website. Visits help measure user engagement and interactions on a website within a specific time frame.

User(s) - Website users in Google Analytics 4 (GA4) represent individual visitors or devices that access a website within a specified time period. Each user is identified by a unique identifier, allowing GA4 to track and analyze the behavior of distinct individuals or devices interacting with the site.

Partner Referrals - This metric refers to external link clicks to partner websites from ads or partner listings throughout the Hilton Head Island website. This helps quantify how many potential visitors we are connecting to local businesses.

Photo Courtesy of The Sea Pines Resort

2025 BOARD OF DIRECTORS

EXECUTIVE COMMITTEE

IMMEDIATE PAST CHAIR

Susana Cook
Hilton Garden Inn

VICE CHAIR, BLUFFTON REGIONAL BUSINESS COUNCIL

Diana McDougall
Coastal States Bank

VICE CHAIR, BUSINESS EDUCATION PARTNERSHIP

Bob Cosgrove
Sonesta Resort Hilton Head Island

VICE CHAIR, BUSINESS WORKFORCE COALITION

Lola Campbell
Binya Boutique, LLC

VICE CHAIR, FINANCE

Joel Taylor
Hilton Head Regional Healthcare

VICE CHAIR, MEMBERSHIP

Andrew Carmines
Hudson's Seafood House on the Docks

VICE CHAIR, PUBLIC POLICY

Mary Lee Carns
Technical College of the Lowcountry

VICE CHAIR, VISITOR & CONVENTION BUREAU

Mike Tighe
Westin Hilton Head Island Resort & Spa

PRESIDENT & CEO

William G. Miles, IOM, CCE
Hilton Head Island-Bluffton Chamber of Commerce

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BOARD OF DIRECTORS

Steve Birdwell
The Sea Pines Resort

Wayne Boutwell
Encompass Health Rehab. Hospital of Bluffton

Andrea Bragg
Forsythe Jewelers

Berl Davis
Palmetto Electric Cooperative

Caleb Graham
Ocean Oak Resort by Hilton Grand Vacations

Darrell Naylor-Johnson
Savannah College of Art & Design

Greg Kelly
Savannah/Hilton Head International Airport

Jon McGaunn
Montage Palmetto Bluff

Walter Nester
Burr & Forman

Mike Overton
Outside Brands

Dr. Al Panu
University of SC, Beaufort

Jon Rembold
Hilton Head Island Airport

Ray Warco
Center for Strategic Planning/USCB

Ahmad Ward
Historic Mitchelville Freedom Park

Steve Wilmot
Heritage Classic Foundation

FY 2025-2026 MARKETING COUNCIL MEMBERS

The Hilton Head Island Marketing Council serves as an advisory and advocacy committee to the Hilton Head Island Visitor & Convention Bureau. The Council represents cross sections of the island's diverse travel and tourism industry and guides the planning and execution of the annual Destination Marketing Plan. The committee monitors the plan's effectiveness and results making recommendations for improvements and enhancements when needed.

Vice Chairman, Visitor & Convention Bureau
Mike Tighe
General Manager
Westin Hilton Head Island Resort & Spa

Convention Property Seat
Mark Goodwin
Director of Sales & Marketing
The Sea Pines Resort

Cultural/ Historical Seat
Natalie Harvey
Director of Culture
Hilton Head Island

Cultural/ Historical Seat
Ahmad Ward
Executive Director
Historic Mitchelville Freedom Park

Ecotourism Seat
Mike Overton
Founder & CEO
Outside Brands

Entertainment Seat
Ryan Larson
Director of Marketing
SERG Group

Festival & Event Seat
Rex Garniewicz
President & CEO
Coastal Discovery Museum

Golf Seat
Brad Marra
Chief Operating Officer
Palmetto Dunes Oceanfront Resort

Transportation & Tours Seat
Lori Lynah
Director of Airline Recruitment and Marketing
Savannah/Hilton Head International Airport

Transportation & Tours Seat
Jon Rembold
Airport Director
Hilton Head Airport

Home & Villa Seat
Dru Brown
Managing Partner
Island Time Hilton Head

Outdoor Recreation/ Sports
Julie Jilly
Vice President
Professional Tennis Registry

Restaurant Seat
Catherine Reilley
Partner
Coastal Restaurants & Bars (CRAB)

Retail Seat
Beth Patton
Marketing Manager
Forsythe Jewelers

Town Council
Councilman Alex Brown
Ward 1

Communications Director
Heather Woolwine
Town of Hilton Head Island

Marketing & Brand Manager
Kelly Spinella
Town of Hilton Head Island

DRAFT

STRATEGY 1
COMMUNITY CORNERSTONE PLAN
2024-2026

FOSTER EFFECTIVE AND INCLUSIVE COMMUNITY COLLABORATION

Aligning the priorities of residents, industry stakeholders, small business, community groups and government organizations that balance and enhance resident quality of life and overall destination performance.

INITIATIVES	TACTICS
Develop social, cultural and environmental sustainability initiatives to engage locals and visitors.	Continue to build out and promote The Promise campaign, a VCB initiative that promotes the importance of our environment and efforts to protect and preserve our delicate ecosystem. Bring awareness to environmental programs; e.g. Loggerhead Sea Turtles, Dolphins, Piping Plovers through The Promise campaign, through touchpoints such as a Sustainability Tool Kit and e-Commerce platform. Partner with Coastal Discovery Museum, Outside Foundation, Sea Turtle Patrol, & Office of Cultural Affairs creating in-depth programming to further emphasize the importance of our environment.
Continue ongoing resident sentiment survey program that measures and tracks support for the local visitor economy. Publish the results on a regular basis for ongoing conversation.	Implement annual resident sentiment survey. Present findings to key stakeholders; Town, residents, businesses partners, etc. Benchmark and update resident sentiment results annually.
Conduct live and virtual community speaking engagements, community updates regarding tourism and surveys on a regular basis to gain resident feedback on quality of life.	Host bi-annual community engagement events. Regular cadence of Chamber driven communications to local businesses, e.g. Monthly Power Hour, Monday Briefing, Chamber social, Chamber website, email campaign, regional and local media outlets. Designated resident & community communications, outreach and informational meetings. Deployment of annual resident sentiment surveys.
Develop community-wide programs to increase awareness and support of tourism & hospitality as a key economic driver providing growth opportunities for all.	Connect with USCB and develop a Brand Boot Camp program. These could be extensions of the existing Island Ambassador Program or a hybrid program. In partnership with USCB, create a Brand Tool Kit to complement the program. Once a business engages with the program, the BrandTool Kit would be a leave behind local businesses could use to showcase through their channels. Tourism economy health check -town integration/ cadence 1x per year.
Further invest in data management platforms and community crowdsourcing tools to ensure intelligent, data-driven decision making, and resident priorities across all levels of the public and private sector.	Data management platform examples: Zartico, Simpleview, Keydata. Hiring dedicated headcount to support these new platforms and analytics. Liaise with community counterparts to share insights and promote a data-driven ecosystem for the destination.

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TIMING

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber		•		15% of local businesses featuring promise seals (all businesses).
Town/Chamber/ Businesses		•		Number of Sustainable Toolkit downloads/engagements.
Chamber		•		Create programs with partners with budget to support.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber	•	•	•	Growth in number of surveys completed YoY.
Chamber	•	•	•	Completion of presentations to stakeholders annually.
Chamber	•	•	•	Monitor YoY increase/ decrease in sentiment and address accordingly.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber	•			Event participant numbers.
Chamber	•			Impressions & engagement, and open rate.
Chamber	•			Number of meetings held. Number of attendees, reach and open rate.
Chamber	•			Number of surveys sent. Number of surveys completed.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber		•		Development of Brand Boot Camp Program in partnership with USCB.
Chamber			•	10% of island businesses have engaged with the Brand Boot Camp program and are using the Brand Tool Kit.
Chamber/Town	•			Contract deliverable, 1x per year.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber	•			Establish platforms and set up reporting efforts (internal to Chamber).
Chamber		•		Hiring completed.
Chamber		•		Create comprehensive reports and discuss and establish cadence for reporting out and sharing insights.

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STRATEGY 1

COMMUNITY CORNERSTONE PLAN (CONTINUED)

2024-2026

ATTRACT EXTRAORDINARY TALENT

Resident quality of life and a positive visitor economy and brand are directly proportional to the quality of the local workforce. This must be prioritized more than ever before to ensure quality of life for residents and a positive visitor experience.

INITIATIVES	TACTICS
Assist in the awareness of career opportunities and recruitment of talent for all residents and throughout the region.	Start a local job sourcing platform pulling in local career opportunities. Simultaneously position the Lowcountry lifestyle and real estate opportunities within this framework. e.g. aggregate all real estate listings, pull in VCB channels to showcase lifestyle. Showcase the diversity of career opportunities that exist throughout the destination.
Assess availability of existing structures and government-owned land to potentially develop workforce housing on/off island.	Chamber to establish a working relationship with the Affordable Housing Committee to understand current efforts in place, plan for future efforts, and overall need that Hilton Head Island can support. Town and Chamber representatives work closely to understand the private initiatives on island that are, or have implemented, workforce housing for their employees. exp: The Sea Pines Resort Town works to identify grants and other funding opportunities to support affordable workforce housing efforts on island.
Work in partnership and enhance industry workforce development initiatives with the public sector, area schools, and industrypartners.	Introduce new, formalized internship programs within the Lowcountry that include diverse offerings and hiring opportunities postintern ship. Work to enhance presence with TCL/ Culinary Institute/ USCB/ high school guidance counselors/ career fairs in an effort to build support for tourism and hospitality as a long-term viable career. Chamber's continued support of SC Apprentice Program, Chamber Junior and Senior Leadership programs that support the retention efforts regarding workforce and the tourism industry for this region.
Develop strategic understanding of requirements for hiring senior and strategic talent to support local businesses in their talent search.	Survey large, local hospitality businesses (The Sea Pines Resort etc.) and compile resourcing roadmap for required senior-level and strategic talent. Conduct salary analysis and competitive hiring practices in comparable communities. Understand and support collaborative efforts to ensure a competitive landscape on salaries, benefits and lifestyle opportunities.
Enhance and promote awareness of hospitality and cultural training programs in collaboration with local educational institutionsand industry partners.	Establish a joint social media campaign between the Town and Chamber that speaks to the Live, Work, Play opportunities on Hilton Head Island. Create and promote a tourism & hospitality industry recruitment video.

DRAFT

TIMING

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber/Town		•		Successful launch of job portal.
Town/Private Partner		•		Establish relationships with local realtors / communities and work to pull in their listings and community detail to the site.
Town		•		The platform shows many different types of job options with a filter feature.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Town/ Chamber		•		Relationship established between the Town, the Chamber, and the Committee.
Town/Private Partner/ Chamber		•		Town and Chamber have identified and established relationships with island partners.
Town/ Chamber		•		10% of funding opportunities identified to support overarching plan.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Beaufort County/ Town/ Chamber		•		Social impressions and engagements
Beaufort County/ Town/ Chamber	•			
Chamber	•			Social impressions and engagements

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Town/Private Partner/ Chamber		•		Establish base understanding and create a Hilton Head Island senior-level recruitment handbook.
Town/Private Partner/ Chamber		•		Report on comparable towns/cities and their hiring efforts.
Town/Private Partner/ Chamber			•	Report out on partner offerings/ packages in efforts to establish competitive effort for recruitment.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber/Town		•		Create and implement program. Establish key metrics for measurement.
Chamber/Town		•		Confirm creation of video and plan to support promotion.

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STRATEGY 1

COMMUNITY CORNERSTONE PLAN (CONTINUED)

2024-2026

DIVERSIFY THE VISITOR & LOCAL EXPERIENCE YEAR-ROUND

More varied and integrated culinary, arts, cultural, historical, wellness, active, retail and evening experiences will attract high-value visitors who spend more, stay longer, and explore more of the destination.

INITIATIVES	TACTICS
Develop and promote the entirety of Hilton Head Island as a connected and easily navigable ecosystem of parks, beaches, and other outdoor spaces, as outlined in the Parks & Rec Master Plan and dispersion tactics.	Onsite QR code or App mapping technology designed to lead visitors deeper into the destination and to help them discover new-to-them experiences. Influencer partnerships designed to showcase itineraries based on visitor interest. Work with partners to make these experiences plannable, bookable, and part of a cohesive itinerary. Immersive itineraries distributed through personalized media and technology platforms.
Develop a local culinary, arts & cultural network/ trail to improve regional connectivity, showcase small businesses and unique local history, drive visitor dispersal, and provide suggestions for inclement weather days.	Develop mapped itineraries that can be filtered by interest/topic. Sister partnerships/exchanges and sharing of ideas to create a FIC product. Continue to bring forward Gullah cuisine and highlight locations, chefs and dishes that represent the rich history of our area/region.
Enhance and support the historic and cultural locations on the island-programming and promotion.	Continued partnership with Historic Mitchelville Freedom Park through paid media, creative campaign strategy, and marketing roadmap. Continue to develop art, culture and history tour programming with interactive interpretive panels that can be used to build awareness for the artist, their products and the importance of their role in enhancing the culture of the destination. Continue the promotion of performing arts and cultural programming.
Diversify the visitor by sharing different perspectives and representation across marketing touchpoints.	Increase diversified representation in marketing materials through a new photoshoot showcasing diverse talent. Amplify local voices who can tell potential visitors about our culture and unique experiences in authentic ways through digital videos, email newsletters, and blogs. Work with content creators and influencers who provide unique and diverse perspectives on travel.

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TIMING

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber/Private Partner/Town		•		Partner with Town on QR code platform, content creation and strategy for partner placement.
Chamber/ Private Partner		•		Influencer partnership secured and itinerary efforts in place for capture.
Chamber/ Private Partner			•	Itinerary page sessions, engagement and conversions.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber		•		Details on how many itineraries have been developed.Report out on number of engagements/sessions for this program.
TCL/ Private Partners		•		Development of a FIC product.
Chamber/Gullah Community		•		Impressions and engagement on platforms where content is placed.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Stakeholder/Town/ Chamber		•		Develop a robust marketing campaign. Measure and report out on earned media coverage. Report out on website sessions.
Stakeholder/Town/ Chamber		•		Partner with the Office of Cultural Affairs to identify, outreach and confirm partners for this program.
Chamber		•		Report out on website sessions to arts & culture content.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber	•			Completion of shoot Q1 FY23
Chamber	•			Number of locals involved in program/sessions to their content
Chamber		•		Establish an Influencer program: details of campaign, identify talent and budget

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STRATEGY 1
COMMUNITY CORNERSTONE PLAN (CONTINUED)

2024-2026

MODERNIZE MEETING & EVENT CAPABILITIES FOR THE FUTURE

Meeting and event planners today have a vast array of new technologies to drive audience engagement and business development. Destinations and their industry partners must have the required infrastructure and shared vision to deliver the event experience that today's attendees expect.

INITIATIVES	TACTICS
Develop an arts, cultural & entertainment district with recreation and event facilities appropriately designed to fit our community and development aesthetic.	Bring the Parks and Rec Master Plan forward and learn about upcoming integration touchpoints and opportunities. Develop branding and marketing approach for an arts, cultural & entertainment district.
Partner with the Town of Hilton Head Island on building out a strategy for Island branding.	Collaborate with the Town of Hilton Head Island to create a cohesive branding strategy for the island.
Seek a 5-star property or resort designation to further elevate the Hilton Head Island brand in the luxury leisure and group marketplace.	Develop outreach plan and strategy for hospitality brands that align with Hilton Head Island's current offerings and existing corporate presence on-island. (For example, this initiative would be designed to plan and pitch Hilton Head Island to corporations such as Marriott to consider an Autograph Collection property on-island).
Evaluate current incentives for investment in new and existing venue capital to compete with other like-size coastal destinations.	Conduct competitive assessment to evaluate our destination compared to other like-minded destinations and competitive product offerings. Collaborate with our local and state representatives to inform, educate and influence decisions as it relates to capital investment and infrastructure funding. Work to develop holistic economic development strategy influenced by the 10-year destination management plan.

DRAFT

TIMING

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Town/ Chamber		•		Schedule time with the Town Staff/ Lead POC to walk through the Parks & Rec Plan.
Chamber/Town			•	Scope of work established that includes timing, assets and budget.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Town/ Chamber		•		Identify Town Staff POC and work with them to understand and determine the scope of work and budget for this project.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Town/Private Partner			•	Support the development/ redevelopment of a 5-star property.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber/ Town/ Private Partners	•			Competitive assessment presentation.
Chamber/ Town/ Private Partners	•			Demonstrable influence on infrastructure decisions.
Chamber/ Town/ Private Partners			•	Economic strategy developed.

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STRATEGY 1

COMMUNITY CORNERSTONE PLAN (CONTINUED)

2024-2026

IMPROVE MOBILITY & CONNECTIVITY TO SUPPORT LOCAL BUSINESSES

Mobility and connectivity support greater opportunities for residents, visitors, and industry stakeholders. Continue to connect visitors and local businesses, both physically and digitally, to drive resident satisfaction, higher conversion, and increase incremental sales.

INITIATIVES	TACTICS
Upgrade broadband infrastructure with 5G/ Ultra wideband capacity across gated, non-gated communities, business plazas, and public spaces.	Conduct needs assessment by evaluating current infrastructure. Evaluate solutions through collaboration with partners throughout the destination. Develop and implement strategy for delivering 5G/ Ultra wideband throughout the destination.
Promote multimodule access to public transportation in support of local resident and visitor movement to/ from the island as well as throughout the island.	Develop dedicated marketing campaign for visitors promoting the trolley system/ integration in market.
Increase rideshare and airport transportation options.	Set up meetings with rideshare companies to discuss driver recruitment strategies and partnership opportunities. Prepare and release RFP for official regional shuttle/bus services. Work with key stakeholders and the community to influence current rideshare regulations and constraints that limit cross-state transportation opportunities.

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TIMING

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Town/ Private Sector/ Chamber		•		Scope, budget, implement and report out on an assessment.
Town/ Private Sector/ Chamber			•	Identify top three viable options to bring forward for further review.
Town/ Private Sector/ Chamber			•	Strategy and rollout plan.

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Chamber/Town/ Palmetto Breeze			•	Marketing campaign launch Campaign impressions and sessions Ridership increase

LEAD	FY 2024	FY 2025	FY 2026	KPIs
Town/ Private Sector/ Chamber		•		Engage three rideshare partners.
Town/ Private Sector/ Chamber	•			RFP responses and successful bidding process.
Town/ Private Sector/ Chamber			•	Identification of ways to work alongside rideshare regulations and serve residents and visitors.

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FAMILY

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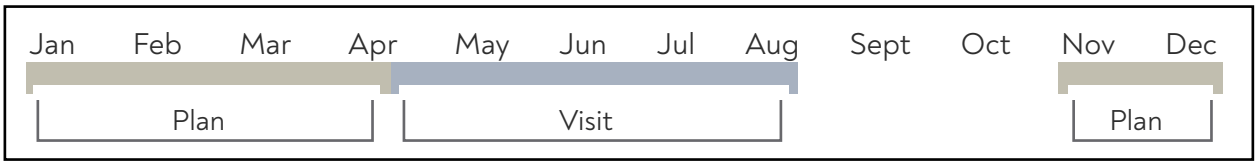
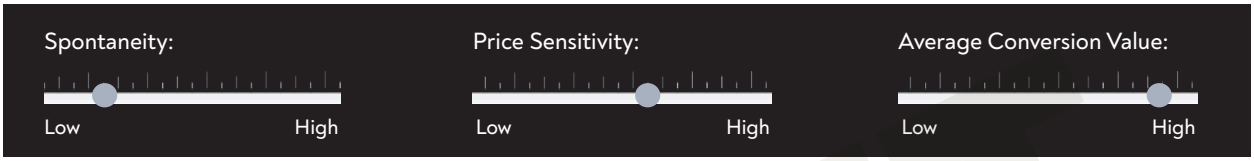
TRAVEL OBJECTIVE

Find a vacation spot that will please everyone during the school holidays.



FAMILY TRAVEL HABITS



WHO THEY ARE

- Upscale & Status Oriented
- Values Family Time
- Creating a Legacy
- Active & Health Conscious

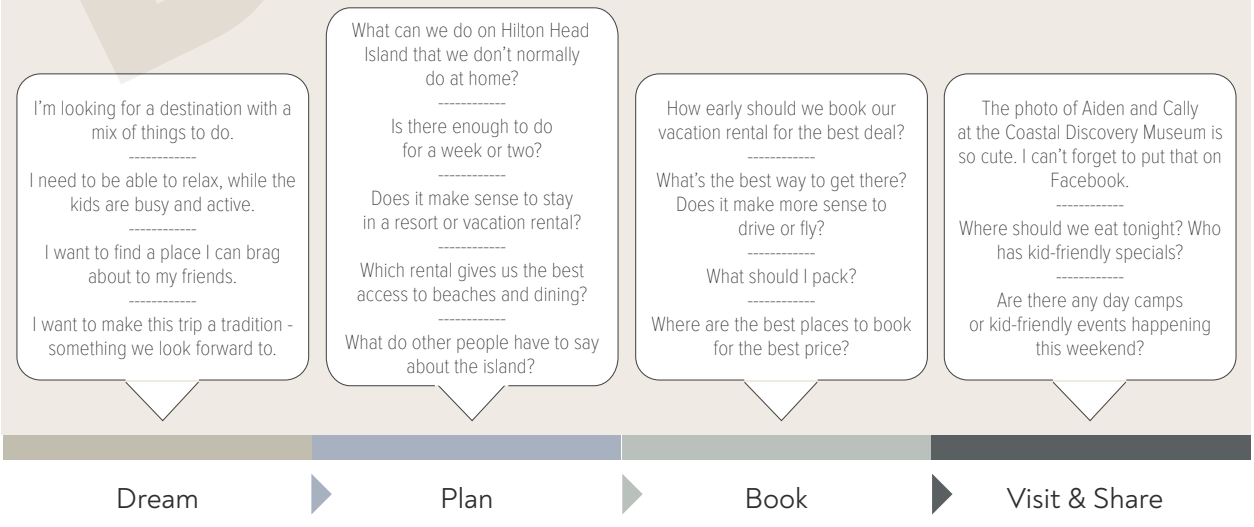
PREFERRED ACTIVITIES & ATTRACTIONS

- Vacation Rentals & Resorts
- Beach & Water Activities
- Biking & Hiking
- Tennis & Pickleball
- Festivals & Events
- Kid-friendly Dining
- Museums & Day Camps

MARKETING CHANNELS & FORMATS

- Facebook Videos
- Instagram
- TripAdvisor
- TV
- Online Video
- Forums & Blogs
- Pinterest

"LET'S MAKE MEMORIES." THEIR PATH TO PURCHASE



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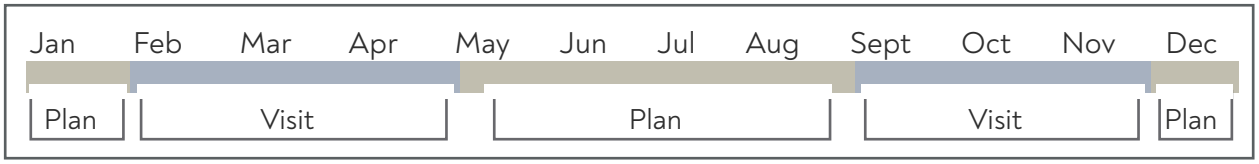
ARTS, HISTORY & CULTURE

TRAVEL OBJECTIVE

To explore cultural attractions, historical sites and the local arts scene.



ARTS, HISTORY & CULTURE TRAVEL HABITS

WHO THEY ARE

- Values Learning & Authenticity
- Seeking an Immersive Experience
- Image Conscious
- Upscale & Status Oriented

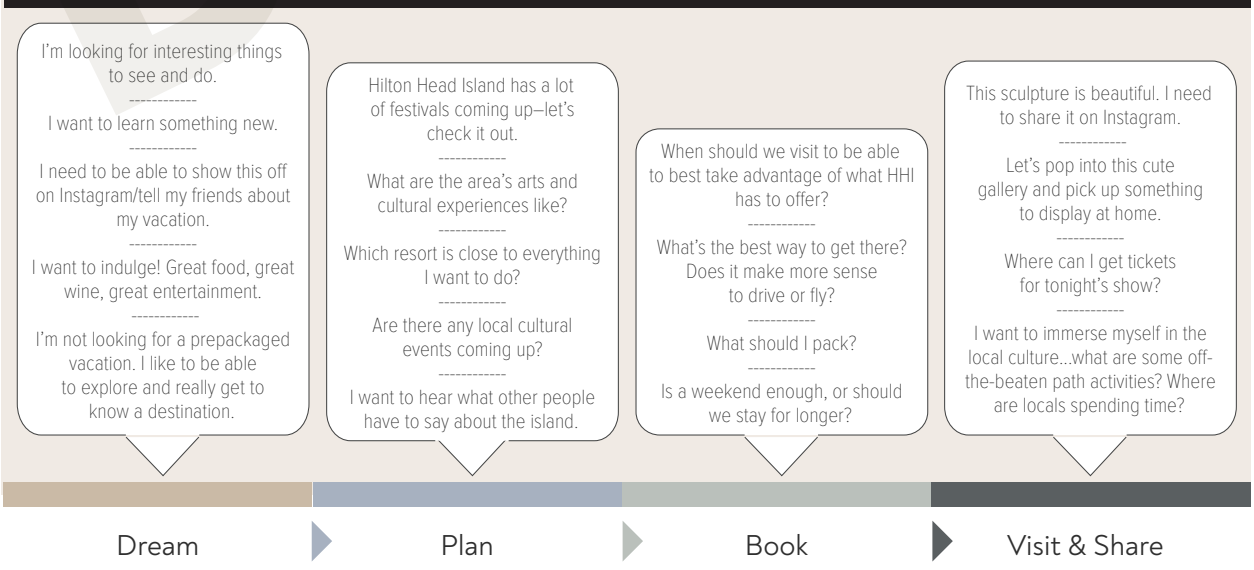
PREFERRED ACTIVITIES & ATTRACTIONS

- Historical Attractions
- Art Galleries
- Local Culture
- Culinary Experiences
- Festivals & Events
- Theater
- Music

MARKETING CHANNELS & FORMATS

- Facebook Videos
- Instagram
- TripAdvisor
- Online Video
- Forums & Blogs
- Pinterest
- Earned Media (Print/Digital)

"EXPERIENCES ARE GREATER THAN THINGS." THEIR PATH TO PURCHASE



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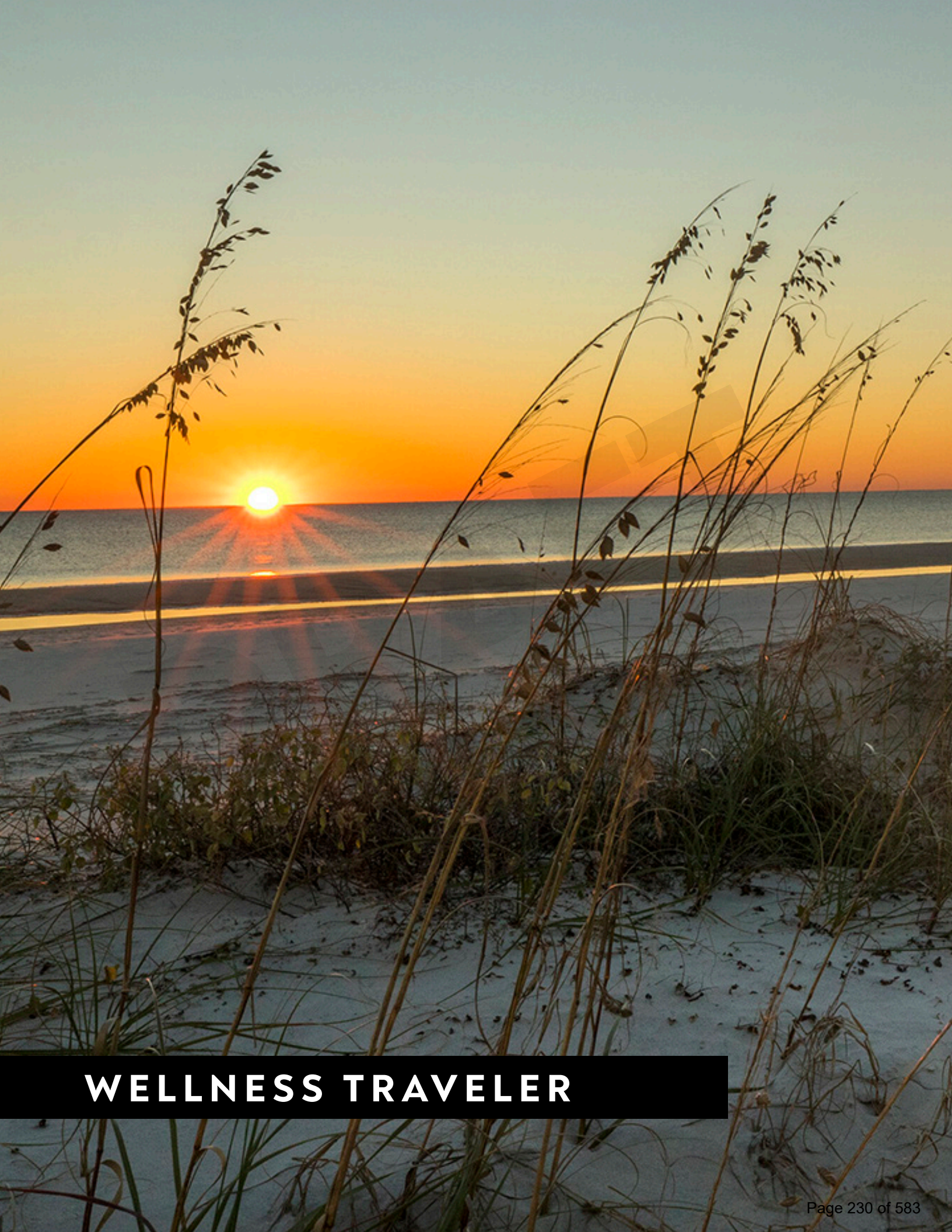
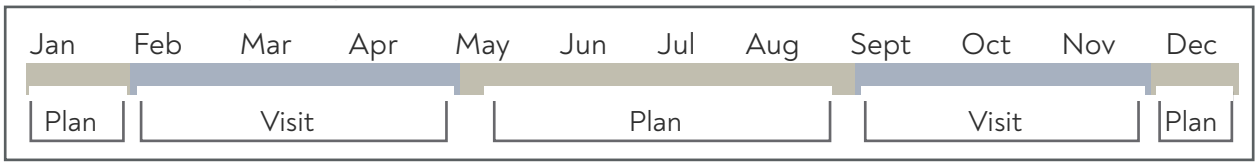


WELLNESS TRAVELER

TRAVEL OBJECTIVE

Find a getaway that will accommodate relaxation and rejuvenation, and allow them to prioritize their healthy lifestyle.



ARTS, HISTORY & CULTURE TRAVEL HABITS

WHO THEY ARE

- Upscale & Status Oriented
- Active & Health Conscious
- Enjoys the Finer Things
- Leisure Lovers

PREFERRED ACTIVITIES & ATTRACTIONS

- Vacation Rentals & Resorts
- Golf
- Tennis & Pickleball
- Biking
- Spas

MARKETING CHANNELS & FORMATS

- Facebook
- Instagram
- Forums & Blogs
- TripAdvisor
- Pinterest

"EXPERIENCES ARE GREATER THAN THINGS." THEIR PATH TO PURCHASE

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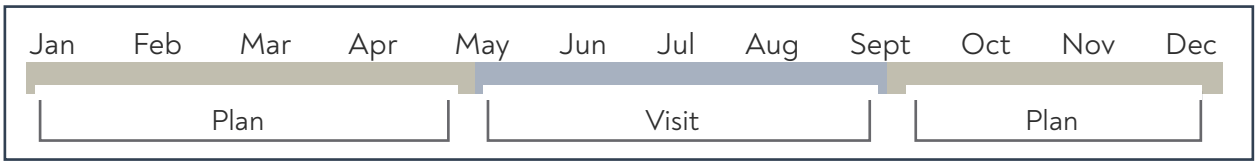
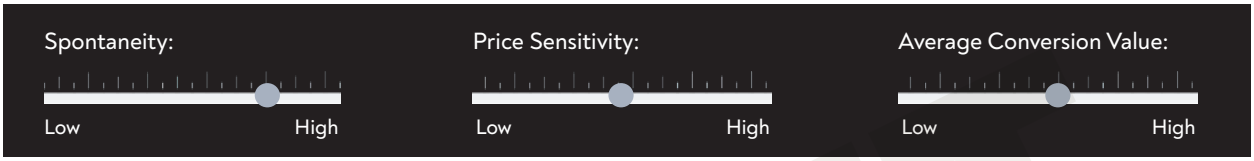
SPORTS ENTHUSIAST

TRAVEL OBJECTIVE

Find a destination where they can pursue their interests on their downtime.



SPORTS ENTHUSIAST TRAVEL HABITS



WHO THEY ARE

- Sports Fans (Golf & Tennis)
- Leisure Lovers
- Spontaneous & Social
- Active & Health Conscious

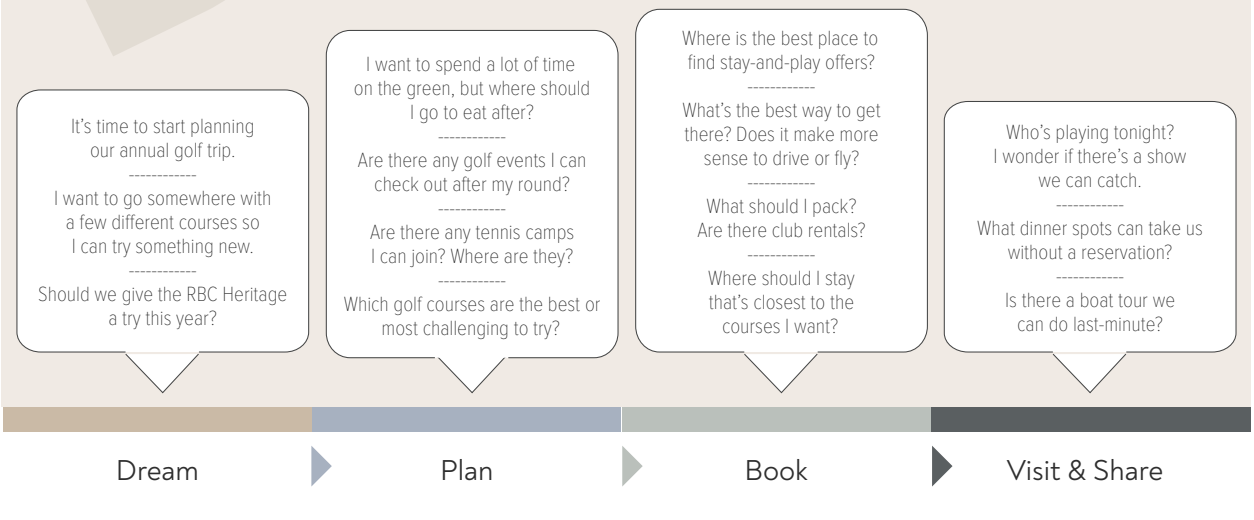
PREFERRED ACTIVITIES & ATTRACTIONS

- Golf
- Tennis & Pickleball
- Boating & Water Activities
- Hiking & Biking
- Nightlife

MARKETING CHANNELS & FORMATS

- Facebook Videos
- Instagram
- Twitter
- TripAdvisor
- TV
- Online Video
- Forums & Blogs

"LET'S EXPLORE." THEIR PATH TO PURCHASE



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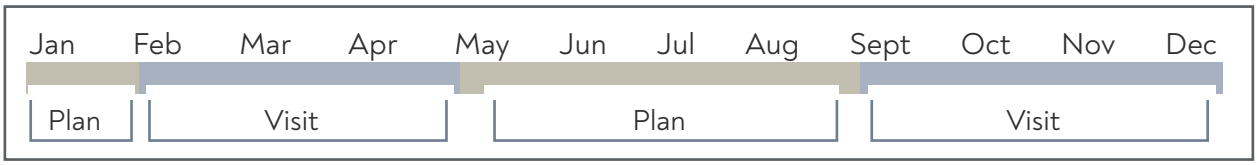
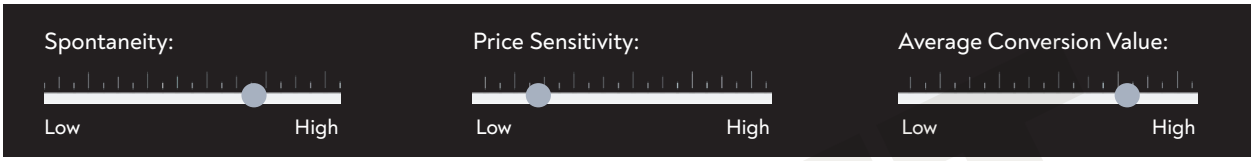
CULINARY

TRAVEL OBJECTIVE

Be immersed in a new destination (or an old favorite) by exploring the pursuit of unique and memorable culinary experiences.



CULINARY TRAVEL HABITS



WHO THEY ARE

- Values Authenticity
- Seeking an Immersive Experience
- Spontaneous & Social
- Unconventional

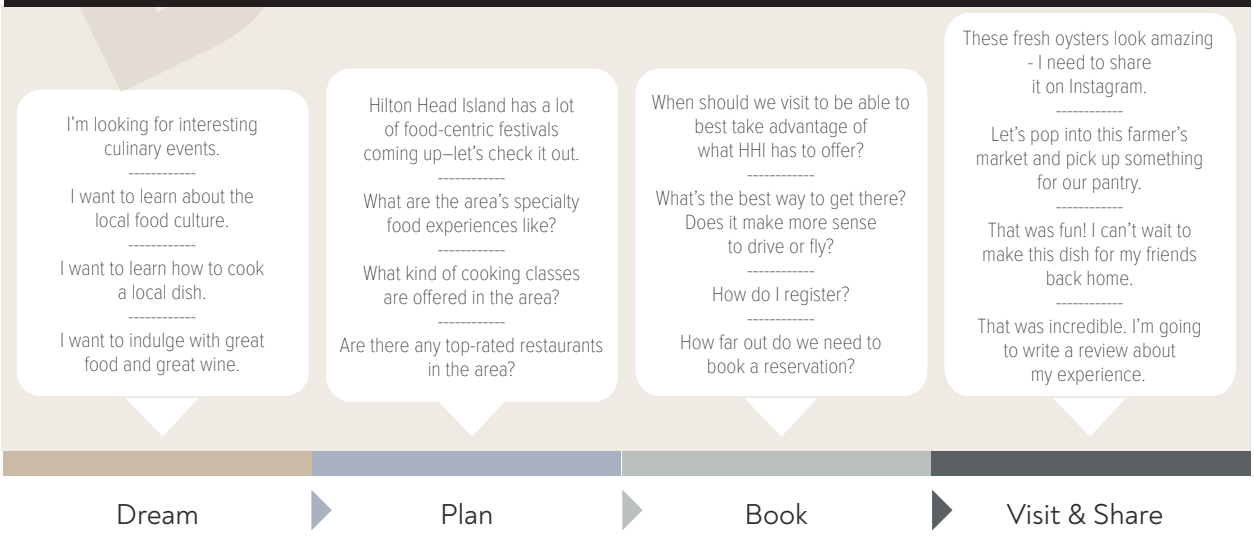
PREFERRED ACTIVITIES & ATTRACTIONS

Cooking Classes
Food Tours
Wine, Beer, and Food Festivals
Specialty Dining Experiences

MARKETING CHANNELS & FORMATS

Facebook Videos
Instagram
TripAdvisor
Forums & Blogs
Pinterest

"EXPERIENCE AUTHENTIC, LOCAL CUISINE." THEIR PATH TO PURCHASE



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SNOWBIRDS

TRAVEL OBJECTIVE

Find a warm destination that feels like home for the winter, where they can welcome family and friends for visits.

SNOWBIRD TRAVEL HABITS

WHO THEY ARE

- Traditional
- Values Family Time
- Enjoys the Finer Things
- Active & Health Conscious

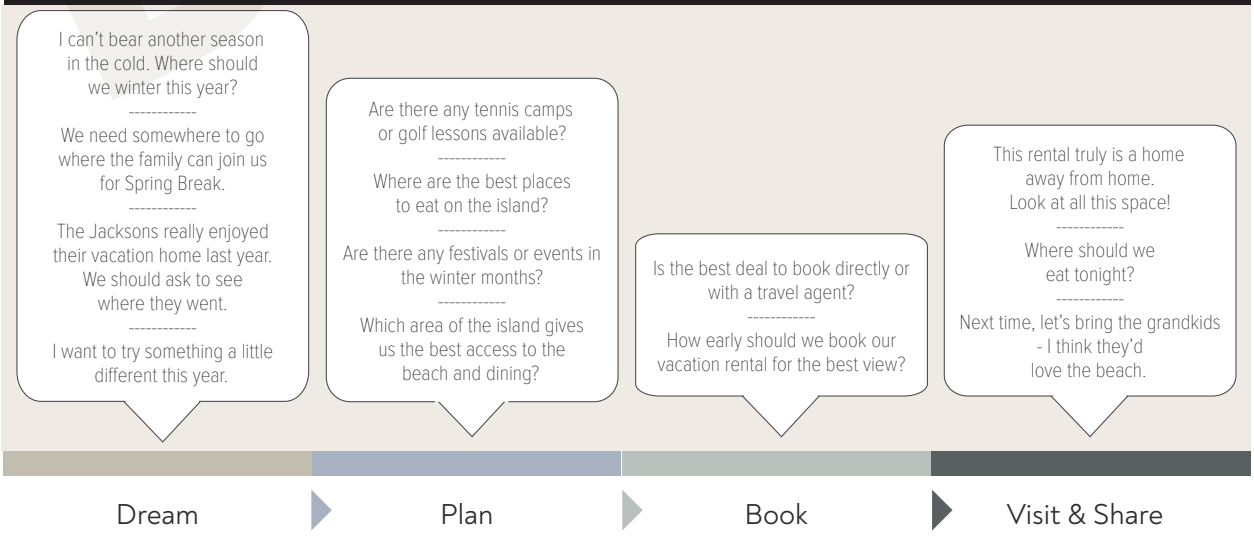
PREFERRED ACTIVITIES & ATTRACTIONS

Vacation Rentals & Resorts
Dining
Golfing
Tennis & Pickleball
Biking

MARKETING CHANNELS & FORMATS

Facebook
Print
TripAdvisor
Radio
TV
Online Video

"LET'S MAKE THIS FEEL LIKE HOME." THEIR PATH TO PURCHASE



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THE WEEKENDERS

TRAVEL OBJECTIVE

Find a fairweather weekend escape from work and city life.

Jan Feb Mar Apr May Jun Jul Aug Sept Oct Nov Dec

Ongoing Visitation & Planning

THE WEEKENDERS TRAVEL HABITS

Spontaneity: Low — High

Price Sensitivity: Low — High

Average Conversion Value: Low — High

WHO THEY ARE

- Upscale & Status Oriented
- Urban Dwellers
- Spontaneous & Social

PREFERRED ACTIVITIES & ATTRACTIONS

- Vacation Rentals & Resorts
- Beach & Water Activities
- Dining & Shopping
- Romantic Things to Do
- Festivals & Events
- Weddings

MARKETING CHANNELS & FORMATS

- Facebook Videos
- Instagram
- TripAdvisor
- TV
- Online Video
- Forums & Blogs
- Pinterest

"LET'S GET AWAY." THEIR PATH TO PURCHASE

Dream

Let's get away this long weekend.

I'm looking for a place with enough things to do, that also offers some down time.

I want to find a place I can brag about to my friends.

Plan

Are there any events happening in the area?

Where is the best place to stay for a weekend?

I want to do something special for date night.

Book

Where is the best place to find last-minute offers?

What's the best way to get there? Does it make more sense to drive or fly?

What should I pack?

Visit & Share

Where can we make a dinner reservation that has a romantic vibe?

I want to wear something cute for the show tonight. Where can I find an outfit?

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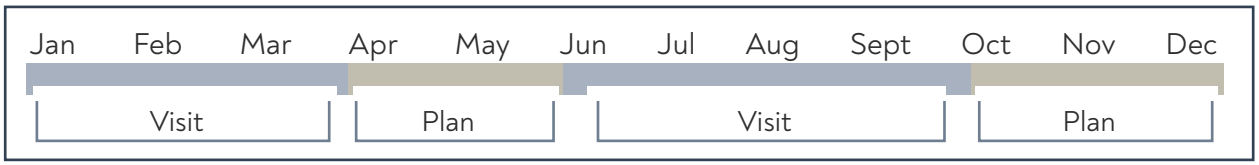
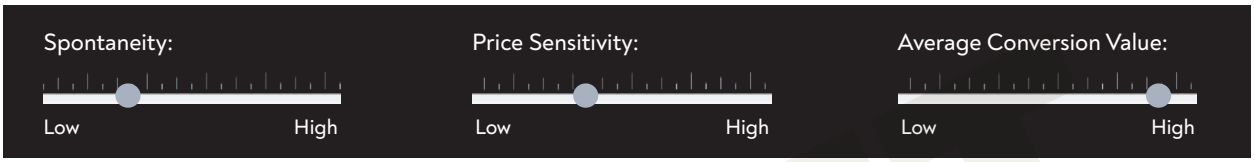
INTERNATIONAL VISITORS

TRAVEL OBJECTIVE

Find a vacation spot that will inspire and that offers something different than where we're from. Escape the everyday, relax and recharge in a destination that's fresh, and different from home.



INTERNATIONAL TRAVEL HABITS



WHO THEY ARE

- Upscale & Status Oriented
- Values Family Time
- Wellness-Focused
- Making Memories
- Active & Health Conscious

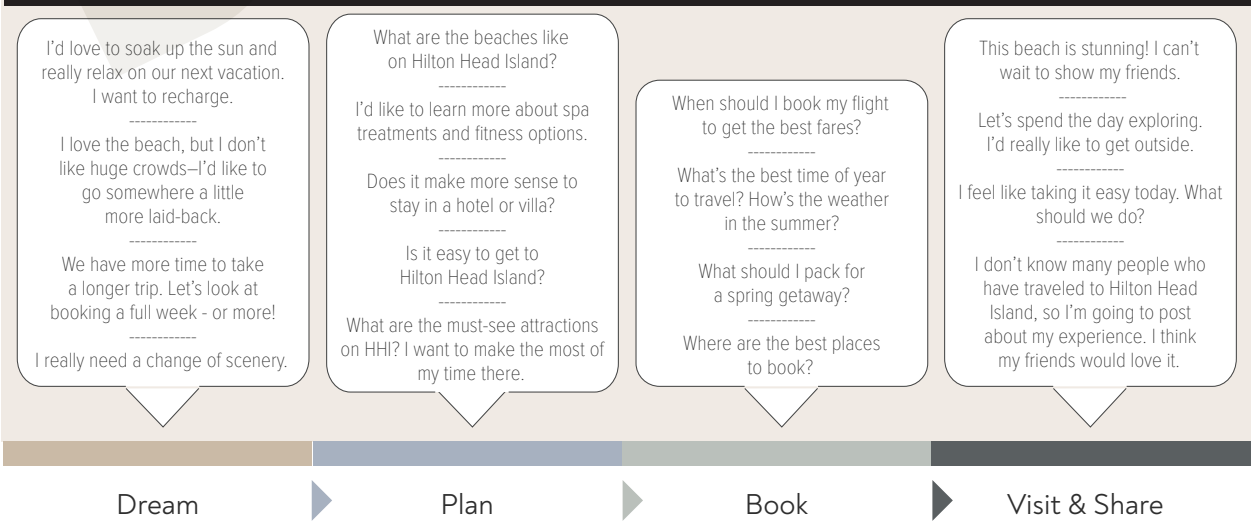
PREFERRED ACTIVITIES & ATTRACTIONS

- Homes & Villas
- Beach & Water Activities
- Biking & Hiking
- Food & Drink
- Festivals & Events

MARKETING CHANNELS & FORMATS

- Facebook Videos
- Instagram
- TripAdvisor
- TV
- Online Video
- Forums & Blogs
- Pinterest

"IT'S TIME TO GET AWAY FROM IT ALL." THEIR PATH TO PURCHASE



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MMGY INTELLIGENCE

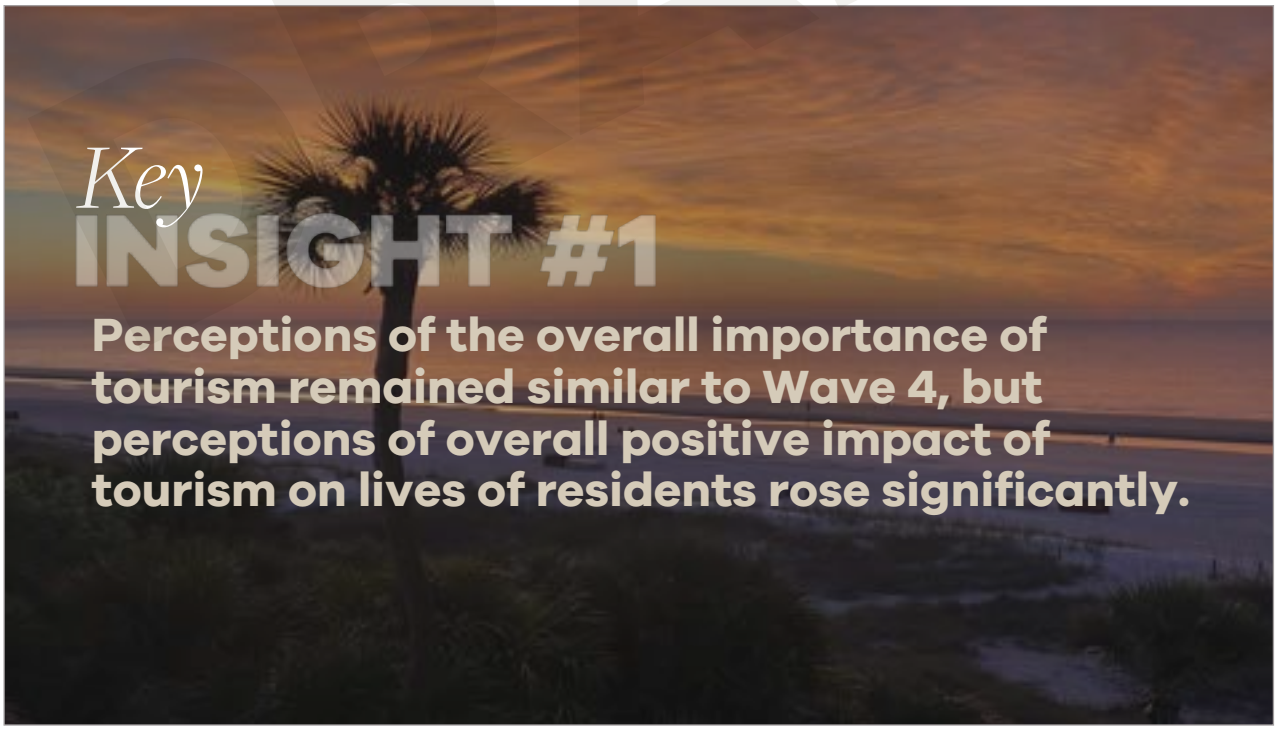
Community Sentiment Survey Executive Summary, Wave 4

Community
PERSPECTIVES™
WAVE 5 RESIDENT SENTIMENT STUDY | 2025

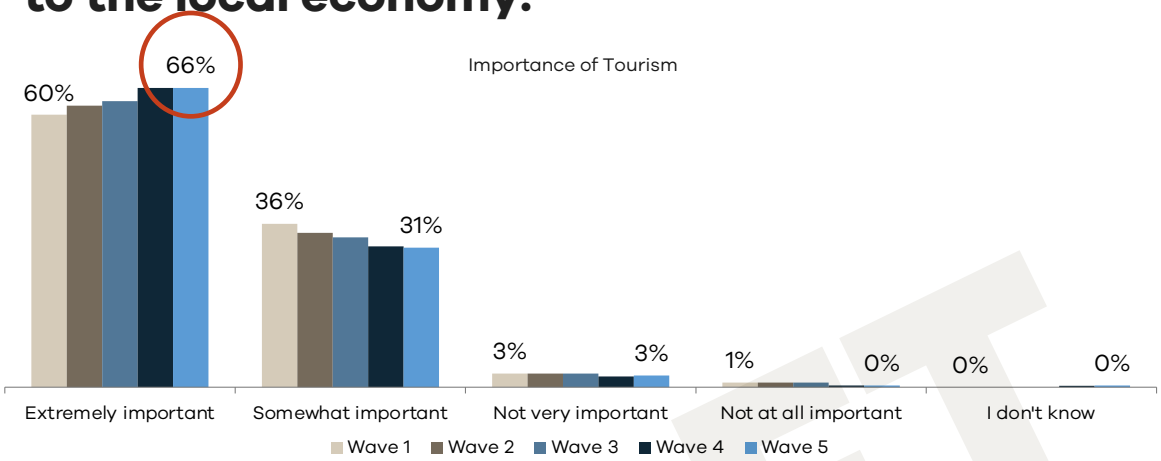
Survey
METHODOLOGY

Survey Methodology

- An online survey of 3,025 Hilton Head Island residents.
- Residents were invited to complete the online survey through the Chamber website, social media channels, and email outreach.
- In the field August 21st through September 25th, 2025.
- The participants met the following criteria:
  - / Must be a resident or property owner of Hilton Head Island;
  - / 18 years of age or older.
- Throughout this report, data in **bold** indicates a significant difference.
- This sample size yields an error range of +/- 1.48 percentage points at the 95% level of confidence.



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



Key Insight #1

- 5 -

/ **Question:** How important do you believe tourism is to the local Hilton Head Island economy?

MMGY Travel Intelligence

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Recent arrivals are significantly more likely to describe tourism as very important to the economy.

By Length of Residency	Less than 5 years	5–10 years	11–20 years	More than 20 years
Extremely important	**74%**	65%	61%	63%
Somewhat important	24%	**32%**	**34%**	**33%**
Not very important	1%	3%	3%	4%
Not at all important	0%	0%	1%	1%
I don't know	0%	0%	1%	0%

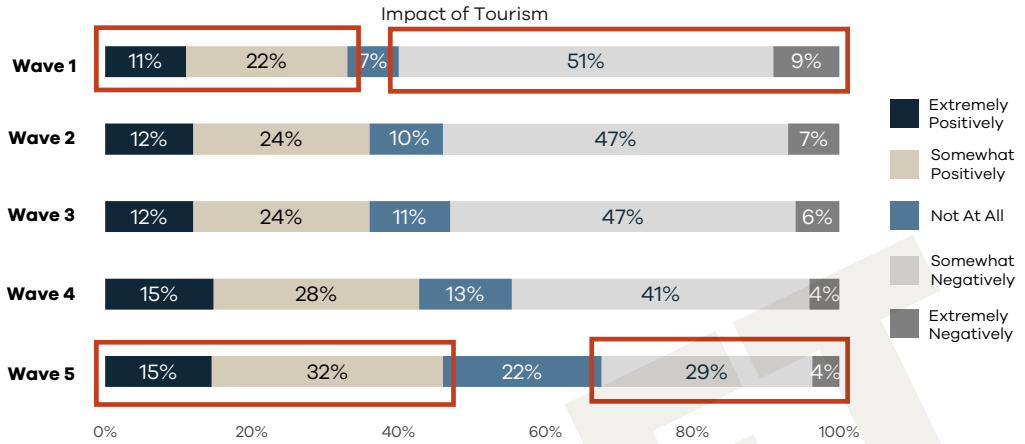
Key Insight #1

/ **Question:** How important do you believe tourism is to the local Hilton Head Island economy?

- 6 -

MMGY Travel Intelligence

Perceptions of the impact of tourism on residents continue to increase.



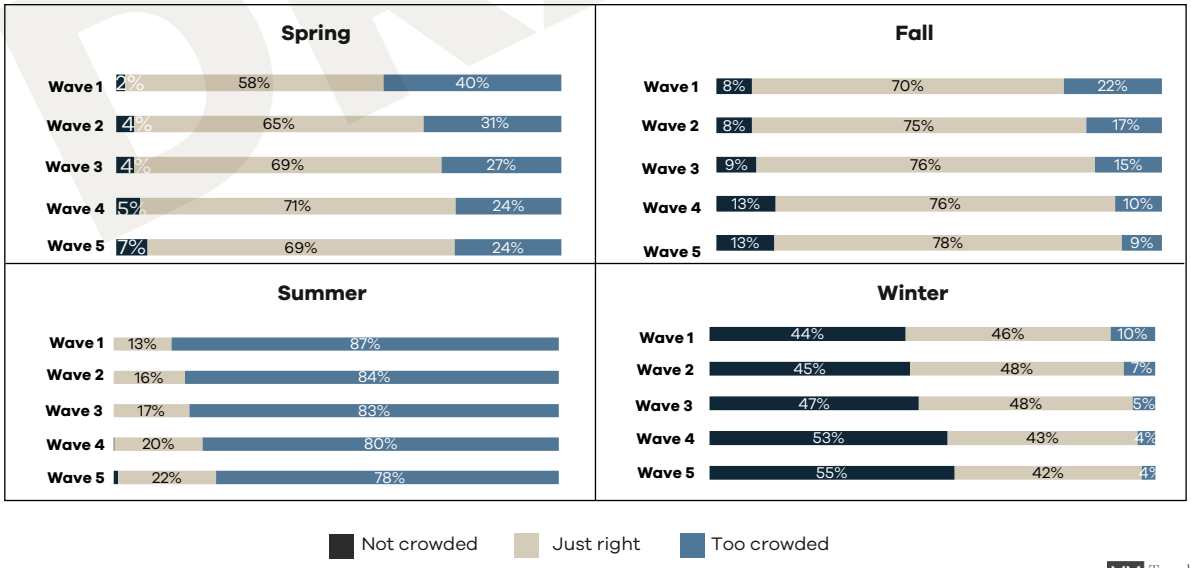
Key Insight #1

/ **Question:** How would you say Hilton Head Island tourism impacts your life as a resident?

- 7 -

Travel Intelligence

Seasonal Perceptions



Key Insight #1

/ **Question:** Please indicate your perception of the level of visitation during the following seasons.

- 8 -

Travel Intelligence

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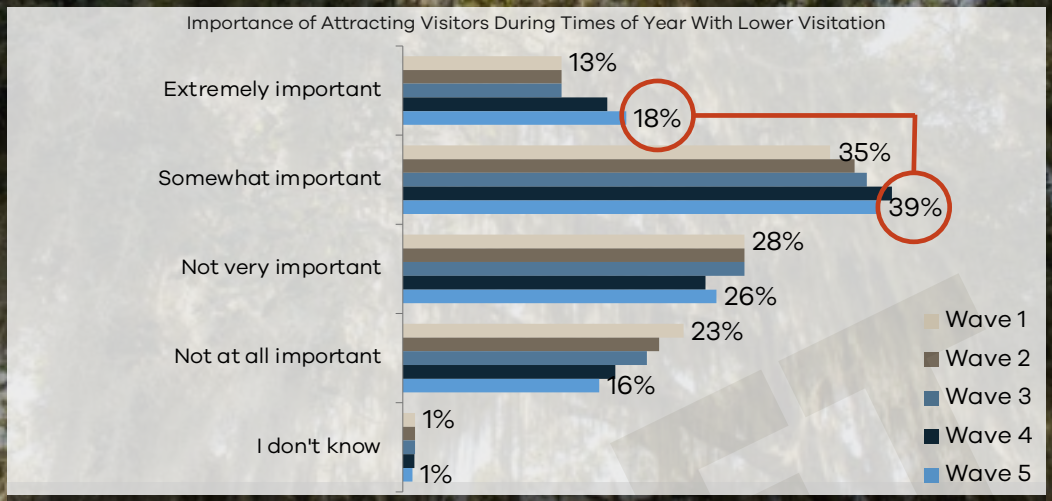
Nearly 6 in 10 residents believe it is important to attract visitors during times of year with lower visitation.

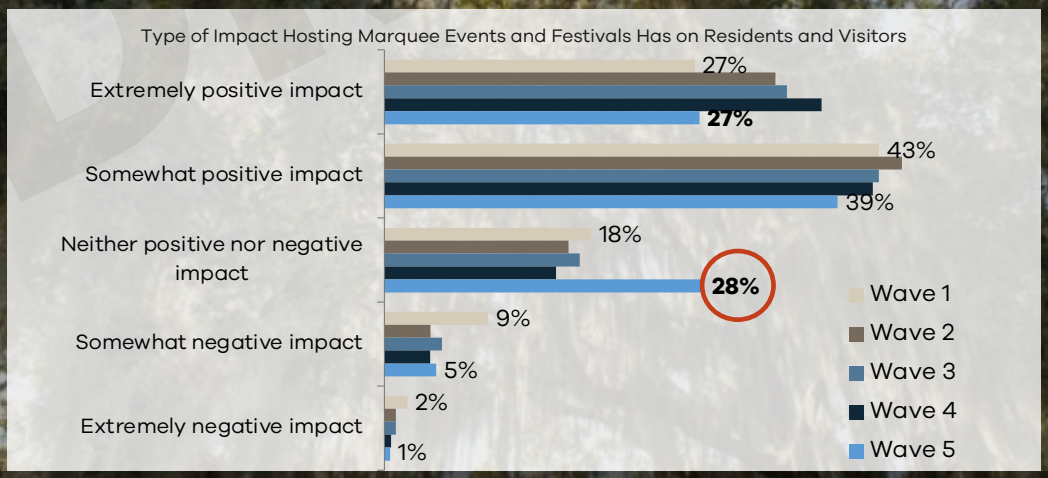


Key Insight #1

Question: Please indicate how important you believe it is to attract visitors to Hilton Head Island during times of the year that usually have lower visitation (October – March)?

- 9 -

The perception of the positive impacts of marquee events and festivals declined in this most recent wave.



Key Insight #1

Question: One of the Hilton Head Island–Bluffton Chamber of Commerce's objectives is to promote marquee events and festivals (e.g., Concours d'Elegance, Seafood Festival, Wine & Food Festival, etc.). Please indicate the type of impact you believe these activities have on the quality of life for local residents and visitors.

- 10 -

Key INSIGHT #2

Residents agree that tourism is a boon to the local economy, generating tax revenue and creating jobs for local residents. However, traffic remains a lingering concern for residents, followed by overcrowding and the negative impact on natural resources.

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%

/ **Question:** Please indicate your level of agreement with the following statements: Tourism on Hilton Head Island...

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Key Insight #2

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Recognition that tourism covers the cost of beach renourishment and reduces taxes for residents rises.

Positive Statements (% Agree) – Bottom 6	Wave 1	Wave 2	Wave 3	Wave 4	Wave 5	
Helps to offset the costs for public safety personnel, streets/roads, schools	51%	58%	61%	63%	66%	
Supports existing small businesses throughout year	56%	59%	60%	64%	64%	
Covers the cost of beach renourishment	50%	53%	54%	57%	**62%**	▲
Reduces taxes for residents (ex. property taxes, county and city sales taxes, school taxes etc.)	51%	55%	56%	55%	**62%**	▲
Is an important factor in making our community a great place to live	39%	45%	46%	50%	51%	
Helps create a positive ambiance/vibe in the local community	33%	37%	38%	43%	42%	

Key Insight #2

/ **Question:** Please indicate your level of agreement with the following statements: Tourism on Hilton Head Island...

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Nearly 8 in 10 residents acknowledge that tourism creates traffic congestion problems for residents.

Negative Statements (% Agree)	Wave 1	Wave 2	Wave 3	Wave 4	Wave 5
Creates traffic congestion problems for residents	86%	82%	82%	76%	78%
Brings too many people to Hilton Head Island	65%	59%	58%	53%	55%
Negatively impacts our natural resources	61%	57%	57%	51%	54%
Causes local restaurant & entertainment prices to rise	49%	52%	58%	52%	53%

Key Insight #2

/ **Question:** Please indicate your level of agreement with the following statements: Tourism on Hilton Head Island...

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Key INSIGHT #3

Familiarity with the Hilton Head Island-Bluffton Chamber of Commerce rose significantly versus Wave 4, with the majority of local residents saying they're at least somewhat familiar.

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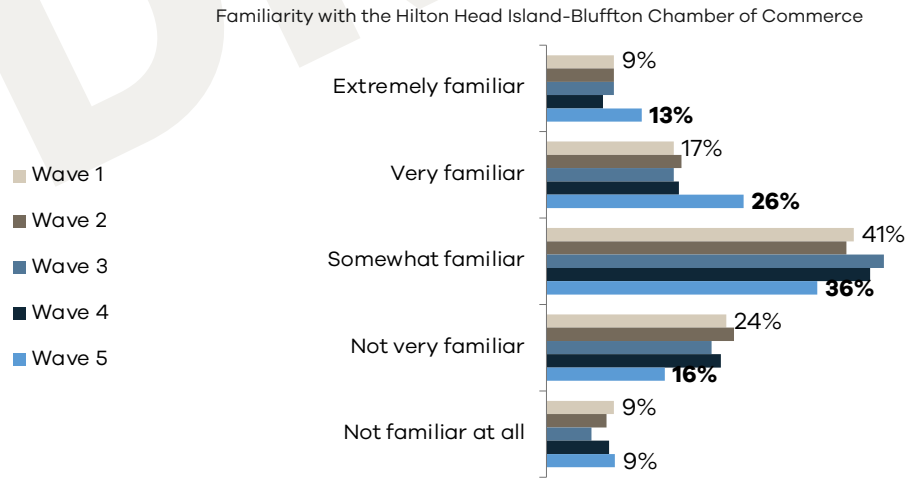
We see significant increase in stated familiarity with the Hilton Head Island–Bluffton Chamber of Commerce.



Key Insight #3

- 16 -

/ **Question:** To what extent, if at all, are you familiar with the Hilton Head Island–Bluffton Chamber of Commerce, the local organization responsible for marketing tourism for Hilton Head Island?

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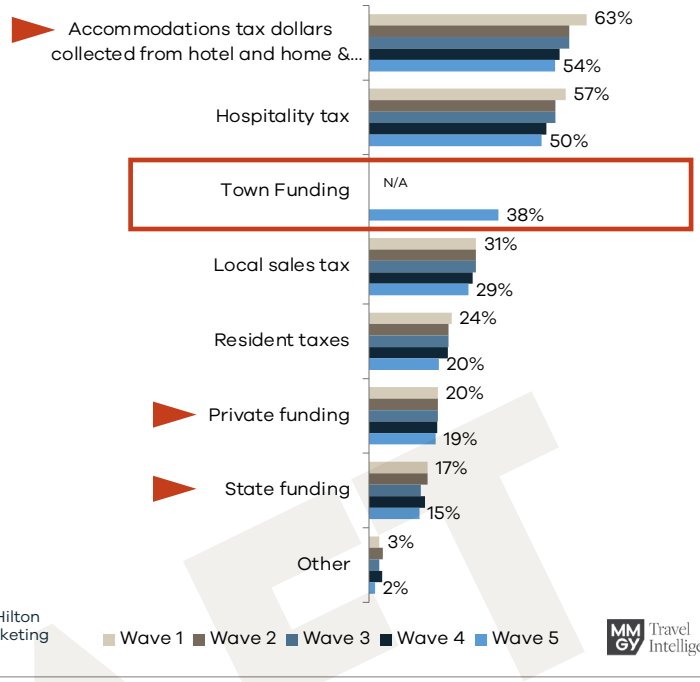
Hilton Head Island-Bluffton Chamber of Commerce Funding

69%

Wave 5

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



Key Insight #3

/ **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.

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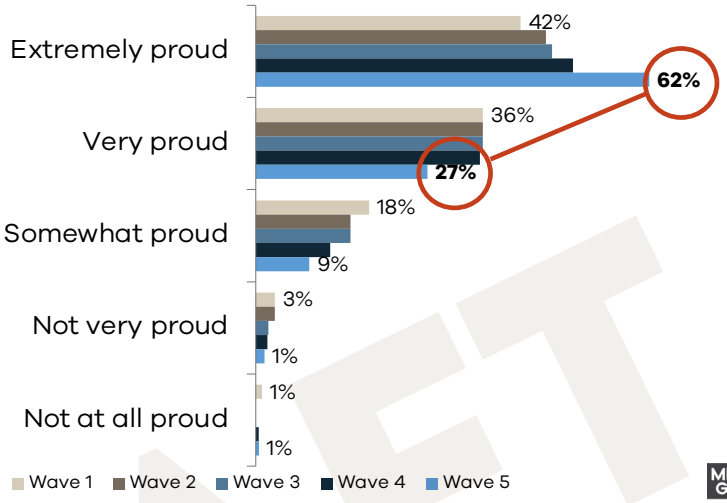
Travel Intelligence

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.



Key Insight #4

- 19 -

Travel Intelligence

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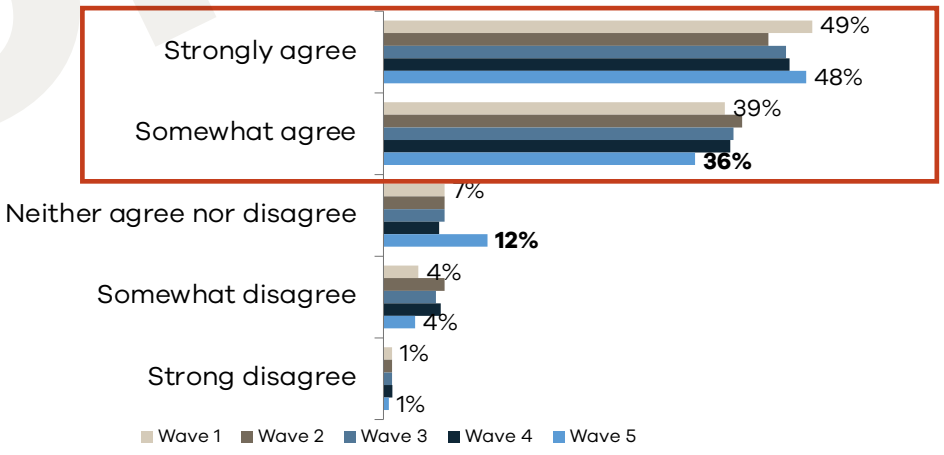
84% of residents agree that Hilton Head Island is a very safe place to live.



Key Insight #4

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

- 20 -

Travel Intelligence

Perceived Quality of Hilton Head Island Experiences

Top 2 Box	Wave 1	Wave 2	Wave 3	Wave 4	Wave 5
Beaches	91%	92%	92%	94%	94%
Golf courses	91%	91%	92%	93%	93%
Leisure pathways and bike trails	86%	86%	87%	88%	89%
Outdoor/nature activities	80%	82%	82%	84%	84%
Savannah/Hilton Head International Airport	79%	80%	82%	82%	85%
Outdoor public spaces for festivals and events	69%	77%	81%	83%	82%
Water sports/activities	77%	79%	79%	80%	80%
Community parks	70%	77%	78%	77%	78%
Hilton Head Island Airport	55%	57%	58%	57%	**63%**
Retail shopping	49%	54%	52%	57%	55%
Road quality	42%	44%	51%	59%	**54%**
Playing fields for sports leagues, tournaments and competitions	44%	48%	50%	51%	51%
Museums/Cultural attractions	38%	43%	47%	49%	47%
Public pools/aquatic centers	27%	32%	31%	31%	32%
Indoor facilities for sports leagues, tournaments and competitions	18%	22%	23%	24%	26%

Key Insight #4

/ **Question:** Please indicate your perception of the quality of the following services, products and infrastructure on Hilton Head Island to serve visitors and residents alike.

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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 (e.g. 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 (e.g. 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

- 23 - / **Question:** What are your top three concerns facing our community?

Key Insight #5

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Summary Negative Aspects of Tourism

Overcrowding
- Congestion, traffic and limited parking
- Overcrowding highest during summer months

Quality of Visitor
- Day visitors mentioned most often
- Concern around disrespect to the environment and ignoring bike and traffic laws

Overdevelopment
- Possibly leading to overpopulation
- Increase of short-term rentals

Rising Prices
- Limited affordable housing
- Prices as high as large metropolitan areas

Key Insight #5

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Summary Positive Aspects of Tourism

Economic Benefits
- Support for local businesses
- Lower property taxes
- Decreased economic burden on residents
- Helps create jobs

Amenities
- Variety of amenities supported by tourism
- Restaurants, parks and outdoor areas, golf courses and cultural activities
- Infrastructure improvements

Family Friendly and Safety
- Family-oriented atmosphere and amenities
- High level of safety

Key Insight #5

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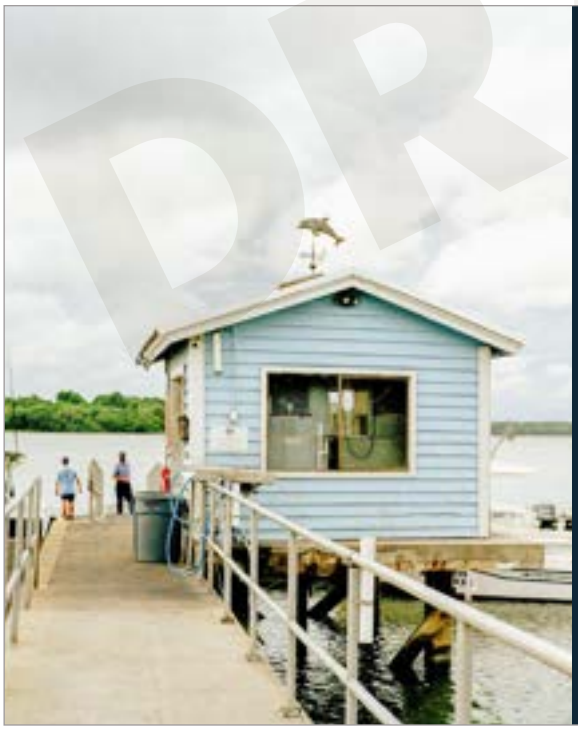

Overall...

81%

of residents consider themselves passionate advocates for Hilton Head Island.

Key Insight #5

MMGY Travel Intelligence

thank you
MMGY
Travel
Intelligence
Hilton Head Island & Bluffton

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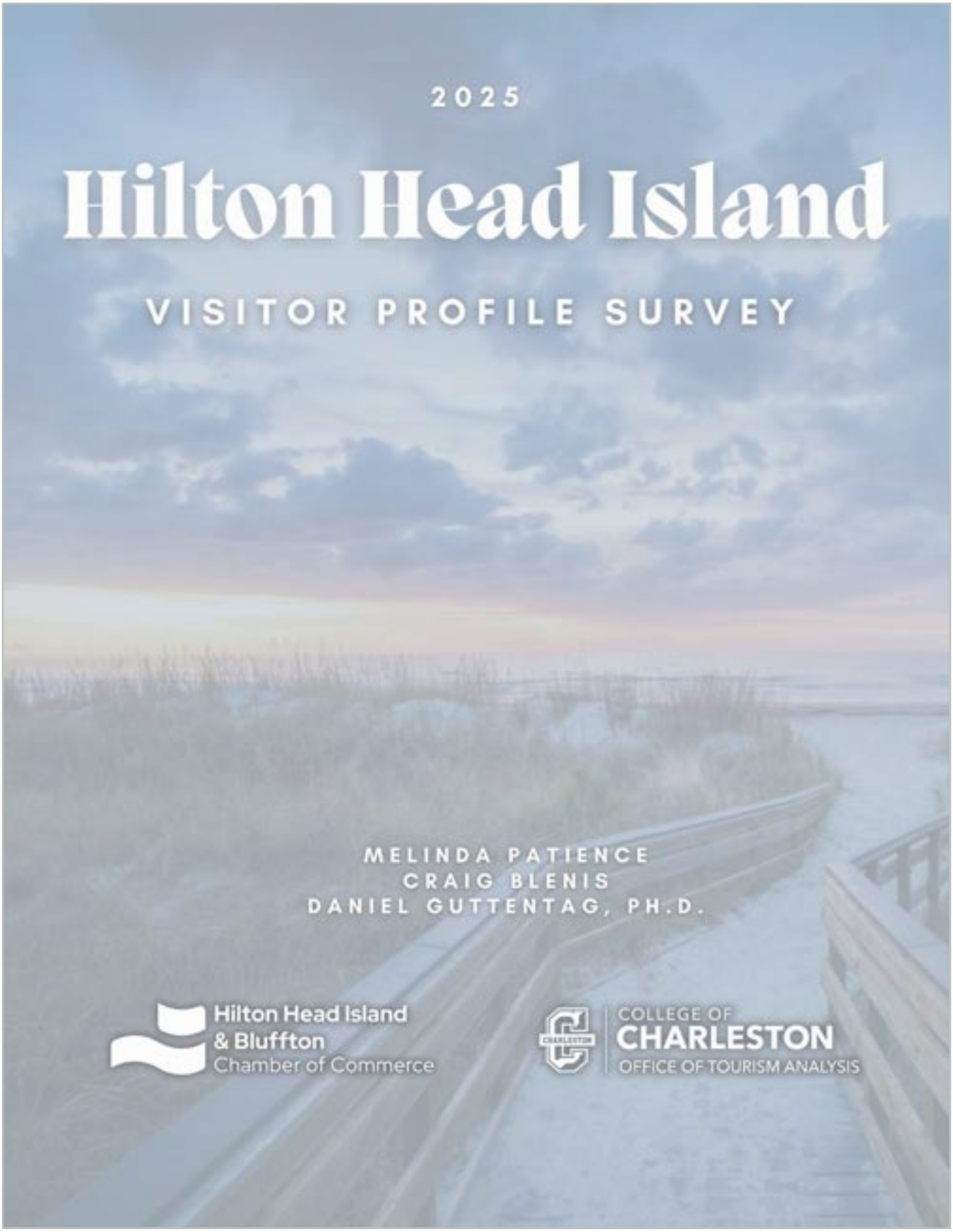
OFFICE OF TOURISM ANALYSIS, COLLEGE OF CHARLESTON

2025 Visitor Profile Study


2025
Hilton Head Island
VISITOR PROFILE SURVEY
MELINDA PATIENCE
CRAIG BLENIS
DANIEL GUTTENTAG, PH.D.
Hilton Head Island
& Bluffton
Chamber of Commerce
COLLEGE OF
CHARLESTON
OFFICE OF TOURISM ANALYSIS

PREPARED FOR:
HILTON HEAD ISLAND-BLUFFTON
CHAMBER OF COMMERCE

BY:
OFFICE OF TOURISM ANALYSIS
BENNETT SCHOOL OF HOSPITALITY AND TOURISM MANAGEMENT
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Executive Summary

Visitor and Sample Demographics

Baby Boomers (62+ years old) represented 56.8% of the survey respondents, followed by Millennials (30-45 years old) (20.5%), Gen X (46-61 years old) (18.8%), and then Gen Z (19-29 years old) (2.5%). The visitor intelligence company Zartico, which analyzes geolocation data, estimates visitor age follows a somewhat similar pattern, with visitors 45-64 years old being the largest segment (35.0%), followed by 25-44 years old (32.0%), 65 years old and up (24.0%), and then 18-24 years old (8.0%). Over 64% of those surveyed had a Bachelor's degree or higher, and more than 79% had an annual household income of $75,000 or more. Zartico also estimates that visitors have high household incomes, with 71.0% earning $81,000 or more. Approximately 80% of the respondents were married.

Point of Origin

The respondents resided in 294 geographic areas (Metropolitan Statistical Areas) across the U.S., from the East Coast to the West Coast. More respondents resided in Ohio than in any other state (12.5%). Second was Pennsylvania (6.6%), followed by North Carolina (6.2%), New York (5.6%), Georgia (5.4%), and Illinois (5.3%). Data provider Placer.ai, which like Zartico also analyzes geolocation data, estimates the top states of visitor origin to be Georgia (16.8%), North Carolina (10.3%), Ohio (8.8%), New York (6.4%), and Virginia (6.4%). In-state visitors represented 8.2% of the survey respondents.

According to a market penetration analysis, the following MSAs were major markets amongst respondents: New York-Newark-Jersey City, NY-NJ; Chicago-Naperville-Elgin, IL-IN; Atlanta-Sandy Springs-Roswell, GA; Charlotte-Concord-Gastonia, NC-SC; Cincinnati, OH-KY-IN; Pittsburgh, PA; Philadelphia-Camden-Wilmington, PA-NJ-DE-MD; Columbus, OH; Minneapolis-St. Paul-Bloomington, MN-WI; and Akron, OH. Both Zartico and Placer.ai estimate the top 10 metropolitan areas to be Atlanta, GA; Charlotte, NC; New York, NY; Greenville-Spartanburg-Anderson, SC-Asheville, NC; Columbia, SC; Augusta, GA-Aiken, SC; Raleigh-Durham-Fayetteville, NC; Cleveland-Akron-Canton, OH; Washington, DC-Hagerstown, MD; and Charleston, SC.

Canada was the top origin market amongst international respondents (69.2%), followed by Europe (15.4%) and the Caribbean (7.7%).

Those Who Traveled to Hilton Head Island

The top three reasons for choosing Hilton Head Island as a destination continue to be visiting beaches (76.0%), relaxation (61.4%), and spending time with family and friends (46.6%). These motivations were followed by culinary experience (16.1%), biking (13.2%), shopping (10.5%), nature-based activities (10.4%), golf (8.0%), and heritage attractions (6.9%). The activities in which visitors actually participated are similar to the previously mentioned activities, and also include historical tours, water excursions, and arts performances or exhibits.

Among Hilton Head Island's overnight visitors, 37.6% indicated they were visiting Hilton Head Island for the first time, suggesting that the destination continues to appeal to new visitors.

Trip Characteristics

The average group size of those surveyed was 3.6 for overnight visitors and 4.7 for day trip visitors. The main mode of transportation to and around the island continues to be personal/family car (68.3%), followed by various modes of flying to the destination (22.1%). The majority of visitors fly into Hilton Head Island Airport, followed by Savannah/Hilton Head Island International Airport.

The average length of stay for those surveyed varied by segment; those staying in villa rentals stayed approximately 7.7 nights, hotel visitors stayed 6.4 nights, timeshare visitors stayed 7.3 nights, and second homeowners stayed 9.1 nights. The overall average was 6.9 nights.

Villa/home rentals stood out as the most popular choice of paid accommodation for overnight visitors (38.5%), followed by resorts (22.6%), timeshare units (17.8%), and hotels (11.9%).

Travel Planning

VRBO was the most popular online booking platform for villas/homes (29.1%), followed by local vacation rental companies (25.1%), Airbnb (14.2%), and the local resorts' online booking platforms (e.g., Sea Pines, Palmetto Dunes) (12.4%).

Savannah, Charleston, Myrtle Beach, Outer Banks, and Tybee Island were the top competitors for Hilton Head Island as alternative beach destinations. The top competing market was Savannah.

The top reasons for choosing Hilton Head Island were previous visit experience (56.8%), wanting to visit a beach destination (50.2%), wanting to visit someplace new (24.0%), word-of-mouth recommendation (23.7%), and wanting to visit someplace within driving distance from home (22.8%).

Of those visitors surveyed, 88.2% indicated an intention to return to visit Hilton Head Island, which signals a high degree of trip satisfaction.

Non-Visitors

Of those who indicated not to have traveled at all, or not to have traveled to the Hilton Head Island / Bluffton area in the past 12 months (N=331), 53.5% had never visited the Hilton Head Island / Bluffton area before, and 39.6% had visited one to five times before.

Of those non-visitors, 39.3% traveled elsewhere, 34.7% plan to visit in the future, 6.6% found it too expensive, 3.6% mentioned health reasons, and 1.2% didn't find what they were looking. Only 0.9% did not travel at all. Alternative destinations of those who did not visit the Hilton Head Island / Bluffton area included destinations most commonly in the Southeast (48.9%) and West (24.2%). Nonetheless, 51.1% of the non-visitors indicated they had plans to visit the Hilton Head Island / Bluffton area within one year.

Travel Behavior

Looking at the travel behavior of both visitors and non-visitors together, the majority (59.4%) take two to four leisure/vacation trips per year, and they are most likely to travel between May and October.

The top five most appealing experiences for leisure trips/vacations were: beaches (75.9%), relaxation and rejuvenation (73.2%), historic attractions (51.4%), passive outdoor adventures (47.3%), and romantic couple getaways (37.9%).

The following attributes were most important in choosing a leisure vacation: natural beauty of the destination (90.7%), ease of access (89.3%), quality of lodging options (88.1%), affordability (86.9%), and quality of dining options (86.7%).

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METHODOLOGY

The 2025 Visitor Profile Study (VPS) for the Hilton Head Island and Bluffton Area was conducted electronically. Between mid-January 2025 and January 2026, emails were sent on a rolling basis to invite individuals to participate in the VPS. These individuals had previously visited www.hiltonheadisland.org or www.visitbluffton.org and submitted their email addresses, and they were contacted following their anticipated dates of visitation. In addition, invitations to complete the survey were posted multiple times during the same period on the Hilton Head Island Visitor & Convention Bureau's and Explore Bluffton's social media channels.

A total of 1,539 completed surveys were collected. This report is largely based on the 1,086 respondents who visited Hilton Head Island as an overnight or day trip, along with 331 individuals who did not travel at all or did not travel to Hilton Head Island / Bluffton. The remaining 122 responses where individuals who only visited Bluffton and are covered in a separate report.

This report represents the results of the present study, together with comparative results from the last five times this study was completed, examining visitation in 2019, 2021, 2022, 2023, and 2024. When 2019 data is not presented, it is because the question was not asked in that survey.

The table below shows the visitor estimates for Hilton Head Island for 2021 through 2025. The estimates are based on secondary data for hotel, timeshare, and villa visitors, as well as primary data collected regarding second homeowners, their guests, and day trippers.

Visitor Segment	2021	2022	2023	2024	2025	%Chg vs 2021	%Chg vs 2022	%Chg vs 2023	%Chg vs 2025
Villa/Home Rentals	962,686	951,126	920,345	834,495	795,108	-17.4%	-16.4%	-13.6%	-4.7%
Hotels/Resorts	508,977	497,574	481,328	453,826	408,261	-19.8%	-17.9%	-15.2%	-10.0%
Timeshares	481,934	481,461	477,628	483,070	476,094	-1.2%	-1.1%	-0.3%	-1.4%
Second Homeowners	719,302	710,673	674,278	652,215	603,999	-16.0%	-15.0%	-10.4%	-7.4%
Non-paying Guests	186,667	184,428	174,983	169,258	156,745	-16.0%	-15.0%	-10.4%	-7.4%
Day trippers	267,290	264,083	255,358	242,361	228,346	-14.6%	-13.5%	-10.6%	-5.8%
Total Visitors	3,126,856	3,089,346	2,983,919	2,835,224	2,668,553	-14.7%	-13.6%	-10.6%	-5.9%

Table 1: Visitor Estimates for 2021-2025 and Percent Change Comparison

VISITORS' DEMOGRAPHIC AND GEOGRAPHIC PROFILE

The profile characteristics presented in this section are derived from smartphone-based geolocation data provided by Zartico and Placer.ai.

DEMOGRAPHICS

	2025
Income	
Less than $20,000	3.0%
$21,000-$40,000	6.0%
$41,000-$60,000	8.0%
$61,000-$80,000	12.0%
$81,000-$100,000	13.0%
$101,000-$150,000	23.0%
$151,000+	35.0%
Age	
18-24	8.0%
25-34	15.0%
35-44	17.0%
45-54	18.0%
55-64	17.0%
65+	24.0%

Table 2: Demographics (Zartico)

Origin Market	% of Visitors	Origin Market	% of Visitors
Atlanta GA	8.6%	Nashville TN	1.3%
Charlotte NC	7.0%	Tampa-St. Petersburg-Sarasota FL	1.2%
New York NY	5.8%	Detroit MI	1.2%
Greenville-Spartanburg-Anderson SC-Asheville NC	4.5%	Savannah GA	1.1%
Columbia SC	3.3%	Indianapolis IN	1.1%
Raleigh-Durham-Fayetteville NC	3.2%	Tri-Cities TN-VA	1.0%
Cleveland-Akron-Canton OH	3.2%	Macon GA	0.9%
Washington DC-Hagerstown MD	3.2%	Richmond-Petersburg VA	0.8%
Charleston SC	2.6%	Roanoke-Lynchburg VA	0.8%
Augusta GA	2.5%	Lexington KY	0.8%
Philadelphia PA	2.4%	Norfolk-Portsmouth-Newport News VA	0.8%
Columbus OH	2.2%	Louisville KY	0.8%
Chicago IL	2.1%	Myrtle Beach-Florence SC	0.8%
Pittsburgh PA	2.1%	Harrisburg-Lancaster-Lebanon-York PA	0.7%
Baltimore MD	2.1%	Dayton OH	0.7%
Cincinnati OH	1.9%	Hartford-New Haven CT	0.6%
Boston MA-Manchester NH	1.7%	Miami-Ft. Lauderdale FL	0.6%
Greensboro-High Point-Winston Salem NC	1.6%	St. Louis MO	0.6%
Jacksonville FL	1.6%	Los Angeles CA	0.5%
Buffalo NY	1.4%	Chattanooga TN	0.5%
Knoxville TN	1.4%	Charleston-Huntington WV	0.5%
Orlando-Daytona Beach-Melbourne FL	1.3%	Albany-Schenectady-Troy NY	0.5%

Table 3: Visitor Origin by Market (Zartico)

Point of Origin

Visitor Origin by State

State	% of Visitors	State	% of Visitors	State	% of Visitors
Georgia	16.84%	California	1.22%	Maine	0.21%
South Carolina	11.30%	Alabama	1.04%	Vermont	0.17%
North Carolina	10.25%	Maryland	1.04%	Nebraska	0.15%
Ohio	8.83%	Wisconsin	0.97%	Kansas	0.15%
New York	6.44%	West Virginia	0.93%	Nevada	0.14%
Virginia	6.43%	Colorado	0.81%	Oregon	0.13%
Florida	5.72%	Minnesota	0.81%	Louisiana	0.13%
Pennsylvania	5.29%	Connecticut	0.65%	N/A	0.12%
Tennessee	3.52%	Arizona	0.45%	South Dakota	0.08%
Illinois	2.76%	Mississippi	0.41%	New Mexico	0.07%
Michigan	2.09%	Iowa	0.36%	North Dakota	0.07%
Kentucky	2.04%	Washington	0.31%	Idaho	0.06%
Massachusetts	1.99%	Rhode Island	0.28%	Montana	0.05%
Texas	1.85%	Oklahoma	0.26%	Hawaii	0.03%
Indiana	1.56%	Utah	0.24%	Alaska	0.02%
Missouri	1.47%	Arkansas	0.23%	Wyoming	0.02%

Table 4: Visitor Origin by State (Placer.ai)

Visitor Origin by DMA

DMA Name	% of Visitors	DMA Name	% of Visitors
Atlanta	10.3%	Macon	1.1%
Charlotte	6.0%	Tampa-St. Pete (Sarasota)	1.1%
New York	4.9%	Indianapolis	1.1%
Greenvll-Spart-Ashevll-And	4.8%	Baltimore	0.9%
Augusta-Aiken	3.7%	Lexington	0.9%
Columbia, SC	3.0%	Dallas-Ft. Worth	0.9%
Washington, DC (Hagrstwn)	2.9%	Louisville	0.9%
Cleveland-Akron (Canton)	2.9%	St. Louis	0.8%
Charleston, SC	2.7%	Richmond-Petersburg	0.8%
Raleigh-Durham (Fayetteville)	2.3%	Minneapolis-St. Paul	0.8%
Cincinnati	2.3%	Chattanooga	0.7%
Chicago	2.3%	Myrtle Beach-Florence	0.7%
Philadelphia	2.1%	Roanoke-Lynchburg	0.7%
Columbus, OH	2.1%	Denver	0.7%
Pittsburgh	2.0%	Charleston-Huntington	0.7%
Boston (Manchester)	1.8%	Hartford & New Haven	0.7%
Knoxville	1.5%	Buffalo	0.6%
Orlando-Daytona Bch-Melbrn	1.4%	West Palm Beach-Ft. Pierce	0.6%
Savannah	1.3%	Miami-Ft. Lauderdale	0.6%
Nashville	1.2%	Harrisburg-Lncstr-Leb-York	0.6%
Tri-Cities, TN-VA	1.2%	Los Angeles	0.5%
Greensboro-H.Point-W.Salem	1.2%	Norfolk-Portsmth-Newpt Nws	0.5%
Jacksonville	1.2%	Birmingham (Ann and Tusc)	0.5%
Detroit	1.2%	Dayton	0.5%

DMA Name	% of Visitors	DMA Name	% of Visitors
Grand Rapids-Kalmzoo-B.Crk	0.5%	N/A	0.1%
Milwaukee	0.5%	Gainesville	0.1%
Ft. Myers-Naples	0.4%	Paducah-Cape Girard-Harsbg	0.1%
Wilmington	0.4%	Colorado Springs-Pueblo	0.1%
Kansas City	0.4%	Springfield, MO	0.1%
Houston	0.4%	Las Vegas	0.1%
Toledo	0.4%	Erie	0.1%
Phoenix (Prescott)	0.4%	Traverse City-Cadillac	0.1%
Rochester, NY	0.3%	Portland, OR	0.1%
Youngstown	0.3%	Omaha	0.1%
San Francisco-Oak-San Jose	0.3%	Parkersburg	0.1%
Wilkes Barre-Scranton-Hztn	0.3%	Tulsa	0.1%
Providence-New Bedford	0.3%	Clarksburg-Weston	0.1%
Albany-Schenectady-Troy	0.3%	Davenport-R.Island-Moline	0.1%
Greenville-N.Bern-Washngtn	0.3%	Salisbury	0.1%
Columbus, GA (Opelika, AL)	0.3%	Ft. Smith-Fay-Sprngdl-Rgrs	0.1%
Memphis	0.2%	Wichita-Hutchinson Plus	0.1%
Huntsville-Decatur (Flor)	0.2%	Tucson (Sierra Vista)	0.1%
Seattle-Tacoma	0.2%	Bowling Green	0.1%
Salt Lake City	0.2%	Montgomery-Selma	0.1%
Tallahassee-Thomasville	0.2%	Panama City	0.1%
Green Bay-Appleton	0.2%	Terre Haute	0.1%
Austin	0.2%	Rockford	0.1%
Madison	0.2%	Albuquerque-Santa Fe	0.1%
Evansville	0.2%	Lima	0.1%
Syracuse	0.2%	Sioux Falls(Mitchell)	0.1%
Johnstown-Altoona-St Colge	0.2%	Columbia-Jefferson City	0.1%
Champaign&Sprngfld-Decatur	0.2%	Waco-Temple-Bryan	0.1%
Des Moines-Ames	0.2%	La Crosse-Eau Claire	0.1%
Mobile-Pensacola (Ft Walt)	0.2%	Columbus-Tupelo-West Point	0.1%
Bluefield-Beckley-Oak Hill	0.2%	Jackson, MS	0.05%
Burlington-Plattsburgh	0.2%	Zanesville	0.05%
Albany, GA	0.2%	Lincoln & Hastings-Krny	0.05%
Ft. Wayne	0.2%	Spokane	0.05%
Portland-Auburn	0.2%	Bangor	0.05%
South Bend-Elkhart	0.2%	Elmira (Corning)	0.05%
Springfield-Holyoke	0.2%	Fargo	0.05%
Oklahoma City	0.1%	Shreveport	0.05%
Lansing	0.1%	Tyler-Longview(Lfkn&Ncgd)	0.04%
Charlottesville	0.1%	Lafayette, IN	0.04%
San Diego	0.1%	Dothan	0.04%
Flint-Saginaw-Bay City	0.1%	Boise	0.04%
Cedar Rapids-Wtrlo-IWC&Dub	0.1%	Binghamton	0.04%
San Antonio	0.1%	Utica	0.04%
Sacramnto-Stkton-Modesto	0.1%	Baton Rouge	0.04%
Little Rock-Pine Bluff	0.1%	Reno	0.04%
Wheeling-Steubenville	0.1%	Topeka	0.03%
Peoria-Bloomington	0.1%	Jackson, TN	0.03%
Harrisonburg	0.1%	Honolulu	0.03%

DMA Name	% of Visitors	DMA Name	% of Visitors
Watertown	0.03%	Rapid City	0.01%
Amarillo	0.03%	Butte-Bozeman	0.01%
Duluth-Superior	0.03%	Lake Charles	0.01%
Sioux City	0.03%	Meridian	0.01%
Rochestr-Mason City-Austin	0.03%	Monroe-El Dorado	0.01%
Monterey-Salinas	0.03%	Chico-Redding	0.01%
Joplin-Pittsburg	0.03%	Corpus Christi	0.01%
Quincy-Hannibal-Keokuk	0.03%	Beaumont-Port Arthur	0.01%
Yakima-Pasco-Rchlnd-Knnwck	0.03%	Cheyenne-Scottsbluff	0.01%
Wausau-Rhinelander	0.02%	Anchorage	0.01%
El Paso (Las Cruces)	0.02%	Ottumwa-Kirksville	0.01%
Grand Junction-Montrose	0.02%	Wichita Falls & Lawton	0.01%
Sherman-Ada	0.02%	Bakersfield	0.01%
Bismarck-Mnt-Dcknsn(Wlstn)	0.02%	Harlingen-Wslco-Brnsvl-Mca	0.01%
Marquette	0.02%	Bend, OR	0.01%
Palm Springs	0.02%	Twin Falls	0.01%
Eugene	0.02%	Alexandria, LA	0.01%
Lubbock	0.02%	Yuma-El Centro	0.01%
Biloxi-Gulfport	0.02%	St. Joseph	0.01%
Mankato	0.02%	Greenwood-Greenville	0.01%
Santabarbra-Sanmar-Sanluob	0.02%	Helena	0.01%
Lafayette, LA	0.02%	Casper-Riverton	0.01%
Fresno-Visalia	0.02%	San Angelo	0.01%
Odessa-Midland	0.02%	Juneau	0.005%
Jonesboro	0.02%	Medford-Klamath Falls	0.004%
Billings	0.02%	Laredo	0.003%
Idaho Fals-Pocatllo(Jcksn)	0.02%	Great Falls	0.002%
Missoula	0.02%	Presque Isle	0.001%
Hattiesburg-Laurel	0.02%	Fairbanks	0.001%
Abilene-Sweetwater	0.02%		

Table 5: Visitor Origin by Market (Placer.ai)

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Survey Findings

Sample Demographics

	2019	2021	2022	2023	2024	2025
Gender						
Female	67.4	62.5%	48.8%	54.1%	49.0%	64.2%
Male	32.6	37.4%	51.1%	45.7%	50.7%	35.6%
Self-identify	-	0.1%	-	0.3%	0.3%	0.1%
Marital Status						
Married	76.7%	76.7%	77.3%	86.4%	72.7%	80.0%
Single	8.5%	9.2%	9.9%	6.7%	14.9%	6.9%
Divorced	7.4%	7.7%	5.8%	3.4%	6.6%	7.1%
Widowed	3.1%	5.3%	5.9%	2.8%	4.3%	5.5%
Separated	0.5%	1.1%	1.1%	0.7%	1.5%	0.5%
Living as Married	3.8%	-	-	-	-	-
Education (highest level completed)						
Grade School	0.2%	0.7%	0.4%	0.9%	0.6%	0.4%
High School	8.0%	8.0%	6.5%	3.8%	7.2%	7.9%
Some College	19.6%	20.9%	21.5%	22.6%	24.0%	14.3%
Associate's Degree (2 years)	13.1%	13.6%	13.2%	16.0%	14.2%	12.6%
Bachelor's Degree (4 years)	31.5%	32.9%	32.3%	33.0%	35.2%	37.3%
Graduate Degree (Post degree/MA)	26.9%	23.8%	26.1%	23.7%	18.8%	27.5%
Age						
19 years or younger	0.1%	0.1%	0.1%	0.3%	0.6%	0.1%
20 to 29 years	0.9%	10.5%	23.8%	24.1%	33.0%	2.4%
30 to 39 years	5.9%	16.5%	28.8%	39.4%	32.1%	8.0%
40 to 49 years	15.3%	12.6%	13.1%	8.3%	12.1%	12.5%
50 to 59 years	26.8%	18.7%	10.9%	9.4%	7.1%	18.8%
60 to 69 years	34.4%	25.8%	14.2%	11.6%	8.6%	31.8%
70 years and over	15.9%	14.5%	8.6%	6.3%	6.0%	25.0%
Prefer not to say	0.6%	1.4%	0.3%	0.5%	0.5%	1.5%
Household Income						
Under $24,999	1.4%	2.3%	1.5%	1.1%	3.2%	1.4%
$25,000-$34,999	1.8%	6.3%	4.1%	1.8%	5.8%	2.7%
$35,000-$49,999	5.5%	7.7%	8.0%	6.5%	9.9%	5.0%
$50,000-$74,999	12.6%	15.7%	12.2%	17.1%	18.4%	11.4%
$75,000-$99,999	14.6%	17.7%	17.2%	17.0%	21.0%	15.8%
$100,000-$149,999	22.1%	24.6%	21.8%	17.0%	22.0%	25.6%
$150,000-$199,999	11.3%	13.0%	17.1%	18.0%	9.7%	16.8%
$200,000-$249,999	5.8%	5.9%	9.4%	15.9%	5.0%	9.6%
$250,000 or more	6.2%	6.8%	8.6%	5.6%	5.0%	11.8%
Not Applicable	18.8%	-	-	-	-	-
N	1,682	1,884	1,913	1,154	1,040	1,539

Table 6: Demographics

Sample Point of Origin

ZIP Code Analysis – Top 30 MSAs

	Metropolitan Area	Sum MSA	Percent MSA Share
1	New York-Newark-Jersey City, NY-NJ	71	4.6%
2	Chicago-Naperville-Elgin, IL-IN	57	3.7%
3	Atlanta-Sandy Springs-Roswell, GA	44	2.9%
4	Charlotte-Concord-Gastonia, NC-SC	40	2.6%
5	Cincinnati, OH-KY-IN	40	2.6%
6	Rural OH	39	2.5%
7	Pittsburgh, PA	37	2.4%
8	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	35	2.3%
9	Columbus, OH	34	2.2%
10	Minneapolis-St. Paul-Bloomington, MN-WI	31	2.0%
11	Akron, OH	30	1.9%
12	Hilton Head Island-Bluffton-Port Royal, SC	29	1.9%
13	Boston-Cambridge-Newton, MA-NH	26	1.7%
14	Dallas-Fort Worth-Arlington, TX	24	1.6%
15	Greenville-Anderson-Greer, SC	23	1.5%
16	Washington-Arlington-Alexandria, DC-VA-MD-WV	22	1.4%
17	Indianapolis-Carmel-Greenwood, IN	20	1.3%
18	Louisville/Jefferson County, KY-IN	20	1.3%
19	Toledo, OH	19	1.2%
20	Myrtle Beach-Conway-North Myrtle Beach, SC	18	1.2%
21	St. Louis, MO-IL	18	1.2%
22	Augusta-Richmond County, GA-SC	17	1.1%
23	Columbia, SC	16	1.0%
24	Grand Rapids-Wyoming-Kentwood, MI	16	1.0%
25	Asheville, NC	15	1.0%
26	Detroit-Warren-Dearborn, MI	14	0.9%
27	Milwaukee-Waukesha, WI	14	0.9%
28	Baltimore-Columbia-Towson, MD	13	0.8%
29	Buffalo-Cheektowaga, NY	13	0.8%
30	Rochester, NY	13	0.8%
	Other	731	47.5%
	N	1,539	

Table 7: ZIP Code Analysis – Top 30 MSAs

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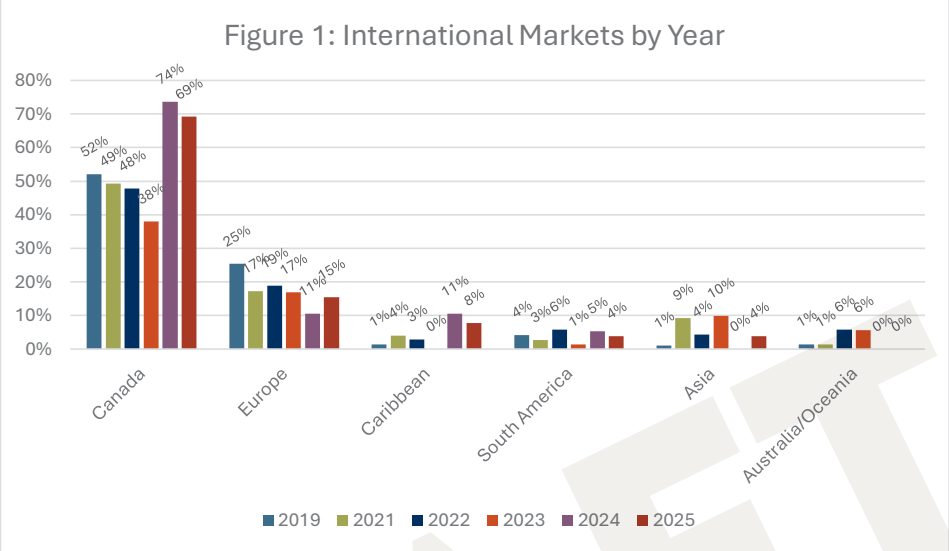
International Markets



	2019	2021	2022	2023	2024	2025
Canada	52.1%	49.3%	47.8%	38.0%	73.7%	69.2%
Europe	25.4%	17.3%	18.8%	16.9%	10.5%	15.4%
Caribbean	1.4%	4.0%	2.9%	-	10.5%	7.7%
South America	4.2%	2.7%	5.8%	1.4%	5.3%	3.8%
Asia	1.0%	9.3%	4.3%	9.9%	-	3.8%
Australia/Oceania	1.4%	1.3%	5.8%	5.6%	-	-
Africa	2.1%	6.7%	7.2%	1.4%	-	-
Antarctica	-	2.7%	-	-	-	-
Central America	8.5%	1.3%	-	-	-	-
Middle East	-	5.3%	7.2%	26.8%	-	-
N	71	75	69	71	19	26

Table 8: International Markets by Year

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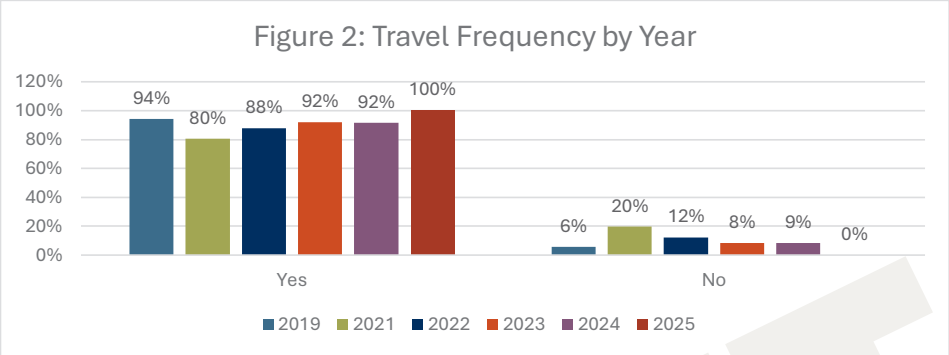
Travel to the Hilton Head Island / Bluffton Area

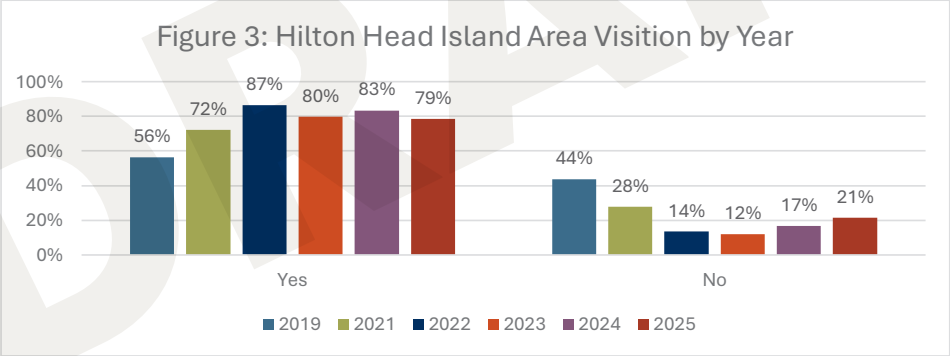
Within the last 12 months have you traveled or taken a vacation?[1]



	2019	2021	2022	2023	2024	2025
Yes	94.3%	80.4%	87.8%	91.8%	91.5%	100.0%
No	5.7%	19.6%	12.2%	8.2%	8.5%	-
N	1,684	2,084	2,918	1,710	1,040	1,539

Table 9: Travel Frequency by Year

Did you visit Hilton Head Island, SC or Bluffton, SC in the last 12 months?[1]



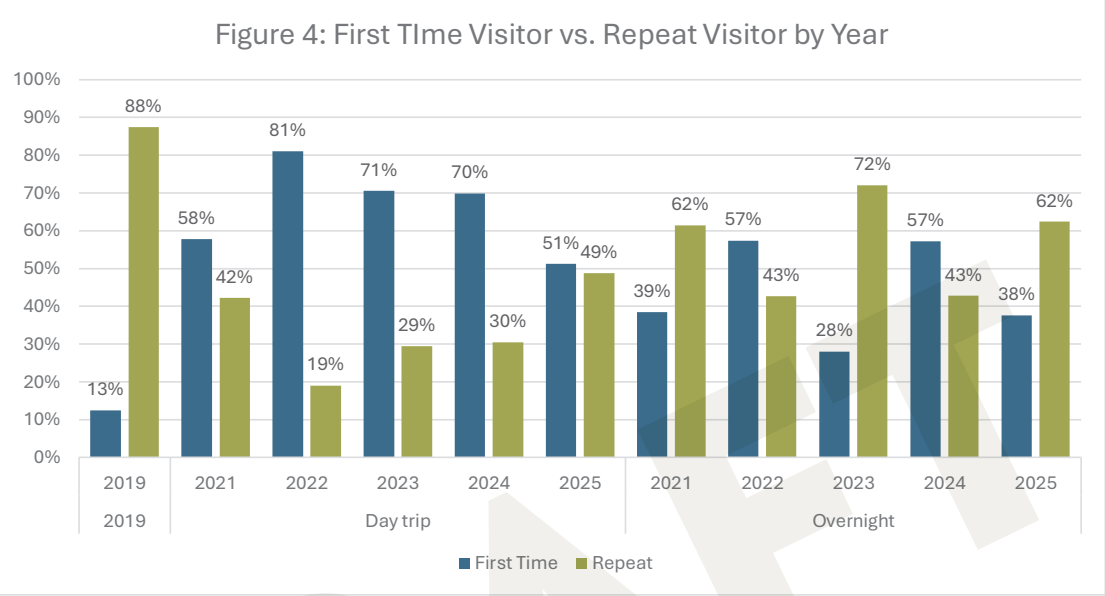
	2019	2021	2022	2023	2024	2025
Yes	56.4%	72.3%	86.5%	79.8%	83.4%	78.6%
No	43.6%	27.7%	13.5%	12.0%	16.6%	21.4%
N	1,713	1,675	2,547	1,570	952	1,539

Table 10: Hilton Head Island Area Visitation by Year

[1] For the 2019 report, these questions asked about the last 18 months instead of the last 12 months. Also, in 2019 the second question was asked of all respondents, whereas in subsequent years it was just asked of those who had travelled.

Hilton Head Island Visitors

Was this your first time visiting Hilton Head Island?



	2019	2021		2022		2023		2024		2025	
		Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip
Yes	12.5%	38.5%	57.8%	57.4%	81.0%	28.0%	70.6%	57.2%	69.9%	37.6%	51.2%
No	87.5%	61.5%	42.2%	42.6%	19.0%	72.0%	29.4%	42.8%	30.4%	62.4%	48.8%
N	946	991	45	1,477	79	1,077	34	547	23	1,043	43

Table 11: First Time Visitors vs. Repeat Visitors by Year

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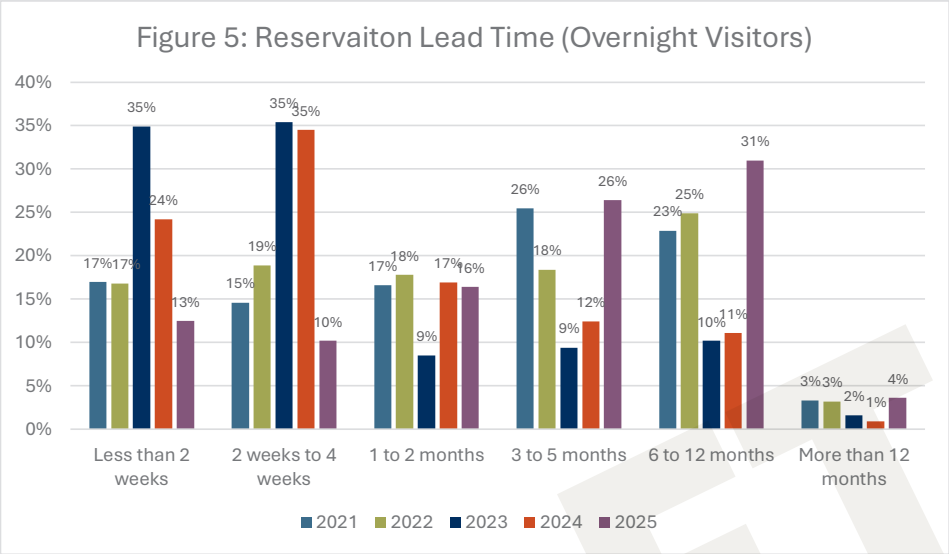
Approximately how long before your trip to Hilton Head Island did you make your first reservation?



	2021	2022	2023	2024	2025
Less than 2 weeks	17.0%	16.8%	34.9%	24.2%	12.5%
2 weeks to 4 weeks	14.6%	18.9%	35.4%	34.5%	10.2%
1 to 2 months	16.6%	17.8%	8.5%	16.9%	16.4%
3 to 5 months	25.5%	18.4%	9.4%	12.4%	26.4%
6 to 12 months	22.9%	24.9%	10.2%	11.1%	31.0%
More than 12 months	3.3%	3.2%	1.6%	0.9%	3.6%
N	991	1,479	1,076	550	1,036

Table 12: Reservation Lead Time

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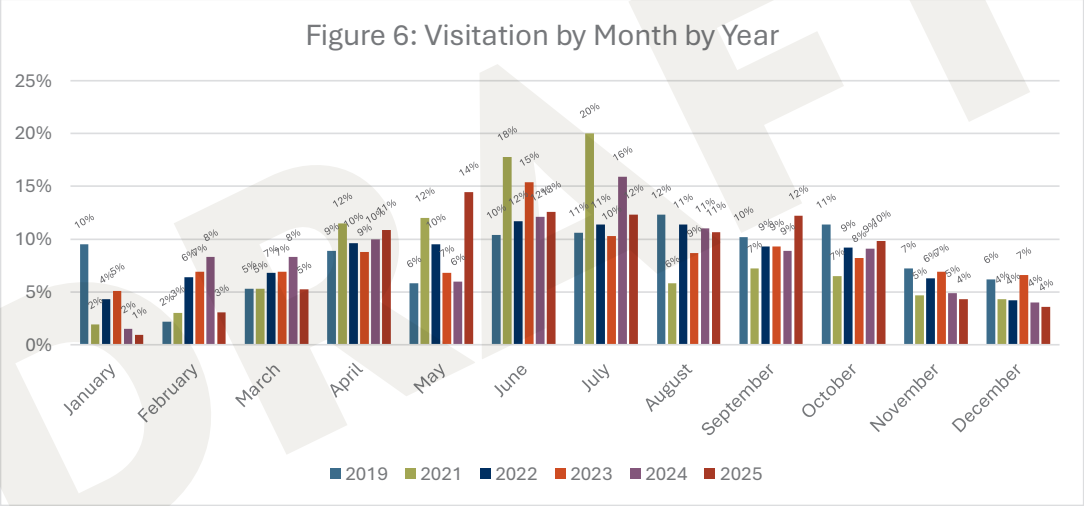
When did you make your most recent trip to Hilton Head Island?

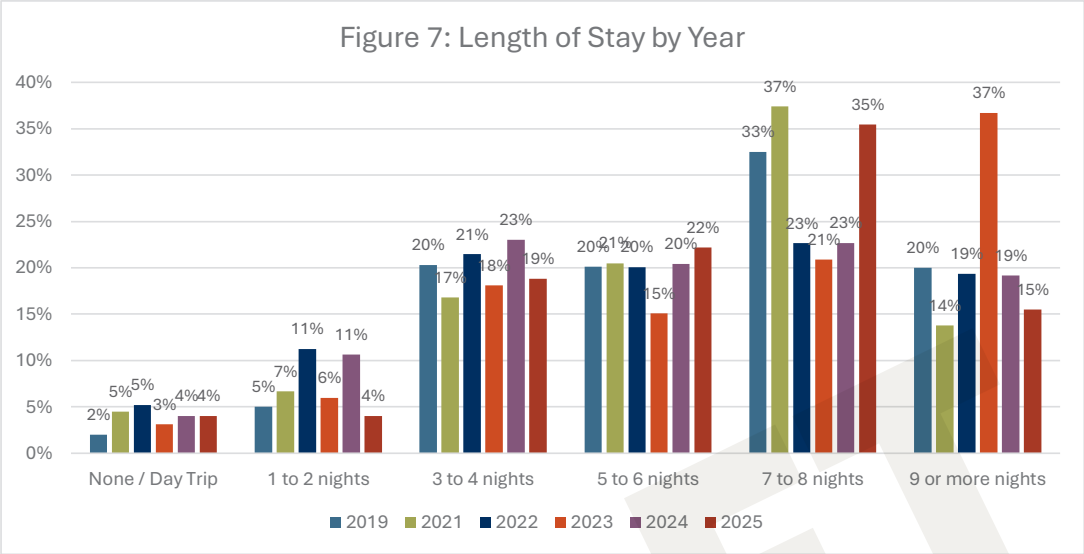
	2019	2021		2022		2023		2024		2025	
		Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip
January	9.5%	1.9%	-	4.3%	4.3%	5.1%	3.0%	1.5%	-	0.9%	-
February	2.2%	3.0%	2.9%	6.4%	4.3%	6.9%	-	8.3%	4.8%	3.1%	5.0%
March	5.3%	5.3%	8.6%	6.8%	11.4%	6.9%	3.0%	8.3%	4.8%	5.2%	17.5%
April	8.9%	11.5%	5.7%	9.6%	7.1%	8.8%	15.2%	10.0%	9.5%	10.9%	7.5%
May	5.8%	12.0%	5.7%	9.5%	4.3%	6.8%	12.1%	6.0%	23.8%	14.4%	20.0%
June	10.4%	17.8%	31.4%	11.7%	12.9%	15.4%	18.2%	12.1%	9.5%	12.6%	10.0%
July	10.6%	20.0%	25.7%	11.4%	11.4%	10.3%	12.1%	15.9%	9.5%	12.3%	5.0%
August	12.3%	5.8%	2.9%	11.4%	25.7%	8.7%	12.1%	11.0%	4.8%	10.7%	2.5%
September	10.2%	7.2%	5.7%	9.3%	11.4%	9.3%	6.1%	8.9%	4.8%	12.2%	10.0%
October	11.4%	6.5%	8.6%	9.2%	1.4%	8.2%	9.1%	9.1%	28.6%	9.8%	15.0%
November	7.2%	4.7%	-	6.3%	2.9%	6.9%	-	4.9%	-	4.3%	5.0%
December	6.2%	4.3%	2.9%	4.2%	2.9%	6.6%	9.1%	4.0%	-	3.6%	2.5%
N	951	1,504	34	1,361	70	1,044	33	529	21	976	40

Table 13: Visitation by Month by Year



Note: For the 2019 survey, data collection occurred exclusively in January/February; for the 2021 survey, data collection occurred on a continuous basis from June onwards; and for the 2022 survey and subsequent surveys, data collection occurred on a continuous basis throughout the year.

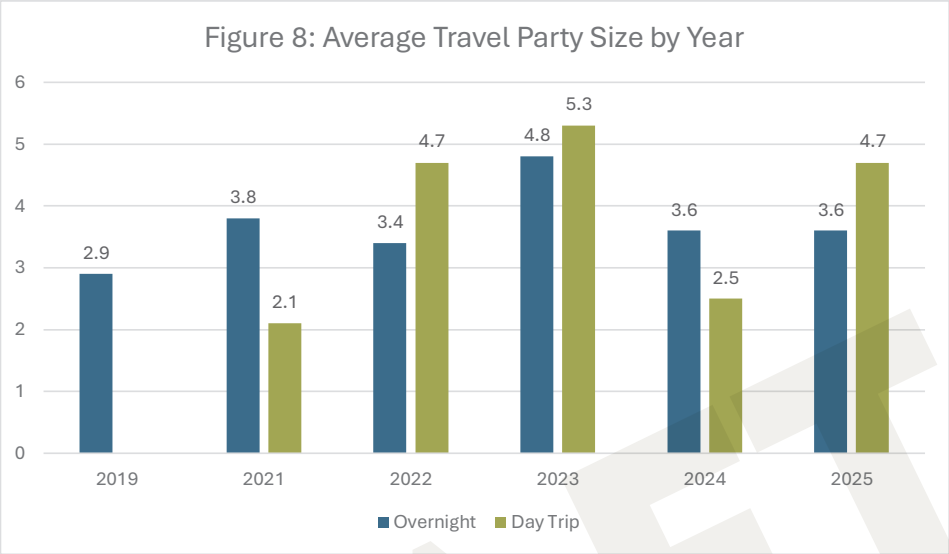
Approximately how many nights was your trip to Hilton Head Island?



	2019	2021	2022	2023	2024	2025
None/day trip only	2.0%	4.5%	5.2%	3.1%	4.0%	4.0%
1 night	1.9%	1.8%	2.4%	0.4%	1.9%	1.1%
2 nights	3.1%	4.9%	8.9%	5.6%	8.7%	2.9%
3 nights	10.3%	7.5%	11.3%	10.2%	11.3%	8.3%
4 nights	10.0%	9.3%	10.2%	7.9%	11.7%	10.4%
5 nights	7.7%	9.6%	10.5%	7.5%	11.5%	9.6%
6 nights	12.4%	10.9%	9.5%	7.6%	8.9%	12.6%
7 nights	30.4%	34.0%	19.3%	15.4%	19.0%	31.5%
8 nights	2.1%	3.4%	3.4%	5.5%	3.7%	3.9%
9 nights	2.3%	2.6%	1.8%	3.7%	3.0%	1.5%
10 nights	3.4%	3.1%	3.2%	3.7%	5.8%	4.0%
11 nights	0.5%	0.4%	1.3%	2.6%	1.6%	0.5%
12 nights	0.8%	0.9%	1.4%	3.7%	1.6%	1.1%
13 nights	0.6%	0.7%	0.8%	2.9%	1.0%	0.8%
14 nights	4.8%	4.2%	3.6%	4.4%	3.5%	3.3%
15 nights	0.5%	0.8%	1.1%	2.9%	0.9%	0.5%
More than 15 nights	7.1%	1.1%	6.2%	12.8%	1.9%	3.8%
N	950	996	1,519	1,103	573	1090

Table 14: Length of Stay by Year

Please indicate how many people (including yourself) were in your travel party.



	2019	2021		2022		2023		2024		2025	
		Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip
Average	2.9	3.8	2.1	3.4	4.7	4.8	5.3	3.6	2.5	3.6	4.7
N	951	995	45	1,477	79	1,042	30	551	23	1,044	44

Table 15: Travel Party Size by Year

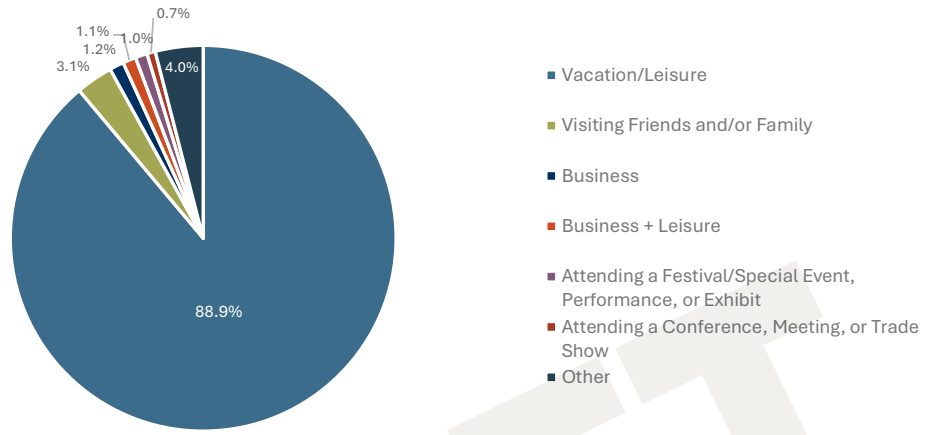
Please indicate by age category how many people were in your travel party.

Age		0	1	2	3	4	5	6 or more
Overnight	**Under 18**	72.2%	9.0%	10.2%	3.5%	1.3%	1.3%	1.0%
	18-24	87.5%	5.7%	3.5%	1.0%	0.4%	0.1%	0.5%
	25-34	85.2%	5.1%	4.9%	1.6%	0.6%	0.7%	0.6%
	35-44	78.6%	5.7%	10.9%	1.6%	1.2%	0.4%	0.2%
	45-54	77.6%	10.3%	9.2%	0.6%	0.4%	0.5%	0.1%
	55-64	66.6%	14.3%	15.5%	1.0%	0.9%	0.1%	0.3%
	65+	46.0%	15.7%	31.7%	1.7%	2.4%	0.1%	1.0%
Day Trip	**Under 18**	70.5%	15.9%	2.3%	-	-	4.5%	-
	18-24	77.3%	9.1%	4.5%	-	-	-	2.3%
	25-34	84.1%	4.5%	-	2.3%	-	-	2.3%
	35-44	79.5%	6.8%	4.5%	-	-	-	2.3%
	45-54	63.6%	13.6%	9.1%	4.5%	-	-	2.3%
	55-64	61.4%	11.4%	15.9%	2.3%	-	2.3%	-
	65+	47.7%	11.4%	25.0%	2.3%	2.3%	-	4.5%

Table 16: Travel Party by Age Group

What was the main purpose of your overnight visit to Hilton Head Island?

Figure 9: Trip Purpose of Overnight Visitors



	2021	2022	2023	2024	2025
Vacation/Leisure	82.1%	74.3%	87.1%	77.1%	88.8%
Visiting Friends and/or Family	3.9%	5.0%	2.7%	4.2%	3.1%
Business	2.1%	5.3%	2.5%	3.8%	1.2%
Business + Leisure	6.7%	6.9%	4.4%	9.8%	1.1%
Attending a Festival/Special Event, Performance, or Exhibit	0.9%	2.5%	0.7%	1.5%	1.0%
Attending a Conference, Meeting, or Trade Show	2.3%	4.2%	1.1%	2.9%	0.7%
Other	1.9%	1.7%	1.4%	0.4%	4.0%
N	995	1,491	1,081	551	1,056

Table 17: Trip Purpose of Overnight Visitors

Day Trip Visitors:

Was this visit part of an overnight vacation or a day trip from home?

	2021	2022	2023	2024	2025
Part of a vacation	57.8%	72.2%	76.5%	73.9%	79.1%
Day trip from home	42.2%	27.8%	23.5%	26.1%	20.9%
N	45	79	34	15	43

Table 18: Day Trip as Part of a Vacation or Day Trip from Home

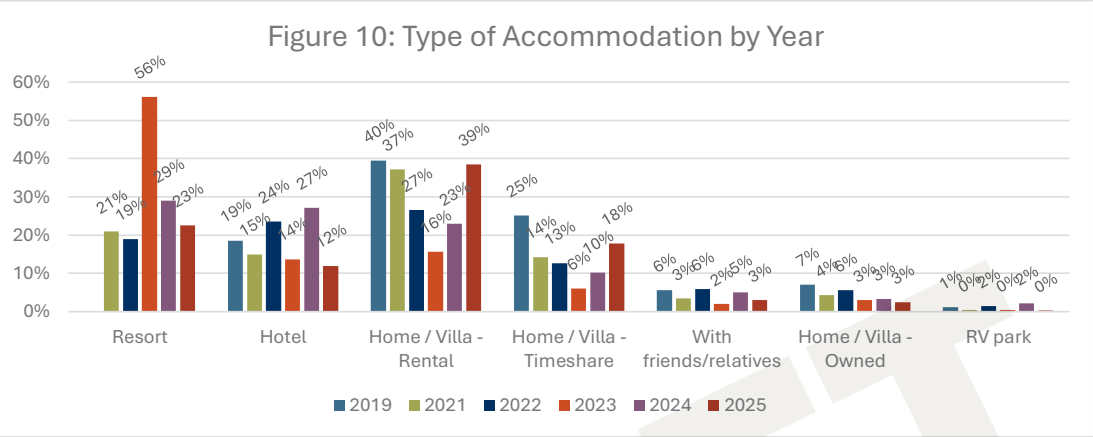
Where did you stay overnight?

	2021	2022	2023	2024	2025
Savannah	42.3%	19.3%	23.1%	26.7%	50.0%
Charleston	19.2%	50.9%	26.9%	26.7%	11.8%
Beaufort	19.2%	14.0%	15.4%	6.7%	14.7%
Tybee Island	7.7%	10.5%	19.2%	6.7%	8.8%
Jacksonville	3.8%	3.5%	11.5%	20.0%	-
Fripp Island	3.8%	-	-	-	-
Other	3.8%	1.8%	3.8%	13.3%	-
N	26	57	26	15	29

Table 19: Day Trip Visitors' Overnight Location

Overnight Visitors:

What was your primary form of accommodation while visiting Hilton Head Island?



	2019	2021	2022	2023	2024	2025
Home / Villa - Rental	39.5%	37.2%	26.6%	15.6%	23.0%	38.5%
Resort	-	20.9%	19.0%	56.1%	29.0%	22.6%
Home / Villa - Timeshare	25.2%	14.2%	12.7%	6.1%	10.2%	17.8%
Hotel	18.6%	15.0%	23.6%	13.7%	27.2%	11.9%
With friends/relatives	5.6%	3.4%	5.9%	2.0%	5.1%	3.0%
Home / Villa - Owned	7.1%	4.3%	5.6%	3.0%	3.3%	2.5%
RV park	1.1%	0.4%	1.5%	0.4%	2.2%	0.3%
Other	1.4%	0.3%	0.1%	-	-	3.4%
N	951	1,040	1,570	1,115	551	1,044

Table 20: Types of Accommodation by Year

What was the name of the Hotel/Resort where you stayed?

Hilton Beachfront Resort & Spa	16.2%
Omni Resort	15.0%
Hampton inn	8.3%
Sonesta	7.5%
Beach House Resort	3.8%
Doubletree	3.8%
Holiday Inn Express	3.4%
The Westin	2.6%
HHI Beach & Tennis Resort	2.3%
Marriott Barony Beach	2.3%
N	176

Table 21: Top 10 Hotels or Resorts

Which of the following online platforms did you use to make your home/villa reservation?

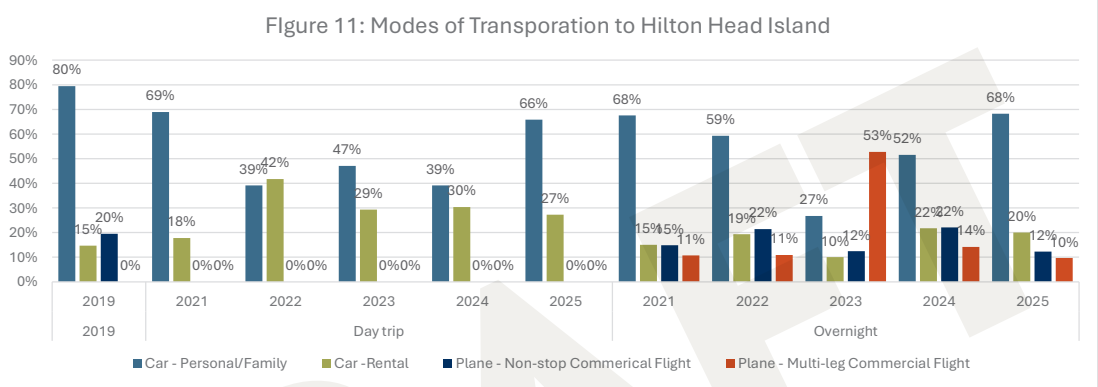
	2019	2021	2022	2023	2024	2025
VRBO	32.8%	34.2%	29.2%	32.3%	22.6%	29.1%
Local company	22.7%	22.9%	24.7%	22.2%	33.6%	25.1%
Airbnb	2.4%	10.0%	12.0%	10.2%	15.8%	14.2%
Directly with the resort	11.2%	15.1%	13.0%	10.8%	17.1%	12.4%
Vacasa	-	4.9%	5.5%	6.6%	3.4%	5.5%
Booking.com	-	0.3%	2.2%	0.6%	1.4%	1.2%
TurnKey	-	1.3%	-	3.0%	2.1%	0.0%
HomeAway	-	2.2%	3.5%	4.2%	0.7%	0.0%
Directly with owner	-	6.2%	6.0%	-	-	0.0%
I don't remember	3.5%	0.8%	3.0%	1.2%	1.4%	2.0%
None	-	0.5%	0.5%	0.6%	2.1%	0.5%
Other	23.5%	1.6%	0.5%	8.4%	-	10.0%
N		371	401	167	146	402

Table 22: Booking Platforms for Home/Villa Rental

What type of transportation did you use to travel to Hilton Head Island?

	2019	2021		2022		2023		2024		2025	
		Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip
Car - Personal/Family	79.50%	67.6%	68.9%	59.3%	39.2%	26.7%	47.1%	51.5%	39.1%	68.3%	65.9%
Car - Rental	14.70%	15.0%	17.8%	19.4%	41.8%	10.0%	29.4%	21.8%	30.4%	20.1%	27.3%
Plane - Non-stop commercial flight	19.5%[2]	14.8%	-	21.5%	-	12.4%	-	22.1%	-	12.4%	-
Plane - Multi-leg commercial flight	-	10.7%	-	11.0%	-	52.8%	-	14.2%	-	9.7%	-
Personal RV	1.10%	2.2%	-	4.9%	1.3%	1.9%	17.6%	5.1%	17.4%	1.1%	-
Motor Coach/Tour bus	-	1.5%	6.7%	3.9%	15.2%	5.9%	11.8%	10.0%	21.7%	0.5%	-
Plane - Private	0.20%	0.7%	13.3%	3.4%	10.1%	1.5%	17.6%	2.2%	21.7%	0.3%	2.3%
Other	0.60%	0.6%	-	0.1%	-	0.2%	-	0.2%	-	1.2%	2.3%
N	953	995	45	1,477	79	1,115	34	551	23	1,044	43

Table 23: Modes of Transportation to Hilton Head Island



[2] The 2019 survey did not divide commercial flights into non-stop and multi-leg, so the stated percentage is for all commercial flights.

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Visitors Arriving by Plane:

At which airport did you land?

	2019	2021	2022	2023	2024	2025
Hilton Head Island	12.8%	39.8%	33.8%	81.6%	31.7%	50.5%
Savannah/Hilton Head Island International	69.5%	40.6%	38.1%	12.1%	56.5%	40.7%
Charleston	9.2%	8.8%	12.7%	3.3%	5.3%	3.6%
Atlanta	2.8%	5.6%	6.1%	1.4%	-	2.6%
Jacksonville	1.4%	2.0%	5.5%	1.1%	2.8%	1.0%
Charlotte	1.4%	2.0%	3.3%	0.3%	2.0%	0.8%
Other	2.8%	1.2%	0.4%	0.3%	2.0%	0.8%
N	114	251	488	728	246	386

Table 24: Arrival Airport by Year

Which commercial airline did you use?

	2021	2022	2023	2024	2025
American Airlines	38.9%	44.8%	25.4%	59.3%	30.7%
Delta	16.6%	7.0%	2.6%	3.3%	18.9%
Southwest	8.1%	9.0%	14.2%	7.5%	18.9%
JetBlue	6.5%	3.6%	12.2%	3.3%	8.8%
Allegiant	10.1%	8.1%	2.1%	3.3%	3.5%
Breeze	1.2%	3.2%	1.4%	2.5%	3.1%
Alaska	2.8%	10.4%	1.7%	8.3%	0.9%
Frontier	1.6%	2.3%	11.9%	2.9%	0.9%
Silver Airways	0.8%	1.8%	14.2%	1.2%	0.9%
Sun Country Airlines	0.4%	0.9%	0.1%	-	0.9%
Air Canada	5.3%	6.8%	12.8%	7.5%	0.0%
Spirit	0.4%	0.2%	-	-	0.0%
United	6.9%	1.8%	-	0.8%	0.0%
Other	-	-	-	-	12.7%
N	247	442	720	241	228

Table 25: Commercial Airlines Used

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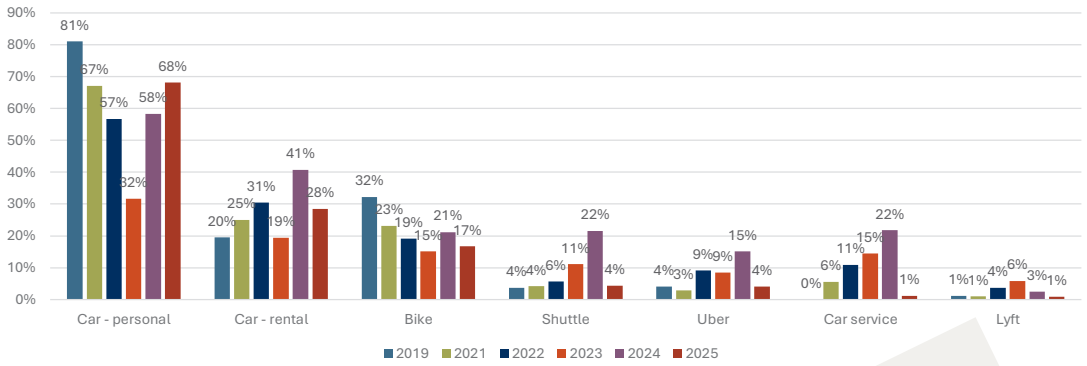
Once on Hilton Head Island, what mode(s) of transportation did you use?

Figure 12: Transportation used while on Hilton Head Island



	2019	2021	2022	2023	2024	2025
Car - personal	81.1%	67.1%	56.7%	31.7%	58.3%	68.2%
Car - rental	19.5%	25.0%	30.5%	19.4%	40.7%	28.4%
Bike	32.2%	23.2%	19.1%	15.2%	21.2%	16.7%
Shuttle offered by the hotel/resort	3.7%	4.2%	5.7%	11.1%	21.6%	4.4%
Uber	4.1%	2.9%	9.2%	8.5%	15.1%	4.1%
Public transportation (HHI Trolley, etc.)	5.4%	5.4%	6.8%	12.5%	23.4%	3.9%
Car service	-	5.5%	10.9%	14.5%	21.8%	1.1%
On Foot	-	1.4%	1.3%	0.8%	-	1.2%
Lyft	1.1%	1.0%	3.7%	5.8%	2.5%	0.9%
Other	-	0.1%	0.1%	-	0.7%	1.4%
N	948	995	1,477	1,115	551	1,044

Table 26: Transportation Used While on Hilton Head Island

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Please indicate the approximate total amount of money that was spent by your party/group for each category while in the Hilton Head Island Area.

	Villa Rental	Hotel	Timeshare	Second Homeowner	Non-paying Guests	Day Trip	Overall
Transportation	$266	$413	$344	$217	$186	$70	$327
Lodging	$3,225	$1,372	$1,417	$0	$0	$0	$2,242
Food - Dining	$785	$573	$578	$406	$315	$213	$630
Food - Grocery	$274	$202	$210	$238	$164	$83	$234
Shopping	$353	$382	$322	$334	$409	$190	$353
Spas	$145	$164	$100	$80	$65	$50	$147
Golf	$374	$305	$164	$67	$58	$30	$284
Biking	$145	$113	$30	$20	$20	$10	$105
Performance/Visual Arts	$147	$145	$48	$50	$50	$50	$120
Festivals	$86	$84	$19	$50	$46	$60	$70
Museums/Historical Tours	$99	$185	$49	$25	$25	$114	$125
Boating/Sailing/Fishing	$278	$249	$166	$65	$70	$10	$238
Nature-based Activities	$89	$106	$10	$70	$44	$30	$87
Dolphin Tours	$115	$119	$48	$30	$30	$57	$104
Tennis	$78	$82	$50	$25	$40	$20	$69
Other Expenses	$152	$146	$89	$96	$57	$30	$134
Total Expenditure	**$4,688**	**$2,681**	**$2,079**	**$1,063**	**$979**	**$444**	**$3,168**

Table 27: Average Per Travel Party Trip Expenditures by Category and Visitor Type

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What are the three primary reasons why you visited Hilton Head Island?

	2019	2021		2022		2023		2024		2025	
		Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip
Beaches	73.5%	75.4%	55.6%	62.0%	38.0%	40.7%	44.1%	61.9%	47.8%	76.0%	51.2%
Relaxation	58.6%	51.5%	31.1%	34.1%	12.7%	31.7%	20.6%	31.8%	13.0%	61.4%	46.5%
Time with family/friends	48.4%	46.6%	24.4%	32.6%	10.1%	22.2%	26.5%	32.1%	34.8%	46.6%	34.9%
Culinary	13.9%	12.2%	31.1%	14.2%	27.8%	14.3%	20.6%	8.3%	8.7%	16.1%	9.3%
Biking	15.7%	16.4%	11.1%	21.3%	27.8%	17.4%	11.8%	17.1%	21.7%	13.2%	4.7%
Shopping	11.7%	10.9%	24.4%	10.7%	8.9%	14.3%	20.6%	11.1%	8.7%	10.5%	37.2%
Nature-based activities (dolphin/turtle tours, fishing, etc.)	11.3%	12.0%	2.2%	13.3%	3.8%	19.5%	23.5%	22.9%	0.0%	10.4%	9.3%
Golf	16.3%	13.7%	8.9%	10.4%	13.9%	14.1%	2.9%	11.3%	8.7%	8.0%	4.7%
Heritage attractions / Museum / Historical tours	3.3%	6.5%	20.0%	10.6%	16.5%	6.1%	32.4%	13.4%	17.4%	6.9%	0.0%
Boating / Sailing / Kayaking	1.6%	7.5%	11.1%	13.6%	16.5%	12.3%	26.5%	22.5%	8.7%	4.7%	0.0%
Parks	1.4%	1.8%	6.7%	4.9%	5.1%	11.1%	2.9%	5.6%	4.3%	3.2%	4.7%
Health/wellness/fitness	2.1%	3.4%	11.1%	5.9%	6.3%	13.1%	8.8%	5.8%	0.0%	3.1%	0.0%
Festivals	4.0%	3.6%	6.7%	8.2%	3.8%	11.6%	8.8%	10.0%	4.3%	2.3%	4.7%
Tennis	2.1%	1.7%	6.7%	2.6%	11.4%	3.9%	2.9%	2.4%	4.3%	2.2%	0.0%
Attend sporting event	0.6%	4.7%	15.6%	11.2%	10.1%	11.3%	2.9%	7.8%	4.3%	2.1%	0.0%
Business trip (convention, meeting, etc.)	1.2%	5.1%	4.4%	10.5%	24.1%	13.1%	2.9%	11.3%	13.0%	1.2%	2.3%
Wedding	-	1.2%	-	1.6%	-	0.9%	2.9%	2.7%	0.0%	0.9%	0.0%
Other	8.1%	4.1%	-	3.9%	2.5%	1.8%	5.9%	2.2%	8.7%	8.4%	9.3%
N	953	995	45	1,477	79	1,115	34	551	23	1,044	43

Table 28: Three Primary Reasons for Visitation

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Which of the following activities did you actively participate in?

	2019	2021		2022		2023		2024		2025	
		Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip
Beaches	83.2%	81.8%	42.2%	69.4%	51.9%	46.0%	44.1%	67.5%	30.4%	87.2%	55.8%
Relaxation	78.0%	68.7%	40.0%	45.6%	15.2%	28.1%	8.8%	42.1%	26.1%	80.2%	46.5%
Shopping	69.1%	58.1%	46.7%	42.3%	13.9%	25.9%	29.4%	50.1%	26.1%	67.2%	58.1%
Time with family/friends	70.5%	59.0%	37.8%	40.8%	20.3%	25.1%	20.6%	40.3%	39.1%	64.1%	32.6%
Culinary	40.1%	29.1%	31.1%	27.5%	16.5%	14.3%	20.6%	21.8%	4.3%	36.7%	23.3%
Biking	37.3%	40.5%	6.7%	38.4%	24.1%	31.2%	17.6%	36.7%	30.4%	31.6%	7.0%
Nature-based activities (dolphin/turtle tours, fishing, etc.)	30.3%	26.3%	8.9%	24.6%	7.6%	14.9%	23.5%	33.0%	21.7%	29.0%	14.0%
Museum / Historical tours	17.8%	15.7%	11.1%	17.9%	8.9%	9.9%	14.7%	24.3%	21.7%	20.9%	0.0%
Water excursions	24.4%	17.6%	17.8%	11.3%	29.1%	17.8%	17.6%	19.4%	17.4%	15.2%	7.0%
Golf	23.8%	18.7%	8.9%	14.6%	6.3%	6.7%	5.9%	18.5%	4.3%	12.6%	0.0%
Health / Wellness / Fitness	12.6%	12.8%	4.4%	14.8%	12.7%	7.8%	14.7%	15.4%	0.0%	10.4%	0.0%
Music or theatrical performance / Visual arts exhibit	16.7%	6.2%	8.9%	10.4%	3.8%	6.5%	8.8%	14.7%	13.0%	8.6%	0.0%
Festivals	13.4%	6.5%	6.7%	12.1%	8.9%	5.8%	17.6%	16.2%	13.0%	7.5%	9.3%
Tennis	5.9%	4.9%	-	3.2%	1.3%	3.9%	2.9%	5.8%	4.3%	4.8%	2.3%
Sports activities	8.1%	4.4%	8.9%	5.8%	5.1%	2.8%	91.2%	8.0%	4.3%	4.3%	2.3%
Attend sporting event	2.3%	4.9%	8.9%	13.5%	16.5%	15.3%	11.8%	7.3%	13.0%	3.3%	2.3%
Spas	8.0%	5.1%	6.7%	9.5%	5.1%	3.9%	5.9%	13.1%	4.3%	3.1%	0.0%
Business/work	2.5%	7.1%	13.3%	11.8%	11.4%	5.4%	2.9%	15.1%	13.0%	1.9%	2.3%
University visit / Education / Intellectual programs	0.6%	1.4%	2.2%	2.0%	1.3%	1.6%	2.9%	3.3%	0.0%	1.1%	0.0%
Other	3.9%	2.0%	-	2.6%	6.3%	1.8%	5.9%	1.3%	17.4%	6.6%	2.3%
N	950	995	45	1,477	79	1,115	34	551	23	1,044	43

Table 29: Activities Visitors Participated In

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Which shopping locations did you visit?

	2019	2021		2022		2023		2024		2025	
		Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip	Overnight	Day trip
Coligny Plaza	68.8%	64.7%	26.7%	54.4%	32.9%	31.6%	23.5%	47.0%	13.0%	70.6%	30.2%
Harbour Town	60.2%	55.8%	26.7%	44.2%	39.2%	29.2%	23.5%	39.0%	13.0%	59.5%	18.6%
Shelter Cove Harbour	47.8%	42.0%	17.8%	36.9%	21.5%	23.0%	20.6%	29.0%	13.0%	47.7%	14.0%
Shelter Cove Towne Centre	40.4%	33.4%	20.0%	25.0%	8.9%	21.2%	29.4%	30.3%	13.0%	37.9%	2.3%
Tanger Outlets	53.2%	34.9%	37.8%	26.1%	22.8%	19.6%	5.9%	20.5%	8.7%	32.4%	16.3%
The Shops at Sea Pines Center	32.6%	30.3%	8.9%	25.5%	6.3%	18.1%	35.3%	26.0%	26.1%	31.7%	7.0%
Shopping areas off 278 (Target, Kroger, Best Buy, etc.)	42.0%	30.7%	22.2%	21.7%	20.3%	18.3%	20.6%	19.6%	8.7%	31.0%	14.0%
Downtown Bluffton	30.5%	25.4%	28.9%	31.1%	34.2%	20.4%	38.2%	40.5%	52.2%	25.5%	41.9%
Main Street Village	25.0%	20.2%	8.9%	24.6%	25.3%	14.9%	20.6%	26.0%	4.3%	20.2%	16.3%
South Beach Marina	25.2%	21.5%	11.1%	17.7%	15.2%	14.9%	23.5%	22.0%	13.0%	14.7%	4.7%
Village at Wexford	16.4%	10.9%	6.7%	12.8%	11.4%	10.9%	11.8%	12.7%	8.7%	9.4%	4.7%
Buckwalter shopping areas	2.9%	4.9%	11.1%	8.3%	10.1%	10.1%	8.8%	14.9%	13.0%	1.8%	4.7%
Other	5.5%	2.1%	2.2%	2.3%	1.3%	2.1%	67.6%	-	-	5.2%	14.0%
None	2.1%	1.5%	2.2%	0.7%	1.3%	0.7%	23.5%	1.3%	8.7%	1.3%	11.6%
N	950	995	45	1,477	79	1,115	34	551	23	1,044	43

Table 30: Shopping Locations Visited

Did you visit any of the following cities while staying on Hilton Head Island?

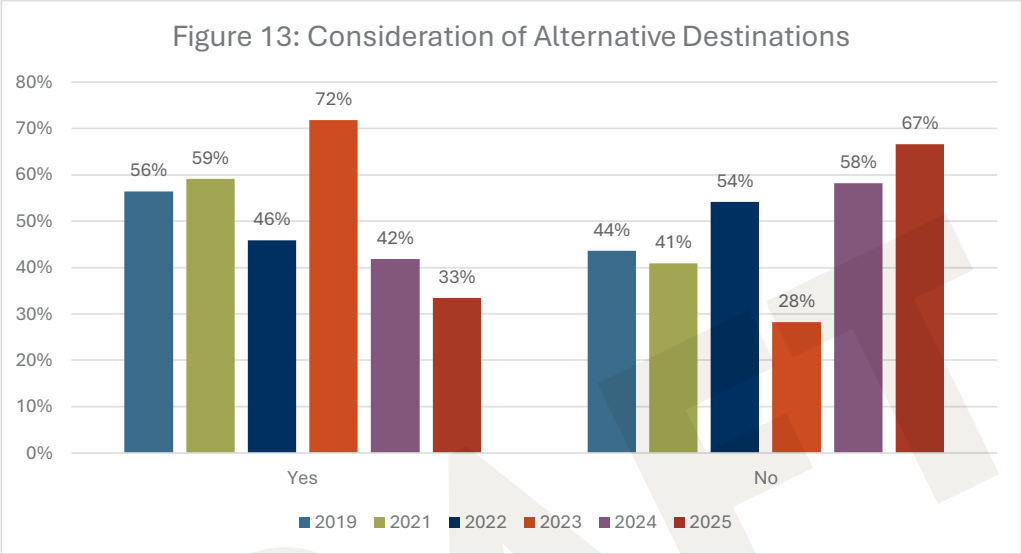
	2021	2022	2023	2024	2025
Bluffton	37.0%	37.4%	66.2%	45.0%	38.3%
Savannah	29.3%	26.0%	16.0%	23.2%	34.3%
Beaufort	17.7%	23.2%	9.4%	19.8%	17.7%
Charleston	15.7%	20.8%	10.5%	23.6%	13.9%
Daufuskie Island	13.0%	17.1%	7.8%	18.7%	6.1%
Tybee Island	7.3%	10.0%	51.1%	16.5%	6.0%
Jacksonville	5.4%	11.3%	4.8%	15.6%	1.7%
Other	0.9%	0.5%	0.9%	0.5%	32.3%
I did not visit any other cities.	28.8%	20.1%	12.2%	18.0%	30.6%
N	995	1,477	1,115	551	1,044

Table 31: Other Cities Visited While on Hilton Head Island

DRAFT

Travel Planning

Before deciding to visit Hilton Head Island, did you consider any other destinations?



	2019	2021	2022	2023	2024	2025
Yes	56.4%	59.1%	45.9%	71.8%	41.8%	33.4%
No	43.6%	40.9%	54.1%	28.2%	58.2%	66.6%
N	1,691	1,039	1,570	1,114	574	1,084

Table 32: Consideration of Alternative Destinations by Year

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Which of the following destinations did you consider visiting?

	2019	2021	2022	2023	2024	2025
Savannah, GA	33.9%	20.0%	19.3%	11.3%	22.6%	29.7%
Charleston, SC	45.2%	24.2%	19.3%	8.5%	21.3%	28.9%
Myrtle Beach, SC	37.5%	20.5%	12.9%	7.0%	10.1%	28.6%
Outer Banks, NC	22.6%	28.9%	20.0%	12.3%	27.5%	26.9%
Tybee Island, GA	18.2%	14.6%	8.8%	6.3%	7.0%	18.4%
Orlando, FL	12.1%	19.3%	15.0%	9.5%	18.5%	17.0%
Gulf Shores, AL	14.9%	19.8%	28.1%	18.3%	26.1%	15.6%
Other	11.3%	13.2%	13.6%	12.4%	16.7%	14.7%
Sanibel Island, FL	13.7%	13.4%	13.8%	7.5%	15.7%	13.9%
The Florida Keys	19.4%	12.5%	8.5%	11.6%	7.7%	13.9%
Caribbean	12.5%	23.1%	20.4%	12.1%	29.6%	11.3%
Tampa/St. Petersburg, FL	10.1%	9.6%	6.5%	6.3%	8.7%	11.3%
Isle of Palms, SC	12.5%	18.1%	16.1%	6.9%	22.6%	10.5%
Jekyll Island, GA	12.5%	13.2%	10.1%	10.4%	11.1%	10.5%
Marco Island/Naples, FL	12.1%	14.4%	18.2%	11.8%	12.9%	9.6%
Kiawah Island, SC	14.1%	15.5%	10.8%	7.5%	13.9%	8.8%
Sarasota, FL	6.9%	7.3%	9.6%	6.9%	10.5%	8.5%
St. Simons Island, GA	-	10.1%	10.4%	7.6%	10.8%	8.2%
Hawaiian Islands	4.8%	15.8%	24.4%	14.4%	29.3%	7.1%
Sandestin, FL	8.5%	9.2%	13.1%	8.4%	12.5%	4.8%
Bluffton, SC	-	1.9%	4.4%	1.5%	5.2%	3.7%
Sea Island, GA	4.8%	10.4%	12.5%	9.4%	14.6%	3.4%
Napa/Sonoma, CA	2.8%	8.5%	8.9%	6.4%	11.8%	2.8%
Santa Fe, NM	1.6%	2.8%	4.0%	5.4%	7.0%	2.8%
Pinehurst, NC	3.2%	9.9%	12.2%	7.0%	9.8%	2.3%
Aspen, CO	2.0%	11.5%	10.1%	10.4%	13.2%	2.0%
Reynolds Plantation, GA	1.2%	8.9%	10.7%	8.3%	12.5%	1.7%
Telluride, CO	0.8%	7.8%	12.4%	10.3%	12.5%	1.4%
Alabama Golf Trail	1.6%	23.8%	31.9%	15.1%	27.5%	1.1%
Ponte Vedre, FL	3.6%	8.5%	8.9%	5.5%	12.9%	1.1%
Total	**248**	**425**	720	800	278	353

Table 33: Alternative Destinations by Year

How did Hilton Head Island make it onto your list of places to consider for your vacation?

	2019	2021	2022	2023	2024	2025
Had visited in the past and wanted to return.	80.3%	60.0%	42.5%	20.4%	40.6%	56.8%
Wanted to visit a beach destination.	48.3%	49.7%	45.7%	32.6%	52.3%	50.2%
Wanted to visit someplace new.	8.6%	18.1%	17.8%	10.6%	29.1%	24.0%
It was recommended by friends/family.	18.2%	24.1%	26.2%	12.2%	40.8%	23.7%
Wanted to visit some place within driving distance.	22.7%	23.9%	19.4%	7.9%	18.5%	22.8%
Wanted to visit because of the nature-based attractions.	10.9%	14.5%	23.3%	23.4%	39.9%	11.3%
Wanted to visit heritage attractions.	4.6%	7.8%	20.3%	18.2%	32.6%	6.0%
Discovered/learned about it on the internet/display ads/search engines.	3.0%	7.5%	10.1%	4.7%	19.2%	4.6%
Saw an advertisement in a magazine or website/social media about the area.	2.1%	4.0%	9.9%	4.4%	18.3%	3.7%
Safe place to visit during or after COVID-19 pandemic.	-	19.0%	9.3%	4.2%	7.8%	2.9%
Wanted to attend a cultural/performing arts event.	1.9%	2.7%	6.3%	3.2%	14.1%	2.8%
Wanted to attend a sporting event.	1.7%	2.9%	4.3%	1.9%	6.6%	1.2%
Other	14.2%	8.5%	5.1%	2.9%	6.6%	12.2%
N	953	1,039	1,570	1,288	574	1,084

Table 34: Reasons for Visiting Hilton Head Island

How likely are you to return to Hilton Head Island?

	2021	2022	2023	2024	2025
Very likely	74.3%	62.7%	44.4%	53.7%	69.9%
Likely	15.0%	22.5%	24.3%	30.4%	18.3%
Neutral	7.6%	9.5%	17.2%	12.6%	6.8%
Unlikely	1.9%	3.7%	13.4%	2.2%	3.3%
Very Unlikely	1.3%	1.7%	0.6%	1.0%	1.7%
N	1,027	1,510	1,027	574	1,051

Table 35: Likelihood of Visiting Hilton Head Island Again

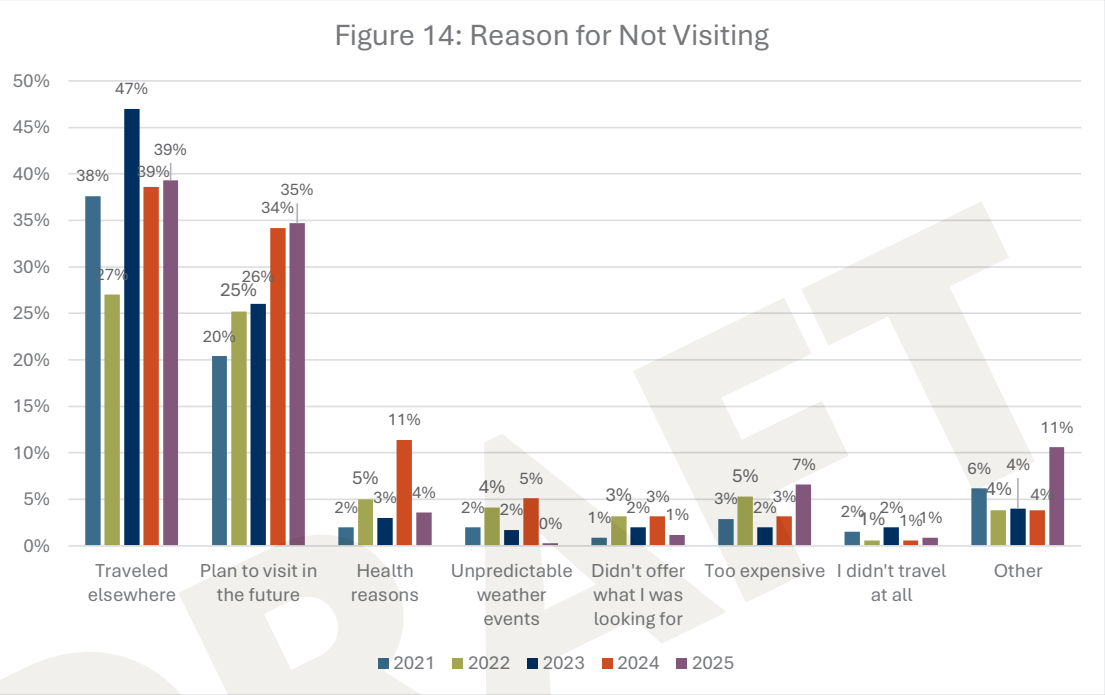
How likely are you to recommend visiting Hilton Head Island to a friend or family member?

	2021	2022	2023	2024	2025
Definitely Recommend	79.7%	70.2%	48.4%	65.6%	79.7%
Probably Recommend	14.9%	21.8%	22.8%	23.4%	12.4%
May or May Not Recommend	4.9%	6.2%	14.1%	9.0%	4.3%
Probably Not Recommend	0.5%	1.5%	14.4%	1.6%	1.3%
Definitely Not Recommend	-	0.2%	0.2%	0.3%	0.6%
N	1,034	1,522	1,039	574	1,071

Table 36: Likelihood of Recommending a Visit to Hilton Head Island

Non-Visitors

Which of the following most accurately reflects why you did not visit Hilton Head Island-Bluffton during the last 12 months?



	2021	2022	2023	2024	2025
Traveled elsewhere	37.6%	27.0%	47.0%	38.6%	39.3%
Plan to visit in the future	20.4%	25.2%	26.0%	34.2%	34.7%
Too expensive	2.9%	5.3%	2.0%	3.2%	6.6%
Health reasons	2.0%	5.0%	3.0%	11.4%	3.6%
Didn't offer what I was looking for	0.9%	3.2%	2.0%	3.2%	1.2%
Unpredictable weather events	2.0%	4.1%	1.7%	5.1%	0.3%
I didn't travel at all	1.5%	0.6%	2.0%	0.6%	0.9%
Other	6.2%	3.8%	4.0%	3.8%	10.6%
COVID-19 pandemic	26.5%	25.8%	7.0%	-	0.3%
N	860	341	100	158	331

Table 37: Reasons for Not Visiting

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Please indicate the region(s) that you traveled to in the past 12 months.

	2021	2022	2023	2024	2025
USA - Southeast (GA, FL, NC, SC)	26.9%	33.7%	42.0%	34.4%	48.9%
USA - West (AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY)	9.8%	19.6%	22.0%	25.5%	24.2%
USA - Midwest (IA, IN, IL, KS, MI, MN, MO, ND, NE, OH, SD, WI)	10.5%	20.8%	17.0%	14.0%	23.3%
USA - South (AL, AR, KY, LA, MS, OK, TN, TX)	9.0%	22.3%	27.0%	23.6%	19.0%
USA - Northeast (CT, MA, MA, NJ, NH, NY, PA, RI, VT)	9.1%	18.5%	24.0%	33.1%	14.2%
Europe	1.2%	7.3%	10.0%	14.6%	11.5%
USA - South Atlantic (DE, DC, MD, VA, WV)	8.0%	17.0%	16.0%	14.6%	10.3%
Latin America and Caribbean	2.1%	6.5%	6.0%	12.1%	8.2%
Canada	1.4%	10.9%	16.0%	16.6%	7.9%
Asia	0.5%	4.4%	8.0%	12.1%	0.9%
Africa	0.3%	1.2%	1.0%	2.5%	0.6%
Australia/New Zealand	0.2%	3.2%	6.0%	5.1%	0.0%
N	860	341	100	157	331

Table 38: Regions Visited by Non-Visitors in the Past 12 Months

How many times have you visited Hilton Head Island in the past 10 years?

	2021	2022	2023	2024	2025
Never visited	38.9%	42.9%	33.7%	29.7%	53.5%
1	18.6%	14.0%	9.5%	16.3%	14.5%
2 to 5	30.2%	36.4%	40.8%	45.5%	25.1%
6 to 10	9.8%	5.0%	13.6%	6.5%	4.8%
11 to 20	1.9%	0.9%	1.2%	1.6%	0.3%
21 or more	0.9%	0.5%	1.2%	0.4%	0.3%
N	860	341	169	246	331

Table 39: Visitation Frequency in the Past 10 Years by Non-visitors

Do you have plans to visit Hilton Head Island-Bluffton in the near future?

	2021	2022	2023	2024	2025
Yes, within one year	49.2%	50.1%	48.8%	36.7%	51.1%
Yes, but not sure when	42.5%	49.0%	47.0%	55.9%	39.9%
No	8.3%	0.9%	4.2%	36.7%	6.9%
N	859	341	168	245	331

Table 40: Plans of visiting Hilton Head Island-Bluffton in the Future by Non-Visitors

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Travel Behavior – All Respondents

On average, approximately how many leisure/vacation trips do you take each year?

	2021	2022	2023	2024	2025
0 to 1	15.3%	10.0%	7.3%	11.7%	10.1%
2 to 4	55.1%	47.3%	50.6%	57.8%	59.4%
5 to 7	19.2%	29.9%	23.4%	18.8%	19.6%
8 to 10	6.3%	8.2%	15.8%	8.7%	5.9%
More than 10	4.1%	4.7%	2.9%	3.0%	5.1%
N	1,042	984	1,625	1,025	1,521

Table 41: Frequency of Leisure/Vacation Trips

Which month(s) are you most likely to travel for vacation purposes?

Figure 15: Preferred Travel Months

	2021	2022	2023	2024	2025
January	14.8%	8.5%	12.6%	14.8%	14.7%
February	21.3%	17.8%	15.9%	18.8%	22.2%
March	24.4%	17.7%	16.1%	17.4%	30.5%
April	26.2%	16.5%	13.9%	21.6%	37.9%
May	32.5%	20.5%	20.8%	21.9%	43.8%
June	40.5%	38.4%	29.6%	37.1%	48.8%
July	36.5%	33.7%	31.3%	33.7%	41.9%
August	32.9%	20.7%	20.4%	23.6%	37.1%
September	40.1%	21.4%	24.1%	28.7%	48.5%
October	40.6%	29.8%	27.3%	30.8%	50.2%
November	22.2%	20.0%	15.8%	18.8%	20.8%
December	18.7%	8.5%	15.3%	17.6%	17.6%
N	1,042	984	1,625	1,040	1,521

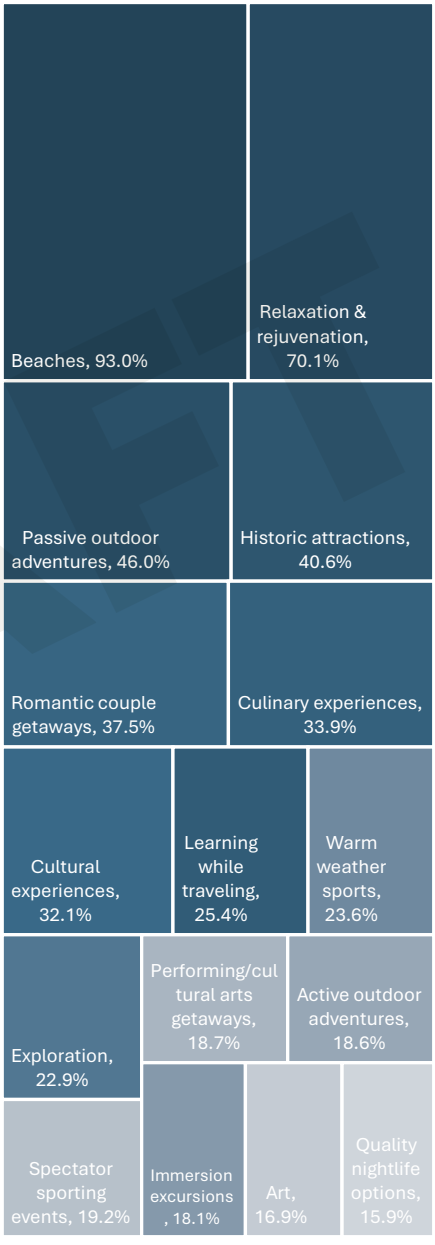
Table 42: Preferred Travel Months

To what extent do the following types of vacations/leisure trips and/or travel experiences appeal to you?

"Appealing" + "Very Appealing"	2021	2022	2023	2024	2025
Beaches	88.4%	65.1%	71.2%	87.1%	93.0%
Relaxation & rejuvenation	85.4%	66.9%	72.2%	85.3%	70.1%
Passive outdoor adventures	72.6%	64.4%	63.7%	76.1%	46.0%
Romantic couple getaways	70.0%	65.0%	60.8%	74.7%	40.6%
Historic attractions	75.5%	64.4%	60.9%	73.6%	25.4%
Culinary experiences	70.1%	63.7%	60.3%	73.0%	33.9%
Cultural experiences	70.7%	62.9%	57.5%	72.1%	37.5%
Quality nightlife options	52.6%	60.3%	52.2%	66.7%	32.1%
Learning while traveling	60.9%	56.3%	54.1%	66.2%	22.9%
Immersion excursions	49.6%	57.4%	51.1%	66.1%	23.6%
Active outdoor adventures	46.8%	59.6%	51.9%	64.8%	18.1%
Exploration	57.5%	59.8%	54.1%	63.7%	18.6%
Art	49.8%	57.1%	49.2%	63.1%	18.7%
Theme parks	44.7%	58.7%	51.7%	63.1%	19.2%
Warm weather sports	52.7%	61.2%	53.5%	62.9%	16.9%
Water sports	48.8%	60.4%	51.1%	62.1%	15.9%
Performing/cultural arts getaways	51.2%	58.6%	50.5%	61.0%	15.4%
Luxury camping	39.9%	55.0%	50.7%	60.6%	14.9%
Urban getaway	48.4%	58.5%	48.0%	60.2%	12.8%
Spectator sporting events	49.2%	57.0%	51.5%	59.7%	13.9%
Waterparks	40.3%	54.4%	47.9%	58.4%	12.1%
Medical/wellness	40.8%	55.5%	47.9%	56.1%	8.4%
Golf getaways	37.4%	50.6%	41.9%	52.3%	10.9%
Winter sports	30.2%	53.9%	42.5%	51.7%	7.2%
Voluntourism	29.5%	49.9%	40.8%	47.6%	6.4%
Tennis getaways	25.8%	48.5%	36.2%	47.0%	5.9%
N	949	1,005	1,62	967	1,539

Table 43: Preferred Vacation/Leisure Travel Experiences

Figure 16: Preferred Travel Experiences



How important are the following attributes to you in choosing a leisure vacation?

"Important" + "Very Important"	2021	2022	2023	2024	2025
Natural beauty of the destination	88.4%	72.1%	76.9%	92.8%	90.7%
Ease of access	85.4%	70.5%	73.3%	85.5%	89.3%
Quality of lodging options	52.7%	71.0%	72.6%	84.9%	88.1%
Affordability	75.5%	67.2%	73.0%	80.6%	86.9%
Quality of dining options	44.7%	72.5%	74.6%	85.8%	86.7%
Diversity of dining options	70.0%	68.6%	70.4%	83.2%	78.9%
Travel distance	70.7%	63.1%	63.3%	71.1%	68.8%
Diversity of lodging options	25.8%	67.3%	65.9%	77.8%	64.5%
Low traffic congestion	60.9%	64.8%	63.6%	74.7%	63.9%
Access to other cities in the surrounding area	46.8%	58.8%	57.8%	66.9%	54.1%
Environmental/ecological sensitivity	72.6%	67.6%	59.2%	69.9%	49.4%
Activities like events/festivals	49.6%	64.2%	55.4%	66.0%	48.0%
Medical/wellness	37.4%	60.4%	52.6%	60.1%	35.7%
Nightlife activity options	48.4%	61.4%	53.2%	65.7%	28.2%
Public transportation	57.5%	57.0%	49.2%	57.9%	23.2%
Total	949	1,005	1,625	967	1,526

Table 44: Preferred Attributes for Vacations/Leisure Travel

Please indicate the extent to which you agree with the following statements.

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
I would rather rely on a travel agent or tour operator than make my own travel arrangements.	2.0%	4.9%	26.8%	35.3%	25.8%
I try to support the local economy of places that I visit.	32.4%	49.9%	7.2%	1.1%	4.1%
N					1,526

Table 45: Travel Preferences

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APPENDIX

ALL ZIP CODES COLLECTED BY MSA

MSA	Count	Percent	MSA	Count	Percent
New York-Newark-Jersey City, NY-NJ	71	4.6%	Hartford-West Hartford-East Hartford, CT	7	0.5%
Chicago-Naperville-Elgin, IL-IN	57	3.7%	Jacksonville, FL	7	0.5%
Atlanta-Sandy Springs-Roswell, GA	44	2.9%	Nashville-Davidson--Murfreesboro--Franklin, TN	7	0.5%
Charlotte-Concord-Gastonia, NC-SC	40	2.6%	Orlando-Kissimmee-Sanford, FL	7	0.5%
Cincinnati, OH-KY-IN	40	2.6%	Savannah, GA	7	0.5%
Rural OH	39	2.5%	Athens-Clarke County, GA	6	0.4%
Pittsburgh, PA	37	2.4%	Austin-Round Rock-San Marcos, TX	6	0.4%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	35	2.3%	Birmingham, AL	6	0.4%
Columbus, OH	34	2.2%	Charleston-North Charleston, SC	6	0.4%
Minneapolis-St. Paul-Bloomington, MN-WI	31	2.0%	Des Moines-West Des Moines, IA	6	0.4%
Akron, OH	30	1.9%	Johnson City, TN	6	0.4%
Hilton Head Island-Bluffton-Port Royal, SC	29	1.9%	Lexington-Fayette, KY	6	0.4%
Boston-Cambridge-Newton, MA-NH	26	1.7%	Omaha, NE-IA	6	0.4%
Dallas-Fort Worth-Arlington, TX	24	1.6%	Port St. Lucie, FL	6	0.4%
Greenville-Anderson-Greer, SC	23	1.5%	Worcester, MA	6	0.4%
Washington-Arlington-Alexandria, DC-VA-MD-WV	22	1.4%	Appleton, WI	5	0.3%
Indianapolis-Carmel-Greenwood, IN	20	1.3%	Bridgeport-Stamford-Danbury, CT	5	0.3%
Louisville/Jefferson County, KY-IN	20	1.3%	Dayton-Kettering-Beavercreek, OH	5	0.3%
Toledo, OH	19	1.2%	Fort Wayne, IN	5	0.3%
Myrtle Beach-Conway-North Myrtle Beach, SC	18	1.2%	Greensboro-High Point, NC	5	0.3%
St. Louis, MO-IL	18	1.2%	Madison, WI	5	0.3%
Augusta-Richmond County, GA-SC	17	1.1%	Peoria, IL	5	0.3%
Columbia, SC	16	1.0%	Rural AL	5	0.3%
Grand Rapids-Wyoming-Kentwood, MI	16	1.0%	San Francisco-Oakland-Fremont, CA	5	0.3%
Asheville, NC	15	1.0%	Springfield, IL	5	0.3%
Detroit-Warren-Dearborn, MI	14	0.9%	Winston-Salem, NC	5	0.3%
Milwaukee-Waukesha, WI	14	0.9%	Allentown-Bethlehem-Easton, PA-NJ	4	0.3%
Baltimore-Columbia-Towson, MD	13	0.8%	Ann Arbor, MI	4	0.3%
Buffalo-Cheektowaga, NY	13	0.8%	Atlantic City-Hammonton, NJ	4	0.3%
Rochester, NY	13	0.8%	Barnstable Town, MA	4	0.3%
Durham-Chapel Hill, NC	12	0.8%	Binghamton, NY	4	0.3%
Los Angeles-Long Beach-Anaheim, CA	12	0.8%	Blacksburg-Christiansburg-Radford, VA	4	0.3%
Phoenix-Mesa-Chandler, AZ	12	0.8%	Bloomington, IL	4	0.3%
Richmond, VA	12	0.8%	Burlington-South Burlington, VT	4	0.3%
Kansas City, MO-KS	11	0.7%	Canton-Massillon, OH	4	0.3%
Miami-Fort Lauderdale-West Palm Beach, FL	11	0.7%	Harrisonburg, VA	4	0.3%
Virginia Beach-Chesapeake-Norfolk, VA-NC	11	0.7%	Lafayette-West Lafayette, IN	4	0.3%
Kingsport-Bristol, TN-VA	10	0.6%	Lancaster, PA	4	0.3%
Raleigh-Cary, NC	10	0.6%	Lynchburg, VA	4	0.3%
Wilmington, NC	10	0.6%	North Wilkesboro, NC	4	0.3%
Albany-Schenectady-Troy, NY	9	0.6%	Norwich-New London-Willimantic, CT	4	0.3%
Knoxville, TN	9	0.6%	Palm Bay-Melbourne-Titusville, FL	4	0.3%
Denver-Aurora-Centennial, CO	8	0.5%	Portland-Vancouver-Hillsboro, OR-WA	4	0.3%
Harrisburg-Carlisle, PA	8	0.5%	Rural GA	4	0.3%
Houston-Pasadena-The Woodlands, TX	8	0.5%	Rural MI	4	0.3%
Providence-Warwick, RI-MA	8	0.5%	Rural NH	4	0.3%
Rural IA	8	0.5%	Rural NY	4	0.3%

MSA	Count	Percent	MSA	Count	Percent
Scranton--Wilkes-Barre, PA	4	0.3%	Kingston, NY	2	0.1%
Seattle-Tacoma-Bellevue, WA	4	0.3%	Las Vegas-Henderson-North Las Vegas, NV	2	0.1%
Seneca, SC	4	0.3%	Manchester-Nashua, NH	2	0.1%
Albany, GA	3	0.2%	Marshall, MN	2	0.1%
Auburn, NY	3	0.2%	Marshalltown, IA	2	0.1%
Batavia, NY	3	0.2%	Morehead City, NC	2	0.1%
Beaver Dam, WI	3	0.2%	Norwalk, OH	2	0.1%
Cape Coral-Fort Myers, FL	3	0.2%	Ogden, UT	2	0.1%
Cedar Rapids, IA	3	0.2%	Oneonta, NY	2	0.1%
Celina, OH	3	0.2%	Parkersburg-Vienna, WV	2	0.1%
Charleston, WV	3	0.2%	Portsmouth, OH	2	0.1%
Charlottesville, VA	3	0.2%	Reading, PA	2	0.1%
Chattanooga, TN-GA	3	0.2%	Richmond-Berea, KY	2	0.1%
Eau Claire, WI	3	0.2%	Rochelle, IL	2	0.1%
Evansville, IN	3	0.2%	Rochester, MN	2	0.1%
Frankfort, KY	3	0.2%	Rockingham, NC	2	0.1%
Huntington-Ashland, WV-KY-OH	3	0.2%	Rural KY	2	0.1%
Jackson, MI	3	0.2%	Rural MO	2	0.1%
Jamestown-Dunkirk, NY	3	0.2%	Rural NC	2	0.1%
Lewisburg, PA	3	0.2%	Rural PA	2	0.1%
Macon-Bibb County, GA	3	0.2%	Rural VA	2	0.1%
Monroe, MI	3	0.2%	Somerset, KY	2	0.1%
Morristown, TN	3	0.2%	Somerset, PA	2	0.1%
New Haven, CT	3	0.2%	Springfield, OH	2	0.1%
North Port-Bradenton-Sarasota, FL	3	0.2%	Statesboro, GA	2	0.1%
Ocala, FL	3	0.2%	Syracuse, NY	2	0.1%
Roanoke, VA	3	0.2%	Tampa-St. Petersburg-Clearwater, FL	2	0.1%
Rural MN	3	0.2%	Torrington, CT	2	0.1%
Salem, OH	3	0.2%	Warner Robins, GA	2	0.1%
San Antonio-New Braunfels, TX	3	0.2%	Weirton-Steubenville, WV-OH	2	0.1%
Spartanburg, SC	3	0.2%	West Plains, MO	2	0.1%
Wichita, KS	3	0.2%	York-Hanover, PA	2	0.1%
Youngstown-Warren, OH	3	0.2%	Albuquerque, NM	1	0.1%
Adrian, MI	2	0.1%	Alexandria, LA	1	0.1%
Ashland, OH	2	0.1%	Altoona, PA	1	0.1%
Auburn, IN	2	0.1%	Amarillo, TX	1	0.1%
Baton Rouge, LA	2	0.1%	Anchorage, AK	1	0.1%
Bedford, IN	2	0.1%	Astoria, OR	1	0.1%
Bismarck, ND	2	0.1%	Athens, TN	1	0.1%
Boise City, ID	2	0.1%	Bangor, ME	1	0.1%
Boulder, CO	2	0.1%	Batesville, AR	1	0.1%
Burlington, NC	2	0.1%	Beaumont-Port Arthur, TX	1	0.1%
Champaign-Urbana, IL	2	0.1%	Billings, MT	1	0.1%
Charleston-Mattoon, IL	2	0.1%	Bloomington, IN	1	0.1%
Clewiston, FL	2	0.1%	Bloomsburg-Berwick, PA	1	0.1%
Columbus, IN	2	0.1%	Brainerd, MN	1	0.1%
Decatur, IN	2	0.1%	Brookings, SD	1	0.1%
Deltona-Daytona Beach-Ormond Beach, FL	2	0.1%	Brunswick-St. Simons, GA	1	0.1%
Erie, PA	2	0.1%	Bucyrus, OH	1	0.1%
Fort Collins-Loveland, CO	2	0.1%	Cañon City, CO	1	0.1%
Fresno, CA	2	0.1%	Cape Girardeau, MO-IL	1	0.1%
Greeneville, TN	2	0.1%	Chico, CA	1	0.1%
Holland, MI	2	0.1%	Clarksburg, WV	1	0.1%
Kalamazoo-Portage, MI	2	0.1%	Cleveland, TN	1	0.1%
Keene, NH	2	0.1%	Clinton, IA	1	0.1%

MSA	Count	Percent	MSA	Count	Percent
Colorado Springs, CO	1	0.1%	Owensboro, KY	1	0.1%
Columbus, NE	1	0.1%	Oxnard-Thousand Oaks-Ventura, CA	1	0.1%
Concord, NH	1	0.1%	Paducah, KY-IL	1	0.1%
Corpus Christi, TX	1	0.1%	Pierre, SD	1	0.1%
Crawfordsville, IN	1	0.1%	Portland-South Portland, ME	1	0.1%
Cumberland, MD-WV	1	0.1%	Provo-Orem-Lehi, UT	1	0.1%
Danville, IL	1	0.1%	Racine-Mount Pleasant, WI	1	0.1%
Daphne-Fairhope-Foley, AL	1	0.1%	Reno, NV	1	0.1%
Davenport-Moline-Rock Island, IA-IL	1	0.1%	Riverside-San Bernardino-Ontario, CA	1	0.1%
Decatur, AL	1	0.1%	Rockford, IL	1	0.1%
Decatur, IL	1	0.1%	Rural CA	1	0.1%
Defiance, OH	1	0.1%	Rural CO	1	0.1%
Duluth, MN-WI	1	0.1%	Rural IL	1	0.1%
Durant, OK	1	0.1%	Rural MD	1	0.1%
Elkhart-Goshen, IN	1	0.1%	Rural NE	1	0.1%
Eureka-Arcata, CA	1	0.1%	Rural WI	1	0.1%
Faribault-Northfield, MN	1	0.1%	Sacramento-Roseville-Folsom, CA	1	0.1%
Fayetteville-Springdale-Rogers, AR	1	0.1%	Salisbury, MD	1	0.1%
Findlay, OH	1	0.1%	San Angelo, TX	1	0.1%
Florence, SC	1	0.1%	San Diego-Chula Vista-Carlsbad, CA	1	0.1%
Fond du Lac, WI	1	0.1%	San Jose-Sunnyvale-Santa Clara, CA	1	0.1%
Fremont, OH	1	0.1%	Sandusky, OH	1	0.1%
Gaffney, SC	1	0.1%	Sault Ste. Marie, MI	1	0.1%
Gainesville, FL	1	0.1%	Sevierville, TN	1	0.1%
Gainesville, GA	1	0.1%	Sidney, OH	1	0.1%
Grand Junction, CO	1	0.1%	Spokane-Spokane Valley, WA	1	0.1%
Green Bay, WI	1	0.1%	Stevens Point-Plover, WI	1	0.1%
Hickory-Lenoir-Morganton, NC	1	0.1%	Sumter, SC	1	0.1%
Hilo-Kailua, HI	1	0.1%	Talladega-Sylacauga, AL	1	0.1%
Huntsville, AL	1	0.1%	Texarkana, TX-AR	1	0.1%
Jackson, MS	1	0.1%	Tupelo, MS	1	0.1%
Jefferson City, MO	1	0.1%	Vallejo, CA	1	0.1%
Jefferson, GA	1	0.1%	Victoria, TX	1	0.1%
Killeen-Temple, TX	1	0.1%	Waterloo-Cedar Falls, IA	1	0.1%
Lakeland-Winter Haven, FL	1	0.1%	Wooster, OH	1	0.1%
Lawrence, KS	1	0.1%			
Lawrenceburg, TN	1	0.1%			
Lewisburg, TN	1	0.1%			
Lima, OH	1	0.1%			
Logan, UT-ID	1	0.1%			
Longview, TX	1	0.1%			
Meadville, PA	1	0.1%			
Memphis, TN-MS-AR	1	0.1%			
Michigan City-La Porte, IN	1	0.1%			
Milledgeville, GA	1	0.1%			
Mobile, AL	1	0.1%			
Monroe, LA	1	0.1%			
Montgomery, AL	1	0.1%			
Muncie, IN	1	0.1%			
Natchitoches, LA	1	0.1%			
Newport, TN	1	0.1%			
Oak Harbor, WA	1	0.1%			
Oshkosh-Neenah, WI	1	0.1%			
Ottawa, IL	1	0.1%			
Owatonna, MN	1	0.1%			

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OFFICE OF TOURISM ANALYSIS, COLLEGE OF CHARLESTON

2025 Estimated Total Impact of Tourism in Hilton Head Island on Beaufort County

ESTIMATED TOTAL IMPACT OF TOURISM IN

Hilton Head Island

ON BEAUFORT COUNTY, SOUTH CAROLINA 2025

FEBRUARY 2026

CONDUCTED BY:
MELINDA PATIENCE
DANIEL GUTTENTAG, PH.D.

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Introduction

This study estimates the economic impact of tourism on the Town of Hilton Head Island in 2025. It examines the impact of such tourism on the broader economy of Beaufort County, South Carolina, and considers the direct spending by visitors, along with the positive secondary effects of those expenditures. The analysis entailed individually estimating the economic impacts associated with various tourist segments, as classified by visitors' lodging type – villa rental, hotel, timeshare, second homeowners and their non-paying guests, and same-day visitors – and then summing them to obtain an overall total.

This analysis was conducted by Dr. Daniel Guttentag and Melinda Patience of the Office of Tourism Analysis, which is part of the School of Business at the College of Charleston.

Methodology

The economic impact estimations undertaken for this analysis involved several steps and diverse data sources. Initially, visitor volume estimates for each lodging type were produced using data on lodging demand from various third-party entities (e.g., Key Data), combined with visitor behavior data collected via a Visitor Profile Survey. The estimated total number of visitors for each segment in 2025 is shown in Table 1. These figures then were used to estimate the total direct visitor spending associated with each segment. Such spending estimates also relied upon visitor expenditure data collected as part of the previously mentioned Visitor Profile Survey, which asks respondents about their spending in over a dozen categories (e.g., lodging, food, transportation, and activities). The list of expenditure categories and the total estimated direct expenditure for each category in 2025 is shown in Table 2.

The previously described data subsequently were used to determine average per-person expenditures. These figures were combined with the estimated visitor counts and used as inputs for a regional economic impact modelling tool, IMPLAN. IMPLAN is an input-output (I-O) model that uses regionalized economic data and other information to determine economic output that accounts for direct expenditure and the secondary benefits of such expenditure (i.e., indirect and induced impacts). The model further estimates labor impacts and tax revenues.

Table 1. Number of HHI Visitors

Segment	Visitors
Villa Rental	795,108
Hotel	408,261
Timeshare	476,094
Second Homeowner	603,999
Non-Paying Guests	156,745
Day Trip	228,346
Total Visitors	**2,668,553**

The following metrics, as estimated by the economic impact model, are covered within this report:

- ***Employment*:** The number of jobs in the region supported by the economic activity, which involves an industry-specific mix of full-time, part-time, and seasonal employment. Seasonal jobs are adjusted to annual equivalents.

Table 2. 2025 Estimated Total Expenditure by Spending Category

Category	Totals
Transportation (around the destination)	$209,991,116
Lodging	$1,003,246,352
Food – Dining Out	$414,879,675
Food – Groceries	$166,713,061
Shopping	$267,845,799
Spas	$85,381,926
Golf	$153,558,010
Biking	$52,784,745
Performance/Visual Arts	$70,256,360
Festivals	$46,386,053
Museums/Historical Tours	$64,694,203
Boating/Sailing/Fishing	$127,660,591
Nature-based Activities	$48,709,382
Dolphin Tours	$56,343,640
Tennis	$43,427,850
Other Expenses	$84,576,647
Total Expenditure	**$2,896,455,409**

- ***Labor income*:** All forms of employment income, including employee compensation (wages and benefits) and proprietor income.
- ***Output*:** The total value of industry production, which for the service sector represents total sales, for the retail sector represents gross margins, and for the manufacturing sector represents sales minus inventory change.
- ***Direct*:** The initial effects to local industries that are directly receiving the expenditures of interest.
- ***Indirect*:** The secondary effects resulting from business-to-business purchases in the supply chain occurring throughout the region, as triggered by or in support of the direct expenditure activity.
- ***Induced*:** The ripple effects in the region resulting from household spending of income, after the removal of taxes, savings, and commuters.
- ***Taxes*:** These revenues take into account a variety of taxes, including sales tax, property tax, and income tax. These figures do not account for tourism taxes, such as accommodation taxes.

Results

Visitation numbers to Hilton Head Island in 2025 were slightly below the previous year. This pattern mirrors the experience of many Southeastern coastal destinations, which have seen demand gradually decline after a dramatic rise following the pandemic, when people sought out domestic destinations offering outdoor recreation opportunities. In addition, economic uncertainties and a decline in international visitation dampened travel demand throughout 2025 across much of the

country. Nevertheless, Hilton Head Island visitor volume for 2025 was nearly identical to the pre-pandemic high that was reached in 2019. Furthermore, visitor expenditure levels increased in 2025, and consequently the total economic impact of Hilton Head Island tourism on the Beaufort County economy in 2025 exceeded that of 2024.

An estimated total of **2.67 million visitors** came to Hilton Head Island in 2025, down 5.9% compared to 2024 and down 0.6% from the pre-pandemic peak, reached in 2019. The overall economic impact of this tourism on Beaufort County was **$3.95 billion**, up 6.2% compared to 2024. This economic impact represents not just the direct expenditure by visitors, but also the secondary ripple effects of such economic activity that occur as tourism businesses spend operating funds and as tourism dollars are re-spent within the region. Hilton Head Island tourism also supported an estimated **31,604 jobs**, which represent **35.4%** of all jobs in Beaufort County, as per employment data provided by the Bureau of Labor Statistics. Similar to the economic impact figure, this employment figure does not refer solely to jobs within the tourism sector, but rather to a combination of full-time, part-time, and seasonal jobs that are both directly and indirectly supported by the broader tourism economy and its secondary effects on non-tourism industries and enterprises. Impact estimates for each of the visitor segments are presented in the Appendix (Tables A1 - A6), and the employment impacts are presented in Figure 1.

A total output multiplier for tourist spending was calculated using the model estimates. This multiplier represents the ratio of total economic impact to direct spending. The estimated output multiplier for Hilton Head Island tourism on Beaufort County was **1.37**. This signifies that every dollar spent by tourists on Hilton Head Island increased output in the overall Beaufort County economy by a total of $1.37.

The tourist expenditures generated an estimated **$49.58 million** in tax revenues for local Beaufort County governments. The Town of Hilton Head Island earned an additional **$49.84 million** in accommodations tax, hospitality tax, and beach preservation fees, as reported by the Town of Hilton Head Island Revenue Services. Together, this **$99.41 million** in tax revenue represents a Return on Tax Investment (ROTI) of 34.40, based on the $2.89 million that was spent on destination marketing in 2025. In other words, each dollar spent by the Visitor & Convention Bureau yielded an estimated return of **$34.40** in local tax revenue.

Figure 1. Estimated Employment Impacts by Visitor Segment

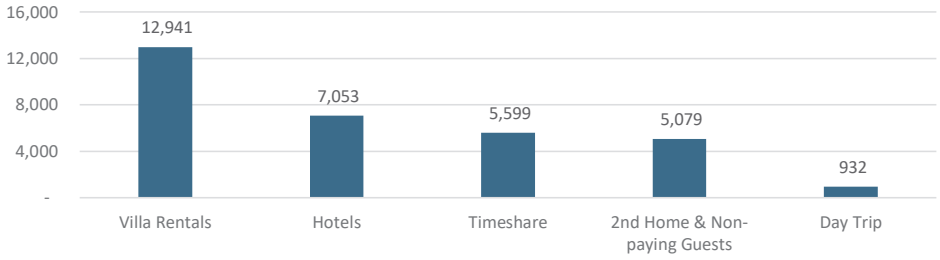

Figure 2. Marketing Spend and Estimated Local Tax Revenue Growth (in Millions)

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Appendix

Table A1. Villa Rental – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	9,605	$350,616,959	$1,171,484,315
Indirect	2,123	$108,755,846	$366,453,107
Induced	1,214	$61,685,367	$219,287,871
Total	**12,941**	**$521,058,172**	**$1,757,225,294**

Table A2. Hotel – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	5,306	$159,076,138	$551,229,309
Indirect	1,168	$58,841,158	$203,218,677
Induced	578	$29,353,483	$104,351,712
Total	**7,053**	**$247,270,780**	**$858,799,698**

Table A3. Timeshare – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	4,190	$132,955,919	$465,617,728
Indirect	931	$47,938,835	$160,637,121
Induced	479	$24,322,997	$86,467,336
Total	**5,599**	**$205,217,751**	**$712,722,185**

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Table A4. Second Homeowner & Non-Paying Guests – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	3,912	$101,044,987	$320,925,055
Indirect	793	$39,520,883	$138,953,280
Induced	374	$19,000,070	$67,547,123
Total	**5,079**	**$159,565,941**	**$527,425,458**

Table A5. Day Trip – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	716	$21,838,866	$59,910,050
Indirect	140	$6,807,261	$24,309,517
Induced	76	$3,864,687	$13,739,239
Total	**932**	**$32,510,814**	**$97,958,806**

Table A6. Total, All Segments – Estimated Economic Impact on Beaufort County

	Employment	Labor Income	Output
Direct	23,729	$765,532,870	$2,569,166,457
Indirect	5,155	$261,863,984	$893,571,702
Induced	2,721	$138,226,603	$491,393,282
Total	**31,604**	**$1,165,623,457**	**$3,954,131,441**
Estimated Local Tax Revenue			$49,576,954
Local Tourism Tax Revenue (ATax, HTax, and Beach Preservation Fees)			$49,837,512
Total Estimated Local Tax Revenue			**$99,414,466**

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Table A7. Top 50 Industries Impacted by HHI Tourism

	Industry	Output
1	Non-hotel accommodations	$822,889,518.65
2	Full-service restaurants	$443,306,443.76
3	Fitness and recreational sports centers	$251,435,561.60
4	Other real estate	$232,876,295.11
5	Transit and ground passenger transportation	$212,672,151.13
6	Hotels and motels, including casino hotels	$181,321,631.15
7	Miscellaneous store retailers	$148,643,562.94
8	Water transportation	$127,914,716.19
9	Museums, historical sites, zoos, and parks	$113,640,911.69
10	Owner-occupied housing	$100,375,180.06
11	Truck transportation	$97,767,253.22
12	Insurance agencies, brokerages, and related activities	$80,202,613.00
13	Performing arts companies	$72,910,574.30
14	Scenic and sightseeing transportation and support activities for transportation	$68,304,589.26
15	Food and beverage stores	$61,697,639.04
16	Other amusement and recreation industries	$49,376,615.62
17	All other food and drinking places	$37,810,002.38
18	Monetary authorities and depository credit intermediation	$35,550,066.72
19	Other local government enterprises	$31,119,623.71
20	Legal services	$28,502,345.38
21	Maintenance and repair construction of nonresidential structures	$27,063,775.60
22	Services to buildings	$25,216,129.18
23	Employment services	$24,547,143.00
24	Securities and commodity contracts intermediation and brokerage	$22,775,503.97
25	Limited-service restaurants	$21,813,950.10
26	Travel arrangement and reservation services	$20,283,748.66
27	Management consulting services	$20,036,143.43
28	Offices of physicians	$19,873,227.34
29	Landscape and horticultural services	$18,058,982.52
30	Advertising, public relations, and related services	$18,003,110.31
31	Postal service	$17,776,116.74
32	Management of companies and enterprises	$16,851,483.91
33	Nondepository credit intermediation and related activities	$16,657,563.63
34	Lessors of nonfinancial intangible assets	$16,549,080.81
35	Accounting, tax preparation, bookkeeping, and payroll services	$15,734,512.64
36	Other financial investment activities	$15,383,027.58
37	Data processing, hosting, and related services	$14,604,188.11
38	Automotive repair and maintenance, except car washes	$13,258,147.40
39	Motor vehicle and parts dealers	$12,626,802.31
40	Insurance carriers, except direct life	$12,067,724.66
41	Commercial and industrial machinery and equipment rental and leasing	$12,007,569.06
42	General merchandise stores	$11,487,702.74
43	Couriers and messengers	$11,323,509.03

	Industry	Output
44	Wholesale - Other nondurable goods merchant wholesalers	$10,944,823.49
45	Tenant-occupied housing	$10,818,011.66
46	Internet publishing and broadcasting and web search portals	$10,809,468.38
47	Personal and household goods repair and maintenance	$10,107,404.31
48	Waste management and remediation services	$9,391,336.02
49	Gasoline stores	$9,360,953.40
50	Electric power transmission and distribution	$9,117,760.87

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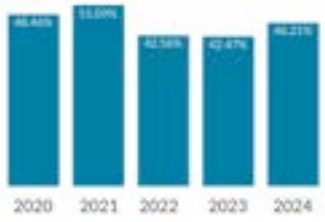
2025 Digital Marketing Recap

HILTON HEAD ISLAND PROPER

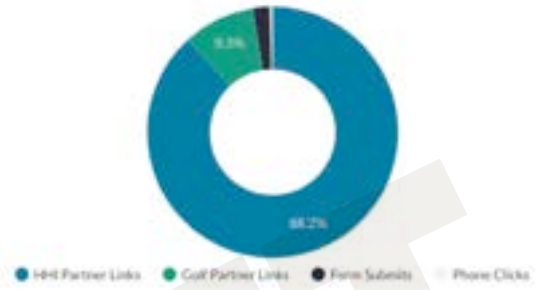
CONVERSION RATE OVERVIEW

- We were able to increase our conversion rate by a few points compared to 2023, up to 46%.
- The majority of conversions are outgoing links to partners (88.2%). Golf accounts for 9.3% of conversions. Form Submits and Click to Call actions drove 2.6% between the two.

Conversion Rate



Conversion Breakdown



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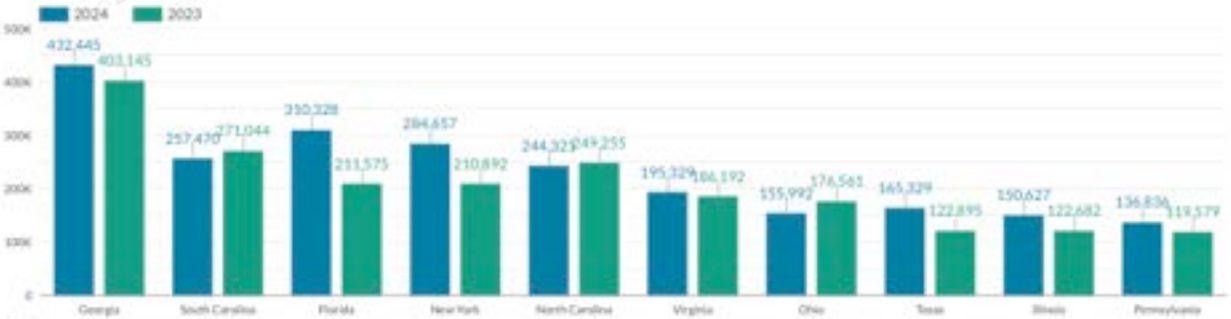
HILTON HEAD ISLAND PROPER

DMAs

In 2024 we see positive increases in many DMAs, and marginal decreases in some. Notably, traffic from Florida, New York and Texas saw really positive increases.

While traffic remained quite consistent YOY, we were able to increase our visitation from key markets.

Top 10 Markets



HILTON HEAD ISLAND PROPER

PAGE PERFORMANCE

The homepage continues to be the top landing page on the website, followed by the See & Do page, and Co-op marketing page. The America's Favorite Escapes landing page, launched in October 2024, ranked as the 11th most visited page in 2024, contributing to both website sessions and partner referrals.

The Average Session Duration and Engagement Rate metrics indicate an interested and curious audience. Users are spending more time on site than in 2023, most notably on the homepage (+ 12 sec) and the co-op page (+ 1min 6 sec). Increasing our web visitation, as well as our core engagement metrics indicates users are deepening their knowledge of the destination.

Top Pages

	Page path and screen class	Pageviews ▾	Avg Session Duration	Engagement rate
1.	/	706,773	01:37	77.12%
2.	/see-do	367,238	01:59	61.38%
3.	/offers/hilton-head-island-escapes	315,430	02:25	81.29%
4.	/stay/hotels-new-resorts	200,534	03:40	88.29%
5.	/events	149,577	02:26	79.03%
6.	/dining	100,012	00:28	28.8%
7.	/golf/golf-getaway	96,102	01:30	78.29%
8.	/hilton-head-island-airport	89,978	01:20	77.9%
9.	/stay/vacation-homes-villas	82,044	03:50	89.44%
10.	/chamber-restaurant-week	80,972	04:21	88.24%
11.	/americas-favorite-escapes	79,038	01:55	71.43%
12.	/offers	77,047	01:30	80.56%

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HILTON HEAD ISLAND

ORGANIC SOCIAL TRAFFIC

- Facebook is the key driver for the majority of the social traffic to the website, accounting for 95% of the organic social sessions.

- Users are more likely to convert on Facebook than other organic platforms. On platforms like Instagram and Pinterest, we are able to share high quality content to deeper the connection followers have with the destination, while converting users from Facebook.

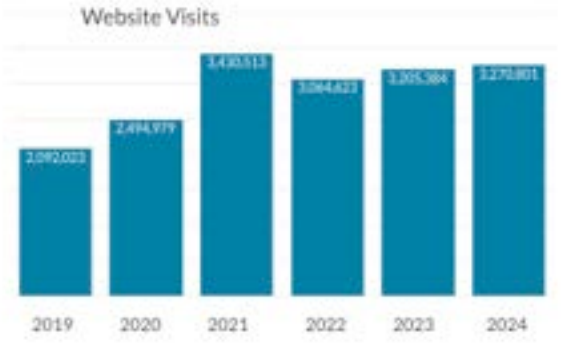
Social Traffic Engagement

	Social Network	Sessions ▾	% Sessions of Total	Pages / Session	Avg. Session Duration
1.	Facebook	129,325	96%	15.38	19:13
2.	Pinterest	3,691	3%	21.64	11:20
3.	Instagram	1,307	1%	5.06	03:13
4.	other	877	1%	39.27	02:30
5.	TripAdvisor	371	0%	18.52	07:53
6.	LinkedIn	149	0%	1.95	13:54

HILTON HEAD ISLAND PROPER

TOTAL WEBSITE VISITATION

- In 2024, there were 3.27M visits to the hiltonheadisland.org website. Search traffic (organic and paid) contributed the majority of traffic to the website (65.2%). Traffic to the website increased by +2.7% vs. PY.
- 73.7% of users navigated to the site from a mobile device, followed by 20.3% on a desktop and 5.9% from a tablet.



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WEBER SHANDWICK

2025 Public Relations Recap

COVERAGE HIGHLIGHTS

DRAFT

COVERAGE HIGHLIGHTS

EBONY

THE DESTINATIONS THAT CHANGED HOW WE TRAVELED IN 2025

the grio

Meet the first self-ruled community of black freedmen called Michelville – still standing on Hilton Head island

REFINERY29

Traveling With My Dad Taught Me About Legacy & The Gift Of Time

Forbes

Young Black Leaders Are Creating A New Economic Renaissance

COVERAGE HIGHLIGHTS

TRAVELPULSE

12 Travel Destinations to Celebrate Black History Month in 2025

Hilton Head Island, South Carolina

ESSENCE

The Black Girl's Guide To Travel: 5 Destinations Perfect For A Spring Break Getaway

Hilton Head, South Carolina

EBONY

HOW HILTON HEAD ISLAND TOOK MY PHONE, AND GAVE ME A LITTLE PEACE IN RETURN

COVERAGE HIGHLIGHTS

Medium

Where To Go On Holiday In Spring: Destinations You'll Love

For the Calm Couple: The Westin Hilton Head Island Resort & Spa

For the Fun Family: The Sea Pines Resort

For the Friends: Beach House Hilton Head Island

Southern Living

15 Charming Beach Towns To Visit This Winter

ShermansTravel

8 Great Getaways for Snowbirds

Hilton Head, South Carolina

TRAVEL+ LEISURE

13 of the Best Spring Break Ideas for Family Vacations

THE EVERYGIRL

Detour Destinations Are the Affordable Travel Trend You Need to Try in 2025

TRAVEL+ LEISURE

10 Best Spring Break Destinations in the U.S.

COVERAGE HIGHLIGHTS

TRAVEL+ LEISURE

16 Best Spa Weekend Getaways in the U.S.—All-inclusive Resorts and T+L Reader Favorites Included

Condé Nast Traveler

19 Best Family Vacation Spots in the US

The Pioneer Woman

15 Best Family Vacations That Are Fun for All Ages

THE EVERYMOM

Start Planning Your Next Trip: 16 of the Best Kid-Friendly Beach Vacations

lonely planet

8 fresh destinations for a family-friendly spring break

THE EVERYGIRL

10 Spring Trip Ideas to Start Planning Now

7. Hilton Head, South Carolina

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COVERAGE HIGHLIGHTS

the knot

Exchange Vows at These 12 Country Club Wedding Venues Across the United States

And the best part is, you don't have to be members.

Country Club of Hilton Head in Hilton Head, South Carolina

Indianapolis MONTHLY

Traveler: Hilton Head Island

COVERAGE HIGHLIGHTS

THE EVERYGIRL

15 Coastal Grandma-Inspired Destinations That Look Straight Out of a Nancy Meyers Movie

13. Hilton Head, South Carolina

TV Insider

Craig Melvin Shares Family Vacation Photos After Week-Long 'Today' Absence

lonely planet

From Charleston to Savannah: the ultimate Lowcountry road trip

TRAVEL+ LEISURE

Discover 25 of America's Best Beaches From Coast to Coast

TRAVEL+NOIRE

DOMESTIC WELLNESS DESTINATIONS TO RELAX, RELATE, AND RELEASE

HILTON HEAD, SOUTH CAROLINA: COASTAL HEALING AND SOUTHERN CHARM

TravelDreamsMagazine

No Passport, No Hassle – Your Perfect Getaway Awaits in Hilton Head Island

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COVERAGE HIGHLIGHTS

Condé Nast Traveler

23 Best Luxury Family Resorts in the US and Caribbean

the knot

The Best Ideas for a Romantic Getaway in South Carolina

If you're looking to take a romantic getaway with Southern comfort, we have ideas for you.

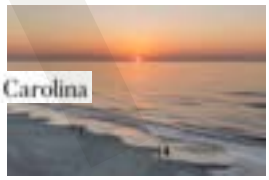
TravelDreamsMagazine

Shoulder Season Vacation Ideas – Hilton Head Island, S.C.

TRAVEL+ LEISURE

15 Top Travel Destinations to Visit in February

Hilton Head Island, South Carolina



COVERAGE HIGHLIGHTS

Reader's Digest

52 Affordable Quick Trips to Escape Without Breaking the Bank

Hilton Head, South Carolina

Condé Nast Traveler

A Day at the Condé Nast Traveler Points of View Summit

People

How Craig Melvin Turned His 'Luddite' Hobby into a Family Business Benefiting Cancer Charities (Exclusive)

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2025 Media Coverage Results

**Results represent 2025 calendar year results*

TOTAL

2,487

STORIES/MENTIONS

24,478,291,321

IMPRESSIONS

$31,719,802.95

AD VALUE

HILTON HEAD ISLAND

2025 DMO Metrics Report

2025 Destination Marketing Organization Industry Metrics

Annual Report

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The purpose of this document is to provide the Town of Hilton Head Island with tourism metrics and/or reports to showcase annual Destination Marketing Organization (DMO) performance in efforts pertaining to the promotion of Hilton Head Island. It is understood and acknowledged that such metrics and/or reports may change from time to time based on best practices, funding, and the goals outlined in the marketing plan. The evaluation shall consider the metrics and reports in this document, collectively, and shall be compared with peers and other factors that affect the tourism industry such as the state of the economy, weather, condition of the lodging properties, etc.

The metrics presented in this document are aligned with the framework established under the previous DMO contract, which remained in effect through November 2025. With the implementation of the updated contract in December 2025, certain performance measures and reporting expectations have been refined to reflect evolving strategic priorities and industry standards. As such, there may be differences between the metrics included in this report and those outlined in the FY 2026-2027 Hilton Head Island Destination Marketing Plan. Metrics aligned with the updated contract will be fully incorporated beginning with the 2026 metrics report.

All reports referenced in this document, along with related materials such as marketing plans, economic impact studies, visitor profile studies, and independent audits, are available through THINK: Transparency in Tourism Marketing at **thinkhiltonheadisland.org**. This platform serves as a central hub where the public can access both current and past information related to Hilton Head Island's tourism marketing efforts.

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Appendix

2025 Hilton Head Island Visitor Profile Survey: Office of Tourism Analysis, College of Charleston 32

2025 Community Sentiment Survey: MMGY Travel Intelligence 75

2025 Hilton Head Island Economic Impact Report: College of Charleston 90

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Visitor and Resident Satisfaction Surveys Executive Summary

As part of the official Destination Marketing Organization contract agreed upon and signed between the Town of Hilton Head Island and the Hilton Head Island & Bluffton Chamber of Commerce, we will report on resident and visitor satisfaction through annual survey results. We have an established process for both and will continue with those efforts.

Executive summaries for both surveys can be found in the appendix of this document.

- Visitor Profile Study Executive Summary, Office of Tourism Analysis, College of Charleston
- Community Sentiment Survey Executive Summary, MMGY Travel Intelligence
- Estimated Total Impact of Tourism in Hilton Head Island, College of Charleston

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Revenue Per Available Room, Occupancy Rates & Average Daily Rate

Key performance indicators (KPIs) to measure operating performance for the hospitality industry include Revenue Per Available Room (RevPAR), Occupancy Rate (OCC), and Average Daily Rate (ADR). In order to achieve the most accurate performance indication, these benchmarks should be analyzed together.

Revenue Per Available Room, (RevPAR), is used to gauge industry health and is calculated by dividing the total room revenue by the total room supply within a specific time period.

Occupancy Rate (OCC) is another metric used within the accommodations industry to gauge the health of tourism. Occupancy percentage is calculated by dividing the occupied rooms by total room supply.

Average Daily Rate (ADR) is a metric widely used to indicate the average realized room rental per day. ADR is calculated by dividing the room revenue by the total rooms sold.

RevPar = ROOM REVENUE / ROOMS AVAILABLE

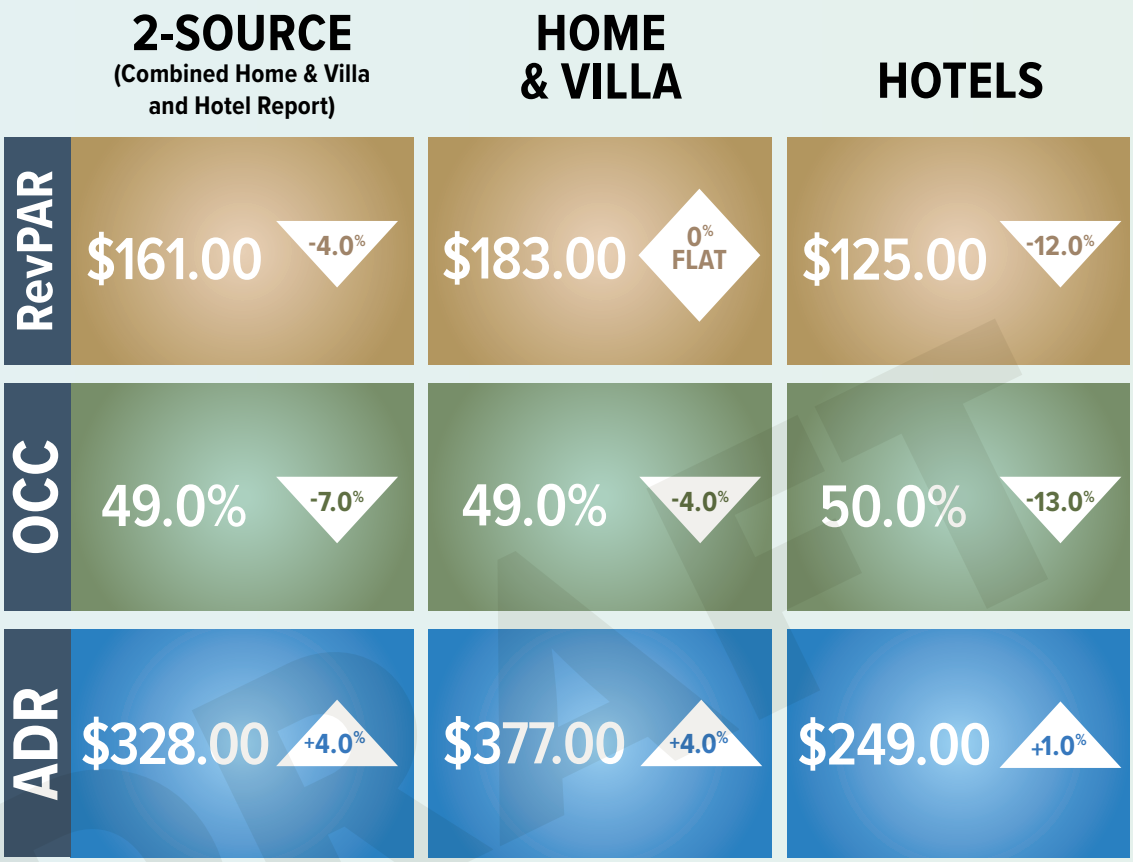
OCC = ROOMS SOLD / ROOMS AVAILABLE

ADR = ROOM REVENUE / ROOMS SOLD

Details on the next page provide 2025 performance metrics for Hilton Head Island in a two-source combined calculation that includes both home & villa and hotels as well as broken out separately for comparison. There are also additional metrics for the hotel industry that show Hilton Head Island compared against the U.S. as a whole and top competitors, Charleston and Savannah.

Home & villa numbers are based on a sample of 4,353 units/keys and could vary, as an example from a one-bedroom villa to a ten-bedroom house. The hotel numbers are based on a sample of 2,008 hotel rooms at 11 properties on the Island.

2025 Hilton Head Island Lodging Performance



HOTEL INDUSTRY COMPARISON

Nationwide
- RevPar down -0.3%
- Occupancy down -1.2%
- ADR up 0.9%

Competitor Set

Charleston
- RevPar down -3.0%
- Occupancy down -3.0%
- ADR flat 0%

Savannah
- RevPar down -7.0%
- Occupancy down -4.0%
- ADR down -3.0%

Source: 2025 Keydata

Note: Data reflects a point-in-time snapshot. YoY % changes are based on adjusted prior-year data and may not exactly match prior-year snapshot values.

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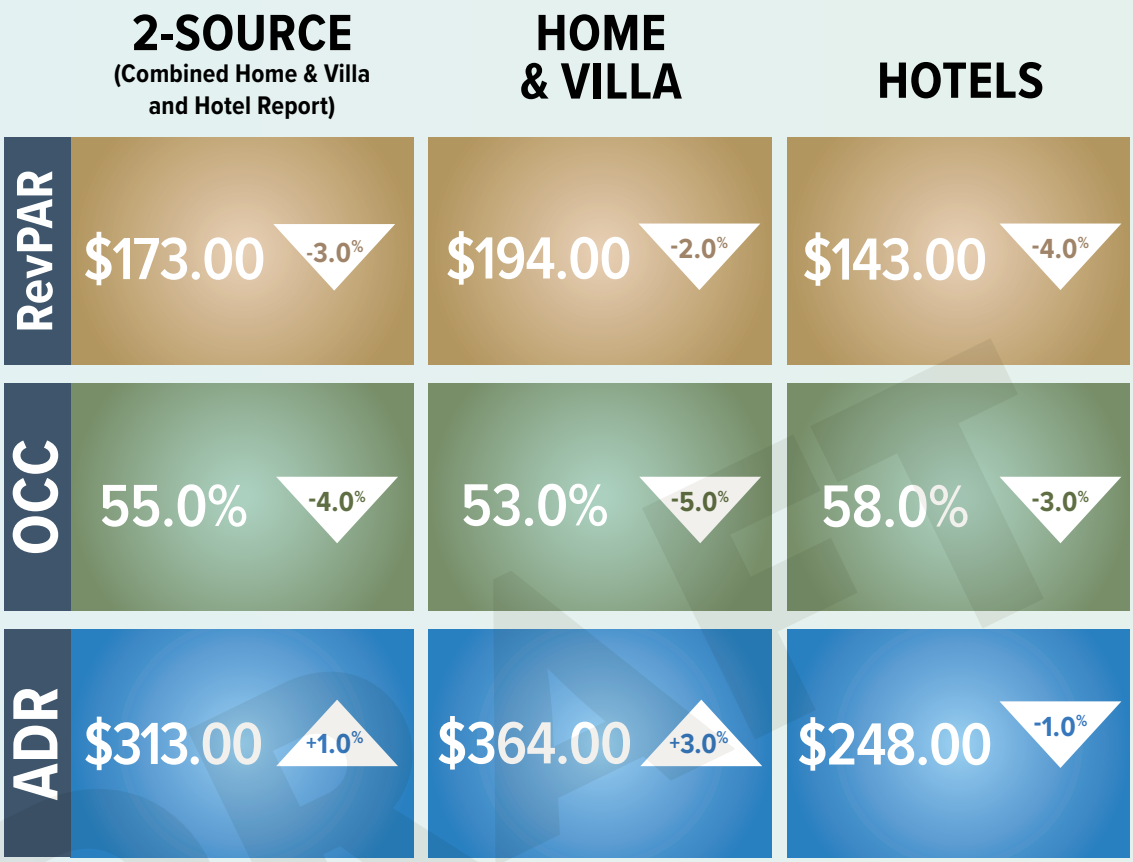
2024 Hilton Head Island Lodging Performance



HOTEL INDUSTRY COMPARISON

Nationwide
- RevPar up +1.0%
- Occupancy up +0%
- ADR up +1.0%

Competitor Set

Charleston
- RevPar up +0%
- Occupancy up +1.0%
- ADR down -1.0%

Savannah
- RevPar up +1.0%
- Occupancy up +3.0%
- ADR down -1.0%

Source: 2024 Keydata
Note: Keydata adjusts reports annually, which can result in reporting variances.

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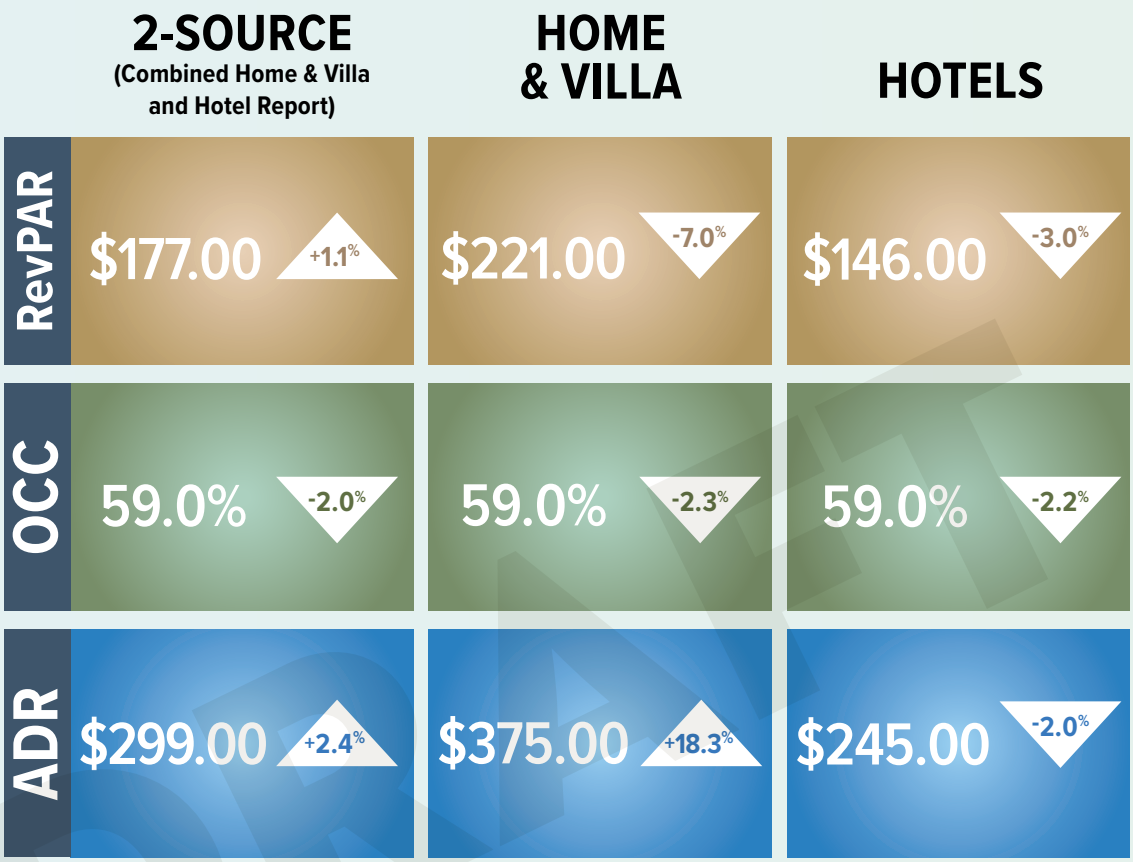
2023 Hilton Head Island Lodging Performance



HOTEL INDUSTRY COMPARISON

Nationwide
- RevPar up +4.9%
- Occupancy up +0.6%
- ADR up +4.3%

Competitor Set

Charleston
- RevPar up +2.6%
- Occupancy up +0.8%
- ADR up +1.8%

Savannah
- RevPar up +1.7%
- Occupancy up +1.1%
- ADR up +0.6%

Source: 2023 Keydata and 2023 Smith Travel Research
Note: The Smith Travel Research and Keydata platforms adjust reports annually, which can result in reporting variances.

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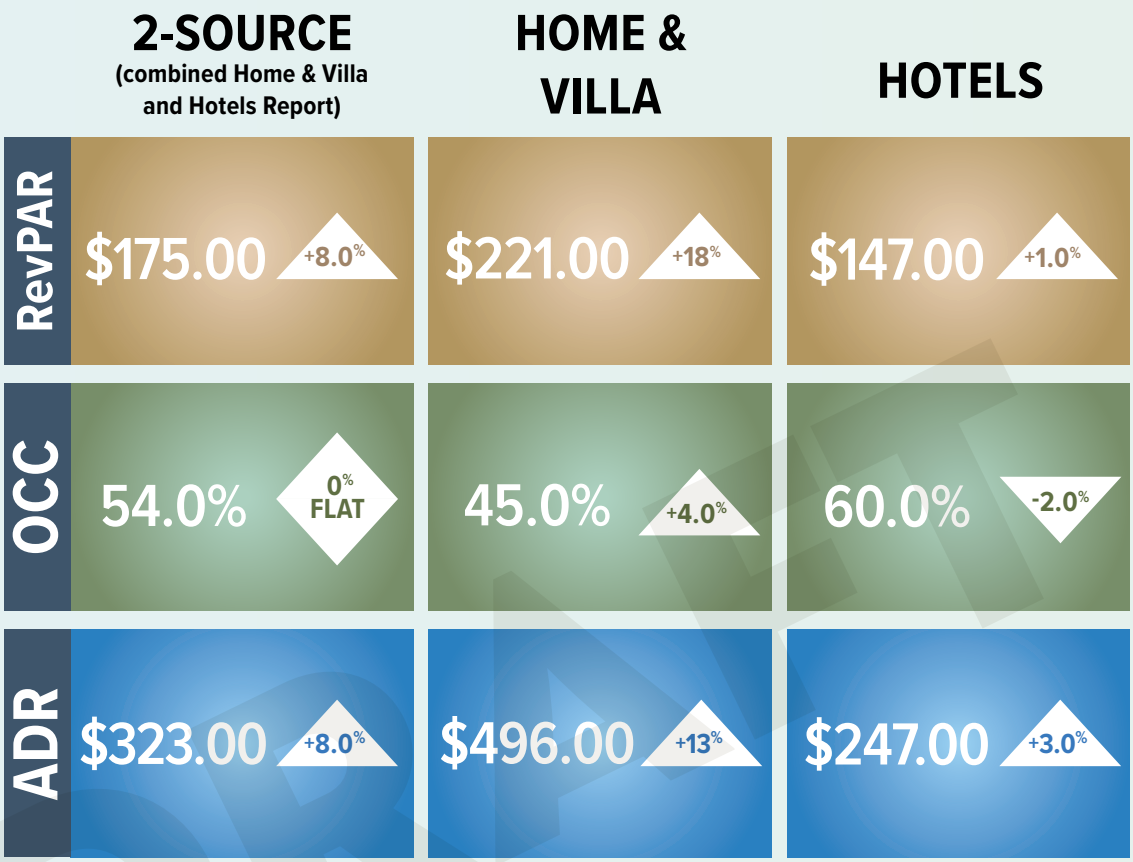
2022 Hilton Head Island Lodging Performance



HOTEL INDUSTRY COMPARISON

Nationwide
- RevPAR up +29.8%
- Occupancy up +8.9%
- ADR up +19.1%

Competitor Set

Charleston
- RevPAR up +19.4 %
- Occupancy up +6.1%
- ADR up +12.5%

Savannah
- RevPAR up +24.2%
- Occupancy up +7.7%
- ADR up +15.4 %

Source: 2022 Keydata and 2022 Smith Travel Research
Note: The Smith Travel Research and Keydata platforms adjust reports annually, which can result in reporting variances.

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2021 Hilton Head Island Lodging Performance

HOTEL INDUSTRY COMPARISON

Nationwide
- RevPAR up +58.1%
- Occupancy up +31%
- ADR up +20.7%

Competitor Set

Charleston
- RevPAR up +92.2%
- Occupancy up +39.1%
- ADR up +38.2%

Savannah
- RevPAR up +77.2%
- Occupancy up +35.0%
- ADR up +31.2%

Source: 2021 Inntopia DestiMetrics and 2021 Smith Travel Research Inc.

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Visitor Spending Studies

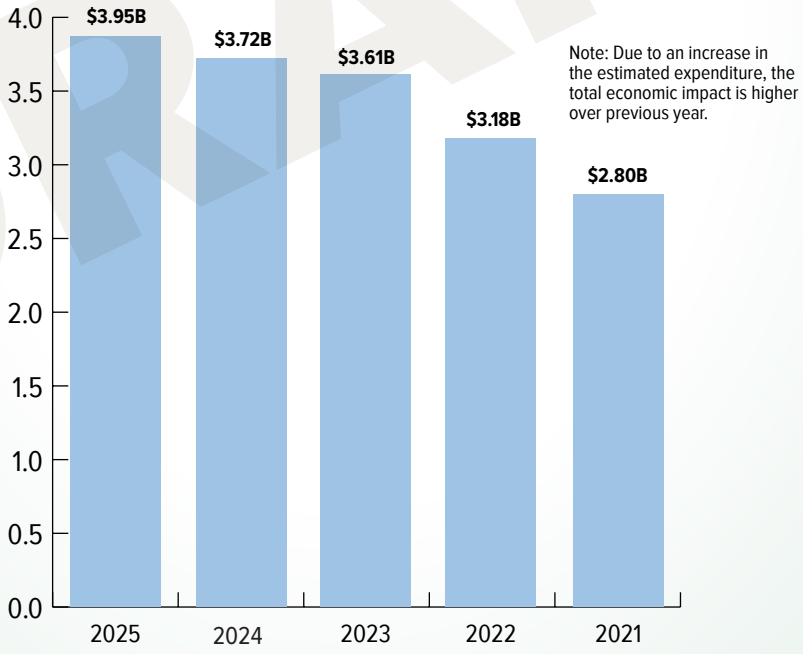
This study of the economic and fiscal impact of spending by visitors to Hilton Head Island in the year 2025 was performed by the College of Charleston Office of Tourism Analysis.

The study examines spending by tourists classified into five segments according to their lodging arrangement while visiting the island: villa rental, timeshare, hotel, second homeowners and their non-paying guests, and finally those who visit for the day and do not lodge overnight. The estimated impact from spending by each of these groups is summed in order to indicate the total impact that tourists to the Island had on Beaufort County, South Carolina.

COLLEGE OF CHARLESTON
OFFICE OF TOURISM ANALYSIS

$3.95 BILLION

ECONOMIC IMPACT OF
HILTON HEAD ISLAND TOURISM IN 2025



Source: Estimated Total Impact of Tourism in Hilton Head Island on Beaufort Country, South Carolina 2025.

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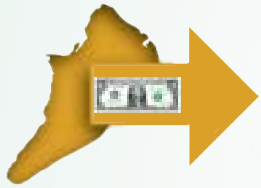
ROI for Visitor Spending Per Dollar of Investment

The Visitor & Convention Bureau is the destination marketing division of the Hilton Head Island & Bluffton Chamber of Commerce. This division works to increase tourism through its marketing efforts cultivating leisure as well as meetings and group business for Southern Beaufort County.

The marketing efforts put forth by the Visitor & Convention Bureau are delivered consistently to a well-defined target consumer set that aligns with our visitor research. Hilton Head Island experienced a slight decrease in visitation by 5.9% compared to 2024.

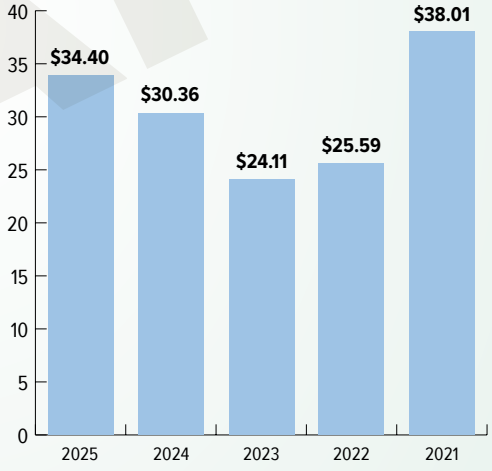
FOR EVERY TAX DOLLAR INVESTED IN MARKETING



$1

=

$34.40



Source: Estimated Total Impact of Tourism in Hilton Head Island on Beaufort County, South Carolina 2025

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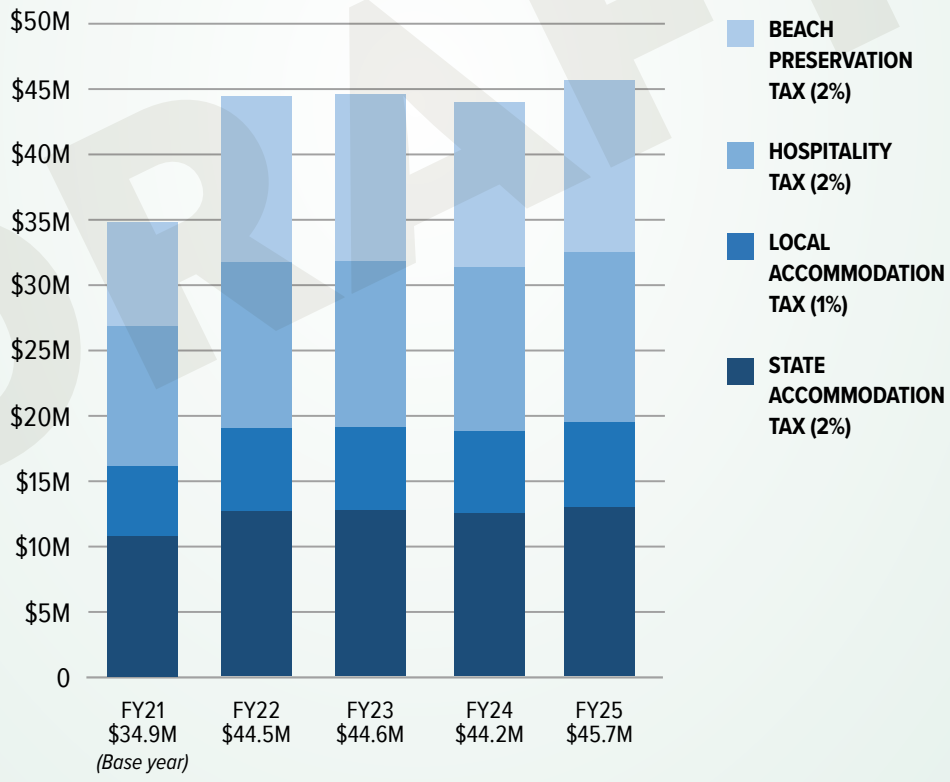
Local Tax Revenues Generated by Visitor

↑31%

ACCOMMODATION & HOSPITALITY TAX UP OVER 5 YEARS

Source: Town of Hilton Head Island

TOWN OF HHI ATAX and HTAX COLLECTIONS



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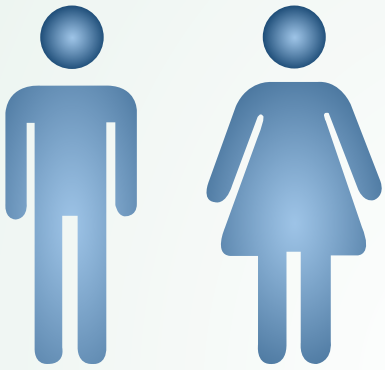
Number of Visitors

Based upon research gathered both locally and nationally, the Visitor & Convention Bureau is committed to attracting an affluent traveler with a household income of $150K-$250K+. Our target visitor skews Female (64%) and aged 45-55 This traveler has an undergraduate degree or higher (65%) and plans to take 2 to 4 trips per year lasting an average of 6 nights per trip. Our target key regions include the Northeast, Midwest, and Southeast markets.



35.6% MALE

64.2% FEMALE

MARRIED 80%

$150 - $250K+

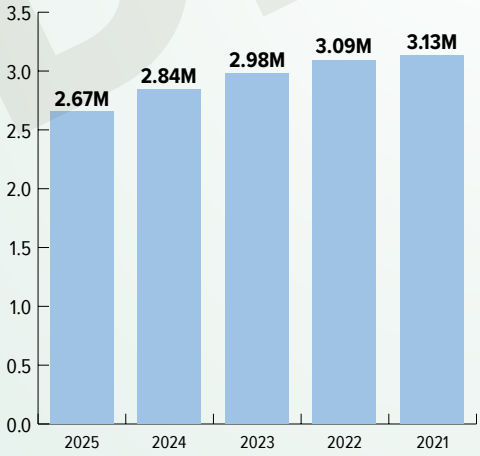
AFFLUENT TRAVELER

64.8%

UNDERGRADUATE DEGREE OR HIGHER

2-4 TRIPS PER YEAR

7 NIGHTS AVERAGE LENGTH OF STAY



2.67M

NUMBER OF VISITORS IN 2025

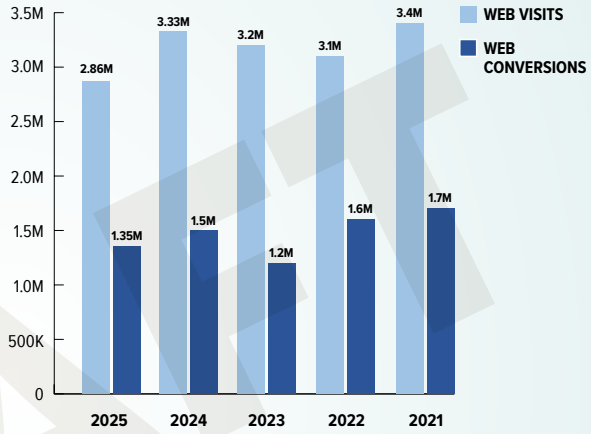
Sources: 2025 Visitor Profile Study/Keydata/Smith Travel Research Inc./College of Charleston

Number of Referrals, Website Hits & Click Throughs to Area Businesses

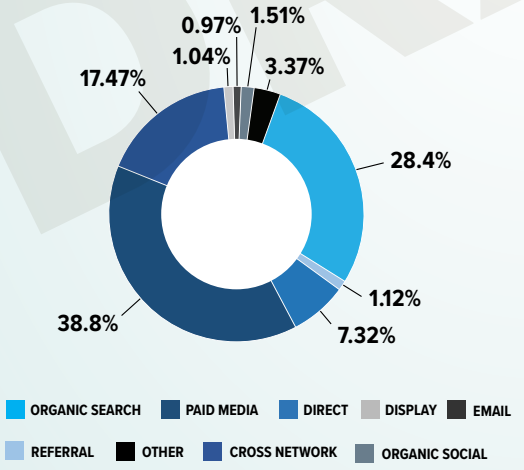
The HiltonHeadIsland.org website is our virtual front door. The website serves as the window to our destination and plays an integral part in the decision-making process. The following metrics are important key indicators of overall brand health and allow insight into visitor behavior. The insight and data taken from this platform allow us to better serve our partners, anticipate trends and react to consumer behavior.

2.86M
WEBSITE VISITS IN 2025

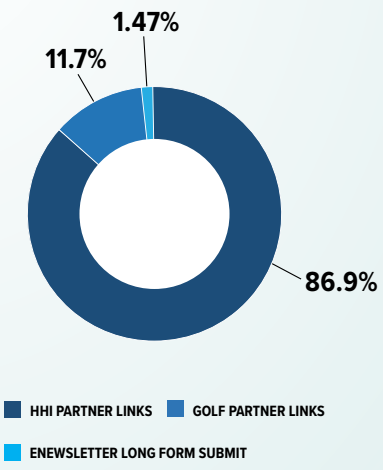
1.35M
WEBSITE CONVERSIONS TO PARTNERS IN 2025



Visits by Source



Conversion by Category



Source: Google Analytics & VERB Interactive

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Numbers Related to Mail Fulfillment

The Hilton Head Island Vacation Planner, our comprehensive guide to help visitor plan and envision their vacation here on Hilton Head Island, is our primary print fulfillment piece.

We receive requests for this piece from multiple platforms; online, media, and home inquiries. In addition, we also distribute the planner to state and local welcome centers, and airports, along with tradeshows and promotional events.

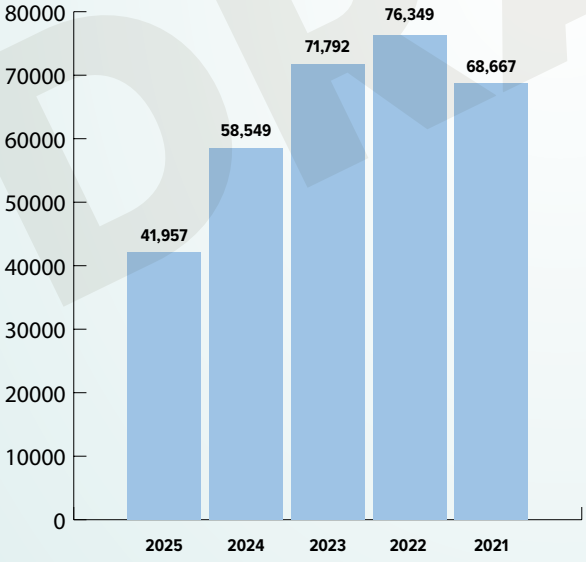
41,957

HILTON HEAD ISLAND VACATION PLANNERS AND GOLF ISLAND BROCHURES MAILED

In today's more visual world, telling a story through stunning photography and compelling content is an imperative component of the travel journey process. The "coffee table" piece allows our visitors to visualize their vacation and discover, through this first touch point, the reason for our many accolades, ultimately imagining themselves here vacationing on Hilton Head Island.

To cater to our golf-specific visitors, we offer the Hilton Head Island, Golf Island Planner. This planner can be requested through the same channels as our Vacation Planner.

The production, fulfillment, and management of our Vacation Planners is a partnership between Kennickell, our fulfillment and asset inventory partner, Impact Golf, and our Visitor & Convention Bureau staff.



Source: Kennickell Fulfillment/Hilton Head Island - Bluffton Chamber of Commerce

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Spotlight on Accolades

America's Favorite Island®

Condé Nast Traveler
Hilton Head Island among the Best Beaches in the United States

Condé Nast Traveler
11 Coastal Hotels in the US for a Sunny Spring Break

Travel + Leisure
"Hilton Head Island one of the Best Beach Towns to Live in Year-Round"

Travel + Leisure
12 Best Beach Towns on the East Coast

Travel & Leisure
16 Best Spa Weekend Getaways in the U.S.

Travel & Leisure
11 Best Places to Live in South Carolina

Travel & Leisure
Travel + Leisure Readers' 15 Favorite Islands in the Continental U.S. of 2025

Travel & Leisure
10 Best Vacation Destinations for Seniors

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Spotlight on Accolades

America's Favorite Island®

Southern Living
"Hilton Head Beach has the Bluest Water in S.C."

Southern Living
The 50 Best Beach Towns In The South 2025

Southern Living
The 8 Most Beautiful Places On The South Carolina Coast

Tripadvisor
Top 10 of Tripadvisor's Top Trending Destinations in the US

Women's Health
2025 Health Travel Awards Best Wellness Program Hilton Head Health & Wellness Resort & Spa

MSN Travel
20 Best Islands to Visit Without Leaving the U.S.

Golf Digest
America's 100 Greatest Golf Courses

Travel Noire
Domestic Wellness Destinations To Relax, Relate, And Release

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Spotlight on Accolades

America's Favorite Island®

USA Today 10Best
Best Beach in South Carolina - Coligny Beach

USA Today 10Best
Best Beach Bar – The Beach House

USA Today 10Best
Best Resort Airport (Hilton Head Island Airport)

USA Today 10Best
Best Wellness Retreat Center

US News & World Report
12 Best Places to Visit in South Carolina

US News & World Report
2 SC Hotels are the Best in the US for 2025

Yahoo Lifestyle
These Are the Best Spa Resorts in the U.S. for a Relaxing Weekend

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Number of Jobs Created by Tourism

This study of the economic and fiscal impact of spending by visitors to Hilton Head Island in the year 2025 was performed by the College of Charleston School of Business, Office of Tourism Analysis.

The 31,604 jobs jobs that comprise the estimated total employment impact generated by the five combined visitor segments in 2025 represent 35.4% of all jobs in Beaufort County.

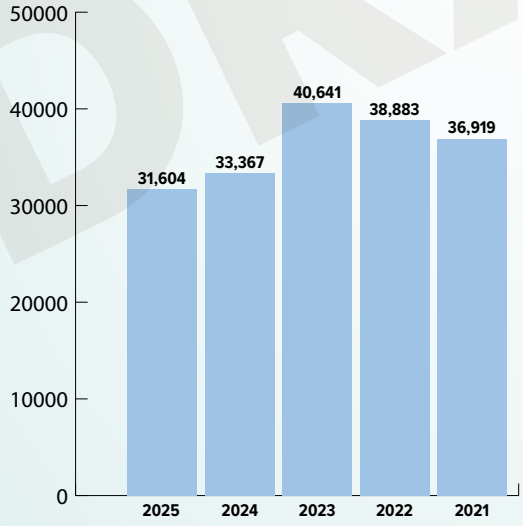
31,604 JOBS

GENERATED FROM
HILTON HEAD ISLAND TOURISM

TOURISM ON HHI
NOW ACCOUNTS FOR

35.4%

OF ALL JOBS IN
BEAUFORT COUNTY



Source: Estimated Total Impact of Tourism In Hilton head Island On Beaufort County, South Carolina 2025

Note: The number of jobs generated are based on economic activity within different sectors of tourism. (e.g. airlines, car rentals, coach services, etc)

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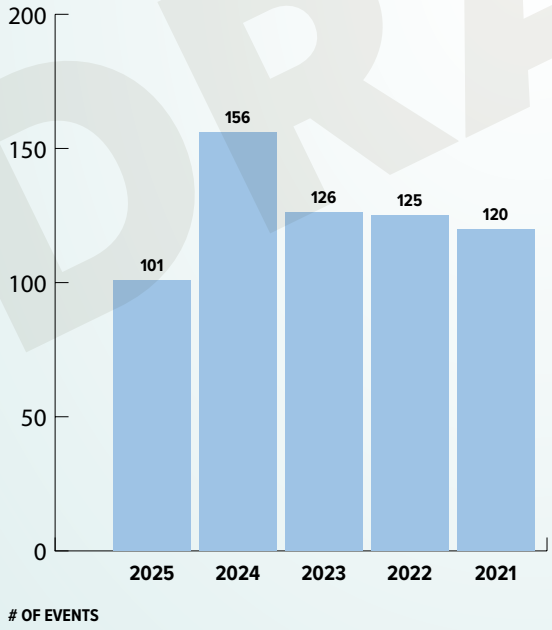
Networking Events, Workshops and Member/Community Events

In 2025, we celebrated 58 ribbon cuttings and groundbreaking ceremonies along with 43 in-person and virtual networking, learning seminars, and meetings, reaching 6,000+ people.

58 **RIBBON CUTTINGS & GROUNDBREAKING CEREMONIES**

43 **IN PERSON + VIRTUAL CHAMBER EVENTS**



2025 EVENTS

JANUARY

1/8/2025
Power Hour Tele Town Hall
Virtual

1/11/2025–01/18/2025
Chamber Wellness Week
Hilton Head Island & Bluffton

1/15/2025
First Presbyterian Day School Playground Ribbon Cutting
Hilton Head Island

1/16/2025
Novant Health PT Solutions Ribbon Cutting
Hilton Head Island

1/25/2025–2/1/2025
Chamber Restaurant Week
Hilton Head Island & Bluffton

1/30/2025
Conversation + Cocktails: Kung Fu Cantina
Bluffton

Lennie & Remi Ribbon Cutting
Bluffton

FEBRUARY

2/4/2025
Power Hour Tele Town Hall
Virtual

2/3/2025
Ribbon Cutting at the Town of Bluffton Squire Pope Carriage House
Bluffton

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2/18/2025
Biscuits & Benefits
Hilton Head Island

2/19/2025
Chamber Young Professionals - Hawaii Fluid Art
Hilton Head Island

2/20/2025
Sparklight Ribbon Cutting
Bluffton

2/27/2025
Ribbon Cutting at Local Legend Brewing Company
Hilton Head Island

Conversation + Cocktails: Local Legend Brewing Company
Hilton Head Island

MARCH

3/4/2025
Beautique Medical Aesthetics Ribbon Cutting
Bluffton

3/5/2025
Power Hour Tele Town Hall
Virtual

3/7/2025
TCL Culinary Institute of the South Foodseum Ribbon Cutting
Bluffton

3/15/2025
Chamber Ball
Hilton Head Island

3/16/2025
Caring Transitions of Hilton Head Ribbon Cutting
Beaufort County

3/19/2025
Hilton Head Christian Academy Upper School Ribbon Cutting
Bluffton

Chamber Young Professionals at Uncorked
Hilton Head Island

3/20/2024
Conversation + Cocktails: Nectar in Bluffton
Bluffton

3/25/2025
Collins Group Realty Ribbon Cutting
Bluffton

Leadership Alumni Speaker Series Event
Hilton Head Island

3/22/2024
Ribbon Cutting: Eyemazy Iris Photography
Hilton Head Island

3/27/2025
Outside Palmetto Bluff Ribbon Cutting
Bluffton

APRIL

4/2/2024
Power Hour Tele Town Hall
Virtual

Novant Health Groundbreaking Ceremony for Bluffton Emergency Department
Bluffton

Pregnancy Center & Clinic Ribbon Cutting and Anniversary
Hilton Head Island

4/3/2024
Paid Par-Tee
Hilton Head Island

4/22/2025
Pure Salt Studios Ribbon Cutting
Hilton Head Island

4/23/2025
Daniel Ravenel Sotheby's International Realty Ribbon Cutting
Hilton Head Island

4/25/2025
Venice Lash Lounge Ribbon Cutting
Hilton Head Island

4/30/2025
Power Hour Tele Town Hall
Virtual

MAY

5/2/2025
Dill Dinkers Pickleball Ribbon Cutting
Hilton Head Island

Pops of Hilton Head Anniversary Ribbon Cutting
Hilton Head Island

5/5/2025–5/8/2025
Small Business Week
Hilton Head Island & Bluffton

5/5/2025
Pork in the Parking Lot
Hilton Head Island

5/6/2025
AI Bootcamp
Bluffton

5/7/2025
Ethical AI Seminar
Hilton Head Island

Beaufort Memorial Hospital Groundbreaking for Bluffton Community Medical Center
Bluffton

Junior Leadership Graduation
Hilton Head Island

5/9/2025
Lotus Health Ribbon Cutting
Bluffton

5/15/2025
Bluffton Block Party at Agave
Bluffton

5/16/2025
Lowcountry Stone Boutique Ribbon Cutting
Hilton Head Island

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5/16/2025
Lowcountry Stone Boutique Ribbon Cutting
Hilton Head Island

5/20/2025
Leadership Class of 2025 Project Ribbon Cutting - Safe to Shore
Hilton Head Island

5/21/2025
Biscuits & Benefits
Hilton Head Island

5/27/2025
Thai Smile Cuisine Ribbon Cutting
Hilton Head Island

JUNE

6/2/2025
Power Hour Tele Town Hall
Virtual

6/4/2025
Leadership Graduation
Hilton Head Island

6/12/2025
Business Golf Classic
Hilton Head Island

6/18/2025
Juicebox Natural Wine and Craft Beer Ribbon Cutting
Bluffton

6/24/2025
Chamber Champions Reception
Hilton Head Island

6/25/2025
Conversation + Cocktails: Hampton Hall
Bluffton

6/27/2025
Milkshake Factory Ribbon Cutting
Hilton Head Island

Nala's Beach Ribbon Cutting
Hilton Head Island

JULY

7/2/2025
Daily Café Ribbon Cutting
Hilton Head Island

7/9/2025
Power Hour Tele Town Hall
Virtual

7/30/2025
Origin Coffee Bar Ribbon Cutting
Hilton Head Island

J. Banks in Residence Ribbon Cutting
Hilton Head Island

Frank Babel Bike Path Dedication
Hilton Head Island

AUGUST

8/12/2025
Hilton Head Preperatory 60th Anniversary Ribbon Cutting
Hilton Head Island

8/13/2025
Leadership Class Orientation
Hilton Head Island

8/21/2025
Conversation + Cocktails: Nectar Hilton Head Island
Hilton Head Island

South Carolina Chamber Blueprint Luncheon
Bluffton

8/22/2025
Wildflower Girls Ribbon Cutting
Bluffton

8/24/2025
Junior Leadership Class Orientation
Hilton Head Island

8/25/2025
Emry's Bookshop Ribbon Cutting
Hilton Head Island

8/27/2025
Historic Mitchelville Freedom Park Groundbreaking for the Archaeological Research Facility and Auditorium
Hilton Head Island

8/29/2025
Ma Daisy's Porch & Bluffton Gullah Cultural Heritage Center Ribbon Cutting
Bluffton

SEPTEMBER

9/10/2025
Links & Legacy Invitational
Bluffton

9/14/2025
Pockets Full of Sunshine Ribbon Cutting
Hilton Head Island

9/17/2025
Biscuits & Benefits
Hilton Head Island

9/18/2025
Conversation + Cocktails: One Hot Mama's Hilton Head Island
Hilton Head Island

9/19/2025
Full Spectrum Studio Ribbon Cutting
Hilton Head Island

9/24/2025
221B Studios Ribbon Cutting
Bluffton

9/25/2025
Executive Connection at WaterWalk
Hilton Head Island

9/30/2025
Novant Health Westbury Park Primary Care Ribbon Cutting
Bluffton

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OCTOBER

10/6/2025
Gullah Museum of Hilton Head Historic Outhouse Ribbon Cutting
Hilton Head Island

10/9/2025
Chamber Young Professionals at Hilton Head Distillery
Hilton Head Island

10/10/2025
Street Meet 20th Anniversary Ribbon Cutting
Hilton Head Island

10/15/2025
State of the Region with Governor Henry McMaster
Hilton Head Island

10/16/2025
Volunteers in Medicine "Edible Parking Lot" Ribbon Cutting
Hilton Head Island

10/22/2025
Flowers by Katie Ford Ribbon Cutting
Bluffton

10/23/2025
Conversation + Cocktails: Palmetto Hall
Hilton Head Island

10/24/2025
Town of Bluffton Permanent Art Structure Ribbon Cutting
Bluffton

Lavender Lounge Head Spa Ribbon Cutting
Bluffton

Birdie James Bluffton Ribbon Cutting
Bluffton

10/18/2024
Ribbon Cutting: Hawaii Fluid Art HHI
Hilton Head Island

10/28/2025
Leadership Alumni Association "Tales of the Lowcountry" Speakers Event
Hilton Head Island

NOVEMBER

11/6/2025
Executive Connection
Bluffton

11/7/2025
Indigo Run Golf Club Re-Opening Ribbon Cutting
Hilton Head Island

11/13/2025
Hail Mary's Ribbon Cutting
Bluffton

Conversation + Cocktails: Hail Mary's
Bluffton

11/19/2025
Demure Head Spa Ribbon Cutting
Hilton Head Island

11/20/2025
Beaufort Memorial Hospital Emergency Room Groundbreaking
Hilton Head Island

DECEMBER

12/3/2025
Nom Nom Poke Shop Ribbon Cutting
Bluffton

Artware 25th Anniversary Ribbon Cutting
Hilton Head Island

12/4/2025
Russel Stover Chocolates Ribbon Cutting
Hilton Head Island

12/5/2025
Sandbox 20th Anniversary Ribbon Cutting
Hilton Head Island

Historic Mitchelville Freedom Park Era Garden Ribbon Cutting
Hilton Head Island

12/8/2025
Taylor Memorial Family Park Groundbreaking
Hilton Head Island

12/9/2025
Radici Italian Chophouse Ribbon Cutting
Bluffton

12/12/2025
Sparkles & Spirits
Hilton Head Island

12/19/2025
T2 Teaching and Tutoring Ribbon Cutting
Bluffton

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Media Impressions and the Dollar Equivalent

The communications team tracks all print, digital, and broadcast mentions and stories about Hilton Head Island. Hosting visiting journalists and social influencers, meeting with editors of some of the nation's top-tier publications, working with broadcast crews, and actively pitching story ideas about the destination are all part of the chamber's daily public relations outreach efforts in partnership with Weber Shandwick, one of the world's leading travel public relations firms.

2,487
STORIES & MENTIONS

24,478,291,321
MEDIA IMPRESSIONS

$31,719,802.95
AD EQUIVALENCY

Sources: Weber Shandwick and includes all print, online, and broadcast media

2025
Stories & Mentions
2,487
Impressions
24,478,291,321
Ad Value
$31,719,802.95

2024
Stories & Mentions
2,722
Impressions
24,796,409,713
Ad Value
$32,430,886

2023
Stories & Mentions
2,138
Impressions
6,376,960,959
Ad Value
$21,028,150.43

2022
Stories & Mentions
2,799
Impressions
11,119,754,831
Ad Value
$21,119,046.34

2021
Stories & Mentions
2,316
Impressions
13,269,706,386
Ad Value
$11,729,825.10

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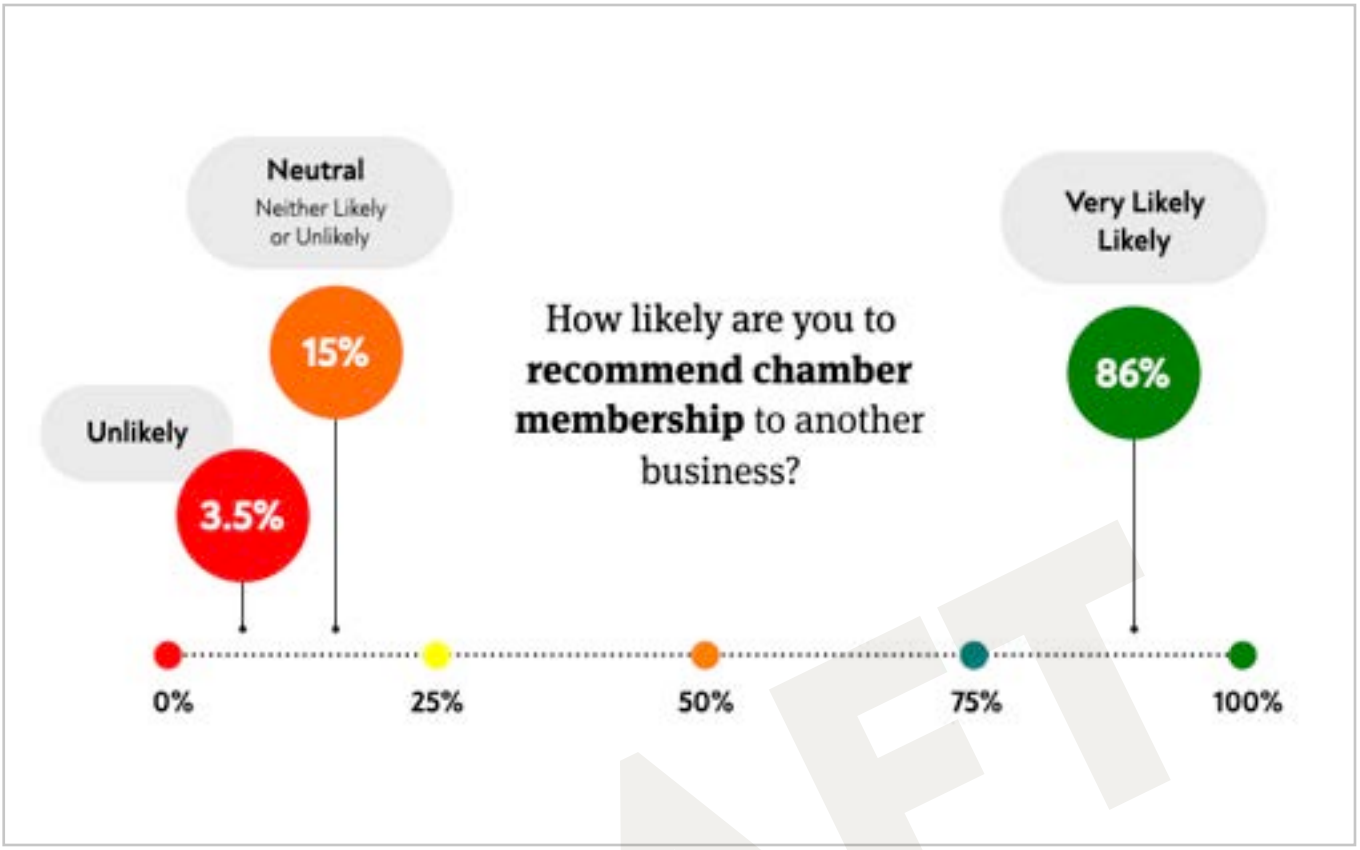
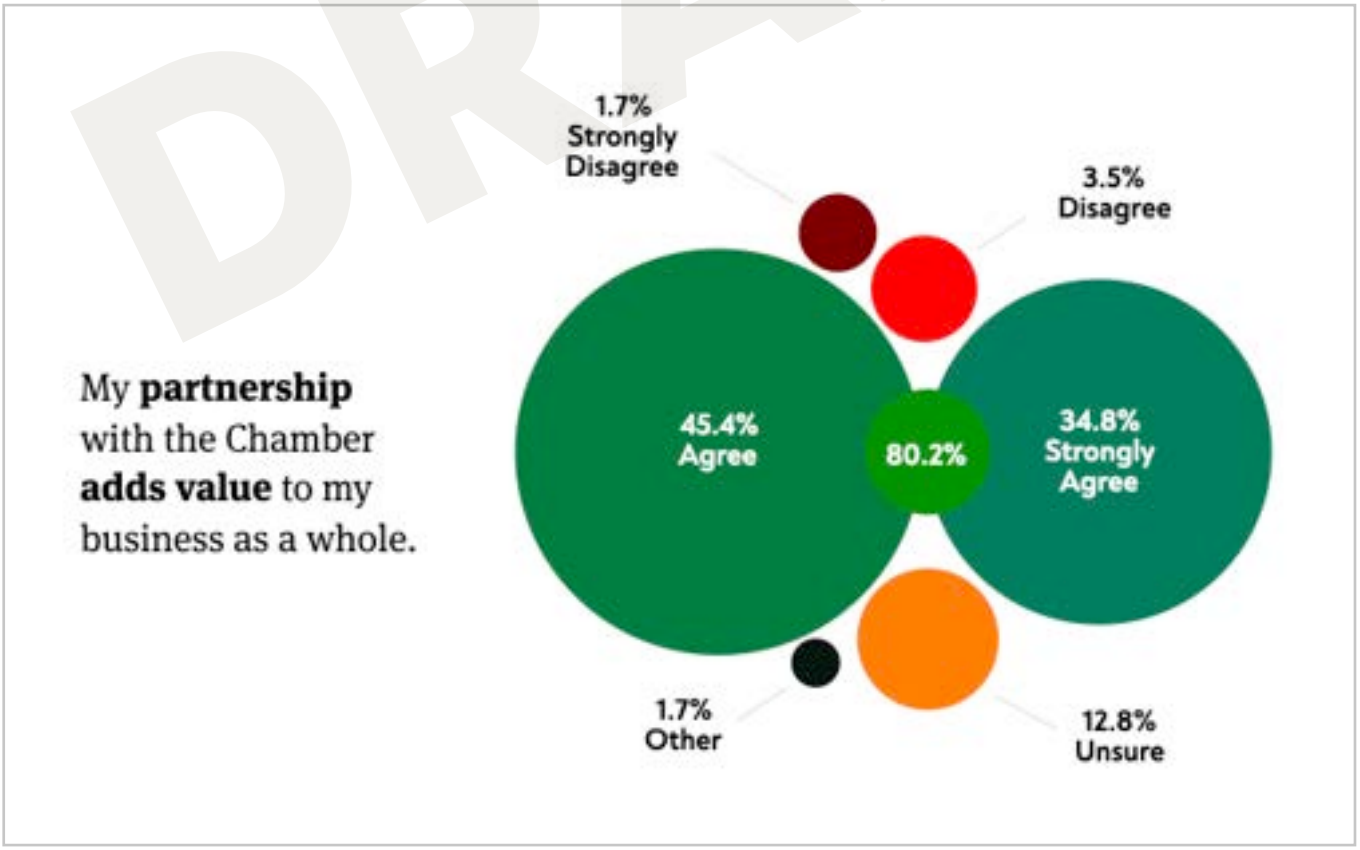
HIGHLIGHTS FROM THE CHAMBER MEMBERSHIP SURVEY


Neutral
Neither Likely or Unlikely
Very Likely
Likely
How likely are you to **recommend chamber membership** to another business?
Unlikely
15%
86%
3.5%
0%
25%
50%
75%
100%


My **partnership** with the Chamber **adds value** to my business as a whole.
1.7% Strongly Disagree
3.5% Disagree
45.4% Agree
80.2%
34.8% Strongly Agree
1.7% Other
12.8% Unsure

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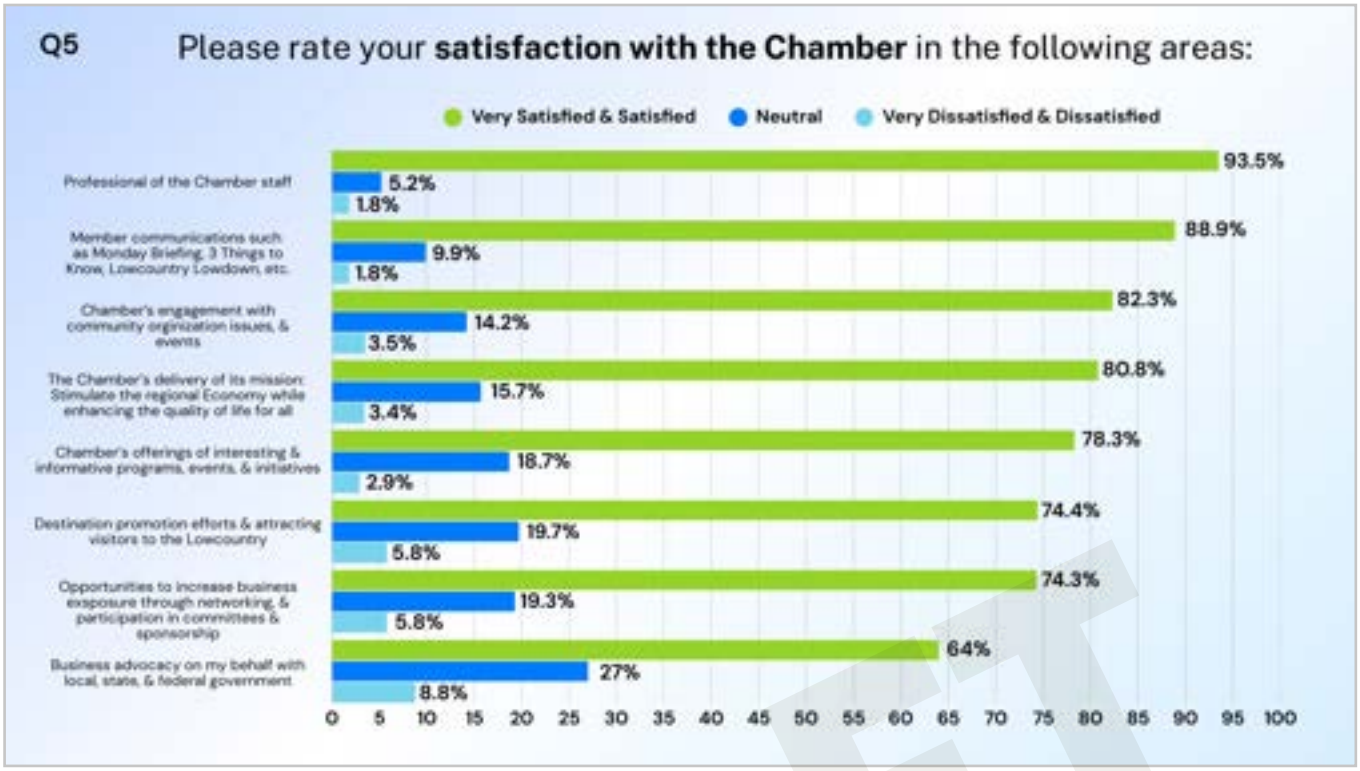
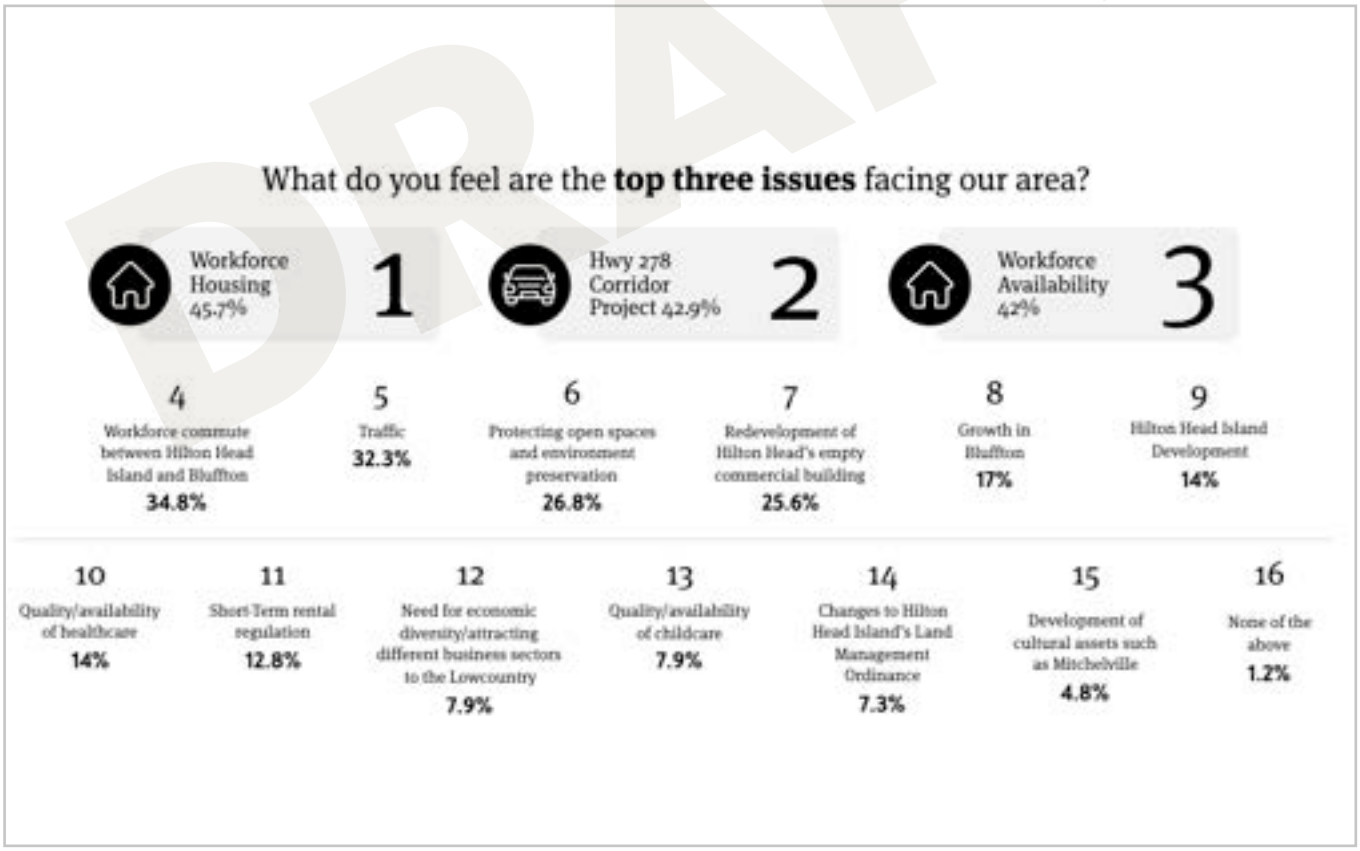

Q5
Please rate your satisfaction with the Chamber in the following areas:
Very Satisfied & Satisfied
Neutral
Very Dissatisfied & Dissatisfied
Professional of the Chamber staff
93.5%
5.2%
1.8%
Member communications such as Monday Briefing, 3 Things to Know, Lowcountry Lowdown, etc.
88.9%
9.9%
1.8%
Chamber's engagement with community orginization issues, & events
82.3%
14.2%
3.5%
The Chamber's delivery of its mission: Stimulate the regional Economy while enhancing the quality of life for all
80.8%
15.7%
3.4%
Chamber's offerings of interesting & informative programs, events, & initiatives
78.3%
18.7%
2.9%
Destination promotion efforts & attracting visitors to the Lowcountry
74.4%
19.7%
5.8%
Opportunities to increase business exposure through networking, & participation in committees & sponsorship
74.3%
19.3%
5.8%
Business advocacy on my behalf with local, state, & federal government
64%
27%
8.8%
0 5 10 15 20 25 30 35 40 45 50 55 60 65 70 75 80 85 90 95 100


What do you feel are the top three issues facing our area?
1
Workforce Housing 45.7%
2
Hwy 278 Corridor Project 42.9%
3
Workforce Availability 42%
4
Workforce commute between Hilton Head Island and Bluffton
34.8%
5
Traffic
32.3%
6
Protecting open spaces and environment preservation
26.8%
7
Redevelopment of Hilton Head's empty commercial building
25.6%
8
Growth in Bluffton
17%
9
Hilton Head Island Development
14%
10
Quality/availability of healthcare
14%
11
Short Term rental regulation
12.8%
12
Need for economic diversity/attracting different business sectors to the Lowcountry
7.9%
13
Quality/availability of childcare
7.9%
14
Changes to Hilton Head Island's Land Management Ordinance
7.3%
15
Development of cultural assets such as Mitchelville
4.8%
16
None of the above
1.2%

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MARKETING COUNCIL MEETING SCHEDULE

November 18, 2026
Marketing Council Kick Off Meeting

January 27, 2027
Marketing Council Meeting

February 15, 2027
Draft Marketing Plan sent to Chamber Board of Directors & Marketing Council

February 22, 2027
Feedback due from Chamber Board of Directors & Marketing Council

March 1, 2027
Draft DMO Marketing Plan and FY 2027-2028 budget due to
Town of Hilton Head Island Town Manager

March 15, 2027
Feedback due from Town of Hilton Head Island Town Manager

March 18, 2027
DMO Workshop with Town of Hilton Head Island Town Council

April 6, 2027
Final Annual Package due to Town of Hilton Head Island Town Manager,
Assistant Town Manager, and Finance Director

April 22, 2027
Presentation to the Town of Hilton Head Island Accommodations Tax Advisory Committee

June 8, 2027
Presentation to the Town of Hilton Head Island Town Council

POINT OF CONTACT

Ariana Pernice
Vice President of Visitor & Convention Bureau
Hilton Head Island & Bluffton Chamber of Commerce
apernice@hiltonheadisland.org
(843) 341-8366

HILTON HEAD
ISLAND
SOUTH CAROLINA

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,

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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 (3rd) 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.

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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

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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

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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***".

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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. 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.

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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.

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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 specifical 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

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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 inquires 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

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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.

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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:	To the DMO:
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	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)*

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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.

By: Signed by: William G. Miles 1/6/2026
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William G. Miles, President & CEO

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

By: Signed by: 1/6/2026
2B36FB0A7E3E44F...

Alan R. Perry, *Mayor*

By: DocuSigned by: Marc Orlando 1/6/2026
5BD25854CB57423...

Marc A. Orlando, *Town Manager*

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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,

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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

TOWN OF HILTON HEAD ISLAND

Town Council

TO: Town Council
FROM: Thomas Boxley, Executive Director
CC: Marc Orlando, ICMA-CM, Town Manager
DATE: May 11, 2026
SUBJECT: Consideration of a Resolution Authorizing the Renaming of the Rowing and Sailing Center at Squire Pope Community Park to Hilton Head Island Fishing Cooperative Park

RECOMMENDATION:

Staff recommends that Town Council approve a resolution authorizing the name change of the Rowing and Sailing Center at Squire Pope Community Park to the Hilton Head Island Fishing Cooperative Park.

BACKGROUND:

As part of its ongoing mission to honor and preserve the history of the Gullah Geechee community of Hilton Head Island, the Gullah Geechee Historic Neighborhoods Community Development Corporation (CDC) is proposing a name change that more accurately reflects the historic use and cultural significance of this site.

The property was historically owned and operated by Native Island Gullah Geechee residents organized as the Hilton Head Island Fishing Cooperative. Historical references to the Cooperative date back to at least 1966, predating the incorporation of the Town of Hilton Head Island. The Fishing Co-op, as it was commonly known amongst community members, played a significant role in supporting local fishermen and producers as well as advocating for the Gullah Geechee business community.

The proposed name change was presented to the CDC Board of Directors in November 2025. At that time, staff was directed to further evaluate the proposal and conduct outreach to descendants of the Cooperative's founding members. During November and December 2025, the CDC conducted discussions with descendants representing five of the fifteen identified founding families, as well as additional Native Island family members. Feedback received during this process indicated strong support for the proposed name, Hilton Head Island Fishing Cooperative Park, with "Fishing Co-Op Park " identified as an acceptable abbreviated reference.

This proposed name change honors the site's historical ownership and use while recognizing the contributions of the Gullah Geechee community. The CDC Board of

Directors approved this recommendation in February 2026.

On May 11, 2026, the Finance & Administrative Committee unanimously voted to forward the resolution to authorize the renaming of the Rowing and Sailing Center at Squire Pope Community Park to Hilton Head Island Fishing Cooperative Park for further consideration and approval.

ATTACHMENTS:

1. Resolution Authorizing the Name Change of the Rowing and Sailing Center at Squire Pope Community Park to Hilton Head Island Fishing Cooperative Park

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

A RESOLUTION BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE NAME CHANGE OF THE "ROWING AND SAILING CENTER AT SQUIRE POPE COMMUNITY PARK" TO THE "HILTON HEAD ISLAND FISHING COOPERATIVE PARK."

WHEREAS, the Town of Hilton Head Island owns and maintains the facility currently known as the Rowing and Sailing Center located within Squire Pope Community Park; and,

WHEREAS, the Town Council recognizes the importance of ensuring that public facilities reflect their current use and serve the evolving needs of the community; and,

WHEREAS, the history of this site includes its prior ownership and operation by Native Island Gullah Geechee residents organized as the Hilton Head Island Fishing Cooperative, which played an instrumental role in supporting local fishermen and producers and advancing economic opportunity within the Gullah Geechee community; and,

WHEREAS, historical references to the Hilton Head Island Fishing Cooperative date back to at least 1966, predating the incorporation of the Town of Hilton Head Island and reflecting the longstanding cultural and economic contributions of the Gullah Geechee community to the Island; and,

WHEREAS, the Town acknowledges the partnership and involvement of the Gullah Geechee Historic Neighborhoods Community Development Corporation in honoring and preserving the Gullah Geechee culture; and,

WHEREAS, the Town further recognizes that descendants of the founders of the Hilton Head Island Fishing Cooperative have been consulted regarding the proposed name change; and,

WHEREAS, the Town Council finds that the proposed name change serves a public purpose and provides an opportunity to strengthen and continue its relationship with the Gullah Geechee community of Hilton Head Island.

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 Town Council hereby approves and authorizes the renaming of the Rowing and Sailing Center at Squire Pope Community Park to the "Hilton Head Island Fishing Cooperative Park."

2. The Town Manager and Town Staff are authorized and directed to take all necessary actions to implement this name change, including but not limited to updating signage, maps, official documents, and digital references.

3. This Resolution shall become effective immediately upon its adoption.

MOVED, APPROVED, AND ADOPTED ON THIS_____DAY OF _____, 2026.

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

By:_____
Alan R. Perry, Mayor

ATTEST:

_____
Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

_____
Curtis L. Coltrane, Town Attorney

TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO:	Mayor and Council
FROM:	Don D'Adam – Public Projects Director
VIA:	Shawn Gillen – Assistant Town Manager Marc Orlando, ICMA-CM – Town Manager
DATE:	June 9, 2026
SUBJECT:	Consideration of a Resolution of the Town Council of the Town of Hilton Head Island Authorizing the Town Manager to Execute the following documents related to wetland impact at Patterson Park: 1) Declaration of Restrictive Covenants 2) Wetland and Stream Mitigation Purchase Agreement

RECOMMENDATION:

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island Authorizing the Town Manager to Execute the following documents related to wetland impact at Patterson Park (**Attachment 1 with Exhibits A, B, C**):

1) Wetland Impact Figure
2) Declaration of Restrictive Covenants
3) Wetland and Stream Mitigation Purchase Agreement

These documents were also reviewed by the Finance & Administrative Committee on 5/11/26 and questions raised during session are addressed in **Attachment 2**.

BACKGROUND:

In early 2025, the civil engineering firm Thomas & Hutton (T&H) submitted preliminary plans to advance design and secure required permits for the Town of Hilton Head Island's historic neighborhood park project. The original concept included road access via a bridge crossing existing wetlands. Recognizing the importance of protecting these sensitive areas, the Town acquired adjacent property and relocated the access road further north, significantly reducing impacts to the wetlands. As a result, the project's remaining wetland impact has been minimized to just 0.27 acres.
Although small, this remaining impact required review by the U.S. Army Corps of Engineers (USACE), which holds jurisdiction over wetlands. Because USACE categorized the impact as transportation-related, it was not automatically consistent with coastal zone requirements and triggered additional review by the Bureau of Coastal Management (BCM) for Coastal Zone Consistency (CZC) certification.

On January 21, 2026, BCM informed the Town that, in order to secure CZC certification, the remaining onsite wetlands must be permanently preserved. This requirement presents a meaningful opportunity for the Town to safeguard critical wetlands as a long-term component of the park project. To formalize this protection, CZC requested that the Town include a restrictive covenant as an exhibit to the agreement. These covenants ensure no further impacts will occur and establish lasting protection for the remaining wetlands. All language was reviewed and approved by Town Legal Counsel. Conditional approval was issued on February 5, 2026 (**Attachment 3**).

On 12/5/25 the Town received the USACE conditional approval (**Attachment 4**), which required mitigation by purchase of a credit from a USACE approved mitigation bank (bank). T&H's wetland consultant, Resource & Land Consultants, coordinated, reviewed, and assisted this approval process. The bank that typically services our area was sold out, and an out-of-service-area request was approved by USACE on 1/7/26. There was no difference in the cost per credit between banks.

Therefore, prior to any construction and land disturbance associated with this project, the Town is required to execute two (2) documents to comply with local and federal law:

- Declaration of Restrictive Covenants: Obligates the Town to the South Carolina Department of Environmental Services, for placing certain restrictive covenants on the remaining non-impacted portions of the Property, in order that the Property shall remain substantially in its natural condition forever.

- Wetland and Stream Mitigation Purchase Agreement: Obligates the Town to pay WEYERHAEUSER NR COMPANY (the "Seller"), the sponsor and operator of the Palmetto Umbrella Mitigation Bank, a sum $15,000 for 1.0 Freshwater Wetland Credit

NEXT STEPS:

Upon execution of the agreements, Town staff will arrange the required payments and finalize the project construction documents to support a targeted early fiscal year 2027 construction start.

ATTACHMENTS:

1. Resolution of the Town Council of the Town of Hilton Head Island Authorizing the Town Manager to Execute the following documents related to wetland impact:
    a. Exhibit A – Wetland Impact Figure
    b. Exhibit B - Declaration of Restrictive Covenants
    c. Exhibit C - Wetland and Stream Mitigation Purchase Agreement
2. Responses to Questions raised by Finance & Administrative Committee
3. CZC conditional approval
4. USACE Conditional approval

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A DECLARATION OF RESTRICTIVE COVENANTS AND A WETLAND AND STREAM MITIGATION PURCHASE AGREEMENT RELATED TO PATTERSON FAMILY PARK AND OTHER MATTERS RELATED THERETO

WHEREAS, the Town of Hilton Head Island ("***Town***") is advancing design and permitting for the historic neighborhood park project located on Town owned real property generally located on Marshland Road with Tax Map Number R510 008 000 008D 0000, and the future location of what is referred to as the Patterson Family Park; collectively hereinafter as the "***Park Project***"; and,

WHEREAS, the Park Project design includes walking paths and features that will allow for citizens and visitors to enjoy the beautiful natural surroundings the park has to offer, including a boardwalk that will have limited wetland impacts. Recognizing the importance of protecting the sensitive wetland areas, the Town has minimized the impact to the greatest extent possible and modified the project design to reduce the total wetland impact to approximately 0.27 acres and as shown in ***Exhibit A***, attached hereto and incorporated herein by reference; collectively hereinafter the "***Impact Area***"; and,

WHEREAS, to complete the Park Project's walking path it was determined necessary to use the Impact Area for a boardwalk. The aforementioned use has been reviewed by the U.S. Army Corps of Engineers ("***Army Corps***") and the South Carolina Bureau of Coastal Management, resulting in conditional approvals that require permanent preservation of remaining wetlands and mitigation through the purchase of wetland credits; and,

WHEREAS, in accordance with the Army Corps conditional approval, the Town must execute a Declaration of Restrictive Covenants to ensure the permanent protection of designated wetland areas, where said terms are substantially similar to ***Exhibit B***, attached hereto and incorporated herein by reference. Additionally, the Town must execute a Wetland and Stream Mitigation Purchase Agreement, substantially similar to ***Exhibit C*** attached hereto and incorporated herein by reference, for the purchase wetland mitigation credits; and,

WHEREAS, the Town Council of the Town of Hilton Head Island finds that it is in the best interest of the citizens and visitors of the Town to execute a Declaration of Restrictive Covenants and a Wetland and Stream Mitigation Purchase Agreement to allow for a boardwalk to be located in the Impact Area as shown in Exhibit A.

NOW. THEREFORE, BE IT RESOLVED by the Town Council for the Town of Hilton Head Island, South Carolina, as follows:

1. ***Authorization.*** The Town Manager is hereby authorized to execute, deliver and record a Declaration of Restrictive Covenants and a Wetland and Stream Mitigation Purchase Agreement, as required and in forms substantially similar to Exhibit B and Exhibit C**,** attached hereto and incorporated herein by reference.

2. ***Severability.*** If any section, phrase, sentence, or portion of this Resolution 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.

3. ***Effective Date.*** This Resolution shall become effective upon adoption.

MOVED, APPROVED, AND ADOPTED ON THIS _____ DAY OF _____, 2026.

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*

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PATTERSON FAMILY PARK

OVERALL QUAD MAP

WETLAND IMPACT EXHIBIT

CLIENT:

TOWN OF HILTON HEAD ISLAND

LOCATION: HILTON HEAD ISLAND

DATE: 08/23/2025 DRAWN BY: BJS SHEET: 1 OF 10

JOB NUMBER: J-31984.0001 REVIEWED BY: ATL SCALE: 1" = 500'

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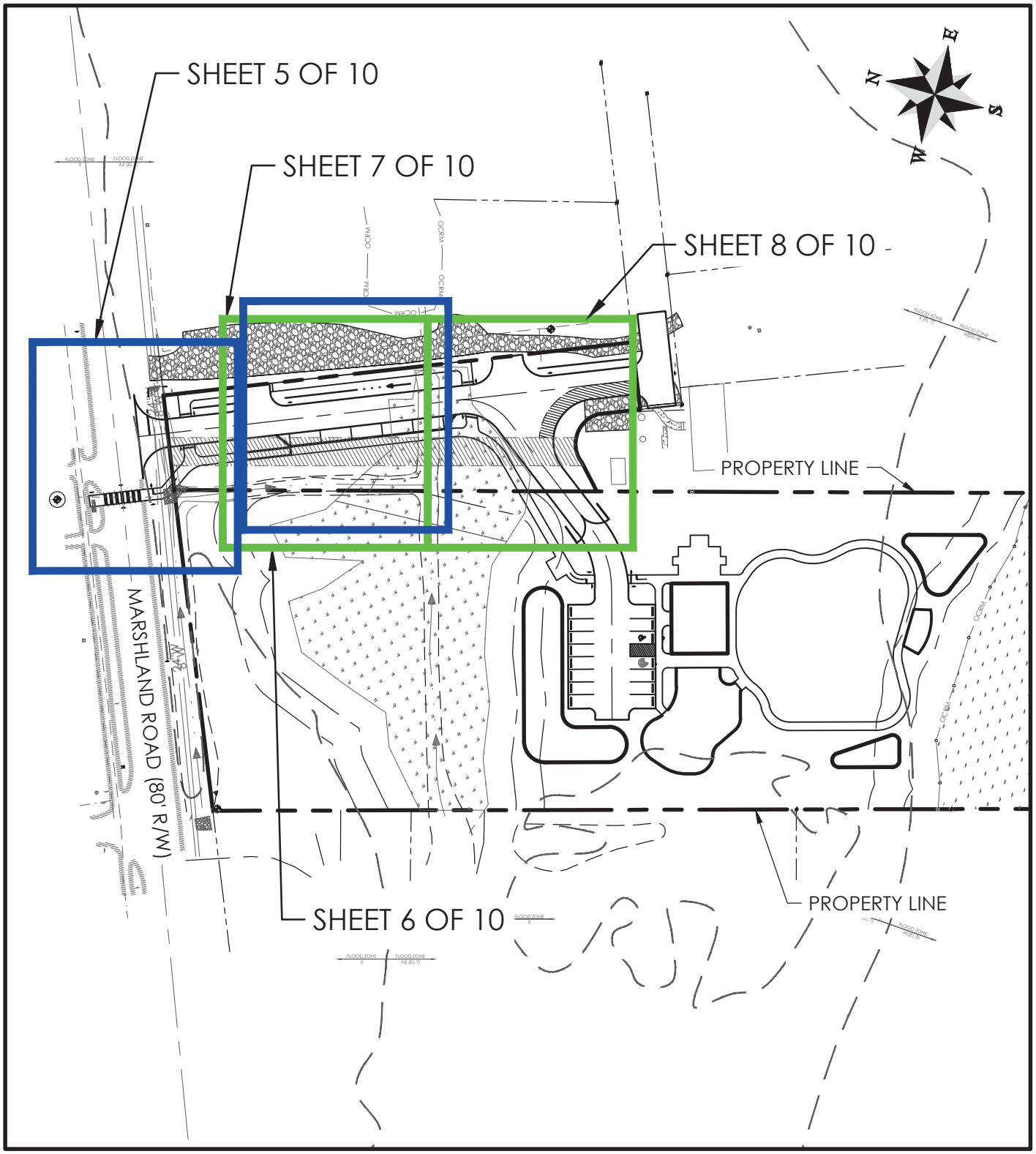

PATTERSON FAMILY PARK

MAP INDEX

WETLAND IMPACT EXHIBIT

CLIENT:

TOWN OF HILTON HEAD ISLAND

LOCATION: HILTON HEAD ISLAND

DATE: 10/23/2025 DRAWN BY: BJS SHEET: 2 OF 10

JOB NUMBER: J-31984.0001 REVIEWED BY: ATL SCALE: 1" = 100'

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LEGEND

PROJECT SUMMARY

TOTAL PROJECT ACREAGE	4.3800 AC.
UPLAND	2.9840 AC.
TOTAL WETLAND AREA	1.1165 AC.
TOTAL DITCH AREA	0.2795 AC.

IMPACT SUMMARY

FRESHWATER WETLAND FILL IMPACT **(AREA 1)**	0.1103 AC.
FRESHWATER WETLAND GRADING/CLEARING IMPACT **(AREA 2)**	0.0592 AC.
DITCH FILL IMPACT **(AREA 3)**	0.0491 AC.
DITCH GRADING/CLEARING IMPACT **(AREA 4)**	0.0040 AC.
TIDAL DITCH FILL IMPACT **(AREA 5)**	0.0287 AC.
TIDAL GRADING/CLEARING IMPACT **(AREA 6)**	0.0188 AC.

PATTERSON FAMILY PARK

LEGEND

WETLAND IMPACT EXHIBIT

CLIENT:

TOWN OF HILTON HEAD ISLAND

LOCATION: HILTON HEAD ISLAND

DATE: 10/23/2025 DRAWN BY: BJS SHEET: 3 OF 10

JOB NUMBER: J-31984.0001 REVIEWED BY: ATL SCALE: N/A

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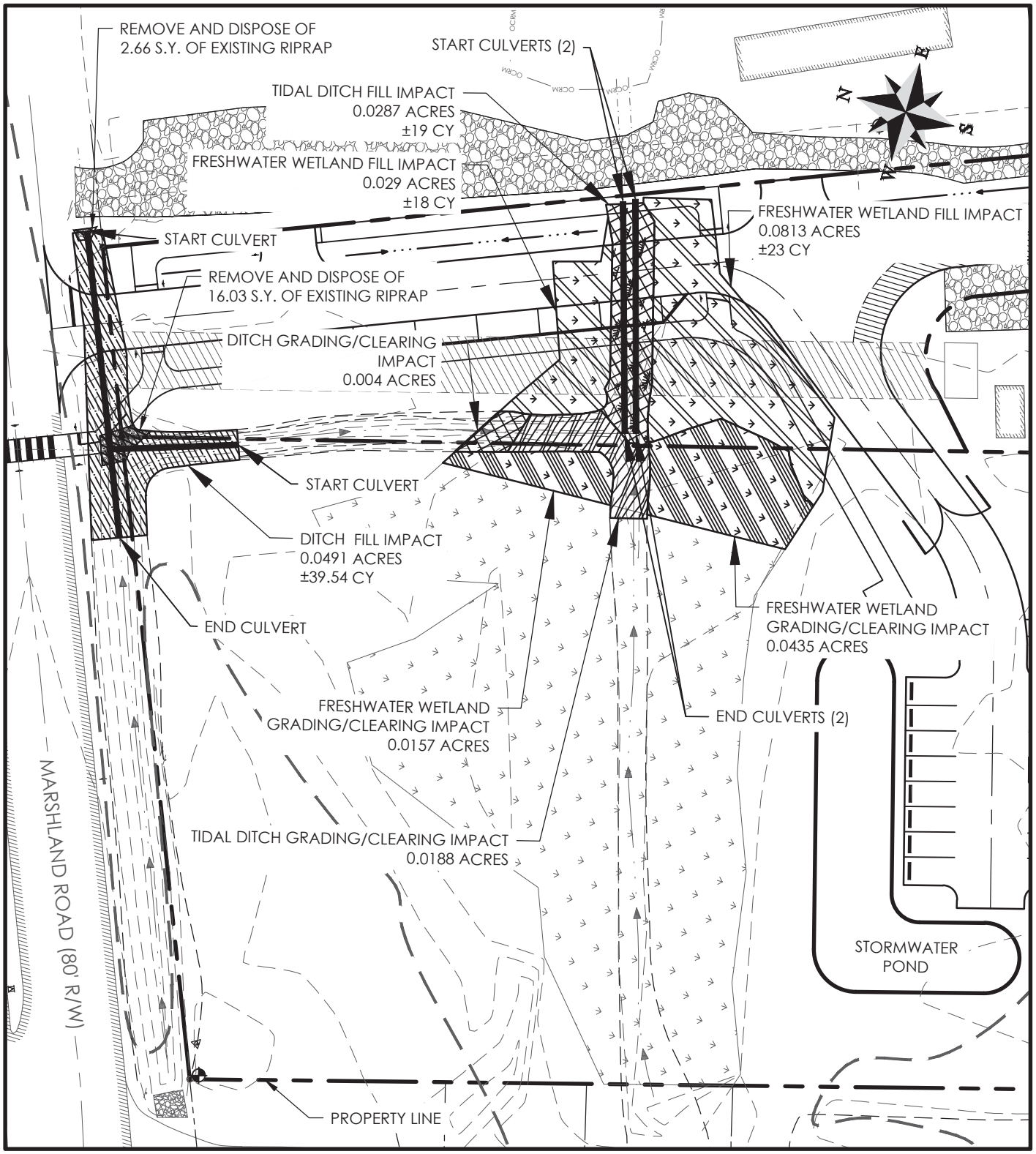

PATTERSON FAMILY PARK

IMPACTS

WETLAND IMPACT EXHIBIT

CLIENT:

TOWN OF HILTON HEAD ISLAND

LOCATION: HILTON HEAD ISLAND

DATE: 10/23/2025 DRAWN BY: BJS SHEET: 4 of 10

JOB NUMBER: J-31984.0001 REVIEWED BY: ATL SCALE: 1" = 50'

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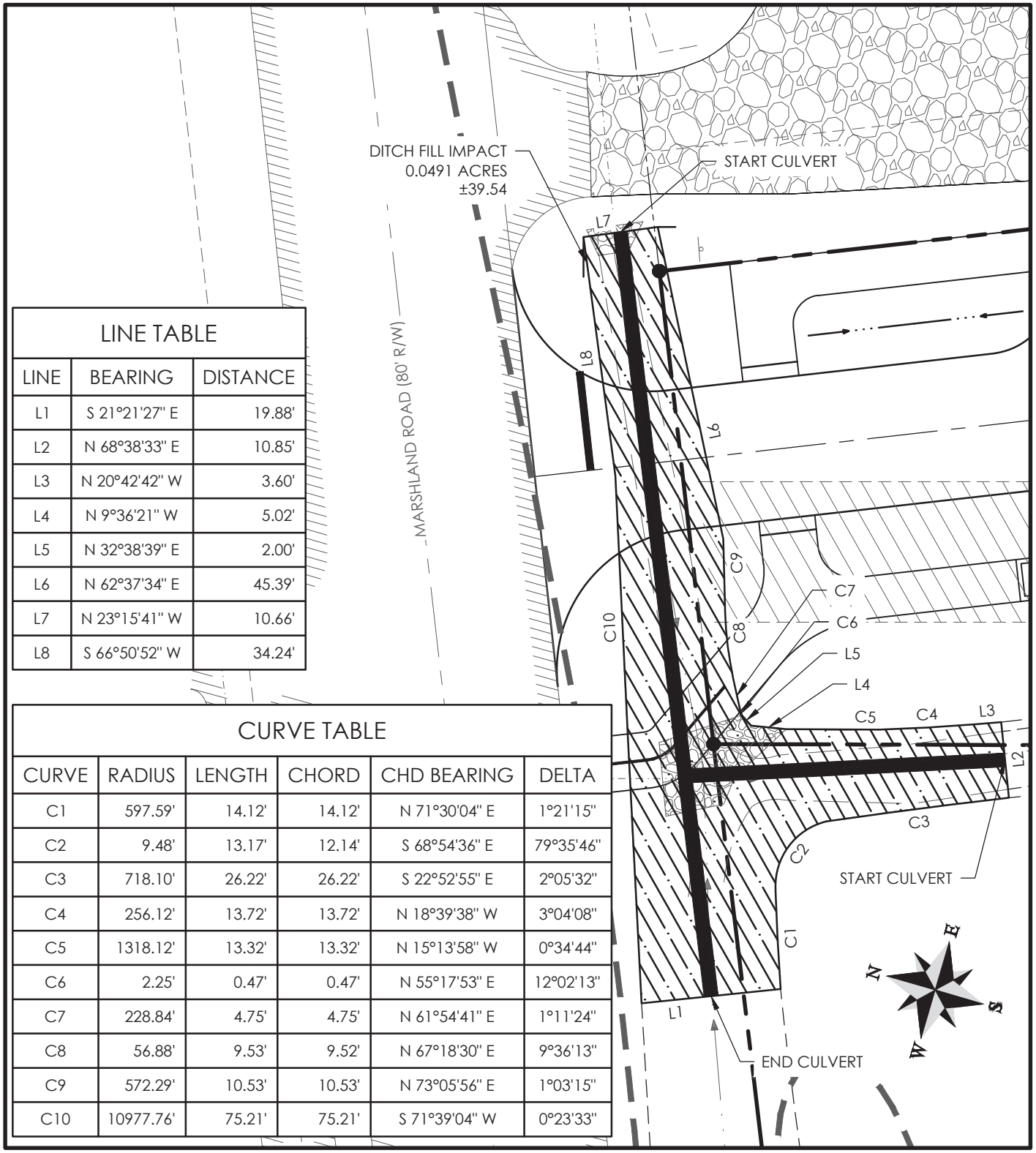

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S 21°21'27" E	19.88'
L2	N 68°38'33" E	10.85'
L3	N 20°42'42" W	3.60'
L4	N 9°36'21" W	5.02'
L5	N 32°38'39" E	2.00'
L6	N 62°37'34" E	45.39'
L7	N 23°15'41" W	10.66'
L8	S 66°50'52" W	34.24'

CURVE TABLE					
CURVE	RADIUS	LENGTH	CHORD	CHD BEARING	DELTA
C1	597.59'	14.12'	14.12'	N 71°30'04" E	1°21'15"
C2	9.48'	13.17'	12.14'	S 68°54'36" E	79°35'46"
C3	718.10'	26.22'	26.22'	S 22°52'55" E	2°05'32"
C4	256.12'	13.72'	13.72'	N 18°39'38" W	3°04'08"
C5	1318.12'	13.32'	13.32'	N 15°13'58" W	0°34'44"
C6	2.25'	0.47'	0.47'	N 55°17'53" E	12°02'13"
C7	228.84'	4.75'	4.75'	N 61°54'41" E	1°11'24"
C8	56.88'	9.53'	9.52'	N 67°18'30" E	9°36'13"
C9	572.29'	10.53'	10.53'	N 73°05'56" E	1°03'15"
C10	10977.76'	75.21'	75.21'	S 71°39'04" W	0°23'33"

PATTERSON FAMILY PARK

IMPACTS - DITCH

WETLAND IMPACT EXHIBIT

CLIENT:

TOWN OF HILTON HEAD ISLAND

LOCATION: HILTON HEAD ISLAND
DATE: 10/23/2025 DRAWN BY: BJS SHEET: 5 of 10
JOB NUMBER: J-31984.0001 REVIEWED BY: ATL SCALE: 1" = 20'

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CURVE TABLE

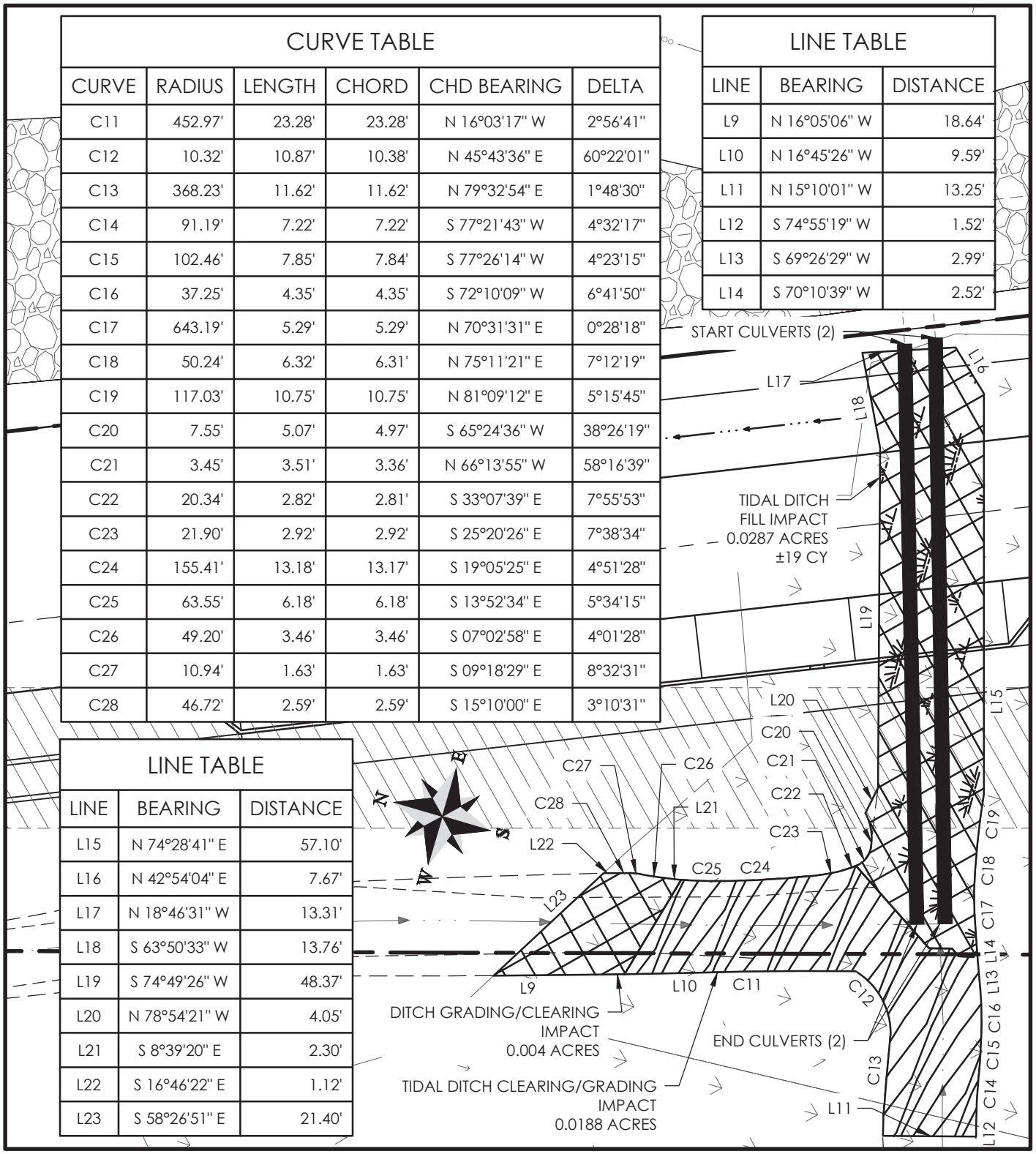
CURVE	RADIUS	LENGTH	CHORD	CHD BEARING	DELTA
C11	452.97'	23.28'	23.28'	N 16°03'17" W	2°56'41"
C12	10.32'	10.87'	10.38'	N 45°43'36" E	60°22'01"
C13	368.23'	11.62'	11.62'	N 79°32'54" E	1°48'30"
C14	91.19'	7.22'	7.22'	S 77°21'43" W	4°32'17"
C15	102.46'	7.85'	7.84'	S 77°26'14" W	4°23'15"
C16	37.25'	4.35'	4.35'	S 72°10'09" W	6°41'50"
C17	643.19'	5.29'	5.29'	N 70°31'31" E	0°28'18"
C18	50.24'	6.32'	6.31'	N 75°11'21" E	7°12'19"
C19	117.03'	10.75'	10.75'	N 81°09'12" E	5°15'45"
C20	7.55'	5.07'	4.97'	S 65°24'36" W	38°26'19"
C21	3.45'	3.51'	3.36'	N 66°13'55" W	58°16'39"
C22	20.34'	2.82'	2.81'	S 33°07'39" E	7°55'53"
C23	21.90'	2.92'	2.92'	S 25°20'26" E	7°38'34"
C24	155.41'	13.18'	13.17'	S 19°05'25" E	4°51'28"
C25	63.55'	6.18'	6.18'	S 13°52'34" E	5°34'15"
C26	49.20'	3.46'	3.46'	S 07°02'58" E	4°01'28"
C27	10.94'	1.63'	1.63'	S 09°18'29" E	8°32'31"
C28	46.72'	2.59'	2.59'	S 15°10'00" E	3°10'31"

LINE TABLE

LINE	BEARING	DISTANCE
L9	N 16°05'06" W	18.64'
L10	N 16°45'26" W	9.59'
L11	N 15°10'01" W	13.25'
L12	S 74°55'19" W	1.52'
L13	S 69°26'29" W	2.99'
L14	S 70°10'39" W	2.52'

LINE TABLE

LINE	BEARING	DISTANCE
L15	N 74°28'41" E	57.10'
L16	N 42°54'04" E	7.67'
L17	N 18°46'31" W	13.31'
L18	S 63°50'33" W	13.76'
L19	S 74°49'26" W	48.37'
L20	N 78°54'21" W	4.05'
L21	S 8°39'20" E	2.30'
L22	S 16°46'22" E	1.12'
L23	S 58°26'51" E	21.40'



PATTERSON FAMILY PARK

IMPACTS - DITCH

WETLAND IMPACT EXHIBIT

CLIENT:

TOWN OF HILTON HEAD ISLAND

LOCATION: HILTON HEAD ISLAND

DATE: 10/23/2025 DRAWN BY: BJS SHEET: 6 of 10

JOB NUMBER: J-31984.0001 REVIEWED BY: ATL SCALE: 1" = 20'

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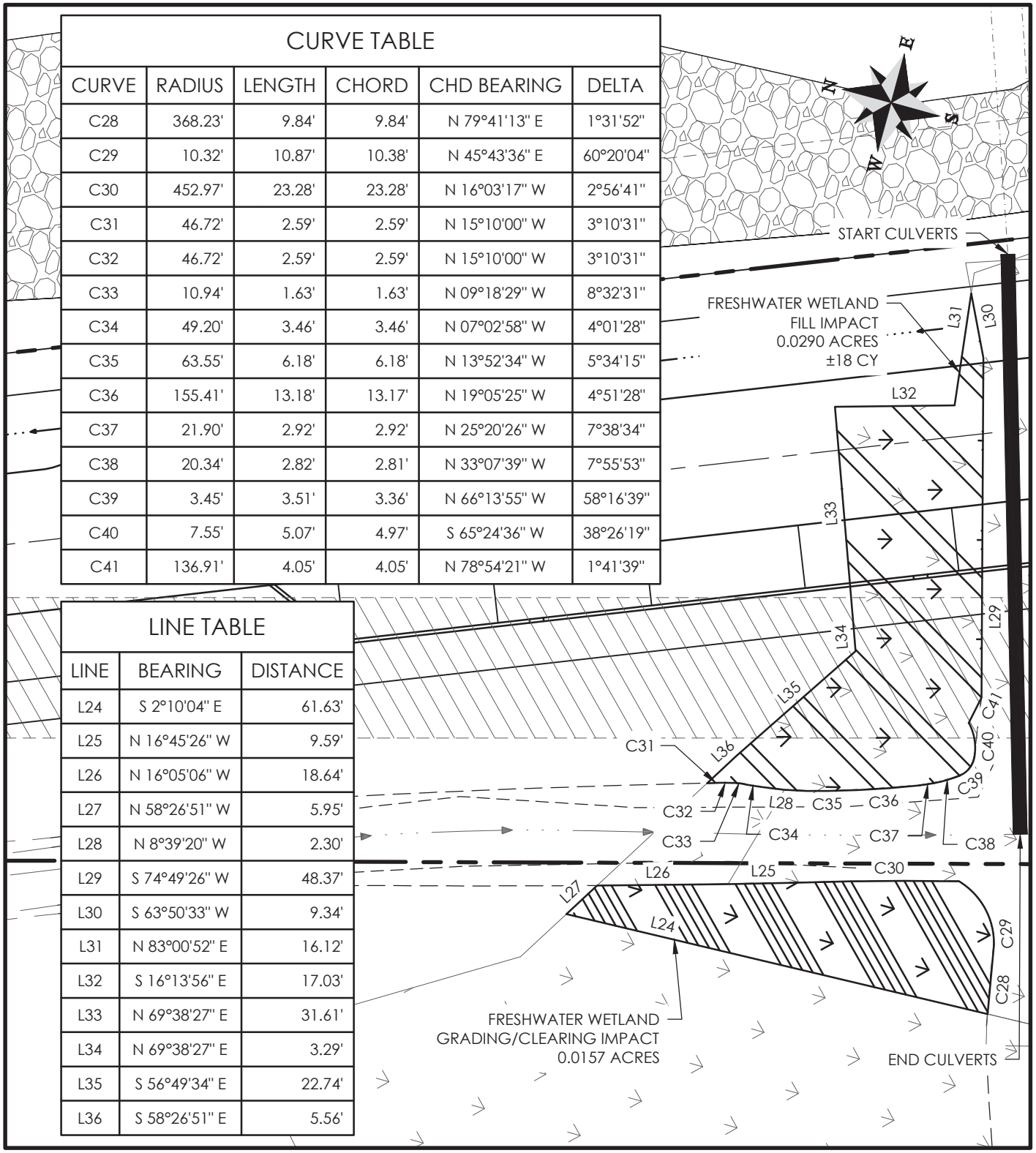
CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD	CHD BEARING	DELTA
C28	368.23'	9.84'	9.84'	N 79°41'13" E	1°31'52"
C29	10.32'	10.87'	10.38'	N 45°43'36" E	60°20'04"
C30	452.97'	23.28'	23.28'	N 16°03'17" W	2°56'41"
C31	46.72'	2.59'	2.59'	N 15°10'00" W	3°10'31"
C32	46.72'	2.59'	2.59'	N 15°10'00" W	3°10'31"
C33	10.94'	1.63'	1.63'	N 09°18'29" W	8°32'31"
C34	49.20'	3.46'	3.46'	N 07°02'58" W	4°01'28"
C35	63.55'	6.18'	6.18'	N 13°52'34" W	5°34'15"
C36	155.41'	13.18'	13.17'	N 19°05'25" W	4°51'28"
C37	21.90'	2.92'	2.92'	N 25°20'26" W	7°38'34"
C38	20.34'	2.82'	2.81'	N 33°07'39" W	7°55'53"
C39	3.45'	3.51'	3.36'	N 66°13'55" W	58°16'39"
C40	7.55'	5.07'	4.97'	S 65°24'36" W	38°26'19"
C41	136.91'	4.05'	4.05'	N 78°54'21" W	1°41'39"

LINE TABLE

LINE	BEARING	DISTANCE
L24	S 2°10'04" E	61.63'
L25	N 16°45'26" W	9.59'
L26	N 16°05'06" W	18.64'
L27	N 58°26'51" W	5.95'
L28	N 8°39'20" W	2.30'
L29	S 74°49'26" W	48.37'
L30	S 63°50'33" W	9.34'
L31	N 83°00'52" E	16.12'
L32	S 16°13'56" E	17.03'
L33	N 69°38'27" E	31.61'
L34	N 69°38'27" E	3.29'
L35	S 56°49'34" E	22.74'
L36	S 58°26'51" E	5.56'



PATTERSON FAMILY PARK

IMPACTS - FRESHWATER WETLAND

WETLAND IMPACT EXHIBIT

CLIENT:

TOWN OF HILTON HEAD ISLAND

LOCATION: HILTON HEAD ISLAND
DATE: 10/23/2025 DRAWN BY: BJS SHEET: 7 OF 10
JOB NUMBER: J-31984.0001 REVIEWED BY: ATL SCALE: 1" = 20'

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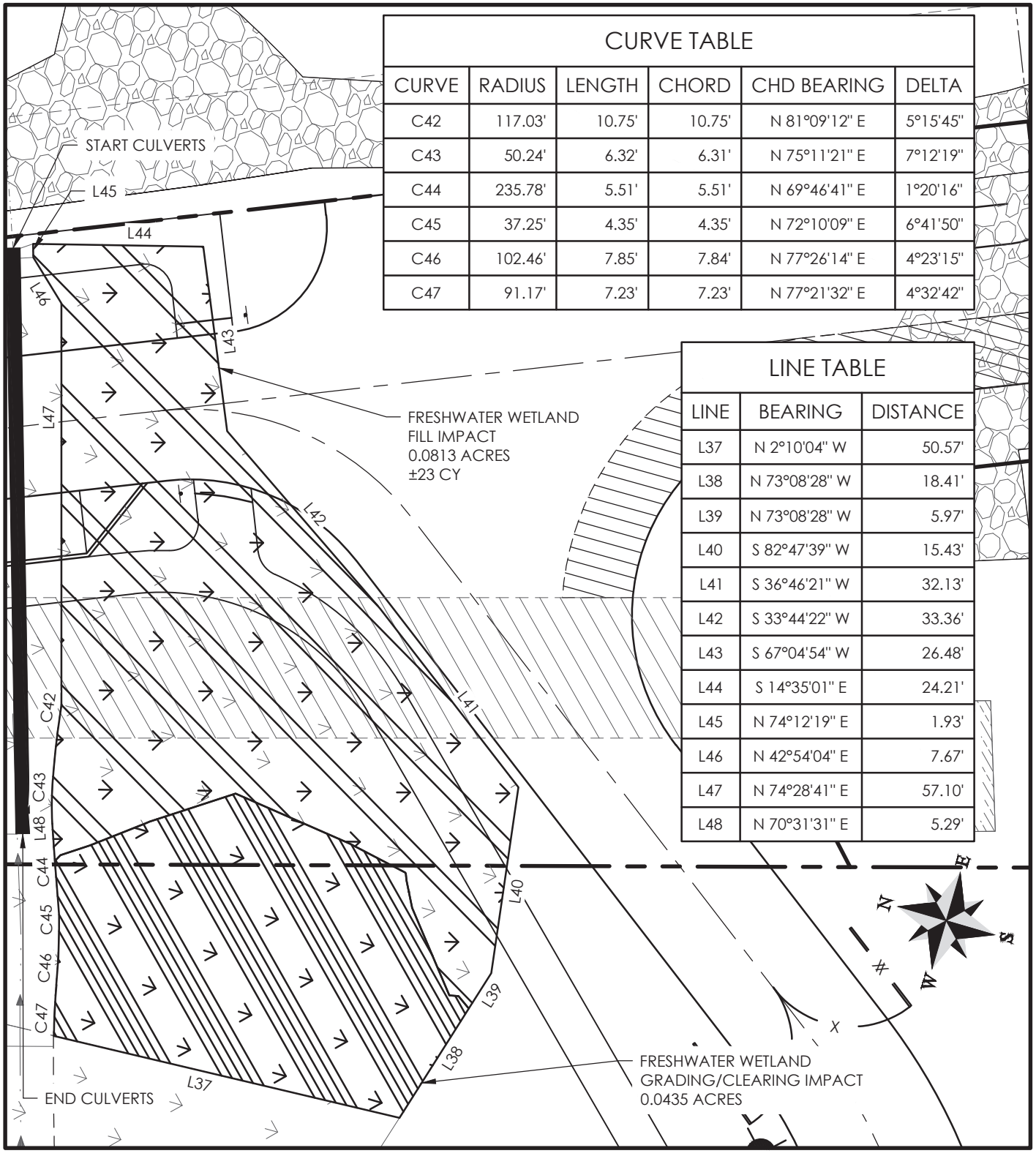

CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD	CHD BEARING	DELTA
C42	117.03'	10.75'	10.75'	N 81°09'12" E	5°15'45"
C43	50.24'	6.32'	6.31'	N 75°11'21" E	7°12'19"
C44	235.78'	5.51'	5.51'	N 69°46'41" E	1°20'16"
C45	37.25'	4.35'	4.35'	N 72°10'09" E	6°41'50"
C46	102.46'	7.85'	7.84'	N 77°26'14" E	4°23'15"
C47	91.17'	7.23'	7.23'	N 77°21'32" E	4°32'42"

LINE TABLE

LINE	BEARING	DISTANCE
L37	N 2°10'04" W	50.57'
L38	N 73°08'28" W	18.41'
L39	N 73°08'28" W	5.97'
L40	S 82°47'39" W	15.43'
L41	S 36°46'21" W	32.13'
L42	S 33°44'22" W	33.36'
L43	S 67°04'54" W	26.48'
L44	S 14°35'01" E	24.21'
L45	N 74°12'19" E	1.93'
L46	N 42°54'04" E	7.67'
L47	N 74°28'41" E	57.10'
L48	N 70°31'31" E	5.29'

PATTERSON FAMILY PARK

IMPACTS - FRESHWATER WETLAND

WETLAND IMPACT EXHIBIT

CLIENT:

TOWN OF HILTON HEAD ISLAND

LOCATION: HILTON HEAD ISLAND
DATE: 10/23/2025 DRAWN BY: BJS SHEET: 8 OF 10
JOB NUMBER: J-31984.0001 REVIEWED BY: ATL SCALE: 1" = 20'

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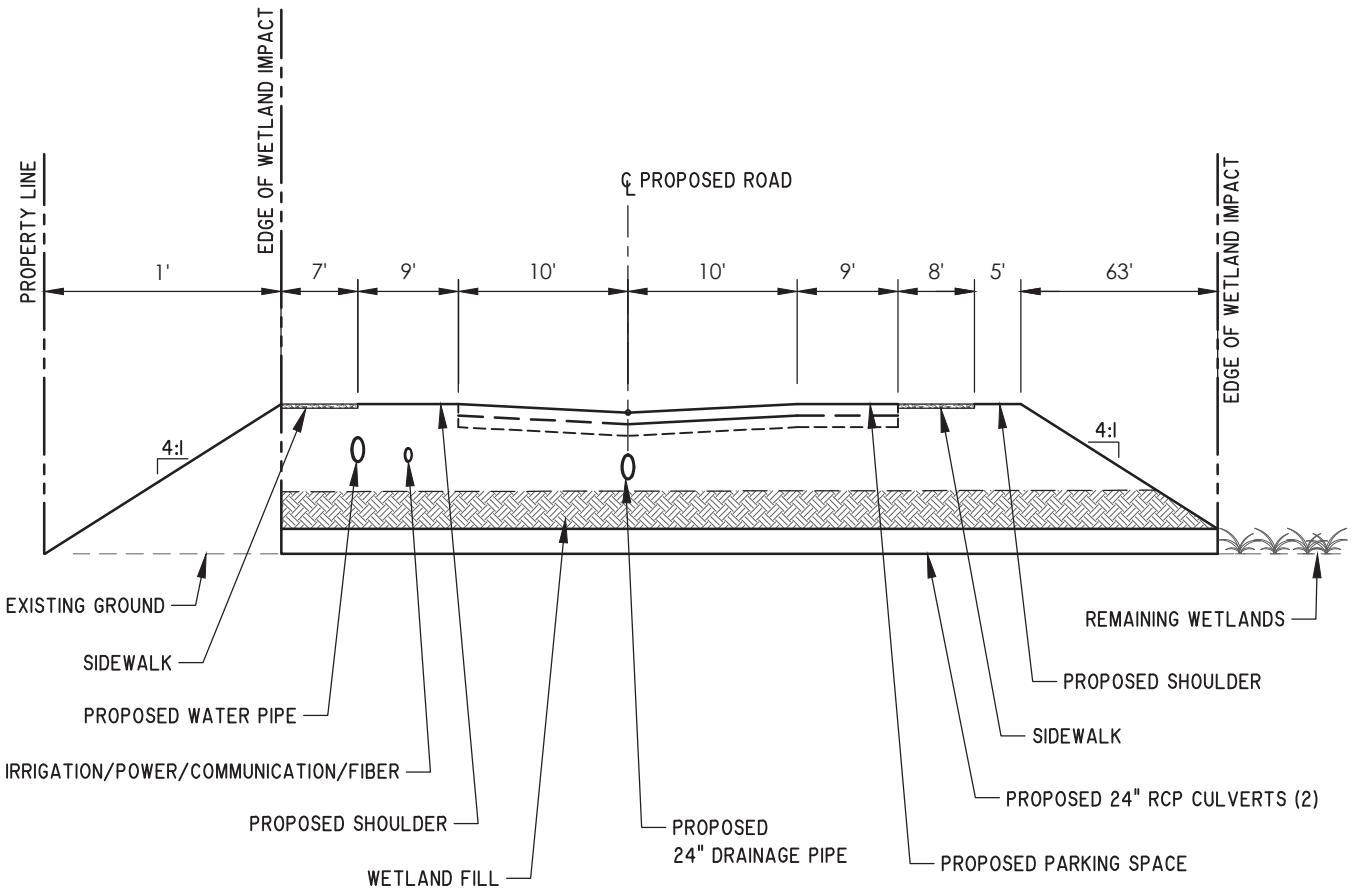
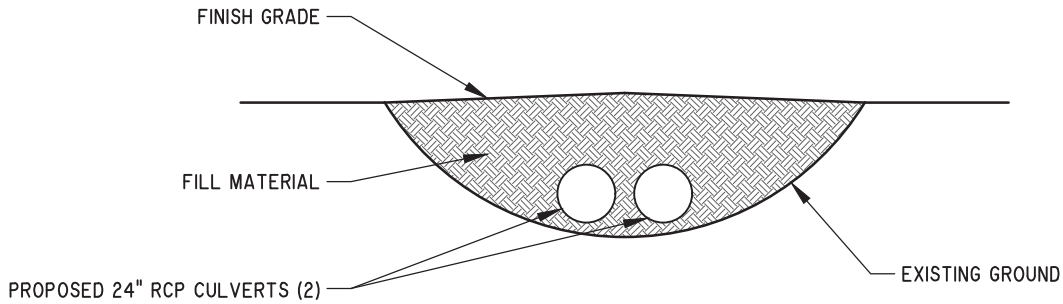


PROPOSED ROAD WETLAND FILL SECTION

NOT TO SCALE



TYPICAL WETLAND IMPACT SECTION

NOT TO SCALE

PATTERSON FAMILY PARK

SECTION VIEW

WETLAND IMPACT EXHIBIT

CLIENT:

TOWN OF HILTON HEAD ISLAND

LOCATION: HILTON HEAD ISLAND

DATE: 10/23/2025 DRAWN BY: BJS SHEET: 9 OF 10

JOB NUMBER: J-31984.0001 REVIEWED BY: ATL SCALE: N/A

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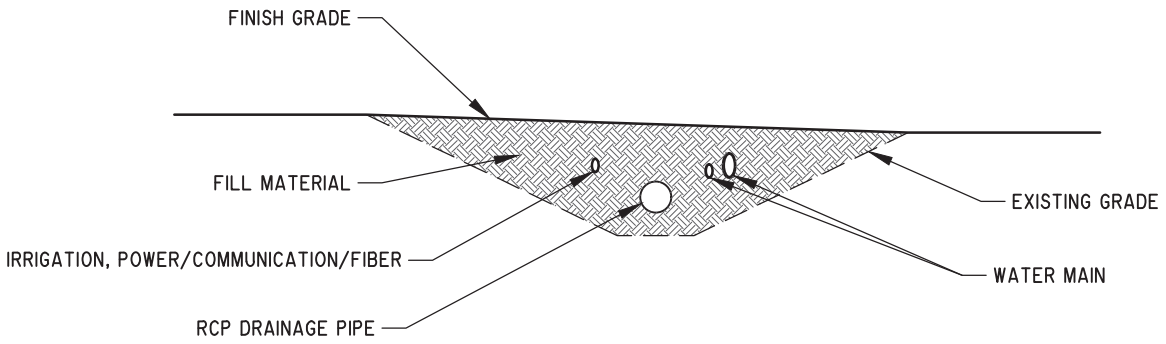

TYPICAL ROADSIDE DITCH FILL IMPACT SECTION

NOT TO SCALE

PATTERSON FAMILY PARK

SECTION VIEW

WETLAND IMPACT DRAWINGS

CLIENT:

TOWN OF HILTON HEAD ISLAND

LOCATION: HILTON HEAD ISLAND

DATE: 10/23/2025 DRAWN BY: BJS SHEET: 10 OF 10

JOB NUMBER: J-31984.0001 REVIEWED BY: ATL SCALE: N/A

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STATE OF SOUTH CAROLINA

DECLARATION OF
RESTRICTIVE COVENANTS

COUNTY OF _____

THIS DECLARATION OF RESTRICTIVE COVENANTS is made this____day of _____, 20__, by the Town of Hilton Head Island ("Declarant").

RECITALS

WHEREAS, Declarant is the owner of certain real property located in Beaufort County, South Carolina, more particularly described as 0.49 acres of freshwater wetlands in accordance with the attached “Patterson Family Park Restrictive Covenant Exhibit”, dated 1/29/2026; and

WHEREAS, as compensatory mitigation under Federal and State law for Department of the Army permit number SAC-2021-00844 ("Permit") issued by the U.S. Army Corps of Engineers, Charleston District ("Corps" or “Charleston District,” to include any successor agency), and certification(s) and/or permit(s) issued by the S.C. Department of Environmental Services ("SCDES," to include any successor agency), and in recognition of the continuing benefit to the permitted property, and for the protection of waters of the United States and scenic, resource, environmental, and general property values, Declarant *has* agreed to place certain restrictive covenants on the Property, in order that the Property shall remain substantially in its natural condition forever.

NOW THEREFORE, Declarant hereby declare*s* that the Property shall be held, transferred, conveyed, leased, occupied or otherwise disposed of and used subject to the following restrictive covenants, which shall run with the land and be binding on all heirs, successors, assigns (they are included in the term, “Declarant,” below), lessees, or other occupiers and users.

1. **Prohibitions**. Declarant is and shall be prohibited from the following: filling, draining, flooding, dredging, impounding, clearing, burning, cutting or destroying vegetation, cultivating, excavating, erecting, constructing, releasing wastes, or otherwise doing any work on the Property; introducing exotic species into the Property (except biological controls preapproved in writing by the Corps and SCDES); and from changing the grade or elevation, impairing the flow or circulation of waters, reducing the reach of waters, and any other discharge or activity requiring a permit under clean water or water pollution control laws and regulations, as amended. The following are expressly excepted from this paragraph: a) cumulatively very small impacts associated with hunting (excluding planting or burning), fishing, and similar recreational or educational activities, consistent with the continuing natural condition of the Property; b) removal or trimming of vegetation hazardous to person or property, or of timber downed or damaged due to natural disaster; c) restoration or mitigation required under law; d) the construction of a timber pedestrian/bicycle boardwalk to provide access across the wetland, provided the boardwalk is no more than 8’ in width.

2. **Amendment**. After recording, these restrictive covenants may only be amended by a recorded document signed by the Corps and SCDES and Declarant. The recorded document, as

amended, shall be consistent with the Charleston District model conservation restrictions at the time of amendment. Amendment shall be allowed at the discretion of the Corps and SCDES, in consultation with resource agencies as appropriate, and then only in exceptional circumstances. Compensatory mitigation for any adverse impacts associated with an amendment will be required pursuant to Charleston District mitigation policy at the time of amendment. There shall be no obligation to allow an amendment.

3. **Notice to Government**. Any permit application, or request for certification or modification, which may affect the Property, made to any governmental entity with authority over wetlands or other waters of the United States, shall expressly reference and include a copy (with the recording stamp) of these restrictive covenants.

4. **Reserved Rights**. It is expressly understood and agreed that these restrictive covenants do not grant or convey to members of the general public any rights of ownership, entry or use of the Property. These restrictive covenants are created solely for the protection of the Property, and for the consideration and values set forth above, and Declarant reserves the ownership of the fee simple estate and all rights appertaining thereto, including without limitation the rights to exclude others and to use the property for all purposes not inconsistent with these restrictive covenants.

5. **Compliance Inspections**. The Corps, SCDES and their authorized agents shall have the right to enter and go upon the lands of Declarant, to inspect the Property and take actions necessary to verify compliance with these restrictive covenants.

6. **Enforcement**. The Declarant grants to the Corps, the U.S. Department of Justice, and/or SCDES, a discretionary right to enforce these restrictive covenants in a judicial action against any person or other entity violating or attempting to violate these restrictive covenants; provided, however, that no violation of these restrictive covenants shall result in a forfeiture or reversion of title. In any enforcement action, an enforcing agency shall be entitled to a complete restoration for any violation, as well as any other judicial remedy such as civil penalties. Nothing herein shall limit the right of the Corps to modify, suspend, or revoke the Permit.

7. **Property Transfers**. Declarant shall include the following notice on all deeds, mortgages, plats, or any other legal instruments used to convey any interest in the Property (failure to comply with this paragraph does not impair the validity or enforceability of these restrictive covenants):

> NOTICE: This Property Subject to Declaration of Restrictive Covenants Recorded at **[*insert book and page references, county(ies), and date of recording*]**.

8. **Marking of Property**. The perimeter of the Property shall at all times be plainly marked by permanent signs saying, "Protected Natural Area," or by an equivalent, permanent marking system.

9. **Restrictive Covenant Exhibit**. An exhibit depicting the boundaries of the Property subject to these restrictive covenants shall be recorded in the deed records office for each county in which the Property is situated prior to the recording of these restrictive covenants. The plat is recorded at **[*include book and page references, county(ies), and date*]**.

10. **Long-Term Management.** The Declarant is responsible for long-term management activities identified. The required activities include but are not limited to management activities (invasive species, fire, etc) and the maintenance and/or replacement of structures (fences, ditch plugs, weirs, etc) that are critical to the long-term success of the mitigation activities as described in the approved mitigation plan.

11. **Separability Provision**. Should any separable part of these restrictive covenants be held contrary to law, the remainder shall continue in full force and effect.

IN WITNESS WHEREOF, the Declarant*(s) has/have* duly executed this Declaration of Restrictive Covenants the date written above.

IN THE PRESENCE OF:

Declarant*(s)*

_____
[*type name of witness under signature line*]

By: _____
[*type name of individual under signature line*]

_____
[*type name of witness under signature line*]

Its: _____
[*title of signing individual, where applicable*]

STATE OF SOUTH CAROLINA)
) ss.
COUNTY OF_____)

I, a Notary Public, do hereby certify that_____Personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and seal this_____day of_____, 20____.

_____
(Signature of Notary Public)

_____
(Typed/Printed name of Notary Public)

NOTARY PUBLIC FOR SOUTH CAROLINA

My Commission Expires: _____

PALMETTO UMBRELLA MITIGATION BANK – GREAT SWAMP MITIGATION SITE WETLAND AND STREAM MITIGATION CREDIT PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered into as of this **5th** day of **February 2026** (the "Effective Date"), by and between **WEYERHAEUSER NR COMPANY (the "Seller")** and **The Town of Hilton Head** (the "Purchaser"), Seller and Purchaser being hereinafter at times collectively referred to as the "Parties".

RECITALS

A. Seller is the Sponsor and operator of the Palmetto Umbrella Mitigation Bank – Great Swamp Mitigation Site located in Colleton County, South Carolina (the "Bank"), established pursuant to the umbrella mitigation banking instrument number SAC-2023-001166 (the "UMBI") developed for the Bank and approved on September 18, 2023 by the U.S. Army Corps of Engineers (the "Corps") and other federal and state member agencies of the Interagency Review Team ("IRT").

B. Purchaser desires to buy from Seller **1.0** Freshwater Wetland and/or **N/A** Stream mitigation credits ("Credits") to meet the compensatory mitigation requirements of USACE/SCDES Permit **SAC-2021-00844** (the "Permit") issued pursuant to Clean Water Act Section 404, and Seller agrees to sell such Credits to Purchaser, under the terms and conditions set out in this Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the covenants and conditions herein contained, the receipt and sufficiency of which is hereby acknowledged by the parties, Seller and Purchaser agree as follows:

1. AGREEMENT TO PURCHASE AND SALE

1.B Deposit

A. From the Bank, Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, the Credits subject to the terms and conditions hereof.

B. Upon execution of this Agreement, Purchaser shall pay to Seller a deposit of **N/A DOLLARS ($N/A)** (the "Deposit"), which equals **N/A (N/A)** percent of the total Purchase Price (defined below) under this Agreement. The Deposit shall be applied to the Purchase Price at Closing and nonrefundable to Purchaser, except as provided in Section 5.A of this Agreement.

2. CLOSING / PAYMENT

A. **Closing:** On or before **March 5, 2026** ("Closing"), Purchaser shall pay to Seller **FIFTEEN THOUSAND DOLLARS ($15,000.00)** for each Freshwater Wetland Credit and **N/A DOLLARS ($N/A)** for each Stream Credit for a total sum of **FIFTEEN THOUSAND DOLLARS ($15.000.00) ("Purchase Price")**, in full, in certified check or immediately available funds as noted below:

CHECK	**Payable to:**	**WEYERHAEUSER NR COMPANY** c/o Carolyn Torres 13005 SW 1st Road, Suite 241 Newberry, FL 32669

(1) Mail via a trackable delivery service, and
(2) include Special Instructions: Slide the envelope under the door if delivery occurs after business hours.

ACH PAYMENT	**Destination Bank:**	Bank of America 1825 Buckeye Road Phoenix, AZ 85034
	Account Name:	**Weyerhaeuser NR Company**
	Routing ABA No.:	121 000 358
	Account No.:	123 360 0869
WIRE PAYMENT	**Destination Bank:**	Bank of America 100 West 33rd Street New York, NY 10001
	Account Name:	**Weyerhaeuser NR Company**
	Routing ABA No.:	026 009 593
	Account Number:	123 360 0869
	SWIFT:	BofAUS3N

** Please contact chris.muckenfuss@weyerhaeuser.com prior to initiating an ETF payment.
Note: The Purchase Price is non-refundable.

B. Documentation: Upon receipt of the Purchase Price, Seller shall deliver to the Corps documentation confirming to the Corps' satisfaction that Purchaser has purchased compensatory mitigation pursuant to the Permit.

C. Reduction of Credits: If, during the period following execution of this Agreement but prior to the Closing Date, Purchaser determines that Purchaser will require fewer than **1.0** Freshwater Wetland Credits and/or **N/A** Stream Credits from the Bank, Purchaser shall have the option to elect, by written notice to Seller, to acquire fewer than **1.0** Freshwater Wetland Credits and/or **N/A** Stream Credits. If Purchaser so elects, the Purchase Price shall be proportionally reduced based on the actual number of Credits to be acquired by Purchaser; provided, however, that Purchaser's election to acquire fewer Credits will in no event entitle the Purchaser to return of all or a portion of the Deposit.

3. WARRANTIES & DISCLAIMERS

A. Seller's Warranty: Seller represents and warrants that Seller has the authority and approval from the Corps and the IRT, pursuant to the UMBI, to sell the Credits and has complied with the requirements of the UMBI for the purposes of issuing such Credits. PURCHASER ACKNOWLEDGES AND AGREES THAT (I) THIS AGREEMENT IS AN ARM'S-LENGTH CONTRACT BETWEEN THE PARTIES; (II) SELLER HAS NO CONTROL OVER THE ACTIONS OR INACTIONS OF THE CORPS OR ANY OTHER GOVERNMENTAL AGENCY; AND (III) **EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, ALL REPRESENTATIONS, DISCLOSURES AND WARRANTIES, EXPRESS OR IMPLIED, ARE FULLY DISCLAIMED.**

B. Purchasers' Warranty: Purchaser warrants that: (1) Purchaser is an entity authorized to do business in South Carolina, and is duly authorized to enter into this Agreement and purchase the Credits; (2) Purchaser has the financial capability to pay for the Credits under this Agreement and, to the best of Purchaser's knowledge, there are no legal impediments restricting or otherwise existing that would prevent Purchaser from performing its obligations hereunder; and (3) Purchaser understands that Seller has made no representations or warranties to Purchaser with respect to the necessary number of Credits for Purchaser's needs. Purchaser acknowledges and agrees that it does not have and shall not hereafter have: (1) any rights to any monies generated by or related to the Bank (whether the surface or the subsurface of the Bank); or (2) any rights of ownership, use, or otherwise in the Bank.

4. INSOLVENCY OF PURCHASER/REMEDIES

In case of the filing of a petition in bankruptcy by or against Purchaser, or the appointment of a receiver for Purchaser, or the insolvency of Purchaser, prior to

Purchaser's full payment for the Credits under this Agreement, this Agreement shall automatically and immediately terminate without the necessity of any action or notice by or from Seller.

5. DEFAULT AND REMEDIES

A. If the purchase and sale of the Credits contemplated hereby is not consummated because of a default by Seller, then Purchaser may, as Purchaser's sole and exclusive remedy hereunder on account of any default by Seller, terminate this Agreement by written notice to Seller, upon which notice Seller shall return the Deposit to Purchaser, and the Parties shall have no further rights or obligations hereunder except those which survive the termination hereof.

B. If the purchase and sale of the Credits contemplated hereby is not consummated because of a default by Purchaser, Seller may, as Seller's sole and exclusive remedy hereunder on account of a default by Purchaser, terminate this Agreement by written notice to Purchaser, upon which notice Seller shall be entitled to retain the Deposit, **IT BEING AGREED BETWEEN PUCHASER AND SELLER THAT SUCH SUM SHALL BE SELLER'S SOLE AND LIQUIDATED DAMAGES (AND NOT A PENALTY) FOR SUCH DEFAULT OF PURCHASER HEREUNDER BECAUSE OF THE DIFFICULTY, INCONVENIENCE AND UNCERTAINTY OF ASCERTAINING ACTUAL DAMAGES FOR SUCH DEFAULT,** and the Parties shall have no further rights or obligations hereunder except those which survive the termination hereof.

C. Notwithstanding anything in this Agreement to the contrary, neither party shall be liable to the other for punitive, consequential, special, incidental, or indirect damages of any nature, in each case arising out of or relating to the performance of this Agreement, and whether such liability is claimed in contract or tort.

6. SAVINGS AND SEVERABILITY PROVISIONS

The parties agree that if a portion of this Agreement or if the application of this Agreement to any person or circumstance shall to any extent be declared invalid by a court of competent jurisdiction, then the remainder of this Agreement and the application of such provisions to persons or circumstances other than those held to be invalid shall not be affected thereby. Moreover, each other in such provision of this Agreement shall be valid and enforced to the fullest extent permitted by applicable law.

7. ASSIGNMENT

The parties may freely assign their rights under this Agreement.

8. INTEGRATION/MODIFICATION

The Agreement contains the entire understanding between the parties with respect to the subject matter hereof. Furthermore, this Agreement supersedes and revokes all previous communications, negotiations, and agreements, whether oral or written, between the parties with respect to the subject matter of this Agreement. No addition, modification, or deletion of or to this Agreement or any waiver of any of its provisions shall be binding on either party unless made in writing and executed both by Seller and Purchaser.

9. JURISDICTION

This Agreement shall be governed and construed for all purposes under and in accordance with the laws of the State of South Carolina.

10. NOTICE

Any notice required or permitted under or given in respect to this Agreement shall be made in writing (including electronic transmission) directed as follows:

	SELLER'S ADDRESS		**PURCHASER'S ADDRESS**
Name:	**WEYERHAEUSER NR COMPANY**	**Name:**	**Town of Hilton Head**
Attn:	Chris Muckenfuss	**Attn:**	Marc Orlando, Town Manager
Address:	206 Brighton Park Blvd., Suite A	**Address:**	1 Town Center Court
	Summerville, SC 29485		Hilton Head Island, SC 29928
Mobile #:	(843)607-2233	**Mobile #:**	
Email:	Chris.Muckenfuss@weyerhaeuser.com	**Email:**	

11. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.

12. COUNTERPARTS

This Agreement may be signed in multiple counterparts with the same effect as if all signatories had executed the same instrument. The exchange of copies of this Agreement and signature pages by facsimile or electronic (i.e., PDF) transmission will constitute effective execution and delivery of this Agreement and may be used instead of the original Agreement for all purposes.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SELLER: **WEYERHAEUSER NR COMPANY**

By _____
Name Doug Hughes
Title Director, Mitigation Services
Date _____

PURCHASER: **TOWN OF HILTON HEAD**

By _____
Name Marc Orlando
Title Town Manager
Date _____

Donald D'Adam

From: Brett Searing <bsearing@rlandc.com>
Sent: Monday, May 18, 2026 12:06 PM
To: Donald D'Adam; lonker.a@tandh.com
Cc: Scott Harris; Richard Loudin; Jeff Netzinger
Subject: RE: WETLAND AND STREAM MITIGATION PURCHASE AGREEMENT - PATTERSON PARK

Don & All,

Thanks for your patience, see below for my response. Please let me know if this is sufficient, thanks.

1. **Expiration Date:** On page 2 and 7 of the conditional approval document, the date of March 14, 2026 indicates an expiration date/time limit for completing the work. Please provide clarity on what this date means for this project and any future hard deadlines for completing construction activity in the subject area?

The 4th paragraph of the NWP authorization stipulates that the permit is "*valid until March 14 2026 unless… you commence or are under contract to commence this activity before the date that the relevant NWP is modified or revoked, you will have 12 months from the date of the modification or revocation of the NWP to complete the activity under the present terms and conditions of this NWP.*" At this point in time USACE would consider you "*under contract to commence*" based on the level of survey, design, and engineering effort you have undertaken. Authorized impacts must be completed by 14 March 2027, if the authorized impacts are not complete then a new NWP authorization must be obtained from USACE.

2. **Weyerhaeuser NR Company as "Seller" and "Sponsor":** The question arose as to Weyerhaeuser Corporation's involvement in this process as they are listed on the Purchase Agreement. More specifically, please help us to elaborate on the "Who" and "Why" private entities like Weyerhaeuser are parties as part of the structured process managed by USACE. It is my understanding that these are typically subsidiaries of companies (the "Who") and they are oriented to best assist the USACE (as part of their prequal process) in leveraging private land owners at scale (the "Why"). The "How" wetland bank work can be simply described on links to websites and is less of an emphasis here.

The wetland mitigation banking program is a nationwide program designed to incentivize wetland restoration in exchange for the generation of wetland mitigation credits. Mitigation bank sponsors undertake mitigation banks as a for profit endeavor, restoring wetlands to sell mitigation credits on the open market. Bank sponsors go through a rigorous approval process with USACE concerning the proposed restoration and or preservation, and are required to meet agreed upon success criteria throughout the life of the mitigation bank. Bank sponsors are not chosen by USACE based on their ability to assist, rather each individual project is approved or denied based on the merits of the mitigation bank as proposed to USACE. There are no strict barriers to entry regarding who can sponsor a private commercial bank as long as the restoration adheres to the Charleston District's Mitigation SOP and is approved by the corps. In this instance, Weyerhaeuser is the owner of the mitigation bank that services the location we have proposed to impact waters of the US. At this time, no other mitigation banks that

service the area we are impacting wetlands have mitigation credits available and our only option is to purchase from them.

-Brett

Brett Searing, PROJECT MANAGER
41 Park of Commerce Way, Suite 101
Savannah GA, 31405
P 912 443 5896 **F** 912 443 5898 **C** 912 659 7531
http://www.rlandc.com

From: Donald D'Adam <donaldd@hiltonheadislandsc.gov>
Sent: Monday, May 18, 2026 8:01 AM
To: Brett Searing <bsearing@rlandc.com>; lonker.a@tandh.com
Cc: Scott Harris <scotth@hiltonheadislandsc.gov>; Richard Loudin <richardl@hiltonheadislandsc.gov>; Jeff Netzinger <jeffn@hiltonheadislandsc.gov>
Subject: RE: WETLAND AND STREAM MITIGATION PURCHASE AGREEMENT - PATTERSON PARK

Hello Brett

Please let me know if you are close to sending a response as I need to prepare packets. Please call if you have any additional questions.

Thanks for your support.

Don D'Adam, P.E.
PUBLIC PROJECTS PROGRAM - DIRECTOR
Mobile: (843) 980-1711
Website: hiltonheadislandsc.gov
Address: Town of Hilton Head Island
1 Town Center Court,
Hilton Head Island, SC 29928

From: Donald D'Adam
Sent: Wednesday, May 13, 2026 11:24 AM
To: bsearing@rlandc.com; lonker.a@tandh.com
Cc: Scott Harris <scotth@hiltonheadislandsc.gov>; Richard Loudin <richardl@hiltonheadislandsc.gov>; Jeff Netzinger <jeffn@hiltonheadislandsc.gov>
Subject: RE: WETLAND AND STREAM MITIGATION PURCHASE AGREEMENT - PATTERSON PARK

PS – If possible, could we get answers to these questions by the end of this week?

Don D'Adam, P.E.
PUBLIC PROJECTS PROGRAM - DIRECTOR
Mobile: (843) 980-1711
Website: hiltonheadislandsc.gov
Address: Town of Hilton Head Island
1 Town Center Court,
Hilton Head Island, SC 29928

From: Donald D'Adam
Sent: Tuesday, May 12, 2026 11:58 AM
To: bsearing@rlandc.com; lonker.a@tandh.com
Cc: Scott Harris <scotth@hiltonheadislandsc.gov>; Richard Loudin <richardl@hiltonheadislandsc.gov>; Jeff Netzinger <jeffn@hiltonheadislandsc.gov>
Subject: WETLAND AND STREAM MITIGATION PURCHASE AGREEMENT - PATTERSON PARK

Hello Brett

Thank you for taking my call today.

As discussed, the subject purchase agreement went before our Finance Committee on 5/11 in preparation for Town Council approval in June. Two (2) questions emerged that require a written response from the team to support our next steps.

1. **Expiration Date:** On page 2 and 7 of the conditional approval document, the date of March 14, 2026 indicates an expiration date/time limit for completing the work. Please provide clarity on what this date means for this project and any future hard deadlines for completing construction activity in the subject area?
2. **Weyerhaeuser NR Company as "Seller" and "Sponsor":** The question arose as to Weyerhaeuser Corporation's involvement in this process as they are listed on the Purchase Agreement. More specifically, please help us to elaborate on the "Who" and "Why" private entities like Weyerhaeuser are parties as part of the structured process managed by USACE. It is my understanding that these are typically subsidiaries of companies (the "Who") and they are oriented to best assist the USACE (as part of their prequal process) in leveraging private land owners at scale (the "Why"). The "How" wetland bank work can be simply described on links to websites and is less of an emphasis here.

Please call if you have any questions. Formalities aside, I appreciate your thoughtfulness and support.

Don D'Adam, P.E.
PUBLIC PROJECTS PROGRAM - DIRECTOR
Mobile: (843) 980-1711
Website: hiltonheadislandsc.gov
Address: Town of Hilton Head Island
1 Town Center Court,
Hilton Head Island, SC 29928

SC DEPARTMENT of ENVIRONMENTAL SERVICES

Coastal Zone Consistency Determination

To:	Dagny Jacobs, BCM Coastal Stormwater Permitting
From:	Jackson B. Cox, BCM Coastal Zone Consistency Division
Applicant:	Scott Harris, Town of Hilton Head Island
Project Name:	Patterson Family Park
Finding:	Conditionally Consistent with the SC Coastal Zone Management Program
Site Location:	Marshland Road, Hilton Head Island, Beaufort County, South Carolina (TMS#: R51000800004600000, R5100008008D0000)
Reference #:	HQA-HZK5-JKVDR
Date:	February 05, 2026

The staff of the Bureau of Coastal Management (BCM) reviewed the above referenced Coastal Zone Consistency project request for land disturbance associated with a recreational park development. Construction activities include an access driveway, parking lot, pavilion, playground, and paved walkways. Stormwater management is conducted via three wet retention ponds and BMPs. The total area of disturbance will be 3.20 acres of a 4.38-acre project site.

Per U.S. Army Corps of Engineers NWP 14 #SAC-2021-00844, the authorization of no more than 0.1881 acres of fill and 0.0820 acres of clearing/regrading to jurisdictional, aquatic resources. Compensatory mitigation involves the purchase of 0.99 mitigation credits. The remaining 0.49 acres of onsite wetlands are to be preserved through restrictive covenants in the Beaufort County, SC Register of Deeds.

We hereby certify that the above referenced project is **Conditionally Consistent** with the ***Guidelines for Evaluation of All Projects*** as well as the Transportation Facilities *(Roads and Highways and Parking Facilities),* Recreation and Tourism *(Parks),* Activities in Areas of Special Resource Significance *(Wetlands),* Stormwater Management *(Runoff)* policies contained in the S.C. Coastal Zone Management Program provided the following conditions are included in the permits and adhered to by the applicant.

1. In the event that any historic or cultural resources and/or archaeological materials are found during the course of work, the applicant must notify the State Historic Preservation Office and the South Carolina Institute of Archaeology and Anthropology. Historic or cultural resources consist of those sites listed in the

info@des.sc.gov | des.sc.gov | 803.898.3432

National Register of Historic Places and those sites that are eligible for the National Register. Archaeological materials consist of any items, fifty years old or older, which were made or used by man. These items include, but are not limited to, stone projectile points (arrowheads), ceramic sherds, bricks, worked wood, bone and stone, metal and glass objects, and human skeletal materials.

2. The project must be consistent with State Stormwater Permitting requirements during and post construction for protection of water quality.

3. Due to the close proximity of shellfish beds (within 1000' of the project), the applicant must demonstrate that the first one and half (1½) inches of runoff from the built upon portion of the property is retained onsite.

4. All construction BMPs must be installed, inspected and maintained to hold sediment onsite and to protect any adjacent or downstream critical area, wetlands and waters through the life of the project. Upon completion of construction activities, all disturbed (including undeveloped) areas, including those impacted for access, must be immediately stabilized.

5. The project must be fully consistent with local zoning and comprehensive plans prior to work being conducted.

6. Prior to land disturbance and impacts to jurisdictional wetlands of 0.2701 acres, applicant must fully comply with all general, special and regional terms and conditions of the US Army Corps of Engineers Permit (SAC-2021-00884) as well as SCDES requirements for Water Quality and Coastal Zone Certifications. Mitigation for the impacts to 0.2701 acres of wetlands will be provided through the preservation of the remaining 0.49 acres of freshwater wetlands, as well as the purchase of 0.99 credits from an approved mitigation bank. The preserved wetland areas must be protected in perpetuity through the placement of an approved restrictive covenant. A copy of the stamped recorded plat with metes and bounds, the stamped recorded restrictive covenants and proof of purchase of the 0.99 mitigation credits must be submitted to the Department prior to beginning work on the project.

This determination shall serve as the SCDES BCM Coastal Zone Consistency Determination for the work described above. However, this determination ***does not*** serve as a Department permitting decision and ***does not*** alleviate the applicant's responsibility to obtain any applicable State or Federal permit(s) for the work. Local government authorizations ***may also*** be required.

DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, CHARLESTON DISTRICT
69-A HAGOOD AVENUE
CHARLESTON, SOUTH CAROLINA 29403

December 5, 2025

South Atlantic Division
Regulatory Technical
Regional Execution Center

Scott Harris
Town of Hilton Head
1 Town Center Court
Hilton Head Island, SC 29928
Via Email: scotth@hiltonheadislandsc.gov

Dear Mr. Harris:

This letter is in response to the Pre-Construction Notification (PCN) you submitted to the Charleston District on March 31, 2025, for a Department of the Army Nationwide permit (NWP) verification. This project has been assigned the file number SAC-2021-00844 and is known as 23 Marshland Road Hilton Head Island. This file number should be referenced in all correspondence concerning this project.

A review of the information provided indicates that the proposed work would include the construction of a new road to facilitate access to a public park. Specifically, the proposed work will include the discharge of fill into 0.1103 acre of non-tidal wetland, 0.0491 acre of non-tidal drainage feature including the installation of a new culvert, and 0.0287 acre of tidal drainage feature including the installation of new culverts, as well as clearing/regrading impacts to 0.0592 acre of non-tidal wetland, 0.004 acre of non-tidal drainage feature, and 0.0188 acre of tidal drainage feature. The project area is located at 23 Marshland Road, at Latitude 32.203500 and Longitude -80.705760; in Hilton Head Island, Beaufort County, South Carolina.

We have determined that the proposed work is authorized by Nationwide Permit 14 (Linear Transportation Projects) pursuant to authorities under Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. § 403) and Section 404 of the Clean Water Act (33 U.S.C. § 1344). The proposed work must be accomplished in strict accordance with the general permit conditions, any regional conditions, the special conditions listed in this letter, the application materials, and the enclosed plans “Permitted Plans: SAC-2021-00844 - 23 Marshland Road Hilton Head Island”, pages 1-10, dated November 28, 2025. If the extent of the project area and/or nature of the authorized impacts to waters are modified, a revised PCN must be submitted to this office for written approval before work is initiated. Any violation of permit conditions or deviation from your submitted plans may subject the permittee to enforcement action.

This verification is valid until March 14, 2026, unless prior to this date the subject NWP(s) is suspended, revoked, or is modified such that the activity no longer complies with the terms and conditions of this NWP. If you commence or are under contract to commence this activity before the date that the relevant NWP is modified or revoked, you will have 12 months from the date of the modification or revocation of the NWP to complete the activity under the present terms and conditions of this NWP.

Project Specific Special Conditions:

a. **That prior to beginning the authorized work the permittee must obtain and provide the Corps with a copy of all appropriate state certifications and/or authorizations (e.g., Coastal Zone Management Act concurrence, State Navigable Waters Permit, etc.). This PROVISIONAL NWP is NOT VALID until the permittee obtains and provides the requisite state certification(s) and/or authorization(s) in accordance with this special condition.**

b. **That impacts to aquatic areas do not exceed those specified in the above mentioned PCN, including any supplemental information or revised permit drawings that were submitted to the Corps by the permittee.**

c. **That the construction, use, and maintenance of the authorized activity is in accordance with the information given in the PCN, including the supplemental information listed above, and is subject to any conditions or restrictions imposed by this letter.**

d. **That the permittee shall submit the attached signed compliance certification to the Corps within 30 days following completion of the authorized work.**

e. **That the permittee shall incorporate Best Management Practices (BMP's) during construction to protect adjacent wetlands and Waters of the United States from sediment and erosion during construction. BMP's to be utilized, independently or in combination, may include but are not limited to; erosion control matting, mulch, silt fences, sediment tubes, and other devices. BMP's shall be maintained until the fill material is stabilized.**

f. **That the permittee shall use only clean fill material obtained from an upland source.**

g. **Prior to beginning the authorized work, the permittee must coordinate with the local NFIP flood plain manager and comply with FEMA requirements. A list of NFIP floodplain managers may be found at: https://www.dnr.sc.gov/water/flood/index.html.**

h. **The permittee recognizes that their commitment to perform and implement the following conditions was a deciding factor in the favorable and timely**

decision on this permit and recognizes that a failure on their part to both actively pursue and implement these conditions may be grounds for modification, suspension or revocation of this Department of the Army authorization:

1. **That as compensatory mitigation for impacts to aquatic resources, the permittee agrees to purchase or debit a total of 0.99 credits from a Corps approved mitigation bank. The permittee must submit the name of the proposed mitigation bank from which the credits will be purchased to the Corps for approval prior to credit purchase. At least one half of the required credits (0.495) must be restoration/non-buffer enhancement credits. In addition, no more than one half of the required mitigation credits may be preservation credits.**

2. **That in order to fulfill your responsibility to complete the required compensatory mitigation as set forth in Special Condition "l", the permittee must submit evidence of the purchase or debit of the required mitigation credits to both the Corps of Engineers and SCDES prior to commencement of the authorized work.**

i. **In order to ensure protection of any threatened or endangered species, and designated critical habitat that may be present in the vicinity of the project area during construction activities, the permittee will comply with the following:**

1. **The permittee shall instruct all personnel associated with the project of the potential presence of and the need to avoid collisions with protected species, which may include but is not limited to West Indian manatees, Atlantic sturgeon, shortnose sturgeon, sea turtles, wood stork, blue whale, fin whale, North Atlantic right whale, sei whale and sperm whale.**

2. **The permittee shall advise all construction personnel that there are civil and criminal penalties for harming, harassing, or killing protected species, to include manatee(s), which are protected under the Marine Mammal Protection Act of 1972 and/or the Endangered Species Act of 1973.**

3. **Any siltation barriers used during the project shall be made of material in which protected species, to include manatee(s), cannot become entangled and must be properly secured, and regularly monitored to avoid protected species entrapment.**

4. **All vessels associated with the project shall operate at "no wake/idle" speeds at all times while in the construction area and while in water where the draft of the vessel provides less than a four-**

foot clearance from the bottom. All vessels will follow routes of deep water whenever possible.

5. **If protected species, to include manatee(s), are seen within 100 yards of the active construction area all appropriate precautions shall be implemented to ensure protection of the protected species, to include manatee(s). These precautions shall include the operation of all moving equipment no closer than 50 feet to a protected species, to include manatee(s). Operation of any equipment closer than 50 feet to a protected species, to include manatee(s), shall necessitate immediate shutdown of that equipment. Activities will not resume until the protected species, to include manatee(s), has departed the project area of its own volition.**

6. **Incidents where any individuals of sea turtles, Atlantic sturgeon, shortnose sturgeon, blue whale, fin whale, North Atlantic right whale, sei whale and sperm whale listed by NOAA Fisheries under the Endangered Species Act appear to be injured or killed as a result of discharges of dredged or fill material into waters of the United States or structures or work in navigable waters of the United States authorized by this DA permit shall be reported to NOAA Fisheries, Office of Protected Species at (727) 824-5312, the SCDNR Hotline at 1-800-922-5431, and the Regulatory Office of the Charleston District of the U.S. Army Corps of Engineers at (843) 329-8044. The finder should leave the animal alone, make note of any circumstances likely causing the death or injury, note the location and number of individuals involved and, if possible, take photographs. Adult animals should not be disturbed unless circumstances arise where they are obviously injured or killed by discharge exposure, or some unnatural cause. The finder may be asked to carry out instructions provided by NOAA Fisheries, Office of Protected Resources, to collect specimens or take other measures to ensure that evidence intrinsic to the specimen is preserved.**

7. **The permittee understands and agrees that all in-water lines (rope, chain, and cable, including the lines to secure turbidity curtains) must be stiff, taut, and non-looping. Examples of such lines are heavy metal chains or heavy cables that do not readily loop and tangle. Flexible in-water lines, such as nylon rope or any lines that could loop or tangle, must be enclosed in a plastic or rubber sleeve/tube to add rigidity and prevent the line from looping and tangling. In all instances, no excess line is allowed in the water. Where appropriate, in water wires should be fitted with PVC sleeve from the surface to the bottom to prevent any potential scraping of the passing manatees.**

j. **In order to ensure protection and reduce potential construction-related impacts to West Indian manatees that may be in the vicinity of the project area during construction activities, to discountable and insignificant levels, the permittee will comply with the following for all projects affecting the coastal waters of South Carolina:**

1. **The permittee shall instruct all personnel associated with the project of the potential presence of manatees and the need to avoid collisions with manatees. All construction personnel MUST monitor water-related activities for the presence of manatee(s).**

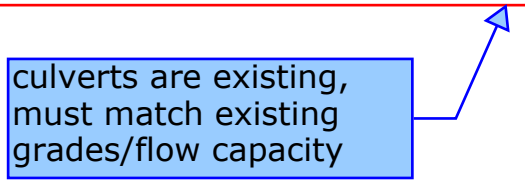
2. **Any collision with and/or injury to a manatee shall be reported immediately to the U.S. Fish and Wildlife Service contacts: Melanie Olds, South Carolina Manatee Lead, Charleston Field Office, at 843-727-4707 ext. 205; or Terri Calleson, Manatee Recovery Coordinator, North Florida Field Office, at 904-731-3286.**

3. **That the permittee shall install and maintain sturdy grates or bars, with a maximum of 8 inches between bars, at the downstream end of all proposed new water control structures, pipes and/or culverts and/or these structures that will be repaired or replaced to prevent West Indian manatee from entering the pipes**

k. **The project falls within the range of the Tri-colored bat (TCB) and the monarch butterfly which are proposed to be federally listed under the Endangered Species Act of 1973, as amended (ESA). The permittee understands and agrees that if the TCB or the monarch butterfly are reclassified as threatened or endangered by the U.S. Fish and Wildlife Service (USFWS) before the authorized work has been completed additional consultation may be required. In order to evaluate and address potential adverse effects to federally listed species, additional information and modification to the special conditions of this Department of the Army permit may be required.**

l. **The overall width of a single or multi-barrel box culvert shall be approximately equal to, but not narrower than, the typical bankfull width of the stream channel. Additional pipes or culverts may be used to receive flows exceeding bankfull, but the inlet(s) shall be baffled to or sit at the stream's bankfull elevation.**

m. **The upstream and downstream invert of culverts (except bottomless or arch-span culverts) shall be buried/embedded to a depth of 20% of the culvert height to allow natural substrate to colonize the structure's bottom and encourage aquatic life movement. Additional culverts used to receive flows exceeding bankfull are not required to be embedded.**



This NWP verification does not preclude the necessity to obtain any other Federal, State, or local permits, licenses, and/or certifications, which may be required.

If you have any questions related to this verification or have issues accessing documents referenced in this letter, please contact Kristopher Maedke-Russell, Project Manager of the SAD Regulatory Technical Regional Execution Center at 912-856-8203, by mail at the above address, or by email at kristopher.d.maedke-russell@usace.army.mil. Please take a moment to complete our customer satisfaction survey located at https://regulatory.ops.usace.army.mil/customer-service-survey/.

Sincerely,

Kristopher Maedke-Russell
Project Manager

Enclosures:
Permit Drawings
Nationwide Permit 14 – Linear Transportation Projects
Nationwide Permit General Conditions
Nationwide Permit Regional Conditions
Compliance Certification Form

Cc (w/enclosures)
Brett Searing, Resource & Land Consultants (via bsearing@rlandc.com)

SCDES – Bureau of Coastal Management
OCRMPermitting@des.sc.gov

SCDES-Bureau of Water
wqcwetlands@des.sc.gov

US Coast Guard
Sector Charleston
Attention: Waterways Management
D07-PF-SECTORCHASN-WWM@uscg.mil

General Conditions (33 CFR PART 320-330):

1. The time limit for completing the work authorized ends on **March 14, 2026.**

2. You must maintain the activity authorized by this permit in good condition and in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.

3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the Federal and state coordination required to determine if the remains warrant a recovery effort of if the site is eligible for listing in the National Register of Historic Places.

4. If you sell the property associated with this permit you must obtain the signature of the new owner on the transfer form attached to this letter and forward a copy to this office to validate the transfer of this authorization.

5. If a conditioned water quality certification has been issued for your project, you must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached if it contains such conditions.

6. You must allow a representative from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

U.S. Army Corps of Engineers (USACE)

CERTIFICATION OF COMPLIANCE WITH DEPARTMENT OF THE ARMY PERMIT

For use of this form, see Section 404 of the Clean Water Act, Section 10 of the Rivers and Harbors Act of 1899, and Section 103 of the Marine Protection, Research, and Sanctuaries Act; the proponent agency is CECW-COR.

Form Approved - OMB No. 0710-0003 Expires 2027-10-31

The Agency Disclosure Notice (ADN)

The Public reporting burden for this collection of information, 0710-0003, is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or burden reduction suggestions to the Department of Defense, Washington Headquarters Services, at whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

PURPOSE: This form is used by recipients of U.S. Army Corps of Engineer Regulatory permits to certify compliance with the permit terms and conditions.

Your permitted activity is subject to a compliance inspection by a U.S. Army Corps of Engineers representative. If you fail to comply with this permit, you are subject to permit suspension, modification, or revocation.

Upon completion of the activity authorized by this permit and any mitigation required by the permit, sign this certification and return it to the U.S. Army Corps of Engineers, Charleston District, Regulatory Office.

The certification can be submitted by email at SAC.RD.Charleston@usace.army.mil or by mail at the below address:

U.S. Army Corps of Engineers
Charleston District Office
Street Address: 69-A Hagood Avenue
City: Charleston State: South Carolina Zip Code: 29403

COMPLETED BY THE CORPS

Corps Action Number: SAC-2021-00844

Permit Type: General Permit

General Permit Number and Name (*if applicable*): Nationwide Permit 14 – Linear Transportation Projects

Name of Permittee: Scott Harris

Project Name: 23 Marshland Road Hilton Head Island

Project Location (*physical address*): 23 Marshland Road
Hilton Head Island, South Carolina

PERMITTEE'S CERTIFICATION

Date Work Started: _____

Date Work Completed: _____

Enclose photographs showing the completed project (*if available*).

I _____ hereby certify that the work authorized by the above referenced permit has been completed in accordance with all of the permit terms and conditions, and that any required compensatory mitigation has been completed in accordance with the permit conditions.

Name	Date	Signature

certification required

ENG FORM 6285, DEC 2024 PREVIOUS

TOWN OF HILTON HEAD ISLAND

Town Council

TO:	Mayor Alan R. Perry & Town Council Members
FROM:	Zenos Morris, Director of the Built Environment
CC:	Marc Orlando, Town Manager, ICMA-CM Ben Brown, Interim Deputy Town Manager Curtis Coltrane, Town Attorney
DATE:	June 9, 2026
SUBJECT:	Consideration of a Resolution authorizing the Mayor and Town Manager to execute and deliver a contract between the Town and St. James Baptist Church for the purchase of 1.70 Acres at the corner of Beach City Road and Dillon Road, and to take all actions to complete the transaction described in the Contract.

RECOMMENDATION:

Town Council is requested to consider approval of a Resolution authorizing the execution and delivery of a Contract for Purchase and Sale for the acquisition of approximately 1.70 acres of real property located at the intersection of Beach City Road and Dillon Road, identified as 209 and 210 Dillon Road, as shown on Attachment 1, and to take all actions necessary to complete the transaction described in the Contract.

BACKGROUND:

St. James Baptist Church is a historic and culturally significant institution with deep roots in the heritage of Hilton Head Island. The current mitigation effort is associated with the Hilton Head Island Airport expansion and is intended to facilitate the relocation of the church and the Cherry Hill School, both of which are currently located within the Runway Protection Zone and in close proximity to the airport runway.

The relocation project includes construction of a new church facility and the physical relocation of the Cherry Hill School to a newly acquired site outside of the Runway Protection Zone.

To support this effort, the Town, Beaufort County, and St. James Baptist Church have collaborated on a coordinated strategy involving the acquisition and conveyance of property to achieve mutually beneficial public outcomes while ensuring the long-term viability of the congregation and preservation of the Cherry Hill School.

SUMMARY OF ST. JAMES BAPTIST CHURCH PROPERTY:

- Zoning:
  - ✓ Light Commercial (LC) – Church Property (209 Dillon Road)
  - ✓ Low to Moderate Density Residential (RM-4) – Cherry Hill School Property (210 Dillon Road)

- Total Acreage: 1.70 acres
  - ✓ Church Site: 1.11 acres
  - ✓ Cherry Hill School Site: 0.59 acres
- Appraised Value: $1,290,000

PROPOSED CONVEYANCE TERMS:

The proposed Town to Beaufort County transaction is one of three related transactions that will result in the relocation of the St. James Baptist Church and the Cherry Hill School. This is the outline of the three transactions that are proposed:

1. St. James to Town: St. James will sell the existing St. James Baptist Church property at the corner of Beach City and Dillon Roads to the Town for a purchase price of $1,290,000. The St. James to Town Contract includes five additional agreements:

   (a) The net proceeds (the purchase price less St. James' closing costs) will be placed into escrow and utilized to pay costs of the construction of a new church building and fellowship hall and moving the Cherry Hill School structure to the new site. Use and payment of the funds is governed by a Construction Escrow and Reverter Agreement to be made by the Town, St. James, and Beaufort County, which is described below.

   (b) At the closing of the St. James to Town sale, St. James and the Town will enter into a lease to allow St. James to occupy the existing church building while the new church facilities are being built. The lease calls for nominal rent during the lease. St. James is responsible for all expenses related to the property during the lease term and is responsible for the maintenance of the building.

   (c) At the end of the lease, St. James will convey all of the furniture, fixtures and equipment remaining in the existing church structure to the Town. The proposed contract allows St. James to take any of the furniture, fixtures, and equipment, including the windows, that it wishes to keep and use in the new facilities, but anything that it does not take will be conveyed to the Town. Once the lease is ended and St. James has moved to the new facilities, the structure and whatever is left in it will be demolished and disposed of.

   (d) There is an agreement regarding artifacts that have been found on the existing St. James property, and which may be found in the future. The proposed agreement makes the Town the owner of the artifacts and makes St. James the curator of the artifacts. St. James is obligated to display the artifacts, and that such will be available to the public. At such time as St. James ceases to operate, or a successor church takes over the congregation, the Town becomes the custodian and curator of the artifacts. In such case, The Town is obligated to display the artifacts, and that such will be available to the public.

   (e) St. James acknowledges that the property on which the new facilities will be built will be subject to a declaration of covenants that restricts the uses to which the property can be put. The use restriction limits the use of the new property to (1) religious uses, meaning churches, mosques, synagogues, and temples, and the accessory use of a fellowship hall, and related religious activities, including, without

limitation, the operation of the St. James soup kitchen, and the hosting of community events, in the Cherry Hill School; and (2) Public and government uses.

The proposed contract includes a requirement that once St. James has vacated the property, the Town will erect a commemorative sign on the property regarding St. James Baptist Church. The sign will use the Town's historic marker style sign, and the Town will work with St. James to create the text.

2. Town to Beaufort County: The Town will sell the 4.667 acre property on Union Cemetery Road to Beaufort County for nominal consideration, meaning one dollar. The proposed Town and Beaufort County contract includes two additional agreements:

   (a) Simultaneous with the conveyance of the 4.667 acres to Beaufort County, the Town will record a declaration of covenants that will restrict the use of the 4.667 acres to (1) religious uses, meaning churches, mosques, synagogues, and temples, and the accessory use of a fellowship hall, and related religious activities, including, without limitation, the operation of the St. James soup kitchen, and the hosting of community events, in the Cherry Hill School; and (2) Public and government uses.

   (b) Following the transfer of the 4.667 acres to Beaufort County, it will oversee the construction of the new church building and fellowship hall, using a variety of funds as follows:

(i)	St. James Construction Escrow Money (estimate)	$ 1,290,000
(ii)	South Carolina Funding (Design & Construction)	$ 4,000,000
(iii)	South Carolina Funding (fellowship hall)	$ 750,000
(iv)	Town and Beaufort County grant	$ 300,000
(v)	Beaufort County General Obligation Bond	$ 3,500,000

   Under the proposed contracts, and the proposed Construction Escrow and Reverter Agreement, funds will be used in the order set out above. The initial budget for planning, due diligence, soft costs and construction of the new facilities and the relocation of the Cherry Hill School is $ 9,840,000.

3. Beaufort County to St. James: Following completion of the new facilities and the relocation of the Cherry Hill School, Beaufort County will convey the property to St. James for nominal consideration, meaning $10.00. The conveyance of the property to St. James will be subject to the declaration of covenants described in Paragraph 1(d) and 2(a) above.

Both proposed contracts include text regarding a contingency related to Beaufort County's adoption of Ordinances authorizing the conveyance of the 4.667 acres to St. James Baptist Church, and the adoption of an ordinance authorizing the Three Millon Five Hundred Thousand General Obligation Bond described in 2(b) above. If the contingencies are not met, the transactions will be undone, and the properties reconveyed. We are advised that the contingencies will have been met by Beaufort County at or before Council's consideration of this Ordinance.

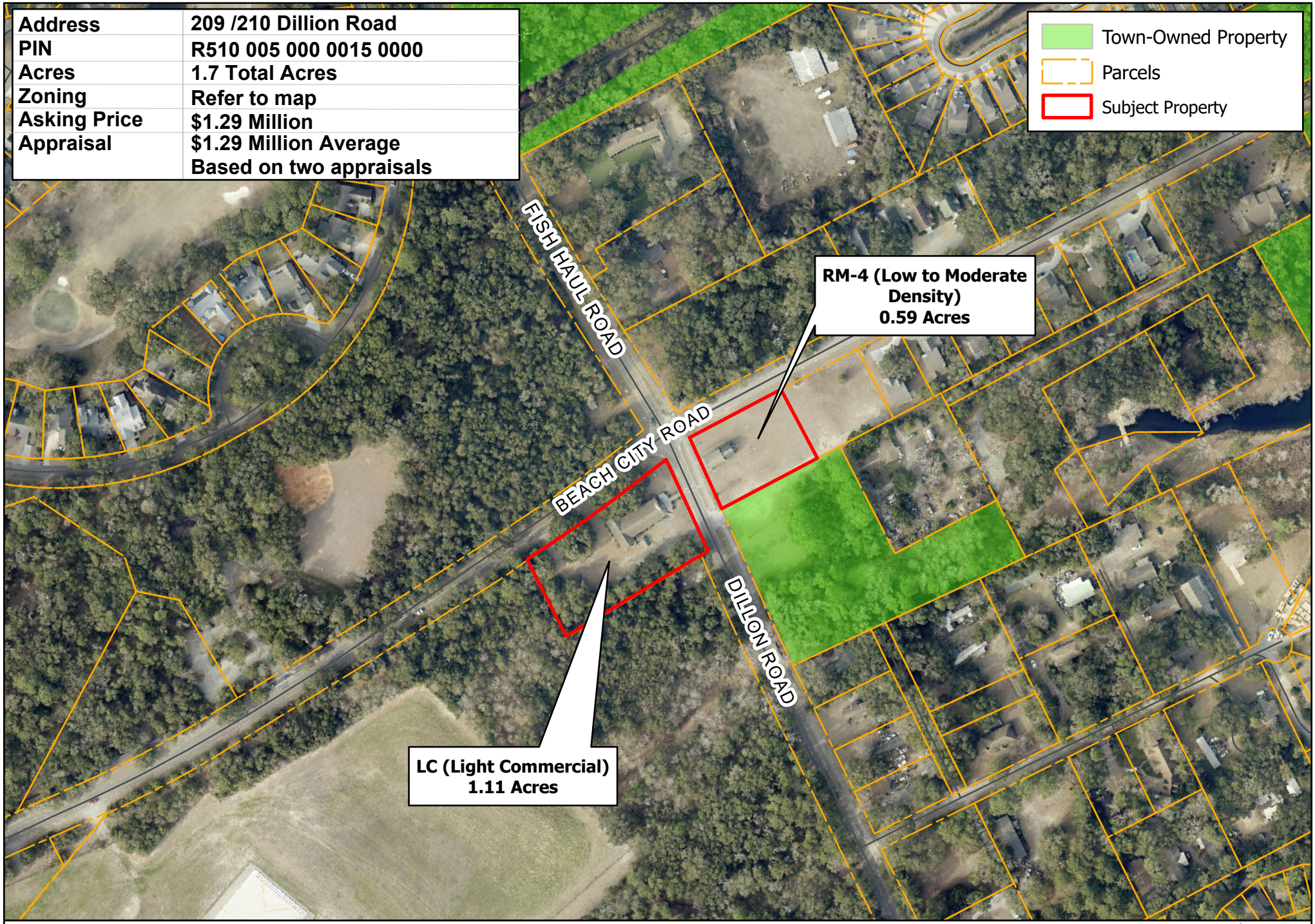
CONCLUSION:

Town Council is requested to consider approval of a Resolution authorizing the execution and delivery of a Contract for Purchase and Sale for the acquisition of approximately 1.70 acres located at 209 and 210 Dillon Road in the amount of $1,290,000 as part of the Hilton Head Island Airport mitigation and relocation effort involving St. James Baptist Church and the Cherry Hill School.

ATTACHMENTS:

1. St. James Property Map
2. Resolution for Purchase and Sale – St. James Baptist Church
3. Contract for Purchase and Sale – St. James Baptist Church

Address	209 /210 Dillion Road
PIN	R510 005 000 0015 0000
Acres	1.7 Total Acres
Zoning	Refer to map
Asking Price	$1.29 Million
Appraisal	$1.29 Million Average Based on two appraisals



TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341- 4600
Date Created:
Project - Asst

ATTACHMENT 1

Town of Hilton Head Island

St James and Cherry Hill School Sites

April, 2026

N

The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of currency, herein or its

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTRACT FOR THE PURCHASE OF 1.7 ACRES, MORE OR LESS, OF REAL PROPERTY LOCATED AT THE INTERSETION OF BEACH CITY ROAD AND DILLON ROAD, ON HILTON HEAD ISLAND, SOUTH CAROLINA, AND THE COMPLETION OF THE TRANSACTION DESCRIBED IN THE CONTRACT

WHEREAS St. James Baptist Church, A South Carolina Nonprofit Corporation ("St. James") owns real property containing 1.7 acres, more or less, located at the intersection of Beach City Road and Dillon Road (the "Property"); and,

WHEREAS, The Town of Hilton Head Island, South Carolina, has negotiated a proposed Contract for the purchase of the Property from St. James, a copy of which is attached hereto as Exhibit "A" (the "Proposed Contract"); and,

WHEREAS, the purpose of the Proposed Contract is to facilitate the relocation of St. James, including the Cherry Hill School building, which are currently located in the "Runway Protection Zone" and in close proximity to the runway of the Hilton Head Island Airport, to an area outside of the Runway Protection Zone of the Hilton Head Island Airport; and,

WHEREAS, the current location of the St. James and the Cherry Hill School building in the Runway Protection Zone and their proximity to the runway of the Hilton Head Island Airport have been identified as a public safety concern for both St. James and the users of Hilton Head Island Airport, and noise concerns for the St. James; and,

WHEREAS, St. James was founded in the year 1886, and it is a historic church that has long provided the community with both church and community services, utilizing

both the existing church sanctuary and the Cherry Hill School building, and St. James is an important historic, cultural and community institution in the Town.

WHEREAS, the Proposed Contract is one of three separate contracts that have been negotiated to facilitate the relocation of St. James. In addition to the Proposed Contract, there is a proposed contract between the Town and Beaufort County, South Carolina, providing for the purchase and sale of the site to which St. James will be relocated, following the completion of a new church sanctuary and fellowship hall on the property. There is also a proposed contract between Beaufort County, South Carolina, and St. James providing for the transfer of the Property, on completion of new church sanctuary and fellowship hall and the re-location of the Cherry Hill School building to the Property; and,

WHEREAS, the property to which St. James is proposed to be relocated is outside of the Runway Protection Zone of the Hilton Head Island Airport, and is suitable and desirable for the relocation of St. James and the Cherry Hill School. This location addresses the public safety and noise concerns described above.

WHEREAS, the relocation of the St. James and the Cherry Hill School building serves the valid public purposes of improving safety at the Hilton Head Island Airport and the preservation of a historic and significant community institution in the Town.

WHEREAS, for the reasons stated above, the Town finds that the execution and delivery of the Proposed Contract, and, subject to the adoption of an Ordinance of Town authorizing the lease of Town owned Real Property and on the occurrence of certain events described in the Proposed Contract, reconveyance of the Property to St. James, to authorize the completion of the transaction described in the proposed Contract, as set

forth below, are in the best interests of the Town, and will promote the health, safety and welfare of the Town's citizens, residents, property owners and business owners.

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

1. The Mayor and Town Manager are hereby authorized to execute the Proposed Contract between The Town of Hilton Head Island, South Carolina, and Beaufort County, South Carolina.

2. Subject to the adoption of an Ordinance of the Town:

   (a) authorizing the lease of Town owned Real Property; and,

   (b) on the occurrence of certain events described in the Proposed Contract and in and in the contract of even date between the Town and Beaufort County, South Carolina, authorizing the reconveyance of the Property to St. James,

all as is described in the Proposed Contract, the Mayor and Town Manager are hereby authorized to take all other and further actions as may be necessary to complete the transaction described in the Proposed Contract.

Moved, Approved and Adopted by the Town Council for The Town of Hilton Head Island, South Carolina, on this 9th Day of June, 2026.

_____
Alan R. Perry, Mayor

ATTEST:

_____
Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

EXHIBIT “A” TO RESOLUTION AUTHORIZING CONTRACT WITH ST. JAMES BAPTIST CHURCH

CONTRACT FOR PURCHASE AND SALE OF:

1.70 Acres at the Intersection of Beach City Road and Dillon Road

By and Between

The Town of Hilton Head Island, South Carolina,

and

St. James Baptist Church, A South Carolina Nonprofit Corporation

Dated as of: June ___, 2026

STATE OF SOUTH CAROLINA)
) SALE AND PURCHASE AGREEMENT
COUNTY OF BEAUFORT)

This Agreement (hereinafter the "Agreement") is made and entered into by and between St. James Baptist Church, A South Carolina Nonprofit Corporation (hereinafter, "St. James") and The Town of Hilton Head Island, South Carolina, a body politic (hereinafter, the "Town") on this __ Day of June, 2026. Maria Belbas Parker (the "Construction Escrow Agent") joins in this Agreement to acknowledge the Construction Escrow Agent's consent to serve as the Construction Agent, and to perform the obligations of the Construction Escrow Agent described in this Agreement.

ARTICLE 1 - SALE AND PURCHASE

1.01 *Sale and Purchase:* For and in consideration of the Purchase Price hereinafter described and agreed to be paid to St. James by the Town, and in further consideration of the full and faithful performance of each of the covenants, conditions and agreements hereinafter set forth to be performed, fulfilled and observed by St. James and the Town, and subject to the fulfillment of the Conditions set forth herein, St. James agrees to sell and the Town agrees to purchase from St. James that certain real property, personal property and intangible property located on Hilton Head Island, Beaufort County, South Carolina, and which is described in Articles 1.02 and 1.03.

1.02 *Real Property:* The Real Property is herein referred to as the "Real Property" and is described as follows:

See: Legal Description of the Real Property is attached hereto as Exhibit "A."

The Parties agree that the Town will commission a survey of the Real Property under Article 2 below, and that the property description in the Deed described in Articles 4 and 6 below will include a reference to the Town's plat.

1.03 *Cherry Hill School*: The structure that is located on the parcel of land lying at the northeast corner of Dillon Road and Beach City Road and which is known as the "Cherry Hill School" is excluded from the definition of the Property. St. James shall retain ownership of the Cherry Hill School structure, and shall move the structure to the real property to be acquired by St. James from Beaufort County, South Carolina, under a separate agreement, which will be the location where the new St. James church and fellowship hall will be built.

1.04 *Personal Property:* Any furniture, stained glass windows, fixtures, appliances, or equipment, however described, that remains present in or on the Real Property as of the date of the termination of the Lease attached hereto as Exhibit "E" (the "Lease") shall be the "Personal Property" and shall be conveyed to the Town at the termination of the Lease. At the termination of the Lease, St. James shall deliver a fully executed Bill of Sale in the form and substance of the document attached hereto as Exhibit "D." This obligation of St. James does not merge into the Deed and survives the Closing of the transaction described in this Agreement.

1.05 *Intangible Property:* In connection with the Real Property, St. James has or may have (i) obtained certain governmental permits and approvals and (ii) obtained certain contractual rights and other intangible assets, which are herein referred to as the "Intangible Property", and which are described as follows:

a. Any and all contract rights, declarant rights, access rights or easements, utility easements, covenant rights burdening other property in favor of the Real Property, easements, development plan approvals, zoning rights or approvals, development permits, utility allocations, State, Federal or Local governmental permits and approvals, SCDES Permits; United States Army Corps of Engineers Permits; and,

b. Any and all permits, licenses, prepaid fees, service contracts, warranties, or agreements to which St. James is a party, which related to the ownership, maintenance or operation of the Real Property and any improvements thereon.

c. Any and all other rights, contracts, easements, contract rights or governmental or other approvals, regardless of description, which affect, touch or concern the property in any way, shape, or form, regardless of description.

The sale shall include all of St. James' right, title, and interest in and to the Intangible Property. At Closing, St. James shall deliver a fully executed Absolute Assignment in the form and substance as the document attached hereto as Exhibit "C."

1.06 *Definition of the "Property":* The Real Property, the Personal Property and the Intangible Property are hereinafter sometimes referred to collectively as the "Property".

ARTICLE 2 - SURVEY AND DUE DILIGENCE

2.01 *Current Survey:* Within Forty Five (45) days of the Effective Date (hereinafter defined) hereof, Town may obtain, at its cost and expense, an up to date survey of the Real Property, prepared by a South Carolina Licensed and Registered Land Surveyor (herein, the "Survey").

2.02 *Minimum Acreage:* If the Survey reflects that the Real Property contains less than 1.70 acres of high ground, then the Town shall have the option of terminating this Agreement, and any Escrow Deposit and any accrued interest thereon shall be returned

to Town, and neither Party shall have any further obligation or rights arising under this Agreement with respect to the other.

2.03 *Delivery of Documents*: Within ten (10) days of the execution and delivery of this Agreement, St. James shall deliver or cause to be delivered to Town copies of the following documents, but only to the extent that such documents are in the possession of St. James or St. James' attorney:

a. Any existing title insurance policies insuring title to the Real Property.

b. Copies of any documents evidencing utility allocations or capacity or other contracts benefitting the Real Property.

c. Any and all documents relating to any rights or obligations which run to or from the Real Property.

d. Copies of all engineering studies, wetland delineations, environmental studies, surveys, and the like of the Real Property. Such studies may be given with appropriate disclaimers.

2.04 *Return of Documents*: If this Agreement is terminated for any reason other than Default of St. James, the Town shall, within five (5) days following such termination, deliver to St. James all documents and materials relating to the Property previously delivered to The Town by St. James. The return of such documents shall not affect the right of either party to seek legal or equitable remedies as provided under Article 7 below.

ARTICLE 3 – INSPECTIONS

3.01 *Right of Inspection:* This Agreement is subject to Town's right to enter upon the Real Property to inspect the physical conditions of the Real Property and any buildings, structures, fixtures, systems and equipment including the heating and air conditioning, plumbing and electrical.

3.02 *Environmental Inspection*: The Town's right of inspection shall include the right of Town, at Town's sole expense, to conduct soil borings, and other tests as may be required for a Phase One Environmental Site Assessment (herein, the "Phase 1 ESA").

3.03 *Town's Right to Terminate:* If such inspections, or the Phase 1 ESA disclose conditions which are unsatisfactory to the Town (which determination shall be made in the Town's sole discretion) then the Town may terminate this Agreement by delivering a written notice to St. James of Town's election to terminate (herein, the "Termination Notice"). The physical inspections and Phase 1 ESA shall be completed within Forty Five (45) Days of the Effective Date hereof. The Town shall deliver its notice (if any) that it has exercised its option to terminate this Agreement under this Article 3 within fifty (50) days of the Effective Date hereof. Any such notice shall specify the reasons for such determination and include a copy of the written Phase 1 ESA report or any other study or other inspection report.

3.04 *Effect of Termination*: Upon the Town's timely delivery of the Termination Notice, the Escrow Agent shall promptly return the Earnest Money Deposit to Town, this Agreement shall be of no further force or effect and neither party shall have any further rights or obligations under this Agreement.

3.05 *Subsequent Matters:* St. James acknowledges that a period of days will elapse between the delivery of the Phase 1 ESA as required herein and Closing. Acceptance of the Phase 1 ESA by the Town shall not be deemed a waiver of any unsatisfactory environmental or other condition at the Property arising between the date

of delivery of the Phase 1 ESA and the date of Closing unless such conditions have been caused by acts or omissions of the Town. In such event:

a. The Town shall notify St. James of the existence of any unsatisfactory conditions on or about the Property arising subsequent to delivery of the Phase 1 ESA and notice of Town's election to terminate under this Article 3.05 prior to Closing.

b. The Town shall also deliver its notice (if any) that it has exercised its option to terminate this Agreement under this Article 3.05 prior to Closing (hereinafter, the "Termination Notice"). Any such notice shall specify the reasons for such determination and include a copy of the updated Phase 1 ESA or any other study or inspection report revealing the unsatisfactory conditions. Upon the Town's delivery of the Termination Notice, the Escrow Agent shall promptly return the Deposit to the Town, and this Agreement shall be of no further force or effect and neither party shall have any further rights or obligations under this Agreement.

c. Town shall have no right to terminate this Agreement if such unsatisfactory conditions are the result of any act or omission of the Town.

ARTICLE 4 – TITLE

4.01 *Title:* St. James shall provide the Town with good and marketable title to the Real Property by Deed of Limited Warranty, free and clear of any and all monetary liens and any other claims or encumbrances.

4.02 *Title Evidence:* Within forty-five (45) days after the Effective Date hereof, the Town shall obtain a current Owner's Title Insurance Commitment (herein, the "Commitment") underwritten on, and issued by, a Title Insurance Company of the Town's choosing (herein, the "Title Company"), by which Commitment the Title Company shall agree to insure fee simple, marketable title to the Real Property in the name of the Town in an amount equal to the Purchase Price. St. James and the Town understand and agree that as of the date hereof, the date of the Title Commitment and the Closing Date, fee

simple marketable title to the Property shall be vested in St. James, and the Commitment shall show and evidence:

a. That fee simple, marketable title to the Real Property is vested in St. James;

b. That the title to the Real Property is in the condition required by this Article 4.

The cost of, or premium associated with, the Commitment, and any Final Policy of Title Insurance issued thereon, shall be the responsibility of, and shall be paid for by the Town.

4.03 *Objections to Title:* If the Town's title examination or the Commitment shall reveal that St. James' title to the Real Property is subject to any easements, clouds on or to the title, encroachments, boundary discrepancies, liens, encumbrances, or any other matter affecting title, then the Town shall notify St. James in writing, of such title defects and the Town's objection to the same within fifty (50) days from the Effective Date of this Agreement. Upon such notification, the same shall be treated as defect(s) in title (herein, the "Title Defects"). Unless the Town timely delivers said written objections, it shall be conclusively deemed that the Town has accepted title to the Real Property in its then existing condition.

4.04 *Monetary Liens*: At or before Closing, St. James shall, at St. James' sole cost and expense from the sales proceeds, satisfy any mortgage, deeds of trust, deeds to secure debt, liens or any other monetary encumbrance affecting the Real Property.

4.05 *St. James' Right to Cure:* Except for any monetary liens described in Article 4.04 above, which St. James must satisfy at or before Closing, on receipt of the Town's written

notice of the Title Defects, St. James shall have the right but not the obligation, on or before the Closing Date, to Cure (defined in Article 4.07) or to cause to be Cured, Title Defects other any monetary liens as described in Article 4.04 above. Within five (5) days of its receipt of the Town's written notice of the Title Defects, St. James shall notify the Town of St. James' intention to Cure or not to Cure any or all Title Defects other than any monetary liens described in Article 4.04 above which St. James must satisfy at or before Closing.

4.06 *"Cure" Defined*: As used herein, "Cured" means that the Title Defect(s) has or have been Cured in fact and of record. A Title Defect shall be deemed to have been Cured if the Town's Title Company is willing to delete any exception relating to the Title Defect from the Commitment and the Final Title Policy.

4.07 *St. James' Election Not to Cure or Failure to Cure:* If St. James:

a. elects not to Cure; or,

b. elects to Cure, but fails to Cure,

any or all of the Title Defects other than any monetary liens described in Article 4.04 above which St. James must satisfy on or before Closing, then the Town shall have the option of:

a. Closing this transaction in accordance with the terms and conditions hereof, and accepting title to the Real Property in its then existing condition by deed taking exception to such uncured Title Defects, with such adjustments to the purchase price as are agreed to by the Parties; or,

b. Terminating this Agreement by delivery of a written notice of the Town's election to terminate to St. James. Upon the Town's delivery of the termination notice, the Escrow Agent shall promptly return the Earnest Money Deposit to the Town, and this Agreement shall be of

no further force or effect and neither party shall have any further rights or obligations under this Agreement.

4.08 *Subsequent Matters:* St. James acknowledges that a period of days will elapse between the delivery of the Commitment as required herein and Closing. Acceptance of the Commitment by the Town shall not be deemed a waiver of any Title Defect arising between the date of delivery of the Commitment and the date of Closing. In such event:

a. The Town shall notify St. James of any Title Defects arising subsequent to delivery of the Title Commitment and prior to Closing.

b. Upon notification to St. James by the Town of any Title Defects arising subsequent to delivery of the Title Commitment, the provisions of Article 4.03, 4.04 and 4.05, 4/06 and 4.07 *supra.*, shall become effective.

ARTICLE 5 - PURCHASE PRICE

5.01 *Purchase Price:* The Purchase Price for the Property is One Million Two Hundred Ninety Thousand and no/100 ($1,290,000.00) Dollars (herein, the "Purchase Price").

5.02 *Components of Purchase Price:* The Purchase Price shall be comprised as follows:

1.	Earnest Money Deposit from the Town	$	25,000.00
2.	Cash From the Town at Closing	$	1,265,000.00
	TOTAL	$	1,290,000.00

5.03 *Earnest Money Deposit:* As is shown above, the Town shall deliver the sum of Twenty-Five Thousand and no/100 ($25,000.00) Dollars into escrow with the Closing Escrow Agent (a term hereinafter Defined) within Ten (10) days after the Effective Date

(hereinafter defined) hereof. The Closing Escrow Agent shall deliver written notification of receipt of the Earnest Money Deposit to St. James and the Town.

5.04 *Payment of Purchase Price:* At Closing (hereinafter defined) the Town shall pay the net Purchase Price to St. James, by a wire transfer of cleared funds to the account of the Construction Escrow Agent at a financial institution which is designated by the Construction Escrow Agent. The Construction Escrow Agent shall deliver written bank wire instructions specifying the account to which the funds are to be paid to the Town's attorney no later than three business days prior to the Closing Date.

ARTICLE 6 – CLOSING

6.01 *Closing:* This transaction shall be "Closed" and title to the Property shall be conveyed from St. James to the Town by delivery of the Deed (hereinafter defined) and other documents required herein from St. James to the Town (herein, the "Closing") at 10:00 o'clock A. M. on the Closing Date (hereinafter defined) at the Office of the Town's Attorney, or at such other place as the Town and St. James shall mutually agree in writing. Subject to fulfillment of all of St. James' obligations and any conditions stated in this Agreement, the Closing, unless otherwise modified or extended by mutual agreement of St. James and the Town in writing, shall occur within Sixty (60) days from the Effective Date of this Agreement (herein, the "Closing Date").

6.02 *St. James' Obligations at Closing:* At Closing, St. James shall deliver to the Town, at St. James' sole cost and expense, the following Closing Documents:

a. A good and sufficient Limited Warranty Deed (herein, the "Deed") so as to convey to the Town Fee Simple, Marketable Title to the Real Property, as provided in Article 4 above. The Deed shall be in recordable form, with documentary stamps (if any) affixed, executed by the duly authorized

Officers of St. James, and witnessed and acknowledged before a notary public.

b. A "Certification by Entity Transferor," executed by the duly authorized officers of St. James certifying that St. James is not a "foreign person" as that term is used and defined in Section 1445 (f)(3) of the Internal Revenue Code of 1986, as amended.

c. A mechanic's lien affidavit, duly executed by the duly authorized Officers of St. James and acknowledged before a notary public, attesting to the absence, unless otherwise provided for in this Agreement, or unless created by acts of the Town, of any claims of lien or potential lienors and further attesting that there have been no improvements to the property for ninety five (95) days immediately preceding the Closing Date for which the Cost thereof remains unpaid.

d. An ALTA Statement and title "gap" affidavit and indemnity agreement, in the form attached hereto as Exhibit "B," executed by the duly authorized officers of St. James, and acknowledged before a notary public attesting to the absence of any matters pending which could cause a lien or encumbrance on the Real Property between the date of the Commitment and the date of recording of the Deed.

e. A South Carolina residency affidavit executed by the duly authorized officers of St. James, and acknowledged before a notary public certifying the address, Residence and SSN/Federal Identification Number of St. James to establish the withholding requirements of S. C. Code Ann. § 12-8-580 (Supp. 2025), and South Carolina Revenue Ruling Number 09-13.

f. A tax compliance certificate from the South Carolina Department of Revenue or a Transferor's Affidavit executed by the duly authorized officers of St. James acknowledged before a notary public, in compliance with S. C. Code Ann. § 12-54-124 (Supp. 2025).

g. Full and complete releases, in recordable form, of any mortgages, liens, leases, tenancies, claims or other encumbrances to the title of the Real Property.

h. An Absolute Assignment from St. James to the Town of the Intangible Property, in the form described on Exhibit "C" hereto and incorporated herein by reference, executed by the duly authorized officers of St. James, and witnessed and acknowledged before a notary public.

i. The Lease in the form and substance of the document attached hereto as Exhibit "E" executed by the duly authorized officers of St. James.

j. The "Construction Escrow Agreement" in the form and substance as the document attached hereto as Exhibit "F" hereto executed by the duly authorized officers of St. James, Beaufort County, South Carolina, and the Construction Escrow Agent.

k. The "Agreement Regarding Historic Artifacts" in the form and substance of the document attached hereto as Exhibit "G" executed by the duly authorized officers of St. James.

l. The Declaration of Covenants, Conditions, and Restrictions attached hereto as Exhibit "H." The Declaration of Covenants, Conditions, and Restrictions shall be in recordable form, executed by the duly authorized Officers of St. James and witnessed and acknowledged before a notary public.

m. Copies of the resolutions of St. James, authorizing the execution and delivery of this Agreement, the Deed and other documents required to be delivered by St. James hereunder, and the completion of the transaction described in this Agreement.

n. A Closing/Settlement Statement executed by the duly authorized officers of St. James in a form prepared by the Town's attorney and reasonably acceptable to counsel for St. James.

o. Such other documents as the Town, the Town's Attorney or the Town's Title Insurance Company may reasonably require or deem necessary to convey the Property to the Town in accordance with the terms and provisions of this Agreement.

6.03 *Town's Obligations at Closing:* At Closing, the Town shall deliver to St. James, at the Town's expense, the following:

a. The Purchase Price.

b. Certified Copy of the Resolution of the Town Council approving this Agreement and authorizing the completion of the transaction contemplated hereby.

c. Certified Copy of the Ordinance of the Town Council approving the Lease.

d. Certified Copies of the Minutes of the Town Council meetings wherein this Agreement and the Lease were approved.

e. The Lease in the form and substance of the document attached hereto as Exhibit "E."

f The Construction Escrow Agreement in the form and substance of the document attached hereto as Exhibit "F."

g. The "Agreement Regarding Historic Artifacts" in the form and substance of the document attached hereto as Exhibit "G" executed by the duly authorized officers of the Town.

h. The Declaration of Covenants, Conditions, and Restrictions attached hereto as Exhibit "H." The Declaration of Covenants, Conditions, and Restrictions shall be in recordable form, executed by the duly authorized Officers of the Town and witnessed and acknowledged before a notary public.

i. Executed Closing/Settlement Statement in a form prepared by the Town's attorney and reasonably acceptable to counsel for St. James.

6.04 *Closing Escrow Agent:* The Closing Escrow Agent shall serve as Closing Agent for all Parties at settlement. Deposit with the Closing Escrow Agent of the Purchase Price, the instruments of conveyance and such other funds and/or documents as are required of either Party under the terms of this Agreement, and/or the Title Company, and/or the Closing Escrow Agent shall be deemed to be a good and sufficient tender of performance in accordance with the terms hereof. The "Closing Escrow Agent" shall be Curtis L. Coltrane, 2 Corpus Christi Place, Suite 105 , Hilton Head Island, SC, 29928. If any dispute should arise as to whether Escrow Agent is obligated to deliver the Escrow Deposit, or any funds or documents which it holds, Escrow Agent shall not be required to make delivery thereof, but, in such event shall hold the same until receipt, by the Closing Escrow Agent, of written authorization from St. James and the Town directing the disposition of the

same. In the absence of such written authorization, the Closing Escrow Agent may hold the Escrow Deposit, or any other funds or documents in connection with this transaction in its possession until a final determination of the rights of the Parties by a Court of competent jurisdiction. If such written authorization is not given or proceedings for such determination are not begun and diligently continued, the Closing Escrow Agent may institute an appropriate proceeding for leave to place the Escrow Deposit, or any other funds or documents in connection with this transaction in its possession with the Clerk of Court for Beaufort County, South Carolina, pending such determination. The Closing Escrow Agent shall not be charged with notice of any fact or circumstance unless and until written notice of the same is received by the Closing Escrow Agent. Upon making the delivery of the funds or documents which the Closing Escrow Agent may hold in accordance with the provisions of this Article 6, the Closing Escrow Agent shall have no further obligation or liability to the Town and St. James, and the Town and St. James agree to indemnify and hold Closing Escrow Agent harmless from any such liability.

6.05 *Construction Escrow*: It is a requirement of this Agreement that the net proceeds due to St. James for the sale of the Property under this Agreement must only be used by St. James to defray the cost of the construction of a new church building and new church fellowship hall and the relocation of the Cherry Hill School structure, or such part of the cost as the net proceeds are sufficient to cover. The new church building and the fellowship hall are to be built on, and the Cherry Hill School structure is to be moved to property to be acquired by St. James under a separate agreement between St. James and Beaufort County, South Carolina. The proceeds shall be held and disbursed by the

Construction Escrow Agent under the terms and conditions of the Construction Escrow Agreement that is attached hereto as Exhibit "F."

6.06 Use Restriction on Property to be Conveyed by Beaufort County: It is the intention of St. James, the Town and Beaufort County, South Carolina, that following the Closing of the transaction described in this Agreement, and following the Closing of the transaction described in a separate Agreement between the Town and Beaufort County, South Carolina, a new facility consisting of a church sanctuary and fellowship hall will be built on the 4.667 acre property to be conveyed from the Town to Beaufort County under the terms of a separate agreement between the Town and County, as is described in the "Construction Escrow Agreement" attached hereto as Exhibit "F." The 4.667 acre property will be_made subject to the Declaration of Covenants, Conditions, and Restrictions (the "Town Use Restriction") attached hereto as Exhibit "G." The Town Use Restriction shall be recorded prior to the conveyance of the Real Property from the Town to Beaufort County, and the Town's Deed to the County shall include language subjecting the Property to the Town Use Restriction. It is a requirement of this Agreement that St. James join in the Town Use Restriction, and this requirement shall survive the Closing of the transaction described in this Agreement.

6.07 *Pre-Closing Documents:* On or before ten (10) days prior to the Closing Date, St. James shall deliver to the Town copies of its proposed Closing documents required to be delivered under Article 6.02 above, and the Town shall deliver to St. James copies of its proposed Closing Documents required to be delivered under Article 6.03 above.

6.08 *Approval of Closing Documents:* All Closing documents to be furnished by the parties to the other shall be in form and substance satisfactory to the Town and its counsel and to St. James and its counsel. Each party shall notify the other party of any objections to the proposed Closing documents no less than 5 days prior to Closing.

6.09 *Possession:* Possession of the Property shall be delivered to the Town at Closing, subject to the terms of the Lease that is attached hereto as Exhibit "E;" provided, however, that the Purchase Price, minus adjustments and prorations, is paid in full by or on behalf of the Town at Closing.

6.10 *St. James' Obligation at Termination of Lease*: At the termination of the Lease, St. James shall execute and deliver to the Town a Bill of Sale for any and all furniture, fixtures and equipment not removed by St. James and which remain in any structure other than the Cherry Hill School on the Real Property or otherwise on the Real Property, in the form and substance as the Bill of Sale attached hereto as Exhibit "D." This obligation of St. James does not merge into the Deed and survives the Closing of the transaction contemplated in this Agreement.

6.11 *Prorations:* Payment of the following are to be pro-rated between St. James and the Town as of the Closing Date:

a. Real Property Taxes and Assessments, if any, shall be made on the basis of the current year's tax with due exemptions, if allowed for the said year. If Closing occurs on a date when the current year's taxes are not fixed, taxes will be apportioned based upon the prior year's taxes plus ten (10%) per cent. Any tax apportionment based upon an estimate shall be recalculated when the property taxes are finally fixed, and St. James or the Town, as the case may be, shall make payment to the other based upon such recalculation. The provisions of this Article 6 shall survive the Closing and delivery of the Deed.

6.12 *St. James' Closing Costs:* St. James shall be responsible to pay for the Cost of:

a. Any documentary stamp expense or taxes or roll-back taxes which may be payable to the State of South Carolina and/or Beaufort County, and any other fees or charges payable by reason of the execution, delivery and recording of the Deed;

b. Any other seller's Closing Costs which are customary in Beaufort County, South Carolina.

6.13 *The Town's Closing Costs*: The Town shall be responsible to pay the cost of:

a) Recording of the Deed and any Town of Hilton Head Island, South Carolina, Transfer Fee (if any);

b) The Cost of any title insurance premium chargeable for the Commitment and any policy of Title Insurance issued therefrom; and,

c) Any other buyer's Closing Costs which are customary in Beaufort County, South Carolina.

ARTICLE 7 - DEFAULT AND REMEDIES

7.01 *Default by the Town:* Except as may be otherwise expressly provided or limited herein with respect to any specific act or omission, if the Town shall default in any of its obligations, covenants, or agreements contained within this Agreement or any of the Exhibits hereto, and shall remain in default after ten (10) day's written notice specifying the default and demanding that the default be cured, then St. James shall be entitled to pursue any remedy at law or in equity against the Town, including an action for damages or for Specific Performance of this Agreement. The provisions of this Article 7 shall be binding upon the successors and assigns of the Town, and shall survive the Closing of the transaction contemplated herein.

7.02 *Default by St. James:* Except as may be otherwise expressly provided or limited herein with respect to any specific act or omission, if St. James shall default in any

of its obligations, covenants, or agreements contained within this Agreement or any of the Exhibits hereto, and shall remain in default after ten (10) day's written notice specifying the default and demanding that the default be cured, then the Town shall be entitled to pursue any remedy at law or in equity against St. James, including an action for damages or for Specific Performance of this Agreement. The provisions of this Article 7 shall be binding upon the heirs, successors and assigns of St. James, and shall survive the Closing of the transaction contemplated by this Agreement.

7.03 *Attorney's Fees and Costs:* If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default or misrepresentation in connection with all or any of the provisions of this Agreement, the successful or prevailing party shall be entitled to seek recovery of its reasonable attorney's fees and any costs incurred as a result of any such matter, whether incurred before the institution of suit or after the commencement of suit, including appellate proceedings, in addition to any other relief to which the prevailing party is entitled.

ARTICLE 8 - CONDITIONS PRECEDENT

8.01 *Conditions to Town's Obligation to Close:* The obligation of the Town to purchase the Property from St. James is subject to satisfaction, as of the Closing Date, of the following conditions (any of which may be waived, in writing, in whole or in part by the Town at or prior to Closing).

a. All of the representations of St. James set forth in this Agreement shall be true on and as of the Closing in all respects, as though such representations were made at and as of the Closing; and all covenants and agreements required to be performed by St. James in this Agreement shall have been performed by St. James in accordance with this Agreement.

b. The Property shall not be in material violation of any governmental laws, ordinances, rules or regulations, and there shall be no action, suit or proceeding pending or filed against or affecting the property or any portion thereof, or relating to or affecting or arising out of the ownership or development of the Property or any portion thereof, in any state or federal court or by any federal, state, county or municipal department, commission, board bureau, or agency or other governmental instrumentality.

c. Approval of the terms of this Agreement and authorization to complete the transaction described in this Agreement by a Resolution of the Town Council for the Town of Hilton Head Island, South Carolina.

d. Approval of the Lease attached hereto as Exhibit "E" by the adoption of an Ordinance by the Town Council for the Town of Hilton Head Island, South Carolina.

e. In the event any of the above stated conditions is not satisfied or waived in writing by the Town prior to Closing, this Agreement shall terminate on the Option of the Town, any Escrow Deposit and any accrued interest thereon shall be returned to the Town, and neither party shall have any further obligation or rights with respect to the other.

8.02 *Conditions to St. James' Obligation to Close:* The obligation of St. James to sell the Property to the Town is subject to satisfaction, as of the Closing Date, of the following conditions (any of which may be waived, in writing, in whole or in part by St. James at or prior to Closing).

a. All of the representations of the Town set forth in this Agreement shall be true on and as of the Closing in all respects, as though such representations were made at and as of the Closing; and all covenants and agreements required to be performed by the Town in this Agreement shall have been performed by the Town in accordance with this Agreement.

b. Approval of the terms of this Agreement and authorization to complete the transaction described in this Agreement by a Resolution of the Town Council for the Town of Hilton Head Island, South Carolina and by a Resolution of the Deacons and Trustees of St. James.

d. Approval of the Lease attached hereto as Exhibit "E" by the adoption of an Ordinance by the Town Council for the Town of Hilton Head Island,

South Carolina and by a Resolution of the Deacons and Trustees of St. James.

e. In the event any of the above stated conditions is not satisfied or waived in writing by St. James prior to Closing, this Agreement shall terminate on the Option of St. James, any Escrow Deposit and any accrued interest thereon shall be returned to the Town, and neither party shall have any further obligation or rights with respect to the other.

ARTICLE 9 - REPRESENTATIONS AND WARRANTIES

9.01 *Representations and Warranties of St. James:* To induce the Town to enter into this Agreement and to purchase the Property, St. James represents and warrants (which representations and warranties shall survive the Closing) to the Town as follows:

a. As of the Closing, St. James will have all requisite legal power and authority to execute and deliver the Deed and the other documents to be delivered pursuant to this Agreement. The individual or individuals executing this Agreement on behalf of St. James has or have, and as of the date of Closing, will have, express authority and full power on behalf of St. James to enter into and deliver this Agreement, the Deed and the other documents required hereunder.

b. Other than work or material contracted for by the Town, as of the Closing, no work will have been performed or will be in process at the Property, and no materials will have been delivered to the Property that might provide the basis for the filing of a Mechanic's, Materialman's or other lien against the Property or any portion thereof. The requirements set forth in this Article 9 shall be deemed satisfied if the Title Company, based upon St. James' mechanic's lien affidavit, is willing to give the Town affirmative mechanic's lien coverage.

c. There has been no deferral of taxes with respect to the Real Property. St. James acknowledges that it is solely responsible for the payment of any "roll-back" taxes or any other deferred taxes.

d. Other than is expressly allowed herein, St. James shall not grant any easements, or enter into any covenants or agreements concerning the property or in any other way affect title to the Property without the written consent of the Town.

e. There are no rights or claims of any party to possession of all or any part of the Real Property not shown by the Public Records for Beaufort

County, South Carolina; and there is no claim or litigation now pending or threatened against St. James which would materially affect the execution, delivery or enforceability of this Agreement, or St. James' performance of its obligations hereunder.

f. No options, leases or other contracts are still outstanding, which give any other party a right to purchase or occupy all or any part of the Real Property.

g. St. James does not have any obligation, liability, or commitment (fixed or contingent, direct, or indirect), with respect to the Property, except as are expressly set forth in this Agreement.

h. To the best knowledge of St. James, the Real Property does not contain any filled land, graves, buried or surface garbage or trash, hazardous wastes, hazardous substances, hazardous materials, toxic substances, hazardous air pollutants or toxic pollutants as those terms are used in the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Clean Air Act and the Clean Water Act, or in regulations promulgated under them, or in any applicable federal, state or local statute, regulation or ordinance.

i. St. James is not now a party to any litigation affecting the Property or title to the Real Property, and St. James knows of no litigation or threatened litigation affecting all or any part of the Property or the title thereto.

9.02 *Representations and Warranties of the Town:* To induce St. James to enter into this Agreement and to sell the Property, the Town represents and warrants (which representations and warranties shall survive the Closing) to St. James as follows:

a. As of the Closing, the Town will have all requisite legal power and authority to execute and deliver the documents to be delivered by the Town pursuant to this Agreement. The individual or individuals executing this Agreement on behalf of the Town has or have, and as of the date of Closing, will have, express authority and full power on behalf of St. James to enter into and deliver this Agreement and the other documents required hereunder.

b. Other than is expressly allowed herein, the Town shall not grant any easements, or enter into any covenants or agreements concerning the

property or in any other way affect title to the Property without the written consent of St. James.

ARTICLE 10 – BROKERS

10.01 *Brokers:* St. James and the Town each warrant and represent to the other that no broker, finder, or other person is entitled to a commission, finder's fee or other compensation in connection with this Agreement, and each party shall indemnify and hold harmless the other party from any and all claims, liabilities, losses, damages, costs and expenses arising from the claim of any other broker, finder or other person for such compensation, arising by, under or through such party. The obligations under this Article 10 shall survive the Closing of the transaction described in this Agreement.

ARTICLE 11 – COMMEMORATIVE SIGN

11.01 *Commemorative Sign:* The Town agrees that at such time as the Lease has terminated, St. James has vacated the Property and the existing structures on the property have been demolished or moved, as the case may be, it will erect a commemorative sign on the Property. The sign will be placed so as to be visible along the right of way of either Beach City Road or Dillon Road, but the location will be at the sole discretion of the Town, and the location of the Sign may be moved by the Town if needed to accommodate the installation of a pathway or other infrastructure. The sign will be the Town's roadside historic marker style sign, and the text will commemorate St. James Baptist Church. St. James Baptist Church and the Town agree to work cooperatively to draft the text that will appear on the sign, provided that the proposed text must fit on the Town's roadside historic marker style sign.

ARTICLE 12 - EFFECTIVE DATE

12.01 Effective Date*:* The "Effective Date" of this Agreement shall be the date upon which the officials of the Town of Hilton Head Island, South Carolina, execute and deliver this Agreement to St. James.

ARTICLE 13 – MISCELLANEOUS

13.01 *Binding Effect**:*** This Agreement shall inure to the benefit of and shall be binding upon St. James and the Town and their respective successors and assigns, if any are permitted hereunder.

13.02 *Entire Agreement/Amendment, Changes and Modifications:* This Agreement supersedes all prior discussions and agreements between the parties with respect to the Property and all other matters contained herein and constitutes the sole and entire agreement and understanding between St. James and the Town with respect to the transaction contemplated in this Agreement. This Agreement shall not be modified or amended except by an instrument in writing signed by both St. James and the Town.

13.03 *Severability:* In the event that any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

13.04 *Execution in Counterparts:* This Agreement 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.

13.05 *Applicable Law:* This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

12.06 *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 or Articles of this Agreement.

13.07 *Recording:* The parties hereto may not record this Agreement in the Office of the Register of Deeds for Beaufort County, South Carolina.

13.08 *Plural/Singular:* Where appropriate, the use of the singular herein shall include and be deemed to be the plural, and the use of the plural herein shall be deemed to include the singular.

13.09 *No Third Party Beneficiaries:* The Parties hereto affirmatively represent that this Agreement is made solely for the benefit of the 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.

13.10 *Notices:* All notices, applications, requests, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when delivered in person, or mailed by regular first class mail, postage prepaid (in such case, delivery shall be deemed complete upon mailing), by email, addressed as follows, or to such other place as may be designated in writing by the parties:

To the Town: Curtis L. Coltrane
COLTRANE & WILKINS, LLC
2 Corpus Christi Place, Suite 105
Hilton Head Island, SC 29928
curtis@coltraneandwilkins.com

To St. James: Chester C. Williams
LAW OFFICE OF CHESTER C. WILLIAMS, LLC
17 Executive Park Road, Suite 2
Hilton Head Island, SC 29928

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

13.12 *Further Assurances and Corrective Documents:* St. James and the Town agree to do, execute, acknowledge, deliver, or cause to be done all such further acts as may be reasonably determined to be necessary to carry out this Agreement and give effect hereto. St. James and the Town agree that each shall, upon request, execute and deliver such other or corrective documents as may be reasonably determined to be necessary, either before or after the Closing. The obligations of this Article 13.12 shall survive the Closing.

13.13 *Electronic Signatures*: St. James and the Town acknowledge and agree that this Agreement may be signed by electronic signature (*Docusign* or similar), by a scanned and emailed copy of any party's signature on the signature page, or by a copy of any party's signature on the signature page that is sent by facsimile, and that any such signature shall be deemed an original signature.

ARTICLE 14 - DAMAGE AND RISK OF LOSS

14.01 *Damage and Risk of Loss:* The risk of loss or complete or partial destruction of the Property shall rest with St. James up to the time that the Closing occurs. If the Property is damaged, but repairable prior to Closing, St. James has the option of repairing and proceeding. If the Property is damaged, but un-repairable prior to Closing, the Town shall be entitled to terminate this Agreement by delivery of a written notice to St. James of the Town's election to terminate under this Article 14.01 Upon the Town's delivery of it the written termination Notice, the Escrow Agent shall promptly return the Deposit to the Town and this Agreement shall be of no further force or effect and neither party shall have any further rights or obligations under this Agreement.

ARTICLE 15 - CONDEMNATION

15.01 *Condemnation:* If, between the date of this Agreement and the Closing, a taking or condemnation of the Real Property is threatened, or commenced, by any entity other than Beaufort County, South Carolina or the Town, St. James shall notify the Town, in writing, of the taking or condemnation and the amount of condemnation proceeds. The Town may elect, in writing, within five (5) days after receipt of notice from St. James to terminate this Agreement or to purchase the Property without regard to such condemnation. If the Town fails to notify St. James of the Town's election, the Town will be deemed to have elected to proceed with the purchase of the Property without regard to such taking or condemnation. In the event the Town elects to purchase, St. James shall have no obligation to repair or replace any of the property taken or condemned, nor shall the purchase price be adjusted. St. James shall assign its right to receive any condemnation award payable as a result of such taking or condemnation to the Town. In

the event the Town elects to terminate this Agreement, the Town shall notify St. James of its election in writing. Upon delivery of the Town's termination notice, this Agreement shall be of no further force and effect, the Escrow Agent shall immediately return the Deposit to the Town and neither party shall have any further rights or obligations under this Agreement.

15.02 *Condemnation Award Exceeding Purchase Price*: In the event St. James determines that the amount of condemnation award payable as a result of such taking or condemnation exceeds the Purchase Price, St. James may elect in its sole discretion to terminate this Agreement, and retain and receive such condemnation award. If St. James elects to terminate this Agreement under this Article 15.02, St. James shall notify the Town of such election in writing. Upon delivery of the termination notice, this Agreement shall be of no further force and effect, the Escrow Agent shall immediately return the Deposit to the Town and neither party shall have any further rights or obligations under this Agreement.

ARTICLE 16 - MATTERS BEFORE AND AFTER CLOSING

16.01 *Conduct Prior to Closing*: From and after the date hereof, St. James shall not, without the prior written approval of the Town, make any alterations or additions to the property except as required for maintenance or by law, sell, transfer, encumber, lease or rent all or any part of the Property or change the status of title to the Property; or cancel, assign or amend any license or permit or other right held by St. James with respect to the Property or any part thereof prior to Closing.

16.02 *Matters Subsequent to Closing/Survival of Obligations:* St. James acknowledges that it has obligations under this Agreement that have to be fulfilled subsequent to Closing. St. James acknowledges that all such obligations survive the Closing whether or not a specific statement to that effect is set forth herein in connection with each such obligation.

[Signature page follows]

In Witness Whereof, the duly authorized officers of the Town of Hilton Head Island, South Carolina, a body politic; St. James Baptist Church, A South Carolina Nonprofit Corporation; and _____ have executed this Agreement as of the day and year first-above written.

WITNESSES:

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

_____

By:_____
Alan R. Perry, Mayor

_____

By:_____
Marc A. Orlando, Town Manager

WITNESSES:

ST. JAMES BAPTIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION

_____

By:_____

_____

By:_____

WITNESSES:

CONSTRUCTION ESCROW AGENT

_____

By:_____

_____

EXHIBIT “A” - DESCRIPTION OF REAL PROPERTY

All that certain piece, parcel or tract of land, with improvements thereon, excluding the structure known as the Cherry Hill School, consisting of two parcels divided by Dillon Road, lying on the northeast and southeast corners the intersection of Beach City Road and Dillon Road, containing 1.70 Acres, more or less, and bounded as follows: (i) the parcel lying at the south east corner of the intersection of Beach City Road and Dillon Road is bounded on northeast by Dillon Road, on the southeast and southwest by property of Beaufort County, South Carolina, and on the northwest by Beach City Road; and (ii) the parcel lying on the north east corner of the intersection of Beach City Road and Dillon Road, on the southwest by Dillon Road, on the northwest by Beach City Road, on the northeast by property now or formerly of KPRM, LLC, and on the southeast by property now or formerly of Beaufort County, South Carolina and the Town of Hilton Head Island, South Carolina.

EXHIBIT "B" - FORM OF GAP AFFIDAVIT PERSONAL UNDERTAKING (GAP)

WHEREAS, First American Title Insurance Company, hereinafter referred to as "the Company," is about to issue its title insurance policy, policies, or commitments therefore, all hereinafter referred to as the "Title Insurance Policy," No. THH-25-021 in respect to the land therein described; and,

WHEREAS, the Company has raised as Exception to Title the following:

Defects, liens, encumbrances, adverse claims, or other matters, if any created, first appearing in the public records or attaching subsequent to _____, 20___, at 7:45 A. M. (the "Exceptions to Title").

WHEREAS, the Company has been requested to issue the Title Insurance Policy, and may hereafter in the ordinary course of its business issue title insurance policies or commitments therefore in the forms now or then commonly used by the Company in respect to the land or to some part or parts thereof, or interest therein, all of the foregoing being hereafter referred to as "Future Policies", either free and clear of all mention of the Exceptions to Title or insuring against loss or damage by reason thereof;

NOW THEREFORE, in consideration of the issuance of the Title Insurance Policy and payment of $1.00 to the undersigned by the Company, the sufficiency and receipt of which is hereby acknowledged, St. James Baptist Church, A South Carolina Nonprofit Corporation, for itself and is successors and assigns does hereby covenant and agree with the Company:

1. To forever fully protect, defend, and save the Company harmless from and against all the Exceptions to Title or any rights growing out thereof, all loss, costs, damages, attorney's fees, and expenses of every kind and nature which the company may suffer, in consequence of the Title Insurance Policy on account of the Exceptions to Title or any rights growing out thereof, or on account of the assertion or enforcement or attempted assertion or enforcement thereof;

2. To provide for the defense, at their own expense, on behalf of and for the protection of the Company and any parties now or hereafter insured against loss or damage under the Title Insurance Policy (but without prejudice to the right of the Company to defend if it so elects) in all litigation based on any Exceptions to the Title which may be asserted or tempted to be asserted, in respect to the land or any part thereof, or interest therein;

3. To pay, discharge, satisfy or remove all the Exceptions to Title on or before 10 days from the date of notice of the existence of any Exceptions to Title; and

4. That each and every provision herein shall extend and be in force concerning the Future Policies.

The foregoing notwithstanding, it is hereby covenanted and agreed, and expressly made a part of this Agreement, that the liability of the undersigned hereunder shall cease and determine as such time as the Company shall have completed all of its various title searches concerning the insured property through the date of the recording of the documents required in the Commitment required for the issuance of the above policy; provided, however, that:

1) No Exceptions to Title or rights growing out thereof are disclosed by the said various title searches and examination thereof;

2) There is then pending no suit, action, or proceedings, either direct or collateral, to assert, establish, or enforce the said Exceptions to Title or rights growing out thereof;

3) That no judgment, order, or decree rendered in any such proceeding remains unsatisfied; and

4) That the undersigned is not in default in the performance of any of the terms, covenants, and conditions hereof.

IN WITNESS WHEREOF, _____, being the duly authorized officers of St. James Baptist Church, A South Carolina Nonprofit Corporation have executed this agreement this ____ day of _____, 202__.

ST. JAMES BAPTIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION

By:_____

By:_____

Sworn to Before Me this ___
Day of _____, 202__.

_____
Notary Public for South Carolina
My Commission Expires:_____

EXHIBIT "C" - FORM OF ABSOLUTE ASSIGNMENT

STATE OF SOUTH CAROLINA)
) ABSOLUTE ASSIGNMENT
COUNTY OF BEAUFORT)

This assignment is made this ____ day of _____, 202__, by and between St. James Baptist Church, A South Carolina Nonprofit Corporation, (hereinafter "St. James"), and The Town of Hilton Head Island, South Carolina (hereinafter, the "Town").

WHEREAS, pursuant to that certain Contract by and between St. James and the Town dated _____, 202__, St. James did agree to assign all of St. James' right, title and interest in and to any and all existing contracts, easements, property rights, contract rights, approvals, permits, privileges and any other rights, however named or described, connected with the Real Property described on Exhibit "A" hereto;

NOW, THEREFORE, for and in consideration of the sum of Ten and no/100 ($10.00) Dollars, paid in hand to St. James by the Town at and before the execution and delivery of these presents, the receipt and sufficiency of which is acknowledged, the Assignor Covenants and Agrees as follows:

1. The recitals are incorporated herein, as if repeated verbatim.

2. St. James hereby absolutely and irrevocably grants, bargains, sells, sets over, conveys and assigns absolutely to the Town, any and all of St. James' right, title and interest in and to any and all existing contracts, drainage rights, utility allocations, contract rights, approvals, easements, riparian rights, rights to accreted lands, covenants, declarant rights, permits, development permits, development plan approvals, density allocations, governmental recognitions of rights or privileges, governmental permits,

authorizations, work product or any other rights of any description whatsoever which in any way relate to, or which touch or concern the Real Property described in Exhibit "A" hereto. It is the express intent of this assignment that any rights of any nature which touch or concern the Real Property described on Exhibit "A" hereto are assigned to the Town hereby, and that St. James shall retain no rights of any description with respect to the Real Property, other than as are provided for in the Lease from the Town to St. James executed and delivered contemporaneously herewith.

3. St. James hereby warrants that as of the date of the execution hereof, St. James has fully and unconditionally transferred all of its right, title and interest in and to any existing contracts, contract rights, easements, utility allocations, drainage rights, easements, riparian rights, rights to accreted lands, approvals, covenants, declarant rights, permits, development permits, developments plan approvals, density allocations, governmental recognitions of rights or privileges, governmental permits, authorizations, work product or any other rights of any description whatsoever which in any way relate to, or which touch or concern the Real Property described in Exhibit "A" hereto, to the Town, and that St. James has not previously transferred any of the said rights to any third party and that St. James has not entered into any agreement which would encumber the rights herein assigned.

4. This Assignment is absolute, unconditional, and irrevocable and shall be binding upon and inure to the respective successors and assigns of the parties hereto.

In Witness, whereof, _____, being the duly authorized officers of St. James Baptist Church, A South Carolina Nonprofit Corporation, have set their hands and seals on this _____ Day of _____, 202__.

WITNESSES:

ST. JAMES BAPTIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION

_____ By:_____

_____ By:_____

STATE OF SOUTH CAROLINA)
) UNIFORM ACKNOWLEDGMENT
COUNTY OF BEAUFORT)

I, the undersigned Notary Public do hereby certify that _____, being the duly authorized officers of St. James Baptist Church, A South Carolina Nonprofit Corporation personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument.

Sworn to and Subscribed before me
on this _____ Day of _____, 202__.

_____
Notary Public for South Carolina
My Commission Expires:_____

EXHIBIT “A” TO ABSOLUTE ASSIGNMENT

All that certain piece, parcel or tract of land, with improvements thereon, excluding the structure known as the Cherry Hill School, consisting of two parcels divided by Dillon Road, lying on the northeast and southeast corners the intersection of Beach City Road and Dillon Road, containing 1.70 Acres, more or less, and bounded as follows: (i) the parcel lying at the south east corner of the intersection of Beach City Road and Dillon Road is bounded on northeast by Dillon Road, on the southeast and southwest by property of Beaufort County, South Carolina, and on the northwest by Beach City Road; and (ii) the parcel lying on the north east corner of the intersection of Beach City Road and Dillon Road, on the southwest by Dillon Road, on the northwest by Beach City Road, on the northeast by property now or formerly of KPRM, LLC, and on the southeast by property now or formerly of Beaufort County, South Carolina and the Town of Hilton Head Island, South Carolina.

EXHIBIT "D" - FORM OF BILL OF SALE

STATE OF SOUTH CAROLINA)
) BILL OF SALE
COUNTY OF BEAUFORT)

Know All Men By These Presents that St. James Baptist Church, a South Carolina Nonprofit Corporation, for and in consideration of the sum of Ten and No/100 ($10.00) Dollars to it paid at and before the sealing and delivery of these presents by the Town of Hilton Head Island, South Carolina, the receipt of which is hereby acknowledged, has bargained and sold and by these presents does bargain, sell and deliver to the Town of Hilton Head Island, South Carolina, its successors and assigns forever, the following described property to wit:

> Any and all furniture, fixtures or equipment located in the real property known as 209 Dillon Road, Hilton Head Island, South Carolina, as of the date of this Bill of Sale, of every type, however described.

To Have And To Hold the personal property unto the Town of Hilton Head Island, South Carolina, its successors and assigns forever.

St. James Baptist Church, a South Carolina Nonprofit Corporation, does hereby bind itself and its successors and assigns, to warrant and forever defend, all and singular, the said property unto the Town of Hilton Head Island, South Carolina, against any claims regarding or connected to the property, however described, conveyed in this Bill of Sale, made by St. James Baptist Church, a South Carolina Nonprofit Corporation, or its successors and assigns.

The duly authorized officers of St. James Baptist Church, a South Carolina Nonprofit Corporation have set their hands and seals to this Bill of Sale on this ___ Day of _____, 2025.

WITNESSES:

ST. JAMES BAPTIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION

_____ By:_____

_____ By:_____

STATE OF SOUTH CAROLINA)
) UNIFORM ACKNOWLEDGMENT
COUNTY OF BEAUFORT)

I, the undersigned Notary Public do hereby certify that the duly authorized officers of St. James Baptist Church, a South Carolina Nonprofit Corporation, personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument.

Sworn to and Subscribed before me
on this ___ Day of _____, 2025.

_____
Notary Public for South Carolina
My Commission Expires:

EXHIBIT "E" – FORM OF COMMERCIAL LEASE

STATE OF SOUTH CAROLINA)
) COMMERCIAL LEASE
COUNTY OF BEAUFORT)

This Commercial Lease (herein, the "Lease") is made and entered as of the ___ day of _____, 2025, by and between the Town of Hilton Head Island, South Carolina, a body politic (herein, the "Landlord"), and St. James Baptist Church, A South Carolina Nonprofit Corporation**,** (herein, the "Tenant").

WHEREAS, Landlord has agreed to lease to Tenant the real property located in the Town of Hilton Head Island, South Carolina, as more particularly described on the attached Exhibit "A," together with any improvements thereon (hereinafter the "Leased Premises").

In reliance upon and in consideration of the representations, warranties, covenants, and conditions herein contained on the part of Tenant, Landlord hereby leases to Tenant, and Tenant hereby rents from Landlord, the herein described premises upon the following terms and conditions:

ARTICLE 1
FUNDAMENTAL LEASE TERMS

A. Specifics:

Landlord: The Town of Hilton Head Island, South Carolina
One Town Center Court
Hilton Head Island, SC 29928

Tenant: St. James Baptist Church, A South Carolina Nonprofit Corporation
209 Dillon Road
Hilton Head Island, SC 29926

Use of Premises: Church and Fellowship Hall

Term of Lease: Subject to Article 2(B), _____ (__) Months.

Commencement Date: _____, 2026

Expiration Date: _____, 202__

Security Deposit: N/A

Description of Premises:	See Exhibit "A"
Base Rent:	One and no/100 Dollars per year or any part of a year.
Notice to Tenant:	St. James Baptist Church ATTN: Chairman of Deacons 209 Dillon Road Hilton Head Island, SC 29926
Notice to Landlord:	Town of Hilton Head Island ATTN: Town Manager One Town Center Court Hilton Head Island, SC 29928

In the event of any conflict between the foregoing Summary and the balance of the Lease, the latter shall control.

B. Description and Location of the Premises

Landlord hereby demises and leases to Tenant, and Tenant hereby rents, hires, and takes the Premises of and from Landlord, for the term, upon the terms, covenants and conditions herein set forth, the Premises, together with any improvements thereon, described on Exhibit "A" hereto.

ARTICLE 2
TERM

A. Duration and Commencement:

The term of this Lease shall be for a period of time necessary to allow the Tenant to build a new church and fellowship hall, commencing on _____, 2026, (hereinafter sometimes referred to as the "Commencement Date"), and ending on or before _____, 202__ (hereinafter sometimes referred to as the "Termination Date"). In no event shall the term of this Lease exceed a period of _____ (__) months from the date of execution of this Lease.

B. Termination by Tenant:

The Tenant shall have the right to terminate this Lease on thirty (30) days written Notice to the Landlord. In the event the Tenant exercises this right during the Term of this Lease, Base Rent and any Additional Rent shall be due through the date the Tenant vacates the Premises, removes all of personal property and leaves the Premises in the condition required by Article 4(B) below, provided, however, that in no event shall the

term of this Lease exceed a period of _____ (___) months from the date of the execution of this Lease.

ARTICLE 3
RENT

A. Rent:

(1) Base Rent: Tenant shall pay One and no/100 ($1.00) Dollar per year, or any part of a year, to Landlord as rental for the Leased Premises beginning _____, 2026, and continuing throughout the term of this Lease the "Rent" without prior demand and without any deduction or setoff whatsoever.

Tenant shall pay the Base Rent to Landlord at the times and in the matter herein set forth for the rental of the Leased Premises beginning on the Commencement Date and thereafter throughout the Term hereof.

(2) Additional Rent:

In addition to the Base Rent, Tenant shall be responsible for and pay any Real Estate Taxes that may be assessed against the Leased Premises as a result of the Tenant's lease and occupancy of the Leased Premises. On receipt of any billing for Real Estate Taxes assessed against the Leased Premises, Landlord shall notify the Tenant of the amount of the Real Estate Taxes and forward a copy of the tax bill to Tenant. Tenant shall pay the amount of the Real Estate Taxes to the Town on receipt and shall also pay any assessments or penalties that may be assessed as a result of any late payment of Real Estate Taxes.

B. Time and Manner of Payment of Rent:

The Rent shall be paid in full, in advance, beginning on the ____day of _____, 2026, and thereafter on the 2nd day of January in each succeeding year for the term of this Lease.

C. Place of Payment:

The Rent and any Additional Rent shall be made payable to the Landlord and delivered to the address listed in Paragraph A of Article 1.

D. Time is of the Essence:

Time is of the essence of the Tenant's obligation to pay Rent and Additional Rent required in this Lease.

E. Partial Payments:

No payment by Tenant or receipt by Landlord of an amount less than the monthly installments of Rent or any Additional Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check for payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

ARTICLE 4
POSSESSION OF LEASED PREMISES

A. Acceptance of Leased Premises:

Tenant shall, by entering into and occupying the Leased Premises, be deemed to have accepted the Leased Premises and to have acknowledged that the same are then in the condition called for by this Lease. Tenant acknowledges and represents that it has been in possession of the Leased Premises prior to the execution and delivery of this Lease, and that Tenant is in a superior position to know the condition of the Leased Premises, and that Tenant is not relying on the Landlord to disclose or advise Tenant with respect to the condition of the Leased Premises. Tenant acknowledges and represents that it is relying solely on its own knowledge with respect to the condition of the Leased Premises. Tenant acknowledges that the acknowledgments and representations of this Article 4(A) are material terms of this Lease, without Landlord would not have entered into this Lease.

TENANT ACKNOWLEDGES AND REPRESENTS THAT LANDLORD MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE LEASED PREMISES OR THE FITNESS OF THE LEASED PREMISES FOR ANY PARTICULAR PURPOSE, INCLUDING TENANT'S INTENDED USE OF THE LEASED PREMISES. TENANT ACKNOWLEDGES THAT ITS ACCEPTANCE OF LANDLORD'S DISCLAIMER OF WARRANTIES IS A MATERIAL TERM OF THIS LEASE WITHOUT WHICH LANDLORD WOULD NOT ENTER INTO THIS LEASE.

B. Surrender of the Leased Premises:

Upon the expiration or sooner termination of the term of this Lease, Tenant shall remove any and all of Tenant's personal property, including, but not limited to, stain glass

windows located in the structure on the Leased Premises, and any debris, refuse or trash from the Leased Premises and shall leave the Leased Premises in broom clean condition. In the event Tenant shall fail to remove any of Tenant's personal property as provided herein, Landlord may, but is not obligated to, at Tenant's expense, remove and dispose of all Tenant's personal property not so removed, and Landlord shall have no liability to Tenant for any loss or damage to Tenant's personal property caused by or resulting from such removal, disposal or otherwise.

Notwithstanding any provision hereof to the contrary, the Tenant shall vacate and surrender the Leased Premises within _____ (__) months of the date of the execution of this Lease.

C. Utilities:

As part of the consideration for the execution and delivery of this Lease, Tenant acknowledges that Landlord has no obligation to provide any utilities or utility service at or to the Property. Tenant, at its own cost and expense, shall pay all electric, water, sewer, phone, internet, data and cable utilities and related charges incurred by Tenant in its use of the Leased Premises. Tenant shall place all utility accounts in its name, and shall indemnify and hold Landlord harmless against any liability or damages on such accounts. Landlord shall not, in any event, be liable for any interruption or failure in the supply of any utilities to the Leased Premises.

ARTICLE 5
USE OF THE LEASED PREMISES

A. Permitted Uses:

Tenant acknowledges that the Leased Premises shall be used only for a church and fellowship hall and related religious activities, and for no other purpose.

B. Rules, Regulations and Restrictions:

Tenant shall at all times during the term of this Lease, at its sole cost and expense:

(1) Furnish, install, and maintain on the Leased Premises any or all of Tenant's personal property, appliances or equipment deemed necessary by Tenant for the Tenant's use of the Leased Premises;

(2) Maintain the Leased Premises, in a clean, neat, safe, sanitary and orderly condition, it being understood that no use shall be made or permitted of the Leased Premises or any part thereof, nor any acts done, which will violate, make inoperative, or otherwise impair any insurance

policy at any time held by or in any way for the benefit of Landlord pursuant to any provision of this Lease;

(3) Tenant shall not sell, or suffer or permit to be stored kept, used or sold in, upon or about the Leased Premises, any gasoline, distillate, any substance defined as a "Hazardous Substance" under any Federal, State or Local law, ordinance or regulation, or any other substance or material of an explosive, inflammable or radiological nature which may contaminate or endanger any part of the Leased Premises, any structure or building on the Leased Premises, or any person on or about the Leased Premises, or which would present any unusual fire, explosion or other damaging or dangerous hazard; and, Tenant shall, at its sole cost and expense, cause the removal and cleanup of any hazardous substance existing stored on the Leased Premises or allowed to contaminate the Leased Premises by Tenant;

(4) Comply with all governmental rules, regulations, ordinances, statutes, and laws now or hereafter in effect pertaining to the Leased Premises or Tenant's use thereof;

(5) Refrain from dumping, disposal, reduction, incineration, or other burning of any trash papers, refuse or garbage of any kind in or about the Leased Premises, or in any structure or building located on the Leased Premises; other than in the normal course of business.

(6) Refrain from storing any trash, waste, or garbage on the Leased Premises, or creating or permitting the creation of any health or fire hazard on the Leased Premises;

(7) Refrain from committing or suffering to be committed any waste upon, or any unlawful, improper, or offensive use of, the Leased Premises, or any public or private nuisance or act or thing upon the Leased Premises or any structure or building on the Leased Premises;

(8) Maintain the Leased Premises so as to maintain compliance with and remain in compliance with all local ordinances promulgated by the Town of Hilton Head Island, South Carolina, or any other applicable Federal, State, local statute, ordinance, law, rule, or regulation concerning the Leased Premises or Tenant's operations in the Leased Premises.

C. Prohibited Operations:

No use or operation will be made, conducted or permitted on or with respect to all or any part of the Leased Premises, which is obnoxious or a nuisance, including but not limited to the following:

Any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness, or loudness; any obnoxious odor; any noxious, toxic, caustic or corrosive fuel or gas; any dust, dirt, or fly ash in excessive quantities; any smelting, agriculture, or mining operations; any drilling for and/or removal of subsurface substances; and any fire or bankruptcy sale or auction house operation.

D. General Authority:

In addition to the foregoing, Tenant shall at all times during the term hereof comply with all other reasonable rules and regulations which Landlord may at any time or from time to time establish concerning the use of the Leased Premises; provided however, that any such rule or regulation so made shall not be inconsistent with any part of this Lease, and shall not unreasonably interfere with Tenant's use and enjoyment of the Leased Premises.

ARTICLE 6
REPAIRS AND MAINTENANCE

A. Landlord shall be under no obligation to make any repairs or perform any maintenance of the Leased Premises either prior to the commencement of this Lease, or at any time during the Term of this Lease. Tenant acknowledges that Tenant shall be solely responsible for the cost of making any repairs to the Leased Premises and any of the structural, electrical, plumbing, or mechanical components thereof for and during the Term of this Lease. Tenant acknowledges that it is accepting the Leased Premises, AS IS, WHERE IS, AND WITH NO WARRANTY OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY WITH RESPECT TO FITNESS OF THE LEASED PREMISES FOR ANY PURPOSE OR ANY PARTICULAR PURPOSE INCLUDING, WITHOUT LIMITATION, TENANT'S INTENDED USE OF THE LEASED PREMISES.

B. Tenant shall, at its sole cost and expense, at all times during the term hereof, keep and maintain the Leased Premises and any of the structural, electrical, plumbing, or mechanical components, windows, and doors thereof, in good, safe and sanitary order, condition and repair, and in compliance with all laws and regulations applicable thereto.

ARTICLE 7
ALTERATIONS

Tenant shall not make or suffer to be made any changes, alterations or additions to the Leased Premises or any part thereof without plans therefore being provided to Landlord in advance of commencement of such work for Landlord's review and approval. If, during the term hereof, any change, alteration, addition, or correction shall be required by any law, rule, or regulation of any governmental authority to be made in or to the Leased Premises or any portion thereof, Landlord shall first give written consent thereto and any such change, alteration, addition, or correction shall then be made by Tenant at

its sole cost and expense. Notice is hereby given that no mechanic's, materialmen's, or other lien sought to be taken on the Leased Premises shall in any manner affect the right, title, or interest of Landlord therein.

ARTICLE 8
INSURANCE AND RELEASE

A. Release of Liability and Indemnity:

Tenant covenants with Landlord that Landlord shall not be liable for any damage or liability of any kind or for any injury to or death of persons or damage to the Leased Premises, the personal property of Tenant or any other person during the term of this Lease from any cause whatsoever, by reason of the use, occupancy, and enjoyment of the Leased Premises by Tenant. Tenant acknowledges that use of the Leased Premises and any structure or building on the Leased Premises is under the sole and exclusive control of Tenant. Tenant, for itself, its successors, congregants, invitees, assigns, sub-tenants, employees, administrators, and guests, and their respective family members and executors or assigns, warrants and covenants not to sue Landlord for, and agrees to indemnify and hold Landlord from, any claim arising from any death, injury, or other claim, or any other matter or thing arising out of, or in connection with, any use by Tenant or Tenant's congregants, invitees, assigns, sub-tenants, employees, administrators, guests, users of the services offered by Tenant, or their respective family members and executors or assigns, of the Leased Premises or any structure or building on the Leased Premises. Tenant acknowledges that this release of liability, indemnity, and covenant not to sue is a material term of this Lease without which Landlord would not enter into the same.

B. Insurance:

Tenant further covenants and agrees that from and after the delivery of the Leased Premises by Landlord to Tenant, Tenant will carry and maintain, at its sole cost and expense, the following types of insurance, in the amounts specified and in the form hereinafter provided for:

(1) Public Liability and Property Damage: Comprehensive general public liability and property damage insurance with a combined bodily injury, death, and property damage limits, per occurrence, of TWO MILLION ($2,000,000.00) DOLLARS, insuring against any and all liability of the insured with respect to said Leased Premises, or arising out of the maintenance, use or occupancy thereof. All such bodily injury liability insurance and property damage liability insurance shall specifically insure the performance by Tenant of the indemnity provisions as to liability for injury to or death or persons and injury or damage to property contained in this Lease. Landlord shall be named as an additional insured on Tenant's policy.

(2) Landlord Not To Provide Insurance: Landlord shall have no responsibility to provide insurance coverage for Tenant or any property of Tenant.

(3) Policy Form: All policies of insurance provided for herein shall be issued by insurance companies with general policyholders' rating not less than A, and a financial rating of AAA as rated in the most current available "Best's Insurance Reports", and qualified to do business in the State of South Carolina, and shall be issued in the names of Landlord, Tenant and such other persons or firms as Landlord specifies from time to time. Such policies shall be for the mutual and joint benefit and protection of Landlord, Tenant and others hereinabove mentioned, and executed copies of such policies of insurance or certificates thereof shall be delivered to Landlord within ten (10) days after delivery of possession of the Leased Premises to Tenant and thereafter within thirty (30) days prior to the expiration of the term of each such policy. All public liability and property damage policies shall contain a provision that Landlord, although named as an insured, shall nevertheless be entitled to recovery under said policies for any loss occasioned to it, its servants, agents, and employees by reason of the negligence of Tenant. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent. All policies of insurance delivered to Landlord must contain a provision that the company writing said policy will give to Landlord twenty (20) days' notice in writing in advance of any cancellation or lapse or the effective date of any reduction in the amounts of insurance. All public liability, property damage and other casualty policies shall be written as primary policies, not contributing with and not in excess of coverage which Landlord may carry.

(4) Failure of Tenant to Obtain: In the event that Tenant fails to procure and/or maintain any insurance required by this Article 8, or fails to carry insurance required by law or governmental regulation, Landlord may, but without obligation to do so, at any time or from time to time, and without notice, procure such insurance and pay the premiums therefore, in which event Tenant shall repay Landlord all sums so paid by Landlord, together with interest thereon as provided in Article 14 hereof, and any incidental costs or expenses incurred by Landlord in connection therewith, within ten (10) days following Landlord's written demand to Tenant for such payment.

ARTICLE 9
EMINENT DOMAIN

A. Eminent Domain/Whole Taking: In the event that the whole of the Leased Premises is taken for public or quasi-public purposes by the government of the United States, the State of South Carolina, or any government or power whatsoever other than Beaufort County, South Carolina or the Town of Hilton Head Island, South Carolina, or should the whole of the Leased Premises be condemned by any court, city, county, state or governmental authority or office, department or bureau of any city, county, state or United States other than Beaufort County, South Carolina or the Town of Hilton Head

Island, South Carolina, then in any such event this Lease shall terminate as of the date title to the Leased Premises vests in the condemning authority. For the purposes hereof, such date of vesting in the condemnor shall operate as though it were the date originally intended by the parties for expiration of this Lease, and the rental shall be adjusted in light of the condemnation, so that Tenant shall pay rent to Landlord only up to the date of vesting in the condemnor. Any prepaid or advance rental paid by Tenant to Landlord for the part of the Term extending beyond the date on which title vests in the condemnor shall be refunded by Landlord to Tenant. Tenant shall not share in any condemnation awards.

B. Eminent Domain/Partial Taking: In the event that a portion of the Leased Premises shall become subject to the exercise of the right of eminent domain, or of seizure or appropriation of space in the same, by lawful authority under the right of eminent domain, an untenantable condition is created as hereinafter defined, the Tenant shall have the option to terminate this Lease; but if such an untenantable condition is not thereby created, then rental shall abate pro rata according to any square footage seized or appropriated within the Leased Premises. "Untenantable" shall be deemed to mean such a condition as renders the Leased Premises unsuitable for Tenant to make use thereof as contemplated herein.

ARTICLE 10
DAMAGE AND RESTORATION

A. Total or Partial Destruction: If Leased Premises are totally or substantially destroyed by storm, fire, lightning, earthquake or other natural disaster, this Lease shall not terminate and Landlord, at its option, may repair or rebuild (but only from insurance proceeds existing to the benefit of the Leased Premises) and restore the same to substantially the same condition in which they were immediately prior to the happening of such casualty. Provided, however, that if such reconstruction shall take in excess of eighteen (18) months from the date Landlord opts to rebuild, the Tenant shall have the right to terminate the Lease. The Landlord's obligation to repair shall not extend to any improvements or additions of the Tenant. In the event of reconstruction by Landlord, there shall be no Rent abatement during the initial six (6) months from the date of such casualty, but Rent shall abate following the sixth (6th) month until the Lease Premises are restored to substantially the same condition in which they were immediately prior to the happening of such casualty. However, Landlord shall not be liable for any damages, compensation and claims, inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Leased Premises, or of the Building. If Landlord opts not to repair or rebuild, Landlord may terminate this Lease effective as of the date of such casualty by giving written notice to the Tenant within forty-five (45) days after the happening of such casualty at which point the Lease shall become null and void with neither party having any further rights or obligations hereunder.

ARTICLE 11
ASSIGNMENT OR SUBLETTING

A. General Limitations:

Tenant may not, either voluntarily or by operation of law, assign, mortgage, hypothecate or encumber this Lease, or any interest in this Lease.

B. Effect of Violation:

Any assignment, mortgage, pledge, hypothecation, encumbrance, or subletting of this Lease, the leasehold estate hereby created, or the Leased Premises or any portion thereof, either voluntarily or involuntarily, whether by operation of law or otherwise, or any other action by Tenant in violation of the restrictions set forth in this Article shall be null and void and shall, at the option of Landlord, terminate this Lease.

ARTICLE 12
DEFAULT BY TENANT

A. Notice of Termination; Landlord's Options:

In the event that:

(1) Tenant shall default in the payment of any sum of money required to be paid hereunder and such default continues for five (5) days after written notice thereof from Landlord to Tenant; or,

(2) Tenant shall default in the performance of any other provision, covenant, or condition of this Lease on the Tenant to be kept and performed and such default continues for ten (10) days after written notice thereof from Landlord to Tenant;

then in any such event (and in addition to all other rights and remedies it may have according to this Lease or by law provided) Landlord, at its option, may declare the term of this Lease ended and re-enter the Leased Premises.

Pursuant to said right of re-entry, Landlord may remove all persons from the Leased Premises using such force as may be necessary therefore and may, but shall not be obligated to, remove all property therefrom including but not limited to Tenant's property, and may, but shall not be obligated to, enforce any rights Landlord may have against said property, or store the same in any public or private warehouse or elsewhere at the cost and for the account of Tenant or the owners or owner thereof. If Landlord's right of re-entry is exercised following Tenant's vacating or abandoning the Leased Premises, then Landlord may consider any personal property,

belonging to Tenant and left on the Leased Premises to have been abandoned also, in which case Landlord may dispose of all such personal property in any manner Landlord shall deem proper and is hereby relieved by Tenant of all liability for doing so.

If Tenant should vacate or abandon the Leased Premises during the term of this Lease, Landlord shall not be deemed to have terminated this Lease or the liability of Tenant to pay any rent or other sum of money thereafter to accrue hereunder, or Tenant's liability for damages under any of the provisions hereof, as long as Landlord does not declare the term of this Lease ended and/or terminate Tenant's right to possession. Under such circumstances (i.e., Tenant having vacated or abandoned the Leased Premises) Landlord shall have the right, but not the obligation, to take reasonable measures to maintain and preserve the Leased Premises, and to offer to relet the same; and acts of that nature shall not be deemed to constitute an election by Landlord to terminate the Lease or Tenant's right to possession thereunder.

B. Waiver of Default:

The waiver by Landlord of any default or breach of any of the provisions, covenants or conditions hereof on the part of Tenant to be kept and performed shall not be a waiver of any preceding or subsequent breach by Tenant of any provision, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent or other payment or portion thereof so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rental or other payment.

ARTICLE 13
LIENS

A. Indemnification:

Tenant shall at all times indemnify, save and hold Landlord and the Leased Premises free, clear and harmless from any claims, liens, demands, charges, encumbrances or litigation arising directly or indirectly out of any use, occupancy or activity of Tenant, its agents and employees, or out of any work performed, material furnished or obligations incurred by Tenant, its agents and employees, in, upon, about or otherwise in connection with the Leased Premises, and shall, except as hereinafter permitted in this Article, pay or cause to be paid for all work performed and material furnished to the Leased Premises or Landlord's reversionary estate therein, and will keep the Leased Premises free and clear of all mechanic's liens and materialmen's liens.

B. Contest of Liens:

If Tenant desires to contest any claim of lien, it shall within fifteen (15) days after the filing of the lien for record furnish Landlord with cash security in the amount of the claim of lien, plus estimated costs, and interest, or shall furnish Landlord with a bond of a responsible corporate surety in the same amount conditioned upon the discharge of the lien. Nothing contained herein shall prevent Landlord, at the cost and for the account of tenant, from obtaining and filing a bond conditioned upon the discharge of such lien, in the event Tenant fails or refuses to furnish the same within said fifteen (15) day period.

C. Satisfaction of Liens:

Immediately upon entry of final judgment in any such action in which Tenant contests any such claim of lien, and if such judgment shall establish the validity of the lien, or any part thereof, and within fifteen (15) days after the filing of any lien for record which Tenant does not contest, Tenant shall fully pay and discharge such judgment or lien, as the case may be, and Tenant shall reimburse Landlord upon demand for any and all loss, damage and expense, including reasonable attorneys' fees, which Landlord may suffer or be put to by reason thereof. Nothing contained herein shall prevent Landlord, at the cost and for the account of Tenant, from satisfying any such judgment or lien, as the case may be, in the event Tenant fails or refuses to satisfy the same as herein provided.

D. Notice to Landlord:

Should any claim or lien be filed against the Leased Premises, or any action or proceeding be instituted affecting the title to the Leased Premises, Tenant shall give Landlord written notice thereof as soon as Tenant obtains knowledge thereof.

ARTICLE 14
INTEREST ON PAST DUE OBLIGATIONS

Whenever under any provision of this Lease Tenant shall be obligated to make any payment or expenditure, or to do any act or thing, or to incur any liability whatsoever, and Tenant fails, refuses or neglects to perform as herein required, Landlord shall be entitled but shall not be obligated to make any such payment or expenditure, or do any such act or thing, or to incur any such liability, all on behalf of and at the cost and for the account of Tenant, and in such event the amount thereof with interest thereon as hereinafter provided shall be deemed additional rental hereunder and shall be added to and deemed a part of the next installment of rent thereafter becoming due from Tenant to Landlord hereunder. Any amount due from Tenant to Landlord under this Lease which is not paid when due shall bear interest at the rate of eighteen (18%) percent per annum or the highest rate then allowed under the usury laws of the State of South Carolina from the date due until paid, unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any default by Tenant under this Lease.

ARTICLE 15
FORCE MAJEURE

Whenever a day is appointed herein on which, or a period of time is appointed within which, either party hereto is required to do or complete any act, matter or thing, other than payment of performance of a financial obligation hereunder, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of strikes, lock-outs, embargoes, unavailability of labor or materials, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, Acts of God or other causes beyond such party's reasonable control.

ARTICLE 16
SUBORDINATION

(A) Tenant agrees upon request of Landlord to subordinate this Lease and its rights hereunder to the lien of any mortgage, ground lease, deed of trust, assignment of rights or any other encumbrance, together with any conditions, renewals, extensions or replacements hereof, now or hereafter placed, charged or enforced against the Landlord's interest in this Lease and the leasehold estate thereby created and the Leased Premises and to deliver (but without cost to Tenant) at any time and from time to time upon demand by Landlord such documents as may be required to effectuate such subordination, and in the event that Tenant shall fail, neglect or refuse to execute and deliver any such document within ten (10) days after receipt of written notice so to do and the receipt by Tenant of the document to be executed by it, Tenant hereby irrevocably appoints Landlord, its successors and assigns, the attorney-in-fact of Tenant, to execute and deliver any and all such documents for and on behalf of Tenant; provided, however, that Tenant shall not be required to effectuate such subordination, nor shall Landlord be authorized to effect such subordination on behalf of Tenant, unless the mortgagee or beneficiary named in such mortgage, deed of trust or other encumbrance shall first agree in writing, for the benefit of Tenant, that so long as Tenant is not in default under any of the provisions, covenants or conditions of this Lease on the part of Tenant to be kept and performed, that neither this Lease nor any of the rights of Tenant hereunder shall be terminated or modified or be subject to termination in modification, nor shall Tenant's possession of the Leased Premises be disturbed or interfered with, by any trustee's sale or by any action or proceeding to foreclose said mortgage, deed of trust or other encumbrances.

(B) Tenant agrees that at any time and from time to time during the term of this Lease, and within ten (10) days after demand therefore by Landlord, to execute and deliver to Landlord or to any proposed mortgagee, trustee, beneficiary or purchaser, a certificate in recordable form certifying that this Lease is in full force and effect, that the Lease is

unmodified, or if modified state any such modifications, and that there are no defenses or offsets thereto, or stating such defenses or offsets as are claimed by Tenant, and the date to which all rentals have been paid.

ARTICLE 17
HOLDING OVER

A. No Holding Over: Tenant shall not hold over following the Termination Date of this Lease.

b. Landlord's Remedy: In the event Tenant shall hold over or remain in possession of the Leased Premises with the consent of Landlord after the expiration of the stated Term of this Lease, or any written extension or renewal of the term of this Lease, any such holding over or continued possession shall not create any tenancy and Tenant agrees that it shall pay Rent for any hold over period at a rate of One and no/100 ($1.00) Dollars per month, and that Tenant shall remain bound by all other terms of this Lease.

ARTICLE 18
SALE OR ASSIGNMENT BY LANDLORD

A. Sale or Assignment by Landlord Permitted:

It is agreed that Landlord may, without notice to Tenant, at any time assign or transfer its interest as Landlord in and to this Lease, or any part thereof, and may at any time sell or transfer its interest in the fee of the Leased Premises, or its interest in and to the whole or any portion of the Leased Premises.

B. Attornment:

Tenant hereby agrees to attorn to the assignee, transferee or purchaser of Landlord under any provision of this Article from and after the date of notice to Tenant of such assignment, transfer or sale, in the same manner and with the same force and effect as though this Lease were made, in the first instance, by and between Tenant and such assignee, transferee or purchaser, In the event of the exercise of the power sale under, or the foreclosure of, any deed of trust, mortgage or other encumbrance placed by Landlord against all or any portion of the Leased Premises, Tenant shall upon demand attorn to the purchaser upon the effective date of any such sale or foreclosure of any such deed of trust, mortgage or other encumbrance, and shall recognize the purchaser or judgment creditor as the Landlord under this Lease.

C. Transfer of Landlord's Obligations:

The term "Landlord" as used in this Lease, so far as the covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the

owner or owners at the time in question of the fee of the Leased Premises, and in the event of any transfer or conveyance of Landlord's title to such fee, other than by way of security only, Landlord herein named, except as hereinafter provided (and in case of any subsequent transfers or conveyance, except by way of security only, the then grantor), shall be automatically freed and relieved from and after the date of such transfer or conveyance of all personal liability as respects the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed, provided that any funds in the hands of such Landlord, or the then grantor, at the time of such transfer or conveyance in which Tenant has an interest shall be turned over to the transferee or grantor, and any amount then due and payable by Tenant to Landlord, or by the then grantor, under any provisions of this Lease shall be paid to Tenant, it being intended hereby that this Lease shall be paid to Tenant, it being intended hereby that the covenants and obligations contained in this Lease on the part of Landlord to be kept and performed by it shall, subject as aforesaid, be binding on Landlord, its successors and assigns only during and in respect of their respective successive periods of ownership.

ARTICLE 19
QUIET POSSESSION

Except as is provided hereunder, Landlord agrees that Tenant upon paying the rentals and other payments herein required from Tenant, and upon Tenant's performance of all of the provisions, covenants and conditions of this Lease on its part to be kept and performed, may quietly have, hold and enjoy the Leased Premises during the term of this Lease, without hindrance or interruption by Landlord or anyone lawfully or equitably claiming by, through or under any persons or parties whatsoever.

ARTICLE 20
NO PARTNERSHIP

Anything contained herein to the contrary notwithstanding, Landlord does not in any way or for any purpose become a principal or partner of Tenant in the conduct of its business or otherwise, or a joint venturer or member of a joint enterprise with Tenant hereunder. The provisions in relation to work performed by Tenant on the interior and exterior of the Leased Premises are included merely to facilitate Landlord's maintaining architectural control, minimum standards of design and aesthetic value of the Leased Premises.

ARTICLE 21
REMEDIES CUMULATIVE

The various rights, options, elections and remedies of Landlord and Tenant, respectively, contained in this Lease shall be cumulative and no one of them shall be construed as exclusive of any other, or of any right, priority or remedy allowed or provided for by law and not expressly waived in this Lease.

ARTICLE 22
ATTORNEY'S FEES

Should either party hereto institute any action or proceeding at law or in equity to enforce or to interpret any provision hereof for damages or other relief by reason of an alleged breach of any provision hereof, the prevailing party shall be entitled to seek recovery from the losing party, in addition to allowable court costs, such amount as the court may adjudge to be reasonable as attorneys' fees for the services rendered the prevailing party in such action or proceeding, and such amount may be made a part of the judgment against the losing party. Should Landlord, without fault on its part, be made a party to any litigation instituted by or against Tenant, Tenant covenants to pay to Landlord all costs and expenses, including reasonable attorneys' fees incurred by Landlord in or in connection with such litigation.

ARTICLE 23
PARTIAL VALIDITY

If any term, provision, covenant, or condition of this Lease should be held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Lease shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

ARTICLE 24
RECORDATION

Neither this Lease, nor a memorandum thereof, may be recorded in the Office of the Register of Deeds for Beaufort County, South Carolina.

ARTICLE 25
CAPTIONS, PRONOUNS, AND INTERPRETATION

A. Captions:

The captions appearing at the commencement of the Articles, Sections and Paragraphs hereof are descriptive only and intended for convenience in reference to this Lease, and should there be any conflict or inconsistency between any such caption and the text of any such Article, Section or Paragraph at the head of which it appears, the text of the said Article, Section or Paragraph, as the case may be, and not the caption, shall control and govern in the construction of the terms of this Lease.

B. Pronouns:

Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution or substitutions.

C. Interpretation:

(1) Law: Except as may be expressly limited herein, the laws of the State of South Carolina, including statutes of limitation, shall govern the validity, construction, and effect of this Lease, and shall apply in all respects to any disputes or controversies arising out of or pertaining thereto.

(2) Covenants: Whenever in this Lease any words of obligation or duty are used in connection with either party, such words shall have the same force and effect as though framed in the form of express covenants on the part of the party obligated.

(3) Joint and Several Liability: In the event either party hereto now or hereafter shall consist of more than one person, firm, or corporation, then and in such event all such persons, firms or corporations shall be jointly and severally liable as parties hereunder.

(4) Language Construction: The language in all parts of this Lease shall be construed, in all cases, according to its fair meaning and not for or against either party hereto.

ARTICLE 26
SUCCESSORS AND ASSIGNS

Where assignment is expressly permitted under the terms hereof, the terms, provisions, covenants, and conditions contained in this Lease shall apply to, bind, and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the party hereto permitted to make such assignment.

ARTICLE 27
ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of Landlord and Tenant and supersedes all oral and written agreements and understandings made and entered into by the parties hereto prior to the date hereof. Except as here and otherwise provided, no subsequent alteration, amendment, change, or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each of them. Without limiting the generality of the foregoing, this Lease may not be amended or modified without the written consent of all beneficiaries under any mortgages or deeds of trust

constituting a lien on the fee of all or any portion of the Leased Premises demised to Tenant.

ARTICLE 28
SERVICE OF NOTICES

A. Notices to be in Writing:

Any and all notices and demands by or from Landlord to Tenant, or by or from Tenant to Landlord, required or desired to be given hereunder shall be in writing and shall be validly given or made if served personally, or deposited in the United States mail, regular first class mail, postage prepaid. If such notice or demand be served personally, service shall be conclusively deemed made at the time of such personal service. If such notice or demand be served by regular first class mail, in the manner herein provided, service shall be conclusively deemed made at forty-eight (48) hours after the deposit thereof in the United States mail addressed to the party to whom such notice or demand is to be given.

B. Notices to Landlord:

Any notice or demand to Landlord shall be addressed to Landlord at the address specified in Article 1(A).

C. Notices to Tenant:

Any notice or demand to Tenant shall be addressed to Tenant at the Leased Premises or to the address specified in Article 1(A) above.

D. Change of Address:

Any party hereto may change its address for the purpose of receiving notices or demands as herein provided by a written notice given in the manner aforesaid to the other party hereof, which notice of change of address shall not become effective, however, until the actual receipt thereof by the other party.

E. Other Methods of Notice:

The Parties may specify other methods of delivering notices required under this Lease, provided that any such agreement must be in writing, signed by both parties and specify the alternate method of delivering notice, including the method of delivery, individual to whom the address is to be delivered and the address to which the notice must be delivered.

In Witness Whereof, the duly authorized officers of the Town of Hilton Head Island, South Carolina, a body politic and St. James Baptist Church, A South Carolina Nonprofit Corporation have executed this Lease as of the day and year first-above written.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By:_____
Alan R. Perry, Mayor

By:_____
Marc A. Orlando, Town Manager

ST. JAMES BAPTIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION

By:_____

By:_____

EXHIBIT “A” TO COMMERCIAL LEASE

All that certain piece, parcel or tract of land, consisting of two parcels divided by Dillon Road, lying on the northeast and southeast corners the intersection of Beach City Road and Dillon Road, containing 1.70 Acres, more or less, and bounded as follows: (i) the parcel lying at the south east corner of the intersection of Beach City Road and Dillon Road is bounded on northeast by Dillon Road, on the southeast and southwest by property of Beaufort County, South Carolina, and on the northwest by Beach City Road; and (ii) the parcel lying on the north east corner of the intersection of Beach City Road and Dillon Road, on the southwest by Dillon Road, on the northwest by Beach City Road, on the northeast by property now or formerly of KPRM, LLC, and on the southeast by property now or formerly of Beaufort County, South Carolina and the Town of Hilton Head Island, South Carolina.

Also:

Any and all buildings, structures and improvements situated on the Real Property, with the exception of the Cherry Hill School structure, which is owned by the Tenant, together with all heating and air conditioning systems, all electrical and plumbing equipment and fixtures, any other fixtures and equipment attached to the Real Property or the buildings, structures and improvements, and any other amenities thereto.

EXHIBIT "F" – FORM OF CONSTRUCTION ESCROW AND REVERTER AGREEMENT

STATE OF SOUTH CAROLINA	)	
	)	CONSTRUCTION ESCROW AND
COUNTY OF BEAUFORT	)	REVERTER AGREEMENT

This Construction Escrow and Reverter Agreement (herein the "Agreement") is made and entered into effective as of the ___ day of August, 2026, by and between St. James Baptist Church, A South Carolina Nonprofit Corporation (herein, "St. James"), Beaufort County, South Carolina, a body politic (herein, "Beaufort County"), the Town of Hilton Head Island, South Carolina, a body politic (the "Town"), and Maria Belbas Parker (the "Construction Escrow Agent").

Whereas, the Town is buying real and other property from St. James located at 209 Dillon Road, Hilton Head Island, South Carolina, 29926, pursuant to a Contract of Sale dated June ___, 2026 (herein, the "Town/St. James Contract"); and,

Whereas, the parties anticipate the closing on the sale of the Property from St. James to the Town will occur on about August ___, 2026 (the "Closing"); and,

Whereas, the Town/St. James Contract includes a requirement that St. James' net proceeds from the closing of the transaction described in the Town/St. James Contract be placed in Escrow and used solely to defray the costs of the construction of a new church building and fellowship hall on, and for the relocation of the Cherry Hill School structure to, the real property that is shown and described on Exhibit "A" to this Agreement the "Real Property"), and which is to be conveyed to Beaufort County by the Town under a separate Contract dated June ___, 2026 (the "Town/County Contract"), and which will be conveyed to St. James by Beaufort County under a separate agreement between St.

James and Beaufort County dated June ___, 2026 (the County/St. James Contract"); and,

Whereas, under the County/St. James Contract, the Real Property will be improved with a new church building and fellowship hall (collectively, the "New Church") to be built using plans and specifications to be supplied by Your Church Partners, LLC; and,

Whereas, St. James agrees that at the Closing of the transaction described in the Town/St. James Contract, the entire net proceeds due to St. James, in the amount of _____ ($_____) Dollars, shall be delivered by the Town to the Construction Escrow Agent, and that the delivery of the entire net proceeds by the Town to the Construction Escrow Agent shall be the performance of the Town's obligation to deliver the Purchase Price to St. James described in Articles 5.04 and 6.03 of the Town/St. James Contract, to be applied to the payment of costs incurred by Beaufort County for the planning, permitting, site development work and construction costs of the New Church and the relocation of the Cherry Hill School structure under the terms and conditions set forth herein (the "Construction Escrow Money").

Whereas, the parties now desire to memorialize the conditions under which the Construction Escrow Money is to be held and disbursed.

Now, in consideration of the covenants, agreements representations, and warranties contained in this Agreement, the closing of the transaction described in the Town/St. James Contract, to meet the obligations assumed by the parties in the Town/St. James Contract, the Town/County Contract and the County/St. James Contract and other

good and valuable consideration, the receipt of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. *Construction Escrow Agent*: The Construction Escrow Money shall be deposited with and held by the Construction Escrow Agent. If any dispute should arise as to whether the Construction Escrow Agent is obligated to deliver any portion of the Construction Escrow Money, or any other funds or documents which it holds, the Construction Escrow Agent shall not be required to make delivery thereof, but, in such event, shall hold the same until receipt by Construction Escrow Agent of written authorization from the parties as set forth below directing the disposition of the same. In the absence of such written authorization, the Construction Escrow Agent may hold the Construction Escrow Money, or any other funds or documents in connection with this transaction in its possession until a final determination of the rights of the Parties by a court of competent jurisdiction. If such written authorization is not given or proceedings for such determination are not begun and diligently continued, the Construction Escrow Agent may institute an appropriate proceeding for leave to place the Construction Escrow Money, or any other funds or documents in connection with this transaction in its possession, with the Clerk of Court for Beaufort County, South Carolina, pending such determination. The Construction Escrow Agent shall not be charged with notice of any fact or circumstance unless and until written notice of the same is received by the Construction Escrow Agent. Upon making the delivery of the Construction Escrow Money which the Construction Escrow Agent holds in accordance with the provisions of this Agreement, the Construction Escrow Agent shall have no further obligation or liability to St. James,

Beaufort County, or the Town. St. James agrees to indemnify and hold the Construction Escrow Agent harmless from any liability, claim, damage loss or expense pertaining to this Construction Escrow and Reverter Agreement or the Construction Escrow Money; provided, however, that the Construction Escrow Agent shall be liable for any act of willful misconduct or misappropriation regarding or of the Construction Escrow Money, and the indemnity set out in this Article 1 shall not be enforceable against the Town, Beaufort County or St. James in any such case.

2. *Construction Escrow Agent Insurance*: The Construction Escrow Agent must have and maintain an Errors and Omissions insurance policy with sufficient limits to cover the amount of the Construction Escrow Money

3. *Permitted Use of Construction Escrow* Money: The Construction Escrow Money may only be paid to bona fide contractors of Beaufort County who perform any of the work contracted for by Beaufort County for the planning, permitting, site development and construction costs of the New Church to be built on, and the relocation of the Cherry Hill School structure to the Real Property (herein, collectively, the "Work"), and which, upon completion of the Work is to be conveyed to St. James by Beaufort County, South Carolina, under the County/St. James Contract.

4. *Limitation Regarding Construction Escrow Money*: The Town, Beaufort County and St. James agree that the Construction Escrow Money shall be the first fund used to pay for the Work, and that Beaufort County shall exhaust the Construction Escrow Money prior to using any other funds from the Town, Beaufort County, or the State of South Carolina.

4.01 *Expenditure of Funds and Beaufort County Contingency*: By way of the Town/St. James Contract, the Town has contracted to buy real property owned by St. James (the "St. James Property") for a Purchase Price of One Million Two Hundred Ninety Thousand and no/100 ($1,290,000.00) Dollars . The intention of the Town, Beaufort County and St. James is that, as a part of the Work, the New Church will be built on the Real Property, with the construction of the New Church to be managed and overseen by Beaufort County, pursuant to a construction contract reasonably acceptable to St. James and its counsel. Following the completion of the Work, including the construction of the New Church, Beaufort County will convey the improved Real Property to St. James under the terms of the County/St. James Contract. In connection with the completion of the Work, including the construction of the New Church, the following represent the agreements of Beaufort County, the Town and St. James:

(a) The net proceeds received by St. James for the sale of the St. James Property under the Town/St. James Contract (the "Construction Escrow Money") shall be delivered into escrow, to be held and disbursed under the terms of this Agreement.

(b) The total cost of the Work, including the construction of the New Church is anticipated to be approximately Nine Million Eight Hundred Forty Thousand and no/100 ($9,840,000.00) Dollars (the "Cost to Build"). The funding for the Cost to Build is estimated to be comprised of:

(i)	Town and Beaufort County grant	$ 300,000.00
(ii)	South Carolina Funding (Design & Construction)	$ 4,000,000.00
(iii)	South Carolina Funding (fellowship hall)	$ 750,000.00
(iv)	Beaufort County General Obligation Bond	$ 3,500,000.00
(v)	Construction Escrow Money (estimate)	$ 1,290,000.00
		$ 9,840,000.00

(c) Beaufort County, the Town and St. James agree that the order of expenditure of the various funds described in Article 4.01(b)(i)-(v) above will be as follows:

(i) The Construction Escrow Money.

(ii) South Carolina Funding (Design and Construction)

(iii) South Carolina Funding (fellowship hall)

(iv) Town and Beaufort County Grant

(v) Beaufort County General Obligation Bond

4.02 *Beaufort County Contingencies and Reverter:* Beaufort County is required to adopt ordinances authorizing Beaufort County's issuance of a Three Million Five Hundred Thousand ($3,500,000.00) Dollar General Obligation Bond referred to in Article 4.01(b)(iv) above to be applied to the funding of the Cost to Build, and must also adopt an ordinance authorizing the conveyance of the improved Real Property to St. James upon completion of the Work including the construction of New Church (collectively, the "County Ordinances").

(a) Prior to the commencement of construction of the New Church, or the expenditure of any of the Construction Escrow Money by Beaufort County, Beaufort County shall submit the County Ordinances to Beaufort County Council for its consideration. Beaufort County acknowledges and warrants that upon the adoption of the County Ordinances Beaufort County will complete the Work, including the construction of the New Church and will convey the improved Real Property to St. James. Beaufort County acknowledges that this Article 4.02 is a material term of this Agreement without which the Town and St. James would not have entered into this Agreement.

(b) In the event that Beaufort County Council fails to adopt the County Ordinances as described in this Article 4.02, on or before _____, 2026, then title to the Real Property shall revert to the Town, under the terms of this Agreement and the Town/County Contract, and the County/St. James Contract and this Agreement shall terminate. Beaufort County agrees that if Beaufort County fails or refuses to timely adopt the County Ordinances, Beaufort County will execute and deliver a good and sufficient Limited Warranty Deed (the "County Deed") so as to convey Fee Simple, Marketable Title to the Real Property to the Town, as provided in this Article 4.02. The County Deed shall

be in recordable form, executed by the duly authorized Officers of Beaufort County and witnessed and acknowledged before a notary public.

5. *St. James Property Reverter*: In the event that the Beaufort County Contingencies set out in Article 4.02 above are not met, and the reverter described in Article 4.02(b) occurs, then St. James and the Town agree:

(a) On the occurrence of the reverter of title of the Real Property from Beaufort County to the Town, then the Construction Escrow Agent will deliver the entire Construction Escrow Money fund to the Town.

(b) Contemporaneous with the delivery of the Construction Escrow Money to the Town, the Town will execute and deliver a good and sufficient Limited Warranty Deed to St. James for the below described real property:

> All that certain piece, parcel or tract of land, consisting of two parcels divided by Dillon Road, lying on the northeast and southeast corners the intersection of Beach City Road and Dillon Road, containing 1.70 Acres, more or less, and bounded as follows: (i) the parcel lying at the south east corner of the intersection of Beach City Road and Dillon Road is bounded on northeast by Dillon Road, on the southeast and southwest by property of Beaufort County, South Carolina, and on the northwest by Beach City Road; and (ii) the parcel lying on the north east corner of the intersection of Beach City Road and Dillon Road, on the southwest by Dillon Road, on the northwest by Beach City Road, on the northeast by property now or formerly of KPRM, LLC, and on the southeast by property now or formerly of Beaufort County, South Carolina and the Town of Hilton Head Island, South Carolina.
>
> Also:
>
> Any and all buildings, structures and improvements situated on the Real Property, with the exception of the Cherry Hill School structure, which is owned by the Tenant, together with all heating and air conditioning systems, all electrical and plumbing equipment and fixtures, any other fixtures and equipment attached to the Real Property or the buildings, structures and improvements, and any other amenities thereto (the "St. James Property").

(c) Contemporaneous with the execution and delivery of the deed described in Article 5(b) above, the Town and St. James shall execute and deliver a termination of the

Commercial Lease between the Town and St. James for the St. James Property, and any other agreements entered into between the Town and St. James or which are included under the terms and conditions of the Town/St. James Contract.

6. *Request for Disbursement of Construction Escrow Money by Construction Escrow Agent*: No less than five (5) days prior to the date of any proposed disbursement of Construction Escrow Money, Beaufort County shall deliver its Request for Disbursement, including the following items to the Construction Escrow Agent, the Town, and St. James:

(i) Beaufort County's written Request for Disbursement, stating each amount to be disbursed and the name and address entity or individual to whom payment is to be made and certifying that the entity submitting the invoice is a bona fide contractor of Beaufort County who is performing the Work.

(ii) A copy of any invoice for any part of the Work that Beaufort County seeks to be paid from the Construction Escrow Money by the Construction Escrow Agent. All invoices must describe the part of the Work that the invoice is for, and must state the percentage of completion of the Work or part of the Work that entity submitting the invoice is responsible for.

(iii) The certification of Beaufort County, and Your Church Partners, LLC, (the "Architect of Record") for the Work that the requested disbursement is exclusively for the payment of costs of the Work;

(iv) The certification of Beaufort County and the Architect of Record for the Work that the Work described in the invoice(s) has been completed in accordance with the plans and specifications, and that the percentage of completion stated in the invoice is accurate.

(v) The certification of Beaufort County and the Architect of Record for the Work that the Work described in the invoice(s) has been inspected by all applicable government agencies, including the Town of Hilton Head Island, South Carolina, Building Official, and that all work described in the invoice has passed all inspections.

(vi) The certification of Beaufort County and the Architect of Record for the Work showing the total amount of St. James' contract for the Work, including any change orders, the amounts paid to date for the Work, and the balance of the Construction Escrow Money as of the date of the request for disbursement.

(vii) The certification of Beaufort County that no mechanic's or material man's lien arising from the Work, or any other lien, however described, has been served on Beaufort County as of the date of the Request for Disbursement.

(viii) A Mechanic's Lien Affidavit of any entity submitting an invoice to Beaufort County for payment of the costs of the Work. The Mechanic's Lien Affidavit shall be dated contemporaneously with the date of the invoice.

7. *Disbursement of Construction Escrow Money*: On receipt of the items required to be delivered under Article 5 above, the Construction Escrow Agent shall pay the invoices directly to the individual or entity submitting the invoice. The Construction Escrow Agent shall have no obligation to look behind the invoices or certifications of Beaufort County and the Architect of Record for the Work, and is entitled to rely on such. The Construction Escrow Agent shall deliver a copy of all disbursements made by the Construction Escrow Agent to Beaufort County, the Town and St. James. Upon exhaustion of the Construction Escrow Money, the Construction Escrow Agent shall notify Beaufort County, the Town and St. James in writing that the Construction Escrow Money has been spent. The Construction Escrow Agent's notification shall include bank statements showing the that the Construction Escrow Money has been spent.

8. *Completion of the Work*: On the completion of the Work and the payment of all invoices arising from the completion of the Work Beaufort County shall notify the Town and St. James in writing that the Work is complete and all invoices for the Work have been paid. The notification shall include:

(i) The certification of Beaufort County and the Architect of Record for the Work that the Work is complete and conforms to the plans and specifications and that all invoices for the Work have been paid.

(ii) The certification of Beaufort County that no mechanic's or materialman's lien arising from the Work, or any other lien, however described, has been served on Beaufort County as of the date of the certification.

(iii) Copies of the Certificates of Occupancy issued by the Town for all improvements to the Real Property.

9. *Term of this Agreement*: This Agreement shall commence on the date of the Closing of the Town/St. James Contract, and shall terminate at such time as the Construction Escrow Agent has disbursed the entire Construction Escrow Money fund under the procedures described in Articles 3, 4, 5, 6, 7 and 8 above.

10. *Construction Escrow Agent's Fee*: The Construction Escrow Agent shall be entitled to the payment of a fee in the amount of Two Thousand Five Hundred and no/100($2,500.00) Dollars for the work of the Construction Escrow Agent described in this Agreement. The Construction Escrow Agent's Fee shall be due at the Closing of the Town/St. James Contract and shall be shown as a closing cost of St. James on the Closing Statement.

In Witness Whereof, the duly authorized officers of the Town of Hilton Head Island, South Carolina, St. James Baptist Church, A South Carolina Nonprofit Corporation, Beaufort County, South Carolina, and Maria Belbas Parkerhave executed this Construction Escrow and Reverter Agreement as of the day and year first-above written.

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

By:_____
Alan R. Perry, Mayor

By:_____
Marc A. Orlando,
Town Manager

ST. JAMES BAPTIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION

By:_____

By:_____

BEAUFORT COUNTY, SOUTH CAROLINA

By:_____
Michael Moore

Its: County Administrator

CONSTRUCTION ESCROW AGENT

By:_____
Maria Belbas Parker

EXHIBIT “A” TO CONSTRUCTION ESCROW AND REVERTER AGREEMENT

All that certain piece, parcel or lot of land, situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, containing 4.667 acres, more or less, and which is shown and described as “Lot 1, 203,285 S.F. 4.667 AC.” on a plat prepared by Atlas Surveying, Inc., Jeremy W. Reeder, SCPLS 28139, entitled "_____,” dated _____, 2026, and recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Official Record Book __ at Page ___.

EXHIBIT "G" – FORM OF AGREEMENT REGARDING HISTORIC ARTIFACTS

STATE OF SOUTH CAROLINA	)	
	)	AGREEMENT REGARDING
COUNTY OF BEAUFORT	)	HISTORIC ARTIFACTS

This Agreement (hereinafter the "Agreement") is made and entered into by and between St. James Baptist Church, A South Carolina Nonprofit Corporation (hereinafter, "St. James") and The Town of Hilton Head Island, South Carolina, a body politic (hereinafter, the "Town") on this __ Day of _____, 202__.

1. *Background*:

(a) The current site of the St. James Baptist Church is located at the corner of Beach City Road and Dillon Road on Hilton Head Island (the "St. James Site").

(b) The St. James Site was a part of the greater "Mitchelville" site on Hilton Head Island during and following the 1861-1865 Civil War in the United States.

(c) Artifacts related to the previous occupation and use of the St. James Site have been discovered on the St. James Site, and it is believed that the St. James Site contains other artifacts that are as yet undiscovered (collectively, the "Artifacts").

(d) This Agreement does not create an obligation on the part of the Town to search for or to unearth any Artifacts.

2. *Sale of St. James Site*: By a separate agreement, the Town and St. James have agreed that the Town will purchase the St. James Site.

3. *Conservation of Artifacts*: The Town and St. James wish to provide for the ongoing conservation and preservation of discovered and undiscovered Artifacts at the St. James Site.

4. *Curator of Artifacts*: The Town and St. James agree that St. James shall be the custodian and curator of any Artifacts currently in the possession of St. James, and any Artifacts that may be discovered on the St. James Site in the future. St. James agrees that it will display the Artifacts in an appropriate manner and that the public will have the ability to view the Artifacts.

5. *Ownership of the Artifacts*: The Town and St. James agree that the Town shall be the owner of the Artifacts, subject to the terms of this Agreement.

6. *Transfer of Possession of Artifacts*: St. James and the Town agree that in the event that St. James ceases to exist as a functioning church, and there is no successor church to St. James, then possession of the Artifacts will be delivered to the Town.

(a) In such event, the Town agrees that the Artifacts will be displayed in a public setting with appropriate explanatory materials regarding the connection of St. James and the St. James site to the Artifacts.

7. *Binding Effect:* This Agreement shall inure to the benefit of and shall be binding upon St. James and the Town and their respective successors and assigns.

8. *Entire Agreement/Amendment, Changes and Modifications:* This Agreement supersedes all prior discussions and agreements between the parties with respect to the Property and all other matters contained herein and constitutes the sole and entire agreement and understanding between St. James and the Town with respect to the transaction contemplated in this Agreement. This Agreement shall not be modified or amended except by an instrument in writing signed by both St. James and the Town.

9. *Severability:* In the event that any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10. *Execution in Counterparts:* This Agreement 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.

11. *Applicable Law:* This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

12. *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 or Articles of this Agreement.

13. *Plural/Singular:* Where appropriate, the use of the singular herein shall include and be deemed to be the plural, and the use of the plural herein shall be deemed to include the singular.

14. *No Third Party Beneficiaries:* The Parties hereto affirmatively represent that this Agreement is made solely for the benefit of the 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.

15. *Notices:* All notices, applications, requests, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when delivered in person, or mailed by regular first class mail, postage prepaid (in such case, delivery shall be

deemed complete upon mailing), by email, addressed as follows, or to such other place as may be designated in writing by the parties:

To the Town: Town of Hilton Head Island
ATTN: Town Manager
One Town Center Court
Hilton Head Island, SC 29928

To St. James: St. James Baptist Church
ATTN: Chairman of the Deacons
Post Office Box 21883
Hilton Head Island, SC 29925

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

[Signature page follows]

In Witness Whereof, the duly authorized officers of the Town of Hilton Head Island, South Carolina, a body politic, and St. James Baptist Church, A South Carolina Nonprofit Corporation, have executed this Lease as of the day and year first-above written.

WITNESSES:

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

_____

By:_____
Alan R. Perry, Mayor

_____

Attest:_____
Marc A. Orlando, Town Manager

WITNESSES:

ST. JAMES BAPTIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION

_____

By:_____

_____

By:_____

EXHIBIT "H" – FORM OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

STATE OF SOUTH CAROLINA	)	DECLARATION OF COVENANTS,
	)	CONDITIONS AND RESTRICTIONS
COUNTY OF BEAUFORT	)	

This Declaration of Covenants, Conditions, and Restrictions (defined in Article 1(D) below as this "Declaration") is made by the Town of Hilton Head Island, South Carolina, (defined in Article 1(K) as the "Town") for the benefit of the Town, and to which Beaufort County, South Carolina (defined in Article 1(B) below as the "Beaufort County"), and St. James Baptist Church, A South Carolina Nonprofit Corporation (defined in Article 1(I) below as the "St. James") join and acknowledge that each of them, their respective successors and assigns, and their interest in the Property (defined in Article 1(G) below) is subject to and subordinate to the terms of this Declaration.

WHEREAS, the Town is the owner of the real property which is defined as the "Property" in Article 1(G) of this Declaration; and,

WHEREAS, the Property was subdivided from a larger tract owed by the Town (defined in Article 1(A) as the "Adjacent Town Property"); and,

WHEREAS, the Town entered into a Contract with St. James, by which the Town purchased real property owned by St. James that was formerly the site of the St. James Church and the Cherry Hill School building (defined in Article 1(J) as the "St. James/Town Contract"); and,

WHEREAS, the Town has entered into a Contract with Beaufort County under which the Declarant will transfer the Property to Beaufort County, and Beaufort County will oversee the construction of a new church sanctuary and fellowship hall on the Property (defined in Article 1(L) as the "Town/County Contract"); and,

WHEREAS, Beaufort County has entered into a Contract with St. James by which Beaufort County will transfer the Property to St. James following the completion of the church sanctuary and fellowship hall (defined in Article 1(C) as the "County/St. James Contract"); and,

WHEREAS, the transfer of the Property from the Declarant to Beaufort County, and the transfer of the Property to St. James following completion of the new church sanctuary and fellowship hall are each to be for nominal consideration of the terms of the Contract between the Declarant and Beaufort County and the Contract between Beaufort County and St. James; and,

WHEREAS, the funding to complete the new church sanctuary and fellowship hall will come from a variety of sources, including the purchase price paid to St. James in the closing of the transaction described in the St. James/Town Contract, and public funds from the Town, Beaufort County, and the State of South Carolina; and,

WHEREAS, the intention of the Town is the Property will be held and conveyed by Beaufort County subject to the use restrictions set out in this Declaration, and St. James will hold the Property subject to the use restrictions set out in this Declaration.

NOW, THEREFORE, the Town declares, and Beaufort County and St. James join in and acknowledge, that the Property shall be held, transferred, sold, conveyed, devised, assigned, given, purchased, leased, occupied, possessed, mortgaged, encumbered, or otherwise disposed of and used subject to the following covenants, conditions, requirements and restrictions, which shall run with the title to the Property; and that during the term of this Declaration, this Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of the Town.

Beaufort County and St. James acknowledge that the Town's conveyance of the Property to Beaufort County for nominal consideration is a material economic benefit to them, and that their acknowledgment to be bound this Declaration is a material term and inducement of the St. James/Town Contract and the Town/County Contract without which the Town would not have executed them, and the fulfilment of the obligations of those contracts and the material economic benefits to them are good, valuable and sufficient consideration for their joinder to an agreement to be bound by this Declaration.

Beaufort County and St. James also acknowledge that this Declaration is a material benefit to the Adjacent Town Property.

ARTICLE 1 – DEFINITIONS

The terms in this Declaration shall generally be given their natural, commonly accepted definitions, except as otherwise specified in this Article 1. Capitalized terms shall be defined as set forth below.

A. Adjacent Town Property. Real property owned by the Town that is known and described as follows:

> All that certain piece, parcel or tract of land lying and being within Port Royal Plantation, on Hilton Head Island, Beaufort County, South Carolina, consisting of 102.73 acres, more or less, and being designated as "Parcel A" on that certain plat of survey entitled "A Plat of Port Royal Plantation

Clubhouse and Planter's Row Golf Course, a section of Port Royal Plantation," dated March 18, 1985, prepared by Coastal Surveying, Inc., Jerry L. Richardson, SCRLS 4784, and recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Plat Book 35 at Page 80.

B. Beaufort County. Beaufort County, South Carolina, a county, body politic and political subdivision of the State of South Carolina.

C. County/St. James Contract. A contract made between Beaufort County and St. James for the conveyance of the Property dated _____, 2026, a copy of which is maintained as a public document by Beaufort County.

D. Declarant: The Declarant of this Declaration of Covenants, Conditions and Restrictions is the Town of Hilton Head Island, South Carolina.

E. Declaration. This Declaration of Covenants, Conditions, and Restrictions.

F. Initial Term. The Initial Term of this Declaration shall be for a period of fifty (50) years from the date this Declaration is recorded in the Office of The Register of Deeds for Beaufort County, South Carolina.

G. Property: That certain piece, parcel or tract of land which are known and described as follows:

All that certain piece, parcel or lot of land, situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, containing 4.667 acres, more or less, and which is shown and described as "Lot 1, 203,285 S.F. 4.667 AC." on a plat prepared by Atlas Surveying, Inc., Jeremy W. Reeder, SCPLS 28139, entitled "_____," dated _____, 2026, and recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Official Record Book __ at Page ___.

H. Renewal Terms. Terms of this Declaration following the expiration of the Initial Term. Renewal Terms shall automatically commence on the date of the expiration of the Initial Term or any subsequent Renewal Term, years unless an instrument modifying or amending this Declaration is executed by the Town and the owner of the Property in the Office of The Register of Deeds for Beaufort County, South Carolina.

I. St. James. St. James Baptist Church, A South Carolina Nonprofit Corporation.

J. St. James/Town Contract. A contract made between St. James and the Town for the conveyance of the Property formerly owned by St. James, dated _____, 2026, a copy of which is maintained as a public document by the Town.

K. Town. The Town of Hilton Head Island, South Carolina, a municipal corporation, and political subdivision of the State of South Carolina.

L. Town/County Contract. A contract made between the Town and Beaufort County for the conveyance of the Property dated _____, 2026, a copy of which is maintained as a public document by the Town and Beaufort County.

ARTICLE 2 – USE RESTRICTIONS

A. In General. This Article sets out use restrictions which must be complied with by Beaufort County, St. James and their successor and assigns.

B. Permitted Uses. The only permitted uses on the Property are: (1) religious uses, meaning churches, mosques, synagogues, and temples, and the accessory use of a fellowship hall, and related religious activities, including, without limitation, the operation of the St. James soup kitchen, and the hosting of community events, in the Cherry Hill School; and (2) Public and government uses.

ARTICLE 3 – GENERAL TERMS

A. Effective Date and Duration. This Declaration shall have an Initial Term of fifty (50) years commencing on the date of the recording of this Declaration in the Office of The Register of Deeds for Beaufort County, South Carolina. Thereafter, at the expiration of the initial Term or any Renewal Term this Declaration shall automatically be extended for additional Renewal Terms of twenty-five (25) years unless an instrument modifying or amending this Declaration is executed by the Town and the owner of the Property in the Office of The Register of Deeds for Beaufort County, South Carolina.

B. Severability. Invalidation of any term of this Declaration, in whole or in part, or any application of any provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

C. Enforcement. This Declaration is solely for the benefit of the Town, and nothing contained in this Declaration shall be deemed to confer upon any person or entity, other than the Town, the right to enforce or take any action under or with respect to this Declaration. Because this Declaration is made for the benefit of the Town, only the Town shall have the right to enforce this Declaration. This Declaration may be enforced

by the Town by any legal or equitable means to compel compliance to the terms of this Town or to prevent the violation or breach of this Declaration. The non-prevailing party in any enforcement action shall pay the prevailing party's reasonable legal costs and attorney's fees incurred.

D. Acknowledgment of Declarant's Standing to Enforce. Beaufort County and St. James, for themselves and their successors and assigns, affirm that the Town has standing to enforce this Declaration and affirmatively waive any claim or defense that the Town lacks standing to enforce this Declaration. Beaufort County and St. James also affirm that their respective agreement and waiver regarding the Town's standing to enforce this Declaration is a material term of this Declaration and Beaufort County and St. James intend to be bound by it.

E. Recordation. The Declarant shall record this Declaration in the Public Records, prior to the recording of the deed of conveyance from the Town to Beaufort County.

F. Binding Effect; Governing Law. This Declaration shall be binding upon, and shall inure to the benefit of, the successors and assigns of the Declarant and the Developer, the Lessee, the Investor, the Lender, and the Manager. This Declaration shall be governed by and construed in accordance with the laws of the State of South Carolina.

G. Jurisdiction/Venue Beaufort County. Any action brought by any party related to or concerning Declaration shall be brought in the Court of Common Pleas for Beaufort County, South Carolina.

H. No Waiver. Failure to enforce, or delay in the enforcement of, any provision or provisions of this Declaration shall not operate as a waiver of or estoppel with respect to the enforcement to any such provision or of any other provisions of this Declaration.

I. Captions. The captions and headings in this Declaration are for convenience only and shall not be considered in construing any provisions of this Declaration.

J. Amendments. Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any provision or term of this Declaration shall be effective without the prior written consent the Town and the adoption of an ordinance by the Town authorizing the amendment.

K. Grant. The Declarant hereby declares, and Beaufort County and St. James acknowledge that this Declaration, and the covenants, conditions, and restrictions

created herein, shall be and constitute real covenants running with the fee simple estate of the Property.

L. Notices. Any notices given under this Declaration shall be in writing and delivered by certified first-class mail (return receipt requested, postage paid), by hand in person, or by private overnight commercial courier service, to the following addresses:

To the Town/Declarant:	Town of Hilton Head Island Attention: Town Manager One Town Center Court Hilton Head Island, SC 29928;
To the St. James:	St. James Baptist Church ATTN: Post Office Box 21883 Hilton Head Island, SC 29925
To Beaufort County:	Beaufort County ATTN: County Administrator 100 Ribaut Road Beaufort, SC 29902

or to such other address or person as any party may direct by written notice to any other party.

M. Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with any other existing or future covenants, restrictions, declarations, or easements applicable to the Property or any portion thereof, and the Town may, but shall not be required to, enforce any such other covenants, conditions, restrictions, declarations, and easements; *provided, however,* that in the event of a conflict between or among this Declaration and such other covenants, conditions, restrictions, declarations, or easements recorded in the Public Records, after the date and time of the recording of this Declaration in the Public Records, this Declaration shall prevail. Nothing in this Article 4(M) shall preclude any other covenants, restrictions, declarations, or easements applicable to any portion of the Property from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Town shall have the standing and authority to enforce the same.

[Signature pages follow]

In Witness Whereof, the Town of Hilton Head Island, South Carolina, by and through its duly authorized officers, has caused this Declaration to be signed and sealed on this ____ of _____, 2026.

WITNESSES:

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

_____

By:_____
Alan R. Perry, Mayor

_____

Its:_____
Marc A. Orlando, Town Manager

STATE OF SOUTH CAROLINA)
) UNIFORM ACKNOWLEDGMENT
COUNTY OF BEAUFORT)

The undersigned Notary Public certifies that Alan R. Perry, Mayor and Marc A. Orlando, Town Manager, the duly authorized officers of the Town of Hilton Head Island, South Carolina, personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument.

Sworn to and Subscribed before me
on this _____ Day of _____, 2026.

_____
Notary Public for _____
My Commission Expires:_____

In Witness Whereof, Beaufort County, South Carolina, by and through its duly authorized officer, has caused this Declaration to be signed and sealed on this ____ of _____, 2026.

WITNESSES:

_____

_____

BEAUFORT COUNTY, SOUTH CAROLINA

By:_____
Michael Moore
County Administrator

STATE OF SOUTH CAROLINA)
) UNIFORM ACKNOWLEDGMENT
COUNTY OF BEAUFORT)

The undersigned Notary Public certifies that Michael Moore, the duly authorized County Administrator of Beaufort County, South Carolina, personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument.

Sworn to and Subscribed before me
on this _____ Day of _____, 2026.

_____
Notary Public for _____
My Commission Expires:_____

In Witness Whereof, St. James Baptist Church, by and through its duly authorized officer, has caused this Declaration to be signed and sealed on this ____ of _____, 2026.

WITNESSES:

ST. JAMES BAPTIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION

_____

By:_____

_____

STATE OF SOUTH CAROLINA)
) UNIFORM ACKNOWLEDGMENT
COUNTY OF BEAUFORT)

The undersigned Notary Public certifies that_____, the duly authorized officer of St. James Baptist Church, A South Carolina Nonprofit Corporation, personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument.

Sworn to and Subscribed before me
on this _____ Day of _____, 2026.

_____
Notary Public for _____
My Commission Expires:_____

TOWN OF HILTON HEAD ISLAND

Town Council

TO:	Mayor Alan R. Perry & Town Council Members
FROM:	Zenos Morris, Director of the Built Environment
CC:	Marc Orlando, Town Manager, ICMA-CM Ben Brown, Interim Deputy Town Manager Curtis Coltrane, Town Attorney
DATE:	June 9, 2026
SUBJECT:	Consideration of a Resolution authorizing the Mayor and Town Manager to execute and deliver a contract between the Town and Beaufort County, South Carolina, for the sale of 4.667 acres on Union Cemetery Road, and to take all actions to complete the transaction described in the Contract.

RECOMMENDATION:

Town Council is requested to consider approval of a Resolution authorizing the execution and delivery of a Contract for Purchase and Sale for the conveyance of approximately 4.667 acres of Town-owned property located on Union Cemetery Road, as shown on Attachment 1, to Beaufort County to support the relocation of St. James Baptist Church and the Cherry Hill School.

BACKGROUND:

St. James Baptist Church is a historic and culturally significant institution with deep roots in the heritage of Hilton Head Island. The current mitigation effort is associated with the Hilton Head Island Airport expansion and is intended to facilitate the relocation of the church and the Cherry Hill School, both of which are currently located within the Runway Protection Zone and in close proximity to the airport runway.

The relocation project includes construction of a new church facility and the physical relocation of the Cherry Hill School to a newly acquired site outside of the Runway Protection Zone.

To support this effort, the Town, Beaufort County, and St. James Baptist Church have collaborated on a coordinated strategy involving the acquisition and conveyance of property to achieve mutually beneficial public outcomes while ensuring the long-term viability of the congregation and preservation of the Cherry Hill School.

SUMMARY OF TOWN-OWNED PROPERTY – UNION CEMETERY ROAD:

- Zoning: Planned Development (PD-1)
- Total Acreage: 4.667 acres
- Appraised Value: $2,750,000

PROPOSED CONVEYANCE TERMS:

The proposed Town to Beaufort County transaction is one of three related transactions that will result in the relocation of the St. James Baptist Church and the Cherry Hill School. This is the outline of the three transactions that are proposed:

1. St. James to Town:St. James will sell the existing St. James Baptist Church property at the corner of Beach City and Dillon Roads to the Town for a purchase price of $1,290,000. The St. James to Town Contract includes five additional agreements:

    (a) The net proceeds (the purchase price less St. James' closing costs) will be placed into escrow and utilized to pay costs of the construction of a new church building and fellowship hall and moving the Cherry Hill School structure to the new site. Use and payment of the funds is governed by a Construction Escrow and Reverter Agreement to be made by the Town, St. James, and Beaufort County, which is described below.

    (b) At the closing of the St. James to Town sale, St. James and the Town will enter into a lease to allow St. James to occupy the existing church building while the new church facilities are being built. The lease calls for nominal rent during the lease. St. James is responsible for all expenses related to the property during the lease term and is responsible for the maintenance of the building.

    (c) At the end of the lease, St. James will convey all of the furniture, fixtures and equipment remaining in the existing church structure to the Town. The proposed contract allows St. James to take any of the furniture, fixtures, and equipment, including the windows, that it wishes to keep and use in the new facilities, but anything that it does not take will be conveyed to the Town. Once the lease is ended and St. James has moved to the new facilities, the structure and whatever is left in it will be demolished and disposed of.

    (d) There is an agreement regarding artifacts that have been found on the existing St. James property, and which may be found in the future. The proposed agreement makes the Town the owner of the artifacts and makes St. James the curator of the artifacts. St. James is obligated to display the artifacts, and that such will be available to the public. At such time as St. James ceases to operate, or a successor church takes over the congregation, the Town becomes the custodian and curator of the artifacts. In such case, The Town is obligated to display the artifacts, and that such will be available to the public.

    (e) St. James acknowledges that the property on which the new facilities will be built will be subject to a declaration of covenants that restricts the uses to which the property can be put. The use restriction limits the use of the new property to (1) religious uses, meaning churches, mosques, synagogues, and temples, and the accessory use of a fellowship hall, and related religious activities, including, without limitation, the operation of the St. James soup kitchen, and the hosting of community events, in the Cherry Hill School; and (2) Public and government uses.

The proposed contract includes a requirement that once St. James has vacated the property, the Town will erect a commemorative sign on the property regarding St. James Baptist Church. The

sign will use the Town's historic marker style sign, and the Town will work with St. James to create the text.

2. Town to Beaufort County: The Town will sell the 4.667 acre property on Union Cemetery Road to Beaufort County for nominal consideration, meaning one dollar. The proposed Town and Beaufort County contract includes two additional agreements:

    (a) Simultaneous with the conveyance of the 4.667 acres to Beaufort County, the Town will record a declaration of covenants that will restrict the use of the 4.667 acres to (1) religious uses, meaning churches, mosques, synagogues, and temples, and the accessory use of a fellowship hall, and related religious activities, including, without limitation, the operation of the St. James soup kitchen, and the hosting of community events, in the Cherry Hill School; and (2) Public and government uses.

    (b) Following the transfer of the 4.667 acres to Beaufort County, it will oversee the construction of the new church building and fellowship hall, using a variety of funds as follows:

(i)	St. James Construction Escrow Money (estimate)	$ 1,290,000
(ii)	South Carolina Funding (Design & Construction)	$ 4,000,000
(iii)	South Carolina Funding (fellowship hall)	$ 750,000
(iv)	Town and Beaufort County grant	$ 300,000
(v)	Beaufort County General Obligation Bond	$ 3,500,000

Under the proposed contracts, and the proposed Construction Escrow and Reverter Agreement, funds will be used in the order set out above. The initial budget for the planning, due diligence, soft costs and construction of the new facilities and the relocation of the Cherry Hill School is $ 9,840,000.

3. Beaufort County to St. James: Following completion of the new facilities and the relocation of the Cherry Hill School, Beaufort County will convey the property to St. James for nominal consideration, meaning $10.00. The conveyance of the property to St. James will be subject to the declaration of covenants described in Paragraph 1(d) and 2(a) above.

Both proposed contracts include text regarding a contingency related to Beaufort County's adoption of Ordinances authorizing the conveyance of the 4.667 acres to St. James Baptist Church, and the adoption of an ordinance authorizing the Three Millon Five Hundred Thousand General Obligation Bond described in 2(b) above. If the contingencies are not met, the transactions will be undone, and the properties reconveyed. We are advised that the contingencies will have been met by Beaufort County at or before Council's consideration of this Ordinance.

BENEFITS OF THE TOWN'S CONVEYANCE OF PROPERTY:

- Supports the continued presence of a historically and culturally significant congregation within the community.
- Provides a suitable site outside of the airport's Runway Protection Zone, improving long-term safety and compatibility with airport operations.
- Maintains continuity of an important cultural and civic institution, including the preservation of the Cherry Hill School.
- Advances the goals of the Town's Strategic Plan and Comprehensive Plan.

- Enables the Town to guide the future use of the existing church property in a manner consistent with community objectives.
- Provides opportunities for appropriate restrictive covenants and long-term compatibility with surrounding land uses.
- Reflects a coordinated partnership among the Town, Beaufort County, and St. James Baptist Church to achieve shared public outcomes.

CONCLUSION:

Town Council is requested to consider approval of the Resolution authorizing the conveyance of approximately 4.667 acres of Town-owned property located on Union Cemetery Road to Beaufort County in support of the Hilton Head Island Airport mitigation and relocation effort involving St. James Baptist Church and the Cherry Hill School.

ATTACHMENTS:

1. Mid Island Tract – St. James Relocation Property Map
2. Resolution for Purchase and Sale – Beaufort County
3. Contract for Purchase and Sale – Beaufort County
4. Site Plan

Address	**TBD**
PIN	**TBD**
Acres	**4.67 Acres**
Zoning	**Planned Development (PD-1)**
Appraisal	**$2.75 million**

TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600
Date Created: July 2025
ArcGIS Pro Project

ATTACHMENT 1

Town of Hilton Head Island

Union Cemetery Road Proposed Site

July, 2025

N

The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of currency. Users accept this information "as is".

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTRACT FOR THE SALE OF 4.667 ACRES, MORE OR LESS, OF REAL PROPERTY LOCATED ON UNION CEMETERY ROAD, ON HILTON HEAD ISLAND, SOUTH CAROLINA, AND THE COMPLETION OF THE TRANSACTION DESCRIBED IN THE CONTRACT

WHEREAS, the Town of Hilton Head Island, South Carolina (the "Town"), owns 4.667 acres of real property located on Union Cemetery Road (the "Property"); and

WHEREAS, The Town of Hilton Head Island, South Carolina, has negotiated a proposed Contract for the sale of the Property to Beaufort County, South Carolina (the "County"), a copy of which is attached hereto as Exhibit "A" (the "Proposed Contract"); and,

WHEREAS, the purpose of the Proposed Contract is to facilitate the relocation of St. James Baptist Church, including the Cherry Hill School building, which are currently located in the "Runway Protection Zone" and in close proximity to the runway of the Hilton Head Island Airport, to an area outside of the Runway Protection Zone of the Hilton Head Island Airport; and,

WHEREAS, the current location of the St. James Baptist Church and the Cherry Hill School building in the Runway Protection Zone and their proximity to the runway of the Hilton Head Island Airport have been identified as a public safety concern for both the St. James Baptist Church and the users of Hilton Head Island Airport, and noise concerns for the St. James Baptist Church; and,

WHEREAS, St. James Baptist Church was founded in the year 1886, and it is a historic church that has long provided the community with both church and community

services, utilizing both the existing church sanctuary and the Cherry Hill School building, and St. James Baptist Church is an important historic, cultural and community institution in the Town.

WHEREAS, the Proposed Contract is one of three separate contracts that have been negotiated to facilitate the relocation of St. James Baptist Church. In addition to the Contract, there is a proposed contract between the Town and St. James Baptist Church, providing for the purchase and sale of the existing St. James Baptist Church property, with proceeds from the sale being committed to the cost of the construction a new church sanctuary and fellowship hall on the Property. There is also a proposed contract between the County and St. James Baptist Church providing for the transfer of the Property, along with the new church sanctuary and fellowship hall; on completion of new church sanctuary and fellowship hall and the re-location of the Cherry Hill School building to the Property; and,

WHEREAS, the Property is outside of the Runway Protection Zone of the Hilton Head Island Airport, and is suitable and desirable for the relocation of St. James Baptist Church and the Cherry Hill School. This location addresses the public safety and noise concerns described above; and,

WHEREAS, the relocation of the St. James Baptist Church and the Cherry Hill School building serves the valid public purposes of improving safety at the Hilton Head Island Airport and the preservation of a historic and significant community institution in the Town; and,

WHEREAS, for the reasons stated above, the Town finds that the execution and delivery of the Proposed Contract, and, subject to the adoption of an Ordinance of Town

authorizing the conveyance Town owned Real Property, to authorize the completion of the transaction described in the proposed Contract, as set forth below, are in the best interests of the Town, and will promote the health, safety and welfare of the Town's citizens, residents, property owners and business owners.

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

1. The Mayor and Town Manager are hereby authorized to execute the Proposed Contract.

2. Subject to the adoption of an Ordinance of the Town authorizing the conveyance of the Property, the Mayor and Town Manager are hereby authorized to take all other and further actions as may be necessary to complete the transaction described in the Proposed Contract.

Moved, Approved and Adopted by the Town Council for The Town of Hilton Head Island, South Carolina, on this 9th Day of June, 2026.

_____
Alan R. Perry, Mayor

ATTEST:

_____
Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

_____
Curtis L. Coltrane, Town Attorney

EXHIBIT “A” TO RESOLUTION AUTHORIZING CONTRACT WITH BEAUFORT COUNTY, SOUTH CAROLINA

ATTACHMENT 3

CONTRACT FOR PURCHASE AND SALE OF:

4.667 Acres, More or Less, on Hilton Head Island, South Carolina

By and Between

The Town of Hilton Head Island, South Carolina,

and

Beaufort County, South Carolina

Dated as of: June 9, 2026

STATE OF SOUTH CAROLINA)
) SALE AND PURCHASE AGREEMENT
COUNTY OF BEAUFORT)

This Agreement (hereinafter the "Agreement") is made and entered into by and between The Town of Hilton Head Island, South Carolina, (hereinafter, the "Town") and Beaufort County, South Carolina (hereinafter, the "County") on this 9th Day of June, 2026.

ARTICLE 1 - SALE AND PURCHASE

1.01 *Sale and Purchase:* For and in consideration of the Purchase Price hereinafter described and agreed to be paid to the Town by the County, and in further consideration of the full and faithful performance of each of the covenants, conditions and agreements hereinafter set forth to be performed, fulfilled and observed by the Town and the County, and subject to the fulfillment of the Conditions set forth herein, the Town agrees to sell and the County agrees to purchase from the Town that certain real property located on Hilton Head Island, Beaufort County, South Carolina, and which is described in Article 1.02.

1.02 *Real Property:* The Real Property is herein referred to as the "Real Property" and is described as follows:

See: Legal Description of the Real Property is attached hereto as Exhibit "A."

ARTICLE 2 – TOWN"S DOCUMENTS

2.01 *Delivery of Documents*: Within ten (10) days of the execution and delivery of this Agreement, the Town shall deliver or cause to be delivered to the County copies of the following documents:

a. Any existing title insurance policies insuring title to the Real Property.

b. Copies of any engineering studies, environmental studies, SCDES No Further Action letters, and the like pertaining to the Real Property in possession of the Town. Such studies may be given with appropriate disclaimers by the Town.

2.04 *Return of Documents*: If this Agreement is terminated for any reason other than Default of the Town, the County shall, within five (5) days following such termination, deliver to the Town all documents and materials relating to the Real Property previously delivered to the County by the Town. The return of such documents shall not affect the right of either party to seek legal or equitable remedies as provided under Article 7 below.

ARTICLE 3 – INSPECTIONS

3.01 *Property Sold As Is/Where Is:* THE REAL PROPERTY IS SOLD STRICTLY IN ITS AS-IS, WHERE-IS CONDITION, WITH ALL FAULTS, INCLUDING DEFECTS SEEN AND UNSEEN AND ALL CONDITIONS NATURAL AND ARTIFICIAL, WITHOUT RIGHT OF SET-OFF OR REDUCTION IN THE PURCHASE PRICE AND WITHOUT REPRESENTATION OF ANY KIND, EXPRESS OR IMPLIED. THE COUNTY ACCEPTS ALL RESPONSIBILITY TO INSPECT THE REAL PROPERTY FOR PATENT AND LATENT DEFECTS AND, IN ENTERING INTO THIS AGREEMENT, THE COUNTY HAS NOT BEEN INDUCED BY, AND HAS NOT RELIED UPON, ANY REPRESENTATIONS, WARRANTIES, OR STATEMENTS, WHETHER EXPRESS OR IMPLIED MADE BY THE TOWN OR ANY AGENT, EMPLOYEE OR OTHER REPRESENTATIVE OF THE TOWN THAT ARE NOT EXPRESSSLY SET FORTH IN THIS AGREEMENT. INSTEAD, THE COUNTY'S DECISION TO BUY THE REAL PROPERTY IS BASED SOLELY UPON THE COUNTY'S OWN EXAMINATION, INSPECTION AND ANALYSIS OF THE PROPERTY.

THE TOWN SHALL HAVE NO LIABILITY OF ANY NATURE TO THE COUNTY FOR THE CONDITION OF THE PROPERTY. IN NO EVENT SHALL THE SALE RESCINDED IF THE PROPERTY FAILS TO CORRESPOND TO THE COUNTY'S EXPECTATIONS IN ANY WAY, OR IF ACTUAL COSTS FOR THE COUNTY'S USE OF THE PROPERTY EXCEED THE COUNTY'S PROJECTED COSTS.

3.02 *Right of Inspection:* This Agreement is subject to the County's right to enter the Real Property to inspect the physical conditions of the Real Property.

3.02 *Environmental Inspection*: The County's right of inspection shall include the right of the County, at the County's sole expense, to conduct soil borings, and other tests as may be required for a Phase One Environmental Site Assessment (herein, the "Phase 1 ESA").

3.03 *The County's Right to Terminate:* If such inspections, or the Phase 1 ESA disclose conditions which are unsatisfactory to the County (which determination shall be made in the County's sole discretion) then the County may terminate this Agreement by delivering a written notice to the Town of the County's election to terminate (herein, the "Termination Notice"). The physical inspections and Phase 1 ESA shall be completed within Forty Five (45) Days of the Effective Date hereof. The County shall deliver its notice (if any) that it has exercised its option to terminate this Agreement under this Article 3 within Fifty (50) days of the Effective Date of this Agreement. Any such notice shall specify the reasons for such determination and include a copy of the written Phase 1 ESA report or any other study or other inspection report.

3.04 *Effect of Termination*: Upon the County's timely delivery of the Termination Notice, this Agreement shall be of no further force or effect and neither party shall have any further rights or obligations under this Agreement.

3.05 *Subsequent Matters:* The Town acknowledges that a period of days will elapse between the delivery of the Phase 1 ESA as required herein and Closing. Acceptance of the Phase 1 ESA by the County shall not be deemed a waiver of any unsatisfactory environmental or other condition at the Real Property arising between the date of delivery of the Phase 1 ESA and the date of Closing unless such conditions have been caused by acts or omissions of the County. In such event:

a. The County shall notify the Town of the existence of any unsatisfactory conditions at the Property arising subsequent to delivery of the Phase 1 ESA and the County's election to terminate under this Article 3.05 no later than (i) ten (10) days after the County's discovery of any such unsatisfactory condition, and (ii) the date of Closing.

b. Any Termination Notice under this Article 3.05 shall specify the reasons for such determination and include a copy of the updated Phase 1 ESA or any other study or inspection report revealing the unsatisfactory conditions. Upon the County's delivery of the Termination Notice, this Agreement shall be of no further force or effect and neither party shall have any further rights or obligations under this Agreement.

c. The County shall have no right to terminate this Agreement if such unsatisfactory conditions are the result of any act or omission of the County.

ARTICLE 4 – TITLE AND SURVEY

4.01 *Title:* At Closing, the Town shall convey, and the County shall accept, title to the Real Property by Limited Warranty Deed subject to the following:

a. All restrictions, covenants, easements, encumbrances, including rights of way or easements for roads or public utilities, whether or not such matters of are in the public record;

b. Applicable laws, ordinances, statutes, order, and regulations to which the Real Property is subject, including all building and zoning laws, ordinances and regulations, and all environmental laws or ordinances or regulations;

c. All matters of public record as of the Effective Date of this Agreement, any matter that would be disclosed by a current and accurate survey of the Property, all matters, or circumstances that a physical inspection of the Real Property might disclose, and any matter that appears on title or survey information the County obtains that are not objected to by the County under Article 4.04 below.

d. All matters shown by the County's survey or title search.

e. The Declaration of Covenants, Conditions, and Restrictions (the "Town Use Restriction") attached hereto as Exhibit " D." The Town Use Restriction shall be recorded prior to the conveyance of the Real Property to the County, and the Town's Deed to the County shall include language subjecting the Property to the Town Use Restriction.

4.02 *Title Evidence:* Within Forty Five (45) days after the Effective Date hereof, the County may obtain a title search of the Real Property.

4.03 *Objections to Title:* Except as provided in Article 4.04 below, if the County's title search reveals that the Real Property is subject to any easements, clouds on or to the title, encroachments, boundary discrepancies, liens, encumbrances, or any other matter affecting title to which the County objects, then the County shall notify the Town in writing, of such title defects and the County's objection to the same within fifty (50) days from the Effective Date of this Agreement. Upon such notification, the same shall be treated as defects in title (herein, the "Title Defects"). Unless the County delivers its written objections within fifty (50) days from the Effective Date of this Agreement, it shall be conclusively deemed that the County has no objection to the title, or the survey, and it has accepted title to the Real Property in its then existing condition.

4.04 *Monetary Liens*: The text of Articles 4.03 and 4.05 notwithstanding, at or before Closing, the Town shall, at the Town's sole cost and expense, satisfy any mortgage, deed of trust, deed to secure debt, or any other monetary lien or encumbrance affecting the Real Property.

4.05 *The Town's Right to Cure:* Except for any monetary liens described in Article 4.04 above, which the Town must satisfy at or before Closing, on receipt of the County's written notice of the Title Defects, the Town shall have the right but not the obligation, on or before the Closing Date, to Cure (defined in Article 4.07) or to cause to be Cured, any Title Defects other any monetary liens as described in Article 4.04 above. Within five (5) days of its receipt of the County's written notice of the Title Defects, the Town shall notify the County of the Town's intention to Cure or not to Cure any or all Title Defects other than any monetary liens described in Article 4.04 above which the Town must satisfy at or before Closing.

4.06 *"Cure" Defined*: As used herein, "Cured" means that the Title Defect(s) has or have been Cured in fact and of record. A Title Defect shall be deemed to have been Cured if the County's title insurer is willing to delete any exception relating to the Title Defect from the commitment issued to the County.

4.07 *The Town's Election Not to Cure or Failure to Cure:* If the Town:

a. elects not to Cure; or,

b. elects to Cure, but fails to Cure on or before Closing,

any or all of the Title Defects other than any monetary liens described in Article 4.04 above which the Town must satisfy on or before Closing, then the County shall have the option of:

a. Closing this transaction in accordance with the terms and conditions hereof, and accepting title to the Real Property in its then existing condition by deed taking exception to such uncured Title Defects; or,

b. Terminating this Agreement by delivery of a written notice of the County's election to terminate to the Town. Upon the County's delivery of the termination notice, this Agreement shall be of no further force or effect and neither party shall have any further rights or obligations under this Agreement.

4.08 *Subsequent Matters:* The Town acknowledges that a period of days will elapse between the delivery of the County's title search and Closing. Acceptance of the survey and title search without objection by the County shall not be deemed a waiver by the County of any Title Defect arising between the date of delivery of the County's title search and the date of Closing. In such event:

a. The County shall notify the Town of any Title Defects arising subsequent to the date of the County's title search no later than the earlier of (i) ten (10) days after the County's discovery of any such Title Defect, and (ii) the date of Closing.

b. Upon notification to the Town by the County of any Title Defects arising subsequent to the date of the County's title search, the provisions of Article 4.03, 4.04, 4.05, 4.06 and 4.07 *supra.*, shall become effective.

ARTICLE 5 - PURCHASE PRICE

5.01 *Purchase Price:* The Purchase Price for the Real Property is One and no/100 ($1.00) Dollars (herein, the "Purchase Price").

5.02 *Components of Purchase Price:* The Purchase Price shall be comprised as follows:

1.	Cash From the County at Closing	$ 1.00
	TOTAL	$ 1.00

5.03 *Payment of Purchase Price:* At Closing (hereinafter defined) the County shall pay the Purchase Price to the Town, by cash or check delivered to the Town's attorney.

ARTICLE 6 – CLOSING

6.01 *Closing:* This transaction shall be "Closed" and title to the Real Property shall be conveyed from the Town to the County by delivery of the Town' Limited Warranty Deed and the other documents required herein from the Town to the County (herein, the "Closing") at 10:00 o'clock A. M. on the Closing Date (hereinafter defined) at the Office of Town's Attorney, or at such other place as the Town and the County shall mutually agree in writing. Subject to fulfillment of all of the Town and the County's obligations and any conditions stated in this Agreement, the Closing, unless otherwise modified or extended by mutual agreement of the Town and the County in writing, shall occur within Sixty (60) days from the Effective Date of this Agreement (herein, the "Closing Date").

6.02 *The Town's Obligations at Closing:* At Closing, the Town shall deliver to the County at the Town's sole cost and expense, the following Closing Documents:

a. A good and sufficient Limited Warranty Deed (herein, the "Deed") so as to convey Fee Simple, Marketable Title to the Real Property to the County, as provided in Article 4 above. The Deed shall include language subjecting the Real Property to the Town Use Restriction, which is attached hereto as Exhibit "D," which shall be recorded prior to the recording of the Deed. The Deed shall be in recordable form, executed by the duly authorized Officers of the Town and witnessed and acknowledged before a notary public.

b. A mechanic's lien affidavit, duly executed by the duly authorized Officers of the Town and acknowledged before a notary public, attesting to the absence, unless otherwise provided for in this Agreement, or unless created by acts of the County, of any claims of lien or potential lienors and further attesting that there have been no improvements to the property for ninety five (95) days immediately

preceding the Closing Date for which the Cost thereof remains unpaid.

d. An ALTA Statement and title "gap" affidavit and indemnity agreement, in the form attached hereto as Exhibit "B," executed by the duly authorized Officers of the Town and acknowledged before a notary public attesting to the absence of any matters pending which could cause a lien or encumbrance on the Real Property between the date of the County's title search and the date of recording of the Deed.

e. A "Construction Escrow and Reverter Agreement" in form and substance similar to the document attached hereto as Exhibit "C." The Construction Escrow and Reverter Agreement shall be in recordable form, executed by the duly authorized Officers of the Town and witnessed and acknowledged before a notary public

f. Full and complete releases, in recordable form, of any mortgages, liens, leases, tenancies, claims or other encumbrances to the title of the Real Property.

g. A certified true copy of the ordinance of the Town authorizing the sale of the Real Property, and a certified true copy of the resolution of the Town authorizing the execution and delivery of this Agreement.

h. The Town Use Restriction attached hereto as Exhibit " D." The Town Use Restriction shall be in recordable form, executed by the duly authorized Officers of the Town and witnessed and acknowledged before a notary public.

i. A Closing/Settlement Statement executed by executed by the duly authorized Officers of the Town on a form prepared by the County's attorney.

6.03 *The County's Obligations at Closing:* At Closing, the County shall deliver to the Town, at the County's expense, the following:

a. The Purchase Price.

b. The "Construction Escrow and Reverter Agreement" in form and substance similar to the document attached hereto as Exhibit "C." The Construction Escrow and Reverter Agreement shall be in recordable form, executed by the duly authorized Officers of the County and witnessed and acknowledged before a notary public. The

County shall record a memorandum of the "Construction Escrow and Reverter Agreement" simultaneously with the recording of the Town's Limited Warranty Deed.

c. The Town Use Restriction attached hereto as Exhibit " D." The Town Use Restriction shall be in recordable form, executed by the duly authorized Officers of the County and witnessed and acknowledged before a notary public.

d. A Certified True Copy of the Resolution/Ordinance of the County approving this Agreement, authorizing the completion of the transaction contemplated hereby, and authoring the individuals signing any documents on behalf of the County to do so.

e. Executed Closing/Settlement Statement in a form prepared by the County's attorney.

6.04 *Pre-Closing Documents:* On or before ten (10) days prior to the Closing Date, the Town shall deliver its proposed closing documents required under Article 6.02 (a) – (h) to the County and the County shall deliver its proposed closing documents required under Article 6.02 to the Town.

6.05 *Approval of Closing Documents:* Each Party to this Agreement shall notify the other Party to this Agreement of any objections to the proposed closing documents no less than 5 days prior to Closing.

6.06 *Possession:* Possession of the Real Property shall be delivered to the County at Closing, provided, however, that the Purchase Price, minus adjustments and prorations, is paid in full by or on behalf of the County at Closing.

6.08 *Prorations:* Payment of the following are to be pro-rated between the Town and the County as of the Closing Date:

a. Any governmental fees assessed against the Real Property that that Town is obligated to pay, such as Stormwater Utility Fees or the Law Enforcement Service Charge, shall be pro-rated as of the date of Closing.

6.07 *The Town's Closing Costs:* The Town shall be responsible to pay for the cost of:

a. The Recording Fee for the Town Use Restriction.

b. The Town's attorney's fees in connection with the closing of the transaction.

6.08 *The County's Closing Costs*: The County shall be responsible to pay the cost of the following:

a. The Recording fee for recording of the Deed and the Memorandum of the Construction Escrow and Reverter Agreement.

b. Any other buyer's Closing Costs which are customary in Beaufort County, South Carolina.

ARTICLE 7 – CONVEYANCE OF IMPROVED REAL PROPERTY TO ST. JAMES BAPTIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION, BY THE COUNTY

7.01 *St. James Baptist Church to Town Contract:* By a separate Contract dated June 9, 2026, the Town has contracted to buy real property owned by St. James Baptist Church, A South Carolina Nonprofit Corporation for a Purchase Price of One Million Two Hundred Ninety Thousand and no/100 ($1,290,000.00) Dollars (the "St. James Property"). The intention of the Town, the County and St. James is that a New Church will be built on the Real Property, with the construction of the church and fellowship hall (collectively, the "New Church") to be managed and overseen by the County. Following the completion of the New Church, the County will convey the improved Real Property to St. James under the terms of a separate contract dated May 25, 2026, between the County and St. James. In connection the construction of the New Church, the following represent the agreements of the County, the Town and St. James:

(a) The net purchase price for the St. James Property (the "Construction Escrow Money") shall be delivered into escrow, to be held and disbursed under the terms of the Construction Escrow and Reverter Agreement which is attached hereto as Exhibit "C."

(b) The total cost of construction of the New Church is anticipated to be Nine Million Eight Hundred Forty Thousand and no/100 ($9,840,000.00) Dollars (the "Cost to Build") which is shown on Exhibit "E" hereto. The funding for the Cost to Build is estimated to be comprised of:

(i)	Town and Beaufort County grant	$ 300,000.00
(ii)	South Carolina Funding (Design & Construction)	$ 4,000,000.00
(iii)	South Carolina Funding (fellowship hall)	$ 750,000.00
(iv)	Beaufort County General Obligation Bond	$ 3,500,000.00
(v)	Construction Escrow Money (estimate)	$ 1,290,000.00
		$ 9,840,000.00

(c) The County and the Town agree that the order of expenditure of the various funds described in (a)(1)-(v) above will be as follows:

(i) The Construction Escrow Money.

(ii) South Carolina Funding (Design and Construction)

(iii) South Carolina Funding (fellowship hall)

(iv) Town and Beaufort County Grant

(v) Beaufort County General Obligation Bond

7.02 *Beaufort County Contingencies and Reverter:* The County is required to adopt ordinances authorizing the County's issuance of a Three Million Five Hundred Thousand ($3,500,000.00) Dollar General Obligation Bond to fund the construction of the New Church, and must also adopt an ordinance authorizing the conveyance of the improved Real Property to St. James at the conclusion of construction of New Church (Collectively, the "County Ordinances").

(i) Prior to the commencement of construction of the New Church, or the expenditure of any of the Construction Escrow Money by the County,

the County shall submit the County Ordinances to Beaufort County Council for its consideration.

(ii) In the event that Beaufort County Council fails or refusesto adopt the County Ordinances as described in this Article 7.02, by _____ then title to the Real Property shall revert to the Town, and the Construction Escrow and Reverter Agreement shall terminate. The County agrees that should such occur, the County will execute and deliver a good and sufficient Limited Warranty Deed (the "County Deed") so as to convey Fee Simple, Marketable Title to the Real Property to the Town, as provided in this Article 7.02. The County Deed shall be in recordable form, executed by the duly authorized Officers of the County and witnessed and acknowledged before a notary public The County acknowledges that the terms of this Article 7.02 survive the Closing of the transaction contemplated in this Agreement. The County acknowledges and warrants that upon the adoption of the County Ordinances; the County will complete the construction of the New Church and will convey the improved Real Property to St. James. The County acknowledges that this Article 7.02 is a material term of this Agreement without which the Town would not have entered into it.

ARTICLE 8 - DEFAULT AND REMEDIES

8.01 *Default by the Town:* Except as may be otherwise expressly provided or limited herein with respect to any specific act or omission, if the Town shall default in any of its obligations, covenants, or agreements contained within this Agreement or any of the Exhibits hereto, and shall remain in default after ten (10) day's written notice specifying the default and demanding that the default be cured, then the County shall be entitled to pursue any remedy at law or in equity against the Town, including an action for Specific Performance of this Agreement. The provisions of this Article 8 shall be binding upon the successors and assigns of the Town, and shall survive the Closing of the transaction contemplated herein.

8.02 *Default by the County:* Except as may be otherwise expressly provided or limited herein with respect to any specific act or omission, if the County shall default in

any of its obligations, covenants, or agreements contained within this Agreement or any of the Exhibits hereto, and shall remain in default after ten (10) day's written notice specifying the default and demanding that the default be cured, then the Town shall be entitled to pursue any remedy at law or in equity against the County, including an action for Specific Performance of this Agreement. The provisions of this Article 8 shall be binding upon the heirs, successors and assigns of the County, and shall survive the Closing of the transaction contemplated herein.

8.03 *Attorney's Fees and Costs:* If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default or misrepresentation in connection with all or any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover its reasonable attorney's fees and any costs incurred as a result of any such matter, whether incurred before the institution of suit or after the commencement of suit, including appellate proceedings, in addition to any other relief to which the prevailing party is entitled.

ARTICLE 9 - CONDITIONS PRECEDENT

9.01 *Conditions to Town's Obligation to Close:* The obligation of the Town to sell the Real Property to the County is subject to satisfaction, no less than forty-five (45) days prior to the Closing Date, of the following conditions:

a. Approval of the terms of this Agreement and authorization to complete the transaction described in this Agreement by adoption of a Resolution of the Town Council for the Town.

b. Authorization to sell the Real Property by adoption of an Ordinance the Town Council for the Town of Hilton Head Island, South Carolina.

In the event the above stated conditions are not satisfied no less than forty five (45) days prior to the Closing Date, this Agreement shall terminate, and neither party shall have any further obligation or rights with respect to the other.

ARTICLE 10 - REPRESENTATIONS AND WARRANTIES

10.01 *Representations and Warranties of the Town:* The Town represents and warrants (which representations and warranties shall survive the Closing) to the County as follows:

a. Subject to the Conditions in Article 9 above:

(i) As of the Closing, the Town will have all requisite legal power and authority to sell the Real Property to the County; and,

(ii) As of the Closing, the individual or individuals executing this Agreement on behalf of the Town will have express authority and full power on behalf of the Town to execute the Deed and the other documents required by this Agreement.

b. No work will have been performed or will be in process at the Real Property, and no materials will have been delivered to the Real Property that might provide the basis for the filing of a Mechanic's, Materialman's or other lien against the Property or any portion thereof. The requirements of this Article 10.01(b) shall be deemed satisfied if the County's title insurer is willing to write the County affirmative mechanic's lien coverage based on the Town's mechanic's lien affidavit.

c. From and after the date of this Agreement, the Town will not have granted any easements encumbering the Real Property or entered into any covenants or agreements concerning the Real Property, other than the Town Use Restriction, which is expressly authorized.

d. There is no claim or litigation now pending or threatened against the Town which would materially affect the execution, delivery or enforceability of this Agreement, or the Town's performance of its obligations hereunder.

e. No options, leases or other contracts are still outstanding which give any other party a right to purchase or occupy all or any part of the Real Property.

f. The Town is not now a party to any litigation affecting the title to the Real Property or title to the Real Property.

10.02 *Representations and Warranties of the County:* The County acknowledges, and represents and warrants to the Town that all development on the Real Property is governed by the Town's Land Management Ordinance [§ 16-1-101, et seq., Municipal Code of the Town of Hilton Head Island, South Carolina (1983)], including all provisions regarding design review and buffers and setbacks.

ARTICLE 11 – BROKERS

11.01 *Brokers:* The Town and the County warrant and represent to each other that no broker, finder, or other person is entitled to a commission, finder's fee or other compensation in connection with this Agreement, and each party shall indemnify and hold harmless the other party from any and all claims, liabilities, losses, damages, costs and expenses arising from the claim of any broker, finder or other person for such compensation, arising by, under or through such party. The obligations under this Article 11 shall survive the Closing.

ARTICLE 12 - EFFECTIVE DATE

12.01 Effective Date*:* The "Effective Date" of this Agreement shall be the date upon which the officials of The Town of Hilton Head Island, South Carolina, execute and deliver this Agreement to the County.

ARTICLE 13 – MISCELLANEOUS

13.01 *Binding Effect:* This Agreement shall inure to the benefit of and shall be binding upon the Town and the County, their respective successors, and assigns, if any are expressly permitted hereunder.

13.02 *Entire Agreement/Amendment, Changes and Modifications:* This Agreement supersedes all prior discussions and agreements between the Town and the County with respect to the Real Property and all other matters contained herein and constitutes the sole and entire agreement and understanding between the Town and the County with respect to the transaction contemplated in this Agreement. This Agreement shall not be modified or amended except by an instrument in writing signed by both the Town and the County.

13.03 *Severability:* In the event that any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

13.04 *Execution in Counterparts:* This Agreement 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.

13.05 *Applicable Law:* This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

13.06 *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 or Articles of this Agreement.

13.07 *Recording:* The parties hereto shall not record this Agreement, or a short form Memorandum thereof in the Office of the Register of Deeds for Beaufort County, South Carolina.

13.08 *Plural/Singular:* Where appropriate, the use of the singular herein shall include and be deemed to be the plural, and the use of the plural herein shall be deemed to include the singular.

13.09 *No Third Party Beneficiaries:* The Parties hereto affirmatively represent that this Agreement is made solely for the benefit of the parties hereto and St. Jamesand their respective successors and assigns and not for the benefit of any third party who is not a signature party hereto, other than St. James. 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.

13.10 *Notices:* All notices, applications, requests, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when delivered in person, or mailed by regular first class mail, postage prepaid (in such case, delivery shall be deemed complete upon mailing), by email addressed as follows, or to such other place as may be designated in writing by the parties:

To the Town: Curtis L. Coltrane
COLTRANE & WILKINS, LLC
Post Office Drawer 6808
Hilton Head Island, SC 29938
curtis@coltraneandwilkins.com

To Beaufort County: Thomas A. Bendle
HOWELL, GIBSON AND HUGHES, P. A.
Post Office Box 40
Beaufort, SC 29901
tbendle@hghpa.com

And Also: Brian E. Hulbert
Beaufort County Attorney
Post Office Box 1228
Beaufort, SC 29901

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

13.12 *Further Assurances and Corrective Documents:* The Town and the County agree to do, execute, acknowledge, deliver, or cause to be done all such further acts as may be reasonably determined to be necessary to carry out this Agreement and give effect hereto. The Town and the County agree that each shall, upon request, execute and deliver such other or corrective documents as may be reasonably determined to be necessary, either before or after the Closing. The obligations of this Article 12.12 shall survive the Closing.

13.13 *Electronic Signatures*: The Town and the County acknowledge and agree that this Agreement may be signed by electronic signature (*Docusign* or similar), by a scanned and emailed copy of any party's signature on the signature page, or by a copy of any party's

signature on the signature page that is sent by facsimile, and that any such signature shall be deemed an original signature.

ARTICLE 14 - DAMAGE AND RISK OF LOSS

14.01 *Damage and Risk of Loss:* The risk of loss or complete or partial destruction of the Property shall rest with the Town up to the time that the Closing occurs. If the Property is damaged, but repairable prior to Closing, the Town has the option of repairing and proceeding. If the Property is damaged, but un-repairable prior to Closing, the County shall be entitled to terminate this Agreement by delivery of a written notice to the Town of the County's election to terminate under this Article 14.01 Upon the County's delivery of it the written termination Notice, this Agreement shall be of no further force or effect and neither party shall have any further rights or obligations under this Agreement.

IN WITNESS WHEREOF, the Town and the County have caused their duly authorized officers and representatives to execute this Agreement as of this 9th Day of June, 2026.

WITNESSES:

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

_____

By:_____
Alan R. Perry, Mayor

_____

Attest:_____
Marc A. Orlando, Town Manager

WITNESSES:

BEAUFORT COUNTY, SOUTH CAROLINA

_____

By:_____
Michael Moore

_____

Its: County Administrator

EXHIBIT "A" – LEGAL DESCRIPTION OF REAL PROPERTY
This Exhibit Consists of 2 Pages

All that certain piece, parcel or lot of land, situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, containing 4.667 acres, more or less, and which is shown and described as "Lot 1, 203,285 S.F. 4.667 AC." on a plat prepared by Atlas Surveying, Inc., Jeremy W. Reeder, SCPLS 28139, entitled "_____," dated _____, 2026, and recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Official Record Book __ at Page ___.

EXHIBIT "B" - FORM OF GAP AFFIDAVIT PERSONAL UNDERTAKING (GAP)

WHEREAS, _____, hereinafter referred to as "the Company," is about to issue its title insurance policy, policies, or commitments therefore, all hereinafter referred to as the "Title Insurance Policy," No. _____ in respect to the land therein described; and,

WHEREAS, the Company has raised as Exception to Title the following:

Defects, liens, encumbrances, adverse claims, or other matters, if any created, first appearing in the public records or attaching subsequent to _____, 20___, at 7:45 A. M. (the "Exceptions to Title").

WHEREAS, the Company has been requested to issue the Title Insurance Policy, and may hereafter in the ordinary course of its business issue title insurance policies or commitments therefore in the forms now or then commonly used by the Company in respect to the land or to some part or parts thereof, or interest therein, all of the foregoing being hereafter referred to as "Future Policies", either free and clear of all mention of the Exceptions to Title or insuring against loss or damage by reason thereof;

NOW THEREFORE, in consideration of the issuance of the Title Insurance Policy and payment of $1.00 to the undersigned by the Company, the sufficiency and receipt of which is hereby acknowledged, the undersigned, jointly, and severally, for themselves, their heirs, their personal representatives and their assigns do hereby covenant and agree with the Company:

1. To forever fully protect, defend, and save the Company harmless from and against all the Exceptions to Title or any rights growing out thereof, all loss, costs,

damages, attorney's fees, and expenses of every kind and nature which the company may suffer, in consequence of the Title Insurance Policy on account of the Exceptions to Title or any rights growing out thereof, or on account of the assertion or enforcement or attempted assertion or enforcement thereof;

2. To provide for the defense, at their own expense, on behalf of and for the protection of the Company and any parties now or hereafter insured against loss or damage under the Title Insurance Policy (but without prejudice to the right of the Company to defend if it so elects) in all litigation based on any Exceptions to the Title which may be asserted or tempted to be asserted, in respect to the land or any part thereof, or interest therein;

3. To pay, discharge, satisfy or remove all the Exceptions to Title on or before 10 days from the date of notice of the existence of any Exceptions to Title; and

4. That each and every provision herein shall extend and be in force concerning the Future Policies.

The foregoing notwithstanding, it is hereby covenanted and agreed, and expressly made a part of this Agreement, that the liability of the undersigned hereunder shall cease and determine as such time as the Company shall have completed all of its various title searches concerning the insured property through the date of the recording of the documents required in the Commitment required for the issuance of the above policy; provided, however, that:

1) No Exceptions to Title or rights growing out thereof are disclosed by the said various title searches and examination thereof;

2) There is then pending no suit, action, or proceedings, either direct or collateral, to assert, establish, or enforce the said Exceptions to Title or rights growing out thereof;

3) That no judgment, order, or decree rendered in any such proceeding remains unsatisfied; and

4) That the undersigned is not in default in the performance of any of the terms, covenants, and conditions hereof.

IN WITNESS WHEREOF, the undersigned have executed this agreement this ____ day of _____, 2026.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By:_____
Alan R. Perry, Mayor

By:_____
Marc A. Orlando, Town Manager

Sworn to Before Me this ___
Day of _____, 2026.

_____
Notary Public for South Carolina
My Commission Expires:_____

EXHIBIT "C" – FORM OF CONSTRUCTION ESCROW AND REVERTER AGREEMENT

STATE OF SOUTH CAROLINA	)	
	)	CONSTRUCTION ESCROW AND
COUNTY OF BEAUFORT	)	REVERTER AGREEMENT

This Construction Escrow and Reverter Agreement (herein the "Agreement") is made and entered into effective as of the ___ day of _____, 2026, by and between St. James Baptist Church, A South Carolina Nonprofit Corporation (herein, "St. James"), Beaufort County, South Carolina, a body politic (herein, "Beaufort County"), the Town of Hilton Head Island, South Carolina, a body politic (the "Town"), and Maria Belbas Parker (the "Construction Escrow Agent").

Whereas, the Town is buying real and other property from St. James located at 209 Dillon Road, Hilton Head Island, South Carolina, 29926, pursuant to a Contract of Sale dated June ___, 2026 (herein, the "Town/St. James Contract"); and,

Whereas, the parties anticipate the closing on the sale of the Property from St. James to the Town will occur on about August ___, 2026 (the "Closing"); and,

Whereas, the Town/St. James Contract includes a requirement that St. James' net proceeds from the closing of the transaction described in the Town/St. James Contract be placed in Escrow and used solely to defray the costs of the construction of a new church building and fellowship hall on, and for the relocation of the Cherry Hill School structure to, the real property that is shown and described on Exhibit "A" to this Agreement the "Real Property"), and which is to be conveyed to Beaufort County by the Town under a separate Contract dated June ___ ___, 2026 (the "Town/County Contract"), and which

will be conveyed to St. James by Beaufort County under a separate agreement between St. James and Beaufort County dated June ___, 2026 (the County/St. James Contract"); and,

Whereas, under the County/St. James Contract, the Real Property will be improved with a new church building and fellowship hall (collectively, the "New Church") to be built using plans and specifications to be supplied by Your Church Partners, LLC; and,

Whereas, St. James agrees that at the Closing of the transaction described in the Town/St. James Contract, the entire net proceeds due to St. James, in the amount of _____ ($_____) Dollars, shall be delivered by the Town to the Construction Escrow Agent, and that the delivery of the entire net proceeds by the Town to the Construction Escrow Agent shall be the performance of the Town's obligation to deliver the Purchase Price to St. James described in Articles 5.04 and 6.03 of the Town/St. James Contract, to be applied to the payment of costs incurred by Beaufort County for the planning, permitting, site development work and construction costs of the New Church and the relocation of the Cherry Hill School structure under the terms and conditions set forth herein (the "Construction Escrow Money").

Whereas, the parties now desire to memorialize the conditions under which the Construction Escrow Money is to be held and disbursed.

Now, in consideration of the covenants, agreements representations, and warranties contained in this Agreement, the closing of the transaction described in the Town/St. James Contract, to meet the obligations assumed by the parties in the Town/St.

James Contract, the Town/County Contract and the County/St. James Contract and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. *Construction Escrow Agent*: The Construction Escrow Money shall be deposited with and held by the Construction Escrow Agent. If any dispute should arise as to whether the Construction Escrow Agent is obligated to deliver any portion of the Construction Escrow Money, or any other funds or documents which it holds, the Construction Escrow Agent shall not be required to make delivery thereof, but, in such event, shall hold the same until receipt by Construction Escrow Agent of written authorization from the parties as set forth below directing the disposition of the same. In the absence of such written authorization, the Construction Escrow Agent may hold the Construction Escrow Money, or any other funds or documents in connection with this transaction in its possession until a final determination of the rights of the Parties by a court of competent jurisdiction. If such written authorization is not given or proceedings for such determination are not begun and diligently continued, the Construction Escrow Agent may institute an appropriate proceeding for leave to place the Construction Escrow Money, or any other funds or documents in connection with this transaction in its possession, with the Clerk of Court for Beaufort County, South Carolina, pending such determination. The Construction Escrow Agent shall not be charged with notice of any fact or circumstance unless and until written notice of the same is received by the Construction Escrow Agent. Upon making the delivery of the Construction Escrow Money which the Construction Escrow Agent holds in accordance with the provisions of this Agreement, the

Construction Escrow Agent shall have no further obligation or liability to St. James, Beaufort County, or the Town. St. James agrees to indemnify and hold the Construction Escrow Agent harmless from any liability, claim, damage loss or expense pertaining to this Construction Escrow and Reverter Agreement or the Construction Escrow Money; provided, however, that the Construction Escrow Agent shall be liable for any act of willful misconduct or misappropriation regarding or of the Construction Escrow Money, and the indemnity set out in this Article 1 shall not be enforceable against the Town, Beaufort County or St. James in any such case.

2. *Construction Escrow Agent Insurance*: The Construction Escrow Agent must have and maintain an Errors and Omissions insurance policy with sufficient limits to cover the amount of the Construction Escrow Money.

3. *Permitted Use of Construction Escrow* Money: The Construction Escrow Money may only be paid to bona fide contractors of Beaufort County who perform any of the work contracted for by Beaufort County for the planning, permitting, site development and construction costs of the New Church to be built on, and the relocation of the Cherry Hill School structure to the Real Property (herein, collectively, the "Work"), and which, upon completion of the Work is to be conveyed to St. James by Beaufort County, South Carolina, under the County/St. James Contract.

4. *Limitation Regarding Construction Escrow Money*: The Town, Beaufort County and St. James agree that the Construction Escrow Money shall be the first fund used to pay for the Work, and that Beaufort County shall exhaust the Construction Escrow Money

prior to using any other funds from the Town, Beaufort County, or the State of South Carolina.

4.01 *Expenditure of Funds and Beaufort County Contingency*: By way of the Town/St. James Contract, the Town has contracted to buy real property owned by St. James (the "St. James Property") for a Purchase Price of One Million Two Hundred Ninety Thousand and no/100 ($1,290,000.00) Dollars . The intention of the Town, Beaufort County and St. James is that, as a part of the Work, the New Church will be built on the Real Property, with the construction of the New Church to be managed and overseen by Beaufort County, pursuant to a construction contract reasonably acceptable to St. James and its counsel. Following the completion of the Work, including the construction of the New Church, Beaufort County will convey the improved Real Property to St. James under the terms of the County/St. James Contract. In connection with the completion of the Work, including the construction of the New Church, the following represent the agreements of Beaufort County, the Town and St. James:

(a) The net proceeds received by St. James for the sale of the St. James Property under the Town/St. James Contract (the "Construction Escrow Money") shall be delivered into escrow, to be held and disbursed under the terms of this Agreement.

(b) The total cost of the Work, including the construction of the New Church is anticipated to be approximately Nine Million Eight Hundred Forty Thousand and no/100 ($9,840,000.00) Dollars (the "Cost to Build"). The funding for the Cost to Build is estimated to be comprised of:

(i)	Town and Beaufort County grant	$ 300,000.00
(ii)	South Carolina Funding (Design & Construction)	$ 4,000,000.00
(iii)	South Carolina Funding (fellowship hall)	$ 750,000.00
(iv)	Beaufort County General Obligation Bond	$ 3,500,000.00

(v) Construction Escrow Money (estimate) $ 1,290,000.00

$ 9,840,000.00

(c) Beaufort County, the Town and St. James agree that the order of expenditure of the various funds described in Article 4.01(b)(i)-(v) above will be as follows:

(i) The Construction Escrow Money.

(ii) South Carolina Funding (Design and Construction)

(iii) South Carolina Funding (fellowship hall)

(iv) Town and Beaufort County Grant

(v) Beaufort County General Obligation Bond

4.02 *Beaufort County Contingencies and Reverter:* Beaufort County is required to adopt ordinances authorizing Beaufort County's issuance of a Three Million Five Hundred Thousand ($3,500,000.00) Dollar General Obligation Bond referred to in Article 4.01(b)(iv) above to be applied to the funding of the Cost to Build, and must also adopt an ordinance authorizing the conveyance of the improved Real Property to St. James upon completion of the Work including the construction of New Church (collectively, the "County Ordinances").

(a) Prior to the commencement of construction of the New Church, or the expenditure of any of the Construction Escrow Money by Beaufort County, Beaufort County shall submit the County Ordinances to Beaufort County Council for its consideration. Beaufort County acknowledges and warrants that upon the adoption of the County Ordinances Beaufort County will complete the Work, including the construction of the New Church and will convey the improved Real Property to St. James. Beaufort County acknowledges that this Article 4.02 is a material term of this Agreement without which the Town and St. James would not have entered into this Agreement.

(b) In the event that Beaufort County Council fails to adopt the County Ordinances as described in this Article 4.02, on or before _____, 2026, then title to the Real Property shall revert to the Town, under the terms of this Agreement and the Town/County Contract, and the County/St. James Contract and this Agreement shall terminate. Beaufort County agrees that if Beaufort County fails or refuses to timely adopt

the County Ordinances, Beaufort County will execute and deliver a good and sufficient Limited Warranty Deed (the "County Deed") so as to convey Fee Simple, Marketable Title to the Real Property to the Town, as provided in this Article 4.02. The County Deed shall be in recordable form, executed by the duly authorized Officers of Beaufort County and witnessed and acknowledged before a notary public.

5. *St. James Property Reverter*: In the event that the Beaufort County Contingencies set out in Article 4.02 above are not met, and the reverter described in Article 4.02(b) occurs, then St. James and the Town agree:

(a) On the occurrence of the reverter of title of the Real Property from Beaufort County to the Town, then the Construction Escrow Agent will deliver the entire Construction Escrow Money fund to the Town.

(b) Contemporaneous with the delivery of the Construction Escrow Money to the Town, the Town will execute and deliver a good and sufficient Limited Warranty Deed to St. James for the below described real property:

> All that certain piece, parcel or tract of land, consisting of two parcels divided by Dillon Road, lying on the northeast and southeast corners the intersection of Beach City Road and Dillon Road, containing 1.70 Acres, more or less, and bounded as follows: (i) the parcel lying at the south east corner of the intersection of Beach City Road and Dillon Road is bounded on northeast by Dillon Road, on the southeast and southwest by property of Beaufort County, South Carolina, and on the northwest by Beach City Road; and (ii) the parcel lying on the north east corner of the intersection of Beach City Road and Dillon Road, on the southwest by Dillon Road, on the northwest by Beach City Road, on the northeast by property now or formerly of KPRM, LLC, and on the southeast by property now or formerly of Beaufort County, South Carolina and the Town of Hilton Head Island, South Carolina.
>
> Also:
>
> Any and all buildings, structures and improvements situated on the Real Property, with the exception of the Cherry Hill School structure, which is owned by the Tenant, together with all heating and air conditioning systems, all electrical and plumbing equipment and fixtures, any other fixtures and equipment attached to the Real Property or the buildings, structures and improvements, and any other amenities thereto (the "St. James Property").

(c) Contemporaneous with the execution and delivery of the deed described in Article 5(b) above, the Town and St. James shall execute and deliver a termination of the Commercial Lease between the Town and St. James for the St. James Property, and any other agreements entered into between the Town and St. James or which are included under the terms and conditions of the Town/St. James Contract.

6. *Request for Disbursement of Construction Escrow Money by Construction Escrow Agent*: No less than five (5) days prior to the date of any proposed disbursement of Construction Escrow Money, Beaufort County shall deliver its Request for Disbursement, including the following items to the Construction Escrow Agent, the Town, and St. James:

(i) Beaufort County's written Request for Disbursement, stating each amount to be disbursed and the name and address entity or individual to whom payment is to be made and certifying that the entity submitting the invoice is a bona fide contractor of Beaufort County who is performing the Work.

(ii) A copy of any invoice for any part of the Work that Beaufort County seeks to be paid from the Construction Escrow Money by the Construction Escrow Agent. All invoices must describe the part of the Work that the invoice is for, and must state the percentage of completion of the Work or part of the Work that entity submitting the invoice is responsible for.

(iii) The certification of Beaufort County, and Your Church Partners, LLC, (the "Architect of Record") for the Work that the requested disbursement is exclusively for the payment of costs of the Work;

(iv) The certification of Beaufort County and the Architect of Record for the Work that the Work described in the invoice(s) has been completed in accordance with the plans and specifications, and that the percentage of completion stated in the invoice is accurate.

(v) The certification of Beaufort County and the Architect of Record for the Work that the Work described in the invoice(s) has been inspected by all applicable government agencies, including the Town of Hilton Head Island, South Carolina, Building Official, and that all work described in the invoice has passed all inspections.

(vi) The certification of Beaufort County and the Architect of Record for the Work showing the total amount of St. James' contract for the Work, including any change orders, the

amounts paid to date for the Work, and the balance of the Construction Escrow Money as of the date of the request for disbursement.

(vii) The certification of Beaufort County that no mechanic's or material man's lien arising from the Work, or any other lien, however described, has been served on Beaufort County as of the date of the Request for Disbursement.

(viii) A Mechanic's Lien Affidavit of any entity submitting an invoice to Beaufort County for payment of the costs of the Work. The Mechanic's Lien Affidavit shall be dated contemporaneously with the date of the invoice.

7. *Disbursement of Construction Escrow Money*: On receipt of the items required to be delivered under Article 5 above, the Construction Escrow Agent shall pay the invoices directly to the individual or entity submitting the invoice. The Construction Escrow Agent shall have no obligation to look behind the invoices or certifications of Beaufort County and the Architect of Record for the Work, and is entitled to rely on such. The Construction Escrow Agent shall deliver a copy of all disbursements made by the Construction Escrow Agent to Beaufort County, the Town and St. James. Upon exhaustion of the Construction Escrow Money, the Construction Escrow Agent shall notify Beaufort County, the Town and St. James in writing that the Construction Escrow Money has been spent. The Construction Escrow Agent's notification shall include bank statements showing the that the Construction Escrow Money has been spent.

8. *Completion of the Work*: On the completion of the Work and the payment of all invoices arising from the completion of the Work Beaufort County shall notify the Town and St. James in writing that the Work is complete and all invoices for the Work have been paid. The notification shall include:

(i) The certification of Beaufort County and the Architect of Record for the Work that the Work is complete and conforms to the plans and specifications and that all invoices for the Work have been paid.

(ii) The certification of Beaufort County that no mechanic's or materialman's lien arising from the Work, or any other lien, however described, has been served on Beaufort County as of the date of the certification.

(iii) Copies of the Certificates of Occupancy issued by the Town for all improvements to the Real Property.

9. *Term of this Agreement*: This Agreement shall commence on the date of the Closing of the Town/St. James Contract, and shall terminate at such time as the Construction Escrow Agent has disbursed the entire Construction Escrow Money fund under the procedures described in Articles 3, 4, 5, 6, 7 and 8 above.

10. *Construction Escrow Agent's Fee*: The Construction Escrow Agent shall be entitled to the payment of a fee in the amount of Two Thousand Five Hundred and no/100 ($2,500.00) Dollars for the work of the Construction Escrow Agent described in this Agreement. The Construction Escrow Agent's Fee shall be due at the Closing of the Town/St. James Contract and shall be shown as a closing cost of St. James on the Closing Statement.

In Witness Whereof, the duly authorized officers of the Town of Hilton Head Island, South Carolina, St. James Baptist Church, A South Carolina Nonprofit Corporation, Beaufort County, South Carolina, and Maria Belbas Parker have executed this Construction Escrow and Reverter Agreement as of the day and year first-above written.

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

By:_____
Alan R. Perry, Mayor

By:_____
Marc A. Orlando,
Town Manager

ST. JAMES BAPTIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION

By:_____

By:_____

BEAUFORT COUNTY, SOUTH CAROLINA

By:_____
Michael Moore

Its: County Administrator

CONSTRUCTION ESCROW AGENT

By:_____
Maria Belbads Parker

EXHIBIT “A” TO CONSTRUCTION ESCROW AND REVERTER AGREEMENT

All that certain piece, parcel or lot of land, situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, containing 4.667 acres, more or less, and which is shown and described as “Lot 1, 203,285 S.F. 4.667 AC.” on a plat prepared by Atlas Surveying, Inc., Jeremy W. Reeder, SCPLS 28139, entitled "_____,” dated _____, 2026, and recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Official Record Book __ at Page ___.

EXHIBIT "D" – FORM OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

STATE OF SOUTH CAROLINA	)	DECLARATION OF COVENANTS,
	)	CONDITIONS AND RESTRICTIONS
COUNTY OF BEAUFORT	)	

This Declaration of Covenants, Conditions, and Restrictions (defined in Article 1(D) below as this "Declaration") is made by the Town of Hilton Head Island, South Carolina, (defined in Article 1(K) as the "Town") for the benefit of the Town, and to which Beaufort County, South Carolina (defined in Article 1(B) below as the "Beaufort County"), and St. James Baptist Church, A South Carolina Nonprofit Corporation (defined in Article 1(I) below as the "St. James") join and acknowledge that each of them, their respective successors and assigns, and their interest in the Property (defined in Article 1(G) below) is subject to and subordinate to the terms of this Declaration.

WHEREAS, the Town is the owner of the real property which is defined as the "Property" in Article 1(G) of this Declaration; and,

WHEREAS, the Property was subdivided from a larger tract owed by the Town (defined in Article 1(A) as the "Adjacent Town Property"); and,

WHEREAS, the Town entered into a Contract with St. James, by which the Town purchased real property owned by St. James that was formerly the site of the St. James Church and the Cherry Hill School building (defined in Article 1(J) as the "St. James/Town Contract"); and,

WHEREAS, the Town has entered into a Contract with Beaufort County under which the Declarant will transfer the Property to Beaufort County, and Beaufort County will oversee the construction of a new church sanctuary and fellowship hall on the Property (defined in Article 1(L) as the "Town/County Contract"); and,

WHEREAS, Beaufort County has entered into a Contract with St. James by which Beaufort County will transfer the Property to St. James following the completion of the church sanctuary and fellowship hall (defined in Article 1(C) as the "County/St. James Contract"); and,

WHEREAS, the transfer of the Property from the Declarant to Beaufort County, and the transfer of the Property to St. James following completion of the new church sanctuary and fellowship hall are each to be for nominal consideration of the terms of the Contract between the Declarant and Beaufort County and the Contract between Beaufort

County and St. James; and,

WHEREAS, the funding to complete the new church sanctuary and fellowship hall will come from a variety of sources, including the purchase price paid to St. James in the closing of the transaction described in the St. James/Town Contract, and public funds from the Town, Beaufort County, and the State of South Carolina; and,

WHEREAS, the intention of the Town is the Property will be held and conveyed by Beaufort County subject to the use restrictions set out in this Declaration, and St. James will hold the Property subject to the use restrictions set out in this Declaration.

NOW, THEREFORE, the Town declares, and Beaufort County and St. James join in and acknowledge, that the Property shall be held, transferred, sold, conveyed, devised, assigned, given, purchased, leased, occupied, possessed, mortgaged, encumbered, or otherwise disposed of and used subject to the following covenants, conditions, requirements and restrictions, which shall run with the title to the Property; and that during the term of this Declaration, this Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of the Town.

Beaufort County and St. James acknowledge that the Town's conveyance of the Property to Beaufort County for nominal consideration is a material economic benefit to them, and that their acknowledgment to be bound this Declaration is a material term and inducement of the St. James/Town Contract and the Town/County Contract without which the Town would not have executed them, and the fulfilment of the obligations of those contracts and the material economic benefits to them are good, valuable and sufficient consideration for their joinder to an agreement to be bound by this Declaration.

Beaufort County and St. James also acknowledge that this Declaration is a material benefit to the Adjacent Town Property.

ARTICLE 1 – DEFINITIONS

The terms in this Declaration shall generally be given their natural, commonly accepted definitions, except as otherwise specified in this Article 1. Capitalized terms shall be defined as set forth below.

A. Adjacent Town Property. Real property owned by the Town that is known and described as follows:

> All that certain piece, parcel or tract of land lying and being within Port Royal Plantation, on Hilton Head Island, Beaufort County, South Carolina, consisting of 102.73 acres, more or less, and being designated as "Parcel A"

on that certain plat of survey entitled "A Plat of Port Royal Plantation Clubhouse and Planter's Row Golf Course, a section of Port Royal Plantation," dated March 18, 1985, prepared by Coastal Surveying, Inc., Jerry L. Richardson, SCRLS 4784, and recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Plat Book 35 at Page 80.

B. Beaufort County. Beaufort County, South Carolina, a county, body politic and political subdivision of the State of South Carolina.

C. County/St. James Contract. A contract made between Beaufort County and St. James for the conveyance of the Property dated _____, 2026, a copy of which is maintained as a public document by Beaufort County.

D. Declarant: The Declarant of this Declaration of Covenants, Conditions and Restrictions is the Town of Hilton Head Island, South Carolina.

E. Declaration. This Declaration of Covenants, Conditions, and Restrictions.

F. Initial Term. The Initial Term of this Declaration shall be for a period of fifty (50) years from the date this Declaration is recorded in the Office of The Register of Deeds for Beaufort County, South Carolina.

G. Property: Those certain pieces, parcels or tracts of land which are known and described as follows:

All that certain piece, parcel or lot of land, situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, containing 4.667 acres, more or less, and which is shown and described as "Lot 1, 203,285 S.F. 4.667 AC." on a plat prepared by Atlas Surveying, Inc., Jeremy W. Reeder, SCPLS 28139, entitled "_____," dated _____, 2026, and recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Official Record Book __ at Page ___.

H. Renewal Terms. Terms of this Declaration following the expiration of the Initial Term. Renewal Terms shall automatically commence on the date of the expiration of the Initial Term or any subsequent Renewal Term, years unless an instrument modifying or amending this Declaration is executed by the Town and the owner of the Property in the Office of The Register of Deeds for Beaufort County, South Carolina./

I. St. James. St. James Baptist Church, A South Carolina Nonprofit Corporation.

J. St. James/Town Contract. A contract made between St. James and the Town for the conveyance of the Property formerly owned by St. James, dated _____, 2026, a copy of which is maintained as a public document by the Town.

K. Town: The Town of Hilton Head Island, South Carolina, a municipal corporation, and political subdivision of the State of South Carolina.

L. Town/County Contract. A contract made between the Town and Beaufort County for the conveyance of the Property dated _____, 2026, a copy of which is maintained as a public document by the Town and Beaufort County.

ARTICLE 2 – USE RESTRICTIONS

A. In General. This Article sets out use restrictions which must be complied with by Beaufort County, St. James and their successors and assigns.

B. Permitted Uses. The only permitted uses on the Property are: (1) religious uses, meaning churches, mosques, synagogues, and temples, and the accessory use of a fellowship hall, and related religious activities, including, without limitation, the operation of the St. James soup kitchen, and the hosting of community events, in the Cherry Hill School; and (2) Public and government uses.

ARTICLE 3 – GENERAL TERMS

A. Effective Date and Duration. This Declaration shall have an Initial Term of fifty (50) years commencing on the date of the recording of this Declaration in the Office of The Register of Deeds for Beaufort County, South Carolina. Thereafter, at the expiration of the initial Term or any Renewal Term this Declaration shall automatically be extended for additional Renewal Terms of twenty-five (25) years unless an instrument modifying or amending this Declaration is executed by the Town and the owner of the Property in the Office of The Register of Deeds for Beaufort County, South Carolina.

B. Severability. Invalidation of any term of this Declaration, in whole or in part, or any application of any provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

C. Enforcement. This Declaration is solely for the benefit of the Town, and nothing contained in this Declaration shall be deemed to confer upon any person or entity, other than the Town, the right to enforce or take any action under or with respect to this Declaration. Because this Declaration is made for the benefit of the Town, only the

Town shall have the right to enforce this Declaration. This Declaration may be enforced by the Town by any legal or equitable means to compel compliance to the terms of this Town or to prevent the violation or breach of this Declaration. The non-prevailing party in any enforcement action shall pay the prevailing party's reasonable legal costs and attorney's fees incurred.

D. Acknowledgment of Declarant's Standing to Enforce. Beaufort County and St. James, for themselves and their successors and assigns, affirm that the Town has standing to enforce this Declaration and affirmatively waive any claim or defense that the Town lacks standing to enforce this Declaration. Beaufort County and St. James also affirm that its agreement and waiver regarding the Town's standing to enforce this Declaration is a material term of this Declaration and Beaufort County and St. James intends to be bound by it.

E. Recordation. The Declarant shall record this Declaration in the Public Records, prior to the recording of the deed of conveyance from the Town to Beaufort County.

F. Binding Effect; Governing Law. This Declaration shall be binding upon, and shall inure to the benefit of, the successors and assigns of the Declarant and the Developer, the Lessee, the Investor, the Lender, and the Manager. This Declaration shall be governed by and construed in accordance with the laws of the State of South Carolina.

G. Jurisdiction/Venue Beaufort County. Any action brought by any party related to or concerning Declaration shall be brought in the Court of Common Pleas for Beaufort County, South Carolina.

H. No Waiver. Failure to enforce, or delay in the enforcement of, any provision or provisions of this Declaration shall not operate as a waiver of or estoppel with respect to the enforcement to any such provision or of any other provisions of this Declaration.

I. Captions. The captions and headings in this Declaration are for convenience only and shall not be considered in construing any provisions of this Declaration.

J. Amendments. Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any provision or term of this Declaration shall be effective without the prior written consent the Town and the adoption of an ordinance by the Town authorizing the amendment.

K. Grant. The Declarant hereby declares, and Beaufort County and St. James acknowledge that this Declaration, and the covenants, conditions, and restrictions created herein, shall be and constitute real covenants running with the fee simple estate of the Property.

L. Notices. Any notices given under this Declaration shall be in writing and delivered by certified first-class mail (return receipt requested, postage paid), by hand in person, or by private overnight commercial courier service, to the following addresses:

To the Town/Declarant:	Town of Hilton Head Island Attention: Town Manager One Town Center Court Hilton Head Island, SC 29928;
To the St. James:	St. James Baptist Church ATTN: Post Office Box 21883 Hilton Head Island, SC 29925
To Beaufort County:	Beaufort County ATTN: County Administrator 100 Ribaut Road Beaufort, SC 29902

or to such other address or person as any party may direct by written notice to any other party.

M. Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with any other existing or future covenants, restrictions, declarations, or easements applicable to the Property or any portion thereof, and the Town may, but shall not be required to, enforce any such other covenants, conditions, restrictions, declarations, and easements; *provided, however,* that in the event of a conflict between or among this Declaration and such other covenants, conditions, restrictions, declarations, or easements recorded in the Public Records, after the date and time of the recording of this Declaration in the Public Records, this Declaration shall prevail. Nothing in this Article 4(M) shall preclude any other covenants, restrictions, declarations, or easements applicable to any portion of the Property from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Town shall have the standing and authority to enforce the same.

[Signature pages follow]

In Witness Whereof, the Town of Hilton Head Island, South Carolina, by and through its duly authorized officers, has caused this Declaration to be signed and sealed on this ____ of _____, 2026.

WITNESSES:

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

_____

By:_____
Alan R. Perry, Mayor

_____

Its:_____
Marc A. Orlando, Town Manager

STATE OF SOUTH CAROLINA)
) UNIFORM ACKNOWLEDGMENT
COUNTY OF BEAUFORT)

The undersigned Notary Public certifies that Alan R. Perry, Mayor and Marc A. Orlando, Town Manager, the duly authorized officers of the Town of Hilton Head Island, South Carolina, personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument.

Sworn to and Subscribed before me
on this _____ Day of _____, 2026.

_____
Notary Public for _____
My Commission Expires:_____

In Witness Whereof, Beaufort County, South Carolina, by and through its duly authorized officer, has caused this Declaration to be signed and sealed on this ____ of _____, 2026.

WITNESSES:

BEAUFOR COUNTY, SOUTH CAROLINA

_____

By:_____
Michael Moore
County Administrator

_____

STATE OF SOUTH CAROLINA)
) UNIFORM ACKNOWLEDGMENT
COUNTY OF BEAUFORT)

The undersigned Notary Public certifies that Michael Moore, the duly authorized County Administrator of Beaufort County, South Carolina, personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument.

Sworn to and Subscribed before me
on this _____ Day of _____, 2026.

_____
Notary Public for _____
My Commission Expires:_____

In Witness Whereof, St. James Baptist Church, by and through its duly authorized officer, has caused this Declaration to be signed and sealed on this ____ of _____, 2026.

WITNESSES:

ST. JAMES BATPIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION

_____

By:_____

_____

STATE OF SOUTH CAROLINA)
) UNIFORM ACKNOWLEDGMENT
COUNTY OF BEAUFORT)

The undersigned Notary Public certifies that_____, the duly authorized officer of St. James Baptist Church, A South Carolina Nonprofit Corporation, personally appeared before me on this day and duly acknowledged the execution of the foregoing instrument.

Sworn to and Subscribed before me
on this _____ Day of _____, 2026.

_____
Notary Public for _____
My Commission Expires:_____

ATTACHMENT 4

ST.JAMES BAPTIST CHURCH HILTON HEAD ISLAND

Union Cemetery Road, Hilton Head, Beaufort County, South Carolina
Owner: St. James Baptist Church

Total Site Area		4.667 Ac.		203,295 SF
Zoning	= Parks and Recreation Distict (PR)			
Overlay	= COR and Airport Overlay			
Proposed Use	= Religious Institution			
Existing Use	= Outdoor Commercial Recreation			
Flood Zone	= Zone X			
Building Setbacks				
East Side Yard	=	15	FT	(Residential Use)
	=	5	FT	(Construction Setback)
West Side Yard	=	N/A	FT	(PD-1)
	=	5	FT	(Construction Setback)
Rear	=	N/A	FT	(PD-1)
	=	5	FT	(Construction Setback)
Front Street (Union Cemetery Road)	=	40	FT	(Minor Arterial T.O.H.H.)
	=	35	FT	(P.A.B.)

Buffers		Type	
East Side Yard	=	N/A	
West Side Yard	=	N/A	
Rear	=	N/A	
Front Street (Union Cemetery Road)	=	B	(Minor Arterial - 40')

Site Area	=	4.667	Ac.		
Impervious Cover					
Exist Imp Cover	=	0.174	Ac.	3.7%	7,579 SF
Total Proposed Imp Cover	=	**1.448**	**Ac.**	**31.0%**	**63,076 SF**
Total Bldg / Overhang Coverage	=	0.360	Ac.	7.7%	15,678 SF
Total Parking/Drives/Walks	=	1.088	Ac.	23.3%	47,398 SF
Net Imp Cover Added	=	**1.274**	**Ac.**	**27.3%**	**55,497 SF**

Bldg. Height / Gross Floor Area*		GFA		Height		
Building	=	11,975	SF	23' 6"	(1-story)	(45' Max)
Schoolhouse	=	1,000	SF			

*See Parking Calculations for Hilton Head Island Official Uses

Proposed Floor Area Ratio	=	0.06	

Vehicle Parking Calculations

Required Vehicle Parking

Land Use & Calculation Unit	HHI Use Category	No.	SP/Unit	Total Spaces
Religious Institutions (Seats)	Indoor Recreation	250	3	83.3

Total Required Vehicle Parking	=	**83**	**Spaces**	

Provided Parking	Standard	Accessible	Van Accessible	Electric	Total
Surface Spaces	88	6	2	0	96

Total Provided Parking	=	**96**	**Spaces**	(>= 83 Required Spaces)
Total Provided Accessible Parking	=	**8**	**Spaces**	

Bike Parking Calculations

Required Bike Parking			
4 per 10 Vehicle Spaces (1st 50 Vehicle Spaces)	=	20	
2 per 10 Vehicle Spaces (50+ Vehicle Spaces)	=	10	
Total Required Bike Parking	=	30	
Provided Bike Parking			
Bike Rack (2 Spaces)	=	15	
Total Provided Bike Parking	=	**30**	**Spaces**

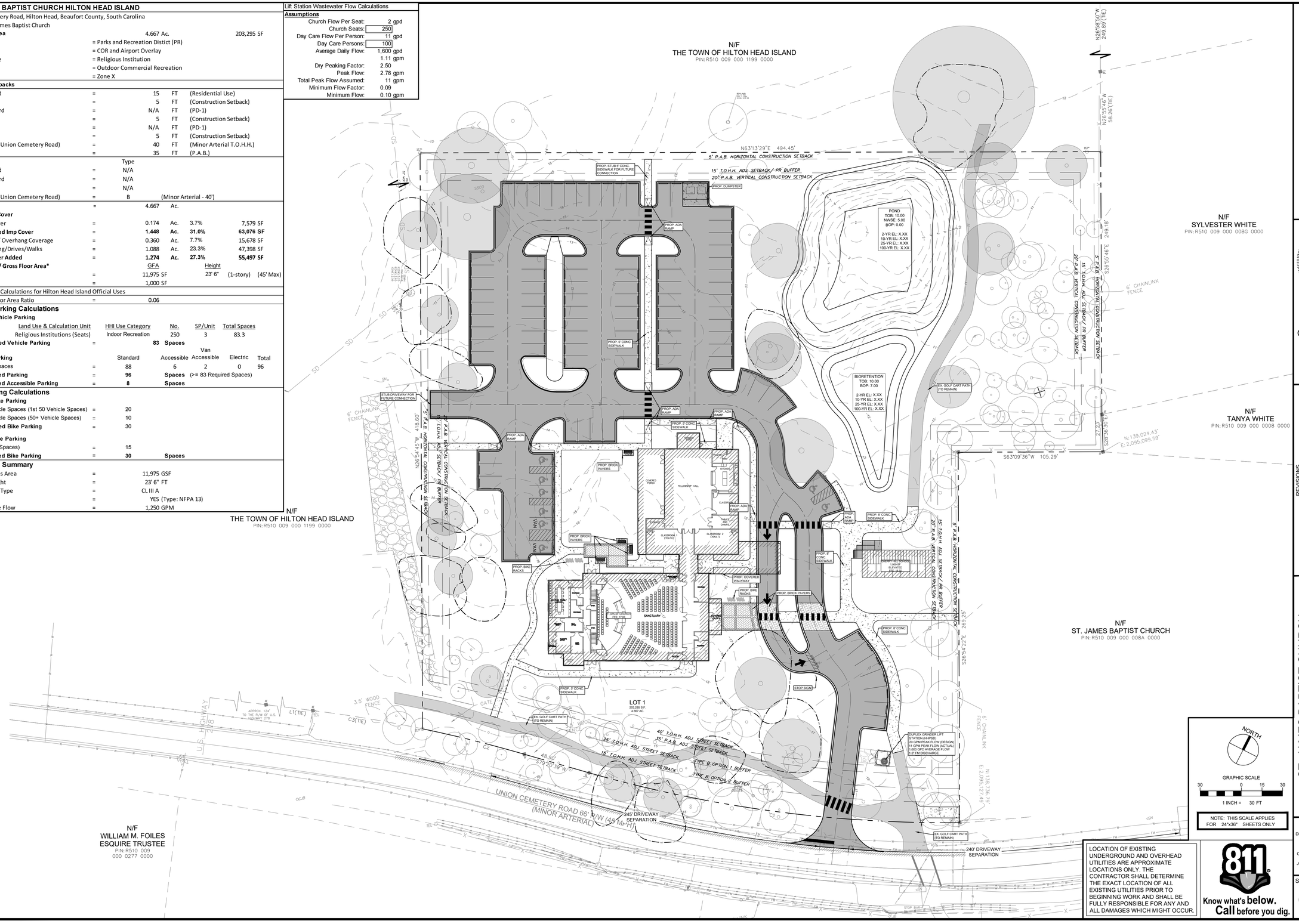
Fire Safety Summary

Building Gross Area	=	11,975 GSF
Building Height	=	23' 6" FT
Construction Type	=	CL III A
Sprinklered?	=	YES (Type: NFPA 13)
Required Fire Flow	=	1,250 GPM

Lift Station Wastewater Flow Calculations

Assumptions

Church Flow Per Seat:	2 gpd
Church Seats:	250
Day Care Flow Per Person:	11 gpd
Day Care Persons:	100
Average Daily Flow:	1,600 gpd
	1.11 gpm
Dry Peaking Factor:	2.50
Peak Flow:	2.78 gpm
Total Peak Flow Assumed:	11 gpm
Minimum Flow Factor:	0.09
Minimum Flow:	0.10 gpm



LJA Engineering, Inc.
171 Church Street
Suite 100
Charleston, South Carolina 29401
Phone 843.507.8404
www.LJA.com
FRN-C06168

SOUTH CAROLINA LICENSED PROFESSIONAL ENGINEER
No. 41912
CLAY A. JESSIE

NOT FOR CONSTRUCTION FOR REVIEW PURPOSES ONLY

NO.	REVISIONS DESCRIPTION	BY	DATE

NORTH

GRAPHIC SCALE
30 0 15 30
1 INCH = 30 FT

NOTE: THIS SCALE APPLIES FOR 24"x36" SHEETS ONLY

LOCATION OF EXISTING UNDERGROUND AND OVERHEAD UTILITIES ARE APPROXIMATE LOCATIONS ONLY. THE CONTRACTOR SHALL DETERMINE THE EXACT LOCATION OF ALL EXISTING UTILITIES PRIOR TO BEGINNING WORK AND SHALL BE FULLY RESPONSIBLE FOR ANY AND ALL DAMAGES WHICH MIGHT OCCUR.

811 Know what's below. Call before you dig.

ST. JAMES BAPTIST CHURCH
HILTON HEAD ISLAND
SITE DEVELOPMENT

SITE PLAN

DATE: DECEMBER 5, 2024
DESIGNED BY: CCV
DRAWN BY: CCV
CHECKED BY: CRH
JOB NUMBER: SC4671-2401

SHEET NO.
C3.00

I:\SC4671-YCP-2401-St James HHI\CAD\Exhibits\SC4671-2401 SITE PLAN Exhibit.dwg
User: cvtaylor
Last Modified: Dec 13, 24 - 10:03
Xrefs Bound/Inserted: Dec 10, 24 - 10:43:23

TOWN OF HILTON HEAD ISLAND

Town Council

TO:	Mayor Alan R. Perry & Town Council Members
FROM:	Zenos Morris, Director of the Built Environment
CC:	Marc Orlando, Town Manager, ICMA-CM Ben Brown, Interim Deputy Town Manager Curtis Coltrane, Town Attorney
DATE:	June 9, 2026
SUBJECT:	Consideration of an Ordinance authorizing the Long Term Lease of improved Real Property to St. James Baptist Church, and the possible reconveyance of real property to St. James Baptist Church upon the occurrence of certain events described in the contracts between the Town and St. James Baptist Church and Beaufort County, South Carolina, described in Agenda items ___(a) and ___(b) above, and providing for severability and an effective date.

RECOMMENDATION:

Town Council is requested to consider approval of an Ordinance authorizing:

1. The execution of a long-term lease of real property owned by the Town of Hilton Head Island to St. James Baptist Church, a South Carolina nonprofit corporation; and
2. The potential reconveyance of real property to St. James Baptist Church under the terms of a Contract authorized on June 9, 2026, subject to the conditions set forth therein.

Because the Town is leasing property to St. James, and because of the possibility of a reconveyance of the property, an Ordinance is required under S. C. Code Ann. § 5-7-40 (Supp. 2025) and § 2-7-20, *Municipal Code of the Town of Hilton Head Island, South Carolina,* (1983).

BACKGROUND:

St. James Baptist Church is a historic and culturally significant institution with deep roots in the heritage of Hilton Head Island. The current mitigation effort is associated with the Hilton Head Island Airport expansion and is intended to facilitate the relocation of the church and the Cherry Hill School, both of which are currently located within the Runway Protection Zone and in close proximity to the airport runway.

The relocation project includes construction of a new church facility and the physical relocation of the Cherry Hill School to a newly acquired site outside of the Runway Protection Zone.

To support this effort, the Town, Beaufort County, and St. James Baptist Church have collaborated on a coordinated strategy involving the acquisition, lease, and conveyance of property to achieve mutually beneficial public outcomes.

SUMMARY OF ST. JAMES BAPTIST CHURCH PROPERTY AND TERMS:

St. James Baptist Church Property

- Zoning:
  - ✓ Light Commercial (LC) – Church Property (209 Dillon Road)
  - ✓ Low to Moderate Density Residential (RM-4) – Cherry Hill School Property (210 Dillon Road)
- Total Acreage: 1.70 acres
  - ✓ Church Site: 1.11 acres
  - ✓ Cherry Hill School Site: 0.59 acres
- Appraised Value: $1,290,000

PROPOSED CONVEYANCE TERMS:

The proposed Town to Beaufort County transaction is one of three related transactions that will result in the relocation of the St. James Baptist Church and the Cherry Hill School. This is the outline of the three transactions that are proposed:

1. St. James to Town: St. James will sell the existing St. James Baptist Church property at the corner of Beach City and Dillon Roads to the Town for a purchase price of $1,290,000. The St. James to Town Contract includes five additional agreements:

   (a) The net proceeds (the purchase price less St. James' closing costs) will be placed into escrow and utilized to pay costs of the construction of a new church building and fellowship hall and moving the Cherry Hill School structure to the new site. Use and payment of the funds is governed by a Construction Escrow and Reverter Agreement to be made by the Town, St. James, and Beaufort County, which is described below.

   (b) At the closing of the St. James to Town sale, St. James and the Town will enter into a lease to allow St. James to occupy the existing church building while the new church facilities are being built. The lease calls for nominal rent during the lease. St. James is responsible for all expenses related to the property during the lease term and is responsible for the maintenance of the building.

   (c) At the end of the lease, St. James will convey all of the furniture, fixtures and equipment remaining in the existing church structure to the Town. The proposed contract allows St. James to take any of the furniture, fixtures, and equipment, including the windows, that it wishes to keep and use in the new facilities, but anything that it does not take will be conveyed to the Town. Once the lease is ended and St. James has moved to the new facilities, the structure and whatever is left in it will be demolished and disposed of.

   (d) There is an agreement regarding artifacts that have been found on the existing St. James property, and which may be found in the future. The proposed agreement makes the Town the owner of the artifacts and makes St. James the curator of the artifacts. St. James is obligated to display the artifacts, and that such will be available to the public. At such time as St. James ceases to operate, or a successor church takes over the congregation, the Town becomes the custodian

and curator of the artifacts. In such case, The Town is obligated to display the artifacts, and that such will be available to the public.

(e) St. James acknowledges that the property on which the new facilities will be built will be subject to a declaration of covenants that restricts the uses to which the property can be put. The use restriction limits the use of the new property to (1) religious uses, meaning churches, mosques, synagogues, and temples, and the accessory use of a fellowship hall, and related religious activities, including, without limitation, the operation of the St. James soup kitchen, and the hosting of community events, in the Cherry Hill School; and (2) Public and government uses.

The proposed contract includes a requirement that once St. James has vacated the property, the Town will erect a commemorative sign on the property regarding St. James Baptist Church. The sign will use the Town's historic marker style sign, and the Town will work with St. James to create the text.

2. Town to Beaufort County: The Town will sell the 4.667 acre property on Union Cemetery Road to Beaufort County for nominal consideration, meaning one dollar. The proposed Town and Beaufort County contract includes two additional agreements:

   (a) Simultaneous with the conveyance of the 4.667 acres to Beaufort County, the Town will record a declaration of covenants that will restrict the use of the 4.667 acres to (1) religious uses, meaning churches, mosques, synagogues, and temples, and the accessory use of a fellowship hall, and related religious activities, including, without limitation, the operation of the St. James soup kitchen, and the hosting of community events, in the Cherry Hill School; and (2) Public and government uses.

   (b) Following the transfer of the 4.667 acres to Beaufort County, it will oversee the construction of the new church building and fellowship hall, using a variety of funds as follows:

(i)	St. James Construction Escrow Money (estimate)	$ 1,290,000
(ii)	South Carolina Funding (Design & Construction)	$ 4,000,000
(iii)	South Carolina Funding (fellowship hall)	$ 750,000
(iv)	Town and Beaufort County grant	$ 300,000
(v)	Beaufort County General Obligation Bond	$ 3,500,000

   Under the proposed contracts, and the proposed Construction Escrow and Reverter Agreement, funds will be used in the order set out above. The initial budget for planning, due diligence, soft costs and construction of the new facilities and the relocation of the Cherry Hill School is $ 9,840,000.

3. Beaufort County to St. James: Following completion of the new facilities and the relocation of the Cherry Hill School, Beaufort County will convey the property to St. James for nominal consideration, meaning $10.00. The conveyance of the property to St. James will be subject to the declaration of covenants described in Paragraph 1(d) and 2(a) above.

Both proposed contracts include text regarding a contingency related to Beaufort County's adoption of Ordinances authorizing the conveyance of the 4.667 acres to St. James Baptist Church, and the adoption of an ordinance authorizing the Three Millon Five Hundred Thousand General Obligation Bond described in 2(b) above. If the contingencies are not met, the transactions will be undone, and the properties reconveyed. We are advised that the contingencies will have been met by Beaufort County at or before Council's consideration of this Ordinance.

CONCLUSION:

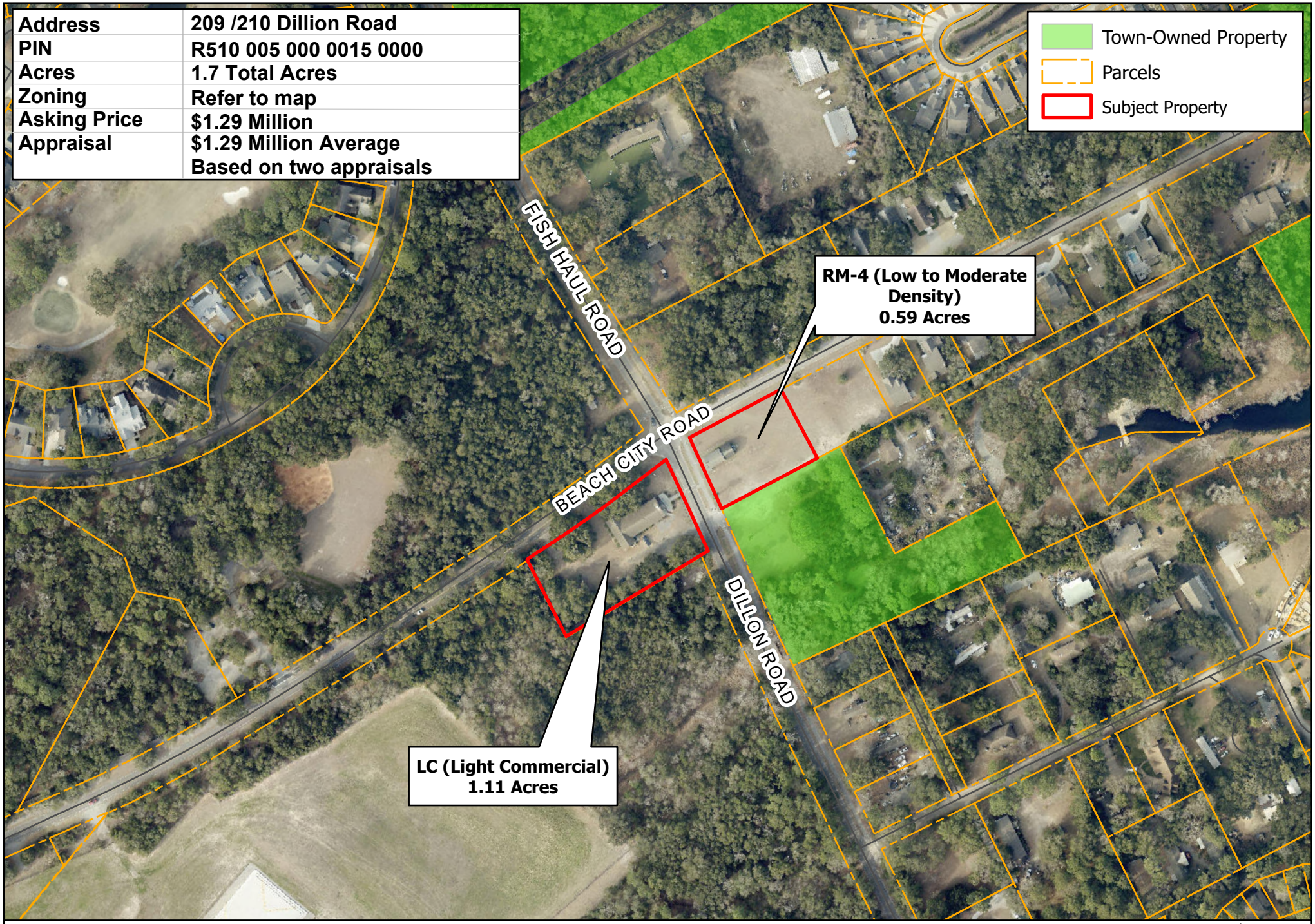
Town Council is requested to consider approval of an Ordinance authorizing:

1. The execution of a long-term lease of Town-owned property to St. James Baptist Church; and
2. The potential reconveyance of property to St. James Baptist Church if Beaufort County is unable to complete the relocation project, with reimbursement to the Town in the amount of $1,290,000, consistent with the terms of the governing agreements.

ATTACHMENTS:

1. St. James Property Map
2. Ordinance for Long Term Lease – St. James Baptist Church

Address	209 /210 Dillion Road
PIN	R510 005 000 0015 0000
Acres	1.7 Total Acres
Zoning	Refer to map
Asking Price	$1.29 Million
Appraisal	$1.29 Million Average Based on two appraisals



TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341- 4600
Date Created:
Project - Asst

ATTACHMENT 1

Town of Hilton Head Island

St James and Cherry Hill School Sites

April, 2026

N

The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completeness.

Ordinance 2026-____

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE LONG TERM LEASE OF REAL PROPERTY OWNED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO ST, JAMES BAPTIST CHURCH, A SOUTH CAROLINA NONPROFIT CORPORATION; AND THE RECONVEYACNE OF REAL PROPERTY TO BE OWNED BY THE TOWN OF HILTON HEAD ISLAND, TO ST. JAMES BAPTIST CHURCH, UNDER THE TERMS OF A CONTRACT AUTHORIZED ON JUNE 9, 2026; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT ORDERED AND ORDAINED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND IT IS ORDAINED BY THE AUTHORITY OF THE TOWN COUNCIL AS FOLLOWS.

Section 1. Findings and Conclusions.

(a) On June 9, 2026, the Town Council authorized the execution and delivery of a Contract (the "Contract") between the Town of Hilton Head Island, South Carolina (the "Town"), and St. James Baptist Church, A South Carolina Nonprofit Corporation ("St. James"). The findings and authorizations in the June 9, 2026, Resolution, and the terms of the Contract are incorporated herein by reference.

(b) Under the terms and conditions of the Contract:

(i) the Town is obligated to purchase 1.70 acres of improved real property from St. James (the "Property");

(ii) St. James is the is obligated to commit the proceeds from the sale to the cost of the construction of a new church sanctuary and fellowship hall and the relocation of the Cherry Hill School to Property that will be owned by Beaufort County, South Carolina;

(iii) the Town is obligated to lease the Property back to St. James during the period of the construction of the new church sanctuary and fellowship hall; and,

(iv) the Town is obligated to re-convey the Property to St. James on the occurrence of certain events as are described in the Contract, and in the contract between the Town and Beaufort County, South Carolina described in Section 1(f) below;

all as is described in the terms and conditions of the Contract.

(c) The purpose of the Contract is to facilitate the relocation of St. James Baptist Church, including the Cherry Hill School building, which are currently located in the "Runway Protection Zone" and in close proximity to the runway of the Hilton Head Island Airport, to an area outside of the Runway Protection Zone of the Hilton Head Island Airport.

(d) The current location of the St. James Baptist Church and the Cherry Hill School building in the Runway Protection Zone and their proximity to the runway of the Hilton Head Island Airport have been identified as a public safety concern for both the St. James Baptist Church and the users of Hilton Head Island Airport, and noise concerns for the St. James Baptist Church.

(e) St. James Baptist Church was founded in the year 1886, and it is a historic church that has long provided the community with both church and community services, utilizing both the existing church sanctuary and the Cherry Hill School building, and St. James Baptist Church is an important historic, cultural and community institution in the Town.

(f) The Contract is one of three separate contracts that have been made to facilitate the relocation of St. James Baptist Church. In addition to the Contract, there is a contract between the Town and Beaufort County, South Carolina, providing for the conveyance of 4.667 acres to Beaufort County, South Carolina, and the construction of a new church sanctuary and fellowship hall and the relocation of the Cherry Hill School building. There

is also a contract between the County and St. James Baptist Church providing for the transfer of the Property, along with the new church sanctuary and fellowship hall; on completion of new church sanctuary and fellowship hall and the re-location of the Cherry Hill School building to the Property. The Contract and the contracts described in this Section 1(f) represent a compromise made by the Town, St. James and Beaufort County, South Carolina, without resort to eminent domain. The terms of the Contracts described in this Section 1(d) are incorporated herein by reference.

(g) Beaufort County has previously adopted Ordinance 26-18 and Ordinance 26-19 authorizing the Contract, the completion of the construction of the new church sanctuary and relocation of the Cherry Hill School building and the transfer of the property to St. James Baptist Church on completion of new church sanctuary and fellowship hall and the re-location of the Cherry Hill School building to the Property.

(h) The 4.667 acre property that is the subject of the contracts described in section 1(d) above is outside of the Runway Protection Zone of the Hilton Head Island Airport, and is suitable and desirable for the relocation of St. James Baptist Church and the Cherry Hill School. This location addresses the public safety concerns described in Section 1(c) and 1(d) above.

(i) The relocation of the St. James Baptist Church and the Cherry Hill School building serves the valid public purposes of improving safety at the Hilton Head Island Airport and the preservation of a historic and significant community institution in the Town.

(j) For the reasons stated above, the Town finds that the lease of Town owned property to St. James, and the reconveyance of the Property to St. James on the occurrence of the events described in the Contract and in the contract between the Town and Beaufort County described in Section 1(f) above, are in the best interests of the Town,

and will promote the health, safety and welfare of the Town's citizens, residents, property owners and business owners.

(k) S. C. Code Ann. § 5-7-40 (Supp. 2025) and § 2-7-20, *Municipal Code of the Town of Hilton Head Island, South Carolina,* (1983), require that any lease, conveyance or granting of an interest in real property owned by the Town of Hilton Head Island, South Carolina, must be authorized by Ordinance.

Section 2. Authority to Lease and to Transfer the Property.

(a) Under the authority of S. C. Code Ann. § 5-7-40 (Supp. 2025), and § 2-7-20, *Municipal Code of the Town of Hilton Head Island, South Carolina,* (1983), the Town is authorized to Lease the Property to St. James under the terms and conditions of the Contract.

(b) Under the authority of S. C. Code Ann. § 5-7-40 (Supp. 2025), and § 2-7-20, *Municipal Code of the Town of Hilton Head Island, South Carolina,* (1983), the Town is authorized to re-convey the Property to St. James on the occurrence of certain events as are described in the Contract, and in the contract between the Town and Beaufort County, South Carolina described in Section 1(d) above.

(c) The Mayor and Town Manager are authorized to execute and deliver the Lease of the Property to St. James, under the terms and conditions of the Contract.

(d) The Mayor and Town Manager are authorized to execute and deliver the Deed and other documents required to re-convey the Property to St. James on the occurrence of certain events as are described in the Contract, and in the contract between the Town and Beaufort County, South Carolina described in Section 1(d) above.

(e) The Mayor and Town Manager are authorized to take all other and further actions as may be necessary to complete the action authorized in (a), (b), (c) and (d) above.

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 on the date of its adoption by the Town Council for the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS 14th DAY OF JULY, 2026.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

_____
Alan R. Perry, Mayor

ATTEST:

_____
Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

_____
Curtis L. Coltrane

First Reading: June 9, 2026.

Second Reading: _____

TOWN OF HILTON HEAD ISLAND

Town Council

TO:	Mayor Alan R. Perry & Town Council Members
FROM:	Zenos Morris, Director of the Built Environment
CC:	Marc Orlando, Town Manager, ICMA-CM Ben Brown, Interim Deputy Town Manager Curtis Coltrane, Town Attorney
DATE:	June 9, 2026
SUBJECT:	Consideration of an Ordinance authorizing the conveyance of 4.667 Acres of real property owned by the Town to Beaufort County, South Carolina, under the terms and conditions of the Contract between the Town and Beaufort County, South Carolina, described in Agenda item ___(b) above, and providing for severability and an effective date.

RECOMMENDATION:

Town Council is requested to consider approval of an Ordinance authorizing the conveyance of approximately 4.667 acres of Town-owned property located on Union Cemetery Road to Beaufort County, South Carolina, under the terms and conditions of the Contract authorized by Town Council on June 9, 2026, and to take all actions necessary to complete the transaction described therein. Because the Town is conveying property to Beaufort County, an Ordinance is required under S. C. Code Ann. § 5-7-40 (Supp. 2025) and § 2-7-20, *Municipal Code of the Town of Hilton Head Island, South Carolina,* (1983).

BACKGROUND:

St. James Baptist Church is a historic and culturally significant institution with deep roots in the heritage of Hilton Head Island. The current mitigation effort is associated with the Hilton Head Island Airport expansion and is intended to facilitate the relocation of the church and the Cherry Hill School, both of which are currently located within the Runway Protection Zone and in close proximity to the airport runway.

The relocation project includes construction of a new church facility and the physical relocation of the Cherry Hill School to a newly acquired site outside of the Runway Protection Zone.

To support this effort, the Town, Beaufort County, and St. James Baptist Church have collaborated on a coordinated strategy involving the acquisition and conveyance of property to achieve mutually beneficial public outcomes.

SUMMARY OF TOWN-OWNED PROPERTY – UNION CEMETERY ROAD:

- Zoning: Planned Development (PD-1)
- Total Acreage: 4.667 acres
- Appraised Value: $2,750,000

PROPOSED CONVEYANCE TERMS:

The proposed Town to Beaufort County transaction is one of three related transactions that will result in the relocation of the St. James Baptist Church and the Cherry Hill School. This is the outline of the three transactions that are proposed:

1. St. James to Town: St. James will sell the existing St. James Baptist Church property at the corner of Beach City and Dillon Roads to the Town for a purchase price of $1,290,000.00. The St. James to Town Contract includes five additional agreements:

    (a) The net proceeds (the purchase price less St. James' closing costs) will be placed into escrow and utilized to pay costs of the construction of a new church building and fellowship hall and moving the Cherry Hill School structure to the new site. Use and payment of the funds is governed by a Construction Escrow and Reverter Agreement to be made by the Town, St. James, and Beaufort County, which is described below.

    (b) At the closing of the St. James to Town sale, St. James and the Town will enter into a lease to allow St. James to occupy the existing church building while the new church facilities are being built. The lease calls for nominal rent during the lease. St. James is responsible for all expenses related to the property during the lease term and is responsible for the maintenance of the building.

    (c) At the end of the lease, St. James will convey all of the furniture, fixtures and equipment remaining in the existing church structure to the Town. The proposed contract allows St. James to take any of the furniture, fixtures, and equipment, including the windows, that it wishes to keep and use in the new facilities, but anything that it does not take will be conveyed to the Town. Once the lease is ended and St. James has moved to the new facilities, the structure and whatever is left in it will be demolished and disposed of.

    (d) There is an agreement regarding artifacts that have been found on the existing St. James property, and which may be found in the future. The proposed agreement makes the Town the owner of the artifacts and makes St. James the curator of the artifacts. St. James is obligated to display the artifacts, and that such will be available to the public. At such time as St. James ceases to operate, or a successor church takes over the congregation, the Town becomes the custodian and curator of the artifacts. In such case, The Town is obligated to display the artifacts, and that such will be available to the public.

    (e) St. James acknowledges that the property on which the new facilities will be built will be subject to a declaration of covenants that restricts the uses to which the property can be put. The use restriction limits the use of the new property to (1) religious uses, meaning churches, mosques, synagogues, and temples, and the accessory use of a fellowship hall, and related religious activities, including, without limitation, the operation of the St. James soup kitchen, and the hosting of community events, in the Cherry Hill School; and (2) Public and government uses.

The proposed contract includes a requirement that once St. James has vacated the property, the Town will erect a commemorative sign on the property regarding St. James Baptist Church. The sign will use the Town's historic marker style sign, and the Town will work with St. James to create the text.

2. Town to Beaufort County: The Town will sell the 4.667 acre property on Union Cemetery Road to Beaufort County for nominal consideration, meaning one dollar. The proposed Town and Beaufort County contract includes two additional agreements:

    (a) Simultaneous with the conveyance of the 4.667 acres to Beaufort County, the Town will record a declaration of covenants that will restrict the use of the 4.667 acres to (1) religious uses, meaning churches, mosques, synagogues, and temples, and the accessory use of a fellowship hall, and related religious activities, including, without limitation, the operation of the St. James soup kitchen, and the hosting of community events, in the Cherry Hill School; and (2) Public and government uses.

    (b) Following the transfer of the 4.667 acres to Beaufort County, it will oversee the construction of the new church building and fellowship hall, using a variety of funds as follows:

(i)	St. James Construction Escrow Money (estimate)	$ 1,290,000.00
(ii)	South Carolina Funding (Design & Construction)	$ 4,000,000.00
(iii)	South Carolina Funding (fellowship hall)	$ 750,000.00
(iv)	Town and Beaufort County grant	$ 300,000.00
(v)	Beaufort County General Obligation Bond	$ 3,500,000.00

    Under the proposed contracts, and the proposed Construction Escrow and Reverter Agreement, funds will be used in the order set out above. The initial budget for the planning, due diligence, soft costs and construction of the new facilities and the relocation of the Cherry Hill School is $ 9,840,000.00.

3. Beaufort County to St. James: Following completion of the new facilities and the relocation of the Cherry Hill School, Beaufort County will convey the property to St. James for nominal consideration, meaning $10.00. The conveyance of the property to St. James will be subject to the declaration of covenants described in Paragraph 1(d) and 2(a) above.

Both proposed contracts include text regarding a contingency related to Beaufort County's adoption of Ordinances authorizing the conveyance of the 4.667 acres to St. James Baptist Church, and the adoption of an ordinance authorizing the Three Millon Five Hundred Thousand General Obligation Bond described in 2(b) above. If the contingencies are not met, the transactions will be undone, and the properties reconveyed. We are advised that the contingencies will have been met by Beaufort County at or before Council's consideration of this Ordinance.

BENEFITS OF THE TOWN'S CONVEYANCE OF PROPERTY:

- Supports the continued presence of a historically and culturally significant institution within the community.

- Provides a suitable site outside of the airport's Runway Protection Zone, improving long-term safety and compatibility with airport operations.
- Maintains continuity of an important cultural and civic institution, including preservation of the Cherry Hill School.
- Advances the goals of the Town's Strategic Plan and Comprehensive Plan.
- Enables the Town to guide the future use of the existing church property in a manner consistent with community objectives.
- Provides opportunities for appropriate restrictive covenants and long-term compatibility with surrounding land uses.
- Reflects a coordinated partnership among the Town, Beaufort County, and St. James Baptist Church to achieve shared public outcomes.

CONCLUSION:

Town Council is requested to consider approval of an Ordinance authorizing the conveyance of approximately 4.667 acres of Town-owned property located on Union Cemetery Road to Beaufort County in support of the Hilton Head Island Airport mitigation and relocation effort involving St. James Baptist Church and the Cherry Hill School.

ATTACHMENTS:

1. Mid Island Tract – Property Map
2. Ordinance for Purchase and Sale – Beaufort County
3. Site Plan

Address	**TBD**
PIN	**TBD**
Acres	**4.67 Acres**
Zoning	**Planned Development (PD-1)**
Appraisal	**$2.75 million**

TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600
Date Created: July 2025
ArcGIS Pro Project

ATTACHMENT 1

Town of Hilton Head Island

Union Cemetery Road Proposed Site

July, 2025

N

The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of currency and shall not be liable for any loss, cost or damages resulting from the use of this map.

Ordinance 2026-____

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE CONVEYANCE OF REAL PROPERTY OWNED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO BEAUFORT COUNTY, SOUTH CAROLINA, UNDER THE TERMS OF A CONTRACT AUTHORIZED ON JUNE 9, 2026; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT ORDERED AND ORDAINED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND IT IS ORDAINED BY THE AUTHORITY OF THE TOWN COUNCIL AS FOLLOWS.

Section 1. Findings and Conclusions.

(a) On June 9, 2026, the Town Council authorized the execution and delivery of a Contract (the "Contract") between the Town of Hilton Head Island, South Carolina (the "Town"), and Beaufort County, South Carolina (the "County"). The findings and authorizations in the June 9, 2026, Resolution, and the terms of the Contract are incorporated herein by reference.

(b) Under the terms and conditions of the Contract, the Town is obligated to transfer 4.667 acres of real property owned by the Town to the County (the "Property"); and the County is obligated to oversee the construction of a new church sanctuary and fellowship hall on the Property and the relocation of the Cherry Hill School to the Property, all as is described in the Contract.

(c) The purpose of the transfer the Property to the is to facilitate the relocation of St. James Baptist Church, including the Cherry Hill School building, which are currently located in the "Runway Protection Zone" and in close proximity to the runway of the Hilton Head Island Airport, to an area outside of the Runway Protection Zone of the Hilton Head Island Airport.

(d) The current location of the St. James Baptist Church and the Cherry Hill School building in the Runway Protection Zone and their proximity to the runway of the Hilton Head Island Airport have been identified as a public safety concern for both the St. James Baptist Church and the users of Hilton Head Island Airport, and noise concerns for the St. James Baptist Church.

(e) St. James Baptist Church was founded in the year 1886, and it is a historic church that has long provided the community with both church and community services, utilizing both the existing church sanctuary and the Cherry Hill School building, and St. James Baptist Church is an important historic, cultural and community institution in the Town.

(f) The Contract is one of three separate contracts that have been made to facilitate the relocation of St. James Baptist Church. In addition to the Contract, there is a contract between the Town and St. James Baptist Church, providing for the purchase and sale of the existing St. James Baptist Church property, with proceeds from the sale being committed to the cost of the construction a new church sanctuary and fellowship hall on the Property. There is also a contract between the County and St. James Baptist Church providing for the transfer of the Property, along with the new church sanctuary and fellowship hall; on completion of new church sanctuary and fellowship hall and the re-location of the Cherry Hill School building to the Property. The Contract and the contracts described in this Section 1(f) represent a compromise made by the Town, St. James and Beaufort County, South Carolina, without resort to eminent domain. The terms of the Contracts described in this Section 1(f) are incorporated herein by reference.

(g) Beaufort County has previously adopted Ordinance 26-18 and Ordinance 26-19 authorizing the Contract, the completion of the construction of the new church sanctuary and relocation of the Cherry Hill School building and the transfer of the property to St.

James Baptist Church on completion of new church sanctuary and fellowship hall and the re-location of the Cherry Hill School building to the Property.

(h) The Property is outside of the Runway Protection Zone of the Hilton Head Island Airport, and is suitable and desirable for the relocation of St. James Baptist Church and the Cherry Hill School. This location addresses the public safety and noise concerns described in Section 1(c) and 1(d) above.

(i) The relocation of the St. James Baptist Church and the Cherry Hill School building under the terms and conditions of the Contract and the contracts described in Section 1(f) above, serves the valid public purposes of improving safety at the Hilton Head Island Airport; the preservation of a historic and significant community institution in the Town.

(j) For the reasons stated above, the Town finds that the transfer of the Property to the County is in the best interests of the Town, and will promote the health, safety and welfare of the Town's citizens, residents, property owners and business owners.

(k) S. C. Code Ann. § 5-7-40 (Supp. 2025) and § 2-7-20, *Municipal Code of the Town of Hilton Head Island, South Carolina,* (1983), require that any lease, conveyance or granting of an interest in real property owned by the Town of Hilton Head Island, South Carolina, must be authorized by Ordinance.

Section 2. Authority to Transfer the Property.

(a) Under the authority of S. C. Code Ann. § 5-7-40 (Supp. 2025), and § 2-7-20, *Municipal Code of the Town of Hilton Head Island, South Carolina,* (1983), the Town is authorized to transfer the Property to the County under the terms and conditions of the Contract.

(b) The Mayor and Town Manager are authorized to execute and deliver the Deed and other documents for the purpose of transferring the Property to the County, under the terms and conditions of the Contract.

(c) The Mayor and Town Manager are authorized to take all other and further actions as may be necessary to complete the action authorized in (a) and (b) above.

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 on the date of its adoption by the Town Council for the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS 14th DAY OF JULY, 2026.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

_____
Alan R. Perry, Mayor

ATTEST:

_____
Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

_____
Curtis L. Coltrane

First Reading: June 9, 2026.

Second Reading: _____

ATTACHMENT 3

ST.JAMES BAPTIST CHURCH HILTON HEAD ISLAND

Union Cemetery Road, Hilton Head, Beaufort County, South Carolina
Owner: St. James Baptist Church

Total Site Area		4.667 Ac.			203,295 SF
Zoning	= Parks and Recreation Distict (PR)				
Overlay	= COR and Airport Overlay				
Proposed Use	= Religious Institution				
Existing Use	= Outdoor Commercial Recreation				
Flood Zone	= Zone X				
Building Setbacks					
East Side Yard	=	15	FT	(Residential Use)	
	=	5	FT	(Construction Setback)	
West Side Yard	=	N/A	FT	(PD-1)	
	=	5	FT	(Construction Setback)	
Rear	=	N/A	FT	(PD-1)	
	=	5	FT	(Construction Setback)	
Front Street (Union Cemetery Road)	=	40	FT	(Minor Arterial T.O.H.H.)	
	=	35	FT	(P.A.B.)	

Buffers		Type	
East Side Yard	=	N/A	
West Side Yard	=	N/A	
Rear	=	N/A	
Front Street (Union Cemetery Road)	=	B	(Minor Arterial - 40')

Site Area	=	4.667	Ac.		
Impervious Cover					
Exist Imp Cover	=	0.174	Ac.	3.7%	7,579 SF
Total Proposed Imp Cover	=	**1.448**	**Ac.**	**31.0%**	**63,076 SF**
Total Bldg / Overhang Coverage	=	0.360	Ac.	7.7%	15,678 SF
Total Parking/Drives/Walks	=	1.088	Ac.	23.3%	47,398 SF
Net Imp Cover Added	=	**1.274**	**Ac.**	**27.3%**	**55,497 SF**
Bldg. Height / Gross Floor Area*		GFA		Height	
Building	=	11,975 SF		23' 6"	(1-story) (45' Max)
Schoolhouse	=	1,000 SF			

*See Parking Calculations for Hilton Head Island Official Uses

Proposed Floor Area Ratio	=	0.06

Vehicle Parking Calculations

Required Vehicle Parking

Land Use & Calculation Unit	HHI Use Category	No.	SP/Unit	Total Spaces
Religious Institutions (Seats)	Indoor Recreation	250	3	83.3
Total Required Vehicle Parking =		**83**	**Spaces**	

Provided Parking	Standard	Accessible	Van Accessible	Electric	Total
Surface Spaces =	88	6	2	0	96
Total Provided Parking =	**96**	**Spaces**	(>= 83 Required Spaces)		
Total Provided Accessible Parking =	**8**	**Spaces**			

Bike Parking Calculations

Required Bike Parking

4 per 10 Vehicle Spaces (1st 50 Vehicle Spaces)	=	20	
2 per 10 Vehicle Spaces (50+ Vehicle Spaces)	=	10	
Total Required Bike Parking	=	30	
Provided Bike Parking			
Bike Rack (2 Spaces)	=	15	
Total Provided Bike Parking	=	**30**	**Spaces**

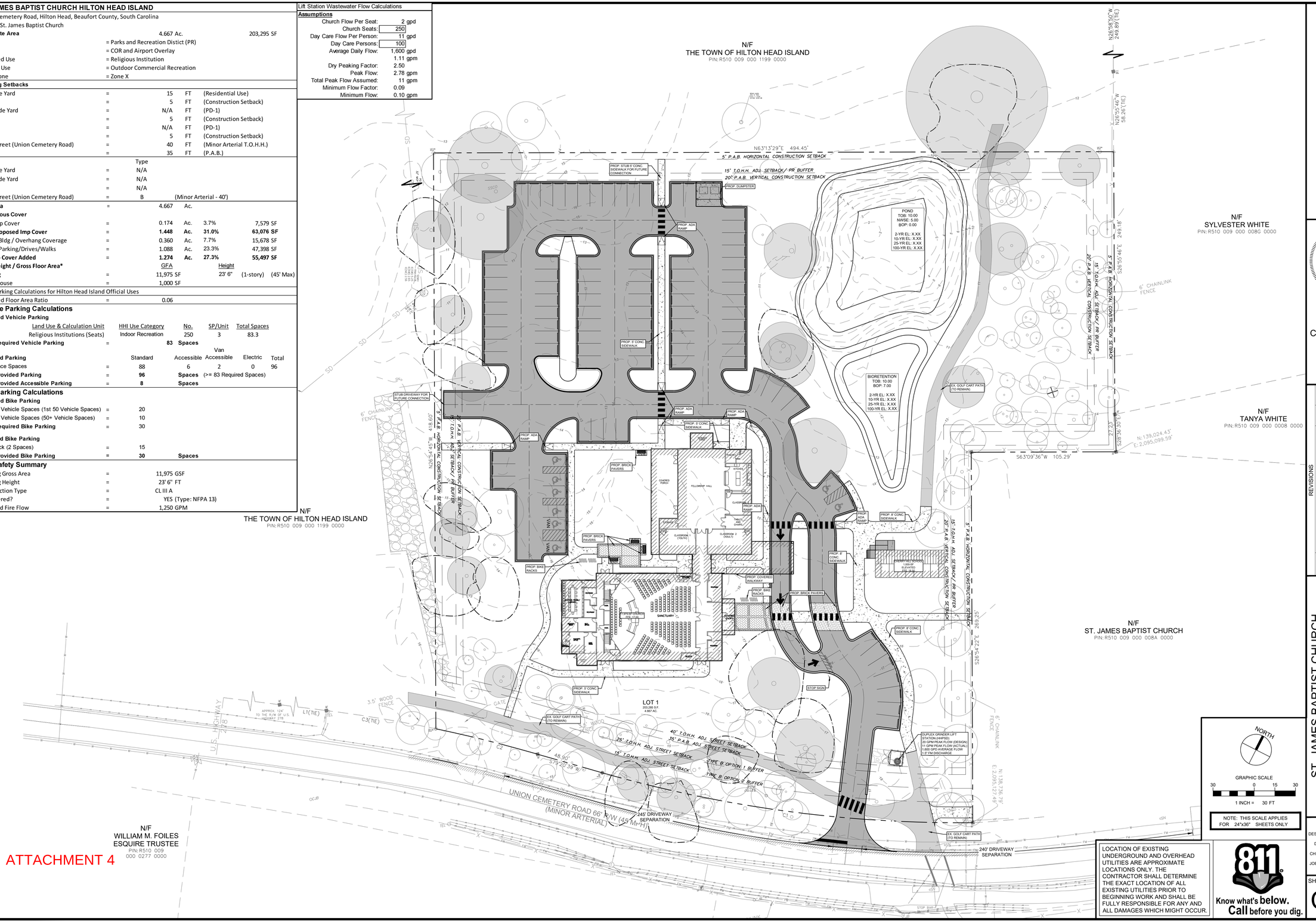
Fire Safety Summary

Building Gross Area	=	11,975 GSF
Building Height	=	23' 6" FT
Construction Type	=	CL III A
Sprinklered?	=	YES (Type: NFPA 13)
Required Fire Flow	=	1,250 GPM

Lift Station Wastewater Flow Calculations

Assumptions

Church Flow Per Seat:	2 gpd
Church Seats:	250
Day Care Flow Per Person:	11 gpd
Day Care Persons:	100
Average Daily Flow:	1,600 gpd
	1.11 gpm
Dry Peaking Factor:	2.50
Peak Flow:	2.78 gpm
Total Peak Flow Assumed:	11 gpm
Minimum Flow Factor:	0.09
Minimum Flow:	0.10 gpm



ATTACHMENT 4

LJA Engineering, Inc.
Phone 843.507.8404
www.LJA.com
FRN-C06168
171 Church Street
Suite 100
Charleston, South Carolina 29401

SOUTH CAROLINA LICENSED PROFESSIONAL ENGINEER
No. 41912
CLAY A. JESSIE

NOT FOR CONSTRUCTION FOR REVIEW PURPOSES ONLY

NO.	REVISIONS DESCRIPTION	BY	DATE

NORTH

GRAPHIC SCALE
30 0 15 30
1 INCH = 30 FT

NOTE: THIS SCALE APPLIES FOR 24"x36" SHEETS ONLY

LOCATION OF EXISTING UNDERGROUND AND OVERHEAD UTILITIES ARE APPROXIMATE LOCATIONS ONLY. THE CONTRACTOR SHALL DETERMINE THE EXACT LOCATION OF ALL EXISTING UTILITIES PRIOR TO BEGINNING WORK AND SHALL BE FULLY RESPONSIBLE FOR ANY AND ALL DAMAGES WHICH MIGHT OCCUR.

811 Know what's below. Call before you dig.

ST. JAMES BAPTIST CHURCH
HILTON HEAD ISLAND
SITE DEVELOPMENT

SITE PLAN

DATE: DECEMBER 5, 2024
DESIGNED BY: CCV
DRAWN BY: CCV
CHECKED BY: CRH
JOB NUMBER: SC4671-2401

SHEET NO.
C3.00

I:\SC4671-YCP-2401-St James HHI\CAD\Exhibits\SC4671-2401 SITE PLAN Exhibit.dwg
User: cvtaylor
Last Modified: Dec 13, 24 - 10:03
Plot Date/Time: Dec 13, 24 - 10:04:23