



**The Town of Hilton Head Island  
Regular Town Council Meeting**

**October 7, 2014**

**4:00 P.M.**

**AGENDA**

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**As a Courtesy to Others Please Turn Off/Silence All Mobile Devices During  
the Town Council Meeting**

- 1) Call to Order**
- 2) Pledge to the Flag**
- 3) Invocation**
- 4) FOIA Compliance** – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 5) Proclamations and Commendations**
  - a. Fire Prevention Week**
  - b. Archeology Week**
- 6) Approval of Minutes**
  - a. Town Council Meeting, September 16, 2014**
  - b. Town Council Special Meeting, September 30, 2014**
- 7) Report of the Town Manager**
  - a. Town Manager's Items of Interest**
- 8) Reports from Members of Council**
  - a. General Reports from Council**
  - b. Report of the Intergovernmental Relations Committee – George Williams, Chairman**
  - c. Report of the Personnel Committee – Lee Edwards, Chairman**
  - d. Report of the Planning & Development Standards Committee – John McCann, Chairman**
  - e. Report of the Public Facilities Committee – Kim Likins, Chairman**
  - f. Report of the Public Safety Committee – Marc Grant, Chairman**
  - g. Report of the LMO Rewrite Committee – Kim Likins, Ex-Officio Member**
- 9) Appearance by Citizens**

## **10) Unfinished Business**

### **a. Second Reading of Proposed Ordinance 2014-18**

Second Reading of Proposed Ordinance 2014-18 of the Town of Hilton Head, South Carolina, authorizing the execution of a first amendment to Golf Course Ground Lease with Heritage Golf Port Royal, LLC, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

### **b. Second Reading of Proposed Ordinance 2014-19**

Second Reading of Proposed Ordinance 2014-19 to amend Title 16, "The Land Management Ordinance," of the Municipal Code of the Town of Hilton Head Island, South Carolina, to repeal the current Land Management Ordinance (LMO); and providing for severability and an effective date.

### **c. Second Reading of Proposed Ordinance 2014-20**

Second Reading of Proposed Ordinance 2014-20 to amend Title 16, "The Land Management Ordinance," of the Municipal Code of the Town of Hilton Head Island, South Carolina, to adopt a new Land Management Ordinance; and providing for severability and an effective date.

### **d. Second Reading of Proposed Ordinance 2014-21**

Second Reading of Proposed Ordinance 2014-21 to amend Title 16, "The Land Management Ordinance," of the Municipal Code of the Town of Hilton Head Island, South Carolina, to repeal the existing Official Zoning Map; and providing for severability and an effective date.

### **e. Second Reading of Proposed Ordinance 2014-22**

Second Reading of Proposed Ordinance 2014-22 to amend Title 16, "The Land Management Ordinance," of the Municipal Code of the Town of Hilton Head Island, South Carolina, to adopt a new Official Zoning Map; and providing for severability and an effective date.

### **f. Second Reading of Proposed Ordinance 2014-23**

Second Reading of Proposed Ordinance 2014-23 of the Town of Hilton Head, South Carolina, authorizing the execution of a lease with Mindstream Academy, LLC pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

## **11) New Business**

### **a. Consideration of a Resolution – LMO Rewrite Committee**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, SC to dissolve the Land Management Ordinance (LMO) Rewrite Committee.

### **b. Consideration of Recommendations of the Accommodations Tax Advisory (ATAX) Committee**

Consideration of Recommendations of the Accommodations Tax Advisory (ATAX) Committee for the purpose of allocating the proceeds of the 2015 Non-Recurring Accommodations Tax Funds.

**c. First Reading of Proposed Ordinance 2014- 27**

First Reading of Proposed Ordinance 2014-27 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2014; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

**d. First Reading of Proposed Ordinance 2014- 28**

First Reading of Proposed Ordinance 2014-28 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2015; to provide for the budgeted appropriations of prior year encumbrances and for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

**e. First Reading of Proposed Ordinance 2014-29**

First Reading of Proposed Ordinance 2014-29 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2015; to provide for the budgeted appropriations of prior year budget roll-forwards and the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

**f. First Reading of Proposed Ordinance 2014-30**

First Reading of Proposed Ordinance 2014-30 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2015; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

**g. First Reading of Proposed Ordinance 2014-17**

First Reading of Proposed Ordinance 2014-17 of the Town of Hilton Head, South Carolina, authorizing the execution of a sale and purchase agreement and the execution of a deed for the sale of approximately 1.472 acres of real property near Cordillo Parkway and Pope Avenue to Sea Cabin Racquet Club I Horizontal Property Regime Council of Co-Owners and Sea Cabin Racquet Club II Horizontal Property Regime Council of Co-Owners pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

**12) Executive Session**

**a. Land Acquisition**

(1) Consideration of Sale of Cordillo Tennis Courts

**b. Legal Matters**

**c. Contractual Matters**

**13) Adjournment**

# Proclamation

BY  
THE TOWN OF HILTON HEAD ISLAND

*WHEREAS, the Town of Hilton Head Island is committed to ensuring the safety and security of all those living in and visiting our town; and*

*WHEREAS, working smoke alarms cut the risk of dying in reported home fires in half; and*

*WHEREAS, Hilton Head Island residents should install smoke alarms in every sleeping room, outside each separate sleeping area, and on every level of the home; and*

*WHEREAS, Hilton Head Island residents who have planned and practiced a home fire escape plan are more prepared and will therefore be more likely to survive a fire; and*

*WHEREAS, the 2014 Fire Prevention Week theme, "Working Smoke Alarms Save Lives: Test Yours Every Month!" effectively serves to remind us that we need working smoke alarms to give us the time to get out safely.*

*NOW, THEREFORE, I, Drew A. Laughlin, Mayor of the Town of Hilton Head Island, hereby proclaim the week of October 5 - 11, 2014 as*

## ***FIRE PREVENTION WEEK***

*on Hilton Head Island, and urge all the people of Hilton Head Island to test their smoke alarms at least every month by pushing the test button, and to support the many public safety activities and efforts of Hilton Head Island Fire Rescue during Fire Prevention Week 2014.*

*IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this Seventh day of October, Two Thousand and Fourteen.*

*Drew A. Laughlin, Mayor*

*Attest:*

*Victoria L. Pfannenschmidt, Town Clerk*

# Proclamation

**BY  
THE TOWN OF HILTON HEAD ISLAND**

***WHEREAS,** Hilton Head Island is fortunate in having many significant archaeological resources; and*

***WHEREAS,** the South Carolina Institute of Archaeology and Anthropology has designated the month of October as South Carolina Archaeology Month; and*

***WHEREAS,** events and programs have been developed by dedicated professionals, avocationists, and organizations in order to bring out state's prehistoric and historic past to life for all ages; and*

***WHEREAS,** the archaeological community hopes to build regional and local public support for the preservation of our Native American, African, and European heritage through these efforts; and*

***WHEREAS,** there are a number of events celebrating Archaeology Month within Beaufort County and on Hilton Head Island.*

***NOW, THEREFORE, I, Drew Laughlin, Mayor of the Town of Hilton Head Island, do hereby proclaim the month of October 2014 as***

## **ARCHAEOLOGY MONTH**

*in the Town of Hilton Head Island, and encourage our citizens to take part in the activities planned to enhance public awareness of archaeology.*

***IN TESTIMONY WHEREOF,** I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this **Seventh day of October, in the Year of our Lord, Two thousand and fourteen.***

*Drew A. Laughlin, Mayor*

*Attest:*

*Victoria L. Pfannenschmidt, Town Clerk*

**THE TOWN OF HILTON HEAD ISLAND**  
**REGULAR TOWN COUNCIL MEETING**

**Date:** Tuesday, September 16, 2014

**Time:** 4:30 P.M.

**Present from Town Council:** Drew A. Laughlin, *Mayor*; Bill Harkins, *Mayor Pro Tem*; George Williams, Marc Grant, Kim Likins, John McCann, *Council Members*

**Absent from Town Council:** Lee Edwards, *Council Member*

**Present from Town Staff:** Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Brad Tadlock, *Fire Chief*; Charles Cousins, *Director of Community Development*; Nancy Gasen, *Director of Human Resources*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Jeff Buckalew, *Town Engineer*; Brian Hulbert, *Staff Attorney*; Jill Foster, *Deputy Director of Community Development*, Teri Lewis, *LMO Official*; Nicole Dixon, *Senior Planner*; Melissa Cope, *Systems Analyst*; Vicki Pfannenschmidt, *Executive Assistant/Town Clerk*

**Present from Media:** Dan Burley, *Island Packet*

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**1) CALL TO ORDER**

Mayor Laughlin called the meeting to order at 4:30 p.m.

**2) PLEDGE TO THE FLAG**

**3) INVOCATION**

**4) FOIA Compliance** – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

**5) Proclamations and Commendations**

**6) Approval of Minutes**

**a. Town Council Meeting, September 2, 2014**

Mr. Harkins moved to approve. Mr. McCann seconded. The minutes of the September 2, 2014 Town Council meeting were approved by a vote of 6-0.

**7) Report of the Town Manager**

**a. Town Manager's Items of Interest**

Mr. Riley reported on some items of interest.

**b. Proposed 2015 Town Council Meeting Dates**

Mr. Riley suggested one change on the 2015 meeting dates concerning the September 15, 2015 Town Council meeting. He suggested the statement at the bottom of the calendar be changed to “**\*September 15<sup>th</sup> meeting will start at 4:00 pm or upon completion of the Constitution Day Celebration; whichever is later.**” Members of Council were in agreement. Mr. Harkins moved to approve the 2015 meeting dates with the suggested change. Mr. McCann seconded. The amended 2015 Town Council meeting dates were approved by a vote of 6-0.

**c. Arts Study Update**

Mr. Riley reviewed his proposed approach to address community arts issues.

**8) Reports from Members of Council**

**a. General Reports from Council**

Mr. Williams reminded all present that a Planning Commission meeting is scheduled for October 1, 2014 at 9:00 a.m. to review the proposed design changes at Shelter Cove Towne Centre.

Mr. McCann commended Mr. Grant for an excellent presentation at the Constitution Day Celebration held earlier in the day.

**b. Report of the Intergovernmental Relations Committee – George Williams, Chairman**

Mr. Williams stated he would be attending a LCOG meeting with the LATs Steering Committee Wednesday, September 17 2014 at 5:30 p.m. to discuss roads and road repairs.

**c. Report of the Personnel Committee – Lee Edwards, Chairman**

No report.

**d. Report of the Planning & Development Standards Committee – John McCann, Chairman**

No report.

**e. Report of the Public Facilities Committee – Kim Likins, Chairman**

Mrs. Likins explained that at the September 2 Public Facilities Committee meeting the staff presented an agenda item seeking a level of interest from the Committee regarding the Town possibly taking over a portion of Main Street Road system via the Private Road Dedication Policy. She stated that after the staff presentation the Committee felt there was not enough information provided to make an informed decision. Mrs. Likins suggested Council take time at the December workshop to review the process to implement the policy and to look at the standards within the policy.

**f. Report of the Public Safety Committee – Marc Grant, Chairman**

Mr. Grant reported the Committee met on September 8 and Fire Chief Tadlock presented the 2014 Fire Rescue Strategic Plan Update and mid-year call statistics.

**g. Report of the LMO Rewrite Committee – Kim Likins, Ex-Officio Member**

No report.

**9) Appearance by Citizens**

Mr. Randy Dolyniuck of the Mitchelville Preservation Project addressed Council concerning an upcoming event “Life Before Mitchelville” to be held on Saturday, October 11 from 9:00 a.m. – 2:00 p.m. He invited all to attend.

## **10) Unfinished Business**

### **a. Revised First Reading of proposed Ordinance 2014-20**

Revised First Reading of Proposed Ordinance 2014-20 to amend Title 16, "The Land Management Ordinance," of the Municipal Code of the Town of Hilton Head Island, South Carolina, to adopt a new Land Management Ordinance; and providing for severability and an effective date.

Mrs. Likins moved to approve. Mr. Harkins seconded. The motion was approved by a vote of 4-2. (Mr. McCann and Mr. Williams were opposed.)

## **11) New Business**

### **a. First Reading of proposed Ordinance 2014-18**

First Reading of Proposed Ordinance 2014-18 of the Town of Hilton Head, South Carolina, authorizing the execution of a first amendment to Golf Course Ground Lease with Heritage Golf Port Royal, LLC, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. Williams seconded. The motion was approved by a vote of 6-0.

### **b. Consideration of a Recommendation – Island Recreation Association MOU Amendment – Rowing & Sailing Center at Squire Pope Community Park**

Consideration of a Recommendation that Town Council approve the attached Memorandum of Understanding (MOU) Amendment between the Town of Hilton Head Island and the Island Recreation Association to include the management and operation of the Rowing and Sailing Center at Squire Pope Community Park.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was approved by a vote of 6-0.

## **12) Executive Session**

Mr. Riley stated he needed an Executive Session for contractual matters pertaining to a lease in the Kiawah Building; legal matters pertaining to proposed condemnation of right-of-way for a pathway project from Hargray to Shelter Cove; contractual matters pertaining to proposed revisions in the Shelter Cove mall developer agreement; contractual matters pertaining to a proposed memorandum of understanding with USCB; and contractual matters pertaining to a proposed memorandum of understanding with Beaufort County and Palmetto Hall Property Owners Association.

At 4:58 p.m. Mr. Harkins moved to go into Executive Session for the reasons as set forth by the Town Manager. Mr. McCann seconded. The motion was approved by a vote of 6-0.

Mayor Laughlin called the meeting back to order at 5:58 p.m. and asked if there was any business as a result of Executive Session.

The following items under Item 11. New Business were addressed:

**c. Consideration of a Resolution for condemnation of property located along US278**

Mr. Harkins moved that the Town Council of the Town of Hilton Head Island, South Carolina adopt a resolution authorizing condemnation, pursuant to SC. Code, Section 28-2-10, et, seq., of easement rights in parcels along U.S. Highway 278 to facilitate the Town of Hilton Head Island Hargray to Shelter Cove Pathway Project. Mrs. Likins seconded. The motion was approved by a vote of 6-0.

**d. First Reading of a Proposed Ordinance for a Lease for Town Owned Land**

Mr. Williams moved that the Town Council for the Town of Hilton Head Island adopt an ordinance authorizing the execution of a lease with Mindstream Academy, LLC pursuant to the authority of S. C. Code Ann. Section 5-7-40 (SUPP. 2011), and Section 2-7-20 Code of the Town of Hilton Head Island, South Carolina (1983); and providing for severability and an effective date.

**13) Adjournment**

Mr. Williams moved to adjourn. Mr. McCann seconded. The motion was unanimously approved by a vote of 6-0. The meeting was adjourned at 6:02 p.m.

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Vicki L. Pfannenschmidt,  
Executive Assistant/Town Clerk

Approved:

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Drew A. Laughlin, Mayor

**THE TOWN OF HILTON HEAD ISLAND**  
**SPECIAL TOWN COUNCIL MEETING**

**Date:** Tuesday, September 30, 2014

**Time:** 10:30 a.m.

**Present from Town Council:** Drew A. Laughlin, *Mayor*; Bill Harkins, *Mayor Pro-Tem*; George Williams, Kim Likins, Marc Grant, *Council Members*

**Absent from Town Council:** Lee Edwards, John McCann, *Council Members*

**Present from Town Staff:** Steve Riley, *Town Manager*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Charles Cousins, *Director of Community Development*; Shawn Colin, *Deputy Director of Community Development*; Brian Hulbert, *Staff Attorney*; Marcy Benson, *Senior Grant Administrator*; Vicki Pfannenschmidt, *Executive Assistant/Town Clerk*

**Present from Media:** Dan Burley, *Island Packet*

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**1) CALL TO ORDER**

Mayor Laughlin called the meeting to order at 10:30 a.m.

**2) FOIA Compliance** – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

**3) Unfinished Business**

None.

**4) New Business**

**a. Consideration of a Request to Accept a Grant from Hargray Communications Group in the amount of \$275,000.00 For Use Towards Off-Site Infrastructure Improvements Associated With a Proposed USC-B Facility on Hilton Head Island.**

Mr. Williams moved to approve. Mr. Harkins seconded. Mayor Laughlin invited Chris McCorkendale, Vice President of Hargray, to the dais to speak. Mr. McCorkendale stated Hargray was pleased the Town could benefit from the grant and they were happy to participate in such a worthwhile project. Mayor Laughlin thanked Mr. McCorkendale noting that this step was a very important addition to the overall project. Mayor Laughlin asked for public comment. There was none. The motion was approved by a vote of 5-0.

**5) Executive Session**

None.

**6) Adjournment**

Mr. Williams moved to adjourn. Mr. Harkins seconded. The motion was approved by a vote of 5-0. The meeting was adjourned at 10:37 a.m.

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Vicki L. Pfannenschmidt  
Executive Assistant/Town Clerk

Approved:

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Drew A. Laughlin, Mayor



# Items of Interest

## October 7, 2014

### 1. Town News

The Town of Hilton Head Island Financial Statements for the period ending July 31, 2014, including the Financial Dashboard, has been posted on the Town's website. You can view them at [www.hiltonheadislandsc.gov](http://www.hiltonheadislandsc.gov)

(Contact: Susan Simmons, Director of Finance at 843-341-4645 or [susans@hiltonheadislandsc.gov](mailto:susans@hiltonheadislandsc.gov))

On September 3<sup>rd</sup> the Town issued a Notice to Proceed for the CIP project to upgrade the Town's current emergency vehicle traffic signal preemption system. The current system is more than 15 years old, is no longer manufactured, and has become increasingly difficult to maintain. The new system is GPS-based, and will detect the intended departure direction of emergency vehicles at each signal, instead of simply detecting the direction of approach as with the Town's current system. This will give the system the ability to provide advance notice to downstream signals of the potential approach of an emergency vehicle in the absence of a direct transponder signal and will assist efforts to maintain and improve response times. The system is also standardized with the Beaufort and Chatham County systems and the Town has memorandums of understanding with them such that HHI Fire and Rescue can utilize signal preemption while transporting to Savannah area hospitals. The contract completion date for this project is December 23<sup>rd</sup>, 2014 and the contract amount is approximately \$372,000.

(Contact: Darrin Shoemaker, Traffic & Transportation Engineer – [darrins@hiltonheadislandsc.gov](mailto:darrins@hiltonheadislandsc.gov) or 341-4774)

The Town of Hilton Head Island Town Council has scheduled a public hearing for Tuesday, October 21, 2014, at 5:30 pm at the Town Government Center in Benjamin M. Racusin Council Chambers concerning a proposed Amended and Restated Development Agreement for Shelter Cove Mall between the Shelter Cove Towne Centre, LLC and the Town of Hilton Head Island.

(Contact: Heather Colin, Development Review Administrator at [heatherc@hiltonheadislandsc.gov](mailto:heatherc@hiltonheadislandsc.gov) or 843-341-4607)

## **2. Noteworthy Events**

- a) Some of the upcoming meetings at Town Hall:
- Parks & Recreation Commission – October 9, 2014, 3:30 p.m.
  - Planning Commission – October 13, 2014, 3:00 p.m.
  - Design Review Board – October 14, 2014, 1:15 p.m.
  - Planning Commission, October 15, 2014, 3:00 p.m.
  - Town Council – October 21, 2014, 4:00 p.m.
  - Town Council Public Hearing – October 21, 2014, 5:30 p.m.

**(Meetings subject to change and/or cancellation. Please visit the Town of Hilton Head Island website at [www.hiltonheadislandsc.gov](http://www.hiltonheadislandsc.gov) for meeting agendas.**



## Memorandum

**TO:** Town Council  
**FROM:** Steve Riley, Town Manager  
**DATE:** September 22, 2014  
**RE:** **Second Reading of Proposed Ordinance No. 2014-18**

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Town Council made no changes to Proposed Ordinance No. 2014-18, as a result of the first reading on September 16, 2014. .

**AN ORDINANCE OF THE TOWN OF HILTON HEAD, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO GOLF COURSE GROUND LEASE WITH HERITAGE GOLF PORT ROYAL, LLC, PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. § 5-7-40 (SUPP. 2011), AND § 2-7-20, *CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA*, (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**LEGISLATIVE FINDINGS**

WHEREAS, on June 6, 2013, the Town of Hilton Head Island, South Carolina (the “Town”) and Heritage Golf Port Royal, LLC (“Heritage Golf”) entered into a Lease for certain real property generally known as the Planters Row Golf Course located in Port Royal Plantation; and

WHEREAS, Heritage Golf has requested an Amendment to the Lease to amend the dates upon which the current term of the Lease ends, and to amend the Lease by making it terminable by either party upon one (1) year written notice; and

WHEREAS, the Town has requested an Amendment to the Lease to provide for certain rate reductions for owners and residents of real property within the Town of Hilton Head Island, South Carolina; and

WHEREAS, the Town Council for the Town has determined that the proposed Amendment attached hereto as Exhibit “A” is in the best interests of the citizens, residents and visitors on Hilton Head Island; and

WHEREAS, under the provisions of S.C. Code Ann. § 5-7-40 (SUPP. 2011) and § 2-7-20, *Code of the Town of Hilton Head Island*, South Carolina, (1983), the conveyance or granting of an interest in real property owned by the Town of Hilton Head Island must be authorized by Ordinance.

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

***Section 1.*** Execution of Agreement.

- (a) The Mayor and/or Town Manager are hereby authorized to execute and deliver the First Amendment to Golf Course Ground Lease in a substantially similar form to that attached hereto as Exhibit "A" for the conveyance of Town-owned real property to Heritage Golf Port Royal, LLC; and
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated in the Amendment as authorized hereby.

***Section 2.*** Severability.

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

***Section 3.*** Effective Date.

This Ordinance shall become effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

(SIGNATURE PAGE FOLLOWS)

**PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN  
OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS \_\_\_\_ DAY OF  
\_\_\_\_\_, 2014.**

\_\_\_\_\_  
Drew A. Laughlin, Mayor

ATTEST:

\_\_\_\_\_  
Victoria L. Pfannenschmidt, Town Clerk

First Reading: \_\_\_\_\_

Second Reading:\_\_\_\_\_

Approved as to form: \_\_\_\_\_  
Gregory M. Alford, Town Attorney

Introduced by Council Member:\_\_\_\_\_



# TOWN OF HILTON HEAD ISLAND

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## *Community Development Department*

**TO:** Stephen G. Riley, ICMA~CM, *Town Manager*  
**FROM:** Teri B. Lewis, AICP, *LMO Official*  
**CC:** Charles Cousins, AICP, *Community Development Director*  
**DATE:** September 25, 2014  
**SUBJECT:** LMO Rewrite Project

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Town Council gave revised first reading on September 16, 2014, and the changes were reviewed by the Planning Commission on September 24, 2014.

The Planning Commission voted 6-0 to recommend adoption of the LMO as approved on September 16, 2014.

**TO REPEAL CURRENT LMO**  
**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO. 2014-**

**PROPOSED ORDINANCE NO. 2014-19**

**AN ORDINANCE TO AMEND TITLE 16, "THE LAND MANAGEMENT ORDINANCE," OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO REPEAL THE CURRENT LAND MANAGEMENT ORDINANCE (LMO); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, at its 2010, 2011, 2012 and 2013 Strategic Planning Workshops, the Town Council adopted a goal of redrafting the Town's existing Land Management Ordinance and Official Zoning Map to reflect the needs and expectations of the Town's residents, business community and visitors, and to ensure that the Town remains a viable and attractive place to live, work and visit; and

**WHEREAS**, on March 1, 2011, the Town Council adopted a resolution establishing the "LMO Rewrite Committee" and establishing a plan for a comprehensive review and redrafting of the Land Management Ordinance and Official Zoning Map; and

**WHEREAS**, the LMO Rewrite Committee met more than 80 times over a three year period to determine what changes were needed to the Land Management Ordinance and to the Official Zoning Map and to draft a proposed Land Management Ordinance and a proposed Official Zoning Map; and

**WHEREAS**, the LMO Rewrite Committee recommended that the existing Land Management Ordinance, with the exception of Chapter 5, Article XVIII, be repealed; and,

**WHEREAS**, the LMO Rewrite Committee did not recommend that Chapter 5, Article XVIII, Impact Fees, be repealed, in order to preserve the grandfathered status of Chapter 5, Article XVIII, as is set out in S. C. Code Ann. § 6-1-1060 (Supp.2014); and

**WHEREAS**, the Planning Commission held public hearings on the proposed Land Management Ordinance and proposed Official Zoning Map on June 4, 2014, June 18, 2014 and June 25, 2014, at which time a presentation was made by the LMO Rewrite Committee and an opportunity was given for the public to comment on the recommendation to adopt the proposed Land Management Ordinance and proposed Official Zoning Map, and the repeal the existing Land Management Ordinance, with the exception of Chapter 5, Article XVIII, Impact Fees, and the repeal of the existing Official Zoning Map; and

**WHEREAS**, at the conclusion of the public hearing, the Planning Commission, after consideration of the report from the LMO Rewrite Committee and public comments, voted 8-0-0 on June 25, 2014 to recommend that the Town Council repeal the existing Land Management Ordinance, with the exception of Chapter 5, Article XVIII, Impact Fees; and

**WHEREAS**, the Town Council held a public workshop on July 8, 2014, at which it discussed the recommendation to adopt the proposed Land Management Ordinance and proposed Official Zoning Map, and to repeal the existing Official Zoning Map, and the existing Land Management Ordinance, with the exception of Chapter 5, Article XVIII; and

**WHEREAS**, in order to adopt a new Land Management Ordinance as recommended by the Planning Commission, the current Land Management Ordinance, with the exception of Chapter 5, Article XVIII, Impact Fees, must be repealed; and

**WHEREAS**, after due consideration of the recommendations of the LMO Rewrite Committee and the Planning Commission, the Town Council, upon further review, finds it is in the best interest of the Town to repeal the current LMO, with the exception of Chapter 5, Article XVIII, Impact Fees.

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

**Section 1. Amendment.** That Title 16, the Land Management Ordinance of the Town of Hilton Head Island, South Carolina, with the exception of Chapter 5, Article XVIII, Impact Fees, be, and the same hereby is, repealed.

**Section 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.

**Section 3. Effective Date.** This Ordinance shall be effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

**PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014.**

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**Drew A. Laughlin, Mayor**

**ATTEST:**

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**Victoria L. Pfannenschmidt, Town Clerk**

**Public Hearing:** June 4, 2014, June 18, 2014 and June 25, 2014

**First Reading:**

**Second Reading:**

**Approved as to form:**

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**Gregory M. Alford, Town Attorney**

**Introduced by Council Member: \_\_\_\_\_**

**TO ADOPT NEW LMO**  
**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO. 2014-**

**PROPOSED ORDINANCE NO. 2014-20**

**AN ORDINANCE TO AMEND TITLE 16, "THE LAND MANAGEMENT ORDINANCE," OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO ADOPT A NEW LAND MANAGEMENT ORDINANCE; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, at its 2010, 2011, 2012 and 2013 Strategic Planning Workshops, the Town Council adopted a goal of redrafting the Town's existing Land Management Ordinance and Official Zoning Map to reflect the needs and expectations of the Town's residents, business community and visitors, and to ensure that the Town remains a viable and attractive place to live, work and visit; and

**WHEREAS**, on March 1, 2011, the Town Council adopted a resolution establishing the "LMO Rewrite Committee" and establishing a plan for a comprehensive review and rewrite of the Land Management Ordinance and Official Zoning Map; and

**WHEREAS**, the LMO Rewrite Committee met more than 80 times over a three year period to determine what changes were needed to the Land Management Ordinance and the Official Zoning Map and to draft a proposed Land Management Ordinance and a proposed Official Zoning Map; and

**WHEREAS**, the LMO Rewrite Committee recommended that Chapter 5, Article XVIII, Impact Fees, from the existing Land Management Ordinance be included as a part of the new Land Management Ordinance, be amended by re-numbering the several parts of it to be consistent with the numbering of the several sections of the proposed new Land Management Ordinance; and

**WHEREAS**, the Planning Commission held public hearings on the proposed rewritten LMO on June 4, 2014, June 18, 2014 and June 25, 2014, at which time a presentation was made by the LMO Rewrite Committee and an opportunity was given for the public to comment on the draft rewritten Land Management Ordinance; and

**WHEREAS**, the Planning Commission, after consideration of the report from the LMO Rewrite Committee, the rewritten document and public comments, voted 8-0-0 on June 25, 2014 to recommend that the Town Council approve and adopt the rewritten Land Management Ordinance in its entirety, including the amendment of Chapter 5, Article XVIII, Impact Fees, from the existing Land Management Ordinance; and

**WHEREAS**, the Town Council held a public workshop on July 8, 2014, at which it discussed the recommendation to adopt the proposed Land Management Ordinance, including the amendment of Chapter 5, Article XVIII, Impact Fees, from the existing Land Management Ordinance, and proposed Official Zoning Map, and to repeal the existing Official Zoning Map, and the existing Land Management Ordinance, with the exception of Chapter 5, Article XVIII; and

**WHEREAS**, the Town Council, at its meeting on July 15, 2014, voted 7-0 to direct the LMO Rewrite Committee to meet and review the concerns raised at the Town Council workshop; and

**WHEREAS**, the LMO Rewrite Committee met on July 24, 2014 and August 7, 2014 to review and make recommendations in response to the concerns raised during the Town Council workshop; and

**WHEREAS**, having considered the proposed Land Management Ordinance, and having considered the recommendations of the LMO Rewrite Committee and the Planning Commission, the Town Council, upon further review, finds it is in the best interest of the Town to adopt the new Land Management Ordinance, including the amendment of Chapter 5, Article XVIII, Impact Fees, from the existing Land Management Ordinance.

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

**Section 1. Adoption.** That a new Title 16, the Land Management Ordinance of the Town of Hilton Head Island, South Carolina, dated September 2, 2014, and attached hereto as Exhibit "A", be, and the same hereby is, enacted in its entirety.

**Section 2. Amendment.** That Chapter 5, Article XVIII, Impact Fees, from the existing Land Management Ordinance be amended by re-numbering the same as Section 16-5-116(A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (L), (M), (N), (O), (P), (Q), (R) and (S) in the new Land Management Ordinance. The renumbering of the text is shown on Exhibit "B" hereto, with the old, deleted numbering shown as ~~strikeout~~ text and the new numbering shown as underlined text, and it is also shown with the new numbering in the new Land Management Ordinance that is attached hereto as Exhibit "A".

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

**Section 4. Effective Date.** This Ordinance shall be effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

**PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014.**

**ATTEST:**

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**Drew A. Laughlin, Mayor**

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**Victoria L. Pfannenschmidt, Town Clerk**

**Public Hearing:** June 4, 2014, June 18, 2014 and June 25, 2014

**First Reading:**

**Revised First Reading:**

**Public Hearing:**

**Second Reading:**

**Approved as to form:**

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**Gregory M. Alford, Town Attorney**

**Introduced by Council Member:** \_\_\_\_\_

**TO REPEAL EXISTING ZONING MAP**  
**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO. 2014-**

**PROPOSED ORDINANCE NO. 2014-21**

**AN ORDINANCE TO AMEND TITLE 16, "THE LAND MANAGEMENT ORDINANCE," OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO REPEAL THE EXISTING OFFICAL ZONING MAP; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, at its 2010, 2011, 2012 and 2013 Strategic Planning Workshops, the Town Council adopted a goal of redrafting the Town's existing Land Management Ordinance and Official Zoning Map to reflect the needs and expectations of the Town's residents, business community and visitors, and to ensure that the Town remains a viable and attractive place to live, work and visit; and

**WHEREAS**, on March 1, 2011, the Town Council adopted a resolution establishing the "LMO Rewrite Committee" and establishing a plan for a comprehensive review and redrafting of the Land Management Ordinance and the Official Zoning Map; and

**WHEREAS**, the LMO Rewrite Committee met more than 80 times over a three year period to determine what changes were needed to the Land Management Ordinance and to the Official Zoning Map and to draft a proposed Land Management Ordinance and a proposed Official Zoning Map; and

**WHEREAS**, the Planning Commission held public hearings on the proposed Land Management Ordinance and proposed Official Zoning Map on June 4, 2014, June 18, 2014 and June 25, 2014, at which time a presentation was made by the LMO Rewrite Committee and an opportunity was given for the public to comment on the recommendation to adopt the proposed Land Management Ordinance and proposed Official Zoning Map, and to repeal the existing Land Management Ordinance and the existing Official Zoning Map; and

**WHEREAS**, the Planning Commission, after consideration of the report from the LMO Rewrite Committee and public comments, voted 8-0-0 on June 25, 2014 to recommend that the Town Council repeal the current Official Zoning Map in its entirety; and

**WHEREAS**, the Town Council held a public workshop on July 8, 2014, at which it discussed the recommendation to adopt the proposed Land Management Ordinance and proposed Official Zoning Map, and to repeal the existing Official Zoning Map, and the existing Land Management Ordinance, with the exception of Chapter 5, Article XVIII; and

**WHEREAS**, in order to adopt a new Official Zoning Map, the current Official Zoning Map must be repealed; and

**WHEREAS**, after due consideration of the proposed new Zoning Map and the recommendations of the LMO Rewrite Committee and the Planning Commission, the Town Council finds that it is in the best interest of the Town to repeal the existing Official Zoning Map.

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

**Section 1. Amendment.** That the Official Zoning Map of the Town of Hilton Head Island, South Carolina, be, and the same hereby is, repealed.

**Section 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.

**Section 3. Effective Date.** This Ordinance shall be effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

**PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014.**

\_\_\_\_\_  
**Drew A. Laughlin, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Victoria L. Pfannenschmidt, Town Clerk**

**Public Hearing:** June 4, 2014, June 18, 2014 and June 25, 2014

**First Reading:**

**Second Reading:**

**Approved as to form:**

\_\_\_\_\_  
**Gregory M. Alford, Town Attorney**

**Introduced by Council Member: \_\_\_\_\_**

**TO ADOPT NEW ZONING MAP**

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO. 2014-**

**PROPOSED ORDINANCE NO. 2014-22**

**AN ORDINANCE TO AMEND TITLE 16, "THE LAND MANAGEMENT ORDINANCE," OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO ADOPT A NEW OFFICIAL ZONING MAP; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, at its 2010, 2011, 2012 and 2013 Strategic Planning Workshops, the Town Council adopted a goal of redrafting the Town's existing Land Management Ordinance and Official Zoning Map to reflect the needs and expectations of the Town's residents, business community and visitors, and to ensure that the Town remains a viable and attractive place to live, work and visit; and

**WHEREAS**, on March 1, 2011, the Town Council adopted a resolution establishing the "LMO Rewrite Committee" and establishing a plan for a comprehensive review and redrafting of the Land Management Ordinance and the Official Zoning Map; and

**WHEREAS**, the LMO Rewrite Committee met more than 80 times over a three year period to determine what changes were needed to the Land Management Ordinance and the Official Zoning Map and to draft a proposed Land Management Ordinance and a proposed Official Zoning Map; and

**WHEREAS**, the Planning Commission held public hearings on the proposed new Official Zoning Map on June 4, 2014, June 18, 2014 and June 25, 2014, at which time a presentation was made by the LMO Rewrite Committee and an opportunity was given for the public to comment on the proposed new Official Zoning Map; and

**WHEREAS**, the Planning Commission, after consideration of the report from the LMO Rewrite Committee, the proposed new Official Zoning Map and public comments, voted 8-0-0 on June 25, 2014 to recommend that the Town Council approve and adopt the proposed new Official Zoning Map in its entirety; and

**WHEREAS**, the Town Council held a public workshop on July 8, 2014, at which it discussed the recommendation to adopt the proposed Land Management Ordinance and proposed Official Zoning Map, and to repeal the existing Official Zoning Map, and the existing Land Management Ordinance, with the exception of Chapter 5, Article XVIII, Impact Fees; and

**WHEREAS**, after due consideration of the proposed new Official Zoning Map and the recommendations of the LMO Rewrite Committee and the Planning Commission, the Town Council, upon further review, finds that it is in the best interest of the Town to adopt the proposed new Official Zoning Map in its entirety.

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

**Section 1. Amendment.** That the Official Zoning Map of the Town of Hilton Head Island, South Carolina, dated September 2, 2014 as attached hereto as Exhibit "A", be, and the same hereby is, adopted.

**Section 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.

**Section 3. Effective Date.** This Ordinance shall be effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

**PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014.**

\_\_\_\_\_  
**Drew A. Laughlin, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Victoria L. Pfannenschmidt, Town Clerk**

**Public Hearing:** June 4, 2014, June 18, 2014 and June 25, 2014

**First Reading:**

**Second Reading:**

**Approved as to form:**

\_\_\_\_\_  
**Gregory M. Alford, Town Attorney**

**Introduced by Council Member: \_\_\_\_\_**

The “Draft” Land Management Ordinance is available for review in its entirety on our website at

<http://www.hiltonheadislandsc.gov/misc/lmorewrite.cfm>

or

at the

Town of Hilton Head Island  
Administrative Offices

~ Draft ~

Calibogue Sound

Skull Creek

Broad Creek

ATLANTIC OCEAN

~ Draft ~



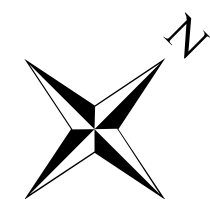
# Town of Hilton Head Island

## PROPOSED NEW ZONING DISTRICT MAP

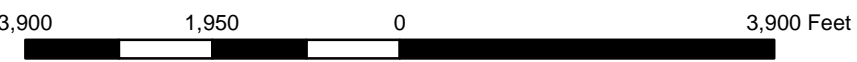
~ Draft ~

Last Update: May 16, 2014

1 inch = 2,000 feet



The upland boundary of the Conservation Zoning District corresponds to the OCRM Critical Line and therefore, is approximately co-terminus with all tidal wetlands and the upland boundary of the beach as defined in Section 8-1-112 of the Municipal Code and extends outward to the Town Jurisdictional Boundary as entitled within Section 2-1-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina. (Reference: LMO Section 16-4-203, Conservation District)



### RESIDENTIAL ZONING DISTRICTS

- RS-3** SINGLE FAMILY
- RS-5** SINGLE FAMILY
- RS-6** SINGLE FAMILY
- RM-4** LOW TO MODERATE DENSITY
- RM-8** MODERATE DENSITY
- RM-12** MODERATE TO HIGH DENSITY

### COMMERCIAL ZONING DISTRICTS

- CC** COMMUNITY COMMERCIAL
- IL** LIGHT INDUSTRIAL
- LC** LIGHT COMMERCIAL
- MED** MEDICAL
- MS** MAIN STREET
- NC** NEIGHBORHOOD COMMERCIAL
- SPC** SEA PINES COMMERCIAL

### MIXED USE ZONING DISTRICTS

- PD-1** PLANNED DEVELOPMENT
- MF** MARSHFRONT MIXED USE
- MV** MITCHELVILLE
- S** STONEY MIXED USE
- WMU** WATER-ORIENTED MIXED USE

### RESORT DEVELOPMENT ZONING DISTRICTS

- CR** COLIGNY RESORT
- RD** RESORT DEVELOPMENT

### OTHER ZONING DISTRICTS

- CON** CONSERVATION
- PR** PARKS AND RECREATION



## Memorandum

**TO:** Town Council  
**FROM:** Steve Riley, Town Manager  
**DATE:** September 22, 2014  
**RE:** **Second Reading of Proposed Ordinance No. 2014-23**

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Town Council made no changes to Proposed Ordinance No. 2014-23, as a result of the first reading on September 16, 2014. .

**AN ORDINANCE OF THE TOWN OF HILTON HEAD, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF A LEASE WITH MINDSTREAM ACADEMY, LLC PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. § 5-7-40 (SUPP. 2011), AND § 2-7-20, *CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA*, (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**LEGISLATIVE FINDINGS**

WHEREAS, on July 3, 2014, the Town of Hilton Head Island, South Carolina (the “Town”) took ownership of certain real property generally known as the Kiawah Building, located on Hilton Head Island, South Carolina and consisting of Beaufort County Tax Map # R552-015-000-0406-0001; and

WHEREAS, prior to July 3, 2014, MindStream Academy, LLC (“MindStream”) entered into that certain Lease Agreement with RL Properties, LLC, dated November 20, 2013 for leasing a portion of the Kiawah Building from the then-current owner of the Building; and

WHEREAS, the Town and MindStream desire to terminate the existing lease between MindStream and RL Properties, LLC, and execute a new lease between the Town and MindStream; and

WHEREAS, the Town Council for the Town has determined that the proposed Lease attached hereto as Exhibit “A” is in the best interests of the citizens, residents and visitors on Hilton Head Island; and

WHEREAS, under the provisions of S.C. Code Ann. § 5-7-40 (SUPP. 2011) and § 2-7-20, *Code of the Town of Hilton Head Island , South Carolina*, (1983), the conveyance or granting of an interest in real property owned by the Town of Hilton Head Island must be authorized by Ordinance.

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

***Section 1.*** Execution of Lease.

- (a) The Mayor and/or Town Manager are hereby authorized to execute and deliver the Lease in a substantially similar form to that attached hereto as Exhibit "A" for the lease of Town-owned real property to MindStream Academy, LLC; and
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated in the Amendment as authorized hereby.

***Section 2.*** Severability.

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

***Section 3.*** Effective Date.

This Ordinance shall become effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

(SIGNATURE PAGE FOLLOWS)

**PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN  
OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS \_\_\_\_ DAY OF  
\_\_\_\_\_, 2014.**

\_\_\_\_\_  
Drew A. Laughlin, Mayor

ATTEST:

\_\_\_\_\_  
Victoria L. Pfannenschmidt, Town Clerk

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

Approved as to form: \_\_\_\_\_  
Gregory M. Alford, Town Attorney

Introduced by Council Member: \_\_\_\_\_



# TOWN OF HILTON HEAD ISLAND

## *Community Development Department*

**TO:** Stephen G. Riley, ICMA~CM, *Town Manager*  
**FROM:** Teri B. Lewis, AICP, *LMO Official*  
**CC:** Charles Cousins, AICP, *Community Development Director*  
**DATE:** September 25, 2014  
**SUBJECT:** LMO Rewrite Committee

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Staff recommends that since the LMO Rewrite Committee has completed their task of rewriting the Town's Land Management Ordinance that the Committee be dissolved on October 7, 2014.

The LMO Rewrite Committee, which was appointed March 1, 2011, met almost 100 times over a three and a half year period. At times the Committee met either bi-weekly or once a week in an effort to complete the herculean task assigned to them. Their task was to comprehensively review and rewrite the Land Management Ordinance (LMO). The Committee worked closely with staff and Clarion Associates, a consultant out of Chapel Hill, North Carolina, to draft a rewritten LMO and Official Zoning Map. The completed documents accomplish the tasks set out for the Committee by Town Council. These tasks include updating the LMO to reflect the needs and expectations of the Town's residents, business community and visitors, simplifying the land development regulations, reorganizing the document into a format that is more user-friendly and easier to use and apply and encourage investment and reinvestment.

The Committee encouraged public participation at every step during the process and in addition to their public meetings also held several public workshops during which time the public was invited to comment on proposed revisions to the LMO. The members of this Committee have gained a thorough knowledge of the LMO and are to be publicly commended for their tireless efforts related to this project.

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SC TO DISSOLVE THE LAND MANAGEMENT ORDINANCE (LMO) REWRITE COMMITTEE**

**WHEREAS**, the LMO Rewrite Committee was established on March 1, 2011, as a temporary committee to rewrite the Town's Land Management Ordinance; and

**WHEREAS**, the LMO Rewrite Committee has completed the herculean task of rewriting the Town's Land Management Ordinance; and

**WHEREAS**, the Town Council is ready to adopt the rewritten Land Management Ordinance; and

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

SECTION 1: THAT THE TOWN EXTENDS ITS THANKS TO THE MEMBERS OF THE LMO REWRITE COMMITTEE FOR THEIR VALIANT EFFORTS IN COMPLETING THEIR TASK AND DOES HEREBY PUBLICLY COMMEND THEM FOR THEIR EFFORTS.

SECTION 2: THAT THE LMO REWRITE COMMITTEE IS TO BE DISSOLVED ON OCTOBER 7, 2014.

**MOVED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014.**

\_\_\_\_\_  
**Drew A. Laughlin, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Victoria L. Pfannenschmidt, Town Clerk**

**Approved as to form:**

\_\_\_\_\_  
**Gregory M. Alford, Town Attorney**

**Introduced by Council Member: \_\_\_\_\_**



## **MEMORANDUM**

**TO:** Town Council

**FROM:** Susan Simmons, CPA - Director of Finance

**VIA:** Stephen G. Riley, ICMA-CM, - Town Manager

**DATE:** September 24, 2014

**RE:** State Accommodations Tax Grant Recommendations: Non-Recurring Funds

**Recommendation:** Staff recommends that Council review the attached recommendations from the Accommodations Tax Advisory Committee (ATAC) and award the \$478,460 balance of non-recurring funds with a grant period of October 7, 2014 through December 31, 2015. Council should give special consideration whether it should award the funds recommended by ATAC for which the staff of the State's Tourism Expenditure Review Committee (TERC) felt would not be approved by that committee.

**Summary:** Starting in the fall of 2013, the ATAC had the ability to work with additional funding not available in previous years. There are several varying reasons why the amount was higher, some of the factors were expected to be recurring; however other factors were determined to be a non-recurring, one-time occurrence. Therefore, the total amount available to award for 2014 grants was divided into "Recurring" and "Non-Recurring" funds, and both the ATAC and Town Council decided to focus mainly on recommending and awarding the "Recurring" Funds for 2014 Grants, and to take more time to consider the best approach and potential use for the remaining "Non-Recurring" funds. In May 2014, Council requested that ATAC propose a "Non-Recurring" grant application process to be completed as soon as feasible rather than waiting to coincide it with the later timeframe associated with Calendar Year 2015 Grants from "Recurring" funds.

After awarding two grants from the "Non-recurring Funds" last fall, the Town carried forward \$478,460 to be awarded now. The Town received sixteen Non-Recurring ATAX Grant Applications totaling \$1,464,737. The percentage of funds requested to funds available for new Non-Recurring grants is 32.7%.

**Background:** The ATAC had several discussions and brain storming sessions regarding the Non-Recurring funds, and at its July 15, 2014 meeting the Committee finalized the plan, including a separate, streamlined application and review process for the Non-Recurring grants. The Committee communicated at this meeting and through Town Support Staff that the intended purpose for Non-Recurring ATAX Grants was for a need as equally unique as the nature of the funds. An out-of-cycle Application was created and made available via the Town's website from July 28 through August 15 and applicants throughout the community were invited to request a

Non-Recurring Grant for reasons such as: unique programs or new events that drive tourism, non-recurring capital or facility projects for tourism, ideas that deliver a “game-changer” for tourism on the Island or a “wow” experience for visitors, tourism-related collaborative projects, or other unique tourism-based needs that could benefit from non-recurring funds. On September 4, 2014, the ATAC combined the usual ATAX Applicant Workshop meeting with a special meeting to review Non-Recurring ATAX Grant Applications, hold Question and Answer Sessions with each Applicant, deliberate, and ultimately decide upon recommendations to present to Town Council.

**The ATAC’s recommendations for Non-Recurring grants are detailed in the attached Recommendation Letter and worksheet.**

### **Staff Review of Eligibility of Non-Recurring ATAX Grant Applications**

Particularly for the last two annual and this grant’s award process, Finance Support Staff and the Town Attorney have been directed to perform a thorough eligibility review of applications and provide feedback on our concerns. Of the 16 grant applications, there were three (3) that Staff and the ATAC could not determine eligibility according to the categories set forth in State statute. Therefore, ATAC and Town Staff requested guidance from the State’s Tourism Expenditure Review Committee (TERC). TERC staff responded that an opinion is only given on expenditures after the funds have been spent; however, she stated her beliefs of what TERC would allow.

The cases questioned were the Hilton Head Wine and Food Festival’s application for facility expenses such as rent, utilities, office furniture and equipment, etc. for an administrative office not located at the Festival site; the Hilton Head Symphony Orchestra’s application for funds to purchase a retired Steinway Concert Grand Piano; and the Hilton Head Symphony Orchestra and Hilton Head Choral Society’s joint application for shared equipment (risers, drums, etc.) to be used during performances. In each of these cases, TERC’s Staff believed these would generally not be allowable uses of tourism funds as they are operational in nature and are for “equipment” that the groups need just to function at a basic level, and unless the groups bring in only tourists, then it generally would not be acceptable to use ATAX funds to pay for the operations of these groups.

ATAC did not recommend funding for the Wine and Food Festival or the piano; however, it did recommend partial funding for the joint application for shared equipment. ***Therefore, Council should carefully consider whether it should award the recommended \$12,000 grant to the joint application of the Hilton Head Symphony Orchestra and Hilton Head Choral Society.***

A TERC guideline states that governments should apply an organization’s Tourism Percentage to all of the ATAX Grant awards and expenditures, except expenditures in Category 1 – Advertising and Promotion. Since the Town adopted this policy and made it part of both the application and reimbursement process about three years ago, TERC has not questioned any grants reported by the Town in its required annual report. Staff will thereby point out when it is aware TERC has a contrary opinion on certain applications; staff respects that it is Council’s option to comply with TERC’s guidance or to make awards that may ultimately be paid from other Town resources should TERC formally disapprove the grant and avail in any appeal or judicial process.

Town Support Staff reviewed each of the applications and calculated the maximum amount the organization would be able to receive based on the information submitted on the total project budget and the tourism percentage. The following eight organizations received a recommendation from the ATAC which would require matching revenues and or other qualifying facility costs in order to qualify for ATAC's recommended amount.

<b><u>Applicant</u></b>	<b><u>Basis for Eligibility</u></b>
Art League of Hilton Head	Other Qualifying Facility Costs (QQFC)
Arts Center of Coastal Carolina	Combination of Revenues and QQFC
Hilton Head Concours d'Elegance	Available Revenues
Hilton Head Island Land Trust	Available Revenues
Hilton Head Symphony Orchestra/ Hilton Head Choral Society Joint Request	QQFC (note above TERC's staff recommends denial)
The Coastal Discovery Museum	Available Revenues
The Heritage Library	Available Revenues
The Sandbox	Available Revenues

***Based on discussions with and review of (remaining 2014/entire 2015) budgets provided by these organizations, it appears that all eight will qualify for the amount recommended by ATAC. Should Council desire to increase the funding for applicants related to expenditures subject to the tourism percentage, staff will be available to address eligibility requirement amounts but the applicants may not be available to provide a response at the Council meeting. Therefore, it may be appropriate for Council to authorize which applicant(s) would receive funding if those awarded cannot qualify.***

**THE TOWN OF HILTON HEAD ISLAND**  
**ACCOMMODATIONS TAX ADVISORY COMMITTEE**

To: Mayor, Town of Hilton Head Island  
Town Council Members, Town of Hilton Head Island  
Town Manager, Town of Hilton Head Island

From: Mike Alsko, Chairman, Accommodations Tax Advisory Committee

Date: September 15, 2014

Subject: ATAC Recommendations for 2014 ATAX Non-Recurring Grant Awards

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On September 4, 2014, the Accommodations Tax Advisory Committee (ATAC) met to make grant funding recommendations on applications that were submitted for the remaining 2014 non-recurring funds held over from our previous grant hearing last year. For this round, we reviewed applications from 16 organizations who requested a total of \$1,464,737 in funding. The non-recurring funds that are currently available for awards are \$478,460. We are pleased to recommend funding to 10 of the 16 applicants.

**Prevailing Philosophy of the Committee**

As part of an ongoing effort to review applications objectively and to make recommendations for the highest and best use of ATAX funds, the ATAC has used a few underlying philosophies to help form the recommendations we present to the Town. Although our review is multi-faceted, these philosophies provide basic and common framework for each committee member to consider in their own review process. Our philosophy is not static and may change based on the composition of committee members, however for the last few years the ATAC has agreed that the following attributes are good starting points for our discussions:

- **Does the applicant show economic growth through driving tourism**
- **Does the applicant provide an enhancement of the overall visitor experience**
- **Is there the potential of financial efficiencies through collaboration with other applicants**
- **Does the applicant show organizational viability and return on investment from grant awards**

Specific to these non-recurring grant awards, the Committee looked for applicants who had one-time capital or facility needs, tourism-driving marketing ideas that could have significant initial and long-term impact, as well as other unique needs that could benefit from non-recurring funds. It has always been the belief of the Committee that due to the nature and definition of non-recurring funds that their awarding be paired with non-recurring needs of our applicants.

**Review Approach of the Committee**

As an appointed review committee, it is important that we take a conservative approach in interpreting the opinions of TERC and applying them where applicable in our recommendations to Town Council. We feel that it is important for you to be able to review our recommendations knowing that our Committee has fully vetted applications to the extent of our knowledge and understanding of ATAX statutes and guidelines. We are only empowered to act as an advisory committee and we do not feel that we have the discretion to directly challenge these opinions without reason. In situations of questionable eligibility, we have still fully reviewed the applications and collectively worked with the applicant to clarify their needs and to possibly identify an alternative approach towards eligibility. Ultimately, our final recommendations are based on a Committee level interpretation of ATAX statutes and TERC opinions and may require more formal review from the Town level.

### **Prorated Award Amounts**

The Committee continues to follow the TERC opinion that grant awards should be used for tourism related expenditures and that they should be pro-rated based upon the applicants tourism ratio. However, the Committee also interprets that the only exception to proration would be for expenses directly related to advertising and marketing of the organization or event. Otherwise, the Committee is aligned with TERC's opinion that ATAX grant awards should only be used to fund the tourism percentage of the organization's operation. However, the Town has historically worked with organizations to ensure that they have properly identified all eligible expenditures as it relates to their tourism percentage. For example, it may be determined that the tourism percentage can be applied to a broader range of eligible total expenses beyond what was initially calculated by the organization. Such a determination could lead to a larger base from which the final proration is determined, allowing for higher award eligibility while still ensuring compliance with TERC opinion.

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The remainder of this recommendation memo will provide you with summary information on the applicant organization, a snapshot of their funding request, and the ATAC's recommendation and rationale. This memo is not meant to encompass all the applicant data or information, as this can be further referenced within each individual grant application that was submitted for this special 2014 grant cycle. A spreadsheet of the committee's grants recommendations accompanies this memo.

**BASED ON THE ATAC'S REVIEW OF EACH GRANT APPLICATION, THEIR SUBSEQUENT INDIVIDUAL PRESENTATIONS, AND THE COMMITTEE'S PUBLIC DISCUSSION, THE ATAC SUBMITS THE FOLLOWING RECOMMENDATIONS TO YOU FOR REVIEW:**

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### **ART LEAGUE OF HILTON HEAD**

*25% tourist to local ratio*

*2014 Grant Request is \$11,001 for needed repairs to their facility that is in worn condition*

**The Committee recommends a grant of \$2,750 for repair and replacement needs. The Committee has followed TERC guidelines in terms of recommending a prorated award based on the reported percentage of tourists served with the suggestion that the applicant work with Town staff to determine if other eligible expenditures exist to meet tourism percentage guidelines.**

The League is requesting funds as follows:

- \$11,001 to replace overly worn carpet on both their floors and walls, interior and exterior painting needs, and repair and replacement of certain fence boards on their property.

The Committee agrees that this would be appropriate use of non-recurring funds as it will help enhance the experience of visitors who take part in Art League events. During their presentation they noted that 200 out of town visitors became patron members this past year, which in the Committee's opinion reflects upon the quality and diversity of their offerings and highlights that tourists see value in this organization.

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### **ARTS CENTER OF COASTAL CAROLINA**

*21% tourist to local ratio*

*2014 Grant Request is \$260,850 for the replacement of the facility's theater stage sound system*

**The Committee recommends a grant of \$124,432 for their replacement needs. The Committee has recommended funding that falls outside of TERC guidelines with the suggestion that the applicant work with Town staff to determine if other eligible expenditures exist to meet tourism percentage guidelines.**

The Arts Center is seeking the following funding:

- \$260,850 to fund Phase 1 of the theater stage sound system replacement and upgrade.

Although, the Committee would prefer that the Arts Center were in a more self-sustainable position, we believe that the Arts Center has been a focal point of our cultural and arts marketing efforts for a number of years. As such, the committee feels that providing funding towards this project will help the Arts Center from assuming any additional debt on its facility. The current sound system was installed in 1996 and despite being outdated; it is unreliable and has exceeded its useful life. The Arts Center has represented its collaborative efforts with other organizations in its application and the Committee feels that their facility needs would also benefit other organizations who utilize this facility.

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### **HILTON HEAD CHORAL SOCIETY**

*Tourist data not provided this time but historically reported around 15%*

*2014 Grant Request is \$4,790 for website enhancements*

**The Committee recommends a grant of \$4,790 for website enhancements and the establishment of an online ticketing system. The Committee interprets these expenses as marketing and advertising, thus would be eligible for full reimbursement under TERC's opinion.**

The Hilton Head Choral Society is seeking the following funding:

- \$2,500 for website redesign needs
- \$2,290 for the procurement of a new online ticketing system

The Committee feels strongly that funding these initiatives in full would be an appropriate use of non-recurring funds. Currently, the Choral Society has to engage a third party to update their website, which incurs incremental costs. Additionally, people can currently request online tickets, but it is a manual system that involves volunteer hours to administrate and patrons are unable to print tickets at home. The website redesign will create an interface where the Society would be able to easily and readily update their website on their own, without the need of a third party. They feel this will help keep their site more current and fresh. The proposed ticketing system will automate the ticketing process allowing patrons to purchase and receive tickets at home and will give the Society the flexibility to add specific seat numbers to certain performances.

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### **HILTON HEAD ISLAND MOTORING FESTIVAL & CONCOURS D'ELEGANCE**

*60% tourist to local ratio*

*2014 Grant Request is \$85,000 an airport event and public relations blitz*

**The Committee recommends a grant of \$85,000 for advertising and event production**

The Hilton Head Island Motoring Festival & Concours d'Elegance is seeking the following funding:

- \$85,000 for advertising and event production related to the hosting of BMW North America's 40<sup>th</sup> anniversary event to be held as part of the 2015 Festival.

The Committee feels very strongly the Motoring Festival is a signature event for our Island and will only continue to grow and improve. In October 2015, the Motoring Festival has a unique opportunity to host BMW North America's 40<sup>th</sup> anniversary on Hilton Head Island in conjunction with their annual festival. The Committee feels that this event would be positive for both the Island and the Festival's reputation. Although the proposed Friday event will be small in scale, it will bring in top-tier national publications and industry VIPs. Additionally, the event will carry

over to the public on Saturday. The long-term effects of this event are anticipated to establish an airplane component to the Motoring Festival annually with the potential to increase overall attendance.

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### **HILTON HEAD ISLAND AUDUBON SOCIETY, INC**

*30% tourist to local ratio*

*2014 Grant Request is \$30,000 to create the software infrastructure of the South Carolina Birding Trail*

**The Committee does not recommend the funding of this grant at this time. The Committee interprets that some of these expenses would not qualify for reimbursement under state ATAX law.**

Hilton Head Island Audubon, Inc. is seeking the following funding:

- \$30,000 for the development of the software infrastructure (website, apps, etc...) related to the newly formed South Carolina Birding Trail

This organization is one of seven local Audubon Society chapters in the State of South Carolina. The Hilton Head Island chapter has recently formed and incorporated the South Carolina Birding Trail. The Trail would provide credible information to nature lovers and birders visiting the state by providing a database of locations of interest to these individuals. **Although the Committee saw great merit to the initiative the concern was raised that we likely could not fund it because the infrastructure being developed would also benefit the entire state and not just Hilton Head Island. The Committee's interpretation of the ATAX statute is that it requires that the Town award funds only for the benefit of promoting tourism within the geographic area in which the tax was originally collected.** It was further determined that this was an all or nothing application and that partial funding would not help this organization achieve its immediate goals.

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### **HILTON HEAD ISLAND LAND TRUST**

*Tourist data not provided this time but is likely to correlate to the Heritage Library's estimate of 86%*

*2014 Grant Request is \$15,000 for the construction of an educational kiosk at Fort Howell*

**The Committee recommends a grant of \$15,000 for the construction of the educational kiosk. The Committee interprets the signage portion of these expenses as marketing and advertising, thus would be eligible for full reimbursement under TERC's opinion. The Committee has followed TERC guidelines for the construction portion of the application in terms of recommending a prorated award based on the reported percentage of tourists served which was already pre-calculated in the application.**

Hilton Head Island Land Trust is seeking the following funding:

- \$12,972 for the construction of the kiosk
- \$4,500 for the design and production of educational signs
- The total project cost is estimated at \$17,472 but the grant application is only requesting \$15,000

The Committee feels that funding this grant would be an appropriate use of non-recurring funds. We noted that our Island has a number of historical landmarks that are underutilized due to their condition, inaccessibility, or through lack of proper marking. The Committee felt that this is a one-time request that would help identify a cultural treasure on our Island and could be sustainable in future years directly through the organization.

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### **HILTON HEAD WINE AND FOOD, INC**

*91% tourist to local ratio*

*2014 Grant Request is \$25,000 for office space, furnishings, and equipment*

**The Committee does not recommend the funding of this grant at this time. The Committee interprets that some of these expenses would not qualify for reimbursement under TERC's published opinions.**

Hilton Head Wine and Food, Inc. is seeking the following funding:

- \$15,500 for rent, office furniture, and utilities
- \$9,500 for phone, computer, and printer equipment

Although the Committee continues to be impressed with this organization and agrees with the reasoning of their request, we do not feel comfortable recommending the funding of its grant. **In referencing a TERC opinion, the reimbursement for the operation of a facility qualifies only if it is considered a venue. The grant proposal is for the applicant's needed office space, which would be off-site and not part of the event venue.** Although we felt that some of the expenses could be liberally interpreted as marketing expenses, we did not feel that funding only that component would be useful to the organization without rent reimbursement.

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### **HILTON HEAD ISLAND-BLUFFTON CHAMBER OF COMMERCE/VCB**

*The Town's DMO*

*2014 Grant Request is \$340,000 for Project Lighthouse, a digital wayfinder initiative*

**The Committee does not recommend the funding of this grant at this time due to the size of the grant request against the amount of funds available for grant awards.**

The Hilton Head Island-Bluffton Chamber of Commerce/VCB is seeking the following funding:

- \$100,000 for an on Island signage system – 30 to 40 locations
- \$130,000 for development of the digital wayfinder system and various apps
- \$20,000 for marketing strategy, logo, and creative development
- \$50,000 for year one launch media and promotions
- \$65,000 for VCB incremental staffing and resources
- The total project is \$365,000 but grant request is for \$340,000

The Committee felt this project had merit and indicated that there is likely an immediate need for a system like this to exist. The concern of the Committee was that the size of the request was disproportionate to the amount of available funds available to the 16 grant applicants and in our opinion did not currently outweigh the needs of the other applicants. The Committee felt this was an all or nothing grant, and passed on considering partial funding due to it likely not being enough to pull the project together.

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### **HILTON HEAD SYMPHONY ORCHESTRA**

*30% tourist to local ratio*

*2014 Grant Request is \$82,800 for the purchase of a retired Steinway Concert Grand Piano*

**The Committee does not recommend the funding of this grant at this time due the uncertainty of the immediate return on investment and general moving and storage concerns.**

The Hilton Head Symphony Orchestra is seeking the following funding:

- \$82,800 for the purchase of a retired Steinway Model D piano to eliminate the need of having to rent one for each performance

Although the Committee generally saw the merit of the application, the concerns shared related to the return on investment of the purchase, the indication that the piano would be stored in a private home, and the continued need to continue moving it due to lack of on-site storage.

Additionally, due to the amount of total funds available this round it was not determined to be the highest and best use of grant money given the immediate concerns and pending needs of other applicant organizations. **It should also be noted that there are no current ATAX guidelines related to moveable capital which raises the question of how this expense would be classified within current guidelines. Should funding be considered for this project, the Committee would recommend that the Town seek guidance from TERC on how this project be classified with the additional suggestion that the applicant work with Town staff to determine if other eligible expenditures exist to meet tourism percentage guidelines if prorated.**

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## **HILTON HEAD SYMPHONY ORCHESTRA & HILTON HEAD CHORAL SOCIETY**

### **JOINT APPLICATION**

*29% tourist to local ratio based on HHSO figures*

*2014 Grant Request is \$30,200 for the purchase and repair of shared equipment and risers*

The Committee recommends a grant of **\$12,000** for the purchase of shared equipment. The Committee has followed TERC guidelines in terms of recommending a prorated award based on the reported percentage of tourists served with the suggestion that the applicant work with Town staff to determine if other eligible expenditures exist to meet tourism percentage guidelines. Due to the uncertainty of proper classification, the Committee would recommend that the Town seek guidance from TERC on how this project be classified as an eligible expense.

The Hilton Head Symphony Orchestra and the Hilton Head Choral Society are seeking the following funding:

- \$20,000 for the purchase of a new tympani drum set
- \$9,400 for the purchase of replacement parts for the riser stage system
- \$11,000 for the purchase of percussion instruments
- \$1,000 for the purchase of a conductor's podium
- The total project cost is estimated at \$40,400 but the grant application is only requesting \$30,200

The Committee was very pleased to see this collaborative application. It was noted that these two organizations have supported each other for many years. The Committee felt that this grant application would be an appropriate use of non-recurring funds.

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## **HILTON HEAD ISLAND VISITORS AND CONVENTION BUREAU, INC.**

*New organization - actual numbers not available at this time*

*2014 Grant Request is \$250,000 for the implementation of an innovative, online tool for meeting planners*

The Committee does not recommend the funding of this grant at this time due the organization being an early start-up, having limited membership, and the size of the request. Our recommendation comes from our past practice of traditionally not recommending the funding of start-up organizations based on the reasons of limited overall ATAX funds, uncertainty of future viability and lack of past historical performance of the startup organization.

The Hilton Head Island Visitors and Convention Bureau, Inc. is seeking the following funding:

- \$250,000 for the implementation of an innovative, "next generation" online booking tool that meeting planners can use to confirm availability blocks

The Committee felt that this organization had a very aggressive plan for its first year. Although, there appeared to be limited initial funding and membership statistics included in the application, the organization felt optimistic about its future potential for success. The organization noted that it felt it could be self-sustaining after an initial round of funding, but the

Committee was reluctant to recommend funding due to the lack of a track record. The Committee noted that the amount of the request was very large and that it wouldn't be the highest and best use of available grant funds due to the start-up nature of the organization.

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### **LOWCOUNTRY GOLF COURSE OWNERS ASSOCIATION**

*Tourist data not provided this time*

*2014 Grant Request is \$42,510.26 for the production of a 2<sup>nd</sup> show booth and travel expenses*

**The Committee recommends a grant of \$42,510.26 for the production of a 2<sup>nd</sup> show booth and travel expenses for 5 additional golf shows. The Committee interprets these expenses as marketing and advertising, thus would be eligible for full reimbursement under TERC's opinion.**

The Lowcountry Golf Course Owner's Association is seeking the following funding:

- \$15,335.26 for the production of a 2<sup>nd</sup> golf show booth
- \$11,175 for the attendance at the Toronto Golf and Travel Show
- \$26,000 for the attendance at the Cincinnati, Cleveland, Pittsburgh, and Michigan golf shows
- The total project cost is estimated at \$52,510.26 but the grant application is only requesting \$42,510.26 with the LGCOA contributing \$10,000 towards the investment.

The Committee felt that the LGCOA has the ability to drive business to the Island and this project would be an appropriate use of non-recurring funds. The Committee agreed that having a 2<sup>nd</sup> show booth would allow a greater reach to the organization and that it has the potential to generate additional tourism to the Island. The Committee expressed a concern about sustainability of future attendance at these additional shows without ATAX funding, but agreed to evaluate at a future date if such a request is made at that time.

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### **SHELTER COVE HARBOUR COMPANY**

*95% tourist to local ratio*

*2014 Grant Request is \$73,929 for the purchase of a floating dock for fireworks displays*

**The Committee does not recommend the funding of this grant at this time due our belief that it is not an immediate need and a general concern that a commitment could not be immediately given as to the future of the Shelter Cove weekly fireworks displays.**

The Shelter Cove Harbour Company is seeking the following funding:

- \$61,429 for the purchase of a 20'x100' floating platform dock and anchoring system
- \$12,500 for the installation of the floating platform

The Committee was very intrigued with this application and noted its creativity. Unfortunately, despite much conversation, the Committee was concerned that there was no formal commitment given to the future of their weekly firework shows so it was difficult to determine a feasible return on investment, although it was shared that the organization currently spends \$15,000 per year on renting a barge. Additional concerns shared were possible permitting issues and if there were any used dock options available for a lower cost. The applicant highlighted how this dock could be utilized across the island, for community emergency needs, and possibly lead toward other shows being made available to the community.

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### **THE COASTAL DISCOVERY MUSEUM**

*82% tourist to local ratio*

*2014 Grant Request is \$102,613*

The Committee recommends a grant of \$102,613 for the construction of the Discovery Lab. The Committee has followed TERC guidelines in terms of recommending a prorated award based on the reported percentage of tourists served, but the prorated amount is calculated from the total project cost and since the grant request total falls within the prorated portion it can be recommended to be funded in full.

The Coastal Discovery Museum is seeking the following funding:

- \$102,613 for the construction of a 1,072 square foot Discovery Lab at the museum that will provide hands on nature-based experiences for visitors.

Based on the continued success of the Museum and their ability to drive and enhance tourism to the Island the Committee felt that funding this grant application would be an appropriate use of non-recurring funds. The Committee was impressed that this specific project already had a significant amount of funds raised and that the organization was seeking to close the gap so they could begin construction sooner. We feel that this is a significant addition to their offerings and has the potential to really enhance the experience of visitors and also create a venue that could collaborate with other organizations needs moving forward.

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## **THE HERITAGE LIBRARY FOUNDATION**

*86% tourist to local ratio*

*2014 Grant Request is \$8,421 for tree remediation and signage for the Zion Chapel of Ease Cemetery*

The Committee recommends a grant of \$7,242 for tree remediation and production of signage. The Committee has followed TERC guidelines in terms of recommending a prorated award based on the reported percentage of tourists served for the tree remediation but interprets the signage expense as marketing and advertising, thus this item would be eligible for full reimbursement under TERC's opinion.

The Heritage Library Foundation is seeking the following funding:

- \$5,900 for tree remediation around the site
- \$2,521 for signage

The Committee feels that funding this grant would be an appropriate use of non-recurring funds. We noted that our Island has a number of historical landmarks that are underutilized due to their condition, inaccessibility, or through lack of proper marking. The Committee felt that this is a one-time request that would help identify a cultural treasure on our Island and could be sustainable in future years directly through the organization.

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## **THE SANDBOX**

*82% tourist to local ratio*

*2014 Grant Request is \$102,623 for museum exhibit revitalization and facility upgrades*

The committee recommends a grant of \$82,123 for the revitalization of museum exhibits and renovation of space. The Committee has followed TERC guidelines in terms of recommending a prorated award based on the reported percentage of tourists served. The Committee did not include a \$25,000 future exhibit line item in our funding recommendation because we determined it would not be able to be spent within the shelf life of these available funds and would not comply with ATAX law.

The Sandbox is seeking the following funding:

- \$43,000 for the transformation of the Café exhibit
- \$12,150 for the renovation of the loft space

- \$35,000 for an addition to the Transportation Zone exhibit
- \$25,000 for future exhibit funds
- \$10,000 for general cosmetic improvements

The Committee felt strongly about recommending funding for this organization. The Committee noted that this applicant has continually proven to be a destination of tourists who are on the Island and have provided a much needed resource to travelers who have very young children. The Committee feels that the funding of this grant application would be an appropriate use of non-recurring funds.

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Respectfully submitted on behalf of the Accommodations Tax Advisory Committee,



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Mike Alsko, Chairman

**Accommodations Tax Advisory Committee Members:**

Mike Alsko, Chairman  
Rob Bender, Vice Chairman  
Trish Heichel  
Stewart Brown  
Bob Spear  
Charlie Miner  
Brad Marra

**Calendar Year 2015 Accommodations Tax Advisory Committee Recommendations**

	2014				2015 NON-RECURRING			2015 NON-RECURRING	
	Town Council Award	Specific from Non-Recurring	ATAC Recommended Restrictions	Town Council Additional Restrictions	2015 Applicant Request	ATAC Recommendation	ATAC Restrictions	Town Council Award	TC Add'l Restrictions
Art League of Hilton Head	45,000		all advertising		11,001	2,750			
Arts Center of Coastal Carolina	365,000		94.5k adv		-				
Arts Center of Coastal Carolina - Capital Improvement	86,000	86,000	non-recurring	hold \$ pending study	260,850	124,432			
David M. Carmines Memorial Foundation	4,000		all advertising		-				
Harbour Town Merchants Assoc.	9,000				-				
Hilton Head Choral Society	18,000		\$3.8k for prof org; rest for adv	suggest but not require	4,790	4,790			
Hilton Head Concours d'Elegance	134,000		all advertising		85,000	85,000			
Hilton Head Dance Theater	12,000		all advertising		-				
HHI Audubon Society			N/A		30,000	-			
HHI Land Trust					15,000	15,000			
HHI St. Patrick's Day Parade	12,000				-				
HHI Wine and Food, Inc.	100,350		all advertising		25,000	-			
Hilton Head Island-Bluffton Chamber of Commerce VCB	330,000		all adv excludes meeting planner						
Hilton Head Symphony Orchestra	200,000		mobile app	suggest bullet pt-Ironman	340,000	-			
Hilton Head Symphony Orchestra-Hilton Head Choral Society Joint			\$120k adv		82,800	-			
Hilton Head Island Visitors and Convention Bureau					30,200	12,000	need TERC opinion		
Italian American Club of Hilton Head	5,000		all advertising		250,000	-			
Lowcountry Golf Course Owners Association	50,000		all advertising		-				
				mgmt corrective plan/improve app, esp	42,510.26	42,510			
Main Street Youth Theater	12,000		all advertising		-				
Mitchelville Preservation Project	28,000		all advertising		-				
Native Island Business & Community	95,000		all advertising		-				
SC Lowcountry & Resort Islands Tourism	15,000		digital mkt of HHI		-				
Shelter Cove Harbour Company	9,000	-	9k July 4; 10k non-rec for Tues	Tues not approved	73,929	-			
Skull Creek July 4th Celebration	9,000				-				
South Carolina Repertory Company	12,000		all advertising		-				
The Coastal Discovery Museum	185,000				102,613	102,613			
The Heritage Library	17,150	2,150	\$10k mkt; Ft Mit \$2.15k non-rec		8,421	7,242			
The Sandbox	50,000		\$25k advertising		102,623	82,123			
Town of Hilton Head Island	999,776				-				
<b>Subtotal of Current Year Requests/Recommendations/Awards</b>	<b>2,802,276</b>	<b>88,150</b>			<b>1,464,737</b>	<b>478,460</b>		<b>-</b>	
<b>Non-recurring Funds Reserved for allocation after CY14 awards</b>	<b>478,460</b>				<b>478,460</b>				
<b>Totals</b>	<b>3,280,736</b>	<b>88,150</b>							

**Remaining Balance Available to Award**

(0) 478,460

	<i>CY2013</i>	<i>CY2012</i>	<i>Total</i>
<i>Grant Funds Available for CY 2014</i>	3,157,869	122,867	3,280,736
<i>Non-Recurring Funds</i>	(443,743)	(122,867)	(566,610)
<i>Recurring Funds available for 2014 Grants</i>	2,714,126	-	2,714,126
		<i>ATAC</i>	<i>Town Council</i>
<i>Total Grant Funds Awarded for 2014 Grants</i>		2,812,276	2,802,276
<i>Less Non-Recurring Funds Awarded</i>		(98,150)	(88,150)
<i>Recurring Funds Awarded</i>		2,714,126	2,714,126
<i>Balance of Non-Recurring Funds to be awarded</i>		468,460	478,460



## **MEMORANDUM**

**TO:** Town Council

**FROM:** Susan M. Simmons, CPA, Director of Finance

**VIA:** Stephen G. Riley, ICMA-CM, Town Manager

**DATE:** September 26, 2014

**RE:** **First Reading of Proposed Ordinance No. 2014-27**

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### **Recommendation:**

Staff recommends Council approve first reading of Proposed Ordinance No. 2014-27 **amending and finalizing fiscal year 2014** General, Capital Projects, and Stormwater (Enterprise) Funds' budgets.

### **Summary:**

This ordinance amends three of the Town's four budgeted funds for the changes needed to complete fiscal year 2014. The Debt Service Fund is not amended.

### **Background:**

The budget amendment is proposed for the following reasons:

- **General Fund** – This fund's budget is amended for two reasons. A small increase of \$3,700 is provided for the USCB Event Management and Hospitality Program which is available in the reserve fund for this program. Council approval is needed for transfers between departments above the \$100,000 threshold for Town Manager. In fiscal year 2014, the Town included a vacancy factor for salaries given that for many years the entire personnel budgets were not used. Due to larger turnover of senior positions and or long-term employees with large leave balances and the hiring of new employees taking higher cost (family or spouse) insurance coverage, the Town slightly exceeded the entire personnel budget. The \$38,595 excess was covered by budget balances in operating accounts that were not needed. (As an aside, to avoid a future recurrence, the Town did not include a vacancy factor in the fiscal year 2015 budget.)
- **Capital Projects Fund** – The amendments to the budget will be described using the project categories for grouping purposes. This ordinance is depicted in the last column below and the highlighted explanations. The encumbered and unencumbered roll forwards are included in subsequent ordinances presented at this Council meeting.

	Encumbered Funds Rolled to FY15	Unencumbered Funds Rolled to FY15	Budgets Increased (Lapsed) for Final FYE14
Beach Maintenance	\$ 392,205	\$ 57,983	\$ (24,206)
Existing Facilities/ Infrastructure	321,811	27,152	(2,868)
Park Development	967,201	533,600	(33,515)
Land Acquisition	2,250,000	250,000	19,753
New Facilities/ Infrastructure	175,761	2,964,943	-
Pathways	29,500	87,601	(277,009)
Road Improvements	937,236	3,209,182	(451,387)
Transfers to Debt Service	-	-	119,782
<b>Total Increase(Decrease)</b>	<b>\$ 5,073,714</b>	<b>\$ 7,130,461</b>	<b>\$ (649,450)</b>

- Staff proposes in the **Beach Maintenance** category to roll forward \$57,983 of unencumbered funds for the planning and permitting of the FY16 Beach Renourishment project and final funding for Ocean Point. Additionally, encumbrances of \$392,205 will roll forward primarily for ongoing, general beach management and monitoring and initial planning of the FY16 Beach Renourishment project. The remaining \$24,206 will be lapsed primarily due to the Ocean Point project being under budget.
- For the **Existing Facilities/Infrastructure** category, staff proposes to roll forward \$27,152 of unencumbered funds for Town Hall renovations and final amounts to complete Fire Station 6 as well as encumbered funds of \$321,811 for Station 6. After small transfers to balance between general capital assets and those specifically at Town Hall, there will be a lapse of \$2,868 in this category.
- The primary encumbrance is the Rowing and Sailing Center in **Park Development** for which staff proposes to roll forward \$967,201. Of the total \$533,600 of unencumbered funds proposed to roll forward, Chaplin Linear Park is the significant project. Finally, staff proposes to lapse \$33,515 in this category primarily from Park Upgrades.
- In the **Land Acquisition** category, staff proposes to roll forward encumbered and unencumbered amounts of \$2,250,000 and \$250,000, respectively, for the new park at Shelter Cove. The \$19,753 increase in budget covers various land projects' costs for items such as legal fees, appraisals, etc.; the Town's policy is to budget for these items after expenditures are incurred and amounts are known.
- Staff proposes for the **New Facilities/Infrastructure** category to roll forward \$175,761 for sewer service projects, Office Park/USCB, and Coligny/Pope Area Initiative. Additionally, staff proposes to roll forward unencumbered funds of \$2,964,943 for the same three project groups (primarily USCB) and both the staff tenant upfit and Sheriff's Office holding cells projects at the Town's Shelter Cove building. There are no proposed lapses in this category.
- Staff proposes small roll forward amounts for **Pathways** at Pembroke, Gardner, and Gum Tree to Squire Pope from encumbered, unencumbered or both funds and

almost \$90,000 for the US 278 Fresh Market to Shelter Cove pathway. For the final fiscal year 2014 amendments in the Pathway category, staff proposes to balance/close projects at Leg O'Mutton, Pembroke, Gardner, and Honey Horn access. Due to lack of available funds in Hospitality Taxes and Traffic Impact Fees to continue planned pathways, Council approved during fiscal year 2015 budget development to delay four pathway projects along US 278 for which planning funds were budgeted in fiscal year 2014. Therefore, staff proposes to lapse the budget balances in these planning projects.

- For **Road Improvements**, staff's proposes to roll forward \$937,236 of encumbered funds, the largest being Mathews/Chaplin Connectivity and roughly \$80,000 each for Lemoyne and US 278 at Leamington/Fresh Market. Of the \$3,209,182 total, the largest unencumbered funds' projects proposed to roll are approximately \$2.5m for Heritage Plaza Road Extension<sup>A</sup> and \$375k for Traffic Signal System Pre-emption. Smaller amounts are proposed for the Mathews Connectivity, US 278 at Leamington/Fresh Market, Emergency Access Points, and Private Dirt Road Acquisition. Staff proposes \$451,387 of budget balance lapses for several projects, the most notable being US 278 at Leamington/Fresh Market which came in significantly under budget.

<sup>A</sup> Staff is aware that Council may determine to better use these funds for other TIF projects in Coligny or for the USCB Campus. This account is considered to be a placeholder awaiting further direction from Council.

- The **Transfers to Debt Service** budget amendment is necessary to budget for lease rental funds recorded in the Capital Projects Fund but transferred to the Debt Service Fund to partially fund the debt service on the bonds used to purchase the building where the Sheriff's Office is located.

- **Stormwater Fund** – Staff's requests to roll forward \$306,366 of encumbered funds are primarily for water quality monitoring and inventory and modeling and smaller amounts for specific upgrade and maintenance projects.

Also, staff requests \$1,002,763 in unencumbered funds to roll forward, primarily for six upgrade projects, the largest at Myrtle and Hickory; inventory and modeling; the Sea Pines Pump Station; and one maintenance project at Sweetwater.

There are various project budget changes to close fiscal year 2014 with a net change of \$(422,370). A budget increase of \$12,795 is needed for the personnel budget but is available from multiple operating accounts being under budget by \$126,394 and debt service by \$239. Stormwater projects are subject to many unknowns generally working underground on projects not originally installed by the Town. Staff finds it necessary to modify many projects' budgets up or down to account for actual costs. Fortunately, the Town expends less on general maintenance than is budgeted allowing these smaller changes to easily occur. Also, specific projects in drainage maintenance and repairs can often be delayed if necessitated by more urgent and or costly projects. Staff reallocated budgets to enable the upcoming emergency work at the Sea Pines Pump Station estimated to be \$350,000.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2014-27**

**AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2014; TO PROVIDE FOR THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

**WHEREAS**, the Town Council did adopt the budget on June 18, 2013, and

**WHEREAS**, pursuant to the budget amendment policy as stated in the Town's annual budget document, the Town Council is desirous of amending the budget so as to provide for the expenditures and certain other commitments from the Fund Balance and other revenue sources, as well as to correct budget appropriations for certain projects in the General, Capital Projects, Debt Service, and Stormwater Funds.

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

Section 1 Amendment. The adopted 2014 fiscal year budget is amended to make the changes as increases and decreases to the funds from prior years and to the projected revenue and expenditure accounts as detailed in Attachment A.

Section 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.

Section 3 Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island.

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2014-27**

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND ON THIS \_\_\_\_DAY OF\_\_\_\_\_, 2014.**

\_\_\_\_\_  
Drew A. Laughlin, Mayor

ATTEST:

\_\_\_\_\_  
Victoria L. Pfannenschmidt  
Town Clerk

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Gregory M. Alford, Town Attorney

Introduced by Council Member:

\_\_\_\_\_

**ORDINANCE NO.****PROPOSED ORDINANCE NO. 2014-27****ATTACHMENT A****General Fund**

<b><u>Account Description</u></b>		<b><u>Amount</u></b>
<b><i>Revenues:</i></b>		
Funds from Prior Years		\$ 3,700
<b>Total Revenues</b>		<b>\$ 3,700</b>
<b><i>Expenditures:</i></b>		
<b>Town Wide - Personnel</b>	<b>10000910</b>	\$ (41,658)
<b>Townwide Grants</b>	<b>10000950</b>	
Event Management & Hospitality Training	56052	3,700
<b>Finance R&amp;C - Personnel</b>	<b>11052510</b>	(84,377)
<b>Finance R&amp;C - Operating</b>	<b>11052520</b>	
Professional Services	54951	(55,218)
<b>F&amp;R Administration - Personnel</b>	<b>12020510</b>	38,595
<b>F&amp;R Operations - Personnel</b>	<b>12021010</b>	142,658
<b>Total Expenditures</b>		<b>\$ 3,700</b>

## ATTACHMENT A

## Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
2010A GO Ref. Bond		\$ 1,889
2013A GO Bond		563
Beach Fees		(22,978)
Hospitality Bond		(43,728)
Hospitality Taxes		(487,490)
Lease		119,782
Property Taxes		(37,277)
Resale of Land		17,301
Sunday Liquor Permit Fees		(34,743)
Traffic Impact Fees		(162,769)
<b>Total Revenues</b>		<b>\$ (649,450)</b>
<b>Expenditures:</b>		
<b>Beach Maintenance</b>		
Beach Management/Monitoring	Beach Fees	\$ 1,922
Beach Renourishment FY16	Beach Fees	(1,228)
Beach Renourishment Ocean Point	Beach Fees	(24,900)
		<b>(24,206)</b>
<b>Existing Facilities/Infrastructure</b>		
Clean up, Maint. of Prop. & Demo of Structures	Property Taxes	(2,185)
Rehabilitation & Reno of Fixed Cap. Assets	Property Taxes	(34,832)
Town Hall Renovations	Hospitality Taxes	34,149
		<b>(2,868)</b>
<b>Park Development</b>		
Parks Upgrades	Sun. Liq. Permit Fees	(34,743)
Collier Beach	Beach Fees	1,228
		<b>(33,515)</b>
<b>Pathways</b>		
Leg O'Mutton	Hospitality Bond	2,560
Pembroke Drive	Hospitality Bond	(9,134)
"	Hospitality Taxes	20,594
Gardner Drive	Traffic Impact Fees	(16,821)
Honey Horn Access Improvements	Property Taxes	(260)
US 278 (Shelter Cove/Chaplin to Mathews N)	Hospitality Taxes	(15,000)
"	Traffic Impact Fees	(74,418)
US 278 (Gardner Drive to Jarvis Park/Honey Horn)	Hospitality Taxes	(60,000)
"	Traffic Impact Fees	(40,280)
US 278 (Gum Tree Road to Squire Pope Road)	Hospitality Taxes	(28,000)
"	Traffic Impact Fees	(10,260)
US 278 (Village at Wexford to Arrow Road)	Hospitality Taxes	(25,000)
"	Traffic Impact Fees	(20,990)
		<b>(277,009)</b>

## ATTACHMENT A

## Capital Projects Fund (Cont.)

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Expenditures (Cont.):</b>		
<b>Road Improvements</b>		
Directional/Neighborhood Singage	Hospitality Bond	(9,463)
Leamington/Fresh Market/US 278	Hospitality Bond	(2,396)
"	Hospitality Taxes	(387,257)
Traffic Signal Mast Arms	Hospitality Bond	(20,248)
"	Hospitality Taxes	(16,976)
Intersection Improvements	Hospitality Bond	(5,047)
F&R Emergency Access Points	Hospitality Taxes	(10,000)
		<u>(451,387)</u>
<b>Land Acquisition</b>		
Land Acquisition	2010A GO Ref. Bond	1,889
"	2013A GO Bond	563
"	Resale of Land	17,301
		<u>19,753</u>
<b>Transfers</b>		
Transfer to Debt Service Fund	Lease	119,782
		<u>119,782</u>
<b>Total Expenditures</b>		<u><u>\$ (649,450)</u></u>

## Stormwater Fund

<u>Account Description</u>	<u>Amount</u>
<b>Revenues:</b>	
Stormwater Utility Fees-Prior Year Funds	\$ (422,370)
<b>Total Revenues</b>	<u><u>\$ (422,370)</u></u>
<b>Expenditures:</b>	
<b>Personnel</b>	
Personnel	Stormwater Utility Fees
	<u>\$ 12,795</u>
	<b>12,795</b>
<b>Operating</b>	
BC SWU Admin Fee	Stormwater Utility Fees
Public Information	Stormwater Utility Fees
MAP Update	Stormwater Utility Fees
Water Quality Monitoring	Stormwater Utility Fees
Professional Services	Stormwater Utility Fees
General Operating Expenses	Stormwater Utility Fees
	<u>(9,757)</u>
	<b>(126,394)</b>
<b>Debt Service</b>	
Interest	Stormwater Utility Fees
Other Charges	Stormwater Utility Fees
	<u>261</u>
	<u>(500)</u>
	<b>(239)</b>

## ATTACHMENT A

## Stormwater Fund (Cont.)

<u>Account Description</u>	<u>Amount</u>
<b>Infrastructure Upgrades &amp; Improvements</b>	
<b><i>Hilton Head Plantation</i></b>	
Isabella Court	Stormwater Utility Fees \$ 675
Bear Creek Outfall	Stormwater Utility Fees (95,696)
Cypress Golf Course Sinkhold	Stormwater Utility Fees 36,000
<b><i>Indigo Run Plantation PUD</i></b>	
Wiler's Creek Stabilization	Stormwater Utility Fees (1,630)
<b><i>Palmetto Dunes Plantation PUD</i></b>	
Mooring Buoy Outfall	Stormwater Utility Fees (25,000)
<b><i>Port Royal Plantation PUD</i></b>	
Marketplace and Oak Creek	Stormwater Utility Fees (990)
<b><i>Sea Pines PUD</i></b>	
Baynard Cove Outfall	Stormwater Utility Fees (10,000)
Governor's Road	Stormwater Utility Fees 60,000
<b><i>Wexford PUD</i></b>	
Wexford Club Drive Flooding	Stormwater Utility Fees (5,000)
<b><i>Non-PUD</i></b>	
Gum Tree Road South Outfall	Stormwater Utility Fees (4,432)
Executive Park	Stormwater Utility Fees (210)
Fish Haul Culverts	Stormwater Utility Fees (2,495)
	<b>(48,778)</b>
<b>Inventory &amp; Modeling</b>	
Leamington	Stormwater Utility Fees 10,777
Palmetto Dunes	Stormwater Utility Fees (29,095)
Port Royal	Stormwater Utility Fees 18,318
	-
<b>Drainage Maintenance and Repairs</b>	
<b><i>Hilton Head Plantation</i></b>	
General Maintenance	Stormwater Utility Fees (76,939)
<b><i>Indigo Run Plantation PUD</i></b>	
General Maintenance	Stormwater Utility Fees (6,880)
Long Reach Hoe Work	Stormwater Utility Fees (1,760)
<b><i>Leamington PUD</i></b>	
General Maintenance	Stormwater Utility Fees (13,410)
<b><i>Long Cove Plantation PUD</i></b>	
General Maintenance	Stormwater Utility Fees (12,952)
<b><i>Palmetto Hall PUD</i></b>	
General Maintenance	Stormwater Utility Fees (541)
<b><i>Palmetto Dunes Plantation PUD</i></b>	
General Maintenance	Stormwater Utility Fees (15,745)
Queens Folley Flooding at Queens Grant	Stormwater Utility Fees (2,947)

## ATTACHMENT A

## Stormwater Fund (Cont.)

<u>Account Description</u>		<u>Amount</u>
<b>Expenditures (Cont.):</b>		
<b>Drainage Maintenance and Repairs (Cont.)</b>		
<b>Port Royal Plantation PUD</b>		
General Maintenance	Stormwater Utility Fees	(29,869)
Scarborough Channel Widening	Stormwater Utility Fees	(100,000)
Clearing Siltation	Stormwater Utility Fees	(14,272)
<b>Sea Pines PUD</b>		
General Maintenance	Stormwater Utility Fees	(6,221)
Greenwood Drive Ditch	Stormwater Utility Fees	(60,000)
Lawton Drive & Road	Stormwater Utility Fees	(288)
Baynard Cove	Stormwater Utility Fees	(20,000)
<b>Shipyards Plantation PUD</b>		
General Maintenance	Stormwater Utility Fees	(10,154)
Hamilton/Sands Long Reach	Stormwater Utility Fees	(3,270)
<b>Wexford PUD</b>		
General Maintenance	Stormwater Utility Fees	(59,033)
Wexford Ditch Work	Stormwater Utility Fees	(4,538)
<b>Non-PUD</b>		
General Maintenance	Stormwater Utility Fees	(13,161)
Mathews/Matilda - Bank Stabilization	Stormwater Utility Fees	(30,000)
Old Woodlands	Stormwater Utility Fees	(75)
Sea Cloisters	Stormwater Utility Fees	(4,706)
Northridge - Long Reach Hoe	Stormwater Utility Fees	(22,025)
Arrow Road Rear Channel Maintenance	Stormwater Utility Fees	(1,166)
Bermuda	Stormwater Utility Fees	5,572
Folly Field	Stormwater Utility Fees	(2,305)
Cordillo Parkway Channel/Pipe Cleaning	Stormwater Utility Fees	(20,000)
		<b>(526,685)</b>
<b>Pump Stations</b>		
Sea Pines Pump Station	Stormwater Utility Fees	(566)
Shipyards Pump Station	Stormwater Utility Fees	358,623
Wexford Generator Permanent Mount	Stormwater Utility Fees	(28,238)
Wexford Pump	Stormwater Utility Fees	(4,319)
Jarvis Creek Pump Station	Stormwater Utility Fees	(58,569)
		<b>266,931</b>
<b>Total Expenditures</b>		<b>\$ (422,370)</b>

The effect of this amendment will be to increase the General Fund to \$35,304,134, decrease the Capital Projects Fund to \$25,515,269 and the Enterprise Fund to \$4,729,040. The Debt Service Fund at \$17,050,403 remains unchanged.



## **MEMORANDUM**

**TO:** Town Council

**FROM:** Susan M. Simmons, CPA, Director of Finance

**VIA:** Stephen G. Riley, ICMA-CM, Town Manager

**DATE:** September 25, 2014

**RE:** **First Reading of Proposed Ordinance No. 2014-28**

---

### **Recommendation:**

Staff recommends that Town Council approve first reading of Proposed Ordinance No. 2014-28 which amends the fiscal year 2015 budget for the encumbrances brought forward from fiscal year 2014.

### **Summary:**

This budget amends the General Fund, Capital Projects Fund and Stormwater (Enterprise) Fund by carrying forward funds from prior years to pay for specific encumbrance items that had been obligated prior to the beginning of the new fiscal year 2015. These specific encumbrance items can be contracts and/or obligated purchase orders that for various reasons were not paid prior to the end of fiscal year 2014.

### **Background:**

The larger items in the General Fund are for a contract related to various small roadway repairs, IT equipment and software, and Fire Rescue equipment. The EDC's director search was ongoing at yearend; therefore, this encumbrance balance needs to be brought forward to fiscal year 2015.

The significant amount of the Capital Project Fund's encumbrances brought forward to fiscal year 2015 are primarily for the Town's share of the new park at Shelter Cove, the Mathews Drive/Chapin Area Connectivity roadwork, and the Rowing & Sailing Center.

In the Stormwater Fund, the major encumbrances relate to the inventory and modeling work in various plantations and watersheds.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2014-28**

**AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2015; TO PROVIDE FOR THE BUDGETED APPROPRIATIONS OF PRIOR YEAR ENCUMBRANCES AND FOR THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

**WHEREAS**, the Town Council did adopt the budget on June 17, 2014, and

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

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

Section 1 Amendment. The adopted 2015 fiscal year budget is amended to make the following changes as additions to the funds from prior years and to the projected revenue and expenditure accounts as detailed in Attachment A.

Section 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.

Section 3 Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island.

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2014-28**

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.**

\_\_\_\_\_  
Drew A. Laughlin, Mayor

ATTEST:

\_\_\_\_\_  
Victoria L. Pfannenschmidt  
Town Clerk

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Gregory M. Alford  
Town Attorney

Introduced by Council Member:

\_\_\_\_\_

## ORDINANCE NO.

## PROPOSED ORDINANCE NO. 2014-28

## ATTACHMENT A

## General Fund

<u>Account Description</u>		<u>Amount</u>
<b>Revenues:</b>		
Funds From Prior Years		\$ 362,428
<b>Total Revenues</b>		<b>\$ 362,428</b>
<b>Expenditures:</b>		
<b>Town Wide - Operating</b>	<b>10000920</b>	
Professional Services	53320	\$ 12,500
Lease Payments	54954	\$ 10,531
<b>Town Council - Operating</b>	<b>10511120</b>	
Legal Fees	53310	\$ 6,569
<b>IT Services - Capital</b>	<b>11061540</b>	
Specialized Equipment	55120	\$ 61,164
Computer Software > \$50,000	55121	\$ 21,281
<b>Legal/Admin. Support - Operating</b>	<b>11061620</b>	
Record Management	53200	\$ 21,200
<b>Human Resources - Operating</b>	<b>11061720</b>	
Consulting Services	53350	\$ 13,250
<b>PP&amp;F/ Engineering - Operating</b>	<b>11536520</b>	
Roadways Maintenance	53150	\$ 136,224
<b>DRZ - Operating</b>	<b>11585020</b>	
Consulting Services	55350	\$ 7,175
<b>F&amp;R Fleet Maint. - Operating</b>	<b>12023520</b>	
SCBA Repair	54951	\$ 7,391
<b>F&amp;R Support Services - Operating</b>	<b>12029520</b>	
Maintenance Contracts	53700	\$ 6,239
<b>F&amp;R Support Services - Capital</b>	<b>12029540</b>	
Specialized Equipment	55120	\$ 44,429
<b>EDC - Operating</b>	<b>18000020</b>	
Employee Recruitment	53072	\$ 14,475
<b>Total Expenditures</b>		<b>\$ 362,428</b>

## ATTACHMENT A, CONTINUED

## Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
2013A GO Bond		\$ 74,127
2014 GO Bond		2,250,000
Beach Fees		392,205
Hospitality Bond		243,100
Hospitality Taxes		171,499
TIF Property Taxes		1,843,920
Traffic Impact Fees		98,863
<b>Total Revenues</b>		<b>\$ 5,073,714</b>
<b>Expenditures:</b>		
<b>Beach Maintenance</b>		
Beach Management & Monitoring	Beach Fees	\$ 176,045
Beach Renourishment FY16	Beach Fees	204,018
Beach Renourishment Ocean Point	Beach Fees	12,142
		<b>392,205</b>
<b>Existing Facilities/Infrastructure</b>		
Fire Station 6 Replacement	Hospitality Bond	230,340
"	Hospitality Taxes	91,471
		<b>321,811</b>
<b>Park Development</b>		
Rowing & Sailing Center	TIF Property Taxes	954,098
Chaplin Linear Park	TIF Property Taxes	13,103
		<b>967,201</b>
<b>Land</b>		
Shelter Cove Park	2014 GO Bond	2,250,000
		<b>2,250,000</b>
<b>New Facilities/Infrastructure</b>		
Sewer Service Projects	2013A GO Bond	74,127
Office Park/USCB	TIF Property Taxes	5,960
Coligny/Pope Avenue Area Initiative	TIF Property Taxes	95,674
		<b>175,761</b>
<b>Pathways</b>		
US 278 (Fresh Market to Shelter Cove)	Hospitality Bond	12,760
US 278 (Gum Tree Road to Squire Pope Road)	Traffic Impact Fees	16,740
		<b>29,500</b>
<b>Road Improvements</b>		
Mathews Dr./Chaplin Area Connectivity	TIF Property Taxes	775,085
Leamington/Fresh Market/US 278	Hospitality Taxes	80,028
Lemoyne Ave.	Traffic Impact Fees	82,123
		<b>937,236</b>
<b>Total Expenditures</b>		<b>\$ 5,073,714</b>

## ORDINANCE NO.

## PROPOSED ORDINANCE NO. 2014-28

## ATTACHMENT A, CONTINUED

## SWU Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
Stormwater Utility Fees-Prior Years		\$ 306,366
<b>Total Revenues</b>		<b>306,366</b>
<b>Expenditures:</b>		
<b>Operating</b>		
Water Quality Monitoring	Stormwater Utility Fees	\$ 33,751
		<b>33,751</b>
<b>Infrastructure Upgrades &amp; Improvements</b>		
<b>Hilton Head Plantation PUD</b>		
Cypress Golf Course	Stormwater Utility Fees	29,174
<b>Sea Pines PUD</b>		
Governor's Road	Stormwater Utility Fees	26,887
		<b>56,061</b>
<b>Inventory &amp; Modeling</b>		
Hilton Head Plantation	Stormwater Utility Fees	21,680
Leamington	Stormwater Utility Fees	31,583
Palmetto Dunes	Stormwater Utility Fees	118,101
Port Royal Plantation	Stormwater Utility Fees	31,630
Unaffiliated Watersheds	Stormwater Utility Fees	10,256
		<b>213,250</b>
<b>Drainage Maintenance and Repairs</b>		
<b>Indigo Run</b>		
Indigo Run Plantation Maintenance	Stormwater Utility Fees	1,220
<b>Palmetto Dunes</b>		
Queens Folly	Stormwater Utility Fees	2,084
		<b>3,304</b>
<b>Total Expenditures</b>		<b>\$ 306,366</b>

The effect of this first budget amendment for fiscal year 2015 is presented below.

	General Fund		Cap Proj Fund		Debt Service		Total Governmental Funds	
	Expenditures	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources	Expenditures, Transfers Out	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Current Balance	\$ 37,576,368	\$(36,569,122)	\$ 12,759,486	\$(10,856,730)	\$ 16,716,756	\$(17,715,421)	\$ 67,052,610	\$(65,141,273)
Amendment	362,428	(362,428)	5,073,714	(5,073,714)	-	-	5,436,142	(5,436,142)
Revised Balance	\$ 37,938,796	\$(36,931,550)	\$ 17,833,200	\$(15,930,444)	\$ 16,716,756	\$(17,715,421)	\$ 72,488,752	\$(70,577,415)

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2014-28**

**ATTACHMENT A, CONTINUED**

	Enterprise Fund	
	Stormwater Fund	
	<hr/>	
	Expenditures	
	& Transfers	Revenues &
	Out	Transfers In
Current Balance	\$ 3,549,749	\$ (3,564,900)
Amendment	306,366	(306,366)
Revised Balance	\$ 3,856,115	\$ (3,871,266)



## **MEMORANDUM**

**TO:** Town Council

**FROM:** Susan M. Simmons, CPA, Director of Finance

**VIA:** Stephen G. Riley, ICMA-CM, Town Manager

**DATE:** September 26, 2014

**RE:** **First Reading of Proposed Ordinance No. 2014-29**

---

### **Recommendation:**

Staff recommends Council approve first reading of Proposed Ordinance No. 2014-29 **amending fiscal year 2015 for amounts brought forward** for the General, Capital Projects, and Stormwater (Enterprise) Funds' budgets.

### **Summary:**

This budget ordinance amends the General Fund, Capital Projects Fund and Stormwater (Enterprise) Fund by rolling forward budgeted funds from the prior year that were not encumbered at the end of the fiscal year. A roll-forward item is a budget for a capital improvement or stormwater project or General Fund program or technology project that for various reasons was not started or not completed at June 30, 2014. Staff requested these funds be rolled to complete projects and plans during fiscal year 2015.

The Debt Service Fund is not amended.

### **Background:**

The budget amendment is proposed for the following reasons:

- **General Fund** – Staff requests to bring forward a total of \$297,883 for various items, including funds to complete the LMO Rewrite project, ongoing security camera improvements/additions, permitting software, evaluation of business license software, ongoing traffic signal maintenance, and the balance of Island Recreation capital items not yet completed. For the Economic Development Corporation, staff has proposed moving budget into an operating account (on a previous ordinance in this series) and with this ordinance proposes to carry it forward to fiscal year 2015 to complete the hiring and relocation of the Corporation. Finally, this ordinance provides funds for some leases inadvertently omitted from the new year's budget.
- **Capital Projects Fund** – The amendments to the budget will be described using the project categories for grouping purposes. This ordinance is depicted in the middle column below and the highlighted explanations. The encumbered and final fiscal year

2014 amendments are included in separate ordinances presented at this Council meeting.

	Encumbered Funds Rolled to FY15	Unencumbered Funds Rolled to FY15	Budgets Increased (Lapsed) for Final FYE14
Beach Maintenance	\$ 392,205	\$ 57,983	\$ (24,206)
Existing Facilities/ Infrastructure	321,811	27,152	(2,868)
Park Development	967,201	533,600	(33,515)
Land Acquisition	2,250,000	250,000	19,753
New Facilities/ Infrastructure	175,761	2,964,943	-
Pathways	29,500	87,601	(277,009)
Road Improvements	937,236	3,209,182	(451,387)
Transfers to Debt Service	-	-	119,782
<b>Total Increase(Decrease)</b>	<b>\$ 5,073,714</b>	<b>\$ 7,130,461</b>	<b>\$ (649,450)</b>

- Staff proposes in the **Beach Maintenance** category to roll forward \$57,983 of unencumbered funds for the planning and permitting of the FY16 Beach Renourishment project and final funding for Ocean Point. Additionally, encumbrances of \$392,205 will roll forward primarily for ongoing, general beach management and monitoring and initial planning of the FY16 Beach Renourishment project. The remaining \$24,206 will be lapsed primarily due to the Ocean Point project being under budget.
- For the **Existing Facilities/Infrastructure** category, staff proposes to roll forward \$27,152 of unencumbered funds for Town Hall renovations and final amounts to complete Fire Station 6 as well as encumbered funds of \$321,811 for Station 6. After small transfers to balance between general capital assets and those specifically at Town Hall, there will be a lapse of \$2,868 in this category.
- The primary encumbrance is the Rowing and Sailing Center in **Park Development** for which staff proposes to roll forward \$967,201. Of the total \$533,600 of unencumbered funds proposed to roll forward, Chaplin Linear Park is the significant project. Finally, staff proposes to lapse \$33,515 in this category primarily from Park Upgrades.
- In the **Land Acquisition** category, staff proposes to roll forward encumbered and unencumbered amounts of \$2,250,000 and \$250,000, respectively, for the new park at Shelter Cove. The \$19,753 increase in budget covers various land projects' costs for items such as legal fees, appraisals, etc.; the Town's policy is to budget for these items after expenditures are incurred and amounts are known.
- Staff proposes for the **New Facilities/Infrastructure** category to roll forward \$175,761 for sewer service projects, Office Park/USCB, and Coligny/Pope Area Initiative. Additionally, staff proposes to roll forward unencumbered funds of \$2,964,943 for the same three project groups (primarily USCB) and both the staff

tenant upfit and Sheriff's Office holding cells projects at the Town's Shelter Cove building. There are no proposed lapses in this category.

- Staff proposes small roll forward amounts for **Pathways** at Pembroke, Gardner, and Gum Tree to Squire Pope from encumbered, unencumbered or both funds and almost \$90,000 for the US 278 Fresh Market to Shelter Cove pathway. For the final fiscal year 2014 amendments in the Pathway category, staff proposes to balance/close projects at Leg O'Mutton, Pembroke, Gardner, and Honey Horn access. Due to lack of available funds in Hospitality Taxes and Traffic Impact Fees to continue planned pathways, Council approved during fiscal year 2015 budget development to delay four pathway projects along US 278 for which planning funds were budgeted in fiscal year 2014. Therefore, staff proposes to lapse the budget balances in these planning projects.
- For **Road Improvements**, staff's proposes to roll forward \$937,236 of encumbered funds, the largest being Mathews/Chaplin Connectivity and roughly \$80,000 each for Lemoyne and US 278 at Leamington/Fresh Market. Of the \$3,209,182 total, the largest unencumbered funds' projects proposed to roll are approximately \$2.5m for Heritage Plaza Road Extension<sup>A</sup> and \$375k for Traffic Signal System Pre-emption. Smaller amounts are proposed for the Mathews Connectivity, US 278 at Leamington/Fresh Market, Emergency Access Points, and Private Dirt Road Acquisition. Staff proposes \$451,387 of budget balance lapses for several projects, the most notable being US 278 at Leamington/Fresh Market which came in significantly under budget.

<sup>A</sup> Staff is aware that Council may determine to better use these funds for other TIF projects in Coligny or for the USCB Campus. This account is considered to be a placeholder awaiting further direction from Council.

- The **Transfers to Debt Service** budget amendment is necessary to budget for lease rental funds recorded in the Capital Projects Fund but transferred to the Debt Service Fund to partially fund the debt service on the bonds used to purchase the building where the Sheriff's Office is located.

- **Stormwater Fund** – Staff's requests to roll forward \$306,366 of encumbered funds are primarily for water quality monitoring and inventory and modeling and smaller amounts for specific upgrade and maintenance projects.

Also, staff requests \$1,002,763 in unencumbered funds to roll forward, primarily for six upgrade projects, the largest at Myrtle and Hickory; inventory and modeling; the Sea Pines Pump Station; and one maintenance project at Sweetwater.

There are various project budget changes to close fiscal year 2014 with a net change of \$(422,370). A budget increase of \$12,795 is needed for the personnel budget but is available from multiple operating accounts being under budget by \$126,394 and debt service by \$239. Stormwater projects are subject to many unknowns generally working underground on projects not originally installed by the Town. Staff finds it necessary to modify many projects' budgets up or down to account for actual costs. Fortunately, the Town expends less on general maintenance than is budgeted allowing these smaller changes to easily occur. Also, specific projects in drainage maintenance and repairs can often be delayed if necessitated by more urgent and or costly projects. Staff reallocated budgets to enable the upcoming emergency work at the Sea Pines Pump Station estimated to be \$350,000.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2014-29**

**AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2015; TO PROVIDE FOR THE BUDGETED APPROPRIATIONS OF PRIOR YEAR BUDGET ROLL-FORWARDS AND THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

**WHEREAS**, the Town Council did adopt the budget on June 17, 2014, and

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

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

Section 1 Amendment. The adopted 2015 fiscal year budget is amended to make the following changes as additions to the funds from prior years and to the projected revenue and expenditure accounts as detailed in Attachment A.

Section 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.

Section 3 Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island.

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2014-29**

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.**

\_\_\_\_\_  
Drew A. Laughlin, Mayor

ATTEST:

\_\_\_\_\_  
Victoria L. Pfannenschmidt  
Town Clerk

First Reading: \_\_\_\_\_  
Second Reading: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Gregory M. Alford, Town Attorney

Introduced by Council Member:

\_\_\_\_\_

## ORDINANCE NO.

## PROPOSED ORDINANCE NO. 2014-29

## ATTACHMENT A

## General Fund

<u>Account Description</u>		<u>Amount</u>
<b>Revenues:</b>		
Funds From Prior Years		\$ 297,883
<b>Total Revenues</b>		<b>\$ 297,883</b>
<b>Expenditures:</b>		
<b>Townwide Capital</b>	<b>10000940</b>	
Security Cameras	55110	\$ 6,651
<b>Townwide Grants</b>	<b>10000950</b>	
Economic Deveopment Corporation	56005	15,960
Island Recreation Center-Capital	56030	51,508
<b>IT Services Operating</b>	<b>11061520</b>	
Computer Software <\$50,000	54400	5,000
<b>IT Services Capital</b>	<b>11061540</b>	
Computer Software = or >\$50,000	55121	93,880
<b>PP&amp;F/Engineering - Operating</b>	<b>11536520</b>	
Closed Loop Traffic Signal Maint.	53180	49,884
<b>PP&amp;F/Facilities Mgmt. - Operating</b>	<b>11537020</b>	
Maintenance Contracts/Fees	53700	30,000
<b>DRZ Operating</b>	<b>11585020</b>	
Consulting Services	53350	45,000
<b>Total Expenditures</b>		<b>\$ 297,883</b>

## ATTACHMENT A, CONTINUED

## Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
2013A GO Bond		\$ 29,074
2014A GO Bond		250,000
Beach Fees		57,983
Hospitality Bond		412,474
Hospitality Taxes		161,699
Lease		136,000
Property Taxes		130,708
TIF Property Taxes		5,874,922
Traffic Impact Fees		77,601
<b>Total Revenues</b>		<b>\$ 7,130,461</b>
<b>Expenditures:</b>		
<b>Beach Maintenance</b>		
Beach Renourishment FY16	Beach Fees	\$ 47,439
Beach Renourishment Ocean Point	Beach Fees	10,544
		<b>57,983</b>
<b>Existing Facilities/Infrastructure</b>		
Town Hall Renovations	Hospitality Taxes	15,234
Fire Station 6 Replacement	Hospitality Bond	11,918
		<b>27,152</b>
<b>Park Development</b>		
Rowing & Sailing Center	TIF Property Taxes	7,263
Chaplin Linear Park	TIF Property Taxes	510,460
Recreation Center Expansion	Hospitality Taxes	15,877
		<b>533,600</b>
<b>New Facilities/Infrastructure</b>		
BCSO-Shelter Cove	2013A GO Bond	22,924
"	Hospitality Bond	20,000
"	Lease	136,000
Sewer Service Projects	2013A GO Bond	6,150
58 Shelter Cove Lane - Tenant Upfit (Town Use)	Property Taxes	58,546
USCB Hospitality Mgmt. Program Building	TIF Property Taxes	2,687,906
Coligny/Pope Avenue Area Initiative	TIF Property Taxes	33,417
		<b>2,964,943</b>
<b>Pathways</b>		
Pembroke Drive	Hospitality Taxes	5,000
Gardner Drive	Hospitality Taxes	5,000
US 278 (Fresh Market Shoppes to Shelter Cove)	Traffic Impact Fees	77,601
		<b>87,601</b>

## ATTACHMENT A, CONTINUED

## Capital Projects Fund (Cont.)

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Expenditures (Cont.):</b>		
<b>Road Improvements</b>		
Mathews Dr./Chaplin Area Connectivity	TIF Property Taxes	\$ 127,761
Leamington/Fresh Market/US 278	Hospitality Taxes	25,000
Traffic Signal System Pre-emption	Hospitality Bond	375,000
Traffic Signal Mast Arms	Hospitality Bond	5,556
F&R Emergency Access Points	Hospitality Taxes	95,588
Heritage Plaza Road Extension	TIF Property Taxes	2,508,115
Private (Dirt) Road Acquisition	Property Taxes	72,162
		<u>3,209,182</u>
<b>Land Acquisition</b>		
Land Acquisition	2014A GO Bond	<u>250,000</u>
		<u>250,000</u>
<b>Total Expenditures</b>		<u><u>\$ 7,130,461</u></u>

## ORDINANCE NO.

## PROPOSED ORDINANCE NO. 2014-29

## ATTACHMENT A, CONTINUED

## SWU Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
Stormwater Utility Fees-Prior Years		\$ 1,002,763
<b>Total Revenues</b>		<b>\$ 1,002,763</b>
<b>Expenditures:</b>		
<b>Infrastructure Upgrades &amp; Improvements</b>		
<b>Hilton Head Plantation</b>		
Cypress Golf Course	Stormwater Utility Fees	\$ 4,465
<b>Indigo Run Plantation</b>		
Colonial Drive Flooding	Stormwater Utility Fees	50,000
<b>Long Cove PUD</b>		
Friendfield Court	Stormwater Utility Fees	75,980
<b>Sea Pines PUD</b>		
Governor's Road	Stormwater Utility Fees	33,113
<b>Non-PUD</b>		
Myrtle and Hickory Lanes	Stormwater Utility Fees	227,517
Gum Tree Outfall Channel at Katie Miller	Stormwater Utility Fees	133,428
		<b>524,503</b>
<b>Inventory &amp; Modeling</b>		
Indigo Run	Stormwater Utility Fees	67,000
Palmetto Dunes	Stormwater Utility Fees	16,717
Unaffiliated Watersheds	Stormwater Utility Fees	25,290
		<b>109,007</b>
<b>Drainage Maintenance and Repairs</b>		
<b>Hilton Head Plantation</b>		
Sweetwater	Stormwater Utility Fees	19,253
		<b>19,253</b>
<b>Pump Stations</b>		
Sea Pines Pump Station	Stormwater Utility Fees	350,000
		<b>350,000</b>
<b>Total Expenditures</b>		<b>\$ 1,002,763</b>

The effects of this second budget amendment for fiscal year 2015 are presented below.

	General Fund		Cap Proj Fund		Debt Service		Total Governmental Funds	
	Expenditures	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Revised Balance	\$ 37,938,796	\$ (36,931,550)	\$ 17,833,200	\$ (15,930,444)	\$ 16,716,756	\$ (17,715,421)	\$ 72,488,752	\$ (70,577,415)
Amendment	297,883	(297,883)	7,130,461	(7,130,461)	-	-	7,428,344	(7,428,344)
New Balance	\$ 38,236,679	\$ (37,229,433)	\$ 24,963,661	\$ (23,060,905)	\$ 16,716,756	\$ (17,715,421)	\$ 79,917,096	\$ (78,005,759)

**ATTACHMENT A, CONTINUED**

	Enterprise Fund Stormwater Fund	
	<hr/>	
	Expenditures & Transfers Out	Revenues & Transfers In
Revised Balance	\$ 3,856,115	\$ (3,871,266)
Amendment	1,002,763	(1,002,763)
New Balance	<hr/> \$ 4,858,878	<hr/> \$ (4,874,029)



## **MEMORANDUM**

**TO:** Town Council

**FROM:** Susan M. Simmons, CPA, Director of Finance

**VIA:** Stephen G. Riley, ICMA-CM, Town Manager

**DATE:** September 26, 2014

**RE:** **First Reading of Proposed Ordinance No. 2014-30**

---

### **Recommendation:**

Staff recommends Council approve first reading of Proposed Ordinance No. 2014-30 **amending fiscal year 2015 for new items** impacting the General and Capital Projects Funds' budgets.

### **Summary:**

This budget ordinance amends and clarifies the plans to execute certain Park Development Projects.

### **Background:**

Over the last two budget cycles, staff has endeavored to relocate projects and tasks between the General and Capital Projects Funds to clarify the repair, maintenance and replacement into the General Fund along with capital equipment and vehicles/apparatus; and leave the Capital Projects Fund for capital construction and beach renourishment. Staff realized after the fiscal year 2015 budget was adopted that some corrections are needed.

- **General Fund** – The General Fund currently budgets for the transfer into the General Fund for certain Park Development Upgrades. However, the expenditures are not budgeted in the General Fund and more properly belong in the Capital Projects Fund. This ordinance deletes the transfer into the General Fund.
- **Capital Projects Fund** – For this fund, the budget is corrected to include the \$140,000 expenditures for the Park Upgrade projects (which are deemed both capital and construction) and to delete the Transfer to the General Fund. No entry is needed in the revenues section as the Sunday Liquor Fees are already budgeted in this fund for these projects.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2014-30**

**AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2015; TO PROVIDE FOR THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

**WHEREAS**, the Town Council did adopt the budget on June 17, 2014, and

**WHEREAS**, pursuant to the budget amendment policy as stated in the Town's annual budget document, the Town Council is desirous of amending the budget so as to provide for the expenditures and certain other commitments from the Fund Balance and other revenue sources, as well as to correct budget appropriations for certain projects in the Capital Projects.

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

Section 1 Amendment. The adopted 2015 fiscal year budget is amended to make the following changes as increases and decreases to the funds from prior years and to the projected revenue and expenditure accounts as detailed in Attachment A.

Section 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.

Section 3 Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island.

**ORDINANCE NO.**

**PROPOSED ORDINANCE NO. 2014-30**

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.**

\_\_\_\_\_  
Drew A. Laughlin, Mayor

ATTEST:

\_\_\_\_\_  
Victoria L. Pfannenschmidt  
Town Clerk

First Reading: \_\_\_\_\_  
Second Reading: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Gregory M. Alford  
Town Attorney

Introduced by Council Member:

\_\_\_\_\_

## ORDINANCE NO.

## PROPOSED ORDINANCE NO. 2014-30

## ATTACHMENT A

## General Fund

<u>Account Description</u>	<u>Amount</u>
<b>Revenues:</b>	
Transfer In: Sunday Liquor Permit Fees	\$ (140,000)
<b>Total Revenues</b>	<u><u>\$ (140,000)</u></u>
<b>Expenditures:</b>	
	\$ -
<b>Total Expenditures</b>	<u><u>\$ -</u></u>

## Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<b>Revenues:</b>		
Sunday Liquor Permit Fees		\$ -
<b>Total Revenues</b>		<u><u>-</u></u>
<b>Expenditures:</b>		
<b>Park Development</b>		
Park Upgrades	Sun. Liq. Permit Fees	\$ 140,000
		<b>140,000</b>
<b>Transfers</b>		
Transfer to General Fund	Sun. Liq. Permit Fees	(140,000)
		<b>(140,000)</b>
<b>Total Expenditures</b>		<u><u>\$ -</u></u>

The effects of this third budget amendment for fiscal year 2015 are presented below.

	General Fund		Cap Proj Fund		Debt Service		Total Governmental Funds	
	Expenditures	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources	Expenditures, Transfers Out	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Revised Balance	\$ 38,236,679	\$(37,229,433)	\$ 24,963,661	\$(23,060,905)	\$ 16,716,756	\$(17,715,421)	\$ 79,917,096	\$(78,005,759)
Amendment	-	140,000	-	-	-	-	-	140,000
Revised Balance	\$ 38,236,679	\$(37,089,433)	\$ 24,963,661	\$(23,060,905)	\$ 16,716,756	\$(17,715,421)	\$ 79,917,096	\$(77,865,759)

Enterprise Fund Stormwater Fund		
Expenditures & Transfers Out	Revenues & Transfers In	
New Balance	\$ 4,858,878	\$(4,874,029)
Amendment	-	-
Revised Balance	\$ 4,858,878	\$(4,874,029)



# **TOWN OF HILTON HEAD ISLAND**

## *Community Development Department*

**TO:** Stephen G. Riley, ICMA~CM, *Town Manager*  
**VIA:** Charles Cousins, *Director of Community Development*  
**FROM:** Shawn Colin, *Deputy Director of Community Development*  
**DATE** September 22, 2014  
**SUBJECT:** Cordillo Tennis Courts - Potential Sale

---

### **Recommendation:**

Staff recommends Town Council authorize the Town Manager to execute a contract for the sale of the Cordillo Tennis Courts property to the Cordillo Courts II Property Owners Association and The Hedges Property Owners Association.

### **Summary:**

The Cordillo Tennis Courts were purchased with the intent of utilizing the facility as tennis courts open to the general public. Due to lack of use by the public, the cost of needed repairs to the facility and the expressed desire of the above property owners associations to purchase this facility, the Town Parks and Recreation Commission and Town staff recommend the sale of this facility to these groups.

### **Background:**

The Town owned Cordillo Tennis Courts located on Cordillo Parkway were originally purchased to be utilized as public tennis courts for community use; however, there has been limited use of the courts for tennis. At this point, the courts are in need of major repairs and staff is concerned about the cost effectiveness of such repairs when they are used so little by the community. Rather than continue directing public monies to a facility with limited benefits, staff believes recreation dollars could be best spent in other areas to enhance recreational opportunities. In addition, The Cordillo Courts II Property Owners Association and The Hedges Property Owners Association have contacted Town staff and expressed a great desire to purchase this facility from the Town. Therefore, Town staff is recommending the sale of this facility to these groups.

At their February 13, 2014 meeting, the Town Parks and Recreation Commission unanimously approved Town staff's recommendation to sell this facility to The Cordillo Courts II Property Owners Association and The Hedges Property Owners Association.

Attachments: "Exhibit A" Aerial of Cordillo Courts Vicinity

Exhibit A

**Key**

- Cordillo Courts Property
- Cordillo Courts II
- The Hedges

WOODHAVEN DRIVE

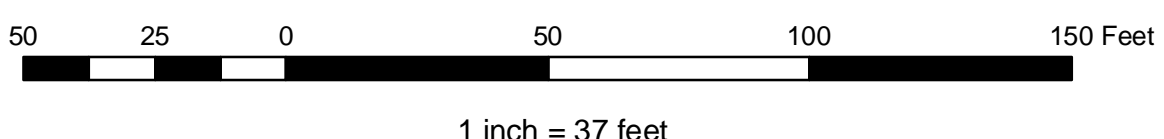
CORDILLO PARKWAY



TOWN OF HILTON HEAD ISLAND  
ONE TOWN CENTER COURT  
HILTON HEAD ISLAND, S.C. 29928  
PHONE (843) 341-4600

Date Created:  
Project - required

Town of Hilton Head Island  
Hilton Head Island - Cordillo Courts Vicinity Map  
February 2014



The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion or for any losses arising from the use of the map.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF A SALE AND PURCHASE AGREEMENT AND THE EXECUTION OF A DEED FOR THE SALE OF APPROXIMATELY 1.472 ACRES OF REAL PROPERTY NEAR CORDILLO PARKWAY AND POPE AVENUE TO SEA CABIN RACQUET CLUB I HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS AND SEA CABIN RACQUET CLUB II HORIZONTAL PROPERTY REGIME COUNCIL OF CO-OWNERS PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. § 5-7-40 (SUPP. 2011), AND § 2-7-20, *CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA*, (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**LEGISLATIVE FINDINGS**

WHEREAS, the Town of Hilton Head Island (hereinafter “Town”) owns approximately 1.472 acres of real property known as R552-015-000-0204-0000 (hereinafter referred to as the “Town Property”), which is located on Hilton Head Island, Beaufort County, South Carolina; and,

WHEREAS, the Town has agreed to sell the Town Property to Sea Cabin Racquet Club I Horizontal Property Regime Council of Co-Owners and Sea Cabin Racquet Club II Horizontal Property Regime Council of Co-Owners in accordance with the terms and conditions set forth in that certain Sale and Purchase Agreement, a copy of which is attached hereto as Exhibit “A” (the “Contract”); and,

WHEREAS, under the provisions of S.C. Code Ann. § 5-7-40 (SUPP. 2011) and § 2-7-20, *Code of the Town of Hilton Head Island , South Carolina*, (1983), the conveyance or granting of an interest in real property owned by the Town of Hilton Head Island must be authorized by Ordinance.

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

***Section 1.*** Execution of Agreement.

- (a) The Mayor and/or Town Manager are hereby authorized to execute and deliver the Contract in a substantially similar form to that attached hereto as Exhibit "A" for the conveyance of Town-owned real property to Sea Cabin Racquet Club I Horizontal Property Regime Council of Co-Owners and Sea Cabin Racquet Club II Horizontal Property Regime Council of Co-Owners; and
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated in the Contract as authorized hereby, including the execution and delivery of the Deed and all other documents called for in the Contract.

***Section 2.*** Severability.

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

***Section 3.*** Effective Date.

This Ordinance shall become effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

(SIGNATURE PAGE FOLLOWS)

**PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN  
OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS \_\_\_\_ DAY OF  
\_\_\_\_\_, 2014.**

\_\_\_\_\_  
Drew A. Laughlin, Mayor

ATTEST:

\_\_\_\_\_  
Victoria L. Pfannenschmidt, Town Clerk

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

Approved as to form: \_\_\_\_\_  
Gregory M. Alford, Town Attorney

Introduced by Council Member: \_\_\_\_\_

**EXHIBIT “A”**

**DEED**

Sale and Purchase Agreement of:

+/- 1.472 Acres near Cordillo Parkway and Pope Avenue  
on Hilton Head Island, South Carolina:

By and Between

The Town of Hilton Head Island, South Carolina,

and

Sea Cabin Racquet Club I Horizontal Property Regime Council of Co-Owners  
and Sea Cabin Racquet Club II Horizontal Property Regime Council of Co-Owners

Dated as of: \_\_\_\_\_

# SALE AND PURCHASE AGREEMENT

Purchaser”) on this \_\_\_\_ day of \_\_\_\_\_, 2014.

WITNESSETH:

1. *Sale and Purchase:* For and in consideration of the Purchase Price set forth in Article 3 of this Agreement to be paid to the Seller by the Purchaser, and in further consideration of the full and faithful performance of the covenants, conditions and agreements hereinafter set forth to be performed, fulfilled and observed by the Seller and the Purchaser, and subject to the fulfillment of the Conditions set forth in Articles 8 and 9 of this Agreement, the Seller agrees to sell and the Purchaser agrees to purchase from Seller that certain real property located on Hilton Head Island, Beaufort County, South Carolina, and which is described in Article 1 of this Agreement.

1.1 *Real Property:* The Real Property is hereinafter referred to as the “Real Property” or the “Property” and is described as follows:

ALL that certain piece, parcel or tract of land with improvements thereon, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, being comprised of a certain 1.472 acre parcel lying on the northwestern side of the right-of-way of Cordillo Parkway, said parcel being shown and described as a 1.472 acres parcel on a Plat entitled "Sea Cabin Racquet Club As-Built" prepared by Coastal Surveying, Inc., dated January 24, 1983 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 31 at Page 53.

Beaufort County TMS#: R552-015-000-0204-0000

This being the same property conveyed to Seller by deed of Dennis Van Der Meer, dated August 21, 2002, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, on September 11, 2002 in Book 1630 at Page 978.

1.2 *Intangible Personal Property:* In connection with the Real Property, Seller may have (i) obtained certain governmental permits and approvals and (ii) obtained certain contractual rights and other intangible assets, which are hereinafter referred to as the “Intangible Personal Property” and which are described as follows:

(a) Any and all contract rights, declarant rights, access rights or easements, utility easements, covenant rights burdening other property in favor of the Real Property, easements, rights with respect to lands or marshlands lying below the S. C. D. H. E. C. - O. C. R. M. Critical Line, development plan approvals, zoning rights or approvals, development permits, utility allocations, State, Federal or Local governmental permits and approvals, S. C. D. H. E. C. - O. C. R. M. Permits; United States Army Corps of Engineers Permits; and,

(b) Any and all rights, funds, rights to funds, including deductibles, associated with or related to any pending or previous environmental cleanup affecting the Real Property; and,

(c) Any and all other rights, contracts, easements, contract rights or governmental or other approvals, regardless of description, which affect, touch or concern the Real Property in any way, shape or form, regardless of description.

1.3 *Definition of the “Property”:* Both the Real Property and the Intangible Personal Property are hereinafter referred to collectively as the “Property”.

2. *Current Survey:* Purchaser may have prepared, at its own cost and expense, an updated current boundary and as-built survey or ALTA survey of the Property, prepared for and certified to the Purchaser.

2.1 *Delivery of Documents:* Seller shall, within fifteen (15) days of the Effective Date of this Agreement and upon reasonable demand by Purchaser, tender to Purchaser copies of the

following documents in Seller's possession:

- (a) Any existing title insurance policies in the possession of Seller or Seller's attorney insuring title to the Real Property.
- (b) Copies of any documents evidencing utility allocations or capacity or other contracts benefiting the Real Property.
- (c) Any and all documents relating to any rights or obligations which run to or from the Real Property.
- (d) Copies of all engineering studies, wetland delineations, environmental studies, surveys and the like of the Real Property which are in Seller's possession. Such studies may be given with appropriate disclaimers.
- (e) Copies of any reports, studies or documentation of any type pertaining to any ongoing or previous environmental cleanup affecting the Real Property.

3. *Purchase Price:* The Purchase Price for the Property is Fifteen Thousand and 00/100 Dollars (\$15,000.00) (hereinafter, the "Purchase Price"), which shall be paid in cash or its equivalent at the closing of the transactions contemplated in this Agreement (the "Closing").

3.1 *Payment of Purchase Price:* Upon execution of this Agreement, Purchaser shall deposit with Escrow Agent the amount of Two Thousand and 00/100 Dollars (\$2,000.00) (the "Escrow Deposit"), which shall be held in escrow pending compliance with this Agreement by the Seller and Purchaser. At Closing, Purchaser shall pay to Seller the balance of the Purchase Price by certified check made payable to Seller, or by a wire transfer of cleared funds to the account of Seller at a financial institution which is designated by Seller. Seller shall give written notice of how it wishes for the purchase price to be paid, together with written bank wire instructions, if applicable, no later than three (3) business days prior to the Closing Date.

4. *Title:* Seller shall provide Purchaser with good and marketable title to the Property by Deed of General Warranty, free and clear of any and all monetary liens and encumbrances, a copy of which is attached hereto as Exhibit "A".

4.1. *Title Evidence:* Purchaser may obtain a current ALTA Owner's Title Insurance Commitment (the "Commitment") underwritten on, and issued by, a Title Insurance Company of the Purchaser's choosing (hereinafter, the "Title Company"), by which Commitment the Title Company shall agree to insure fee simple marketable title to the Real Property in the name of the Purchaser in an amount equal to the Purchase Price. Seller and Purchaser understand and agree that as of the date of the Title Commitment and the Closing Date, fee simple marketable title to the Property shall be vested in the Seller, and the Commitment shall show and evidence:

- (a) That fee simple, marketable title to the Real Property is vested in the Seller;
- (b) That title to the Real Property is in the condition required by this Article 4. The cost of, or premium associated with, the Commitment, and any Final Policy of Title Insurance issued thereon, shall be the responsibility of and shall be paid for by the Purchaser.

4.2. *Objections to Title:* If Purchaser's title examination or the Commitment shall reveal that Seller's title to the Real Property is subject to any easements, covenants, clouds on or to the title, encroachments, boundary discrepancies, liens, encumbrances, or any other matter affecting title, or Purchaser's proposed use of the Real Property, then Purchaser shall notify Seller, in writing, of such title defects and Purchaser's objection to the same within five (5) days after the delivery of the Commitment. Upon such notification, the same shall be treated as defect(s) in title ("Title Defects"). Unless Purchaser delivers said written objections within the said five (5) day period following the delivery of the Commitment, it shall be conclusively deemed that Purchaser has accepted title to the Real Property in its then-existing condition.

4.3. *Seller's Right to Cure:* Seller shall have thirty (30) days from receipt of Purchaser's written notice of any Title Defects to Cure (hereinafter defined), or to cause to be Cured, the Title Defects. Seller agrees to use its best efforts and due diligence in Curing, or in

causing to be Cured, the Title Defects. If said thirty (30) day period given Seller to Cure the Title Defects shall extend beyond the Closing Date, and Seller does not Cure, or cause to be Cured, the Title Defects before the Closing Date, then closing shall be held within ten (10) days after Seller delivers written notice to Purchaser that the Title Defects have been Cured. "Cured" as used herein means that a title insurance company authorized to do business in South Carolina and a member of the American Land Title Association will issue a Title Insurance Policy insuring title to the Real Property at standard rates and with only the standard exceptions.

4.4. *Seller's Failure to Cure:* If Seller cannot Cure, or cause to be Cured, the Title Defects within the said thirty (30) day period, or within such longer period to which the Seller and Purchaser may agree in writing, then the Purchaser shall have the option of:

- (a) Closing this transaction in accordance with the terms and conditions hereof, and accepting title to the Real Property in its then-existing condition by deed, taking exception to such unCured Title Defects, with such adjustments to the purchase price as are agreed to by the Parties; or,
- (b) Terminating this Agreement, whereupon Purchaser shall be refunded the entire Escrow Deposit together with any interest accrued thereon, and Seller and Purchaser shall thereafter be released from any and all further obligations or liabilities to one another arising under or out of this Agreement.

4.5. *Subsequent Matters:* The Seller acknowledges that a period of days will elapse between the delivery of the Commitment as required herein and Closing. Acceptance of the Commitment by the Purchaser shall not be deemed a waiver of any Title Defect arising between the date of delivery of the Commitment and the date of Closing.

- (a) The Purchaser shall notify the Seller of any Title Defects arising subsequent to delivery of the Title Commitment prior to closing.
- (b) Upon notification to Seller by Purchaser of any Title Defects arising subsequent to delivery of the Title Commitment, the "Cure" provisions of Article 4.3 and 4.4 shall become effective.

5. *Closing:* This transaction shall be “Closed” and title to the Property shall be conveyed from Seller to Purchaser by delivery of the Deed (hereinafter defined) and other documents required herein from Seller to Purchaser (hereinafter the “Closing”) at 10:00 o’clock A. M. on the Closing Date (hereinafter defined) at the Office of Purchaser’s Attorney, or at such other place as Purchaser and Seller shall mutually agree in writing. Subject to fulfillment of all of the Seller’s obligations and any conditions hereunder, the Closing, unless otherwise modified or extended by mutual agreement of the Seller and Purchaser in writing, shall occur on or before sixty (60) days after the Effective Date as defined in Article 12 herein below (the “Closing Date”).

5.1. *Seller’s Obligations at Closing:* At Closing, the Seller shall deliver to Purchaser, at Seller's expense, the following Closing Documents:

- (a) A good and sufficient General Warranty Deed (the “Deed”) so as to convey to Purchaser Fee Simple, Marketable Title to the Real Property, as provided in Article 4 above. The Deed shall be in recordable form, with documentary stamps (if any) affixed, executed by the Seller and duly acknowledged before a Notary Public.
- (b) A “Certification by Entity Transferor,” certifying that the Seller is not a “foreign person” as that term is used and defined in Section 1445 (f)(3) of the Internal Revenue Code of 1986, as amended.
- (c) A mechanic’s lien affidavit, duly executed by Seller and acknowledged before a notary public, attesting to the absence, unless otherwise provided for in this Agreement, or unless created by acts of the Purchaser, of any claims of lien or potential lienors and further attesting that there have been no improvements to the Real Property for ninety-five (95) days immediately preceding the Closing Date for which the cost thereof remains unpaid.
- (d) A South Carolina residency affidavit certifying the address, Residence and Federal Identification Number of Seller to establish the withholding requirements of S. C. Code Ann. § 12-9-310 (Supp. 2011), and South Carolina Revenue Ruling Number 90-3.
- (e) Full and complete releases, in recordable form, of any mortgages, liens, claims or other encumbrances to the title of the Real Property, except as may be otherwise provided in Article 4 above.

(f) Such other documents as Purchaser, Purchaser's Attorney or Purchaser's Title Insurance Company may reasonably require or deem as necessary to convey the Property to the Purchaser in accordance with the terms and provisions of this Agreement.

(g) Certified copy of the Ordinance of the Town Council authorizing the sale of the Property and execution of this Agreement and the above-referenced Closing Documents.

(h) Certified copy of the Minutes of the Town Council meetings wherein the Ordinance referenced herein above was approved.

5.2. *Purchaser's Obligations at Closing:* At Closing, the Purchaser shall deliver to Seller, at Purchaser's expense, the following:

(a) The balance of the Purchase Price.

(b) Such other documents as Seller or Seller's attorney may reasonably require or deem necessary to convey the Property to the Purchaser in accordance with the terms and provisions of this Agreement.

5.3. *Escrow Agent:* The Escrow Agent shall serve as Closing Agent for all Parties at settlement. Deposit with the Escrow Agent of the Purchase Price, the instruments of conveyance and such other funds and/or documents as are required of either Party under the terms of this Agreement, and/or the Title Company, and/or the Escrow Agent shall be deemed to be a good and sufficient tender of performance in accordance with the terms hereof.

6. *Default by Purchaser:* Except as may be otherwise expressly provided or limited herein with respect to any specific act or omission, if the Purchaser shall default in any of its obligations, covenants, or agreements contained within this Agreement or any of the Exhibits hereto, and shall remain in default after ten (10) day's written notice specifying the default and demanding that the default be cured, then the Seller shall be entitled to pursue any remedy at law or in equity against the Purchaser, including an action for damages or for Specific Performance of this Agreement. The provisions of this Article 6 shall be binding upon the successors and

assigns of the Purchaser, and shall survive the Closing of the transaction contemplated herein.

7. *Default by Seller:* Except as may be otherwise expressly provided or limited herein with respect to any specific act or omission, if the Seller shall default in any other obligations, covenants, or agreements contained within this Agreement or any of the Exhibits hereto, and shall remain in default after ten (10) day's written notice specifying the default and demanding that the default be cured, then the Purchaser shall be entitled to pursue any remedy at law or in equity against the Seller, including an action for damages or for Specific Performance of this Agreement. The provisions of this Article 7 shall be binding upon the successors and assigns of the Seller, and shall survive the Closing of the transaction contemplated herein.

8. *Conditions to Purchaser's Obligation to Close:* The obligation of the Purchaser to purchase the Property from the Seller is subject to satisfaction, as of the Closing Date, of the following conditions (any of which may be waived, in writing, in whole or in part by Purchaser at or prior to Closing):

(a) All of the representations and warranties of the Seller set forth herein shall be true on and as of the Closing in all respects, as though such representations and warranties were made at and as of the Closing; and all covenants, agreements and documents required of the Seller in this Agreement shall have been performed, complied with or delivered (as the case may be) in accordance with this Agreement.

(b) The Property shall not be in material violation of any governmental laws, ordinances, rules or regulations, and there shall be no action, suit or proceeding pending or filed against or affecting the Property or any portion thereof, or relating to or affecting or arising out of the ownership or development of the Property or any portion thereof, in any state or federal court or by any federal, state, county or municipal department, commission, board bureau, or agency or other governmental instrumentality.

In the event any of the above stated conditions is not satisfied or waived in writing by Purchaser prior to Closing, this Agreement shall terminate on the Option of the Purchaser, any Escrow Deposit and any accrued interest thereon shall be returned to Purchaser, and neither Party shall

have any further obligation or rights with respect to the other.

8.1 *General Condition:* This Agreement is conditioned upon the Sea Pines Company, Inc. executing a Waiver of Repurchase Option or similar document which waives any repurchase rights which Sea Pines Company, Inc. may hold in connection with the Property and its conveyance pursuant to the terms of this Agreement. Such Waiver may be executed before or after Closing.

9. *Conditions to Seller's Obligation to Close:* The obligation of the Seller to sell the Property to the Purchaser is subject to the Town Council for the Town of Hilton Head Island, South Carolina adopting an Ordinance authorizing the sale of the Property and the execution of this Agreement and the Closing Documents referenced herein.

10. *Representations and Warranties of Seller:* To induce Purchaser to enter into this Agreement and to purchase the Property, Seller represents and warrants (which representations and warranties shall survive the Closing) to Purchaser as follows:

(a) As of the date of this Agreement and as of the date of Closing, Seller will have all requisite legal power and authority to execute and deliver the Deed and other documents to be delivered pursuant to this Agreement. The individual(s) executing this Agreement on behalf of Seller has, and as of the date of Closing will have, express authority and full power on behalf of Seller to enter into and deliver this Agreement and the Deed and other documentation required hereunder.

(b) Other than work or material contracted for by Purchaser, as of the Closing, no work will have been performed or will be in process at the Property, and no materials will have been delivered to the Property that might provide the basis for the filing of a Mechanic's, Materialman's or other lien against the Property or any portion thereof. The requirements set forth in this Article shall be deemed satisfied if the Title Company, based upon Seller's mechanic's lien affidavit, is willing to give Purchaser affirmative mechanic's lien coverage.

(c) There has been no deferral of taxes with respect to this Property.

(d) Other than is expressly provided for herein, Seller shall not grant any easements, or enter into any covenants or agreements concerning the Property or title to the Real

Property, or in any other way affect the Property or title to the Real Property without the written consent of Purchaser.

(e) There are no rights or claims of parties in possession not shown by the Public Records for Beaufort County, South Carolina; and there is no litigation now pending or threatened against the Seller which would materially affect the Property, title to the Real Property, the execution, delivery or enforceability of this Agreement, or the Seller's performance or other obligations hereunder.

(f) No options, leases or other contracts are still outstanding which give any other party a right to purchase the Real Property.

11. *Brokers:* Seller and Purchaser warrant and represent that no broker, finder, or other person is entitled to a commission, finder's fee or other compensation in connection with this Agreement, and Seller shall indemnify and hold harmless the other party from any and all claims, liabilities, losses, damages, costs and expenses arising from the claim of any other broker, finder or other person for such compensation, arising by, under or through such party. The obligations under this Article 11 shall survive the Closing.

12. *Effective Date:* The "Effective Date" of this Agreement shall be the date upon which the officials of The Town of Hilton Head Island, South Carolina, execute and deliver this Agreement to Seller.

13. *Miscellaneous:*

13.1. *Assignability:* This Agreement may not be assigned by either the Purchaser or the Seller without the express written consent of both parties.

13.2 *Binding Effect:* This Agreement shall inure to the benefit of and shall be binding upon the Seller and Purchaser and their respective successors and assigns.

13.3. *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 both parties hereto.

13.4. *Severability:* In the event that any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

13.5. *Execution in Counterparts:* This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

13.7. *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.

13.8. *Recording:* The parties hereto may not record this Agreement, or a short form Memorandum thereof, in the Office of the Register of Deeds for Beaufort County, South Carolina.

13.9. *Plural/Singular:* Where appropriate, the use of the singular herein shall include and be deemed to be the plural, and the use of the plural herein shall be deemed to include the singular.

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

13.11. *Notices:* All notices, applications, requests, certificates or other communications

hereunder shall be sufficiently given and shall be deemed given when delivered in person, or mailed by regular first class mail, postage prepaid (in such case, delivery shall be deemed complete upon mailing), addressed as follows, or to such other place as may be designated in writing by the parties:

To Purchaser:           Sea Cabin Racquet Club I Horizontal Property Regime  
                                  Council of Co-Owners  
                                  P.O. Box 6476  
                                  Hilton Head Island, SC 29938

With Copy to:           Sea Cabin Racquet Club II Horizontal Property Regime  
                                  Council of Co-Owners  
                                  P.O. Box 6476  
                                  Hilton Head Island, SC 29938

To Seller:                THE TOWN OF HILTON HEAD ISLAND  
                                  Stephen G. Riley, ICMA-CM, Town Manager  
                                  One Town Center Court  
                                  Hilton Head Island, SC 29928

With Copy to:           Gregory M. Alford, Esq.  
                                  Alford Law Firm, LLC  
                                  Post Office Drawer 8008  
                                  Hilton Head Island, SC 29938-8008

13.12. *Further Assurances and Corrective Documents:*     The Seller and Purchaser agree to do, execute, acknowledge, deliver or cause to be done all such further acts as may be reasonably determined to be necessary to carry out this Agreement and give effect hereto. The Seller and Purchaser agree that each shall, upon request, execute and deliver such other or corrective documents, or any such document as may be requested by any governmental or regulatory agencies, including but not limited to any such documents relating to any pending or previous environmental cleanup affecting the Real Property, as may be reasonably determined to be necessary, either before or after the Closing. The obligations of this Article 13.12 shall survive the Closing.

14. *Possession:* Possession of the Property shall be delivered to the Purchaser at Closing, provided, however, that the Purchase Price, minus adjustments and prorations, is paid in full by or on behalf of Purchaser at Closing.

15. *Prorations:* Payment of the following is to be pro-rated between the Seller and the Purchaser as of the Closing Date:

(a) Real Property Taxes and Assessments, if any, shall be made on the basis of the current year's tax with due exemptions, if allowed for the said year. If Closing occurs on a date when the current year's taxes are not fixed, taxes will be apportioned based upon the prior year's taxes plus ten (10%) per cent. Any tax apportionment based upon an estimate shall be recalculated when the property taxes are finally fixed, and the Seller or Purchaser, as the case may be, shall make payment to the other based upon such recalculation. The provisions of this Article 15 shall survive the Closing and delivery of the Deed.

16. *Closing Costs:*

16.1. *Seller's Closing Costs:* Seller shall be responsible to pay for the Cost of:

(a) Any documentary stamp expense or taxes which may be payable to the State of South Carolina and/or the County of Beaufort, and any other fees or charges payable by reason of the execution, delivery and recording of the Deed; and,

(b) Any other Seller's Closing Costs which are customary in Beaufort County, South Carolina.

16.2. *Purchasers Closing Costs:* Purchaser shall be responsible to pay the cost of:

(a) Recording of the Deed and any Town of Hilton Head Island, South Carolina, Transfer Fee;

(b) The Cost of any title insurance premium chargeable for the Commitment and any policy of Title Insurance issued therefrom; and,

(c) Any other Purchaser Closing Costs which are customary in Beaufort County, South Carolina.

17. *Attorney's Fees and Costs:* If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default or misrepresentation in

connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover its reasonable attorney's fees and any costs incurred as a result of any such dispute, whether incurred before the institution of suit or after the commencement of suit, including appellate proceedings, in addition to any other relief to which the prevailing party is entitled.

18. *Damage or Risk of Loss:* The risk of loss or complete or partial destruction of the Property shall rest with the Seller up to the time that the Closing occurs. If the Property is damaged, but repairable prior to Closing, Seller has the option of repairing and proceeding. If the Property is damaged, but un-repairable prior to Closing, the Purchaser shall be entitled to a return of any Escrow Deposit together with any accrued interest thereon, and this Agreement shall be terminated, and neither party shall have any further rights or obligations with respect to the other.

19. *Condemnation:* If, between the date of this Agreement and the Closing, a taking or condemnation of the Property is threatened or commenced by any party or entity other than Purchaser, Purchaser may elect, in writing, within five (5) days after receipt of notice from Seller of such taking or condemnation, accompanied by information regarding the amount and payment of the condemnation proceeds, to terminate this Agreement or to purchase the Property without regard to such condemnation. If Purchaser fails to notify Seller of Purchaser's election, Purchaser will be deemed to have elected to proceed with the purchase of the Property without regard to such taking or condemnation. In the event Purchaser elects to purchase, Seller shall have no obligation to repair or replace any of the Property destroyed, nor shall the purchase price be adjusted. If Purchaser elects to terminate this Agreement, Purchaser shall notify Seller of such election in writing; this Agreement shall be of no further force and effect; Escrow Agent

shall immediately return the Deposit to Purchaser; and Seller shall be entitled to receive any condemnation awards payable as a result of such taking or condemnation. If Purchaser elects to purchase the Property despite such taking or condemnation Seller shall assign its rights to and Purchaser shall be entitled to receive any condemnation awards payable as a result of such taking or condemnation. However, in the event Seller determines that the amount of condemnation awards payable as a result of such taking or condemnation exceeds the Purchase Price, Seller may elect at any time and in their sole discretion to terminate this Agreement and retain and receive all rights to such condemnation awards, and Purchaser shall be entitled to the return of all deposits paid, and neither party shall have any further rights or obligation against the other. Nothing in this Article shall apply to any taking or condemnation instigated by Purchaser.

20. *Escrow Agent:* The “Escrow Agent” shall be Gregory M. Alford, Alford Law Firm, LLC, 18 Executive Park Road, Building 1, Hilton Head Island, South Carolina 29928, P.O. Drawer 8008, Hilton Head Island, South Carolina 29938. If any dispute should arise as to whether Escrow Agent is obligated to deliver any Escrow Deposit, or any funds or documents which it holds, Escrow Agent shall not be required to make delivery thereof, but, in such event shall hold the same until receipt, by Escrow Agent, of written authorization from Seller and Purchaser directing the disposition of the same. In the absence of such written authorization, Escrow Agent may hold any Escrow Deposit, or any other funds or documents in connection with this transaction in its possession until a final determination of the rights of the Parties by a Court of competent jurisdiction. If such written authorization is not given or proceedings for such determination are not begun and diligently continued, Escrow Agent may institute an appropriate proceeding for leave to place any Escrow Deposit, or any other funds or documents in connection with this transaction in its possession with the Clerk of Court for Beaufort County,

South Carolina, pending such determination. Escrow Agent shall not be charged with notice of any fact or circumstance unless and until written notice of the same is received by Escrow Agent. Upon making the delivery of the funds or documents which Escrow Agent may hold in accordance with the provisions of this Article 20, Escrow Agent shall have no further obligation or liability to Purchaser and Seller, and Purchaser and Seller agree to indemnify and hold Escrow Agent harmless from any such liability.

21. Matters Subsequent to Closing: Seller acknowledges that it has obligations under this Agreement to be fulfilled subsequent to Closing. Seller acknowledges that all such obligations survive the Closing whether or not a specific statement to that effect is set forth in connection with each such obligation.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the Seller and the Purchaser caused their duly authorized officers and representatives to execute this Agreement as of the date and year first above written.

**WITNESSES:**

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

\_\_\_\_\_  
By: \_\_\_\_\_  
Drew A. Laughlin, Mayor

\_\_\_\_\_  
Attest: \_\_\_\_\_  
Stephen G. Riley, ICMA-CM  
Town Manager

**WITNESSES:**

**SEA CABIN RACQUET CLUB I  
HORIZONTAL PROPERTY REGIME  
COUNCIL OF CO-OWNERS**

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_

**WITNESSES:**

**SEA CABIN RACQUET CLUB II  
HORIZONTAL PROPERTY REGIME  
COUNCIL OF CO-OWNERS**

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_

# GENERAL WARRANTY DEED

ALL that certain piece, parcel or tract of land with improvements thereon, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, being comprised of a certain 1.472 acre parcel lying on the northwestern side of the right-of-way of Cordillo Parkway, said parcel being shown and described as a 1.472 acres parcel on a Plat entitled "Sea Cabin Racquet Club As-Built" prepared by Coastal Surveying, Inc., dated January 24, 1983 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 31 at Page 53.

1

SUBJECT, however, to all applicable covenants, restrictions, easements and limitations of record with the Beaufort County Register of Deeds.

This being the same property conveyed to Grantor by deed of Dennis Van Der Meer, dated August 21, 2002, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, on September 11, 2002 in Book 1630 at Page 978.

This Deed was prepared in the law offices of Alford Law Firm, LLC, Post Office Drawer 8008, Hilton Head Island, South Carolina, 29938-8008, by Mitchell J. Thoreson, Esq.

TOGETHER with all and singular, the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said Grantee, as tenants in common, the Grantee's successors and assigns forever.

AND the said Grantor does hereby bind Grantor and Grantor's successors, assigns, executors and administrators, to warrant and forever defend, all and singular, the said Premises unto the said Grantee, as tenants in common, the Grantee's successors and assigns, against Grantor and Grantor's successors and assigns and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

*(SIGNATURES ON FOLLOWING PAGE)*

WITNESS Grantor's Hand and Seal, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

SIGNED SEALED AND DELIVERED

TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA

\_\_\_\_\_  
*Signature of 1<sup>st</sup> Witness*

\_\_\_\_\_  
By: Drew A. Laughlin, Mayor

\_\_\_\_\_  
*Signature of 2<sup>nd</sup> Witness (the Notary Public)*

\_\_\_\_\_  
Attest: Stephen G. Riley, ICMA-CM  
Town Manager

STATE OF SOUTH CAROLINA    )  
  )  
COUNTY OF BEAUFORT        )

ACKNOWLEDGMENT

I, the undersigned Notary Public do hereby certify that Drew A. Laughlin and Stephen G. Riley personally appeared before me this day and, in the presence of the two witnesses above named, acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_(SEAL)  
Signature of Notary Public for State of South Carolina  
My Commission expires:\_\_\_\_\_  
(affix seal)