



REVISED AGENDA

- Item 11.b.4.added
- Item 11.a added
- Item 8.a. added
- Item 9.a. added

Town of Hilton Head Island

Town Council Meeting

Tuesday, May 20, 2025, 3:00 PM

**1 Town Center Court, Hilton Head Island, SC
Benjamin M. Racusin Council Chambers**

The meeting can be viewed on the [Town's YouTube Channel](#), the [Beaufort County Channel](#), and Spectrum Channel 1304.

- 1. Call to Order**
- 2. Pledge to the Flag**
- 3. Invocation – Reverend Bill McCutchen, Hilton Head Presbyterian Church**
- 4. Adoption of the Agenda**
- 5. Approval of the Minutes**
 - a. Regular Meeting Minutes of May 6, 2025
 - b. Budget Workshop Meeting Minutes of May 12, 2025
- 6. Presentations and Recognitions**
 - a. Amyotrophic Lateral Sclerosis Awareness Month Proclamation - Mayor Perry
- 7. Reports from Members of Town Council**
 - a. General Reports from Town Council
 - b. Report of the Lowcountry Area Transportation Study – Councilmember Tamara Becker
 - c. Report of the Lowcountry Council of Governments – Councilmember Steve Alfred
 - d. Report of the Beaufort County Airports Board – Councilmember Melinda Tunner
 - e. Report of the Southern Lowcountry Regional Board – Councilmember Patsy Brison
 - f. Report of the Island Recreation Association Board – Mayor ProTempore Alex

Brown

- g. Report of the Beaufort County Economic Development Corporation - Mayor Alan Perry
- h. Report of the Gullah Geechee Historic Neighborhoods Community Development Corporation - Mayor ProTempore Alex Brown
- i. Report of the Community Services and Public Safety Committee – Councilmember Tamara Becker
- j. Report of the Finance and Administrative Committee – Mayor ProTempore Alex Brown

8. Unfinished Business

- a. Update on William Hilton Parkway Gateway Corridor Project - Shawn Colin, Assistant Town Manager
- b. Consideration of an Ordinance to Amend the Town of Hilton Head Island Budget for the Fiscal Year ending June 30, 2025; to Provide for the Budgeted Appropriations of the Land Acquisitions and Certain Other Appropriations and Commitments and the Expenditures of Certain Funds; to Allocate the Sources of Revenue for the Said Funds; and to Provide for Severability and an Effective Date - Second Reading - Adriana Burnett, Director of Finance
- c. Consideration of an Ordinance of the Town of Hilton Head Authorizing the Execution of a Lease Purchase Agreement for Fire Trucks - Second Reading - Adriana Burnett, Director of Finance

9. New Business

- a. Consideration of a Resolution Adopting a Housing Displacement Mitigation Support Plan – Shawn Leininger, Assistant Town Manager
- b. Consideration of an Ordinance of the Town of Hilton Head Island to Amend Title 16 of the Municipal Code, the Land Management Ordinance, to Amend Sections 16-3-104.G and 16-4-102.A.6 to Add Workforce Housing as a Permitted Conditional Use in the Moderate to High Density Residential (RM-12) District, to Amend Section 16-4-102.B.1 to Include Property Size and Location Requirements for Workforce Housing in RM-12, to Amend Section 16-4-105.A to Provide for a Workforce Housing Density Bonus and Impervious Surface Increase in RM-12, to Amend Section 16-4-105.B to Clarify Workforce Housing Agreement Requirements, and to Provide for Severability and an Effective Date - First Reading - Missy Luick, Director of Planning
- c. Consideration of an Ordinance of the Town of Hilton Head Island to Amend the Official Zoning Map with Respect to the Real Property Located on Northpoint Circle to Rezone the Parcels from Parks and Recreation (PR) to Moderate to High Density Residential (RM-12) District; and to provide for Severability and an Effective Date- First Reading - Missy Luick, Director of Planning
- d. Consideration of an Ordinance of the Town Council of the Town of Hilton Head

Island to amend Municipal Code Section 8-11-211(8) to Restrict Dogs from an Area of the Town's Defined Beach near Fish Haul Creek - First Reading - Shawn Colin, Assistant Town Manager

- e. Consideration of an Ordinance of the Town of Hilton Head Island, Amending the Municipal Code by Adding New Sections 1-5-11 and 1-5-12, Authorizing the Issuance of Administrative Citations and Fines; Amending Section 10-2-60 to Authorize Administrative Citations and Fines for Violations of Article 10, Chapter 2 of the Municipal Code; Amending Section 10-2-70 of the Municipal Code to Add Issuance of More Than 3 Administrative Citations in Twelve Months as Grounds for Suspension or Revocation of Short Term Rental Permit; to Add Section 12-3-101 to Authorize Administrative Citations and Fines for Violations of Article 12, Chapters 3 and 6; to Amend Section 12-3-117; to Amend Section 2-3-213; to Add Sections 12-6-100 and 12-6-101 to Authorize Administrative Citations and Fines for Violations of Article 12, Chapter 6; to Amend Section 12-6-111 to Add a Definition for Resident Beach Pass; to Amend Sections 12-6-113, 12-6,114, 12-6-115,12-6-117 to Make Grammatical Changes; to Repeal Sections 12-6-119 and 12-6-120; and to Provide for Severability and Effective Date - First Reading - Shawn Colin, Assistant Town Manager
- f. Consideration of a Resolution of the Town Council of the Town of Hilton Head Island Authorizing the execution of a Non-Exclusive Drainage and Utility Easement Agreement from Beaufort County for Property Located at 55 Gardner Drive - Shawn Colin, Assistant Town Manager

10. Public Comment - Non Agenda Items

11. Executive Session

- a. Discussion of Negotiations Incident to Proposed Contractual Arrangements for William Hilton Parkway [Pursuant to South Carolina Freedom of Information Act Section 30-4-70 (a)(2)]
- b. Discussion of Negotiations Incident to Proposed Contractual Arrangements and Discussions for responses to the Town of Hilton Head Island Destination Marketing Organization Request for Qualifications [Pursuant to South Carolina Freedom of Information Act Section 30-4-70 (a)(2)]
- c. Discussion of Negotiations Incident to Proposed Contractual Arrangements and Discussion 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. Main Street
 - 2. Beach City Road
 - 3. Cedar Woods
 - 4. Jonesville Road
- d. 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)(2)]related to:

1. Workforce Housing Agreement for a Project located on Main Street, also known as Diamond Cove

2. Workforce Housing Agreement and Covenants Template

12. Action from Executive Session

13. Adjournment

FOIA Compliance: Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the Town of Hilton Head Island will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. Auditory accommodations are available. Any person requiring further accommodation should contact the Town of Hilton Head Island ADA Coordinator as soon as possible but no later than 48 hours before the scheduled event.

Municipal Association of South Carolina (MASC) Civility Pledge:

"I pledge to build a stronger and more prosperous community by advocating for civil engagement, respecting others and their viewpoints, and finding solutions for the betterment of my city or town."



Town of Hilton Head Island TOWN COUNCIL MEETING Tuesday, May 6, 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

Others Present: Marc Orlando, Town Manager; Curtis Coltrane, Town Attorney; Kim Gammon, Town Clerk

Invocation – Pastor June Wilkins, Christ Lutheran Church

Pastor Wilkins delivered the invocation.

Adoption of the Agenda

Mr. Orlando noted the need to amend the agenda by moving item 9.a. under Unfinished Business to New Business as 10.a.

Mr. Alfred moved to approve the agenda with the amendment as requested by the Town Manager. Ms. Brison seconded. Motion carried 7-0.

Approval of the Minutes

Workshop Minutes of April 8, 2025

Mr. Alfred moved to approve. Ms. Tunner seconded. Motion carried 6-0-1 (Ms. Becker abstained as she was not in attendance at the workshop).

Regular Meeting Minutes of April 8, 2025

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

Bike Month Proclamation - Mayor Perry

Jim Hall and Charlie Quigg were present and accepted the proclamation and recognized this year's Bicycle Friendly Business award winners.

Ms. Brison stated that she and Mr. Alfred participated in the recent Pedal HHI. She said it was a great event with many riders from different areas which benefits a wonderful organization within the community.

Ms. Brison added that there will be a ride of silence for those who have lost their lives while riding which will be held Wednesday, May 21 at 7:00 p.m. out of Port Royal Plaza. She added that the Beaufort County Sheriff's Department, along with the South Carolina

State Highway Patrol will escort the ride. She reminded everyone they need to sign up if they'd like to participate.

General Reports from Town Council

Mayor Perry acknowledged the passing of one of Hilton Head Island's great community leaders, Tom Reilley. He extended condolences to the family and friends.

Public Hearing

Consideration of an Ordinance Adopting the Consolidated Municipal Budget for the Town of Hilton Head Island for Fiscal Year 2026 Ending June 30, 2026 - Public Hearing and First Reading - Marc Orlando, Town Manager

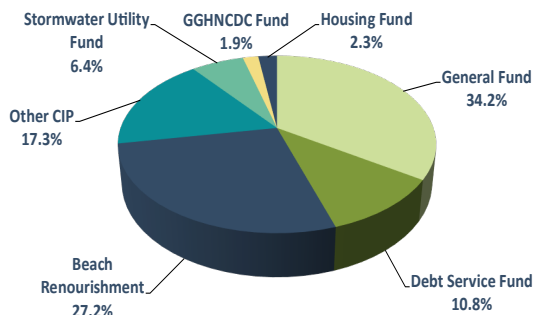
Mayor Perry opened the Public Hearing at 3:10 p.m.

Mr. Orlando conducted a thorough power point presentation regarding the following information:

TOWN OF HILTON HEAD ISLAND



FY 2026 PROPOSED CONSOLIDATED BUDGET



	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2025 Actual YTD*	FY 2025 Encumbered YTD*	FY 2025 Projection*	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change
Expenditures									
General Fund	\$ 48,108,322	\$ 57,822,970	\$ 62,546,927	\$ 40,302,231	\$ 3,822,085	\$ 59,627,500	\$ 59,754,870	\$ (2,792,057)	-4.46%
Debt Service Fund	19,362,930	15,820,581	16,700,000	9,854,809	2,140	15,046,960	18,864,083	2,164,083	12.96%
Capital Improvements Program Fund									
Beach Renourishment	-	-	16,500,000	140,579	424,274	1,500,000	47,500,000	31,000,000	187.88%
Other CIP	20,822,285	27,398,738	66,302,799	21,504,796	14,929,686	33,482,500	30,187,380	(36,115,419)	-54.47%
Stormwater Utility Fund	3,088,497	5,150,208	9,082,691	2,690,978	2,032,474	6,515,000	11,140,277	2,057,586	22.65%
GGHNDC Fund	156,815	129,142	3,405,501	209,903	36,520	329,600	3,286,603	(118,898)	-3.49%
Housing Fund	-	201,523	4,000,000	134,084	1,162,771	359,300	3,978,137	(21,863)	-0.55%
Consolidated Budget	\$ 91,538,849	\$ 106,523,162	\$ 178,537,918	\$ 74,837,380	\$ 22,409,950	\$ 116,860,859	\$ 174,711,350	\$ (3,826,568)	-2.14%

*Year-to-date through March 31, 2025



FY 2026 PROPOSED CONSOLIDATED BUDGET REVENUES

Revenues	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	
Property Taxes	\$ 23,102,246	\$ 24,582,416	\$ 23,919,144	\$ 23,971,050	\$ 51,906	0.2%	Permit Fees Includes (Fund): • Construction Permits (GF) • Development Permits (GF) • Other Permit Fees (GF) • Stormwater Plan Review Fees (SWU)
Business Licenses	12,690,924	14,749,382	12,690,924	13,565,155	874,231	6.9%	
Franchise Fees	840,552	835,865	840,000	861,065	21,065	2.5%	
Stormwater Utility Fees	5,066,598	5,275,035	5,067,000	5,275,035	208,035	4.1%	
Local Accommodations Tax	6,948,465	6,944,525	6,880,890	6,812,769	(68,121)	-1.0%	
EMS Revenue	2,250,934	2,252,546	2,036,000	2,036,000	-	0.0%	"Other" Revenue Includes (Fund): • Rebates (GF) • Credit Adjustments (GF) • FOIA Fees (GF) • NSF Fees (GF) • Vending Commissions (GF) • Special Event Fees (GF) • Subscription-Based Information Technology Arrangement (SBITA) Adjustments (GF / CIP) • Etc.
Permit Fees	1,570,126	2,437,719	1,912,420	1,922,580	10,160	0.5%	
Intergovernmental	885,089	930,105	973,093	978,035	4,942	0.5%	
HTAX Supported Lease	-	-	11,384,707	-	(11,384,707)	-100.0%	
Grants	5,858,539	3,851,845	500,000	7,365,538	6,865,538	1373.1%	
Investment Income	2,219,914	3,975,679	2,113,365	2,100,115	(13,250)	-0.6%	
Beach Services/Parking	236,232	193,034	236,232	650,000	413,768	175.2%	
Sunday Liquor Permit Fees	319,600	279,950	1,455,811	1,000,000	(455,811)	-31.3%	
Impact Fees	164,741	236,672	947,601	1,100,000	152,399	16.1%	
Capital	54,739	252,420	554,702	3,279,803	2,725,101	491.3%	
Prior Year Bond Proceeds	-	-	-	66,197	66,197	0.0%	
Sale of Land/Equipment	-	-	1,283,020	-	(1,283,020)	-100.0%	
Other	1,563,155	787,789	294,704	356,848	62,144	21.1%	
Total Revenues	\$ 63,771,854	\$ 67,584,981	\$ 73,089,613	\$ 71,340,190	\$ (1,749,423)	-2.4%	

» FY 2026 Proposed Consolidated Budget Revenues are continued on the next slide.



FY 2026 PROPOSED CONSOLIDATED BUDGET EXPENDITURES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Salaries and Benefits	\$ 31,191,028	\$ 35,860,967	\$ 39,526,468	\$ 41,550,730	\$ 2,024,262	5.1%	23.78%
Operating	12,591,893	14,977,170	20,324,270	18,935,556	(1,388,714)	-6.8%	10.84%
Contracted Public Safety	2,566,926	2,595,199	2,642,000	420,500	(2,221,500)	-84.1%	0.24%
Affiliated Agency Partnerships	2,244,940	2,056,525	3,250,641	1,988,516	(1,262,125)	-38.8%	1.14%
Debt Service	20,538,014	17,200,152	17,948,574	20,006,934	2,058,360	11.5%	11.45%
Beach Projects	1,153,510	2,404,079	21,599,000	48,820,000	27,221,000	126.0%	27.94%
Pathway Projects	312,853	1,527,321	5,500,000	1,650,000	(3,850,000)	-70.0%	0.94%
Roadway Projects	4,361,824	2,770,550	10,317,218	5,079,500	(5,237,718)	-50.8%	2.91%
Park Projects	1,396,152	2,323,598	19,815,273	10,636,000	(9,179,273)	-46.3%	6.09%
Facility and Equipment Projects	5,036,029	3,623,957	8,402,291	4,721,000	(3,681,291)	-43.8%	2.70%
Stormwater Projects	133,993	1,088,427	2,193,310	6,350,880	4,157,570	189.6%	3.64%
Fleet	480,489	1,071,075	11,750,707	180,000	(11,570,707)	-98.5%	0.10%
Land Acquisition & Administration	7,826,584	12,019,174	4,475,000	1,500,000	(2,975,000)	-66.5%	0.86%
Housing	120,851	201,523	4,000,000	3,783,805	(216,195)	-5.4%	2.17%
Stormwater Corrective & Routine Maintenance	987,673	1,900,922	4,611,182	1,290,000	(3,321,182)	-72.0%	0.74%
Stormwater Modeling, Analysis, Monitoring	109,869	198,718	874,432	900,000	25,568	2.9%	0.52%
Other Capital Outlay	361,221	368,805	-	-	-	0.0%	0.00%
Transfers Out	125,000	4,335,000	1,307,552	6,897,929	5,590,377	427.5%	3.95%
Total Expenditures	\$ 91,538,849	\$ 106,523,162	\$ 178,537,918	\$ 174,711,350	\$ (3,826,568)	-2.1%	100.00%

» Note: All Stormwater Corrective Maintenance and Monitoring has moved to the CIP Stormwater Program in FY26



FY 2026 PROPOSED CONSOLIDATED BUDGET REVENUES

TRANSFERS-OUT PER FUND

	General	CIP	Housing	FY 2026 Total
Transfers-Out				
General Fund to Housing Fund	\$ -	\$ -	\$ 197,049	197,049
Stormwater Fund to General Fund	350,000	-	-	350,000
Stormwater Fund to CIP Fund	-	6,350,880	-	6,350,880
Total Transfers-Out	\$ 350,000	\$ 6,350,880	\$ 197,049	\$ 6,897,929



FY 2026 PROPOSED CONSOLIDATED BUDGET – PROPERTY TAXES

Sample Property Tax Bill - Current Millage 21.4

Tax Year: 2025	Property Value (1)	4% Taxable Value (1)	6% Taxable Value (1)		
Fiscal Year - Tax Bill: 2026	\$500,000	\$20,000	\$30,000		
	Property Value (2)	4% Taxable Value (2)	6% Taxable Value (2)		
	\$1,000,000	\$40,000	\$60,000		
Description	Millage	4% Tax Calculation (1)	4% Tax Calculation (2)	6% Tax Calculation (1)	6% Tax Calculation (2)
COUNTY OPERATIONS	42.30	846.00	1,692.00	1,269.00	2,538.00
COUNTY DEBT	3.20	64.00	128.00	96.00	192.00
RURAL & CRITICAL LANDS	3.00	60.00	120.00	90.00	180.00
SCHOOL - OPERATIONS*	121.80	-	-	3,654.00	7,308.00
SCHOOL - DEBT	36.30	726.00	1,452.00	1,089.00	2,178.00
TOWN OF HILTON HEAD - OPERATIONS**	15.90	318.00	636.00	477.00	954.00
TOWN OF HILTON HEAD - DEBT**	5.50	110.00	220.00	165.00	330.00
HH POLICE FEE**		156.00	156.00	252.00	252.00
Stormwater COUNTY FEE****		7.88	7.88	7.88	7.88
Stormwater MUNICIPAL/DISTRICT FEE****		150.00	150.00	150.00	150.00
TOTALS		\$2,437.88	\$4,561.88	\$7,249.88	\$14,089.88

➤ Assumption: This is a sample tax rate for a property in Tax District: 550 South Beach PSD. There are other districts.

Note 4%: Assessment applies to owner-occupied primary residences.
 Note 6%: Assessment applies to nonowner-occupied properties including rental properties, second homes, commercial properties and properties that do not qualify for the 4% exemption.
 *Note: School operations applicable to nonresident and commercial taxpayers.
 **Note: The Town total millage rate is 21.4 of this FY26 sample rate, or \$428.00 for 4% (1) / \$856.00 for 4% (2) / \$842.00 for 6% (1) / \$1,284.00 for 6% (2).

***Note: Hilton Head Police Fees are determined by property use and/or square footage. Residential: Single Family Housing Unit \$156 / Multi-Family Housing Unit \$113. Nonresidential: Retail 1,000 sq. ft. \$252 / Office/Service 1,000 sq. ft. \$97 / Industrial 1,000 sq. ft. \$43 / Institutional 1,000 sq. ft. \$96 / Lodging Room \$72.
 ****Note: Stormwater Utility Fees are determined by Countywide Infrastructure Cost Share: Town of Hilton Head Island \$7.88 and Stormwater service fee categories: Administrative Fee \$24 / Impervious Area Unit \$105 / Gross Area Unit \$21 equals \$150.00.



FY 2026 PROPOSED CONSOLIDATED BUDGET – PROPERTY TAXES

Sample Property Tax Bill - Reduced Millage 19.4

Tax Year: 2025		Property Value (1)	4% Taxable Value (1)	6% Taxable Value (1)		
Fiscal Year - Tax Bill: 2026		\$500,000	\$20,000	\$30,000		
		Property Value (2)	4% Taxable Value (2)	6% Taxable Value (2)		
		\$1,000,000	\$40,000	\$60,000		
Description	Millage	4% Tax Calculation (1)	4% Tax Calculation (2)	6% Tax Calculation (1)	6% Tax Calculation (2)	
COUNTY OPERATIONS	42.30	846.00	1,692.00	1,269.00	2,538.00	
COUNTY DEBT	3.20	64.00	128.00	96.00	192.00	
RURAL & CRITICAL LANDS	3.00	60.00	120.00	90.00	180.00	
SCHOOL - OPERATIONS*	121.80	-	-	3,654.00	7,308.00	
SCHOOL - DEBT	36.30	726.00	1,452.00	1,089.00	2,178.00	
TOWN OF HILTON HEAD - OPERATIONS**	14.30	286.00	572.00	429.00	858.00	
TOWN OF HILTON HEAD - DEBT**	5.10	102.00	204.00	153.00	306.00	
HH POLICE FEE***		156.00	156.00	252.00	252.00	
Stormwater COUNTY FEE****		7.88	7.88	7.88	7.88	
Stormwater MUNICIPAL/DISTRICT FEE****		150.00	150.00	150.00	150.00	
TOTALS		\$2,397.88	\$4,481.88	\$7,189.88	\$13,969.88	

Town of Hilton Head Island Proposed Millage Reduction of 2 mills for Tax Year 2025 or Fiscal Year 2026

» Assumption: This is a sample tax rate for a property in Tax District: 550 South Beach PSD. There are other districts

Note 4%: Assessment applies to owner-occupied primary residences.
 Note 6%: Assessment applies to nonowner-occupied properties including rental properties, second homes, commercial properties and properties that do not qualify for the 4% exemption.
 *Note: School operations applicable to nonresident and commercial taxpayers.
 **Note: The Town total millage rate is 19.4 of this FY26 sample rate, or \$388.00 for 4% (1) / \$776.00 for 4% (2) / \$582.00 for 6% (1) / \$1,164.00 for 6% (2).

***Note: Hilton Head Police Fees are determined by property use and/or square footage. Residential: Single Family Housing Unit \$156 / Multi-Family Housing Unit \$113. Nonresidential: Retail 1,000 sq. ft. \$252 / Office/Service 1,000 sq. ft. \$97 / Industrial 1,000 sq. ft. \$43 / Institutional 1,000 sq. ft. \$96 / Lodging Room \$72.
 ****Note: Stormwater Utility Fees are determined by Countywide Infrastructure Cost Share: Town of Hilton Head Island \$7.88 and Stormwater service fee categories: Administrative Fee \$24 / Impervious Area Unit \$105 / Gross Area Unit \$21 equals \$150.00.



FY 2026 PROPOSED CONSOLIDATED BUDGET – USES OF ACCOMMODATIONS TAX

State Accommodations Taxes – General Fund - \$3,500,000

- ✓ **Administration**
 - Fire Rescue
 - Community Code Enforcement
 - Police Services
 - Beach Services
 - Revenue Management Services
- ✓ **Facilities Management**
 - Roadside Maintenance
 - Pathway Maintenance
 - Public Park Maintenance
- ✓ **Community Events**
 - Annual Hilton Head Island Jam
 - Songwriter's Festival
 - Holiday Decorations & Events

State Accommodations Taxes – Capital Improvements Program Fund - \$2,832,066

- ✓ **Park, Facility and Equipment Programs**
 - Pathway Enhancements
 - Roadway Enhancements
 - Park Enhancements
 - Facility Enhancements

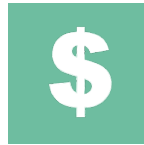
State Accommodations Taxes – Housing Fund - \$1,000,000 (from FY25)

- ✓ **Development of Workforce Housing Program**



FY 2026 CONSOLIDATED BUDGET OVERVIEW

SIX MAJOR FUNDS



General Fund

Capital Improvements Project Fund



Debt Service Fund

Stormwater Utility Fund



**Gullah Geechee Historic Neighborhoods
Community Development Corporation Fund**

Housing Fund



GENERAL FUND

- ✓ This fund is used to account for all financial resources except those required to be accounted for in another fund.
- ✓ Its primary operating expenditures are general government, administrative services, sheriff/other public safety, fire, community services, and public projects and facilities.
- ✓ Principal sources of revenue are property taxes, business licenses, local ATAX and permit fees.





FY 2026 PROPOSED GENERAL FUND BUDGET REVENUES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Property Taxes	\$ 17,215,546	\$ 18,274,380	\$ 18,076,000	\$ 17,935,450	\$ (140,550)	-0.78%	30.02%
Local Accommodations Tax	6,948,465	6,944,525	6,880,890	6,812,769	(68,121)	-0.99%	11.40%
Business Licenses	12,690,924	14,749,382	12,690,924	13,565,155	874,231	6.89%	22.70%
Franchise Fees	840,552	835,865	840,000	861,065	21,065	2.51%	1.44%
Permit Fees	1,570,126	2,315,139	1,800,000	1,800,000	-	0.00%	3.01%
Intergovernmental	885,089	930,105	973,093	978,035	4,942	0.51%	1.64%
Grants	145,373	157,414	-	-	-	0.00%	0.00%
Beach Services/Parking	236,232	193,034	236,232	650,000	413,768	175.15%	1.09%
Other	372,514	665,371	294,704	356,848	62,144	21.09%	0.60%
Public Safety - EMS	2,250,934	2,252,547	2,036,000	2,036,000	-	0.00%	3.41%
Public Safety - County	2,190	1,440	-	-	-	0.00%	0.00%
Investment Income	1,248,615	2,222,495	1,500,000	1,500,000	-	0.00%	2.51%
Prior Year Funds	-	-	2,862,058	275,000	(2,587,058)	-90.39%	0.46%
Subtotal	44,406,560	49,541,696	48,189,901	46,770,322	(1,419,579)	-2.95%	78.27%
Transfers In:							
Beach Preservation Fee	652,923	1,983,508	1,983,508	248,548	(1,734,960)	-87.47%	0.42%
Sale of Vehicle/Equipment	38,656	36,048	-	16,000	16,000	0.00%	0.03%
Hospitality Tax	3,218,687	5,154,955	6,257,894	6,500,000	242,106	3.87%	10.88%
Tax Increment Financing (TIF)	153,000	110,000	110,000	-	(110,000)	-100.00%	0.00%
State ATAX	2,445,211	4,615,021	3,515,021	3,500,000	(15,021)	-0.43%	5.86%
Electric Franchise Fee	540,603	540,603	540,603	545,000	4,397	0.81%	0.91%
Short Term Rental Permit Fee	967,626	1,750,000	1,825,000	1,825,000	-	0.00%	3.05%
Stormwater Fee	125,000	125,000	125,000	350,000	225,000	180.00%	0.59%
Subtotal Transfers In	8,141,706	14,315,135	14,357,026	12,984,548	(1,372,478)	-9.56%	21.73%
Total Revenues	\$ 52,548,266	\$ 63,856,831	\$ 62,546,927	\$ 59,754,870	\$ (2,792,057)	-4.46%	100.00%



FY 2026 PROPOSED GENERAL FUND BUDGET EXPENDITURES

Expenditures by Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Salaries	\$ 22,006,758	\$ 24,674,243	\$ 26,863,128	\$ 27,680,132	\$ 817,004	3.04%	46.32%
Benefits	8,627,689	10,311,021	11,620,583	12,547,399	926,816	7.98%	21.00%
Operating	12,599,299	14,178,301	18,170,575	16,921,274	(1,249,301)	-6.88%	28.32%
Contracted Public Safety	2,566,926	2,595,199	2,642,000	420,500	(2,221,500)	-84.08%	0.70%
Affiliated Agencies	1,946,430	2,056,525	3,250,641	1,988,516	(1,262,125)	-38.83%	3.33%
Capital Outlay (Parking)	361,221	368,805	-	-	-	0.00%	0.00%
Transfer to CIP Fund	-	-	-	-	-	0.00%	0.00%
Transfer to Housing Fund	-	2,000,000	-	197,049	197,049	100.00%	0.33%
Transfer to Land Acquisition Fund	-	1,000,000	-	-	-	0.00%	0.00%
Total Expenditures & Transfers Out	\$ 48,108,322	\$ 57,822,970	\$ 62,546,927	\$ 59,754,870	\$ (2,792,057)	-4.46%	100.00%



FY 2026 PROPOSED GENERAL FUND EXPENDITURES – AFFILIATED AGENCIES

	FY 2023 Actual	FY 2024 Revised Budget	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Requests	FY 2026 F&A Recommendations
Island Recreation Association	\$ 1,099,304	\$ 1,123,766	\$ 1,123,766	\$ 1,167,366	\$ 1,252,366	\$ 1,252,366
Coastal Discovery Museum	92,775	102,432	102,432	107,700	141,650	141,650
Mitchelville Preservation Project	105,000	105,000	105,000	105,000	105,000	105,000
USCB Event Management/Ambassadors*	173,447	238,985	238,985	235,000	-	-
LRTA (Palmetto Breeze)	282,404	277,842	277,842	253,595	507,051	350,000
14th Circuit Solicitor-Multidisciplinary	50,000	50,000	50,000	50,000	50,000	-
14th Circuit Solicitor-Career Criminal	118,500	118,500	118,500	118,500	118,500	-
Beaufort County EDC	25,000	40,000	40,000	40,000	42,000	42,000
Habitat for Humanity*	-	500,000	-	500,000	-	-
Coastal Community Development Corp.*	-	600,000	-	600,000	750,000	-
Sea Turtle Patrol HHI	-	-	-	73,480	97,500	97,500
Sandalwood Food Pantry	-	-	-	-	97,500	-
The Children's Center	-	-	-	-	80,000	-
Total	\$ 1,946,430	\$ 3,156,525	\$ 2,056,525	\$ 3,250,641	\$ 3,241,567	\$ 1,988,516

*Note: Funding for Habitat for Humanity and Coastal Community Development Corporation was approved in FY 2024 but was not spent by year end. FY 2024 funding was carried forward to FY 2025.

*Note: USCB Event Management/Ambassadors and Habitat for Humanity did not submit FY26 Affiliated Agency Funding Applications.

» An Affiliated Agency is defined as an integral partner contracted by the Town to deliver services that benefit the public on the Town's behalf.



FY 2026 PROPOSED CIP USES OF FUNDS

Use of Funds	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Beach Program	\$ 1,153,510	\$ 2,404,079	\$ 21,599,000	\$ 48,820,000	\$ 27,221,000	126.03%	62.84%
Pathway Program	312,853	1,527,321	5,500,000	1,650,000	(3,850,000)	-70.00%	2.12%
Roadway Program	4,361,824	2,770,550	10,317,218	5,079,500	(5,237,718)	-50.77%	6.54%
Park Program	1,396,152	2,323,598	19,815,273	10,636,000	(9,179,273)	-46.32%	13.69%
Facility & Equipment Program	5,036,029	3,623,957	8,402,291	4,721,000	(3,681,291)	-43.81%	6.08%
Stormwater Program	133,993	1,088,427	2,193,310	6,350,880	4,157,570	189.56%	8.17%
Fleet Program	480,489	1,071,075	11,750,707	180,000	(11,570,707)	-98.47%	0.23%
Land Acquisition & Administration	7,826,584	12,019,174	3,225,000	250,000	(2,975,000)	-92.25%	0.32%
Housing	120,851	-	-	-	-	0.00%	0.00%
Transfers Out to Housing	-	350,000	-	-	-	0.00%	0.00%
Debt Service	-	220,558	-	-	-	0.00%	0.00%
Total Use of Funds	\$ 20,822,285	\$ 27,398,738	\$ 82,802,799	\$ 77,687,380	\$ (5,115,419)	-6.18%	100.00%



FY 2026 PROPOSED USE OF FUNDS

	FY 2025 Revised Budget	FY 2025 Carry Forward	FY 2026 New Funding for FY25 Projects	FY 2026 New Funding for FY26 Projects	FY 2026 Total Funding	Funding Sources
Summary						
Beach Program-Without Renourishment	\$ 5,099,000	\$ 600,000	\$ -	\$ 720,000	\$ 1,320,000	Beach Fee, HTAX
Pathway Program	5,500,000	500,000	550,000	600,000	1,650,000	SC ATAX, Sunday Liquor Permit Fee, TIF
Roadway Program	10,317,218	2,384,500	470,000	2,225,000	5,079,500	Impact Fee, HTAX, Road Usage Fee, Capital, TIF
Park Program	19,815,273	7,065,000	2,425,000	1,146,000	10,636,000	HTAX, Capital, Electric Franchise Fee, Grants
Facility & Equipment Program	8,402,291	1,550,000	-	3,171,000	4,721,000	HTAX, SC ATAX, Capital, TIF, Prior Bond Proceeds
Stormwater Program	2,193,310	115,880	1,070,000	5,165,000	6,350,880	Stormwater Fee
Fleet Program	11,750,707	-	-	180,000	180,000	Short-Term Rental Permit Fee
Land Acquisition & Administration	3,225,000	-	-	250,000	250,000	Real Estate Transfer Fee
Subtotal	\$ 66,302,799	\$12,215,380	\$ 4,515,000	\$13,457,000	\$30,187,380	
Beach Program-Reourishment	16,500,000	15,000,000	32,500,000	-	47,500,000	Beach Fee
Total	\$ 82,802,799	\$27,215,380	\$37,015,000	\$13,457,000	\$77,687,380	



FY 2026 PROPOSED CIP PROJECTS

					FY 2026 Project Schedule			
Projects	Project Type	FY 2025 Amended Budget	FY 2026 Estimated Roll Forward	FY 2026 Proposed Budget	Planning Commission Priority	Design	Permitting	Construction
BEACH PROGRAM								
Beach Park Maintenance & Improvements	Maintenance	250,000	-	150,000	★			✓
Beach Management & Monitoring	Maintenance	200,000	-	220,000	★			
Beach Renourishment	Maintenance	16,500,000	15,000,000	47,500,000	★			✓
Coligny Beach Park Boardwalk Maintenance	Maintenance	-	-	250,000	★			✓
Harbour Town Dredge	Maintenance	600,000	600,000	600,000	★			✓
Beach Program Contingency	N/A	100,000	-	100,000				
Total Beach Program		17,650,000	15,600,000	48,820,000				



FY 2026 PROPOSED CIP PROJECTS

						FY 2026 Project Schedule		
Projects	Project Type	FY 2025 Amended Budget	FY 2026 Estimated Roll Forward	FY 2026 Proposed Budget	Planning Commission Priority	Design	Permitting	Construction
PATHWAY PROGRAM								
Pathway Maintenance & Improvements	Maintenance	350,000	-	500,000	★			✓
New Pathway Segments								
Jonesville Road Pathway	Discretionary	4,500,000	500,000	500,000	★	✓	✓	
Dunnagans Alley Pathway	Discretionary	100,000	-	250,000	★	✓	✓	
William Hilton Parkway EB Pathway	Discretionary	100,000	-	300,000	★	✓		
Subtotal New Pathway Segments		4,700,000	500,000	1,050,000				
Pathway Project Management and Contingency		N/A	100,000	-	100,000			
Total Pathway Program		5,150,000	500,000	1,650,000				



FY 2026 PROPOSED CIP PROJECTS

						FY 2026 Project Schedule		
Projects	Project Type	FY 2025 Amended Budget	FY 2026 Estimated Roll Forward	FY 2026 Proposed Budget	Planning Commission Priority	Design	Permitting	Construction
ROADWAY PROGRAM								
Roadway Maintenance & Improvements	Maintenance	455,000	-	250,000	★			✓
Signal System Maintenance	Maintenance	880,000	500,000	1,100,000	★			✓
Landscape, Lighting, and Safety Enhancements	Maintenance	1,000,000	-	750,000	★			✓
Dirt Road Paving Program								
Mitchelville Road	Discretionary	1,000,000	910,000	910,000	★		✓	✓
Alice Perry Drive	Discretionary	1,000,000	50,000	50,000	★	✓	✓	
Freddie's Way	Discretionary	575,000	50,000	50,000	★	✓	✓	
Alfred Lane	Discretionary	48,500	44,500	44,500	★	✓	✓	
Benjamin Drive	Discretionary	100,000	50,000	50,000	★	✓	✓	
Subtotal Dirt Road Paving Program		2,723,500	1,104,500	1,104,500				
Island-wide Intersection Pedestrian & Vehicular Safety	Maintenance	1,000,000	250,000	250,000	★			✓
Jonesville Road and Spanish Wells Right Turn Lane	Maintenance	-	-	100,000	★	✓	✓	
Northpoint Access Improvements	Maintenance	-	-	150,000	★	✓	✓	
Tabby Walk Entrance Relocation	Maintenance	-	-	200,000	★	✓	✓	
William Hilton Parkway Gateway Corridor & Stoney	Discretionary	100,000	-	100,000	★	✓		

» Roadway Program continues next slide



FY 2026 PROPOSED CIP PROJECTS

						FY 2026 Project Schedule		
Projects	Project Type	FY 2025 Amended Budget	FY 2026 Estimated Roll Forward	FY 2026 Proposed Budget	Planning Commission Priority	Design	Permitting	Construction
ROADWAY PROGRAM								
Streetscape Enhancements								
Pope Avenue Streetscape Improvements	Discretionary	333,718	180,000	250,000	★	✓	✓	✓
Subtotal Streetscape Enhancements		333,718	180,000	250,000				
William Hilton Parkway Streetscape Enhancements								
Segment 5 - Mathews Drive / Folly Field Road to Shelter	Discretionary	-	-	300,000	★	✓		
Segment 8 - Sea Pines Circle to Wexford Drive /	Discretionary	800,000	350,000	350,000	★	✓	✓	✓
Subtotal William Hilton Parkway Streetscape		800,000	350,000	650,000				
Folly Field Road Pedestrian Safety Improvements	Maintenance	-	-	75,000	★	✓	✓	✓
Roadway Project Management and Contingency	N/A	25,000	-	100,000				
Total Roadway Program		7,317,218	2,384,500	5,079,500				



FY 2026 PROPOSED CIP PROJECTS

						FY 2026 Project Schedule		
Projects	Project Type	FY 2025 Amended Budget	FY 2026 Estimated Roll Forward	FY 2026 Proposed Budget	Planning Commission Priority	Design	Permitting	Construction
PARK PROGRAM								
Park Maintenance and Improvements	Maintenance	500,000	-	250,000	★			✓
Public Art Program	Discretionary	35,375	-	35,000	★			✓
Island Recreation Association								
Rec Center Building Improvements	Maintenance	365,000	-	233,500	★			✓
Rec Center Pool Improvements	Maintenance	95,000	-	195,000	★			✓
Athletic Equipment Improvements	Maintenance	15,000	-	15,000	★			
Event Equipment Improvements	Maintenance	-	-	67,500	★			
Subtotal Island Recreation Association		475,000	-	511,000				
Coligny Circle NW Quadrant Pocket Park	Discretionary	500,000	425,000	900,000	★		✓	✓
Crossings Park Renovation - Phase 1: Pickleball Complex	Discretionary	5,000,000	1,000,000	1,000,000	★	✓	✓	
Crossings Park Renovation - Phase 2: Bristol Sports	Discretionary	-	-	750,000	★	✓	✓	
Crossings Park Renovation - Phase 3: Baseball Complex	Discretionary	-	-	250,000	★	✓	✓	
Mid-Island Tract Park - Phase 1	Discretionary	2,500,000	750,000	750,000	★	✓	✓	
Patterson Family Park	Discretionary	2,740,583	2,240,000	2,590,000	★	✓	✓	✓
Taylor Family Park	Discretionary	2,911,416	2,400,000	2,750,000	★	✓	✓	✓
Old Schoolhouse Park Improvements	Discretionary	350,000	250,000	750,000	★	✓	✓	✓
Park Project Contingency	N/A	100,000	-	100,000				
Total Park Program		15,112,374	7,065,000	10,636,000				



FY 2026 PROPOSED CIP PROJECTS

					FY 2026 Project Schedule			
Projects	Project Type	FY 2025 Amended Budget	FY 2026 Estimated Roll Forward	FY 2026 Proposed Budget	Planning Commission Priority	Design	Permitting	Construction
FACILITY & EQUIPMENT PROGRAM								
Facility Maintenance & Improvements	Maintenance	-	-	500,000	★			✓
Facilities Equipment	Maintenance	-	-	50,000	★			
Town Hall Facility Improvements	Maintenance	1,745,589	200,000	200,000	★			✓
4 Office Way Renovations	Maintenance	-	1,100,000	1,100,000	★	✓	✓	✓
IT Equipment & Software	Maintenance	1,582,000	-	625,000	★			
Fire Hydrant Expansion	Maintenance	50,000	-	50,000	★			✓
Furniture Replacement	Maintenance	-	-	300,000	★			
Security Cameras & Connectivity	Maintenance	266,500	-	150,000	★			
Tree Planting Program	Discretionary	500,000	-	150,000	★			
Coastal Discovery Museum Improvements								
Discovery House	Maintenance	21,500	-	20,500	★			✓
Armstrong / Hack House	Maintenance	21,000	-	10,500	★			✓
Pavilion	Maintenance	4,000	-	4,500	★			✓
Discovery Lab	Maintenance	1,500	-	4,500	★			✓
Pavilion / Restroom Building	Maintenance	5,000	-	350,000	★			✓
Horse Barn	Maintenance	30,000	-	23,000	★			✓
Hay Barn	Maintenance	-	-	50,000	★			✓
Miscellaneous Improvements	Maintenance	95,500	-	23,000	★			✓
Event Space Improvements	Maintenance	450,000	-	10,000	★			✓
Subtotal Coastal Discovery Museum Improvements		628,500	-	496,000				

» Facility & Equipment Program continues next slide



FY 2026 PROPOSED CIP PROJECTS

					FY 2026 Project Schedule			
Projects	Project Type	FY 2025 Amended Budget	FY 2026 Estimated Roll Forward	FY 2026 Proposed Budget	Planning Commission Priority	Design	Permitting	Construction
FACILITY & EQUIPMENT PROGRAM								
Jonesville Horse Barn	Maintenance	-	-	500,000	★			✓
Mitchelville Freedom Park Improvements	Discretionary	1,054,702	250,000	250,000	★	✓	✓	
Town Refuse & Recycling Management Improvements	Discretionary	-	-	250,000	★			
Facilities and Equipment Contingency	N/A	100,000	-	100,000				
Total Facility & Equipment Program		5,927,291	1,550,000	4,721,000				



FY 2026 PROPOSED CIP PROJECTS

					FY 2026 Project Schedule			
Projects	Project Type	FY 2025 Amended Budget	FY 2026 Estimated Roll Forward	FY 2026 Proposed Budget	Planning Commission Priority	Design	Permitting	Construction
STORMWATER PROGRAM								
Stormwater Maintenance & Improvements	Maintenance	-	-	1,800,000	★	✓	✓	✓
Stormwater Maintenance Agreement Program	Maintenance	-	-	2,000,000	★			✓
25 Moonshell Road	Maintenance	100,000	60,000	60,000	★	✓		
75 Helmsman Way Drainage Improvements	Maintenance	-	-	50,000	★	✓		
Bryant Road Pond Restoration	Maintenance	-	-	25,000	★			✓
Cordillo Courts Drainage Improvements	Maintenance	5,880	5,880	95,880	★			✓
Gum Tree Road Improvements	Maintenance	80,000	-	120,000	★			✓
Jarvis Creek Outfall	Maintenance	150,000	-	50,000	★	✓	✓	
Jarvis Creek Pump Station - Pump Replacements	Maintenance	-	-	300,000	★			✓
Main Street Drainage Improvements	Maintenance	250,000	50,000	50,000	★			✓
Old Woodlands-26 Indian Trail Improvements	Maintenance	-	-	80,000	★	✓	✓	
Palmetto Hall Outfall Improvements	Maintenance	80,000	-	150,000	★	✓	✓	✓
Water Level Monitoring	Maintenance	-	-	75,000	★			
Weather Monitoring	Maintenance	-	-	50,000	★			
Central Island Pump Station Overhaul and Resiliency	Maintenance	1,308,720	-	750,000	★	✓	✓	
Gum Tree Channel Capacity Improvements	Maintenance	-	-	120,000	★	✓	✓	
Arrow Road Laydown Yard Improvements	Maintenance	-	-	75,000	★			✓
Stormwater Contingency	N/A	-	-	500,000				
Total Stormwater Program		1,974,600	115,880	6,350,880				



FY 2026 PROPOSED CIP PROJECTS

					FY 2026 Project Schedule			
Projects	Project Type	FY 2025 Amended Budget	FY 2026 Estimated Roll Forward	FY 2026 Proposed Budget	Planning Commission Priority	Design	Permitting	Construction
FLEET PROGRAM								
Staff Vehicle Replacement	Maintenance	130,000	-	80,000	★			
Fleet Contingency	N/A	100,000	-	100,000				
Total Fleet Program		230,000	-	180,000				



FY 2026 PROPOSED CIP PROJECTS

						FY 2026 Project Schedule		
Projects	Project Type	FY 2025 Amended Budget	FY 2026 Estimated Roll Forward	FY 2026 Proposed Budget	Planning Commission Priority	Design	Permitting	Construction
LAND ACQUISITION PROGRAM								
Land Acquisition Administration	Discretionary	3,225,000	-	250,000	★			
Total Land Acquisition Program		3,225,000	-	250,000				
Total Capital Improvements Program Fund		\$ 56,586,483	\$ 27,215,380	\$ 77,687,380				



FY 2026 PROPOSED DEBT SERVICE FUND BUDGET REVENUES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Property Taxes	\$ 5,886,700	\$ 6,308,036	\$ 5,843,144	\$ 6,035,600	\$ 192,456	3.29%	32.00%
Investment Income	436,184	657,135	338,365	325,115	(13,250)	-3.92%	1.72%
Transfers In:							
Beach Preservation Fees	3,952,375	3,948,375	4,346,625	11,062,000	6,715,375	154.50%	58.64%
Natural Disasters Fund	3,537,765	-	-	-	-	0.00%	0.00%
Hospitality Fees	1,444,691	1,437,134	1,843,158	1,441,368	(401,790)	-21.80%	7.64%
Tax Increment Financing (TIF)	3,927,564	3,931,259	3,928,708	-	(3,928,708)	-100.00%	0.00%
Real Estate Transfer Fee	1,097,350	1,095,850	400,000	-	(400,000)	-100.00%	0.00%
Total Revenues	\$ 20,282,629	\$ 17,377,789	\$ 16,700,000	\$ 18,864,083	\$ 2,164,083	12.96%	100.00%

» Property Tax Debt Millage Reduction of .4 Mills



FY 2026 PROPOSED DEBT SERVICE FUND BUDGET EXPENDITURES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Principal	\$ 16,055,000	\$ 12,995,000	\$ 12,625,000	\$ 7,325,000	\$ (5,300,000)	-41.98%	38.83%
Interest	3,289,080	2,809,733	2,403,968	1,626,483	(777,485)	-32.34%	8.62%
Bank Fees	18,850	15,850	71,032	17,600	(53,432)	-75.22%	0.09%
Anticipated Debt Costs	-	-	1,600,000	2,400,000	800,000	50.00%	12.72%
Callable Bond - Beach Preservaion S.O. Bond				7,495,000	7,495,000	100.00%	39.73%
Total Expenditures	\$ 19,362,930	\$ 15,820,583	\$ 16,700,000	\$ 18,864,083	\$ 2,164,083	12.96%	100.00%

» Town Council may consider new debt after the FY 2026 Consolidated Budget is adopted.
Anticipated Debt Costs of \$2,400,000 provides interest costs of new proposed debt.



FY 2026 PROPOSED DEBT SERVICE FUND BUDGET OUTSTANDING ISSUES

FY 2026 Payments					
	Interest	Principal	Total	Balance After FY26 Pmts	Final Payment FY
Debt Service Payments - (without Stormwater Bonds)					
<u>General Obligation Bonds (Original Issue Amount)</u>					
Series 2016C GO Referendum Refunding Bonds (\$9,035,000)	116,238	465,000	581,238	4,575,000	2035
Series 2020A GO Referendum Refunding Bonds (\$5,830,000)- to 2020A	142,600	740,000	882,600	2,445,000	2028
Series 2017A GO Non-Referendum Bonds (\$27,310,000)	788,319	780,000	1,568,319	23,775,000	2047
Series 2020B GO Referendum Bonds (\$6,285,000)	79,308	480,000	559,308	4,620,000	2035
Series 2019 GO Obligation Bonds (\$5,000,000)	136,650	215,000	351,650	3,720,000	2039
Total General Obligation Bonds	\$ 1,263,115	\$ 2,680,000	\$ 3,943,115	39,135,000	
<u>Revenue / Special Obligation Bonds (Original Issue Amount)</u>					
Series 2019 Special Bonds (Hospitality Tax) (\$16,520,000)	\$ 276,368	\$ 1,165,000	\$ 1,441,368	\$ 8,620,000	2036
Series 2017B Special Bonds (Beach Preservation Fee) (\$30,075,000)	87,000	3,480,000	3,567,000	7,495,000	2028
Series 2017B Special Bonds (Beach Preservation Fee) (\$30,075,000) (a)	-	7,495,000	7,495,000	-	2026
Total Revenue / Special Obligation Bonds	\$ 363,368	\$ 12,140,000	\$ 12,503,368	\$ 8,620,000	
Grand Total - Existing Debt (b)	\$ 1,626,483	\$ 14,820,000	\$ 16,446,483	47,755,000	
Stormwater debt is accounted for in the Stormwater Fund. Outstanding Stormwater debt are these two special revenue bond					
<u>Stormwater Bonds (Original Issue Amount)</u>					
Series 2021 Special Bonds (Stormwater) (\$5,630,000)	\$ 7,802	\$ 940,000	\$ 947,802	\$ -	2026
Series 2018 Special Bonds (Stormwater) (\$3,200,000)	28,049	335,000	363,049	700,000	2028
Total Stormwater Special Obligation Bonds	\$ 35,851	\$ 1,275,000	\$ 1,310,851	\$ 700,000	

Callable Bond





BEACH RENOURISHMENT FUNDING

FUNDING SCENARIOS

Scenario 1	
70% Cash Funded 30% Debt Funded	
Source of Funds	
Town Equity Contribution	33,250,000
Uses of Funds	
Bond Funded	14,250,000
Cost of Issuance (est.)	250,000
Underwriter's Discount (est.)	68,125
Additional Proceeds	3,952
Cash Funded	33,250,000
Total Uses of Funds	47,500,000
True Interest Cost	3.33%
Debt Service	
FY	Principal
2026	-
2027	1,665,000
2028	1,755,000
2029	1,845,000
2030	1,935,000
2031	2,035,000
2032	2,140,000
2033	2,250,000
Total	13,625,000

FYE 2025 Est. Fund Balance	53,066,656
FY 2026	
Less: Payoff of 2017 Bonds	(7,495,000)
Less: Cash Funded Projects	(33,250,000)
Add: Est. Revenues-Beach Preservation Fee	13,625,537
Less: Est. Expenditures-Beach Preservation Fee	(4,535,548)
FYE 2026 Est. Fund Balance	21,411,645
Minimum Fund Balance Policy	20,000,000

Note: The funding scenarios highlight different debt/cash combinations for a \$47.5 million project assuming a 7-year term and estimate current market rates.

Note: A higher Debt Service Coverage Ratio indicates a stronger ability for the Town to cover debt payments using operating cash flow

Note: Coverage Ratio = Pledged Revenue/Debt Service Payments

Debt Funding will be considered at the following Meetings: Finance and Administrative Committee - June 24, 2025 / Town Council First Reading - July 15, 2025 / Town Council Second Reading - August 19, 2025



BEACH RENOURISHMENT FUNDING

FUNDING SCENARIOS

Scenario 2	
60% Cash Funded 40% Debt Funded	
Source of Funds	
Town Equity Contribution	28,500,000
Uses of Funds	
Bond Funded	19,000,000
Cost of Issuance (est.)	250,000
Underwriter's Discount (est.)	90,425
Additional Proceeds	1,595
Cash Funded	28,500,000
Total Uses of Funds	47,500,000
True Interest Cost	3.33%
Debt Service	
FY	Principal
2026	-
2027	2,215,000
2028	2,325,000
2029	2,445,000
2030	2,570,000
2031	2,705,000
2032	2,840,000
2033	2,985,000
Total	18,085,000

FYE 2025 Est. Fund Balance	53,066,656
FY 2026	
Less: Payoff of 2017 Bonds	(7,495,000)
Less: Cash Funded Projects	(28,500,000)
Add: Est. Revenues-Beach Preservation Fee	13,625,537
Less: Est. Expenditures-Beach Preservation Fee	(4,535,548)
FYE 2026 Est. Fund Balance	26,161,645
Minimum Fund Balance Policy	20,000,000

Note: The funding scenarios highlight different debt/cash combinations for a \$47.5 million project assuming a 7-year term and estimate current market rates.

Note: A higher Debt Service Coverage Ratio indicates a stronger ability for the Town to cover debt payments using operating cash flow

Note: Coverage Ratio = Pledged Revenue/Debt Service Payments

Debt Funding will be considered at the following Meetings: Finance and Administrative Committee - June 24, 2025 / Town Council First Reading - July 15, 2025 / Town Council Second Reading - August 19, 2025



FY 2026 PROPOSED STORMWATER UTILITY FUND BUDGET REVENUES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Stormwater Utility Fees	\$5,066,598	\$5,275,035	\$5,067,000	\$ 5,275,035	\$ 208,035	4.11%	47.35%
Prior Year Funds	-	-	3,753,271	5,592,662	1,839,391	49.01%	50.20%
Investment Income	169,769	328,692	150,000	150,000	-	0.00%	1.35%
Plan Review Fees	-	122,580	112,420	122,580	10,160.0	9.04%	1.10%
Transfers In:						0.00%	
State ATAX	490,000	-	-	-	-	0.00%	0.00%
Total Revenues	\$5,236,367	\$5,726,307	\$9,082,691	\$ 11,140,277	\$ 2,057,586	22.65%	100.00%

»» Prior year funds are expected one-time carryforward amounts for one-time uses.
The Stormwater Fund will continue to have a healthy fund balance after using the budgeted prior year funds.



FY 2026 PROPOSED STORMWATER UTILITY FUND BUDGET EXPENDITURES

	FY2023 Actual	FY2024 Actual	FY2025 Revised Budget	FY2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Expenditures by Category							
Salaries & Benefits	\$ 556,582	\$ 750,240	\$ 842,381	\$ 916,066	\$ 73,685	8.75%	9.27%
Operating	134,289	156,316	198,570	190,480	(8,090)	-4.07%	2.19%
Monitoring	109,225	97,814	194,000	110,000	(84,000)	-43.30%	2.14%
Inventory & Modeling / Analysis	644	100,905	680,432	790,000	109,568	16.10%	7.49%
POA Systems Corrective Maintenance	464,917	487,335	1,597,253	-	(1,597,253)	-100.00%	17.59%
Public Systems Corrective Maintenance	174,444	633,149	735,057	-	(735,057)	-100.00%	8.09%
Routine Maintenance & Contingency	179,519	467,674	1,228,595	735,000	(493,595)	-40.18%	13.53%
Pump Station Maintenance	168,793	312,765	1,050,277	555,000	(495,277)	-47.16%	11.56%
Stormwater Depreciation, Amortization, Interest & Fees	1,175,084	1,159,011	1,248,574	1,142,851	(105,723)	-8.47%	13.75%
Transfers Out:						0.00%	
General Fund	125,000	125,000	125,000	350,000	225,000	180.00%	1.38%
CIP Stormwater Program	-	860,000	1,182,552	6,350,880	5,168,328	437.05%	13.02%
Total Expenditures & Transfers Out	\$ 3,088,497	\$ 5,150,209	\$ 9,082,691	\$ 11,140,277	\$ 2,057,586	22.65%	100.00%

»» Stormwater Corrective Maintenance and Improvement projects, Stormwater Maintenance Agreement projects, and Water Level / Weather Monitoring are included in the CIP Stormwater Program in FY26



FY 2026 PROPOSED GGHNCDC FUND BUDGET REVENUES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
South Carolina Grant	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
Beaufort County Grant	500,000	-	-	-	-	0.00%	0.00%
Prior Year Grant - South Carolina	-	-	5,000,000	2,945,169	(2,054,831)	-41.10%	89.61%
Prior Year Grant - Beaufort County	-	-	216,434	216,434	-	0.00%	6.59%
Investment Income	72,375	275,478	125,000	125,000	-	0.00%	3.80%
Total Revenues	\$ 5,572,375	\$ 275,478	\$ 5,341,434	\$ 3,286,603	\$ (2,054,831)	-38.47%	100.00%



FY 2026 PROPOSED GGHNCDC FUND BUDGET EXPENDITURES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Personnel & Benefits	\$ -	\$ 125,464	\$ 200,376	\$ 212,801	\$ 12,425	6.20%	6.47%
Operating Expenses	156,815	3,678	65,125	39,592	(25,533)	-39.21%	1.20%
Professional Services	-	-	310,000	204,210	(105,790)	-34.13%	6.21%
Grants & Incentives Loans	-	-	1,500,000	1,500,000	-	0.00%	45.64%
Capital Outlay & Land Acquisition	-	-	1,250,000	1,250,000	-	0.00%	38.03%
Project Expenses & Contingency	-	-	80,000	80,000	-	0.00%	2.43%
Total Expenditures	156,815	129,142	3,405,501	3,286,603	\$ (118,898)	-3.49%	100.00%



FY 2026 PROPOSED HOUSING FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Transfer from General Fund	\$ 2,000,000	\$ -	\$ 197,049	\$ 197,049	100.00%	4.95%
Transfer from Capital Projects	350,000	-	-	-	0.00%	0.00%
Transfer from State ATAX/Prior Year Funds	-	1,000,000	1,000,000	-	0.00%	25.14%
Prior Year Housing Funds	-	2,000,000	1,781,088	(218,912)	-10.95%	44.77%
Prior Year Funds from ARPA	-	1,000,000	1,000,000	-	0.00%	25.14%
Total Revenues	\$ 2,350,000	\$ 4,000,000	\$ 3,978,137	\$ (21,863)	-0.55%	100.00%



FY 2026 PROPOSED HOUSING FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Northpoint Public Private Partnership	\$ 90,775	\$ 1,000,000	\$ 1,000,000	\$ -	0.00%	25.14%
Muddy Creek Neighborhood Stabilization	-	1,500,000	1,500,000	-	0.00%	37.71%
Bryant Road Public Private Partnership	-	1,000,000	1,000,000	-	0.00%	25.14%
Beaufort Jasper Housing Trust Dues	-	89,206	181,088	91,882	103.00%	4.55%
Housing Program Personnel	-	-	194,332	194,332	100.00%	4.89%
Housing Program Operating	110,748	410,794	102,717	(308,077)	-75.00%	2.58%
Total Expenditures	\$ 201,523	\$ 4,000,000	\$ 3,978,137	\$ (21,863)	-0.55%	100.00%

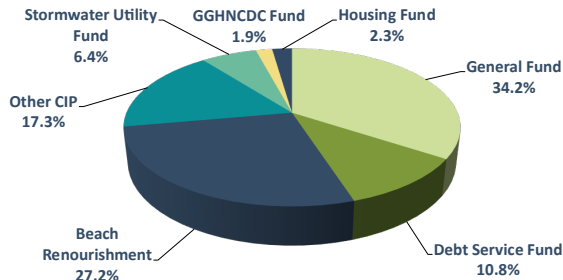


FY 2026 PROPOSED RESERVE POLICIES

	Current Balance as of 3/31/25	Current Reserve Policy	Proposed Minimum Balance Policy	Calculation Factor	Proposed Reserve Policy
Operating Reserves:					
General	\$ 47,494,233	40% - 55%	40% - 55%		Keep Current Policy
Housing Fund	3,014,393	-	-		No Minimum Balance
GGHNCDC Fund	5,542,619	-	-		No Minimum Balance
Stormwater	16,697,296	-	5,000,000	12 months	Establish a Minimum Balance
Firemens 1 %Fund	82,023	-	-		No Minimum Balance
Subtotal Operating Reserves	\$ 72,830,563				
Capital Reserves:					
Capital Projects	\$ 9,576,486	-	-		No Minimum Balance
Road Usage Fee	2,268,670	-	-		No Minimum Balance
Subtotal Capital Reserves	\$ 11,845,156				
Special Purpose Reserves:					
TIF	\$ 11,106,751	-	-		No Minimum Balance
State ATAX	9,006,265	-	-		Consider a Minimum Balance
Real Estate Transfer Fee	11,272,918	1,000,000	1,000,000		Keep Current Policy
Beach Preservation Fee	45,569,274	12,000,000	20,000,000	18 months	Increase Minimum Balance
Hospitality Tax	24,798,668	-	5,000,000	6 months	Establish a Minimum Balance
Short-Term Rental Fee	172,653	-	-		No Minimum Balance
Debt Service	14,813,963	-	-		No Minimum Balance
Natural Disasters	37,010,550	20,000,000	36,000,000		Increase Minimum Balance
Operating Grants	402,302	-	-		No Minimum Balance
Home Grant	12,127	-	-		No Minimum Balance
Subtotal Special Purpose Reserves	\$ 154,165,472				
Total Reserves:	\$ 238,841,191				



FY 2026 PROPOSED CONSOLIDATED BUDGET

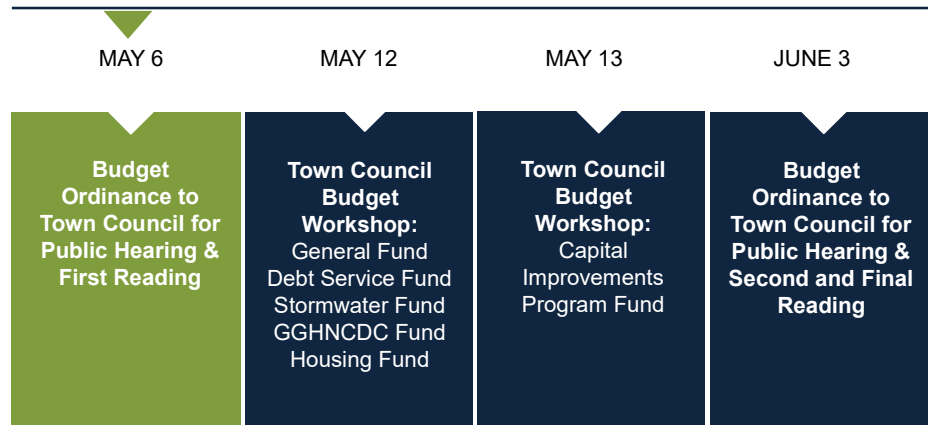


	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2025 Actual YTD*	FY 2025 Encumbered YTD*	FY 2025 Projection*	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change
Expenditures									
General Fund	\$ 48,108,322	\$ 57,822,970	\$ 62,546,927	\$ 40,302,231	\$ 3,822,085	\$ 59,627,500	\$ 59,754,870	\$ (2,792,057)	-4.46%
Debt Service Fund	19,362,930	15,820,581	16,700,000	9,854,809	2,140	15,046,960	18,864,083	2,164,083	12.96%
Capital Improvements Program Fund									
Beach Renourishment	-	-	16,500,000	140,579	424,274	1,500,000	47,500,000	31,000,000	187.88%
Other CIP	20,822,285	27,398,738	66,302,799	21,504,796	14,929,686	33,482,500	30,187,380	(36,115,419)	-54.47%
Stormwater Utility Fund	3,088,497	5,150,208	9,082,691	2,690,978	2,032,474	6,515,000	11,140,277	2,057,586	22.65%
GGHNCDC Fund	156,815	129,142	3,405,501	209,903	36,520	329,600	3,286,603	(118,898)	-3.49%
Housing Fund	-	201,523	4,000,000	134,084	1,162,771	359,300	3,978,137	(21,863)	-0.55%
Consolidated Budget	\$ 91,538,849	\$ 106,523,162	\$ 178,537,918	\$ 74,837,380	\$ 22,409,950	\$ 116,860,859	\$ 174,711,350	\$ (3,826,568)	-2.14%

*Year-to-date through March 31, 2025



FY 2026 CONSOLIDATED BUDGET REVIEW & APPROVAL PROCESS



Mayor Perry asked for public comment.

Richard Bisi addressed Council with a suggestion that at least one of the public meetings regarding the budget should be held in the evening to allow Hilton Head Island residents who work full time to express their views to Town Council.

With no further requests to speak, Mayor Perry closed the public hearing at 4:00 p.m.

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

Members of Council had questions, comments and discussion regarding: an expression of appreciation to the Town Manager for publishing the proposed budget early for public viewing; a comment the numbers are impressive; a request that a late afternoon or evening budget workshop be held; a comment that with what was presented today shows the Town is on the right path with the budget; the Town is financially secure with the validation provided through the bond ratings, the financial audit, debt reduction and by exceeding reserve standards; acknowledgement that transparency is including in all aspects of the budget the need to recognize that the budget includes the cost of the beach renourishment which is completed every eight to ten years; the reduction in millage is a move in the right direction; acknowledgement regarding the reduction in the general fund and the continued management and reduction of debt; the need to focus on better processes such as affiliated agencies and accommodations tax grants to ensure a better focus and effectiveness of taxpayers dollars; acknowledgement the paying off of debt is a sound decision and better aligns our current revenue and expenses; the need to keep in mind the reduction in milage is due to healthy revenue sources and to keep in mind they need to be kept healthy; a request to discuss the need for a reserve in the housing

fund; appreciation expressed that the reserve funds policy is located in one area of the budget; a statement of support for the increase I reserve funds; a statement of support for the increase for staff in benefit and compensation; a statement of support for the addition of an integrated pest management employee as well as an additional code enforcement officer for beach management; an expression of appreciation for the increase in the stormwater utility fund; appreciation for the resilience plan and funding plans; the need and hopes for additional funds from the State for the Gullah Geechee Historical Neighborhoods Community Development Corporation; a need monitor the State requirements regarding the changes to the Business License process and the impact on the budget; acknowledgement of the funding resources available and financial strength of the Town; acknowledgement of the disaster resources available and the strong reserves; acknowledgement this proposed budget is a result of months of work by the Town Manager and staff; acknowledgement of the excellence provided in the budget while looking out for the best interest of the community.

Mr. Orlando expressed his appreciation to all involved in the budget preparation process. Mayor Perry called for a vote.

Motion carried 7-0.

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island Approving for the Purposes of Section 147(F) of the Internal Revenue Code of 1986, as Amended, the Issuance of Not to Exceed \$855,000,000 Tax-Exempt Bonds to be Issued by the National Finance Authority for the Benefit of Novant Health, Inc., with no Financial Obligation or Liability to the Town of Hilton Head Island - Shawn Colin, Assistant Town Manager

Shawn Colin conducted a presentation regarding the following information.

Novant Health, Inc., a North Carolina-based nonprofit healthcare provider and, through its affiliate Hilton Head Medical Center, LLC, the operator of Hilton Head Hospital, has advised the Town of its intent to participate in a bond financing transaction. The Authority, a component unit of the Business Finance Authority of the State of New Hampshire, proposes to issue tax-exempt revenue bonds (the “Bonds”) in an amount not to exceed \$855,000,000.

The proceeds from the sale of the Bonds will be loaned to Winston-Salem Sustainable Energy Partners LLC (the “Borrower”) to finance or refinance a combination of energy-related infrastructure improvements and routine capital expenditures at multiple healthcare facilities across the Carolinas, including Hilton Head Hospital located at 25 Hospital Center Blvd., Hilton Head Island, SC.

- **Project Summary:**

The project (the “Project”) includes the following eligible uses of bond proceeds at the Hilton Head Hospital facility:

- Energy Projects (up to \$29,700,000): Upgrades to central utility plant assets, replacement of electrical distribution and air handling systems, building automation improvements, and other infrastructure enhancements intended to improve energy efficiency.

- Routine Capital Expenditures Projects (up to \$15,100,000): Facility renovations, and acquisition of medical, computer, office, and capital equipment. Novant and its affiliates are qualified 501(c)(3) organizations under the Internal Revenue Code and therefore eligible for tax-exempt bond financing.
- **Legal Requirements:**
Under Section 147(f) of the Internal Revenue Code, tax-exempt private activity bonds must receive public approval via a governmental unit with jurisdiction over the location of the project. Accordingly, Novant has requested that the Town of Hilton Head Island approve the issuance of the Bonds to satisfy requirements with respect to the portion of the Project located within the Town (see Attachment 2). A notice of public hearing was published in the *Island Packet* on April 20, 2025, and the required hearing will be conducted prior to Council's consideration of this resolution on May 6, 2025.
- **Fiscal Impact:**
There is no financial obligation or liability to the Town of Hilton Head Island or any political subdivision of the State of South Carolina in connection with the issuance of the Bonds. The Bonds do not constitute a debt or pledge of the Town's credit.

Approval of the proposed resolution will fulfill the legal requirements necessary to enable Novant Health, Inc. to access tax-exempt bond financing through the National Finance Authority for capital and energy improvement projects at Hilton Head Hospital.

Mayor Perry opening the public hearing at 4:35 p.m.

Mayor Perry asked for public comment. There was none.

Mayor Perry closed the public hearing at 4:36 p.m.

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

Members of Council had questions, comments and discussion regarding: an expression of appreciation for Novant's investment in the community; confirmation \$30 million will be dedicated to the energy plant at the hospital and \$15 million for general capital; confirmation all funds will be spent in South Carolina and North Carolina; and confirmation every jurisdiction where funds are earmarked to be spent have to enact a resolution.

Mayor Perry called for a vote.

Motion carried 7-0.

Unfinished Business

Consideration of an Ordinance to Authorize the Execution and Delivery of an Easement for Ingress and Egress to Cordillo Courts and the Hedges, Encumbering Real Property, Located at 104 Cordillo Parkway, Owned by the Town of Hilton Head Island - Second Reading - Shawn Colin, Assistant Town Manager

Shawn Colin conducted a presentation including the following information.

The Town of Hilton Head Island (the "Town") owns a 1.472-acre parcel of land, located at 104 Cordillo Parkway and described in the Plat entitled "Sea Cabin Racquet Club As-

Built," dated January 24, 1983, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 31 at Page 53 (hereinafter referred to as the "Town Property"). This parcel is located on the northwestern side of the right-of-way of Cordillo Parkway on Hilton Head Island, South Carolina.

Adjacent to the Town Property are two condominium projects, collectively known as the Sea Cabin Racquet Club I Council of Co-Owners (Cordillo Courts) and the Sea Cabin Racquet Club II Council of Co-Owners (The Hedges). These properties have historically relied on access across the Town Property for ingress and egress to and from Cordillo Parkway.

Although there has been long-standing access across the Town Property to and from the Sea Cabin Racquet Club I and II properties, there is no recorded written easement that formalizes this access. This lack of a formal easement has led the Sea Cabin Racquet Club I and II Council of Co-Owners to request the Town to grant a written easement for ingress and egress to secure and clarify this access route.

The Sea Cabin Racquet Club I Council of Co-Owners and the Sea Cabin Racquet Club II Council of Co-Owners have formally requested the Town grant an easement for ingress and egress across the Town Property. This would formalize the access route to Cordillo Courts and The Hedges.

Pursuant to S.C. Code Ann. § 7-40 (Supp. 2024) and § 2-7-20 of the Municipal Code of the Town of Hilton Head Island, the granting of easements that encumber real property owned by the Town requires authorization by an ordinance of the Town Council.

Historical Use and Need for Formalization: The Sea Cabin Racquet Club I and II properties have utilized access across the Town Property for many years. Granting a formal easement for ingress and egress would provide the residents and owners of these condominium properties with clarity and legal security regarding their access rights. It ensures continued and uninterrupted access to and from Cordillo Parkway.

Property Value and Legal Clarity: Formalizing the access easement would provide the Sea Cabin Racquet Club I and II properties with an officially recognized and documented right-of-way. This will enhance property value and provide legal clarity to all parties involved, reducing the potential for future disputes or misunderstandings regarding the use of the Town Property.

Town's Best Interests: Granting the easement is in the best interests of the Town as it allows the continuation of current access while formalizing it in a way that protects both the Town's interests and those of the adjacent properties. There is no adverse impact on the Town's property, and the easement would be granted under terms and conditions that protect the Town's legal and financial position.

Town Council is requested for consideration of an Ordinance to Authorize the Execution and Delivery of an Easement for Ingress and Egress to Cordillo Courts and the Hedges, Encumbering Real Property, located at 104 Cordillo Parkway, Owned by the Town of Hilton Head Island

Town Council approved First Reading with a vote of 7-0 on April 8, 2025. No changes have been made since First Reading.

Mr. Alfred moved to approve. Ms. Becker seconded. Mayor Perry asked for public comment. There was none. Motion carried 7-0.

New Business

Consideration of an Ordinance to Amend the Town of Hilton Head Island Budget for the Fiscal Year ending June 30, 2025; to Provide for the Budgeted Appropriations of the Land Acquisitions and Certain Other Appropriations and Commitments and the Expenditures of Certain Funds; to Allocate the Sources of Revenue for the Said Funds; and to Provide for Severability and an Effective Date - First Reading - Adriana Burnett, Finance Director

Ms. Burnett conducted a presentation regarding funding considerations as follows:

a) Land Acquisition Funding - \$5,917,904

1. Town Council previously authorized the purchase of real estate located at 69 Pope Avenue in an amount totaling \$2,900,000. An appropriation of funds from available Tax Increment Financing (TIF) fund balance is therefore requested in this amount to the CIP budget. This transfer will also ensure that the Town complies with applicable timing criteria set forth under South Carolina law requiring utilization of such funds.
2. Town Council previously authorized the purchase of 26 acres of real estate located in the Mitchelville area in an amount totaling \$1,827,904. An appropriation of funds from available Real Estate Transfer Fee fund balance is therefore requested in this amount to the CIP budget
 - Beaufort County has approved an additional contribution of \$993,000 for this property. It is anticipated the Town will receive these funds by the end of the fiscal year. Once the funds are received, the Real Estate Transfer Fee fund will be reimbursed.
3. Town Council previously authorized the purchase of 1.98 acres of real estate located in the Beach City Road area in an amount totaling \$1,190,000. An appropriation of funds from available Real Estate Transfer Fee fund balance is therefore requested in this amount to the CIP budget.

Ms. Burnett requested Town Council consider proposed budget amendments for Fiscal Year 2025 to the Capital Improvements Program Fund. These proposed amendments address funding for land acquisitions previously authorized by the Town Council.

Ms. Becker moved to approve. Ms. Brison seconded. Mayor Perry asked for public comment. There was none. Motion carried 7-0.

Consideration of a Resolution to Adopt the Destination Marketing Organization FY26 Marketing Plan, Budget and Industry Metrics - Ariana Pernice, Vice President of the Visitor & Convention Bureau

The presentation was given by Visitor & Convention Bureau Vice President Ariana Pernice and as needed, Research Manager Chase O'Dell. Vice President of Communications for the Hilton Head Island & Bluffton Chamber of Commerce Charlie Clark will also attend the meeting and may be available to answer questions as appropriate.

The purpose of this discussion is to provide an opportunity for the full Town Council to discuss the DMO Marketing Plan and Budget submitted by the Hilton Head Island - Bluffton Chamber of Commerce Visitor & Convention Bureau (VCB) for FY26 (2025-2026). The Town Council will then vote on a resolution to approve the Marketing Plan & Budget.

According to South Carolina State law, 30% of the two percent bed tax funds collected by the State of South Carolina are allocated to the Town's pre-determined DMO with an ongoing tourist program. The Town Council has designated the Hilton Head Island - Bluffton Chamber of Commerce VCB as its DMO. The DMO presents the FY26 plan, budget and visitor profile study annually as outlined in their current contract.

Council members are encouraged to ask clarifying questions about the plan and budget, provide feedback to the DMO and Chamber representatives, and determine if the plan is suitable for approval via resolution by the full Town Council at the FY26 budget first reading.

The plan, budget and visitor profile were approved for recommendation by the Town-wide marketing Council (January), which includes Town Council member Alex Brown, Town Manager Marc Orlando, and Town staff (Heather Woolwine-Communications, Kelly Spinella- Communications, and Natalie Harvey-Office of Cultural Affairs) and the Accommodations Tax Committee (March). The Finance & Administration Committee voted to recommend the plan on April 29.

Members of Council had questions, comments and discussion regarding: a suggestion that the color scheme be adjusted in the graphs for clarity; clarification regarding the ages we're reaching through marketing; concern regarding the viability of the Charleston surveys; the need for discussion and breakout of statistics for villas, hotels and time shares; a recommendation to provide comparisons; inquiry in to the decrease in funding for leisure media and the increase in digital marketing; confirmation data was referenced to make the decisions an consumer behavior leans towards digital marketing; inquiry as to the allocation of \$200,000 toward golf and the need for clarification; clarification on how the vacation planner marketing is decided; and an expression of appreciation for the Chamber addressing community values.

Ms. Brison moved to approve. Mr. Alfred seconded. Mayor Perry asked for public comment. There was none. Motion carried 7-0.

Consideration of an Ordinance of the Town of Hilton Head Island Authorizing the Execution of a Lease Purchase Agreement for Fire Trucks - First Reading - Adriana Burnett, Director of Finance

Upon execution of the lease purchase agreement, the Town will receive from the financial institution, not to exceed, \$8,000,000 in lease proceeds, which will be distributed to the Hospitality Tax Fund for the following purposes:

1. **Reimbursement** – To reimburse the Town for fire trucks already purchased in FY2024 and FY2025 (eight “pumpers” totaling \$5,051,135).
2. **Future Funding** – To provide funds for fire trucks currently under contract and scheduled for delivery in FY2026 and FY2027 (two “quints” totaling \$2,398,853).

The Town will then repay the financial institution in fixed annual payments over a 10-year term, which aligns with the anticipated useful life of the fire trucks. This lease agreement will be subject to annual appropriation by Town Council.

Town Fire Rescue Staff proposed the replacement of 10 fire trucks as part of the FY2022 Budget. This recommendation was based on the fire trucks exceeding their standard useful life of 10 years, along with increasing repair costs and downtime associated with maintaining the aging fleet. During the budget approval process, it was agreed that funding for these fire trucks would be pursued through an equipment lease. Funding for the associated lease payments has since been carried forward into the FY2023, FY2024, and FY2025 budgets.

Following the FY2022 budget approval, the Town entered into an agreement (“the 2021 Purchase Agreement”) with Safe Industries on December 1, 2021, which was later updated and extended on November 14, 2023. The agreement provides for the purchase of 10 new fire trucks—eight pumpers and two quints. Due to production delays and supply chain disruptions, delivery of the Trucks has been postponed multiple times.

Pumper Delivery and Purchase Timing – The Town received delivery of the eight pumpers between June and October 2024. Payment for each vehicle was due within 30 days of delivery. These payments were initially made using cash from the Town’s Hospitality Tax revenues.

Quint Delivery and Purchase Timing – The remaining two fire Trucks (quints) have not yet been delivered due to ongoing production delays. The Town anticipates their arrival in late FY2026 or early FY2027.

Authorizing the Fire Truck Lease Ordinance would allow the Town to enter into a tax exempt lease financing agreement, increasing the balance of the Hospitality Tax Fund by the actual paid or to be paid amounts. This infusion of funds would benefit the town by:

- a. Maintaining a strong Hospitality Tax fund balance
- b. Enabling the Town to pay for other approved capital projects
- c. Providing financial flexibility in the event of a natural disaster
- d. Supporting compliance with proposed minimum fund balance policies
- e. The lease financing structure will align the Town’s annual lease payments with the fire trucks’ anticipated 10-year useful life, offering a more equitable and financially sustainable approach.
- f. The proposed tax-exempt equipment lease will not count against the Town’s 8% General Obligation Bond capacity. It will remain as a long-term financial obligation of the Town until fully repaid.

Key Dates & Milestones:

May 6 – Town Council Meeting: First Reading of the Ordinance
May 14 – Issue Request for Proposals (RFP) to Potential Bidders
May 20 – Town Council Meeting: Second Reading of the Ordinance
June 4 – Bid Submission Deadline; Call with Financing Team to Review Bids*
June 9 – Financing Team Reviews Financing Agreement and Closing Documents
June 24 – Formal Bid Award and Financial Closing

June 24 – Transfer of Funds to the Hospitality Tax Fund for:

- Reimbursement of past fire trucks purchases (8 pumpers)
- Funding for future fire vehicle purchases (2 quints)

Mr. Alfred moved to approve. Ms. Brison seconded. Mayor Perry asked for public comment. There was none.

Members of Council had questions, comments and discussion regarding: confirmation obtaining the funds in advance for the complete package saves dollars; inquiry as to why the ordinance states the proceeds “may be used for the acquisition of the fire trucks” as opposed to “shall be used for the acquisition of the fire trucks”; and confirmation the word “may” will be replaced with the word “shall” for second reading.

The maker and seconder of the motion agreed to the word replacement from “may” to “shall”. Motion carried 7-0.

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, Authorizing the Execution and Delivery of an Agreement with Cordillo Courts and the Hedges, Regarding Signs on Real Property Owned, Located at 104 Cordillo Parkway, by the Town of Hilton Head Island - Shawn Colin, Assistant Town Manager

Shawn Colin conducted a presentation regarding the following.

The Town of Hilton Head Island (the “Town”) owns a 1.472-acre parcel of land, located at 104 Cordillo Parkway and described in the Plat entitled “Sea Cabin Racquet Club As-Built,” dated January 24, 1983, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 31 at Page 53 (hereinafter referred to as the “Town Property”). This parcel is located on the northwestern side of the right-of-way of Cordillo Parkway on Hilton Head Island, South Carolina.

Currently, the Town maintains two signs on the Town Property, located near the intersection of Cordillo Parkway. These signs serve to identify both the Town Property and the adjacent condominium projects known as the Sea Cabin Racquet Club I Council of Co-Owners (Cordillo Courts) and Sea Cabin Racquet Club II Council of Co-Owners (The Hedges). Additionally, the signs identify the location of the Cordillo Public Tennis Courts.

The Town has negotiated a Sign Maintenance Agreement with the Sea Cabin Racquet Club I Council of Co-Owners and the Sea Cabin Racquet Club II Council of Co-Owners to formalize the maintenance responsibilities of the signs on the Town Property. This agreement ensures that both parties are clear on their respective roles and obligations regarding the installation, maintenance, repair, and replacement of the signs.

The Town Council is requested to adopt a resolution authorizing the execution and delivery of the Sign Maintenance Agreement between the Town of Hilton Head Island and the Sea Cabin Racquet Club I and II Councils of Co-Owners. The resolution will formalize the agreement and authorize the Town to perform its obligations as outlined within the agreement.

The proposed Sign Maintenance Agreement includes the following key provisions:

1. **Sign Maintenance Responsibility:** The Town will maintain a sign located near the intersection of Cordillo Parkway and the entrance to the Cordillo Public Tennis Courts. The sign will include a panel identifying “Cordillo Courts,” “The Hedges,” and “Cordillo Public Tennis Courts.” The Town will also maintain a directional sign showing the way to “Cordillo Courts” and “The Hedges” at the intersection of the drives to these properties.
2. **Cost Responsibility:** The Town will bear full responsibility for the cost of installation, maintenance, repair, and replacement of the signs.
3. **Design and Style:** The design and style of the signs are at the sole discretion of the Town. The Town may alter the design or style of the signs from time to time, as long as it adheres to the requirements set forth in the agreement. The Town will not relocate the signs or alter the lettering size or phrasing without first providing written notice to Cordillo Courts and The Hedges. If no objections are received within 30 days, the change will be deemed approved.
4. **Default and Remedies:** In the event of a default by any party, the non-defaulting party will be entitled to pursue remedies under law or equity. A 90-day written notice will be provided before pursuing such remedies.
5. **Notice Provisions:** The agreement specifies how and where notices should be delivered to the respective parties, including the addresses for the Town of Hilton Head Island and the Sea Cabin Racquet Club I and II Councils of Co-Owners.

Clarity and Formalization of Responsibilities: The Sign Maintenance Agreement clearly outlines the Town’s responsibilities for maintaining the signs and ensures that all parties are aligned regarding their obligations. This formalization of duties provides clarity for both the Town and the property owners of Cordillo Courts and The Hedges.

Community and Visitor Awareness: Maintaining clear and visible signage is important for the identification of the properties and helps visitors navigate the area, especially in relation to the Cordillo Public Tennis Courts. The signs contribute to the overall ease of access and visibility for both residents and the public.

No Financial Burden on the Property Owners: The Town assumes full responsibility for the costs associated with the installation, maintenance, and repair of the signs. This arrangement relieves the Sea Cabin Racquet Club I and II Councils of Co-Owners from any financial burden related to the upkeep of the signage.

Ensuring Long-Term Maintenance: The agreement ensures that the signs will be properly maintained over time, preventing potential deterioration or confusion for residents, visitors, and the public.

Town Council is requested for consideration of a Resolution Authorizing the Execution and Delivery of an Agreement with Cordillo Courts and the Hedges, Regarding Signs on Real Property Owned, Located at 104 Cordillo Parkway, by the Town of Hilton Head Island.

The Community Services and Public Safety Committee recommended with a 3-0 vote

that the Resolution be forwarded to Town Council for approval.

Ms. Brison moved to approve. Ms. Becker seconded. Mayor Perry asked for public comment. There was none. Motion carried 7-0.

Public Comment - Non Agenda Items

Richard Bisi addressed Council regarding beach parking for Beaufort County residents. He stated his opposition to making them available. He encouraged Council to keep the existing beach parking policy in effect for all of 2025 and evaluate it at the end of the year.

Jean Fruh addressed council regarding Earth Day expressing her appreciation to the Town for assisting with the event.. She informed Council the challenges and dangers of single use plastic. She encouraged the Town take action in eliminating the use of single use plastic.

Linda Harrington addressed Council regarding ethics and asked for total disclosure from Town Board members regarding membership of The Greater Island Council. She also addressed beach parking passes for Beaufort County residents stating her opposition to such.

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 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)(2)]related to:

1. Workforce Housing Agreement for a Project located on Main Street, also known as Diamond Cove
2. Workforce Housing Agreement and Covenants Template
3. Amendment to an Intergovernmental Agreement Regarding Affordable Housing, also known as the Beaufort Jasper Housing Trust

Mr. Orlando stated the need for an Executive Session for the reasons listed above.

At 6:14 p.m. Ms. Brison moved to enter Executive Session for reasons cited by the Town Manager. Mr. Alfred seconded. Motion carried 7-0.

At 7:04 p.m. Ms. Becker moved to end Executive Session and return to Regular Session. Ms. Brison seconded. Motion carried 7-0.

Action from Executive Session

None

Adjournment

At 7:05 p.m., Ms. Brison moved to adjourn. Ms. Becker seconded. Motion carried 7-0.

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



Town of Hilton Head Island TOWN COUNCIL BUDGET WORKSHOP Monday, May 12, 2025, 2:00 PM Minutes

Call to Order

Mayor Perry called the workshop to order at 1:00 p.m.

Council Members present: Alan Perry, Mayor, Alex Brown, Ward 1, Mayor Pro-Tempore (Mr. Brown had to leave the meeting at 2:48 p.m.); Patsy Brison, Ward 2; Steve DeSimone, Ward 3, Tammy Becker, Ward 4; Steve Alfred, Ward 5; Melinda Tunner Ward 6

Also present: Marc Orlando, Town Manager; Kim Gammon; Town Clerk

Adoption of the Agenda

Ms. Brison moved to approve. Ms. Becker seconded. Motion carried 6-0.

Workshop Discussion

Review and Discussion of the Proposed Fiscal Year 2026 Consolidated Budget

Mr. Orlando explained that the workshop would cover five of the six funds within the Municipal Budget. He further explained that there will be discussion following each fund and conducted a thorough Power Point presentation regarding the following information:

TOWN OF HILTON HEAD ISLAND

FY 2026 CONSOLIDATED BUDGET STRATEGIC PLAN PRIORITIES

During the two-day Strategic Planning Workshop, Hilton Head Island Town Council members identified the following preliminary strategic priorities:

-  **Protect Island Character through Growth Management**
-  **Enhance Major Corridor and Streets**
-  **Assess and Reinforce Island Resilience**
-  **Upgrade Stormwater Infrastructure**
-  **Assess and Enhance Public Safety Readiness and Facilities**
-  **Support Economic Development and Business Retention**
-  **Advance Workforce Housing Opportunities**
-  **Preserve and Celebrate Gullah Geechee Heritage**





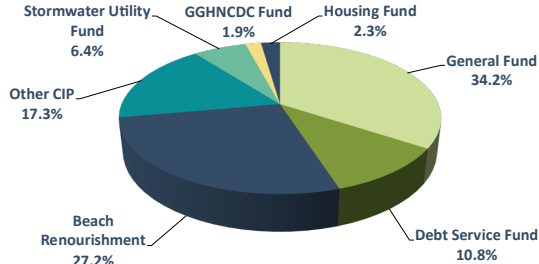
FY 2026 CONSOLIDATED BUDGET GOALS

- Enhance community amenities, including recreation, leisure, and public facilities.
- Maintain high-quality municipal services delivered efficiently and effectively.
- Foster a workplace culture of innovation, customer service, and employee engagement.
- Invest in transformative capital projects and long-term infrastructure resilience.
- Protect and elevate the Island's identity, including its environmental and cultural assets.
- Leverage fiscal planning as a tool for progress, innovation, and continuous improvement.

The State of South Carolina requires the Town Council to adopt an annual balanced budget ordinance prior to July 1. The annual budget is adopted in conjunction with feedback from Town Council, Department Heads, Planning Commission, and citizens through this budget process.



FY 2026 PROPOSED CONSOLIDATED BUDGET



	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2025 Actual YTD*	FY 2025 Encumbered YTD*	FY 2025 Projection*	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change
Expenditures									
General Fund	\$ 48,108,322	\$ 57,822,970	\$ 62,546,927	\$ 40,302,231	\$ 3,822,085	\$ 59,627,500	\$ 59,754,870	\$ (2,792,057)	-4.46%
Debt Service Fund	19,362,930	15,820,581	16,700,000	9,854,809	2,140	15,046,960	18,864,083	2,164,083	12.96%
Capital Improvements Program Fund									
Beach Renourishment	-	-	16,500,000	140,579	424,274	1,500,000	47,500,000	31,000,000	187.88%
Other CIP	20,822,285	27,398,738	66,302,799	21,504,796	14,929,686	33,482,500	30,187,380	(36,115,419)	-54.47%
Stormwater Utility Fund	3,088,497	5,150,208	9,082,691	2,690,978	2,032,474	6,515,000	11,140,277	2,057,586	22.65%
GGHNCDC Fund	156,815	129,142	3,405,501	209,903	36,520	329,600	3,286,603	(118,898)	-3.49%
Housing Fund	-	201,523	4,000,000	134,084	1,162,771	359,300	3,978,137	(21,863)	-0.55%
Consolidated Budget	\$ 91,538,849	\$ 106,523,162	\$ 178,537,918	\$ 74,837,380	\$ 22,409,950	\$ 116,860,859	\$ 174,711,350	\$ (3,826,568)	-2.14%

*Year-to-date through March 31, 2025

Members of Council had questions, comments and discussion regarding:



FY 2026 PROPOSED CONSOLIDATED BUDGET REVENUES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	
Revenues							
Property Taxes	\$ 23,102,246	\$ 24,582,416	\$ 23,919,144	\$ 23,971,050	\$ 51,906	0.2%	Permit Fees Includes (Fund): • Construction Permits (GF) • Development Permits (GF) • Other Permit Fees (GF) • Stormwater Plan Review Fees (SWU)
Business Licenses	12,690,924	14,749,382	12,690,924	13,565,155	874,231	6.9%	
Franchise Fees	840,552	835,865	840,000	861,065	21,065	2.5%	
Stormwater Utility Fees	5,066,598	5,275,035	5,067,000	5,275,035	208,035	4.1%	
Local Accommodations Tax	6,948,465	6,944,525	6,880,890	6,812,769	(68,121)	-1.0%	
EMS Revenue	2,250,934	2,252,546	2,036,000	2,036,000	-	0.0%	
Permit Fees	1,570,126	2,437,719	1,912,420	1,922,580	10,160	0.5%	"Other" Revenue Includes (Fund): • Rebates (GF) • Credit Adjustments (GF) • FOIA Fees (GF) • NSF Fees (GF) • Vending Commissions (GF) • Special Event Fees (GF) • Subscription-Based Information Technology Arrangement (SBITA) Adjustments (GF / CIP) • Etc.
Intergovernmental	885,089	930,105	973,093	978,035	4,942	0.5%	
HTAX Supported Lease	-	-	11,384,707	-	(11,384,707)	-100.0%	
Grants	5,858,539	3,851,845	500,000	7,365,538	6,865,538	1373.1%	
Investment Income	2,219,914	3,975,679	2,113,365	2,100,115	(13,250)	-0.6%	
Beach Services/Parking	236,232	193,034	236,232	650,000	413,768	175.2%	
Sunday Liquor Permit Fees	319,600	279,950	1,455,811	1,000,000	(455,811)	-31.3%	
Impact Fees	164,741	236,672	947,601	1,100,000	152,399	16.1%	
Capital	54,739	252,420	554,702	3,279,803	2,725,101	491.3%	
Prior Year Bond Proceeds	-	-	-	66,197	66,197	0.0%	
Sale of Land/Equipment	-	-	1,283,020	-	(1,283,020)	-100.0%	
Other	1,563,155	787,789	294,704	356,848	62,144	21.1%	
Total Revenues	\$ 63,771,854	\$ 67,584,981	\$ 73,089,613	\$ 71,340,190	\$ (1,749,423)	-2.4%	

» FY 2026 Proposed Consolidated Budget Revenues are continued on the next slide.



FY 2026 PROPOSED CONSOLIDATED BUDGET REVENUES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	
Revenues							
Other Financing Sources							
Unspent Prior Year Funds:							Transfers In Includes (Fund): • Hospitality Tax (GF / Debt / CIP) • Beach Fee (GF / Debt / CIP) • TIF (CIP) • State ATAX (GF / CIP) • Real Estate Transfer Fee (CIP) • Stormwater Fee (GF / CIP) • Road Usage Fee (CIP) • Electric Franchise Fee (GF / CIP) • Short Term Rental Fees (GF / CIP) • Sale of Vehicles/Equipment (GF) • General Fund (Housing)
General Fund	\$ -	\$ -	\$ 2,862,058	\$ 275,000	\$ (2,587,058)	-90.39%	
Stormwater Fund	-	-	3,753,271	5,592,662	1,839,391	49.01%	
Capital Projects Fund	-	-	-	-	-	0.00%	
GGHNCDC Fund	-	-	5,216,434	3,161,603	(2,054,831)	-39.39%	
Housing Fund	-	-	3,000,000	3,781,088	781,088	26.04%	
Total Unspent Prior Year Funds	-	-	14,831,763	12,810,353	(2,021,410)	-13.63%	
Transfers In	35,786,231	53,672,863	92,552,475	90,560,807	(1,991,668)	-2.15%	
Total Other Financing Sources	\$ 35,786,231	\$ 53,672,863	\$ 107,384,238	\$ 103,371,160	\$ (4,013,078)	-3.74%	
Total Revenues and Other Financing Sources	\$ 99,558,085	\$ 121,257,844	\$ 180,473,851	\$ 174,711,350	\$ (5,762,501)	-3.19%	

» A breakdown of the Transfers-In are provided on the following slides.



FY 2026 PROPOSED CONSOLIDATED BUDGET REVENUES

TRANSFERS-IN PER FUND

	General	Debt Service	CIP	Housing	FY 2026 Total	Use of FY26 Revenues	Use of Reserves	Projected Fund Balance at 6/30/26
Transfers-In								
Hospitality Taxes	\$ 6,500,000	\$ 1,441,368	\$ 9,934,462	\$ -	17,875,830	\$ 10,340,736	\$ 7,535,094	\$ 27,073,537
Beach Preservation Fees	248,548	11,062,000	41,220,000	-	52,530,548	13,625,537	38,905,011	14,840,645
Tax Increment Financing (TIF)	-	-	2,242,934	-	2,242,934	-	2,242,934	-
State Accommodation Taxes	3,500,000	-	2,832,066	-	6,332,066	6,332,066	-	7,306,593
Real Estate Transfer Fees	-	-	250,000	-	250,000	250,000	-	12,256,962
Stormwater Fees	350,000	-	6,350,880	-	6,700,880	1,108,218	5,592,662	7,797,769
Road Usage Fees	-	-	1,354,500	-	1,354,500	-	1,354,500	679,041
Electric Franchise Fees	545,000	-	511,000	-	1,056,000	1,056,000	-	2,717,715
Short Term Rental Fees	1,825,000	-	180,000	-	2,005,000	2,005,000	-	273,340
Sale of Vehicles / Equipment	16,000	-	-	-	16,000	16,000	-	-
General Fund	-	-	-	197,049	197,049	197,049	-	48,259,740
Total Transfers-In	\$ 12,984,548	\$ 12,503,368	\$ 64,875,842	\$ 197,049	\$ 90,560,807	\$ 34,930,606	\$ 55,630,201	\$ 121,205,342

» Transfers-In are interfund transfers to move revenues from the fund that by statute or budget requires to collect them to the fund that statute or budget requires to expend them.



FY 2026 PROPOSED CONSOLIDATED BUDGET EXPENDITURES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Salaries and Benefits	\$ 31,191,028	\$ 35,860,967	\$ 39,526,468	\$ 41,550,730	\$ 2,024,262	5.1%	23.78%
Operating	12,591,893	14,977,170	20,324,270	18,935,556	(1,388,714)	-6.8%	10.84%
Contracted Public Safety	2,566,926	2,595,199	2,642,000	420,500	(2,221,500)	-84.1%	0.24%
Affiliated Agency Partnerships	2,244,940	2,056,525	3,250,641	1,988,516	(1,262,125)	-38.8%	1.14%
Debt Service	20,538,014	17,200,152	17,948,574	20,006,934	2,058,360	11.5%	11.45%
Beach Projects	1,153,510	2,404,079	21,599,000	48,820,000	27,221,000	126.0%	27.94%
Pathway Projects	312,853	1,527,321	5,500,000	1,650,000	(3,850,000)	-70.0%	0.94%
Roadway Projects	4,361,824	2,770,550	10,317,218	5,079,500	(5,237,718)	-50.8%	2.91%
Park Projects	1,396,152	2,323,598	19,815,273	10,636,000	(9,179,273)	-46.3%	6.09%
Facility and Equipment Projects	5,036,029	3,623,957	8,402,291	4,721,000	(3,681,291)	-43.8%	2.70%
Stormwater Projects	133,993	1,088,427	2,193,310	6,350,880	4,157,570	189.6%	3.64%
Fleet	480,489	1,071,075	11,750,707	180,000	(11,570,707)	-98.5%	0.10%
Land Acquisition & Administration	7,826,584	12,019,174	4,475,000	1,500,000	(2,975,000)	-66.5%	0.86%
Housing	120,851	201,523	4,000,000	3,783,805	(216,195)	-5.4%	2.17%
Stormwater Corrective & Routine Maintenance	987,673	1,900,922	4,611,182	1,290,000	(3,321,182)	-72.0%	0.74%
Stormwater Modeling, Analysis, Monitoring	109,869	198,718	874,432	900,000	25,568	2.9%	0.52%
Other Capital Outlay	361,221	368,805	-	-	-	0.0%	0.00%
Transfers Out	125,000	4,335,000	1,307,552	6,897,929	5,590,377	427.5%	3.95%
Total Expenditures	\$ 91,538,849	\$ 106,523,162	\$ 178,537,918	\$ 174,711,350	\$ (3,826,568)	-2.1%	100.00%

» Note: All Stormwater Corrective Maintenance and Monitoring has moved to the CIP Stormwater Program in FY26



FY 2026 PROPOSED CONSOLIDATED BUDGET REVENUES

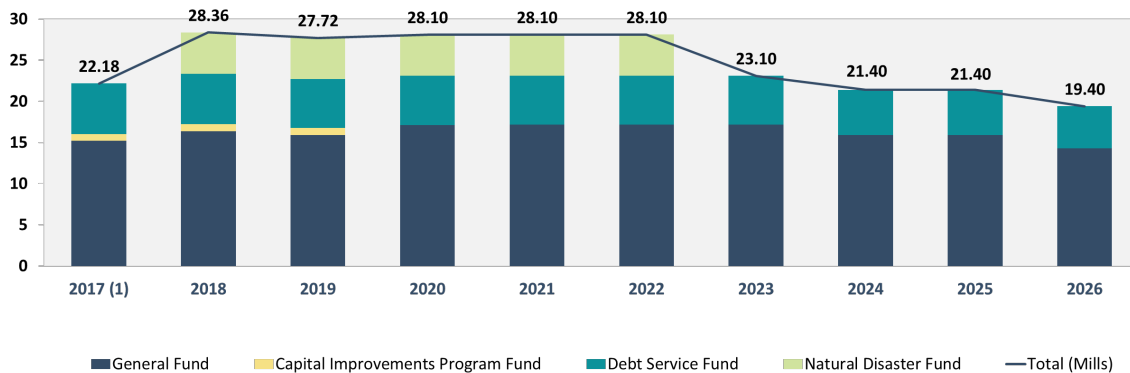
TRANSFERS-OUT PER FUND

	General	CIP	Housing	FY 2026 Total
Transfers-Out				
General Fund to Housing Fund	\$ -	\$ -	\$ 197,049	197,049
Stormwater Fund to General Fund	350,000	-	-	350,000
Stormwater Fund to CIP Fund	-	6,350,880	-	6,350,880
Total Transfers-Out	\$ 350,000	\$ 6,350,880	\$ 197,049	\$ 6,897,929



MILLAGE RATES

Mill rate is a tax rate—the amount of tax payable per dollar of the assessed value of a property.



Note(1): Fiscal Year 2017 was Hurricane Matthew. Five (5) Mills were added for Disaster Recovery in Fiscal Years 2018 -2022.

» FY 2026 Millage is a REDUCTION of 2 Mills.



FY 2026 PROPOSED CONSOLIDATED BUDGET – PROPERTY TAXES

Sample Property Tax Bill from Beaufort County

Tax Year: 2025	Property Value	4% Taxable Value	6% Taxable Value						
Fiscal Year - Tax Bill: 2026	\$ 1,000,000	\$ 40,000	\$ 60,000						
	21.4 mills			19.4 mills			2-mill Reduction Savings		
Description	Current Millage	4% Tax Calculation	6% Tax Calculation	Reduced Millage	4% Tax Calculation	6% Tax Calculation	4% Savings	6% Savings	
COUNTY OPERATIONS	42.30	1,692.00	2,538.00	42.30	1,692.00	2,538.00			
COUNTY DEBT	3.20	128.00	192.00	3.20	128.00	192.00			
RURAL & CRITICAL LANDS	3.00	120.00	180.00	3.00	120.00	180.00			
SCHOOL - OPERATIONS*	121.80	-	7,308.00	121.80	-	7,308.00			
SCHOOL - DEBT	36.30	1,452.00	2,178.00	36.30	1,452.00	2,178.00			
TOWN OF HILTON HEAD - OPERATIONS**	15.90	636.00	954.00	14.30	572.00	858.00	64.00	96.00	
TOWN OF HILTON HEAD - DEBT**	5.50	220.00	330.00	5.10	204.00	306.00	16.00	24.00	
HH POLICE FEE***		156.00	252.00		156.00	252.00			
Stormwater COUNTY FEE****		7.88	7.88		7.88	7.88			
Stormwater MUNICIPAL/DISTRICT FEE****		150.00	150.00		150.00	150.00			
TOTALS		\$ 4,561.88	\$ 14,089.88		\$ 4,481.88	\$ 13,969.88	\$ 80.00	\$ 120.00	

Assumption: This is a sample tax rate for a property in Tax District: 550 South Beach PSD. There are other districts.

Note 4%: Assessment applies to owneroccupied primary residences.

Note 6%: Assessment applies to nonowner-occupied properties including rental properties, second homes, commercial properties and properties that do not qualify for the 4% exemption.

*Note: School operations applicable to nonresident and commercial taxpayers.

**Note: The Town total millage rate at 21.4 of this FY26 sample rate is \$856.00 for 4% / \$1,284.00 for 6%.

***Note: The Town total millage rate at 19.4 of this FY26 sample rate is \$776.00 for 4% / \$1,164.00 for 6%.

***Note: Hilton Head Police Fees are determined by property use and/or square footage. Residential: Single

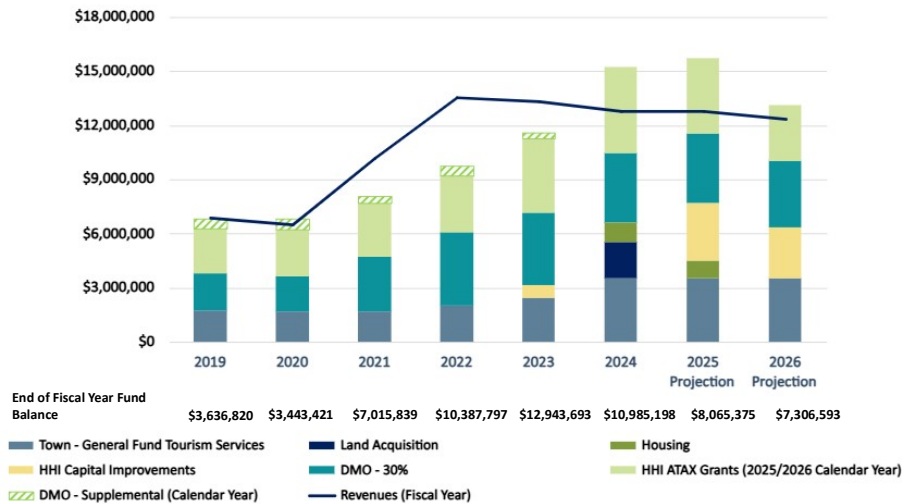
Family Housing Unit \$156 / Multi-Family Housing Unit \$113. Nonresidential: Retail 1,000 sq. ft. \$252 / Office/Service 1,000 sq. ft. \$97 / Industrial 1,000 sq. ft. \$43 / Institutional 1,000 sq. ft. \$96 / Lodging Room \$72.

****Note: Stormwater Utility Fees are determined by Countywide Infrastructure Cost Share: Town of Hilton Head Island \$7.88 and Stormwater service fee categories: Administrative Fee \$24 / Impervious Area Unit \$105 / Gross Area Unit \$21 equals \$150.00.



FY 2026 PROPOSED CONSOLIDATED BUDGET – STATE ACCOMMODATIONS TAX

Distribution of State 2% ATAX Dollars



Note: There is a two-year spending requirement for State ATAX Funds.



FY 2026 PROPOSED CONSOLIDATED BUDGET – USES OF ACCOMMODATIONS TAX

State Accommodations Taxes – General Fund - \$3,500,000

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> ✓ Administration <ul style="list-style-type: none"> • Fire Rescue • Community Code Enforcement • Police Services • Beach Services • Revenue Management Services | <ul style="list-style-type: none"> ✓ Facilities Management <ul style="list-style-type: none"> • Roadside Maintenance • Pathway Maintenance • Public Park Maintenance | <ul style="list-style-type: none"> ✓ Community Events <ul style="list-style-type: none"> • Annual Hilton Head Island Jam Songwriter's Festival • Holiday Decorations & Events |
|--|--|--|

State Accommodations Taxes – Capital Improvements Program Fund - \$2,832,066

- ✓ **Park, Facility and Equipment Programs**
 - Pathway Enhancements
 - Roadway Enhancements
 - Park Enhancements
 - Facility Enhancements

State Accommodations Taxes – Housing Fund - \$1,000,000 (from FY25)

- ✓ **Development of Workforce Housing Program**



GENERAL FUND

- ✓ This fund is used to account for all financial resources except those required to be accounted for in another fund.
- ✓ Its primary operating expenditures are general government, administrative services, sheriff/other public safety, fire, community services, and public projects and facilities.
- ✓ Principal sources of revenue are property taxes, business licenses, local ATAX and permit fees.





FY 2026 PROPOSED GENERAL FUND BUDGET REVENUES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Property Taxes	\$ 17,215,546	\$ 18,274,380	\$ 18,076,000	\$ 17,935,450	\$ (140,550)	-0.78%	30.02%
Local Accommodations Tax	6,948,465	6,944,525	6,880,890	6,812,769	(68,121)	-0.99%	11.40%
Business Licenses	12,690,924	14,749,382	12,690,924	13,565,155	874,231	6.89%	22.70%
Franchise Fees	840,552	835,865	840,000	861,065	21,065	2.51%	1.44%
Permit Fees	1,570,126	2,315,139	1,800,000	1,800,000	-	0.00%	3.01%
Intergovernmental	885,089	930,105	973,093	978,035	4,942	0.51%	1.64%
Grants	145,373	157,414	-	-	-	0.00%	0.00%
Beach Services/Parking	236,232	193,034	236,232	650,000	413,768	175.15%	1.09%
Other	372,514	665,371	294,704	356,848	62,144	21.09%	0.60%
Public Safety - EMS	2,250,934	2,252,547	2,036,000	2,036,000	-	0.00%	3.41%
Public Safety - County	2,190	1,440	-	-	-	0.00%	0.00%
Investment Income	1,248,615	2,222,495	1,500,000	1,500,000	-	0.00%	2.51%
Prior Year Funds	-	-	2,862,058	275,000	(2,587,058)	-90.39%	0.46%
Subtotal	44,406,560	49,541,696	48,189,901	46,770,322	(1,419,579)	-2.95%	78.27%
Transfers In:							
Beach Preservation Fee	652,923	1,983,508	1,983,508	248,548	(1,734,960)	-87.47%	0.42%
Sale of Vehicle/Equipment	38,656	36,048	-	16,000	16,000	0.00%	0.03%
Hospitality Tax	3,218,687	5,154,955	6,257,894	6,500,000	242,106	3.87%	10.88%
Tax Increment Financing (TIF)	153,000	110,000	110,000	-	(110,000)	-100.00%	0.00%
State ATAX	2,445,211	4,615,021	3,515,021	3,500,000	(15,021)	-0.43%	5.86%
Electric Franchise Fee	540,603	540,603	540,603	545,000	4,397	0.81%	0.91%
Short Term Rental Permit Fee	967,626	1,750,000	1,825,000	1,825,000	-	0.00%	3.05%
Stormwater Fee	125,000	125,000	125,000	350,000	225,000	180.00%	0.59%
Subtotal Transfers In	8,141,706	14,315,135	14,357,026	12,984,548	(1,372,478)	-9.56%	21.73%
Total Revenues	\$ 52,548,266	\$ 63,856,831	\$ 62,546,927	\$ 59,754,870	\$ (2,792,057)	-4.46%	100.00%



FY 2026 GENERAL FUND BUDGET REVENUE HIGHLIGHTS-\$59,754,870

- ✓ **General Fund Property Taxes** – \$17.9m -1% decrease (\$141k)
 - Millage reduced by 1.6 mills from 15.9 to 14.3
 - Added \$1.5 million the Town's former contribution to TIF expires June 30, 2025
- ✓ **Local Accommodations Tax** – \$6.8m - 1% decrease (\$68k)
 - Cultural Affairs / Code Enforcement / Revenue Collection / Facilities Maintenance of public spaces and roads, Fire Rescue emergency services
- ✓ **Beach Services/Parking** – \$650k - 175% increase (\$413.8k) due to the Town's new parking program March 1st through September 7th:
 - Resident Beach Parking Pass: \$0 per vehicle with a 2-vehicle per address limit
 - Non-Resident Beach Parking Fee: Monday through Friday \$3/Hour or \$15 Full Day per vehicle / Saturday and Sunday \$20 Full Day per vehicle
 - All visitors will be required to pay for parking at all locations except Coligny Beach Park.
- ✓ **Unspent Prior Year General Fund** – \$275k - 90% decrease (\$2.6 million)
 - LMO and Municipal Code Amendment initiatives already under way

FY 2026 GENERAL FUND BUDGET TRANSFERS IN HIGHLIGHTS

- ✓ **Beach Preservation Fee** – \$248k - 87% decrease (\$1.7 million)
 - Reduced transfer to the General Fund to preserve funding for the Beach Renourishment project in the CIP Fund
- ✓ **Hospitality Tax** – \$6.5m - 4% increase (\$242.1k)
 - Funding for the Fire Truck tax-exempt lease agreement payments / enhanced Fire Rescue operations, and maintenance of Town facilities
- ✓ **Tax Increment Financing Tax (TIF)** – \$0 – decrease (\$110k):
 - No funding due to the conclusion of the Tax Increment Fund (TIF) financing agreement, originally extended in Fiscal Year 2016 in partnership with the County, School District, and PSD partners
- ✓ **Stormwater Fee** – \$350k - 180% Increase (\$225k):
 - Increased due to a recent assessment of Stormwater operational support provided by Town Staff and facility resources



FY 2026 PROPOSED GENERAL FUND BUDGET EXPENDITURES

Expenditures by Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Salaries	\$ 22,006,758	\$ 24,674,243	\$ 26,863,128	\$ 27,680,132	\$ 817,004	3.04%	46.32%
Benefits	8,627,689	10,311,021	11,620,583	12,547,399	926,816	7.98%	21.00%
Operating	12,599,299	14,178,301	18,170,575	16,921,274	(1,249,301)	-6.88%	28.32%
Contracted Public Safety	2,566,926	2,595,199	2,642,000	420,500	(2,221,500)	-84.08%	0.70%
Affiliated Agencies	1,946,430	2,056,525	3,250,641	1,988,516	(1,262,125)	-38.83%	3.33%
Capital Outlay (Parking)	361,221	368,805	-	-	-	0.00%	0.00%
Transfer to CIP Fund	-	-	-	-	-	0.00%	0.00%
Transfer to Housing Fund	-	2,000,000	-	197,049	197,049	100.00%	0.33%
Transfer to Land Acquisition Fund	-	1,000,000	-	-	-	0.00%	0.00%
Total Expenditures & Transfers Out	\$ 48,108,322	\$ 57,822,970	\$ 62,546,927	\$ 59,754,870	\$ (2,792,057)	-4.46%	100.00%



FY 2026 GENERAL FUND BUDGET EXPENDITURES HIGHLIGHTS-\$59,754,870

✓ **Salaries & Benefits** – \$40.2m - 4.5% increase (\$1.7 million), including:

- New head count to support Town Council policy priority:
 - New FTE - Integrated Pest Management (IPM) Specialist (\$113k Salary & Benefits)
 - New FTE - Parking Program Manager (\$108k Salary & Benefits)
 - PTE to FTE - Help Desk Technician (\$15.4k Salary & Benefits)
- The Town's position counts for FY26 are:
 - FTE - 284
 - PTE - 16
 - Temporary - 10
- Provides up to 4% performance-based pay increase (\$1.3 million across all funds)
- Provides 11% SC mandated medical insurance employer premium increase (\$454k all funds) /12% life insurance increase (\$7k) / 23% workers compensation increase (\$68k)
- Supports Town 401k contribution of up to 12% (\$1.8 million benefit to employees)
- Supports SC mandated Police Officer's Retirement System (PORS) contribution (\$2.8 million benefit to qualified employees)



FY 2026 GENERAL FUND BUDGET EXPENDITURES HIGHLIGHTS

✓ **Salaries & Benefits** – Continued

- Provides 14 Paid Holidays including 2 Floating Holidays
- Allows employees a paid time off buy-back option of 37.5 hours
- Provides Fire Rescue Overtime of \$1.2 million
- Reduces General Fund Overtime by \$84k / 6% compared to FY25 Budget
- Part-Time support for Human Resources, Employee Engagement, Finance, Office of Cultural Affairs, Community Engagement and Planning & Operations
- Supports Seasonal and Temporary Employees including:
 - Beach Ambassadors (3)
 - Transportation Technicians
 - Plan Reviewers
 - Short-Term Rental Permit Program Assistants
 - Part-time students and summer interns



FY 2026 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

- ✓ **Operating** – \$16.9m - 7% decrease (\$1.2 million)
 - Reduces travel, meetings and conferences, printing, and general operating expenses
 - Supports Comprehensive LMO Code amendments, District Planning, and Comprehensive Plan amendments
 - Provides for a Class and Compensation Study
 - Supports the 3rd Annual Hilton Head Island Jams Songwriter Festival
 - Supports Community events such as Crescendo and the Lantern Parade
 - Supports RBC Heritage Sponsorship Agreement and community preparations
 - Expands Holiday lighting throughout the Island
 - Provides Local governmental matching funds for Lowcountry Council of Government, and the Lowcountry regional Hilton Head Island Beach Shuttle transportation service
 - Provides Fire Truck Lease payments and Town office space lease payments



FY 2026 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

- ✓ **Operating** (Continued)
 - Provides for the removal of abandoned boats from our waterways (\$50k)
 - Provides \$550/month Stipend for approximately 15 BCSO Officers living on the Island (\$99k), and Holiday Bonuses for all BCSO employees working south of the Broad (\$20k)
 - Provides for a Public Safety Department Assessment (\$50k)
- ✓ **Contracted Public Safety** – \$420k - 84% decrease (\$2.2 million)
 - Eliminates the Beaufort County Sheriff's Office accrual of \$2m. At the end of FY25, the total accrual is \$10m
- ✓ **Affiliated Agency Partnerships** – \$1.9m - 39% decrease (\$1.3 million)
 - 11 Applications received - \$3.2 million
 - 6 Applicants were recommended funding by the F&A Committee - \$1.9 million
- ✓ **Transfers Out:** Transfers \$197k to the Housing Fund for Workforce Housing Personnel and Operating costs





FY 2026 PROPOSED GENERAL FUND EXPENDITURES – AFFILIATED AGENCIES

	FY 2023 Actual	FY 2024 Revised Budget	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Requests	FY 2026 F&A Recommendations
Island Recreation Association	\$ 1,099,304	\$ 1,123,766	\$ 1,123,766	\$ 1,167,366	\$ 1,252,366	\$ 1,252,366
Coastal Discovery Museum	92,775	102,432	102,432	107,700	141,650	141,650
Mitchelville Preservation Project	105,000	105,000	105,000	105,000	105,000	105,000
USCB Event Management/Ambassadors*	173,447	238,985	238,985	235,000	-	-
LRTA (Palmetto Breeze)	282,404	277,842	277,842	253,595	507,051	350,000
14th Circuit Solicitor-Multidisciplinary	50,000	50,000	50,000	50,000	50,000	-
14th Circuit Solicitor-Career Criminal	118,500	118,500	118,500	118,500	118,500	-
Beaufort County EDC	25,000	40,000	40,000	40,000	42,000	42,000
Habitat for Humanity*	-	500,000	-	500,000	-	-
Coastal Community Development Corp.*	-	600,000	-	600,000	750,000	-
Sea Turtle Patrol HHI	-	-	-	73,480	97,500	97,500
Sandalwood Food Pantry	-	-	-	-	97,500	-
The Children's Center	-	-	-	-	80,000	-
Total	\$ 1,946,430	\$ 3,156,525	\$ 2,056,525	\$ 3,250,641	\$ 3,241,567	\$ 1,988,516

*Note: Funding for Habitat for Humanity and Coastal Community Development Corporation was approved in FY 2024 but was not spent by year end. FY 2024 funding was carried forward to FY 2025.

*Note: USCB Event Management/Ambassadors and Habitat for Humanity did not submit FY26 Affiliated Agency Funding Applications.

» An Affiliated Agency is defined as an integral partner contracted by the Town to deliver services that benefit the public on the Town's behalf.

FY 2026 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

- ✓ Provides for public meeting broadcasts by the Beaufort County Channel for the following (\$48.1k for 110 meetings/year):
 - Town Council
 - Community Services & Public Safety Committee
 - Finance & Administrative Committee
 - Planning Commission
 - Gullah Geechee Land & Cultural Preservation Task Force
 - Gullah Geechee Historic Neighborhoods CDC
 - Accommodations Tax Advisory Committee
 - Housing Action Committee





FY 2026 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

✓ Fire Rescue

- Supports significant increase in calls for service since 2021 (15% increase)
- Provides for Fire Officer professional development and Company Officer assessment
- Provides for Town-wide fleet management and ongoing repairs and maintenance

✓ Public Safety

- Supports the Short-Term Rental Program, Town Code compliance, Beach operations, and serves as the liaison with Beaufort County Sheriff's Office
 - Short-Term Rental – 356 complaints received in 2024
 - Beach Patrol – 21,712 violations addressed in 2024
- Supports public safety hours of 8am – 9pm 7 days a week
- Supports the annual security contract for public safety



FY 2026 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

✓ Finance

- Supports the Short-Term Rental Program, and collection of Local ATAX, Beach Fee, Hospitality Fee, Business License Fee, and other Town-wide funds
- Supports additional capabilities to oversee financial reporting, grant applications, cash management, and the identification of additional alternative funding sources

✓ Human Resources

- Supports tuition reimbursement
- Provides professional development for town staff including customer service, hospitality, cultural awareness, and leadership development training

✓ Technology and Innovation

- Reduces software and technology costs by streamlining technology solutions (\$78k)





FY 2026 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

✓ Facilities

- Supports enhanced landscape, lighting, solid waste and recycling, and park maintenance / management
- Supports beach and beach park enhancements including wayfinding, bike racks, trash and recycling, public rules, and identification markers
- Supports right-of-way maintenance including safety and beautification enhancement projects
- Supports general maintenance for Town Hall and Fire Rescue Facilities
- Supports Town-wide litter patrol
- Supports an updated Beach Services and Franchise agreement
- Supports solid waste and recycling SWOT findings and priorities
- Supports new Integrated Pest Management Policy



FY 2026 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

✓ Planning / Community Development

- Supports significant increase in inspections over the last four years
- Supports comprehensive LMO Code amendments
- Supports District Planning and Comprehensive Plan amendments
- Supports permitting improvements
- Includes contractual external building safety plan review (\$25k)

✓ Transportation

- Enhances traffic and transportation support through traffic counting and adaptive traffic signal monitoring
- Supports traffic studies as needed for capacity, speed, signal warrants, traffic calming, safety, etc.



FY 2026 GENERAL FUND BUDGET EXPENDITURE HIGHLIGHTS

- ✓ **Marketing and Communications**
 - Provides digital and print publishing to communicate initiatives or projects that encapsulate the overarching goals of the Town
 - Supports sponsorships for Talk of the Town, Mayor's Monthly Update, and the WHHI News program
 - Provides mobile banners and signage related to major Town initiatives or projects
- ✓ **Office of Cultural Affairs / Community Engagement**
 - Supports the 3rd Annual Hilton Head Island Jam Songwriter's Festival
 - Enhances Crescendo, Lantern Parade and other community events
 - Expands Town holiday decorations and celebrations

Members of Council had questions, comments and discussion regarding: confirmation certain funds are collected into a special account and then transferred into an expenditure area for designated purposes; clarification transfers are common in fund-based accounting; acknowledgement that Business License changes are based on State Law and the newly required class schedule will not come forward to Council until November or December; confirmation the impact of the community and revenues afford the Town to have lower millage rates as compared to other communities; the need for a strong Beach Services/Parking fund and the need to discuss revenue sources; acknowledgement the reduced police fees have assisted in lowering millage; acknowledgment that the Town Manager and Staff have streamlined the budget; acknowledgement millage has decreased as the values of mills have increased due to property values increasing; confirmation tourism contributes greatly to the revenue streams; inquiry as to how revenues are estimated; confirmation trends are utilized and the pace of revenues are tracked in certain areas; confirmation monitoring is done on revenues at all times; confirmation funds coming to the general fund do not diminish the planned efforts to improve stormwater systems on the Island; the need to create a policy and key elements for defining funding of affiliated agencies along with accommodations tax fund grants; appreciation for moving staff salaries and expenses to the Housing Fund to provide transparency and track costs for the program; and the need to remember key elements of the Strategic Plan Goals relate to the budget and the need for them to match.



DEBT SERVICE FUND

- ✓ This fund is used for accumulating resources for the payment of interest and principal on general long - term obligation debt of the governmental funds.
- ✓ The primary sources of revenue are property tax, beach preservation fee, hospitality tax, TIF proceeds, and real estate transfer fees.



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FY 2026 PROPOSED DEBT SERVICE FUND BUDGET REVENUES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Property Taxes	\$ 5,886,700	\$ 6,308,036	\$ 5,843,144	\$ 6,035,600	\$ 192,456	3.29%	32.00%
Investment Income	436,184	657,135	338,365	325,115	(13,250)	-3.92%	1.72%
Transfers In:							
Beach Preservation Fees	3,952,375	3,948,375	4,346,625	11,062,000	6,715,375	154.50%	58.64%
Natural Disasters Fund	3,537,765	-	-	-	-	0.00%	0.00%
Hospitality Fees	1,444,691	1,437,134	1,843,158	1,441,368	(401,790)	-21.80%	7.64%
Tax Increment Financing (TIF)	3,927,564	3,931,259	3,928,708	-	(3,928,708)	-100.00%	0.00%
Real Estate Transfer Fee	1,097,350	1,095,850	400,000	-	(400,000)	-100.00%	0.00%
Total Revenues	\$ 20,282,629	\$ 17,377,789	\$ 16,700,000	\$ 18,864,083	\$ 2,164,083	12.96%	100.00%

»» Property Tax Debt Millage Reduction of .4 Mills



FY 2026 PROPOSED DEBT SERVICE FUND BUDGET EXPENDITURES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Principal	\$ 16,055,000	\$ 12,995,000	\$ 12,625,000	\$ 7,325,000	\$ (5,300,000)	-41.98%	38.83%
Interest	3,289,080	2,809,733	2,403,968	1,626,483	(777,485)	-32.34%	8.62%
Bank Fees	18,850	15,850	71,032	17,600	(53,432)	-75.22%	0.09%
Anticipated Debt Costs	-	-	1,600,000	2,400,000	800,000	50.00%	12.72%
Callable Bond - Beach Preservation S.O. Bond	-	-	-	7,495,000	7,495,000	100.00%	39.73%
Total Expenditures	\$ 19,362,930	\$ 15,820,583	\$ 16,700,000	\$ 18,864,083	\$ 2,164,083	12.96%	100.00%

»» Town Council may consider new debt after the FY 2026 Consolidated Budget is adopted.
Anticipated Debt Costs of \$2,400,000 provides interest costs of new proposed debt.



FY 2026 DEBT SERVICE FUND BUDGET HIGHLIGHTS-\$18,864,083

- ✓ Debt Service Property Tax Reduced from 5.5 mills to 5.1 mills in FY26
- ✓ \$116.1m in debt reduction from FY18 to FY25
- ✓ An additional \$14.8m debt reduction is planned in FY26
- ✓ The Series 2017B Special Obligation Bond (Beach Preservation Fee Pledge) is callable on August 1, 2025. The payment of the remaining balance is included in the FY26 Budget (\$7.495 million), in addition to the regular FY26 payments (\$3.9 million)
- ✓ Beach Renourishment is currently budgeted at 100% cash. A bond issue may be considered after budget is adopted
- ✓ The Debt Service Fund Balance currently has a \$14.8m surplus. A short-term bond issue may be considered to draw these funds in FY26
- ✓ Bonds issued after Hurricane Matthew to reinstate the Disaster Fund have been fully repaid
- ✓ The Town continues to improve its financial position and capacity by steadily decreasing debt, increasing reserves, and increasing assessed values
- ✓ Stormwater bonds are paid through the Stormwater Fund



FY 2026 DEBT SERVICE FUND BUDGET REVENUES HIGHLIGHTS

- ✓ Total Budget is an increase of \$2 million (12%):
 - Principal - \$7.3 million (42% decrease)
 - Callable Bond Principal - \$7.5 million
 - Interest - \$1.6 million (32% decrease)
 - Bank Fees - \$17.6 thousand (75% decrease)
 - Anticipated Debt Costs - \$2.4 million (39% increase)



FY 2026 PROPOSED DEBT SERVICE FUND BUDGET OUTSTANDING ISSUES

		FY 2026 Payments			Balance After FY26 Pmts	Final Payment FY
		Interest	Principal	Total		
Debt Service Payments - (without Stormwater Bonds)						
<u>General Obligation Bonds (Original Issue Amount)</u>						
Series 2016C GO Referendum Refunding Bonds (\$9,035,000)		116,238	465,000	581,238	4,575,000	2035
Series 2020A GO Referendum Refunding Bonds (\$5,830,000) - to 2020A		142,600	740,000	882,600	2,445,000	2028
Series 2017A GO Non-Referendum Bonds (\$27,310,000)		788,319	780,000	1,568,319	23,775,000	2047
Series 2020B GO Referendum Bonds (\$6,285,000)		79,308	480,000	559,308	4,620,000	2035
Series 2019 GO Obligation Bonds (\$5,000,000)		136,650	215,000	351,650	3,720,000	2039
Total General Obligation Bonds		\$ 1,263,115	\$ 2,680,000	\$ 3,943,115	39,135,000	
<u>Revenue / Special Obligation Bonds (Original Issue Amount)</u>						
Series 2019 Special Bonds (Hospitality Tax) (\$16,520,000)		\$ 276,368	\$ 1,165,000	\$ 1,441,368	\$ 8,620,000	2036
Series 2017B Special Bonds (Beach Preservation Fee) (\$30,075,000)		87,000	3,480,000	3,567,000	7,495,000	2028
Series 2017B Special Bonds (Beach Preservation Fee) (\$30,075,000) (a)		-	7,495,000	7,495,000	-	2026
Total Revenue / Special Obligation Bonds		\$ 363,368	\$ 12,140,000	\$ 12,503,368	\$ 8,620,000	
Grand Total - Existing Debt (b)		\$ 1,626,483	\$ 14,820,000	\$ 16,446,483	47,755,000	
Stormwater debt is accounted for in the Stormwater Fund. Outstanding Stormwater debt are these two special revenue bond						
<u>Stormwater Bonds (Original Issue Amount)</u>						
Series 2021 Special Bonds (Stormwater) (\$5,630,000)		\$ 7,802	\$ 940,000	\$ 947,802	\$ -	2026
Series 2018 Special Bonds (Stormwater) (\$3,200,000)		28,049	335,000	363,049	700,000	2028
Total Stormwater Special Obligation Bonds		\$ 35,851	\$ 1,275,000	\$ 1,310,851	\$ 700,000	



BEACH RENOURISHMENT FUNDING

FUNDING SCENARIOS

Scenario 1	
70% Cash Funded 30% Debt Funded	
Source of Funds	
Town Equity Contribution	33,250,000
Uses of Funds	
Bond Funded	14,250,000
Cost of Issuance (est.)	250,000
Underwriter's Discount (est.)	68,125
Additional Proceeds	3,952
Cash Funded	33,250,000
Total Uses of Funds	47,500,000
True Interest Cost	3.33%

Debt Service				
FY	Principal	Interest	Total	
2026	-	367,118	367,118	
2027	1,665,000	639,625	2,304,627	
2028	1,755,000	554,125	2,309,127	
2029	1,845,000	464,125	2,309,127	
2030	1,935,000	369,625	2,304,627	
2031	2,035,000	270,375	2,305,377	
2032	2,140,000	166,000	2,306,002	
2033	2,250,000	56,250	2,306,252	
Total	13,625,000	2,887,243	16,512,257	

FYE 2025 Est. Fund Balance 53,066,656

FY 2026

Less: Payoff of 2017 Bonds (7,495,000)
 Less: Cash Funded Projects (33,250,000)
 Add: Est. Revenues-Beach Preservation Fee 13,625,537
 Less: Est. Expenditures-Beach Preservation Fee (4,535,548)

FYE 2026 Est. Fund Balance 21,411,645

Minimum Fund Balance Policy 20,000,000

Note: The funding scenarios highlight different debt/cash combinations for a \$47.5 million project assuming a 7-year term and estimate current market rates.

Note: A higher Debt Service Coverage Ratio indicates a stronger ability for the Town to cover debt payments using operating cash flow

Note: Coverage Ratio = Pledged Revenue/Debt Service Payments

Anticipated meeting dates to consider debt funding: Finance and Administrative Committee - July 29, 2025 / Town Council First Reading - August 19, 2025 / Town Council Second Reading - September 16, 2025



BEACH RENOURISHMENT FUNDING

FUNDING SCENARIOS

Scenario 2	
60% Cash Funded 40% Debt Funded	
Source of Funds	
Town Equity Contribution	28,500,000
Uses of Funds	
Bond Funded	19,000,000
Cost of Issuance (est.)	250,000
Underwriter's Discount (est.)	90,425
Additional Proceeds	1,595
Cash Funded	28,500,000
Total Uses of Funds	47,500,000
True Interest Cost 3.33%	

Debt Service				
FY	Principal	Interest	Total	
2026	-	487,290	487,290	
2027	2,215,000	848,875	3,063,875	
2028	2,325,000	735,375	3,060,375	
2029	2,445,000	616,125	3,061,125	
2030	2,570,000	490,750	3,060,750	
2031	2,705,000	358,875	3,063,875	
2032	2,840,000	220,250	3,060,250	
2033	2,985,000	74,625	3,059,625	
Total	18,085,000	3,832,165	21,917,165	

FYE 2025 Est. Fund Balance 53,066,656

FY 2026

Less: Payoff of 2017 Bonds (7,495,000)
 Less: Cash Funded Projects (28,500,000)
 Add: Est. Revenues-Beach Preservation Fee 13,625,537
 Less: Est. Expenditures-Beach Preservation Fee (4,535,548)

FYE 2026 Est. Fund Balance 26,161,645

Minimum Fund Balance Policy 20,000,000

Note: The funding scenarios highlight different debt/cash combinations for a \$47.5 million project assuming a 7-year term and estimate current market rates.

Note: A higher Debt Service Coverage Ratio indicates a stronger ability for the Town to cover debt payments using operating cash flow

Note: Coverage Ratio = Pledged Revenue/Debt Service Payments

Anticipated meeting dates to consider debt funding: Finance and Administrative Committee - July 29, 2025 / Town Council First Reading - August 19, 2025 / Town Council Second Reading - September 16, 2025

Members of Council had questions, comments and discussion regarding: the need to stay relevant and have a strong bond rating with the ability to pay off debt suggests that the Town should utilize this tool when needed for improvements; and the need to continue careful planning and remain in a financial conservative position.

STORMWATER UTILITY FUND

- ✓ This fund is used to account for and report the costs associated with the management, construction, maintenance, protections, control, regulation, use and enhancement of stormwater systems and programs within the Town limits.
- ✓ The primary source of revenue is stormwater utility fees.





FY 2026 PROPOSED STORMWATER UTILITY FUND BUDGET REVENUES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Revised Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Stormwater Utility Fees	\$5,066,598	\$5,275,035	\$5,067,000	\$ 5,275,035	\$ 208,035	4.11%	47.35%
Prior Year Funds	-	-	3,753,271	5,592,662	1,839,391	49.01%	50.20%
Investment Income	169,769	328,692	150,000	150,000	-	0.00%	1.35%
Plan Review Fees	-	122,580	112,420	122,580	10,160.0	9.04%	1.10%
Transfers In:						0.00%	
State ATAX	490,000	-	-	-	-	0.00%	0.00%
Total Revenues	\$5,236,367	\$5,726,307	\$9,082,691	\$ 11,140,277	\$ 2,057,586	22.65%	100.00%

» Prior year funds are expected one-time carryforward amounts for one-time uses.
The Stormwater Fund will continue to have a healthy fund balance after using the budgeted prior year funds.



FY 2026 STORMWATER UTILITY FEE

THE FOLLOWING UNIT RATES APPLY FOR TAX YEAR 2025:

Fee	Town of Hilton Head Island
Administrative Fee	\$ 24.00
Impervious Area Unit (IA)	\$ 105.00
Gross Area Unit (GA) X =	\$ 21.00
Total	\$ 150.00



» Law S453 (2009) does not allow any increase in fees for agricultural, forestland
And undeveloped lands that qualify for an Agricultural Use Exemption.



FY 2026 PROPOSED STORMWATER UTILITY FUND BUDGET EXPENDITURES

Expenditures by Category	FY2023 Actual	FY2024 Actual	FY2025 Revised Budget	FY2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Salaries & Benefits	\$ 556,582	\$ 750,240	\$ 842,381	\$ 916,066	\$ 73,685	8.75%	9.27%
Operating	134,289	156,316	198,570	190,480	(8,090)	-4.07%	2.19%
Monitoring	109,225	97,814	194,000	110,000	(84,000)	-43.30%	2.14%
Inventory & Modeling / Analysis	644	100,905	680,432	790,000	109,568	16.10%	7.49%
POA Systems Corrective Maintenance	464,917	487,335	1,597,253	-	(1,597,253)	-100.00%	17.59%
Public Systems Corrective Maintenance	174,444	633,149	735,057	-	(735,057)	-100.00%	8.09%
Routine Maintenance & Contingency	179,519	467,674	1,228,595	735,000	(493,595)	-40.18%	13.53%
Pump Station Maintenance	168,793	312,765	1,050,277	555,000	(495,277)	-47.16%	11.56%
Stormwater Depreciation, Amortization, Interest & Fees	1,175,084	1,159,011	1,248,574	1,142,851	(105,723)	-8.47%	13.75%
Transfers Out:						0.00%	
General Fund	125,000	125,000	125,000	350,000	225,000	180.00%	1.38%
CIP Stormwater Program	-	860,000	1,182,552	6,350,880	5,168,328	437.05%	13.02%
Total Expenditures & Transfers Out	\$ 3,088,497	\$ 5,150,209	\$ 9,082,691	\$ 11,140,277	\$ 2,057,586	22.65%	100.00%

» Stormwater Corrective Maintenance and Improvement projects, Stormwater Maintenance Agreement projects, and Water Level / Weather Monitoring are included in the CIP Stormwater Program in FY26



STORMWATER UTILITY FUND REVENUES HIGHLIGHTS-\$11,140,277

- ✓ **Stormwater Utility Fees** – \$5.3m - 4% increase from FY25 Budget
- ✓ **Prior Year Funds** – \$5.6m - 49% increase in planned Stormwater Fund Balance use due to an increase in Stormwater Infrastructure Investment. Funds will be transferred to the CIP Fund for Stormwater Projects
- ✓ **Investment Income** – \$150k - No change from FY25
- ✓ **Plan Review Fees** – \$122.6k - 4% Increase from FY25 Budget



STORMWATER UTILITY FUND EXPENDITURES HIGHLIGHTS-\$11,140,277

- ✓ **Salaries & Benefits** – \$916k - 9% increase includes 4% merit-based increase and covers increases in Medical and Workers Compensation
- ✓ **Operating** – \$190k - 4% decrease due to a reduction in general operating expenses
- ✓ **Monitoring** – \$110k - 43% decrease, quarterly water quality monitoring services and supplemental water quality testing. Tide and Weather Monitoring have been transferred to the CIP budget along with all Stormwater projects in FY26
- ✓ **Inventory & Modeling / Analysis** – \$790k - 16% increase:
 - Resilience Study Phase 2
 - Lawton Basin / Baynard Cove Basin (Sea Pines) Inventory & Modeling
- ✓ **POA Systems & Public Systems Corrective Maintenance**– \$0 - 100% decrease (\$2.3m), all POA Agreement and Public System Corrective Maintenance is in the FY 26 CIP Budget



STORMWATER UTILITY FUND EXPENDITURES HIGHLIGHTS-\$11,140,277

- ✓ **Routine Maintenance & Contingency** – \$735k - 40% decrease due Corrective Maintenance projects moving to the CIP budget. \$735k includes:
 - Pond Maintenance of 55 Town Owned Ponds
 - Street Sweeping of Public Roads and Parking Lots
 - Routine Channel Maintenance for 52 sites maintained twice per year, plus contingency for additional sites and/or services
- ✓ **Pump Station Maintenance (4 Pump Stations)**– \$555k -47% decrease
 - Pump Inspections, Repairs, Maintenance, and Contingency
 - Generator Routine Maintenance & Inspection
 - Electrical Services and Monitoring
 - Control Building Maintenance
- ✓ **Stormwater Depreciation, Amortization, Interest & fees**– \$1.1m -8% decrease, due to a reduction in Interest expenses and amortization in FY26



STORMWATER UTILITY FUND TRANSFERS OUT HIGHLIGHTS

- ✓ **Transfer To General Fund** – \$350k - 180% increase based on a recent assessment of Stormwater operational support provided by Town Staff and facility resources
- ✓ **Transfer To CIP Fund** – \$6.3m - 437% increase of investment in Stormwater projects and infrastructure
 - New in FY26 is the transfer from Stormwater to CIP for
 - Stormwater Corrective Maintenance Projects Funding
 - Active Drainage Agreement Partner Corrective Maintenance Project Reimbursements
 - Tide and Weather Monitoring



STORMWATER UTILITY SERVICE DELIVERY PROGRAMS

- ✓ **Service delivery is provided by the following programs:**
 - Water Quality – LMO Compliance & MS4 Permit
 - Inventory & Modeling
 - Routine Maintenance
 - Channel Maintenance
 - Street Sweeping
 - Pond Management
 - Pump Station Maintenance (4)
 - Monitoring
 - Water Quality
 - Tides
 - Weather
 - Corrective Maintenance
 - Public System
 - Private Systems (POA Agreements)



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STORMWATER UTILITY SERVICE DELIVERY PROGRAMS

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- Inventory & Modeling
- Routine Maintenance
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 - Pond Management
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- Monitoring
 - Water Quality
 - Tides
 - Weather
- Corrective Maintenance
 - Public System
 - Private Systems (POA Agreements)





STORMWATER ROUTINE MAINTENANCE PROGRAM

FY 2026 Routine Maintenance & Contingency- \$735,000

- ✓ **Pond Management:**
 - Annual field inspections (55 Town -owned ponds)
 - Maintenance of access for operational controls (vegetative maintenance)
 - As-needed treatment of Ponds to maintain water quality
- ✓ **Street Sweeping:**
 - Weekly sweeping of public roads and parking lots (Plus supplemental sweeping as needed)
 - 63 Roads (34.8 Total Roadway Miles)
 - 4 Bridges (3.4 Total Bridge Miles)
 - 19 Town Parking Lots
- ✓ **Channel Maintenance:**
 - Routine Maintenance (52 sites twice per year)
 - Contingency (additional sites and/or additional service)



RESILIENCE INITIATIVE

- ✓ Identify Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis of Island Resilience
- ✓ Identify critical infrastructure facilities
- ✓ Develop and apply insights
- ✓ Develop detailed modeling of storm scenarios to identify inundation impacts
- ✓ Develop a menu of mitigation actions and costs analysis associated with varying levels of protection
- ✓ Identify all Town Ordinances and Regulations that could be Modified to Increase Future Protections of Property, Infrastructure, and Buildings
- ✓ Participate in statewide sea level monitoring program



CORRECTIVE MAINTENANCE PROGRAM – EXTENT OF SERVICE



EXTENT OF SERVICE (EOS)

- ✓ **Town System**
 - Town ROW
 - Town Easements
 - Town Property
- ✓ **PUD/POA Agreements**
 - 26 Active
 - 3 2025 Applicants
 - 31 Potential Candidates
(Potential for 60 agreements)
- ✓ **Not Included in EOS**
 - State Roads & Easements
 - State Property
 - County Roads & Easements
 - County Property
 - Private Property

STORMWATER CIP PROJECTS

FY 2026 Stormwater CIP Budget - \$6,350,880

- ✓ Stormwater projects Identified for FY 2026 will be managed within the Capital Improvements Program and funds will be transferred from the Stormwater Utility Fund to the Capital Projects Fund
- ✓ FY 2026 Budget includes:
 - Corrective Maintenance & Improvement Projects – Based on service request priority scores **(\$1.8M)**
 - Stormwater Maintenance Agreement Program – Allocation for qualifying corrective maintenance reimbursements for active agreement Partners **(\$2.0M)**
 - Moonshell / Folly Field Neighborhood Drainage Improvements – Permitting and installation of new infrastructure **(\$60K)**
 - Helmsman Way Drainage Improvements **(\$50K)**
 - Bryant Road Pond Restoration **(\$25K)**
 - Cordillo Courts Drainage Improvements – Installation of new drainage infrastructure **(\$96K)**
 - Gum Tree Road Drainage Improvements – Permitting and construction of new infrastructure **(\$120K)**
 - Jarvis Creek Outfall – Permitting and installation of new backflow prevention devices **(\$50K)**

STORMWATER CIP PROJECTS

FY 2026 Stormwater CIP Budget - \$6,350,880

- ✓ FY 2026 Budget includes:
 - Jarvis Creek Pump Station – Pump replacements **(\$300k)**
 - Main Street Drainage Improvements **(\$50K)**
 - Old Woodlands Drainage Improvements **(\$80K)**
 - Palmetto Hall Outfall – Design, permitting and construction of outfall improvements **(\$150K)**
 - Water Level Monitoring – Installation of remote monitoring devices **(\$75K)**
 - Weather Monitoring – Installation of weather stations **(\$50K)**
 - Central Island Pump Station Overhaul and Resiliency Improvements **(\$750K)**
 - Gum Tree Channel Capacity Improvements at Chinaberry Crossing **(\$120K)**
 - Arrow Road Laydown Yard Improvements **(\$75K)**
 - Contingency **(\$500K)**

Members of Council had questions, comments and discussion regarding: inquiry into conversations with the County and where their stormwater plans stand; acknowledgment that working with the County benefits all; a suggestion to discuss TIF funds to assist in the Stormwater Utility Program; and the need for a return on investment for all residents in all areas of Hilton Head Island.

GULLAH GEECHIE HISTORIC NEIGHBORHOODS COMMUNITY DEVELOPMENT CORPORATION (GGHNCDC) FUND

- ✓ This is a new fund as of mid Fiscal Year 2023. This fund is used to account for and report the costs associated with the actions of the Corporation to protect the Town's historic and culturally sensitive neighborhoods.
- ✓ The focus of the Corporation is to enhance the quality of life for community residents; encourage entrepreneurialism; prevent gentrification; assist in business attraction, expansion, and retention; provide land planning and development assistance; pursue affordable housing opportunities; identify infrastructure needs; and provide critical financial opportunities.
- ✓ The primary sources of revenue are State and County Grants.



FY 2026 PROPOSED GGHNCDC FUND BUDGET REVENUES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
South Carolina Grant	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
Beaufort County Grant	500,000	-	-	-	-	0.00%	0.00%
Prior Year Grant - South Carolina	-	-	5,000,000	2,945,169	(2,054,831)	-41.10%	89.61%
Prior Year Grant - Beaufort County	-	-	216,434	216,434	-	0.00%	6.59%
Investment Income	72,375	275,478	125,000	125,000	-	0.00%	3.80%
Total Revenues	\$ 5,572,375	\$ 275,478	\$ 5,341,434	\$ 3,286,603	\$ (2,054,831)	-38.47%	100.00%



FY 2026 PROPOSED GGHNCDC FUND BUDGET EXPENDITURES

	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Personnel & Benefits	\$ -	\$ 125,464	\$ 200,376	\$ 212,801	\$ 12,425	6.20%	6.47%
Operating Expenses	156,815	3,678	65,125	39,592	(25,533)	-39.21%	1.20%
Professional Services	-	-	310,000	204,210	(105,790)	-34.13%	6.21%
Grants & Incentives Loans	-	-	1,500,000	1,500,000	-	0.00%	45.64%
Capital Outlay & Land Acquisition	-	-	1,250,000	1,250,000	-	0.00%	38.03%
Project Expenses & Contingency	-	-	80,000	80,000	-	0.00%	2.43%
Total Expenditures	156,815	129,142	3,405,501	3,286,603	\$ (118,898)	-3.49%	100.00%



FY 2026 GGHNCDC FUND BUDGET REVENUES HIGHLIGHTS-\$3,286,603

- ✓ Budget endorsed by the Board of Directors in March 2025
- ✓ Salaries & Benefits - \$213k - 6% increase (\$12k)
 - Includes increases for up to 4% performance-based pay, medical insurance premiums, life insurance, and workers compensation
- ✓ Operating - \$39k - 39% decrease (\$25k)
 - Reduction of general operating expenses
- ✓ Professional Services - \$204k - 34% decrease (\$105.8k)
 - Wayfinding Application - Phase II
 - Includes development of technology and signage
 - Legal Services
 - Services for property owners in the William Hilton Parkway Corridor that have been impacted by the highway development project
 - Land appraisals to support the evaluation of property for purchase by the CDC, or the evaluation of property on behalf of family members in the William Hilton Parkway Corridor
 - Architectural, Engineering and Construction Services
 - Design and permitting services for renovation or construction of CDC headquarters
 - Lowcountry Gullah Consulting Services



FY 2026 GGHNCDC FUND BUDGET EXPENDITURES HIGHLIGHTS-\$3,286,603

- ✓ Grants and Incentive Loans - \$1.5m (no change from FY25 Budget)
 - Loans to support the development of land in culturally sensitive communities
 - Small business Development
 - Implement the second series of Money Talks financial education workshops
 - Launch small business lending. Goal: \$500k to lend to businesses in historic neighborhoods in support of business growth and development (in the range of \$5k to \$50k, pending final legal review)
 - Real Estate lending. Goal: \$1 million to lend in support of landowners lacking access to traditional forms of capital in the historic neighborhoods (pending final legal review)
- ✓ Capital Outlay and Land Acquisition - \$1.2m (no change from FY25 Budget)
 - Purchase of site for development of CDC main office
- ✓ Project Expenses and Contingency - \$80k (no change from FY25 Budget)
 - General Contingency – to support unforeseen costs of development of main office and other projects



Members of Council had questions, comments and discussion regarding: the need for Council to

contribute assets to the GGHNCDC for development and to maintain character in Gullah neighborhoods; a request for the Town Manager to look at possibilities of utilizing land owned by the Town to assist in the endeavors of the GGHNCDC; and inquiry as to whether the State has plans to award further funding to the GGHNCDC and a request for follow-up regarding State funding.

TOWN OF HILTON HEAD ISLAND

HOUSING FUND

- ✓ This is a new fund as of Fiscal Year 2024. This fund is used to account for and report the costs associated with the development, implementation, and delivery of the strategies and tactics identified within the Town's adopted Workforce Housing Framework.
- ✓ The current sources of revenue are transfers from the State Accommodations Tax Fund, and ARPA funding.



TOWN OF HILTON HEAD ISLAND



FY 2026 PROPOSED HOUSING FUND BUDGET REVENUES

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Transfer from General Fund	\$ 2,000,000	\$ -	\$ 197,049	\$ 197,049	100.00%	4.95%
Transfer from Capital Projects	350,000	-	-	-	0.00%	0.00%
Transfer from State ATAX/Prior Year Funds	-	1,000,000	1,000,000	-	0.00%	25.14%
Prior Year Housing Funds	-	2,000,000	1,781,088	(218,912)	-10.95%	44.77%
Prior Year Funds from ARPA	-	1,000,000	1,000,000	-	0.00%	25.14%
Total Revenues	\$ 2,350,000	\$ 4,000,000	\$ 3,978,137	\$ (21,863)	-0.55%	100.00%



FY 2026 PROPOSED HOUSING FUND BUDGET EXPENDITURES

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Proposed Budget	FY26 to FY25 Budget \$ Change	FY26 to FY25 Budget % Change	% of Budget
Northpoint Public Private Partnership	\$ 90,775	\$ 1,000,000	\$ 1,000,000	\$ -	0.00%	25.14%
Muddy Creek Neighborhood Stabilization	-	1,500,000	1,500,000	-	0.00%	37.71%
Bryant Road Public Private Partnership	-	1,000,000	1,000,000	-	0.00%	25.14%
Beaufort Jasper Housing Trust Dues	-	89,206	181,088	91,882	103.00%	4.55%
Housing Program Salary and Benefits	-	-	194,332	194,332	100.00%	4.89%
Housing Program Operating	110,748	410,794	102,717	(308,077)	-75.00%	2.58%
Total Expenditures	\$ 201,523	\$ 4,000,000	\$ 3,978,137	\$ (21,863)	-0.55%	100.00%



FY 2026 HOUSING FUND BUDGET EXPENDITURES HIGHLIGHTS-\$3,978,137

- ✓ Supports the execute of the Northpoint Public-Private Partnership Ground Lease for delivery of the project (\$1.0m)
- ✓ Implements Muddy Creek Neighborhood Stabilization Plan (\$1.5m)
 - Infrastructure improvements for roads, water, sewer, stormwater, lighting, landscaping, signage, broadband, etc.
- ✓ Supports RFQ/RFP for Bryant Road Public-Private Partnership and related infrastructure improvements (\$1.0m)
- ✓ Supports Workforce Housing Salaries & Benefits (\$194k)
 - Personnel moving from the General Fund in FY26
- ✓ Supports Workforce Housing Operating (\$102k)
 - Public-Private Partnership legal services (\$50k)
 - Housing Dashboard and Housing Market Studies (\$50k)
 - Housing Operating Costs (\$2k)
- ✓ Provides Beaufort Jasper Housing Trust Dues for Year 3 & 4 – (\$181k)



Members of Council had questions, comments and discussion regarding: the need for a minimum fund balance by considering funding sources; a suggestion to use the allowed funding for

Accommodations Tax Funds to benefit the Housing Fund; a recap of ongoing efforts to increase the Housing Fund; the need for a recurring revenue stream and further discussions regarding allowed Accommodations Tax Funds for a portion of the Housing Fund; and inquiry and confirmation a budget amendment can be done if Accommodations Tax Funds are considered;



FY 2026 PROPOSED RESERVE POLICIES

	Current Balance as of 3/31/25	Current Reserve Policy	Proposed Minimum Balance Policy	Calculation Factor	Proposed Reserve Policy
Operating Funds:					
General	\$ 47,494,233	40% - 55%	40% - 55%		Keep Current Policy
Housing Fund	3,014,393	-	-		No Minimum Balance
GGHNDC Fund	5,542,619	-	-		No Minimum Balance
Stormwater	16,697,296	-	5,000,000	12 months	Establish a Minimum Balance
Firemens 1 %Fund	82,023	-	-		No Minimum Balance
Subtotal Operating Funds	\$ 72,830,563				
Capital Funds:					
Capital Projects	\$ 9,576,486	-	-		No Minimum Balance
Road Usage Fee	2,268,670	-	-		No Minimum Balance
Subtotal Capital Funds	\$ 11,845,156				
Special Purpose Funds:					
TIF	\$ 11,106,751	-	-		No Minimum Balance
State ATAX	9,006,265	-	-		Consider a Minimum Balance
Real Estate Transfer Fee	11,272,918	1,000,000	1,000,000		Keep Current Policy
Beach Preservation Fee	45,569,274	12,000,000	20,000,000	18 months	Increase Minimum Balance
Hospitality Tax	24,798,668	-	5,000,000	6 months	Establish a Minimum Balance
Short-Term Rental Fee	172,653	-	-		No Minimum Balance
Debt Service	14,813,963	-	-		No Minimum Balance
Natural Disasters	37,010,550	20,000,000	36,000,000		Increase Minimum Balance
Operating Grants	402,302	-	-		No Minimum Balance
Home Grant	12,127	-	-		No Minimum Balance
Subtotal Special Purpose Funds	\$ 154,165,472				
Grand Total Fund Balance:	\$ 238,841,191				

Calculation Factor is based on prior year annual revenues



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Subtotal Special Purpose Funds	\$ 154,165,472				
Grand Total Fund Balance:	\$ 238,841,191				

Calculation Factor is based on prior year annual revenues

Members of Council had questions, comments and discussion regarding: inquiry and confirmation that going forward the Reserve Policies do include workforce housing; appreciation for the information being presented within one document; a statement of support for minimum balance policies for all funds; a request and inquiry as to verbiage for resolutions being required to utilize minimum fund balances and the need for consistence in language for all funds requiring a minimum fund balance; the need to consider language regarding restoring balances and time frame if minimum fund balances are utilized; clarification on Airbnb settlement funds and requirements within the settlement; and confirmation the settlement funds are no being utilized to balance the budget.

Public Comment - Non Agenda Items

Richard Bisi addressed Council and thanked them for rescheduling the May 13 meeting at 5:00 p.m. He added that most people work until 5:00 p.m. and offered a suggestion for Council to meet at 3:00 p.m. the first meeting of the month and at 6:00 p.m. the second meeting of the month.

Mr. Bisi added comments regarding the budget, noting that though the millage is reduced, property values have increased so he predicts an increase in taxes. He commented that Harbor Town dredging be removed from the budget and the need for bids for the Designated Marketing Organization of the Town.

Tai Scott addressed Council regarding the GGHNCDC finances and stated the need for funding from the Town for their budget.

Adjournment

At 4:32 p.m. Mr. Alfred moved to adjourn. Ms. Becker seconded. Motion carried 7-0.

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

The Town of Hilton Head Island



Proclamation

WHEREAS, amyotrophic lateral sclerosis, also commonly known as Lou Gehrig's disease, is a progressive fatal neurodegenerative disease in which a person's brain loses connection with their muscles, slowly reducing a person's ability to walk, talk, eat, and eventually breathe; and

WHEREAS, thousands of new amyotrophic lateral sclerosis (ALS) cases are reported every year, and estimates show that every 90 minutes, someone is diagnosed with ALS and someone passes away from ALS; and

WHEREAS, on average, patients diagnosed with ALS survive only two to five years from the time of diagnosis; and the exact causes of ALS are unknown and there is no known cure for ALS; and

WHEREAS, people who have served in the military are more likely to develop ALS and die from the disease than those with no history of military service; and

WHEREAS, securing access to new therapies, durable medical equipment, and communication technologies is of vital importance to people living with ALS; and

WHEREAS, clinical trials play a pivotal role in evaluating new treatments, enhancing quality of life, and fostering assistive technologies for those living with ALS; and

WHEREAS, the ALS Association is the largest philanthropic funder of ALS research globally and has committed more than \$154 million to support more than 550 projects across the United States and 18 other countries; and

WHEREAS, the ALS Association is committed to accelerating the pace of discovery, fueled by the hope that one day ALS will be a livable disease for everyone, everywhere, until a cure can be found; and

WHEREAS, Amyotrophic Lateral Sclerosis Awareness Month provides an opportunity to increase public awareness of the dire circumstances of people living with ALS, acknowledge the terrible impact this disease has on those individuals and their families, and support research to eradicate this disease.

NOW. THEREFORE, I Alan R. Perry, Mayor of the Town of Hilton Head Island, South Carolina, do hereby proclaim May as Amyotrophic Lateral Sclerosis Awareness Month

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed on this 20th day of May in the year of our Lord, two thousand twenty-five.



Alan R. Perry, Mayor

Attest:

Kimberly Gammon, Town Clerk



TOWN OF HILTON HEAD ISLAND

Town Council

TO: Town Council
FROM:
DATE: May 20, 2025
SUBJECT: Update on William Hilton Parkway Gateway Corridor Project - Shawn Colin,
Assistant Town Manager

RECOMMENDATION:

SUMMARY:

BACKGROUND:

ATTACHMENTS:

None



TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO: Hilton Head Island Town Council Members
FROM: Adriana Burnett, Finance Director
CC: Marc Orlando, Town Manager, ICMA-CM
DATE: May 20, 2025
SUBJECT: Consideration of an Ordinance to Amend the Town of Hilton Head Island Budget for the Fiscal Year Ending June 30, 2025, and to Provide for the Use of Budgeted Appropriations from Fund Balance.

RECOMMENDATION:

The Town Council consider proposed budget amendments for Fiscal Year 2025 to the Capital Improvements Program (CIP). These proposed amendments address approval of funding for land acquisitions previously authorized by the Town Council. An ordinance to amend the Fiscal Year 2025 budget is enclosed as **Attachment 1**.

There have been no changes since the First Reading.

BACKGROUND:

Funding considerations are as follows:

a) Land Acquisition Funding - \$5,917,904

1. Town Council previously authorized the purchase of real estate located at 69 Pope Avenue in an amount totaling \$2,900,000. An appropriation of funds from available Tax Increment Financing (TIF) fund balance is therefore requested in this amount to the CIP budget. This transfer will also ensure that the Town complies with applicable timing criteria set forth under South Carolina law requiring utilization of such funds.
2. Town Council previously authorized the purchase of 26 acres of real estate located in the Mitchelville area in an amount totaling \$1,827,904. An appropriation of funds from available Real Estate Transfer Fee fund balance is therefore requested in this amount to the CIP budget.

- Beaufort County approved an additional contribution of \$993,000 for this property. The Town received these funds on May 6, 2025, and reimbursed the Real Estate Transfer Fee fund.
3. Town Council previously authorized the purchase of 1.98 acres of real estate located in the Beach City Road area in an amount totaling \$1,190,000. An appropriation of funds from available Real Estate Transfer Fee fund balance is therefore requested in this amount to the CIP budget.

SUMMARY:

The Town Council consider proposed budget amendments for Fiscal Year 2025 to the Capital Improvements Program Fund. These proposed amendments address funding for land acquisitions previously authorized by the Town Council.

ATTACHMENTS:

1. Fiscal Year 2025 Budget Ordinance Amendment.

ATTACHMENT 1

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

ORDINANCE NO. _____

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2025; TO PROVIDE FOR THE BUDGETED APPROPRIATIONS OF PRIOR YEAR BUDGET CARRY FORWARDS AND CERTAIN OTHER APPROPRIATIONS AND COMMITMENTS AND THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-260(3) of the Code of Laws for South Carolina 1976, as amended, and Section 2-7-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina, require that the Town Council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 4, 2024; and

WHEREAS, pursuant to the budget amendment policy as stated in the Town's annual budget document, the Town Council is amending the budget so as to provide for the budgeted appropriations from the prior year budget as a roll-forward and certain other appropriations and commitments from the Fund Balance and other revenue sources.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL:

Section 1 – Amendment. The adopted Fiscal Year 2025 budget is amended to make the following changes as additions to the funds from prior years and to the projected revenue and expenditure as accounts summarized below.

Capital Improvements Program Fund Amendments – Total Fund Adjustment - \$5,917,904

a) Land Acquisition Funding - \$5,917,904

- i. An appropriation of funds from available Tax Increment Financing (TIF) balance is therefore requested in the amount of \$2,900,000 to the CIP budget for the purchase of 69 Pope Avenue. This transfer will also ensure that the Town complies with applicable timing criteria set forth under South Carolina law requiring utilization of such funds.
- ii. An appropriation of funds from available Real Estate Transfer Fee balance is therefore requested in the amount of \$1,827,904 to the CIP budget for the purchase of 26 acres in the Mitchelville area on the Island's north end.
- iii. An appropriation of funds from available Real Estate Transfer Fee balance is therefore requested in the amount of \$1,190,000 to the CIP budget for the purchase of the 1.89-acre Moultrie property on Beach City Road.

A summary of these proposed budget amendments for Fiscal Year 2025 are reflected as follows:

Governmental Funds with Amendments:

	General Fund		CIP Fund	
	Expenditures	Revenues	Expenditures	Revenues
Original Budget	\$ 60,924,381	\$ (60,924,381)	\$ 74,381,459	\$ (74,381,459)
Amendment 1	1,622,546	(1,622,546)	8,421,340	(8,421,340)
Revised Budget	\$ 62,546,927	\$ (62,546,927)	\$ 82,802,799	\$ (82,802,799)
Amendment 2	-	-	5,917,904	(5,917,904)
Revised Budget	\$ 62,546,927	\$ (62,546,927)	\$ 88,720,703	\$ (88,720,703)

Governmental Funds without Amendments:

	GGHN Community Development Corporation Fund*		Housing Fund		Debt Service	
	Expenditures	Revenues	Expenditures	Revenues	Expenditures	Revenues
Original Budget	\$ 3,405,501	\$ (5,341,434)	\$ 4,000,000	\$ (4,000,000)	\$ 16,700,000	\$ (16,700,000)
Amendment 1	-	-	-	-	-	-
Revised Budget	\$ 3,405,501	\$ (5,341,434)	\$ 4,000,000	\$ (4,000,000)	\$ 16,700,000	\$ (16,700,000)
Amendment 2	-	-	-	-	-	-
Revised Budget	\$ 3,405,501	\$ (5,341,434)	\$ 4,000,000	\$ (4,000,000)	\$ 16,700,000	\$ (16,700,000)

** The variance between FY 2025 revenues and expenditures will be included in the Fund Balance at year end and will be available for future use.*

	Total Governmental Funds	
	Expenditures	Revenues
Original Budget	\$ 159,411,341	\$ (161,347,274)
Amendment 1	10,043,886	(10,043,886)
Revised Budget	\$ 169,455,227	\$ (171,391,160)
Amendment 2	5,917,904	(5,917,904)
Revised Budget	\$ 175,373,131	\$ (177,309,064)

Stormwater Fund with Amendments:

	Enterprise Fund Stormwater Fund	
	Expenditures	Revenues
Original Budget	\$ 7,525,525	\$ (7,525,525)
Amendment 1	1,557,166	(1,557,166)
Revised Balance	\$ 9,082,691	\$ (9,082,691)
Amendment 2	-	-
Revised Budget	\$ 9,082,691	\$ (9,082,691)

Section 2 – Severability:

If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3 - Effective Date.

This Ordinance shall be effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

**PASSED AND APPROVED BY THE TOWN COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS ____ DAY OF _____,
2025.**

Alan R. Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

First Reading: May 6, 2025

Second Reading: May 20, 2025

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney



TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO: Town Council
FROM: Adriana Burnett, Finance Director
CC: Marc Orlando, ICMA-CM, Town Manager John McGowan, Assistant Finance Director
DATE: May 20, 2025
SUBJECT: Consideration for the Town to Enter into a Tax-Exempt Lease Purchase Agreement for the Financing of Town-Owned Fire Trucks

RECOMMENDATION:

Consideration of an Ordinance of the Town Council of the Town of Hilton Head Island approving and authorizing the Town to enter into a tax-exempt lease agreement with a financial institution to finance both past and future fire truck purchases.

Upon execution of the lease purchase agreement, the Town will receive from the financial institution, not to exceed, \$8,000,000 in lease proceeds, which will be distributed to the Hospitality Tax Fund for the following purposes:

1. **Reimbursement** – To reimburse the Town for fire trucks already purchased in FY2024 and FY2025 (eight “pumpers” totaling \$5,051,135).
2. **Future Funding** – To provide funds for fire trucks currently under contract and scheduled for delivery in FY2026 and FY2027 (two “quints” totaling \$2,398,853).

The Town will then repay the financial institution in fixed annual payments over a 10-year term, which aligns with the anticipated useful life of the fire trucks. This lease agreement will be subject to annual appropriation by Town Council.

BACKGROUND:

Town Fire Rescue Staff proposed the replacement of 10 fire trucks as part of the FY2022 Budget. This recommendation was based on the fire trucks exceeding their standard useful life of 10 years, along with increasing repair costs and downtime associated with maintaining the aging fleet. During the budget approval process, it was agreed that funding for these fire trucks would be pursued through an equipment lease. Funding for

the associated lease payments has since been carried forward into the FY2023, FY2024, and FY2025 budgets.

Following the FY2022 budget approval, the Town entered into an agreement (“the 2021 Purchase Agreement”) with Safe Industries on December 1, 2021, which was later updated and extended on November 14, 2023. The agreement provides for the purchase of 10 new fire trucks—eight pumpers and two quints. Due to production delays and supply chain disruptions, delivery of the Trucks has been postponed multiple times.

Pumper Delivery and Purchase Timing – The Town received delivery of the eight pumpers between June and October 2024. Payment for each vehicle was due within 30 days of delivery. These payments were initially made using cash from the Town’s Hospitality Tax revenues.

Quint Delivery and Purchase Timing – The remaining two fire Trucks (quints) have not yet been delivered due to ongoing production delays. The Town anticipates their arrival in late FY2026 or early FY2027.

SUMMARY:

Authorizing the Fire Truck Lease Ordinance would allow the Town to enter into a tax exempt lease financing agreement, increasing the balance of the Hospitality Tax Fund by the actual paid or to be paid amounts. This infusion of funds would benefit the town by:

- a. Maintaining a strong Hospitality Tax fund balance
- b. Enabling the Town to pay for other approved capital projects
- c. Providing financial flexibility in the event of a natural disaster
- d. Supporting compliance with proposed minimum fund balance policies
- e. The lease financing structure will align the Town’s annual lease payments with the fire trucks’ anticipated 10-year useful life, offering a more equitable and financially sustainable approach.
- f. The proposed tax-exempt equipment lease will not count against the Town’s 8% General Obligation Bond capacity. It will remain as a long-term financial obligation of the Town until fully repaid.

Key Dates & Milestones:

- ☐ May 6 – Town Council Meeting: First Reading of the Ordinance
- ☐ May 14 – Issue Request for Proposals (RFP) to Potential Bidders
- ☐ May 20 – Town Council Meeting: Second Reading of the Ordinance

- ☐ June 4 – Bid Submission Deadline; Call with Financing Team to Review Bids*
- ☐ June 9 – Financing Team Reviews Financing Agreement and Closing Documents
- ☐ June 24 – Formal Bid Award and Financial Closing
- ☐ June 24 – Transfer of Funds to the Hospitality Tax Fund for:
 - Reimbursement of past fire trucks purchases (8 pumpers)
 - Funding for future fire vehicle purchases (2 quints)

ATTACHMENTS:

1. Town of Hilton Head Island Ordinance Document
2. Request for Proposal (RFP) to be distributed to Financial Institutions

ORDINANCE NO. _____

PROPOSED ORDINANCE NO. _____

AUTHORIZING THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, TO EXECUTE AND DELIVER A LEASE PURCHASE AGREEMENT IN THE AMOUNT OF NOT EXCEEDING \$8,000,000 BETWEEN THE TOWN AND THE LESSOR THEREOF TO DEFRAY THE COST OF ACQUIRING CERTAIN FIRE TRUCKS, INCLUDING REIMBURSEMENT OF THE TOWN THEREFOR; AND OTHER MATTERS RELATING THERETO.

BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL, AS FOLLOWS

Section 1. Findings and Determinations. The Town Council (the “Council”) of the Town of Hilton Head Island, South Carolina (the “Town”), hereby finds and determines:

(a) The Town is an incorporated municipality located in Beaufort County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution and laws of the State of South Carolina.

(b) Section 5-7-40 of the Code of Laws of South Carolina 1976, as amended (the “S.C. Code”), empowers all municipalities to own and possess real and personal property and such municipalities may lease any such property.

(c) The Town has previously ordered certain fire trucks, some of which the Town has previously accepted delivery and some of which the Town expects to take delivery in the future, all as more particularly described in Exhibit A hereto (the “Fire Trucks”), and the Town desires to enter into a lease purchase agreement (the “Lease Agreement”) with a bank or other financial institution selected by the Town Manager for the purpose of financing the acquisition of the Fire Trucks, or reimbursement therefor.

(d) The Lease Agreement will not constitute a “financing agreement” and the Fire Trucks will not constitute “assets” as such terms are defined in Section 11-27-110 of the S.C. Code. Thus, the amount of the Lease Agreement will not be included when calculating the Town’s constitutional debt limit under Article X, Section 14 of the Constitution of the State of South Carolina.

(e) The Lease Agreement will be subject to annual appropriation by the Council.

(f) It is in the best interest of the Town to acquire (or reimburse itself for) the Fire Trucks by entering into the Lease Agreement. The Lease Agreement will enable the Town to purchase the Fire Trucks (or reimburse itself therefor) which will provide service necessary and useful to the operations of the Town government.

Section 2. Approval of Lease/Purchase Financing; Delegation of Authority to Determine Certain Matters Relating to the Lease/Purchase Financing. The Fire Trucks described in Exhibit A shall be acquired (or the Town shall reimburse itself therefor) pursuant to a lease purchase financing which is hereby approved in a principal amount of not exceeding \$8,000,000 (the “Lease/Purchase Financing”). The Request for Proposals in the form set forth as Exhibit B hereto and the distribution thereof to various banks and other financial institutions in the Town and other locations as the Town Manager shall determine, is hereby ratified and approved. Without further authorization, the Council hereby delegates to the Mayor and the Town Manager, or either of them acting alone, the authority to: (a) determine the principal amount of the Lease Agreement, if less than authorized by this Ordinance; (b) determine the payment schedule and final payment date under the Lease Agreement; (c) determine the terms relating to any prepayment of the Lease Agreement; (d) determine the date and time for receipt of bids under the Request for Proposals; (e) accept, as well as negotiate, with any responsible bidder under the terms of the Request for Proposals and award the sale of the Lease Purchase Financing to the bidder (the “Bidder”) submitting the proposal determined to be the most advantageous to the Town in accordance with the terms of the Request for Proposals; and (f) make changes to the quantity, cost or description of the Fire Trucks set forth in Exhibit A attached hereto.

Section 3. Approval of Lease Agreement. Without further authorization, the Mayor and the Town Manager, or either of them acting alone (each, an “Authorized Person”), is authorized to approve the form, terms and provisions of the Lease Agreement proposed by the Bidder, and to execute, acknowledge and deliver the Lease Agreement in the name and on behalf of the Town. The proceeds of the Lease Agreement shall be used for the acquisition of the Fire Trucks (or reimburse the Town therefor) as well as any of the Town’s costs of issuance related thereto. The Lease Agreement is to be in the form as shall be approved by any Authorized Person, the Authorized Person’s execution thereof to constitute conclusive evidence of such approval.

Section 4. Execution of Documents; Ratification of Certain Actions. The Mayor, Town Manager, Assistant Town Manager, Clerk, Finance Director and Town Attorney are fully empowered and authorized to take such further actions and to execute and deliver such additional documents as may be reasonably requested by the Bidder to effect the delivery of the Lease Agreement, including any project fund or acquisition fund agreement, in accordance with the terms and conditions therein set forth and the transactions contemplated hereby and thereby, and the actions of such officers in executing and delivering any of such documents, in such form as any Authorized Person shall approve, is hereby fully authorized.

Section 5. Federal Tax Covenant. The Town, as lessee under the Lease Agreement, agrees and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest components of the payments to be made under the Lease Agreement to become includable in the gross income of the Bidder or its successors or assignees for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended (“Code”) and regulations promulgated thereunder in effect on the date of the execution and delivery of the Lease Agreement, and that it will comply with all applicable provisions of Section 103 and Sections 141 through 150 of the Code, and any regulations promulgated thereunder, to maintain the exclusion from gross income for federal income tax purposes of the interest portion of the payments to be made under the Lease Agreement; and to that end the Town shall:

- (a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as the Lease Agreement is outstanding;
- (b) establish such funds, make such calculations and pay such amounts in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and
- (c) make such reports of such information at the times and places required by the Code.

The Town will timely file Form 8038-G in accordance with the applicable regulations of the Internal Revenue Service.

Section 6. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, the Town covenants that it will file or cause to be filed with a central repository for further availability in the secondary bond market when requested; (a) a copy of the annual audit of the Town within thirty (30) days of the Town's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which, in the opinion of the Town, adversely affects more than five percent (5%) of the Town's revenue or its tax base.

Section 7. Severability. All ordinances, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the execution of the Lease Agreement are, to the extent of such conflict, hereby repealed.

Section 8. Effective Date. This Ordinance shall be effective upon its enactment by the Council.

[Execution page follows]

PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN
OF HILTON HEAD ISLAND, SOUTH CAROLINA ON THIS ____ DAY OF _____, 2025.

Alan Perry, Mayor

ATTEST:

Kimberly Gammon
Town Clerk

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

First Reading:
Second Reading:

Introduced by Council Member:

[Signature page]

EXHIBIT A

Fire Trucks

Description/Quantity	Approximate Cost	Delivery Dates
8 pumper fire trucks	\$5,051,890.32	June-October, 2024
2 quintuple combination pumper fire trucks	\$2,398,852.72	Fiscal Year 2027 ¹

¹ Expected

EXHIBIT B

Form of Request for Proposals

Request for Proposals

Town of Hilton Head Island, South Carolina \$[_____] * 2025 Lease Purchase Financing

Bids due by: Wednesday, June 4, 2025 @ 12:00pm

The Town of Hilton Head Island, South Carolina (the “Town”), is requesting electronic proposals from financial institutions with respect to a commercial loan to be evidenced by its \$[_____] * tax-exempt lease purchase financing (the “Financing”) between the lessor and the Town. The following key assumptions are to be utilized in preparing your proposal:

Issuer: Town of Hilton Head Island, South Carolina.

Use of Proceeds: The proceeds of the Financing will be used to (i) reimburse the Town for the purchase of eight pumper fire trucks at an approximate cost of \$5,051,890, (ii) purchase two quintuple combination pumper fire trucks to be delivered at a later date at an approximate cost of \$2,398,853 and (iii) pay cost of issuance. The fire trucks are collectively referred to herein as the “Vehicles”.

Tax Treatment: Tax-Exempt.

Bank Qualified: No.

Audit: The Town’s annual comprehensive financial reports and budgets are available on the Town’s website at the following link: <https://hiltonheadislandsc.gov/finance/>

Title: Title to the Vehicles will be in the name of the Town, subject to the lessor’s rights under the financing agreement. The successful bidder shall be responsible for taking all actions it deems necessary to impose its lien upon or perfect any security interest in the Vehicles.

Unencumbered title to the Vehicles must be provided to the Town, and the bidder’s lien on the Vehicles must be released, on the date of final payment, whether upon maturity or prior redemption of the financing agreement. The financing agreement must allow the Town to dispose of certain of the Vehicles in its sole discretion prior to the termination of the financing agreement provided the value of the remaining Vehicles is not less than the outstanding principal balance of the financing agreement at the time of such disposition.

*Acquisition/
Escrow Account:* The Town will require the successful bidder to transfer by Federal funds the full amount of the Financing on the date of the closing. If a bidder requires that an acquisition/escrow account be held by it or its designee, the bidder must so indicate in its proposal. Otherwise, the Town retains the right to designate a bank or the South Carolina Local Government Investment Pool to act as custodian of the acquisition/escrow account. If held by the lender, the acquisition/escrow account must be an interest-bearing account with earnings accruing to the benefit of the Town. This acquisition/escrow account will be structured to allow payments therefrom to be made (1) to the Town to reimburse it for amounts previously

expended on the Vehicles and (2) to the vendors of the Vehicles for payment as directed by the Town. All funds invested or deposited in the acquisition/escrow account shall at all times be invested or deposited, as applicable, in a manner which satisfied the requirements of the laws of the State of South Carolina relating to investment or deposit of public funds, including, without limitation, Sections 6-5-10, 6-5-15 and 6-6-10 or of the Code of Laws of South Carolina 1976, as amended, as applicable.

Deficiency

Judgment:

No deficiency judgment can be assessed or imposed against the Town nor will the full faith, credit and taxing power of the Town be pledged to the payment of the Financing.

Non-Appropriation:

There must be a non-appropriation clause in the financing agreement. Any and all amounts due including, but not limited to, scheduled lease payments, reimbursements, penalties or fees under the financing agreement or any acquisition/escrow account must be subject to annual appropriation by the Town.

Non-Substitution:

Non-substitution clauses are not permitted.

Rating:

No credit rating is expected to be obtained for the Financing. However, the Town currently maintains General Obligation Bond ratings of Aaa / AA+ / AAA from Moody's, S&P and Fitch, respectively.

Issue Size:

[\$_____]*

Debt Structure:

The Town has provided a preliminary amortization below, which should be used in preparation of your bid. The Town reserves the right to revise the amortization to achieve its desired level debt service structure. A fixed rate for the entire term of the Financing is required.

[AMORTIZATION TABLE TO BE INSERTED]

Principal Payments:

Annual principal payments commencing June 1, 2026.

Interest Payments:

Annual interest payments, calculated on a 30/360 basis, commencing June 1, 2026.

Prepayment:

The Town is seeking flexibility with respect to redemption provisions. Please specify the redemption structure(s) that would provide the Town with flexibility at the lowest cost of funds. Proposals with multiple redemption options are permitted.

Closing Costs:

None anticipated to be paid to or on behalf of the successful bidder. Please specify any exceptions.

Annual/Ongoing Costs:

None anticipated to be paid to or on behalf of the successful bidder. Please specify any exceptions.

Closing:

Closing is anticipated to take place on June 24, 2025. The interest rate bid must be held firm until at least this date.

Ongoing Disclosure: In accordance with its customary practice, the Town will post its annual financial statements to its website when available. The Town expects these filings will satisfy all financial reporting requirements. If additional information will be requested beyond these filings, describe the specific level, type and frequency of such additional requirements.

Award: *The Town expects to accept the successful proposal by the close of business on Thursday, June [5], 2025 (the “Award Date”).* The Town reserves the right to request additional information from the bidders and to waive any irregularity or informality and to negotiate provisions and covenants directly with any bidder. The Town also reserves the right to reject all proposals for any reason. Although the selection will be based substantially on lowest total financing cost (including both interest cost and upfront fees and expenses), the Town reserves the right to award the commercial loan to be evidenced by the Financing to the bidder that best meets the needs of the Town in the Town’s sole and absolute discretion.

Bids containing rates of interest which may adjust upon the occurrence of specified events, including changes in the Internal Revenue Code of 1986, as amended, changes in the bidder’s capital requirements or cost of capital or loss of tax exemption (other than due solely to the actions or inactions of the Town), will be rejected. In the event of a tie bid and absent other factors favoring one proposal over another in the Town’s sole and absolute discretion, the financing agreement will be awarded to the bidder whose bid was received first in the Town’s sole and absolute discretion.

*Special Counsel/
Documentation:*

Burr & Forman, LLP (“Burr”) will serve as special counsel to the Town in connection with the Financing. The legal documentation necessary for the Financing will be prepared by Burr, subject to the review and approval by the winning bidder and its counsel (if any). A copy of the financing agreement can be provided upon request. Alternatively, the Town and Burr may consider the use of a financing agreement provided by the winning bidder, subject to the review and approval of Burr.

Representations:

The winning bidder (the “Bank”) will be required to execute a letter to the Town acknowledging, among other things, that (1) no official statement or other offering material has been furnished other than this Request for Proposals (“RFP”); (2) the Bank had an opportunity to make inquiries of, and receive answers from such officials, employees, agents and attorneys of the Town; (3) the Bank has knowledge and experience in financial and business matters and that it is capable of evaluating the merits and risks of making the loan to be evidenced by the Financing and is financially able to bear the economic risk of holding the Financing; (4) the Bank is acquiring the Financing as a vehicle for making a commercial loan and without a present view to the distribution or resale thereof (subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be under its control) within the meaning of the Federal securities laws; and (5) the Bank is acquiring the Financing solely for its own account and no other person now has any direct or indirect beneficial ownership or interest therein.

The Bank will also be required to covenant that it will not voluntarily dispose of all or any portion of the Financing unless it procures from each assignee thereof representations and covenants in form and content substantially the same as those made by the Bank.

LOAN TREATMENT:

BY SUBMITTING A BID IN RESPONSE TO THIS RFP, EACH BIDDER ACKNOWLEDGES AND REPRESENTS TO THE TOWN AND ITS FINANCIAL ADVISOR THAT (1) NO OFFICIAL STATEMENT OR OTHER OFFERING MATERIAL WILL BE FURNISHED OTHER THAN THIS RFP; (2) THE BIDDER HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS AND THAT IT IS CAPABLE OF EVALUATING THE MERITS AND RISKS OF MAKING THE COMMERCIAL LOAN TO BE EVIDENCED BY THE FINANCING AND IS FINANCIALLY ABLE TO BEAR THE ECONOMIC RISK OF HOLDING THE FINANCING; (3) NO CUSIP NUMBER WILL BE OBTAINED FOR THE FINANCING; AND (4) THE BIDDER INTENDS TO ACQUIRE THE FINANCING SOLELY FOR ITS OWN ACCOUNT AS A VEHICLE FOR MAKING A COMMERCIAL LOAN AND WITH NO PRESENT INTENTION TO DISTRIBUTE OR RESELL THE FINANCING OR ANY PORTION THEREOF.

Confidentiality:

If requested by a bidder, the Town and its professional advisors will maintain the confidentiality of such bid and the contents therein beginning from the Town's receipt of such bid until the Award Date; however, neither the Town nor its professional advisors shall be subject to any term or provision relating to the confidentiality of any bid or the contents therein following the Award Date. Notwithstanding anything to the contrary, in no event shall any confidentiality term or provision contained in any bid prevent any disclosure by the Town required by any applicable law or regulation (including continuing disclosure undertakings by the Town required thereby) or as a result of any legal or administrative procedure.

Proposals should include: the name, address, telephone number of your institution; the primary contact; and identity of legal counsel, if any.

To be considered, a proposal must be received by 12:00 pm on Wednesday, June 4, 2025. Email submission of the proposal to the following individuals is required:

adrianab@hiltonheadislandsc.gov

johnmc@hiltonheadislandsc.gov

mseezen@burr.com

fheizer@burr.com

dcheatwood@firsttryon.com

asmith@firsttryon.com

Questions may be addressed to the Town through its special counsel or financial advisor:

Special Counsel

Frannie Heizer / Michael Seezen

Burr & Forman, LLP

(803) 753-3232 / (803) 753-3257

mseezen@burr.com

fheizer@burr.com

Financial Advisor

David Cheatwood / Andy Smith

First Tryon Advisors

(704) 926-2447 / (704) 703-3747

dcheatwood@firsttryon.com

asmith@firsttryon.com

No questions may be directed to or contacts made with the Mayor, other members of Town Council or any Town staff not identified in this Request for Proposals as points of contacts during the period of time that this Request for Proposals is made public until the final selection is made, except as otherwise provided for herein. Violation of this prohibition may disqualify the bidder from further consideration.



TOWN OF HILTON HEAD ISLAND

Town Council

TO: Town Council
FROM: Shawn Leininger, Assistant Town Manager
CC: Marc Orlando, Town Manager
DATE: May 20, 2025
SUBJECT: Consideration of a Resolution of the Town of Hilton Head Island, South Carolina Adopting a Housing Displacement Mitigation Support Plan

RECOMMENDATION:

Town Council review and consider a Resolution adopting a Housing Displacement Mitigation Support Plan.

BACKGROUND:

Right-Sized Infrastructure is a focus area in the adopted Town Council 2023-2025 Strategic Action Plan. In fulfillment of this focus area, Strategy #2 Implement the Workforce Housing Framework: Finding Home states:

“Workforce housing affordability has been a growing challenge on Hilton Head Island and this negative trend has been accelerating over the last five years. Without deliberate action to counteract these trends, the Town will continue to lose its valuable share of workforce housing, home-by-home, or family-by-family. The Workforce Housing Framework is a commitment to preserve and expand workforce housing options on Hilton Head Island through the adoption of four (4) foundational pillars: Community, Planning, Management, and Revenue. Collectively, these pillars establish the enabling structure to assign future policy, programs, organizational capacity, resources, and management.”

In this regard, Town Council directed Town staff to develop and adopt a housing displacement mitigation support plan in the 2024 Strategic Action Work Plan. With the guidance of the Housing Action Committee and other community partners, Town staff developed a housing displacement mitigation plan. The Housing Action Committee subsequently voted unanimously (10-0) on December 9, 2024, to recommend the adoption of Home Matters: Town of Hilton Head Island Displacement Mitigation Support Plan to Town Council.

Shortly following this action, and as the Plan was being put to test, it was determined that changes to certain community partners were necessary. These changes included an

update to the designated Fiduciary Lead Partner and the establishment of a Fiscal Agent. More specifically, United Way of the Lowcountry replaced the Community Foundation of the Lowcountry as the Fiduciary Lead Partner, while the Community Foundation of the Lowcountry became the designated Fiscal Agent. This change provided a clear and needed separation in fundraising and financial management responsibilities. The Housing Action Committee voted unanimously (7-0) on February 26, 2025, to recommend approval of the amended Plan to Town Council.

The Home Matters: Town of Hilton Head Island Displacement Mitigation Support Plan was forwarded to the Community Services and Public Safety (CSPS) Committee for review and consideration at the March 17, 2025, meeting. Following review, the CSPS Committee voted (2-1) “to deny adopting the document, sending it back to [Housing Action] Committee for further discussion and work with the Housing Action Committee on where the document should live.” In discussing the motion, the CSPS Committee requested that this not be a Town document with responsibility to implement and that the Town’s role be focused and clearly defined. Additionally, it was recommended that the Voluntary Displacement Mitigation Questionnaire be removed from the plan in its current form and instead restructured as a template or resource tool for voluntary use .

The Plan was subsequently revised by Town Staff as directed by the CSPS Committee. These revisions included the following:

1. To better reflect this community led initiative and the community partnerships that are responsible for the implementation, the document was modified to be the Housing Displacement Mitigation Support Plan without any Town or partner logos.
2. The Town’s role was clarified and focused on identification and notification of potential displacement events to the Lead Partner.
3. The changes noted to reflect the community-based approach and the focused role of the Town, resulted in modifications to the structure of the document where sections were removed or consolidated. As such, the document formatting and structure has changed.
4. The role of the Lead Partner was clarified to include activating and coordinating the Community Response Team.
5. The voluntary displacement questionnaire was renamed and refined into a sample survey for community partners to use as, and if, desired.
6. A seven-step Response and Coordination Structure was added to better illustrate and guide response efforts.

The amended Plan was reviewed by the Housing Action Committee on May 14, 2025. After review, the Housing Action Committee recommended Town Council approve the amended Housing Displacement Mitigation Support Plan (6-2).

SUMMARY:

The Housing Displacement Mitigation Support Plan is a community-driven initiative to mitigate the impact of housing displacement. It brings together local expertise, resources,

and commitment to ensure timely and effective responses to housing crises. This Plan reflects a shared responsibility to safeguard the well-being and security of all residents. Further, the Plan is designed to connect displaced residents with essential services, such as financial assistance, temporary lodging, legal aid, and other support.

The Plan was shaped collaboratively through extensive input from community organizations, government agencies, and service providers, ensuring that strategies are locally informed and practical. Tabletop exercises simulated real-world scenarios to test the Plan's effectiveness.

Central to the implementation of the Housing Displacement Mitigation Support Plan is the Community Response Team. The Community Response Team consists of a range of organizations, agencies, non-profits, and other relevant entities that provide services and resources such as housing, employment, legal, financial assistance, and counseling. The Team functions under the following structure:

1. **Lead Partner.** The Deep Well Project is the Lead Partner and is responsible for activating, coordinating, and overseeing stakeholder efforts. The agency was selected based on its experience managing displacement events and its staff and volunteer capacity.
2. **Fiscal Agent.** The Community Foundation of the Lowcountry is the Fiscal agent and manages the Hilton Head Island Re-Home Support Fund, overseeing financial stewardship in accordance with donor and regulatory guidelines.
3. **Fiduciary Lead Partner.** The United Way of the Lowcountry is the Fiduciary Lead Partner and provides financial oversight and reviews funding requests submitted by the Community Response Team. Approved disbursements are coordinated with the Fiscal Agent and directed to The Deep Well Project or other recognized charitable partners.

The Plan includes a clear coordination and response structure that includes the following process:

1. **Identification and Notification.** Notification of a potential or active displacement event may come from various sources, particularly the Town given its authority over the redevelopment of properties and that may result in a displacement event. Once a potential displacement event is identified, the Deep Well Project will be notified as the Lead Partner and will activate the Community Response Team. This identification and notification is the primary role of the Town.
2. **Activation of the Community Response Team.** The Deep Well Project mobilizes the Community Response Team, initiating communication and preparing support services for affected residents.

3. **Coordinated Support Services.** The Community Response Team works together to assess resident needs and coordinate services. Core support includes rental assistance, moving aid, temporary lodging, case management, employment support, legal assistance, financial assistance, and counseling.
4. **Funding Oversight and Disbursement.**
 - a. United Way of the Lowcountry is the Fiduciary Lead Partner, reviewing funding requests and ensuring appropriate use.
 - b. Community Foundation of the Lowcountry acts as the Fiscal Agent, managing the Re-Home Support Fund and disbursing resources in line with approvals.
 - c. Payments go to The Deep Well Project or other IRS-recognized Community Response Team organizations.
5. **Service Delivery and Ongoing Support.** Community Response Team members deliver necessary support to displaced residents and remain engaged throughout recovery, ensuring alignment with the Plan's goals.
6. **Communication and Coordination.** The Lead Partner maintains open communication among partners and displaced residents, ensuring efforts are aligned and responsive to evolving needs.
7. **Ongoing Coordination & Monitoring.**
 - a. Lead Partner monitors implementation and coordinates regular updates among partners.
 - b. The Community Response Team adjusts services based on changing needs and feedback from residents and partners.

The Community Response Team activities may include assessments to understand individual needs. To support the effective implementation of the Plan, a Sample Voluntary Housing Displacement Mitigation Support Survey has been developed for use by community partners. This survey, if needed, is intended to collect information from residents impacted by potential displacement and will guide the coordination of appropriate services by the Team.

The Housing Displacement Mitigation Support Plan represents a coordinated, community-led approach to addressing housing displacement on Hilton Head Island. Developed through collaboration and refined based on Housing Action and CSPA Committee feedback, the Plan clearly defines the Town's role while empowering a structured network of partners to respond effectively to displacement events.

ATTACHMENTS:

1. Resolution
2. Housing Displacement Mitigation Support Plan

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, APPROVING THE HOUSING DISPLACEMENT MITIGATION SUPPORT PLAN

WHEREAS, the Town Council adopted the Workforce Housing Framework on November 1, 2022, which is a comprehensive approach aimed at equipping Town and community leaders with effective strategies and actionable tactics to meet the growing demand for housing preservation and new construction; and

WHEREAS, the Town Council formed the Housing Action Committee on May 16, 2023, with the sole purpose of advising and recommending to the Town various workforce housing strategies for their consideration, adoption, and implementation; and

WHEREAS, on March 21, 2024, the Town Council adopted the Town of Hilton Head Island Fiscal Year 2024-2025 Strategic Plan, which included strategic direction on housing initiatives; to include the creation of a Displacement Mitigation Support Plan; and

WHEREAS, on December 9, 2024, the Housing Action Committee reviewed and recommended the “Home Matters: Town of Hilton Head Island Displacement Mitigation Support Plan” on a vote of 10-0 to Town Council for consideration of approval; and

WHEREAS, on February 26, 2025, the “Home Matters: Town of Hilton Head Island Displacement Mitigation Support Plan” was updated to reflect changes to the structure of lead partners following a recent displacement event, and was subsequently approved by the Housing Action Committee with a unanimous 7-0 vote; and

WHEREAS, On March 17, 2025, the Community Services & Public Safety Committee reviewed the "Home Matters: Town of Hilton Head Island Displacement Mitigation Support Plan" and, by a vote of 2-1, declined to recommend it to the Town Council for consideration. The Plan was referred back to the Housing Action Committee for further discussion and clarification regarding where it should formally reside. As part of the motion, the Committee also recommended that the Voluntary Displacement Mitigation Questionnaire be removed from the Plan in its current form and instead restructured as a template or resource tool for voluntary use; and

WHEREAS, on May 14, 2025, the Housing Action Committee reviewed and recommended the "Housing Displacement Mitigation Support Plan" to the Town Council for consideration of approval on a vote of 6-2; and

WHEREAS, the "Housing Displacement Mitigation Support Plan" is a community- driven effort designed to tackle the challenges of residential displacement on Hilton Head Island.

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina, finds that the adoption of the “Housing Displacement Mitigation Support Plan” is in the best interests of, and promotes the health, safety and general welfare of the Town, and its citizens, residents and property owners.

NOW, THEREFORE, BE IT, AND HEREBY IT IS, RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA:

1. The "Housing Displacement Mitigation Support Plan" a copy of which is attached hereto as Exhibit "A," is hereby adopted.
2. The Town Manager is authorized to take all actions as he deems appropriate to implement the Plan.

MOVED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2025.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

Alan R. Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

HOUSING DISPLACEMENT MITIGATION SUPPORT PLAN



ACKNOWLEDGEMENTS

The Housing Displacement Mitigation Support Plan is a testament to numerous community organizations' collaborative spirit and dedication. Thank you for the invaluable contributions to addressing housing displacement mitigation challenges on Hilton Head Island.

Housing Action Committee

- Jack Alderman, Chair
- Sandy West, Co-Chair
- Sandy Gillis
- Sarah Jones- Anderson
- Katie Varin
- Dennis Crawford
- Janet Fantano
- Luana Graves-Sellars
- Ayaks Castellanos
- Stuart Bell

Community Response Team Lead Partners

- The Deep Well Project
- Community Foundation of the Lowcountry
- United Way of the Lowcountry

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EXECUTIVE SUMMARY

Hilton Head Island faces increasing housing displacement pressures as rising rents and limited housing availability leave vulnerable populations at risk. In some cases, rental costs have surged by as much as 50% from the previous lease term, making it difficult for working families to secure stable housing in a market with low vacancies. Housing displacement risks are further compounded when rental properties are sold for redevelopment.

A recent example is Chimney Cove Village, where in 2022, approximately 300 tenants were at risk of losing their homes due to a proposed redevelopment. Although the redevelopment project did not materialize, Chimney Cove remains a potential redevelopment site, highlighting the need for a plan to support residents facing displacement with access to a web of available community resources.

In response, this Housing Displacement Mitigation Support Plan was developed to connect displaced residents with essential community resources. This Plan was shaped through collaboration with community partners, ensuring its goals and strategies are locally informed and responsive. It outlines a coordinated response, leveraging existing public and private resources to support residents in times of displacement.

At the heart of the Housing Displacement Mitigation Support Plan is a commitment to a community-driven approach, ensuring that stakeholders work together to create a meaningful solution. This unified strategy will help Hilton Head Island proactively address displacement challenges and build a more sustainable future for the entire community.

SHAPING THE PLAN



In response to the challenges posed by displacement events, this Housing Displacement Mitigation Support Plan is designed to provide essential services and support to displaced residents by leveraging the collaborative efforts of community partners within these organizations' existing eligibility and support functions. Community partners will support residents while utilizing private funding for displacement mitigation efforts in a coordinated, planned approach.

Community Involvement

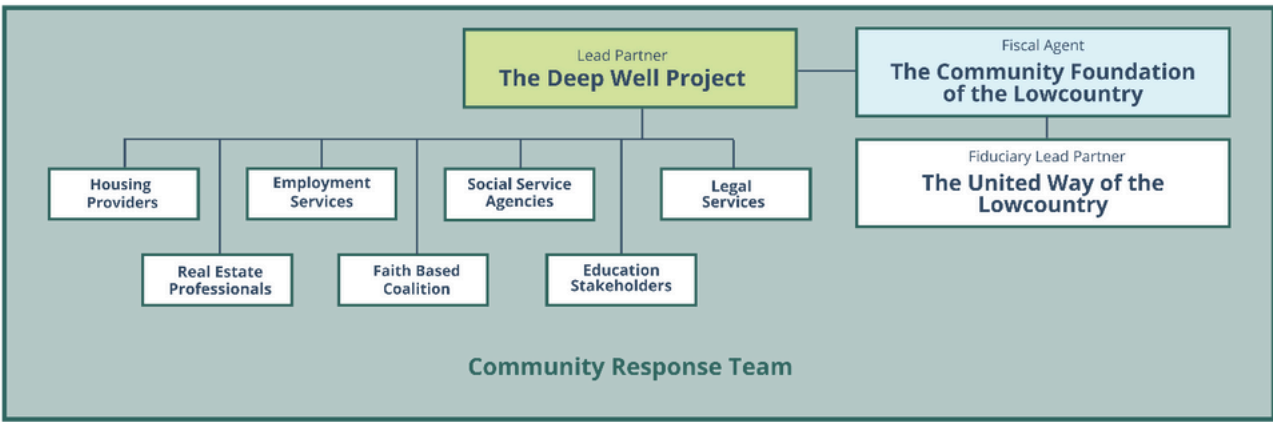
Community stakeholders, including the Beaufort County Economic Opportunity Commission, Lowcountry Council of Governments, and other social service agencies, convened to develop and shape the Housing Displacement Mitigation Support Plan. Through virtual and in-person meetings, stakeholders provided valuable input, helping define key strategies, programmatic support, eligibility requirements, and recommendations to develop the organization roster that makes up the Community Response Team.

Tabletop exercises were conducted to ensure the Plan's effectiveness, testing it against real-world scenarios such as redevelopment, workforce displacement, and large-scale natural disasters. These exercises were essential in identifying potential gaps and refining the Plan for comprehensive, actionable implementation.

ROLES & RESPONSIBILITIES

The organizational structure for the Housing Displacement Mitigation Support Plan establishes a Community Response Team, which the Lead Partner, the Deep Well Project, leads. The Lead Partner activates and mobilizes necessary resources and support services to manage displacement events. This design aims to streamline communication, resource allocation, and the execution of the Plan. The organizational chart highlights the importance of collaboration and resource sharing among organizations to address displacement issues effectively. Participants also leveraged best practices, community feedback, and their experiences to propose practical solutions for the Plan. When the Town of Hilton Head Island becomes aware of a displacement event, it will notify the Lead Partner.

Role of the Community Response Team



The Community Response Team works directly with displaced residents, providing essential services and tailored support during displacement events. Collaborating closely with resource partners, the Lead Partner ensures a coordinated response that addresses the unique needs of each household. The Fiscal Agent, the Community Foundation of the Lowcountry, manages the Hilton Head Island Re-Home Support Fund (a privately held fund) and facilitates a platform for monetary donations to support necessary displacement services. At the same time, the Fiduciary Lead Partner, the United Way of the Lowcountry, oversees the allocation of financial resources. The Community Response Team consists of community organizations, government agencies, non-profits, and other relevant entities that provide services and resources such as housing, employment, legal, and financial counseling. The combined expertise of the Community Response Team is harnessed to address each unique displacement event to effectively implement the Housing Displacement Mitigation Support Plan.

Together, the Community Response Team ensures seamless coordination, leveraging diverse sources to assist residents through every stage of displacement recovery. The roles of the Community Response Team are as follows:

- **Lead Partner: The Deep Well Project**

The Deep Well Project will serve as the Lead Partner, responsible for activating, coordinating, and overseeing the collaborative efforts of various stakeholders in addressing displacement challenges. This agency facilitates communication, collaboration, and resource allocation among team members, ensuring alignment with the team's objectives and priorities. The Lead Partner was selected for their extensive experience managing displacement events and existing staff and volunteer capacity.

- **Fiscal Agent: Community Foundation of the Lowcountry**

The Community Foundation of the Lowcountry will serve as the Fiscal Agent, holding and managing the displacement funds within the Hilton Head Island Re-Home Support Fund, a privately held and managed fund. It will oversee financial stewardship, ensuring proper fund management and compliance with donor restrictions and regulatory guidelines.

- **Fiduciary Lead Partner: United Way of the Lowcountry**

The United Way of the Lowcountry will serve as the Fiduciary Lead Partner, providing oversight on expenditures of the Hilton Head Island Re-Home Support Fund to support rental assistance, moving aid, diversion programs, and other essential services for displaced residents. Disbursements from the fund will be directed to The Deep Well Project or other IRS-recognized charitable organizations within the Community Response Team. Funding requests from the Community Response Team will be submitted to the United Way of the Lowcountry. Upon approval, disbursements will be coordinated with the Fiscal Agent, the Community Foundation of the Lowcountry. The United Way of the Lowcountry has demonstrated an ability to provide oversight and distribute funding assets to community organizations, reinforcing its capacity to support urgent community needs effectively.

Support Services Offered by the Community Response Team

The Community Response Team activities may include assessments to understand individual needs, access to temporary lodging, financial assistance, and social services, and facilitating diversion strategies to prevent further displacement. The team collaborates closely with resource partners to ensure a comprehensive and coordinated response tailored to the specific needs of each displaced resident. Some areas of expertise include, but are not limited to, the following:

- Case Management
- Rental Assistance
- Moving Expenses
- Diversion Services
- Employment Service
- Legal Services
- Financial Counseling

RESPONSE AND COORDINATION STRUCTURE

The structure below provides a step-by-step process for implementing the Housing Displacement Mitigation Support Plan. It begins with the identification and notification of a potential or active displacement event, followed by the activation of the Community Response Team, coordination and delivery of support services, partner communication, and ongoing monitoring.

1. Identification and Notification

Notification of a potential or active displacement event may come from various sources. Upon receiving credible information, the Deep Well Project can activate the Community Response Team. Additionally, if the Town of Hilton Head Island becomes aware of a displacement event, it will notify The Deep Well Project to initiate an appropriate community response.

2. Activation of the Community Response Team

The Deep Well Project mobilizes the Community Response Team, initiating communication and preparing support services for affected residents.

3. Coordinated Support Services

The Community Response Team works together to assess resident needs and coordinate services. Core support includes rental assistance, moving aid, temporary lodging, case management, employment support, legal assistance, and financial counseling.

4. Funding Oversight and Disbursement

- **United Way of the Lowcountry** is the Fiduciary Lead Partner, reviewing funding requests and ensuring appropriate use.
- **Community Foundation of the Lowcountry** acts as the Fiscal Agent, managing the Re-Home Support Fund and disbursing resources in line with approvals. Payments go to The Deep Well Project or other IRS-recognized Community Response Team organizations.

5. Service Delivery and Ongoing Support

Community Response Team members deliver tailored support to displaced residents and remain engaged throughout recovery, ensuring alignment with the Plan's goals.

6. Communication and Coordination

Throughout implementation, the Lead Partner maintains open communication among partners and displaced residents, ensuring efforts are aligned and responsive to evolving needs.

7. Ongoing Coordination & Monitoring

- Lead Partner monitors implementation and coordinates regular updates among partners.
- Community Response Team adjusts services based on changing needs and feedback from residents and partners.

CONCLUSION

The Housing Displacement Mitigation Support Plan is a community-driven effort designed to tackle the issue of residential displacement. Rising housing costs and limited availability create significant challenges for local families. This Plan unites various community partners to provide vital support and solutions. While addressing immediate displacement needs is critical, it is also recognized that long-term housing solutions are necessary.

Central to the Plan's success is its emphasis on coordinating existing community stakeholders, resources, and support services. Through meetings and workshops, stakeholders shared valuable insights, ensuring the strategies developed within the Plan were relevant and practical. This comprehensive approach fosters a sense of connection and commitment to the Plan's objectives.

Key partners have been identified to play critical roles in ensuring the Plan's effective implementation. These partners bring essential expertise, resources, and strong community ties. Each partner will oversee different aspects of the Plan, from coordinating direct services to managing fundraising and mobilizing volunteers.

This structured approach enhances the Plan's operational effectiveness and ensures that assistance reaches those in need swiftly and efficiently. Notably, the Plan is designed to adapt to changing needs and circumstances. It's not just a static response but an ongoing effort to support residents facing housing challenges.

The Housing Displacement Mitigation Support Plan is a proactive and collaborative initiative to build a stronger, more resilient Hilton Head Island. Through shared efforts and a clear structure, the community aspires to ensure that all residents can live securely and prosper despite the challenges posed by the housing market.

EXHIBIT: Sample Voluntary Housing Displacement Mitigation Support Survey

This is a voluntary survey for the property owner or authorized representative. You may skip any questions that don't apply. The information provided will only be used to help assess and address potential displacement related to the proposed project.

1. Are there existing tenants in the development?

2. Are the tenants aware of the proposed project?

3. What is the current occupancy rate?

4. How many units (number and type) and tenants (household size) are impacted?

5. What is the average lease length and expiration timeline?

6. What are the current rent ranges, and will these change post-redevelopment?

7. Will the new development maintain the same use (rental, mobile home, ownership)?

8. Will the property include workforce housing? If so, what will the rent ranges be?

9. Would the property owner consider workforce housing if incentives are available?

10. Would tenants be offered the 'first right to return' if they qualify?

11. Do current tenants include school-aged children or Island-based workers?

12. Are bilingual services needed for tenants?

13. Will the owner consider an extended lease termination process?



TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO: Town Council
FROM: Missy Luick, Director of Planning
CC: Shawn Leininger, Assistant Town Manager
CC: Marc Orlando, Town Manager
DATE: May 20, 2025
SUBJECT: Consideration of an Ordinance of the Town of Hilton Head Island to Amend Title 16 of the Municipal Code, the Land Management Ordinance, to Amend Sections 16-3-104.G and 16-4-102.A.6 to Add Workforce Housing as a Permitted Conditional Use in the Moderate to High Density Residential (RM-12) District, to Amend Section 16-4-102.B.1 to Include Property Size and Location Requirements for Workforce Housing in RM-12, to Amend Section 16-4-105.A to Provide for a Workforce Housing Density Bonus and Impervious Surface Increase in RM-12, to Amend Section 16-4-105.B to Clarify Workforce Housing Agreement Requirements, and to Provide for Severability and an Effective Date

RECOMMENDATION:

Town Council consider First Reading of an Ordinance of the Town of Hilton Head Island to Amend Title 16 of the Municipal Code, the Land Management Ordinance, to amend Sections 16-3-104.G and 16-4-102.A.6 to add Workforce Housing as a Permitted Conditional Use in the Moderate to High Density Residential (RM-12) District, to amend Section 16-4-102.B.1 to include property size and location requirements for workforce housing in RM-12, to amend Section 16-4-105.A to provide for a workforce housing density bonus and impervious surface increase in RM-12, to amend Section 16-4-105.B to clarify workforce housing agreement requirements, and to provide for severability and an effective date.

The Planning Commission held a public hearing on March 19, 2025, and, after consideration of the criteria set forth in Section 16-2-103.B.3, voted unanimously to recommend that Town Council approve the proposed text amendment.

On April 21, 2025 the Community Services and Public Safety Committee voted 3-0 to recommend approval to Town Council.

*Stephen G. Riley Municipal Complex
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www.hiltonheadislandsc.gov*

BACKGROUND:

Revitalize and Modernize the Economy is a focus area in the adopted Town Council 2023-2025 Strategic Action Plan. In fulfillment of this focus area, Strategy #1 Establish a Growth Management Strategy states the Town will:

“Successfully manage increasing and evolving future growth patterns in a manner that will ensure sustainability of Hilton Head Island’s unique character. Additionally, the Town must monitor economic and demographic trends, undertaking a comprehensive list of future planning activities, and proactively protecting the Island’s rich natural resources through appropriate design, regulation, and capital investment practices.”

In this regard, Town Council directed Town Staff to advance amendments to the Land Management Ordinance (LMO) in the 2024 Strategic Action Work Plan. The effort has been divided into two separate projects, the full LMO Overhaul and the priority amendments. The priority amendments include incremental changes to both the LMO and portions of the Municipal Code related to land management that address important and urgent issues in advance of the full LMO Overhaul. These priority amendments address pressing community development issues with the best short-term solution while minimizing unintended outcomes. Issues that require additional analysis and research or are more complex are recommended to be further explored during the full LMO Overhaul.

At the September 16, 2024, Town Council Workshop, Town staff received the following comments and direction regarding this proposed amendment to the Moderate to High-Density Residential (RM-12) district and workforce housing regulations.

1. Allow workforce housing in the RM-12 District.
2. Allow 25% density bonus for up to 15 dwelling units per acre.
3. Allow an impervious cover increase with the understanding that staff will continue to study this; a maximum of 50% was discussed at the workshop.
4. Require location on a major arterial.
5. Require a minimum lot size (5 acres).

On January 15, 2025, the Planning Commission introduced the Workforce Housing Density Bonus Priority Amendment. During the meeting, Town staff made a presentation to the Planning Commission and, at the request of the Planning Commission, provided clarification on the following items:

1. Clarified short-term rentals are not allowed in the workforce housing program, including the proposed density bonus for the RM-12 zoning district.
2. Analyzed the impervious coverage increase from 35% to 45%. Provided a table of impervious coverage allowances throughout the LMO and identified best practices across South Carolina for multifamily districts.
3. Provided a map of all RM-12 properties that meet the criteria for this density bonus program.

The Planning Commission held a public hearing on March 19, 2025, and voted unanimously to recommend approval to Town Council.

SUMMARY OF AMENDMENT:

On June 18, 2024, the Town Council authorized the Town Manager to execute the Northpoint Workforce Housing Development Agreement. As outlined in the Development Agreement, the Town is responsible for preparing and processing an application for a zoning map and text amendment that will allow the necessary use, density, and development standards to support the creation of a sustainable and energy-efficient workforce housing neighborhood at Northpoint.

The development is planned for 11 acres of Town-owned property strategically located on William Hilton Parkway near the Cross Island Parkway and key community amenities, including Hilton Head Island schools, the Island Recreation Center, and the Boys and Girls Club. The public-private partnership and workforce housing initiative aligns with the Town's 2023-2025 Strategic Plan, specifically Strategy #2 (Workforce Housing Framework).

As part of this effort, the Town intends to rezone the subject property to the RM-12 District and concurrently amend the LMO to allow workforce housing in the RM-12 District. The LMO will also include incentives for increasing the number of workforce housing units. Additionally, project qualification standards are proposed to ensure that developments processed under this new provision will be at least five acres in size and located on a major arterial street. The proposed LMO amendments and rezoning are proposed to accommodate the project's scope and expand workforce housing opportunities.

The priority amendment and rezoning are integral to the Northpoint Workforce Housing Development Agreement, which is dedicated to advancing the Workforce Housing Framework on Hilton Head Island. Workforce affordability is central to the project's mission, which serves households earning between 60% and 150% of the Area Median Income (AMI), with at least half of the units reserved for those earning between 60% and 80% AMI. Affordability covenants will be recorded to preserve long-term access to workforce housing. The development will feature approximately 160 rental units, offering a mix of one-, two-, and three-bedroom apartments. None of these units will be allowed to operate as short-term rentals due to the Workforce Housing (WFH) Program requiring rental units not to be occupied for a period less than 90 days (section 16-4-105.B.4.c).

ANALYSIS:

Proposed Amendments:

The following table demonstrates how the proposed amendments address the identified issues.

Issue	Proposed Amendment
Allow workforce housing in the RM-12 District	Sec.16-3-104. Residential Base Zoning Districts G. Moderate to High Density Residential District (RM-12) District Workforce Housing added as “PC,” permitted with use-specific conditions.
Require a minimum lot size (5 acres). Require location on a major arterial.	Sec.16-4-102. Principal Uses B. Use-Specific Conditions for Principal Uses 1. Residential Uses d. Workforce Housing x. Workforce housing use in the RM-12 District shall comply with the following conditions: a. The property shall be a minimum of 5 acres. b. The property shall be located on a major arterial in accordance with Sec. 16-5-105.B, Street Hierarchy.
Allow 25% density bonus, up to 15 dwelling units per acre. Allow an impervious cover increase from 35 to 45%.	Sec. 16-4-105. Workforce Housing (WFH) Program A. Workforce Housing Density All Units: 3. In the RM-12 District: If at least 50% of all units within the development are workforce housing units, the following is permitted: a. A density bonus up to 25% above the base residential density standards, up to 15 dwelling units per acre. b. A maximum impervious coverage of 45%.

In addition to the review criteria in LMO Sec. 16-2-103.B.3, Ordinance Text Amendment Review Standards, which is covered below, staff also reviewed the questions and concerns expressed by the Planning Commission and Town Council during the review process. The following analysis addresses those considerations.

Comparative Research:

Comparative research on maximum impervious lot coverage requirements was compiled for multi-family development in other municipalities in the State of South Carolina, including the City of Charleston, Charleston County, Beaufort County, Town of Bluffton, Kiawah Island, Georgetown County, and Surfside Beach. This information is presented in the following table.

Municipality	Max. Impervious Cover Multifamily	Other Related Requirements
City of Charleston	50% "lot occupancy," which is <i>building coverage</i> (impervious not regulated)	Height range: 35'-55' Density: Ranges from very low to 26 units/acre to unlimited in some places
Charleston County	50%	Height: 50' Density: 16 units/acre
Beaufort County	50-80%	Height: 3 stories Density: 12 units/acre
Town of Bluffton	70-80%	Height: 4 stories No maximum density
Kiawah Island	60-70%	Height 40' Density: 12 units/acre
Georgetown County	50%	Height: 35' Density: 12 units/acre
Surfside Beach	50%	Height: 55' Density: varies depending on building type and height (high density)
Percentages are based on zoning districts that permit multifamily as a use in that district.		

A comparison of the maximum impervious coverage allowable per the Town of Hilton Head Island Zoning Districts has been provided in the table below and ranges from 35% to 65%. However, lot coverage is unlimited in the Coligny Resort District.

Zoning Districts		Max. Impervious Cover
CONSERVATION AND RECREATION DISTRICTS		
Conservation District	CON	n/a
Parks and Recreation District	PR	45%
RESIDENTIAL DISTRICTS		
Residential Single-Family-3 District	RSF-3	35%*
Residential Single-Family-5 District	RSF-5	35%*
Residential Single-Family-6 District	RSF-6	35%*
Low to Moderate Density Residential District	RM-4	35%*
Moderate Density Residential District	RM-8	35%*
Moderate to High Density Residential District	RM-12	35%*
MIXED-USE AND BUSINESS DISTRICTS		

Coligny Resort District	CR	Unlimited
Community Commercial District	CC	60%
Light Commercial District	LC	60%
Light Industrial District	IL	65%**
Main Street District	MS	60%
Marshfront District	MF	60%
Medical District	MED	60%
Mitchelville District	MV	50%
Neighborhood Commercial District	NC	45%
Planned Development Mixed Use District	PD-1	1) Max. Impervious Cover in areas without Restricted Access and Open to the Public- 40% Residential and 65% Nonresidential. 2) Max Impervious Cover in Areas with Restricted Access - Shall not cause overall impervious cover for the PUD in that PD-1 District to exceed 45%
Resort Development District	RD	50%
Sea Pines Circle District	SPC	60%
Stoney District	S	50%
Waterfront Mixed-Use District	WMU	50%
* Except Single-Family ** In the IL District the Max Impervious Cover is reduced to 55% for self-service storage.		

Observations from Comparative Research:

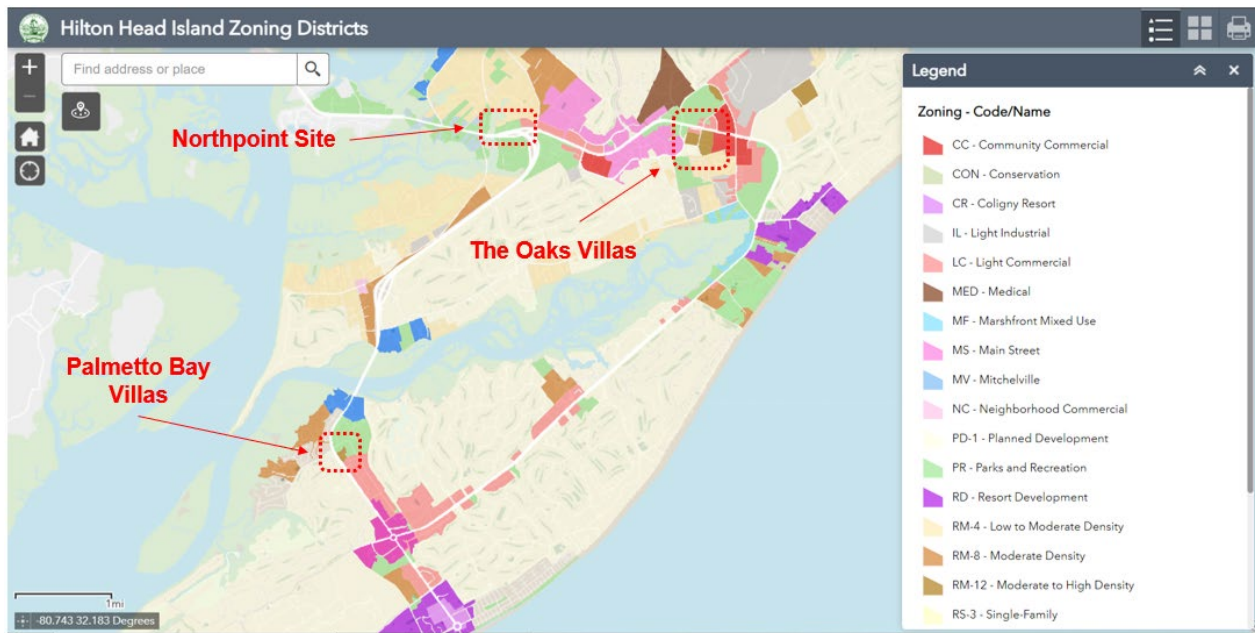
While still allowing and promoting development in keeping with neighborhood character, other coastal communities allow multi-family development with densities of 12-16 units per acre. In these cases, maximum impervious lot coverage typically ranges between 50% and 80%.

The S.C. Sea Grant Consortium notes the limitation of impervious cover as a strategy for Low Impact Development (LID). In their literature, they reference examples of maximum lot coverages required by Pawley's Island and Sullivan's Island and mention these communities as incorporating LID best practices (40-50%). The proposed maximum lot coverage for workforce housing as part of the RM-12 amendments falls within this range.

Eligible Properties

The proposed amendments balance flexibility density and development standards with design and development priorities, such as maintaining open space, ensuring neighborhood scale, preserving trees, and mitigating the impact of impervious lot coverage. The development pattern and standards proposed as part of the amendments to the RM-12 District are limited and reasonable in applicability and scope.

In addition, to supporting the Northpoint development, below is a map depicting Hilton Head Island properties that could be eligible for the RM-12 Workforce Housing Density Bonus program and a table with specific details pertaining to the sites.



Development	Acreage	Current Density	Entitled Density	Entitled Density with Proposed Incentives	Impervious Coverage	Height	Number of Parking Spaces
Palmetto Bay Villas	5.5 acres*	11 DUs per net acre (60 DUs)	66 DUs	82 DUs	±45%**	±35 ft.**	104
The Oaks Villas	10.3 acres	11 DUs per net acre (114 DUs)	123 DUs	154 DUs	±50%**	±35 ft.**	229
* The parcels in this development are currently subdivided and would need to be combined to be eligible for the incentives that are being proposed as part of this Text Amendment. ** These calculations are approximate and are based on data pulled from GIS.							

Nonconformities

This amendment will apply to new development and will not create nonconformities.

Text Amendment Review Standards

Section 16-2-103.B.3 of the LMO provides standards for the review of Text Amendments and states the following:

“In determining whether to recommend that Town Council adopt or deny the proposed text amendment, the Planning Commission may weigh the relevance of and consider whether and the extent to which the proposed Text Amendment:

- a. Is in accordance with the Comprehensive Plan;
- b. Is required by changed conditions;
- c. Addresses a demonstrated community need;
- d. Is 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;
- e. Would result in a logical and orderly development pattern; and
- f. Would not result in significantly 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.”

The proposed text amendment aligns with the review criteria, as it:

1. Supports economic growth and housing goals of the Comprehensive Plan;
2. Responds to changing conditions by calibrating development requirements with strategic objectives;
3. Addresses a demonstrated housing need;
4. Upholds the intent of zoning regulations by allowing reasonable but limited increases in density and impervious surface area when achieving Town goals;
5. Ensures higher-density workforce housing developments in RM-12 are located in appropriate locations along major arterial roads on properties large enough to accommodate residential growth; and
6. Considers best practices in coastal communities, and the impact of residential density increases.

TOWN COUNCIL ACTION:

The Town Council shall review the application, staff report, Planning Commission recommendation, Community Services and Public Safety Committee recommendation and make a final decision on the application based on the standards in Sec. 16-2-103.B.3, Ordinance Text Amendment Review Standards.

The Town Council's decision shall be one of the following:

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

ATTACHMENTS:

1. Ordinance
2. Text Amendment
3. Northpoint Development Overview Presentation

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.: 2025-_____

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND TO AMEND TITLE 16 OF THE MUNICIPAL CODE, THE LAND MANAGEMENT ORDINANCE, TO AMEND SECTIONS 16-3-104.G AND 16-4-102.A.6 TO ADD WORKFORCE HOUSING AS A PERMITTED CONDITIONAL USE IN THE MODERATE TO HIGH DENSITY RESIDENTIAL (RM-12) DISTRICT, TO AMEND SECTION 16-4-102.B.1 TO INCLUDE PROPERTY SIZE AND LOCATION REQUIREMENTS FOR WORKFORCE HOUSING IN RM-12, TO AMEND SECTION 16-4-105.A TO PROVIDE FOR A WORKFORCE HOUSING DENSITY BONUS AND IMPERVIOUS SURFACE INCREASE IN RM-12, TO AMEND SECTION 16-4-105.B TO CLARIFY WORKFORCE HOUSING AGREEMENT REQUIREMENTS, AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina, has identified a continued need for the adoption of LMO Amendments to address needs and issues in the Town as such arise; and,

WHEREAS, the Town Council finds that an amendment to the Land Management Ordinance is needed to permit workforce housing as a conditional use in the Moderate to High Density Residential (RM-12) District in qualifying locations, provide for a workforce housing density bonus and an increase of impervious surface coverage, and clarify workforce housing agreement requirements; and,

WHEREAS, on March 19, 2025, the Planning Commission held a Public Hearing to consider the proposed amendments to permit workforce housing as a conditional use in the Moderate to High Density Residential (RM-12) District in qualifying locations, provide for a workforce housing density bonus and an increase of impervious surface coverage, and clarify workforce housing agreement requirements, and the public had an opportunity to comment on the proposed amendments, and the Planning Commission voted unanimously to recommend adoption of the amendments to workforce housing; and,

WHEREAS, on April 21, 2025, the Community Services & Public Safety Committee voted unanimously to recommend adoption of the amendments to permit workforce housing as a conditional use in the Moderate to High Density Residential (RM-12) District in qualifying locations, provide for a workforce housing density bonus and an increase of impervious surface coverage, and clarify workforce housing agreement requirements; and,

WHEREAS, the Town Council finds it is in the best interest of the Town and the health, safety, and welfare of its citizens, residents, and visitors to amend the Land Management Ordinance by amending these provisions.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND IT IS HEREBY ORDERED AND ORDAINED BY AND UNDER AUTHORITY OF SAID TOWN COUNCIL, AS FOLLOWS:

Section 1. Amendment. That the Land Management Ordinance is amended as shown on Exhibit “A” to this Ordinance. Newly added language is illustrated with double underline, and deleted language is illustrated with a ~~striketrough~~.

Section 2. Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. Effective Date. This Ordinance shall be effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2025.

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

Alan R. Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

First Reading:

Second Reading:

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

Introduced by Council Member: _____

Chapter 16-3: Zoning Districts

Sec.16-3-104. Residential Base Zoning Districts

G. Moderate to High Density Residential District (RM-12) District

RM-12

Moderate to High Density Residential District

1. Purpose

The purpose of the Moderate to High Density Residential (RM-12) District is to allow higher **density** residential **uses** in locations which are served by adequate infrastructure, while maintaining the character of these areas and **neighborhoods** at **densities** up to twelve units per **net acre**. This district is used to encourage a variety of residential opportunities, including **multifamily** residential units, **single-family** residences, and **group living**. The regulations of this district are intended to discourage **development** that would substantially interfere with, or be detrimental to, moderate to high density residential character.

2. Allowable Principal Uses

USE CLASSIFICATION/TYPE		USE-SPECIFIC CONDITIONS	MINIMUM NUMBER OF OFF-STREET PARKING SPACES	
Residential Uses				
Family Compound	PC	Sec. 16-4-102.B.1.e	2 per du	
Family Subdivision	PC	Sec. 16-4-102.B.1.f	2 per du	
Group Living	P		1 per 3 rooms	
Multifamily	P		1 bedroom	1.4 per du
			2 bedroom	1.7 per du
			3 or more bedrooms	2 per du
Recreational Vehicle	PC	16-4-102.B.1.c	1 per Recreational Vehicle	
Single-Family	P		2 per du + 1 per 1,250 GFA over 4,000 GFA	
Workforce Housing	PC	Sec. 16-4-102.B.1.d	See Sec. 16-5-107.D.2	
Public, Civic, Institutional, and Educational Uses				
Community Service Uses	P		1 per 400 GFA	
Government Uses	PC	Sec. 16-4-102.B.2.d	Fire Stations	4 per bay + 1 per 200 GFA of office area
			Other	1 per 200 GFA of office area
Major Utilities	SE		1 per 1,500 GFA	
Minor Utilities	P		n/a	
Public Parks	P		See Sec. 16-5-107.D.2	
Religious Institutions	P		1 per 3 seats in main assembly area	
Telecommunication Antenna, Collocated or Building Mounted	PC	Sec. 16-4-102.B.2.e	n/a	
Telecommunication Towers, Monopole	PC	Sec. 16-4-102.B.2.e	1	
Other Uses				

Agriculture Uses		P		Stables or Riding Academies	1 per 5 stalls
				Other	n/a
3. Development Form Standards					
MAX. DENSITY (PERNET ACRE) ^{1, 2}			LOT COVERAGE		
Residential ²	12 du		Max. Impervious Cover for All Development Except Single-Family		35%
Nonresidential	6,000 GFA				
MAX. BUILDING HEIGHT			Min. Open Space for Major Residential Subdivisions		16%
All Development	45 ft				
USE AND OTHER DEVELOPMENT STANDARDS					
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.					
TABLE NOTES:					
P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = dwelling units ; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable					
1. Each adjacent parcel abutting the Town right-of-way acquired under the Town's Dirt Road Paving Program shall be permitted to develop to its full density potential based on the size of the parcel prior to the establishment of the Town right-of-way. See Section 16-5-105.D for additional details.					
2. Density for development that includes Workforce Housing shall be determined based on Sec. 16-4-105.A.					

(Revised 9-17-2019 - Ordinance 2019-20; revised 11-18-2020 - Ordinance 2020-27; revised 7-20-2021 - Ordinance 2021-15; revised 3-7-2023 - Ordinance 2023-04)

Chapter 16-4: Use Standards

Sec.16-4-102. Principal Uses

A. Principal Use Table

6. Principal Use Table

TABLE 16-4-102.A.6: PRINCIPAL USE TABLE																						
P = Permitted by Right PC = Permitted Subject to Use-Specific Conditions																						
SE = Allowed as a Special Exception Blank Cell = Prohibited																						
USE CLASSIFI CATION/ USE TYPE	SPECI AL DISTR ICTS		RESIDENTIAL DISTRICTS						MIXED-USE AND BUSINESS DISTRICTS												USE- SPECI FIC COND ITION S	
	CON	PR	RSF-3	RSF-5	RSF-6	RM-4	RM-8	RM-12	CR	SPC	CC	MS	WMU	S	MF	MV	NC	LC	RD	MED		IL
RESIDENTIAL USES																						
Family Compound						P C	P C	P C				P C	P C	P C	P C	P C	P C	P C	P C			Sec. 16-4- 102.B .1.e
Family Subdivision						P C	P C	P C				P C	P C	P C	P C	P C	P C	P C	P C			Sec. 16-4- 102.B .1.f
Group Living						P	P	P				P						P		P		
Mixed- Use									P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C		Sec. 16-4- 102.B .1.a
Multifa mily						P	P	P	P C	P	P C	P	P	P	P	P	P	P	P	P		Sec. 16-4- 102.B .1.b

Recreational Vehicle						P C	P C	P C					P C	P C	P C	P C	P C				
Recreation Vehicle (RV) Parks																	P				Sec. 16-4-102.B .1.c
Single-Family			P	P	P	P	P	P					P	P	P	P	P	P			
Workforce Housing						P C		<u>P</u> <u>C</u>		P C	P C	P C	P C	P C		P C		P C			Sec 16-4-102.B .1.d
Islander Mixed-Use										P C											Sec. 16-4-102.B .1.g
PUBLIC, CIVIC, INSTITUTIONAL, AND EDUCATIONAL USES																					
Aviation and Surface Transportation Uses																			P C		Sec. 16-4-102.B .2.a
Aviation Services Uses																			P C		Sec. 16-4-102.B .2.b
Cemeteries		P				P							P			P	P				
Community Service Uses		P				P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Sec. 16-4-102.B .2.c
Education Uses						P			P	P	P	P					P		P		
Government Uses		P C	P C	P C	P C	P C	P C	P C	P	P	P	P		P	P		P	P	P	P	Sec. 16-4-102.B .2.d
Major Utilities		S E	S E	S E	S E	S E	S E	S E	S E	S E	S E	S E	S E	S E	S E	S E	S E	S E	S E	P	
Minor Utilities		P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	

Public Parks		P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P		
Religious Institutions		P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
Telecommunication Antenna, Collocated or Building Mounted		P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	Sec. 16-4-102.B .2.e
Telecommunication Towers, Monopole		P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	Sec. 16-4-102.B .2.e
HEALTH SERVICES																						
Hospitals																				P		
Nursing Homes																				P		
Other Health Services										P	P	P					P	P		P		
RESORT ACCOMMODATIONS																						
Bed and Breakfasts						P C			P C			P C	P C	P C	P C	P C			P C			Sec. 16-4-102.B .4.a
Hotels									P C			P	P	P C		P		P	P			Sec. 16-4-102.B .4.b
Interval Occupancy									P				P			P			P			
COMMERCIAL RECREATION USES																						
Indoor Commercial Recreation Uses									P	P	P	P	P	P C	P	P		P	P			Sec. 16-4-102.B .5.a

Outdoor Commercial Recreation Uses Other than Water Parks										SE				SE			SE		SE	SE				Sec. 16-4-102.B .5.b
Water Parks										P				P			P			P				
OFFICE USES																								
Contractor's Office										PC	PC	PC	PC	PC	PC	PC	PC	PC	PC	PC		P		Sec. 16-4-102.B .6.a
Other Office Uses										P	P	P	P	P	P	P	P	P	P	P	P	P		

TABLE 16-4-102.A.6: PRINCIPAL USE TABLE																							
P = Permitted by Right PC = Permitted Subject to Use-Specific Conditions																							
SE = Allowed as a Special Exception Blank Cell = Prohibited																							
USE CLASSIFICATION/ USE TYPE	SPECIAL DISTRICTS		RESIDENTIAL DISTRICTS						MIXED-USE AND BUSINESS DISTRICTS														USE-SPECIFIC CONDITIONS
	CON	PR	RSF-3	RSF-5	RSF-6	RM-4	RM-8	RM-12	CR	SPC	CC	MS	WMU	S	MF	MV	NC	LC	RD	MED	IL		
COMMERCIAL SERVICES																							
Adult entertainment uses										SE												Sec. 16-4-102.B. 7.a	
Animal Services										P C	P C			P C				P C			P C	Sec. 16-4-102.B. 7.b	
Bicycle Shops									P C	P C	P C	P C	P C	P C	P C	P C		P C	P C			Sec. 16-4-	

																									102.B. 7.c
Convenience Stores						P C			P C	P C	P C		P C	P C	P C	P C	P C	P C				P C			Sec. 16-4- 102.B. 7.d
Eating Establishments								P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C			P C				Sec. 16-4- 102.B. 7.e
Grocery Stores								P C	P C	P C	P C		P C					P C							
Landscape Businesses													P C					P C				P C			Sec. 16-4- 102.B. 7.f
Liquor Stores								S E	S E	S E	S E	S E	S E	S E	S E	S E	S E	S E	S E						Sec. 16-4- 102.B. 7.g
Nightclubs or Bars								P C	P C	P C		P C	P C	P C	P C		P C	P C							Sec. 16-4- 102.B. 7.h
Open Air Sales		P C				P C		P C	P C		P C	P C	P C	P C	P C	P C	P C	P C	P C						Sec. 16-4- 102.B. 7.i
Shopping Centers								P C	P C	P C	P C		P C	P C			P C								Sec. 16-4- 102.B. 7.j
Tattoo Facilities																	P C								Sec. 16-4- 102.B. 7.k
Other Commercial Services Uses						P C	P C		P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C	P C		Sec. 16-4- 102.B. 7.l
VEHICLE SALES AND SERVICES																									
Auto Rentals								P C	P C	P C		P C		P C	P C		P C	P C			P C				Sec. 16-4- 102.B. 8.a

Auto Repairs												P C							P C			P C	Sec. 16-4- 102.B. 8.b
Auto Sales												P							P			P	
Car Washes											P	P			P C	P			P			P	Sec. 16-4- 102.B. 8.c
Commercial Parking Lot										P C	P C	P C		P C					P C				Sec. 16-4- 102.B. 8.d
Gas Sales										P C	P C	P C			P C	P C		P C	P C			P C	Sec. 16-4- 102.B. 8.d
Taxicab Services												P			P				P			P	
Towing Services or Truck or Trailer Rentals																						P	

TABLE 16-4-102.A.6: PRINCIPAL USE TABLE																							
P = Permitted by Right PC = Permitted Subject to Use-Specific Conditions																							
SE = Allowed as a Special Exception Blank Cell = Prohibited																							
USE CLASSIFICATION/ USE TYPE	SPECIAL DISTRICTS		RESIDENTIAL DISTRICTS						MIXED-USE AND BUSINESS DISTRICTS														USE-SPECIFIC CONDITIONS
	CON	PR	RSF-3	RSF-5	RSF-6	RM-4	RM-8	RM-12	CR	SPC	CC	MS	WMU	S	MF	MV	NC	LC	RD	MED	IL		
Watercraft Sales, Rentals, or Services													P C	P		P C		P C			P	Sec. 16-4-102.B.8.e	

INDUSTRIAL USES																			
Grinding																		SE	Sec. 16-4-102.B. 9.a
Light Industrial, Manufacturing, and Warehouse Uses																	PC	P	Sec. 16-4-102.B. 9.a
Seafood Processing Facilities												PC	PC		PC				Sec. 16-4-102.B. 9.b
Self-Service Storage										PC							PC	PC	Sec. 16-4-102.B. 9.c
Waste-Related Services Other than Waste Treatment Plants																		P	
Waste Treatment Plants																	SE		
Wholesale Sales																	P	P	
OTHER USES																			
Agriculture Uses		P	P	P	P	P	P	P					P	P	P	P	P		
Boat Ramps,	PC	P	PC	PC		PC	PC					P			P				Sec. 16-4-

of the travel lane of the street providing the shortest route to the minor arterial.

- e. Lots within an existing legally platted and developed single family subdivision, including open space are not eligible to participate in the WFH Program.
- f. Properties developed with a non-single family residential use that is permanent in nature are not eligible to participate in the WFH Program.
- x. Workforce housing use in the RM-12 District shall comply with the following conditions:
 - a. The property shall be a minimum of 5 acres.
 - b. The property shall be located on a major arterial in accordance with Sec. 16-5-105.B, Street Hierarchy.

(Revised 11-4-2020 - Ordinance 2020-26; revised 2-16-2021 - Ordinance 2021-02)

Sec. 16-4-105. Workforce Housing (WFH) Program

A. Workforce Housing Density All Units:

1. Commercial conversion projects that include at least 20% workforce housing units will be eligible for incentives as described in Sec. 16-10-102B.1, including:
 - a. A reduction in minimum unit sizes by 30% and;
 - b. Up to 50% of the units in the development may be micro-efficiency and/or studio units.
2. In the RM-4 District:
 - a. A density bonus up to 100% above the base residential density standards is permitted if 50% of all units within the development are workforce housing units.
 - b. A density bonus up to 50% above the base residential density standards is permitted if 25% of all units within the development are workforce housing units.
 - c. The maximum density permitted in any workforce housing development is 12 units per acre.
3. In the RM-12 District: If at least 50% of all units within the development are workforce housing units, the following is permitted:
 - a. A density bonus up to 25% above the base residential density standards.
 - b. A maximum impervious coverage of 45%.

(Revised 2-16-2021 - Ordinance 2021-02)

B. Standards for Workforce Housing Units

All Units:

1. For development that contains both market-rate and workforce housing units, the workforce units shall be mixed with, and not clustered together or segregated in any way from, market-rate units. If the development contains a phasing plan, the phasing plan shall provide for the development of workforce units concurrently with the market-rate units.
2. The workforce housing units shall include a range of unit sizes, based on the number of bedrooms, which are comparable to units in the overall development.

-
3. The exterior appearance of workforce housing units must be compatible and comparable with the rest of the units in the development by providing similar architectural style and similar exterior building materials, finishes, and quality of construction.
 4. Prior to the issuance of a building permit for any units in a workforce housing development, the applicant shall execute any and all documents required by the Town, including, without limitation, restrictive covenants, deed restrictions, and related instruments to ensure affordability of workforce housing units in accordance with this Section.

Owner-occupied Units:

1. Developers shall enter into a Workforce Housing Agreement, or similar agreement approved by Town Council, with the Town of Hilton Head Island, or its designee. Following execution of the agreement by all parties, the completed Workforce Housing Agreement, or memorandum thereof, shall be recorded and the conditions therefrom filed and recorded on the parcel or parcels designated for the construction of workforce housing units. The Workforce Housing Agreement shall be binding to all future owners and successors in interest. The agreement shall be in a form reviewed and approved by the Administrator.
 - a. The agreement, at a minimum, shall establish the number of workforce housing units including their square footage, number of bedrooms, and location within the development. The agreement will also include terms and conditions of affordability, resale provisions, and other standards as set forth in Sec. 16-4-105.
 - b. Owner-occupied workforce housing units that are provided under Sec. 16-4-105 are subject to a Workforce Housing Agreement and shall remain as workforce housing for a minimum of 30 years from the date of initial certificate of occupancy.
 - c. A certificate of occupancy will not be issued until complete certified and recorded copies of the Workforce Housing Agreement have been provided to the Town.
2. Restrictive covenants for workforce housing units subject to the provisions of Sec. 16-4-105 shall be filed that require compliance with the following:
 - a. Owner-occupied workforce housing units shall only be sold to households earning 80 to 100% of the most recently published HUD area median income (AMI) for Beaufort County.
 - b. Owner-occupied workforce housing units shall remain in the WFH Program for a minimum of 30 years from the date of the initial certificate of occupancy.
 - c. Prior to the sale of an owner-occupied workforce housing unit, the Town, or its designee, shall be notified of the owner's intent to place the unit for sale and a Certificate of Eligibility (COE) shall be submitted by the potential buyer.
 - d. The workforce housing unit may be subject to a homeowners association (HOA). HOA dues for workforce housing units shall be a maximum of 75% of the HOA dues owed by market-rate unit owners.

Rental Units:

1. The Town will not issue a certificate of occupancy for any building that contains both market-rate and workforce housing rental units unless the development has complied with the workforce housing provisions as outlined in this Section.
2. The designation of a rental workforce housing unit is not required to stay with the same unit over the 30 year affordability period so long as the minimum number and type of workforce units are provided within the development.
3. Developers shall enter into a Workforce Housing Agreement, or similar agreement approved by Town Council, with the Town of Hilton Head Island, or its designee. Following execution of the agreement by

all parties, the completed Workforce Housing Agreement, or memorandum thereof, shall be recorded and the conditions there from filed and recorded on the parcel or parcels designated for the construction of workforce housing units. The Workforce Housing Agreement shall be binding to all future owners and successors in interest. The agreement shall be in a form reviewed and approved by the Administrator.

- a. The agreement, at a minimum, shall establish the number of workforce housing units including their square footage, number of bedrooms, and location within the development. The agreement will also include terms and conditions of affordability, rental rate provisions, and other standards as set forth in Sec. 16-4-105.
 - b. The agreement shall include a provision requiring the owner(s) of rental workforce housing units to submit annually a sworn affidavit to the Town, or its designee, certifying that the rental rate(s) meets the requirements of Sec. 16-4-105.F.
 - c. Rental workforce housing units that are provided under Sec. 16-4-105 are subject to a Workforce Housing Agreement and shall remain as workforce housing for a minimum of 30 years from the date of initial certificate of occupancy.
 - d. A certificate of occupancy will not be issued until complete certified and recorded copies of the Workforce Housing Agreement have been provided to the Town.
4. Restrictive covenants for workforce housing units subject to the provisions of Sec. 16-4-105 shall be filed that require compliance with the following:
- a. Rental workforce housing units shall only be rented to households earning 60 to 80% of the most recently published HUD AMI for Beaufort County.
 - b. Rental workforce housing units shall remain in the WFH Program for a minimum of 30 years from the date of the initial certificate of occupancy.
 - c. Rental workforce housing units shall not be occupied for a period less than 90 days.



TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO: Town Council
FROM: Missy Luick, Director of Planning
CC: Shawn Leininger, Assistant Town Manager
CC: Marc Orlando, Town Manager
DATE: May 20, 2025
SUBJECT: Consideration of an Ordinance of the Town of Hilton Head Island to Amend the Official Zoning Map with Respect to the Real Property Located on Northpoint Circle to Rezone the Parcels from Parks and Recreation (PR) to Moderate to High Density Residential (RM-12) District; and to provide for Severability and an Effective Date

RECOMMENDATION:

Town Council review and consider First Reading an Ordinance of the Town of Hilton Head Island to Amend the Official Zoning Map, to include 16 Parcels located on Northpoint Circle from the Parks and Recreation (PR) District to the Moderate to High Density Residential (RM-12) District, and to provide for severability and an effective date, and forward a recommendation to Town Council.

The Planning Commission held a public hearing on March 19, 2025, and, after consideration of the criteria set forth in Land Management Ordinance (LMO) Section 16-2-103, voted unanimously to recommend that Town Council approve the proposed zoning map amendment, ZA-000023-2025.

On April 21, 2025 the Community Services and Public Safety Committee voted 3-0 to recommend approval to Town Council.

BACKGROUND:

On June 18, 2024, the Town Council authorized the Town Manager to execute the Northpoint Workforce Housing Development Agreement. As outlined in the Development Agreement, the Town is responsible for preparing and processing an application for a zoning map and text amendment that will allow the necessary use, density, and development standards to support the creation of a sustainable and energy-efficient workforce housing neighborhood at Northpoint.

The development is planned for 11.337 acres of Town-owned property strategically located on William Hilton Parkway near the Cross Island Parkway and key community amenities, including Hilton Head Island schools, the Island Recreation Center, and the Boys and Girls Club. The public-private partnership and workforce housing initiative aligns with the Town's 2023-2025 Strategic Plan, specifically Strategy #2 (Workforce Housing Framework).

SUMMARY OF AMENDMENT:

The Town of Hilton Head Island proposes to rezone 16 parcels on Beaufort County's Tax Map 7. The parcel numbers are 121, 219, 230, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, and 265, which are also known as the Northpoint property. In total, the property is 11.337 acres.

As a concurrent effort, the Town proposes a related priority Land Management Ordinance (LMO) amendment to include Workforce Housing as an allowable principal land use, permitted subject to use-specific conditions, in the Moderate to High Density Residential (RM-12) District. The proposed amendment incorporates qualification standards, including minimum acreage (five acres) and location along a major arterial road.

ANALYSIS:

Attachment 1 is the Staff Report, application, and related documents. This includes a detailed analysis of the zoning map amendment application as prepared by Town staff and reviewed by the Planning Commission.

Zoning Map Amendment Review Standards

LMO Section 16-2-103.C.3, Zoning Map Amendment Review, outlines the criteria for review:

- i. Is in accordance with the Comprehensive Plan;
- ii. Would allow a range of uses that are compatible with the uses allowed on other property in the immediate vicinity;
- iii. Is appropriate for the land;
- iv. Addresses a demonstrated community need;
- v. Is consistent with the overall zoning program as expressed in future plans for the Town;
- vi. Would avoid creating an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts;
- vii. Would allow the subject property to be put to a reasonably viable economic use;
- viii. Would result in development that can be served by available, adequate, and suitable public facilities (e.g., streets, potable water, sewerage, stormwater management); and
- ix. Is appropriate due to any changed or changing conditions in the affected area.

Rezoning of the Northpoint Property from PR to RM-12 is consistent with the requirements of LMO Section 16-2-103.C.3, Zoning Map Amendment Review Standards as follows:

1. Rezoning the Northpoint Property from PR to RM-12 is in accordance with the Comprehensive Plan;
2. Rezoning the Northpoint Property from PR to RM-12 will allow uses that are compatible with the uses allowed on adjacent property;
3. Rezoning the Northpoint Property from PR to RM-12 will address a demonstrated community need;
4. Rezoning the Northpoint Property from PR to RM-12 is consistent with the Town's overall zoning plans and program;
5. Rezoning the Northpoint Property from PR to RM-12 will not create an inappropriately isolated zoning district unrelated to surrounding properties and zoning districts;
6. Rezoning the Northpoint Property from PR to RM-12 will allow a viable economic use on the Northpoint Property;
7. The Northpoint Property is served by available, adequate, and suitable public facilities and utilities,
8. Rezoning the Northpoint Property from PR to RM-12 is appropriate for the conditions existing in the area; and,
9. Rezoning the Northpoint Property from PR to RM-12 is appropriate due to changed and changing conditions in the Town and in the area of the Northpoint Property related to the need for workforce housing; and,
10. Rezoning the Northpoint Property from PR to RM-12 is not and will not be detrimental to the public health, safety, and welfare.

TOWN COUNCIL ACTION:

The Town Council shall review the application, staff report, Planning Commission recommendation, Community Services and Public Safety Committee recommendation and make a final decision on the application based on the standards in Sec. 16-2-103.C.3, Zoning Map Amendment (Rezoning) Review Standards.

The Town Council's decision shall be one of the following:

1. Adopt an ordinance approving the Zoning Map Amendment; or
2. Adopt a resolution denying the Zoning Map Amendment.

ATTACHMENTS:

1. Staff Report, Application, & Attachments
2. Ordinance
3. Northpoint Development Overview Presentation

	TOWN OF HILTON HEAD ISLAND COMMUNITY DEVELOPMENT DEPARTMENT		
One Town Center Court	Hilton Head Island, SC 29928	843-341-4757	FAX 843-842-8908

STAFF REPORT ZONING MAP AMENDMENT

Case #	Name of Project	Public Hearing Date
ZA-000023-2025	Northpoint Zoning Map Amendment	March 19, 2025

Parcel Data	Property Owner	Applicant
<u>Parcel Numbers:</u> 1. R510 007 000 0121 0000 2. R510 007 000 0219 0000 3. R510 007 000 0230 0000 4. R510 007 000 0232 0000 5. R510 007 000 0233 0000 6. R510 007 000 0234 0000 7. R510 007 000 0235 0000 8. R510 007 000 0236 0000 9. R510 007 000 0237 0000 10. R510 007 000 0238 0000 11. R510 007 000 0239 0000 12. R510 007 000 0240 0000 13. R510 007 000 0241 0000 14. R510 007 000 0242 0000 15. R510 007 000 0243 0000 16. R510 007 000 0265 0000 <u>Size:</u> 11.337 acres <u>Address:</u> Northpoint Circle	The Town of Hilton Head Island, 1 Town Center Court Hilton Head Island, SC, 29928	Marc Orlando, Town Manager, The Town of Hilton Head Island, 1 Town Center Court Hilton Head Island, SC, 29928

Existing Zoning	Proposed Zoning
<u>Overlay District:</u> Corridor Overlay (COR) District <u>Zoning District:</u> All parcels are Parks and Recreation (PR) District <u>Allowable Uses:</u> Cemeteries; Community Service Uses; Government Uses; Major Utilities; Minor Utilities; Public Parks; Religious Institutions; Telecommunication Antenna, Collocated or Building Mounted; Telecommunication Towers, Monopole; Open Air Sales; Agriculture Uses; Boat Ramps, Docking Facilities, and Marinas	<u>Overlay District:</u> Corridor Overlay (COR) District <u>Proposed Zoning District:</u> Moderate to High Density Residential (RM-12) District <u>Allowable Uses:</u> Family Compound; Family Subdivision; Group Living; Multifamily; Recreational Vehicle; Single-Family; Community Service Uses; Government Uses; Major Utilities; Minor Utilities; Public Parks; Religious Institutions; Telecommunication Antenna, Collocated or Building Mounted; Telecommunication Towers, Monopole; Agriculture Uses Proposed Use Considered Under a Separate Priority LMO Amendment: Workforce Housing

Application Summary:
The Town of Hilton Head Island proposes to rezone 16 parcels on Beaufort County’s Tax Map 7. The parcel numbers are 121, 219, 230, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, and 265 (see Attachment A, Application), which are also known as part of the Northpoint Circle (see Attachment B, Location Map). In total, the subject property is 11.337 acres (see Attachment D, Survey of Northpoint). The Town intends to rezone the property to facilitate a Public-Private Partnership Workforce Housing initiative (see Attachment E, Use Table Comparison), which aligns with its 2023-2025 Strategic Plan, specifically Strategy #2 (Workforce Housing Framework). This application is integral to the previously approved Northpoint Workforce Housing Development Agreement, which is dedicated to advancing the Workforce Housing Framework on Hilton Head Island. The parcels are currently located in the Parks and Recreation (PR) District (see Attachment C, Northpoint Vicinity Zoning Map). As a concurrent effort, the Town proposes a related priority Land Management Ordinance (LMO) amendment to include Workforce Housing as an allowable principal land use, permitted subject to use-specific conditions, in the Moderate to High Density Residential (RM-12) District. The proposed amendment incorporates qualification standards, including a minimum acreage (five acres) and a location along a major arterial road. Considering this proposed amendment, the Town seeks to rezone the parcels to the RM-12 District.
Staff Recommendation:
Staff recommends that the Planning Commission find this application to be <u>consistent</u> with the Town’s Comprehensive Plan and carries out the purposes of the LMO, based on those Findings of Facts as determined by the LMO Official and enclosed herein. Staff recommends that the Planning Commission recommend <i>approval</i> of this application to Town Council.

Background:

In the Hilton Head Plantation Master Plan, established in 1984, the Northpoint property was identified (Tract M) for future development (see Attachment F, Hilton Head Plantation Master Plan). By the late 1980s, this area transitioned into a commercial subdivision and was subsequently acquired by the South Carolina Department of Transportation (SCDOT) in the 1990s to support the construction of the Cross Island Parkway. Between 1997 and 1999, the Town purchased the property for approximately \$1.4 million, which included various infrastructure improvements to the State-owned right-of-ways in the Town as part of the agreement.

The site was zoned Office/Institutional (OL), (see Attachment G, 1998 Official Zoning District Map) and in 2014, the zoning of the property was changed to PR (see Attachment H, 2014 Official Zoning District Map).

Today, the site is located in Squire Pope Historic Neighborhood, a Hilton Head Island Historic Gullah Neighborhood, and is within the Corridor Overlay District adjacent to Jarvis Creek, Marsh Point Apartments, the United States Postal Service, and U.S. Route 278 (William Hilton Parkway). Northpoint Circle has direct access to William Hilton Parkway, a Major Arterial (see Attachment B, Location Map).

The application proposes rezoning the property from PR to RM-12, allowing Workforce Housing as a principal use, permitted subject to use-specific conditions, on the subject property (see Attachment E, Use Table Comparison), subject to the Town's approval of a priority LMO amendment to allow the use. The changes that would occur as a result of rezoning the parcels from PR to RM-12 include the following: (see Attachment E, Use Table Comparison.)

- The following uses would be allowed on the parcels: Family Compound; Family Subdivision; Group Living; Multifamily; Recreational Vehicle; Single-Family; and Workforce Housing (subject to LMO amendment).
- The following uses would not be allowed: Cemeteries; Open Air Sales; Boat Ramps, Docking Facilities, and Marinas.

Uses on adjacent sites are:

- Northbound, Marsh Point Apartments – Multifamily use, (Low to Moderate Density Residential) RM-4 District
- Eastbound, Broad Creek Public Service District Hilton Head #1PSD – Major Utility use, PR District
- Eastbound, United States Postal Service – Government use, Light Commercial (LC) District
- Southbound, William Hilton Parkway and the Coastal Discovery Museum, Community Services Use, PR District
- Westbound, Jarvis Creek

Applicant's Grounds for ZMA:

Overall, this project represents a collaborative effort between the Town and its development partner to enhance community housing options for essential workers on Hilton Head Island, focusing on sustainability and affordability. This effort aligns with Strategy #2 of the Town's 2023-2025 Strategic Plan, which focuses on implementing the Workforce Housing Framework called "Finding Home."

The Town is requesting approval to rezone the property to the RM-12 District. The applicant states that this change, along with the LMO amendment to the RM-12 District, will allow for residential uses and

the associated residential density to support workforce housing, providing greater options for the existing Town land.

Summary of Facts and Conclusions:

Findings of Fact:

- The application was submitted on January 8, 2025, as set forth in LMO Section 16-2-103.C and Appendix D-1.
- Per LMO Section 16-2-102.E.1, when an application is subject to a hearing, the LMO Official shall ensure that the hearing on the application is scheduled for a regularly scheduled meeting of the body conducting the hearing.
- The LMO Official scheduled the public hearing on the application for the March 19, 2025, Planning Commission meeting, which is a regularly scheduled meeting of the Planning Commission.
- Per LMO Section 16-2-102.E.2, the LMO Official shall publish a notice of the public hearing in a newspaper of general circulation in the Town no less than 15 calendar days before the hearing date.
- Notice of the March 19, 2025, public hearing was published in the Island Packet on February 16, 2025.
- Per LMO Section 16-2-102.E.2, the applicant shall mail a notice of the public hearing by first-class mail to the owners of the land subject to the application and owners of record of properties within 350 feet of the subject land, no less than 15 calendar days before the hearing date.
- The applicant mailed notices of the March 19, 2025, public hearing by first-class mail to the owners of record of properties within 350 feet of the subject land on March 4, 2025.
- Per LMO Section 16-2-102.E.2, the LMO Official shall post conspicuous notice of the public hearing on or adjacent to the land subject to the application no less than 15 days before the hearing date, with at least one such notice being visible from each public thoroughfare that abuts the subject land.
- The LMO Official posted on February 18, 2025 conspicuous notice of the public hearing on the land subject to the application.

Conclusions of Law:

- The application was submitted in compliance with LMO Section 16-2-103.C and Appendix D-1.
- Notice of the public hearing was published, mailed and posted, in compliance with LMO Section 16-2-102.E.2.

As set forth in LMO Section 16-2-103.C.3. In determining whether to recommend that Town Council approve or deny a proposed Zoning Map Amendment (Rezoning), the Planning Commission may weigh the relevance of and consider the following:

Summary:

Criteria 1: Whether and the extent to which the proposed zoning is in accordance with the Comprehensive Plan (LMO Section 16-2-103.C.3.a.i):

Findings:

This application addresses the Comprehensive Plan in the following areas:

Core Value: Relentless Pursuit of Excellence

Goal

- Ideals of Excellence: To adopt and pursue Our Ideals of Excellence for Hilton Head Island.

Strategies & Tactics

- 2.10: Continue to provide an appropriate range of land uses that accommodate the needs of the community.
- 2.10.1: Encourage development and redevelopment opportunities that help Hilton Head Island be a competitive and affordable place to live and work.

Core Value: Revitalizing & Modernizing the Economy

Goal 3

- Brand: To manage evolving economic growth while maintaining Hilton Head Island's unique aesthetic.

Strategies & Tactics

- 3.2: Monitor demographics and economic trends to manage emerging growth and changes.
- 3.2.2: Monitor trends in housing development to provide housing options that meet market demands.

Goal 6

- Workforce: To have a high-quality workforce housing through effective incentives.

Strategies & Tactics

- 6.1: Encourage the development of workforce housing through effective incentives.
- 6.1.1: Continue to pursue the recommendations from the Town's Workforce Housing Strategic Plan.
- 6.1.2: Identify methods to support construction of new workforce housing by 2024.
- 6.1.4: Consider the use of Town-owned properties, where appropriate, for future development projects or land swaps for workforce housing.
- 6.1.5: Review the land acquisition program to determine if a workforce housing component would be an appropriate modification going forward.
- 6.1.6: Monitor changing demographics and trends in housing development to allow for housing options to meet market demands.
- 6.1.7: Continue to educate the public on the potential impact on their daily quality of life that is directly affected by the supply or lack of workforce housing.

Core Value: Fostering an Inclusive Multi-dimensional Community

Goal 3

- Community Development: To foster creation of sustainable, inclusive, equitable, and innovative community development on the entire Island.

Strategies & Tactics

- 3.3: Continue to implement the recommendations from the Town's Workforce Housing Strategic Plan.
- 3.4: Evaluate opportunities for diversity in housing costs and transportation modes by establishing incentives for redevelopment of abandoned and underutilized spaces.
- 3.5: Encourage employer assisted housing programs to entice more employees of various professions (teachers, police officers, fire fighters, etc.) to live within Town limits.

- 3.7: Address housing issues by using a systematic approach that integrates economic development, transportation, and land use.

Core Value: Building a Connected & Collaborative Community Fabric

Goal 2

- **Built Environment:** To promote designs for the built environment that capitalize on our natural beauty and community strengths, reinforcing our unique sense of place.

Strategies & Tactic

- 2.4: Create incentives and/or public/private partnerships for redevelopment with goals of diversity in housing types and cost, and types of transportation modes.

Goal 4

- **Quality of Life:** To foster an exceptional quality of life for residents, outstanding experiences for visitors, and economic opportunity for our workforce.

Strategies & Tactic

- 4.1.1: Continue to implement the recommendations from the Town's Workforce Housing Strategic Plan.

Core Value: Expanding to Embrace an Integrated Regional Focus

Goal 2

- **Workforce:** To improve and expand opportunities for workforce development and housing on Hilton Head Island and in the region.

Strategies & Tactic

- 2.1: Pursue regional cooperation of public, private, and nonprofit agencies in meeting area housing and workforce needs.

Core Value: Innovative Approach to Create "Right-Sized" Infrastructure

Goal 6

- **Housing:** To promote housing options to meet the needs of all current and future populations on the Island.

Strategies & Tactics

- 6.1: Adopt policies to support the recommendations of the Town's Workforce Housing Strategic Plan.
- 6.2: Continually assess development standards and building codes to ensure they encourage the development and redevelopment of needed housing.
- 6.2.1: Evaluate and study regulations to require or provide options for interconnection between developments, which promotes the establishment of neighborhoods, and to provide safe and convenient access to neighborhood level public facilities, particularly schools and parks.
- 6.3: Evaluate proposed changes to residential density to ensure they are appropriate for the character of the area and the neighboring properties.

Conclusions of Law:

- The proposed rezoning, along with the amendment to allow Workforce Housing in RM-12, is in accordance with the Comprehensive Plan, as described in the Land Use Element, as set forth in LMO Section 16-2-103.C.3.a.i.

- The proposed rezoning will modify the existing permitted land use to promote housing options to meet the needs of current and future populations on the Island and is consistent with the Core Value: Innovative Approach to Create “Right-Sized” Infrastructure.
- The proposed rezoning and LMO amendment will expand opportunities for workforce development and housing on Hilton Head Island and in the region by adding Workforce Housing as an allowable principal use, consistent with Core Value: Expanding to Embrace an Integrated Regional Focus.
- The proposed rezoning will modify the permitted land use of the property in conformance with the Town’s Comprehensive Plan.

Summary:

Criteria 2: Whether and the extent to which the proposed zoning would allow a range of uses that are compatible with the uses allowed on other property in the immediate vicinity (LMO Section 16-2-103.C.3.a.ii):

Findings:

- The applicant proposes to rezone the property from PR to RM-12 to allow Workforce Housing.
- Adjacent to the Northpoint property is Marsh Point Apartments, which is zoned RM-4 and has 140 dwelling units on the property.
- Both the RM-4 and the RM-12 Districts have the same residential uses: Family Compound, Family Subdivision, Group Living, Multifamily, Recreational Vehicle, and Single-Family.
- The range of allowable uses and densities for multifamily uses in the RM-4 and the RM-12 Districts are similar in nature. The proposed zoning has similar densities for Workforce Housing.
- RM-4 allows Workforce Housing, consistent with the proposed amendment to RM-12. However, RM-4 allows a Workforce Housing residential density bonus of up to 12 units per acre under certain circumstances.
- RM-12 allows up to 12 units per acre, and the proposed Workforce Housing text amendment would allow a residential density bonus of up to 25% under certain circumstances, resulting in up to 15 units per acre.
- Although the Northpoint density under the rezoning and LMO amendment would allow a greater density than the neighboring Marsh Point Apartments, the site has direct frontage along William Hilton Parkway and significantly less water frontage along Jarvis Creek, making the site much more suitable for increased density from a land use compatibility and environmental standpoint.
- The United States Post Office is also adjacent to the site and is in the LC District, which allows Workforce Housing by commercial conversion.

Conclusions of Law:

- The proposed rezoning will allow uses that are compatible with existing neighboring uses allowed on other property in the immediate vicinity in accordance with LMO Section 16-2-103.C.3.a.ii.
- The proposed rezoning will add the following land uses: Family Compound; Family Subdivision; Group Living; Multifamily; Recreational Vehicle; Single-Family; and Workforce Housing, subject to the approval of the RM-12 amendment (see LMO Sections 16-3-103.C and 16-3-104.G).

Summary:

Criteria 3: Whether and the extent to which the proposed zoning is appropriate for the land (LMO Section 16-2-103.C.3.a.iii):

Findings:

- The property was once part of the Hilton Head Plantation Master Plan and identified for future development on Hilton Head Island (see Attachment F, Hilton Head Plantation Master Plan).
- The land was previously subdivided and developed with supportive infrastructure and Northpoint Circle Road.
- Utilities have been installed on the site (see Attachment D, Survey of Northpoint).
- Northpoint has direct access to William Hilton Parkway.
- The Northpoint tract is located along William Hilton Parkway near Gumtree Road and is close to jobs, community services, and public facilities.
- Nearby are the Hilton Head Hospital, Fire Stations 4 and 5, medical offices, and the Boys and Girls Club.
- The Hilton Head Island Middle School and High School, and the Island Recreation Center are also within a mile of Northpoint.
- The application proposes to rezone the property from PR to RM-12 to allow Workforce Housing.
- As proposed as part of the priority LMO amendment, a density bonus up to 25 percent above the base residential density standards is permitted in the RM-12 District if at least 50 percent of all units within the development are workforce housing units.

Conclusions of Law:

- The proposed zoning is appropriate for the land in accordance with LMO Section 16-2-103.C.3.a.iii.
- The allowable uses and increase of density to RM-12 and associated amendments are appropriate based on compatible nearby land uses, availability of utilities and infrastructure, and historic planning for the area.

Summary:

Criteria 4: Whether and the extent to which the proposed zoning addresses a demonstrated community need (LMO Section 16-2-103.C.3.a.iv):

Findings:

- The Workforce Housing Strategic Plan suggests the Island should set a goal to facilitate constructing 200 total net new, obtainable housing units yearly.
- The Comprehensive Plan (Our Plan), which was approved by Town Council, on page 112, suggests the Town attracts and maintains a diverse and multi-dimensional residential population, providing a competitive live-work option.
- The Comprehensive Plan (Our Plan), which was approved by Town Council, on page 112, suggests the Town continually adapts the Core Values and Comprehensive Plan to meet the needs of the present and the future.
- This application is integral to the Northpoint Workforce Housing Development Agreement, which is dedicated to advancing the Workforce Housing Framework on Hilton Head Island.
- The proposed rezoning will expand opportunities for workforce development and housing on Hilton Head Island and in the region by adding Workforce Housing as an allowable principal use, consistent with Core Value: Expanding to Embrace an Integrated Regional Focus.

- The application proposes, “The Northpoint development will provide housing for Hilton Head Island’s workforce. The project will target households earning between 60 and 150 percent of the Beaufort County Area Median Income (AMI), with at least 50 percent of the units reserved for households earning between 60 percent and 80 percent of AMI. The development will ensure long-term affordability through covenants, guaranteeing that the units remain accessible to the Island’s workforce in perpetuity.”
- Rezoning would “Provide appropriate modifications to the zoning designations and land use regulations to meet community needs while maintaining Island Character,” as described in Chapter 1, Goal 3.3.1, of the Our Plan.

Conclusions of Law:

- The rezoning would fulfill a demonstrated community need in accordance with LMO Section 16-2-103.C.3.a.iv.
- The proposed rezoning will allow Workforce Housing and ensure long-term affordability through covenants, guaranteeing that the units remain accessible to the Island’s workforce in perpetuity.

Summary:

Criteria 5: Whether and the extent to which the proposed zoning is consistent with the overall zoning program as expressed in future plans for the Town (LMO Section 16-2-103.C.3.a.v):

Findings:

- This application is integral to the Northpoint Workforce Housing Development Agreement, which is dedicated to advancing the Workforce Housing Framework on Hilton Head Island.
- The purpose of the RM-12 District is described in Section 16-3-104.G of the LMO, “to allow higher density residential uses in locations which are served by adequate infrastructure, while maintaining the character of these areas and neighborhoods at densities up to twelve units per net acre. This district is used to encourage a variety of residential opportunities, including multifamily residential units, single-family residences, and group living. The regulations of this district are intended to discourage development that would substantially interfere with, or be detrimental to, moderate to high density residential character.”
- The PR District does not allow residential uses, such as Workforce Housing (see Attachment E, Use Table Comparison).
- As part of the Town’s priority effort to prepare and adopt the Skull Creek District Plan, the draft study area aspiration statements support economic development and workforce development, including a variety of housing types, workforce housing, and Island employers and employees. Further, this area has been identified for multifamily residential as part of the future land use considerations.

Conclusions of Law:

- The proposed zoning is consistent with the overall zoning program as expressed in the draft Skull Creek District Plan, in accordance with LMO Section 16-2-103.C.3.a.v.
- This application is integral to the Northpoint Workforce Housing Development Agreement, which is dedicated to advancing the Workforce Housing Framework on Hilton Head Island.
- The PR District does not allow Workforce Housing and the RM-12 District rezoning and associated amendments would allow the Town to achieve its stated objectives.

Summary:

Criteria 6: Whether and the extent to which the proposed zoning would avoid creating an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts (LMO Section 16-2-103.C.3.a.vi):

Findings:

- This application would rezone 16 parcels, totaling 11.337 acres, a substantial area for development.
- The subject property is adjacent to three different districts: the RM-4, the LC, and the PR (see Attachment C, Northpoint Vicinity Zoning Map.)
- Adjacent to the Northpoint property is Marsh Point Apartments, which is zoned RM-4 and has 140 multifamily dwelling units on the property.
- The range of allowable uses and densities for the RM-4 and the RM-12 Districts are similar in nature. The proposed zoning has similar densities for Workforce Housing.
- Workforce housing is permitted in the adjacent RM-4 and LC Districts; the proposed zoning change would allow workforce housing on this tract.
- The property was once part of the Hilton Head Plantation Master Plan and identified for future development on Hilton Head Island.

Conclusion of Law:

- The proposed zoning would avoid creating an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts in accordance with LMO Section 16-2-103.C.3.a.vi because the existing adjacent zoning is complementary.

Summary:

Criteria 7: Whether and the extent to which the proposed zoning would allow the subject property to be put to a reasonably viable economic use (LMO Section 16-2-103.C.3.a.vii):

Findings:

- Rezoning from PR to RM-12 expands opportunities for the use of the property in compliance with the needs and goals of the Town's Comprehensive Plan.
- The applicant proposes high-quality, energy-efficient rental units targeting essential workforce members such as teachers, healthcare professionals, law enforcement, and hospitality staff.
- Developing Workforce Housing on the site addresses our community's demand for workforce housing. By introducing quality rental options designed specifically for those in the workforce, the application aims to help relieve the housing strain, allowing more individuals to settle in the area where they are employed, thus promoting a more stable community.

Conclusions of Law:

- The proposed zoning would allow the subject property to be put to a reasonably viable economic use in accordance with LMO Section 16-2-103.C.3.a.vii.
- The rezoning allows the site to be redeveloped with the residential use of Workforce Housing, making the site more compatible with the uses in the vicinity and allowing the property to be put to a reasonably viable economic use.

Summary:

Criteria 8: Whether and the extent to which the proposed zoning would result in development that can be served by available, adequate, and suitable public facilities (e.g. streets, potable water, sewerage, stormwater management) (LMO Section 16-2-103.C.3.a.viii):

Findings:

- Roads, utilities, and public services have already been established on-site (see Attachment D, Survey of Northpoint).
- Per the LMO, a Major Development Plan Review (DPR) application would be required to redevelop the property. As part of the DPR application, any required infrastructure improvements, encroachment permits or approvals from outside agencies such as PSD, Sparklight, Palmetto Electric, and SCDOT would be required prior to the approval of the DPR.
- The applicant's narrative reads, "This proposed zoning change will facilitate the redevelopment of the property for workforce housing through a public-private partnership. The amendment aligns with the Town's goals to address the growing demand for workforce housing while utilizing the property's existing infrastructure to create a sustainable and vibrant residential neighborhood."

Conclusion of Law:

- The proposed zoning would result in development that can be and is already served by available public facilities in accordance with LMO Section 16-2-103.C.3.a.viii.

Summary:

Criteria 9: Is appropriate due to any changed or changing conditions in the affected area (LMO Section 16-2-103.C.3.a.ix):

Findings:

- This application is integral to the Northpoint Workforce Housing Development Agreement, which is dedicated to advancing the Workforce Housing Framework on Hilton Head Island.
- The property was once part of the Hilton Head Plantation Master Plan and identified for future development on Hilton Head Island (see Attachment F, Hilton Head Plantation Master Plan).
- Adjacent to the Northpoint property is Marsh Point Apartments, which is zoned RM-4 and has 140 dwelling units on the property.
- In 2014, the property was rezoned to the PR District, which is intended "to accommodate and manage the land uses allowed on publicly held land used for active or passive recreation purposes, or publicly owned land preserved in its natural state for public enjoyment (see Section 16-3-103.C.1).
- The creation of workforce housing aligns with the Town's core values described in the Town's Master Plan, Section 3, Chapter 7, "Innovative Approach to Create "Right-Sized" Infrastructure."
- Rezoning would "Provide appropriate modifications to the zoning designations and land use regulations to meet community needs while maintaining Island Character," as described in Chapter 1, Goal 3.3.1, of the Our Plan.
- The proposed text amendment allows a density bonus up to 25 percent above the base residential density in the RM-12 District if at least 50 percent of all units within the development are workforce housing units.
- The applicant proposes to rezone the property from PR to RM-12 to allow Workforce Housing.

- Many units on Hilton Head Island, formerly available to the workforce, have been converted to short-term rentals in recent years.
- Shifts in employment and housing to the mainland have impacted the ability to attract the workforce and provide housing that meets the workforce housing needs on the Island.
- The availability of affordable, attainable workforce housing is limited, and changing housing market conditions continue to increase the challenge of ensuring the availability of housing for the Town's workforce.

Conclusions of Law:

- The proposed rezoning is appropriate due to the changes in the area, including housing market challenges and housing supply, in accordance with LMO Section 16-3-103.C.a.ix.
- The proposed rezoning will allow Workforce Housing, with a bonus density on the property, next to an apartment complex and is in close proximity to schools, community services, and public amenities.

Note: If the proposed amendment is approved by Town Council, such action shall be by ordinance to amend the Official Zoning Map. If it is denied by Town Council, such action shall be by resolution.

PREPARED BY:

MC

Michael Connolly
Senior Planner

January 22, 2025

DATE

REVIEWED BY:

TL

Trey Lowe
Development Services Manager

January 27, 2025

DATE

REVIEWED BY:

ML

Missy Luick
Director of Planning and Land Management Official

February 24, 2025

DATE

ATTACHMENTS:

- A) Application
- B) Location Map
- C) Northpoint Vicinity Zoning Map
- D) Survey of Northpoint
- E) Use Table Comparison
- F) Hilton Head Plantation Master Plan
- G) 1998 Official Zoning District Map
- H) 2014 Official Zoning District Map



Town of Hilton Head Island
Community Development Department
 One Town Center Court
 Hilton Head Island, SC 29928
 Phone: 843-341-4757 Fax: 843-842-8908
www.hiltonheadislandsc.gov

FOR OFFICIAL USE ONLY

Date Received: _____
 Accepted by: _____
 App. #: ZMA _____
 Meeting Date: _____

Applicant/Agent Name: Marc Orlando, Town Manager Company: Town of Hilton Head Island
 Mailing Address: 1 Town Center Court City: Hilton Head Island State: SC Zip: 29928
 Telephone: 843-341-4600 Fax: _____ E-mail: _____

Project Name: Northpoint Workforce Housing Project Address: Northpoint Circle
 Parcel Number [PIN]: Refer to Attachment 1 - Parcel List
 Zoning District: PR Overlay District(s): COR Requested District: R M-12
 PD-1 Existing Land Use: N/A PD-1 Proposed Land Use: N/A

ZONING MAP AMENDMENT (ZMA) SUBMITTAL REQUIREMENTS

Digital Submissions may be accepted via e-mail by calling 843-341-4757. The following items must be attached in order for this application to be complete:

N/A Affidavit of Ownership and Hold Harmless Permission to Enter Property

X A narrative that explains the reason(s) for the rezoning request and how the request meets the criteria of LMO Section 16-2-103.C.3. Review Standards.

X A copy of correspondence providing notice of a public hearing to all land owners of record within three hundred and fifty (350) feet on all sides of the parcel(s) being considered for the zoning map amendment. Such notice shall be mailed by first class mail fifteen days (15) prior to the Planning Commission meeting per LMO Section 16-2-102E.2e.ii. Mailed Notices. A sample letter can be obtained at the time of submittal. Also provide a list of owners of record to receive notification. The Town can assist in providing this listing by calling 843-341-4757.

N/A Where applicable, a copy of correspondence requesting written comments from the appropriate property owners' association regarding the requested amendment per LMO Appendix D: D-1.A.1.c. The Town can assist in providing this information by calling 843-341-4757.

X A boundary map prepared and sealed by a registered land surveyor. Submit an 11X17 inch (or smaller) reproducible copy of the plan.

N/A Filing Fee - \$500 cash or check made payable to the Town of Hilton Head Island

Are there recorded private covenants and/or restrictions that are contrary to, conflict with, or prohibit the proposed request? If yes, a copy of the private covenants and/or restrictions must be submitted with this application. ☐ YES ☒ NO

To the best of my knowledge, the information on this application and all additional documentation is true, factual, and complete. I hereby agree to abide by all conditions of any approvals granted by the Town of Hilton Head Island. I understand that such conditions shall apply to the subject property only and are a right or obligation transferable by sale.

I further understand that in the event of a State of Emergency due to a Disaster, the review and approval times set forth in the Land Management Ordinance may be suspended.

SIGNATURE

DATE

ATTACHEMENT A

Northpoint Workforce Housing Public-Private Partnership Parcel Numbers

11.337 Acres made up of 16 parcels

- R510 007 000 0121 0000
- R510 007 000 0265 0000
- R510 007 000 0240 0000
- R510 007 000 0241 0000
- R510 007 000 0242 0000
- R510 007 000 0243 0000
- R510 007 000 0230 0000
- R510 007 000 0232 0000
- R510 007 000 0233 0000
- R510 007 000 0234 0000
- R510 007 000 0235 0000
- R510 007 000 0236 0000
- R510 007 000 0237 0000
- R510 007 000 0238 0000
- R510 007 000 0239 0000
- R510 007 000 0219 0000

ATTACHMENT B

NARRATIVE SUPPLEMENT TO THE APPLICATION FOR ZONING MAP AMENDMENT FROM THE TOWN OF HILTON HEAD ISLAND REGARDING 11.337 ACRES ON WILLIAM HILTON PARKWAY, HILTON HEAD ISLAND, SC

This Attachment B is part of the Zoning Map Amendment Application (this "Application") of The Town of Hilton Head Island (the "Applicant"), and is submitted by the Applicant to the Planning Commission of the Town of Hilton Head Island (the "Town") to address the zoning map amendment criteria set forth in Section 16-2-103.C.3 of the Town's Land Management Ordinance (the "LMO"). This Application seeks approval to amend the Official Zoning Map of the Town by changing the base zoning district applicable to 11.337 acres of Town-owned property (the "Property") which is comprised of multiple parcels located on Northpoint Circle on Hilton Head Island, from the currently applicable Parks and Recreation (PR) District to the Moderate to High Density Residential (RM-12) District.

Application Summary

Request from the Town of Hilton Head Island to amend the Official Zoning Map to change the base zoning of the Town-owned properties identified on Beaufort County Tax Maps as Parcels: R510 007 000 0265 0000, R510 007 000 0121 0000, R510 007 000 0219 0000, R510 007 000 0230 0000, R510 007 000 0232 0000, R510 007 000 0233 0000, R510 007 000 0234 0000, R510 007 000 0235 0000, R510 007 000 0236 0000, R510 007 000 0237 0000, R510 007 000 0238 0000, R510 007 000 0239 0000, R510 007 000 0240 0000, R510 007 000 0241 0000, R510 007 000 0242 0000, and R510 007 000 0243 0000 from the Parks and Recreation (PR) District to the Moderate to High Density Residential (RM-12) District.

The Property subject to this rezoning has been identified as the location for the Northpoint Workforce Housing Public-Private Partnership initiative to develop workforce housing on Hilton Head Island. This initiative advances Strategy #2 of the Town's 2023-2025 Strategic Plan: Implement the Workforce Housing Framework: Finding Home.

The Town seeks approval to rezone the Property to the Moderate to High Density Residential (RM-12) District to permit residential uses and density to support workforce housing.¹

Background

The Property was part of the Hilton Head Plantation Master Plan in 1984 and designated for future development. In the late 1980s, it was developed into a commercial subdivision before being acquired by the South Carolina Department of Transportation (SCDOT) in the 1990s to support the construction of the Cross Island Parkway. The Property was then acquired by the Town in two purchases between 1997 and 1999 using Real Estate Transfer Fee funds for approximately \$1.4 million, which included the Town designing and replacing a culvert under William Hilton Parkway

¹ The Town's Workforce Housing Density Bonus Program is being amended in advance of this application to allow a 25% density bonus in the RM-12 District, up to 15 units per acre, with a maximum impervious surface coverage of 45% for eligible workforce housing projects. The impervious coverage limit in the PR District is 45%.

as partial credit against the purchase from SCDOT. At the time, the Northpoint subdivision was zoned Office/Institutional (OL). In 2014, as part of an Island-wide Zoning Map Amendment, several Town-owned properties were rezoned into the Parks and Recreation (PR) District, including the Northpoint tract.

The existing infrastructure, including roads and utilities, makes the site well-suited for redevelopment into a residential neighborhood. Additionally, the development of workforce housing at this site is consistent with the Town's goals of promoting sustainable development and improving the quality of life for residents.

The Northpoint tract is situated along William Hilton Parkway near Gumtree Road and benefits from its proximity to jobs, community services, and public amenities, which contribute to the site's suitability for residential development. The Hilton Head Hospital, Fire Stations 4 and 5, medical offices and the Boys and Girls Club are nearby, and local schools and the Island Recreation Center are located within a mile of the Northpoint tract.

The Town is now seeking to amend the Official Zoning Map to change the base zoning from Parks and Recreation (PR) District to the Moderate to High Density Residential (RM-12) District to allow for the redevelopment of the Property for workforce housing through a public-private partnership.

Northpoint Workforce Housing Public-Private Partnership Project Description

The Northpoint Workforce Housing project will create approximately 160 high-quality, energy-efficient rental units that will be designed to provide best-in-class housing for Hilton Head Island's essential workforce, including teachers, healthcare workers, law enforcement officers, hospitality employees, and other essential workers. It will be part of a sustainable development approach to addressing the need for workforce housing while connecting neighboring uses and properties.

The neighborhood's layout, which will include green spaces, walking trails, and thoughtfully placed buildings, will integrate with the Island's emphasis on preserving natural resources, beauty, and maintaining neighborhood integrity. Northpoint's landscaping and lighting will further ensure that the site blends into its surroundings. The use of transition zones, setbacks, and open spaces will ensure that the visual impact is softened and maintain the scenic quality that residents and visitors value on Hilton Head Island. This careful integration underlines the Town's commitment to enhancing neighborhood character, strengthening Northpoint's compatibility with nearby properties.

The Town's efforts to address workforce housing have evolved over several years. In 2019, the Town commissioned a Workforce Housing Strategic Plan, which outlined strategies the Town should implement in collaboration with the private sector. In 2020 and 2021, the Town adopted policy programs to encourage the construction of workforce housing. These programs included the conversion of commercial buildings into living units and allowed for bonus density in certain residential zoning districts. The Workforce Housing Strategic Plan also identified initiatives for the promotion of workforce housing through public-private partnerships.

On February 22, 2022, the Town Council held a workshop to discuss workforce housing. The following month, the Town issued a Request for Qualifications (RFQ) seeking qualified

development firms to provide professional services in support of the proposed Northpoint location. To assist in reviewing and vetting these submissions, the Town Council approved a resolution in June 2022 authorizing the creation of the Northpoint Public-Private Partnership Housing Advisory Committee. The Northpoint Advisory Committee, comprised of three Town Council members and community leaders, worked closely with the Town Manager and Town staff over the next several months to review development proposals.

The Town invited the top seven respondents from the Request for Qualifications (RFQ) to submit proposals through a Request for Proposals (RFP). Staff also completed workforce housing research and evaluated the Northpoint site to better understand development potential.

In October 2022, the Town received seven development proposals. In November 2022, the Northpoint Public-Private Partnership Housing Advisory Committee interviewed all seven firms. There was one firm that stood out as a diverse team with extensive experience in design, financing, construction, leasing, and property management. The team was led by OneStreet Residential, an Atlanta-based developer and property manager with 35 years of experience in creating affordable and mixed-income communities.

On June 18, 2024, Town Council approved a Resolution authorizing the Town Manager to execute a Workforce Housing Development Agreement with OneStreet Residential. The decision was made following a comprehensive analysis and legal review by the Town Manager, Town staff, and the Town's Northpoint Public-Private Partnership Housing Advisory Committee. The Northpoint Advisory Committee endorsed OneStreet Residential as the most suitable development partner after an extensive review of development plans, financing options, programming and property management.

The Northpoint development will provide housing for Hilton Head Island's workforce. The project will target households earning between 60% and 150% of the Beaufort County Area Median Income (AMI), with at least 50% of the units reserved for households earning between 60% and 80% of AMI. The development will ensure long-term affordability through covenants, guaranteeing that the units remain accessible to the Island's workforce in perpetuity.

The Northpoint project represents a significant public-private partnership between the Town of Hilton Head Island and OneStreet Residential. The Town will provide a 65-year ground lease, \$1 million in grant funding from the American Rescue Plan Act (ARPA), covenants to ensure the long-term affordability of the neighborhood, zoning entitlements, and programming support.

Project Scope (Workforce Housing Development Agreement):

1. 11.337 acres of Town-owned property located close to Hilton Head Island schools, the Island Recreation Center, and the Boys and Girls Club
2. Energy efficient sustainable neighborhood with high-quality architecture and construction
3. +/-160 rental units, consisting of one-, two- and three-bedroom apartments
4. Amenities and programming that prioritize the well-being and quality of life of residents
 - Sustainable design with solar components and high-quality architecture and construction

- A pool and outdoor communal spaces with grilling, dining stations, pavilions, seating, and playgrounds to foster social interaction and a sense of community among residents
- Functional open spaces with views of Jarvis Creek and a neighborhood park with walking trails and fitness stations, and a community garden to encourage residents' health and wellness
- Onsite property management and a multipurpose community center with high-speed internet and programs tailored to residents' needs, such as educational, economic empowerment and recreational activities
- Integration of stormwater eco-infrastructure, such as rain gardens and bioswales to enhance the landscape while capturing, treating, and infiltrating stormwater runoff
- An attractive green infrastructure strategy, including pervious materials and water-neutral site features
- Onsite recycling and trash facilities
- Pedestrian and bike-friendly infrastructure
- Electric vehicle charging stations
- An onsite trolley stop to encourage the use of public transportation
- Native landscaping and minimal turf grass to reduce water consumption from irrigation
- Well-lit entrances, landscaped pathways and parking areas to promote safety
- Laundry appliances within each unit for residents' convenience

Workforce Affordability (Workforce Housing Development Agreement):

1. Essential workforce, such as but not limited to teachers, first responders, health care providers, and hospitality workers who are employed on Hilton Head Island
2. 60% to 150% of Area Median Income (AMI), with at least 50% of households earning between 60% and 80% of AMI
3. Affordability Covenants

Town's Role (Workforce Housing Development Agreement):

1. Project vision
2. 11.337 acres of land through a 65-year ground lease
3. \$1 million grant with contributions secured from the American Rescue Plan Act (ARPA)
4. Long-term programming support
5. Zoning entitlements

OneStreet Residential's Role (Workforce Housing Development Agreement):

1. Financing
2. Design and permitting
3. Project management
4. Construction
5. Lease-up
6. Long-term programming
7. Property management

Rezoning Criteria

The proposed rezoning review as required by LMO Section 16-2-103.C. is as follows:

i. Is in accordance with the Comprehensive Plan;

This Application aligns with the Town of Hilton Head Island's Comprehensive Plan, Our Plan, by increasing the availability of residentially zoned property in a location that is suitable for this purpose and near major employers on the Island. This Application also facilitates the advancement of a public-private partnership to create a workforce housing neighborhood not currently available in the community and thereby reinforcing opportunities for anchor institutions (schools, hospital, and businesses) to sustain a workforce, be competitive in our region, and diversify our population.

The Northpoint tract is situated along William Hilton Parkway near Gumtree Road and benefits from its proximity to jobs, community services, and public amenities, which contribute to the site's suitability for residential development. The Hilton Head Hospital, Fire Stations 4 and 5, medical offices and the Boys and Girls Club are nearby, and local schools and the Island Recreation Center are located within a mile of the Northpoint tract.

The rezoning also aligns with the Town's values for sustainable development through the repurposing and redevelopment of a previously developed site. The proposed development will incorporate modern infrastructure and services that align with these goals, such as pedestrian and bike pathways, electric vehicle charging stations, and recycling facilities. These enhancements will contribute to a sustainable, accessible, and safe environment for residents.

The following sections of the Comprehensive Plan specifically support this Application:

Relentless Pursuit of Excellence: Our Plan's Core Value "Relentless Pursuit of Excellence" includes the following goals, strategies and tactics related to the Ideals of Excellence - Strategies for Our People:

1. Ideals of Excellence: To adopt and pursue Our Ideals of Excellence for Hilton Head Island.
2. Strategies for Our People:
 - 2.10 Work with partners and anchor institutions to promote opportunities that will diversify the residential population.
 - 2.10.1 Encourage development and redevelopment opportunities that help Hilton Head Island be a competitive and affordable place to live and work.

Revitalizing and Modernizing the Economy: Our Plan's Core Value "Revitalizing and Modernizing the Economy" includes the following goals, strategies and tactics related to Brand and Workforce:

3. Brand: To manage evolving economic growth while maintaining Hilton Head Island's unique aesthetic.

3.2 Monitor demographics and economic trends to manage emerging growth and changes.

3.2.2 Monitor trends in housing development to provide housing options that meet market demands.

6. Workforce: To have a high-quality, sustainable workforce.

6.1 Encourage the development of workforce housing through effective incentives.

6.1.1 Continue to pursue the recommendations from the Town's Workforce Housing Strategic Plan.

6.1.2 Identify methods to support construction of new workforce housing by 2024.

6.1.4 Consider the use of Town-owned properties, where appropriate, for future development projects or land swaps for workforce housing.

6.1.5 Review the land acquisition program to determine if a workforce housing component would be an appropriate modification going forward.

6.1.6 Monitor changing demographics and trends in housing development to allow for housing options to meet market demands.

6.1.7 Continue to educate the public on the potential impact on their daily quality of life that is directly affected by the supply or lack of workforce housing.

Fostering an Inclusive Multi-Dimensional Community: Our Plan's Core Value "Fostering an Inclusive Multi-Dimensional Community" includes the following goals, strategies and tactics related to Inclusive and Community Development:

3. Inclusive: To foster creation of sustainable, inclusive, equitable, and innovative community development on the entire Island.

Community Development: 3.7 Address housing issues by using a systematic approach that integrates economic development, transportation, and land use.

Building a Connected and Collaborative Community Fabric: Our Plan's Core Value "Building a Connected and Collaborative Community Fabric" includes the following goals, strategies and tactics related to Connected and the Built Environment:

2. Connected: To promote designs for the built environment that capitalize on our natural beauty and community strengths, reinforcing our unique sense of place.

Built Environment: 2.4 Create incentives and/or public-private partnerships for redevelopment with goals of diversity in housing types and cost, and types of transportation modes.

Innovative Approach to create ‘Right-Sized’ Infrastructure: Our Plan’s Core Value “Innovative Approach to create ‘Right-Sized’ Infrastructure” includes the following goals, strategies and tactics for Housing:

6. Housing: To promote housing options to meet the needs of all current and future populations on the Island.

6.1 Adopt policies to support the recommendations of the Town’s Workforce Housing Strategic Plan.

6.2 Continually assess development standards and building codes to ensure they encourage the development and redevelopment of needed housing.

6.2.1 Evaluate and study regulations to require or provide options for interconnection between developments, which promotes the establishment of neighborhoods, and to provide safe and convenient access to neighborhood level public facilities, particularly schools and parks.

6.3 Evaluate proposed changes to residential density to ensure they are appropriate for the character of the area and the neighboring properties.

ii. Would allow a range of uses that are compatible with the uses allowed on other property in the immediate vicinity;

This Application would allow a range of uses that are compatible with the uses allowed on other property in the immediate vicinity. The zoning for adjacent properties includes Low to Moderate Density Residential (RM-4) District to the north, Light Commercial (LC) District to the east, and Parks and Recreation (PR) District to the west and south.

Marsh Point Apartments are located to the north and within the RM-4 District. Marsh Point Apartments has 140 rental units on approximately 20 acres, which includes a 6.6-acre Santee Cooper easement. Excluding the Sante Cooper easement, March Point was developed at 10 units per acre.

RM-4 and RM-12 allow similar residential uses, such as group living, multifamily, and single-family. The other nonresidential uses include public, civic, institutional, and educational uses, which are also substantially the same in both districts.

The United States Post Office is located to the east and within the LC District. LC allows uses that are harmonious in areas adjacent to residential neighborhoods, such as public, civic, commercial services, health services, institutional, and educational uses.

The Town-owned Coastal Discovery Museum property is located to the south and within the PR District, which further supports rezoning the Northpoint tract to RM-12 as there is a supply of PR zoning in the area.

iii. Is appropriate for the land;

This Application is appropriate for the land as the Property was originally part of the Hilton Head Plantation Master Plan and identified for future development. The Property was then developed as a commercial subdivision in the late 1980s. In 2014, as part of an Island-wide Zoning Map Amendment, several Town-owned properties were rezoned into the Parks and Recreation (PR) District, including the Northpoint tract.

The existing infrastructure, including roads and utilities, makes the site well-suited for redevelopment into a residential neighborhood. Additionally, the development of workforce housing at this site is consistent with the Town's goals of promoting sustainable development and improving the quality of life for residents.

The Northpoint tract is situated along William Hilton Parkway near Gumtree Road and benefits from its proximity to jobs, community services, and public amenities, which contribute to the site's suitability for residential development. The Hilton Head Hospital, Fire Stations 4 and 5, medical offices and the Boys and Girls Club are nearby, and local schools and the Island Recreation Center are located within a mile of the Northpoint tract. Together, these businesses employ over 2,000 workers on the Island. The Marsh Point apartments are located to the north. Jarvis Creek is located to the west. The United States Post Office is located to the east. The Coastal Discovery Museum is located to the south.

iv. Addresses a demonstrated community need;

This Application addresses a demonstrated community need as Hilton Head Island's workforce housing shortage has created economic pressures on both residents and local businesses. High housing costs have resulted in much of the Island's workforce residing off-Island, leading to extended commutes, increased traffic, and reduced quality of life for workers. According to the 2020 US Census, the number of people employed on-Island that live off-Island was 14,800, which increased 26% from 2002 to 2020.

Rezoning the Property to RM-12, with bonus density up to 15 units per acre for workforce housing is supported by Town priorities as identified in The Workforce Housing Strategic Plan, Strategy #4: Establish a density bonus program. The Town should amend the Land Management Ordinance (LMO) to offer density bonus in certain zoning districts for properties that meet particular criteria (i.e., proximity to jobs, services and/or transportation) in exchange for the provision of workforce housing. The criteria for the bonus density in RM-12 is met by the properties subject to this rezoning.

The Town's Workforce Housing Development Agreement for redeveloping this Property will require environmentally sustainable design and construction, with access to high-speed internet, and best-in-class amenities and programming that prioritize the well-being and quality of life of residents.

The economic viability of this Application supports workforce retention, a crucial factor in sustaining Hilton Head Island's service-oriented economy. Northpoint will create a neighborhood with approximately 160 apartment units with walking trails, recreational areas, and community programming that will enhance the living experience and foster

residents' satisfaction for the Island's workforce, ensuring that the Island's economy remains resilient and robust.

v. Is consistent with the overall zoning program as expressed in future plans for the Town;

The purpose of the Moderate to High Density Residential (RM-12) District is to allow higher density residential uses in locations which are served by adequate infrastructure. This Application is consistent with the overall zoning program as expressed in future plans for the Town, including Our Plan, the Workforce Housing Strategic Plan and the Workforce Housing Framework.

The Town's Workforce Housing Strategic Plan strategies include the Town making some unrestricted and unprogrammed Town-owned land available for the production of workforce housing and setting clear goals and objectives in partnership with a developer that takes advantage of lower-cost land from the Town.

The Workforce Housing Framework adopted by the Town Council in November 2022 highlights the importance of public-private partnerships and innovative financing mechanisms to advance workforce housing projects. By collaborating with the private sector, the Town is ensuring the delivery of a well-designed, sustainably constructed, financially viable neighborhood that directly addresses the Island's workforce housing needs. This Application advances the strategic objectives set forth in the Workforce Housing Framework, reinforcing the Town's commitment to creating sustainable housing solutions.

The principles outlined in the Workforce Housing Framework are built on four key pillars:

Community

The Northpoint initiative reflects the community pillar by fostering a vibrant, inclusive neighborhood that provides essential workers with obtainable, high-quality housing. This development prioritizes resident well-being through thoughtfully designed amenities, including green spaces, recreational facilities, and a community center that supports social engagement and a sense of belonging.

Planning

This pillar emphasizes strategic planning to maximize land use efficiency while addressing workforce housing needs. Northpoint leverages the zoning program provided by the RM-12 District to create approximately 160 workforce rental units. The project's design incorporates sustainable features such as stormwater eco-infrastructure, bike and pedestrian friendly infrastructure, community garden, and energy-efficient construction, reflecting the framework's emphasis on environmentally conscious planning.

Management

Long-term operational sustainability is central to the management pillar. The project includes covenants to ensure that the Property remains affordable to the Island's workforce in perpetuity. The Workforce Housing Development Agreement requires professional property management with programming and amenities that prioritize the well-being of residents. The Development Agreement also requires annual income and employment verification to ensure residents continue to qualify to live at Northpoint.

Revenue

By utilizing a public-private partnership model, the Town is optimizing its resources to support the project while securing long-term affordability for residents who work on Hilton Head Island. The Town's contribution of a 65-year ground lease, American Rescue Plan Act (ARPA) grant funding, and zoning entitlements exemplifies the revenue pillar's focus on leveraging public and private investments to deliver workforce housing.

vi. Would avoid creating an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts;

This Application will not create an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning. The zoning of nearby properties includes Low to Moderate Density Residential (RM-4), Light Commercial (LC) and Parks and Recreation (PR).

The purpose of the Low to Moderate Density Residential (RM-4) District is to protect and preserve the character of these areas and neighborhoods. This district is used to encourage a variety of residential opportunities, including multifamily residential units, single-family residences, group living and workforce housing. The regulations of the district are intended to discourage development that would substantially interfere with, or be detrimental to, residential character. Residential density within the RM-4 District ranges from 4 units per acre to 8 units per acre based on the size of the property, and up to 12 units per acre for eligible workforce housing developments.

The purpose of the Light Commercial (LC) District is to provide light commercial uses such as offices, banks, restaurants, and lower intensity retail sales and services uses. Permitted uses are generally auto-oriented and easily accessed.

The purpose of the Parks and Recreation (PR) District is to accommodate and manage land uses allowed on publicly held land used for active or passive recreation purposes, or publicly owned land preserved in its natural state for public enjoyment. Development in this district shall be allowed and designed to minimize, as much as possible, its impact on both the natural environment and the community.

The purpose of the Moderate to High Density Residential (RM-12) District is to allow higher density residential uses in locations which are served by adequate infrastructure, while maintaining the character of these areas and neighborhoods. This district is used to encourage a variety of residential opportunities, including multifamily residential units,

single-family residences, and group living. The regulations of this district are intended to discourage development that would substantially interfere with, or be detrimental to, moderate to high density residential character.

Rezoning the sixteen subject parcels to RM-12, which is located adjacent to RM-4, LC and PR zoned property, will not create an isolated zoning district unrelated to adjacent and surrounding zoning because of the complementary nature of the residential zoning to the surrounding multifamily residential, commercial and park properties.

vii. Would allow the subject property to be put to a reasonably viable economic use;

This Application will enable the subject property to be put to a reasonably viable economic use as the Island's demographics, economic demands, and housing needs have shifted in recent years. Hilton Head Island has experienced rising housing costs and increased demand for workers in critical sectors. According to the Conditions and Trends Assessment adopted by Town Council in 2024, "the total number of households did increase 24% from 2000 to 2020, but the makeup of these households is smaller and older." Family sizes on the Island are decreasing faster than in the county and the state. Hiring challenges on the Island are growing as housing costs are rising, and with more employment opportunities emerging in Beaufort and Jasper Counties. The median home price on Hilton Head Island in October 2024 was \$789,000, outperforming the county median by more than \$200,000.

Rezoning the Northpoint tract to RM-12 is a direct response to a growing community need for workforce housing. The project supports the Island's economy by making it feasible for essential workers to live on the Island. By providing high-quality rental units tailored to workforce needs, Northpoint alleviates these pressures, enabling more employees to live in the community where they work, fostering community stability.

viii. Would result in development that can be served by available, adequate, and suitable public facilities (e.g., streets, potable water, sewerage, stormwater management); and

This Application will result in development that can be served by available, adequate, and suitable public facilities as the Property was originally developed as a commercial subdivision in the 1980s. The existing infrastructure, including roads and utilities, makes the site ideal for redevelopment into a residential neighborhood. Additionally, the development of workforce housing at this site is consistent with the Town's goals of promoting sustainable development and improving the quality of life for residents.

ix. Is appropriate due to any changed or changing conditions in the affected area.

This Application is submitted in response to the evolving conditions and needs of the affected area. The Northpoint tract, initially part of the Hilton Head Plantation Master Plan in 1984, was identified for future development. In the late 1980s, it was developed as a commercial subdivision, but in the 1990s, the South Carolina Department of Transportation (SCDOT) acquired the property to facilitate the construction of the Cross Island Parkway.

The Town acquired the Northpoint tract from SCDOT in two separate purchases between 1997 and 1999, using Real Estate Transfer Fee funds totaling approximately \$1.4 million. At that time, the Northpoint subdivision was zoned as Office/Institutional (OL).

In 2014, as part of an Island-wide Zoning Map Amendment, several Town-owned properties, including the Northpoint tract, were reclassified into the Parks and Recreation (PR) District. With its existing infrastructure, the site is well-positioned for redevelopment into a residential neighborhood. This further supports the case for rezoning the property to the RM-12 District, enabling the creation of a neighborhood that complements the area's growth and demand for residential housing.

Conclusion

The Town is seeking to amend the Official Zoning Map to change the base zoning of the Northpoint tract from the Parks and Recreation (PR) District to the Moderate to High Density Residential (RM-12) District. This proposed zoning change will facilitate the redevelopment of the property for workforce housing through a public-private partnership. The amendment aligns with the Town's goals to address the growing demand for workforce housing while utilizing the property's existing infrastructure to create a sustainable and vibrant residential neighborhood.

TOWN OF HILTON HEAD ISLAND

One Town Center Court, Hilton Head Island, S.C. 29928

(843) 341-4600 Fax (843) 842-7728

www.hiltonheadislandsc.gov

Alan R. Perry
Mayor

Alexander Brown, Jr.
Mayor ProTem

Council Members

Patsy Brison
Steve DeSimone
Tamara Becker
Steve Alfred
Melinda Tunner

Marc Orlando
Town Manager

February 21, 2025

RE: Notice of Public Hearing – Northpoint Zoning Map Amendment (ZMA)

Dear Property Owner,

The Town of Hilton Head Island Planning Commission will hold a public hearing on Wednesday, March 19, 2025, at 2:00 p.m. in the Town Government Center, Benjamin M. Racusin Council Chambers, One Town Center Court, Hilton Head Island, South Carolina.

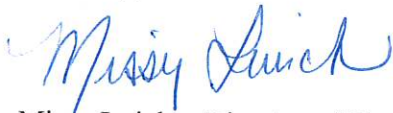
ZA-000023-2025: **Public Hearing** for a request from the Town of Hilton Head Island to amend the Official Zoning Map to change the base zoning of the Town-owned properties identified on Beaufort County Tax District R510, Map 7, Parcel Numbers 121, 219, 230, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, and 265, from the Parks and Recreation (PR) District to the Moderate to High Density Residential (RM-12) District.

This notice is sent in compliance with the Land Management Ordinance (LMO) Section 16-2-102E.2e.ii, requiring notification to all landowners within 350 feet of the parcels being considered for rezoning. The subject properties are the location for the Northpoint Workforce Housing Public-Private Partnership which aims to address the need for workforce housing by providing approximately 160 residential rental units with best-in-class amenities to serve the Hilton Head Island's essential workforce.

Interested persons may appear, speak and submit evidence or comments at the public hearing. For additional information or to submit comments prior to the public hearing, please call the Planning Department at (843) 341-4757.

Thank you for your attention. Your participation in the public hearing is encouraged, and we look forward to your input.

Sincerely,



Missy Luick – Director of Planning

MissyL@hiltonheadislandsc.gov

(843) 341-4693

Enclosure: Location Map on back of page



Town of Hilton Head Island Zoning Map Amendment Location Map Northpoint Town-owned Property

December, 2024





Northpoint Housing Public-Private Partnership Parcels
Parcels



- Northpoint Housing Public-Private Partnership Parcels**
- Parcels**
- Zoning**
- CC - Community Commercial
 - CON - Conservation
 - CR - Coligny Resort
 - IL - Light Industrial
 - LC - Light Commercial
 - MED - Medical
 - MF - Marshfront Mixed Use
 - MS - Main Street
 - MV - Mitchelville
 - NC - Neighborhood Commercial
 - PD-1 - Planned Development
 - PR - Parks and Recreation
 - RD - Resort Development
 - RM-4 - Low to Moderate Density
 - RM-8 - Moderate Density
 - RM-12 - Moderate to High Density
 - RSF-3 - Single Family (3 Units Per Acre)
 - RSF-5 - Single Family (5 Units Per Acre)
 - RSF-6 - Single Family (6 Units Per Acre)
 - S - Stony Mixed Use
 - SPC - Sea Pines Commercial
 - WMU - Water-Oriented Mixed Use



TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600
Date Created: Wednesday, January 22, 2025

Town of Hilton Head Island

Northpoint Workforce Housing Zoning Map

January, 2025

2,000 1,000 0 2,000 4,000 6,000 Feet

Attachment C, Northpoint Vicinity Zoning Map

N



The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion or for any losses arising from the use of the map.

Attachment D, Survey of Northpoint

PROPERTY INFORMATION:
TAX CARD INFORMATION & ACRES SHOWN BELOW
CORRESPOND TO LOT TMS #s DEPICTED ON SURVEY

N/F
TOWN OF HILTON HEAD ISLAND SC
TMS R510 007 000 0121 0000
PB: 35 PG: 68
DB: 1577 PG: 1307
TOTAL ACREAGE
58,891 SF
1.352 AC
UPLAND:
54,686 SF
1.255 AC
WETLAND:
4,205 SF
0.097 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-17)
TMS R510 007 000 0243 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
36,765 SF
0.844 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-7)
TMS R510 007 000 0233 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
25,557 SF
0.587 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-4)
TMS R510 007 000 0230 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
32,838 SF
0.754 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-10)
TMS R510 007 000 0236 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
21,607 SF
0.496 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-12)
TMS R510 007 000 0238 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
20,486 SF
0.470 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-16)
TMS R510 007 000 0242 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
30,058 SF
0.690 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-14)
TMS R510 007 000 0240 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
28,228 SF
0.648 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-6)
TMS R510 007 000 0232 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
25,517 SF
0.586 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-3)
TMS R510 007 000 0219 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
21,500 SF
0.589 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-11)
TMS R510 007 000 0237 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
21,266 SF
0.488 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-13)
TMS R510 007 000 0239 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
25,918 SF
0.595 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-15)
TMS R510 007 000 0241 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
30,011 SF
0.689 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-8)
TMS R510 007 000 0234 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
25,515 SF
0.587 AC

N/F
BROAD CREEK PUBLIC SERVICE DISTRICT
HILTON HEAD #1 PSD
TMS R510 007 000 0231 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1206
44,533 SF
1.025 AC

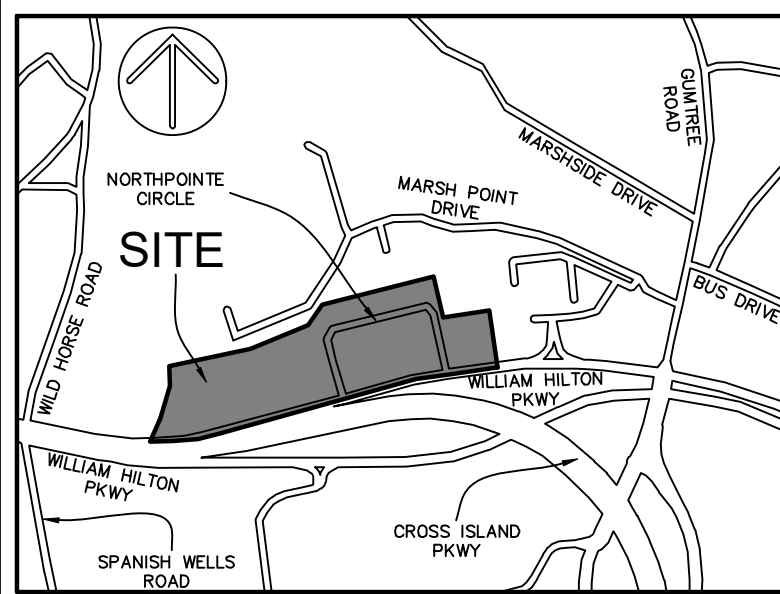
N/F
TOWN OF HILTON HEAD ISLAND
(LOT-9)
TMS R510 007 000 0235 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
21,500 SF
0.494 AC

N/F
TOWN OF HILTON HEAD ISLAND
(LOT-13)
TMS R510 007 000 0239 0000
PB: 35 PG: 68
PB: 64 PG: 4
DB: 1577 PG: 1307
25,918 SF
0.595 AC

WETLAND LINE TABLE		
LABEL	BEARING	DISTANCE
LW1	N70°21'31"E	29.45'
LW2	N52°07'15"E	43.43'
LW3	N18°09'57"E	35.74'
LW4	N01°21'46"E	56.72'
LW5	N15°48'48"W	39.04'
LW6	N12°58'06"W	35.37'
LW7	N29°20'25"W	24.64'
LW8	N29°20'25"W	5.07'

LINE TABLE		
LABEL	BEARING	DISTANCE
L1	N 04°00'35" W	4.54'
L2	N 72°12'52" E	17.80'
L3	N 39°29'18" W	19.20'
L4	N 76°42'02" E	18.01'
L5	N 50°50'57" E	15.04'
L6	N 71°34'25" E	21.12'
L7	N 08°28'44" W	14.27'
L8	N 41°20'34" E	11.62'
L9	N 54°52'27" E	13.31'
L10	N 22°50'58" E	16.80'
L11	N 08°50'55" W	21.12'
L12	N 20°12'33" E	25.65'
L13	N 28°39'36" W	21.27'
L14	N 49°16'57" W	25.38'
L15	N 16°04'12" E	26.16'
L16	N 41°15'16" W	21.15'
L17	N 16°08'07" E	32.99'
L18	N 10°47'14" W	24.90'
L19	N 18°40'18" W	16.98'

CURVE TABLE		
LABEL	RADIUS	ARC CHORD
C1	2949.79'	217.15'
C2	2949.79'	217.15'
C3	20.00'	31.41'
C4	20.00'	31.41'
C5	1322.39'	423.54'



VICINITY MAP NOT TO SCALE

NOTES

- FULL LEGEND, LINE & CURVE TABLES, PROPERTY INFORMATION & ACREAGE CHART, AND SURVEY DATA ARE LOCATED ON COVER SHEET.
- THESE PARCELS APPEAR TO LIE IN MULTIPLE FLOOD ZONES: X (0.2% CHANCE), AND AE (ELEVATION 8'), COMMUNITY 450200 (TOWN OF HILTON HEAD ISLAND), MAP NUMBER 45013004536.
- CONTOURS ARE IN ONE FOOT INTERVALS. TREE SIZES SHOWN ARE IN INCHES OF DIAMETER.
- VERTICAL DATUM IS NAVD 88.
- BUILDING SETBACK REQUIREMENTS SHOULD BE VERIFIED WITH THE PROPER AUTHORITIES PRIOR TO DESIGN AND CONSTRUCTION.
- HORIZONTAL DATUM IS SOUTH CAROLINA STATE PLANE GRID (NAD 83).
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PREPARED FOR:
THE TOWN OF HILTON HEAD
AN AS-BUILT / TREE AND TOPOGRAPHIC SURVEY OF
NORTH POINTE CIRCLE &
WILLIAM HILTON PARKWAY

TAX PARCEL Nos.
R510 007 000 0121 0000
R510 007 000 0219 0000
R510 007 000 0230 0000
R510 007 000 0233 0000
R510 007 000 0234 0000
R510 007 000 0235 0000
R510 007 000 0236 0000
R510 007 000 0237 0000
R510 007 000 0238 0000
R510 007 000 0239 0000
R510 007 000 0240 0000
R510 007 000 0241 0000
R510 007 000 0242 0000
R510 007 000 0243 0000
&
R510 007 000 0265 0000

HILTON HEAD ISLAND
BEAUFORT COUNTY, SOUTH CAROLINA

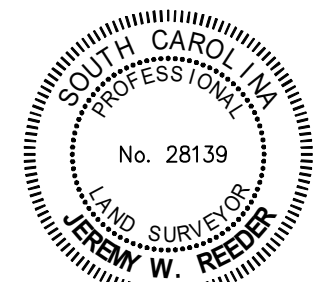
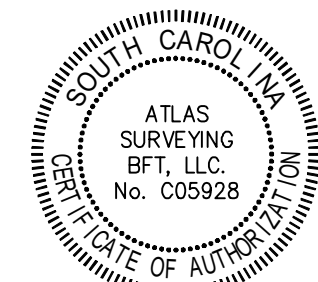
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FIELD CHECK: JRG
DRAWN BY: JRG
DATE: 01-18-2023
SCALE: 1"=60'
PROJECT NO.: BPT-22090
FILED: 22090 ATI REVING

COVER SHEET

ATLAS

SURVEYING, INC.

168 BOARDWALK DRIVE, SUITE A.
RIDGELAND, SC 29936.
PHONE: (843) 645-9277
WEBSITE: WWW.ATLASSURVEYING.COM



I HEREBY STATE THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREIN WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STANDARDS OF PRACTICE MANUAL FOR SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS AS SPECIFIED THEREIN.

No. 28139

JEREMY W. REEDER
S.C.P.L.S. No. 28139
NOT VALID UNLESS CRIMPED WITH SEAL

THE AREA SHOWN ON THIS PLAT IS A REPRESENTATION OF DEPARTMENT (SCDHEC ORCM) PERMIT AUTHORITY ON THE SUBJECT PROPERTY. CRITICAL AREAS BY THEIR NATURE ARE DYNAMIC AND SUBJECT TO CHANGE OVER TIME. BY DELINEATING THE PERMIT AUTHORITY OF SCDHEC ORCM, SCDHEC ORCM IN NO WAY WAIVES ITS RIGHT TO ASSERT PERMIT JURISDICTION AT ANY TIME IN ANY CRITICAL AREA ON THE SUBJECT PROPERTY, WHETHER SHOWN HEREON OR NOT.

Signature: [Signature]
Date: 8/17/2023

The critical line shown on this plat is valid for five years from the date of this signature, subject to the cautionary language above.

SURVEY DATA

TOTAL AREA: 12,132 ACRES
ERROR OF PLAT CLOSURE: 1 IN 144,557
ERROR OF FIELD CLOSURE: 1 IN 131,000
ANGULAR ERROR: X" PER ANGLE POINT
ADJUSTED BY: NO ADJUSTMENT
EQUIPMENT USED: TOPCON PS ROBOTIC TOTAL STATION
FIELD WORK COMPLETED ON: 05-12-2022

LEGEND

- ▲ CALC POINT - CORNER NOT SET
- CMF ■ CONC. MONUMENT FOUND
- CMFD ■ CONC. MONUMENT FOUND DISTURBED
- RBF ■ IRON REBAR FOUND
- RMWF ■ RIGHT-OF-WAY CONC. MONUMENT FOUND
- RMWFD ■ RIGHT-OF-WAY CONC. MONUMENT FOUND DISTURBED
- OCJB CABLE JUNCTION BOX
- ECB ELECTRIC STUBOUT
- FI FIRE HYDRANT
- GI GRATE INLET
- SD STORM DRAIN MANHOLE
- X12.9 SPOT ELEVATION
- GN SIGN
- SPG SPIGOT
- SS SANITARY SEWER LATERAL OR STUBOUT

LEGEND

- SM SANITARY SEWER MANHOLE
- TELEPHONE JUNCTION BOX
- TELEPHONE MANHOLE
- TRANSFORMER-ELECTRIC
- UNDERGROUND SEWER MARKER
- WATER MANHOLE
- WATER VALVE
- WOOD POST
- MARSHGRASS
- TRASH CAN
- TREE LIMB
- BIRCH
- BLACK GUM
- CEDAR
- CHERRY

LEGEND

- G SWEET GUM
- LA LAUREL OAK
- LO LIVE OAK
- MAP RED MAPLE
- MAG MAGNOLIA
- MIM MIMOSA
- P PINE
- PA PALMETTO
- RO RED OAK
- SB SUGAR BERRY
- SCO SWAMP CHESTNUT OAK
- SYC SYCAMORE
- TA TALLOW
- WO WATER OAK
- WXM WAX MYRTLE

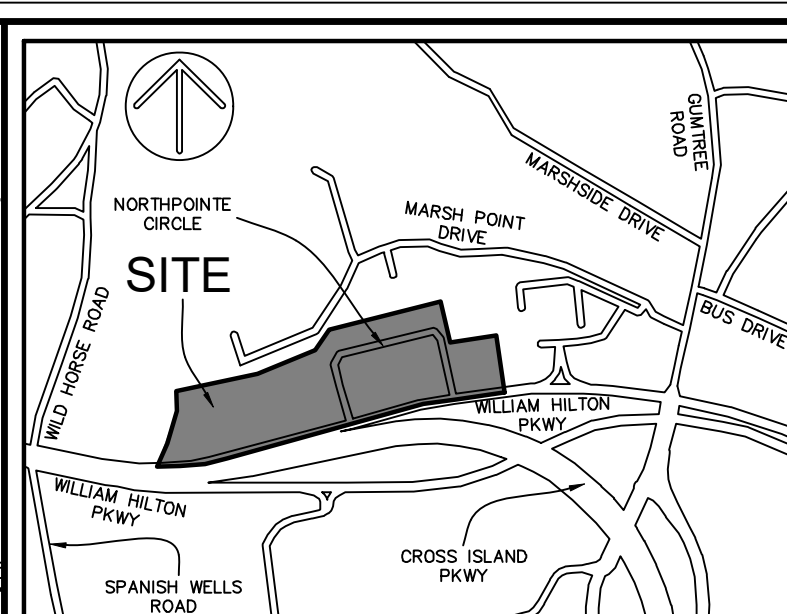
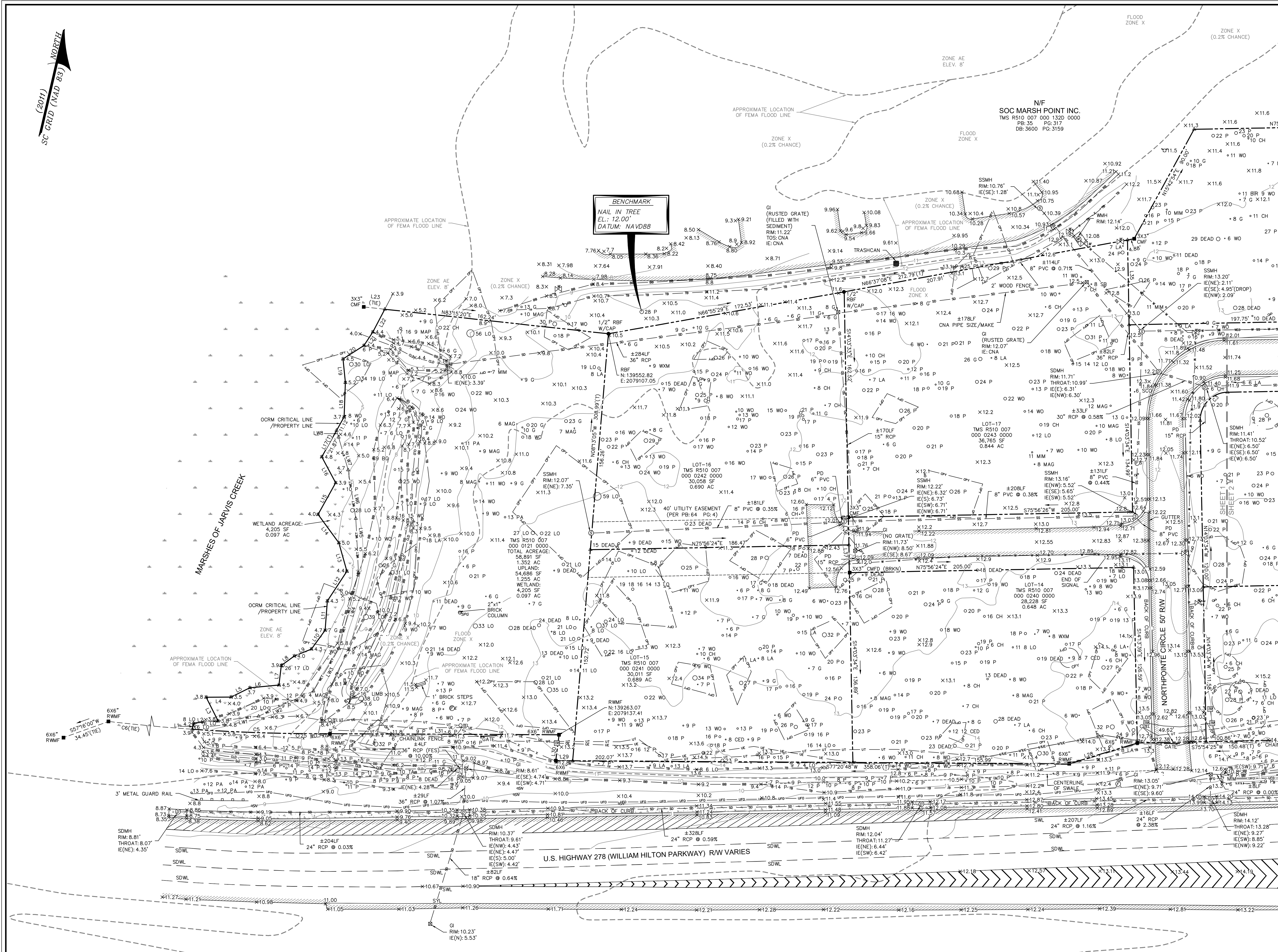
LEGEND

- BOC BACK OF CURB
- BSL BUILDING SETBACK LINE
- CNA COULD NOT ACCESS
- CMP CORRUGATED METAL PIPE
- IE INVERT ELEVATION
- ID PIPE DIRECTION
- PVC POLYVINYL CHLORIDE PIPE
- RCF REINFORCED CONCRETE PIPE
- RCF FES REINFORCED CONCRETE PIPE FLARED END SECTION
- TOP OF SEDIMENT
- OCRM OCEAN & COASTAL RESOURCE MANAGEMENT
- SBA STOP BAR
- SOWL SINGLE DASHED WHITE LINE
- SYL SINGLE YELLOW LINE (SOLID)
- SWL SINGLE WHITE LINE (SOLID)

LEGEND

- CONTOUR LINE
- BOTTOM OF BANK
- CENTERLINE OF DITCH
- FENCE LINE
- TOP OF BANK
- TREE CANOPY
- UNDERGROUND DRAINAGE LINE
- UNDERGROUND ELECTRICAL LINE
- UNDERGROUND FIBER OPTICS LINE
- UNDERGROUND SEWER LINE
- UNDERGROUND TELEPHONE
- UNDERGROUND WATER LINE
- CONCRETE
- EDGE OF PAVEMENT
- RIP-RAP

(2011)
SC GRID (NAD 83)
NORTH



VICINITY MAP NOT TO SCALE

NOTES

1. FULL LEGEND, LINE & CURVE TABLES, PROPERTY INFORMATION & ACREAGE CHART, AND SURVEY DATA ARE LOCATED ON COVER SHEET.
2. THESE PARCELS APPEAR TO LIE IN MULTIPLE FLOOD ZONES: X, X (0.2% CHANCE), AND AE (ELEVATION 8'), COMMUNITY 450250 (TOWN OF HILTON HEAD ISLAND), MAP NUMBER 4501300453G.
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WILLIAM HILTON PARKWAY

TAX PARCEL Nos.
R510 007 000 0121 0000
R510 007 000 0219 0000
R510 007 000 0230 0000
R510 007 000 0233 0000
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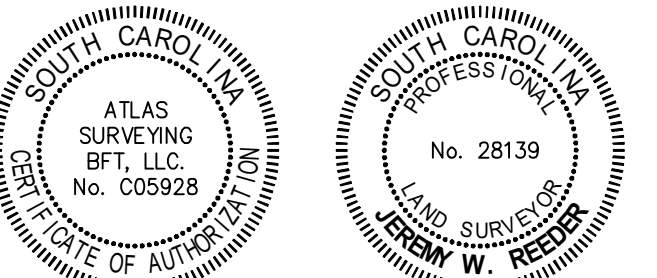
HILTON HEAD ISLAND
BEAUFORT COUNTY, SOUTH CAROLINA

FIELD WORK: JLG
FIELD CHECK: JRG
DATE: 01-16-2025
DRAWN BY: JRG
SCALE: 1"=30'
PROJECT No.: BPT-22090
FILED-22090 ATI REVIEW

SHEET 1 OF 2

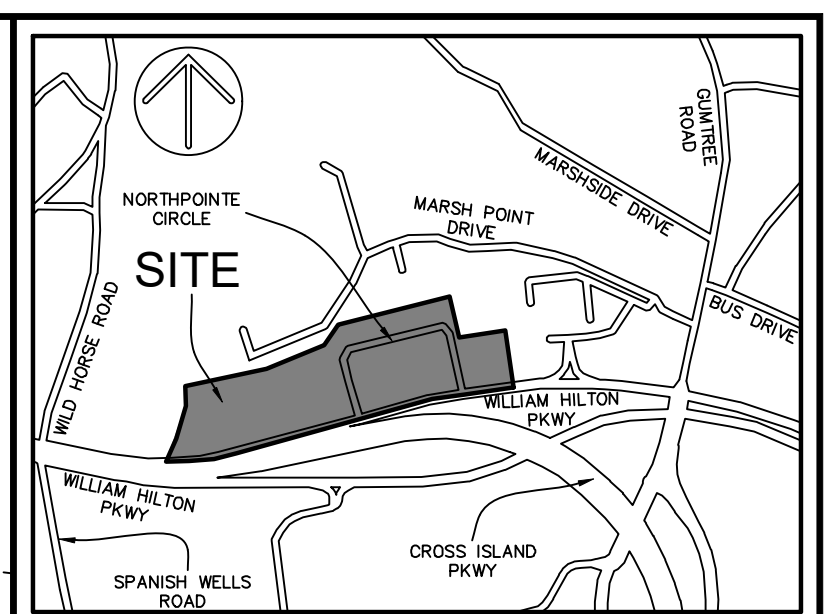
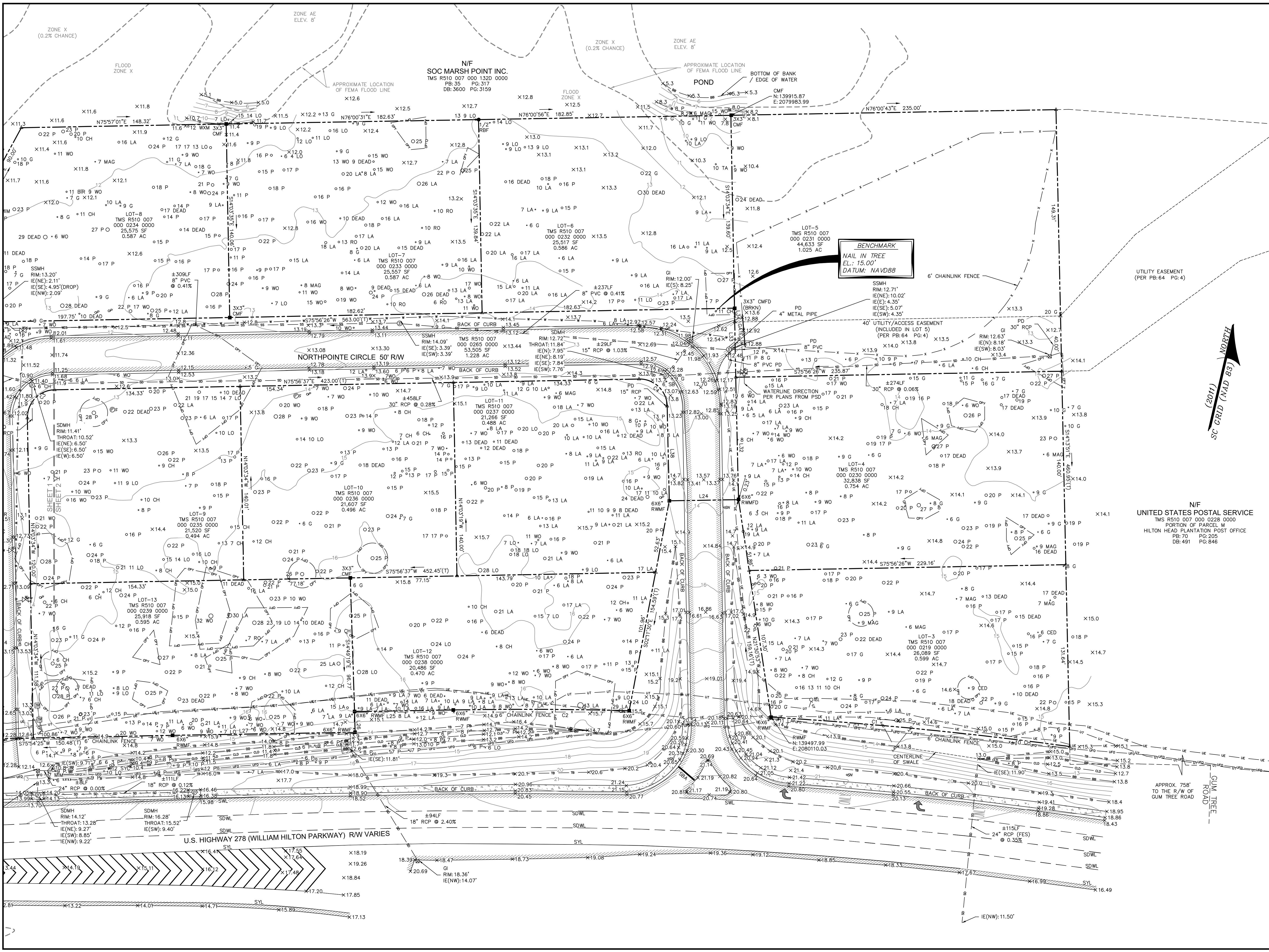
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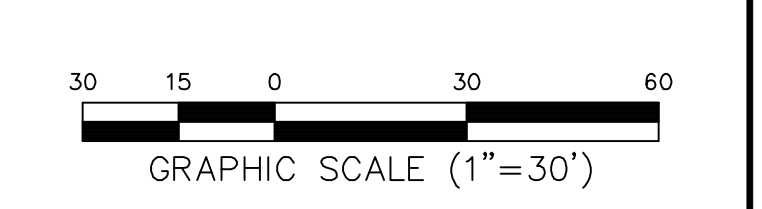
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JEREMY W. REEDER
S.C.P.L.S. No. 28139
NOT VALID UNLESS COUNTERED WITH SEAL



VICINITY MAP NOT TO SCALE

- NOTES
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TAX PARCEL NOS.
R510 007 000 0121 0000
R510 007 000 0219 0000
R510 007 000 0230 0000
R510 007 000 0233 0000
R510 007 000 0234 0000
R510 007 000 0235 0000
R510 007 000 0236 0000
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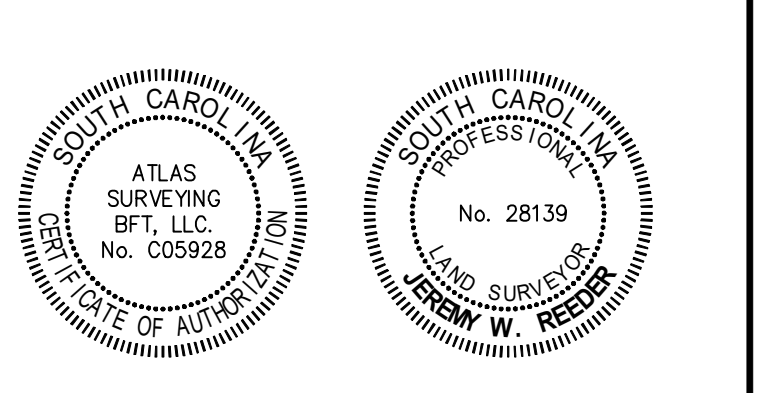
HILTON HEAD ISLAND
BEAUFORT COUNTY, SOUTH CAROLINA

FIELD WORK: JLG
FIELD CHECK: JLG
DRAWN BY: JLG
DATE: 01-16-2023
SCALE: 1"=30'
PROJECT NO.: BPT-22090
FLIBT-22090 ATI REV'D

SHEET 2 OF 2

ATLAS
SURVEYING, INC.

168 BOARDWALK DRIVE, SUITE A.
RIDGELAND, SC 29936.
PHONE: (843) 645-9277
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2011
JEREMY W. REEDER
S.C.P.L.S. No. 28139
NOT VALID UNLESS CRIMPED WITH SEAL

Attachment E, Use Table Comparison Chart

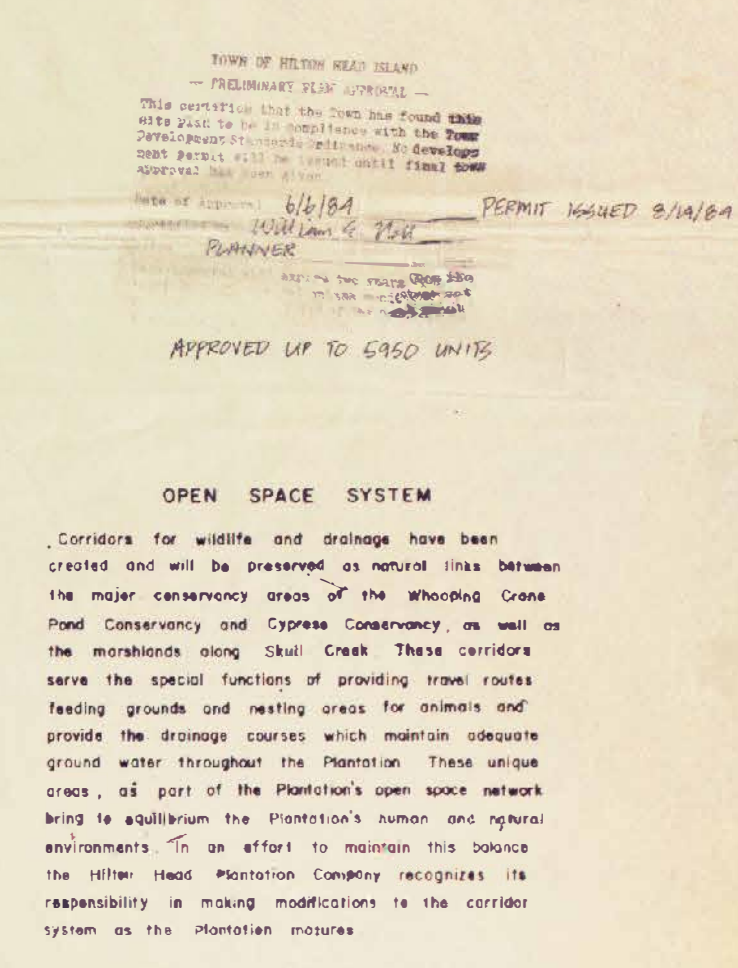
Existing Use (PR Parks and Recreation District) to Proposed Use (RM-12 Moderate to High Density Residential District)

(CURRENT) PR Parks and Recreation District	(PROPOSED) RM-12 Moderate to High Density Residential District
Allowable Principal Uses	
Residential Uses	
N/A	Family Compound
	Family Subdivision
	Group Living
	Multifamily
	Recreational Vehicle
	Single-Family
	Workforce Housing (subject to LMO amendment)
Public, Civic, Institutional, and Educational Uses	
Cemeteries	Community Service Uses
Community Service Uses	Government Uses
Government Uses	Major Utilities
Major Utilities	Minor Utilities
Minor Utilities	Public Parks
Public Parks	Religious Institutions
Religious Institutions	Telecommunication Antenna, Collocated or Building Mounted
Telecommunication Antenna, Collocated or Building Mounted	Telecommunication Towers, Monopole
Telecommunication Towers, Monopole	
Commercial Services	
Open Air Sales	N/A
Other Uses	
Agriculture Uses	Agriculture Uses
Boat Ramps, Docking Facilities, and Marinas	
Development Form Standards	
Max. Density (Per Net Acre)	
All Development 6,000 GFA	Residential 12 dwelling units
	Nonresidential 6,000 GFA

Attachment E, Use Table Comparison Chart

Existing Use (PR Parks and Recreation District) to Proposed Use (RM-12 Moderate to High Density Residential District)

Lot Coverage	
Max. Impervious Cover 45 percent	Max. Impervious Cover for All Development Except Single-Family 35 percent
	Min. Open Space for Major Residential Subdivisions 16 percent
Max. Building Height	
All Development 35 feet	All Development 45 feet
Table Notes:	Table Notes:
P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = dwelling units; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable	P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = dwelling units; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable
	1. Each adjacent parcel abutting the Town right-of-way acquired under the Town's Dirt Road Paving Program shall be permitted to develop to its full density potential based on the size of the parcel prior to the establishment of the Town right-of-way. See Section 16-5-105.D for additional details.
	2. Density for development that includes Workforce Housing shall be determined based on Sec. 16-4-105.A.

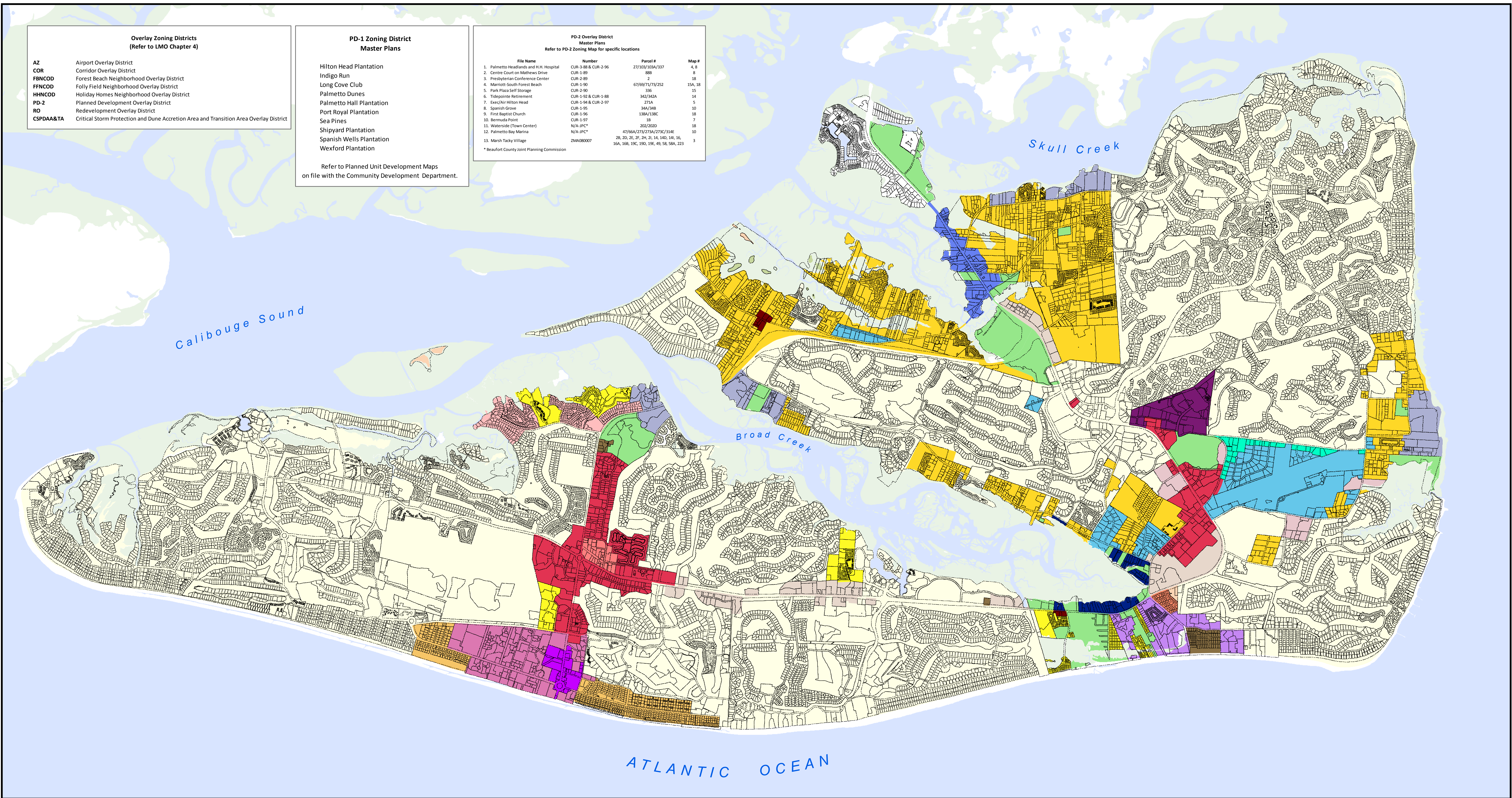


HILTON HEAD PLANTATION
HILTON HEAD ISLAND, SOUTH CAROLINA 29928

Overlay Zoning Districts (Refer to LMO Chapter 4)	
AZ	Airport Overlay District
COR	Corridor Overlay District
FBNCOD	Forest Beach Neighborhood Overlay District
FFNCOD	Folly Field Neighborhood Overlay District
HHNCOD	Holiday Homes Neighborhood Overlay District
PD-2	Planned Development Overlay District
RO	Redevelopment Overlay District
CSPDAA&TA	Critical Storm Protection and Dune Accretion Area and Transition Area Overlay District

PD-1 Zoning District Master Plans	
Hilton Head Plantation	
Indigo Run	
Long Cove Club	
Palmetto Dunes	
Palmetto Hall Plantation	
Port Royal Plantation	
Sea Pines	
Shipyards Plantation	
Spanish Wells Plantation	
Wexford Plantation	
Refer to Planned Unit Development Maps on file with the Community Development Department.	

PD-2 Overlay District Master Plans Refer to PD-2 Zoning Map for specific locations			
File Name	Number	Parcel #	Map #
1. Palmetto Headlands and H.H. Hospital	CUR-3-88 & CUR-2-96	27/103/103A/337	4, 8
2. Centre Court on Mathews Drive	CUR-1-89	888	8
3. Presbyterian Conference Center	CUR-2-89	2	18
4. Marriott-South Forest Beach	CUR-1-90	67/68/71/73/252	15A, 18
5. Park Plaza Self Storage	CUR-2-90	336	15
6. Tidewater Retirement	CUR-1-92 & CUR-1-88	342/342A	14
7. Exec/Air Hilton Head	CUR-1-94 & CUR-2-97	271A	5
8. Spanish Grove	CUR-1-95	34A/34B	10
9. First Baptist Church	CUR-1-96	138A/138C	18
10. Bermuda Point	CUR-1-97	18	7
11. Waterside (Town Center)	N/A-IPC*	202/2020	18
12. Palmetto Bay Marina	N/A-IPC*	47/66A/278/279A/279C/314E 28, 20, 22, 27, 29, 30, 3A, 34D, 34E, 35, 16A, 16B, 16C, 19D, 19E, 49, 58, 58A, 223	10 3
13. Marsh Tacky Village	ZMA080007		
* Beaufort County Joint Planning Commission			



Town of Hilton Head Island

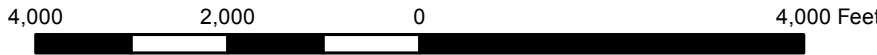
OFFICIAL ZONING DISTRICT MAP

Effective Date*: July 21, 1998
Last Update**: June 15, 2010

* Effective Date is the most recent date the entire Zoning Map was adopted by Town Council.
** Last Update date is the most recent date any amendments to the Zoning District Map were adopted by Town Council.

Note:
The Official Zoning Map is composed of this Official Zoning District Map, the Overlay Zoning District Maps, the Ten PUD Maps and the Official Street Map. This Official Zoning District Map is therefore one component of the Official Zoning Map.

1 inch = 2,000 feet



RESIDENTIAL ZONING DISTRICTS

RS-2	SINGLE FAMILY
RS-3	SINGLE FAMILY
RS-4	SINGLE FAMILY
RS-5	SINGLE FAMILY
RS-6	SINGLE FAMILY
RM-4	LOW TO MODERATE DENSITY
RM-8	MODERATE DENSITY
RM-12	MODERATE TO HIGH DENSITY

COMMERCIAL ZONING DISTRICTS

OL	OFFICE/INSTITUTIONAL LOW DENSITY
OM	OFFICE/INSTITUTIONAL MODERATE DENSITY
OCIL	OFFICE LIGHT COMMERCIAL LIGHT INDUSTRIAL
NC	NEIGHBORHOOD COMMERCIAL
CC	COMMERCIAL CENTER
IL	LIGHT INDUSTRIAL COMMERCIAL DISTRIBUTION
DCW	DUNNAGANS COMMERCIAL WALKING
CCW	COLIGNY COMMERCIAL WALKING

MIXED USE ZONING DISTRICTS

PD-1	PLANNED DEVELOPMENT
MMU	MARSHFRONT MIXED USE
SMU	STONEY MIXED USE
WMU	WATER-ORIENTED MIXED USE

RESORT DEVELOPMENT ZONING DISTRICTS

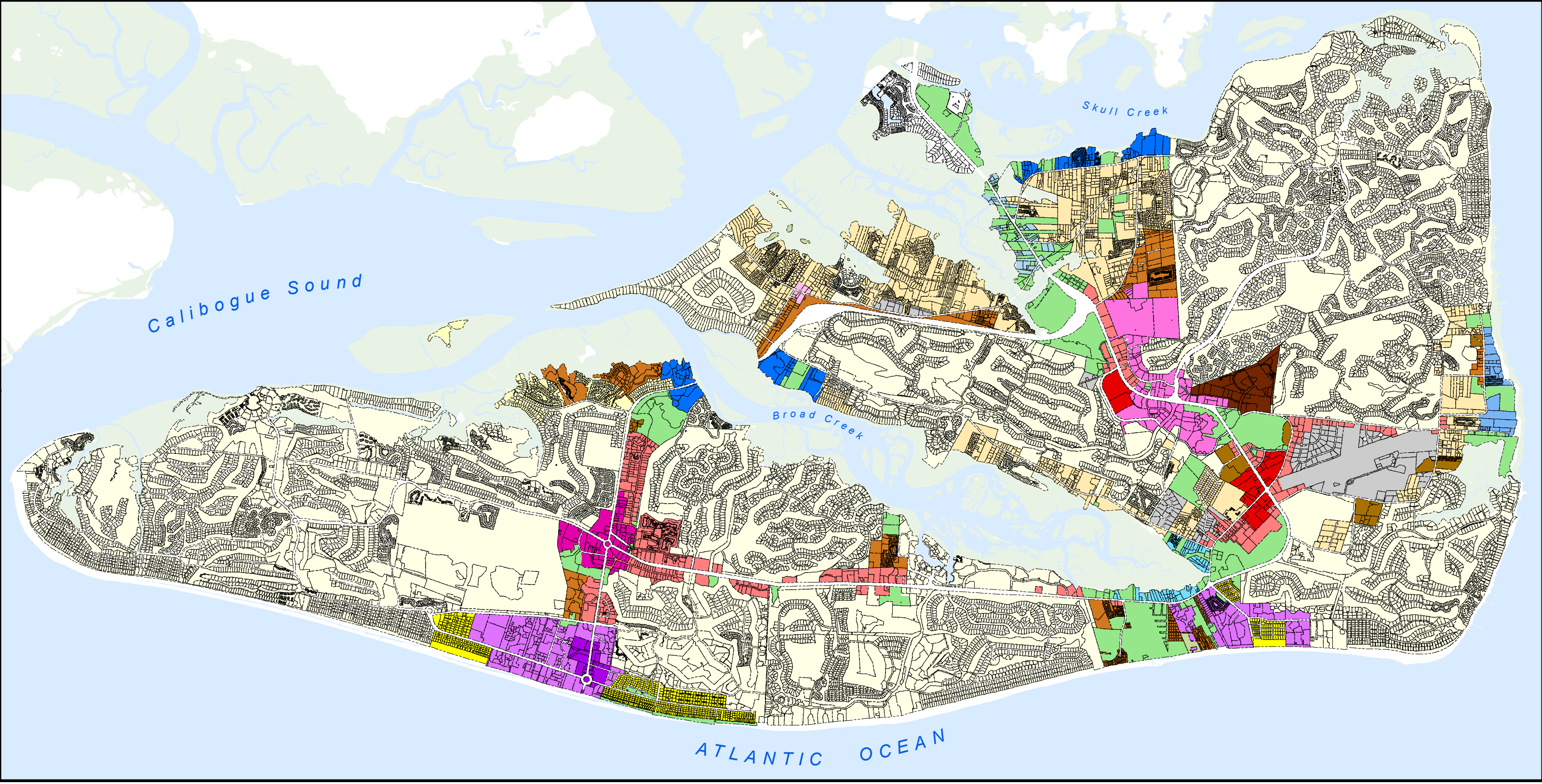
CFB	CENTRAL FOREST BEACH
RD	RESORT DEVELOPMENT

OTHER ZONING DISTRICTS

PR	PARKS, RECREATION AND PUBLIC FACILITIES
CON	CONSERVATION

Attachment G, 1998 Official Zoning District Map

The upland boundary of the Conservation Zoning District corresponds to the OCRM Critical Line and therefore, is approximately co-terminus with all tidal wetlands and the upland boundary of the beach as defined in Section 8-1-112 of the Municipal Code and extends outward to the Town Jurisdictional Boundary as entitled within Section 2-1-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina. (Reference: LMO Section 16-4-203, Conservation District)





Town of Hilton Head Island

OFFICIAL ZONING DISTRICT MAP

Effective Date*: October 7, 2014
Last Update**: March 2, 2021

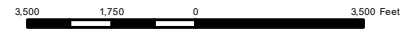
*Effective Date is the most recent date the entire Zoning Map was adopted by Town Council.
**Last Update date is the most recent date any amendments to the Zoning District Map were adopted by Town Council.

The Official Zoning Map is composed of this Official Zoning District Map, the Overlay Zoning District Maps, the Ten PUD Maps and the Official Street Map. This Official Zoning District Map is therefore one component of the Official Zoning Map.

The upland boundary of the Conservation Zoning District corresponds to the OCRM Critical Line and therefore, is approximately coterminous with all tidal wetlands and the upland boundary of the beach as defined in Section 8-1.12 of the Municipal Code and extends outward to the Town Jurisdictional Boundary as defined within Section 2-1.120 of the Municipal Code of the Town of Hilton Head Island, South Carolina. (Reference: LMO Section 16-4-203, Conservation District)



1 inch = 4,000 feet



RESIDENTIAL ZONING DISTRICTS

RS-3	SINGLE FAMILY
RS-5	SINGLE FAMILY
RS-6	SINGLE FAMILY
RM-4	LOW TO MODERATE DENSITY
RM-8	MODERATE DENSITY
RM-12	MODERATE TO HIGH DENSITY

MIXED-USE & BUSINESS ZONING DISTRICTS

NC	NEIGHBORHOOD COMMERCIAL
MS	MAIN STREET
SPC	SEA PINES COMMERCIAL
LC	LIGHT COMMERCIAL
CC	COMMUNITY COMMERCIAL
MED	MEDICAL
IL	LIGHT INDUSTRIAL

CONSERVATION & RECREATION DISTRICTS

PD-1	PLANNED DEVELOPMENT
MF	MARSHFRONT MIXED USE
S	STONEY MIXED USE
MV	MITCHELVILLE
WMU	WATER-ORIENTED MIXED USE
RD	RESORT DEVELOPMENT
CR	COLIGNY RESORT

CONSERVATION & RECREATION DISTRICTS

CON	CONSERVATION
PR	PARKS AND RECREATION

Attachment H, 2014 Official Zoning District Map

**AN ORDINANCE OF THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA**

ORDINANCE NO.: 2025-_____

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND TO AMEND THE OFFICIAL ZONING MAP WITH RESPECT TO THE REAL PROPERTY LOCATED ON NORTHPOINT CIRCLE TO REZONE THE PARCELS FROM PARKS AND RECREATION (PR) MODERATE TO HIGH DENSITY RESIDENTIAL (RM-12), AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town of Hilton Head Island, South Carolina, is the owner of real property on Hilton Head Island, South Carolina, that is known and described as follows:

All those certain pieces, parcels or lots of land, lying and being on Hilton Head Island, Beaufort County, South Carolina, shown and described as “Lots 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and Northpointe Pointe Circle 50 Foot Right of Way,” on a plat entitled “An ALTA Survey of Tract “M” A Section of U. S. Highway 278,” prepared by Antoine Vines, S.C.R.L.S. 9064, which is recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Plat Book 64 at Page 4;

AND ALSO,

All that certain piece, parcel or lot of land, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, originally being a portion of a 3.38 acre tract more particularly shown and described on that certain plat by Terry G. Hatchell, S.C.R.L.S. 11059, entitled "A Plat of A section of Honey Horn Plantation," dated April 30, 1986, and which is recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Plat Book 34 at Page 77;

AND ALSO,

All that certain piece, parcel or tract of land containing a total of approximately 0.27 acres, situate, lying and being in Beaufort County, South Carolina, and being shown and described as “Area to be Acquired by PIN: R510 007 000 0265” on a Plat entitled “A Lot Line Reconfiguration of Northpointe Circle,” prepared by Jeremy Reeder, S. C. P.L.S. 28139, dated February 27, 2025, and which is recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Plat Book 165 at Page 102.

This property is referred to herein as the “Northpointe Property.”

WHEREAS, the Northpointe Property is currently zoned PR (Parks and Recreation”); and,

WHEREAS, the Northpointe Property is the subject of a “Workforce Housing Development Agreement” by and between One Street Residential, LLC, and the Town of Hilton Head Island, South Carolina, regarding the development of affordable workforce housing on the Northpointe Property; and,

WHEREAS, the Northpointe Property is bounded by the Right of Way of U. S. Highway 278, Jarvis Creek, property zoned Light Commercial and property zoned RM-4; and,

WHEREAS, the Town has determined that the zoning classification that is required to permit the development of the affordable workforce housing project is RM-12 (Moderate to High Density Residential);

WHEREAS, the Town has filed an application for a Zoning Map Amendment, ZA-000023-2025, to rezone the Northpointe Property from PR to RM-12; and,

WHEREAS, on March 19, 2025, the Planning Commission held a public hearing and after consideration of the staff presentation and the criteria set forth in § 16-2-103.C.3, *Municipal Code of The Town Of Hilton Head Island* (1983), voted unanimously to recommend that Town Council approve Zoning Map Amendment, ZA-000023-2025; and

WHEREAS, on April 21, 2025, the Community Services & Public Safety Committee voted unanimously to recommend approval for the proposed zoning map amendment, ZA-000023-2025, to Town Council; and,

WHEREAS, the Town Council finds that rezoning of the Northpointe Property from PR to RM-12 is consistent with the requirements of § 16-2-103.C.3, *Municipal Code of The Town Of Hilton Head Island* (1983), and:

- (a) Rezoning the Northpointe Property from PR to RM-12 is in accordance with the Comprehensive Plan;
- (b) Rezoning the Northpointe Property from PR to RM-12 will allow uses that are compatible with the uses allowed on adjacent property;
- (c) Rezoning the Northpointe Property from PR to RM-12 will address a demonstrated community need;
- (d) Rezoning the Northpointe Property from PR to RM-12 is consistent with the Town’s overall zoning plans and program;
- (e) Rezoning the Northpointe Property from PR to RM-12 will not create an inappropriately isolated zoning district unrelated to surrounding properties and

zoning districts;

- (f) Rezoning the Northpointe Property from PR to RM-12 will allow a viable economic use on the Northpointe Property;
- (g) The Northpointe Property is served by available, adequate, and suitable public facilities and utilities,
- (h) Rezoning the Northpointe Property from PR to RM-12 is appropriate for the conditions existing in the area; and,
- (i) Rezoning the Northpointe Property from PR to RM-12 is appropriate due to changed and changing conditions in the Town and in the area of the Northpointe Property related to the need for affordable workforce housing; and,
- (j) Rezoning the Northpointe Property from PR to RM-12 is not and will not be detrimental to the public health, safety, and welfare

WHEREAS, the Town Council finds it is in the best interest of the Town and the health, safety, and welfare of its citizens, residents, to rezone the Northpointe Property from PR (Parks and Recreation) to RM-12 (Moderate to High Density Residential).

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND IT IS HEREBY ORDERED AND ORDAINED BY AND UNDER AUTHORITY OF SAID TOWN COUNCIL, AS FOLLOWS:

Section 1. Amendment. Zoning Map Amendment, ZA-000023-2025, is approved, and the Official Zoning Map of the Town of Hilton Head Island, § 16-1-107, *Municipal Code of the Town of Hilton Head Island, South Carolina* (1983), be amended as follows:

The zoning classification of the Northpointe Property is changed from PR (Parks and Recreation) to RM-12 (Moderate to High Density Residential).

Section 2. Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. Effective Date. This Ordinance shall be effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN
OF HILTON HEAD ISLAND ON THIS _____ DAY OF _____, 2025.**

THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA

Alan R. Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

First Reading:
Second Reading:

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

Introduced by Council Member: _____



TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO: Town Council
FROM: Shawn Colin, Assistant Town Manager of Strategic Initiatives
CC: Marc Orlando, Town Manager, ICMA-CM
Curtis Coltrane, Town Attorney
DATE: May 20, 2025
SUBJECT: Consideration of an Ordinance of the Town Council of the Town of Hilton Head Island to Amend Municipal Code Section 8-11-211(8) to Restrict Animals from an Area of the Town's Defined Beach near Fish Haul Creek – First Reading

RECOMMENDATION:

Consideration of an Ordinance of the Town Council of the Town of Hilton Head Island to Amend Municipal Code Section 8-11-211(8) to Restrict Animals from an Area of the Town's Defined Beach near Fish Haul Creek

The Community Services and Public Safety Committee recommended the Ordinance be advanced as drafted by a vote of 3-0 to Town Council for adoption.

BACKGROUND:

The Town of Hilton Head Island has a longstanding policy of periodic nourishment and renourishment of its Atlantic Ocean beaches to maintain beach width, provide a stable recreational area, and protect the critical coastal flora and fauna. Since 1990, the Town has completed three major beach nourishment projects, and a fourth is scheduled for 2025 (the "2025 Project").

As part of the 2025 Project, the Town must obtain permits from the United States Army Corps of Engineers and the South Carolina Department of Environmental Services. These permits, which are essential to commence and complete the beach nourishment efforts, impose specific requirements, including the prohibition of dogs in certain areas of the beach year-round to prevent disturbances to shorebirds and other wildlife.

On February 4, 2025, the Town Council adopted a resolution authorizing the following:

1. The Town Manager is hereby authorized to execute and accept the permits issued by the United States Army Corps of Engineers and the South Carolina Department of Environmental Services.
2. The Town Manager is hereby authorized to take all actions as may be necessary to comply with any conditions set out in the permits issued by the United States

Army Corps of Engineers and the South Carolina Department of Environmental Services.

3. The Town Manager is directed to bring forward a text amendment to Section 8-1-211 of the Municipal Code of the Town of Hilton Head Island for the purpose of implementing a year-round ban on dogs in areas along the outfall of Fish Haul Creek, as shown as the "Animal Prohibited Area" a copy of which is attached as Exhibit "A" to the Ordinance.

Currently, Hilton Head Island Code Section 8-1-211(8) regulates the presence of dogs on the beaches, specifying times and locations where dogs are allowed, as well as handling requirements. In order to comply with the conditions of the permits, an amendment to this section of the Code, as outlined below and in the attached Ordinance, is necessary to prohibit dogs from certain defined beach areas year-round. Text with underline is additions and text with strikethrough are deletions.

Sec. 8-2-211. Unlawful activities enumerated. Prohibited and Regulated Activities on the Beach.

~~8) — *Animals.* Except as provided herein, no person shall bring or allow any dog, or any other animal on the beach that is not at all times on a leash between the hours of 10:00 a.m. and 5:00 p.m. from April 1st through the Thursday before Memorial Day weekend and from the Tuesday after Labor Day weekend through September 30th. No person shall bring or allow any dog, or any other animal, on the beach between the hours of 10:00 a.m. and 5:00 p.m. from the Friday before Memorial Day weekend through the Monday of Labor Day weekend. No person shall bring or allow any dog or any other animal on the beach that is not on a leash or under positive voice control of the responsible person between 5:00 p.m. and 10:00 a.m. from April 1st through September 30th. No person shall bring or allow any dog or any other animal on the beach that is not on a leash or under positive voice control at any hour from October 1st through March 31st. Any violation of the provisions hereof may result in the owner of the animal being charged with a misdemeanor and the animal being seized by the appropriate animal control officer or law enforcement officer.~~

~~No person shall permit any excrement from any animal under that person's control to remain on the beach but shall dispose of same in a sanitary manner.~~

~~From April 1st through the Thursday before Memorial Day weekend and from the Tuesday after Labor Day weekend through September 30th of each year, dogs or any other animal, other than seeing-eye dogs, shall not be allowed in any designated swimming area unless on a leash and walking through the area between 10:00 a.m. and 5:00 p.m.~~

(8) Animals on the Beach.

- (a) Except in the Prohibited Areas described in Subsection (2) below, animals are allowed on the Beach only as stated below:
- (i) From October 1 through the following March 31, animals that are either on a leash or under the positive voice control of the person responsible for the animal are allowed on the Beach;
 - (ii) From April 1 through the Thursday before Memorial Day, animals that are leashed are allowed on the Beach between the hours of 10:00, A. M., and 5:00, P. M., and at all other times, animals, other than seeing-eye dogs are allowed on the Beach that are either on a leash or under the positive voice control of the person responsible for the animal;
 - (iii) From the Friday before Memorial Day weekend through the Monday of Labor Day weekend, animals are prohibited on the Beach between the hours of 10:00, A. M., and 5:00, P. M., and at all other times, animals are allowed on the Beach that are either on a leash or under the positive voice control of the person responsible for the animal;
 - (iv) From the Tuesday following Labor Day through October 31, animals that are leashed are allowed on the Beach between the hours of 1:00, A. M., and 5:00, P. M., and at all other times, animals are allowed on the Beach that are either on a leash or under the positive voice control of the person responsible for the animal.
- (b) Prohibited Areas.
- (i) Animal Prohibited Areas. No person shall bring or allow any dog or any other animal on the designated Animal Prohibited area of the Beach. Dogs and other animals are prohibited year-round at all times from entering or being brought into or on any Animal Prohibited Area. The boundaries of Animal Prohibited Areas shall be identified by signage stating, "Animals Prohibited Area".
 - (1) The area of the Beach shown and described on the drawing in Subsection (c) below is designated as an Animal Prohibited Area.
 - (2) The Town Manager is hereby authorized to take all actions as may be necessary to comply with the Hilton Head Island Code of Ordinances to designate the aforementioned area a Animal Prohibited Area, including the erection of the required signage.

(c) Map of Animal Prohibited Area.

- (d) Animal Excrement. No person who is responsible for an animal on the beach shall permit any excrement from the animal to remain on the beach, and that person shall immediately remove and dispose of the same in a sanitary manner.
- e) Penalty for Violation. Any owner or person responsible for an animal who violates any provision of this ordinance, shall, upon conviction, be subject to the penalty set out in § 1-5-10. In addition, the animal may be seized by the appropriate, code enforcement officers, animal control officer or law enforcement officer.

SUMMARY:

To move forward with the 2025 Beach Nourishment Project, the Town must secure the necessary permits from the United States Army Corps of Engineers and the South Carolina Department of Environmental Services. These permits require specific modifications to the Town's regulations on the presence of dogs on the beaches to protect shorebirds and other wildlife from disturbances.

The proposed amendment to Hilton Head Island Code Section 8-1-211(8) will prohibit dogs from certain beach areas year-round. This amendment is critical for compliance with the permitting requirements and for the protection of the natural environment during the upcoming beach nourishment project. The Town Council's approval of this amendment will ensure that the Town remains in compliance with state and federal regulations and continues to support the health and stability of its beach ecosystem.

ATTACHMENTS:

1. Attachment A - Ordinance to Amend Municipal Code Section 8-11-211(8)
 - a. Exhibit A - Illustration of Animal Prohibited Areas per Permit Requirements
2. Resolution Authorizing the Town Manager to sign the Permits Required to Execute the Beach Renourishment – Adopted on February 4, 2025.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA,
AMENDING HILTON HEAD ISLAND CODE, SECTION 8-1-211(8) TO PROHIBIT ANIMALS
FROM CERTAIN AREAS AND OTHER MATTERS RELATED THERETO**

WHEREAS, the Town of Hilton Head Island, South Carolina (the “Town”) has an adopted policy calling for the periodic nourishment and renourishment of the Atlantic Ocean Beaches on Hilton Head Island in order to maintain the width of the beaches, provide a stable natural area for recreation, and protect the beach critical area flora and fauna; and

WHEREAS, the Town has permitted and completed three major beach nourishment projects since 1990, and has scheduled the fourth major beach nourishment project to be permitted and completed in 2025 (the “2025 Project”);

WHEREAS, in order to commence and complete the 2025 Project, the Town must obtain permits from the United States Army Corps of Engineers and the South Carolina Department of Environmental Services; collectively hereinafter the “Permits”; and

WHEREAS, the Permits require that dogs and other animals be banned year-round from certain places along the beaches of Hilton Head Island due to the disturbance of shorebirds caused by the presence of dogs and other animals; and

WHEREAS, to comply with the Permits, § 8-1-211(8), *Municipal Code of the Town of Hilton Head Island, South Carolina* (1983), must be amended to prohibit dogs and other animals, year-round from certain areas along the beaches of Hilton Head Island to prevent disturbance of shorebirds; and

WHEREAS, other amendments to § 8-1-211(8), *Municipal Code of the Town of Hilton Head Island, South Carolina* (1983), to clarify the text; and,

WHEREAS, for the reasons stated above, the Town desires to amend § 8-1-211(8), *Municipal Code of the Town of Hilton Head Island, South Carolina* (1983) as shown on Exhibit “A” attached hereto and incorporated herein by reference, with added language illustrated with underline and deleted language illustrated with ~~strikethrough~~; and

WHEREAS, the Town Council for the Town of Hilton Head Island finds that the 2025 Beach Nourishment Project will benefit the Health, Safety and Welfare of the citizens, property owners and residents of the Town and also visitors to the Town, and it is also in the best interest of to amend § 8-1-211(8), *Municipal Code of the Town of Hilton Head Island, South Carolina* (1983), to comply with the Permits and to clarify the language.

NOW THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND IT IS HEREBY ORDERED AND ORDAINED BY AND UNDER THE AUTHORITY OF SAID TOWN COUNCIL AS FOLLOWS:

1. *Amendment.* § 8-1-211(8), *Municipal Code of the Town of Hilton Head Island, South Carolina* (1983) is hereby amended as shown on Attachment A, with added language illustrated with underline and deleted language illustrated with ~~strikethrough~~.

ATTACHMENT 1

2. *Severability.* If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.
3. *Effective Date.* This Ordinance shall be effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2025.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

Alan R. Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

First Reading:
Second Reading:

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

ATTACHMENT A

Title 8 – Beaches, Waterways, Recreational Areas, and Arts

Chapter 1 – Beaches

Article 2 – Prohibited and Regulated Activities

Sec. 8-2-211. ~~Unlawful activities enumerated.~~ Prohibited and Regulated Activities on the Beach.

8) ~~Animals.~~ Except as provided herein, no person shall bring or allow any dog, or any other animal on the beach that is not at all times on a leash between the hours of 10:00 a.m. and 5:00 p.m. from April 1st through the Thursday before Memorial Day weekend and from the Tuesday after Labor Day weekend through September 30th. No person shall bring or allow any dog, or any other animal, on the beach between the hours of 10:00 a.m. and 5:00 p.m. from the Friday before Memorial Day weekend through the Monday of Labor Day weekend. No person shall bring or allow any dog or any other animal on the beach that is not on a leash or under positive voice control of the responsible person between 5:00 p.m. and 10:00 a.m. from April 1st through September 30th. No person shall bring or allow any dog or any other animal on the beach that is not on a leash or under positive voice control at any hour from October 1st through March 31st. Any violation of the provisions hereof may result in the owner of the animal being charged with a misdemeanor and the animal being seized by the appropriate animal control officer or law enforcement officer.

No person shall permit any excrement from any animal under that person's control to remain on the beach but shall dispose of same in a sanitary manner.

From April 1st through the Thursday before Memorial Day weekend and from the Tuesday after Labor Day weekend through September 30th of each year, dogs or any other animal, other than seeing-eye dogs, shall not be allowed in any designated swimming area unless on a leash and walking through the area between 10:00 a.m. and 5:00 p.m.

(8) Animals on the Beach.

- (a) Except in the Prohibited Areas described in Subsection (2) below, animals are allowed on the Beach only as stated below:
 - (i) From October 1 through the following March 31, animals that are either on a leash or under the positive voice control of the person responsible for the animal are allowed on the Beach;
 - (ii) From April 1 through the Thursday before Memorial Day, animals that are leashed are allowed on the Beach between the hours of 10:00, A. M., and 5:00, P. M., and at all other times, animals, other than seeing-eye dogs are allowed on the Beach that are either on a leash or under the positive voice control of the person responsible for the animal;
 - (iii) From the Friday before Memorial Day weekend through the Monday of Labor Day weekend, animals are prohibited on the Beach between the hours of 10:00, A. M., and 5:00, P. M., and at all other times, animals are allowed on the Beach that are either on a leash or under the positive voice control of the person responsible for the animal;
 - (iv) From the Tuesday following Labor Day through October 31, animals that are leashed are allowed on the Beach between the hours of 1:00, A. M., and 5:00, P. M., and at all other times, animals are allowed on the Beach that are either on a leash or under the positive voice control of the person responsible for the animal.
- (b) Prohibited Areas.

ATTACHMENT 1

- (i) Animal Prohibited Areas. No person shall bring or allow any dog or any other animal on the designated Animal Prohibited area of the Beach. Dogs and other animals are prohibited year-round at all times from entering or being brought into or on any Animal Prohibited Area. The boundaries of Animal Prohibited Areas shall be identified by signage stating, “Animals Prohibited Area”.

- (1) The area of the Beach shown and described on the drawing in Subsection (c) below is designated as an Animal Prohibited Area.
- (2) The Town Manager is hereby authorized to take all actions as may be necessary to comply with the Hilton Head Island Code of Ordinances to designate the aforementioned area a Animal Prohibited Area, including the erection of the required signage.

- (c) Map of Animal Prohibited Area.



- (d) Animal Excrement. No person who is responsible for an animal on the beach shall permit any excrement from the animal to remain on the beach, and that person shall immediately remove and dispose of the same in a sanitary manner.
- e) Penalty for Violation. Any owner or person responsible for an animal who violates any provision of this ordinance, shall, upon conviction, be subject to the penalty set out in § 1-5-10. In addition, the animal may be seized by the appropriate, code enforcement officers, animal control officer or law enforcement officer.

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

A RESOLUTION OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE TOWN MANAGER TO SIGN AND ACCEPT PERMITS ISSUED BY THE UNITED STATES ARMY CORPS OF ENGINEERS AND THE SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL SERVICES FOR THE 2025 TOWN OF HILTON HEAD ISLAND BEACH NOURISHMENT PROJECT, AND TO TAKE SUCH ACTIONS ARE NECESSARY TO COMPLY WITH THE PERMITS AND TO BRING FORWARD AN AMENDMENT TO THE MUNICIPAL CODE TO COMPLY WITH A CONDITION OF THE PERMITS

WHEREAS, the Town of Hilton Head Island, South Carolina (the "Town"), has an adopted policy calling for the periodic nourishment and renourishment of the Atlantic Beaches on Hilton Head Island; and

WHEREAS, the Town has permitted and completed three major beach nourishment projects since 1990, and has scheduled the fourth major beach nourishment project to be permitted and completed in 2025; and

WHEREAS, the Town's beach nourishment projects have maintained the width of the beaches on Hilton Head Island, providing a stable natural area for recreation and for the protection of property; and

WHEREAS, the Town's beach nourishment projects have also promoted the formation of sand dunes which protect property and provide habitat for beach and beach critical area flora and fauna; and

WHEREAS, the Town must obtain permits from the United States Army Corps of Engineers and the South Carolina Department of Environmental Services in order to commence and complete the 2025 beach nourishment project; and

WHEREAS, the Town has applied for the needed permits to authorize the 2025 Beach Nourishment Project; and

WHEREAS, a requirement of the permits to be issued by the United States Army Corps of Engineers and the South Carolina Department of Environmental Services is that on receipt the Town Manager must sign and accept the permits; and,

WHEREAS, on acceptance of the permits to be issued by the United States Army Corps of Engineers and the South Carolina Department of Environmental Services the conditions of the permits must be satisfied; and

WHEREAS, the Town Council finds that timely acceptance of the permits to be issued by the United States Army Corps of Engineers and the South Carolina Department of Environmental Services and compliance with the conditions stated in them is essential to the timeline for the commencement and completion of the 2025 beach nourishment project; and

WHEREAS, the Town Council finds that the timely the commencement and completion of the 2025 beach nourishment project will promote the health, safety and welfare of the citizens, residents, visitors, and property owners in the Town, and is in the best interest of the citizens, residents, visitors, and property owners in the Town.

NOW THEREFORE, BE IT RESOLVED AND IT HEREBY IS RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA:

1. The Town Manager is hereby authorized to execute and accept the permits issued by the United States Army Corps of Engineers and the South Carolina Department of Environmental Services.
2. The Town Manager is hereby authorized to take all actions as may be necessary to comply with any conditions set out in the permits issued by the United States Army Corps of Engineers and the South Carolina Department of Environmental Services.

3. The Town Manager is directed to bring forward a text amendment to § 8-1-211, *Municipal Code of the Town of Hilton Head Island, South Carolina* (1983), for the purpose of implementing a year-round ban on dogs in areas along the outfall of Fish Haul Creek shown on the Illustration of Revised Restricted Beach Areas dated January, 2025, a copy of which is attached hereto as Exhibit "A".

MOVED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS 4TH DAY OF FEBRUARY, 2025.



Alan R. Perry, Mayor

ATTEST:



Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:



Curtis L. Coltrane, Town Attorney

**EXHIBIT A TO RESOLUTION AUTHORIZING SIGNING AND
ACCEPTANCE OF PERMITS FOR 2025 BEACH NOURISHMENT
PROJECT**

Revised Area Proposed for Restrictions



Fish Haul
Beach Park

MapSource, MapQuest



Town of Hilton Head Island
Beach Areas Restricted as a Condition of the Beach Renourishment Permit
January 2025

0 1000 2000 3000 Feet



TOWN OF HILTON HEAD ISLAND
HILTON HEAD ISLAND, S.C. 29928
Phone: 843.724.1234 Fax: 843.724.1235



TOWN OF HILTON HEAD ISLAND

Town Council

TO: Town Council
FROM: Shawn Colin, Assistant Town Manager
CC: Marc Orlando, Town Manager
Bob Bromage, Director of Public Safety
Adriana Burnett, Finance Director
DATE: May 20, 2025
SUBJECT: Consideration of an Ordinance of the Town of Hilton Head Island, Amending the Municipal Code by Adding New Sections 1-5-11 and 1-5-12, Authorizing the Issuance of Administrative Citations and Fines; Amending Section 10-2-60 to Authorize Administrative Citations and Fines for Violations of Article 10, Chapter 2 of the Municipal Code; Amending Section 10-2-70 of the Municipal Code to Add Issuance of More Than 3 Administrative Citations in Twelve Months as Grounds for Suspension or Revocation of Short Term Rental Permit; to Add Section 12-3-101 to Authorize Administrative Citations and Fines for Violations of Article 12, Chapters 3 and 6; to Amend Section 12-3-117; to Amend Section 2-3-213; to Add Sections 12-6-100 and 12-6-101 to Authorize Administrative Citations and Fines for Violations of Article 12, Chapter 6; to Amend Section 12-6-111 to Add a Definition for Resident Beach Pass; to Amend Sections 12-6-113, 12-6-114, 12-6-115, 12-6-117 to Make Grammatical Changes; to Repeal Sections 12-6-119 and 12-6-120; and to Provide for Severability and Effective Date

RECOMMENDATION:

Consideration of an Ordinance of the Town of Hilton Head Island, Amending the Municipal Code by Adding New Sections 1-5-11 and 1-5-12, Authorizing the Issuance of Administrative Citations and Fines; Amending Section 10-2-60 to Authorize Administrative Citations and Fines for Violations of Article 10, Chapter 2 of the Municipal Code; Amending Section 10-2-70 of the Municipal Code to Add Issuance of More Than 5 Administrative Citations in Twelve Months as Grounds for Suspension or Revocation of Short Term Rental Permit; to Add Section 12-3-101 to Authorize Administrative Citations and Fines for Violations of Article 12, Chapters 3 and 6; to Amend Section 12-3-117; to Amend Section 2-3-213; to Add Sections 12-6-100 and 12-6-101 to Authorize Administrative Citations and Fines for Violations of Article 12, Chapter 6; to Amend Section 12-6-111 to Add a Definition for Resident Beach Pass; to Amend Sections 12-6-113, 12-6-114, 12-6-115, 12-6-117 to Make Grammatical Changes; to Repeal Sections 12-6-119 and 12-6-120; and to Provide for Severability and Effective Date.

The Finance and Administrative Committee recommended the Ordinance be advanced as drafted by a vote of 2-0 to Town Council for adoption.

BACKGROUND:

The Town of Hilton Head Island is proposing amendments to the Municipal Code to introduce Administrative Citations and Fines as a more efficient, proportionate, and flexible enforcement mechanism for code violations. Currently, most enforcement actions rely on criminal penalties, which may not always be appropriate, especially for minor or repeat infractions that could be better resolved through civil means.

By establishing an administrative enforcement process, the Town seeks to:

- Reduce dependency on criminal proceedings for non-compliance.
- Improve timely resolution of code violations.
- Provide due process while promoting voluntary correction.
- Ensure greater consistency and clarity in enforcement efforts.

The adoption of this alternative enforcement tool will improve regulatory compliance while preserving the Town's ability to pursue criminal or other remedies when necessary. With this tool in place, amendments to Title 10 and Title 12 will include application of Administrative Citations and Fines to Short Term Rental Operations and Parking and Beach Parking Operations, respectively.

The proposed amendments to Sections 1-5-11 and 1-5-12 establish and clarify procedures for issuing Administrative Citations for violations of the Town Code where such authority is specifically provided. These amendment provisions are summarized below:

Amendment Provisions:

1. General Authority
 - a. Establishes that where specifically authorized, officials may issue an Administrative Citation as an alternative enforcement option.
2. Violations
 - a. Allows issuance of Administrative Citations for any ongoing or observed violations of applicable code sections.
 - b. Does not restrict the Town from pursuing other enforcement options concurrently.
3. Warning Notices
 - a. At the discretion of the enforcement officer, a warning notice may be issued prior to a citation, identifying the violation, steps for correction, and a deadline.
 - b. A warning is not a required step before citation issuance.
4. Administrative Citation Process

- a. Citation Content Requirements:
 - i. Date, time, and location of violation.
 - ii. Code section violated and description.
 - iii. Penalty amount and payment instructions.
 - iv. Appeal procedures and officer identification.
 - b. Service of Citation:
 - i. May be delivered in person, posted on the property, mailed to the last known address within the Town, or sent via authorized email.
 - c. Penalties:
 - i. Fine amounts will be defined within the applicable code section.
 - ii. Daily citations may be issued if violations persist beyond 24 hours of the first citation.
 - d. Appeal Process (Administrative Protest):
 - i. Must be filed in writing within 30 calendar days.
 - ii. The Town Manager or his designee will review the case and issue a written final determination.
5. Supplementary Nature
- a. Clarifies that Administrative Citations are not exclusive and may be used in addition to any other legal or equitable remedies available to the Town.

The proposed amendments to 10-2-60 and 10-2-70 establish specific violations, penalties, and enforcement mechanisms related to short-term rental (STR) operations. These amendment provisions are summarized below:

Amendment Provisions:

- 1. Violations Defined
 - a. Leasing or advertising a STR property without meeting Chapter requirements.
 - b. Failing to comply with any provision of the Chapter.
- 2. Administrative Citations:
 - a. Violations are subject to Administrative Citations under Section 1-5-11 of the Town Code.
- 3. Fines Structure:
 - a. \$250 for the first violation.
 - b. \$500 for a second violation within one year.
 - c. \$1,000 for a third violation within one year of the second.
 - d. \$25 late fee applies to fines unpaid after 30 days.
- 4. Vehicle Enforcement:
 - a. Vehicles violating this Chapter may be towed or immobilized at the owner's expense if deemed necessary for public safety by Town officials or the Sheriff's Office.
- 5. Additional Remedies:

- a. Violators may also face penalties under other sections of the Town Code, including business license suspension and other cumulative remedies allowed by law.
- 6. Grounds for Suspension:
 - a. More than three Administrative Citations issued in connection with the STR property within 12 months.

The proposed amendments to Title 12, Chapters 3 and 6 establish specific violations, penalties, and enforcement mechanisms related to parking and beach parking operations. These amendment provisions are summarized below:
Amendment Provisions

- 1. Authority:
 - a. Section 12-3-101 (New): Adds authority to issue Administrative Citations for violations of parking regulations under Article 12, Chapters 3 and 6.
 - b. Sections 12-6-100 and 12-6-101 (New): Further reinforce the authority to issue fines for parking violations.
- 2. Fines Structure:
 - a. \$50 for the first violation.
 - b. \$100 for a second violation within one year.
 - c. \$250 for a third violation within one year of the second infraction, and possible towing or immobilization of the vehicle parked in violation of this Article. Any and all charges or fees associated with towing or immobilization shall be the expense of the owner of the vehicle
 - d. \$500 for any subsequent infraction within one (1) year of the third infraction, and possible towing or immobilization of the vehicle parked in violation of this Article. Any and all charges or fees associated with towing or immobilization shall be the expense of the owner of the vehicle.
 - e. \$25 late fee applies to fines unpaid after 30 days.
- 3. Definitions:
 - a. Definition Added to Section 12-6-111 that introduces a new definition for “Resident Beach Parking Pass” to clarify eligibility.
- 4. Grammatical Changes:
 - a. Grammatical Revisions (proposed to Sections 12-6-113 to 12-6-117 to improve clarity and consistency in code language.
- 5. Repeal of Obsolete Sections:
 - a. Sections 12-6-119 and 12-6-120 have been repealed to remove outdated provisions to streamline the parking enforcement framework.

SUMMARY:

The proposed amendments introduce an Administrative Citation process, which allows Town officials or Code Enforcement Officers to issue fines and compel compliance through civil means. This process emphasizes corrective action, preserves due process, and helps reduce reliance on criminal proceedings for code violations.

These amendments introduce a comprehensive set of amendments to the Municipal Code that establish a framework for the issuance of administrative citations and fines for specific code violations. These changes are designed to improve compliance through a non-criminal, streamlined enforcement process and provide flexibility in addressing infractions related to short-term rental permits, beach parking regulations, and other municipal code provisions.

ATTACHMENTS:

1. Draft Ordinance with Exhibits

ORDINANCE 2025-____

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AMENDING THE MUNICIPAL CODE BY ADDING NEW SECTIONS 1-5-11 AND 1-5-12, AUTHORIZING THE ISSUANCE OF ADMINISTRATIVE CITATIONS AND FINES; AMENDING SECTION 10-2-60 TO AUTHORIZE ADMINISTRATIVE CITATIONS AND FINES FOR VIOLATIONS OF ARTICLE 10, CHAPTER 2 OF THE MUNICIPAL CODE; AMENDING SECTION 10-2-70 OF THE MUNICIPAL CODE TO ADD ISSUANCE OF MORE THAN 3 ADMINISTRATIVE CITATIONS IN TWELVE MONTHS AS GROUNDS FOR SUSPENSION OR REVOCATION OF SHORT TERM RENTAL PERMIT; TO ADD SECTION 12-3-101 TO AUTHORIZE ADMINISTRATIVE CITATIONS AND FINES FOR VIOLATIONS OF ARTICLE 12, CHAPTERS 3 AND 6; TO AMEND SECTION 12-3-117; TO AMEND SECTION 12-3-213; TO ADD SECTIONS 12-6-100 AND 12-6-101 TO AUTHORIZE ADMINISTRATIVE CITATIONS AND FINES FOR VIOLATIONS OF ARTICLE 12, CHAPTER 6; TO AMEND SECTION 12-6-111 TO ADD A DEFINITION FOR RESIDENT BEACH PARKING PASS; TO AMEND SECTIONS 12-6-113, 12-6-114, 12-6-115 AND 12-6-117 TO MAKE GRAMMATICAL CHANGES; TO REPEAL SECTIONS 12-6-119 AND 12-6-120; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina, finds that enforcement of the Municipal Code of the Town of Hilton Head Island, South Carolina, would benefit from the authorization of the authority to issue civil Administrative Citations and to impose civil Administrative Fines for violations of the Municipal Code, in addition to the existing General Penalty of § 1-5-10 of the Municipal Code; and,

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina, finds that Administrative Citations and Administrative Fines will aid in enforcement of the Municipal Code by providing an alternative to criminal prosecution under of § 1-5-10 of the Municipal Code, by reducing enforcement costs and providing violators with a non-criminal resolution of the violation; and,

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina, finds that the health, safety and general welfare of the Town and its citizens, residents, property owners and visitors benefit from an alternate means of enforcement for violations of Beach Parking restrictions and Short Term Rental Permit Violations; and that it is in the best interests of the Town and its citizens, residents, property owners and visitors to adopt the amendments authorizing Administrative Citations and Fines as an alternate means of enforcement of the Municipal Code, to authorize Administrative Citations and Fines for violations of Beach Parking restrictions and Short Term Rental Permit Violations.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND IT IS HEREBY ORDERED AND ORDAINED BY AND UNDER AUTHORITY OF SAID TOWN COUNCIL, AS FOLLOWS:

Section 1. Amendment. That the Municipal Code is amended as shown on Exhibit “A” to this Ordinance. Newly added language is illustrated with double underline and deleted language is illustrated with ~~striketrough~~.

Section 2. Severability. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. Effective Date. This Ordinance shall be effective upon its adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE
TOWN OF HILTON HEAD ISLAND ON THIS _____ DAY OF _____,
2025.**

**THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA**

Alan R. Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

First Reading:
Second Reading:

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

INTRODUCED BY COUNCIL MEMBER

Sec. 1-5-11. Administrative Citation

- (a) General Application. Whenever in this Code any act is prohibited or is declared to be unlawful or an offense, or whenever in this Code the doing of any act is required or the failure to do any act is declared to be unlawful, and this Code specifically provides the authority for the issuance of an Administrative Citation, then the Public Safety Director, Code Enforcement Officer may issue an Administrative Citation pursuant to this Section.
- (b) Administrative Citations and Administration Citation Fines described in subsection e(iii) below are civil.
- (c) Violations. When the Public Safety Director or Code Enforcement Officer finds that a Person has violated, or continues to violate, a provision of the Code subject to Administrative Citations, then the Public Safety Director or Code Enforcement Officer has the authority to issue an Administrative Citation. Issuance of an Administrative Citation shall not be a bar against, or a prerequisite for, taking any other action against any Person found to be in violation of the Code.
- (d) Warning. When the Public Safety Director or Code Enforcement Officer determines that a violation of the Code has occurred, they may issue at their discretion a warning to the person responsible for the violation or upon the real or personal property related to the violation. A warning notice of violation is not a prerequisite to the issuance of an Administrative Citation, or a municipal citation as authorized in § 7-2-10, *et seq.*, of this Code, or any other remedy. The warning shall identify the Code section violated, a description of the violation and how it can be corrected. The warning shall specify a time and date by which the violation shall be corrected.
- (e) Administrative Citations.
 - i. Content of Administrative Citation. The Administrative Citation must be issued on a form approved by the Town Manager or his designee and shall contain the following information:
 - a. Date, location and approximate time of violation; and,
 - b. The Code Section violated and a brief description of the violation; and,
 - c. The amount of the Administrative Fine and the Code section establishing the Administrative Fine; and,
 - d. Instructions for payment of the Administrative Fine, the time period or specific date by which it shall be paid and consequences for a failure to pay the penalty within the specified time period; and,
 - e. Instructions on how to protest the Administrative Citation; and,
 - f. The name or a numerical identifier of the Public Safety Director or Code Enforcement Officer who is administering the Administrative Citation.
 - ii. Service of Administrative Citation. The Administrative Citation shall be deemed served upon the Person in violation if one (1) of the following have been fulfilled:
 - a. If the Person is present at the time of the violation then the Public Safety Director, Code Enforcement Officer shall provide a copy of the Administrative Citation to the Person; or,
 - b. If the Person is not present, is otherwise unavailable at the time of the violation, or refuses to personally accept a copy of the Administrative Citation, then the Official or Code Enforcement

Officer shall: (1) post a copy of the Administrative Citation in a conspicuous location on the real or personal property where the violation occurred; or (2) deliver a copy of the Administrative Citation to the last known address for the Person if said address is within the jurisdictional limits of the Town; or,

- c. If the Person has authorized delivery of written notices including Administrative Citations by electronic mail under the Chapter associated with the violation stated on the Administrative Citation, then the Citation may be delivered by electronic mail to the address on file with the Town.

iii. Administrative Citation Fines.

- a. Amount of Fine. The fines for an Administrative Citation shall be established in any specific Code Section authorizing the issuance of an Administrative Citation. Administrative Citation Fines may be assessed on a per violation basis. If the violation is not corrected within twenty-four (24) hours of receiving the first Administrative Citation, then additional Administrative Citations may be issued daily until the violation is corrected.

iv. Administrative Protest. Any person who receives an Administrative Citation may protest the Administrative Citation by submitting a written protest to the Town Manager or his designee within ten (10) days of the date of the service or posting of the Administrative Citation. The written protest shall set forth plainly, fully, and distinctly why the Administrative Citation is contrary to law. The written protest shall also identify the individual making the writing protest, provide the person's address and email address and state whether the person is to receive the decision on the appeal by regular mail or by e-mail.

- (a) The Town Manager or his designee shall review the written protest and shall issue a written decision within ten (10) days from the date of receipt of the written protest.
- (b) The written decision of the Town Manager or his designee is the final decision of the Town on a protest of an Administrative Citation.

Sec. 1-5-12 Remedies Cumulative

The remedies provided for violations of this Code, whether civil or criminal, shall be cumulative as provided by law, and are in addition to any other remedy provided by law or in equity, and may be exercised in any order.

Sec. 10-2-60. Violations and Penalties.

(a) Violations. It shall be a violation of this Chapter to:

- (1) Lease any short-term rental property for a short-term rental without complying with the requirements of this Chapter.
- (2) Advertise any residential property for a short-term rental without first complying with the requirements of this Chapter.
- (3) Fail to comply with any requirement of this Chapter.

(b) Administrative Citations, Penalties, Fines and Towing. Unless otherwise provided herein, violations of any provision of Chapter are subject to the penalties provided for in this Section.

(1) Administrative Citation. Any Person who violates any provision of this Chapter shall be subject to an Administrative Citation as established in Hilton Head Island Code, Section 1-5-11.

(2) Penalties and Fines. Any person who violates any provision of this Chapter shall be subject to administrative fines, fees, and penalties as established in this Chapter. Administrative Fines for violations of this Chapter are as follows:

- i. Two Hundred Fifty (\$250) Dollars for first infraction;
- ii. Five Hundred (\$500) Dollars for a second infraction within one (1) year of the first infraction; and,
- iii. One Thousand (\$1000) Dollars for a third infraction within one (1) year of the second infraction.

(3) A twenty-five (\$25.00) Dollar late fee shall be applied to any fine not paid within thirty (30) days of being issued.

(4) The Public Safety Director Code Enforcement Officer, or the Beaufort County Sheriff's Office may also immobilize, tow, or impound any vehicle parked in violation of this Chapter if, in their sole discretion, deem it necessary for public safety purposes. Any and all charges or fees associated with towing or immobilization shall be the expense of the owner of the vehicle.

(c) Other Penalties and Remedies. Violations of this Chapter are also subject to the penalties and remedies authorized under Title 12 Chapter 3, Parking; Section 1-5-11, Administrative Citation; Section 1-5-10, General penalty; continuing violation, Section 10-1-150, Business and professional licenses; suspension or revocation of license, Section 9-1-111, *et seq.* These remedies are in addition to any other remedies available in this Code or at law or in equity for a violation.

Sec. 10-2-70. Suspension or revocation of Short-term rental permit.

(a) Suspension. When the Public Safety Director determines:

- (1) A STR Permit has been mistakenly or improperly issued or issued contrary to law;

- (2) An Owner has breached any condition upon which the STR Permit was issued;
- (3) An Owner has obtained a STR Permit through any fraud, misrepresentation, a false or misleading statement, or evasion or suppression of a material fact in the STR Permit application;
- (4) An Owner is delinquent in the payment to the Town municipality of any fee, ~~tax~~, or any Administrative Citation Fine or other fine required to be paid under this Chapter or this Code;
- (6) The operation of a STR Property has been declared a nuisance; or
- (7) More than two (2) convictions for violations of this Code , arising from any activities at, or connected with, a STR Property occur within any twelve-month period; or,
- (8) More than three (3) Administrative Citations arising from any activities at, or connected with, STR property occurring within any twelve-month period,

Then the Town may give Written Notice to the Owner that the STR Permit is suspended for a period up to one-year and may be revoked, pending a single hearing before Town Council for the purpose of determining whether the suspension should be upheld and whether the STR Permit should be revoked.

Chapter 3 PARKING

Sec. 12-3-100. Purpose.

Sec. 12-3-101. Administrative Citations, Penalties, Fines and Towing. Unless otherwise provided herein, violations of any provision of Chapter are subject to the penalties provided for in this Section.

- (a) Administrative Citation. Any Person who violates any provision of this Chapter shall be subject to an Administrative Citation as established in Hilton Head Island Code, Section 1-5-11.
- (b) Penalties, Fines and Towing. Any person who violates any provision of this Chapter shall be subject to administrative fines and vehicle tow or immobilization. Administrative Fines for violations of this Chapter are as follows:
 - i. Fifty (\$50) Dollars for first infraction;
 - ii. One Hundred (\$100) Dollars for a second infraction within one (1) year of the first infraction;
 - iii. Two Hundred Fifty (\$250) Dollars for a third infraction within one (1) year of the second infraction, and possible towing or immobilization of the vehicle parked in violation of this Article. Any and all charges or fees associated with towing or immobilization shall be the expense of the owner of the vehicle; and
 - iv. Five Hundred (\$500) Dollars for any subsequent infraction within one (1) year of the third infraction, and possible towing or immobilization of the vehicle parked in violation of this Article. Any and all charges or fees associated with towing or immobilization shall be the expense of the owner of the vehicle.
- (1) A twenty-five (\$25.00) Dollar late fee shall be applied to any original fine not paid within thirty (30) days of being issued.
- (2) The Public Safety Director, Code Enforcement Officer, or the Beaufort County Sheriff's Office may immobilize, tow, or impound any vehicle parked in violation of this Chapter if, in its sole discretion, deems it necessary for public safety purposes. Any and all charges or fees associated with towing or immobilization shall be the expense of the owner of the vehicle.

ARTICLE 1. PARKING METERS

Sec. 12-3-111. Authority to establish paid parking areas.

The town council may establish by resolution, from time to time as traffic conditions require, zones to be known as paid parking areas upon such streets or properties of the town as are selected by the town council for the location of such designation: and, in such paid parking areas, the town manager shall causes appropriate signage and notification of paid parking equipment or other similar electronic paid parking capabilities to be designated as hereinafter provided.

(Ord. No. 90-12, § 1, 5-7-90; Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Editor's note(s)—Ord. No 2024-15, § 1 (Att. 1), adopted Oct. 1, 2024, changed the title of § 12-3-111 from "Authority to establish parking zones and install meters" to read as set out herein.

Sec. 12-3-112. Location and operation of paid parking areas.

The town manager shall take such actions as may be necessary and appropriate to implement the collection and corresponding enforcement of paid parking areas as designated by the town council. These actions shall include the posting of necessary signage, the installation of paid parking infrastructure, and the implementation of a comprehensive paid parking program either directly or through contracting with appropriate entities as may be required to effectuate the directives of the town council.

(Ord. No. 90-12, § 1, 5-7-90; Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Editor's note(s)—Ord. No 2024-15, § 1 (Att. 1), adopted Oct. 1, 2024, changed the title of § 12-3-112 from "Location and operation of meters" to read as set out herein.

Sec. 12-3-113. Lines and markings adjacent to meters; manner of parking generally.

The town manager is hereby authorized to have lines or markings painted or placed upon the curb, or upon the street, or parking lot adjacent to each parking meter for the purpose of designating the parking space for which such meter is to be used. Each vehicle parked alongside of or next to any parking meter shall park within the lines or markings so established. It shall be unlawful and a violation of this article to park any vehicle across any such line or marking or to park such vehicle in such position that the same shall not be entirely within the area so designated. In those parking lots which do not have lines or markings designating the parking space, the vehicle shall be parked in such a manner as to be centered against the parking bumper block.

(Ord. No. 90-12, § 1, 5-7-90)

Sec. 12-3-114. Reserved.

Editor's note(s)—Ord. No. 2024-15, § 1 (Att. 1), adopted Oct. 1, 2024, repealed § 12-3-14, which pertained to depositing coins and derived from Ord. No. 90-12, § 1, adopted May 7, 1990.

Sec. 12-3-115. Overtime parking at meters prohibited.

It shall be unlawful for any person to cause, allow, permit or suffer any vehicle registered in his name, or which he has leased or rented from another person, to be parked longer than the maximum period of legal parking time established for any parking meter zone as herein described, as shown on the face of the meter. The provisions of this section apply whether or not an additional coin is put in the meter after the vehicle has remained parked longer than the maximum period shown on the meter face.

(Ord. No. 90-12, § 1, 5-7-90)

Sec. 12-3-116. Depositing slugs, etc.

It shall be unlawful to deposit or cause to be deposited in any parking meter, any slug, device or metallic substitute for a coin of the United States of America, which is, at the time, legal tender.

(Ord. No. 90-12, § 1, 5-7-90)

Sec. 12-3-117. Defacing, injuring, etc.

~~It shall be unlawful for any person to deface, injure, tamper with, open or willfully break, destroy or impair the usefulness of any signage or device installed under the provisions of this article. It is unlawful for any person to deface, open, damage, tamper with, open, break, destroy or impair in any way, any sign or equipment erected, installed, operated and maintained by the Town under the authority of this Ordinance. Violations of this section will be prosecuted as provided in Title 16 of the South Carolina Code.~~

(Ord. No. 90-12, § 1, 5-7-90; Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Sec. 12-3-118. Reserved. ~~Violations; parking enforcement personnel to report; notices; penalty.~~

~~(a) It shall be the duty of the town, Code Enforcement Officers the designated parking contractor of the town, or the Beaufort County Sheriff to report:~~

~~(1) The identity of each paid parking area which indicates that the vehicle occupying a designated parking space within such paid parking area is or has been parked in violation of any of the provisions of this chapter; and~~

~~(2) The state license number of such vehicle; and~~

~~(3) Any other facts, knowledge of which is necessary to a thorough understanding of the circumstances surrounding such violation.~~

~~(b) Each such community code enforcement officer, designated town staff member, designated parking contractor, or member of the Beaufort County Sheriffs Office shall also attach to such vehicle a notice to the owner thereof that such vehicle has been parked in violation of a provision of this article stating the administrative penalty associated with such violation.~~

~~(c) In any paid parking area, every hour or fraction of an hour of overtime parking shall constitute a separate offense.~~

(Ord. No. 90-12, § 1, 5-7-90; Ord. No. 93-24, § 6, 9-20-93; Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Sec. 12-3-119. Disposition of parking charges.

The funds derived from parking meters as provided in this article are hereby levied and assessed as fees to provide for the proper regulation and control of parking upon the public streets and off-street public parking and to cover the cost of the supervision, inspection, installation, operation, maintenance, control and use of the parking spaces and regulation of vehicular parking in the parking meter zone.

(Ord. No. 90-12, § 1, 5-7-90)

Sec. 12-3-120. Parking meter exemptions.

Disabled operators of vehicles bearing license plates or other permits issued by any state highway department indicating that the operator is disabled shall be exempt from the requirements of this article pertaining to deposit of coins in parking meters. All other parking and meter regulations, including overtime parking prohibitions, shall apply to such operators.

(Ord. No. 90-12, § 1, 5-7-90)

Sec. 12-3-121. Reserved.

Editor's note(s)—Ord. No. 2024-15, § 1 (Att. 1), adopted Oct. 1, 2024, repealed § 12-3-121, which pertained to penalties for delinquent parking fines and derived from Ord. No. 01-08, § 1, adopted June 5, 2001.

ARTICLE 2. PARKING RESTRICTIONS

Sec. 12-3-211. Parking in violation of posted or marked restrictions declared unlawful.

- (a) It is unlawful to park any vehicle in any area where the town, county or state has placed "no-parking" or similar signs.
- (b) It is unlawful to park any vehicle that does not have the appropriate permit displayed on or in it in any parking space where the town has placed "permit holder only parking," "handicap parking" or similar signs.
- (c) It is unlawful to park any vehicle at any time along, in or upon any area in violation of any other parking restriction posted or placed by the town, county or state including restrictions related to time limits for parking in any area.
- (d) It is unlawful to park any vehicle in any metered parking space in the municipal limits of the town other than in strict compliance with the requirements of title 12, chapter 3, article 1 of the municipal code of the Town of Hilton Head Island.
- (e) It is unlawful to park any vehicle in any metered or un-metered space in any town parking lot or in any metered or un-metered public parking space in any public right-of-way within the municipal limits of the town overnight.
- (f) When the town has painted yellow lines or applied any other markings to curbs or pavement, including fire lanes, or has otherwise affixed any other markings to curbs or pavements, along or upon any right-of-way, vehicular way or any portion of the same, giving notice that parking is prohibited or restricted in any way in or along the painted or marked area thereof, it is unlawful to park in any vehicle in violation of the restrictions.
- (g) It is unlawful to park any vehicle within the right-of-way of any public road within the municipal limits of the Town of Hilton Head Island, South Carolina; provided, however, that parking a vehicle in any town designated, defined and marked parking space existing in a public road right-of-way within the municipal limits of the Town of Hilton Head Island, South Carolina, is permitted in accordance with any posted restrictions or limitations placed by the town.
- (h) It is unlawful to park any vehicle in any public beach access other than in a defined, marked parking space.
- (i) It is unlawful to park any vehicle on or in town owned entrances or access roads to town parks, open space, or on any power line or utility easement areas.

(Ord. No. 90-12, § 1, 5-7-90; Ord. No. 2020-10, § 1, 5-12-20)

Editor's note(s)—Ord. No. 2020-10, § 1, adopted May 12, 2020, changed the title of § 12-3-211 from "Parking in violation of town signs" to read as herein set out.

Sec. 12-3-212. Responsibility of vehicle owner for violations.

No person shall allow, permit or suffer any vehicle registered in his name, or which he has leased or rented from another person, to park in any street in the town in violation of any of the ordinances of this town regulating the parking of vehicles.

(Ord. No. 90-12, § 1, 5-7-90)

Sec. 12-3-213. Exemptions.

~~(a) Beaufort County Sheriff's Office vehicles;~~

~~(b) Town of Hilton Head Island Fire Department, EMS and other official vehicles;~~

~~(c) Vehicles of any utility provider while engaged in installation, repair or maintenance of utilities.~~

The following vehicles shall be exempt from the parking restrictions established in this Article:

- (1) Vehicles of emergency responders while engaged in official duties;
- (2) Vehicles of disabled persons displaying appropriate placards or license plates;
- (3) Vehicles of authorized town employees engaged in official duties;
- (4) Vehicles ~~displaying~~ registered with a Town issued Resident Beach Parking Pass; and,
- (5) Vehicles of utility provides while engaged in the installation, repair or maintenance of utilities.

(Ord. No. 2020-10, § 1, 5-12-20)

ARTICLE 3. PARKING DISTRICTS

Sec. 12-3-311. Residential parking district established.

Whenever the Town Manager determines that a particular residential area of the Town is severely impacted by nonresidential on-street parking by reason of adjacent beach and park users, he may designate such residential area as a permit parking district.

(Ord. No. 90-12, § 1, 5-7-90)

Sec. 12-3-312. Issuance of permits.

When an area has been designated as a permit parking district, each single-family residence or residential unit in the particular district shall be issued a permit for each registered vehicle entitling it to be parked in the restricted district. No vehicle shall receive a permit for more than one permit parking district at a time. Proof of residency (i.e., driver's license, vehicle registration, deed or lease) shall be required. Permits can be used within two (2) blocks of the resident's address. The fee for the annual residential permit shall be five dollars (\$5.00).

(Ord. No. 90-12, § 1, 5-7-90; Ord. No. 90-16, § 1, 6-4-90)

Sec. 12-3-313. Visitor permits.

On application of any resident of the restricted district, the town shall issue visitor permits limited to that particular permit parking district for a period of no more than two (2) weeks. Each permit shall be purchased for a two dollar (\$2.00) fee to help defray the cost of issuing these permits. Residents may also apply for a single annual visitor permit to be issued at such time as the standard parking permit is issued. Said visitor permit shall indicate the address for which the annual visitor permit is issued and it shall only be utilized within two (2) blocks of the address of the resident or as specified by the town manager or his authorized agent. The fee for the annual visitor permit shall be the same as for the standard residential permit.

Passes for a specific social event will be issued on request on presentation by the resident of a specific guest list and a clear identification of the time and place of the event.

(Ord. No. 90-12, § 1, 5-7-90; Ord. No. 90-16, § 2, 6-4-90)

ARTICLE 4. TOWING AND IMMOBILIZATION

Sec. 12-3-411. Reserved.

Editor's note(s)—Ord. No. 2020-10, § 1, adopted May 12, 2020, repealed § 12-3-411, which pertained to parking in public beach access areas and derived from Ord. No. 90-12, § 1, adopted May 7, 1990; and Ord. No. 90-16, § 3, adopted June 4 1990.

Sec. 12-3-412. Parked vehicles as public nuisance.

Any vehicle parked in violation of any term or subsection of sec. 12-3-211 of the municipal code of the Town of Hilton Head Island, South Carolina, is hereby declared to be a public nuisance.

(Ord. No. 90-12, § 1, 5-7-90; Ord. No. 2020-10, § 1, 5-12-20)

Sec. 12-3-413. Towing and impounding vehicles authorized.

Any vehicle identified as a public nuisance under sec. 12-3-412 of the municipal code of the Town of Hilton Head Island, South Carolina, may be impounded by the town by giving authorization to a commercial towing or wrecker service to tow the vehicle away and store it in a safe place until claimed by the owner. Storage of any towed vehicle by a towing or wrecker company must be in a secure lot in or within twenty-five (25) miles of the municipal limits of the town.

(Ord. No. 90-12, § 1, 5-7-90; Ord. No. 2020-10, § 1, 5-12-20)

Editor's note(s)—Ord. No. 2020-10, § 1, adopted May 12 2020, changed the title of sec. 12-3-413 from "Impounding and immobilizing authorized" to read as herein set out.

Sec. 12-3-414. Release to the owner.

- (a) No impounded vehicle shall be released without satisfactory proof of ownership or lessee's contract. The owner or lessee of a towed or immobilized vehicle may secure its release by posting the bond required by the municipal court for his appearance to contest the validity of the actions of the town and to answer for the parking violations.

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- (b) Towing and storage charges of a commercial towing or wrecker service shall be the sole responsibility of the owner or lessee.

(Ord. No. 90-12, § 1, 5-7-90)

Chapter 6 BEACH PARKING

Sec. 12-6-100. Purpose. The purpose of this Chapter is to establish regulations for the management of beach parking within the jurisdiction of the Town of Hilton Head Island. The intent is to promote the effective use of parking resources and ensure the public safety, accessibility, and convenience of beachgoers, while minimizing adverse effects on the neighboring environment.

Sec. 12-6-101. Administrative Citations, Penalties, Fines and Towing. Unless otherwise provided herein, violations of any provision of Chapter are subject to the penalties provided for in this Section.

- (c) **Administrative Citation.** Any Person who violates any provision of this Chapter shall be subject to an Administrative Citation as established in Hilton Head Island Municipal Code, Section 1-5-11.
- (d) **Fines and Towing.** Any person who violates any provision of this Chapter shall be subject to Administrative Citation Fines and vehicle tow or immobilization. Administrative Citation Fines for violations of this Chapter are as follows:
- i. Fifty (\$50) Dollars for first infraction;
 - ii. One Hundred (\$100) Dollars for a second infraction within one (1) year of the first infraction;
 - iii. Two Hundred Fifty (\$250) Dollars for a third infraction within one (1) year of the second infraction, and possible towing or immobilization of the vehicle parked in violation of this Article. Any and all charges or fees associated with towing or immobilization shall be the expense of the owner of the vehicle; and
 - iv. Five Hundred (\$500) Dollars for any subsequent infraction within one (1) year of the third infraction, and possible towing or immobilization of the vehicle parked in violation of this Article. Any and all charges or fees associated with towing or immobilization shall be the expense of the owner of the vehicle.
- (2) A twenty-five (\$25.00) Dollar late fee shall be applied to any original Administrative Citation Fine not paid within thirty (30) days of being issued.
- (3) The Public Safety Director, Code Enforcement Officer, or the Beaufort County Sheriff's Office may also immobilize, tow, or impound any vehicle parked in violation of this Chapter if, in its sole discretion, deems it necessary for public safety purposes. Any and all charges or fees associated with towing or immobilization shall be at the expense of the owner of the vehicle.

ARTICLE 1. BEACH PARKING MANAGEMENT

Sec. 12-6-110. Purpose and intent.

The purpose of this article is to establish regulations for the management of paid parking areas for public beach access within the jurisdiction of the Town of Hilton Head Island. The intent of this article is to promote the effective use of parking resources and ensure the public safety, accessibility, and convenience of beachgoers, while minimizing adverse effects on the neighboring environment.

(Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Sec. 12-6-111. Definitions.

[The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:]

(a) *Paid parking area.* Any area designated by the town requiring payment to park therein.

~~*Parking contractor.* The town or its designed vendor to manage the beach parking program.~~

(b) *Resident.* For purposes of this article, resident shall mean:

~~(a)~~ (i) Any person who owns any single or multi-family residence in the municipal limits of the town, irrespective of whether the person qualifies for the four (4) percent special assessment ratio except:

(1) The owner of a property that is offered for leases of any term of more than 183 days in any calendar year is not deemed a "resident" eligible for a beach parking pass based on the ownership of that property.

~~(b)~~ (ii) Any person who is a tenant under a lease for a single or multi-family residence for a period of one hundred eighty-three (183) days or more in any calendar year.

~~(c)~~ (iii) Any person who owns time-share interests totaling more than one hundred eighty-three (183) days per year.

(c) *Resident Beach Parking Pass.* As used in Title 12 of the *Municipal Code of the Town of Hilton Head Island, South Carolina*, a Resident Beach Parking Pass is a pass issued under Sec. 12-3-115 to a Resident that authorizes a Resident to park a vehicle in any designated Paid Parking Area under Sec. 12-6-112 without payment of parking fees.

(Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Sec. 12-6-112. Designation of paid parking areas.

The following areas are designated as paid parking areas:

(a) Alder Lane Beach Park;

(b) Chaplin Beach Community Park;

~~(c) Coligny Beach Park;~~

~~(d)~~ (d) Dreissen Beach Park;

~~(e)~~ (e) Fish Haul Beach Park;

~~(ef)~~ Folly Field Beach Park; and,

~~(fg)~~ Islanders Beach Park.

The town council shall determine the appropriate rates for the paid parking areas by resolution.

The town manager or designee shall install and maintain appropriate signs indicating the boundaries of the paid parking areas and the parking rates established therefore. (Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Sec. 12-6-113. Parking Fees, and payment, and enforcement.

- (a) The parking fees for any paid parking area shall be established by a resolution of the Town Council.
- (b) Any person, unless exempt under Section 12-6-114, who parks a vehicle in a paid parking area must pay the appropriate fee as ~~specified by the town or designated parking contractor~~ established by Town Council.
- (c) Payment shall be made through the designated payment mechanism installed by the Town ~~of designated parking contractor~~ or otherwise provided for electronically for the express purpose of paying for a designated parking space.
- ~~(d) The town or designated parking contractor shall enforce the payment of parking fees and Officer may issue administrative citations or take other appropriate measures to ensure compliance, including but not limited to vehicle immobilization and/or towing.~~

(Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Sec. 12-6-114. Exemptions.

- (a) The following vehicles shall be exempt from payment of parking fees:
 - (1) Vehicles of emergency responders while engaged in official duties;
 - (2) Vehicles of disabled persons displaying appropriate placards or license plates; and
 - (3) Vehicles of authorized Town employees engaged in official duties; and,
 - (4) Vehicles of utility provides while engaged in the installation, repair or maintenance of utilities.
- (b) The Town Manager may establish additional exemptions during permitted special events.
- (c) Vehicles which have been registered pursuant to the Town's resident beach parking pass program shall be exempt from the payment of parking fees.

(Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Sec. 12-6-115. Resident beach pass.

- (a) The Town shall issue Resident Beach Parking Passes to residents who can prove primary residency within the Town of Hilton Head Island as defined in section 12-6-111. Resident Beach Parking Passes will allow residents to park within the paid parking areas during the established hours of operation without paying the daily parking fees as designated by the Town Council.
- (b) Qualified residents of Hilton Head Island shall be entitled to receive a maximum of two (2) Resident Beach Parking Passes per household. Beginning in calendar year 2025, Resident Beach Parking Passes provided for in this section shall be issued without charge. However, the Town Council shall have the right to assess a fee for Resident Beach Parking Passes in the future and shall be authorized to set such fee by the adoption of a corresponding resolution setting forth this amount.

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- (c) Residents who receive a Resident Beach Parking Pass are subject to the parking regulations of this article.
 - (d) The Town may revoke or refuse to issue Resident Beach Parking Passes for individuals who violate this article.

(Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Sec. 12-6-116. Defrauding, opening, impairing, or damaging paid parking devices.

It shall be unlawful for any person to defraud, open, impair, or damage a paid parking device or related equipment. Violations of this section shall be punishable as set forth in section 1-5-10 of the Municipal Code of the Town of Hilton Head Island.

(Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Sec. 12-6-117. Rules and regulations.

- (a) The following rules and regulations are applicable in the paid parking area and shall be enforced by the Public Safety Director, ~~designated parking contractor, community~~ Code Enforcement Officers or the Beaufort County Sheriff's Office:
 - 1. No parking outside of the hours of operation of the paid parking area;
 - 2. No parking in areas designated as no parking zones;
 - 3. No parking in areas marked for emergency vehicles;
 - 4. No parking in areas reserved for handicapped individuals unless a valid handicapped placard is visibly displayed: and
 - 5. No parking in any area within a designated paid parking area that is not specifically identified as a parking space.

(Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

Sec. 12-6-118. Dates and hours of operation, Chaplin Beach Park exception.

- (a) Paid parking areas shall be open for public use during the dates and hours designated by the town council, which shall be formalized through either the adoption of an ordinance or corresponding paid parking area resolution setting forth such dates and/or hours,
- (b) The dates and hours of operation adopted by the Town Council and the corresponding paid parking requirements therein shall be posted on appropriate signs and may be adjusted from time to time as deemed necessary by subsequent action of the Town Council.
- (c) Paid parking requirements at the Chaplin Beach Park shall be suspended during any youth recreational sports programming season facilitated by the Island Recreation Association.

The Town will coordinate with the Island Recreation Association on the dates that this exemption will be in place and will cause appropriate signage to be installed notifying individuals when paid parking will be required at this location.

(Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)

~~Sec. 12-6-119. Penalties and fines.~~

- (a) ~~Unless otherwise stated in this article, any person who violates any provision of this article shall be subject to fines and vehicle tow or immobilization. The fine schedule shall be on a graduated basis based on the number of violations issued within a twelve-month period as follows:—~~
- ~~(1) First violation: a written warning and/or a fine of fifty dollars (\$50.00), reminder of parking regulations and notification of potential vehicle tow or immobilization for future violations.—~~
 - ~~(2) Second violation: a fine of one hundred dollars (\$100.00) and possible towing or immobilization of vehicle at owner's expense.—~~
 - ~~(3) Third and subsequent violations: a fine of two hundred fifty dollars (\$250.00) and mandatory towing or immobilization of vehicle at owner's expense.—~~
 - ~~(4) Fourth and subsequent violations: a fine of five hundred dollars (\$500.00) and mandatory towing or immobilization of vehicle at owner's expense.—~~
- (b) ~~A twenty-five dollar (\$25.00) late fee shall be applied to any original fine not paid within thirty (30) days of being issued.—~~
- (c) ~~The town, parking contractor, or the Beaufort County Sheriff's Office may also immobilize, tow, or impound any vehicle parked in violation of this chapter if, in its sole discretion, deems it necessary for public safety purposes.—~~

~~(Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)~~

~~Sec. 12-6-120. Appeals of administrative citation.~~

- (a) ~~Any person who receives an administrative citation related to paid parking may appeal the citation by submitting a written appeal to the designated parking contractor within thirty (30) days of the citation.~~
- (b) ~~The parking contractor shall review the appeal and issue a written decision within thirty (30) days of receiving the appeal.~~
- (c) ~~If the person appealing the citation disagrees with the decision of the parking contractor, he or she may appeal to the town attorney or his or her designee within thirty (30) days of receiving the decision of the parking contractor. An appeal to the town attorney or his or her designee shall include statements of fact and conclusions of law to support the appeal.~~
- (d) ~~The decision of the town attorney or his or her designee shall be final. Any subsequent appeals may be made to a court of competent jurisdiction within thirty (30) days of receiving the town attorney's final decision.~~
- (e) ~~This section does not apply to violations issued in accordance with section 12-5-517 of this article.~~

~~(Ord. No. 2024-15, § 1 (Att. 1), 10-1-24)~~



TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO: Town Council
FROM: Shawn Colin, Assistant Town Manager of Strategic Initiatives
CC: Marc Orlando, Town Manager, ICMA-CM
Curtis Coltrane, Town Attorney
DATE: May 20, 2025
SUBJECT: Consideration of a Resolution of the Town Council of the Town of Hilton Head Island Authorizing the execution of a Non-Exclusive Drainage and Utility Easement Agreement from Beaufort County for Property Located at 55 Gardner Drive

RECOMMENDATION:

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island Authorizing the execution of a Non-Exclusive Drainage and Utility Easement Agreement from Beaufort County for Property Located at 55 Gardner Drive.

The Community Services and Public Safety Committee recommended the Resolution be advanced as drafted by a vote of 3-0 to Town Council for adoption.

BACKGROUND:

The Town of Hilton Head Island has requested that Beaufort County convey to the Town a drainage easement located at 55 Gardner Drive as shown on Attachment 2. The easement is necessary to support the Town's ongoing stormwater management program. The legal basis for the easement dates back to an agreement made in 1980 between Beaufort County and the property owner at 55 Gardner Drive. This agreement granted the County drainage and utility easement rights, which were subsequently amended in 1980. A plat describing the easement area was also recorded at that time.

Beaufort County has agreed to convey this easement to the Town to further its stormwater management efforts, which are critical to maintaining and improving the Island's infrastructure and environmental health.

The proposed Resolution, included as Attachment A, authorizes the Town Council to accept the conveyance of the drainage easement from Beaufort County. The Resolution will acknowledge the easement's history and its intended use for stormwater management and utility purposes.

The following points outline the relevant history of the easement and conveyance:

- On June 27, 1980, Beaufort County was granted easement rights for drainage and utility purposes over the property at 55 Gardner Drive. This was recorded in the Office of the Register of Deeds for Beaufort County in Official Record Book 303 at Page 122 (Exhibit "A").
- On August 22, 1980, the original easement was amended, and the amendment was recorded in Official Record Book 305 at Page 2056 (Exhibit "B").
- The easement area is shown on a plat recorded in Plat Book 28 at Page 107 (Exhibit "C").
- The Town of Hilton Head Island has requested that Beaufort County convey this easement to support the Town's stormwater management program.

SUMMARY:

The proposed Resolution authorizes the Town Council to accept the conveyance of the drainage easement from Beaufort County. This conveyance will facilitate the Town's stormwater management and utility efforts on Gardner Drive and surrounding area.

- Easement History: The easement was granted to Beaufort County in 1980 for drainage and utility purposes, with an amendment made the same year. The easement is recorded and is described in the attached exhibits.
- Purpose: The conveyance of the easement to the Town will enable the Town to better manage stormwater and maintain essential drainage infrastructure in the area, supporting public safety and environmental health.
- Action Requested: The Committee is asked to review and provide a recommendation to the Town Council for the adoption of a Resolution that will formalize the acceptance of the easement from Beaufort County.

ATTACHMENTS:

1. Attachment A – Resolution to Accept Utility and Drainage Easement located on property located at 55 Gardner Drive
 - a. Exhibit A - Original Easement Agreement (Official Record Book 303, Page 122)
 - b. Exhibit B – Amended Easement Agreement (Official Record Book 305, Page 2056)
 - c. Exhibit C – Plat of Easement Area (Plat Book 28, Page 107)
 - d. Exhibit D – Drainage and Utility Easement Transfer Agreement
2. Attachment 2 – Property Location Map with Proposed Easement

A RESOLUTION BY THE TOWN OF HILTON HEAD ISLAND TOWN COUNCIL AUTHORIZING THE ACCEPTANCE OF THE CONVEYANCE OF A DRAINAGE EASEMENT ON GARDNER DRIVE FROM BEAUFORT COUNTY, SOUTH CAROLINA

WHEREAS, on June 27, 1980, Beaufort County, South Carolina, was conveyed easement rights for drainage and utility purposes over property located at 55 Gardner Drive, by a written easement recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Official Record Book 303 at Page 122, a copy of which is attached hereto as Exhibit “A”; and,

WHEREAS, on August 22, 1980, the written easement recorded in Official Record Book 303 at Page 122, was amended by a written amendment that is recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Official Record Book 305 at Page 2056, a copy of which is attached hereto as Exhibit “B”; and,

WHEREAS, the Easement is shown and described on a Plat that is recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Plat Book 28 at Page 107, a copy of which is attached hereto as Exhibit “C”; and

WHEREAS, the easement and rights described in the documents recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Deed Book 303 at Page 122, in Deed Book 305 at Page 2056 and in Plat Book 28 at Page 108 are referred to herein as the “Easement”; and,

WHEREAS, the Town of Hilton Head Island, South Carolina, requested that Beaufort County, South Carolina, convey the Easement to the Town in connection with the Town’s ongoing stormwater management program; and,

WHEREAS, on January 22, 2024, Beaufort County, South Carolina adopted Ordinance 2024-06, which authorized the conveyance of the Easement from Beaufort County, South Carolina, to The Town of Hilton Head Island, South Carolina; and,

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina, finds that it is in the best interest of the Town and its citizens, residents, property owners and visitors to accept the ownership of the Easement.

NOW, THEREFORE, BE IT RESOLVED, AND IT HEREBY IS RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THAT:

1. The Town Council authorizes the Town Manager and Town Attorney to accept and record the “Drainage and Utility Easement Transfer Agreement,” in a form and substance similar to the document attached hereto as Exhibit “D.”
2. The Town Manager is authorized to take all actions necessary to meet the maintenance and other obligations set out in the “Drainage and Utility Easement Transfer Agreement,” and the Easement.
3. This resolution shall be effective immediately upon its adoption.

MOVED, APPROVED, AND ADOPTED ON THIS ___ DAY OF MAY, 2025.

Alan R. Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

APPROVED AS TO FORM

Curtis L. Coltrane, Town Attorney

Introduced by Council Member:_____

EXHIBIT "A" TO RESOLUTION FOR ACCEPTANCE OF DRAINAGE AND UTILITY
EASEMENT

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

DRAINAGE AND UTILITY EASEMENT

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KNOW ALL MEN BY THESE PRESENTS that H.I.S., a South Carolina Limited Partnership, for and in consideration of the sum of One Dollar (\$1.00) to it in hand paid at and before the sealing of these presents by Beaufort County, South Carolina, the receipt of which is hereby acknowledged, does hereby bargain, sell, convey, transfer and deliver to Beaufort County, its successors and assigns an easement for drainage and utility purposes over and across the property described on Exhibit "A" attached to and made a part hereof.

The Grantor and its successors shall fully use and enjoy the property described on Exhibit "A", subject only to the easement rights herein granted, and the Grantor reserves the right to make such improvements on said property as it or its successors in title may from time to time elect, so long as the same shall not interfere with or be inconsistent with the easement rights granted herein to Beaufort County.

IN WITNESS WHEREOF, H.I.S. has caused these presents to be duly executed by its authorized General Partner, this 27th day of JUNE, 1980.

H.I.S., a South Carolina
Limited Partnership

By: [Signature]

General Partner

Signed, sealed and delivered

in the presence of:

Mark T. Shawe
William W. Shearman & Sterling
~~NOTARIES PUBLIC~~

FRIEDMAN, HASLAM,
WEINER, GINSBERG,
SHEAROUSE & WEITZ
14 EAST STATE STREET
SAVANNAH, GEORGIA

STATE OF GEORGIA)
COUNTY OF CHATHAM)

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PERSONALLY appeared before me MARK T. SHAW
_____ and made oath that he saw the within
named HIS, a limited partnership, by its general partner Erwin A. Friedman
sign, seal, and as its act and deed deliver the within
written Drainage and Utility Easement, and that he with
William W. Shearouse witnessed
the execution thereof.

Mark T. Shaw

Sworn to before me this 27th
day of June, 1980.

Harvey Weitz
Notary Public

HARVEY WEITZ
Notary Public, Chatham County, Ga.
My Commission Expires Jan. 23, 1983

FRIEDMAN, HASLAM,
WEINER, GINSBERG,
SHEAROUSE & WEITZ
14 EAST STATE STREET
SAVANNAH, GEORGIA

EXHIBIT A

ALL that certain tract or parcel of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina and being particularly described as follows:

Commencing at the point where the centerline of Mathews Drive intersects the centerline of U.S. Highway 278 and proceeding thence N 75° 26' 20" W a distance of 2,608.16 feet to a point; proceeding thence S 14° 33' 40" W, a distance of 358.00 feet to a point which marks the point of beginning, which is located on the western boundary line of the property of the Grantor; proceeding thence S 75° 26' 20" E, a distance of 35.00 feet to a point; proceeding thence S 14° 33' 40" W, a distance of 1,528.81 feet to a point; proceeding thence S 42° 47' 45" E, a distance of 53.94 feet to a point; proceeding thence N 79° 50' 50" E, a distance of 125.97 feet to a point; proceeding thence S 86° 59' 10" E, a distance of 240.66 feet to a point; proceeding thence S 84° 29' 10" E, a distance of 97.79 feet to a point; proceeding thence N 65° 30' 50" E, a distance of 50.00 feet to a point; proceeding thence S 84° 29' 10" E, a distance of 125.00 feet to a point; proceeding thence S 54° 29' 10" E, a distance of 50.00 feet to a point; proceeding thence S 84° 29' 10" E, 310.08 feet to a point; proceeding thence N 75° 50' 30" E, a distance of 170.06 feet to a point; proceeding thence S 14° 33' 41" W, a distance of 57.01 feet to a point; proceeding thence S 75° 50' 30" W, a distance of 151.33 feet to a point; proceeding thence N 84° 29' 10" W, a distance of 627.05 feet to a point; proceeding thence N 86° 59' 10" W, a distance of 233.80 feet to a point; proceeding thence S 79° 50' 50" W, a distance of 231.74 feet to a point; proceeding thence N 14° 33' 40" E, a distance of 1,649.96 feet to a point which is the point of beginning, said tract containing 2.82 acres and being more particularly described on that certain plat prepared by Hussey, Gay & Bell, Consulting Engineers, dated June, 1980, which plat is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Record Book 28, Page 207.

SAVING AND EXCEPTING THEREFROM that certain parcel of land conveyed to Hilton Head #1 Public Service District by the Grantor herein by Deed dated May 26, 1977, and recorded in Deed Book 248, Page 1210 at the Office of the Clerk of Court for Beaufort County, South Carolina, for the location of a sewer lift station.

SUBJECT also to the rights of the Hilton Head #1 Public Service District to a nonexclusive sanitary sewer and water easement located within a portion of the property contained in the within easement, which was granted by the Grantor herein by instrument dated May 26, 1977 and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 248, Page 1215.

witnesses the execution thereof.

FRIEDMAN, HASLAM,
WEINER, GINSBERG,
SHEAROUSE & WEITZ
14 EAST STATE STREET
SAVANNAH, GEORGIA

Sworn to before me this 27
day of June, 1980.

Betty Gray
Notary Public

BETTY GRAY
Notary Public, Chatham County, Ga.
My Commission Expires Feb. 7, 1982

Dorothy L. Rhodes

Public Works Dept. (Water Office)

FILED AT <u>3:45</u> O'CLOCK <u>PM</u>	BEAUFORT COUNTY S. C. JUL 1 1980	RECORDED IN BOOK <u>303</u> PAGE <u>122</u>
<u>Royanne W. Beverly</u> CLERK OF COURT OF COMMON PLEAS		

STATE OF GEORGIA)
COUNTY OF CHATHAM)

CONSENT TO EASEMENT

THE CITIZENS AND SOUTHERN NATIONAL BANK, as the
holder of that certain First Mortgage dated July 2, 1973 **125**
and recorded with the Clerk of Court for Beaufort County,
South Carolina in Mortgage Book 159 at Page 770 and rerecorded
with said Clerk in Mortgage Book 168 at Page 948, aforesaid
records; and modified by Loan Modification Agreement dated
August 15, 1979, and recorded in Deed Book 221 at Page 863,
aforesaid records, covering the property described in the
foregoing Easement for Drainage and Utility purposes granted
to Beaufort County, does hereby consent to the granting of
said easement and agrees that any sale made under the provisions
of said Mortgage shall be subject thereto.

IN WITNESS WHEREOF, the said CITIZENS AND SOUTHERN
NATIONAL BANK has caused these presents to be executed this
27 day of June, 1980 through its duly authorized
officers with its corporate seal affixed thereto.

Signed, Sealed and Delivered
in the presence of:

Dorothy L. Rhodes
Betty Gray
STATE OF GEORGIA)
COUNTY OF CHATHAM)

THE CITIZENS AND SOUTHERN
NATIONAL BANK

By:

Al B. Pace, Jr.
Vice President

Attest:

David Braithwaite
Commercial Officer

PERSONALLY appeared before me Dorothy L. Rhodes
and made oath that she saw the within
named Al B. Pace, Jr., VP and David Braithwaite, Commercial Officer
sign, seal, and as its act and deed deliver the within written
Consent to Easement, and that she with Betty Gray
witnesses the execution thereof.

FRIEDMAN, HASLAM,
WEINER, GINSBERG,
SHEAROUSE & WEITZ
14 EAST STATE STREET
SAVANNAH, GEORGIA

Sworn to before me this 27
day of June, 1980.

Betty Gray
Notary Public

BETTY GRAY
Notary Public, Chatham County, Ga.
My Commission Expires Feb. 7, 1982

Dorothy L. Rhodes
Public Works Dept. (Water Office)

FILED AT <u>3:45</u> O'CLOCK <u>PM</u>	BEAUFORT COUNTY S. C. JUL 1 1980	RECORDED IN BOOK <u>303</u> PAGE <u>122</u>
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Royanne W. Beverly
CLERK OF COURT OF COMMON PLEAS

**EXHIBIT “B” TO RESOLUTION FOR ACCEPTANCE OF DRAINAGE AND UTILITY
EASEMENT**

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT) AMENDMENT TO
) DRAINAGE AND UTILITY EASEMENT

WHEREAS, on June 27, 1980, the undersigned. H.I.S., a South Carolina Limited Partnership, executed and delivered to Beaufort County, a certain easement for drainage and utility purposes, which easement is duly recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 303, Page 122; and, 2056

WHEREAS, contemporaneously with the granting of said easement, a plat describing the same was duly recorded in the Office of the Clerk of Court of Beaufort County, South Carolina, in Plat Record Book 28, Page 207; and,

WHEREAS, the description of the property over which said easement was granted contains an error; and,

WHEREAS, H.I.S. wishes to add to the property covered by said easement an additional parcel.

NOW, THEREFORE, for and in consideration of the foregoing recitals and to correct the description of the property covered by said easement and to add to said easement certain additional property, said Drainage and Utility Easement is hereby amended by deleting therefrom Exhibit "A" and substituting the Exhibit "A" attached hereto so that hereafter the property subject to said Drainage and Utility Easement shall be as described on the Attached Exhibit "A" and not as described on said Exhibit "A" attached to the document dated June 27, 1980.

Except as expressly modified herein, said Drainage and Utility Easement shall remain in full force and effect as originally granted.

IN WITNESS WHEREOF, H.I.S. has caused these presents to be duly executed by its authorized General Partner, this 22nd day of August, 1980.

H.I.S., a South Carolina
Limited Partnership

By: [Signature]
General Partner

FRIEDMAN, HASLAM,
WEINER, GINSBERG,
SHEAROUSE & WEITZ
14 EAST STATE STREET
SAVANNAH, GEORGIA

Signed, sealed and delivered
in the presence of:

[Signature]
[Signature]

EXHIBIT "A"

ALL that certain tract or parcel of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina and being particularly described as follows:

2057
Commencing at the point where the centerline of Mathews Drive intersects the centerline of U.S. Highway 278 and proceeding thence N 75° 26' 20" W, a distance of 2,608.16 feet to a point; proceeding thence S 14° 33' 40" W, a distance of 358.00 feet to a point which marks the point of beginning, which is located on the western boundary line of the property of the Grantor; proceeding thence S 75° 26' 20" E, a distance of 35.00 feet to a point; proceeding thence S 14° 33' 40" W, a distance of 1,238.81 feet to a point; proceeding thence S 42° 47' 45" E, a distance of 53.94 feet to a point; proceeding thence N 79° 50' 50" E, a distance of 125.97 feet to a point; proceeding thence S 86° 59' 10" E, a distance of 240.66 feet to a point; proceeding thence S 84° 29' 10" E, a distance of 97.79 feet to a point; proceeding thence N 65° 30' 50" E, a distance of 50.00 feet to a point, proceeding thence S 84° 29' 10" E, a distance of 125.00 feet to a point; proceeding thence S 54° 29' 10" E, a distance of 50.00 feet to a point; proceeding thence S 84° 29' 10" E, a distance of 215.43 feet to a point; proceeding thence N 12° 42' 35" W, a distance of 55.23 feet to a point; proceeding thence S 75° 26' 20" E, a distance of 45.00 feet to a point; proceeding thence S 12° 42' 35" E, a distance of 47.78 feet to a point; proceeding thence S 84° 29' 10" E, a distance of 52.54 feet to a point; proceeding thence N 75° 50' 30" E, a distance of 18.73 feet to a point; proceeding thence S 14° 33' 41" W, a distance of 57.01 feet to a point; proceeding thence N 84° 29' 10" W, a distance of 627.05 feet to a point; proceeding thence N 86° 59' 10" W, a distance of 233.80 feet to a point; proceeding thence S 79° 50' 50" W, a distance of 231.74 feet to a point; proceeding thence N 14° 33' 40" E, a distance of 1,359.96 feet to a point, which is the point of beginning, said tract containing 2.46 acres and being more particularly described on that certain plat prepared by Hussey, Gay & Bell, Consulting Engineers, dated June, 1980, and revised August, 1980, which plat is recorded in the office of the Clerk of Court for Beaufort County

FRIEDMAN, HASLAM,
WEINER, GINSBERG,
SHEAROUSE & WEITZ
14 EAST STATE STREET
SAVANNAH, GEORGIA

EXHIBIT "A"

ALL that certain tract or parcel of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina and being particularly described as follows:

Commencing at the point where the centerline of Mathews Drive intersects the centerline of U.S. Highway 278 and proceeding thence N 75° 26' 20" W, a distance of 2,608.16 feet to a point; proceeding thence S 14° 33' 40" W, a distance of 358.00 feet to a point which marks the point of beginning, which is located on the western boundary line of the property of the Grantor; proceeding thence S 75° 26' 20" E, a distance of 35.00 feet to a point; proceeding thence S 14° 33' 40" W, a distance of 1,238.81 feet to a point; proceeding thence S 42° 47' 45" E, a distance of 53.94 feet to a point; proceeding thence N 79° 50' 50" E, a distance of 125.97 feet to a point; proceeding thence S 86° 59' 10" E, a distance of 240.66 feet to a point; proceeding thence S 84° 29' 10" E, a distance of 97.79 feet to a point; proceeding thence N 65° 30' 50" E, a distance of 50.00 feet to a point, proceeding thence S 84° 29' 10" E, a distance of 125.00 feet to a point; proceeding thence S 54° 29' 10" E, a distance of 50.00 feet to a point; proceeding thence S 84° 29' 10" E, a distance of 215.43 feet to a point; proceeding thence N 12° 42' 35" W, a distance of 55.23 feet to a point; proceeding thence S 75° 26' 20" E, a distance of 45.00 feet to a point; proceeding thence S 12° 42' 35" E, a distance of 47.78 feet to a point; proceeding thence S 84° 29' 10" E, a distance of 52.54 feet to a point; proceeding thence N 75° 50' 30" E, a distance of 18.73 feet to a point; proceeding thence S 14° 33' 41" W, a distance of 57.01 feet to a point; proceeding thence N 84° 29' 10" W, a distance of 627.05 feet to a point; proceeding thence N 86° 59' 10" W, a distance of 233.80 feet to a point; proceeding thence S 79° 50' 50" W, a distance of 231.74 feet to a point; proceeding thence N 14° 33' 40" E, a distance of 1,359.96 feet to a point, which is the point of beginning, said tract containing 2.46 acres and being more particularly described on that certain plat prepared by Hussey, Gay & Bell, Consulting Engineers, dated June, 1980, and revised August, 1980, which plat is recorded in the office of the Clerk of Court for Beaufort County

FRIEDMAN, HASLAM,
WEINER, GINSBERG,
SHEAROUSE & WEITZ
14 EAST STATE STREET
SAVANNAH, GEORGIA

South Carolina in Plat Record Book _____, Page _____.

SAVING AND EXCEPTING THEREFROM that certain parcel of land conveyed to Hilton Head #1 Public Service District by the Grantor herein by Deed dated May 26, 1977, and recorded in Deed Book 248, Page 1210 at the Office of the Clerk of Court for Beaufort County, South Carolina, for the location of a sewer lift station.

SUBJECT also to the rights of the Hilton Head #1 Public Service District to a nonexclusive sanitary sewer and water easement located within a portion of the property contained in the within easement, which was granted by the Grantor herein by instrument dated May 26, 1977, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 248, Page 1215. 2058

Page 2 of 2

FRIEDMAN, HASLAM,
WEINER, GINSBERG,
SHEAROUSE & WEITZ
14 EAST STATE STREET
SAVANNAH, GEORGIA

STATE OF GEORGIA)
COUNTY OF CHATHAM)

PERSONALLY appeared before me _____ Lynn C. Shearouse
and made oath that she saw the within named H.I.S., a Limited
Partnership, by Erwin A. Friedman, a General Partner,
sign, seal and as its act and deed deliver the within Drainage
and Utility Easement, and that she with Dianna L. Beaudry
_____, witnessed the execution thereof.

Exp. C. Masouze

Sworn to before me this 22nd
day of August, 1980.

Robert J. Whinnery
Notary Public

ADELE T. QUINNEY
Notary Public, Georgia State at Large
My Commission Expires June 8, 1982

**FRIEDMAN, HASLAM,
WEINER, GINSBERG,
SHEAROUSE & WEITZ**
14 EAST STATE STREET
SAVANNAH, GEORGIA

STATE OF GEORGIA)
COUNTY OF CHATHAM)

CONSENT TO AMENDMENT TO EASEMENT

THE CITIZENS AND SOUTHERN NATIONAL BANK, as the holder of that certain First Mortgage dated July 2, 1973, and recorded with the Clerk of Court for Beaufort County, South Carolina, in Mortgage Book 159 at Page 770 and rerecorded with said Clerk in Mortgage Book 168 at Page 948, aforesaid records; and modified by Loan Modification Agreement dated August 15, 1979, and recorded in Deed Book 221 at Page 863, aforesaid records, covering the property described in the foregoing Amendment to Easement for Drainage and Utility purposes granted to Beaufort County, does hereby consent to the granting of said easement and agrees that any sale made under the provisions of said Mortgage shall be subject thereto. 2060

IN WITNESS WHEREOF, the said CITIZENS AND SOUTHERN NATIONAL BANK has caused these presents to be executed this 25th day of August, 1980, through its duly authorized officers with its corporate seal affixed thereto.

Signed, Sealed and Delivered in the presence of:

Dorothy L. Rhodes
Betty Gray

THE CITIZENS AND SOUTHERN NATIONAL BANK

By:

Attest:

Al B. Pace, Jr.
Vice President

David M. Braithwaite
Commercial Officer

STATE OF GEORGIA)
COUNTY OF CHATHAM)

PERSONALLY appeared before me Dorothy L. Rhodes

and made oath that she saw the within named

Al B. Pace, Jr., Vice President, and David M. Braithwaite, Commercial Officer

sign, seal and as its act and deed deliver the within written

Consent to Amendment to Easement and that she with Betty

Gray witnessed the execution thereof.

FRIEDMAN, HASLAM,
WEINER, GINSBERG,
SHEAROUSE & WEITZ
14 EAST STATE STREET
SAVANNAH, GEORGIA

Sworn to before me this 25th
day of August, 1980.

Betty Gray
Notary Public

Dorothy L. Rhodes
Notary Public

FILED	BEAUFORT	RECORDED
AT	COUNTY.	IN
4:45	S. C.	BOOK
O'CLOCK	AUG 29 1980	305
P. M.		PAGE
		2056
Rouanne W. Beverly		
CLERK OF COURT OF COMMON PLEAS		

EXHIBIT “C” TO RESOLUTION FOR ACCEPTANCE OF DRAINAGE AND UTILITY
EASEMENT

PLAT BOOK 28 PAGE 207

HILTON HEAD
THE COMPANY

POINT OF BEGINNING



H.I.S. PARTNERSHIP

MID ISLAND
ESTATES

HILTON HEAD
GARDENS



IN MY OPINION THIS PLAT IS A
CORRECT REPRESENTATION OF
THE LAND PLATTED AND HAS
BEEN PREPARED IN CONFORMITY
WITH THE MINIMUM STANDARDS
AND REQUIREMENTS OF LAW.

2/20/07
JLH

E. MATTHEWS DR.

POINT OF COMMENCING

U.S. HWY. 16 378 136' R/W
N 75° 24' 20" W 2408.16'

PLAT OF

2.82 ACRE
DRAINAGE & UTILITY EASEMENT
FOR

BEAUFORT COUNTY, S.C.

HUSSEY, GAY & BELL

CONSULTING ENGINEERS SAVANNAH, GEORGIA

DATE: 2/20/07 BY: JLH

EXHIBIT “D” TO RESOLUTION FOR ACCEPTANCE OF DRAINAGE AND UTILITY
EASEMENT

DRAINAGE AND UTILITY EASEMENT TRANSFER AGREEMENT

THIS DRAINAGE AND UTILITY EASEMENT MODIFICATION AGREEMENT
(the “**Agreement**”) is made this ____ day of _____, 2025, by and between **Beaufort County** (hereinafter “**Grantor**”), a South Carolina municipal corporation with an address of Post Office Box 1228, Beaufort, South Carolina 29901 and the governmental authority of **Town of Hilton Head, South Carolina** (hereinafter “**Grantee**”), a South Carolina municipal corporation with an address of 1 Town Center Court, Hilton Head Island, SC 29928.

WHEREAS, Grantor owns a non-exclusive easement for drainage and utility purposes located at 55 Gardner Drive, Hilton Head Island, South Carolina 29926, which is more particularly described in **Exhibit “A”**, attached hereto and made a part hereof (the **“Property”**); and

WHEREAS, Beaufort County owns a non-exclusive easement for drainage and utility purposes over and across portions of the Property pursuant to an easement dated August 22, 1980 and recorded in the Beaufort County Register of Deeds (the “**ROD**”) in **Book 303 at Page 122** and **Book 305 at Page 2056** (the “**Easement**”) as depicted in that certain plat recorded in the ROD in **Plat Book 28 at Page 207** (the “**Easement Area**”); and

WHEREAS, Grantor has requested and Grantee has agreed to the transfer of the Easement for purposes of the terms set forth in the Easement as are particularly described herein.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that Grantor, for and in consideration of the sum of One and No/100 Dollars (\$1.00), the covenants, conditions and agreements contained herein, and other good and valuable consideration, in hand paid, the receipt and legal sufficiency of which is hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. The above recitals are incorporated herein by reference thereto, as fully as if restated herein.
2. Grantor and Grantee acknowledge and agree that the Easement is hereby transferred of any and all maintenance responsibilities.
3. Grantee's right to undertake maintenance, alterations or repairs to the Utility Improvements or Hardscape as it deems necessary in its sole reasonable discretion so long as such activity does not diminish Grantor's rights set forth in the Easement as modified by this Agreement, shall not be modified or altered by this Agreement. Subsequent to the completion of redevelopment of the Property contemplated in this Agreement, and except for normal and routine care and maintenance, Grantor agrees to use best efforts to notify Grantee prior to undertaking maintenance, alteration, or repairs to the Utility Improvements or Hardscape.

4. Except as modified herein, all benefits, obligations, terms and conditions of the Easement shall remain in full effect and are ratified by the parties hereto. In the event of any conflict between the terms of this Agreement and the Easement, the terms and conditions of this Agreement shall prevail.
5. This Agreement is subject to all other easements, licenses, and conveyances of record and are subject to the rights herein reserved by Grantor, its successors and assigns, to utilize the Property at any time, in any manner, and for any purpose, provided, however, that such use by Grantor shall not be inconsistent with nor prevent the full utilization by Grantee of the rights and privileges granted herein.
6. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid and unenforceable provision were omitted. This Agreement and the terms and provisions hereof shall bind and inure to the benefit of the parties and their respective legal representatives, and successors and assigns. This Agreement shall be governed and construed in accordance with the laws of the State of South Carolina. This Agreement is intended by the parties hereto to be the final expression of their agreement and constitute a complete and exclusive statement of the terms hereof notwithstanding any representations or statements to the contrary heretofore made. In the event of litigation relating to enforcement of rights under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all litigation expenses, including attorneys' fees and court costs. This Agreement may not be amended, modified, altered or changed in any respect whatsoever, except by a further written agreement duly executed by the parties hereto.

WITNESS the hands and seals of the undersigned the date and year first above written.

IN THE PRESENCE OF:

GRANTOR:

Beaufort County, South Carolina

Signature of Witness #1

By: _____
Its: _____

Signature of Notary Public

STATE OF SOUTH CAROLINA

)

)

ACKNOWLEDGMENT

COUNTY OF BEAUFORT

)

I, the undersigned Notary Public, do hereby certify that _____ as
_____ of **Beaufort County**, personally appeared before me this day and
acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this _____ day of _____, 2025.

Notary Public for South Carolina

My Commission Expires: _____

Witness the hands and seals of the undersigned the date and year first above written.

IN THE PRESENCE OF:

GRANTEE:

Town of Hilton Head

Signature of Witness #1

By: _____

Its: _____

Signature of Notary Public

STATE OF SOUTH CAROLINA

)

)

ACKNOWLEDGMENT

COUNTY OF BEAUFORT

)

I, the undersigned Notary Public, do hereby certify that _____ as
_____ of **Town of Hilton Head**, personally appeared before me this day
and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this _____ day of _____, 2025.

Notary Public for South Carolina

My Commission Expires: _____

Exhibit "A"

Legal Description of Property

ALL that certain lot, tract or parcel of land situate, lying and being 12.16± acres of a portion of the Honey Horn Plantation, Hilton Head Island, Beaufort County, South Carolina. For a more particular description of said property, reference is made to that certain plat prepared by Hussey, Gay & Bell, Consulting Engineers on April 23, 1982, of a portion of the Honey Horn Plantation, Hilton Head Island, Beaufort County, South Carolina, which plat is recorded in the Beaufort County Records in Plat Book 30, at Page 125, said real property being shown upon said plat.

AND ALSO, ALL that certain lot, tract or parcel of land situate, lying and being located in the Town of Hilton Head Island, Beaufort County, South Carolina, which is designated as "0.193 acres to be conveyed to Hilton Head Christian Academy," as more fully shown on the plat prepared by Surveying Consultants, Inc., Terry G. Hatchell, SCRLS No. 11059 dated June 9, 2009, and entitled "Boundary Recombination Plat of 0.193 acres, Gardner Drive, to be conveyed to Hilton Head Christian Academy, Subdivided from Tax Parcel R510 008 000 101B 0000 Lands of the Town of Hilton Head Island," which is recorded in the Beaufort County Records in Plat Book 128 at Page 79.

AND ALSO, ALL that certain piece, parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, containing 6.22 acres, more or less, and being shown as Parcel II and Access Easement on that certain Plat prepared by Coastal Surveying Co., Inc., and recorded December 28, 1995 in the Beaufort County Records in Plat Book 54 at Page 187.

LESS AND EXCEPT ALL that certain piece, parcel or tract of land situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, consisting of 4.747 acres, more or less, and shown and described as "REVISED PARCEL B" on a plat entitled Boundary Recombination of Survey of Revised Parcel B, Gardner Drive & William Hilton Parkway, to be conveyed by the Town of Hilton Head Island, a Section of Honey Horn Plantation & Parcel II, Indigo Run Plantation," dated June 10, 2009, prepared by Surveying Consultants, Inc., certified by Terry G. Hatchell, SCRLS #11059, which is recorded in the Beaufort County Records in Plat Book 128 at Page 102.

Beaufort County TMS # R510-008-000-098A-00000 + R510-008-000-101B-0000

Exhibit "B"

Site Plan



Easement section to transfer to the Town of Hilton Head is the portion running behind the following real properties: R510 008 00A 101A 0000, R510 008 00A 101B 0000, R510 008 00A 0074 0000, R510 008 00A 0073 0000, R510 008 00A 0072 0000, R510 008 00A 0072 0000, R510 008 00A 0071 0000, R510 008 00A 0070 0000, R510 008 00A 0069 0000, R510 008 00A 0068 0000.

Address 55 Gardner Drive
PIN R510 008 000 098A 0000

-  Proposed Easement
-  55 Gardner Drive
-  Town Owned Property

