

The Town of Hilton Head Island Town Council Meeting 4:00 p.m.

Tuesday, February 19, 2019 BENJAMIN M. RACUSIN COUNCIL CHAMBERS AGENDA

As a courtesy to others please turn off/silence ALL mobile devices during the Town Council Meeting. Thank You.

- 1. Call to Order
- **2. FOIA Compliance -** Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.
- 3. Pledge to the Flag
- 4. Invocation Student Pastor Justin Boyter, Hilton Head Island Community Church
- 5. Approval of Minutes
 - a. Town Council Meeting January 15, 2019
- 6. Report of the Town Manager
 - **a.** Parks and Recreation Commission Update Ray Kisiah, Chairman
 - **b.** Items of Interest
 - i. Town News
 - ii. Noteworthy Events

7. Reports from Members of Council

- a. General Reports from Council
- **b.** Report of the Intergovernmental & Public Safety Committee Bill Harkins
- c. Report of the Community Services Committee Marc Grant
- **d.** Report of the Public Planning Committee David Ames
- e. Report of the Public Facilities Committee Marc Grant
- **f.** Report of the Finance & Administrative Committee Tom Lennox
- 8. Appearance by Citizens
- 9. Consent Agenda None
- 10. Proclamations/Commendations None
- 11. Unfinished Business
 - a. Second Reading of Proposed Ordinance 2019-02

Second Reading of Proposed Ordinance 2019-02 authorizing the issuance and sale of not to exceed \$5,000,000, Series 2019, or such other appropriate Series Designation, of the Town of Hilton Head Island, South Carolina, fixing the form and certain details of the Bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the Bonds; providing for the payment of the Bonds and the disposition of the proceeds thereof; other matters relating thereto; and providing for severability and an effective date.

Unfinished Business (cont.)

b. Second Reading of Proposed Ordinance 2019-03

Second Reading of Proposed Ordinance 2019-03 to amend Title 15 of the Municipal Code of the Town of Hilton Head Island, South Carolina, Chapter 9 to revise various Sections. This amendment includes changes that would clarify the scope and purpose of the Ordinance and revise the language and defined terms to be consistent with the National Flood Insurance Program Regulations 44 CFR Parts 59 and 60 and providing for severability and effective date.

c. Second Reading of Proposed Ordinance 2019-04

Second Reading of Proposed Ordinance 2019-04 to amend the Municipal Code of the Town of Hilton Head Island by adding Chapter 11 (Fleeing to Evade Arrest or Detention) to Title 17; and providing for severability and an effective date.

12. New Business

a. Consideration of a Resolution – HUD/CDBG Entitlement Program Consolidation Plan Amendment

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) Entitlement Program Five Year Consolidated Plan (2015-2019) Substantial Amendment.

b. Consideration of a Recommendation – Venue Committee Final Report

Consideration of a Recommendation for Town Council to accept the Venue Committee Final Report and its Appendices.

c. Consideration of a Resolution – Dissolving the Venue Committee

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

13. Executive Session

a. Legal Advice:

Receipt of legal advice related to pending, threatened, or potential claim related to:

i. ArborNature LLC vs. the Town of Hilton Head Island, et. al.

b. Land Acquisition:

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

i. In the Beach City Road area.

c. Personnel / Employment Matters:

Discussion of appointments of members to the U.S. 278 Gateway Corridor Committee

d. Contractual Matters:

Discussion of negotiations incidents related to proposed contractual arrangements with Town Attorney

14. Possible actions by Town Council concerning matters discussed in Executive Session

- a. Possible Action related to property in the Beach City Road area
- b. Possible Appointment of Members to the U.S. 278 Gateway Corridor Committee
- c. Possible Action related to the Town Attorney

15. Adjournment

THE TOWN OF HILTON HEAD ISLAND TOWN COUNCIL MEETING

Date: Wednesday, January 15, 2019 Time: 4:00 P.M.

Present from Town Council: John J. McCann, *Mayor;* Bill Harkins, *Mayor Pro Tempore;* Marc Grant, Tom Lennox, David Ames, Tamara Becker, *Council Members*

Present from Town Staff: Steve Riley, *Town Manager*; Joshua Gruber, *Assistant Town Manager*; Charles Cousins, *Assistant to the Town Manager*; Shawn Colin, *Director of Community Development*; Brian Hulbert, *Staff Attorney*; Brad Tadlock, *Fire Chief*; John Troyer, *Finance Director*; Carolyn Grant, *Communications Director*; Jennifer Ray, *Planning & Special Projects Manager*; Shari Mendrick, *Planner*; Marcy Benson, *Sr. Grants Administrator*; Andrew Nicholls, *Systems Analyst*; Krista Wiedmeyer, *Executive Assistant/Town Clerk*

Present from Media: Katherine Kokal, Island Packet

1. Call to Order

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

- **2. FOIA Compliance** Public notification of this meeting was published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.
- 3. Pledge to the Flag
- 4. Invocation

Father Greg Kronz of St. Luke's Church delivered the invocation.

- 5. Proclamations & Commendations None
- 6. Approval of Minutes
 - a. Town Council Meeting, January 2, 2019.

Mr. Harkins moved to approve the Town Council meeting minutes from January 2, 2019. Mrs. Becker seconded, the motion was approved by a vote of 6-0.

7. Report of Town Manager

a. Design Review Board Update - Dale Strecker

Dale Strecker, Chairman, provided the members of Town Council with an update that covered the last six months of business. He highlighted the couple of new developments the Board discussed as well as the alterations and additions the Board considered.

b. Board of Zoning Appeals Update – David Fingerhut

David Fingerhut, Chairman, provided the members of Town Council with an update that covered the last six months of business. He highlighted the variances and appeals that the Board heard and indicated that to date there have been no special exceptions.

c. Island Rec. Center - Frank Soule

Frank Soule, Executive Director, provided an update to the members of Council and showed a short video with post construction pictures.

d. Flood Outreach Program Update/Program for Public Information Annual Evaluation Report – Shari Mendrick

Shari Mendrick, Floodplain Administrator, provided the members of Council an overview and update on the Program for Public Information Annual Evaluation Report. She explained the main focus of the program is the Flood Outreach Program.

e. Items of Interest

Mr. Riley reviewed the Items of Interest, including Town news, upcoming Town meetings, and noteworthy events taking place throughout the Island over the coming weeks.

8. Reports from Members of Council

a. General Reports from Council

No general reports from the members of Council.

b. Report of the Intergovernmental & Public Safety Committee – Bill Harkins, Chairman

Mr. Harkins reported that the Committee was in support of two of the Ordinances being discussed under New Business; Fleeing and Evading and Animal Control. He noted that the Committee recently discussed noise control as a result of the grinding matters and reported that it was nice to have the POA's present to take part in the discussion. Mr. Harkins reported that staff provided an updated about lighting as it related to the Yacht Cove cross walk, and were pleased to hear that the Design Review Board had approved the lighting which would be moving forward as planned.

c. Report of the Community Services Committee – Marc Grant, Chairman

Mr. Grant reported that the Committee finalized the interviews for the 278 Committee and would be discussing the full recommendation from the Committee during the Executive Session. He thanked all the applicants and said he was looking forward to starting work soon.

d. Report of the Public Planning Committee – David Ames, Chairman

Mr. Ames reported that the Committee did not meet in December, and was planning to meet on January 24th. He said in response to a request, the Committee is waiting on a confirmation from the State Housing Authority, who has been invited to attend the upcoming meeting to help explain the 4% tax credit program. Mr. Ames reported that the consultant would be at a Special meeting on February 14th where she would be delivering her next report.

e. Report of the Public Facilities Committee - Marc Grant, Chairman

Mr. Grant stated that he did not have a report.

f. Report of the Finance & Administrative Committee - Tom Lennox, Chairman

Mr. Lennox reported that earlier in the day, the Committee met where they reviewed, discussed, and made comments on the PUD Sewer System Agreements. He noted that no action was taken during the meeting, and discussion will continue regarding the matter.

9. Appearance by Citizens

Bill Miles: Addressed the members of Council regarding various Chamber items. He presented the Mayor the Chamber's five year DMO accreditation and the Leisure and Travel World's Best Award.

10. Unfinished Business

a. Second Reading of Proposed Ordinance 2019-01

Second Reading of Proposed Ordinance 2019-01 of the Town of Hilton Head Island, South Carolina, to amend Title 2 General Government and Administration of the Municipal Code of the Town of Hilton Head Island, South Carolina by amending Chapter 5 (Meetings of Council and Rules of Procedure) Section 2-5-50, Agenda and Order of Business and Section 2-5-70 Appearance by Citizens and adding Section 2-5-80 (Rules of Decorum) and providing for severability and effective date.

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

11. New Business

a. First Reading of Proposed Ordinance 2019-02

First Reading of Proposed Ordinance 2019-02 authorizing the issuance and sale of not to exceed \$5,000,000, Series 2019, or such other appropriate Series Designation, of the Town of Hilton Head Island, South Carolina, fixing the form and certain details of the Bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the Bonds; providing for the payment of the Bonds and the disposition of the proceeds thereof; other matters relating thereto; and providing for severability and an effective date.

Mr. Harkins moved to approve, Mrs. Becker seconded. With little discussion from the members of Council, the motion was approved by a vote of 6-0.

11. New Business (cont.)

b. First Reading of Proposed Ordinance 2019-03

First Reading of Proposed Ordinance 2019-03 to amend Title 15 of the Municipal Code of the Town of Hilton Head Island, South Carolina, Chapter 9 to revise various Sections. This amendment includes changes that would clarify the scope and purpose of the Ordinance and revise the language and defined terms to be consistent with the National Flood Insurance Program Regulations 44 CFR Parts 59 and 60 and providing for severability and effective date.

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

c. First Reading of Proposed Ordinance 2019-04

First Reading of Proposed Ordinance 2019-04 to amend the Municipal Code of the Town of Hilton Head Island by adding Chapter 11 (Fleeing to Evade Arrest or Detention) to Title 17; and providing for severability and an effective date.

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

d. First Reading of Proposed Ordinance 2019-05

First Reading of Proposed Ordinance 2019-05 to amend Chapter 1 of Title 17 of the Municipal Code of the Town of Hilton Head Island, South Carolina adopted by reference of Beaufort County Ordinance Chapter 14, Article II Animal Control; and providing for severability and an effective date.

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

e. Consideration of a Resolution – 2019 Bicycle Friendly Community Renewal Application

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina to support the Town's Renewal Application to the League of American Bicyclists for the Bicycle Friendly Community Award.

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

f. Consideration of a Resolution - Charter for the U.S. 278 Gateway Corridor Committee

Consideration of a Resolution by the Town Council of the Town of Hilton Head Island, South Carolina authorizing the appointment of the Hilton Head Island U.S. 278 Gateway Corridor Committee.

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

12. Executive Session

Mr. Riley stated that he needed an Executive Session for: (a) Legal Advice; receipt of legal advice related to pending, threatened, or potential claim related to; (i) ArborNature LLC vs. the Town of Hilton Head Island, et. al., (b) Land Acquisition; discussion of negotiations incident to the proposed sale, lease, or purchase of property; (i) in the Beach City Road area; and (c) Personnel/Employment Matters; (i) discussion and interview of potential Town Attorney applicant, and (ii) discussion of appointments of members to the U.S. 278 Gateway Corridor Committee.

At 4:35 p.m. Mr. Harkins moved to go into Executive Session for the matters described by the Town Manager, Mrs. Becker seconded. The motion was approved by a vote of 6-0.

Council returned to the dais at 5:45 p.m.

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

a. Possible Appointment of Members to the U.S. 278 Gateway Corridor Committee

Mr. Grant stated that the Community Services Committee conducted interviews with candidates for the U.S. 278 Gateway Corridor Committee and making a recommendation to the members of Town Council. Mr. Grant moved to appoint the following persons to the Committee: Frank Babel, Alexander J. Brown, Jerry Cutrer, J. Craig Forrest, Dejuan R. Holmes, IV, Hannah Horne, David C. Johnson, Jr., David T. Lunka, Thomas D. Peeples, Brendan Reilley, John Taylor, Kyle H. Theodore, and Tom Crews. Mr. Harkins seconded, and the motion was approved by a vote of 6-0.

Mayor McCann appointed David Johnson as Chairman and Dejuan Holmes as Vice-Chair.

14. Adjournment

At 5:48 p.m., Mr. Harkins moved to adjourn, Mrs. Becker seconded. The motion to adjourn was approved by a vote of 6-0

Krista M. Wiedmeyer
Executive Assistant/Town Clerk

Approved: 02/19/2019

John J. McCann, Mayor



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Town Council

FROM: Ray Kisiah, Chairman of the Parks and Recreation Commission

DATE: February 4, 2019

SUBJECT: Parks & Recreation Commission Semi-Annual Report:

June 2018 – January 2019

The September 2018 Parks & Recreation Commission was cancelled due to Town Hall closure for Hurricane Florence.

Regular Commission Meetings

June 2018 – Proposed Memorandum of Understanding between the Town and the Island Recreation Association as presented for renewal was forwarded to the Public Facilities Committee.

July 2018 – New and reappointed commissioners were sworn in.

Work Session Meetings

August 2018 – Work session to review Town-owned property inventory and purchase history; the CIP and project prioritization processes; the maintenance of parks; the special events process; and Town-owned recreational facilities master plans.

October 2018 – Work session to review the municipal budget process; continued review of Town-owned facilities master plans; discussion of need to develop parks and recreation master plan.

November 2018 – Work session to complete review of Town-owned facilities and master plans.

December 2018 – Work session to prepare list of proposed park upgrades for the upcoming CIP budget process.

January 2019 – Work session to complete final draft of CIP parks upgrades list for upcoming budget process.

Items of Special Interest

At the January 2019 Parks & Recreation Commission meeting results from the Greater Island Council Parks & Recreation Committee recreation survey were presented to the Commission.



TOWN OF HILTON HEAD ISLAND ITEMS OF INERTERST FEBRUARY 19, 2019

TOWN NEWS

➤ In partnership with the Island Rec. Center, the Office of Cultural Affairs invited the community to join in and pick up a paintbrush to complete a paint-by-numbers mural. Local artist Lauren Andreu designed the mural sized paint-by-numbers in the Rec. Center's new community room. Painting fun was enjoyed by artists of all ages!! Congratulations to the Island Rec. Center for a great new piece of art!







TOWN OF HILTON HEAD ISLAND MEETINGS

- ➤ Public Facilities Committee Monday, February 25, 2019 9:00 a.m.
- ➤ Public Planning Committee Thursday, February 28, 2019 3:00 p.m.
- ➤ Intergovernmental & Public Safety Committee Monday, March 4, 2019 10:00 a.m.
- ➤ Finance and Administrative Tuesday, March 5, 2019 2:00 p.m.
- ➤ Town Council Regular Session Tuesday, March 5, 2019 4:00 p.m.

Meetings are subject to change and/or cancellation. Please visit the Town's website at <u>www.hiltonheadislandsc.gov</u> for meeting dates and times.

HILTON HEAD ISLAND EVENTS

➤ Hilton Head Island Sea Food Festival – Saturday, February 23, 2019 – 11:00 a.m. - 5:00 p.m. at Honey Horn



For more events taking place on the Island, please visit the Town's Office of Cultural Affairs Events page at www.culturehhi.org/events/.



MEMORANDUM

TO: Town Council

FROM: John Troyer, CPA, Director of Finance

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

DATE: January 23, 2019

RE: Second Reading of Proposed Ordinance No. 2019-02

Recommendation:

Staff recommends Town Council approve the second reading of Proposed Ordinance No. 2019-02 which authorizes the issuance and sale of not to exceed \$5 million in General Obligation bonds in to fund the Capital Improvements Plan (CIP).

There have been no changes since the First Reading – except the zip code for the Town's Financial Advisor has been updated on page B - 6.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$5,000,000, SERIES 2019, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; FIXING THE FORM AND CERTAIN DETAILS OF THE BONDS; AUTHORIZING THE TOWN MANAGER OR HIS LAWFULLY AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; OTHER MATTERS RELATING THERETO; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town Council has been advised that the Town's capital improvement plan includes several capital projects (the "Capital Projects") that would appropriately be funded through the issuance of general obligation bonds; and

WHEREAS, the Town's Administration has not yet determined the exact amount needed in order to fund the Capital Projects; and

WHEREAS, in order to authorize the issuance of general obligation bonds, the proceeds of which would be used to fund the Capital Projects, it is necessary for Town Council to enact an ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AS FOLLOWS:

<u>SECTION 1</u>. <u>Findings and Determinations</u>. The Town Council (the "Town Council") of the Town of Hilton Head Island, South Carolina (the "Town"), hereby finds and determines:

- (a) The Town is an incorporated municipality located in Beaufort County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution of the State of South Carolina, 1895, as amended (the "Constitution") and laws of the State of South Carolina (the "State").
- (b) Article X, Section 14 of the Constitution provides that general obligation debt may be incurred by the governing body of each municipality of the State for any public and corporate purpose in an amount not exceeding eight (8%) percent of the assessed value of all taxable property of such municipality and upon such terms and conditions as the General Assembly may prescribe. Such Article further provides that if general obligation debt is authorized by a majority vote of the qualified electors of the municipality voting in a referendum authorized by law, there shall be no conditions or restrictions limiting the incurring of such indebtedness except as specified in such Article.
- (c) Title 5, Chapter 21, Article 5, Code of Laws of South Carolina, 1976, as amended (the "Municipal Bond Act"), provides that the municipal council of any municipality may issue general obligation bonds of such municipality for any corporate purpose of such municipality to any amount not exceeding the constitutional debt limitation applicable to such municipality.

- (d) The Municipal Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended (the S.C. Code"), provides that if an election be prescribed by the provisions of the Municipal Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the Municipal Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.
- (e) The assessed value of all the taxable property in the Town as of June 30, 2017, for purposes of computation of the Town's constitutional debt limit, is \$938,429,000. Eight percent of such sum is \$75,074,320. As of the date hereof, the outstanding general obligation debt of the Town subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$48,835,000. Thus, the Town may incur \$26,239,320 of additional general obligation debt within its applicable debt limitation.
- (f) Pursuant to Ordinance No. 2013-03 duly enacted by the Town Council on May 7, 2013, the Town has adopted Written Procedures Related to Tax-Exempt Debt.
- (h) It is now in the best interest of the Town for the Town Council to provide for the issuance and sale of not to exceed \$5,000,000 aggregate principal amount general obligation bonds of the Town to provide funds for the purposes of funding capital improvements including but not limited to projects related to sewer systems, fire stations, parks, pathways, roadways and equipment acquisition for fire rescue (the "Projects), and paying costs of issuance of the Bonds (hereinafter defined).
- SECTION 2. <u>Authorization and Details of the Bonds</u>. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not to exceed \$5,000,000 general obligation bonds of the Town (the "Bonds") for the purposes listed in Section 1(h) above.

The Bonds shall be issued as fully-registered Bonds; shall be dated their date of delivery; shall be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing in each year; shall be numbered from R-1 upward; shall bear interest at such times as hereafter designated by the Town Manager or his lawfully authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the Town Manager or his lawfully authorized designee. Regions Bank, Atlanta, Georgia, shall serve as Registrar/Paying Agent for the Bonds.

SECTION 3. Delegation of Authority to Determine Certain Matters Relating to the Bonds. The Town Council hereby expressly delegates to the Town Manager the authority, with respect to the Bonds, to determine (a) the maturity dates and the respective principal amounts maturing on such dates; (b) the interest payment dates; (c) the redemption provisions, if any; (d) whether to publish notice of the adoption of this ordinance under the provisions of Section 11-27-40(8), of the S.C. Code; (e) the date and time of the sale; (f) whether the Bonds should be publicly traded or placed with a bank; and (g) such other matters as are necessary or appropriate. The Town Manager is further directed to consult with the Town's financial advisor and bond counsel in making any such decisions.

The Town Council hereby further delegates to the Town Manager or his lawfully authorized designee the authority to receive bids on behalf of the Town Council and the authority to award the sale of the Bonds to the lowest bidder therefor, in accordance with the terms of the Notice of Sale for the Bonds, provided the true interest cost does not exceed 5.00%. After the sale of the Bonds, the Town Manager or

his lawfully authorized designee shall submit a written report to the Town Council setting forth the results of the sale of the Bonds.

<u>SECTION 4.</u> Registration, Transfer and Exchange of Bonds. The Town shall cause books (herein referred to as the "registry books") to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

Each Bond shall be transferable only upon the registry books of the Town, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond the Registrar/Paying Agent on behalf of the Town shall issue in the name of the transferee a new fully-registered Bond or Bonds, of the same aggregate principal amount, interest rate and maturity as the surrendered Bond. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The Town and the Registrar/Paying Agent may deem or treat the person in whose name any fully-registered Bond shall be registered upon the registry books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Town nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring Bonds is exercised, the Town shall execute and the Registrar/Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. Neither the Town nor the Registrar/Paying Agent shall be obliged to make any such transfer of Bonds during the fifteenth (15th) day of the calendar month preceding an interest payment date on such Bonds.

SECTION 5. Record Date. The Town establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Bonds, and such record date shall be the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on such Bond or, in the case of any proposed redemption of Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the mailing of notice of redemption of Bonds.

SECTION 6. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the Town shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the Town and the Registrar evidence or proof satisfactory to the Town and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State or such greater amount as may be required by the Town and the Registrar. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and

shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder.

All expenses necessary for the providing of any duplicate Bond shall be borne by the applicant therefor.

<u>SECTION 7.</u> Form of Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 8. Execution of Bonds. The Bonds shall be executed in the name of the Town with the manual or facsimile signature of the Mayor of the Town attested by the manual or facsimile signature of the Town Clerk under the seal of the Town which shall be impressed, imprinted or reproduced thereon. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Bond shall bear a certificate of authentication manually executed by the Registrar/Paying Agent in substantially the form set forth herein.

SECTION 9. Security for the Bonds. The full faith, credit, taxing power and resources of the Town are hereby irrevocably pledged for the payment of the principal and interest of the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary to provide for the prompt payment thereof. There shall be levied and collected annually upon all taxable property of the Town an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes. The Town at its option may also utilize any other funds available therefor for the payment of the principal of and interest on the Bonds.

<u>SECTION 10.</u> Defeasance. The obligations of the Town herein made or provided for, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding hereunder when:

- (a) such Bond or Bonds shall have been purchased by the Town and surrendered to the Town for cancellation or otherwise surrendered to the Town or the Paying Agent and is canceled or subject to cancellation by the Town or the Paying Agent; or
- (b) payment of the principal of and interest on such Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Paying Agent in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment or (2) Government Obligations (hereinafter defined) maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the Paying Agent. At such time as the Bonds shall no longer be deemed to be outstanding hereunder, such Bonds shall cease to draw interest from the due date thereof and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Ordinance.

"Government Obligations" shall mean any of the following:

- (i) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;
- (ii) non-callable, U. S. Treasury Securities State and Local Government Series ("SLGS"); and

- (iii) a defeasance obligation as defined in Section 6-5-10 of the S.C. Code as such may be amended from time to time.
- (c) Such Bond of Bonds shall be defeased as provided in Section 11-14-110 of the S.C. Code as such may be amended from time to time.

The Town has reserved the right to modify this definition to conform to amendments in State law regarding legal investments of public funds.

<u>SECTION 11</u>. <u>Exemption from State Taxes</u>. Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the S.C. Code, from all State, county, municipal, Town and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

SECTION 12. Eligible Securities. The Bonds initially issued (the "Initial Bonds") will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York ("DTC"), and transfers of beneficial ownership of the Initial Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of bonds of the same maturity or any integral multiple of \$5,000.

The Initial Bonds shall be issued in fully-registered form, one Bond for each of the maturities of the Bonds, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the Initial Bonds becomes due, the Paying Agent, on behalf of the Town, shall transmit to DTC an amount equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption of the Initial Bonds or any portion thereof shall be sent to DTC in accordance with the provisions of the Ordinance.

If (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Town has advised DTC of its determination that DTC is incapable of discharging its duties, the Town shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the Town of the Initial Bonds together with an assignment duly executed by DTC, the Town shall execute and deliver to the successor securities depository bonds of the same principal amount, interest rate and maturity registered in the name of such successor.

If the Town is unable to retain a qualified successor to DTC or the Town has determined that it is in its best interest not to continue the book-entry system of transfer or that interests of the beneficial owners of the Bonds might be adversely affected if the book-entry system of transfer is continued (the Town undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify beneficial owners of the Bonds by mailing an appropriate notice to DTC, upon receipt by the Town of the Initial Bonds together with an assignment duly executed by DTC, the Town shall execute, authenticate and deliver to the DTC participants bonds in fully-registered form in the denomination of \$5,000 or any integral multiple thereof.

Notwithstanding the foregoing, at the request of the purchaser, the Bonds will be issued as one single fully-registered bond and not issued through the book-entry system.

<u>SECTION 13</u>. <u>Sale of Bonds, Form of Notice of Sale</u>. The Bonds shall be sold at public sale. A Notice of Sale shall be distributed to prospective bidders and a summary of such Notice shall be published in a newspaper having general circulation in the State or in a financial publication published in the City of New York, State of New York, or both, not less than seven (7) days prior to the date set for such sale in substantially the form attached hereto as Exhibit B and incorporated herein by reference.

SECTION 14. Preliminary and Final Official Statement. The Town Council hereby authorizes and directs the Town Manager or his lawfully authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds together with the Notice of Sale. The Town Council authorizes the Town Manager or his lawfully authorized designee to designate the Preliminary Official Statement as "near final" for purposes of Rule 15c2-12 of the Securities Exchange Commission (the "Rule"). The Town Manager or his lawfully authorized designee is further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchasers of the Bonds.

SECTION 15. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, as amended, the Town covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of an annual independent audit of the Town within thirty (30) days of the Town's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, event specific information of an event which adversely affects more than five (5%) percent of the tax revenues of the Town or the Town's tax base.

SECTION 16. Continuing Disclosure. In compliance with the Rule, the Town covenants and agrees for the benefit of the holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of a Continuing Disclosure Certificate in substantially the form attached hereto and incorporated herein by reference as Exhibit C. In the event of a failure of the Town to comply with any of the provisions of the Continuing Disclosure Certificate, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by the Town.

<u>SECTION 17.</u> <u>Deposit and Use of Proceeds</u>. The proceeds derived from the sale of the Bonds shall be deposited with the Town in a special fund and shall be applied solely to the purposes for which the Bonds have been issued, including payment of costs of issuance of the Bonds, except that the premium, if any, shall be placed in a sinking fund for the Bonds.

SECTION 18. Tax Covenants. The Town hereby covenants and agrees with the holders of the Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the holders of the Bonds for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (the "Code") in effect on the date of original issuance of the Bonds. The Town further covenants and agrees with the holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be "arbitrage bonds," as defined in Section 148 of the Code, and to that end the Town hereby shall:

(i) comply with the applicable provisions of Sections 103 and 141 through 150 of the Code and any regulations promulgated thereunder so long as the Bonds are outstanding;

- (ii) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and
- (iii) make such reports of such information at the time and places required by the Code.

SECTION 19. Declaration of Intent to Reimburse Certain Expenditures. This Ordinance shall constitute the Town's declaration of official intent pursuant to Regulation §1.150-2 of the Code to reimburse the Town from a portion of the proceeds of the Bonds for expenditures it anticipates incurring (the "Expenditures") with respect to the Referendum Projects set forth in Section 2(f) hereof prior to the issuance of the Bond. The Expenditures which are reimbursed are limited to Expenditures which are: (a) properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1.150-2 of the Code) under general federal income tax principals; or (2) certain de minimis or preliminary Expenditures satisfying the requirements of Regulation §1.150-2(f) of the Code. The source of funds for the Expenditures with respect to these projects will be the Town's reserve funds. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid; or (b) the date such projects were placed in service, but in no event more than three (3) years after the original Expenditures.

SECTION 20. Miscellaneous. The Town Council hereby authorizes the Mayor and the Town Clerk, the Town Manager, the Director of Finance and any lawfully authorized designee to execute such documents and instruments as may be necessary to effect the issuance of the Bonds or make modifications in any documents including but not limited to the form of the Bond or Notice of Sale, if necessary. The Town Council hereby retains Burr & Forman, LLP (Burr Forman McNair) as bond counsel and Stifel, as financial advisor in connection with the issuance of the Bonds. The Town Manager is authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

SECTION 21. 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.

<u>SECTION 22.</u> <u>Codification</u>. This Ordinance shall be forthwith codified in the Code of Town Ordinances in the manner required by law.

<u>SECTION 23</u>. <u>Effective Date</u>. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island, South Carolina.

[Signature Page follows]

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
THE TOWN OF HILTON HEAD ISLAND
GENERAL OBLIGATION BONE
SERIES _____

		L OBLIGATION BOND ES)
No. R-			
INTEREST RATE	MATURITY <u>DATE</u>	ORIGINAL ISSUE DATE	<u>CUSIP</u>
%			
REGISTERED HOLDER:			
PRINCIPAL AMOUNT:			DOLLARS
Carolina (the "Town"), is just holder named above, or regalove, upon presentation as (the "Pay the interest rate per annur semiannually on until this Bond matures, and	istly indebted and, for valistered assigns, the principal surrender of this Borying Agent"), and to pay a shown above until the 1 andd shall be payable by che registration books of	alue received, hereby proceipal amount shown above at the principal office interest on such principals Bond matures. Interprise Bond matures are a feet or draft mailed to the the Town maintained	of Hilton Head Island, South omises to pay to the registered we on the maturity date shown of in all sum from the date hereof a rest on this Bond is payable noting 1, 20 the person in whose name this laby the registrar, presently the close of business on the
principal and interest on thi	calendar month next pr is Bond are payable in a ment, legal tender for pu	receding each semiannua any coin or currency of ablic and private debts; pa	al interest payment date. The the United States of America rovided, however, that interes
	d or obligatory for any	•	nance of the Town authorizing cate of Authentication hereon
for the creation of such sink faith, credit, taxing power a	ing fund as may be necestand resources of the Tory upon all taxable proper	ssary to provide for the p wn are hereby irrevocab	s they respectively mature and rompt payment hereof, the ful ly pledged, and there shall be orem tax, without limitation as

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One bond certificate with respect to each date on which the Bonds are stated to mature, registered in the name of the securities depository

nominee, is being issued and required to be deposited with the securities depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the securities depository's participants, beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the securities depository and its participants pursuant to rules and procedures established by the securities depository and its participants. The Town and the Registrar/Paying Agent will recognize the securities depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including payments of principal of and redemption premium, if any, and interest on this bond, notices and voting. Transfer of principal and interest payments to participants of the securities depository will be the responsibility of the securities depository, and transfer of principal, redemption premium, if any, and interest payments to beneficial owners of the Bonds by participants of the securities depository will be the responsibility of such participants and other nominees of such beneficial owners. The Town will not be responsible or liable for such transfers of payments or for maintaining, supervision or reviewing the records maintained by the securities depository, the securities depository nominee, its participants or persons acting through such participants. While the securities depository nominee is the owner of this bond, notwithstanding, the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements between the Registrar/Paying Agent or its successors under the Ordinance and the securities depository.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, date of maturity, denomination, [redemption provisions] and rate of interest, aggregating _______ Dollars issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended, and Ordinance No. _____ duly enacted by the Town Council of the Town.

[Redemption Provisions]

This Bond is transferable as provided in the Ordinance, only upon the books of the Town kept for that purpose at the principal office of the Registrar by the registered holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney. Thereupon a new fully-registered Bond or Bonds of the same aggregate principal amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance. The Town, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

Under the laws of the State of South Carolina (the "State"), this Bond and the interest hereon are exempt from all State, county, municipal, Town and other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the Town does not exceed the applicable limitation of indebtedness under the laws of the State; and, that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the Town sufficient to pay

the principal and interest of this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

IN WITNESS WHEREOF, THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Town, attested by the manual or facsimile signature of the Town Clerk and the seal of the Town impressed, imprinted or reproduced hereon.

	TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
(SEAL)	Mayor
ATTEST:	
Town Clerk	-
[FORM OF REG	ISTRAR'S CERTIFICATE OF AUTHENTICATION]
Date of Authentication:	
This Bond is one o Hilton Head Island, South Carolina.	of the bonds described in the within mentioned Ordinance of the Town of
	as Registrar,
	By:Authorized Officer
_	reviations, when used in the inscription on the face of this Bond, shall be ten out in full according to applicable laws or regulations.
TEN COM - as tenants in common	UNIF GIFT MIN ACT -
TEN ENT - as tenants by the entireties JT TEN - as joint tenants with right of survivorshi	Custodian (Cust) (Minor) under Uniform Gifts to Minors Act
and not as tenants i	•

Additional abbreviations may also be used though not in above list.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ (Name and Address of Transferee) the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises. Signature Guaranteed (Authorized Officer) Notice: Signature(s) must be Notice: The signature to guaranteed by an institution which is a the assignment must correspond a participant in the with the name of the registered Securities Transfer Agents holder as it appears upon the Medallion Program ("STAMP") face of the within Bond in every or similar program. particular, without alteration or enlargement or any change whatever. A copy of the final approving legal opinion to be rendered shall accompany each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the Town with a manual or facsimile signature of the Town Clerk in the following form: IT IS HEREBY CERTIFIED that the following is a true and correct copy of the final legal opinion (except for date and letterhead) of Burr & Forman LLP (Burr Forman McNair), Columbia, South Carolina, approving the issue of Bonds of which the within Bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the Bonds, and a copy of which is on file with the Town of Hilton Head Island, South Carolina. THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

Town Clerk

FORM OF NOTICE OF SALE

\$____ GENERAL OBLIGATION BONDS, SERIES ____ TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

will be received on behalf of the Town Council of the Town of Hilton Head Island, South Carolina (the

Time and Place of Sale: NOTICE IS HEREBY GIVEN that proposals addressed to the undersigned

"Town"), in Council Chambers, One Town Center Court, Hilton Head Island, South Carolina, until 11:00 a.m., South Carolina time, on, at which time said proposals will be publicly opened for
the purchase of (\$) General Obligation Bonds, Series of
the Town (the "Bonds").
Sealed Bids: Each hand delivered proposal shall be enclosed in a sealed envelope marked "Proposal for \$ General Obligation Bonds, Series 20, Town of Hilton Head Island, South Carolina" and should be directed to the Director of Finance at the address in the first paragraph hereof.
<u>Electronic Bids</u> : Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 40 W. 23rd Street, 5th floor, New York, New York 10010, Customer Support, telephone (212) 404-8102.
PROPOSALS MAY BE DELIVERED BY HAND OR BY ELECTRONIC BID, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE TOWN AT THE PLACE, DATE AND TIME APPOINTED, AND THE TOWN SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR RESULTING FROM THE SELECTION BY ANY BIDDER OF ANY PARTICULAR MEANS OF DELIVERY OF BIDS.
Book-Entry-Only Bonds: The Bonds will be issued in fully-registered form. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry-only form in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates representing each

	Principal		Principal
1	Amount*	<u> </u>	Amount*

*Preliminary, subject to adjustment.

Adjustment of Maturity Schedule. If, after final computation of the proposals, the Town determines in its sole discretion that the funds necessary to accomplish the purposes for which the Bonds are being issued are either more or less than the proceeds of the sale of the amount of the Bonds as shown in this Notice of Sale, it reserves the right either to decrease or increase the principal amount of the Bonds (all calculations to be rounded to the near \$5,000), provided that any such decrease or increase shall not exceed 10% of the par amount. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award of the Bonds, bidders must disclose to the Town in connection with their respective bids the price (or yield to maturity) at which each maturity of the Bonds will be reoffered to the public.

In the event of any adjustment of the maturity schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

The	Bonds	will	bear	interest	from	the	date	thereof	payable	semiannually	on	 1	and
1	of each	year,	, comi	nencing			1,	•					
		•		•									

[Redemption Provisions]

Registrar/Paying Agent: Regions Bank, Atlanta, Georgia, will serve as Registrar/Paying Agent for the Bonds.

<u>Bid Requirements</u>: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 of 1% with no greater difference than two percent (2%) between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds, a bid at a price less than par or a bid which includes a premium of more than 1% will not be considered. In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price.

Good Faith Deposit: A good faith deposit is not required.

Official Statement: Upon the award of the Bonds, the Town will prepare an official statement (the "Official Statement") in substantially the same form as the preliminary official statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business

days after the award of the Bonds, the Town will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the Town within 24 hours after the award of the Bonds all necessary pricing information and any Underwriter identification necessary to complete the Official Statement.

<u>Security</u>: The Bonds shall constitute binding general obligations of the Town, and the full faith, credit, resources and taxing power of the Town are irrevocably pledged for the payment of the principal and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor. There shall be levied and collected annually upon all taxable property of the Town a tax, without limitation as to rate or amount, sufficient for such purposes.

<u>Continuing Disclosure</u>: In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5), the Town will undertake, pursuant to an ordinance and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

<u>Legal Opinion</u>: The Town shall furnish upon delivery of the Bonds the final approving opinion of Burr & Forman LLP (Burr Forman McNair), Columbia, South Carolina, which opinion shall accompany each Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds.

<u>Issue Price Certificate</u>: The winning bidder shall assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town at Delivery an "issue price" certificate setting forth the reasonably expected initial offering price to the public, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Town and Bond Counsel. A sample copy of the certificate may be obtained from Burr & Forman LLP (Burr Forman McNair).

The Town intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Requirements") because:

- (1) the Town shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Town may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the Competitive Sale Requirements are not satisfied, the Town shall so advise the winning bidder. The Town may determine to treat the initial offering price to the public as of the sale

date of the Bonds as the issue price of the Bonds (the "Hold-the-Offering-Price Rule"). The Town shall promptly advise the winning bidder, at or before the time of award of the Bonds, that the Bonds shall be subject to the Hold-the-Offering-Price Rule. Bids will not be subject to cancellation in the event that the Town determines to apply the Hold-the-Offering-Price Rule to the Bonds. <u>Bidders should prepare their bids on the assumption that the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.</u>

By submitting a bid, the winning bidder shall (1) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price (the "Initial Offering Price"), or at the corresponding yield, set forth in the bid submitted by the winning bidder and (2) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public (the "10% Test").

The winning bidder shall promptly advise the Town when the underwriters have sold 10% of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Town acknowledges that, in making the representation set forth above, the winning bidder will rely on (1) the agreement of each underwriter to comply with the Hold-the-Offering-Price Rule, as set forth in an agreement among underwriters and the related pricing wires, (2) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Rule, as set forth in a selling group agreement and the related pricing wires, and (3) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Rule, as set forth in the retail distribution agreement and the related pricing wires. The Town further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (1) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds or all Bonds have been sold to the public and (b) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (2) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or

will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the winning bidder or such underwriter that either the 10% Test has been satisfied as to the Bonds or all Bonds have been sold to the public and (b) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) "public" means any person other than an underwriter or a related party,
- (2) "underwriter" means (a) any person that agrees pursuant to a written contract with the Town (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (3) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (a) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (b) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (c) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) "sale date" means the date that the Bonds are awarded by the Town to the winning bidder.

<u>Delivery</u>: The Bonds will be delivered on or about ______, _____, in New York, New York, at the expense of the Town or at such other place as may be agreed upon with the purchaser at the expense of the purchaser. The balance of the purchase price then due (including the amount of accrued interest) must be paid in federal funds or other immediately available funds.

<u>CUSIP Numbers</u>: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the Town; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Award of Bid. The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost (TIC) to the Town. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year of twelve 30-day months) to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds. In the case of a tie bid, the winning bid will be awarded by lot. The Town reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

Additional Information: The Preliminary Official Statement and the Official Notice of Sale of the Town with respect to the Bonds are available via the internet at http://www.idealprospectus.com and will be furnished to any person interested in bidding on the Bonds upon request to Burr & Forman LLP (Burr Forman McNair), Post Office Box 11390, Columbia, South Carolina 29211, attention: Francenia B. Heizer, Esquire, telephone (803) 799-9800, e-mail: fheizer@burr.com. The Preliminary Official Statement shall be reviewed by bidders prior to submitting a bid. Bidders may not rely on this Official Notice of Sale as to the complete information concerning the Bonds. For additional information, please contact the Town's Bond Counsel, Francenia B. Heizer, Esquire, Burr & Forman LLP (Burr Forman McNair), Post Office Box 11390, Columbia, South Carolina 29211, telephone (803) 799-9800, e-mail: fheizer@burr.com or the Town's Financial Advisor, Brenton J. Robertson, Managing Director, Stifel, 515 Gervais Street, Columbia, South Carolina 29201, telephone (803) 331-3848, e-mail: robertsonb@stifel.com.

Town of Hilton Head Island, South Carolina

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Town of Hilton Head Island, South Carolina (the "Town") in connection with the issuance of \$ General Obligation Bonds, Series (the "Bonds"). The Bonds are being issued pursuant to an Ordinance adopted by the Town Council of the Town (the "Council"). The Town covenants and agrees as follows:
SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Town for the benefit of the beneficial owners and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below).
SECTION 2. <u>Definitions</u> . The following capitalized terms shall have the following meanings:
"Annual Report" shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.
"Bonds" shall mean the \$ General Obligation Bonds, Series, of the Town of Hilton Head Island, South Carolina, dated
" <u>Dissemination Agent</u> " shall mean the Town or any successor Dissemination Agent designated in writing by the Town and which has filed with the Town a written acceptance of such designation.
"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.
"National Repository" shall mean for purposes of the Rule, the Electronic Municipal Market Access (EMMA) system created by the Municipal Securities Rulemaking Board.
"Participating Underwriter" shall mean and any other original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.
"Repository" shall mean each National Repository and each State Depository, if any.
"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.
"State Depository" shall mean any public or private repository or entity designated by the State of South Carolina as a state depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Depository.

SECTION 3. Provision of Annual Reports.

(a) The Town shall, or shall cause the Dissemination Agent to provide, not later than February 1 of each year, commencing in 20____, to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date the Town shall provide the Annual Report to the Dissemination Agent, if other than the Town; provided, that if the audited financial statements required pursuant to Section 4 hereof to be included in the Annual Report are not available for inclusion in the Annual Report as of such date,

unaudited financial statements of the Town may be included in such Annual Report in lieu thereof, and the Town shall replace such unaudited financial statements with audited financial statements within fifteen (15) days after such audited financial statements become available for distribution. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; <u>provided</u> that the audited financial statements of the Town may be submitted separately from the balance of the Annual Report.

- (b) If the Town is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Town shall send a notice to the Municipal Securities Rulemaking Board and State Depository, if any, in substantially the form attached hereto as Exhibit A.
 - (c) The Dissemination Agent shall:
 - (1) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Depository, if any; and
 - (2) if the Dissemination Agent is other than the Town, file a report with the Town and (if the Dissemination Agent is not the Registrar) the Registrar certifying whether the Annual Report has been provided pursuant to this Disclosure Certificate, and, if provided, stating the date it was provided, and listing the Repository to which it was provided.

SECTION 4. Content of Annual Reports.

- (a) The Town's Annual Report shall contain or incorporate by reference the most recent audited financial statements, which shall be prepared in conformity with generally accepted accounting principles (or, if not in such conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information) applicable to governmental entities such as the Town, and shall, in addition, contain or incorporate by reference the following, for the immediately preceding fiscal year:
 - (1) Town population;
 - (2) Total anticipated state appropriations subject to withholding under Article X, Sec. 14, South Carolina Constitution;
 - (3) Outstanding indebtedness of the Town;
 - (4) Market value/assessment summary of taxable property in Town;
 - (5) Tax Rates for Town;
 - (6) Tax collections for Town; and
 - (7) Five largest taxpayers (including fee-in-lieu-of-tax) for Town.
- (b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Town is an "obligated person" (as defined by the Rule), which have been previously filed with the National Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Town will clearly identify each such document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

- (a) Pursuant to the provisions of this Section 5, the Town shall give, or cause to be given, notice of the occurrence of any of the following events (the "Listed Events"):
 - (1) Principal and interest payment delinquencies;
 - (2) Non-payment related defaults;
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) Substitution of credit or liquidity providers, or their failure to perform;
 - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
 - (7) Modifications to rights of security holders;
 - (8) Bond calls:
 - (9) Tender offers;
 - (10) Defeasances;
 - (11) Release, substitution, or sale of property securing repayment of the securities;
 - (12) Rating changes;
 - (13) Bankruptcy, insolvency, receivership or similar event of the Town;
 - (14) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
 - (15) Appointment of a successor or additional trustee or the change of name of a trustee.
- (b) Whenever the Town obtains knowledge of the occurrence of a Listed Event described in subsections (a)(2), (7), (8), (11), (14), or (15) above, the Town shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Town determines that knowledge of the occurrence of such event would be material under applicable federal securities laws, the Town shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Repository.
- (c) Whenever the Town obtains knowledge of the occurrence of a Listed Event described in subsections (a)(1), (3), (4), (5), (6), (9), (10), (12), or (13) above, the Town shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Repository.
- (d) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8), (9), and (10) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds. For the purposes of the event identified in (a)(13) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of

reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

<u>SECTION 6.</u> <u>Termination of Reporting Obligation</u>. The Town's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

<u>SECTION 7.</u> <u>Dissemination Agent.</u> The Town may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Town.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Town may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Town, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Town chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Town shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Town, or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any beneficial owner may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the Town, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Town, or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of the Dissemination Agent. The provisions of this Section 11 shall apply if the Issuer is not the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and to the extent permitted by applicable law and other public policy considerations, the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

<u>SECTION 12.</u> <u>Beneficiaries</u>. This Disclosure Certificate shall inure solely to the benefit of the Town, the Dissemination Agent, the Participating Underwriters, and Holders from time to time of the Bonds and shall create no rights in any other person or entity.

	TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
	By:
	Town Manager
Dated:, 20	

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Town:	Town of Hilton Head Island, South Carolina
Name of Bond Issue:	\$ General Obligation Bonds, Series, Town of Hilton Head Island, South Carolina
Date of Issuance:	
has not provided an Annof the Continuing Discle	EREBY GIVEN that The Town of Hilton Head Island, South Carolina (the "Town") nual Report with respect to the above-named Bonds as required by Sections 3 and 4 osure Certificate executed and delivered by the Town as Dissemination Agent. The writing that the Annual Report will be filed by

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*

VIA: Shawn Colin, AICP, Director of Community Development VIA: Nicole Dixon, CFM, Development Review Administrator FROM: Shari Mendrick, P.G., CFM, Planner/Floodplain Manager

CC: Teri B. Lewis, AICP, LMO Official

DATE: February 7, 2019

SUBJECT: Proposed Ordinance 2019-03; Revisions to Municipal Code Title 15,

Chapter 9

There were no changes made to Proposed Ordinance 2019-03 during the first reading on January 15, 2019.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2019-#

PROPOSED ORDINANCE NO. 2019-03

AN ORDINANCE TO AMEND TITLE 15 OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, CHAPTER 9 TO REVISE VARIOUS SECTIONS. THIS AMENDMENT INCLUDES CHANGES THAT WOULD CLARIFY THE SCOPE AND PURPOSE OF THE ORDINANCE AND REVISE THE LANGUAGE AND DEFINED TERMS TO BE CONSISTENT WITH THE NATIONAL FLOOD INSURANCE PROGRAM REGULATIONS 44 CFR PARTS 59 AND 60 AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, in 1983, the Town Council of the Town of Hilton Head Island, South Carolina adopted the Municipal Code of the Town of Hilton Head Island; and

WHEREAS, the flood hazard areas of the Town are subject to periodic inundation resulting in property loss, economic disruption and health and safety hazards; and

WHEREAS, the Town Council now intends to amend Title 15, Chapter 9 to clarify and correct language inconsistent with the NFIP regulations; and

WHEREAS, the Public Planning Committee met on October 25, 2018 and voted to recommend that Town Council adopt the proposed amendments; and

WHEREAS, the Town Council now finds that, upon further review, it is in the public interest to amend Title 15, Chapter 9 of the Municipal Code.

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 Chapter 9 of Title 15 of the Municipal Code of the Town of Hilton Head Island, South Carolina, is hereby amended as set forth in Attachment 1 and is hereby incorporated by reference. A copy of the code is hereby made a part of this chapter as fully and completely as if the same were set out herein verbatim. A copy of the code is on file in the office of the municipal clerk. See Attachment "1" for language of the Ordinance as amended.

<u>Section 2. Severability.</u> 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.

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

PASSED, APPROVED, AND ADOP OF HILTON HEAD ISLAND ON THIS		
	THE TOWN OF	F HILTON HEAD TH CAROLINA
ATTEST:	John McCann,	Mayor
Krista Wiedmeyer, Town Clerk	-	
First Reading: Second Reading:		
APPROVED AS TO FORM:		
Gregory M. Alford, Town Attorney		
Introduced by Council Member:		

Attachment "A"

Chapter 9 - FLOOD DAMAGE CONTROLS

Staff Explanation: This change adds "Citation of Statutory Authority" as required by #1 on the CAV checklist and has been modified for consistency with the state model ordinance.

ARTICLE 1. - FINDINGS OF FACT AND PURPOSE GENERAL STANDARDS

Sec. 15-9-110. - Statutory authorization.

The Legislature of the State of South Carolina has in SC Code of Laws, Title 5 and Title 6, and amendments thereto, delegated the responsibility to local governmental units to adopt regulations designed to promote the public health, safety, and general welfare of its citizenry. Therefore, the Town of Hilton Head Island, South Carolina does ordain as follows:

Sec. 15-9-111. - Preamble. Findings of fact.

- (a) The <u>Special fFlood hHazard aAreas of the town-Town of Hilton Head Island</u> are subject to periodic inundation which results in loss of life and property, health and safety hazards, disruptions of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of tax base all of which adversely affect the public health, safety and welfare.
- (b) These flood losses are caused by the cumulative effect of obstructions of floodplains causing increases in flood heights and velocities, and by the occupancy of flood hazard areas by structures vulnerable to floods or hazardous to other lands which are inadequately elevated, floodproofed, or otherwise protected from flood damages.

Staff Explanation: This section has been moved to Sec. 15-9-113. Basis for area of special flood hazard for consistency with the state model ordinance.

(c) The flood hazard areas of the town have been identified by the Federal Insurance Administration through a scientific and engineering report entitled "The Flood Insurance Study for the County of Beaufort," dated September 30, 1977, Federal Register Vol. 41, No. 207, pages 46,962—46,992, dated Tuesday, October 26, 1976, and subsequent supplement titled "Wave Height Analysis," dated June 4, 1984; with accompanying flood insurance rate maps and flood boundary maps, dated September 30, 1977, and subsequent maps adding wave heights dated December 4, 1984, as reevaluated and effective September 29, 1986, are hereby adopted by reference and declared to be part of this chapter.

(Ord. No. 01-07, § 1, 6-5-01; Ord. No. 2011-09, § 1, 6-21-11)

Staff Explanation: This change adds "Purpose section citing health, safety, and welfare reasons for adoption" as required by #7 on the CAV checklist and has been modified for consistency with the state model ordinance.

Sec. 15-9-112. - Scope.Statement of purpose.

It is the purpose of this chapter to promote the public health, safety and general welfare and to minimize public and private losses due to flood conditions in flood hazard areas by provisions designed to:

- (a) Restrict or prohibit uses which are dangerous to health, safety and property due to water or erosion hazards or which result in damaging increases in erosion or in flood heights or velocities;
- (b) Require that buildings vulnerable to floods, including facilities which serve such buildings, be protected against flood damages at the time of initial construction.
- (<u>c</u>b) <u>Prevent or r</u>Regulate the construction of flood barriers which will unnaturally divert floodwaters or which may increase flood hazards to other lands.
- (de)Control filling, er-grading, and other development which may increase erosion or flood damage or erosion.
- (ed)Control the alteration of natural floodplains, stream channels, and natural protective barriers, which are involved in the accommodation of floodwaters.

Staff Explanation: This section has been moved from Sec. 15-9-111 for consistency with the state model ordinance.

Sec. 15-9-113. - Basis for area of special flood hazard.

This chapter shall apply to all areas of special flood hazard within the jurisdiction of the Town of Hilton Head Island, SC.

The flood hazard areas of the town have been identified by the Federal Insurance Administration through a scientific and engineering report entitled "The Flood Insurance Study for the County of Beaufort," dated September 30, 1977, Federal Register Vol. 41, No. 207, pages 46,962—46,992, dated Tuesday, October 26, 1976, and subsequent supplement titled "Wave Height Analysis," dated June 4, 1984; with accompanying flood insurance rate maps and flood boundary maps, dated September 30, 1977, and subsequent maps adding wave heights dated December 4, 1984, as reevaluated and effective September 29, 1986, are hereby adopted by reference and declared to be part of this chapter.

Staff Explanation: This change adds "Require permits for all proposed construction and other development within SFHAs. [60.3(b)(1)]" as required by #17 on the CAV checklist.

Sec. 15-9-114. - Establishment of land development application and building permit.

The approval of a land development application shall be required in conformance with Title 16 and the provisions of this chapter prior to the commencement of any development activities. A building permit shall be required in conformance with Title 15, Title 16, and the provisions of this chapter prior to the commencement of any construction activities.

Staff Explanation: This change adds "Abrogation and Greater Restriction section. (e.g., This Ordinance shall not in any way impair/remove the necessity of compliance with any other applicable laws, ordinances, regulations, etc. Where this Ordinance imposes a greater restriction, the provisions of this Ordinance shall control.)" as required by #9 on the CAV checklist.

Sec. 15-9-115. - Interpretation.

In the interpretation and application of this ordinance all provisions shall be considered as minimum requirements and deemed neither to limit nor repeal any other powers granted under State law. This ordinance is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this ordinance and another conflict or overlap, whichever imposes the more stringent restrictions, shall prevail.

Staff Explanation: This change adds "Severability section. (e.g., If any section, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court, the remainder of the ordinance shall not be affected.)" as required by #10 on the CAV checklist.

Sec. 15-9-116. - Partial invalidity and severability.

If any part of this article is declared invalid, the remainder of the article shall not be affected and shall remain in force.

Staff Explanation: This change adds "Disclaimer of Liability section advising that the degree of flood protection required by the ordinance is considered reasonable but does not imply total flood protection." as required by #8 on the CAV checklist.

Sec. 15-9-117. - Warning and disclaimer of liability.

The degree of flood protection required by this chapter is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur on rare occasions. Flood heights may be increased by manmade or natural causes. This chapter does not imply that land outside the areas of special flood hazard or uses permitted within such areas will be free from flooding or flood damages. This chapter shall not create liability on the part of the town or on the part of any officer or employee of the town for any flood damages that result from reliance on this chapter or that are attributable to any administrative decision lawfully made under this chapter.

Staff Explanation: This change adds "Adequate enforcement provisions (including a violation and penalty section specifying actions the community will take to assure compliance)." as required by #3 on the CAV checklist.

Sec. 15-9-118. - Penalties for violation.

<u>Violation of the provisions of this chapter or failure to comply with any of its requirements, including violation of conditions and safeguards established in connection with grants of variances or special exceptions, shall constitute an offense. Any person who violates any provision of this chapter or who fails to comply with any</u>

of its requirements shall, upon conviction thereof, be subject to fine or imprisonment, or both, as provided in Sec 1-5-10. Each day any violation continues shall be considered a separate offense. Nothing contained in this section shall prevent the town from taking such other lawful action as is necessary to prevent or remedy any violation.

(Ord. No. 2011-09, § 1, 6-21-11)

Staff Explanation: This change adds "Definitions: [59.1]" as required by #13 on the CAV checklist.

Sec. 15-9-119. - Definitions.

For the purposes of this Chapter, the following definitions shall apply:

Accessory Structure - A building or structure subordinate and incidental to, and located on the same lot with, a principal building and use, the use of which is customarily found in association with and is clearly incidental to that of the main building or to the use of the land, and which is not attached by any part of a common wall or roof to the principal building.

<u>Area of special flood hazard</u> - the land in the floodplain within a community subject to a one percent or greater chance of being equaled or exceeded in any given year.

Base flood - the flood having a one percent chance of being equaled or exceeded in any given year.

<u>Base flood elevation (BFE)</u> - the computed elevation to which floodwater is anticipated to rise during the base flood. The BFE is the regulatory requirement for the elevation or floodproofing of structures. The relationship between the BFE and a structure's elevation determines the flood insurance premium.

<u>Building</u> - any structure having two or more exterior rigid walls and a roof supported by columns or walls and intended for the shelter, housing or enclosure of any person, commercial or business activity, process, equipment or goods. Each portion of a building separated from other portions by a firewall shall be considered as a separate building.

<u>Construction</u> - the erection of any building or structure or any preparations (including land disturbing activities) for the same.

<u>Development</u> - the use of a structure or land; or the construction, reconstruction or alteration of a structure; or an increase in land use intensity; or filling or excavating a parcel; or a change in effects or conditions of a site; or the alteration of a shore, bank or floodplain; or the construction or extension of a utility; or the subdivision of land.

Enclosure – partially or fully walled areas below the lowest floor of an elevated building.

Existing manufactured home park or manufactured home subdivision - a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before September 30, 1977.

Expansion to an existing manufactured home park or subdivision - the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete slabs).

<u>Flood - a general and temporary condition of partial or complete inundation of normally dry land areas from</u> the overflow of inland or tidal waters or from rain.

<u>Flood Insurance Rate Map (FIRM)</u> - an official map of a community, on which the Federal Emergency Management Agency has delineated both the areas of special flood hazard and the risk premium zones applicable to the community.

<u>Flood Insurance Study - the official report provided by the Federal Emergency Management Agency which contains flood profiles and the water surface elevation of the base flood.</u>

<u>Floodproofing</u> - any combination of structural and nonstructural additions, changes, or adjustments to structures, which reduce or eliminate flood damage to real estate or improved real property, water and sanitary facilities, structures and their contents.

<u>Functionally dependent use</u> - a use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities.

Historic Structure - any structure that is: (a) listed individually in the National Register of Historic Places (a listing maintained by the U.S. Department of the Interior (DOI)) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register; (b) certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district; (c) individually listed on a State inventory of historic places; (d) individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified (1) by an approved State program as determined by the Secretary of Interior, or (2) directly by the Secretary of Interior in states without approved programs. Some structures or districts listed on the State or local inventories MAY NOT be "Historic" as cited above, but have been included on the inventories because it was believed that the structures or districts have the potential for meeting the "Historic" structure criteria of the DOI. In order for these structures to meet NFIP historic structure criteria, it must be demonstrated and evidenced that the South Carolina Department of Archives and History has individually determined that the structure or district meets DOI historic structure criteria.

Increased Cost of Compliance (ICC) - applies to all new and renewed flood insurance policies effective on and after June 1, 1997. The NFIP shall enable the purchase of insurance to cover the cost of compliance with land use and control measures established under Section 1361. It provides coverage for the payment of a claim to help pay for the cost to comply with State or community floodplain management laws or ordinances after a flood event in which a building has been declared substantially or repetitively damaged

<u>Land Development Application</u> - application for development and use of property as required by Title 16 "<u>Land Management Ordinance of the Town of Hilton Head Island</u>", including, but not limited to, Subdivision <u>Review (Major and Minor)</u>, <u>Development Plan Review (Major or Minor)</u>, <u>Small Residential Development Review and Utility Project Permit.</u>

<u>Lowest Floor</u> - the lowest floor of the lowest enclosed area. An unfinished or flood resistant enclosure, usable solely for parking of vehicles, building access or storage is not considered a building's lowest floor; provided, that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirements of this ordinance.

Manufactured home - a factory-built, single-family structure that is manufactured under the authority of 42 USC Section 5401 and that is transportable in one or more sections, is built on a permanent chassis, but is not constructed with a permanent hitch or other device allowing transport of the unit other than for the purpose of delivery to a permanent site, and does not have wheels or axles permanently attached to its body or frame.

<u>Manufactured Home Park or subdivision - a parcel (or contiguous parcels) of land divided into two or more manufactured home lots for rent or sale.</u>

<u>New construction - structure, for which, the start of construction commenced on or after September 30, 1977. The term also includes any subsequent improvements to such structure.</u>

New manufactured home park or subdivision - a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete slabs) is completed on or after September 30, 1977.

Recreational vehicle - any of the following vehicles designed for travel, recreation, and vacation uses: motorhome or van (a portable, temporary dwelling constructed as an integral part of a self-propelled vehicle); pickup camper (a structure designed to be mounted on a truck chassis); recreational trailer (a portable structure built on a single chassis, 400 square feet or less when measured at the largest exterior horizontal projections); park trailer (a semi-portable structure built on a single chassis, which does not exceed 400 square feet when constructed to ANSI A-119.5 standards, and 500 square feet when constructed to USDHUD standards); or tent trailer (a canvas or synthetic fiber folding structure mounted on a hard body base and towed by a vehicle). Use of a recreational vehicle for residential or accommodation purposes is prohibited except in a Recreational Vehicle (RV) Park.

Repetitive Loss - a building covered by a contract for flood insurance that has incurred flood-related damages on 2 occasions during a 10 year period ending on the date of the event for which a second claim is made, in which the cost of repairing the flood damage, on the average, equaled or exceeded 25% of the market value of the building at the time of each such flood event.

Start of construction - means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition, or improvement was within 180 days of the permit date. The actual start means the first placement of permanent construction of a structure (including a manufactured home) on a site, such as the pouring of slabs or footings, installation of piles, construction of columns, or any work beyond the stage of excavation or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading, and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for footings, piers or foundations, or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of the building, whether or not that alteration affects the external dimensions of the building.

Structure - anything constructed, installed, or portable, the use of which requires a location on a parcel of land. Structure includes a fixed or movable building which can be used for residential, business, commercial, agricultural, or office purposes, either temporarily or permanently. "Structure" also includes, but is not limited to, swimming pools, cisterns, sewage treatment plants, sheds, and similar accessory construction.

<u>Substantial damage</u> - damage of any origin sustained by a structure whereby the cost of restoring the structure to it's before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

<u>Substantial improvement - any repair, reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the start of construction of the improvement. This term includes structures that have incurred repetitive loss or substantial damage, regardless of the actual repair work performed. The term does not, however, include either:</u>

- (a) any project of improvement to a structure to correct existing violations of State or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions or,
- (b) any alteration of a historic structure, provided that the alteration will not preclude the structure's continued designation as a historic structure.

<u>Substantially improved existing manufactured home park or subdivision - where the repair, reconstruction, rehabilitation or improvement of the streets, utilities and pads equals or exceeds 50 percent of the value of the streets, utilities and pads before the repair, reconstruction, or improvement commenced.</u>

Violation - the failure of a structure or other development to be fully compliant with these regulations.

ARTICLE 2. ADMINISTRATION

Staff Explanation: This section has been modified for consistency with the state model ordinance.

Sec. 15-9-211. - Chief executive officer who for the purposes of this chapter shall be the town manager to apply flood hazard area limits. Designation of local floodplain administrator.

The Town Manager or designee is hereby appointed to administer and implement the provisions of this chapter. To ensure that the purposes of this chapter are being complied with in regard to development within the flood hazard areas of the town, the town manager shall provide the applicant with the location of the proposed development with respect to the flood hazard area limits and water surface elevation of the base flood (i.e., one-hundred-year flood) at the proposed development site.

(Ord. No. 01-07, § 1, 6-5-01; Ord. No. 2011-09, § 1, 6-21-11)

Staff Explanation: This change adds "Require permits for all proposed construction and other development within SFHAs. [60.3(b)(1)]" as required by #17 on the CAV checklist and for consistency with the state model ordinance.

Sec. 15-9-212. - Information required on buildingLand development application or building permit permitand certification requirements, application.

- (a) Application for land development or building permit shall be made to the Town prior to any development or construction activities. The town manager or designee shall require the following specific information to be included as part of an application for a land development or building permitbuilding permits.
- (b) A plan, drawn to scale, -which details the nature, location, dimensions, and elevations of the area in question; size of existing and/or proposed structures; finished ground elevation; location of fill materials, storage areas and drainage facilities, finished floor elevation, water supply, sanitary facilities and, if appropriate, floodproofing measures; and all other applicable requirements in Title 15 and 16 of the Town's Municipal Code.
- (c) If the building structure incorporates floodproofing measures or breakaway walls, then certification is required by a registered professional engineer or architect stating that adequate precautions against flood damage have been taken with respect to the design of said building or structure, and that the plans for the development of the site adhere to the restrictions cited in this chapter.

- (d) A lowest floor elevation or floodproofing certification is required after the lowest floor is completed. As soon as possible after completion of the lowest floor and before any further vertical construction commences, or floodproofing by whatever construction means, whichever is applicable, it shall be the duty of the permit holder to submit to the local floodplain administrator a certification of the elevation of the lowest floor, or floodproofed elevation, whichever is applicable, as built, in relation to mean sea level. Said certification shall be prepared by or under the direct supervision of a registered land surveyor or professional engineer and certified by it. Any work done prior to submission of the certification shall be at the permit holder's risk. The local floodplain administrator shall review the floor elevation survey data submitted. The permit holder immediately and prior to further progressive work being permitted to proceed shall correct deficiencies detected by such review. Failure to submit the survey or failure to make said corrections required hereby shall be cause to issue a stop-work order for the project.
- (e) When a structure is located in Zones V, VE, or V1-30, certification shall be provided from a registered professional engineer or architect, separate from submitted plans, that new construction and substantial improvement meets the criteria for the coastal high hazard areas outlined in Sec.15-9-313.
- (f) Where alterations or repairs or additions are involved, the original date of construction and the current market value of the property, as defined by FEMA policy, shall be furnished by the owner of the property or his agent.

(Ord. No. 01-07, § 1, 6-5-01; Ord. No. 2011-09, § 1, 6-21-11)

Staff Explanation: This section has been modified for consistency with the state model ordinance.

Sec. 15-9-213. - Duties and responsibilities of town manager or designee.

The town manager or designee shall:

Staff Explanation: This change adds "Review permits to assure sites are reasonably safe from flooding and require for new construction and substantial improvements in flood-prone areas [60.3(a)(3)]" as required by #19 on the CAV checklist.

- (a) Review all land development and building permit applications to assure that the requirements of this chapter have been satisfied.
- (b) (1)Review proposed developments to assure that all necessary permits have been received from those governmental agencies from which approval is required by Ftederal, Setate or local law—including section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C 1334.
- (c) (2)Notify adjacent communities and the South Carolina Department of Natural Resources, Land, Water, and Conservation Division, State Coordinator for the National Flood Insurance Program, prior to any alteration or relocation of a watercourse, and shall submit evidence of such notification to the Federal Insurance Administration. Emergency Management Agency.
- (d) (3)Obtain necessary engineering analysis to assure that the flood-carrying capacity within the altered or relocated portion of said watercourse is maintained.

Staff Explanation: This change adds "Review subdivision proposals and other development, including manufactured home parks or subdivisions, to determine whether such proposals will be reasonably safe from flooding [60.3(a)(4)]" as required by #20 on the CAV checklist.

- (e) Review all subdivision proposals and other proposed new development, including manufactured home parks or subdivisions, to determine whether such proposals will be reasonably safe from flooding. If a subdivision or other development is in a Special Flood Hazard Area, assure that:
 - (1) <u>Such proposals minimize flood damage and are subject to all applicable standards in these regulations,</u>
 - (2) <u>Public utilities and facilities such as sewer, gas, electrical, and water systems located and</u> constructed to minimize flood damage, and
 - (3) Adequate drainage is provided to reduce exposure to flood damage.

Staff Explanation: This change adds "Require base flood elevation data for subdivision proposals or other developments greater than 50 lots or 5 acres. [60.3(b)(3)]" as required by #23 on the CAV checklist. The "greater than 50 lots of 5 acres" requirement was removed from the modification below as FEMA has provided base flood elevations for all properties located in the Town's limits, therefore, this information is readily available for all development and building permits.

(f) Require base flood elevation data for all land development applications and building permits.

Staff Explanation: This section was modified to clarify the current procedure used by Town staff to make Substantial Improvement/Damage determinations.

- _(4) Verify that any requested substantial damages or substantial improvements to property are consistent with the National Flood Insurance Program regulations, title 44, parts 59 and 60, particularly section 60.3(e), effective October 1, 1989. "Substantial damage" means damage of any origin, including flood related damage, sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed fifty (50) percent of the market value of the structure before the damage occurred. Substantial damage also means flood related damages sustained by a structure on two (2) separate occasions during a ten-year period for which the cost of repairs at the time of each such flood event, on the average, equals or exceeds twenty five (25) percent of the market value of the structure before the damage occurred.
 - (g) Perform an assessment of damage from any origin to the structure using FEMA's Substantial Damage Estimator (SDE) software to determine if the damage equals or exceeds 50 percent of the market value of the structure before the damage occurred.
 - (h) Perform an assessment of permit applications for improvements or repairs to be made to a building or structure that equals or exceeds 50 percent of the market value of the structure before the start of construction.

The market values shall be determined by one of the following methods:

(1) the current assessed building value as determined by the county's assessor's office or the value of an appraisal performed by a licensed appraiser at the expense of the owner within the past 6 months.

- (2) one or more certified appraisals from a registered professional licensed appraiser in accordance with the laws of South Carolina. The appraisal shall indicate actual replacement value of the building or structure in its pre-improvement condition, less the cost of site improvements and depreciation for functionality and obsolescence.
- (3) Real Estate purchase contract within 6 months prior to the date of the application for a permit.

(Ord. No. 01-07, § 1, 6-5-01; Ord. No. 2011-09, § 1, 6-21-11)

Staff Explanation: This section has been modified for consistency with the state model ordinance.

Sec. 15-9-214. - Elevation information to be public record.

The town manager shall require the verification of actual elevation (in relation to mean sea level) of the lowest floor (including basement) of all new or substantially improved structures prior to vertical framing of said structure. The elevation information shall be maintained as public record.

(i) Maintain all records pertaining to the administration of this chapter and make these records available for public inspection.

(Ord. No. 01-07, § 1, 6-5-01; Ord. No. 2011-09, § 1, 6-21-11)

Staff Explanation: This change adds "Review permits to assure sites are reasonably safe from flooding and require for new construction and substantial improvements in flood-prone areas [60.3(a)(3)]" as required by #19 on the CAV checklist and moves associated regulations as required by #19 a, b, and d for consistency with the state model ordinance.

ARTICLE 3. - CONSTRUCTION-FLOOD HAZARD REDUCTION STANDARDS

Sec. 15-9-311. - General Standards.

The standards and defined terms used herein shall be the National Flood Insurance Program regulations, 44 CFR, parts 59 and 60, and with final rule effective October 1, 1989, as published by FEMA is hereby adopted, and hereby made a part of this chapter. A copy is on file in the office of the municipal clerk. In all areas of special flood hazard the following provisions are required:

- (a) All new construction, additions and/or substantial improvements shall be constructed by methods and practices that minimize flood damages.
- (b) Sec. 15-9-314. Anchoring. (a) All structures shall be firmly anchored to prevent flotation, collapse, or lateral movement. (b) ——All ducts, pipes, and storage tanks shall be firmly anchored to prevent flotation, collapse or lateral movement.
- (c) All new construction and substantial improvements shall be constructed with flood resistant materials and utility equipment resistant to flood damage in accordance with Technical Bulletin 2, Flood Damage-Resistant Materials Requirements, dated 8/08, and available from the Federal Emergency Management Agency.
- (d) Sec. 15-9-315. Mechanical and utility equipment. (a) Electrical, heating, ventilation, plumbing, and air-conditioning equipment and other service facilities shall be designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding.

Staff Explanation: This change adds "Require new and replacement water supply and sanitary sewage systems to be designed to minimize or eliminate infiltration. [60.3(a)(5) and 60.3(a)(6)]" as required by #21 on the CAV checklist.

(e) <u>Utilities</u>. Water supply systems and/or sanitary sewage systems shall be designed to minimize or <u>eliminate infiltration of floodwaters into the system and discharges from the systems into floodwaters</u>.

Staff Explanation: This change adds "Require onsite waste disposal systems be designed to avoid impairment or contamination. [60.3(a)(6)(ii)]" as required by #22 on the CAV checklist.

(f) On-site waste disposal systems shall be located and constructed to avoid impairment to them or contamination from them during flooding.

(Ord. No. 01-07, § 1, 6-5-01; Ord. No. 2011-09, § 1, 6-21-11)

Staff Explanation: This section has been modified for consistency with the state model ordinance, the International Residential Code and International Building Code.

Sec. 15-9-312. - Elevation requirements. Specific standards.

<u>In all areas of special flood hazard (Zones A, AE, and A1-30) where base flood elevation data has been provided, the following provisions are required:</u>

(a) Residential Construction

New construction and substantial improvement of any Residential structures (including manufactured homes) must be constructed so that the lowest floor, including basement, is located elevated no lower than one foot above the level of the base flood elevation (i.e., the one-hundred-year flood elevation). No environmentally conditioned space shall be allowed below the lowest floor. No basements are permitted. Should solid foundation perimeter walls be used to elevate a structure, flood openings sufficient to automatically equalize hydrostatic flood forces, shall be provided in accordance with the elevated buildings requirements in Sec.15-9-312(f). Residential structures may not be floodproofed in lieu of elevation.

(b) Nonresidential Construction

New construction and substantial improvement of any Nnonresidential structures must be constructed so that the lowest floor is elevated no lower than one foot above the level of the base flood elevation, i.e., the one-hundred year flood elevation. Should solid foundation perimeter walls be used to elevate a structure, flood openings sufficient to automatically equalize hydrostatic flood forces, shall be provided in accordance with the elevated buildings requirements in Sec.15-9-312(f). Non-residential structures may be floodproofed in lieu of elevation constructed below the base flood elevation (i.e., the one-hundred-year flood elevation) provided that all areas of the structure below the required elevation they are designed to preclude the inundation of floodwater and withstand the hydrostatic loads associated with the base flood. (i.e., structure must be floodproofed to the elevation of the base flood) and

<u>A certified by a South Carolina licensed engineer or architect shall certify</u> that the design and method of construction meet the provisions of this section 60.3(c)(4) of the standard. Record of certification of floodproofing shall be maintained as a public record.

Staff Explanation: This section has been removed as the National Flood Insurance Program does not allow these exemptions below the Base Flood Elevation. See the comments section of the CAV.

Exception. In A zones, the following buildings, not to exceed three hundred (300) square feet (net floor area), shall be allowed below the base flood elevation, but should be located at the highest existing grade feasible to accomplish the requirements of minimizing or eliminating flood damage. All construction material below the base flood elevation will be constructed with flood resistant material and the structures will comply with sections 15-9-314 through 15-9-316:

- (1) Detached security or guard houses at the entrance to a development.
- (2) Detached pump houses for water and sewer installations.
- (3) Detached bathrooms which provide only minimal facilities to provide sanitation for public use.
- (4) Publicly owned buildings.

Staff Explanation: This section has been moved for consistency with the state model ordinance.

(c) Sec. 15-9-411. -- Manufactured hHomes standards.

(a) Manufactured home sStandards shall apply to all installations after April 1, 1987 and shall include homes placed in manufactured home parks or subdivisions, or homes not placed in such parks or subdivisions.

(b) —All manufactured homes to be placed or substantially improved within zones A1-30, AH, and AE shall be elevated on a permanent foundation such that the lowest floor of the manufactured home is at or above the base flood elevation and be securely anchored to an adequately anchored foundation system in accordance with the provisions of chapter 7, title 15. Section 40-29-10 of the South Carolina Manufactured Housing Board Regulations, as amended.

Staff Explanation: This change adds "In A1-30, AH, and AE Zones, all recreational vehicles to be placed on a site must (i) be elevated and anchored; OR, (ii) be on the site for less than 180 consecutive days; OR (iii) be fully licensed and highway ready. [60.3(c)(14)]" as required by #39 on the CAV checklist.

(d) Recreational Vehicles

Recreational vehicles placed on sites shall either be on site for fewer than 180 consecutive days or must be fully licensed and ready for highway use—.

A recreational vehicle is ready for highway use if it is on wheels or jacking system, attached to the site only by quick-disconnect type utilities and security devices; and has no permanently attached additions.

Staff Explanation: This section has been added for consistency with the state model ordinance and to address the permitting of the exemptions that were removed.

(e) Accessory Structures

Accessory structures must be elevated to the base flood elevation or meet the requirements of Sec. 15-9-312(f).

Accessory structures shall be placed on the building site so as to offer the minimum resistance to the flow of floodwaters and shall be firmly anchored to prevent flotation, collapse, or lateral movement of the structure. All service facilities, such as electrical, shall be installed in accordance with Sec. 15-9-311(d).

(Ord. No. 01-07, § 1, 6-5-01; Ord. No. 2011-09, § 1, 6-21-11)

Staff Explanation: This section has been moved for consistency with the state model ordinance and building elevation is the preferred method of protection

- (f) Sec. 15-9-316. Mandatory use of openings in eEnclosures bBelow Lowest Floor the base flood elevation
 - (1) (a) For all new construction and substantial improvements, fully enclosed areas below the lowest floor that are subject to flooding shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters.
 - (2) Designs for meeting this requirement must either be certified by a registered professional South Carolina engineer or architect or must meet or exceed the following minimum criteria:
 - a. A minimum of two (2) openings, each on a separate building face, shall be provided. These openings should have a total net area of not less than one (1) square inch for every square foot of enclosed area subject to flooding.
 - b. The bottom of all openings shall be no higher than one (1) foot above grade.
 - c. Openings may be equipped with screens, louvers or other coverings or devices provided that they permit the automatic entry and exit of floodwaters.
 - (3) (b) Doors and windows are not to be considered as a part of the minimum requirement.
 - (4) (c) Uses below the B.F.E.base flood elevation are restricted to parking, limited storage and building access. (Enclosed areas below B.F.E.base flood elevation must comply with (1a) above.)
 - (5) The interior portion of such enclosed area shall not be finished or partitioned into separate rooms, must be void of utilities except for essential lighting as required for safety, and cannot be temperature controlled.
 - (6) All construction materials below the required lowest floor elevation specified in the specific standards outlined in Sec.15-9-312 (a), (b), (c) and (e) shall be of flood resistant materials.

Staff Explanation: This section has been moved for consistency with the state model ordinance and modified for consistency with the LMO.

Sec. 15-9-313.(g) Fill

If fill is the only alternative to raising the building to meet the residential and non-residential construction requirements of Sec. 15-9-312 (a) and (b), an applicant shall demonstrate that the amount of fill used will not affect the flood storage capacity. The following provisions shall apply to all fill placed in the special flood hazard area: If fill is used to raise the lowest floor to the base flood elevation:

- (1) Fill shall consist of suitable compact soil or small rock materials only. Sanitary landfills shall not be permitted.
- (2) Uncontained fill shall extend laterally no less than five (5) feet beyond the building line at all points.
- (3) Fill shall be used only to the extent to which it does not adversely affect adjacent properties.
- (4) Fill slopes shall be no steeper than allowed by acceptable engineering standards for the type of fill material used.
- (5) Nonresidential sites shall not be elevated with fill material to an average height greater than three feet above existing grade with the exception of critical facilities.

(Ord. No. 01-07, § 1, 6-5-01)

Staff Explanation: These sections have been moved to Sec. 15-9-311 for consistency with the state model ordinance.

Sec. 15-9-314. - Anchoring.

- (a) All structures shall be firmly anchored to prevent flotation, collapse, or lateral movement.
- (b) All ducts, pipes, and storage tanks shall be firmly anchored to prevent flotation, collapse or lateral movement.

(Ord. No. 01-07, § 1, 6-5-01)

Sec. 15-9-315. - Mechanical and utility equipment.

- (a) Electrical, heating, ventilation, plumbing, and air-conditioning equipment and other service facilities shall be designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding.
- (b) Design for below base flood elevation shall be certified by a South Carolina licensed engineer.

(Ord. No. 01-07, § 1, 6-5-01)

Sec. 15-9-316. Mandatory use of openings in enclosures below the base flood elevation.

(a) For all new construction and substantial improvements, fully enclosed areas below the lowest floor that are subject to flooding shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting this requirement must either be certified by a registered professional South Carolina engineer or architect or must meet or exceed the following minimum criteria: A minimum of two (2) openings, each on a separate building face, shall be

provided. These openings should have a total net area of not less than one (1) square inch for every square foot of enclosed area subject to flooding. The bottom of all openings shall be no higher than one (1) foot above grade. Openings may be equipped with screens, louvers, or other coverings or devices provided that they permit the automatic entry and exit of floodwaters.

- (b) Doors and windows are not to be considered as a part of the minimum requirement.
- (c) Uses below the B.F.E. are restricted to parking, limited storage and building access. (Enclosed areas below B.F.E. must comply with (a) above.) (Ord. No. 01-07, § 1, 6-5-01)

Sec. 15-9-3137. - Special standard for construction in coastal high hazard areas (Zones V and VE).

Located within the special flood hazard areas are areas known as coastal high hazard areas (V zones). These coastal high hazard areas have special flood hazards associated with high-velocity waters from tidal surge and hurricane wave wash and therefore the following special construction standards shall apply in the coastal high hazard areas as determined by the town manager or designee.

(a) (1)—All new construction and substantial improvements shall be located landward of the reach of the mean high tide.

Staff Explanation: This section has been modified for consistency with the 2015 International Building Code, which was adopted by the State of South Carolina effective July 1, 2016.

- (b) (2) All new construction and substantial improvements shall be elevated so that the bottom of the lowest horizontal supporting member is located no lower than one foot above the base flood elevation level, with all space below the lowest supporting member free of obstruction and open so as not to impede the flow of the water, except as provided for breakaway walls in subsection (i), below.
- (c) (3)—All new construction and substantial improvements shall be securely anchored on pilings or columns.
- (d) (4) The pile or column foundation and structure attached thereto shall be designed and anchored to resist flotation, collapse and lateral movement due to the effects of wind and water loads acting simultaneously on all building components. (Windloads will comply with the latest edition of the International Building Code, with amendments, that has been adopted by the South Carolina Building Codes Council.) The waterloads are those associated with the base flood.
- (e) (5)A registered professional engineer or architect shall develop or review the structural design, specifications and plans for the construction, and shall certify that the design and methods of construction to be used are in accordance with accepted standards of practice for meeting the provisions of paragraphs (2)—(4)(b) thorough (d) of this section.
- (f) (6)Pilings or columns used as structural support shall be spaced so that when measured perpendicular to the general direction of flood flow shall not be less than eight (8) feet apart at the closest point.
- (g) (7)There shall be no fill used as structural support.
- (h) (8) There shall be no alteration of primary sand dunes which would increase potential flood damage.
- (i) (9) Breakaway walls shall be allowed below the base flood elevation provided they are not part of the structural support of the building and are designed so as to break away, under abnormally high

tides or wave action, without damage to the structural integrity of the building on which they are to be used. Breakaway walls shall be open lattice work or screening only.

(j) (10) If breakaway walls are utilized, such enclosed space shall not be used for human habitation. The enclosed areas may only be used for parking of the vehicles, building access or limited storage.

(Ord. No. 01-07, § 1, 6-5-01; Ord. No. 2011-09, § 1, 6-21-11)

Staff Explanation: These sections have been moved to Sec. 15-9-312 for consistency with the state model ordinance.

ARTICLE 4. - SPECIAL STANDARDS FOR MANUFACTURED HOMES IN FLOOD HAZARD AREAS _Sec. 15-9-411. - Manufactured home standards.

- (a) Standards shall apply to all installations after April 1, 1987 and shall include homes placed in manufactured home parks or subdivisions, or homes not placed in such parks or subdivisions. (b) All manufactured homes to be placed or substantially improved within zones A1-30, AH, and AE shall be elevated on a permanent foundation such that the lowest floor of the manufactured home is at or above the base flood elevation and be securely anchored to an adequately anchored foundation system in accordance with the provisions of chapter 7, title 15.
 - (I) (e) Manufactured homes to be placed in V zones shall meet the same standards as conventional housing; i.e., meet the provisions at section 60.3(e)(3), (4), (5), and (6), and (7) of NFIP criteria, as required by this section. section 15-9-317, "Special standard for construction in coastal high hazard areas."

Staff Explanation: This change adds "In V1-30, VE, and V zones, all recreational vehicles to be placed on a site must (i) be elevated and anchored; OR, (ii) be on the site for less than 180 consecutive days; OR, (iii) be fully licensed and highway ready [60.3(e)(9)]" as required by #46 on the CAV checklist.

(m) Recreational vehicles may be permitted in V Zones provided that the zoning of the property allows for recreational vehicle parks as a principal use and they meet the Recreation Vehicle criteria of Sec.15-9-312(d).

Staff Explanation: This section has been added for consistency with the state model ordinance and to address the permitting of the exemptions that were removed.

(n) Accessory structures to be place in V Zones shall meet the same standards as conventional housing as required by this section.

(Ord. No. 01-07, § 1, 6-5-01)

Staff Explanation: This section has been moved to Sec. 15-9-213 for consistency with the state model ordinance.

ARTICLE 5. - REQUIREMENTS FOR SUBDIVISION PROPOSALS AND UTILITY SYSTEMS (Moved to Article 3)

Sec. 15-9-511. - Subdivisions.

Floodplain management criteria associated with the subdivision of land into lots, building sites or building units is contained within the town subdivision regulations or future ordinances regulating such development activity.

(Ord. No. 01-07, § 1, 6-5-01)

Staff Explanation: This section has been moved to Sec. 15-9-311 for consistency with the state model ordinance.

Sec. 15-9-512. - Utilities.

Water supply systems and/or sanitary sewage systems should be designed to minimize or eliminate infiltration of floodwaters into the system and discharges from the systems into floodwaters.

(Ord. No. 01-07, § 1, 6-5-01)

ARTICLE 46. - VARIANCES

Sec. 15-9-4611. - Requirements for variances.

Upon the submission of a written application to the <u>T</u>town <u>C</u>eonstruction <u>B</u>board of <u>A</u>adjustments and <u>A</u>appeals, a variance may be granted permitting the <u>erection new construction or substantial improvement</u> of structures with a lowest floor elevation, <u>including basement</u>, lower than regulatory flood elevation if <u>all one</u> of the following are met:

Staff Explanation: This change adds "Variance section with evaluation criteria and insurance notice. [60.6(a)]" as required by #4 on the CAV checklist and has been modified for consistency with the state model ordinance.

- a. The property on which the structure is to be erected is an isolated lot of one-half acre or less, with all contiguous existing structures constructed below such required first floor elevation; or
 - (a) b.A structure listed on the National Register of Historic Places or a state inventory of history places is to be restored or reconstructed. historical structure upon the determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure.
 - (b) Development necessary to conduct a functionally dependant use, provided the criteria of this Article are met, no reasonable alternative exist, and the development is protected by methods that minimize flood damage and create no additional threat to public safety.
 - (c) Wet floodproofing of an agricultural structure provided it is used solely for agricultural purposes. In order to minimize flood damages during the base flood and the threat to public health and safety, the structure must meet all of the conditions and considerations of Sec 15-9-312(f), this section, and the following standards:
 - (1) Use of the structure must be limited to agricultural purposes as listed below:

- a. Pole frame buildings with open or closed sides used exclusively for the storage of farm machinery and equipment;
- <u>b.</u> General-purpose barns for the temporary feeding of livestock that are open on at least one side;
- c. For livestock confinement buildings, poultry houses, dairy operations, and similar livestock operations, variances may not be issued for structures that were substantially damaged. New construction or substantial improvement of such structures must meet the elevation requirements of Sec.15-9-312(f) of this ordinance.
- (2) The agricultural structure must be built or rebuilt, in the case of an existing building that is substantially damaged, with flood-resistant materials for the exterior and interior building components and elements below the base flood elevation.
- (3) The agricultural structure must be adequately anchored to prevent flotation, collapse, or lateral movement. All of the structure's components must be capable of resisting specific flood-related forces including hydrostatic, buoyancy, hydrodynamic, and debris impact forces. Where flood velocities exceed 5 feet per second, fast-flowing floodwaters can exert considerable pressure on the building's enclosure walls or foundation walls.
- (4) The agricultural structure must meet the venting requirement of Sec.15-9-312(f) of this ordinance.
- (5) Any mechanical, electrical, or other utility equipment must be located above the base flood elevation, plus any required freeboard, or be contained within a watertight, floodproofed enclosure that is capable of resisting damage during flood conditions in accordance with Sec.15-3-311(d) of this ordinance
- (6) Major equipment, machinery, or other contents must be protected. Such protection may include protective watertight floodproofed areas within the building, the use of equipment hoists for readily elevating contents, permanently elevating contents on pedestals or shelves above the base flood elevation, or determining that property owners can safely remove contents without risk to lives and that the contents will be located to a specified site out of the floodplain.

Sec. 15-9-412. - Required findings.

If the proposed new construction or substantial improvement meets one or more of the requirements in Sec. 15-9-411, a variance may be granted if the Town Construction Board of Adjustment and Appeals determines and expresses in writing all of the following findings:

- (2) (a) Good and sufficient cause exists for the granting of the variance.
- (3) (b) Failure to grant the variance would result in exceptional hardship to the applicant.
- (4) (c) The issuance of the variance would not result in increased flood heights, additional threats to public safety or extraordinary public expense.
- (5) (d) The variance would not have the effect of nullifying the intent and purpose of the chapter.

(Ord. No. 01-07, § 1, 6-5-01)

Sec. 15-9-612413. - Hearing.

(a) All applications for variances shall be heard by the construction board of adjustments and appeals.

- (b) Prior to the granting of a variance the construction board of adjustments and appeals must find that justifications exist in accordance with the terms of this chapter. These findings together with the granting of a variance, shall be reduced to writing, and may be a part of the public record. All variances shall pertain to the particular parcel of land and apply only to the proposed structure set forth in the variance and application.
- (c) Such variance shall be freely transferable with the land and shall not be personal to the applicant.
- (d) Unless otherwise provided therein, a variance shall be valid for a period of one (1) year after the date of its issuance. If construction has not commenced pursuant thereto within such time, said variance shall become void. Lapse of a variance by the passage of time shall not preclude subsequent application for variance.
- (e) No variance except herein specifically permitted may be granted from the provisions of this chapter. The variance procedures herein provided shall be the exclusive method for obtaining variances under the provisions herein.

(Ord. No. 01-07, § 1, 6-5-01)

Sec. 15-9-613414. - Fee.

Each written application for a variance shall be accompanied by a fee of seventy-five dollars (\$75.00). Such application shall reflect the type of structures for which a variance is sought, the size of such structures, the approximate location upon the parcel and intended use thereof and the reasons for which the variance is being sought.

(Ord. No. 01-07, § 1, 6-5-01)

Sec. 15-9-614415. - Notice of possible increased insurance cost.

Any applicant to whom a variance is granted shall be given notice that the proposed structure will be located in the floodprone area. The structure will be permitted to be built with a lowest flood elevation below the regulatory flood elevation, and the cost of flood insurance will be commensurate with the increased risk resulting from the reduced first floor elevation.

(Ord. No. 01-07, § 1, 6-5-01)

South Carolina Department of

Natural Resources



Alvin A. Taylor

Ken Rentiers
Deputy Director for
Land, Water and Conservation

September 28, 2016

Nicole Dixon Town of Hilton Head One Town Center Court Hilton Head Island, SC 29928

RE: TOWN OF HILTON HEAD COMMUNITY ASSISTANCE VISIT RESULTS

Dear Ms. Dixon:

Thank you for the courtesy extended during the recent Community Assistance Visit (CAV). The purpose of the visit was to assist community officials with the implementation and administration of the local floodplain management program and to evaluate the Town of Hilton Head Island's status as a participant in the National Flood Insurance Program (NFIP).

During the meeting a complete review of the Town's floodplain management program was conducted. During this visit, we found some potential violations of the Town's program that are described in the attached report. It is our goal to assist the Town of Hilton Head with being in good standing with the NFIP.

A copy of the CAV report is enclosed for your reference. As noted in the CAV report, further information is required by the Community in order to ensure compliance with the NFIP.

As you work through the conditions mentioned, I am available to assist staff as necessary. Please feel free to contact me with any questions or concerns you may have regarding this CAV report at 803-734-4012 / artzi@dnr.sc.gov. Additionally, I invite you to visit South Carolina's website at http://www.dnr.sc.gov/flood or visit FEMA's website at www.fema.gov/nfip where you will find additional information that may be of interest.

Sincerely,

Jessica Artz, CFM

Flood Mitigation Specialist

CC: Mr. Chris Yates, Building Official

Mr. Tim Russo, FEMA Region IV

COMMUNITY ASSISTANCE VISIT REPORT

Hilton Head Island

Name of Community

Dessica Artz

State

Conducted By

Beaufort

County

Community ID

09/21/2016

Date of Visit

Nicole Dixon/Chris Yates
Floodplain Administrator

(843)341-4675 **Telephone**

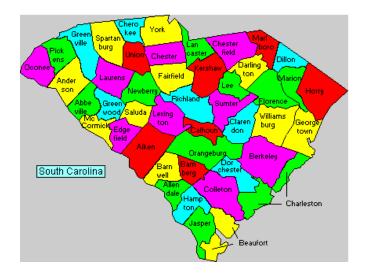
One Town Center Court, Town of Hilton Head Island, SC 29928 Address of Local Official

NONE SERIOUS MINOR

1. Are there any problems with the community's floodplain mgt regs?		Х
2. Are there problems with administrative and enforcement procedures?	Х	
3. Are there engineering or other problems with the maps or FIS?	Х	
4. Are there other problems with the local floodplain management program?	Х	
5. Are there problems with the Biennial Report data?	Х	
6. Are there any programmatic issues or problems identified?	Х	

7.	Are	there	any	potential	violations	of	the	community's	floodplain
	mana	agement	reg	ulations?					
	>	ζ	A	potential	violation h	as k	oeen	identified.	
			N	o violation	ns have been	ide	entif	ied.	
			A	ctions are	in progress	to	reme	dy violation	s.

A. BACKGROUND



- a LAST CAV/BY WHOM/RESULTS: CIS records show the last CAV in the Town of Hilton Head (herein referred to as the Town) was conducted on August 25, 2010. The State found that updates to the Floodplain Regulations were needed and there was one violation to be resolved. The CAV was closed on April 25, 2011.
- b HISTORY/ FLOOD PROBLEMS/ POPULATION/ DEVELOPMENT PRESSURE/ BIENNIAL REPORT (Refer to FIS where appropriate): The Town has experienced a lot of growth in the past few years, including a large amount of re-development. The population of Hilton Head is approximately 40,000. They have not had any major flooding issues in the past few years. Their flooding is usually localized due to lack of drainage during high tide rainfall events. Approximately 75% of the Town is located in a flood zone.
- c ADMINISTRATIVE PERMIT PROCESS (incl. Application, review, inspection, record keeping, enforcement, & substantial improvement & damage):

The Town is in the process of hiring a full-time floodplain administrator. Currently, the job duties are split between the Senior Planner, Nicole Dixon, who manages the CRS program and Chris Yates, the Building Official, who issues the building permits. Nicole reviews all subdivision and commercial plans. The elevations are included on the plans. After plans are reviewed, the Town issues a Notice of Action which allows the developer to move forward with infrastructure needs. After the infrastructure is in place, the subdivision plat is stamped and the individual building permits can be approved by Chris. On a new structure, an EC is required before the foundation is poured and a final EC is required before a Certificate of Occupancy can be issued. For commercial

properties, an as-built survey is required before Certificate of Compliance is issued.

d INSURANCE INFORMATION/ CRS:

CIS database shows there are 26,415 policies. The amount of insurance is force is \$6,733,743,600.00

B. REFERENCE QUESTIONS 1-4 ABOVE

- 1. Floodplain Management Regulations: The ordinance is in need of updating. Please refer to the attached ordinance checklist for required updates and the SC Model Ordinance for recommended language.
- 2. Administrative and Enforcement Procedures:

No issues.

3. Maps and Flood Insurance Studies:

Beaufort County maps are dated September 29, 1986. Updated maps are in the process of being developed.

4. Other Problems with the FPM Program:

None found.

C. PROGRAMMATIC ISSUES

None found.

D. SECTION 404, HAZARD MITIGATION GRANT PROGRAM/ FMAP (Floodplain Management Assistance Program)

The community is eligible for other Federal programs.

E. EXECUTIVE ORDER 11988, FLOODPLAIN MANAGEMENT

The community works with other Federal Agencies (OFA's) whenever it is called upon to do so, or the need is there. There is no deviation from this policy.

F. OTHER FINDINGS

Eighteen permits and elevation certificates were pulled for review. There were no variances issued.

Field visits were conducted for the following permits:

- 24 China Cockle Lane
- 24 China Cockle Way
- 56 Shell Ring Road
- 15 Hackney Pony Lane
- 19 Jarvis Creek Lane
- 64 Jarvis Creek Lane
- 11 Lighthouse Lane
- 37 Dolphin Point Lane
- 1 Coligny Circle

G. FOLLOW-UP (BY FEMA/STATE)

There is no need for follow up by the State or FEMA.

H. COMMUNITY ACTION NEEDED

The properties at 19 Jarvis Creek Lane and 64 Jarvis Creek Lane have enclosed the space below the BFE without providing sufficient openings.





19 Jarvis Creek

64 Jarvis Creek

Please provide evidence that the space has either been put back to its original state or that the openings meet the minimum requirements of the Town's Flood Ordinance.

The ordinance must be updated.

Please provide a report to SC DNR on the status of these concerns by January 6, 2017.

Community	Town of Hilton Head Isl	and		State		SC_	
Reviewed by:	Jessica Artz	Date	of Re	eview:		9/15/2	2016
	dplain Management Regulations Re	eviewed by (circle o	one):	FEM	A <u>S</u>	<u>tate</u>	Other: (Agency
Reviewer's Deter	rmination: // The floodplain man					ıt.	
Approved by: _		(FEMA	only) Dat	e of A	Appr	oval://
description. Refe Regulations at Ti- minimum criteria	ption" is a synopsis of the regulator to the actual language contained it the 44 Code of Federal Regulations. Below the "Level of Regulations the respective provision in the non-	in the National Floo (CFR) Part 59 and "column, you can i	od Ins 60 fo	urance r the co	Prog	ram I ete de	Floodplain Managemen scription of the required
Item Descript				evel of		S	Applicable Ordinance
	nce to the NFIP Regulations fol			C	$\frac{\int d^1}{d^1}$	e ¹	Section/Comments
	ES MUST CONTAIN THE FO Statutory Authority	LLOWING PRO	OATS	SIONS): 		missing
1. Citation of	Statutory Authority						Illissing
permit syst	tem, establishment of the ordinance in the ordinance in the ordinance, record keeping the ordinance, record keeping the ordinance, record keeping the ordinance, record keeping the ordinance.	for				X	Article 2
and penalty	enforcement provisions (including section specifying actions the consumpliance).	•					missing
4. Variance so notice. [60	ection with evaluation criteria ar .6(a)]	id insurance				X	Article 6 (1) a., contiguous properties below the BFE is not a reason to allow a variance. This sentence must be removed.
5. Effective D							
6. Signature of Official.	of Appropriate Official and Certi	fication					

9/28/2016

¹ If a community has both floodways and coastal high hazard areas, it must meet the requirements of both level 60.3(d) and 60.3(e).

Community Town of Hiltlon Head Island State	te	SC_						
Reviewed by:	_Date	e of R	Reviev	w <u>: 9/15/2016</u>				
Item Description Level of Regs Applicable Ordinance								
(Section reference to the NFIP Regulations follows)	a	b	c	$\mathbf{d^1}$	e ¹	Section/Comments		
OTHER PROVISIONS AND ACTIONS THAT MAY BE I ORDINANCE LEGALLY ENFORCEABLE AND ENSUR ADMINISTERED:								
7: Purpose section citing health, safety, and welfare reasons for adoption.					X	Article I. Sec. 15-9- 112		
8: Disclaimer of Liability section advising that the degree of flood protection required by the ordinance is considered reasonable but does not imply total flood protection.						missing		
9. Abrogation and Greater Restriction section. (e.g., This Ordinance shall not in any way impair/remove the necessity of compliance with any other applicable laws, ordinances, regulations, etc. Where this Ordinance imposes a greater restriction, the provisions of this Ordinance shall control.)						missing		
10. Severability section. (e.g., If any section, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court, the remainder of the ordinance shall not be affected.)						missing		
11. Public hearing (State/local laws may require hearings)								
12. Publication (State/local laws may require public notices)								
MINIMUM NFIP CRITERIA:			,	T				
13. Definitions: [59.1] X Base Flood; X Base Flood Elevation; X Development; X Existing manufactured home park or subdivision; X Expansion to an existing manufactured home park or subdivision; X Flood Insurance Rate Map; X Flood Insurance Study; Floodway; X Lowest Floor; X Manufactured Home; X Manufactured Home Park or Subdivision; X New Construction; X New Manufactured Home Park or Subdivision; X Recreational Vehicle; X Special Flood Hazard Area; X Start of Construction; X Structure; X Substantial Damage; X Substantial Improvement; X Violation:						missing		

Community	Town of Hiltlon Head Island	StateSC		
Reviewed by:	Jessica Artz	Date of Review:	9/15/2016	

14D	,	Τ .	1 . C	D		Annliachla Ondinana
Item Description (Section reference to the NEID Regulations follows)		Level of Regs				Applicable Ordinance Section/Comments
Other Definitions as appropriate such as X Floodproofing; X Highest adjacent grade for community's with mapped AO Zones; X Historic Structures	a	b	С	d ¹	e	
14. Adopt or reference correct Map and date. [60.3(b)] (If the community has an automatic adoption provision in its ordinance, is it a valid provision?)					X	Article 1. Sec. 15-9- 111 (c)
15. Adopt or reference correct Flood Insurance Study and date. [60.3(c), (d), and/or (e)] (If the community has an automatic adoption provision in its ordinance, is it a valid provision?)					X	Article 1. Sec. 15-9- 111 (c)
16. Require permits for all proposed construction or other development including placement of manufactured homes to determine whether such construction or development is in a floodplain. [60.3(a)(1)]						
17. Require permits for all proposed construction and other development within SFHAs. [60.3(b)(1)]						missing
18. Assure that all other State and Federal permits are obtained. [60.3(a)(2)]					X	Article 2, Sec. 15-9-213 (1)
 19. Review permits to assure sites are reasonably safe from flooding and require for new construction and substantial improvements in flood-prone areas [60.3(a)(3)]: (a) Anchoring (including manufactured homes) to prevent flotation, collapse, or lateral movement of the structure. [60.3(a)(3)(i)] 					X	missing Article 3. Sec. 15-9-314
(b) Use of flood-resistant materials. [60.3.(a)(3)(ii)]						missing
(c) Construction methods and practices that minimize						missing

Community_	Town of Hiltlon Head Island	State_SC	
Reviewed by: _	Jessica Artz	Date of Review:	9/15/2016

	D					A P 11 O P
Item Description				of Regs		Applicable Ordinance Section/Comments
(Section reference to the NFIP Regulations follows)	a	b	C	d ¹	e ¹	Section Comments
flood damage. [60.3(a)(3)(iii)]						
(d) Electrical, heating, ventilation, plumbing, air					X	Article 3. Sec. 15-9-
conditioning equipment, and other service facilities						315(a)
designed and/or located to prevent water entry to						
accumulation. [60.3(a)(3)(iv)]						
20. Review subdivision proposals and other development,						missing
including manufactured home parks or subdivisions, to						-
determine whether such proposals will be reasonably safe						
from flooding $[60.3(a)(4)]$. If a subdivision or other						
development proposal is in a flood-prone area, assure						
that:						
(a) Such proposals minimize flood damage.						
[60.3(a)(4)(i)]						
(b) Public utilities and facilities are constructed so as to						missing
minimize flood damage. [60.3(a)(4)(ii)]						
(c) Adequate drainage is provided. [60.3(a)(4)(iii)]						missing
(e) Macquate dramage is provided. [60.3(a)(4)(iii)]						missing
21. Require new and replacement water supply and sanitary					X	Article 3, Sec. 15-9-
sewage systems to be designed to minimize or eliminate						512
infiltration. $[60.3(a)(5) \text{ and } 60.3(a)(6)]$						
22. Require onsite waste disposal systems be designed to						missing
avoid impairment or contamination. [60.3(a)(6)(ii)]						inissing .
23. Require base flood elevation data for subdivision						missing
proposals or other developments greater than 50 lots or 5						
acres. [60.3(b)(3)]						
24. In A Zones, in the absence of FEMA BFE data and						missing
floodway data, obtain, review, and reasonably utilize						
other BFE and floodway data as a basis for elevating						
residential structures to or above the base flood level, and						
for floodproofing or elevating non-residential structures						
to or above the base flood level. [60.3(b)(4)]						
25. Where BFE data are utilized in Zone A, obtain and					X	Article 2, Sec. 15-9-
maintain records of the lowest floor and floodproofing						214

Community	Town of Hiltlon Head Island	StateSC		
Reviewed by:	Jessica Artz	Date of Review:	9/15/2016	

Item Description]	Leve	el of	Regs	S	Applicable Ordinance	
(Section reference to the NFIP Regulations follows)	a	b	c	\mathbf{d}^1	e ¹	Section/Comments	
elevations for new and substantially improved construction. [60.3(b)(5)]							
26. In riverine areas, notify adjacent communities of watercourse alterations and relocations. [60.3(b)(6)]					X	Article 2, Sec. 15-9- 213 (2)	
27. Maintain the carrying capacity of an altered or relocated watercourse. [60.3(b)(7)]					X	Article 2, Sec. 15-9-213 (3)	
28. Require all manufactured homes to be elevated and anchored to resist flotation, collapse, or lateral movement. [60.3(b)(8)]					X	Article 4. Sec. 15-9-411 (b)	
29. Require all new and substantially improve <u>residential</u> structures within A1-30, AE, and AH Zones have their lowest floor (including basement) elevated to or above the Base Flood Elevation. [60.3(c)(2)]					X	Article 3. Sec. 15-9-312(a)	
30. ² In AO Zones, require that new and substantially improved <u>residential</u> structures have their lowest floor (including basement) to or above the highest adjacent grade at least as high as the FIRM's depth number. [60.3(c)(7)]						Missing	
31. Require that new and substantially improved non-residential structures within A1-30, AE, and AH Zones have their lowest floor elevated or floodproofed to or above the Base Flood Elevation. [60.3(c)(3)]					X	Article 3. Sec. 15-9-312(b)	
32. ² In AO Zones, require new and substantially improved non-residential structures have their lowest floor elevated or completely floodproofed above the highest adjacent grade to at least as high as the depth number on the FIRM. [60.3(c)(8)]						missing	

² Item 30 and 32 are not required if the community has no AO Zones.

Community	Town of Hiltlon Head Island	StateSC	
Reviewed by:	Jessica Artz	Date of Review:	9/15/2016

Item Description	Level of Regs			Page	2	Applicable Ordinance	
(Section reference to the NFIP Regulations follows)	a	b	C			Section/Comments	
33. Require that for floodproofed non-residential structures, a registered professional engineer/architect certify that the design and methods of construction meet requirements at 60.3(c)(3)(ii). [60.3(c)(4)]	u			u	X	Article 3. Sec. 15-9-312(b)	
34. Require, for all new construction and substantial improvements, that fully enclosed areas below the lowest floor that are used solely for parking of vehicles, building access or storage in an area other than a basement and which is subject to flooding shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing the entry and exit of floodwaters in accordance with the specifications in 60.3(c)(5). (Openings requirement)					X	Article 3, Sec. 15-9-316(a)	
35.3 Until a regulatory floodway is designated, no encroachment may increase the Base Flood level more than 1 foot. [60.3(c)(10)]						missing	
36. ⁴ In Zones AO and AH, require drainage paths around structures on slopes to guide water away from structures. [60.3(c)(11)]						missing	
37. Require that manufactured homes placed or substantially improved within A1-30, AH, and AE Zones, which meet one of the following location criteria, to be elevated such that the lowest floor is to or above the Base Flood Elevation and be securely anchored: (i) outside a manufactured home park or subdivision; (ii) in a new manufactured home park or subdivision;					X	Article 4. Sec. 15-9-411 (a) & (b)	

³ Item 35 is not required if <u>all</u> streams have floodways designated.

 $^{^{\}rm 4}$ Item 36 is not required if the community has no AO or AH Zones.

$\mathbf{Community}_{\mathbf{L}}$	Town of Hiltlon Head Island_	StateSC		
Reviewed by: _	Jessica Artz	Date of Review:	9/15/2016	

	T. J. CD.					A	
Item Description		Level of Regs				Applicable Ordinance Section/Comments	
 (Section reference to the NFIP Regulations follows) (iii) in an expansion to an existing manufactured home park or subdivision; iv) on a site in an existing park which a manufactured home has incurred substantial damage as a result of a flood. [60.3(c)(6)] 	a	b	С	d ¹	e ¹	Section comments	
38. In A-1-30, AH, and AE Zones, require that manufactured homes to be placed or substantially improved in an existing manufactured home park to be elevated so that (i) the lowest floor is at or above the Base Flood Elevation; OR (ii) the chassis is supported by reinforced piers no less than 36 inches in height above grade and securely anchored. [60.3(c)(12)]					X	Article 4. Sec. 15-9-411 (a) & (b)	
 39. In A1-30, AH, and AE Zones, all recreational vehicles to be placed on a site must (i) be elevated and anchored; OR (ii) be on the site for less than 180 consecutive days; OR (iii) be fully licensed and highway ready. [60.3(c)(14)] 						missing	
40. Designate a regulatory floodway which will not increase the Base Flood level more than 1 foot. [60.3(d)(2)]							
41. In a regulatory floodway, prohibit any encroachment, which would cause any increase in the Base Flood level unless hydrologic and hydraulic analyses prove that the proposed encroachment would not increase flood levels during the Base Flood discharge. [60.3(d)(3)]							
42. In V1-30, VE, and V Zones, obtain and maintain the elevation of the bottom of the lowest horizontal structural member of the lowest floor of all new and substantially improved structures. [60.3(e)(2)]					X	Article 3, Sec. 15-9-317(2)	

Community	Town of Hiltlon Head Island	StateSC		
Reviewed by:	Jessica Artz	Date of Review:	9/15/2016	<u>_</u>

Item Description	Level of Regs A			Regs	Applicable Ordinance	
(Section reference to the NFIP Regulations follows)		b	c	\mathbf{d}^1		Section/Comments
43. In V1-30, VE, and V Zones, require that all new construction and substantial improvements: (a) Are elevated and secured to anchored pilings or columns so that the bottom of the lowest horizontal structural member is at or above the Base Flood Elevation. [60.3(e)(4)]					X	Article 3, Sec. 15-9-317(2)
(b) A registered professional engineer/architect certify that the design and methods of construction meet elevation and anchoring requirements at 60.3(e)(4)(i) and (ii). [60.3(e)(4)]					X	Article 3. Sec. 15-9-317 (5)
(c) Have the space below the lowest floor either free of obstruction or constructed with breakaway walls. Any enclosed space shall be used solely for parking, building access, or storage. [60.3(e)(5)]					X	Article 3. Sec. 15-9-317(10)
(d) All new construction is landward of mean high tide. [60.3(e)(3)]					X	Article 3. Sec. 15-9-317(1)
(e) Prohibit use of fill for structural support. [60.3(e)(6)]					X	Article 3. Sec. 15-9-317(7)
(f) Prohibit alteration of sand dunes and mangrove stands, which would increase potential flood damage. [60.3(e)(7)]					X	Article 3. Sec. 15-9-317(8)
 44. Require that manufactured homes placed or substantially improved within V1-30, VE, and V Zones, which meet one of the following location criteria, meet the V Zone standards in 60.3(e)(2) through (e)(7): (i) outside a manufactured home park or subdivision; (ii) in a new manufactured home park or subdivision; (iii) in an expansion to an existing manufactured home park or subdivision; (iv) on a site in an existing park which a manufactured home has incurred substantial damage as a result of a flood. [60.3(e)(8)] 					X	Article 4. Sec. 15-9-411

Community	Town of Hiltlon Head Island	StateSC		
Reviewed by:	Jessica Artz	Date of Review:	9/15/2016	

Item Description		Leve	el of	Regs	S	Applicable Ordinance	
(Section reference to the NFIP Regulations follows)	a	b	c	\mathbf{d}^1	e ¹	Section/Comments	
45. In V1-30, VE, and V Zones, require that manufactured					X	Article 4. Sec. 15-9-	
homes to be placed or substantially improved in an						411	
existing manufactured home park to be elevated so that							
(i) the lowest floor is at or above the Base Flood							
Elevation; OR							
(ii) the chassis is supported by reinforced piers no less							
than 36 inches in height above grade and securely							
anchored.							
[60.3(e)(8)(iv)]							
46. In V1-30, VE, and V zones, all recreational vehicles to be						missing	
placed on a site must							
(i) be elevated and anchored; OR							
(ii) be on the site for less than 180 consecutive days; OR							
(iii)be fully licensed and highway ready.							
[60.3(e)(9)]							

Comments

Sec. 15-3-312 of the Town's ordinance allows the following buildings to be built below the BFE: 1) security or guard houses, 2) detached pump houses 3) detached bathrooms and 4) publicly owned buildings. The NFIP does not allow exemptions for structures to be built below the BFE. However, all of these types of structures would be allowed under the regulations (in the A zones only) and can be addressed in the following manner:

- 1) Security or guard houses Would be treated like a structure and is not considered an accessory structure. It would either need to be elevated or dry-floodproofed. It could be wet floodproofed (openings) with a variance by the Town.
- **2) Detached pump houses for water and sewer installations -** If these fit the definition of accessory structure and the Town adopts the recommended language for an accessory structure in the model ordinance, they could be anchored and have openings. If they are not an accessory structure, they would need to be elevated or floodproofed. They could be wet floodproofed with a variance by the Town.
- **3) Bathrooms** If these fit the definition of accessory structure and the Town adopts the recommended language for an accessory structure in the model ordinance, they could be anchored and have openings. If they are not an accessory structure, they would need to be elevated or floodproofed. They could be wet floodproofed with a variance by the Town.

Community	Town of Hiltlon Head Island	StateSC		
Reviewed by:	Jessica Artz	Date of Review:	9/15/2016	

4) Publicly owned buildings- If these fit the definition of accessory structure and the Town adopts the recommended language for an accessory structure in the model ordinance, they could be anchored and have openings. If they are not an accessory structure, they would need to be elevated or floodproofed. They could be wet floodproofed with a variance by the Town.

MEMORANDUM

TO: Town Council FROM: Staff Attorney

RE: Consideration of a Proposed Ordinance to add a new offense, Fleeing to Evade

Arrest or Detention to the Municipal Code of the Town of Hilton Head Island

DATE: January 7, 2019

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

Joshua Gruber, Assistant Town Manager

At the First Reading of the Proposed Ordinance 2019-04 on January 15, Town Council made no changes to the proposed ordinance.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

PROPOSED ORDINANCE NO.: 2019-04

AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE TOWN
OF HILTON HEAD ISLAND BY ADDING CHAPTER 11 (FLEEING TO

ORDINANCE NO.: 2019-

EVADE ARREST OR DETENTION) TO TITLE 17; AND PROVIDING FOR

SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS Town Council finds that it is in the best interests of the residents, workforce, and visitors of Hilton Head Island to prohibit persons from fleeing or evading law enforcement personnel; and

WHEREAS, Town Council declares that the purpose of this ordinance is to protect the health, safety, and general welfare of the residents, workforce and visitors of Hilton Head Island; and

WHEREAS, Town Council now desires to prohibit persons from fleeing or evading law enforcement personnel under the conditions provided for in this ordinance.

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

NOTE: <u>Underlined and bold-face typed</u> portions indicate additions to the Municipal Code. <u>Stricken-portions</u> indicate deletions to the Municipal Code.

That Section 12-1-611 of Chapter 1 of Title 12 of the Municipal Code of the Town of Hilton Head Island, South Carolina, is hereby amended by adding Section 12-1-611 (c) 5:

Chapter 11. Fleeing to Evade Arrest or Detention

Section 17-11-110. Fleeing to evade arrest or detention.

- (a) If a person knows that his immediate arrest or detention is being attempted by a duly authorized law enforcement officer, it is the lawful duty of such person to refrain from fleeing, either on foot or by means of any vehicle or conveyance.
 - (b) In order for this section to apply, the law enforcement officer must be:
 - (1) Attempting to effect a lawful arrest as defined by the Code of Laws of South Carolina, 1976, as amended; or
 - (2) Attempting to detain the person because the law enforcement officer possesses reasonable suspicion to believe that the person is or may have been

involved in criminal activity. This reasonable suspicion must be derived from circumstances known to the officer and can be supported by articulable facts.

- (c) Additionally, the officer must, by visible or audible means, have identified himself as a law enforcement officer and ordered the person to stop.
- (d) Any person violating this section shall, upon conviction, be fined no more than \$500.00 or imprisoned for not more than 30 days.

Section 2. Severability. If any provision, clause, sentence or paragraph of this Ordinance or the application thereof to any person or circumstances shall be held invalid, that invalidity shall not affect the other provisions of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

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

PASSED, APPROVED, AND ADOPT OF HILTON HEAD ISLAND ON THIS		
Ву:	John J. McCann, Mayor	
ATTEST:	, •	
By:		
Krista M. Wiedmeyer, Town Clerk		
First Reading:		
Second Reading:		
APPROVED AS TO FORM:		
Gregory M. Alford, Town Attorney		
Introduced by Council Member:		

TOWN OF HILTON HEAD ISLAND



Community Development Department

TO: Stephen G. Riley, ICMA-CM, Town Manager
 VIA: Shawn Colin, Director of Community Development
 VIA: Jennifer Ray, Planning & Special Projects Manager

FROM: Marcy Benson, *Senior Grants Administrator*

DATE: February 4, 2019

SUBJECT: HUD/CDBG Entitlement Program Consolidated Plan Amendment

Recommendation:

Staff requests approval by resolution of the attached Five Year Consolidated Plan (2015 – 2019) substantial amendment as required by the U.S. Department of Housing and Urban Development (HUD) for participation in the Community Development Block Grant (CDBG) Entitlement Program.

Summary:

To allow greater flexibility in selecting projects to be funded with CDBG dollars Town staff recommends replacing location specific goals for the remaining years of the Plan with broad project activity categories encompassing public facilities & improvements, housing activities and other real property improvements goals in low-and-moderate income qualified census tracts. This creates the need to remove the location specific dirt road paving projects from the list of activities stated in the Five Year Consolidated Plan and replace them with a list of general titled project activities for the program years 2017, 2018 and 2019. This action is considered a substantial amendment to the Five Year Consolidated Plan.

Background:

In July 2015 HUD accepted the Town's Five Year Consolidated Plan, which lists location specific dirt road paving projects for each year of the plan. Due to difficulty acquiring right-of-way for the remaining location specific road paving projects listed in the consolidated plan it would be beneficial to replace the location specific projects with broad project activity categories encompassing projects that could include public facilities & improvements, housing activities and other real property improvements. Making this change for the remaining three years of the consolidated plan will allow projects to be determined during the Annual Action Plan process rather than using a project list developed several years in advance.

The Town's Citizen Participation Plan, which guides the development of or changes to the Consolidated Plan, defines a substantial amendment as when activities are to be added, deleted, or substantially changed in terms of purpose, scope, location or beneficiaries. This substantial amendment proposes to replace location specific goals for the remaining years of the consolidated plan with broad project activity categories encompassing projects that would include public facilities & improvements, housing activities and other real property improvements in low-and-moderate income qualified census tracts.

Page 2

The draft Five Year Consolidated Plan (2015 – 2019) substantial amendment was released to the public on December 31, 2018 for a 30 day public comment period. A public meeting to solicit input on the substantial amendment was held on January 7, 2019. One comment was received during the 30 day comment period at the public meeting. This comment stated, "The big projects IE. paving of roads, drainage, and sewer access, is being addressed from other sources mandated by the Town. I believe we should direct the usage of the grant funds to different types of immediate community improvements I.E. community center, shuttle services and open air market." A copy of the comment is attached to the amended plan.

Upon submission of the Five Year Consolidated Plan (2015 - 2019) substantial amendment HUD will review the plan and if satisfactory an acceptance notice will be issued.

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA TO APPROVE THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM FIVE YEAR CONSOLIDATED PLAN (2015-2019) SUBSTANTIAL AMENDMENT

- **WHEREAS,** in June 2014 the Town of Hilton Head Island became eligible to participate in the Community Development Block Grant (CDBG) Entitlement Community Program based on 2010 US Census data and accepted CDBG Entitlement status under the terms of the United States Department of Housing and Urban Development (HUD); and
- **WHEREAS,** as an entitlement community, the Town must prepare and submit a Five Year Consolidated Plan which details goals and objectives to be implemented to address community needs in low-and-moderate income areas within the Town's jurisdiction; and
- **WHEREAS,** HUD accepted the Town's Five Year Consolidated Plan (2015 2019) in July 2015; and
- **WHEREAS,** the Town's Citizen Participation Plan defines a substantial amendment to the Consolidated Plan as when activities are to be added, deleted, or substantially changed in terms of purpose, scope, location or beneficiaries; and
- **WHEREAS,** in order to allow greater flexibility in selecting projects to be funded with CDBG dollars replacing location specific goals with broad project activity categories encompassing public facilities & improvements, housing activities and other real property improvements goals in low and moderate income qualified census tracts; and
- **WHEREAS,** making this change to the Five Year Consolidated Plan (2015 2019) created the need for a substantial amendment; and
- **WHEREAS**, the substantial amendment is compatible with the July 2015 HUD accepted Five Year Consolidated Plan (2015 2019); and
- **WHEREAS,** the Town has adhered to the public participation requirements set forth in the Citizen Participation Plan in the development of the Five Year Consolidated Plan (2015 2019) substantial amendment; and
- **WHEREAS,** a public meeting and 30 day public comment period for the Five Year Consolidated Plan (2015 2019) substantial amendment were conducted for citizen input and review; and
- **WHEREAS,** the Town Manager is authorized to submit the Five Year Consolidated Plan (2015 2019) substantial amendment to the United States Department of Housing and Urban Development for their 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 Community Development Block (2015-2019) substantial amendment, as s	submitted in the attachment to the	his resolution be approved
and submitted to the United States Depa	<u>e</u>	-
MOVED, APPROVED, AND ADOPT	TED ON THIS DAY OF _	, 2019.
	Island MaCana Massa	
ATTECT.	John J. McCann, Mayor	
ATTEST:		
Krista Wiedmeyer, Town Clerk		
Mista Wiednieyer, Town Clerk		
APPROVED AS TO FORM:		
	<u></u>	
Gregory M. Alford, Town Attorney		
Introduced by Council Member:		

Town of Hilton Head Island 2015-2019

Consolidated Plan
Substantial Amendment (2019)

http://www.hiltonheadislandsc.gov/

H-GO THE CAROL T

TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*

VIA: Shawn Colin, AICP, Director of Community Development
VIA: Jennifer Ray, ASLA, Planning and Special Projects Manager

FROM: Jayme Lopko, *AICP*, *Senior Planner*

DATE: February 7, 2019

SUBJECT: Venue Committee Final Report

Recommendation: That Town Council accept the Venue Committee Final Report and its Appendices (Exhibit A).

The Venue Committee met on January 14, 2019 and January 22, 2019 to discuss their Final Report and voted 10-0-0 to submit their Final Report to Town Council and dissolve the Committee.

Summary: The Venue Committee worked for three years to gather information regarding the needs of arts related organizations on the island and worked with Webb Management to make recommendations based upon those needs. The attached Final Report is a set of recommendations and a compilation of valuable information attained and created by the Venue Committee.

Background: On February 16, 2016, Town Council approved a Resolution creating the Venue Committee to evaluate and make recommendations on the space and programming needs of the entertainment, arts, culture, and heritage organizations of the island.

The Venue Committee began meeting in April of 2016, met thirty times over the course of the project, and ensured considerable public input in the process. Webb Management facilitated comprehensive community engagement activities and delivered a set of recommendations to the Venue Committee for use in drafting their Final Report to Town Council.

Attachment:

Exhibit A - Venue Committee Final Report

Town of Hilton Head Island Venue Committee Final Report





COMMITTEE MEMBERS*

Cynthia Creamer, Chairman
Jane Joseph, Vice-Chairman
Karen Attaway
Gilbert Campbell
Dan Castro
Charlie Clark**
Lili Coleman
Juliann Foster
Rex Garniewicz
Florry Gibbes
Terry Herron
Bob Lee
Tim Ridge
Gregg Russell
Suzanne Thompson

TOWN COUNCIL REPRESENTATIVE

Kim Likins, Chairman, Community Services Committee

TOWN STAFF SUPPORT

Jill Foster, Deputy Director, Community Services
Tom Fultz, Director of Administration
Teresa Haley, Senior Administrative Assistant
Jayme Lopko, Senior Planner

^{*}See Appendix A for biographies of the Venue Committee members

^{**}Ms. Clark withdrew from the Committee due to work commitments

I. Executive Summary

Town Arts and Cultural Mission Statement

To support the advancement of Hilton Head Island as a rich and diverse arts and cultural destination that enriches the lives of our residents and guests (adopted in December 2014 at Town Council Workshop).

Background

Town Council created the Venue committee in direct response to the Art & Cultural Strategic Planning Committee's recommendation in their January 19, 2016 report. The recommendation asked the Town to address the venue issues impacting a significant number of Arts, Cultural and History (AC&H) organizations and define a path forward.

The Town Council recognized that the Arts and Culture sector on Hilton Head Island is an important economic contributor and enhances the quality of life in a significant way. The availability of appropriate venues allows for the sector to grow and advance the Island as a cultural destination.

Process

Team Composition and Deliverables

The Committee was split into three teams, each with specific deliverables. The Committee held periodic public meetings to review data gathered, analyze, draw conclusions and make recommendations. Full details of Team One and Team Three's research are contained in Appendices III and IV.

- Team One surveyed over 70 nonprofit and for profit arts organizations and schools, and created a
 database of responses related to venue needs, including features, sizes, usage, and opportunities for
 growth with a new venue. The results of this data gathering are discussed in further detail in the full
 text of this report.
- With the help of Professor John Salazar from the University of SC at Beaufort, Team Two created a
 survey to capture public response to a new cultural venue. The team was quickly advised by several
 consultants that it would not be effective to survey the public before knowing what venue options
 might be considered. The Committee deferred their work until such time as a conceptual proposal
 could be presented to the public so that they would be able to provide well-informed opinions.
- Team Three studied venues in communities similar to Hilton Head Island, including size, features, usage, costs, funding options, and lessons learned. Team Three visited a number of these facilities, interviewed key staff from many others, and gathered significant data on options for both features and financing. Team Three presented a conceptual model for the indoor hall and outdoor gathering space proposals using work from prior consultants, Team One's data, and studies from other towns. Team Three's research is discussed in further detail in the full text of this report.

Consultant and Venue Committee's Phase I

Duncan Webb, the consultant on the project, utilized a multi-pronged approach to data gathering:

- Review of previous studies conducted by multiple Town committees relating to art and culture.
- One on one and group interviews with local/nearby officials, arts, culture and history representatives, Venue Committee members, and other community leaders recommended by the Committee. The list of those interviewed is included as Appendix E.
- Voluntary "Town Hall" type forums in several locations around the Island to ensure participation from the diverse Hilton Head Island community.
- At the conclusion of his interviews, Mr. Webb created and publicly presented a comprehensive report on his findings and recommendations. His six primary recommendations are presented in the Key Learnings section below. Additionally, his findings are discussed in further detail in the full text of this report, and are contained in Appendix F.
- The Committee's Phase I recommendation expanded on the details of Webb's report, and supported Webb's guidance to complete a single comprehensive plan for all of the six venue recommendations. This would allow the Town to make a fully informed, fact-based decision about the use of Town resources to fairly support all of the Island's many cultural organizations. This report can be found in Appendix G.

Consultant Phase II

The scope of Phase II was intended to provide all the necessary detail to proceed with development of a comprehensive plan for the venues. This would include required features, usage, size, and potential on or off-Island locations. It would also include a detailed financial report with potential or likely financial sources for public/private partnership, a plan for fundraising, cost of construction, and a plan for self-sustaining financial viability for any recommended venues.

The Town provided funding for one of the six recommendations, that of the Community Arts Center; therefore, Mr. Webb's Phase II focused only on the features/functions/financial plan for a Community Arts Center. His final Phase II presentation is included as Appendix J.

Committee Wrap up

The Committee was of the majority opinion that Phase II was not adequate for the Town's needs, as it only addressed one of Webb's six recommendations. As it is clear that the Town Council does not want to expend resources for a consultant to complete the full set of recommendations at this time, therefore the Committee has declared its work complete, and is using this report to provide a closing recommendation on a comprehensive strategy for HHI art, culture and history venues.

Key Learnings

Urgent Venue Needs on the Island

Multiple Island organizations have unique venue needs which are currently unfulfilled:

- The Hilton Head Symphony Orchestra, World Affairs Council, and Hilton Head Choral Society have outgrown their current spaces and are in urgent need of a larger venue with improved features.
- The Arts Center of Coastal Carolina is in urgent need of refurbishment and has requested Town financial assistance with this project and capital needs through potential purchase of the facility.
- The Coastal Discovery Museum has plans to enhance their display space to allow for world-class exhibits in partnership with the Smithsonian Institution and others.
- Main Street Theatre, used by Lean Ensemble, Main Street Youth Theater and the Southern Summer Institute, is in urgent need of A/C and roof repairs and additional space for dressing rooms and restrooms.
- The Hilton Head Dance Theater needs a professional quality dance performance venue.
- Heritage Library and other small cultural organizations need economical and/or subsidized meeting space.
- Arts and crafts organizations need an outdoor display venue.
- Community groups such as the Latino and Gullah communities need an outdoor venue for festivals.

Economic Benefit

Hilton Head Island needs to provide an economic hedge against the current and future decline in golf and tennis tourism. Additionally, HHI's magnificent beaches do not draw tourists during the shoulder seasons. Arts and cultural events and presentations provide a continuing revenue stream independent of golf and tennis. A thriving, well-organized art and cultural scene provides more amenities and interests for tourists. It increases quality of life, attracting full time and seasonal residents to the area.

Additionally, the arts have both a direct and indirect positive impact on a region's economy. Team Three's conceptual model (Appendix N) shows a financially sound alternative which not only sustains itself, but can also provide an infusion of revenue for the Town. New construction associated with arts venues brings additional earnings, spending and employment to the area. Ongoing operations of cultural facilities provide the same. Event and venue attendee spending also increases sales, earnings, and jobs in the community, and also increases tax revenue. Quality cultural venues have been shown to attract new businesses, permanent residents and more affluent tourists who would spend more and provide economic benefit to the Island.

Time Pressure due to Nearby Competition

Hilton Head Island is under time pressure to improve art, culture, history and entertainment venues, as the nearby communities of Bluffton and Hardeeville are already expanding these offerings. During the two years of the Committee's work, several of the Island's art and culture related organizations and businesses moved to Bluffton. Bluffton is also just completing a renovation of their municipal theater located in their Town Hall facility.

Six Venue Initiatives Identified

The consultant selected by the Town and the Venue Committee provided six distinct recommendations for pursuit by the community:

- Develop a Community Arts Center
- Establish a midsized multipurpose performance hall
- Support the Mitchelville Preservation Project (this effort has since been renamed to Historic Mitchelville Freedom Park)
- Support the planned expansion of the Coastal Discovery Museum
- Create outdoor gathering spaces for festivals, concerts, displays, and more
- Support the expansion of culinary tourism

Recommendation

The Committee strongly supported detailed study of the consultant's six venue recommendations. The Committee agreed with the consultant's recommendation to fund the Phase II study of all of the initiatives concurrently rather than pursuing them separately. Studying all initiatives concurrently would create economies of scale in investigating financial options, optimize the existing real estate available for the benefit of all organizations and audiences, and allow creation of a complete and consistent Town plan for arts and culture going forward.

Because there is not, at present, an opportunity for completing Phase II as recommended, several of the major art, cultural and history organizations on the Island have of necessity proceeded with their plans independent of the Venue Committee's efforts. These organizations are working together with the smaller art, culture and history organizations to attempt to meet their needs as well in their proposed plans. The Venue Committee is aware of these efforts and supports them.

The organizations working together are:

- The Arts Center of Coastal Carolina
- The Hilton Head Symphony Orchestra
- Historic Mitchelville Freedom Park
- The Coastal Discovery Museum
- The Town of Hilton Head Island Office of Cultural Affairs

The major organizations, along with professional consultants, will need to do further analysis and design work to complete detailed plans. Town funding and staff support of this working group's proposals will be a critical component in moving this vision forward.













Contents

I.	Executive Summary	3
	Town Arts and Cultural Mission Statement	3
	Background	3
	Process	3
	Team Composition and Deliverables	3
	Consultant and Venue Committee's Phase I	4
	Consultant Phase II	4
	Committee Wrap up	
	Key Learnings	5
	Urgent Venue Needs on the Island	5
	Economic Benefit	5
	Time Pressure due to Nearby Competition	5
	Six Venue Initiatives Identified	6
	Recommendation	
II	. Goals and Objectives of the Venue Committee	11
	Background	11
	Goal	11
	Objectives	11
II	I. Process Followed	
	How Committee Members Were Selected	12
	Process Flow	12
	Process Support	13
	Team Composition and Deliverables	13
	Consultant Phase I	15
	Consultant Phase II	15
	Committee Wrap up	15
I۷	7. Current State Analysis – Phase I	
	Art and Cultural Organizations and Area Schools	16
	Organizations Included	16
	Process Followed	16
	Key Learnings	17

Research from Other Towns	21
Locations Selected	21
Key Learnings	21
Convention Market Analysis	22
Available Site/Venues	24
Conceptual Model	24
Consultant Analysis	25
Process Followed	25
Key Learnings	
Venue Committee Report on Phase I	
Issues and Challenges for Venues	29
Issues	29
Challenges	30
V. In-Depth Analysis – Phase II	31
Scope	31
Options	31
Detailed Plan for Standalone Community Arts Center	33
Consultant's Future Scope	33
VI. Desired State	35
Opportunities Provided by Venues	35
Vision for the Future	37
VII. Recommendation	39
VIII. Implementation Plan	40

Appendices

Appendix A – Team Member Biographies

Appendix B – Town Resolution and Scope of Work

Appendix C - Team One Phase I Presentation

Appendix D – Team Three Phase I Presentation

Appendix E – List of Webb's Phase I Interviewees

Appendix F -Webb's Phase I Presentation

Appendix G -Venue Committee's Phase I Report

Appendix H –Webb's Phase II Preliminary Presentation

Appendix J -Webb's Phase II Final Presentation

Appendix K – Team Three Report on Other Venues

Appendix L – Inventory of Town Owned Land

Appendix M – Active/Planned Venue Spaces on HHI

Appendix N – Conceptual Models; Midsized Hall, Outdoor Gathering Space

II. Goals and Objectives of the Venue Committee

Background

Town Council created the Venue Committee in direct response to the Art & Cultural Strategic Planning (ACSP) Committee's third recommendation in their report of January 19, 2016. The recommendation stated: "The Town should address the venue issues impacting a significant number of AC&H organizations. Although this subject was not in scope of the ACSP Committee's Objectives, the constraints imposed on AC&H organizations by the lack of appropriate venues was a common theme in our research. The Committee recommends that Town Council support a research effort to address venue issues and challenges and define a path forward beginning early in 2016."

During the tenure of the Venue Committee, the descriptions of the entities, physical locations, and activities contained in the Committee's scope have evolved. At various times during this evolution, these categories have been referred to as art and culture; art, culture and history (AC&H); or entertainment, art, culture and history (EACH). The reader may find references to these terms and others within the body of this work and its appendices. Although the terms are not always consistent, it is important to understand that the underlying motivation for these differences has been to make the scope as inclusive as possible during the course of this work.

The first meeting of the Venue Committee was April 28, 2016.

Goal

Recommend, if substantiated, a pathway to the construction and operation of recommended venue structures. Focus on developing projects and venues that will meet the needs of the community and the arts, cultural and history organizations. The structure, cost and funding of these venue(s) will be designed to achieve operational sustainability, a positive economic impact for the Town and a reasonable return on investment. Capital sales tax revenues may be used, if available, but otherwise financial support from the Town and taxpayers will be kept low. Recommendations will be offered to encourage the use of and support for these venues by the Arts Center of Coastal Carolina.

Recommend the role, if any, of Town government and other entities in supporting the venue(s) recommendation.

Objectives

Usage/Programming Objective: Determine the types of programming and usage that are needed in the future to satisfy the Town's residents and visitors as well as the Arts, Cultural and History organizations.

Facility Objective: Determine what facilities and features are needed in the future to support the usage and programing requirements of the Town's residents and visitors as well as the Arts, Culture and History organizations.

Financial Objective: Determine the costs and revenues associated with the facilities and features as well as the usage and programming and determine if and in what areas the Town Government or other entities should financially support the Venue(s) recommendation.

Community Objective: Determine the amount and type of support by the community for Venue modifications (new and existing) and the expected impact to the community.

The Town's resolution creating the Committee, and full scope of work, are included as Appendix B.

III. Process Followed

How Committee Members Were Selected

The Town wished to involve representatives from key art, culture and history organizations on the Committee. Therefore, individuals from the Arts Center of Coastal Carolina, Hilton Head Symphony, Hilton Head Choral Society, and Coastal Discovery Museum were selected to serve.

All other members of the Committee were residents of Hilton Head Island who used the standard Town committee application process and were chosen by the Town Community Services Committee. All candidates selected for the Committee had interest in and experience with arts, culture, history and entertainment, or represented important segments of the community. See Appendix A for biographies of Venue Committee members.

Process Flow Phase I Process Consultant Recommendations Team Selection •Committee Response to Recommendations Data Gathering Consultant Selection Presentation to Town Committee Analysis Data Gathering and **Community Services** Presentation Analysis Committee and Town Presentation with Council Recommendations Final Committee Results of Team Analysis Recommendations

Phase II Process

- •Scope Definition and Refinement
- •Data Gathering and Analysis
- •Presentation with Recommendations

Consultant Recommendation

Revised Recommendation

- •Committee Response to Recommendation
- •Consultant Rework to more closely align with Scope of Project
- Committee Response to Revised Recommendation
- Preparation of Final Report
- Presentation to Town Community Services Committee and Town Council

Final Committee Recommendations

Process Support

The Town staff provided a Dropbox account for the Committee to share documents including relevant media and trade press articles, team deliverables and Committee reports. Also included were the relevant contents of the Dropbox from the Arts & Cultural Strategic Planning Committee Final Report dated January 19, 2016.

Team Composition and Deliverables

The Committee was split into three teams, each with specific research deliverables to bring to the full Committee. The Committee held period public meetings to review progress and findings.

<u>Team One</u> was assigned gather the venue needs of the Island's arts and cultural organizations (both for profit and nonprofit) and schools. Team One members were Attaway, Garniewicz, Lee and Ridge.

Team One surveyed over 70 organizations and created a database of responses related to venue needs, including features, sizes, usage, and opportunities for growth with a new venue. The Team's full presentation is contained in Appendix C. Key learnings are presented in "Current State Analysis – Phase I" of this report.

<u>Team Two</u> was assigned to study public response and recommendations for a new cultural venue. Team Two members were Clark (prior to her withdrawal from the Committee due to work commitments), Foster, Gibbes and Thompson.

With the help of local researcher Professor John Salazar of the University of SC Beaufort, Team Two created a survey to gather public responses to a cultural venue. A considerable amount of work was done to obtain contact information for Island residents from Beaufort County databases such as the one for licensed drivers. However, it was quickly ascertained from several experts in the business of

developing venue proposals that surveying the public prior to the development of at least a preliminary proposal was not an effective approach. It would not be possible to accurately assess public opinion of venue options, when the Team could not adequately answer such basic questions such as size and number of venues, possible location(s), features, usage, and more. The Committee placed the Team Two work on "standby." Team Two then focused on evaluation of the consultant's reports and recommendations as well the Committee's final recommendation.

<u>Team Three</u> was assigned to study venues in similar communities, including size, features, usage, costs, funding options, and lessons learned. Team Three members were Campbell, Castro, Coleman, Herron and Russell.

Team Three found numerous examples where resort communities have successfully rebuilt and/or expanded their economy with art and culture offerings. Multiple choices exist in terms of appearance and price points, from the simple and economical to elaborate and costly. Additionally, there are multiple means of financing the construction and operation of performance venues, including municipal bonds, donations/gifts, tourism taxes, and various other public/private partnerships. In order to understand potential issues, they also found examples of projects that ran into problems or were unsuccessful. Team Three developed an inventory of Town-owned vacant land, and currently available meeting and performance facilities on Hilton Head Island. Finally, Team Three developed a conceptual proposal of two of the proposed venue spaces utilizing a self-sustaining financial model.

The Team's full presentation is contained in Appendix D. Key learnings are presented in "Current State Analysis – Phase I" of this report. A summary of Team Three's study of other venues is included in Appendix K. The conceptual model for the midsized hall and outdoor gathering space is found in Appendix N.

The members of the Committee also shared a number of articles from media, trade press and websites with others in the Committee, which contained information that could provide subject knowledge or specific data relevant to the work of the Committee or team. Examples of these are:

- (2017) 'Building the Future-New Concert Halls Revitalizing Urban Life' *Symphony Magazine* (Americanorchestras.org, Spring)
- Jane Frederick (2016) 'In Planning Our Future, Let's Think Big' *Island Packet* (November 11). Big ideas transforming cities in public/private partnerships like Chattanooga River City Company nonprofit 20-year plan, Atlanta Beltline, Greenville, SC.
- The Paramount, Theater in Huntington, NY (paramountny.com)
- (2017) 'Where Sustainable Travel is headed in 2017' NY Times (January 6). Eco-friendly and green tours and cruises.
- (2017) 'Hey, Hey, My, My: Aging Rock Fans Still Hold their Lighters High' NY Times (April 7). Retirement and Baby Boomers support for their music.

Consultant Phase I

While the Teams were gathering data, Town staff and representatives from the Venue Committee utilized the Town's procurement process to bring a recommendation for an Arts Management consultant to the Town, which then hired Webb Management Services, Inc. The consultant's role for Phase I was to perform expert analysis on venue needs and provide venue recommendations.

Duncan Webb, the lead consultant on the project, utilized a multi-pronged approach to data gathering:

- He reviewed previous studies conducted by multiple Town committees relating to art and culture.
- He conducted 115 one on one or group interviews with local/regional officials, arts and culture representatives, Venue Committee members, and other community leaders recommended by the Committee. The purpose of the interviews was to obtain a broad cross section of input on the positive/negative aspects of cultural venue/venues, learn what concerns people had, and the Island's specific needs in terms of features and usage. See Appendix E for a list of those interviewed.
- He conducted five voluntary "Town Hall" type forums in several locations around the Island, attended by 375 people in total. These forums obtained public input on venues from a diverse representation of residents, and gave the public an opportunity to ask questions about the process.
- At the conclusion of his interviews, Mr. Webb created and publicly presented a comprehensive report on his findings and recommendations. His six primary recommendations are presented in the "Current State Analysis Phase I" of this report. Additionally, his findings are discussed in further detail in the full text of this presentation, and are contained in Appendix F.

Consultant Phase II

The scope of Phase II was intended to provide all the necessary detail to proceed with development of a comprehensive plan for the venues. The plan would include required features, usage, size, potential locations (on or off-Island), and a detailed financial report. The financial report would include potential and likely financial sources for public/private partnership, a plan for fundraising, cost of construction, and a plan for self-sustaining financial viability for any recommended venues.

The Town provided funding for only one of the six recommendations, that of the Community Arts Center. Therefore, Mr. Webb's Phase II focused only on the features, functions, and financial plan for a Community Arts Center. His final presentation is included as Appendix J.

Committee Wrap up

The Committee was of the majority opinion that Phase II was not adequate for the Town's needs, as it only addressed one of Webb's six recommendations. It is clear that the Town Council does not want to expend resources for a consultant to complete the full set of recommendations at this time. The Committee has therefore declared its work complete and is using this report to provide a closing recommendation on a comprehensive strategy for HHI art, culture and history venues.

IV. Current State Analysis – Phase I

Art and Cultural Organizations and Area Schools

Organizations Included

Team One was provided a list derived from the Town's Arts & Cultural Strategic Planning Committee of over seventy local art, cultural and entertainment groups, and local schools to survey. Other members of the Committee added to the list from their knowledge of the Island. Organizations on the list fell into four categories:

<u>Large nonprofits</u> such as the Arts Center of Coastal Carolina, Hilton Head Symphony, Coastal Discovery Museum, Hilton Head Choral Society, and the World Affairs Council.

<u>Smaller nonprofits</u> such as the Mitchelville Preservation Project, Junior Jazz Foundation, Art League of Hilton Head, Heritage Library, Lean Ensemble Theater, Sandbox Children's Museum, and the Island Writers' Network.

<u>Art and culture related businesses</u> including Camellia Art, Inc., Dixieland Jazz Society of the Lowcountry, Love On Music, and several private music teachers.

<u>Schools</u> including the Island School Council for the Arts, Hilton Head Preparatory, and Hilton Head High School.

Process Followed

Team One constructed a survey to be administered to 76 organizations. The questions were organized around the four Committee objectives; Usage/Programming, Facility, Financial and Community.

As a first step, the team then conducted a Measurement System Analysis. They administered a pilot survey to a subset of participants, and interviewed them after they took the survey to learn whether or not the participants understood the questions the way they had been intended. Some of the questions were interpreted differently than had been intended, and with the pilot participants' help, the Team revised the questions so that they conveyed the intended meaning.

The revised survey was then administered online to 52 of the organizations. In addition, Team One members personally interviewed representatives from the remaining 24 organizations and businesses to gain a deep knowledge from these participants about their venue needs. The organizations to be interviewed were selected from nonprofits, for profits, and schools. All of the larger organizations were included in this selection, as well as a representative sample of the smaller organizations. The questions asked during the interviews were identical to the survey questions, although interviewees could expand on their answers more than those who participated only in the online survey.

Key Learnings

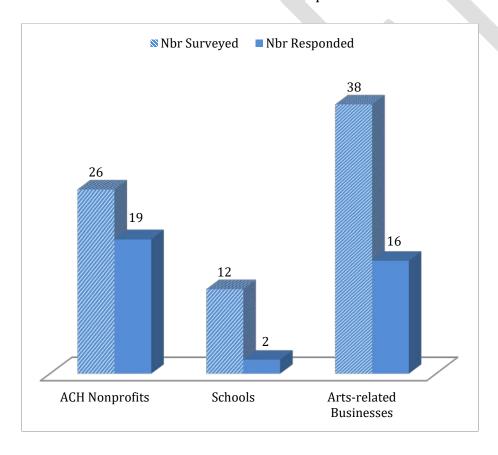
The response rate to the survey was 49%, with 37 organizations responding. Response rates by category are shown in the following chart:

Organizational Data

Overall Data relating to Organizations Surveyed

Response was highest from Arts, Culture & History (ACH) nonprofits

- Arts/Cultural/History Nonprofits 73% response
- Schools/School Arts Organizations 17% response
- Arts-Related Businesses 42% response

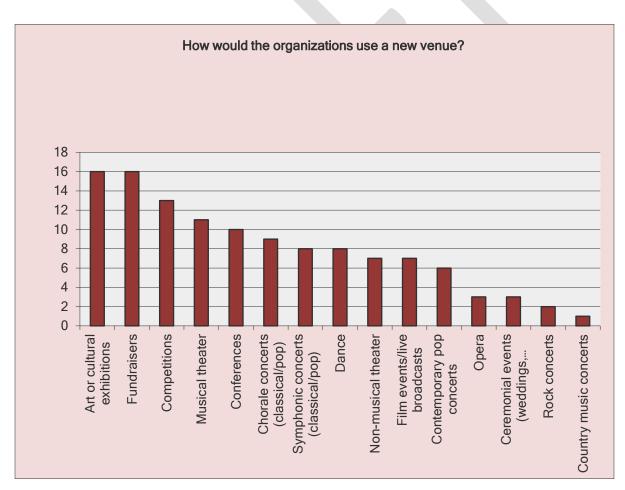


The arts, cultural and history organizations are those most impacted by the lack of suitable venues. Schools have their own venues and therefore do not have significant need of one. However, one school surveyed did respond that they could utilize a venue that was active in the summer and could use it for more contemporary exhibits and events than are traditionally allowed in a school.

Usage

A new venue or venues would be used for many types of events from concerts of all kinds, to art exhibits, to competitions and conferences. The following chart shows responses related to usage of a new venue:

Usage ResponsesData relating to Usage Scope of Venue Committee



In particular, the largest organizations such as the Hilton Head Symphony and the Hilton Head Choral Society felt a keen need for a larger and better equipped venue. They could grow their business, increase their audience sizes, attract higher quality performing groups, and offer a wider variety of events and collaborations. While all of the groups currently utilizing the First Presbyterian Church as a venue are most appreciative of the church's facilities, they all are also impacted by the necessary limitations of the church:

- Limited audience size
- Seating sections with no or poor line of sight to the performance area
- Unfavorable performance acoustics and sound quality
- Necessity of scheduling rehearsals and concerts around the church's calendar
- Lack of performance space for large or multi-media collaborations such as multiple choirs, dance groups, expanded orchestras for large works, acrobatic/gymnastic groups, film events
- Lack of storage and warm up room space
- Inability to serve alcohol as an accompaniment to afterglows or fundraisers
- Sensitivity to the church's culture; inability to present performances with more contemporary or cutting-edge themes
- Potential customers who prefer not to be entertained in a religious space.

Smaller organizations faced their own challenges for venues. They are in need of affordable meeting space with suitable AV equipment for speakers/lectures. These organizations also face greater scheduling challenges as they compete for space with larger organizations.

Facility

Organizations identified a significant list of features that they would want to see in new venues. These include needs for properly equipped sound and lighting systems, adequate space for storage, warm up, sets, dressing rooms and rehearsals, meeting and conference rooms, flexible seating, a large well-equipped lobby, WiFi, kitchen/catering area, and box office. A full list of facility needs is contained on pages 15-16 of Appendix C.

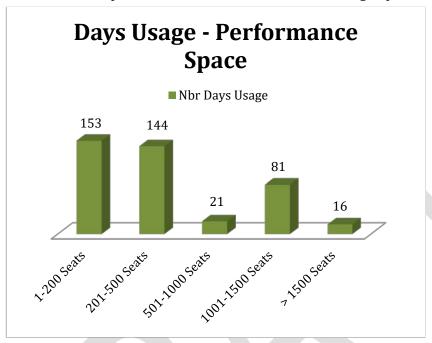
Financial

Two distinct seating capacities, with high availability, that could be rented by on-Island organizations were in most demand; (1) under 500 seats and (2) 1000-1500 seats. See the following chart:

Financial Responses

Data Relating to Financial Scope of Venue Committee

The team asked how many days per year the organizations would use a performance venue at various seating capacities:

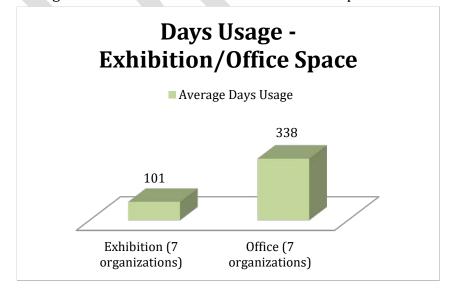


Significant use could be made of exhibition space and office space:

Financial Responses

Data Relating to Financial Scope of Venue Committee

The team asked how many days per year the organizations would use exhibition or office space:



Community

The majority of the organizations surveyed were in support of some level of Town funding for the venue project(s). Approximately half indicated they would help in some way raise funds for the projects. The most frequently mentioned concerns regarding a new venue were location and traffic.

Research from Other Towns

Team Three's objective was to gather data from towns and cities that had invested in arts venues that were successful and whose profiles were similar to HHI. Research techniques used were personal visits, meetings and phone contact with key operating personnel. Also used were internet research, publications, studies and inputs from local residents who had lived in these communities or knew venue operating personnel.

Specific data categories researched were:

ĺ	Name/	Facility	Management/	Events	Annual	Market	Architect	Facility	Impacts
	Location	Types	Ownership	Scheduled	Revenue	Segments	P	Funding	

Locations Selected

- 19 Performing Arts Centers across the United States. Included were Peace Center, Greenville, SC; Strings Pavilion, Steamboat, CO; Santa Fe Opera, NM; Arvada, CO; Newberry Opera, SC
- 9 Regional Arts and Cultural Centers, including Jacksonville, FL; Savannah, GA; Vail, CO; Aspen, CO
- 2 Mega Tourist Areas with multiple facilities Balboa Park, San Diego and Charleston, SC

In addition, Team Three reviewed several projects which had significant issues either in implementation or operation to understand the factors that negatively impacted them. These included two South Carolina projects: the Daniels Island Performing Arts Center just north of Charleston that was cancelled prior to construction, and Yonder Field in Bowman, SC, which has not been successful in its original conception as a music venue.

A chart of locations and related data is in Appendix K. Major metropolitan areas were not selected due to factors not found in smaller resort locations.

Key Learnings

- All venues are unique to their location, demographics, programming, financing and support for size, capacity and design.
- Some possess common elements, none looked exactly like Hilton Head Island. No cookie-cutter pattern emerged.
- All have strong public and private support and funding, and make a significant economic contribution to their communities.
- Public/private collaborations are a strong success factor in most cases.

- Six have multiple venues, e.g., indoor and outdoor facilities. Costs to construct an outdoor facility were roughly half as much when it was combined with an indoor hall. E.g., a \$5 Million outdoor facility cost roughly \$2.5 Million when built in combination with an indoor performance hall.
- Ownership and management varied from government-owned and managed, government-owned with outside management, foundation owned, university owned and operated, and private 501c3 owned, managed and operated.
- Programming is directed to the entire community youth, education, ethnic groups, senior learning and entertainment, civic groups.
- Revenue and attendance depended upon seasonal availability for outdoor venues, from summeronly to year-round.
- All are heavily dependent on tourism and visitor market, while creating demand by higher spending tourists.
- Reasons for projects being unsuccessful included funding issues and inexperienced management.
 Examples of these are Yonder Fields and Daniels Island, both in South Carolina. These projects provide valuable lessons on preventing such issues through thorough planning and expert management assistance.

Convention Market Analysis

Team Three examined the convention market as a potential opportunity for new venues. Two questions were pursued; would an indoor hall augment the local hotels and convention planners' opportunity to book additional or higher-end conventions? Next, would an indoor hall compete with the convention and meeting business of hotels?

Hotel Managers Meeting

The team met with four top leaders from the lodging industry for their inputs. Feedback was:

- Convention business is valuable to them, but not in the prime tourist season when their facilities are sold out.
- Size of convention attendance is limited to the number of beds that are available.
- Hotels make money by offering the complete package meeting rooms (up to 1000), sleeping rooms, breakout rooms, food and beverage.
- A larger hall, e.g., 1500 capacity, would allow them to include major entertainment and larger plenary session meetings.
- Expanding the offerings on the Island would be favorable to attracting groups in the off season, such as regional meetings for historical, religious and cultural groups. These groups are not necessarily beach-oriented and a southern location would be attractive.
- Any new venue(s) would not be in direct competition with their business due to the desire of
 groups to have their meeting logistics packaged in a central location. As to meeting room
 competition, their facilities are tied into beds booked. This is the priority for the meeting room
 bookings.

Summarizing the above, the hotels felt there could be a benefit with a new venue and it would not negatively impact their business.

Jekyll Island Trip

Members of the Venue Committee, Town Council member Kim Likins, Chairman of the Town Community Services Committee, and Hilton Head Director of Cultural Affairs Jenn McEwen traveled to Jekyll Island to tour the State of Georgia's convention center. The SMG Corporation operates the facility under contract to the State. The main business is large conventions, especially Georgia government groups. The largest revenue is from food and beverage. They utilize local hotels for sleeping rooms but do not allow outside catering. The facility is designed for conventions, galas, weddings, and graduations, but can accommodate musical acts with temporary stages.

Many details about the facility's history, physical attributes and management were shared with Venue Committee team. Some of the most significant were:

- Government support -- State funding the construction allows operation with no debt.
- State encouragement of their agencies and organizations' usage brings significant business to the site.

Building attributes:

- Building style needs to complement the natural local environment
- Building appearance needs to be creative and attractive
- A full kitchen is more costly than a prep area
- Availability of food, from snacks to meals, is very important
- High quality sound system is critical
- Sufficient storage space must be available
- Large restrooms with sufficient facilities are necessary
- Many options exist for seating risers. Flat floors are the least expensive, but not ideal for audiences.

Professional Management:

- Maximizes financial success; can turn around the business from a losing operation
- Focus should be on high margin revenue opportunities, not number of events
- Professional management participation should begin early in the detailed design process. An experienced management company knows what needs to be done.

Other:

- Names of some key suppliers and entertainment equipment vendors were shared with the committee members
- Expenditure for lobby furniture is not cost effective
- Control of food coming into the building is critical for health and quality

Available Site/Venues

As part of their data gathering, Team Three reviewed the Town's inventory of available land. Several of these sites were of sufficient size to contain a desirable venue and related parking. This inventory is included as Appendix L.

Team Three also created an inventory of available and planned venues on Hilton Head Island (see Appendix M). This research supports the results of Team One's data-gathering related to art and cultural organizations' facility needs.

Conceptual Model

Team Three developed conceptual profiles for two of the six recommended spaces - the indoor hall and outdoor gathering space. In this process, they incorporated Team One's interviews with local arts groups, Venue Committee studies of venues in other towns, previous Island performances and work from prior professional consultants. The conceptual models are defined in Appendix N.

Included in the model are:

- Facility features and benefits for the indoor hall and outdoor gathering space
- Venue examples from other towns
- Projected usage based upon Team One's data and supplemental data from Team Three usage by each user and event
- Event definitions Production, Rentals
- Daily scheduling model
- Financial projections revenue and funding
- Business model operating examples



Weill Hall, Santa Rosa, CA

The model shows a strong financial interdependency between the indoor and outdoor venues and demonstrates a high probability of self-sustainment without taxing local residents. Central to the model is the high usage by tourists and visitors, far greater than existing revenues. A key element in financing is to shift the burden from local taxpayers and the Town to tourists. An example of how this could be achieved would be to add a 1% local Accommodations Tax to the current beach re-nourishment fee. Other communities support their arts and cultural programs utilizing this method. The resultant \$2.00/night fee would be insignificant to the tourist.

Future work required is to drill down to the financial details, examine alternatives, and look at the best operating model and partners. Current construction costs must be developed following agreement on the final design.

Consultant Analysis

Process Followed

The consultant's Phase I work was a Needs Assessment. To obtain data for this assessment, Webb:

- Interviewed a cross-section of cultural, political, and community leaders, as well as artists and cultural organizations active in the region (115 people in small groups or individually). See Appendix E for a list of these individuals.
- Toured local and regional cultural facilities
- Researched the size and characteristics of the market area (including full-time and part-time residents, as well as short-term visitors)
- Developed and evaluated detailed inventories of existing facilities
- Held public forums

Key Learnings

The following sections are summarized from Appendix F.

Market Conclusions

- The market for the arts is growing and diverse. The Hilton Head Island population is well-educated and affluent, suggesting propensity to support traditional performing arts.
- Hilton Head's Gullah community is rich in culture and history. The island's inclusion in the Gullah Geechee corridor provides a unique opportunity to connect Hilton Head Island to the larger Lowcountry region.
- Tourism is growing and changing on Hilton Head Island, with visitors expressing less interest in
 playing golf and more interest in exploring the Island's history and heritage. Visitors to Hilton
 Head Island tend to be well educated and affluent, often traveling with children. There are
 400,000 timeshare visitors to Beaufort County annually. This group is diverse, affluent, well
 educated, and family-oriented.
- According to festival attendee survey results, Hilton Head Island's various festivals have a large regional draw, attracting visitors from the greater Hilton Head/Bluffton/Beaufort/Savannah

region. They are older, are affluent and well-educated, and have visited Hilton Head Island multiple times in the past.

Existing Facility Conclusions

The Hilton Head Island Performance Facilities Inventory:

- Local and regional facilities tend to have small capacities and midrange quality ratings.
- A number of the inventoried facilities are school or university facilities and, as such, have limited availability and concessions.
- Of the performance facilities inventoried, the Arts Center's performance spaces are the only ones on Hilton Head Island that are not affiliated with a school or religious organization.
- More than half of the facilities inventoried have limited or no availability for additional events.
- This research indicates that there are gaps for high-quality performance spaces within the 1,000 seats or fewer and 1,300 to 2,400-seat capacity ranges.

The Hilton Head Island Outdoor Facilities Inventory:

- Outdoor programming is music oriented.
- Most facilities are lower in quality and lack covered seating or other amenities.
- This indicates a gap for a large-capacity, high-quality outdoor venue with excellent features and amenities.

Demand for Facilities

Webb's research identified 32 culturally oriented nonprofits on Hilton Head Island. Areas of focus for these nonprofits included music, theatre, visual arts, dance, heritage, and literary arts. They served all ages of audience and the majority included some form of education in their programming. These details are charted on p.68 of Appendix F.

Additionally, Webb identified 38 festivals taking place on the Island throughout the year. These included themes such as food, art, music, heritage, and holidays. The majority featured food and drink, live music, and family activities. These are charted on p. 108 of Appendix F.

Webb summarized user demand as follows:

- There is demand for new arts and cultural facilities on the part of local arts groups and organizations. This demand totals 364 days in a performance space and 328 days in a classroom or rehearsal space.
- The challenge is that this demand for multiple types and sizes of space. While groups like the Symphony, the International Piano Competition, the Choral Society, and the World Affairs Council have need for a large capacity facility with excellent acoustics. Groups like Main Street Youth Theatre and Lean Ensemble Theatre have need for a small, flexible space that can be arranged in a number of configurations.
- There is also demand for studio, exhibition, classroom, rehearsal, and meeting space as well as arts and cultural programs.

• Hotels on the Island have some need for a high-quality meeting and event facility that a flexible midsized hall could accommodate.

Community Benefits

- There are a number of community and regional goals that can be addressed through the
 development of arts, culture, and heritage on the island, relating to economic development,
 tourism renewal, heritage and preservation, and regionalism.
- As an example, the Mayor's Task Force for the Island's Future: Vision 2025 (August 2010)
 recommended that Hilton Head Island "...become the preferred hospitality destination for youth
 and adult learning by developing great historical and cultural sites and by building a center for
 the performing arts and intellectual and cultural activities."
- Investing in arts and culture can have significant impact on a community, contributing to such things as sense of place, quality of life, and neighborhood and community development.

Six Venue Initiatives

Webb's six recommendations are presented below.

A Community Arts Center. The most basic facility need is to have a community arts center on and for Hilton Head Island activated with a combination of rentals, presenting, educational programming, and outreach. Visual artists in particular lack spaces for teaching and related programs.

The Arts Center of Coastal Carolina has the physical attributes to become this space and indeed was designed to serve a set of community-based groups. (Note from ACCC representative; This statement is not accurate. The venue was built by and has been operated by private funds and is being programmed exactly as it was intended.) It would seem reasonable for the Town to invest in the Arts Center if that organization is prepared and able to re-formulate its business model to become more of a community arts center rather than being dominated by self-produced theatre. If the Arts Center is not prepared to make that change, we would encourage the Town to consider other options and possibilities for a community arts center, ideally through the adaptive re-use of some other existing structure.

A New Midsized Hall. We would recommend the development of a new [off-Island] midsize multipurpose hall for music, dance, theater, film, speakers and other events with a capacity range between 1,200 and 1,500 seats. There are over 100 days of demand from key groups on the island (Hilton Head Symphony, Hilton Head Choral Society, Hilton Head Dance, and the World Affairs Council of Hilton Head) for such a hall. (Note: Team Three projected an additional 150 days of programming for new events not possible with existing venues.)

Support for Mitchelville. Mitchelville is widely recognized as Hilton Head Island's "hidden gem." The park, on its own, has significant local, regional, and national importance. We would endorse the idea that the Town proceed with various investments in Mitchelville. However, we would encourage a more active partnership that ties those investments to a series of Town-mandated goals around program development, organizational development, and partnerships.

Support for the Coastal Discovery Museum's expansion plans. The Coastal Discovery Museum is an important cultural asset for Hilton Head Island as it speaks to such critical issues as the environment, land, and the culture of the Lowcountry. The Museum runs many programs of interest to full-time and seasonal residents and their families. And, they are an attractive and well-run destination for visitors to the island, effectively becoming a clearing-house for a range of other attractions and amenities. Within the recently completed strategic plan are goals to add and improve facilities that will allow the Museum to accept touring exhibitions made possible by its Smithsonian affiliation. We endorse this plan and would encourage the Town to consider how it might support the expansion, as and when the Museum's needs become more defined.

Community Gathering and Event Areas. There is a recognized need in the community for gathering space. While Coligny and Shelter Cove have been successful, the Town could go further in its attempt to create public gathering space, with more integrated planning that can support the local art and music scene, local retailers, and festivals. We are thinking particularly of younger people and families and the different ways that they might choose to participate in the arts, culture, history and entertainment. Such spaces might include more formal performance and festival locations, less formal park-settings, and more village or urban gathering places. This is a longer-term effort for Town and Village planners, thinking about how open space might be protected and used for events, how other areas might be upgraded, and how commercial concentrations might be planned and developed to include a Village square.

Culinary Institute. Finally, we see a tremendous opportunity to rediscover Hilton Head Island's food and farming heritage; firstly, by re-planting portions of the island and, secondly, through the establishment of a regional farm-to-table program. From a facility perspective, perhaps the best first step would be to attract a culinary institute to the island. This could serve as a catalyst for a series of food-as-culture initiatives, all of which could have a significant impact on the quality of life for full-time and senior residents and form the basis of new cultural and heritage tourism.

Concurrent Study

Webb urged that all six recommendations be considered as a whole, rather than separately:

- This set of recommendations should not be viewed as a menu of possibilities, but rather as a set
 of community investments that will together deliver significant value to Hilton Head Island and
 its residents.
- We would encourage Town leadership to think of these initiatives collectively, specifically in terms of how capital projects might be funded and various elements sustained over time.

Venue Committee Report on Phase I

The Venue Committee developed a Phase I report which expands the details of Webb's six venue recommendations. The report supports Webb's guidance for each of the six venues and adds information that was derived during Phase I (in some areas, concurrently with Webb's activities).

The Committee members modified Duncan Webb's recommended partnering with other communities and locating a new hall off-Island, along the US-278 corridor. Members instead recommended that the Phase II work keep the option of locating a new hall on Hilton Head Island, for the following reasons:

- Webb studied only current demand for this venue, he did not investigate potential future demand. Many outside companies/performers would potentially be interested in stops on the Island during their tours. Additionally, facilities could be rented for weddings, conferences, lectures, family reunions, and many other events. This potential should be explored in depth to validate the financial sustainability of an on-Island location.
- The larger cultural groups on Hilton Head Island are outgrowing their spaces and will of necessity need to find other facilities off-Island. This situation will lead to a decline in cultural organizations on-Island, which has in fact already begun. A decline in the cultural richness and variety available on Hilton Head Island will make the Island less attractive to full-time residents and visitors. An inevitable decrease in Hilton Head's economic and tax base will follow, as potential new residents/tourists spend their dollars in nearby communities with more cultural opportunities.
- The economics for favorable sustainability of new venues depends on attendance revenue from the 2.6 million tourists that visit HHI annually. Those tourists are based on the Island where hotels and villas/condos are located. Locating a performance venue off island would significantly dilute tourist attendance.
- The core audiences for the Island's larger performing groups are based on the Island. Not only are they ticket purchasers, but also major donors to these groups. Adding 1-1/2 hours of transportation time, to and from concerts, and at night, will significantly reduce their attendance and support, especially in the case of many older attendees.

The Committee's Phase I recommendation strongly supported Webb's guidance to complete one comprehensive plan for all of the six venue recommendations together. This would allow the Town to make a fully informed, fact-based decision about the use of Town resources to fairly support all of the Island's many cultural organizations. This report can be found in Appendix G.

Issues and Challenges for Venues

Issues

- Several large cultural organizations on the Island have outgrown their current venue and have an
 urgent need for a bigger space. They may need to move their functions off-Island to continue to
 fulfill their missions.
- A number of performing arts organizations are in need of more appropriate physical characteristics in a venue; e.g., professional lighting and sound systems, more wing space, rehearsal and dressing rooms, better seating, and more.
- A few of the key existing venues on the Island are in urgent need of refurbishment.
- Cultural organizations cannot expand their programming options or audience size (or even meet current demand) due to the limitations of their venues.
- Cultural organizations experience scheduling difficulties when sharing space with churches and schools.

- Multiple smaller organizations cannot find affordable meeting/lecture space to rent.
- Without new facilities, no additional arts, musical and cultural events and festivals can be brought to the Island. This means the Island will be accepting the "status quo" as the best it can offer existing residents and tourists.
- While Hilton Head Island continues to function with limited art and cultural amenities, other nearby communities are stepping in to fill the void. This will eventually lead to potential residents and tourists choosing to spend their time and money in these nearby communities, and negatively impact the Island's economy.

Challenges

• While there are locations which could be utilized for indoor and outdoor venues, the "NIMBY" (Not in My Back Yard) syndrome from many residents discourages development of these locations.

To overcome this objection, the Town should enact an educational campaign emphasizing the positive changes that new venues can bring, along with realistic scenarios for what will happen if the Island continues with no change.

 Many residents perceive increased traffic congestion as a byproduct of performance venues or outdoor gathering spaces.

This concern is also allayed by educating the public. On-Island traffic feasibility has been proven out by the Concours d'Elegance (15,000 tourists during its annual event), the First Presbyterian Church (26,000 vehicles per year for services, Symphony, Choral Society and World Affairs Council), and the Heritage (50,000+ vehicles over seven days, including 3,200/day offsite parking capacity).

To put it in perspective, the Island hosts 2.6 Million tourists per year, with the bulk of that occurring in the summer months. This means that in every week during the summer, traffic on the Island is increased by approximately 50,000 vehicles. By comparison, a one-day outdoor festival of 5,000 people is not a significant traffic event.

Parking for a midsized hall or outdoor gathering space is currently a challenge.

The Town is able to grant some exceptions for vertical parking, and can regulate these exceptions by requiring environmental ("green") architectural elements and appropriate traffic flow studies.

• There is a perception among some residents that the Island cannot afford to support art and cultural venues.

Analysis of other towns by Team Three includes proven financial models that not only are sustainable but provide <u>increased</u> tax revenues to the Town and County. Nevertheless, the Committee does not advocate committing any Town funds to new venues, until a professional financial viability study has been completed. An in-depth Phase II study, identifying financial sources for capital costs and operating expenses, must be performed in order to confirm the long-term sustainability of the recommended venue initiatives.

V. In-Depth Analysis – Phase II

Scope

Phase II focused on building a conceptual model of a Community Arts Center, one of Webb's original Phase I recommendations. Excerpted from the Phase II scope document:

"...This information shall be the basis for determining the facility's size/shape/functionality and will be the foundation for developing a fully integrated cost effective/efficient programming/business model.

This conceptual model is being developed for two primary purposes. The first purpose is to develop a facility plan and a complementary business/programming model that fully addresses the space needs and the functional/programming requirements of the prospective occupants for this facility gathered during Phase One and updated as appropriate in Phase 2. The second purpose is to utilize this conceptual model to conduct a comparative analysis of the Arts Center of Coastal Carolina to determine if it has the physical attributes to become this space and the flexibility/willingness to adjust its business and programming plans to align as closely as possible with the conceptual model, while remaining financially sustainable."

Options

Webb's Phase II presentation outlined the following elements which would be required in a Community Arts Center:

- Well-equipped performance space (350 seats) with a flexible floor, to support a wide range of events
- Multipurpose room (120 seats) for less formal performances and other events requiring seating and AV equipment
- Exhibit space of 2,000 square feet
- Multiple meeting/teaching rooms of 750 to 1,500 square feet
- Multiple practice rooms of 80 to 140 square feet
- Maker/media space of 6,000 square feet for metalworking, woodworking, 3-D printing, robotics, and more. To be used by teachers, students (both adults and youth), others interested in exploring new concepts.
- Lobby of 4,000 square feet

Webb presented four options for this Community Arts Center:

1. A new standalone Community Arts Center at a new location. The Arts Center of Coastal Carolina (ACCC) continues as is.

This would be run by either a Town department, or a 501c3 established for this purpose. The new Arts Center could be fully utilized, but would (as with other comparable facilities nationally) require some level of public subsidy or other means of support. New construction costs were estimated at \$27.8 Million. Webb estimated incremental operational costs at \$725,000/year.

Advantages to this approach are that all of the community's art center needs are met, and it supports the growth of artists and art organizations. Disadvantages are that it directly competes with the ACCC, and that it is expensive to maintain.

2. A reduced standalone Arts Center, with the ACCC providing 75 nights/year of theatre space. The ACCC continues with educational offerings. This option does not include the rehearsal, exhibition and program spaces which Webb identified as key elements of a Community Arts Center.

Webb recommends the same governance alternatives as Option 1; although without a large performance venue, this new structure would be simpler to manage. Again, all spaces would be heavily utilized. The studio theater would see almost constant use in this reduced model. Depending on the size of the new facility, new construction costs would be between \$11 Million and \$15 Million. Webb estimated the annual incremental cost at between \$587,700 and \$639,400.

This is the least expensive of the four options, but it does not deliver many of the elements that a true Community Arts Center would provide.

3. Utilizing the ACCC as the new Center, including an addition of 18,000 square feet.

In this option, the ACCC would increase its staff to support the additional identified elements that it currently does not manage. New construction/refurbishment costs would be between \$9 Million and \$14 Million. Annual incremental costs to operate the ACCC would total \$549,000.

One challenge would be that additional parking would be necessary for the new programming and events. Some type of attractive vertical parking structure might be required.

4. The Town purchases the ACCC, which is then used as the new Center. The ACCC would use proceeds of the sale to develop another base of its producing operations, while the current building is refurbished to contain more of the elements Webb identified for a state-of-the-art Community Arts Center. The ACCC then becomes a resident user of the facility.

Governance alternatives would be the same as Options 1 and 2 above. Refurbishment and related construction costs are estimated at \$11.5 Million. Annual incremental operational cost would be \$622,000.

While most programming could be accommodated, some of the elements could not be contained within the space available. These include a rehearsal room, classroom, half of the practice rooms, and a maker/media space.

Detailed Plan for Standalone Community Arts Center

Webb's initial report in December 2017 recommended proceeding to investigate Options 2 and 3. He felt these provided the best value to cost benefit.

Venue Committee members were of the opinion that this initial report did not answer the scope requirement to "...develop a facility plan and a complementary business/programming model that fully addresses the space needs and the functional/programming requirements of the prospective occupants for [a conceptual model of a Community Arts Center]." Therefore, Webb revised his final presentation to the Committee to address all of the elements within his scope to respond to Option 1, which fully encompassed all of the identified features of a state-of-the-art Community Arts Center.

The physical plan Webb developed included:

- Space program
- Site analysis
- Equipment budget
- Capital cost estimate

His business plan consisted of:

- Operating goals
- Governance models
- Programming plan
- Staffing plans
- Pro forma operating budget
- Economic impacts
- Organizational and community impacts
- Critical path plan

Both of Webb's Phase II presentations are included as Appendices H and J.

Consultant's Future Scope

It has been suggested that there is no need for another consultant to work on venue concerns, as there is sufficient expertise on Town staff and in the community to perform this study. However, an arts management/venue consultant will have access to the specialized skillsets required for the remaining work. This includes expertise in the fields of performance acoustics, stage sound and lighting, museum design, art gallery design, fundraising planning, culinary tourism, and more. At some point, it will be necessary to employ professional assistance to move forward on any significant venue projects.

Remaining work to be completed by a consultant includes:

Facility/Features Objective

• Confirm Venue Committee's Phase I/Phase II inventory of required features. Provide directional cost numbers for each and recommend options for Good, Better, Best alternatives.

<u>Usage/Programming Objective</u>

• Confirm Venue Committee's Phase I proposals for scheduling optimal programming.

<u>Financial Objective</u>

- Confirm Venue Committee's Phase I conceptual model for financial sustainability.
- Confirm the cost differential between constructing indoor and outdoor facilities separately versus together.
- Utilize known examples to demonstrate the impact of the venue proposals on the economic and quality of life of the Island.
- Identify short and long-term impacts of Venue construction/operational costs to residents and tourists.
- Identify potential uses of Town cash sources which could be used to support other projects but which do not bring in revenue (e.g., roads, sewers).
- Provide estimated budget to plan and construct facilities. Provide Good, Better, Best alternatives. Provide estimated budget to staff, operate, maintain, and program the facilities. Document assumptions on staffing levels, maintenance schedules, other.
- Provide expected revenues. Document assumptions for usage and pricing.
- Identify the potential financing structures for the planning, construction, operations, and maintenance of the venue(s) (e.g. bonds, endowments, foundations, business and individual donors, one percent tourism tax increase, and others).
- Create a fundraising plan, including recommendations on who should own the plan and how to implement it.

Community Objective

- Recommend appropriate sponsorship for each of the venue initiatives.
- Identify the effect that improved venue options will have on tourism.
- Identify the consequences to the Island if the Town does not support improvements to Arts, Culture and History venues.
- Review locations for optimal placement of an indoor and outdoor venue. Investigate and present pros and cons of on-Island versus off-Island locations. Provide data supporting recommendations.
- Provide traffic and parking recommendations for site(s).
- Provide parameters, if appropriate, to address usage issues that might compete with local businesses.
- Recommend priorities and schedule for implementing the six Venue initiatives, optimizing for economies of scale where possible.

VI. Desired State

Opportunities Provided by Venues

The future facility managers should identify performers/performance companies and exhibits that could be brought to the Island if more extensive facilities were available. Some possibilities include:

- Smithsonian style museum exhibits
- World-class performing musicians, orchestras, traveling musicals and dramatic arts shows
- Contemporary musicians and musical groups
- Performance institutes for advanced education, led by professionals in their fields e.g., conductor's school, dance competitions, voice, strings, and brass master classes. The Hilton Head Symphony, Hilton Head Choral Society and Hilton Head Dance Theatre could take the lead on these initiatives.
- Religious study groups
- Regional conventions in the shoulder season, in conjunction with local hotels



Town staff needs to investigate the usage and programming changes that the existing organizations could make if they had facilities that are not currently available to them. Some examples from organizations surveyed include:

- Expanded class/lecture sizes
- Expanded audience sizes
- Collaborations with groups requiring additional space such as acrobatics, gymnastics
- Audio-visual events combining music, film, other artistic genres
- Fundraising and donor recognition events with food and beverage service
- Children's choir and musical ensembles
- Music, Dance and Theater workshops and/or Summer Camp
- More contemporary and/or secular themed performances that can be performed outside of a church would appeal to younger audiences

- Expanded weekend event programming that is not possible in a church
- Artist education events outside of the regular school calendar
- Literary festival for authors, writers, publishers, and agents

The Town also needs to determine what new events or space usage could be developed if different facilities were made available. Such as:

- Coordinated or combined festivals and other events where several local organizations work together
 to provide multi-day, multi-venue presentations, including music, art, dance, food and events. This
 could be done in conjunction with Concours d'Elegance, International Piano Competition, Italian
 Heritage and Latino Culture presentations.
- Ethnic festivals such as Scottish games or German food, beverage and music celebrations.
- Seasonal events such as year-end events or St. Patrick's Day/Week
- Cultural events coordinated with the Heritage Golf Tournament to attract the affluent audiences visiting the Island
- TED talks
- Concerts, talks, art shows, dramatic events themed around the anniversary of births of Bach,
 Beethoven, Mozart, Debussy, Stravinsky, Rachmaninoff, or Bernstein
- Film festivals, potentially with unique regional themes
- Artist, photographer and musician studios
- Meeting space for cultural and community organizations
- "Maker space" for art classes, woodworking, metalworking, sculpture, glass fusion, pottery, and more
- New arts organizations and artists drawn to the cultural opportunity and vitality.



Finally, we should consider what other activities could be undertaken to make use of an arts campus type of space. This would include space for socializing before or at intermissions of our current events. Other examples include weddings, parties, family reunions, ceremonies, lobby exhibits, rental of space, and more. Food and beverage service would be available through local caterers, but not in competition with local restaurants or hotels.



Vision for the Future

What will Hilton Head Island look like in ten years, if the Town supports the venue proposals recommended in this report?

A VISION FOR HILTON HEAD ISLAND'S FUTURE

Hilton Head Island's thriving art, culture and history offerings provide a significant benefit to the Island's quality of life, economy, and attractiveness to tourists and potential residents. Supporting these offerings, the Island boasts state-of-the-art venues that service all of the major art, culture and history groups on the Island, as well as offering facilities for the myriad of independent artists from multiple genres. Venues include traditional museum and gallery space, a midsized performance hall, a community arts center, the Historic Mitchelville Freedom Park, outdoor gathering spaces for festivals and outdoor exhibits, and accommodations for the culinary tourism industry. Smaller spaces are available, preferably in a Community Arts Center

environment, for use by independent artists, musicians, photographers, and more. The venue facilities include comfortable meeting space for artistic, cultural and community groups.

<u>Features</u> of the larger venues include an acoustically superior midsized performance hall for musical groups, premier museum display space for top quality exhibitions, a well-equipped and attractive stage for theatrical performances, facilities to accommodate dance groups, sufficient rehearsal, maker space, working artists' studios, storage and offstage wing space. Outdoor gathering spaces include adequate parking options, a sheltered stage with offstage storage, and appropriate sound and lighting equipment for outdoor performances. Features of the smaller spaces include soundproofed and appropriately sized studio space for musicians, well-equipped studio space for artists and photographers, and AV equipment, flexible seating for lectures and community group meetings. All venues include the potential for food/beverage service, as well as clean and comfortable restrooms.

<u>Usage</u> of the larger venues includes the Island's art, culture and history organizations, rentals by touring groups, conventions, community festivals, weddings, family reunions, and church functions. Top-name performers frequently visit the Island. Multimedia presentations including dance, music, and art showcase our resident nonprofits as well as travelling groups. Resident and travelling artists utilize practice rooms and studio spaces. Affordable meeting spaces are available to the many smaller organizations on the Island for their regular meetings, lectures, and special events.

<u>Finances</u> for the venues are self-sustaining, and the venues bring in welcome revenue to the Town. Job spending during construction results in increased tax revenue and business sales. Venue staffing levels are appropriate to the facilities and are shared by multiple organizations where possible. Any bonds issued by the Town to construct the facilities are well within the Town's budget and are steadily repaid, potentially from proceeds of the venues themselves if agreed contractually. Tourist spending resulting from additional attendees has increased, positively impacting the Town's economy.

The <u>Community</u> of Hilton Head Island benefits from the arts venues in multiple ways. Tourist spending from those attending events at the venues helps not only those nonprofits, but also related businesses, such as local galleries, restaurants, bars, grocery and convenience stores, gas stations, and more. Residents are justifiably proud of their art and cultural offerings, and attend many events themselves. Diverse Island communities mingle and get to know one another at multi-cultural events and combined presentations by multiple Island nonprofits. Residents' lives are enriched by the top-name performers and groups that regularly present events on the Island. The Island's nonprofits have retained their core supporters and have expanded their reach, in some cases to national and even international attendees and sponsors. The Island has developed a reputation as a vibrant arts, culture, history and entertainment community; tourists are excited to see Hilton Head Island for themselves, and home values continue to increase, reflecting all that the Island has to offer to current and future residents.

While the above vision is certainly achievable and presents a bright view of our Island's future, it is necessary to consider what will happen if these steps are not taken. Golf and tennis are visibly in

decline, and can no longer sustain the Island's economy. Tourists will still come to the beach, but increasingly these are for one-day visits, that will not significantly impact the Town's bottom line. Tourists can find more interesting things to do after a day at the beach in other resort communities that offer amenities Hilton Head Island does not have.

If we do nothing, what is happening will continue to happen. Golf courses will continue to close. Arts related businesses will continue to leave the Island. The retirees of the future will choose to relocate elsewhere, as they desire a culturally rich environment for their retirement years. Some tourists will spend increasing amounts of their time and money in the more vibrant communities across the bridge. Businesses will not be interested in relocating to a place with limited cultural amenities. Our Town's tax revenues will decrease, resulting in either a decline in services or higher taxes for our residents, or potentially both.

If we want our Island to continue to be relevant and appealing, we <u>must</u> change the status quo. This report lays out a viable plan of action for our future. It is our fervent hope that the Town will act on these recommendations.

VII. Recommendation

The Committee strongly supported detailed study of the consultant's six venue recommendations. The Committee agreed with the consultant's recommendation to fund the Phase II study of all of the initiatives concurrently rather than pursuing them separately. Studying all initiatives concurrently would create economies of scale in investigating financial options, optimize the existing real estate available for the benefit of all of the Island's cultural organizations and audiences, and allow creation of a complete and consistent Town plan for arts and culture going forward.

Because there is not at present an opportunity for completing Phase II as recommended, several of the major art, cultural and history organizations on the Island have out of necessity, proceeded with their plans independent of the Venue Committee's efforts. These organizations are working together with the smaller art, culture and history organizations to attempt to meet their needs and their proposed plans. The Venue Committee is aware of these efforts and supports them.

The organizations working together are:

- The Arts Center of Coastal Carolina
- The Hilton Head Symphony Orchestra
- Historic Mitchelville Freedom Park
- The Coastal Discovery Museum
- The Town of Hilton Head Island Office of Cultural Affairs

The major organizations, along with professional consultants will need to do further analysis and design work to complete detailed plans. The Town's support of this working group's proposals with funding and staff will be a critical component in moving this vision forward.



Seiji Ozawa Hall, Tanglewood, MA

VIII. Implementation Plan

To implement a comprehensive Arts and Cultural vision for the Town of Hilton Head Island, Town Council needs to fund and own the following:

Assign a Town representative to facilitate venue progress

- •Role would logically fall under the Director of Cultural Affairs, Ms. Jenn McEwen.
- •Representative would liaise between the groups pursuing venue options and Town government.
- Representative would also provide input on other art/cultural organizations' needs and plans.
- Representative would work with Town to educate public about the venue projects, answer questions and respond to concerns.
- Representative would document overall timelines and progress to goals for Town and residents.
- Role would include publicizing venue progress locally, as well as marketing HHI's venue offerings to regional/national organizations.

Assign ownership of Phase II recommendations

- •Community Arts Center initiative could be represented by Arts Center of Coastal Carolina.
- Midsized hall project represented by Hilton Head Symphony Orchestra.
- •Coastal Discovery Museum and Mitchelville projects represented by their respective Directors.
- •Outdoor gathering space initiative could be represented by a Town official, local small group or 501c3, working together with one or more of the other four groups mentioned above. (As documented in this report, the most economical alternative and the one which would bring in the most potential revenue, would be to combine this space with the midsized hall initiative. This would require strong support from the Town or other organization to partner with the Hilton Head Symphony Orchestra in the construction and operation of the combined facilities.)
- •Identify a sponsor for renovation and resolution of ownership of the Main Street Theater.
- •Identify a sponsor for the culinary tourism initiative project; this could be the Technical College of the Low Country's culinary program, or leadership from the USCB's Hilton Head Island campus.

Ensure Phase II studies are completed for all Phase I recommendations

- •Work with each of the representative organizations/groups to help implement the detailed studies requested to complete Phase II.
- •Should be completed by expert(s) in the field of land planning, architecture, fundraising, and performance/exhibit hall venue construction and operation.
- •Includes land planning (including potential sites), architectural details and blueprints for each space.
- •Includes viable project construction financial plan, detailing the private, public, and organizational support required to build the venues.
- •Includes realistic multi-year scheduling matrix to achieve financial sustainability.

Support ongoing work on cultural venues

- Provide previously mentioned liaison with Town government. Organizations will submit status information to be presented at regular Office of Cultural Affairs Town Council updates.
- Provide financial support for projects as allowed by Town budgets and planning for the future.
- •Retain and implement recommendations of a public relations firm, to publicly promote venue projects. Emphasize the improvements to quality of life and appeal as a tourist and residential destination.
- •Using the public relations firm and the Chamber of Commerce, positively market the Town's forward thinking as demonstrated by its public support of these projects.





TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*

VIA: Shawn Colin, AICP, Director of Community Development VIA: Jennifer Ray, ASLA, Planning and Special Projects Manager

FROM: Jayme Lopko, AICP, Senior Planner

DATE: February 7, 2019

SUBJECT: Venue Committee Dissolution

Recommendation: Staff recommends that Town Council adopt a resolution to dissolve the Venue Committee.

Summary: The adoption of a resolution to dissolve the Venue Committee will officially conclude the work effort assigned to that group by Town Council.

Background: The Venue Committee, created by Town Council on February 16, 2016 and tasked to evaluate and make recommendations on the space and programming needs of the entertainment, arts, culture, and heritage organizations of the island, has completed the work requested by drafting their final report addressing the goals and objectives set forth by Town Council.

The Venue Committee met thirty times over the course of three years, and ensured considerable public input in the process. In addition to their public meetings, the Committee worked with Webb Management to hold five public engagement workshops that reached 375 people and 115 one-on-one and group interviews. The Committee also interviewed 70 local organizations to gather information on venue needs and opportunities for growth.

The members of the Venue Committee worked diligently throughout the process and are to be publicly commended for their tireless efforts related to this project.

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SC TO DISSOLVE THE VENUE COMMITTEE

WHEREAS, the Venue Committee was established on February 16, 2016, as a temporary committee under the oversight of the Community Services Committee to evaluate and make recommendations on the space and programming needs of the entertainment, arts, culture, and heritage organizations of the island; and

WHEREAS, the Venue Committee has addressed the Goals and Objectives set out by Town Council; and

WHEREAS, the Town Council was presented the final report on February 19, 2019; and

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

SECTION 1: THE TOWN EXTENDS ITS THANKS TO THE MEMBERS OF THE VENUE COMMITTEE FOR THEIR EFFORTS IN COMPLETING THEIR TASK AND

DOES HEREBY PUBLICLY COMMEND THEM FOR THEIR EFFORTS.

SECTION 2: THE VENUE COMMITTEE IS TO BE DISSOLVED ON FEBRUARY 19, 2019.

MOVED, APPROVED, AND ADOPTED I TOWN OF HILTON HEAD ISLAND ON THIS 2019.	
ATTEST:	John McCann, Mayor
Krista Wiedmeyer, Town Clerk	
APPROVED AS TO FORM:	
Gregory M. Alford, Town Attorney	

Introduced by Council Member: _____