



The Town of Hilton Head Island

Regular Town Council Meeting

April 19, 2016

4:00 P.M.

BENJAMIN M. RACUSIN COUNCIL CHAMBERS

AGENDA - REVISED

**As a Courtesy to Others Please Turn Off/Silence 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 distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 5) Proclamations and Commendations**
 - a. Building Safety Month
- 6) Approval of Minutes**
 - a. Town Council Meeting, April 5, 2016
- 7) Report of the Town Manager**
 - a. Operation R & R Presentation
 - b. USCB Quarterly Update
 - c. Town Manager's Items of Interest
 - (1) Town News
 - (2) Noteworthy Events
- 8) Reports from Members of Council**
 - a. General Reports from Council
 - b. Report of the Intergovernmental Relations Committee – Bill Harkins, Chairman
 - c. Report of the Community Services Committee – Kim Likins, Chairman
 - d. Report of the Public Planning Committee – Tom Lennox, Chairman
 - e. Report of the Public Facilities Committee – Lee Edwards, Chairman
 - f. Report of the Public Safety Committee - Marc Grant, Chairman
 - g. Report of the Finance and Administrative Committee - John McCann, Chairman
 - h. Report of the Circle to Circle Committee - Tom Lennox, Town Council Liaison

9) Unfinished Business

a. Second Reading of Proposed Ordinance 2016-06

Second Reading of Proposed Ordinance 2016-06 to amend Chapter 3 (Municipal Council) of Title 2 (General Government and Administration) of the Municipal Code of the Town of Hilton Head Island, South Carolina by amending Section 2-3-60 Compensation and Expenses; and provide for severability and an effective date.

b. Second Reading of Proposed Ordinance 2016-07

Second Reading of Proposed Ordinance 2016-07 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2016; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

c. Possible amendments to the list of projects submitted by the Town for consideration by the Beaufort County Capital Projects Sales Tax Commission

10) New Business

a. Consideration of a Recommendation – HHICAN

Consideration of a Recommendation of the Arts & Cultural Strategic Planning Committee (ACSPC) recommends that Town Council create a Hilton Head Island Cultural & Arts Network (HHICAN) using the same model as the recently created Hilton Head Island Economic Development Corporation.

b. Consideration of a Recommendation – Out-of-Cycle ATAC grants

Consideration of a Recommendation of the Accommodations Tax Advisory Committee regarding Out-of-Cycle ATAX grants.

c. Consideration of a Recommendation – Arts Center

Consideration of a Recommendation that Town Council authorize the Town Manager, in cooperation with the Arts Center of Coastal Carolina (Center), to undertake the necessary procurement of a facilities condition report of the Center.

d. Consideration of a Recommendation – BCSO Performance Review

Consideration of a Recommendation of the Finance and Administrative Committee that Town Council approve the issuance of a Request for Proposals for a performance review of the contract with the Beaufort County Sheriff's Office for police services.

e. Consideration of Recommendation – HHIEDC

Consideration of a Recommendation from the Hilton Head Island Economic Development Corporation to conduct a site analysis of Town-owned tract on Summit Drive for potential use as a commerce.

f. Consideration of a Recommendation – Lockout Units

Consideration of a Recommendation of the Public Safety Committee to Retain the Law Firm of Robinson McFadden as Outside Legal Counsel for the Purpose of Providing a Legal Opinion Related to the Issues Surrounding the use of Lock-out Units in the Town.

11) Appearance by Citizens

12) Adjournment

Proclamation

BY
THE TOWN OF HILTON HEAD ISLAND

WHEREAS, our Town's continuing efforts to address the critical issues of safety, energy efficiency and resilience in the built environment that affect our citizens, both in everyday life and in times of natural disaster, give us confidence that our structures are safe and sound; and

WHEREAS, our confidence is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, laborers and others in the construction industry—who work year-round to ensure the safe construction of buildings; and

WHEREAS, the dedicated members of the International Code Council create and implement the highest quality codes to protect Americans in the buildings where we live, learn, work, worship, and play, including safeguards to protect the public from natural disasters; and

WHEREAS, "Resilient Communities Start with Building Codes" the theme for Building Safety Month 2016, encourages all Americans to raise awareness of the importance of building safe and resilient construction; fire prevention; disaster mitigation, water safety and conservation; energy efficiency and new technologies in the construction industry. Building Safety Month 2016 encourages appropriate steps everyone can take to ensure that the places where we live, learn, work, worship and play are safe and sustainable, and recognizes that countless lives have been saved due to the implementation of safety codes by local and state agencies, and,

WHEREAS, in observance of Building Safety Month, Americans are asked to consider projects to improve building safety and sustainability at home and in the community, and to acknowledge the essential service provided by local and state building departments and federal agencies in protecting lives and property.

NOW, THEREFORE, I, David Bennett, Mayor of the Town of Hilton Head Island, do hereby proclaim the month of May 2016 as

BUILDING SAFETY MONTH

And I encourage our citizens to join with their communities in participation in Building Safety Month activities.

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

Mayor
Attest:

Victoria L. Pfannenschmidt, Town Clerk

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, April 5, 2016

Time: 4:00 P.M.

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

Absent from Town Council: Marc Grant, *Council Member*

Present from Town Staff: Steve Riley, Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects & Facilities/Chief Engineer*; Darrin Shoemaker, *Traffic & Transportation Engineer*; Brad Tadlock, *Fire Chief*; Brian Hulbert, *Staff Attorney*; Susan Simmons, *Director of Finance*; John Troyer, *Deputy Finance Director*; Shawn Colin, *Deputy Director of Community Development*; Melissa Cope, *Systems Analyst*; Erica Madhere, *Finance Administrator*; Lynn Buchman, *Senior Administrative Assistant*; Numerous staff members of Hilton Head Island Fire Rescue

Present from Media: Rebecca Lurye, *Island Packet*; WJCL –TV Reporter

1) CALL TO ORDER

Mayor Bennett 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 distributed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

5) Proclamations and Commendations

a. Child Abuse and Sexual Assault Awareness Month

Christine Smith, Director of Prevention & Outreach and Dave Ames, Board Member of Hope Haven of the Lowcountry were present to accept the proclamation.

b. National Public Safety Telecommunications Week

Deborah Pinson, Communications Supervisor of Hilton Head Island Fire Rescue was present to accept the proclamation.

c. Beaufort County School District Character Education Students of the Month

- Hilton Head Island International Baccalaureate Elementary School

Carlos Hernandez 5th grade

Jill McAden, Principal of Hilton Head Island International Baccalaureate Elementary School was present to recognize Carlos Hernandez and accepted the award on his behalf.

- Hilton Head Island High School

Samantha Mendoza 11th grade

Amanda O’Nan, Principal of Hilton Head Island High School was present to recognize Samantha Mendoza. Samantha was present to accept her award.

6) Approval of Minutes

a. Town Council Meeting, March 15, 2016

Mr. Harkins moved to approve. Mr. McCann seconded. The minutes of the March 15, 2016 regular Town Council meeting were approved by a vote of 6-0.

7) Report of the Town Manager

a. Hilton Head Island Economic Development Corporation Quarterly Update

Executive Director Don Kirkman provided Council with the quarterly update.

b. Tax Increment Financing Annual Report

Susan Simmons reviewed the report included in the packet. She noted the report will be sent on to all TIF partners and expressed appreciation for their participation. She explained it is a transitional period noting the TIF extension began in FY16 and explained the agreement details. She added that planning is continuing on the USCB and Coligny areas and that estimated costs continue to rise. She stated that in the near future staff will rebalance the costs for the budget process to determine which costs can be covered by the TIF extension and whether other revenue sources will be required.

c. Town Manager's Items of Interest

Mr. Riley reported on the items of interest listed below.

(1) Town News

(2) Noteworthy Events

Mr. McCann inquired as to the status of road maintenance. Mr. Riley explained that staff is working on a road maintenance program for existing roads and a funding source which will be discussed during the budget process. Mr. McCann asked if it would include roads that need sewers. Mr. Riley explained there is a separate dirt road acquisition program and some of those roads tied to the sewer program were included in the Capital Project Sales Tax application and said that the Town does not have a funding source sufficient to handle the dirt road program at this time.

Mr. McCann inquired about televising additional committee meetings. Mr. DeLoach explained the need to know which committees and the dates of the meetings to provide to Beaufort County so they can assess their availability to do so. After discussion, Mayor Bennett asked the Committee Chairs to give him their input as to the need for broadcasting. He added that he would add his own thoughts. Mayor Bennett stated the need to broadcast meetings that are of importance to the community at this time. Mr. DeLoach noted the need for Beaufort County to have the meeting dates well in advance for scheduling purposes. Mayor Bennett inquired as to the capability of live-streaming meetings on our website. Mr. DeLoach stated he would look into it and get back with Council regarding available options.

Mayor Bennett referenced an email from Council Member Grant with photos of Mustang Lane off of Wildhorse Road denoting drainage issues making it impassable. He voiced concern for emergency vehicle access in the future. He stated that during the budget process he would like to address these issues and also asked Mr. Riley to let Council know at that time if additional personnel would be needed and the costs.

8) Reports from Members of Council

a. General Reports from Council

Mr. McCann asked the Mayor for a status update regarding the Capital Project Sales Tax Commission. Mayor Bennett recapped the meetings with the Commission regarding the Arts and Cultural Venue noting his disappointment in the process and said he does not feel the Chairman of the Committee intends to advance the project. He said he would welcome Council's feedback on the events and a suggested path forward.

Mr. Lennox requested that the proposed and contemplated purchase of the Arts Center of Coastal Carolina be placed on the April 19 Town Council agenda. He explained he would like the community to hear the proposal and weigh in. Mayor Bennett noted that at the November Council Workshop it was agreed that Council would seek an engineering study on the overall condition of the facility and that it has not been initiated or prepared at this point. Mr. McCann asked Mr. Riley what the study would cost. Mr. Riley stated that at this time he did not know but he could get an estimate of the cost. Mr. Harkins and Mrs. Likins voiced concern of the timing. Mrs. Likins noted the Venue Committee is being formed and an evaluation of the existing Arts Center is included in the scope of work for the Committee. Mr. Edwards agreed with Mrs. Likins but stated he supported placing the issue on the April 19 Town Council agenda for public input. Mr. McCann requested that Council ask the Town Manager to look into funding the Arts Center needs for repair to the lighting system in the amount of \$500,000 outside of the ATAX funds. Mr. Lennox stated he felt with the item on the agenda it would benefit the Venue Committee because of public input. After further discussion Mayor Bennett requested a vote of Council on adding the proposed purchase of the Arts Center on the April 19 Town Council agenda. The results were 2-4. (Mayor Bennett, Mr. Harkins, Mrs. Likins and Mr. McCann were opposed.)

After discussion regarding the lighting concerns at the Arts Center, Mr. McCann moved to ask the Town Manager to look into funding the Arts Center needs for repair to the lighting system in the amount of \$500,000 outside of the ATAX funds. Mr. Harkins seconded. Mrs. Likins stated the need for independent verification for the immediate need of the funds. Mr. Edwards emphasized the seriousness of the problem noting if the lighting system goes down the Center will close. He noted the value of the building and stated he feels Town Council should purchase the building. Mrs. Likins reiterated her need for some form of validation of the \$500,000 cost before considering. Mayor Bennett asked Mr. Riley to determine if there are funds available outside of the ATAX funds that could be used to help in the short term and if he could work with the Art Center to obtain the authentication that Mrs. Likins is asking for. Mr. Riley stated he would get the options on funding and will try to see what can be developed for the authentication request. Mr. McCann amended his motion to place on the April 19 Town Council agenda that the Town Manager to look into funding the Arts Center needs for repair to the lighting system in the amount of \$500,000 outside of the ATAX funds providing the Town Manager can provide all the information that is needed to have a discussion at that meeting. Mr. Harkins seconded with the understanding that if it could not be on the April 19 meeting than it should be on the May 3 meeting agenda. The amended motion was unanimously approved by a vote of 6-0.

b. Report of the Intergovernmental Relations Committee – Bill Harkins, Chairman

No report.

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

Mrs. Likins stated the Committee has completed interviews for the Venue Committee and they will be brought forward to Council during Executive Session. She commented on the great slate of candidates and expressed her appreciation to all who came forward and applied.

d. Report of the Public Planning Committee – Tom Lennox, Chairman

Mr. Lennox said the Committee held a special meeting on Thursday, March 17 to review the Steven Ames recommendation and to formulate and construct a recommendation to Town Council which is included in the agenda packet.

e. Report of the Public Facilities Committee – Lee Edwards, Chairman

No report.

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

Mr. Harkins reported the Committee met on Monday, April 4 to discuss the issues and concerns of the North Forest Beach community. He said recommendations were coming forward concerning the lock-out units and review from outside Counsel regarding the units. He requested the items be placed on the Town Council agenda coming forward and the Mayor concurred.

g. Report of the Finance and Administrative Committee - John McCann, Chairman

Mr. McCann reminded Committee chairs their lists regarding proposed consultant fees for the upcoming year for Committees is due on May 3. He reported that the Committee met earlier in the day and reviewed proposed budgets for the Beaufort County Sheriff's Office, Solicitors Office, USCB and the HHIEDC. He said they would be passing them along to Council in the near future with comments. Mr. McCann reported the Hilton Head Island Chamber of Commerce presented the DMO year-end performance metrics. He added that he requested the official DMAI report from the Chamber and they will have it at the next Finance and Administrative Committee meeting. Mr. McCann reported the following items would be coming forward to Council: HHIEDC request to utilize funds for a site analysis of a Town-owned tract; request from Hilton Head Plantation for assistance with costs regarding Pine Island beach erosion and a recommendation regarding RFP's for a performance review of the contract with the Beaufort County Sheriff's Office for police services.

h. Report of the Circle to Circle Committee - Tom Lennox, Town Council Liaison

Mr. Lennox stated the Committee met on March 23 for discussion regarding recommended trail connections, recommended road connections, and the Sea Pines Circle mitigation. He reviewed the four options recommended and stated they would be reviewed and discussed by the Committee on April 13 at 8:30 in Council Chambers.

9) Unfinished Business

a. Consideration of a Recommendation – Cordillo Courts

Consideration of a Recommendation by the Public Facilities Committee to recommend that Town Council approve the sale of the 1.42 acre Cordillo Courts.

Mr. Harkins moved to discuss. Mr. McCann seconded. Mrs. Likins stated that she was one of the Committee members in favor of the sale. She explained that after viewing the property and meeting with members of NOC she has changed her mind and does not recommend the property be sold. She stated she is very concerned with maintenance on the property. She said her hopes are that the property owners would work with the Town and release the covenants so the Town could turn it into green space and maintain the property. Mr. Edwards voiced his reservations regarding moving forward with the sale of the property and agreed with Mrs. Likins. Mayor Bennett distributed a map from LCOG showing data that 48.5% of the households that reside in that census block have no access to public transportation determines the need for recreational facilities in the community. He suggested looking at all the land assets in that area and the recreational needs of the residents and tourists in a comprehensive fashion. Mr. McCann suggested that the Circle to Circle Committee be involved so there is one plan for the area. Mr. Harkins spoke in favor of leaving the covenants in place and upgrading the tennis courts along with restrooms, picnic facilities along with other improvements on Town-owned land in the area.

Dr. Sharma spoke on behalf of NOC and asked one of the children to address Council. The student asked Council to keep the land available for the children to use for play. Ally Cook, on behalf of NOC, conducted a presentation in opposition of the sale and recommended the Town keep the property and improve it.

Eric Esquivel spoke in opposition of the sale specifically stating he was against the proposed agreement and stated his concerns about displacing the children along with the elimination of low-income housing on the Island.

Gregg Wynn of GW Services addressed Council on behalf of the Regimes. He stated the Regimes have no problem with the property remaining tennis courts but request that the Town fix them up and maintain them. He said he does not know the reality of getting 130 owners to vote to change the covenants. Karen Patel, Board President of Cordillo Courts spoke expressing safety concerns and stated that if the property was owned by the Regimes and only the residents of the area had access to the property it would be safer and much better. She added that the Town has been a poor steward of the property and as a result the owners have no interest in changing the covenants. Ms. Patel also noted that from the very beginning the Regimes had the intention of obtaining the property and turning it into a green space for the children of their area.

Property owner Sherry Connelly spoke in support of the sale of the property noting that she invested in her unit for her future and the property has become an eyesore for the Regimes and needs repaired and maintained.

Gary Talshir(sp) spoke of the fiduciary responsibility of Town Council and in opposition to the sale.

Property owner Mike Ray spoke in support of the sale and said the goal of the property owners was to have the property improved and maintained.

Mr. Lennox noted the lack of consensus as to whether maintain the property as a park or to enter into a sales transaction with the Regimes. He expressed concern about the comments on crime in the area. He explained that the proposal was not about the finances but about providing benefit to the tenants and residents in the community.

Mr. Harkins expressed concern about transition of ownership and recommended the Town maintain title to the property and suggested that with community participation and guidance a plan for recreational activity for the children be created. Mr. Harkins withdrew his motion for discussion and moved to deny the Town's intent to sell the property. Mrs. Likins seconded. Mr. Edwards stated that in the long term the Town should explore the option of selling to the owners with revised covenants. Mayor Bennett spoke of maintenance of the property and better access. The motion was approved by a vote of 5-1. (Mr. Lennox was opposed.)

11) New Business

a. First Reading of Proposed Ordinance 2016-06

First Reading of Proposed Ordinance 2016-06 to amend Chapter 3 (Municipal Council) of Title 2 (General Government and Administration) of the Municipal Code of the Town of Hilton Head Island, South Carolina by amending Section 2-3-60 Compensation and Expenses; and provide for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 6-0.

b. First Reading of Proposed Ordinance 2016-07

First Reading of Proposed Ordinance 2016-07 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2016; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 6-0.

c. Consideration of a Resolution – Fair Housing Month

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina to proclaim April, 2016 as Fair Housing Month.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 6-0.

d. Consideration of a Resolution –CDBG

Consideration of a Resolution of the Town Council of the Town Of Hilton Head Island, South Carolina to approve the Community Development Block Grant (CDBG) Entitlement Program Fiscal Year 2016-2017 (Program Year 2016) Annual Action Plan.

Mr. Harkins moved to approve. Mr. McCann seconded. Mrs. Likins voiced concern that only one person attended the public hearing and the low number of people that would benefit from the plan. She stated the need to encourage citizens to come forward next year at the appropriate time to bring forth projects that can really be vetted for the best use of the funds. The motion was unanimously approved by a vote of 6-0.

e. Consideration of a Recommendation – Visioning Process

Consideration of a Recommendation by the Public Planning Committee to develop a comprehensive long-range Vision for Hilton Head Island.

Mr. Harkins moved to approve. Mr. McCann seconded. Dave Ames spoke in support of the plan but noted that the defined steering committee would be a large group and suggested the committee be a smaller group that has the responsibility of making sure the process goes smoothly and be comprehensive. He added that the Community at-large would be the ones steering the process. The Mayor asked Mr. Lennox to follow up on Mr. Ames' suggestion at the next Public Planning Committee meeting. The motion was unanimously approved by a vote of 6-0.

f. Consideration of a Recommendation – RawleMurdy

Rawle Murdy Scope of Work, Arts and Cultural Public Communication Initiatives.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 6-0.

12) Appearance by Citizens

Skip Hoagland addressed Council regarding the Hilton Head Island - Bluffton Chamber of Commerce and FOIA.

Taiwon Scott addressed Council regarding Gullah Geechee Catering and economic development opportunities within the Native Island community within the LMO. At the request of Mayor Bennett a meeting will be scheduled with the Mayor, Mr. Riley, Mr. Scott, Alex Brown and Council Member Marc Grant.

Theresa White. Founder, President and CEO of Pan African Family Empowerment Land Preservation Network, addressed Council regarding her organization and the Gullah Geechee people and culture of the United States, specifically Hilton Head Island, suggested amendments the LMO to benefit the Native Island community, requested ATAX funds, requested funding for the Mitchelville Preservation Project, and requested a Town Council Workshop to address many issues with the Native Islanders.

Wesley Campbell and Daniel Fraser addressed Council regarding 148 William Hilton Parkway and the lack of an entrance on the east side of the building due to the Town purchasing the property and closing the entrance making it a hardship to gain access.

Betty Miller, William Stewart, John Stewart, Belinda Stewart-Young, Ben Driessen and Palmer Simmons addressed Council regarding the proposed widening of US278 in the Stoney/Squire Pope area. They expressed concern for safety for the residents/property owners and losing frontage on their property due to the widening.

Alex Brown addressed Council regarding the visioning process noting it will be an opportunity to fix things that have been done wrong in the past regarding the Native Island community. He stated members of the Native Island community are ready and willing to assist.

Abraham Abdul Malik addressed Council regarding the Town making an effort to ease conditions to the betterment of the Native Island property owners.

13) Executive Session

Mr. Riley stated he needed an executive session for Land Acquisition: Discussion of negotiations incident to the proposed sale, lease or purchase of property: (1)related to a parcel near the intersection of Fish Haul Road and Mitchellville Road; (2)related to a parcel near the intersection of US 278 and Gumtree Road; (3)related to a parcel in the Coligny Area; (4)related to parcels near the intersection of US 278 and Beach City Road; a Legal Matter: Receipt of legal advice related to pending litigation concerning the USCB Campus on Hilton Head Island; Personnel Matters: Appointments to Boards and Commissions; potential appointments to the Venue Committee; and Contractual Matters: (1) Discussion of negotiations incidental to proposed contractual arrangements for engineering services and (2) discussion of negotiations incidental to a proposed contractual agreement associated with transportation improvements.

At 7:40 p.m. Mr. Harkins moved to enter into executive session for the reasons listed by the Town Manager. Mr. McCann seconded. The motion was approved by a vote of 6-0.

13) Possible actions by Town Council concerning matters discussed in executive session.

Mayor Pro-Tem Harkins called the meeting back to order at 8:20 p.m. and stated there was one item of business to address as a result of Executive Session.

Mrs. Likins moved the Venue Committee be established and be made up of fourteen persons and nominated the following people:

- Jane Joseph
- Robert Lee
- Rex Garniewicz
- Tim Ridge
- Gregg Russell
- Dan Castro
- Cindy Creamer
- Gilbert Campbell
- Suzanne Thompson
- Juliann Foster
- Florence Gibbes
- Lili Coleman
- Terry Herron
- Karen Attaway

and furthermore nominated Cindy Creamer as the Chairperson and Jane Joseph as Vice-Chair. Mr. Edwards seconded. Mr. McCann moved to amend the motion and add Charlie Clark of the Hilton Head Island-Bluffton Chamber of Commerce as a member of the Committee. Mrs. Likins, the maker of the original motion stated she was comfortable with the amendment. Mr. Edwards seconded the amended motion. The amended motion was approved by a vote of 5-0. (Mayor Bennett had to leave immediately after Executive Session due to a previous commitment so he did not participate in the vote.)

14) Adjournment

The meeting was adjourned at 8:22 p.m.

Vicki L. Pfannenschmidt
Executive Assistant/Town Clerk

Approved:

David Bennett, Mayor

DRAFT



To: Steve Riley
Hilton Head Island Town Manager

From: Dr. Charles Calvert, Chair
Department of Hospitality Management
University of South Carolina Beaufort

Date: April 6, 2016

Subject: Quarterly Project Update
USCB Hilton Head Island Campus

State of South Carolina Project Approvals. USCB passed the final State approval at the State Fiscal Accountability Authority January 26, 2016. Currently processing contracts and planning to get started on the full facility design.

USCB Department of Hospitality Management Faculty Expansion. USCB is in the process of hiring an additional full-time Instructor for Fall 2016, as we continue to grow faculty in preparation for moving the program to Hilton Head Island.

Collaboration with the Technical College of the Lowcountry. USCB is committed to working with the Technical College of the Lowcountry to provide opportunities to ensure a seamless transfer process for their students. USCB has designated a scholarship for TCL transfer students starting in the Fall of 2016. In addition, USCB Hospitality Management Department Chair Charles Calvert attended the TCL Sales Tax Commission hearing in support of the proposed Culinary Arts facility for the Technical College of the Lowcountry.

Enrollment Management. Dr Calvert served as a judge for the South Carolina High School ProStart Restaurant Management Invitational Competition in Charleston, South Carolina. This competition attracts high school students studying hospitality management and is sponsored by the South Carolina Restaurant and Lodging Association.

Beaufort County high schools are expanding their offerings in Hospitality and USCB will be building bridges with these high schools and their students pursuing management careers in Hospitality Management.

Center for Event Management and Hospitality Training. The center has now certified 500 Island Ambassadors.

Tourism Data Collection Events

HHI Island Rec WingFest - HHI Island Rec Seafood Fest - HHI Island Rec Snow Day - HHI Wine & Food Festival



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
VIA: Charles Cousins, AICP, *Community Development Director*
FROM: Jennifer Ray, ASLA, *Urban Designer*
DATE: April 7, 2016
SUBJECT: USCB-Office Park Road quarterly project update

Asbestos abatement and demolition of the Carolina Complex and Time Warner Building is underway and scheduled to be completed by July 2016.



ITEMS OF INTEREST

APRIL 19, 2016

Noteworthy Events

Some of the upcoming meetings at Town Hall:

- Circle to Circle Committee – April 20, 2016, 8:30 a.m.
- Board of Zoning Appeals – April 25, 2016, 2:30 p.m.
- Design Review Board – April 26, 2016, 1:15 p.m.
- Circle to Circle Committee – April 27, 2016, 8:30 a.m.
- Public Safety Committee – May 2, 2016, 10:00 a.m.
- Finance and Administrative Committee – May 3, 2016, 2:00 p.m.
- Town Council – May 3, 2016, 4:00 p.m.

(Additional meetings may be scheduled and all meetings are subject to change and/or cancellation. Please visit the Town of Hilton Head Island website at www.hiltonheadislandsc.gov for Committee meeting dates and agendas.

2016 Hilton Head Island Events

April 30, 2016 7:00am-7:00pm	Humane Association Beach Walk	Coligny Beach
April 30, 2016	2016 Palmetto Heart Walk	Shelter Cove Community Park
April 30, 2016 10:00am-5:00pm May 1, 2016 11:00am-4:00pm	The Art Market	Honey Horn

MEMORANDUM

TO: Town Council

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

RE: Proposed Ordinance Number 2016- 06 Compensation and expenses

DATE: April 6, 2016

CC: Gregory D. DeLoach, Esq., Assistant Town Manager
Brian Hulbert, Esq., Staff Attorney

Town Council made no changes to proposed ordinance Number 2016- 06, as a result of the first reading on April 5, 2016.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2016-

PROPOSED ORDINANCE NO. 2016-06

AN ORDINANCE TO AMEND CHAPTER 3 (MUNICIPAL COUNCIL) OF TITLE 2 (GENERAL GOVERNMENT AND ADMINISTRATION) OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA BY AMENDING SECTION 2-3-60 COMPENSATION AND EXPENSES; AND PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Hilton Head Island, South Carolina previously adopted Chapter 3 of Title 2 of the Municipal Code of the Town of Hilton Head Island, South Carolina and any subsequent amendments; and

WHEREAS, the Town Council has not had a salary or meeting attendance fee increase in four years.

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.

Section 1. Amendment.

That Title 2 (GENERAL GOVERNMENT AND ADMINISTRATION) Chapter 3 (MUNICIPAL COUNCIL) is hereby amended as follows:

Section 2-3-60. Compensation and expenses.

(a) The mayor and council members shall receive salaries as determined by the council; provided, no increase in such salaries shall become effective until the commencement date of the terms of two (2) or more members of council elected at the next general election following the adoption of the ordinance setting the salaries, at which time it will become effective for all members of council whether or not they were elected in such election.

(b) The salary to be received by the mayor shall be twenty five thousand dollars (\$25,000.00) per year and by the mayor pro tem and by each council member shall twelve thousand eight hundred dollars (\$12,800) per year. These salaries shall be paid in monthly installments in arrears to each appropriate individual during his or her service to the town.

(c) In addition to the base annual pay received for service on council, members and the mayor may be paid an attendance fee of ~~forty dollars (\$40.00)~~ **fifty dollars (\$50.00)** per

meeting for their attendance at any council committee meeting (except regularly scheduled town council meetings) and other council-related business meetings; mileage reimbursement shall be paid for all meetings except those held on Hilton Head Island.

(d) Maximum amount of payment. Payment for the council attendance fee shall be allowed up to the maximum amount authorized per fiscal year, as follows:

(1) Council members. Payment of base annual pay plus attendance fee shall not exceed ~~sixteen thousand eight hundred dollars (\$16,800.00)~~ **seventeen thousand eight hundred dollars (\$17,800.00)** per fiscal year;

(2) Mayor. Payment of base annual pay plus attendance fee shall not exceed ~~thirty thousand dollars (\$30,000.00)~~ **thirty one thousand two hundred fifty dollars (\$31,250.00)** per fiscal year.

(3) Mayor Pro Tem. Payment of base annual pay plus attendance fee shall not exceed ~~seventeen thousand eight hundred dollars (\$17,800.00)~~ **nineteen thousand fifty dollars (\$19,050.00)** per fiscal year.

(e) Other meetings. The council attendance fee shall be paid for the following types of meetings:

(1) A specially called meeting of the town council;

(2) A specially called work session of the town council; and

(3) Any other business at which the council member (at the discretion of the mayor or town council) is in attendance in their official capacity as a member of council, e.g., an official meeting with another governmental entity, a meeting with a town public body, a meeting of a town council subcommittee, town task force, or standing committee.

(f) Duplicate payments shall not be permitted. If a member accepts payment from another body for attendance, then that member shall not be entitled to compensation from the town.

(g) Method of payment. Payment of the attendance fee shall be made within ten (10) working days from submission.

(h) Required documentation. An affidavit of attendance form must be completed and signed by the council member, and submitted to the finance department by the last day of each month in order for payment of the attendance fee to be made. The affidavit provides for the recording of the date, time spent, location and the purpose of the meeting.

(i) Expenses. Members may also be reimbursed for actual expenses incurred in the conduct of their official duties.

(Ord. No. 83-5, 9-26-83; Ord. No. 85-18, § 1, 10-7-85; Ord. No. 89-13, § 1, 6-19-89; Ord. No. 96-37, § 1, 10-1-96; Ord. No. 2008-20, § 1, 8-5-08; Ord. No. 2012-30, § 1, 10-31-12)

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

Section 3. Effective Date. This Ordinance shall be effective upon the commencement date of the terms of two (2) or more members of council elected at the next general election following the adoption of the ordinance by the Town Council of the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA ON THIS _____ DAY OF _____, 2016.

David Bennett, Mayor

ATTEST:

By: _____
Vicki Pfannenschmidt, Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



MEMORANDUM

TO: Town Council

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

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

DATE: April 6, 2016

RE: **Second Reading of Proposed Ordinance No. 2016-07**

Recommendation:

Staff recommends that Town Council approve the second reading of Proposed Ordinance No. 2016-07 to amend the General and Capital Projects Funds' budgets for the fiscal year ending June 30, 2016.

There have been no changes to this ordinance.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2016-07

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2016; TO PROVIDE FOR THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 16, 2015, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town's annual budget document, the Town Council is desirous of amending the budget so as to provide for additional revenues, and the expenditures and certain other commitments from the Fund Balance and other revenue sources, as well as to correct budget appropriations for certain projects in the Capital Projects.

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 Amendment. The adopted 2016 fiscal year budget is amended to make the following changes as increases and decreases to the funds from prior years and to the projected revenue and expenditure accounts as follows:

General Fund			
<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>	
Revenues:			
FEMA Grant		\$ 365,000	
Total Revenues		<u><u>365,000</u></u>	
Expenditures:			
Fire Rescue			
Specialized Equipment	FEMA Grant	\$ 365,000	
Total Expenditures		<u><u>365,000</u></u>	

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2016-07

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
2014A GO Bond		\$ 212,500
Beach Fees		-
CDBG		202,347
Hospitality Taxes		(9,887)
Property Taxes		60,000
Sunday Liquor Fees		(1,842)
TIF Property Taxes		(2,850,000)
Total Revenues		<u>\$ (2,386,882)</u>
Expenditures:		
Beach		
Beach Management & Monitoring	Beach Fees	(700,000)
Beach Renourishment	Beach Fees	<u>700,000</u>
		-
Existing Facilities/Infrastructure		
Fire Rescue Training Center Enhancements	Hospitality Taxes	<u>(258)</u>
		(258)
Parks		
Scoreboards (Bristol & Crossings)	Sunday Liquor Fees	(1,842)
Shelter Cove Community Park - Pier	2014A GO Bond	<u>212,500</u>
		210,658
New Facilities/Infrastructure		
Northwest Quadrant-Coligny Park	TIF Property Taxes	663,499
Northwest Quadrant-Sandbox Museum	TIF Property Taxes	86,501
Coligny / Pope Area Improvements	TIF Property Taxes	<u>(750,000)</u>
		-
Road Improvements		
Marshland Roundabout	TIF Property Taxes	(2,500)
Lagoon Rd Extension	TIF Property Taxes	2,500
Heritage Plaza Rd Extension	TIF Property Taxes	(2,850,000)
Honey Horn Driveway Apron Improvements	Hospitality Taxes	(9,629)
Intersection Imprv-Squire Pope w/ 3rd Lane	Property Taxes	60,000
Blazing Star Paving	CDBG	161,878
CDBG Administrative Expenses	CDBG	<u>40,469</u>
		(2,597,282)
Total Expenditures		<u>\$ (2,386,882)</u>

The effect of this amendment will be to increase the General Fund's budgeted expenditures to \$40,529,698 and to decrease the Capital Projects Fund's budgeted expenditures to \$38,367,168.

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2016-07

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

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

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ___DAY OF_____, 2016.

David Bennett, Mayor

ATTEST:

Victoria L. Pfannenschmidt
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, Town Manager
DATE: April 18, 2016
RE: **Possible Amendments for Consideration by the Capital Projects
Sales Tax Commission**

The Mayor has asked that we schedule a discussion and possible vote to amend the list of projects previously submitted to the Beaufort County Capital Projects Sales Tax Commission for inclusion in a potential referendum this fall.

Among items for discussion are a possible reduction in the amount requested for the Arts, Entertainment and Cultural Campus, and the possible addition of other recreational enhancements, Safe Pathways to Schools, or other capital projects.

MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, Town Manager

DATE: April 19, 2016

RE: **Proposed Revisions to Capital Projects Sales Tax Submission**

Proposed Revisions

Pursuant to the Mayor's discussions with the Chairman of Beaufort County Council and the Chairman of the Beaufort County Capital Projects Sales Tax Commission, the following changes are being proposed to the list of projects previously submitted for consideration for inclusion in an upcoming sales tax referendum:

- US 278-Hilton Head Island Gateway Improvements – shifted to the County's submission by the Sales Tax Commission
- Acquisition and paving of certain dirt roads on Hilton Head Island - \$7M (no change)
- Arts, Entertainment and Cultural Campus - \$9.5M (reduced from \$30M)
- Pavilion at Historic Mitchelville Freedom Park - \$0.21M (no change)
- Island Recreation Center Expansion - \$10M (new project)
- Safe Routes to Schools – Main Street West and connections to US 278 - \$1.14M (new project)
- Safe Routes to Schools - William Hilton Parkway Eastbound – Gardner Drive to Jarvis Park - \$1.77M (new project)

Total Revised Request: \$29.62M

Overview of Revised and New Submissions

A brief summary of the proposed changes is summarized below. For the New Requests, additional information and answers to the six questions posed by the Commission are appended.

Arts, Entertainment and Cultural Campus – Reduced Request

This request has been scaled back to focus on pre-development costs e.g. geotechnical, traffic and environmental studies, architectural, engineering, etc. An estimate for the pre-development costs is included in the appendix.

Island Recreation Center Expansion – New Request

The Island Recreation Center gym and pool facility was built in the 1980s when the Island's population was less than half of what it is today. This project will add a second gym, an elevated running track, expanded restroom facilities, new restrooms to serve a remodeled and upgraded swimming pool complex as well as parking enhancements, rebuilt outdoor basketball courts, relocated and rebuilt tennis courts, and a new handicapped-accessible community playground. Phase I, a portion of the parking expansion, has been completed. Phase II, relocation of the tennis courts, is scheduled for this summer while school is out. Future phases are scheduled to begin this Fall.

Safe Routes to Schools – Main Street West and connections to US 278

Main Street, from the Hilton Head Plantation Traffic Circle to School Road at the entry to the public school campus, is currently a privately owned road. Town Council, in late 2015, voted to pursue acquisition of this road. Within the time period of the sales tax, it is expected that this road will become public and repairs and rehabilitation of the driving surface will be accomplished through a cost-sharing formula between the Town and the current road owners. This project would be the addition of a pathway along this road segment. Hilton Head Plantation has one of the highest concentrations of children on the Island and this pathway segment will provide a direct connection to the elementary, middle and high schools.

Safe Routes to Schools - William Hilton Parkway Eastbound – Gardner Drive to Jarvis Park

The Town has a long-range plan to extend pathways along both sides of William Hilton Parkway. This segment will link with one already installed that runs from Mathews Drive to Gardner Parkway. The Jarvis Park terminus is opposite School Road and an existing pathway leading into the public school campus. This will facilitate pedestrian access to the public schools for Indigo Run and the Tri-Community (Sandalwood Terrace, Hilton Head Gardens and The Oaks apartment complexes). The Jarvis Park terminus also ties into The Children's Center community daycare facility. The Early Childhood Center can also be accessed from this pathway segment. The Gardner Drive terminus improves pedestrian access to two private school complexes: The Hilton Head Christian Academy (on Gardner Drive) and the St. Francis Catholic School (on Beach City Road opposite Gardner Drive). In addition to the school access enhancements, this segment significantly improves pedestrian access for the Tri-Community (where many do not have vehicles) to shopping centers that feature Walmart, Publix and Walgreens among other retail establishments.

2016 Beaufort County Capital Projects Sales Tax Revised Submission April 2016

Town of Hilton Head Island

1. Arts, Entertainment & Cultural Campus – \$9.5 million

Estimate of Pre-Development Costs

Cost Element	Cost - \$	Factor
Venue Committee Studies <ul style="list-style-type: none"> • Programming • Operations 	75,000 90,000	Consultant Fees
Architect's Professional Fees	3,500,000	Buildings & Amphitheatre
Landscape Architect Fees Site & Traffic	175,000	Site plan for buildings, parking/service areas, stormwater facilities, traffic engineering
Models, Mockups, Renderings	35,000	Community engagement, permittors, sponsors, donors
Soil borings, geotech, site & utility surveys	210,000	Wetlands, Archeological, Environmental
Land Survey, Civil Engineering, Testing & Inspections Expenses	257,000	Property, trees, topology
Permits & Associated Fees	160,000	Zoning entitlements, amendments Planner & Attorney Fees
LEEDS Sustainability Assurance	350,000	Design & validation of conformance
Project Management Expenses	400,000	Overall Project Management - Planning, Design, Construction
Capital Campaign Development Expenses	2,033,000	Consultant's fees for developing & implementing Campus Funding
Management Staffing Development Expense	100,000	Operators of the Arts Campus-- recruitment & hiring fees
Contingency	2,115,000	
Total Pre-DevelopmentCosts	\$9,500,000	

2. Island Recreation Center Expansion - \$10 million

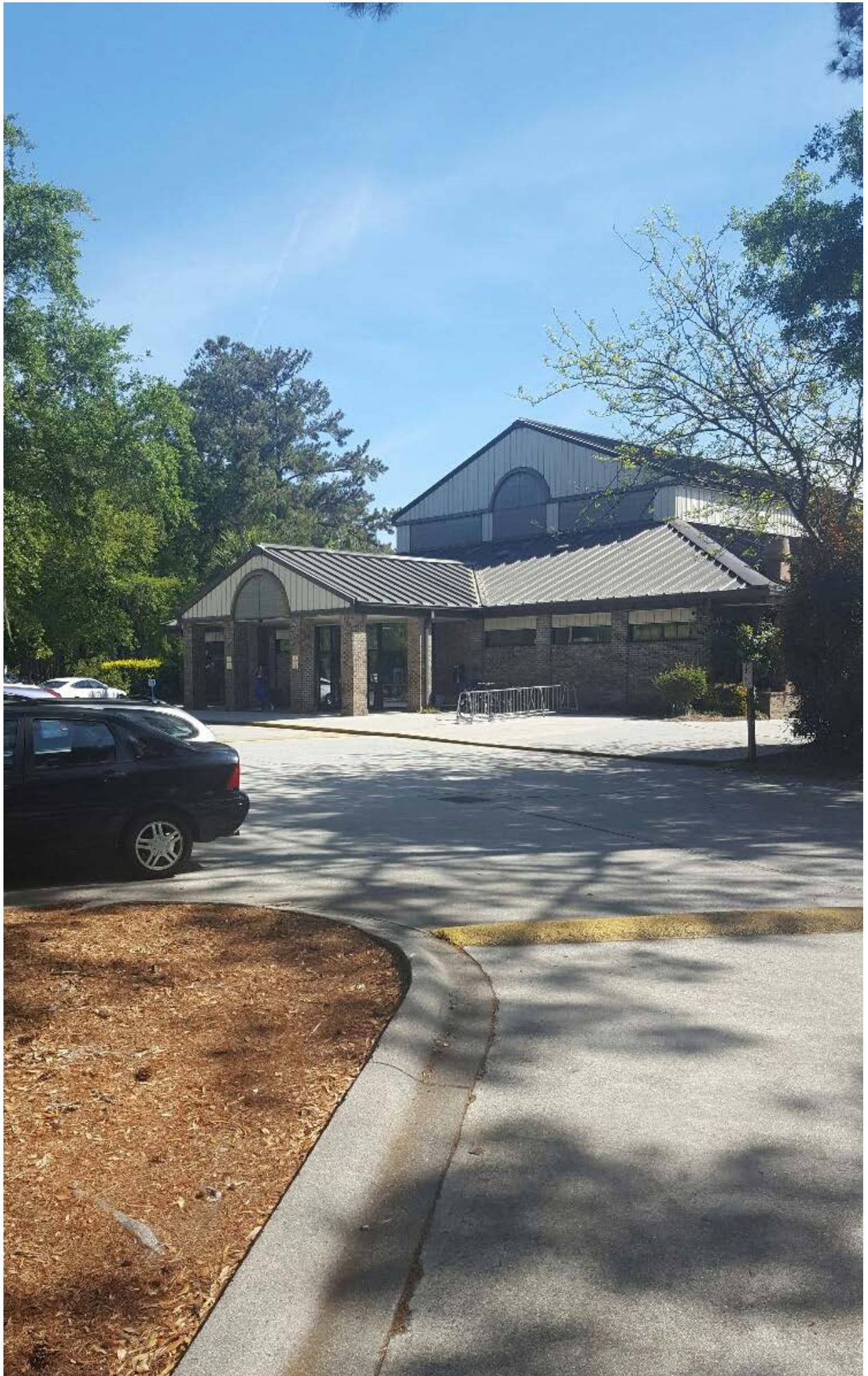
The Island Recreation Center is owned by the Town of Hilton Head Island, on land leased from the Beaufort County School District. The facility, including gym, classroom and meeting space, swimming pool, playground, basketball courts and associated parking is located on the Island's public school campus and operated for the Town by the Island Recreation Association (IRC), a local non-profit. A Memorandum of Understanding (MOU) serves as the governing document between the Town and the Association. The original facility was built in 1987 and while it remains in good repair and serves a critical purpose, the Island's population has more than doubled and the Association struggles to meet the community's growing demands for its facilities.

The Town, the School District, and the IRC have been planning, designing and permitting an expansion to the Rec Center for several years. This project will add a second gym and additional meeting rooms, an elevated running track, expanded restroom facilities, and new restrooms to serve a remodeled and upgraded swimming pool complex. In addition, the project includes parking enhancements, rebuilt outdoor basketball courts, relocated and rebuilt tennis courts, and a new handicapped-accessible community playground. Once the new gym is completed the existing gym and classroom space will be completely renovated. Phase I, a portion of the parking expansion, has been completed. Phase II, relocation of the tennis courts, is scheduled for this summer while school is out. Future phases are scheduled to begin this fall. Please see photos and site plan schematics below.

- 1. The project must be a realistic and achievable public capital infrastructure need.** *This project is well along in terms of planning, design and permitting. Phase I, initial parking expansion was completed last year. Phase II, relocating and building new tennis courts to serve Hilton Head Island High School and the Rec Center will begin this summer. The remaining phases are expected to get underway this fall.*
- 2. Projects that have other sources of funding as well as completed planning and engineering will be given greater consideration.** *As noted above, planning and engineering are complete or nearly complete for all phases of this project. Phase I was completed using other Town revenues. The Town is asking that the future phases, including Phase II, starting this summer, be eligible for reimbursement. Funding of this project through the Sales Tax will enable the Town to accelerate other much desired but deferred recreational improvements; perhaps at Shelter Cove, in the Coligny and Cordillo areas; or other pathway projects. The Island Recreation Center does fundraising and seeks donations to supplement operating costs and will continue to do so. The Town contributes general revenues to cover operating costs and will continue to do so. The County also contributes to the cost of operating and maintaining the pool; the only public swimming pool on the Island.*
- 3. Projects must be sized to allow completion in a reasonable period of time.** *This project is currently planned to begin Phase II this summer with future phases implemented over the next 18 months. The Town has the expertise and staffing capacity to complete this project in a timely manner.*
- 4. The project must have post development operation and maintenance costs budgeted and funded at the time the project is expected to be completed.** *The Town and the IRC have jointly funded the operations of this facility, along with an annual contribution from the County, and these organizations are prepared to absorb the increased costs associated with this expansion.*
- 5. The project should not be in direct competition with private sector development, but may be complimentary in nature (generally a public use).** *The planning and design of this project*

included discussions about adding elements only to the extent that they do not compete with private recreation providers.

6. **Projects must be physical in nature (brick and mortar).** *This project entails the physical construction of additions to, and enhancements of, an existing bricks and mortar facility.*







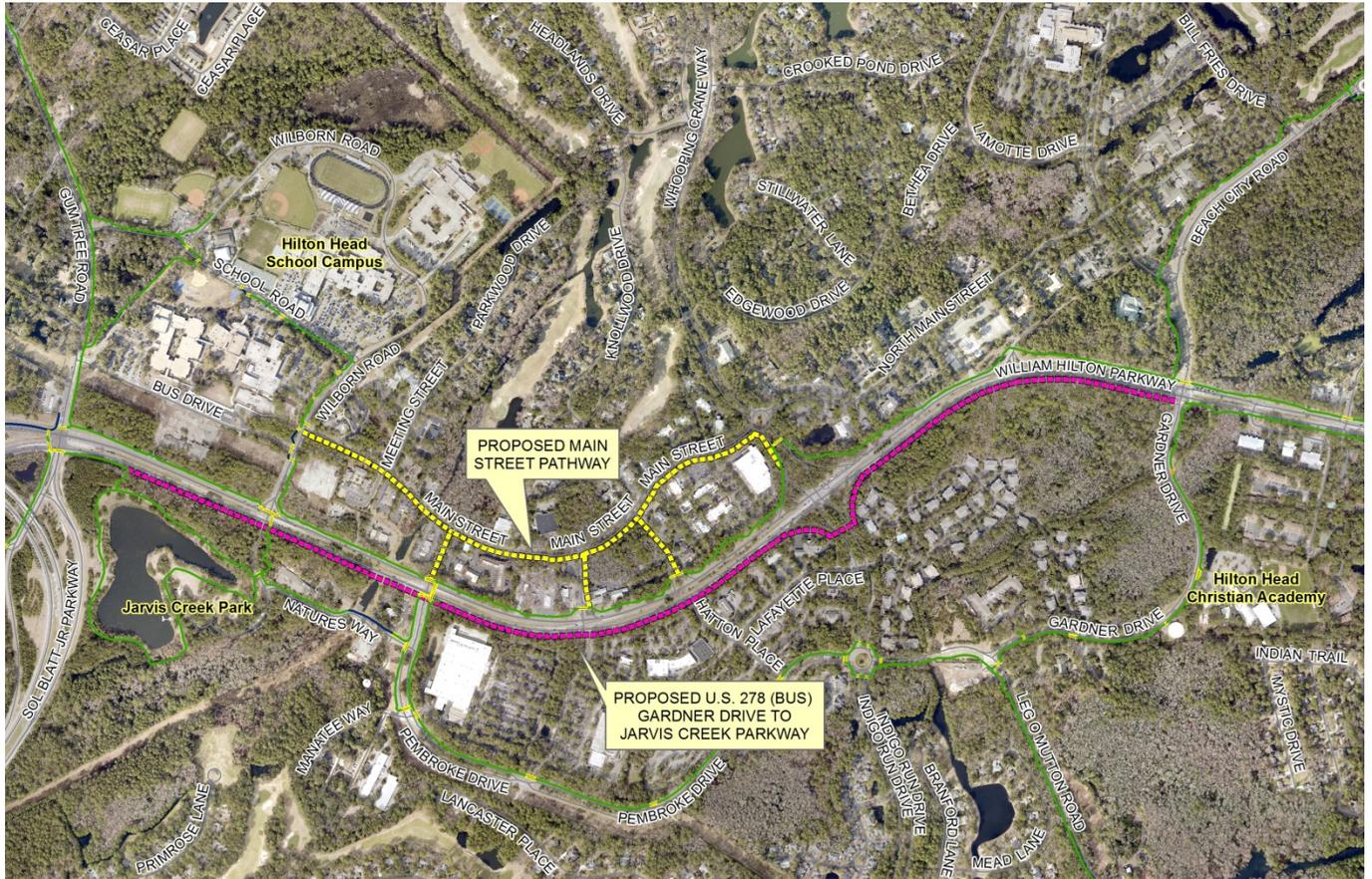
3. Safe Routes to Schools - \$2.91 million

- Main Street West and connections to William Hilton Parkway (US 278) - \$1.14M
- William Hilton Parkway (US 278-Bus.) EB – Gardner Drive to Jarvis Creek Park - \$1.77M

These two proposed projects will create much needed public pathways along Main Street and William Hilton Parkway (US 278-Bus.) EB providing safe routes to schools and also connecting residential neighborhoods to commercial centers and a community park. They will provide almost 3 miles of new pathways, expanding the Town's existing network of over 62 miles of public pathways. The total cost of the two projects is estimated to be \$2,910,000. The Main Street pathway will connect Hilton Head Plantation to the public school campus, shopping and the existing William Hilton Parkway west bound pathway. The William Hilton Parkway east bound Gardner Drive to Jarvis Creek Park pathway will provide residential and other areas enhanced access to the public school campus, Hilton Head Christian Academy, St. Francis Catholic Schools; as well as a major shopping center and the large community park. If funded by the referendum, these projects will be constructed within a 3 to 5 year timeframe. The Town's operating budget currently provides for maintenance of the Town's pathways and will be increased accordingly to provide for the maintenance cost of the expanded inventory.

1. **The project must be a realistic and achievable public capital infrastructure need.** *The Town has an excellent track record of building award-winning, multi-use pathways as part of the Island's public capital infrastructure. These two projects could most definitely be completed within the next 3-5 years.*
2. **Projects that have other sources of funding as well as completed planning and engineering will be given greater consideration** *The Town's capital pathway program has been funded by Hospitality taxes and road impact fees. Although the availability of these funds is currently depressed, they remain the primary source of funding for new pathways.*
3. **Projects must be sized to allow completion in a reasonable period of time.** *The projects could be completed within 3-5 years, given current and projected Town staffing levels and work priorities.*
4. **The project must have post development operation and maintenance costs budgeted and funded at the time the project is expected to be completed.** *For decades, the Town funded and performed maintenance on the public pathway network. This would continue to be funded at the appropriate level.*
5. **The project should not be in direct competition with private sector development, but may be complimentary in nature (generally a public use).** *No private sector entity will construct these pathways. Each segment constitutes a Safe Routes to Schools Initiative. In both cases, the pathways would serve very large population bases (Tri Communities, Indigo Run and Hilton Head Plantation) providing connections between residential property and schools. Pedestrian access to commercial activity centers, grocery stores, general merchandizers, medical offices, restaurants, etc. would also be significantly enhanced. The adjacent developed land is mostly commercial, thus these projects may complement development by providing pedestrian access and foot traffic, increasing adjacent property values and revenue potential.*

6. **Projects must be physical in nature (brick and mortar).** The projects entail the physical construction of public infrastructure, typically performed by local contractors. There will be costs associated with surveying, engineering and legal fees for easement acquisitions.



- Proposed Main Street Pathway depicted above with yellow dashed line
- Proposed William Hilton Parkway (US 278- Bus.) EB – Gardner Drive to Jarvis Creek Park depicted above with pink dashed line
- Existing pathway network depicted with green solid line



Main Street west- typical conditions



William Hilton Parkway (US 278 – Bus.) EB Gardner Drive to Jarvis Creek Park – typical condition

TOWN OF HILTON HEAD ISLAND
Community Development Department

TO:	Town Council; Stephen G. Riley, ICMA-CM
FROM:	Jane M. Joseph, Chairman, Art & Cultural Strategic Planning Committee
CC:	Jill Foster, Greg DeLoach
CC:	Committee members
DATE	April 7, 2016
SUBJECT:	HHICAN Formation Recommendations

Recommendation:

The Arts & Cultural Strategic Planning Committee (ACSPC) recommends that Town Council create a Hilton Head Island Cultural & Arts Network (HHICAN) using the same model as the recently created Hilton Head Island Economic Development Corporation. It would be led by an experienced civic cultural and arts developer and supported by a volunteer advisory committee. This organization model provides a close link to the Town while operating independently. The Town's Financial, Legal and Human Resources support of HHICAN recognizes the importance of the current arts, cultural and historical assets of the Island and the importance of identifying and developing potential arts and cultural opportunities.

The ACSPC stands ready to quickly begin several key activities to implement their recommendations:

1. Work with the Community Services Committee to set up the HHICAN organization and begin the search process for an Executive Director and support staff.
2. Initiate the application process for the SC Cultural District designation.
3. Begin creating the baseline data for measuring progress in advancing Hilton Head Island as an Arts & Cultural destination.

Summary:

Further research by the ACSPC investigated options for the organizational location and operation of the proposed HHICAN, including a proposed budget, employee benefits, operating expenses, and physical location opportunities.

The HHICAN has as its primary mission to develop, advocate and market our Island's rich and diverse arts, culture and history enterprises and establish this Island as a

premier arts & cultural destination. One example of development of an underutilized asset is the bike trail system on the island. Interpretive (history, botanical, scientific facts to name a few) trails are an enhancement available to all residents and visitors.

HHICAN will be led by a volunteer advisory Board of Directors, and work with a professional arts management leader to facilitate the creation of an arts, culture and history strategy that is integrated with the Town's vision. Numerous tourist destinations and retirement locations are vigorously emphasizing cultural opportunities because people are rewarding these efforts with their vacation dollars and their retirement location choices.

A key role of HHICAN would be to take steps to elevate the profile of our Island's arts, culture and history offerings to residents and visitors via a comprehensive marketing and communications program. High on the list of their actions should be their integration into Hilton Head Island's branding and marketing efforts including targeted marketing programs and facilitating a "one stop shop" hub for information about the arts, culture and history community, products and services geared to artists, residents and visitors. This will be achieved by working with the cultural and arts community and the Town to elevate and showcase these assets and be reflected by the addition of this requirement by the Town to the DMO's branding and marketing.

The HHICAN board would have 12-15 members, each serving a 3-year term so that one-third of the members would rotate off of the board each year. This number of members would serve several purposes:

- Provide the opportunity to have representation from the diverse communities within Hilton Head Island.
- Ensure that there are a broad set of skills and experience on the board to allow it to be successful. In addition to a strong interest and experience in Arts & Culture, this could include Finance, Marketing and PR, Social Media, Legal Skills, Technology and Project Management.

Options

Three options were considered for the structure of HHICAN. They included HHICAN professional manager on the Town staff (recommended), establishing a Community Foundation Fiscal Sponsorship Fund and, lastly, integrating the HHICAN into the staff of the Chamber of Commerce.

In all of the options the HHICAN would apply to the IRS for a 501(c)3 designation as a charitable nonprofit corporation to be funded by the Town of Hilton Head Island. The long term objective of all options would be to have the HHICAN be an independent 501(c)3.

The budget proposal for the HHICAN is based on best estimates from other similar positions and similar organizations and is minimally altered by the three organizational options. Two key elements of the budget, employee benefits for the Executive Director

(ED) and Lease/Furniture/Fixtures and Utilities can change significantly depending on market rates at the time of arrival of the ED. The ACSPC has received an offer from the Hilton Head Symphony Orchestra to provide an office space for the ED at no cost except for a fee to share administrative support. If available and the accommodations prove appropriate for the ED that we choose, this would reduce the funding required from the Town by just over \$20,000.

1. HHICAN Executive Director on the Town of Hilton Head Staff

The advantages of this organizational arrangement include a closer working relationship with the Town staff, access to Town employee benefits and administrative and financial support for the new 501(c) 3. It demonstrates a visible commitment on the part of the Town to support Arts, Culture and History in a new paradigm.

2. Community Foundation (CF) Fiscal Sponsorship Fund

This arrangement allows the Fiscal Agency (HHICAN) to begin the process of becoming a 501(c)3 with the Community Foundation providing a number of support services including Administrative, Human Resources, Financial and Donor Services support with the Executive Director on the CF staff with their employee benefits. The CF charges 2.5% service fee. Benefits of this arrangement include the association with a well respected community organizations experienced with working in partnership with the Town while the 501(c)3 is being formed. This option is not recommended because there is no compelling reason to work within the CF that is stronger than the benefit of a close organizational relationship with the Town staff.

3. HHICAN within the Chamber of Commerce

Bill Miles, President & CEO of the Chamber was receptive to the concept of bringing such a plan to the Chamber Board for discussion. Mr. Miles expressed support for any decision that the ACSPC makes on options but pointed out that regardless of where the organization resides, the Chamber and VCB is committed to work closely with the HHICAN to further the ACSPC's marketing and communication objectives. Discussions with the VCB regarding a stronger working relationship have already begun. Beyond this marketing partnership, there is little overlap between the scope of missions of these two organizations.

Background:

In 2014, Town Council adopted an Arts & Culture Mission Statement: "To support the advancement of Hilton Head Island as a rich and diverse arts and cultural destination that enriches the lives of our residents and guests." In May 2015, Council established the Arts & Cultural Strategic Planning Committee to help implement that mission. The Committee's goal was to "Determine the role, if any, of Town Government and other entities in supporting the Island's Arts and Cultural Organizations." The Committee's objectives addressed questions on Economic Impact, Collaboration, Future Arts

Community and Financing. Their Final Report was adopted by Town Council in January 2016.

Town Council requested that the Community Services Committee and the Arts & Cultural Strategic Planning Committee move forward in determining the organizational location, methods to support and fund the recommended Hilton Head Island Culture and Arts Network (HHICAN).

Attachment 1: Draft Budget for HHI Cultural & Arts Network

Personnel:

Description	FY16 Budget 1/2 year	FY17 Budget	
Salary	\$45,000	\$95,000	Based on position similar to EDC Exec Director Salary range between \$80,000-\$140,000
Social Media/PR Administrator (PT)	\$11,500	\$12,000	
Grant Writer*	\$6,400	\$9,600	
FICA	\$3,445	\$7,272	Social Media/PR (contractor)
Retirement-ICMA	\$8,550	\$9,025	\$15 x 15 hrs/wk= \$11,700
Medflex & Preventive	\$950	\$950	Grant Writer (contractor):
Medical & Life Insurance	\$11,878	\$11,878	\$40 x 80/grant x 3 grants=\$9600
Workers Compensation	\$195	\$195	
Dental & Disability	\$552	\$552	
Subtotal	\$88,470	\$146,472	

Operating:

Lease/Furniture Fixtures/Utilities*	\$24,900	\$31,800	Lease	\$27,000
Meetings & Conferences	\$3,000	\$5,000	Utilities	\$4,800
Travel	\$4,000	\$5,000	Furniture/fixtures	\$18,000
Professional Dues	\$1,000	\$1,000	Total	\$49,800
Printing & Publishing	\$4,000	\$7,500		
Books, Subscriptions, Dues	\$1,000	\$1,000		
Office Supplies	\$3,000	\$4,000		
Palmetto Pass	\$500	\$900		
Insurance	\$2,200	\$2,200		
Workshop training	\$2,000	\$2,000		
Consulting Services	\$7,000	\$11,000		
Website	\$5,000	\$5,000		
App	\$2,000	\$2,000		
Subtotal	\$59,600	\$78,400		

Total **\$148,070** **\$224,872**

*these funds might not be required



MEMORANDUM

TO: Town Council

FROM: Susan Simmons, CPA, Director of Finance

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

DATE: April 11, 2016

RE: **CY 2016 Out-of-Cycle State Accommodations Tax Grant Recommendations**

Recommendation: Staff recommends that Council review the attached Accommodations Tax Advisory Committee (ATAC) recommendations and spreadsheet and award the calendar year 2016 out-of-cycle grants at its meeting on April 19, 2016.

Summary: Using its new out-of-cycle process, ATAC received six applications, held hearings, and made the recommendations attached. The Chairman's letter is also attached which describes the applicants' requests, deliberations, and recommendations.

The out-of-cycle grant requests totaled \$199,526; ATAC recommends Council award \$111,831, which leaves a balance of \$231,898 (when subtracted from the grand total of \$343,729). When Council makes final awards, any remaining funds would be available as a reserve if needed or would be the first dollars awarded in the next regular grant award cycle for CY2017 grants.

Background: In December, Council had **\$3,716,233 total funds to award for CY2016** plus a **\$50,000 reserved balance** to use later for worthy out-of-cycle applicant requests. ATAC recommended and Council awarded \$3,422,504 in grants leaving the \$50,000 reserve and an additional \$293,729 for a grand total of \$343,729.



THE TOWN OF HILTON HEAD ISLAND ACCOMMODATION TAX ADVISORY COMMITTEE

To: Mayor David Bennett, Town of Hilton Head Island
Town Council Members, Town of Hilton Head Island
Cc: Steve Riley, Town Manager, Town of Hilton Head Island
From: Mike Alsko, Chairman, Accommodations Tax Advisory Committee
Date: April 8, 2016
Subject: ATAC Recommendations for 2016 Out-of-Cycle ATAX Grant Awards

On April 7, 2016, the Accommodations Tax Advisory Committee (ATAC) met to make grant funding recommendations for 6 ATAX grant applications that were solicited from our newly defined out-of-cycle grant process for 2016. As a result, the ATAC was pleased to make funding recommendations on 3 of the 6 submitted ATAX grant applications in the amount of \$111,831 from \$343,729 of available out-of-cycle funds (both carryover and emergency reserve). If recommended amounts are awarded, \$231,898 of carryover and emergency reserve funding will remain available.

FY16 Grant Cycle Carryover Funding available for Grants	\$ 293,729
Add: Standard Emergency Reserve Funding available for Grants	\$ 50,000
Total Carryover Funding Available for Out of Cycle Grants	\$ 343,729
Less: 2016 ATAC Out-of-Cycle Recommendations	\$ (111,831)
Remaining Unallocated FY16 ATAX Funds	\$ 231,898

As with past practice, the ATAC has worked to establish a consistent philosophy in how applications are reviewed and prioritized. Over the past four years, the review and recommendation approach of the ATAC has evolved through continuous improvement into the following guiding principles:

- **Economic Growth Through Tourism** - Does the applicant organization drive overnight visitors to Hilton Head Island?
- **Creation of Sustainable Visitor Traffic** - Does the applicant organization enhance, or improve, the visitor experience on Hilton Head Island creating opportunities that would encourage visitors to return?
- **Collaboration Amongst Organizations** - How well does the applicant organization collaborate with other local organizations, especially fellow grant applicants? Where possible, do applicants cross-promote each other to further enhance the visitor experience?
- **Organization Viability and Return on Investment** - Does the organization possess both a clear vision and an achievable direction? Does the organization have other sources of public and private support available and what is the organization's long term dependency on ATAX funding going to be? Do established applicant organizations have the financial means to support themselves without an ATAX award for the upcoming year and/or beyond? Do organizations with a strong balance sheet have a strategic plan for its cash reserves?
- **Operational Confidence** – How well does the applicant organization understand its operations? Does it track and report metrics, does it provide sufficient transparency, and is it accountable for the results?

With the addition of a new out-of-cycle process, approved by Town Council, the ATAC has identified two additional guiding principles that will be applied to grant reviews that fall outside of the traditional grant process. These additional steps of review are important to ensure carryover and emergency reserve funds are conserved for only the highest and best use of our destination. The ATAC does not feel compelled to ensure that carryover funds are fully awarded out-of-cycle, as they will be rolled back into the traditional cycle if unused. The two additional guiding principles used in the Committee’s review are:

- **Urgent Funding Need** – Is there an immediate and urgent need for the applicant’s grant request to be reviewed out-of-cycle? What is the nature of the urgent need? Can this request wait for the traditional cycle?
- **Emergent, or Unexpected, Opportunity** – When did the applicant first identify this opportunity? Does the timing of the opportunity fall outside of the traditional cycle? Is there potential for a significant ROI by recommending out-of-cycle funding?

The remainder of this recommendation memo will provide you with summary information on the applicant organization, a snapshot of their funding request, and the Committee’s recommendation and rationale. This memo is not meant to encompass all the applicant data or information, as this can be further referenced within each individual grant application that was submitted for the 2016 out-of-cycle grant process. A spreadsheet of the committee’s grants recommendations accompanies this memo.

BASED ON THE ATAC’S REVIEW OF EACH GRANT APPLICATION, THE APPLICANT’S INDIVIDUAL PRESENTATIONS, AND THE COMMITTEE’S PUBLIC DISCUSSION, THE ATAC SUBMITS THE FOLLOWING RECOMMENDATIONS TO TOWN COUNCIL FOR REVIEW AND APPROVAL:

<u>12 JEWELS OF LIFE</u> 2016 Out-of-Cycle Grant Application

12 Jewels of Life is a community organization that hosts community events and provides mentoring, tutoring, nutrition programs, training and field trips. The grant request outlined in their application was to host monthly events in Green Shell Park on the first Saturday of the month.

“12 Jewels of Life”

- Tourism Ratio:** 20.0%
- Grant Request:** **\$50,000; per TERC guidelines the maximum allowable award would be \$36,000**
- Grant Reason:** Monthly events in Green Shell Park
- Recommendation:** **No funding due to applicant submitting an incomplete application and questions surrounding event eligibility for ATAX funding (applicant did not provide a presentation or respond to follow-up information requests from Town staff)**
- ATAC Opinion:** This is a new organization to the ATAX grant process. Unfortunately, the applicant did not make a presentation and the Committee was unable to understand the request. First time applicants are also required to submit additional financial documents and other required material which do not appear to have been submitted. Town staff attempted follow-up on the missing documents but were unsuccessful.

ARTS CENTER OF COASTAL CAROLINA
2016 Out-of-Cycle Grant Application

The Arts Center is requesting funding for a print-ad opportunity in a Pittsburgh, PA area lifestyle magazine. This advertisement would run in the Pittsburgh Magazine's travel and getaway issue which would be published on May 20, 2016. The Arts Center would purchase a full page ad focused on "Hilton Head Island – More than Just a Day at the Beach" and highlighting 5 summertime offerings that equate to 52 individual opportunities. Digital and social ads would also be included in advertising as well. It was noted that a direct flight to Pittsburgh via Allegiant Air is scheduled to start April 8th.

"ATAX Request for Site-Specific Marketing"

Tourism Ratio: 24.0% / 10,593 tourists served out of 44,157 total people

Grant Request: **\$8,220**

Grant Reason: To directly market to Pittsburgh area residents; magazine circulation is 336,103; to drive tourists to the Island who may be interested in arts and theater.

Recommendation: **No funding due to ROI concerns**

ATAC Opinion: While the Committee supports the efforts of the Arts Center and appreciated hearing this marketing idea it was not deemed to be either urgent or emergent. Committee members shared concerns about the effectiveness of the ad spend, and if it would generate a ROI. **The Committee's recommendation is that the Arts Center continue to pursue this opportunity either as part of its larger marketing plan, as part of a destination marketing co-op, or in collaboration with other arts' organizations.**

GULLAH MUSEUM OF HILTON HEAD ISLAND
2016 Out-of-Cycle Grant Application

The Gullah Museum of Hilton Head Island is requesting funding for a one day Memorial Day celebration which in the Gullah Geechee tradition is called "Decoration Day" to be held May 21, 2016; this will be the first Memorial Day celebration held by the Hilton Head Island Gullah Geechee People in 72 years. The purpose of the event is to provide a cultural event that will continue to educate and enlighten visitors and local residents on the history, customs, and traditions of the Gullah Geechee People.

"Memorial Day Gullah Celebration"

Tourism Ratio: Not reported on application; estimated to be 49% based on past metrics and information

Grant Request: **\$2,743, per TERC guidelines the maximum allowable award would be \$1,831**

Grant Reason: For event marketing and operation expenses related to the event

Recommendation: **\$1,831, full funding based on TERC maximum allowable reimbursement guidelines**

ATAC Opinion: The Committee was impressed with the applicant's commitment and contribution towards enhancing the cultural experience of tourists. The Committee felt that this event was emergent and would be a good use of carryover funding. **TERC reimbursement guidelines were applied towards the operational expense request making the maximum allowable award to be \$1,831. The Committee's recommendation includes 100% reimbursement for \$600 in marketing expenses and 49% reimbursement for \$2,513 in operational and event expenses.**

HILTON HEAD ISLAND CONCOURS D'ELEGANCE, INC.
2016 Out-of-Cycle Grant Application

The Hilton Head Island Motoring Festival & Concours d'Elegance continues to prove its position as one of the premiere destination events on the East Coast. In 2015, this event introduced a new dimension by including aircraft as part of its programming. This event was deemed a huge success and was popular with both attendees and sponsors. The Concours team wants to ensure the 2nd year of this niche event is even more successful than last year. Their strategy is to "set the bar" for all other motoring festivals across the country. In fact, the Amelia Island Concours introduced aircraft programming to its event after seeing Hilton Head Island's event. The long range goal of this event segment is to attract new national sponsors, draw in new exhibitors and attendees, and add a new audience segment to the Island.

"Flights & Fancy / Aero Expo"

Tourism Ratio: 75.0% / 1,125 tourists served out of 1,500 total people

Grant Request: **\$50,000**

Grant Reason: For event expenses and advertising; this contributes towards a total event budget of \$120,300

Recommendation: **\$50,000 – Full funding**

ATAC Opinion: The Committee feels that this element of the Motoring Festival's programming has the potential to elevate this signature event to new levels. The Committee felt that this grant request was both emergent and urgent. Due to the timing of the event occurring during our traditional grant cycle, the applicant did not want to include this request in its traditional application as it was a first-time event and success was unknown at that time. The Committee appreciated this approach and commented that it was both responsible and reasonable.

MITCHELVILLE PRESERVATION PROJECT
2016 Out-of-Cycle Grant Application

Mitchelville Preservation Project (MPP) recently was informed that it was selected to be the host organization of the National Underground Railroad Conference to be held June 13-18, 2016. This event will help bring more national attention to one of the Island's cultural treasures, Mitchelville. Approximately 250 participants have confirmed their attendance, in addition to their families, presenters, and National Park Service staff. The participant and visitor count is expected to rise as the event draws closer. The National Park Service made its site announcement only in late-March 2016.

"Underground Railroad Conference - Host"

Tourism Ratio: 88.0% / 2,000 tourists served out of 2,250 total people served

Grant Request: **\$60,000**

Grant Reason: For supplemental marketing and event expenses to be used by MPP to serve as the host sponsor of the National Underground Railroad Conference (Note: The National Park Service has its own budget for this event which will increase the value of the event to the participants and lead to a greater economic impact for the Island.)

Recommendation: **\$60,000**

ATAC Opinion: The Committee was excited to learn that this opportunity has been presented to MPP. It was noted that this type of event embodies what the Committee views as both urgent and emergent. Committee members acknowledged the hard work of the MPP board that fought hard to keep the Island a front-runner in this decision. The Committee feels this is also a great opportunity to market our destination to these attendees in the hope that they will become repeat visitors after they leave. MPP noted that it hopes to be able to bring this conference back to Hilton Head in the future if successful.

THE HERITAGE LIBRARY FOUNDATION
2016 Out-of-Cycle Grant Application

The Heritage Library has continued to expand its services to both visitors and tourists over the past few years. In addition, its operational costs have increased as well. The Library is in a position where it needs near-term financial support for rent and funding to provide for new computer equipment to better serve its patrons.

“New Technology / Partial Rent Payments”

Tourism Ratio: 61.0%

Grant Request: **\$28,562.98**

Grant Reason: For remaining 2016 rent payments (\$17,080) and computer and telephone equipment expenses (\$11,482.98)

Recommendation: **No funding due to past TERC opinions related to rent and equipment funding**

ATAC Opinion: The Committee continues to be a strong supporter of the Library’s mission and projects. Unfortunately, a previous opinion issued by TERC needed to be applied to this application’s review, and the Committee regrettably was unable to make a funding recommendation. **TERC provided an opinion that certain operational expenses that would normally need to be paid regardless of the tourism percentage do not qualify for ATAX funding. In this case, both rent and computer/telephone equipment are considered necessary for the Library to operate with or without tourists.**

Respectfully submitted on behalf of the Accommodations Tax Advisory Committee,



Mike Alsko, Chairman

2015/2016 Accommodations Tax Advisory Committee Members:

Mike Alsko, Chairman

Stewart Brown, Vice Chairman

Trish Heichel

Rob Bender

Brad Marra

Cliff McMackin

Town Council Awards - Calendar Year 2016 Out-of-Cycle ATAX Grants

	2016 GRANTS		2016 Out-of-Cycle Grants				
	2016 Applicant Request	ATAC Recom and TC Awards	2016 Applicant Request	ATAC Recommendation	ATAC Recommended Restrictions	Town Council Awards	Town Council Restrictions
12 Jewels of Life	N/A	N/A	50,000	-	bring request back in fall more developed; collaborate with other arts/lodging	-	
Arts Center of Coastal Carolina	396,000	396,000	8,220	-		-	
Gullah Museum of Hilton Head Island	50,000	30,000	2,743	1,831	full funding per TERC guidance	-	
Hilton Head Concours d'Elegance	165,000	165,000	50,000	50,000		-	
Mitchelville Preservation Project	60,000	40,000	60,000	60,000		-	
The Heritage Library (2016: Heritage Lib & Speaker Series)	50,160	49,606	28,563	-		-	
Totals	3,709,516	3,422,504	199,526	111,831		-	

Remaining Balance Available to Award	293,729	181,898	293,729 plus \$50k reserve
Grand Total - Grant Funds Available	3,766,233	343,729	343,729
Reserve Fund	(50,000)	(50,000)	(50,000)
Balance to award after maintaining a \$50k reserve	<u>3,716,233</u>	<u>293,729</u>	<u>343,729</u>

December 2015 Actions/Notes for CY2016 Regular Cycle Grants

ATAC recommended grants totalling \$3,422,504 leaving the \$50,000 reserve required by the new ATAX processes and an additional \$293,729 for Council to allocate or increase the reserve. Council's running balance total is based on allocating \$3,716,233 and leaving a reserve of \$50,000.

Town Council awarded ATAC's Recommendations without change.

April 2016 Actions/Notes for CY2016 OUT-OF-CYCLE Grants

The grand total on hand is \$343,729 which includes a \$50,000 reserve. Out-of-cycle requests total \$199,526. ATAC recommended \$181,898 which leaves a balance of \$181,898 plus a \$50,000 reserve for a grand total of \$231,898.

Any grant funds available after Town makes awards will be available for emergencies or will be first funds expended for 2017 grants.

MEMORANDUM

TO: Town Council

Re: Arts Center of Coastal Carolina

DATE: April 11, 2016

Mayor Bennett requests Town Council authorize the Town Manager, in cooperation with the Arts Center of Coastal Carolina (Center), to undertake the necessary procurement of a facilities condition report of the Center. The facility condition report will include an architectural and engineering assessment of the existing facility and building systems. The assessment will identify systems/conditions that are currently in need of repair/replacement with associated cost estimates. Additionally, the report will estimate the useful life of building systems.

MEMORANDUM

TO: Town Council

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

RE: Proposed Request for Proposals for a Performance Review of the Contract with the Beaufort County Sheriff's Office for Police Services

ATTACH: Request for Proposals RFP 2016-0005

DATE: April 6, 2016

CC: Gregory D. DeLoach, Esq., Assistant Town Manager
Brian Hulbert, Esq., Staff Attorney, Tom Fultz; Director Administrative Services

Recommendation: The Finance and Administrative Committee recommends that Town Council approve the issuance of a Request for Proposals (see attached) for a performance review of the contract with the Beaufort County Sheriff's Office for police services.

Summary: This performance review is part of Council's ongoing efforts to measure the level of service being provided in current contracts for services with external agencies.

Background: The Finance and Administrative Committee at their April 5, 2016 meeting unanimously approved the draft Request for Proposals.

**TOWN OF HILTON HEAD ISLAND
REQUEST FOR PROPOSALS
PERFORMANCE AUDIT OF TOWN'S CONTRACT
FOR POLICE SERVICES
RFP 2016-0005**

The Town of Hilton Head Island is soliciting proposals from qualified firms with to conduct a performance review of basic law enforcement services as defined and contained within the existing Agreement for Police Services between the Town and the Beaufort County Sheriff's Office dated January 6, 2015 (Exhibit A).

This review includes the updated "Schedule 1 Basic Law Enforcement Services" reflected in (Exhibit B) but does not include the updated "Schedule 2 Ancillary/County Wide Services" reflected in (Exhibit C). The intent of the performance audit is to ensure services are being provided in accordance with the staffing levels reflected in the contract and that these service levels are adequate to ensure the safety and welfare of the Town's citizens/visitors. The respondents to this request for proposals (RFP) should have extensive experience (5 years minimum) conducting audits of this nature and be able to demonstrate both their experience and expertise in the evaluation of police services.

SUBMISSION REQUIREMENTS

All responses should be delivered in sealed envelopes clearly identified as "Performance Audit of Police Services Contract (RFP 2016-0005) by not later than 2:00 PM on May 19, 2016. Please provide a minimum of 6 hard copy responses and one digital copy on CD. Responses should be hand carried or delivered by traceable means to the following address.

Town of Hilton Head Island
One Town Center Court
Hilton Head Island SC 29928
Attn: Tom Fultz, Director of Administrative Services
"RFP 2016-0005 Audit of Police Services Contract"

Any responses received after this time or date will not be opened and shall not be considered for award. By issuing this RFP, the Town of Hilton Head Island is not committing itself to award a contract or pay any costs incurred in the preparation of responses. The Town further reserves the right to accept or reject any or all responses received, to waive formalities, to negotiate with any or all qualified firms, and/or to cancel the RFP in part or in its entirety if it is in the best interest of the Town.

Responses to this RFP will be subject to the Freedom of Information Act (FOIA). Further, the names of the responding firms shall be released to the public following the submission date and time.

Any Firm qualifying for the Town's local vendor preference should include a copy of their certification with their proposal for it to be considered.

For information concerning this request for proposals, please contact Tom Fultz at (843) 341-4791 or tomf@hiltonheadislandsc.gov.

Any questions must be submitted in writing via email to the above point of contact. The Town will accept questions until close of business on May 5, 2016. Should one be required the Town will issue a final addendum for this RFP not later than May 11, 2016. It is the responsibility of the firms to check the Town's website www.hiltonheadislandsc.gov to ensure they have reviewed and considered any addendum's issued for this solicitation.

RESPONSE FORMAT

Responses are to be self-explanatory and designed in a manner to provide the Town with a straightforward presentation of the firm's capabilities and qualifications. Elaborate brochures and other promotional type materials are not desirable. The firm is encouraged to submit, for the Town's review, any additional information pertinent to the project.

1. General Background and Resources:

(A) Executive summary of the Firm's history.

2. Direct Project Experience on project similar in scope and size:

(A) Provide a list of past or current relevant clients for whom you provided similar services within the past 7 years. Provide a minimum of three (3) but not more than five (5) similar projects completed successfully including location, detailed description of services provided, time frame, and budget. Personnel assigned to this project should have been involved in all or a majority of the projects referenced as similar. Provide a primary point of contact with valid phone number and email address for each referenced client. Ensure these references are aware of your response to this RFP and that they will provide a timely response when contacted by a representative from the Town's Selection Team.

3. Project Team:

(A) Project Organization Chart of in-house personnel (and sub consultant personnel, if any) who would be assigned to this project.

(B) Overview of the qualifications and experience of personnel who would be assigned to this project (including: title, role in the project, education, applicable professional registrations and certifications, and relevant experience). Provide a resume for each member of the team.

4. Work Plan and Project Schedule:

(A) Provide Project Work Plan that addresses in detail how you plan to accomplish the tasks reflected in the Town's Scope of Services. The firm selected for this project will have 60 calendar days from the notice to proceed to complete all tasks and deliver their final report. The Work Plan should clearly describe the methods and resources that will be utilized to perform each task. It should include an hourly breakdown for all tasks and sub tasks reflecting both the level of effort in man hours and the hourly rate and name of the project team member/members assigned to perform each task. Identify what you believe to be the major challenges and opportunities for this project.

(B) This fee for services should reflect a total cost of services to include a not to exceed figure for travel and lodging/per diem to perform all tasks reflected in the work plan.

5. Other Pertinent Information

- (A) Present and anticipated workload of project team.
- (B) Litigation history of the lead firm for the past 5 years.
- (C) Additional information you feel may be relevant.

SELECTION CRITERIA:

All proposals shall be reviewed and evaluated by a selection committee comprised of Town Staff and a representative from the Sheriff’s Office utilizing the selection criteria reflected below:

- (A) Quality of previously completed projects (minimum of 3 not more than 5) of similar scope and size completed within the past 7 years. A verifiable record of completing projects on time and on budget. A record of providing services that fully met or exceeded the client’s expectations. The demonstrated experience and qualifications of the proposed team for our project and their record of working together as a team on all or a majority of the referenced projects. The project team is comprised of all the required disciplines to successfully complete the project.
- (B) Proposed work plan demonstrates a detailed and comprehensive understanding of the tasks reflected in the scope of services. The plan includes all the requisite resources and the proposed schedule meets the project required timeline for project completion. The plan accurately identifies all major challenges/opportunities.
- (C) Total fee for Services

AWARD OF A CONTRACT

After a review of proposals the selection committee will forward their recommendation for award to Town Council to include a final fee.

Award will be made to the most qualified firm after evaluation of all responses, to include a thorough review of their qualifications and completion of any negotiations/acceptance of their fee.

The right is reserved to reject any and all responses received; and, in all cases, the Town will be the sole judge as to whether the response has, or has not, satisfactorily met the requirements of this RFP.

GOVERNING LAW

The firm must comply with the laws of the State of South Carolina and the ordinances of the Town of Hilton Head Island, South Carolina.

AFFIRMATIVE ACTION

The firm shall take affirmative action in complying with all state and federal requirements concerning

fair employment, and the treatment of all employees, without regard to, or discrimination by reason of race, color, religion, sex, national origin, or physical handicap.

INSURANCE

The firm shall maintain, throughout the performance of its obligations, a policy of Worker's Compensation insurance with such limits as may be required by law.

INDEMNIFICATION

The Town, its directors, agents, and employees shall be held harmless from liability from any claims, damages, and actions of any nature arising from the completion of the project, provided that such liability is not attributable to negligence of the part of the Town.

SCOPE OF SERVICES

The selected contractor shall perform a review and analysis of the Town's contract for police services to include the following tasks and deliverables:

Task #1. The evaluation shall include, primarily, a determination whether the basic law enforcement services reflected in Exhibits A/B are being performed according to the agreement and whether services are adequate compared to national norms and standards for communities of similar size and nature (tourism). The performance period of January 1, 2015 through December 31, 2015 should be used for this evaluation.

Task #2. Determine if response times for calls for service are consistent with those times experienced in the communities similar to ours. Determine if the clearance rate and timeframes for resolving outstanding cases is consistent with communities similar to ours. Assess the effectiveness of the current provision and level of service.

Task #3: After the completion of Tasks 1-2 conduct a "Gap Analysis" on current service levels that identifies areas of high performance and areas that present opportunities for improvement. Gaps or needs, if any, should be clearly identified and recommendations made as to program refinements, new strategies, or resource modifications that might be required to better achieve community safety objectives and fiscal responsibility.

Task #4: Final Report. The consultant will work with the Town Staff and representatives from the Sheriff's Office to refine recommendations and develop potential implementation strategies/changes and action items for the Town to consider regarding changes to the level of service provided by this contract. The Consultant will provide a presentation of their report/findings to either the full Council or a Committee designated by Council.

C09-2015

AGREEMENT FOR POLICE SERVICES

THIS AGREEMENT FOR POLICE SERVICES, dated the 6th day of January, 2015, is made by and between the Town of Hilton Head Island (Town) and Beaufort County (County) and the Beaufort County Sheriff's Office (BCSO).

WITNESSETH:

WHEREAS, the Town has heretofore maintained a level of professional police protection for the benefit of the citizenry thereof through a law enforcement services contract with Beaufort County and the Sheriff's Office, and

WHEREAS, the Town is desirous of maintaining a high level of competent professional police service in conjunction and harmony with its fiscal policies of sound, economical management; and

WHEREAS, BCSO has agreed to render to the Town a high level of professional police service, and the Town is desirous of contracting for such service upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

- 1.1 **DEFINED TERMS.** The following terms when used in this Agreement, including its preamble and recitals, shall, except where the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular and plural forms thereof):
- 1.1.1 **AGREEMENT.** "Agreement" shall mean this Agreement for Police Services between the Town, County and the BCSO.
- 1.1.2 **ANCILLARY SERVICES.** "Ancillary Services" shall mean those other services listed on the attached Schedule "2" under heading "Ancillary Services" that BCSO shall provide within the Town Boundaries during the Term.
- 1.1.3 **APPLICABLE LAWS.** "Applicable Laws" shall mean, with respect to any Person, all provisions of constitutions, statutes, rules, ordinances, regulations, charters, and orders of governmental bodies or regulatory agencies applicable to such Person, and all orders or decrees of all courts and arbitrators in proceedings or actions to which the Person in question is a party or by which it or any of its property may be bound.

- 1.1.4 **BASIC LAW ENFORCEMENT SERVICES.** “Basic Law Enforcement Services” shall mean the basic contract of law enforcement services to be provided by BCSO pursuant to this Agreement as more particularly described on the attached Schedule “1”.
- 1.1.5 **BCSO.** “BCSO” shall mean the duly elected and qualified Sheriff of Beaufort County, South Carolina and the staff of the Sheriff’s Office in its entirety.
- 1.1.6 **BCSO’S ADDRESS.** “BCSO’s address” shall mean Beaufort County Sheriff’s Office, 2001 Duke Street, Beaufort, South Carolina 29902.
- 1.1.7 **BEAUFORT COUNTY.** “County” shall mean Beaufort County, South Carolina, a municipal corporation organized and existing under the laws of the State of South Carolina and consisting of the geographical location with borders as prescribed by statute and including the municipalities of Beaufort, Port Royal, Bluffton and the Town of Hilton Head Island, South Carolina.
- 1.1.8 **COMMAND OFFICER.** “Command Officer” shall mean the Sheriff or his designee who will be deemed to be the officer responsible for the actions of the BCSO employees who provide the Services to the Town of Hilton Head Island.
- 1.1.9 **CONSIDERATION.** “Consideration” shall mean the quarterly payment and other amounts payable by the Town hereunder in consideration of the Services performed by BCSO.
- 1.1.10 **COUNTY’S ADDRESS.** “County’s Address” shall mean Beaufort County, 100 Ribaut Road, Beaufort, South Carolina 29902
- 1.1.11 **DEPUTY SHERIFF.** “Deputy Sheriff” shall mean any person certified by the South Carolina Criminal Justice Academy as a law enforcement officer and commissioned by the Sheriff of Beaufort County to enforce the law in Beaufort County.
- 1.1.12 **EFFECTIVE DATE.** “Effective Date” shall mean January 18, 2015.
- 1.1.13 **EQUIPMENT.** “Equipment” shall mean all equipment owned by the Town.
- 1.1.14 **MARINE/BEACH PATROL.** “Marine/Beach Patrol” shall mean the deployment of officers to repress and prevent criminal activities, investigate offenses, apprehend offenders, and furnish day to day law enforcement services to the waterways and beaches within the Town Boundaries as defined in Exhibit “A.” The BCSO shall provide and maintain a Marine/Beach Patrol Team consisting of at least two (2) designated uniformed deputy sheriffs. The Marine/Beach patrol shall patrol as deemed necessary to provide specialized enforcement on the beaches and waterways within the Town Boundaries.

- 1.1.15 **PATROL UNIT.** “Patrol Unit” shall mean one uniformed officer and all standard police support equipment.
- 1.1.16 **SHERIFF’S OFFICE ENFORCEMENT DIVISION/ SOUTHERN ENFORCEMENT BRANCH.** Shall mean all deputy sheriffs assigned to enforcement duties within the Town Boundaries.
- 1.1.17 **SHERIFF’S OFFICE JURISDICTION.** “Sheriff’s Office Jurisdiction” shall mean all land and waterways lying within the boundaries established by statute and known as the Town as specified in Municipal Code *Section 2-1-20 Corporate Boundaries* and in Exhibit “A.”
- 1.1.18 **SHERIFF’S PATROL.** “Sheriff’s Patrol” shall mean the deployment of deputy sheriffs to repress and prevent criminal activities, investigate offenses, apprehend offenders and furnish day to day law enforcement services within the Town Boundaries.
- 1.1.19 **SHERIFF’S SUBSTATION.** “Sheriff’s Substation” shall mean that facility referred to as the “Hilton Head Office” on Hilton Head Island, SC.
- 1.1.20 **TERM.** “Term” shall mean three (3) years commencing on the Effective Date and expiring on the Termination Date and any extensions thereto.
- 1.1.21 **TERMINATION DATE.** “Termination Date” shall mean January 31, 2018.
- 1.1.22 **TOWN.** “Town” shall mean the Town of Hilton Head Island, South Carolina, a municipal corporation organized and existing under the laws of the State of South Carolina and located within the boundaries of Beaufort County, South Carolina.
- 1.1.23 **TOWN ADDRESS.** “Town Address” shall mean 1 Town Center Court, Hilton Head Island, South Carolina 29928.
- 1.1.24 **TOWN BOUNDARIES.** “Town Boundaries” shall mean the area within the municipal corporate boundaries of the Town as specified in Municipal Code *Section 2-1-20 Corporate Boundaries* and in Exhibit “A.”
- 1.1.25 **TOWN MANAGER.** “Town Manager” shall mean the duly appointed Town Manager of the Town, who, on the effective date of this Agreement is Stephen G. Riley. In the absence of the Town Manager, the Assistant Town Manager or person acting in the capacity of the Town Manager shall have the same authority as that of the Town Manager.
- 1.1.26 **TRAFFIC UNIT.** “Traffic Unit” shall mean one uniformed deputy sheriff and all standard police support equipment assigned to a special team and shift to accomplish traffic patrol, auto accident investigation and traffic control.

- 1.1.27 **UNIFORMED OFFICER.** “Uniformed Officer” shall mean a uniformed deputy sheriff employed by BCSO.

ARTICLE II GENERAL AGREEMENT TERMS

- 2.1 **INTERPRETATION.** Each definition in this Agreement shall, unless otherwise specified, include such agreement as modified, amended, restated or supplemented from time to time, and except where the context otherwise requires, reference to a party to this Agreement includes that party and its permitted successors and assigns. The captions or headings in this Agreement are for convenience only and in no way limit the scope or intent of any provision of this Agreement.
- 2.2 **ACCOUNTING TERMS.** All references in this Agreement to generally accepted accounting principles shall be to such principles as in effect from time to time in the United States of America. All accounting terms used herein without definition shall be used as defined under such generally accepted accounting principles.
- 2.3 **CROSS REFERENCES.** Unless otherwise specified, references in this Agreement to any Article or Section are references to such Article or Section of this Agreement, and unless otherwise specified, references in any Article, Section or definition to any clause are references to such clause of such Article, Section or definition. The words “hereof”, “hereby”, “hereto”, “herein”, “hereunder” and the like refer to this Agreement in its entirety.
- 2.4 **CONTRACTOR RELATIONSHIP.** Town hereby retains County and the BCSO as an independent contractor to provide the Services within the Town Boundaries subject to the terms and conditions contained herein. In addition, County and the BCSO shall also provide the Ancillary Services for the benefit of the Town, subject to availability, when County and the BCSO deems same necessary or desirable. This is inclusive of Basic and Ancillary Services listed under Schedule “1” and “2”.
- 2.5 **NO PARTNERSHIP.** The relationship between the Town, County and the BCSO shall be solely as set forth herein. No party shall be deemed the employee, agent, partner or joint venture of the other, nor have, or represent to have, any authority or capacity to make or alter any agreement on behalf of the other, to legally bind the other, to credit or receive money due on behalf of the other or to do any other thing on behalf of the other, except as specifically set forth herein. Neither the Town nor County and the BCSO will have or attempt to exercise any control or direction over the methods used by the other to perform its work, duties and obligations under this Agreement except as specifically set forth herein. The respective employees, agents and representatives of each of the Town, County and the BCSO shall remain their own employees, agents or representatives, and

shall not be entitled to employment benefits of any kind from the other, except as specifically set forth herein. The Town, County and the BCSO shall assume full responsibility for their own compliance with any and all Applicable Laws.

ARTICLE III TERM & TRANSITION PERIOD

- 3.1 **TERM.** This Agreement shall commence on the Effective Date and shall continue thereafter for the Term, unless otherwise extended or terminated as set forth herein. The Town shall have the option to extend the Term upon the same terms and conditions contained herein.
- 3.2 **TERMINATION OF CONTRACT.** Should the Town determine that it desires to provide police services through its own police force, the Town shall notify Beaufort County and the BCSO, within 10 days of formal Town Council Action.
- 3.3 **TRANSITION PERIOD.** A transition period of not more than eighteen months (18) shall commence upon the County's receipt of formal notification of termination of this Agreement, for any reason by the Town. The County and the BCSO shall be bound by the same terms and conditions set forth herein during the transition period, unless the Town hires a number of BCSO deputy sheriffs that would significantly impact the ability of the BCSO to meet the terms of this Agreement.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF TOWN

- 4.1 **REPRESENTATIONS AND WARRANTIES OF TOWN.** The Town represents, warrants and covenants to County and the BCSO as of the date hereof and throughout the Term of this Agreement that:
- 4.1.1 **EXISTENCE.** The Town is and will remain duly organized, validly existing and in good standing under the laws of the State of South Carolina, has and will retain the requisite power and authority to conduct its business, to enter into this Agreement and to perform the terms hereof and by proper action on behalf of the Town has duly authorized, executed and delivered this Agreement and any and all instruments in connection herewith.
- 4.1.2 **BREACH.** Neither the execution and delivery of this Agreement, the consummation of the transaction contemplated hereby nor the fulfillment of or compliance with the terms and provisions hereof (a) conflicts with, or result in a material default under or breach of or grounds for termination of, any material agreement or any license, permit or other governmental authorization to which Town is a party or by which Town is bound, (b) result in the violation by the Town of any provision of any Applicable Law applicable to Town or to which Town may be subject, (c) violate or conflict with any charter or other document

governing the actions of Town, or (d) require Town to obtain or make any consent, authorization, approval, registration or filing under Applicable Law or order of any court or governmental agency, board, bureau, body, department, authority or any other person which has not already been obtained. The Town is not in default with respect to any order, judgement, ordinance, award or decree of any governmental agency or instrumentality affecting this Agreement or the transactions contemplated hereby.

4.2 **REPRESENTATIONS AND WARRANTIES OF COUNTY AND THE BCSO.** County and the BCSO represents, warrants and covenants as of the date hereof and throughout the term of this Agreement that:

4.2.1 **DULY ELECTED.** P.J. Tanner is the duly elected Sheriff of Beaufort County, South Carolina, has and will retain the requisite power and authority pursuant to the power so vested in him under Applicable Law to conduct its business, to enter into this Agreement and to perform the terms hereof and by proper action has duly authorized, executed and delivered this Agreement and any and all instruments in connection herewith;

4.2.2 **ENFORCEABLE.** This Agreement has been duly executed and delivered to County and the BCSO and constitutes the valid and legally binding obligation of County and the BCSO enforceable in accordance with its terms.

4.2.3 **BREACH.** Neither the execution and delivery of this Agreement, the consummation of the transaction contemplated hereby nor the fulfillment of or compliance with the terms and provisions hereof (a) conflicts with, or result in a material agreement or any license, permit or other governmental authorization to which County and the BCSO is a party or by which County and the BCSO is bound, (b) result in the violation by the County and the BCSO of any provision of any Applicable Law applicable to the County and the BCSO or to which County and the BCSO may be subject, (c) violate or conflict with any charter or other document governing the actions of County and the BCSO, or (d) require County and the BCSO to obtain or make any consent, authorization, approval, registration or filing under Applicable Law or order of any court or governmental agency, board, bureau, body, department, authority or any other person which has not already been obtained. County and the BCSO is not in default with respect to any order, judgement, ordinance, award or decree of any governmental agency or instrumentality affecting this Agreement or the transactions contemplated hereby.

ARTICLE V STAFFING AND LEVELS OF SERVICE

5.1 **STAFFING.** Commencing on the Effective Date, BCSO shall schedule, provide and employ the personnel necessary to provide the services within the Town Boundaries in accordance with the articles of this Agreement and outlined in the Description of Services and Ancillary Services attached hereto as Schedule "1"

and "2". BCSO shall have the sole responsibility and control over setting Policy, Procedures and Standards and, provided BCSO complies with the Basic Service requirements set forth in Article V of this Agreement, all other matters related to performing the Services and Ancillary deployment within the Town Boundaries of BCSO deputy sheriffs.

- 5.2 **SOUTHERN ENFORCEMENT BRANCH ASSIGNMENT CHANGES.** The BCSO shall maintain duty assignments in accordance with existing command and control structure of the Sheriff's Office, as well as established policies and procedures.
- 5.3 **DISTRICT COVERAGE.** Two (2) geographical divisions are currently established as Patrol Areas on Hilton Head Island known as 5A and 5B. These two areas shall be maintained in accordance with established procedures of the BCSO.
- 5.4 **NO EMPLOYMENT RESPONSIBILITY.** All BCSO employees shall not be considered employees of the Town for purposes of pension benefits, insurance benefits, compensation and/or any status or right. Accordingly, the Town shall not be called upon to assume any liability for or direct payment of any salaries, wages, or other compensation, contributions to pension funds, insurance premiums, workmen's compensation, vacation or compensatory time, sick leave benefits or any other amenities of employment to any BCSO employee whatsoever arising out of BCSO's employment of such Deputy Sheriffs and such Deputy Sheriff's performance of the services.
- 5.5 **ASSIGNMENT OF POLICE POWERS.** As sworn, certified, commissioned deputy sheriffs, each deputy sheriff assigned to duties within the Town Boundaries shall be vested with the authority by the Town to enforce such municipal ordinances as may be necessary in the performance of their duties under the Terms of this Agreement.

ARTICLE VI
SOUTHERN ENFORCEMENT BRANCH COMMAND

- 6.1 **COMMAND OFFICER.** At all times during the Term, BCSO shall employ a Command Officer to exercise authority over the Southern Enforcement Branch of the Enforcement Division. The Command Officer shall meet and confer with the Town Manager or his designee as needed, for the purpose of maintaining the viability and vitality of this Agreement.
- 6.2 **LOCATION OF COMMAND OFFICER.** The Command Officer of the Southern Enforcement Branch shall maintain his or her principal office at the Sheriff's Substation located on Hilton Head Island, South Carolina.

**ARTICLE VII
DISPATCHING SERVICES**

- 7.1 **RADIO PROCEDURES.** All radio traffic generated by BCSO personnel shall take place on “channels” and “talk groups” as prescribed in existing BCSO standardized Policies and Procedures.
- 7.2 **EMERGENCY RESPONSE GRID SYSTEM.** The Grid system established by the Beaufort County Communications Center shall be utilized for all reporting and call tracking conducted by the BCSO.
- 7.3 **DISPATCHING SERVICES.** All calls for Sheriff’s emergency services placed to Hilton Head Island Communications Center will be transferred to Beaufort County Communications Center using a “One Button” transfer system. All calls for service for Hilton Head Island for other than Sheriff’s services placed to Beaufort County Communications Center will be transferred to Hilton Head Island Communications Center using a “One Button” transfer system. The Beaufort County Communications Center will serve as a back-up for the Hilton Head Island Communications Center 24 hours a day and seven days a week. The Hilton Head Island Communications Center will serve as a back-up for the Beaufort County Communications Center 24 hours a day and seven days a week. To insure that each Communications Center has the resources necessary to perform the back-up function for the other center, the following types of information will be shared between the centers: (1) geographic and address data relative to the territory being backed-up; (2) operational procedures which have been mutually agreed to by the management of each center relative to providing the back-up function; and (3) sharing of planning information so that each center may properly equip itself to perform the back-up function.

**ARTICLE VIII
MUNICIPAL COURT**

- 8.1 **DEPUTY APPEARANCE AT COURT.** All deputy sheriffs appearing in Municipal Court shall adhere to Uniform Standards as set forth in the BCSO Policies and Procedures Manual. All deputy sheriffs shall make every reasonable effort to notify the Court in the event of their delay, absence or request for continuance of a pending case.
- 8.2 **OFFENSES TO BE HEARD IN MUNICIPAL COURT.** All municipal level, traffic, and boating related offenses occurring within the Town Boundaries of Hilton Head Island shall be scheduled before the Municipal Court by Deputy Sheriffs assigned to the Southern Enforcement Branch; except where there is a conflict of interest, in which case, the matter shall be assigned to the Magistrate’s Court.

**ARTICLE IX
CONSIDERATION**

- 9.1 **CONSIDERATION.** In consideration of the services provided hereunder, the Town agrees to pay BCSO the Consideration in equal quarterly installments commencing at the end of the first full quarter after the Effective Date of this agreement. Should the term commence or end on other than the first or last day respectively of a calendar quarter, the quarterly installment due for said quarter shall be prorated accordingly. BCSO shall provide the Town with written documentation to support any percentage rate increase or other change impacting the Consideration amount. The increase shall be calculated on the total consideration paid in the prior year. BCSO and Town agree and understand that BCSO shall make every reasonable effort to limit the annual increase in the Consideration, and shall consider an increase only when other alternatives are insufficient to meet the needs of the Town and BCSO under the terms and conditions of this agreement.
- 9.2 **SERVICE CREDITS.** The above stated Consideration for services to be provided is agreed to based on BCSO providing the services at the levels stated within this agreement. The Town shall be entitled to a credit for each level of service not attained for that quarter and shall be deducted from the Consideration payment. Any level not attained or maintained for a period of three (3) consecutive months shall constitute a breach of this agreement. Said credit shall be calculated using the actual cost of providing that annual level of service divided by 12, times the percent of service not provided then times the number of months the service was not provided.
- 9.3 **ANNUAL REVIEW.** On an annual basis, the Town and BCSO will review current service levels and proposed service level alterations. The proposed Consideration shall be determined after the completion of the Annual Review that will occur simultaneous to the Annual Proposed Budget Process.
- 9.4 **SERVICES RENDERED STATEMENT.** The BCSO shall provide to the Town, on a quarterly basis, a bill for services budgeted for annually. A monthly report (Exhibit "C") for each month in the quarter shall be provided to support the billing detailing the percentage of time spent by each position identified in the contract for services rendered. Positions are billed based on the entry level salary for each classification.

**ARTICLE X
REPORTS**

- 10.1 BCSO shall deliver reports as outlined in Exhibit "B" according to schedule contained therein.

**ARTICLE XI
GRANTS AND FUNDS**

- 11.1 **GRANT FUNDS AND MISCELLANEOUS REVENUES.** The BCSO shall seek grant funding as deemed appropriate under direction from the Sheriff. The BCSO shall retain all funds and equipment gained through grant awards as established in existing BCSO policies.

**ARTICLE XII
INSURANCE**

- 12.1 **BCSO OBLIGATIONS.** BCSO shall maintain general liability and tort insurance policies in the amounts as established by state statute and county policy. BCSO shall maintain these insurance policies throughout the Term. BCSO shall provide the Town with copies of the insurance policies required hereunder and all renewals thereof. The Costs of these insurance policies shall be the sole obligation of the County and the BCSO.

**ARTICLE XIII
DEFAULT**

- 13.1 **DEFAULTS.** The occurrence of any one or more of the following shall constitute a "Default" by the party causing same (the "Defaulting Party").
- 13.2 **PAYMENT.** Failure of the Defaulting Party to pay any amount required hereunder, whether for Consideration, insurance or any other obligations, within thirty (30) days after such is due hereunder; or
- 13.3 **PERFORMANCE OF SERVICES.** Failure of BCSO to perform the Services as required herein at any time during the Term; or
- 13.4 **OTHER PERFORMANCE.** Failure of the Defaulting Party to perform any other covenant, condition, agreement or provision contained herein (other than the Services) or to cure any misrepresentation or breach of any representation or warranty herein thirty (30) days after receipt by the Defaulting Party of written notice of such failure, misrepresentation or breach; or
- 13.5 **DEFAULT.** Failure of the Defaulting Party to perform any covenant, condition, agreement or provision contained in any other agreement or to cure any misrepresentation or breach of any representation or warranty in any other agreement between the parties hereto within any applicable grace period provided in such agreement.
- 13.6 **REMEDIES.** Upon the occurrence and continuance of a Default by the Defaulting Party, the party not in Default (the "Non-Defaulting Party") may, at its option and without any obligation to do so and in addition to any other remedies

otherwise set forth in this Agreement, elect any one or more of the following remedies:

- 13.6.1 Terminate and cancel this Agreement; or
 - 13.6.2 Withhold payment or performance under this Agreement until such time as such Default is cured; or
 - 13.6.3 Seek injunctive relief to enjoin any act of the Defaulting Party in violation hereof; or
 - 13.6.4 Seek specific performance of any covenant or obligation of the Defaulting party hereunder; or
 - 13.6.5 Pursue any other remedy now or hereafter available under the laws or judicial decisions of the State of South Carolina
- 13.7 **SEPARABILITY.** Each and every covenant and agreement herein shall be separate and independent from any other and the breach of any covenant or agreement shall in no way or manner discharge or relieve the performance of any other covenant or agreement. Each and all of the rights and remedies given to the Non-Defaulting Party by this Agreement or by law or equity are cumulative and the exercise of any such right or remedy by the Non-Defaulting party shall not impair the Non-Defaulting Party's right to exercise any other right or remedy available to the Non-Defaulting Party under this Agreement or by law or equity.
- 13.8 **WAIVER.** No delay in exercising or omission of the right to exercise any right or power by any party hereto shall impair any such right or power, or shall be construed as a waiver of any breach or default or as acquiescence thereto. One or more waivers of any covenant, term or condition of this Agreement by either party shall not be construed by the other party as a waiver of a continuing or subsequent breach of the same covenant, provision or condition. The consent or approval by either party to or of any act of the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act. Payment or receipt of a lesser amount than that due hereunder shall not be deemed to be other than on account of the earliest amount due hereunder.
- 13.9 **FORCE MAJEURE.** If the performance of any covenant, agreement, obligation or undertaking (exclusive of payment or monetary obligations of either party hereunder) required hereunder is delayed, hindered or prevented by reason of strikes, lock-outs, labor troubles, wars, civil commotion's, Acts of God, governmental restrictions or regulations or interference's, fires or other casualty, the performance of such covenant, agreement, obligation or undertaking shall be excused and extended and shall not be a Default for the period of such delay, hindrance or prevention.

- 13.10 **ATTORNEY'S FEES.** In the event of any controversy arising under or relating to the interpretation or implementation of this Agreement or any breach thereof, the prevailing party shall be entitled to seek payment for all costs and attorney's fees (both trial and appellate) incurred in connection therewith.
- 13.11 **COUNTY AND BCSO ACKNOWLEDGMENT.** County and the BCSO do hereby acknowledge that the Town is entering into this Agreement in reliance upon County's and the BCSO's obligations herein imposed for the Term. Accordingly, County and the BCSO agree that it shall have the right to terminate this Agreement only as permitted in this Section.

ARTICLE XIV INDEMNIFICATION

- 14.1 The County and the BCSO shall assume liability for, defend against, and secure the Town from all costs or damages for injury to persons or property caused by the negligence or intentional misconduct of the Sheriff's personnel in providing or failing to provide general law enforcement services, as outlined in this Agreement, to the Town provided the liability is not the result of Town policy.

ARTICLE XV MISCELLANEOUS

- 15.1 **NOTICE.** All notices and other communications under this Agreement shall be in writing and shall be deemed to have been given three (3) business days after deposit in the mail, designated as certified mail, return receipt requested, postage-prepaid, or one (1) business day after being entrusted to a reputable commercial overnight delivery service, or when sent by telex or telecopy on a business day addressed to the party to which such notice is directed at its address determined in accordance with this Section with customary confirmation of receipt of such telex or telecopy received. All notices and other communications under this Agreement shall be given to the parties hereto at the following addresses: If to Town, to it at Town's address; if to BCSO, at BCSO's address and to the County at its address. Any party hereto may change the address to which notices shall be directed under this Section by giving ten (10) days written notice of such change to the other parties.
- 15.2 **NON-ASSIGNABILITY.** Neither party shall assign any of its obligations or benefits imposed hereby or contained herein, except upon the other party's prior written approval.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures hereto the date first written hereinabove.

Suzanne Cook
WITNESS

BEAUFORT COUNTY
By: Gary Kubic
Gary Kubic, Beaufort County
Administrator

Suzanne Cook
WITNESS

BEAUFORT COUNTY SHERIFF'S
OFFICE
By: P. J. Tanner
P. J. Tanner, Beaufort County
Sheriff

R. C. Hubbard
WITNESS

TOWN OF HILTON HEAD ISLAND
By: Stephen G. Riley
Stephen G. Riley, ICMA-CM,
Town Manager

AGREEMENT FOR POLICE SERVICES

EXHIBIT "A"

Municipal boundaries:

The municipal corporate boundaries of the Town of Hilton Head Island, SC are specified in Municipal Code Section 2-1-20. Corporate boundaries

Statutory Provisions:

Section 5-7-140. Extension of police jurisdiction and authority of municipalities bordering on high tide line or high water mark of navigable body of water.

- (A) The corporate limits of any municipality bordering on the high-tide line of the Atlantic Ocean are extended to include all that area lying between the high-tide line and one mile seaward of the high-tide line. These areas are subject to all the ordinances and regulations that may be applicable to the areas lying within the corporate limits of the municipality, and the municipal ordinances where the misdemeanor occurred in the area defined in this section.
- (B) The corporate limits of any municipality bordering on the high-water mark of a navigable body of water, other than the Atlantic Ocean, are extended to include all that area lying between the high-water mark and the low-water mark. These areas are subject to all of the ordinances and regulations that may be applicable to the areas lying within the corporate limits of the municipality, and the municipal courts have jurisdiction to punish individuals violating the provisions of the municipal ordinances where the misdemeanor occurred in the areas defined in this section.

Section 5-7-150 Coastal municipalities' criminal jurisdiction over piers and other structures and waters of the ocean.

Every coastal municipality has criminal jurisdiction over piers and other structures and the waters of the ocean, a sound, or an inlet within one mile of those portions of the strand within the corporate limits. The corporate limits of the municipality are extended in a straight line from the strand into the ocean, inlet, or sound from the point where the corporate limits of the municipality reach the high-water mark of the strand. If an extension overlaps with the criminal jurisdiction of another political subdivision, the jurisdiction of each political subdivision extends to the equidistant point from the high-water mark of each strand.

AGREEMENT FOR POLICE SERVICES

Exhibit "B"

Reports

Crime Statistics (Due Annually)

SLED "Crime in South Carolina" annual report

FBI "National Trends" annual report

Victims/Witness Advocacy Program (Due Annually)

Number of victims served

Police Patrol (Due Annually)

Calls for Police Patrol Services

Calls for Service per Patrol Unit

Average Response Time in Minutes from Dispatch to Scene (Citizen Generated)

Dispatched Calls

Criminal Investigation (Due Annually)

Number of Cases Assigned per Investigator

Number of Cases Cleared per Investigator

Quarterly Report

Crimes Against Persons

Crimes Against Property

Vehicle Collisions

Offense Clearances

Drug Violations

Tickets Written for Municipal Court

Additional Offenses

UCR Reports

AGREEMENT FOR POLICE SERVICES

EXHIBIT "C"

AREA ASSIGNMENT FORM

AGREEMENT FOR POLICE SERVICES

SCHEDULE "1"

BASIC LAW ENFORCEMENT SERVICES

1. **SHERIFFS PATROL.** The BCSO shall provide a minimum of four (4) staffed patrol units on duty 24 hours a day, seven days a week to provide basic sheriffs patrol within the Town Boundaries.
2. **PATROL UNIT SUPERVISOR.** In addition to the minimum staffing requirements above, staffing shall consist of not less than one (1) "Patrol Unit Supervisor" on duty at all times, responsible for basic law enforcement patrol activities within the Town boundaries 24 hours per day, seven days a week.
3. **MARINE/BEACH PATROL.** The BCSO shall provide and maintain a Marine/Beach Patrol Team consisting of at least two (2) designated uniformed deputy sheriffs. The Marine/Beach patrol shall patrol as deemed necessary to provide specialized enforcement on the beaches and waterways within the Town Boundaries.
4. **EVIDENCE TECHNICIAN.** The BCSO shall provide one deputy sheriff whom is tasked primarily with the collection, cataloging, custody and preservation of evidence collected at crime scenes within the Town Boundaries.
5. **CRIMINAL INVESTIGATORS.** The BCSO shall provide three (3) deputy sheriffs assigned to investigate major criminal incidents occurring within the Town Boundaries.
6. **DRUG INVESTIGATORS.** The BCSO shall provide two (2) deputy sheriffs assigned to enforce narcotics laws within the Town Boundaries.
7. **CLERK.** The BCSO shall provide three (3) clerks assigned to the Sheriff's Substation on Hilton Head Island for the purpose of performing administrative duties such as correspondence and record keeping.
8. **VICTIM'S ADVOCATE.** The BCSO shall provide one deputy sheriff who is assigned as the Victim's Advocate to work with victims of crimes occurring within the Town Boundaries in compliance with state statutes.
9. **COMMAND OFFICER.** At all times during the Term, BCSO shall employ a Command Officer to exercise authority over the Southern Enforcement Branch of the Enforcement Division. The Command Officer shall meet and confer with the Town Manager or his designee as needed, for the purpose of maintaining the viability and vitality of this Agreement.

AGREEMENT FOR POLICE SERVICES

SCHEDULE "2"

DESCRIPTION OF ANCILLARY SERVICES

As indicated under definition 1.1.2 *Ancillary Services* any and all auxiliary and support services to include:

- Lab services
- K-9 support
- Special Response Team (SWAT)
- Crisis Negotiations
- Animal Control
- Airport Security
- School Resource Officer
- Civil Service
- Warrant Service
- Records Management
- Command
- Bomb Team
- ICE Enforcement
- DNA Lab
- Sex Offender Registry
- AFIS System

And other support services as currently provided to the Town of Hilton Head Island.

EXHIBIT B

ANCILLARY/COUNTY WIDE POLICE SERVICES

1. Office of Professional Responsibility (Internal Affairs)
2. Polygraph Services
3. Computer/Digital Crime Section
4. Hazmat Response
5. Dispatch Services
6. Traffic Management
7. National Crime Information Service (NCIC)
8. Alcoholic Beverage Control Enforcement (ABC Team)
9. Environmental Crime Unit
10. Dive Team
11. Crime Prevention
12. Cadaver Dog
13. Crime Scene Unit
14. Quartermaster/Supply Section
15. Armorer
16. Public Information Officer (PIO)
17. Freedom of Information Officer (FOIA)
18. Intelligence/Analysis Section
19. Information Technology Section
20. Radio Communications, Maintenance & Programming Service
21. Law Enforcement Accreditation (CALEA)
22. Citizens Police Academy
23. Weapons/Firearms Training
24. Auditor's Liaison
25. Project Lifesaver
26. Jail-Beaufort County Detention Facility
27. Lab Services
28. K-9 Support
29. Special Response Team (SWAT)
30. Crisis Negotiations
31. Animal Control
32. Airport Security
33. School Resource Officer
34. Civil Service
35. Warrant Service
36. Records Management
37. Command
38. Bomb Team
39. ICE Enforcement
40. DNA Lab
41. Sex Offender Registry
42. AFIS System

EXHIBIT C

SCHEDULED UPDATED 4-5-16

ANCILLARY/COUNTY WIDE POLICE SERVICES

1. Office of Professional Responsibility (Internal Affairs)
2. Polygraph Services
3. Computer/Digital Crime Section
4. Hazmat Response
5. Dispatch Services
6. Traffic Management
7. National Crime Information Service (NCIC)
8. Alcoholic Beverage Control Enforcement (ABC Team)
9. Environmental Crime Unit
10. Dive Team
11. Crime Prevention
12. Cadaver Dog
13. Crime Scene Unit
14. Quartermaster/Supply Section
15. Armorer
16. Public Information Officer (PIO)
17. Freedom of Information Officer (FOIA)
18. Intelligence/Analysis Section
19. Information Technology Section
20. Radio Communications, Maintenance & Programming Service
21. Law Enforcement Accreditation (CALEA)
22. Citizens Police Academy
23. Weapons/Firearms Training
24. Auditor's Liaison
25. Project Lifesaver
26. Jail-Beaufort County Detention Facility
27. Lab Services
28. K-9 Support
29. Special Response Team (SWAT)
30. Crisis Negotiations
31. Animal Control
32. Airport Security
33. School Resource Officer
34. Civil Service
35. Warrant Service
36. Records Management
37. Command
38. Bomb Team
39. ICE Enforcement
40. DNA Lab
41. Sex Offender Registry
42. AFIS System



April 11, 2016

The Honorable David Bennett, Mayor
Mr. Steve Riley, Town Manager
1 Town Center Court
Hilton Head Island, SC 29928

RE: Proposed Summit Drive Commerce Park

Dear Mayor Bennett and Manager Riley,

I previously corresponded with you regarding the action taken by the HHIEDC Board of Directors at their March 22 Board meeting unanimously approving a motion recommending that the Hilton Head Island Town Council support the HHIEDC in moving forward with preliminary due diligence and site analysis to evaluate the feasibility of a light industrial/commerce park on approximately 40 acres of Town-owned property on Summit Drive. The matter was referred to the Finance & Administrative Committee for their consideration, and the Committee on April 5th unanimously voted to recommend approval to the full Town Council. The matter has been placed on the April 17 Town Council agenda for discussion.

We anticipate that the preliminary analysis—an updated boundary survey and wetland delineation, topo, tree survey and conceptual site plan—can be accomplished for less than \$40,000. The HHIEDC Board motion includes a request to use an amount not to exceed \$40,000 from the recently established Economic Development Incentive Fund to fund the preliminary site analysis. I recently met with Jeff Buckalew of the Engineering Division to discuss the project, and we believe \$40,000 is the maximum amount that would be needed for the preliminary site/feasibility analysis. As you are aware, expenditures from the Economic Development Incentive Fund require prior Town Council approval, and we seek approval to expend not to exceed \$40,000 from the Incentive Fund for this project. I have attached the package of information that I presented to the Finance & Administrative Committee on April 5th.

Thank you very much for your consideration, and please let me know if you have any questions.

Sincerely,

Don Kirkman
Executive Director

Summit Drive Commerce Park Concept

For presentation to Hilton Head Island Town Council

Tuesday, March 15, 2016

During the period May 1999-March 2007 the Town of Hilton Head Island acquired multiple contiguous parcels on Summit Drive and Dillon Road totaling approximately 67.2 acres. Much of the property consists of the former Hiltech Industrial Park, and the entire property is zoned Light Industrial (IL). Approximately 27 acres are developed and used by the Town for the Facilities Management headquarters, Fire & Rescue headquarters, Fire & Rescue training facility, and a lease to the County for solid waste disposal and recycling. The balance of the Town-owned property is undeveloped. An estimated 13 acres are jurisdictional wetlands, and there is a drainage easement on a portion of the tract. The Airport Board also has expressed interest in acquiring a portion of the property for future airport hangar expansion.

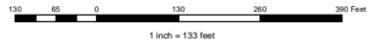
The Hilton Head Island Economic Development Corporation (HHIEDC) believes the undeveloped portion of the Summit Drive site is Hilton Head Island's best, and perhaps only, candidate for a commerce park that could accommodate light manufacturing, assembly and distribution. There is very limited property on Hilton Head Island zoned IL, and most of it is developed and occupied by older structures that were built to support the construction and homebuilding industries. The HHIEDC's client experiences and conversations with commercial brokers substantiate a demand for this type of space on Hilton Head Island. The benefits to the Town include potential revenue from the sale of the property (either sale of the entire tract or subdivided parcels), the creation of new investment and tax base from the development of the park, new jobs offering employment at higher wages than the prevailing wages in the Town, and likely increases in investment and values in proximate areas.

If the Town Council supports this concept for the Town-owned property on Summit Drive, the HHIEDC will seek Town Council approval to use approximately \$40,000 of the Economic Development Incentive Fund to conduct a preliminary analysis of the site, which would include an updated boundary survey, a wetland delineation, a tree survey and topo, and a conceptual site plan to show how the property might be subdivided for potential sale to third parties. Based on the results of the preliminary site analysis, the Town could elect to develop the property or sell it to a third party developer.



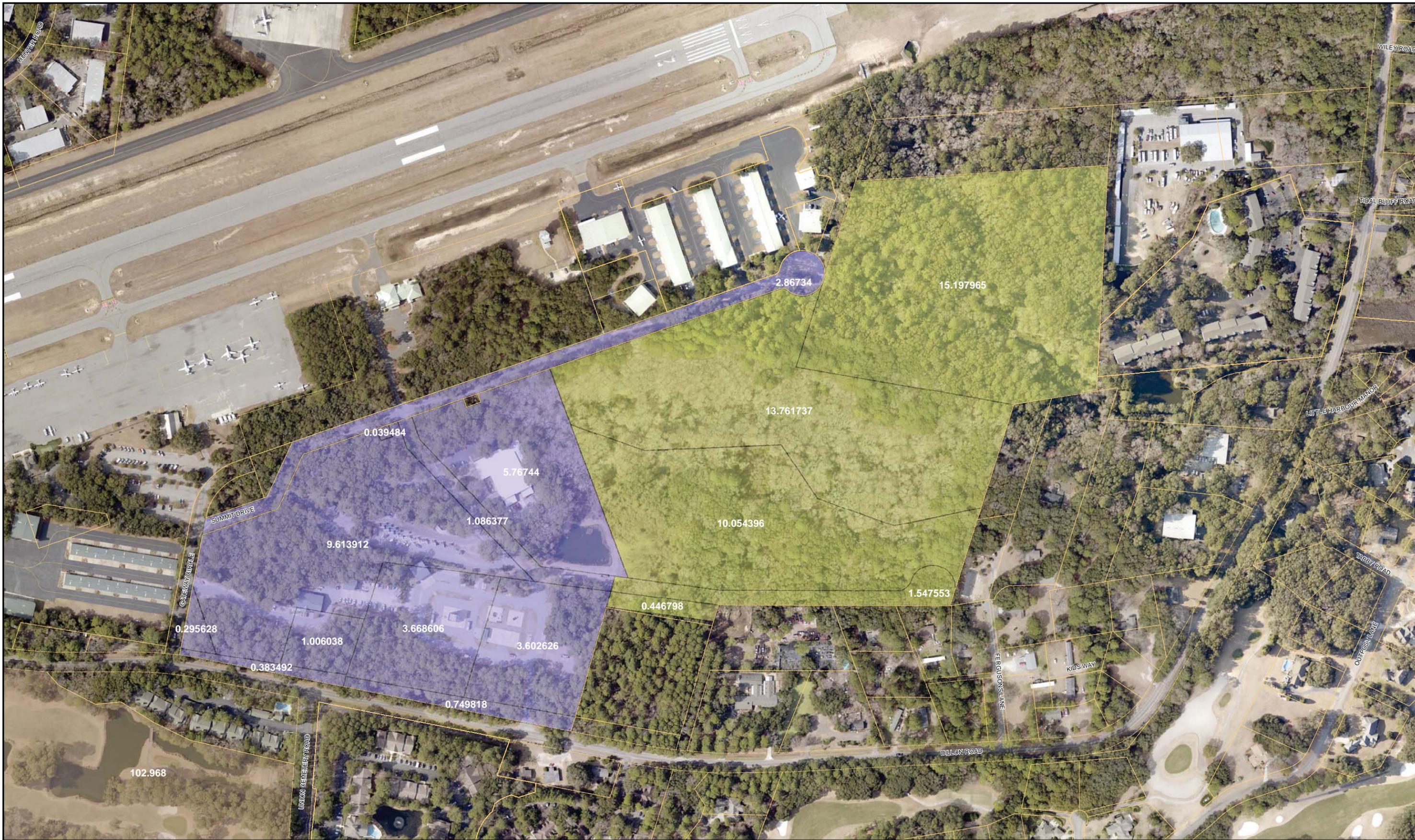
Town of Hilton Head Island
 Town-Owned Property - Summit Drive/Fire Rescue
 March 2016

- Town Owned Property
- Parcels



TOWN OF HILTON HEAD ISLAND
 ONE TOWN CENTER COURT
 HILTON HEAD ISLAND, S.C. 29928
 PHONE (843) 341-4600
Date Created: Wednesday, March 02, 2016
 Project: Downtown, SummitDrive.mxd

The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion or for any losses arising from the use of the map.



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Town of Hilton Head Island
 Town-Owned Property - Summit Drive/Fire Rescue
 March 2016



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MEMORANDUM

TO: Town Council
FROM: Public Safety Committee

RE: Recommendation to Retain the Law Firm of Robinson McFadden as Outside Legal Counsel for the Purpose of Providing a Legal Opinion Related to the Issues Surrounding the use of Lock-out Units in the Town.

DATE: April 6, 2016

CC: Stephen G. Riley, ICMA-CM, Town Manager
Gregory D. DeLoach, Esq., Assistant Town Manager for Administration

At its April 4th meeting, the Public Safety Committee voted to recommend to Town Council that the Town retain the firm of Robinson McFadden to provide legal services in the form of a second opinion and fresh review of the issues related to lockout units within the Town. A proposed scope of work and engagement agreement is attached. The estimate of the cost for the legal services is \$7,500.00, therefore the procurement of their legal services would qualify to be made pursuant to the Town's small purchase procedures.



February 26, 2016

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U.S. REGULAR MAIL and E-MAIL

The Honorable David Bennett
Mayor of the Town of Hilton Head
698 Colonial Drive
Hilton Head Island, SC 29926

**Re: Town of Hilton Head/General Advice
Our File No. 31531-0001**

Dear Mayor Bennett:

Thank you for considering Robinson, McFadden for your legal services. Frank Ellerbe and I enjoyed our conversation earlier this week with you and Bill Harkins. That call was very helpful in giving us an initial start to understanding the potential issues facing the Town of Hilton Head related to ‘lock-out units’ on the island. The purpose of this letter is to (a) establish the scope of our services, (b) identify what initial documents would be needed for our review and (c) set forth an initial proposal/budget for our services. Separately, I’ve attached our standard engagement agreement which, if acceptable, sets forth in greater detail our arrangements for representation and payment terms for services rendered (hereinafter “Engagement Agreement”).

Our understanding is that we are being engaged initially as to assist the Town of Hilton Head in dealing with an increasing issue surrounding ‘lock-out units’ found in various condominium developments within the municipality. To that end, we would be reviewing the existing zoning, building code and other regulatory provisions associated with the permitting and approval of said ‘lock-out units’ as well as the restrictive covenants associated with certain developments where the Town has seen an increase in undesirable or criminal activity. The provisions of this letter and the Engagement Agreement shall also be applicable to all other matters with respect to which we hereafter provide legal services on your behalf, unless otherwise agreed to by each of us in writing.

In order to begin our research and analysis, and to facilitate and minimize our time involvement, it would be extremely helpful if you all could provide us with some or all of the following:

1. The applicable municipal provisions (zoning, permitting, building code) that allow for and/or restrict these ‘lock-out units’;
2. Any prior research, opinions or conclusions reached relative to regulating or placing more control on how the ‘lock-out units’ operate;

3. Examples of restrictive covenants from any of the projects where the Town has seen increased activity that is either not desirable or criminal in nature;
4. Examples of restrictive covenants, rules or regulations in projects where the 'lock-out units' seem to work without issue; and
5. Any studies, papers or documentation of the increased level of activity requiring involvement from the Town of Hilton Head.

This is meant to be an initial list and not exhaustive so if you feel there is anything else that would be helpful in our analysis we welcome its inclusion.

As I understand your desire from our call, you would like us to review this information and advise the Town of any specific action(s) that could be taken to try to eradicate or minimize the issues currently faced. We would estimate that we could accomplish this initial review within the next thirty (30) days at an estimated cost not to exceed \$7,500.00. If we think that our costs for this initial analysis will exceed that amount, we would contact you immediately to obtain approval for such additional costs. Of course, if the initial analysis results in further recommended action, we would need to provide you with an estimate of those additional costs.

If the foregoing meets with your understanding of the professional relationship we have established and the attached Engagement Agreement is acceptable, please sign the copy of this letter, the Engagement Agreement and return both to us in the enclosed envelope. The most important point we want to make in this letter is that we will do our utmost to serve you effectively. We cannot guarantee the success of any given venture, but we will strive to represent your interest vigorously and efficiently. If you should have any questions concerning the foregoing, or any questions in the future with regard to the manner in which your matter is being handled by this firm, please do not hesitate to contact me.

Very truly yours,

ROBINSON, MCFADDEN, & MOORE, P.C.


R. William Metzger, Jr.

RWM/

Approved and Agreed to:

Town of Hilton Head, SC

By: _____
David Bennett, Mayor

Robinson McFadden & Moore, P.C.
Engagement Agreement

This Engagement Agreement, combined with the letter accompanying this Agreement describes the terms upon which Robinson McFadden & Moore, P.C. ("We" or "Us") will provide legal services in South Carolina to the **Town of Hilton Head, South Carolina** ("You") for certain regulatory real property acquisition matters. Unless otherwise agreed, this agreement also covers other matters which we may handle for You.

1. **Professional Undertaking:** Our goal is to provide You quality legal services, on schedule and at a reasonable cost. We have been retained to represent You initially in advising you on certain regulatory and real estate issues associated with 'lock-out units' within the municipality. Using our professional judgment, we will endeavor to assign work on your behalf to those attorneys and other personnel that we deem appropriate under the circumstances. Although we will do our best to serve You effectively, we cannot guarantee success on any given matter. Nor do we guarantee that any particular result will be attained by us. Any questions or concerns that You might have with regard to our services should be directed to Us at once.
2. **Retainer:** A retainer is not requested at this time; however, in the event that fees are not timely paid we reserve the right to request a retainer before proceeding further with the matter.
3. **Fees:** Robinson, McFadden & Moore, P.C.'s fees are based on hourly rates. Our rates range from \$250/hour to \$450/hour. Mr. Metzger and Mr. Ellerbe will bill at a rate of \$375/hr. and will use the assistance of other attorneys in the firm at lower hourly rates as appropriate in an effort to minimize costs. Generally, we adjust rates on an annual basis and our rates are subject to change but we will inform you of any adjustments. Paralegals will bill at \$150/hr. Other attorneys and professionals will bill at their rates in effect at the time services are rendered.
4. **Costs:** In addition to legal fees, You agree and understand that You are responsible for all costs and expenses related to our representation. The expenses would include, but not be limited to, title search fees, travel, costs of 3rd party reports and copying charges to 3rd party vendors (routine in-house copying is not billed to the client). Although we generally advance routine costs, You also agree that Robinson, McFadden & Moore, P.C. reserves the right to request that you pay these costs directly to the billing party.
5. **Billing Statements:** Generally, our statements are prepared and mailed on a monthly basis. Each statement is reviewed in advance by the responsible attorney and then processed through our accounting department. Our statements are payable upon presentation.
6. **Late Payment and Fee Dispute:** If you fail to pay our statements in full on or before the 30th day after the invoice date set forth on the statements, we reserve the right to assess a monthly service charge equal to 1% of all fees and disbursements which are past due.

We will have a lien on all files in our possession and their content until we have received payment in full of all amounts due. Also, in matters in which a money judgment is rendered in your favor, we will have a lien on all proceeds thereof to the extent of any unpaid fees or expenses.

We reserve the right to decline to continue to provide services if You fail to timely pay our statements without making mutually acceptable arrangements for delayed payments, including the payment of an additional retainer. In the event that our appearance is entered of record in any court proceeding, your failure to timely pay shall constitute your express consent to our withdrawal of our appearance as your counsel in such proceeding.

Any dispute over legal fees and costs shall be submitted by either You or Us to the Resolution of Fee Disputes Board of the South Carolina Bar which shall have exclusive and sole jurisdiction to hear and determine the dispute.

7. **File Retention and Destruction:** Generally, at the conclusion of each matter, we will retain your legal files for a period of six years after we close the files. At the expiration of the six-year period, your legal files may be destroyed unless we are notified by you in writing to the contrary.

8. **Termination:** You have the right to terminate our representation at any time. We have the same right, subject to an obligation to give you reasonable notice to arrange alternative representation. Should our services be terminated by either, You agree to pay all fees and costs incurred in winding up the representation.

9. **Meritas:** Our firm is a member of Meritas, a network of over 200 independent commercial law firms, located in major cities throughout the world. Meritas member firms practice independently and are not in a relationship for the joint practice of law. Through our alliance with over 7,000 attorneys practicing in other Meritas firms, we are able to offer you access to sophisticated legal advice, not only throughout the United States, but also around the world. Each independent member firm is held to the highest service standards and must demonstrate a continuing record of consistent client satisfaction.

If you have any questions or concerns about the terms of this Engagement Agreement and accompanying letter, please contact us immediately. In the absence of any written changes to this Agreement and the engagement letter, these documents set forth the scope and terms of our representation. These terms and conditions of representation apply to the described matter and unless changed in writing by You and Us, apply to any other matters in which You request our representation. We look forward to working with You.

R. William Metzger Jr.
Frank R. Ellerbe III
Robinson McFadden & Moore, PC
1901 Main Street, Suite 1200 (delivery and physical address)
Post Office Box 944 (mailing address)
Columbia, South Carolina 29202
803-779-8900
www.robinsonlaw.com

APPROVED AND AGREED TO:

Town of Hilton Head, South Carolina

By: _____
David Bennett, Mayor

Date: _____, 2016