

**2014 Mid-Year Strategic Report THE TOWN OF HILTON HEAD ISLAND  
TOWN COUNCIL WORKSHOP MID YEAR UPDATE**

**Date:** Monday, May 19, 2014

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

**Present from Town Staff:** Steve Riley, *Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects and Facilities*

**Present from Media:** None.

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**1) CALL TO ORDER**

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

**3) NEW BUSINESS**

The workshop convened at 9:00 a.m. Mayor Laughlin opened the meeting with some remarks and introduced Mr. Lyle Sumek of Lyle Sumek Associates, Inc., and stated he would be leading the discussion. A summary of items discussed are attached and will be considered for approval by Resolution at the July 15, 2014 Town Council meeting.

**4) ADJOURNMENT**

The workshop adjourned at 4:00 p.m.

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Victoria L. Pfannenschmidt  
Executive Assistant/Town Clerk

Approved: 7/15/2014

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Drew A. Laughlin, Mayor

# *Mid-Year Strategic Report 2014*

Mayor, Town Council and  
Town Manager



Hilton Head Island, South Carolina  
May 2014



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# **HILTON HEAD ISLAND MID-YEAR STRATEGIC PLANNING WORKSHOP Mayor and Town Council**

*May 2014*

## *Workshop Purposes*

- + Review the status of the Action Agenda
- + Discuss key issues and direction on major policy actions
- + Outline next Town activities and time frames
- + Update Action Outlines on key priorities
- + Refine the governance process

## *Workshop Agenda*

- 1. Strategic Planning for Town of Hilton Head Island: Overview**
  - A. Goals 2018
  - B. Action Agenda 2014
  - C. Action Outlines 2014
  
- 2. Achievements 2014 (1/14 to 5/14): Review**
  
- 3. Strategic Discussion on Major Issues**
  - A. Status
  - B. Key Issues/Topics: Discussion and Direction
  - C. Next City Actions and Time Frame
  
- 4. Action Agenda 2014: Review**
  - A. Status
  - B. Next Steps
  
- 5. Other Topics for Discussion**

# **SECTION 1**

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## **ACHIEVEMENTS 2014: 1/14 to 5/14**

# HILTON HEAD ISLAND TOWN ACHIEVEMENTS 2014 1/14 – 5/14

1. USCB Campus Development (Top Priority)
  - Location
  - Agreement between Town Government and USCB
  - Property Acquisition Initiated
2. TIF Extension (Top Priority)
  - Negotiation with Beaufort County, Beaufort County Schools, PSD's
  - Agreements
  - Demonstrated trust in Town government
  - Willingness to invest in Hilton Head Island's future
3. Dredging Project Completed (Major Project)
  - Private group's leadership for permitting and funding
  - Governor's assistance in acquiring the state permit
  - Saved the harbor for the Golf Tournament
4. Major Private Re-Investment in Resorts and Mall
  - A. Sea Pines
  - B. Sonesta
  - C. Westin
  - D. Omni
  - E. Shelter Cove
  - F. The Beach House Hotel

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  - Businesses seeing a return on their investments
  - Town removed barriers to redevelopment
  - Visible improvements and enhanced resort experiences
5. Beach Renourishment at Port Royal (Major Project)
  - Town communicated and worked with the Port Royal community
  - Completed on budget and ahead of schedule
  - Minimal disruption to the community and residents

6. Dirt Street Paving
  - Town going in the right direction
  - Dirt streets being addressed by the Town
7. Water and Sewer Service Extension
  - Town going in the right direction
  - Town worked closely with PUD
  - Used Town property for wells, and easements provided for utility lines
8. Island Recreation Center Expansion/Renovation
  - Transition from discussion to action
  - Town commitment to Island Recreation Center expansion
  - Funding recommendation in FY 2015 Capital Improvement Budget
9. Solid Waste: Decision
  - Decision made
  - Moving on
10. Open Burning
  - Reached a compromise
  - Decision made
  - 2 days per month

## **HILTON HEAD ISLAND OTHER ACHIEVEMENTS 2014**

1. Texting Ban: Decision
2. Cellphone Coverage: Clear Direction
3. Bike Friendly Community: Close to "Gold Level"
4. Shrimp Boat: Removed
5. Leamington Improvements and Traffic Signal
6. Pathways: Gardner and Pembroke
7. SCDOT Road Resurfacing
8. Rowing and Sailing Center Community Park at Squire Pope
9. Mathews Connector
10. New Permitting System: Implemented
11. Rezoning: Old Main Street Inn
12. Town Staffing and Support for Hilton Head Island EDC

# **SECTION 2**

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## **HILTON HEAD ISLAND EDC FRAMEWORK**

# **HILTON HEAD ISLAND ECONOMIC DEVELOPMENT CORPORATION FRAMEWORK**

## **PRIMARY PURPOSES**

1. To develop a knowledge base about the local economy and economic redevelopment on Hilton Head Island
2. To serve as an economic resource by continuously evaluating the Hilton Head Island opportunities, gaps, and impediments to economic growth and redevelopment
3. To market and showcase Hilton Head Island as a “Great Place to Live” and “Positive Environment for Business”
4. To support the retention and growth of current Hilton Head Island businesses
5. To assist Hilton Head Island Town Government in creating a positive environment for business development and investment

## **HILTON HEAD ISLAND ECONOMIC PILLARS**

1. Resort: Enhancement and Expansion
2. Wellness, Medical and Health-Related
3. Retirement
4. Education
5. Quality of Life: Individuals Making the Choice to Live on Hilton Head Island

## **GUIDELINES**

1. Developing a Hilton Head Island reputation as a "Positive Climate for Business"
2. Attracting individuals who have a personal choice where to live
3. Attracting "Pillar" businesses and support or complimentary businesses
4. Developing infrastructure necessary to businesses
5. Working with regional economic partners; avoiding economic development "silos"

## **GOALS FOR 2020 and MEASURES OF SUCCESS**

### **GOAL 1**

**CHANGE THE DEMOGRAPHICS OF HILTON HEAD ISLAND: MAINTAINING AFFLUENCE AND BECOMING YOUNGER**

#### **► Measures of Success**

1. Age
2. Income
3. Number of Families
4. Number of Young Professionals

### **GOAL 2**

**INCREASE THE NUMBER OF BUSINESSES TARGETED AS "ECONOMIC PILLARS" ON HILTON HEAD ISLAND AND EXPAND THE NUMBER OF JOB OPPORTUNITIES**

#### **► Measures of Success**

1. Number of New Businesses
2. Number of New Quality Jobs
3. Number of Jobs Retained
4. Investment by Current Businesses

**GOAL 3**

**INCREASE PROPERTY VALUES ON HILTON HEAD ISLAND**

**► Measures of Success**

1. Residential
2. Commercial

**GOAL 4**

**EXPAND THE RESORT ECONOMY BY EXPANDING THE "OFF SEASON" WHILE REDUCING THE PERCENTAGE OF HILTON HEAD ISLAND'S OVERALL ECONOMY**

**► Measures of Success**

1. Number of visitors becoming neighbors and business owners
2. Number of visitors during the "season"
3. Number of visitors during the "off season"
4. Resort Percentage of total Hilton Head Island economy
5. Visitor Profile: length of stay, spending during stay

**EXECUTIVE DIRECTOR**

- To be hired and fired by the Hilton Head Island EDC
- A Town employee for benefits, administrative purposes and accountability based upon Town and State legal requirements

# **SECTION 3**

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## **HILTON HEAD ISLAND ARTS STRATEGY**

# HILTON HEAD ISLAND ART CENTER/ARTS STRATEGY

## HHI ART CENTER/ARTS STRATEGY: SHORT TERM/LONG TERM ACTIONS

### **KEY DISCUSSION POINTS**

1. The "Arts" and Arts Center are important to Hilton Head Island with significant community support for the arts.
2. Key Question: What are potential Town revenue sources for funding the arts?
3. The Arts Center has not been responsive to the Town contacts or to request for a new business model/plan - the current business model is failed.
4. The Arts Center has critical physical needs that need to be addressed to keep the doors open - if not addressed short term, the result may be a closed facility.
5. The Symphony and Choral Society indicate they are unsatisfied with their current facilities.
6. The Arts Center was designed with performance hall, theater and gallery...in value engineering to available resources, corners were cut and performance hall was never built. [Note: it is still possible to build the performance hall on the site.]
7. There are opportunities to rent the facility and increase income.

### **TOWN ROLE**

- Stimulate/be a catalyst for the development of a strategic plan for the arts on Hilton Head Island and a business plan for the Arts Center
- Create a permanent Town funding source to support the arts but not with property taxes.

### **TOWN ACTIONS**

#### **Short Term**

1. Art Center Critical Repairs
  - A. Identify critical repairs and determine the actual cost of the repairs
  - B. Council Decision: Funding of Repairs in FY 2015 Budget
2. Revenue Sources for Funding the Arts
  - A. Complete a legal review of funding sources available to the Town of Hilton Head Island
  - B. Contact other South Carolina municipalities about revenues especially possible funding sources for the arts
  - C. Prepare comprehensive report with options
  - D. Council Decision: Revenue Sources, Direction, Next Steps

3. Art Center Business Plan
  - A. Define the purposes and scope of the business plan
  - B. Work to solicit the participation of the Art Center
  - C. Develop a proposal for RFP to develop a Facility Business Plan with cost estimates
  - D. Council Decision: Direction, Funding, Time Frame
4. Public Understanding Campaign
  - A. Develop a educational/informational campaign about the arts on Hilton Head Island, Town role and funding options
  - B. Implement the campaign

***Long Term***

1. Strategic Plan for Arts on Hilton Head Island: Vision, Goals, Critical Partners, Town Role and Financial Participation, Facilities
2. Collaboration with USCB on the Arts
3. Office of Cultural Affairs, Town Government of Hilton Head Island

# **SECTION 4**

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## **STRATEGIC DISCUSSION ON MAJOR TOPICS**

# STRATEGIC DISCUSSION ON MAJOR TOPICS

## 1. COLIGNY DEVELOPMENT/REDEVELOPMENT

<i>Activities/Milestones</i>	<i>Time</i>
1. Complete corridor traffic counts, including parking analysis and Heritage Road extension	6/14
2. Complete analysis and Traffic Study	7/14
3. Planning Commission: Preparation of Plan and Recommendations	7/14 – 8/14
4. Town Council: Review, Refinement, Plan Adoption	9/14 – 12/14

## 2. LMO REWRITE

### *Discussion Points*

1. Mayor and Council desire an opportunity for discussion as a collective body.
2. During the Mayor and Council review, some topics will be identified and will be referred back to the LMO Rewrite committee.
3. Mayor and Town councilmembers are encouraging the public to attend Planning Commission meetings to provide their input. [Note: Council recognized that some public would not get the word or prefer to show at council.]
4. The Town should put information on the website and use other methods to communicate the LMO and the process to the public.

<i>Activities/Milestones</i>	<i>Time</i>
1. Planning Commission: Review and Approval	5/14-6/14
2. Mayor and Councilmember individual briefings on LMO	6/14
3. Mayor and Town Council Workshop on LMO + Individuals are asked to identify issues for discussion or changes + Workshop purposes: to review and discuss as a collective body the LMO, to identify areas for further work and refer these topics back to the LMO Rewrite Committee, to identify areas of agreement	7/14
4. Town Council Regular Meetings for LMO Public Hearings/Decision	8/14 – 9/14



## **7. PRE-K PROGRAM EVALUATION**

### *Discussion Points*

1. Hilton Head High School - Top Quality: need to get the message out especially to the HHI EDC.
2. Need to prepare all schools with basic skills as they enter Kindergarten.
3. Lack of programs for Pre-K education and lack of funding.

*Topic referred to Fall Retreat for in-depth discussion.*

## **8. WARD 1 MASTER PLAN**

### *Discussion Points*

1. Need to update the Ward 1,2 and 6 Study and Plan including defining the purposes and scope of the project
2. Many rezoning issues are being addressed by LMO changes.
3. Need to address the issue of "Heirs Property" and what can be developed on their property.
4. Need for Town-wide consistency
5. Mayor and Town Council agreed that the LMO needs to be concluded before moving on to a Ward 1 Master Plan.

*Topic referred to Fall Retreat for discussion.*

## **9. BID PROCESS**

### *Discussion Points*

1. Mayor and Town Council stated that was the responsibility of the Town Manager.
2. On major project, the Mayor and Council can review the RFP criteria

## **10. TOWN-OWNED LAND**

*Mayor and Town Council referred this topic to the Fall Retreat for report and in-depth discussion.*

## **11. TOWN PROJECT MANAGEMENT**

### ***Discussion Points***

1. The Town is exploring "Construction Manager at Risk" versus the traditional approach to bid design, complete design, bid construction for the USCB project.
2. The Town is also exploring "farming out" project management or the other projects may have to "slide" in timing and completion.
3. Further discussion and direction will be needed with the Mayor and Town Council.

# **SECTION 5**

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## **ACTION AGENDA 2014: UPDATE**

# ACTION AGENDA 2014: UPDATE

## 1. USCB DEVELOPMENT

### *Activities/Milestones*

1. MOU: In Columbia for Review by the University of South Carolina
2. Land Acquisition: Negotiations with Land Owners (2); Contract (1)
3. 1<sup>st</sup> Site Plan with Cost Estimate (review by USCB)
4. Town Council: Site Plan Review

## 2. ROUNDABOUT

### *Activities/Milestones*

1. Town Council: FY 2015 Capital Project Funding Decision

*Time*

5/14

## 3. ISLAND RECREATION CENTER UPGRADE

### *Activities/Milestones*

Town Council: FY 2015 Capital Project Funding Decision  
+ Design  
+ Permitting

*Time*

5/14

**4. SHELTER COVE DEVELOPMENT**

**A. Park Development**

*Discussion Points*

1. Town is responsible for 1/2 cost of development - \$2.25 million.
2. Developer is preparing site improvement plan and building cost estimates.
3. Mayor and Town Council direction: go forward without the pier.
4. Developer desire to complete park by 8/14.

*Activities/Milestones*

1. Town Council: Decision on Park Development Funding
2. Decision on Pier: Depending on developer success with the State/DHEC

**B. Apartment Development**

*Discussion Points*

1. No formal discussion about revision of the development agreement to increase the number of apartments by 30 - difference between desired number of units and approved number of units
2. Town Council: Decision to Modify the Development Agreement

*Activities/Milestones*

None at this time.

**5. FIRST TEE FACILITY AND PROGRAM**

*Activities/Milestones*

1. Town Council: FY 2015 Capital Project Funding Decision

*Time*

5/14

**6. TOWN FUNDING FOR FUTURE DREDGING**

*Activities/Milestones*

1. Town Council: FY 2015 Capital Project Funding Decision

*Time*

5/14

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# **APPENDIX**

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## **INTERVIEW DATA ANALYSIS**

## **ACHIEVEMENTS 2014 (1/14-5/14)**

1. USCB: Location, Agreement, Land Acquisition
2. TIF Extension: Agreements
3. Dredging: Completion
4. Investment in Major Renovation Projects
5. Port Royal Beach Renourishment Project
6. Dirt Streets Paving Projects
7. Water and Sewer Service Extension Projects

## **SHORT TERM ACTIONS (6/14-12/14)**

1. USCB: Status, MOU Adoption, Land Acquisition, and Next Steps
2. Major Road Projects: Marshland Roundabout
3. Island Recreation Center: Design and Permitting
4. Shelter Cove Development: Park and Pier - Status and Direction; Revised Development Agreement
5. Budget: Completion

# MAJOR TOPICS FOR STRATEGIC DISCUSSION

1. Arts Study and Arts Center: Status, Strategic Plan/Business, Scope, Expectations, Town Role/Office of Cultural Affairs, Arts Organizations and Collaboration, Potential Referendum, Direction - Short Term and Long Term, Next Steps
2. Economic Development: Status, Town Vision/Goal/Realism for Hilton Head Island, Targeted Businesses, What Does Success Mean, Town Direction, Executive Director, Charge to Organization/Relationship to Town Government, Direction/Report Card/Performance Measures
3. LMO: Status, Key Issues and Council Process/Steps and Time Frame
4. Coligny: Status, Vision/Town Role, Key Issues and Next Steps
  - A. Road Improvements (including Heritage Road Extension)
  - B. Park with Amenities (to be identified and prioritized)
  - C. Parking
  - D. Traffic Management
  - E. Beautification Projects
5. Town-owned Land: Review, Purposes (protection of natural environment, major economic investment, land banking), Overall Direction/Guidelines for Sale to Private Developer (including a 5 Star Hotel Development)
6. Major Town Projects/Services: Increasing Demands on Town Government, List Review, Priority Going Forward, Guidelines, Specific Direction
7. Airport: Status/County Actions on Improvements, Noise Barrier, Town Direction, Action Steps
8. First Tee Facility: Status, Next Steps, Town Financial Participation
9. Town Funding for Future Dredging: Scope/Guidelines, Goals/Desired Outcomes, Town Role and Financial Participation, Direction
10. Kindergarten and Pre-K Education: Goals/Desired Outcomes, Best Practices, Town Role, Direction

11. Ward 1 Master Plan and Rezoning
12. Chaplin Linear Park: Status, Next Steps
13. Project Management Capacity: Direction, Project Priority (potential project including University Building, Recreation Center, Fire Station 2, Parking Deck, etc.)
14. RFP/Consulting Services: Council Role in Defining the Scope, Developing Selection Criteria, Evaluating/Interview Finalists, etc.