



Town of Hilton Head Island

Town Council

Tuesday, July 16, 2019 at 4:00 pm

Benjamin M. Racusin Council Chambers

MEETING MINUTES

Present from Town Council: John J. McCann, *Mayor*; Tom Lennox, David Ames, Tamara Becker, Glenn Stanford; *Council Members*

Absent from Town Council: Bill Harkins, *Mayor Pro-Tempore*; Marc Grant, *Council Member*

Present from Town Staff: Steve Riley, *Town Manager*; Charles Cousins, *Assistant to the Town Manager*; Scott Liggett, *Director of Public Projects and Facilities*; Shawn Colin, *Director of Community Development*; John Troyer, *Finance Director*; Angie Stone, *Human Resource Director*; Brad Tadlock, *Fire Chief*; Chris Blankenship, *Deputy Fire Chief*; Joheida Fister, *Deputy Fire Chief*; Tom Bouthillet, *Battalion Chief*; Melissa Cope, *Systems Analyst*; Krista Wiedmeyer, *Executive Assistant/Town Clerk*

Present from Media: Kathrine Kokal

1. Call to Order

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

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 – Rabbi Brad Bloom, Congregation Beth Yam

Rabbi Brad Bloom delivered the Invocation.

5. Approval of Minutes

a. Town Council Meeting, June 18, 2019

Mrs. Becker moved to approve the minutes from June 18, 2019. Mr. Stanford seconded. The motion was approved by a vote of 5-0.

6. Report of the Town Manager

a. Board of Zoning Appeals Semi-Annual Report – Jerry Cutrer, Chairman

Jerry Cutrer, Chairman, gave an update to the members of Town Council highlighting the past six months of business covered by the Board of Zoning Appeals. Mr. Cutrer discussed the couple of variances and one appeal that was heard over the previous six months.

b. Design Review Board Semi-Annual Report – Dale Strecker, Chairman

Dale Strecker, Chairman, gave an update to the members of the Town Council highlighting the past six months of business covered by the Design Review Board. Mr. Strecker discussed new developments, alterations and additions, as well as the number of signs the Board reviewed over the previous six months.

c. 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.

7. Reports from Members of Council

a. General Reports from Council

Mayor McCann asked Mr. Riley to have staff begin working on a series of new ordinances if needed, to be presented to Town Council by the December workshop, regarding the beaches, traffic, and parking. He said this would include the sea turtles, shovels, tents, chairs, and any further items related to the matter. The Mayor said that staff will be working with a consultant to discuss parking and parking fees not only for Coligny, but for the entire Town. He said every beach and every parking location would be reviewed between now and the December Town Council workshop. Mr. Ames noted that the Public Planning Committee will be discussing the shovels and other beach items at their next meeting. The Mayor noted that the Public Planning Committee will be very instrumental in helping with the planning of these items.

b. Report of the Intergovernmental Committee – Bill Harkins

No report – Mr. Harkins was not in attendance.

c. Report of the Community Services & Public Safety Committee – Marc Grant

In Mr. Grant's absence, Mr. Ames reported that the Committee met on June 24, 2019 where they received an update from staff on the Cordillo tennis courts renovation project. The Committee approved a motion recommending that Council support the design, permitting, and construction of Phase two of the renovation project, which would be coming forward to the next Town Council meeting. Mr. Ames noted that at this time, the construction of a building with community gathering space is not recommended because the private covenants that require the property be maintained as a tennis facility on the property.

d. Report of the Public Planning Committee – David Ames

Mr. Ames reported that the Public Planning Committee met on June 27, 2019 where they discussed wireless connectivity on the Island, garden shovels on the beach, RV amendments, and a rezoning in the Mitchelville area which was passed and will be moving on to Town Council to review.

e. Report of the Finance & Administrative Committee – Tom Lennox

Mr. Lennox reported that four items were discussed and three were unanimously approved, the first being the discussion of the Town Manager's review process and procedure, an ordinance for the Sheriff's Office lease of real property, 2011 Hospitality Bonds, and the Request for Qualifications for the Designated Marketing Organization. He said that these items would be coming forward to the upcoming Town Council meeting.

8. Appearance by Citizens

Rev. Nelson B. Rivers: Addressed the members of Town Council regarding diversity within the Town.

9. Consent Agenda – NONE

10. Proclamations/Commendations - NONE

11. Unfinished Business

a. Second Reading of Proposed Ordinance 2019-16 – Hilton Head Christian Academy Rezoning

Second Reading of Proposed Ordinance 2019-16 to amend Title 16, "The Land Management Ordinance," of the Municipal Code of the Town of Hilton Head Island, South Carolina, by amending Section 16-1-107, the Official Zoning Map and the Indigo Run Master Plan with respect to the certain 13.83 acre parcel located at 55 Gardner Drive, identified as Parcel 98A on Beaufort County Tax Map 8, within the Indigo Run Master Plan "Parcel 15-F" under the PD-1 (Planned Development Mixed Use) District, to remove the Commercial and Public Recreation Uses and Commercial Density, and to add Multifamily Residential Use with Density of 260 Units, and to maintain the existing Institutional Use and Density, and to reduce the maximum building height allowed from 75 feet to 45 feet for three story buildings adjacent to the Southern property boundary and from 75 feet to 55 feet for four story buildings on the rest of the site; and provide a minimum rental duration of 6 months, reserve five

percent of the units as workforce housing units for a duration of twenty years, and to include a Type C buffer along the North property boundary; and providing for severability and an effective date.

11. Unfinished Business (cont.)

(a). Second Reading of Proposed Ordinance 2019-16 – Hilton Head Christian Academy Rezoning

Mrs. Becker moved to approve. Mr. Lennox seconded. Mr. Stanford noted that he was concerned that the original draft of workforce housing, short-term rental agreement has not been amended in accordance with the discussions that were had at the previous meeting. He said that he realizes that was just an oversight and is not contending that there was anything done on purposes. Mr. Stanford said there are some other provisions related to the term in which conversions cannot take place, notice and compliance with those aspects, and he said he would like clarification and injunctive relief that would be afforded to the Town, should these types of violations take place. Mr. Stanford moved to authorize the Town Manager, to ensure that those provisions are provided within the agreement, to provide workforce housing conversion restriction and short-term rental restriction prior to the execution and issuance of the development permits for this project, specifically the term during which, no conversion can occur during twenty (20) years as previously agreed, notice or proof of compliance and enforcement of the workforce housing provisions of the agreement and clarification of injunctive and other equitable relief in the event of noncompliance. Mr. Ames seconded. With some discussion from the public at large and the members of Town Council, the motion made by Mr. Stanford passed by a vote of 5-0.

Mr. Ames asked Mr. Nester about the length of time the short-term rentals will be in place. Mr. Nester of Burr Forman Law Firm, stated that the proposal originally said ten (10) year, and also noted that to respond to Mr. Stanford's motion, due to time restraints between the Planning Commission meeting and the last Town Council meeting, there was not time to update the documents. Asking Council hypothetically, would we be approving this today, if this were 260 units of short-term rentals, on this site? He further said, that we need to keep in mind that the ramifications of this project going to short-term rentals in ten (10) years is the opposite of preserving the quality of the residential neighborhoods in this community. Mr. Ames said that it is avoiding the demand for affordable housing and it's the kind of policy that he thinks that Council should be trying to preserve the housing stock for permanent residential. He said that he felt there is tremendous pressure in the community to transition to a resort. Mr. Ames said that you can see it as condominiums move over to short-term rentals. He said that he feels that it is the responsibility of Town Council to think long term. Mr. Ames said that he would feel much more comfortable if this ten (10) year sunset clause were extended to twenty (20) years; but would also say that if a future Council determines that it should go to short-term rentals, that is their business. He went on to say that from the standpoint, today, he felt, that Town Council should be insisting on this being a long term permanent residential project. With some discussion from the public at large, the Mayor asked the question, the initial motion made by Mrs. Becker, and seconded by Mr. Lennox was approved by a vote of 4-1, Mr. Ames opposed.

12. New Business

a. First Reading of Proposed Ordinance 2019-18 – Special Obligation Bonds

First Reading of Proposed Ordinance 2019-18 providing for the issuance and sale of Town of Hilton Head Island, South Carolina, Special Obligation Bonds (Hospitality Fee Pledge), in one or more Series, in the Principal amount of not exceeding \$17,000,000, delegating the authority to the Town Manager to determine certain matters with respect to the Bonds, prescribing the form and details of such Bonds; other matters relating thereto; and providing for severability and an effective date.

A motion was made and seconded (inaudible on recording). Brent Robertson with Steifel, Nicholas, and Company made a brief presentation to the members of Town Council and public at large. With no discussion from the public or from Town Council, the motion was approved by a vote of 5-0.

13. Executive Session

Mr. Riley stated that an Executive Session was needed to review the following matters; (a) Land Acquisition, discussion of negotiations incident to the proposed contractual arrangements, sale or

purchase of property in the (i) Old Wild Horse Road area, (ii) Marshland Road area, (iii) Beach City Road area, and (iv) Spanish Wells Road area, and (b) Contractual Matters, discussion of negotiations incident to proposed contractual arrangements regarding the Hilton Head Island Airport.

At 4:35 p.m. Mr. Stanford moved to go into Executive Session for the items mention by the Town Manager. Mrs. Becker seconded. The motion was approved by a vote of 5-0.

At 4:45 p.m., Town Council returned to the dais.

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

a. Possible actions by Town Council concerning the Spanish Wells Road area.

Mr. Stanford moved that the Town Council authorized the Mayor and Town Manager to execute and deliver a contract by and between the Town of Hilton Head Island, South Carolina, and Megr, LLC, for the purchase and sale of a property of 1.07 acres, more or less, located on U.S. 278, and to take such other and further actions as may be necessary to complete the transaction described in the contract. Mrs. Becker seconded. With no discussion from the public or the Town Council, the motion passed by a vote of 5-0.

15. Adjournment

At 5:02, Mr. Stanford moved to adjourn. Mrs. Becker seconded. The motion was approved by a vote of 5-0

Submitted by: Krista Wiedmeyer, Town Clerk

Approved: August 20, 2019

John J. McCann, Mayor