



Town of Hilton Head Island
TOWN COUNCIL MEETING
Tuesday, January 14, 2025, 3:00 PM
Minutes

Call to Order

Mayor Perry called the meeting to order at 3:00 p.m.

Council Members present: Alan Perry, Mayor, Alex Brown, Ward 1, Mayor Pro-Tempore; Patsy Brison, Ward 2; Steve DeSimone, Ward 3, Tammy Becker, Ward 4; Steve Alfred, Ward 5; Melinda Tunner Ward 6.

Invocation - Reverend Michael Oenbrink, St. Francis by the Sea Catholic Church

Father Oenbrink delivered the invocation.

Adoption of the Agenda

Mr. Alfred moved to approve. Ms. Brison seconded. Motion carried 7-0.

Approval of the Minutes

Regular Meeting Minutes of December 3, 2024

Ms. Brison moved to approve. Mr. Alfred seconded. Motion carried 7-0.

General Reports from Town Council

Mayor Perry informed Council he would be attending the South Carolina Beach Advocates Conference as he has been appointed to the Board.

Ms. Brison expressed her appreciation to Fire Rescue for the development of a warm shelter during this cold weather and also thanked the Sea Turtle Patrol for their efforts during the cold spell in protecting the sea turtles.

Report of the Town Manager

Town Manager Marc Orlando reported on the following items of interest.

Office of Cultural Affairs:

The Office of Cultural Affairs has recently installed a temporary exhibition of artwork from the 'Art Beyond Tradition' Group here at Town Hall. These abstract artists have been exhibiting together since 2006 and have each brought an example of their work to share with our community. The exhibition is just outside the Council Chambers and is accessible during any public meetings. Thank you to these local artists.

Technology & Innovation:

The Technology & Innovation Department recently upgraded our network infrastructure by replacing the existing Metro Ethernet (MetroE) connectivity between town buildings with dark fiber.

This change allowed us to establish redundant connections for each town location, including all fire stations, significantly improving network reliability.

The transition to dark fiber provides virtually unlimited bandwidth capacity between buildings, with the only restriction being the capabilities of the equipment at each connection point.

In contrast, MetroE offered limited bandwidth and only a single connection per building, which constrained both scalability and redundancy.

This upgrade not only achieved redundancy but also a significant increase in bandwidth speeds, enabling better support for critical applications and future growth.

The termination of the MetroE circuits resulted in substantial cost savings of \$7,200 per month, starting in November 2024. This translates to an annual savings of over \$85,000.

Planning:

The Development Services implemented an electronic newsletter on a bimonthly frequency to improve communication with the building and construction community.

A community clean-up volunteer event featuring a street sweep and a mobile recycling center located at the Stables on Jonesville Road is scheduled on Saturday, January 18 from 9am until noon.

Community engagements for the District Plans project have been scheduled for all seven district plans. The first meeting will be in the Skull Creek District on January 16 at the Boys & Girls Club from 5pm until 7pm. A complete schedule can be found on the Town calendar on the Town website. In addition to posting on the Town website and social media channels, invitations for each meeting are being mailed to residents within the districts in advance of the meeting and will include a link to an online survey to provide input.

Public hearings for the LMO Priority Amendments & Northpoint Property Zoning Map Amendment will be held by the Planning Commission on February 19.

Staff Achievements

- a. David Staigar and Kathryn Hickey joined the Building Division as provisional inspectors.
- b. Emma Racanello joined the Community Development Information Center as a Community Development Services Coordinator.
- c. Joseph Wheeler, Building Inspector III, passed the Certified Building Official exam with the International Code Council.
- d. Shea Farrar, Principal Planner, was named President of the South Carolina Chapter of the American Planning Association (SCAPA) and will lead the organization for a two-year term.

- e. Melissa Paul Leto, Principal Planner, presented a session entitled "Showcasing Excellence: How Hilton Head Island's Design Review Board Shapes Development to Preserve Island Character" at the South Carolina Chapter of the American Planning Association Fall Conference held in Spartanburg.
- f. Brandy Scholl, Administrative Assistant, is an accomplished artist who has recently been selected to create public art for the Town of Bluffton. The 4-foot-tall sculpture will be located in Wright Family Park and represent the history and ecology of the town of Bluffton through portraits of the Wright family, Gullah Geechee culture, and a vignette of the coastal waterway.

New Business

Appointment of Town Council Membership to the Community Services and Public Safety Committee - Mayor Alan Perry

Mayor Perry appointed the following Council members to the Community Services and Public Safety Committee:

Tammy Becker, Chair
Steve Alfred
Steve DeSimone

Appointment of Town Council Membership to the Finance and Administrative Committee - Mayor Alan Perry

Mayor Perry appointed the following Council members to the Finance and Administrative Committee:

Alex Brown, Chair
Patsy Brison
Melinda Tunner

Consideration of Adoption of Town Council 2025 Workshop Schedule - Shawn Leininger, Assistant Town Manager

Ms. Becker requested the proposed January 28 workshop be changed to January 27 as Ms. Tunner has a scheduling conflict.

Ms. Brison moved to approve the Town Council 2025 Workshop Schedule with the change requested by Ms. Becker changing the January 28 workshop to January 27. Mr. Alfred seconded. Motion carried 7-0.

Presentation of FY2024 Annual Comprehensive Financial Audit Report for the Town of Hilton Head Island Presentation by Mauldin & Jenkins, CPAs - Adriana Burnett, Finance Director

In compliance with South Carolina Code Section 5-7-240, the Town is required to conduct an independent annual audit of its financial statements. These statements include the financial position of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2024. They also detail the respective changes in financial position and relevant disclosures.

The purpose of the audit is to express an opinion on whether the financial statements are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Mauldin & Jenkins CPA's and Advisors conducted the audit to provide these services for the Town. This marks the firm's second year performing the audit for the Town.

Trey Scott, CPA partner at Mauldin & Jenkins CPA's & Advisors has led the audit for the Town. The financial statements are fairly presented in all material respects, in accordance with GAAP. Mr. Scott conducted a detailed presentation regarding the audit.

Council members made comments, asked questions and had discussion regarding: inquiry as to whether the Town should be looking for opportunities to conduct audits on internal controls; inquiry as to the one finding and how to ensure it doesn't happen in the future; confirmation the finding was a result of a standard that should have been implemented 7 years ago and has now been corrected; a reference to the Annual Comprehensive Financial Report noting it is well put together and a great tool; inquiry regarding incurring more debt since the towns rating is so good; an inquiry and confirmation that Hilton Head Island rates in the top ten in comparison to other similar municipalities; inquiry into the pension liability and how it impacts the Town; and confirmation that Hilton Head Island has a positive unrestricted net position..

Mayor Perry asked for public comment. There was none.

Consideration of an Ordinance of the Town of Hilton Head Island Granting Easements to South Island Public Service Districts for Infrastructure Installation - First Reading - Shawn Colin, Assistant Town Manager

Town Council is asked to consider four (4) utility easements on Town-owned property, as requested by the South Island Public Service District (SIPSD) for the purpose of upgrading their potable water source and distribution system.

On August 20, 2024, Town Council reviewed SIPSD's request for easements during Executive Session and requested additional information regarding tree impacts.

On November 12, 2024, Town Council further reviewed SIPSD's request during Executive Session and made the following comments:

- Identify the affected properties on Attachment 1 as "Town-Owned Property;"
- Require a project schedule and pathway detour plan;
- Require live oak trees as mitigation for all tree removal; and
- Require understory vegetation mitigation in the William Hilton Parkway and Dunnagan's Alley easement.

The Town's development review team is working with SIPSD to ensure these conditions are met through the Development Plan Review (DPR) application process. SIPSD has no objection to these conditions.

Easement Requests:

1. Pope Avenue (R552 015 000 0395 0000):

- **Description:** This easement includes a 10-foot-wide strip along Town-owned property adjacent to Pope Avenue, in front of St. Luke's Church.
- **Method of Installation:** Directional boring, which will avoid impacting trees.

2. Corner of Arrow Road and William Hilton Parkway (R550 015 000 0007 0000):

- **Description:** This easement includes a 10-foot-wide strip along Town-owned property, along William Hilton Parkway.
- **Method of Installation:** Directional boring, which will avoid impacting trees.

3. William Hilton Parkway (R550 015 000 0324 0000):

- **Description:** This easement spans the entire William Hilton Parkway frontage of the Town Hall property, with a consistent width of 10 feet.
- **Method of Installation:** Directional boring, which will avoid impacting trees.

4. William Hilton Parkway and Dunnagan's Alley (R550 015 000 0323 0000):

- **Description:** This easement is located between the Village at Wexford and Town Hall, with a varying width: 40 feet at William Hilton Parkway, narrowing to 20 feet through the property, and expanding to 60 feet at Dunnigan's Alley. Additionally, there is a 20-foot-wide temporary construction easement proposed adjacent to the permanent easement.
- **Method of Installation:** This portion of the project requires an open trench installation, which will impact up to 23 trees and understory bushes.
- **Tree Impact:**
 - ✓ 3 live oak trees (largest being 20" in diameter)
 - ✓ 9 gum trees (largest being 15" in diameter)
 - ✓ 11 pine trees (largest being 24" in diameter)
- **Tree Mitigation:** Town staff will continue working with SIPSD to minimize tree removal and require tree mitigation.

The proposed easements will enable the upgrade of SIPSD's potable water system. Three of the four easements will avoid tree impacts through the use of directional boring, while the fourth easement will require tree removal and mitigation.

Council members made comments, asked questions and had discussion regarding: inquiry as to the impact on the multi-use pathways; confirmation the impact will be minimal; a request to have clear direction for alternative routes for pathway users; concern for the live oaks and the need for a defined tree mitigation plan before approval; confirmation there are no impacts on trees in the first three areas; and confirmation a mitigation plan for the fourth area can be brought forward at the second reading on February 4.

Mayor Perry asked for public comment. There was none.

Mr. Brown moved to approve and to have a more detailed tree mitigation plan presented at second reading. Mr. Alfred seconded. Motion carried 6-1 (Ms. Brison

opposed).

Consideration of a Resolution of the Town of Hilton Head Island Approving the Recommendation from the Accommodations Tax Advisory Committee for the Calendar Year 2024 Grants - Adriana Burnett, Finance Director

Mr. McGowan introduced Stephen Arnold, Chair of the Accommodations Tax Committee to conduct his presentation.

On November 7, 2024, the Accommodations Tax Advisory Committee (ATAC) met to make grant funding recommendations for 34 ATAC grant applications that were solicited from our traditional 2025 grant cycle. As a result, the ATAC was pleased to make funding recommendations on all 34 of the submitted ATAC grant applications.

Total Applicant Funding Requests	\$4,241,650	Total Available
Funding for Grants		
(after required \$50,000 reserve)	\$3,891,644	
ATAC Funding Recommendations for Grants	\$4,186,065	

As with past practice, the ATAC has worked to establish a consistent philosophy in how applications are reviewed and prioritized. Over the past five years, the review and recommendation approach of the ATAC has evolved through continuous improvement into the following guiding principles:

Economic Growth Through Tourism - Does the applicant organization drive overnight visitors to Hilton Head Island?

Creation of Sustainable Visitor Traffic - Does the applicant organization enhance or improve the visitor experience on Hilton Head Island creating opportunities that would encourage visitors to return to Hilton Head Island?

Collaboration Amongst Organizations - How well does the applicant organization collaborate with other local organizations, especially fellow grant applicants? Where possible, do applicants cross-promote each other to further enhance the visitor experience?

Organization Viability and Return on Investment - Does the organization possess a clear vision and an achievable direction? Does the organization have other sources of public and private support available? What is the organization's long-term dependency on ATAX funding going to be? Do established applicant organizations have the financial means to support themselves without an ATAX award for the upcoming year and/or beyond? Do organizations with a strong balance sheet have a strategic plan for their cash reserves?

Operational Confidence - How well do the applicant organizations understand their operations? Do they track and report metrics, do they provide sufficient transparency and are they accountable for their results?

The Committee also strives to enhance the grant review process as it is important to evolve our thinking to the strategic focuses of the Town, the best practices of other ATAX municipalities and evaluate feedback solicited through the past year. To provide an additional layer of summary with our recommendation, each application has been broken

out into sections categorizing, at the highest level, the type of recommendation each application received from the Committee this year. These two categories will group applications together based on whether they received recommendations for full or for partial funding. A spreadsheet was displayed during the meeting listing all applicants along with the amount each applicant requested. The Committee Members discussed each individual application and ultimately, the Accommodations Tax Advisory Committee decided upon the following for funding:

The Committee was in a fortunate position to make several full-funding recommendations again this year. The Committee felt that the twenty-five organizations that fell into this category were thoughtful with their grant requests, demonstrated a reasonable financial need, and were able to show a strong Return on Investment (ROI) with how they chose to invest their financial resources to drive and enhance tourism on Hilton Head Island. Furthermore, the Committee is cautious in recommending increases year over year funding to ensure that a new benchmark would not be created that could adversely impact the applicant in upcoming years if the same funding levels were not available in the future.

Request	Committee Recommendation	
Art League of Hilton Head	\$ 80,000	\$ 80,000
Arts Center of Coastal Carolina	\$ 447,000	\$ 447,000
David M. Carmines Memorial Foundation	\$ 185,000	\$ 185,000
Gullah Museum of Hilton Head Island	\$ 180,000	\$ 180,000
Harbour Town Merchants	\$ 29,000	\$ 29,000
Hilton Head Concours d'Elegance	\$ 350,000	\$ 350,000
Hilton Head Island Airport	\$ 150,000	\$ 150,000
Hilton Head Island Rec Association	\$ 75,000	\$ 75,000
HHI Wine & Food Inc. (Rhythm & Brews Fest)	\$ 30,000	\$ 30,000
HHI Wine & Food Inc. (Wine & Food Fest)	\$ 130,000	\$ 130,000
Hilton Head Symphony Orchestra	\$ 350,000	\$ 350,000
Lean Ensemble Theatre	\$ 55,000	\$ 55,000
Lowcountry Golf Course Owners Assoc.	\$ 200,000	\$ 200,000
Lowcountry Gullah	\$ 100,000	\$ 100,000
Mitchelville Preservation Project	\$ 190,000	\$ 190,000
Native Island Business & Community Assoc.	\$ 225,000	\$ 225,000
Rotary Club of Hilton Head Island	\$ 40,000	\$ 40,000
Sea Turtle Patrol HHI	\$ 70,000	\$ 70,000
Shelter Cove Harbour Company	\$ 293,800	\$ 293,800
TEDx Hilton Head	\$ 10,000	\$ 10,000
The Boys & Girls Club of Hilton Head	\$ 40,000	\$ 40,000
The Coastal Discovery Museum	\$ 400,000	\$ 400,000
The First Tee of the Lowcountry	\$ 50,000	\$ 50,000
The Outside Foundation	\$ 72,000	\$ 72,000
The Sandbox	\$ 64,000	\$ 64,000
Total Full Funding	\$3,815,800	

Nine organizations, despite being eligible, were not recommended for full funding. Three of

these were limited by TERC-based funding caps. The remaining organizations faced funding reductions due to the constrained budget available for awards this year. This was an unavoidable outcome given the financial limitations.

The ATAC evaluated each application based on its individual merit, independent of the overall funding pool. The Committee emphasizes that partial funding should not be interpreted as a negative assessment of the organization. Recommendations adhered to staff guidelines for partial funding, which were applied for budgetary considerations.

Additionally, the Committee was mindful of avoiding significant year-over-year increases in funding. This approach was taken to prevent setting new benchmarks that might create challenges for applicants in future years, should similar funding levels be unavailable.

A total variance of \$55,585 was observed between the amounts requested and the Committee's funding recommendations. The Committee remains confident that its recommendations reflect the highest and best use of the available funds and are appropriate for this year's grant cycle.

	Request	Committee Recommendations	Variance
Hilton Head Audubon Society	\$ 21,400	\$ 15,000	(\$ 6,400)
Hilton Head Choral Society	\$ 20,000	\$ 15,000	(\$ 5,000)
Hilton Head Dance Theater	\$23,000	\$ 20,000	(\$ 3,000)
Hilton Head Island Bridge Assoc	\$ 21,000	\$ 15,000	(\$ 6,000) TERC Based
Hilton Head Land Trust	\$ 47,000	\$ 37,000	(\$10,000)
Hilton Head Island St. Patrick's Day Parade	\$ 80,000	\$ 68,388	(\$ 11,612)
Hilton Head MLK Committee for Justice	\$ 5,000	\$ 2,980	(\$ 2,020) TERC Based
Long Cove Club (Darius Rucker Intercollegiate)	\$ 65,450	\$ 61,897	(\$ 3,553) TERC Based
The Heritage Library	\$ 143,000	\$ 135,000	(\$ 8,000)
Total Partial Funding	\$ 425,850	\$ 370,265	(\$55,585)

Summary

Full Funding	\$ 3,815,800
Partial Funding	\$ 370,265
Total CY 2024 Grant Funding	\$ 4,186,065

At the conclusion of the meeting, a motion was made to approve the recommendations as presented on the projected spreadsheet (summarized above). The motion was seconded, and all Committee members voted unanimously to approve, except for specific line items where individual members recused themselves during the meeting. The final roll call vote was 7-0.

Council members made comments, asked questions and had discussion regarding: inquiry as to how the level of funding is determined; confirmation it is based on previous year trends with current trends considered; confirmation a policy will be developed regarding distribution of funds; inquiry as to the increases in the request from Lowcountry Golf Course Owners

Association (LCGCOA); confirmation the LCGCOA no longer received supplemental funding from the DMO; inquiry as to the eligibility of funding for the Rotary Quench Buggy; confirmation the Accommodations Tax Advisory Committee (ATAC) was in support of funding the rotary request but questioned its eligibility deciding to forward it to Council for review and consideration; a request to improve the process regarding awarding funds due to time factors; confirmation all recommendations submitted by ATAC have been vetted for the TERC requirements; a suggestion all organizations receive full funding; a reminder ATAC funds should not be an embedded portion of the organizations budget; the realization of a significant increase in the requests from a majority of the organizations; a question as to the qualification of funding the Rotary Quench Buggy; questions regarding the draw of tourists for Hilton Head Dance Theater; a question regarding the Outside Foundation and their use of funds; a question regarding the Long Cove Club request and the availability to attend the event for the public; the need for applicants to provide more definitive answers regarding tourist attendance and specifics regarding distances traveled; the need to clarify how data is collected; a suggestion to tighten up the procedures and not award the funds until actual dollars to be awarded are final numbers; inquiry and confirmation that the dollars are available if Town council awards full funding to all requests with the exception of those reduced due to TERC requirements; concern for an overlap of functions to be done by the DMO and the LCGCOA; inquiry as to whether the ATAC feels the need to award 100% of the funds available; confirmation all organizations have been informed the level of funding isn't going to be available to the extent of funding that they have been in the past few years; confirmation the organizations need to realize this is seed funding and they will need to step off as they gain momentum in raising funds, and a suggestion regarding the need for a discussion/review of the organizations to wean them off of requesting funds continually.

Mayor Perry asked for public comment. There was none.

Ms. Brison moved to approve the full funding recommended by the Accommodations Tax Advisory Committee in the amount of \$3,815,800 and to include full funding for those which the Committee recommended partial funding, with the exception of Hilton Head Island Bridge Association, Hilton Head MLK Committee for Justice, and Long Cove Club, which are TERC based reductions; and the reduction of Lowcountry Golf Course Owners Association from the \$200,000 recommendation to awarding \$150,000. Mr. Alfred seconded.

Ms. Becker moved to amend the motion to not fund the \$200,000 requested from the Lowcountry Golf Course Owners Association, the \$40,000 requested from the Rotary Club of Hilton Head (Quenchbuggy), reduce the Outside Foundation award by \$10,000 to not fund the \$100,000 Lowcountry Gullah request. Mr. DeSimone seconded.

Ms. Becker amended her motion to state that the applicants mentioned in her original amendment be voted on separately to determine funding. (Lowcountry Golf Course Owners Association, Rotary Club of Hilton Head (Quenchbuggy) and The Outside Foundation and Lowcountry Gullah). Mr. DeSimone, as the seconder to Ms. Becker's original amendment to the motion was in agreement and seconded her amendment to her motion. Motion carried 4-3 (Brown, Alfred and Brison opposed).

Ms. Becker moved that for 2025 the Lowcountry Golf Course Owners Association receive no funding or at least temporarily hold the funding for further conversation with regard to the appropriateness of the funding. Mr. DeSimone seconded. Motion failed 1-6 (Tunner, Alfred, Brown, Perry, Brison and DeSimone opposed.)

Ms. Tunner moved to fund the Lowcountry Golf Owners Association \$100,000. Ms. Becker seconded. Motion failed 2-5 (Alfred, Brown, Perry, Brison and DeSimone opposed).

Ms. Brison moved to approve \$150,000 to the Lowcountry Golf Owners Association. Mr. Alfred seconded. Motion carried 5-2 (Tunner and Becker opposed).

Ms. Becker moved that at this time there is not enough evidence or data provided to approve funding the Rotary Club of Hilton Head (Quenchbuggy) request for 2025. Ms. Tunner seconded. Motion failed 3-4 (Alfred, Brown, Brison, DiSimone opposed).

Ms. Brison moved to approve the Committee recommendation of \$40,000 to the Rotary Club of Hilton Head (Quenchbuggy). Mr. Brown seconded. The motion carried 4-3 (Tunner, Perry and Becker opposed).

Ms. Becker moved to approve \$62,000 in funding to The Outside Foundation (a reduction of \$10,000 from the Committee recommendation). Mr. DeSimone seconded. Motion failed 2-5 (Tunner, Alfred, Brown, Brison and Perry opposed).

Ms. Brison moved to approve the Committee recommendation of \$72,000 to The Outside Foundation. Mr. Brown seconded. Motion carried 5-2 (Becker and DeSimone opposed).

Ms. Becker moved, based on Lowcountry Gullah being almost entirely internet based and therefore leaving a question on return on investments, as required by TERC, that there be no funding. Mr. DeSimone seconded. Motion failed 1-6 (Tunner, Alfred, Brown, Perry, Brison and DeSimone opposed).

Ms. Brison moved to approve the Committee recommendation of \$100,000 to Lowcountry Gullah. Mr. Alfred seconded. Motion carried 6-1 (Becker opposed).

Mayor Perry called for a vote on the original motion. Motion carried 7-0.

Consideration of a Resolution of the Town of Hilton Head Island Approving a Sponsorship Agreement with the Heritage Classic Foundation to Support the 2025 RBC Heritage Golf Tournament - Shawn Colin, Assistant Town Manager

Mr. Colin stated the Town has historically been a sponsor of the RBC Golf Tournament. With recent developments within the PGA TOUR, the 2025 Tournament has maintained its designation as one of the Tour's "Signature Events". Signature Events feature limited field sizes and a \$20 million purse, and the RBC Heritage is one of five Signature Events that will not have a player cut. On December 16, 2024 the Heritage Classic foundation wrote to the Town regarding a new Sponsorship Agreement for 2025. A copy of that correspondence is enclosed as Attachment 1. In the 2025 Sponsorship Agreement, enclosed as part of Attachment 2, the Heritage Classic Foundation is requesting the Town's maintain its financial sponsorship level at \$400,000 for this year's event, the same as in 2024. In

exchange for this sponsorship, the Town will continue to receive recognition as a sponsor in many of the tournament's promotional materials. It has been estimated that the RBC Golf Tournament generates approximately \$134.5 million in economic impact each year. The 2024 Tournament also brought more than 100,000 event attendees to Hilton Head Island over the course of the week.

Mayor Perry asked for public comment. There was none.

Council members made comments, asked questions and had discussion regarding: confirmation the agreement is the same as last year with the year changed and the addition of 3h into the agreement - *3h) TOWN will receive the ability to connect with spectators onsite in an activation space, size and location that is mutually agreed upon by the parties. Tent, staged flooring, carpet and power will be provided by Heritage. TOWN will be responsible from the activation branding, manpower and activities;* inquiry as to the metric of how the hospitality community is performing due to the shuttle services from the north end of the Island; inquiry into how the economic impact is localized as far as service providers; inquiry as to why the listing on the video boards is limited to the time before the actual tournament as compared to the official pairing guides; confirmation there are requirements during the actual tournament that differ from the days leading up to the tournament; confirmation the local economic impact was \$135 million; confirmation it was an 11% increase over the previous year; and the need to reduce the impact on parking from businesses in the Coligny Area due to the shuttle service from that area.

Following discussion, Ms. Brison moved to approve. Mr. Alfred seconded. Motion carried 7-0.

Consideration of Approval of Rental Locations Proposed by Shore Beach Services for 2025 Beach Season - Shawn Colin, Assistant Town Manager

Shore Beach Services began providing lifeguarding services for the Town since its incorporation in 1983. These services have always been provided through the execution of non-exclusive Franchise Agreement. Over the years, this agreement has been renegotiated, and the scope of services has varied from time to time. Shore Beach Services currently provides lifeguards, beach rental equipment, and trash removal services to the Town under a Franchise Agreement dated June 18, 2024.

Per Article 5 of the approved Shore Beach Services Non-Exclusive Franchise Agreement, the Franchisee shall submit to the Town Council for approval a *listing of rental locations intended to be operated within the areas of operation during the next beach season.*

5. APPROVAL PROCESS: *On or before December 1st of each year, the Franchisee shall submit to the Town Council for approval a listing of rental locations intended to be operated within the areas of operation during the next beach season. This listing shall include the product quantities for each rental location. For purposes of the first year of this Agreement, the rental locations and product quantities shall be those that were approved by the Town in Calendar Year 2024. The purpose of this approval process is to regulate the location and quantities of rental equipment in use on the beach. Product quantities for each rental location shall not depart significantly from amounts approved during the previous year. Upon the request of the Franchisee, the Town Council may approve product quantity increases in*

areas of operation when circumstances such as new or expanded beach parks, other developments or changes in demand warrant such increases.

Pursuant to Section 5 of the Franchise Agreement with the Town of Hilton Head Island, Shore Beach Services submitted six schedules showing the rental locations that they intend to operate during the 2025 season along with the product quantities for each rental location.

There is a separate schedule for each of the five Areas of Operation, as defined in Section 4 of the Franchise Agreement, as well as a summary for all franchise areas. For reference purposes, the approved product quantities for 2024 season have been included on each of these schedules (Exhibits C-1 to C-5).

4. AREAS OF OPERATION: *By this Franchise Agreement, the Franchisee is hereby authorized to operate and conduct commercial activities (as defined herein) and in Exhibit B-1 in the following areas:*

A. From the northern boundary of the Westin Hotel south to the southern boundary of the designated swimming area at Driessen Beach Park. The portion of the beach extending 300 feet from either side of the center of the boardwalk at Surf Watch. The portion of the beach from the Burkes Beach access north 400 feet. The portion of the beach from the northern boundary of Palmetto Dunes to Beach Emergency Marker 96 (Exhibit B-2).

B. From the northern boundary of the Palmetto Dunes "Dunes House" south to the southern boundary of the Omni Resort in Palmetto Dunes (Exhibit B-3).

C. From the northern boundary of Hampton Place at Palmetto Dunes south to the Southern Boundary of Shipyard Beach (Exhibit B-3).

D. From the northern boundary of the Sea Crest south to the southern boundary of Alder Lane designated swim area. (Exhibit B-4)

E. From Emergency Marker 39 south to the Southern Boundary of Turtle Lane Club and from Beach Emergency Marker 13 at Tower Beach Club westerly to Beach Emergency Marker 11 and easterly 300 feet. (Exhibit B-5).

There was little change in peak demand for rentals during the season. Accordingly, the quantity of equipment is mostly unchanged with some reallocations of equipment amongst rental locations. Overall product quantities at rental locations for 2025 would be the same as 2024. There are the following changes within two Areas:

In Area C, four Umbrella/Cabanas and six Chairs/Lounges have been moved from Barrington to Hampton.

In Area E, six Umbrellas/Cabanas have been moved from Tower Beach to Sea pines Beach Club.

Council members made comments, asked questions and had discussion regarding: the need to assure that all private beach entrances be clear for residents to access the beach; and the need to work with Shore Beach Services for a beach warning system at all points of the beach.

Mayor Perry asked for public comment. There was none.

Ms. Brison moved to approve. Mr. Brown seconded. Motion carried 7-0.

Public Comment - Non Agenda Items

David Martin addressed Council regarding the status of paid parking in the Coligny Area.

Gray Smith addressed Council regarding the important of making the changes to the Land Management Ordinance to limit condominiums and other high density construction.

Amber Kuehn addressed Council suggesting that the Wild Wings Property on Pope Avenue be repurposed to house Sea Turtle Patrol, Shore Beach Services and Code Enforcement, along with provided a visitor information center in the building.

Executive Session

Discussion of Contractual Arrangements Pertaining to Designated Marketing Organization[Pursuant to the South Carolina Freedom of Information Act Section 30-4-70 (a)(2)]

Discussion of Legal Updates from the Town Attorney on Matters Covered Under the Attorney- Client Privilege [Pursuant to the South Carolina Freedom of Information Act Section 30-4- 70(a)(2)]

Discussion of Legal Advice from the Town Attorney on Matters Covered Under the Attorney-Client Privilege Incident to Settlement Negotiations Concerning Pending Litigation Captioned "County of Charleston, *et al.*, v. AIRBNB, Inc., *et al.*," Seeking Payment of Accommodation Taxes and Business License Fees to the Town and Other Local Governments in South Carolina [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70 (a)(2)] related to:

1. AirBnB

Discussion of Negotiations Incident to Proposed Contractual Arrangements and Discussions for the Proposed Sale or Purchase of Property (Pursuant to South Carolina Freedom of Information Act Section 30-4-70 (a)(2)] related to:

1. Pembroke Drive Area
2. William Hilton Parkway Area
3. Squire Pope Road Area
4. Pope Avenue Area
5. Mitchelville Area
6. Stoney Area
7. Jonesville Road Area
8. Beach City Road Area
9. Marshland Road Area

Mayor Perry asked the Town Manager if there was a need to enter Executive Session. Mr. Orlando stated there was a need regarding the items listed above.

At 5:45 p.m. Mr. Alfred moved to enter into Executive Session for the reasons cited by the Town Manager. Ms. Becker seconded. Motion carried 7-0.

At 8:05 p.m. Mr. Brown moved to come out of Executive Session. Ms. Brison

seconded. Motion carried 7-0.

Action from Executive Session

Mr. Brown moved to authorize the Mayor and Town Manager to sign a Settlement Agreement in Case 2021-CP-07-1650 as explained by the Town's Attorneys. Ms. Brison seconded. Motion carried 7-0.

Adjournment

The meeting adjourned at 8:06 p.m.

Approved: February 18, 2025



Kimberly Gammon, Town Clerk



Alan R. Perry, Mayor

The recording of this Meeting can be found on the Town's website at www.hiltonheadislandsc.gov