



**The Town of Hilton Head Island  
Regular Town Council Meeting  
October 16, 2018  
4:00 P.M. EXECUTIVE SESSION  
5:00 P.M. REGULAR MEETING  
Benjamin M. Racusin Council Chambers  
AGENDA**

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**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. 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.
    - ii. Taiwan R. Scott, et. al. vs. Board of Zoning Appeals Town of Hilton Head Island
  - b. Land Acquisition:**

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

    - i. In the Beach City Road Area.
- 4. Pledge to the Flag – Presentation of Colors by the Parris Island Young Marines**
- 5. Invocation**
- 6. Proclamations & Commendations**
  - a. Red Ribbon Week Proclamation
  - b. Mayor’s Honored Islanders
    - i. Karen Kindermann
    - ii. Alfred Olivetti
- 7. Approval of Minutes**
  - a. Town Council Meeting October 2, 2018
- 8. Report of the Town Manager**
  - a. Island Rec Center Update – Frank Soule
  - b. Items of Interest
    - i. Town News
    - ii. Noteworthy Event

**9. Reports from Members of Council**

- a. General Reports from Council
- b. Report of the Intergovernmental & Public Safety Committee – Bill Harkins, Chairman
- c. Report of the Community Services Committee – Kim Likins, Chairman
- d. Report of the Public Planning Committee – David Ames, Chairman
- e. Report of the Public Facilities Committee – Marc Grant, Chairman
- f. Report of the Finance & Administrative Committee – John McCann, Chairman

**10. Appearance by Citizens**

**11. Unfinished Business**

**a. Second Reading of Proposed Ordinance 2018-17**

Second Reading of Proposed Ordinance 2018-17 Amending Section 10-10-10 of the Municipal Code of the Town of Hilton Head Island, South Carolina, relating to recovery of collection cost as part of delinquent debts collected pursuant to the Setoff Debt Collection Act; and providing for severability and an effective date.

**12. New Business**

**a. Consideration of a Recommendation – Venue Committee Modified Recommendations**

Consideration of a Recommendation that Town Council approve the modified recommendations from the Venue Committee for Venue Phase II.

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

**14. Adjournment**

# Proclamation

**BY**  
**THE TOWN OF HILTON HEAD ISLAND**

*WHEREAS, communities across America have been plagued by the numerous problems associated with illicit drug use and those that traffic in them; and*

*WHEREAS, there is hope in winning the war on drugs, and that hope lies in education and drug demand reduction, coupled with the hard work and determination of organizations such as the Young Marines of the Marine Corps League to foster a healthy, drug-free lifestyle; and*

*WHEREAS, governments and community leaders know that citizen support is one of the most effective tools in the effort to reduce the use of illicit drugs in our communities; and*

*WHEREAS, the red ribbon has been chosen as a symbol commemorating the work of Enrique "Kiki" Camarena, a Drug Enforcement Administration agent, who was murdered in the line of duty, and represents the belief that one person can make a difference; and*

*WHEREAS, the Red Ribbon Campaign was established by Congress in 1988 to encourage a drug-free lifestyle and involvement in drug prevention and reduction efforts; and*

*WHEREAS, October 23-31 has been designated National Red Ribbon Week, which encourages Americans to wear a red ribbon to show their support for a drug-free environment;*

*NOW THEREFORE, I, David Bennett, Mayor of the Town of Hilton Head Island, South Carolina, do hereby proclaim the week of **October 23-31, 2018** as*

## **RED RIBBON WEEK**

*in the Town of Hilton Head Island, and I encourage all citizens to wear a red ribbon to show their support for a drug-free environment.*

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

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*David Bennett, Mayor*

*Attest:*

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*Krista M. Wiedmeyer, Town Clerk*



# *Honored Islander Award*

*presented to*

***Karen Kindermann***

*In recognition and appreciation for outstanding volunteer service and personal commitment towards the betterment of our community.*

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*Presented this 16th day of October, 2018*

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*Mayor David Bennett*



# *Honored Islander Award*

*presented to*

***Alfred Olivetti***

*In recognition and appreciation for outstanding volunteer service and personal commitment towards the betterment of our community.*

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*Presented this 16th day of October, 2018*

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*Mayor David Bennett*

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

**Date: Tuesday, October 2, 2018**

**Time: 4:00 P.M.**

**Present from Town Council:** David Bennett, *Mayor*; Kim Likins, *Mayor Pro Tempore*; John McCann, Marc Grant, Tom Lennox, David Ames, *Council Members*

**Absent from Town Council:** Bill Harkins, *Council Member*

**Present from Town Staff:** Steve Riley, *Town Manager*; Joshua Gruber, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Brian Hulbert, *Staff Attorney*; Brad Tadlock, *Fire Chief*; John Troyer, *Finance Director*; Carolyn Grant, *Communications Director*; Shawn Colin, *Deputy Director of Community Development*; Chris Blankenship, *Deputy Fire Chief – Operations*; Ed Boring, *Deputy Fire Chief – Support Services*; Joheida Fister, *Fire Marshal*; Cinda Seamon, *Fire & Safety Educator*; Melissa Cope, *Systems Analyst*; Krista Wiedmeyer, *Executive Assistant/Town Clerk*

**Present from Media:** Katherine Kokal, *Island Packet*

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**1. Call to Order**

Mayor Bennett called the meeting to order at 4:02 p.m.

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

**3. 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.; and (b) Land Acquisition; discussion of negotiations incident to the proposed sale, lease, or purchase or property; (i) in the Beach City Road area.

At 4:03 p.m. Mrs. Likins moved to go into Executive Session for matters mentioned by the Town Manager, Mr. Harkins seconded. The motion to go into Executive Session was approved by a vote of 6-0, Mr. Harkins was absent from the meeting.

Town Council returned to the dais at 5:02 p.m. to begin the Regular portion of the meeting.

**4. Pledge to the Flag**

**5. Invocation**

**6. Proclamations & Commendations**

**a. Fire Prevention Week**

Mayor Bennett presented the Fire Prevention Week Proclamation to members of the Hilton Head Island Fire Rescue.

**7. Approval of Minutes**

**a. Town Council Meeting, September 18, 2018.**

Mrs. Likins moved to approve the minutes from the September, 2018 Town Council meeting. Mr. McCann seconded, the motion was approved by a vote of 6-0.

## **8. Report of Town Manager**

### **a. USCB – Quarterly Report – Dr. Charlie Calvert**

Dr. Calvert gave an update on the progress of the new USCB Hospitality Campus to the members of Town Council. He noted that everything remains on time for a November 14, 2018 ribbon cutting. Dr. Calvert noted some upcoming events that are scheduled to take place at the new campus, including the Chamber's Taste of the Season and Town Council's annual Workshop.

### **b. First Tee – Update – Brady Boyd**

Brady Boyd, Executive Director of First Tee, gave an update to Council regarding First Tee. He provided recent numbers of all the programs that took place throughout the year, and encouraged the members of Council, Town staff, and citizens to visit the First Tee website for even more information.

### **c. Items of Interest**

- i.** Town News
- ii.** Noteworthy Events

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.

Mr. Riley also noted to the Mayor that he understood that there had been discussion about cancelling the November 20, 2018 Town Council meeting, and in order to do so, Council would have to move and approve such a meeting schedule change.

Mrs. Likins moved to cancel the November 20, 2018 Town Council meeting, Mr. McCann seconded. The motion was approved by a vote of 6-0.

## **9. Reports from Members of Council**

### **a. General Reports from Council**

Mrs. Likins reported that she has talked to the telecom group about the WIFI at the Town's parks and other facilities throughout the Town. She noted that as these facilities are being used more and more, the WIFI is becoming more bogged down, and that this may be something that should be looked at in anticipation of expanding.

Mr. Grant stated that he had three items he wanted to bring forward for consideration. The first being a change in the parliamentary procedures, specifically for the Appearance by Citizens portion of the agenda. He said that he felt the way some citizens addressed Council was disrespectful, and deserved a second look. Mr. Grant said that he wanted to extend his gratitude to Mr. Riley and Mr. Gruber and others from the Town who met with the Stoney Community to begin addressing the potential changes to the US 278 corridor. Finally, Mr. Grant noted that he was provided a document of a 2002 transportation plan, where the Town would need to expand US 278 to a six lane highway all the way through to the south end. He asked that this topic be brought up for discussion, and possible resolution; resolving that there is not a six lane highway throughout the entire Island. Addressing Mr. Grant, Mayor Bennett stated that he felt changes to the Appearance by Citizens portion of the agenda may have First Amendment implications; continuing to address Mr. Grant, he said as to the six lanes, he would take it under advisement and talk about it before the next Council meeting.

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

No report as Mr. Harkins was absent.

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

Mrs. Likins reported that Committee's Personnel Committee met on September 27, 2018 where they finalized the recommendations for Boards and Commission appointments to be heard later in the meeting. She also noted that the Committee met with the Venue Committee where they reviewed the modified recommendations. Mrs. Likins said this is the second phase, would be a needs plan drafted by the four largest cultural organizations and delivered in early 2019. She noted that the modified recommendation would come forward to the next Town Council meeting.

## **Report of the Members of Council (cont.)**

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

Mr. Ames stated that the Committee met on September 20, 2018 where they were introduced to the affordable housing consultant. The consultant answered questions related to the topic, he noted that the meeting was very positive largely due to the consultant's knowledge and demeanor. He noted that he felt the public felt the same.

### **e. Report of the Public Facilities Committee – Marc Grant, Chairman**

Mr. Grant stated he had no report.

### **f. Report of the Finance & Administrative Committee – John McCann, Chairman**

Mr. McCann asked Mayor Bennet, for the sake of an efficient Finance and Administrative Committee meeting on October 16, 2018, if he could outline for Mr. McCann what his personal objectives are for the meeting. Mr. McCann stated that he wanted to make sure that he was prepared for the meeting ahead of time. Mayor Bennett affirmed.

## **10. Appearance by Citizens**

**Skip Hoagland:** Addressed the members of Council about his concerns with transparency with the Chamber and the DMO.

**Andrea Baker:** Addressed the members of Council about her concerns with the development on Jonesville Road. Mayor Bennett explained to Ms. Baker why since she last appeared before Council this topic did not appear on the agenda for further discussion or Town Council vote.

**Frank Babel:** Addressed the member of Council about his concerns of who is responsible for the Town's public safety.

**Alex Brown:** Addressed the members of Council concerning the US 278 Gateway corridor expansion and the fears of the citizens within the Stoney Community.

**Luana Sellers:** Addressed the members of Council concerning the US 278 Gateway corridor expansion and the citizens within the Stoney Community.

**Bryan Bobinchuck:** Addressed the members of Council regarding crosswalk safety, describing a prototype that he had come up with that could possibly be effective within in the Town.

## **11. Unfinished Business**

### **a. Second Reading of Propose Ordinance 2018-16**

Second Reading of Proposed Ordinance 2018-16 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2019; to provide for the budgeted appropriations of prior year budget roll-forwards and the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Mrs. Likins moved to approve, Mr. McCann seconded. With no discussion, the motion passed with a vote of 6-0.

## **12. New Business**

### **a. Consideration of a Resolution – HUD/CDBG Entitlement Program Consolidated Plan Amendment**

Consideration of a Resolution of Town Council to approve the Community Development Block Grant (CDBG) Entitlement Program five year Consolidated Plan (2015-2019) substantial Amendment.

Without objection, this item was removed from the agenda for additional review and changes to be made by Town staff, to be brought forward to Town Council at a later date.



**New Business (cont.)**

**b. Consideration of a Resolution – MASC Setoff Debt Collect Act**

Consideration of a Resolution of Town Council authorizing the Municipal Association of South Carolina to act as Claimant Agency for the collection of debt on behalf of the Town of Hilton Head Island in accordance with the Setoff Debt Collection Act.

Mrs. Likins moved to approve, Mr. McCann seconded. With no discussion, the motion passed with a vote of 6-0.

**c. First Reading of Proposed Ordinance 2018-17**

First Reading of Proposed Ordinance 2018-17 Amending Section 10-10-10 of the Municipal Code of the Town of Hilton Head Island, South Carolina, relating to recovery of collection cost as part of delinquent debts collected pursuant to the Setoff Debt Collection Act; and providing for severability and an effective date.

Mrs. Likins moved to approve, Mr. McCann seconded. With no discussion, the motion passed with a vote of 6-0.

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

Mrs. Likins moved to appoint Kathy Reynolds, William Schmitt, and Linda Piekut to three terms, ending June 30, 2021 to the Culture and Arts Committee; Michael McCullion to a three year term, ending June 30, 2021 to the Parks and Recreation Committee.

Mrs. Likins further moved to nominate Brian Turrisi to complete an unexpired term in February 2019, and re-nominate Mr. Turrisi for an additional full term immediately following to the Beaufort County Airports Board.

Mr. McCann seconded, the motion was approved by vote of 6-0.

**14. Adjournment**

Mayor Bennett adjourned the meeting at 5:53 p.m.

\_\_\_\_\_  
Krista M. Wiedmeyer,  
Executive Assistant/Town Clerk

Approved: 10/16/2018

\_\_\_\_\_  
David Bennett, Mayor



# TOWN OF HILTON HEAD ISLAND

## ITEMS OF INTEREST

### OCTOBER 16, 2018

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#### TOWN NEWS

- **Flood Management Assistance Grants:** The Federal Emergency Management Agency and the SC Department of Natural Resources announced the application period for Flood Mitigation Assistance grants opened on October 1<sup>st</sup>. This program provides resources to assist efforts to reduce or eliminate the risk of repetitive flood damage to buildings insured under the National Flood Insurance Program. Applications must be either a repetitive loss or severe repetitive loss structure. Individual property owners must apply for funding through the Town and the Town submits applications to SCDNR/FEMA for review and consideration. **The application deadline is December 7, 2018.** Interested property owners may contact Marcy Benson, Senior Grants Administrator, for more information and an application form.

**Contact Information:** Marcy Benson, Senior Grants Administrator  
1 Town Center Court, Hilton Head Island, SC 29928  
PH: 843-341-4689 EMAIL: [marcyb@hiltonheadislandsc.gov](mailto:marcyb@hiltonheadislandsc.gov)

#### TOWN OF HILTON HEAD ISLAND MEETINGS

- Planning Commission – October 17, 2018, 3:00 p.m.
- Intergovernmental & Public Safety Committee – October 17, 2018, 5:00 p.m.
- Public Facilities Committee – October 22, 2018 – 9:00 a.m.
- Public Planning Committee – October 25, 2018 – 3:00 p.m.
- Accommodations Tax Advisory Committee – November 1, 2018 – 9:00 a.m.
- Finance & Administration Committee – November 7, 2018 – 2:00 p.m.
- Town Council Executive Session – November 7, 2018 – 4:00 p.m.
- Town Council Regular Session – November 7, 2018 – 5:00 p.m.

*Meetings are subject to change and/or cancellation. Please visit the Town's website at [www.hiltonheadislandsc.gov](http://www.hiltonheadislandsc.gov) for meeting dates and times.*

#### HILTON HEAD ISLAND EVENTS

- 2018 NAMI Lowcountry Walk – Saturday, October 20, 2018 – 8:30 a.m. – 12:00 p.m. at Coligny Beach
- Lowcountry VegFest – Saturday, October 20, 2018 – 10:00 a.m. – 5:00 p.m. at Shelter Cove Community Park
- Mindful Triathlon – Sunday, October 21, 2018 – 9:00 a.m. – 11:00 a.m. at Coligny Beach
- Pledge the Pink – Sunday, October 28, 2018 – 7:00 a.m. – 12:00 p.m. at Chaplin Community Park
- Operation R&R Veterans Day 5k – Saturday, November 3, 2018 – 8:00 a.m. – 11:00 a.m. at Mitchelville Freedom Park
- HHI Concours d'Elegance & Motoring Festival – Saturday, November 3, 2018 - 9:00 a.m. – 6:00 p.m. & Sunday, November 4, 2018 – 9:00 a.m. – 4:00 p.m. at Port Royal Golf Club



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



## **MEMORANDUM**

**TO:** Town Council

**FROM:** John M. Troyer, CPA, Director of Finance

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

**DATE:** October 16, 2018

**RE: Second reading of proposed Ordinance No. 2018-17, relating to the recovery of costs as part of delinquent debts collected pursuant to the Setoff Debt Collection Act**

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**Summary:**

MASC recently conducted a thorough review of the Setoff Debt ordinance and made some contextual changes needed for participants to stay compliant with the Setoff Debt Collection Act and allow MASC to act on their behalf to submit debts to submit debts to the South Carolina Department of Revenue. All documents must be received by MASC by Thursday, November 15, 2018.

**There were no changes to this ordinance since the first reading on October 2, 2018.**

**AN ORDINANCE TO AMEND SECTION 10-10-10 OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, RELATING TO RECOVERY OF COLLECTION COSTS AS A PART OF DELINQUENT DEBTS COLLECTED PURSUANT TO THE SETOFF DEBT COLLECTION ACT; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Hilton Head Island is a claimant agency as defined in the Setoff Debt Collection Act, S.C. Code Ann. § 12-56-10, et seq. (the Act) and is therefore entitled to utilize the procedures set out in the Act to collect delinquent debts owed to the Town of Hilton Head Island; and

**WHEREAS**, “delinquent debt” is defined in the Act to include “collection costs, court costs, fines, penalties, and interest which have accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum which is legally collectible and for which a collection effort has been or is being made”; and

**WHEREAS**, the Town of Hilton Head Island has contracted with the Municipal Association of South Carolina to submit claims on its behalf to the SC Department of Revenue pursuant to the Act; and

**WHEREAS**, the Municipal Association of South Carolina charges an administrative fee for the services it provides pursuant to the Act; and

**WHEREAS**, the administrative fee charged by the Municipal Association of South Carolina is a cost of collection incurred by the Town of Hilton Head Island that arises through contract, and is therefore properly considered as a part of the delinquent debt owed to the Town of Hilton Head Island as that term is defined in the Act; and

**WHEREAS**, the Town of Hilton Head Island also incurs internal costs in preparing and transmitting information to the Municipal Association, which costs are also collection costs that are a part of the delinquent debt owed to the Town Hilton Head Island; and

**WHEREAS**, the Town of Hilton Head Island may desire to recover its internal costs of collection by adding such costs to the delinquent debt; and

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

1. The Town of Hilton Head Island may impose a collection cost of up to \$25.00 to defray its internal costs of collection for any delinquent debts that are sought to be collected pursuant to the provisions of the Setoff Debt Collection Act, S.C. Code Ann. § 12-56-10 et. seq. This cost is hereby declared to be a collection cost that arises by operation of law and shall be added to the delinquent debt and recovered from the debtor.
2. The Town of Hilton Head Island hereby declares that the administrative fee charged by the Municipal Association of South Carolina is also a collection cost to the Town, which shall also be added to the delinquent debt and recovered from the debtor.
3. All Ordinances in conflict with this Ordinance are hereby repealed.
4. This Ordinance shall be effective on the date of final reading, provided however, that this ordinance is declared to be consistent with prior law and practice and shall not be construed to mean that any fees previously charged to debtors as costs of collection under the Act were not properly authorized or properly charged to the debtor.

**PASSED AND APPROVED BY THE TOWN COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS \_\_\_\_\_ DAY OF  
\_\_\_\_\_, 2018.**

\_\_\_\_\_  
**David Bennett, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Krista 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:** Charles Cousins, AICP, *Director of Community Development*  
**VIA:** Jennifer Ray, ASLA, *Planning and Special Projects Manager*  
**FROM:** Jayme Lopko, AICP, *Senior Planner*  
**CC:** Shawn Colin, AICP, *Deputy Director of Community Development*  
**DATE:** October 2, 2018  
**SUBJECT:** Venue Committee Modified Response to Phase II

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**Recommendation:** That Town Council approve the Venue Committee Modified Response to Phase II as detailed in Exhibit A with the exception of the recommendation to engage a consultant for Phase II (detailed on page 5, item A and page 6, item D).

The Community Services Committee met on September 27, 2018 and voted 3-0-0 to forward the Venue Committee Modified Response to Phase II to the full Town Council for approval.

The Venue Committee met on August 24, 2018 and voted 10-0-0 that the Venue Committee, having accomplished the work it was able to complete within the bounds set forth by the Town of Hilton Head Island, modify the Committee's request to the Community Services Committee to not engage a consultant for Phase II. The Venue Committee also recommends they be dissolved upon submission of its final report. Recognizing that there is more to do, the Committee suggests this future work be done by the organizations with the greatest stake in the outcome, in collaboration with the Town, while considering the known facility requirements of all Island arts and culture organizations.

The Community Services Committee met on June 11, 2018 and after considering the additional information received from the Venue Committee voted 2-0-0 to forward the Venue Committee Response to Phase II to the full Town Council for approval. These recommendations have not been considered by Town Council yet.

The Community Services Committee met on May 14, 2018 to discuss the Venue Committee Response to Phase II: A Conceptual Model for a Community Arts Center. There was no action taken at this meeting. The Community Services Committee directed the Venue Committee to come back with additional information.

The Venue Committee met on April 16, 2018 and voted 9-1-0 to recommend that Town Council approve their recommendations as attached in Exhibit A.

**Summary:** The Town contracted Webb Management Services in October 2017 to begin the second phase of work, a Conceptual Model for a Community Arts Center. After conducting a charrette with local arts and cultural organizations, searching for available buildings for sale or lease, and researching physical and business planning, the consultant presented the Town with a final report containing a conceptual model for a Community Arts Center. This final report was sent to the Venue Committee in January of 2018.

The Venue Committee reviewed the final report of Webb Management along with the information they had collected and researched regarding venues currently on the island. A detailed response from the Committee to the consultant's final report is contained in Exhibit A. In addition, the Venue Committee made recommendations that could be taken in a possible future phase.

**Background:** Town Council authorized moving forward with Phase II of the Venue project to evaluate a Community Arts Center model for the island at their September 19, 2017 meeting.

Working with staff and the Venue Committee, Webb Management conducted a charrette to gather space and scheduling needs of local arts and cultural organizations, researched local construction costs, determined equipment needed for proposed theater spaces, determined the appropriate staffing levels, and prepared budgeting for the proposed facility.

The Venue Committee reviewed Webb Management's final report and discussed a response to the Phase II work at their March 30, 2018 and April 16, 2018 meetings. Exhibit A details the Venue Committee's background, response to the final report, recommendations (starting on page 5), and lessons learned.

Attachment:

Exhibit A - Venue Committee Response to Phase II

Exhibit B – Venue Spaces Chart

Exhibit A  
**Town of Hilton Head Island**  
**Venue Committee**  
**Response to Phase II Funded Work**  
**April 16, 2018**

## **Background**

- The Venue Committee was created in February 2016 by Town Council, which budgeted funds for a consultant to help complete the Scope of Work: to identify venue needs and develop physical and business plans and a fundraising strategy. Our first meeting was in April 2016.
- The Committee's first year was spent working with Webb Management Services on a needs assessment, interviewing and surveying culture and heritage organizations and citizens, and researching other towns and financing options. The Town Council unanimously supported the exciting recommendation for six cultural spaces and further study to identify programming, business models and funding for them. Most importantly, the Committee recommended that these are a set of investments that should be viewed together. These projects are:
  - Support for the Mitchelville plan
  - A mid-sized multi-use, flexible hall
  - An outdoor gathering space for the community
  - Support for the Coastal Discovery Museum (CDM)
  - A community arts center
  - A culinary facility to encourage culinary tourism
- The past year has been spent working again with the consultant on Town Council's direction to address only a Phase II plan for a Community Arts Center (CAC). In January, Webb provided a proposal of a Conceptual Model for a Community Arts Center, providing information on how the Arts Center of Coastal Carolina (ACCC) could be utilized as part of the model. The committee worked diligently to reach a consensus on this assignment, but was unable to do so. There was, however, a clear majority opinion.

## **Community Arts Center Conceptual Model**

Webb detailed the elements which should be included in a Community Arts Center, and provided the first two options below to the Committee on how it might be implemented. The Venue Committee has included a third option in its response:

1. Construct or repurpose a building housing all of the required elements
2. Utilize the ACCC building and add additional space and features to fulfill the needs which the existing building does not meet



3. (Venue Committee) Use a combination of available and planned spaces in the Town to create a virtual Community Arts Center until completion of a comprehensive Culture and Arts Venue infrastructure plan

## **Community Arts Center Option One**

### **Construct or repurpose a building housing all of the required elements (from Webb's January 2018 Report)**

- Included 47,500 sq ft facility with a 30,000 sq ft footprint on 2.5-3.5 acres that includes 2 theaters (300 and 120 seats), classrooms, music practice and rehearsal rooms and a large lobby between \$21.5-27.5MM (not including land purchase).
- Provided a detailed operational model with reduced rental rates for nonprofits and/or regional groups. The operational model assumes some level of subsidy (annual funding requirements between \$600,000 – 640,000), although it does not presume what entity would be subsidizing the costs.
- The Venue Committee does not recommend this option at this time
- This model is expensive, but other configurations of either repurposed or new structures might be a good alternative. This needs to be investigated as part of a larger Phase II study.

## **Community Arts Center Option Two**

### **Utilize the ACCC building and add additional space and features to fulfill the needs which the existing building does not meet.**

**Email of April 10, 2018 from Bob Lee, Chairman of the Board of the ACCC: "After careful consideration, the Arts Center of Coastal Carolina has decided to withdraw, for the foreseeable future, from further discussions regarding its venue / facilities as a part of the current Venue Committee process."** Full text of this email is included in Appendix A below.

- Webb stated the ACCC's building could meet a substantial portion of the required spaces if the organization "is prepared and able to re-formulate its business model to become more of a community arts center than being dominated by self-produced theater."
  - The building contains a main theater, small black box theater, art classroom, gallery, offices and meeting rooms
  - Other elements such as a small theater, practice rooms, additional classrooms, and rehearsal rooms would need to be made available in other spaces
- Of particular relevance to this option is that the ACCC is requesting consideration of an agreement for the Town to purchase their building with certain conditions:
  - Purchase price to be based on fair market value, substantiated by current appraisal of property
  - Sufficient funding to address their maintenance backlog (additional \$3.8MM)

- Relief from ongoing financial burden of building maintenance
- Assurance to its donor base, board and audience that the quality of its productions will remain excellent (maintain current staff and access to space)
- Ability to remain an independent business entity
- The Venue task teams discussed this idea in detail. A majority of the Committee agreed that:
  - A large expenditure of this type would be justified with assurance that other local groups would have reasonable access to the facility (including scheduling and cost criteria)
  - The ACCC could have reasonable priority in scheduling its events
  - An independent entity should manage the facility and schedule the community usage
  - The ACCC could continue to manage theater operations (reporting to the overall facility manager) in order to maintain its current standards of excellence. However, there would need to be a clear understanding and agreement by the Committee of what roles the ACCC needs to continue to manage vs. what could be managed by another entity.
  - The Town and the ACCC would need to agree that the ACCC will be in an adequate financial position to meet its obligation regarding any contract pursuant to the lease
- The teams do not recommend a proposal to purchase the ACCC building without also providing support for the other significant cultural organizations in the community, including the CDM, Mitchelville, the Hilton Head Symphony Orchestra, the World Affairs Council, Hilton Head Choral Society and other community groups.

**Reasons why the Town might consider purchase of the ACCC now:**

- The ACCC has a loyal donor base and audience who would like to continue to see their productions
- The ACCC contributes economic benefit to the Town and State
- Shelter Cove is one of the few very desirable locations on the Island where we would want to have a significant Culture and Arts presence
- The ACCC's sustainability is not secure without removing the burden of building ownership
- The most significant cost in a Community Arts Center is the Theater. Upgrading an existing theater is far more cost effective than building a new theater. It would be far more cost effective to upgrade the other spaces in the ACCC than creating new spaces for those uses.

**Reasons why the Town should not consider purchase of the ACCC now:**

- The Committee is not in full agreement that there is sufficient desirable space available for shared usage of the facility as a true community arts center to warrant adopting this alternative at this time
- A plan has not yet been completed to provide support for all of the Town's significant cultural organizations

- Due to these stated concerns, the majority of the Committee does not support the Town purchasing the ACCC property at this time

**Should the Town pursue a purchase agreement for the ACCC, the following items should be considered:**

- The Committee is not in full agreement that there is sufficient information available at this time to substantiate a decision now by the Town Council for any major expenditure regarding a Community Arts Center. The Committee cannot recommend purchasing the property to Town Council without full substantiating figures including:
  - Purchase Price
  - Annual Operating cost for which the Town would be responsible over a significant period
  - Estimated Operating revenue over the same operating period
  - Estimated capital maintenance costs over the period
  - Providing for the “excellence” that is the Visioning Report’s #1 Pillar for all Hilton Head Island projects

**Community Arts Center Option Three**

**Use a combination of available and planned spaces in the Town to create a virtual Community Arts Center until a comprehensive Culture and Arts Venue infrastructure plan has been completed**

- There are numerous other spaces on the Island which can be used to fulfill a portion of the needs for a Community Arts Center
- Access to these spaces would be greatly improved by implementing a centralized scheduling service to facilitate availability tracking and community groups’ requests
- All required spaces need to be investigated in detail, and the following questions need to be answered for each space:
  1. What is the availability to the community?
  2. What is the rental cost; would it require subsidizing to ensure affordability to the community?
  3. Could facilities be expanded or refurbished to improve usability? If so, what is the associated cost?
  4. For spaces that will not be available and/or affordable, what construction would be required? What is the anticipated cost?
- This option could begin implementation quickly for spaces that are ready, with questions being researched and addressed with the other potential spaces
- See attachment for Hilton Head Island Venue Space List
- The Committee recommends pursuing implementation of this option along with the remainder of Phase II

## Other Things We Learned

- The constraints on organizations across many sectors (cultural, heritage, non-profits, businesses) due to insufficient venue options have increased, causing negative impact on the organizations. Organizations are considering or have already moved off island. This trend has a detrimental effect on our economy and quality of life and runs counter to the concepts endorsed by the Visioning Report.
- Bluffton is moving aggressively to capitalize on their culture, arts and heritage assets and attracting HHI assets to relocate (e.g. Muse Gallery, Red Piano Gallery)
- Additional organizations have come forward to add their requirements for new or additional venue space. Some of these are new types of community arts spaces that were not included in the Webb conceptual model.
- Plans for Mitchelville, Coastal Discovery Museum and the midsized hall have progressed. This provides us with potential venue opportunities, but also underscores the fact that plans need to be viewed together in order to develop the most effective solutions.
- There are multiple means of funding cultural and art spaces, utilizing both public and private options. The spaces do not all need to be implemented at once, nor does funding need to be procured all at once.

## Venue Committee Recommendations

- A. **The Town Council should defer decisions on major expenditures until the full Venue Committee Recommendation approved in June 2017 is completed**
  - The scope of this Committee cannot be completed until Phase II is completed. Thus far, only a Needs assessment and a small portion of the Design and Business assessment have been addressed. **The Venue Committee recommends that the Town fund the work required to complete Phase II.**
  - The funding to complete this work was in the Town's budget (original consultant estimate for Phase II was \$106,000)
- B. The Committee recommends implementing a centralized scheduling service for cultural spaces, as described in Community Arts Center Option Three, with scheduling priority given to the resident organizations for each venue. This action would immediately benefit the existing major cultural institutions on the Island, and provide a process to easily make additional spaces available to the community and visitors. This improves the situation, but does not provide a solution for the major performing groups.
- C. The Committee supports Webb's June 2017 recommendations for cultural spaces, and recommends the Town support the planning process for all of them. Most of these initiatives are already in the planning process for creation or expansion. We need a comprehensive plan that ties these projects together, determines the exact venue configurations and costs, and coordinates the usage of the spaces. This will reduce redundancies for all of the organizations and identify additional opportunities. The initiatives to be included are:

1. Mitchelville. Hilton Head Island has a remarkable story to tell with Mitchelville, one with incredible potential for both tourism and regional pride. Mitchelville has received well-deserved funding from both the County and the Town; the Town needs to do all it can to promote this initiative. Status of this project should be provided by Mitchelville's Board and Executive Director.
  2. A mid-sized hall. The Hilton Head Symphony is currently investigating the concept of a midsized performance hall. This hall could also be utilized by the organizations that have outgrown their existing venues; the HHSO, the Choral Society, and the World Affairs Council; resorts and hotels, for gatherings that cannot currently be contained by their facilities, as well as by non-profits, community organizations and touring performers. The HHSO's leadership can provide status of this project. With their agreement, we recommend that a Town Venue consultant work together with the HHSO to consolidate their plans with the needs of the community, and determine the ideal solution for this project.
  3. An outdoor gathering space. This concept would truly bring the Island together and provide a venue for festivals, family reunions, weddings, outdoor performances, and other community events. With the Island's three-season availability, such a site would have numerous and diverse usage possibilities, and it is financially viable by utilizing effective venue management together with tourist participation. Members of the Venue Committee, who have studied this concept extensively, can provide numerous examples and actual experiences on the Island, as well as supporting detail on such spaces.
  4. The Coastal Discovery Museum. CDM is planning an expansion to allow for world-class museum exhibits, along with spaces that can make up portions of a virtual community arts center; classrooms, small lecture/theater space, and gallery display spaces. These expansion plans can meet a significant amount of our community's need for cultural venues. Status on this project can be provided by CDM's Board and President/CEO.
  5. A community arts center (CAC). A distributed CAC could be created from currently available spaces on the Island, those that are in the planning stage, and existing spaces that may be added in the future (see Attachment). A prerequisite for this concept is the scheduling process described in recommendation (A) above. While the Webb report provided some important and useful information, there are additional needs that have been identified which should be considered in the plan for a CAC. The long term need for the virtual CAC would be evaluated as the comprehensive plan is developed.
  6. Culinary tourism. Creating a plan for culinary tourism on the Island would draw many visitors and potential residents to the Island. A group with interest in this concept would need to be identified to spearhead this effort.
- D. The Committee recommends the Town hire a professional consultant to validate, and consolidate the plans from organizations already involved in planning, described in (C) above and develop plans for the other areas in line with the Venue Committee's Scope of Work. Once completed, the Town should finalize the implementation schedule based on community priorities, with some activities occurring in parallel.

## What Will We Learn in Phase II?

- Usage & Programming for each venue
- Revenues from operations:
  - Identify target markets for attendance & ticket sales
  - Includes users such as local hotels for conventions; concerts & events by outside promoters; performances by local organizations; festivals by local & regional groups; academic & intellectual meetings, etc.
- Facility Design recommendations for the new venues
- Facility Location Options
- Financing and Fundraising options
- Venue Management options (operating & marketing)
- Ownership options (e.g., Town, Public-Private, 501c3)
- Operating Projections for each venue (i.e., Projections of Revenues, Expenses, Profit or Loss, Reserve Funds, breakeven analysis,)
- Economic Impact Estimates

The goal of Phase II will be to provide a 3 to 5 year rollout plan, with extensive detail, for Arts Venues on Hilton Head that serve all Arts organizations, and will include new and existing facilities.

**Hilton Head Island's natural beauty and passion for excellence has built the Town's reputation as premier vacation and residential community. While some leisure activities have become less attractive to younger people, culture and art appeals to all generations. The Town should move quickly to support and advance Culture & Arts on Hilton Head Island by providing needed venues, to maintain its position as one of the most sought-after national residential and resort communities.**

Appendix A: Email of April 10, 2018 from Bob Lee, President, Arts Center of Coastal Carolina

**From:** Bob Lee <xxx>  
**Date:** Tuesday, April 10, 2018 at 10:55 AM  
**To:** Jane Joseph <xxx >, 'Cynthia Creamer' <xxx >  
**Subject:** RE: Preparation for 4/16 Meeting

Dear Cindy and Jane,

After careful consideration, the Arts Center of Coastal Carolina has decided to withdraw, for the foreseeable future, from further discussions regarding its venue / facilities as a part of the current Venue Committee process.

The Arts Center staff has worked diligently for almost two years to provide the Venue Committee and Webb Consulting with all requested information - investing extraordinary staff resources. It, however, has become difficult to reach agreement regarding the Art Center's facilities in the Venue Committee mix. The Arts Center will continue to actively participate and support the Venue Committee's other task processes and looks forward to helping to make Hilton Head all that it can be for all of the Arts.

The Art Center will continue to pursue the actionable recommendations included in the report delivered last November by Webb Consulting, as they relate to the Art Center's facilities and its availability to support smaller arts organization's needs.

Thanks. I look forward to our continued consideration for the venues and programs the Venue Committee is currently contemplating.

Best,  
Bob

Robert Lee  
Email address  
(M) xxx-xxx-xxxx