



The Town of Hilton Head Island Regular Town Council Meeting

Tuesday, June 7, 2011

4:00 P.M.

AGENDA

As a Courtesy to Others Please Turn Off All Cell Phones and Pages During
the Town Council Meeting

- 1) **Call to Order**
- 2) **Pledge to the Flag**
- 3) **Invocation**
- 4) **FOIA Compliance** – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 5) **Proclamations and Commendations**
- 6) **Approval of Minutes**
 - a. Regular Town Council Meeting – May 17, 2011
- 7) **Report of the Town Manager**
 - a. Town Manager's Items of Interest
- 8) **Reports from Members of Council**
 - a. General Reports from Council
 - b. Report of the Intergovernmental Relations Committee – George Williams, Chairman
 - c. Report of the Personnel Committee – Lee Edwards, Chairman
 - d. Report of the Planning & Development Standards Committee – Bill Ferguson, Chairman
 - e. Report of the Public Facilities Committee – Kim Likins, Chairman
 - f. Report of the Public Safety Committee – Bill Harkins, Chairman
- 9) **Appearance by Citizens**
- 10) **Unfinished Business**
 - a. **Second Reading of Proposed Ordinance No. 2011-07**

Second Reading of Proposed Ordinance No. 2011-07 to amend Title 16, "The Land Management Ordinance," of the Municipal Code of the Town of Hilton Head Island, South Carolina, by amending Section 16-4-102, the Official Zoning Map with respect to those certain parcels identified as Parcels 161 and 166 on Beaufort County Tax Map 11, from OL (Office/Institutional Low Density) to the CC (Commercial Center) Zoning District; and providing for severability and an effective date.

11) New Business

a. Consideration of a Recommendation

Consideration of a Recommendation from the Accommodations Tax Advisory Committee for the Chamber of Commerce Visitor and Convention Bureau's proposed 2011-2012 "30 Percent" Budget.

b. First Reading of Proposed Ordinance No. 2011-08

First Reading of Proposed Ordinance No. 2011-08 to revise language and defined terms to be consistent with the National Flood Insurance Program regulations 44 CFR, Parts 59 and 60; clarify the scope and purpose of the Ordinance and correct outdated reference to the International Building Code.

c. Proposed Storm Water Management and Utility Intergovernmental Agreement with Beaufort County

12) 5:00 P.M. Business License Revocation Hearing

- a. R. H. Realty & Rentals, Inc.

13) Executive Session

- a. Land Acquisition

14) Adjournment

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, May 17, 2011

Time: 4:00 P.M.

Present from Town Council: Drew A. Laughlin, *Mayor*; Bill Ferguson; George Williams, Bill Harkins, Kim Likins, Lee Edwards, *Council Members*.

Absent from Town Council: Ken Heitzke, Council Member

Present from Town Staff: Stephen G. Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects and Facilities*; Lavarn Lucas, *Fire Chief*; Nancy Gasen, *Director of Human Resources*; Susan Simmons, *Director of Finance*; Jill Foster, *Deputy Director of Community Development*; Brian Hulbert, *Staff Attorney*; Jeff Buckalew, *Town Engineer*; Ed Boring, *Deputy Fire Chief – Support Services*; Julian Walls, *Facilities Manager*; Teri Lewis, *LMO Official*; Heather Colin, *Development Review Administrator*; Nicole Dixon, *Senior Planner*; Rene Phillips, *Website/Court Systems Administrator*; Vicki Pfannenschmidt, *Executive Assistant*

Present from Media: Tom Barton, *Island Packet*

1) CALL TO ORDER

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

2) PLEDGE TO THE FLAG

3) INVOCATION

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

5) Proclamations and Commendations

a. Foster Care Month

There was no one present to receive the proclamation.

6) Approval of Minutes

a. Regular Town Council Meeting – May 3, 2011

Mr. Williams moved to approve. Mr. Harkins seconded. The minutes from the May 3, 2011 Town Council meeting were approved by a vote of 5-0-1. Mr. Ferguson abstained because he was not present at the meeting.

b. Budget Workshop – May 3, 2011

Mr. Williams moved to approve. Mrs. Likins seconded. Mr. Williams stated that on page 3 of 6, line 2 should read: would need to be defined. The corrected minutes from the May 3, 2011 Town Council Budget Workshop meeting were approved by a vote of 5-0-1. Mr. Ferguson abstained because he was not present at the meeting.

c. Budget Workshop – May 5, 2011

Mr. Williams moved to approve. Mrs. Likins seconded. The minutes from the May 5, 2011 Town Council Budget Workshop meeting were approved by a vote of 5-0-1. Mr. Ferguson abstained because he was not present at the meeting.

d. Budget Workshop – May 10, 2011

Mr. Williams moved to approve. Mrs. Likins seconded. The minutes from the May 10, 2011 Town Council Budget Workshop meeting were approved by a vote of 5-0-1. Mr. Ferguson abstained because he was not present at the meeting.

7) Report of the Town Manager

a. Town Manager's Items of Interest

Mr. Riley reported on some Items of Interest.

b. Recycling Update – Scott Liggett

Scott Liggett provided an update on the Recycling Program. He stated there would be formal written reports to begin by mid-summer. He summarized the program as being successful and he stated the reports given in the future will have details on the revenue brought in by the program.

c. May, 2011 Policy Agenda, Management Targets and CIP Updates

Steve Riley noted the May updates were included in the agenda package and invited Council to contact him or staff if they had any questions. Mr. Williams asked about the lease agreement for Fire Station 7. Charles Cousins stated that Curtis Coltrane was working on the lease agreement at this time.

8) Reports from Members of Council

a. General Reports from Council

Mayor Laughlin announced that Mr. Ferguson requested to resume his Committee duties effective immediately. Mr. Ferguson agreed and said that would include all his Committee duties with the exception of the LMO Re-Write Committee.

b. Report of the Intergovernmental Relations Committee – George Williams, Chairman

Mr. Williams reported that the Committee met in the afternoon and reviewed several Bills from both the House and the Senate. He said they reviewed House Bill 3918 which would relocate the Division of Aeronautics within the SCDOT. He stated the Committee recommended the Mayor send a letter of concern to the Beaufort County Legislative Delegation. Mayor Laughlin asked Council if anyone

had any objection to the letter being sent. There were no objections.

c. Report of the Personnel Committee – Lee Edwards, Chairman

Mr. Edwards reported the Committee is in the process of conducting interviews and will continue until the vacancies on Boards, Committees and Commissions are filled.

d. Report of the Planning & Development Standards Committee –Ken Heitzke, Acting Chairman

Mr. Harkins said Mr. Heitzke asked him to submit his report stating that Mr. Heitzke voiced concern and caution in deciding the issue of Item 11.a on the agenda.

e. Report of the Public Facilities Committee – Kim Likins, Chairman

None.

f. Report of the Public Safety Committee – Bill Harkins, Chairman

None.

9) Appearance by Citizens

Mr. Bob Richardson of Palmetto Hall Plantation spoke concerning the Compromise Proposal on the airport runway submitted by Palmetto Hall and Port Royal Plantations.

10) Unfinished Business

None.

11) New Business

a. First Reading of Proposed Ordinance No. 2011-07

First Reading of Proposed Ordinance No. 2011-07 to amend Title 16, "The Land Management Ordinance," of the Municipal Code of the Town of Hilton Head Island, South Carolina, by amending Section 16-4-102, the Official Zoning Map with respect to those certain parcels identified as Parcels 161 and 166 on Beaufort County Tax Map 11, from OL (Office/Institutional Low Density) to the CC (Commercial Center) Zoning District; and providing for severability and an effective date.

Mr. Ferguson moved to approve. Mr. Harkins seconded. Mr. Williams noted the Committee recommended denial of the zoning amendment by a vote of 2-1. He said he agrees that the entire area in question needs to be looked at in a comprehensive way. He stated that at this time the LMO Re-Write Committee is charged with reviewing the entire LMO for these types of issues. He expressed concern this could be spot zoning and would take care of one person or property in particular.

Kim Likins said she did not want to be short sighted on this issue because she does not want Council to send a message to the community that redevelopment is not encouraged.

Mr. Edwards stated that the LMO Re-Write Committee is in the beginning stages of its process and it could be well over a year before they are ready to make recommendations for changes. He said Council needs to conduct business and move ahead and make a decision.

Mr. Ferguson agreed with Mrs. Likins and Mr. Edwards stating the issue of redevelopment was an important part of the 2010 election.

Mayor Laughlin stated he does not want things placed on hold for the LMO Re-Write Committee recommendations. Mayor Laughlin said Council may need advice from the Town Attorney as to whether this is spot zoning but he is not comfortable with denying the request because of the LMO RE-Write process.

Mr. Harkins said that the Town of Hilton Head Island is not the first community to rewrite an outdated LMO and they may need to reach out to other communities as to how they handled these types of situations.

Mayor Laughlin asked if there was a representative of the property owner present to speak. Mr. Ernest Marchetti approached the dais and said he was representing the property owner. He asked Council to approve the zoning request because as it stands now the property is not marketable.

Mr. Chet Williams spoke in favor of the rezoning.

The motion was approved by a vote of 5-1. Mr. Williams was opposed.

b. Consideration of a Resolution

Consideration of a Resolution by the Town Council of the Town of Hilton Head Island denying the application for Zoning Map Amendment ZMA100007 which requests an amendment to Chapter 4 of Title 16, "The Land Management Ordinance" (LMO), of the Municipal Code of the Town of Hilton Head Island, South Carolina, by amending Section 16-4-102, the Official Zoning Map with respect to the certain parcels identified as Parcel 161 and Parcel 166 on Beaufort County Tax Map 11 from OL (Office/Institutional Low Density) to the CC (Commercial Center) Zoning District.

Due to the approval of the first reading of Proposed Ordinance 2011-07, there was no need to act on this item.

12) Executive Session

Mr. Riley stated he needed an executive session for contractual matters pertaining to land acquisition; including a proposed land swap involving town-owned land; contractual matters pertaining to a request for a sign easement over town-owned land; legal matters pertaining to pending litigation; legal matters pertaining to a code enforcement matter; and personnel matters pertaining to appointments to boards and commissions.

At 4:58 p.m. Mr. Williams moved to go into Executive Session for the reasons stated by the Town Manager. Mr. Williams seconded. The motion was approved by a vote of 6-0.

Mayor Laughlin called the meeting back to order at 6:20 p.m. and asked if there was any business to take up as a result of executive session.

Mr. Ferguson moved to appoint Irv Campbell to the LMO Re-Write Committee. Mr. Williams seconded. The motion was approved by a vote of 6-0.

13) Adjournment

Mr. Williams moved to adjourn. Mr. Ferguson seconded. The meeting was adjourned at 6:21 p.m.

Vicki Pfannenschmidt, Secretary

Approved:

Drew A. Laughlin, Mayor



Items of Interest

June 7, 2011

1. Town News

Deputy Chief of Support Services Ed Boring successfully completed his Bachelor of Science in Fire Science degree from Columbia Southern University. Ed completed his degree on April, 15th 2011. Congratulations to Ed for this accomplishment and for all he does to keep the citizens of the Town of Hilton Head Island safe.



(Contact: Lavarn Lucas, Fire Chief, 682-5153)

Hilton Head Island Fire & Rescue recently completed Mass Casualty exercises of all personnel. The exercises were developed and delivered by Fire & Rescue staff with the help of Captain Tim Talley of the New York State Police. Captain Talley was the incident commander of the De Havilland Dash crash of Continental Flight 3407 in New York State in 2009. Captain Talley donated his time to assist in this valuable training.

(Contact: Lavarn Lucas, Fire Chief, 682-5153)

Bob Klein has been appointed by the State Building Codes Council BCC and the Labor Licensing and Regulation LLR to serve on the IGCC International Green Construction Code Advisory Committee. The International Code Council has launched an International Green Construction Code initiative with the intent to reduce energy usage and the carbon footprint of commercial buildings. Entitled "IGCC: Safe and Sustainable By the Book," the initiative is committed to develop a model code focused on new and existing commercial buildings. The committee will be taking a close look at how IGCC can benefit South Carolina.

(Contact: Jill Foster, Deputy Director of Community Development, 341-4694)

The Mathews Drive North pathway and roundabout at Beach City Road construction projects are substantially complete. Both the pathway and roadway improvements were opened for use on May 24, 2011. The projects were completed ahead of the 120 day construction schedule. Punch list and close-out will occur soon and staff expects to achieve a budgetary savings of approximately \$200,000. Project landscaping will be installed in the fall of 2011.

(Contact: Jennifer Lyle, Assistant Town Engineer – phone 341-4779)

2. Noteworthy Events

a) Some of the upcoming meetings at Town Hall:

- LMO Rewrite Committee, June 9, 1:00 p.m.
- Parks and Recreation Commission, June 9, 3:30 p.m.
- Town Council Budget Workshop – CIP/Final Review, June 9, 5:00 p.m.
- Design Review Board, June 14, 1:15 p.m.
- Town Council Public Hearing, June 14, 6:00 p.m.
- Planning Commission, June 15, 3:00 p.m.
- LMO Rewrite Committee, June 16, 1:00 p.m.
- Intergovernmental Relations Committee – June 21, 2:30 p.m.
- Town Council – June 21, 4:00 p.m.

(Meetings subject to change and/or cancellation. Please visit the Town of Hilton Head Island website at www.hiltonheadislandsc.gov for meeting agendas)

2011 Hilton Head Island Events

Fridays, April 1 thru Dec. 9, 2011 8:30am-1:00pm	Farmers Market	Honey Horn
Mondays thru Fridays May 30 – Sept. 2, 2011 6:30pm-7:30pm 8:00pm-9:00pm	Shannon Tanner	Shelter Cove Harbour Stage



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, C.M., *Town Manager*
VIA: Teri Lewis, AICP, *LMO Official*
FROM: Nicole Dixon, CFM, *Senior Planner*
CC: Charles Cousins, AICP, *Director of Community Development*
DATE: May 26, 2011
SUBJECT: Proposed Ordinance No. 2011-07
ZMA100007 – Verizon Wireless and Adjacent Vacant Property to the East

The Town Council voted to approve the proposed rezoning application at first reading on May 17, 2011.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2011-

PROPOSED ORDINANCE NO. 2011-07

AN ORDINANCE TO AMEND TITLE 16, "THE LAND MANAGEMENT ORDINANCE," OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, BY AMENDING SECTION 16-4-102, THE OFFICIAL ZONING MAP WITH RESPECT TO THOSE CERTAIN PARCELS IDENTIFIED AS PARCELS 161 AND 166 ON BEAUFORT COUNTY TAX MAP 11, FROM OL (OFFICE/INSTITUTIONAL LOW DENSITY) TO THE CC (COMMERCIAL CENTER) ZONING DISTRICT; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, on July 21, 1998, the Town Council did amend Title 16 of the Municipal Code of the Town of Hilton Head Island by enacting a revised Land Management Ordinance ("LMO"); and

WHEREAS, the Planning Commission held a public hearing on said zoning map amendment application on March 16, 2011, at which time a presentation was made by staff and an opportunity was given for the public to comment on the rezoning request; and

WHEREAS, the Planning Commission, after consideration of the staff report, public comments, and the criteria set forth in Section 16-3-1505 of the LMO, voted unanimously to find the application consistent with the Comprehensive Plan and serves to carry out the purposes of the LMO; and

WHEREAS, the Planning and Development Standards Committee held a public meeting on April 27, 2011 to review said zoning map amendment application, at which time a presentation was made by staff and an opportunity was given for the public to comment on the rezoning request; and

WHEREAS, the Planning and Development Standards Committee, after consideration of the staff report, public comments, and the criteria set forth in Section 16-3-1505 of the LMO, voted to recommend that Town Council deny the proposed zoning map amendment application; and

WHEREAS, after due consideration of said zoning map amendment application and the recommendations of the Planning Commission and the Planning and Development Standards Committee, the Town Council, upon further review, finds it is in the public interest to approve the proposed application.

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

Section 1. Amendment. That the Official Zoning Map of the Town of Hilton Head Island, as referred to in Section 16-4-102 of the LMO, be hereby amended to modify the zoning designation of those certain parcels identified as parcels 161 and 166 on Beaufort County Tax

Map 11, from OL to the CC Zoning District. The attached Vicinity Map shows the location of the subject property.

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

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

PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS _____ DAY OF _____, 2011.

Drew A. Laughlin, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Acting Town Clerk

Public Hearing: March 16, 2011
First Reading: May 17, 2011
Second Reading: June 7, 2011

Approved as to form:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, Town Manager

DATE: May 26, 2011

RE: Chamber of Commerce Visitor and Convention Bureau Proposed 2011-2012 Budget

CC: Accommodations Tax Advisory Committee Members

According to law, 30% of two percent of the bed tax funds collected by the State of South Carolina go to the pre-determined Agency, which is the V&CB of the Hilton Head Island Chamber of Commerce.

After a full review by the Accommodations Tax Advisory Committee of the 2011-2012 plan, the Committee voted to recommend to Town Council that the proposed budget be approved for the fiscal year 2011-2012.

Attached is a memo from the ATAX Committee Chairman, Willis O. Shay, and a synopsis of the V&CB's proposed budget. The detailed budget proposal is available at Town Hall for your review.

TOWN OF HILTON HEAD ISLAND
ACCOMMODATIONS TAX ADVISORY COMMITTEE

TO: The Honorable Drew A. Laughlin, Mayor, Town of Hilton Head Island

COPIES: Members of Town of Hilton Head Island Town Council

DATE: May 9, 2011

Some years ago, Council directed the accommodations tax advisory committee to review annually the proposed budget of the Hilton Head Island-Bluffton Chamber of Commerce's Visitors and Convention Bureau for the expenditure during the ensuing fiscal year of the 30% of the State accommodations tax funds (ATAX) allocated to the VCB as the Town-designated marketing organization; and to make recommendations to Council regarding that review.

On April 8, 2011, the committee met and heard from a number of representatives from the Chamber, under whose guidance and direction the VCB operates; and from several VCB representatives. Their appearances supported primarily the new approach the Chamber/VCB is taking in seeking to do a better job of representing more broadly the interests of all of the entities on the Island which serve Island consumers. As outlined in the presentations, the Chamber/VCB has recently conducted meetings with Chamber members and other interested parties to better learn and understand how the Island should be marketed. As a result of these meetings and further study, the Chamber/VCB has designed and, during the coming fiscal year (7/11-6/12), intends to pursue a marketing program to carry out those ideas.

The Chamber anticipates that the 30% will amount to \$1,075,000, approximately three percent above last year's \$1,045,336. In addition to the \$1,075,000, the Chamber includes in its proposed budget (1) the \$208,850 it received this year in supplemental Town ATAX funds and (2) a figure of \$225,000, representing one-half of the \$450,000 it says it will be seeking in supplemental funds for next year. Since the \$208,850 has already been approved by Council and the \$225,000 will be sought next year outside the 30% allocation, the committee expresses no view regarding the latter figure or the propriety of including it in the budget presented to the committee.

The total budget assigned by the Chamber to the VCB is \$3,337,350, made up of the Town's 30% and supplemental funds, plus funds from Beaufort County, Bluffton, and the state's PRT. The expense budget is equal to the income budget.

The marketing plan presented by the Chamber/VCB appears to the committee, within its competence to judge it, to be appropriately structured to sustain and seek to improve tourism market share.

As an aside, it should be noted that the committee is working without any explicit guidelines from Council as to the extent to which the committee should go in analyzing the Chamber/VCB's budget. Such questions as efficiency of operations and effectiveness of marketing programs are ones somewhat central to a comprehensive budget analysis, but the committee has neither the competence as presently composed nor the express direction from Council to pursue such questions. It is the chairman's belief that Council should issue specific guidelines to the committee as to what Council intends for the committee to accomplish.

Finally, in composing the ATAX committee, Council should perhaps seek members who would bring to the committee broad knowledge and understanding of tourism marketing.

Recommendation:

The committee recommends that Council approve the Chamber/VCB's proposed 2011-2012 budget for the expenditure of the 30% allocated to it by the Town as the Town's Designated Marketing Organization.

Respectfully submitted by the Accommodations Tax Advisory Committee

Willis O. Shay, Chairman

HILTON HEAD ISLAND-BLUFFTON CHAMBER OF COMMERCE, INC.

HILTON HEAD ISLAND VISITOR AND CONVENTION BUREAU
 SCHEDULE OF FUNCTIONAL REVENUES AND EXPENDITURES,
 YEAR ENDING JUNE 30, 2012 - BUDGET

	ACCOMMODATIONS TAX			PARKS, RECREATION AND TOURISM	MARKETING	MEMBERSHIP	TOTAL
	TOWN OF HHI	BLUFFTON & B/C DMO					
Revenues							
Town of Hilton Head Island DMO	1,075,000						1,075,000
Town of HHHI Supplementl Grant (2011)	208,850						208,850
Town of HHHI Supplementl Grant (2012)	225,000						225,000
Beaufort County HTAX		85,000					85,000
Beaufort County DMO		120,000					120,000
Beaufort County Grants		175,000					175,000
Town of Bluffton DMO & Walking Tour Grant		48,500					48,500
SCPRT DMO Grants			400,000				400,000
SCPRT Public-Private Co-op			125,000				125,000
Member Funding				325,000			325,000
Total Revenues	1,508,850	428,500	525,000	875,000	1,750,000		2,300,000
Expenses:							
Leisure Media & Promotions	263,792		100,000				363,792
Digital Database Marketing	174,704		50,000				224,704
Town of Bluffton Marketing		35,000					35,000
Beaufort County - Bluffton Promotions		94,600					94,600
Beaufort County - Daufuskie Promotions		20,400					20,400
Bluffton Market Planning & Research		15,000					15,000
Meetings and group	79,042		5,000	35,684			119,726
Public relations	95,000		14,000				114,000
International	28,000	5,000	20,000				48,000
HHI Market Planning & Research	48,500		30,000				78,500
Group tour marketing	10,000	15,000	50,000				25,000
Collateral, Fulfillment & Photography	118,000	10,000	125,000		290,000		178,000
Marketing Co-ops	35,000						450,000
General Contingency	12,373	2,000					14,373
Culinary Promotions	63,850	40,000					109,850
Biking Promotions	5,000	5,000	6,000				10,000
Golf Promotions	120,000	50,000		100,000			270,000
Sales, Marketing, Visitor Serv, Adm & Ops	455,589	136,500	125,000	449,316			1,166,405
Membership Related Expenses						1,748,000	1,748,000
Total expenses	1,508,850	428,500	525,000	875,000			5,085,350
Excess of revenues over expenses						2,000	2,000

HILTON HEAD ISLAND - BLUFFTON
CHAMBER OF COMMERCE, INC.

HILTON HEAD ISLAND VISITOR AND CONVENTION BUREAU
 SCHEDULE OF FUNCTIONAL REVENUES AND EXPENDITURES,
 YEAR ENDING JUNE 30, 2012 - BUDGET

		ACCOMMODATIONS <u>TAX</u>
Revenues - Town of Hilton Head Island - DMO	\$	1,075,000
Town of Hilton Head Island - Supplmt Grant 2011	\$	208,850
Town of Hilton Head Island - Supplmt Grant 2012		225,000
Total Revenue		1,508,850
Expenses:		
Direct marketing:		
Leisure		
Digital Media		125,553
Pay Per Click Marketing		59,820
Consumer Promotions		56,661
Creative, Production & Tracking		21,758
SEO		29,142
Social Media & Marketing		25,269
Video Content Development		7,775
Email Marketing		6,438
Website Enhancements & Special Landing Pages		27,990
Digital hosting, analytics & reporting		12,006
Leisure Co-op		10,000
Database Development & Mobile		66,085
Vacation Planner		76,234
Photography		6,630
Toll-Free Number		3,315
Fulfillment		31,820
Culinary Promotions'		63,850
Biking Promotions		5,000
Total leisure		635,346
Golf Promotions		120,000
Total - Golf Promotions		120,000
Public relations:		
Public Relations Firm & Expenses		74,170
Digital Photo Library & Special Projects		20,830
Total public relations		95,000

HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE, INC.
HILTON HEAD ISLAND VISITOR AND CONVENTION BUREAU
SCHEDULE OF FUNCTIONAL REVENUES AND EXPENDITURES,
YEAR ENDING JUNE 30, 2012 - BUDGET

Expenses (continued):	
Meetings and conferences:	
Travel Trade Shows	19,121
HHI Difference Promotion	6,690
Business Cluster Initiative	3,500
Trade Sponsorships	15,000
E-mail Marketing	6,690
Mobile website	3,842
Sales Blitz	2,400
Site Inspections	2,345
Select Service co-op	3,400
Lead Prospecting Program	16,054
Meetings Co-op	25,000
Total meetings and group	<u>104,042</u>
International:	
Coastal South Carolina	\$ 15,000
Coastal South Carolina-staff	2,500
Pow Wow International	4,700
International Receptives Promotion	5,800
Total international	<u>28,000</u>
Market Research	31,975
Strategic Planning	16,525
General Contingency	12,373
Total Research, Planning & Contingency	<u>60,873</u>
Group Tour & AAA marketing:	
AAA Ohio Promotion	5,000
Group Tour co-op advertising	5,000
Total Group Tour and AAA	<u>10,000</u>
Total direct marketing expenses	<u>1,053,261</u>
Sales, Marketing, Visitor Services & Admin	
Salaries and payroll taxes	282,465
Operations	136,677
Employee benefits	36,447
Total Sales, Marketing, Visitor Services & Admin	<u>455,589</u>
Total expenses	<u>1,508,850</u>
Excess of revenues over expenses	<u>-</u>

(Concluded) - 2.

Chamber Expense Reduction Plan

Due to significantly reduced revenues at the state level, the Chamber has instituted an Expense Reduction Plan to further streamline our operations.

- All chamber staff salaries were frozen in the third quarter of 2010. The freeze is expected to continue at least until the end of calendar year 2011.
- The chamber has reduced its staff by 2.5 FTE's with plans for the potential reduction of one additional FTE in the near-term.
- 18% of the CEO's salary previously derived from Town of Hilton Head Island ATAX dollars has been eliminated from the VCB budget. None of the CEO salary is sourced from Hilton Head Island tax funding.
- With the end of our lease term at our Bluffton office, we have closed that office and transitioned to another at no cost. We have streamlined our Bluffton operations and partnered with SBAC for shared office space. Thus continuing to service the needs of our Bluffton members for physical space, without any additional costs incurred.

With these steps & several other initiatives, we have been able to reduce VCB budget allocations for personnel and operations by \$128,000 in the fiscal year ahead. As an organization we are proud of our track record of meeting our budget each fiscal year. Although significantly less of our budget is utilized for administration, personnel, operating and overhead costs than other DMO's our size around the country, these actions will help us to continue to maintain our fiscal responsibility as we enter recovery mode from the recession.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Steve Riley, CM, *Town Manager*
VIA: Teri Lewis, AICP, *LMO Official*
FROM: Trudie Johnson, NCARB, CBO, CFM, *Floodplain Administrator*
CC: Charles Cousins, AICP, *Director of Community Development*
DATE: April 29, 2011
SUBJECT: Proposed Ordinance 2011-08: Revisions to Title 15, Chapter 9

Recommendation: At their April 27th meeting the Planning and Development Standards Committee unanimously voted to recommend that the amendments be forwarded to Town Council for approval. Staff recommends that the Town Council approve the proposed amendments and adopt proposed Ordinance 2011-08 which will revise language and defined terms to be consistent with the National Flood Insurance Program regulations 44 CFR Parts 59 and 60; clarify the scope and purpose of the Ordinance and correct outdated references to the International Building Code.

Summary: Title 15, Chapter 9 of the Town's Municipal Ordinance has not undergone a comprehensive review for ten years. When this review was conducted by the State NFIP Coordinator during a Community Assistance Visit late last year language was identified as inconsistent with terms and definitions contained in the Federal Regulations. These Regulations adopted in Section 15-9-311 as the standard adopted and made part of this chapter. The requested revisions are the minimum necessary to correct the deficiencies and insure consistency.

In addition the outdated 2000 International Building Code reference is corrected to "currently adopted" to minimize ordinance revisions as code editions change every three years. Several minor language modifications and sub section reorganizations are included to clarify the intent and purpose of the Ordinance

Background: The flood hazard in Beaufort County was identified in 1977 when the first Flood Insurance Study and Flood Insurance Rate Maps were published and adopted. Subsequent updates to the maps were published in 1984. In 1986 the County maps were again revised to recognize the incorporation of the Town. The first Town Council adopted both maps and the first ordinance titled "Flood Damage Controls". Since 1985 the Town of Hilton Head Island has been a member in good standing of the National Flood Insurance Program. Currently the NFIP provides flood insurance for more than seven billion dollars of property coverage.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2011-

PROPOSED ORDINANCE NO. 2011-08

AN ORDINANCE TO AMEND TITLE 15 OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, CHAPTER 9 TO REVISE SECTIONS 111, 112, 211, 212, 213, 214, 311, 312 AND 317. THIS AMENDMENT INCLUDES CHANGES THAT WOULD CLARIFY THE SCOPE AND PURPOSE OF THE ORDINANCE, CORRECT REFERENCE TO OUT DATED CODE EDITIONS 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, Sections 111, 112, 211, 212, 213, 214, 312 and 317 to clarify and correct language inconsistent with the NFIP regulations; and

WHEREAS, the Planning & Development Standards Committee met on April 27, 2011, and voted to recommend that Town Council approve the proposed amendments; and

WHEREAS, the Town Council now finds that, upon further review, it is in the public interest to approve Title 15, Chapter 9, Sections 111, 112, 211, 212, 213, 214, 312 and 317 of the Municipal Code.

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 SAID AUTHORITY OF COUNCIL:

Section 1. Amendment. That the Municipal Code of the Town of Hilton Head Island, South Carolina, be, and the same hereby is, amended to read as indicated on the attached pages.

NOTE: New text is indicated by a double underline, deleted text is indicated by ~~strike through~~.

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

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

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS _____ DAY OF _____ 2011.

Drew Laughlin, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Acting Town Clerk

First Reading: June 7, 2011
Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

TITLE 15 BUILDING AND BUILDING CODES

CHAPTER 9 FLOOD DAMAGE CONTROLS

ARTICLE 1. - FINDINGS OF FACT AND PURPOSE

Sec. 15-9-111. - Preamble.

(a) The flood hazard areas of the town 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.

(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.

(d) Sec. 15-9-112. – Scope.

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:

(1) (a) Require that buildings vulnerable to floods, including facilities which serve such buildings, be protected against flood damages at the time of initial construction.

(2) (b) Regulate the construction of flood barriers which will unnaturally divert floodwaters or which may increase flood hazards to other lands.

(3) (c) Control filling or grading which may increase erosion or flood damage.

(4) (d) Control the alteration of natural floodplains, stream channels, and natural protective barriers, which are involved in the accommodation of floodwaters.

(Ord. No. 01-07, § 1, 6-5-01)

ARTICLE 2. - ADMINISTRATION

Sec. 15-9-211. - Building official ~~Chief Executive Officer~~ who for the purposes of this chapter shall be the Town Manager to apply flood hazard area limits.

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 ~~building official~~ 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., 100-year flood) at the proposed development site.

(Ord. No. 01-07, § 1, 6-5-01)

Sec. 15-9-212. - Information required on building permit application.

The ~~building official~~ Town Manager shall require the following specific information to be included as part of an application for a building permit.

(1) A plan which details size of structure, finished ground elevation, finished floor elevation, water supply, sanitary facilities and, if appropriate, floodproofing measures.

(2) 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.

(3) 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)

Sec. 15-9-213. - Duties of ~~building official.~~ Town Manager.

The ~~building official~~ Town Manager shall:

- (1) Review proposed developments to assure that all necessary permits have been received from those governmental agencies from which approval is required by federal, state or local law.
- (2) Notify adjacent communities and the South Carolina Department of Natural Resources prior to any alteration or relocation of a watercourse, and shall submit evidence of such notification to the Federal Insurance Administration.
- (3) Obtain necessary engineering analysis to assure that the flood-carrying capacity within the altered or relocated portion of said watercourse is maintained.
- (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.

(Ord. No. 01-07, § 1, 6-5-01)

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

The ~~building official~~ 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.

(Ord. No. 01-07, § 1, 6-5-01)

ARTICLE 3. - CONSTRUCTION STANDARDS

Sec. 15-9-311. Standards.

The standards and defined terms used herein shall be the National Flood Insurance Program regulations, ~~the~~ 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.

(Ord. No. 01-07, § 1, 6-5-01)

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

- (a) Residential structures must be constructed so that the lowest floor, including basement, is located no lower than the base flood elevation (i.e., the 100-year flood elevation). No environmentally conditioned space shall be allowed below the lowest floor.
- (b) Nonresidential structures may be constructed below the base flood elevation (i.e., the 100-year flood elevation) provided 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 certified by a South Carolina licensed engineer or architect that the design and method of construction meet the provisions of section 60.3(c)(4) of the standard. Record of certification of floodproofing shall be maintained ~~by the building official~~ as a public record.

(c) 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—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.

(Ord. No. 01-07, § 1, 6-5-01)

Sec. 15-9-313. Fill.

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.

(Ord. No. 01-07, § 1, 6-5-01)

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. 15-9-317. - Special standard for construction in coastal high hazard areas.

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 ~~building official.~~ Town Manager.

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

(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 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 (9), below.

(3) All new construction and substantial improvements shall be securely anchored on pilings or columns.

(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 ~~2000~~ currently adopted Edition of the International Building Code.) The waterloads are those associated with the base flood.

(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) of this section.

(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.

(7) There shall be no fill used as structural support.

(8) There shall be no alteration of primary sand dunes which would increase potential flood damage.

(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.

(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)

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.
- (c) 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) of NFIP criteria, as required by section 15-9-317, "Special standard for construction in coastal high hazard areas."

(Ord. No. 01-07, § 1, 6-5-01)

ARTICLE 5. – REQUIREMENTS FOR SUBDIVISION PROPOSALS AND UTILITY SYSTEMS

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)

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 6. VARIANCES

Sec. 15-9-611. Requirements for variances.

Upon the submission of a written application to the town construction board of adjustments and appeals, a variance may be granted permitting the erection of structures with a lowest floor elevation, including basement, lower than regulatory flood elevation if all of the following are met:

- (1)
 - 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
 - b. A structure listed on the National Register of Historic Places or a state inventory of history places is to be restored or reconstructed.
- (2) Good and sufficient cause exists for the granting of the variance.
- (3) Failure to grant the variance would result in exceptional hardship to the applicant.
- (4) The issuance of the variance would not result in increased flood heights, additional threats to public safety or extraordinary public expense.
- (5) 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. 15-9-612. 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. 15-9-613. 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. 15-9-614. 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)



MEMORANDUM

TO: Town Council

FROM: Jeff Buckalew, Town Engineer

VIA: Stephen G. Riley, CM, Town Manager

DATE: May 24, 2011

SUBJECT: Proposed Storm Water Management and Utility Intergovernmental Agreement with Beaufort County.

Recommendation:

At the May 17, 2011 Intergovernmental Relations Committee meeting, the Committee recommended that the Town Council authorize the Town Manager to execute a revised Intergovernmental Agreement (IGA) with Beaufort County regarding Storm Water Management and operation of the Storm Water Utility (see attached).

Summary:

The current storm water IGA expires on September 4, 2011. Town staff has been negotiating with Beaufort County staff since last fall to develop a revised agreement that is comprehensive to our relationship regarding storm water management and clearly identifies the roles and responsibilities of each party. The attached agreement is the culmination of those efforts and is supported by Town staff. Beaufort County staff is seeking concurrent approval of the agreement through their Natural Resources Committee and County Council.

Background:

The original Storm Water Management and Utility Intergovernmental Agreement with Beaufort County was executed on September 4, 2001. Since then, several issues have changed and evolved to a point where the language must be updated and there are parts of the agreement where the revised language clarifies responsibilities and obligations of both parties. This agreement is the mechanism by which the County collects the Storm Water Utility fee from Hilton Head Island property owners and distributes it to the Town. The agreement also affects storm water regulatory standards, permit compliance, and the administration of the storm water utility.

The term of the agreement is ten years; however both parties may agree to amend it at anytime before then. A Storm Water Implementation Committee consisting of County and municipal storm water representatives meets monthly and shall be the body that will identify the need for future revisions and make recommendations to their respective managers and councils. The revised agreement obligates the Town to comply with applicable State and Federal storm water management standards and adopt ordinances as required.

The revised agreement provides several benefits to the Town, one of which removes that arbitrary determination of the Town's funding obligation for the administration services of the County's Storm Water Utility. The original agreement set that at 5% of the total storm water revenues collected on HHI. The revised agreement sets the administrative fee to be calculated as a fixed dollar amount for each single family unit (SFU) billed by the Storm Water Utility. The County has provided a projected administrative budget for fiscal year 2012 of \$309,000.00. Thus, \$2.80 per SFU countywide will cover this cost. This equates to an administrative fee for the Town of Hilton Head Island of about \$91,000.00 versus the \$179,000.00 @ 5%, based on approx 32,500 SFU's. After FY-12, the Storm Water Implementation Committee shall conduct annual reviews of the Utility's administrative budget and recommend any changes to the amount billed per SFU.

A STORMWATER MANAGEMENT AND UTILITY AGREEMENT

BETWEEN BEAUFORT COUNTY, SOUTH CAROLINA, AND

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

DATED: _____

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WHEREAS, this Agreement is made on this ____ day of _____, 2011, by and between Beaufort County, South Carolina, and the Town of Hilton Head Island, South Carolina, for the purpose of establishing the terms and conditions of the participation by the Town in a county-wide stormwater utility, which utility shall be operated by the County.

ARTICLE 1 - TITLE AND PURPOSE

1.00 *Title:* This intergovernmental agreement between Beaufort County, South Carolina, and the Town of Hilton Head Island, South Carolina, shall be known as the “Stormwater Management and Utility Agreement Between Beaufort County, South Carolina, and the Town of Hilton Head Island, South Carolina.”

1.01 *Purpose:* This Agreement is made for the purpose of defining the roles, responsibilities and financial relationship between the County and the Town with respect to the establishment, administration and operation of the Beaufort County Stormwater Utility, which includes the following:

- (a) Establishment of rates;
- (b) Use of revenue;
- (c) Acquisition of existing stormwater infrastructure;
- (d) Construction of new stormwater infrastructure;
- (e) Maintenance of stormwater infrastructure;
- (f) Operation of stormwater infrastructure;
- (g) Regulation and use of stormwater infrastructure; and,
- (h) Enhancement of water quality.

1.02 *References to County Ordinances:* This Agreement hereby incorporates by reference

Beaufort County, South Carolina, Ordinances 2005-33, 2008-29, and 2009-21 regarding the establishment of a Stormwater Utility. In the case of any conflict between the provisions of the Ordinances and this Agreement, the provisions of this Agreement shall control.

ARTICLE 2 - DEFINITIONS

2.00 *Definitions:* When used in this “Stormwater Management and Utility Agreement between Beaufort County, South Carolina, and the Town of Hilton Head Island, South Carolina,” the following words shall have the meanings set forth in this Article 2:

2.01 *Agreement:* This Stormwater Management and Utility Agreement between Beaufort County, South Carolina, and the Town of Hilton Head Island, South Carolina.

2.02 *County:* Beaufort County, South Carolina.

2.03 *County Wide Stormwater Management Study:* The study conducted by the County to determine the drainage infrastructure and maintenance needs within the various watersheds within the County. This became the Beaufort County Stormwater Master Plan dated February 20, 2006.

2.04 *Cost of Service Analysis and Rate Study:* The study conducted by the County which was adopted by County Council on August 22, 2005 to determine an equitable and appropriate rate structure for Stormwater Utility User Fees within all areas of the County, so that fees charged by the Stormwater Utility will be in compliance with provisions of S. C. Code Ann. 48-14-120(C)(Supp. 2010), and S. C. Regs. 72-310 (Supp. 2010).

2.05 *Stormwater Utility User Fee; Single Family Unit Rate (SFU).* The single-family unit fee rate shall be defined as the impervious area measurements obtained from a statistically representative sample of all detached single-family structures within Beaufort County. The

representative value will be 4,906 square feet.

2.06 *NPDES*: The National Pollutant Discharge Elimination System stormwater regulatory program established by the United States Environmental Protection Agency to address pollutants in stormwater discharged to waters of the United States. Phase II of this regulatory program impacts communities under 100,000 in population, small construction sites between one acre and five acres, and industrial sites owned and operated within communities under 100,000 population.

2.07 *Public Stormwater*: Stormwater runoff which is conveyed through a public drainage easement or public road right of way, and/or which some portion is generated from a public road right of way.

2.08 *Stormwater Infrastructure*: Real property, interests in real property, improvements to real property such as ditches, drains, pipes, culverts, catch basins, pumps, or the like, or any combination of them, used or useful in the collection and disbursement of storm and surface water, or the control of flooding. As used herein, Stormwater Infrastructure does not include drainage systems or facilities that are not publicly owned, and which do not carry public stormwater.

2.09 *Stormwater Management*: Control of storm and surface water, erosion, stormwater quality protection and flooding through the use of Stormwater Infrastructure, and the creation and enforcement of development standards related to storm and surface water.

2.09 *Stormwater Management Plan*: The plan developed by the County that addresses planning, design and construction of capital improvements to the Stormwater Infrastructure; acquisition of real property or interests in real property for the purposes of Stormwater Management; maintenance and repair of Stormwater Infrastructure; regulation of the use of

Stormwater Infrastructure; acquisition of equipment and other assets; regulation of impacts including any that may be mandated under the NPDES Phase II regulations, contracting with engineering, financial, legal, construction and other professionals for services in support of the Stormwater Utility, emergency preparedness related to storms and hurricanes, acquisition or construction of Stormwater Infrastructure, or any other functions required, useful or prudent for a program of Stormwater Management.

2.10 *Stormwater Utility User Fees:* Stormwater Utility User Fees shall mean the service fee imposed pursuant to this article for the purpose of funding costs related to stormwater programs, services, systems, and facilities. These fees will be calculated based upon the residential category for a parcel and/or the nonresidential parcel's impervious area and/or the vacant/undeveloped land category, as pursuant to the provisions of Beaufort County Ordinance 2005-33.

2.11 *Stormwater Utility:* The administrative organization created for the purposes of planning, designing, overseeing, funding, building, and maintaining Stormwater Infrastructure, either directly or through cooperative arrangements with other governmental bodies; and for administering and managing Stormwater Management throughout Beaufort County.

2.12 *Town:* The Town of Hilton Head Island, South Carolina.

ARTICLE 3 - TERM OF THIS AGREEMENT

3.00 *Term of This Agreement:* The term and duration of this Agreement shall be as follows in this Article 3.

3.01 *Initial Term of this Agreement:* The Initial Term of this Agreement shall be for a

period of ten (10) years, commencing on the date of the execution hereof.

3.02 *Periodic Review of this Agreement:* The Stormwater Implementation Committee shall conduct periodic review of this Agreement to insure that it remains current with the state of the art stormwater management and practices and shall provide recommendations for updates to the agreement if necessary.

3.03 *Extension of this Agreement:* The term of this Agreement may be extended at any time by the mutual agreement of the parties hereto, or upon the expiration of the initial ten (10) year term set forth in Article 3.01 above.

3.04 *Termination of this Agreement:* This Agreement may be terminated by either party hereto, by delivering written notice of the termination to the other party. Termination under this Article shall only be effective on the final day of any given County fiscal year. The written notice of termination shall be provided by the party terminating the Agreement no less than one hundred eighty days prior to the date the termination will be effective.

3.05 *Effect of Termination:* Upon termination of this Agreement under any provision of this Article 3, or otherwise, all rights and obligations of any party hereto, specifically including but not limited to the right of the County to charge Stormwater Utility User Fees to property owners in the Town, shall immediately end.

3.06 *Conveyance of Assets:* Upon termination of this Agreement under any provision of this Article 3, the County shall convey to the Town all of its right, title and interest in any Stormwater Infrastructure, including any stormwater easements, within the municipal limits of the Town. However, this shall not include Stormwater Infrastructure on County owned parcels or County road rights of way within the limits of the Town.

3.07 *Rebate of User Fees:* Upon termination of this Agreement under any provision of this

Article 3, the County shall return to the Town any collected but unspent or unobligated Stormwater Utility User Fees collected from within the Town Limits.

ARTICLE 4 – FINANCE AND FUNDING

4.00 *Financial and Funding Relationship:* The Town shall provide the County with its Stormwater Utility User Fee collection Rate for its fiscal year prior to August 15 each year of this Agreement. This will be in the form of a letter to the County Administrator from the Town Manager. The Town shall also provide to the County an annual report of its stormwater fee expenditures for each fiscal year. This report shall be delivered by September 1 each year this Agreement is in effect.

4.01 *Use of Revenue:* In accordance with the provisions of S. C. Code Ann. 48-14-120(C) (Supp. 2010), and S. C. Regs. 72-310 (Supp. 2010), all Stormwater Utility User Fees collected within the Town, less an administrative fee, shall be returned to the Town. The administrative fee is to be calculated as a fixed dollar amount for each single family unit (SFU) billed by the Stormwater Utility. The Utility shall define its administrative costs each year during the annual budget process. For fiscal year 2012 the fee shall be \$2.80 per Single Family Unit (SFU) base rate applied to the fee paying lands within the limits of the Town. After FY-12, the Stormwater Implementation Committee shall conduct annual reviews of the Utility's administrative budget and recommend any changes to the amount billed per SFU and the Utility shall provide the Town an itemized proposal for the administrative services and deliverables to be provided in the coming fiscal year. This proposal shall be submitted to the Town by March 15 of each calendar year. The Town shall provide a written recommendation of acceptance to

the Utility by April 15 of the same year. This shall serve as the basis for the annual administrative fee to be calculated per Town SFU, and included in each entity's annual budget.

(a) The administrative fee shall be used by the County to defray the County's administrative costs in managing the Stormwater Utility.

(b) The Town shall use Stormwater Utility User Fees to provide Stormwater Management within the Town, including, but not limited to:

(i) The acquisition, design, construction, and maintenance of Stormwater Infrastructure, or repayment of bonded indebtedness issued to fund construction of Stormwater Infrastructure, in so far as the law and covenants of the bonds allow, or for repayment to the Town for general fund or other funds spent by the Town to fund Stormwater Management activities;

(ii) Acquisition of Stormwater Infrastructure, including any easements or other interests in real property which shall be held in the name of the Town;

(iii) Maintenance of Stormwater Infrastructure by the Town and its contractor(s,) or by direct services of the Stormwater Utility. Charges for services by the Stormwater Utility; shall be negotiated and approved by the County and the Town, as is provided in Articles 4.03, 4.05(a), 5.05, and 5.07 below; The Town shall have the right of non exclusive use of direct maintenance services, and there shall be no minimum dollar amount required to be spent annually by the Town on any services provided by the Stormwater Utility;

- (iv) Plan review and site inspections related to compliance with stormwater ordinances and standards for development within the Town as set forth in Articles 4.05, 4.06 and 4.07 below;
- (v) NPDES Phase II permit compliance;
- (vi) Payment of bond indebtedness or repayment of funds borrowed from the general fund or any other fund; and,
- (vii) Any other services related to Stormwater Management.

4.02 *Further Agreements Authorized:* The Town and the County may negotiate and enter into agreements to share costs and responsibilities related to NPDES permit compliance. Such agreements and cost allocations shall be reflected in each entities annual budget and must be authorized by the Town Council and County Council.

4.03 *Cost of Services:* If the Town chooses to utilize the direct services of the Stormwater Utility, however described, they shall be accounted for at the County's actual cost of the equipment, materials, and personnel utilized in the delivery of the services.

4.04 *Setting of Stormwater Utility User Fee Rate (SFU's):* The Town shall be responsible each year for setting the Stormwater Utility User Fee Rate to be assessed on parcels within the Town. The Stormwater Utility User Fee rate shall be set in accordance with S. C. Code Ann. 48-14-120(C) (Supp. 2010), and S. C. Regs. 72-310(G) (Supp. 2010), or any other applicable law or regulation.

4.05 *Plan Review and Site Inspection:* For all activities that constitute development within Town limits, the Town will provide review of plans and site inspections to ensure compliance with applicable laws, ordinances and regulations related to storm and surface water, erosion

control and flooding

4.06 *Coordination of Services:* The Town shall identify a representative of its staff to serve as the contact person and coordinator for Stormwater Management Services, including services provided by the County within the Town, long range planning and water quality initiatives such as the NPDES Phase II requirements compliance, notification of problems, facilitating access within any planned or future Planned Unit Developments within the Town, and advising the County on site-specific conditions within the Town.

ARTICLE 5 – ADMINISTRATION OF STORMWATER UTILITY

5.00 *Stormwater Utility:* The County has established a Stormwater Utility that administers funds and conducts a Stormwater Management program throughout the County.

5.01 *Stormwater Management Plan:* The County shall have the responsibility to develop and maintain a Stormwater Management Plan to be administered by the Stormwater Utility.

5.02 *Relationship of Plan to Agreement:* The Stormwater Management Plan developed and maintained by the Stormwater Utility shall incorporate the obligations of the County and Town under this Agreement. In the case of any conflict between the provisions of the Stormwater Management Plan and this Agreement, the provisions of this Agreement shall control.

5.03 *Stormwater Utility User Fees:* The Stormwater Utility shall bill and collect parcel based Stormwater Utility User Fees from property owners, tenants, or other appropriate parties, pursuant to its authority and subject to any intergovernmental agreements, including this Agreement, and may also apply for, acquire and use any other funding from any public or private

source in support of the Stormwater Management Plan as allowed by law.

5.04 *County Responsibilities:* The County, through the Stormwater Utility, shall have the following responsibilities:

(a) *Collection and Distribution of Fees:* Stormwater Utility User Fees within the Town limits shall be charged and collected by the County in accordance with the provisions of Article 4.0 of this Agreement; the Stormwater Utility User Fees shall be collected in accordance with S. C. Code Ann. 48-14-120(C) (Supp. 2010), and S. C. Regs. 72-310(G) (Supp. 2010), or any other applicable law or regulation, and shall not include provisions for relief from the payment of the Stormwater Utility User Fees; the County shall distribute the Town's Stormwater Utility User Fees less the County administrative costs as defined in Article 4.01, in the same manner as ad valorem taxes are distributed for each year this Agreement is in effect;

(b) *Provision of Services:* Provision of the services required under this Agreement.

(c) *Budgeting and Expenditure:* Setting the budget for the Stormwater Utility, and spending the revenues in accordance with any applicable ordinances or agreements, including this Agreement;

(d) *Administrative Activities:* Managing all administrative activities of the Stormwater Utility, including but not limited to, fee assessment, collection and distribution, maintenance of accounting records, maintenance of stormwater data, implementation of the master plan, acquisition of easements, coordination with other agencies, reporting to the stormwater utility board;

(e) *Accounting:* Maintaining an accounting of revenues and expenditures on a jurisdictional or geographic basis, as may be set or described under any applicable ordinance or agreement, including this Agreement, the County shall provide the Town with an itemized annual accounting of all Stormwater Utility User Fees within the Town limits in the form of a budget report, including but not limited to: how parcel fees were determined, calculated, and assessed; total fees collected; total Administrative costs retained by the County; total fees in arrears, on which parcels and the status of the collection attempt(s) on such parcels; fee credits applied for; fee credits paid; and fees that required adjustment since the last billing. This budget report shall be parcel based and provided to the Town annually prior to February 15 throughout the term of this agreement as a electronic document compatible with the most current version of Microsoft Office. The County shall also maintain an annual accounting of all administrative costs associated with operating the Utility. Either the Town or County, at the sole expense of the requesting jurisdiction, may request a professional audit of any of the budget reports;

(f) *Operation and Maintenance:* At the direction and approval of the Town, provide for the operation and maintenance of Stormwater Infrastructure within the Town; and,

5.05 *Delivery of Services:* The County shall coordinate the delivery of services hereunder through the Town Manager or his designee, via a Job Order Process as agreed to by the Town and County. All delivery of County services upon parcels within the Town limits shall be approved in writing by the Town before any work is performed or any funds may be returned to

the County, and all delivery of stormwater infrastructure services within County Rights of Ways shall be coordinated with the Town.

5.06 *Coordination with Other Jurisdictions:* From time to time a need for coordination between all incorporated jurisdictions within the County and the County may occur, and it shall be the responsibility of the County to facilitate such coordination. The County will work with designated representatives from all jurisdictions within the County to ensure effective communication regarding issues impacting the Stormwater Infrastructure and the Stormwater Management Plan.

5.07 *Qualifications and Extents of Service:* Stormwater infrastructure in public road Rights of Ways, whether State, County or Municipal, shall be maintained by the road owner, as these areas are exempt from Stormwater Utility User Fees per Section 99-109 (b) of County Ordinance 2005-33. The Town shall retain the right to determine the qualifications for, extent of, and level of service required to maintain the Stormwater Infrastructure within the limits of the Town, with the exception of County and State road Rights of Way, which shall be designed and maintained in accordance with their current standards.

5.08 *Fee Credits:* The Town shall have the authority to review and comment on all County stormwater fee credit applications requested upon parcels within the Town limits.

5.09 *Easements:* The Town and County will allow mutual blanket encroachments upon each other's existing easements, but only to enable the Town and/or County to perform stormwater utility related work within the limits of the Town.

ARTICLE 6: STORMWATER ORDINANCES AND DEVELOPMENT STANDARDS

6.00 *Applicable Standards:* The current hydrologic and hydraulic engineering and

design standards of the Town shall prevail in the design, construction, operation and maintenance of any portion of the Stormwater Infrastructure within the Town, unless superseded by the hydrologic and hydraulic engineering and design standards of the County or State, as may be required for specific work performed in County or State rights of way.

6.01 *State or Federal Laws or Regulations:* The Town and the County shall at all times comply with any applicable State or Federal Laws or regulations relating to Stormwater Management, Stormwater Infrastructure, erosion control or pollution.

6.02 *Regulatory Obligations of the Town:* The Town shall adopt and enforce ordinances and development standards as necessary to comply with State and Federal standards regarding stormwater management, erosion and sedimentation, pollution control, and flooding. Minimum water quality controls in jurisdictions shall be protective enough to reach and maintain state designated water uses.

6.03 *Plan Review and Site Inspection:* The Town shall be responsible for the review and approval of all development plans within the Town, to ensure that all applicable regulations pertaining to construction site erosion, sedimentation, and pollution control as well to post-construction stormwater quantity and quality control are met. The Town shall be responsible for providing inspections during construction to ensure that construction is following the approved development plan.

ARTICLE 7 – NPDES MS4 PHASE II PERMIT COMPLIANCE

7.00 *NPDES Compliance:* Should the Town be designated by the State of South Carolina for compliance with the NPDES program, the Town shall be responsible for the development of the NPDES MS4 Phase II permit application, the development of Best Management Practices

required by the permit, and the implementation of the program of Best Management Practices set forth in the permit.

7.01 *Roles and Responsibilities:* The Town and County shall hold separate NPDES MS4 Phase II permits and shall each be responsible for maintaining compliance with their respective permit requirements.

7.02 *Coordination of Activities:* It is expected that some aspects of NPDES MS4 Phase II requirements will lend themselves to coordination and cooperation between the Town and the County. In such instances, coordination between the Town and the County shall be on the basis of a specific Minimum Control Measure (MCM) and shall be established by a separate written agreement that specifies the objectives, product deliverables, schedules, funding distribution, and the roles and responsibilities of each party in addressing these measures.

7.03 *Annual Reporting:* The Town and County will each be responsible for preparing an annual report documenting the activities undertaken in support of NPDES MS4 Phase II permit requirements during the previous year and submitting the report to the South Carolina Department of Health and Environmental Control.

7.04 *Permit Related Costs:* All costs related to the NPDES MS4 Phase II permit shall be borne by the permit holder. In instances where the Town and County coordinate to meet permit requirements, costs may be shared on a basis that is detailed in a separate written agreement.

ARTICLE 8 – DATA ACQUISITION AND MANAGEMENT

8.00 *Roles and Responsibilities:* The Town and County shall each be responsible for acquiring and maintaining data sets that are relevant to Stormwater Management in their respective jurisdictions.

8.01 *Cost Sharing:* Cost sharing agreements for data acquisition may be made between the Town and County on a project-specific basis. The terms and details of any cost sharing agreement shall be detailed in a separate written agreement between the Town and County.

8.02 *Data Sharing:* The Town and County shall share acquired data at the request of the other. In such instances the Town and County will agree to abide by each entity's current data distribution policy.

8.03 *Data Types:* Types of data that the Town and County will acquire, maintain, and may share include but are not limited to, GIS data, aerial photography, LIDAR data, water quality monitoring data, stream gage data, financial and accounting data.

ARTICLE 9 – OTHER AGREEMENTS

9.00 *Scope and cost sharing:* From time to time various projects may be shared in scope and/or cost between the County and the Town, or the County and multiple Municipalities within the County via Memos of Understanding, Contracts, and/or Joint Resolutions.

9.01 *Agreement Recommendations:* The Stormwater Implementation Committee shall be the vehicle whereby agreements of project scope and cost sharing between the County and multiple Municipalities within the County are reviewed and recommended to the Municipalities and County. For agreements solely between the Town and the County, the Stormwater Implementation Committee Review is not required.

9.02 *Agreement approvals:* Other agreements between the County and the Town must be approved by the Town Council and the County Council or their designees.

ARTICLE 10 - MISCELLANEOUS

10.00 *Provisions Applicable to This Agreement:* The following general provisions are applicable to this Agreement:

10.01 *Binding Effect:* This Agreement shall inure to the benefit of and shall be binding upon the Town and County and their respective successors and assigns, if any are permitted hereunder.

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

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

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

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

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

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

10.09 *No Third Party Beneficiaries:* The Town and the County hereto affirmatively represent that this Agreement is made solely for the benefit of the parties hereto and their respective

successors and assigns and not for the benefit of any third party who is not a signature party hereto. No party other than the signature parties and their respective successors and assigns hereto shall have any enforceable rights hereunder, or have any right to the enforcement hereof, or any claim for damages as a result of any alleged breach hereof.

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

To the Town: THE TOWN OF HILTON HEAD ISLAND
Stephen G. Riley, Manager
One Town Center Court
Hilton Head Island, SC 29928

To the County: BEAUFORT COUNTY, SOUTH CAROLINA
Gary Kubic, Manager
Post Office Box 1128
Beaufort, SC, 29902

10.11 *No Waiver:* No failure of either party hereto to exercise any power or right given to such party hereunder, or to insist on strict compliance by any other party to its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof shall

constitute a waiver of any party's right to thereafter demand strict compliance with the terms of this Agreement.

10.12 *Further Assurances and Corrective Documents:* The Town and the County agree to do, execute, acknowledge, deliver or cause to be done all such further acts as may be reasonably determined to be necessary to carry out this Agreement and give effect to the provisions hereof. The Town and the County agree that each shall, upon request, execute and deliver such other or corrective documents as may be reasonably determined to be necessary to carry out this Agreement and each of the provisions hereof.

In Witness Whereof, The Town of Hilton Head Island, South Carolina, and Beaufort County, South Carolina, by and through their duly authorized officers, have set their hands and seals on this ___ day of _____, 2011.

WITNESSES:

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By: _____

Drew Laughlin, Mayor

Attest: _____

Stephen G. Riley, Town Manager

WITNESSES:

BEAUFORT COUNTY, SOUTH CAROLINA

By: _____

Westin Newton, Chairman

Attest: _____

MEMORANDUM

TO: Town Council

VIA: Stephen G. Riley, Town Manager

FROM: Steven D. Markiw, Deputy Director of Finance

DATE: May 5, 2011

RE: R.H. Realty and Rentals, Inc. Business License Revocation – Continuance of Hearing

Recommendation: Request Town Council to conduct its hearing regarding the revocation of the business license of R.H. Realty and Rentals, Inc.

Summary: On March 1st, 2011 the Town staff brought a recommendation before Town Council to revoke the business license for RH Rental and Realty. Town Council delayed its decision, granting an extension of the hearing until the first meeting in May to give Town staff time to review the financial records of RH Rental and Realty. Staff has completed its review and is prepared to provide a brief on its findings.

Background: R.H. Realty & Rentals, Inc. (RH) failed to pay the Town \$205,804.77 in accommodations taxes and beach preservation fees for calendar years 2000 through 2003. Additional penalties accrued in the amount of \$427,845.09 for those same periods. In calendar year 2005 the Town reached an agreement with RH through bankruptcy court to repay the Town. The Town received \$80,000 up front to repay a portion of the outstanding taxes and fees owed. The balance of the taxes and fees owed, \$125,804.77, were to be repaid over a 61 month period at \$1,500 (includes simple interest at 6% per annum) per month with the final month being a payment of \$64,049.98. The penalties owed were reduced to a minimum of 15% of the calculated amount (\$64,176.76) to be repaid over 73 months at \$1,000 per month.

In September of 2008 the payments received from RH for the outstanding taxes and fees owed decreased from the required \$1,500 per month to \$200 per month and the payments for the outstanding penalties owed decreased from \$1,000 per month to \$100 per month. In accordance with the terms of the priority claim, the outstanding obligation to the Town was to be paid off within 61 months, which is January of 2011. **R.H. owes the Town \$102,939.02 this month (January 2011) to satisfy the bankruptcy agreement priority claim.** Assuming RH continues to pay the reduced \$100 per month payment staff estimates that RH will owe the Town approximately \$28,276.76 in January of 2012, the end of the 73rd month on the unsecured claim. Clearly RH is in default of its bankruptcy agreement.