



Town of Hilton Head Island

Finance and Administrative Committee Meeting

Monday, July 13, 2026, 10:00 AM

**1 Town Center Court, Hilton Head Island, SC
Benjamin M. Racusin Council Chambers**

The meeting can be viewed on the [Town's YouTube Channel](#), the [Beaufort County Channel](#), and Spectrum Channel 1304.

- 1. Call to Order**
- 2. Adoption of the Agenda**
- 3. Approval of the Minutes**
 - a. Regular Meeting Minutes of May 11, 2026
- 4. Presentations**
 - a. Town of Hilton Head Island FY2027 Monthly Financial Update – Dave Byrd, Finance Director
 - b. Review and Update of the 2027 Accommodations Tax Grant Applications - Michele Bunce, Senior Grants Administrator
- 5. New Business**
 - a. Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina Authorizing the Execution and Delivery of a Financial Participation Agreement with the South Carolina Department of Transportation to Initiate an Engineering Analysis and the Design of Improvements to Sea Pines Circle - Shawn Gillen, Assistant Town Manager
 - b. Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina Authorizing the Execution and Delivery of a Sponsorship Agreement for the Hilton Head Island Jam 2026 Songwriter Festival - Angie Stone, Assistant Town Manager
 - c. Consideration of a Resolution Authorizing the Town Manager to Execute and Deliver an Amended Stormwater Management and Utility Intergovernmental Agreement between the Town of Hilton Head Island and Beaufort County,

6. Public Comment - Non Agenda Items

7. Adjournment

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

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Municipal Association of South Carolina (MASC) Civility Pledge:

"I pledge to build a stronger and more prosperous community by advocating for civil engagement, respecting others and their viewpoints, and finding solutions for the betterment of my city or town."



Town of Hilton Head Island
FINANCE AND ADMINISTRATIVE COMMITTEE
MEETING
Monday, May 11, 2026, 10:00 AM
Minutes

Call to Order

Chair Brown called the meeting to order at 10:00 a.m.

Committee Members Present: Alex Brown, Chair; Patsy Brison, and Melinda Tunner

Adoption of the Agenda

Ms. Brison made a motion to adopt. Ms. Tunner seconded. Motion carried 3-0.

Approval of the Minutes

Regular Meeting Minutes of April 6, 2026

Ms. Tunner made a motion to approve. Mr. Brown seconded. Motion carried 3-0.

Presentations

Town of Hilton Head Island FY2026 Monthly Financial Update – Dave Byrd, Finance Director

Dave Byrd, Finance Director, presented the Fiscal Year 2026 Monthly Financial Update through February, providing an overview of the Town's financial performance, including revenues, expenditures, capital project activity, and fund balance projections. Staff reported that overall revenues remained favorable compared to the prior fiscal year, with variances primarily attributable to the timing of property tax collections and one-time revenues.

Normalized revenues continued to perform within budget expectations, while expenditures remained consistent with the Town's adopted financial plan. Staff also provided an update on Capital Improvement Program (CIP) activity, noting continued progress on several major projects and a significant portion of the capital budget either expended or contractually committed.

The Committee discussed several components of the financial report, including sales and accommodations tax collections, business license revenues, permit activity, investment earnings, and year-over-year revenue trends. Members requested additional clarification regarding fluctuations in certain revenue categories and discussed how current economic conditions may affect future revenue collections. Mr. Byrd explained that while some revenue

sources have begun to normalize following several years of exceptional growth, the Town's overall financial position remains strong.

Additional discussion focused on capital project expenditures, reserve levels, grant reimbursements, and the Town's long-term financial outlook. Committee members expressed appreciation for the continued transparency of the monthly financial reporting and the detailed information provided to assist with budget oversight.

New Business

Presentation of the Destination Marketing Organization FY2027 Marketing Plan, Budget and Industry Metrics- Ariana Pernice, Vice President of the Visitor & Convention Bureau

Ariana Pernice, Vice President of the Visitor & Convention Bureau, gave a presentation regarding the proposed Fiscal Year 2027 Destination Marketing Organization (DMO) Marketing Plan. The presentation outlined the organization's marketing strategy, target audiences, performance measures, and planned initiatives to promote Hilton Head Island as a premier leisure travel destination while supporting sustainable tourism and economic development.

Ms. Pernice reviewed recent tourism performance, visitor research, marketing campaigns, and key performance indicators used to measure the effectiveness of marketing efforts. The presentation also highlighted digital advertising initiatives, public relations efforts, content development, and partnerships intended to increase overnight visitation while maintaining the Island's brand and visitor experience.

Committee members discussed the proposed marketing plan and asked questions regarding return on investment, campaign performance, accountability measures, and visitor trends.

Discussion also included balancing tourism promotion with quality-of-life considerations for residents and ensuring Accommodations Tax investments continue to produce measurable economic benefits for the community.

Chair Brown asked for public comments.

Skip Hoagland addressed the Committee regarding the need for transparency and compliance of how tax payer money is spent with the Hilton Head Island-Bluffton Chamber of Commerce.

The proposed marketing plan will be considered by Town Council as part of the Fiscal Year 2027 budget process.

There was no action taken at this time.

Consideration of a Resolution Authorizing the Town Manager to Execute an Intergovernmental Agreement with the South Carolina Department of Transportation for the Sea Pines Circle Improvement Project - Shawn Gillen, Assistant Town Manager

Shawn Gillen, Assistant Town Manager, gave a presentation regarding the proposed Intergovernmental Agreement between the Town and the South Carolina Department of Transportation (SCDOT) for the Sea Pines Circle Improvement Project. Mr. Gillen reviewed the purpose of the agreement, outlining the responsibilities of each agency for project funding, design, construction, and long-term maintenance. The proposed improvements are intended to enhance traffic operations, pedestrian accessibility, bicycle connectivity, and overall public safety within the corridor.

Mr. Gillen also provided an update on project coordination, permitting activities, anticipated construction scheduling, and ongoing collaboration with SCDOT and other project partners. The Committee discussed the importance of maintaining effective coordination throughout the project and minimizing impacts to residents, visitors, and businesses during construction.

Committee members asked questions regarding project funding, maintenance responsibilities, and anticipated improvements to traffic circulation. Mr. Gillen responded to questions concerning project milestones and implementation.

Ms. Brison made a motion to forward to Town Council for consideration of approval a resolution authorizing the Town Manager to execute an intergovernmental agreement with the South Carolina Department of Transportation for the Sea Pines Circle Improvement Project subject to revisions to Paragraph C and Paragraph F of Exhibit A. Ms. Tunner seconded.

Chair Brown asked for public comments.

Peter Ovens addressed the Committee regarding contracting with the Lowcountry Area Transportation Study to provide consultation on the project.

Shawn Colin addressed the Committee regarding clarification of owning and the maintenance of the Sea Pines Circle and he is looking forward to being a partner with the Town on this project.

Motion carried 3-0.

At 11:57 am, Chair Brown took a brief recess.

At 12:05 pm, Chair Brown resumed the meeting.

Consideration and Recommendation for Additional 2025 ATAX Grant Funding for HHI
Concours d'Elegance - Dave Byrd, Finance Director

Rick Sabol, Executive Director for the Hilton Head Island Concours d'Elegance presented follow-up materials to the Committee based on their previous discussion. Previously, the Committee received a presentation regarding a request for additional 2025 Accommodations Tax (ATAX) funding for the Hilton Head Island Concours d'Elegance. Staff explained that the request falls outside the annual grant cycle and would utilize unallocated funds remaining from the 2025 grant program. Background information was provided regarding the event's tourism impact, prior ATAX funding history, and the financial documentation submitted in support of the request.

Mr. Rick Sabol, discussed the organization's financial condition and the circumstances leading To the funding request. He also reviewed recent operating challenges, increasing event costs, and the financial measures being implemented to improve long-term sustainability while maintaining the event's economic impact on Hilton Head Island. Mr. Sabol shared with the Committee that the organization was able to secure a multiyear contract and withdrew their request for funding.

The Committee discussed the request and asked questions regarding the organization's financial outlook, proposed operational changes, attendance trends, and future funding strategy. Members also discussed the appropriateness of considering funding outside of the established grant cycle and emphasized that the request should be viewed as a unique circumstance rather than establishing precedent for future funding requests. Discussion further focused on accountability, responsible stewardship of public funds, and ensuring continued tourism-related benefits for the Town.

Chair Brown asked for public comment.

Skip Hoagland addressed the Committee congratulating the Hilton Head Island Concours d'Elegance on securing the funding needed. He also made mention of the intended use of Accommodations Tax funding.

Dave Ferguson addressed the Committee with his disappointment that the Accommodations Tax Advisory Committee was unaware that the organization secured sponsorship.

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

Thomas Boxley, Executive Director for the Gullah Geechee Historic Neighborhoods Community Development Corporation, gave a presentation regarding a proposed resolution to rename the Rowing and Sailing Center as Hilton Head Island Fishing Cooperative Park. He explained that the recommendation recognizes the historical significance of the Hilton Head Island Fishing Cooperative and its longstanding contributions to the Island's commercial fishing industry, maritime heritage, and cultural history. The proposed name change supports the Town's ongoing efforts to preserve and recognize significant historical and cultural resources.

Mr. Boxley provided historical background on the property and discussed previous initiatives to preserve the Island's heritage through public facilities and interpretive opportunities. The Committee was advised that the Fishing Cooperative represents an important chapter in Hilton Head Island's history and that the proposed name more accurately reflects the property's historical significance.

Committee members discussed the recommendation and expressed appreciation for the efforts to recognize the Island's history and honor the generations of individuals associated with the Fishing Cooperative. Discussion also included opportunities to further educate residents and visitors through future interpretive signage and historical information at the site.

Ms. Brison made a motion to forward to Town Council for consideration of approval a resolution authorizing the renaming of the Rowing and Sailing Center at Squire Pope Community Park to Hilton Head Island Fishing Cooperative Park. Ms. Tunner seconded.

Chair Brown asked for public comment.

Heather Rath addressed the Committee regarding the history of the Parks & Rec Commission and her advocacy of the name at the time that would tie to the community the park is in.

Motion carried 3-0.

Consideration of Authorization to Execute 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

Shawn Gillen, Assistant Town Manager, gave a presentation regarding the proposed wetland impact documents required for the Patterson Family Park project. He explained that approval of the documents is necessary to complete the environmental permitting process and allow the project to proceed in accordance with applicable federal and state regulations. The proposed wetland impacts are associated with infrastructure improvements necessary to implement the approved park design.

Mr. Gillen reviewed the environmental permitting process, proposed mitigation measures, and efforts undertaken to avoid and minimize impacts on jurisdictional wetlands during project planning. The Committee received an overview of the regulatory requirements and the coordination occurring with the appropriate permitting agencies to ensure compliance throughout design and construction.

Committee members discussed the proposed wetland impacts, mitigation strategies, and the balance between environmental stewardship and providing recreational opportunities for the community. Mr. Gillen responded to questions regarding the permitting process, long-term environmental protection, and project implementation.

Ms. Brison made a motion to forward to Town Council for consideration of approval authorization to execute wetland impact documents, including a declaration of restrictive covenants and a wetland and stream mitigation purchase agreement for Patterson Family Park Project. Ms. Tunner seconded.

Chair Brown asked for public comments.
There were no comments at this time.

Motion carried 3-0.

Public Comment - Non Agenda Items

Skip Hoagland addressed the Committee the need for DOGE and explained how this can help the Town restore its transparency, accountability and public trust.

Heather Rath addressed the Committee regarding the Accommodations Tax process, the intent of the law, the framework behind the law and the use of marketing and advertising to support and enhance the visitor experience.

Adjournment

At 12:42 pm, Chair Brown adjourned the meeting.

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

Finance & Administrative Committee

TO: Finance & Administrative Committee
FROM: Dave Byrd, Finance Director
CC: Marc Orlando, ICMA-CM, Town Manager
DATE: July 13, 2026
SUBJECT: Town of Hilton Head Island FY 2026 Monthly Financial Update

RECOMMENDATION:

Staff recommend the Finance & Administrative Committee receive the Town of Hilton Head Island Fiscal Year 2026 monthly financial update to help keep Committee Members apprised of the Town's financial condition.

BACKGROUND:

Town Staff monitor the financial activity daily. On regular intervals, Town Staff presents information to the Finance & Administrative Committee to keep the Committee up to date on the progress of the budget, the financial status, collections, and spending. This information assists the Committee in assessing financial status and provides background information to prepare the Committee for future decisions that have financial implications.

SUMMARY:

The Finance Department has prepared financial information for the Finance & Administrative Committee to present an overview of the Town's financial position and operating results as of May 31, 2026. Key highlights include the following:

Sales Tax Highlights

- The revenue analysis through FY 2026 (year-to-date through March 2026) continues to indicate stable economic conditions with a year-over-year change of 0.7%.
- The largest sector continues to be the Retail Sector with year-to-date gross sales of \$411.04 million, representing growth of 1.2% from the same period for the prior year.
- The fastest growing sector continues to be the Construction Sector. Year-to-date gross sales total \$20.07 million, representing growth of \$5.88 million and 41.5%

from the same period in the prior year. The growth continues to be primarily driven by Residential Remodelers and Other Specialty Trade Contractors.

- The Tourism Sector reported an increase for March compared to the prior year with growth of 1.8% from the prior year and year-to-date growth at 2.9% for the first nine months of the fiscal year as compared to the same period of the prior year.
- The Restaurant Sector did see a 1.6% rebound in March after a 2.1% decrease during February. For the first nine months of the fiscal year, the Restaurant Sector is reporting a slight decrease of 0.2%.
- The Service Sector did report growth of 11.9% from the prior year for the month of March. As discussed in previous months, the one landscape contractor that had not been reporting for the months of October through January did continue to report in the month of March.

Financial Highlights

- Total revenues as of May 31, 2026, were \$169,555,560, which represents an increase of \$56,636,847, or 50.2%, compared to the prior year of \$112,918,713.
- Normalized revenues (total revenues less net 2025 beach bond proceeds, 2026 GO Bond Proceeds and Premium, FEMA Beach Renourishment, Novant Land Sale and TIF) totaled \$101,152,501 reflecting an increase of \$3,660,341 or 3.8%, from prior year normalized revenues (total revenues less FY 24 MASC business licenses, FY24 franchise fees, 2025 Airbnb settlement and TIF) of \$97,492,160. This increase in revenues of \$3,936,179 is primarily due to growth in Business Licenses (\$822K), Local Accommodations Tax (\$124K), Permits (\$471K), Beach Preservation Fees (\$249K), Hospitality Tax (\$429K) and Real Estate Transfer Fees (\$1.1M).
- Total expenses as of May 31, 2026, were \$96,182,179, compared to \$75,874,142 in the prior year, representing an increase of \$20,308,037, or 26.8%.
- Normalized expenses (total expense less land purchases, Northpoint funding, 2017 beach bond payoff and 2026 GO Bonds debt service) totaled \$70,671,225, an increase of \$1.412M or 2.0%, from prior year normalized expenses of \$69,259,333 (which excluded disaster-related expenses, ARPA grant expenses and debt service on bonds paid off during FY2025). The growth in expenses is due to an overall increase in General Fund expenditures of \$1.706M and in State A-tax expenses of \$248K offset by a reduction in Stormwater expenditures of \$588K.
- Total Capital Improvement Program (CIP) expenditures and commitments totaled \$82,517,022, representing 84.4% of the amended CIP budget of \$97,715,584. We have included the current projected roll forward of FY 26 capital improvements projects to FY 27 in the amount of \$12,181,755 as information only.
- The projected FY 2026 Total Fund Balance Walk (net of transfers) shows an overall projected increase in Fund Balance of \$2,563,811. This is an increase of \$1,251,867 from the previous month. The increase is due to the following changes in projected amounts:
 - \$222,492 increase in Debt Service Property Tax collections

- (\$313,207) reduction in General Fund Revenues made up of a \$7,292 increase in State Shared Fund collections offset by a (\$320,499) decrease in EMS collections
- \$1,905,641 increase in the 2026 GO Bond Premium
- \$2,374,285 increase in Capital Revenues made up of FEMA beach renourishment and Hybrid vehicle grant reimbursement (FY25 purchase)
- (\$16,678) reduction in Novant Land Sale proceeds (closing costs)
- (\$659,883) reduction in Short Term License Fees
- \$1,811,236 increase in Debt Service expenditures (2026 GO Bonds)
- \$449,547 increase in 2026 GO Bonds issuance costs
- We have included a schedule of FEMA Beach Renourishment and Public Assistance payments made as of May 2026 and amounts that have been approved for payment in the coming months.

For the August 10, 2026, Finance and Administrative Committee meeting, we will provide only the April Health of the Town – Town Sales Tax Data report and will not provide the Town Financials, Quarterly Revenue Charts and Treasury/Cash Management reports. This is due to the FY26 close out and audit preparation that takes place during the months July and August. For the September 14, 2026, Finance and Administrative Committee meeting, we will provide both June and July Town Financials, Quarterly Revenue Charts and Treasury/Cash Management reports in addition to the May Town Sales Tax Data.

ATTACHMENTS:

1. Fiscal Year 2026 Year-to-Date Financial Update



TOWN OF HILTON HEAD ISLAND

Monthly Financial Report

Fiscal Year 2026

Through May 2026

Finance & Administrative Committee Meeting



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Health of the Town – Town Sales Tax Data

Fiscal Year 2026

Through March 2026

Health of the Town - SC State Sales Tax

Executive Summary
FY2023 - FY2026 YTD through March

Executive Summary

FY2026 year-to-date gross sales provide a baseline view of sales tax performance across major sectors.
Overall activity indicates stable economic conditions within the Town.

Performance Pattern

Stable

Total Gross Sales

\$2.1B

YOY Change

0.7%

Largest Sector

Retail

Fastest Growing Sector

Construction

Retail remains the largest non-telecommunications sector, while Construction reported the largest year-over-year increase through March 2026.
Revenue composition remains diversified across multiple sectors, supporting overall economic stability within the Town.

Health of the Town - SC State Sales Tax

Definitions & Methodology

Sector Category Descriptions

Sector Category	Description
Tourism	Accommodations, travel, and entertainment primarily serving visitors.
Restaurant	Food and beverage establishments serving consumers.
Grocery	Consumer-facing food retail including supermarkets, convenience stores, and bakeries.
Retail	Consumer-facing non-food retail including clothing, electronics, and furniture.
Construction	Construction, remodeling, and specialty trade contractors.
Services	Professional, technical, personal, and business services.
Telecommunications	Wired, wireless, cable, and subscription-based communication services.
Other	Wholesalers, suppliers, and manufacturers not directly selling to consumers.

Reporting Definitions

Term	Definition
Gross Sales	Total reported gross sales activity prior to application of the local sales tax rate.
State Sales Tax Rate	The state sales tax percentage applied to taxable sales--6%.
Year-Over-Year (YOY) Change	The percentage change compared to the same reporting period in the prior fiscal year. Formula: (Current Period - Prior Period) ÷ Prior Period.
Revenue Composition	The measurement of revenue streams across sector categories.
NAICS Code Classification	North American Industry Classification System (NAICS) classifies businesses based on their primary economic activity.

Data Source and Method

Data Source	South Carolina Department of Revenue (SC DOR) Monthly Gross Sales Tax Report.
Method	Gross sales derived from sales reported to the South Carolina Department of Revenue (SC DOR). Fiscal year comparison July-June. Fiscal year YTD comparisons from the start of the fiscal year July through the most recent reporting month available. Sectors categorized by NAICS classification. Analysis prepared by the Town of Hilton Head Island Finance Department's Revenue Services.

Tax Matrix

South Carolina Department of Revenue (SC DOR) - State	
State Sales Tax on Retail Sales-6%	Applies to the sale of tangible goods and food and beverage transactions. Calculated on total gross sales in Beaufort County.
State Sales Tax on Lodging Activity-5%	Applies to short-term rental and lodging activity. Calculated on gross proceeds, including rent and all required charges associated with occupancy in Beaufort County.
State Accommodations Tax-2%	Applies to short-term rental and lodging activity. Calculated on gross proceeds, including rent and all required charges associated with occupancy in Beaufort County.
Town of Hilton Head Island (HHI)	
HHI Beach Preservation Fee-2%	Applies to short-term rental and lodging activity within the Town of Hilton Head Island. Calculated on gross income, including rent and all required charges associated with occupancy.
HHI Accommodations Tax (ATAX)-1%	Applies to short-term rental and lodging activity within the Town of Hilton Head Island. Calculated on gross income, including rent and all required charges associated with occupancy.
HHI Hospitality Tax (HTAX)-2%	Applies to prepared food and beverage sales within the Town of Hilton Head Island and is calculated on total gross sales.

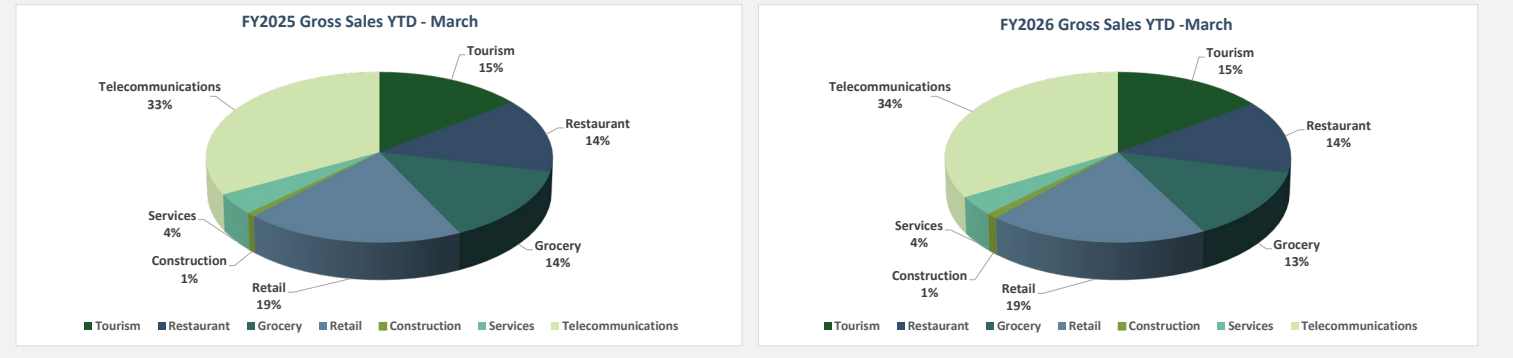
Taxable amounts are based on gross receipts and include all required charges associated with the transaction prior to deductions or exclusions.

Health of the Town - SC State Sales Tax

Gross Sales Tax Overview
FY2023 - FY2026 YTD through March

Gross Sales Tax Overview

This report compares July-March gross sales across fiscal years by sector.
July-March gross sales increased 0.7% year-over-year, indicating stable economic activity.



Sector Category Descriptions

Sector Category	Description
Tourism	Accommodations, travel, and entertainment primarily serving visitors.
Restaurant	Food and beverage establishments serving consumers.
Grocery	Consumer-facing food retail including supermarkets, convenience stores, and bakeries.
Retail	Consumer-facing non-food retail including clothing, electronics, and furniture.
Construction	Construction, remodeling, and specialty trade contractors.
Services	Professional, technical, personal, and business services.
Telecommunications	Wired, wireless, cable, and subscription-based communication services.
Other	Wholesalers, suppliers, and manufacturers not directly selling to consumers.

Sector Category	FY 2023 YTD	FY 2024 YTD	FY 2025 YTD	FY 2026 YTD	FY26 YTD to FY25 YTD Change \$	FY26 YTD to FY25 YTD Change %	Explanation
Tourism	\$ 287,714,377	\$ 295,037,520	\$ 304,971,282	\$ 313,855,142	\$ 8,883,860	2.9%	Increase; Hotel and resort gross sales increased slightly, while STR-related activity declined modestly.
Restaurant	\$ 305,181,509	\$ 312,593,618	\$ 293,593,589	\$ 292,995,748	\$ (597,840)	-0.2%	Flat; Overall tax filer counts and average reporting levels remained consistent with prior year.
Grocery	\$ 309,158,804	\$ 316,148,931	\$ 294,788,801	\$ 280,952,326	\$ (13,836,475)	-4.7%	Decrease; The decline was driven by lower gross sales at liquor stores, gas stations, and convenience stores, while supermarket gross sales remain stable.
Retail	\$ 424,177,852	\$ 420,945,661	\$ 406,267,667	\$ 411,043,201	\$ 4,775,534	1.2%	Increase; The overall increase was driven by higher gross sales at general merchandise stores and souvenir shops, despite a decline in garden center sales.
Construction	\$ 10,127,055	\$ 13,100,957	\$ 14,185,914	\$ 20,069,079	\$ 5,883,166	41.5%	Increase; The overall increase was driven by strong gross sales from residential remodelers, despite a significant decline in new single-family construction.
Services	\$ 64,384,137	\$ 64,532,781	\$ 84,895,663	\$ 77,042,606	\$ (7,853,057)	-9.3%	Decrease; Services remain below the prior year despite the return of a landscape business reporting gross sales.
Telecommunications	\$ 667,168,288	\$ 680,097,688	\$ 689,815,535	\$ 706,064,506	\$ 16,248,971	2.4%	Increase; Recurring subscription-based filers showed continued growth.
Other	\$ 1,683,042	\$ 3,433,201	\$ 1,215,466	\$ 1,303,426	\$ 87,960	7.2%	Increase; Activity driven from a single tax filer in the textile industry.
YTD Gross Sales	\$ 2,069,595,064	\$ 2,105,890,357	\$ 2,089,733,916	\$ 2,103,326,035	\$ 13,592,119	0.7%	

July-March gross sales increased modestly year-over-year, indicating stable economic conditions across the Town's major industry sectors.

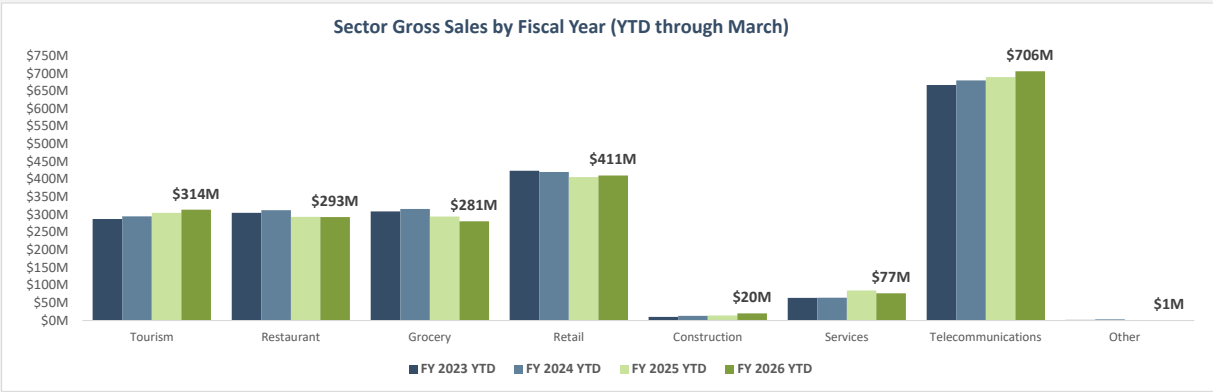
Notes:
All fiscal years present comparable sales tax activity July-March.
NAICS classifications are self-reported by taxpayers at the time of filing.
Gross sales reflect taxpayer-reported activity at time of filing and may be revised through amendments.
Gross retail sales is subject to a 6% state sales tax rate.
Lodging-related sales is subject to a 5% state sales tax rate.
State and Local Accommodations Tax is reported from the Tourism Sector.
Local Hospitality Tax is reported from Restaurant and Grocery Sectors.

Health of the Town - SC State Sales Tax

Gross Sales Tax Analysis
FY2023 - FY2026 YTD through March

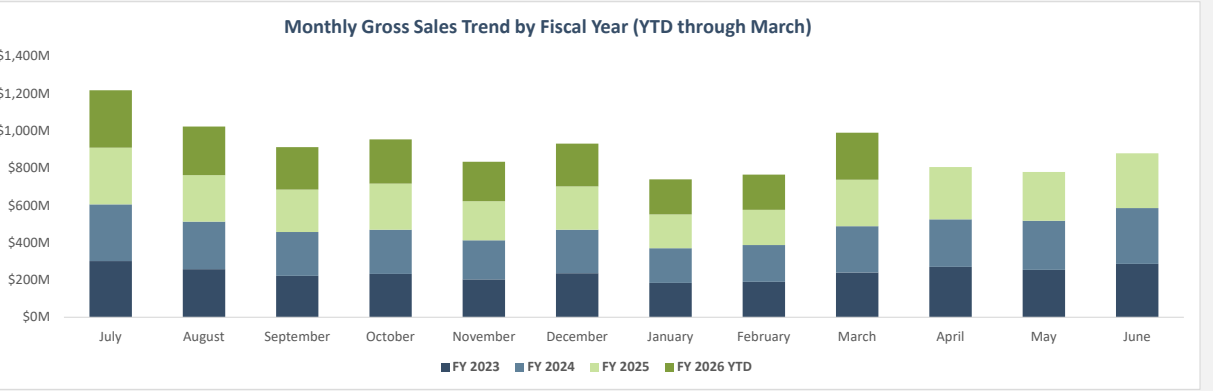
Sector Composition Overview

Outside of Telecommunications, Retail and Tourism continue representing the largest shares of gross sales activity.
Sector composition and overall sales activity remain stable through March 2026.



Monthly Gross Sales Overview

All Gross Sales through March 2026 total \$252M, an increase of 1.0% compared to March 2025.
Year-to-date gross sales through March indicate stable sales activity across major sectors.



Month	FY 2023		FY 2024		FY 2025		FY 2026 YTD		FY26 YTD to FY25 YTD Change \$	FY26 YTD to FY25 YTD Change %
July	\$	301,849,141	\$	304,067,456	\$	304,071,181	\$	307,512,099	\$ 3,440,918	1.1%
August	\$	257,940,548	\$	255,598,810	\$	249,161,442	\$	260,228,869	\$ 11,067,427	4.4%
September	\$	221,820,612	\$	235,105,171	\$	227,799,009	\$	228,042,611	\$ 243,603	0.1%
October	\$	232,597,907	\$	236,628,379	\$	247,807,801	\$	237,090,131	\$ (10,717,669)	-4.3%
November	\$	203,626,508	\$	209,607,438	\$	209,238,077	\$	211,887,646	\$ 2,649,569	1.3%
December	\$	236,334,309	\$	233,203,008	\$	232,716,336	\$	229,417,571	\$ (3,298,765)	-1.4%
January	\$	184,600,705	\$	186,231,316	\$	180,557,158	\$	188,072,928	\$ 7,515,770	4.2%
February	\$	190,274,297	\$	197,376,201	\$	188,827,925	\$	189,041,886	\$ 213,961	0.1%
March	\$	240,551,037	\$	248,072,578	\$	249,554,987	\$	252,032,294	\$ 2,477,306	1.0%
April	\$	270,388,177	\$	255,158,270	\$	280,038,968	\$	-		
May	\$	254,392,065	\$	263,385,004	\$	261,804,967	\$	-		
June	\$	286,559,246	\$	299,382,833	\$	293,406,380	\$	-		
YTD Gross Sales	\$	2,069,595,064	\$	2,105,890,357	\$	2,089,733,916	\$	2,103,326,035	\$ 13,592,119	0.7%
Total Gross Sales	\$	2,880,934,553	\$	2,923,816,464	\$	2,924,984,232				

Monthly results vary, while year-to-date gross sales through March increased 0.7% year-over-year.

Notes:
FY2023-FY2025 present comparable sales tax activity based on the July-June fiscal year.
FY2026 represents activity reported through March 2026.

Health of the Town - SC State Sales Tax

Tourism Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through March

Tourism gross sales in March 2026 total \$39.5M, an increase of 1.8% compared to the same month of the prior year.
Overall activity is healthy benefiting from strong peak-season periods.



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change \$	FY26 YTD to FY25 YTD Change %
July	\$ 43,516,648	\$ 45,019,995	\$ 45,833,082	\$ 47,836,120	\$ 2,003,038	4.4%
August	\$ 37,355,122	\$ 38,081,916	\$ 38,049,882	\$ 41,502,632	\$ 3,452,751	9.1%
September	\$ 33,743,629	\$ 37,885,606	\$ 35,510,970	\$ 37,203,483	\$ 1,692,514	4.8%
October	\$ 35,033,587	\$ 36,017,667	\$ 40,306,979	\$ 38,124,052	\$ (2,182,927)	-5.4%
November	\$ 28,048,913	\$ 29,579,742	\$ 29,278,882	\$ 31,672,065	\$ 2,393,183	8.2%
December	\$ 27,658,825	\$ 26,829,127	\$ 29,548,326	\$ 27,447,158	\$ (2,101,168)	-7.1%
January	\$ 22,532,114	\$ 21,609,793	\$ 21,721,969	\$ 24,548,472	\$ 2,826,503	13.0%
February	\$ 24,916,595	\$ 25,936,626	\$ 25,898,714	\$ 25,984,529	\$ 85,816	0.3%
March	\$ 34,908,943	\$ 34,077,048	\$ 38,822,479	\$ 39,536,630	\$ 714,151	1.8%
April	\$ 43,761,375	\$ 40,833,735	\$ 47,317,386	\$ -		
May	\$ 42,114,396	\$ 43,127,274	\$ 45,045,309	\$ -		
June	\$ 47,035,013	\$ 49,673,279	\$ 49,174,620	\$ -		
YTD Gross Sales	\$ 287,714,377	\$ 295,037,520	\$ 304,971,282	\$ 313,855,142	\$ 8,883,860	2.9%
Total Gross Sales	\$ 420,625,161	\$ 428,671,808	\$ 446,508,597	\$ 313,855,142	\$ (132,653,455)	-29.7%

Increase; Hotel and resort gross sales increased slightly, while STR-related activity declined modestly.

Notes:

Tourism Sector: Accommodations, travel, and entertainment primarily serving visitors.

State and Local Accommodations Tax is reported from the Tourism Sector.

Hotel and resort sales increased 7% in FY2026.

Golf Courses and Country Clubs reported a 6% increase in gross sales in FY2026.

Hotel and resort gross sales increased 2.3% YOY.

STR activity decreased 3% YOY.

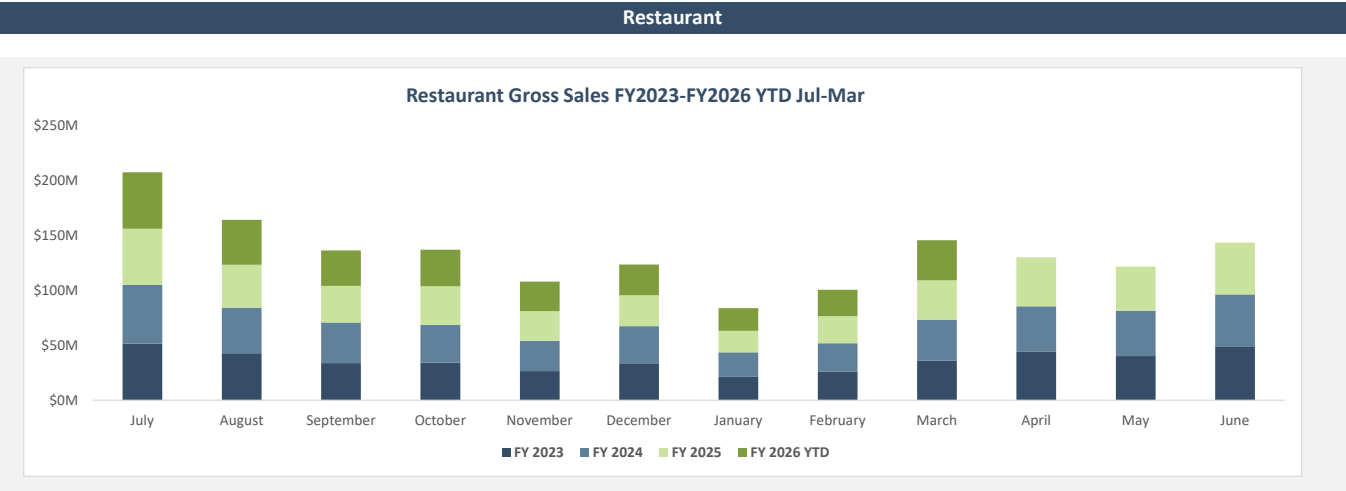
Outdoor recreation including golf gross sales increased 6.8% YOY

Water scenic tours gross sales increased 10.5% YOY

Health of the Town - SC State Sales Tax

Restaurant Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through March

Restaurant gross sales in March 2026 total \$36.3M, an increase of 1.6% compared to the same month of the prior year.
Overall activity remains stable and consistent with typical consumer dining patterns.



Month	FY 2023		FY 2024		FY 2025		FY 2026 YTD		FY26 YTD to FY25 YTD Change \$	FY26 YTD to FY25 YTD Change %
July	\$	51,511,289	\$	53,208,746	\$	51,198,444	\$	51,259,078	\$ 60,634	0.1%
August	\$	42,653,043	\$	41,454,231	\$	39,014,223	\$	40,776,186	\$ 1,761,963	4.5%
September	\$	33,813,419	\$	36,799,707	\$	33,259,697	\$	32,192,162	\$ (1,067,535)	-3.2%
October	\$	34,053,342	\$	34,401,896	\$	35,118,258	\$	33,184,684	\$ (1,933,574)	-5.5%
November	\$	26,443,718	\$	27,571,461	\$	26,958,499	\$	26,797,840	\$ (160,659)	-0.6%
December	\$	33,510,337	\$	33,801,093	\$	28,213,434	\$	27,784,588	\$ (428,846)	-1.5%
January	\$	21,268,421	\$	22,256,087	\$	19,485,573	\$	20,599,384	\$ 1,113,810	5.7%
February	\$	25,856,056	\$	25,943,534	\$	24,578,035	\$	24,062,814	\$ (515,221)	-2.1%
March	\$	36,071,884	\$	37,156,864	\$	35,767,425	\$	36,339,013	\$ 571,587	1.6%
April	\$	44,406,970	\$	40,914,123	\$	44,589,296	\$	-		
May	\$	40,100,273	\$	41,213,038	\$	40,199,320	\$	-		
June	\$	48,359,201	\$	47,793,855	\$	47,096,385	\$	-		
YTD Gross Sales	\$	305,181,509	\$	312,593,618	\$	293,593,589	\$	292,995,748	\$ (597,840)	-0.2%
Total Gross Sales	\$	438,047,954	\$	442,514,634	\$	425,478,589	\$	292,995,748	\$ (132,482,841)	-31.1%

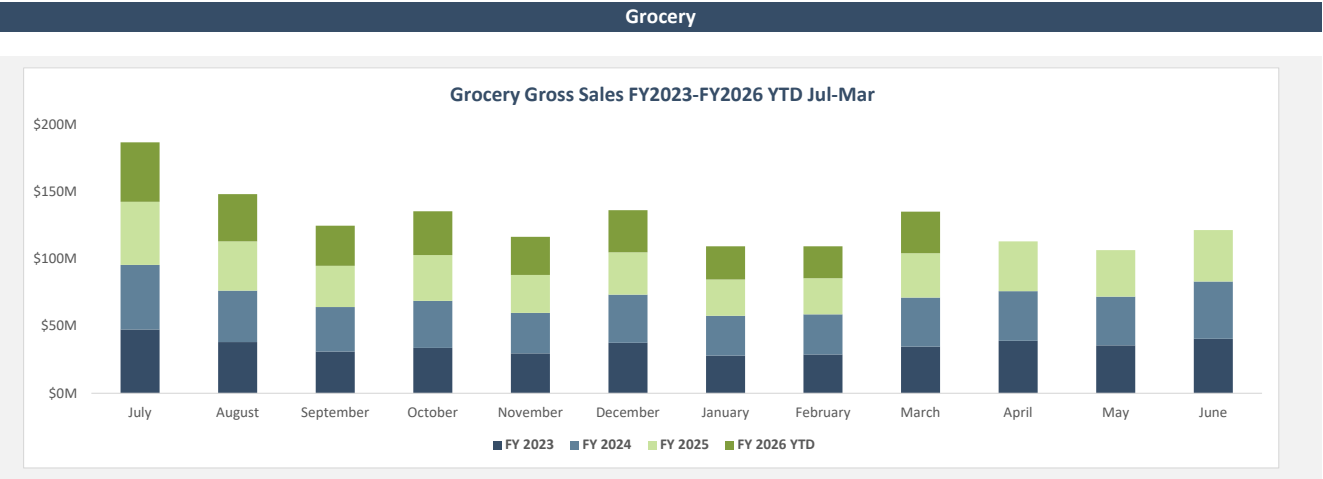
Flat; Overall tax filer counts and average reporting levels remained consistent with prior year.

Notes:
Restaurant Sector: Food and beverage establishments serving consumers.
Local Hospitality Tax is reported from Restaurant and Grocery Sectors.
Full-service restaurants and specialty food shops are strong performers in the sector.

Health of the Town - SC State Sales Tax

Grocery Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through March

Grocery gross sales for March 2026 total \$31M, a decrease of 5.8% compared to the same month of the prior year.
Results reflect softer demand in the Grocery Sector, primarily driven by underperformance in several business segments.



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change \$	FY26 YTD to FY25 YTD Change %
July	\$ 47,395,889	\$ 48,014,740	\$ 47,011,462	\$ 44,140,721	\$ (2,870,741)	-6.1%
August	\$ 38,155,227	\$ 38,206,232	\$ 36,549,184	\$ 35,255,876	\$ (1,293,308)	-3.5%
September	\$ 31,012,012	\$ 33,126,321	\$ 30,654,789	\$ 29,862,884	\$ (791,905)	-2.6%
October	\$ 33,724,909	\$ 35,043,512	\$ 34,050,981	\$ 32,480,472	\$ (1,570,509)	-4.6%
November	\$ 29,734,557	\$ 30,023,327	\$ 28,305,811	\$ 28,362,775	\$ 56,963	0.2%
December	\$ 37,495,236	\$ 35,803,379	\$ 31,509,681	\$ 31,389,140	\$ (120,540)	-0.4%
January	\$ 28,047,845	\$ 29,589,570	\$ 26,948,695	\$ 24,737,227	\$ (2,211,468)	-8.2%
February	\$ 28,839,483	\$ 29,880,873	\$ 26,868,956	\$ 23,740,614	\$ (3,128,343)	-11.6%
March	\$ 34,753,647	\$ 36,460,976	\$ 32,889,242	\$ 30,982,618	\$ (1,906,624)	-5.8%
April	\$ 39,056,821	\$ 36,818,384	\$ 37,081,777	\$ -		
May	\$ 35,696,635	\$ 36,134,313	\$ 34,599,777	\$ -		
June	\$ 40,537,997	\$ 42,558,504	\$ 38,293,997	\$ -		
YTD Gross Sales	\$ 309,158,804	\$ 316,148,931	\$ 294,788,801	\$ 280,952,326	\$ (13,836,475)	-4.7%
Total Gross Sales	\$ 424,450,257	\$ 431,660,132	\$ 404,764,352	\$ 280,952,326	\$ (123,812,026)	-30.6%

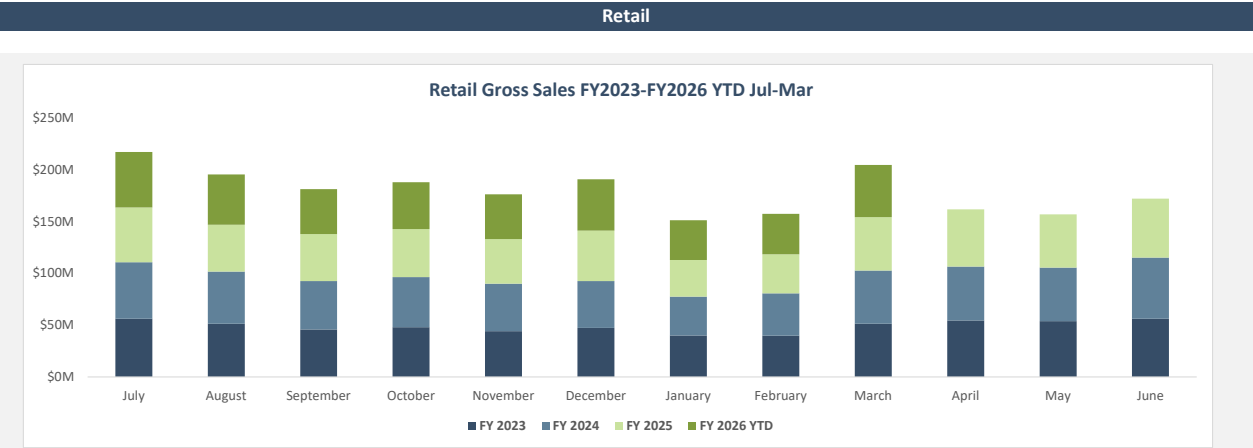
Decrease; The decline was driven by lower gross sales at liquor stores, gas stations, and convenience stores, while supermarket gross sales remain stable.

Notes:
Grocery Sector: Consumer-facing food retail including supermarkets, convenience stores, and bakeries.
New grocery stores planned include Publix (Circle Center), Aldi (Sea Turtle Marketplace), and Food Lion (Port Royal Plaza).
Local Hospitality Tax is reported from Restaurant and Grocery Sectors.

Health of the Town - SC State Sales Tax

Retail Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through March

Retail gross sales in March 2026 total \$50.3M, a decrease of 2.4% compared to the same month of the prior year.
Overall activity remains stable relative to prior year levels.



Month	FY 2023		FY 2024		FY 2025		FY 2026 YTD		FY26 YTD to FY25 YTD Change \$	FY26 YTD to FY25 YTD Change %
July	\$	56,245,734	\$	54,475,260	\$	52,900,915	\$	53,562,997	\$ 662,082	1.3%
August	\$	51,270,333	\$	50,514,094	\$	45,145,366	\$	48,603,165	\$ 3,457,799	7.7%
September	\$	45,786,700	\$	46,761,233	\$	45,383,487	\$	43,351,515	\$ (2,031,972)	-4.5%
October	\$	47,955,960	\$	48,454,370	\$	46,314,326	\$	45,273,687	\$ (1,040,640)	-2.2%
November	\$	44,254,828	\$	45,875,842	\$	43,012,254	\$	43,199,147	\$ 186,893	0.4%
December	\$	47,383,767	\$	45,099,616	\$	48,814,164	\$	49,447,730	\$ 633,565	1.3%
January	\$	40,085,078	\$	37,475,238	\$	35,328,487	\$	38,334,611	\$ 3,006,124	8.5%
February	\$	39,789,002	\$	40,877,387	\$	37,831,567	\$	38,961,655	\$ 1,130,088	3.0%
March	\$	51,406,451	\$	51,412,621	\$	51,537,100	\$	50,308,695	\$ (1,228,405)	-2.4%
April	\$	54,589,558	\$	52,006,118	\$	55,197,811	\$	-		
May	\$	53,827,904	\$	51,772,173	\$	51,278,248	\$	-		
June	\$	56,121,857	\$	59,056,304	\$	56,931,600	\$	-		
YTD Gross Sales	\$	424,177,852	\$	420,945,661	\$	406,267,667	\$	411,043,201	\$ 4,775,534	1.2%
Total Gross Sales	\$	588,717,171	\$	583,780,256	\$	569,675,327	\$	411,043,201	\$ (158,632,126)	-27.8%

Increase; The overall increase was driven by higher gross sales at general merchandise stores and souvenir shops, despite a decline in garden center sales.

Notes:

Retail Sector: Consumer-facing non-food retail including clothing, electronics, and furniture.

SC State Sales Tax Report Includes in-town and out-of-town gross sales.

SC State Sales Tax Report is consistent with the gross revenue reported by retail stores within the Town for business license purposes.

General merchandise stores gross sales increased 5% YOY.

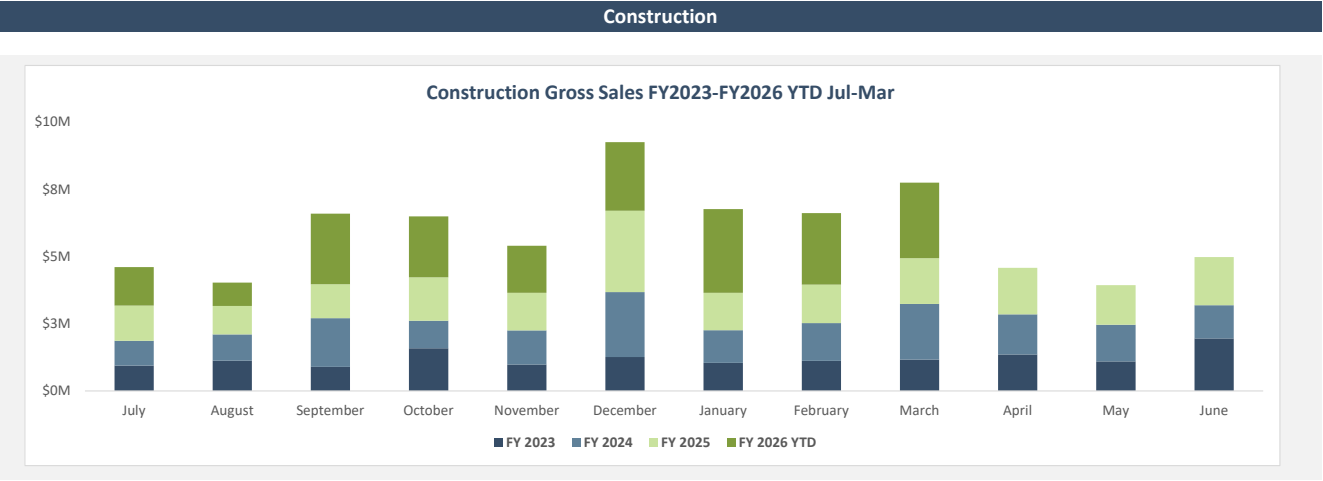
Souvenir shops gross sales increased 6.1% YOY.

Garden center gross sales decreased 12.6% YOY.

Health of the Town - SC State Sales Tax

Construction Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through March

Construction gross sales in March 2026 total \$2.8M, an increase of 65.4% compared to the same month of the prior year.
While percentage growth is notable, the sector remains a small share of overall gross sales activity.



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change \$	FY26 YTD to FY25 YTD Change %
July	\$ 944,017	\$ 920,126	\$ 1,309,562	\$ 1,433,144	\$ 123,582	9.4%
August	\$ 1,122,189	\$ 980,309	\$ 1,059,437	\$ 866,335	\$ (193,102)	-18.2%
September	\$ 898,039	\$ 1,807,302	\$ 1,260,494	\$ 2,624,609	\$ 1,364,115	108.2%
October	\$ 1,589,537	\$ 1,023,005	\$ 1,613,166	\$ 2,266,053	\$ 652,888	40.5%
November	\$ 984,119	\$ 1,266,895	\$ 1,399,254	\$ 1,745,678	\$ 346,424	24.8%
December	\$ 1,262,816	\$ 2,414,231	\$ 3,024,302	\$ 2,549,537	\$ (474,764)	-15.7%
January	\$ 1,042,346	\$ 1,212,612	\$ 1,390,602	\$ 3,116,678	\$ 1,726,076	124.1%
February	\$ 1,117,167	\$ 1,407,680	\$ 1,430,557	\$ 2,656,884	\$ 1,226,328	85.7%
March	\$ 1,166,825	\$ 2,068,797	\$ 1,698,541	\$ 2,810,160	\$ 1,111,619	65.4%
April	\$ 1,355,717	\$ 1,493,902	\$ 1,727,603	\$ -		
May	\$ 1,097,335	\$ 1,366,967	\$ 1,471,704	\$ -		
June	\$ 1,953,640	\$ 1,234,591	\$ 1,789,313	\$ -		
YTD Gross Sales	\$ 10,127,055	\$ 13,100,957	\$ 14,185,914	\$ 20,069,079	\$ 5,883,166	41.5%
Total Gross Sales	\$ 14,533,747	\$ 17,196,417	\$ 19,174,534	\$ 20,069,079	\$ 894,545	4.7%

Increase; The overall increase was driven by strong gross sales from residential remodelers, despite a significant decline in new single-family construction.

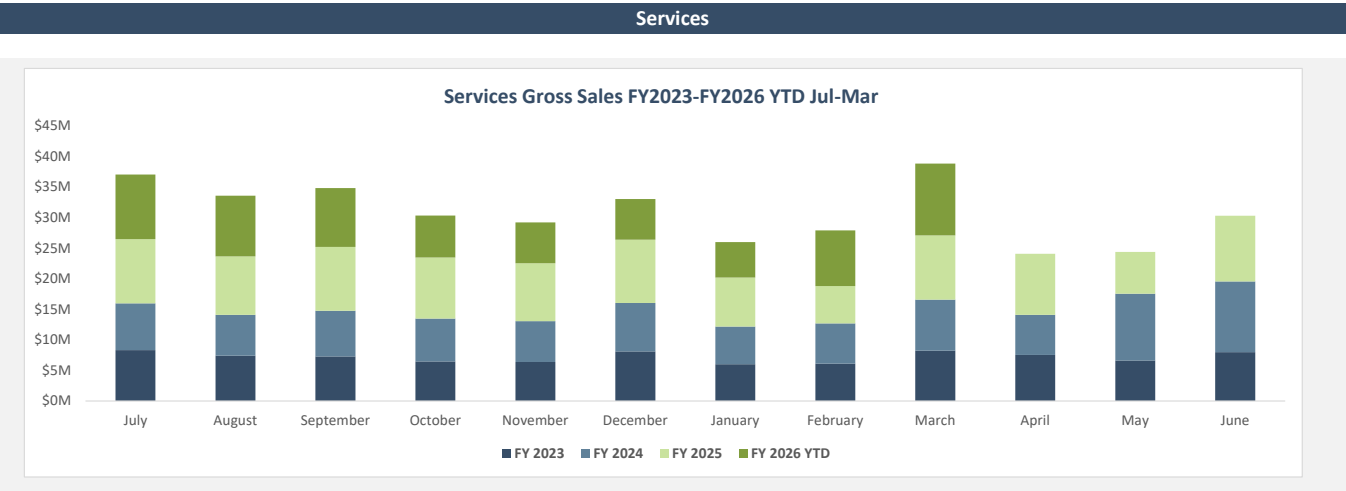
Notes:
Construction Sector: Construction, remodeling, and specialty trade contractors.
Industrial Equipment Rentals reported the highest gross sales in FY2025.
Residential Remodelers reported the highest gross sales in FY2026.

Health of the Town - SC State Sales Tax

Services Gross Sales by Sector Summary

FY2023 - FY2026 YTD July through March

Services gross sales in March 2026 total \$11.8M, an increase of 11.9% compared to the same month of the prior year. The increase is primarily driven by one landscape business that did not report gross sales October through January.



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change \$	FY26 YTD to FY25 YTD Change %
July	\$ 8,329,579	\$ 7,644,176	\$ 10,503,692	\$ 10,581,937	\$ 78,245	0.7%
August	\$ 7,414,342	\$ 6,681,618	\$ 9,553,681	\$ 9,942,552	\$ 388,871	4.1%
September	\$ 7,294,429	\$ 7,458,171	\$ 10,444,388	\$ 9,635,686	\$ (808,702)	-7.7%
October	\$ 6,488,585	\$ 7,008,693	\$ 9,968,641	\$ 6,879,736	\$ (3,088,905)	-31.0%
November	\$ 6,371,542	\$ 6,695,468	\$ 9,483,153	\$ 6,678,550	\$ (2,804,603)	-29.6%
December	\$ 8,116,294	\$ 7,934,686	\$ 10,349,475	\$ 6,634,368	\$ (3,715,107)	-35.9%
January	\$ 6,024,140	\$ 6,160,761	\$ 8,006,262	\$ 5,809,237	\$ (2,197,025)	-27.4%
February	\$ 6,124,370	\$ 6,588,956	\$ 6,078,275	\$ 9,122,988	\$ 3,044,714	50.1%
March	\$ 8,220,857	\$ 8,360,253	\$ 10,508,096	\$ 11,757,552	\$ 1,249,457	11.9%
April	\$ 7,530,960	\$ 6,566,028	\$ 9,985,125	\$ -	\$ -	-
May	\$ 6,615,051	\$ 10,937,497	\$ 6,844,520	\$ -	\$ -	-
June	\$ 7,985,691	\$ 11,590,146	\$ 10,728,841	\$ -	\$ -	-
YTD Gross Sales	\$ 64,384,137	\$ 64,532,781	\$ 84,895,663	\$ 77,042,606	\$ (7,853,057)	-9.3%
Total Gross Sales	\$ 86,515,839	\$ 93,626,453	\$ 112,454,148	\$ 77,042,606	\$ (35,411,542)	-31.5%

Decrease; Services remain below the prior year despite the return of a landscape business reporting gross sales.

Notes:

Services Sector: Professional, technical, personal, and business services.

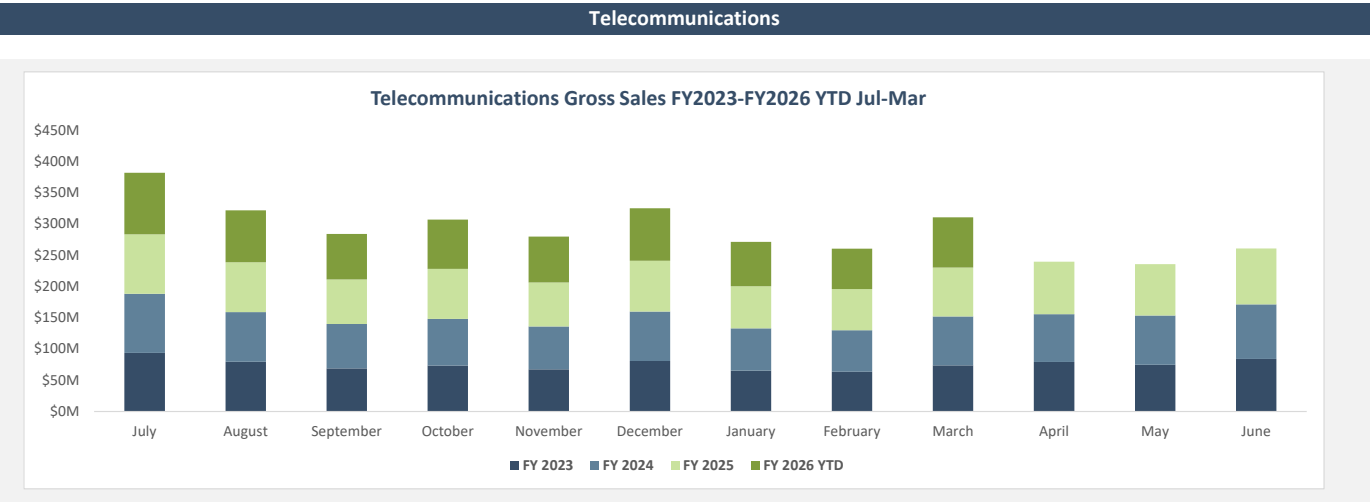
Service-related businesses, such as landscaping companies, are not required to report sales tax on service labor.

Sales tax applies when tangible products, such as landscaping materials or supplies are sold.

Health of the Town - SC State Sales Tax

Telecommunications Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through March

Telecommunications gross sales in March 2026 total \$80.2M, an increase of 2.6% compared to the same month of the prior year.
Activity remains stable with consistent reporting from telecommunications providers.



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change \$	FY26 YTD to FY25 YTD Change %
July	\$ 93,705,751	\$ 94,582,779	\$ 95,170,393	\$ 98,507,043	\$ 3,336,650	3.5%
August	\$ 79,743,982	\$ 79,477,188	\$ 79,716,837	\$ 83,172,483	\$ 3,455,645	4.3%
September	\$ 69,032,350	\$ 71,079,245	\$ 71,228,065	\$ 72,956,421	\$ 1,728,356	2.4%
October	\$ 73,578,527	\$ 74,539,179	\$ 80,144,914	\$ 78,827,087	\$ (1,317,827)	-1.6%
November	\$ 67,596,165	\$ 68,387,513	\$ 70,663,804	\$ 73,204,232	\$ 2,540,428	3.6%
December	\$ 80,765,439	\$ 79,354,193	\$ 81,114,431	\$ 83,984,951	\$ 2,870,520	3.5%
January	\$ 65,433,953	\$ 67,655,679	\$ 67,556,036	\$ 70,729,968	\$ 3,173,931	4.7%
February	\$ 63,469,453	\$ 66,590,655	\$ 66,012,893	\$ 64,416,382	\$ (1,596,510)	-2.4%
March	\$ 73,842,668	\$ 78,431,257	\$ 78,208,163	\$ 80,265,940	\$ 2,057,777	2.6%
April	\$ 79,361,533	\$ 76,375,773	\$ 83,972,234	-		
May	\$ 74,765,041	\$ 78,775,178	\$ 82,179,136	-		
June	\$ 84,280,633	\$ 87,319,459	\$ 89,229,460	-		
YTD Gross Sales	\$ 667,168,288	\$ 680,097,688	\$ 689,815,535	\$ 706,064,506	\$ 16,248,971	2.4%
Total Gross Sales	\$ 905,575,496	\$ 922,568,099	\$ 945,196,365	\$ 706,064,506	\$ (239,131,858)	-25.3%

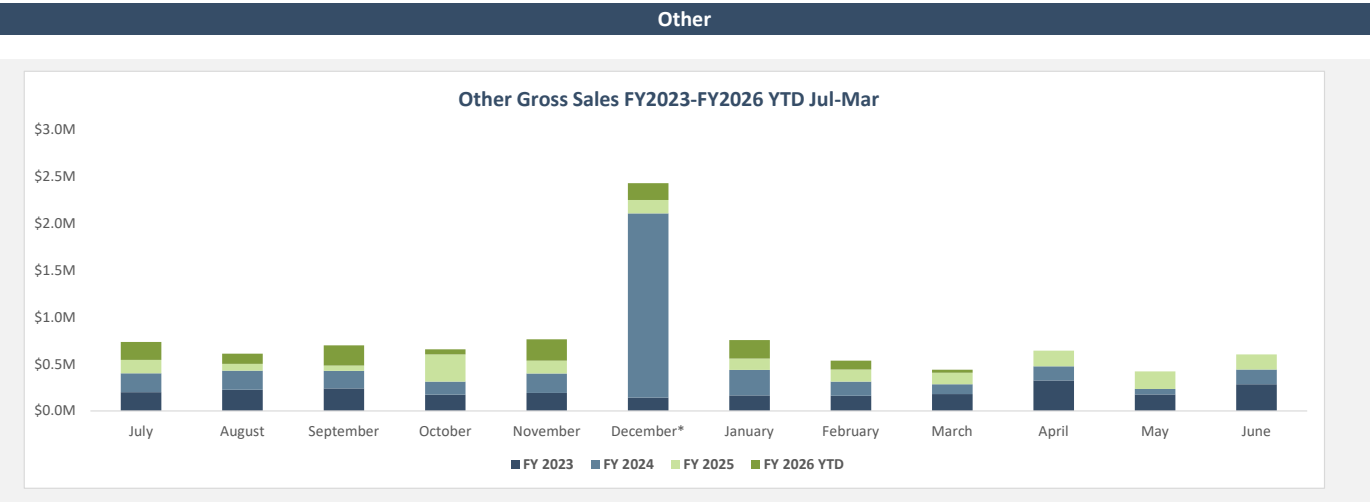
Increase; Recurring subscription-based filers showed continued growth.

Notes:
Telecommunications Sector: Wired, wireless, cable, and subscription-based communication services.
Includes Verizon, AT&T, Spectrum, and other similar telecommunications providers.

Health of the Town - SC State Sales Tax

Other Gross Sales by Sector Summary
FY2023 - FY2026 YTD July through March

Other gross sales in March 2026 total \$31.7K, a decrease of 74.4% compared to the same month of the prior year.
Overall activity in this category is driven by a limited number of filers and represents a small share of total gross sales.



Month	FY 2023	FY 2024	FY 2025	FY 2026 YTD	FY26 YTD to FY25 YTD Change \$	FY26 YTD to FY25 YTD Change %
July	\$ 200,233	\$ 201,634	\$ 143,632	\$ 191,059	\$ 47,427	33.0%
August	\$ 226,309	\$ 203,222	\$ 72,832	\$ 109,640	\$ 36,807	50.5%
September	\$ 240,034	\$ 187,587	\$ 57,119	\$ 215,851	\$ 158,732	277.9%
October	\$ 173,461	\$ 140,056	\$ 290,536	\$ 54,360	\$ (236,176)	-81.3%
November	\$ 192,667	\$ 207,190	\$ 136,420	\$ 227,359	\$ 90,939	66.7%
December*	\$ 141,596	\$ 1,966,683	\$ 142,524	\$ 180,099	\$ 37,575	26.4%
January	\$ 166,809	\$ 271,576	\$ 119,533	\$ 197,351	\$ 77,819	65.1%
February	\$ 162,171	\$ 150,491	\$ 128,929	\$ 96,020	\$ (32,909)	-25.5%
March	\$ 179,761	\$ 104,762	\$ 123,941	\$ 31,686	\$ (92,255)	-74.4%
April	\$ 325,242	\$ 150,206	\$ 167,737	\$ -		
May	\$ 175,430	\$ 58,563	\$ 186,952	\$ -		
June	\$ 285,214	\$ 156,695	\$ 162,164	\$ -		
YTD Gross Sales	\$ 1,683,042	\$ 3,433,201	\$ 1,215,466	\$ 1,303,426	\$ 87,960	7.2%
Total Gross Sales	\$ 2,468,929	\$ 3,798,666	\$ 1,732,320	\$ 1,303,426	\$ (428,893)	-24.8%

Increase; Activity driven from a single tax filer in the textile industry.

Notes:
Other Sector: Wholesalers, suppliers, and manufacturers not directly selling to consumers.
FY2024 includes a one-time reporting event of \$834,990 filed in December 2023.

Town Financials

**Fiscal Year 2026
Through May 2026**



TOWN OF HILTON HEAD ISLAND

Revenue Snapshot

	FY2025 Actual	FY2026 Actual	FY2026 Amended Budget	FY26 Actual to FY25 Actual Variance \$	FY26 Actual to FY25 Actual Variance %	Notes
Revenues						
General Fund:						
Property Taxes	\$ 18,932,401	\$ 18,970,996	\$ 17,935,450	\$ 38,595	0.2%	April 2025 Airbnb settlement of \$1,807,015, excluding this adjustment FY26 revenue remains 2.5% over FY25 FY25 Increase was due to MASC Business License FY24 fees received in FY25 (\$1.365M)& Airbnb settlement (\$1.807M); FY26 Town collected Business license collections are 8.4% higher than prior year Permit volume for May 2026 was level with May 2025, FY 2026 growth occurred primarily during the first and second quarter of fiscal year
Accommodations Tax	6,689,224	5,006,539	6,812,769	(1,682,685)	-25.2%	
Business License and Franchise Fees	12,177,590	9,827,219	14,426,220	(2,350,372)	-19.3%	
Permits	2,271,247	2,742,345	1,800,000	471,098	20.7%	
State Shared Funds	981,781	1,029,039	978,035	47,258	4.8%	FY26 Parking revenue receipts total \$472K versus \$69K in parking meter receipts in FY25
EMS Revenue	2,457,543	2,193,892	2,036,000	(263,651)	-10.7%	
Miscellaneous	284,768	736,688	1,102,848	451,920	158.7%	
Investment Income	2,211,435	2,254,326	1,500,000	42,891	1.9%	
Housing Fund:	-	-	-	-	0.0%	
GGHNCDC Fund:	209,676	176,125	125,000	(33,551)	-16.0%	Lower Investment Income due to reduced fund balance
Capital Fund:						
Grants	366,715	9,176,766	7,365,538	8,810,051	2402.4%	FY26 \$8.156M FEMA (Beach Renourishment), \$600K paving grant from Beaufort County, \$76K Hybrid Vehicle Grant Reimb & \$345K CDBG (Parks). FY25 \$193K traffic signal grant Beaufort County and \$174K CDBG (Parks)
Sunday Permit Fees	282,150	263,200	1,000,000	(18,950)	-6.7%	
Impact Fees	136,107	153,667	1,100,000	17,560	12.9%	
Investment Income	494,763	873,813	-	379,050	76.6%	
Bond Proceeds	-	55,905,641	54,000,000	55,905,641	100.0%	25 Beach Bond Proceeds \$19M and 26 GO Bonds Proceeds of \$35M and 26 GO Bond Premium of \$1.90M Novant Land Sales - \$4.32M
Miscellaneous	71,182	4,387,870	-	4,316,688	6064.3%	
Debt Service Fund:						
Property Taxes	6,534,757	6,749,467	6,035,600	214,709	3.3%	FY26 transfer of interest earned from FY21 through FY25 on \$1M TIF Reserve from Debt Service to TIF - \$140K.
Investment Income	594,658	400,163	325,115	(194,495)	-32.7%	
Stormwater Fund:						
SWU Fees	5,347,830	5,300,894	5,275,035	(46,936)	-0.9%	Lower Investment Income due to reduced fund balance
Permits	200,640	151,727	122,580	(48,913)	-24.4%	
Investment Income	317,853	153,680	150,000	(164,173)	-51.7%	
Special Revenue Funds:						
State ATAX	8,378,702	8,027,979	-	(350,723)	-4.2%	FY26 revenue growth is driven by a 21% increase in average consideration
Real Estate Transfer Fees	4,719,397	5,775,507	-	1,056,110	22.4%	
Hospitality Tax	7,447,890	7,876,396	-	428,506	5.8%	
Beach Preservation Fees	11,764,418	10,013,078	-	(1,751,340)	-14.9%	FY25 includes \$2M Airbnb settlement - CY trending 2.5% over prior year
Palmetto Electric Franchise Fees	2,707,970	2,956,244	-	248,274	9.2%	
Short Term Rental	1,839,000	2,221,250	-	382,250	20.8%	Reduced fund balance; timing of investment maturity (No disaster maturities yet in FY26) Elimination of TIF revenues (\$8.25 million)
Investment Income	5,947,873	4,566,376	-	(1,381,496)	-23.2%	
All Other Special Revenue Funds	9,551,142	1,664,675	-	(7,886,468)	-82.6%	
TOTAL REVENUE (ALL FUNDS)	\$ 112,918,713	\$ 169,555,560	\$ 122,090,190	\$ 56,636,847	50.2%	
NORMALIZED REVENUE (ALL FUNDS)	\$ 97,492,160	\$ 101,152,501	\$ 122,090,190	\$ 3,660,341	3.8%	Normalized FY26 Revenue is total revenues less 26 GO Bond & Premium proceeds (\$36.9M), 25 Beach Bond proceeds (\$19M), FEMA Beach Renourishment (\$8.156M), Sale of Land (Novant) (\$4.3M) & FY26 TIF (\$16.8K). Normalized FY25 Revenue is less FY24 MASC business licenses (\$1.365M) & FY24 franchise fees (\$201K) recorded in FY25, Airbnb settlement (\$5.61M) & FY25 TIF (\$8.25M)

TOWN OF HILTON HEAD ISLAND

Expense Snapshot



Expenditures	FY2025 Actual	FY2026 Actual	FY2026 Amended Budget	FY26 Actual to FY25 Actual Variance \$	FY26 Actual to FY25 Actual Variance %	Notes
General Fund:						
General Government	\$ 1,742,079	\$ 2,209,691	\$ 2,017,327	\$ (467,612)	26.8%	Increase in FY26 legal fees of \$154K and \$319K in personnel expenses related to filling vacant positions.
Management Services	8,857,956	9,662,193	10,879,835	(804,236)	9.1%	Budgeted personnel increased \$531K and \$268K software maintenance contracts.
Community Services	11,084,218	11,839,561	14,820,657	(755,343)	6.8%	Increase in FY26 LMO consulting services \$239K, traffic signal consulting \$53K and beach parking contract service \$376K.
Public Safety	19,687,078	21,745,265	25,564,849	(2,058,187)	10.5%	Increase in FY26 \$12K security services, \$37K abandon boat removal, \$20K STR vehicle equipment, \$114K travel/training, \$34K employee awards, \$24K protective clothing, \$19K in fleet maintenance contracts, \$56K supplies, \$22K scuba, \$915K fire truck lease payment and \$727K in personnel salaries and related benefits.
Non-Departmental	8,672,283	6,292,727	6,883,092	2,379,555	-27.4%	Reduction from FY25 for BCSD \$1.833M, & Affiliated Agencies \$1.02M offset by increases in commercial insurance \$170K, bank charges \$120K, Heritage (banners) \$58k & \$181K in benefits
Housing Fund:	165,444	1,304,293	3,978,137	(1,138,849)	688.4%	FY26 \$1M ARPA housing funds to Northpoint and \$214K in Muddy Creek expenses.
GGHNCDC Fund:	253,745	1,658,527	3,286,603	(1,404,782)	553.6%	FY26 land acquisition \$761K (one half of Memory Matters) & \$510K (one half of two lots on Old Wildhorse Rd).
Debt Service Fund:						
New Debt	-	16,025,550	14,330,888	(16,025,550)		26 GO Bonds (\$15.75M Principal and \$280.55K Interest)
Principal	12,625,000	14,820,000	14,820,000	(2,195,000)	17.4%	FY25 paid off TIFF Bonds (\$3.86M), 2009 GO Bonds (\$480K) and 2016 GO Bonds (\$840K) offset by FY26 paid 2017B Beach Bonds early call (FY27&28) \$7.495M (budgeted)
Interest	2,403,967	1,915,791	1,915,793	488,176	-20.3%	
Other	15,025	10,550	17,600	4,475	-29.8%	
Stormwater Fund:						
Maintenance & Repair	1,102,334	655,042	2,190,000	447,292	-40.6%	FY25 increases in \$205K Wexford pump station, \$106K routine channel cleaning, \$58K non-PUD maintenance, & \$90K pond dredging.
Administrative	850,876	812,095	1,106,546	38,781	-4.6%	
Depreciation	1,008,333	1,008,333	1,100,000	-	0.0%	
Non-Operating Expenses	148,573	46,351	42,851	102,223	-68.8%	FY25 Final year of amortization of loss on bond refunding (2021) - \$89K.
Special Revenue Funds:						
State ATAX Grants	2,899,224	3,252,233	-	(353,008)	12.2%	Increase in CY26 award amounts.
State ATAX - Chamber Marketing	2,506,111	2,400,894	-	105,217	-4.2%	
State Grants	343,541	417,857	-	(74,316)	21.6%	FY26 Opioid grant expenses \$289K compared to FY25 Assistance to Firefighters grant expenses \$127K and FEMA BRIC grant expenses \$56K.
Other	1,508,357	105,228	-	1,403,129	-93.0%	FY25 disaster related expenses \$402K & \$1.03M ARPA (home repairs, equipment and lateral sewer).
TOTAL EXPENSES (ALL FUNDS)	\$ 75,874,142	\$ 96,182,179	\$ 102,954,178	\$ (20,308,037)	-26.8%	
NORMALIZED EXPENSES (ALL FUNDS)	\$ 69,259,333	\$ 70,671,225	\$ 102,954,178	\$ (1,411,892)	-2.0%	Normalized FY25 is total expenses less disaster related expenses (\$402K), ARPA expenses (\$1.033K) and TIFF, 09 GO and 16 GO Bonds debt service (\$5.18M). Normalized FY26 total expenses less Memory Matters (\$762K), Wildhorse Rd (\$508K), Northpoint funding (\$1M), 2017B beach bond payoff (\$7.495M) and 2026 GO Bond principal payment (\$15.745M).



TOWN OF HILTON HEAD ISLAND

Capital Fund Projects Snapshot

Project	FY 2026 Actual		FY 2026 Committed		FY 2026 Total		FY 2026 Original Budget		FY 2026 Amended Budget		Preliminary CIP Rollover to FY27	% of FY 2026 Amended Budget	
Beach Maintenance													
Beach Renourishment	\$	39,604,894	\$	4,562,193	\$	44,167,087	\$	47,720,000	\$	47,790,620	\$	600,000	92.4%
Other Beach Related Projects		328,151		141,354		469,505		1,100,000		1,228,499		799,119	38.2%
Total Beach Maintenance	\$	39,933,045	\$	4,703,547	\$	44,636,592	\$	48,820,000	\$	49,019,119	\$	1,399,119	91.1%
Park Development													
Crossings Park	\$	418,293	\$	981,628	\$	1,399,922	\$	2,000,000	\$	2,000,000	\$	305,691	70.0%
Mid-Island Tract		545,379		408,688		954,066		750,000		957,744		-	99.6%
Patterson Family Property Park		262,486		2,302,428		2,564,913		2,590,000		2,590,000		2,408,296	99.0%
Taylor Family Property Park		1,444,406		1,198,324		2,642,730		2,750,000		2,750,000		315,565	96.1%
Baker Field, including extension		1,296,353		37,258		1,333,611		-		1,333,611		-	100.0%
Other Park Related Projects		2,662,706		142,271		2,804,977		2,546,000		2,807,888		25,000	99.9%
Total Park Development	\$	6,629,622	\$	5,070,597	\$	11,700,219	\$	10,636,000	\$	12,439,243	\$	3,054,552	94.1%
Land Acquisition													
164 Jonesville Road	\$	392,991	\$	-	\$	392,991	\$	-	\$	413,000	\$	-	95.2%
Stoney Peninsula Purchase		150,000		-		150,000		-		705,800		-	21.3%
117 William Hilton Parkway		762,500		-		762,500		-		762,500		-	100.0%
1 & 5 Old Wildhorse Road		500,000		-		500,000		-		500,000		-	100.0%
9 Park Lane		1,750,000		-		1,750,000		-		1,750,000		-	100.0%
10 Park Lane		5,950,000		-		5,950,000		-		5,950,000		-	100.0%
Miscellaneous		133,110		29,964		163,074		250,000		250,000		-	65.2%
Total Land Acquisition	\$	9,638,602	\$	29,964	\$	9,668,566	\$	250,000	\$	10,331,300	\$	-	93.6%
Facilities Improvements													
Honey Horn Improvements	\$	55,658	\$	1,100	\$	56,758	\$	496,000	\$	496,000	\$	-	11.4%
Computer Software Equipment		603,025		50,292		653,317		625,000		691,542		-	94.5%
Town Facilities Improvements		377,344		25,244		402,588		550,000		550,000		-	73.2%
4 Office Way Renovations		1,145,345		6,518		1,151,862		1,120,000		1,151,646		-	100.0%
Jonesville Horse Barn		176,071		139,446		315,517		500,000		500,000		-	63.1%
Improvements to Fire Rescue HQ		153,285		251,425		404,710		-		677,008		577,008	59.8%
Other Facilities Improvements		1,058,263		587,758		1,646,021		1,430,000		1,804,076		50,000	91.2%
Total Facilities Improvements	\$	3,568,991	\$	1,061,781	\$	4,630,772	\$	4,721,000	\$	5,870,272	\$	627,008	78.9%
Roadway Improvements													
Signal System Maintenance	\$	383,753	\$	697,862	\$	1,081,615	\$	1,100,000	\$	1,100,000	\$	550,000	98.3%
Streetscape and Traffic Calming Enhancements		197,661		96,238		293,900		750,000		750,000		241,808	39.2%
Dirt Road Paving Program		775,838		155,298		931,136		1,104,500		1,161,297		173,378	80.2%
Streetscape Enhancements		286,198		121,236		407,433		900,000		1,013,068		-	40.2%
Northpoint USPS Site Improvements		541,475		1,486,432		2,027,907		150,000		3,350,000		2,800,000	60.5%
Other Roadway Improvements		568,414		237,795		806,209		1,075,000		1,282,121		671,367	62.9%
Total Roadway Improvements	\$	2,753,339	\$	2,794,861	\$	5,548,200	\$	5,079,500	\$	8,656,486	\$	4,436,553	64.1%
Pathway Improvements													
Pathway Improvements	\$	571,749	\$	483,262	\$	1,055,011	\$	1,650,000	\$	1,650,000	\$	343,937	63.9%
Total Pathway Improvements	\$	571,749	\$	483,262	\$	1,055,011	\$	1,650,000	\$	1,650,000	\$	343,937	63.9%
Stormwater Projects													
SWU General Contingency	\$	180	\$	31,040	\$	31,220	\$	500,000	\$	500,000	\$	-	6.2%
PUD		1,601,038		313,908		1,914,946		4,700,000		5,453,446		650,000	35.1%
Non-PUD		534,069		324,559		858,628		1,150,880		1,150,880		1,670,586	74.6%
Total Stormwater Projects	\$	2,135,286	\$	669,508	\$	2,804,794	\$	6,350,880	\$	7,104,326	\$	2,320,586	39.5%
Fleet Program													
Town Vehicle Replacements/Contingency	\$	73,499	\$	-	\$	73,499	\$	180,000	\$	180,000	\$	-	40.8%
Engine/Pumper/Quint Company	\$	2,398,614	\$	755	\$	2,399,370	\$	-	\$	2,464,838	\$	-	97.3%
Total Fleet Program	\$	2,472,113	\$	755	\$	2,472,868	\$	180,000	\$	2,644,838	\$	-	93.5%
TOTAL NON-BEACH EXPENSES	\$	27,769,703	\$	10,110,728	\$	37,880,430	\$	28,867,380	\$	48,696,465	\$	10,782,636	77.8%
TOTAL CIP EXPENSES	\$	67,702,747	\$	14,814,275	\$	82,517,022	\$	77,687,380	\$	97,715,584	\$	12,181,755	84.4%



Fund Balance Walk (Net of Transfers)

	FY 2026 Amended Budget	2026 Projection	Variance \$	Notes
BEGINNING FUND BALANCE	\$ 253,504,626	\$ 253,504,626	\$ -	
REVENUE				
GENERAL	\$ 46,591,322	\$ 51,630,083	\$ 5,038,761	
DEBT SERVICE	6,360,715	7,098,710	737,995	
STORMWATER	5,547,615	5,807,575	259,960	
SPECIAL REVENUE	-	55,939,172	55,939,172	
CAPITAL	9,465,538	10,530,494	1,064,956	
GULLAH GEECHEE CDC	125,000	228,789	103,789	
DISASTER FUND - FEMA	-	1,089,492	1,089,492	Investment income
2025 BEACH BOND	19,000,000	19,000,000	-	
2026 GO BOND & PREMIUM	35,000,000	36,905,641	1,905,641	
NOVANT LAND SALE (Net)	-	4,324,822	4,324,822	
TOTAL REVENUE	\$ 122,090,190	\$ 192,554,778	\$ 70,464,588	
AVAILABLE FUNDS	\$ 375,594,816	\$ 446,059,404	\$ 70,464,588	
EXPENSE				
GENERAL	\$ 60,165,760	\$ 59,724,285	\$ 441,475	
DEBT SERVICE	31,084,280	32,771,891	(1,687,611)	
STORMWATER	4,439,397	2,942,758	1,496,639	
SPECIAL REVENUE	-	8,399,065	(8,399,065)	State A-Tax grants/DMO payments
CAPITAL	77,687,380	82,507,577	(4,820,197)	
GULLAH GEECHEE CDC	3,286,603	1,718,563	1,568,040	
WORKFORCE HOUSING	3,978,137	1,199,442	2,778,695	
2025 BEACH BONDS	277,838	277,838	-	Issuance cost
2026 GO BONDS	-	449,547	(449,547)	Issuance Cost
TOTAL EXPENSE	\$ 180,919,395	\$ 189,990,967	\$ (9,071,572)	
ENDING FUND BALANCE	\$ 194,675,421	\$ 256,068,437	\$ 61,393,016	
CHANGE IN FUND BALANCE		\$ 2,563,811		



Fund Balance Walk by Fund

	GENERAL	DEBT SERVICE	STORMWATER	CAPITAL	GULLAH GEECHEE CDC	WORKFORCE HOUSING	SPECIAL REVENUE	NATURAL DISASTER	TOTAL
BEGINNING FUND BALANCE	\$ 52,370,364	\$ 14,243,513	\$ 13,636,629	\$ 9,575,904	\$ 5,564,275	\$ 2,868,191	\$ 117,701,881	\$ 37,543,869	\$ 253,504,626
REVENUE	\$ 51,630,083	\$ 7,098,710	\$ 5,807,575	\$ 10,530,494	\$ 228,789	\$ -	\$ 55,939,172	\$ 1,089,492	\$ 132,324,315
EXPENSE	59,724,285	32,771,891	2,942,758	82,507,577	1,718,563	1,199,442	8,399,065	-	189,263,581
TRANSFERS IN	13,443,959	14,610,965	-	43,871,448	-	1,197,049	-	-	73,123,421
TRANSFERS OUT	197,049	-	3,609,591	1,818,287	-	-	67,498,494	-	73,123,421
2025 BEACH BOND	-	-	-	19,000,000	-	-	-	-	19,000,000
2025 BEACH BOND ISSUANCE COST	-	-	-	277,838	-	-	-	-	277,838
2026 GO BOND (w/Premium)	-	-	-	36,905,641	-	-	-	-	36,905,641
2026 GO BOND ISSUANCE COST	-	-	-	449,547	-	-	-	-	449,547
NOVANT LAND SALE (NET OF EXPENSES)	-	-	-	4,324,822	-	-	-	-	4,324,822
CHANGE IN FUND BALANCE	\$ 5,152,708	\$ (11,062,216)	\$ (744,774)	\$ 29,579,156	\$ (1,489,774)	\$ (2,393)	\$ (19,958,388)	\$ 1,089,492	\$ 2,563,811
ENDING FUND BALANCE	\$ 57,523,072	\$ 3,181,297	\$ 12,891,855	\$ 39,155,060	\$ 4,074,501	\$ 2,865,798	\$ 97,743,493	\$ 38,633,361	\$ 256,068,437
TOWN COUNCIL FUND BALANCE POLICY									
OPERATING RESERVE	\$ 29,522,706	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000	\$ -	\$ 39,522,706
NETS ASSETS RESERVE (1)	-	-	7,743,958	-	-	-	-	-	7,743,958
PROPOSED ECONOMIC DEVELOPMENT RESERVE	-	-	-	4,324,822	-	-	-	-	4,324,822
BEACH PRESERVATION	-	-	-	-	-	-	20,000,000	-	20,000,000
DISASTER - DEBT SERVICE	-	-	-	-	-	-	1,000,000	-	1,000,000
DISASTER RECOVERY	-	-	-	-	-	-	-	37,000,000	37,000,000
ENDING FUND BALANCE	\$ 28,000,366	\$ 3,181,297	\$ 147,897	\$ 34,830,238	\$ 4,074,501	\$ 2,865,798	\$ 71,743,493	\$ 1,633,361	\$ 146,476,951

(1) - Net Asset Reserve is calculated by taking total capital assets less accumulated depreciation plus any unused bond proceeds less outstanding debt (principle).



Special Revenue Fund Balance Walk

	SPECIAL REVENUE GRANTS	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	FEDERAL GRANT	TOTAL
BEGINNING FUND BALANCE	\$ 321,120	\$ 55,324,863	\$ 28,803,714	\$ 1,768	\$ 4,073,041	\$ 2,268,106	\$ 11,335,170	\$ 13,976,147	\$ 1,273,557	\$ 324,395	\$ -	\$ 117,701,881
REVENUE	\$ 458,777	\$ 16,502,051	\$ 11,655,773	\$ 83,060	\$ 342,870	\$ 228	\$ 13,040,499	\$ 6,791,079	\$ 3,679,241	\$ 2,371,250	\$ 1,014,344	\$ 55,939,172
EXPENSE	416,747	43,250	-	-	-	-	7,862,968	63,250	-	(1,494)	14,344	8,399,065
TRANSFERS IN	-	-	-	-	-	-	-	-	-	-	-	-
TRANSFERS OUT	-	33,159,836	17,526,286	-	2,909,274	1,436,006	6,307,066	1,368,800	1,310,815	2,480,411	1,000,000	67,498,494
CHANGE IN FUND BALANCE	\$ 42,030	\$ (16,701,035)	\$ (5,870,513)	\$ 83,060	\$ (2,566,404)	\$ (1,435,778)	\$ (1,129,535)	\$ 5,359,029	\$ 2,368,426	\$ (107,667)	\$ -	\$ (19,958,388)
ENDING FUND BALANCE	\$ 363,150	\$ 38,623,828	\$ 22,933,201	\$ 84,828	\$ 1,506,637	\$ 832,328	\$ 10,205,635	\$ 19,335,176	\$ 3,641,983	\$ 216,728	\$ -	\$ 97,743,493
TOWN COUNCIL FUND BALANCE POLICY												
OPERATING RESERVE	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
BEACH PRESERVATION	-	20,000,000	-	-	-	-	-	-	-	-	-	20,000,000
DISASTER - DEBT SERVICE	-	-	-	-	-	-	-	1,000,000	-	-	-	1,000,000
ENDING FUND BALANCE	\$ 363,150	\$ 18,623,828	\$ 17,933,201	\$ 84,828	\$ 1,506,637	\$ 832,328	\$ 10,205,635	\$ 18,335,176	\$ 3,641,983	\$ 216,728	\$ -	\$ 71,743,493



FEMA Reimbursement

BEACH RENOURISHMENT

Storm	Obligated	Amount Paid to Town Prior FY	Amount Paid to Town FY2027	Amount Approved To Be Paid	Obligated Funds Left to Claim**	Recommended amount of Eligible Later*
Hurricane Matthew (DR4286-515)	9,457,950	2,793,928	3,125,575	851,801	2,686,647	-
Hurricane Irma (DR4346-239)	2,947,966	-	2,229,423	718,543	-	1,404,223
Hurricane Dorian (DR4464-230)	2,800,797	-	2,800,797		-	966,025
Total All	15,206,713	2,793,928	8,155,795	1,570,344	2,686,647	2,370,247

* - Recommended Amount of Eligible Later - indicates that the funding originally obligated for these projects has been fully expended. When project closeout occurs, the South Carolina Emergency Management Division will recommend that FEMA reimbursement any costs identified as eligible under the "Eligible Later" category. Funding of these costs is solely at the discretion of FEMA at the time of closeout.

** - If the extension request of 7/31/26 or 10/31/26 is approved, the invoices for any remaining sand placement, retainage and demobilization can be submitted which we will have prior to the end of July per the CIP Department. These expenses would be applied against all three storms and at this time only the expenses obligated against Matthew would be paid with the recommended amount of eligible later for Irma and Dorian increasing for their share of respective expenses. An extension approval of 10/31/26 would allow us to seek reimbursement for the sand fencing expense which is included in the FY27 CIP budget. These expenses would only be eligible under Matther and Dorian since this expense was not included in the approved scope of work for Irma. The fencing expense would be reimbursed under Matthew based on the remaining obligated funds left to claim and would increase the eligible later expenses under Dorian.

PUBLIC ASSISTANCE - NON BEACH RENOURISHMENT

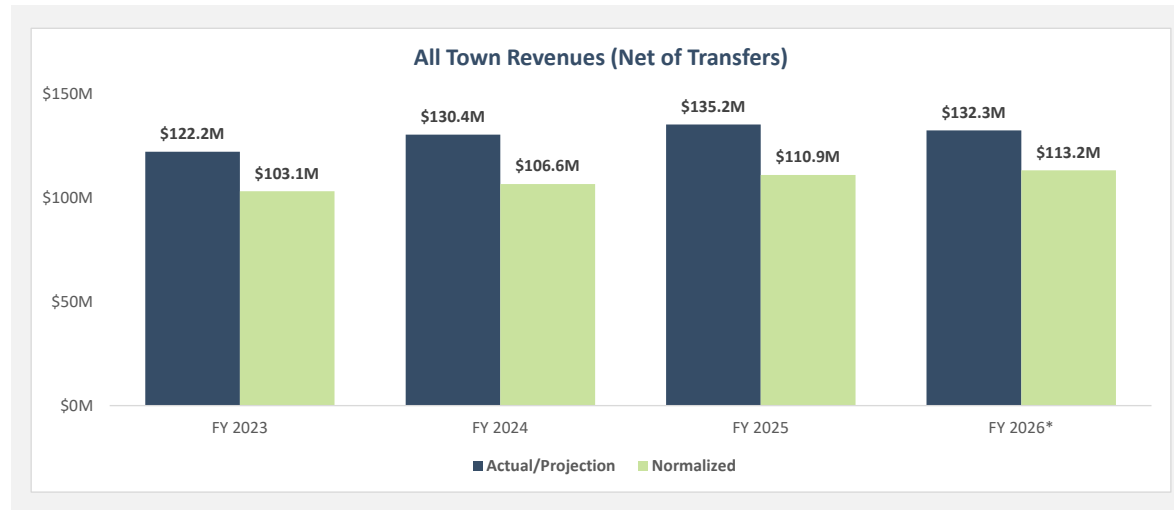
Storm	Remaining Obligated	Amount Paid to Town FY2027	Amount Approved To Be Paid	Obligated Funds Left to Claim
Tropical Storm Debby (DR4835)	411,878	4,025	407,853	-
Hurricane Helene (DR4829)	127,534	127,534	-	-
Total All	539,412	131,559	407,853	-

Quarterly Revenue Charts

Fiscal Year 2026

Through May 2026

All Town Revenues (Net of Transfers)
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Normalized amounts on chart are less Investment Income, Grants & TIF collections for FY2023-FY2026 & removed Airbnb settlement & Business License FY24 collection amount from FY2025.

Q1, Q2, Q3 & Q4 (April & May) are actuals. See individual revenue charts for assumptions made for Q4 (June) projections.

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*	
2023		\$	8,565,185	\$	25,403,790	\$	51,109,057	\$	37,078,380	2	\$
			7%		21%		42%		30%		
2024		\$	12,115,708	\$	28,874,899	\$	49,064,518	\$	40,310,562	2	\$
			9%		22%		38%		31%		
2025		\$	12,509,858	\$	27,161,464	\$	50,063,122	\$	45,429,407	1,2	\$
			9%		20%		37%		34%		
2026		\$	12,659,734	\$	26,821,855	\$	41,737,638	\$	51,105,088	3	\$
			10%		20%		32%		39%		

Notes:

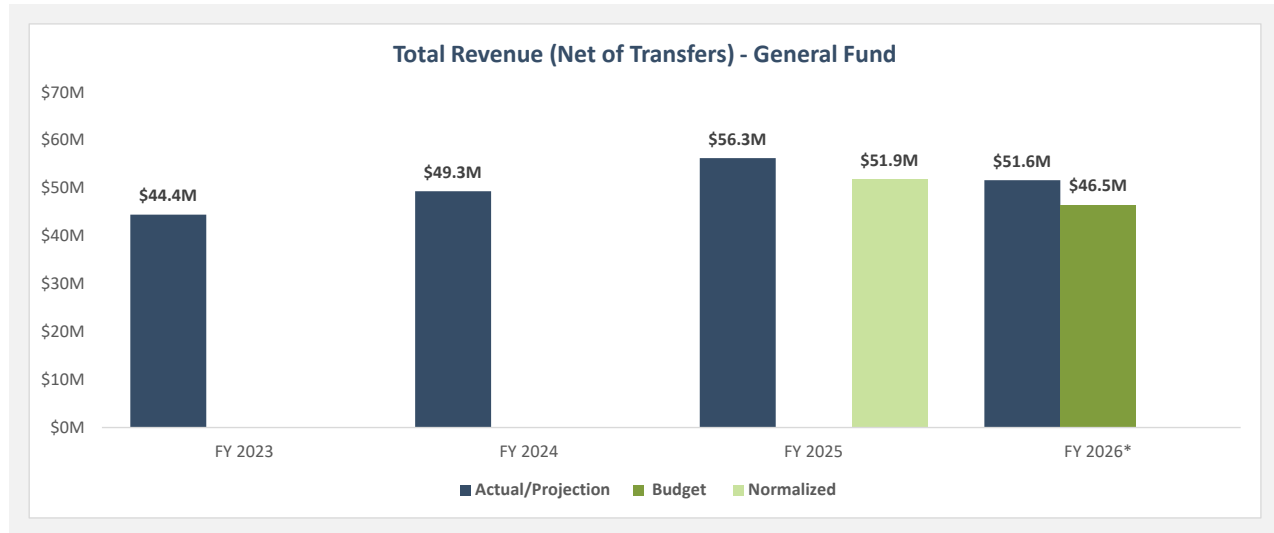
** - Total for FY2026 uses projected amount.*

1 - FY2025 Q4 includes \$5.614M Airbnb settlement.

2 - FY2025 was final year of TIF collections (FY25 \$3.259M, FY24 \$7.845M and FY23 \$6.444M).

3 - FY2026 revenues do not include 25 Beach Bonds, 26 GO Bonds/Premium and Novant Land Sale Revenues

Total Revenue (Net of Transfers) - General Fund
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Q1, Q2, Q3 & Q4 (April & May) are actuals. See individual revenue charts for assumptions made for Q4 (June) projections.

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023		\$	3,140,961 7%	\$	6,926,789 16%	\$	19,680,290 44%	\$	14,697,176 33%	\$ 44,445,216 100%
2024		\$	4,803,158 10%	1 \$	6,246,418 13%	\$	21,917,949 44%	\$	16,381,696 33%	\$ 49,349,220 100%
2025		\$	4,901,395 9%	1 \$	6,535,413 12%	\$	22,780,784 40%	\$	22,034,907 39%	2 \$ 56,252,499 100%
2026		\$	4,033,654 8%	\$	7,330,711 14%	\$	22,307,572 43%	\$	17,958,146 35%	\$ 51,630,083 100%

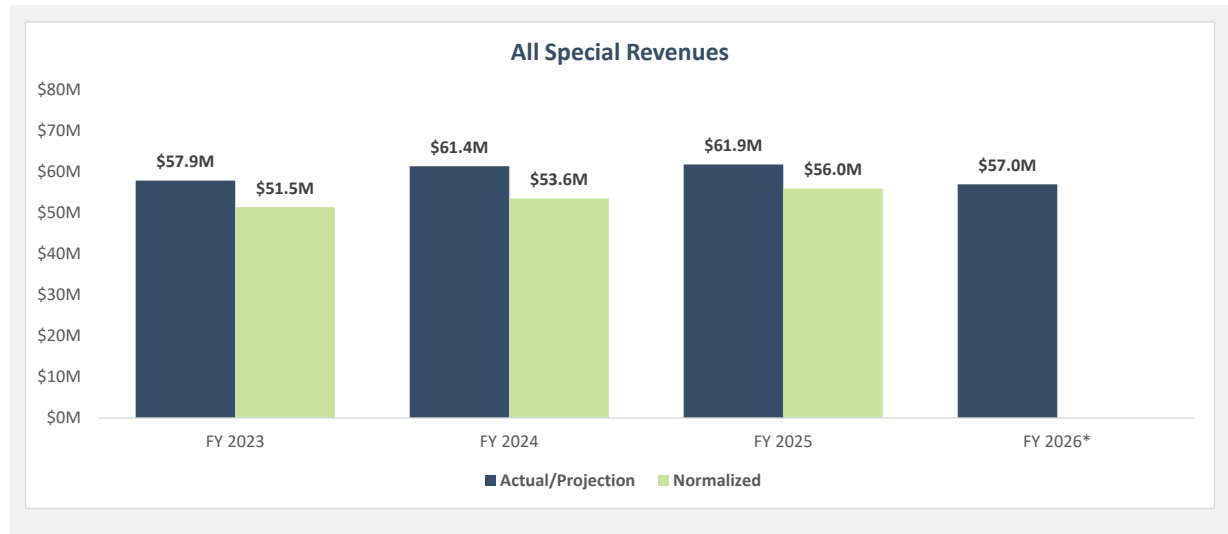
Notes:

* - Total for FY2026 uses projected amount.

1 - FY2025 Q1 MASC business licenses included \$1.365M fees received for FY2024 & FY2024 MASC business licenses included \$984K fees received for FY2023.

2 - FY2025 Q4 business licenses includes \$3.014M in proceeds received from Airbnb settlement.

All Special Revenues (includes Natural Disaster Fund)
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Normalized amounts on chart are less TIF collections for FY2023, FY2024, & FY2025 & Airbnb settlement amount from FY2025.

Q1, Q2,Q3 & Q4 (April & May) are actuals. See individual revenue charts for assumptions made for Q4 (June) projections.

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*		
2023		\$	4,887,642	\$	16,230,193	\$	16,232,157	\$	20,590,234	1	\$	57,940,226
			8%		28%		28%		36%			100%
2024		\$	6,267,449	\$	17,493,121	\$	15,606,600	\$	22,072,208	1	\$	61,439,377
			10%		28%		25%		36%			100%
2025		\$	6,260,192	\$	18,032,825	\$	16,373,288	\$	21,218,347	2	\$	61,884,651
			10%		29%		26%		34%			100%
2026		\$	8,039,517	\$	16,643,697	\$	8,742,022	\$	23,604,428		\$	57,029,664
			14%		29%		15%		41%			100%

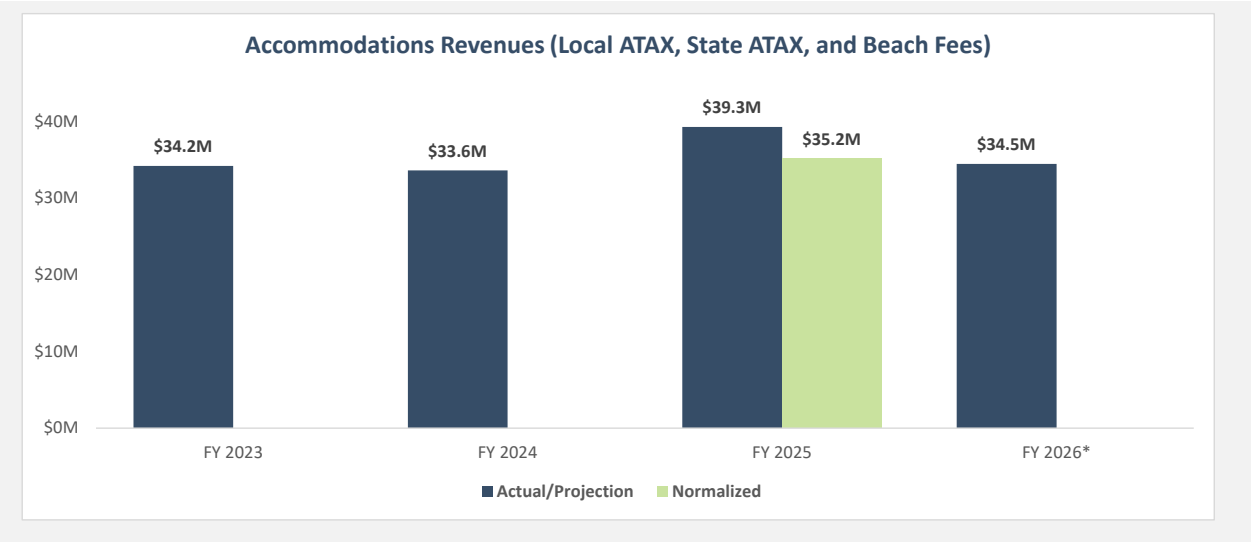
Notes:

** - Total for FY2026 uses projected amount and includes Disaster Fund investment income .*

1 - FY2025 was final year of TIF collections (FY25 \$3.259M, FY24 \$7.845m and FY23 \$6.444M).

2 - FY2025 Q4 beach preservation fees includes \$2.6M in proceeds received from the Airbnb settlement.

Accommodations Revenues (Local ATAX, State ATAX, and Beach Fees)
Revenues by Quarter/Fiscal Year as of May 31, 2026

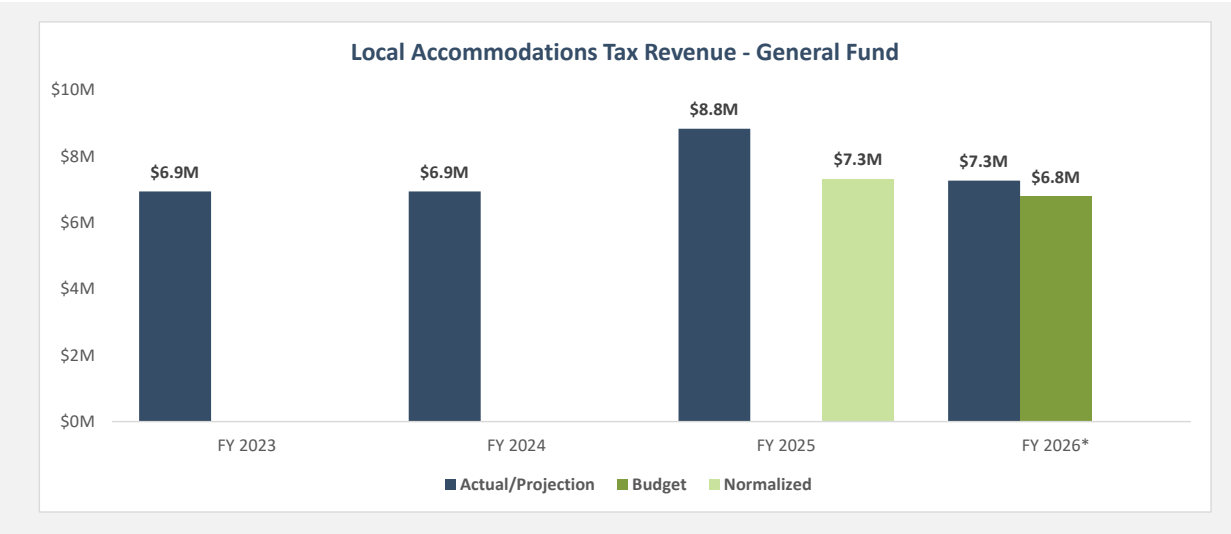


Notes:
Normalized Total in chart removes Airbnb settlement for \$4.107M received in FY2025.
Q1, Q2,Q3 & Q4 (April & May) are actuals. See individual revenue charts for assumptions made for Q4 (June) projections.

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023		\$	2,260,236	\$	12,203,863	\$	4,083,859	\$	15,642,341	\$ 34,190,299
			7%		36%		12%		46%	100%
2024		\$	2,415,404	\$	11,849,955	\$	3,929,485	\$	15,429,058	\$ 33,623,902
			7%		35%		12%		46%	100%
2025		\$	1,919,393	\$	11,820,283	\$	4,450,159	\$	21,088,015	1 \$ 39,277,850
			5%		30%		11%		54%	100%
2026		\$	2,577,180	\$	11,429,538	\$	4,397,828	\$	16,066,099	\$ 34,470,645
			7%		33%		13%		47%	100%

Notes:
** - Total for FY2026 uses projected amount.*
1 - FY2025 Q4 beach preservation fees includes \$4.107M in proceeds received from the Airbnb settlement.

Local ATAX Revenue - General Fund
 Revenues by Quarter/Fiscal Year as of May 31, 2026

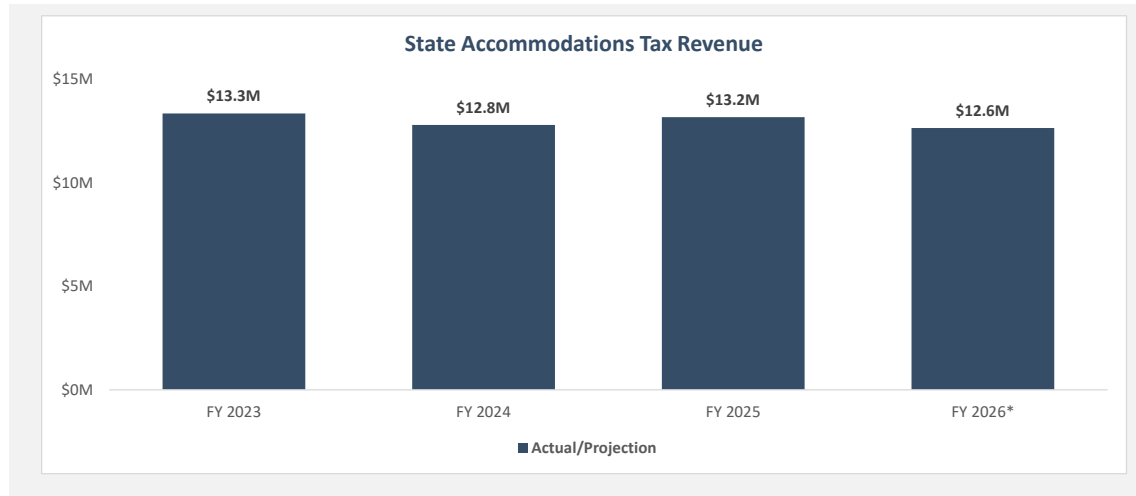


Notes:
 Represents 1% of the 3% local accommodations collected by the Town on the rental of any rooms (excluding meeting rooms).
 Tax collections occur monthly.
 FY2026 Assumptions: Q1, Q2,Q3 &Q4 (April & May) are actuals. Q4 (June) is a 4% reduction from FY2025 (excluding one-time items).

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023	\$	753,412	\$	2,287,180	\$	756,489	\$	3,151,384	\$	6,948,465
		11%		33%		11%		45%		100%
2024	\$	805,135	\$	2,233,779	\$	719,806	\$	3,185,804	\$	6,944,524
		12%		32%		10%		46%		100%
2025	\$	639,798	\$	2,175,619	\$	871,544	\$	5,154,445	1	8,841,406
		7%		25%		10%		58%		100%
2026	\$	859,060	\$	2,077,962	\$	915,560	\$	3,422,669		7,275,251
		12%		29%		13%		47%		100%

Notes:
 * - Total for FY2026 uses projected amount.
 1 - FY2025 Q4 includes \$1.507M in proceeds received from the Airbnb settlement.

State Accommodations Tax Revenue
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Represents remittance by the State of the 2% accommodations tax on the rental of any rooms.

Taxes are paid quarterly to the Town in arrears and are distributed as follows:

First \$25,000 to the General Fund

5% to the General Fund

30% to the DMO

65% to Special Revenue ATAX Fund

FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is a 4% reduction from FY2025 (excluding one-time items).

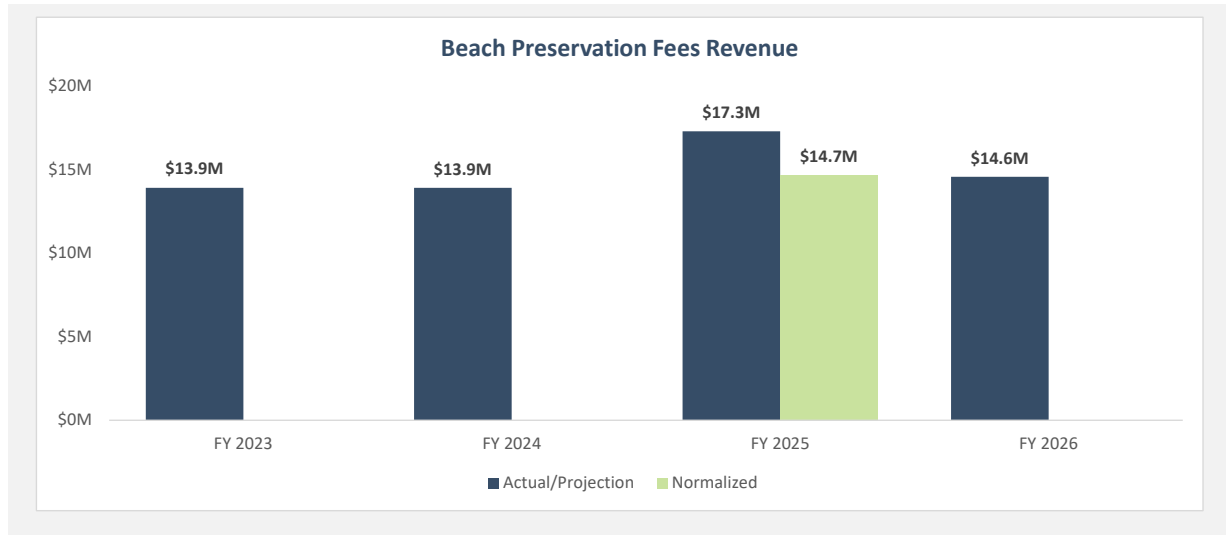
Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*	
2023	\$	-	\$	5,342,323	\$	1,814,391	\$	6,188,189	\$	13,344,903	100%
		0%		40%		14%		46%			
2024	\$	-	\$	5,148,616	\$	1,770,069	\$	5,871,644	\$	12,790,329	100%
		0%		40%		14%		46%			
2025	\$	-	\$	5,293,425	\$	1,835,526	\$	6,038,711	\$	13,167,662	100%
		0%		40%		14%		46%			
2026	\$	-	\$	5,195,651	\$	1,651,148	\$	5,798,120	\$	12,644,919	100%
		0%		41%		13%		46%			

Notes:

** - Total for FY2026 uses projected amount.*

FY2026 Total Projection is based on the average collections for the last three fiscal years.

Beach Preservation Fee Revenue
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Represents 2% of the 3% local accommodations collected by the Town on the rental of any rooms (excluding meeting rooms).

Tax collections occur monthly.

FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is a 4% reduction from FY2025 (excluding one-time items).

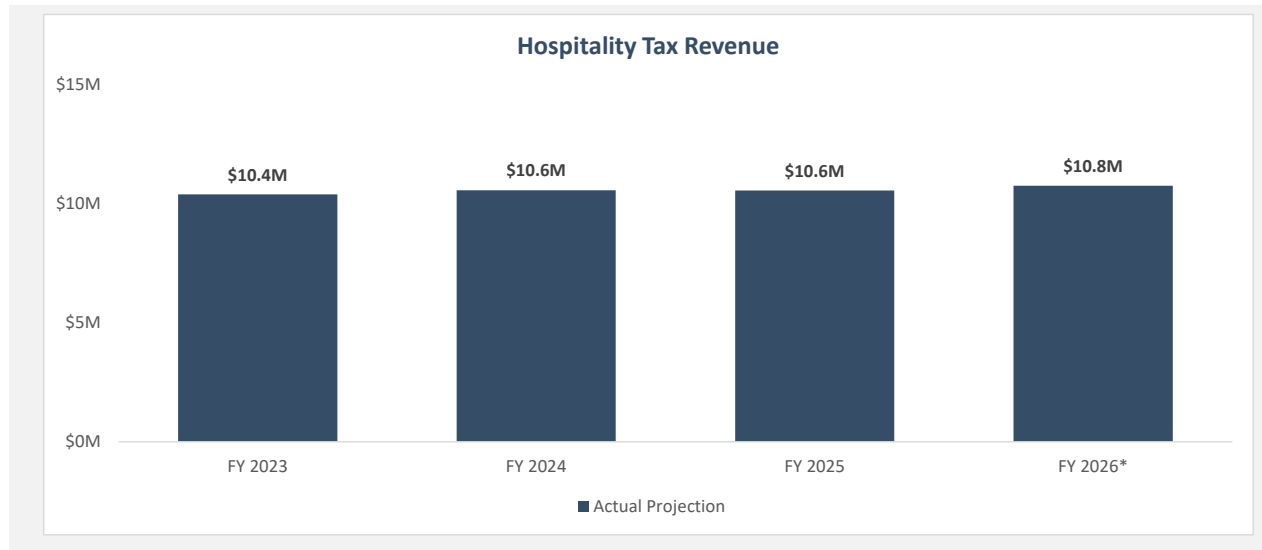
Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023		\$ 1,506,824	11%	\$ 4,574,360	33%	\$ 1,512,979	11%	\$ 6,302,768	45%	\$ 13,896,931 100%
2024		\$ 1,610,269	12%	\$ 4,467,560	32%	\$ 1,439,610	10%	\$ 6,371,610	46%	\$ 13,889,049 100%
2025		\$ 1,279,595	7%	\$ 4,351,239	25%	\$ 1,743,089	10%	\$ 9,894,859 ¹	57%	\$ 17,268,782 100%
2026		\$ 1,718,120	12%	\$ 4,155,925	29%	\$ 1,831,120	13%	\$ 6,845,310	47%	\$ 14,550,475 100%

Notes:

** - Total for FY2026 uses projected amount.*

1 - FY2025 Q4 beach preservation fees includes \$2.6M in proceeds received from the Airbnb settlement.

Hospitality Tax Revenue
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Represents the monthly collection of a 2% tax collected each month in the Town from the sale of prepared foods, meals and beverages sold.

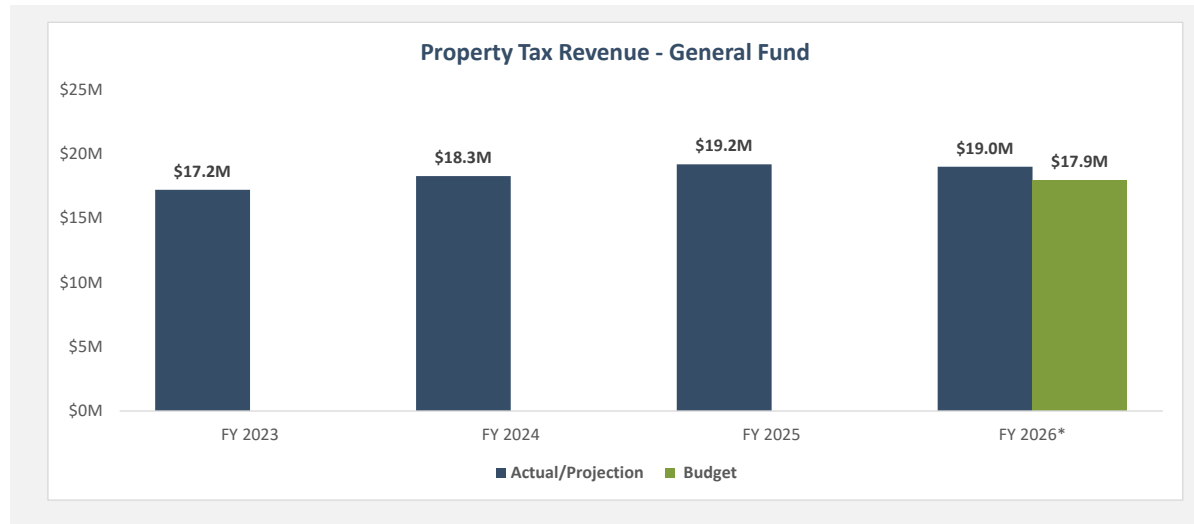
FY2026 Assumptions: Q1,Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is flat compared to FY2025 based on actuals from Q2 & Q3 for FY2026.

Fiscal Year	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023	\$	1,099,256 11%	\$	2,727,970 26%	\$	1,820,982 18%	\$	4,752,137 46%	\$ 10,400,345 100%
2024	\$	1,125,307 11%	\$	2,807,303 27%	\$	1,836,198 17%	\$	4,805,571 45%	\$ 10,574,379 100%
2025	\$	1,073,329 10%	\$	2,740,003 26%	\$	1,842,822 17%	\$	4,903,508 46%	\$ 10,559,662 100%
2026	\$	1,255,383 12%	\$	2,758,840 26%	\$	1,871,281 17%	\$	4,875,049 45%	\$ 10,760,553 100%

Notes:

** - Total for FY2026 uses projected amount.*

Property Tax Revenue - General Fund
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Represents operating millage collections of 14.3 mills (FY2026) by Beaufort County and remitted to the Town on all real and personal (automobiles and watercraft) property within the Town. Majority of tax collections occur during the months of December and January.

FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) are down based on a millage reduction offset by appreciation of values.

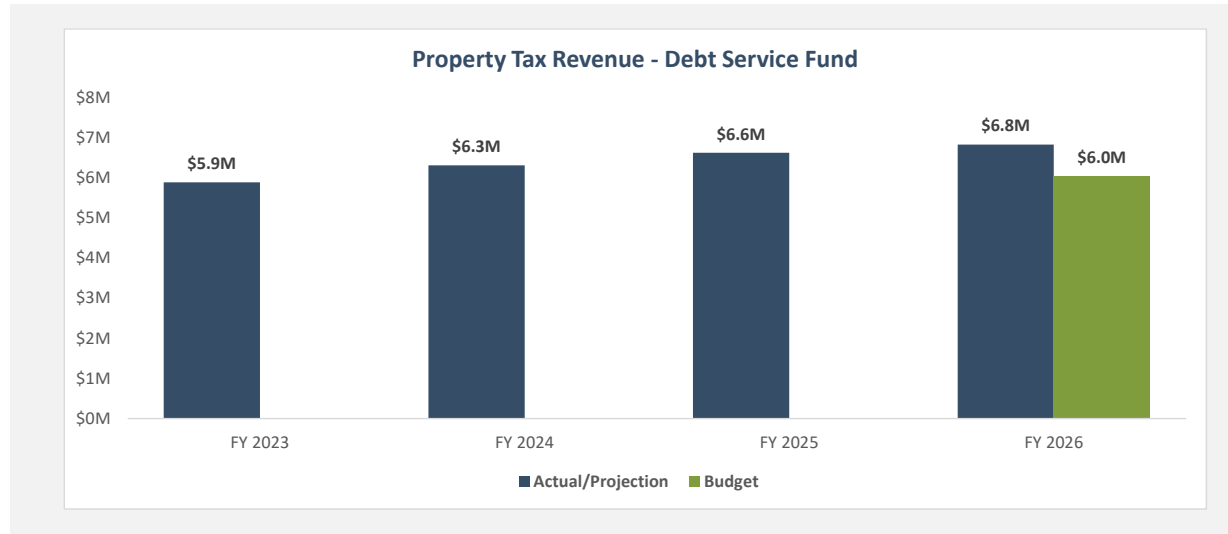
Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023	\$	238,529	1%	\$ 2,631,682	15%	\$ 13,396,238	78%	\$ 949,097	6%	\$ 17,215,546 100%
2024	\$	207,585	1%	\$ 1,261,449	7%	\$ 15,930,263	87%	\$ 875,083	5%	\$ 18,274,380 100%
2025	\$	170,971	1%	\$ 2,336,204	12%	\$ 15,839,643	83%	\$ 843,976	4%	\$ 19,190,794 100%
2026	\$	215,644	1%	\$ 2,484,094	13%	\$ 15,658,828	82%	\$ 641,435	3%	\$ 19,000,000 100%

Notes:

* - Total for FY2026 uses projected amount.

Projection: 10% debt millage reduction offset by 5% appreciation to assessed value.

Property Tax Revenue - Debt Service Fund
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Represents debt service millage collections of 5.1 mills (FY2026) by Beaufort County and remitted to the Town on all real and personal (automobiles and watercraft) property within the Town. Majority of tax collections occur during the months of December and January.

FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is down based on 7% millage reduction.

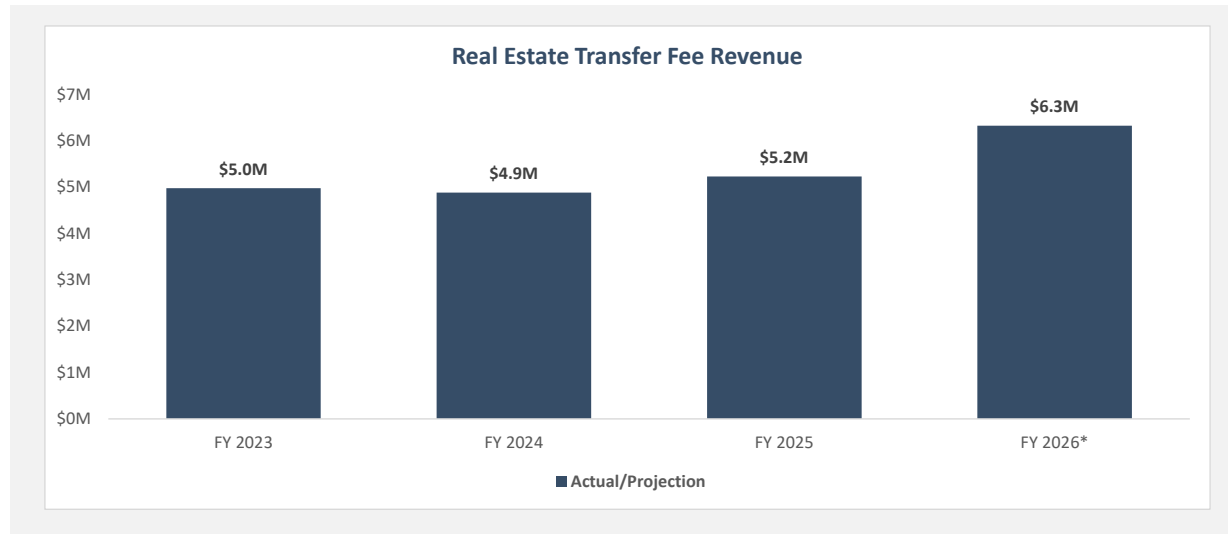
Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023		\$ 79,264	1%	\$ 899,185	15%	\$ 4,592,086	78%	\$ 316,165	5%	\$ 5,886,700 100%
2024		\$ 71,206	1%	\$ 433,316	7%	\$ 5,506,944	87%	\$ 296,570	5%	\$ 6,308,036 100%
2025		\$ 56,441	1%	\$ 804,215	12%	\$ 5,473,052	83%	\$ 285,421	4%	\$ 6,619,129 100%
2026		\$ 73,827	1%	\$ 881,618	13%	\$ 5,580,952	82%	\$ 286,095	4%	\$ 6,822,492 100%

Notes:

** - Total for FY2026 uses projected amount.*

**Projection: 7% debt millage reduction offset by 5% appreciation to assessed value.*

Real Estate Transfer Fee Revenue
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Represents 0.25% of the consideration paid on all Town of HHI real estate transfers filed with the Beaufort County Register of Deeds each month. Beaufort County retains 1% of the collected fees. Per municipal code, this fee is set to expire December 31, 2044.

FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is flat to compared to previous years Q4 amounts.

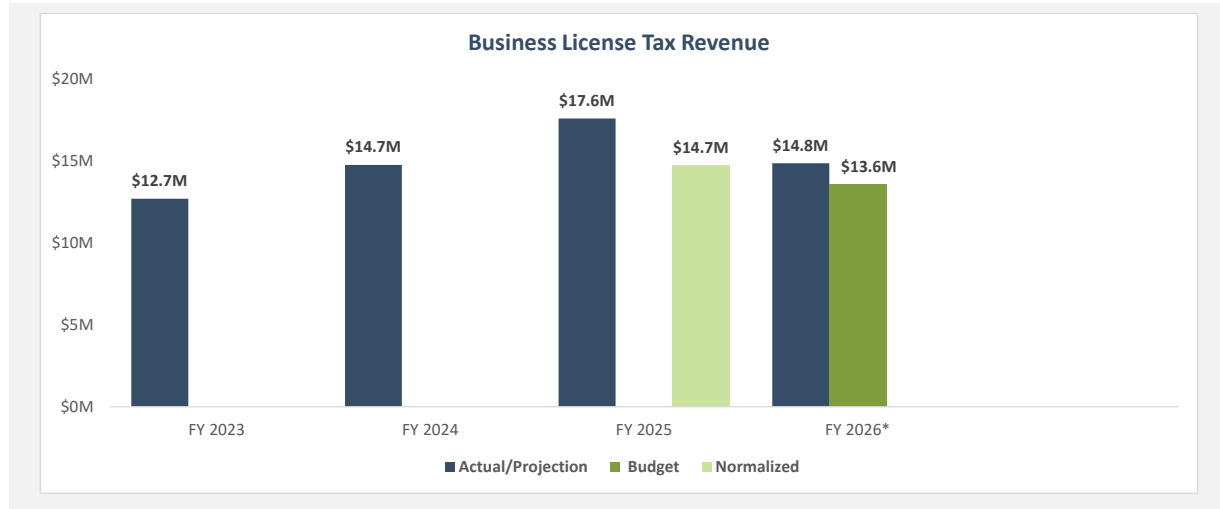
Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023		\$	1,383,888	\$	1,127,907	\$	1,024,881	\$	1,438,955	\$ 4,975,631
			28%		23%		21%		29%	100%
2024		\$	1,318,874	\$	1,014,836	\$	1,136,910	\$	1,412,585	\$ 4,883,205
			27%		21%		23%		29%	100%
2025		\$	1,279,168	\$	1,159,633	\$	1,266,208	\$	1,523,346	\$ 5,228,355
			24%		22%		24%		29%	100%
2026		\$	2,233,440	\$	1,301,920	\$	1,329,441	\$	1,460,113	\$ 6,324,914
			35%		21%		21%		23%	100%

Notes:

* - Total for FY2026 uses projected amount.

FY2026 Total Projection is based on the average collections for the last three fiscal years.

Business License Revenue - General Fund
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Business license revenue for existing businesses are paid annually during the month April. New businesses will pay pro-rated fee based on month of opening. Majority of collections occur during the 3rd and 4th quarter.

FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is based on expected FY2026 revenues, which represent an overall growth rate

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023		\$ 496,410	4%	\$ 203,450	2%	\$ 3,489,303	27%	\$ 8,501,761	67%	\$ 12,690,924 100%
2024		\$ 1,586,659	11%	\$ 315,591	2%	\$ 3,047,844	21%	\$ 9,799,288	66%	\$ 14,749,382 100%
2025		\$ 1,701,317	10%	\$ 77,044	0%	\$ 3,125,536	18%	\$ 12,681,705	72%	\$ 17,585,602 100%
2026		\$ 343,189	2%	\$ 129,475	1%	\$ 3,115,294	21%	\$ 11,259,163	76%	\$ 14,847,121 100%

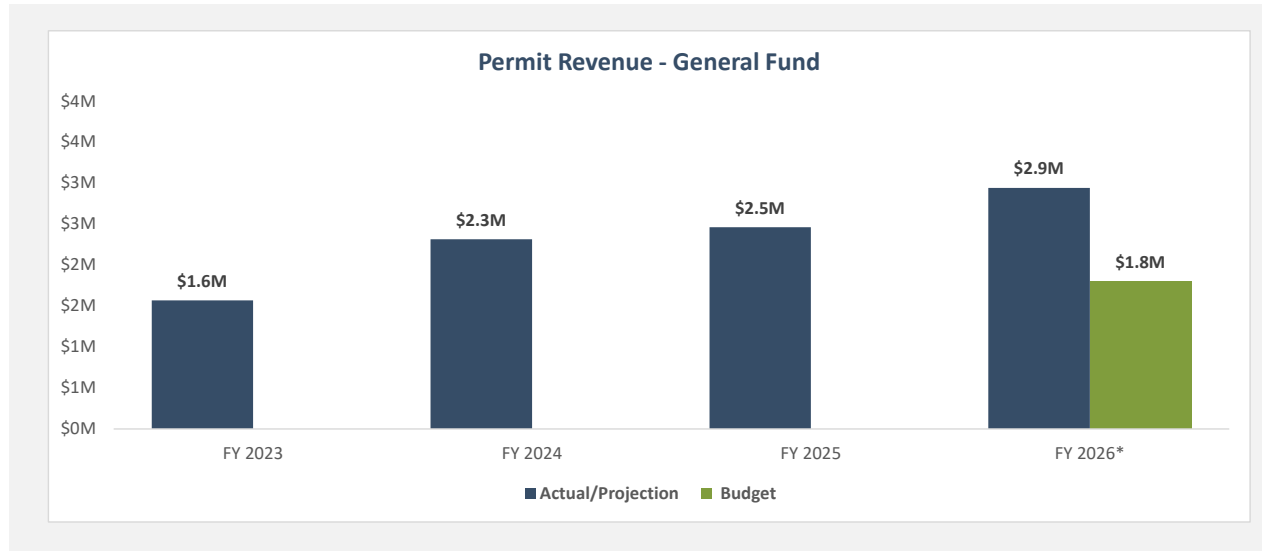
Notes:

** - Total for FY2026 uses projected amount.*

1 - FY2025 Q1 MASC business licenses included \$1.365M fees received for FY2024 & FY2024 MASC business licenses included \$984K fees received for FY2023.

2 - FY2025 Q4 business licenses includes \$1.507M in proceeds received from Airbnb settlement.

Permit Revenue - General Fund
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Permit revenue is paid throughout the fiscal year for any improvements to an existing home or business or construction of a new home or business. Revenue is received throughout the fiscal year.

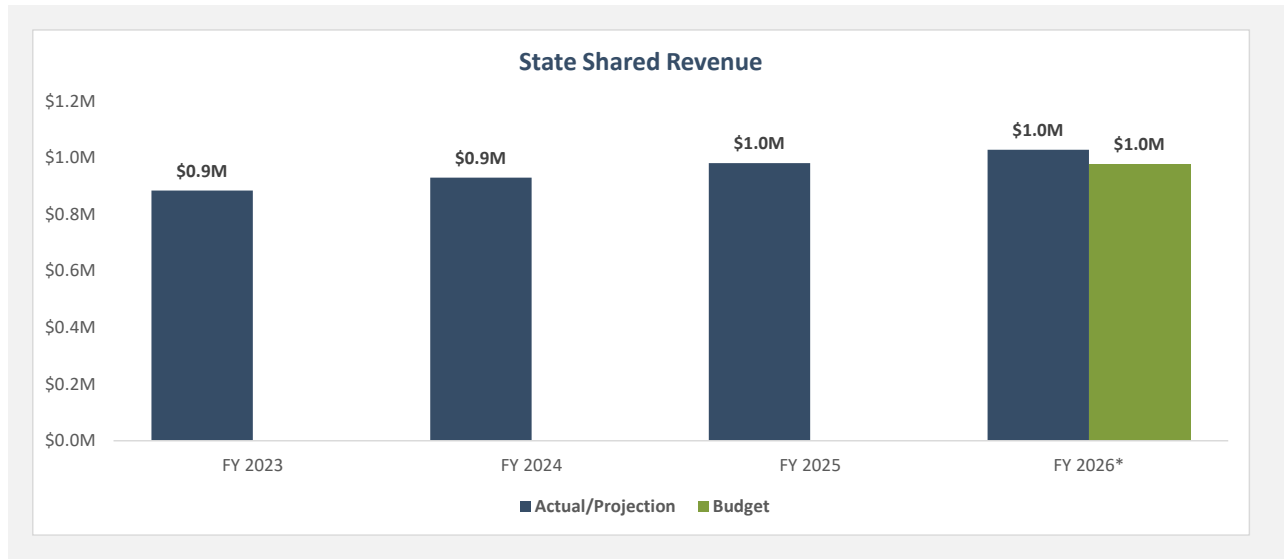
FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is based on expected FY2026 revenue.

Fiscal Year	Quarter				Total*
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
2023	\$ 428,893 27%	\$ 435,714 28%	\$ 360,844 23%	\$ 344,675 22%	\$ 1,570,126 100%
2024	\$ 655,820 28%	\$ 778,737 34%	\$ 485,294 21%	\$ 395,288 17%	\$ 2,315,139 100%
2025	\$ 490,800 20%	\$ 587,154 24%	\$ 830,412 34%	\$ 553,318 22%	\$ 2,461,684 100%
2026	\$ 845,731 29%	\$ 710,959 24%	\$ 891,242 30%	\$ 492,488 17%	\$ 2,940,420 100%

Notes:

* - Total for FY2026 uses projected amount.

State Shared Revenue - General Fund
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Quarterly distributions from State from Aid To Subdivisions revenues.

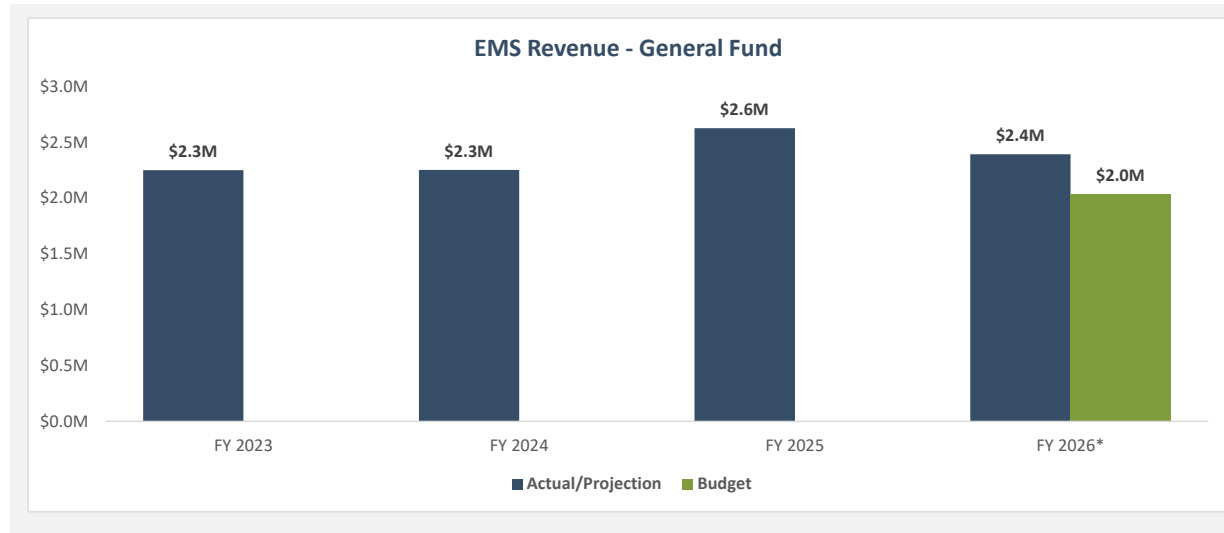
FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is based on expected FY2026 revenue.

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*	
2023		\$	220,655	\$	220,656	\$	223,108	\$	220,670	\$	885,089
			25%		25%		25%		25%		100%
2024		\$	231,688	\$	231,689	\$	235,223	\$	231,505	\$	930,105
			25%		25%		25%		25%		100%
2025		\$	243,273	\$	243,272	\$	252,042	\$	243,194	\$	981,781
			25%		25%		26%		25%		100%
2026		\$	255,436	\$	255,437	\$	262,802	\$	255,364	\$	1,029,039
			25%		25%		26%		25%		100%

Notes:

* - Total for FY2026 uses projected amount.

Emergency Medical Services (EMS) Revenue - General Fund
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Monthly revenue collections net of contractual adjustments, refunds, write-offs and other adjustments of EMS charges for services as collected and processed by EMS-MC (3rd party agency).

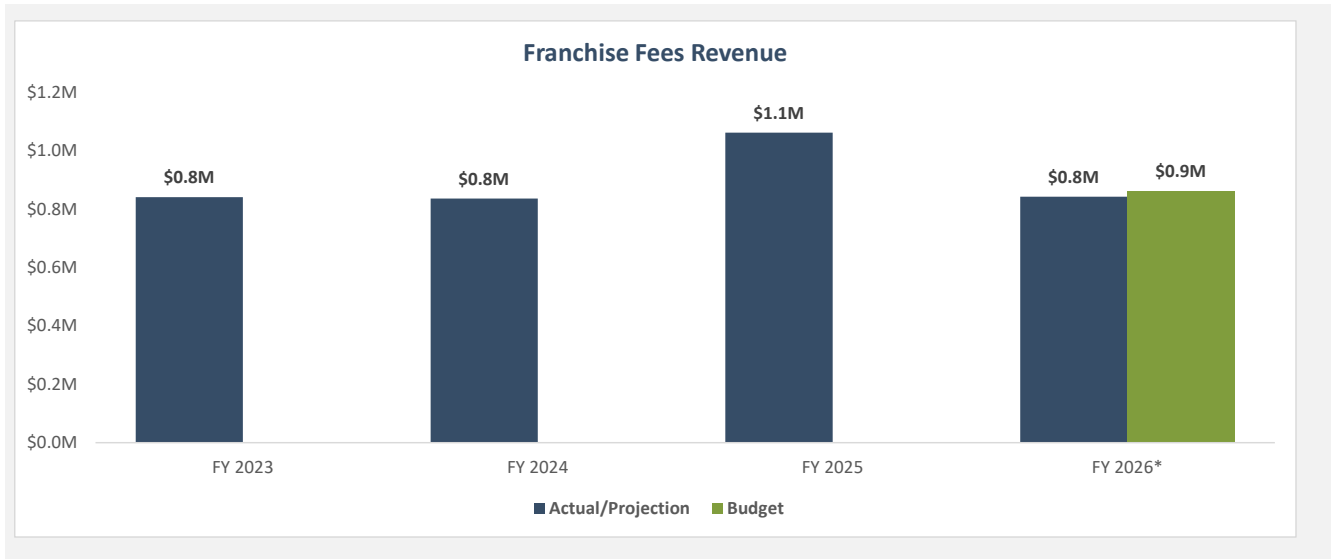
FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is based on expected FY2026 revenues.

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023		\$ 635,658	28%	\$ 473,296	21%	\$ 603,426	27%	\$ 538,554	24%	\$ 2,250,934 100%
2024		\$ 567,962	25%	\$ 462,648	21%	\$ 582,543	26%	\$ 639,394	28%	\$ 2,252,547 100%
2025		\$ 734,941	28%	\$ 466,807	18%	\$ 783,778	30%	\$ 641,645	24%	\$ 2,627,171 100%
2026		\$ 600,412	25%	\$ 726,125	30%	\$ 432,949	18%	\$ 633,851	26%	\$ 2,393,337 100%

Notes:

* - Total for FY2026 uses projected amount.

Franchise Fees Revenue - General Fund
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Quarterly collections (in arrears) of franchise fees for cable TV services provided by Charter Communications and Cable One (Hargray).

FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is roughly flat to FY2025 based on historical trends.

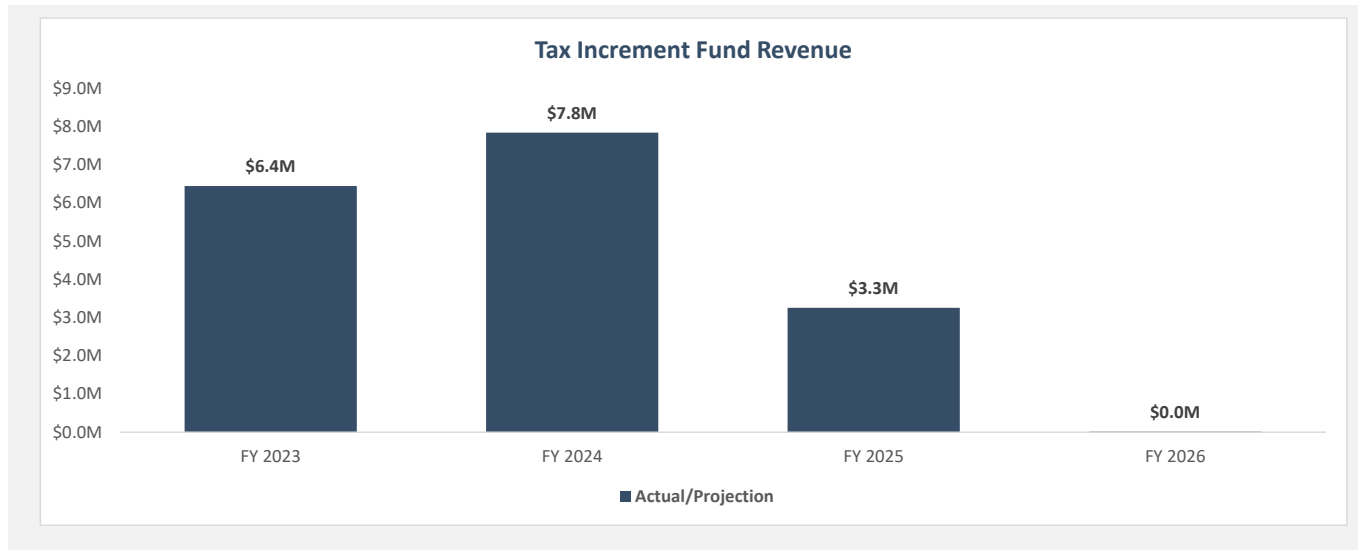
Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023		\$	63,127 8%	\$	219,390 26%	\$	283,350 34%	\$	274,685 33%	\$ 840,552 100%
2024		\$	163,458 20%	\$	208,072 25%	\$	262,896 31%	\$	201,439 24%	\$ 835,865 100%
2025		\$	201,300 19%	1	\$ 195,948 18%	\$	299,470 28%	\$	365,085 34%	\$ 1,061,803 100%
2026		\$	- 0%	\$	178,428 21%	\$	346,675 41%	\$	317,452 38%	\$ 842,555 100%

Notes:

* - Total for FY2026 uses projected amount.

1 - FY2025 Q1 Franchise Fees includes \$201,300 in FY2024 Q4 franchise fees (Charter and Cable One).

Tax Increment Fund Revenue
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

FY2025 was final year of TIF collections.

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023		\$	11,238 0%	\$	686,503 11%	\$	5,602,071 87%	\$	143,966 2%	\$ 6,443,778 100%
2024		\$	31,963 0%	\$	232,203 3%	\$	6,974,566 89%	\$	605,954 8%	\$ 7,844,686 100%
2025		\$	97,675 3%	\$	1,058,673 32%	\$	7,033,782 216%	\$	(4,931,271) 1 -151%	\$ 3,258,859 100%
2026		\$	15,410 92%	2 \$	1,272 8%	2 \$	- 0%	\$	- 0%	\$ 16,682 100%

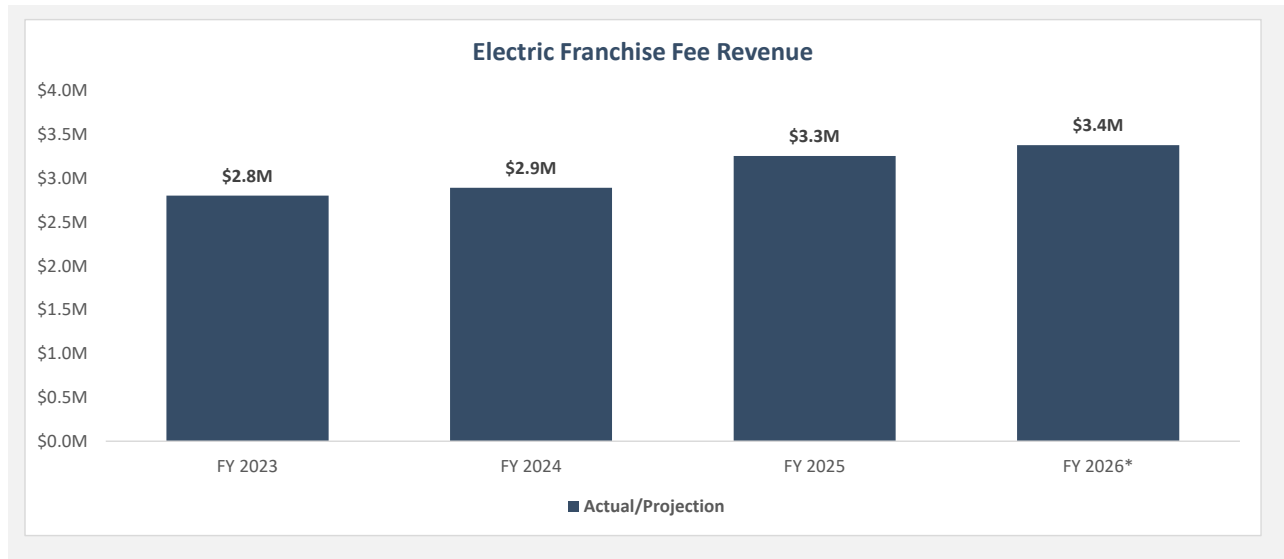
Notes:

* - FY 2026 Total Projection is based on actual collections year to date.

1 - Beaufort County reached \$26M contribution cap and the Town was required to reimburse the overpayment of \$5M.

2 - TIF ended 6/30/2025, FY 2026 revenue collections are late tax payments that were due for previous tax years.

Electric Franchise Fee Revenue
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Represents monthly remittance of franchise fee charged by Palmetto Electric on all electricity usage within the Town for the previous month.

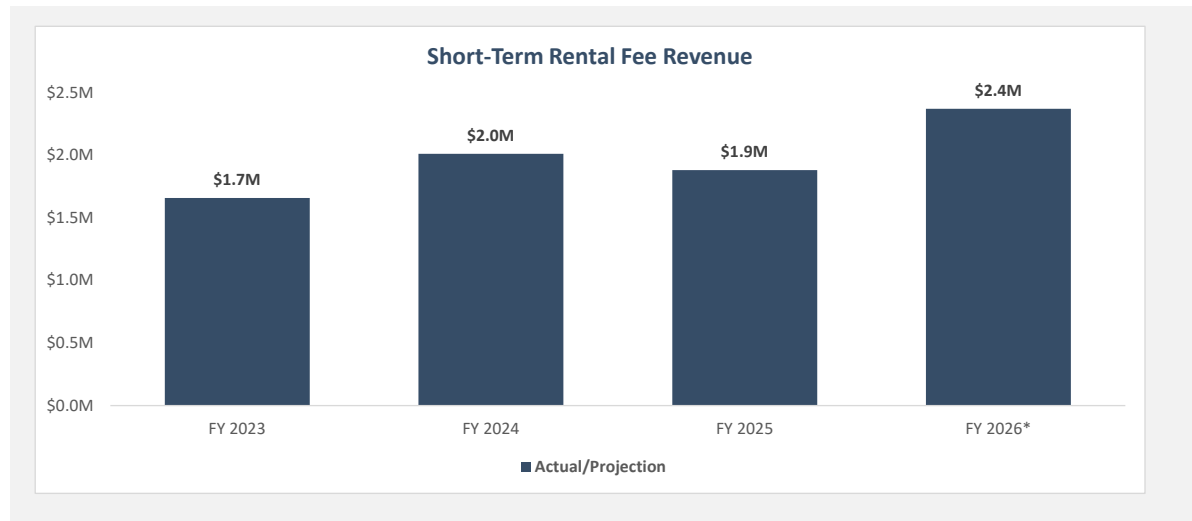
FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is flat compared to FY2025 based on historical trends.

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*	
2023		\$	580,877	\$	693,152	\$	703,541	\$	827,691	\$	2,805,261
			21%		25%		25%		30%		100%
2024		\$	590,376	\$	709,564	\$	691,427	\$	902,251	\$	2,893,618
			20%		25%		24%		31%		100%
2025		\$	632,749	\$	734,560	\$	845,620	\$	1,045,466	\$	3,258,395
			19%		23%		26%		32%		100%
2026		\$	700,506	\$	789,277	\$	916,052	\$	975,034	\$	3,380,869
			21%		23%		27%		29%		100%

Notes:

* - Total for FY2026 uses projected amount.

Short-Term Rental Fee Revenue
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

FY2026 projection of \$1,850,000 is based on the current permit fee of \$250 per license.

Assumption: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) amount is based on a license renewal due date change from January 1 to May 15

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*	
2023		\$	-	\$	-	\$	1,350,261	\$	309,250	\$	1,659,511
			0%		0%		81%		19%		100%
2024		\$	113,000	\$	1,341,750	\$	389,500	\$	168,245	\$	2,012,495
			6%		67%		19%		8%		100%
2025		\$	68,750	\$	1,379,500	\$	282,250	\$	152,000	\$	1,882,500
			4%		73%		15%		8%		100%
2026		\$	130,500	\$	89,500	\$	54,000	\$	2,097,250	\$	2,371,250
			6%		4%		2%		88%		100%

Notes:

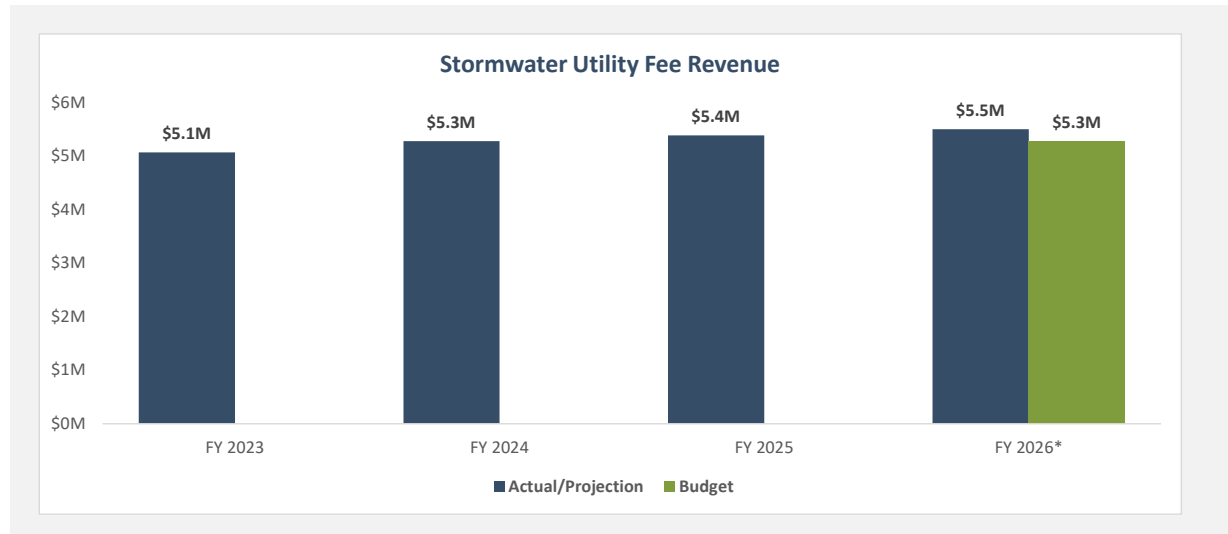
* - Total for FY2026 uses projected amount.

FY26 revenues represent collection of \$150 permit fee per bedroom for each short-term rental (STR) property.

Permit fee is valid from May to April, with majority of the revenue collected during Q4.

Previous fee was \$250 per STR with the due date of December 31st with the majority of the revenue collected during Q2.

Stormwater Utility Fee Revenue
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

Fees charged and collected by Beaufort County on all real property in the County. Fee collections are remitted to the Town monthly that include an administrative fee and an 80/20 allocation based a properties impervious area (square footage/structure type) and gross area (acres). Majority of revenue collections occur during the months of December and January.

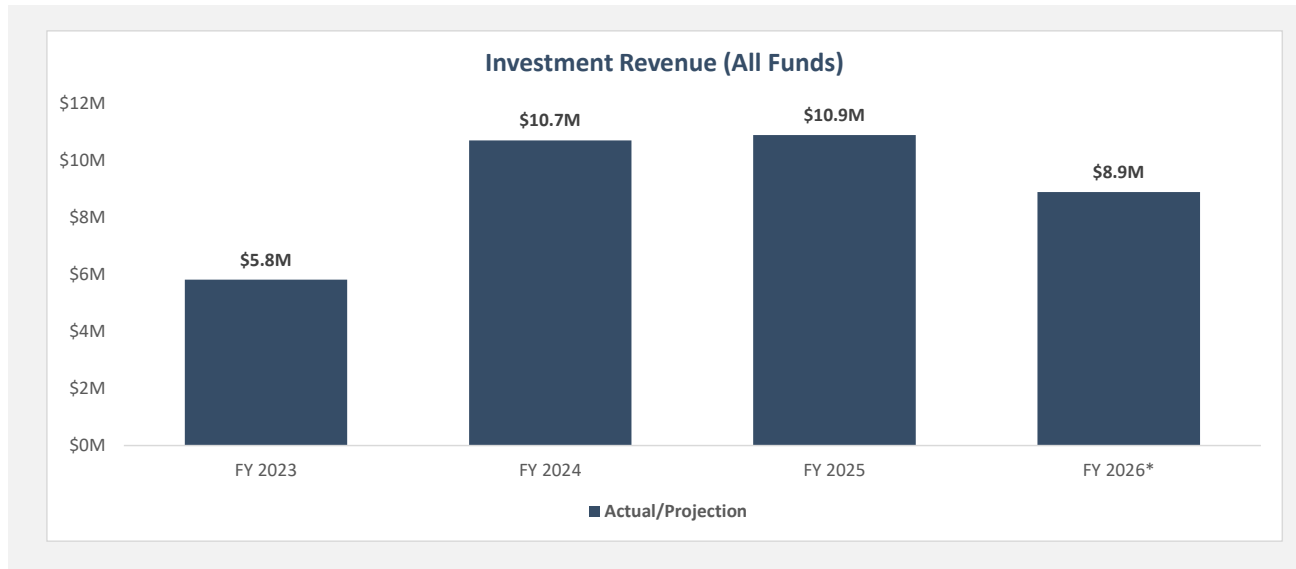
FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals. Q4 (June) is based on expected collections for FY2026.

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023		\$	29,193	\$	690,657	\$	4,227,573	\$	119,175	\$ 5,066,598
			1%		14%		83%		2%	100%
2024		\$	40,560	\$	259,977	\$	4,755,953	\$	218,545	\$ 5,275,035
			1%		5%		90%		4%	100%
2025		\$	40,725	\$	603,199	\$	4,581,118	\$	159,222	\$ 5,384,264
			1%		11%		85%		3%	100%
2026		\$	44,283	\$	672,056	\$	4,463,172	\$	321,451	\$ 5,500,962
			1%		12%		81%		6%	100%

Notes:

* - Total for FY2026 uses projected amount.

Investment Revenue (All Funds)
Revenues by Quarter/Fiscal Year as of May 31, 2026



Notes:

FY2026 Assumptions: Q1, Q2, Q3 & Q4 (April & May) are actuals.

Q4 (June) is lower due to expected spend on capital projects which lowers available cash for investments.

Fiscal Year		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total*
2023		\$	689,607	\$	1,581,497	\$	2,315,051	\$	1,227,109	\$ 5,813,264
			12%		27%		40%		21%	100%
2024		\$	2,557,765	\$	2,949,717	\$	2,588,816	\$	2,603,169	\$ 10,699,467
			24%		28%		24%		24%	100%
2025		\$	3,373,043	\$	1,954,497	\$	2,594,035	\$	2,963,627	\$ 10,885,202
			31%		18%		24%		27%	100%
2026		\$	2,577,426	\$	2,330,282	\$	1,875,631	\$	2,104,859	\$ 8,888,198
			29%		26%		21%		24%	100%

Notes:

*** - Total for FY2026 uses projected amount.**

Treasury/Cash Management

Fiscal Year 2026

Through May 2026



Treasury/Cash Management

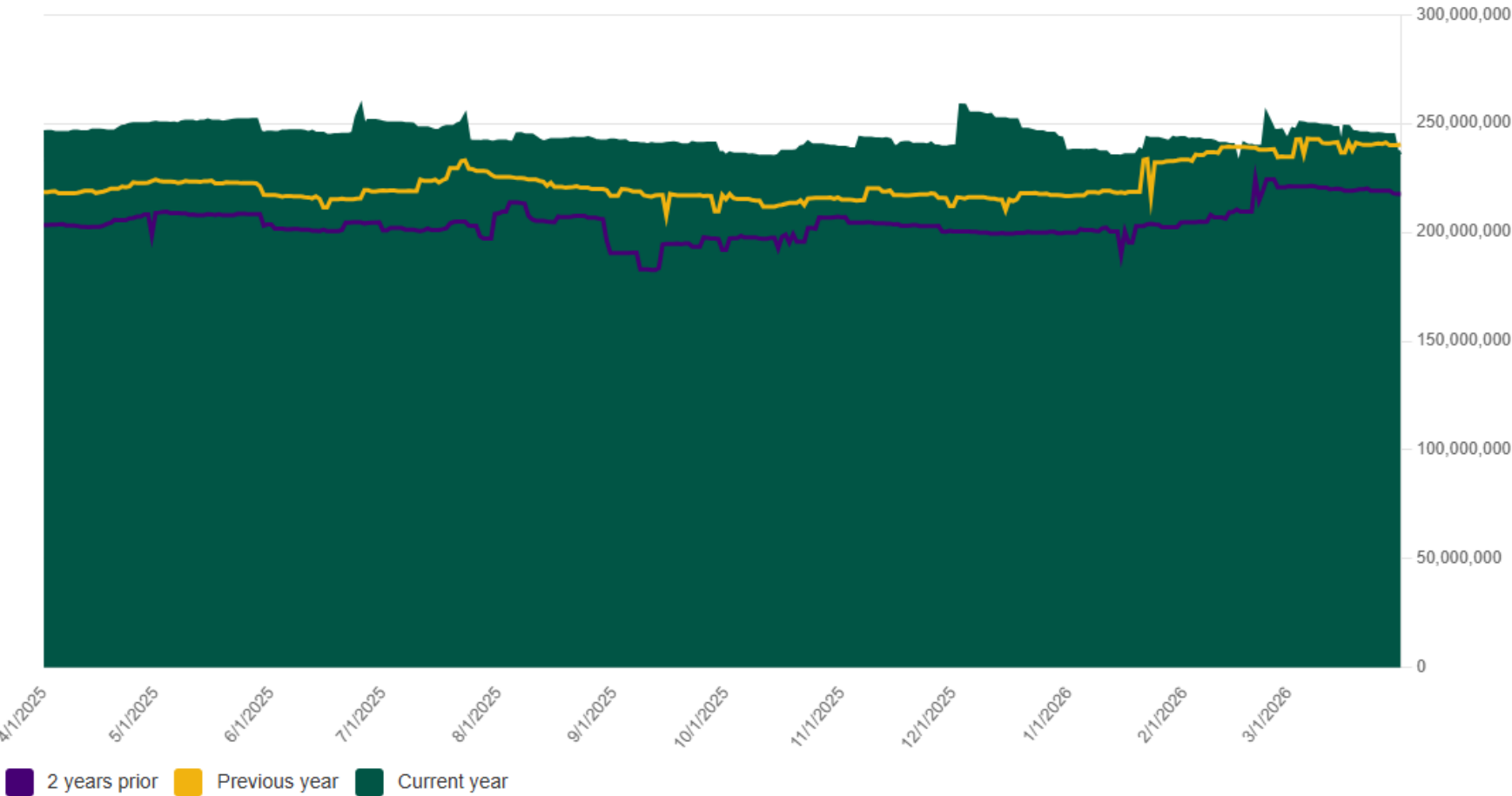
Summary of Cash Positions as of May 31, 2026

	Total Amount	% of Total	Bank Account	Dollars
Cash	\$ 4,442,249.95	1.7%	SC LGIP Accounts	
LGIP	126,200,353.22	47.8%	General Fund	\$ 21,460,683.40
Fixed Income	133,500,000.00	50.5%	Disaster	2,400,879.52
Total	<u>\$ 264,142,603.17</u>	<u>100.0%</u>	Debt Service	1,256,985.96
			Palmetto Electric	3,233,895.14
			Beach Preservation	22,719,210.16
			HTAX	9,146,700.18
			Real Estate Transfer	15,895,134.16
			TIF	1,846,701.13
			SWU	3,649,244.50
			CIP	13,390,931.67
			ATAX	3,073,883.78
			GGHNCDC	1,057,222.04
			Fire Truck Lease	80,019.57
			Opioid	46,523.94
			2025 BPF Bonds Construction	-
			2026 GO Bond Proceeds	26,942,338.07
			Total LGIP	\$ 126,200,353.22
			Fixed Income Investments	\$ 133,500,000.00
			Cash Accounts	
			Insured Investment	\$ 4,317,723.09
			EMS	2,543.31
			Short Term Rentals	2,021.70
			Credit Card Processing Account	119,961.85
			Total Cash Accounts	\$ 4,442,249.95
			Total	\$ 264,142,603.17



Treasury/Cash Management

History of Cash Position as of March 31, 2026



cashVest Analysis

The Town's cash position remained above the prior two years' levels. As of March 31, overall balances were down \$3.7 million. The Town maintains a very strong and stable cash balance with consistent growth.

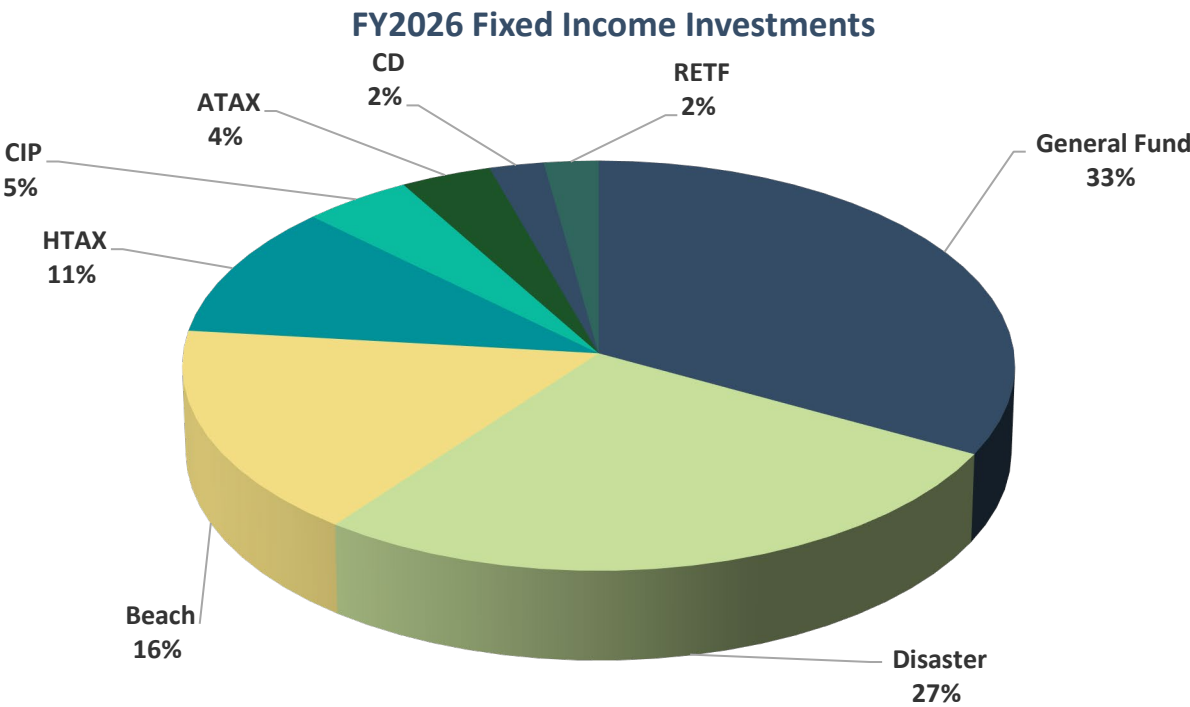
The trailing 12-month and 3-month averages both show a year-over-year increase. For the trailing 12 months, data shows an average balance increase of \$21.55 million over the prior year. When looking at the trailing 3-month balances, the data show the Town's balances are up \$8.9 million from the same period last year.

*This chart/data is from our cashVest portal and is updated on a quarterly basis. The next update will be for April – June 2026.



Treasury/Cash Management

Fixed Income Investments as of May 31, 2026



	Total Amount	% of Total
Treasuries*	\$ 97,500,000	73.0%
Agencies**	\$ 36,000,000	27.0%
Total	\$ 133,500,000	100.0%

Notes:

*U.S. Treasuries are loans made directly to the federal government. They are considered one of the safest investments available because they are backed by the full faith and credit of the United States

**U.S. Agency securities are loans to government-sponsored organizations (such as housing or agricultural programs). While not always issued directly by the U.S. Treasury, they are supported by federal agencies and are widely regarded as very low-risk investments.



TOWN OF HILTON HEAD ISLAND

Finance & Administrative Committee

TO: Finance & Administrative Committee
FROM: Dave Byrd, Finance Director
CC: Marc Orlando, ICMA-CM, Town Manager
DATE: July 13, 2026
SUBJECT: Review and Update of the 2027 Accommodations Tax Grant Application

BACKGROUND:

Following the 2026 Accommodations Tax (ATAX) grant cycle, staff conducted a review of the application process to improve applicant guidance, reduce redundancies, and increase consistency in submissions and grant administration.

As a result of this review, several updates have been incorporated into the 2027 ATAX Grant Application and related materials. These updates fall into three primary categories:

Application Structure Improvements

- Separating the ATAX Grant Application Overview from the application to provide a year-round reference document
- Removing redundant questions to streamline the application
- Relocating prior-year performance questions to the grant closeout process
- Separating tourism narratives from quantitative data to improve clarity and consistency
- Incorporating reimbursement documentation requirements into the application overview so expectations are clearly understood prior to submission

Financial & Reporting Improvements

- Adding a required standardized Town budget form to improve consistency in proposed expenditures
- Clarifying tourism metrics and documentation requirements
- Adding automated calculations to reduce errors and improve data consistency

These revisions are intended to improve the applicant experience while supporting a more efficient, transparent, and consistent grant administration process.

In addition, the Accommodations Tax Grant Application Overview and required Town budget form will be available year-round on the Town's website. This allows prospective

applicants to review program requirements and application expectations at any time, rather than only during the application window.

RECOMMENDATION:

Staff recommends that the Finance & Administrative Committee acknowledge the updates to the 2027 Accommodations Tax Grant Application and related materials.

NEXT STEPS:

The 2027 ATAX Grant Application period will open on July 1, 2026, at 8:00 a.m. and close on July 31, 2026, at 4:00 p.m.

To assist applicants, staff will conduct two mandatory application workshops:

- July 7, 2026 | 9:00–10:30 a.m.
- July 9, 2026 | 5:00–6:30 p.m.

ATTACHMENTS:

1. Accommodations Tax Grant Application Overview
2. 2027 Accommodations Tax Grant Application
3. ATAX Budget Form
4. 2027 ATAX Grant Application Updates – Power Point



ACCOMMODATIONS TAX GRANT APPLICATION OVERVIEW

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

1. PURPOSE

This document supports the Town of Hilton Head Island’s Comprehensive South Carolina Accommodations Tax (ATAX) Program and Fund Distribution Policy and provides an overview of the eligibility requirements, application procedures, reimbursement conditions, and evaluation criteria governing the Town’s competitive ATAX Grant Program.

The annual application form and cycle-specific deadlines will be posted on the Town’s website when the grant application period opens each year.

Statutory Framework and Oversight

The South Carolina Accommodations Tax (ATAX) program is governed by Chapter 4 of Title 6 of the South Carolina Code of Laws. All expenditures must qualify as “tourism-related expenditures” pursuant to S.C. Code Ann. § 6-4-10.

All ATAX expenditures are subject to oversight by the South Carolina Tourism Expenditure Review Committee (TERC), which has statutory authority to review expenditures, impose penalties, and withhold distributions for noncompliance pursuant to S.C. Code Ann. § 6-4-35.

ATAX Grant Program Overview

The ATAX Grant Program is a competitive, reimbursement-based funding opportunity supporting eligible projects and events that promote tourism and generate measurable economic impact within the Town of Hilton Head Island.

ATAX Grant Awards are intended to supplement, not replace, an organization's existing project or operating budget. Applicants are encouraged to develop diversified and sustainable funding models that include multiple revenue streams.

Organizations may apply each year; however, receiving funding in prior years does not guarantee awards in future cycles.

Detailed reimbursement submission procedures will be provided to awarded organizations with the official reimbursement forms.

Eligible Applicants

Requests for funding must be submitted by a non-profit organization. Applications cannot be accepted from individuals, for-profit, or ad-hoc committees (SC Attorney General's Opinion 85-12). Organizations must submit their IRS designation letter with the application.

The sponsoring organization must complete and submit the ATAX grant application directly. Applications submitted by outside parties, consultants, or individuals on behalf of an organization will not be accepted.

State law requires that funds be expended "primarily in the geographical area" of the municipality imposing the tax (S.C. Code Ann. § 6-4-10(d)). Accordingly, applicants will not be considered for activities or events conducted outside Town limits.

2. FUNDS DISTRIBUTION

Statutory Authority

The Town administers ATAX funds pursuant to:

- S.C. Code Ann. § 6-4-10
- S.C. Code Ann. § 6-4-25

Under State law:

- The first \$25,000 plus five percent (5%) of the balance must be deposited into the Town's General Fund.
- Thirty percent (30%) of the balance must be allocated to a Designated Marketing Organization (DMO).
- Sixty-five percent (65%) of accommodations tax revenue (the "65% Fund") must be used for tourism-related expenditures.
- Municipalities receiving more than \$50,000 annually must appoint an Accommodations Tax Advisory Committee (ATAC) to review applications and make funding recommendations to Town Council.

These statutory allocations are mandatory and are applied before the Town's discretionary distribution of remaining funds.

Town-Adopted Fund Distribution Policy

After satisfying State statutory requirements, the Town allocates the 65% Fund in accordance with the Town of Hilton Head Island Comprehensive South Carolina Accommodations Tax (ATAX) Program, Application Process, and Fund Distribution Policy, as adopted by Town Council resolution. Allocations are based on fiscal year revenue projections and are subject to annual Town Council approval during the budget process.

The distribution framework reflects the following allocations from the 65% Fund:

- **ATAX Grant Awards** – 33%
- **General Fund (Tourism Operating Expenses)** – 20%
- **Capital Improvement Program (CIP)** – 7%
- **Tourism-Serving Housing Program** – 5%

The ATAX grant awards allocation represents the competitive grant funding governed by these application instructions. The Tourism-Serving Housing allocation is administered separately and is not distributed through the ATAX grant application process.

The Town administers ATAX grant funding on an annual application and reimbursement cycle to ensure fiscal accountability and compliance.

- Organizations must apply each year during the designated grant window
- Awarded funds are eligible for reimbursement only during the calendar year of the award (January 1 – December 31)
- Funds do not remain available beyond the award year unless formally extended by Town Council due to documented extenuating circumstances

Annual ATAX Grant Unexpended Fund Balance

Any ATAX grant funds not expended during the award year will revert into the Town's 65% Fund and may be reallocated through future ATAX grant cycles in accordance with the Town's Adopted Fund Distribution Policy. Unused funds do not remain reserved for the originally awarded organization.

3. REQUIREMENTS FOR TOURISM-RELATED EXPENDITURES

All expenditures must comply with the tourism-related expenditure requirements established under S.C. Code Ann. §§ 6-4-5 and 6-4-10.

ATAX funds may be used to promote tourism and expand its economic benefits through advertising, promotion, and facilities or services that enhance the municipality's ability to attract and serve tourists. Funds may not be used as a substitute for services normally provided by the Town.

"Travel" and "Tourism" mean the activities of individuals taking trips outside their home communities for any purpose except daily commuting to and from work.

Eligible Tourism-Related Expenditures

Eligible expenditures include the following categories:

Category 1: Advertising and promotion of tourism

Category 2: Tourism-related arts and cultural events

Category 3: Construction, maintenance, and operation of facilities for civic and cultural activities

Category 4: Tourist-related public services (e.g., restrooms)

Category 5: Tourist shuttle transportation

Category 6: Waterfront erosion control and repair

Tourism Percentage Requirement

Certain expenditures must be reimbursed on a tourism-percentage basis.

Applicants are responsible for:

- Clearly calculate and disclose the tourism percentage at the application stage
- Provide documentation demonstrating how the percentage was calculated
- Upload full supporting reports (not summaries)
- Provide any additional information that may be requested for clarification

4. GRANT APPLICATION PROCESS

The ATAX grant is a competitive funding program that operates on an annual cycle. Specific dates are published each year when the ATAX grant application becomes available on the Town's [website](#).

The general process includes the following steps:

1. The application window opens.
2. Applicants must attend mandatory workshops.
3. Applicants are required to submit applications electronically through the Town's web-based system.
4. Staff review applications for eligibility and completeness.
5. Applicants present their proposals to the Accommodations Tax Advisory Committee (ATAC) for review.
6. The ATAC makes a recommendation to the Finance & Administrative (F&A) Committee.

7. The F&A Committee makes a recommendation to the Town Council.

Evaluation Criteria

Applications are evaluated for consistency with State law and Town policy using criteria that may include:

- Demonstrated tourism impact
- Marketing strategy effectiveness and target market reach
- Economic impact on the local tax base
- Project readiness and organizational capacity
- Leveraging of matching funds and diversified revenue sources
- Projected overnight stays and lodging demand
- Accountability and performance review of prior ATAX awards
- Alignment with the Town of Hilton Head Island Strategic Action Plan

ATAC members may utilize an internal scoring rubric to guide discussions and recommendations; individual scoring sheets are not required.

5. REQUIRED APPLICATION COMPONENTS

A complete application must include:

- IRS 501(c) determination letter (if applicable)
- Current Town business license
- Tourism percentage calculation and supporting documentation
- Marketing plan and tracking methodology
- Town-required line-item project/event budget form
- Most recent full organizational operating budget
- Most recent balance sheet and prior two years (total of three years)
- Most recent profit and loss statement and prior two years (total of three years)
- Most recent IRS Form 990 or 990-T and prior two years (total of three years)
- Governing Board authorization

Incomplete applications may be deemed ineligible.

6. BUDGET REQUIREMENTS

Applicants must submit:

- Required Project/Event line-item [Town Budget Form](#).
- Organization's full operating budget (organization's preferred format or the Town's template)

Project/Event budgets must:

- Separately list all income sources and anticipated expenses
- Reflect the total cost of the project/event
- Itemize advertising by platform (e.g., social media, digital, print, radio, etc.)
- Align with the proposed application request

Generalized line items such as “marketing” are insufficient. Insufficient detail may result in ineligibility or award reduction. A complete and clearly itemized budget is required for application consideration.

7. REIMBURSEMENT CONDITIONS

All ATAX grant awards are reimbursement-based and subject to administrative and compliance review. Approval at the application stage does not guarantee reimbursement.

Reimbursement May Be Denied If:

- Documentation of expenses does not match the approved grant request
- Required backup documentation is missing, incomplete, or insufficient to support the expense
- Expenses are determined to be ineligible under State law, including S.C. Code Ann. § 6-4-10(4)(b)–(d), such as:
 - Expenses intended to generate organizational revenue or financial return (including fundraising, sponsorship benefits, donations, scholarships, auctions, or merchandise sales)
 - Expenses that primarily promote destinations outside of Hilton Head Island's geographical area, as determined through review of the approved project scope and supporting documentation

Reimbursement Request Submission Requirements & Standards

1. All reimbursement requests must be submitted using the Town-required reimbursement form distributed in each award packet. Submissions that are disorganized, incomplete, unclear, or inconsistent may result in delays or denial.
2. The reimbursement form must include a clear description of goods purchased or services provided.
3. The reimbursement form must list each invoice individually, and invoices may not be combined or grouped within a single line item.
4. The reimbursement form must include the invoice number and invoice date for each item submitted.

5. The reimbursement form must identify the exact reimbursement amount requested and clearly explain any difference between the invoice total and the amount requested.
6. All supporting documentation must be clearly labeled and matched to the corresponding line item on the reimbursement form.
7. All supporting documentation must use consistent vendor names, dates, descriptions, and amounts across all materials.
8. Each invoice may only be submitted once for reimbursement.
9. All expenses must be aligned with the approved application line-item budget.
10. Town staff will not reconstruct or interpret incomplete submissions or determine reimbursement eligibility in the absence of sufficient supporting documentation.

Required Supporting Documentation

Each reimbursement request must include the following:

- **Invoice or receipt** (vendor name, detailed description of services, dates of service, invoice number, total amount)
- **Proof of payment** (bank statement, cleared check, credit card statement, ACH confirmation, or zero-balance invoice)
- **Executed contracts or agreements** (if applicable)
- **Marketing deliverables or performance documentation** (ad copies, video or podcast links, screenshots, analytics, or similar proof of placement or performance)

Additional Review and Allocation Considerations

Certain expenses may require additional documentation, allocation methodology, or clarification based on the nature of the expense. This review is used to confirm proper categorization, allocation, and compliance with State requirements.

Examples may include:

- General organizational operating or administrative expenses
- Software subscriptions or licensing fees
- Website hosting or maintenance costs
- Shared operational expenses supporting multiple programs or activities

Applicants are responsible for demonstrating that expenses are appropriately allocated, properly categorized, and consistent with the approved grant funding structure and applicable State requirements.

Calendar-Year Reimbursement Requirement

The ATAX Grant Program operates on a calendar-year basis (January 1 – December 31).

Reimbursement requests must be for services performed during the award year, regardless of when an event occurs. Organizations hosting events early in the calendar year may incur expenses in the prior year. In those cases, the following applies:

1. Services performed in the prior calendar year must be reimbursed under the prior grant award.
2. Services performed in the current calendar year must be reimbursed under the current grant award.

Applicants are responsible for clearly identifying service dates in both application materials and reimbursement submissions to ensure expenses are applied to the correct grant year.

All reimbursement requests must be submitted no later than January 31 following the award year. Previous-year grant funds must be fully closed out before new reimbursements are processed. Organizations may forgo remaining funds; however, a closeout report is still required.

8. CLOSEOUT REPORT REQUIREMENT

All grantees must submit a complete closeout report no later than January 31 following the award year. The ATAX Grant Program utilizes a structured reporting cycle to ensure consistency between approved budgets, actual expenditures, and reported outcomes.

Grantees are required to maintain all documentation related to expenditures and reimbursement submissions for a minimum of three (3) years following final reimbursement or project closeout. These records must be made available to the Town upon request for audit, review, or compliance purposes if necessary.

Grant-Year Reporting Structure

The ATAX program uses three required reporting checkpoints to document and verify the use of funds and project outcomes:

- **Application Submission (Planned Use of Funds)**
Grantees submit an approved project/event [Town Budget Form](#) outlining planned expenditures and funding allocation.
- **Reimbursement Submissions (Actual Use of Funds)**
Grantees submit reimbursement requests with complete supporting documentation for eligible expenditures incurred during the award year.
- **Closeout Report (Final Use of Funds & Outcomes)**
Grantees report final expenditures, outcomes, and performance results for the award year.

Required Closeout Content

The closeout report must include a grantee self-evaluation of the use of funds for the specific award year only, even if related activities or outcomes extend beyond the calendar year. This evaluation is for grant closeout reporting purposes and does not constitute a formal scoring or funding determination by Town staff. However, closeout reports may be included in future grant

application materials reviewed by the ATAC, Finance & Administrative Committee, and Town Council during future funding deliberations.

Because reimbursement eligibility is based on when services are rendered, organizations may incur and be reimbursed for marketing or preparatory expenses prior to an event occurring. In these cases, the closeout report should reflect activities completed during the award year and may include projected outcomes when final data is not yet available.

The closeout report must include:

- **Summary of Funded Activities**
A brief description of activities, services, or initiatives completed during the award year using ATAX funds.
- **Final Budget Reconciliation**
A comparison of the Town-approved project/event budget submitted at application to actual expenditures incurred. This reconciliation supports transparency and improves future budgeting and planning accuracy.
- **Tourism-Related Metrics**
To the extent available, measurable outcomes such as:
 - Total attendance or participation
 - Percentage of attendees from outside the local area
 - Estimated economic impact (lodging, dining, retail, transportation, etc.)
 - Additional performance measures included in the original application
- **Organizational Performance & Marketing Outcomes**
 - Placement and distribution of advertising across platforms and media channels
 - Frequency and duration of campaign activity
 - Performance metrics (reach, impressions, engagement, conversions, etc.)
 - Assessment of effectiveness, challenges, and lessons learned

If final data is not available at the time of submission, projections should be included along with a timeline for final reporting.

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

2027 State Accommodations Tax (ATAX) Grant Application

ATAX funding is intended to support projects and events that demonstrate a clear and measurable impact on tourism and visitation to Hilton Head Island.

1. Applicant Information

Organization Details

- **Full Legal Organization Name:** _____
- **Address:** _____
- **Phone Number:** _____

Project / Event Details

- **Project(s)/Event(s) Name:** _____
- **Event Date(s):** _____
- **Event Location(s):** _____
- **Total Project Costs: \$** _____
- **Total ATAX Funds Requested: \$** _____
- **Percent of Project Budget Covered by ATAX Request:** _____ %

Applicant Non-Profit Status:

Upload proof of non-profit status
(e.g., IRS 501(c) designation letter).



Town of Hilton Head Business License:

Upload current copy.



Primary and Secondary Contacts

Contact Type	Name/Title	Phone	Email
Primary Contact			
Secondary Contact			

Digital Presence & Marketing Channels

Platform	Handle / URL	Primary Use (Org / Event / Both)
Website		☐ Org ☐ Event ☐ Both
Facebook		☐ Org ☐ Event ☐ Both
Instagram		☐ Org ☐ Event ☐ Both
Other		☐ Org ☐ Event ☐ Both
Other		☐ Org ☐ Event ☐ Both
Other		☐ Org ☐ Event ☐ Both

2. Project/Event Description

Provide a clear and detailed description of the proposed project(s) or event(s).

This section should describe the overall project/event.

Address the following:

- **Purpose and Goals:** What is the overall purpose of the project/event? What are you trying to achieve?
- **Major Activities:** Describe key activities, performances, exhibits, or programming components.
- **Intended Audience:** Who is the primary audience for this project/event?

Additionally, address the following:

- **Hilton Head Island Relevance:** What portion of your programming, services, or content is specific to Hilton Head Island? If your organization operates beyond Hilton Head Island, clearly identify what is uniquely tied to the Island.
- **If Not Event-Based:** For organizations that are not event-focused (e.g., website platforms, publications, or ongoing programming), describe the specific service provided and how it directly contributes to Hilton Head Island.

Type here... 500 words or less

3. Tourism Impact

Explain how and why this project/event will attract visitors to Hilton Head Island, enhance visitor experience, and contribute to the Island's tourism economy.

This section should describe the intended tourism impact and strategy.

Address the following:

- **Visitor Appeal:** What specifically makes this project/event attractive to visitors rather than residents?
- **Visitor Type:** What types of visitors do you aim to attract (e.g. existing visitors, overnight visitors, regional travelers, niche tourism groups)?
- **Geographic Reach:** Where are your target visitors coming from (regional, national, international)?
- **Destination Promotion:** How does this project promote Hilton Head Island as a destination beyond the local market?
- **Marketing Strategy:** Describe how you will reach audiences outside the Hilton Head Island area.
- **Visitor Experience:** How does this project enhance the experience of visitors to the Island?
- **Repeat Visitation:** How does this project encourage visitors to return to Hilton Head Island in the future?

Important:

This section should describe the intended tourism impact and strategy only.

(In Section 4, quantitative data, attendance figures, and measurement methods should be provided.)

Type here...500 words or less

Town of Hilton Head Island Strategic Alignment

Identify how your project/event supports the Town of Hilton Head Island's [Strategic Action Plan](#) priorities (Select all that apply):

- ☐ Tourism and economic vitality
- ☐ Cultural and historical preservation
- ☐ Environmental sustainability and resilience
- ☐ Quality of life and community character
- ☐ Other: _____

If selecting “other”, specify how your project aligns with a Town strategic priority not listed above.

Explanation:

Describe how your project/event supports the selected priority(s) and aligns with the Town’s Strategic Action Plan. Be specific about the intended outcomes or community/tourism benefits.

Type here... 150 words or less

4. Visitor and Tourism Metrics

Provide quantitative data and supporting documentation that demonstrates the tourism impact described in Section 3.

A. Attendance

Complete the table below to report attendance by category

Category	Number Served	Description
Total Physical Tourists		Non-residents traveling >50 miles
Total Physical Visitors		Non-residents traveling ≤50 miles
Total Physical Residents		Residents within Town limits
Total Physical Patrons		=Tourists + Visitors + Residents

B. Digital Audience (if applicable)

Digital engagement alone does not qualify as tourism impact.

Complete the table below if applicable.

Category	Number	Description
Website Visitors		Unique users during project/event period
Social Media Reach/Impressions		Specify platform(s)
Other Engagement		

If reporting digital metrics:

Explain how this engagement converts to **physical visitation to Hilton Head Island**.

Type here...200 words or less

C. ATAX Funding – Tourist Calculation

- Total ATAX Funds Requested: \$ _____
- Physical Tourists (from Section 4A):
- Physical Visitors (from Section 4A):
- Total Non-Resident Attendees:
- Estimated Cost per Non-Resident Attendee: \$ _____

D. Collaboration & Attribution

If this project/event is part of a larger event, festival, or partnership, address the following:

- Name of larger event (if applicable)
- Your organization's specific role and scope
- Attendance Attribution: how attendance was calculated specifically for your portion of the project/event

Important:

Do not include total attendance from a larger event unless you can demonstrate how many attendees are directly engaged in your programming.

Type here...200 words or less

E. Methodology & Data Sources

1. Describe the methods used to calculate and track visitor attendance numbers provided in section A. If this is a new project or event, explain how attendance estimates were developed.

Type here...250 words max

2. Applicants must upload supporting documentation that verifies and substantiates the attendance methodology described in E(1). Documentation is required for any method referenced and may include one or more of the following types, depending on how attendance was measured.

Acceptable upload(s) of supporting documentation may include (as applicable):

Ticket sales or registration reports



Survey or questionnaire results summary



ZIP code or geographic origin data reports



Historical attendance data reports



Third-party data or partner reports (e.g., USCB Hospitality Program, Chamber of Commerce, or equivalent verified sources)



Other supporting documentation (must be clearly labeled and directly tied to reported attendance methodology)



Narrative-only summaries without supporting documentation may not be considered sufficient verification of attendance data.

5. Financial Information and Documents

- Fiscal Year Start/End Date: _____

Project/Event Line-Item Budget

Upload required line-item [Town budget form](#)


Upload Files

Organization Budget

Upload full operating budget


Upload Files

Balance Sheet

Upload the current (most recent) fiscal year and the two previous fiscal years (three years total):

Current/Most Recent Fiscal Year Balance Sheet



Previous Fiscal Year Balance Sheet (1)



Previous Fiscal Year Balance Sheet (2)



Profit & Loss Statement

Upload the current (most recent) fiscal year and the two previous fiscal years (three years total):

Current/Most Recent Fiscal Year Profit & Loss



Previous Fiscal Year Profit & Loss Statement (1)



Previous Fiscal Year Profit & Loss Statement (2)



IRS Form 990 or 990T

Upload the current (most recent) year and the two previous years (three years total):

Current/Most Recent Year IRS Form 990 or 990T



Previous Year IRS Form 990 or 990T (1)



Previous Year IRS Form 990 or 990T (2)



Financial Guarantee

Upload Board approval of grant submission and financial commitment.



6. Organizational Funding

How is your organization currently funded?

Type here... 200 words or less

Organizational Funding Sources (estimate as percentage; must total 100%)

Funding Source	Estimated %
Government Sources	%
Private Contributions, Donations & Grants	%
Corporate Support / Sponsors	%
Membership Dues / Subscriptions	%
Ticket Sales / Sales Services	%
Endowment Fund (Restricted)	%
Endowment Fund (Unrestricted)	%
Other (please specify): _____	%
Total (Must Equal 100%)	%

ATAX Funding History

Has the organization received ATAX funding from the Town previously? ☐ Yes ☐ No

If yes, provide details for the current and prior two calendar years:

- Calendar Year: _____ | Amount Awarded: \$ _____ | Amount Reimbursed: \$ _____
- Calendar Year: _____ | Amount Awarded: \$ _____ | Amount Reimbursed: \$ _____
- Calendar Year: _____ | Amount Awarded: \$ _____ | Amount Reimbursed: \$ _____

Other ATAX Funding Requests

Has the organization requested ATAX funds from another municipality, county, or local government? ☐ Yes ☐ No

If yes:

- Calendar Year: _____ | Amount Awarded: \$ _____ | Amount Reimbursed: \$ _____
- Calendar Year: _____ | Amount Awarded: \$ _____ | Amount Reimbursed: \$ _____
- Calendar Year: _____ | Amount Awarded: \$ _____ | Amount Reimbursed: \$ _____

What was the funding used for?

Type here... 500 words or less

Impact if Partial Funding Received

Explain how your project would be adjusted if the full ATAX request is not funded:

Type here... 150 words or less

7. ATAX Fund Category Allocation

Allocate the percentage of the total funding request for each category that you are applying for. Total must equal 100%.

Category	% of Request	Description
1. Destination Advertising/Promotion	%	Advertising and promotion of tourism to increase attendance
2. Tourism-Related Events	%	Promotion of arts and cultural events
3. Tourism-Related Facilities	%	Civic/cultural facilities, access roads/utilities
4. Tourism-Related Public Services	%	Law enforcement, fire, solid waste, health facilities; includes public restrooms, parks, parking lots
5. Tourist Public Transportation	%	Shuttle services
6. Waterfront Erosion/Control/Repair	%	Control and repair of waterfront erosion
Total	100%	

8. Application Final Checklist

- ☐ Organization non-profit status and business license submitted
 - ☐ Tourism metrics and supporting visitor data submitted
 - ☐ Town budget form for project/event submitted
 - ☐ Organization operating budget submitted
 - ☐ Current year financial data and (2) two previous years submitted
 - ☐ Board approval of application and financial guarantee
 - ☐ Application submitted by deadline
-

9. Electronic Signature Certification

By signing below, the applicant certifies that:

- The information submitted is true and accurate to the best of the signatory's knowledge
- The signatory is authorized to submit this application on behalf of the organization

Authorized Signatory Name	Title/Position	Electronic Signature	Date
---------------------------	----------------	----------------------	------

Additional Notes:

- Submission of this application does not guarantee funding.
- A formal ATAX Grant Agreement will be executed for awarded projects, which will outline terms, reimbursement requirements, and compliance obligations.
- Applications submitted without requested attached documents may be deemed incomplete and not considered for funding.
- Applications submitted without a valid signature may be deemed incomplete and not considered for funding.

TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX GRANT
BUDGET FORM



Round all numbers to the nearest whole dollar; totals calculate automatically.

REVENUES - CASH

Source	Amount
Sponsorships	
Endowments (Resrticted)	
Endowments (Non-Resrticed)	
Donations	
ATAX Grants/Funding from Other Entities*	
Other Grants (please list in the box):	
Vendor Fees	
Registration Fees	
Other Fees (please list in box):	
Merchandise Sales	
Other Sales (please list in box):	
Other Revenue (please list in box):	
Total Cash Revenue	\$ -

*Do NOT include anticipated award funds requested in this application.

REVENUES - IN KIND CONTRIBUTIONS

Source	Amount
Volunteer Hours (estimated value)	
Donated Items	
Donated Services	
Other (please list in box):	
Total In-Kind Contributions	\$ -

TOTAL PROJECT REVENUE	
\$	-

Category 1 – Tourism Advertising / Promotion

Expense	Amount
Newspaper/Digital Advertising (Local)	
Newspaper/Digital Advertising (Regional)	
Newspaper/Digital Advertising (National)	
Magazine/Digital Advertising (Local)	
Magazine/Digital Advertising (Regional)	
Magazine/Digital Advertising (National)	
Radio Advertising (Local)	
Radio Advertising (Regional)	
Radio Advertising (National)	
Television Advertising (Local)	
Television Advertising (Regional)	
Television Advertising (National)	
Printed Materials Distribution (Local)	
Printed Materials Distribution (Regional)	
Billboards	
Social Media Advertising	
Search Engine / Digital Ads	
Email Blasts/Text Campaigns	
Influencer/PR Marketing	
Video Production for Tourism Promotion	
Photography for Tourism Promotion	
Graphic Design for Tourism Campaign	
Press Release Writing / Distribution	
Postcards/Mail Campaigns	
Event Website Development	
Marketing Analytics / Reporting	
Marketing Consultant or Agency	
Tourism Data Collection Tools (i.e.- Geofencing, etc.)	
Other (please list in box):	
Other (please list in box):	
Total Category 1 Expenses	\$ -

Note: Applicants must apply their tourism-related percentage when requesting reimbursement for the following categories:

Category 2 – Tourism-Related Events

Expense	Amount
Venue Rental	
Stage Rental	
Rental: Sound / Audio Equipment	
Lighting	
Tent Rental	
Tables / Chairs	
Performer or Entertainment Fees	
Event Insurance	
Event App Development	

Event Specific Website	
Vendor Services/Honorariums	
Event Staff (minus fringe benefits)	
Fringe Benefits	
Posters / Banners / Signage	
Ticketing Platforms	
Other (please list in box):	
Total Category 2 Expenses	\$ -

Category 3 – Tourism-Related Facilities

<u>Expense</u>	<u>Amount</u>
Routine Maintenance	
Repairs	
Utilities	
Groundskeeping / Landscaping	
Janitorial Services	
Janitorial Supplies	
Security	
Facility Operations Staffing (minus fringe benefits)	
Fringe Benefits	
Permanent Infrastructure for Tourist Use	
Temporary Infrastructure for Tourist Use	
Parking Facilities Serving Tourists	
Accessibility Improvements	
Other (please list in box):	
Total Category 3 Expenses	\$ -

Category 4 – Tourism-Related Public Services

<u>Expense</u>	<u>Amount</u>
County Security Services for Event	
Non-County Security Services for Event	
Portable Restrooms	
Bathroom Attendants	
Dumpster Rental / Trash Hauling	
Recycling Services	
Traffic Control	
Other (please list in box):	
Total Category 4 Expenses	\$ -

Category 5 – Tourist Public Transportation

<u>Expense</u>	<u>Amount</u>
Event Shuttle Service	
Other (please list in box):	
Total Category 5 Expenses	\$ -

Expense	Amount
Beach Renourishment	
Shoreline Stabilization	
Erosion Control Infrastructure	
Staffing Salary Costs (minus fringe benefits)	
Fringe benefits	
Other (please list in box):	
Total Category 6 Expenses	\$ -

\$ -

\$ -

\$0.00



TOWN OF HILTON HEAD ISLAND

2027 ATAX Grant Application Updates



2027 ATAX Grant Application Updates

Purpose

The 2027 application includes administrative improvements designed to:

- Improve clarity and consistency
- Strengthen financial and tourism documentation
- Improve applicant experience
- Enhance transparency and administrative efficiency

These updates are administrative in nature and do not change program eligibility or intent.





Organization & Structure Improvements

Update

- Application instructions separated from the application form
- Redundant questions removed
- Prior-year performance questions moved to the grant closeout process
- Tourism narrative separated from quantitative tourism data

Purpose

Create a more streamlined application that is easier for applicants to complete and for staff and the ATAX Committee to evaluate.

Standardized Town Budget Form

Update

- Introduces a consistent budget format for all applicants
- Provides detailed, line-item financial information
- Supports more complete project planning
- Improves consistency during application review

Purpose

Improve consistency, transparency, and equity by ensuring all applicants present financial information in the same format.





Financial & Tourism Documentation Improvements

Update

- Tourism metrics clarified - what counts as tourism data vs engagement
- Automated calculations added
- Standardized treatment of quantitative reporting fields

Purpose

Strengthen tourism documentation, improve consistency, and reduce calculation errors during application review.

Reimbursement Expectations

Update

Reimbursement documentation requirements are now included in the ATAX Grant Application Overview before applicants apply for funding.

Purpose

Applicants can:

- Plan for reimbursement requirements from the beginning
- Maintain required documentation throughout the grant period
- Submit more complete reimbursement requests
- Reduce reimbursement processing delays





Applicant Communication & Outreach

Applicants have been notified through:

- Public news releases
- Grantee email announcements
- One on one meeting invites to all grantees
- Published application timeline
- Mandatory workshop announcements
- Grant workshops providing application guidance and question-and-answer opportunities

Ongoing Support

Town staff continue to provide technical assistance and respond to applicant questions throughout the application period.



Key Takeaways

- The 2027 application is clearer and easier to navigate.
- Financial and tourism documentation has been standardized.
- Applicants receive reimbursement expectations before applying for funding.
- Multiple outreach efforts have been completed to communicate the updates and support applicants throughout the process.

These updates do not change the purpose of the ATAX program or applicant eligibility – they improve how the program is administered by providing clearer expectations, more consistent documentation, and will allow for a more efficient review process.





ATAX Grant Award Timeline

- Committee Onboarding – Spring 2026
- 2027 Application Opened
 - July 1st – 8am
- Mandatory Applicant Workshops
 - July 7th – 9am
 - July 9th – 5pm
- 2027 Application Closes
 - July 31st – 4pm
- ATAX Committee Preliminary Review – August
- Applicant Hearings – September
- ATAX Committee Review/Recommendation – September
- Finance and Administrative Committee Review/Recommendation – October
- Town Council Final Award – November



TOWN OF HILTON HEAD ISLAND

Thank you



TOWN OF HILTON HEAD ISLAND

Finance & Administrative Committee

TO: Finance & Administrative Committee
FROM: Don D'Adam, Public Projects Director
VIA: Shawn Gillen, Assistant Town Manager
Brittany Ward, Town Attorney
Dave Byrd, Finance Director
CC: Marc Orlando, ICMA-CM, Town Manager
Shawn Leininger, Deputy Town Manager
Jeff Netzing, Engineering Director
Richard Loudin, Public Projects Program Manager
DATE: July 13, 2026
SUBJECT: Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina Authorizing the Execution and Delivery of a Financial Participation Agreement with the South Carolina Department of Transportation to Initiate an Engineering Analysis and the Design of Improvements to Sea Pines Circle and other matters related thereto.

RECOMMENDATION:

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island Authorizing the Town Manager to Execute a Financial Participation Agreement (FPA) with the South Carolina Department of Transportation (SCDOT) to Initiate an Engineering Analysis and the Design of Improvements to Sea Pines Circle. (**Attachment 1 and Attachment 1A**)

This agreement was reviewed by the Finance & Administrative Committee (F&A) on 5/11/26 and all three members voted in the affirmative, pending two (2) suggested changes to the SCDOT FPA. These proposed changes were discussed with the Staff Attorney and transmitted to SCDOT for consideration (**Attachment 2**). SCDOT's response to these proposed changes is shown in **Attachment 3** with SCDOT's response stating that the Town's proposed changes are already addressed in the agreement and the agreement should remain "as-is".

Subsequent to receiving SCDOT's responses to changes, the Town received a letter from Sea Pines CSA requesting that the Town evaluate short-term operational improvements while other efforts are ongoing. (**Attachment 4**) The Town has responded to these requests and is also pursuing input and guidance from SCDOT (**Attachment 5**).

BACKGROUND:

In 2022 the Town of Hilton Head Island (Town) initiated the Major Thoroughfares Corridor Plan to study all major thoroughfares with an emphasis on pedestrian and vehicle safety improvements. The draft plan, last revised on April 9, 2024, divided all major thoroughfares into 8 segments to be considered for implementation as individual projects via the Capital Improvement Plan (CIP). Segment 8 – Sea Pines Circle/Palmetto Bay Road/Pope Avenue/Coligny circle was notable due to the congestion and safety issues associated with Sea Pines Circle. Staff initiated a survey with Atlas Survey in this area in 2025 with the intent to study this further with consultants. In 2025, the Town and South Carolina Department of Transportation (SCDOT) met, and it was decided that the Sea Pines Circle Project (Project) would be led by South Carolina Department of Transportation (SCDOT) through a Financial Participation Agreement.

SCDOT, in conjunction with Town Engineering and Legal staff, prepared the attached agreement which outlines the scope, funding, and obligations of both parties to advance the analysis and design development for the Project in accordance with SCDOT standards. Project will be advanced to a 20-30% design development level with work products to include preliminary design drawings and an engineer's opinion of probable construction cost. The limits of the work are generally bound by the following – Palmetto Bay Road / Target Road intersection, US 278 / Arrow Road intersection, Pope Avenue / New Orleans Road intersection, and Greenwood Drive / Sea Pines Gate.

The project was originally funded by the Town for \$350,000 and \$32,404.54 has been spent on the survey efforts to be potentially used by SCDOT and their consultants. Therefore, \$300,000 will be utilized with SCDOT to satisfy the Town's obligations as part of this agreement. The remaining balance will be transferred back into the general fund.

NEXT STEPS:

The recommendation of the Committee will be forwarded to Town Council for action on the proposed Resolution. Upon execution of the agreement, SCDOT is expected to solicit for an engineering consultant. We would estimate that the consultant would be under contract by Fall 2026 with the next work product to be available for discussions by late Spring 2027.

ATTACHMENTS:

1. Resolution of the Town Council of the Town of Hilton Head Island Authorizing the Town Manager to Execute a Financial Participation Agreement with the South

Carolina Department of Transportation to Initiate an Engineering Analysis and the Design of Improvements to Sea Pines Circle.

- a. Exhibit A - Financial Participation Agreement with the South Carolina Department of Transportation
2. Town of Hilton Head Island suggested edits to current agreement raised by the Finance & Administrative Committee.
3. SCDOT email response to suggested edits to current agreement raised by the Finance & Administrative Committee.
4. Sea Pines CSA Letter Request Regarding Sea Pines Circle – 5/22/26
5. Town Response to Sea Pines CSA Letter Request - 6/22/26

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A
FINANCIAL PARTICIPATION AGREEMENT WITH THE SOUTH CAROLINA
DEPARTMENT OF TRANSPORTATION FOR ENGINEERING AND DESIGN
SERVICES RELATED TO SEA PINES CIRCLE IMPROVEMENTS AND OTHER
MATTERS RELATED THERETO**

WHEREAS, the Town of Hilton Head Island (“**Town**”) initiated the Major Thoroughfares Corridor Plan to evaluate transportation corridors with an emphasis on safety and congestion, identifying Sea Pines Circle and surrounding intersections as an area in need of improvement. The Town desires improve the Sea Pines Circle to address the safety and congestion concerns (“**Circle Project**”); and,

WHEREAS, to address the safety and congestion issues and complete the Circle Project the Town desires to work with the South Carolina Department of Transportation (“**SCDOT**”) for engineering and design services, and the parties have agreed to advance the Circle Project through a Financial Participation Agreement with SCDOT; and

WHEREAS, the Town and SCDOT desire to enter into an agreement to memorialize the terms of the engineering and design services, substantially similar to the agreement provided for in **Exhibit A**, attached hereto and incorporated herein by reference.

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 a Financial Participation Agreement with the South Carolina Department of Transportation for engineering and design services related to Sea Pines Circle improvements in a form substantially similar to **Exhibit A**, attached hereto and incorporated herein by reference.
2. **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.
3. **Effective Date.** This Resolution shall become effective upon adoption.

MOVED, APPROVED, AND ADOPTED ON THIS _____ DAY OF _____, 2026.

THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA

Alan R. Perry, *Mayor*

ATTEST:

Kimberly Gammon, *Town Clerk*

APPROVED AS TO FORM:

Brittany Ward, *Town Attorney*

EXHIBIT A

Financial Participation Agreement
Between the
South Carolina Department of Transportation
And the
Town of Hilton Head Island

THIS AGREEMENT is made this _____ day of _____, 2026, by and between the South Carolina Department of Transportation (hereinafter referred to as “SCDOT”) and the Town of Hilton Head Island (hereinafter referred to as “Town”) (collectively “the Parties”) for the below described Project:

WITNESSETH THAT:

WHEREAS, the Town has requested SCDOT’s assistance in regard to the Project described below; and

WHEREAS, SCDOT is agreeable to the Town’s request pursuant to the terms of this Agreement; and

WHEREAS, SCDOT is an agency of the State of South Carolina with the authority to enter into contracts necessary for the proper discharge of its functions and duties; and

WHEREAS, the Town is a body politic with all the rights and privileges of such including the power to contract as a necessary and incidental power to carry out Town’s functions covered under this Agreement; and

NOW THEREFORE, in consideration of the several promises to be faithfully performed by the Parties hereto as set forth herein, SCDOT and the Town do hereby agree as follows:

I. PROJECT DESCRIPTION

The Town of Hilton Head Island Sea Pines Circle Project (hereinafter “the PROJECT”) consists of the improving a traffic circle known as Sea Pines Circle at the intersection of William Hilton Parkway (Bus 278), Palmetto Road (US 278), Greenwood Road (Private), and Pope Avenue (US 278) in the Town of Hilton Head Island, South Carolina. The limits of the work are generally bound by the following – Palmetto Bay Road / Target Road intersection, US 278 / Arrow Road intersection, Pope Avenue / New Orleans Road intersection, and Greenwood Drive / Sea Pines Gate.

Additional PROJECT details and a map of the PROJECT area are included in South Island Traffic Circle Improvement Plan (hereinafter “Exhibit A”) which is attached hereto and specifically made a part of this Agreement.

II. PROJECT SCOPE

SCDOT will develop engineering analysis and design development for the PROJECT in accordance with SCDOT standards. Project will be advanced to a 20-30% design development level with work products to include preliminary design drawings and an engineer’s opinion of probable construction cost.

III. FUNDING

A. The Parties estimate the total cost for the PROJECT to be \$300,000.00. The total cost shall include all allowable and allocable costs for the PROJECT. The total cost shall also include costs for oversight and administration, including but not limited to, attending public hearing(s), project location, design, utility relocations, other engineering services, and inspection and testing performed by SCDOT in accordance with state and federal requirements.

B. The Town is responsible for 100% of the total cost of the PROJECT. SCDOT has made no financial commitment to the PROJECT and shall not be required to advance any sums nor incur any costs hereunder.

C. Funding Summary:

Fund Priority	Fund Source	Total Amount	Federal Share	Federal Amount (Maximum)	State Share	State Amount	Other Share	Other Amount	Other Source
1	Local	\$ 300,000.00	0%	\$ -	0%	\$ -	100%	\$ 300,000.00	Town of Hilton Head
Total Project Cost		\$ 300,000.00		\$ -		\$ -		\$ 300,000.00	

D. SCDOT will invoice the Town based on this Agreement approximately 30 days after execution of this Agreement. The Town agrees to remit the invoiced amount to SCDOT within 30 days of receipt of invoice. No PROJECT work shall begin until payment is received by SCDOT.

IV. SCDOT WILL:

A. Assign an SCDOT employee to serve as liaison and contact between the Parties hereto.

B. Be responsible for all contract administration; advertising and awarding of contracts; review and approval of payment of contracts; and any other related or activities or functions necessary to deliver the PROJECT.

C. SCDOT shall perform all or any part of the work with its own forces or may contract out any of the work or services to outside private or governmental consultants or contractors at the

sole discretion of SCDOT if it determines that such contracting out would be more efficient or cost effective, or would result in more expeditious completion of the PROJECT. SCDOT does not guarantee completion of the PROJECT within the available budget. In accordance with Section VI. C. of this Agreement, SCDOT agrees to notify Town in writing as soon as it is made aware that the PROJECT will likely exceed the estimated total cost of \$300,000.00.

V. TOWN WILL:

- A. Assign an employee to serve as liaison and contact between the Parties hereto.
- B. Pay SCDOT according to the terms of this Agreement.
- C. Assign any right of entry necessary to SCDOT in order for SCDOT or SCDOT's contractors to complete the work contemplated by this Agreement.

VI. GENERAL TERMS

- A. PERIODIC REPORTS. SCDOT's Project Manager will periodically, but at minimum every 30 days, provide a written update to the Town on the status of the PROJECT and funds.
- B. COST UNDERRUNS. In the event that total cost of the PROJECT is less than originally estimated, SCDOT will refund any excess amount paid to SCDOT by the Town within 30 days of the final completion and closure of the PROJECT within SCDOT's accounting office. Refunds will not be unreasonably withheld, denied, or delayed.
- C. COST OVERRUNS. If it becomes apparent that the cost of the PROJECT will exceed the funding available, SCDOT will provide the Town notice prior to total expenditure of funding available and provide the estimate of funds needed to complete the PROJECT. The Town shall remit to SCDOT within 30 days of receipt of the notice the additional funds needed to complete the PROJECT. No work will be completed beyond that covered by the available funds. If the Town does not have the additional funding needed to complete the PROJECT, SCDOT and the Town will mutually agree on a revision to the PROJECT scope and termini that is in accordance with the available budget.
- D. CONFORMITY WITH LAWS. The Parties hereto agree to conform to all SCDOT policies; all State, Federal, and local laws, rules, regulations, and ordinances governing agreements or contracts relative to the acquisition, design, construction, maintenance and repair of roads and bridges, and other services covered under this Agreement.
- E. AMENDMENTS. The Town, or its authorized agent, shall agree to hold consultations with SCDOT as may be necessary with regard to the execution of supplements to this Agreement during the course of this PROJECT for the purpose of resolving any items that may have been unintentionally omitted from this Agreement. Such supplemental agreements shall be subject to the approval and proper execution of the Parties hereto. No amendment to this Agreement shall be effective or binding on any Party hereto unless such amendment has been agreed to in writing by all Parties hereto.

- F. MAINTENANCE RESPONSIBILITY. SCDOT accepts responsibility for normal maintenance of standard transportation materials, structures, and workmanship within SCDOT rights-of-way according to common local practices. The Town shall be responsible for the maintenance of any road or structure constructed pursuant to this Agreement that is not on the State Highway System at the time this Agreement is executed.
- G. REVIEWS/APPROVALS. Any and all reviews and approvals required of the Parties herein shall not be unreasonably denied or withheld.
- H. TERMINATION. This Agreement may be terminated by the Town upon written notice to SCDOT, provided that the Town covers all costs incurred prior to termination and as the result of termination. SCDOT may terminate this Agreement if the Town fails to pay according to the terms of the Agreement. In the event of such default, SCDOT will provide written notice of termination to the Town, and the Town shall be responsible for all costs incurred prior to termination and as the result of termination. Upon written notification of termination all work on the PROJECT shall cease. The Town's obligation to make payments and reimbursements for costs incurred prior to termination or for claims and judgments relating to the PROJECT received after termination shall survive the termination hereof.
- I. DISPUTES. All claims or disputes shall be filed with the SCDOT Project Manager. The Parties will meet to attempt to resolve any dispute or claim. If unable to resolve the dispute with the SCDOT Project Manager, the Parties may appeal the claim or dispute to the appropriate SCDOT Deputy Secretary. The Deputy Secretary's decision in the matter shall be final and conclusive for both Parties.
- J. NOTICES. All notices required to be given hereunder, except as otherwise provided in this Agreement, shall be deemed effective when received by the other Party, through certified mail, registered mail, personal delivery, or courier delivery. All such notices shall be addressed to the Parties as follows:
1. As to SCDOT:
South Carolina Department of Transportation
955 Park Street
Post Office Box 191
Columbia, South Carolina 29202-0191
Attn.: Deputy Secretary for Engineering
 2. As to the TOWN:
Town of Hilton Head Island
Marc Orlando - Town Manager
1 Town Center Court
Hilton Head Island, SC 29928

- K. WAIVERS. No waiver of any event of default by SCDOT or the Town hereunder shall be implied from any delay or omission by the other Party to take action on account of such event of default, and no express waiver shall affect any event of default other than the event of default specified in the waiver and it shall be operative only for the time and to the extent therein stated. Waivers of any covenants, terms, or conditions contained herein must be in writing and shall not be construed as a waiver of any subsequent or other breach of the same covenant, term, or condition. The consent or approval by a Party of any act by the other requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent or similar act. No single or partial exercise of any right or remedy of a Party hereunder shall preclude any further exercise thereof of the exercise of any other or different right or remedy.
- L. SUCCESSORS AND ASSIGNS. SCDOT and the Town each bind themselves and their respective successors, executors, administrators, and assigns to the other Party with respect to these requirements, and also agree that no Party shall assign, sublet, or transfer its respective interest in the Agreement without the written consent of the other.
- M. BENEFIT AND RIGHT OF THIRD PARTIES. This Agreement is made and entered into for the sole protection and benefit of SCDOT, Town, their respective successors, executors, administrators, and assigns. No other persons, firms, entities, or parties shall have any rights, or standing to assert any rights, under this Agreement in any manner.
- N. SAVINGS CLAUSE. Invalidation of any one or more of the provisions of this Agreement by any court of competent jurisdiction shall in no way affect any of the other provisions hereof, all of which shall remain, and is intended by the Parties to remain, in full force and effect.
- O. EXECUTION IN COUNTERPARTS. This Agreement may be executed and delivered in counterparts, and if so executed, shall become effective when a counterpart has been executed and delivered by all Parties hereto. All counterparts taken together shall constitute one and the same Agreement and shall be fully enforceable as such. Delivery of counterparts via facsimile transmission or via email with scanned attachment shall be effective as if originals thereof were delivered.
- P. AUTHORITY TO EXECUTE. By executing this Agreement, the undersigned each affirms and certifies that he or she has authority to bind his or her principal thereto and that all necessary acts have been taken to duly authorize this Agreement under applicable law.
- Q. ENTIRE AGREEMENT. This Agreement with any attachments constitutes the entire Agreement between the Parties. The Agreement is to be interpreted under the laws of the State of South Carolina.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

TOWN OF HILTON HEAD ISLAND

Witness

By: _____
(Signature)

Title: _____

SOUTH CAROLINA DEPARTMENT OF
TRANSPORTATION

Witness

By: _____
Deputy Secretary for Finance and Administration
or Designee

RECOMMENDED BY:

Deputy Secretary for Engineering or Designee

REVIEWED BY:

Title: _____

EXHIBIT A

PROJECT DETAILS AND MAP

The purpose of the project is to improve safety for vehicles, pedestrians, and bicyclists and to alleviate congestion in the vicinity of Sea Pines Circle.



Financial Participation Agreement
Between the
South Carolina Department of Transportation
And the
Town of Hilton Head Island

THIS AGREEMENT is made this _____ day of _____, 2026, by and between the South Carolina Department of Transportation (hereinafter referred to as “SCDOT”) and the Town of Hilton Head Island (hereinafter referred to as “Town”) (collectively “the Parties”) for the below described Project:

WITNESSETH THAT:

WHEREAS, the Town has requested SCDOT’s assistance in regard to the Project described below; and

WHEREAS, SCDOT is agreeable to the Town’s request pursuant to the terms of this Agreement; and

WHEREAS, SCDOT is an agency of the State of South Carolina with the authority to enter into contracts necessary for the proper discharge of its functions and duties; and

WHEREAS, the Town is a body politic with all the rights and privileges of such including the power to contract as a necessary and incidental power to carry out Town’s functions covered under this Agreement; and

NOW THEREFORE, in consideration of the several promises to be faithfully performed by the Parties hereto as set forth herein, SCDOT and the Town do hereby agree as follows:

I. PROJECT DESCRIPTION

The Town of Hilton Head Island Sea Pines Circle Project (hereinafter “the PROJECT”) consists of the improving a traffic circle known as Sea Pines Circle at the intersection of William Hilton Parkway (Bus 278), Palmetto Road (US 278), Greenwood Road (Private), and Pope Avenue (US 278) in the Town of Hilton Head Island, South Carolina. The limits of the work are generally bound by the following – Palmetto Bay Road / Target Road intersection, US 278 / Arrow Road intersection, Pope Avenue / New Orleans Road intersection, and Greenwood Drive / Sea Pines Gate.

Additional PROJECT details and a map of the PROJECT area are included in South Island Traffic Circle Improvement Plan (hereinafter “Exhibit A”) which is attached hereto and specifically made a part of this Agreement.

II. PROJECT SCOPE

SCDOT will develop engineering analysis and design development for the PROJECT in accordance with SCDOT standards. Project will be advanced to a 20-30% design development level with work products to include preliminary design drawings and an engineer's opinion of probable construction cost.

III. FUNDING

- A. The Parties estimate the total cost for the PROJECT to be \$300,000.00. The total cost shall include all allowable and allocable costs for the PROJECT. The total cost shall also include costs for oversight and administration, including but not limited to, attending public hearing(s), project location, design, utility relocations, other engineering services, and inspection and testing performed by SCDOT in accordance with state and federal requirements.
- B. The Town is responsible for 100% of the total cost of the PROJECT. SCDOT has made no financial commitment to the PROJECT and shall not be required to advance any sums nor incur any costs hereunder.

C. Funding Summary:

Fund Priority	Fund Source	Total Amount	Federal Share	Federal Amount (Maximum)	State Share	State Amount	Other Share	Other Amount	Other Source
1	Local	\$ 300,000.00	0%	\$ -	0%	\$ -	100%	\$ 300,000.00	Town of Hilton Head
Total Project Cost		\$ 300,000.00		\$ -		\$ -		\$ 300,000.00	

- D. SCDOT will invoice the Town based on this Agreement approximately 30 days after execution of this Agreement. The Town agrees to remit the invoiced amount to SCDOT within 30 days of receipt of invoice. No PROJECT work shall begin until payment is received by SCDOT.

IV. SCDOT WILL:

- A. Assign an SCDOT employee to serve as liaison and contact between the Parties hereto.
- B. Be responsible for all contract administration; advertising and awarding of contracts; review and approval of payment of contracts; and any other related or activities or functions necessary to deliver the PROJECT.
- C. SCDOT shall perform all or any part of the work with its own forces or may contract out any of the work or services to outside private or governmental consultants or contractors at the sole discretion of SCDOT if it determines that such contracting out would be more efficient or cost effective, or would result in more expeditious completion of the PROJECT. SCDOT does not guarantee completion of the PROJECT within the available budget. In accordance with Section VI.C. of this Agreement,

SCDOT agrees to notify Town in writing as soon as it is made aware that the PROJECT will likely exceed the estimated total cost of \$300,000.00.

V. TOWN WILL:

- A. Assign an employee to serve as liaison and contact between the Parties hereto.
- B. Pay SCDOT according to the terms of this Agreement.
- C. Assign any right of entry necessary to SCDOT in order for SCDOT or SCDOT's contractors to complete the work contemplated by this Agreement.

VI. GENERAL TERMS

- A. PERIODIC REPORTS. SCDOT's Project Manager will periodically, but at minimum every 30 days, provide a written update to the Town on the status of the PROJECT and funds.
- B. COST UNDERRUNS. In the event that total cost of the PROJECT is less than originally estimated, SCDOT will refund any excess amount paid to SCDOT by the Town within 30 days of the final completion and closure of the PROJECT within SCDOT's accounting office. Refunds will not be unreasonably withheld, denied, or delayed.
- C. COST OVERRUNS. The Parties acknowledge and agree that any additional funds necessary to cover cost overruns must receive will require Town of Hilton Head Island Town Council (hereinafter "COUNCIL") approval prior to being dispersed and allocated to SCDOT.

If it becomes apparent that the cost of the PROJECT will exceed the funding available, SCDOT will provide the Town notice prior to total expenditure of funding available and provide the estimate of funds needed to complete the PROJECT. The Town shall remit to SCDOT within 30 days of receipt of the notice the additional funds needed to complete the PROJECT pending Council approval. No work will be completed beyond that covered by the available funds. If the Town does not have the additional funding needed to complete the PROJECT, SCDOT and the Town will mutually agree on a revision to the PROJECT scope and termini that is in accordance with the available budget.

- ~~C.D.~~ CONFORMITY WITH LAWS. The Parties hereto agree to conform to all SCDOT policies; all State, Federal, and local laws, rules, regulations, and ordinances governing agreements or contracts relative to the acquisition, design, construction, maintenance and repair of roads and bridges, and other services covered under this Agreement.

- ~~D.E.~~ AMENDMENTS. The Town, or its authorized agent, shall agree to hold consultations with SCDOT as may be necessary with regard to the execution of

supplements to this Agreement during the course of this PROJECT for the purpose of resolving any items that may have been unintentionally omitted from this Agreement. Such supplemental agreements shall be subject to the approval and proper execution of the Parties hereto. No amendment to this Agreement shall be effective or binding on any Party hereto unless such amendment has been agreed to in writing by all Parties hereto.

~~F.F.~~ MAINTENANCE RESPONSIBILITY. SCDOT accepts responsibility for normal maintenance of standard transportation materials, structures, and workmanship within SCDOT rights-of-way according to common local practices. The Town shall be responsible for the maintenance of any public road or structure constructed pursuant to this Agreement that is not on the State Highway System at the time this Agreement is executed, but the Town shall have no responsibility for the maintenance of any private road.

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~~F.G.~~ REVIEWS/APPROVALS. Any and all reviews and approvals required of the Parties herein shall not be unreasonably denied or withheld.

~~G.H.~~ TERMINATION. This Agreement may be terminated by the Town upon written notice to SCDOT, provided that the Town covers all costs incurred prior to termination and as the result of termination. SCDOT may terminate this Agreement if the Town fails to pay according to the terms of the Agreement. In the event of such default, SCDOT will provide written notice of termination to the Town, and the Town shall be responsible for all costs incurred prior to termination and as the result of termination. Upon written notification of termination all work on the PROJECT shall cease. The Town's obligation to make payments and reimbursements for costs incurred prior to termination or for claims and judgments relating to the PROJECT received after termination shall survive the termination hereof.

~~H.I.~~ DISPUTES. All claims or disputes shall be filed with the SCDOT Project Manager. The Parties will meet to attempt to resolve any dispute or claim. If unable to resolve the dispute with the SCDOT Project Manager, the Parties may appeal the claim or dispute to the appropriate SCDOT Deputy Secretary. The Deputy Secretary's decision in the matter shall be final and conclusive for both Parties.

~~H.J.~~ NOTICES. All notices required to be given hereunder, except as otherwise provided in this Agreement, shall be deemed effective when received by the other Party, through certified mail, registered mail, personal delivery, or courier delivery. All such notices shall be addressed to the Parties as follows:

1. As to SCDOT:
 South Carolina Department of Transportation
 955 Park Street
 Post Office Box 191
 Columbia, South Carolina 29202-0191
 Attn.: Deputy Secretary for Engineering

2. As to the TOWN:

Town of Hilton Head Island
Marc Orlando - Town Manager
1 Town Center Court
Hilton Head Island, SC 29928

~~J.K.~~ **WAIVERS.** No waiver of any event of default by SCDOT or the Town hereunder shall be implied from any delay or omission by the other Party to take action on account of such event of default, and no express waiver shall affect any event of default other than the event of default specified in the waiver and it shall be operative only for the time and to the extent therein stated. Waivers of any covenants, terms, or conditions contained herein must be in writing and shall not be construed as a waiver of any subsequent or other breach of the same covenant, term, or condition. The consent or approval by a Party of any act by the other requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent or similar act. No single or partial exercise of any right or remedy of a Party hereunder shall preclude any further exercise thereof of the exercise of any other or different right or remedy.

~~K.L.~~ **SUCCESSORS AND ASSIGNS.** SCDOT and the Town each bind themselves and their respective successors, executors, administrators, and assigns to the other Party with respect to these requirements, and also agree that no Party shall assign, sublet, or transfer its respective interest in the Agreement without the written consent of the other.

~~L.M.~~ **BENEFIT AND RIGHT OF THIRD PARTIES.** This Agreement is made and entered into for the sole protection and benefit of SCDOT, Town, their respective successors, executors, administrators, and assigns. No other persons, firms, entities, or parties shall have any rights, or standing to assert any rights, under this Agreement in any manner.

~~M.N.~~ **SAVINGS CLAUSE** Invalidation of any one or more of the provisions of this Agreement by any court of competent jurisdiction shall in no way affect any of the other provisions hereof, all of which shall remain, and is intended by the Parties to remain, in full force and effect.

~~N.O.~~ **EXECUTION IN COUNTERPARTS.** This Agreement may be executed and delivered in counterparts, and if so executed, shall become effective when a counterpart has been executed and delivered by all Parties hereto. All counterparts taken together shall constitute one and the same Agreement and shall be fully enforceable as such. Delivery of counterparts via facsimile transmission or via email with scanned attachment shall be effective as if originals thereof were delivered.

~~O.P.~~ **AUTHORITY TO EXECUTE** By executing this Agreement, the undersigned each affirms and certifies that he or she has authority to bind his or her principal thereto and that all necessary acts have been taken to duly authorize this Agreement under applicable law.

P.Q. ENTIRE AGREEMENT. This Agreement with any attachments constitutes the entire Agreement between the Parties. The Agreement is to be interpreted under the laws of the State of South Carolina.

[Signature blocks on next page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on their behalf

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

TOWN OF HILTON HEAD ISLAND

Witness

By: _____
(Signature)

Title: _____

SOUTH CAROLINA DEPARTMENT OF
TRANSPORTATION

Witness

By: _____
Deputy Secretary for Finance and Administration
or Designee

RECOMMENDED BY:

Deputy Secretary for Engineering or Designee

REVIEWED BY:

Title: _____

EXHIBIT A

PROJECT DETAILS AND MAP

The purpose of the project is to improve safety for vehicles, pedestrians, and bicyclists and to alleviate congestion in the vicinity of Sea Pines Circle.



Donald D'Adam

From: Breland, Branford, I. <BRELANDBI@scdot.gov>
Sent: Friday, May 15, 2026 12:42 PM
To: Donald D'Adam
Cc: Shawn Gillen; Winn, Craig, L.; Marc Orlando; Jeff Netzinger; Winn, Craig, L.; Brittany Ward
Subject: RE: Sea Pines Circle IGA

Don,

I sent the concerns to our legal department. They believe most of the Town's concerns are addressed with the agreement as-is. They have provided explanations to the concerns in red below. Please review and let me know if the concerns have been addressed. If the agreement is revised it will have to go back for SCDOT review and signatures. Based on the current time frame we cannot guarantee the agreement would be ready in June. Let me know if you have any questions.

Thanks,



Branford Breland, PE
Lowcountry Assistant Program Manager

P 803-737-1022 **C** 803-908-6415 **E** brelandbi@scdot.org

From: Donald D'Adam <donaldd@hiltonheadislandsc.gov>
Sent: Thursday, May 14, 2026 4:01 PM
To: Breland, Branford, I. <BRELANDBI@scdot.gov>
Cc: Shawn Gillen <shawng@hiltonheadislandsc.gov>; Winn, Craig, L. <WINNCL@scdot.gov>; Marc Orlando <marco@hiltonheadislandsc.gov>; Jeff Netzinger <jeffn@hiltonheadislandsc.gov>; Winn, Craig, L. <WINNCL@scdot.gov>; Brittany Ward <bward@fingerlaw.com>
Subject: RE: Sea Pines Circle IGA

*** This is an EXTERNAL email. Please do not click on a link or open any attachments unless you are confident it is from a trusted source. ***

Hello Branford

Per the email trail below, we have shared this draft agreement with our Finance Committee this week. They commented on two sections and attached are suggested edits to address the concerns outlined below.

Concerns Raised by TOHHI Finance Committee Member:

1. Paragraph C - This needs to be revised. The Town cannot allocate additional funds in such a short time if the funds are not allocated and approved by Town Council. – Notice from SCDOT would not

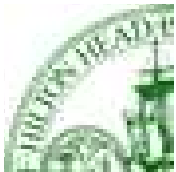
be the day before the funding would run out. You would be giving them monthly reports as required by Sect. VI.A. so arrangements could be made if it looks like additional funding will be needed.

2. Paragraph F - This needs to be revised. The Town does not own Greenwood Drive and the agreement should be clearer on any maintenance of private roads. – As written it only requires Town to maintain “any public road or structure . . .” Nothing in this Agreement would require Town to maintain a private road. Also to confirm this Agreement is only to develop 30% plans and cost estimates.

Are these requested edits amenable to SCDOT? Please review and comment so that we can take this to Town Council in June.

Formalities aside, thank you for keeping this moving forward and partnering on this agreement.

Don



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: Monday, May 4, 2026 11:34 AM

To: 'Breland, Branford, I.' <BRELANDBI@scdot.gov>

Cc: Shawn Gillen <shawng@hiltonheadislandsc.gov>; 'Winn, Craig, L.' <WINNCL@scdot.gov>; Marc Orlando <marco@hiltonheadislandsc.gov>; Jeff Netzinger <jeffn@hiltonheadislandsc.gov>; 'Winn, Craig, L.' <WINNCL@scdot.gov>

Subject: RE: Sea Pines Circle IGA

Hello Branford. A quick update on this matter.

The agreement is going to our Finance Committee in May and Town Council in June. In anticipation of this being completed, I will touch base with you soon to discuss the next steps and opportunities for closer coordination to support efficiency.



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: Thursday, April 2, 2026 10:21 AM

To: 'Breland, Branford, I.' <BRELANDBI@scdot.gov>

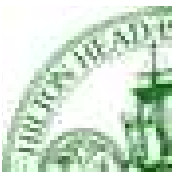
Cc: Shawn Gillen <shawng@hiltonheadislandsc.gov>; Winn, Craig, L. <WINNCL@scdot.gov>; Marc Orlando <marco@hiltonheadislandsc.gov>; Jeff Netzinger <jeffn@hiltonheadislandsc.gov>; Winn, Craig, L. <WINNCL@scdot.gov>

Subject: RE: Sea Pines Circle IGA

Thanks

We will be taking this to our council for authority to execute in June.

PS – Do you have an issue with us sending you suggested replacement of the exhibit with a tighter view that better represents the written scope in the agreement focused on the core circle?



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: Breland, Branford, I. <BRELANDBI@scdot.gov>

Sent: Thursday, April 2, 2026 9:50 AM

To: Donald D'Adam <donaldd@hiltonheadislandsc.gov>

Cc: Shawn Gillen <shawng@hiltonheadislandsc.gov>; Winn, Craig, L. <WINNCL@scdot.gov>; Marc Orlando <marco@hiltonheadislandsc.gov>; Jeff Netzinger <jeffn@hiltonheadislandsc.gov>; Winn, Craig, L. <WINNCL@scdot.gov>

Subject: RE: Sea Pines Circle IGA

Don,

Good morning. Attached is the partially signed agreement. Please sign and witness the document electronically or print document in color, **sign and witness in blue ink**, scan back in color and return. If you prefer a hard copy to sign we can get them to you. Please **do not date** the document. Our legal office will date it once it is fully executed by SCDOT. Once the agreement is fully executed, we will send you a hard copy original and an electronic copy of each one. Let me know if you have any questions.

Marc Orlando, Town Manager
Town of Hilton Head Island
1 Town Center Court
Hilton Head Island, SC 29928

May 22, 2026

Dear Marc,

On behalf of the Sea Pines CSA, I am requesting that the Town evaluate short-term operational improvements intended to improve safety and traffic flow efficiency at the Sea Pines Circle and gateway intersections.

While long-term roadway and access improvements continue through planning and coordination efforts, residents continue to experience significant congestion and delays entering and exiting Sea Pines, particularly during peak periods. Given the projected timeline for larger capital improvements, we believe interim operational measures should be explored for near-term relief. Specifically, we request consideration of the following:

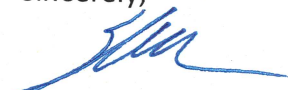
- Reduced speed limits within the Sea Pines Circle area to improve safety and merging operations;
- Signal timing adjustments at William Hilton Parkway and Palmetto Bay Road to create longer traffic gaps for Greenwood Drive traffic entering the circle;
- Evaluation of traffic metering concepts, including ground-mounted signals regulating entry from each approach during peak periods; and
- Additional signage, pavement markings, or other operational measures that may improve circulation and driver behavior.

We recognize portions of the roadway network are subject to State oversight and that some measures may require coordination with SCDOT. We believe these concepts warrant review as interim measures while long-term solutions continue to advance.

CSA would support Town requests to SCDOT for evaluation and implementation of reasonable short-term operational improvements that may improve safety and traffic flow at this location. We appreciate the Town's continued partnership on this important issue and welcome the opportunity to discuss these concepts further with Town staff.

Thank you for your consideration.

Sincerely,



Shawn Colin
Vice President – COO

cc: Sam Bennett, President - CEO

TOWN OF HILTON HEAD ISLAND

One Town Center Court, Hilton Head Island, S.C. 29928

(843) 341-4600 Fax (843) 842-7728

www.hiltonheadislandsc.gov

Alan R. Perry
Mayor

Alexander Brown, Jr.
Mayor Pro Tempore

Council Members

Patsy Brison
Steve DeSimone
Tamara Becker
Steve Alfred
Melinda Tunner

Marc Orlando
Town Manager

Shawn Colin, Vice President – COO
Community Service Associates, Inc.
175 Greenwood Drive
Hilton Head Island, SC 29928

June 22, 2026

Dear Shawn,

Thank you for your letter requesting that the Town evaluate short-term operational improvements at Sea Pines Circle. In response to the items presented for consideration, please see below.

- *Reduced speed limits within the Sea Pines Circle area to improve safety and merging operations.*
 - On June 10, 2026, the Town made a formal request to SCDOT to conduct a speed study and consider reducing the posted 35 mph speed limit on each of the three state-owned road segments connecting to Sea Pines Circle (Palmetto Bay Road, Pope Avenue, and William Hilton Parkway). SCDOT typically completes these studies within 12 weeks when they receive a formal request. The Town will provide CSA with a copy of the response letter upon receipt.
- *Signal timing adjustments at William Hilton Parkway and Palmetto Bay Road to create longer traffic gaps for Greenwood Drive traffic entering the circle.*
 - The Town will implement a field test in mid-July of 2026 to measure the effectiveness of extending the red phase for westbound Palmetto Bay Road traffic at the Target Road signal during the afternoon peak hour based on traffic volume data collected in July of 2025. The field test will involve existing operational condition data collection during week one of the plan to establish a baseline, followed by an augmented timing scheme in conjunction with another set of data collection. The data collection will involve capturing queueing lengths on Palmetto Bay Road and Greenwood Drive and capturing volume/throughput data at the Circle's Greenwood Drive ingress lane. The Town then will assess the field test results. Once complete, the Town will share the data and the assessment with CSA. The assessment will inform a potential implementation strategy to be employed on a seasonal or permanent basis. The Town anticipates completing the assessment by the end of August, 2026.

- *Evaluation of traffic metering concepts, including ground-mounted signals regulating entry from each approach during peak periods.*
 - Town staff is researching this option and discussing it with SCDOT staff in addition to our on-call transportation engineering consultants. Town staff will prepare a memo summarizing the potential viability of metering, including a summary of SCDOT feedback. Once complete, the memo will be shared with CSA. Implementation of ground-mounted signals would be considered a medium to long range fix and would require significant additional funding. The Town anticipates completing the memo by the end of August, 2026.
- *Additional signage, pavement markings, or other operational measures that may improve circulation and driver behavior.*
 - Town staff is developing a list of potential improvements to the Circle approach signing and marking schemes. The Town will complete this list by the end of August, 2026, and schedule a meeting with CSA to review and discuss.

We appreciate CSA's partnership as we work with you and SCDOT to address safety and congestion issues associated with Sea Pines Circle. We will provide CSA with an update on progress and SCDOT feedback related to each issue in the coming weeks.

Sincerely,

Jeffrey
Netzinger, PE

Digitally signed by Jeffrey
Netzinger, PE
Date: 2026.06.22 13:47:45
-04'00'

Jeff Netzinger, PE
Engineering Director

cc Sam Bennett, CSA President – CEO
Jerred Mayse, CSA Director of Maintenance and Facilities
Marc Orlando, Town Manager
Shawn Leininger, Deputy Town Manager
Shawn Gillen, Assistant Town Manager – Operations
Theresa McVey, Traffic Operations Manager



TOWN OF HILTON HEAD ISLAND

TO: Finance and Administrative Committee Members
FROM: Angie Stone, Assistant Town Manager
CC: Marc Orlando, Town Manager
DATE: July 13, 2026
SUBJECT: Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, authorizing the execution and delivery of a sponsorship agreement for the Hilton Head Island Jam 2026 Songwriter Festival and other matters related thereto

BACKGROUND:

Hilton Head Island Jam Entertainment, LLC (HHIJE), produced the Hilton Head Island Jam Songwriter Festival in 2023, 2024, and 2025. The Town of Hilton Head Island has provided sponsorship funding for each of these events.

HHIJE has submitted a proposal and budget to produce Hilton Head Island Jam 2026 Songwriter Festival (Attachments 1 & 2).

RECOMMENDATION:

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, authorizing the execution and delivery of a sponsorship agreement for the Hilton Head Island Jam 2026 Songwriter Festival and other matters related thereto (Attachment 3).

NEXT STEPS:

If approved by the Finance and Administrative Committee, the resolution will be forwarded to the full Town Council for consideration on July 14, 2026.

ATTACHMENTS:

1. Sponsorship proposal.
2. Budget for the 2026 event.
3. Resolution approving sponsorship.
 - a. Exhibit A – Sponsorship agreement.



May 5 2026

Marc Orlando; Town Manager Hilton Head Island

Based on our outstanding experience in producing the Hilton Head Island Jam 2023, 2024 and 2025 Songwriter Festival in your town, I am writing to propose that the Town of Hilton Head Island again partner with us to produce the Hilton Head Island Jam 2026 Songwriter Festival. A detailed proposal of the event and the Town's participation in making the 2026 event a reality follows.

Hilton Head Island Jam, LLC (HHIJ, LLC) will produce Hilton Head Island Jam 2026 Songwriter Festival (HHIJSF) at various venues around Hilton Head Island September 17th– 20th, 2026.

The 2025 HHIJSF was well-attended and garnered very favorable response from residents, visitors, and local businesses. The benefits the Town of Hilton Head Island experienced as a result of this event included:

- An influx of spectators from around the country.
- Economic benefit to local businesses.
- World class entertainers performing at a variety of venues around the Island.
- Exposure of local artists to broader audiences and music industry executives.
- 2 headliner concerts in the park with free admission.
- Heightened community morale.

HHIJ, LLC is requesting that the Town of Hilton Head Island commit to a \$250,000 sponsorship for the 2026 event. The sponsorship will allow HHIJ, LLC, to contract with artists, venues, and suppliers with confidence while it seeks other sponsorships.

In return for its sponsorship of the 2026 HHIJSF, the Town will receive:

- Two headliner concerts performed at Lowcountry Celebration Park with free general admission.
-

816 MAGNOLIA COURT EAST
NASHVILLE, TN 37221
615-400-3893
hiltonheadislandjam.com



To date, 20 songwriters have committed to participate in the 2026 event, including former performers LOCASH and Jeffrey Steele . In total, there will be an estimated 25 artists performing at 5-7 venues.

Sponsorships have already been secured from the following:

- The Westin Hilton Head Island Resort & Spa
- Beach House Resort HHI
- Platinum Executive Coaches.
- Truist Bank
- The Composer/ Songwriter division of the Grammys
- BMI
- Sound Royalties

With commitment from the Town of Hilton Head Island to a \$250,000 sponsorship, HHIJ, LLC, will proceed with contracting artists, venues, and suppliers, and begin marketing the Hilton Head Island Jam 2026 Songwriter Festival.

Respectfully submitted,

David Preston, Chief Executive Officer Hilton Head Island Jam

816 MAGNOLIA COURT EAST
NASHVILLE, TN 37221
615-400-3893
hiltonheadislandjam.com

ATTACHMENT 2

Category	Amount
Accounting fees	\$ 7,000.00
Website Hosting	\$ 5,000.00
Legal Council	\$ 5,000.00
Contract Labor	\$ 85,000.00
Insurance	\$ 7,000.00
Management	\$ 60,000.00
Merhcansie	\$ 7,000.00
Marketing	\$ 13,000.00
Meals/Entertainment	\$ 3,500.00
Rentals	\$ 12,000.00
Production	\$ 75,000.00
Software	\$ 1,500.00
Supplies	\$ 3,000.00
Transportation	\$ 14,000.00
Hotels/Lodging	\$ 46,000.00
Airfare	\$ 27,000.00
GRAND TOTAL	\$ 371,000.00

REVENUES	
VENUE SUPPORT	\$ 9,000.00
MISC SPONSORSHIPS	\$ 52,000.00
TOWN SPONSORSHIP	\$ 250,000.00
TRANSPORTATION SPONSORSHIP	\$ 14,000.00
LODGING SPONSORSHIP	\$ 46,000.00
GRAND TOTAL	\$ 371,000.00

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

**A RESOLUTION OF THE TOWN OF HILTON HEAD ISLAND APPROVING A
SPONSORSHIP AGREEMENT WITH HILTON HEAD ISLAND JAM
ENTERTAINMENT LLC IN SUPPORT OF THE HILTON HEAD ISLAND JAM 2026
SONGWRITER FESTIVAL**

WHEREAS, the Hilton Head Island Jam 2026 Songwriter Festival (“*Festival*”) is a local event that will take place throughout the Town of Hilton Head Island (“*Town*”) on September 17, 2026, through September 20, 2026, featuring song writers of country and pop music; and,

WHEREAS, Hilton Head Island Jam Entertainment, LLC (“*HHI Jam*”) contracts annually with Broadcast Music, Inc. (“*BMI*”) artists to provide live music at various locations across Hilton Head Island for the Festival; and,

WHEREAS, the Town and Hilton Head Island Recreation Association (“*Island Rec*”) previously provided HHI Jam sponsorship funds, services and support in 2023, 2024, and 2025 to produce the Festival which created an influx of spectators from a wide range of areas that resulted in economic benefits to local businesses and the Town; and,

WHEREAS, the Town desires to remain a prominently named sponsor of the Festival and provide support to the Festival to ensure that the Festival continues to provide exposure of local artists to broader audiences and music industry executives, and attract spectators both within and outside of the Town. The Town’s sponsorship will include a monetary contribution in the amount of Two Hundred Fifty Thousand (\$250,000) Dollars; and,

WHEREAS, the Town desires to enter into an agreement substantially similar to the terms and conditions as provided in **Exhibit A**, attached hereto and incorporated herein by reference, for the express purpose of defining the Town’s financial support, Island Rec’s services, and HHI Jam’s responsibilities in organizing and producing the Festival; and,

WHEREAS, the Town Council of the Town of Hilton Head Island has determined that the same benefits will accrue from sponsoring the Festival as in the past, and that the participation of the Town, as a sponsor is in the best interests of the Town and its citizens, residents, and businesses.

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

- (a) The Town Council hereby approves executing and delivering the Hilton Head Island Jam 2026 Songwriter Festival Sponsorship Agreement substantially similar to the agreement provided in Exhibit A, attached hereto and incorporated herein by reference.
- (b) The Mayor and Town Manager are authorized to execute and deliver the Hilton

Head Island Jam 2026 Songwriter Festival Sponsorship Agreement, and to take all other and further actions as are necessary to fulfill the Town's obligations under the terms of the Agreement.

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:

Brittany Ward, Town Attorney

EXHIBIT “A” TO RESOLUTION APPROVING HILTON HEAD ISLAND JAM 2026
SONGWRITER FESTIVAL SPONSORSHIP AGREEMENT

3. **Term.** This Agreement shall commence on the Effective Date and shall conclude on October 31, 2026; provided, however, that this Agreement is not otherwise terminated prior to that date as further provided for herein. The Festival shall commence on September 17, 2026, and conclude on September 20, 2026.

4. **Termination.**

- a. *Default.* In addition to any other rights of termination set forth in this Agreement, each Party shall have the right to terminate this Agreement if another Party is in default of any term or provision of this Agreement. The non-defaulting party must provide written notice to the defaulting party, and the defaulting party shall have (7) seven calendar days from the date of the notice to cure or correct such default. A party may elect to disregard a default, electing to disregard a default shall not be deemed a waiver of any right or the right to declare a default at a subsequent time or upon reoccurrence of the default.
- b. *Force Majeure.* In the event the Festival or portions of the Festival are cancelled due to inclement weather or another event including but not limited to earthquakes, tornadoes, hurricanes, flood, insurrections, riots, public enemy/terrorist activity, war, epidemics, pandemics, or explosives during the Festival or within thirty (30) days prior to the Festival, then HHI Jam shall have no obligation to refund any portion of the funds paid by Town to that said date *and* the Town shall have no obligation to provide any additional funds to HHI Jam.
- c. *Termination for Convenience.* The Town may terminate this Agreement for convenience. In the event the Town cancels this Agreement for convenience, then HHI Jam shall be entitled to payment as follows:
 - i. 31-60 Days prior to September 18, 2026: 50% of Fee.
 - ii. 16-30 Days prior to September 18, 2026: 75% of Fee.
 - iii. 0-15 Days prior to September 18, 2026: 100% of Fee.

For purposes of this Section:

- i. The Town must give HHI Jam a written notice of the termination for convenience.
- ii. Days means calendar days.
- iii. For the purpose of counting the number of days, the date of the Town's written notice is day 1, and September 17, 2026, is not counted.

5. **Marketing and Promotion.**

- a. *Festival Name and Logo.* The event shall be known as the "Hilton Head Island Jam 2026 Songwriter Festival." As a condition of providing Sponsorship Fees and the services being provided for the Festival, HHI Jam shall cause the Town and Island Rec to be prominently featured in all of its marketing and promotional materials utilizing an official Town logo and Island Rec logo that will be supplied by each Party. Similarly, the Town

and Island Rec agree to only use the marketing or promotional materials provided by HHI Jam, or any other material approved in writing by HHI Jam.

- b. *Content.* The Parties agree that all marketing and promotional materials shall be solely focused on promotion of the Festival.
- c. *Approval of Material.* The Parties agree HHI Jam shall obtain written approval from the Town and Island Rec prior to any marketing or promotional materials being released or distributed to the public whether in print format or online. Online distribution includes, but is not limited to, website advertising, social media pages, or use of an app. Failure to obtain the required written approval shall be considered a default by HHI Jam.
- d. *Sponsorships.* HHI Jam may seek additional sponsorships for the Festival; provided, however, that any additional sponsorships for the Festival shall be limited to established businesses in the Town, businesses related to the music industry, non-profit or volunteer groups providing support to the Festival, and non-profits with a purpose of community involvement, improving quality of life on Hilton Head Island or recreation on Hilton Head Island.

6. Responsibilities of HHI Jam. The Parties agree that HHI Jam shall be solely responsible for facilitating and producing the Festival and is responsible for those items described in this Section.

- a. *Designated Sponsor.* HHI Jam accepts and hereby designates the Town and Island Rec as official sponsors of the Festival pursuant to the terms of this Agreement.
- b. *Festival Minimum Requirements.* HHI Jam will take any and all actions as may be necessary to produce the Festival commencing on September 17, 2026, and concluding on September 20, 2026. The Festival shall, at a minimum, include the following:
 - i. Two headliner concerts performed at the Town's Lowcountry Celebration Park with free general admission to the public. **No tickets may be sold for these concerts; no reservations may be required, issued or sold; and no special (i.e. VIP) access shall be available or sold. No stage sponsorships may be sold for these concerts.**
 - ii. Performances by a minimum of twenty-five (25) artists at a minimum of seven (7) different venues across the Town. The artists, locations, and performance dates will be determined by HHI Jam in its sole discretion so long as the minimum number of artists and venues identified are met. The failure of HHI Jam to secure the minimum number of artists and performance venues described herein shall be deemed a default by HHI Jam.
- c. *Payment of Costs.* HHI Jam is solely responsible for the payment of all costs of the Festival, including the two headliner concerts at Lowcountry Celebration Park, including but not limited to, artists fees, booking fees, accounting and legal fees, scheduling costs,

artist travel, artist care (food and beverages, including the green room area), green room bartending services, Festival insurance, website content/design, Festival mobile app, social media, marketing and advertising (print and digital), Festival production, lighting, sound, stage, power generators, artist and staff transportation costs, and any other expenses associated with HHI Jam's responsibilities as established in this Agreement.

- d. *Admissions.* Tickets, cover charges, VIP passes, or other admission fees to venues, other than for events performed at the Town's Lowcountry Celebration Park, are at the discretion of HHI Jam and the venue. HHI Jam will provide the Town with details on the terms of VIP passes or tickets it sells utilizing the HHI Jam app prior to commencing sales. HHI Jam agrees that the terms will not change once sales have begun.
- e. *Additional Responsibilities.* To the extent that any cost or action shall be necessary to facilitate the Festival which is not otherwise specifically addressed or identified in this Agreement, then such action or cost shall be the sole and exclusive responsibility of HHI Jam to perform, satisfy and pay.
- f. *Public Funds.* The Parties acknowledge and understand that the Sponsorship Fee is the use of public funds. Due to the source of funding, the Parties agree the Town at its sole discretion may request documents related to the use of the Sponsorship Fee provided by the Town. Following receipt of a request for documents, HHI Jam agrees to provide the requested documents within fourteen (14) calendar days. Documents related to the expenditure of funds include but are not limited to agreements, invoices, receipts, and account statements.
- g. *License and Permits.* HHI Jam shall work cooperatively with the Town to obtain all required licenses and permits for the Festival, including but not limited to, a special event permit for the two concerts at Lowcountry Celebration Park. HHI Jam agrees to jointly execute the application or documents associated with a special event permit being obtained by the Town for the two concerts at Lowcountry Celebration Park. HHI Jam shall be solely responsible for ensuring that all vendors, contractors and subcontractors providing goods and services for the Festival shall have the required licenses and permits.
- h. *Insurance.* HH Jam shall obtain insurance with policy limits no less than \$1,000,000 in commercial general liability, special event and any other appropriate policies to cover any and all liability and claims for loss or damage including personal injury, death, property damage or any other loss arising from or connected in any way to the Festival. HHI Jam shall name the Town and Island Rec as additional insured parties in any and all insurance policies and shall provide a copy of all policies to the Town and Island Rec prior to the commencement of the Festival.
- i. *Other Responsibilities.* HHI Jam agrees to be solely responsible for the tasks, services and responsibilities established in Exhibit A attached hereto and incorporated herein by reference.

7. Responsibilities of the Town. The Town shall be solely responsible for those items described in this Section.

- a. *Sponsorship Fee.* Except as is otherwise provided in Section 4 of this Agreement the Town agrees to pay to HHI Jam the sum of Two Hundred and Fifty Thousand (\$250,000) Dollars (“*Sponsorship Fee*”) as follows:
 - i. One Hundred and Fifty Thousand (\$150,000) Dollars of the Sponsorship Fee to be paid no later than August 14, 2026; and
 - ii. One Hundred Thousand (\$100,000) Dollars of the Sponsorship Fee to be paid no later than September 30, 2026.

This Sponsorship Fee is intended to provide for the services established in this Agreement as well as support the operational needs of the Festival. These expenses include, all costs of the Festival, including the two headliner concerts at Island Celebration Park, including but not limited to, artists fees, booking fees, accounting and legal fees, scheduling costs, artist travel, artist care (food and beverages, including the green room), green room bartending services, Festival insurance, website content/design, Festival mobile app, social media, marketing and advertising (print and digital), Festival production, lighting, sound, stage, power generators, artist and staff transportation costs, and any other expenses associated with HHI Jam’s responsibilities as established in this Agreement.

- b. *Marketing.* The Town, as required by Section 5 of this Agreement, agrees to promptly review all marketing material for approval. The Town agrees to distribute the approved print marketing materials (posters and rack cards) and to share digital marketing materials provided by HHI Jam for the Festival.
- c. *Lowcountry Celebration Park Concerts.* The Town will secure, schedule, or cause to occur arrangements for two concerts to be held at Lowcountry Celebration Park and will provide direction to Island Rec for these concerts. In addition to the Sponsor Fee, the Town agrees to pay additional costs and provide services associated with the two headliner concerts at Lowcountry Celebration Park as described in Exhibit A.
- d. *License and Permits.* The Town shall work cooperatively with HHI Jam to obtain all required licenses and permits, including but not limited to, a special event permit for the concerts at Lowcountry Celebration Park. The Town agrees to jointly execute the application or documents associated with a special event permit being obtained by HHI Jam for the concerts at Lowcountry Celebration Park.

8. Responsibilities of Island Rec. Island Rec shall be solely responsible for those items described in this Section.

- a. *Marketing.* Island Rec, as required by Section 5 of this Agreement, agrees to promptly review all marketing material for approval. Island Rec agrees to distribute the approved print marketing materials (posters and rack cards) and to share digital marketing materials provided by HHI Jam for the Festival.

- b. *License and Permits.* Island Rec shall be solely responsible for obtaining the required licenses and permits necessary to fulfill its obligations established in Exhibit A. Island Rec is solely responsible for ensuring any vendors, contractors and subcontractors providing goods or services on behalf of Island Rec for the Festival shall have the required licenses and permits.
 - c. *Insurance.* Island Rec shall obtain Insurance with policy limits of no less than \$1,000,000 in commercial general liability, special event insurance, and any other appropriate policies to cover any and all liability and claims for loss or damage including personal injury, death, property damage or any other loss arising from or connected in any way to the Lowcountry Celebration Park concerts, including the operation of a beer and wine concession by Island Rec. Island Rec shall name the Town and HHI Jam as additional insured parties in any and all insurance policies and shall provide a copy of all policies to the Town and HHI Jam prior to the commencement of the Festival.
 - d. *Lowcountry Celebration Park Concerts.* Island Rec agrees to arrange for the following in connection with the two concerts at Lowcountry Celebration Park: fencing for crowd direction and control, portable restroom facilities for the performers and audience, food trucks and vendors, beer and wine concession, tent and chair rentals, post event cleanup and volunteers to staff the concerts. Island Rec agrees to pay for the cost of providing these services for the two headliner concerts at Lowcountry Celebration Park as established in Exhibit A. The Town will reimburse Island Rec for these costs.
- 9. Indemnification.** HHI Jam agrees to hold harmless and indemnify the Town and Island Rec, its subsidiaries, successors, volunteers, agents, employees, vendors, and assigns from and against any and all claims, damages, lawsuits and expenses including reasonable attorneys' fees, arising out of or resulting from the Festival or any of its related activities, provided that any such claims, damages, loss or expense (1) is attributed to bodily injury or property damage, or (2) is caused in whole or in part by any negligent act or omission of HHI Jam. HHI Jam shall cause the Town and Island Rec to be named as additional insured parties under the commercial liability policy and any other insurance policy obtained for the Festival. The Town can withhold payment of the Sponsorship Fee and Island Rec can withhold services until written proof of required insurance policies is provided.

10. Miscellaneous.

- a. *Notice.* Notice by any Party is deemed given when personally delivered or mailed, postage prepaid, addressed to the other Parties at the address appearing below; or via electronic mail provided that the sending party can show proof of delivery. The Parties acknowledge that the below addresses are accurate as of the Effective Date and in the event of a change of address by either party, such party shall give written notice thereof in accordance with the foregoing, except that such notice of change of address shall be deemed to have been given only when actually received and acknowledged by receiver.

TOWN OF HILTON HEAD ISLAND:

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

HILTON HEAD ISLAND RECREATION ASSOCIATION:
Leah Arnold, Parks and Recreation Executive Director
20 Wilborn Road
Hilton Head Island, SC 29926
Email: frank.soule@islandreccenter.org

HILTON HEAD ISLAND JAM ENTERTAINMENT, LLC:
David Preston, *Chief Executive Officer*
816 Magnolia Court East
Nashville, TN 37221
Email: davidpreston615@gmail.com

- b. *Severability.* If any clause or provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remaining parts of this Agreement shall not be affected thereby, unless such invalidity is essential to the rights of both parties in which event either Party shall have the right to terminate this Agreement upon written notice to the other Party.
- c. *Entire Agreement and Counterparts.* This Agreement constitutes the entire agreement of the parties and supersedes all prior written and all contemporaneous oral agreements, understandings, and negotiations between the parties. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same documents.
- d. *Waiver.* Failure of any party to complain of any act or omission on the part of any other party, no matter how long the same may continue, shall not be deemed to be a waiver by any party of its rights under this Agreement.
- e. *Captions.* The captions used in this Agreement are for convenience only and do not in any way limit or amplify the terms and provisions hereof.
- f. *Assignment.* This Agreement and any rights herein granted are personal to the parties hereto, and shall not be assigned, sublicensed, encumbered, or otherwise transferred by any party without the prior written consent of the Parties. Any attempt at voluntary assignment, sublicense, encumbrance, or other transfer, whether voluntary or by operation of law, shall be void and of no force and effect.
- g. *Successors and Assigns.* This Agreement shall be binding on the Parties hereto, their successors, assigns and legal representatives.

- h. *Disclosure of Relationship.* Nothing contained in this Agreement, nor any act of the Town shall be deemed or construed by the Parties or by any third person, to create any relationship between the Parties, including, but not limited to, that of employer/employee, third-party beneficiary, principal, agent, limited or general partnership, joint venture or other relationship.
- i. *Authority.* The Parties represent and warrant each to the other that they have all requisite ability, power and authority to perform their obligations under this Agreement.
- j. *Applicable Law.* The laws of the State of South Carolina shall govern the interpretation, validity, performance and enforcement of this Agreement. All disputes shall be resolved in a court of competent jurisdiction situated in the State of South Carolina.

(Signature Page to Follow)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed and sealed as of the Effective Date.

**SIGNED, SEALED AND
DELIVERED IN THE PRESENCE
OF:**

**HILTON HEAD ISLAND JAM
ENTERTAINMENT, LLC**

By: _____
David Preston
Chief Executive Officer

**SIGNED, SEALED AND
DELIVERED IN THE PRESENCE
OF:**

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

By: _____
Marc Orlando
Town Manager, ICMA-CM

**SIGNED, SEALED AND
DELIVERED IN THE PRESENCE
OF:**

**HILTON HEAD ISLAND
RECREATION ASSOCIATION**

By: _____
Leah Arnold
Parks & Recreation Executive Director

Lowcountry Celebration Park Concert Responsibilities

Description	HHI Jam Entertainment, LLC (HHI Jam)	Town of Hilton Head Island (Town)	Hilton Head Island Recreation Association (Island Rec)
Artists – all aspects of selecting, contracting, paying	Solely responsible.	Not applicable.	Not applicable.
BMI Licensing	Not applicable.	Obtains licensing for park concerts.	Not applicable.
Insurance	Overall festival insurance.	Not applicable.	Obtains special event insurance for Lowcountry Celebration Park concerts.
Marketing	Solely responsible for collateral creation, website, social media, festival app, posters, rack cards, radio, print ads.	Assistance with distribution of collateral, post on Town’s social media accounts and website.	Shares Festival Marketing collateral via Rec Center distribution channels.
Merchandise	Solely responsible for creation and sales.	Not applicable.	Not applicable.
Green Room	Solely responsible for stocking, service, and clean-up of beverages, ice, and food.	Not applicable.	Not applicable.
Production (sound, lighting, staging, extra power, stage manager)	Secures, contracts, schedules and pays for all production costs.	Not applicable.	Not applicable.
Event Logistics	- Jointly obtains Special Event Permit for Lowcountry Celebration Park concerts. - Obtains business licenses (HHIJE LLC and artists). - Venue identification, agreement/contract, scheduling, support. - Ticketing/admission for all venues except park concerts (must be free).	- Jointly obtains Special Event Permit for Lowcountry Celebration Park concerts. - Arranges and pays for extra cleaning of park restrooms during concerts. - Schedules and pays for audience shuttles.	- Jointly obtains Special Event Permit for Lowcountry Celebration Park concerts. - Obtains beer/wine license for park concerts. - Contracts vendor for laser light show. - Contracts for restroom trailers (audience and artists). - Contracts for trash & recycling.

		• Contracts for park security (24/7 for 72 hours). • Contracts with Beaufort County Sheriff's Office (if required by security plan).	• Sources and contracts for fencing, tent, chair rentals, as needed.. • Contracts for extra lighting for clean-up. • Sources food trucks and vendors. • Manages beer/wine sales during park concerts. • Schedules park concert volunteers.
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TOWN OF HILTON HEAD ISLAND

Finance & Administrative Committee

TO: Finance & Administrative Committee
FROM: Shawn Gillen, Assistant Town Manager
VIA: Shawn Leininger, Deputy Town Manager
Brittany Ward, Town Attorney
Jeff Netzinger, Engineering Director
CC: Marc Orlando, ICMA-CM, Town Manager
Dave Byrd, Finance Director
DATE: July 13, 2026
SUBJECT: Consideration of a Resolution Authorizing the Town Manager to Execute and Deliver an Amended and Restated Stormwater Management and Utility Intergovernmental Agreement between the Town of Hilton Head Island and Beaufort County, South Carolina

RECOMMENDATION:

Consideration of a Resolution Authorizing the Town Manager to Execute and Deliver an Amended and Restated Stormwater Management and Utility Intergovernmental Agreement between the Town of Hilton Head Island and Beaufort County, South Carolina (**Attachments 1 and 2**).

BACKGROUND:

Beaufort County Ordinance 2001/23 established a countywide Stormwater Management Utility ("**Utility**") and a dedicated enterprise fund to address the region's water quality and drainage challenges. The Utility is responsible for managing, constructing, and maintaining stormwater infrastructure across all unincorporated areas of Beaufort County ("**County**") and participating municipalities. To ensure efficient and unified operations, the County previously entered into an intergovernmental agreement ("**IGA**") with the Town of Hilton Head Island ("**Town**") as well as each municipality throughout the County.

The original IGA executed in 2001 established a cooperative partnership between the County and the Town to participate in the Utility operated by the County. The 2001 IGA identified the roles, responsibilities, and financial relationship between the entities regarding the administration, construction, maintenance, and regulation of public stormwater infrastructure. The 2001 IGA was amended and extended in 2006 and again in 2016. The 2016 IGA expired on June 30, 2026.

The 2026 IGA under consideration is substantively the same terms and conditions established in the previous IGAs. Specifically, the 2026 IGA is for a 10 year term with the

option to be extended and includes a 180-day written notice requirement for termination at the end of any given fiscal year. The 2026 IGA reaffirms the terms, conditions, and operational framework for the Utility; and reasserts how the Town will collaboratively manage stormwater infrastructure, enhance water quality, and meet state and federal regulatory mandates.

Financially, funding for the Utility is primarily derived from stormwater service fees (“**SWU Fee**”) calculated based on a property’s long-term hydrologic demands. The 2026 IGA reestablishes a centralized billing and collection process managed by the County; which returns all collected SWU Fees to the Town less a County administrative fee. The Town retains the sole authority to set its local SWU Fee rates annually and is responsible for submitting these rates to the County by June 30 of each year. The SWU Fees received by the Town are dedicated to localized stormwater management including capital infrastructure improvements, easement acquisitions, site inspections, plan reviews, and compliance activities.

Administratively, the 2026 IGA reestablishes the Beaufort County Stormwater Implementation Committee to review regulatory amendments, recommend administrative budget adjustments, and provide technical guidance on projects where the project scope and costs are shared between the County and the Town.

NEXT STEPS:

The recommendation of the Committee will be forwarded to Town Council for action on the proposed Resolution.

ATTACHMENTS:

1. Resolution Authorizing the Town Manager to Execute and Deliver an Amended and Restated Stormwater Management and Utility Intergovernmental Agreement between the Town of Hilton Head Island and Beaufort County, South Carolina.
2. Exhibit A to the Resolution: Amended and Restated Stormwater Management and Utility Intergovernmental Agreement between Beaufort County, South Carolina and The Town of Hilton Head Island, South Carolina.

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

**A RESOLUTION BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA,
AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND
RESTATED STORMWATER MANAGEMENT AND UTILITY
INTERGOVERNMENTAL AGREEMENT WITH BEAUFORT COUNTY; AND OTHER
MATTERS RELATING THERETO**

WHEREAS, the Town of Hilton Head Island (“*Town*”), is authorized by the South Carolina Constitution and the General Statutes of South Carolina to perform stormwater management in pursuit of its responsibility to protect and preserve the public health, safety, and welfare of the community and to protect the natural resources of the Town; and,

WHEREAS, Town of Hilton Head Island Town Council (“*Town Council*”), has determined that the development of the Town presents continuing stormwater management challenges, and the future development of the Town is dependent upon effective solutions to these challenges and preservation of the quality of water of the Town; and,

WHEREAS, it is the desire of the Town Council and Beaufort County Council of Beaufort County, South Carolina, to work together to maintain a plan for the operation of Stormwater Management Utility to promote and protect clean water in all of Beaufort County’s tidal creeks, bays, estuaries, ground water recharge areas and rivers while promoting and enhancing effective drainage within the territorial limits of the utility; and,

WHEREAS, the Town has previously entered into a “Stormwater Management and Utility Intergovernmental Agreement” dated July 1, 2016 (“*Original IGA*”), with Beaufort County to outline the relationship of the parties relating to this shared interest; and,

WHEREAS, the Town and Beaufort County have negotiated an “Amended and Restated Stormwater Management and Utility Intergovernmental Agreement” the provisions of which amend and restate the Original IGA in its entirety and as shown in Exhibit A, attached hereto and incorporated herein by reference.

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. ***Authorization.*** The Town Manager is hereby authorized to executed and deliver an “Amended and Restated Stormwater Management and Utility Intergovernmental Agreement” with Beaufort County as shown in Exhibit A, attached hereto and incorporated herein by reference.
2. ***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.
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:

Brittany Ward, Town Attorney

EXHIBIT A

AN AMENDED AND RESTATED STORMWATER MANAGEMENT AND UTILITY
INTERGOVERNMENTAL AGREEMENT
BETWEEN BEAUFORT COUNTY, SOUTH CAROLINA, AND
THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

DATED: _____, 2026

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WHEREAS, this Amended and Restated Stormwater Management and Utility Intergovernmental Agreement Between Beaufort County, South Carolina, and the Town of Hilton Head Island , South Carolina is made on this __day of _____ , 2026, by and between Beaufort County, South Carolina, and the Town of Hilton Head Island, South Carolina, for the purpose of establishing the terms and conditions of the participation by the Town in a county-wide stormwater utility, which utility shall be operated by the County.

ARTICLE 1 - TITLE AND PURPOSE

1.00 *Title:* This intergovernmental agreement between Beaufort County, South Carolina, and the Town of Hilton Head Island, South Carolina, shall be known as the “Stormwater Management and Utility Intergovernmental Agreement Between Beaufort County, South Carolina, and the Town of Hilton Head Island, South Carolina” (this “Agreement”). This Agreement is intended to amend and restate any prior agreements between the parties regarding the stormwater in the County, specifically including that certain agreement entitled “A Stormwater Management and Utility Intergovernmental Agreement between Beaufort County, South Carolina and the Town of Hilton Head Island, South Carolina” dated July 1, 2016 and any other amendment or agreements that pertain to this Agreement herein.

1.01 *Purpose:* This Agreement is made for the purpose of defining the roles, responsibilities and financial relationship between the County and the Town with respect to the establishment, administration and operation of the Stormwater Utility (as defined in Article 2 below), which includes the following:

- (a) Establishment of rates;
- (b) Use of revenue;
- (c) Acquisition of existing stormwater infrastructure;

- (d) Construction of new stormwater infrastructure;
- (e) Maintenance of stormwater infrastructure;
- (f) Operation of stormwater infrastructure;
- (g) Regulation and use of stormwater infrastructure; and,
- (h) Enhancement of water quality.

1.02 *References to County Ordinances:* This Agreement hereby incorporates by reference Beaufort County, South Carolina, Ordinance 2015-24 (as may be amended from time to time) regarding the establishment of a Stormwater Utility, which is codified at Chapter 99 of the County's Code of Ordinances. The Beaufort County Stormwater Implementation Committee ("SWIC") will review this Agreement for any needed revisions upon future amendments to Chapter 99. Amendments to Chapter 99 shall become binding to this Agreement upon SWIC review and duly authorized revisions to this Agreement, if deemed necessary. In the case of any conflict between the provisions of Chapter 99 and this Agreement, the provisions of this Agreement shall control.

ARTICLE 2 - DEFINITIONS

2.00 *Definitions:* When used in this Agreement words with initial capitals shall have the meanings set forth in this Article 2 and as otherwise defined herein.

2.01 *2015 Utility Rate Study:* The study was conducted by the County and Town which was adopted by County Council on August 24, 2015 and submitted by the study consultant to the Town on April 20, 2016 to determine an equitable and appropriate rate structure for Stormwater Utility User Fees within all areas of the County, so that fees charged by the Stormwater Utility will be in compliance with provisions of S. C. Code Ann. §48-14-120(C)(Supp. 2010), and S. C. Regs. 72-310 (Supp. 2010).

2.02 *Agreement*: This Amended and Restated Stormwater Management and Utility Intergovernmental Agreement between Beaufort County, South Carolina, and the Town of Hilton Head Island, South Carolina.

2.03 *Beaufort County Stormwater Implementation Committee (SWIC)*: The SWIC shall consist of a technical staff member from each of the following jurisdictions: Unincorporated Beaufort County; Town of Hilton Head Island; Town of Bluffton; Town of Port Royal; and City of Beaufort.

2.04 *Town*: Town of Hilton Head Island, South Carolina.

2.05 *Chapter 99*: Chapter 99 – “Stormwater Management” of the County’s Code of Ordinances.

2.06 *County*: Beaufort County, South Carolina.

2.07 *County Stormwater Management Implementation Guide*: The study conducted by the County to determine the drainage infrastructure and maintenance needs within the various watersheds within the County. This became the County Stormwater Management Implementation Guide dated February 20, 2006. In 2016, the County and the Town entered into an agreement to update the “County Stormwater Management Implementation Guide”. Future amendments of the County Stormwater Management Implementation Guide shall be incorporated by reference once agreed upon by the SWIC. The County Stormwater Management Implementation Guide constitutes a “Stormwater Management Plan” as such term is used in Section 2.15 hereinbelow.

2.08 *GIS*: The County’s geographic information system.

2.09 *NPDES*: The National Pollutant Discharge Elimination System stormwater regulatory program established by the United States Environmental Protection Agency to address pollutants in stormwater discharged to waters of the United States. Phase II of this regulatory program

impacts communities under 100,000 in population, small construction sites between one acre and five acres, and industrial sites owned and operated within communities under 100,000 population.

2.10 *Public Stormwater*: Stormwater runoff which is conveyed through a public drainage easement or public road right of way, and/or which some portion is generated from a public road right of way.

2.11 *State*: State of South Carolina

2.12 *Stormwater Infrastructure*: Real property, interests in real property, improvements to real property such as ditches, drains, pipes, culverts, catch basins, pumps, post-construction best management practices (BMPs), or the like, or any combination of them, used or useful in the collection and disbursement of storm and surface water, or the control of flooding. As used herein, Stormwater Infrastructure does not include drainage systems or facilities that are not publicly owned, and which do not carry Public Stormwater.

2.13 *Stormwater Utility User Fees*: Stormwater Utility User Fees shall mean the service fee imposed pursuant to this Agreement for the purpose of funding costs related to Public Stormwater programs, services, systems, and facilities. Stormwater Utility User Fees will be calculated based upon the residential category for a parcel and/or the nonresidential parcel's impervious area and/or a parcel's gross area and an Administrative Fee, depending on the applicable utility rate structure, pursuant to the provisions of Chapter 99. The Stormwater Utility User Fees include and consist of the following sub-fees:

(A) *Administrative Fee*: Per "Option C or E" of the 2015 Utility Rate Study, the Administrative Fee is a fixed cost per billable account and includes costs to the utility not directly applicable to the improvements of the property, such as administrative costs, public education and

outreach, and water quality monitoring. For “Option C or E” rate structures, the Administrative Fee is determined per Section 4.01 of this Agreement.

(B) *Countywide Infrastructure Fee (CWI)*: Per the 2015 Utility Rate Study, the Countywide Infrastructure Fee is based on GIS data obtained per Article 8 herein. It is a fee applicable to the Town for the operation and maintenance cost of the county owned infrastructure described in Section 5.07, collected and paid directly to the County.

(C) *Gross Area Fee (GA)*: Per “Option C or E” of the 2015 Utility Rate Study, the Gross Area Fee is calculated from the area in acres of a parcel of land as measured from GIS data obtained per Article 8 herein.

(D) *Impervious Area Fee (IA)*: Per “Option C or E” of the 2015 Utility Rate Study, the Impervious Area Fee is based on impervious area measurements calculated in the same manner as the SFU.

(E) *Single Family Unit Rate (SFU)*: Per “Option A” of the 2015 Utility Rate Study, the SFU shall be defined as the impervious area measurements obtained from a statistically representative sample of all detached single-family structures within the County. The representative value will be 4,906 square feet.

2.14 *Stormwater Management*: Control of storm and surface water, erosion, Public Stormwater quality protection and flooding through the use of Stormwater Infrastructure, and the creation and enforcement of development standards related to storm and surface water.

2.15 *Stormwater Management Plan*: The plan or plans, which includes the County Stormwater Management Implementation Guide defined in Section 2.07 above, developed by the County and Town that addresses planning, design and construction of capital improvements to the Stormwater Infrastructure; acquisition of real property or interests in real property for the purposes of

Stormwater Management; maintenance and repair of Stormwater Infrastructure; regulation of the use of Stormwater Infrastructure; acquisition of equipment and other assets; regulation of impacts including any that may be mandated under the NPDES Phase II regulations, contracting with engineering, financial, legal, construction and other professionals for services in support of the Stormwater Utility, emergency preparedness related to storms and hurricanes, acquisition or construction of Stormwater Infrastructure, or any other functions required, useful or prudent for a program of Stormwater Management.

2.16 *Stormwater Utility:* The administrative section of the County's Stormwater Department created for the purposes of planning, designing, overseeing, funding, building, and maintaining Stormwater Infrastructure, either directly or through cooperative arrangements with other governmental bodies; and for administering and managing Stormwater Management throughout the County.

ARTICLE 3 - TERM OF THIS AGREEMENT

3.00 *Term of This Agreement:* The term and duration of this Agreement shall be as follows in this Article 3.

3.01 *Initial Term of this Agreement:* The Initial Term of this Agreement shall be for a period of ten (10) years, commencing on the date the Agreement is signed by both the Town and the County, whichever comes last.

3.02 *Periodic Review of this Agreement:* The SWIC shall conduct periodic review of this Agreement to ensure that it remains current with the state-of-the-art Stormwater Management practices applicable to coastal areas and shall provide recommendations for updates to decrement, if necessary.

3.03 *Extension of this Agreement:* The term of this Agreement may be extended at any time by the mutual agreement of the parties hereto, or upon the expiration of the initial twenty (20) year term set forth in Section 3.01 above.

3.04 *Termination of this Agreement:* Except as provided in Section 3.05 below, this Agreement may be terminated by either party hereto, by delivering written notice of the termination to the other party. Termination under this Article shall only be effective on the final day of any given County fiscal year. The written notice of termination shall be provided by the party terminating the Agreement no less than one hundred eighty (180) days prior to the date the termination will be effective.

3.05 *Indebtedness Affected on Termination:* In the event the Town has outstanding any indebtedness either (i) secured by revenues received under this Agreement, or (ii) payable from revenues received under this Agreement, this Agreement may not be terminated without the written approval of the Town.

3.06 *Effect of Termination:* Upon termination of this Agreement under any provision of this Article 3, or otherwise, all rights and obligations of any party hereto, specifically including but not limited to the right of the County to charge Stormwater Utility User Fees to property owners in the Town, shall immediately end.

3.07 *Conveyance of Assets:* Upon termination of this Agreement under any provision of this Article 3, the County shall convey to the Town all of its right, title and interest in any Stormwater Infrastructure, including any Public Stormwater easements, within the municipal limits of the Town. However, this shall not include Stormwater Infrastructure on County owned parcels or County road rights of way (otherwise described in Section 5.07) within the limits of the Town.

3.08 *Rebate of User Fees:* Upon termination of this Agreement under any provision of this Article 3, the County shall return to the Town any collected but unspent or unobligated Stormwater Utility User Fees collected from within the Town limits.

ARTICLE 4 – FINANCE AND FUNDING

4.00 *Financial and Funding Relationship:* The Town shall provide the County with its Stormwater Utility User Fee rate for its upcoming fiscal year prior to June 30 each year of this Agreement. This will be in the form of a letter to the County Administrator from the Town Manager. In the event the Town fails to timely submit the required letter in accordance with Article 4 of this Agreement, the rate used by the Town for the previous year shall apply. The Town shall also provide to the County an annual report of its Public Stormwater fee expenditures from the previous fiscal year. For each year that this Agreement is in effect, a report shall be prepared and delivered by the Town to the County by the later of (i) January 15, or (ii) as soon as the previous fiscal year's financial records are complete.

4.01 *Use of Revenue:* In accordance with the provisions of S.C. Code Ann. §48-14-120(C) (Supp. 2010), and S.C. Regs. 72-310 (Supp. 2010), all Stormwater Utility User Fees collected within the Town, less the Administrative Fee, shall be returned to the Town. The Administrative Fee is to be calculated as a fixed dollar amount for each unit billed and collected by the Stormwater Utility. The billable unit shall be either a per account charge or a charge per SFU, depending on the applicable utility rate structure. The Stormwater Utility shall define its administrative costs each year during the annual budget process. The SWIC shall conduct annual reviews of the Stormwater Utility's administrative budget and recommend to the municipalities and County any changes to the amount billed per account or SFU and the SWIC and Stormwater Utility shall provide the Town an itemized proposal and a written explanation for adjustments for

the administrative services and deliverables to be provided in the coming fiscal year. This proposal shall be submitted to the Town by February 15 of each calendar year. The Town shall provide a written recommendation of acceptance to the Stormwater Utility by April 1 of the same year. Once agreed upon, this shall serve as the basis for the annual Administrative Fee to be calculated per Town-account or SFU, and included in each entity's annual budget.

(a) The Administrative Fee shall be used by the County to defray the County's administrative costs in managing the Stormwater Utility.

(b) The Town shall use Stormwater Utility User Fees to provide Stormwater Management within the Town, including, but not limited to:

(i) The acquisition, design, construction, and maintenance of Stormwater Infrastructure, or repayment of bonded indebtedness issued to fund construction of Stormwater Infrastructure, in so far as the law and covenants of the bonds allow, or for repayment to the Town for general fund or other funds spent by the Town to fund Stormwater Management activities;

(ii) Acquisition of Stormwater Infrastructure. Certain Stormwater Infrastructure in the Town, which includes any easements or other interests in real property, shall be held in the name of the Town;

(iii) Maintenance of Stormwater Infrastructure by the Town and its contractor(s) or by direct services of the Stormwater Utility. Charges for services by the Stormwater Utility shall be negotiated and approved by the County and the Town, as is provided in Articles 4.03, 4.05, 5.05, and 5.07 below; the Town shall have the right of non-exclusive use of direct

maintenance services, and there shall be no minimum dollar amount required to be spent annually by the Town on any services provided by the Stormwater Utility;

(iv) Plan review and site inspections related to compliance with Public Stormwater ordinances and standards for development within the Town, as set forth in Articles 4.05, and 4.06 below;

(v) NPDES Phase II permit compliance;

(vi) Payment of bond indebtedness or repayment of funds borrowed from the general fund or any other fund for the purpose of funding Stormwater Management projects or activities; and

(vii) Any other services related or attendant to Stormwater Management.

(c) The Town shall be authorized to revise or amend and/or increase Stormwater Utility User Fees as necessary in order to comply with covenants, promises and other provisions related to any indebtedness secured by or payable from the Stormwater Utility User Fees.

(d) Nothing in this Agreement shall be construed to require the County to become obligated on any of the Town's indebtedness and under no circumstances shall the County be liable to the Town or responsible in any way for the payment or securing of the Town's debt.

4.02 *Further Agreements Authorized:* The Town and the County may negotiate and enter into agreements to share costs and responsibilities related to NPDES permit compliance. Such agreements and cost allocations shall be reflected in each entity's annual budget and must be authorized by the respective governing bodies of the Town and County.

4.03 *Cost of Services:* If the Town chooses to utilize the direct services of the Stormwater Utility, however described, they shall be accounted for at the County's actual cost of the equipment, materials, and personnel utilized in the delivery of the services.

4.04 *Setting of Stormwater Utility User Fee Rate (Per Account, IA, GA, and SFU's):* The Town shall be responsible each year for setting the Stormwater Utility User Fee rates to be assessed on parcels within the Town. The Stormwater Utility User Fee rate shall be set in accordance with the 2015 Utility Rate Study, Chapter 99 and S.C. Code Ann. §48-14-120(C) (Supp. 2010), and S. C. Regs. 72-310(G) (Supp. 2010), or any other applicable law or regulation.

4.05 *Plan Review and Site Inspection:* For all activities that constitute development within Town limits, the Town will provide review of plans and site inspections to ensure compliance with applicable laws, ordinances and regulations related to storm and surface water, erosion control and flooding.

4.06 *Coordination of Services:* The Town shall identify a representative of its staff to serve as the contact person and coordinator for Stormwater Management services, including services provided by the County within the Town, long range planning and water quality initiatives such as the NPDES Phase II requirements compliance, notification of problems, facilitating access within any planned or future planned unit developments within the Town, and advising the County on site-specific conditions within the Town.

ARTICLE 5 – ADMINISTRATION OF STORMWATER UTILITY

5.00 *Stormwater Utility:* The County has established a Stormwater Utility that administers funds and conducts a Stormwater Management program throughout the County.

5.01 *Stormwater Management Plan:* The County and Town shall have the responsibility to develop and maintain a Stormwater Management Plan. The County and the Town have developed

and implemented the County Stormwater Management Implementation Guide as a Stormwater Management Plan and subject document shall be administered by SWIC.

5.02 *Relationship of Plan to Agreement:* The Stormwater Management Plan developed and maintained by the SWIC shall incorporate the obligations of the County and Town under this Agreement. In the case of any conflict between the provisions of the Stormwater Management Plan and this Agreement, the provisions of this Agreement shall control.

5.03 *Stormwater Utility User Fees:* The Stormwater Utility shall bill and collect parcel-based Stormwater Utility User Fees from property owners, tenants, or other appropriate parties, pursuant to its authority and subject to any intergovernmental agreements, including this Agreement, and may also apply for, acquire and use any other funding from any public or private source in support of the County Stormwater Management Implementation Guide as allowed by law.

5.04 *County Responsibilities:* The County, through the Stormwater Utility, shall have the following responsibilities:

- (a) *Collection and Distribution of Fees:* Stormwater Utility User Fees within the Town limits shall be charged and collected by the County in accordance with the provisions of Article 4 of this Agreement; the Stormwater Utility User Fees shall be collected in accordance with S. C. Code Ann. §48-14-120(C) (Supp. 2010), and S. C. Regs. 72-310(G) (Supp. 2010), or any other applicable law or regulation, and shall not include provisions for relief from the payment of the Stormwater Utility User Fees; the County shall distribute the Town's Stormwater Utility User Fees less the Administrative Fee, in the same manner as *ad valorem* property taxes are distributed for each year this Agreement is in effect;

(b) *Provision of Services:* Provision of the services required under this Agreement.

(c) *Budgeting and Expenditure:* Setting the budget for the Stormwater Utility, and spending the revenues in accordance with any applicable ordinances or agreements, including this Agreement;

(d) *Administrative Activities:* Managing all administrative activities of the Stormwater Utility, including but not limited to, fee assessment, collection and distribution, maintenance of accounting records, maintenance of Public Stormwater data, implementation of the County Stormwater Management Implementation Guide, acquisition of easements, coordination with other agencies, reporting to the SWIC or other required entities;

(e) *Accounting:* Maintaining an accounting of revenues and expenditures on a jurisdictional or geographic basis, as may be set or described under any applicable ordinance or agreement, including this Agreement, the County shall provide the Town with an itemized annual accounting of all Stormwater Utility User Fees within the Town limits in the form of a budget report, including but not limited to: how parcel fees were determined, calculated, and assessed; total fees collected; total Administrative Fee retained by the County; total fees in arrears, on a per parcel basis and including the status of the collection attempt(s) on such parcels; fee credits applied for; fee credits paid; and fees that required adjustment since the last billing. This budget report shall be parcel-based and provided to the Town annually prior to each February 1st throughout the term of this Agreement as an electronic document compatible with the most current version of Microsoft Office. The

County shall also maintain an annual accounting of all administrative costs associated with operating the Stormwater Utility. Either the Town or County, at the sole expense of the requesting jurisdiction, may request a professional audit of any of the budget reports;

(f) *Operation and Maintenance:* At the direction and approval of the Town, provide for the operation and maintenance of Stormwater Infrastructure within the Town; and,

(g) *Cooperation on Issue of Debt:* The County covenants and agrees that it will cooperate with the Town in the issuance of any bonds or other obligations proposed to be issued by the Town that are governed by or payable from revenues derived under this Agreement. In connection therewith, the County shall comply with all reasonable requirements of the Town and will, upon request:

1. Make available information about the County, the Stormwater Utility and the Stormwater Infrastructure;
2. Consent to publication and distribution of financial information;
3. Certify that certain general and financial information provided by it is accurate, does not contain an untrue statement of a material fact and does not omit to state a fact necessary in order to make the statements in that information in light of the circumstances under which they were made, not misleading;
4. Provide reasonable certifications and closing documents;
5. Provide opinions of counsel as to the validity of its actions taken with respect to the binding effect of this Agreement, its ability to own and operate

the Stormwater Utility, pending or threatened litigation which could affect performance hereunder and other personally requested opinions; and

6. Such other reasonable information documents and certifications as the Town may request.

5.05 *Delivery of Services:* The County shall coordinate the delivery of services hereunder through the Town Manager or his designee, via a job order process as agreed to by the Town and County. All delivery of Public Stormwater services by the County upon parcels within the Town limits shall be approved in writing by the Town before any work is performed or any funds may be returned to the County, and all delivery of Stormwater Infrastructure services within County right of ways shall be coordinated with the Town.

5.06 *Coordination with Other Jurisdictions:* From time to time a need for coordination between all incorporated jurisdictions within the County is required and it shall be the responsibility of the County to facilitate such coordination. The County will work with designated representatives from all jurisdictions within the County to ensure effective communication regarding issues impacting the Public Stormwater Infrastructure and the County Stormwater Management Implementation Guide.

5.07 *Qualifications and Extents of Service:* Stormwater Infrastructure in public road right of ways, whether State, County or municipal, shall be maintained by the road owner, as these areas are exempt from Stormwater Utility User Fees per Section 99-109 (b) of Chapter 99. The Town shall retain the right to determine the qualifications for, extent of, and level of service required to maintain the Stormwater Infrastructure within the limits of the Town, with the exception of County and State road rights of way, which shall be designed and maintained in accordance with their current standards.

5.08 *Fee Credits:* The Town shall have the authority to review and comment on all Public Stormwater fee credit applications submitted to the County upon parcels within the Town limits prior to such adjustments being made.

5.09 *Easements:* The Town and County will allow mutual blanket encroachments upon each other's existing easements, but only to enable the Town and/or County to perform Public Stormwater Utility related work within the limits of the Town.

5.10 *Conflicts:* To the extent any conflict exists between the provisions of this Agreement and Chapter 99, the provisions of this Agreement shall be controlling in all circumstances.

ARTICLE 6: STORMWATER ORDINANCES AND DEVELOPMENT STANDARDS

6.00 *Applicable Standards:* The current hydrologic and hydraulic engineering and design standards of the County and Town shall prevail in the design, construction, operation and maintenance of any portion of the Stormwater Infrastructure within the County and Town, respectively, unless superseded by the hydrologic and hydraulic engineering and design standards of the State, as may be required for specific work performed in State rights of way. In all cases, the County or Town standards shall prevail within the applicable jurisdiction unless determined to be less stringent than State standards.

6.01 *State or Federal Laws or Regulations:* The Town and the County shall at all times comply with any applicable State or Federal laws or regulations relating to Stormwater Management, Stormwater Infrastructure, erosion control or pollution.

6.02 *Regulatory Obligations of the County and Town:* The County and Town shall adopt and enforce ordinances and development standards as necessary to comply with State and Federal standards regarding storm water management, erosion and sedimentation, pollution control, and

flooding. Minimum water quality controls in jurisdictions shall be protective enough to reach and maintain state designated water uses.

6.03 *Plan Review and Site Inspection:* The Town and County shall be responsible for the review and approval of all development plans within their respective jurisdictions, to ensure that all applicable regulations pertaining to construction site erosion, sedimentation, and pollution control as well as post-construction storm water quantity and quality control are met. The County and Town shall be responsible for providing inspections during construction of all County and Town owned storm water systems, respectively. The County and Town will continue its practice of inspection and review of privately owned stormwater systems during construction and upon completion to ensure that construction conforms with the approved development stormwater plan.

ARTICLE 7 – NPDES MS4 PHASE II PERMIT COMPLIANCE

7.00 *NPDES Compliance:* In 2015, Beaufort County, the Town of Hilton Head Island, and the Town of Hilton Head Island were designated by the State for compliance with the NPDES program. The County and the aforementioned towns shall be responsible for the development of the NPDES MS4 Phase II permit application, the development of BMPs required by the permit, and the implementation of the program of BMPs set forth in the permit. Should the City or the Town of Port Royal be designated (at any time) by the State for compliance with the NPDES program, the provisions of this Article shall also apply to the Town.

7.01 *Roles and Responsibilities:* The Town and County shall hold separate NPDES MS4 Phase II permits and shall each be responsible for maintaining compliance with their respective permit requirements. The Town may request to “co-permit” or share MS4 Phase II permitting with the County or another regulated town, as allowed by Article 9 of this Agreement, as allowed by State

law, and as encouraged in the State of South Carolina General Permit for MS4 Phase II communities.

7.02 *Coordination of Activities:* It is expected that some aspects of NPDES MS4 Phase II requirements will lend themselves to coordination and cooperation between the Town and the County. In such instances, coordination between the Town and the County shall be on the basis of a specific Minimum Control Measure (MCM) and shall be established by a separate written agreement that specifies the objectives, product deliverables, schedules, funding distribution, and the roles and responsibilities of each party in addressing these measures.

7.03 *Annual Reporting:* The Town and County will each be responsible for preparing an annual report documenting the activities undertaken in support of NPDES MS4 Phase II permit requirements during the previous year and submitting the report to the South Carolina Department of Health and Environmental Control.

7.04 *Permit Related Costs:* All costs related to the NPDES MS4 Phase II permit shall be borne by the permit holder. In instances where the Town and County coordinate to meet permit requirements, costs may be shared on a basis that is detailed in a separate written agreement.

ARTICLE 8 – DATA ACQUISITION AND MANAGEMENT

8.00 *Roles and Responsibilities:* The Town and County shall each be responsible for acquiring and maintaining data sets that are relevant to Stormwater Management in their respective jurisdictions.

8.01 *Cost Sharing:* Cost sharing agreements for data acquisition may be made between the Town and County on a project-specific basis. The terms and details of any cost sharing agreement shall be detailed in a separate written agreement between the Town and County.

8.02 *Data Sharing:* The Town and County shall share acquired data at the request of the other. In such instances the Town and County will agree to abide by each entity's current data distribution policy.

8.03 *Data Types:* Types of data that the Town and County will acquire, maintain, and may share include but are not limited to, GIS data, aerial photography, LIDAR data, water quality monitoring data, stream gage data, financial and accounting data.

ARTICLE 9 – OTHER AGREEMENTS

9.00 *Scope and Cost Sharing:* From time to time various projects may be shared in scope and/or cost between the County and the Town, or the County and multiple municipalities within the County via memos of agreement, memos of understanding, contracts, and/or joint resolutions.

9.01 *Agreement Recommendations:* SWIC shall be the vehicle whereby agreements of project scope and cost sharing between the County and multiple municipalities within the County are reviewed and recommended to the municipalities and County. It is understood that the SWIC shall have no authority to financially commit the Town or County to any project of any type and only will provide technical recommendations for such projects. For agreements solely between the Town and the County, the SWIC review is not required.

9.02 *Agreement Approvals:* Other agreements between the County and the Town must be approved by the governing bodies of the Town and County, respectively.

9.03 *Funds Distribution:* These Agreements will define how funds are distributed, either by invoice or as part of the Per Account Administrative Fee collected by the County.

ARTICLE 10 - MISCELLANEOUS

10.00 *Provisions Applicable to This Agreement:* The following general provisions are applicable to this Agreement:

10.01 *Binding Effect:* This Agreement shall inure to the benefit of and shall be binding upon the Town and County and their respective successors and assigns, if any are permitted hereunder. The Parties agree that this Agreement constitutes the entire Agreement between the Parties and that no other agreements or representations other than those contained in this Agreement have been made by the Parties to each other. This Agreement shall be amended only in writing, and effective when signed by those authorized by the Parties. This Agreement shall amend and replace the provisions of that certain “Stormwater Management and Utility Intergovernmental Agreement” dated July 1, 2016, in its entirety.

10.02 *Amendment, Changes and Modifications:* Except as otherwise provided herein, this Agreement may not be effectively amended, changed, modified or altered without the written consent of the Town and the County.

10.03 *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.

10.04 *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.

10.05 *Applicable Law:* This Agreement shall be governed by and construed in accordance with the laws of the State.

10.06 *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 sections of this Agreement.

10.07 *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.

10.08 *No Third-Party Beneficiaries:* The Town and the County 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.

10.09 *Notices:* All notices, applications, requests, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered in person, via electronic mail, or mailed by regular first class mail, postage prepaid (in such case, delivery shall be deemed complete upon mailing), addressed as follows, or to such other place as may be designated in writing by the parties.

To the Town: THE TOWN OF HILTON HEAD ISLAND
 Town Manager
 1 Town Center Court
 Hilton Head Island, SC 29928

To the County: BEAUFORT COUNTY
 County Administrator
 Post Office Box 1128
 Beaufort, SC, 29902

10.10 *No Waiver:* No failure of either party hereto to exercise any power or right given to such party hereunder, or to insist on strict compliance by any other party to its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of any party's right to thereafter demand strict compliance with the terms of this Agreement.

10.11 *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 to the provisions hereof.

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 to carry out this Agreement and each of the provisions hereof.

In Witness Whereof, the Town of Hilton Head Island, South Carolina, and Beaufort County, South Carolina, by and through their duly authorized officers, have set their hands and seals on this ____ day of _____, 2026.

WITNESSES:

TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By: _____
Alan Perry, Mayor

Attest: _____
Marc Orlando, Town Manager

WITNESSES:

BEAUFORT COUNTY, SOUTH CAROLINA

By: _____
Alice Howard, Chairman

Attest: _____
Michael Moore, County Administrator