



Town of Hilton Head Island TOWN COUNCIL WORKSHOP MEETING Tuesday, February 24, 2026, 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; Tammy Becker, Ward 4; Steve Alfred, Ward 5; Melinda Tunner, Ward 6

Council Members absent: Steve DeSimone, Ward 3

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

Adoption of the Agenda

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

Workshop Discussion

Review and Discussion of the Five-Year Capital Improvement Plan and FY27 Capital Improvement Project Priorities

Mr. Orlando explained this workshop is an added step as discussion is being held regarding the FY27 Consolidated Budget. He acknowledged they are still pretty far out on budget preparations, noting delivery of the first reading will be held in early May and the second reading in early June along with workshops and public hearings. He stated this workshop is being held to gain feedback prior to the Planning Commission prioritization. He pointed out this is not an approval meeting but a conversation.

Mr. Orlando reviewed the goal of today's meeting noting input is needed from Town Council. He reviewed the agenda and a description of what a Capital Improvement Program Fund consists of. Mr. Orlando went on to describe the definition of the plan, capital projects and why the criteria matters. He reminded everyone that the program is in many buckets, including: beach; pathways; roadways; parks; facilities; equipment; fleet; stormwater and the land acquisition program.

The FY2026 CIP - Notable Projects (over \$250k) are listed below:

Projects	Estimated FY 26 Rollover \$
Beach	
Harbor Town Dredge	\$ 600,000
Pathways	
Jonesville Road Pathway	\$ 292,285
Roads	
Signal System Maintenance	\$ 600,000
Northpoint/USPS Access Improvements	\$ 2,800,000
Segment 8 - Sea Pines to Wexford (SCDOT)	\$ 317,595
Parks	
Patterson Park	\$ 3,100,000
Taylor Family Park	\$ 400,000
Facility & Equipment	
Fire Rescue HQ	\$ 622,292
Stormwater:	
Stormwater Maintenance & Improvements	\$ 650,000
Stormwater Maintenance Agreement	\$ 600,000
Program Jarvis Creek PS	\$ 300,000
Central Island PS	\$ 750,000
Total	\$ 11,032,172

Mr. Orlando invited Dave Byrd, Finance Director, to present a review of the funding sources. Mr. Byrd conducted an overview of the information below explaining it is an overview of where the Town is sitting at this time before any decisions are made on any capital spend going forward from a fund balance management perspective.

Funding Sources

•2026 GO Bond

\$35 Million

\$9 Million: Fire Rescue HQ

\$1.75 Million : 9 Park Lane

\$5.95 Million: 10 Park Lane

\$1.3 Million: Relocation, Site Improvements, & Building Modification

\$26 Million Remaining

\$10.25 Million FY27

\$15.75 Million FY28

Funding Sources (after restrictions)

•FY 2027 Preliminary Ending Fund Balance: \$183,756,809 (excludes 2027 CIP)

Stormwater: \$4,173,248

Beach Preservation: \$29,024,419

Real Estate Transfer: \$23,756,805

GO Bond: Up to \$26,000,000

Discretionary: \$89,450,622

Other: \$11,351,715*

- FY 2025 Ending Fund Balance : \$161,135,865
- FY 2026 Projected Ending Fund Balance: \$155,491,518

Shawn Gillen and Mr. Orlando proceeded to review the Preliminary FY CIP Budget in detail by category including beach, pathways, roadways, parks, facilities and equipment, stormwater, fleet and land acquisition.

Council members held discussion, asked questions and made comments in detail regarding various projects that were included in the presentation. Each Council member addressed the need to rate prioritization regarding the projects.

Shawn Gillen addressed Council regarding the funding tool kit listed below. Mr. Gillen noted staff is not advocating for any of these, they are just saying this is what options are available.

Funding Toolkit

- Available Funds:

- Fund Balance

- Current General Obligation (GO) Bond

- Grants

- Opportunities:

- Beaufort County Transportation Sales Tax Referendum

- Tax Increment Financing (TIF)

- Grants

- South Carolina Earmarks

- Federal Earmarks

- Stormwater Utility (SWU) Fee Bond

- FY 2028 GO Debt/Milage

- Public Private Partnerships (P3)

- GO Debt

Mr. Gillen moved on to the Projects Recommended for Beaufort County Transportation Sales Tax Referendum.

- William Hilton Parkway – Gateway Corridor
- Squire Pope/WHP Intersection Improvements
- Spanish Wells/WHP Intersection Improvements
- Gumtree Road Improvements
- Main Street Road Improvements
- William Hilton Parkway - Chaplin Corridor
- Sea Pines Circle

He noted that staff had just received communication from the County regarding a need for

projects requests from Hilton Head Island. Mr. Orlando informed Council that the County will be holding a meeting in Hilton Head Island Council Chambers to discuss the project list submitted, so he needs a list and will incorporate the list into a resolution that will be presented to Town Council for consideration at their regularly scheduled meeting on March 10, in advance of the County meeting. Discussion was held as to how the funding would be handled and the need for Hilton Head Island to control the funds for their projects. It was also discussed that the resolution needs to clearly state that the Town is only presenting potential projects and are in no way endorsing or educating or informing residents about the proposed referendum. Discussion ensued on additional items to include in the resolution.

Mr. Orlando moved on to discussion regarding a proposed Tax Increment Financing District with a review of the following information.

TAX INCREMENT FINANCING (TIF) DISTRICT FORMATION - CRITICAL EVENTS

1. Preparation of Redevelopment Plan
2. Meeting to discuss TIF and other financings
3. Discuss strategy on how to approach other taxing districts and begin negotiations
4. Adoption of Resolution (Notice of Public Hearing and Notice to Taxing Districts)
5. Notice to Taxing Districts (not less than 45 days before Public Hearing)
6. Publication of Notice of Public Hearing in The State (not less than 15 or more than 30 days prior to public hearing)
7. Additional negotiations; reach agreement on Intergovernmental Agreement (IGA)
8. Public Hearing
 - ** Sec. 31-6-80 of SC Code: if Taxing District does not file objection to redevelopment plan at or prior to date of Public Hearing, Taxing District is deemed to have consented to Redevelopment Plan and issuance of Bonds **
9. Enactment of Ordinance /Adoption of Resolution by other Taxing Districts approving IGA
10. First reading of Ordinance approving Redevelopment Plan and IGA and first reading of Bond Ordinance
11. Second reading and enactment of Ordinance approving Redevelopment Plan and IGA and second reading of Bond Ordinance
12. Publication of notice of adoption of Ordinance approving Redevelopment Plan in The State (starts 20 day challenge period)
13. County Auditor certifies initial assessed values in the TIF district
14. Sale and issuance of bonds

Following discussion, it was the consensus of Council that staff should move forward with putting together a Tax Increment Financing District proposal.

In conclusion, Council members stated what they felt needed to be addressed regarding CIP projects and the priority of each and if they were feasible to plan in the FY27 Budget. They provided various suggestions to the Town Manager.

Mayor Perry asked for public comment.

Frank Babel addressed Council regarding the impacts of the projects relating to biking. He cited many instances where quality of life has been improved due to pathway projects.

Public Comment - Non Agenda Items

Skip Hoagland addressed Council regarding funding for the Designated Marketing Organization (DMO) for the Town of Hilton Head Island.

Mare Deckard addressed Council regarding her opinion about the need for a requirement of a business license for the Hilton Head Island - Bluffton Chamber of Commerce.

Adjournment

Mayor Perry adjourned the meeting at 6:27 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