Town of Hilton Head Island
TOWN COUNCIL MEETING
Tuesday, February 4, 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 - Pastor Michael Carr, Central Church

Pastor Carr delivered the invocation.

Adoption of the Agenda

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

Approval of the Minutes

Workshop Meeting Minutes of January 9, 2025

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

Regular Meeting Minutes of January 14, 2025

Ms. Tunner requested the minutes contain more detail regarding discussion on two items that were on the agenda which were the Accommodation Tax Grants and the RBC Heritage Agreement. It was the consensus of Council to remove the minutes from this agenda for editing and place them on an upcoming agenda for consideration of approval.

General Reports from Town Council

Mayor perry invited Shawn Colin to the podium to update Council on the meeting held with the South Carolina Department of Transportation regarding the Bridge/Project options. Mr. Colin delivered the following update:

Attendees:

Meeting Attendees:

- SCDOT:
  - Justin Powell, Secretary of Transportation

- Rob Perry, PE, Deputy Secretary for Engineering
- John Boylston, Chief Engineer for Program Delivery
- Maggie Hendry, Chief Administrative Officer
- Craig Winn, PE, Lowcountry Program Manager

- Town of Hilton Head Island:
  - Alan Perry, Mayor
  - Alex Brown, Councilman
  - Steve Desimone, Councilman
  - Marc Orlando, Town Manager
  - Shawn Colin, Assistant Town Manager

- Beaufort County:
  - Alice Howard, County Council Chair
  - Tab Tabernik, County Council
  - Michael Moore, Administrator
  - Jared Fralix, Assistant Administrator

1. Bridge/Project Options Overview:
   - Option 1: $257.7M – Lifeline option without multiuse pathway. Includes a 3-lane bridge with breakdown lanes. The bridge would be stripped for two-lanes. Cost Comparison: The costs of half the project may not necessarily be half the total cost.
   - Option 2: $319.3M – Lifeline option with multiuse pathway. Includes a 3-lane bridge with breakdown lanes and a protected multiuse pathway.
   - Option 3: $273.7M – Lifeline option without multiuse pathway. Includes 3 lanes eastbound from Moss Creek to Spanish Wells Road.
   - Option 4: $340.8M – Lifeline option with multiuse pathway. Includes 3 lanes eastbound from Moss Creek to Spanish Wells Road, a protected multiuse pathway on the bridge, and a pathway connection to Moss Creek and Jenkins Island.
   - Option 5: $466.8M – Full project cost anticipated for 2024.
   - Option 6: $88.6M – Replacement of only the Mackay Creek eastbound bridge.
     - Option 3 or 4 may take longer to move through the process and construction phases.

2. Projects beyond the bridge scope may be included in the Lowcountry Area Transportation Study for programming and funding considerations. SCDOT is considering a Design Build approach to the project to help with pricing.
   - A design-build option will consider design alternatives, including bike and pedestrian connections.

- SCDOT has seen a 70 percent project cost escalation over the past few years.

3. Tolls and Reversible Lanes:
   - Tolls: Tolls are prohibited on existing free facilities (as per South Carolina Statute).
   - Tolls for express routes (e.g., to Cross Island Parkway) would require extended evaluation, including a toll study, environmental review, and permitting.
   - Reversible Lanes: SCDOT opposes reversible lanes due to safety, compliance issues, and the high cost of operation and maintenance. SCDOT is not in the business of reversible lanes.

4. Utility Relocation and Funding:

Utility relocation costs are part of the project; SCDOT will pay per South Carolina code Act 36.

SCDOT will cover utility relocation costs in accordance with the Utility Relocation Act, and additional funding could come from local funds.

5. Pinckney Island/Skull Creek Bridges:

The preference is for a new eastbound bridge to be elevated over Pinckney Island. Touching down on Pinckney Island would increase costs and reduce safety by having at grade movements.

6. Skull Creek Bridge Substructure:
   - The existing substructure supports both the eastbound and westbound bridge decks. The eastbound deck must be kept if the westbound deck remains. The existing eastbound bridge over Skull Creek would provide two-way traffic between Jenkins Island and Pinckney Island.

7. On-Island Grade Separation and Relocation:
   - Grade Separation for Squire Pope Road/Spanish Wells Road would require multiple residential relocations, dramatically increasing costs.
   - The Windmill Harbor signal will remain as part of the project regardless of the option, excluding Option 6.

8. Mitigation Elements and Community Impact:

9. Costs for Stoney Community mitigation are only funded if the project extends into the Stoney area. If Option 3 or 4 is selected, funding for Stoney mitigation (as outlined in the Environmental Assessment) would be included:

10. Project Timing:

- Timeframe for project changes:
  - Updates to environmental documents would take 6+ months.
  - Design/build project process will take 14 months.
  - Right-of-way (ROW) phase takes 12 months.
  - Construction will span 24-36 months.
  - Estimate is +/- 32 months to get to construction and 24-36 months for construction.

11. Project Coordination and Scope:

- Coordination: SCDOT emphasized the need to coordinate efforts.
- Meeting with SIB: SCDOT suggested a with the State Infrastructure Bank (SIB) chairman and executive director after local coordination to ensure alignment.
- Project Scope Considerations:
- A joint resolution by the Town of Hilton Head Island and Beaufort County outlining approved project scope and funding strategy is suggested to resolve concerns and allow SIB consideration.

12. Steps Forward:

- The Town of Hilton Head Island and Beaufort County need to continue discussions to reach an agreed-upon position and preference for project advancement.
- A joint resolution approved by the Town and County to address concerns raised by the SIB was recommended to be delivered before the March 31, 2025, deadline.
- This will provide clarity to SCDOT regarding the local preference for advancing the project.
- Beaufort County would need to revise its Intergovernmental Agreement with the SIB as well as its agreement with SCDOT for project scope.

Mayor noted the update was provided and would be addressed with a question and answer period during the joint meeting to be held with Beaufort County Council scheduled for Wednesday, February 12.

Mayor Perry stated the Strategic Action Plan Workshops are scheduled for February 26 and 27, 2025.

Ms. Brison congratulated the MLK Committee on the Walk and Program at Hilton Head Island High School. She noted February is Black History month with many Gullah Celebrations scheduled to be held throughout the month. There was a Freedom Day held at Mitchelville Freedom Park on Saturday. She encouraged all to go to Historical Bentonville Freedom Park to view the travelling Harriet Tubman Sculpture.

Ms. Becker encouraged all attending the meeting to sign up to speak on various items on the agenda.

Report of Greenspace Advisory Committee - Peter Kristian, Town of Hilton Head Island Representative

Mr. Kristian noted he is not only a representative for Hilton Head Island, but he represents Southern Beaufort County.

Mr. Kristian reported the Committee did their due diligence and obtained a third appraisal of the Mitchellville Tract as requested by Town Council. He stated the appraisal will be considered at a full meeting of Beaufort County Council on February 10 and hopefully something positive will come about to provide the Town with additional funding.

Mr. Kristian announced the request from the Town for $250,000 reimbursement for the Beach City Road tract received a favorable recommendation from the Greenspace Committee along with several tracts across from the Crazy Crab on William Hilton Parkway are just about to close. He complimented the Town on the land Acquisition Program which should be emulated by other municipalities.

Unfinished Business

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

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

On November 12, 2024, the Town Council further discussed SIPSD's request for easements during Executive Session and provided the following feedback:

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

On January 14, 2025, the Town Council approved first reading of the requested easements with the condition that the following information be provided before second and final reading:

1. Tree removal and mitigation plans (Attachments 2 & 3).
2. An explanation of why open trench digging is proposed on the William Hilton Parkway and Dunnagan's Alley easement, as opposed to directional boring.

The Town's development review team is working with SIPSD to ensure compliance with these conditions through the Development Plan Review (DPR) process. SIPSD has indicated a preference for open trench digging along the drainage canal in the William Hilton Parkway and Dunnagan's Alley easement, as the equipment necessary for directional boring is large and would require additional tree removal to operate. Open trench digging requires a narrower construction footprint. SIPSD provided the attached tree removal and mitigation plans, which include the removal of up to 23 trees (one of which is dead). The tree removal plan details the removal of four oak trees, including two 15" water oaks (one of which is diseased), an 8" water oak, and a 20" live oak. The tree mitigation plan outlines the planting of 14 live oak trees, which are at least 4 caliper inches in diameter and approximately 10 feet tall at installation.

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 trees and understory bushes.
   - **Tree Mitigation:** Town staff will continue working with SIPSD to minimize tree removal and require tree mitigation.

The proposed easements are necessary to facilitate 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.

Mayor Perry asked for public comment. There was none.

Mr. Alfred moved to approve. Ms. Becker seconded.

Members of Council had questions, comments and discussion regarding: clarification of the location of the 15", 8", 5" and the 20" live oak trees to be removed; clarification of a total of fourteen 4" live oak trees will be replacing the removed trees; inquiry and confirmation private property owners requirements are not as high as these specific requirements for mitigation; clarification buffers will be added on the Dunnagan's Alley side and the William Hilton Parkway side; confirmation plantings will screen any open corridor; confirmation it will take 6 months before the PSD is at that specific site and once they begin the project it will take approximately 2 months to complete; confirmation it will be done in the fall as opposed to summer; and a statement of appreciation for the size of the trees being planted as replacements along with a request to consider even larger replacements.

Motion carried 7-0.

New Business

Consideration of Adoption of 2025 Meeting Schedules for Finance and Administrative Committee and Community Services and Public Safety Committee - Shawn Colin, Assistant Town Manager

Ms. Becker moved to approve the following dates for the Community Services and Public Safety Committee:

February 10, 2025
March 17, 2025
April 21, 2025
May 19, 2025
June 16, 2025
July 21, 2025
August 18, 2025
September 15, 2025
October 20, 2025
November 17, 2025
December 15, 2025
Regular meetings are held at 10:00 A.M. on the third Monday of the month unless otherwise notified*.

Mr. Alfred seconded. Motion carried 7-0.

Mr. Brown moved to approve the following meeting dates for the Finance and Administrative Committee:

MEETING DATES
February 24, 2025
March 18, 2025
April 29, 2025
May 27, 2025
June 24, 2025
July 29, 2024
August 26, 2025
September 30, 2025
October 28, 2025
November 25, 2025
December 30, 2025
Regular meetings are held at 10:00 A.M. on the last Tuesday of the month unless otherwise notified*.

Ms. Brison seconded. Motion carried 7-0.

Consideration of an Ordinance to Amend Title 17 of the Municipal Code of the Town of Hilton Head Island, to Amend Chapter 4, Noise Control, to add Additional Requirements for Construction Hours - First Reading - Missy Luick, Director of Planning

Ms. Luick stated she was present to discuss the first reading of this priority amendment to the noise ordinance. She stated they have been working on a Land Management Ordinance (LMO) amendments project that is identified in our strategic action plan. As part of that project we have conducted an analysis of our land management and created this LMO amendments plan to incorporate policy and bring our LMO into alignment with our comprehensive plan and to incorporate those changes anticipated to our district plans.

The effort has been divided into two parts the LMO full overhaul and the priority amendments include incremental changes to both the LMO and portions of the Municipal Code that are related to land management seeking to address those important and urgent issues. In advance of the LMO overhaul we did have a workshop with council last September to review the LMO amendments plan including the priority amendments we discussed an amendment to construction management standards and we did have some discussion with Council including direction to amend the noise ordinance as of that priority amendment.

Current noise ordinance regulations allow construction activity on any day of the week during the daytime defined at 7 a.m. to 10 p.m. The proposed amendment to align construction activity hours with those hours that are enforced by our local major owners associations in the planned development communities as well as best practices to have a more standardized schedule that minimizes disturbance to nearby properties. The proposed amendment limits construction hours to Monday - Saturday excluding several major holidays that are listed and also limits construction activity from 7 a.m. to 7 p.m. or sunset whichever comes first .

She stated this has been discussed this at a Town Council workshop where we received some feedback as it relates to our construction hours and construction management standards. It was discussed at that time or the feedback that we that we heard from Council that construction projects do have impacts that spill over into adjacent properties that do cause disruptions including noise vibrations, dust, traffic congestion and other. These impacts are sometimes frustrating, and they affect our daily routines and operations. And on the flip side, construction projects also create jobs, stimulate our economy with new develop that developments that result in positive impacts to our community. It was suggested time to research the hours of construction our planned development communities as well as some other best practice is when proceeding with this noise amendment.

The Island's major planned development communities were evaluated and their regulations as it relates to construction noise and activity . There are several variations in the chart that follows and identifies all of their regulations as it relates to construction noise but generally the construction activity is permitted Monday through Friday from 7 a.m. to 7 p.m. with some activity permitted on Saturdays typically with pre-authorization from that planned community. In most cases construction is prohibited on Sundays and major holidays.

In closing, the amendment is a modification to simply address that priority that was identified at that September workshop which was to align construction noise.

Mayor Perry asked for public comment. There was none.

Mr. Alfred moved to approve. Ms. Becker seconded.

Members of Council had questions, comments and discussion regarding: confirmation the ordinance addresses not only construction work but landscapers and blowers; confirmation permit holders and landscapers will have to adhere to the ordinance; confirmation the amendment changes the definition of daytime from 7 a.m. to 10 p.m. to 7 a.m. to 7 p.m. or sunset; confirmation that a non-commercial activity is an exception; confirmation this is consistent with what happens behind the gates; confirmation property owners can cut their grass if they keep the noise level below 95dba; confirmation the emergency and special considerations will continue and the process that provides exemptions will not change; confirmation the PUD's could have regulations that are more stringent; discussion to take into consideration making the hours 7am to 7pm and remove the wording "or sunset"; concern with overstepping some PUD regulations by extending it to sunset or whichever comes first; and a recommendation that as Council has items coming forward to make it clear whether it impacts the PUD regulations so Council members can reach out to their constituents.

Mr. Alfred amended his motion to clarify the hours from 7 a.m. to 7 p.m. as opposed to 7 a.m. to 7 p.m. or sunset, whichever comes first. Ms. Becker, seconder of the motion was in agreement with the amended motion.

Mr. DeSimone asked for clarification as to why the change is needed. It was the consensus of council to invite Peter Kristian, General Manager of Hilton Head Plantation, to the podium to explain the need for specific hours. Mr. Kristian proceeded to explain the Hilton Head Plantation process

Members of Council had questions, comments and discussion regarding: confirmation the ordinance provides an outlet for emergency situations inside and outside the PUD's; and confirmation staff will review any discrepancies in the proposed language, and they will be brought forward at second reading.

The amended motion carried 7-0.

Consideration of a Resolution Authorizing the Town Manager to sign the Permits Required to Execute the Beach Renourishment Project - Shawn Colin, Assistant Town Manager

The purpose of this report is to inform Town Council of the environmental permitting condition mandated by the U.S. Fish and Wildlife Service (USFWS), the U.S. Army Corps of Engineers (USACOE) and the South Carolina Department of Environmental services (SCDES) as part of the Town's beach renourishment efforts, specifically the requirement of a year-round dog ban on portions of public beach. This condition is being applied to the Town's permitting process for the beach renourishment project. The Town of Hilton Head Island is in the process of permitting and executing its fourth major Beach Renourishment project. In past projects, the Town and regulatory agencies have been effective partners, balancing the necessary beach maintenance with wildlife protection. As part of the permitting process, the United State Fish and Wildlife Service (USFWS) is issuing a Biological Opinion (BO) under Section 7 of the Endangered Species Act of 1973.

This year, for the first time, USFWS is mandating a year-round ban on dogs, with the initial draft BO, dated August 8, 2024, imposing restrictions at Fish Haul Beach Park, portions of Port Royal Plantation, and Pine Island Beach. The BO cites concerns about the potential disturbance to birds from the presence of dogs, even when leashed. The applicable sections of the Biological Opinion that require this restriction are outlined below under Reasonable and Prudent Measure#4 as well as Terms and Condition#4.

Shorebirds – Reasonable and Prudent Measures:

RPM#4. The Town must implement the revised and approved Town of Hilton Head Shorebird Conservation and Management Plan (Plan) from 2015 before project construction begins. The Plan will include beach management measures aimed at reducing human recreational disturbance to offset the anticipated take resulting from the proposed Action.

Shorebirds Terms and Conditions:

T&C#4. The Town will implement the revised and approved *Town of Hilton Head Shorebird Conservation and Management Plan* (Plan) from 2015 before project construction begins unless another written agreement between the Town, Service, and Corps is reached in the interim. The Plan will include permanent, year-round dog restricted access areas along Pine Island and the Fish Haul Creek area shorelines of Port Royal Sound to minimize existing human recreational disturbance to piping plovers, red knots, and other shorebirds. These areas fall within the Town's jurisdiction and align with beach access points. The Town or its contractor will install signage at beach access points and above the spring high tide line to delineate where the restricted area(s) begin. The Town will also install marked buoys at the mid-tide and low-tide lines to delineate the area(s) when the tide is below the high-tide line.

While the Town supports conservation efforts, Town staff strongly objected to this blanket dog ban, as it does not reflect the current needs or practices of our residents and visitors, who frequently use these areas to walk their dogs. The Town staff coordinated discussion and consideration of these requirements with a request to remove or reduce the areas impacted, based on the actual presence of protected bird species during migration periods, rather than imposing year-round restrictions.

As a result of these efforts, USFWS has issued an amended BO to the USACOE. The amended BO includes revised language for Terms and Condition #4 as outlined below which reduces the area where the restrictions must apply by removing Pine Island Beach and reducing the area of restrictions near Fish Haul Beach Park.

T&C#4. The Town will implement the revised and approved Town of Hilton Head Shorebird Conservation and Management Plan (Plan) from 2015 before project construction begins unless another written agreement between the Town, Service, and Corps is reached in the interim. The Plan will include one permanent, year-round dog restricted access area along the Fish Haul Creek shoreline of Port Royal Sound to minimize existing and future human recreational disturbance to piping plovers, red knots, and other shorebirds. The specific location will be finalized in coordination with and approved by the Service. This area falls within the Town's jurisdiction. The Town or its contractor will install signage at nearby beach access points and above the spring high tide line to delineate where the restricted area begins. The Town will also install signage and/or marked buoys at the mid-tide and low-tide lines to delineate the area when the tide is below the high-tide line.

This revised BO still maintains the Reasonable and Prudent Measure #4 which means the Town will need to amend the Municipal Code before the construction activity for the Beach Renourishment project begins. Therefore, an amendment to Section 8-1-211(8) of the Town's Municipal Code will be advanced to codify the required restrictions in the coming months.

It is recommended that the Town Council approve a Resolution authorizing the Town Manager to sign the permits required for the Beach Renourishment project, ensuring that the Town can accept the State and Federal permits for the project and ensure the project can proceed while we draft and bring forward required amendments to the Municipal Code of the Town of Hilton Head Island.

Mayor Perry asked for public comment. There was none.

Ms. Brison moved to approve. Mr. Alfred seconded.

Members of Council had questions, comments and discussion regarding: the need for clarification regarding the permanent year-round dog restriction has been changed by removing Port Royal Proper; clarification the restriction applies to human activities inclusive of dogs; clarification beachgoers can utilize that portion of the beach without dogs; confirmation signage will designate restriction areas as well as placement of buoys in the water; confirmation the Town is responsible for making citizens and visitors aware of the restricted area; clarification the Town s required, as part of the Beach Renourishment, Project to survey and monitor migrating birds; inquiry and confirmation the terms and conditions are what we've agreed to in the past; and the need to protect animals so they continue to have the enjoyment they've had in the past.

Mr. Orlando stated there are mandates through the permitting process that the Town will be required to fund. He proposed that the February 25, 2025, Town Council Workshop centered around Beach Renourishment.

Members of Council had questions, comments and discussion regarding: confirmation the residents of ward 6 have been contacted by Ms. Tunner and while respondents were disappointed, they understand this needs done to get the permitting; inquiry into time frame for beginning the project and confirmation the code amendment regarding dog activities in the area noted need to be in place before construction can begin; clarification when the permit is signed the code change takes place; appreciation to the Town Manager and staff for pushing back on restriction and getting a revised biological opinion; encouragement to move forward with 2nd reading on February 18; and a note that timing is of the essence due to at least five other communities looking to conduct Beach Renourishment within the next 12 months.

Motion carried 7-0.

<u>Consideration of an Ordinance to Amend Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance, to amend Chapter 16-4, Use</u>

Standards, to add a new Adaptive Re-Use Hotel/Motel Conversion Program as Section 16-4-106 - First Reading - Missy Luick, Director of Planning

Missy Luick conducted a presentation with the following information:

On December 11, 2024, applicant Chris Breen, with Blue Hour Housing, submitted a proposed text amendment to LMO Sections 16-4, Use Standards, and 16-10, Rules of Measurement, to allow for a new use to be established called Adaptive Re-Use Hotel/Motel Conversion, and to establish minimum unit sizes for the use.

On September 16 and 24, 2024, Town Council held workshops to review the LMO Amendments Plan, including an amendment to allow the adaptive reuse of hotels/motels for multifamily housing. Currently, properties that are developed as hotels/motels and are no longer suited for such use have limited reuse options. These reuse options are limited to the zoning of the property and generally include other commercial, retail, or office uses, group living, and residential allowances of varying densities depending on the zoning district.

Based on comments and direction provided by Town Council at the workshops, Town staff has drafted a proposed code amendment to allow the adaptive reuse of hotels/motels for multifamily housing. This Town staff proposal has been introduced to the Planning Commission and is pending a public hearing review at their February 19, 2024, meeting.

Recently, representatives of Blue Hour Housing advised their desire to submit their own proposal for a hotel/motel adaptive reuse amendment. As expressed to Town staff, doing so would allow Blue Hour Housing to propose regulations meeting their needs and allow more control of the review schedule.

PROPOSED TEXT AMENDMENT:

The proposed amendment would create a new use called Adaptive Re-Use Hotel/Motel Conversion that is permitted on properties located within the:

1. Low to Moderate Density Residential (RM-4) District;
2. Moderate Density Residential (RM-8) District;
3. Moderate to High Density Residential (RM-12) District;
4. Community Commercial (CC) District;
5. Light Commercial (LC) District;
6. Main Street (MS) District;
7. Sea Pines Circle (SPC) District;
8. Medical (MED) District;
9. Mitchelville (MV) District;
10. Planned Development Mixed Use (PD-1) District;
11. Waterfront Mixed-Use (WMU) District; and
12. Stoney (S) District.

Further, the proposal would allow and require the following:

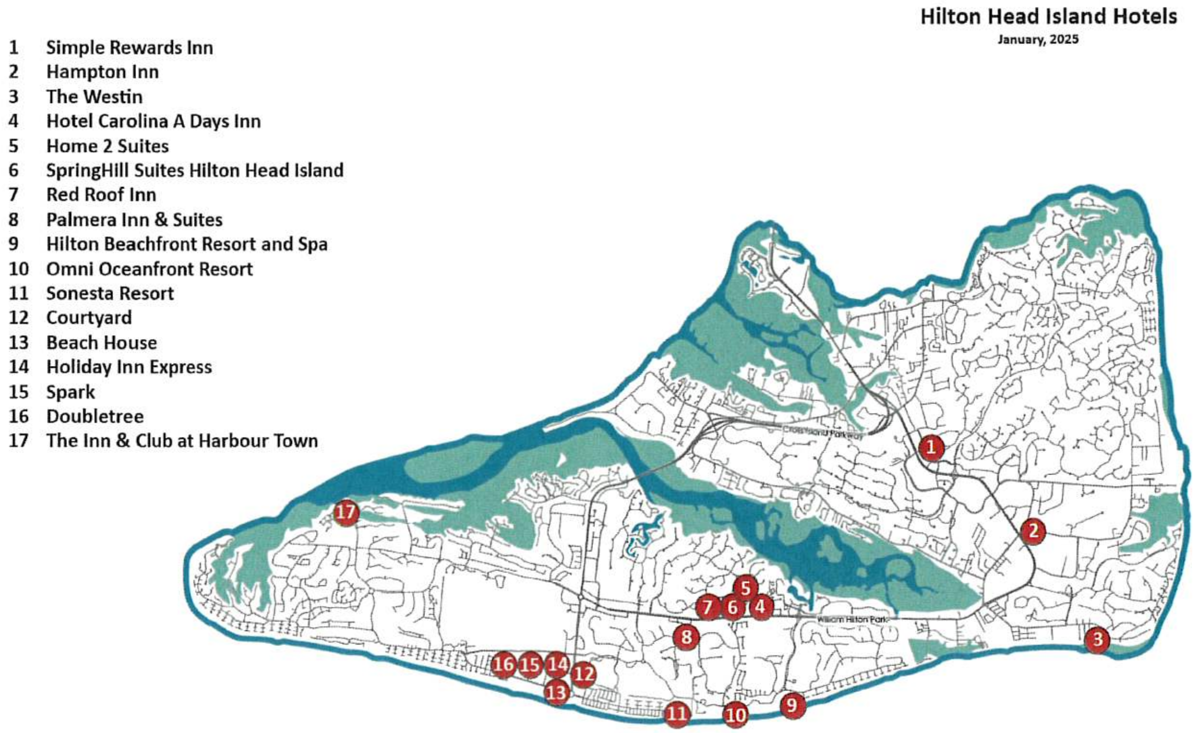
1. Allow the conversion of existing hotels and motels to a Multifamily Residential Use at a 1 guest room to 1 dwelling unit density conversion ratio.
2. Existing guest rooms are not permitted to be reduced or increased in size inorder to increase the number of units; however, it is permitted to combine multiple dwelling units into a singular dwelling unit.
3. 6% maximum required building square footage dedicated as interior communal space requirements. Elevators, hallways, stairwells, and other areas used exclusively for ingress and egress cannot be counted towards the square footage for this requirement.
4. Maximum required open space shall be provided at a rate of 10% of the building square footage.
5. No less than twenty-five (25%) percent of the dwelling units in the development shall be occupied by at least one person that is a full-time employee of a lawfully licensed business located within the Town of Hilton Head.
6. Minimum unit sizes are as follows:

Unit Type	**Adaptive Re-Use Hotel Motel Conversion Program Minimum Unit Size**
Micro Efficiency	210 square feet
Studio	300 square feet
1-bedroom	420 square feet
2-bedroom	562 square feet
3-bedroom	698 square feet

ANALYSIS:

The use is proposed in the twelve (12) zoning districts as previously listed. All of the districts currently allow multifamily development, some with conditions, with the exception of the PD-1 District. Further, hotels are currently not permitted uses in 7 of the proposed 12 districts proposed for this Adaptive Re-Use Hotel/Motel Conversion. Hotels are not permitted uses in the RM-4, RM-8, RM-12, CC, MED, PD-1 and SPC Districts.

Below is a map depicting Hilton Head Island hotel properties.



The Adaptive Re-Use Hotel/Motel Conversion proposes a 1 guest room to 1 dwelling unit density conversion ratio with conditions. Hotel density is 35 rooms per net acre. Existing residential density varies within the 12 districts proposed for this Adaptive Re-Use Hotel/Motel Conversion and ranges from 4 to 16 dwelling units per net acre. An Adaptive Re-Use Hotel/Motel Conversion will likely result in residential densities that exceed the existing residential density allowances per district. The proposal calls for a minimum off-street parking requirement of 1 off-street parking space for each guest room. The LMO requires multifamily off-street parking as follows:

1.4 spaces for a 1-bedroom dwelling unit; 1.7 spaces for a 2-bedroom dwelling unit and 2 spaces for 3-or more bedroom dwelling units.

There is no minimum amount of interior communal space or exterior open space required in the proposed amendment. These amenities provide quality to the living space, similar to requirements for other residential development. Adaptive Re-Use Hotel/Motel Conversion is proposed to require a maximum of 6% of the building square footage to be dedicated as interior communal space, which excludes elevators, hallways, stairwells, and other areas used exclusively for ingress and egress from being counted towards the square footage for this requirement. Also proposed is a maximum open space requirement calculated at a rate of 10% of the building square footage.

Although the proposed amendment does not require compliance with the Town

Workforce Housing Program, 25% of the dwelling units in the development shall be occupied by at least one person that is a full-time employee of a lawfully licensed business located within the Town of Hilton Head Island.

PLANNING COMMISSION REVIEW & RECOMMENDATION:

On January 15, 2025, the Planning Commission held a Public Hearing to consider the Blue Hour Housing text amendment application to allow an adaptive Re-Use Hotel/Motel Conversion. During the public hearing, Town staff and the applicant made presentations to the Planning Commission, the public was provided an opportunity to make public comment, and after deliberation, the Planning Commission, on a 5-3 vote, made a recommendation of denial to Town Council with a request that the applicant and Town staff come together for a solution.

APPLICANT PROPOSED MODIFICATIONS:

On January 17, 2025, Blue Hour Housing, submitted an email with proposed modifications to the Text Amendment as reviewed and recommended by Planning Commission. This email is included as Attachment 3. These amendments include:

1. Amend text to "No less than 75% of the dwelling units in the development shall be occupied by at least one person that is a full-time employee of a lawfully licensed business located within the Town of Hilton Head."
2. Add "Laundry facilities" to excluded communal space areas.
3. Add line of text that says "existing hotel and motel lobbies are permitted as communal space if they are renovated to be dedicated as communal living space dedicated for tenant use."TOWN COUNCIL ACTIONS:

   Section 16-2-103.B.2.e of the LMO provides review and decision procedures for Text Amendments and states the following:

1. The Town Council shall review the application, staff report, and Planning Commission recommendation, and make a final decision on the application. If the applicant proposes a change or departure from the text amendment that is different than what was reviewed by Planning Commission the change or departure shall first be submitted to the Planning Commission for review and recommendation in accordance with State law. The Town Council's decision shall be one of the following:

a. Adopt an ordinance approving the Text Amendment; or
b. Adopt a resolution denying the Text Amendment.

2. If the applicant proposes a change or departure from the text amendment that is different than what was reviewed by Planning Commission, the application shall be remanded to the Planning Commission for review of and a recommendation on the proposed changes and departures. The Planning Commission shall deliver its recommendation on the proposed changes and departures to the Town Council

within 30 days after the remand; if the Planning Commission fails to do so, it is deemed to have recommended approval of the proposed changes and departures.

Town Council has the following options when considering this agenda item. These include:

1. Approve First Reading, allowing the ordinance to advance to Second Reading.
2. Adopt a resolution denying the text amendment.
3. Adopt a motion remanding the text amendment application to the Planning Commission for review of and a recommendation on the proposed changes and departures. Should this be the will of Town Council, the item will be place on the February 19, 2025, Planning Commission agenda and then will be placed on the March 4, 2025, and March 18, 2025, Town Council agendas.

Mayor Perry invited the applicant to speak.

Chris Breen of Blue Hour Housing addressed Council and reviewed the process to date. He stated the developers believe that the tax amendment will fulfill the comprehensive plan's goal of attaining additional housing, supply obtainable efficiency units through commercial redevelopment which is hotel conversions using zoning Town funding. These studio and one bedroom units focused on the island's workforce will allow essential and hospitality and all sorts of workers live affordably on the island which is an opportunity that is increasingly unavailable. Increased housing availability will reduce commute times, living conditions increase satisfaction for the islands, work workforce, ultimately reducing worker shortages and improving living conditions and he referenced slides they had prepared to show Council

Shawn Leininger, assistant Town Manger stated that staff had not yet had a chance to review the slides and wanted to make sure that was clear for the record. Mayor Perry stated he would not permit the slides to be shown due to the fact Town staff has not had a chance to review them.

Mr. Breen introduced Alan Wolf to address Council. Mr. Wolf explained background of how he was contacted by Blue Hour Housing and how they have worked together in trying to work through this request.

Mayor perry asked for public comment:

Megan Fitzpatric addressed Council stating Blue Hour is not experienced. They only have two other proposed projects and neither have been approved. She also stated they do not have funding.

Ashleigh Phillips addressed Council stating the request doesn't fit into the land use plan for the Island. This proposal does not require compliance with the workforce housing program which means market rate rents among other things. She asked Council to vote against this request.

Larry Boyle addressed Council expressing concerns as to what type of people would be brought in to live in the residences as well as the need for additional law enforcement. He asked council to conduct a study on how communities like this affect municipalities.

Gray Smith addressed Council asking questions from the residents' perspective. He stated Blue Hour doesn't have the experience. His questions consisted of why would Hilton Head Island want to be a guinea pig for this type of project; why is an external group writing Town code; why would it be in all 12 districts; reference to the one in Bluffton with a high crime rate and why did it come forward to Town Council when the Planning Commission voted against it?

John Zmarzly addressed Council state this request is inconsistent with the way of living on the Island. He stated he doesn't agree that the project provides quality of life.

Kenneth Campbell addressed Council encouraging them to look at every aspect of the project and all types of housing are needed. He added they should look at it in an expedited manner as these types of opportunities do not come along every day.

Chris Ruffner addressed Council stating her opposition to this type of project being built on the Island. She suggested maybe further out in the area of Hardeeville would be a better fit.

Mr. Alfred moved to remand the item back to the Planning Commission for further consideration. He stated they have already indicated that as a Town that we think it is desirable to convert motel operations and rather than leave them as they are in a decaying situation. We have an application here where the applicant proposals the staff's proposals are not the same and I have been led to believe that. the staff has more in the way of potential changes that they would like to consider There are certainly, as indicated, an opportunity for further discussion and negotiation of the terms. It is premature to do anything other than just send this back to the Planning Commission and Council will have further opportunities to consider it later on. Nothing that we do by remaining would preclude anything been discussed tonight so I would move to remand.

Ms. Brison seconded.

Ms. Becker moved to amend a current motion and moved that the Town Council deny the application made by Blue Hour for a text amendment to the change in the LMO Section 16-4 for Use and Setbacks and 16-10 Rules of Measurement allowing for a new use called Adaptive Reuse Conversion and to establish a minimum unit size. Ms. Tunner seconded.

Members of Council had questions, comments and discussion regarding: comments that Blue Hour has no documentation as to who would live in these units and the need for requirements as to employment and income; comments that in 2024 the applicant attended a pre-application meeting and was informed by staff this would ultimately be denied; confirmation the applicant still came forward with the application with no changes; inquiry as to whether there was a public notice completed as required when the Planning Commission reviewed the application; confirmation the required public notices were completed; confirmation letters to property owners within 350 feet of the project are not required for a text amendment; comments staff needed to state to Council the recommendation of denial to the Planning Commission; concern that an outside investor writes a text amendment; inquiry into capacity in the units and how it is determined; concern that 210 square feet is considered livable conditions; concern over parking for the facility; the need for documentation with compliance to all requirements; inquiry as to whether the conversion is equal to a lockout unit; the need to be mindful of unintended consequences and make sure what is approved aligns to the Island values; concern of overcrowding the units; the need to look at the 15 strategies in Workforce Housing; the need to convert commercial spaces that are no longer in use; the need for staff to work with Planning Commission and the applicant in identifying districts where this text amendment might be recommended; the need to look at suae footage requirements and put them in place; inquiry into priorities of town Council and where this item fits due to timing; inquiry as to whether the site being discussed is operation at this time; inquiry if there was a precedent in sending back to the Planning Commission for further discussion for a solution; inquiry into the time frame needed by staff to review and make further recommendations; confirmation there is a capacity issue with this topic along with other priorities; and confirmation the Planning Commission would deliver its recommendation in the proposed change and departures to Town Council within 30 days of the remand.

Mayor Perry called for a vote on the amended motion to deny. The amended motion failed by a vote of 3-4 (Brown, Brison, Alfred, Perry opposed).

Mayor Perry called for a vote on the original motion to remand the item back to the Planning Commission. Motion carried 4-3 (Becker, Tunner and DeSimone opposed).

Public Comment - Non Agenda Items

Frank Babel addressed Council expressing his disagreement that the Bridge Option 2 is a bridge to nowhere. He stated his support for a bicycle/pedestrian pathway to be included in the design.

Linda Harrington addressed Council stating applicants do not have the right to write a text amendment for the Town Land Management Ordinance. She stated they should just provide necessary documents for their applications.

Executive Session

Discussion of Appointments to Boards, Commissions, and Committees (Pursuant to the South Carolina Freedom of Information Act Section 30-4-70[a],) related to:

1. Lowcountry Area Transportation Study
2. Lowcountry Council of Governments
3. Beaufort County Airports Board

4. Southern Lowcountry Regional Board
5. Island Recreation Association Board
6. Northpoint Public- Private Partnership Housing Committee
7. Gullah Geechee Historic Neighborhoods Community Development Corporation Board of Directors
8. South Carolina Flood Commission
9. Beaufort County Economic Development Corporation
10. Beaufort Housing Authority
11. Beaufort County Solid Waste and Recycling Board
12. Beaufort Jasper Housing Trust
13. Beaufort County Sales Tax Advisory Committee
14. Greenspace Advisory Committee
15. Design Review Board
16. Planning Commission
17. Board of Zoning Appeals

Discussion of Legal Advice 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]) related to:

1. Project located at 12 Main Street, also known as Diamond Cove Action from Executive Session

Motion to appoint the following Town Council members to external Boards & Commissions

Lowcountry Area Transportation Study: Tamara Becker
Lowcountry Council of Governments: Steve Alfred
Beaufort County Airports Board: Melinda Tunner
Southern Lowcountry Regional Board: Patsy Brison
Gullah Geechee Historic Neighborhoods Community Development Corporation: Alan Perry
Northpoint Public-Private Partnership Housing Committee: Alan Perry
Northpoint Public-Private Partnership Housing Committee: Patsy Brison

Mr. Orlando stated the need for an executive session for the reasons listed above.

At 6:30 p.m. Ms. Brison moved to enter into Executive Session for the reasons cited by the Town Manager. Mr. Alfred seconded. Motion carried 7-0.

At 7:55 p.m. Mr. Brown moved to come out of Executive Session. Ms. Becker seconded. Motion carried 7-0.

Action from Executive Session

Mayor Perry asked if there was any action to be taken as a result of executive /session.

Mr. Brown moved to make the following appointments to external boards and

commissions:

Lowcountry Area Transportation Study (LATS) – Tammy Becker
Lowcountry Council of Governments (LCOG) – Steve Alfred
Beaufort County Airports Board – Melinda Tunner
Southern Lowcountry Regional Board – Patsy Brison
Gullah Geechee Historical Neighborhoods Community Development Corporation – Alan Perry
Northpoint Public-Private Partnership Housing Committee – Alan Perry
Northpoint Public-Private Partnership Housing Committee – Patsy Brison

Ms. Brison seconded. Motion carried 7-0.

Adjournment

Mr. Brown moved to adjourn. Ms. Becker seconded. Motion carried 7-0.

Approved: March 4, 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