



Town of Hilton Head Island TOWN COUNCIL MEETING Tuesday, October 21, 2025, 3:00 PM Minutes

Call to Order

Mayor Pro Tempore Brown called the meeting to order at 3:00 p.m.

Council Members present: Alan Perry, Mayor (arrived at 3:22 p.m.); 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 – Father Christopher Loester, Holy Family Church

Father Loester delivered the invocation.

Adoption of the Agenda

Ms. Brison moved to amend the agenda by removing Item 8.a. from the consent agenda. She stated there were changes made during the first reading which warrant discussion. **Ms. Becker seconded. Motion carried 6-0-1 (Perry was not present for the vote).**

Approval of the Minutes

Workshop Meeting Minutes of September 30, 2025

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 6-0-1 (Perry was not present for the vote).

Regular Meeting Minutes of October 7, 2025

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 6-0-1 (Perry was not present for the vote).

Special Meeting Minutes of October 13, 2025

Mr. Alfred moved to approve. Ms. Becker seconded. Motion carried 6-0-1 (Perry was not present for the vote).

Presentations and Recognitions

Report of the Town Manager

Mr. Orlando thanked the Community for attending the Annual Fire Rescue Fire Prevention Pancake Breakfast held on October 5. He reminded all that Fire Rescue will be holding their 2nd Annual Trunk or Treat on Saturday, October 25 from 4pm-6pm. He provided an update on the upcoming Crescendo Kick-Off and announced that Natalie Harvey, Director of Cultural Affairs has been appointed to the Board of Directors of the South Carolina Arts Foundation. He provided updates regarding items of interest regarding Town operations.

Parks and Recreation Commission Annual Report - William Zurilla, Board Chair

Mr. Zurilla provided the Council with the Annual Report and encouraged them to continue to improve parks and provide pickle ball courts for public use.

Lowcountry Regional Transportation Authority (LRTA/ Palmetto Breeze) Annual Update — Brian Sullivan, Executive Director

Mr. Sullivan provided an annual update, with an Overview of Services, a Summary of the 2025 Trolley Season and Coordinated Services. He spoke in detail regarding the projected financials of the Authority while providing available options to reduce or assist with any projected deficits.

Reports from Members of Town Council

General Reports from Town Council

Ms. Brison reported on various art and cultural experiences available on the Island and noted that for a community this size, the options are many and very well presented.

Mr. DeSimone reported he has been observing the beach renourishment project and it is progressing well.

Mayor Perry noted the Crescendo Kick-Off went well and it speaks volume to how great the arts and cultural community is on Hilton Head Island.

Report of the Lowcountry Area Transportation Study – Councilmember Tamara Becker

No report.

Report of the Lowcountry Council of Governments – Councilmember Steve Alfred

No report.

Report of the Beaufort County Airports Board – Councilmember Melinda Tunner

Ms. Tunner provided updates regarding the FAA inspection regarding trees and safety hazards, how the Federal shutdown is affecting the Airport, and the addition of FAA software.

Report of the Southern Lowcountry Regional Board – Councilmember Patsy Brison

Ms. Brison stated the Board met and received presentations regarding the University of South Carolina Beaufort's expansion plans and the City of Hardeeville's housing initiatives.

Report of the Island Recreation Association Board – Mayor ProTempore Alex Brown

Mr. Brown stated the Jeep Island/Chili Cook-off and Pumpkin Patch events were held and very successful. He stated registration for the winter sports programs is now available and the Mac & Cheese Festival will be held on Saturday, October 25 at Lincoln and South from 5pm-8pm.

Report of the Beaufort County Economic Development Corporation - Mayor Alan Perry

No report.

Report of the Gullah Geechee Historic Neighborhoods Community Development Corporation - Mayor ProTempore Alex Brown

Mr. Brown reported the CDC will be holding a *Money Talks Educational Seminar* tonight at 5:30 p.m. at the Island Recreation Center. He stated this is an overview of non-traditional lending options available to small businesses.

Report of the Community Development and Public Services Committee – Councilmember Tamara Becker

Ms. Becker stated the Committee met on October 20 and covered one topic and voted to move it on to Town Council for consideration of approval.

Report of the Finance and Administrative Committee – Mayor ProTempore Alex Brown

Mr. Brown stated the meeting scheduled for October 30 at 10:00 a.m. has been canceled and the next meeting is scheduled for November 18 at 10:00 a.m.

Unfinished Business

Consideration of an Ordinance to Repeal and Replace Title 10, Chapter 2 of the Municipal Code of the Town of Hilton Head Island Entitled Short-Term Rentals; and Providing for Severability and an Effective Date - Second Reading - Shawn Leininger, Deputy Town Manager

Mayor Perry stated this item was approved by a vote of 6-1 at 1st reading held on October 13 and there have been no changes since approval.

Ms. Becker moved to approve. Ms. Tunner seconded.

Mayor Perry asked for public comment.

Charlie Clark addressed Council thanking them for the pause and encouraged them to stay

the course set forth at the October 13 Special meeting.

It was the consensus of Council that the Town Manager report back on enforcement efforts on a regular basis.

Concluding discussion, **Ms. Brison** moved to amend the motion to include and replace the previously deleted items resulting from the October 13 Town Council meeting, which are 10-2-30, 10-2-60 and 10-2-70. **Mr. Alfred** seconded.

Mayor Perry asked for public comment.

Chet Williams addressed Council stating they should not adopt regulations that cannot be enforced.

Cathie Rasch addressed Council stating she was offended with the proposed change. She stated she felt it is ridiculous to add the change.

Beth Petro addressed Council inquiring as to how this would be enforced. She questioned this procedure.

Kate McCullion addressed Council stating the amended motion was surprising and unexpected. She inquired how this would be enforced.

Dru Brown addressed Council questioning how this would be enforced and questioned Council's efforts on good will toward the short-term rental community.

Mayor Perry called for a vote on the amendment. The amendment to the motion failed 2-5 (Perry, Brown, Tunner, DeSimone, Alfred opposed).

Mayor Perry called for a vote on the original motion. Motion carried 6-1 (Brison opposed).

New Business

Consideration of an Ordinance of the Town of Hilton Head Island to Amend Municipal Code Title 10, Section 10-1-250, the Business License Ordinance, to Update the Business License Class Schedule as Required by Act 176 of 2020 for the Town of Hilton Head Island, South Carolina and Providing for Severability and an Effective Date - First Reading - April Akins, Interim Revenue Manager

SC General Assembly passed Act 176, the Business License Standardization Act, in September 2020. The law required every local government levying a business license tax to administer the tax in the same way across the state starting January 1, 2022. The Municipal Association of South Carolina (MASC) created the Business License Model Ordinance to ensure compliance with Act 176. Town Council adopted the Business License Model Ordinance in September 2021 so that the Town could administer the business license tax

according to state law.

Every odd year, Act 176 requires every taxing jurisdiction levying a business license tax to adopt by ordinance the latest Standardized Business License Class Schedule as recommended by MASC and adopted by the Revenue and Fiscals Affair Office. MASC shall determine and revise the Standardized Business License Class Schedule every even year using the latest available nationwide Internal Revenue Service profitability statistics. MASC published the latest Standardized Business Class Schedule in the spring of 2025. Town staff completed a detailed business license revenue analysis in July 2025 to determine the impact of the class schedule changes on the Town and on the business community. The revenue analysis revealed that by applying the new class schedule changes, the total business license tax revenue loss to the Town is \$348,745. Staff recommend rebalancing the Town's business license tax rates to ensure revenue neutral results with a rate increase across all business license class rates of 4.9%

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

Mayor Perry asked for public comment. There was none.

Motion carried 7-0.

Consideration of an Ordinance Providing for the Issuance and Sale of the Town of Hilton Head Island Special Obligation Bonds (Beach Preservation Fee Pledge), in One or More Series, in the Principal Amount of Not Exceeding \$19,000,000; Delegating the Authority to the Town Manager to Determine Certain Matters with Respect to the Bonds; Prescribing the Form and Details of Such Bonds; Other Matters Relating Thereto; and Providing Severability and an Effective Date - First Reading - John McGowan, Assistant Finance Director

Mr. McGowan conducted a presentation regarding the item providing the information below.

The Town's 14 miles of beaches are at the heart of our tourist-driven economy. Every seven to ten years, depending on storm activity, the Town has engaged outside contractors to renourish its beaches. The Town has issued debt in 2017 (\$30,075,000), 2011 (\$11 million), and 2006 (\$19 million) to support these past Beach Renourishment projects. These previous bond issues have all been fully paid through the Beach Preservation Fee collections.

The Town is currently undergoing a beach renourishment project. The Town selected Marinex Construction in May 2025 to carry out the majority of the Beach Renourishment Project. In addition, the Town selected Cape Romain Contractors, Inc. in September of 2025 for an additional portion of shoreline renourishment, including Pine Island. The total renourishment project is expected to cost approximately \$50 million.

Town Council considered funding options at the Beach Renourishment workshops on 10/30/24 and 2/25/25, as well as at the most recent CIP workshop of 8/26/25. At the 9/30/26 Finance & Administration Committee meeting, the Committee voted 3-0 to recommend Town Council adopt an Ordinance authorizing the \$19 million in Special Obligation (Beach Preservation

Pledge) Bonds.

The consensus from these public meetings was that the best way for the Town to pay for the needed beach renourishment project would be via a combination of Beach Preservation Fee cash reserves and borrowing via a bond issue. The proposed \$19 million in bonds would be paid back over 7 years through collections of the Beach Preservation Fees.

The Town will seek competitive bids for the proposed bond financing via a Request for Proposal and will select the most optimal proposal for the Town. Upon execution of the bond documents, the Town will receive from the selected financial institution approximately \$19,000,000 in bond proceeds, which will be distributed to the Beach Preservation Fee Fund to be used to fund a portion of the Town's ongoing Beach Preservation Project.

The Town will repay the bondholders from Beach Preservation Fees through our Bond Trustee, Regions Bank, over a 7-year term, which aligns with the anticipated useful life of the Beach Renourishment Project. This bond issue will allow the Town to:

- a) Maintain a strong Beach Preservation Fee fund balance, in excess of the minimum fund balance policy of \$20 million
- b) Provide additional financial flexibility in the event of a natural disaster
- c) Support compliance with Beach Preservation Fee Fund minimum fund balance policy of \$20 million
- d) Align its 7 years of annual beach preservation fee principal and interest payments with the Beach renourishment project's expected minimum useful life of 7 years, thus offering a more equitable and financially sustainable approach relative to funding the entire capital project via past-accumulated cash balances
- e) The proposed bond issue will not count against the Town's 8% General Obligation Bond capacity. The proposed issue will remain as a long-term financial obligation of the Town until fully repaid.

Key Dates & Milestones:

- October 21 — Town Council Meeting: First Reading of the Supplemental Ordinance
- October 22 — Send RFP to Bidders
- November 4 — Town Council Meeting: Second Reading of the Ordinance
- November 12 — Bid Submission Deadline; Call with Financing Team to Review Bids
- December 3 — Formal Bid Award and Financial Closing

Following discussion, comments and questions from Council, 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

Mark Smith addressed Council introducing himself. He is a member of the South Carolina

House of Representatives serving the 99th District. He stated he is proud to represent his constituents and complimented the Town on how well they handle beach renourishment. He stated he looks forward to working with the Town regarding federal funding for beach renourishment.

Executive Session

At 4:46 p.m. Mr. Orlando stated the need to enter Executive Session for the reasons listed above.

Mr. Alfred moved to enter Executive Session for the reasons cited by the Town Manager. Ms. Becker seconded. Motion carried 7-0.

Discussion Incident to Proposed Contractual Arrangements (Pursuant to the South Carolina Freedom of Information Act Section 30-4-70 [a][2]) related to:

1. Town of Hilton Head Island Destination Marketing Organization Request for Qualifications

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

1. Main Street
2. Old Wild Horse Road
3. Fire Rescue Headquarters

Discussion of Appointment to Boards, Commissions, and Committees [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70 (a)(1)] related to:

1. Land Management Ordinance Task Force

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

Consideration to Move into Executive Session

Action from Executive Session

At 7:35 p.m. Mr. Alfred moved to end the Executive Session and return to the regular meeting. Mr. Brown seconded. Motion carried 7-0.

Consideration of a Resolution to Authorize the Mayor and Town Manager to Execute and Deliver the Proposed Contract by and between the Town of Hilton Head Island, South Carolina, and Dorothy W. Taylor and Harold Taylor, for the Purchase and Sale of 0.79 Acres, More or Less, at the Corner of U. S. Highway 278 and Old Wild Horse Road, and to take such

other and further actions as may be necessary to complete the Transaction described in the Contract

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

Mayor Perry asked for public comment. There was none.

Motion carried 7-0.

Consideration of a Resolution to Authorize the Mayor and Town Manager to Execute and Deliver the Proposed Contract by and between the Town of Hilton Head Island, South Carolina, and Della Royster, Melvin Johnson, Leslie Johnson, Valdez Hart, John Munroe, Earl O. Smith, Sr., Earl O. Smith, Jr., and Niquana Smith, for the Purchase and Sale of 0.75 Acres, More or Less, at the Corner of U. S. Highway 278 and Old Wile Horse Road, and to take such other and further actions as may be necessary to complete the Transaction described in the Contract

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

Mayor Perry asked for public comment. There was none.

Motion carried 7-0.

Consideration of a Resolution to Authorize the Mayor and Town Manager to Execute and Deliver the Proposed Contract by and between the Town of Hilton Head Island, South Carolina and SP4 Land Co., LLC, for the Purchase and Sale of 1.49 Acres, More or Less, of Improved Real Property, Located at 9 Park Lane, Hilton Head Island, South Carolina, and to take such other and further actions as may be necessary to complete the transaction described in the contract

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

Mayor Perry asked for public comment. There was none.

Motion carried 7-0.

Consideration of a Resolution to authorize the Mayor and Town Manager to Execute and Deliver the Proposed Contract by and between the Town of Hilton Head Island, South Carolina and Corner Bar Holdings, LLC, for the Purchase and Sale of 1.676 Acres, More or Less, of Improved Real property, Located at 10 Park Lane, Hilton Head Island, South Carolina, and to take such other and further actions as may be necessary to complete the transaction described in the contract

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

Mayor Perry asked for public comment. There was none.

Motion carried 7-0.

Consideration of Appointment of the following Town Council Members to the Land Management Task Force:

Steve DeSimone

Tammy Becker

Patsy Brison

Mr. Brown moved to approve. Mr. Alfred seconded.

Mayor Perry asked for public comment. There was none.

Motion carried 7-0.

Consideration of Appointment of Steve DeSimone as Chair and Tammy Becker as Vice-Chair of the Land Management Task Force

Mr. Brown moved to approve. Ms. Tunner seconded.

Mayor Perry asked for public comment. There was none.

Motion carried 7-0.

Adjournment

Ms. Brison moved to adjourn. Ms. Becker seconded. The meeting was adjourned at 7:39 p.m.



Alan R. Perry, Mayor



Kimberly Gammon, Town Clerk

The full recording and a transcript of this meeting can be found on the Town's website at www.hiltonheadislandsc.gov