

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, August 4, 2015

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*

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Jill Foster, *Deputy Director of Community Development*; Scott Liggett, *Director of Public Projects & Facilities/Chief Engineer*; Ed Boring, *Deputy Fire Chief- Support Services*; Heather Colin, *Development Review Administrator*; Nicole Dixon, *Senior Planner*; Jayme Lopko, *Senior Planner*; Brian Hulbert, *Staff Attorney*; Julian Walls, *Facilities Manager*; John Valvo, *Systems Analyst*; Vicki Pfannenschmidt, *Executive Assistant/Town Clerk*

Present from Media: Zach Murdock, Erin Heffernan ~ Island Packet

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 mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

5) Proclamations and Commendations

6) Approval of Minutes

a. Town Council Meeting, July 21, 2015

Mr. Harkins moved to approve. Mr. McCann seconded. The minutes of the July 21, 2015 regular Town Council meeting were unanimously approved by a vote of 7-0.

Mr. Riley asked for an amendment to the agenda. He explained there was timing issue related to the closing regarding the previously approved sale of 10 acres to the owners of Pineland Mall. He further explained an issue came up related to the closing and some covenants that need discussed. He asked for a motion to add the following to the Executive Session:

1) Receiving legal advice related to negotiations incident to proposed sale or purchase of property and the associated covenants at Pineland Station to the executive session;

And under **New Business**:

2) Discussion of the release of covenants encumbering Town owned property at Pineland Station as an action item under new business;

and that the Town Council find that exigent circumstance will exist if the Pineland Station contractual matter is not added to the current meeting agenda for the Council's consideration and desired action before the conclusion of this meeting. Mr. Harkins moved to modify the agenda for the reasons as set forth by the Town Manager. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

7) **Report of the Town Manager**

a. Semi-Annual Update of the Planning Commission – Alex Brown, Chairman

Mr. Brown presented his report for the period of January, 2015 through June, 2015. He noted seven meetings were cancelled during this period due to lack of agenda items. He noted the Circle to Circle Committee is moving along well and public input is at a high and they are comfortable with the process being utilized. He added that he would recommend the process used by the Committee moving forward. Mr. Brown said that due to the existing goals Council has set he does not foresee the Planning Commission coming forward with recommendations for the upcoming year and restated his comments concerning Town Council utilizing the Planning Commission in moving forward with their goals.

b. Town Manager's Items of Interest

Mr. Riley reported on items of interest listed below.

- (1) Town News
- (2) Noteworthy Events

8) **Reports from Members of Council**

a. General Reports from Council

Mr. McCann suggested that in addition to Town Council meetings, the Pledge of Allegiance be included in all Town Council Workshops. Members of Council concurred.

Mr. Harkins stated he has received a number of questions and complaints from residents regarding resident parking and access at Town beaches. He suggested addressing the issue after the conclusion of the season. Mr. McCann added that the issue regarding tents/cabanas on the beach be included in the review. He suggested the Finance and Administrative Committee conduct the review of both issues. Mayor Bennett agreed.

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

No report.

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

Mrs. Likins updated Council on the activities of the Arts and Strategic Planning Committee noting the August 10 meeting was rescheduled to August 17 at 3:00 p.m. She said they are moving forward with their interview process as well as their investigation into other communities and their involvement in supporting the arts.

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

Mr. Lennox reported the Committee met on July 23 and addressed two items. The first to review and approve the updated Hilton Head Island Design Guide and the second a request from the United Way regarding increased length of time for their campaign and as a result increased length of time for signage placed on the Island. He stated both items would be coming forward to Town Council with the Committee recommendation for approval.

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

No report.

f. Report of the Public Safety Committee - Marc Grant, Chairman

No report.

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

Mr. McCann reported that the Accommodations Tax Advisory Committee has developed a new application for this year utilizing suggestions from the Finance and Administrative Committee as well as suggestions from the Mayor. He added that the RFQ for the Marketing and PR Firm went out this week and the deadline for submittal is September 1. He explained the Committee is working on procedures to handle responses and will update Council throughout the process.

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

Mr. Lennox stated the Committee met three times since July 21. He said that on July 22 the Committee developed four guiding principles for the process which are:

1. Convey a sense of place and character for the Circle to Circle area which may in fact extend all the way to the bridge.
2. Observe and enhance the natural environment and lush tropical landscape.
3. To provide an Island experience.
4. Balance the needs and wants of residents with those of tourists and future residents.

He stated the Committee met with the public on July 22 at 4:00 p.m. to exchange what they thought was heard to what they thought they said and it was a good match. He remarked on the support from the public on proceeding from the assumptions and the guiding principles. Mr. Lennox added that they Committee met on July 29 to focus on the vision and address any and all challenges thought to stand in the way. He said the committee anticipates having an update for Council at the retreat in November.

9) Appearance by Citizens

Mayor Bennett stated that no one contacted Town Hall to speak but he received a couple emails from individuals asking to speak. He asked if anyone was present that would like to speak on items that are not included on the agenda.

Mr. Toby McSwain addressed Council asking for consideration of the installation of leisure pathways on Jonesville Road.

10) Unfinished Business

a. Second Reading of Proposed Ordinance 2015-03

Second Reading of Proposed Ordinance 2015-03 authorizing the execution of a Sale and Purchase Agreement and the execution of one or more deeds for the sale of approximately 0.472 acres of real property along Spanish Wells Road to South Carolina Department of Transportation, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); 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 7-0.

11) New Business

a. Consideration of a Resolution - Community Rating System Program for Public Information

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina to approve the Town of Hilton Head Island Community Rating System Program for Public Information.

Mr. Harkins moved to approve. Mr. McCann seconded.

Nicole Dixon explained the extensive process and noted the 25% discount in flood insurance costs that Hilton Head Island citizens receive as a benefit from the Town program. The motion was unanimously approved by a vote of 7-0.

b. Consideration of a Resolution – Public Art

Consideration of a Resolution of the Town of Hilton Head Island, South Carolina, authorizing the execution of a gift agreement with the Community Foundation of the Lowcountry for the acquisition of the “Carocol” sculpture.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

At 4:25 p.m. Mr. Harkins moved to go into Executive Session to discuss some contractual matters relative to the Amended Shelter Cove Towne Centre Development Agreement. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

5:30 P.M. – PUBLIC HEARING – Proposed Addendum #1 to that certain Amended and Restated Development Agreement dated November 19, 2014 between Shelter Cove Towne Centre, LLC, and the Town of Hilton Head Island

Mayor Bennett called the meeting back to order at 5:35 p.m. and opened the Public Hearing noted above.

Mayor Bennett explained the proposed changes to the agreement came about as a result of a phone conference he held with Mr. Senn back in December of 2014. He said it was based on an idea that he believed would improve the overall development plan of Shelter Cove. He stated that as a developer himself, he respects and appreciates the efforts that go into bringing a real estate development into fruition. He emphasized it was just an idea and that for whatever reason Mr. Senn didn't believe that changes resulting from the idea would improve the overall project that he would be fully entitled and encouraged to move forward with the development approvals that he had in hand at that point and time. Mayor Bennett said he appreciated Blanchard and Calhoun's continued efforts to bring an exceptional project to fruition in our community. He invited representatives of Shelter Cove Town Centre to conduct a presentation.

Mr. Mark Senn of Blanchard and Calhoun stated their intentions are to do the best they can do with the project and they welcomed the idea proposed by Mayor Bennett. He stated the changes that resulted strengthen the overall development. Mr. John Lee of Blanchard and Calhoun explained the background of the changes and suggestions from the Mayor to move the west side apartments to the east side and reduce the massiveness of the buildings while opening up the park area. The architect for the project, Ms. Ellen Garland, displayed the plans, reviewed the proposed changes and offered to answer any questions.

Mayor Bennett asked for public input.

Frank Babel approached Council and noted the need for connectivity of leisure pathways in the area and encouraged Council to request the developer to install and pay for the installation of pathways in the area of the proposed changes.

Mark Baker of Wood and Partners pointed out that one of the key features of the plan is that it does have a public edge all along the marsh and includes a trail in front on the marsh side and on the Shelter Cove Lane side.

Mayor Bennett asked for further public input and there being none read the following statement:

The Town of Hilton Head Island Town Council will hold a second Public Hearing on a proposed Amendment #1 to the Amended and Restated Development Agreement between the Town of Hilton Head Island and Shelter Cove Towne Centre, LLC at 5:00 p.m. on Wednesday, August 12, 2015, in the Benjamin M. Racusin Council Chambers and Town Hall. This will be a Special Town Council meeting and we will add First Reading of New Business Items C, D, E and F from this Public Hearing/Regular Meeting Agenda.

He stated that during Executive Session, the majority opinion of Council is they would like to see several changes to the Development Agreement. He said that in essence, Council would like to see a revised concept plan and consulting with the Town Attorney, there are questions that exist between what is shown on the plan and the language within the Development Agreement. He added that the purpose of clarity, Council would like to see utilization of the existing boundaries that are associated with the current development agreement with only adding the residential component of East #2 parcel. He reiterated the concern again comes back to adding in the Veterans Memorial Park and some question as to control, so they would rather not have it be a part of the agreement. Mayor Bennett added that Council does not want any additional covenants or restrictions on any other Town property that haven't already been covenanted to the current Development Agreement. Council would like the exchange parcel, which would be the parcel south to the Community Park, be restored and graded and seeded prior to turnover to the Town and that the revised concept plan will not reflect any improvements which would otherwise be the Town's responsibility to fund that haven't previously been agreed to by the Town. He stated the example of what is shown on the concept plan is a parking area on the parcel just outside of the Newport Town Homes parcel. He said it is unknown who would fund that or whether the Town would want to construct parking on that parcel and Council does not want to have it shown on the drawing and he said the same would be true at the far northern end. Mayor Bennett said Council will meet on Wednesday, August 12 at 5:00 p.m. to continue the process.

At 6:00 p.m. Mayor Bennett closed the Public Hearing.

c. First Reading of Proposed Ordinance 2015-18

First Reading of Proposed Ordinance 2015-18 to amend Title 16, the Land Management Ordinance, of the Municipal Code of the Town of Hilton Head Island, South Carolina, by amending Section 16-1-107, the Official Zoning Map and the Palmetto Dunes Resort Master Plan with respect to the certain parcels identified as Parcel 7, on Beaufort County Tax Map #12C, and an approximately 4.4 acre portion of Parcel 2 on Beaufort County Tax Map #12C, within the Palmetto Dunes Resort Master Plan under the PD-1 Planned Development Mixed Use District, to amend the associated uses and densities for Parcel 7, Tax Map #12C to community park and 120-150 multi-

family dwelling units; and the portion of Parcel 2, Tax Map #12C to 80-120 multi-family dwelling units and community park; provided the aggregate total of multi-family units does not exceed 240 total and providing for severability and an effective date.

To be addressed at the August 12, 2015 Public Hearing/Special Meeting

d. First Reading of Proposed Ordinance 2015-17

First Reading of Proposed Ordinance 2015-17 of the Town Council for the Town of Hilton Head Island, South Carolina, authorizing the execution of Addendum #1 to that certain Amended and Restated Development Agreement for Shelter Cove Mall with Shelter Cove Towne Centre, LLC and Shelter Cove II, LLC for the redevelopment of property previously known as the Mall at Shelter Cove and surrounding property, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

To be addressed at the August 12, 2015 Public Hearing/Special Meeting

e. First Reading of Proposed Ordinance 2015-20

First Reading of Proposed Ordinance 2015-20 of the Town Council for the Town of Hilton Head Island, South Carolina, authorizing the sale of real property owned by the Town of Hilton Head Island, South Carolina, to Shelter Cove II, LLC, in exchange for land to be conveyed to the Town of Hilton Head Island, South Carolina and owned by Shelter Cove II, LLC, in conjunction with Addendum #1 to that certain Amended and Restated Development Agreement, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

To be addressed at the August 12, 2015 Public Hearing/Special Meeting

f. First Reading of Proposed Ordinance 2015-21

First Reading of Proposed Ordinance 2015-21 of the Town Council for the Town of Hilton Head Island, South Carolina, authorizing the establishment of covenants and restrictions on real property in conjunction with Addendum #1 to that certain Amended and Restated Development Agreement, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

To be addressed at the August 12, 2015 Public Hearing/Special Meeting

12) Executive Session

Mr. Riley stated he needed an Executive Session for land acquisition matters pertaining to the proposed sale or purchase of property for the Lagoon Road Extension; legal matters pertaining to proposed contractual arrangements with Palmetto Hall and Beaufort County related to the Airport; legal matters regarding negotiations incident to proposed contractual agreements with the Hilton Head island-Bluffton Chamber of Commerce and Visitor & Convention Bureau; contractual matters related to a request to release covenants on the parcel previously approved to be sold to Pineland Associates, II, LLC; personnel matters pertaining to appointments to Boards and Commissions; personnel matters pertaining to the annual review of the Town Attorney; and personnel matters pertaining to the annual review of the Town Manager.

Mr. Harkins moved to go into Executive Session for the reasons as set forth by the Town Manager. Mr. McCann seconded. The motion was approved by a vote of 7-0.

Mayor Bennett called the meeting back to order at 7:48 p.m. and asked if there was anything to take up as a result of Executive Session.

Mr. McCann moved that the Town Manager be authorized to execute a release of covenants that encumber the Town-owned land adjacent to the Pineland Mall Shops. Mr. Harkins seconded. The motion was approved unanimously by a vote of 7-0.

New Business

11.g. Appointments to Board and Commissions

Mrs. Likins moved that Michael Gentemann be appointed to the Design Review Board as an Architect member, to fill the unexpired term of Kevin Quat ending June, 2018. Mr. Edwards seconded. The motion was unanimously approved by a vote of 7-0.

13) Adjournment

Mr. Harkins moved to adjourn. Mrs. Likins seconded. The motion was approved by a vote of 7-0. The meeting was adjourned at 7:49 p.m.

Vicki L. Pfannenschmidt
Executive Assistant/Town Clerk

Approved: 08-12-2015

David Bennett, Mayor