

# TOWN OF HILTON HEAD ISLAND PUBLIC FACILITIES COMMITTEE

Date: February 27, 2017

Time: 10:00 A.M.

Members Present: Marc Grant, David Ames, Tom Lennox

Members Absent: None

Staff Present: Scott Liggett, Charles Cousins, Jennifer Ray, Jayme Lopko

Others Present: Kim Likins, Bill Harkins, John McCann, *Council Members*, Shirley Petersen, *Mitchelville Preservation Project*

Media Present: None

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**1. Call to Order:**

The meeting was called to order at 10:00 a.m.

**2. FOIA Compliance:**

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

**3. Committee Business:**

**Approval of Minutes:** Councilman Ames moved to approve the Minutes of January 23, 2017. Councilman Lennox seconded. The Minutes of January 23, 2017 were unanimously approved with one minor correction.

**4. Unfinished Business**

None

**6. New Business**

• **Recommendation to Town Council regarding a Memorandum of Understanding and Lease for Fish Haul Creek Park to the Mitchelville Preservation Project**

Jayme Lopko stated the Lease for Fish Haul Creek Park was before them at their last meeting and was forwarded to Town Council with some changes. At the briefing at Town Council, it was recommended that we send it back to the Committee to add a Memorandum of Understanding with it.

What you have before you is the Lease which is essentially the same but the changes you asked for have been made. It has gone from 8 years down to 2 years for the Business Plan and Master Plan. There is a provision in there that allows the Town and Mitchelville to work with the National Parks Service for a designation should we deem it necessary or needed. We also added some insurance language – one that allows Mitchelville to reimburse the Town the cost for our property insurance on the structures out there in lieu of them having to get their own policy because it would have been more expensive for them vs. just reimbursing us our cost. The second provision on insurance was not a requirement,

but it was an encouragement for them to get contents and abuse and molestation insurance. Those are the changes to the Lease that you saw the last time.

The new document is the Memorandum of Understanding. This is going to be for two years from the date of signing. The Memo does say until the end of the fiscal year which was an error on my part. We are going to make it for two years from the date it is signed which will probably be April 4<sup>th</sup> if it went all the way through Council on the track it is now on. The MOU leaves the cost basically of the maintenance of the Park, the janitorial of the Park, the capital costs of the Park with the Town for the first period of two years. Mitchelville would take on the cost of the utilities, storm water fees and whatever insurance costs they would have for liability, property insurance and whatever additional insurances they would have for the property. The rest of the costs would stay with the Town for two years. We did also add into the MOU that they could charge a user fee for the Park if they have a wedding or birthday party, but they will have to bring a schedule of fees to Town Council and have it approved before they did that.

The MOU is pretty standard, they have to remain a non-profit and there is a provision in there about an audit. An annual independent audit report or audit review report will be done annually and that an annual report will be done no less than every 3<sup>rd</sup> year. I understand that the audit report is more expensive than the review report. That is the same provision that we have in the Island Rec Center's MOU so I mirrored it in this one.

Councilman Ames asked Ms. Lopko during those two years, who is responsible for planning expenses, archeology, surveying, etc.? Ms. Lopko answered that would fall to Mitchelville. Councilman Ames asked during those two years who pays for capital improvements beyond the Town's CIP items identified. Ms. Lopko answered if it is not currently identified in the CIP, we would probably have to add a bullet for something like that. If you wanted the Town to continue then it would depend on what it is. If it is a capital cost that wasn't planned for that is under a current building that we have out there that would probably fall to the Town. If it is something new that they would like to build out there then it would fall under the provision of the Lease that would allow them to build something up to \$400,000. Councilman Ames thought something should be in there but any future capital improvements probably have to fall in line with a Master Plan.

Chairman Grant asked whether he was asking for additional language to be added and Councilman Ames said he was leaving it up to Ms. Lopko and staff to decide whether or not the possibility of additional expenses should be included. My personal thought would be yes, there ought to be a statement that says any additional capital costs beyond the CIP would be at the expense of Mitchelville Preservation Project.

Councilman Lennox referred to paragraph 6C referring to the financial reporting – an annual independent audit report or review report – scratch the word “audit.” I think we should add “prepared by a CPA acceptable to the Town.”

Chairman Grant said they would move on to review the Lease now. Chairman Grant said one thing he wanted to bring to the table is he thinks everything is good but he thinks we could do better regarding the two year Business Plan. I would ask that we would change the Master Plan to four years. The reason why is because it will give Mitchelville an

opportunity to do a great deal of detail work in terms of the Master Plan. When I reflect on a Master Plan that is a long term plan on where we would like to see Mitchelville go. This would give them an opportunity to focus on the Business Plan for two years, bring it to us and then if there are some things that we need to work on they could get back to it and focus on that instead of bringing a Business Plan and a Master Plan. I would ask for your support on this. If we want them to be successful, this will give them enough time to put together a very effective plan to meet our needs and at the same time we can communicate back to them so they can be successful doing this.

Councilman Ames stated in talking about the Master Plan in Article 4 it says the details of development use and operation of the property as a cultural and historical museum and the development of amenities on the property – in this context I am thinking this is a physical Master Plan and yet the word operations is in there. How does that fit? Ms. Lopko said usually the Master Plan will detail that you are going to have a certain size structure with the use of that structure so we need to understand how each structure is going to be used to make sure it will be consistent with the Master Plan. The operations of it may be not the correct term for that because we are not going to get into the details of who is going to be in the building how long and something like that. We do want to understand how it is going to operate if it is open every day or partial days, if they are going to have people inside the building or if it is just something for you to look at and not be in. We need to understand that as part of the Master Plan to see if it is something that is feasible for that property. Councilman Ames asked if she called it a physical master Plan. Ms. Lopko said she would have to look at it to see if it is the correct terminology. Councilman Ames said that what he thinks we are doing is identifying uses on the property such as parking, types of buildings, gathering spaces. I think physical Master Plan might be more appropriate.

Councilman Ames asked if the property was zoned where it could have concessions and retail on it. Ms. Lopko said it was zoned parks and recreation which does allow what is community service which is what the museum would allow. The museum would be allowed to have a gift shop and things that are associated with a gift shop.

Councilman Ames said his last thought, which is not in the Agreement at this time is that when the Town is leasing property to another organization and we expect the public and tourists to be utilizing that piece of property it might be appropriate for us to begin inserting language that emphasizes our brand in environmental stewardship. I am thinking that we should be talking about things like recycling, toxic chemicals, etc. I am not sure what that language ought to be, but I think we ought to be pointing them in that direction. This is a 45 year lease and a lot of things are going to change in 45 years. I don't know if the Town takes a stand on what it wants to be in terms of the natural environment then I would hope that these leases would parallel that development over time.

Ms. Lopko said it is also something we can consider putting into the MOU when it is updated. Right now it is only good for two years so that if we find in two years we want to enforce that they need to be recycling on the property that is something we can add to the MOU as well.

Councilman Grant said we should not be putting too many restrictions they cannot handle at this time. Councilman Ames said he agrees that there is a cost consequence to going in

this direction, but also believe that it is incredibly important for our Community to be perceived by the outside world that we are stewards of the natural environment and we are interested in responding to its care over time. If there is language that we can put in here that somehow parallels the commitment of the Town it would be good. Chairman Grant asked if we could bring this back up in two years with more details and then we can address it at that time. Councilman Ames said he doesn't think they are prepared to write it today, but I think philosophically it is an issue that Town Council ought to be dealing with.

Chairman Grant opened the meeting up for public comment. Ms. Shirley Petersen, Mitchelville Preservation Project thanked the Committee for giving them an opportunity to speak. She thanked the Committee for placing this on the Agenda and pushing it forward. Ms. Petersen said I believe the partnership we are about to embark on is very important to the Town – the North End, the South End, to the native island community and I appreciate your interest and support of this. I came to talk about specifically pages 6-7 of the Lease which talks about the Master Plan and Business Plan. I wanted to speak to you about the two year timeframe. Councilman Grant, your idea of making it a two year Business Plan and a four year Master Plan is in line with the thinking of the Mitchelville Board. We feel that it is important because we are going into a partnership with the Town that we have ultimate success of this endeavor and to do that we need time to do a thorough and acceptable Business Plan to the Town. Giving us a two year window will not allow us to do that. It will be a rushed product that the Town Council in the past has denied and rightly so. We want to make sure every step we take is a successful step. Making it a two year Business Plan with a four year Master Plan would really help Mitchelville and not unduly burden us as an organization.

Councilman Ames commented if you say construction on the site must follow a Master Plan I think waiting four years to put a spade in the ground is far too long. I think the public wants to see something much more quickly than that and from my personal standpoint we are making this commitment to hiring an Executive Director to get a spade in the ground before four years. I am not comfortable with a four year time. I understand the two year time is squeezing and I would compromise saying three years but even three years in my way of thinking is too long for any construction to have to wait on the site. I am open to your comments.

Councilman Lennox said that if we are going to require a comprehensive Business Plan in two years, it would seem to me that part and parcel to that Business Plan would be the Master Plan would have to be incorporated in that. They probably would be developed in tandem I would think. I agree with Councilman Ames that the Community is ready for some activity on the sight – they are ready for some leadership which you have displayed so I would prefer the shorter time rather than the longer time to bring to bear whatever resources we can gather to make that happen.

Chairman Grant said the only reason he said four years was because I want to make sure they come together with an effective Business Plan. We have got to give them time to feel comfortable coming to us and we are comfortable going to them and be able to have a good meeting of the minds and come to some agreement of what the Business Plan is first. We are going to support it not send them back and they take six months to come up with another one. Before you know it, two years have passed and we still didn't get anything. I

think we have to have the Executive Director on hand full time that can help move this process and right now I do not believe that is where they are at. They do not have a full time person yet.

Ms. Lopko said in Section 5.6 Termination on Failure of approval of Master Plan or Business Plan – we added the last sentence which reads “Town Council in its sole discretion may choose to extend, modify, waive or extinguish this two year deadline by adoption of an Ordinance prior to the two year deadline.” You do have flexibility if you set it to two and we see that they are not going to make it to extend it.

Councilman Ames said the more he thinks about this the more I think that the Town as a Community has committed several hundred thousand dollars to make this project move forward and there is going to be an expectation in 24 months that something has happened during this period.

Councilman Lennox said it is important for him that the Business Plan and along with that the Master Plan be done effectively, appropriately and in such a way that it shows the ability to maintain itself and accrue to the benefit of our entire Community. Whether that takes two years or three years I really don't care, but what I do care about is that it is a real good plan and it is going to work. However long that takes to get done let's commit to that. I understand what Councilman Ames is saying but the Town has committed two years to an Executive Director and I would think in the list of priorities that the Executive Director newly hired would have would be right at the top get the Business Plan and Master Plan off the ground. How long that takes to do, I don't know but my intuition is that two years is a sufficient time to do a Business Plan and Master Plan especially with the people you have resident on your Board and the time and effort you put into it so far. That being said, however long it takes to get it done I want to assure it gets done properly but I think realistically from my judgment two years should be sufficient.

Chairman Grant said one of the challenges they have is to raise money and we would like to see Mitchelville be an independent organization in two years and they can show that they can raise money and take care of themselves. That is why I am pushing the Master Plan four years. Once they have an Executive Director the first priority in my opinion would be let's find out who the stakeholders are, see how they are committed to raising funds to get this dream moving forward and then at the same time work on the Business Plan which I consider to be a short term vision about what they need to get done and then long term, which would be the Master Plan of all the assets that they could get together to bring this concept to reality. We need to give them time to get this done. I would recommend we do four years and if at the same time we should have an Arts person on board that can work closely with Mitchelville and the Coastal Discovery Museum and work on getting the Business Plan and all these things together. If they come back early with it that would be great. We are not saying that they cannot bring it to us early but want to make sure they are comfortable in moving things forward.

Councilman Ames said he cannot support four years and think the Community needs to see progress.

Chairman Grant moved the Public Facilities Committee accept the Lease and MOU and request that we change it from two to four years for the Master Plan. Councilman Lennox seconded. The Motion passed with a vote of 2-1. Councilman Ames was against.

**7. Adjournment**

Chairman Grant adjourned the meeting at 10:39 a.m.

Respectfully Submitted,

Approved: March 27, 2017

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**Karen D. Knox**  
**Senior Administrative Assistant**