



The Town of Hilton Head Island

Regular Town Council Meeting

December 15, 2015

4:00 P.M.

BENJAMIN M. RACUSIN COUNCIL CHAMBERS

AGENDA

**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 distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 5) Proclamations and Commendations**
None.
- 6) Approval of Minutes**
 - a. Town Council Meeting, December 1, 2015
- 7) Report of the Town Manager**
 - a. Town Manager's Items of Interest
 - (1) Town News
 - (2) Noteworthy Events
- 8) Reports from Members of Council**
 - a. General Reports from Council
 - b. Report of the Intergovernmental Relations Committee – Bill Harkins, Chairman
 - c. Report of the Community Services Committee – Kim Likins, Chairman
 - d. Report of the Public Planning Committee – Tom Lennox, Chairman
 - e. Report of the Public Facilities Committee – Lee Edwards, Chairman
 - f. Report of the Public Safety Committee - Marc Grant, Chairman
 - g. Report of the Finance and Administrative Committee - John McCann, Chairman
 - h. Report of the Circle to Circle Committee - Tom Lennox, Town Council Liaison
- 9) Appearance by Citizens**

10) Unfinished Business

a. Second Reading of Proposed Ordinance 2015- 25

Second Reading of Proposed Ordinance 2015-25 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.

b. Second Reading of Proposed Ordinance 2015- 26

Second Reading of Proposed Ordinance 2015-26 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2016; 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.

c. Second Reading of Proposed Ordinance 2015-27

Second Reading of Proposed Ordinance 2015-27 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2016; 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.

d. Second Reading of Proposed Ordinance 2015-28

Second Reading of Proposed Ordinance 2015-28 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2016; 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.

11) New Business

a. Consideration of a Resolution – Beach Renourishment Bonds

Consideration of a Resolution relating to the declaration of intent by the Town Council of the Town of Hilton Head Island, South Carolina, to reimburse certain expenditures prior to the issuance by the Town of its tax-exempt debt.

b. Consideration of a Proposed Sewer Expansion Program – Years 2-5

c. Consideration of Recommendations of the Accommodations Tax Advisory (ATAX) Committee

d. Consideration of adoption of the Key 2016 Council Priorities

e. Consideration of Adoption of a Memorandum of Understanding (MOU) with Beaufort County and the Palmetto Hall Plantation Owners' Association associated with trimming and removal of trees necessary to address FAA approach slopes.

12) Executive Session

a. Land Acquisition

Discussion of negotiations incident to the proposed sale, lease or purchase of property:

1. related to a parcel near the corner of US 278 and Wild Horse Road.
2. related to potential acquisition of property in the Sea Pines Circle Area.
3. related to potential land acquisition in the Shelter Cove area.

b. Legal Matters

Receipt of Legal Advice

1. related to a pending, threatened, or potential claim and to consider authorizing the indemnity of council members who are required to hire personal counsel to defend a claim or to prevent and stop improper harassment by third parties.

13) Possible actions by Town Council concerning matters discussed in executive session

- a. Consideration of a resolution authorizing the retention and payment for personal counsel to protect council members through appropriate legal process from improper harassment by third parties.**

14) Adjournment

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, December 1, 2015

Time: 4:00 P.M.

Present from Town Council: David Bennett, *Mayor* Bill Harkins, *Mayor Pro Tem*; Marc Grant, Tom Lennox, Kim Likins, John McCann, Lee Edwards, *Council Members*

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects & Facilities/Chief Engineer*; Brad Tadlock, *Fire Chief*; Brian Hulbert, *Staff Attorney*; Jeff Buckalew, *Town Engineer*; Bryan McIlwee, *Assistant Town Engineer/Storm Water Manager*; Erica Madhere, *Finance Administrator*; John Valvo, *Systems Analyst*; Vicki Pfannenschmidt, *Executive Assistant/Town Clerk*

Present from Media: None

1) CALL TO ORDER

Mayor Bennett called the meeting to order at 4:00 p.m.

2) PLEDGE TO THE FLAG

3) INVOCATION

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

5) Proclamations and Commendations

None.

6) Approval of Minutes

a. Town Council Meeting, November 17, 2015

Mr. Harkins moved to approve. Mr. McCann seconded. The minutes of the November 17, 2015 regular Town Council meeting were unanimously approved by a vote of 7-0.

7) Report of the Town Manager

a. Town Manager's Items of Interest

Mr. Riley reported on the items of interest listed below.

(1) Town News

(2) Noteworthy Events

8) Reports from Members of Council

a. General Reports from Council

Mrs. Likins reported that the contract with Rawle Murdy, for the Town's Public Communication Program, has been signed and she and Mr. DeLoach will be working together on a process for Committees to utilize the firm for projects.

Mayor Bennett referenced Mr. John Joseph's comments at the November 17 Town Council meeting regarding potential violation of Town Code as pertaining to procurement procedures and purchasing and asked for clarity on the matter. Mr. Riley stated staff has been working on the matter and Council would be receiving the information.

b. Report of the Intergovernmental Relations Committee – Bill Harkins, Chairman

No report.

c. Report of the Community Services Committee – Kim Likins, Chairman

Mrs. Likins reported they met and recommendations for the five seats that Hilton Head Island has for the Heritage Tourism Advisory Board and a replacement for the vacancy on the Parks and Recreation Commission would be discussed in Executive Session.

d. Report of the Public Planning Committee – Tom Lennox, Chairman

Mr. Lennox reported they met in November. He stated a recommendation will be coming forward to Town Council to engage a consultant to compile the data and recommend the next step.

e. Report of the Public Facilities Committee – Lee Edwards, Chairman

No report.

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

No report.

g. Report of the Finance and Administrative Committee - John McCann, Chairman

Mr. McCann stated that at the meeting earlier in the day they discussed beach issues and they will have a recommendation for Council the first meeting in January on proposed changes to the Town's beach ordinances.

h. Report of the Circle to Circle Committee - Tom Lennox, Town Council Liaison

Mr. Lennox stated there was no meeting in November and the next meeting will be December 9 and RFQ's for a consultant and urban planner will be reviewed in detail.

9) Appearance by Citizens

Mr. Peter Buonaiuto addressed Council regarding the public comment at the November 17 meeting and the approval of the contract with the Hilton Head Island – Bluffton Chamber of Commerce.

Mr. Skip Hoagland addressed Council regarding the contract with the Hilton Head Island – Bluffton Chamber of Commerce and announced that he would be filing a lawsuit against Hilton Head Island Town Council.

10) Unfinished Business

a. Second Reading of Proposed Ordinance 2015-22

Second Reading of Proposed Ordinance 2015-22 to amend the Municipal Code of the Town of Hilton Head Island by creating Chapter 1 of Title 14, establishing regulations and requirements relating to Storm Water Management in the Town of Hilton Head Island; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

11) New Business

a. First Reading of Proposed Ordinance 2015- 25

First Reading of Proposed Ordinance 2015-25 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.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

b. First Reading of Proposed Ordinance 2015- 26

First Reading of Proposed Ordinance 2015-26 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2016; 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.

Mr. Harkins moved to approve. Mr. McCann seconded. Mr. Harkins referenced funds reserved for the pier at Shelter Cove Park. Ms. Simmons explained the \$400,000 is budgeted funds not actual cost projections and the Town is not holding Blanchard and Calhoun's portion. Mr. Cousins explained Blanchard and Calhoun has engaged an engineer to design the proposed pier and will be coming back to the Town with a cost. He said staff will come back to Council to decide whether they would like to move forward. Mayor Bennett asked that when the information is received that Mr. Riley provide a detailed update to Council. The motion was unanimously approved by a vote of 7-0.

c. First Reading of Proposed Ordinance 2015-27

First Reading of Proposed Ordinance 2015-27 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2016; 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.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

d. First Reading of Proposed Ordinance 2015-28

First Reading of Proposed Ordinance 2015-28 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2016; 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.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

12) Executive Session

At 4:42 p.m. Mr. Harkins moved that Council go into Executive Session for the items enumerated on the agenda and, in addition, he moved that Council go into the Session for contractual matters relating to a proposed MOU between the Town, the County and Palmetto Hall. Mr. Riley stated that for the record and the viewing audience he would state the items enumerated on the agenda for the needed executive session. He stated it was needed for the discussion of negotiations incident to the proposed sale, lease or purchase of property: (1) related to potential acquisition of property in the Jonesville Road area and (2) related to potential acquisition of property in the Sea Pines Circle area and for consideration of appointments to Boards and Commissions. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

Mayor Bennett called the meeting back to order at 5:21 p.m. and stated there was no action taken during executive session and asked if there was anything to take up as a result of Executive Session.

Mrs. Likins moved that Michael Ray be appointment to fill the unexpired term of Mike Weaver on the Parks and Recreation Commission, which ends June, 2017. Mrs. Likins further moved that the following individuals be appointed to the Heritage Tourism Advisory Board representing the Town of Hilton Head Island:

Lou Benfante of the Heritage Library

Ezra Callahan of the Native Islander Community and the Gullah Geechee Consortium of Beaufort County

Rex Garniewicz of the Coastal Discovery Museum

Ariana Pernice of the Hilton Head Island-Bluffton Chamber of Commerce

Gerrold Walker of the Mitchelville Preservation Project

Mr. Harkins seconded. The motion was unanimously approved by a vote of 7-0.

14) Adjournment

Mayor Bennett adjourned the meeting at 5:23 p.m.

Vicki L. Pfannenschmidt
Executive Assistant/Town Clerk

Approved:

David Bennett, Mayor



ITEMS OF INTEREST

DECEMBER 15, 2015

Noteworthy Events

Some of the upcoming meetings at Town Hall:

- Planning Commission - December 16, 2015, 3:00 p.m.
- Intergovernmental Relations Committee - December 21, 2015, 10:00 a.m.
- Community Services Committee - December 22, 2015, 9:00 a.m.
- Construction Board of Adjustments and Appeals, December 22, 2015, 5:30 p.m.
- Town Administrative Offices closed in observance of Christmas - December 25, 2015
- Public Facilities Committee - December 28, 2015, 10:00 a.m.
- Town Administrative Offices closed in observance of the New Year Holiday- January 1, 2016
- Town Council - January 6, 2016, 4:00 p.m.

(Additional meetings may be scheduled and all meetings are subject to change and/or cancellation. Please visit the Town of Hilton Head Island website at www.hiltonheadislandsc.gov for Committee meeting dates and agendas.



MEMORANDUM

TO: Town Council

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

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

DATE: December 2, 2015

RE: **Second Reading of Proposed Ordinance No. 2015-25**

Recommendation:

Staff recommends Council approve second reading of Proposed Ordinance No. 2015-25 **amending and finalizing fiscal year 2015** General and Capital Projects Funds' budgets.

There have been no changes.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-25

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 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 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 and Capital Projects 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 2015 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. 2015-25

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____DAY OF_____, 2015.**

David Bennett, 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. 2015-25****ATTACHMENT A****General Fund-Transfers**

<u>Account Description</u>	<u>Account #</u>	<u>Amount</u>
Revenues:		
Funds from Prior Years		\$ 11,233
Total Revenues		\$ 11,233
Expenditures:		
Townwide Grants	10000950	
Event Management & Hospitality Training	56052	11,233
Total Expenditures		\$ 11,233

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Hospitality Bond		-
Property Taxes		2,778
Sale of Land		20,796
Total Revenues		23,574
Expenditures:		
Pathway		
278 Fresh Market to Shelter Cove	Hospitality Bond	(80,000)
Pathway Safety: WHP/P.Dunes Ped Bridge	Hospitality Bond	80,000
		-
Roadways		
Private Dirt Roads	Property Taxes	2,778
		2,778
Land		
Pineland Tract	Sale of Land	2,437
Tim Wright Parcel Sale	Sale of Land	6,900
Cordillo Tennis Court Sale	Sale of Land	1,517
Tad Segars	Sale of Land	1,354
Adventure Cove / Folly Field	Sale of Land	2,844
Palmetto Bay Road Parcels	Sale of Land	3,250
David Berry Sale	Sale of Land	2,494
		20,796
Total Expenditures		23,574

The effect of this amendment will be to increase the General Fund to \$38,233,437, increase the Capital Projects Fund to \$16,650,340. The Enterprise Fund at \$4,712,012 and the Debt Service Fund at \$16,716,756 remain unchanged.



MEMORANDUM

TO: Town Council

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

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

DATE: December 2, 2015

RE: **Second Reading of Proposed Ordinance No. 2015-26**

Recommendation:

Staff recommends that Town Council approve second reading of Proposed Ordinance No. 2015-26 which amends the fiscal year 2016 budget for the encumbrances brought forward from fiscal year 2015. **There have been no changes.**

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-26

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2016; 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 16, 2015, 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 2016 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. 2015-26

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2015.**

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt
Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford
Town Attorney

Introduced by Council Member:

ATTACHMENT A

General Fund-Enc

<u>Account Description</u>	<u>Amount</u>
Revenues:	
Funds from Prior Years	\$ 319,769
Total Revenues	\$ 319,769
Expenditures:	
Town Wide - Grants	
LEPC/BC	\$ 2,806
Finance/Business License - Operating	
Professional Services	\$ 248
Legal/Admin. Support - Operating	
Computer Services	\$ 693
PP&F/ Engineering - Operating	
Roadways Maintenance	\$ 47,166
Consulting Ser Traffic Control	\$ 9,915
	\$ 57,081
PP&F / Facilities Management Operating	
Landscape / Tree / Grounds Maint	\$ 5,886
Litter / Pest / Janitorial	\$ 8,900
Inspections / Monitoring Svc	\$ 1,020
	\$ 15,806
Community Development / DRZ - Operating	
Printing and Publishing	\$ 1,827
F&R Support Services - Operating	
Maintenance Contracts	\$ 6,239
Uniforms & Protective Gear	\$ 19,312
	\$ 25,551
F&R Support Services - Capital	
Specialized Equipment	\$ 204,389
Police Patrol Operating	
Shore Enterprises	\$ 8,082
Uniforms & Protective Gear	\$ 538
Safety Supplies	\$ 2,748
	\$ 11,368
Total Expenditures	\$ 319,769

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-26

ATTACHMENT A, CONTINUED

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
2016 GO Bond		407,991
Beach Fees		297,888
Hospitality Bond		118,490
Hospitality Taxes		23,956
Property Taxes		24,160
TIF Property Taxes		140,998
Total Revenues		<u>1,013,482</u>
Expenditures:		
Beach Management & Monitoring	Beach Fees	97,174
Beach Renourishment FY16	Beach Fees	200,715
		<u>297,888</u>
Existing Facilities/Infrastructure		
Fire Station #2 Replacement	Hospitality Bond	110,944
		<u>110,944</u>
Park Development		
Rec Center Expansion	2016 GO Bond	6,111
		<u>6,111</u>
Land		
Shelter Cove Park	2016 GO Bond	401,880
		<u>401,880</u>
New Facilities/Infrastructure		
NW Quadrant-Coligny	TIF Property Taxes	133,248
Coligny/Pope Avenue Area Initiative	TIF Property Taxes	5,230
		<u>138,478</u>
Pathways		
Pathway Safety-Natures Way @ Pembroke	Hospitality Bond	1,290
Pathway Safety-Shelter Cove Ln Connector	Hospitality Bond	1,240
Pathway Safety-WHP/P.Dunes Bridge	Hospitality Bond	5,016
		<u>7,546</u>
Road Improvements		
Marshland Rd Roundabout	TIF Property Taxes	2,520
Honey Horn Dr Apron Improvement	Hospitality Taxes	18,716
F&R: P.Dunes @ Swing About	Hospitality Taxes	5,239
Int Improv: Squire Pope w/ 3rd Lane	Property Taxes	24,160
		<u>50,636</u>
Total Expenditures		<u>\$ 1,013,482</u>

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-26

ATTACHMENT A, CONTINUED

SWU Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Stormwater Utility Fees		163,041
Total Revenues		163,041
Expenditures:		
Infrastructure Upgrades & Improvements		
Palmetto Hall PUD		
Sedge Fern Drive	Stormwater Utility Fees	40,594
Clyde Lane	Stormwater Utility Fees	704
		41,298
Inventory & Modeling		
Indigo Run	Stormwater Utility Fees	67,162
Leamington	Stormwater Utility Fees	3,123
Palmetto Dunes	Stormwater Utility Fees	11,665
Port Royal Plantation	Stormwater Utility Fees	1,588
Shelter Cove	Stormwater Utility Fees	15,803
Unaffiliated Watersheds	Stormwater Utility Fees	16,551
		115,892
Drainage Maintenance and Repairs		
Non PUD		
Indigo Run Plantation Maintenance	Stormwater Utility Fees	1,010
Folly Field Beach Park Flooding	Stormwater Utility Fees	850
		1,860
Pump Stations		
Shipyards	Stormwater Utility Fees	1,258
Wexford	Stormwater Utility Fees	1,258
Non PUD	Stormwater Utility Fees	1,474
		3,991
Total Expenditures		163,041

The effect of this first budget amendment for fiscal year 2016 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	\$ 38,787,254	\$(37,613,027)	\$ 34,680,836	\$(33,597,888)	\$ 11,215,701	\$(12,247,982)	\$ 84,683,791	\$(83,458,897)
Amendment	319,769	(319,769)	1,013,482	(1,013,482)	-	-	1,333,251	(1,333,251)
Revised Balance	\$ 39,107,023	\$(37,932,796)	\$ 35,694,318	\$(34,611,370)	\$ 11,215,701	\$(12,247,982)	\$ 86,017,042	\$(84,792,148)

ATTACHMENT A, CONTINUED

	Enterprise Fund Stormwater Fund	
	<hr/>	
	Expenditures & Transfers Out	Revenues & Transfers In
Current Balance	\$ 3,652,255	\$ (3,574,134)
Amendment	<u>163,041</u>	<u>(163,041)</u>
Revised Balance	\$ 3,815,296	\$ (3,737,175)



MEMORANDUM

TO: Town Council

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

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

DATE: December 2, 2015

RE: **Second Reading of Proposed Ordinance No. 2015-27**

Recommendation:

Staff recommends Council approve second reading of Proposed Ordinance No. 2015-27 **amending fiscal year 2016 for amounts brought forward** for the General, Capital Projects, and Stormwater (Enterprise) Funds' budgets.

There have been no changes.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-27

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2016; 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 16, 2015, 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 2016 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. 2015-27

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2015.**

David Bennett, 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. 2015-27****ATTACHMENT A****General Fund-Rolls**

<u>Account Description</u>	<u>Amount</u>
Revenues:	
Funds from Prior Years	541,213
Total Revenues	<u>\$ 541,213</u>
Expenditures:	
Townwide Operating	
Insurance	\$ 20,000
Accident Insurance Fund	<u>\$ 20,000</u>
	\$ 40,000
Townwide Grants	
Island Recreation Center-Capital	\$ 75,613
Coastal Discovery Museum-Capital	<u>\$ 19,972</u>
	\$ 95,585
IT Services Operating	
Maintenance Contract/Fees	\$ 20,000
IT Services Capital	
Computer Software = or >\$50,000	\$ 50,000
PP&F/Engineering - Operating	
Roadway Maintenance	\$ 148,300
Closed Loop Traffic Signal Maint.	<u>\$ 32,731</u>
	\$ 181,031
DRZ Operating	
Consulting Services	\$ 100,925
Printing & Publishing	<u>\$ 6,500</u>
	\$ 107,425
F&R Support Services - Capital	
Specialized Equipment	29,582
Transfer to EDC	
Professional Services	\$ 17,590
Total Expenditures	<u>\$ 541,213</u>

ATTACHMENT A, CONTINUED

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
2016 GO Bond		1,085,926
Beach Fees		607,525
Hospitality Bond		449,783
Hospitality Taxes		199,969
Lease		11,011
Donated Revenue		200,000
Property Taxes		25,000
Sale of Land		131
Sunday Liquor Permit Fees		56,851
TIF Property Taxes		1,263,535
Total Revenues		3,899,733
Expenditures:		
Beach Maintenance		
Beach Management & Monitoring	Beach Fees	382,141
Beach Renourishment FY16	Beach Fees	225,384
		607,525
Existing Facilities/Infrastructure		
Town Hall Renovations	Hospitality Taxes	6,291
Town Hall Space Reconfiguration	Hospitality Taxes	116,456
		122,747
Park Development		
Public Art Program	Sunday Liquor Permit Fees	25,000
Recreation Center Expansion	2016 GO Bond	463,559
Shelter Cove Parking Lot	Donated Revenue	200,000
		688,559
New Facilities/Infrastructure		
58 Shelter Cove Lane - Tenant Upfit (Town Use)	Property Taxes	56,851
USCB Hospitality Management Program Building	TIF Property Taxes	844,315
"	Lease	11,011
Sewer Service: Gumtree Rd Area	2016 GO Bond	497,367
NW Quadrant-Coligny	TIF Property Taxes	93,553
Coligny/Pope Avenue Area Initiative	TIF Property Taxes	6,920
		1,510,017
Pathways		
Pembroke Drive	Hospitality Taxes	527
US 278 (Fresh Market Shoppes to Shelter Cove)	Hospitality Bond	5,361
Pathway Safety	Hospitality Bond	444,422
"	Hospitality Taxes	3,621
Mathews Dr/Marshland Rd South	TIF Property Taxes	56,092
Pope Ave (Off Road)	TIF Property Taxes	94,654
		604,677

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-27

ATTACHMENT A, CONTINUED

Capital Projects Fund, Continued

Road Improvements

Marshland Rd Roundabout	TIF Property Taxes	10,000
Leamington/Fresh Market/278	Hospitality Taxes	2,249
F&R Emerg: Palmetto Dunes @ Swing About	Hospitality Taxes	70,826
Office Park Rd Intersection Imprvmt	TIF Property Taxes	150,000
Traffic Signal Mast Arms-Spanish Wells/278	TIF Property Taxes	8,001
		<u>241,076</u>

Land Acquisition

Tim Wright Parcel Sale	Sale of Land	131
		<u>131</u>

Cost of Issuance

Go Bond 2016	2016 GO Bond	125,000
		<u>125,000</u>

Total Expenditures

\$ 3,899,733

ORDINANCE NO.**PROPOSED ORDINANCE NO. 2015-27****ATTACHMENT A, CONTINUED**

SWU Fund		
<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Stormwater Utility Fees		302,435
Total Revenues		302,435
Expenditures:		
Operating		
Public Education	Stormwater Utility Fees	9,779
		9,779
Infrastructure Upgrades & Improvements		
Palmetto Hall		
Sedge Fern Drive	Stormwater Utility Fees	1,267
Gum Tree Outfall Channel at Katie Miller	Stormwater Utility Fees	40,000
		41,267
Inventory & Modeling		
Indigo Run	Stormwater Utility Fees	2,431
Palmetto Dunes	Stormwater Utility Fees	816
Shelter Cove	Stormwater Utility Fees	925
Sea Pines	Stormwater Utility Fees	63,540
Unaffiliated Watersheds	Stormwater Utility Fees	2,706
		70,418
Drainage Maintenance and Repairs		
Port Royal Plantation		
Port Royal Maintenance	Stormwater Utility Fees	17,831
Shipyards Plantation		
Shipyards Maintenance	Stormwater Utility Fees	16,595
Sea Pines Plantation		
Sea Pines Maintenance	Stormwater Utility Fees	33,478
Harbour Town Hole 14	Stormwater Utility Fees	10,394
Wexford Plantation		
Wexford Maintenance	Stormwater Utility Fees	15,962
Ditch Work Power Line	Stormwater Utility Fees	24,690
Outfall Cleaning at Clubhouse	Stormwater Utility Fees	18,438
Non PUD		
Oakview Channel Maintenance	Stormwater Utility Fees	6,700
Folly Field Channel Maintenance	Stormwater Utility Fees	10,000
		154,087
Pump Stations		
Sea Pines	Stormwater Utility Fees	26,884
		26,884
Total Expenditures		302,435

The effects of this budget amendment for fiscal year 2016 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
Current Balance	\$ 38,787,254	\$(37,613,027)	\$ 34,680,836	\$(33,597,888)	\$ 11,215,701	\$(12,247,982)	\$ 84,683,791	\$(83,458,897)
Amendment	319,769	(319,769)	1,013,482	(1,013,482)	-	-	1,333,251	(1,333,251)
Revised Balance	\$ 39,107,023	\$(37,932,796)	\$ 35,694,318	\$(34,611,370)	\$ 11,215,701	\$(12,247,982)	\$ 86,017,042	\$(84,792,148)
Amendment	541,213	(541,213)	3,899,733	(3,899,733)	-	-	4,440,946	(4,440,946)
Revised Balance	\$ 39,648,236	\$(38,474,009)	\$ 39,594,051	\$(38,511,103)	\$ 11,215,701	\$(12,247,982)	\$ 90,457,988	\$(89,233,094)

	Enterprise Fund Stormwater Fund	
	Expenditures & Transfers Out	Revenues & Transfers In
Current Balance	\$ 3,652,255	\$(3,574,134)
Amendment	163,041	(163,041)
Revised Balance	\$ 3,815,296	\$(3,737,175)
Amendment	302,435	(302,435)
New Balance	\$ 4,117,731	\$(4,039,610)



MEMORANDUM

TO: Town Council

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

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

DATE: December 2, 2015

RE: **Second Reading of Proposed Ordinance No. 2015-28**

Recommendation:

Staff recommends Council approve second reading of Proposed Ordinance No. 2015-30 **amending fiscal year 2016 for new items** impacting the General and Capital Projects Funds' budgets.

There have been no changes.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2015-28

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2016; 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 16, 2015, 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 2016 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. 2015-28

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____DAY OF_____, 2015.**

David Bennett, 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. 2015-28

ATTACHMENT A

General Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Hospitality Tax		(475,000)
Sale of Land		991,462
Total Revenues		516,462
Expenditures:		
Fire Rescue		
Equipment	Hospitality Tax	(475,000)
Transfers		
Transfer to EDC (Pineland Station)	Sale of Land	991,462
Total Expenditures		516,462

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Beach Bond		500,000
2016 GO Bond		660,000
Total Revenues		1,160,000
Expenditures:		
Beach		
Islandwide Beach Renourishment	Beach Bond	500,000
		500,000
New Facilities & Infrastructure		
Sewer Projects	2016 GO Bond	660,000
		660,000
Total Expenditures		1,160,000

The effect of this budget amendment for fiscal year 2016 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
Revised Balance	\$ 39,648,236	\$(38,474,009)	\$ 39,594,051	\$(38,511,103)	\$ 11,215,701	\$(12,247,982)	\$ 90,457,988	\$(89,233,094)
Amendment	516,462	(516,462)	1,160,000	(1,160,000)	-	-	1,676,462	(1,676,462)
Revised Balance	\$ 40,164,698	\$(38,990,471)	\$ 40,754,051	\$(39,671,103)	\$ 11,215,701	\$(12,247,982)	\$ 92,134,450	\$(90,909,556)

ATTACHMENT A, CONTINUED

	Enterprise Fund Stormwater Fund	
	Expenditures	
	& Transfers Out	Revenues & Transfers In
New Balance	\$ 4,117,731	\$ (4,039,610)
Amendment	-	-
Revised Balance	\$ 4,117,731	\$ (4,039,610)



MEMORANDUM

TO: Town Council

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

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

DATE: December 3, 2015

RE: Reimbursement Resolution for 2016 Beach Renourishment Bonds

Recommendation: Staff recommends that Council adopt a resolution authorizing the Town to make interim payments from beach renourishment fees or other funds on hand with the intent to reimburse these funds from the proceeds of tax-exempt debt when the beach renourishment bonds are issued.

Summary: The reimbursement resolution is proposed with a not to exceed amount of \$23,250,000 to cover the \$20.7 million renourishment contract, related design, permitting, and monitoring costs, cost of capital and a potential bond reserve fund.

Background: To minimize the cost of capital, the Town often interfund borrows the initial costs of projects until the project(s) are ready for significant construction. When bonds are issued, bond proceeds are used to reimburse the funds that covered these initial costs. The Town's cash flow is sufficient to cover initial planning, permitting and design of the renourishment project; it can also cover the initial mobilization costs. Staff plans to propose bond ordinances to Council in January and February. The Town will likely issue the bonds in March 2016. If the Town receives FEMA funding for storm damages to the beach and or it is not necessary to fund a bond reserve fund, the Town will issue only the balance needed rather than the not to exceed amount of \$23,250,000.

A RESOLUTION RELATING TO THE DECLARATION OF INTENT BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO REIMBURSE CERTAIN EXPENDITURES PRIOR TO THE ISSUANCE BY THE TOWN OF ITS TAX-EXEMPT DEBT.

WHEREAS, the Internal Revenue Service and U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations (the “Regulations”) that authorizes an issuer to reimburse itself for expenditures that (1) are made prior to the issuance of tax-exempt debt, and (2) are paid no earlier than 60 days prior to the issuer’s declaration of intent to reimburse the expenditures with the proceeds of such tax-exempt debt; and

WHEREAS, the Town of Hilton Head Island, South Carolina (the “Town”), anticipates incurring certain expenditures (the “Expenditures”) with respect to beach renourishment projects (the “Projects”) prior to the issuance by the Town of tax-exempt debt for such purpose; and

WHEREAS, the Town intends to fund the Projects from proceeds of tax-exempt debt not to exceed \$23,250,000 (the “Bonds”).

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

Section 1. The Council hereby declares that this Resolution shall constitute its declaration of official intent pursuant to Regulation § 1.150-2 to reimburse the Town from the proceeds of the Bonds to be issued pursuant to South Carolina state law, for Expenditures with respect to the Projects. The Council anticipates incurring Expenditures with respect to the Projects prior to the issuance by the Town of the Bonds.

Section 2. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid, or (b) the date the Projects was placed in service, but in no event more than three (3) years after the original Expenditures.

Section 3. The Expenditures are incurred solely to acquire, construct or rehabilitate property having a reasonably expected economic life of at least one (1) year.

Section 4. The Council hereby authorizes the use of beach renourishment fees, general fund monies or other legally available funds on hand as the source of funds for the Expenditures with respect to the Projects.

Section 5. This Resolution shall be in full force and effect from and after its adoption as provided by law. This Resolution shall be made available for inspection during normal business hours by the general public at the offices of the Town.

**MOVED, APPROVED, AND ADOPTED ON THIS ____ DAY OF _____,
2015.**

By: _____

David Bennett, Mayor

Attest:

Victoria L. Pfannenschmidt, Town Clerk

Approved as to form:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



TOWN OF HILTON HEAD ISLAND

TO: Stephen G. Riley, ICMA-CM, Town Manager

FROM: Scott Liggett, PE, Director of Public Projects & Facilities

DATE December 3, 2015

SUBJECT: Sewer Service Initiative

The Hilton Head Public Service District (PSD) has developed a proposal for the Town's consideration whereby the Town would provide \$4,974,957 for a portion of the costs associated with the 5 year completion of the District's Master Sewer Plan and the provision of sanitary sewer service to all residents in the PSD's service area that desire sewer service.

Staff's recommendation for program year 1 projects differed slightly from the PSD proposal and the necessary action directing staff to proceed with the year 1 projects as recommended by Staff, including amendments to the fiscal year 2016 consolidated municipal budget, as already occurred.

Further, Staff was directed to make a recommendation for the programming of funds for the year two through year five implementation of the sewer masterplan. In so doing, Staff relied on the previous position developed regarding project eligibility and primary consideration was given to serving those properties which are developed (not vacant), not currently being considered for development or not having been developed in the modern era since the establishment of the former Beaufort County Development Standards Ordinance (DSO) and where no platted road rights of way exist.

Accordingly, Staff recommends that the following projects or portions of projects BE CONSIDERED for funding by the Town over the course of the next 4 years. (Please note that the nomenclature used below reflects the terms used by the PSD in their masterplan.)

Year 2

Proposed Service Area 7 – Marshland Road Sewer, Allen Road Sewer, Driveway to MH, Julia Drive, Mackerel Drive, Pinefield Road, Dianah Drive LPS, Marshland Road and Nina Drive Sewer, William Way Sewer, Aiken Place Sewer, L&L Broadcasting Drive Sewer, Jessica Drive Sewer, Chisholm Drive Sewer

Proposed Service Area 2 – Ned Court Sewer, Duey Hill Drive LPS, Clifford Miller Drive Sewer, Fetterbush Drive Sewer, Rhiner Drive Sewer, Gumtree Road LPS, Gumtree Road LPS (future road), Orage Road LPS

Staff further recommends that the following projects or portions of projects NOT be considered for funding by the Town within Service Areas 7 and 2:

Proposed Service Area 7 – Gibson Drive Sewer

Proposed Service Area 2 – Caesar Place Sewer, Eagin Court Sewer, Katie Miller Sewer, Katie Miller Sewer Extension

Year 3

Proposed Service Area 1 – Cobia Court Sewer, Wright Place Sewer, Murray Avenue Sewer, Amelia Circle Sewer, Stingray LPS, Outlaw Road Sewer

Proposed Service Area 3 – Mustang Lane Sewer, Lawyer Place, Bligen Sewer, Driveways off of Highway 278, Chamberlin and Kirby LPS, Darling LPS, Adriana Lane LPS

Staff further recommends that the following projects or portions of projects NOT be considered for funding by the Town within Service Areas 1 and 3:

Proposed Service Area 1 – Shamrock PS

Proposed Service Area 3 – Sunday Ford Drive Sewer and Screech Owl Lane LPS

Year 4

Proposed Service Area 8 – Thomas Cohen Drive Sewer, Spanish Wells Drive Sewer

Proposed Service Area 4 – Fish Haul Road Sewer, Yucca Drive LPS, Great Barracuda Lane Sewer, Tarpon Trail Sewer, Mitchelville Road Ext. LPS, Adell Lane Sewer, Horse Sugar Lane Sewer, Alice Perry Lane Sewer, Triggerfish Trail Sewer, Fish Haul Road LPS

Staff further recommends that the following projects or portions of projects NOT be considered for funding by the Town within Service Areas 8 and 4:

Proposed Service Area 8 – Jonesville Road Sewer to replace Ex. LPS, Elizabeth Road Sewer, Benjamin Drive Sewer, Easement Sewer, Jonesville Road Sewer

Proposed Service Area 4 – Mitchelville Road LPS

Year 5

Proposed Service Area 6 – Marshland Road Sewer Extension, Christopher Drive LPS, Mingo Green LPS, Pauline Manor LPS, Matilda LPS

Please note that the Proposed Service Area 9 project, Spanish Wells POA, is not recommended for consideration of Town funding.

Subject: Sewer Service Initiative

12/03/15

Page 3

A summary table for the entirety of the proposed 5 year program is provided below. The year 2-5 project costs as depicted are based on the estimates as provided by HHPSD for those eligible projects or portions of projects identified above. The costs of easements and right-of-way acquisition and sewer connections are not included.

Year	Project Area	Project Cost –eligible portions as determined by Town
1	Area #10: South Spanish Wells (rev)	\$349,825.00
1	Area #5: Dillon	\$597,975.00
2	Area #7: Marshland	\$948,973.75
2	Area #2: Gumtree	\$312,208.50
3	Area #1: Squire Pope	\$233,319.25
3	Area #3: Stoney (Wild Horse)	\$349,162.25
4	Area #8: Jonesville	\$221,250.00
4	Area #4: Fish Haul/ Bay Gall	\$436,662.50
5	Area #6: Chaplin	\$89,575.00
	Total	\$3,538,951.25



MEMORANDUM

TO: Town Council

FROM: Susan Simmons, CPA, Director of Finance

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

DATE: December 3, 2015

RE: **CY 2016 State Accommodations Tax Grant Recommendations**

Recommendation: Staff recommends that Council review the attached Accommodations Tax Advisory Committee (ATAC) recommendations and award the calendar year 2016 grants at its meeting on December 15, 2015.

Summary: ATAC received 30 applications, held hearings with each, and made the recommendations attached. The Chairman's letter is also attached which describes the applicants' requests, deliberations, and recommendations. As requested with the new ATAX procedures, a status report on calendar year 2015 grants is attached. Available amounts not yet drawn can vary for many reasons. A major reason is some applicants receive funds for major events occurring late in the calendar year. Staff anticipates that any lapsed amounts will be small and will roll into grant funding next year.

Council has **\$3,716,233 total funds to award now** if it chooses **leaving a \$50,000 reserved balance** which could be used later in 2016 if worthy out-of-cycle applicant requests arise. When the Finance & Administrative Committee and Town Council adopted new accommodations tax (ATAX) processes earlier this year, it created a policy for a minimum \$50,000 reserve. Therefore, Council could also choose to leave a reserve larger than \$50,000.

Background:

Calendar year 2016 grants will be awarded from actual accommodations tax (ATAX) revenues from the first three quarters of calendar year 2015 and estimated revenues from the fourth quarter of calendar year 2015. Per policy, it will be adjusted for the difference in the prior year's fourth quarter estimate vs. actual.

The Town received \$4,683,238 from the first three quarters of calendar year 2015 and added estimated revenues of \$672,000 for the fourth quarter, to reach a total estimate of \$5,355,238. This is an estimated increase of \$234,310 or 4.6% from calendar year 2014 actual/estimated revenues of \$5,120,928.

The following adjustments are made to the ATAX revenues to determine the amount available to award grants for calendar year 2016.

- \$616 of investment income is added;
- \$1,435 in lapsed grants is added, bringing the total available funds to \$5,357,289;
- formula funding is deducted:
 - to the Town - \$25,000 and 5% estimated at \$266,512, and
 - to the Chamber/VCB as DMO - 30% or an estimated \$1,599,071;
- \$60,377 for the increase in actual vs. the estimated ATAX revenues for the fourth quarter of calendar year 2014 is added;
- \$239,150 available but not awarded for 2015 grants is added. Per the new procedures, these funds will be the first awarded for calendar year 2016 grants.

Funds available total \$3,766,233.

Earlier this year, the Finance & Administrative Committee and Town Council adopted revised ATAX procedures which included a **minimum \$50,000 reserve fund**. The reserve will be used in the event worthy out-of-cycle grant applications are received. A process for receiving out-of-cycle grants is being developed.

After deducting a \$50,000 reserve, the amount available for calendar year 2016 grants is \$3,716,233.



THE TOWN OF HILTON HEAD ISLAND ACCOMMODATION TAX ADVISORY COMMITTEE

To: Mayor David Bennett, Town of Hilton Head Island
Town Council Members, Town of Hilton Head Island

Cc: Steve Riley, Town Manager, Town of Hilton Head Island

From: Mike Alsko, Chairman, Accommodations Tax Advisory Committee

Date: November 30, 2015

Subject: ATAC Recommendations for 2016 ATAX Grant Awards

On November 5, 2015, the Accommodations Tax Advisory Committee (ATAC) met to make grant funding recommendations for 30 ATAX grant applications that were solicited from our traditional 2016 recurring grant cycle. As a result, the ATAC was pleased to make funding recommendations on 26 of the 30 submitted ATAX grant applications with a suggested carryover amount of \$293,729 to be used for possible 2016 out of cycle grant requests.

Total Available Funding for Grants (after required \$50,000 reserve)	\$3,716,233
ATAC Funding Recommendations for Grants	<u>\$3,422,504</u>
ATAC Recommended Carryover for Out of Cycle Grants	\$ 293,729

As with past practice, the ATAC has worked to establish a consistent philosophy in how applications are reviewed and prioritized. Over the past four years, the review and recommendation approach of the ATAC has evolved through continuous improvement into the following guiding principles:

- **Economic Growth Through Tourism** - Does the applicant organization drive overnight visitors to Hilton Head Island?
- **Creation of Sustainable Visitor Traffic** - Does the applicant organization enhance, or improve, the visitor experience on Hilton Head Island creating opportunities that would encourage visitors to return to Hilton Head Island?
- **Collaboration Amongst Organizations** - How well does the applicant organization collaborate with other local organizations, especially fellow grant applicants? Where possible, do applicants cross-promote each other to further enhance the visitor experience?
- **Organization Viability and Return on Investment** - Does the organization possess both a clear vision and an achievable direction? Does the organization have other sources of public and private support available and what is the organization's long term dependency on ATAX funding going to be? Do established applicant organizations have the financial means to support themselves without an ATAX award for the upcoming year and/or beyond? Do organizations with a strong balance sheet have a strategic plan for their cash reserves?
- **Operational Confidence** - How well do the applicant organizations understand their operations? Do they track and report metrics, do they provide sufficient transparency, and are they accountable for their results?

In an effort to provide an additional layer of summary detail with our recommendation, each application has been broken out into sections categorizing, at the highest level, the type of recommendation each application received from the Committee this year. These four categories will group applications together based on whether they received recommendations for full, partial, TERC capped, or no funding. As with previous recommendation memos, a detailed view of the Committee's recommendation of each application will follow these summaries.

Applicants Receiving Recommendations of Full Funding

This year, the Committee was again in a fortunate position to make a number of full funding recommendations due to increased ATAX receipts in fiscal year 2015. The Committee felt that these organizations that fell into this category were thoughtful with their grant requests, demonstrated a reasonable financial need, and were able to show a strong ROI with how they chose to invest their financial resources to drive and enhance tourism on Hilton Head Island.

	<u>Committee</u>	<u>Request</u>	<u>Variance</u>
Arts Center of Hilton Head Island	\$ 396,000	\$ 396,000	\$ -
Hilton Head Choral Society	\$ 35,500	\$ 35,500	\$ -
Hilton Head Concours d'Elegance	\$ 165,000	\$ 165,000	\$ -
HHI Recreation Association (Wing/Oyster Fests)	\$ 15,000	\$ 15,000	\$ -
HHI Wine and Food, Inc.	\$ 130,000	\$ 130,000	\$ -
HHI Chamber and VCB	\$ 385,000	\$ 385,000	\$ -
Hilton Head Symphony Orchestra	\$ 230,000	\$ 230,000	\$ -
Lowcountry Golf Course Owners Assoc.	\$ 50,000	\$ 50,000	\$ -
Shelter Cove Harbour Company	\$ 54,900	\$ 54,900	\$ -
The Coastal Discovery Museum	\$ 239,340	\$ 239,340	\$ -
The Heritage Library – History Day	\$ 9,100	\$ 9,100	\$ -
The Sandbox	\$ 49,600	\$ 49,600	\$ -
Town of Hilton Head Island	<u>\$1,286,058</u>	<u>\$1,286,058</u>	<u>\$ -</u>
	\$3,045,498	\$3,045,498	\$ -

Applicants Receiving Recommendations of Partial Funding

Some organizations were not recommended for full funding, despite being eligible and not being subjected to any TERC-based funding caps. The ATAC's approach has been to evaluate the individual merit of each application irrespective of total available funding. The ATAC feels strongly that partial funding should not be considered a negative reflection on the organization. The final determination generally fell within the ATAC's belief that any funding above the recommended amount possibly would not generate a favorable ROI on the use of the additional funds, even though they could be made available to the applicant. Furthermore, the Committee was cautious in recommending increased year over year funding to ensure that a new benchmark would not be created that could adversely impact the applicant in upcoming years if the same funding levels were not available in the future. Excluding any application which was interpreted to be ineligible for funding, a total of 8 organizations were impacted by the Committee's partial funding recommendations. This resulted in a \$105,940 variance between what was requested by the applicant and what was recommended by the Committee. The Committee believes in making recommendations in the highest and best use of the available funds and felt comfortable making these specific partial funding recommendations despite also recommending the carryover of excess funds for possible future out of cycle grant requests.

	<u>Committee</u>	<u>Request</u>	<u>Variance</u>
D.M. Carmines Mem. Found. Seafood Festival	\$ 10,000	\$ 15,000	(\$ 5,000)
Gullah Museum of Hilton Head Island	\$ 30,000	\$ 50,000	(\$ 20,000)
Harbour Town Merchants Association	\$ 12,000	\$ 18,000	(\$ 6,000)
Hilton Head Dance Theater	\$ 15,000	\$ 23,000	(\$ 8,000)
Main Street Youth Theater	\$ 15,000	\$ 20,000	(\$ 5,000)
Mitchelville Preservation Project	\$ 40,000	\$ 60,000	(\$ 20,000)
Native Island Business & Community	\$110,000	\$150,000	(\$ 40,000)
Skull Creek July 4 th Celebration	<u>\$ 12,000</u>	<u>\$ 13,940</u>	<u>(\$ 1,940)</u>
	\$244,000	\$349,940	(\$105,940)

Applicants Receiving Recommendations with TERC-based Reimbursement Caps

This year there were a total of 6 applicants whose requests did not fully meet certain reimbursement requirements and were subject to maximum allowable reimbursement limits as defined by state statute and/or TERC opinion. In these situations, with the assistance of Town staff, the ATAC used the tourism metrics provided by the applicant to determine the maximum allowable reimbursement amount each applicant would be eligible to receive if awarded.

	<u>Committee</u>	<u>Request</u>	<u>Max Allowed</u>	<u>Variance*</u>
Art League of Hilton Head Island	\$ 55,000	\$ 87,418	\$ 59,947	(\$32,418)
HHI St. Patrick's Day Parade**	\$ 14,740	\$ 16,000	\$ 14,470	(\$ 1,260)
Memory Matters	\$ 12,000	\$ 40,000	\$ 18,000	(\$28,000)
MLK Jr. Celebration**	\$ 1,660	\$ 6,500	\$ 1,660	(\$ 4,840)
The Heritage Library**	\$ 49,606	\$ 50,160	\$ 49,606	(\$ 554)
	\$133,006	\$200,078	\$143,683	(\$67,072)

*Variance is between Committee and Request Amounts

**Applicant received full funding recommendation based on Max Allowed

Applicants Receiving Recommendations of No Funding

Unfortunately, there were 4 applications that were submitted this year that did not receive a recommendation for funding. These applications were thoughtful and well-presented; however, the Committee felt that funding these organizations would not be the highest and best use of the available funds for a few different reasons, all of which will be outlined in the detailed applicant section of this recommendation memo.

	<u>Committee</u>	<u>Request</u>	<u>Variance</u>
Beaufort County Black Chamber of Commerce	\$ -	\$ 55,000	(\$ 55,000)
Sandalwood Community Food Pantry	\$ -	\$ 5,000	(\$ 5,000)
SC Lowcountry and Resort Island Tourism	\$ -	\$ 49,000	(\$ 49,000)
The Outside Foundation	\$ -	\$ 5,000	(\$ 5,000)
	\$ -	\$114,000	(\$114,000)

The remainder of this recommendation memo will provide summary information on the applicant organizations, a snapshot of their funding requests, and the Committee'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 the 2016 grant cycle. A spreadsheet of the committee's grants recommendations accompanies this memo.

BASED ON THE ATAC'S REVIEW OF EACH GRANT APPLICATION, THE APPLICANT'S INDIVIDUAL PRESENTATIONS, AND THE COMMITTEE'S PUBLIC DISCUSSION, THE ATAC SUBMITS THE FOLLOWING RECOMMENDATIONS TO TOWN COUNCIL FOR REVIEW AND APPROVAL:

<p style="text-align: center;"><u>ART LEAGUE OF HILTON HEAD</u> 2016 Grant Application</p>
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The Art League of Hilton Head has firmly established itself as a core component of the local arts community. The League is requesting funds to provide a strong visual art presence on Hilton Head Island through its innovative Gallery and Academy, and market creative events and partnerships with local organizations and businesses.

2016 Grant Application - "Strategic Marketing Plan – Year 2"

Tourism Ratio: 28.0% / 91,655 tourists served out of 330,222 total people

Grant Request: **\$87,418; per TERC guidelines the maximum allowable award would be \$59,947**

Grant Reason: Local and targeted marketing ads in the five top MSA's that provide visitors to our area, in addition to some areas of Canada. In addition, the grant would assist in the funding of the salary of a full-time Marketing Assistant.

Recommendation: **\$55,000**

ATAC Opinion: The Committee was impressed with the League’s continued marketing efforts and its commitment towards evolving towards digital media and marketing. The diversity of offerings helps enhance the visitor stay on the Island and the Committee feels that continued funding is important to the mission. **TERC reimbursement guidelines were applied towards the marketing salary request making the maximum allowable award be \$59,947. The Committee’s recommendation of \$55,000 encompasses full funding for the marketing request of \$49,265, plus an additional \$5,735 for staffing.**

ARTS CENTER OF COASTAL CAROLINA
2016 Grant Application

The Arts Center provides year-round, high quality programming to both tourists and residents through the production of theater, performing arts, and community festivals. Additionally, the Arts Center will continue to host multiple exhibitions and educational programs throughout the year.

“Tourism Operations Support for the Arts Center of Coastal Carolina”

Tourism Ratio: 24.0% / 10,593 tourists served out of 44,157 total people

Grant Request: **\$396,000**

Grant Reason: To support marketing efforts in addition to the visitor portion of program costs for theater, performing arts, and community festivals. Total cost to provide these programs in FY16 will be \$3,997,276.

Recommendation: **\$396,000 – Full funding**

ATAC Opinion: The Committee feels strongly that the Arts Center is the focal point of arts within our community. The quality and diversity of programming provided to both tourists and residents showcases our Island as a world class destination and assists in both the driving and enhancing of tourist stays. **The Committee would like to highlight that this tourism, marketing and programming application does not include any supplemental facility maintenance requests that have accompanied previous applications.**

BEAUFORT COUNTY BLACK CHAMBER OF COMMERCE
2016 Grant Application

The BCBCC is requesting funding for destination marketing and advertising of Hilton Head Island to group tour planners, family reunion planners, and leisure travelers with a focus on cultural and historical travel. In 2015, the BCBCC was successful in generating 8,600 room nights in Beaufort County through its involvement in planning eleven group tours and five reunions.

“Cultural Tourism Marketing”

Tourism Ratio: Specific data related to Hilton Head Island not available

Grant Request: **\$55,000**

Grant Reason: For marketing via print and digital media to group tour planners

Recommendation: **No funding due to potential DMO overlap**

ATAC Opinion: While the Committee appreciates the BCBCC’s commitment to supporting Hilton Head Island tourism, the Committee is concerned about the ROI of awarding a grant to the BCBCC when the Town is already supporting its current DMO that is the primary driver of tourism to the Island. Although the BCBCC is an established organization, its ability to drive or enhance tourism directly on Hilton Head Island is minimal in the Committee’s opinion. This organization has shown that it partnered with other local cultural organizations in support of their events and destinations. **The Committee’s opinion is that the BCBCC should continue to collaborate directly with cultural organizations and that these local organizations engage the BCBCC directly for marketing assistance.**

DAVID M. CARMINES MEMORIAL FOUNDATION

2016 Grant Application

The David M. Carmines Memorial Foundation organizes the annual Hilton Head Island Seafood Fest. This week-long event culminates in an all day festival at Shelter Cove Community Park featuring food, live entertainment, family activities, and other contests. Approximately 84% of surveyed attendees indicated they were extremely likely, or likely, to recommend the event to a friend and 20% of the visitors stated that they would not have come to the Island if it weren't for this festival.

"Hilton Head Island Seafood Festival"

Tourism Ratio: 54.0% / 2,572 tourists served out of 4,763 total people

Grant Request: **\$15,000**

Grant Reason: For event marketing expenses through print, online, social, TV, and radio

Recommendation: **\$10,000**

ATAC Opinion: The Committee was pleased to hear of the continued success and growth of the event. Due to the event's tourist draw and impressive survey metrics, the Committee felt it was important to continue funding this organization to bolster the marketing budget and assist in continuing to increase the event attendance. **Although the Committee had the ability to recommend full funding, the current recommendation is a 127% increase from 2015 levels. The recommendation was driven by the continued growth of the event, the applicant's enhanced marketing efforts, and its ability to drive tourism year over year. The Committee supports the event, but shared concern as to the ROI of full funding at this time.**

GULLAH MUSEUM OF HILTON HEAD ISLAND

2016 Grant Application

The Gullah Museum of Hilton Head Island is requesting funding for a three day "Gullah Museum Cultural Tourism Expo" which would be held October 7-9, 2016; an exhibit that will run from May 1, 2016 – June 19, 2016; and an artist in residence program from April 1, 2016 – August 31, 2016.

"Gullah Museum of Hilton Head Island"

Tourism Ratio: Not reported by applicant; event occurring after application deadline

Grant Request: **\$50,000**

Grant Reason: For event marketing and operation expenses related to the three events

Recommendation: **\$30,000**

ATAC Opinion: The Committee was impressed with the applicant's commitment and contribution towards enhancing the cultural experience of tourists. Specific metrics were not reported as the event that received funding last year was scheduled to start after the application window closed. **Although the Committee had the ability to recommend full funding of this application, a conservative approach was used due to the Committee being cautious about establishing a funding benchmark that might not be viable in future years and due to not having an established track record of success for the specific events and programming outlined in the application.**

HARBOUR TOWN MERCHANTS ASSOCIATION

2016 Grant Application

The Harbour Town Merchants Association is seeking grant funding for its annual Fourth of July Fireworks display. The Association estimates that over 5,000 attended the display in 2015, which was a mixture of residents and tourists.

"Harbour Town 4th of July Fireworks"

Tourism Ratio: Estimated 5,000+ total people served

Grant Request: **\$18,000**

Grant Reason: For event marketing and operational expenses

Recommendation: **\$12,000**

ATAC Opinion: As with previous years, the Committee feels that it is appropriate to support this fireworks display as it is a worthwhile tourism enhancer for one of the Island's busiest weeks of the year. Although the Committee had the ability to recommend full funding of this application, the past practice of treating all July 4th fireworks applications the same was applied. The Committee's recommendation reflects a 21% increase from 2015 to help the applicant offset increasing event expenses.

HILTON HEAD CHORAL SOCIETY
2016 Grant Application

In 2016, their 41st season, the Hilton Head Choral Society is planning to produce 5 concerts throughout the year, many in collaboration with other organizations. The Choral Society volunteers have worked hard to remain a fiscally responsible organization and have worked diligently to identify new marketing mediums that are more cost effective and efficient.

"Hilton Head Choral Society Performance Season"

Tourism Ratio: 32.0% / 997 tourists served out of 3,117 total people served

Grant Request: **\$35,500**

Grant Reason: The majority of the request (\$30,500) will be used for marketing expenses with enhanced exposure through TV advertising, print, and social media. Part of this marketing expense will be used for advance marketing of the Choral Festival in 2017. An additional amount (\$5,000) was requested for a non-budgeted Memorial Day concert that will include the Marine Band from Parris Island.

Recommendation: **\$35,500 – Full funding**

ATAC Opinion: The Committee continues to be impressed with this organization. The Society produces great events and is an excellent collaborator with other organizations. It takes a business approach to operations and has impressed the Committee with how it is fine-tuning itself year over year.

HILTON HEAD ISLAND CONCOURS D'ELEGANCE, INC.
2016 Grant Application

The Hilton Head Island Motoring Festival & Concours d'Elegance continues to prove its position as one of the premiere destination events on the East Coast. In 2013, this event announced a major shift by changing venues from Honey Horn to the Port Royal Golf Club in an effort to remain competitive with other top-tier national events with sponsors, collectors, and attendees.

"Hilton Head Concours d'Elegance & Motoring Festival"

Tourism Ratio: 52.0% / 8,550 tourists served out of 12,000 total people

Grant Request: **\$165,000**

Grant Reason: For event marketing and advertising, which contributes towards a total event budget of \$1,059,500.

Recommendation: **\$165,000 – Full funding**

ATAC Opinion: The Committee feels very strongly the Motoring Festival is a signature event for our Island and will only continue to grow and improve. Due to the Festival's ability to grow substantially year over year, show a clear vision and direction, and prove that it both drives and enhances tourism, the Committee recommends full funding of the grant request.

HILTON HEAD DANCE THEATER
2016 Grant Application

Currently in its 30th season, the Hilton Head Dance Theater has three major planned productions for 2016, in addition to several smaller ones. Their Summer Gala production returned in August 2015 after a brief hiatus. The Dance Theater's productions of The Nutcracker and Terpsichore generate the most tourist visits out of any of the other showings. The Dance Theater will be utilizing the Arts Center for the production of Terpsichore in the spring.

“Hilton Head Dance Theatre Performance Season”

Tourism Ratio: 8.4% / 265 tourists served out of 3,151 total people
Grant Request: **\$23,000**
Grant Reason: For event marketing for 3 major productions in 2015
Recommendation: **\$15,000**
ATAC Opinion: The Committee feels that this is a worthy organization to continue supporting due to its ability to collaborate with other organizations and the quality of its productions. The Committee is extremely pleased that the Theater will be able to utilize the Arts Center again for one of its productions. **Although the Committee had the ability to recommend full funding, the current recommendation is a 14% increase to the 2015 award. The Committee supports this organization, but shared concern over the ROI of full funding at this time due to the relatively low tourism draw.**

HILTON HEAD ISLAND RECREATION ASSOCIATION
2016 Grant Application

The Hilton Head Island Recreation Association organizes its annual Wingfest and Oyster Festival, two separate events. Entering its 21st year, Wingfest has become the “Super Bowl” of the chicken wing industry for local restaurants and food lovers. It has been showcased on national outlets, such as the Oprah Network and The Outdoor Channel. The Oyster Festival is a true Lowcountry event that showcases the true essence of the area.

“ATAX Application for Events”

Tourism Ratio: 38.1% / 3,505 tourists served out of 9,200 total people
Grant Request: **\$15,000**
Grant Reason: For event marketing with a strong focus on regional marketing through billboard, radio, mobile billboards, and social media.
Recommendation: **\$15,000; calculated as \$7,500 for each individual event**
ATAC Opinion: The Committee was pleased to hear of the growing success of the event and welcomed the applicant’s inclusion of another one of its signature events. Due to the event’s tourist draw and impressive survey metrics, the Committee felt it was important to fund this organization to bolster its marketing budget to help continue increasing event attendance. **Although the Committee did not place a specific restriction on the use of the recommended funding, the intent of full funding was to provide each event with \$7,500.**

HILTON HEAD ISLAND ST. PATRICK’S DAY PARADE
2016 Grant Application

The Hilton Head Island St. Patrick's Day Parade will celebrate its 33rd year in 2016. The parade is comprised of floats, marching bands, walking groups, automobiles, animal units and other creative entries.

“Hilton Head Island St. Patrick’s Day Parade”

Tourism Ratio: 41% / 9,020 tourists served out of 22,000 total people
Grant Request: **\$16,000; per TERC guidelines the maximum allowable award would be \$14,740**
Grant Reason: For event related expenses and securing additional entertainment participants.
Recommendation: **\$14,740 – Full funding based on TERC maximum allowable reimbursement guidelines**
ATAC Opinion: The Committee continues to be pleased with the progressive success of this event and recommends that it continues to be funded. **TERC reimbursement guidelines were applied towards the applicant’s operational expense request making the maximum allowable award to be \$14,740.**

HILTON HEAD WINE AND FOOD, INC

2016 Grant Application

The Hilton Head Wine and Food Festival is going to celebrate its 31st year in 2016. In 2015, the Festival announced a venue change to the Sea Pines Resort. HHWFF is a strong collaborator with other local organizations – HHI Motoring Festival, HHI Symphony, the Art League, and the HHI Chamber and VCB.

“Hilton Head Island Wine and Food Festival”

Tourism Ratio: 66.0% / 2,842 tourists served out of 4,305 total people served

Grant Request: **\$130,000**

Grant Reason: To elevate event marketing through the placement of advertisements focused on the fly/drive market and targeting affluent travelers from a regional and east coast standpoint

Recommendation: **\$130,000 – Full funding**

ATAC Opinion: The Committee continues to be impressed with this organization. It is impressive to see the strides this organization has taken over the past few years. Last year, the Committee recommended a significant increase to the ATAX funding as a result of a revamped marketing approach and in support of the venue change. The Committee was impressed with applicant’s self-assessment of its event in 2015 and appreciated the candidness of what worked well and what did not. This year, the HHWFF has hired its first Festival Director which is a strong indicator of the commitment to growing the event and evolving it towards the affluent traveler.

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE / VCB

2016 Grant Application

This year, the Chamber of Commerce has applied for a supplemental grant of \$385,000 for group business travel, golf, culinary and culture, and sports marketing, in addition to the creation of a community calendar. The goal in driving group business travel to the Island is to help create market compression in the gap left over from traditional leisure travel. In addition, with the continued reinvestment efforts by a number of resort and commercial partners there is a strong storyline to promote. The golf marketing goal is to continue the collaborative efforts with the Lowcountry Golf Course Owners Association to drive golf business to the Island.

“2016 Hilton Head Island Destination Marketing”

Tourism Ratio: Not Provided / 2,100,000 unique visitors to destination website w/ 840,000 prospects converted to referrals (40%)

Grant Request: **\$385,000**

Grant Reason: For group and meeting travel marketing, culinary and cultural destination marketing, and general sports and golf promotion

Recommendation: **\$385,000 – Full funding**

ATAC Opinion: The Committee feels strongly that the Town’s DMO has the greatest reach and best potential to reach the maximum amount of potential visitors to our Island. Due to the successful year that the Island had, it is clear that there is a need to reinvest in ourselves to continue to drive and enhance tourism.

HILTON HEAD SYMPHONY ORCHESTRA, INC.

2016 Grant Application

The Hilton Head Symphony Orchestra provides world-class arts programming for residents and visitors. In addition to Symphony productions and collaborative performances with many of the other local arts organizations, the Symphony hosts and produces the International Piano Competition which helps drive tourism over a week-long period. In 2015, the Symphony served almost 13,000 people through its performances and productions with approximately 42.9% of attendees being tourists. In 2015, they are planning to add live streaming of the events in order to gain additional exposure as well as undertake an initiative to place painted pianos around the community.

"HHSO Operating Grant"

Tourism Ratio: 42.9% / 5,576 tourists served out of 12,992 total people served
Grant Request: **\$230,000**
Grant Reason: For marketing and operational expenses to contribute towards the organization's full year budget of \$1,801,208
Recommendation: **\$230,000 – Full funding**
ATAC Opinion: The Committee agrees that the Symphony is a signature organization within our community. The Symphony has remained consistent in its success and quality of productions. As such, the Committee recommends the continued funding of this worthwhile organization.

LOWCOUNTRY GOLF COURSE OWNERS ASSOCIATION

2016 Grant Application

The Lowcountry Golf Course Owners Association is an organization that is focused on driving golf tourism to the local area golf courses and is comprised of 31 member courses across Beaufort County. The LGCOA works closely with the Town's DMO to ensure golf tourism messaging and marketing channels align with the overall Hilton Head Island brand. In 2015, these efforts resulted in 105 travel articles being written about golfing on Hilton Head Island

"LGCOA PR Grant Application 2016"

Tourism Ratio: 75.0% / 425,000 total golf rounds were played across HHI's 15 member courses with 318,750 being considered visitors
Grant Request: **\$50,000**
Grant Reason: For the marketing and PR efforts
Recommendation: **\$50,000 – Full funding**
ATAC Opinion: The Committee continues to feel that the LGCOA has the ability to drive business to the Island. The Committee feels confident in the applicant's ability to reach national and regional media to generate a strong ROI on its spend.

MAIN STREET YOUTH THEATER

2016 Grant Application

Main Street Youth Theater is planning to produce 3 performances in 2016. The MSYT is dedicated to providing opportunities for youth and adults to experience live theater productions.

"Main Street Youth Theater"

Tourism Ratio: 30.0% / 538 tourists served out of 1,792 total people served
Grant Request: **\$20,000**
Grant Reason: For marketing expenses to promote season productions
Recommendation: **\$15,000**
ATAC Opinion: The Committee feels it is important to continue to support this arts organization. It should be noted that in 2016, the Theater will be substituting a summer production for its traditional spring production. The Committee is looking forward to seeing if any additional tourism attendance can be drawn from these new dates. **Although the Committee had the ability to recommend full funding, the current recommendation is a 14% increase above the 2015 award. The Committee supports this organization, but shared concern over the ROI of full funding at this time due to its tourism draw and the applicant's ability to significantly increase it through additional marketing dollars.**

MEMORY MATTERS
2016 Grant Application

Memory Matters is a community organization that provides education and support services for families who have individuals who are suffering from dementia, Alzheimer's, and memory loss. The specific request for funding is for its Purple Angel Project, which is an educational outreach to establish Hilton Head Island as a Dementia Friendly Community.

"Purple Angel Project"

Tourism Ratio: Not Provided / First time applicant / Currently have certified 44 businesses and organizations, with 16 being directly related to tourism

Grant Request: **\$40,000; per TERC guidelines the maximum allowable award would be \$18,000**

Grant Reason: For marketing, staffing, and training expenses to assist with its efforts to market Hilton Head Island as a Dementia Friendly Community

Recommendation: **\$12,000**

ATAC Opinion: The Committee was very impressed with the professionalism and vision of this first time applicant. The presentation was educational and insightful and identified an opportunity for our community to market ourselves in a different way to multi-generational travelers. It is important to note that this is a pilot program for the United States and Hilton Head Island has the momentum to become the first Dementia Friendly Community in the United States. **TERC has determined that training is not an appropriate use of ATAX funds and the Committee communicated to the applicant that \$2,000 of the grant request would likely not be able to be funded. Additionally, without an established tourism ratio an additional \$20,000 of the grant request would likely not be able to be funded due to an inability to establish a pro-rata amount. The Committee took these opinions and guidelines into consideration and determined that the maximum allowable award for this applicant would be \$18,000.**

MITCHELVILLE PRESERVATION PROJECT
2016 Grant Application

Mitchelville Preservation Project (MPP), now in its fifth year as a non-profit, community-based organization, is dedicated to preserving, protecting and promoting the heritage of Mitchelville – the first self-governed freedmen's town in America. MPP educates the public on the compelling story of its inhabitants and their quest for education, self-reliance and inclusion as members of a free society. Ultimately, MPP's goal is to establish Mitchelville Freedom Park which will feature replicas of original buildings and a series of ever-changing learning opportunities (i.e., revolving exhibits, lectures, forums, tours and cultural programs).

"Accommodations Tax Grant Application"

Tourism Ratio: 84.8% / 10,260 tourists served out of 12,100 total people served

Grant Request: **\$60,000**

Grant Reason: For strategic marketing management services and the promotion of the 2016 Juneteenth Celebration and Reconstructing Mitchelville for a Day event

Recommendation: **\$40,000**

ATAC Opinion: The Committee has been pleased in the progression of the vision and commitment of Mitchelville's board over the years. The Committee members noted that they were pleased to see the collaborating efforts of the Island's cultural organizations as well as this organization's ability to find a near-permanent exhibit home at the Westin. **Although the Committee had the ability to recommend full funding, the current recommendation is a 30% increase above the 2015 award. The Committee supports this organization, but shared concern over the ROI of full funding at this time.**

MLK Jr. Celebration Planning Committee
2016 Grant Application

The MLK Jr. Celebration Planning Committee has been organizing community activities on HHI that span the weekend preceding and continue through MLK Day on the 3rd Monday in January since the mid-1990's. Prior to that time, an Ad Hoc Committee organized a Memorial March on MLK Day. The MLK Jr. Celebration Planning Committee intends to use the grant money to underwrite expenses related to the five day MLK Celebration Weekend from January 14-18, 2016. This weekend includes cultural, historical and educational events that honor the legacy of Dr. Martin Luther King Jr. and engaging Melanie DeMore as the featured performer throughout the weekend.

"MLK Celebration Weekend"

Tourism Ratio: 12.5% / 125 tourists served out of 1,000 total people
Grant Request: **\$6,500; per TERC guidelines the maximum allowable award would be \$1,600**
Grant Reason: For event marketing and operation-related expenses
Recommendation: **\$1,660 – Full funding based on TERC maximum allowable reimbursement guidelines**
ATAC Opinion: The Committee feels that the MLK Celebration Weekend would benefit from ATAX funds. Unfortunately due to the low tourism ratio and the significant portion of the grant application being related to operational expenses, the Committee was not able to recommend full funding at the requested level. **TERC reimbursement guidelines were applied towards the applicant's operational expense request making the maximum allowable award to be \$1,660.**

NATIVE ISLAND BUSINESS & COMMUNITY AFFAIRS ASSOCIATION, INC.
2016 Grant Application

The Native Island Business & Community Affairs Association produces the annual Gullah Celebration on Hilton Head Island. NIBCAA will host the 20th annual event in 2016 which will be held across the month of February. Over this month, NIBCAA produces a number of arts and cultural events, festivals, and expos.

"Hilton Head Island Gullah Celebration"

Tourism Ratio: 76.2% / 12,352 tourists served out of 16,214 total people served
Grant Request: **\$150,000**
Grant Reason: For marketing and event expenses
Recommendation: **\$110,000**
ATAC Opinion: The Committee commended NIBCAA for its month-long effort to drive and enhance tourism during a historically slow tourism period. Based on its figures, the Committee feels strongly that NIBCAA's events are a tourist draw and enhance the stay of Island guests through its diverse offerings. **Although the Committee had the ability to recommend full funding, the current recommendation is a 5% increase from 2015 levels. The Committee fully supports the event, but shared concern as to the ROI of full funding at this time. The Committee also shared concern with this being a highly funded applicant, about creating a new annual funding benchmark that was significantly higher than previous years, especially when such funding might not be sustainable in future years.**

Sandalwood Community Food Pantry
2016 Grant Application

Sandalwood Community Food Pantry, which was started 6 years ago in a small apartment in Hilton Head feeding 5 families, has grown substantially such that it is now helping to feed over 700 families in need. This first inaugural Run/Walk for Hunger is anticipated to attract a significant % of participants from outside of the Hilton Head area with the objective to attract 40%. The date of the race is over Easter weekend and has the potential to have a positive impact on tourism as well enhancing the HHI visitor experience.

“Run/Walk for Hunger”

Tourism Ratio: Not provided / First time applicant / Inaugural Race in 2016

Grant Request: **\$5,000; per TERC guidelines the maximum allowable award would be \$2,100**

Grant Reason: For event marketing and operation related expenses

Recommendation: **No funding due to being an unproven tourism event at this time and Committee concerns about setting a precedent for a number of other small to mid-size races held throughout the year on Hilton Head Island**

ATAC Opinion: The Committee was very impressed with the applicant and how well the event was presented for funding. Unfortunately, the Committee shared concerns about it being an unproven tourism event. Additionally, the Committee wanted to exercise caution with recommending funds due to the large amount of similar running race events within the community being self-supported at this time. **As the Committee reviewed this application, TERC reimbursement guidelines were applied towards the applicant’s operational expense request making the maximum allowable award to be \$2,100.**

SOUTH CAROLINA LOWCOUNTRY & RESORT ISLANDS TOURISM COMMISSION

2016 Grant Application

The South Carolina Lowcountry & Resort Island Tourism Commission’s mission is to promote economic development through tourism across a four county region, which includes Hilton Head Island. The Tourism Commission has a welcome center and museum strategically placed at Exit 33 on I-95. Although not solely focused on the Island, the Tourism Commission actively markets and recommends it to visitors interested in visiting the Island.

“SC Lowcountry & Resort Island Tourism Commission”

Tourism Ratio: 100% / 70,683 total visitor count (guidebook and brochure distribution and Visitor Center guests)

Grant Request: **\$49,000**

Grant Reason: For specific Hilton Head Island marketing campaigns through digital marketing, social media platforms, traditional print, collateral literature, outreach to travel writers and one-on-one contact at the Frampton Plantation House Visitors Center.

Recommendation: **No funding due to potential DMO overlap**

ATAC Opinion: The Committee noted that in previous years, funding had been denied on the assumption that the Town could generate a stronger ROI through investing marketing dollars in its own DMO. Although, the Committee is impressed with this organization, the metrics, and ability to identify the marketing differences between it and our DMO, the Committee did not feel that it was in the highest and best use of available ATAX funds to recommend an award at this time.

SHELTER COVE HARBOUR COMPANY

2016 Grant Application

The Shelter Cove Harbour Company hosts a summertime fireworks series at its marina. There are 10 events that include nine Tuesday night displays and one July 4th display. These events have become a tradition for many Island tourists, as they have been continuously operated for 27 years.

“HarbourFest”; inclusive of July 4th Fireworks display

Tourism Ratio: 92.00% / 55,200 tourists served out of 60,000 total people served

Grant Request: **\$54,900**

Grant Reason: For event expenses related to nine peak tourist season Tuesday night displays and the annual 4th of July firework display. Included in this total is reserve funding for up to (3) rain dates, should the display need to be postponed until the next night.

Recommendation: **\$54,900 – Full funding; with the restriction that \$15,000 of this amount only be used if needed for rain dates (up to \$5,000 being allocated for each of three budgeted rain dates)**

ATAC Opinion:

The Committee approached the grant request in two different parts: the July 4th display and the Tuesday night displays. Regarding the July 4th display, the Committee discussed that this should be funded at **\$12,000** in conjunction with the two other Island displays. Additionally, the Committee continues to feel strongly that the Shelter Cove Tuesday night fireworks are a community event that has become an expectation of tourists who visit the Island. The Committee recommends that **\$27,900** be awarded to assist the applicant in defraying the weekly cost of these events. The Committee also sees merit in the applicant's request of **\$15,000** to be utilized if any firework display (up to a maximum of 3) needs to be postponed to a different day due to inclement weather. **As such, the Committee recommends funding be awarded to allow greater flexibility to the applicant, with the recommended restriction that this specific amount may only be utilized for that purpose.**

<u>SKULL CREEK JULY 4TH CELEBRATION, INC.</u>

2016 Grant Application

The Skull Creek July 4th Celebration, Inc. hosts an annual July 4th fireworks display in Skull Creek and is sponsored by a number of local business, many of whom receive direct benefit from this display.

"Skull Creek July 4th Celebration"

Tourism Ratio: Ratio not provided / est. 1,000 tourists served

Grant Request: **\$13,940**

Grant Reason: For marketing and event expenses

Recommendation: **\$12,000**

ATAC Opinion: As with previous years, the Committee feels that it is appropriate to support this fireworks display as it is a worthwhile tourism enhancer for one of the Island's busiest weeks of the year. **Although the Committee had the ability to recommend full funding of this application, the past practice of treating all July 4th fireworks applications the same was applied. The Committee's recommendation reflects a 21% increase from 2015 to help the applicant offset increasing event expenses.**

<u>THE COASTAL DISCOVERY MUSEUM</u>
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2016 Grant Application

The Coastal Discovery Museum was established in 1985 with the mission to educate the public about cultural heritage and natural history of the Lowcountry. The Museum provides over 1,500 programs per year. The Museum consistently has high attendance with a large saturation of tourists.

"Cultural and Eco-Tourism Programs"

Tourism Ratio: 83.0% / 96,829 tourists served out of 116,661 total people served

Grant Request: **\$239,340**

Grant Reason: For marketing, event, and facility expenses

Recommendation: **\$239,340 – Full funding**

ATAC Opinion: The Committee continues to be impressed with the Museum and its ability to enhance tourism on the Island. Each year, the Museum creates new experiences for visitors and enhances its static exhibits. The Museum's commitment to continuous growth and evolution plays a key part in providing repeat visitors with new experiences and memories. It should be noted that the applicant is now fully underwriting the ARKHAIOS Archaeology Film Festival as part of its programming and event schedule, which was a recommendation by the Committee last year.

THE HERITAGE LIBRARY FOUNDATION

2016 Grant Applications (A) (B)

(A) "2016 History Day"

History Day 2015 saw breakout success in sheer volume of interest and attendance. It is estimated that the inaugural event held in March attracted many more participants than the 731 people who were pre-registered. It was identified that 15% of those registered were tourists either staying on the Island or who drove in from Savannah and Charleston for the day. The proposed date for History Day 2016 is October 15th.

Tourism Ratio:	14.9% / 109 tourists served out of 731 registered participants
Grant Request:	<u>\$9,100</u>
Grant Reason:	For event marketing (\$8,000) and operational expenses (\$1,100)
Recommendation:	<u>\$9,100 – Full funding</u>
ATAC Opinion:	The Committee agreed that this was a well-received event, but shared concerns about some of the logistical challenges the event encountered in its first year. The Committee was impressed with applicant's self-assessment of its event in 2015 and appreciated the candidness of what worked well and what did not. It should be noted that the applicant provided specific enhancements and changes that it is considering which gave tremendous confidence to the Committee.

(B) "Heritage Library 2015"

The Heritage Library Foundation is a history and genealogy research center and owns and maintains Ft. Mitchel and the Zion Chapel of Ease Cemetery. The Heritage Library is confronting the challenge of remaking itself as an organization capable of accomplishing its core mission, but at the same time adjusting to an ever evolving environment in order to maintain its relevancy. The Library changed its management structure three years ago, rebranded with a fresh, new look, and has now embarked on a mission to redefine its role and operations. Over the past two years, the Heritage Library has become much more tourist-oriented and expects to continue evolving in this direction.

Tourism Ratio:	62.7% / 5,900 tourists out of 9,400 total people served between the Library and two historical sites. Tourism percentage for historical sites only is 91.0%
Grant Request:	<u>\$50,160; inclusive of the annual Speaker's Series which in previous years was a separate application; per TERC guidelines the maximum allowable award would be \$49,600</u>
Grant Reason:	For promotion, Speaker's Series expenses, production costs related to a proposed video history segment, website redevelopment, and historical site maintenance and enhancement
Recommendation:	<u>\$49,600 – Full funding based on TERC reimbursement guidelines</u>
ATAC Opinion:	The Committee continues to applaud the efforts of this organization. The Foundation has found new ways to reinvent itself. The Committee was impressed with the efforts focusing cultural and historical promotion, the commitment to historical site preservation, and bringing an intellectual component to the visitor's experience. It should be noted that this year, the applicant consolidated multiple applications into one single application, which was on the recommendation of the Committee last year. <u>TERC reimbursement guidelines were applied towards the applicant's facility maintenance expense request making the maximum allowable award to be \$49,600.</u>

THE OUTSIDE FOUNDATION

2016 Grant Application

The Outside Foundation seeks ways to educate, engage, and empower children and adults about our local environment. The vast majority of the island's restaurants, hotels, and timeshares provide parents with activity/coloring sheets to keep their children busy while waiting for food to be served, or simply as part of a larger kid's program. However, there are no sheets specific to the island's environment and native wildlife. To fill this need, we developed three "Kid's Eco Coloring and Activity" sheets: Atlantic Bottlenose Dolphin, American Alligator and the Loggerhead Sea Turtle.

"Kids Eco Coloring and Activity Sheet"

Tourism Ratio: Not provided / First time applicant / 12,000 activity sheets to be distributed at tourism-focused businesses and locations

Grant Request: **\$5,000**

Grant Reason: For event marketing and operation related expenses

Recommendation: **No funding due to uncertainty of advertising or promotional impact to tourism**

ATAC Opinion: The Committee was very impressed with the applicant and how well the project was presented for funding. Unfortunately, the Committee shared concerns about how this project could establish relevance to qualify for advertising and promotional funding through ATAX. The Committee liked the idea but ultimately felt that this project would be better funded through private sources. The Committee encouraged this applicant to identify projects which could help drive or enhance environmental tourism that could potentially qualify for ATAX grants in the future. **As the Committee reviewed this application, TERC guidelines were applied towards the applicant's request for marketing reimbursement and the Committee did not feel that this project would ultimately qualify for funding.**

THE SANDBOX

2016 Grant Application

The Sandbox is a museum attraction for tourist families visiting the Hilton Head Island area. The Sandbox promotes hands-on, education learning in a fun and safe environment. Through the years, The Sandbox has steadily grown and enhanced its programming. During the summer months, The Sandbox offers a number of events and programs geared towards tourists – including hosting parent's night out – providing an opportunity for parents to enjoy the Island's culinary options.

"Enhancing the Tourist Experience with Educational Play"

Tourism Ratio: 69.2% / 15,992 tourists out of 23,121 total people served

Grant Request: **\$49,600** – (\$37,000 for marketing and advertising expenses, \$9,000 for programming expenses, \$3,600 for facility and exhibit expenses)

Grant Reason: For marketing, advertising, programming, facility and exhibit expenses

Recommendation: **\$49,600 – Full funding**

ATAC Opinion: The Committee continues to applaud the efforts of The Sandbox which has shown steady and consistent growth since inception. The Committee takes great consideration in the fact that 69% of the people served are tourists and that many are repeat visitors. The Sandbox fills a unique niche in our community by providing our Island's youngest guests the opportunity to create lasting memories. **It should be noted that the applicant has been focused on becoming a sustainable organization and it is now at a point to request a grant amount lower than its previous award amounts.**

TOWN OF HILTON HEAD ISLAND
2016 Grant Application

The Town of Hilton Head Island is requesting funding to offset municipal operations that directly support tourism related public services. Included items are police and beach safety services; municipal code and land management ordinance enforcement services; and roadside, pathway, and public park maintenance.

“Municipal Town Operations – Tourism Support”

Tourism Ratio: 98.6% / 2,644,595 tourists out of 2,681,694 total people served

Grant Request: **\$1,286,058**

Grant Reason: For tourism-related public services such as police and beach safety, code and LMO enforcement, and roadside, pathway, and park maintenance.

Recommendation: **\$1,286,058 – Full funding**

ATAC Opinion: The Committee feels that the services provided by the Town are vital towards enhancing and serving the tourist visit. As in previous years, the Committee works to ensure proper funding recommendations for all other applicants before making a funding recommendation for the Town. Due to the additional availability of funding, the Committee’s belief that all other organizations received fair funding recommendations based off of their individual merit and demonstrated financial need, and a surplus of proposed carryover funds, the Committee felt it was appropriate to recommend full funding to the Town’s application.

Respectfully submitted on behalf of the Accommodations Tax Advisory Committee,



Mike Alsko, Chairman

2015/2016 Accommodations Tax Advisory Committee Members:

Mike Alsko, Chairman

Stewart Brown, Vice Chairman

Trish Heichel

Rob Bender

Charlie Miner

Brad Marra

Cliff McMackin

Calendar Year 2016 Accommodations Tax Advisory Committee Recommendations

	2014 Regular & Initial Nonrecurring	2015 Non Rec GRANTS	2015 Rec GRANTS	2016 GRANTS				
	Town Council Award	Town Council Award	Town Council Award	2016 Applicant Request	ATAC Recom- mendation	ATAC Restric- tions	Town Council Award Award	TC Add'l Restric- tions
Art League of Hilton Head	45,000	N/A	49,500	87,418	55,000			
Art League of Hilton Head - Nonrecurring	N/A	-	2,750	N/A	N/A	N/A	N/A	N/A
Arts Center of Coastal Carolina	365,000	N/A	383,250	396,000	396,000			
Arts Center of Coastal Carolina - Nonrecurring - Sound System	N/A	260,850	N/A	N/A	N/A	N/A	N/A	N/A
Beaufort County Black Chamber of Commerce	-	N/A	-	55,000	-			
D. M. Carmines Mem. Found. Seafood Festival	4,000	N/A	4,400	15,000	10,000			
Gullah Museum of Hilton Head Island	N/A	N/A	20,000	50,000	30,000			
Harbour Town Merchants Assoc.	9,000	N/A	9,900	18,000	12,000			
Hilton Head Choral Society	18,000	N/A	24,800	35,500	35,500			
Hilton Head Choral Society - Nonrecurring	N/A	-	4,790	N/A	N/A	N/A	N/A	N/A
Hilton Head Concours d'Elegance	134,000	85,000	147,400	165,000	165,000			
Hilton Head Dance Theater	12,000	N/A	13,200	23,000	15,000			
HHI Audubon Society	N/A	N/A	45,000	N/A	N/A	N/A	N/A	N/A
HHI Land Trust - Nonrecurring	N/A	-	15,000	N/A	N/A	N/A	N/A	N/A
HHI Recreation Association (2016: Wingfest & Oyster Festival)	N/A	N/A	7,500	15,000	15,000			
HHI St. Patrick's Day Parade	12,000	N/A	13,200	16,000	14,740			
HHI Wine and Food, Inc.	100,350	N/A	130,000	130,000	130,000			
HHI Wine and Food, Inc. - Nonrecurring	N/A	-	-	N/A	N/A	N/A	N/A	N/A
Hilton Head Island-Bluffton Chamber of Commerce VCB	330,000	N/A	366,500	385,000	385,000			
Hilton Head Island-Bluffton Chamber of Commerce VCB - Nonrecurring	N/A	100,000	N/A	N/A	N/A	N/A	N/A	N/A
Hilton Head Symphony Orchestra	200,000	N/A	215,000	230,000	230,000			
Hilton Head Symphony Orchestra-Hilton Head Choral Society Joint	N/A	-	-	N/A	N/A	N/A	N/A	N/A
Hilton Head Island Visitors and Convention Bureau	N/A	N/A	-	N/A	N/A	N/A	N/A	N/A
Hilton Head Island Visitors and Convention Bureau - Nonrecurring	N/A	-	-	N/A	N/A	N/A	N/A	N/A
Lowcountry Golf Course Owners Association	50,000	N/A	N/A	50,000	50,000			
Lowcountry Golf Course Owners Association - Nonrecurring	N/A	-	42,510	N/A	N/A	N/A	N/A	N/A
Main Street Youth Theater	12,000	N/A	13,200	20,000	15,000			
Memory Matters				40,000	12,000			
Mitchelville Preservation Project	28,000	N/A	30,800	60,000	40,000			
MLK Jr. Celebration				6,500	1,660			
Native Island Business & Community	95,000	N/A	104,500	150,000	110,000			
Sandalwood Community Food Pantry				5,000	-			
SC Lowcountry & Resort Islands Tourism	15,000	N/A	-	49,000	-	\$15k restricted at 5k per rain dates (max 3 rain dates)		
Shelter Cove Harbour Company	9,000	N/A	39,900	54,900	54,900			
Shelter Cove Harbour Company - Nonrecurring	N/A	-	-	N/A	N/A		N/A	N/A
Skull Creek July 4th Celebration	9,000	N/A	9,900	13,940	12,000			
South Carolina Repertory Company	12,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
The Coastal Discovery Museum (Discovery Lab)	N/A	-	102,613	N/A	N/A	N/A	N/A	N/A
Coastal Discovery Museum (Cultural & Eco-Tour)	185,000	N/A	194,250	239,340	239,340			
Heritage Libr & Coastal Discovery (Speaker Series)	N/A	N/A	6,531	Speaker Series req under	N/A	N/A	N/A	N/A
The Heritage Library - History Day (2015 app was combined with Coastal Discovery Museum)	N/A	N/A	8,000	9,100	9,100			
The Heritage Library (2016: Heritage Lib & Speaker Series)	17,150	N/A	18,865	50,160	49,606			
The Heritage Library - Nonrecurring	N/A	-	7,242	N/A	N/A	N/A	N/A	N/A
The Outside Foundation				5,000	-			
The Sandbox	50,000	N/A	55,000	49,600	49,600			
The Sandbox - Nonrecurring	N/A	-	82,123	N/A	N/A	N/A	N/A	N/A
Town of Hilton Head Island	999,776	N/A	1,049,765	1,286,058	1,286,058			
Subtotal of Current Year Requests/Recommendations/Awards	2,802,276	445,850	3,217,389	3,709,516	3,422,504			
Non-recurring Funds Reserved for allocation after prior year awards	(88,150)	N/A	N/A	N/A	N/A	N/A	N/A	
Totals	2,714,126	445,850	3,217,389	3,709,516	3,422,504			

Remaining Balance Available to Award

32,610

239,150

293,729

3,716,233

	Revenues	
Total Revenues Available for Distribution	3,766,233	
Reserve	(50,000)	See NOTE
Available to Distribute	3,716,233	

ATAC recommended grants totalling \$3,422,504 leaving the \$50,000 reserve required by the new ATAX processes and an additional \$293,729 for Council to allocate or increase the reserve. Council's running balance total is based on allocating \$3,716,233 and leaving a reserve of \$50,000.

STATE ACCOMMODATIONS TAX REVENUE ANALYSIS
 Calendar 2015 Revenues Available for Calendar Year 2016 Grants
 with comparative information for the prior year

	Calendar Year 2015 Revenues Available for CY2016 Grants	Calendar Year 2014 Revenues Available for CY2015 Grants		\$ Difference	% Difference
SOURCES:					
Jan - Mar ATAX Revenue	288,354	307,969		(19,615)	-6.37%
Apr - June ATAX Revenue	1,806,288	1,707,034		99,254	5.81%
July - Sept ATAX Revenue	2,588,596	2,480,925		107,671	4.34%
Oct - Dec ATAX Revenue:					
Estimated Oct - Dec, actual received end of January after grants awarded	672,000 A	625,000 B		47,000	7.52%
Estimated ATAX Revenues for CY15	5,355,238	5,120,928		234,310	4.58%
	Recurring Portion	Non- recurring Portion	Recurring Portion		
Other Amounts to be granted:					
Interest (Estimated last 2-3 months)	616	-	475		
Lapsed Grants	1,435	5,555	-		
Total CY Sources	5,357,289	5,555	5,121,403		
USES:					
First \$25,000 to the Town's General Fund	(25,000)	N/A	(25,000)		
30% to Chamber (Town's Designated Advertising & Promotion Agency) (Est. for last qtr.)	(1,599,071)	N/A	(1,528,778)		
5% to the Town's General Fund (Est. for last qtr.)	(266,512)	N/A	(254,796)		
Available for Grants	3,466,706	5,555	3,312,828		
Amount Available in Prior Year but not Awarded	239,150	32,610	-	Total Available	
Amount Available in New Year due to Prior Year 4th Qtr being higher than Estimate (65% Fund Portion Only)	60,377 B	105,546	-		
Amount Available to Award New grants - Subtotal	3,766,233	143,711	3,312,828	3,456,540	
Less Amount to be Reserved for MidYear Grants	(50,000)			not applicable to this year	
Amount Available to Award New grants	3,716,233	143,711	3,312,828	3,456,540	
Requested "New" Grants/CY15 Grant Balance of Non-recurring Requests	3,709,516	696,387	3,844,680	4,541,067	
Percentage of Grant Requests that can be funded	102%	21%	86%	76%	

Notes:

A. The estimated amount for the 4th quarter is the last three years' average for that quarter

B. The amount is the estimated amount used to determine what was available for last year. The actual amount was \$717,888. The difference of \$92,888 has been added to the available amount in the new year's column.

**Town of Hilton Head Island
Accommodations Tax Fund
Ending - Sept 18, 2015**

Accommodations Tax Applicants	Amount Requested	Approved Grants	Paid FY 2015	Paid FY 2016 as of 10/31/15	Amount Available
CY 2015 Grants					
Art League of Hilton Head	85,000.00	49,500.00			49,500.00
Art League of Hilton Head (Non Recurring Cycle)	11,301.00	2,750.00		2,750.00	-
Arts Center of Coastal Carolina	384,000.00	383,250.00	358,657.90	24,592.10	-
Arts Center of Coastal Carolina (Non Recurring)	260,850.00	260,850.00	260,850.00		-
David M. Carmines Memorial Foundation	10,000.00	4,400.00	4,400.00		-
Gullah Museum of Hilton Head	50,000.00	20,000.00	2,560.00	16,615.00	825.00
Harbour Town Merchants Association	18,000.00	9,900.00		9,900.00	-
Hilton Head Choral Society	30,000.00	24,800.00	7,689.00	9,124.00	7,987.00
Hilton Head Choral Society (Non Recurring)	4,790.00	4,790.00	4,790.00		-
Hilton Head Concours d'Elegance	160,000.00	147,400.00	47,776.90	15,445.00	84,178.10
Hilton Head Concours d'Elegance (Non Recurring)	85,000.00	85,000.00	7,405.00	13,338.59	64,256.41
Hilton Head Dance Theater	16,000.00	13,200.00	7,655.50		5,544.50
HHI Audobon Society	50,000.00	45,000.00	38,054.66	6,495.00	450.34
HH Land Trust (Non Recurring)	15,000.00	15,000.00		10,434.49	4,565.51
HHI Recreation Association	10,000.00	7,500.00	7,500.00		-
HHI St. Patrick's Day Parade	16,000.00	13,200.00	10,963.06		2,236.94
HHI Wine and Food Inc	147,500.00	130,000.00	114,209.25	9,949.99	5,840.76
HH-Bluffton Chamber of Commerce	400,000.00	366,500.00	124,361.61	22,856.13	219,282.26
HH-Bluffton Chamber of Commerce (Non Recurring)	340,000.00	100,000.00		84,071.81	15,928.19
Hilton Head Symphony Orchestra	215,000.00	215,000.00	215,000.00		-
Lowcountry Golf Course Onwers Association	42,510.00	42,510.00	42,422.06		87.94
Main Street Youth Theater	25,000.00	13,200.00	12,331.34	868.66	-
Mitchellville Preservation Project	53,500.00	30,800.00	9,465.00	14,429.67	6,905.33
Native Island Business & Community	150,000.00	104,500.00	92,023.16	12,476.84	-
Shelter Cove Harbour Company	42,000.00	39,900.00		39,900.00	-
Skull Creek July 4th Celebration	12,000.00	9,900.00		9,900.00	-
The Coastal Discovery Museum	223,000.00	194,250.00	83,303.91	70,961.45	39,984.64
The Coastal Discovery Museum (Non Recurring)	102,613.00	102,613.00	4,420.11	98,192.89	-
The Coastal Discovery Museum & Heritage Library	16,000.00	8,000.00	8,000.00		-
The Heritage Library	20,000.00	18,865.00	5,570.23	10,046.84	3,247.93
The Heritage Library (Non Recurring)	8,421.00	7,242.00	4,816.00	1,307.96	1,118.04
The Heritage Library & The Coastal Discovery (Speaker)	10,425.00	6,531.00		2,797.71	3,733.29
The Sandbox	56,300.00	55,000.00	30,717.58	13,491.32	10,791.10
The Sandbox (Non Recurring)	102,623.00	82,123.00	29,512.17	10,660.00	41,950.83
The Town of Hilton Head Island	1,211,485.00	1,049,765.00	1,049,765.00		-
CY 2015 GRANTS Total	4,384,318.00	3,663,239.00	2,584,219.44	510,605.45	568,414.11



MEMORANDUM

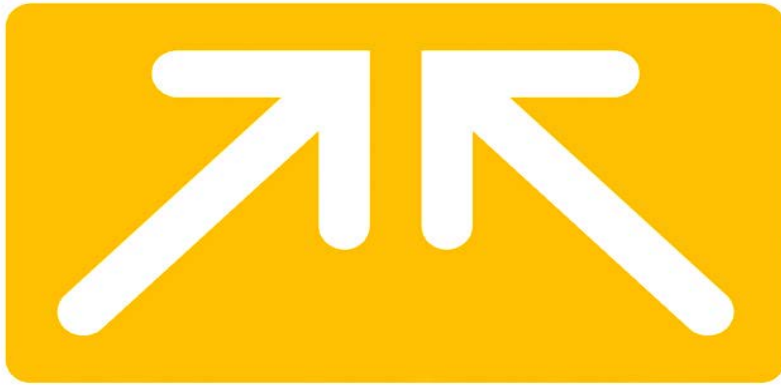
TO: Town Council

FROM: Steve Riley, Town Manager

DATE: December 3, 2015

SUBJECT: Annual Workshop Results

Please find the following **Key Priorities for 2016 Report** from our annual workshop Facilitator, Patrick Ibarra, for consideration and adoption.



mejorando group



MAYOR AND TOWN COUNCIL ADVANCE MEETING SUMMARY

Facilitated by
PATRICK IBARRA

November 5-7, 2015

REFRESHER ON COUNCIL-MANAGER FORM OF GOVERNMENT

- **Role of Mayor**

- Set agenda for Council meetings
- Support decision from majority vote
- Sets Council Committees
- Facilitates meetings
- Has 1 vote
- Spokesperson
- Sharing positive story on behalf of Town
- Champion of Town
- Face of Town Council
- Represents all residents in community
- Leader of Town
- Work harmoniously with members of Town Council
- Stays out of way of professional Town staff members
- Works within the Council-Manager form of government

- **Role of Councilmembers**

- Represent constituent base
- Has 1 vote each
- Spoke person(s) on behalf of Town
- Stays out of way of professional Town staff members

- Works within the Council-Manager form of government
- Create Town policy
- Stand as a unified group behind majority vote decisions by Council
- Provide leadership on Committees
- Understand issues and be well informed
- Help to craft the Town vision

● **Role of Town Manager**

- Create strategies and tactics, and ensure timely execution, to support Council goals and vision
- Lead via the Town vision as a resource to other area communities
- Provides quality information for decision-making purposes
- Assures Town has appropriate resources to accomplish goals and projects
- Communicates to Town staff to execute goals and vision
- Evaluates Town staff and is the overall leader and manager of the organization
- Problem-solver
- Voice is heard and participates as an advisor in decision-making process
- Champion of Town
- Is receptive to change

HEADWINDS: **TRENDS IMPACTING THE COMMUNITY**

- **Political**

- Lack of confidence by public toward institutions
- Lots of misinformation exists about government
- Younger citizens not as involved in civic organizations including voter participation
- Town Visioning process – mindful of composition of Task Force

- **Demographics**

- Aging/Baby Boomers and lack of willingness to change

- **Social**

- Speed of change continues to accelerate
- Desire for immediate consumption (food, information, expectations met, etc.)
- Lack of respect for law enforcement
- Emergency of the Share generation
- Decline of the White majority

- **Economic changes**

- Urbanization
- Demand for resources is ever increasing
- Increasing alternatives to Hilton Head Island

- **Technological**

- Rise of social media

KEY PRIORITIES FOR 2016

- 1. Arts and Cultural Planning:** Consider the Final Report from the Task Force, scheduled for either late 2015 or early 2016. Notable item includes the Town providing funding for hiring full-time staff to oversee Arts and Cultural planning within the community.
- 2. Sewer:** Move forward with the 5 year plan as presented and the existing policy of sewer for those who want it. Continue partnership with the Hilton Head Public Service District; which shall continue to acquire easements through donations. In the future, it may become necessary to revisit the voluntary nature of the program.
- 3. Circle to Circle:** The Task Force has engaged the services of a Traffic Engineering firm.
- 4. Economic Development:** The Hilton Head Island Economic Development Corporation

will present additional information for the Town Council to consider regarding the four tools needed to achieve economic development goals: 1) Real Estate Solutions; 2) Business License/Fee Incentive Program; 3) Broad Infrastructure Program for HHI Businesses; and 4) Funding for Economic Development Programs.

5. Visioning: A Request for Proposal (RFP) will be issued to engage the services of a consulting firm to coordinate the Visioning process in 2016. Items of particular concern to the Mayor and Town Council to be incorporated into the process include: A) Composition of the Task Force; and B) Community outreach methods to solicit public input from the various population segments in the community.

TOPICS DISCUSSED THAT PERTAIN TO PRIORITIES FOR 2016

1. **Arts Center Building**: By 3/31/16, a report by the Town Council Finance and Administrative Committee will be presented to the entire Town Council for consideration on potential next steps.
2. **Affordable Housing and Living Wage**: A Task Force and Council Subcommittee will examine these topics.
3. **Educational System**: A meeting will be scheduled with the Superintendent of Schools to explore Town-School programs.
4. **Environmental**: Continue to monitor and report on waste haulers regarding recycling participation numbers.

- 5. Public Outreach:** Continue to pursue practices consistent with a “Best in Class” approach.
- 6. Quality of Life:** Finance and Administrative Committee will be reviewing contract with Island Recreation Center, which is to be considered for renewal in 2016. Topics to consider besides finances will be potential expansion of the Center facility and the availability of services and programs.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Town Council
FROM: Stephen G. Riley, ICMA~CM, *Town Manager*
CC: Charles Cousins, AICP, *Community Development Director*
DATE: December 3, 2015
SUBJECT: Memorandum Of Understanding Between Beaufort County, Palmetto Hall Plantation Owners' Association and the Town of Hilton Head Island

Recommendation: Staff recommends that Town Council enter into a Memorandum of Understanding (MOU) with Beaufort County, Palmetto Hall Plantation Owners' Association and the Town of Hilton Head Island associated with tree trimming and removal necessary to address FAA approach slopes.

Summary: Beaufort County has been working on a project to undertake safety improvements at the Hilton Head Island Airport related to tree intrusions into FAA approach slopes. This project would include the trimming and removal of trees on property owned by the Palmetto Hall Plantation Owners' Association. In order to complete this project the County needs to acquire easements on Palmetto Hall property. A primary concern of Palmetto Hall has been the impact this tree work would have on the properties within their development. This MOU provides that the County and Town would provide up to \$500,000 each to the Association for their use in mitigating the impact the tree trimming and removal will have on their property. The Association would be responsible for developing and implementing a mitigation plan. In exchange, the County would receive the easements they need for the project and the Town would be released from any liability associated with the Association implementing the mitigation plan.

Background: The proposed MOU contains the following provisions associated with tree trimming and removal necessary to meet FAA approach slope requirements at the Hilton Head Island Airport. This agreement is specifically related to property owned by the Palmetto Hall Plantation Association with the exception of work the County may undertake associated with the Deep Well property along Beach City Road.

1. The County agrees to undertake this project in a manner to limit the work to only those trees that need to be trimmed or removed for the ultimate approach rather than the trimming or removal needed based on the current slope approach. The ultimate slope approach is that associated the expansion of the runway to 5,000 feet. Should the FAA not allow this trimming and removal based on the ultimate approach slope then the County will trim or remove trees to the least extent possible to address the approach slope for the current runway design.

2. The County and the Town will each provide a maximum of \$500,000 for the Association to use to develop and implement a landscape mitigation plan. The County and Town's funds shall be spent evenly and any funds remaining at the completion of the project will be refunded equally between the Town and County.
3. The County anticipates replacing the current commercial structure on the Deep Well property with another commercial structure that will be designed to serve as a noise barrier.
4. Palmetto Hall will grant the necessary avigation easement to the County for this project.
5. Palmetto Hall will be responsible for developing and implementing the landscape mitigation plan.
6. The Town will be released from any liability associated with the Association implementing the landscape plan.
7. The Palmetto Hall Board of Directors agrees not to sue over the improvements planned at the airport.

STATE OF SOUTH CAROLINA)
) MEMORANDUM OF UNDERSTANDING
COUNTY OF BEAUFORT)

THIS MEMORANDUM OF UNDERSTANDING is entered into by and between BEAUFORT COUNTY, SOUTH CAROLINA (“County”) a body politic and political subdivision of the State of South Carolina, the TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, (“Town”) an incorporated municipality, and the PALMETTO HALL PLANTATION OWNERS’ ASSOCIATION, INC., (“Palmetto Hall”) a South Carolina non-profit corporation, hereinafter sometimes referred to collectively as the “Parties”, this ____ day of _____, 2015.

WHEREAS, County is the owner and operator of the Hilton Head Island Airport which currently provides commercial and general aviation services to the citizens of Beaufort County and the general public; and

WHEREAS, the Hilton Head Island Airport is geographically located within the municipal boundaries of the Town and is subject to zoning regulations and other similar laws and ordinances lawfully adopted by the Town; and

WHEREAS, Palmetto Hall is the owner of shared common and community property that is located in close physical proximity to the Hilton Head Island Airport as well as representing the collective interests of residential property owners located within the Palmetto Hall Plantation community; and

WHEREAS, County has been mandated by the Federal Aviation Administration (“FAA”) to undertake a number safety sensitive and other related improvement projects both on and off airport property that are critical to ensuring the continued provision of safe and efficient airport services to both commercial and general aviation entities; and

WHEREAS, this project will require the trimming and removal of trees within certain approach slopes to the Hilton Head Island Airport; and

WHEREAS, as part of one of this project, it is necessary for the County to acquire certain real property interests from Palmetto Hall to allow it undertake these safety and other related improvements now and into the future; and

WHEREAS, the Parties share a common goal of minimizing, in so far as possible, the trimming and/or removing of vegetation on Palmetto Hall property and have therefore agreed that the only vegetation that will be affected by this project is that which is absolutely necessary to comply with regulatory guidelines for the continued safe operation of the Hilton Head Island Airport; and

WHEREAS, in order to mitigate the impacts of removing vegetation from Palmetto Hall’s property, the Parties have mutually agreed to take certain remedial actions so as to reduce any impact that these actions may have on Palmetto Hall; and

WHEREAS, in order to memorialize the mutual obligations of the Parties and to further define their respective rights and obligations, the Parties have caused this Memorandum of Understanding to be executed on the day first identified above.

NOW, THEREFORE, the County, the Town, and Palmetto Hall do hereby agree as follows:

Section 1. Obligation of County

- A. The County agrees that it will undertake the tree trimming and removal project in such a manner as to only affect those trees and other vegetation that are contained in or penetrate within the 20:1 and 30:1 FAA approach slopes that are designated as the “ultimate” approach slopes that will be achieved by the removal of the current 300 foot displaced threshold in place at the Hilton Head Airport. Additionally, the County will commence a Pre-Application process for the restoration of the current displaced thresholds to the edge of the current existing asphalt on runway 21 thereby potentially negating the trimming or removal of trees in the existing 20:1 or 30:1 slopes. However, if it becomes apparent that the relocation of the thresholds will not be achieved within twelve months from the date of the application, the County will be permitted to conduct a tree by tree examination of any additional trees that are contained within the current 20:1 and 30:1 approach slopes that will be trimmed or removed to the least extent possible to remove penetrations from these slopes until such time as the “ultimate” slopes may be achieved.
- B. In consideration of the obligations to be performed by Palmetto Hall and the Town, the County agrees that it will place on deposit in escrow, to be held and disbursed by the Town pursuant to Section 2 herein below, the sum of Five Hundred Thousand and NO/100 Dollars (\$500,000) to be utilized by Palmetto Hall to install landscaping and other similar improvements for the purpose of mitigating noise received by Palmetto Hall property owners. These amounts shall be matched by the Town for a total project investment of \$1,000,000 and shall be spent evenly and jointly over the course of the project. Any remaining project funds at the completion of the landscaping project will be returned to both the County and Town in an equal amount. In exchange for the payment of these funds, the County will seek, and the Town will approve, a tree clearing/trimming approval; provided, however, that any necessary replanting or other mitigation efforts will be the responsibility of Palmetto Hall. Nothing herein relieves the County of the obligation to undertake tree planting or mitigation, as required by the Land Management Ordinance of the Town, for any tree removal in areas outside the boundaries of the Palmetto Hall Plantation community.
- C. The County contemplates the reestablishment of a commercial structure in place of the currently existing Deep Well property. Such structure shall be

designed in such a manner so as to provide an impervious barrier for noise attenuation as is currently in place by virtue of the existing building. The Town shall assist the County in obtaining such permits and approvals as may be necessary to ensure the reestablishment of a commercial building in this location subject to any existing Town regulations governing such actions.

Section 2. Obligations of the Town

- A. The Town agrees that it will share in the costs of the vegetative replanting discussed herein as an equal partner with the County. The Town shall be entitled, but shall have no obligation, to participate in all design functions discussed herein in conjunction with Palmetto Hall.
- B. The Town shall assist the County in obtaining any necessary permits to trim or remove trees on Palmetto Hall's property.
- C. The Town agrees that it will assist the Parties in the procurement of any and all necessary permits and Design Review Board approvals as may be necessary to carry out the mitigation projects identified in this Agreement.
- D. The Parties agree that the total costs incurred by the Town to achieve the mitigation actions discussed herein shall at no time exceed Five Hundred Thousand and No/100 Dollars (\$500,000) or the actual proportional costs necessary to complete these actions, whichever shall be less.
- E. Upon receipt of the County deposit totaling \$500,000 (as discussed in Section 1 above), the Town shall hold the same and disburse (in the Town's discretion) to Palmetto Hall upon request of Palmetto Hall and in accordance with the terms of this Memorandum of Understanding.

Section 3. Obligations of Palmetto Hall

- A. Upon Palmetto Hall's receipt of a fully executed copy of this Memorandum of Understanding, it shall cause to be executed such documentation as may be necessary to grant unto Beaufort County, its successors and assigns, an Avigation Easement over the real property containing both the 20:1 and 30:1 runway approach slopes at the Hilton Head Island Airport in their "ultimate" configurations. Additionally, Palmetto Hall will grant a temporary easement to the County for purposes of trimming and removing trees in the "current" 20:1 and 30:1 approach slopes if it is unable to obtain removal of the current displaced thresholds as previously described in this Agreement. Both the "current" and "ultimate" slopes shall be identified in drawings that will be approved by the parties, made exhibits to this Agreement, and incorporated herein by reference.

- B. Palmetto Hall shall be responsible for the design, contracting, management, and implementation of a landscaping project whose goal will be to provide noise reductions and other forms of mitigation for the residents of Palmetto Hall. Palmetto Hall shall work with the Town on the normal and necessary permits for such improvements and shall be entitled to take such actions as they believe necessary to carry out the project. However, Palmetto Hall shall not cause the planting or installation of vegetation, trees, or objects of any nature which would now or may in the future penetrate the approach slopes referenced above or any other airspace as may be designated by the Federal Aviation Administration.
- C. Palmetto Hall, its employees, officers, agents, members, successors, and/or assigns do hereby agree to the following terms and conditions and further agree that they shall affirmatively uphold and defend these terms and conditions to the greatest extent possible.
- D. Upon written request by Palmetto Hall for reimbursement and/or payment of funds from the Town (whether on the Town's behalf or on the County's behalf as holder of the County funds in escrow pursuant to Sections 1 and 2 above), and in accordance with this Memorandum of Understanding, the Town shall disburse the requested funds to Palmetto Hall within thirty (30) days of the receipt of the written request. Any such requests shall be in writing, sent in accordance with Section 4 below, and contain any applicable invoice(s) or other documentation evidencing the basis for the reimbursement and/or payment.
- E. Authorization, Voluntary Execution, Indemnification, and Release of Claims
- i. Authorization. Palmetto Hall represents that it has taken such actions as may be necessary by the terms of its covenants, restrictions, Articles of Incorporation and any other similar requirements as may be necessary to vest it with the full and lawful authority to enter into this Agreement and to take such further actions as may be necessary to ensure that these restrictions are binding and enforceable to the greatest extent permitted by law to its employees, officers, agents, members, successors, and/or assigns.
- ii. Voluntary Execution. This Memorandum of Understanding reflects an entirely voluntary commitment and undertaking between the Parties. This Memorandum of Understanding in no way obligates or restricts the County or Town in the governance or administration of their respective jurisdictions. No Party shall have any right, power, or authority to create any obligation, express or implied, on behalf of any other Party or Parties.

iii. Indemnification. Palmetto Hall hereby covenants and agrees that it will indemnify and save harmless the County, the Town and their respective officers, agents, elected representatives, employees, successor and/or assigns, against any and all claims, demands, penalties, fines, settlements, damages, injuries, losses, costs, attorney's fees, expenses and judgments of whatever kind or nature which shall arise out of the execution of this document or the negligent performance of the terms and or conditions contained herein, including but not limited to installation of landscaping and similar improvements by Palmetto Hall and/or its contractors, subcontractors, employees, and agents.

iv. Release of Claims. Palmetto Hall does hereby absolutely, fully, and forever, on behalf of itself, its successors and assigns, release, remise acquit and forever discharge the Town and the County, including the Town and the County's successors and assigns, of and from any and all actions and causes of action, suits, covenants, arbitrations or requests for proceedings, guarantees, guaranties, offsets, claims, counterclaims, contracts, controversies, agreements, promises, liabilities, obligations, indemnities, variances, damages, debts, sums of money, accounts, reckonings, bonds, bills, trespasses, executions, express or implied warranties, liens of every kind, judgments and demands whatsoever, whether the same be liquidated or unliquidated, contingent or fixed, determined or undetermined, known or unknown, foreseen or unforeseen, whether the same be at law or in equity, and whether or not well-founded in fact or in law, which Palmetto Hall ever had or may have, or which its successors or assigns hereafter can, shall or may have against the Town and/or County, for and by any reason of any matter, cause or thing whatsoever, from the beginning of time to the date of these presents, arising from or pertaining to the execution and performance of this Memorandum of Understanding and/or conditions contained herein, as well as related improvements to the airport as contemplated by the 2010 Master Plan and including a runway extension up to 5,000 feet. Palmetto Hall acknowledges that it is aware that if it hereafter discovers facts different from, or in addition to, the facts which it now knows or believes to be true with respect to the subject matter of this Memorandum of Understanding, it is nevertheless Palmetto Hall's intention to finally and fully settle any and all claims which do now exist between Palmetto Hall and the Town and County regarding the execution and performance of this Memorandum of Understanding and/or conditions contained herein, as well as related improvements to the airport as contemplated by the 2010 Master Plan and including a runway extension up to 5,000 feet. Palmetto Hall represents and warrants that it has not assigned or

transferred any interest in any claim that it may have against the Town and/or County being released under the terms herein, and agrees to indemnify and hold the Town and County harmless from any liabilities, claims, demands, damages, costs, expenses, and attorney fees incurred as a result of any entity or person not a party to this Memorandum of Understanding rightfully claiming the existence of, or rights under, any such assignment or transfer.

Section 4. Miscellaneous Understandings

A. Contact

All notices in relation to this Memorandum of Understanding shall be in writing, signed by a duly authorized representative of the Party giving such notice, and may be sent by U.S. Mail, by electronic mail (in conjunction with fax or U.S. Mail), or may be personally delivered to the following persons or their successors:

As to Beaufort County

Mr. Gary Kubic
Beaufort County Administrator
P.O. Box 1228
Beaufort, SC 29901

As to Town of Hilton Head Island

Mr. Stephen Riley, ICMA-CM
Town of Hilton Head Island Manager
One Town Center Court
Hilton Head Island, SC 29928

As to Palmetto Hall

B. Jurisdiction

This Memorandum of Understanding shall be governed by and construed in accordance with the laws of the State of South Carolina, irrespective of conflict of laws principles. The Parties agree that any

and all claims shall be heard and determined in Beaufort County Court of Common Pleas.

C. Entire Agreement

This Memorandum of Understanding sets forth the entire agreement between the parties and shall supersede all prior agreements and understandings, written or oral, and may be modified only through the mutual, written consent of all parties.

D. Sign in Counterparts

This Memorandum of Understanding may be signed in counterparts and the Memorandum of Understanding shall be the sum of all its counterparts.

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding on the dates indicated.

BEAUFORT COUNTY

WITNESS:

Gary Kubic
Beaufort County Administrator

Date:_____

TOWN OF HILTON HEAD ISLAND

WITNESS:

Stephen G. Riley, ICMA-CM
Town of Hilton Head Island Manager

Date:_____

PALMETTO HALL PLANTATION
OWNERS' ASSOCIATION

WITNESS:

By:_____
Its: _____

Date:_____