



The Town of Hilton Head Island Regular Town Council Meeting

June 18, 2013

4:00 P.M.

“REVISED” AGENDA

As a Courtesy to Others Please Turn Off All Mobile Devices 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**
 - a. Carolina Day
 - b. Captain Toby McSwain
- 6) **Approval of Minutes**
 - a. Town Council Special Meeting – May 28, 2013
 - b. Town Council Special Meeting/Budget Workshop – May 30, 2013
 - c. Town Council Meeting – June 4, 2013
- 7) **Report of the Town Manager**
 - a. Town Manager’s Items of Interest
 - b. May, 2013 Policy Agenda, Management Targets and CIP Updates
 - c. Hazard Mitigation Plan Annual Progress Report
 - d. Semi-Annual Land Acquisition Update
- 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 – John McCann, Chairman
 - e. Report of the Public Facilities Committee – Kim Likins, Chairman
 - f. Report of the Public Safety Committee – Marc Grant, Chairman
 - g. Report of the LMO Rewrite Committee – Kim Likins, Ex-Officio Member
- 9) **Appearance by Citizens**

10) Unfinished Business

a. Second Reading of Proposed Ordinance No. 2013-05

Second Reading of Proposed Ordinance No. 2013-05 to raise revenue and adopt a budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2014; to establish a property tax levy; to establish funds; to establish a policy for acquisition of rights of way and easements; and providing for severability and an effective date.

11) New Business

a. Consideration of a Resolution – Mid Year Workshop Update

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, updating Town of Hilton Head Island Council 2013 Policy Agenda/Targets for Action, 2013 Management Agenda, and Governance Actions.

b. First Reading of Proposed Ordinance 2013-07

First Reading of Proposed Ordinance 2013-07 to amend the Municipal Code of the Town of Hilton Head Island by adding Article 6 Section 12-1-611 to Chapter 1 of Title 12, establishing a regulation prohibiting the use of a handheld electronic communication device for the reviewing, drafting, or sending of electronic communications while operating a motor vehicle in the Town of Hilton Head Island; and providing for severability and an effective date.

c. First Reading of Proposed Ordinance 2013-09

First Reading of Proposed Ordinance 2013-09 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a lease with the Island Recreation Association, Inc. for property owned by the Town of Hilton Head Island, South Carolina, pursuant to the authority of S.C. Code Ann. Sec. 5-7-40 (Supp. 2012), and Sec. 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

d. Consideration of the adoption of a written order regarding Kigre, Inc.

e. Consideration of appointments to Boards and Commissions

12) Executive Session

a. Land Acquisition

b. Legal Matters

(1) Discussion regarding the adoption of a written order regarding Kigre, Inc.

c. Contractual Matters

d. Personnel Matters

(1) Appointments to Boards and Commissions

14) Adjournment

Proclamation

By
The Town of Hilton Head Island

***WHEREAS**, on June 28, 1776, the Colony of South Carolina, with much support from the local citizenry, soundly defeated a fleet of British Navy vessels and at least 2,500 armed British soldiers at the Battle of Sullivan's Island, which took place only 6 days prior to the signing of the Declaration of Independence of The United States of America on July 4, 1776; and*

***WHEREAS**, with the British defeated, the Patriot cause in the American Revolution won its first significant victory, ended the British campaign in the South until 1780, permitted the Southern states to continue their support of the vital Patriot military campaigns in the north, and kept the important port of Charleston open to shipping for three more years; and*

***WHEREAS**, the Patriot victory on Sullivan's Island gave South Carolina and the nation some of its most important heroes of the American Revolution, including William Moultrie, William Jasper, Francis Marion, and John Rutledge; and*

***WHEREAS**, for generations June 28th has been celebrated as CAROLINA DAY in South Carolina to honor the nation's first significant victory in the American Revolution.*

NOW, THEREFORE, I, Drew A. Laughlin, Mayor, of the Town of Hilton Head Island, South Carolina do hereby proclaim June 28, 2013, as

CAROLINA DAY

in Hilton Head Island, South Carolina, and encourage all citizens to remember the gallant and heroic defense of our Carolina coast that helped the nation win its independence and the many liberties that have been realized with the establishment of The United States of America..

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



Drew A. Laughlin, Mayor
Attest:



Esther Coulson, Town Clerk

COMMENDATION

A Commendation of the Town of Hilton Head Island Honoring Captain Toby McSwain

WHEREAS, *Captain Toby McSwain began his career with the Beaufort County Sheriff's Office in 1988 after serving honorably in the United States Marine Corps. During his military service, he served as a Combat Marksmanship Instructor and achieved the rank of Sergeant, earning three promotions meritorious; and*

WHEREAS, *after being promoted to Detective, he left the Sheriff's Office in 1993 to accept a position with the 14th Judicial Circuit Public Defenders Office. There he served for two years before leaving to assume a position with the United States Marine Corps Internal Control Division in Okinawa, Japan as the Security Manager; and*

WHEREAS, *Captain McSwain rejoined the Beaufort County Sheriff's Office in 1999, where he was assigned as a Lieutenant on Hilton Head Island as the Assistant Division Commander. Captain McSwain was sworn as a Special Deputy United States Marshal serving with the South Carolina Fugitive Task Force. In 1999, he attended the Virginia School of Polygraph where he was trained as a "Polygraph Examiner." He is a certified forensic law enforcement examiner with the American Association of Police Polygraphists. In 2003, he was elected Treasurer to the American Association of Police Polygraphists Board of Directors and served in that position until 2006, when he was elected Vice President. Captain McSwain served as Vice President until 2008, at which time he was elected as President. He is currently the longest serving President in the association's 34-year history; and*

WHEREAS, *over the past five years, Captain McSwain has worked as a consultant for the United States Department of State conducting site assessments, lecturing and conducting polygraph examinations for the Federal Mexican Police and the National Police of Colombia. He received special recognition from the Government of Mexico and the Central Intelligence Director of Colombia; and*

WHEREAS, *in 2006, Captain McSwain was promoted to Captain of the Southern Enforcement Branch and is responsible for uniform patrol, marine/beach patrol, K-9 patrol and airport security for southern Beaufort County. As of June 21st, McSwain will officially retire from the Beaufort County Sheriff with 25 years, six months of service. On July 1st, he will take over as Director of Safety and Security for Sea Pines CSA; and*

WHEREAS, *Town Council and Staff wish to convey their appreciation for a job well done on Hilton Head Island and commend Captain McSwain for his devotion to law enforcement, our residents, and to making the Island a safer place to live, visit, and work.*

IN TESTIMONY WHEREOF, *I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this 18th day of June, Two Thousand and Thirteen.*

Drew A. Laughlin, Mayor

THE TOWN OF HILTON HEAD ISLAND

SPECIAL TOWN COUNCIL MEETING

Date: Wednesday, May 28, 2013

Time: 5:00 P.M.

Present from Town Council: Drew A. Laughlin, *Mayor*; Bill Harkins, *Mayor Pro Tem*; George Williams, Kim Likins, Lee Edwards, Marc Grant, John McCann, *Council Members*

Present from Town Staff: Steve Riley, Town Manager

Present from Media: Brian Heffernan, Island Packet

1) CALL TO ORDER

Mayor Laughlin called the meeting to order at 5:00 p.m.

- 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.

8) Executive Session

Mr. Riley stated he needed an Executive Session for personnel matters related to boards and commissions.

At 5:01 p.m. Mr. Harkins moved to go into Executive Session for the reasons given by the Town Manager. Mr. McCann seconded. The motion was approved by a vote of 7-0.

Mayor Laughlin called the meeting back to order at 7:49 p.m. and stated there was no action to be taken as a result of Executive Session.

11) Adjournment

Mr. Williams moved to adjourn. Mr. McCann seconded. The motion was approved by a vote of 7-0. The meeting was adjourned at 7:50 p.m.

Vicki L. Pfannenschmidt
Executive Assistant

Approved:

Drew A. Laughlin, Mayor

THE TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL SPECIAL MEETING/BUDGET WORKSHOP

Date: Thursday, May 30, 2013

Time: 3:30 P.M.

Present from Town Council: Drew A. Laughlin, *Mayor*; Bill Harkins, *Mayor Pro Tem*; George Williams, Kim Likins, Lee Edwards, Marc Grant, John McCann, *Council Members*

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*, Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Charles Cousins, *Director of Community Development*; Lavarn Lucas, *Fire Chief*; Susan Simmons, *Director of Finance*; Bret Martin, *Deputy Director of Finance*; Erica Madhere, *Finance Assistant*; Jill Foster, *Deputy Director of Community Development*; Nancy Gasen, *Director of Human Resources*; Brian Hulbert, *Staff Attorney*; Vicki Pfannenschmidt, *Executive Assistant*

Present from Media: Brian Heffernan, *Island Packet*

1) CALL TO ORDER

Mayor Laughlin called the meeting to order at 3:30 p.m.

- 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) Consideration of a Resolution - Adoption of Business License Hearing Procedures

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, adopting rules of evidence and procedure for business license appeal hearings held before the Town Council of the Town of Hilton Head Island, South Carolina, pursuant to town municipal code section 10-1-10 *et seq.*

Mr. Williams moved to approve. Mr. Harkins seconded.

At 3:33 p.m. Mr. Edwards moved to go into executive session to consider legal matters pertaining to Business License Hearing procedures. Mr. McCann seconded. The motion was approved unanimously by a vote of 7-0.

Mayor Laughlin called the meeting back to order at 3:52 p.m. and stated there was no action to be taken as a result of Executive Session. Mr. Williams moved to amend the motion to add Item #4 under Section 4, Item B, stating the presiding officer may in his discretion grant additional time. He added that items following would have to be renumbered. Mrs. Likins seconded. Mr. Tom Taylor spoke in opposition of the amendment stating all time parameters should be deleted. The amended motion was approved by a vote of 7-0. After lengthy discussion, Mr. Harkins moved to amend the amended motion to delete the following:

- (i) Appellant shall be limited to 20 minutes to present its case
- (ii) Respondent shall be limited to 20 minutes to present its case
- (iii) Appellant shall be limited to 5 minutes to rebut the Respondent's case
- (iii) Presiding officer may in his discretion grant additional time

And replace it with:

- (i) Appellant shall present its case
- (ii) Respondent shall present its case
- (iii) Appellant shall be allowed to rebut the Respondent's case

Mr. Edwards seconded. The amendment to the amended motion was approved by a vote of 6-1. Mr. Williams was opposed. Mr. Tom Taylor spoke in opposition to the procedure. The twice amended motion was approved by a vote of 7-0.

4) Review of Budgets of Affiliated Agencies

- a. Island Recreation Association
Frank Soule, Executive Director conducted a presentation concerning his budget request. He reviewed the services, programs and events provided by the Association and explained how different areas are expanding and participation has increased. He explained the need for upgrades to the existing structure.
- b. Coastal Discovery Museum
Michael Marks, President and CEO reviewed the specifics of his operating budget request along with the \$77,000 request for capital improvements.
- c. Lowcountry Regional Transportation Authority (LRTA) aka Palmetto Breeze
Rochelle Ferguson, Executive Director thanked Council for the matching funds provided and reviewed expenditures and achievements in savings throughout the year.
- d. Solicitor's Office – Drug Court and Career Criminal Program
Susan Simmons explained the Solicitor had a conflict in scheduling and could not make it to the meeting. His office previously provided a written report to Town Council and Ms. Simmons stated she would be happy to relay any questions to the Solicitor's office on Council's behalf.
- e. Beaufort County Sheriff's Office (BCSO)
Sheriff Tanner distributed an amended budget request and introduced Suzanne Cook, Financial Officer. She said she was very pleased to submit a decreased budget for FY14. She stated the decrease was approximately \$13,000.
- f. Shore Beach Services, Inc.
Ralph Wagner reviewed the specifics of the budget request.
- g. Community Foundation of the Lowcountry Public Art Exhibition
Susan Simmons explained the \$37,500 was the second half of the original budget request of \$75,000 from FY13 which was allocated over a two year period. Council requested that it be conveyed to the Public Art Committee they would like an update on the status of the next exhibition.
- h. USCB Event Management and Hospitality Training Program
Charles Calvert, USCB Department Head for Hotel, Restaurant and Tourism reviewed the program and budget request.

Mayor Laughlin thanked the agency representatives for their presentations.

5) Appearance by Citizens

Mr. Alan Perry, Island Recreation Association Board Member commended the staff of the Island Recreation Association for their continuous hard work in providing services and programs to the citizens and visitors of Hilton Head Island.

6) Executive Session

Mayor Laughlin noted that there was an executive session held in the beginning of the meeting concerning Business License Hearing Procedures and stated Council would defer the executive session item on Contractual Matters to another meeting.

7) Adjournment

Mr. Williams moved to adjourn. Mr. Harkins seconded. The special meeting/workshop was adjourned at 6:09 p.m. by a vote of 7-0.

Vicki L. Pfannenschmidt
Executive Assistant

Approved:

Drew A. Laughlin, Mayor

DRAFT

THE TOWN OF HILTON HEAD ISLAND

REGULAR TOWN COUNCIL MEETING

Date: Tuesday, June 4, 2013

Time: 4:00 P.M.

Present from Town Council: Drew A. Laughlin, *Mayor*; Bill Harkins, *Mayor Pro Tem*; George Williams, Kim Likins, Lee Edwards, Marc Grant, John McCann, *Council Members*

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*, Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Charles Cousins, *Director of Community Development*; Lavarn Lucas, *Fire Chief*; Tom Fultz, *Director of Administrative Services*; Susan Simmons, *Director of Finance*; Bret Martin, *Deputy Director of Finance*; Julian Walls, *Facilities Manager*; Natalie Majorkiewicz, *Systems & Reporting Administrator*; Nancy Gasen, *Director of Human Resources*; Brian Hulbert, *Staff Attorney*; Erica Madhere, *Finance Assistant*; Barbara Wooster, Revenue Collector Vicki Pfannenschmidt, *Executive Assistant*

Present from Media: Brian Heffernan, 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. Hilton Head Island High School Girls Soccer Team – AAA Champion
Coaches and Team members were present to accept the commendation.
- b. Hilton Head Island High School Boys Soccer Team – AAA Champion
Coaches and Team members were present to accept the commendation.

6) Approval of Minutes

- a. Town Council Budget Workshop – May 14, 2013
Mr. Harkins moved to approve. Mr. Williams seconded. The minutes of the May 14, 2013 Town Council Budget Workshop were unanimously approved by a vote of 7-0.
- b. Town Council Special Meeting – May 15, 2013
Mr. Harkins moved to approve. Mr. Williams seconded. The minutes of the May 15, 2013 Town Council Special meeting were unanimously approved by a vote of 7-0.
- c. Town Council Meeting – May 21, 2013
Mr. Williams moved to approve. Mrs. Likins seconded. The minutes of the May 21, 2013 Town Council meeting were approved unanimously by a vote of 7-0.

d. Town Council Budget Workshop – May 22, 2013

Mr. McCann moved to approve. Mr. Williams seconded. The minutes of the May 22, 2013 town Council Budget Workshop were approved by a vote of 6-1. Mr. Edwards abstained as he was not present at the workshop.

7) Report of the Town Manager

a. Town Manager's Items of Interest

Mr. Riley invited Julian Walls to the dais to show Council members the new and improved beach access sign. Mr. Edwards stated he felt the sign was a big improvement over the previous ones and commended staff for their efforts. Mr. Riley reported on some items of interest. He stated there would be a Public Hearing held on June 11, 2013 at 6:00 p.m. concerning the FY2014 Budget.

8) Reports from Members of Council

a. General Reports from Council

Mr. Grant stated he was contacted by a business owner of Auto Pro asking that the location of their business be permitted to conduct auto sales. He said he felt Town Council should review the request and consider adjusting the ordinance. Mr. Grant said he had received a number of emails from dog owners requesting an update to the ordinance to allow their dogs to run freely on the beach. He asked that the ordinance concerning dogs on the beach be reviewed by Town Council. Mayor Laughlin said both issues have a past history of review and discussion and they could certainly revisit them again.

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

No report.

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

No report.

d. Report of the Planning & Development Standards Committee – John McCann, Chairman

No report.

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

No report.

f. Report of the Public Safety Committee – Marc Grant, Chairman

Mr. Grant reported the Committee met earlier in the day to review proposed ordinances banning texting while driving and banning open burning. He stated the Committee voted favorably to recommend approval of both and they would be coming forward to Council for consideration. Mr. Grant acknowledged there was also discussion of providing educational tools such as composting and approaching Beaufort County for extended hours for disposal of yard debris for residents that have large properties and do not have the means or resources for disposal.

Mr. Grant informed Council that Sheriff Tanner was present at the meeting and spoke in reference to adding five additional officers on Hilton Head Island to reduce the crime rate. Mr. Grant noted this was not on the Public Safety Committee agenda so no action was taken but he would like to propose a special meeting of Town Council be scheduled to review and discuss the matter. He added he would like the meeting to take place before final approval of the budget. Mayor Laughlin stated his concern in reviewing the request at this late date in the process before the final adoption of the budget.

g. Report of the LMO Rewrite Committee – Kim Likins, Ex-Officio Member

Mrs. Likins stated the Committee continues to meet weekly and they continue to review the newly proposed zoning map.

9) Appearance by Citizens

None.

10) Unfinished Business

None

11) New Business

a. Local Option Sales Tax Proposal

Mr. Riley reviewed the proposal and stated Council has been asked to take a position. He explained it is a County decision whether or not to place the referendum on the ballot. Mr. Williams voiced concern and wanted to be assured that if Council opposed the referendum and it still passed that Hilton Head Island would not lose any portion of the tax. After discussion, it was decided the issue would come forward to Council for discussion and consideration of a resolution either in support or opposition to the proposal.

Jocelyn Staigar spoke on behalf of the Hilton Head Island Realtors Association in opposition to the proposal.

b. Budget Wrap-Up

Deferred to the June 11, 2013 Special Town Council meeting at 4:00 p.m. Bret Martin distributed summary pages of Council's suggested changes for the FY2014 Budget. Mr. Riley asked that Council review the sheets and to contact him in advance of the meeting with anything they would like to discuss.

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

a. Kigre Inc./Appeal of Final Assessment of Business License Fees

Mayor Laughlin explained the hearing procedures.

Tom Taylor represented the appellant and gave introductory remarks. Susan Simmons represented the Town of Hilton Head Island and gave introductory remarks.

Mr. Taylor distributed notebooks with exhibits to Ms. Simmons and Council and called Susan Simmons to testify. Mayor Laughlin conducted the oath. Mr. Taylor proceeded to question Ms. Simmons and concluded at 6:40 p.m. After discussion and agreement by both parties, Mayor Laughlin continued the hearing until Tuesday, June 4, 2013 at 4:00 p.m.

13) Executive Session

Mr. Riley stated he needed an Executive Session for contractual matters pertaining to land acquisition; legal matters pertaining to the Kigre appeal; and legal matters pertaining to contractual matters relating to the Republic Waste hauling contract.

At 7:07 p.m. Mr. Harkins moved to go into Executive Session for the reasons given by the Town Manager. Mrs. Likins seconded. The motion was unanimously approved by a vote of 7-0.

Mayor Laughlin called the meeting back to order at 7:50 p.m. and stated there was no action to be taken as a result of Executive Session.

11) Adjournment

Mr. Williams moved to adjourn. Mr. Edwards seconded. The motion was unanimously approved by a vote of 7-0. The meeting was adjourned at 7:51 p.m.

Vicki L. Pfannenschmidt
Executive Assistant

Approved:

Drew A. Laughlin, Mayor



Items of Interest

June 18, 2013

1. Noteworthy Events

a) Some of the upcoming meetings at Town Hall:

- LMO Rewrite Committee – June 19, 2013, 8:30 a.m.
- Planning Commission – June 19, 2013, 3:00 p.m.
- Board of Zoning Appeals – June 24, 2013, 2:30 p.m.
- Public Facilities Corporation – June 24, 2013, 3:00 p.m.
- Design Review Board – June 25, 2013, 1:15 p.m.
- Planning & Development Standards Committee – June 26, 4:00 p.m.
- LMO Rewrite Committee, June 27, 2013, 8:30 a.m.
- Public Safety Committee - July 1, 2013, 10:00 a.m.
- LMO Rewrite Committee – July 2, 2013, 8:30 a.m.
- Public Project and Facilities – July 2, 2013, 2:00 p.m.
- Town Council – July 2, 2013, 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

2013 Hilton Head Island Events

Wednesdays, thru October 30, 2013 9:00am-1:00pm	Farmers Market	Shelter Cove Community Park
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**2013 Policy Agenda
Thru May, 2013**

Top Priority

Target	Chief Contact	Comments
<ul style="list-style-type: none"> Economic Development Organization: Creation and Operation 	Shawn Colin	Interviews underway for board members
<ul style="list-style-type: none"> Coligny Area Development Projects: Direction and Funding 	Shawn Colin/ Jennifer Ray	Negotiating with design firm
<ul style="list-style-type: none"> Arts Collaboration: Framework and Strategy for Fostering Collaboration among Arts 	Jill Foster	Currently reviewing responses to the RFP. Anticipate entering into contract in June.
<ul style="list-style-type: none"> Arts Center of Coastal Carolina: Short-Term Financial Direction 	Steve Riley	Earlier estimates showed a budget shortfall in May. Through a variety of savings, program changes and revenue increases, there was no shortfall in May.
<ul style="list-style-type: none"> Chaplin Linear Park and Boardwalk: Development and Permitting 	Jennifer Ray	Negotiating with design firm

High Priority

Target	Chief Contact	Comments
<ul style="list-style-type: none"> LMO Modifications 	Teri Lewis	The LMO Rewrite Committee is currently reviewing proposed changes from the consultant to the zoning map and the use table.

**2013 Management Agenda
Thru May, 2013**

Target	Chief Contact	Comments
<ul style="list-style-type: none"> Reassessment and Tax Rate Limitations: Direction and Public Information 	Susan Simmons	In April, Finance made a presentation to Council about the County's initial assessment figures for the Town. Council and staff continue to discuss reassessment and its impacts throughout the May budget workshops. The three bond rating agencies confirmed the Town's excellent bond ratings since the indication is that Council will adopt a revenue neutrality reassessment roll-forward.
<ul style="list-style-type: none"> Posting of Quarterly Financial Reports Online: Purpose, Method, and Funding 	Greg DeLoach/ Susan Simmons	Finance and IT staffs completed this target. Financial Statements for all funds and dashboards for the General Fund will be presented online usually on a monthly basis.

**CIP Monthly Report
Thru May, 2013**

Project	Chief Contact	Comments
<ol style="list-style-type: none"> 1. Leg O' Mutton Road Pathway 2. Wm. Hilton Parkway – Wexford Drive to Fresh Market Shoppes Pathway 3. Fire Station #6 4. Mathews Drive Side Street Improvements 5. Marshland Road / Mathews Drive Roundabout 6. Wm. Hilton Parkway / Leamington Intersection Improvements 7. Rowing and Sailing Center 8. Island Recreation Center Improvements – Phase 1 9. Hospital Center Blvd./ Main St. Intersection Improvements 10. Pedestrian Crosswalks (3 locations) and WHP left turn lane at Circle K (Yacht Cove Drive area) 11. Welcome Center demolition 	<p>Scott Liggett</p>	<ol style="list-style-type: none"> 1. Substantially complete 2. Substantially complete 3. Responses to solicitation have been received. Staff completing due diligence. Contract award pending. 4. Project on hold 5. Ready to bid, project on hold 6. Plans complete, permits in hand, land acquisition/legal tasks to be completed. Bid date expected in spring/summer 2013 however construction is recommended to commence in fall 2013 7. In design; negotiating with stakeholders, construction planned to start in fall 2013 8. Contract awarded. Work to commence on June 10, 2013 9. Work underway 10. Work underway; to be completed by June 14, 2013 11. Demolition underway; to be completed by June 14, 2013



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA-CM, *Town Manager*
VIA: Shawn Colin, *Comprehensive Planning Manager*
FROM: Marcy Benson, *Senior Grants Administrator*
DATE June 3, 2013
SUBJECT: Hazard Mitigation Plan Annual Progress Report

SUMMARY

The attached report is an annual evaluation on progress toward implementing the objectives of the Hazard Mitigation Plan which was adopted by Town Council in 2011 as an appendix to the current Town of Hilton Head Island Comprehensive Plan. The Town of Hilton Head Island was a partner with Beaufort County in developing the Beaufort County Hazard Mitigation Plan 2009 Update which contains ten (10) county-wide goals. Of these goals, seven (7) goals pertain to The Town of Hilton Head Island and are listed in the attached annual report, by goal number.

BACKGROUND

To maintain credit in the floodplain management planning section of National Flood Insurance Program Community Rating System (CRS) an annual report evaluating progress towards implementing the Hazard Mitigation Plan objectives and goals must be prepared, submitted to the Town Council, released to the media and made available to the public.

The annual progress report is prepared by Town staff to ensure there is a continuing and responsive planning process. The report is presented to Town Council prior to recertification of the Town's CRS status. The report is available to the public for review via the Town's website, or by contacting Town staff in the Community Development Department for copies.

2013 Hazard Mitigation Plan Progress Report

The annual progress report is prepared by Town Community Development Department staff to ensure there is a continuing and responsive planning process. The report is presented to Town Council annually prior to recertification of the Town's CRS status. The report is available to the public for review via the Town's website, or by contacting Town staff in the Community Development Department for copies.

Goal	Objectives	Mitigation Actions	Status Report
Goal 1			
Improve protection of critical facilities	Identify at-risk facilities in the 100 year floodplain and within areas subject to storm surge inundation.	Continue engineering inspections of fire stations and Town owned buildings to determine retrofitting measures necessary for wind and flood.	Inspections have been completed and 1 new facility has been built. Shutters able to withstand a category 5 hurricane and fire sprinklers have been installed at 5 of the 7 fire station facilities, F&R Headquarters and Facilities Management buildings.
	Develop measures to address the risk to vulnerable critical facilities to prevent future damages.	Inspect vulnerable bridges and causeways to determine ones to be replaced or retrofitted. Prioritize maintenance.	Scheduled for 2012 or as funds are available.
Goal 2			
Enhance the hazards education/public information program	Identify and solicit low cost of no cost partners such as TV, radio, newspapers.	Work with regional media to promote public awareness of disaster preparedness and mitigation strategies.	Television stations broadcast disaster awareness messages as an ongoing effort.
		Distribute "Citizen's Guide To Flood Awareness" and "Citizen Guide to Emergency Preparedness" publications regularly.	On-going. The HHI/Bluffton Chamber of Commerce provided a virtual hurricane preparedness summit in 2012 that included TV, radio and the internet. HHI participated in several media interviews and spoke to citizen

			groups on hurricane preparedness. We continue to make available our Citizens Guide that includes general preparedness, Flooding, Earthquakes, and Hurricanes. They are in the process of developing a physical 2013 Hurricane Summit. HHI and Beaufort EMD will participate in the Summit.
		Use EMD's centralized information technology system to access pertinent information during a disaster.	Town has computerized FEMA damage assessment forms and developed a spreadsheet linked to Beaufort County Assessors data to expedite damage assessment reporting process. Information will be available to Town's emergency permitting center to expedite permitting process. Information is shared with all municipalities with MOU.
Goal 6			
Continue to identify drainage problems and work towards their resolution	Ensure proper maintenance of existing drainage systems and the improvements and replacements as necessary and expand existing drainage system to meet increasing demands	Continue to implement structural drainage projects	The Town of Hilton Head Island budgets annual funds for maintenance and capital improvements necessary to mitigate structural drainage problems and has four on-call, competitively bid contracts in place for infrastructure maintenance and construction. The Town has acquired drainage maintenance and access rights

			over systems in planned developments comprising 64% of the island.
		Continue to support Beaufort County's SWM utility plan	The Town of Hilton Head Island executed a new updated stormwater management agreement with the County in 2011 and continues to coordinate budget and construction issues with the County
		Study poorly drained areas and remedy them through best practices.	The Town is developing watershed plans for three watersheds in 2012/2013, with future plans for analysis of the entire island's secondary systems, as identified in the 2006 SWMP. The plans will include detailed inventory, modeling, and proposed mitigation projects.
Goal 7			
Preserve and protect natural resources	Much of the county's marshland should be preserved for water quality and flood water storage purposes through the use of wetland buffers, wetlands protection and river buffers. Promote open space initiatives. Continue the planning and implementation of projects from the Island Wide Drainage Study.	Continue to use land purchasing plan to obtain flood prone properties and designate them as open space.	On-going
		Continue to perform periodic beach renourishment projects.	On-going.
Goal 8			
Continue to ensure emergency	Focus on pre- and post-disaster	GPS systems available for	GPS systems continue to be

<p>response personnel are adequately equipped</p>	<p>coordination and access to important information.</p>	<p>emergency personnel.</p>	<p>available to emergency personnel to be used pre and post-disaster. GPS capability are held in storage and distributed at the time they are needed. Access to these systems is by way of contacting emergency management staff. Standard Operating Guides and Plans have been developed that identify GPS coordinates of critical facilities and provide specific direction on accessing those facilities. The Town continues to expand and update Emergency Operations Plans for pre and post disaster response. Emergency response crews will have continuous access to information through multiple sources including Computer Aided Dispatch (CAD), Fire & Rescue Radios, Cell Phones and Satellite Phones.</p>
		<p>Conduct periodic surveys of equipment used by emergency personnel and budget upgrades to facilitate safety and rapid recovery.</p>	<p>On-going. Equipment used by emergency personnel for pre and post-disaster operations are surveyed as needed and on an annual basis. This survey is conducted by emergency management staff. Emergency personnel survey equipment based on SOGs that include daily and weekly checks. Fire and Rescue have not significantly</p>

			budgeted to upgrade facilities but funds have been allocated to replace one facility this year and a second the following. This will ensure all fire stations are elevated and can with stand a Category 3 Hurricane.
Goal 9			
Ensure the communities continue to be compliant with NFIP requirements, that flood risk maps are accurate and up to date and the flood maps are used to achieve FEMA mandated compliance within special flood hazard area.	Work with FEMA to conduct restudies as necessary to ensure maps are accurate and continue to include flood development permitting as an important part of building and development permitting.	Complete work with SCDNR to update FIRM's based on more accurate topography.	On-going. Maps to be introduced Spring of 2012. According to State Floodplain Manager, maps postponed until Fall 2012. Town staff attended State Floodplain Managers Conference in March 2012 and told maps were again postponed until Spring 2013. Town staff was advised in 2013 new maps might be introduced in Spring 2014.
		Complete work with the USACE and FEMA to develop new maps and incorporate into county FIRM's	On-going
		Update all flood maps with new municipal and county boundaries.	On-going
Goal 10			
Promote building code enforcement by encouraging all policymakers to adopt the most up-to-date versions of universally accepted codes.	Inform state and local lawmakers about importance of following all newly adopted codes. Promote building codes without amendments to homeowners and homebuilders, demonstrating the added safety measures and cost	Continue to enforce all floodplain regulations to ensure proper development in compliance with building codes, FEMA regulations and any other pertinent laws and ordinances without exception.	On-going

	savings benefits that come with applying the universally accepted building codes to new construction and significant renovations. Encourage property owners to retrofit and renovate homes to meet the current building codes standards as part of continuing maintenance.		
		Continue to train building department personnel on most up-to-date code requirements for hazard resistant construction.	On-going
		Sponsor and conduct workshops for local engineers, architects, and contractors on International Codes and hazard resistant construction.	On-going
		Actively advocate to public officials the adoption of the latest version of the universally accepted building codes without amendments	On-going

TO: Town Council
FROM: Stephen G. Riley, Town Manager
DATE: June 10, 2013
RE: **Land Acquisition Update**

Since our last update in February, 2013, we have announced the acquisition of 113.9 acres/4 parcels which are described on the attached chart.

Available Funding – June 2013

The Town's Land Acquisition Program has the following available funds.

2010 GO Referendum Bonds	\$1,740,012
Sale of Land Account	<u>\$2,361,605</u>
Total	<u>\$4,101,617</u>

The Town's 2013 GO Referendum Bond issue for \$5,000,000 (part of the \$9,000,000 GO Bond issue in June, 2013) will be fully expended to reimburse other funding sources originally used for the purchase the Planter's Row Golf Course.

ANNOUNCED/ACQUIRED PROPERTIES SINCE FEBRUARY 2013

Name	Acreage	Location	Cost
Heritage Golf Group- Holes 2-16 of Planter's Row Golf Course	102.73 acres	William Hilton Parkway between Dillon Road and Cemetery Road	\$5,000,000
Atlas LLC (Boys and Girls Club Tract #2)	10 acres	Gumtree Road/located behind the current site of the Boys and Girls Club and adjacent to other Town- owned property	\$250,000
TP Development	.49 acres	Pope Avenue/adjacent to Heritage Plaza in the Coligny area	\$385,000
The Children's Center	.68 acres	Gardner Drive/adjacent to other Town-owned property	\$16,000



MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, CM, Town Manager

VIA: Susan M. Simmons, CPA, Director of Finance

DATE: June 12, 2013

RE: **Second Reading of Proposed Ordinance No. 2013-05**

Recommendation:

Town Council approves second reading of Proposed Ordinance No. 2013-05 to adopt the budget for fiscal year 2014.

Summary:

Town Council had First Reading by Title Only on May 7, 2013 and held several workshops on the budget in May. Staff accumulated changes during the workshops and presented a Revised First Reading on June 11, 2013 which Council approved unanimously.

Background:

A draft budget book was distributed to Town Council at the May 7, 2013 meeting. All changes that occurred to the proposed budget during the workshops were accumulated and presented in the revised statements and policies approved at the June 11, 2013 meeting. On June 11, 2013, Council directed staff to make one change to the Ten Year Capital Projects Plan. This change deletes the Stoney Secondary Road (South) Project and will move it to the Capital Needs Assessment Plan (CNAP). Since the proposed funding was for fiscal year 2015, it does not impact the budget being adopted by Council for fiscal year 2014.

ORDINANCE NO. _____

PROPOSED ORDINANCE NO. 2013-05

AN ORDINANCE TO RAISE REVENUE AND ADOPT A BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2014; TO ESTABLISH A PROPERTY TAX LEVY; TO ESTABLISH FUNDS; TO ESTABLISH A POLICY FOR ACQUISITION OF RIGHTS OF WAY AND EASEMENTS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-260(3) of the Code of Laws for South Carolina 1976, as amended, and Section 2-7-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina, require that the Town Council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, Town Council also desires to set aside funds for an Operating Reserve to provide for emergency-related expenditures and to offset fiscal year tax revenue income stream deficiency; and

WHEREAS, Town Council finds that it would be more economical and efficient to authorize the Town Manager to move forward with construction contract modifications, change orders, contract price adjustments, and execution of contracts for supplies, services, and construction where the contract amount involved does not exceed the budget line item or project budget as approved by Town Council in the Consolidated Municipal Budget.

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

NOTE: Underlined and bold-face typed portions indicate additions to the Ordinance. ~~Stricken~~ Portions indicate deletions to the Ordinance.

Section 1. Adoption of the Budget. The prepared budget of estimated revenues and expenses, a copy of which is attached hereto and incorporated herein, is hereby adopted as the budget for the Town of Hilton Head Island for the fiscal year ending June 30, 2014.

Section 2. Establishment of Property Tax Levy. A tax to cover the period from July 1, 2013 through June 30, 2014, inclusive, for the sums and in the manner hereinafter mentioned, is and shall be, levied, collected and paid into the treasury of the Town of Hilton Head Island for its uses at a rate of mills on assessed value of real estate and personal property of every description owned in the Town of Hilton Head Island, except such property as is exempt from taxation under the Constitution and laws of the State of South Carolina. Said tax levy shall be paid into the Town Treasury for the credit of the Town of Hilton Head Island for its corporate purposes, for the purpose of paying current operational expenses of the said municipality 12.86 mills, Debt Service 5.72 mills, and Capital Projects Fund .75 mils making the total levy of 19.33 mills.

Section 3. Establishment of Funds. To facilitate operations, there shall be established and maintained a General Fund, a Capital Projects Fund, a Debt Service Fund, a Stormwater Fund and other appropriate funds in such amounts as are provided for in the aforesaid Budget, as hereby adopted or as hereafter modified pursuant to law.

Section 4. Acquisition of Rights of Way and Easements. The Town Manager is charged with the duty of executing all necessary documents to obtain rights of way, easements, and other property interests necessary to complete duly authorized Capital Improvement Projects. If expenditures are expressly authorized in an approved Capital Improvement Project, then the Town Manager is hereby authorized to execute all necessary documents and to expend such funds as are approved pursuant to the Capital Improvement budget. Provided, however, in the event that the costs of an acquisition of such real property interests materially exceeds the amount budgeted in the approved Capital Improvement Project and the Town Manager is unable to shift additional funds from other authorized sources, the Town Manager shall be required to obtain the approval of Town Council for such additional expenditures. Nothing herein shall obviate the requirement that no condemnations shall be commenced without the appropriate approval of the Town Council for the Town of Hilton Head Island.

Section 5 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 6. Effective Date. This Ordinance shall be effective upon its enactment by the Town Council for the Town of Hilton Head Island.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND ON THIS _____ DAY OF _____, 2013.**

Drew A. Laughlin, Mayor

ATTEST:

Esther Coulson, Town Clerk

First Reading:
Public Hearing:
Revised First Reading:
Second Reading:

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

TO: Town Council
FROM: Stephen G. Riley, Town Manager
DATE: June 10, 2013
RE: Mid-Year Workshop Results

Please find attached a Resolution for your consideration updating Town of Hilton Head Island Council 2013 Policy Agenda/Targets for Action, 2013 Management Agenda, and Governance Actions.

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, UPDATING TOWN OF HILTON HEAD ISLAND COUNCIL 2013 POLICY AGENDA/TARGETS FOR ACTION, 2013 MANAGEMENT AGENDA, AND GOVERNANCE ACTIONS

WHEREAS, on December 18, 2012, the Town Council of the Town of Hilton Head Island adopted Resolution #2012-35 establishing the Town of Hilton Head Island Destination 2028 Guiding Principles, the Five Year (2018) Goals, 2013 Policy Agenda/Targets for Action, and 2013 Management Agenda; and

WHEREAS, the Town Council of the Town of Hilton Head Island met in a workshop session on June 3, 2013 for the purpose of updating its 2013 Policy Agenda/Targets for Action, 2013 Management Agenda and Governance Actions; and

WHEREAS, The Town Council believes that updating the 2013 Policy Agenda/Targets for Action, 2013 Management Agenda, and Governance Actions will provide a framework for action and will provide guidance in executing its desires for itself, for staff, and for citizens of the Town of Hilton Head Island.

NOW, THEREFORE, BE IT, AND IT HEREBY IS, RESOLVED, BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, THAT the attached updated 2013 Policy/Targets for Action, 2013 Management Agenda, and Governance Actions, are hereby adopted.

PASSED, APPROVED AND ADOPTED by the Town Council of the Town of Hilton Head Island on this _____ day of June, 2013.

Drew A. Laughlin, Mayor

ATTEST:

Esther Coulson, Town Clerk

Approved as to Form:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

**MAJOR POLICY DISCUSSION AND DIRECTION
TOWN OF HILTON HEAD ISLAND**

1. ARTS COLLABORATION AND SUPPORT

POLICY TOP PRIORITY

2012 DIRECTION

- 1. Work with community arts organizations**
- 2. Develop a Community Arts Master Plan (study)**
- 3. Define the Town's role in the arts**
- 4. Explore USCB arts and cultural partnership**

OUTCOMES

1. The Arts is an important part of Hilton Head Island in the attraction of residents and in support of economic development.
2. The Arts Center facility doors should remain open.
3. The Town needs to complete the study.
4. The Arts Center needs a realistic and sustainable operational and business plan.
5. The Town needs to define its role and policies with the arts.

DIRECTION

The Arts Study completion

- a) Selection of Consultant. 6/13
- b) Final Agreement. 7/13
- c) Initial Information to Mayor and Town Council before ATAX. 11/13
- d) Complete Final Report. 1/14 or 2/14

2. ARTS CENTER SHORT TERM DIRECTION

POLICY TOP PRIORITY

2012 DIRECTION

- 1. Define the Town's role**
- 2. Request an operation and business plan**
- 3. Address urgent building needs**

DIRECTION

1. The Town government should make a loan to the Arts Center to address urgent maintenance needs to address health and safety issues/problems and to keep the doors open: HVAC/power system, portico, stage and sound system.

**3. BEAUFORT COUNTY RECREATION SERVICES: FIELD MAINTENANCE,
LEVEL OF SERVICE AND FUNDING. HORIZON**

INFORMATION

1. PALS: responsible for scheduling selected parks and facilities and lights.
2. County Public Works: responsible for field maintenance (estimated costs: \$400,000 - \$500,000 for the Town to takeover).

DIRECTION

1. Monitor activities by Beaufort County.
2. No Town Actions.

4. RECREATION ORGANIZATION, MANAGEMENT AND PERFORMANCE AUDIT. POLICY MODERATE PRIORITY

2012 DIRECTION

- 1. Define performance standards**
- 2. Define expectations and responsibilities**
- 3. Develop a business plan**
- 4. Advocate for the Town's interests**

DIRECTION

1. The charge to the Parks and Recreation Commission is:
 - a) to identify "best practices" and evaluate their application to Hilton Head Island;
 - b) to evaluate the community's recreational needs;
 - c) to evaluate current programs: performance, participation level, effectiveness;
 - d) to explore alternative service delivery mechanisms;
 - e) to provide financial oversight;
 - f) to develop outcome based measures and comparative analysis of recreation programs.
2. The Island Recreation Association should provide a monthly report to the Parks and Recreation Commission and a quarterly report to the Public Facilities Committee.

5. RECREATION CENTER EXPANSION PROJECT. POLICY HIGH PRIORITY

2012 DIRECTION

- 1. Phase I: Construction**
- 2. Determine the direction on future phases**

DIRECTION

1. Complete construction of Phase I.
2. Update the site plan for future phases. FY 2014
3. Initiate design. To Be Determined
4. Begin permitting. To Be Determined
5. Decide on project funding. To Be Determined
6. Initiate construction. To Be Determined

6. AQUATIC CENTER: DIRECTION.

HORIZON

2012 DISCUSSION

- 1. Define the scope**
- 2. Assess community needs**
- 3. Determine location**
- 4. Determine funding**

DIRECTION

1. Possible location is at Chaplin Park.
2. Project is on hold.

7. TIF DISTRICT EXTENSION.

MANAGEMENT TOP PRIORITY

2012 DIRECTION

- 1. Review the concept of TIF**
- 2. Complete an analysis: benefits and costs**
- 3. Decide on extension**

INFORMATION

1. Current TIF allocated for Coligny: \$5.8 million.
2. USCB need: \$12 million for project.
3. TIF Extension: \$30 million available for projects.
4. USCB needs to conduct fund raising.
5. Future funding for operations and maintenance needs to be determined.

DIRECTION

1. TIF is important to attracting USCB to Hilton Head Island.
2. The Mayor and Town Council agreed that USCB is an important priority for Hilton Head Island's future and the TIF extension is linked to USCB.
3. The Town should continue meetings with other governments to discuss the extension of the TIF. 7/13 and 8/13
4. Agreements on a TIF Extension with other governments should be completed by 10/13.

**8. COLIGNY AREA DEVELOPMENT TOWN PROJECTS.
PRIORITY**

POLICY TOP

2012 DIRECTION

- 1. Complete community input sessions and process with residents.**
- 2. Determine direction on Town projects**
- 3. Determine funding**

DIRECTION

1. Complete negotiations with consultant on an agreement to refine the plan.
2. Develop an activity outline: activities and time frame.

3. Continue meeting for soliciting input with property owners, POAs and the community.
4. Provide an opportunity for Mayor and Town Council input on the plan update.
5. Complete the updated plan.
6. Decide on the plan adoption.
7. The potential purchase of the "Old Sheriff's" building is on hold until the plan is completed.

9. CHAPLIN LINEAR PARK AND BOARDWALK. POLICY TOP PRIORITY

2012 DIRECTION

- 1. Approve detailed plan**
- 2. Determine direction on land acquisition**
- 3. Initiate permitting process**

INFORMATION

1. Project: \$2 million.
2. Tree house tower is more important than iconic bridge.

DIRECTION

1. Complete negotiation on agreement with consultant. 7/13
2. Develop an activity outline: activity and time frame.
3. Meet with the community.
4. Complete design. 11/13
5. Discuss at Annual Strategic Planning Retreat. 11/13

10. ECONOMIC DEVELOPMENT ORGANIZATION: CREATION AND OPERATIONS. POLICY TOP PRIORITY

2012 DIRECTION

- 1. Develop a charter**
- 2. Appoint the Board of Directors**
- 3. Determine operations**
- 4. Determine the Town's funding level**

DIRECTION

1. Appoint Board.
2. Continue as planned.

11. SHELTER COVE AREA REDEVELOPMENT PROJECT (private project). MANAGEMENT IN PROGRESS and SHELTER COVE AREA PUBLIC PROJECTS. MANAGEMENT TOP PRIORITY

INFORMATION

1. Kroger store is under construction and to be completed by Fall 2013.
2. Road is under construction.
3. The Town is addressing the potential issue of parking for 4th of July Celebration.
4. Potential future issue is reallocation of apartments which would require rezoning.

DIRECTION

1. The Town should continue to advocate for a 200-300 foot boardwalk 20 feet wide and oppose a 900 foot that is 10 feet wide with South Carolina DHEC.

12. SOUTH ISLAND MARINA DREDGING. MANAGEMENT IN PROGRESS

INFORMATION

1. Permit 6/13.
2. Bid Dredging is next step.

KEY ISSUES

1. Overall role of Town government.
2. Management system.
3. Funding mechanism (long term).
4. Agreement with Sea Pines community.

DIRECTION

1. The topic is to be addressed at the annual Strategic Planning Retreat.

13. LMO MODIFICATIONS. POLICY HIGH PRIORITY

2012 DIRECTION

- 1. Process: Chapter 1 and Chapter 2**
- 2. Site Development Standards**
- 3. Zoning Districts/Allowable Uses**
- 4. PUD: Transfer of Responsibility**
- 5. Allowable Uses**

INFORMATION

1. Committee is beginning to review zoning.
2. Committee process extremely open including audience participation.
3. No Committee update/status reports to Mayor and Town Council.
4. Committee is getting side tracked on other issues, such as historic preservation for Mitchelville.

DIRECTION

Overall: Committee needs to get back on track and complete their Charter.

1. Meeting with Chair: Mayor and Town Manager.
2. Review charter to the Committee.
3. Receive regular update reports from Committee and to Mayor and Council.
4. Develop an activity outline and time frame to get back on track.

14. EDUCATION STRATEGY. POLICY HIGH PRIORITY

2012 DIRECTION

- 1. Identify educational needs and critical issues**
- 2. Determine direction (overall)**
- 3. Define Town's role and responsibilities**
- 4. Participate "Know To" project**

BACKGROUND

1. Two elementary schools: Those with limited English proficiency: 34% and 41%;
Of these, 7.7 % graduate from high school.

DIRECTION

1. The topic will be discussed at the Annual Strategic Planning Retreat in 11/13.

15. ROWING AND SAILING CENTER/COMMUNITY PARK. MAJOR PROJECT

DIRECTION

1. The Mayor and Town Council agree that the Town should go ahead with the park for \$1 million as currently planned.
2. The cost of the dock is currently unknown.
3. The Mayor and Town Council also agree to come up with a name for the park.

**GOVERNANCE: MAYOR AND TOWN COUNCIL IN ACTION
TOWN OF HILTON HEAD ISLAND**

ACTION 1: COUNCIL WORK/STUDY SESSIONS

PROBLEM: Time for Mayor and Town Council to bring up and discuss new topics or initiatives, to discuss a major topic as a whole Council rather than as a subgroup in a Council committee, and to refine direction on a current project.

DIRECTION

1. The Mayor and Town Council agree to try Council Work/Study Session.
2. The Council directed the Town Manager in consultation with the Mayor to develop a recommendation for process and time.
3. The Work/Study Session will be informal and around a table.
4. An evaluation of the Work/Study Session will take place at the annual Strategic Planning Retreat in 11/13.

ACTION 2: COUNCIL COMMITTEES

PROBLEM: Committees may delay projects - land use; some topics need discussion by the entire Council.

DIRECTION

1. The Council Work/Study Sessions may reduce the need for some Committees.
2. The Mayor and Town Council agreed to evaluate and discuss Council Committees during the annual Strategic Planning Retreat in 11/13.

ACTION 3: COUNCIL REQUESTS TO TOWN STAFF

DIRECTION

1. If a Council member has a request for information or research on a topic, the Council member may contact the Town Manager, Assistant Town Manager or Department Heads and discuss their issue/topic, their expectations, time frame for response, and type of response.
2. Council members should avoid directing staff or asking questions of lower level staff.

ACTION 4: CONSULTANT SELECTION PROCESS

PROBLEM: Some Council members desire to have input on major projects into the RFQ/RFP and selection.

DIRECTION

1. The Mayor and Town Council agreed that the Town Manager should be responsible for the selection of consultants.
2. The Mayor and Town Council agreed that their role as the governing Board of Directors is to provide input on the development of an RFQ/RFP, on those as identified by Council to the Town Manager, focusing the desired outcomes and questions/issues to be addressed.
3. The Mayor and Town Council agreed to avoid rehashing policy discussion/ direction or micro managing the process.
4. The Town Manager will share with the Mayor and Town Council the RFQ/RFP, provide fact sheets on the selected consultant and updates during the project process.

MEMORANDUM

TO: Town Council
FROM: Staff Attorney

Via: Stephen G. Riley, ICMA-CM, Town Manager
Gregory D. DeLoach, Esquire, Assistant Town Manager

RE: Proposed Ordinance Number 2013-07, Prohibiting the composition, reviewing, or sending of electronic messages while operating a motor vehicle in the Town of Hilton Head Island

DATE: June 4, 2013

Recommendation: At its June 4, 2013 meeting, the Public Safety Committee voted unanimously to send the attached proposed Ordinance to Town Council for their consideration.

Staff has no recommendation pertaining to the attached proposed Ordinance. The Greater Island Council of Hilton Head Island and Bluffton has made a recommendation that Town Council consider passing an Ordinance prohibiting the composition, reviewing, or sending of electronic messages while operating a motor vehicle in the Town of Hilton Head Island, and recommended that it be modeled after House Bill 3121, which is currently pending before the South Carolina Legislature.

Staff has drafted the attached Proposed Ordinance Number 2013-07, adding Section 611 to Chapter 1 to Title 12 of the Municipal Code (Text Messaging While Operating a Motor Vehicle), as recommended by the Town Council Public Safety Committee. This ordinance is modeled, in part, after House Bill 3121.

Summary: This Ordinance prohibits the composition, reviewing, or sending of electronic messages while operating a motor vehicle in the Town of Hilton Head Island. This proposed Ordinance will not prohibit the use of a hands free device to compose, review, or send an electronic message while operating a motor vehicle. It will also not prohibit the use of handheld cell-phones for the making of telephone calls or navigation purposes.

Background: At a recent Town Council meeting, Council requested that the Town Manager review a Beaufort City text messaging and cellphone ordinance and have a general discussion on the matter at a Public Safety Committee meeting. At its May 6, 2013 meeting, the Public Safety Committee had a general discussion related to whether to ban text messaging while operating a motor vehicle in Hilton Head Island and recommended Town Council have a general discussion concerning an Ordinance to ban text messaging while driving.

On September 11, 2012 the Beaufort City Council passed an ordinance banning all drivers from texting while driving and drivers under age 18 from using a cellphone while behind the wheels of a motor vehicle within city limits. The ban does not apply to GPS and similar devices. To date, Beaufort is the only municipality in the county to pass such an ordinance.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

PROPOSED ORDINANCE NO.: 2013-07

ORDINANCE NO.: 2013-

AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND BY ADDING ARTICLE 6 SECTION 12-1-611 TO CHAPTER 1 OF TITLE 12, ESTABLISHING A REGULATION PROHIBITING THE USE OF A HANDHELD ELECTRONIC COMMUNICATION DEVICE FOR THE REVIEWING, DRAFTING, OR SENDING OF ELECTRONIC COMMUNICATIONS WHILE OPERATING A MOTOR VEHICLE IN THE TOWN OF HILTON HEAD ISLAND; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, studies have shown that drivers attempting to compose, send, or review electronic messages on handheld electronic communication devices while operating a motor vehicle pose a special danger to themselves, other vehicles, bicycles, and pedestrians on the roadway; and

WHEREAS, Town Council finds that it is in the best interests of the vehicle operators and other vehicles to prohibit the use of handheld electronic communication devices to compose, send, or review electronic messages while operating a motor vehicle within the Town; and

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

WHEREAS, Town Council now desires to prohibit the use of handheld electronic communication devices to compose, send, or review electronic messages while operating a motor vehicle within the Town in the manner provided for in this ordinance.

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

NOTE: Underlined and bold-face typed portions indicate additions to the Municipal Code. ~~Stricken~~ portions indicate deletions to the Municipal Code.

That Chapter 1 of Title 12 of the Municipal Code of the Town of Hilton Head Island, South Carolina, is hereby amended by adding Article 6 Section 12-1-611:

Article 6. TEXT MESSAGING

“Section 12-1-611. Electronic Communications While Operating a Motor Vehicle.

(a) **Definitions:**

“Electronic communications device” means an electronic device used for the purpose of composing, reading, or sending an electronic message, but does not include a global positioning system or navigation system or a device that is physically or electronically integrated into the motor vehicle.

“Electronic message” means a self-contained piece of digital communication that is designed or intended to be transmitted between physical devices. “Electronic message” includes, but is not limited to, electronic mail, a text message, an instant message, or a command or request to access an internet site.

- (b) **It shall be unlawful for a person to use an electronic communication device to compose, read, or send an electronic message while operating a motor vehicle on the streets and roads within the Town.**
- (c) **Exceptions. This section shall not apply to a person operating a motor vehicle while:**
- (1) off the traveled portion of a roadway;**
 - (2) using an electronic communication device in a hands free, voice-activated, or voice-operated mode that allows the driver to review, prepare and transmit an electronic message without the use of either hand except to activate, deactivate, or initiate a feature or function;**
 - (3) summoning medical or other emergency assistance; or**
 - (4) using a citizens band radio, commercial two-way radio communication device, in-vehicle security, or amateur or ham radio device.**
- (d) **Penalty. A person who violates this section is guilty of misdemeanor distracted driving and, upon conviction, shall be fined one hundred dollars for a first offense, two hundred dollars for a second offense, and three hundred dollars for a third or subsequent offense. This fine is subject to all applicable court costs, assessments, and surcharges.**

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

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

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS _____ DAY OF _____, 2013

**By: _____
Drew A. Laughlin, Mayor**

ATTEST:

**By: _____
Esther Coulson, Town Clerk**

**First Reading: _____
Second Reading: _____**

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

MEMORANDUM

TO: Town Council

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

RE: Hilton Head Island Senior Center Lease

DATE: June 11, 2013

CC: Gregory D. DeLoach, Esq., Assistant Town Manager for Administration
Scott Liggett, Director Public Projects & Facilities
Brian E. Hulbert, Esq., Staff Attorney

Recommendation: Staff requests that Town Council approve the Proposed Ordinance Number 2013- 09, authorizing the execution of a lease with the Island Recreation Association, Inc.

Summary: This Ordinance would authorize the Mayor and the Town Manager to execute a lease with the Island Recreation Association, Inc., for Town property which is located at Suite L of 58 Shelter Cove Lane. The lease would be for a term of 5 years. The property would be used as the Hilton Head Island Senior Center.

Background: The Town currently has a Memorandum of Agreement in place with the Island Recreation Association, Inc., however they have a need for additional space to house the Hilton Head Island Senior Center. The Town acquired this property in 2012.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2013-09

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF A LEASE WITH THE ISLAND RECREATION ASSOCIATION, INC. FOR PROPERTY OWNED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. SEC. 5-7-40 (SUPP. 2012), AND SEC. 2-7-20, CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town of Hilton Head Island, South Carolina, owns a parcel of real property which is more particularly and known as described as Suite L, 58 Shelter Cove Lane, Hilton Head Island, South Carolina; and

WHEREAS, the Island Recreation Association, Inc., desires to use and occupy the Town Property located at Suite L, 58 Shelter Cove lane for purposes of a Senior Center; and

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina has determined that it is in the best interests of the Town to enter into a Lease Agreement with the Island Recreation Association, Inc., for its use and occupation of Town Property located at Suite L, 58 Shelter Cove Lane.

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

Section 1 Execution of Lease.

- (a) The Mayor and Town Manager are hereby authorized to execute and deliver the "Lease" which is attached hereto as Exhibit "A"; and
- (b) The Mayor and Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the execution of the Lease as authorized hereby.

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 no affect the validity of the remaining portions thereof.

Section 3 Effective Date. This Ordinance shall be effective upon adoption thereof by the Town Council for 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 _____, 2013**

**By: _____
Drew A. Laughlin, Mayor**

ATTEST:

**By: _____
Esther Coulson, Town Clerk**

**First Reading: _____
Second Reading: _____**

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

EXHIBIT "A"

LEASE OF SUITE L OF
58 SHELTER COVE LANE

BY AND BETWEEN

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA,

AND

THE ISLAND RECREATION ASSOCIATION, INC.,
A SOUTH CAROLINA NON-PROFIT CORPORATION

DATED THIS _____ DAY OF JULY, 2013

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under this Lease shall become one from month to month, terminable by either party on thirty (30) days' prior written notice. Such tenancy shall be subject to all other conditions, provisions and obligations of this Lease.

3. RENT:

The following Rent schedule is based on an annual Rent rate of One and 00/100 (\$1.00) Dollar. The Rent shall be payable in equal yearly payments, in advance, beginning on the Commencement Date, and thereafter, on the first (1st) day of every year throughout the entire Lease Term.

4. USE AND COMPLIANCE:

(a) PERMITTED USE: The Lessee shall continuously occupy and use the Leased Premises as the Hilton Head Island Senior Center (herein, the "Permitted Use"), to include all normal daily operations of the Hilton Head Island Senior Center, unless the written consent of the Town is first obtained for any other use. The Leased Premises shall not be used for any use other than the Permitted Use, or which is disreputable, creates extraordinary fire hazards, results in an increased rate of insurance on the Building, or the contents therein, or for the storage of any Hazardous Materials as defined herein (other than those which might be used in the ordinary course of the Lessee's Permitted Use, and then only in compliance with all applicable laws related thereto).

(b) COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS: The Lessee shall comply with all applicable statutes, ordinances, rules, covenants, restrictions, and regulations relating to the use, condition, access to, and occupancy of the Leased Premises and shall maintain the Leased Premises free of trash, litter, and debris, and in a clean and sightly condition.

5. THE LESSEE'S DUTY TO MAINTAIN AND REPAIR:

(a) REPAIRS TO LEASED PREMISES: Except for repairs to be performed by the Lessor, the Lessee shall keep and maintain the Leased Premises in good order, condition, and repair (including any replacement and restoration as is required for that purpose), and every part thereof and any and all appurtenances thereto wherever located, including, without limitation: the foundation, exterior walls, and roof of the building in which the Leased Premises are located, and the structural portions of the Leased Premises; the exterior and interior portion of all doors and plate glass; all plumbing and sewage facilities with the Leased Premises, including the free flow of and to the main sewer line; fixtures; heating and air-conditioning and electrical systems premises serving the Leased Premises exclusively; sprinkler systems; wall, floor, and ceilings applicable to the Leased Premises; and all installations made by the Lessee under the terms of this Lease and any Exhibits thereto, as herein provided. The Lessee shall not make any alteration of, or addition or improvement to, the Leased Premises without securing the Lessor's prior written consent. Any and all roof penetrations must first be approved by and coordinated through the Lessor, in order not to void any warranties on the roof coverings. The Lessee shall save the Lessor harmless on account of claims for mechanics or materialmen's liens, or any other lien, in connection with any work performed by the Lessee, and any such liens shall exist only against the Lessee's leasehold interest and shall be discharged, by bond or otherwise, within thirty (30) days of filing and service of thereof. The Lessee shall keep and maintain the Leased Premises in accordance with all directions, rules, and regulations of the proper officials of any government or other agency having jurisdiction over the

Building, at the sole cost and expense of the Lessee, and the Lessee shall comply with all requirements of law, statute, ordinance, covenants, restrictions or otherwise, governing the use of the Leased Premises and all appurtenances thereto. The Lessee shall maintain the heating and air-conditioning systems for the Leased Premises and shall pay for all repairs that do not exceed five hundred dollars (\$500.00) per occurrence. Any repairs, on any single occurrence, over five hundred dollars (\$500.00) shall be paid by the Lessor (less five hundred dollars (\$500.00) from the Lessee), unless the cause of the repair or replacement is due to Lessee's action(s) or omission(s), which would then cause the Lessee to be liable for the total cost of the repair or replacement. The Lessor shall have the right, but not the obligation, to enter the Leased Premises to repair, replace, maintain or restore, at Lessee's expense, any items which the Lessee is responsible for maintaining, repairing, restoring, or replacing under this Article 6 and for which Lessee has failed to perform hereunder. The Lessee shall reimburse the Lessor within thirty (30) days from the written demand by the Lessor for any cost or expense plus an administrative fee not to exceed eighteen (18%) percent of such cost of expense.

(b) LESSOR NOT LIABLE: The Lessor shall not be liable for any loss or damage to the Lessee's personal property, equipment, fixtures, and improvements to the Leased Premises.

6. LESSOR REPRESENTATIONS:

(a) ZONING: The Lessor hereby warrants and represents that the Leased Premises are properly zoned for the Lessee's Permitted Use(s) and that the Lessee's Permitted Use(s) thereof is permitted upon the Leased Premises.

(b) QUIET ENJOYMENT: The Lessor warrants and covenants that, if Lessee shall perform all of the covenants and agreements as stipulated in this Lease to be performed on the part of the Lessee, the Lessee at all times during the Lease Term shall have exclusive, peaceable, and quiet enjoyment and possession of the Leased Premises without any manner of hindrance from anyone claiming by, through, or under the Lessor.

7. SURRENDER OF LEASED PREMISES:

On or before the Expiration Date, or upon earlier termination of its interest in the Leased Premises as provided herein, the Lessee shall peaceably surrender possession of the Leased Premises to the Lessor with all improvements located therein, in good repair and in the same condition in which delivered to the Lessee, ordinary wear and tear excepted, and the Lessee shall deliver to the Lessor all keys to the Leased Premises. Regardless of the foregoing, at any time prior to the expiration of the Lease Term, the Lessee may, at its cost and expense, remove in a careful manner any unattached trade fixtures, furniture, and personal property placed within the Leased Premises by the Lessee during the Lease Term, and prior to such expiration shall repair any damage caused to the Leased Premises by such removal. All items not so removed shall, at the Lessor's option, be deemed to have been abandoned by the Lessee and may be destroyed or otherwise disposed of by the Lessor without notice to the Lessee, and without any obligation to account for such items, or liability to the Lessee therefore. The provisions of this Article of the Lease shall survive the expiration or termination of this Lease.

8. LESSOR'S RIGHT OF ENTRY:

The Lessor or its employees/agents may enter the Leased Premises at any mutually agreeable time for the purpose of inspecting or maintaining the Leased Premises. In the event of an emergency, however, the Lessor or its employees/agents may enter the Leased Premises without consent or agreement of the Lessee. Keys for this purpose must be held by the Lessor or its employees/agents. In the event that the Lessee desires to change or alter any locks to the Leased Premises, the Lessee will notify the Lessor of the Lessee's request, and the Lessor or the Lessor's employee(s)/agent(s) will have the locks changed or altered at the Lessee's expense.

9. UTILITIES:

(a) UTILITY CONNECTIONS: The Lessor shall at all times cause or make available to the Building for the use of the Lessee, connections for adequate water, electric, gas, telephone, and sewage.

(b) ARRANGEMENT AND PAYMENT FOR UTILITIES: The Lessee shall arrange for the provision of all utilities to be furnished to the Leased Premises during the term of the Lease. The Lessee shall pay for its own telephone, internet, janitorial, cable TV, water, sewage, garbage disposal, electricity services, and any other utility services for the Leased Premises. The Lessor shall have no obligation to provide or pay for any utility service in connection with the Leased Premises.

10. SIGNS:

The Lessee shall not erect any signs or advertisements on any exterior door, wall, or window of the Leased Premises, Building, or the "On Premises" sign located near U.S. Highway 278 without the prior written consent of the Lessor. If the Lessor approves any such signage, all related costs for the installation and fabrication for the signage shall be the sole financial responsibility of the Lessee. The Lessee agrees to maintain such signs as approved by the Lessor in good condition and repair. Any such sign shall otherwise comply all requirements of any law, statute, ordinance, covenants, restrictions, or otherwise, governing the use of the Leased Premises.

11. CONTROL OF THE LEASED PREMISES:

(a) THE LESSEE'S EXCLUSIVE CONTROL: The Lessee warrants and represents that during any Term of this Lease, the daily operations, use, and occupancy of the Leased Premises shall be under the sole and exclusive control of the Lessee.

(b) SURVIVAL: The warranties and representations set forth in this Article shall survive the expiration, cancellation, or termination of this Lease.

12. DAMAGE OR DESTRUCTION OF THE LEASED PREMISES:

(a) DESTRUCTION OF LEASED PREMISES: In the event that the Leased Premises are destroyed, or that damage to the Leased Premises is so extensive that restoration or repairs cannot be accomplished within ninety (90) days, as certified by the opinion of the Building Official of the Town of Hilton Head Island, South Carolina, then the Lessee or the Lessor may terminate this Lease by giving the

other written notice before any restoration or repair is commenced, and in that event, any applicable insurance proceeds shall be paid to the Lessor.

(b) **DAMAGE TO THE LEASED PREMISES:** In the event of an insured loss and subject to the termination provisions set forth herein, the Lessor shall repair or restore the Building to as good a condition as existed before such damage occurred, to the extent of any available insurance proceeds. Should the Lessor provide the Lessee with the opinion of an experienced insurance adjuster that such insurance proceeds will not be sufficient to pay for such repairs or restoration, then the Lessor or the Lessee may terminate this Lease by written notice, in which event all insurance proceeds will be paid to the Lessor.

13. **EMINENT DOMAIN:**

(a) **TERMINATION OF LEASE:** If any portion of the Leased Premises is taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase under threat or initiation of exercise of the right of eminent domain, this Lease shall terminate upon the election of either Party, effective on the date possession of the Leased Premises, or any portion thereof, is taken by the condemning authority or private purchaser as aforesaid. In the case of such partial condemnation and an election by the Parties hereto not to terminate this Lease, then the Rent payable hereunder shall, during the unexpired portion of the Lease, be pro-rated, based upon percentage of square feet of the Leased Premises so taken, of the whole of the Leased Premises stated in this Lease. The Lessor shall promptly provide the Lessee a copy of any and all notices from any such condemning authority, or private purchaser as mentioned above, respecting any requirements that the Lessor surrendered its right to all or any portion of the Leased Premises pursuant to this Article.

(b) **NOTICE OF ELECTION:** Any notice of election by the Lessee to terminate this Lease as provided in this Article shall be given by the Lessee to the Lessor within thirty (30) days after written notice by the Lessor to the Lessee as provided in this Article, or within thirty (30) days after receipt by Lessee of actual knowledge of any requirement that the Lessor surrendered its right to possession to all or any part of the Leased Premises, whichever shall first occur. In the event this Lease is not terminated pursuant to this Article, after taking of a portion of the Leased Premises, the Lessor shall make such reasonable repairs or alterations as may be necessary to make the structure of the Leased Premises and architectural whole, and this Lease shall thereafter be in full force and effect, as provided herein.

(c) **CONDEMNATION:** Any payment or award from the condemning authority shall be the property of the Lessor.

14. **SUBLETTING PROHIBITED:**

Lessee shall not sublet all or any portion of the Leased Premises, or assign or otherwise transfer any of its rights under this Lease, in whole or in part, to any third party without the prior written consent of the Lessor. Any and all documents utilized by the Lessee to evidence any subletting or assignment to which the Lessor has consented shall be subject to prior written approval by the Lessor and its counsel.

15. DEFAULT OF LESSEE:

Occurrence of any of the following shall constitute a Default under the terms of this Lease:

(a) FAILURE TO PAY RENT FOR MONEY DUE: If the Lessee shall fail to pay any payment of Rent, or any other sum of money due and payable under this Lease, whether to the Lessor or otherwise, when due and payable, and such failure shall continue for a period of ten (10) days from the due date thereof;

(b) VIOLATION OF LEASE: If the Lessee shall violate any term of this Lease, or fail to perform any term, condition, covenant, obligation, or agreement to be performed or observed by the Lessee under this Lease, and such failure shall continue for a period of thirty (30) days after the delivery of written notice thereof;

(c) ABANDONMENT OF LEASED PREMISES: If the Lessee shall desert, vacate, or not regularly use the Leased Premises for a period of thirty (30) days or more, even though the Lessee continues to timely pay all Rent Payments when due;

(d) DISSOLUTION: The dissolution of the Lessee for any reason; or

(e) WARRANTIES AND REPRESENTATIONS: Any of the representations or warranties of Lessee as set forth in this Lease are or become untrue or incorrect in any material respect during the term of this Lease.

16. DEFAULT OF THE LESSOR:

Occurrence of any of the following shall constitute a Default under the terms of this Lease:

(a) If the Lessor should fail to perform or observe any of the conditions or terms of this Lease, and such failure to perform or observe shall continue for a period of thirty (30) days after written notice to the Lessor by the Lessee of such.

17. RIGHTS OF THE PARTIES ON DEFAULT:

(a) ALL REMEDIES PRESERVED: Upon Default of the other Party, the Lessor or the Lessee, as the case may be, shall be entitled to pursue any remedy at law or in equity available to it.

(b) ATTORNEY'S FEES AND COSTS: If any legal action or other proceeding is brought for the enforcement of this Lease, or because of a dispute, breach, default, or misrepresentation in connection with all or any of the provisions of this Lease, the successful or prevailing party shall be entitled to recover its reasonable attorney's fees and any costs incurred as a result of any such legal action or other proceeding, whether incurred before the institution of a suit or after the commencement of suit, including appellate proceedings, in addition to any other relief to which prevailing party may be entitled.

18. INTERPRETATION:

The Lessee acknowledges that the Lessee has reviewed and agreed to all the terms and provisions of this Lease and that the Lessee has had a full opportunity to consult with an attorney of the Lessee's choosing concerning the legal consequences of entering into this Lease with the Lessor. As a result of the

foregoing, it is the intent of the Parties hereto that this Lease shall not be construed or interpreted against either Party in any dispute concerning any term or provision of this Lease.

19. NO WAIVER:

The Lessor's acceptance of any payment of Rent following any Default by the Lessee shall not waive the Lessor's rights regarding such a Default. No waiver by the Lessor of any violation or breach of any of the terms contained in this Lease shall waive the Lessor's rights regarding any future violation of such term, or any violation of any other term contained within this Lease. The Lessor's acceptance of any partial payment of Rent shall not waive the Lessor's rights with regard to the remaining portion of the Rent regardless of any endorsement or other statement on any instrument delivered in payment of Rent, or any writing delivered to the Town in connection therewith. Accordingly, the Lessor's acceptance of any partial payment as required by this Lease shall not constitute an accord and satisfaction with respect to the full amount of any such payment.

20. MECHANIC'S LIENS OR OTHER LIENS:

The Lessee shall have no power to subject the Leased Premises or the Lessor's interest in the Leased Premises to any mechanic's lien or any other lien. If any mechanic's lien or other lien or order for the payment of money shall be filed against the Leased Premises by reason of, or arising out of, any labor or material furnished or alleged to have been furnished or to be furnished to or on behalf of the Lessee at the Leased Premises, or for or by reason of any change, alteration, or addition or the cost or expense thereof or any contract relating thereto, the Lessee shall cause the same to be discharged of record against the Leased Premises by bond or otherwise as allowed by law at the sole expense of the Lessee, within thirty (30) days after written demand therefore by the Lessor, and shall also defend on behalf of the Lessor at the Lessee's sole cost and expense, any action, suit, or proceeding that may be brought thereon or for the enforcement of any such lien or order, and the Lessee shall save the Lessor harmless from any judgment, claim, or damage resulting therefrom.

21. ESTOPPEL CERTIFICATES:

The Lessee agrees that at any time and from time to time upon not less than ten (10) days prior written request by the Lessor, to execute, acknowledge, and deliver to the Lessor a statement in writing certifying that this Lease is unmodified and is in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating modifications), and the dates to which the Rent and other charges have been paid in advance, if any, it being intended that any such statement delivered pursuant to this Article may be relied on by any prospective purchaser or purchasers of the Lessor's interest in the Building or the Leased Premises.

22. WAIVER OF JURY TRIAL:

TO THE EXTENT PERMITTED BY LAW, THE LESSOR AND THE LESSEE EACH AGREE TO WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING IN CONNECTION WITH THIS LEASE, OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF OR WITH RESPECT TO THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO.

23. HAZARDOUS MATERIALS:

(a) HAZARDOUS MATERIALS PROHIBITED: The Lessee shall not cause or permit any hazardous materials to be brought upon, kept, or used in or about the Leased Premises (other than in the ordinary course of the Lessee's Permitted Use, and then only in compliance with any and all applicable laws) without the prior written consent of the Lessor, which consent may be withheld by the Lessor for any reason. "Hazardous Materials" shall mean any substance, material, or waste which is now or hereafter classified and/or considered to be hazardous, toxic, or dangerous, under any law or regulation relating to pollution or the protection or regulation of human health, natural resources, or the environment, or which opposes or threatens to pose a hazard to the health or safety of any person on or about the Leased Premises or the Building.

(b) LESSOR'S RIGHTS: If the Lessee breaches its obligations under this Article, the Lessor may, but is not obligated to, immediately take, at the Lessee's expense, any and all actions reasonably appropriate to remedy the same, including taking any appropriate actions to clean up or remediate any contamination resulting from the Lessee's use, generation, storage, or disposal of any Hazardous Materials.

(c) INDEMNIFICATION: The Lessee shall indemnify the Lessor and pay the cost of any cleanup or remediation and shall defend the Lessor, and hold the Lessor harmless from any claims, judgments, damages, penalties, fines, or losses which arise during or after the Term of this Lease from or in connection with the presence or suspected presence of any Hazardous Materials in, on, or under the Leased Premises, or within the Building, which Hazardous Materials were brought upon, kept, or used in or about the Leased Premises or the Building, by the Lessee. This indemnity provision shall survive the termination or expiration of this Lease.

(d) SURVIVAL: The obligations of the Lessee as set forth in this Article shall survive the expiration, cancellation, or termination of this Lease.

24. MISCELLANEOUS:

(a) BINDING EFFECT: This Lease shall inure to the benefit of and shall be binding upon the Lessor and Lessee and their respective successors and assigns, if any are permitted hereunder.

(b) ENTIRE AGREEMENT/AMENDMENT AND MODIFICATIONS: This Lease supersedes all prior discussions and agreements between the Parties with respect to the Leased Premises and all other matters contained herein, and constitutes the sole and entire agreement and understanding between the Lessor and Lessee with respect to the Lease of the Leased Premises. This Lease shall not be modified or amended except by an instrument in writing signed by the Lessor and the Lessee.

(c) SEVERABILITY: In the event that any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

(d) EXECUTION IN COUNTERPARTS: This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

(e) **APPLICABLE LAW:** This Lease shall be governed by and construed in accordance with the laws of the State of South Carolina.

(f) **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 Articles of this Lease.

(g) **RECORDING PROHIBITED:** The Parties hereto may not record this Lease in the Office of the Register of Deed for Beaufort County, South Carolina.

(h) **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.

(i) **NO THIRD PARTY BENEFICIARIES:** The Parties hereto affirmatively represent that this Lease 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.

(j) **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 Lessor: THE TOWN OF HILTON HEAD ISLAND
Stephen G. Riley, Town Manager
One Town Center Court
Hilton Head Island, SC 29928

With Copy to: Gregory M. Alford, Esq.
ALFORD LAW FIRM, LLC
Post Office Drawer 8008
Hilton Head Island, SC 29938-8008

To the Lessee: ISLAND RECREATION ASSOCIATION, INC.
Frank Soule, Executive Director
P.O. Box 22593
Hilton Head Island, SC 29925

(k) **SURVIVAL:** The obligations of the Lessee as set forth in this Lease shall survive the expiration, cancellation, or termination of this Lease, whether or not expressly stated with respect to any specific obligation.

(l) **FURTHER ASSURANCES AND CORRECTIVE DOCUMENTS:** The Lessor and Lessee 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 Lease and give effect hereto. The Lessor and Lessee agree that each shall, upon request, execute and deliver such other or corrective documents as may be reasonably determined to be necessary, either before or after the execution, cancellation, or termination of this Lease.

IN WITNESS WHEREOF, The Town of Hilton Head Island, South Carolina and Island Recreation Association, Inc. have, or have caused their duly authorized officers and representatives to, execute this Lease as of the date and year first above written.

WITNESSES:

**THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA**

By: _____
Drew A. Laughlin Mayor

Attest: _____
Stephen G. Riley, Town Manager

ISLAND RECREATION ASSOCIATION, INC.

By: _____

Its: _____