

THE TOWN OF HILTON HEAD ISLAND
LAND ACQUISITION WORKSHOP

Date: Tuesday, February 24, 2015

Time: 4:00 P.M.

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

Present from Town Staff: Steve Riley, *Town Manager*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Charles Cousins, *Director of Community Development*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; Brad Tadlock, *Fire Chief*; Shawn Colin, *Deputy Director of Community Development*; Vicki Pfannenschmidt, *Executive Assistant/Town Clerk*

Present from Media: None

1) CALL TO ORDER

Mayor Bennett called the workshop to order at 4:00 p.m. Mayor Bennett thanked everyone for attending the meeting. He stated that what the Town has in land is similar to an investment portfolio. He added that the discussion would be about dynamic portfolio management stating that assets are acquired for a number of reasons and objectives, some being aggressive and some being conservative. Mayor Bennett stated that in his view, actively managing your portfolio is a must. He said that over time, goals and strategies change. He added that this meeting was a first step in developing a productive process for dynamically managing the Town's land with the ultimate goal of achieving our objectives as a community.

Mayor Bennett stated that Council adopted as a top priority the development of a vision for the community, coupled with some good quality master planning for the areas of the community outside of the gated communities. He said that going through the process will better enable Council to define what it is the Town aspires to be as a community and how to best position the Town's lands to achieve the goal. The Mayor emphasized this workshop was not being held to determine a finished product. He said it was about establishing a productive process and to understand and identify where the Town is today in land holdings. He encouraged all to share their thoughts with Council during public comment.

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

3) Open Session

a. Land Acquisition Program Background

Mr. Riley reviewed the background and creation of the program in detail.

b. Available Funding Review

Mr. Riley reviewed the update included in the packet.

c. Review of Land Acquisition Manual

Mr. Riley stated that in the 1990's as many as 50 properties were being considered for purchase by the Town at any given time. He said the Land Acquisition Manual was created to be an informative tool for residents to see how the program worked and to document guidelines for the program. He explained the criteria to assist Town Council in identifying and prioritizing properties for the Land Acquisition Program was adopted by resolution.

d. Discussion of Existing Town Land Inventory and Options for the Future

Mr. Riley referred to the Town-owned property map explaining the categories of beach parks, development rights, fire stations, open space, leased/easement, parks, to be determined and government facilities. He explained that while the map has 97 properties listed, it does not include each individual parcel purchased by the Town, but are groupings of properties. He said there were over 160 parcels purchased by contract. He explained the Town has consolidated properties for various projects, sold property or conducted land swaps which resulted in the current groupings.

Mr. Riley referred to a map created with three categories which are properties with an existing park, facility or leased, and properties categorized as other which are available for a conversation and properties with restrictions.

Mr. Riley reviewed maps determining the commercial use of Town-owned property, existing commercial land use and a map determining the funding source for the properties categorized as "other."

Mr. Riley stated that included in the packet is a summary of Town-owned land with explanations as to why it was purchased, what it is currently used for and if there are any known plans for the property at this time.

Council members asked questions concerning specific properties, the real estate transfer fee, referendum funds and restrictions and had discussions concerning options.

Mr. McCann expressed concern in using town-owned property or purchasing property with economic development in mind. He said he felt that was not what the voters had in mind when approving the referendum. Mayor Bennett stated that he is not interested in betraying the public perception of the program. He added that when not speaking of referendum funded properties, Council needs to look at the big picture of what they have and what they are trying to achieve. Mayor Bennett noted the aging commercial real estate stock and his belief it is an affront for the Town. He said it detracts from the tourist's perspective when they travel 278. He explained he would not mind having a discussion with the public concerning addressing the problem using the theory used for previous referendums. Mr. Harkins pointed out the original resolution speaks to managing the dynamic tension between preservation and advancing the Town's comprehensive plan. Mrs. Likins stated there are a lot of underperforming commercial properties they need to think of in terms of redevelopment and how the problem can be

addressed. She said that may mean purchasing properties, demolishing them and marketing them for a more desirable use.

Mayor Bennett stated he agreed with Mrs. Likins. He said the former referendums were pursued with a purpose. He said the commercial real estate on the Island was based on the premise that Hilton Head Island was the economic epicenter for southern Beaufort County and that is no longer the case. Mr. McCann stated there has to be caution not to mix the two issues together. He said the earlier referendums were for land conservation purposes. He said there should be a separate program to address commercial property.

Mr. Edwards said at times they need to realize that times have changed and if a property was purchased for a specific purpose in the past and that purpose is no longer needed, Council may want to look at the property for other uses. He emphasized he is not suggesting doing that with all acquired properties, but they owe it to themselves and the constituents to review options. Mr. Grant agreed. He said the Town owns a vast amount of land and they should review the intent. He noted there is a need for housing and if they want to move that forward they will have to have a plan. Mr. Grant explained he feels things have changed since the 1990's and they need to evaluate what land there is and what the intent is for the use of the land.

Mr. McCann stated the Town has to be careful not to purchase commercial land to benefit other commercial property owners. He explained if they purchase all the unfavorable properties, it gives an advantage to the properties that are left. Mayor Bennett said he still feels they should take steps forward in that area because the market is not going to absorb the number of aging properties. He suggested being proactive in taking steps to take the property off the market and reposition it for another use that better serves the community. Mr. Harkins suggested working with the Economic Development Corporation concerning incentives for improvement or vacating.

Mr. Lennox stated that the issue is about how to manage change. He said the environment 20-25 years ago differed significantly from today. He added that most powerful source in the market today is demand and it has shifted away. He said before he would acquire underperforming or aging properties on the Island, Council has the obligation to create or cause to be created a political, social or economic environment that creates private investment. He said in doing that the current owners should redevelop the properties and pull the demand that has left the Island.

Mayor Bennett said he is not suggesting that the Town be in commercial real estate development. He explained after having gone through the visioning process, master planning and identifying how they want the land to work for the Community, decisions could be made.

e. Public Comment

Mayor Bennett opened Public Comment at 5:03 p.m.

Stella Anderson asked questions concerning the property in Yacht Cove designated for a park. Jack Daly spoke concerning parcels 14 on South Forest Beach and 73 in North Forest Beach. Ronnie Kincaid spoke concerning the purpose of the Land Acquisition

Program. Keven Quat spoke concerning the new LMO requirements for density. Don Kirkman spoke on behalf of the Economic Development Corporation. Gunter Schramm spoke concerning his concern with addressing the aging commercial property and combining it with the Land Acquisition Program. Tom Peeples spoke concerning the intent of the voter in favor of the referendum and the purpose of the referendum. Maggie Schramm spoke concerning preserving the lands for wild life habitats. Dave Desjardins spoke concerning commercial properties and development projects. Stella Anderson spoke concerning Shelter Cove Community Park.

4) **Adjournment**

The meeting was adjourned at 5:29 p.m.

Vicki L. Pfannenschmidt,
Executive Assistant/Town Clerk

Approved:

David Bennett, Mayor