

**THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING**

Date: Tuesday, March 2, 2010

Time: 4:00 P.M.

Present from Town Council: Thomas D. Peeples, *Mayor*; Ken Heitzke, *Mayor Pro-Tem*; George Williams, Drew Laughlin, Bill Ferguson, John Safay, Bill Harkins, *Councilmen*.

Present from Town Staff: Stephen G. Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Curtis Coltrane, *Assistant Town Manager*; Lavarn Lucas, *Fire Chief, Fire & Rescue*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects & Facilities*; Nancy Gasen, *Director of Human Resources*; Susan Simmons, *Finance Director*; Teri Lewis, *LMO Official*; Brian Hulbert, *Staff Attorney*; Darrin Shoemaker, *Traffic & Transportation Engineer*; Paul Rasch, *Emergency Management Coordinator*; Sally Krebs, *Natural Resources Administrator*; Sarah Skigen, *Natural Resources Associate*; Susan Blake, *Executive Assistant*

Present from Media: Laura Nahmias, *Island Packet*

- 1) **CALL TO ORDER**
- 2) **PLEDGE TO THE FLAG**
- 3) **INVOCATION**
- 4) **FOIA COMPLIANCE** – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 5) **PROCLAMATIONS AND COMMENDATIONS**
 - a. **S.H.A.R.E. 20th Anniversary**

Laura Mason, the Director of S.H.A.R.E. accepted the proclamation.
- 6) **APPROVAL OF MINUTES**
 - a. **Regular Town Council Meeting of February 22, 2010**

Mr. Heitzke moved to approve. Mr. Williams seconded. The motion was approved by a vote of 7-0.
- 7) **REPORT OF THE TOWN MANAGER**
 - a. **Town Manager's Items of Interest**

The Town Manager reported on some items of interest.
 - b. **Semi annual update of the Board of Zoning Appeals – Roger DeCaigny, Chairman**

Mr. DeCaigny provided Town Council with an update on the Board of Zoning Appeals activities for the second half of 2009

c. Update of the Mayor’s Task Force for the Future – David Ames, Chairman

Mr. Ames provided Town Council with an update on the Task Force Committee’s activities since their first meeting on January 11, 2010.

d. Accommodations Tax Advisory Committee – Bud Shay, Chairman

Mr. Shay updated Town Council on the committee’s scheduled meetings in response to Council’s directive to review forward funding (March 3, 2010) and to examine the advertising policy of the Visitors and Convention Bureau with respect to marketing Island events (April 9, 2010).

e. Request from Chamber of Commerce for \$300,000 in Disaster Advertising Reserve funds for targeted marketing campaign

Ray Warco of the Chamber of Commerce board spoke to the Town Council about the economic impact of tourism. He thanked the Mayor for recommending that Chamber make an application for the use of the reserve funds to create a targeted market campaign aimed at driving more business to Hilton Head Island. President and CEO Bill Miles and the Visitors & Convention Bureau Vice President Susan Thomas made a presentation to Town Council in support of the request for additional funding to finance a targeted marketing campaign. Mr. Miles detailed the predictions of the Travel Industry for the continuation of the downward trend in leisure travel. Ms. Thomas provided a power point on the successful results of the “Charlotte Blitz” campaign created from the \$200,000 reserve fund allocation previously granted by Town Council. She also provided a detailed explanation of the structure of the Chamber of Commerce and the structure of the Visitors and Convention Bureau (V&CB) as it relates to their funding sources.

Mr. Williams asked Susan Thomas some questions about the source of her statistics on the “Charlotte Blitz.” She responded that they did research on all of the inquiries that came in specifically from that campaign.

Mr. Safay asked Ms. Thomas if the Council voted to release the \$300,000 to the V&CB, would they be able to provide documentation that all funding was spent exclusively on the targeted marketing campaign and not on any general overhead or administrative costs? Susan Thomas assured Mr. Safay that the Town’s Finance Director would receive documentation from the V&CB for every dollar spent.

Mr. Harkins expressed the opinion that there should be an annual independent review of the Chamber’s use of the ATAX funding granted to them by the Town. Mayor Peoples observed that there is already a strict financial oversight by the Town for V&CB expenses.

Mr. Ferguson was troubled by the Chamber’s stated goal to only target the affluent consumer in their marketing campaign. He asked what about the average, normal every-day Jane & John Doe – were they not being welcomed too? Ms. Thomas said that they target a diverse audience from many standpoints, but in terms of household incomes, they do look for a more affluent market than the general traveler because of the positioning of Hilton Head Island, its product and pricing in the marketplace.

Mayor Peoples asked if there was a motion to release the requested advertising reserve funds.

Mr. Heitzke moved to approve the release of \$300,000 to the Chamber of Commerce for the marketing campaign. Mr. Safay seconded.

The Mayor invited comments from the public. Many members of the audience spoke to Town

Council, overwhelmingly in favor of the release of advertising funds. One local hotel manager requested that the middle class traveler also be targeted because there were business operators like himself, whose target consumer was more middle class than affluent.

Mr. Williams said that he had gotten a lot of phone calls and e-mails from his constituency, and every single one of them were opposed to the release of additional funding to the Chamber for the advertising campaign. However, after hearing comments from his fellow councilmen as well as members of the public and business owners, he did not see how they could take the chance of doing nothing. So, he was going to change his mind and vote in favor of the motion.

The motion was approved by a vote of 6-1. Mr. Ferguson was opposed because the campaign was solely targeted to the affluent traveler and excluded other demographic segments of potential visitors.

8) REPORTS FROM MEMBERS OF COUNCIL

a. General Reports from Council

The Mayor expressed his appreciation to NIBCAA, Michael Marks and the staff of the Coastal Discovery Museum for the very impressive Marsh Tacky race event held this past Sunday.

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

The Committee would be meeting in two weeks. Mr. Williams reported on a Lowcountry Council of Government meeting he attended. They discussed the proposed tax incentive for the Okatie shopping mall. There was a very contentious discussion and ultimately the majority of members voted to support the tax incentives. Mr. Williams voted in opposition.

c. Report of the Personnel Committee – Drew Laughlin, Chairman

The Personnel Committee will soon be reviewing applications to fill vacancies on the Boards and Commissions for terms beginning July 1, 2010. He encouraged interested citizens to submit an application.

d. Report of the Planning and Development Standards Committee – Bill Ferguson, Chairman

Mr. Ferguson expressed regret he did not have his report and would provide it at the next meeting.

e. Report of the Public Facilities Committee – John Safay, Chairman

Mr. Safay reported on the committee's review of a sailing and rowing center. They voted unanimously to move ahead with the rowing and sailing center and asked the staff to examine some alternatives which were discussed in detail at the meeting for enhancing the property for a minimal amount of funding, such as cleaning up the property and doing some things with community involvement. Mayor Peebles asked the Town Manager to meet with staff on this. At this time, the Mayor felt it was premature to bring it forward for a full Council vote.

The committee also had a special meeting on the recycling initiative recently and this would be coming forward with a recommendation at the next Town Council meeting.

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

No report.

At 5:45 p.m., the Mayor called for a brief recess. At 5:50, Mayor Peeples called the meeting back to order.

9) **APPEARANCE BY CITIZENS**

None.

10) **UNFINISHED BUSINESS**

a. Revised First Reading of Proposed Ordinance No. 2009-39 to amend Title 16 of the Municipal Code of the Town of Hilton Head Island, South Carolina, the Land Management Ordinance, Chapter 4, Section 403. These amendments include changes that provide for amendments to: Airport Overlay District Regulations and the approach path; and providing for severability and an effective date.

Mr. Heitzke moved to approve. Mr. Safay seconded.

Mayor Peeples invited comments from members of the public and many people in the audience expressed their opinions. Gary Kubic, the Beaufort County Administrator, assured the Town Council that with regard to the airport property, the County was subject to the Town's rules and they fully intended to respect and comply with them.

Mr. Williams had a concern about the Zoning District Regulations – c. Other Requirements. The language about the installation of a light on the specimen tree at St. James Baptist Church did not match the language in the proposed ordinance.

Steve Riley said there were three small changes that he needed to suggest to the Council. The first was in Section 16-4-403 c.i. to add "Should the FAA reject lighting this tree, the provisions of Section 16-4-403 C.2.c.ii. shall apply."

Secondly, Steve Riley suggested that on page one Section 16-4-403 C.2. delete "for runway 21 only."

Lastly, on the second page, Section 16-4-403 2.a.iv. delete "and vegetation." Mr. Williams moved to amend the Ordinance per the three changes enumerated by the Town Manager. Mr. Heitzke seconded. The amendments were approved by a vote of 7-0.

Mr. Safay commented that with regards to the referenced Airport Master Plan meeting taking place on March 9, 2010, they would be getting a preliminary report. Mr. Safay pointed out that this master plan is just that: a plan – a series of recommendations. This did not justify delaying a decision tonight.

Mr. Heitzke had a concern about the issue of the tree stumps and if they were going to be level with the ground. Steve Riley said that he had discussed this with the County and it was their intent to get the trees cut as low to the ground as possible. Mr. Harkins said he shared Mr. Heitzke's concerns. Gary Kubic, Beaufort County Administrator, assured them that it was the County's intent to cut the trees level with the ground.

Mayor Peeples addressed some items that had been reported in the media that he wished to correct. One issue had been the perception that it was the Town that had been hindering the process for tree removal. It was absolutely untrue that the Town was the cause for delaying tree removal at the airport. And when the Town removed trees for the Fire & Rescue Training Center, the Mayor stressed that they followed all the rules and as a matter of fact, they went way beyond the buffer and setback requirements in the LMO. No specimen trees were

removed either. He wanted the record to be straight on these issues as too many falsehoods had been circulated.

The amended motion was approved by a vote of 6-1. Mr. Ferguson was opposed.

11) NEW BUSINESS

a. none.

12) EXECUTIVE SESSION

Mr. Riley said that he needed an executive session for contractual matters pertaining to land acquisition and legal matters regarding pending litigation.

At 6:58 p.m., Mr. Heitzke moved to go into Executive Session for the reasons stated by the Town Manager. Mr. Safay seconded. The motion was approved by a vote of 7-0.

Mayor Peeples called the meeting back to order at 7:21 p.m. and stated there was no business to take up as a result of executive session.

13) ADJOURNMENT

At 7:21 p.m., Mr. Williams moved to adjourn. Mr. Heitzke seconded. The motion was approved by a vote of 7-0.

Susan Blake, Secretary

Approved:

Thomas D. Peeples, Mayor