

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

**Date:** Tuesday, May 4, 2010

**Time:** 4:00 P.M.

**Present from Town Council:** Thomas D. Peeples, *Mayor*; Ken Heitzke, *Mayor Pro-Tem*; George Williams, John Safay, Bill Harkins, Drew Laughlin, Bill Ferguson, *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 and Facilities*; Susan Simmons, *Finance Director*; Nancy Gasen, *Director of Human Resources*; Steven Markiw, *Deputy Finance Director*; Teri Lewis, *LMO Official*; Randy Nicholson, *Comprehensive Planning Manager*; Shawn Colin, *Senior Planner*; Heather Colin, *Development Review Administrator*; Sally Krebs, *Natural Resources Administrator*; Susan Blake, *Executive Assistant*

**Present from Media:** Laura Nahmias, Island Packet

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- 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. **Foster Care Month**

Latasha Hardy from the Beaufort County Department of Social Services accepted the proclamation.
  - b. **Public Service Recognition Week**

Rob Neal, Mick Mayer, and Anne Green accepted the proclamation on behalf of Town Staff.
  - c. **Tennis Month**

Jacque Houck of Public Tennis, Inc. accepted the proclamation.
- 6) **APPROVAL OF MINUTES**
  - a. **Regular Town Council Meeting of April 20, 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. School Capital Construction Fees – Paul Sommerville**

Mr. Sommerville explained the County was working on a development agreement with a developer in Lady's Island for some time and were at an impasse regarding school capital construction fees. The developer has noted that when the original PUD was negotiated (circa 1997) with the county there was a school impact fee in effect. It was about \$1,000.00 per rooftop. They were requesting that they be allowed to pay that amount adjusted for inflation (which comes to about \$1500.00 per rooftop) for their by-right density and then pay \$6000.00 for all density above that. This would translate into paying about \$1500.00 per rooftop for about 200 units and \$6,000.00 for about 100 units. The developer claimed their numbers won't work if they have to pay \$6,000 for each unit.

At the development agreement level and at the committee level it was agreed to do this but since they are partners with Hilton Head Island and the other municipalities in the \$6,000.00 per rooftop fee they needed to know if Town Council would agree with this so it can move forward to the Beaufort County Council to finalize the agreement with the developer. There are two other old PUD's that also fall into this category. What Mr. Sommerville was requesting from Town Council was a yea or nay as to whether such an exception made good sense or violated the spirit or the letter of the County's school capital construction fee agreement.

The Mayor replied that since this was the first they had all heard about this issue, he would like to assign it to Committee for review and discussion. Mr. Sommerville understood and said he appreciated the opportunity to solicit their opinion on this matter.

## **8) REPORTS FROM MEMBERS OF COUNCIL**

### **a. General Reports from Council**

Mr. Laughlin said that at the last Planning and Development Standards Committee meeting, they considered a proposed LMO amendment relating to distance of separation between car lots in a particular area. Mr. Laughlin participated in that discussion but neglected to make sure the other members of the committee and the public was aware that his business partner at his firm has a client who would be directly affected by this particular issue. Ordinarily, it would be his practice to make sure that everybody understood this so they could take whatever comments he made with whatever "grain of salt" they deemed appropriate. Further, Mr. Laughlin invited anyone who had a question or would like more detailed information, to please feel free to contact him.

Mr. Safay recalled that the people who organized the annual Dove Street Christmas lighting event had formally announced that this year would be the last year they would be decorating their street. Another site further north in an area around Egret and Heron Streets had been suggested. But Mr. Safay said that the residents of that area have now presented him with a petition requesting that the Town refrain from organizing a Christmas lighting event in their neighborhood. Mr. Safay was anxious that the Council members be made aware of the residents' feelings about this suggestion. He was also optimistic that another location could be identified. The Mayor suggested that perhaps they could look at decorating the center of Coligny Circle.

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

No report.

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

The committee will begin interviewing applicants for boards and commissions.

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

Staff presented a proposed change to the IL district along the Beach City Road/Mathews Drive corridor to the committee to be rezoned OCIL, Office/Light Commercial/Light Industrial District. This will be coming forward with a recommendation.

Next, they heard an LMO General Amendment to revise separation requirements between auto sales facilities and residential uses. The Committee recommended a 400 ft. separation between auto sales businesses and a 500 ft. distance between auto sales facilities and residential uses, which was a change from what the Planning Commission had recommended. Mr. Ferguson asked if this needed to return to the Planning Commission before coming forward to the full Council. Steve Riley said that staff would seek a recommendation but they would go ahead and put it on the agenda. Other proposed amendments to the LMO that received a favorable recommendation involved special events, open air sales, on-street parking and Dune Protection standards.

Lastly, the committee reviewed a proposal to allow the administrator to have more flexibility with allowing tree removal, removal of non-native invasive vegetation and pruning to provide more view corridors to the beach. This was also coming forward with a favorable recommendation.

The Mayor asked the Planning and Development Standards Committee to review the School Capital Construction Fee question posed by County Councilman Paul Sommerville at their next meeting.

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

The Committee heard a report from Scott Liggett, the Public Projects & Facilities Director/Town Engineer. Staff was recommending a Storm Water Utility (SWU) fee increase from \$83.23 to \$108.70. This would be coming up for discussion in the next few weeks during the Town Council budget discussions. No action was taken by the Public Facilities Committee.

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

The committee heard a review of the First Quarter 2010 Crime Stats from Lieutenant Glenn Zanelotti, BCSO. The data demonstrating crimes against persons and property, from an historical perspective, has trended downward. The reporting system has been modified by the Sheriff's Department to be consistent with the uniform crime reporting program. This was also consistent with the FBI database. Mr. Harkins reported that he toured the newly opened Forensic Crime Laboratory and he was very impressed.

**9) APPEARANCE BY CITIZENS**

Diane Sala read a petition signed by residents of Palmetto Hall in opposition to any lengthening of the runway and to tree removal and trimming, except those permitted by FAA requirements.

Barbara Swift, of the League of Women Voters, expressed support for the Town's proposed Comprehensive Plan and encouraged Town Council to adopt it.

**10) UNFINISHED BUSINESS**

- a. Second Revised 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. Williams seconded.

Chester Williams, as the attorney for the St. James Baptist Church, voiced some procedural objections.

Ron Smetek, VP, Palmetto Hall POA, requested that Town Council not issue permits for clear-cutting trees at the airport until the Master Plan was completed, and a formal noise study was completed among other suggestions.

Mr. Safay said that he recalled they had approved a study to establish a base noise level reading so that it would be possible to compare it with the sound level after the trees were cut. He felt the previous speaker brought up a good point in that Town Council should have that determination before anything was done. Mr. Safay asked if that was their intent – either they already have that data or will obtain it before tree cutting commences?

Charles Cousins advised that staff has had several meetings with Palmetto Hall POA who was interested in conducting their own study. Staff did not think they would need to do a study if the Palmetto Hall POA was doing one. And they were waiting for a meeting the POA was planning to have with Beaufort County to discuss the County's potential to work with the POA to conduct that noise study. The permit issued to the County did not contain a condition that a noise study had to be completed first.

Mr. Safay asked about the status of the noise study that was conducted two years ago. Mr. Cousins responded that staff was in the process of reviewing it. Mr. Safay noted that he was on record as being in favor of trimming the trees but he also thought the Palmetto Hall residents had a valid point, as did the Mayor and Town Council when they said they wanted to ensure they could mitigate any increased noise but the problem was, if they didn't know what the base line noise level was today, then he didn't see how they could make a determination a year from now. Steve Riley added that the study done two years ago did not take noise level readings from the same locations that the Palmetto Hall POA wished to take readings. Additionally, the POA wanted the Town to do their new noise study during Heritage Week but because of the Town's required bidding process, it would not have been possible to hire someone to accomplish the study that quickly. Mr. Safay concluded that at this point, he could only hope that staff could work as expeditiously as possible with the POA to try to satisfy their justified concern.

Mr. Heitzke noted that the Master Plan contract required a noise study, but that it would not be done until later in the process, according to Mr. Paul Andres, the airport director.

Mr. Ferguson inquired what the rush to go in there was and clear cut all those trees; especially since neither the Master Plan nor the noise study were completed yet. He felt they should wait to act until after the Master Plan and the study were completed.

Mr. Harkins said that it was his recollection that when they discussed committing to a noise

study, it would not create any impediment time-wise to proceeding. Without any prejudice to the people of Palmetto Hall or the other areas, Mr. Harkins wondered about the advisability of relinquishing the responsibility that he thought the Town had had to initiate a noise study, if in fact the existing noise study was inadequate. He felt it was more advisable for the Town to retain a noise expert and rely on that data because he thought the objectivity would be clearer in the eyes of a lot of people. Further, if the people of Palmetto Hall wished to conduct their own noise study, they should have that right to do that also.

The Mayor asked if anyone recalled if the Council's decision to have a noise study was a separate vote from the vote on the proposed ordinance at second reading. Mr. Riley said that it was separate. Mayor Peebles said that they were dealing with the ordinance in front of them tonight; they were not dealing with a sound study right now.

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

**b. 5:00 P.M. PUBLIC HEARING – PROPOSED 2010 TOWN OF HILTON HEAD ISLAND COMPREHENSIVE PLAN.**

The Mayor opened the public hearing at 5:02 p.m. and asked for comments from members of the audience. There were no formal comments made, so the Mayor closed the public hearing.

**c. Second Reading of Proposed Ordinance No. 2010-08 to provide for the adoption of “The Town of Hilton Head Island 2010 Comprehensive Plan;” and providing for severability and an effective date.**

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

Mr. Ferguson was not sure about the housing element of the comprehensive plan. The Planning Commission suggested that Town pursue work-force housing along with affordable housing. He wanted to know if that was something the Town was going to pursue. Mayor Peebles said that everything in the comprehensive plan was open to be investigated, approached, or resolved, over time, during the life of the plan before it was updated again. So that will be up to the Town Council to determine over time what were their priorities. Mr. Ferguson asked that the record show he was requesting that these issues be discussed at the next Town Council retreat along with the sewer and dirt road issues.

Mayor Peebles thanked the Planning Commission members and Chairman Tom Crews and asked them to stand up to be recognized. He appreciated the hundreds of hours they had spent on the comprehensive plan. The Mayor also thanked Shawn Colin and the members of his team, including Scott Liggett and Randy Nicholson.

The motion was approved by a vote of 7-0.

**11) NEW BUSINESS**

**a. First Reading of Proposed Ordinance No. 2010-14 to raise revenue and adopt a budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2011; to establish a property tax levy; to establish funds; to establish a policy for acquisition of rights of way and easements; and providing for severability and an effective date.**

Mr. Heitzke moved to approve. Mr. Williams seconded.

Steve Riley made a power point presentation to Town Council which provided an overview of the proposed budget for FY2011. He told them that the State has notified the Town that its

CPI/population factor is 0% for FY2011 and therefore, the millage rate would remain unchanged at 18.54. The Town Manager noted that in light of the downturn in the economy, Town staff took on the tough task of estimating revenues and expenditures for the coming fiscal year. The challenge was to maintain the highest quality of services for the citizenry of the community with a limited revenue stream that has been constricted by the current economic conditions. The Town was proposing a budget of \$74,211,150.00 for the coming fiscal year. Affiliated agency budgets have been reduced to 95% of the previous fiscal year's budget.

The motion was approved by a vote of 7-0.

**12) EXECUTIVE SESSION**

Mr. Riley said that he needed an executive session for contractual matters pertaining to a request from the Hilton Head PSD for a right-of-entry over town-owned land; legal advice pertaining to a proposed settlement with Malphrus Construction; and legal advice pertaining to a land acquisition contract with the S.C. DOT.

At 5:25 p.m., Mr. Heitzke moved to go into Executive Session for the reasons stated by the Town Manager. Mr. Williams seconded. The motion was approved by a vote of 7-0.

Mayor Peeples called the meeting back to order at 5:55 p.m. and asked if there was any business to take up as a result of executive session.

Mr. Ferguson moved that the Town Council for the Town of Hilton Head Island adopt a resolution authorizing the Mayor and Town Manager to execute and deliver a right of entry to Hilton Head Public Service District for the purposes of taking soil samples on Town property located on Old Wild Horse Road and U.S. 278. Mr. Heitzke seconded. The motion was approved by a vote of 7-0.

**13) ADJOURNMENT**

At 5:56 p.m., Mr. Heitzke moved to adjourn. Mr. Safay seconded. The motion was approved by a vote of 7-0.

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Susan Blake, Secretary

Approved:

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Thomas D. Peeples, Mayor