



The Town of Hilton Head Island

Regular Town Council Meeting

September 20, 2016

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**
- 6) Approval of Minutes**
 - a. Town Council Meeting, August 16, 2016
- 7) Report of the Town Manager**
 - a. Parks & Recreation Commission Semi-Annual Update – Heather Rath, Chairman
 - b. USCB Update/Presentation – Dr. Al Panu, Chancellor
 - c. 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 – David Ames, Chairman
 - f. Report of the Public Safety Committee - Marc Grant, Chairman
 - g. Report of the Finance and Administrative Committee - John McCann, Chairman
- 9) Unfinished Business**
 - a. Second Reading of Proposed Ordinance 2016-22**

Second Reading of Proposed Ordinance 2016-22 of the Town of Hilton Head Island to adopt the “Beaufort County Hazard Mitigation Plan 2015 Update” as an appendix of the “Hilton Head Island Comprehensive Plan”; and to provide for severability and an effective date.

b. Second Reading of Proposed Ordinance 2016-23

Second Reading of Proposed Ordinance 2016-23 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a utility easement agreement with Hilton Head Public Service District to encumber property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2012), and Sec. 2-7-20, code of the Town of Hilton Head Island, South Carolina, (1983); and providing for severability and an effective date.

c. Second Reading of Proposed Ordinance 2016-24

Second Reading of Proposed Ordinance 2016-24 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a Memorandum of Understanding with, and the lease of town-owned real property to, The Sandbox: A Hilton Head Area Children's Museum, Inc., related to the development and lease of real property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2012), and Sec. 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

10) New Business

a. Consideration of a Resolution – Bay Point

Consideration of a Resolution of the Town Council for the Town of Hilton Head Island, South Carolina, to accept a petition for annexation filed by Bay Point Island, LLC for real property generally known as Bay Point Island, and authorizing the Town Manager and the Town Attorney to take the necessary steps to process the petition under acceptable terms and conditions.

b. Consideration of a Recommendation – First Tee Grant Funding

Consideration of a Recommendation of the Finance and Administrative Committee that Town Council reaffirm its Town-wide grant funding for the First Tee in the amount of \$50,000 and direct the Town Manager to reimburse First Tee immediately upon receipt of appropriate expense reimbursement documents.

c. First Reading of Proposed Ordinance 2016-25

First Reading of Proposed Ordinance 2016-25 to amend Title 16 of the Municipal Code of the Town of Hilton Head Island, South Carolina, The Land Management Ordinance (LMO), Chapter 3 to revise various sections. These amendments, commonly referred to as the *Density Conversion Amendments* as noticed in the Island Packet on June 19, 2016, include changes that provide for flexibility for redevelopment, and providing for severability and an effective date.

d. Consideration of a Resolution – HUD/CDBG Entitlement Program 2015 CAPER

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina to approve the Community Development Block Grant (CDBG) 2015 Consolidated Annual Performance Evaluation Report (CAPER).

e. Consideration of a Recommendation – Community Vision Process Consultant

Consideration of a Recommendation from the Public Planning Committee that Town Council approve the selection of Future iQ Partners as the Community Visioning Process Consultant with which the Town enters a contract.

f. First Reading of Proposed Ordinance 2016- 27

First Reading of Proposed Ordinance 2016-27 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 expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

g. First Reading of Proposed Ordinance 2016- 28

First Reading of Proposed Ordinance 2016-28 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2017; 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.

h. First Reading of Proposed Ordinance 2016-29

First Reading of Proposed Ordinance 2016-29 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2017; 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.

i. First Reading of Proposed Ordinance 2016-30

First Reading of Proposed Ordinance 2016-30 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2017; 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) Appearance by Citizens

12) Executive Session

a. Land Acquisition

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

- (1) related to a parcel in the Northridge area.
- (2) related to a parcel in the Office Park Road area.
- (3) related to a parcel in the Coligny area.
- (4) related to a parcel on South Forest Beach Drive.

b. Legal Matters

Receipt of Legal Advice:

- (1) related to pending litigation concerning a BZA appeal.
- (2) related to pending litigation concerning a Town Council member.

c. Contractual Matters

Discussion of negotiations incident to:

- (1) the Town Attorney's FY16 performance.
- (2) the temporary Fire Station 2.
- (3) a potential contract related to a parcel near the Hilton Head Island Airport.
- (4) contract negotiations and receipt of legal advice related to an agreement between the Town Council and Town Manager.

d. Personnel Matters

Appointments to Boards and Commissions

13) Possible actions by Town Council concerning matters discussed in Executive Session

a. First Reading of Proposed Ordinance 2016-21

First Reading of Proposed Ordinance 2016-21 of the Town of Hilton Head, South Carolina, authorizing the execution of a deed and related documents for the conveyance of property to the University of South Carolina Board Of Trustees on behalf of the University of South Carolina Beaufort, in accordance with that certain Memorandum of Understanding dated March 10, 2015, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

b. First Reading of Proposed Ordinance 2016-26

First Reading of Proposed Ordinance 2016-26 of the Town Council for the Town of Hilton Head Island, South Carolina, authorizing the sale of real property owned by the Town of Hilton Head Island, South Carolina, to HHI Partners, LLC, in exchange for land to be conveyed to the Town of Hilton Head Island, South Carolina and owned by HHI partners, LLC, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

c. Consideration of a Resolution – License Agreement Fire Station 2

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, authorizing the execution of a license agreement with Marriott Ownership Resorts, Inc. for the purpose of utilizing certain real property owned by Marriott Ownership Resorts, Inc. for use as a temporary fire station.

14) Adjournment

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, August 16, 2016

Time: 4:00 P.M.

Present from Town Council: David Bennett, *Mayor*; Bill Harkins, *Mayor Pro Tem*; David Ames, Marc Grant, Tom Lennox, Kim Likins, John McCann, *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 and Facilities*; Mike Mayers, *Deputy Fire Chief - Operations*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; John Troyer, *Deputy Director of Finance*; Tom Fultz, *Director of Administrative Services*; Jill Foster, *Deputy Director of Community Development*; Shawn Colin, *Deputy Director of Community Development*; Jennifer Ray, *Urban Designer*; Shea Farrar, *Senior Planner*; Marcy Benson, *Senior Grants Coordinator*; Bob Klein, *Building Official*; Melissa Cope, *Systems Analyst*; Vicki Pfannenschmidt, *Executive Assistant*

Present from Media: Teresa Moss, *Island Packet*; Two Reporters from local TV Stations

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

a. Honored Islanders Awards

- a. Jan Cale
- b. Terry Herron
- c. Blaine Lotz

Mayor Bennett made remarks concerning each of the Honored Islanders and their contributions to Hilton Head Island and the surrounding communities. All recipients were present to accept their awards.

b. Beaufort-Jasper Water & Sewer Authority/Hilton Head-Broad Creek-South Island Public Service Districts– *Imagine a Day Without Water Campaign*

Representatives from all four entities were present to accept the proclamation.

6) Approval of Minutes

a. Town Council Meeting, July 19, 2016

Mr. Harkins moved to approve. Mr. McCann seconded. The minutes of the July 19, 2016 were approved by a vote of 6-0-1. Mayor Bennett abstained as he was not present at the meeting.

7) Report of the Town Manager

a. Planning Commission Semi-Annual Update – Alex Brown, Chairman

Mr. Brown provided an update of the activities of the Commission for the previous six month period.

b. USCB Quarterly Update

Mr. Riley reviewed the updates from USCB and Town Staff.

c. Proposed 2017 Town Council Regular Meeting Dates

Mr. Harkins moved to approve and that Town Council cancel the August 15 meeting and activate the August 1 meeting and that they pursue an alternative for the January 3 meeting. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

d. Town Manager's Items of Interest

Mr. Riley reviewed the Items of interest and upcoming events.

8) Reports from Members of Council

a. General Reports from Council

Mr. McCann referenced the logging taking place on the Island and asked if there was a way the Town could notify the public via the website regarding upcoming activities. Mr. Riley said staff would discuss and come up with suggestions.

Mr. Lennox expressed his appreciation to the Circle to Circle Committee and said he looked forward to Mr. Gant's report and the Committee recommendations. Mayor Bennett echoed his sentiments noting he was very pleased with the entire process of the Committee.

Mr. Harkins stated he would like to reach out to Senator Davis and others that may be very well-informed regarding heirs' property to learn the current legal environment relative to heirs' property and if there is anything from a policy standpoint the Town might do to help with the situation. Mayor Bennett was in agreement. Mr. Grant asked if Town Council could meet with attorneys that deal with heirs' property to look at possible Town ordinances to assist. Mayor Bennett stated he had been contemplating Native Island preservation districts and the need for such at appropriate places in the context of the Island as a whole. He suggested the Public Planning Committee might be a good place to evaluate the matter. He said he would be speaking with Mr. Lennox regarding the subject in the coming weeks.

Mr. Grant also requested that Town Staff and Island Rec look into the needs of the 12 Jewels of Life and the use of Green Shell Park and meeting the needs of the children in that community. Mr. Riley stated staff will meet with the parties concerned to discuss the matter.

Mr. McCann inquired as to the next step regarding the Arts Center building review report. Mayor Bennett said the report, in conjunction with the concept that Mr. Lennox brought forward, would go to the Venue Committee for analysis of the building, organization and the product that's offered by the Arts Center of Coastal Carolina.

Mrs. Likins inquired as to the status of an action plan for the Zika virus. Mr. Riley responded that the County has a mosquito control program and has taken the lead on the issue. He said there would be a link provided on the Town website to DHEC's most current information.

Mayor Bennett referenced a visit to the Marine Mammal Center in California, the largest mammal hospital in the Country. He noted the harm that comes to these animals is from human use of plastics and the impact on marine wildlife. He stated the Town needs to give serious consideration about taking proactive steps in terms of the Town's environmental sustainability. He said he would like to discuss the issue at the annual workshop. Mr. Ames concurred and stated the community needs to recommit itself to the core value of sustainability. He said he felt the visioning process will play a significant part of getting there.

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

No report.

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

Mrs. Likins stated the Venue Committee met on July 23 and heard from numerous organizations and on August 3 received a presentation from Councilman Lennox regarding the proposal for the Town to take ownership of the Arts Center of Coastal Carolina building, along with presentations from the Mitchelville Preservation Project and the Gullah Celebration Committee. She said the Committee received five RFQ proposals for the consultant work and will be conducting future interviews and hope to make the selection by early September. Mrs. Likins added that the first Arts Talk was held on August 4 at Java Burrito and there were well over 50 citizens in attendance and the Committee Facebook page has launched and encouraged all to go to the Experience Hilton Head Island page on Facebook and like it.

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

Mr. Lennox stated the Committee will hold a Special meeting on Thursday, August 18 at 3:00 p.m. and go into Executive Session to discuss the names submitted for appointment to the five at-large seats on the Vision Project Management Team and to review the recommendations pertaining to the selection of a Vision Project consultant.

e. Report of the Public Facilities Committee – David Ames, Chairman

No report.

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

Mr. Grant stated the Committee met on August 1 to review the 2nd Quarter Crime Statistics with Captain Joey Woodward conducting a presentation and reviewing all areas of the stats.

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

No report.

9) Unfinished Business

a. Second Reading of Proposed Ordinance 2016-11

Second Reading of Proposed Ordinance 2016-11 of the Town Of Hilton Head Island adopting the 2016 Beach Management Plan; and to provide for severability and an effective date.

See below following Item 12.

b. Second Reading of Proposed Ordinance 2016-20

Second Reading of Proposed Ordinance 2016-20 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a lease with Diamond Towers IV LLC, for property owned by the Town of Hilton Head Island, South Carolina, known as a portion of the Islander's Beach Park Tract, and authorizing the execution of two easements in favor of Diamond Towers IV LLC, encumbering town owned land, known as a portion of the Islander's Beach Park Tract, pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2012), and Sec. 2-7-20, Code of the Town of Hilton Head Island, South Carolina, (1983); and providing for severability and an effective date.

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

10) New Business

a. Consideration of a Recommendation – Circle to Circle Committee

Consideration of a Recommendation Town Council consider the final report and recommendations from the Circle to Circle Committee.

Mayor Bennett invited Mr. Gant to approach the dais and conduct his presentation. Mr. Gant presented the Committee report and recommendations in detail. Glen Walters from Design Workshop presented regarding the vision. After lengthy discussion of Council and public comment from a number of residents, Mayor Bennett suggested an ad hoc committee be created with two members of Council, two members of the Planning Commission and two members of the Circle to Circle Committee as the membership. He proposed that the Committee would review the report and prioritize the items for action. Mr. Grant suggested utilizing a Committee that is already established. He also expressed concerns regarding the use of food trucks. Mr. McCann suggested using the Public Planning Committee noting the connection with the vision planning. Mr. Lennox stated that if Council wants to initiate a call to action they need to do more than consider the final report. He suggested that the motion should read that Town Council create an implementation plan using the recommendations based in the Circle to Circle Committee and the plan consist of priorities, cost and funding. He added that on page 92, Objective 9 has to deal with policy recommendations coming from the Committee. He pointed out the Committee has already assigned accountability and it lies with the Planning Commission. He recommended a change to the frequency to which the Planning Commission reports from annually to monthly or bi-monthly. Mr. Ames stated that an ad hoc committee has a finite life and he sees this action as finite. He noted what Council wants the Committee to bring back are the items that have the highest priority and impact for next season and what can be done quickly to impact the amount of traffic in the area.

Mr. Gant offered to synthesize the report into a single page and a Committee hold staff workshops regarding recommendations for implementation. Mr. Brown suggested assigning it to the Comprehensive Plan Committee of the Planning Commission to prioritize. Mr. McCann stated the moving of traffic from the Coligny area to other parts of the Island is not something that can be done quickly noting the residential areas that are not prepared for the change. He stated it needs to be well thought out. Mr. Gant explained he thinks the key is to get started quickly. Mr. Lennox said that at some point it will be the responsibility of Council to reshuffle the deck that pertains to human resources and financial resources. He

stated that with the recent budget nothing has been identified for projects like this. Mayor Bennett said that within the confines of the recommendations, many of them don't have a cost associated but how to they sort through them and get them moving. Mrs. Likins spoke in support of the ad hoc committee approach with Council member representation on the committee. Mayor Bennett reviewed the suggested ad hoc committee membership as two members from the Circle to Circle Committee, two members from the Planning Commission and two members from Council. Mr. Harkins moved that the Town Council approve the plan as set forth by Mr. Gant and concurrently create an ad hoc task force to identify priorities and recommend Town immediate action by the first meeting in October. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

b. Consideration of a Resolution – Circle to Circle Committee

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, SC to dissolve the Circle to Circle Committee.

Mr. Lennox moved to approve. Mrs. Likins seconded. Stu Rodman suggested that rather than create a new committee Council should use the current committee format for the recommendations. The motion was unanimously approved by a vote of 7-0.

c. Consideration of a Recommendation – BCSO Audit Firm

Consideration of a Recommendation of the Finance Administrative Committee that Town Council authorize the Town Manager to enter into a contract with Public Safety Strategies Group.

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

d. Consideration of a Recommendation – Lock-Outs

Consideration of a Recommendation that Town Council approve the recommendation of the Public Safety Committee from its July 11, 2016 meeting concerning lock-outs.

Mr. Harkins moved to approve. Mr. McCann seconded. Mr. Chet Williams referenced the opinion letter from Robinson McFadden Law Firm and asked that before Council move forward with the above recommendation that the original opinion letter be released. Mr. Bob Hopkins, an Ocean Walk property owner, asked if there was any intent to release the letter. The Mayor stated that Council has not yet made that decision. The motion was unanimously approved by a vote of 7-0. Mayor Bennett stated he would like Mr. Lennox and Mr. Ames to be the Town Council representatives at the meeting. Mr. Grant added that he wanted to make sure that the representatives are not there to make policy or run Ocean Walk or any other apartment complex.

**e. First Reading of Proposed Ordinance 2016-22 – To be considered after Agenda Item 13)
5:30 p.m. Public Hearing – Beaufort County Hazard Mitigation Plan 2015 Update**

First Reading of Proposed Ordinance 2016-22 of the Town of Hilton Head Island to adopt the "Beaufort County Hazard Mitigation Plan 2015 Update" as an appendix of the "Hilton Head Island Comprehensive Plan"; and to provide for severability and an effective date.

See below following Item 13.

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First Reading of Proposed Ordinance 2016-23 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a utility easement agreement with Hilton Head Public Service District to encumber property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2012), and Sec. 2-7-20, code of the Town of Hilton Head Island, South Carolina, (1983); and providing for severability and an effective date.

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

g. First Reading of Proposed Ordinance 2016-24

First Reading of Proposed Ordinance 2016-24 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a Memorandum of Understanding with, and the lease of town-owned real property to, The Sandbox: A Hilton Head Area Children's Museum, Inc., related to the development and lease of real property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2012), and Sec. 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

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

11) Appearance by Citizens

Frank Babel addressed Council reading the activities of the Bicycling Advisory Committee and encouraged Council to move forward with creating new and improving bike paths.

Mr. Tai Scott addressed Council regarding Native Island issues.

Mr. Ric Fisher addressed Council regarding Arbor Nature grinding.

12) 5:00 p.m. – Public Hearing – 2016 Beach Management Plan

Mayor Bennett opened the Public Hearing at 5:02 p.m. Shawn Colin reviewed the specifics and timeline regarding the plan. Mayor Bennett asked if anyone would like to speak regarding the plan. No one came forward. Mayor Bennett closed the Public Hearing at 5:04 p.m.

9.a. Second Reading of Proposed Ordinance 2016-11– To be considered after Agenda Item

12) 5:00 p.m. Public Hearing – Beach Management Plan

Second Reading of Proposed Ordinance 2016-11 of the Town Of Hilton Head Island adopting the 2016 Beach Management Plan; and to provide 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.

13) 5:30 p.m. - Public Hearing – Beaufort County Hazard Mitigation Plan 2015 Update

Mayor Bennett opened the Public Hearing at 5:32 p.m. Marcy Benson reviewed the specifics and timeline regarding the plan. Mayor Bennett asked if anyone would like to speak regarding the plan. No one came forward. Mayor Bennett closed the Public Hearing at 5:35 p.m.

10.e. First Reading of Proposed Ordinance 2016-22 – To be considered after Agenda Item 13) 5:30 p.m. Public Hearing – Beaufort County Hazard Mitigation Plan 2015 Update

First Reading of Proposed Ordinance 2016-22 of the Town of Hilton Head Island to adopt the “Beaufort County Hazard Mitigation Plan 2015 Update” as an appendix of the “Hilton Head Island Comprehensive Plan”; and to provide 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.

14) Executive Session

Mr. Riley stated he needed an Executive Session for Land Acquisition Matters: Discussion of negotiations incident to the proposed sale, lease or purchase of property: (1) related to a parcel in the Folly Field Area; (2) related to parcels near the intersection of US 278 and Folly Field Road; (3) related to a parcel in the Skull Creek area; (4) related to a parcels in the Coligny area; and (5) related to a parcel near Dillon Road. Legal Matters: Receipt of Legal Advice: (1) related to pending litigation concerning a BZA appeal; (2) related to pending litigation concerning a Town Council member; (3) related to potential litigation associated with violations of the Building Code and Land Management Ordinance. Economic Development: (1) Discussion of matters relating to the proposed location, expansion, or the provision of services encouraging the location of expansion of industries or other business in the area served by the public body. Personnel Matters: (1) Town Manager’s Evaluation and Employment Status.

At 7:02 p.m. Mr. Harkins moved to go into Executive Session for the reasons set forth by the Town Manager. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

15) Possible actions by Town Council concerning matters discussed in Executive Session

Mayor Bennett called the meeting back to order at 10:25 p.m. and stated no action was taken during Executive Session. Council then addressed items 10.f. and 10.g. under New Business. Results are above under the respective items.

16) Adjournment

Mayor Bennett adjourned the meeting at 10:27 p.m.

Vicki L. Pfannenschmidt
Executive Assistant/Town Clerk

Approved:

David Bennett, Mayor

Update for Hilton Head Island Town Council

University of South Carolina Beaufort

Hospitality Management Campus

Hilton Head Island, SC

September 20, 2016

As the University of South Carolina Beaufort facility project moves forward toward the commitment date of August 2018, USCB offers an in-depth status report.

Presenting:

Dr. Al M. Panu, Chancellor, USCB

Dr. Charles Calvert, Campus Dean, USCB Hilton Head Campus

Ms. Andrea Sisino, Director, Osher Lifelong Learning Institute

Mr. Andy Clark, Project Architect, Liollo Architecture

USCB and project staff will be present to answer questions.

Pre-reading materials:

1. Developing a shared vision for the building: Town of Hilton Head and USCB
2. Hilton Head Campus Hospitality Management recruiting brochure
3. Project Partners and their rationale for support
 - a. Five governmental entities joined together to support this project -- with the support of the University of South Carolina Board of Trustees.
 - b. Industry collaborators have engaged with the Hospitality Management Program since 1994.
4. Project reviews and approvals completed to date

1. Shared vision that the Town and University are shaping together:

As the building design has progressed, there has been great interest in the town about the role of Hilton Head Island's first "civic structure." The building design reflects the priorities of both the Town and the University. It will deliver an exceptional, flexible, high tech educational experience expected at one of the premier hospitality management education sites in the country: for USCB students and for executive education.

Simultaneously, the Island has expressed its need for a welcoming front door and community meeting and engagement space. The project has been sensitive to provide this space, both in the way one is welcomed onto the campus, into a lobby that brings the natural environment into the building and invites the guests into conversation on the "back porch." For example, first floor spaces double as classrooms as well as meeting and private reception facilities—with glass walls and moveable furniture. The beverage lab on the first floor can serve as the bar for private functions. This facility will meet Hilton Head's visionary goals for its future in new ways that we have discovered together in the design process.

The building will offer a center of focus for the Island's primary industry, Hospitality Management. The faculty will lead professional development programs for Hospitality Management industry executives. These management development sessions will be offered in the shoulder seasons and will bring hospitality experts from across the country and internationally to explore industry challenges and cutting edge resolutions.



Bachelor of Science in

Hospitality Management



UNIVERSITY OF
SOUTH CAROLINA
BEAUFORT

A World-Class Location

Studying hospitality management at the University of South Carolina Beaufort will place you at the very epicenter of the tourism industry in the US. With our main Hilton Head Gateway campus, as well as our campus in historic Beaufort and our new location in Hilton Head Island opening in 2018, you'll enjoy a complete college experience while living and learning in one of America's top tourism destinations.

The rich history of our setting is matched only by the wealth of opportunities to develop your skills at some of the world's premier resorts, restaurants, clubs, and events.

Resorts and Private Club Communities

As a student in our program, you'll be able to intern and forge career connections at places like Disney's Hilton Head Island Resort, Sonesta Resort, Omni Hilton Head Oceanfront Resort, Marriott's Vacation Clubs, The Westin, Sea Pines Resort, and dozens more. You'll also have access to unparalleled learning opportunities at elite private, gated club communities such as Brays Island and The Landings on Skidaway Island, as well as major restaurant groups.

Events, Festivals, and Destination Weddings

Our location in coastal South Carolina is home to some of the most popular events and festivals in the US. Every year, students in the hospitality management program work at events such as the PGA's RBC Heritage Classic Golf Tournament, the Concours d'Elegance Motoring Festival, wine and food festivals, and countless festivals of all sizes throughout Hilton Head Island, Beaufort, and Bluffton. The beaches, historic homes and churches, and natural beauty also provide students the opportunity to gain experience in the destination wedding industry.

Charleston and Savannah

In addition to the exciting opportunities in Hilton Head, as a student at USCB you'll also be in close proximity to Charleston, South Carolina, which is less than a two-hour drive, and Savannah, Georgia, which is less than an hour's drive. Both of these are top tourist destinations in the US and afford our students and graduates an even greater array of learning, networking, and career opportunities.



A Pathway to Management and Entrepreneurship

Our Bachelor of Science degree in hospitality management offers a well-rounded curriculum and prepares students for management positions and entrepreneurship in the largest sector of the economy—the service industry.

Well-Rounded Curriculum

You'll gain exposure to the broad range of areas within the hospitality and tourism industry, giving you the kind of foundational knowledge that will set you apart. From there, our electives allow for specialization in areas such as hotels, restaurants and/or food and beverage, sport and event management, nutrition and wellness, and resort marketing and management, among others.


Hands-On Training

Whether you're most interested in marketing and sales, club management, food and beverage, hotel management, or any other specialty area, our program delivers an abundance of opportunities to develop your skills through work and internship experiences at some of the most prestigious events, resorts, restaurants, and clubs.

Research

Another way our students and graduates set themselves apart in the eyes of employers and graduate schools is the emphasis we place on tourism research. The Lowcountry and Resort Islands Tourism Institute at USCB will teach you how to conduct significant, meaningful research that has a direct impact on the local tourism community.


www.uscb.edu/hospitality



“The professors at USCB are what stand out the most to me. They're so experienced and smart, and they care so much about their students. To this day I'm still in touch with them whenever I need advice on anything.”

Lauren Wunder-Wester Finding Her Professional Home

Almost immediately after arriving at Bray's Island as an intern while a student at USCB, Lauren Wunder-Wester felt she was home. Her instincts have always been to find ways to make people happy, making the hospitality industry a perfect career fit. And at Bray's Island, they took notice. After graduating, Lauren was offered a position at the exclusive community, working in food and beverage. And before long, she was promoted to her current position of director of owner services, in which she oversees all aspects of happiness among the residents.



“All the experiences at USCB, whether it’s working The Heritage or some of the smaller festivals, add up and give you the different pieces of working knowledge you need to succeed.”

Othel Plowden
Prepared to Lead

For Othel Plowden, his career in hospitality is about connections—connections with people and with communities. After finishing culinary school, he earned his degree in hospitality management at USCB and has since worked across the country—from San Francisco, to Chicago, to Savannah. But no matter where he is, he believes that to be a leader in his industry you must be able to forge and cultivate relationships.

And as assistant clubhouse manager at The Landings on Skidaway Island, with more than 50 staff reporting to him, that’s exactly what he does.

A New Future on Hilton Head Island

There’s no better place to study hospitality and tourism than Hilton Head Island. And the new campus USCB will open there in 2018 will position you to develop your skills at the highest level and form powerful industry connections.

Leading-Edge Technology

From classrooms that can be configured to simulate any number of professional hospitality settings, to state-of-the-art kitchens and labs, our new campus in Hilton Head Island will put you at the forefront of hospitality and tourism education.

Focus for Juniors and Seniors

The new Hilton Head Island campus will serve as the capstone of your learning experience in the hospitality management program. While your first two years will be spent at USCB’s Hilton Head Gateway campus, your junior and senior years will be spent immersed in focused learning and hands-on training on Hilton Head Island.

Strengthening Our Industry and Community Engagement

In addition to the exceptional opportunities the new Hilton Head Island campus will offer students for hands-on training at the world’s most prestigious resorts, restaurants, clubs, and events, it will also serve as a central point in the community for industry leaders to come and engage with students and faculty.

Research in Action

USCB students and faculty work together conducting surveys at festivals and major events—in Hilton Head Island and across the region—throughout the year. They also analyze the data and prepare reports that deliver vital information to the local tourism and hospitality industry as a way to enhance offerings and continue to attract tourists from around the world.



“The program at USCB was perfect for me. It was individualized, with small classes, and very engaged with the community. There’s no way you’re not going to be prepared for success coming out of that program.”

Susan Probst '13

A Heightened Academic Experience

USCB’s hospitality management program offers a heightened level of learning and career preparation, due largely to our two centers, each of which provides the kind of specialized depth that most programs simply cannot match.

Center for Event Management and Hospitality Training

The USCB Center for Event Management and Hospitality Training is a joint effort by the hospitality management program and the Town of Hilton Head Island with the mission of providing specialized education that will enable Hilton Head Island to become known as an international destination for Event Management and Hospitality Education. The center’s four key areas of focus include:

- Educating Hospitality Professionals
- Expanding Destination Events
- Assisting in Event Management
- Supporting the Hospitality Industry

Lowcountry and Resort Islands Tourism Institute

The Lowcountry and Resort Islands Tourism Institute is a critical resource for the local tourism industry, providing essential research, data, and insights that help industry leaders in Beaufort, Jasper, Colleton, and Hampton counties plan more efficiently and effectively. Students in the hospitality management program are actively involved in gathering and analyzing data, as well as preparing reports for industry leaders who engage the institute.

Since 2014 alone, the institute has conducted nearly 40 research projects for the region’s tourism industry.

A photograph of a male professor with glasses, wearing a grey blazer, pointing with a blue marker towards a large presentation screen. The screen displays a blue background with white concentric circles. In the foreground, the backs of several students' heads are visible as they sit at desks, looking towards the professor. One student's laptop screen shows a diagram with red and green shapes. The scene is set in a modern classroom or lecture hall.

A Faculty of Seasoned Experts

As a student in the hospitality management program, you'll do more than learn from expert faculty who are active leaders in the industry. With our small class sizes and a student-to-faculty ratio of just 13:1, you'll form close, mentoring relationships with them.

Representing a vibrant range of specialty areas in the hospitality and tourism industry—ranging from private club management to nutrition—our faculty will empower you to make the most of your experience and dedicate themselves to your success.

Department Faculty

Sean Barth

Associate Professor, Department Chair & Internship Coordinator, PhD, Texas Tech University

Courses: Private Club Management, Food and Beverage Operations and Professional Development Internship Coordinator

William Bowers

Visiting Professor, Business Administration, PhD, University of South Carolina

Courses: Hospitality Accounting

Charles Calvert

Professor & Campus Dean of Hilton Head Island Campus, Higher Education Administration, EdD, North Carolina State University; Hotel Administration, MSHA, University of Nevada Las Vegas

Courses: Lodging Operations and Tourism

Laurie Hammonds

Adjunct Professor, Hotel, Restaurant, Tourism Management, MS in H.R.T.M., University of South Carolina

Courses: Lodging Operations

Nancy Hritz

Associate Professor and Assistant Director of the USCB Lowcountry and Resort Islands Tourism Institute, Leisure Behavior, PhD, Indiana University Bloomington; CHE, American Hotel & Lodging Educational Institute

Courses: Hospitality and Tourism Management, Marketing and Hospitality Leadership

Maria Kramer

Adjunct Professor, Master of Tourism Administration, George Washington University

Courses: Introduction to Hospitality Management, Convention and Meeting Planning

Kelly McCombs

Instructor, MS/RD Nutrition, Ohio State University

Courses: Nutrition and Restaurant Operations

Keri Olivetti

Instructor and Director of the Center for Event Management and Hospitality Training, Law, JD/MBA University of Tulsa

Courses: Law and Event Management

John Salazar

Professor & Director of the USCB Lowcountry and Resort Islands Tourism Institute, Nutrition and Food Science, PhD, Auburn University; CHE, American Hotel & Lodging Educational Institute

Courses: Destination and Hospitality Marketing, Hospitality Management Strategy, and Hospitality Finance

A Legacy of Success

There's a simple reason so many premier resorts, restaurants, clubs, and organizations look to USCB for interns and graduates—we have a proven legacy of success. Our graduates bring a knowledge that's broad and deep, hands-on experience working at the highest levels of the industry, a passion for providing the best possible service, and a work ethic that is second to none.

Examples of Internship Sites and Employers of USCB Graduates

- Beaufort Regional Chamber of Commerce
- Brays Island
- Celebration Events
- Disney's Hilton Head Island Resort
- Hilton Head Island Chamber of Commerce
- Marriott Vacation Club Properties
- Mountaintop Country Club (Cashiers, NC)
- Savannah Tourism Leadership Council
- Sea Pines Resort
- The Bohemian Club (San Francisco, CA)
- The Brice A Kimpton Hotel
- The Inn at Palmetto Bluff
- The Landings on Skidaway Island
- The Oasis (Lake Travis, Texas)
- The Omni Resort
- The Salty Dog Café
- The Sonesta Resort
- The South Carolina Yacht Club
- The Westin Resort

Joselyn Campos '13, Marriott Vacation Club Hilton Head Island

www.uscb.edu/hospitality





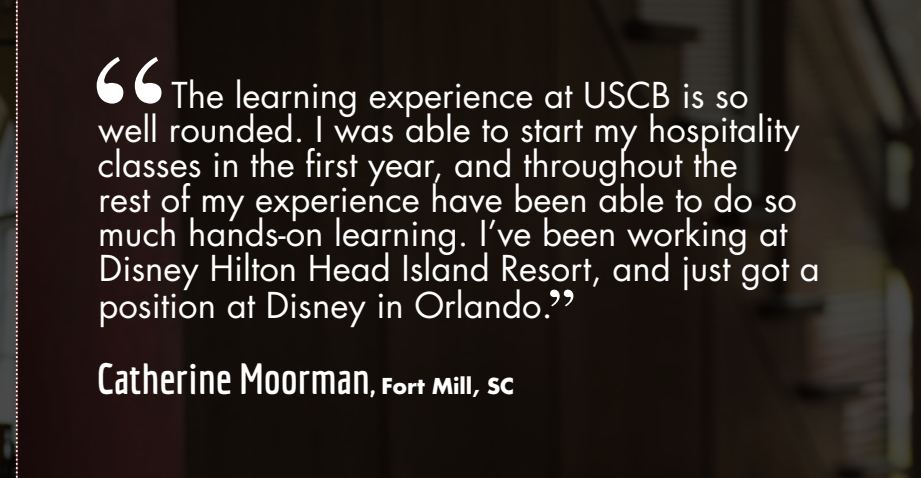
“USCB is really a vital resource for us at the Beaufort Regional Chamber of Commerce. The training those students get in research and research analysis prepares them to come here and hit the ground running on day one. So they get real-world experience, and we’re able to provide the region with crucial research and information.”

Robb Wells
Vice President, Tourism Division,
Beaufort Regional Chamber of
Commerce



“In my time at USCB I’ve been able to conduct research at all kinds of events and festivals. I collected data at the Savannah Music Festival, helped with an economic impact study for the Heritage Golf Classic, and conducted research for festivals through the Hilton Head Island Recreation Association.”

Kelli Brunson
Manning, SC



“The learning experience at USCB is so well rounded. I was able to start my hospitality classes in the first year, and throughout the rest of my experience have been able to do so much hands-on learning. I’ve been working at Disney Hilton Head Island Resort, and just got a position at Disney in Orlando.”

Catherine Moorman, Fort Mill, SC



Your Career in Hospitality and Tourism. Discovered.

A world-class destination. Premier resorts, restaurants, clubs, and events. A new campus in the heart of it all. A faculty of renowned experts devoted to your goals. A legacy of producing excellent managers and entrepreneurs.

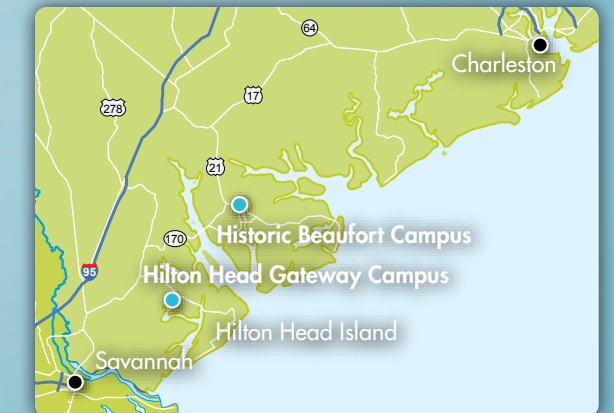
This is what sets us apart at USCB. Altogether, it results in a learning experience that is hard to match.

There’s no better way to get a feel for what the hospitality management program has to offer than by visiting us in coastal South Carolina. Your visit will be the perfect opportunity to meet with faculty, tour our campus, speak with students, and feel the energy of our dynamic setting.

Contact us today to get your visit planned.



New students in the program will spend their junior and senior years studying at the Hilton Head Campus that will open in the fall of 2018.



**University of South
Carolina Beaufort**

Office of Admissions
One University Boulevard
Bluffton, SC 29909
(843) 208-8055
admissions@uscb.edu
www.uscb.edu/hospitality



UNIVERSITY OF
SOUTH CAROLINA
BEAUFORT

Partnering for Prosperity: Bringing Higher Education Back to Hilton Head Island



Partners: Town of Hilton Head Island, Beaufort County Council, Beaufort County School System, University of South Carolina Beaufort, Hilton Head Public Service District 1.

Planning Committee objectives supported: This collaborative project advances the Town of Hilton Head Island's agenda: economic, social and physical infrastructure development for the Island's bright future.

Financial contributions: Beaufort County will contribute 47% of the initial costs; Beaufort County School District 23%, **Town of Hilton Head Island 18%**, USCB 10% and the HHPSD 2%. Maintenance of the facility will be the financial responsibility of USCB.

- *Develop a \$24,500,000 facility to support the Town's primary industry with cash outlay from the Town of only \$4,410,000.*

Economic impact: USCB's economic impact on our region grew from \$19.1 million in 2002 to \$74 million in 2012. Enrollment is just below 2000 students in Fall 2015.

Effective Land use: The TIF District extension includes initiatives in the Coligny Area and in the Chaplin Area. Along with these projects, the USCB facility adds to the quality of life, will spur private reinvestment nearby, and makes the remaining land more valuable.

Higher Education is low impact development. A higher education facility offers a land use that will have a lower traffic and noise impact than other uses allowed on this site. Retail, office, residential or resort uses will generate greater traffic impacts during the morning and evening peak hour periods, on weekends, and in the summer (when USCB's traffic is minimal).

Island Hospitality industry impact: The USCB presence and the students participating in its programs will raise the bar for the hospitality industry on the island. Better trained, more knowledgeable employees aiming for career growth will translate into better service and a better experience for residents and guests. USCB graduates infuse the island's resorts with new talent and fresh ideas needed to attract the next generation of visitors and residents. Core skills included in the students' education include: Hotel, restaurant and tourism administration, Club management and Event management. Other specialties tailored to the distinctive strengths of Hilton Head Island will be explored with local industry leaders.

Resident and visitor attraction asset: A permanent, expanded presence for the national Osher Lifelong Learning Institute at USCB will bring a greater variety of adult and continuing education offerings for residents and visitors. The expanded facilities will be used for non-peak season education in a variety of fields that will attract visitors and potential residents to our area. Higher education and continuing education opportunities are key differentiators for "best communities to visit and retire" awards and lists.

Career opportunities for local students: The facility will provide for management opportunities in one of the largest and fastest growing in the nation—which allows them to pursue a career locally. Hospitality management is a field in which local students have proven they can start in entry managerial roles and rise quickly. Bringing higher education back to Hilton Head Island will reduce the Island's "brain drain" of bright, early career professionals.

Focused, working student population: The new Hospitality Management facility will open with 200 and expand to serve 395 seasoned college juniors and seniors, the majority of whom will work part-time in the community.

- *Collaborating as the "Hilton Head College Center," USCB and TCL delivered courses on the island in this same site—with over 530 freshmen and sophomores entering and leaving the campus from 1991 to 2004. Few people noticed. Students were productive community members.*

Island traffic conversation. The Circle to Circle Task force identified June, July and early August as the primary months in which Sea Pines Circle does not meet the desired standards. The peak season on the Island is the period of extremely limited use of the proposed USCB facility.

- *USCB Hospitality Management students work to pay for college or complete internship requirements over the summer. The peak season for tourists is the lowest student usage of Sea Pines Circle. Hence, Hospitality Management is the ideal counter-cyclical property usage.*
- *62% of USCB upperclassmen are already interning on the island; moving upperclassmen onto the Island for classes will not create as much new traffic to the island as expected.*
- *Traffic improvements are slated for the intersections providing major access based on an initial traffic impact analysis. The Circle to Circle Committee is undertaking a detailed analysis of privately owned Greenwood Drive.*

Marketing impact: Promotion of the USCB and OLLI programs on Hilton Head Island will increase exposure of the Island. Tourism research courses taught on the Island will expand opportunities for tourism research – adding to the Island's exposure.



UNIVERSITY OF
SOUTH CAROLINA

BEAUFORT

Bringing USCB back to the Island:
Hospitality Industry partners

Bring Higher Education benefits to Hilton Head Island

Served Hilton Head Island since 1986

Hospitality Management is the driver of the Island's success—competition is now global.

Hospitality Management is an authentic program—that leverages Hilton Head Island positioning.

Higher education access for Hilton Head residents of all ages

University of South Carolina Beaufort: Vision for service to Hilton Head Island

Collaborative project:

extends the 30 year collaboration between Hilton Head Island and the University of South Carolina Beaufort

Collective impact:

builds a stronger future for Hilton Head Island and our region

Financial model:

demonstrates regional commitment

Introduction to the B.S. in Hospitality Management University of South Carolina Beaufort

Growth in stature

Between 2006-2014, the HM program at USCB has **increased its SC market share by 24%** - increasing from 10% of the SC hospitality management undergraduate market in 2006 to 12% in 2014.

Much younger, but **already larger than the HM program at Coastal Carolina University**. Equal in size to the HM program at the College of Charleston.

100% student job placement

Hilton Head Island is the largest internship site for HM majors

Cutting edge curriculum growth opportunities:

- Sustainable Resort Development
- Event Management
- Ecotourism
- Private Club Management
- Sport Tourism Management

Growing to be the Island's Higher Education Partner- phase I

First location:

1986 Executive Center (Sea Pines Circle)

1990-2003 Kiawah Building Office Park

Accomplishments:

1997 Founded Hilton Head Island Institute of Tourism

1998-2004 B. S. in Hospitality Management
(cooperation with USC Columbia)
Served local high school students

Growing to be Hilton Head Island's Higher Education Partner—phase II

- 2004 USCB earns baccalaureate accreditation
New, 200 acre campus opens in Bluffton
USCB offers B.S. in Hospitality Management
Hilton Head Island is internship site and learning lab
- 2005 Lowcountry and Resort Islands Tourism Institute
- Over 100 research projects since 2005
 - Over 60,000 surveys—regional, national, and international
- 2011 Center for Event Management & Hospitality Training

The Institute and the Center have generated over \$1 million in grants, contracts, and technical research agreements since 2005

Summer Internships on the Island: 24/42 in 2015

- The Westin Hilton Head Island Resort / Spa
- Hargray Communication
- Long Cove Club
- Holiday Inn Resort Beach House Hotel
- South Carolina Yacht Club
- Outback Steakhouse
- Port Royal Golf Club
- Marriott's Grande Ocean or Beach Club
- Reilley's Pub South End
- Celebration Events
- Disney Vacation Club Management Corp.
- Hampton Inn and Suites
- Sonesta Resort Hilton Head Island
- Palmetto Dunes Oceanfront Resort
- The Sea Pines Resort

USCB graduate placements

On Hilton Head Island

- SERG Restaurant Group
- Marriott Vacation Club
- The Westin Hilton Head Island Resort & Spa
- Disney's Hilton Head Resort
- Frosty Frog Cafe
- CH2/CB2
- Palmetto Bluff
- Colleton River Plantation Club
- Belfair Plantation Club
- Callawassie Island
- Brays Island

At top firms across the US

- Southeastern Paper Group
- AAA Carolinas
- The Landings Club
- Avocet Hospitality Group
- Omni Hotels
- The Dunes Golf and Beach Club
- Kiawah Island Golf Resort
- French Quarter Inn & The Spectator Hotel
- The Savannah Double Tree by Hilton
- Wyndham Vacation Ownership
- Bluegreen Vacations
- Casa Madrona Hotel & Spa

The future of Hospitality Management on Hilton Head Island

Grow to 395 students

- junior and senior students
- 573 students were served by Hilton Head College Center

Traffic is minimal during tourist season, as only internship course offered.

HHI benefits: Hospitality Management facility

Expertise and energy of faculty and career-oriented students

- Local leaders positioned to build on Hilton Head's strengths and respond to Hilton Head's needs.

Opportunities for local students:

- Dual credit courses for high school students--Hilton Head High School Tourism Academy
- Pathway/support for local students to continue to college

Articulation agreements with international hospitality institutions

- Raise visibility of Island in international tourism market

Visitor research

- Strengthens local hospitality firms that are now competing globally
- Drives strategies to attract the next generation of Island guests and residents

With appreciation...

to the leaders on Hilton Head Island and
across Beaufort County
who have supported this on-going
conversation to
“partner for prosperity”
by bringing higher education
back to
Hilton Head Island.

5. Project Approvals: Process and Timeline

February 20, 2015:	University of South Carolina Board of Trustees Buildings and Grounds Subcommittee Phase I
February 20, 2015:	University of South Carolina Board of Trustees Phase I
April 2, 2015:	South Carolina Commission on Higher Education Finance & Facilities Subcommittee Phase I
April 2, 2015:	South Carolina Commission on Higher Education Full Board Phase I
April 22, 2015:	South Carolina Joint Bond Review Committee Phase I
April 28, 2015:	South Carolina State Fiscal Accountability Authority Phase I
August 13, 2015:	Programming Workshop – USCB Administration, Faculty, Alumni, Students, OLLI Staff and HHI Urban Planner
September 15, 2015:	Design Workshop 1 – USCB Administration, Faculty, Alumni, Students, OLLI Staff and HHI Urban Planner
September, 2015:	Sea Pines Architectural Review Board – Courtesy review 1 – USCB Facilities Director met with members of ARB to receive input
October 12, 2015:	Design Workshop 2 – USCB Administration, Faculty, Alumni, Students, OLLI Staff and HHI Urban Planner
October 15, 2015:	Sea Pines Architectural Review Board – Courtesy review 2 – USCB Facilities Director met with members of ARB to receive input
October 15, 2015:	Town of Hilton Head Island – Courtesy Review with Town staff
October 28, 2015:	University of South Carolina Design Review Committee Preliminary Approval Presentation 1 – Unanimous Approval
November 20, 2015:	University of South Carolina Board of Trustees Buildings and Grounds Subcommittee Phase II
December 15, 2015:	University of South Carolina Board of Trustees Phase II
December 29, 2015:	South Carolina Commission on Higher Education Staff Approval Phase II
January 20, 2016:	South Carolina Joint Bond Review Committee Phase II
January 26, 2016:	South Carolina State Fiscal Accountability Authority Phase II

January 28, 2016:	Town of Hilton Head Island – Pre-Application Meeting – Received comments from Town staff to incorporate into DRB submittal
January 28, 2016:	Sea Pines Architectural Review Board – Preliminary Approval Presentation 1 – Well received, but deferred for more information on loading area screening and building materials
August 9, 2016:	Sea Pines Architectural Review Board – Preliminary Approval Presentation 2 – Well received, but deferred due to traffic concerns
August 9, 2016:	Town of Hilton Head Island Design Review Board – Conceptual Approval – Unanimous Approval
September 7, 2016:	University of South Carolina Design Review Committee – Preliminary Approval Presentation 2 – Unanimous Approval



ITEMS OF INTEREST

SEPTEMBER 20, 2016

Noteworthy Events

Some of the upcoming meetings at Town Hall:

- Planning Commission – September 21, 2016, 3:00 p.m.
- Venue Committee – September 21, 2016, 4:00 p.m.
- Public Facilities Committee – September 26, 2016, 10:00 a.m.
- Board of Zoning Appeals – September 26, 2016, 2:30 p.m.
- Community Services Committee – September 27, 2016, 9:30 a.m.
- Design Review Board – September 27, 2016, 1:15 p.m.
- Construction Board of Adjustments and Appeals, September 27, 2016, 5:30 p.m.
- Public Safety Committee – October 3, 2016, 10:00 a.m.
- Finance and Administrative Committee – October 4, 2016 – 2:00 p.m.
- Town Council – October 4, 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.

2016 Hilton Head Island Events

4 th Thursdays thru October 27, 2016 5:00pm-9:00pm	Carolina Dreamers Car Club Show	Shelter Cove Community Park
September 24, 2016 8:00am-12:30pm	Pedal4Kids Charity Bike Ride	Various North Island Pathways & Charles Fraser Bridge
September 25, 2016 8:00am-12:00pm	Locomotion/10 Mile Walk	Coligny Beach
October 1, 2016 11:00am-5:00pm	HHI Burgers & Brew Festival	Shelter Cove Community Park



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA-CM, *Town Manager*
VIA: Shawn Colin, *Deputy Director of Community Development*
FROM: Marcy Benson, *Senior Grants Administrator*
CC: Charles Cousins, *Director of Community Development*
DATE: August 18, 2016
SUBJECT: Beaufort County Hazard Mitigation Plan 2015 Update – Second Reading

There were no changes made to Proposed Ordinance 2016-22 during first reading on August 16, 2016.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2016-

PROPOSED ORDINANCE NO. 2016 - 22

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND TO ADOPT THE “BEAUFORT COUNTY HAZARD MITIGATION PLAN 2015 UPDATE” AS AN APPENDIX OF THE “HILTON HEAD ISLAND COMPREHENSIVE PLAN”; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, in 2010, the Town Council of the Town of Hilton Head Island, South Carolina adopted the Town of Hilton Head Island Comprehensive Plan; and

WHEREAS, in 2012, the Town Council of the Town of Hilton Head Island, South Carolina adopted the revised and updated Town of Hilton Head Island Comprehensive Plan; and

WHEREAS, the Beaufort County Hazard Mitigation Plan was adopted in 2011 as an Appendix to the Town of Hilton Head Island Comprehensive Plan; and

WHEREAS, the Beaufort County Hazard Mitigation Plan is required to be re-evaluated by the Disaster Mitigation Act of 2000 every five years to assess the communities’ vulnerabilities to natural hazards and to prepare a long term strategy to address these hazards and prevent future damage and loss of life; and

WHEREAS, the Beaufort County Hazard Mitigation Plan was re-evaluated and revised through participation from County and municipal officials, and residents and represents the community’s consensus; and

WHEREAS, the adoption of the Beaufort County Hazard Mitigation Plan 2015 Update will fulfill the requirements for continued participation in the Community Rating System as well as qualify the Town of Hilton Head Island for FEMA pre-disaster grants and post-disaster reconstruction assistance; and

WHEREAS, the Hilton Head Island Planning Commission reviewed the Beaufort County Hazard Mitigation Plan 2015 Update at their July 20, 2016 meeting and recommended the Plan be sent to the Public Planning Committee of the Town Council for their consideration; and

WHEREAS, on August 4, 2016, the Public Planning Committee recommended Town Council adopt the Beaufort County Hazard Mitigation Plan 2015 Update; and

WHEREAS, Town Council now desires to adopt the Beaufort County Hazard Mitigation Plan 2015 Update as an appendix to the Town of Hilton Head Island Comprehensive Plan as recommended by the Public Planning Committee.

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 COUNCIL:

Section 1. Adoption. That the Beaufort County Hazard Mitigation Plan 2015 Update is hereby adopted as an appendix to the Town of Hilton Head Island Comprehensive Plan of the Town of Hilton Head Island, South Carolina.

Section 2. Severability. If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

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

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS _____ DAY OF _____ 2016.

THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

Public Hearing: August 16, 2016

First Reading: August 16, 2016

Second Reading:

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO:	Steve Riley, ICMA-CM, Town Manager
VIA:	Charles Cousins, <i>Community Development Director</i>
FROM:	Shawn Colin, AICP, <i>Deputy Director of Community Development</i>
DATE:	August 18, 2016
SUBJECT:	Second Reading: Dillon Road Sewer Easement Proposed Ordinance 2016-23

There were no changes made to Proposed Ordinance 2016-23 during the first reading on August 16, 2016.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF A UTILITY EASEMENT AGREEMENT WITH HILTON HEAD PUBLIC SERVICE DISTRICT TO ENCUMBER PROPERTY OWNED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. SEC. 5-7-40 (SUPP. 2012), AND SEC. 2-7-20, CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town of Hilton Head Island, South Carolina (“Town”), owns a parcel of real property known generally as Beaufort County PIN R510-009-000-1034-0000; and

WHEREAS, Hilton Head Public Service District (“HHPD”) has planned and desires to undertake the Dillon Road Sewer Project which involves the installation, upgrade and maintenance of sewer and/or water lines located in the vicinity of Dillon Road, which project is for the benefit and use of the general public; and

WHEREAS, the Town has determined that it is in the best interest of the Town to grant an easement to HHPD for the aforementioned purposes pursuant to that certain Utility Easement Agreement attached hereto as Exhibit “A”.

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

Section 1 – Execution, Delivery and Performance of Easement.

- (a) The Mayor and/or Town Manager are hereby authorized to execute and deliver the Utility Easement Agreement in substantial conformance with the attached Exhibit “A”; and,
- (b) The Town Manager is hereby authorized to take such other and further actions as may be necessary to complete the performance of the Town's obligations under the terms and conditions

of the Easement.

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 adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

**PASSED AND APPROVED BY THE TOWN COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS ____ DAY OF
_____, 2016.**

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:_____



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, CM, *Town Manager*
VIA: Charles Cousins, AICP, *Director of Community Development*
FROM: Jennifer B. Ray, ASLA, *Urban Designer*
DATE: August 22, 2016
SUBJECT: 2nd Reading of Proposed Ordinance: 2016-24 Coligny Redevelopment
Project – Sandbox MOU/Lease Agreement

There were no changes made to Proposed Ordinance 2016-24 during the first reading on August 16, 2016.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH, AND THE LEASE OF TOWN-OWNED REAL PROPERTY TO, THE SANDBOX: A HILTON HEAD AREA CHILDREN’S MUSEUM, INC., RELATED TO THE DEVELOPMENT AND LEASE OF REAL PROPERTY OWNED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. SEC. 5-7-40 (SUPP. 2012), AND SEC. 2-7-20, CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town of Hilton Head Island, South Carolina (“Town”), owns one or more parcels of real property (“Town Property”) located in the Coligny area of Hilton Head Island; and

WHEREAS, the Town desires to develop portions of the Town Property by constructing one or more structures for use by The Sandbox: A Hilton Head Area Children’s Museum, Inc. (“Sandbox”), and the Town desires to lease portions of the Town Property to the Sandbox, all for the operation of a children’s museum in the Town of Hilton Head Island in accordance with that certain Memorandum of Understanding, a copy of which is attached hereto as Exhibit “1”; and

WHEREAS, the Town Council for the Town has determined that it is in the best interests of the Town to enter into a Memorandum of Understanding and Lease with the Sandbox for operation of a children’s museum in the Town of Hilton Head Island.

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

Section 1 - Execution, Delivery and Performance of Memorandum of Understanding.

- (a) The Mayor and/or Town Manager are hereby authorized to execute and deliver the Memorandum of Understanding in substantial conformance with the attached Exhibit “1”; and
- (b) The Town Manager is hereby authorized to take such other and further actions as may be

necessary to complete the performance of the Town's obligations under the terms and conditions of the Memorandum of Understanding.

Section 2 - Execution, Delivery and Performance of Lease.

(a) The Mayor and/or Town Manager are hereby authorized to execute and deliver the Lease in substantial conformance with Exhibit “B” of the attached Exhibit “1”; and,

(b) The Town Manager is hereby authorized to take such other and further actions as may be necessary to complete the performance of the Town's obligations under the terms and conditions of the Lease.

Section 3 - Severability.

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

Section 4 - Effective Date.

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

(SIGNATURE PAGE FOLLOWS)

**PASSED AND APPROVED BY THE TOWN COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS ____ DAY OF
_____, 2016.**

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: _____

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, Town Manager

DATE: September 15, 2016

RE: **Resolution to Accept and Process a Petition for Annexation
Involving Property Commonly Known as Bay Point Island**

Recommendation

That Town Council adopt a resolution accepting a petition for annexation filed with the Town by Bay Point Island, LLC regarding their property, commonly known as Bay Point Island; and to authorize the Town to process this application.

Summary

If approved, Town Council would accept a petition for annexation of the 347 acre island at the entrance to Port Royal Sound commonly known as Bay Point Island, and authorize the Town Manager and the Town Attorney to initiate the process for annexation. The owner, Bay Point Island, LLC seeks to develop the parcel, previously approved for 49 Single Family lots, as an “eco resort”. The annexation will thus also necessitate development of a new zoning classification and creation of a Development Agreement setting forth the responsibilities of all parties.

Background

Bay Point Island, LLC, owners of the 347 acre island commonly known as Bay Point Island, located at the entrance to Port Royal Sound, have petitioned the Town for annexation of their property, in anticipation of its development as a high end “eco resort”. Their request to annex the property would be contingent upon reaching agreement on an acceptable Development Agreement and appropriate zoning to facilitate their development plans.

Adoption of the attached resolution would be the first step in a process that will entail numerous public meetings and public hearings, mandated by State Law, prior to final consideration and approval by Town Council.

Bay Point Island is across Port Royal Sound from the existing boundaries of the Town of Hilton Head Island. It is well established in case law that municipalities may annex properties that are contiguous to their boundaries – and that parcels separated by bodies of water are considered “contiguous” for purposes of annexation.

Bay Point Island LLC has agreements in place with a major international resort developer to build an exclusive “eco resort” on the property; contingent on its annexation into the Town. They frankly wish to be able to say that they are part of Hilton Head Island. The Island is currently approved and platted for 49 single family lots; each with individual septic tanks. The resort intends to use a more ecologically sound sewage treatment system and to take other steps to create an ecologically sensitive resort.

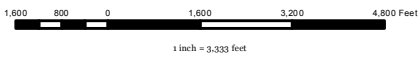


TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600
Date Created: Thursday, September 15, 2016
Project: BayPointland.mxd

Town of Hilton Head Island

Bay Point Island, Beaufort County, SC

September 2016



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

A RESOLUTION OF THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO ACCEPT A PETITION FOR ANNEXATION FILED BY BAY POINT ISLAND, LLC FOR REAL PROPERTY GENERALLY KNOWN AS BAY POINT ISLAND, AND AUTHORIZING THE TOWN MANAGER AND THE TOWN ATTORNEY TO TAKE THE NECESSARY STEPS TO PROCESS THE PETITION UNDER ACCEPTABLE TERMS AND CONDITIONS.

WHEREAS, the Town of Hilton Head Island, South Carolina (“Town”) is a municipal corporation which has authority to annex real property pursuant to Section 5-3-10 *et seq.* of the Code of Laws of South Carolina and Section 2-7-20 of the Municipal Code of the Town; and

WHEREAS, Bay Point Island, LLC is the owner of certain real property generally known as Bay Point Island and surrounding areas (“Property”), which for annexation purposes is contiguous to the Town; and

WHEREAS, Bay Point Island, LLC has filed a Petition for Annexation attached hereto as Exhibit “A” (“Petition”), seeking to have the Property annexed into the Town of Hilton Head Island, South Carolina, contingent upon approval by the Town Council of: a satisfactory Development Agreement between Bay Point Island, LLC and the Town for the Property; a suitable amendment to the Comprehensive Plan for the Town; and suitable and acceptable zoning for the Property to allow development consistent with the provisions in the Development Agreement; and

WHEREAS, the Town Council for the Town has determined that it is in the best interests of the Town to accept the Petition and consider annexation of the Property under terms that protect the interests of the Town and Bay Point Island, LLC; and

WHEREAS, Town Council for the Town wishes to accept the Petition and authorize the Town Manager and the Town Attorney to develop and prepare materials,

and take or cause to be taken such other actions, and process such applications, as may be necessary to facilitate the annexation of the Property into the Town under appropriate terms and conditions.; and

WHEREAS, Town Council for the Town wishes to create an ad hoc committee of Council to assist in the drafting of a Development Agreement and may wish to take such other actions as Council may determine to assure that the interests of the Town are protected.

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

1. The Petition for Annexation filed by Bay Point Island, LLC and attached hereto as Exhibit "A" is accepted.
2. The Town Manager and Town Attorney are hereby authorized to develop and prepare materials, and take or cause to be taken such other actions, and to process such applications, as may be necessary to facilitate the annexation of the Property into the Town under terms and conditions that protect the interests of the Town and Bay Point Island, LLC.
3. The Town Manager and Town Attorney are hereby authorized to take such other and further action as may be necessary to complete the matters authorized herein.
4. An ad hoc committee, composed of three members of Council, may be created and Council may take such other actions as it determines necessary to protect the interests of the Town.

**PASSED AND APPROVED BY THE TOWN COUNCIL THIS _____ DAY OF
_____, 2016.**

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

Approved as to Form: _____
Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

Ward: _____

EXHIBIT “A”

**TOWN OF HILTON HEAD ISLAND
PETITION FOR ANNEXATION
BAY POINT ISLAND, LLC**

RECITALS

S.C. Code Section 5-3-150(3) provides a method of annexing real estate into a municipality upon petition of all owners of real estate in the area sought to be annexed.

The undersigned is the owner of certain real estate identified by the TMS parcel numbers set forth on Exhibit A (hereinafter the "Property") that is contiguous to the Town of Hilton Head Island, South Carolina.

The undersigned seeks to have the Property annexed into the Town of Hilton Head Island, South Carolina, contingent upon approval by the Town Council of Hilton Head Island of: (1) a Development Agreement between Bay Point Island, LLC and the Town of Hilton Head Island to include the Property that is satisfactory to the undersigned; (2) a suitable amendment to the Comprehensive Plan for the Town of Hilton Head Island that is consistent with the provisions of the Development Agreement; and, (3) suitable and acceptable zoning for the Property to allow development of the Property consistent with the provisions in the Development Agreement.

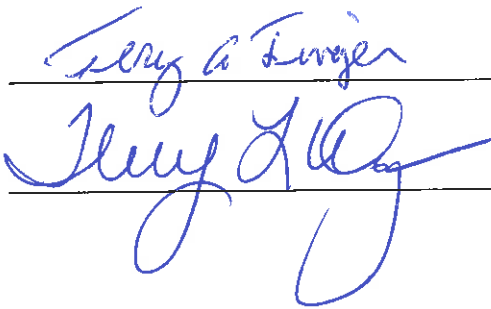
NOW THEREFORE, incorporating the foregoing RECITALS, the undersigned, as owner of the following described Property, subject to the fulfillment of the described contingencies, requests that the Town of Hilton Head Island, South Carolina, extend its boundaries and annex the Property described on Exhibit A hereto.


[Signatures Follow]

PETITION FOR ANNEXATION
BAY POINT ISLAND, LLC
Page 2

SIGNED, SEALED AND DELIVERED IN
THE PRESENCE OF:

BAY POINT ISLAND, LLC
(SEAL)



By: 
Ralph E. Tupper

Its: Manager

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

THE FOREGOING INSTRUMENT was acknowledged before me by Bay Point Island, LLC, by Ralph E. Tupper, its Manager, this 14 day of September, 2016.

 (SEAL)
Notary Public for South Carolina

My Commission expires: 3-3-09

ALL that certain piece, parcel or tract of land, situate, lying and being known as Bay Point Island, Beaufort County, South Carolina, Bay Point Island being generally described as being bounded on the North by Morse Island Creek; on the East by the Trenchard's Inlet; on the South and Southeast by the Atlantic Ocean; and on the West by Port Royal Sound, and being more particularly shown and described on that certain plat prepared by Albert Heatley, Jr., R.L.S., recorded in Plat Book 67 at Page 136, as re-recorded in Plat Book 81 at Page 114, in the Office of the Register of Deeds for Beaufort County, South Carolina, including the area shown as "Community Area" on the aforesaid plat, and as amended by plat prepared by David S. Youmans, R.L.S., dated June 28, 2002, and recorded in Plat Book 88 at Page 11 in the Office of the Register of Deeds for Beaufort County, South Carolina. For a more complete description as to metes, courses, distances and bounds of said property, reference may be had to the aforementioned plats of record.

SAVE AND EXCEPTING THEREFROM, those parcels bearing Tax Parcel Number R300 045 000 0036 0000, R300 045 000 0037 0000, and R300 045 000 0038 0000; AND ALSO, that area acquired by quit-claim deed lying within the above boundaries consisting of marshland.

R300 045 000 0001 0000;	R300 045 000 0002 0000;	R300 045 000 0003 0000;
R300 045 000 0004 0000;	R300 045 000 0005 0000;	R300 045 000 0006 0000;
R300 045 000 0007 0000;	R300 045 000 0008 0000;	R300 045 000 0009 0000;
R300 045 000 0010 0000;	R300 045 000 0011 0000;	R300 045 000 0012 0000;
R300 045 000 0013 0000;	R300 045 000 0014 0000;	R300 045 000 0015 0000;
R300 045 000 0016 0000;	R300 045 000 0017 0000;	R300 045 000 0018 0000;
R300 045 000 0019 0000;	R300 045 000 0020 0000;	R300 045 000 0021 0000;
R300 045 000 0022 0000;	R300 045 000 0023 0000;	R300 045 000 0024 0000;
R300 045 000 0025 0000;	R300 045 000 0026 0000;	R300 045 000 0027 0000;
R300 045 000 0028 0000;	R300 045 000 0029 0000;	R300 045 000 0030 0000;
R300 045 000 0031 0000;	R300 045 000 0032 0000;	R300 045 000 0033 0000;
R300 045 000 0034 0000;	R300 045 000 0035 0000;	
		R300 045 000 0039 0000;
R300 045 000 0040 0000;	R300 045 000 0041 0000;	R300 045 000 0042 0000;
R300 045 000 0043 0000;	R300 045 000 0044 0000;	R300 045 000 0045 0000;
R300 045 000 0046 0000;	R300 045 000 0047 0000;	R300 045 000 0048 0000;
R300 045 000 0049 0000;	R300 045 000 0050 0000;	R300 045 000 0051 0000



MEMORANDUM

TO: Town Council

FROM: Finance and Administrative Committee

DATE: September 13, 2016

SUBJECT: First Tee Grant Funding

Recommendation: Town Council reaffirm its Town-wide grant funding for the First Tee in the amount of \$50,000 and direct the Town Manager to reimburse First Tee immediately upon receipt of appropriate expense reimbursement documents.

Summary: At the September 13, 2016, F&A Committee meeting, we met with First Tee and discussed the one-time grant for flood repairs and related stabilization of the golf course. Since Council awarded the grant as one-time funding for the flood-related needs, the Committee felt First Tee's grant did not need review of the Parks & Rec Committee as previously suggested. First Tee used its limited operating funds to address these repairs and course stabilization; it needs the Town's grant reimbursement to continue its important programs for Town residents and tourists, especially our children.

Separately, the Committee discussed First Tee's capital campaign success and its plan for long-term operational sustainability. The Committee suggested that First Tee and the Island Recreation Association meet to determine if there are synergies to be gained from working together.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
VIA: Jill Foster, AICP, *Deputy Director, Community Development Department*
FROM: Teri B. Lewis, AICP, *LMO Official*
DATE: August 22, 2016
SUBJECT: Density Conversion LMO Amendments – Proposed Ordinance 2016-25

Recommendation: The Public Planning Committee met on August 4, 2016 to review the proposed density conversion amendments. After discussion between the Committee and staff, the Committee unanimously recommended forwarding the proposed amendments to Town Council with a recommendation of approval.

The Planning Commission met on July 20, 2016 to review the proposed Density Conversion LMO Amendments. The Commission unanimously recommended forwarding the proposed amendments to Town Council with a recommendation for approval.

Staff recommends that Town Council adopt the proposed amendments.

Summary: The proposed change will allow certain uses (offices, restaurants and commercial services) that are accessory to and within an existing residential structure or hotel to be converted to residential units in certain zoning districts. This conversion will be permitted if the development has the correct amount of parking and the conversion takes place entirely within the footprint of the existing residential structure.

Background: Similar language was actually added to the Town's Land Management Ordinance (LMO) in March 2011 to be more flexible and provide additional redevelopment opportunities. This language was not carried over during the rewrite process and a request has been made to add this language back into the LMO to provide the same flexibility that it provided when it was added in 2011. Newly added language is illustrated with double underline and deleted language is illustrated with ~~strikethrough~~.

Please contact me at (843) 341-4698 or at teril@hiltonheadislandsc.gov if you have any questions.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2016-#

PROPOSED ORDINANCE NO. 2016-25

AN ORDINANCE TO AMEND TITLE 16 OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THE LAND MANAGEMENT ORDINANCE (LMO) , CHAPTER 3 TO REVISE VARIOUS SECTIONS. THESE AMENDMENTS, COMMONLY REFERRED TO AS THE *DENSITY CONVERSION AMENDMENTS* AS NOTICED IN THE ISLAND PACKET ON JUNE 19, 2016, INCLUDE CHANGES THAT PROVIDE FOR FLEXIBILITY FOR REDEVELOPMENT, AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, on October 7, 2014, the Town Council did adopt a new Land Management Ordinance (LMO); and

WHEREAS, from time to time it is necessary to amend the LMO; and

WHEREAS, the Planning Commission held a public hearing on July 20, 2016 at which time a presentation was made by staff and an opportunity was given for the public to comment on the proposed LMO amendments; and

WHEREAS, the Planning Commission, after consideration of the staff presentation and public comments, voted 9-0-0 to recommend that Town Council approve the proposed amendments; and

WHEREAS, the Public Planning Committee held a public meeting on August 4, 2016 at which time a presentation was made by staff and an opportunity was given for the public to comment on the proposed LMO amendments; and

WHEREAS, the Public Planning Committee, after consideration of the staff presentation and public comments, voted unanimously to recommend that Town Council adopt the proposed amendments; and

WHEREAS, after due consideration of said LMO amendments and the recommendation of the Planning Commission, the Town Council, upon further review, finds it is in the public interest to adopt the proposed amendments.

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

Section 1. Amendment. That the *Density Conversion Amendments* are adopted as indicated on the attached pages. Newly added language is illustrated with double underline and deleted language is illustrated with ~~strikethrough~~.

Section 2. Severability. If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

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

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2016.**

THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

Public Hearing: July 20, 2016

First Reading:

Second Reading:

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

CHAPTER 16-3: ZONING DISTRICTS

Sec.16-3-105. - Mixed-Use and Business Districts

A. – C. No Changes

D. Light Commercial (LC) District

LC Light Commercial District			
1. No Changes			
2. No Changes			
3. Development Form Standards			
MAX. DENSITY (PER NET ACRE)		LOT COVERAGE	
Residential ¹	4 du	Max. Impervious Cover	60%
Hotel ¹	35 rooms	Min. Open Space for Major Residential Subdivisions	16%
Nonresidential ^{1,2} <u>2,3</u>	10,000 GFA		
MAX. BUILDING HEIGHT			
All Development	45 ft ² <u>4</u>		
USE AND OTHER DEVELOPMENT STANDARDS			
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.			

TABLE NOTES:

P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = dwelling units; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable

1. In order to promote flexibility, an office, eating establishment or commercial services use that is accessory to and within an existing residential or hotel structure may be converted to a residential unit or units upon the Official's determination that the development can support the required amount of parking. The alteration shall not expand beyond the footprint of the existing residential or hotel structure.

±. 2. The gross floor area per building shall be 20,000 square feet for buildings devoted to Commercial Services or Industrial Uses.

2. 3. Each building shall be separated by a minimum of 15 feet.

3. 4. May be increased by up to ten percent on demonstration to the Official that:

a. – f. No Changes.

F. Main Street (MS) District

MS Main Street District			
1. No Changes			
2. No Changes			
3. Development Form Standards			
MAX. DENSITY (PER NET ACRE)		LOT COVERAGE	
Residential ¹	12 du	Max. Impervious Cover	60%
Hotel ¹	35 rooms	Min. Open Space for Major Residential Subdivisions	16%
Nonresidential	9,000 GFA		
MAX. BUILDING HEIGHT			
All Development	45 ft ± 2		
USE AND OTHER DEVELOPMENT STANDARDS			
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.			
<p>TABLE NOTES:</p> <p>P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = dwelling units; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable</p> <p><u>In order to promote flexibility, an office, eating establishment or commercial services use that is accessory to and within an existing residential or hotel structure may be converted to a residential unit or units upon the Official's determination that the development can support the required amount of</u></p>			

parking. The alteration shall not expand beyond the footprint of the existing residential or hotel structure.

1. 2. May be increased by up to ten percent on demonstration to the Official that:

a. - f. No Changes.

G. Marshfront (MF) District

MF Marshfront District				
1. No Changes				
2. No Changes				
3. Development Form Standards				
MAX. DENSITY (PER NET ACRE)			LOT COVERAGE	
Residential ¹	Along major arterials	4 du (8 du if lot area is at least 3 acres)	Max. Impervious Cover	60%
	Along other streets	6 du (10 du if lot area is at least 3 acres)	Min. Open Space for Major Residential Subdivisions	16%
Nonresidential		7,000 GFA		
MAX. BUILDING HEIGHT				
All Development		45 ft [±] _±		
USE AND OTHER DEVELOPMENT STANDARDS				
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.				
TABLE NOTES:				
P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = dwelling units; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable				

In order to promote flexibility, an office, eating establishment or commercial services use that is accessory to and within an existing residential structure may be converted to a residential unit or units upon the Official's determination that the development can support the required amount of parking. The alteration shall not expand beyond the footprint of the existing residential structure.

4.2. May be increased by up to ten percent on demonstration to the Official that:

a. – f. No Changes

I. Mitchelville (MV) District

MV Mitchelville District			
1. No Changes			
2. No Changes			
3. Development Form Standards			
MAX. DENSITY (PER NET ACRE)		LOT COVERAGE	
Residential ¹	12 du	Max. Impervious Cover	35%
Hotel ¹	35 rooms	Min. Open Space for Major Residential Subdivisions	16%
Nonresidential	8,000 GFA		
MAX. BUILDING HEIGHT			
All Development	75 ft		
USE AND OTHER DEVELOPMENT STANDARDS			
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.			
TABLE NOTES:			
P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = dwelling units; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable			
<u>In order to promote flexibility, an office, eating establishment or commercial services use that is accessory to and within an existing residential or hotel structure may be converted to a residential unit or units upon the Official’s determination that the development can support the required amount of</u>			

parking. The alteration shall not expand beyond the footprint of the existing residential or hotel structure.

L. Resort Development (RD) District

RD Resort Development District			
1. No Changes			
2. No Changes			
3. Development Form and Parameters			
MAX. DENSITY (PER NET ACRE)		LOT COVERAGE	
Residential ¹	16 du	Max. Impervious Cover	50%
Hotel ¹	35 rooms	Min. Open Space for Major Residential Subdivisions	16%
Nonresidential	8,000 GFA		
MAX. BUILDING HEIGHT			
Non Single-Family Development on property landward of South Forest Beach Drive	60 ft		
All Other Non Single-Family Development	75 ft		
Single-Family Development	45 ft		
USE AND OTHER DEVELOPMENT STANDARDS			
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.			
TABLE NOTES:			
P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special			

Exception; du = dwelling units; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable

In order to promote flexibility, an office, eating establishment or commercial services use that is accessory to and within an existing residential or hotel structure may be converted to a residential unit or units upon the Official's determination that the development can support the required amount of parking. The alteration shall not expand beyond the footprint of the existing residential or hotel structure.

M. Sea Pines Circle (SPC) District

SPC Sea Pines Circle District			
1. No Changes			
2. No Changes			
3. Development Form Standards			
MAX. DENSITY (PER NET ACRE)		LOT COVERAGE	
Residential ¹	12 du	Max. Impervious Cover	60%
Nonresidential	10,000 GFA	Min. Open Space for Major Residential Subdivisions	16%
MAX. BUILDING HEIGHT			
All Development	45 ft ^{± 2}		
USE AND OTHER DEVELOPMENT STANDARDS			
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.			
TABLE NOTES:			
P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = dwelling units; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable			
<u>In order to promote flexibility, an office, eating establishment or commercial services use that is accessory to and within an existing residential structure may be converted to a residential unit or units upon the Official's determination that the development can support the required amount of parking. The alteration shall not expand beyond the footprint of the existing residential structure.</u>			

1. 2. May be increased by up to ten percent on demonstration to the Official that:

a. – f. No Changes

N. Stoney (S) District

S Stoney District			
1. No Changes			
2. No Changes			
3. Development Form and Parameters			
MODIFIED ADJACENT STREET AND USE SETBACK STANDARDS			
Adjacent Street Setback	Except along major or minor arterials, the adjacent street setback distance established in Sec. 16-5-102.C, Adjacent Street Setback Requirements, may be reduced by up to 30 percent, provided the applicant demonstrates there is no other feasible or practicable alternative that will accommodate a permitted use on the site in compliance with all other requirements of the LMO and the required adjacent street buffer can be provided.		
Adjacent Use Setback	The adjacent use setback distance established in Sec. 16-5-102.D, Adjacent Use Setback Requirements, may be reduced to ten feet where a public park adjoins another public park, or where a nonresidential use other than an industrial use adjoins another nonresidential use other than an industrial use.		
MAX. DENSITY (PER NET ACRE)		LOT COVERAGE	
Residential ¹	10 du	Max. Impervious Cover	50%
Hotel ¹	35 rooms	Min. Open Space for Major Residential Subdivisions	16%
Nonresidential	7,000 GFA		
MAX. BUILDING HEIGHT			

All Development	45 ft ¹ ²	
USE AND OTHER DEVELOPMENT STANDARDS		
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.		
<p>TABLE NOTES:</p> <p>P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = dwelling units; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable</p> <p><u>In order to promote flexibility, an office, eating establishment or commercial services use that is accessory to and within an existing residential or hotel structure may be converted to a residential unit or units upon the Official's determination that the development can support the required amount of parking. The alteration shall not expand beyond the footprint of the existing residential or hotel structure.</u></p> <p>1. <u>2.</u> May be increased by up to ten percent on demonstration to the Official that:</p>		
a. - f. No Changes		

O. Waterfront Mixed-Use (WMU) District

WMU Waterfront Mixed-Use District			
1. No Changes			
2. No Changes			
3. Development Form Standards			
MAX. DENSITY (PER NET ACRE)		LOT COVERAGE	
Residential ¹	16 du	Max. Impervious Cover	50%
Hotel ¹	35 rooms	Min. Open Space for Major Residential Subdivisions	16%
Nonresidential	8,000 GFA		
MAX. BUILDING HEIGHT ²			
All Development	75 ft		
USE AND OTHER DEVELOPMENT STANDARDS			
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.			
<p>TABLE NOTES:</p> <p>P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = dwelling units; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable</p> <p><u>In order to promote flexibility, an office, eating establishment or commercial services use that is accessory to and within an existing residential or hotel structure may be converted to a residential unit or units upon the Official's determination that the development can support the required amount of</u></p>			

parking. The alteration shall not expand beyond the footprint of the existing residential or hotel structure.

1. 2. For purposes of calculating new density, only 25% of total square footage devoted to boat dry storage facilities shall be counted.
2. 3. Where a parcel in the WMU District adjoins a zoning district with a height limit lower than that in the WMU District, no part of a building on the WMU-zoned parcel shall exceed a height equal to the height limit in the adjoining district plus 1 foot, or major fraction thereof, for each foot of horizontal distance from the adjoining district.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA-CM, *Town Manager*
VIA: Shawn Colin, *Deputy Director of Community Development*
FROM: Marcy Benson, *Senior Grants Administrator*
CC: Charles Cousins, *Director of Community Development*
DATE: August 24, 2016
SUBJECT: HUD/CDBG Entitlement Program 2015 CAPER

Recommendation:

Staff requests approval by resolution of the attached program year 2015 Community Development Block Grant (CDBG) Consolidated Annual Performance Evaluation Report (CAPER) as required by the U.S. Department of Housing and Urban Development (HUD) for participation in the CDBG Entitlement Program.

Summary:

The 2015 CAPER is a HUD requirement for participation in the CDBG Entitlement Program. The CAPER is submitted to HUD annually within 90 days after the close of the program year. The due date is September 30, 2016. The CAPER allows HUD, local officials, and citizens to assess the use of available resources and to assess the efforts made towards achieving the goals and objectives identified in the 2015 – 2019 Five Year Consolidated Plan and the 2015 Annual Action Plan.

Background:

In 2015 the Town of Hilton Head Island began participating in the HUD CDBG Entitlement Program. The HUD-required Five Year Consolidated Plan (2015 – 2019) and One Year Action Plan (2015) was approved by HUD in July 2015. To meet HUD requirements a CAPER must be prepared each year of program participation and public input must be solicited for the CAPER. The CAPER describes activities implemented and accomplishments related to the goals and objectives identified in the 2015 – 2019 Five Year Consolidated Plan and the 2015 Annual Action Plan.

The CAPER was released to the public on August 8, 2016 for a 15 day public comment period and a public meeting to solicit public input was held on August 22, 2016. At the close of the 15 day public comment on August 23, 2016 one public comment was received. A summary of this comment is included in the CAPER.

Approval of the CAPER at the September 20, 2016 Town Council meeting will allow the Report to be submitted by the September 30, 2016 HUD deadline.

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA TO APPROVE THE COMMUNITY DEVELOPMENT
BLOCK GRANT (CDBG) 2015 CONSOLIDATED ANNUAL PERFORMANCE
EVALUATION REPORT (CAPER)**

WHEREAS, in July 2015 the Town of Hilton Head Island Community Development Block Grant (CDBG) Five Year Consolidated Plan for program years 2015-2019 and One Year Annual Action Plan for 2015 detailed goals and objectives to be implemented to address community needs in low-and-moderate income areas within the Town's jurisdiction was approved by the United States Department of Housing and Urban Development (HUD); and

WHEREAS, as an entitlement community, the Town must prepare and submit a CAPER to HUD within 90 days after the close of the program year;

WHEREAS, the CAPER is an annual report of activities implemented and accomplishments of goals and objectives identified in the 2015 Annual Action Plan; and

WHEREAS, the Town has adhered to the public participation requirements set forth in the Citizen Participation Plan in the development of the 2015 CAPER by conducting a public meeting and 15 day comment period to solicit citizen input and review for the 2015 CAPER; and

WHEREAS, the Town Manager is authorized to submit the 2015 CAPER to HUD for review and acceptance;

NOW, THEREFORE BE IT, AND IT HEREBY IS RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THAT The 2015 CAPER as submitted in the attachment to this resolution be approved and submitted to HUD.

MOVED, APPROVED, AND ADOPTED ON THIS 20TH DAY OF SEPTEMBER, 2016.

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

2015

Consolidated Annual Performance Evaluation Report (CAPER)

For the
U.S. Department of Housing and Urban Development
Community Development Block Grant Program



~DRAFT~

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan.

91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

At the end of each fiscal year, the Town of Hilton Head Island is required to prepare a Consolidated Annual Performance Evaluation Report (CAPER). This report must be submitted to HUD within 90 days after the close of the program year and includes information on the programmatic accomplishments under the CDBG program. This CAPER is for the first year (2015) of the 2015 -2019 Town of Hilton Head Island Consolidated Plan. The Town of Hilton Head Island CDBG allocation for 2015 was \$202,347.

Administrative and Planning activities:

In 2015 the Town of Hilton Head Island completed its first HUD required Five-Year Consolidated Plan for years 2015 through 2019. This Consolidated Plan was submitted to HUD in accordance with the May 2015 submittal date. In July 2015 the Town of Hilton Head Island was notified by HUD the Consolidated Plan was accepted and a grant agreement for 2015 was executed in July 2015.

The Town of Hilton Head Island received a six month submittal extension from the HUD Fair Housing and Equal Opportunity division of the Columbia, South Carolina field office for the Analysis of Impediments to Fair Housing Choice (AI). The Town procured the services of the Low Country Council of Governments to draft the AI and prepare for submittal to HUD. The Town Council of the Town of Hilton Head Island approved the AI in April 2016 and the document was submitted to HUD by the May 31, 2016 extended deadline date.

Non-Housing Community Development Activities:

The environmental review for the Blazing Star Lane dirt road paving project was completed by Town of Hilton Head Island staff in accordance with HUD requirements. The request for release of funds for this project was issued on April 30, 2016. Surveying, engineering and design services were started for this project in November 2015. Project plans were completed and a project construction bid was advertised in a newspaper of local circulation (The Island Packet) on May 29, 2016 and in the State Fiscal Accountability Authority Procurement Services South Carolina Business Opportunities (SCBO) bulletin on May 27, 2016. Three project construction bids were received by the June 17, 2016 deadline date. One bid was unresponsive and two bids exceeded the allowable 10% above project budget. Town of Hilton Head Island procurement regulations require a re-bid when bids received are above 10% of project cost estimate. The anticipated re-bid advertisement is tentatively scheduled for August 2016.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source/ Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Blazing Star Lane Paving	Non-Housing Community Development	CDBG: \$179,937	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	30	0	0.00%	30	0	0.00%
Cobia Court Paving		CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	42	0	0.00%			
Development of Consolidated Plan	Administrative and Planning	CDBG: \$22,410	Other	Other	37,099	37,099	100.00%	37,099	37,099	100.00%

Murray Avenue Paving	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	75	0	0.00%			
Rhiner Drive Paving	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	27	0	0.00%			
Wiley Road Paving	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	39	0	0.00%			

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The Town of Hilton Head Island used the 2015 CDBG funds to address the priority needs identified in the 2015 – 2019 Consolidated Plan. Funds were used for needs listed with a high priority level. The needs listed with a high priority level were public improvements and administrative and planning. The Blazing Star Lane dirt road paving project which constitutes a public improvement was included as a goal for 2015 and this project is currently in progress. The environmental review process, land surveying, engineering and design services for this dirt road paving project have been funded with CDBG dollars. The construction of this project has not started and therefore the actual number of persons assisted is shown as zero in the table above.

The development of the first Town of Hilton Head Island Five-Year Consolidated Plan was completed by Town staff and funded with CDBG dollars. CDBG funds, in the amount of \$11,000, were used to procure services from the Low Country Council of Governments to draft the Analysis of Impediments to Fair Housing Choice on behalf of the Town of Hilton Head Island. The cost of these administrative services was below the allowable 20% of grant amount limit.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).
91.520(a)

	CDBG
White	2,361
Black or African American	647
Asian	33
American Indian or American Native	10
Native Hawaiian or Other Pacific Islander	0
Total	3,051
Hispanic	978
Not Hispanic	2,644

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The data represented in the table above for the Town of Hilton Head Island Census Tract 105 do not reflect racial and ethnic totals for the category of “Some Other Race alone” or “Two or More Races”. These two categories total 571 for Census Tract 105.

According to the 2010 U.S. Census the total population of the Town of Hilton Head Island is 37,099. The population composition is as follows: 30,751 persons (82.9%) are White, 2,766 persons (7.5%) are Black or African American, 57 persons (0.2%) are American Indian and Alaska Native, 339 persons (0.9%) are Asian, 22 persons (0.1%) are Native Hawaiian and Other Pacific Island, 2,713 persons (7.3%) are Some Other Race and 451 persons (1.2%) are Two or More Races. The total Hispanic population of the Town of Hilton Head Island is comprised of 5,861 persons which is 15.8% of the total Town population. It should be noted in Census data Hispanic is considered an ethnicity and not a race, for example, the race of a person may be White and their ethnicity Hispanic, or their race may be Black or African American and their ethnicity Hispanic.

The table above represents 2010 U.S. Census population data for the Town of Hilton Head Island Census Tract 105. This Census Tract is where the 2015 CDBG program funds are being used for public infrastructure improvement. The total population for Census Tract 105 is 3,622. The population composition for Census Tract 105 is as follows: 2,361 persons (65%) are White, 647 persons (18%) are Black or African American, 33 persons (0.9%) are Asian, 10 persons (0.02%) are American Indian or American Alaska Native and 0 persons (0.0%) are Native Hawaiian or Other Pacific Islander. The total Hispanic population of Census Tract 105 is comprised of 978 persons which is 27% of the total Census Tract population.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG		202,347	41,856

Table 3 – Resources Made Available

Narrative

Resources available to the Town of Hilton Head Island during 2015 included CDBG funds allocated to the Town from HUD.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Census Tract 105	80	89	Funds for infrastructure improvements in Census Tract 105, which meets LMI requirements.
Census Tract 108	0	0	No CDBG funded projects were planned in Census Tract 108 for the 2015 program year.

Table 4 – Identify the geographic distribution and location of investments

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

There is no matching requirement for CDBG program funding, however, the Town of Hilton Head Island is the owner of the road right of way located on Blazing Star Lane where the 2015 dirt road paving project is situated. The Town of Hilton Head Island acquired this publicly owned right of way several years ago and is now being used to address the need for paving a dirt road in a low to moderate income neighborhood. No other state, local or private funds are being used at this time to assist with the 2015 CDBG funded activity of paving Blazing Star Lane.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of homeless households to be provided affordable housing units	0	0
Number of non-homeless households to be provided affordable housing units	0	0
Number of special-needs households to be provided affordable housing units	0	0
Total	0	0

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through rental assistance	0	0
Number of households supported through the production of new units	0	0
Number of households supported through the rehab of existing units	0	0
Number of households supported through the acquisition of existing units	0	0
Total	0	0

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

During the first year of the 2015 – 2019 Consolidated Plan the Town of Hilton Head Island procured the services of the Low Country Council of Governments to provide an Analysis of Impediments to Fair Housing Choice. This plan was adopted by resolution by the Town Council of the Town of Hilton Head Island in April 2016 and submitted to the HUD Fair Housing and Equal Opportunity division of the Columbia, SC field office prior to the May 31, 2016 deadline date.

Future annual action plans are anticipated to have similar goals and outcomes for affordable housing due to the difficulty building new affordable housing units. There was no goal to provide rental assistance. This is not an activity the Town of Hilton Head Island typically undertakes.

Discuss how these outcomes will impact future annual action plans.

The Analysis of Impediments to Fair Housing Choice prepared by the Low Country Council of Governments for the Town of Hilton Head Island identified six (6) recommendations for policy updates related to affordable housing. These recommendations will be reviewed regularly and implemented throughout the remaining years of the Five-Year Consolidated Plan term.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Persons Served	CDBG Actual	HOME Actual
Extremely Low-income	0	0
Low-income	0	0
Moderate-income	0	0
Total	0	0

Table 7 – Number of Persons Served

Narrative Information

The Town of Hilton Head Island locates CDBG funded projects in Census Tracts which meet or exceed the 51% or higher low and moderate income population requirement established by HUD. The public infrastructure improvement listed in this 2015 CAPER is located on Blazing Star Lane in Census Tract 105 which has a low and moderate income population of 54.04%.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Lowcountry Homeless Coalition, based in Charleston, South Carolina is the Continuum of Care working to address the needs of the homeless in a seven county region of the South Carolina low country. Annual point-in-time counts are conducted in the area; however, due to no homeless shelters operating in the Town of Hilton Head Island, there is no homeless data for the Town to evaluate.

In the January 2015 point-in- time count there were 37 persons experiencing homelessness interviewed in Beaufort County. Eight of these persons were living unsheltered. Twenty-nine of these persons were living in shelters and of those, 24 were members of families living with children. In the January 2016 point-in-time count there were 35 persons experiencing homelessness interviewed in Beaufort County. Twenty-five (25) of these persons were living unsheltered. Ten of these persons were living in emergency shelter. It must be noted, these figures do not reflect any homeless specifically in the Town of Hilton Head Island; these figures are for Beaufort County as a whole.

Addressing the emergency shelter and transitional housing needs of homeless persons

Currently there are no emergency shelter and transitional housing shelters operating in the Town of Hilton Head Island. At this time there is no future plan to own or operate emergency shelters or transitional housing in the Town of Hilton Head Island.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The Town of Hilton Head Island continues to participate in the Lowcountry Affordable Housing Coalition. This coalition consists of governmental entities, non-profit and private organizations striving to make housing more affordable in the Beaufort County area. The coalition has a focus of assisting residents of Beaufort County and serves as a forum for member organizations to share ideas, coordinate projects, and foster interagency cooperation. With support from the Beaufort County Human Services Alliance resources are pooled and community needs are addressed in the areas of economy, education, poverty, and health/environmental issues.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals

and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

There are no homeless shelters located within the jurisdiction of the Town of Hilton Head Island and no homeless population count data available from the Lowcountry Homeless Coalition, the regional Continuum of Care servicing the Town. There is the non-profit organization, Family Promise of Beaufort County located in neighboring Bluffton, South Carolina, which is a coalition of Beaufort County churches assisting homeless families through a 60 – 90 day program. The program provides evening accommodations for program participants at host churches and daytime transportation to school for children and educational programs for parents.

DRAFT

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The Town of Hilton Head Island does not own or operate any public housing developments or units and there is no future plan to own or operate public housing units. The Beaufort Housing Authority is the agency providing public housing to approximately 723 residents in Beaufort County, South Carolina and there are 293 units of housing located throughout the county. In the Town of Hilton Head Island the Beaufort Housing Authority operates 80 public housing units at the Sandalwood Terrace Apartments. The Town of Hilton Head Island did not set any specific public housing goals in the 2015 – 2019 Consolidated Plan.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

The Beaufort Housing Authority works with resident services at each of the public housing developments and through this collaboration promote programs and activities for residents. Some of the programs offered include: the Family Self-Sufficiency Program which is a five year homeownership education program, Sandalwood Terrace Resident Council, free budgeting classes, community garden clubs, and guest speaker sessions on health, nutrition, community living and library use.

Actions taken to provide assistance to troubled PHAs

Not Applicable.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

Public policy changes are not currently planned. Affordable housing is encouraged through the Town of Hilton Head Island's Comprehensive Plan. Building codes do not prevent the provision of affordable housing, but are necessary to providing housing standards for safety and habitability. The inability to produce affordable housing units is largely due to the high cost of property within the Town of Hilton Head Island.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The Town of Hilton Head Island will determine where underserved populations are located through results from the Analysis of Impediments to Fair Housing Choice. To reduce the number of obstacles in meeting the needs of the underserved populations Town staff may assist with facilitating collaborations with area service organizations which spearhead community-wide solutions to local needs.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

Data for lead-based paint hazards in the Town of Hilton Head Island is unavailable. At this time actions to address lead-based paint hazards have not been identified.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The Town of Hilton Head Island anticipates continued participation in the Lowcountry Affordable Housing Coalition. This coalition consists of governmental entities, non-profit and private organizations striving to make housing more affordable in the Beaufort County area. The coalition has a focus on assisting residents of Beaufort County and serves as a forum for member organizations to share ideas, coordinate projects, and foster interagency cooperation. With support from the Beaufort County Human Services Alliance resources are pooled and community needs addressed in the areas of economy, education, poverty, and health/environmental issues.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The Town of Hilton Head Island will continue to coordinate efforts and partnerships with state and local government entities such as Beaufort County, the Lowcountry Council of Governments, and various State of South Carolina offices to carry out the priority needs listed in this Annual Action Plan.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The Town of Hilton Head Island continues to participate in the Lowcountry Affordable Housing Coalition, which is under the auspices of Together for Beaufort and the Beaufort County Human Services Alliance.

This coalition consists of governmental entities, non-profit and private organizations striving to make housing more affordable in the Beaufort County area. The coalition has a focus on assisting residents of Beaufort County and serves as a forum for member organizations to share ideas, coordinate projects, and foster interagency cooperation. With support from the Beaufort County Human Services Alliance resources are pooled and community needs area addressed in the areas of economy, education, poverty, and health/environmental issues.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The Town of Hilton Head Island received a six month submittal extension from the HUD Fair Housing and Equal Opportunity division of the Columbia, South Carolina field office for the Analysis of Impediments to Fair Housing Choice (AI). The Town procured the services of the Low Country Council of Governments to draft the AI and prepare for submittal to HUD. The Town Council of the Town of Hilton Head Island approved the AI in April 2016 and the document was submitted to HUD by the May 31, 2016 extended deadline date.

The AI acknowledged eight impediments to fair housing choice: housing affordability, high cost of housing, inventory, transportation, small urban area, shelter and homelessness limited facilities, financial illiteracy, discrimination, and other.

Actions to overcome the effects of impediments identified in the AI include:

- In coordination with the Lowcountry Foundation, the Town of Hilton Head Island has committed to \$3.5 million of sewer improvements which will connect lower income areas which rely on septic systems to treat wastewater.
- The Town of Hilton Head Island uses CDBG entitlement funds to pave dirt roads located in low and moderate income areas.
- The Town of Hilton Head Island donated town-owned property for a 10 home Habitat for Humanity development.
- The Town of Hilton Head Island participates as a member of the Lowcountry Affordable Housing Coalition.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The Town of Hilton Head Island Community Development Department staff is responsible for ensuring CDBG program requirements and funds are managed and allocated in compliance with federal regulations and guidelines. Town staff adheres to the procurement requirements as stated in the Municipal Code of the Town of Hilton Head Island, South Carolina Title 11, Procurement and Purchasing. Monitoring is conducted on an as-needed basis.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

A public notice advertising the public meeting and 15 day public comment period for the 2015 CAPER was published in the newspaper with local circulation (The Island Packet) and posted on the Town of Hilton Head Island website on Sunday, July 31, 2016. In addition the public meeting notice was sent via email "blast" to individuals who submitted email addresses requesting notification of public notices. The 15 day public comment period began on Monday, August 8, 2016 and ended Tuesday, August 23, 2016 at 4:30pm. A public meeting was held on Monday, August 8, 2016 at 6pm in the Benjamin M. Racusin Council Chambers at the Town of Hilton Head Island Town Hall located at 1 Town Center Court, Hilton Head Island, South Carolina.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The year reported in this CAPER (2015) was the first year of the Town of Hilton Head Island 2015 – 2019 Consolidated Plan and the objectives identified in the plan did not change.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

DRAFT



Office of Community Planning and Development
U.S. Department of Housing and Urban Development
Integrated Disbursement and Information System
PR26 - CDBG Financial Summary Report
Program Year 2015
HILTON HEAD ISLAND , SC

DATE: 07-13-16
TIME: 10:20
PAGE: 1

PART I: SUMMARY OF CDBG RESOURCES

01 UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR	0.00
02 ENTITLEMENT GRANT	202,347.00
03 SURPLUS URBAN RENEWAL	0.00
04 SECTION 108 GUARANTEED LOAN FUNDS	0.00
05 CURRENT YEAR PROGRAM INCOME	0.00
05a CURRENT YEAR SECTION 108 PROGRAM INCOME (FOR SI TYPE)	0.00
06 FUNDS RETURNED TO THE LINE-OF-CREDIT	0.00
06a FUNDS RETURNED TO THE LOCAL CDBG ACCOUNT	0.00
07 ADJUSTMENT TO COMPUTE TOTAL AVAILABLE	0.00
08 TOTAL AVAILABLE (SUM, LINES 01-07)	202,347.00

PART II: SUMMARY OF CDBG EXPENDITURES

09 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION	19,445.92
10 ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT	0.00
11 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)	19,445.92
12 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	22,409.81
13 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS	0.00
14 ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES	0.00
15 TOTAL EXPENDITURES (SUM, LINES 11-14)	41,855.73
16 UNEXPENDED BALANCE (LINE 08 - LINE 15)	160,491.27

PART III: LOW/MOD BENEFIT THIS REPORTING PERIOD

17 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS	0.00
18 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING	0.00
19 DISBURSED FOR OTHER LOW/MOD ACTIVITIES	19,445.92
20 ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT	0.00
21 TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)	19,445.92
22 PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)	100.00%

LOW/MOD BENEFIT FOR MULTI-YEAR CERTIFICATIONS

23 PROGRAM YEARS(PY) COVERED IN CERTIFICATION	PY: 2015 PY: PY:
24 CUMULATIVE NET EXPENDITURES SUBJECT TO LOW/MOD BENEFIT CALCULATION	0.00
25 CUMULATIVE EXPENDITURES BENEFITING LOW/MOD PERSONS	0.00
26 PERCENT BENEFIT TO LOW/MOD PERSONS (LINE 25/LINE 24)	0.00%

PART IV: PUBLIC SERVICE (PS) CAP CALCULATIONS

27 DISBURSED IN IDIS FOR PUBLIC SERVICES	0.00
28 PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
29 PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00
30 ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS	0.00
31 TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)	0.00
32 ENTITLEMENT GRANT	202,347.00
33 PRIOR YEAR PROGRAM INCOME	0.00
34 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP	0.00
35 TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)	202,347.00
36 PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)	0.00%

PART V: PLANNING AND ADMINISTRATION (PA) CAP

37 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	22,409.81
38 PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
39 PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00
40 ADJUSTMENT TO COMPUTE TOTAL PA OBLIGATIONS	0.00
41 TOTAL PA OBLIGATIONS (LINE 37 + LINE 38 - LINE 39 + LINE 40)	22,409.81
42 ENTITLEMENT GRANT	202,347.00
43 CURRENT YEAR PROGRAM INCOME	0.00
44 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP	0.00
45 TOTAL SUBJECT TO PA CAP (SUM, LINES 42-44)	202,347.00
46 PERCENT FUNDS OBLIGATED FOR PA ACTIVITIES (LINE 41/LINE 45)	11.07%



Section 3 Summary Report

Economic Opportunities for Low- and Very Low-Income Persons

U.S. Department of Housing and Urban Development

Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0043
(exp. 11/30/2018)

Disbursement Agency
HILTON HEAD, TOWN OF
1 TOWN CENTER COURT, HILTON HEAD ISLAND, SC 29928
57-0752325

Reporting Entity
HILTON HEAD, TOWN OF
1 TOWN CENTER COURT, HILTON HEAD ISLAND, SC 29928

Dollar Amount	\$41,855.73
Contact Person	Marcy Benson
Date Report Submitted	08/24/2016

Reporting Period		Program Area Code	Program Area Name
From	To		
07/01/2015	06/30/2016	CDB1	Community Devel Block Grants

Part I: Employment Training

Job Category	Number of New Hires	Number of New Hires that Are Sec. 3 Residents	Aggregate Number of Staff Hours Worked	Total Staff Hours for Section 3 Employees	Number of Section 3 Trainees
The expenditure of these funds did not result in any new hires.					

Total New Hires	0
Section 3 New Hires	0
Percent Section 3 New Hires	N/A
Total Section 3 Trainees	0
The minimum numerical goal for Section 3 new hires is 30%.	

Part II: Contracts Awarded

Construction Contracts	
Total dollar amount of construction contracts awarded	\$0.00
Total dollar amount of contracts awarded to Section 3 businesses	\$0.00
Percentage of the total dollar amount that was awarded to Section 3 businesses	N/A
Total number of Section 3 businesses receiving construction contracts	0
The minimum numerical goal for Section 3 construction opportunities is 10%.	

Non-Construction Contracts	
Total dollar amount of all non-construction contracts awarded	\$30,445.92
Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$0.00
Percentage of the total dollar amount that was awarded to Section 3 businesses	0.0%
Total number of Section 3 businesses receiving non-construction contracts	0
The minimum numerical goal for Section 3 non-construction opportunities is 3%.	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing.

No	Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
No	Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
No	Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
No	Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
No	Other; describe below.

The three non-construction contracts during the July 2015 - June 2016 reporting period were each under \$100,000 and no new persons needed to be hired to complete the covered contracts.

**NOTICE OF 15 DAY PUBLIC COMMENT PERIOD
AND PUBLIC MEETING
CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT
(CAPER)**

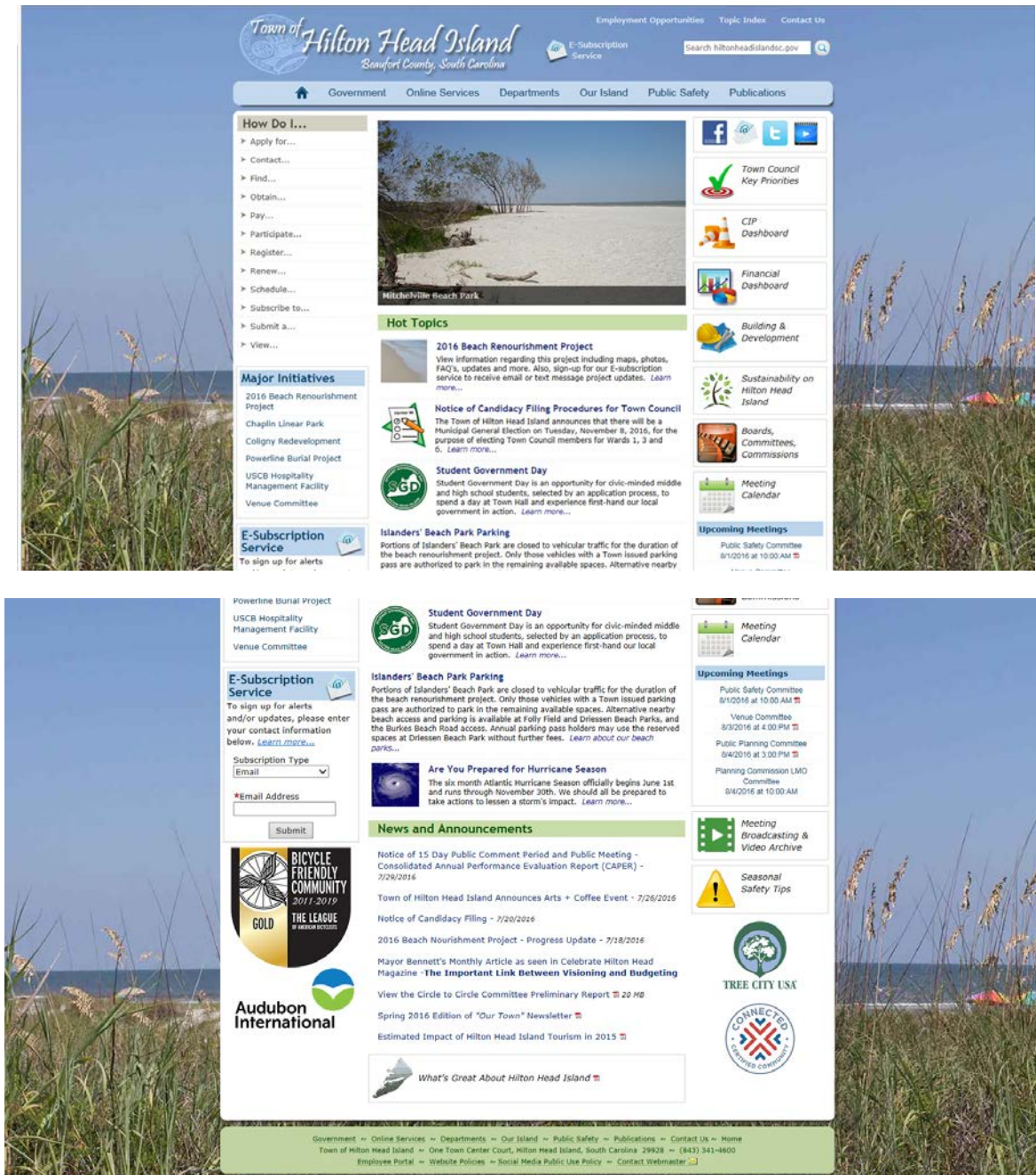
Notice is hereby given that the Town of Hilton Head Island has prepared a draft of its 2015 Consolidated Annual Performance Evaluation Report (CAPER) required by the U.S. Department of Housing and Urban Development (HUD) to assess progress carrying out its one year action plan for the HUD funded Community Development Block Grant (CDBG) Entitlement Program. The CAPER will be available for review and comment for 15 days beginning **Monday, August 8, 2016**. A public meeting to obtain comments on the 2015 CAPER will be held on **Monday, August 22, 2016 at 6:00pm** at the Hilton Head Island Town Hall, Benjamin M. Racusin Council Chambers, 1 Town Center Court, Hilton Head Island, South Carolina. Copies of the CAPER will be available for review at the meeting and Monday – Friday 8:00am – 4:30pm at the Town of Hilton Head Island Town Hall, or may be accessed via the Town of Hilton Head Island website at: <http://www.hiltonheadislandsc.gov/> beginning Monday, August 8, 2016. Written comments on the CAPER are encouraged and may be submitted by mail to Marcy Benson, Senior Grants Administrator, Town of Hilton Head Island Community Development Department, 1 Town Center Court, Hilton Head Island, SC 29928 or email to marcyb@hiltonheadislandsc.gov . Comments will be accepted until **Tuesday, August 23, 2016**.

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Town of Hilton Head Island Website – Main Page

July 29, 2016

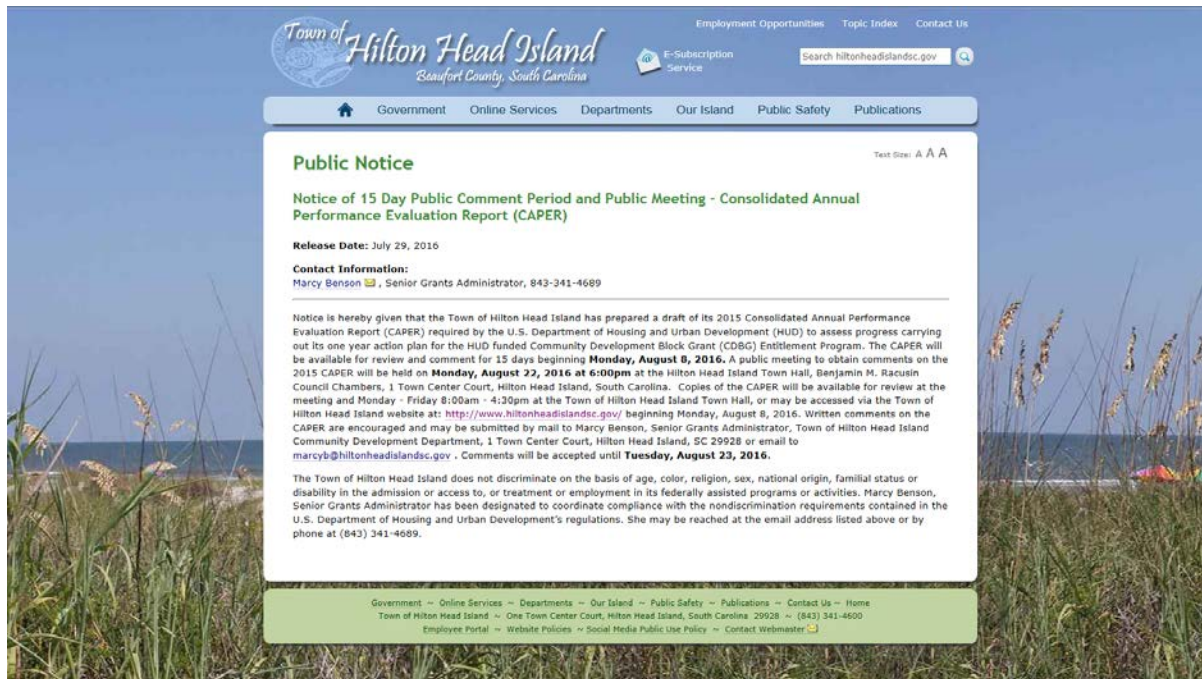
CAPER Public Comment Period and Public Meeting Notice



Town of Hilton Head Island Website

July 29, 2016

CAPER Public Comment Period and Public Meeting Notice Page



The screenshot shows the official website of the Town of Hilton Head Island, South Carolina. The header includes the town's logo, navigation links for Employment Opportunities, Topic Index, and Contact Us, and a search bar. A secondary navigation bar lists Government, Online Services, Departments, Our Island, Public Safety, and Publications. The main content area features a 'Public Notice' section with the title 'Notice of 15 Day Public Comment Period and Public Meeting - Consolidated Annual Performance Evaluation Report (CAPER)'. The notice is dated July 29, 2016, and provides contact information for Marcy Benson, Senior Grants Administrator. The body of the notice explains the purpose of the CAPER, the 15-day comment period from Monday, August 8, 2016, to Monday, August 22, 2016, and the public meeting on Monday, August 22, 2016, at 6:00pm. It also mentions that copies of the CAPER will be available for review at the meeting and on the town's website. A disclaimer at the bottom states that the town does not discriminate on the basis of age, color, religion, sex, national origin, familial status, or disability.

Town of Hilton Head Island
Beaufort County, South Carolina

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Public Notice Text Size: A A A

Notice of 15 Day Public Comment Period and Public Meeting - Consolidated Annual Performance Evaluation Report (CAPER)

Release Date: July 29, 2016

Contact Information:
Marcy Benson, Senior Grants Administrator, 843-341-4689

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NOTICE OF 15 DAY PUBLIC COMMENT PERIOD AND PUBLIC MEETING CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER)

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Benson Marcy

From: Phillips Rene
Sent: Sunday, July 31, 2016 11:04 AM
To: Benson Marcy
Subject: Fwd: Courtesy Copy: Notice of 15 Day Public Comment Period and Public Meeting - Consolidated Annual Performance Evaluation Report (CAPER)

FYI

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: Town of Hilton Head Island <updates@secure.hiltonheadislandsc.gov>
Date: 7/31/16 8:00 AM (GMT-05:00)
To: Kronlein Kris <krisk@hiltonheadislandsc.gov>, Phillips Rene <renep@hiltonheadislandsc.gov>
Subject: Courtesy Copy: Notice of 15 Day Public Comment Period and Public Meeting - Consolidated Annual Performance Evaluation Report (CAPER)

This is a courtesy copy of an email bulletin sent by Rene Phillips.

This bulletin was sent to the following groups of people:

Subscribers of Legal Notices (1028 recipients)



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Benson, Senior Grants Administrator, Town of Hilton Head Island Community Development Department, 1 Town Center Court, Hilton Head Island, SC 29928 or email to marcyb@hiltonheadislandsc.gov . Comments will be accepted until Tuesday, August 23, 2016.

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View this Public Notice in its entirety at

<http://hiltonheadislandsc.gov/government/news/newsdetails.cfm?NewsID=279>.



www.hiltonheadislandsc.gov

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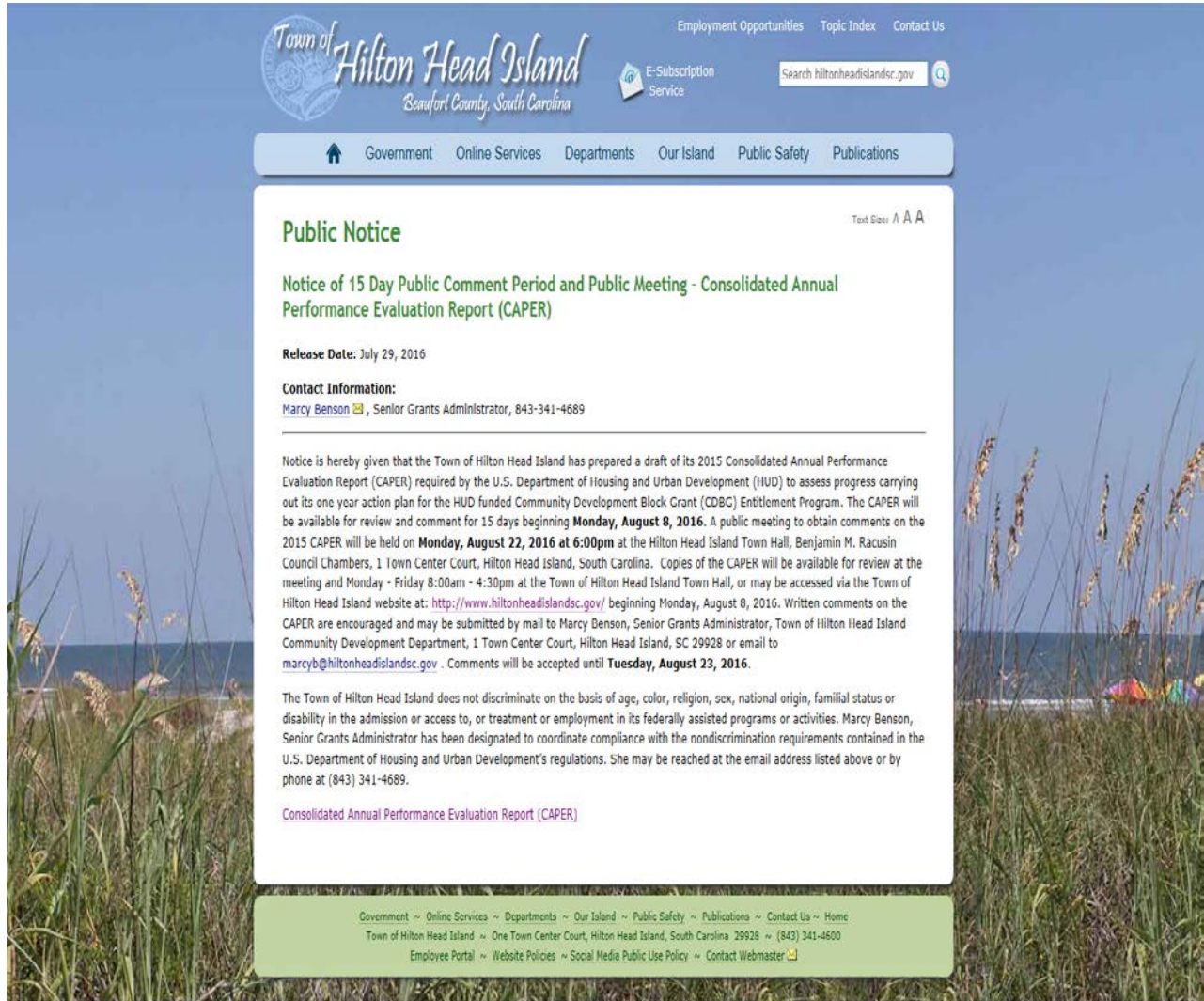
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Town of Hilton Head Island Website

August 8, 2016 – Start of 15 Day Public Comment Period

CAPER Public Notice Page With Document Linked for Comments



The screenshot shows the official website of the Town of Hilton Head Island, Beaufort County, South Carolina. The page features a blue header with the town's logo and navigation links. The main content area is white with a green border, containing a public notice. The notice is titled "Public Notice" and "Notice of 15 Day Public Comment Period and Public Meeting - Consolidated Annual Performance Evaluation Report (CAPER)". It includes the release date (July 29, 2016), contact information for Marcy Benson, and a detailed paragraph about the CAPER process and public meeting. A disclaimer at the bottom states the town's non-discrimination policy. The footer contains a green bar with additional navigation links and contact information.

Town of Hilton Head Island
Beaufort County, South Carolina

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Public Notice

Text Size: A A

Notice of 15 Day Public Comment Period and Public Meeting - Consolidated Annual Performance Evaluation Report (CAPER)

Release Date: July 29, 2016

Contact Information:
Marcy Benson, Senior Grants Administrator, 843-341-4689

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[Consolidated Annual Performance Evaluation Report \(CAPER\)](#)

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Benson Marcy

From: Phillips Rene
Sent: Tuesday, August 16, 2016 9:09 AM
To: Benson Marcy
Subject: FW: Courtesy Copy: Notice of 15 Day Public Comment Period and Public Meeting - Consolidated Annual Performance Evaluation Report (CAPER)

FYI-

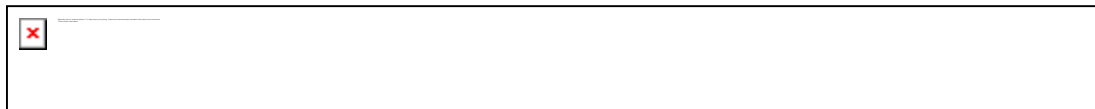
*René Phillips, CIW, Website Administrator
Town of Hilton Head Island
One Town Center Court
Hilton Head Island, SC 29928
843-341-4792
www.hiltonheadislandsc.gov*

From: Town of Hilton Head Island [mailto:updates@secure.hiltonheadislandsc.gov]
Sent: Tuesday, August 16, 2016 9:09 AM
To: Kronlein Kris <krisk@hiltonheadislandsc.gov>; Phillips Rene <renep@hiltonheadislandsc.gov>
Subject: Courtesy Copy: Notice of 15 Day Public Comment Period and Public Meeting - Consolidated Annual Performance Evaluation Report (CAPER)

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PLEASE SIGN IN:

NAME	MAILING ADDRESS	EMAIL ADDRESS

Public Meeting Minutes
Public Meeting to Solicit Comments and Discuss
Community Development Block Grant (CDBG) Entitlement Program
2015 Consolidated Annual Performance Evaluation Report (CAPER)

Monday, August 22, 2016 6:00pm
Benjamin M. Racusin, Council Chambers of the Town Hall
1 Town Center Court, Town of Hilton Head Island

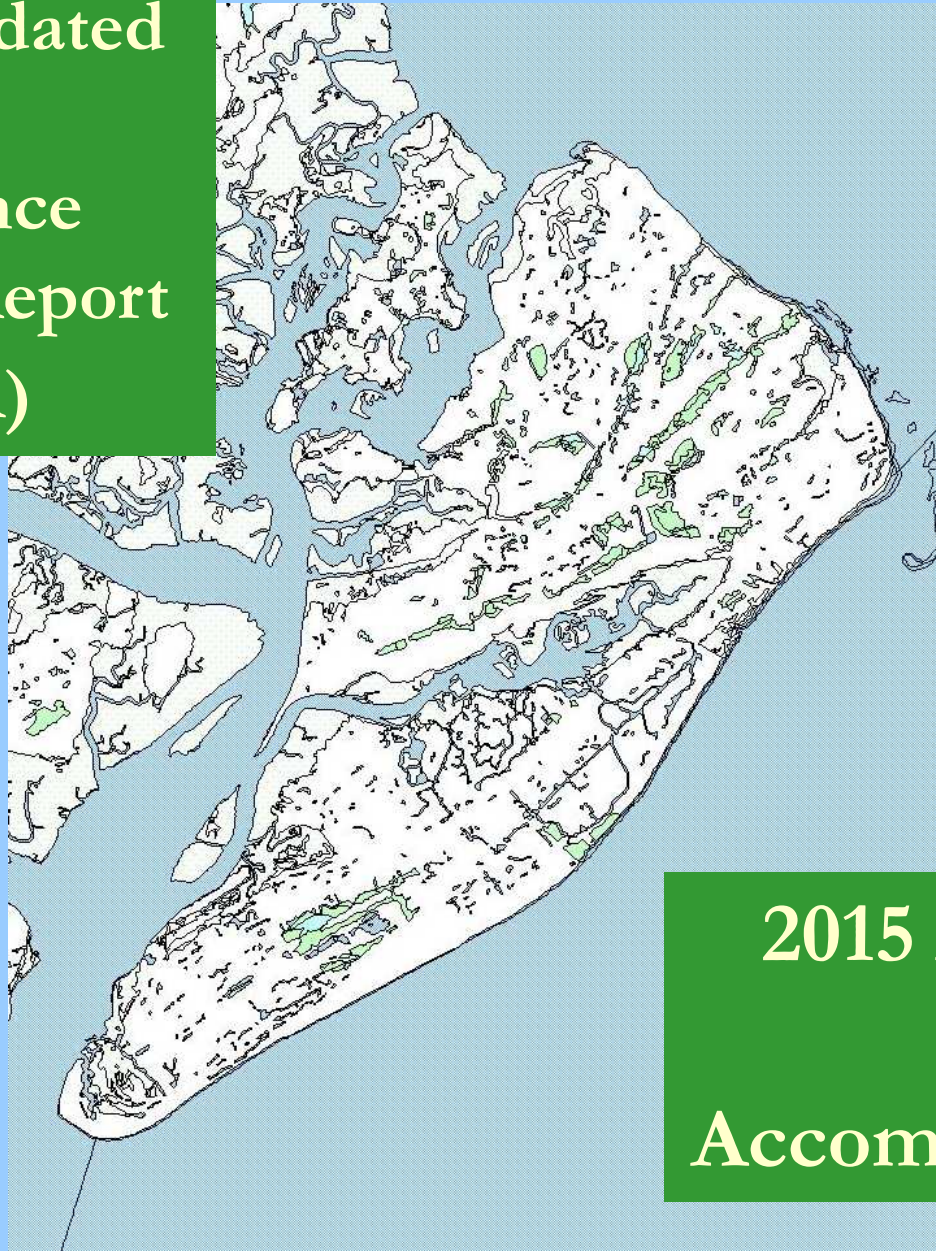
Present: No members of the public attended. See attached sign-in sheet.

Marcy Benson, Senior Town Grants Administrator was present in the Benjamin M. Racusin, Council Chambers of the Town of Hilton Head Island Town Hall at the noticed 6pm meeting start time. A PowerPoint presentation was prepared and ready for presentation describing the Town of Hilton Head Island Community Development Block Grant (CDBG) 2015 Consolidated Annual Performance Evaluation Report (CAPER). Copies of the 2015 CAPER were available for distribution at the meeting and via the Town of Hilton Head Island website. No members of the public attended this public meeting.

2015 Consolidated Annual Performance Evaluation Report (CAPER)

TOWN OF
HILTON
HEAD
ISLAND, SC

August 22, 2016
PUBLIC
MEETING



2015 Activities and Accomplishments

Community Development Block Grant Entitlement Program (CDBG)

- Federal grant program administered by the U.S Department of Housing & Urban Development (HUD).
- Provides annual grants on a formula basis to entitled cities and counties based on population data from the U.S. Census Bureau.
- Funds are to be used to benefit low and moderate income persons based on HUD guidelines and U.S. Census data.

2015 Consolidated Annual Performance Evaluation Report (CAPER)

- Requirement of the CDBG Entitlement Program.
- Reports expenditures, accomplishments and progress towards achieving goals & objectives identified in the 2015-2019 Five Year Consolidated Plan and 2015 Annual Action Plan.
- Due annually within 90 days after the close of the program year (September 30, 2016).

Proposed vs. Actual Outcomes

Goal	Category	Source/ Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Blazing Star Lane Paving	Non-Housing Community Development	CDBG: \$179,937.19	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	30	0	0.00%	30	0	0.00%
Development of Consolidated Plan	Administrative and Planning	CDBG: \$22,409.81	Other	Other	37,099	37,099	100.00%	37,099	37,099	100.00%

Resources Available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	HUD	\$202,347	\$41,856

Geographic Distribution

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Census Tract 105	80	89	Funds for infrastructure improvements in Census Tract 105, which meets LMI requirements.
Census Tract 108	0	0	No CDBG funded projects were planned in Census Tract 108 for the 2015 program year.

What Will Be Done Next?

- Public comment period ends August 23, 2016.
- Comments will be summarized and included in the draft CAPER.
- The draft CAPER will be presented at the September 20th Town Council meeting.
- The final CAPER will be submitted to HUD by September 30, 2016.

~ Thank you for participating ~

Public Comment Summary
For the Town of Hilton Head Island
2015 Consolidated Annual Performance Evaluation Report
(CAPER)

Public Comments Received During 15 Day Comment Period (August 8 – August 23, 2016):

1. Recommendation to form an affordable housing committee including a suggestion to revitalize low income neighborhoods by constructing affordable housing apartments in the northwest area of Hilton Head Island.
-

Public Comments Received at August 22, 2016 Town of Hilton Head Island CAPER Public Meeting:

No comments were received.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, CM, *Town Manager*
VIA: Charles Cousins, AICP, *Director of Community Development*
FROM: Shawn Colin, *Deputy Director of Community Development*
DATE: September 9, 2016
SUBJECT: Community Visioning Process Consultant

Recommendation: The Public Planning Committee recommends Town Council approve the selection of Future iQ Partners as the Community Visioning Process Consultant with which the Town enters a contract.

Summary: Town Council authorized the Public Planning Committee to draft, solicit, review, and recommend a Community Vision Process Consultant to guide the Community Visioning initiative identified as Top Priority. The Public Planning Committee has completed the requisite steps through the procurement process and recommends Future iQ Partners as the firm with which the Town negotiates and executes a contract to deliver services.

Background: In June of this year at the direction of Town Council the Town issued a Request for Proposals (RFP) for a Community Visioning Process Consultant. In response to that RFP the Town received responses from seven firms as reflected below:

- A. Building Communities. Proposed Cost \$75,000.00
- B. Design Workshop, Inc. Proposed cost \$116,957.50
- C. Future iQ Partners. Proposed cost \$117,500.00
- D. Jane Lafleur MCRP. Proposed cost \$108,525.00
- E. Littlefield Associates. LLC. Proposed cost \$101,280.00
- F. Planning Next. Proposed cost \$135,230.00
- G. Steven Ames Planning. Proposed cost \$112,680.00

A review of the above seven proposals was conducted by the selection team. This review included a thorough examination of the proposals, detailed documentation and verification of reference checks and evaluation against the selection criteria. The selection team met to discuss the results of the evaluations and quickly reached a clear consensus on the top three proposals (see attached scoring matrix). These proposals met all RFP requirements and also demonstrated a detailed and clear understanding of the project. Therefore it was determined that these three firms would be deemed to advance to the final stage of on-site interviews. The three firms were:

Future iQ Partners
Planning Next
Steven Ames Planning

The Public Planning Committee hosted on-site interviews on September 6th and 7th. Each interview lasted approximately ninety minutes and provided supplemental information and support to the written proposals. At the end of the interview process the selection team continued their discussion and evaluation of the proposals and firms against the project requirements and expectations. Each consultant provided an interesting presentation, including unique perspectives, skills, approaches and methodologies to complete the project for the Town.

At the end of the discussion the selection team reached consensus on Future iQ Partners as the firm whose proposal most closely met the needs of the project and Town expectations. There were several areas where their presentation highlighted features of their process that were both unique and exceeded those of the other two firms.

- Their methodology, which is highly focused on a scientific approach, was compelling. It provides a structured, integrated, data-driven decision making system.
- Their process provides for full transparency, open and inclusive input options and also provides flexibility in the outreach effort. The products and outputs outlined in the presentation and recommended in the proposal demonstrated a reality check mechanism, including a plausible futures scenarios which provides opportunities to be creative but in the context of what is possible.
- This process facilitates a policy framework for a community vision that is much easier to understand, and ultimate actions and decisions are more easily defined, supported and defensible.

Attachment A: Composite Scoring Matrix and Notes

ATTACHMENT A							
Community Visioning Services RFP 2016-0010 - Criterion Scoring Matrix - Final Composite							
Evaluation Criterion	Building Communities	Design Workshop	Future IQ Partners	Jane Lafleur	Littlefiled Associates	Planning Next	Steven Ames
	Team Score	Team Score	Team Score	Team Score	Team Score	Team Score	Team Score
Criterion 1- Quality/Experience of Project Team (30)							
Project Team Experience (15)	10	15	10	10	10	15	15
Personnel Performance (15)	15	15	15	15	0	15	15
Criterion 1 Total	25	30	25	25	10	30	30
Criterion 2 - Project Understanding/Adequacy of Work Plan (30)							
Project Understanding/Work Plan Proposal and Timeline(30)	15	15	30	15	15	30	30
Criterion 2 Total	15	15	30	15	15	30	30
Criterion 3 - Fee Proposal (20)							
Proposed Fee Calculation (20)	20	14	14	16	16	12	15
Criterion 3 Total	20	14	14	16	16	12	15
Criterion 4 - On-Site Interview (20)							
On-Site Interview (20)							
Criterion 4 Total	0	0	20	0	0	10	0
Total Criterion Score	60	59	89	56	41	82	75

	Building Communities	Design Workshop	Future iQ Partners	Jane Lafleur	Littlefield Associates	Planning Next	Steven Ames
Project Team Experience (15)	Less than 3 similar referenced projects	3 similar referenced projects	Less than 3 similar referenced projects	Less than 3 similar referenced projects	Less than 3 similar referenced projects	3 similar referenced projects	3 similar referenced projects
Personnel Performance (15)	Good references for personnel on referenced projects	Good references for personnel on referenced projects	Good references for personnel on referenced projects	Good references for personnel on referenced projects	Good references but none were project specific	Good references for personnel on referenced projects	Good references for personnel on referenced projects
Project Understanding/Work Plan Proposal and Timeline(30)	General understanding but a bit generic in the narrative for project. Work plan had some specific elements not outlined in the RFP	General understanding. No costs for completing vision document. Proposal has gone beyond process development into strategic execution with team of professionals.	Demonstrated a detailed and clear understanding of project. Process and timeline met the RFP requirements.	General understanding but a bit generic in the narrative for project. Good on training but process did not adapt to needs of the RFP	General understanding. Not many details. This proposal focused on personnel and basic process. Not much adaptation to meet the needs outlined in the RFP.	Demonstrated a detailed and clear understanding of project. Process and timeline met the RFP requirements.	Demonstrated a detailed and clear understanding of project. Process and timeline met the RFP requirements.
Proposed Fee Calculation (20)	\$ 75,000.00	\$ 116,957.50	\$ 117,500.00	\$ 108,525.00	\$ 101,280.00	\$ 135,230.00	\$ 112,680.00
On-Site Interview (20)			Good presentation, with excellent examples of how the process and methodology was implemented on other projects. The proposed process enhances the scope outlined in the RFP. The approach was easy to follow, made sense and David seemed to understand issues and challenges better than the other two firms' lead consultants. Only firm that really asked committee questions to gain additional project context and understanding.			Good presentation, process was sound as was team composition. There was some concern regarding defining relationships and roles of multiple entities for the project. Marketing capabilities was a strength.	Good presentation but some concern related to process oversight, depth of team capabilities and integration of external project entities such as Rawle Murdy. Not as strong on market trend and analysis capabilities. Good on issues and challenges.



MEMORANDUM

TO: Town Council

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

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

DATE: September 9, 2016

RE: **First Reading of Proposed Ordinance No. 2016-27**

Recommendation:

Staff recommends Council approve first reading of Proposed Ordinance No. 2016-27 amending and finalizing fiscal year 2016 General and Capital Projects Funds' budgets.

Summary:

This ordinance amends two of the Town's four budgeted funds for the changes needed to complete fiscal year 2016. The Debt Service and Stormwater Funds are not amended.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2016-27

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 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 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 2016 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. 2016-27

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2016.**

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. 2016-27****ATTACHMENT A****General Fund-FY16**

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
<i>Revenues:</i>		
Federal Grant		(365,000)
Funds from Prior Years		(55,014)
Total Revenues		<u>(420,014)</u>
<i>Expenditures:</i>		
Townwide Personnel		
Personnel Budget Adjustment		(65,000)
Vantagecare Retirement		(43,000)
		<u>(108,000)</u>
Townwide Grants		
Island Rec Center-Capital		(55,014)
Fire Rescue Operations Personnel		
Personnel Adjustment		139,000
Fire Rescue Communications Operating		
Operating Budget Adjustment		(31,000)
Fire Rescue Support Services		
Specialized Equipment	Federal Grant	(365,000)
Total Expenditures		<u>(420,014)</u>

ATTACHMENT A, CONTINUED

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Beach Bond		1,303,412
CDBG		(22,410)
GO Bond 2010		8,807
GO Bond 2016		14,707
Hospitality Taxes		27,269
Prior Year Funds Property Taxes		9,644
Sunday Liquor Permit Fees		(125,000)
TIF Property Taxes		39,053
Sale of Land		75,994
Total Revenues		1,331,476
Expenditures:		
Beach Maintenance		
FY16 Renourishment	Beach Bond	1,303,412
Park Development		
Park Upgrades	Sunday Liquor Permit Fees	(72,618)
Rowing & Sailing Center	Prior Year Funds Property Taxes	30,000
Shelter Cove Park	Prior Year Funds Property Taxes	25,014
Crossings Park Drainage Improvement	Sunday Liquor Permit Fees	72,618
		55,014
New Facilities / Infrastructure		
58 Shelter Cove-Town Upfit	Prior Year Funds Property Taxes	(55,370)
Pathways		
Mathews Dr / Marshland South	TIF Property Taxes	(10,481)
278 Fresh Market to Shelter Cove	Hospitality Taxes	27,269
		16,788
Road Improvements		
F&R Emerg: Palmetto Dunes @ Swing About	Prior Year Funds Property Taxes	30,000
Traffic Signal Mast Arm: Shelter Cove Ln/278	Hospitality Taxes	(100,000)
Traffic Signal Mast Arm: Pembroke Dr/278	Hospitality Taxes	100,000
"	Prior Year Funds Property Taxes	40,000
Intersctn Impr:Squire Pope w/ 3rd Lane	Prior Year Funds Property Taxes	(60,000)
Intersctn Impr:Shelter Cove Towne Center	Sunday Liquor Permit Fees	(125,000)
Lagoon Rd Extension	TIF Property Taxes	32,029
South Forest Beach Dr. Improvements	TIF Property Taxes	5,367
Lagoon Rd/Pope Ave Intersection	TIF Property Taxes	12,138
Blazing Star Paving	CDBG	18,059
CDBG Administrative Expenses	CDBG	(40,469)
		(87,876)

ATTACHMENT A, CONTINUED

Capital Projects Fund, Continued

Land Acquisition		
Various Land Acquisition Projects	GO Bond 2010	8,807
"	GO Bond 2016	14,707
"	Sale of Land	75,994
		<u>99,508</u>
Total Expenditures		<u><u>1,331,476</u></u>
Transfers:		
Transfer from Sale of Land to EDC Incentive Fund	Sale of Land	991,462
Transfer to Sale of Land from EDC Incentive Fund	Sale of Land	(991,462)
Total Transfers		<u><u>-</u></u>

The effect of this amendment will be to decrease the General Fund to \$40,109,684, and increase the Capital Projects Fund to \$39,698,644. The Enterprise Fund at \$4,117,732 and the Debt Service Fund at \$11,215,701 remain unchanged.



MEMORANDUM

TO: Town Council

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

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

DATE: September 9, 2016

RE: **First Reading of Proposed Ordinance No. 2016-28**

Recommendation:

Staff recommends that Town Council approve first reading of Proposed Ordinance No. 2016-28 which amends the fiscal year 2017 budget for the encumbrances brought forward from fiscal year 2016.

Summary:

This budget amends the General Fund, Capital Projects Fund and Stormwater (Enterprise) Fund by carrying forward funds from the prior year to pay for specific encumbrance items obligated but unpaid at June 30, 2016. The encumbrances are contracts and/or purchase orders obligated prior to the end of fiscal year 2016 for goods and services not received until fiscal year 2017.

Background:

All increases in the budget must be approved by Town Council and is done by ordinance. Each year, the Town has an ordinance to bring forward the amounts that were encumbered at the end of the prior year.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2016-28

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2017; 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 21, 2016, 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 2017 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. 2016-28

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2016.**

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. 2016-28****ATTACHMENT A****General Fund-Encumbrances**

<u>Account Description</u>	<u>Amount</u>
<i>Revenues:</i>	
Funds from Prior Years	180,346
Total Revenues	180,346
<i>Expenditures:</i>	
Townwide Operating	
Economic Analysis	20,000
Lease Payments	1,138
	21,138
Town Council Initiatives	
Circle to Circle	18,198
Public Communications-Arts/Culture	6,670
Public Communications-Visioning	7,700
	32,568
Town Council Operating	
Professional Services	10,686
Finance Operating	
Professional Services	1,000
IT Services Operating	
Maintenance Contract/Fees	8,500
Software under \$50k	5,289
	13,789
PP&F / Engineering Operating	
Roadways Maintenance	6,187
Closed Loop Traffic Signal Maint.	9,490
	15,677
PP&F / Facility Management Operating	
Landscape/Tree/Ground Maint	15,911
Litter/Pest/Janitorial	573
Water Feature Maintenance	485
Inspections / Monitoring	2,830
	19,799
DRZ Operating	
Consulting Services	2,000
Fleet Maintenance Operating	
Generator Repair / Maintenance	4,321
F&R Communications Operating	
Maintenance Contracts / Fees	11,734
F&R Training Operating	
Travel	300

ATTACHMENT A, CONTINUED**General Fund, Con't****F&R Support Services Operating**

Maintenance Contracts / Fees	11,845
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F&R Support Services Capital

Specialized Equipment	32,415
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Police Patrol Operating

Beach Services	2,965
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Uniforms & Protective Gear	108
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3,072**Total Expenditures**

180,346

ATTACHMENT A, CONTINUED

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
2016 GO Bond		598,040
Beach Bond		14,471,237
Beach Fees		872,938
Hospitality Bond		105,753
Hospitality Taxes		454
Prior Year Funds Property Taxes		24,160
Sunday Liquor Permits		96,336
TIF Property Taxes		346,764
Total Revenues		16,515,682
Expenditures:		
Beach Maintenance		
Beach Management & Monitoring	Beach Fees	133,608
Beach Renourishment FY16	Beach Fees	739,329
"	Beach Bond	14,471,237
		15,344,175
Existing Facilities/Infrastructure		
Fire Station #2 Replacement	Hospitality Bond	105,753
		105,753
Park Development		
Rec Center Expansion	2016 GO Bond	198,040
Crossings Park Drainage Improvements	Sunday Liquor Permits	96,336
Shelter Cove Community Park	2016 GO Bond	400,000
		694,376
New Facilities/Infrastructure		
Office Park / USCB	TIF Property Taxes	116,407
NW Quadrant-Coligny Park	TIF Property Taxes	117,485
NW Quadrant-Museum	TIF Property Taxes	2,580
		236,472
Road Improvements		
Nassau Street Reconstruction	TIF Property Taxes	22,042
F&R: P.Dunes @ Swing About	Hospitality Taxes	454
Office Park Rd Intersection Improvements	TIF Property Taxes	41,853
Int Improv. Squire Pope w/ 3rd Lane	Prior Year Funds Property Taxes	24,160
Lagoon Rd Extension	TIF Property Taxes	11,175
South Forest Beach Dr Improvements	TIF Property Taxes	18,561
Lagoon Rd/Pope Ave Intersection	TIF Property Taxes	16,660
		134,907
Total Expenditures		16,515,682

ATTACHMENT A, CONTINUED

SWU Fund		
<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Stormwater Utility Fees		221,527
Total Revenues		221,527
Expenditures:		
Stormwater Operating		
County Stormwater Master Plan	Stormwater Utility Fees	107,479
Infrastructure Upgrades & Improvements		
Hilton Head Plantation		
Sweetwater	Stormwater Utility Fees	4,400
Country Club Ct CIPP	Stormwater Utility Fees	20,301
Sawtooth Ct CIPP	Stormwater Utility Fees	15,120
		39,821
Palmetto Dunes Plantation		
Shelter Cove Ln CIPP	Stormwater Utility Fees	4,207
Chamber of Commerce CIPP	Stormwater Utility Fees	22,433
		26,640
Shipyard Plantation		
Valencia / The Cottages	Stormwater Utility Fees	18,153
Wexford Plantation		
Wexford Club Dr Flooding	Stormwater Utility Fees	715
Non-PUD		
Gumtree Channel at Katie Miller	Stormwater Utility Fees	956
104 Gumtree Drainage	Stormwater Utility Fees	7,409
		8,365
Drainage Maintenance and Repairs		
Hilton Head Plantation		
Myrtle Bank Sinkhole Repair	Stormwater Utility Fees	7,080
Shipyard Plantation		
Shipyard Channel Maintenance	Stormwater Utility Fees	4,825
Non PUD		
Non-PUD Channel Maintenance	Stormwater Utility Fees	3,550
Pump Stations		
Wexford	Stormwater Utility Fees	4,900
Total Expenditures		221,527

ORDINANCE NO.**PROPOSED ORDINANCE NO. 2016-28****ATTACHMENT A, CONTINUED**

The effect of this first budget amendment for fiscal year 2017 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 & Other Uses	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Current Balance	\$ 39,613,643	\$ (37,600,000)	\$ 49,440,250	\$ (48,917,250)	\$ 13,572,500	\$ (13,572,500)	\$102,626,393	\$ (100,089,750)
Amendment	180,346	(180,346)	16,515,682	(16,515,682)	-	-	16,696,028	(16,696,028)
Revised Balance	\$ 39,793,989	\$ (37,780,346)	\$ 65,955,932	\$ (65,432,932)	\$ 13,572,500	\$ (13,572,500)	\$119,322,421	\$ (116,785,778)

Enterprise Fund
Stormwater Fund

	Expenditures & Transfers Out		Revenues & Transfers In	
Current Balance	\$ 3,825,987	\$ (3,725,300)		
Amendment	221,527	(221,527)		
Revised Balance	\$ 4,047,514	\$ (3,946,827)		



MEMORANDUM

TO: Town Council

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

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

DATE: September 9, 2016

RE: **First Reading of Proposed Ordinance No. 2016-29**

Recommendation:

Staff recommends Council approve first reading of Proposed Ordinance No. 2016-29 amending fiscal year 2017 for amounts brought forward for the General, Capital Projects, and Stormwater (Enterprise) Funds' budgets.

Summary:

This budget ordinance amends these three funds by rolling forward budgeted funds from the prior year that were not encumbered at the end of the fiscal year. A roll-forward item is a budget for a capital improvement or stormwater project or General Fund program or technology project that for various reasons was not started or not completed at June 30, 2016. Staff requested these funds be rolled to complete projects and plans during fiscal year 2017.

The Debt Service Fund is not amended for roll forwards.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2016-29

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2017; 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 21, 2016, 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 2017 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. 2016-29

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2016.**

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. 2016-29****ATTACHMENT A****General Fund-Rolls**

<u>Account Description</u>	<u>Amount</u>
<i>Revenues:</i>	
Funds from Prior Years	1,257,516
Total Revenues	1,257,516
<i>Expenditures:</i>	
Town Council Initiatives	
Town Council Initiatives	667,675
Townwide Personnel	
Employee Recognition	2,000
Townwide Capital	
Security Cameras	11,988
Townwide Grants	
Island Recreation Center-Capital	40,000
Coastal Discovery Museum-Capital	15,845
USCB Event Management & Hospitality	14,365
	70,210
IT Services Operating	
Maintenance Contract/Fees	22,500
Software under \$50k	20,000
	42,500
IT Services Capital	
Computer Software = or >\$50,000	50,000
Human Resources Operating	
Consulting	5,000
Finance Operating	
Professional Fees	5,787
PP&F / Engineering	
Roadway Maintenance	372,356
F&R Support Services Capital	
Specialized Equipment	30,000
Total Expenditures	1,257,516

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2016-29

ATTACHMENT A, CONTINUED

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
2016 GO Bond		6,468,037
Beach Bond		950,000
Beach Fees		4,996
CDBG Federal Grant		150,336
Hospitality Taxes		278,184
Donated Revenue		200,000
Prior Year Funds Property Taxes		149,071
Sunday Liquor Permit Fees		303,512
TIF Property Taxes		1,568,967
Traffic Impact Fees		26,500
Total Revenues		10,099,603
Expenditures:		
Beach Maintenance		
Beach Management & Monitoring	Beach Fees	4,996
Beach Renourishment	Beach Bond	825,000
		829,996
Existing Facilities/Infrastructure		
Town Hall Space Reconfiguration	Hospitality Taxes	92,732
Park Development		
Public Art Program	Sunday Liquor Permit Fees	34,080
Recreation Center Expansion	2016 GO Bond	5,136,275
Shelter Cove Parking Lot	Donated Revenue	200,000
Shelter Cove Community Park	2016 GO Bond	189,254
Crossings Park Drainage Improvements	Sunday Liquor Permit Fees	200,000
Park Upgrades	Sunday Liquor Permit Fees	69,432
Rowing & Sailing Center	Prior Year Funds Property Taxes	30,000
		5,859,041
New Facilities/Infrastructure		
USCB Hospitality Management Program Building	TIF Property Taxes	457,951
NW Quadrant-Coligny Park	TIF Property Taxes	260,651
Sewer Service Projects	2016 GO Bond	892,508
		1,611,110
Pathways		
278: Fresh Market to Shelter Cove	Hospitality Taxes	18,000
Pope Ave (Off Road)	TIF Property Taxes	88,057
		106,057

ATTACHMENT A, CONTINUED

Capital Projects Fund, Continued

Road Improvements

Marshland Rd Roundabout	TIF Property Taxes	1,490
Nassau St Reconstruction	TIF Property Taxes	6,983
Traffic Signal Mast Arms-Pembroke/278	Hospitality Taxes	100,000
"	Prior Year Funds Property Tax	40,000
F&R Emerg: Palmetto Dunes @ Swing About	Hospitality Taxes	67,452
"	Prior Year Funds Property Tax	30,000
Office Park Rd Intersection Imprvmt	TIF Property Taxes	753,835
Private Dirt Roads Acquisition	Prior Year Funds Property Tax	46,541
Wiley Road	Prior Year Funds Property Tax	2,530
Turn Ln Impr: EB WHP @ Queens Folly	Traffic Impact Fees	10,500
Turn Ln Impr: WB WHP @ Beach City	Traffic Impact Fees	16,000
Blazing Star Paving	CDBG Federal Grant	150,336
		1,225,667

Cost of Issuance

Beach Bond	Beach Bond	125,000
Go Bond 2016	2016 GO Bond	250,000
		375,000

Total Expenditures

\$ 10,099,603

ATTACHMENT A, CONTINUED

SWU Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Stormwater Utility Fees		658,522
Total Revenues		658,522
Expenditures:		
Stormwater Operating		
Water Quality Monitoring	Stormwater Utility Fees	39,561
Infrastructure Upgrades & Improvements		
Sea Pines Plantation		
Baynard Cove Outfall Gate Replacement	Stormwater Utility Fees	18,554
Non-PUD		
Nassau / Tanglewood (Tie to Coligny)	Stormwater Utility Fees	9,420
Lemoyne Ave Flooding	Stormwater Utility Fees	99,942
Mathews Drive Pathway Outfall	Stormwater Utility Fees	62,187
		171,549
Inventory and Modeling		
Indigo Run	Stormwater Utility Fees	27,441
Palmetto Dunes	Stormwater Utility Fees	1,145
Shelter Cove	Stormwater Utility Fees	927
Sea Pines	Stormwater Utility Fees	87,435
Unaffiliated Watersheds	Stormwater Utility Fees	52,568
		169,516
Drainage Maintenance and Repairs		
Hilton Head Plantation		
Hilton Head Plantation Gen Maintenance	Stormwater Utility Fees	4,080
Bear Creek Golf Course Channel Maint	Stormwater Utility Fees	6,288
Hilton Head Plantation Pipe Cleaning	Stormwater Utility Fees	438
		10,806
Indigo Run Plantation		
Indigo Run General Maintenance	Stormwater Utility Fees	2,330
Long Cove Plantation		
Long Cove General Maintenance	Stormwater Utility Fees	10,545
Leamington Plantation		
Leamington General Maintenance	Stormwater Utility Fees	7,201
Palmetto Hall Plantation		
Palmetto Hall General Maintenance	Stormwater Utility Fees	11,869
Port Royal Plantation		
Port Royal General Maintenance	Stormwater Utility Fees	25,473
Silt Clearing Coggins Pt. Rd/Links	Stormwater Utility Fees	25,029
		50,502

ATTACHMENT A, CONTINUED

SWU Fund, Con't

Shipyard Plantation

Shipyard General Maintenance	Stormwater Utility Fees	13,347
Galleon Fairways Flooding	Stormwater Utility Fees	12,710
		<hr/> 26,057

Sea Pines Plantation

Sea Pines General Maintenance	Stormwater Utility Fees	28,685
Ruddy Turnstone	Stormwater Utility Fees	2,652
Harbort Town Hole 14 Weir	Stormwater Utility Fees	3,364
		<hr/> 34,701

Wexford Plantation

Wexford General Maintenance	Stormwater Utility Fees	16,022
Wexford Club Drive Flooding	Stormwater Utility Fees	1,989
		<hr/> 18,011

Non-PUD

Non PUD General Maintenance	Stormwater Utility Fees	7,034
Gadson Drainage	Stormwater Utility Fees	6,000
Mustang Lane Drainage	Stormwater Utility Fees	2,100
N.Forest Beach Dr. Drainage	Stormwater Utility Fees	4,429
		<hr/> 19,563

Pump Stations

Shipyard	Stormwater Utility Fees	18,000
Sea Pines	Stormwater Utility Fees	13,757
Wexford	Stormwater Utility Fees	12,000
Jarvis	Stormwater Utility Fees	24,000
		<hr/> 67,757

Total Expenditures

658,522

ORDINANCE NO.**PROPOSED ORDINANCE NO. 2016-29****ATTACHMENT A, CONTINUED**

The effects of this budget amendment for fiscal year 2017 are presented below.

	General Fund		Cap Proj Fund		Debt Service		Total Governmental Funds	
	Expenditures	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Revised Balance	\$ 39,793,989	\$(37,780,346)	\$ 65,955,932	\$ (65,432,932)	\$ 13,572,500	\$(13,572,500)	\$119,322,421	\$ (116,785,778)
Amendment	1,257,516	(1,257,516)	10,099,603	(10,099,603)	-	-	11,357,119	(11,357,119)
Revised Balance	\$ 41,051,505	\$(39,037,862)	\$ 76,055,535	\$ (75,532,535)	\$ 13,572,500	\$(13,572,500)	\$130,679,540	\$ (128,142,897)

Enterprise Fund
Stormwater Fund

	Expenditures & Transfers Out	Revenues & Transfers In
Revised Balance	\$ 4,047,514	\$(3,946,827)
Amendment	658,522	(658,522)
Revised Balance	\$ 4,706,036	\$(4,605,349)



MEMORANDUM

TO: Town Council

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

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

DATE: September 9, 2016

RE: **First Reading of Proposed Ordinance No. 2016-30**

Recommendation:

Staff recommends Council approve first reading of Proposed Ordinance No. 2016-30 amending fiscal year 2017 impacting the General, Capital Projects and Stormwater Funds' budgets.

Summary:

This budget ordinance amends the budget for the following reasons.

General Fund: Upon further review of the fiscal year 2017 **Island Recreation Center (IRC)** - **Capital** budget, staff determined that \$75,000 should be reduced and addressed by Facilities Management in its existing budget or a future budget request. The purpose of this change is to include facility needs in the Town's budget and sports equipment needs at the parks in the IRC's budget.

Stormwater Fund: With the addition of the Pine Island/Barrier Beach Repair in Hilton Head Plantation in June's final discussions of adopting the fiscal year 2017 budget, staff finds it necessary to delete another similarly budgeted project in the same area; the **Old Fort Drive Outfall project will be decreased by \$100,000.** *(Note: For Pine Island/Barrier Beach Repair, Town Council adopted a budget of \$100,000 for fiscal year 2017 with planned budgets for the same project in fiscal years 2018 and 2019 for a total planned budget of \$300,000.)*

Capital Projects Fund: For the last several months, the Town has experienced higher than anticipated bids on several projects. Town staff has generally determined that this issue is a direct result of a strong economy especially in the construction industry in Hilton Head and Bluffton.

Staff are specifically **requesting budget increases for Fire Station 2 (\$1 million) and Island Recreation Expansion (\$3.2 million) both using General Obligation Bonds** as a funding source. Staff plans to return as soon as possible with recommendations for other projects.

Background:

Regarding budget inadequacies for projects in the Capital Projects Fund, some specific indicators and recommended actions are as follows.

- Staff rebid Lemoyne and Blazing Star road projects due to high bids exceeding budget and limited, qualified bidders.
- Staff received few qualified bids on Fire Station 2 which significantly exceeded the budget. **This project will need to be rebid with an increased budget or postponed. Staff requests authorization from Council to increase the budget by \$1 million using General Obligation (GO) Bonds as the funding source. (Note: *The Bond Anticipation Notes to be sold on September 21, 2016 will temporarily fund the initial construction. Finance staff will analyze the total needs over the next year to determine needed changes needed for the GO Bond ordinance already authorized by Council.*)**
- Project managers and our external design firms noted the project budget trend and worked harder to personally contact potential bidders and analyze the project cost estimates. Staff learned that there is more work in the area than the local contractors can manage. The general contractors cited a lack of subcontractors, no work capacity until well into calendar 2017, and their inability to bond projects with several projects already in their queue.
- Staff also note that the Town is competing against itself having the largest Capital Projects plan in its history with three or more large ones bid in rapid succession.
- Next, staff received bids on the Island Recreation Expansion project with only two qualified bidders, again significantly exceeding budget. Given that the two bids are comparable, staff believe that the budget will need to be increased to meet the demands of the market or delayed until the construction market has capacity and prices lower. Staff's opinion is that short of a significant national economic downturn, the strong current local construction market will have a long run. Staff put the two bidders on notice that they intended to seek a budget increase; their bids are still valid if Council grants an immediate increase. **Staff requests immediate action from Town Council to increase this budget by \$3.2 million using General Obligation Bonds as the funding source.**
- Staff received no qualified bids for the Coligny Park with Museum and surrounding road and pathway projects. Staff learned from two potential bidders who put effort into pricing the bundled project that their bids would have far exceeded the budget similarly to Fire Station 2 and Island Rec Expansion's bids. Coligny Park/Museum/Roads/Pathways is a large and complex set of projects that staff chose to bundle in order to control the timing of the various components and fast track their completion in accordance with the expectations of Town Council. Potential bidders cited the aforementioned work capacity issues plus the complexities of such a large bundle of projects requiring differing expertise and equipment. Staff are now working to unbundle and rebid these projects with an expected delay in completion of perhaps nine months. They are not ready to request a specific budget increase. The Town planned to primarily fund these projects with Tax Increment Financing (TIF) funds. **Staff believes that Council should generally be aware of the issues with this set of projects to ensure Council understands the global nature of the fiscal year 2017 Capital Improvement Plan. Project managers will return to Council as soon as possible with budget increase requests and updated timing plans as well as an overall TIF update. No Council action is requested for these projects at this time.**

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2016-30

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2017; 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 21, 2016, 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 Fund, Capital Projects Fund, and Stormwater Utility Fund.

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 2017 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. 2016-30

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2016.**

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

<u>Account Description</u>	<u>Amount</u>
Revenues:	
Funds from Prior Years	(75,000)
Total Revenues	(75,000)
Expenditures:	
Townwide Grants	
Island Recreation Center-Capital	(75,000)
Total Expenditures	(75,000)

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
2016 GO Bond		3,200,000
Hospitality Bond		1,000,000
Total Revenues		4,200,000
Expenditures:		
Existing Facilities/Infrastructure		
Fire Station #2 Replacement	Hospitality Bond	1,000,000
Park Development		
Rec Center Expansion	2016 GO Bond	3,200,000
Total Expenditures		4,200,000

SWU Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Stormwater Utility Fees		(100,000)
Total Revenues		(100,000)
Expenditures:		
Infrastructure Upgrades & Improvements		
Hilton Head Plantation		
Old Fort Dr Outfall	Stormwater Utility Fees	(100,000)
Total Expenditures		(100,000)

ORDINANCE NO.**PROPOSED ORDINANCE NO. 2016-30****ATTACHMENT A, CONTINUED**

The effect of this budget amendment for fiscal year 2017 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 & Other Uses	Revenues & Transfers In	Expenditures, Transfers Out & Other Uses	Revenues & Transfers In & Other Sources
Revised Balance	\$ 41,051,505	\$(39,037,862)	\$ 76,055,535	\$(75,532,535)	\$ 13,572,500	\$(13,572,500)	\$130,679,540	\$(128,142,897)
Amendment	(75,000)	75,000	4,200,000	(4,200,000)	-	-	4,125,000	(4,125,000)
Revised Balance	\$ 40,976,505	\$(38,962,862)	\$ 80,255,535	\$(79,732,535)	\$ 13,572,500	\$(13,572,500)	\$134,804,540	\$(132,267,897)

Enterprise Fund
Stormwater Fund

	Expenditures & Transfers Out	Revenues & Transfers In
Revised Balance	\$ 4,706,036	\$(4,605,349)
Amendment	(100,000)	100,000
Revised Balance	\$ 4,606,036	\$(4,505,349)



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, CM, *Town Manager*
VIA: Charles Cousins, AICP, *Director of Community Development*
FROM: Jennifer B. Ray, ASLA, *Urban Designer*
DATE: September 8, 2016
SUBJECT: USCB Property Transfer

Recommendation: Staff recommends Town Council transfer +/- 9 acres of Town-owned land on Office Park Road to the University of South Carolina for construction of a Hospitality Management Facility in accordance with the approved Memorandum of Understanding (MOU).

Summary: The Town and USCB desire for USCB to operate an educational facility in the Town of Hilton Head Island intending to provide, among other things, a Hospitality Management Program, the Osher Lifelong Learning Institute (OLLI), the Event Management and Hospitality Promotion Program, and other higher education and adult education programs. The Town and the University entered into a MOU that outlines responsibilities of the Town and the University including the Town's responsibility to convey to USCB the land necessary to implement the Master Plan.

Background: The Town and the University of South Carolina entered into a MOU regarding the construction and operation of a facility for, among other things the Hospitality Management Program. In accordance with the MOU, the Town acquired four parcels of property in the Office Park Road area by purchasing the Time Warner building as well as the Kiawah Building, the Carolina Building, and the Sapelo Building. As specified in the MOU, the Town has demolished the buildings as well as the associated sidewalks and parking in preparation of construction by the University. Once the demolition was completed the next requirement of the Town per the MOU is to convey to USCB the land necessary to implement the Master Plan.

Per the MOU, at closing the Town will execute a General Warranty Deed that includes a reverter clause in favor of the Town if the property is not used for higher education and adult education services, if ground breaking doesn't occur within 5 years of closing, if completion of construction of phase 1 does not occur within 2 years of ground breaking, or if the facility is abandoned by USCB.

USCB is scheduled to begin classes in this facility in August of 2018. They are currently in the detailed design and permitting phase. Construction is estimated to being in early 2017 therefore it is the appropriate time to transfer the property in advance of construction.

AN ORDINANCE OF THE TOWN OF HILTON HEAD, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF A DEED AND RELATED DOCUMENTS FOR THE CONVEYANCE OF PROPERTY TO THE UNIVERSITY OF SOUTH CAROLINA BOARD OF TRUSTEES ON BEHALF OF THE UNIVERSITY OF SOUTH CAROLINA BEAUFORT, IN ACCORDANCE WITH THAT CERTAIN MEMORANDUM OF UNDERSTANDING DATED MARCH 10, 2015, PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. § 5-7-40 (SUPP. 2011), AND § 2-7-20, *CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA*, (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

LEGISLATIVE FINDINGS

WHEREAS, the Town of Hilton Head Island (hereinafter “Town”) and the University of South Carolina Board of Trustees on behalf of the University of South Carolina Beaufort (hereinafter “USCB”) entered into that certain Memorandum of Understanding (hereinafter “MOU”), dated March 10, 2015; and

WHEREAS, among other provisions, the MOU provides that the Town will acquire certain real property located on Hilton Head Island and perform clearing functions related to that real property; and thereafter the Town will convey portions of Town-owned real property to USCB for the construction and implementation of an educational facility; and

WHEREAS, the Town has completed the acquisition of the parcels of real property and has substantially performed clearing functions related thereto; and

WHEREAS, the Town desires to authorize the conveyance of Town-owned real property to USCB, in accordance with the MOU and in substantial conformance with the attached Exhibit “A”; and,

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

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

Section 1. Execution of Agreement.

- (a) The Mayor and/or Town Manager are hereby authorized to execute and deliver a Deed and related documents to USCB for conveyance of Town-owned real property, in accordance with the provisions of the MOU and in substantial conformance with the attached Exhibit “A”; and
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated in the MOU as authorized hereby.

Section 2. Severability.

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

Section 3. Effective Date.

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

(SIGNATURE PAGE FOLLOWS)

**PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN
OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS ____ DAY OF
_____, 2016.**

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:_____

EXHIBIT “A”



**+/- 9 acre TOHH parcel
to be transferred to USCB**

**Property Transfer to USCB for
Hospitality Management Facility 08/02/16**



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, CM, *Town Manager*
VIA: Charles Cousins, AICP, *Director of Community Development*
FROM: Jennifer B. Ray, ASLA, *Urban Designer*
DATE: September 8, 2016
SUBJECT: Heritage Plaza Land Swap

Recommendation: Staff recommends Town Council approve a land swap with Southeastern Properties as part of the redevelopment of Heritage Plaza to facilitate relocating the pedestrian pathway away from the Pope Avenue lanes of travel. On August 22, 2016 the Public Facilities Committee voted unanimously to recommend Town Council approve the land swap.

Summary: Staff endorses a public/private partnership in conjunction with Southeastern Properties through a land swap that will result in a more walkable environment in front of Heritage Plaza, reduce curb cuts on Pope Avenue, and move the property closer to the development concept envisioned during the LMO re-write process, the Circle to Circle Committee, and the Town's Master Plan for the Coligny District Redevelopment.

Background: The Town's Master Plan for the Coligny District Redevelopment proposed creating a walkable pedestrian corridor where pathway users feel safe by relocating existing sidewalks away from the edge of pavement and adding greenspace/landscaping between the pathways and lanes of travel. This concept has also been encouraged by the Circle to Circle Committee.

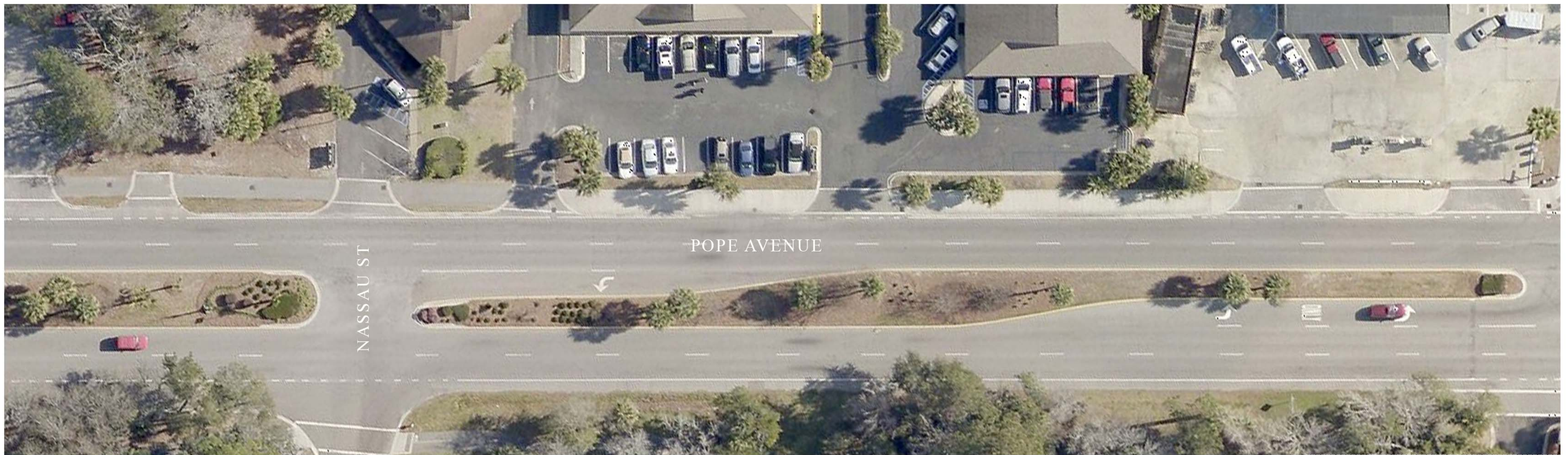
Southeastern Properties, owners of Heritage Plaza, have been working on plans to redevelop their property including the addition of a hotel as well as numerous functional and aesthetic improvements. Staff approached Southeastern Properties with the idea of relocating the existing pathway in front of their property in conjunction with their larger redevelopment plans.

Because of the location of the existing parking lot between the buildings and roadway at Heritage Plaza there isn't space to create the desired separation of pathway and roadway in this area. Southeastern Properties has been working with their consultants on a new plan that would allow the pathway to be separated from the travel lanes and add landscaping between the street and the pathway. This would require the relocation of +/- 15 parking spaces.

In order to keep their parking whole to support existing businesses, Southeastern Properties is proposing a land swap with the Town. The Town owns +/- 0.46 acres adjacent to Heritage Plaza. Southeastern Properties proposes to swap +/- 0.16 acres across the front of their property for +/- 0.41 acres of the Town's adjacent property. This would result in a net increase in acreage of +/- 0.25 acres to Southeastern Properties allowing them to replace +/- 15 spaces that are currently

located between the existing buildings and Pope Avenue. In addition to the swap, Southeastern Properties will demolish the existing pathway and install a new +/- 10' wide concrete sidewalk separated from the travel lanes by a +/- 8' wide landscape strip adjacent to the curb. Additionally landscaping would be provided between the pathway and the development. All landscaping will be maintained by Southeastern Properties through a maintenance easement/agreement.

The proposed landscape treatment is consistent with that proposed for the Town park across Pope Avenue as well as the median and will establish a pattern of landscape and pedestrian development through the corridor toward Coligny Circle that is consistent with the Design Guide.



BEFORE



AFTER



Prepared For:
 SOUTHEASTERN DEVELOPMENT
 ASSOCIATES
 AUGUSTA, GA

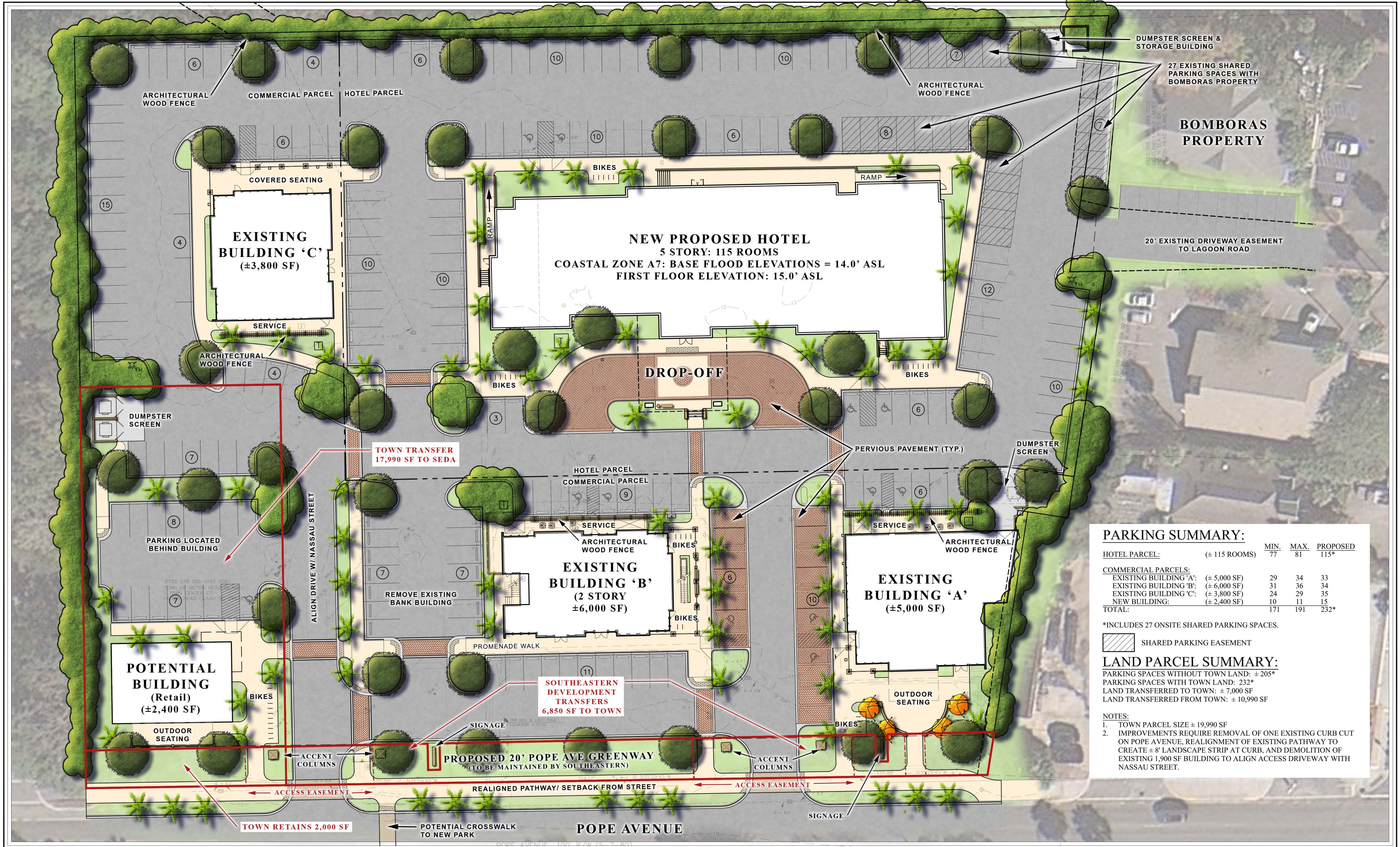
HERITAGE PLAZA

POPE AVENUE STREETSCAPE ENHANCEMENT

Hilton Head Island, South Carolina
 December 23, 2015

Prepared By:

Wood+Partners Inc. WPI
 Landscape Architects
 Land Planners



PARKING SUMMARY:

	MIN.	MAX.	PROPOSED
HOTEL PARCEL: (± 115 ROOMS)	77	81	115*
COMMERCIAL PARCELS:			
EXISTING BUILDING 'A': (± 5,000 SF)	29	34	33
EXISTING BUILDING 'B': (± 6,000 SF)	31	36	34
EXISTING BUILDING 'C': (± 3,800 SF)	24	29	35
NEW BUILDING: (± 2,400 SF)	10	11	15
TOTAL:	171	191	232*

*INCLUDES 27 ONSITE SHARED PARKING SPACES.

SHARED PARKING EASEMENT

LAND PARCEL SUMMARY:

PARKING SPACES WITHOUT TOWN LAND: ± 205*
PARKING SPACES WITH TOWN LAND: 232*
LAND TRANSFERRED TO TOWN: ± 7,000 SF
LAND TRANSFERRED FROM TOWN: ± 10,990 SF

NOTES:

1. TOWN PARCEL SIZE ± 19,990 SF
2. IMPROVEMENTS REQUIRE REMOVAL OF ONE EXISTING CURB CUT ON POPE AVENUE, REALIGNMENT OF EXISTING PATHWAY TO CREATE ± 8' LANDSCAPE STRIP AT CURB, AND DEMOLITION OF EXISTING 1,900 SF BUILDING TO ALIGN ACCESS DRIVEWAY WITH NASSAU STREET.

AN ORDINANCE OF THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE SALE OF REAL PROPERTY OWNED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO HHI PARTNERS, LLC, IN EXCHANGE FOR LAND TO BE CONVEYED TO THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA AND OWNED BY HHI PARTNERS, LLC, PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. § 5-7-40 (SUPP. 2011), AND § 2-7-20, *CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA*, (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

LEGISLATIVE FINDINGS

WHEREAS, the Town of Hilton Head Island, South Carolina (the “Town”) is the owner of certain real property located on Hilton Head Island and known as a portion of Beaufort County PIN R552-018-000-0193-0000, more particularly described as follows:

ALL that certain piece, parcel or tract of land situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, consisting of 17,992 square feet / 0.41 acres, more or less, and shown and described as "1 – REMAINDER OF PARCEL 193 TO BE CONVEYED" on the attached Exhibit "A".

(the “Town Parcel”); and,

WHEREAS, HHI Partners, LLC (“Developer”) is the owner of certain real property located on Hilton Head Island and known as a portion of Beaufort County PIN R552-018-000-0010-0000, more particularly described as follows:

ALL that certain piece, parcel or tract of land situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, consisting of 6,878 square feet / 0.16 acres, more or less, and shown and described as "3 – PORTION OF PARCEL 10 TO BE CONVEYED" on the attached Exhibit "A".

(the “Developer Parcel”); and,

WHEREAS, the Town desires to sell the Town Parcel to the Developer in exchange for the Developer conveying the Developer Parcel to the Town as well as the Developer constructing/installing a multi-purpose pathway and landscaping elements in and around the Developer Parcel; and

WHEREAS, pursuant to that certain Purchase and Sale Agreement attached hereto as Exhibit “B” (the “Agreement”), the Town and Developer will exchange ownership of the Town Parcel and the Developer Parcel through the execution, delivery, and recording of deeds, and will take other and further actions as described in the Agreement; and,

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina, has determined that it is in the best interests of the Town to approve the exchange of property as described herein, and to authorize the Mayor and/or Town Manager to take such further and other actions as may be necessary to effectuate the above exchange of property; and,

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

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

Section 1. Execution of Agreement

- (a) The Mayor and/or Town Manager are hereby authorized to execute and deliver the Agreement in a substantially similar form to that attached hereto as Exhibit “B” for the conveyance of Town-owned real property to HHI Partners, LLC in exchange for the conveyance of real property to the Town by HHI Partners, LLC and other consideration, all as contained in the Agreement; and
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated herein and as authorized hereby.

Section 2. Execution and Acceptance of Deeds.

- (a) The Mayor and/or Town Manager are hereby authorized to (i) execute and deliver a deed, and (ii) accept a deed, evidencing the aforementioned exchange of property in accordance with the Agreement; and
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated herein and as authorized hereby.

Section 3. Severability.

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

Section 4. Effective Date.

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

(SIGNATURE PAGE FOLLOWS)

**PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN
OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS ____ DAY OF
_____, 2016.**

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

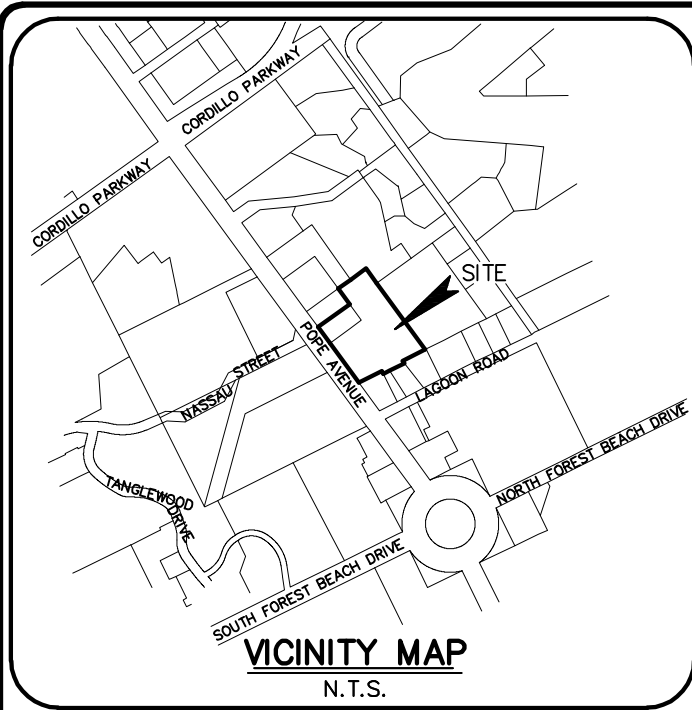
First Reading: _____

Second Reading:_____

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

Introduced by Council Member:_____

EXHIBIT “A”



LINE TABLE		
LINE	LENGTH	BEARING
L1	8.57	N 29°16'17" W
L2	64.72	N 60°38'27" E
L3	12.44	S 28°24'43" E
L4	17.81	S 35°27'45" E
L5	20.23	N 25°57'45" W
L6	64.64	S 64°04'17" W
L8	24.00	S 63°52'00" W
L9	158.11	S 30°02'12" E
L10	69.10	N 29°01'09" W
L11	90.00	N 35°46'44" W
L12	17.50	N 21°29'32" W
L13	64.45	N 61°45'20" E
L14	8.94	N 29°16'17" W
L15	33.73	N 26°29'58" W
L16	51.45	N 35°29'27" W
L17	12.02	S 54°30'15" W
L18	6.00	N 35°29'27" W
L19	12.02	N 54°30'15" E
L20	12.02	S 54°30'15" W
L21	6.00	N 35°29'27" W
L22	12.02	N 54°30'15" E
L23	40.00	N 35°47'53" W
L24	34.49	N 54°12'07" E

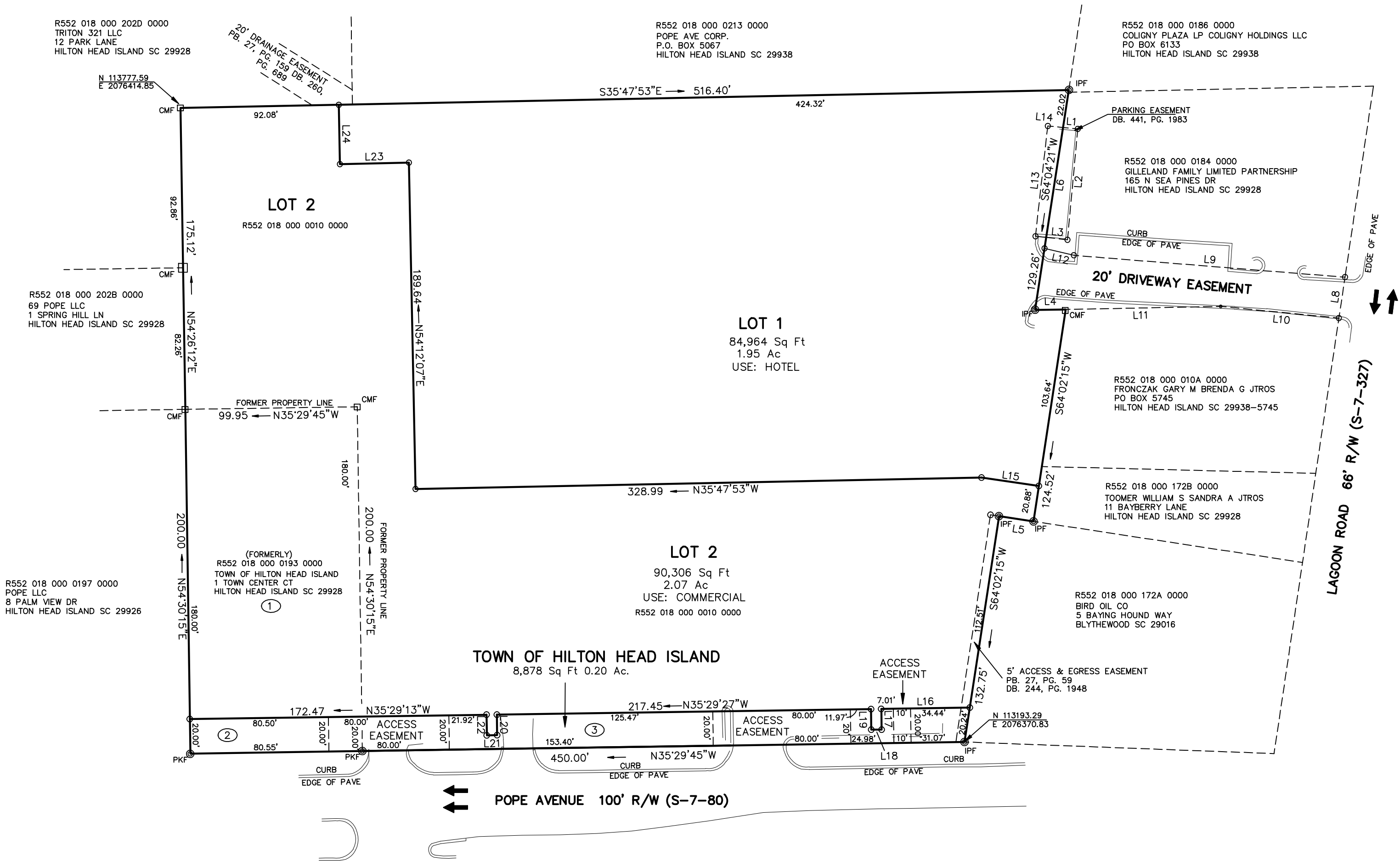
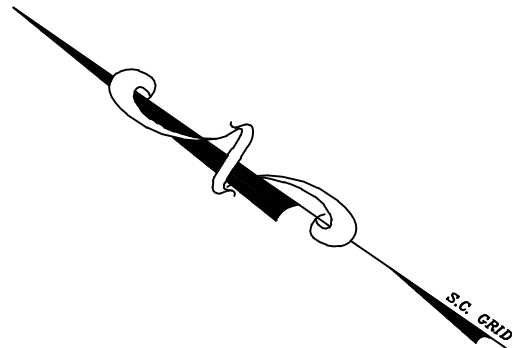
NOTES:

- THIS PLAT HAS BEEN PREPARED WITHOUT BENEFIT OF A COMPLETE TITLE SEARCH BY SEA ISLAND LAND SURVEY, LLC.
- THIS PROPERTY MAY BE SUBJECT TO EASEMENTS OF RECORD AND COVENANT RESTRICTIONS AS RECORDED IN THE OFFICE OF THE ROD FOR BEAUFORT COUNTY.
- SUBJECT PROPERTY DOES NOT APPEAR TO BE AFFECTED BY THE BEACHFRONT SETBACK REQUIREMENTS OF THE S.C. BEACH PROTECTION ACT OF JULY 1, 1988.
- BUILDING SETBACKS, WHETHER SHOWN OR NOT, SHOULD BE VERIFIED BY THE LOCAL BUILDING AUTHORITY OR ARCHITECTURAL REVIEW BOARD.

LEGEND & SYMBOLS:

- CMF 3" CONCRETE MONUMENT FOUND
IPF 1/2" IRON PIN FOUND
PKF P.K. NAIL FOUND

SOME OR ALL AREAS ON THIS PLAT ARE FLOOD HAZARD AREAS AND HAVE BEEN IDENTIFIED AS HAVING AT LEAST A ONE PERCENT CHANCE OF BEING FLOODED IN ANY GIVEN YEAR BY RISING TIDAL WATERS ASSOCIATED WITH POSSIBLE HURRICANES. LOCAL REGULATIONS REQUIRE THAT CERTAIN FLOOD HAZARD PROTECTIVE MEASURES BE INCORPORATED IN THE DESIGN AND CONSTRUCTION OF STRUCTURES IN THESE DESIGNATED AREAS. REFERENCE SHALL BE MADE TO THE DEVELOPMENT COVENANTS AND RESTRICTIONS OF THIS DEVELOPMENT AND REQUIREMENTS OF THE TOWN BUILDING OFFICIAL. IN ADDITION, FEDERAL LAW REQUIRES MANDATORY PURCHASE OF FLOOD INSURANCE AS A PREREQUISITE TO FEDERALLY INSURED MORTGAGE FINANCING IN THESE DESIGNATED FLOOD HAZARD AREAS.



REFERENCE PLAT

- 1) ASBUILT PLAT OF HERITAGE PLAZA, HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA
DATED: 8/29/78, REVISED: 10/3/78
RECORDED IN BOOK 27, PAGE 59, DATED
RMC, BEAUFORT COUNTY, SC
BY: E.H. FREISLEBEN P.E.&L.S. 4624

ADDRESS: POPE AVENUE
DISTRICT: 552, MAP: 018, PARCELS: 10 AND 193
THIS PROPERTY LIES IN F.E.M.A. ZONE A7
BASE FLOOD ELEVATION = 14.0'
COMMUNITY NO. 450250, PANEL 0013D, DATED: 9/29/86

AREA TABLE		
①	REMAINDER OF PARCEL 193 TO BE CONVEYED:	17,992 Sq Ft 0.41 Ac.
②	PORTION OF PARCEL 193 TO BE RETAINED:	2,000 Sq Ft 0.05 Ac.
③	PORTION OF PARCEL 10 TO BE CONVEYED:	6,878 Sq Ft 0.16 Ac.

I HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THIS SURVEY AND PLAT WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE SURVEYING BOARD FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND I CERTIFY OR BELIEVE THE SURVEYING BOARD HAS A CLERK OF SURVEY AS PROVIDED THEREIN. ALSO THERE ARE NO VIOLATIONS OF COVENANTS OR PROVISIONS OF OTHER INSTRUMENTS.



NOT VALID UNLESS EMBOSSED.

BOUNDARY RECONFIGURATION OF
TAX PARCELS R552 018 000 0010 0000,
AND R552 018 000 0193 0000,
HERITAGE PLAZA, HILTON HEAD ISLAND,
BEAUFORT COUNTY, SOUTH CAROLINA
PREPARED FOR: HHI PARTNERS, LLC

DATE: 08/09/16

SCALE: 1" = 50'



SILS Sea Island Land Survey, LLC.
4D Mathews Court, Hilton Head Island, SC 29926
Tel (843) 681-3248
Fax (843) 689-3871
E-mail: sils@sprynet.com
FILE No.: 04467/8 DWG No.: 2-1796

COPYRIGHT © BY SEA ISLAND LAND SURVEY, LLC.

EXHIBIT “B”

PURCHASE AND SALE AGREEMENT OF:

+/- 0.16 Acres and +/- 0.41 Acres

By and Between

HHI Partners, LLC

and

The Town of Hilton Head Island, South Carolina

Dated: _____, 201__

PURCHASE AND SALE AGREEMENT

WITNESSETH

ALL that certain piece, parcel or tract of land situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, consisting of 6,878 square feet / 0.16 acres, more or less, and shown and described as "3 – PORTION OF PARCEL 10 TO BE CONVEYED" on the attached Exhibit "A".

A Portion of Beaufort County PIN: R552-018-000-0010-0000

(hereinafter, the “Developer Real Property”).

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

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

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

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

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

3. *Town Property:* The Town Property referred to in this Agreement is defined and described as follows:

(a) The Town Real Property referred to in this Agreement is defined and described as

follows:

ALL that certain piece, parcel or tract of land situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, consisting of 17,992 square feet / 0.41 acres, more or less, and shown and described as "1 – REMAINDER OF PARCEL 193 TO BE CONVEYED" on the attached Exhibit "A".

A Portion of Beaufort County PIN: R552-018-000-0193-0000

(hereinafter, the "Town Real Property").

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

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

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

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

(c) *Definition of the "Town Property"*: Both the Town Real Property and the Town Intangible Personal Property are hereinafter referred to collectively as the "Town Property".

4. *Delivery of Documents.*

4.01 *Delivery of Documents by Seller:*

(a) Within fifteen (15) days of the Effective Date as defined herein, Seller shall deliver or cause to be delivered to Purchaser copies of the following documents:

(i) Any existing title insurance policies in the possession of Seller or Seller's attorney insuring title to the Developer Real Property.

(ii) Copies of any documents evidencing utility allocations or capacity or other contracts benefiting the Developer Real Property.

(iii) Any and all documents relating to any rights or obligations which run to or from the Developer Real Property.

(iv) Copies of all engineering studies, wetland delineations, environmental studies, surveys and the like of the Developer Real Property which are in Seller's possession. Such studies may be given with appropriate disclaimers.

(v) Copies of any reports, studies or documentation of any type pertaining to any ongoing or previous environmental cleanup affecting the Developer Real Property.

(b) *Return of Documents:* If this Agreement is terminated for any reason other than Default of Seller, Purchaser shall, within five (5) days following such termination, deliver to Seller all documents and materials relating to the Developer Property previously delivered to Purchaser by Seller. The return of such documents shall not affect the right of either party to seek legal or equitable remedies as provided under elsewhere in this Agreement.

4.02 *Delivery of Documents by Purchaser:*

(a) Within fifteen (15) days of the Effective Date as defined herein and upon demand by Seller, Purchaser shall deliver or cause to be delivered to Seller copies of the following documents:

(i) Any existing title insurance policies in the possession of Purchaser or Purchaser's attorney insuring title to the Town Real Property.

(ii) Copies of any documents evidencing utility allocations or capacity or other contracts benefiting the Town Real Property.

(iii) Any and all documents relating to any rights or obligations which run to or from the Town Real Property.

(iv) Copies of all engineering studies, wetland delineations, environmental studies, surveys and the like of the Town Real Property which are in Purchaser's possession. Such studies may be given with appropriate disclaimers.

(v) Copies of any reports, studies or documentation of any type pertaining to any ongoing or previous environmental cleanup affecting the Town Real Property.

(b) *Return of Documents:* If this Agreement is terminated for any reason other than Default of Purchaser, Seller shall, within five (5) days following such termination, deliver to Purchaser all documents and materials relating to the Property previously delivered to Seller by Purchaser. The return of such documents shall not affect the right of either party to seek legal or equitable remedies as provided elsewhere in this Agreement.

5. *Escrow Deposit:* Upon execution of this Agreement, no escrow deposit or similar payment shall be made by Purchaser or Seller with Escrow Agent hereinafter described.

6. *Purchaser's Title:* Seller shall provide Purchaser with good and marketable title to the Developer Property by Deed of General Warranty, free and clear of any and all monetary liens and encumbrances.

(a) *Title Evidence:* Within thirty (30) days after the Effective Date as defined herein, Purchaser may obtain a current Owner's Title Insurance Commitment (the "Commitment") underwritten on, and issued by, a Title Insurance Company of the Purchaser's choosing (hereinafter, the "Title Company"), by which Commitment the Title

Company shall agree to insure fee simple marketable title to the Developer Real Property in the name of the Purchaser in an amount equal to the then-current market value of the Developer Real Property. Seller and Purchaser understand and agree that as of the date of the Title Commitment and the Closing Date, fee simple marketable title to the Developer Property shall be vested in the Seller, and the Commitment shall show and evidence:

(i) That fee simple, marketable title to the Developer Real Property is vested in the Seller;

(ii) That title to the Developer Real Property is in the condition required by this Article 6. The cost of, or premium associated with, the Commitment, and any Final Policy of Title Insurance issued thereon, shall be the responsibility of and shall be paid for by the Purchaser.

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

(c) *Seller's Right to Cure:* Seller shall have thirty (30) days from receipt of Purchaser's written notice of any Title Defects to Cure (hereinafter defined), or to cause

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

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

(i) Closing this transaction in accordance with the terms and conditions hereof, and accepting title to the Developer Real Property in its then-existing condition by deed, taking exception to such unCured Title Defects, with such additional terms and conditions as are agreed to by the Parties; or,

(ii) Terminating this Agreement, whereupon Purchaser and Seller shall thereafter be released from any and all further obligations or liabilities to one another arising under or out of this Agreement.

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

(i) The Purchaser shall notify the Seller of any Title Defects arising subsequent to delivery of the Title Commitment prior to closing.

(ii) Upon notification to Seller by Purchaser of any Title Defects

arising subsequent to delivery of the Title Commitment, the “Cure” provisions of this Article 6 shall become effective.

7. *Seller’s Title:* Subject to Article 7(f) below, Purchaser shall provide Seller with good and marketable title to the Town Property by Deed of General Warranty, free and clear of any and all monetary liens and encumbrances.

(a) *Title Evidence:* Within thirty (30) days after the Effective Date as defined herein, Seller may obtain a current Owner’s Title Insurance Commitment (the “Commitment”) underwritten on, and issued by, a Title Insurance Company of the Seller’s choosing (hereinafter, the “Title Company”), by which Commitment the Title Company shall agree to insure fee simple marketable title to the Town Real Property in the name of the Seller in an amount equal to the then-current market value of the Town Real Property. Purchaser and Seller understand and agree that as of the date of the Title Commitment and the Closing Date, fee simple marketable title to the Town Property shall be vested in the Purchaser, and the Commitment shall show and evidence:

- (i) That fee simple, marketable title to the Town Real Property is vested in the Purchaser;
- (ii) That title to the Town Real Property is in the condition required by this Article 7. The cost of, or premium associated with, the Commitment, and any Final Policy of Title Insurance issued thereon, shall be the responsibility of and shall be paid for by the Seller.

(b) *Objections to Title:* If Seller’s title examination or the Commitment shall reveal that Purchaser’s title to the Town Real Property is subject to any easements, covenants, clouds on or to the title, encroachments, boundary discrepancies, liens, encumbrances, or any other matter affecting title, or Seller’s proposed use of the Town Real Property, then Seller shall notify Purchaser, in writing, of such title defects and Seller’s objection to the same within five (5) days after the delivery of the Commitment. Upon such notification,

the same shall be treated as defect(s) in title ("Title Defects"). Unless Seller delivers said written objections within the said five (5) day period following the delivery of the Commitment, it shall be conclusively deemed that Seller has accepted title to the Town Real Property in its then-existing condition.

(c) *Purchaser's Right to Cure:* Purchaser shall have thirty (30) days from receipt of Seller's written notice of any Title Defects to Cure (hereinafter defined), or to cause to be Cured, the Title Defects. Purchaser agrees to use its best efforts and due diligence in Curing, or in causing to be Cured, the Title Defects. If said thirty (30) day period given Purchaser to Cure the Title Defects shall extend beyond the Closing Date, and Purchaser does not Cure, or cause to be Cured, the Title Defects before the Closing Date, then closing shall be held within ten (10) days after Purchaser delivers written notice to Seller that the Title Defects have been Cured. "Cured" as used herein means that a title insurance company authorized to do business in South Carolina and a member of the American Land Title Association will issue a Title Insurance Policy insuring title to the Town Real Property at standard rates and with only the standard exceptions.

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

(i) Closing this transaction in accordance with the terms and conditions hereof, and accepting title to the Town Real Property in its then-existing condition by deed, taking exception to such unCured Title Defects, with such additional terms and conditions as are agreed to by the Parties; or,

(ii) Terminating this Agreement, whereupon Purchaser and Seller shall thereafter be released from any and all further obligations or liabilities to one another arising under or out of this Agreement.

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

(i) The Seller shall notify the Purchaser of any Title Defects arising subsequent to delivery of the Title Commitment prior to closing.

(ii) Upon notification to Purchaser by Seller of any Title Defects arising subsequent to delivery of the Title Commitment, the "Cure" provisions of this Article 7 shall become effective.

8. *Closing:* This transaction shall be "Closed" at 10 o'clock A.M. on the Closing Date (hereinafter defined) at the Office of Purchaser's Attorney, or at such other place as Purchaser and Seller shall mutually agree in writing. At Closing, title to the Developer Property shall be conveyed from Seller to Purchaser by delivery of the Deed and other documents required herein from Seller to Purchaser. Also at Closing, title to the Town Property shall be conveyed from Purchaser to Seller by delivery of the Deed and other documents required herein from Purchaser to Seller. Subject to fulfillment of all of the Seller's and Purchaser's obligations and any conditions hereunder, the Closing, unless otherwise modified or extended by mutual agreement of the Seller and Purchaser in writing, shall occur on or before sixty (60) days following the issuance of a Certificate of Completion evidencing completion of the construction/installation of improvements as described in Articles 30 and 31 herein below (the "Closing Date").

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

(a) A Good and sufficient General Warranty Deed (the "Deed") so as to convey to Purchaser Fee Simple, Marketable Title to the Developer Real Property, as provided herein above. The Deed shall be in recordable form, with documentary stamps (if any) affixed, executed by the Seller and duly acknowledged before a Notary Public.

(b) A “Certification by Entity Transferor,” certifying that the Seller is not a “foreign person” as that term is used and defined in Section 1445 (f)(3) of the Internal Revenue Code of 1986, as amended.

(c) A mechanic’s lien affidavit, duly executed by Seller and acknowledged before a notary public, attesting to the absence, unless otherwise provided for in this Agreement, or unless created by acts of the Purchaser, of any claims of lien or potential lienors and further attesting that there have been no improvements to the Developer Real Property for ninety (90) days immediately preceding the Closing Date for which the cost thereof remains unpaid.

(d) Seller’s/Owner’s Affidavit and Indemnity (GAP Affidavit).

(e) A South Carolina residency affidavit certifying the address, Residence and Federal Identification Number of Seller to establish the withholding requirements of S. C. Code Ann. § 12-8-580 and SC Revenue Advisory Bulletin #02-6.

(f) Full and complete releases, in recordable form, of any mortgages, liens, claims or other encumbrances to the title of the Developer Real Property, except as may be otherwise provided in this Agreement.

(g) An Absolute Assignment by Seller to Purchaser of any and all of Seller’s rights, privileges, permits, easements, licenses and approvals, if any, which may exist regarding or incidental to the Developer Property in any way, or the present or future development of the Developer Property, including but not limited to those set forth herein above.

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

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

(a) A Good and sufficient General Warranty Deed (the “Deed”) so as to convey to Purchaser Fee Simple, Marketable Title to the Town Real Property, as provided herein above. The Deed shall be in recordable form, with documentary stamps (if any) affixed, executed by the Purchaser and duly acknowledged before a Notary Public.

(b) A “Certification by Entity Transferor,” certifying that the Purchaser is not a “foreign person” as that term is used and defined in Section 1445 (f)(3) of the Internal Revenue Code of 1986, as amended.

(c) A mechanic’s lien affidavit, duly executed by Seller and acknowledged before a notary public, attesting to the absence, unless otherwise provided for in this Agreement,

or unless created by acts of the Seller, of any claims of lien or potential lienors and further attesting that there have been no improvements to the Town Real Property for ninety (90) days immediately preceding the Closing Date for which the cost thereof remains unpaid.

(d) Owner's Affidavit and Indemnity (GAP Affidavit).

(e) A South Carolina residency affidavit certifying the address, Residence and Federal Identification Number of Purchaser to establish the withholding requirements of S. C. Code Ann. § 12-8-580 and SC Revenue Advisory Bulletin #02-6.

(f) Full and complete releases, in recordable form, of any mortgages, liens, claims or other encumbrances to the title of the Town Real Property, except as may be otherwise provided in this Agreement.

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

9. *Default by Purchaser:* Except as may be otherwise expressly provided or limited herein with respect to any specific act or omission, if the Purchaser shall default in any of its obligations, covenants, or agreements contained within this Agreement or any of the Exhibits hereto, and shall remain in default after ten (10) day's written notice specifying the default and demanding that the default be cured, then the Seller shall be entitled to either (a) terminate this Agreement by written notice to Purchaser, or (b) pursue any remedy at law or in equity against the Purchaser. The provisions of this Article 9 shall be binding upon the successors and assigns of the Purchaser, and shall survive the Closing of the transaction contemplated herein.

10. *Default by Seller:* Except as may be otherwise expressly provided or limited herein with respect to any specific act or omission, if the Seller shall default in any other obligations, covenants, or agreements contained within this Agreement or any of the Exhibits hereto, and shall remain in default after ten (10) day's written notice specifying the default and demanding that the default be cured, then the Purchaser shall be entitled to either (a) terminate this Agreement by written notice to Purchaser, or (b) in the alternative, pursue any remedy at law or

in equity against the Seller. The provisions of this Article 10 shall be binding upon the successors and assigns of the Seller, and shall survive the Closing of the transaction contemplated herein.

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

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

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

(c) Approval of the terms of this Agreement by the Town Council for The Town of Hilton Head Island, South Carolina.

(d) In the event any of the above stated conditions is not satisfied or waived in writing by Purchaser prior to Closing, this Agreement shall terminate on the Option of the Purchaser and neither Party shall have any further obligation or rights with respect to the other.

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

(a) All of the representations and warranties of the Purchaser set forth herein shall be true on and as of the Closing in all respects, as though such representations and

warranties were made at and as of the Closing; and all covenants, agreements and documents required of the Seller in this Agreement shall have been performed, complied with or delivered (as the case may be) in accordance with this Agreement.

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

(c) Seller shall have obtained all necessary approvals, consents and/or waivers Seller deems necessary, in its sole discretion, to implement the concept plan depicted on Exhibit "B". Such consents and approvals shall include, but not be limited to, any permits, approvals, variances, assignments, or waivers from the Town of Hilton Head, Forest Beach Owners Association, and Property Research Holdings, Inc.

(d) In the event any of the above stated conditions is not satisfied or waived in writing by Seller prior to Closing, this Agreement shall terminate on the Option of the Seller and neither Party shall have any further obligation or rights with respect to the other.

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

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

(b) Other than work or material contracted for by Purchaser or Seller, as of the Closing, no work will have been performed or will be in process at the Developer Property, and no materials will have been delivered to the Developer Property that might provide the basis for the filing of a Mechanic's, Materialman's or other lien against the Developer Property or any portion thereof. The requirements set forth in this Article 13 shall be deemed satisfied by Seller's delivery at Closing of an executed copy of the Seller's/Owner's Affidavit and Indemnity (GAP Affidavit).

(c) Other than is expressly provided for herein, Seller shall not grant any easements,

or enter into any covenants or agreements concerning the Developer Property or title to the Developer Real Property, or in any other way affect the Developer Property or title to the Developer Real Property without the written consent of Purchaser.

(d) To the best of Seller's knowledge, there is no litigation now pending or threatened against the Seller which would materially affect the execution, delivery or enforceability of this Agreement, or the Seller's performance or other obligations hereunder.

14. *Representations and Warranties of Purchaser:* To induce Seller to enter into this Agreement and to sell the Developer Property in exchange for the Town Property, Purchaser represents and warrants (which representations and warranties shall survive the Closing) to Seller as follows:

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

(b) Other than work or material contracted for by Seller, as of the Closing, no work will have been performed or will be in process at the Town Property, and no materials will have been delivered to the Town Property that might provide the basis for the filing of a Mechanic's, Materialman's or other lien against the Town Property or any portion thereof.

(c) Other than is expressly provided for herein, Purchaser shall not grant any easements, or enter into any covenants or agreements concerning the Town Property or title to the Town Real Property, or in any other way affect the Town Property or title to the Town Real Property without the written consent of Seller.

(d) To the best of Purchaser's knowledge, there is no litigation now pending or threatened against the Purchaser which would materially affect the execution, delivery or enforceability of this Agreement, or the Purchaser's performance or other obligations hereunder.

15. *Brokers:* Seller and Purchaser warrant and represent that no broker, finder, or other person is entitled to a commission, finder's fee or other compensation in connection with this Agreement, and Seller shall indemnify and hold harmless the Purchaser from any and all claims, liabilities, losses, damages, costs and expenses arising from the claim of any broker, finder or

other person for such compensation, arising by, under or through Seller. The obligations under this Article 15 shall survive the Closing.

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

17. *Possession:* Possession of the Developer Property shall be delivered to the Purchaser at Closing; provided, however, that Purchaser provides an executed Deed to Seller of the Town Property in accordance with the terms of this Agreement at Closing. Possession of the Town Property shall be delivered to the Seller at Closing; provided, however, that Seller provides an executed Deed to Purchaser of the Developer Property in accordance with the terms of this Agreement at Closing.

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

a. Real Property Taxes and Assessments, if any, shall be made on the basis of the current year's tax with due exemptions, if allowed for the said year, with Seller being responsible for such taxes with respect to the Developer Property and Purchaser being responsible for such taxes with respect to the Town Property. If Closing occurs on a date when the current year's taxes are not fixed, taxes will be apportioned based upon the prior year's taxes plus ten (10%) per cent. Any tax apportionment based upon an estimate shall be recalculated when the property taxes are finally fixed, and the Seller or Purchaser, as the case may be, shall make payment to the other based upon such recalculation. The provisions of this Article 19(a) shall survive the Closing and delivery of the Deed.

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

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

(b) Recording of the Town Property Deed and any Town of Hilton Head Island, South Carolina Transfer Fee in connection therewith;

(c) As to the Town Property, the cost of any title insurance premium chargeable for the Commitment and any policy of Title Insurance issued therefrom; and,

(d) With regard to the Town Property, any other purchaser Closing Costs which are customary in Beaufort County, South Carolina; and,

(e) With regard to the Developer Property, any other seller Closing Costs which are customary in Beaufort County, South Carolina.

20. *Purchaser's Closing Costs:* Purchaser shall be responsible to pay the cost of:

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

(b) Recording of the Developer Property Deed and any Town of Hilton Head Island, South Carolina Transfer Fee in connection therewith;

(c) As to the Developer Property, the Cost of any title insurance premium chargeable for the Commitment and any policy of Title Insurance issued therefrom;

(d) With regard to the Developer Property, any other purchaser Closing Costs which are customary in Beaufort County, South Carolina; and,

(e) With regard to the Town Property, any other seller Closing Costs which are customary in Beaufort County, South Carolina.

21. *Attorney's Fees and Costs:* If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover its reasonable attorney's fees and any costs incurred as a result of any such dispute, whether incurred before the institution of suit or after the commencement of suit, including appellate proceedings, in addition to any other relief to which the prevailing party is entitled.

22. OMITTED.

23. *Damage or Risk of Loss for Developer Property:* The risk of loss or complete or partial destruction of the Developer Property shall rest with the Seller up to the time that the Closing occurs. If the Developer Property is damaged, but repairable prior to Closing, Seller has the option of repairing and proceeding. If the Developer Property is damaged, but un-repairable prior to Closing, this Agreement shall be terminated and neither party shall have any further rights or obligations with respect to the other.

24. *Damage or Risk of Loss for Town Property:* The risk of loss or complete or partial destruction of the Town Property shall rest with the Purchaser up to the time that the Closing occurs. If the Town Property is damaged, but repairable prior to Closing, Purchaser has the option of repairing and proceeding. If the Town Property is damaged, but un-repairable prior to Closing, this Agreement shall be terminated and neither party shall have any further rights or obligations with respect to the other.

25. *Condemnation of Developer Property:* If, between the date of this Agreement and the Closing, a taking or condemnation of the Developer Property is threatened, or commenced, Purchaser may elect, in writing, within five (5) days after receipt of notice from Seller of such taking or condemnation, accompanied by information regarding the amount and payment of the condemnation proceeds, to terminate this Agreement or to purchase the Developer Property without regard to such condemnation. If Purchaser fails to notify Seller of Purchaser's election, Purchaser will be deemed to have elected to proceed with the purchase of the Developer Property without regard to such taking or condemnation. If Purchaser elects to terminate this Agreement, Purchaser shall notify Seller of such election in writing; this Agreement shall be of no further force and effect; and Seller shall be entitled to receive any condemnation awards payable as a result of such taking or condemnation. If Purchaser elects to purchase the Developer Property despite such taking or condemnation, Seller shall assign its rights to and Purchaser shall be

entitled to receive any condemnation awards payable as a result of such taking or condemnation.

26. *Condemnation of Town Property:* If, between the date of this Agreement and the Closing, a taking or condemnation of the Town Property is threatened, or commenced, Seller may elect, in writing, within five (5) days after receipt of notice from Purchaser of such taking or condemnation, accompanied by information regarding the amount and payment of the condemnation proceeds, to terminate this Agreement or to purchase the Town Property without regard to such condemnation. If Seller fails to notify Purchaser of Seller's election, Seller will be deemed to have elected to proceed with the purchase of the Town Property without regard to such taking or condemnation. If Seller elects to terminate this Agreement, Seller shall notify Purchaser of such election in writing; this Agreement shall be of no further force and effect; and Purchaser shall be entitled to receive any condemnation awards payable as a result of such taking or condemnation. If Seller elects to purchase the Town Property despite such taking or condemnation, Purchaser shall assign its rights to and Seller shall be entitled to receive any condemnation awards payable as a result of such taking or condemnation.

27. *Escrow Agent:* The "Escrow Agent" shall be Mitchell J. Thoreson, Esq., Alford & Thoreson, LLC, 18 Executive Park Road, Building 1, Hilton Head Island, South Carolina 29928. If any dispute should arise as to whether Escrow Agent is obligated to deliver any documents which it holds, Escrow Agent shall not be required to make delivery thereof, but, in such event shall hold the same until receipt, by Escrow Agent, of written authorization from Seller and Purchaser directing the disposition of the same. In the absence of such written authorization, Escrow Agent may hold any documents in connection with this transaction in its possession until a final determination of the rights of the Parties by a Court of competent jurisdiction. If such written authorization is not given or proceedings for such determination are not begun and diligently continued, Escrow Agent may institute an appropriate proceeding for leave to place the

Escrow Deposit, or any other funds or documents in connection with this transaction in its possession with the Clerk of Court for Beaufort County, South Carolina, pending such determination. Escrow Agent shall not be charged with notice of any fact or circumstance unless and until written notice of the same is received by Escrow Agent. Upon making the delivery of the funds or documents which Escrow Agent may hold in accordance with the provisions of this Article 27, Escrow Agent shall have no further obligation or liability to Purchaser and Seller, and Purchaser and Seller agree to indemnify and hold Escrow Agent harmless from any such liability. The Escrow Agent shall serve as Closing Agent for all Parties at settlement. Deposit with the Escrow Agent of the instruments of conveyance and such other documents as are required of either Party under the terms of this Agreement, and/or the Title Company, and/or the Escrow Agent shall be deemed to be a good and sufficient tender of performance in accordance with the terms hereof.

28. *Conduct Prior to Closing:* From and after the date hereof, Seller shall not, without the prior written approval of the Purchaser, make any alterations or additions to the Developer Property except as required in this Agreement, for maintenance, or by law, sell, transfer, encumber, lease or rent all or any part of the Developer Property or change the status of title to the Developer Property; or cancel, assign or amend any license or permit or other right held by the Seller with respect to the Developer Property or any part thereof prior to Closing. From and after the date hereof, Purchaser shall not, without the prior written approval of the Seller, make any alterations or additions to the Town Property except as required for maintenance or by law, sell, transfer, encumber, lease or rent all or any part of the Town Property or change the status of title to the Town Property; or cancel, assign or amend any license or permit or other right held by the Purchaser with respect to the Town Property or any part thereof prior to Closing.

29. *Miscellaneous:*

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

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

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

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

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

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

29.07. *Captions:* The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

29.08. OMITTED.

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

29.10. *No Third Party Beneficiaries:* The Parties hereto affirmatively represent that this Agreement is made solely for the benefit of the parties hereto and their respective successors and assigns and not for the benefit of any third party who is not a signature party hereto. No party

other than the signature parties and their respective successors and assigns hereto shall have any enforceable rights hereunder, or have any right to the enforcement hereof, or any claim for damages as a result of any alleged breach hereof.

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

To Purchaser: THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
Town Manager
One Town Center Court
Hilton Head Island, SC 29928

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

To Seller: Mark Senn
President, Southeastern Development Associates
2743 Perimeter Parkway
Building 200, Suite 370
Augusta, Georgia 30909

With a Copy to: Bobby Thomas
Southeastern Development Associates
2743 Perimeter Parkway
Building 200, Suite 370
Augusta, Georgia 30909

29.12 *Further Assurances and Corrective Documents:* The Seller and Purchaser agree to do, execute, acknowledge, deliver or cause to be done all such further acts as may be reasonably determined to be necessary to carry out this Agreement and give effect hereto. The Seller and Purchaser agree that each shall, upon request, execute and deliver such other or corrective documents, or any such document as may be reasonably requested by any governmental or

regulatory agencies, including but not limited to any such documents relating to any pending or previous environmental cleanup affecting the Real Property, as may be reasonably determined to be necessary, either before or after the Closing. The obligations of the Article shall survive the Closing.

30. *Construction/Installation of Multi-Purpose Pathway:* Seller and Purchaser agree that Seller shall construct and install, at Seller's sole cost and expense, a multi-purpose pathway over and across the Developer Property and a portion of adjacent property owned by the Purchaser, as shown on the attached Exhibit "B" as "REALIGNED PATHWAY / SETBACK FROM STREET". The design of this pathway shall be created by the Seller, shall be approved by the Purchaser through its regulatory process, and shall be in substantial conformance with the attached Exhibit "B" as well as all regulations and standards of similar multi-purpose pathways installed within the limits of the Town of Hilton Head Island, South Carolina. After completion of construction of this pathway, the Purchaser shall assume all maintenance and repair obligations related to the newly-constructed pathway, and the parties agree to execute any necessary documents before or after Closing reflecting these obligations. The provisions of this Article do not waive, alter or diminish any obligations of the Seller or Purchaser to abide by any and all applicable federal, state and local laws, ordinances and regulations, including but not limited to the Municipal Code and Land Management Ordinance of the Town of Hilton Head Island, South Carolina.

31. *Construction/Installation of Landscaping:* Seller and Purchaser agree that Seller shall construct and install, at Seller's sole cost and expense, various landscaping elements within the Developer Property as shown on the attached Exhibit "B" as "PROPOSED 20' POPE AVE GREENWAY", and within a portion of adjacent property owned by the Town as shown on the attached Exhibit "B" as "TOWN RETAINS 2,000 SF" (collectively, "Landscaping Areas"). The

design of this landscaping shall be created by the Seller, shall be approved by the Purchaser through its regulatory process, and shall be in substantial conformance with the attached Exhibit “B”. After completion of construction of this landscaping, the Seller (or the then-current owner of Parcel R552-018-000-0010-0000) shall assume all maintenance and repair obligations related to all elements of the landscaping located within the Landscaping Areas, and the parties agree to execute any necessary documents before or after Closing reflecting these obligations. The provisions of this Article do not waive, alter or diminish any obligations of the Seller or Purchaser to abide by any and all applicable federal, state and local laws, ordinances and regulations, including but not limited to the Municipal Code and Land Management Ordinance of the Town of Hilton Head Island, South Carolina.

32. *Access Easements:* Within thirty (30) days after Closing, Purchaser shall grant one or more access easements over the Developer Property (for access, ingress and egress) to the Seller for all access points established and allowed (pursuant to applicable law) in connection with access, ingress and egress to and from Pope Avenue with respect to the real property held by Seller known as Beaufort County PIN R552-018-000-0010-0000. Any access easement(s) granted by Purchaser shall place the obligation of all maintenance and repair of areas within the access easement(s) on the Seller and/or the then-current owner of the benefitted Parcel 10.

33. *Right of Entry:* Upon the Effective Date of this Agreement, Purchaser shall grant Seller the right to enter upon the Town Property and Parcel 2 (shown on Exhibit “A” as “Portion of Parcel 193 to be retained: 2,000 Sq Ft 0.05 Ac”) to construct any and all improvements necessary to carry out the terms of this Agreement as well as any and all improvements reasonably consistent with those shown on Exhibit “B”. If this Agreement is terminated by Purchaser due to the Default of Seller, Seller shall restore, within sixty (60) days after such termination, any part of Purchaser’s property which has been altered by Seller (pursuant to the Right of Entry granted

to Seller in this Article 33 or otherwise) to its pre-existing state.

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

WITNESSES:

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

By: _____
David Bennett, Mayor

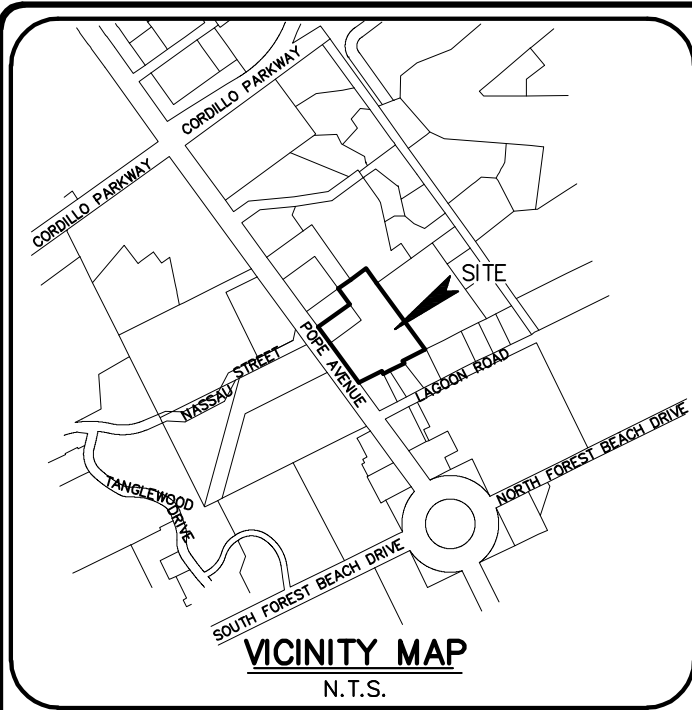
Attest: _____
Stephen G. Riley, ICMA-CM
Town Manager

HHI Partners, LLC

**By: MPR Consultants, Inc.,
as its Manager**

By: _____
Its: President

EXHIBIT “A”



LINE TABLE		
LINE	LENGTH	BEARING
L1	8.57	N 29°16'17" W
L2	64.72	N 60°38'27" E
L3	12.44	S 28°24'43" E
L4	17.81	S 35°27'45" E
L5	20.23	N 25°57'45" W
L6	64.64	S 64°04'17" W
L8	24.00	S 63°52'00" W
L9	158.11	S 30°02'12" E
L10	69.10	N 29°01'09" W
L11	90.00	N 35°46'44" W
L12	17.50	N 21°29'32" W
L13	64.45	N 61°45'20" E
L14	8.94	N 29°16'17" W
L15	33.73	N 26°29'58" W
L16	51.45	N 35°29'27" W
L17	12.02	S 54°30'15" W
L18	6.00	N 35°29'27" W
L19	12.02	N 54°30'15" E
L20	12.02	S 54°30'15" W
L21	6.00	N 35°29'27" W
L22	12.02	N 54°30'15" E
L23	40.00	N 35°47'53" W
L24	34.49	N 54°12'07" E

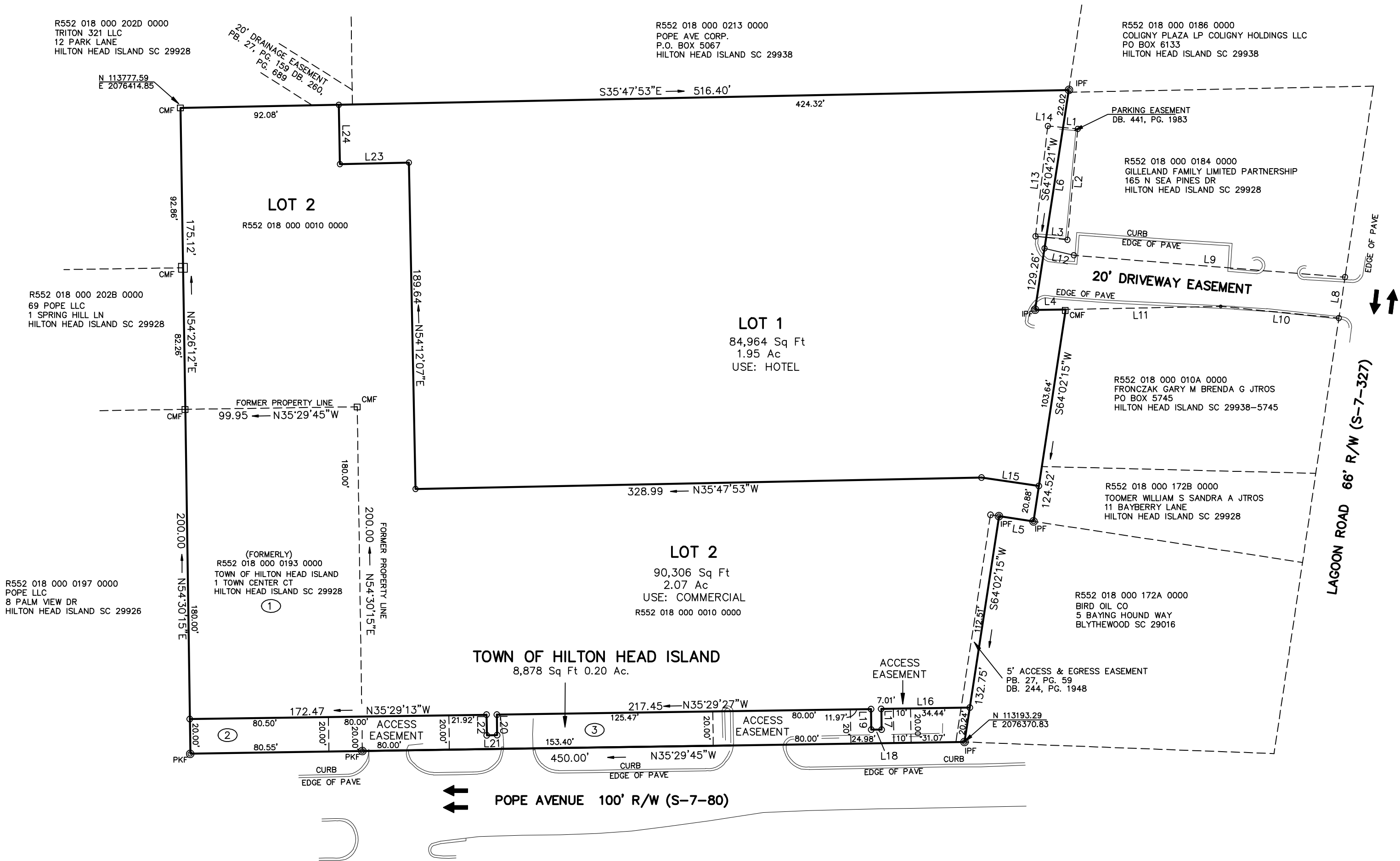
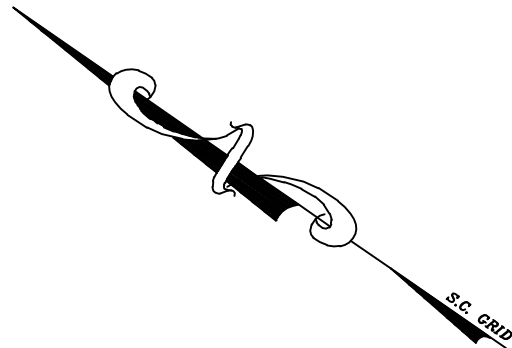
NOTES:

- THIS PLAT HAS BEEN PREPARED WITHOUT BENEFIT OF A COMPLETE TITLE SEARCH BY SEA ISLAND LAND SURVEY, LLC.
- THIS PROPERTY MAY BE SUBJECT TO EASEMENTS OF RECORD AND COVENANT RESTRICTIONS AS RECORDED IN THE OFFICE OF THE ROD FOR BEAUFORT COUNTY.
- SUBJECT PROPERTY DOES NOT APPEAR TO BE AFFECTED BY THE BEACHFRONT SETBACK REQUIREMENTS OF THE S.C. BEACH PROTECTION ACT OF JULY 1, 1988.
- BUILDING SETBACKS, WHETHER SHOWN OR NOT, SHOULD BE VERIFIED BY THE LOCAL BUILDING AUTHORITY OR ARCHITECTURAL REVIEW BOARD.

LEGEND & SYMBOLS:

- CMF 3" CONCRETE MONUMENT FOUND
IPF 1/2" IRON PIN FOUND
PKF P.K. NAIL FOUND

SOME OR ALL AREAS ON THIS PLAT ARE FLOOD HAZARD AREAS AND HAVE BEEN IDENTIFIED AS HAVING AT LEAST A ONE PERCENT CHANCE OF BEING FLOODED IN ANY GIVEN YEAR BY RISING TIDAL WATERS ASSOCIATED WITH POSSIBLE HURRICANES. LOCAL REGULATIONS REQUIRE THAT CERTAIN FLOOD HAZARD PROTECTIVE MEASURES BE INCORPORATED IN THE DESIGN AND CONSTRUCTION OF STRUCTURES IN THESE DESIGNATED AREAS. REFERENCE SHALL BE MADE TO THE DEVELOPMENT COVENANTS AND RESTRICTIONS OF THIS DEVELOPMENT AND REQUIREMENTS OF THE TOWN BUILDING OFFICIAL. IN ADDITION, FEDERAL LAW REQUIRES MANDATORY PURCHASE OF FLOOD INSURANCE AS A PREREQUISITE TO FEDERALLY INSURED MORTGAGE FINANCING IN THESE DESIGNATED FLOOD HAZARD AREAS.



REFERENCE PLAT

- 1) ASBUILT PLAT OF HERITAGE PLAZA, HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA
DATED: 8/29/78, REVISED: 10/3/78
RECORDED IN BOOK 27, PAGE 59, DATED
RMC, BEAUFORT COUNTY, SC
BY: E.H. FREISLEBEN P.E.&L.S. 4624

ADDRESS: POPE AVENUE
DISTRICT: 552, MAP: 018, PARCELS: 10 AND 193
THIS PROPERTY LIES IN F.E.M.A. ZONE A7
BASE FLOOD ELEVATION = 14.0'
COMMUNITY NO. 450250, PANEL 0013D, DATED: 9/29/86

AREA TABLE		
①	REMAINDER OF PARCEL 193 TO BE CONVEYED:	17,992 Sq Ft 0.41 Ac.
②	PORTION OF PARCEL 193 TO BE RETAINED:	2,000 Sq Ft 0.05 Ac.
③	PORTION OF PARCEL 10 TO BE CONVEYED:	6,878 Sq Ft 0.16 Ac.

I HEREBY SWORE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THE FOREGOING SURVEY WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STATUTES GOVERNING SURVEYING IN THE STATE OF SOUTH CAROLINA, AND I CERTIFY THAT THE SURVEY WAS MADE IN ACCORDANCE WITH THE STATUTES GOVERNING SURVEYING IN THE STATE OF SOUTH CAROLINA, AND I CERTIFY THAT THERE ARE NO UNLAWFUL ENCUMBRANCES OR EASEMENTS OF RECORD AFFECTING THE SURVEYED LAND.



NOT VALID UNLESS EMBOSSED.

BOUNDARY RECONFIGURATION OF
TAX PARCELS R552 018 000 0010 0000,
AND R552 018 000 0193 0000,
HERITAGE PLAZA, HILTON HEAD ISLAND,
BEAUFORT COUNTY, SOUTH CAROLINA
PREPARED FOR: HHI PARTNERS, LLC

DATE: 08/09/16

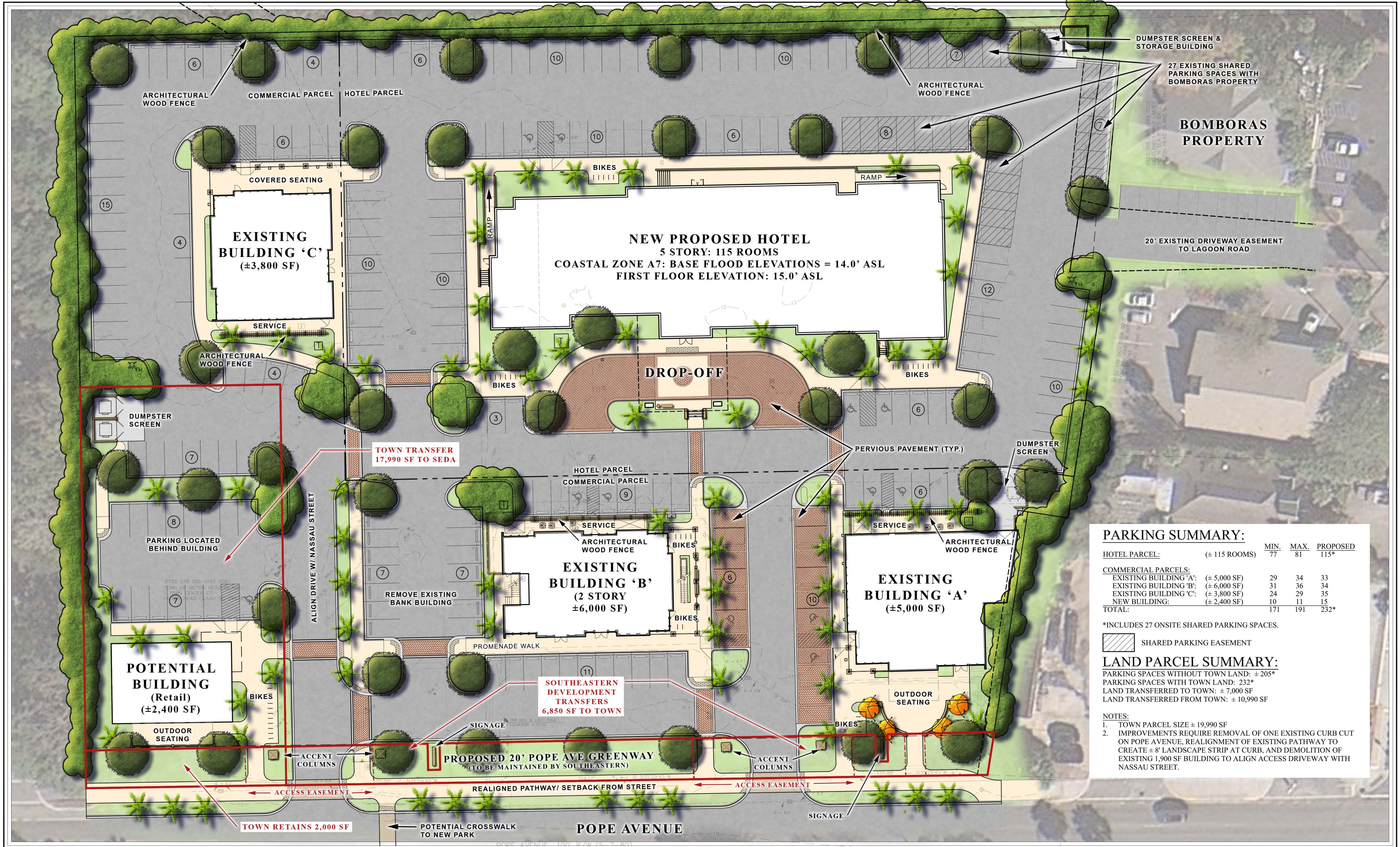
SCALE: 1" = 50'



SILS Sea Island Land Survey, LLC.
4D Mathews Court, Hilton Head Island, SC 29926
Tel (843) 681-3248
Fax (843) 689-3871
E-mail: sils@sprynet.com
FILE No.: 04467/8 DWG No.: 2-1796

COPYRIGHT © BY SEA ISLAND LAND SURVEY, LLC.

EXHIBIT “B”



PARKING SUMMARY:

	MIN.	MAX.	PROPOSED
HOTEL PARCEL: (± 115 ROOMS)	77	81	115*
COMMERCIAL PARCELS:			
EXISTING BUILDING 'A': (± 5,000 SF)	29	34	33
EXISTING BUILDING 'B': (± 6,000 SF)	31	36	34
EXISTING BUILDING 'C': (± 3,800 SF)	24	29	35
NEW BUILDING: (± 2,400 SF)	10	11	15
TOTAL:	171	191	232*

*INCLUDES 27 ONSITE SHARED PARKING SPACES.

 SHARED PARKING EASEMENT

LAND PARCEL SUMMARY:

PARKING SPACES WITHOUT TOWN LAND: ± 205*
PARKING SPACES WITH TOWN LAND: 232*
LAND TRANSFERRED TO TOWN: ± 7,000 SF
LAND TRANSFERRED FROM TOWN: ± 10,990 SF

- NOTES:
1. TOWN PARCEL SIZE ± 19,990 SF
 2. IMPROVEMENTS REQUIRE REMOVAL OF ONE EXISTING CURB CUT ON POPE AVENUE, REALIGNMENT OF EXISTING PATHWAY TO CREATE ± 8' LANDSCAPE STRIP AT CURB, AND DEMOLITION OF EXISTING 1,900 SF BUILDING TO ALIGN ACCESS DRIVEWAY WITH NASSAU STREET.

MEMORANDUM

TO: Stephen G. Riley, ICMA-CM
FROM: Julian Walls, Facilities Manager
DATE: July 7, 2016
RE: Temporary Fire Station Site License Agreement

Recommendation:

Staff recommends the approval of the attached license agreement between Marriott Ownership Resorts, Inc. and the Town of Hilton Head Island for a temporary living quarter's site for Fire Station No. 2 replacement.

Summary:

Attached is the proposed license agreement with the Marriott who owns a parcel of land that the Town wishes to use for temporary living quarters while the new station is being constructed. The term is for 17 months and the monthly expenses for the property are \$451.90 to cover property taxes, insurance and assessments.

Background:

During the construction/replacement of Fire Station 2, temporary living quarters need to be established in and around the Fire Station's service area. Due to the lack of available living options in the area, a decision was made to place the temporary quarters upon a nearby parcel of land. In order to accomplish this, a license agreement is needed.

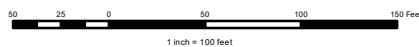
The selected site, which is located near the Sea Pines Center, is owned by the Marriott Ownership Resorts, Inc. and has been determined to suit the Town's needs during the new station's construction. (See attached map)



TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600
Data Created:
Project - map.mxd

Town of Hilton Head Island

Temporary Fire Station Two Location



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

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF A LICENSE AGREEMENT WITH MARRIOTT OWNERSHIP RESORTS, INC. FOR THE PURPOSE OF UTILIZING CERTAIN REAL PROPERTY OWNED BY MARRIOTT OWNERSHIP RESORTS, INC. FOR USE AS A TEMPORARY FIRE STATION.

WHEREAS, the Town of Hilton Head Island, South Carolina (“Town”), is reconstructing/installing a new Fire Station Number 2, located in Sea Pines Plantation on Hilton Head Island; and

WHEREAS, in order to continue to fully serve the fire and emergency services needs of the community, the Town desires to operate a temporary fire station while Fire Station Number 2 is being reconstructed/installed; and

WHEREAS, the Town and Marriott Ownership Resorts, Inc. (“MORI”) desire to facilitate the Town’s use of certain real property owned by MORI for the purposes of a temporary fire station pursuant to the terms of that certain License Agreement attached hereto as Exhibit “1”; and

WHEREAS, the Town Council for the Town has determined that it is in the best interests of the Town to execute the attached License Agreement for the aforementioned purposes.

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

1. The Mayor and/or Town Manager are hereby authorized to execute a License Agreement in substantially similar form as the document attached hereto as Exhibit “1”; and

2. The Mayor and/or Town Manager are hereby authorized to take such other and further action as may be necessary to complete the Town's obligations described in the Agreement to be executed by them, which is authorized hereby.

PASSED AND APPROVED BY THE TOWN COUNCIL THIS _____ DAY OF _____, 2016.

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

Approved as to Form: _____
Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

Ward: _____

EXHIBIT 1

LICENSE AGREEMENT

Security Deposit:	N/A
Description of Premises:	The land known as Parcel C-3 Sea Pines Center, +/- 0.571 Acres, Beaufort County PIN R550-017-000-1215-0000, Hilton Head Island, Beaufort County, South Carolina
Expenses:	Licensee shall pay all taxes, insurance, assessments, and similar charges associated with the Premises, currently totaling Four Hundred and Fifty One and 90/100 Dollars (\$451.90) per month. Licensee shall also pay all utility costs associated with use of the Premises, inclusive of any expenses associated with connection of such utilities.
Notice to Licensee:	Stephen G. Riley, ICMA-CM, Town Manager The Town of Hilton Head Island, South Carolina One Town Center Court Hilton Head Island, SC 29928
Notice to Licensors:	Marriott Ownership Resorts, Inc. 6649 Westwood Boulevard Orlando, Florida 32821 Attn: Asset Management

In the event of any conflict between the foregoing Summary and the balance of this Agreement, the latter shall control.

B. Description and Location of the Premises:

Licensors has granted, bargained, sold and released and by these presents does grant, bargain, sell and release unto Licensee, the right and license to enter into and upon the Premises subject, however, to the terms and conditions of this Agreement.

ARTICLE 2
TERM

A. Duration and Commencement:

The initial term of this Agreement shall be for a period of Seventeen (17) months, commencing on the date of execution of the construction agreement between Licensee and a third party (to be determined through the RFP process conducted by Licensee) for construction of the new Fire Station Number 2 (hereinafter sometimes referred to as the "Commencement Date"), and ending seventeen (17) months thereafter (hereinafter sometimes referred to as the "Termination Date"). Licensee shall be permitted to access the property beginning September 1,

2016 to begin improvements upon the property and ready it for use as of the Commencement Date. The Licensee shall have up to sixty (60) days after the Licensee has vacated the Premises to restore the Premises to preoccupation condition pursuant to this Agreement.

B. Right to Terminate:

- (1) After execution of this Agreement but before the Commencement Date, this Agreement may be terminated by Licensee upon written notice to Licensor; provided, however, that upon such termination, Licensee shall restore, within sixty (60) days after such termination, any part of Licensor's property which has been altered by Licensee (pursuant to the Right of Entry granted to Licensee in Article 2(A) above or otherwise) to its pre-existing state.
- (2) If the Commencement Date has not occurred by January 1, 2017, Licensor may terminate this Agreement by written notice to Licensee. Upon such termination, Licensee shall restore, within sixty (60) days after such termination, any part of Licensor's property which has been altered by Licensee (pursuant to the Right of Entry granted to Licensee in Article 2(A) above or otherwise) to its pre-existing state.
- (3) In all other cases, this Agreement may not be terminated except upon the written consent of Licensor and Licensee hereto, or in accordance with provisions set forth herein. However, beginning the seventh (7th) month after the Commencement Date, either party, upon one hundred and eighty (180) days' advance written notice to the other party, may terminate this Agreement. Provided the terminating party is not in default hereunder, this Agreement shall terminate at the expiration of the one hundred and eightieth (180th) day after notice and, except as specifically set forth herein, the parties shall have no further liabilities hereunder.

C. Continuation of Agreement as Month to Month:

At the end of the Term, this Agreement will automatically convert to a month to month Agreement, unless either party has given thirty (30) days' advance written notice to terminate the Agreement. This Agreement shall automatically terminate upon the completion and occupancy of the new Fire Station Number 2 by the Hilton Head Island Fire Department.

ARTICLE 3
COSTS

Licensee shall pay to Licensor all real property or other taxes, insurance premiums, assessments, and similar charges associated with the Premises, without prior demand therefore and without any deduction or setoff whatsoever, in the amount set forth in Article 1 above. Licensee shall also pay all utility costs associated with use of the Premises, inclusive of any expenses associated with connection of such utilities, as further described in Article 8. Unless otherwise provided for herein, any payment of these expenses shall be paid to Licensor at the

address listed above in Article 1, except for payment of utility costs associated with use of the Premises, which shall be paid by the Licensee directly to the entity or person to whom the utility costs are owed. Such payments shall be paid in full, in advance on the 1st day of each month during the Term or any extension or renewal term of this Agreement. Licensee's payment obligations set forth herein shall not begin until the Commencement Date, and shall cease upon the Expiration Date or earlier termination of this Agreement.

Time is of the essence of the Licensee's ability to begin remodeling/preparing the Premises beginning September 1, 2016 for use as of the Commencement Date.

ARTICLE 4 **POSSESSION OF PREMISES**

A. Acceptance of Premises:

Licensee shall, by entering into and occupying the Premises, be deemed to have accepted the Premises and personal property and fixtures thereon, and to have acknowledged that the same are then in the condition called for by this Agreement.

B. Surrender of the Premises:

Upon the expiration or sooner termination of the term of this Agreement, Licensee shall remove any of Licensee's personal property from the Premises. In the event Licensee shall fail to remove any of Licensee's personal property as provided herein, Licensors may, but is not obligated to, at Licensee's expense, remove all Licensee's personal property not so removed.

ARTICLE 5 **USE OF THE PREMISES**

A. Permitted Uses:

Licensee acknowledges that the Premises shall be used by Licensee only for the operation of a temporary fire station while the current Fire Station Number 2 is being rebuilt and for no other purpose.

B. Rules, Regulations and Restrictions:

Licensee shall at all times during the term of this Agreement, at its sole cost and expense:

- (1) Furnish, install and maintain on the Premises any of Licensee's personal property deemed necessary by Licensee for the Licensee's use of the Premises;
- (2) Maintain the Premises, in a clean, neat, safe, sanitary and orderly condition, it being understood that no use shall be made or permitted of the Premises or any part thereof, nor any acts done, which will violate, make inoperative otherwise impair any insurance policy an any time held by or in any way for the benefit of

Licensors pursuant to any provision of this Agreement;

- (3) Licensee shall, at its sole cost and expense, cause the removal and clean-up of any hazardous substance existing stored on the Premises or allowed to contaminate the Premises by Licensee;
- (4) Comply with all governmental rules, regulations, ordinances, statutes and laws now or hereafter in effect pertaining to the Premises or Licensee's use thereof;
- (5) Refrain from committing or suffering to be committed any waste upon, or any unlawful, improper or offensive use of, the Premises, or any public or private nuisance or act or thing upon the Premises or any structure or building on the Premises;
- (6) Maintain the Premises so as to achieve compliance with and remain in compliance with all local ordinances promulgated by the Town of Hilton Head Island, South Carolina, or any other applicable Federal, State or local statute, ordinance, law, rule or regulation concerning the Premises.
- (7) Provide at least thirty (30) days' advance written notice to adjacent residents, businesses and/or homeowner's associations of pending construction of Licensee improvements on the Premises.

ARTICLE 6

REPAIRS AND MAINTENANCE

Licensee acknowledges that Licensee shall be solely responsible for the cost of making any repairs to the Premises and any of the structural, electrical, plumbing or mechanical components for any improvements made by Licensee during the Term and any renewal term of this Agreement.

ARTICLE 7

ALTERATIONS

Licensee shall be permitted to make changes and alterations to the Premises. Plans for any changes or alterations, inclusive of any alterations to provide vehicular or pedestrian access to the Premises, shall be tendered to the Licensors prior to being made. No changes to the premises shall be made without plans being provided to Licensors at least fourteen (14) days in advance of commencement of such work for Licensors' review and written approval, which approval shall be in Licensors' sole discretion. If, during the Term hereof, any change, alteration, addition or correction shall be required by any law, rule or regulation of any governmental authority to be made in or to the Premises or any portion thereof, Licensors shall first give written consent thereto and any such change, alteration, addition or correction shall then be made by Licensee at Licensee's sole cost and expense. Notice is hereby given that no mechanic's, materialmen's or other lien sought to be taken on the Premises shall in any manner affect the right, title or interest of Licensors therein.

Notwithstanding the aforementioned requirement to provide Licensor with plans at least fourteen (14) days in advance of commencing construction, Licensee hereby informs the Licensor of the intent to make alterations or improvements to the Premises in substantial conformance with the attached **Exhibit "A"**. Unless otherwise agreed to in writing by Licensor, no improvements made to the Premises by the Licensee, including those shown on the attached **Exhibit "A"**, may remain with the Premises. After the Licensee has vacated the Premises, the Licensee shall have up to sixty (60) days to restore the Premises to preoccupation condition pursuant to this Agreement.

ARTICLE 8 **UTILITIES**

Licensee shall be responsible for installing, extending or connecting to the various utility lines servicing the Premises (i.e. electricity line(s), sewer line(s), water line(s), etc.), and Licensee shall be responsible for removing these utility lines and restoring the Premises to preoccupation condition, after Licensee has vacated the Premises, in accordance with Article 7. Licensee shall pay before delinquency, at its sole cost and expense, all charges for water, gas, heat, electricity, power, telephone service and all other charges for services or utilities, inclusive of any expenses associated with connection of such utilities, of whatsoever kind or nature used in, upon or about the Premises, or the structures and buildings on the Premises during the Term and any renewal term of this Agreement.

ARTICLE 9 **LICENSEE CONTROL AND INSURANCE**

A. Licensee Control:

Licensee acknowledges that use of the Premises and any structure or building on the Premises is under the sole and exclusive control of Licensee during the Term of this Agreement.

B. Insurance:

Licensee covenants and agrees that from and after the delivery of the Premises by Licensor to Licensee, Licensee will carry and maintain, at its sole cost and expense (including the cost of all premiums, deductibles, retentions and all related costs and expenses), the following types of insurance, in the amounts specified and in the form hereinafter provided for:

(1) Workers Compensation, Public Liability and Auto Liability:

- (a) Commercial general liability insurance including coverage for bodily injury, death and property damage, personal and advertising injury with a limit, per occurrence, of ONE MILLION (\$1,000,000.00) DOLLARS, insuring against any and all liability of the insured with respect to said Premises, or arising out of the maintenance, use or occupancy thereof.

(b) Automobile liability insurance, including all owned, non-owned, and hired vehicles used in conjunction with the Premises, for bodily injury and property damage with a combined single limit of not less than One Million Dollars (\$1,000,000) each accident.

(c) Workers' compensation insurance in statutory amounts, which complies with the applicable workers' compensation laws governing Licensee and all employees working for Licensee and Employer's Liability insurance of not less than Five Hundred Thousand Dollars (\$500,000) per accident, per disease each employee and per disease policy limit.

(2) Other Insurance:

For and during the Term and any renewal term of this Agreement, Licensee shall maintain in force property "all risk" insurance against loss or damage by fire, theft, water damage, wind, hail, flood and including all other perils insured under a standard "Special Cause of Loss" form for the replacement cost, covering all buildings, fixtures, improvements and other property controlled or owned by Licensee and located upon the Premises. Licensor shall not be liable for any loss or damage to property within the Premises including the real or personal property of Licensee

(3) Licensor Insurance:

Licensor shall have no responsibility to provide insurance coverage for Licensee or any property of Licensee.

(4) Policy Form:

All policies of insurance provided for herein shall be issued by insurance companies insurance provided for herein shall be issued by insurance companies of recognized responsibility with a rating of not less than A-VIII, as rated in the most current available "Best's Insurance Reports," and qualified to do business in the State of South Carolina. Certificates of insurance shall be delivered to Licensor within ten (10) days after delivery of possession of the Premises to Licensee and thereafter within ten (10) days prior to the expiration of the term of each such policy. All policies shall contain a waiver of recovery and subrogation in favor of Licensor. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Licensee in like manner and to like extent. If commercially available, all policies of insurance required of Licensee must contain a provision that the company writing said policy will give to Licensor twenty (20) days' notice in writing in advance of any cancellation or lapse or the effective date of any reduction in the amounts of insurance. In the event insurer will not provide such notice, then Licensee will provide such written notice to Licensor. The commercial general liability policy shall be written as primary insurance coverage, not contributing with and not in excess of coverage which Licensor may carry. Licensee hereby waives and shall waive its respective rights of recovery and

its insurers' rights of subrogation for any loss or damage to Licensee or any third party, regardless of the cause of the loss or damage.

(5) Failure of Licensee to Obtain:

In the event that Licensee fails to procure and/or maintain any insurance required by this Article, or fails to carry insurance required by law or governmental regulation, Licensors may, but without obligation to do so, at any time or from time to time, and without notice, procure such insurance and pay the premiums therefore, in which event Licensee shall repay Licensors all sums so paid by Licensors, together with interest thereon as provided in Article 16 hereof, and any incidental costs or expenses incurred by Licensors in connection therewith, within ten (10) days following Licensors' written demand to Licensee for such payment.

ARTICLE 10
EMINENT DOMAIN

A. Eminent Domain/Whole Taking:

In the event that the whole of the Premises is taken for public or quasi-public purposes by the government of the United States, the State of South Carolina, Beaufort County, or any government or power whatsoever, or should the whole of the Premises be condemned by any court, city, county, state or governmental authority or office, department or bureau of any city, county, state or United States, then in any such event this Agreement shall terminate as of the date title to the Premises vests in the condemning authority. Any amounts paid by Licensee to Licensors for the part of the Term extending beyond the date on which title vests in the condemnor shall be refunded by Licensors to Licensee. Licensee shall not share in any condemnation awards.

B. Eminent Domain/Partial Taking:

In the event that a portion of the Premises shall become subject to the exercise of the right of eminent domain, or of seizure or appropriation of space in the same, by lawful authority under the right of eminent domain, Licensors and Licensee shall have the option to terminate this Agreement.

ARTICLE 11
DAMAGE AND RESTORATION

A. Total or Partial Destruction:

In case the Premises are damaged by fire, explosion or other casualty or occurrence, then any such damage shall be promptly repaired by Licensee utilizing the proceeds of the insurance required under Article 9 above, or at Licensee's expense in the event such insurance is inadequate or not in effect.

ARTICLE 12
ASSIGNMENT OR SUBLETTING BY LICENSEE

A. General Limitations:

Licensee may not, either voluntarily or by operation of law, assign this Agreement, or any interest in this Agreement.

B. Effect of Violation:

Any assignment of this Agreement, or any interest hereby created, or the Premises or any portion thereof, either voluntarily or involuntarily, whether by operation of law or otherwise, or any other action by Licensee in violation of the restrictions set forth in this Article shall be null and void and shall, at the option of Licensors, terminate this Agreement.

ARTICLE 13
DEFAULT BY LICENSEE

A. Notice of Termination; Licensors' Options:

In the event that:

- (1) Licensee shall default in the payment of any sum of money required to be paid hereunder and such default continues for ten (10) business days after written notice thereof from Licensors to Licensee; or,
- (2) Licensee shall default in the performance of any other provision, covenant or condition of this Agreement required by Licensee to be kept and performed and such default continues for ten (10) business days after written notice thereof from Licensors to Licensee;

then in any such event (and in addition to all other rights and remedies it may have according to this Agreement or by law provided) Licensors, at its option, may declare the term of this Agreement ended and re-enter the Premises.

Pursuant to said right of re-entry, Licensors may, but shall not be obligated to, remove all property therefrom including but not limited to Licensee's property, and may, but shall not be obligated to, enforce any rights Licensors may have against said property, or store the same in any public or private warehouse or elsewhere at the cost and for the account of Licensee or the owners or owner thereof. If Licensors' right of re-entry is exercised following Licensee's vacating or abandoning the Premises, then Licensors may consider any personal property belonging to Licensee left on the Premises to have been abandoned also, in which case Licensors may dispose of all such personal property in any manner Licensors shall deem proper, including but not limited to removing and/or storing Licensee's personal property at Licensee's sole expense, and is hereby relieved by Licensee of all liability for doing so.

B. Waiver of Default:

The waiver by Licensor of any default or breach of any of the provisions, covenants or conditions hereof on the part of Licensee to be kept and performed shall not be a waiver of any preceding or subsequent breach by Licensee of any provision, covenant or condition of this Agreement.

ARTICLE 14
INSOLVENCY OF LICENSEE

A. Breach of Agreement:

The filing by Licensee of any petition for relief under the provisions of the federal bankruptcy law, including any petition for reorganization, or the making by Licensee of a general assignment for the benefit of Licensee's creditors, or any action taken at the corporate or partnership level to authorize either of the foregoing actions, or the appointment of a receiver or trustee to take possession of all or substantially all of the assets of the Licensee, or any action taken or suffered to be taken by Licensee under any State insolvency law now or hereafter in effect, or should the Premises or any portion thereof be taken or seized under any levy, distraint or execution against Licensee, and the continuance of the same for a period of thirty (30) days, shall constitute a material breach of this Agreement by the Licensee and in such event Licensor may, at its option, terminate this Agreement upon ten (10) days' written notice to the Licensee.

B. Operation of Law:

It is understood and agreed that neither this Agreement, nor any interest herein or hereunder, shall pass by operation of law under any state or federal insolvency or bankruptcy act, or any similar law now or hereafter in effect, to any trustee, receiver, or assignee for the benefit of creditors, or to any other person whomsoever, with the express written consent of the Licensor. Any purported transfer in violation of this Article shall constitute a material breach of this Agreement by Licensee.

ARTICLE 15
LIENS

A. Licensee Responsibility:

Licensee shall keep the Premises free and clear from any claims, liens, demands, charges, encumbrances or litigation arising directly or indirectly out of any use, occupancy or activity of Licensee, its agents and employees, or out of any work performed, material furnished or obligations incurred by Licensee, its agents and employees, in, upon, about or otherwise in connection with the Premises, and shall, except as hereinafter permitted in this Article, pay or cause to be paid for all work performed and material furnished to the Premises or Licensor's reversionary estate therein, and will keep the Premises free and clear of all mechanic's liens and materialmen's liens.

B. Contest of Liens:

If Licensee desires to contest any claim of lien, Licensee shall, within fifteen (15) days after the filing of the lien for record, furnish Licensor with cash security in the amount of the claim of lien, plus estimated costs and interest, or shall furnish Licensor with a bond of a responsible corporate surety in the same amount conditioned upon the discharge of the lien. Nothing contained herein shall prevent Licensor, at the cost and for the account of Licensee, from obtaining and filing a bond conditioned upon the discharge of such lien, in the event Licensee fails or refuses to furnish the same within said fifteen (15) day period.

C. Satisfaction of Liens:

Immediately upon entry of final judgment in any such action in which Licensee contests any such claim of lien, and if such judgment shall establish the validity of the lien, or any part thereof, and within fifteen (15) days after the filing of any lien for record which Licensee does not contest, Licensee shall fully pay and discharge such judgment or lien, as the case may be, and Licensee shall reimburse Licensor upon demand for any and all loss, damage and expense, including reasonable attorneys' fees, which Licensor may suffer or be put to by reason thereof. Nothing contained herein shall prevent Licensor, at the cost and for the account of Licensee, from satisfying any such judgment or lien, as the case may be, in the event Licensee fails or refuses to satisfy the same as herein provided.

D. Notice to Licensor:

Should any claim or lien be filed against the Premises, or any action or proceeding be instituted affecting the title to the Premises, Licensee shall give Licensor written notice thereof as soon as Licensee obtains knowledge thereof.

ARTICLE 16
INTEREST ON PAST DUE OBLIGATIONS

Whenever, under any provision of this Agreement, Licensee shall be obligated to make any payment or expenditure, or to do any act or thing, or to incur any liability whatsoever, and Licensee fails, refuses or neglects to perform as herein required, Licensor shall be entitled but shall not be obligated to make any such payment or expenditure, or do any such act or thing, or to incur any such liability, all on behalf of and at the cost and for the account of Licensee, and in such event the amount thereof with interest thereon as hereinafter provided shall be deemed additional rental hereunder and shall be added to and deemed a part of the next installment of Rent thereafter becoming due from Licensee to Licensor hereunder. Any amount due from Licensee to Licensor under this Agreement which is not paid when due shall bear interest at the rate of eighteen percent (18%) per annum or the highest rate then allowed under the usury laws of the State of South Carolina from the date due until paid, unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any default by Licensee under this Agreement.

ARTICLE 17
FORCE MAJEURE

Whenever a day is appointed herein on which, or a period of time is appointed within which, either party hereto is required to do or complete any act, matter or thing, other than payment of performance of a financial obligation hereunder, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of strikes, lock-outs, embargoes, unavailability of labor or materials, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, Acts of God or other causes beyond such party's reasonable control; provided, however, nothing contained in this Article shall excuse Licensee from the prompt payment of any charge required of Licensee hereunder except as may be expressly provided elsewhere in this Agreement.

ARTICLE 18
SUBORDINATION

Licensee agrees upon request of Licensors to subordinate this Agreement and its rights hereunder to the lien of any mortgage, ground lease, deed of trust, assignment of rights or any other encumbrance, together with any conditions, renewals, extensions or replacements hereof, now or hereafter placed, charged or enforced against the Licensors' interest in this Agreement and the Premises and to deliver (but without cost to Licensee) at any time and from time to time upon demand by Licensors such documents as may be required to effectuate such subordination, and in the event that Licensee shall fail, neglect or refuse to execute and deliver any such document within ten (10) days after receipt of written notice so to do and the receipt by Licensee of the document to be executed by it, Licensee hereby irrevocably appoints Licensors, its successors and assigns, the attorney-in-fact of Licensee, to execute and deliver any and all such documents for and on behalf of Licensee; provided, however, that Licensee shall not be required to effectuate such subordination, nor shall Licensors be authorized to effect such subordination on behalf of Licensee, unless the mortgagee or beneficiary named in such mortgage, deed of trust or other encumbrance shall first agree in writing, for the benefit of Licensee, that so long as Licensee is not in default under any of the provisions, covenants or conditions of this Agreement on the part of Licensee to be kept and performed, that neither this Agreement nor any of the rights of Licensee hereunder shall be terminated or modified or be subject to termination in modification, nor shall Licensee's use of the Premises be disturbed or interfered with, by any trustee's sale or by any action or proceeding to foreclose said mortgage, deed of trust or other encumbrances.

ARTICLE 19
HOLDING OVER

In the event Licensee shall hold over or remain in possession of the Premises with the consent of Licensors after the expiration of the stated Term of this Agreement, or any written extension or renewal term of this Agreement, any such holding over or continued possession shall create a month to month license only, upon the same terms and conditions as are herein set forth in Article 2(C) so far as the same are applicable.

ARTICLE 20
LICENSEE CERTIFICATE

Licensee agrees that at any time and from time to time during the term of this Agreement, and within ten (10) days after demand therefore by Licensors, to execute and deliver to Licensors or to any proposed mortgagee, trustee, beneficiary or purchaser, a certificate in recordable form certifying that this Agreement is in full force and effect, that the Agreement is unmodified, or if modified state any such modifications, and that there are no defenses or offsets thereto, or stating such defenses or offsets as are claimed by Licensee, and the date to which all rentals have been paid.

ARTICLE 21
SALE OR ASSIGNMENT BY LICENSOR

A. Sale or Assignment by Licensors Permitted:

It is agreed that Licensors may, without notice to Licensee, at any time assign or transfer its interest as Licensors in and to this Agreement, or any part thereof, and may at any time sell or transfer its interest in the fee of the Premises, or its interest in and to the whole or any portion of the Premises.

B. Attornment:

Licensee hereby agrees to attorn to the assignee, transferee or purchaser of Licensors under any provision of this Article from and after the date of notice to Licensee of such assignment, transfer or sale, in the same manner and with the same force and effect as though this Agreement were made, in the first instance, by and between Licensee and such assignee, transferee or purchaser. In the event of the exercise of the power of sale under, or the foreclosure of, any deed or trust, mortgage or other encumbrance placed by Licensors against all or any portion of the Premises, Licensee shall upon demand attorn to the purchaser upon the effective date of any such sale or foreclosure of any such deed of trust, mortgage or other encumbrance, and shall recognize the purchaser or judgment creditor as the Licensors under this Agreement.

C. Transfer of Licensors's Obligations:

The term "Licensors" as used in this Agreement, so far as the covenants or obligations on the part of Licensors are concerned, shall be limited to mean and include only the owner or owners at the time in question of the fee of the Premises, and in the event of any transfer or conveyance of Licensors's title to such fee, other than by way of security only, Licensors herein named, except as hereinafter provided (and in case of any subsequent transfers or conveyance, except by way of security only, the then grantor), shall be automatically freed and relieved from and after the date of such transfer or conveyance of all personal liability as respects the performance of any covenants or obligations on the part of Licensors contained in this Agreement thereafter to be performed, provided that any funds in the hands of such Licensors, or the then grantor, at the time of such transfer or conveyance in which Licensee has an interest shall be

turned over to the transferee or grantor, and any amount then due and payable by Licensee to Licensor, or by the then grantor, under any provisions of this Agreement shall be paid to Licensee, it being intended hereby that the covenants and obligations contained in this Agreement on the part of Licensor to be kept and performed by it shall, subject as aforesaid, be binding on Licensor, its successors and assigns only during and in respect of their respective successive periods of ownership.

ARTICLE 22

QUIET POSSESSION

Except as is provided hereunder, Licensor agrees that Licensee, upon paying the Rent and other payments herein required from Licensee, and upon Licensee's performance of all of the provisions, covenants and conditions of this Agreement on its part to be kept and performed, may quietly have, hold and enjoy the Premises during the term of this Agreement, without hindrance or interruption by Licensor or anyone lawfully or equitably claiming by, through or under any persons or parties whatsoever.

ARTICLE 23

NO PARTNERSHIP

Anything contained herein to the contrary notwithstanding, Licensor does not in any way or for any purpose become a principal or partner of Licensee in the conduct of its business or otherwise, or a joint venturer or member of a joint enterprise with Licensee hereunder. The provisions in relation to work performed by Licensee within the Premises are included merely to facilitate Licensor's maintaining architectural control, minimum standards of design and aesthetic value of the Premises.

ARTICLE 24

REMEDIES CUMULATIVE

The various rights, options, elections and remedies of Licensor and Licensee, respectively, contained in this Agreement shall be cumulative and no one of them shall be construed as exclusive of any other, or of any right, priority or remedy allowed or provided for by law and not expressly waived in this Agreement.

ARTICLE 25

ATTORNEY'S FEES

Should either party hereto institute any action or proceeding at law or in equity to enforce or to interpret any provision hereof for damages or other relief by reason of an alleged breach of any provision hereof, the prevailing party shall be entitled to seek to receive from the losing party, in addition to allowable court costs, such amount as the court may adjudge to be reasonable as attorneys' fees for the services rendered the prevailing party in such action or proceeding, and such amount may be made a part of the judgment against the losing party.

ARTICLE 26
PARTIAL VALIDITY

If any term, provision, covenant or condition of this Agreement should be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

ARTICLE 27
RECORDING OF AGREEMENT

Neither this Agreement, nor a memorandum thereof, may be recorded in the Office of the Register of Deeds for Beaufort County, South Carolina without express written permission from the parties hereto.

ARTICLE 28
CAPTIONS, PRONOUNS AND INTERPRETATION

A. Captions:

The captions appearing at the commencement of the Articles, Sections and Paragraphs hereof are descriptive only and intended for convenience in reference to this Agreement, and should there be any conflict or inconsistency between any such caption and the text of any such Article, Section or Paragraph at the head of which it appears, the text of the said Article, Section or Paragraph, as the case may be, and not the caption, shall control and govern in the construction of the terms of this Agreement.

B. Pronouns:

Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution or substitutions.

C. Interpretation:

(1) Law:

Except as may be expressly limited herein, the laws of the State of South Carolina, including statutes of limitation, shall govern the validity, construction and effect of this Agreement, and shall apply in all respects to any disputes or controversies arising out of or pertaining thereto.

(2) Covenants:

Whenever in this Agreement any words of obligation or duty are used in connection with either party, such words shall have the same force and effects as though framed in the form of express covenants on the part of the party obligated.

(3) Joint and Several Liability:

In the event either party hereto now or hereafter shall consist of more than one person, firm or corporation, then and in such event all such persons, firms or corporations shall be jointly and severally liable as parties hereunder.

(4) Language Construction:

The language in all parts of this Agreement shall be construed, in all cases, according to its fair meaning and not for or against either party hereto.

ARTICLE 29
SUCCESSORS AND ASSIGNS

If and where assignment is permitted under the terms hereof, the terms, provisions, covenants and conditions contained in this Agreement shall apply to, bind and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the party hereto permitted to make such assignment, except as otherwise set forth herein.

ARTICLE 30
ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of Licensor and Licensee and supersedes all oral and written agreements and understandings made and entered into by the parties hereto prior to the date hereof. Except as here and otherwise provided, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon Licensor or Licensee unless reduced to writing and signed by each of them. Without limiting the generality of the foregoing, this Agreement may not be amended or modified without the written consent of all beneficiaries under any mortgages or deeds of trust constituting a lien on the fee of all or any portion of the Premises demised to Licensee.

ARTICLE 31
SERVICE OF NOTICES

A. Notices To Be In Writing:

Any and all notices and demands by or from Licensor to Licensee, or by or from Licensee to Licensor, required or desired to be given hereunder shall be in writing and shall be validly given or made if served either personally or if deposited in the United States mail, regular first class mail, postage prepaid. If such notice or demand be served personally, service shall be conclusively deemed made at the time of such personal service. If such notice or demand be served by regular first class mail, in the manner herein provided, service shall be conclusively

deemed at forty-eight (48) hours after the deposit thereof in the United States mail addressed to the party to whom such notice or demand is to be given.

B. Notices to Licensors:

Any notice or demand to Licensors shall be addressed to Licensors at the address specified in Article 1 above.

C. Notices to Licensee:

Any notice or demand to Licensee shall be addressed to Licensee at the address specified in Article 1 above.

D. Change of Address:

Any party hereto may change its address for the purpose of receiving notices or demands as herein provided by a written notice given in the manner aforesaid to the other party hereof, which notice of change of address shall not become effective, however, until the actual receipt thereof by the other party.

ARTICLE 32
JOINDER AND CONSENT OF SEA PINES RESORT, LLC

By virtue of certain covenants and restrictions encumbering the Premises and held by Sea Pines Resort, LLC, the Joinder and Consent attached hereto as **Exhibit "B"** is being executed by Sea Pines Resort, LLC to consent to the execution, operation, and performance of this Agreement.

ARTICLE 33
ENCROACHMENT

Licensors asserts that the Property encroaches onto an adjacent parcel known as Parcel C-2B of Sea Pines Center, +/- 0.31 acres, Beaufort County PIN R550 017 000 1197 0000 which is owned by Sea Pines Center Associates, LLC ("SPCA"), which encroachment is evidenced by that written letter agreement dated December 5, 2015 between Licensors and SPCA (the "Encroachment Agreement"). The parties acknowledge and agree that should SPCA make a written request to Licensors to remove such encroachment, MORI is required by the Encroachment Agreement to remove the encroachments within 120 days after receipt of such request. Licensee agrees to allow MORI access to the Property to resolve such encroachment issue, and further agrees not to take any actions which would violate the Encroachment Agreement.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first-above written.

WITNESSES:

LICENSOR:

MARRIOTT OWNERSHIP RESORTS, INC.

By:_____

Its: _____

WITNESSES:

LICENSEE:

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

By:_____

David Bennett, Mayor

Attest:_____

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

Exhibit “A”

Tenant Improvements

See **Exhibit “A-1”** attached hereto and incorporated herein by reference, and as additional information thereto:

- Remove sections of the northwest fence for vehicle entry.
- Trim (limb-up) trees located within Premises and perform landscaping maintenance for general cleaning of Premises.
- Provide electricity through a meter connection and run conduit along/through the northeast wall of Premises.
- Provide water from the source located at the northwest portion of the Premises and trench to the temporary trailer to be placed on the Premises.
- Provide sewer by directional bore to a manhole located to the southwest on property owned by Gleneagle Green Horizontal Property Regime, Inc.
- Place a trailer on the Premises and block/tie down.
- Park two (2) fire trucks on Premises along with approximately three (3) to five (5) personal vehicles.

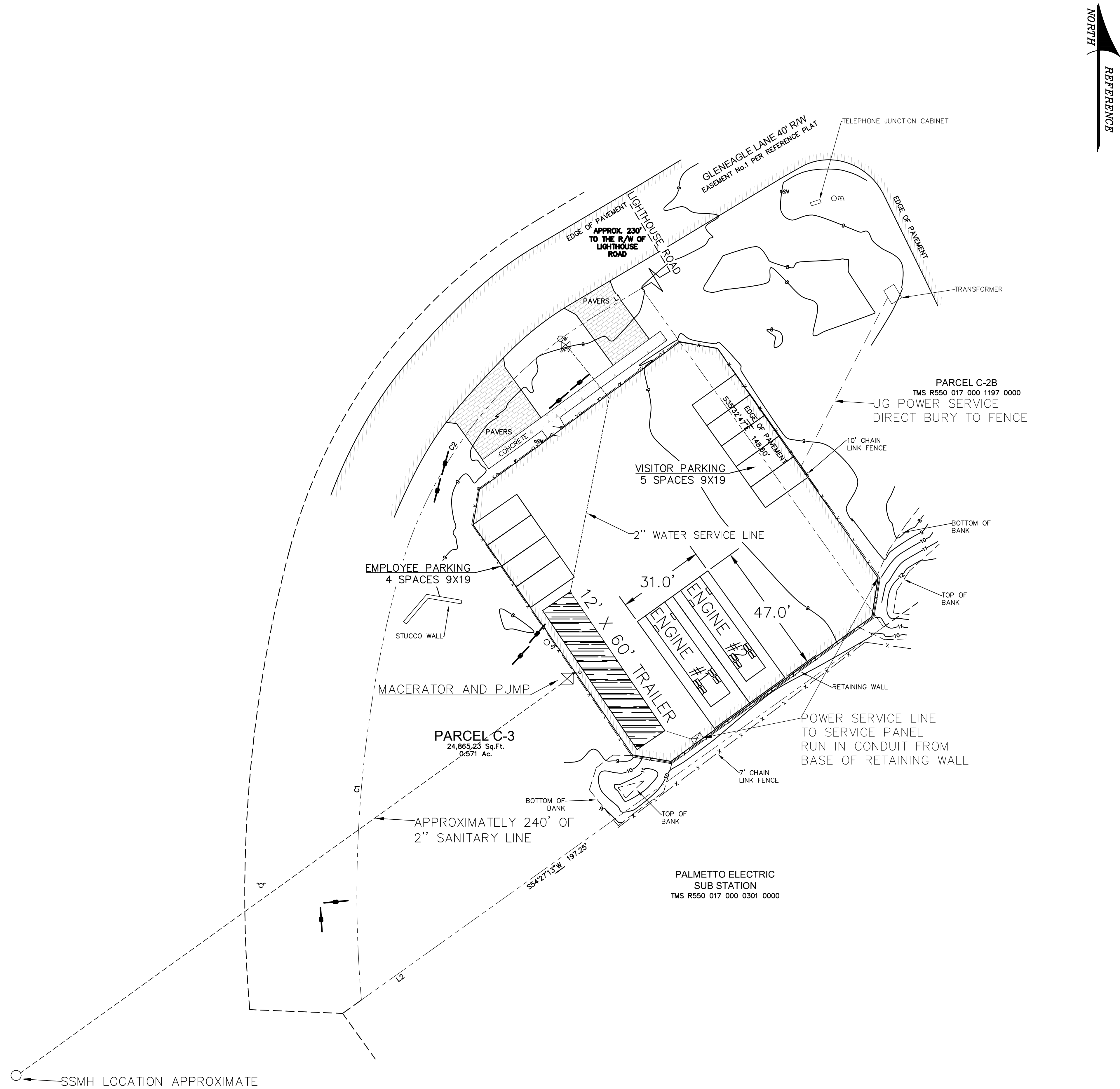


EXHIBIT “B”

JOINDER AND CONSENT OF SEA PINES RESORT, LLC

WHEREAS, Sea Pines Plantation Company, Inc. (“SPCC”) conveyed Parcel C-3, containing 0.571 acres (the “Property”), as more particularly described in that certain Deed (“Deed”) to Marriott Ownership Resorts, Inc., which Deed was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 518 at Page 738; and

WHEREAS, Sea Pines Resort, LLC (“Company”) is the assignee of the rights owned by SPCC, as evidenced by that certain document recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 2539 at Page 1193; and

WHEREAS, the Deed contained a restriction and limitation that the Property may be used only for the construction and operation thereon of two (2) regulation tennis courts and parking reasonably necessary or required therefore; and

WHEREAS, a Modification of Restrictive Covenant was subsequently executed by the Company and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 3376 at Page 1565, which expanded the use restrictions set forth in the Deed; and

WHEREAS, the use restrictions set forth in the Deed and Modification of Restrictive Covenant are collectively referred to as the “Use Restriction”; and

WHEREAS, the Town of Hilton Head Island, South Carolina and Marriott Ownership Resorts, Inc. have requested, and the Company has agreed, to modify the Use Restriction encumbering the Property only to the extent of allowing for the operation and performance of the Lease to which this Exhibit “B” is attached, thereby allowing for the Property to be used as a temporary fire station for the Town of Hilton Head Island, South Carolina until a new Fire Station Number 2 is constructed and utilized by the Town of Hilton Head Island, South Carolina.

NOW, THEREFORE, for valuable consideration, the Company does hereby modify the Use Restriction encumbering the Property only to the extent of allowing for the operation and performance of the Lease to which this Exhibit “B” is attached, thereby allowing for the Property to be used as a temporary fire station for the Town of Hilton Head Island, South Carolina until a new Fire Station Number 2 is constructed and utilized by the Town of Hilton Head Island, South Carolina. The modification of Use Restriction contained herein shall terminate and be void and of no effect upon termination or expiration of the Lease to which this Exhibit “B” is attached.

(SIGNATURE PAGE FOLLOWS)

WITNESSES:

SEA PINES RESORT, LLC

By:_____

Steven P. Birdwell, President

STATE OF SOUTH CAROLINA)

)

ACKNOWLEDGMENT

COUNTY OF BEAUFORT)

I, the undersigned Notary Public do hereby certify that Steven P. Birdwell personally appeared before me this day and, in the presence of the two witnesses above named, subscribed to the within Waiver on behalf of Sea Pines Resort, LLC.

Witness my hand and seal this _____ day of _____, 2016.

_____(SEAL)

Signature of Notary Public for State of South Carolina

My Commission expires:_____