

Town of Hilton Head Island **PUBLIC PLANNING COMMITTEE SPECIAL MEETING** Thursday, September 14, 2023, 10:00 AM **MINUTES**

Present from the Committee: David Ames, *Chairman;* Patsy Brison, Tamara Becker, Glenn Stanford, *Members*

Present from Town Council: Mayor Alan Perry, Steve Alfred, and Alex Brown

Call to Order

Chairman Ames called the meeting to order at 10:00 a.m.

FOIA Compliance

Gammon confirmed Compliance with the Freedom of Information Act.

Adoption of the Agenda

Stanford moved to approve. Becker seconded. Motion carried 3-1 with Brison opposed.

Approval of Minutes

Stanford moved to approve the minutes of August 10, 2023, but asked that the spelling of his name be corrected. Becker seconded. Motion carried 4-0.

Appearance by Citizens

There were none.

Unfinished Business

<u>Presentation and Discussion on the Creation of Hilton Head Island District Plans and Land Management Ordinance (LMO) Updates – Shawn Colin, Assistant Town Manager, Community Development</u>

Chairman Ames welcomed Luick and asked that she recognize them for all of their work. Luick acknowledged Shea Ferrar, Rich Edwards, Zenos Morris, and Shawn Colin, in addition to Kyle May, consultant from MKSK.

Missy Luick conducted a presentation regarding the LMO Amendments Plan and began by stating that the Growth Framework and District Planning initiative is a priority in the 2023-2025 Strategic Action Plan adopted by Town Council.

Luick gave a summary of what has been reviewed with the Public Planning Committee to date, which included the District Map Series, the Marsh District Plan, and the prioritization of the remaining districts for planning purposes. Staff and the consultant team will continue to develop plans for each district that reflect its underlying conditions and address identified challenges. The prioritization of the districts was recommended at the August Public Planning Committee meeting and include:

- 1. Mid-Island
- 2. Marshes
- 3. Bridge to Beach
- 4. Forest Beach
- 5. Skull Creek
- 6. Chaplin
- 7. Main Street
- 8. Parkway

A community engagement strategy has also been identified so that information is communicated to the community with the opportunity for feedback, both through the public process and with its delivery to the Public Planning Committee. There will be a community and stakeholder meetings in each district. Once ready, there will be a series of public meetings as well. These meetings will take place on multiple days at different times throughout the day to make attendance easy for the public.

Kyle May, Associate Principal for MKSK then gave a presentation on the Bridge to Beach District. May stated that the Bridge-to-Beach District was identified as the planning area that should follow Marshes. The Bridge-to-Beach area has long been the focus of special plans that date back to the late 1990's. These prior planning efforts have helped to shape many of the opportunities that will be addressed in this district plan.

In 1999, the Town lead a public charette process that produced a report known as "From the Bridge to the Beach: A Public Input & Design Charette Process." This was also around the same time as the adoption of the Town's Tax Increment Financing District, which ultimately facilitated the redevelopment projects of Lowcountry Celebration Park and USCB – Hilton Head Island campus. It aimed to identify potential ways to address major concerns related to the quality of development and redevelopment as well as transportation, which was characterized as the movement of people, not just cars. Recommendations for roadways included improving the parallel/secondary road network and gridded street when possible. Traffic calming, pathways and public art were also included. Other recommendations addressed utility improvements, such as burying power lines and an aesthetically designed storm drainage network to form feature lagoons. This charette process was understood as the first step in arriving at an agreed upon vision for the area and recommended the formation of a citizen committee to move forward.

In 2000, the Bridge to Beach Steering Committee was formed by Town Council to guide and improve on the visioning process. This resulted in the 2001 Bridge to the Beach Redevelopment Advisory Plan and Report. These identified specific zoning changes to help address nonconforming uses and structures that were built before the Town incorporated, encourage pedestrian friendly design, allow for mixed-use developments and flexible stormwater regulations, as well as the preservation of environmentally sensitive lands. Circulation improvements focused on improved roads and alternative routes, multi-use pathways and sidewalks, connected redevelopment and public transportation. Park, recreation and open space goals recommended the development of a park near Coligny and a civic park system, with pocket parks and greenway connections. The protection of natural wetlands and open space for better stormwater runoff and wildlife habitat was also included.

In 2004, to help facilitate the review, prioritization and programming of redevelopment strategies for the Bridge-to-Beach area, staff prepared two workbooks that were used by the Planning Commission and Town Council to identify, policies, programs and projects with associated timeframes for actions. For many years, efforts were focused on the implementation of these recommendations through this annual process that was tied to staff's workplan and the capital budget.

The latest major planning effort for the area was adopted in 2016 as the Circle to Circle Vision Plan. The development of this plan validated many of the recommendations of prior plans that had not yet been implemented and also included the development of a local area traffic model and extensive community engagement under the guidance of consultant, Design Workshop. Sea Pines Circle capacity, roadway connectivity, transit, parking in the Coligny area and promoting other public beaches were the primary focus areas of this plan. Elements from this study continue to influence current implementation efforts and planning projects, such as the Major Corridors Plan and this Master Plan project. Given the extensive planning history, the district plan for this area will seek to leverage past planning with the progress made on the Corridor's planning and new data that is now available at the district level to identify transformative solutions for future land use that align with current district issues, community goals and market conditions.

For the current Bridge-to-Beach district planning effort, the boundary of the district does not include Coligny Circle. It covers just over one square mile, running from the southern end of the Charles Fraser Bridge to Cordillo Parkway. It includes areas outside of the planned developments such as Palmetto Bay Marina, Crossings Park, Point Comfort, Arrow Road, Sea Pines Circle, Executive Park Road and areas north of Cordillo Parkway. The Bridge-to-Beach District continues to be a dynamic and diverse district concerning activity and investment. The area includes residential neighborhoods, hundreds of local businesses, and a near-constant flow of vehicular, pedestrian, and bicycle traffic.

To begin development of the Bridge-to-Beach District Plan, the District's planning team began work by conducting an analysis of existing conditions related to the following categories: Demographics and Economics, Real Estate, Existing Pathways and Roadway Network, Existing Natural Systems and Floodplain, and Existing Zoning and Land Use, in addition to identifying Parks and Open Space and how Town-owned properties relate to these systems.

Analysis Overview:

Key Findings – Existing Conditions

- The area is a jobs base for the Island with 500 businesses and over 5,000 jobs but has some of the Island's oldest buildings.
- Aging office buildings are increasingly susceptible to single site or multi-parcel redevelopment. There is, however, still strong demand for office in the district despite the age and class of the existing product.
- The Town owns 140 acres of land between major parks like Crossings and Compass Rose, in addition to other properties.
- The District's centrality and arterial street network leads to congestion, especially at major intersections like Sea Pines Circle.
- The area is well-connected into the Island's overall pathway network it's northsouth spine and multiple connecting lines.
- The Palmetto Village workforce housing development along Palmetto Bay Road presents a new model for employer-initiated housing projects for the Island.

Demographic Highlights:

- The full-time population of the District is not growing.
- The District's population is significantly older compared to the Island median.
- There is a smaller share of African Americans in the District than on the Island overall.

District households have lower incomes and are smaller on average.

- Out of the 544 housing units, 82.5% are occupied full-time, while the remaining 17.5% are part-time residences, rentals, second homes, or short-term rentals.
- With fewer short-term accommodations, the District's overnight population is mostly full-time residents.

Economy and Employment Highlights:

- Job totals in the Districts have fluctuated through the last 20 years but are trending down overall.
- The District's largest sector, Administrative and Support and Waste Management and Remediation Services, plays a central role in the maintenance and management of back-of-house operations for Island's tourism economy.
- Office parks in the area support the Island's largest cluster of professional services, but the segment is declining in total jobs and in overall share.
- Two out of every three jobs in the District are held by non-Island residents.

Commercial Real Estate Highlights:

- Incremental development of commercial property throughout the District has led to a generally disconnected building pattern.
- The office product in the District averages more than 40 years old.
- Retail properties perform relatively well despite market headwinds.
- Redevelopment projects and proposals are starting to emerge as a trend.

Office Market Health:

- Office inventory in South Island is older than the office inventory on the northern part of the island.
- Net absorption indicates an average of 14,407 square feet of office space has been absorbed annually within the past five years, resulting in an annual average of 8,630 square feet absorbed.
- Base rent is lower when compared to the northern part of the island; this is likely due to the comparably older office properties.
- HHI has four Class A offices, equally distributed between the northern and southern part of the island, one of the class A buildings is in the Bridge-to-Beach Focus Area.

Housing Highlights:

- The District's housing product is relatively diverse with respect to type and clustered in the north along Point Comfort Road.
- Home values and rental prices in the District are lower than the Island overall.
- The District contains less than 1% of the Island's short-term rental properties.
- At the time of the analysis, there were eight units on the market.
- One in three homeowners and one in four renters in the District have lived in their homes for more than ten years.
- The Town's Workforce Housing Incentive program gives developers and builders unique opportunities to construct additional housing that advances the goals of the Workforce Housing Framework.

Roadway Highlights:

- Palmetto Bay Road (Sea Pines Circle to Arrow Rd) is a is a four-lane segment, with a 2022 daily traffic count of 32,500 vehicles, with current roadway capacity at 87%. The speed limit along the majority of this roadway to Sea Pines Cirecle. Compared to 35 mph or less for other roadways in the District, meaning traffic moves fastest along this roadway segment.
- Arrow Road (William Hilton Parkway to Palmetto Bay Rd) is a 2-lane segment with a 2022 daily traffic count of 9,200 vehicles and current roadway capacity usage of 54%.
- William Hilton Parkway (Arrow Road to Sea Pines Circle) is a 4-lane segment with a 2022 daily traffic count of 17,100 vehicles and current roadway capacity usage of 46%.
- Pope Avenue (Cordillo Parkway to Sea Pines Circle) is a four-lane segment, with a 2022 daily traffic count of 32,700 vehicles, with current roadway capacity at 88%.
- Sea Pines Circle is a critical node for South Island traffic but challenged by increasing traffic volumes.
- The current geometric configuration of Arrow Road and Target Road creates some difficulty for fluid movement and presents sight-line issues for both cars

and pedestrians. Along Palmetto Bay Road are numerous curb cuts for entry into businesses fronting the corridor.

Pathway Highlights:

- More than 7 miles of public pathways connect and cross the District, providing multiple routes for biking and walking.
- Numerous new pathways are recommended from the Major Thoroughfares Corridor Plan (MTCP).
- Pathway legibility is a priority with consistent crosswalks and wayfinding.

Transit Highlights:

- The Breeze Trolley Service, which operates fully within the Island, has stops within the District along Arrow Road (at Target Road) and Office Park Road.
- Several Palmetto Breeze regional bus routes provide service into the District.

Public Parks, Open Space and Town-owned Property Highlights:

- The District is surrounded by some of the Island's largest natural preserves.
- Sea Pines Forest Preserve is 605 acres of protected natural habitat and maritime forest and is the largest tract of undeveloped land on the Island.
- Tree canopy coverage varies.
- The Town owns 141.5 acres of property in the district, with the majority reserved as parks or open space.
- Crossings Park is a 74-acre facility that offers a variety of both active and passive recreation, including a skate park and roller hockey rink at Bristol Sports Arena.
- Compass Rose Park is a 3.4 acre park at the corner of Pope Avenue and New Orleans Road.

<u>Utility Highlights:</u>

- The South Island Public Service District (SIPSD) serves the District for sewer and water services.
- During its development, Hilton Head Island had multiple separate utilities, both public and private, providing water and wastewater services.
- The SIPSD provides water and wastewater treatment services to over 26,000 customers and businesses.
- Water for the SIPSD comes from 12 Upper Floridan Aquifer wells, 1 Middle Floridian Aquifer well, 1 Cretaceous Aquifer well, and 1 Reverse Osmosis Treatment Plant.
- The Capital Plan also identifies additional projects to ensure a reliable water supply for the District.
- The Market Place Substation on Dunnagans Alley is operated by Santee Cooper and Palmetto Electric Cooperative.

Character Area Highlights:

Water-Oriented Uses Near Broad Creek (Palmetto Bay Mariana Area)

- Mix of retail, restaurant and service uses oriented around Palmetto Bay Marina
- Multifamily buildings surround core commercial areas.
- Home to the Yacht Club of Hilton Head, the Island's oldest yacht club (1971 founding)

The Northern Neighborhoods (Point Comfort Area)

- Mixture of single family and multi-family dwellings, 60% are owner-occupied, 40% are renter occupied or inhabited seasonally.
- Point Comfort Road connects this residential area to the rest of the District.
- Developed primarily from late 1970s early 1990s.

Arrow Road Corridor

- Small lot (less than 1 acre) land uses that include retail, services, light industrial, institutional and office.
- The average year built for properties along Arrow Road is 1981, which predates the Island's incorporation and Land Management Ordinance.

Sea Pines Circle

- Center of District and point of convergence for traffic due to its location along roadway network and surrounding land use mix.
- Consists of 1-story multi-tenant retail buildings and 1-3 story office buildings (27 office buildings [314,000 sf] within 1/4 mile of Sea Pines Circle.)

Far South

- Blend of office, retail and sales land uses east of Pope Avenue along Executive Park Road.
- To the west of Pope Avenue is a cluster of religious institutions with multi-family.

Existing Land Use Highlights:

 The Bridge-to-Beach District is made up of a diverse set of land uses and development typologies. Land use describes the actual activities occurring on each lot within the District as compared to zoning which defines a permitted or intended use for the lot. There are currently 12 different types of land uses in the District. The most common land uses are Single Family (406 parcels, 13% of District land area), Office (86 parcels, 14% of District land area), and Retail/Service/Sales (71 parcels, 15% of District land area). The Single Family and Multifamily land uses are primarily located within the northern neighborhoods and towards the far south heading toward Forest Beach, while Office and Retail/Service/Sales are clustered throughout the Sea Pines Circle and along Arrow Road, Palmetto Bay Road, and Bow Circle.

Zoning Highlights:

- The area is divided into 7 base zoning districts.
- Much of the development within the District predates the adoption of the Town's Land Management Ordinance and its original zoning District designations.
- The Light Commercial (LC) district has the lowest density (4 dwelling units per net acre) among the commercial and residential zoning districts.
- Mixed Use, Multifamily, and Workforce Housing are permitted land uses in the WMU, LC, and SPC district.
- Mixed-use development is currently not allowed to incorporate residential parking spaces into a shared parking plan.
- Permitted density bonuses for Workforce Housing do not apply to any commercial zoning districts.

Environmental Constraints Highlights:

• Multiple floodplain zones are present within the District.

Future Land Use Highlights:

- Focus reinvestment energy within Arrow Road and Sea Pines Focus Areas.
- These two sub-districts present an opportunity to collect and direct redevelopment energy. With many buildings predating the Town's incorporation in 1983, these areas are some of the oldest modern developments on the Island. The areas are centrally located within the South Island with access to large resident and visitor markets.
- Conserve neighborhoods. The residential areas of the district will be conserved long-term as essential housing for full-time residents and visitors alike. Redevelopment projects will buffer their impacts from these neighborhoods and ensure a long-term symbiosis between each essential use.
- Expand greenspaces and pathways. Future development will leverage Crossings Park as a primary asset and grow additional, scaled parks spaces across the district. Pathways will play an essential role in connecting these parks with neighborhoods, lifestyle centers, and employment hubs. The district focus areas should prioritize park-oriented development with green space that is fully integrated into a holistic site plan.
- Upgrade office stock. Despite the age and quality of existing office spaces in the district, vacancy rates remain low, and rents are competitive. There are no Class "A" office spaces in the district despite this strong market demand. The future land use mix should maintain the existing square footage of the office space in the district, but encourage new, integrated projects that increase the value and performance of the use long-term.

No motions or action was taken.

Consideration of Proposed Ordinance 2023-16 Amending Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance (LMO) to Amend Single Family Dwelling Parking requirements and to Establish Regulations for Single Family Dwelling Floor Area Ratio Requirements – Missy Luick, Director of Planning

Mayor Perry addressed the Committee and requested that the Proposed Ordinance Amending Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance (LMO) to Amend Single Family Dwelling Parking Requirements and to Establish Regulations for Single Family Dwelling Floor Area Ratio Requirements come back before the Public Planning Committee once again this month, as there were many questions that there were not clear answers to.

Luick presented and stated that there is a need to establish regulations for single – family dwelling floor area ratio (FAR) requirements to more effectively regulate the column and placement of homes based on the structure size in relation to the size of the property, and to amend single- family dwelling parking requirements to better align the single-family use type to the size of the dwelling unit structure.

Floor Area Ratio (FAR) is the measurement of a building's total floor area (gross floor area) in relation to the size of the lot/parcel that the building is located on. The FAR is a calculation of maximum building size based upon the land area of the lot square footage. FAR is a separate calculation from density, which is defined as dwelling units per net acre of the parcel.

The Phase 4a Proposal recommends a maximum Floor Area Ratio of 0.45 for Single-Family homes, provided however, that the maximum gross floor area does not exceed 4,000 square feet in the following districts: RSF-3, RSF-5, RSF-6, RM-4, RM-8, RM-12, LC, MF, MV, NC, RD, S, and WMU. A Floor Area Ratio of 0.45 is consistent with the majority of existing FAR Requirements in the current Land Management Ordinance (LMO) for the character overlay districts. Existing neighborhoods on the Island that are not in character overlay districts face the type of pressure that increases the intensity of new developments or redeveloped sites with the largest possible size structure that can be permitted on a lot.

Parking Standards for Single-Family Use in Base Zoning Districts and Character Overlay Districts are to ensure provisions for sufficient parking and loading facilities in proportion to the generalized use demand. The amount of parking provided for the range of land uses in a community is an important link between land use, transportation, design, and environmental quality.

For Single-Family Principal Use and Required Parking, the Phase 4a Amendment proposes 1 parking space per 750 square feet or portion thereof of Gross Floor Area (GFA). This eliminates the counting of an initial 2 spaces per dwelling unit and will calculate the required number of parking spaces based on square footage. For the Overlay Districts, the amendment proposed 1 additional parking space per 750 square feet or portion thereof above the current 2,000 square feet of GFA.

The Planned Development (PD-1) District is not included in the FAR standards as Planned Unit Developments are master-planned communities approved by development agreements. Single-family use parking will be required in all zoning districts island-wide through the application of the Development and Design Standards, Parking and Loading Standards – Parking Space Requirements.

Section 16-2-103.B.3 provides text amendment review standards that may be considered when determining to adopt or deny a proposed text amendment. Those factors are listed below:

- In accordance with Our Plan, the Town's comprehensive plan;
- Required by changed conditions;
- Addresses a demonstrated community need;
- Consistent with the purpose and intent of the zoning districts in this ordinance, or would improve compatibility among uses and ensure efficient development within the Town;
- Would result in a logical and orderly development pattern; and
- Would not result in significant adverse impacts on the natural environment, including but not limited to water, air, noise, stormwater management, wildlife, vegetation, wetlands, and the natural functioning of the environment.

Chairman Ames opened the floor for comments from the public. They are listed below:

<u>Gray Smith</u> stated the need for separate buildings with a predominately tree filled environment on the Island. He referenced Arrow Road as an area filled with trees and punctuated by buildings which enhance the character of the Island. He expressed his concern about overdevelopment.

<u>Angle Hutchins</u> voiced her concern regarding losing the intricacies of individual creativity.

<u>Chet Williams</u> questioned that screen porches are included in the calculation of gross floor area. He referenced the definition in the LMO stating the area within the perimeter of the exterior walls is the gross floor area. He questioned a screen porch as an exterior wall.

<u>Jim Callan</u> stated there is a difference between large scale developments on zero lot lines and how they are zoned compared to neighborhoods that are 90% built out or redeveloped. He stated he is of the opinion that if this action applies to his property it greatly diminishes his ability to subdivide his property which will create a great economic impact on him.

<u>Don Hufham</u> expressed his concern regarding the size of homes being permitted with this FAR and if these changes do occur the home he plans to build will be dwarfed by others.

<u>Angle Hutchins</u> stated concern that there could be a requirement of compensation to homeowners as a result of government actions reducing property values.

<u>Andre White</u> referenced family compounds and the number of units on property. He noted with the 4000 square foot cap on a piece of property is very limiting.

<u>Joceyln Staiger</u>, spoke on behalf of the Hilton Head Island Area Realtors and read a prepared statement noting their concerns and questions to the changes and the hardships that could result with the proposed changes.

<u>Dee Anthony</u> stated there are many people who want to be heard and prove it by coming to meetings and contacting representatives. She stated the main concerns are overdevelopment, safety and security and spoke in favor of the .32 FAR.

<u>Gray Smith</u> referenced an article regarding short-term rentals destroying workforce housing in many areas in the country. He noted he would send it to Council for review.

Lori Surlack spoke in support of district planning. She encouraged Council to place and FAR that is conservative in place would give some relief and it could be addressed and reviewed as the district planning takes place and if adjustments are needed, they can be done at that time.

<u>Lisa Flemming</u> stated the focus should be on preserving and protecting the Island. She cautioned that unintended consequences could happen if the big picture is not taken into consideration.

<u>Daniel Anthony</u> spoke on behalf of the Jonesville Preservation Society and stated the FAR at .32 is a good starting point. He stated he did not have a problem with eliminating the maximum square footage requirement. He stated the need to address the impervious coverage issue.

Ames suggested that the Committee consider eliminating the 4000 square feet requirement, have a .45 FAR, and accept the parking as proposed by staff.

Stanford stated he no longer supports the 4000 square foot limitation. He said if someone has a larger lot, they could possibly build a larger home. He stated that regarding FAR he feels it is a reasonable way to preserve Island character.

Becker referenced the existing LMO regarding general purposes in land development. She noted that a lot of development taking place in residential neighborhoods is clearly not residential. She stated the need to pay attention to quality of life and noted the goal of the FAR is to create environments on the Island that look and feel like a community. Becker pointed out the need to address the pervious and impervious issue to further enhance quality of life.

Brison stated that when she made the motion previously it was a result of reviewing all information provided and listening to comments. She expressed her long-time concern with mass, scale density of all kinds of buildings and structures on the Island. She confirmed she was in agreement with her colleagues regarding the need to address the pervious and impervious issue. Brison stated after extensive review and additional research she is not prepared to change her motion adopted previously stating she feels .32 is the right number right now. She said she is not totally convinced the maximum square footage should be eliminated but she is willing to look at exemptions in some areas regarding family compounds and family subdivisions.

Stanford made a motion that the Planning Committee reconsider the action taken at the previous meeting concerning adoption of the Floor Area Ratio regulations and maximum lot size. Becker seconded the motion. Becker requested an amendment to the motion and requested that parking be handled as a separate matter. Stanford accepted the amendment. Brison opposed. Motion carried 3-1.

Stanford made a motion to amend the proposal to eliminate 4,000 square foot maximum house size. Becker seconded the motion. There was discussion. Motion carried 3-1. Brison opposed.

Stanford moved to recommend to Town Council provisions dealing with Floor Area Ratio (FAR) at a level of 0.45 to be included to be that contained with the exterior walls of the structure. Becker seconded. The motion carried 3-1. Brison opposed.

Chairman Ames adjourned the meeting at 1:29 p.m.

Approved: October 13, 2023

The recording of this meeting can be found on the Town's website at <u>www.hiltonheadislandsc.gov</u>