



Town of Hilton Head Island

Town Council Meeting

Tuesday, June 18, 2024, 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 – Pastor Brett Meyers, First Baptist Church of Hilton Head Island**
- 4. Adoption of the Agenda**
- 5. Adoption of the Minutes**
 - a. Regular Meeting Minutes of June 4, 2024
- 6. Presentations and Recognitions**
 - a. Report of the Town Manager
- 7. Reports from Members of Town Council**
 - a. General Reports from Town Council
 - b. Report of the Lowcountry Area Transportation Study - Glenn Stanford
 - c. Report of the Lowcountry Council of Governments - Tammy Becker
 - d. Report of the Beaufort County Airports Board - David Ames
 - e. Report of the Southern Lowcountry Regional Board - Glenn Stanford
 - f. Report of the Island Recreation Association Board - Alex Brown
 - g. Report of the Community Services and Public Safety Committee - Tammy Becker

- h. Report of the Public Planning Committee - David Ames
 - i. Report of the Finance and Administrative Committee - Alex Brown
8. **Appearance by Citizens:** Citizens who wish to speak on the matters being discussed during the meeting may do so by submitting the [Request to Speak form](#) no later than 12:00 PM the day of the meeting.
9. **Unfinished Business**
- a. Consideration of an Ordinance Amending Section 10-5-50 of the Municipal Code of the Town of Hilton Head Island to Award a Non-Exclusive Commercial Beach Franchise Agreement - Second and Final Reading - Josh Gruber, Deputy Town Manager
 - b. Consideration of an Ordinance Amending Sections 2-5-15 (Public Meetings and Public Hearings of Town Council and Boards and Commissions); 2-5-50 (Agenda and Order of Business); 2-5-70 (Appearance by Citizens During Public Meetings); and 2-5-80 (Rules of Decorum) of the Municipal Code of the Town of Hilton Head Island - Second and Final Reading - Josh Gruber
10. **New Business**
- a. Consideration of an Ordinance of the Town of Hilton Head Island Authorizing the Execution and Delivery of Quit Claim Deeds for a Portion of Property Owned by the Town of Hilton Head Island Identified as 54 Muddy Creek Road and the Purchase of a Stormwater Easement for the Same - First Reading - Josh Gruber, Deputy Town Manager
 - b. Consideration of a Resolution to Accept the Hilton Head Island Conditions and Trends Assessment - Shawn Colin, Assistant Town Manager
11. **Executive Session**
- a. 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. Accommodations Tax Advisory Committee
 - 2. Board of Zoning Appeals
 - 3. Construction Board of Adjustments and Appeals
 - 4. Design Review Board
 - 5. Gullah Geechee Historic Neighborhood Community Development Corporation
 - 6. Gullah Geechee Task Force
 - 7. Housing Action Committee
 - 8. Parks and Recreation Commission
 - 9. Planning Commission
 - b. Discussion and Negotiations Incident to Proposed Contractual Arrangements for the Northpoint Public-Private Partnership Workforce Housing Project [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70(a)(2)]

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, June 4, 2024, 3:00 PM Minutes

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

Council Members present: Alan Perry, Mayor, David Ames, Ward 3, Mayor Pro-Tempore; Patsy Brison, Ward 2; Alex Brown, Ward 1; Tammy Becker, Ward 4; Steve Alfred, Ward 5

Council Members absent: Glenn Stanford, Ward 6

Invocation

Pastor Schadrack Jean-Francois, Christian Renewal Church provided the invocation.

Adoption of the Agenda

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

Approval of the Minutes

Workshop Meeting Minutes of May 14, 2024\

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

Workshop Meeting Minutes of May 16, 2024

Mr. Ames moved to approve. Mr. Alfred seconded. Motion carried 5-0-1 (Ms. Becker abstained as she was not present for the Workshop).

Regular Meeting Minutes of May 21, 2024

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

Report of the Town Manager

Mr. Orlando introduced Adriana Burnett, Finance Director. He provided her background information and welcomed her to the team.

Proclamation Honoring Juneteenth - Mayor Perry

Ahmad Ward, Joyce Wright, and Lola Campbell were present to accept the proclamation.

Hilton Head Island Airport Expansion Update - Jon Rembold, Airports Director, Beaufort County

Mr. Rembold conducted a presentation and update regarding the airport. He provided background information and reviewed the mission of the Hilton Head Island Airport which is: *"To provide a safe and efficient air travel experience that conveniently connects people to places. We achieve this through teamwork, professionalism, and warm Southern Hospitality."*

He reviewed the following vital statistics:

Hilton Head Island Airport

- ➔ About 200 acres
- ➔ 17 FT (incl 4 who are shared)
- ➔ Runway: 5,000 feet
- ➔ About 40,000 annual operations
- ➔ Budget: ~\$5.3M
- ➔ Commercial Airline Service
- ➔ General Aviation
- ➔ Private FBO
- ➔ Air Traffic Control Tower
- ➔ Active Flight Training Schools

Mr. Rembold noted that the Airport revenue consists of business which supports the operations, FAA Grants and State Grants along with local competitive grants. He referenced the Hilton Head Island Accommodations Tax Funding Grant which is used for marketing. There are no local tax dollars utilized for Airport operations. Beaufort County Council approves their budgets but provides no appropriations. He reviewed the air services provided and anticipates growth in that area.

The Airport has an ambassador program during season months, and it is an all-volunteer based program and he will continue to work with the Town on collaboration for the Airport. He noted there is a great opportunity for art and culture to be integrated into the new terminal and he reviewed the construction progress 3- and one-half months into the program noting Phase One is anticipated to be completed in early 2026. He reviewed a rendering of the completed airport and stated they have worked with the Hilton Head Island Design Review Board to make sure it is reflective of the Island. He did a brief overview of the economic impact of the airport of over one half billion dollars with over 3,000 jobs influenced and the total spending annually is over \$300 million.

He concluded with what the Town can do to help the Airport which is to consider it critical infrastructure. It is not only tourism driven but it is the only medivac place on the Island which is utilized daily and will be of critical assistance in the event of a natural disaster. He encouraged Council to always include the Airport on their legislative agenda and stated he looks forward to the support and working with staff.

Members of Council had questions, comments and discussion regarding: flight routes and quality of life; impacts that will result as the Airport grows; inquiry as to statistics and the need for additional statistics for the next report; and a suggestion to work with local arts and crafts businesses for gift shop items.

Adaptive Traffic Signal Management System Update - Jim Iwanicki, Transportation Program Manager

Mr. Iwanicki conducted a detailed presentation regarding the update.

ASTM Overview

- Changes/modifies signal timing in real time in response to actual traffic conditions.
- Reduces delay times for motorists.
- Improves safety for non-motorized users.
- Allows staff to maintain/monitor system's components remotely.

Project Overview

- Installation of 25 new traffic signal controllers
- Conversion of signal timings to MAXTIME
- Installation and configuration of 96 radar vehicle detection units with creation of 2,250 new detector zones (vs 200 in old system)
- 86 of the detection units have cameras.
- Installation of 129 new thermal pedestrian detection units
- Deployment of new cloud-based central signal management software
- Deployment of new adaptive software on the 25 new traffic signal controllers
- Installation of pedestrian poles and buttons on 32 side street crossing to improve safety.
- Installation of 36 new ADA-compliant pedestrian stations (touchless actuation, audible locator tones, and voice guidance)
- Installation of 25 new remotely manageable power outlet strips
- Initial grounding improvements at signal cabinets and mast arms
- Installation of pedestrian poles and buttons on 32 side street crossing to improve safety.
- Installation of 36 new ADA-compliant pedestrian stations (touchless actuation, audible locator tones, and voice guidance)
- Installation of 25 new remotely manageable power outlet strips
- Initial grounding improvements at signal cabinets and mast arms

Pre-Project Conditions

- In Pavement Loop Detection
- Fixed Time-of-Day Coordination Plan Schedule
- Pedestrian Push Button Only for Major Street Crossings

New Detection Equipment

1. Ubiquiti AirMax™ Point-to-Point Radio Antennae 5 GHz
2. FLIR TrifiSense2™ Thermal Imaging Cameras for Passive Ped/Bike Detection
3. Campbell Guardian Wave™ Accessible Ped Stations
4. SmartMicro TRUGRD™ Microwave Radar Sensors w/ High-Resolution Cameras

New Cabinet Equipment

1. SmartMicro™ Communication Hub Interface
2. Q-FREE™ Model 2070 LX Controllers with New Software Systems
3. ITS Commander™ Power Management
4. FLIR™ Thermal Imaging Camera Edge Card Video Detectors

Continuous Real-time Signal System and Traffic Conditions

- 24-Hour Live Monitoring
- Real-Time Traffic Management
- Incident Management
- Vehicle Detection Zone Monitoring

Continuous Real-time Signal System & Traffic Conditions

- Pedestrian/Bicyclist Detection Thermal Imaging Cameras
- System Management Software
- Remote Controller Access

Old System vs New System

- During the adaptive operations more vehicles are progressing through the intersection with less stops and the vehicle delay time is lower for both mainline and side street traffic throughout the Town.

Parameter	Adaptive	Old System
Cycle Length	100 - 190 sec	120 -170 sec
Timing Updates	25 - 45 per day	6 max per day

Ongoing System Refinements and Improvement

- Improve Detection Reliability
 - Grounding upgrades – City of Charleston
 - Commitment by Equipment Manufacture and Contractor to Continue to Improve Vehicle Detection Equipment and Field Operations.
- Adaptive Algorithm (Regular Updates to Computer Programing)
- Internal Efforts to Optimize Performance and Reliability.
- Contractor's Efforts to Enhance System Wide Operations and Reliability
- Engaging an Independent Engineering Firm with Adaptive Signal Technology Expertise to Assist Staff in Maximizing the Performance of the System.

What's Next

- Collaboration with Beaufort County
- Collaboration with SCDOT
- Fiber Optic Communication
- Additional Intelligent Transportation System Function
 - Enhanced Traveler Information
 - Connected vehicles
 - Artificial Intelligence

Traffic Stats

Top 10 Traffic Days Since January 1, 2022

SCDOT WHP Traffic Count Station at Jenkins Island

Rank	Date	Year	Day of Week	Volume (ADT)
1	April 6	2023	Thursday	71,837
2	June 30	2023	Friday	70,671
3	April 7	2023	Friday	70,373
4	July 7	2023	Friday	70,238
5	April 5	2023	Wednesday	70,003
6	April 4	2024	Thursday	69,392
7	June 16	2023	Friday	68,862
8	April 8	2022	Friday	68,780
9	April 21	2023	Friday	68,746
10	April 15	2022	Friday	68,688

What About Traffic?



Members of Council had questions, comments and discussion regarding: inquiry into the delay at signals; an explanation that radar detection is utilized and needs the vehicles to move in order to pick up the signal – if they don't move the detection isn't there and the light changes; inquiry as to how and when they take over manually to diffuse traffic back-ups; the need for a sense of ongoing costs; responses and how they work; data collected at intersections and the need to know issues; the need to include the Windmill Harbor traffic light within the management plan; a request of data information on Squire Pope, Spanish Wells and Gumtree intersections with the difference in performance before and after the program was installed to include am and pm; the need for the collection of data to assist in safety at intersections; and confirmation the issues are being addressed with the goal of making the traffic flow better.

2024 Annual Update of the Community Rating System's Program for Public Information
Missy Luick, Director of Planning

Ms. Luick stated Town has actively participated in the Community Rating System (CRS) program since October 1, 1991. The Town is currently a Class 5 Community, which gives its residents in the Special Flood Hazard Area (SFHA) a 25% discount on their flood insurance premiums.

Town Council adopted the original Program for Public Information (PPI) in 2015 and the required five-year update in 2021 as a credited activity in CRS program. The purpose of the PPI is to maintain reduced FEMA flood insurance premium costs to residents and to provide flood-related information to property owners through a robust outreach program.

To maintain CRS credit for the PPI, the PPI Committee must meet annually to monitor, evaluate and revise, as needed, the outreach projects and flood insurance coverage assessment that are included in the program. An annual report of this evaluation must be prepared and submitted to Town Council and the document must be updated every 5 years. The PPI Committee determined that the PPI should be updated this year due to additional data that has been provided by FEMA to receive additional CRS credit.

The report is the 2024 update of the outreach projects and flood insurance coverage assessment that are part of the Community Rating System (CRS) Program for Public Information (PPI) which was adopted by Town Council in 2015.

Ms. Luick explained that the update is required to be presented to Town Council annually for continued participation in our Community Rating System Program for which our citizens receive 25% discount on the flood insurance premiums. She referenced the documents within the packet. She noted there are no major changes from the document from this year's annual evaluation.

2024 Annual Update of the 2020 Lowcountry Natural Hazard Mitigation Plan - Missy Luick, Director of Planning

Ms. Luick explained The Lowcountry Council of Governments, on behalf of Beaufort, Colleton, Hampton and Jasper Counties and municipalities within each county, prepared the 2020 Lowcountry Natural Hazard Mitigation Plan. The 2020 Lowcountry Natural Hazard Mitigation Plan, adopted by Town Council in October 2021, replaced the Beaufort County Hazard Mitigation Plan as an appendix to the Town of Hilton Head Island Comprehensive Plan. This Plan assesses the communities' vulnerabilities to natural hazards and includes long-term strategies to address these hazards and to prevent future damage and loss of life. The adoption of the Plan fulfills the continuing requirements that qualify the Town of Hilton Head Island for FEMA pre-disaster mitigation grants, post-disaster reconstruction assistance and continued participation in the Community Rating System (CRS).

The annual progress report is prepared by Town staff to ensure there is a continuing and responsive planning process. The report is presented to Town Council, released to the media and made available to the public prior to recertification of the Town's CRS status. The report is available to the public for review via the Town's website, or by contacting Town staff in the Community Development Department for copies.

The 2024 Annual Evaluation Report of the 2020 Lowcountry Natural Hazard Mitigation Plan is attached. The annual update is presented to Town Council as part of the recertification of the Town's Community Rating System (CRS) status. No official action is required.

Ms. Luick explained that the update is required to be presented to Town Council annually for continued participation in our Community Rating System Program for which our citizens receive 25% discount on the flood insurance premiums. She referenced the documents within the packet. She noted there are no major changes from the document from this year's annual evaluation.

Appearance by Citizens

Mayor Perry asked if there were any requests. It was noted there were four individuals signed up and three deferred to speak when the agenda item is addressed. Terry Herron signed up but was not present.

Public Hearing and Second and Final Reading of a Proposed Ordinance Adopting the Consolidated Municipal Budget for the Town of Hilton Head Island for Fiscal Year 2025 Ending June 30, 2025 - Marc Orlando, Town Manager

Mr. Orlando conducted a presentation regarding the proposed budget. He noted that on May 7 there was a public hearing with first reading and following there were two workshops on May 14 and May 16 and today is the second public hearing and second

reading. He restated and reviewed the FY 2025 Consolidated Budget Goals noting that 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 2025 PROPOSED GENERAL FUND BUDGET REVENUES

	FY 2023 Revised Budget	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Proposed Budget	\$ Change	% Change	% of Budget
Property Taxes	\$ 16,023,489	\$ 17,215,546	\$ 16,942,000	\$ 18,076,000	\$ 1,134,000	6.7%	29.7%
Local Accomodations Tax	4,779,690	6,948,465	7,034,520	6,880,890	(153,630)	-2.2%	11.3%
Business Licenses	10,600,393	12,690,924	12,421,015	12,690,924	269,909	2.2%	20.8%
Franchise Fees	996,752	840,552	1,020,402	840,000	(180,402)	-17.7%	1.4%
Permit Fees	1,668,323	1,570,126	1,979,200	1,800,000	(179,200)	-9.1%	3.0%
Intergovernmental	915,878	885,089	926,755	973,093	46,338	5.0%	1.6%
Grants - 911 Dispatch/Other	76,111	145,373	65,858	-	(65,858)	-100.0%	0.0%
Beach Services/Parking	298,401	236,232	243,000	236,232	(6,768)	-2.8%	0.4%
Other	279,271	372,514	279,271	294,704	15,433	5.5%	0.5%
Public Safety - EMS	1,838,000	2,250,934	2,117,000	2,036,000	(81,000)	-3.8%	3.3%
Public Safety - County	-	2,190	-	-	-	0.0%	0.0%
Investment Income	35,750	1,248,615	585,000	1,500,000	915,000	156.4%	2.5%
Prior Year Funds	485,748	-	1,938,908	1,239,512	(699,396)	-36.1%	2.0%
Subtotal	37,997,806	44,406,560	45,552,929	46,567,355	1,014,426	2.2%	76.4%
Transfers In:							
Beach Preservation Fee	1,983,508	652,923	1,983,508	1,983,508	-	0.0%	3.3%
CIP Sale of Vehicle/Equipment		38,656	-	-	-	0.0%	0.0%
Hospitality Fee	5,732,154	3,218,687	5,154,955	6,257,894	1,102,939	21.4%	10.3%
Tax Increment Financing (TIF)	153,000	153,000	110,000	110,000	-	0.0%	0.2%
State Accommodations Tax	3,445,211	2,445,211	4,615,021	3,515,021	(1,100,000)	-23.8%	5.8%
Electric Franchise Fee	540,603	540,603	540,603	540,603	-	0.0%	0.9%
Short Term Rental Permit Fee	884,134	967,626	1,750,000	1,825,000	75,000	4.3%	3.0%
Stormwater Fee	125,000	125,000	125,000	125,000	-	0.0%	0.2%
Subtotal Transfers In	12,863,610	8,141,706	14,279,087	14,357,026	77,939	0.5%	23.6%
Total Revenues	\$ 50,861,416	\$ 52,548,266	\$ 59,832,016	\$ 60,924,381	\$ 1,092,365	1.8%	100.0%

FY 2025 General Fund Budget Revenue Highlights

- ✓ No change in General Fund millage after a reduction from 17.2 to 15.9 mills in FY24
- ✓ Business Licenses revenue \$12.7m, an increase of \$270k or 2.2%, will be used for:
 - Business License Operating and Personnel Costs / Website Enhancements and Support / Online Portal Payment Program / Office of Cultural Affairs programming / General maintenance of Island pathways, open space, and roadways
- ✓ Short Term Rental Permit Fees \$1.8m, an increase of \$75k or 4.3% – FY 2025 is second full year and funding will be used for:
 - Software Hosting (\$239.7k) / Code Enforcement (\$634.5k) / Fire Inspections & Legal Support (\$154.2k) / IT and Finance Support (\$290.3k) / Community Development Customer Service (\$140.2k) / Facilities and Operational Support (\$291.1k) / Marketing and Communications Support (\$75.0k)

- ✓ Hospitality Tax funding of \$6.3m, an increase of \$1.1m or 21.4%, will be used for:
 - Lease payments for new Fire Trucks / Enhanced Fire Rescue operations / Beach Parking Program
- ✓ Prior Year Unspent funding of \$1.2m will be used for one-time projects including but not limited to:
 - District Planning / Comprehensive Plan Amendments / LMO Code Amendments / Several Facilities Maintenance projects

Current Personnel 281 Full-Time/17 part-Time

- Finance Department - 22 FT / 3 PT
- Communications Department - 5 FT / 1 PT
- Office of Cultural Affairs - 1FT / 1 PT
- Public Safety Department - 7 FT
- Executive Department - 10 FT / 4 PT
- Engineering Department - 20 FT
- Facilities Department - 16 FT / 1 PT
- Fire Rescue Department - 152 FT / 2 PT
- Human Resources Department - 4 FT / 1 PT
- Planning Department - 29 FT / 3 PT
- GGHNCDC - 1 FT
- Technology & Innovation Department - 14 FT / 1 PT

FY2025 General Fund Budget Expenditure highlights

- ✓ No new Full-time Equivalent (FTE) or Part-time Equivalent (PTE) position requests
- ✓ Three (3) open FTE and (1) open PTE positions have been eliminated (\$380k)
- ✓ Provides up to 4% performance-based pay increase (salary & benefit increase of \$1.25 million)
- ✓ Covers 11% SC mandated medical insurance employer premium increase (benefit increase of \$460k)
- ✓ Provides 12 paid holidays and two (2) floating holidays
- ✓ Allows employees a paid time off buy back option of 37.5 hours which reduces the Town's future liability
- ✓ Supports Town 401k contribution of up to 12% (\$1.7m benefit to employees)
- ✓ Supports SC mandated Police Officer's Retirement System (PORS) contribution (\$2.8m benefit to qualified employees)
- ✓ Supports staff succession planning & anticipated promotions in Fire Rescue and other departments
- ✓ Continues Part-time support for Emergency Management, Human Resources/Employee Engagement, Office of Cultural Affairs, Procurement, and the Executive Office
- ✓ Supports:
 - ✓ Seasonal Employees including Beach Ambassadors, Beach Technicians, Maintenance Technicians, Short-term Rental Permit Program Assistants, Part-time students and summer interns
 - ✓ Increasing Town Council's total compensation 15% to account for inflation - last salary increase was in 2012, and converts meeting reimbursements to monthly stipends

- ✓ Significant increase in Fire Rescue calls for service since 2021
- ✓ Short-Term Rental Program, Town Code compliance, Beach operations, and serving as the liaison with Beaufort County Sheriff's Office
- ✓ Public Safety hours of 8am – 9pm 7 days a week
- ✓ Enhanced landscape, lighting, solid waste and recycling, and park maintenance / management
- ✓ Beach and beach park enhancements including wayfinding, bike racks, trash and recycling, public rules, and identification markers
- ✓ Right-of-way maintenance including safety and beautification enhancement projects
- ✓ General maintenance for Town Hall and Fire Rescue Facilities
- ✓ Town-wide litter patrol
- ✓ An updated Beach Services and Franchise agreement
- ✓ Solid waste and recycling SWOT findings and priorities
- ✓ RBC Heritage preparations including banners, landscaping, and general clean up
- ✓ \$550/month Stipend for approximately 20 BCSO Officers living on the Island (\$132k)
- ✓ Accrual of \$2.0m per year for Beaufort County Sheriff's Office while the litigation is pending
- ✓ Right-of-way maintenance including safety and beautification enhancement projects
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- ✓ Accrual of \$2.0m per year for Beaufort County Sheriff's Office while the litigation is pending
- ✓ 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
- ✓ Public Planning Committee
- ✓ Planning Commission
- ✓ Gullah Geechee Land & Cultural Preservation Task Force
- ✓ Gullah Geechee Historic Neighborhoods CDC
- ✓ Accommodations Tax Advisory Committee
- ✓ William Hilton Parkway Gateway Corridor Independent Review Advisory Committee
- ✓ Housing Action Committee



FY 2025 PROPOSED STORMWATER UTILITY FUND BUDGET EXPENDITURES

Expenditures by Category	FY 2022 Actual	FY2023 Revised Budget	FY2023 Actual	FY2024 Budget	FY2025 Proposed Budget	\$ Change	% Change	% of Budget
Salaries & Benefits	\$ 516,184	\$ 608,996	\$ 556,582	\$ 755,239	\$ 842,381	\$87,142	11.5%	11.2%
Operating	188,296	389,500	134,289	209,065	198,570	(10,495)	-5.0%	2.6%
Monitoring	-	105,000	109,225	113,180	194,000	80,820	71.4%	2.6%
Inventory & Modeling / Analysis	239,008	350,000	644	350,000	670,000	320,000	91.4%	8.9%
POA Systems Corrective Maintenance	2,250	878,073	464,917	500,000	1,177,000	677,000	135.4%	15.6%
Public Systems Corrective Maintenance	3,523	625,745	174,444	360,000	320,000	(40,000)	-11.1%	4.3%
Routine Maintenance & Contingency	95,805	370,000	179,519	990,000	1,225,000	235,000	23.7%	16.3%
Pump Station Maintenance	187,717	1,310,000	168,793	390,000	390,000	-	0.0%	5.2%
Stormwater Special Obligation Bond								
Principal, Interest & Fees	1,197,155	1,324,800	1,175,084	1,233,333	1,248,574	15,241	1.2%	16.6%
Transfer out to General Fund	116,250	125,000	125,000	125,000	125,000	-	0.0%	1.7%
Transfer out to CIP	2,043,364	830,000	-	860,000	1,135,000	275,000	32.0%	15.1%
Total Expenditures & Transfers Out	\$4,589,552	\$6,917,114	\$3,088,497	\$5,885,817	\$7,525,525	\$1,639,708	27.9%	100.0%

Stormwater Utility Fund Highlights:

- ✓ Accomplishing the improvement and sustainment of:
 - Stormwater infrastructure
 - Water quality
 - All watersheds within the Town
- ✓ Majority of funds programmed for routine maintenance, corrective maintenance, monitoring, and capital projects
- ✓ Utilizing prior year fund balance to accomplish one-time Capital Improvement and Stormwater Utility maintenance projects, while still maintaining strong reserves
- ✓ Transparency in project development through Town Council Stormwater

- workshops and resilience planning
- ✓ Lean operating budget within the current rate structure
- ✓ Covers salaries and benefits for 7 Stormwater staff, including a new promotion

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)
- Resilience Planning

TOWN OF HILTON HEAD ISLAND



FY 2025 PROPOSED CIP SOURCE OF FUNDS

Funding Sources	FY 2022 Actual	FY 2023 Revised Budget	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Proposed Budget	\$ Change	% Change	% of Budget
Traffic & Park Impact Fees	\$ 321,205	\$ 1,150,000	\$ 164,741	\$ 300,000	\$ 947,601	\$ 647,601	215.9%	1.3%
Sunday Liquor Permit Fees	306,410	400,000	319,600	-	1,455,811	1,455,811	0.0%	2.0%
HTAX Supported Lease	-	7,742,473	-	7,483,420	6,931,677	(551,743)	-7.4%	9.3%
Prior Bond Proceeds	1,399	1,171,749	31,236	258,434	-	(258,434)	-100.0%	0.0%
Capital	64,359	635,761	316,475	1,200,000	554,702	(645,298)	-53.8%	0.7%
Sale of Land	43,744	794,925	-	3,500,000	1,283,020	(2,216,980)	-63.3%	1.7%
Grants	193,187	2,641,145	213,166	822,111	500,000	(322,111)	-39.2%	0.7%
SBITA Asset Revenue	-	-	1,188,451	-	-	-	0.0%	0.0%
Transfers In:								
Beach Preservation Fees	611,004	3,150,000	1,029,037	5,983,782	21,275,174	15,291,392	255.5%	28.6%
Hospitality Fees	770,104	6,278,576	1,323,918	3,865,585	18,601,126	14,735,541	381.2%	25.0%
Tax Increment Financing	1,489,637	3,947,992	959,641	4,166,825	8,285,717	4,118,892	98.8%	11.1%
General Fund	549,260	-	-	-	-	-	0.0%	0.0%
State Accommodation Tax	-	3,109,000	232,592	5,000,000	3,200,000	(1,800,000)	-36.0%	4.3%
Road Usage Fee	372,811	3,497,606	1,240,183	3,600,000	762,871	(2,837,129)	-78.8%	1.0%
Electric Franchise Fee	1,607,772	9,492,568	-	9,596,675	8,497,848	(1,098,827)	-11.5%	11.4%
Real Estate Transfer Fee	201,894	7,616,700	7,717,100	7,594,339	885,912	(6,708,427)	-88.3%	1.2%
Short Term Rental Permit Fee	-	830,138	692,309	-	-	-	0.0%	0.0%
Stormwater Utility Fee	2,043,363	830,000	-	1,840,000	1,200,000	(640,000)	-34.8%	1.6%
Total Funding Sources	\$ 8,576,149	\$ 53,288,633	\$ 15,428,449	\$ 55,211,171	\$ 74,381,459	\$ 19,170,288	34.7%	100.0%



FY 2025 PROPOSED CIP USE OF FUNDS

Use of Funds	FY 2022 Actual	FY 2023 Revised Budget	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Proposed Budget	\$ Change	% Change	% of Budget
Beach Program	\$ 547,974	\$ 3,150,000	\$ 1,153,510	\$ 4,842,216	\$ 21,599,000	\$ 16,756,784	346.1%	29.0%
Pathway Program	143,596	4,924,000	312,853	5,417,085	5,500,000	82,915	1.5%	7.4%
Roadway Program	434,882	8,142,893	4,361,824	6,734,923	10,317,218	3,582,295	53.2%	13.9%
Park Program	4,091,113	13,529,430	1,396,152	9,472,169	19,815,273	10,343,104	109.2%	26.6%
Facility & Equipment Program	1,235,732	5,474,152	5,036,029	6,213,083	8,402,291	2,189,208	35.2%	11.3%
Stormwater Program	690,184	830,000	133,993	1,840,000	1,200,000	(640,000)	-34.8%	1.6%
Fleet Program	371,528	7,971,810	480,489	8,329,420	7,297,677	(1,031,743)	-12.4%	9.8%
Land Acquisition & Administration	39,142	7,911,625	7,826,584	12,362,275	250,000	(12,112,275)	-98.0%	0.3%
Housing	-	1,354,723	120,851	-	-	-	0.0%	0.0%
Total Use of Funds	\$ 7,554,151	\$ 53,288,633	\$ 20,822,285	\$ 55,211,171	\$ 74,381,459	\$ 19,170,288	34.7%	100.0%

Capital Improvement Program Fund Highlights

- ✓ **Beaches (\$21.6m) – Major projects include:**
 - Beach Renourishment preparation, Islanders Beach Park Improvements, Other Beach Park Maintenance & Improvements, and Harbour Town Dredging
- ✓ **Pathways (\$5.5m) – Major projects include:**
 - New pathway segments on Jonesville Road, William Hilton Parkway, Dunnagan's Alley and Cordillo Parkway at Pope Ave
- ✓ **Roadways (\$10.3m) – Major projects include:**
 - Dirt Road Acquisition & Paving, William Hilton Parkway Enhancements, Pope Ave., Palmetto Bay Rd., Arrow Rd., and New Orleans Rd. Enhancements, Main Street Enhancements, Adaptive Signal System Maintenance, Roadway segment improvements, and Landscape, Lighting and Safety Enhancements.
 - Projects improving safety along the roadways are prioritized
- ✓ **Parks (\$19.8m) – Major projects include:**
 - Mid-Island, Chaplin, Crossings, Chaplin Linear, Shelter Cove Phase 2, Patterson, Taylor, Barker and Ford Shell Ring parks
- ✓ **Facility & Equipment (\$8.4m) – Major projects include:**
 - Town Hall Facility enhancements, Other Town Facility enhancements, Coastal Discovery Museum, Mitchelville Freedom Park, IT Equipment & Software, Security Cameras & Connectivity, and Fire/Medical Systems & Replacements
- ✓ **Stormwater (\$1.2m) – Major projects include:**
 - Wexford Debris System Design, Gum Tree Road Improvements, Jarvis Creek Outfall improvements, Moonshell Road improvements, Palmetto Hall Outfall improvements, Howell Tract Access Gate, and Main Street Drainage improvements
- ✓ **Fleet (\$7.3m) – Major projects include:**
 - Plans for partial delivery of the new Fire Truck fleet in late FY24, and the delivery of the remainder in FY25, along with two replacement

Ladder Trucks

- Provides for the addition of a public safety boat to expand abandoned boat enforcement and environmental emergency response to the waterways
- Provides for new and replacement vehicles
- ✓ **Land Acquisition & Administration (\$250k) – Major projects include:**
 - Soft costs including surveys, appraisals, legal fees, etc., as well as demolition and cleanup of Jonesville Road property

TOWN OF HILTON HEAD ISLAND



FY 2025 PROPOSED DEBT SERVICE FUND BUDGET REVENUES

	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Proposed Budget	% Change	% of Budget
Property Taxes	\$ 5,600,014	\$ 5,402,336	\$ 5,886,700	\$ 5,470,300	\$ 5,843,144	6.8%	35.0%
Investment Income	19,270	12,000	436,184	14,315	338,365	2263.7%	2.0%
Transfers In:						0.0%	0.0%
Beach Preservation Fees	3,959,125	3,952,375	3,952,375	4,448,375	4,346,625	-2.3%	26.0%
Natural Disasters Fund	3,535,665	3,537,765	3,537,765	-	-	0.0%	0.0%
Hospitality Fees	1,446,406	1,444,691	1,444,691	1,937,134	1,843,158	-4.9%	11.0%
Tax Increment Financing	3,927,712	3,927,564	3,927,564	3,931,259	3,928,708	-0.1%	23.5%
Real Estate Transfer Fee	986,500	1,097,350	1,097,350	1,595,850	400,000	-74.9%	2.4%
Total Revenues	\$ 19,474,692	\$ 19,374,081	\$ 20,282,629	\$ 17,397,233	\$ 16,700,000	-4.0%	100.0%

» The Natural Disaster bonds were paid in full in FY 2023

TOWN OF HILTON HEAD ISLAND



FY 2025 PROPOSED DEBT SERVICE FUND BUDGET EXPENDITURES

	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Proposed Budget	% Change	% of Budget
Principal	\$ 15,545,000	\$ 16,055,000	\$ 16,055,000	\$ 12,995,000	\$ 12,625,000	-2.8%	75.6%
Interest	3,769,566	3,289,081	3,289,080	2,809,733	2,403,968	-14.4%	14.4%
Bank Fees	16,100	30,000	18,850	92,500	71,032	-23.2%	0.4%
Anticipated Debt/TIF Costs	-	-	-	1,500,000	1,600,000	6.7%	9.6%
Total Expenditures	\$ 19,330,666	\$ 19,374,081	\$ 19,362,930	\$ 17,397,233	\$ 16,700,000	-4.0%	100.0%

» Town Council may consider new debt after the FY 2025 Consolidated Budget is adopted.
New debt of \$1,600,000 provides interest costs of new proposed debt.

FY 2025 Debt Service Fund Budget Highlights

- ✓ \$102.2 million debt reduction from FY 2018 through FY 2024
- ✓ An additional \$12.6 million debt reduction in FY 2025
- ✓ Debt Service millage reduced from 5.9 to 5.5 in FY 2024 to offset the property

reassessment . This budget proposes to keep the Debt Service millage rate the same at 5.5 mills

- ✓ 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
- ✓ A mid-island tax increment finance district will be assessed in FY 2025

TOWN OF HILTON HEAD ISLAND



FY 2025 PROPOSED GGHNCDC FUND BUDGET REVENUES

	FY 2023 Revised Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Proposed Budget	% Change	% of Budget
South Carolina Grant	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	0.0%	0.0%
Beaufort County Grant	500,000	500,000	-	-	0.0%	0.0%
Prior Year Grant - South Carolina	-	-	5,000,000	5,000,000	0.0%	93.6%
Prior Year Grant - Beaufort County	-	-	343,185	216,434	-36.9%	4.1%
Investment Income	-	72,375	-	125,000	N/A	2.3%
Total Revenues	\$ 5,500,000	\$ 5,572,375	\$ 5,343,185	\$ 5,341,434	-0.03%	100.0%

» The FY 2025 Proposed Budget amounts from the South Carolina grant and the Beaufort County grant (ARPA funds) were received in FY 2023; deployed in FY 2024, and the remaining funds will carry forward to FY 2025.

TOWN OF HILTON HEAD ISLAND



FY 2025 PROPOSED GGHNCDC FUND BUDGET EXPENITURES

	FY 2023 Revised Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Proposed Budget	% Change FY 2024 Budget	% of Budget
Personnel & Benefits	\$ 610,850	\$ -	\$ 610,850	\$ 200,376	-67.2%	5.9%
Operating Expenses	418,885	156,815	262,070	65,125	-75.1%	1.9%
Professional Services	463,775	-	463,775	310,000	-33.2%	9.1%
Grants & Incentives Loans	1,006,490	-	1,006,490	1,500,000	49.0%	44.0%
Capital Outlay & Land Acquisition	2,500,000	-	2,500,000	1,250,000	-50.0%	36.7%
Project Expenses & Contingency	500,000	-	500,000	80,000	-84.0%	2.3%
Total Expenditures	5,500,000	156,815	5,343,185	3,405,501	-36.3%	100.0%
Ending Fund Balance	-	-	-	1,935,933		

» Fiscal year 2025 planned expenditures total \$3,405,501. The variance between FY 2025 revenues and expenditures will be included in the Fund Balance at the end of FY 2025 and will be available for future use.

FY 2025 GGHNCDC Fund Budget Highlights

✓ Budget approved by the Board – March 2024:

- Personnel for the GGHNCDC Executive Director
- Operating expenses, including computers and software, marketing, promotion and hospitality, training, etc.
- Professional services, including legal services, planning services, public outreach, etc.
- Loans for Small Business Development, and Attraction, Retention, and Investment
- Loans for Neighborhood and Community Development
- Capital outlay for land/easement acquisition and public infrastructure
- Miscellaneous project expenses and contingency, including legal support for property owners directly impacted by William Hilton Parkway expansion

TOWN OF HILTON HEAD ISLAND



FY 2025 PROPOSED HOUSING FUND BUDGET EXPENDITURES



	FY 2024 Original Budget	FY 2025 Proposed Budget	% of Budget
Northpoint Housing P3 CIP	\$ 1,000,000	\$ 1,000,000	25.0%
Muddy Creek Neighborhood Stabilization CIP	-	1,500,000	37.5%
Bryant Road P3 CIP	-	1,000,000	25.0%
Beaufort Jasper Housing Trust Dues	86,559	89,206	2.2%
Workforce Housing Soft Costs	-	410,794	10.3%
Housing Initiatives TBD	2,263,441	-	0.0%
Total Expenditures	\$ 3,350,000	\$ 4,000,000	100.0%

TOWN OF HILTON HEAD ISLAND



FY 2025 PROPOSED HOUSING FUND BUDGET REVENUES



	FY 2024 Original Budget	FY 2025 Proposed Budget	% of Budget
Transfer from General Fund	\$ 2,000,000	\$ -	0.0%
Transfer from Capital Projects - ARPA Funds	1,000,000	-	0.0%
Transfer from Capital Projects	350,000	-	0.0%
Transfer from State ATAX	-	1,000,000	25.0%
Prior Year Housing Funds	-	2,000,000	50.0%
Prior Year Funds from ARPA	-	1,000,000	25.0%
Total Revenues	\$ 3,350,000	\$ 4,000,000	100.0%

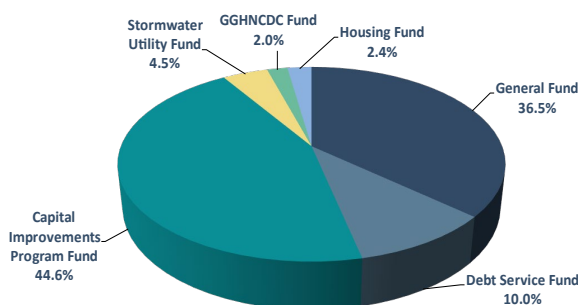
FY 2025 Housing Fund Budget Highlights

- ✓ \$1 million transfer from State ATAX adds to funds available from previous transfers to the Housing Fund
- ✓ Supports funding for Northpoint Public-Private Partnership Agreement
- ✓ Supports funding for the Muddy Creek Neighborhood Stabilization Plan including infrastructure improvements for roads, water, sewer, stormwater, lighting, landscaping, signage, broadband, etc.
- ✓ Supports funding for the Bryant Road Public-Private Partnership and related infrastructure improvements

TOWN OF HILTON HEAD ISLAND



FY 2025 PROPOSED CONSOLIDATED BUDGET



Expenditures	FY 2022 Actual	FY 2023 Revised Budget	FY 2023 Actual	FY 2024 Revised Budget	FY 2025 Proposed Budget	\$ Change	% Change
General Fund	\$ 43,641,527	\$ 49,861,416	\$ 48,108,322	\$ 59,832,016	\$ 60,924,381	\$ 1,092,365	1.8%
Debt Service Fund	19,330,666	19,374,081	19,362,930	17,397,233	16,700,000	(697,233)	-4.0%
Capital Improvements Program Fund	7,554,151	53,288,633	20,822,285	55,211,171	74,381,459 (1)	19,170,288	34.7%
Stormwater Utility Fund	4,589,552	6,917,114	3,088,497	5,885,817	7,525,525	1,639,708	27.9%
GGHNCDC Fund	-	5,500,000	156,815	5,343,185	3,405,501	(1,937,684)	-36.3%
Housing Fund	-	-	-	3,350,000	4,000,000	650,000	19.4%
Consolidated Budget	\$ 75,115,896	\$134,941,244	\$ 91,538,849	\$147,019,422	\$166,936,866	\$ 19,917,444	13.5%

» Note (1) - \$16.5 million to begin our next beach renourishment project is included in the FY 2025 Capital Improvements Program Fund budget

Mr. Orlando concluded his presentation and stated he would be glad to answer any questions.

Mayor Perry opened the Public Hearing at 4:41 p.m. and asked for public comment.

Melinda Tunner addressed Council stating her appreciation for the transparency and voiced her concern regarding the need for additional funding for Beach Renourishment. She stated her opposition to borrowing money to aid in that effort and it should be included in part of the budgeting process.

Angie Hutchins addressed Council regarding the increase in spending and her opposition to borrowing money. She stated it is best to save during bumper years as opposed to increased spending. She added she felt there was a significant lack of results from the investment in the traffic light system. Concluding

Mayor Perry asked for further public comment. There was none.

Ms. Becker moved to close the Public Hearing. Mr. Alfred seconded. Motion

carried 6-0.

Mayor Perry closed the Public Hearing at 4:48 p.m.

Mr. Ames moved to approve second and final reading of a Proposed Ordinance adopting the Consolidated Municipal Budget for the Town of Hilton Head Island for Fiscal Year 2025 ending June 30, 2025. Mr. Alfred seconded.

Members of Council had questions, comments and discussion regarding concern regarding Section 6 that speaks to the affiliated agency funding; and that the services are not of a speculative nature and are well-defined in terms of the benefit provided to the public.

Ms. Becker noted that with Section 6 remaining in the budget she could not vote in favor of the FY2025 Budget.

Members of Council had additional questions, comments and discussion regarding appreciation for the debt paydown; appreciation and acknowledgment of multiple revenue sources; appreciation for holding two individual public hearings as opposed to one; acknowledgment and appreciation for no millage increase; acknowledgment and appreciation for funding being provided for housing and the use of Town property to assist with public housing; appreciation for the creation of the Gullah Geechee Historic Neighborhoods CDC based on funds secured by Senator Tom Davis to assist with preservation of the land and culture of the Gullah Geechee; appreciation for the discussion on how to fund beach parking services if we are not going to include parking fees during this fiscal year; inquiry regarding funding for beach renourishment, the timing of beach renourishment and what is covered in this fiscal year budget and what further funding will be needed; clarification that the increase in the consolidated budget is due to combining the capital budget into the consolidated budget; and concern with the percentage increase in Town Council members compensation.

Ms. Brison moved to amend the budget ordinance to delete Section 7: Compensation of Town Council Members and Exhibit C and to vote on the amendment to Section 2-3-60 in a separate vote. Motion failed due to a lack of a second.

Members of Council continued with questions, comments and discussion regarding: acknowledgement of the general fund reserve in case of lower revenues than expected; acknowledgement of the disaster reserve fund in the event of hurricanes; acknowledgment that if revenues are down the capital expenditure budget can be addressed; a suggestion that Council look at a way to reduce millage in upcoming budgets; acknowledgement that as Council is asking the Town Manager to take on certain projects it increases spending; and acknowledgement that fund balances have grown over time because of funds allocated and not spent.

Mr. Orlando addressed all questions and concerns expressed by Council. Ms. Brison thanked Mr. Orlando for his explanations and noted that while she is opposed to the increase in Town Council member compensation she would vote in favor of the budget.

Mayor Perry called for a vote on the original motion.

Motion carried 5-1 (Becker opposed).

Unfinished Business

Consideration of an Ordinance of the Town of Hilton Head Island Authorizing the Execution and Delivery of a Purchase and Sale Agreement for a Portion of Property Owned by the Town of Hilton Head Island and Beaufort County Identified as R510 005 000 0329 0000 Located Adjacent to 282 Beach City Road - Second and Final Reading - Josh Gruber, Deputy Town Manager

Mr. Gruber addressed Council stating that there have been no changes or alterations to the ordinance since first reading. He said he would be happy to answer any questions.

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

Mr. Gruber displayed a copy of the parcel for the public to know the exact location.

Mayor Perry asked for public comment. There was none.

Motion carried 6-0.

Consideration of an Ordinance Amending Title 9, Chapter 2, of the Municipal Code of Hilton Head Island Titled Regulations and Requirements Relating to Smoking of Tobacco Products by Adding a Definition for Electronic Smoking Devices and Prohibiting Their Use Consistent with Existing Smoking Regulations - Second and Final Reading - Josh Gruber, Deputy Town Manager

Mr. Gruber explained the item takes the existing regulations with regards to smoking of tobacco products in indoor areas and does not change those regulations other than to change the definition to incorporate electronic smoking devices.

Mr. Ames moved to approve. Mr. Alfred seconded.

Mayor Perry asked for public comment.

Ben Vaught addressed Council and expressed his appreciation for their support.

Motion carried 6-0.

Consideration of an Ordinance Authorizing a Long-Term Lease Agreement between the Town of Hilton Head Island and the Sandalwood Community Food Pantry for Property Located at 8 Augusta Lane, Hilton Head Island, South Carolina - Second and Final Reading - Josh Gruber, Deputy Town Manager

Mr. Gruber addressed Council stating this will allow the Rotary to continue to fundraise their efforts, continue looking for and building a new facility that could become a long-term home for them and continue to provide this service to residents on Hilton Head Island.

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

Mayor Perry asked for public comment. There was none.

Ms. Becker stated she had an issue with Article 3 which allows for a food distribution facility and the following ancillary related uses: office, a community center with a kitchen, storage facilities, etc. She stated that because there is an unknown in there that the scope of what the food pantry currently does could change over time she could not vote in favor of the ordinance unless Article 3 is removed.

Motion carried 5-1 (Becker opposed).

New Business

Consideration of a Resolution Expressing Support for the Rotary Community Center Proposal - Josh Gruber, Deputy Town Manager

On June 28, 2023, representatives of the Rotary Club of Hilton Head (“Rotary”) contacted the Town and proposed discussing a potential partnership with the Town to create a gathering place for individuals, families, and organizations to conduct social and community activities.

On September 18, 2023, representatives from the Rotary submitted formal correspondence to the Town outlining their desire to collaborate on the creation of a multi- use community center to be located on the Mid-Island tract as a component of the adopted Mid-Island Tract Master Plan. A copy of this correspondence is enclosed as Attachment 3. Rotary’s vision is to partner with the Town in creating a central community meeting place that could seat 450 people theater style, or 250 people at tables set for meals with an adjacent outdoor space that would accommodate an additional 150 people for fair- weather events. The building would also house two catering kitchens at either end of the structure and could be partitioned or divided up for multiple groups to utilize at the same time.

At its meeting on November 13, 2023, the Community Services and Public Safety Committee met and reviewed Rotary’s proposal. Several questions were raised regarding the Town Council’s support for the proposed location of the community center at Mid-Island Park and whether this represented the best location for this type of facility. Additionally, several questions were raised on the proposed usage of the facility and the ability for the community center to be rented out by the public for special event functions.

Because of these questions, additional discussion on this proposal was held at the Town’s Strategic Action Plan Workshop held on March 21, 2024. Members of the Town Council generally expressed support for this proposal but indicated that the details such as proper location and usage that had been raised previously would still need to be discussed further. To support these discussions, the Town invited Mr. Bruce Siebold, Chair of the Rotary Community Center Vision Team, to attend the May 20 meeting of the Community Services & Public Safety Committee and assist in addressing these questions.

Based upon Rotary’s most recent communication (April 16, 2024), they are proposing to utilize a model like what the Town has used with both the Island Recreation Association and The Sandbox Children’s Museum in the development of their respective facilities. This model would envision the Town paying to construct the facility and the ongoing maintenance and operating costs. Rotary would then fundraise and commit to fully furnishing, upfitting, and equipping this facility at an estimated cost of \$750,000. Rotary has indicated that if the Town desires a different partnership approach to this effort, they will still commit to raising this same amount of funding to be utilized towards this overall project. The Rotary Club of Hilton Head would be the main lead on this fundraising effort but would also reach out to the other Rotary clubs

located on the Island to allow for their meaningful participation as well.

In exchange for this partnership, Rotary is asking that the Town allow the Island's various Rotary Clubs to utilize this building without charge in perpetuity as well as allowing other nonprofit groups to use this space at low to no cost. This programing would be like what is done today at the Rotary Community Center located in Bluffton.

At its meeting on meeting on May 20, 2024, the Community Services and Public Safety Committee voted unanimously to recommend that the Town Council approve the Resolution expressing support for the partnership proposed by the Rotary clubs. If adopted, Town staff will work with representatives of the Rotary clubs to prepare a more detailed proposal on the scope, design, location, and operational plan for further review and consideration by the Town Council.

The Rotary Club of Hilton Head has expressed its desire to work with the Town to create a multi-use community center. If the Town Council is supportive of this effort, it should adopt a Resolution expressing its conceptual support for this partnership and authorize Staff to engage in formal discussions regarding the development of a detailed proposal for further consideration by the Town Council.

Mr. Ames moved to approve. Mr. Alfred seconded.

Mayor Perry asked for public comment.

Angie Hutchins addressed Council stating she feels the Town should do what the Town does and let these groups walk on their own.

Frank Babel addressed Council stating his respect for the Rotary but voiced his opposition to the construction of a community center at the Mid-Island Park. He added that the addition of this project to the list of projects scheduled is too much.

Members of Council had questions, comments and discussion regarding: the need for a place for residents and non-profits to use; and the need to reserve the location for the relocation of the church.

Ms. Brison expressed concern with the language on the resolution regarding the location. **Ms. Brison moved to strike language in the fifth line under the Now Therefore which reads as follows: To be located on the Mid Island Tract pursuant to the adopted program elements of the adopted master plan. Motion failed due to lack of a second.**

Members of Council had additional questions, comments and discussion regarding: inquiry as to the agreement Bluffton has with the Rotary and their partnership; discussion regarding who would have the responsibility to construct; and inquiry as to participation in design of the facility.

Mayor Perry called for a vote on the original motion.

Motion carried 6-0.

Consideration of an Ordinance Amending Sections 2-5-15 (Public Meetings and Public Hearings of Town Council and Boards and Commissions); 2-5-50 (Agenda and Order of Business); 2-5-70 (Appearance by Citizens During Public Meetings); and 2-5-80 (Rules of Decorum) of the Municipal Code of the Town of Hilton Head Island - First Reading -

Josh Gruber

Mr. Gruber explained proposed changes set forth by the Town Attorney consist of text revisions to Town Code Sections 2-5-15, 2-5-50, 2-5-70 and 2-5-80. A brief description of each of these proposed changes is outlined below.

Section 2-5-15 - Public Meetings and Public Hearings of Town Council and Boards and Commissions.

The proposed change to Section 2-5-15 removes the reference to the "Open Town Hall" application which was used for public comment during the Covid-19 pandemic when all meetings were virtual. Since the meetings have returned to the in-person format, the "Open Town Hall" application has not been used and the Town will likely cease to use it because it is an unnecessary ongoing expense.

Section 2-5-50 - Agenda and Order of Business.

The proposed revisions to Section 2-5-50 make changes to the order that items may appear on a public meeting agenda, and change the descriptors used for some of them. Within these proposed revisions, public comment remains a part of all action items on the agenda, be it old business or new business, and the public comment period occurs while that particular action item is before Council. The most material change is that public comment for non-agenda items is moved to the last position on the public agenda, just prior to Executive Session, or Adjournment in the event there is no executive session.

Additionally, there is a proposed change to Section 2-5-50 to delete the reference to the meeting start time of 4:00 o'clock, P.M., and end time of 8:00 o'clock, P.M. The text now reads that a meeting begins at the time published on the agenda and ends when all business set forth on the agenda has been completed.

Section 2-5-70 - Appearance by Citizens.

Section 2-5-70 is proposed to be re-written, in its entirety. If adopted, this section would outline various rules of procedure to be applied during any public comment that may occur during the course of a public meeting. Highlights of the proposed text include the following:

- a) No set limit is stated for the length of a public comment period, but in subsection (b)(14) the presiding officer may close the public comment period if there are violations of either Section 2-5-70 or Section 2-5-80.
- b) The text of subsection (b)(2) sets rules for persons wishing to speak on an agenda item. It requires any person wishing to speak to complete a public comment form for each item on which that person wishes to speak no later than 10 minutes prior to the start of the meeting. The text also limits the speaker to the agenda item for which the person signed up.
- c) The text of subsection (b)(4) sets rules for persons wishing to speak on an item that is not on the agenda. It requires a person wishing to speak to complete a public comment form no later than 10 minutes prior to the start of the meeting.
- d) The text of subsection (b)(6) limits a person to a single opportunity to speak

whether on an agenda item, or an item not on the agenda. A person may speak on each agenda item and also the non-agenda item but may only speak once during the time period allotted for public comment on any particular agenda item, or the non-agenda item.

- e) The text of subsection (b)(7) limits each speaker to three (3) minutes and requires that a speaker be recognized by the presiding officer prior to commencing their comments.
- f) The text of subsection (b)(8) requires that a speaker address only the public body and not the audience, individual members within the audience, or Town Staff.
- g) The text of subsection (b)(9) requires a speaker to stop speaking and relinquish the podium when directed to do so by the presiding officer.
- h) The text of subsection (b)(10) prohibits a person from transferring his or her time to another person, and states that a person gets a single time to speak.
- i) The text of subsection (b)(11) encourages, but does not require, groups to appoint a spokesperson. If a spokesperson is appointed, that spokesperson may only speak one time, though, and cannot return to speak as an individual.
- j) The text of subsection (b)(12) prohibits questions to the public body absent approval from the presiding officer.
- k) The text of subsection (b)(13) prohibits speakers from speaking after a public comment period is closed.
- l) The text of subsection (b)(14) allows the presiding officer to close a public comment period in the event of violations of Section 2-5-70 or 2-5-80.

Section 2-5-80 - Rules of Decorum.

Section 2-5-80 is proposed to be re-written, in its entirety. If adopted, the section would the various types of actions or behaviors that would be prohibited during any public meeting. The rules of decorum are set forth in subsection (b) and prohibit the following:

- a) Speaking unless first recognized by the presiding officer.
- b) Continuing to speak when the speaker's time has expired.
- c) Continuing to speak when the presiding officer directs the speaker to stop speaking.
- d) Behaving in any manner that is prohibited by Section 2-5-70.
- e) Interrupting the public body, Town Staff or any other speaker who has been recognized by the presiding officer.
- f) The use of obscene, defamatory, or profane language, fighting words, or the making of personal attacks on any other person, even if the person attacked is not in attendance.
- g) Failing to direct all speech to the public body and speaking to the audience, individual audience members, or Town Staff.

- h) Engaging in behavior that impedes the public meeting or which stops the meeting or renders continuation of the meeting impractical.

Subsection (c) of this Section also incorporates a reference to the general penalty terms contained within the Town's Municipal Code. This is being done so that it is clear that any violation of the rules of decorum would be subject to the general penalty terms that are already applicable for any violation of the Town code.

Mayor Perry asked for public comment.

Katie Henderson addressed Council requesting an explanation regarding the process.

Melinda Tunner addressed Council expressing her appreciation to Council for addressing the issue.

Chester Williams addressed Council expressing his appreciation to Council for addressing the issue.

Angie Hutchins addressed Council requesting more detail.

Mayor Perry stated this is not about one person. It is about having an ordinance in place that protects Council's rights and allow them to conduct business in a way that they need to be able to conduct business. They are not trying to stop anyone from talking, and expressing their comments and it clarifies an ordinance that was put into place a long time ago and does not meet today's standards.

Mr. Gruber went on to explain the changes and process one by one.

Members of Council had questions, comments and discussion regarding: an expression of concern over an individual's right to speak; confirmation the change will apply to Town Council and all boards, committees and commissions; and a suggestion to be intentional regarding communications to the public.

Mr. Ames moved to approve. Mr. Alfred seconded.

Members of Council had additional questions, comments and discussion regarding: the irony that an ordinance is required on how to act with respect and courtesy; a suggestion for a training session for presiding officers of boards, committees and commissions; confirmation a document has been prepared for distribution.

Mayor Perry called for a vote.

Motion carried 5-1 (Becker opposed).

Executive Session

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]) related to:

1. Pope Avenue Area

Discussion of Negotiations Incident to Proposed Contractual Arrangements for a Beach Franchise Agreement [Pursuant to the South Carolina Freedom of Information Act Section 30-4-70(a)(2)]

Mayor Perry asked the Town Manager if there was a need to enter Executive Session. Mr.

Orlando stated there was a need regarding the items listed above.

At 6:00 p.m. Mr. Ames moved to enter into Executive Session for the reasons cited by the Town Manager. Ms. Brison seconded. Motion carried 6-0

At 7:47 p.m. Mr. Ames moved to come out of Executive Session. Ms. Brison seconded. Motion carried 6-0.

Action from Executive Session

Mayor Perry asked if there was any business as a result of Executive Session.

Mr. Ames moved that the Mayor and Town Manager be authorized to execute and deliver a contract for the purchase of real property located in the Pope Avenue area of Hilton Head at a purchase price not to exceed \$2,975,000 and other items acceptable to them, and to take all other actions necessary to complete the transaction described in any such contract. Ms. Becker seconded. Motion carried 6-0.

Mr. Ames moved to approve an Ordinance authorizing the renewal to Shore Beach Services, Inc. for a non-exclusive franchise for the purpose of conducting certain commercial activities within specified public beach areas on Hilton Head Island; and providing for severability and effective date with the following contract provisions:

- 1. The term of the Agreement will be sixty-six (66) months beginning on July 1, 2024, and terminating on December 31, 2029.**
- 2. The cost of billed services for Fiscal Year 2025 shall not exceed \$213,745 and will not include billed services for a Beach Patrol Director, Animal Control, and Beach Matting services.**
- 3. The Franchise Fee to be paid will be 3% of gross rental receipts.**
- 4. Will allow for the renting of chairs and/or umbrellas on an “on demand” basis within areas outside of designated franchise areas.**
- 5. Provides a term under the Services Agreement that matches the sixty-six-month term of the Franchise Agreement but requires the advance submission of an annual budget identifying the proposed cost of billed services to be included as part of the Town’s annual fiscal budget adoption process.**
- 6. The Town shall be authorized to review Shore Beach Services financial records to the extent necessary to determine the amount of franchise fee that is owed to the Town and the overall expenses that are incurred by Shore Beach Services in providing services under the Franchise Agreement or Services Agreement but shall not include access to any personnel records of Shore Beach Services or documents of a similar nature.**
- 7. And a termination provision for the convenience of the Town after no less than one year’s advance notice.**

Mr. Alfred seconded. Motion carried 6-0.

Adjournment

The meeting was adjourned at 7:52 p.m.

Approved:

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

TO: Town Council
FROM: Joshua Gruber, *Deputy Town Manager*
CC: Marc Orlando, *Town Manager, ICMA-CM*
DATE: June 18, 2024
SUBJECT: Consideration of an Ordinance Granting a Franchise Agreement and Services Agreement with Shore Beach Services – Second and Final Reading

RECOMMENDATION:

The Town Council is requested to review the proposed terms that have been identified for a new Franchise Agreement with Shore Beach Services. If supported, staff will prepare an Ordinance for the Town Council's consideration which would amend the existing agreement to reflect these newly proposed terms.

At its meeting on June 4, 2024, the Town Council voted unanimously (6-0) to approve the Ordinance authorizing the Beach Franchise Agreement and Services with a number of stated terms. Those terms have been fully incorporated into the attached documents for review and consideration by Town Council as part of Second and Final Reading of this Ordinance.

BACKGROUND:

Shore Beach Services began providing lifeguarding services for the Town since its incorporation in 1983. These services have always been provided through the execution of non-exclusive Franchise Agreement. Over the years, this agreement has been renegotiated and the scope of services has varied from time to time. Shore Beach Services currently provides lifeguards, beach rental equipment, and trash removal services to the Town under a Franchise Agreement dated May 24, 2019. This Agreement is set to expire on June 30, 2024.

In anticipation of the current agreement expiring, a Request for Proposals was issued on February 7, 2024, and requested qualified vendors to submit a proposed scope of lifeguarding services and a corresponding beach franchise fee to provide beach equipment rentals. The trash collection and disposal services were removed from this agreement and were solicited in a separate RFP. The Town ultimately received one proposal in response to this RFP from Shore Beach Services.

Town staff has been engaged in negotiations to identify the best and final financial terms they are willing to offer in exchange for receiving a new Franchise Agreement. A summary

of their proposed terms, as well as some historical information pertaining to similar terms that were contained in their previous Franchise Agreements is included for the Town Council's consideration. A document submitted by Shore Beach Services supporting their current proposal has been enclosed as Attachment 1.

Nonbillable Services

The Town has historically not paid Shore Beach Services for its personnel and operational activities that were directly related to lifeguarding services. These services were identified as "nonbillable services." As part of its current proposal, Shore Beach Services has self-identified that these costs represent approximately \$1,700,000 annually and include the full-time employment of 20 personnel and the seasonal employment of an additional 90 personnel.

Billed Services

Over the years, the Town has requested that Shore Beach Services provide additional functions that are not necessarily directly related to lifeguarding activities. These services have included providing beach patrol, a beach patrol supervisor, night patrol, animal control, and beach matting maintenance. These services have been labeled as Billed Services and are payable annually. A copy of the Town's current Franchise Agreement outlining these services is enclosed as Attachment 2.

Shore Beach Services' initial proposal for these Billed Services was \$376,201. However, after negotiations, this figure has been reduced to the current value of \$325,623 representing a 14% reduction in proposed expenses for Fiscal Year 2025.

Beach Franchise Fee

In exchange for receiving the non-exclusive right to rent chairs, umbrellas, and various recreational equipment on designated portions of the public beach, the Town has historically received a Fee as a part of its Beach Franchise Agreement. For the term previous five-year term, this Fee was 1% of Shore Beach Services gross rental receipts.

In connection with this current proposal, Shore Beach Services initially proposed a flat 3% Fee. However, as part of the staff's negotiations with Shore Beach Services, a new proposal has been submitted that provides for a graduated fee that would increase as their gross rental receipts would increase. This proposal is based on the belief that both parties (the Town and Shore Beach Services) would benefit equally from increased collections as well as both would share the risk if rental receipts were to substantially decline. A summary of this offer is reflected in the below table and represents a base fee of 3% with an escalation up to 6% on any gross rental receipts in excess of \$6M.

Current Offer

		Fees At Various Rental Levels								
Rentals	\$	5,826,973	\$	5,000,000	\$	5,500,000	\$	6,000,000	\$	6,500,000
3%-6% Graduated Franchise Fee		201,349		160,000		185,000		210,000		240,000
Reduced Billables		325,623		325,623		325,623		325,623		325,623
Net to Shore Beach Services		124,274		165,623		140,623		115,623		85,623

Historical Costs and Fees

Historical data showing the last three fiscal years of actual expenses and fee revenues are reflected in the below chart. Please note that this chart also shows projected information for the remainder of the current Fiscal Year as well as the negotiated terms that are proposed as part of the new Franchise Agreement.

Shore Beach Services Franchise Agreement	Cost for Billed Services	Gross Rental Receipts	Franchise Fee
Fiscal Year 2021		\$6,161,639.48	\$61,616.39
Fiscal Year 2022	\$229,179.00	\$5,986,353.30	\$59,863.53
Fiscal Year 2023	\$266,220.00	\$5,826,971.61	\$58,269.73
Fiscal Year 2024*	\$285,614.00	\$5,826,971.61*	\$58,269.73*
Projected Fiscal Year 2025^	\$325,623.00^	\$5,826,971.61*	\$201,348.65^
*Gross rental receipts and the corresponding franchise fee are calculated at the end of the calendar year. Therefore, these numbers represent projected figures based on last year's values. ^These figures are based upon the terms negotiated as part of the current RFP.			

Continued Discussion of Proposed Contractual Terms

The Town Council discussed this matter in executive session at its meeting on May 21, 2024. During that discussion, several terms were proposed that were incorporated into the revised contract document that was submitted to Shore Beach Services. Those terms included the overall length of the Franchise Agreement, the amount to be paid in billed services as compared to the amount of revenue that would be received from the franchise fee (counteroffer at 5.75%), the number of chairs and umbrellas to be rented within the

designated franchise area, and the distance that chairs and umbrellas could be installed from the centerline of the beach access points.

Representatives from Shore Beach Services have been invited to attend the June 4, 2024, Town Council meeting and they have identified the following contractual items that they would like to discuss further with the Town Council:

1. Franchise Agreement Section 1

TERM: This Franchise Agreement shall be for a term of forty-two (42) months, commencing on July 1, 2024, and expiring on December 31, 2027. This Franchise Agreement may be renewed for up to two (2) additional years commencing on January 1, 2028, in any combination of renewal term lengths upon the mutual written agreement of the parties.

2. Franchise Agreement Section 4

AREAS OF OPERATION the omission of the following sentence from past contracts:

Upon request by individuals, the Franchisee may deliver and set up rental equipment on the beach in places outside the approved areas of operation.

3. Franchise Agreement Section 8

FRANCHISE CONSIDERATION: A. Franchise Fee: During the term of the Franchise Agreement, including any renewal term, a franchise fee shall be paid by the Franchisee annually to the Town, in an amount of five and three quarters of a percent (5.75%) of the Franchisee's annual gross receipts. Said payments shall be made no later than January 31st of each year. However, once the payment of the fee by the Franchisee shall equal the cost of the billable services reference below in Exhibit B, and charged by the Franchisee to the Town, the Franchisee shall not be required to remit any additional franchise fees beyond this amount.

The Town Manager and/or Finance Director are authorized to inspect and review all financial records of the Franchisee that directly pertain to this Franchise Agreement, the Services Agreement, as well as any records relating to the operation and conducting of any commercial activities and lifeguarding services performed under this Franchise Agreement. Prior to viewing this information, the Town Manager and/or Finance Director may be required to execute documentation affirming that this information shall be treated as confidential in nature and will not be disclosed outside of any official business activities of the Town and will be treated as exempt from disclosure pursuant to Section 30-4-40(a)(1) of the South Carolina Freedom of Information Act.

4. Franchise Agreement Exhibit A

Any chairs, lounges, umbrellas, or cabanas that are provided, installed, or rented by the Franchisee shall not be located within fifty feet (50') of the center line of any town-designated beach access points identified in Attachment A as "lifeguarded Areas at Public Beach Parks.

5. Services Agreement Section 3

Term. The term of this Services Agreement shall be for a period of one (1) year, commencing on July 1, 2024, and expiring on June 30, 2025. This Services Agreement may be renewed for up to four (4) additional years in any combination of renewal term lengths upon the mutual written agreement of the parties.

6. Services Agreement section 5

TERMINATION The Town may terminate this Services Agreement in whole or in part at any time for the convenience of the Town by delivery of a written notice to the Contractor of the Town's election to terminate this Services Agreement for the convenience of the Town. If this Services Agreement is terminated for the convenience of the Town, the Town will pay the Contractor only for those services rendered by the Contractor up to the date of termination, based on the existing rates of this Services Agreement, and prorated to the date of termination.

SUMMARY:

Staff are requesting that the Town Council review the negotiated terms for a new Franchise Agreement with Shore Beach Services and provide feedback on this proposal. If acceptable, an Ordinance will be prepared for the Town Council's consideration at its May 21, 2024, meeting as the Town's Municipal Code requires that Franchise Agreements be approved via an Ordinance.

ATTACHMENTS:

1. Factors in Support of Shore Beach Services Proposal
2. May 24, 2019 - Beach Franchise and Services Agreements
3. Draft Ordinance Authorizing Beach Franchise Agreement with Shore Beach Services
4. Revised 2024 Beach Franchise and Services Agreements

Factors In Support of Our Proposal

- We provide non-billable services at a cost of approximately \$1.7 million, which is about 29% of 2023 rental revenues. \$1.7 million was less than 1/3 of our total expenses in 2023.
- Reducing billable services to \$0 would make the total cost to Shore for Beach Patrol over \$2 million.
- The graduated franchise fee we are proposing equates to a 3.5% fee at \$6 million in rental revenue.
- When we have increases in rental revenues, our costs for taxes, insurance, and related expenses increase. We need to have revenues increase nearly double any potential loss in billable fees to cover the loss of those fees.
- We cannot depend on a rental rate increase covering added costs. We raised our rental rates nearly 10% last year to cover our cost increases. Despite that, rentals were down from the prior year.
- From the Island Packet article February 12th that raised concern over the franchise fee, *“Coughlin, the local business owner, believes if the equipment rental agreement was separate from lifeguards he could save the town money by increasing the franchise fee from one percent. He said he might be willing to pay 10%, 12% or 15% of gross sales to the town.”*
- A 10%, 12% or 15% franchise fee without lifeguard services provided would **lose** the Town money as our cost for non-billable services (29% of rentals) plus the proposed effective fee (3.5%) is 32.5% of rentals.
- Shore Beach Service is a proven company with an outstanding track record of providing services. We understand why a new bidder for this contract may require a shorter term, but we should not have an annually renewable contract.
- To attract and retain full-time personnel we need to be able to assure them we will have a contract for longer than 1 year.
- New investment is required each year. An annually renewable contract increases the risk of investment.
- With an annually renewable contract, we cannot buy as much new equipment as we currently do each year (chairs, umbrellas, trucks) to keep quality to Hilton Head standards.
- In our first meeting, Mr. Orlando said Town should share in the risk that we have in providing services while potentially having factors such as weather drastically reduce rentals. However, an annually renewable contract substantially increases risk. Any increase in franchise fee or reduction in what we bill the Town also increases our risk.

1. **TERM:** This Franchise Agreement shall be for a term of five (5) years, commencing on the 1st day of July, 2019 and expiring on the 30th day of June, 2024.
2. **HOURS OF OPERATION:** The Franchisee may conduct commercial activities (as defined herein) within the beach area from 8:00 a.m. to 8:00 p.m. each day, seven (7) days per week, from May 1st to September 1st and during daylight hours for the balance of any franchise year. Set up for commercial activities may begin earlier.
3. **VEHICLES:** Permission is hereby granted from the Town to the Franchisee to bring onto the beach those vehicles which are necessary for the operation of the franchise hereby granted. No vehicles operated by the Franchisee on the beach shall be driven at a speed in excess of ten (10) miles per hour, unless an emergency situation exists.
4. **AREAS OF OPERATION:** By this Franchise Agreement, the Franchisee is hereby authorized to operate and conduct commercial activities (as defined herein) in the following areas:
 - A. From the northern boundary of the Westin Hotel south to the southern boundary of the designated swimming area at Driessen Beach Park; the portion of the beach extending 300 feet from either side of the center of the boardwalk at Surf Watch; and from the Burkes Beach access north 400 feet.

- B. From Beach Emergency Marker 96 south to the northern boundary of Palmetto Dunes and from the northern boundary of Dunes House in Palmetto Dunes south to the southern boundary of the Omni Resort in Palmetto Dunes.
- C. From the northern boundary of Hampton Place in Palmetto Dunes south to the Southern Boundary of the Shipyard Beach.
- D. From the northern boundary of Sea Crest south to southern boundary of Alder Lane designated swim area.
- E. From Emergency Marker 39 south to the Southern Boundary of Turtle Lane Club and from Beach Emergency Marker 13 at Tower Beach Club westerly to Beach Emergency Marker 11 and easterly 300 feet.

Maps of Hilton Head Island delineating the aforementioned areas of operation are attached hereto as Attachments A-1 through A-5 to this Franchise Agreement.

The beach area in front of the Sea Pine Beach Club is private and the Franchisee shall not set up concession services in this area without the written consent of Sea Pines Resort. The plat in Attachment B describes the property lines for the Sea Pines Beach Club.

Upon request by individuals, the Franchisee may deliver and set up rental equipment on the beach in places outside the approved areas of operation.

5. **APPROVAL PROCESS:** On or before February 1st of each year, the Franchisee shall submit to the Town for approval a listing of rental locations intended to be operated within the areas of operation during the next beach season. This listing shall include the product quantities for each rental location. The purpose of this approval process is to regulate the quantities for rental equipment in use on the beach. Product quantities for each rental location shall not depart significantly from amounts approved during the previous year. Upon request of the Franchisee, the Town Manager may approve product quantity increases in areas of operation when circumstances such as new or expanded beach parks, other development or change in demand warrant such increases.
6. **BEACH CLEANLINESS:** Pursuant to this Franchise Agreement and Code Section 8-1-317, Code of the Town of Hilton Head Island, (1983), the Franchisee hereby agrees to be responsible for maintaining beach cleanliness on a daily basis within the designated areas of operations as described in paragraph 4 above. Each morning, prior to the commencement of operations, employees of the Franchisee shall remove from the areas of operation any trash, cans, glass or other such debris found within such areas. The Franchisee shall provide trash and recycling containers, in quantities and locations as

determined by the Town for the deposit of such debris. The Franchisee employees shall encourage beachgoers to use such containers. The Franchisee shall be responsible for emptying trash and recycling containers, as well as removing such trash and debris from the beach as needed on a regular basis. The Franchisee shall be responsible for notifying on a timely basis the appropriate designated Town personnel of the existence of major beach debris and shall assist in the removal of such debris where possible.

7. **CONDUCT OF OPERATION:** The Franchisee and its employees shall at all times evidence a due concern for the preservation and enhancement of the health, safety and general welfare of beachgoers, and for preservation and enhancement of beach ecology, particularly by strict adherence to Article 4 of Title 8 of the Municipal Code regarding dune protection. In that regard, such employees shall assist beachgoers to be aware of and adhere to Town Beach Ordinances. The Franchisee and its employees are prohibited from consuming alcoholic beverages while on duty during the designated hours of operation. All Franchisee employees providing services on the beach under this Franchise Agreement shall, be trained in first aid and cardiopulmonary resuscitation (CPR) techniques at no cost to the Town.

8. **FRANCHISE CONSIDERATION:**

A. Franchise Fee: A franchise fee, calculated on a calendar year basis, in the amount of one percent (1%) of the Franchisee's gross rental receipts from the commercial activities described in Exhibit A, shall be paid annually by the Franchisee to the Town. Said payment shall be paid made no later than the following January 31st. If this Franchise Agreement expires or is terminated other than at the end of a calendar year, the Franchisee shall pay to the Town the applicable franchise fee within thirty (30) days of the end date of the Franchise Agreement. All amounts paid shall be subject to audit and recalculation by the Town and acceptance of any payment shall not be construed as acceptance that the amount paid is in fact the correct amount. In the event any audit reveals an error in the franchise fee paid by the Franchisee of five percent (5%) or more during any audit period, the Franchisee shall be responsible for the Town's reasonable out of pocket costs associated with such audit, in addition to any additional Franchise Fee that may be due to the Town. The Franchisee shall not offset Franchise Fees for any amount that the Town may owe to the Franchisee under this Franchise Agreement, without the prior written approval of the Town.

B. Service Agreement: In addition to the Franchise Fee described in paragraph 8.A above, the Franchisee agrees to execute the Services Agreement which is attached hereto and incorporated herein as Exhibit B and to perform the obligations thereunder. The Services Agreement shall be executed contemporaneously herewith,

and any breach of failure to perform by the Franchisee of its obligations under the Services Agreement shall be deemed a material breach of this Franchise Agreement.

9. **INSURANCE:** The Franchisee shall carry and maintain Worker's Compensation insurance in statutory amounts, comprehensive general liability insurance endorsed to include product and completed operations and contractual liability in a minimum amount of \$1,000,000.00 combined single limit and automobile liability insurance with minimum limits of \$500,000.00/\$1,000,000.00, or \$1,000,000.00 combined single limit. Each policy shall provide that it may not be canceled or changed without at least ten (10) days' prior notice to the Town. The Town shall be included as a named insured on the comprehensive general liability policy. The Franchisee shall provide the Town with a certificate of insurance as evidence of compliance with the foregoing and, upon request, a copy of all policies and any endorsements thereto.

10. **INDEMNIFICATION:**

- A. The Franchisee shall defend, indemnify, and hold harmless the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses and/or damages, including attorneys' fees, whether incurred prior to the institution of litigation, during litigation, or on appeal arising out of or resulting from the conduct of any commercial activity hereby authorized or the performance of any requirement imposed pursuant by this Franchise Agreement, including the performance of the Franchisee's obligations under the Services Agreement, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.
- B. The Franchisee shall further indemnify the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses and/or damage, including attorneys' fees, whether incurred prior to the institution of litigation, during litigation, or on appeal, for or arising out of any bodily injuries to or the death of any of the Franchisee's employees working at the specified location of operation during the specified hours of operation which may occur, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.

11. **NO AGENCY CREATED:** The parties hereto intend that no master/servant, employer/employee, or principal/agent relationship will be created by this Franchise Agreement. Nothing contained herein creates any relationship between the Franchisee and the Town, other than that which is expressly stated herein. The Town is interested only in the results to be achieved through this grant of franchise and the conduct and control of the agents and employees of the Franchisee and the methods utilized by the Franchisee in

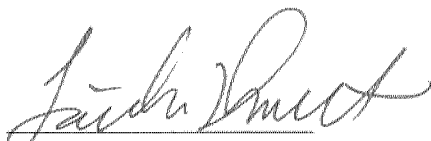
fulfilling its obligations hereunder shall lie solely and exclusively with the Franchisee. The Franchisee and its agents, officers, directors, and employees shall not be considered agents or employees of the Town for any purpose. No person employed by the Franchisee shall have any benefit, status, or right of employment with the Town.

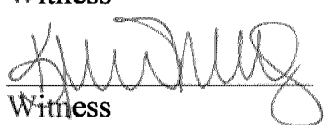
12. **ASSIGNMENT:** The Franchisee may assign or transfer its franchise to another entity or person subject to a sixty (60) day notification to the Town Manager and upon approval in writing of the Town Council.

13. **TERMINATION:** This Franchise Agreement may be terminated without cause, either in whole or in part, by either party upon one (1) year prior written notice to the other party. The violation of any provision of this Franchise Agreement by the Franchisee and/or his agents or employees may result in termination of this Franchise Agreement, after due notice by the Town and the opportunity for the Franchisee to remedy the violation.

14. **EFFECTIVE DATE:** This Franchise Agreement shall become effective upon adoption of the Ordinance creating this Franchise.

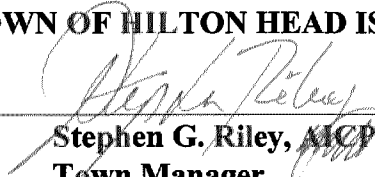
IN WITNESS WHEREOF, the parties hereto have executed this Franchise Agreement as of the date and year first above written.



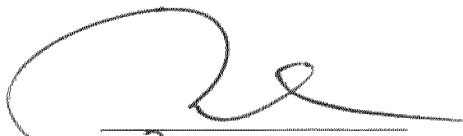
Witness


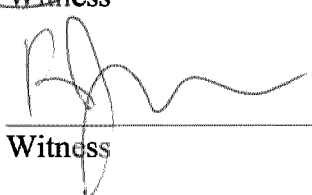
Witness

TOWN OF HILTON HEAD ISLAND, SC

By 

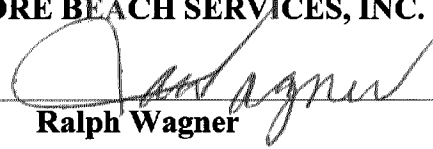
Stephen G. Riley, AICP
Town Manager



Witness


Witness

SHORE BEACH SERVICES, INC.

By 

Ralph Wagner
President

EXHIBIT A TO FRANCHISE AGREEMENT

The following is a list of approved equipment to be rented by the Franchisee for use on the beach and in the ocean waters. The quantities below are representative of the levels currently in service and the Franchisee is expected to maintain these levels during the term of this Franchise Agreement unless otherwise approved by the Town.

Equipment	Quantities
Umbrellas	1,500
Chairs/Lounges	3,200
Body Boards	200
12-18 Foot Sailboats	4
Kayaks	20

The Franchisee shall take appropriate and necessary steps to ensure: 1) that beachgoers use all equipment in a safe manner; 2) that Franchisee employees thoroughly instruct any beachgoers renting sailboats and kayaks on the safe use thereof; and 3) that sailboats and kayaks are not launched or used in areas where beachgoers are swimming.

After rental rates for the year are established, the Franchisee will provide such rates to the Town.

EXHIBIT B TO FRANCHISE AGREEMENT

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) **SERVICES AGREEMENT**

THIS SERVICES AGREEMENT ("Services Agreement") is entered into this 24th day of MAY, 2019 by and between the Town of Hilton Head Island (hereinafter the "Town"), a municipal corporation organized and existing under the laws of the State of South Carolina and Shore Beach Services, Inc. (hereinafter the "Contractor").

WHEREAS, the Town has a need for a qualified contractor to provide beach patrol services for the safety of beachgoers; and

WHEREAS, the Town and the Contractor desire to enter into an agreement wherein the Contractor shall provide such services as set forth herein below.

NOW, THEREFORE, for and in consideration of the mutual promises, undertakings and covenants set forth herein, the receipt and sufficiency of which is acknowledged and affirmed by the Town and the Contractor, the parties hereto agree as follows:

1. **Services.** The Contractor shall provide to the Town, beach patrol and related services as specified in Exhibit 1, which is attached hereto and made part of this Services Agreement.
2. **Compensation.** The Town shall pay the Contractor for services rendered in accordance with the terms and conditions in Exhibit 1.
3. **Term.** The term of this Services Agreement shall be for a period of five (5) years, commencing on July 1, 2019 and expiring on June 30, 2024.
4. **Insurance.** The Contractor shall carry and maintain Worker's Compensation insurance in statutory amounts, comprehensive general liability insurance endorsed to include product and completed operations and contractual liability in a minimum amount of \$1,000,000.00 combined single limit and automobile liability insurance with minimum limits of \$500,000.00/\$1,000,000.00, or \$1,000,000.00 combined single limit. Each policy shall provide that it may not be canceled or changed without at least ten (10) days' prior notice to the Town. The Town shall be included as a named insured on the comprehensive general liability policy. The Contractor shall provide the Town with a certificate of insurance as evidence of compliance with the foregoing and, upon request, a copy of all policies and any endorsements thereto.

5. **Termination.** This Services Agreement may be terminated without cause, either in whole or in part, by either party upon one (1) year prior written notice to the other party. The violation of any provision of this Services Agreement by the Contractor and/or his agents or employees may result in termination of this Services Agreement, after due notice by the Town and the opportunity for the Contractor to remedy the violation. The Town may also terminate this Services Agreement when funds are not appropriated or otherwise made available to support continuation of this Services Agreement in subsequent fiscal periods. If the Services Agreement is terminated for any reason, the Town will pay the Contractor for costs incurred to that date of termination.
6. **Validity/Enforceability.** Should any part of this Services Agreement be rendered void, invalid, or unenforceable by any court of law, such a determination shall not render void, invalid, or unenforceable any other part of this Services Agreement.
7. **Governing Law.** This Services Agreement has been made and entered into in the State of South Carolina, and the laws of South Carolina shall govern the validity and interpretation of this Services Agreement in the performance due hereunder.
8. **Modification.** This Services Agreement may not be modified unless such modification is in writing and signed by both parties.
9. **Assignment.** The Contractor may not assign this Services Agreement without the prior written approval of the Town.
10. **Indemnification.** The Contractor shall defend, indemnify, and hold harmless the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses, and/or damages, including attorney's fees, whether incurred prior to the institution of litigation, during litigation, or on appeal arising out of or resulting from the conduct of any activity hereby authorized or the performance of any requirement imposed pursuant by this Services Agreement, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.
11. **Relationship of Parties.** The parties hereto intend that no master/servant, employer/employee, or principal/agent relationship will be created by this Services Agreement. Nothing contained herein creates any relationship between the Town and the Contractor other than that which is expressly stated herein. The Town is interested only in the results to be achieved under this Services Agreement, and the conduct and control of the agents and

employees of the Contractor and the methods utilized by the Contractor in fulfilling its obligations hereunder shall lie solely and exclusively with the Contractor and its agents and employees shall not be considered agents or employees of the Town for any purpose. No person employed by the Contractor shall have any benefits, status, or right of employment with the Town.

12. **South Carolina Illegal Immigration Reform Act.** The Contractor, by signing this Services Agreement, hereby certifies that the Contractor shall comply with all applicable requirements of the South Carolina Illegal Immigration Reform Act, S.C. Code Ann. §41-8-10 (2007) et seq., (the "Act"), and that the Contractor covenants and agrees as follows:

12.1. The Contractor shall not knowingly or intentionally employ any unauthorized alien and, unless excluded from coverage of the Act, shall verify the work authorization of newly hired employees performing work under the Services Agreement by registering and participating in the Federal Work Authorization Program (E-verify) and verifying the work authorization of every new hired employee within three (3) business days after employing employee.

12.2. Contractor agrees to provide to the Town all documentation requested by it to establish either:

(a) the applicability of the South Carolina Illegal Immigration Reform Act to the Contractor; or

(b) compliance with the South Carolina Illegal Immigration Reform Act by the Contractor.

12.3. Contractor agrees to include in any contracts with its sub-contractors language requiring its sub-contractors to:

(a) comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws; and

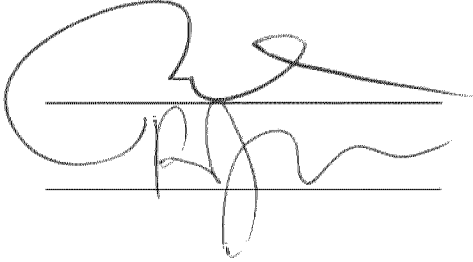
(b) include in their contracts with its sub-subcontractors language requiring its sub-subcontractors to comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws.

12.4. Contractor acknowledges and agrees that it shall comply with requirements of the Immigration Reform and Control Act of 1986 including the non-discrimination provisions thereof, and shall complete all required I-9 documentation for all workers employed by it.

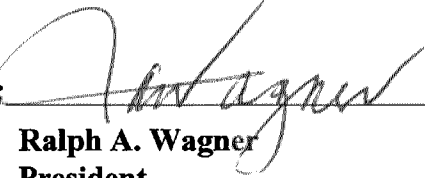
12.5. Contractor certifies it shall comply with all state, federal, and local laws, rules, regulations and orders applicable to it in performance of work under the contract.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures hereto the date first written hereinabove.

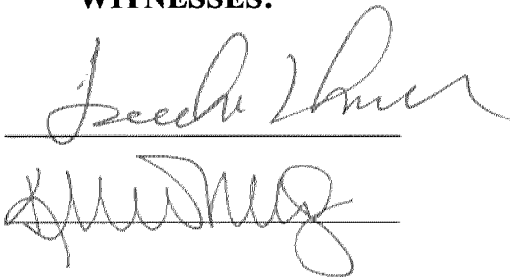
WITNESSES:



SHORE BEACH SERVICES, INC.

By: 
Ralph A. Wagner
President

WITNESSES:



TOWN OF HILTON HEAD ISLAND

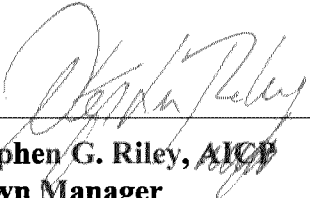
By: 
Stephen G. Riley, AICP
Town Manager

EXHIBIT 1 TO SERVICES AGREEMENT

I. GENERAL

Contractor shall provide services generally known as the Beach Patrol. The organization and operation of the Beach Patrol shall be the responsibility of the Contractor.

The primary purpose of the Beach Patrol is to protect the safety of beachgoers in their use of the beaches and ocean waters of the Town and to render assistance to those in need of assistance.

The Beach Patrol shall cover the area from the eastern shore of Fish Haul Creek to the southern shore of Braddock Cove. This area shall be split into four (4) patrol areas (hereinafter the "Patrol Areas") as follows:

- 1) Area 1 – From the eastern shore of Fish Haul Creek to Folly Creek
- 2) Area 2 – From Folly Creek to the southern boundary of Hampton Place
- 3) Area 3 – From the southern boundary of Hampton Place to the southern boundary of Ocean Club Villas
- 4) Area 4 – From the southern boundary of Ocean Club Villas to the southern boundary of Braddock Cove

A map of Hilton Head Island showing these areas is included as Attachment C.

Contractor shall obtain and maintain during the term of the Services Agreement the national certification extended to open water lifeguard agencies by the United States Lifesaving Association covering such agencies' training programs and standards. The Contractor shall ensure that all Beach Patrol personnel utilized to carry out the services herein, except for those under Items D, E & F below, shall be trained in accordance with such standards and adhere thereto. Those employees will be trained in first aid and CPR.

Beach Patrol personnel must have hearing and vision which would not impede the full performance of duties and be in sound physical condition and may not have any history of illness which would interfere with the performance of their duties. The fact that a person is on medication will not alter this restriction. Each person shall be at least sixteen (16) years of age, be of good moral character, and shall abide by high standards of cleanliness, physical appearance, health and ability. The Contractor's employees providing services under this Services Agreement who are hired after the effective date thereof shall be subject to a pre-employment criminal background check and drug screening test. In addition, all of the Contractor's employees providing services under this Services Agreement shall be subject to random drug

screening tests annually. The Contractor and its employees are prohibited from consuming alcoholic beverages while on duty. They shall be neatly attired in uniforms supplied by the Contractor and shall wear the supplied uniforms when on duty.

All Beach Patrol vehicles utilized to carry out the services herein shall be appropriately marked as Beach Patrol and be equipped with 4-wheel drive and two way radios (1 inter-agency and 1 intra-agency), a first aid kit, a torpedo-type rescue buoy, AED, oxygen kit, bag valve masks, rescue rope, red lights, speaker, siren box, binoculars, range finder, and swim fins, except that the vehicles utilized under Items D, E & F in Section II below will not have inter-agency radios, AED, oxygen kit, or bag valve masks. Each vehicle shall have a utility trailer available and shall be in good condition, reasonably free of visible rust, dents, or alterations to the vehicle body, and should be able to traverse difficult terrain. Such vehicles shall be new or like new and in good mechanical condition, shall have a current South Carolina state license plate, and shall have an overall appearance that does not detract in any way from the standards and image the Town wishes to project to the public. Such vehicles shall be operated in an extremely careful and prudent manner by a licensed driver. Such licensed driver shall not have been convicted of Driving Under the Influence within twelve (12) months of operating such vehicle. No person(s) other than authorized employees or officers of the Contractor, Town Officials, qualified lifeguards, or junior lifeguards shall be permitted to operate or ride in the Beach Patrol vehicle, with the exception of an individual or individuals who were rescued, lost or needed aid. In the event of such rendering of assistance, the passenger or passengers shall immediately be delivered to the appropriate destination.

Contractor will maintain an FCC licensed radio system for intra-agency communications. For inter-agency communications the Contractor shall follow the radio procedures of the Town's Fire Rescue Department and shall attend mutually agreed upon training on these procedures as necessary.

All Beach Patrol personnel utilized to carry out the services herein shall participate in the Beach Patrol program by:

- a) Advising beachgoers regarding Town Beach Ordinances and supervising adherence to the requirements of such Ordinance;
- b) Notifying and coordinating with law enforcement authorities regarding any continuing unlawful activities on the beach;
- c) Notifying and cooperating with members of the local EMS service when emergency medical services are required on the beach and assisting EMS with removing persons from the beach when requested;

- d) Administering (to the level of certification of the individual involved) first aid free of charge to persons who sustain minor injuries on the beach;
- e) Monitoring the operation of motorized watercraft for compliance with Section 8-1-211(2) of the Town's Beach Ordinance; advising, where practicable, any operator of motorized watercraft of violations of the Beach Ordinance; and notifying and coordinating with law enforcement authorities regarding any continuing violations of the Beach Ordinance.

II. BILLABLE BEACH PATROL SERVICES

Contractor will provide the following Beach Patrol Services, which may vary due to weather conditions, billable to the Town as set forth in Section VII. below.

- A. One person shall be designated as the Beach Patrol Director and shall have primary responsibility for administering the Beach Patrol program, for supervising all of the Contractor's employees who have Beach Patrol duties, and for acting as liaison with the Town.
- B. During April and September (after the Monday of Labor Day Weekend), not less than the full time equivalent of two (2) persons shall be designated as Beach Patrol Supervisors assigned to cover the four (4) Patrol Areas.

From May 1st through the Monday of Labor Day Weekend, not less than the full time equivalent of three (3) persons shall be designated as Beach Patrol Supervisors assigned to cover the four (4) Patrol Areas.

At any given time, the Town shall have full discretion and authority to request the Contractor to dispatch Beach Patrol Supervisors to specific areas on the beach to handle a particular situation. Once that situation has abated, the supervisor may return to assigned duties.

The duties of the Beach Patrol Supervisor shall include the following:

- Assisting beachgoers as needed.
- Informing beachgoers and watercraft operators of Town Beach Ordinances.
- Picking up trash and debris in the area.

The Town reserves the right to request the Contractor to assist in limited Code Enforcement activities as conditions warrant at an additional cost to be determined as set forth in Section VII. below.

- C. Between the hours of 5:00 p.m. and 9:00 p.m., seven (7) days a week from April 1st through September 30th one (1) supervisor will be available with a fully equipped Beach Patrol vehicle as needed on an “on call” basis through the 911 central dispatch.
- D. The Contractor shall provide an expanded beach patrol trash and debris collection between the hours of 5:00 p.m. and 9:00 a.m., seven (7) day a week from April 1st through September 30th in areas designated by the Town as experiencing trash and debris accumulation. A fully equipped Beach Patrol vehicle will be utilized, except that it will not be required to have AED, oxygen kit, or bag valve masks.
- E. Contractor shall provide year-round trash collection on public beach areas as designated by the Town. The Contractor is responsible for maintaining 32-gallon trash containers, in quantities and locations as determined by the Town, which shall be monitored and emptied daily as needed. The Contractor shall schedule and monitor at least five (5) waste dumpsters at locations designated by the Town, to be picked up as needed on a commercial waste route. The trash container and waste dumpster levels may be adjusted downward seasonally by mutual agreement.
- F. A fully equipped Beach Patrol vehicle, except that it will not have AED, oxygen kit, or bag valve masks, and utility trailer shall be provided for the purpose of collecting trash, recycling and debris on the beach and shall transport it outside the designated franchise areas. ATV’s may be used to assist in this process, but cannot be substituted for Beach Patrol vehicles. The Contractor is responsible for removing all trash and recycling from the beach. Reoccurring legitimate complaints about beach cleanliness in a specified area may be deemed a material breach of this Services Agreement.
- G. From May 1st through the Monday of Labor Day Weekend, two (2) manned Personal Watercraft (hereinafter “PWC”), each one stationed in the Patrol Areas, shall be provided for the purpose of immediately assisting in off-shore boat rescue and assisting in beach ordinance enforcement in all areas defined in Town Code Section 8-1-112(1), particularly in effecting direct contact with private boat operators to keep such boats a safe distance off shore. Contractor shall also provide a third PWC to be provided as backup.

The PWC’s shall be kept operational, and shall be

- Tested and inspected regularly.
- Equipped with Coast Guard approved or required safety equipment.

- Operated by Beach Patrol Personnel trained in the operation of the PWC's.

The Town acknowledges and accepts that there may be intervals where less than 3 PWC's may be operational due to maintenance and repair issues. The Contractor shall keep the Town informed if any PWC will be out of operation for more than a week.

- H. The Contractor is responsible for management of all situations on the beach involving live, injured or dead animals which are not being handled directly by another agency, e.g., Turtle Patrol. This may involve removal, storage, or burial of the animals. In that regard, the Contractor shall coordinate as necessary with other agencies such as SCDNR, Turtle Patrol, Beaufort County Sheriff, and Hilton Head Humane Association. The Contractor will provide an authorized participant in the SC Marine Mammal Stranding Network and the SC Marine Turtle Project.
- I. Contractor shall provide a year-round program for recycling on public beach areas as designated by the Town. The Contractor is responsible for maintaining 32-gallon recycling containers, in quantities and locations as determined by the Town, which shall be monitored and emptied daily as needed. The Contractor shall schedule and monitor recycling dumpsters, in quantities and locations as determined by the Town to be picked up weekly as needed on a recycling route. The recycling container and dumpster levels may be adjusted downward seasonally by mutual agreement.
- J. The Contractor shall store, install and maintain beach matting year-round on public beach areas as designated by the Town. Matting shall be provided by the Town. A tractor not less than thirty-four (34) horse power will be required as needed for leveling sand under beach matting on the beach.
- K. The Contractor shall maintain dog litter bag dispensing stations year-round at public beach access areas in quantities and locations as designated by the Town. The bags are provided by the Town and shall be picked up by the Contractor at the Facilities Management Office.

III. NON-BILLABLE BEACH PATROL SERVICES

Contractor will provide the following Beach Patrol Services, which may vary due to weather conditions, at no cost to the Town:

A. Lifeguard Personnel Duties & Assignment - The Contractor is responsible for deploying lifeguard personnel throughout the areas of operations. Lifeguard personnel shall consist of highchair lifeguards and rental lifeguards.

1. **Highchair Lifeguards.** The primary duty of highchair lifeguards is water surveillance, therefore, they shall not conduct commercial activities. It is mandatory that the highchair lifeguard's attention be focused on this duty; therefore, highchair lifeguards shall not:

- (a) Sit or lean on anything other than their highchair;
- (b) Conduct lengthy conversations with persons in a manner or in such a fashion as to impair the performance of safety duties;
- (c) Permit persons at their highchair other than agents of the Town, Beach Patrol personnel employed by the Contractor and persons seeking first aid or other assistance;
- (d) Read while on duty;
- (e) Turn their back on the ocean or permit others to obstruct their view of the ocean;
- (f) Allow their highchair to be littered at any time while on duty.

2. **Rental Lifeguards.** The primary duty of rental lifeguards is conducting commercial activities, however, when not so doing they shall be responsible for assisting in water surveillance. Furthermore, in the event of an emergency in their area rental lifeguards shall cease conducting commercial activities and respond to said emergency. It is mandatory that the rental lifeguard's attention be focused on these duties; therefore, rental lifeguards shall not:

- (a) Sit or lean on anything other than their stands;
- (b) Conduct lengthy conversations with persons in a manner or in such a fashion as to impair the performance of safety duties;
- (c) Permit persons at the stand other than agents of the Town, Beach Patrol personnel employed by the Contractor, persons seeking first aid or other assistance, and persons transacting equipment rental business;
- (d) Read while on duty;
- (e) Allow the area around their stand to be littered at any time while on duty.

Lifeguard personnel or their replacements shall remain at their stands in patrol areas while on duty. It is the Contractor's responsibility to monitor the health of its lifeguard

personnel and not to assign any lifeguard personnel who is ill or physically unable to execute his/her responsibilities.

The need for lifeguard personnel will fluctuate in accordance with the seasonal change in level of activity on the beaches. Therefore, the number of lifeguard personnel at any location will be determined by the Contractor based on the level of activity and other factors deemed relevant by the Contractor on any given day. However, lifeguard personnel shall be assigned at a minimum as follows:

- From Memorial Day Weekend through Labor Day each year lifeguard personnel shall be stationed at each of the Town's beach parks
 - Islanders Beach Park
 - Folly Field Beach Park
 - Driessen Beach Park
 - Coligny Beach Park
 - Alder Lane Beach Park
- From April 1st through the second weekend in May, no less than five (5) lifeguard personnel shall be stationed on the beach.
- From the second weekend in May through the Friday before Memorial Day, no less than twelve (12) lifeguard personnel shall be stationed on the beach.
- From Memorial Day weekend through the first weekend in August, no less than thirty-four (34) lifeguard personnel shall be stationed on the beach.
- From the second weekend in August through Labor Day, no less than nine (9) lifeguard personnel shall be stationed on the beach.
- From the day after Labor Day through September 30th, no less than five (5) lifeguard personnel shall be stationed on the beach.

All lifeguard personnel shall be equipped with a first aid kits, torpedo-type rescue buoys, two way intra agency radios, backboards, caution flags, and appropriately marked umbrellas and chairs.

- B. Beach Patrol Vehicles** - From Memorial Day weekend through August 31st, The Contractor will supply a minimum of four (4) Beach Patrol vehicles in addition to the five (5) Beach Patrol vehicles utilized under Billable Beach Services and Personnel above.

The Town acknowledges and accepts that there may be intervals where less than the four (4) additional Beach Patrol vehicles may be operational due to maintenance and repair issues. The Contractor shall keep the Town informed if any such Beach Patrol vehicle will be out operation for more than a week.

- C. **Boats On The Beach** - The Contractor, in conjunction with Town staff, will provide a program for control and inspection of permitted boats on the beach, and for removal of any abandoned boats. Costs for removal of any abandoned boats, either in part or in full, may be reimbursable to the Contractor, but only if the Town has given written approval prior to the Contractor incurring such costs.

IV. POLICIES

- A. The Contractor shall use the applicable portions of the United States Lifesaving Association Manual for Open Water Agencies as its policy guide.

Upon request of the Town, Contractor agrees to provide information and/or documentation on its policies or procedures directly related to its operations in providing services under this Agreement the distribution of which will be limited internally to those with direct responsibility for managing Beach Patrol Services. To the extent allowed under applicable Freedom of Information laws, the Town agrees that any such information and/or documentation provided by Contractor, which is identified by Contractor as confidential and proprietary, shall not be subject to public disclosure.

V. REPORTING REQUIREMENTS

Contractor shall provide monthly reports to the Town as follows:

- A. **Beach Patrol Activities** – Include number of incidents by location along with any need for caution flags, clearing of water, use of PWC's, and interactions with other agencies in the following areas:
- Safety Incidents
 - Medical Incidents
 - Beach Ordinance Advisements
 - Missing Persons
 - Wildlife Actions
 - Fishing Complaints

- B. **Staffing For Billable Services** – Include schedules by location of Beach Patrol personnel assigned to provide the services under Section II. above.
- C. **Trash & Recycling** – Include estimated gallons of trash & recycling removed from the beach.
- D. **Franchise Fees** – Include year to date franchise fees due based on gross rental receipts from commercial activities.

VI. MEETING REQUIREMENTS

Contractor shall participate in meetings as follows:

- An annual “kick-off” meeting to take place not later than before Memorial Day weekend The Town’s Director or Assistant Director of Facilities Management shall be responsible for coordinating this meeting. One purpose of this meeting is the review of the Contractor’s policies and procedures directly related to its operations in providing services under this Agreement.
- The Town reserves the right to require periodic meetings with the Contractor regarding Beach Patrol Services.

VII. FEES PAYABLE TO CONTRACTOR

- A. **Beach Patrol Fees** – The Contractor shall bill the Town for the Beach Patrol Services listed below in monthly installments. Amounts billed shall be inclusive of all labor, equipment and materials necessary to provide the full scope of services described in this Services Agreement. The amounts billable for Contract Year 1 are shown below.

Shore Beach Services, Inc. Town of Hilton Head Island Detail Of Proposed Annual Fees Payable To Contractor For Service Year 1 With 1% Franchise Fee											
Calendar Month	Lettered Column References Are To Exhibit 1 Section II.										Totals
	A Beach Patrol Director	B Beach Patrol	C Night Patrol	D Expanded Trash Pickup	E & F Trash Pickup*	G PWC's	H Animal Control	I Recycling*	J Beach Matting	K Dog Litter Stations	
2019 July	\$ -	\$ 21,137	\$ 1,965	\$ 6,364	\$ 12,954	\$ 2,351	\$ -	\$ 1,475	\$ 660	\$ 60	\$ 46,966
2019 August	-	21,137	1,965	6,364	10,525	2,351	-	1,070.00	460	100	43,972
2019 September	-	14,091	1,902	4,620	4,309	228	-	585.00	520	60	26,315
2019 October	-	-	-	-	2,977	-	-	330.00	720	120	4,147
2019 November	-	-	-	-	3,134	-	-	40.00	360	140	3,674
2019 December	-	-	-	-	4,048	-	-	40.00	335	120	4,543
2020 January	-	-	-	-	4,823	-	-	44.00	465	132	5,464
2020 February	-	-	-	-	4,356	-	-	944.00	465	154	5,919
2020 March	-	-	-	-	9,258	-	-	412.00	465	88	10,223
2020 April	-	15,312	2,069	4,984	3,547	-	-	623.00	519	88	27,142
2020 May	-	23,734	2,138	6,008	4,574	2,413	-	895.00	492	66	40,320
2020 June	-	22,968	2,069	6,645	13,068	2,335	-	1,238.00	573	88	48,984
Total For Year	\$ -	\$ 118,379	\$ 12,108	\$ 34,985	\$ 77,573	\$ 9,678	\$ -	\$ 7,696	\$ 6,034	\$ 1,216	\$ 267,669

* Cost exclude trash and recycling fees for dumpsters

Contractor shall be allowed to increase its fees for the Beach Patrol Services listed above on each anniversary of the contract commencement date, and such increase shall be limited to the lesser of: (i) three percent (3%) or (ii) the most recently published Consumer Price Index for All Urban Consumers (CPI-U), before seasonal adjustment, as of thirty (30) days prior to the anniversary date. Notwithstanding the foregoing, the Contractor may request and the Town may, at its sole discretion, grant an annual increase greater than that allowed above if the Contractor can demonstrate to the sole satisfaction of the Town, evidence of specific material costs that it has incurred, which are not under the Contractor's control (e.g., a 25% increase in insurance costs in one year).

- B. Trash & Recycling Fees** – The Contractor shall bill the Town for trash and recycling dumpster fees annually on a calendar year basis at the Contractor's cost. The Contractor's bill shall include copies of invoices it has paid for trash and recycling dumpsters.

Trash & Recycling Fees in Contract Year 1 are estimated at \$59,000.

- C. Fees for Expanded Scope of Services** – If during the term of the Services Agreement between the Town and the Contractor: (i) the Town requests the Contractor to provide services that exceed the original scope of work as detailed in this Services Agreement, or (ii) unforeseen circumstances (e.g., severe weather event) create the need for the Contractor to temporarily exceed the original scope of work as detailed in this Services

Agreement; fees for such services shall be negotiated at such time as applicable, and shall be substantially based on the hourly labor and equipment rates provided below, adjusted for any annual increases. A written amendment to the Services Agreement shall be executed detailing the expanded scope and related fees to be charged.

Labor and Equipment Hourly Rates:

Hourly Labor & Equipment Rates For Expanded Scope Of Services In Contract Year 1

Beach Patrol Labor Rates				
Years Worked	Lifeguard Personnel	Supervisors	Other Employees	Managers
1st Year	\$ 18.00	\$ 20.00	\$ 14.00	\$ 36.00
2nd Year	20.00	22.00	15.00	36.00
3rd Year	22.00	24.00	16.00	36.00
4th Year	24.00	26.00	17.00	36.00
5th Year	26.00	28.00	18.00	36.00
6th Year	28.00	30.00	19.00	36.00
7th Year	30.00	32.00	20.00	36.00
8th Year	32.00	34.00	21.00	36.00

Beach Patrol Equipment Rates			
Tractor	Vehicle	ATV	PWC
\$ 30.00	\$ 9.25	\$ 3.00	\$ -

D. Payments & Annual Approvals

The Town shall pay all amounts due under this Agreement within thirty (30) days from the date of invoice receipt.

Contractor shall not offset Franchise Fees due to the Town under the Franchise Agreement for any amount that the Town may owe to the Contractor under this Services Agreement, without the prior written approval of the Town.

On or before March 1st of each year the Contractor shall submit to the Town its proposal for the fees and labor rates in Sections A, B and C above for the succeeding contract year. Any request by Contractor to increase to Beach Patrol Fees shall be subject to the limitations outlined in Section VII.A above.



Legend

 Franchise Areas

 Planned Unit Development

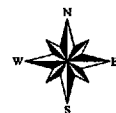
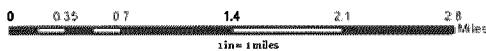


TOWN OF HILTON HEAD ISLAND
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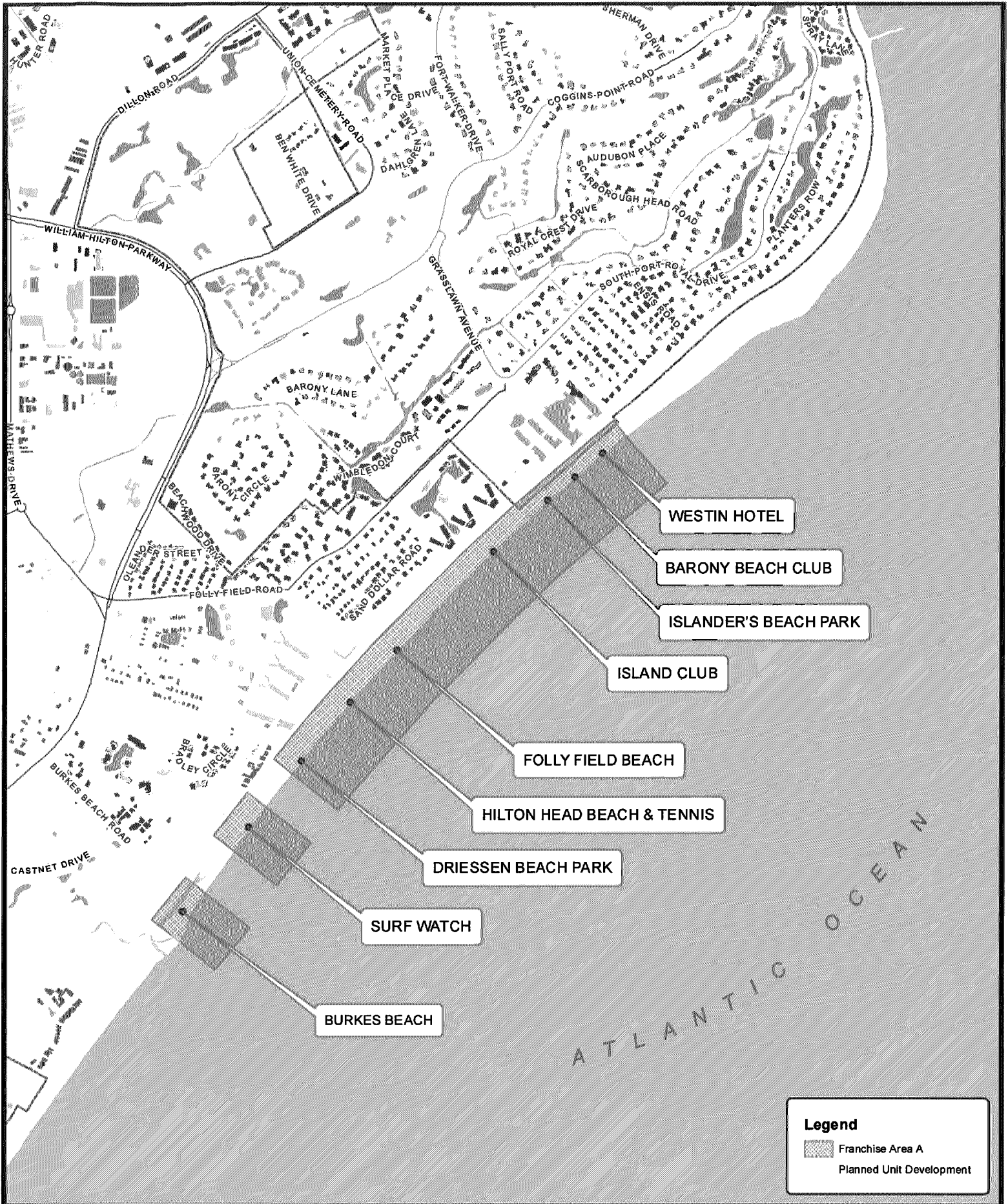
Attachment A-1

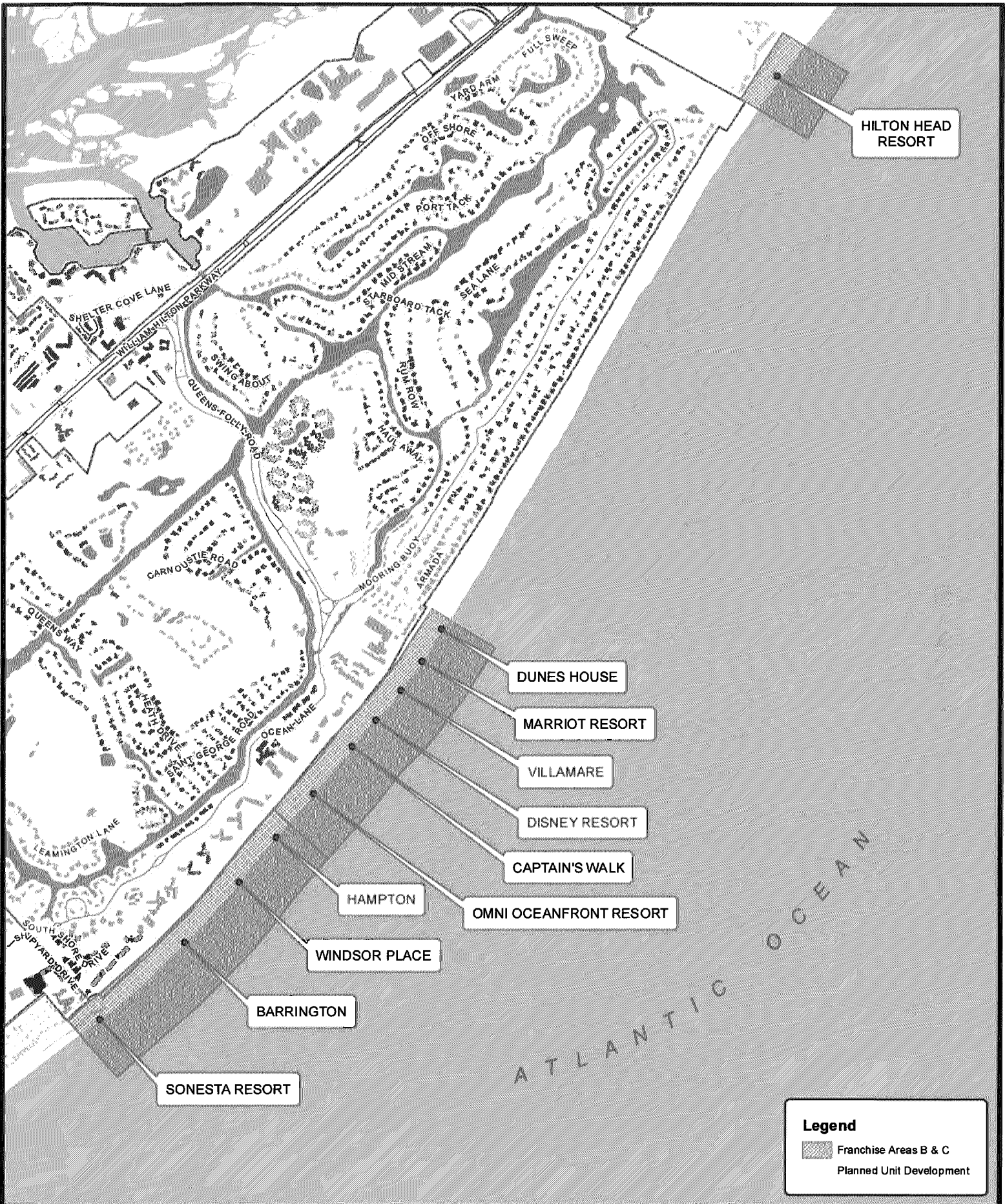
Areas of Operation

2018



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 the accuracy or completeness of the information or for any losses sustained by the user of this map.





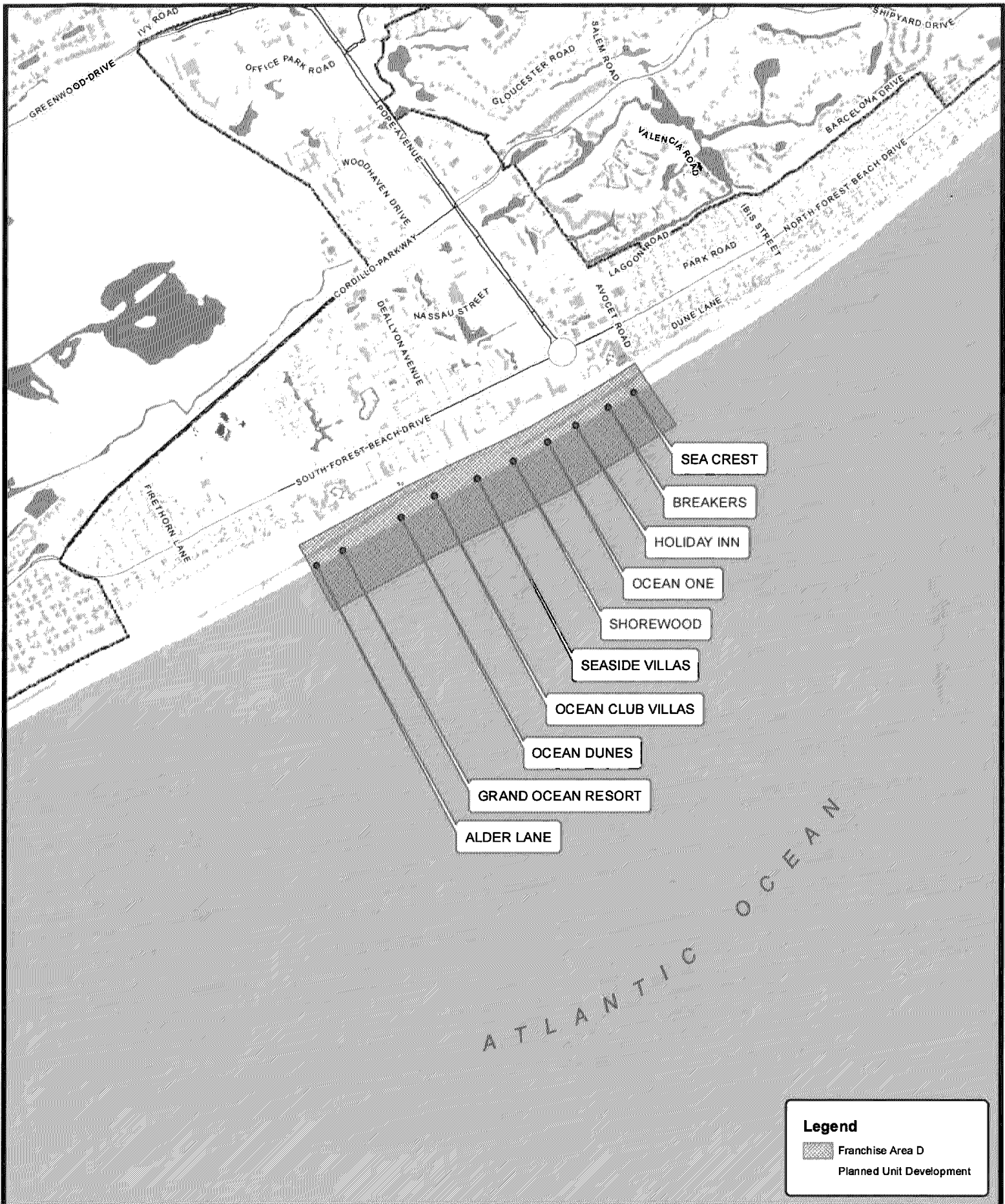
Attachment A-3

Rental Locations - Area B & C

2018

0 0.1 0.2 0.4 0.6 0.8 Miles

1 inch = 1,667 feet



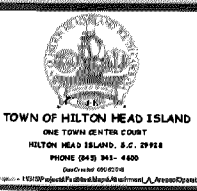
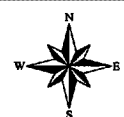
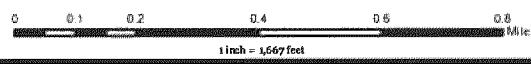
Legend

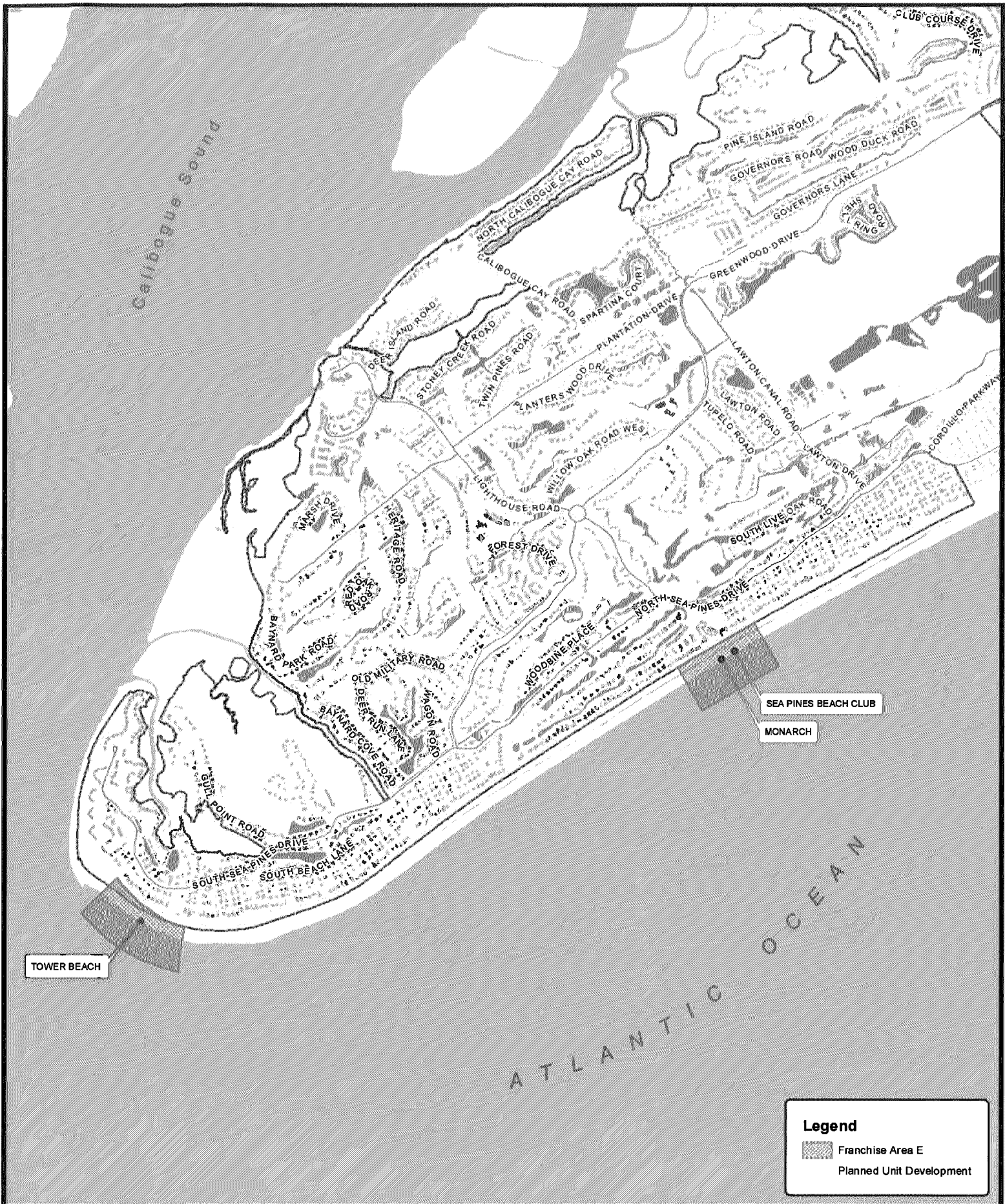
 Franchise Area D

 Planned Unit Development

Attachment A-4 **Rental Locations - Area D**

2018



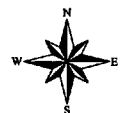
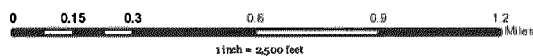


TOWN OF MILTON HEAD ISLAND
ONE TOWN CENTER COURT
MILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-4600
City/County: 065-02006

Attachment A-5

Rental Locations - Area E

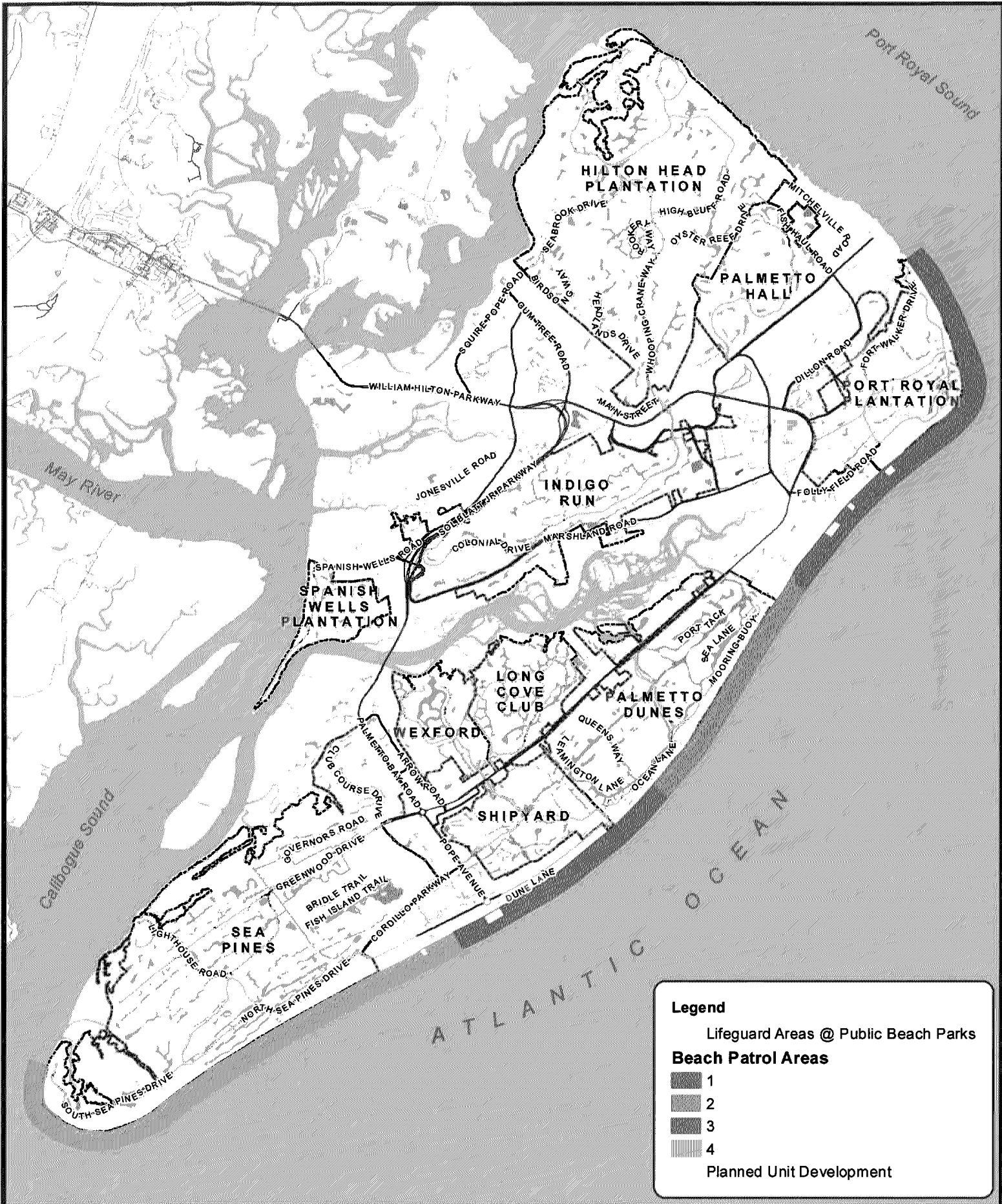
2018



Legend

Franchise Area E
Planned Unit Development

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



Legend

Lifeguard Areas @ Public Beach Parks

Beach Patrol Areas

	1
	2
	3
	4

Planned Unit Development

Attachment C

Beach Patrol Areas

2018

0 0.375 0.75 1.5 2.25 3 Miles

1 in = 1 miles





Town of Hilton Head Island

One Town Center Court
Hilton Head Island, SC 29928

MEMORANDUM

To: Stephen G. Riley, Town Manager
Via: Scott Liggett, Dir. of PP&F / Chief Engineer
John Troyer, Director of Finance
Brian Hulbert, Staff Attorney
From: Rich Groth, Procurement Officer *RMG*
RE: Shore Beach Services: 2019-2024 Franchise Agreement and Beach Patrol Services Agreement

Background:

- A Request for Proposal (RFP 2018-0021) was issued to solicit contractors to provide Beach Patrol Services and provide services for the rental of beach related equipment under a Franchise Agreement.
- The solicitation complied with all the requirements of Title 11, Procurement and Purchasing Code and the Town's Procurement Standard Operating Procedures.
- Only one proposal was received despite best efforts to obtain additional proposals. The proposal submitted was from Shore Beach Services, the incumbent contractor.
- An evaluation committee consisting of Julian Walls, Alice Derian and myself evaluated and scored the Shore Beach proposal, which by default was the highest rated proposal. Documentation of the evaluation is included in this package.
- The cost of the services for Year 1 of the 5-year Agreement is as follows:

Beach Patrol Services	\$267,669
Trash & Recycling Fees	<u>\$59,000*</u>
Total FY 19-20 Costs	\$326,669

* - Estimated Costs, which are passed through at 100% to the Town based on actual invoiced fees from trash services contractor.

In subsequent years, Shore Beach will be allowed to submit proposed new fees for which an increase will be capped at the lesser of: (i) three percent (3%) or (ii) the most recently published Consumer Price Index for All Urban Consumers (CPI-U).

- Revenue to the Town from the 1% Franchise Fees paid by Contractor for FY 19-20 are estimated to be approximately \$38,000-\$40,000.

Recommendation:

I am recommending the Town enter into a new Franchise/Services contract with Shore Beach Services. If you concur, please sign the attached agreement where indicated.

CONTRACT APPROVAL ROUTING FORM

Contractor: SHORE BEACH SERVICES

When routing Town Contracts for final approval, please adhere to the following order/individuals:

CONTRACT APPROVAL ROUTING/APPROVED BY:		
Person/Position	Initials Needed	Date
1. Requesting Department Director	RWA	4-24-19
2. Dir. of Public Projects & Facilities (for CIP contracts)	SPL	4.26.19
2. Procurement Officer	RWA	4-24-19
3. Finance Director	J	4-25-19
4. Administration Manager/Public Information Coordinator (Prior to Staff Attorney's Review)	—	—
5. Staff Attorney	BSH	4-29-19
6. Town Manager**	AK	5/23/19

**** CIP Contracts less than \$750,000.00/Director of Public Projects and Facilities has authority to sign as Town Manager. All other contracts less than \$750,000.00/Assistant Town Manager has authority to sign as Town Manager.**

***Please include this form as a cover sheet on all Town Contracts and Amendment/Modifications being routed for approval.**

CONTRACT PACKAGE APPROVAL CHECKLIST

TOWN OF HILTON HEAD ISLAND

Name of Contractor: Shore Beach Services

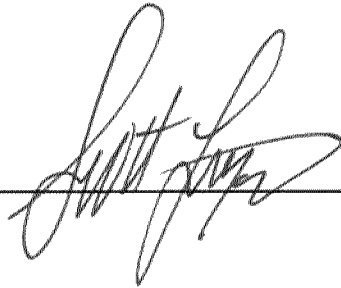
Type or Description of Contract: Franchise and Beach Patrol Services Agreement

- | | | |
|---|--|--|
| ☒ Yes | ☐ No | 1. Is contract award recommendation and justification memo affirming compliance with Title 11 of the Town's Municipal Code included? |
| ☒ Yes | ☐ No | 2. Does the contractor have a current Town Business License, or will they be required to obtain one prior to providing contracted goods or services? Attach license or explain why not attached _____. |
| ☐ Yes | ☒ No | 3. Is the Contractor or subcontractor a Town Council, Commission, or Committee member or a Town employee? If so, attach copy of written statement including date that public disclosure was made. |
| ☐ Yes | ☒ No | 4. Is the Contractor or subcontractor an individual rather than a multi-employee entity? If so, attach Contractor Classification Assessment from Human Resources. |
| ☐ Yes | ☒ No | 5. Have any earnest monies been paid? If so, indicate name of Trustee or Escrow Agent and amount paid: _____. |
| ☒ Yes | ☐ No | 6. Was this a competitive solicitation? If so, attach a copy of the solicitation document, copy of public notice/advertisement, all vendor bids/proposals, list of any bids/proposals rejected and reasons why, and the scoring/evaluation documentation supporting selection of the contractor. |
| ☒ Yes | ☐ No | 7. Was there a pre-bid meeting? If yes, circle one: mandatory / <u>voluntary</u> . If mandatory, include list of meeting attendees with package. |
| ☐ Yes | ☒ No | 8. Is this a small purchase procurement? If yes, include written quotes if required. |
| ☐ Yes | ☒ No | 9. Is this a sole/single source procurement? If yes, include approval memo and public notice of intent to sole/single source. |
| ☒ Yes | ☐ No | 10. Is insurance required? If so attach copy of proof of insurance for all required coverages (general liability, auto, workers' comp, etc.). If not attached, explain reason _____. |
| ☐ Yes | ☒ No | 11. Is this a construction contract over \$100,000? If so, attach Performance Bond Payment Bond including respective amounts set for each. If not attached, explain reason _____. |
| ☐ Yes | ☒ No | 12. Is a Bid Bond required? If so, attach copy. If not attached, explain reason _____. |
| ☐ Yes | ☒ No | 13. Is this an architect, engineering, or surveying contract? If yes, are AIA or EJCDC contract terms and conditions part of this contract? ☐ Yes ☐ No
If no, explain _____. |

- 12098020-53640
- ☒ Yes ☐ No 14. Is "termination at convenience of Town" clause included in contract?
- ☒ Yes ☐ No 15. Is "laws of South Carolina shall govern" clause included in contract?
- ☒ Yes ☐ No 16. Does contractor/vendor employ one or more employees performing services in the State of South Carolina? If yes, attach a copy of I-9 Contractor Affidavit completed by the contractor. 1-9 Requested
- ☐ Yes ☒ No 17. Indicate account number for source of funding. Are Sufficient Funds Available?
☒ Yes ☐ No
- ☐ Yes ☒ No 18. Is this a cost-reimbursement contract? If yes, is the contract likely to be less costly to the Town than any other type, or is it impracticable to obtain the supplies, services, or construction required except under such a contract.
☐ Yes ☐ No
(TO BE CHECKED & INITIALED BY TOWN MANAGER OR ASST. TOWN MGR.)

Submitted by:

Department Director _____



Date: 4-26-19

STATE OF SOUTH CAROLINA)
)
BEAUFORT COUNTY)

**ADDENDUM #1 TO TOWN/
 SHORE BEACH SERVICES,
 INC. AGREEMENT**

WHEREAS, an Agreement (F7-R2019) was made and entered into on May 24, 2019 between the Town of Hilton Head Island (hereinafter the "Town") and Shore Beach Services, Inc. (hereinafter "Franchisee"); and

WHEREAS, Franchisee entered into a non-exclusive Franchise Agreement with the Town for the purpose of conducting, within defined beach areas, certain commercial activities, specifically, the leasing only of specific items and providing beach services; and

WHEREAS, the Town has installed new trash corral structures at Town beach park access points in order to enclose existing trash and recycling containers; and

WHEREAS, due to additional labor costs associated with maintenance of the trash corrals by Franchisee, the Town and Franchisee desire to modify the Agreement to provide additional compensation in the amount of two thousand four hundred dollars (\$2,400) to Franchisee in Year 1 of the Agreement.

NOW THEREFORE, the Town and Franchisee hereby amend the Agreement as follows:

Section VII.A of Exhibit 1 of Exhibit B (the Services Agreement) is hereby modified replaced in its entirety as follows:

- A. Beach Patrol Fees – The Contractor shall bill the Town for the Beach Patrol Services listed below in monthly installments. Amounts billed shall be inclusive of all labor, equipment and materials necessary to provide the full scope of services described in this Services Agreement. The amounts billable for Contract Year 1 are shown below.

Shore Beach Services, Inc. Town of Hilton Head Island Detail Of Proposed Annual Fees Payable To Contractor For Service Year 1 With 1% Franchise Fee											
Calendar Month	Lettered Columns References Are To Exhibit 1, Section II.										Totals
	A Beach Patrol Director	B Beach Patrol	C Night Patrol	D Expanded Trash Pickup	E & F Trash Pickup*	G PWC's	H Animal Control	I Recycling*	J Beach Matting	K Dog Litter Stations	
2019 July	\$ -	\$ 21,137	\$ 1,965	\$ 6,364	\$ 13,417	\$ 2,351	\$ -	\$ 1,475	\$ 660	\$ 60	\$ 47,429
2019 August	-	21,137	1,965	6,364	10,901	2,351	-	1,070.00	460	100	44,348
2019 September	-	14,091	1,902	4,620	4,463	228	-	585.00	520	60	26,469
2019 October	-	-	-	-	3,083	-	-	330.00	720	120	4,253
2019 November	-	-	-	-	3,246	-	-	40.00	360	140	3,786
2019 December	-	-	-	-	4,193	-	-	40.00	335	120	4,688
2020 January	-	-	-	-	4,968	-	-	44.00	465	132	5,609
2020 February	-	-	-	-	4,487	-	-	944.00	465	154	6,050
2020 March	-	-	-	-	9,391	-	-	412.00	465	88	10,356
2020 April	-	15,312	2,069	4,984	3,653	-	-	623.00	519	88	27,248
2020 May	-	23,734	2,138	6,008	4,711	2,413	-	895.00	492	66	40,457
2020 June	-	22,968	2,069	6,645	13,460	2,335	-	1,238.00	573	88	49,376
Total For Year	\$ -	\$ 118,379	\$ 12,108	\$ 34,985	\$ 79,973	\$ 9,678	\$ -	\$ 7,696	\$ 6,034	\$ 1,216	\$ 270,069

* Cost exclude trash and recycling fees for dumpsters

Contractor shall be allowed to increase its fees for the Beach Patrol Services listed above on each anniversary of the contract commencement date, and such increase shall be limited to the lesser of: (i) three percent (3%) or (ii) the most recently published Consumer Price Index for All Urban Consumers (CPI-U), before seasonal adjustment, as of thirty (30) days prior to the anniversary date. Notwithstanding the foregoing, the Contractor may request and the Town may, at its sole discretion, grant an annual increase greater than that allowed above if the Contractor can demonstrate to the sole satisfaction of the Town, evidence of specific material costs that it has incurred, which are not under the Contractor's control (e.g., a 25% increase in insurance costs in one year).

All other terms and conditions as set forth in the original Agreement and all prior Addendums remain binding upon all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed this 1st day of August, 2014

WITNESSES

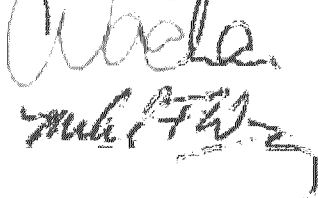


TOWN OF HILTON HEAD ISLAND

By

Stephen G. Riley, Town Manager
John A. [unclear] [unclear]

WITNESSES



SHORE BEACH SERVICES, INC.

By

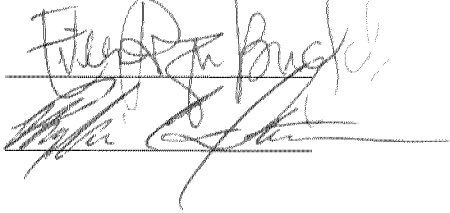
Ralph A. Wagner
President

Contractor shall be allowed to increase its fees for the Beach Patrol Services listed above on each anniversary of the contract commencement date, and such increase shall be limited to the lesser of: (i) three percent (3%) or (ii) the most recently published Consumer Price Index for All Urban Consumers (CPI-U), before seasonal adjustment, as of thirty (30) days prior to the anniversary date. Notwithstanding the foregoing, the Contractor may request and the Town may, at its sole discretion, grant an annual increase greater than that allowed above if the Contractor can demonstrate to the sole satisfaction of the Town, evidence of specific material costs that it has incurred, which are not under the Contractor's control (e.g., a 25% increase in insurance costs in one year).

All other terms and conditions as set forth in the original Agreement and all prior Addendums remain binding upon all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed this 1st day of August, 2019.

WITNESSES



TOWN OF HILTON HEAD ISLAND

By


~~Stephen G. Riley~~ *Joshua A. Gruber*
~~Town Manager~~ *ASSISTANT Town Manager*

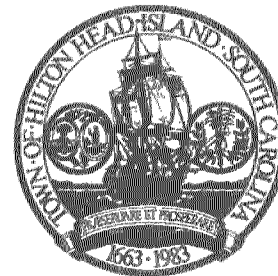
WITNESSES

SHORE BEACH SERVICES, INC.

By

Ralph A. Wagner
President

Memo



To: Stephen G. Riley, Town Manager

Via: Scott Liggett, Dir. of PP&F / Chief Engineer
John Troyer, Director of Finance

From: Rich Groth, Procurement Officer *RMG*

RE: Addendum #1 – Shore Beach Services (Contract F7-R2019)
Change to Fees for Trash Related to Council Approved Trash Corrals on Beach

Date: July 30, 2019

Background: Shore Beach Services has requested a fee increase in Year 1 of the contract in the amount of \$2,400. This increase is for additional labor related to trash pick-up associated with the new trash corrals installed by the Town at beach access points.

Recommendation: I am recommending approval and execution of this Addendum #1. If you agree with this recommendation, please sign and return to me. Thank you.

CONTRACT APPROVAL ROUTING FORM

Contractor: SHORE BEACH SERVICES

When routing Town Contracts for final approval, please adhere to the following order/individuals:

CONTRACT APPROVAL ROUTING/APPROVED BY:		
Person/Position	Initials Needed	Date
1. Requesting Department Director	<i>SPZ</i>	<i>7-30-19</i>
2. Dir. of Public Projects & Facilities (for CIP contracts)		
2. Procurement Officer	<i>RMG</i>	<i>7-30-19</i>
3. Finance Director	<i>[Signature]</i>	<i>7-31-19</i>
4. Administration Manager/Public Information Coordinator (Prior to Staff Attorney's Review)		
5. Staff Attorney	<i>[Signature]</i>	<i>7/31/19</i>
6. Town Manager**		

**** CIP Contracts less than \$750,000.00/Director of Public Projects and Facilities has authority to sign as Town Manager. All other contracts less than \$750,000.00/Assistant Town Manager has authority to sign as Town Manager.**

***Please include this form as a cover sheet on all Town Contracts and Amendment/Modifications being routed for approval.**

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

ORDINANCE NO. _____

AN ORDINANCE GRANTING A RENEWAL TO SHORE BEACH SERVICES, INC. FOR A NON-EXCLUSIVE FRANCHISE FOR THE PURPOSE OF CONDUCTING CERTAIN COMMERCIAL ACTIVITIES WITHIN SPECIFIED PUBLIC BEACH AREAS ON HILTON HEAD ISLAND; AND, PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-30 of the Code of Laws of South Carolina 1976 (Annotated), as amended, provides that the municipal government within the State of South Carolina may grant franchises for the use of public infrastructure and make charges for them; and

WHEREAS, the Town Council of the Town of Hilton Head Island did previously adopt Section 10-5-50 of the Municipal Code of the Town of Hilton Head Island on May 21, 2019, and subsequently amended in 2023, granting Shore Beach Services, Inc., a non-exclusive franchise for the purpose of conducting certain commercial activities within specified public beach areas on Hilton Head Island; and

WHEREAS, the Town Council finds that the public health, safety and welfare would be benefitted by the renewal of a non-exclusive franchise to Shore Beach Services, Inc. to conduct, within specified public beach areas, certain commercial activities, specifically, the renting of beach items listed in the Franchise Agreement which is attached hereto and incorporated herein by reference.

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 SAID AUTHORITY OF COUNCIL:

Section 1. Amendment. That Section 10-5-50 of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same hereby is amended as follows:

"Section 10-5-50. Commercial activities franchise granted to Shore Beach Services, Inc.

A non-exclusive franchise is granted to Shore Beach Services, Inc. to conduct, within specified public beach areas, certain commercial activities pursuant to the terms and conditions of the attached Franchise Agreement, which is attached hereto and made a part hereof, is hereby renewed."

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 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 _____ 2024.**

Alan R. Perry, Mayor

ATTEST:

Kimberley Gammon, Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Curtis Coltrane, Town Attorney

Introduced by Council Member: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)
)
TOWN OF HILTON HEAD ISLAND)

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is made on _____, by and between the Town of Hilton Head Island (hereinafter the “Town”), a municipal corporation organized and existing under the laws of the State of South Carolina, and Shore Beach Services, Inc. (hereinafter called (hereinafter the “Franchisee”).

WHEREAS, the Franchisee, which maintains a business office located at 116 Arrow Road, Hilton Head Island, SC 29928, desires to enter into a non-exclusive franchise agreement with the Town for the purpose of conducting, within the herein defined beach areas, certain commercial activities, specifically, the renting of items and equipment listed in Exhibit A to this Franchise Agreement.

NOW, THEREFORE, the parties hereby mutually agree as follows:

1. **TERM:** This Franchise Agreement shall be for a term of sixty-six (66) months, commencing on July 1, 2024, and expiring on December 31, 2029.
2. **HOURS OF OPERATION:** The Franchisee may conduct commercial activities (as defined herein) within the beach area from 8:00 am to 8:00 pm each day, seven (7) days per week, from May 1st to September 1st and during daylight hours for the balance of any franchise year. Setting up commercial activities may begin earlier.
3. **VEHICLES:** Permission is hereby granted from the Town to the Franchisee to bring onto the beach those vehicles which are necessary for the operation of the franchise hereby granted. No vehicles operated by the Franchisee on the beach shall be driven at a speed more than ten (10) miles per hour unless an emergency exists. There shall be no driving on the dunes and authorized vehicles must enter only at the designated beach at access points.
4. **AREAS OF OPERATION:** By this Franchise Agreement, the Franchisee is hereby authorized to operate and conduct commercial activities (as defined herein) and in **Exhibit B-1** in the following areas:
 - A. From the northern boundary of the Westin Hotel south to the southern boundary of the designated swimming area at Driessen Beach Park. The portion of the beach extending 300 feet from either side of the center of the boardwalk at Surf Watch. The portion of the beach from the Burkes Beach access north 400 feet. The portion of the beach from the northern boundary of Palmetto Dunes to Beach Emergency Marker 96 (**Exhibit B-2**).

- B. From the northern boundary of the Palmetto Dunes “Dunes House” south to the southern boundary of the Omni Resort in Palmetto Dunes **(Exhibit B-3)**.
- C. From the northern boundary of Hampton Place at Palmetto Dunes south to the Southern Boundary of Shipyard Beach **(Exhibit B-3)**.
- D. From the northern boundary of the Sea Crest south to southern boundary of Alder Lane designated swim area. **(Exhibit B-4)**
- E. From Emergency Marker 39 south to the Southern Boundary of Turtle Lane Club and from Beach Emergency Marker 13 at Tower Beach Club westerly to Beach Emergency Marker 11 and easterly 300 feet. **(Exhibit B-5)**.

The beach area in front of the Sea Pines Beach Club is private and the Franchisee shall not set up concession services in this area without the consent of the Sea Pines Resort. The plat in **Exhibit B-6** describes the property lines for the Sea Pines Beach Club.

Upon request by individuals, the Franchisee may deliver and set up rental equipment on the beach in places outside of the approved areas of operation.

- 5. **APPROVAL PROCESS:** On or before December 1st of each year, the Franchisee shall submit to the Town Council for approval a listing of rental locations intended to be operated within the areas of operation during the next beach season. This listing shall include the product quantities for each rental location. For purposes of the first year of this Agreement, the rental locations and product quantities shall be those that were approved by the Town in Calendar Year 2024. The purpose of this approval process is to regulate the location and quantities of rental equipment in use on the beach. Product quantities for each rental location shall not depart significantly from amounts approved during the previous year. Upon the request of the Franchisee, the Town Council may approve product quantity increases in areas of operation when circumstances such as new or expanded beach parks, other developments or changes in demand warrant such increases.
- 6. **CONDUCT OF OPERATION:** The Franchisee and its employees shall at all times evidence a due concern for the preservation and enhancement of the health, safety and general welfare of persons visiting the beach, and for preservation and enhancement of beach ecology, particularly by strict adherence to Article 4 of Title 8 of the Municipal Code regarding dune protection. In that regard, such employees shall assist beach patrons to be aware of and adhere to Town Beach Ordinances. Additionally, the Franchisee shall comply with all provisions of Town Code regarding activities on the beach unless otherwise addressed herein. Franchisee and its employees are prohibited from consuming alcoholic beverages while on duty during the designated hours of operation. All Franchisee

employees providing services on beach property under this Franchise Agreement shall, at no cost to the Town, be trained in first aid and cardiopulmonary resuscitation (CPR) techniques.

7. **BEACH CLEANLINESS.** Pursuant to this Franchise Agreement and Code Section 8-1-317, Code of the Town of Hilton Head Island, (1983),. each morning, prior to the commencement of operations, employees of the Franchisee shall remove from the rental locations within the areas of operation any trash, cans, glass, litter or other such debris found in such areas.

8. **FRANCHISE CONSIDERATION:**

- A. Franchise Fee: During the term of the Franchise Agreement, including any renewal term, a franchise fee shall be paid by the Franchisee annually to the Town, in an amount of three percent (3%) of the Franchisee's annual gross receipts. Said payments shall be made no later than January 31st of each year. However, once the payment of the fee by the Franchisee shall equal the cost of the billable services reference below in Exhibit B, and charged by the Franchisee to the Town, the Franchisee shall not be required to remit any additional franchise fees beyond this amount.

All amounts paid shall be subject to audit and re-computation by the Town and acceptance of payment shall not be construed, as an accord that the amount paid is in fact the correct amount. If any audit reveals an error by the Franchisee of one percent (1%) or more during any audit period, the Franchisee shall be responsible for Town's reasonable out of pocket costs associated with audit, in addition to any additional Franchise Fee that may be due to the Town. If this Franchise Agreement expires or is terminated other than at the end of a calendar year, the Franchisee shall pay to the Town the applicable franchise fee within thirty (30) days of the end date of the Franchise Agreement. All amounts paid shall be subject to audit and recalculation by the Town and acceptance of any payment shall not be construed as acceptance that the amount paid is in fact the correct amount. The Franchisee shall not offset Franchise Fees for any amount that the Town may owe to the Franchisee under this Franchise Agreement, without the prior written approval of the Town.

The Franchisee shall provide the Town with an annual report identifying the volume and location of the beach equipment that it rents according to the areas identified in Exhibit A as well as the volume and location of equipment rentals that are provided on an on-demand basis.

The Town Manager and/or Finance Director are authorized to inspect and review the Franchisee's annual audited financial statements. If the Franchisee does not produce an annual audited financial statement, then the Town Manager and/or Finance Director

shall be authorized to inspect and review the balance sheets of the Franchisee inclusive of any profit and loss statements. Prior to viewing this information, the Town Manager and/or Finance Director may be required to execute documentation affirming that this information shall be treated as confidential in nature and will not be disclosed outside of any official business activities of the Town and will be treated as exempt from disclosure pursuant to Section 30-4-40(a)(1) of the South Carolina Freedom of Information Act.

- B. Service Agreement: In addition to the Franchise Fee described in paragraph 8.A above, the Franchisee agrees to execute a sperate Services Agreement which will be attached hereto and incorporated herein by reference. The Services Agreement shall be executed contemporaneously herewith, and any breach of failure to perform by the Franchisee of its obligations under the Services Agreement shall be deemed a material breach of this Franchise Agreement.

9. **INSURANCE**: The Franchisee is required to carry and maintain Worker's Compensation insurance in statutory amounts, comprehensive general liability insurance endorsed to include product and completed operations and contractual liability in a minimum amount of \$1,000,000 combined single limit and automobile liability insurance with minimum limits of \$500,000/\$1,000,000, or \$1,000,000 combined single limit. Each policy shall provide that it may not be canceled or changed without at least ten (10) days' prior notice to the Town. The Town shall be included as an additional insured on the comprehensive general liability policy. The Franchisee shall provide the Town with a certificate of insurance as evidence of compliance with the foregoing and, upon request, a copy of all policies and any endorsements thereto. Failure to maintain these policies is grounds for termination.

10. INDEMNIFICATION:

- A. The Franchisee shall defend, indemnify, and hold harmless the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses and/or damages, including attorneys' fees, whether incurred prior to the institution of litigation, during litigation, or on appeal arising out of or resulting from the conduct of any commercial activity hereby authorized or the performance of any requirement imposed pursuant by this Franchise Agreement, including the performance of the Franchisee's obligations under the Services Agreement, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.
- B. The Franchisee shall further indemnify the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses and/or damage, including attorneys' fees, whether incurred prior to the institution of litigation, during litigation, or on appeal, for or arising out of any bodily injuries to or the death

of any of the Franchisee's employees working at the specified location of operation during the specified hours of operation which may occur, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.

11. **NO AGENCY CREATED:** The parties hereto intend that no master/servant, employer/employee, or principal/agent relationship will be created by this Franchise Agreement. Nothing contained herein creates any relationship between the Franchisee and the Town, other than that which is expressly stated herein. The Town is interested only in the results to be achieved through this grant of franchise and the conduct and control of the agents and employees of the Franchisee and the methods utilized by the Franchisee in fulfilling its obligations hereunder shall lie solely and exclusively with the Franchisee. The Franchisee and its agents, officers, directors, and employees shall not be considered agents or employees of the Town for any purpose. No person employed by the Franchisee shall have any benefit, status, or right of employment with the Town.

12. **ASSIGNMENT:** The Franchisee may assign or transfer its franchise to another entity or person subject to a sixty (60) day notification to the Town Manager and upon approval in writing of the Town Council.

13. **TERMINATION:** This Franchise Agreement may be terminated without cause, either in whole or in part, by either party upon one (1) year's prior written notice to the other party. The violation of any provision of this Franchise Agreement by the Franchisee and/or his agents or employees may result in termination of this Franchise Agreement, after due notice by the Town and the opportunity for the Franchisee to remedy the violation.

14. **EFFECTIVE DATE:** This Franchise Agreement shall become effective upon adoption of the Ordinance creating this Franchise.

IN WITNESS WHEREOF, the parties hereto have executed this Franchise Agreement as of the date and year first above written.

SHORE BEACH SERVICES, INC.

By: _____

Michael Wagner

Its: President

TOWN OF HILTON HEAD ISLAND

By: _____

Marc Orlando, ICMA-CM

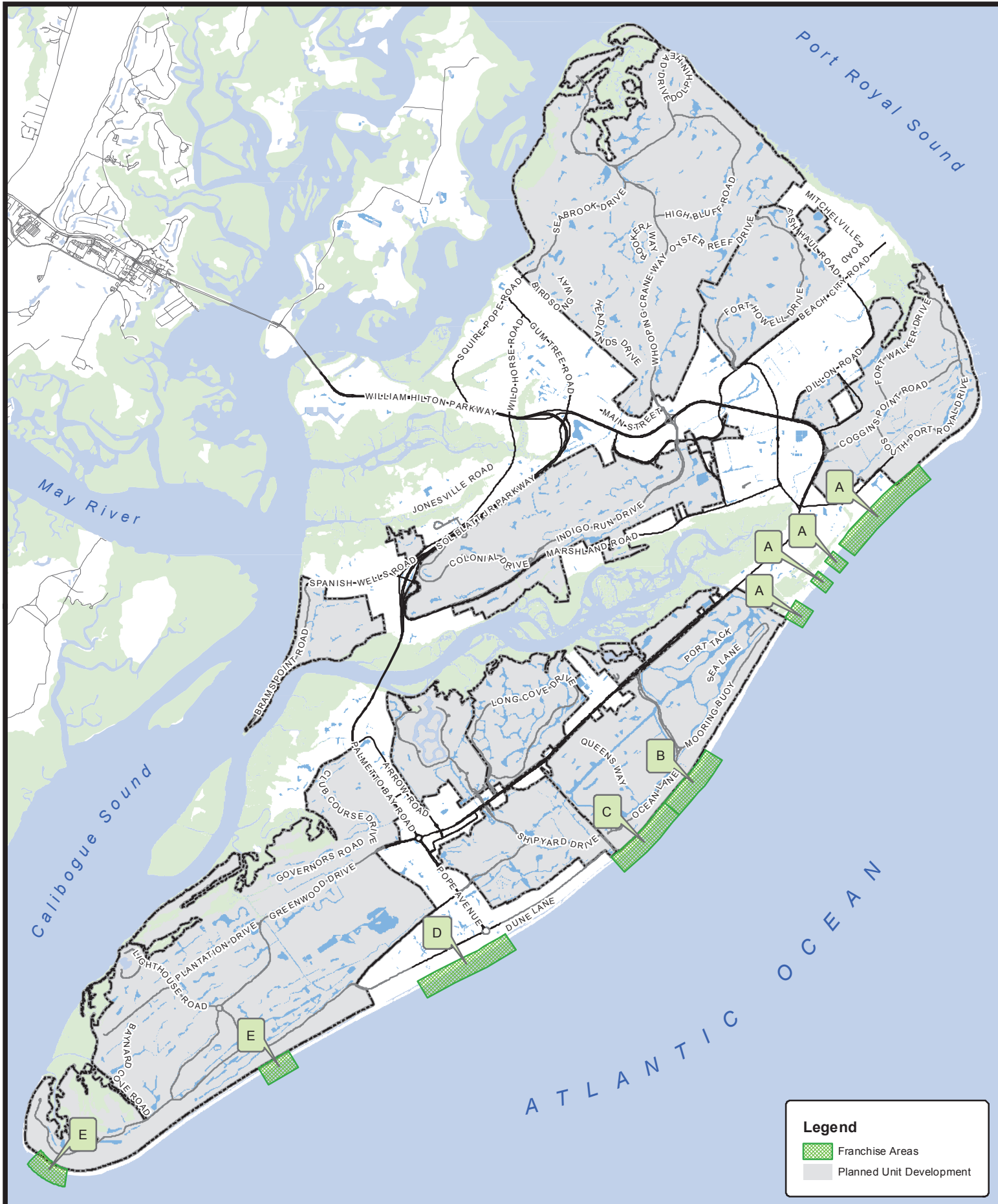
Its: Town Manager

EXHIBIT A
BEACH SERVICES SCOPE/SPECIFICATIONS

The following is a list of minimum products to be rented for use on the beach by the Franchisee. The quantities provided below are representative of the current level of service provided to the Town and the Franchisee is expected to maintain these levels during the term of this Franchise Agreement unless otherwise approved by the Town.

Products	Area A	Area B	Area C	Area D	Area E	Total
Umbrellas/Cabanas	374	404	238	458	208	1,682
Chairs/Lounges	810	874	486	930	462	3,562
Totals	1,184	1,278	724	1,388	670	5,244

The Franchisee shall take all appropriate and necessary steps to ensure that customers use all equipment in a safe manner.



TOWN OF HILTON HEAD ISLAND

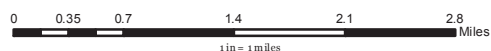
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928

Phone (843) 341-4000

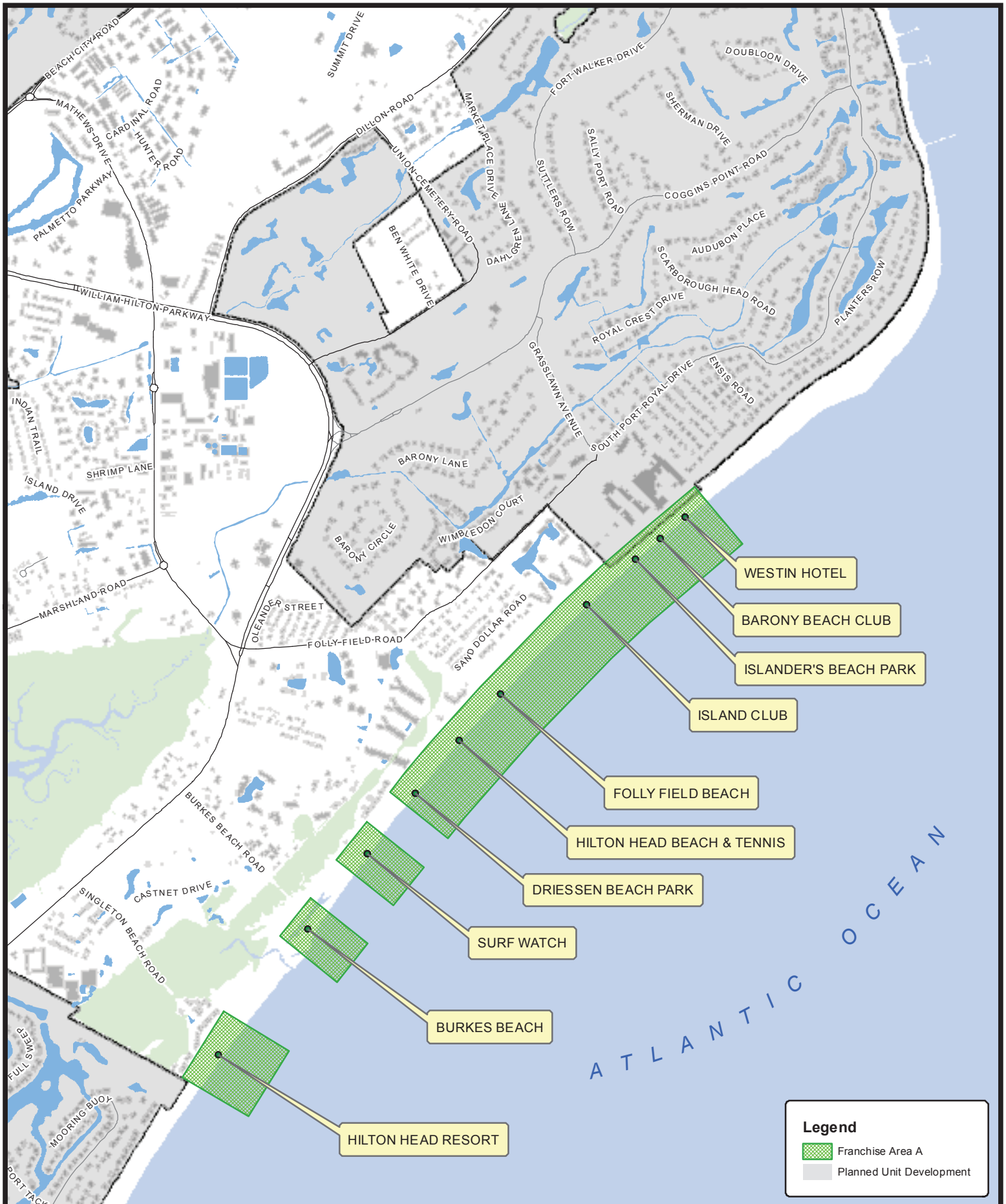
Exhibit B-1

Areas of Operation

2018



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 assumes no liability for its accuracy or state of completion or for any damages arising from the use of the information.



TOWN OF HILTON HEAD ISLAND

ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928

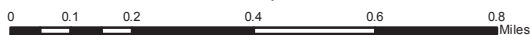
PHONE (843) 341-4000

Date Created: 08/02/08
Project - I:\GIS\Projects\Facilities\Maps\Attachment_A_AreaOfOperation.mxd

Exhibit B-2

Rental Locations - Area A

2024



1 inch = 1,667 feet



Legend

Franchise Area A

Planned Unit Development

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 for purposes other than those of information.



Legend

-  Franchise Areas B & C
-  Planned Unit Development

Exhibit B-3

Rental Locations - Area B & C





Legend

-  Franchise Area D
-  Planned Unit Development

Exhibit B-4

Rental Locations - Area D

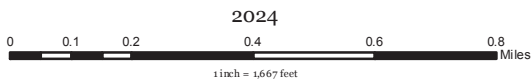
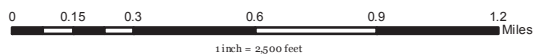




Exhibit B-5

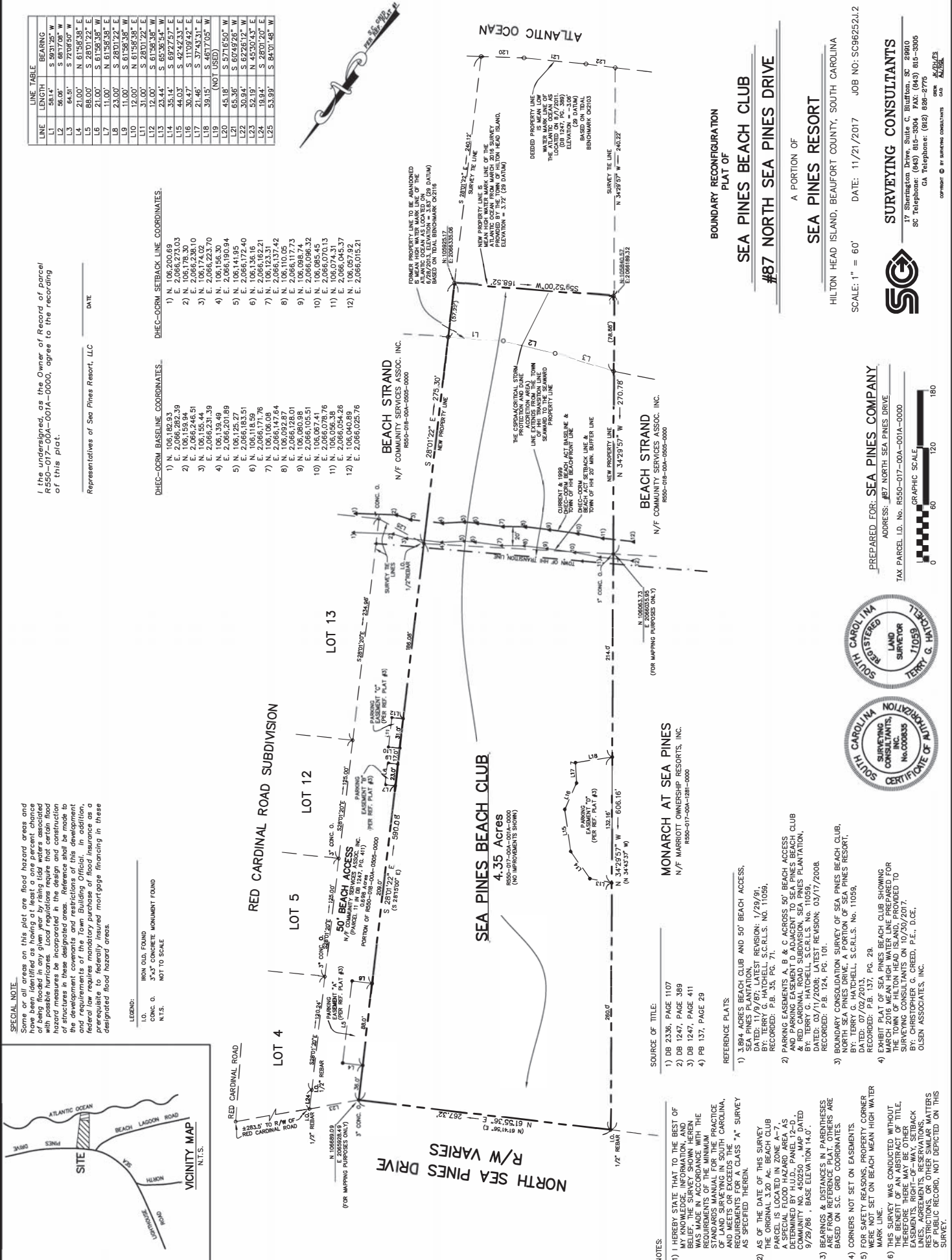
Rental Locations - Area E

2018



Legend

- Franchise Area E
- Planned Unit Development



SERVICES AGREEMENT

25% increase in insurance costs.

3. **Term.** The term of this Services Agreement shall be for a period of sixty-six (66) months, commencing on July 1, 2024, and expiring on December 31, 2029. Provided however, that the Contractor shall provide the Town with an annual budget proposal for its beach patrol services no later than March 1st of each year so that such information can be considered as part of the Town's annual budget adoption process. If the contractor shall fail to submit an annual fiscal year budget as provided for herein, then the compensation to be paid will be identified as the amount that was paid to the contractor during the prior fiscal year.
4. **Insurance.** The Contractor is required to carry and maintain Worker's Compensation insurance in statutory amounts, comprehensive general liability insurance endorsed to include product and completed operations and contractual liability in a minimum amount of \$1,000,000 combined single limit and automobile liability insurance with minimum limits of \$500,000/\$1,000,000, or \$1,000,000 combined single limit. The Town shall be included as an additional insured on the comprehensive general liability policy. The Contractor shall provide the Town with a certificate of insurance as evidence of compliance with the foregoing and, upon request, a copy of all policies and any endorsements thereto. Failure to maintain these policies is grounds for termination.
5. **Termination.**

5.1 The Town may terminate this Services Agreement in whole or in part at any time upon the delivery of one (1) year's advance notice for the convenience of the Town by delivery of a written notice to the Contractor of the Town's election to terminate this Services Agreement for the convenience of the Town. If this Services Agreement is terminated for the convenience of the Town, the Town will pay the Contractor only for those services rendered by the Contractor up to the date of termination, based on the existing rates of this Services Agreement, and prorated to the date of termination.

5.2 The Town may also terminate this Services Agreement if funds are not appropriated, or otherwise made available to support continuation of this Services Agreement in subsequent fiscal years. In such event, the Town shall deliver a written notice to the Contractor that this Services Agreement is terminated effective the last day of the then current fiscal year due to the lack of appropriated funds, and the Town will pay the Contractor only

through the end of the then current fiscal year at the existing rates in this Services Agreement.

6. **Validity/Enforceability.** Should any part of this Services Agreement be rendered void, invalid, or unenforceable by any court of law, such a determination shall not render void, invalid, or unenforceable any other part of this Services Agreement.
7. **Governing Law.** This Services Agreement has been made and entered into in the State of South Carolina, and the laws of South Carolina shall govern the validity and interpretation of this Services Agreement in the performance due hereunder.
8. **Modification.** This Services Agreement may not be modified unless such modification is in writing and signed by both parties.
9. **Assignment.** The Contractor may not assign this Services Agreement without the prior written approval of the Town.
10. **Indemnification.** The Contractor shall defend, indemnify, and hold harmless the Town, its officers, directors, agents, and employees from and against any and all actions, costs, claims, losses, expenses, and/or damages, including attorney's fees, whether incurred prior to the institution of litigation, during litigation, or on appeal arising out of or resulting from the conduct of any activity hereby authorized or the performance of any requirement imposed pursuant by this Services Agreement, however caused or occasioned, unless caused by the willful misconduct or gross negligence of the Town.
11. **Relationship of Parties.** The parties hereto intend that no master/servant, employer/employee, or principal/agent relationship will be created by this Services Agreement. Nothing contained herein creates any relationship between the Town and the Contractor other than that which is expressly stated herein. The Town is interested only in the results to be achieved under this Services Agreement, and the conduct and control of the agents and employees of the Contractor and the methods utilized by the Contractor in fulfilling its obligations hereunder shall lie solely and exclusively with the Contractor and its agents and employees shall not be considered agents or employees of the Town for any purpose. No person employed by the Contractor shall have any benefits, status, or right of employment with the Town.

12. **South Carolina Illegal Immigration Reform Act.** The Contractor, by signing this Services Agreement, hereby certifies that Contractor shall comply with all applicable requirements of the South Carolina Illegal Immigration Reform Act, S.C. Code Ann. §41-8-10 (2007) et seq., (the "Act"), and that Contractor covenants and agrees as follows:

12.1. Contractor shall not knowingly or intentionally employ any unauthorized alien and, unless excluded from coverage of the "Act", shall verify the work authorization of newly hired employees performing work under the Services Agreement by registering and participating in the Federal Work Authorization Program (E- verify) and verifying the work authorization of every new hired employee within three (3) business days after employing employee.

12.2. Contractor agrees to provide to the Town all documentation requested by it to establish either:

- (a) the applicability of the South Carolina Illegal Immigration Reform Act to Contractor; or
- (b) compliance with the South Carolina Illegal Immigration Reform Act by Contractor.

12.3. Contractor agrees to include in any contracts with its sub-contractors language requiring its sub-contractors to:

- (a) comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws; and
- (b) include in their contracts with the sub-subcontractors language requiring the sub-subcontractors to comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws.

12.4. Contractor acknowledges and agrees that it shall comply with requirements of the Immigration Reform and Control Act of 1986 including the non-discrimination provisions thereof and shall complete all required I-9 documentation for all workers employed by it.

12.5. Contractor certifies it shall comply with all state, federal, and local laws, rules, regulations, and orders applicable to it in performance of work under the contract.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures hereto the date first written hereinabove.

SHORE BEACH SERVICES, INC.

By: _____

Michael Wagner

Its: President

TOWN OF HILTON HEAD ISLAND

By: _____

Marc Orlando, ICMA-CM

Its: Town Manager

EXHIBIT A
SAFETY, BEACH, AND PERSONNEL SERVICES

I. GENERAL

Contractor shall provide services generally known as the Beach Patrol. The organization and operation of the Beach Patrol shall be the responsibility of the Contractor.

The primary purpose of the Beach Patrol is to protect the safety of beachgoers in their use of the beaches and ocean waters of the Town and to render assistance to those in need of assistance.

The Beach Patrol shall cover the area from the eastern shore of Fish Haul Creek to the southern shore of Braddock Cove. This area shall be split into four (4) patrol areas (hereinafter the “Patrol Areas”) as follows:

- 1) Area 1 – From the eastern shore of Fish Haul Creek to Folly Creek
- 2) Area 2 – From Folly Creek to the southern boundary of Hampton Place
- 3) Area 3 – From the southern boundary of Hampton Place to the southern boundary of Ocean Club Villas
- 4) Area 4 – From the southern boundary of Ocean Club Villas to the southern boundary of Braddock Cove

A map of Hilton Head Island showing these areas is included as Exhibit C.

Contractor shall obtain and maintain during the term of the Services Agreement the national certification extended to open water lifeguard agencies by the United States Lifesaving Association covering such agencies’ training programs and standards. The Contractor shall ensure that all Beach Patrol personnel utilized to carry out the services herein, except for those under Items E of Section II below, shall be trained in accordance with such standards and adhered thereto. Those employees will be trained in first aid and CPR.

Beach Patrol personnel must have hearing and vision which would not impede the full performance of duties and be in sound physical condition and may not have any history of illness which would interfere with the performance of their duties. The fact that a person is on medication will not alter this restriction. Each person shall be at least sixteen (16) years of age, be of good moral character, and shall abide by high standards of cleanliness, physical appearance, health, and ability. The Contractor employees providing services under this Services Agreement shall be subject to a pre-employment criminal background check and drug screening test. In addition, all the Contractor’s employees providing services under this Services Agreement shall be subject to random drug screening tests annually. The Contractor and its employees are prohibited from consuming alcoholic beverages while on duty. They shall be neatly attired in uniforms supplied by the Contractor and shall wear the supplied uniforms when on duty.

All Beach Patrol vehicles utilized to carry out the services herein shall be appropriately marked as Beach Patrol and be equipped with 4-wheel drive and two way radios (1 inter-agency and 1 intra-agency), a first aid kit, a torpedo-type rescue buoy, AED, oxygen kit, bag valve masks, rescue rope, red lights, speaker, siren box, binoculars, range finder, and swim fins, except that the vehicles utilized under Items E & F in Section II below will not have inter-agency radios, AED, oxygen kit, or bag valve masks. Each vehicle shall have a utility trailer available and shall be in good condition,

EXHIBIT A
SAFETY, BEACH, AND PERSONNEL SERVICES

reasonably free of visible rust, dents, or alterations to the vehicle body, and should be able to traverse difficult terrain. Such vehicles shall be new or like new and in good mechanical condition, shall have a current South Carolina state license plate, and shall have an overall appearance that does not detract in any way from the standards and image the Town wishes to project to the public. Such vehicles shall be operated in an extremely careful and prudent manner by a licensed driver. Such licensed driver shall not have been convicted of Driving Under the Influence within twelve (12) months of operating such vehicle. No person(s) other than authorized employees or officers of the Contractor, Town Officials, qualified lifeguards, or junior lifeguards shall be permitted to operate or ride in the Beach Patrol vehicle, with the exception of an individual or individuals who were rescued, lost or needed aid. In the event of such rendering of assistance, the passenger or passengers shall immediately be delivered to the appropriate destination.

Contractor will maintain an FCC licensed radio system for intra-agency communications. For inter-agency communications the Contractor shall follow the radio procedures of the Town's Fire Rescue Department and shall attend mutually agreed upon training on these procedures as necessary.

All Beach Patrol personnel utilized to carry out the services herein shall participate in the Beach Patrol program by:

- a) Advising beachgoers regarding Town Beach Ordinances and supervising adherence to the requirements of such Ordinance;
- b) Notifying and coordinating with law enforcement authorities regarding any continuing unlawful activities on the beach;
- c) Notifying and cooperating with members of the local EMS service when emergency medical services are required on the beach and assisting EMS with removing persons from the beach when requested;
- d) Administering (to the level of certification of the individual involved) first aid free of charge to persons who sustain minor injuries on the beach;
- e) Monitoring the operation of motorized watercraft for compliance with Section 8-1-211(2) of the Town's Beach Ordinance; advising, where practicable, any operator of motorized watercraft of violations of the Beach Ordinance; and notifying and coordinating with law enforcement authorities regarding any continuing violations of the Beach Ordinance.

II. BILLABLE BEACH PATROL SERVICES

Contractor will provide the following Beach Patrol Services, which may vary due to weather conditions, billable to the Town as set forth in this document and its subsequent attachments.

- A. One person shall be designated as the Beach Patrol Director and shall have primary responsibility for administering the Beach Patrol program, for supervising all the Contractor's employees who have Beach Patrol duties, and for acting as liaison with the Town. Pursuant to negotiations between the Town and the Contractor, the services of the Beach Patrol Director will not be a billed service to the Town.
- B. During April and September (after the Monday of Labor Day Weekend), not less than the full time equivalent of two (2) persons shall be designated as Beach Patrol Supervisors assigned to cover the four (4) Patrol Areas.

EXHIBIT A
SAFETY, BEACH, AND PERSONNEL SERVICES

- C. From May 1st through the Monday of Labor Day Weekend, not less than the full time equivalent of three (3) persons shall be designated as Beach Patrol Supervisors assigned to cover the four (4) Patrol Areas.
- D. Between the hours of 5:00 p.m. and 9:00 p.m., seven (7) days a week from April 1st through September 30th one (1) supervisor will be available with a fully equipped Beach Patrol vehicle as needed on an “on call” basis through the 911 central dispatch.
- E. From May 1st through the Monday of Labor Day Weekend, two (2) manned Personal Watercraft (hereinafter “PWC”), each one stationed in the Patrol Areas, shall be provided for the purpose of immediately assisting in off-shore boat rescue and assisting in beach ordinance enforcement in all areas defined in Town Code Section 8-1-112(1), particularly in effecting direct contact with private boat operators to keep such boats a safe distance off shore. Contractor shall also provide a third PWC to be provided as backup.

The PWC’s shall be kept operational, and shall be

- Tested and inspected regularly.
- Equipped with Coast Guard approved or required safety equipment.
- Operated by Beach Patrol Personnel trained in the operation of the PWC’s.

The Town acknowledges and accepts that there may be intervals where less than 3 PWC’s may be operational due to maintenance and repair issues. The Contractor shall keep the Town informed if any PWC will be out of operation for more than a week.

- F. The Contractor is responsible for management of all situations on the beach involving live, injured or dead animals which are not being handled directly by another agency, e.g., Turtle Patrol. This may involve removal, storage, or burial of the animals. In that regard, the Contractor shall coordinate as necessary with other agencies such as SCDNR, Turtle Patrol, Beaufort County Sheriff, and Hilton Head Humane Association. The Contractor will provide an authorized participant in the SC Marine Mammal Stranding Network and the SC Marine Turtle Project.

At any given time, the Town shall have full discretion and authority to request the Contractor to dispatch Beach Patrol Supervisors to specific areas on the beach to handle a particular situation. Once that situation has abated, the supervisor may return to assigned duties.

The duties of the Beach Patrol Supervisor shall include the following:

- Assisting beachgoers as needed.
- Informing beachgoers and watercraft operators of Town Beach Ordinances.

III. NON-BILLABLE BEACH PATROL SERVICES

Contractor will provide the following Beach Patrol Services, which may vary due to weather conditions, at no cost to the Town:

EXHIBIT A
SAFETY, BEACH, AND PERSONNEL SERVICES

A. **Lifeguard Personnel Duties & Assignment** - The Contractor is responsible for deploying lifeguard personnel throughout the areas of operations. Lifeguard personnel shall consist of highchair lifeguards and rental attendants.

1. **Highchair Lifeguards.** The primary duty of highchair lifeguards is water surveillance, therefore, they shall not conduct commercial activities. It is mandatory that the highchair lifeguard's attention be focused on this duty; therefore, highchair lifeguards shall not:
 - (a) Sit or lean on anything other than their highchair;
 - (b) Conduct lengthy conversations with persons in a manner or in such a fashion as to impair the performance of safety duties;
 - (c) Permit persons at their highchair other than agents of the Town, Beach Patrol personnel employed by the Contractor and persons seeking first aid or other assistance;
 - (d) Read while on duty;
 - (e) Turn their back on the ocean or permit others to obstruct their view of the ocean;
 - (f) Allow their highchair to be littered at any time while on duty.
2. **Rental Attendants.** The primary duty of rental attendants is conducting commercial activities, however, when not so doing they shall be aware of the needs of beachgoers and available to assist other beach patrol personnel with their duties. Furthermore, in the event of an emergency in their area rental attendants shall cease conducting commercial activities and respond to said emergency. It is mandatory that the rental attendant's attention be focused on these duties; therefore, rental attendants shall not:
 - (a) Sit or lean on anything other than their stands;
 - (b) Conduct lengthy conversations with persons in a manner or in such a fashion as to impair the performance of safety duties;
 - (c) Permit persons at the stand other than agents of the Town, Beach Patrol personnel employed by the Contractor, persons seeking first aid or other assistance, and persons transacting equipment rental business;
 - (d) Read while on duty;
 - (e) Allow the area around their stand to be littered at any time while on duty.

Lifeguard personnel or their replacements shall remain at their stands in patrol areas while on duty. It is the Contractor's responsibility to monitor the health of its lifeguard personnel and not to assign any lifeguard personnel who is ill or physically unable to execute his/her responsibilities.

The need for lifeguard personnel will fluctuate in accordance with the seasonal change in level of activity on the beaches. Therefore, the number of lifeguard personnel at any location will be determined by the Contractor based on the level of activity and other factors deemed relevant by the Contractor on any given day. However, lifeguard personnel shall be assigned at a minimum as follows:

- From Memorial Day Weekend through Labor Day each year lifeguard personnel shall

EXHIBIT A
SAFETY, BEACH, AND PERSONNEL SERVICES

be stationed at each of the Town's beach parks

- Islanders Beach Park
 - Folly Field Beach Park
 - Driessen Beach Park
 - Coligny Beach Park
 - Alder Lane Beach Park
- From April 1st through the second weekend in May, no less than five (5) lifeguard personnel shall be stationed on the beach.
 - From the second weekend in May through the Friday before Memorial Day, no less than twelve (12) lifeguard personnel shall be stationed on the beach.
 - From Memorial Day weekend through the first weekend in August, no less than thirty-four (34) lifeguard personnel shall be stationed on the beach.
 - From the second weekend in August through Labor Day, no less than nine (9) lifeguard personnel shall be stationed on the beach.
 - From the day after Labor Day through September 30th, no less than five (5) lifeguard personnel shall be stationed on the beach.

All lifeguard personnel shall be equipped with a first aid kits, torpedo-type rescue buoys, two way intra agency radios, backboards, caution flags, and appropriately marked umbrellas and chairs.

- B. **Beach Patrol Vehicles** - From Memorial Day weekend through August 31st, The Contractor will supply a minimum of four (4) Beach Patrol vehicles in addition to the four (4) Beach Patrol vehicles utilized under Billable Beach Patrol Services and Personnel above. The Town acknowledges and accepts that there may be intervals where less than the four (4) additional Beach Patrol vehicles may be operational due to maintenance and repair issues. The Contractor shall keep the Town informed if any such Beach Patrol
- C. **Boats On The Beach** - The Contractor, in conjunction with Town staff, will provide a program for control and inspection of permitted boats on the beach, and for removal of any abandoned boats. Costs for removal of any abandoned boats, either in part or in full, may be reimbursable to the Contractor, but only if the Town has given written approval prior to the Contractor incurring such costs.

IV. POLICIES

- A. The Contractor shall use the applicable portions of the United States Lifesaving Association Manual for Open Water Agencies as its policy guide.
- B. Upon request of the Town, Contractor agrees to provide information and/or documentation on its policies or procedures directly related to its operations in providing services under this

EXHIBIT A
SAFETY, BEACH, AND PERSONNEL SERVICES

Agreement the distribution of which will be limited internally to those with direct responsibility for managing Beach Patrol Services. To the extent allowed under applicable Freedom of Information laws, the Town agrees that any such information and/or documentation provided by Contractor, which is identified by Contractor as confidential and proprietary, shall not be subject to public disclosure.

V. REPORTING REQUIREMENTS

Contractor shall provide monthly reports to the Town as follows:

- A. **Beach Patrol Activities** – Include number of incidents by location along with any need for caution flags, clearing of water, use of PWC's, and interactions with other agencies in the following areas:
 - Safety Incidents
 - Medical Incidents
 - Beach Ordinance Advisements
 - Missing Persons
 - Wildlife Actions
 - Fishing Complaints
- B. **Staffing For Billable Services** – Include schedules by location of Beach Patrol personnel assigned to provide the services under Section II. above.
- C. **Franchise Fees** – Include year to date franchise fees due based on gross rental receipts from commercial activities.

VI. MEETING REQUIREMENTS

Contractor shall participate in meetings as follows:

- An annual “kick-off” meeting to take place not later than before Memorial Day weekend the Town’s Director or Assistant Director of Facilities Management shall be responsible for coordinating this meeting. One purpose of this meeting is the review of the Contractor’s policies and procedures directly related to its operations in providing services under this Agreement.
- The Town reserves the right to require periodic meetings with the Contractor regarding Beach Patrol Services.

EXHIBIT B

CONTRACTOR COMPENSTATION FOR SAFETY, BEACH, AND PERSONNEL SERVICES

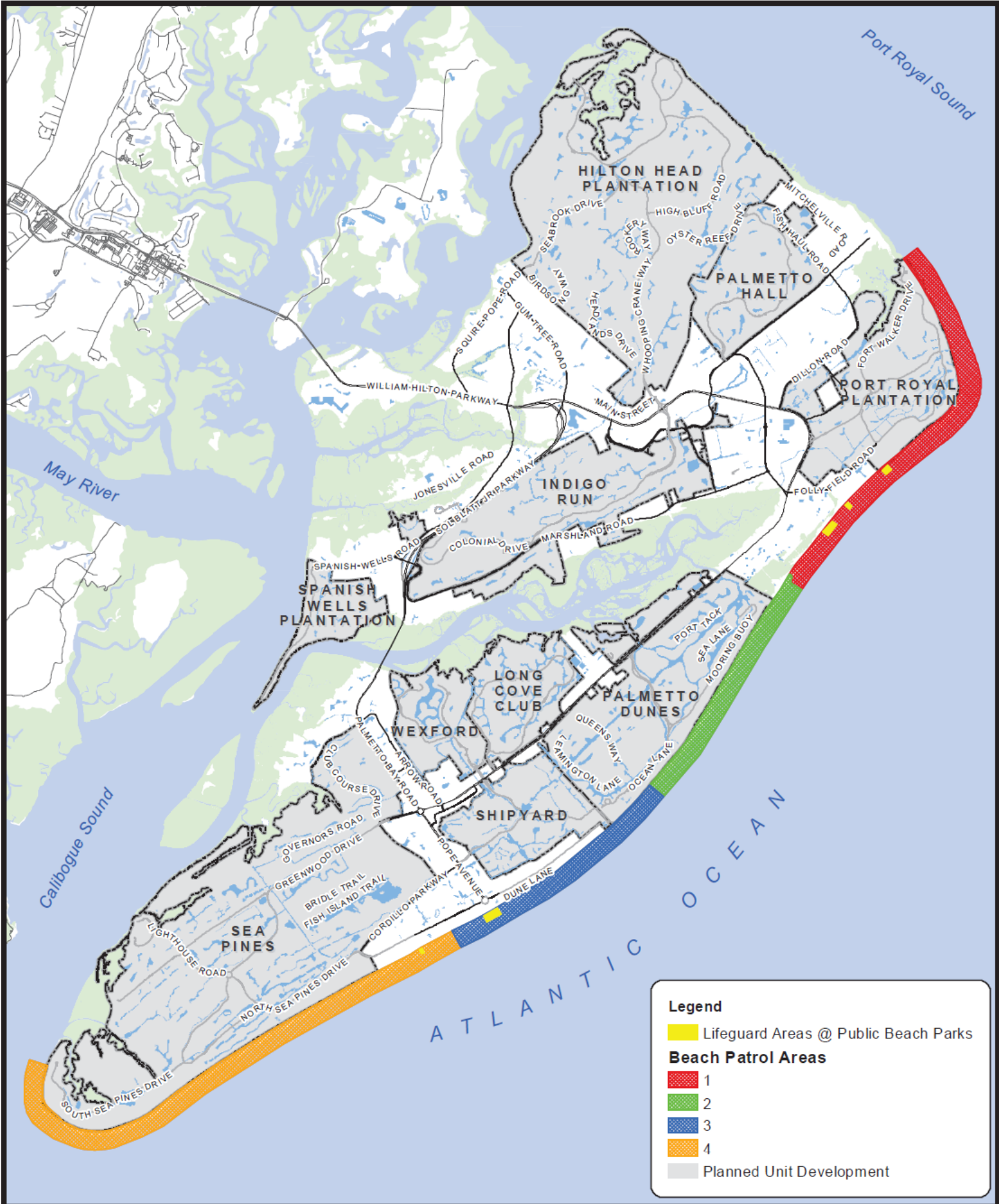
A. Annual Fees Payable to Contractor for Services in Year 1: \$213,745

1. Annual Fees shall be billed in monthly installments in accordance with the monthly amounts provided in the Year 1 detailed breakdown provided by Contractor. Amounts invoiced shall be inclusive of all labor, equipment and materials necessary to provide the full scope of services described in Exhibit C.
2. Contractor shall be allowed to increase its Annual Fees on each anniversary of the contract commencement date, and such increase shall be limited to the lesser of: (i) three percent (3%) or (ii) the most recently published Consumer Price Index for All Urban Consumers (CPI-U), before seasonal adjustment, as of thirty (30) days prior to the anniversary date. Notwithstanding the foregoing, Contractor may request and Town may, at its sole discretion, grant an annual increase greater than that allowed above if the Contractor can demonstrate to the sole satisfaction of the Town, evidence of specific material costs that it has incurred, which are not under Contractor's control. An example would be a 25% increase in insurance costs.
3. Contractor must provide a detailed breakdown of the Year 1 Annual Fees by calendar month in the following format:
 - a. **Personnel/Staffing:** Contractor shall provide position titles, number of staff in each position title, billable hourly rate for each title, and the estimated number of billable hours for each title.
 - b. **Equipment:** Contractor shall provide description of each equipment type, number of each type to be employed, estimated billable hours of use for each type and the hourly fee for each type. Photos or brochures of the equipment will be helpful in evaluation.
 - c. **Materials:** Contractor shall provide description and cost of any materials included in the Annual Fees.
 - d. **Other:** Contractor shall provide description of any other costs included in the proposed Annual Fees not falling into any of the above designations.

B. Fees for Expanded Scope of Work

If during the term of the Agreement between Town and Contractor: (i) Town requests Contractor to provide services that exceed the original scope of work as detailed in Exhibit C, or (ii) unforeseen circumstances (i.e. severe weather event) create the need for Contractor to temporarily exceed the original scope of work as detailed in Exhibit C; fees for such services shall be negotiated.

Shore Beach Services, Inc. Town of Hilton Head Island RFP 2024-03 Detail Of Proposed Annual Fees Payable To Contractor For Service Year 1 Attachment 1						
Calendar Month	Lettered Columns References Are To Exhibit 1. Section II.					
	A	B	C	D	E	
	Beach Patrol Director	Beach Patrol	Night Patrol	PWC's	Animal Control	Totals
2024 July	\$ -	\$ 31,977	\$ 3,174	\$ 4,830	\$ -	\$ 39,981
2024 August	-	31,977	3,174	4,830	-	39,981
2024 September	-	22,006	3,072	312	-	25,390
2024 October	-	-	-	-	-	-
2024 November	-	-	-	-	-	-
2024 December	-	-	-	-	-	-
2025 January	-	-	-	-	-	-
2025 February	-	-	-	-	-	-
2025 March	-	-	-	-	-	-
2025 April	-	21,950	3,238	-	-	25,188
2025 May	-	34,023	3,345	4,916	-	42,284
2025 June	-	32,926	3,238	4,757	-	40,921
Total For Year	\$ -	\$ 174,859	\$ 19,241	\$ 19,645	\$ -	\$ 213,745





TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO: Town Council Members
FROM: Joshua Gruber, *Deputy Town Manager*
CC: Marc Orlando, *Town Manager, ICMA-CM*
Curtis Coltrane, *Town Attorney*
DATE: June 20, 2024
SUBJECT: Consideration of an Ordinance Amending Title 2, Chapter 5 of the Town of Hilton Head Island Municipal Code to Amend Provisions Related to Providing Public Comment at Public Meetings

RECOMMENDATION:

The Town Council is requested to review proposed revisions to certain sections of the Town's Municipal Code that have been proposed by the Town Attorney, Curtis Coltrane. These provisions, if adopted, would help to conduct meetings of all public bodies that are under the jurisdiction of the Town more efficiently as well as clearly setting forth proposed expectations regarding the use of public comment and rules of decorum and how they are to be applied to these meetings.

At its meeting on June 4, 2024, the Town Council voted 5-1 to approve First Reading of the Ordinance authorizing changes to the Town Code as described herein without modification.

ANALYSIS:

The proposed changes set forth by the Town Attorney consist of text revisions to Town Code Sections 2-5-15, 2-5-50, 2-5-70 and 2-5-80. A brief description of each of these proposed changes is outlined below.

Section 2-5-15 - Public Meetings and Public Hearings of Town Council and Boards and Commissions.

The proposed change to Section 2-5-15 removes the reference to the "Open Town Hall" application which was used for public comment during the Covid-19 pandemic when all meetings were virtual. Since the meetings have returned to the in-person format, the "Open Town Hall" application has not been used and the Town will likely cease to use it because it is an unnecessary ongoing expense.

Section 2-5-50 - Agenda and Order of Business.

The proposed revisions to Section 2-5-50 make changes to the order that items may appear on a public meeting agenda, and change the descriptors used for some of them. Within these proposed revisions, public comment remains a part of all action items on the agenda, be it old business or new business, and the public comment period occurs while that particular action item is before Council. The most material change is that public comment for non-agenda items is moved to the last position on the public agenda, just prior to Executive Session, or Adjournment in the event there is no executive session.

Additionally, there is a proposed change to Section 2-5-50 to delete the reference to the meeting start time of 4:00 o'clock, P.M., and end time of 8:00 o'clock, P.M. The text now reads that a meeting begins at the time published on the agenda and ends when all business set forth on the agenda has been completed.

Section 2-5-70 - Appearance by Citizens.

Section 2-5-70 is proposed to be re-written, in its entirety. If adopted, this section would outline various rules of procedure to be applied during any public comment that may occur during the course of a public meeting. Highlights of the proposed text include the following:

- a) No set limit is stated for the length of a public comment period, but in subsection (b)(14) the presiding officer may close the public comment period if there are violations of either Section 2-5-70 or Section 2-5-80.
- b) The text of subsection (b)(2) sets rules for persons wishing to speak on an agenda item. It requires any person wishing to speak to complete a public comment form for each item on which that person wishes to speak no later than 10 minutes prior to the start of the meeting. The text also limits the speaker to the agenda item for which the person signed up.
- c) The text of subsection (b)(4) sets rules for persons wishing to speak on an item that is not on the agenda. It requires a person wishing to speak to complete a public comment form no later than 10 minutes prior to the start of the meeting.
- d) The text of subsection (b)(6) limits a person to a single opportunity to speak whether on an agenda item, or an item not on the agenda. A person may speak on each agenda item and also the non-agenda item, but may only speak once during the time period allotted for public comment on any particular agenda item, or the non-agenda item.
- e) The text of subsection (b)(7) limits each speaker to three (3) minutes and requires that a speaker be recognized by the presiding officer prior to commencing their comments.
- f) The text of subsection (b)(8) requires that a speaker address only the public body and not the audience, individual members within the audience, or Town Staff.
- g) The text of subsection (b)(9) requires a speaker to stop speaking and relinquish the podium when directed to do so by the presiding officer.

- h) The text of subsection (b)(10) prohibits a person from transferring his or her time to another person, and states that a person gets a single time to speak.
- i) The text of subsection (b)(11) encourages, but does not require, groups to appoint a spokesperson. If a spokesperson is appointed, that spokesperson may only speak one time, though, and cannot return to speak as an individual.
- j) The text of subsection (b)(12) prohibits questions to the public body absent approval from the presiding officer.
- k) The text of subsection (b)(13) prohibits speakers from speaking after a public comment period is closed.
- l) The text of subsection (b)(14) allows the presiding officer to close a public comment period in the event of violations of Section 2-5-70 or 2-5-80.

Section 2-5-80 - Rules of Decorum.

Section 2-5-80 is proposed to be re-written, in its entirety. If adopted, the section would the various types of actions or behaviors that would be prohibited during any public meeting. The rules of decorum are set forth in subsection (b) and prohibit the following:

- a) Speaking unless first recognized by the presiding officer.
- b) Continuing to speak when the speaker's time has expired.
- c) Continuing to speak when the presiding officer directs the speaker to stop speaking.
- d) Behaving in any manner that is prohibited by Section 2-5-70.
- e) Interrupting the public body, Town Staff or any other speaker who has been recognized by the presiding officer.
- f) The use of obscene, defamatory, or profane language, fighting words, or the making of personal attacks on any other person, even if the person attacked is not in attendance.
- g) Failing to direct all speech to the public body and speaking to the audience, individual audience members, or Town Staff.
- h) Engaging in behavior that impedes the public meeting or which stops the meeting or renders continuation of the meeting impractical.

Subsection (c) of this Section also incorporates a reference to the general penalty terms contained within the Town's Municipal Code. This is being done so that it is clear that any violation of the rules of decorum would be subject to the general penalty terms that are already applicable for any violation of the Town code.

CONCLUSION:

The Town Council is requested to review the proposed amendments to Town Code dealing with various elements of how a Town Council meeting will be conducted, how

public comment under any public meeting will be handled, and the rules of decorum that would be expected to be followed during any meeting of a public body subject to the jurisdiction of the Town.

ATTACHMENTS:

1. Draft Ordinance (clean copy)
2. Draft Ordinance (strikethrough copy)
3. Draft Standard Operating Guidelines for Elected and Appointed Officials

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2024-_____

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND TO AMEND SECTION 2-5-15 (*PUBLIC MEETINGS AND PUBLIC HEARINGS OF TOWN COUNCIL AND BOARDS AND COMMISSIONS*); SECTION 2-5-50 (*AGENDA AND ORDER OF BUSINESS*), SECTION 2-5-70 (*APPEARANCE BY CITIZENS DURING PUBLIC MEETINGS*) AND SECTION 2-5-80 (*RULES OF DECORUM*) OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA.

WHEREAS, the Town of Hilton Head Island believes that public participation in local government decision-making is a critical component of local government and the legislative policy making process; and

WHEREAS, the Town of Hilton Head Island is committed to providing an open and an easily accessible forum for citizens to address the Town Council and its other boards and commissions during public meetings; and

WHEREAS, the Town of Hilton Head Island acknowledges the need to facilitate efficient and effective public meetings as well as establish reasonable rules of decorum to ensure that public meetings are conducted in a safe, respectful, and orderly manner; and

WHEREAS, the Town Council now desires to amend Section 2-5-15, Public Meetings and Public Hearings of Town Council and Boards and Commissions; Section 2-5-50, Agenda and Order of Business, Section 2-5-70, Appearances by Citizens, and Section 2-5-80, Rules of Decorum of the Municipal Code of the Town of Hilton Head Island; and

WHEREAS, the Town Council has the authority to amend its Code of Ordinances when deemed to be in the best interest of the citizens of the Town, and now desires to do act with respect to the subjects referenced above by enacting the amendments set forth below.

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. Sections 2-5-15, 2-5-50, 2-5-70, and 2-5-80 of the Municipal Code of the Town of Hilton Head Island related to the agenda and order of business, appearance by citizens during public meetings, and rules of decorum, respectively, are here by amended as set forth in Exhibit A to this Ordinance. Newly added language is illustrated with double underline and deleted language is illustrated with ~~strikethrough~~.

Section 2. Severability. If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a

(a)

separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

**THIS ORDINANCE SHALL BE EFFECTIVE IMMEDIATELY UPON FINAL READING.
SIGNED, SEALED AND DELIVERED THIS ____ DAY OF _____, 2024.**

By: _____
Alan R. Perry, Mayor

ATTEST:

By: _____
Kimberley Gammon, Town Clerk

First Reading: _____, 2024

Second Reading: _____, 2024

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

Introduced by Council Member: _____

EXHIBIT A

Sec. 2-5-15. Public meetings and public hearings of town council and boards and commissions.

- (a) Regular meetings, special meetings and/or public hearings of the town council and any of its boards and commissions may be held at town hall, may be held electronically, or by a combination thereof with some members in physical attendance and others attending electronically.
- (1) No less than twenty-four (24) hours prior to the beginning of any meeting to be conducted under the authority of this section 2-5-15, a complete agenda package shall be posted on the Town of Hilton Head Island web page. ~~Any citizen may comment on any agenda item through the "Open Town Hall" application, or such other application as may be used from time to time by the town for that purpose, at any time up to two (2) hours prior to the commencement of the public meeting. All comments made through the "Open Town Hall" application or such other application as may be used from time to time by the town for that purpose, will be forwarded to town council or the members of the board or commission prior to the commencement of the meeting.~~
 - (2) If a meeting is scheduled to be an in-person meeting, any member of the town council or board or commission who desires to attend by way of electronic media must receive prior approval from the mayor or chairperson of the board or commission. At the beginning of any meeting to be conducted under the authority of this section 2-5-15, the presiding officer shall poll the members of the town council, or board or commission, to confirm attendance, and any member of the town council, or board or commission attending by way of electronic media shall be considered present for the purpose of constituting a quorum.
 - (3) Throughout the duration of any meeting to be conducted under the authority of this section 2-5-15, all members of the town council, or a board or commission, as well as any officials, staff, or presenters required to speak at the meeting, must have the capability to be heard at all times by any other member of the town council, or a board or commission, and by the general public.
 - (4) Any vote of the town council, or a board or commission, must be conducted by individual voice vote of the members of the town council, or a board or commission, who shall verbally indicate their vote on any matter by stating "yes" or "no" or equivalent statement or by a show of a visual affirmative or negative vote. All of the members town council, or a board or commission, who shall verbally indicate their vote on any matter by stating "yes" or "no" or equivalent statement. All individual votes shall be recorded by the clerk, secretary, or presiding officer as appropriate. Council members as well as board and commission members in attendance by telephonic or other electronic means shall have all rights, including, but not limited to, the right to make motions, second motions, and discuss

and vote on all matters under consideration.

- (5) Any meeting to be conducted under the authority of this section 2-5-15, shall be recorded or minutes kept in the same manner as an in a solely in-person meeting as required by the South Carolina Freedom of Information Act.
 - (6) All members of town council, or a board or commission, or any officials, staff, or other presenters shall identify themselves and be recognized prior to speaking. Members of the town council, or a board or commission shall comply with the rules of the town council, or a board or commission as they relate to procedural matters.
 - (7) In any meeting to be conducted under the authority of this section 2-5-15, executive sessions shall be permitted in accordance with the terms of S. C. Code Ann. § 30-4-10, et seq. (Supp. 2020) and the town council, or a board or commission shall properly announce its reason for going into executive session in conformity with the terms of S. C. Code Ann. § 30-4-70 (Supp. 2020). The executive session may be held via in person attendance, an electronic platform, or a combination of electronic and in person attendance provided that the executive session shall not be broadcast, made available to the public for viewing or listening, or be distributed by any other means to the public.
 - (8) With respect to any electronic meeting of town council or its boards and commissions, and subject to the terms of the applicable agenda for such meeting, members of the public may also participate electronically as follows:
 - a. Public comments for electronic meetings. Individuals wishing to provide written comments for any public comment period, to include public hearings, may submit written comments to the clerk no later than two (2) hours prior to any meeting in accordance with the instructions printed on the meeting agenda. In the absence of established procedures for admitting individuals desiring to make public comment into the electronic forum, the town clerk, or other person as designated by the mayor, may read such comments aloud during the applicable public comment period.
 - b. If the electronic meeting platform utilized by the town has sufficient capability to allow members of the public to submit comments during a meeting or public hearing, in written form, by voice, or by video, then general public comment, public comment on old business and public comment on new business agenda items, and public hearings shall be taken using the method the electronic meeting platform supports, and shall be otherwise be conducted in accordance with all other rules and procedures of council. Notices of public meetings and public hearings shall include detailed instructions regarding the manner in which the public comment shall be held.
- (b) Section 12.5.80, rules of decorum, shall apply during electronically hosted meetings in accordance with this section.

Sec. 2-5-50. Agenda and order of appearance.

- (a) Matters to be considered at a regular meeting or called special meeting, except a called emergency special meeting, of council shall be placed on a written agenda and conform to the order of business of council.
- (b) The municipal clerk shall post the agenda on the town website and on a bulletin board in a publicly accessible place at town hall or at the meeting place of the town council as early as is practicable but not later than twenty-four (24) hours before the meeting.
- (c) Once an agenda for a regular, called, special, or rescheduled meeting is posted pursuant to this section, no items may be added to the agenda without an additional twenty-four (24) hours' notice to the public, which must be made in the same manner as the original posting. After the meeting begins, an item upon which action can be taken may only be added to the agenda by a two-thirds ($\frac{2}{3}$) vote of the members present and voting; however, if the item is one upon which final action can be taken at the meeting or if the item is one in which there has not been and will not be an opportunity for public comment with prior public notice given in accordance with this section, it only may be added to the agenda by a two-thirds ($\frac{2}{3}$) vote of the members present and voting and upon a finding by the body that an emergency or an exigent circumstance exists if the item is not added to the agenda.
- (d) The mayor may, but shall not be required to, call the order of business of council as follows:
 - (1) Call to order by presiding officer.
 - (2) Pledge of allegiance.
 - (3) Invocation.
 - (4) Reading of minutes of previous meeting, their consideration and approval of the same
 - (5) Proclamations.
 - (6) Reports from municipal officers of the Town Manager.
 - (7) Reports of council. General reports of members of Town Council.
 - (8) Reports of Committees-Chairs.
 - (9) Appearances by citizens. Consent Agenda, if applicable. For the consent agenda, the following shall be the order of matters presented to Town Council:—
 - i. Town Council removal and transfer to Unfinished Business of proposed consent agenda items.
 - ii. Public Comment.
 - iii. Motion, Town Council discussion and vote.

- (10) ~~Proclamations.~~ Unfinished Business, if applicable. For unfinished business, the following shall be the order of matters presented to Town Council:—
- i. Staff Presentation, if applicable.
 - ii. Applicant Presentation, if applicable.
 - iii. Public Comment.
 - iv. Motion, Town Council discussion and vote.
- (11) New Business, if applicable. For new business, the following shall be the order of matters presented to Town Council:
- i. Staff Presentation, if applicable.
 - ii. Applicant Presentation, if applicable.
 - iii. Public Comment.
 - iv. Motion, Town Council discussion and vote.
- (12) Public comment on ~~matters not on the agenda.~~ Non-agenda Items Only
- (13) Executive session.
- (14) Possible actions by town council concerning matters discussed in executive session.
- (15) Adjournment.
- (e) If it is desired to transact business out of its order, it shall be necessary to suspend the rules by a vote of a majority of members present.
- (f) ~~The pledge of allegiance and the meeting shall begin at 4:00 p.m. and end no later than 8:00 p.m.~~ The meeting shall begin at the time identified in the published agenda and shall conclude immediately upon the conclusion of all identified agenda items. The mayor shall have the discretion to extend the meeting if circumstances warrant. Council may enter into Executive Session at any time during the public portion of the meeting if a majority of council determines it necessary pursuant to subsection (c) above.
- (g) The rules identified above shall also apply to the extent practical to any other public meeting of any other public body, as those terms are defined in S.C. Code Ann. Section 30-4-20(a) and in

~~Sec. 2 Sec. 2-5-70. Appearance by citizens.~~

- ~~(a) Any interested party shall be entitled to appear before the council at any regular meeting during the appearance by citizens portion of the agenda to present any matters pertaining to the town. ———~~
- ~~(b) Interested parties shall be entitled to address council on a specific agenda item during the old business or new business portions of the agenda after council has concluded its discussion on such item, but prior to a council vote.~~
- ~~(c) Interested parties desiring to present a matter at a regular meeting must notify the town receptionist or the presiding officer by 12:00 noon on the date of such meeting. Notice must be given prior to each separate meeting at which they desire to address council. Citizens desiring to address council on an agenda item during the old business or new business portions of the agenda need not provide notification. No person shall address the council without first being recognized by the mayor. ———~~
- ~~(d) Each person addressing the council during the appearance by citizens portion on the agenda, or during the specific agenda discussion, shall step up to the place provided for the use of the public and give his name and address in an audible tone of voice for the records, state the subject he wishes to discuss, state whom he is representing and if he represents an organization or other persons, present the authority for such right to speak on the subject matter on behalf of an organization or other persons. ———~~
- ~~(e) Unless further time is granted by majority vote of the council, he shall limit his remarks to three (3) minutes. All remarks shall be addressed to the council as a whole and not to any member thereof. ———~~
- ~~(f) No person other than members of the council and the person having the floor shall be permitted to enter into any discussion, either directly or through a member of the council, without the permission of the mayor. ———~~
- ~~(g) No question may be asked a council member without the permission of the mayor.~~
- ~~(h) Public hearings may be a part of a regular meeting when appropriate or can be the sole subject of a called special meeting. ———~~
- ~~(i) Those persons desiring to make presentations at publicly noticed hearings at either regular or special meetings may so indicate by completing and presenting to the clerk, prior to the start of a hearing, a request to be heard. Such presentations must deal only with the subject of the hearing as indicated in the agenda. Deviation from this will not be permitted. Where time permits, following the appearance of those who have filed requests to be heard, others desiring to be heard may so indicate by raising their hands and being recognized by the chair. ———~~

- (j) ~~In order to expedite matters at any public hearing and to avoid repetitious presentations, whenever any group of persons wishes to address the council on the same subject matter, it shall be proper for the mayor to request that a spokesman be chosen by the group to address the council and, in case additional matters are to be presented by any other member of said group, to limit the number of such persons addressing the council.~~
- (k) ~~After a motion has been made or a public hearing has been closed, no member of the public shall address the council from the audience on the matter under consideration without first securing permission to do so by majority vote of the council.~~

Sec. 2-5-70. ~~Appearance by citizens during public meetings.~~ Public Comment.

- (a) Purpose. The purpose of this section is to establish a structured and accessible process for public comment periods, ensuring that citizens have the opportunity to participate in local governance and, express their opinions, while maintaining a respectful and orderly forum for public comments. By setting forth clear rules and procedures for public comment periods, the Town encourages civic engagement and fosters a collaborative approach to decision-making, ultimately contributing to the development of policies and initiatives that reflect the needs and values of the Town of Hilton Head Island.
- (b) Rules and Procedure Governing Public Comment During Public Meetings. In addition to the Rules of Decorum outlined in Section 2-5-80, the following rules and procedures shall apply to all public meetings as defined in the South Carolina Freedom of Information Act Section 30-4-20(d) and shall apply to all public meetings of Town Council, Town Council Standing Committees, and the committees, boards, and commissions created by the Town Council (each, a “public body”). The failure to comply with any of these Rules of Procedure is a violation of this Section.
 - 1. Agenda Items. Any interested person may appear before a public body at a public meeting to address the public body ~~speak~~ regarding an agenda item on which the public body will discuss and/or vote at that meeting.
 - 2. Public comment for public meetings. A public comment period shall be published on the agenda of any meeting of a public body so that at least one public comment period will be held for each public meeting
 - 3. Priority of speakers. Any interested person may speak at a public meeting on a matter pertaining to municipal policy, services, and operations, as allowed in this section. Priority to speak shall be given to Town of Hilton Head Island residents, followed by any other interested individuals
 - 4. Public comment on agenda items. Any person wishing to address a public body regarding an agenda item must either submit an electronic public comment form no later than two hours prior to the start of the public meeting or shall complete a public comment form on the date of the public meeting, in person and no later than ten (10)

minutes prior to the start of the public meeting. Public comment forms must be filled out completely and include the name, address and contact information of the person who will be speaking and must identify the agenda item on which the person wishes to speak. If a person wishes to speak on matters not related to an agenda item that is on that particular meeting's agenda, such person shall speak at the public comment period that shall occur following the completion of any new business agenda items. A separate public comment form shall be completed for each agenda item about which a person wishes to speak. Persons speaking about an agenda item shall limit their comments to only that agenda item.

5. *Public comment on items not on the agenda.* Any person wishing to address the public body regarding an item that is not on the agenda for that particular meeting, ~~such person~~ must either submit an electronic public comment form no later than two hours prior to the start of the public meeting or complete a public comment form, in person and no later than ten (10) minutes prior to the start of the public meeting. Public comment forms must be filled out completely and include the name, address and contact information of the person wishing to speak and must identify the subject about which the person wishes to speak.
6. *Limitation on public comment.* Each person addressing the public body either during public comment for items that are on an agenda or during public comment on items that are not on the agenda, may speak only once during either of these ~~respective~~ public speaking opportunities as provided for in sections b(4) and b(5) listed above.
7. *Duration of public comments.* Each person may speak only during the time designated in the posted agenda of a public body. All speakers shall be limited to three (3) minutes. No speaker shall begin their public comments until recognized by the presiding officer.
8. *Addressing the public body.* Each person addressing a public body during a public comment period shall step up to the speaking podium or any other place provided for the purposes of public speaking, state his or her name and address in an audible tone of voice for the record and state the subject that he or she wishes to discuss. Speakers shall address the public body only and shall not direct their comments to the audience, individual members of the audience, or Town Staff.
9. *Conclusion of public comment.* No person may continue speaking or remain at the speaking podium after their allotted time has expired or after being directed to cease speaking and relinquish the speaker's podium by the presiding officer.
10. *No allocation or transfer of speaking time.* No person may delegate their allotted speaking time to any other individual and any person who speaks ~~on his or her own behalf and~~ is limited to one time to speak and may not speak again on behalf of any other group or individual.
11. In the event ~~Any person speaking on behalf of a group of speakers who wish to speak on the same subject matter, the presiding officer may request that that group~~ ~~are encouraged to~~ appoint one spokesperson to speak on behalf of the group for the purpose

of conducting orderly business efficiently. A person speaking on behalf of a group is limited to one time to speak and may not speak again on his or her own behalf, or any other group or person.

12. No questions without approval and speaking to public body. No questions may be asked of a member of a public body without first receiving the permission of the presiding officer. No person other than the recognized speaker may speak ~~during a public comment period~~ unless otherwise authorized by the presiding officer. ~~All public comments must be directed to the Town Council as a whole and not any member thereof nor shall any public comments be directed towards the public or any member thereof.~~

Speaking after public comments has been closed. No person other than members of the public body or Town staff may speak after the public comment period has concluded unless otherwise recognized by the presiding officer.

13. Closure or termination of public comment. The presiding officer may close or limit any public comment period in the event of ~~for~~ any violations of this section or Section 2-5-80..

Sec. 2-5-80 Rules of decorum.

(a) ~~Rules of decorum.~~ While any meeting of town council, its boards or commissions is in session, the following rules of decorum shall be observed:

(1) ~~Any person who speaks at a council, board or commission meeting shall conduct himself or herself in a manner appropriate to the decorum of the meeting and shall not use any profane, abusive or obscene language nor any fighting words or otherwise engage in disorderly conduct. Any person who makes such remarks or otherwise engages in disorderly conduct which disrupts, disturbs or otherwise impedes the orderly conduct of a council, board or commission meeting shall, at the discretion of the mayor, or in his absence, the mayor pro tempore, or such chairperson of the meeting, be barred from further audience before council, the board, or commission during that meeting and may be removed from the building.~~

(2) ~~This section in no way limits any person from being charged or arrested for criminal conduct which occurs during the course of a council meeting or during the course of a person being removed from a council meeting pursuant to this section.~~

Sec. 2-5-80. Rules of decorum.

- (a) Purpose. The Town desires to foster an atmosphere of civility and respect towards all individuals attending public meetings. Allowing the public to voice their opinions enables the Town's elected, appointed, and employed officials to make well-informed and thoughtful decisions. The purpose of any public meeting, which includes Town Council meetings, is to efficiently conduct the Town's business for the benefit of all Town residents, visitors, and businesses, and this does not occur when a public meeting is disrupted by individuals who do not adhere to the requirements of Section 2-5-70 or these Rules of Decorum. These rules shall govern any public meetings before any public body, which includes the Town Council, and shall be observed by all people in attendance.
- (b) Rules of decorum. Any person who attends a public meeting shall conduct himself or herself in a manner appropriate to the decorum of the meeting. The decorum appropriate for any public meeting requires all in attendance to speak and behave in a manner that is civil and respectful to the public body and all other people in attendance.
- a. The following conduct disrupts a public meeting and is prohibited during any public meeting and is a violation of this Section:
- i. Addressing a public body without first being recognized.
 - ii. Continuing to speak after the allotted time as set out in Sec. 2-5-70 has expired.
 - iii. Failing to stop speaking and sit down when directed to do so by the chairperson of the public body or failing to comply with any other direction of the chairperson of the public body.
 - iv. Engaging in any act that violates ~~is prohibited by~~ Sec. 2-5-70.
 - v. Interrupting or attempting to interrupt members of any public body, members of Town staff or another speaker that has been recognized by the chairperson of the public body.
 - vi. No speaker or other person in attendance shall (a) use any profane, abusive, defamatory, threatening or obscene language; (b) use any fighting words; (c) make personal attacks against any other person, whether the person attacked is in attendance at the meeting or not; or, (d) engage in conduct that is prohibited by this Sec. 2-5-80 or Sec. 2-5-70, or engage any other type of disorderly conduct.
 - vii. ~~No speaker or other person in attendance shall interrupt or attempt to interrupt members of a public body or members of Town staff, or by shouting or attempting to shout over a speaker, members of a public body or members of Town staff.~~
 - viii. Any speaker who has been recognized by a public body shall address his or her comments to the public body as a whole and shall not address or otherwise engage with any individual member of the public body, any member of the audience or Town Staff.

ix. Engaging in any behavior that impedes, interrupts, stops or makes the continuation of any public meeting of the public body impractical.

- (c) *Penalties.* Violations of this section shall be a misdemeanor punishable by a fine not exceeding five hundred dollars (\$500.00) or by imprisonment not exceeding thirty (30) days, or both. This is cumulative to any other available remedy. Individuals are also subject to being removed from a public meeting for violations of this section. This section in no way limits any person from being charged or arrested for criminal conduct which occurs during the course of a public meeting or during the course of a person being removed from a public meeting pursuant to this section. For purposes of this section, the term public body shall have the same meaning as set forth in S.C. Code Ann. § 30-4-20(a) and the term public meeting shall have the same meaning as set forth in S.C. Code Ann. §30-4-20(d)

EXHIBIT A**Sec. 2-5-15. Public meetings and public hearings of town council and boards and commissions.**

- (a) Regular meetings, special meetings and/or public hearings of the town council and any of its boards and commissions may be held at town hall, may be held electronically, or by a combination thereof with some members in physical attendance and others attending electronically.
- (1) No less than twenty-four (24) hours prior to the beginning of any meeting to be conducted under the authority of this section 2-5-15, a complete agenda package shall be posted on the Town of Hilton Head Island web page.
- (2) If a meeting is scheduled to be an in-person meeting, any member of the town council or board or commission who desires to attend by way of electronic media must receive prior approval from the mayor or chairperson of the board or commission. At the beginning of any meeting to be conducted under the authority of this section 2-5-15, the presiding officer shall poll the members of the town council, or board or commission, to confirm attendance, and any member of the town council, or board or commission attending by way of electronic media shall be considered present for the purpose of constituting a quorum.
- (3) Throughout the duration of any meeting to be conducted under the authority of this section 2-5-15, all members of the town council, or a board or commission, as well as any officials, staff, or presenters required to speak at the meeting, must have the capability to be heard at all times by any other member of the town council, or a board or commission, and by the general public.
- (4) Any vote of the town council, or a board or commission, must be conducted by individual voice vote of the members of the town council, or a board or commission, who shall verbally indicate their vote on any matter by stating "yes" or "no" or equivalent statement or by a show of a visual affirmative or negative vote. All individual votes shall be recorded by the clerk, secretary, or presiding officer as appropriate. Council members as well as board and commission members in attendance by telephonic or other electronic means shall have all rights, including, but not limited to, the right to make motions, second motions, and discuss and vote on all matters under consideration.
- (5) Any meeting to be conducted under the authority of this section 2-5-15, shall be recorded or minutes kept in the same manner as an in a solely in-person meeting as required by the South Carolina Freedom of Information Act.
- (6) All members of town council, or a board or commission, or any officials, staff, or other presenters shall identify themselves and be recognized prior to speaking. Members of the town council, or a board or commission shall comply with the rules of the town council, or a board or commission as they relate to procedural matters.
- (7) In any meeting to be conducted under the authority of this section 2-5-15, executive sessions shall be permitted in accordance with the terms of S. C. Code Ann. § 30-4-10, et seq. (Supp. 2020) and the town council, or a board or commission shall properly

announce its reason for going into executive session in conformity with the terms of S. C. Code Ann. § 30-4-70 (Supp. 2020). The executive session may be held via in person attendance, an electronic platform, or a combination of electronic and in person attendance provided that the executive session shall not be broadcast, made available to the public for viewing or listening, or be distributed by any other means to the public.

- (8) With respect to any electronic meeting of town council or its boards and commissions, and subject to the terms of the applicable agenda for such meeting, members of the public may also participate electronically as follows:
 - a. Public comments for electronic meetings. Individuals wishing to provide written comments for any public comment period, to include public hearings, may submit written comments to the clerk no later than two (2) hours prior to any meeting in accordance with the instructions printed on the meeting agenda. In the absence of established procedures for admitting individuals desiring to make public comment into the electronic forum, the town clerk, or other person as designated by the mayor, may read such comments aloud during the applicable public comment period.
 - b. If the electronic meeting platform utilized by the town has sufficient capability to allow members of the public to submit comments during a meeting or public hearing, in written form, by voice, or by video, then general public comment, public comment on old business and public comment on new business agenda items, and public hearings shall be taken using the method the electronic meeting platform supports, and shall be otherwise be conducted in accordance with all other rules and procedures of council. Notices of public meetings and public hearings shall include detailed instructions regarding the manner in which the public comment shall be held.
- (b) Section 12.5.80, rules of decorum, shall apply during electronically hosted meetings in accordance with this section.

Sec. 2-5-50. Agenda and order of appearance.

- (a) Matters to be considered at a regular meeting or called special meeting, except a called emergency special meeting, of council shall be placed on a written agenda and conform to the order of business of council.
- (b) The municipal clerk shall post the agenda on the town website and on a bulletin board in a publicly accessible place at town hall or at the meeting place of the town council as early as is practicable but not later than twenty-four (24) hours before the meeting.
- (c) Once an agenda for a regular, called, special, or rescheduled meeting is posted pursuant to this section, no items may be added to the agenda without an additional twenty-four (24) hours' notice to the public, which must be made in the same manner as the original posting. After the meeting begins, an item upon which action can be taken may only be added to the agenda by a two-thirds ($\frac{2}{3}$) vote of the members present and voting; however, if the item is one upon which final action can be taken at the meeting or if the item is one in which there has not been and will not be an opportunity for public comment with prior public notice given in accordance with this section, it only may be added to the agenda by a two-thirds

($\frac{2}{3}$) vote of the members present and voting and upon a finding by the body that an emergency or an exigent circumstance exists if the item is not added to the agenda.

(d) The mayor may, but shall not be required to, call the order of business of council as follows:

- (1) Call to order by presiding officer.
- (2) Pledge of allegiance.
- (3) Invocation.
- (4) Reading of minutes of previous meeting, their consideration and approval of the same.
- (5) Proclamations.
- (6) Report of the Town Manager.
- (7) General reports of members of Town Council.
- (8) Reports of Committee Chairs.
- (9) Consent Agenda, if applicable. For the consent agenda, the following shall be the order of matters presented to Town Council:
 - i. Town Council removal and transfer to Unfinished Business of proposed consent agenda items.
 - ii. Public Comment.
 - iii. Motion, Town Council discussion and vote.
- (10) Unfinished Business, if applicable. For unfinished business, the following shall be the order of matters presented to Town Council:
 - i. Staff Presentation, if applicable.
 - ii. Applicant Presentation, if applicable.
 - iii. Public Comment.
 - iv. Motion, Town Council discussion and vote.
- (11) New Business, if applicable. For new business, the following shall be the order of matters presented to Town Council:
 - i. Staff Presentation, if applicable.
 - ii. Applicant Presentation, if applicable.
 - iii. Public Comment.
 - iv. Motion, Town Council discussion and vote.
- (12) Public comment on Non-agenda Items Only.

- (13) Executive session.
 - (14) Possible actions by town council concerning matters discussed in executive session.
 - (15) Adjournment.
- (e) If it is desired to transact business out of its order, it shall be necessary to suspend the rules by a vote of a majority of members present.
 - (f) The meeting shall begin at the time identified in the published agenda and shall conclude immediately upon the conclusion of all identified agenda items. The mayor shall have the discretion to extend the meeting if circumstances warrant. Council may enter into Executive Session at any time during the public portion of the meeting if a majority of council determines it necessary pursuant to subsection (c) above.
 - (g) The rules identified above shall also apply to the extent practical to any other public meeting of any other public body, as those terms are defined in S.C. Code Ann. Section 30-4-20(a) and in S.C. Code Ann. Section 30-4-20(d), *mutatis mutandis*.

Sec. 2-5-70. Public Comment.

- (a) Purpose. The purpose of this section is to establish a structured and accessible process for public comment periods, ensuring that citizens have the opportunity to participate in local governance and, express their opinions, while maintaining a respectful and orderly forum for public comments. By setting forth clear rules and procedures for public comment periods, the Town encourages civic engagement and fosters a collaborative approach to decision-making, ultimately contributing to the development of policies and initiatives that reflect the needs and values of the Town of Hilton Head Island.
- (b) Rules and Procedure Governing Public Comment During Public Meetings. In addition to the Rules of Decorum outlined in Section 2-5-80, the following rules and procedures shall apply to all public meetings as defined in the South Carolina Freedom of Information Act Section 30-4-20(d) and shall apply to all public meetings of Town Council, Town Council Standing Committees, and the committees, boards, and commissions created by the Town Council (each, a “public body”). The failure to comply with any of these Rules of Procedure is a violation of this Section.
 - 1. *Agenda Items.* Any interested person may appear before a public body at a public meeting to address the public body regarding an agenda item on which the public body will discuss and/or vote at that meeting.
 - 2. *Public comment for public meetings.* A public comment period may be published on the agenda of any meeting of a public body so that at least one public comment period may be held for each public meeting.
 - 3. *Priority of speakers.* Any interested person may speak at a public meeting on a matter pertaining to municipal policy, services, and operations, as allowed in this section.
 - 4. *Public comment on agenda items.* Any person wishing to address a public body regarding an agenda item must either submit an electronic public comment form no

later than two hours prior to the start of the public meeting or shall complete a public comment form on the date of the public meeting, in person and no later than ten (10) minutes prior to the start of the public meeting. Public comment forms must be filled out completely and include the name, address and contact information of the person who will be speaking and must identify the agenda item on which the person wishes to speak. If a person wishes to speak on matters not related to an agenda item that is on that particular meeting's agenda, such person shall speak at the public comment period that shall occur following the completion of any new business agenda items. A separate public comment form shall be completed for each agenda item about which a person wishes to speak. Persons speaking about an agenda item shall limit their comments to only that agenda item

5. *Public comment on items not on the agenda.* Any person wishing to address the public body regarding an item that is not on the agenda for that particular meeting must either submit an electronic public comment form no later than two hours prior to the start of the public meeting or complete a public comment form, in person and no later than ten (10) minutes prior to the start of the public meeting. Public comment forms must be filled out completely and include the name, address and contact information of the person wishing to speak and must identify the subject about which the person wishes to speak.
6. *Limitation on public comment.* Each person addressing the public body either during public comment for items that are on an agenda or during public comment on items that are not on the agenda, may speak only once during either of these public speaking opportunities as provided for in sections b(4) and b(5) listed above.
7. *Duration of public comments.* Each person may speak only during the time designated in the posted agenda of a public body. All speakers shall be limited to three (3) minutes. No speaker shall begin their public comments until recognized by the presiding officer.
8. *Addressing the public body.* Each person addressing a public body during a public comment period shall step up to the speaking podium or any other place provided for the purposes of public speaking, state his or her name and address in an audible tone of voice for the record and state the subject that he or she wishes to discuss. Speakers shall address the public body only and shall not direct their comments to the audience, individual members of the audience, or Town Staff.
9. *Conclusion of public comment.* No person may continue speaking or remain at the speaking podium after their allotted time has expired or after being directed to cease speaking and relinquish the speaker's podium by the presiding officer.
10. *No allocation or transfer of speaking time.* No person may delegate their allotted speaking time to any other individual and any person who speaks is limited to one time to speak and may not speak again on behalf of any other group or individual.
11. In the event a group of speakers wish to speak on the same subject matter, the presiding officer may request that that the group appoint one spokesperson to speak on behalf of the group for the purpose of conducting orderly business efficiently.

A person speaking on behalf of a group is limited to one time to speak and may not speak again on his or her own behalf, or any other group or person.

12. *No questions without approval and speaking to public body.* No questions may be asked of a member of a public body without first receiving the permission of the presiding officer. No person other than the recognized speaker may speak unless otherwise authorized by the presiding officer.
13. *Speaking after public comments has been closed.* No person other than members of the public body or Town staff may speak after the public comment period has concluded unless otherwise recognized by the presiding officer.
14. *Closure or termination of public comment.* The presiding officer may close or limit any public comment period in the event of any violations of this section or Section 2-5-80.

Sec. 2-5-80. Rules of decorum.

- (a) *Purpose.* The Town desires to foster an atmosphere of civility and respect towards all individuals attending public meetings. Allowing the public to voice their opinions enables the Town's elected, appointed, and employed officials to make well-informed and thoughtful decisions. The purpose of any public meeting, which includes Town Council meetings, is to efficiently conduct the Town's business for the benefit of all Town residents, visitors, and businesses, and this does not occur when a public meeting is disrupted by individuals who do not adhere to the requirements of Section 2-5-70 or these Rules of Decorum. These rules shall govern any public meetings before any public body, which includes the Town Council, and shall be observed by all people in attendance.
- (b) *Rules of decorum.* Any person who attends a public meeting shall conduct himself or herself in a manner appropriate to the decorum of the meeting. The decorum appropriate for any public meeting requires all in attendance to speak and behave in a manner that is civil and respectful to the public body and all other people in attendance.
 - a. The following conduct disrupts a public meeting and is prohibited during any public meeting and is a violation of this Section:
 - i. Addressing a public body without first being recognized.
 - ii. Continuing to speak after the allotted time as set out in Sec. 2-5-70 has expired.
 - iii. Failing to stop speaking and sit down when directed to do so by the chairperson of the public body or failing to comply with any other direction of the chairperson of the public body.
 - iv. Engaging in any act that violates Sec. 2-5-70.
 - v. Interrupting or attempting to interrupt members of any public body, members of Town staff or another speaker that has been recognized by the chairperson of the public body.
 - vi. No speaker or other person in attendance shall (a) use any profane, abusive, defamatory, threatening or obscene language; (b) use any fighting words; (c)

make personal attacks against any other person, whether the person attacked is in attendance at the meeting or not; or, (d) engage in conduct that is prohibited by this Sec. 2-5-80 or Sec. 2-5-70, or engage any other type of disorderly conduct.

vii. Any speaker who has been recognized by a public body shall address his or her comments to the public body as a whole and shall not address or otherwise engage with any individual member of the public body, any member of the audience or Town Staff.

viii. Engaging in any behavior that impedes, interrupts, stops or makes the continuation of any public meeting of the public body impractical.

(c) *Penalties.* Violations of this section shall be a misdemeanor punishable by a fine not exceeding five hundred dollars (\$500.00) or by imprisonment not exceeding thirty (30) days, or both. This is cumulative to any other available remedy. Individuals are also subject to being removed from a public meeting for violations of this section. This section in no way limits any person from being charged or arrested for criminal conduct which occurs during the course of a public meeting or during the course of a person being removed from a public meeting pursuant to this section. For purposes of this section, the term public body shall have the same meaning as set forth in S.C. Code Ann. § 30-4-20(a) and the term public meeting shall have the same meaning as set forth in S.C. Code Ann. §30-4-20(d)

STANDARD OPERATING GUIDELINES FOR ELECTED AND APPOINTED OFFICIALS

I. Purpose.

The purpose of these standard operating procedure guidelines is to provide guidance for elected and appointed officials in upholding order and civility during public meetings, especially when addressing unruly or disruptive conduct.

II. Ground Rules for Public Comment Periods.

1. The rules governing public comment and decorum are codified under Sections 2-5-70 and 2-5-80, respectively.
2. The Town has adopted the Municipal Association of South Carolina's Civility Pledge, which should be read aloud at all public meetings.
3. The Town should verbally and visually (via rules displayed on the big screen) set clear expectations for public comment periods, including the time limits for speakers, respectful conduct, and the requirement to address the entire public body rather than individual members.
4. The Town should ensure that public comment rules are clearly communicated and visible during public meetings.
5. Public bodies should ensure equal application of the Town Code, which is essential to maintaining a fair and just system of governance and minimizing legal exposure. This principle ensures that all individuals, regardless of their background, circumstances, or viewpoints, are treated fairly and consistently under the law. Failure to apply the Ordinance equally can lead to various negative consequences, including legal exposure and diminished trust in local government, as outlined below:
 - a. **Discrimination claims:** Unequal application of the law can result in claims of discrimination, as individuals or groups may argue that they have been unfairly targeted or treated differently based on their race, gender, religion, or other protected characteristics. Such claims can lead to costly litigation and reputational damage.
 - b. **Erosion of public trust:** The perception of unequal treatment under the law can erode public trust in the legal system and government institutions. This loss of trust can undermine the credibility and legitimacy of the legal system and make it more difficult for authorities to enforce the law effectively.

- c. **Legal challenges:** Unequal application of the law can give rise to legal challenges on the grounds of procedural fairness, due process, or equal protection, including potential claims for retaliation under 42 U.S.C. 1983. These challenges can result in overturning of decisions, financial settlements, or injunctions, as well as the imposition of additional legal and administrative burdens on the Town and its staff.
- d. **Setting unfavorable precedents:** Inconsistent application of the law can result in unfavorable court decisions and legal precedents that may have broad implications for the interpretation and enforcement of the law in the future. This can further complicate the legal landscape and expose not only the Town, but other governmental entities to additional liability.

II. Ensuring Fair and Orderly Public Meetings and Public Comment Periods

1. Treat all speakers fairly and consistently, applying the established rules of decorum uniformly.
2. Encourage group representatives to speak on behalf of multiple individuals to streamline the public comment process, particularly when several individuals wish to address the same topic.
3. When possible, provide alternative methods of submitting public comments, such as written statements or email submissions, to accommodate individuals who may not feel comfortable speaking during public comment periods or to manage time constraints.
4. Public officials should remain calm and composed during public meetings, bearing in mind the responsibility and authority of their position. They should avoid engaging in arguments or confrontations with disruptive individuals, as this may escalate the situation and detract from the meeting's primary purpose. Instead, officials should focus on resolving issues in a professional and measured manner, in line with the established rules and procedures, while maintaining the dignity and integrity of their office.

III. Managing Disruptive Behavior

1. The presiding officer or chairperson has the authority and responsibility to maintain order during public meetings, including public comment periods. This includes providing warning to individuals who violate the established rules of decorum.
2. If an individual continues to exhibit unruly behavior after a warning(s), the presiding officer may temporarily suspend the public comment period to address the situation. Alternatively, the presiding officer may call for a recess of the public meeting to diffuse the situation and restore order.

3. In the event of continued disruptions, the presiding officer may ask the disruptive individual to step down from the podium or leave Council Chambers.
4. Should the disruptive individual refuse to observe the rules of decorum, the presiding officer may call for a recess and consult with the Town Manager, Town Attorney, Public Safety Director, and the Sheriff's Office to determine the best course of action.
5. The public body should refrain from engaging in arguments or heated exchanges with the disruptive individual(s), as this could escalate the situation further and create liability for the Town. Instead, public officials should focus on calmly addressing the situation and restoring order.
6. Please see Appendix A for a recommended continuum that presiding officers may use when dealing with disruptive individuals.

Appendix A.

Continuum for Presiding Officers Dealing with Disruptive Individuals

Level 1: Early Intervention

1. **Gentle reminder:** Politely remind the individual of the established rules of decorum and the importance of maintaining a respectful and orderly environment.

Ex., I would like to remind everyone present at this meeting about the importance of adhering to the established rules of decorum. Let's maintain a respectful and orderly environment, allowing each speaker the opportunity to express their opinions without interruptions. Thank you for your cooperation and understanding.

2. **Verbal warning:** If the disruptive behavior continues, issue a clear verbal warning, specifying the unacceptable behavior and the potential consequences of further disruptions.

Ex., Sir/madam, please note that your behavior is not in accordance with the established rules of decorum as set forth in Section 2-5-80 of the Town Code. I must ask you to refrain from [cite disruptive behavior] or engaging in disruptive conduct. If such behavior continues, you may be subject to penalties as set forth in Section 2-5-70 and/or 2-5-80 under the Town Code.

Level 2: Escalation Management

1. **Temporary suspension:** If the individual persists with disruptive behavior, the presiding officer may temporarily suspend the public comment period to address the situation. During a temporary suspension, the Rules of Decorum may be read aloud and displayed on the big screen.
2. **Recess:** Call for a short recess (e.g., 5 minutes) of the public meeting to diffuse the situation and restore order, providing an opportunity for the disruptive individual(s) to calm down and reconsider their behavior. A recess also allows the presiding officer to confer with the Town Manager, Town Attorney, Public Safety Director, and Sheriff's Office regarding next steps if the disruptive behavior persists after the recess. In this situation, Public Safety staff and/or the Sheriff's deputies should collaborate with the presiding officer to determine whether to issue a citation in response to ongoing disruptions or if the conduct warrants removal by the Sheriff's Office.¹

¹ Note, the decision to remove an individual from Council Chambers ultimately lies at the sole discretion of the Sheriff's Office.

Level 3: Assertive Action

1. **Direct request to leave and/or relinquish the podium:** If the disruptive individual refuses to leave, relinquish the podium, or the situation escalates further, the presiding officer may ask the disruptive individual to leave the Council Chambers voluntarily.
2. **Invoking rules or procedures:** Cite specific rules or procedures that the individual is violating, reinforcing the consequences of their continued disruptive behavior.

Level 4: External Intervention

1. **Public Safety or law enforcement assistance:** If the disruptive individual(s) refuses to leave or the situation escalates further, the Public Safety Department may issue citations for violations of Sections 2-5-70 or 2-5-80 of the Town Code. The Sheriff's deputy may escort individuals from the premises at the deputy's sole discretion.
2. **Legal action:** In cases of severe disruption, consider pursuing legal action or seeking an injunction against the individual to prevent further disturbances at public meetings.

*****THIS DOCUMENT HAS BEEN PREPARED BY THE TOWN'S LEGAL DEPARTMENT AND IS SUBJECT TO THE ATTORNEY-CLIENT PRIVILEGE*****



TOWN OF HILTON HEAD ISLAND

TOWN COUNCIL

TO: Town Council Members
FROM: Joshua Gruber, *Deputy Town Manager*
CC: Marc Orlando, *Town Manager*
Curtis Coltrane, *Town Attorney*
DATE: June 18, 2024
SUBJECT: Consideration of an Ordinance of the Town of Hilton Head Island Authorizing the Execution and Delivery of Quit Claim Deeds for a Portion of Property Owned by the Town of Hilton Head Island Identified as 54 Muddy Creek Road and the Purchase of a Stormwater Easement for the Same

RECOMMENDATION:

The Town Council is requested to consider the potential acquisition and release of parcels of real property that are located adjacent to 54 Muddy Creek Road to resolve outstanding concerns related to ownership of the properties and to secure a stormwater easement for future maintenance. If the Town Council determines that it is appropriate to pursue any one or more of these acquisitions, it should identify the terms and conditions upon which it would be willing to release a portion of these parcels and to acquire a dedicated stormwater easement.

PARCEL BACKGROUND:

Muddy Creek Road Area – 54 Muddy Creek Road

Several years ago, the Town was contacted by members of the Williams/Jones family who were concerned that a portion of their family property located at 54 Muddy Creek Road had been inappropriately acquired by the Town. Staff and the Town Attorney conducted a search of the Town's property records associated with this acquisition and determined that the Town purchased its property in 2003 for a purchase price of \$22,000.

The Town's title derives from a deed from Mr. Hubert Bernheim, that was recorded at the time of the Town's acquisition in 2003. Mr. Bernheim's title derives from a Treasurer's tax deed he received in 1996. The property that Mr. Bernheim bought at the tax sale was titled in the name of a "William Campbell." Neither the Town nor Mr. Bernheim cleared the title to the property and therefore, the Town's title is uncertain, and a title clearance action would have to be pursued to establish its ownership of the property.

Sometime after 2003, a sewer lift station was installed on the southernmost portion of the Town's property. That use continues to the present day and is currently fenced in on the property.

While the Town was researching the title issues associated with this property, staff within the Stormwater Division determined that it was necessary to acquire an easement on a portion of this property as well as a portion of the main Williams Family property. A survey identifying this easement along with a corresponding property appraisal establishing the purchase value of the easement was obtained. Information pertaining to both items is enclosed as Attachments 1 and 2 respectively.

Based upon extensive discussions with the Williams/Jones family, the Town is proposing to exchange Quit Claim Deeds with the family to release any interest that it may have in the 54 Muddy Creek Road parcel while at the same time solidifying its interest in the sewer lift station property which would be retained. Additionally, the Town would purchase the stormwater easement from the family once these Quit Claim Deeds have been exchanged and recorded by the parties. The Town's appraisal indicated a fair market value of \$27,904. Based upon negotiations with the Williams/Jones family, they have requested compensation of \$35,000 to sign over the requested easement. Staff supports this requested value and believes that it is justifiable under the circumstances of this transaction.

CONCLUSION:

If the Town Council is supportive of exchanging the quit claims deeds identified above as well as supporting the acquisition of a stormwater easement for the requested \$35,000, an Ordinance authorizing the transfer of the property and a Resolution authorizing the purchase of the property will be prepared by the Town Attorney for consideration by Town Council.

ATTACHMENTS:

1. Ordinance Authorizing the Execution and Delivery of Quit Claim Deeds for a Portion of Property Identified as 54 Muddy Creek Road and the Purchase of a Stormwater Easement

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

ORDINANCE NUMBER 2024-_____

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE CONVEYANCE OF THREE PARCELS OF REAL ESTATE IN WHICH THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, OWNS OR HAS AN INTEREST IN, AND AUTHORIZING THE ACQUISITION OF AN EASEMENT FOR DRAINAGE, UNDER THE AUTHORITY OF S. C. CODE ANN. § 5-7-40 (SUPP. 2023), AND § 2-7-20, *MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA* (1983), AND S. C. CODE ANN. § 5-7-40 (SUPP. 2023), AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

LEGISLATIVE FINDINGS

Whereas, the Town of Hilton Head Island, South Carolina, hold title to certain real property by virtue of a Limited Warranty Deed of Hubert L. Bernheim that is recorded the Office of The Register of Deeds for Beaufort County, South Carolina, in Official Record Book 1852 at Page 2182, which is known and described as follows:

All that certain piece, parcel or lot of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, containing 1.81 acres, more or less, shown as R500, Map 20, Parcel 34, on the Tax Maps for Beaufort County (herein, the “Town Property”).

Whereas, Hubert L. Bernheim held title to the own Property under a Tax Title issued by the Treasurer for Beaufort County, South Carolina, dated January 10, 1996, and recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Official Record Book 829 at Page 349; and,

Whereas, Eugene Williams holds title to a parcel of real property described as R510 010 000 0035, under a Tax Title issued by the Treasurer for Beaufort County, South Carolina, date December 3, 2008, and recorded in the Office of The Register of Deeds for Beaufort County, South Carolina, in Official Record Book 2788 at Page 1746 (hereinafter the “Williams Property”); and,

Whereas, the state of the title and the boundaries of both the Town Property and the Williams Property are unclear, and the Town of Hilton Head Island, South Carolina, and Eugene Williams have agreed on the location of the common boundary line between the Town Property and the Williams Property; and,

Whereas, the Town of Hilton Head Island, South Carolina, also holds title to real property that adjoins both the Town Property and the Williams Property, that is known and described as follows:

All those certain parcels, tracts, and lots of land, collectively comprising 7.19 acres, more or less, and more particularly described as Lots A-1, A-2, A-3, A-4, A-5, A-6, B-1, B-2, B-3, B-4, B-5, B-6, C-1, C-2, C-3, C-4, C-5, C-6, C-7, C-8, and the rights of way shown as Bryant Road, Deep Fording, Still Run Ramble, Little Garden Path, and the area shown as “Open Space - Pond,” all as shown on a Plat entitled “Plat of Spanish Grove Subdivision, Bryant Road, Hilton Head Island, Beaufort County, South Carolina,” prepared by Michael A. Mack, PLS 12244 of Horizon Surveying Associates dated July 31, 1996, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 64 at Page 95 (herein, the “Spanish Grove Property”).

Whereas, the public record reveals the existence of a survey discrepancy along the common boundary line between the Williams Property and the Spanish Grove Property; and,

Whereas, a storm water drainage ditch exists on the property, and following the conveyances authorized by this Ordinance, the storm water drainage ditch will cross both the Town Property and the Williams Property; and,

Whereas, Eugene Williams has agreed to convey an easement for access to, use of and maintenance of the storm water drainage ditch for the appraised value of the easement; 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 and residents to authorize

the conveyance of a part of the Town Property in exchange for a conveyance of a part of the Williams property to resolve the title and boundary issues described above, and to acquire an easement from Eugene Williams for access to, use of and maintenance of the storm water drainage ditch on the Williams Property; and,

Whereas, the Plat that is attached hereto as Exhibit “A” shows the location of the agreed upon common boundary lines between the Town Property, the Williams Property and the Spanish Grove Property and the location of the storm water drainage ditch; and Whereas, S. C. Code Ann. § 5-7-40 (Supp. 2023), § 2-7-20, *Municipal Code Of The Town Of Hilton Head Island, South Carolina* (1983), and S. C. Code Ann. § 5-7-40 (Supp. 2023), authorizes municipalities to acquire and own real property and interests in real property.

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

Section 1. Execution and Delivery of Conveyance and Payment for Easement.

(a) The Mayor and Town Manager rea hereby authorized to execute a Quit Claim Deed to Eugene Williams for the property shown and described as “Tract 1” on the Plat that is attached hereto as Exhibit “A”. The Quit Claim Deed shall be in a form and substance similar to the document attached hereto as Exhibit “B.”

(b) The Mayor and Town Manager rea hereby authorized to accept a Quit Claim Deed to Eugene Williams for the property shown and described as “Tract 2” and “Tract 3” on the Plat that is attached hereto as Exhibit “A”. The Quit Claim Deed shall be in a form and substance similar to the document attached hereto as Exhibit “C.”

(c) The Mayor and Town Manager rea hereby authorized to accept an Easement for a Permanent Storm Water Drainage Easement from Eugene Williams for the property

shown and described as “Drainage & Utility Reserve Easement, Area: 4,360 Sq. Ft., 0.100 Acres” on the Plat that is attached hereto as Exhibit “A”. The Quit Claim Deed shall be in a form and substance similar to the document attached hereto as Exhibit “D,” and to pay Eugene Williams the appraised value for the easement area, being the sum of Twenty Seven Thousand Nine Hundred Four and no/100 (\$27,904.00) Dollars.

(d) The Mayor and Town Manager are authorized to take such other and further actions as may be necessary to complete the conveyances of real property and the easement authorized by this Ordinance.

Section 2. Severability.

If any section, phrase, sentence, or portion of this Ordinance is, for any reason, held or deemed to be invalid or unconstitutional by any Court of competent jurisdiction, then such section, phrase, sentence, or portion shall be deemed to be a separate, distinct, and independent provision, and its invalidity or unconstitutionality shall not affect any other provision.

Section 3. Effective Date.

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

PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF
HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS ___ DAY OF JUNE, 2024.

Alan R. Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

First Reading: June ___, 2024

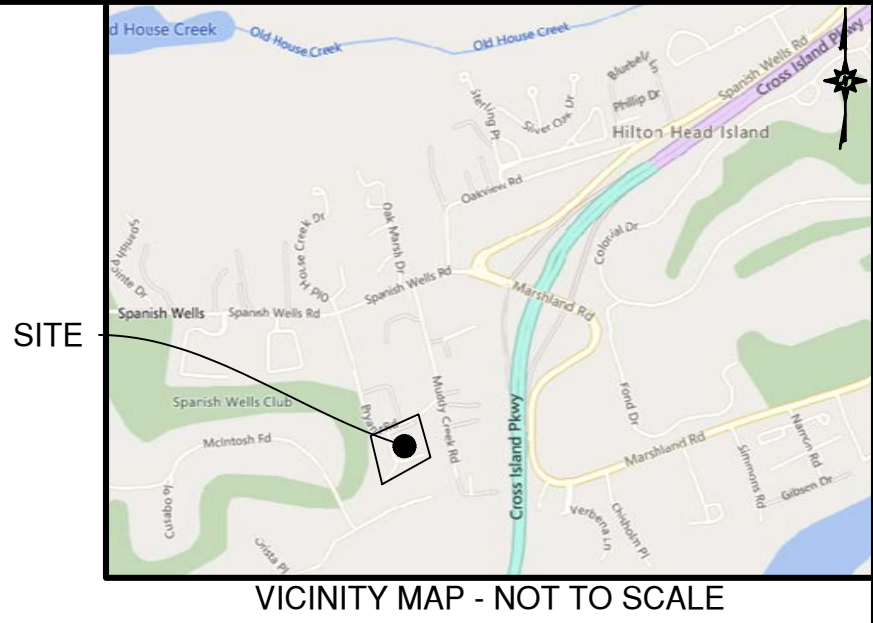
Second Reading: July ___, 2024

Approved as to Form:

Curtis L. Coltrane, Town Attorney

EXHIBIT “A” TO ORDINANCE 2024-____

GROSS LAND AREA	
PARCEL	AREA (SQ FT, AC)
SPANISH GROVE SUBDIVISION (TRACT 3)	313,063 SQ. FT., 7.186 AC
TMS # R510-010-000-0034-0000 (TRACT 2)	15,229 SQ. FT., 0.350 AC
TMS # R510-010-000-0035-0000 (TRACT 1)	120,595 SQ. FT., 2.768 AC



VICINITY MAP - NOT TO SCALE

TRACT 1

TMS# R510-010-000-0035-0000

ALL THAT CERTAIN PARCEL OF LAND LYING ON THE WESTERLY LINE OF MUDDY CREEK ROAD, IN THE TOWN OF HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA, KNOWN AS LAND NOW OR FORMERLY OF EUGENE WILLIAMS, JR. AND SHOWN ON PLAT BOOK __ PG __ AS RECORDED IN BEAUFORT COUNTY REGISTER OF DEEDS ON _____, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 5/8" REBAR SET AT THE SOUTHEAST CORNER TRACT 2 AS SHOWN ON SAID PLAT; ALSO, BEING THE NORTHEASTERLY CORNER OF LAND NOW OR FORMERLY GONZALO LOPEZ AGUILAR (DB 3328 PG 3173), SAID POINT HAVING SCSPC N 128929.20, E. 2071814.15 AND THE WESTERLY LINE OF MUDDY CREEK ROAD (40' PUBLIC ROW); THENCE ALONG MUDDY CREEK ROAD N.11°25'21" W 546.04' TO 2'X2' CONCRETE MONUMENT AND THE SOUTHEAST CORNER OF LAND NOW OR FORMERLY OF MARIA DEL CARMEN & SOTO VEGA (DB 4135 PG 1329) , HAVING SCSPC N.129464.42, E. 2071706.02, THE TRUE POINT OR PLACE OF BEGINNING, RUNNING THENCE ALONG MUDDY CREEK ROAD S.11°25'21" E 426.27' TO A 5/8" REBAR SET AT THE NORTHEAST CORNER OF TRACT 2 AS SHOWN ON SAID PLAT AND ALSO THE NORTHERLY LINE OF LAND OF THE TOWN OF HILTON HEAD ISLAND; THENCE ALONG THE LINE OF TRACT 2 S. 60°59'07" W. 266.80' TO A COMPUTED POINT REFERENCED BY AN OLD IRON PIPE 2.0" SOUTHWEST OF SAID CORNER, AND BEING THE SOUTHEASTERLY CORNER OF THE FORMER SPANISH GROVE SUBDIVISION (PB 64 PG 95) NOW LAND OF THE TOWN OF HILTON HEAD ISLAND; THENCE N.15°31'24" W. 457.99' ALONG THE EASTERLY LINE OF SAID SUBDIVISION AND THE WESTERLY OF LAND NOW OR FORMERLY EUGENE WILLIAMS TO A 5/8" REBAR SET AT THE NORTH WEST CORNER OF TRACT 1 AND THE SOUTHWESTERLY CORNER OF LAND NOW OR FORMERLY OF CAROLYN DEBARR; RUNNING THENCE ALONG THE NORTH LINE OF TRACT 1 AND SOUTHERLY LINE OF THE LAND NOW OR FORMERLY OF CAROLYN DEBARR AND NOW OR FORMERLY MARIA DEL CARMEN SOTO VEGA N.68°40'53" E. 291.41' TO THE POINT OR PLACE OF BEGINNING. CONTAINING 120595 SQ FT, 2.768 ACRES

TRACT 2

TMS# R510-010-000-0034-0000

ALL THAT CERTAIN PARCEL OF LAND LYING ON THE WESTERLY LINE OF MUDDY CREEK ROAD, IN THE TOWN OF HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA, KNOWN AS LAND NOW OR FORMERLY OF EUGENE WILLIAMS, JR. AND SHOWN ON PLAT BOOK __ PG __ AS RECORDED IN BEAUFORT COUNTY REGISTER OF DEEDS ON _____, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8" SET AT THE SOUTHEAST CORNER TRACT 2 AS SHOWN ON SAID PLAT; ALSO, BEING THE NORTHEASTERLY CORNER OF LAND NOW OR FORMERLY GONZALO LOPEZ AGUILAR (DB 3328 PG 3173), SAID POINT HAVING SCSPC N 128929.20, E. 2071814.15 AND THE WESTERLY LINE OF MUDDY CREEK ROAD (40' PUBLIC ROW); THENCE ALONG THE LINE OF TRACT 2 AND LAND NOW OR FORMERLY GONZALO LOPEZ AGUILAR S.87°19'26" W. 257.31' TO A COMPUTED POINT MARKED BY AN OLD IRON PIPE 2.0 SOUTHWEST OF SAID CORNER, AND BEING THE SOUTHEASTERY CORNER OF THE FORMER SPANISH GROVE SUBDIVISION (PB 64 PG 95) NOW LAND OF THE TOWN OF HILTON HEAD ISLAND; RUNNING THENCE ALONG THE SOUTHERLY LINE OF TRACT 1 N.60°59'07" E. 266.80' TO A 5/8" REBAR SET ON THE WESTERLY LINE OF MUDDY CREEK ROAD; THENCE S. 11°25'21" E. 119.77' TO THE POINT OR PLACE OF BEGINNING.

CONTAINING 15229 SQ FT, 0.350 ACRES

TRACT 3

FORMER SPANISH GROVE SUBDIVISION

ALL THAT CERTAIN PARCEL OF LAND LYING WEST OF MUDDY CREEK ROAD, IN THE TOWN OF HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA, KNOWN AS THE FORMER SPANISH GROVE SUBDIVISION (PB 64 PG 95) AND SHOWN ON PLAT BOOK __ PG __ AS RECORDED IN BEAUFORT COUNTY REGISTER OF DEEDS ON _____, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 5/8" SET AT THE SOUTHEAST CORNER TRACT 2 AS SHOWN ON SAID PLAT; ALSO, BEING THE NORTHEASTERLY CORNER OF LAND NOW OR FORMERLY GONZALO LOPEZ AGUILAR (DB 3328 PG 3173), SAID POINT HAVING SCSPC N 128929.20, E. 2071814.15 AND THE WESTERLY LINE OF MUDDY CREEK ROAD (40' PUBLIC ROW); THENCE ALONG THE SOUTHERLY LINE OF TRACT 2 AND LAND NOW OR FORMERLY GONZALO LOPEZ AGUILAR S.87°19'26" W. 257.31' TO A COMPUTED POINT MARKED BY AN OLD IRON PIPE 2.0 SOUTHWEST OF SAID CORNER, AND BEING THE SOUTHEASTERY CORNER OF THE FORMER SPANISH GROVE SUBDIVISION (PB 64 PG 95) NOW LAND OF THE TOWN OF HILTON HEAD ISLAND; THENCE N.15°31'24" W. 502.42' ALONG THE EASTERLY LINE OF SAID SUBDIVISION AND THE WESTERLY OF LAND NOW OR FORMERLY EUGENE WILLIAMS TO A PK FOUND AT THE NORTH EAST CORNER OF THE SPANISH GROVE SUBDIVISION ,HAVING SCSPC N. 129401.28', E. 2071422.66' THE POINT OR PLACE OF BEGINNING;

RUNNING THENCE S.15°31'24" E. 502.42' TO A COMPUTED POINT MARKED BY AN OLD IRON PIPE 2.0 SOUTHWEST OF SAID CORNER, AND BEING THE SOUTHEASTERY CORNER OF THE FORMER SPANISH GROVE SUBDIVISION (PB 64 PG 95); THENCE ALONG THE SOUTHERLY LINE OF THE SPANISH GROVE SUBDIVISION, THROUGH A SERIES OF MONUMENTS MARKING THE SOUTHERLY ADJOINERS PARCELS S.60°58'49" W. 621.68' TO 2" OPEN TOP PIPE THE SOUTHWESTERLY CORNER OF SAID SUBDIVISION; THENCE N. 13°19'33" W. ALONG THE WESTERLY LINE OF THE SUBDIVISION 556.59' TO 2" X 2" CONCRETE MONUMENT THE NORTHWESTERLY CORNER OF THE SPANISH GROVE SUBDIVISION; THENCE ALONG THE NORTHERLY LINE OF THE SUBDIVISION N.65°34'34" E. 590.28' TO THE POINT OR PLACE OF BEGINNING.

CONTAINING 313063 SQ FT, 7.187 ACRES

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

WITNESS MY ORIGINAL SIGNATURE, LICENSE NUMBER, AND SEAL THIS 31ST DAY OF OCTOBER, AD 2023.

Preliminary
10/31/2023 7:39:46 AM

RAYMOND B. DAWBER.
SCPLS 24270
PROFESSIONAL LAND SURVEYOR

MCKIM & CREED
454 DEANNA LANE SUITE A
CHARLESTON SC, 29492
TELEPHONE: (843) 459-7894
SOUTH CAROLINA FIRM COA NUMBER: 453
www.mckimcreed.com

PLAT SHOWING THE ADJUSTED LINES BETWEEN
THE TOWN OF HILTON HEAD ISLAND
AND
THE EUGENE WILLIAMS FAMILY
BRYANT ROAD & MUDDY CREEK ROAD, HILTON HEAD ISLAND,
BEAUFORT COUNTY, SOUTH CAROLINA, 29926
OCTOBER 25, 2023

JOB NUMBER: 09065-0006
SCALE: N.T.S.
CAD NUMBER: VT101_09065-0006
PLS: RBD
PARTY CHIEF: JB
CAD TECH: RBW
FIELD BOOK/PAGE: CHS#69 13-19
DRAWING NUMBER: DWG
SHEET 2 OF 2

EXHIBIT “B” TO ORDINANCE 2024-____

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) QUIT CLAIM DEED

Know All Persons by These Presents, that The Town of Hilton Head Island, South Carolina, in the State aforesaid and in consideration of the sum of Ten and no/100 (\$10.00) Dollars, to them in hand paid at and before the execution, sealing and delivery of these presents, by Eugene Williams, having an address of 54 Muddy Creek Road, Hilton Head Island, SC, 29926, in the State aforesaid, the receipt whereof is hereby acknowledged, subject to the easements, restrictions, and conditions set forth in the legal description below, have granted, bargained, released and quit claimed, and by these Presents does grant, bargain, release and quit claim to Eugene Williams, his heirs and assigns, forever the following property:

All that certain piece, parcel or lot of land lying and being on Hilton Head Island, Beaufort County, South Carolina, which is shown and described as "Tract 1", on a plat titled "Plat Showing the Adjusted Lines between the Town of Hilton Head Island and the Eugene Williams Family," dated October 25, 2023, prepared by McKim & Creed, Raymond B. Dawber, SCPLS 24270, which is recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book ___ at Page ___.

This conveyance is made subject to all applicable covenants, conditions, limitations, easements, affirmative obligations, etc., recorded in the Office of the Register of Deeds for Beaufort County, South Carolina.

This being a part of the same property conveyed to The Town of Hilton Head Island, South Carolina, by Deed recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Official Record Book 829 at Page 349;

This Deed was prepared in the law office of Coltrane & Wilkins, LLC, Post Office Box 6808, Hilton Head Island, South Carolina, 29938, by Curtis L. Coltrane.

A Part of TMS# R 510 010 000 0034 0000

Together with all and singular, the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

To Have and to Hold, all and singular, the said Premises before mentioned to Eugene Williams, his heirs and assigns forever.

Witness the hand and seal of the duly authorized officers of The Town of Hilton Head Island, South Carolina on this ____ day of July, 2024.

WITNESSES:

THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA

Alan R. Perry, Mayor

Marc A. Orlando, Town Manager

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

UNIFORM ACKNOWLEDGMENT

The undersigned Notary Public does hereby certify that Alan R. Perry and Marc A. Orlando, the duly authorized Mayor and Town Manager of The Town of Hilton Head Island, South Carolina, personally appeared before me this day and acknowledged the due execution of this Quit Claim Deed.

Sworn to before me on this ____
Day of July, 2024.

Notary Public for South Carolina
My Commission Expires:_____

EXHIBIT “C” TO ORDINANCE 2024-____

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) QUIT CLAIM DEED

Know All Persons by These Presents, that Eugene Williams, in the State aforesaid and in consideration of the sum of Ten and no/100 (\$10.00) Dollars, to them in hand paid at and before the execution, sealing and delivery of these presents, by The Town of Hilton Head Island, South Carolina, having an address of One Town Center Court, Hilton Head Island, SC, 29928, in the State aforesaid, the receipt whereof is hereby acknowledged, subject to the easements, restrictions, and conditions set forth in the legal description below, have granted, bargained, released and quit claimed, and by these Presents does grant, bargain, release and quit claim to The Town of Hilton Head Island, South Carolina and its successors and assigns, forever the following property:

All that certain piece, parcel or lot of land lying and being on Hilton Head Island, Beaufort County, South Carolina, which is shown and described as “Tract 2” and “Tract 3” on a plat titled “Plat Showing the Adjusted Lines between the Town of Hilton Head Island and the Eugene Williams Family,” dated October 25, 2023, prepared by McKim & Creed, Raymond B. Dawber, SCPLS 24270, which is recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book ___ at Page ___.

This conveyance is made subject to all applicable covenants, conditions, limitations, easements, affirmative obligations, etc., recorded in the Office of the Register of Deeds for Beaufort County, South Carolina.

This being a part of the same property conveyed to Eugene Williams, by Deed recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Official Record Book 2788 at Page 1746.

This Deed was prepared in the law office of Coltrane & Wilkins, LLC, Post Office Box 6808, Hilton Head Island, South Carolina, 29938, by Curtis L. Coltrane.

A Part of TMS# R 510 010 000 0035 0000

Together with all and singular, the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

To Have and to Hold, all and singular, the said Premises before mentioned to The Town of Hilton Head Island, South Carolina, its successors and assigns forever.

Witness the hand and seal of Eugene Williams on this ____ day of July, 2024.

WITNESSES:

Eugene Williams

STATE OF SOUTH CAROLINA)

)

UNIFORM ACKNOWLEDGMENT

COUNTY OF BEAUFORT)

)

The undersigned Notary Public does hereby certify that Eugene Williams personally appeared before me this day and acknowledged the due execution of this Quit Claim Deed.

Sworn to before me on this ____
Day of July, 2024.

Notary Public for South Carolina

My Commission Expires:_____

EXHIBIT “D” TO ORDINANCE 2024-____

STATE OF SOUTH CAROLINA)

COUNTY OF BEAUFORT)

PERMANENT STORM WATER

DRAINAGE EASEMENT

AGREEMENT

This Permanent Stormwater Drainage Easement Agreement (hereinafter the “Agreement”) is made this ____ Day of July, 2024, by and between Eugene Williams and the Town of Hilton Head Island, South Carolina.

Whereas, the Town has planned and desires to undertake drainage work which involves drainage improvements, ongoing maintenance, and related work thereto, on a storm and surface water drainage ditch that crosses the property of Eugne Williams as further described in this Agreement which work is for the benefit and use property in the vicinity of Muddy Creek Road including that of Eugene Williams; and,

Whereas, Eugene Williams has agreed to convey to the Town of Hilton Head Island, South Carolina, a permanent storm water drainage easement for access and for the improvement, maintenance and use of the aforementioned storm and surface water drainage ditch, subject to the terms and conditions set forth herein.

Now, Therefore, know all men by these presents, Eugene Williams, for and in consideration of the sum of Twenty Seven Thousand Nine Hundred Four and 00/100 Dollar (\$27,904.00) and no other valuable consideration, the receipt and sufficiency whereof is acknowledged, has bargained, granted, and sold and by these presents does

hereby bargain, grant, and sell to the Town of Hilton Head Island, South Carolina, its successors and assigns, a perpetual, non-exclusive easement on, under, over and across that portion of Eugene Williams' property, which is described as follows:

All that certain piece, parcel or lot of land lying and being on Hilton Head Island, Beaufort County, South Carolina, which is shown and described as "Drainage & Utility Reserve Easement Area: 4,360 SQ FT, o.100 Acres", on a plat titled "Plat Showing the Adjusted Lines between the Town of Hilton Head Island and the Eugene Williams Family," dated October 25, 2023, prepared by McKim & Creed, Raymond B. Dawber, SCPLS 24270, which is recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book ___ at Page ___.

A portion of Beaufort County Property ID (R510 010 000 0035 0000).

(herein, the "Easement Property").

The Easement granted herein is for the purpose of improving, maintaining, and using the Easement Property for the collection, conveyance and drainage of surface and storm water runoff. Eugene Williams further grants to the Town a perpetual, non-exclusive easement for the purpose of draining storm and surface water runoff through the storm and surface water drainage ditch in Easement Property pursuant to this Agreement. Eugene Williams further grants to the Town an easement for access, ingress and egress over property owned by Eugene Williams for access to and from the Easement Property in connection with the performance of work in accordance with the terms of this Agreement.

This Agreement is granted and accepted subject to the following terms:

1. This Agreement is entered into subject to all other easements, licenses, and conveyances of record and is subject to the rights herein reserved by Eugene Williams and his heirs and assigns, to utilize the Easement Property at any time, in any manner, and for any purpose, provided, however, that such use by Eugene Williams shall not be

inconsistent with nor prevent the full utilization by the Town of Hilton Head Island, South Carolina, of the rights and privileges granted herein.

2. Eugene Williams shall erect no permanent structure of any kind on, over or across the Easement Property, including but not limited to buildings, sheds, walls, or any other structures. Eugene Williams shall not impede, obstruct, or allow to be obstructed, the natural flow of storm and/or surface water through the Easement Property.

3. The Town agrees to plan the improvements and maintenance of and to the storm and surface water drainage ditch in the Easement Property, and further agrees that the improvements to, maintenance of, use of, and access to, the storm and surface water drainage ditch in the Easement Property shall be under the exclusive control of the Town, and that the Town shall at all times comply with all applicable laws, rules, codes, and regulations.

4. From the date of this Agreement, the Town of Hilton Head Island, South Carolina, shall, at its sole cost and expense, cause all timely clearing of natural debris, repair, renovation, and all other improvements in general to the storm and surface water drainage ditch and the Easement Property as shall be or shall become necessary and/or prudent in the discretion of the Town of Hilton Head Island, South Carolina.

5. The Town agrees to cause all work contemplated hereunder to be performed in a workmanlike fashion with minimal interference to Eugene Williams and his assigns, invitees, guests, licensees, and agents. The Town of Hilton Head Island, South Carolina, further agrees to cause the work contemplated hereunder to be completed in an expeditious and timely fashion, that the storm and surface water drainage ditch and the Easement Property shall at all times be maintained in a safe condition, and that all debris and construction materials relating to work undertaken by the Town of Hilton Head

Island, South Carolina, pursuant to the rights granted hereunder shall be promptly removed.

6. With the exception of any permanent improvements to be made in and to the storm and surface water drainage ditch and the Easement Property pursuant to completion of work performed in accordance with this Agreement, the Town agrees to restore the Easement Property to its pre-existing condition including the removal of all equipment, materials, litter, debris, etc. upon conclusion of any work.

7. The Town of Hilton Head Island, South Carolina, hereby warrants to Eugene Williams that the granting of the Easements described in this Agreement will not affect “set back” lines under The Town of Hilton Head Island, South Carolina’s jurisdiction on the of Eugene Williams.

8. Eugene Williams represents and warrants that it has full authority to execute, deliver and perform this Agreement.

To have and to hold, all and singular, the rights, privileges, and easements aforesaid unto the Town of Hilton Head Island, South Carolina, its successors, and assigns, forever.

In Witness whereof Eugene Williams has executed and delivered this Permanent Stormwater Drainage Easement Agreement on this ___ day of July, 2024.

WITNESSES:

_____ By: _____
Eugene Williams

STATE OF SOUTH CAROLINA	)	
	)	UNIFORM ACKNOWLEDGMENT
COUNTY OF BEAUFORT	)	

I, the undersigned Notary Public do hereby certify that Eugene Williams personally appeared before me on this day and duly acknowledged the execution of this Permanent Stormwater Drainage Easement Agreement.

Sworn to and Subscribed before me
this ___ Day of July, 2024.

Notary Public for South Carolina
My Commission Expires:_____

In Witness whereof, The Town of Hilton Head Island, South Carolina, by and through Alan R. Perry and Marc A. Orlando, its duly authorized Mayor and Town Manager has executed and delivered this Permanent Stormwater Drainage Easement Agreement on this ___ day of July, 2024

WITNESSES:

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By: _____
Alan R. Perry, Mayor

Attest: _____
Marc A. Orlando, Manager

STATE OF SOUTH CAROLINA

)

COUNTY OF BEAUFORT

)

UNIFORM ACKNOWLEDGMENT

I, the undersigned Notary Public do hereby certify that Alan R. Perry, Mayor, and Marc A. Orlando, Town Manager, personally appeared before me on this day and duly acknowledged the execution of this Permanent Stormwater Drainage Easement Agreement.

Sworn to and Subscribed before me
This ___ Day of July, 2024.

Notary Public for South Carolina
My Commission Expires: _____



TOWN OF HILTON HEAD ISLAND

Public Planning Committee

TO: Town Council
FROM: Katie Kabala, Community Development Services Manager
VIA: Shawn Colin, Assistant Town Manager
VIA: Shawn Leininger, Assistant Town Manager
VIA: Missy Luick, Director of Planning
CC: Marc Orlando, Town Manager
DATE: June 20, 2024
SUBJECT: Consideration of a Resolution Accepting the Town of Hilton Head Island Conditions and Trends Assessment

RECOMMENDATION:

Consideration of a Resolution Accepting the Town of Hilton Head Island Conditions and Trends Assessment.

BACKGROUND:

The Town of Hilton Head Conditions and Trends Assessment has been presented to the Public Planning Committee on 3 occasions. The most recent presentation on May 9, 2024 was to address all outstanding questions and feedback on the report. At that meeting, the Town of Hilton Head Public Planning Committee voted 4 to 0 to recommend that Town Council consider a resolution to accept the Town of Hilton Head Conditions and Trends Assessment.

This assessment is the result of the Island's pursuit of excellence in serving the community through decision-making based on these facts and trends. Town Council named the establishment of a Growth Management Strategy as one of the top 15 priorities for the town. This project was a key primary step to help shape that strategy. As a living document, the Conditions and Trends Assessment will be updated regularly to continuously monitor community datapoints, benchmarks and indicators for the Town of Hilton Head Island.

The report and dataset are designed to enhance the community's shared understanding of current and emergent issues. This assessment will be used by the Town in several ways including:

- Provide a common starting point
 - Add context to community conversations with respect local and regional trends

- Connect key information; share source data and resources
 - Remove the mystery on community needs, gaps, or opportunities
- Inform future plans and studies
 - Provide base set of findings to help initially focus and direct work
 - Accelerate the data assembly process with ready-made resources, tables, maps, and other resources
 - Uncover pressing or emergent issues, opportunities, and/or needs
 - Synchronize data across multiple planning efforts, departments, and community partners
- Measure progress
 - Take a moment-in-time “snapshot” of the Island across multiple trends
 - Measure progress or movement against this benchmark
 - Evaluate policy effectiveness
 - Quantify short and long-term impacts of major projects

The Town of Hilton Head Conditions and Trends Assessment pulls together benchmark community information and statistics in 10 key topic areas including:

- Demographics
- Workforce
- Economics
- Real Estate
- Natural and Cultural Environment
- Housing
- Governance
- Community Engagement
- Systems
- Land Use

SUMMARY:

The Hilton Head Island Town Council held a two-day strategic plan workshop on January 24-25, 2023, to discuss and identify priorities for inclusion in the 2023-2025 Strategic Action Plan. This workshop led to the establishment of a Growth Management Strategy, including a Town of Hilton Head Island Conditions and Trends Assessment, within the top 15 priority projects.

Town staff worked with their consultants, MKSK and Kimley-Horn to develop the Conditions and Trends Assessment presented today. The project built upon the Comprehensive Plan to expand knowledge and understanding of the community through community engagement with stakeholders and collection of data. That information was gathered and analyzed to help forecast trends. The key findings will be updated regularly, and the information used as a basis for making future decisions and policy for the Town of Hilton Head Island.

Once accepted, the Conditions and Trends Assessment will be included on the Town of Hilton Head website on the Master Plan landing page as a resource document. The Conditions and Trends Assessment will be updated so that community benchmarks and indicators are being monitored and tracked.

ATTACHMENTS:

1. Proposed Resolution
2. Conditions and Trends Assessment (Version 5.0)
3. Presentation

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ACCEPTING THE CONDITIONS AND TRENDS ASSESSMENT.

WHEREAS, the Town of Hilton Head Island Comprehensive Plan is required to be adopted in accordance with Section 6-29-520, and 6-29-530 of the Code of Laws of South Carolina; and

WHEREAS, Our Plan was adopted on October 20, 2020 as the Town of Hilton Head Island's 2020 to 2040 Comprehensive Plan; and

WHEREAS, Our Plan includes the following core values: Relentless Pursuit of Excellence, Redefining Environmental Sustainability, Revitalizing and Modernizing the Economy, Fostering an Inclusive Multi-dimensional Community, Building a Connected and Collaborative Community Fabric, Expanding to Embrace an Integrated Regional Focus, and Innovative Approach to Create 'Right-sized' Infrastructure; and

WHEREAS, Our Plan includes the following elements: Cultural Resources, Natural Resources, Population, Housing, Community Facilities, Economic Development, Land Use, Transportation, Recreation, and Priority Investment and adopted appendices; and

WHEREAS, the Town of Hilton Head Island Strategic Plan for 2023-2025, adopted June 6, 2023, identified conducting a Conditions and Trends Assessment as a top strategy for 2023 to provide updated statistics in order to help identify newly emerging trends and assist with the implementation of the Town's Comprehensive Plan; and

WHEREAS, Public Planning Committee reviewed and discussed the proposed Conditions and Trends Assessment on January 11, 2024 and March 14, 2024; and

WHEREAS, Public Planning Committee unanimously recommended the acceptance of the proposed Conditions and Trends Assessment on May 9, 2024; and

WHEREAS, the Conditions and Trends Assessment represents a cumulation of input from the public and Town Council that provides a community snapshot through the use of statistics in ten key topic areas to help leadership better understand emerging trends and prepare targeted policy affecting Hilton Head Island.

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

- (1) The Town of Hilton Head Island Conditions and Trends Assessment is hereby accepted.

(2) The Town Manager is hereby authorized to use the Conditions and Trends Assessment for future planning purposes.

MOVED, APPROVED, AND ACCEPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2024.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

Alan Perry, Mayor

ATTEST:

Kimberly Gammon, Town Clerk

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

Introduced by Council Member: _____



CONDITIONS & TRENDS ASSESSMENT

Town of
Hilton Head Island

SPRING 2024 | **DRAFT 5.0**





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Acknowledgments

This report was compiled through the collaborative work of dozens of community organizations, the Town of Hilton Head Island Staff, and elected officials. Thank you to all those parties who dedicated their time and information to this important work. The Planning Team would like to specially thank these individuals:

Town Council

Alan Perry, Mayor
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CONDITIONS & TRENDS ASSESSMENT

Town of
Hilton Head Island

An Important Moment. . . In 2023, the Town of Hilton Head Island staff initiated a process to better understand and document the critical conditions and trends that are – or will – have an impact on the community over the next 20 years. This effort is an informing component for major, forthcoming plans like decennial Comprehensive Plan, Capital Improvements Program, and Strategic Action Plan. It provides an objective inventory of available data and research. The 2020s mark the start of a new era for the communities of the Island. This analysis will help leadership better understand these emerging trends and prepare policy that is timely and data-informed.

Why now?

This is an inflection point. Community leaders have identified this moment as an important time to pause and better understand the implications and connections of various data. Through this analysis, the team has assessed the position of the Town across multiple measures and contextualized the potential impact of present and emerging trends. These are documented in the report through ten topical chapters including: demographics, workforce, economics, real estate, environment, housing, governance, community, systems, and land use.

This is the time to pause and better understand the moment.

This is an opportunity to consider the future of the community through forthcoming planning efforts while also determining which trends to reinforce and which trends to mitigate. This report will do four things:

- ***Collect and organize a baseline of critical data.*** Through an investigation of available sources and existing research the planning team has assembled a comprehensive database organized around ten topics.
- ***Identify major trends.*** The findings from the analysis are curated and presented through the report as critical trends. This work is supplemented by a database containing all information collected through analysis.
- ***Clearly communicate the information.*** This report focuses on key findings and is presented in a clear, graphically rich format.
- ***Consider “next steps.”*** The report and data will be leveraged by forthcoming plans and studies including the Growth Framework and District Plans.

The Conditions and Trends Assessment will be used by the Town through future planning processes to establish a data-informed approach to decision making. The research can be repeated on a regular basis to mark progress on key community goals. The process was initiated by the Town Manager and managed through the Community Development department and their consultants MKSK and Kimley Horn.

USER GUIDE

The *Conditions and Trends Assessment* provides a snapshot of the Town of Hilton Head Island from multiple angles. The report and dataset are designed to enhance the community’s shared understanding of current and emergent issues. This work will help inform the findings and recommendations for critical Town planning initiatives like the decennial Comprehensive Plan, Capital Improvements Program, and Strategic Action Plan.

HOW WILL THE ASSESSMENT BE USED?

The assessment provides the community with benchmark information and statistics from which it can evaluate and assess the overall health of the Town and its systems. The report is a collection and distillation of this comprehensive database of information, research, and primary data sources. The findings and analysis identify major trends and provide a baseline of critical information. This report will be used as a building block for Town leadership to make data-driven decisions through future community plans, development strategies, public policies, and strategic actions. This assessment will be used by the Town in several ways including:



Provide a common starting point ...

- Add context to community conversations with respect local and regional trends
- Connect key information; share source data and resources
- Remove the mystery on community needs, gaps, or opportunities



Inform future plans and studies ...

- Provide base set of findings to help initially focus and direct work
- Accelerate the data assembly process with ready-made resources, tables, maps, and other resources
- Uncover pressing or emergent issues, opportunities, and/or needs
- Synchronize data across multiple planning efforts, departments, and community partners



Measure progress ...

- Take a moment-in-time “snapshot” of the Island across multiple trends
- Measure progress or movement against this benchmark
- Evaluate policy effectiveness
- Quantify short and long-term impacts of major projects

WHO WILL USE THE ASSESSMENT?

The purpose of the Conditions and Trends Assessment is to present an objective view of the Town's most significant conditions and trends in 2023. The use of this information – for planning, prioritizing, budgeting, etc. – should be considered through subsequent, future-focused conversations. There are several intended users for the information including:



The general public

- Move from notional to knowledge-based community conversations
- Build a common understanding of community conditions
- Provide a starting point for reviewing Town policy and Town actions
- Feed the general curiosity about the position and direction of the Island



Town Council

- Provide real information compared to perceptions or political influences
- View and understand impacted issues or trends from a regional to Island-wide scale
- Build an understanding of interconnecting or causal factors
- Assign indicators to track the progress of major policies or projects



The Town Manager and Senior Staff

- Establish planning and capital priorities that address major community needs or issues
- Assist in capital project identification and budgeting
- Craft public/private partnering opportunities based on shared opportunities
- Prioritize future planning efforts



Town Planners and Development Partners

- Provide a factual background to specific issues
- Develop priming “common knowledge” base for consultants in various areas of concentration
- Establish a starting point for Town planning efforts
- Inspire and influence focused conversations.

Updating information and measuring progress

The Conditions and Trends Assessment is a broad dataset that complements the Town's Comprehensive Plan. It will be regularly updated as data is refreshed and new data is made available. Major resources and datasets used to build the report include the US Census, American Communities Survey, Bureau of Labor Statistics, along with dozens of additional resources. This assessment will be updated in concert with the Town's decennial comprehensive plan. Senior planning staff will oversee these updates in conjunction with the Town's Comprehensive Planning process. To learn more about the data used to build the Conditions and Trends Assessment, refer to the *Sources and Resources* chapter on page 113.

EXECUTIVE SUMMARY OF FINDINGS

The *Conditions and Trends Assessment* presents findings across ten broad topic areas. Each section features the most important data points related to the topic along with the long-term implications for the Town and community. This executive summary is a collection of the most important findings from the assessment. Each point includes a page reference to the related section where more information and sources are provided.



Population growth has stalled, but demographic shifts continue to drive socio-economic change.

- After tremendous growth through the 1970s, '80s, and '90s, Hilton Head Island's population began to plateau; between 2000 and 2020 it only grew by 11% compared to 55% across the region.
- The two fastest growing segments were households over 65, which were up 50% (3,500 units), and persons living alone are up 57% (1,900 units). Households with children decreased 35%, with 1,200 fewer units.
- The African American segment has decreased by 400 residents (or 15%) from 2000. The median age for African American residents, 61, is three years older than the overall Island median of 58.

SHARE OF RESIDENTS OVER 65

37%

This segment increased from 24% in 2000, the only growing age segment



Demographics

Population, households, change by season / day, citizen age, diversity

Read more on p. 14

LOCAL JOBS FILLED BY NON-LOCALS

63%

Nonresidents hold the majority of jobs on the Island, increasing 12% since 2002



Competition for labor pre-dated the COVID-19 Pandemic but was drastically accelerated through these two years of disruption.

- Mainland economic growth is exacerbating this challenge as the Island's workforce is traveling through similarly paying and more proximate job centers on their way to work on the Island.
- Hiring challenges on the Island are growing—housing costs are rising, and with more employment opportunities emerging in Beaufort and Jasper Counties, crossing the bridge to Hilton Head Island each day is becoming less desirable to workers.
- Other regions in the Lowcountry have more land available to accommodate greater job growth, increasing by 30–40% since 2000, while the Island's employment has only grown by 7% in the same time frame.

Workforce

Labor force makeup, participation, commuting, wages

Read more on p. 22





Regional economic growth has diversified and solidified the Town's local economy, but this broader growth is stressing regional systems – transportation, infrastructure, labor demands, housing, and others – on which the Town depends.

- The Town is unique among peer communities for its year-round population and relatively diverse local economy. Tourism and hospitality, however, drive all major sectors and have set records following the disruption caused by the COVID-19 pandemic.
- The local economy has since recovered and job growth over the next ten years is expected to be a continuation of recent trends. In the five years leading up to the pandemic, approximately 550 jobs were added.
- According to a 2021 Tourism Impact Report from the Hilton Head Island-Bluffton Chamber of Commerce, visitor expenditures generated a net total local revenue of \$23.4 million in the region through the accommodations tax, the hospitality tax, and beach preservation fees.

TOTAL VISITORS, 2021

 **3.1M**

Visitor levels returned to and exceeded pre-pandemic levels in 2021, up 16.5% from 2019

FUTURE ISLAND JOB GROWTH

 **+5%**

Jobs growth is expected through 2030, adding 1,000 new jobs



Economics

Businesses, employment, tourism, pipeline projects

Read more on p. 30

OFFICE REAL ESTATE SQUARE FOOTAGE BUILT SINCE 2010

<1%

Much of the office space on the Island is aging and new product is not being delivered

Real Estate

Retail, office, and residential property type and value

Read more on p. 38



Major shifts in retail and office demand have impacted the rent potential for existing, older real estate.

- Very little new inventory has been added in the previous two decades. As buildings age, the redevelopment pressures are increasing, but unevenly depending on access, location, ownership, and additional factors.
- Between April 2022 and March 2023, there were 153 building permits issued for new structures. Nine were accessory structures, ten were commercial structures and the remaining 134 were single family homes.
- Almost 85% of the retail inventory was built prior to 2000, with limited renovations.



Sea level rise makes the Island more vulnerable in major storm and hurricane events.

- The secondary impacts of the changes – saltwater intrusion, high heat days, insurance and financing, and others – can be reasonably predicted.
- Because flooding will increase in coastal areas as sea levels rise, it is likely that insurance rates will increase. More frequent storms could lead to an increase in the deductible for wind damage in homeowner’s insurance policies, or much higher premiums for communities like Hilton Head Island.
- As sea levels rise, many of the coastal wetlands and salt marshes may turn to open water and alter the ecosystems where many shellfish, birds, and fish reside.



Environment

Ecology, hydrology, geography, climate change, parks

Read more on p. 46



Home values are accelerating at their fastest rates ever and pulling even modest residential real estate properties to record highs.

- Diminishing affordability means more Island workers are non-local and are liable to join other jobs centers growing around the region.
- The average home cost tipped over \$724,000 in 2022, outperforming the county average by more than \$200,000, as well as every other community in the region. In May of 2023 that cost rose to \$768,000.
- This intense growth in value followed national trends, but the acceleration in the Lowcountry was much greater. About half of the Island’s nearly 34,000 housing units are defined as “vacant,” meaning without a year-round occupant.

YEAR-TO-YEAR INCREASE IN HOME VALUE, 2021 TO 2022



Fastest year-to-year increase in history, 20% increase in 2020



Housing

Permitting, home values, short-term rentals, new development and redevelopment

Read more on p. 56

SHORT-TERM RENTAL PROPERTIES COMPARED TO ALL PROPERTIES



Just over 7,000 properties are actively permitted as short-term rentals



Short-term rentals are a relatively new and fast-emerging use across the Town.

- The trend is impacting unit values and driving new trends in small-scale redevelopment.
- Short-term rental properties have quickly surpassed hotels and resorts in number of units. These properties, however, have also strained existing neighborhoods and infrastructure with increased parking demand, nuisance management, and other issues.



Housing affordability for lower-wage residents is reaching an inflection point.

- The small share of the existing and naturally occurring affordable housing is not protected from redevelopment and has been the target for recent development proposals. Losses in the category are not likely to be made up in a new locations in the Town given the scarcity and cost of land.
- Naturally occurring affordable housing (NOAH) units are housing units at affordable price points that are not protected by income restrictions or state and federal subsidies. These units are “unrestricted,” meaning there is little to no protection for them to stay affordable in perpetuity.
- The Island has around 2,000 NOAH units and just under 400 protected, income-restricted units.

NATURALLY OCCURRING AFFORDABLE UNITS



Estimate is based on existing properties with “affordable” rent and US Census cost-of-living estimates

TOWN FACEBOOK FOLLOWERS



Total followers of the Town of Hilton Head Island’s Government facebook page have grown steadily since its launch

Governance

Timeline of key events, staffing, service capacity, tax revenues, strategic planning

Read more on p. 64



The Town’s record of transparency and commitment to community engagement are a national best practice.

- This growing relationship between residents and leadership will be critical as the Town manages challenging planning and development questions through the coming decade.
- The Our Future and Our Plan community engagement process was two years long and involved the Town Council, a community vision process consultant, a vision project management team of diverse community leaders, and the broader community.
- Direct communication from the government through multiple digital platforms allows timely communications to residents and visitors in hurricane events and other emergencies.



The Town’s staffing is small compared to similarly sized, tourism-based communities.

- Hiring, amidst rising housing costs, has been a challenge for administrators and public safety officers.
- The Town provides critical services, like fire and safety, which includes fire rescue, emergency medical services, and emergency management.
- The Town outsources services like law enforcement, which is currently served by the Beaufort County Sheriff’s Office. Other services are privatized like recreation and park management.

TOWN RESIDENTS PER STAFF



Town staffing has increased at a slower pace than the increase in population and visitors since 2012.



Cultural and historical assets are critical to the Island's unique story but are under increasing threat from development pressure and a general decrease in native population.

- The Town has several initiatives to preserve Gullah culture, including the Gullah-Geechee Land and Cultural Preservation Task Force, the Gullah Geechee Historic Neighborhoods Community Development Corporation, and other initiatives.



Community

Engagement culture, civic infrastructure, Town planning processes, communication networks

Read more on p. 72

MILES OF PUBLIC PATHWAY

 **72**

The Town's pathway network is extensive and one of the most comprehensive in the nation



The pathways network is a key amenity but is also ready for its next round of investment and upgrades to improve safety and access.

- Rental bikes are affordable and widely accessible. Over 30 rental shops within the Town provide nearly 15,000 bikes for rent. Rental users, however, are less-likely to regularly bike at home.
- The Town's pathways provide critical multi-modal connections to neighborhoods and destinations while contributing to the creation of Complete Streets throughout the Island.
- In 2022, the Town initiated the Corridors Plan to serve as a guide for future pathways projects establish base references for issues to do with vehicular, bicycle, and pedestrian traffic.



Systems

Water infrastructure, roadway and pathway network, healthcare, service provision

Read more on p. 82

PEAK DAILY USAGE OF WATER (GALLONS)

 **26M**

Total gallons of water sourced from point sources (wells, bulk, etc.)



The explosive growth on the mainland is putting pressure on below-ground water resources supplied by the Floridian Aquifer.

- The Hilton Head PSD has lost 11 drinking water wells to saltwater intrusion into the Upper Floridan freshwater aquifer from 2000 to 2023. As a response, the Island's Public Service Districts are exploring new methods to secure point sources including very deep wells into the Cretaceous aquifer.
- Intrusion can have serious consequences for communities that rely on the aquifer for their water supply, as the increased salinity can make the water unusable for drinking, irrigation, and other purposes.



Transit can play an important role in addressing multiple community issues like labor, housing cost, and congestion.

- A regional issue in scope, the Town has a large stake in expanding the frequency and coverage of the existing system to better connect workers with jobs.
- Access to public transportation is proven to be a leading driver of increasing economic mobility for under-served communities.
- Palmetto Breeze’s “Ride Free - New Job Pass” provides a free, 7-day transit pass for any rider starting a new job. Initiatives such as these are centered around utilizing public transportation as a catalyst for lowering poverty rates, driving down housing costs, and increasing workforce mobility.
- A transit development plan prepared for the Lowcountry Council of Governments in 2018 identified higher areas of need along and northwest of Beach City Road (including Hilton Head Hospital) and the south end of the Island extending southwest of Pope Avenue.

**THE BREEZE
TROLLEY STOPS**

21

The Breeze Trolley currently serves 21 stops around the Island, with opportunities for expansion toward the airport

**UNDEVELOPED LAND ON
THE ISLAND (ACRES)**

1,500

Out of the total 21,862 acres of land above mean high tide. 28% of undeveloped property is Town-Owned



The decreasing developable acreage and increasing community scrutiny is driving up the cost of projects at all scales.

- With fewer large lots available, major subdivision projects (greater than 5 acres) are increasingly rare.
- Infill projects - development within existing subdivisions or smaller lots - and major redevelopment proposals are occurring more regularly.
- This will continue to increase the value and susceptibility for change of the Town’s older commercial properties.



Land Use

Development trends and patterns, constraints, and tools

Read more on p. 92





TOPIC A

DEMOGRAPHICS

Demographics is an assessment of the make-up of a population with respect to age, race, ethnicity, household makeup, education, tenure, and other measures. In many ways, a community's demographics are its destiny.

Understanding the Island as a collection of individuals, families, and neighborhoods is the critical first step to holistic and inclusive community planning; it helps define not just who the community is, but who it is becoming.

All places are changing. Even in a community like Hilton Head Island, where the population has begun to plateau, movement is continual. There are trends related to the age of residents, makeup of households, diversity of neighborhoods, and so on. These movements can play out quickly. Whatever shape the Island's future community takes, it may have different needs or expectations compared to yesterday's and today's residents. It will require new investments in infrastructure and supportive services.

This section explores several key trends related to demographics and their connection to other community systems.

KEY TRENDS

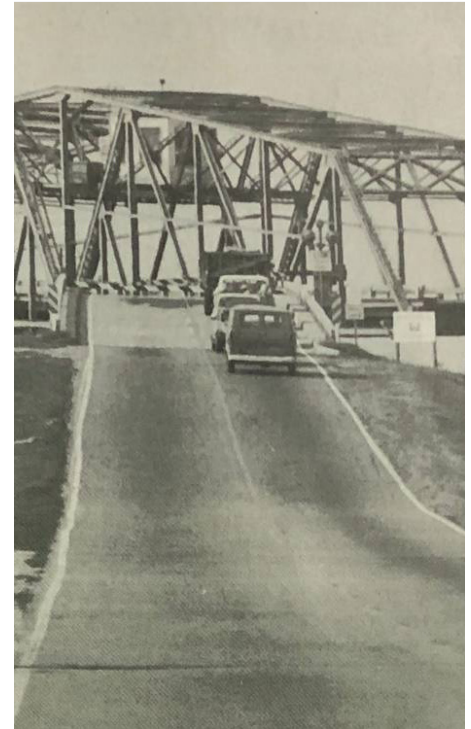
- 1 The full-time resident population of the Island is plateauing amid intense regional growth.
- 2 Households are getting smaller, older, and are less likely to include school-age children.
- 3 The number of people on the Island can vary significantly from its full-time population based on the time of day or the time of year.
- 4 The average age on the Island is getting older and the 55+ segment is driving a modest increase in population.
- 5 The Town is a relatively diverse community, but there has been a long-term decrease in the overall share of African American residents.
- 6 The Hispanic community is growing at the fastest rate of any ethnic segment, both locally and regionally.
- 7 Foreign-born residents are a growing segment and mostly from Latin America.

1 37,660

Total Full-Time Residents

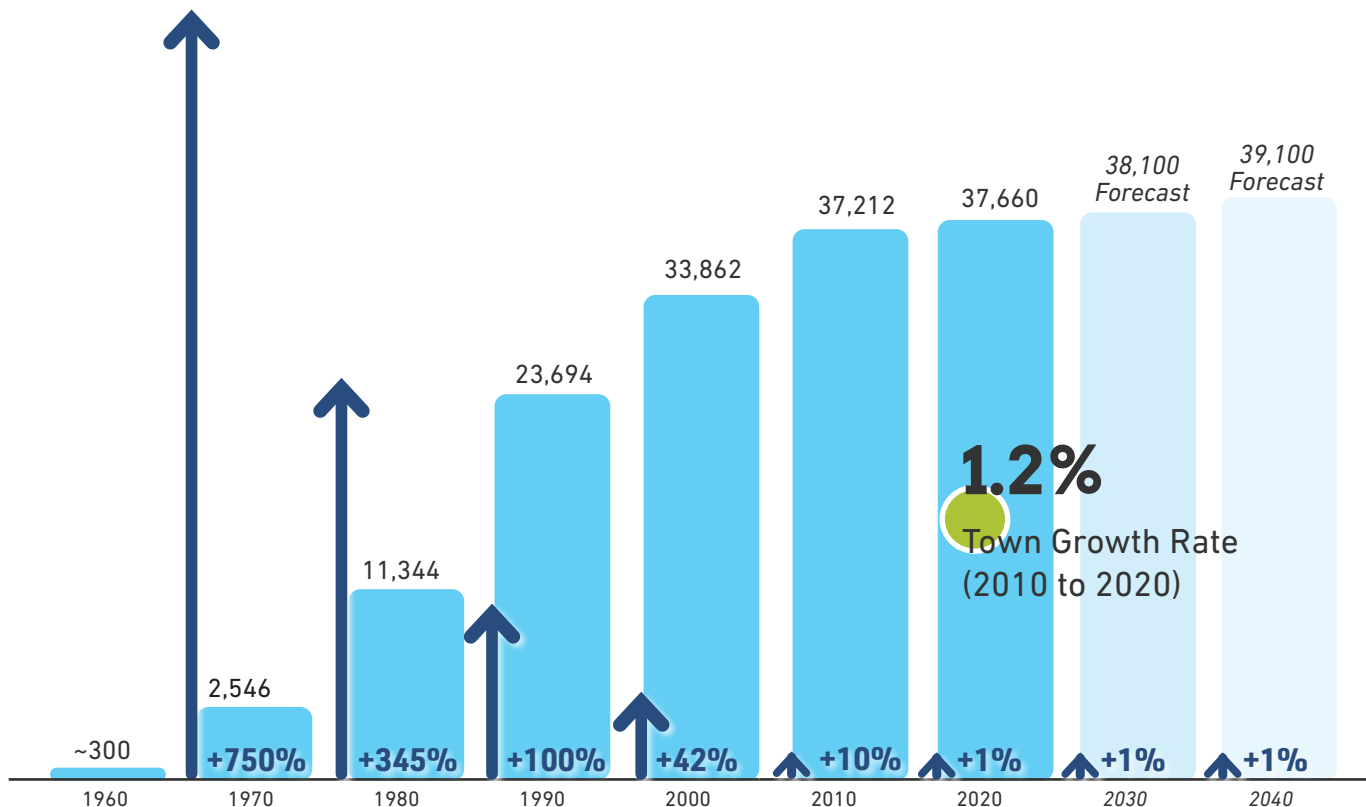
After tremendous growth through the 1970s, '80s, and '90s, Hilton Head Island's population began to plateau; between 2000 and 2020 it only grew by 11%. By comparison, Beaufort County's population grew by 55%, with places like Bluffton (2,074%) in Beaufort County and Hardeeville (317%) in Jasper County growing at a much faster rate than the Island during the same 20-year period. The broader Savannah metropolitan area also grew by 45% between 2000 and 2020, with an increase of 70,000 additional residents.

Hilton Head Island's population dynamics are more complicated than a simple measure of full-time residents, however. The amount of people on the Island at any given moment varies greatly depending on a number of factors, including the tourist season and the number of workers who live off-Island. Such fluctuations mean that the Island's daytime population increases by roughly one-third on average as people commute in for work.



The completion of the James F. Byrnes Bridge in 1956 transformed access to the Island and facilitated massive growth, both in terms of full-time residents and seasonal tourists.

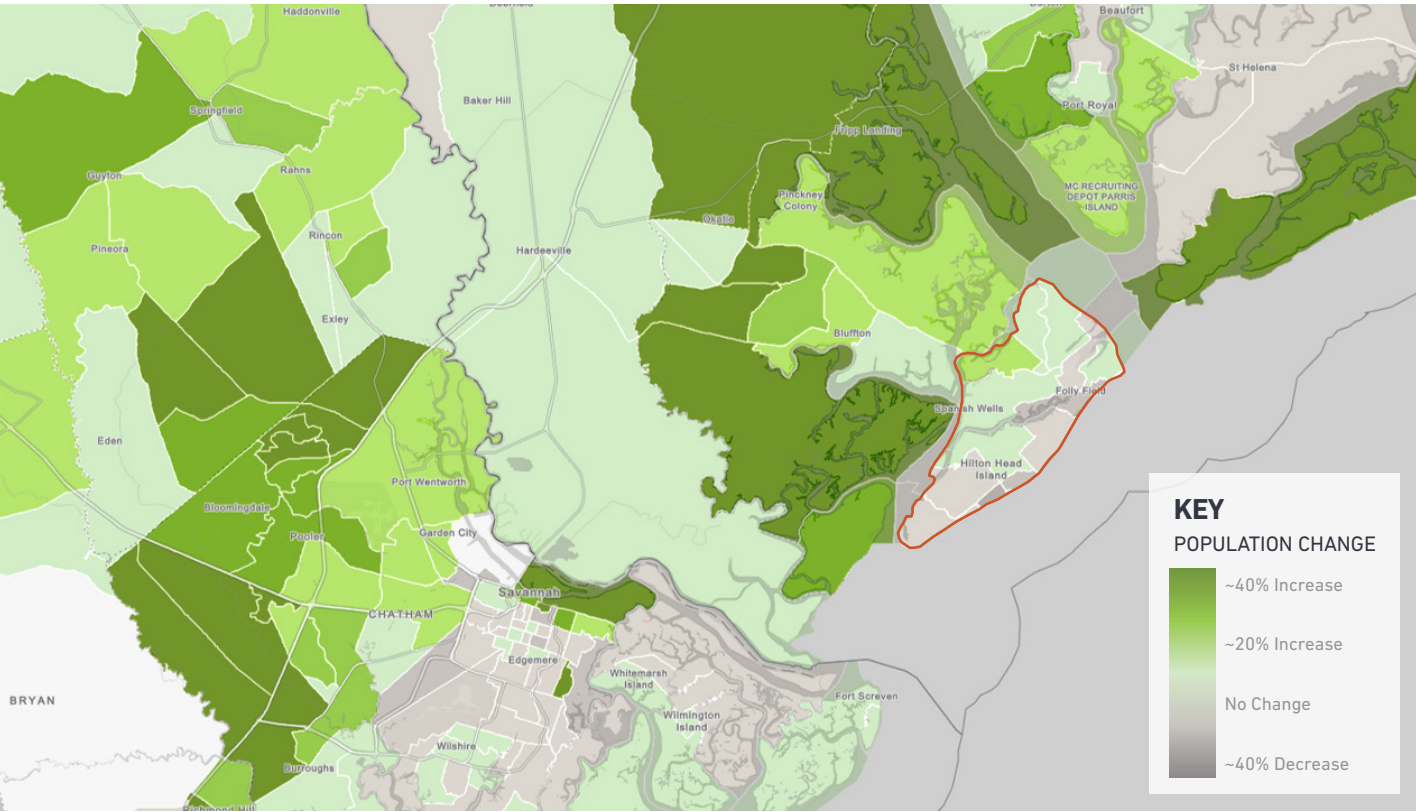
ISLAND POPULATION CHANGE SINCE 1960



Source: Esri, Forecast based on linear regression adjusted for reasonable land use projections

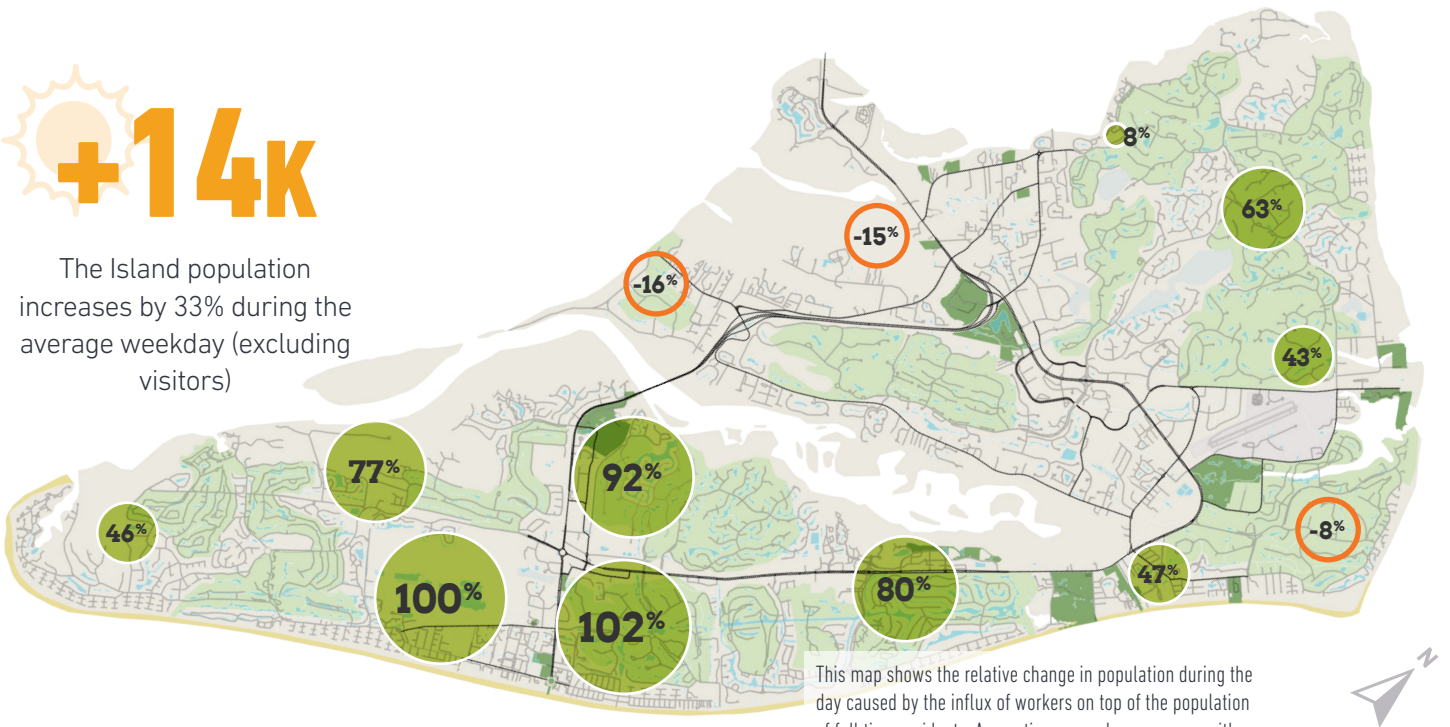


REGIONAL POPULATION CHANGE, 2000 TO 2020



Source: Esri

DAYTIME POPULATION CHANGE BY INFLOW AND OUTFLOW OF WORKERS



Source: Esri

2 *Households are getting smaller and older, and are less likely to include school-age children.*

- While the total number of households did increase 24% over this period, the makeup of these households is smaller and older. Family sizes on the Island are decreasing faster than in the county and the state.
- Between 2000 and 2020, the average household size decreased 4.3%, compared to 1% for other areas of Beaufort County.
- The two fastest growing segments were households over 65, which were up 50% (3,500 units), and persons living alone are up 57% (1,900 units). Households with children decreased 35%, with 1,200 fewer units.

3 *The number of people on the Island can vary significantly from its full-time population based on the time of day or the time of year.*

- The daytime population measures the net gain in workers coming over the bridge each morning. This number varies with time of year, but on average there are 53,000 people on the Island during the day.
- Tourism is another major variable. More than 3.1 million people visit throughout the year, with higher-volume seasons starting in March and ending in September.
- On any given day, there are 8,500+ visitors on the Island, or one visitor for every five full-time residents. The visitor count does not include second home owners. The Island exceeded pre-pandemic visitor numbers in 2021 after a dip in total visitors in 2020. The increase in daily flights to HHH and growth in short term rentals could drive visitor totals beyond 3.5 million in 2025, this according to the Hilton Head Island-Bluffton Chamber of Commerce.

HOUSEHOLD SIZE



4% decrease in household size

TOTAL VISITORS, 2021



Visitor levels returned to and exceeded pre-pandemic levels in 2021, up 16.5% from 2019

VISITOR TRENDS, 2018–2025

YEAR	TOTAL VISITORS
2018	2,617,764
2019	2,669,889
2020	2,607,800
2021	3,126,856
2022	3,089,346
JAN-JUN 2023	1,537,256*
2025 (ESTIMATED)	3,500,000

Source: Town of Hilton Head Island, Hilton Head Island-Bluffton Chamber of Commerce

*Partial year full-count total

DAYTIME POPULATION TRENDS, 2017–2021

	2017	2018	2019	2020	2021
DAYTIME POP.	47,672	49,609	50,014	47,905	48,911
WORKERS	23,482	24,363	23,239	21,854	21,585
VISITORS*	5,412	6,120	7,160	6,869	8,575
RESIDENTS (NON-WORKING)	18,778	19,126	19,615	19,182	18,751

Source: Town of Hilton Head Island

*Estimates based on yearly visitor averages

SHARE OF FIRST-TIME VISITORS, 2020



A 2020 survey indicated a significant share of tourists were visiting the Island for the first time.



4

The average age on the Island is rising and the 55+ segment is driving a modest increase in population.

- The median age for Island residents is increasing quickly, moving from 46 in 2000 to 58 in 2020. During this period, people over 55 drove a population increase, adding just over 9,000 new residents. Every other segment decreased in size.
- The 65 and over segment alone added 6,500 new residents, an 80% increase. This is consistent with regional trends, as Beaufort County's population grew by 175% in this older segment.
- The county tracked increases in all other age segments; this was not the case for the Island. The under-18, or school-age, population is decreasing. This segment lost 13% of its share from 2000, and the decline is reflected in public school enrollment.
- The public school system lost 400 students from 2012 to 2022, and is experiencing its largest loss among younger students below second grade.

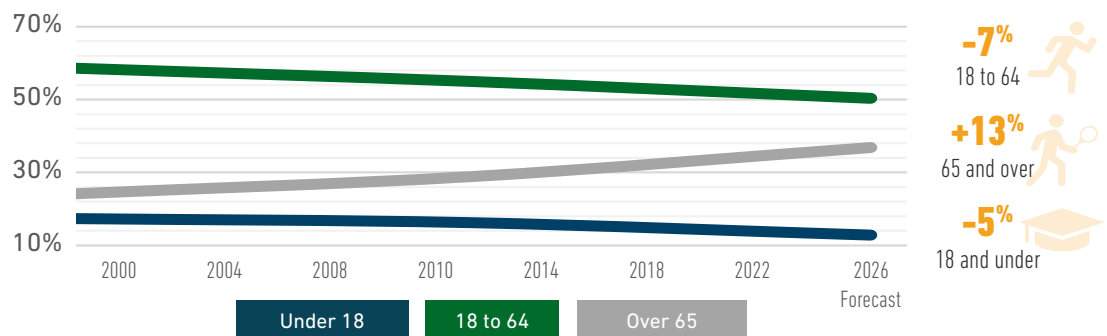
SHARE OF RESIDENTS OVER 65



This segment increased from 24% in 2000, the only growing age segment

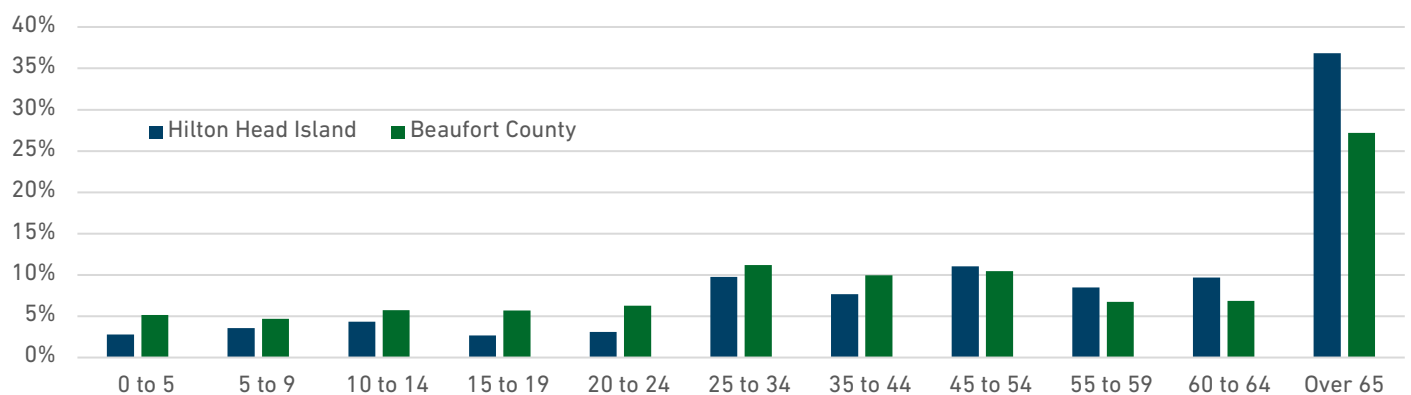


CHANGE IN SHARE OF POPULATION BY MAJOR AGE SEGMENT



Source: US Census Bureau, 2000 to 2020 Censuses

AGE OF RESIDENTS BY SEGMENT (2020)



Source: US Census Bureau, 2000 to 2020 Censuses

5

The Town is a relatively diverse community, but there has been a decrease in the overall share of African American residents.

- Eight out of ten residents on the Island identify as white, but the share of this segment decreased from 2000 to 2020, from 85% to 79%, despite moderately increasing in absolute numbers.
- The number of residents identifying their race as “other” or as “two or more races” increased significantly over this period, growing from 6% to 13% of the Island’s total.
- The African American segment lost population over this period, decreasing by 400 residents (or 15%). The median age for African American residents, 61, is three years older than the overall Island median of 58.

CHANGE IN AFRICAN AMERICAN POPULATION, 2000 TO 2020

-400

The overall share of African American residents decreased from 8% to 6%

MULTIPLE INDICATORS FOR AFRICAN AMERICAN RESIDENTS COMPARED TO ISLAND AVERAGE

	AFRICAN AMERICAN RESIDENTS	ISLAND OVERALL	DIFFERENCE
MEDIAN AGE	61	58	+3
BELOW POVERTY LINE	16%	7%	+9%
MEDIAN FAMILY INCOME	\$53k	\$86k	-\$ 33k
TOTAL POPULATION 2020	2,192	37,661	SHARE DECREASE FROM 8% TO 6%, 2000 TO 2020
POPULATION 18 AND UNDER	8%	13%	-5%

Source: US Census Bureau, 2000 to 2020 Censuses



The Gullah Geechee Community

"A century ago, Hilton Head Island was dominated by the Gullah Geechee people. Because of years of geographic and social isolation, their distinct culture reflects their West African roots in many ways, including language, crafts, foodways, storytelling, traditions, farming, fishing, and relationship to the land." - The Gullah Geechee Culture Preservation Project Report, 2019.

[Click to read](#) more about the Gullah Geechee community and the recommendations from the report.



INCREASE IN HISPANIC POPULATION, 2000 TO 2020

28%

The overall share of the Hispanic population rose 11.6% from 2000 to 2010, and 15.8% from 2010 to 2020

STUDENTS LEARNING ENGLISH IN SCHOOL

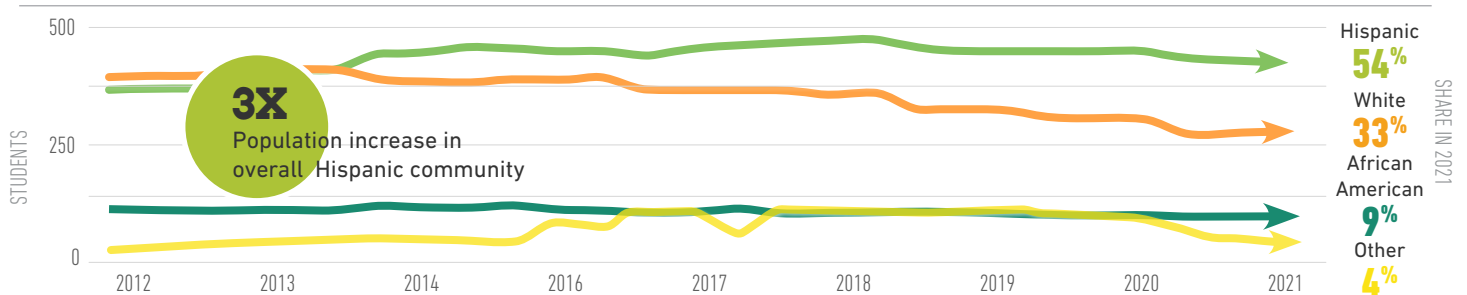
1 in 3

Hilton Head Island public schools has increased its English as a Second Language (ESL) resources and offerings to meet the rising need

6 The Hispanic community is growing at the fastest rate of any segment, both locally and regionally.

- Mirroring trends across the region and the country overall, the share of Island residents of Hispanic or Latino ethnicity rose by 28.2% between 2000 and 2020 from 3,934 to 5,045.
- According to the Island Packet, the Beaufort County School District is now home to the third-largest Hispanic student population in South Carolina, with more than 6,000 students concentrated mostly on Hilton Head Island and in Bluffton.
- Hispanic students now make up almost half of the Island's public school population. The growth was even faster, however, across the region, where Hispanic and Latino residents grew by 187%, nearly doubling in size as a segment.
- At Hilton Head Island Middle and High Schools, about one in every three students is multilingual and developing fluency in English. Less than a third of those students met language proficiency targets in 2020, lagging at least 11 percentage points behind their peers across South Carolina.

ENROLLMENT BY RACE IN HILTON HEAD ISLAND ELEMENTARY SCHOOLS (2012 TO 2021)



Source: SC Department of Education student headcounts

7 Foreign-born residents are a growing segment and mostly from Latin America.

- The region has also attracted a large number of foreign-born residents from 2000 to 2020. Just under 12% of residents on Hilton Head Island were not born in the United States, with two-thirds of this group migrating from Latin America.
- Europe was the second-largest region of origin, representing 18% of the total foreign-born population.



Multilingual classrooms like the one pictured above are more common with the increase in English as a Second Language students. Credit: Drew Martin and the Island Packet





TOPIC B

WORKFORCE

Workforce refers to the size, composition, and productivity of an area's labor pool. It can include full-time, part-time, and contract workers.

The scale and composition of an area's workforce can have a significant impact on its overall productivity and economic potential. Hilton Head Island's economy relies largely on the tourism industry, which represents a significant proportion of the local labor force. The tourism industry on the Island is supported by the region's location and abundance of recreation, resorts, and beaches. Other notable workforce categories on the Island include retail services, professional services, and healthcare.

Generally, the workforce on Hilton Head Island is diverse and reflective of the area's distinctive economic and demographic characteristics, but there is a growing dependence on the larger region to meet the local workforce demands. Each year, more workers commute from off-Island. While wages have increased, they've not kept pace with the rise in housing costs. The divergence is forcing local employers to work harder to source labor and considering the long-term impacts of the scarcity.

KEY TRENDS

- 1 Competition for labor is intensifying as the region experiences strong job and population growth.
- 2 Recent Island worker shortages have impacted local businesses.
- 3 Unemployment rates have been and continue to be low when compared to the region.
- 4 Median annual earnings have been increasing over the last decade, most notably for high school graduates, who experienced a 76% increase in earnings during that time.
- 5 Higher education facilities on or near Hilton Head Island will continue to add to the workforce with high-demand local industry skills.
- 6 Residents have comparatively higher levels of educational attainment than the overall populations of Jasper and Beaufort Counties.
- 7 One in five resident occupations are in the food preparation and serving industry.
- 8 Commuting for Island residents decreased by almost 10% over the last decade while the share of residents that work from home has steadily increased.

1 21,400

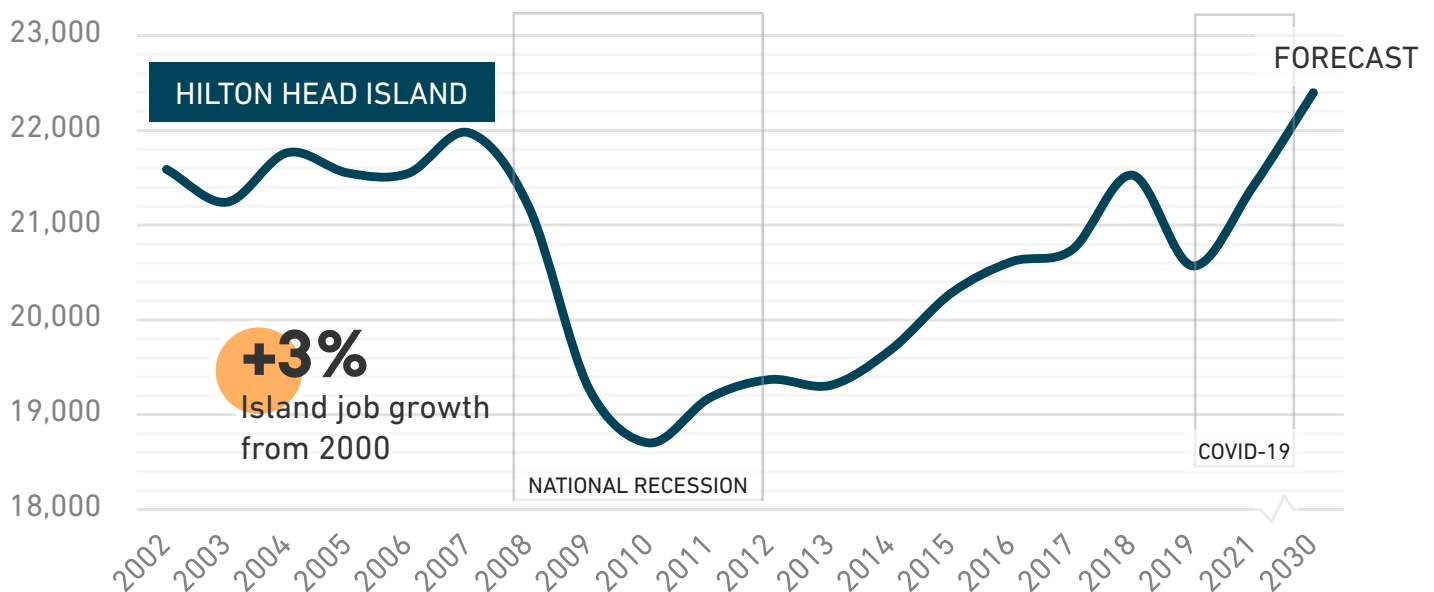
Total Island Jobs in 2021

The Town of Hilton Head Island is part of a dynamic and evolving region that has experienced significant job growth over the last 20 years. While the COVID-19 global pandemic and related economic shutdowns dealt a temporary setback to the Island's job growth, the total employment in the Town quickly recovered and exceeded pre-COVID totals. Now topping 21,000 employees, the number of jobs is forecast to increase. The total jobs picture in the larger Hilton Head Island-Bluffton-Beaufort Metropolitan Statistical Area (MSA), which includes Beaufort and Jasper counties, has increased by nearly 24% during period between 2000 and 2022. The region's growth in most job industries, with healthcare, education, retail trade, and construction posting the strongest increases. Although tourism continues to be an important driver of growth in the region, its economic profile has become more diverse over time. With comparatively ample land for development on the mainland, the overall Savannah and Charleston MSAs have both experienced comparatively stronger economic growth as a result of their rapidly expanding job bases during the same period.



The Lowcountry boasts strong hospitality and food service industries, which influenced the Technical College of the Lowcountry to open the Culinary Institute of the South in Bluffton in order to support training and development for these workforce sectors. Credit: Culinary Institute of the South

CHANGE IN TOTAL ISLAND PRIVATE-PRIMARY JOBS, 2002 TO 2021



Source: US Census Bureau, Longitudinal Employer-Household Dynamics



2 Recent Island worker shortages have impacted local businesses.

- Recent shortages of Island workers have led to a delayed opening for tourist season, reduced hours of operation, and business closures.
- Hiring challenges on the Island are growing—housing costs are rising, and with more employment opportunities emerging in Beaufort and Jasper Counties, crossing the bridge to Hilton Head Island each day is becoming less desirable to workers.
- Limited non-residential development on the Island tends to impede new job growth. The limited developable land going to non-residential uses leaves less opportunity to create workforce housing, driving workers to other emerging job markets.
- Other regions in the Lowcountry have more land available to accommodate greater job growth, increasing by 30–40% since 2000, while the Island’s labor force has only grown by 7% in the same time frame.
- Despite this, the Island had a 96% average labor force participation rate from 2000 to 2021, a slightly higher measure when compared to the Hilton Head Island MSA (95%) as well as the Charleston (95%) and Savannah (94%) MSAs. This shows residents are employed, but do not fill the labor needs of the Island.

LABOR FORCE PARTICIPATION



This measures those locals that can and do work (non-retired, non-minor, etc.); Up 7% from 2000

UNEMPLOYMENT RATE, 2021

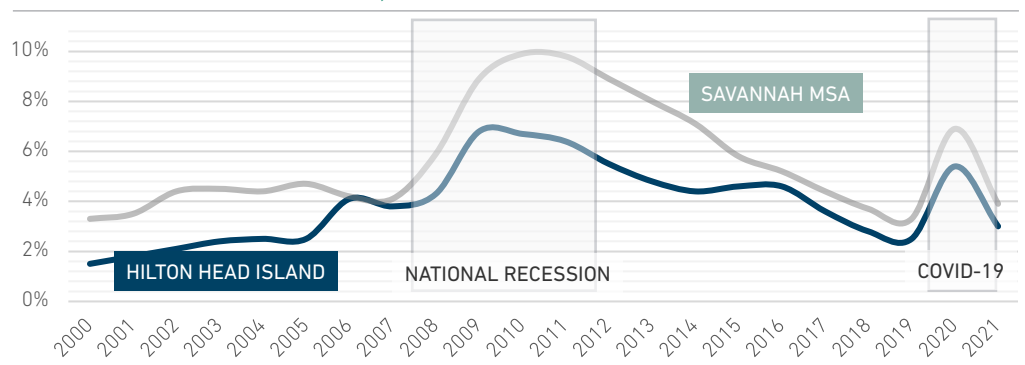


The Island is nearing full employment, including the portion of residents that work off-Island

3 While unemployment rates on the Island fluctuate with economic cycles, they have historically been lower when compared to surrounding regions.

- The Island’s unemployment rate as of 2021 is 3.1% lower than the Hilton Head Island, Savannah, and Charleston MSAs.
- The all-time high unemployment rate on Hilton Head Island was 6.8% during the national recession; it peaked again during the COVID-19 pandemic, but recovered quickly.

CHANGE IN UNEMPLOYMENT, 2000 TO 2021



Source: US Census Bureau, 2000 to 2020 Censuses

4

Median annual earnings have been increasing on the Island over the last decade, most notably for high school graduates.

- There has been a 33% increase in median annual wages across the Island over the last decade, with high school graduates experiencing a 76% increase in earnings.
- All levels of educational attainment experienced some form of growth in earnings from 2010 to 2021.
- While wages on the Island have increased, housing costs remain a challenge for many residents. The maximum monthly housing cost the average single worker can afford before being housing cost-burdened is \$1,043. This measure is based on the standard recommendation of spending less than 30% of monthly earnings on housing costs. The median rent in the Town of Hilton Head Island is \$1,330 according to the US Census 2022 American Communities Survey.

COMPARATIVE INCOME AND RENT, 2020

	Median Household Income	Median Rent
Hilton Head	\$ 86,171	\$ 1,330
Savannah, GA	\$ 46,149	\$ 1,049
Hardeeville, SC	\$ 65,245	\$ 1,196

Source: US Census Bureau, 2020 Census

MEDIAN EARNINGS BY EDUCATIONAL ATTAINMENT, HILTON HEAD ISLAND

	2010	2015	2020	2021	CHANGE
Less than High School	\$ 18,926	\$ 20,642	\$ 25,920	\$ 28,257	↑ 49%
High School Graduate	\$ 21,308	\$ 21,616	\$ 33,807	\$ 37,570	↑ 76%
Some College	\$ 31,146	\$ 31,667	\$ 37,282	\$ 37,149	↑ 19%
Bachelor’s Degree	\$ 42,175	\$ 40,242	\$ 51,621	\$ 56,893	↑ 35%
Graduate Degree	\$ 54,375	\$ 50,625	\$ 56,154	\$ 65,000	↑ 20%
Overall Median	\$32,113	\$30,551	\$40,285	\$42,059	↑ 31%

Source: US Census Bureau, 2000 to 2021 Censuses



Path to payroll: growing hiring challenges

Hilton Head Island is facing significant workforce challenges. In 2016, the Island’s tourism-based economy relied on over 8,400 workers to keep businesses open. However, with the rising cost of housing and increased employment opportunities in nearby Beaufort and Jasper Counties, workers are being pulled off the Island. This shortage of workers has led businesses to delay opening for the tourist season, cut hours of operation, or shutter locations altogether.



5

Higher education facilities on or near Hilton Head Island will continue to infuse the workforce with high-demand local industry skills.

- Higher education institutions include University of South Carolina at Beaufort (USCB) and Technical College of the Lowcountry (TCL). The schools have a combined student population of over 8,000.
- Many higher education opportunities in the area are geared toward the tourism industry, including USCB-Hilton Head's Hospitality Management program and the Culinary Institute of the South, a subsidiary facility created by TCL to advance the hospitality and food service workforce in the region.

6

Residents have comparatively higher levels of educational attainment than the overall populations of Jasper and Beaufort Counties.

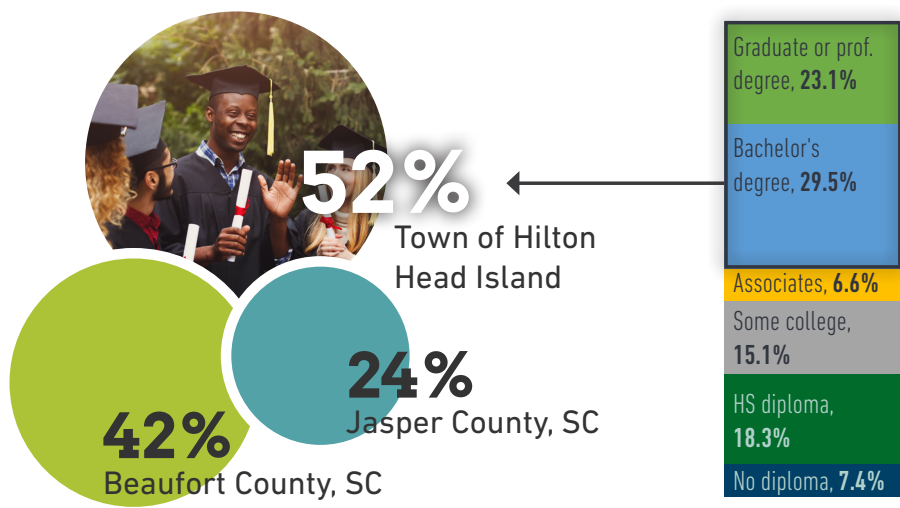
- 52% of the residents of the Town of Hilton Head Island age 25 years or older had at least a bachelor's degree in 2021, while the comparable figures were 42% for Beaufort County and 24% for Jasper County.
- All three geographic areas have experienced strong increases in education attainment levels since the 2010 US Census.

CULINARY INSTITUTE OF THE SOUTH

Degrees & Certificates	Associate Degree in Culinary Arts
	Restaurant Cooking Skills Certificate
	Associate Degree and Certificate in Baking & Pastry Arts
Partner Advocates	Associate Degree and Certificate in Hospitality & Tourism Management
	The Sea Pines Resort
	SERG Group
Partner Advocates	The Omni Hilton Head Oceanfront Resort
	The Sonesta Resort Hilton Head
	The Westin Hilton Head Island Resort & Spa
Partner Advocates	US Foods
	Fat Patties

Source: Technical College of the Lowcountry

SHARE WITH A BACHELOR'S DEGREE OR HIGHER



Source: US Census Bureau, 2021 Census



USCB Hilton Head campus features a nationally-recognized hospitality management program geared toward training the next generation of leaders in the Island's largest industry. Credit: University of South Carolina at Beaufort

7 *One in five resident occupations are in the food preparation and serving industry, making it the most common job.*

- Food preparation and serving accounts for more than 20% of the Island's labor force. The average salary of a worker on the Island in this industry is \$34,106.
- The second most common occupations on the Island are in office & administrative support, a sector which employs 13% of the labor force. This is closely followed by the sales industry, which employs around 12%.
- Office and administrative support occupations have an average annual salary of \$47,880 on the Island, and sales occupations have average annual earnings of nearly \$62,000.

8 *Commuting for Island residents decreased over the last decade while the share that work from home has increased.*

- The majority of local workers live off-Island, totaling about 14,800 workers crossing the bridge each day to get to work. This number has increased by 26% from 2002, while the number of workers who live on the Island has decreased by 34%, for a total of roughly 8,400.
- Approximately 28% of workers commute to work after 9:00 A.M., and for most it takes between 10 and 19 minutes to commute.
- The tourism-based economy of the Island means that commuting hours for Island workers do not necessarily align with traditional business hours.
- When compared to the surrounding regions, residents on the Island have shorter commutes. The mean travel time to work was estimated to be around 18 minutes in 2021, which was only a slight difference from the average mean time of 17 minutes in 2010. Over 80% of workers use personal means of transportation such as a car, truck, or van to commute to work.
- Commuting has decreased by about 10% since 2010 while the work-from-home trend has increased from 7% in 2010 to 15% in 2021.

RESIDENT OCCUPATION BREAKDOWN, 2021



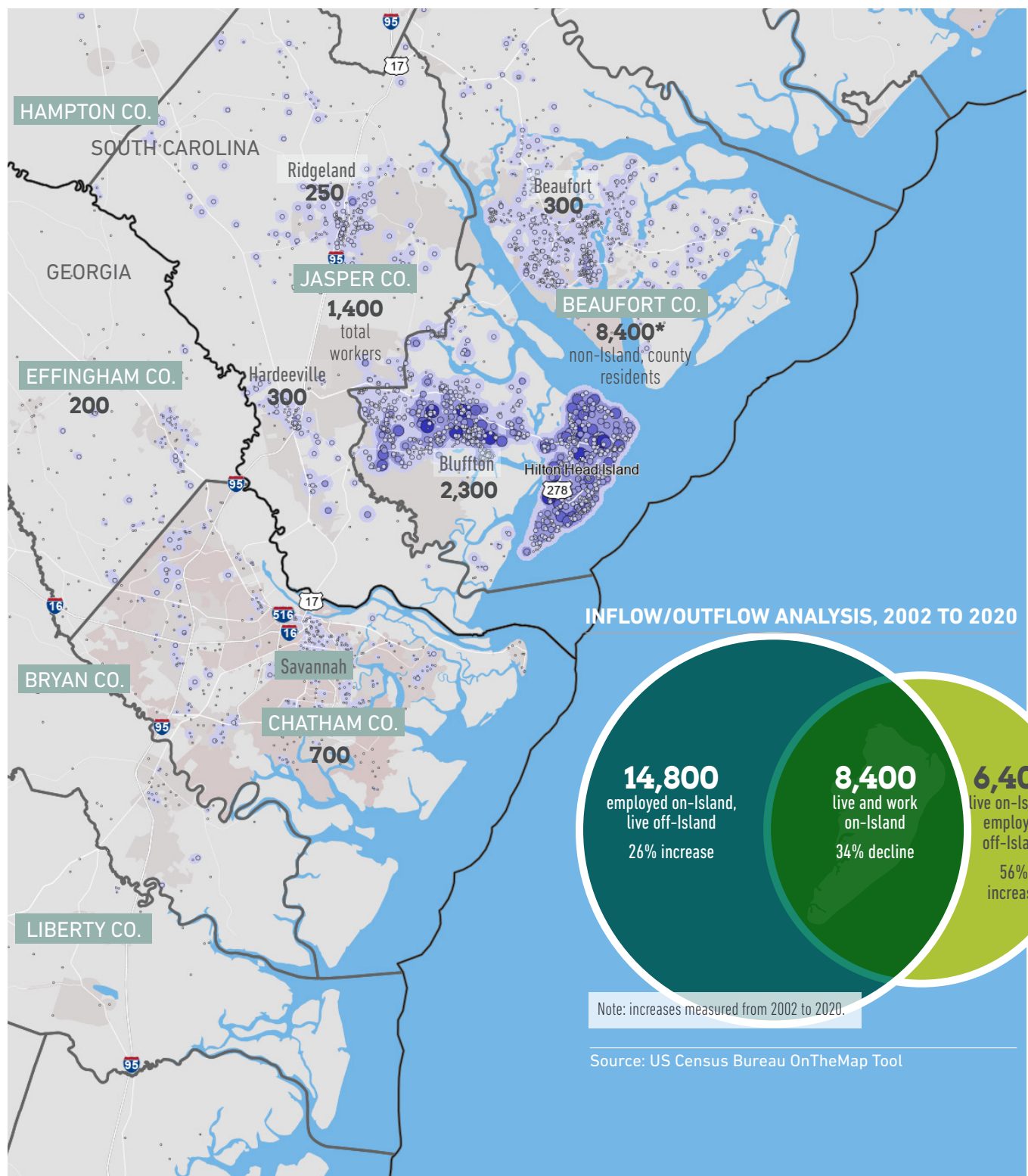
Source: US Census Bureau, Longitudinal Employer-Household Dynamics



Could traffic be worse? While inbound commuting pulls close to 15,000 workers across the bridge each day, the staggered start times of the hospitality economy decrease the peak-time pressure and congestion.



WHERE ISLAND WORKERS LIVE, 2019



Source: US Census Bureau, Longitudinal Employer-Household Dynamics





TOPIC C

ECONOMICS

Economics is an examination of the individual and market forces that influence businesses, revenues, expenditures, and capital projects. This section provides insight on the local economic conditions on Hilton Head Island and the overall region.

While some trends have remained consistent over the last two decades, there have also been significant changes within Hilton Head Island's economy. COVID-19's impact on the tourism industry, though brief, exposed vulnerabilities within this sector and underscores the need for economic diversification. This unique moment in time also set off a host of new local trends, with more residents working from home, a ratcheting up of real estate activity, and a broad increase in business activity.

Meanwhile, maintaining and improving accessibility to the Island is an economic imperative. Economically, the Island is not an island. Commuting and spending patterns show a tight connection between the Town and the broader region.

This section examines the dynamics of the local economy and breaks down major trends following the pandemic and other regional impacts.

KEY TRENDS

- 1 After the pandemic-related disruption in 2020, tourism has bounced back and continues to drive the Island's economy.
- 2 The number of applications for business licenses shot up after 2020, almost two-thirds of which have been for short-term rental properties.
- 3 Hilton Head Island Airport (HHH) has played a growing role in local economic development since its 2018 expansion.
- 4 The local economy has recovered since the shock from the COVID-19 pandemic and historic trends are expected to continue.
- 5 Tourism drives local revenues and has recovered and surpassed pre-pandemic levels.
- 6 Non-tourism related jobs grew the most over the last two decades.
- 7 Several capital projects planned in and around Hilton Head Island are expected to positively impact economic outcomes.

1 **\$2.8 BILLION**

Economic Impact of Tourism

After the COVID-19 disruptions in 2020, tourism has bounced back and continues to be Hilton Head Island's leading economic driver. In 2021, *Travel & Leisure's World's Best Awards* named it America's number one island; that same year the MSA saw a total gross domestic product of \$9.2 billion.

As one of the most popular visitor destinations in the South and a record high of over 3 million visitors in 2021, it is no surprise that industries supporting tourism host the largest shares of jobs on the Island. Along with retail trade, accommodation and food services account for more than one-third of the Island's jobs. This share has been relatively stable over the last two decades.

GROWTH IN REGIONAL GDP, 2001 TO 2021

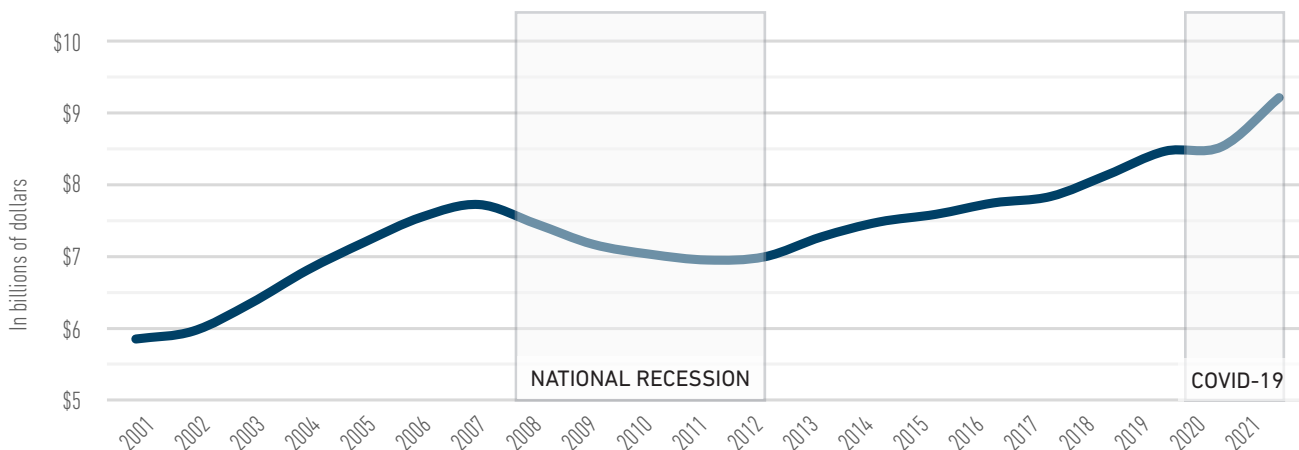
\$3.3B

The Island still dominates regional contributions to GDP, but more recent growth can be attributed to mainland development



Destinations like the Sea Pines Resort draw in large amounts of visitors each year, driving economic prosperity and maintaining a strong workforce.

TOTAL REAL GROSS DOMESTIC PRODUCT FOR HILTON HEAD ISLAND MSA



Source: Federal Reserve Economic Data, Millions of Chained 2012 Dollars (Annual)



2

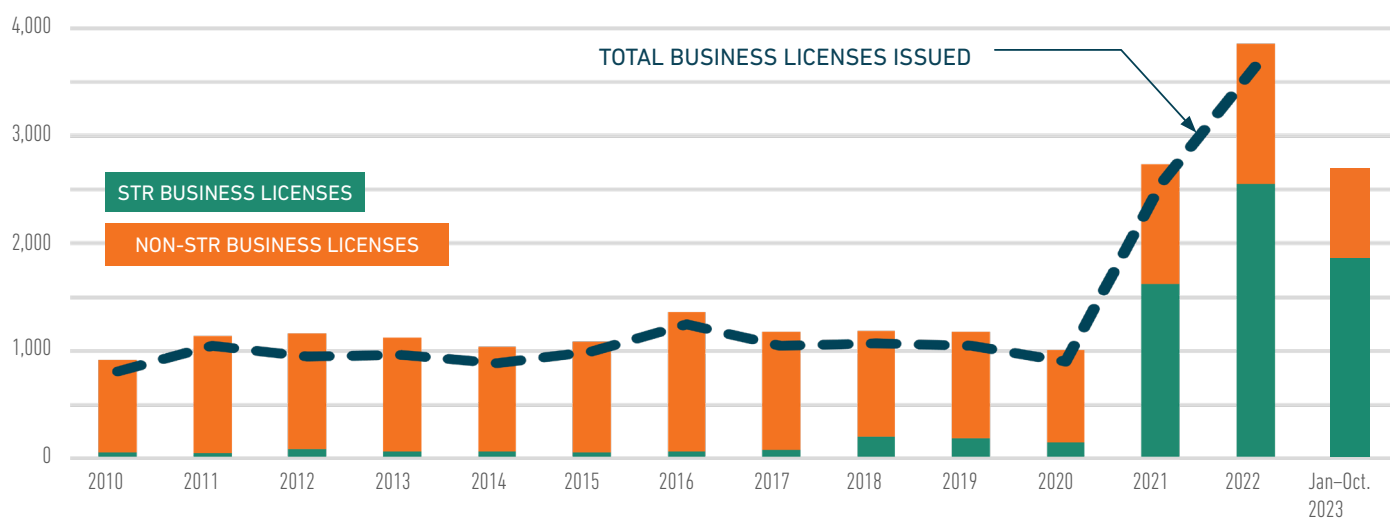
The number of applications for business licenses shot up after 2020, almost two-thirds of which have been for short-term rental properties.

- Between 2010 and 2020, the number of business license applications submitted per year ranged from a low of 917 (in 2010) to a high of 1,362 (in 2016).
- Prior to 2022, anyone who owned more than one short term rental unit was required to have a business license. Beginning in 2022, all short term rental units were required to have a town business license. Applications began increasing exponentially in 2021 in anticipation of this requirement.”
- The past two years have been record breaking, with 2,742 applications in 2021 and 3,863 in 2022. Requests for licenses for short-term rentals (STRs) have primarily driven this growth.
- Prior to 2021, applications for construction contractors and subcontractors were the most popular type, making up more than one-fifth in some years. Since 2021, they are the second most popular type after STRs.
- Approximately 99% of requests for licenses have been approved since 2010, and the elevated number of applications is expected to continue.
- Beginning in 2023, short term rental owners were required to have a short term rental permit for each rental unit owned in addition to their town business license.

Managing the Short Term Rental Wave

In an effort to manage the proliferation of short term rentals on the Island, the Town passed a rule requiring home owners to acquire a permit if they intend to list and rent their home through a short term rental portal like Airbnb or VRBO. The permits are annual and non-transferable, costing the homeowner \$250. The Town can suspend or cancel short-term rental permits if a property is deemed a nuisance, if the owner neglects tax or fee payments, or if more than two convictions for town code violations related to short-term rentals happen within a year, among other conditions.

NEW BUSINESS LICENSE APPLICATIONS PER YEAR, 2010 TO 2023



Source: Town of Hilton Head Island

3 *Hilton Head Island Airport (HHH) has played a growing role in local economic development since its 2018 expansion.*

- The 2018 runway extension allowed HHH to accommodate larger airplanes traveling from further distances. Prior to the expansion, American Airlines was the only airline serving the Island; now the Island is also served by United Airlines and Delta Airlines.
- Passenger volume nearly tripled between 2018 and 2019. After a sharp decline in 2020, the volume spiked to a record-high of almost 350,000 passengers in 2021.
- While passenger counts in 2022 were down from the 2021 peak, the ~245,000 enplanements and deplanements was 10% more than in 2019.
- HHH is planning a \$53 million terminal improvement project that will add 43,000 square feet to the existing four-gate terminal that was built in 1956. The upgraded airport facilities will provide a more enjoyable experience for residents and visitors and will greatly increase daily flight traffic.

PASSENGER INCREASE, 2020 TO 2021

145%

Total passengers in 2021 reached a record high for Hilton Head Island

4 *The local economy has recovered since the shock from the COVID-19 pandemic and historic trends are expected to continue.*

- The number of jobs on the Island has held relatively steady, with the exception of 2020 when the economy was interrupted by business closures due to the COVID-19 pandemic.
- The local economy has since recovered and job growth over the next ten years is expected to be a continuation of recent trends. In the five years leading up to the pandemic, approximately 550 jobs were added.

FUTURE ISLAND JOB GROWTH

5%

Jobs are forecast to grow through 2030, adding 1,000 new jobs



Credit: Proposed Terminal Expansion, Beaufort County

Flying in: The growing impact of Hilton Head Airport

Expanded airline capacity at HHH was the driving force behind a 145% increase in passengers coming to and from the airport in 2021. Passenger totals reached almost 400,000, surpassing even pre-pandemic numbers. With the proposed new terminal to come—bringing three gates, an expanded waiting area, and additional parking—Hilton Head Island's tourism industry will continue to boom in the coming years.



5

Tourism has recovered and surpassed pre-pandemic levels, driving local revenues.

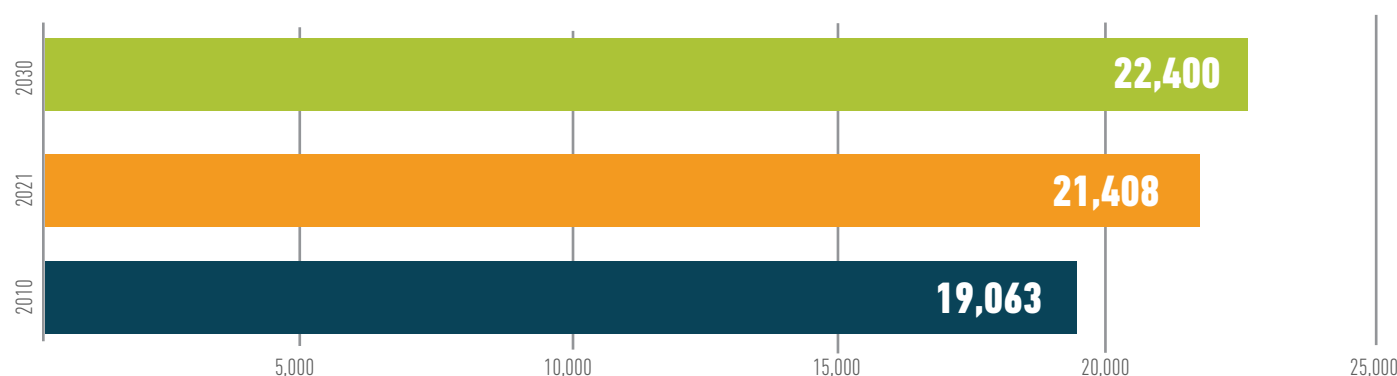
- According to a 2021 tourism impact report from the Hilton Head Island-Bluffton Chamber of Commerce, visitor expenditures generated a total of \$69.17 million in tax revenue in Hilton Head Island through the accommodations tax, the hospitality tax, and beach preservation fees.
- In 2021 the Visitor & Convention Bureau spent \$1.82 million on destination marketing. For every dollar spent by the Bureau, an estimated return of \$38.01 in local tax revenue was generated by visitor spending. From 2019 to 2021 the return grew by \$22.11 per dollar spent, even as the Bureau's annual spending decreased by \$25,000.

ACCOMMODATIONS TAX REVENUE, 2021

\$69M

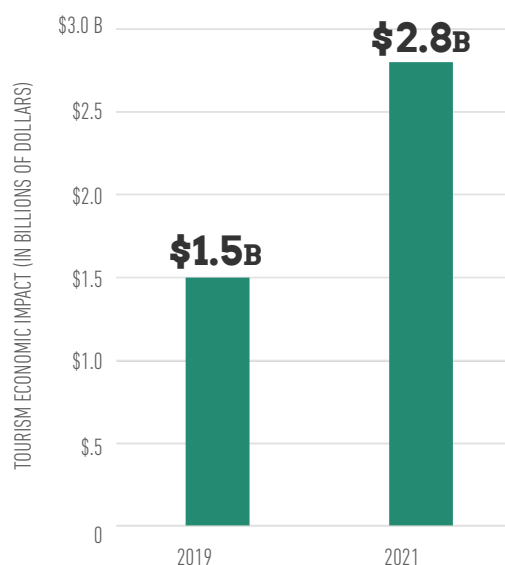
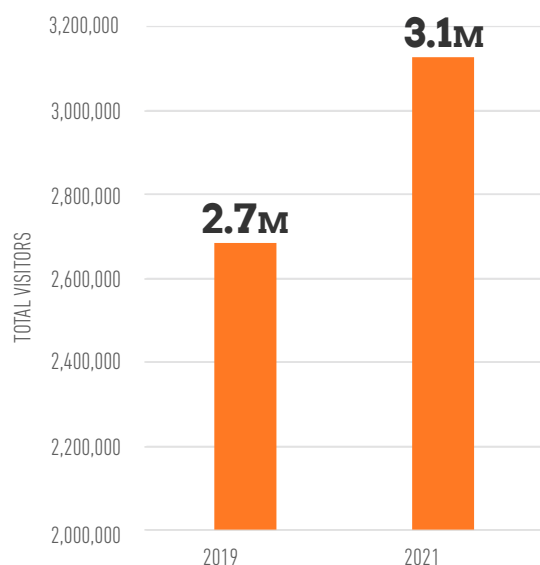
Generated by spending on the Island and across the County

TOTAL AND PROJECTED JOBS ON ISLAND



Source: Lowcountry Area Transportation Study; US Census; Kimley-Horn

HILTON HEAD ISLAND TOURISM TRENDS



Source: Hilton Head Island-Bluffton Chamber of Commerce and Visitor & Convention Bureau

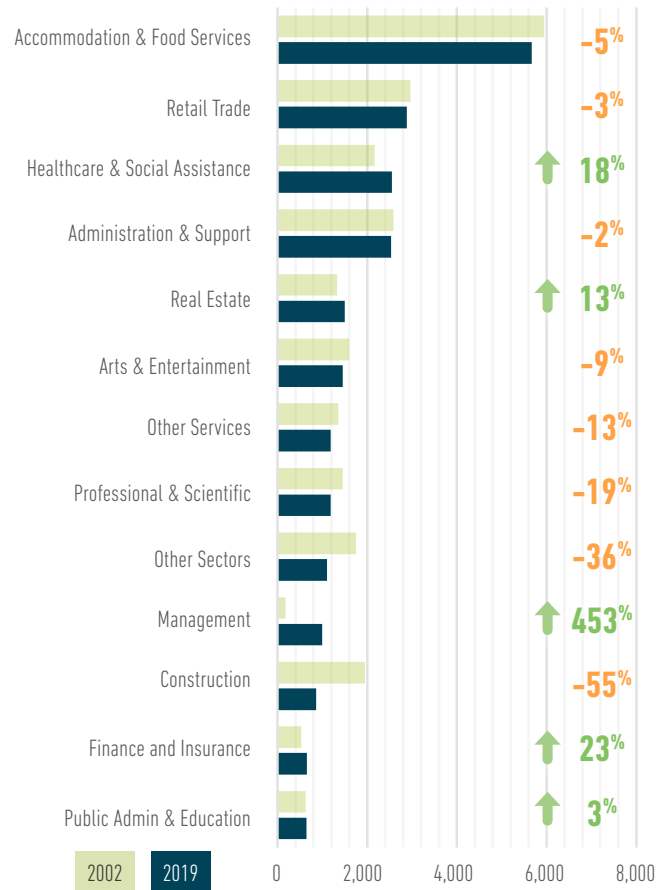
6 *Non-tourism related jobs grew the most over the last two decades.*

- While tourism has historically dominated the Island's employment base, the overall total number of jobs in the industries most closely tied to tourism has declined in recent decades.
- The management of companies and enterprises, finance and insurance, and healthcare sectors have had the most growth.
- Construction is the industry that experienced the largest decline in jobs, driven by the slowdown in new development.

7 *Several capital projects planned in and around Hilton Head Island are expected to impact economic output.*

- Major capital projects on Hilton Head Island and around the region have the potential to impact economic output as they work to improve access and movement around the region.
- The Mid-Island District Redevelopment Plan is a 103-acre parcel at the center of the Mid-Island District. It is slated for cultural, commercial development, and industrial uses.
- The 278 Corridor Project, proposed by Beaufort County and SCDOT, could reduce congestion and improve access to Hilton Head Island by replacing the mainland bridge to the Island. While funding has been identified for the project, the proposed single bridge is still being studied and negotiated between the Town and County.
- While not directly impacting the Island, the proposed Jasper Ocean Terminal (JOT) is a marine container terminal that would be built on a 1,500-acre site along the north bank of the Savannah River and is anticipated to accommodate the forecasted cargo throughput into the region over the next 35 years. As a result, there is an industrial development boom happening in Jasper County.

SECTOR SIZE & CHANGE, 2002-2019



Source: US Census Bureau, 2000 to 2021 Censuses, Primary jobs only



JOB CENTERS AND MAJOR PROJECTS

The Jasper Ocean Terminal

When completed in the 2030s, the Jasper Ocean Terminal would add a deepwater, 15-berth port system to the north side of the Savannah River and effectively double the capacity of the region's overall port system. This project will have huge economic implications for the entire Lowcountry region.



WHP Gateway Corridor Project

The proposed increase in capacity and improvements will have an impact on commuting and mobility for residents and workers.

Hilton Head Airport Expansion

This includes a new 3-gate terminal that will allow increased travel to the area as well as amenities to make traveling more comfortable.

TOTAL ESTABLISHMENTS / BUSINESSES (2023)

2,514

The retail trade as well as accommodation & food services have the largest numbers of establishments on the Island

Source: Esri, Business Analyst



TOP ISLAND EMPLOYERS (2021)

EMPLOYER	EMPLOYEES
SERG GROUP RESTAURANTS	1,244
MARRIOTT VACATION CLUB INTL	580
SEA PINES RESORT	536
HILTON HEAD MEDICAL CENTER AND CLINICS	506
COASTAL RESTAURANTS AND BARS	500
BEAUFORT COUNTY SCHOOL DISTRICT	438

Source: Town of HHI Comprehensive Annual Financial Report





TOPIC D

REAL ESTATE

Understanding the dynamics, the real estate market helps to expose the present and emerging pressures playing out within, and working to change, a community. The Island's market is unique in many ways and this section deals with the trends within this system.

Large-scale development on Hilton Head Island has taken place over a series of waves starting in the 1960s. Each of these eras conveyed its own unique profile and mix of architecture and land uses. When picturing the Hilton Head Island market, one may think first about resorts and short-term rentals, restaurants, and boutiques catering to visitors. There is, however, a sizable and dynamic inventory of commercial properties that are not directly connected to the to the hospitality economy. The vitality of these segments will come under increasing scrutiny as the amount of undeveloped land decreases.

This topic explores several of the key trends related to the real estate market on Hilton Head Island and how these dynamics shape the experience of residents, workers, and visitors on the Island.

KEY TRENDS

- 1 Hilton Head Island's real estate is mostly comprised of residential properties, and its stock has grown slowly in recent years.
- 2 A majority of the residential real estate inventory on the Island is locally owned.
- 3 Nearly all the development in the last year has been single-family homes.
- 4 Multifamily rental options on the Island are very limited.
- 5 Healthcare is the leading office tenant, occupying close to one-third of available square footage.
- 6 Nearly all new retail space over the last decade is hosted at Shelter Cove Towne Centre and Sea Turtle Marketplace.
- 7 Vacancy across retail and office properties is increasingly volatile and trending upward.
- 8 Peak and shoulder seasons for visitors are lengthening.
- 9 The market is growing for year-round residents and a longer visitor season.

1 90.6 MILLION SQUARE FEET

Total Island market real estate

Residential properties account for 76% of the total Island real estate, or close to 69 million square feet. This segment grew by 7% from 2016 to today, adding an additional 2.8 million square feet of property across large- and small-scale projects. Commercial properties make up the balance of the market, accounting for 10.5 million square feet in 2023, a small decrease from 2016 in terms of both share and total. Commercial real estate is concentrated along William Hilton Parkway and Palmetto Bay Road.

The opening of the existing four-lane bridge in 1982 kicked off the most booming decade of development on the Island. Approximately 40% of current retail, office, and hospitality space was built during this decade alone. More recently, infill residential development has been distributed across the Island, while non-residential development is heavily concentrated along William Hilton Parkway and Palmetto Bay Road. Almost 25% of office space and 20% of retail space is located within a half-mile of the area between Sea Pines traffic circle and Coligny Plaza.



While retail and office spaces boomed following the opening of the bridge, commercial construction has since slowed down. Credit: Hilton Head Properties

TOTAL REAL ESTATE INVENTORY, 2013 TO 2022

	TOWN OF HILTON HEAD ISLAND		HILTON HEAD ISLAND MSA		UNITED STATES	
	TOTAL	CHANGE	TOTAL	CHANGE	TOTAL	CHANGE
2013	3.06M	-	11.94M	-	11,367.95M	-
2014	3.11	1.6%	11.88	-0.5%	11,428.42	0.5%
2015	3.11	0.1%	12.13	2.1%	11,500.83	0.6%
2016	3.19	2.5%	12.16	0.2%	11,574.08	0.6%
2017	3.19	0.0%	12.78	5.1%	11,656.72	0.7%
2018	3.26	2.1%	12.96	1.4%	11,713.28	0.5%
2019	3.30	1.1%	13.18	1.8%	11,768.99	0.5%
2020	3.30	0.0%	13.22	0.3%	11,813.62	0.4%
2021	3.30	0.2%	13.34	0.9%	11,832.42	0.2%
2022	3.30	0.0%	13.44	0.7%	11,856.70	0.2%
Total Change		7.9%		12.5%		4.3%

Source: CoStar, Beaufort County Auditor



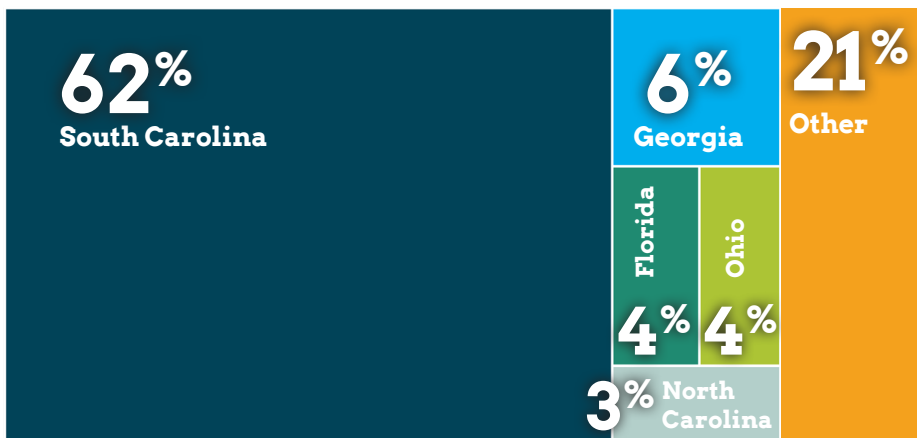
2 Most residential property is owned locally; commercial ownership is more commonly off-Island.

- As of March 2023, approximately 57% of all square footage on the Island is locally owned, up from 55% in 2016. When broken down by property type, 60% of residential square footage versus 48% of commercial square footage is locally owned.
- Both residential and commercial shares of locally owned properties are up from 2016, indicating the Island's growing attractiveness for year-round residence.
- Properties with international owners, nearly all of which are residential, make up less than 0.5% of the total square footage. The amount under international ownership declined by more than 50% between 2016 and 2023, likely influenced by the travel restrictions imposed at the onset of the COVID-19 pandemic.



Almost 25% of office space and 20% of retail space is located between Sea Pines traffic circle and Coligny Plaza.

REAL ESTATE TOTALS BY LOCATION OF OWNER, 2023



Source: Beaufort County Auditor

OFFICE REAL ESTATE SQUARE FOOTAGE BUILT SINCE 2010

<1%

Much of the office space on the Island is aging and new product is not being delivered

REAL ESTATE TOTALS BY LOCATION OF OWNER, 2023

	ALL REAL ESTATE		RESIDENTIAL		COMMERCIAL	
	TOTAL	SHARE	TOTAL	SHARE	TOTAL	SHARE
TOTAL SQUARE FEET	90.6 M	-	68.7M	76%	22.0M	24%
LOCALLY-OWNED	51.8M	57%	41.3M	60%	10.5M	48%
IN-STATE	56.4M	62%	43.4M	63%	13.0M	59%
OUT-OF-STATE	34.1M	38%	25.1M	37%	9.0M	41%
INTERNATIONAL	0.13M	0.2%	0.11M	0.2%	0.02M	0.1%

Source: Beaufort County Auditor

3 *Nearly all the development in the last year has been single-family homes.*

- Between April 2022 and March 2023 there were 153 building permits issued for new structures. Nine were for accessory structures, ten were for commercial structures and the remaining 134 were single family homes.
- There is a 166-unit timeshare resort awaiting permit approval that is proposed for the property formerly known as the Port Royal Racquet Club Tract at 15 Wimbledon Court.
- There is approximately 4.5 million square feet of non-residential space in the regional pipeline. Nearly 85% of the square footage under development is industrial space in Jasper County in anticipation of the proposed Jasper Ocean Terminal port project.

NEW RESIDENTIAL DEVELOPMENT, 2016 TO 2023

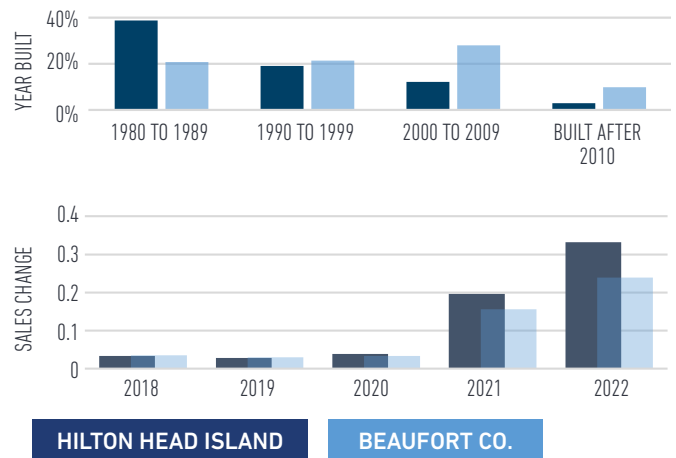
+2.8M

Square footage in new residential units on the Island significantly outpaced commercial development

4 *Island multifamily rental options are very limited.*

- On the Island, there are five market-rate apartment rental communities—55 Gardner, 7 Lagoon, 90 Dillon, Sandalwood Terrace, Sylby Tub, and The Glen. Two are dedicated to senior housing, Hilton Head Gardens and Cedar Well Apartments.
- Aquatera, where rent averages \$3,174 for a 2 bedroom, and Water Walk at Shelter Cove, where rent averages \$3,633 for a 2 bedroom, are the sole market-rate multifamily rental communities built in the last twenty years, completed within the past five years.
- In the past decade, monthly rent has increased by nearly 40%, and in 2022, the average rent exceeded \$2 per square foot for the first time, influenced by the introduction of Aquatera.

HOUSING DEVELOPMENT & SALES CHANGE



Sources: US Census Bureau, Zillow.com



Credit: Aquatera Hilton Head

Aquatera: The Future of Multifamily?

With so little residential construction the past decade, the Aquatera multifamily development stands out for a number of reasons. The development has larger and more variable floor plans compared to existing multifamily products, and is fully amenitized with modern, luxury finishes. The associated escalation in rent is more in line with a similar process taking place in market-rate rental properties on the mainland in new developments like Buckwalter.



5 *Healthcare is the leading office tenant, occupying close to one-third of total office square footage.*

- The Town hosts approximately 1.8 million square feet of office space. Healthcare users account for 30% of the total office square footage. The next three most prevalent types of office tenants are in finance and insurance, professional services, and real estate.
- Less than 10,000 square feet of on-Island office space has been completed over the last decade, making it the least active commercial real estate sector when compared with retail and hospitality. The limited addition of new space has resulted in a tightening of the market with an average vacancy of 4.3% over the last decade.

SHARE OF REGIONAL OFFICE SPACE ON-ISLAND

40%

Nearly half of the Hilton Head Island MSA office product is located on Hilton Head Island

6 *Nearly all new retail space is hosted at Shelter Cove Towne Centre and Sea Turtle Marketplace.*

- There is approximately 3.4 million square feet of retail space on the Island.
- The amount of retail space per permanent resident increased over the last ten years, primarily due to plateauing population growth and the opening of Shelter Cove Towne Centre and Sea Turtle Marketplace, which represent nearly all the new retail space completed during this period.
- Almost 85% of the retail inventory was built prior to 2000, with limited renovations.
- Vacancy has remained relatively low over the last decade, ranging from 2.4% in 2015 to 7.1% in 2021, when more space was vacated than leased following the onset of the COVID-19 pandemic. Generally, the Island's older retail properties have higher vacancy rates and lower rents than the newest spaces.

TOTAL RETAIL SQUARE FOOTAGE

3.4M

Located on Hilton Head Island



Growing competition? While a significant share of the Hilton Head Island MSA's office product is on-Island, rent demand growth is slowing. Off-Island product is newer and more proximate to the larger region. Less than 10k square feet of office properties have been completed in the last ten years, compared to 280k total in the MSA.

7 Vacancy across retail and office products is increasingly volatile and trending upward.

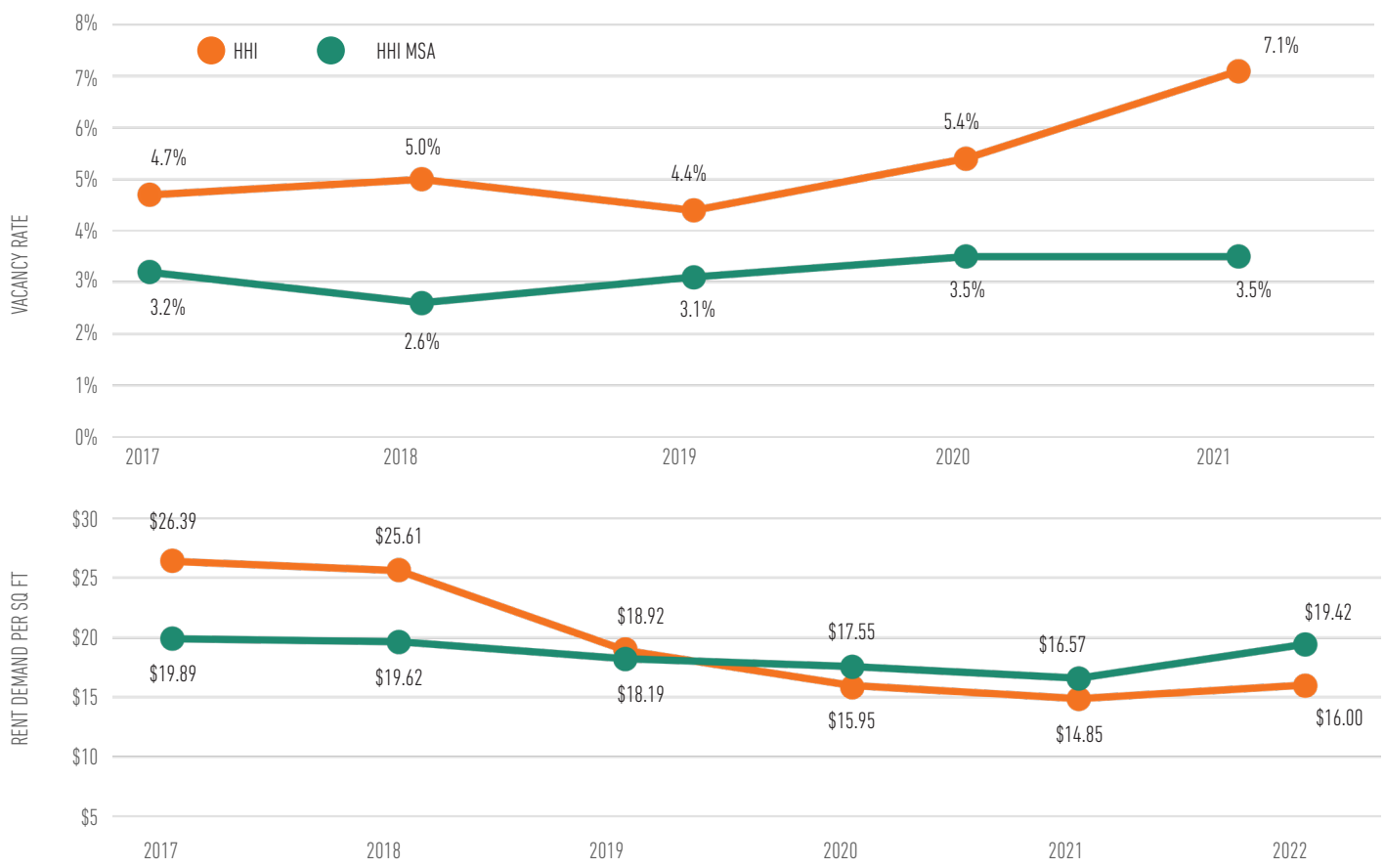
- Following national trends, the vacancy rate among retail-oriented buildings on the Island has increased over the previous five years from 4.7% in 2017 to 7.1% in 2021. The COVID-19 pandemic had similar effects across the country.
- 2022 numbers showed initial signs of a recovery, but rent demand for retail uses is also in decline, especially among older buildings on the Island.
- The lack of newer office product (less than 10k square feet delivered from 2013) has flattened rent demand among the Island's properties, but vacancy remains relatively low at 2% in 2021. This is consistent with the broader MSA; however, regional development of office properties picked up significantly over this period, adding 280k square feet from 2013.

PERCENT DECREASE IN RETAIL RENT, 2013 TO 2022

7.6%

Rent for retail product has decreased by 7.6% on Hilton Head Island from 2013 to 2022.

RETAIL VACANCY RATES & RENT DEMAND COMPARISONS



Source: Costar



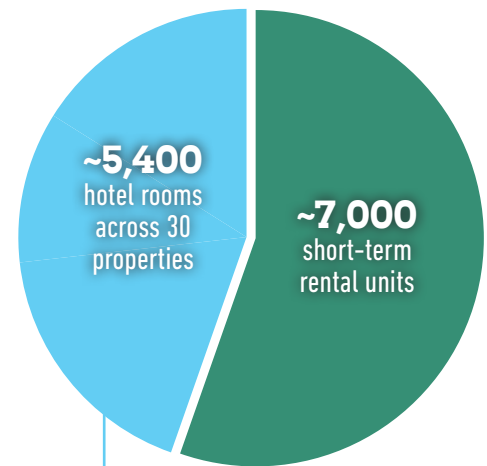
8 *Peak and shoulder seasons for visitors are lengthening into a year-round market.*

- The off-season average daily rate nearly doubled over the past decade, while the peak season average grew by 75%. During the off-season between September 2021 and April 2022, the average daily rate was \$208, compared with \$291 during the 2022 peak season.
- Approximately one-third of visitors rent villas or homes and another quarter own second homes on the Island, while hotels and resorts hosted approximately 18% of visitors in 2021.
- The difference between average peak season and off-season occupancy rates have also narrowed over the past ten years, shrinking from a variation of more than 25% to one of 18% by 2022.

9 *The market is growing for year-round residents and a longer visitor season.*

- While population growth has plateaued in recent years, the shift to a more permanent resident population will influence the real estate market.
- Businesses supporting the flourishing tourism economy will continue to be in demand, but there is also a growing need for businesses offering services and goods that support residents' everyday lives.
- As aging properties become obsolete, especially those in key locations along William Hilton Parkway, they become more attractive for redevelopment.

LODGING TOTALS



40% hotel rooms owned by Marriott
(e.g., Marriott Hilton Head Resort and Spa, Springhill Suites)

24% rooms owned by other hotels and resorts

36% rooms independently owned

Average Daily Rates, 2022
Off-season: \$208
Peak-season: \$291

Source: Kimley-Horn

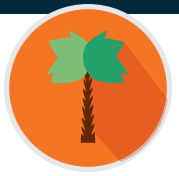


Credit: Conde Nast Traveler

Managing short-term rentals

Starting in 2023, all short-term rental properties are required to obtain a yearly permit from the Town. This includes any privately owned residential property used as a vacation home and rented to transient occupants for periods of less than 30 days. The purpose of the permit is to “minimize the adverse effects of rental uses on surrounding residential properties and neighborhoods, and to preserve the character, integrity, and stability of residential neighborhoods” (HHI Code of Ordinances, Sec. 10-2-10).





TOPIC E

NATURAL & CULTURAL ENVIRONMENT

The natural and cultural environment are at the center of the Island's identity. This section presents trends within each critical system.

This section focuses on the Island's environment and large-scale phenomena like climate change. It also considers important information related to the cultural legacy of the Island's early residents.

Over centuries of settling and modern development, residents have learned to work with the Island's unique systems and ecology. It can be a difficult task: a barrier island like Hilton Head Island moves with the wind, the tides, and time. Its systems, like its people, evolve. Leaders have found success when working with, rather than against, the Island dynamic. These ebbs and flows—like the tidal rhythm—are what make the Island so unique and so cherished.

KEY TRENDS

- 1 Sea level rise will increase the pressure on Island systems and will require ongoing, proactive monitoring and management.
- 2 Secondary impacts of climate change affect multiple environmental and ecological systems.
- 3 Water quality is responding positively to pollution mitigation efforts.
- 4 The Island's canopy cover percentage far outperforms similar communities and is growing.
- 5 Protection and conservation practices and programs have a direct, positive impact on wildlife.
- 6 The Island's beach management and renourishment practices are critical long-term investments.
- 7 The Town has committed to providing best-in-class parks and recreation resources.
- 8 Cultural sites continue to be an important asset and underscore the urgent need for neighborhood preservation.

1 2 FEET

Potential sea level rise by 2050

In the next several decades, climate change could bring about a global sea level rise as temperature averages increase and polar and glacial ice recedes. As a coastal community, it will be critical for Hilton Head Island to actively monitor and manage this process as it impacts the Island's systems both directly through storms and tides, and indirectly through insurance increases, saltwater intrusion, and other processes.

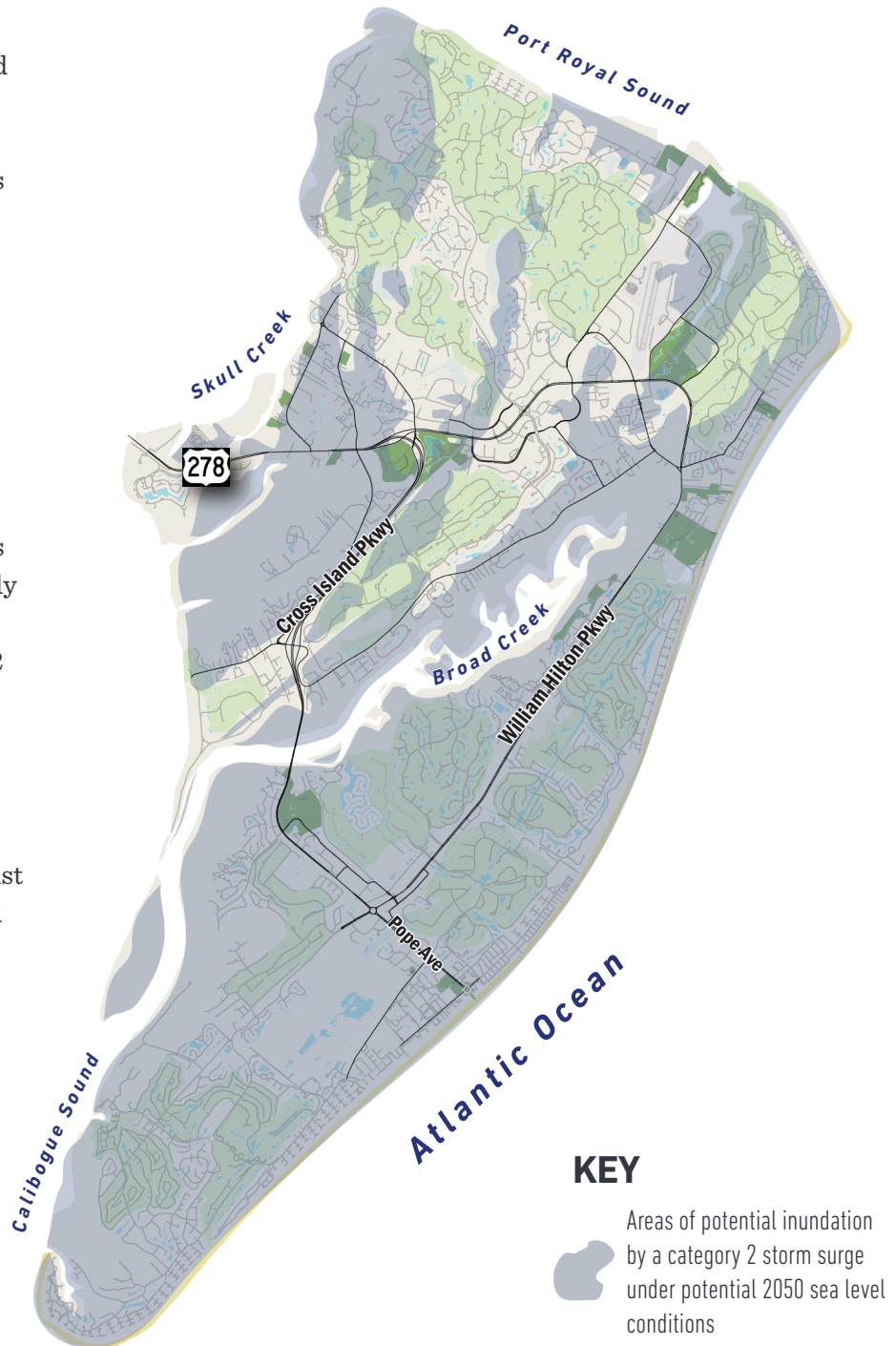
Water, driven by storms or tides, can wreak havoc on the built environment and utility networks. Small increases in sea level can radically increase the impact of storm surge events. Just two feet of sea level rise (models vary between one and four feet) would greatly increase the levels of inundation (shown as grey on the map on the right) for a category 2 hurricane. While these events are relatively rare, Hurricane Matthew hit the Island in 2016 with category 2 wind gusts, causing widespread damage from wind and water.

In preparing for future storms, the Town must be prepared for more inundation and related damage.



Damage from the 2016 storm Hurricane Matthew.
Credit: Island Club of Hilton Head

CATEGORY 2 HURRICANE STORM SURGE UNDER 2050 CONDITIONS



Source: National Hurricane Center



2

Secondary impacts of climate change affect multiple environmental and ecological systems.

- “King Tide” is a non-scientific term describing the highest seasonal tides that occur each year. While predicted high tides in South Carolina for 2023 average approximately 5 feet, a King Tide event may bring tides of 7 feet or higher to shore. Rising sea levels may cause an increase in the frequency and severity of King Tide events.
- Climate models predict lower levels of overall precipitation in the Carolinas through the next 50 years with the potential for punctuating drought events, especially in late summer.
- With a changing environment comes questions surrounding utility resilience. In 2022, Beaufort County received a \$300,000 grant from the National Oceanic and Atmospheric Administration’s Climate Program Office to fund a study of sea level rise impacts on groundwater and buried utilities such as water and electric.
- Because flooding will increase in coastal areas as sea levels rise, it is likely that insurance rates will increase. More frequent storms could lead to an increase in the deductible for wind damage in homeowner’s insurance policies, or much higher premiums for communities like Hilton Head Island where storm damage is not just possible but likely.
- Large storms and tides accelerate natural erosion processes, especially for coastal communities. Rapid erosion of coastlines poses a threat to beach front properties and tourism industries alike.
- As sea levels rise, many of the coastal wetlands and salt marshes may turn to open water and alter the ecosystems where many shellfish, birds, and fish reside.



According to the National Oceanic and Atmospheric Administration (NOAA), high tide frequency in Charleston, SC, has gone from 0-2 days in 2000 to 5-10 days in 2020. Photo Credit: Collins Group Realty



South Carolina’s sea level is rising about 1 to 1.5 inches every decade, and is predicted to rise between one and four feet over the next century. (NOAA) Photo Credit: WCIV

3 *Water quality is responding positively to pollution mitigation efforts.*

- The Island is covered by 13 watersheds, each draining to the ocean through a central creek system or artificial outfall.
- By the time the Town was incorporated in 1983, large-scale development and the expansion of impervious surfaces had greatly reduced water quality, especially within Broad Creek and the Calibogue Sound.
- The 2002 Broad Creek Management Plan sought to reverse pollution trends in one of the Island's central natural resources. This plan identified two primary pollutant sources: bacteria leaching from failing septic systems and nutrient runoff from excessive fertilizer application.
- The 2004 Master Sewer Plan kicked off a major capital works campaign to connect unserved parcels to the sewer network and to educate residents and golf course management on the costs of over-fertilization.
- Water quality for the creek and sound has responded and improved based on ongoing monitoring.

IMPERVIOUS SURFACE COVERAGE

19%

Land area covered in roads or buildings



Since 1958, the amount of precipitation during heavy rainstorms has increased by 27% in the Southeast. (NOAA)
Photo Credit: The Island Packet



Wetlands and marshes like the one pictured here are increasingly threatened by excess storm runoff.
Credit: The Island Packet

Impact of impervious surfaces

Impervious surfaces—paved or built areas where water is prevented from percolating into the ground—cover nearly one-fifth of the Island. While this percentage is low compared to similarly developed communities, the EPA reports that when impervious surfaces reach 10% to 20% of a local watershed, surface runoff doubles. This is the level where both stream and wetland degradation begins, with freshwater wetland habitat suffering impairments once the imperviousness of its local drainage basin is impacted. The Town has begun to address this issue through the use of permeable paver technology, rainwater capture, special plantings, and other technologies.



4

The Island's tree canopy cover percentage far outperforms similar communities and is growing.

- The Lowcountry Maritime Forest is abundant and rich with species diversity. Common trees include the live oak, loblolly pine, slash pine, cabbage palmetto, southern red cedar, and magnolia.
- The Island's canopy coverage (the share of land covered by leafed-out canopy of a tree) is around 50% of the overall land area—nearly double the national average of 27%.
- The Canopy Mapping and Potential Planting Area Study (completed by Green Infrastructure Center, Inc.) of 2022 identified an additional 300+ acres that could accommodate new plantings. This is an exceedingly low acreage given the size of the Island and reflects the existing canopy coverage on the Island.
- Through its Tree Ordinance, the Town regulates individual tree removal in lands within its purview and promotes plantings.
- Storms are an ongoing threat. The Island lost more than 120,000 trees during Hurricane Matthew in 2016.
- Finally, diseases, infestations, and saltwater intrusion also impact the coverage total.

ISLAND TREE CANOPY COVER

50%

Half of the Island's land area is covered by trees

TREE CANOPY COVERAGE



Source: Green Infrastructure Center, Inc.

5 *Protection and conservation practices and programs have a direct, positive impact on wildlife.*

- One of the most important wildlife protection initiatives in the Town is the Sea Turtle Protection Ordinance. From May to October the Town requires those with beach-facing properties to turn off exterior lights and close blinds or curtains to limit light leak onto the beach, which can disorient turtles as they make their return to the water.
- According to nest monitoring data from SCDNR, Hilton Head Island's sea turtle nests had a 93.5% success rate in 2022, up from 85% in 2009. Several groups of volunteers help to ensure the safety of the sea turtles on the Island's beaches. Sea turtles are often considered keystone species in marine ecosystems, and protecting them can have positive effects on other species and the overall ecosystem.

6 *The Island's beach management and renourishment practices are critical long-term investments.*

- Hilton Head Island is transgressive much like moving desert dunes just at a far larger scale. The Island has moved slowly toward the mainland over the previous millennia. This means the Island's beaches require some infrequent but proactive maintenance to ensure their longevity and health.
- The Hilton Head Island Beach Renourishment Program is a recurring effort to maintain the quality and size of the beaches on the Island. The program involves dredging sand from offshore locations and placing it on the beach to combat erosion and storm damage. Funding is procured through a combination of federal, state, and local sources.
- The most recent project took place in 2016 and added approximately 2.6 million cubic yards of sand to the beaches. These efforts are essential for preserving property values in the area and protecting the Island's main tourist attraction.

SEA TURTLE NESTS, 2022

423

According to preliminary data from South Carolina Department of Natural Resources (SCDNR)



Beach Renourishment Program

Starting in 1990, the Town has performed three major beach renourishment projects.

Program totals:

- 10.7 million cubic yards of sand placed
- Shorefront is 200 yards wider than before 1990
- Construction costs to date: \$60 million
- Value of First Tier shorefront: \$3 billion



7

The Town has committed to providing best-in-class parks.

- As of 2020, the Town owns 548 acres of public park space, which equates to roughly 14.5 acres per 1,000 residents.
- The Town completed its newest park, Lowcountry Celebration Park, in December of 2020. The 10-acre site features an open pavilion and lawn, playground, perimeter walk, fitness stations, and more.
- Park improvements have been guided by the 2020 Parks and Recreation Master Plan, which was completed in tandem with the recent Comprehensive Plan.
- The Parks and Recreation Master Plan identified three major focus areas for park improvements on the Island: improvements at Chaplin Park and Crossings Park, a new racquets facility, and a proposed new park located on the Town-owned Mid-Island Tract. Proposed programming for these three projects can be found on the Town website, as well as in conceptual plans for the Mid-Island Tract.



PUBLIC PARKS BY TYPE

Neighborhood Parks

3 PARKS, 12 ACRES



Community Parks

4 PARKS, 141 ACRES



Beach Parks

5 PARKS, 58 ACRES



Special Use Parks

5 PARKS, 109 ACRES



Other Parks

2 PARKS, 11 ACRES



Sports Parks

4 PARKS, 90 ACRES

Source: Town of Hilton Head Island Parks and Recreation Master Plan

8

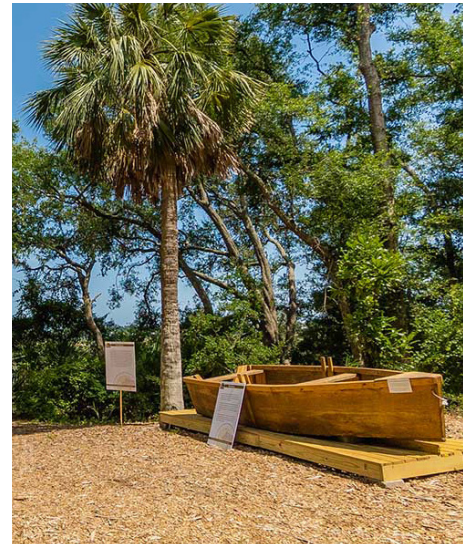
Cultural sites continue to be an important asset and underscore the urgent need for neighborhood preservation.

- Before Captain William Hilton’s arrival in 1663, Native Americans lived on the Island, and evidence points to the presence of people on the Island as early as 4,000 years ago. While little is known of these early civilizations, remnants of mysterious shell rings can still be found on the Island.
- By 1860, there were 24 plantations on the Island.
- When federal forces took control of the Island, General Ormsby Mitchel helped lay the foundations for Mitchelville, the first of 14 historic Gullah neighborhoods on the Island and the first self-governing town of formerly enslaved African Americans.
- The Island has many opportunities to engage with history and culture. The Gullah Museum of Hilton Head is dedicated to maintaining the Gullah customs, traditions, language, stories, songs, and structures on the Island. The museum offers guided tours and hosts events and educational activities. Annual festivals, such as the Hilton Head Island Gullah Celebration, showcase the cultural traditions of the Gullah people. Other ways to engage include National Historic Sites and public art.
- The Town has several initiatives to preserve Gullah culture, including the Gullah-Geechee Land and Cultural Preservation Task Force, the Gullah Geechee Historic Neighborhoods Community Development Corporation, and other initiatives. The Town’s Office of Cultural Affairs features Gullah Heritage sites on their Cultural Trail Map, which can be found on the office’s website.

**HISTORIC
NEIGHBORHOODS
ACREAGE**

2,500

The 14 historic Gullah Geechee neighborhoods on Island make up a little over 2,500 acres, over 1,000 of which are still Gullah owned.



Historic Mitchelville Freedom Park celebrates the location of the first freedmen community in the country, established on the northern part of the Island during the Civil War.



The Task Force, pictured here, was celebrated for Black History Month. Credit: Town of Hilton Head Island.

Land and Cultural Preservation Task Force

In 2017 the Town established the Gullah-Geechee Land and Cultural Preservation Task force in response to the significant loss of Gullah population. The task force works toward preserving Gullah culture and improving their quality of life. Specific areas of interest include solving issues related to the heir property, taxes and land use, and providing on-going educational opportunities. The task force is under the jurisdiction of the Planning Commission and consists of three Commission members, three Native Islanders, and three members from organizations that deal with Gullah Geechee or Native Island culture.



PARKS & HISTORIC NEIGHBORHOODS



Historic Sites

Historic structures and sites help tell the rich cultural story on the Island and fuel the history and culture that continues today.

HISTORIC NEIGHBORHOODS

14

Clustered together on the north end of Hilton Head Island, they make up what have traditionally been called the Native Islander communities

KEY

 HISTORIC NEIGHBORHOODS

 Town Parks (major parks labeled)

 Golf Courses



FUTURE: The Mid-Island Tract

This 100+ acre site will be home to the Island's newest park. The site will combine active and passive elements for residents and visitors that will integrate and celebrate the Historic Neighborhood's vibrant culture.

Lowcountry Celebration Park

Opened in December 2020 and situated on a 10-acre site off Pope Avenue near the Coligny Beach parking lot, this is the Town's newest park.



Source: Planning Team Research and Analysis





TOPIC F

HOUSING

Housing and neighborhoods are the essential building blocks of strong communities. A home is more than real estate; it is the foundation on which families, livelihoods, and a strong citizenry are built.

By analyzing the products, sales activity, and development pressures, there's an opportunity to better understand the critical trends that will impact the real estate market over the coming years. The housing market does not remain static. Within the market, movement can impact community issues like workforce development, affordability, transportation, and other areas.

The Hilton Head Island housing market is quite unique. While the Island swells in its high tourism season, hosting more than 3 million visitors over the year, only about 40,000 people live on the Island full-time. At any given moment, there are more than 7,000 non-residents spending the night on the Island in hotels, villas, or more commonly, short-term rental properties.

Trends like short-term rental expansion are impacting the housing market significantly. Coupled with a general increase in sales value and a fast-growing region, the Island's housing market is under intense pressure.

KEY TRENDS

- 1 The Island has a unique mix of housing types fueled by the hospitality and home rental markets.
- 2 A building boom through the '80s and '90s has given way to slower growth, especially after 2010.
- 3 Permits for all types of building are trending upward; residential projects are leading the way.
- 4 A hot—if temperamental—housing market soared upward through the COVID-19 pandemic.
- 5 The Island's housing market is atypical as it includes a significant number of units that are occupied on a seasonal basis.
- 6 As the market pulls prices upward, housing costs are increasingly a burden.
- 7 Naturally occurring affordable housing is under threat from redevelopment.

1 **34,665**

Total housing units

From 2000, the Town added just over 10,000 new dwelling units spread across multiple product types (single-family detached, duplex, apartment, etc.). The majority of these units were added in single-family detached homes and apartments / condo complexes with 20+ units.

The Town has a relatively diverse set of housing products when compared to communities around the region. This is due in large part to the significant tourism demand and the popularity of villa rental properties, as well as larger scale condominium construction. Less than half of the dwelling units on the Island are single-family detached, compared to 80% in the town of Bluffton, or 62% in Beaufort County overall.



HOUSING BY PRODUCT TYPE



Source: US Census Bureau



2

A building boom through the '80s and '90s has given way to slower growth, especially after 2010.

- Eight out of ten homes on Hilton Head Island were built between 1970 and 2000.
- Hilton Head Island experienced a building boom in housing through the 1980s. Just under 40% of the Island's housing stock was built during this decade alone.
- New home builds began to fall through the 2000s, corresponding with slowing population growth overall.
- Construction has taken off in the larger region during this same period. Close to 40% of Beaufort County homes were built after 2000.

HOUSING UNITS BUILT IN THE 1980s

13k

This accounts for over one third of the Island's total housing stock

3

Permits for all types of building are trending upward; residential products are leading the way.

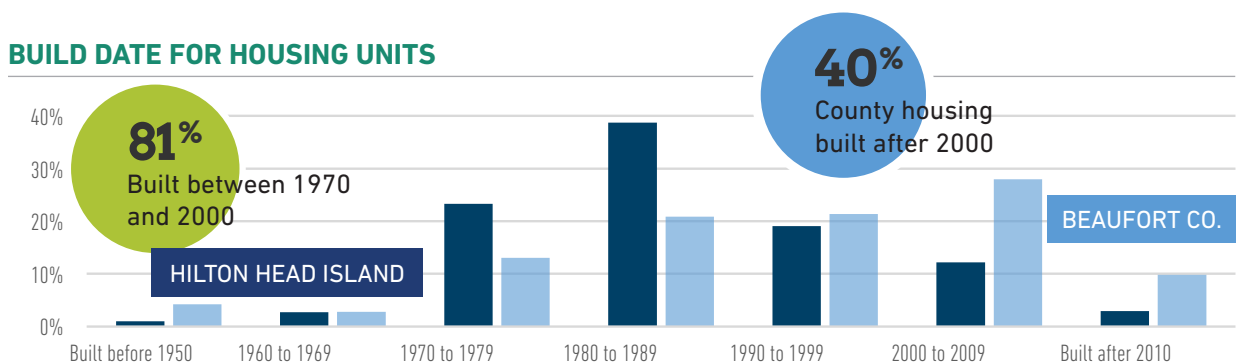
- Permits and building activity for residential, commercial, and multifamily projects have trended upward from low points after the 2008 National Recession.
- The majority of permits were issued for major and minor remodels, especially for residential properties.
- The COVID-19 pandemic did very little to dampen building activity. The average total permits between 2020 and 2022 was higher than the same period eight years previous (2012 to 2014).
- The Island's yearly average has increased by about 50 permits each year from 2012, with a total average over this period of 5,200 permits per year.

AVERAGE YEARLY INCREASE IN BUILDING PERMITS, 2012 TO 2022

+50

The Town issued just under 60,000 building permits over this entire period, averaging 5,200 per year

BUILD DATE FOR HOUSING UNITS



Source: US Census Bureau

4 ***A hot—if temperamental—housing market soared upward through the COVID-19 pandemic.***

- Home value and home sale averages across all housing types saw their largest year-over-year increase ever in the years following the COVID-19 pandemic.
- In 2022, the average value of housing units on the Island jumped 33% compared to the year before, considerably higher than the previous record year-to-year increase of 20%—set the year before.
- The average home value tipped over \$700,000 in 2022, outperforming the county average by more than \$200,000 as well as every other community in the region. This intense growth in value followed national trends, but the acceleration in the Lowcountry was much greater.
- The Island’s housing market demonstrates a highly elastic relationship with national economic trends. Through the 2008 National Recession, home values dipped by as much as \$200,000 and did not fully recover to pre-recession values until 2021.
- Limited building of new construction is another contributing factor to rising values. While permit activity has been steady through the past decade, the majority of projects are renovations compared with new builds. This is capping supply and driving demand.
- Short-term rental conversion is another factor, with out-of-town or corporate purchases increasing significantly over the last five years, pushing up value across all segments.

**YEAR-TO-YEAR
INCREASE IN HOME
VALUE, 2021 TO 2022**

+33%

Fastest year-to-year
increase in history, 20%
increase in 2020

**SHORT-TERM RENTAL
PROPERTIES COMPARED
TO ALL PROPERTIES**

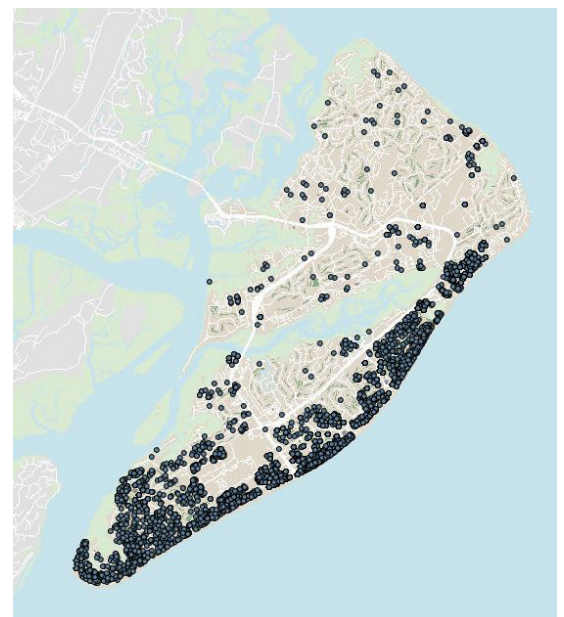
1 IN 5

Around 7,000 properties are
actively permitted as short-
term rentals

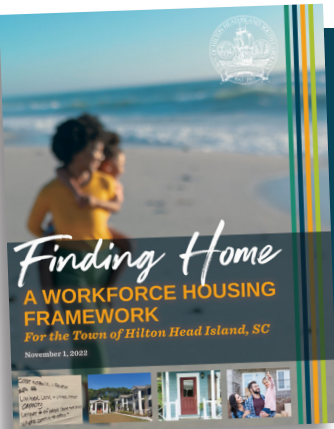
5 ***The Island’s housing market is atypical as it includes a significant number of units that are occupied on a seasonal basis.***

- About half of the Island’s nearly 34,000 housing units are defined as “vacant,” or without a year-round occupant. This includes short term rentals, seasonal homes, and units for rent or sale without an occupant.
- Based on a 2023 estimate, one in every five units on the Island is actively listed on at least one rental platform.
- Short-term rental properties have quickly surpassed hotels and resorts in number of units. These properties, however, have also strained existing neighborhoods with increased parking demand, nuisance management, and other issues.

ACTIVE SHORT-TERM RENTAL LISTINGS



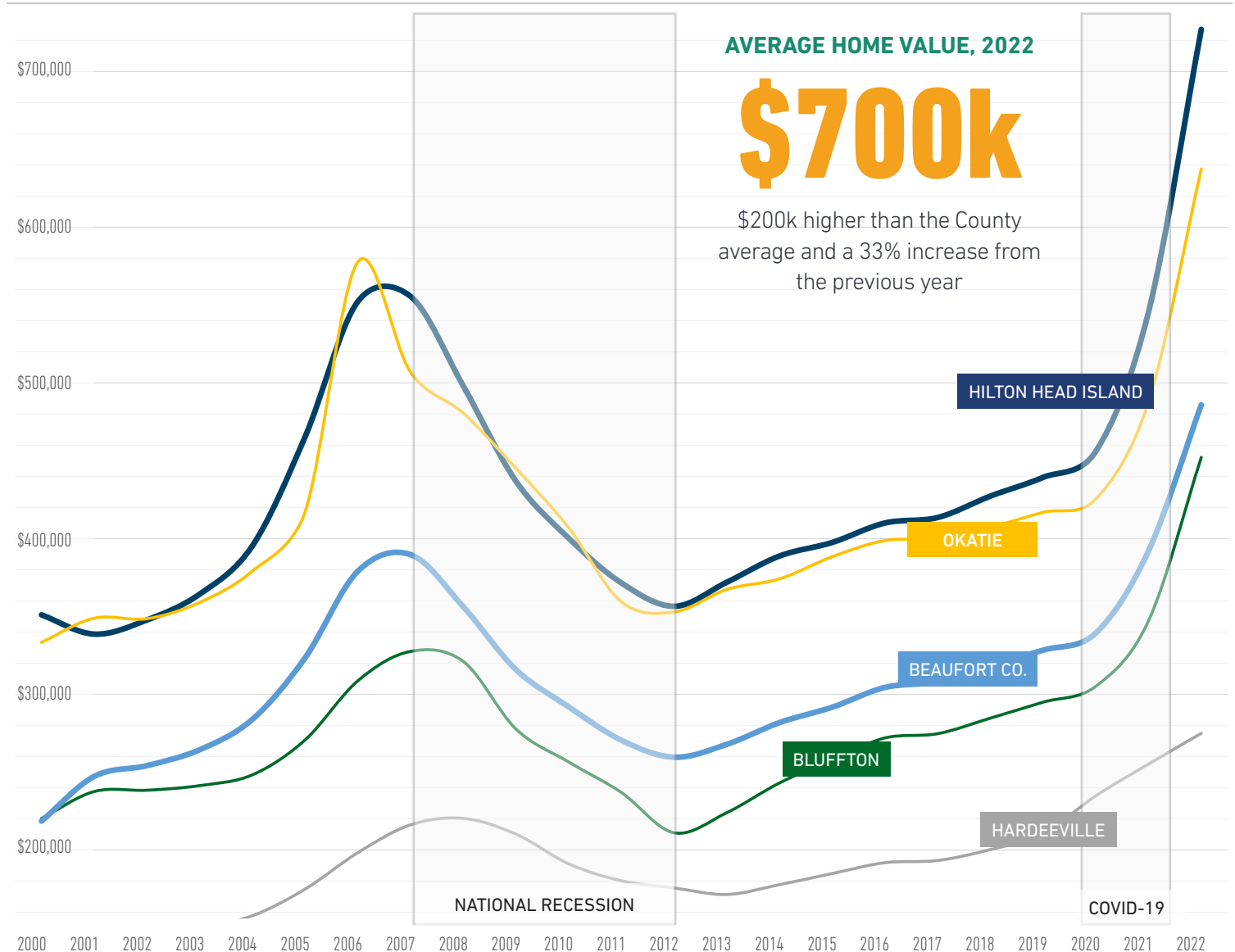
Source: Town of Hilton Head Island



The 2022 Workforce Housing Framework

The latest effort to develop the Town of Hilton Head Island's Workforce Housing Framework began fall of 2022 as a result of troubling trends around workforce housing and general affordability. Town leadership committed to a process to develop the Framework through a collaborative process with the community and key stakeholders. The "Framework" is a structure around which policies and more specific actions can be affixed and expanded. As a result of the Framework, the Town Council agreed to devote \$1 million in annual funding to address the housing issue programmatically and through tangible projects.

HOME VALUE CHANGE (2000 TO 2022)



Source: Zillow.com National Home Sale / Home Value Dataset

6 *As the market pulls prices upward, housing costs are increasingly a burden.*

- Housing affordability is determined by the percentage of an individual's gross pay that is absorbed by housing costs. An "affordable" unit should cost no more than 30% of that individual's or family's total income. Households are considered "cost burdened" when their housing costs exceed this figure.
- On Hilton Head Island, 40% of households are cost burdened by their housing costs. This segment increased 30% from 2000. Half of all households with service economy incomes between \$35,000 and \$50,000 are housing cost burdened.
- Despite its location and strong real estate market, the Island has managed to preserve an affordable workforce housing segment. This is a very small portion of the Town's overall housing stock, but this housing segment is important to working families.

HOUSING COST-BURDENED HOUSEHOLDS



The share of families paying more than 30% of their income on housing has increased 30% from 2000

7 *Naturally occurring affordable housing is under threat from redevelopment and short-term rental conversion.*

- Naturally occurring affordable housing (NOAH) units are housing units at affordable price points that are not protected by income restrictions or state and federal subsidies. These units are "unrestricted," meaning there is little to no protection for them to stay affordable in perpetuity.
- The Island has between 1,700 and 2,475 NOAH units and just under 400 protected, income-restricted units based on planning team analysis of existing unit pricing and rental patterns.
- NOAH units are increasingly under threat of redevelopment. Large-scale replacements of affordable housing units may become more common with fewer undeveloped sites remaining on the Island.

NATURALLY OCCURRING AFFORDABLE UNITS



Estimate is based on existing properties with "affordable" rent and US Census cost-of-living estimates

"WHAT'S AFFORDABLE?" BY WORKER SEGMENTS



Services
Estimated 7,000 jobs in 2020



Public Sector
Estimated 600 total workers



Healthcare
Estimated 2,400 total workers

\$1,330
Median Rent
2020 US Census

Source: US Census Bureau, 2018 Workforce Housing Strategic Plan



LOCATIONS OF NOAH AND INCOME-RESTRICTED HOUSING

"I worry about what we'll lose when we lose this first rung of the housing ladder."

*-Former Mayor John McCann
From the 2022 Workforce
Housing Framework*



Mobile Homes

1,193 units, 3% of all housing units
55% of affordable units

While not depicted in the graphic because of their relative dispersal, mobile homes make up the majority of naturally occurring affordable units on the Island. This type is most common within the Island's 13 historic Gullah neighborhoods.



In 2022, eviction notices were issued to roughly 300 residents of the Chimney Cove Village apartment complex on Hilton Head Island. Residents were given 30 days notice before their leases would end early. Recently, the Town worked with developers and the start date of the new project was pushed back significantly to provide over a year's notice time to current residents.

KEY

NOAH PROPERTIES

10 units 200 units

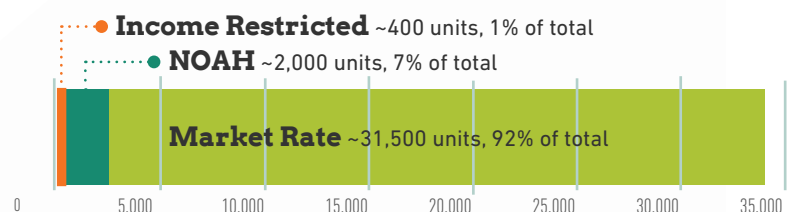


INCOME RESTRICTED



Source: Planning Team Research and Analysis

HOUSING UNIT TOTALS BY TYPE



Source: Planning Team Research and Analysis





TOPIC G

GOVERNANCE

Governance refers to the exercise of authority, decision making, and the distribution of power within a society or community. It includes the institutions, policies, and practices that guide the actions of government officials and ensure that they are acting in the best interests of the people they serve.

One of the youngest incorporated communities in the state of South Carolina, the Town of Hilton Head Island is celebrating its 40th birthday in 2023. Over these four decades, change has been constant. Serving this dynamic place within its even more dynamic region has required community leaders to regularly evaluate the community priorities and evolve services as necessary.

Overall, proficient governance is critical for the smooth and effective functioning of any organization, whether it be a government, a corporation, or a non-profit organization. Well-governed communities are realized over time and evolve along with their citizenry.

This topic explores several of the key trends related to management of the Town, including its structure, pressures, fiscal health, and department planning.

KEY TRENDS

- 1 The Town was formally incorporated in 1983 with a mandate from voters to “regulate the pace and character” of future development.
- 2 The Town of Hilton Head Island serves residents, businesses and visitors through direct service delivery as well as through partnerships with regional entities.
- 3 Emerging community challenges and needs are driving more proactive planning processes and policies from the Town.
- 4 The Town’s annual strategic planning cycle uses best practices to link department-level operational plans and capital investments back to the Comprehensive Plan.
- 5 Following two disasters—Hurricane Matthew and the COVID-19 pandemic—revenues and community investments are now growing and focusing on “normal” expenditures.
- 6 Fire Rescue maintains a strong and effective staff and fleet but is strained by the increasing cost of living.

1 1983

Hilton Head Island becomes a town

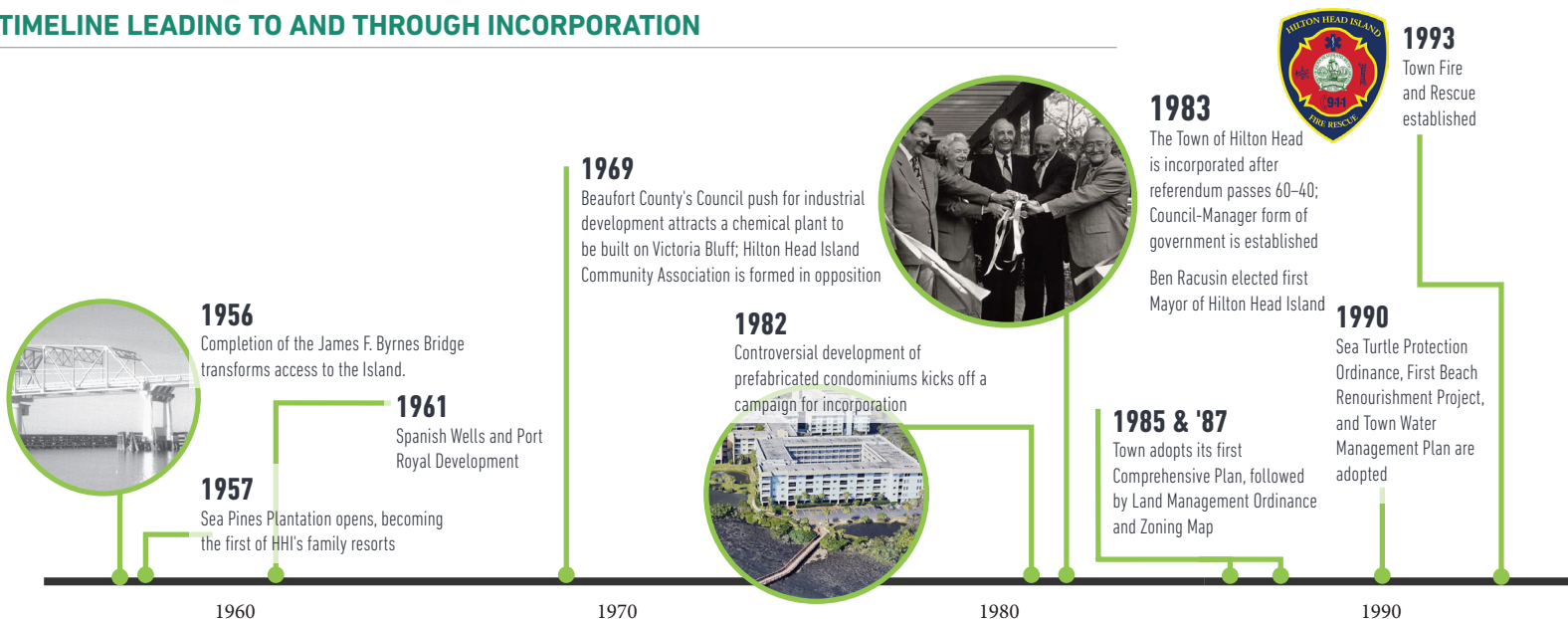
Hilton Head Island was a place and community well before its formal incorporation in 1983. In fact, it was the wave of development on the Island that first initiated the campaign that led to incorporation. Much of the early, large-scale development occurred through the 1950s and '60s within master-planned communities, like Sea Pines, Spanish Wells, and Port Royal. Growth between these communities—specifically projects out of scale and character with past development—provided the impetus for incorporation in the early 1980s. Since its inception, the Town has taken a proactive approach to land regulation, environmental and cultural preservation, and strong town management practices.



“We needed greater impact in our own destiny...”

*-Ben Racusin
Hilton Head's First Mayor*

TIMELINE LEADING TO AND THROUGH INCORPORATION





2 The Town of Hilton Head Island serves residents, businesses and visitors through direct service delivery as well as through partnerships with regional entities.

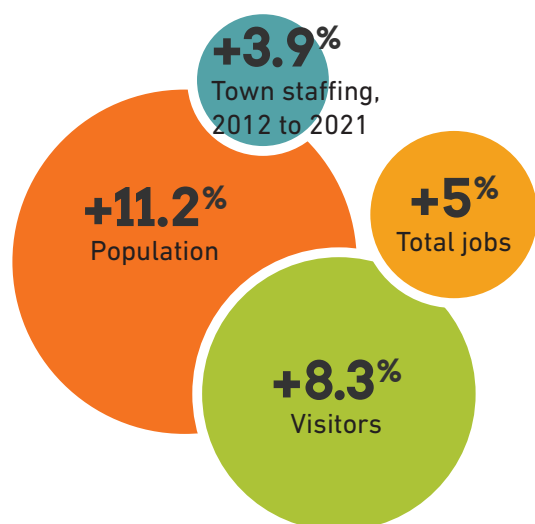
- The Town provides critical services, like fire and safety, which includes fire rescue, emergency medical services, and emergency management.
- The 15 boards and commissions on the Island provide guidance over areas such as zoning appeals, Gullah Geechee land and cultural preservation, and housing.
- The Town outsources services like law enforcement, which is currently served by the Beaufort County Sheriff's Office. Other services are privatized, like recycling and waste management.

TOWN RESIDENTS PER STAFF

283:1

Town staffing has increased at a slower pace than the increase in population and visitors since 2012.

CHANGE IN TOWN STAFF & COMPARISONS TO SIMILAR COMMUNITIES



	STAFF*	RATIO PER RESIDENT	RATIO PER VISITOR
HILTON HEAD ISLAND	153	283:1	19.5k:1
BLUFFTON, SC	87	319:1	5.5k:1
ASPEN, CO	234	87:1	6.4k:1
OAK BLUFFS, MA	68	79:1	2.5k:1

*Does not include Fire Rescue staff, which is the largest staff in most communities. Moment-in-time snapshot of totals from referenced governments, 2023.

Source: US Census Bureau, 2000 to 2020 Censuses, Town of Hilton Head, Think HHI and the Lowcountry.



3 **Emerging community challenges are driving more proactive planning and policy from the Town.**

- The Town’s initial motivation for incorporation focused on the regulation and pace of development in areas outside of the current master-planned communities.
- As the community has evolved, the Town has expanded its relatively tight purview to respond to new issues and trends.
- The Town’s preliminary policy extensions focused heavily on environmental and wildlife protections for wetlands, sea turtles, and water quality.
- In the 2000s, the community sharpened its focus on cultural preservation and its historic Gullah Geechee communities in multiple plans and policies.
- Most recently, the issue of housing affordability and its relationship to other community issues, like the workforce, have manifested in several studies and policies, such as the Workforce Housing Framework.

ADOPTED REPORTS, STUDIES & PLANS

13

The Town has advanced more than a dozen critical plans dealing with a wide range of community issues since 1999



Finding Home: A Workforce Housing Framework
Short-Term Rental Permits
Mid-Island District Plan
Town of Hilton Head Corridors Plan
Status of Gullah Geechee Top Priority Project Recommendations



Our Plan: Setting the community’s direction

The Town completed its third Comprehensive Plan in 2020, entitled Our Plan. The plan builds off the Our Future visioning work completed in 2018 and sets the broad policy direction for the community for the next two decades. It recognizes that comprehensive planning is required in the state of South Carolina for incorporated communities. The plan covers a wide range of topics, including housing, economics, transportation, land use, and sustainability, while establishing goals for more specific action planning. Each year, the Town develops a Strategic Action Plan to operationalize the Comprehensive Plan.



4

The Town is mission-oriented and committed to regular strategic planning and capital investment.

- Strategic planning is a best practice for proactive and responsive communities.
- Each year, the Town revises its Strategic Action Plan to serve as a guide for staff in executing the designated Strategic Initiatives identified by the current comprehensive plan. The Strategic Action Plan encompasses all the initiatives that demand a substantial investment of administrative resources and helps to identify and prioritize capital improvement projects.
- The Town's Strategic Action Plan FY 2023-2025 identified 15 strategies and various initiatives. The plan broke these initiatives into policies, projects, and operational items.
- The Capital Improvements Program for the Town is an ongoing process to identify, fund, and implement capital projects, like new parks and pathways, roadway improvements, and improvements to Town facilities and equipment.
- In fiscal year 2022-23, there were 46 total projects, totaling \$46.5 million, spent across seven different project categories: parks, roadways, pathways, fleet, facilities and equipment, beach, and land acquisition.

CAPITAL IMPROVEMENT PROGRAM INITIATIVES

46

\$46.5 million in projects averaging \$1M per initiative

STRATEGIC PLANNING PURPOSE AND PROCESS



Source: Town of Hilton Head Island



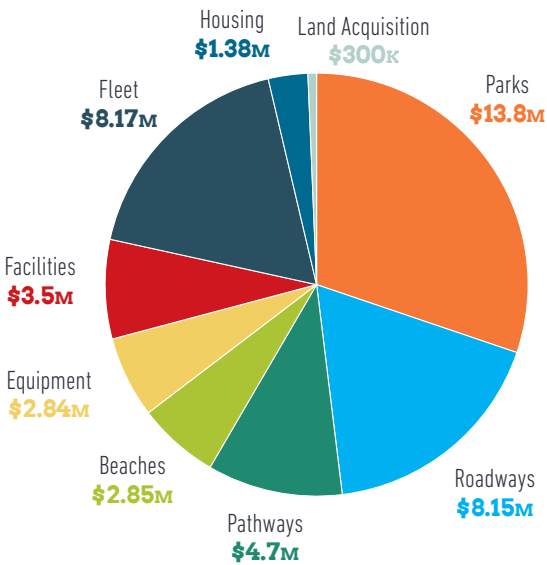
The Town Mission

The Town of Hilton Head Island's mission is to promote the health and vitality of the community we serve through ethical and inclusive programs, policies, and actions.

5 *Revenues and community investments have increased and returned to pre-pandemic “normals”.*

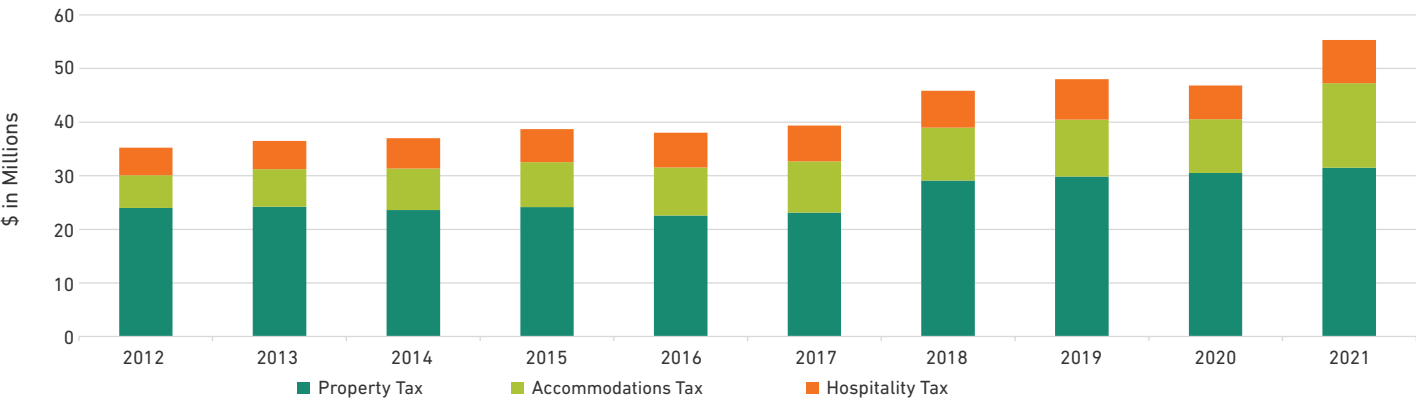
- With its 2023 budget totaling \$119 million, the Town expenditure per capita for Hilton Head Island is just over \$3,100 per resident.
- If compared to the country’s 100 largest cities, the Town would rank 21st in spending per citizen. This level of investment has been enabled by strong growth in revenues and the Town’s ability to focus on non-emergency spending.
- Hurricane Matthew in 2016 and the COVID-19 pandemic in 2020 redirected significant portions of the Town’s expenditures to disaster recovery and crisis management.
- The 2022-23 fiscal year expenditure plan represents a return to “normal” investments in critical community programs and a robust capital improvements campaign.

CAPITAL IMPROVEMENTS BUDGET, 2022



Source: Town of Hilton Head Island

GOVERNMENTAL TAX REVENUES BY SOURCE



Source: Town of Hilton Head Island

RESIDENTIAL PROPERTIES BY TAX MILLAGE

As per the Beaufort County Treasurer’s Office, properties in Beaufort County, both residential and commercial, are subject to a standard assessment rate of 6% for taxation. However, owner-occupied legal residences may be eligible for a reduced 4% Special Assessment Ratio. The chart right shows how Island property is divided by the 4 and 6% tax millage brackets.

	6% TAX MILLAGE	4% TAX MILLAGE*
TOTAL PROPERTIES	27,886	13,209
SINGLE FAMILY	5,308	9,711
CONDO	11,217	2,835
TOWNHOUSE	598	471
OTHER (ALL OTHER LAND USES)	8,432	192

* Owner Occupied Legal Residences



6

The Fire Rescue Department prioritizes staffing needs in its strategic plan, underscoring housing affordability needs.

- The Hilton Head Island Fire District and the Sea Pines–Forest Beach Fire Department were both established in 1969; the Hilton Head Island Rescue Squad was established in 1970. In 1993, these three departments were merged to form what is now Hilton Head Island Fire Rescue. The department’s core programs include emergency medical services, fire suppression and investigation, fire rescue 911 communications, domestic preparedness, hazardous materials mitigation, and public education.
- One of the goals identified by Hilton Head Island Fire Rescue 2024 to 2026 Strategic Plan is to “create the appropriate staffing model to fulfill the needs of the department and best serve the community.” A major hurdle to achieving this goal is the rising cost of living on the Island. Based on the current entry-level firefighter and EMT salaries and the median rent on the Island, employees are spending over 30% of their monthly income on housing.

FIRE RESCUE STAFF PER
1,000 RESIDENTS

2.6

With average Island occupancy, including visitors, the Town maintains an above-standard ratio or staffing per resident

FIRE STATION LOCATIONS

FACILITY	BUILT	NOTES
Headquarters	2001	The Fire Rescue Headquarters accommodates all administrative staff and houses the department’s maintenance facility.
Station 1	2011	Station One operates with a minimum staffing of four firefighters. The station employs a split crew model, with two personnel addressing EMS calls on the medic unit while keeping the fire apparatus in service with the remaining two. All four staff members respond to fire-related calls on the fire apparatus, temporarily placing the medic unit out of service. Equipment at the station includes Engine-1, Medic-1, and Rescue-1.
Station 2	2021	Built to withstand seismic activity, high winds, and storm surges, Station 2 maximizes elevation for additional staff during emergencies. The station houses a fire engine and EMS vehicle, operating on a split crew model for efficient responses to both EMS and fire-related calls.
Station 3	2000	Using a cross-staffed model, all three personnel respond to either the engine for fire-related calls or the medic unit for EMS calls. Equipment at the station includes Engine-3 and Medic-3.
Station 4	2005	With a minimum daily staffing of three firefighters, the station employs a cross-staffed model. The equipment includes Engine-4 and Medic-4.
Station 5	2011	Station Five maintains a minimum daily staffing of four firefighters. Operating with a split crew model, two personnel respond to the medic unit for EMS calls, while the remaining two keep the fire apparatus in service. All four staff members respond to fire-related calls, temporarily placing the medic unit out of service. The equipment at the station includes Engine-5 and Medic-5.
Station 6	2014	Station has a minimum daily staffing of seven firefighters. Four personnel respond to either the engine for fire-related calls or the medic unit for EMS calls. The equipment includes Engine-6, Medic-6, Truck-6, and Hazmat-2.
Station 7	2003	Station Seven maintains a minimum daily staffing of three firefighters. The equipment includes Engine-7, Medic-7, and Battalion-1, which oversees daily shift personnel for all stations.

Source: Town of Hilton Head Island



Source: Town of Hilton Head Island





TOPIC H

COMMUNITY ENGAGEMENT

The Town has involved its residents and stakeholders in creating a shared vision for the future of the Island, addressing major issues like utility provision, environmental and wildlife protection, transportation and Island access, and more recently, housing affordability and workforce support.

Conversations within the communities of Hilton Head Island are what first initiated the Island's steps toward incorporation. These discussions over what the place ought to look or feel like in the future set off a series of conversations that eventually culminated in the 1983 incorporation referendum.

The actions of the early 1980s were the result of a community movement built around grassroots engagement and iterative conversation. As the community continues to grow—albeit more slowly—and evolve, the need for this ongoing dialogue remains. The community is quite active compared to its peers around the region and eager to contribute ideas to the wide range of Town-initiated and regional processes.

This section provides an assessment of past community engagement efforts, a review of the communication practices and channels, an overview of the major audiences or segments within the community, and a highlight of the harder-to-reach communities on the Island.

KEY TRENDS

- 1 The Hilton Head Island community is intensely engaged in planning efforts, far beyond its Lowcountry peers.
- 2 The Town is committed to facilitating community conversations through its engagement processes.
- 3 The Town uses multiple platforms to proactively communicate important messages.
- 4 The Island's community tapestry make-up (an analytical model designed to categorizing communities) reveals a diverse and unique segmentation.
- 5 Some groups living on the Island are harder to reach than others when it comes to gathering community input.
- 6 The Island Recreation Association produces, provides, and coordinates public recreation programs through a unique, non-profit model.

1 5,400+

Hours of conversation

The Town's community engagement effort leading to the adoption of Our Plan, the Town's 2020 comprehensive plan, was deep and exhaustive. Outreach began in March 2017. In the span of nine months, there were over 4,500 hours of community engagement activities, which ultimately led to the adoption of Hilton Head Island's Our Future, the vision and strategic action plan. This thorough assessment of the community's values set the groundwork to pursue a second round of engagement in order to create the new comprehensive plan.

In 2019, the Town developed eight work groups that met twice monthly for eight months. These groups were composed of eight to twelve diverse community members who worked to develop goals and strategies for the plan based on the values previously established. In concert with this effort, staff held seven public open houses, attended festivals and pop-up activities, and facilitated several online modes of engagement to keep the public informed and involved. These efforts culminated in the adoption of Our Plan in October 2020.

Hilton Head Island's recent engagement efforts fare well when compared to the rest of the Lowcountry. For example, Beaufort County's comprehensive planning community engagement process reached 3,900 people, less than 1% of its total population.



A community engagement session with young professionals for the Our Future initiative

COMMUNITY ENGAGEMENT

11%

Total Island population reached during Our Plan community engagement

The Town's community engagement activities go beyond public hearings; specialized work groups focused on representation and inclusivity convene to participate in collaborative, interactive activities related to the planning process.



Photo Credit: Our Plan



2

The Town is committed to facilitating community conversations through its engagement processes.

- The values for Our Future, the 2018 vision and strategic action plan, were derived from community discussions that started broad but gradually narrowed in on the emerging key themes and shared aspirations for the Island's future.
- The Our Future and Our Plan community engagement process was two years long and involved the Town Council, a community vision process consultant, a vision project management team of diverse community leaders, and the broader Hilton Head Island community.
- The Town Council required transparency in the Our Future community engagement process. Our Plan identified transparency as a key idea for shaping excellence, one of the plan's core values.
- In October of 2022 the Town Staff convened 35 housing stakeholders to participate in a two-day workforce housing charrette. This community participation of public, private, and philanthropic groups led to the development of major components of the final Workforce Housing Framework strategy.

STRATEGIC INITIATIVES



Each initiative identified for the 2023–25 fiscal year was informed by the community's input

RECENT ENGAGEMENT EFFORTS

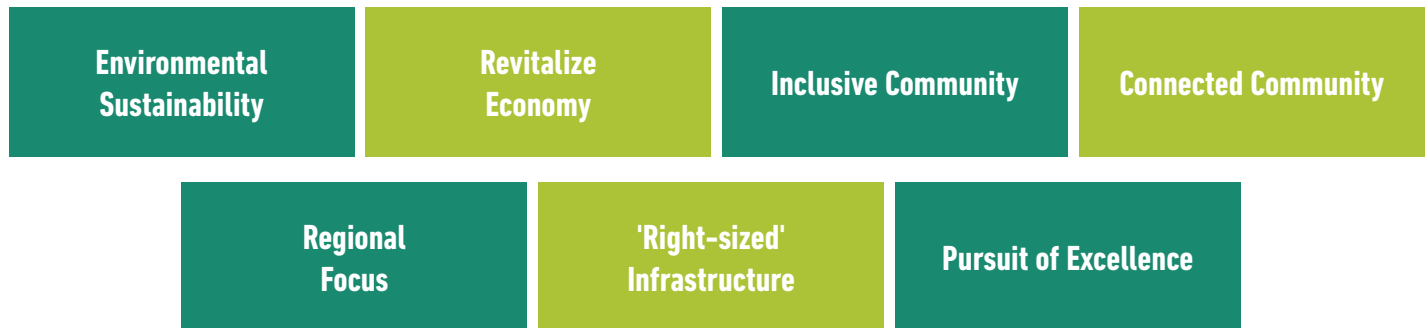
PLAN NAME	YEAR
MID-ISLAND DISTRICT PLAN	2022
OUR PLAN - COMPREHENSIVE PLAN	2020
LOWCOUNTRY NATURAL HAZARD MITIGATION PLAN	2020
PARKS AND RECREATION MASTER PLAN	2020
HILTON HEAD ISLAND FIRE RESCUE 2019-2024 STRATEGIC PLAN	2019
WORKFORCE HOUSING STRATEGIC PLAN	2019
GULLAH GEECHEE CULTURAL PRESERVATION PROJECT REPORT	2019
OUR FUTURE VISION AND STRATEGIC ACTION PLAN	2018

ACTIVE COMMUNITY ORGANIZATIONS

ORGANIZATION	TYPE	IMPACT / REACH
COMMUNITY FOUNDATION FOR THE LOWCOUNTRY	PHILANTHROPIC ORGANIZATION	445 active funds
NEIGHBORHOOD OUTREACH CONNECTION	LOW-INCOME SUPPORT RESOURCE	10,000 people served since 2008
THE DEEP WELL PROJECT	EMERGENCY ASSISTANCE	170+ active volunteers
LIFELONG LEARNING OF HILTON HEAD ISLAND	CONTINUING EDUCATION	1,400+ members
SECOND HELPINGS	FOOD RESCUE & DISTRIBUTION	325+ volunteers
FIRST BAPTIST CHURCH OF HILTON HEAD	OLDEST CHURCH ON THE ISLAND	300+ members
CONGREGATION BETH YAM	JEWISH HOUSE OF WORSHIP	300+ members

STRATEGIC ACTION PLAN CORE VALUES

The Strategic Action Plan lays out in detail the activities the Town staff and associated agencies need to carry out in order to implement the Town Council's policy directions. It is focused on all initiatives that are not capital improvement projects and require a significant investment of staff support, and helps ensure that staff have sufficient time and resources necessary to successfully meet expectations.



Source: Town of Hilton Head Island Strategic Action Plan, FY 2021-22.

HILTON HEAD ISLAND IDEALS OF EXCELLENCE

The Ideals of Excellence are the foundational tools which uphold one of Hilton Head Island's seven Core Values: the relentless pursuit of excellence. These ideals, set forth by the community, are statements of intention for the future growth and development of the Town. **The Town's intention is to be a community that...**

For Our Place

Is welcoming, inclusive, values diversity, safe, and people focused.

Is recognized as an excellent place to live, work, and visit.

Preserves, values, and recognizes its history.

Attracts businesses and residents who identify with and appreciate the Hilton Head Island community Ideals of Excellence and Core Values.

Is recognized as a best-in-class destination where visitors are welcomed and the economic impact of tourism is valued.

Protects the natural environment as a unique quality of our identity.

For Our People

Prioritizes the greater good.

Attracts and maintains a diverse and multi-dimensional residential population, providing a competitive live-work option.

Recognizes the benefit and value of arts, culture, recreation, healthy living, and education for the community.

For Our Planning and Process

Fosters a collaborative, transparent, and inclusive environment when resolving concerns or planning for the future.

Considers sustainability as foundational to the Island's development and redevelopment of environmental and economic projects and policies.

Fosters a spirit of inspiration and leads by example.

Uses innovation and learning to continually develop and apply best practices and standards for processes and projects.

Continually adapts to the Core Values and Comprehensive Plan to meet the needs of the present and future.

Source: Town of Hilton Head Island Strategic Action Plan, FY 2021-22.



3 *The Town utilizes multiple platforms to communicate important messages.*

- In February 2022, the Town released the MyHHI Mobile App, which lets community members report nonemergency issues to the Town. Not only does this let citizens directly connect with the Town administration, it is also used to spread emergency announcements.
- Beyond the app, the Town has seven social media accounts with a combined total of over 46,600 subscribers / followers. The Town's Visitor & Convention Bureau Facebook page, Visit Hilton Head, has 235,000 likes and 236,000 followers.
- Direct communication from the government allows emergency communication to reach residents quickly, which is crucial during hurricane season when conditions are dangerous.
- The 2020 comprehensive plan also identified transparency as a key idea for shaping excellence, one of its core values.

TOWN FACEBOOK FOLLOWERS



Total followers of the Town of Hilton Head Island's Government facebook page have grown steadily since its launch

SOCIAL MEDIA PRESENCE AND REACH AS OF JANUARY 2023



Source: Planning Team Research & Analysis



MyHHI Mobile App

The MyHHI Mobile App lets citizens report nonemergency issues to the Town via their smartphone, tablet, or computer. This immediate line of communication also allows the Town to alert the community in the event of natural disasters and emergency situations.

4 *The Island’s community tapestry make-up reveals a diverse and unique segmentation.*

- The Community Tapestry model is designed to categorize neighborhoods and communities in the United States based on a combination of demographic and socioeconomic characteristics. This tool (developed by the Environmental Systems Research Institute) helps businesses tailor their marketing strategies and locate consumer markets based on spending patterns.
- Hilton Head Island is relatively unique in that a majority of the population, 61.4%, fall into one segment. This segment, “Silver & Gold,” is made up of seniors with money to spend. They have retired to sunnier climates and have free time and resources. Implications of a large segment of this population are more on-Island healthcare needs and higher spending on luxury items and convenience services.
- The next largest portion of the population, 7.8%, falls into the Emerald City segment. These young professionals are often renters and enjoy the cultural offerings of the community. This could mean there is an opportunity for more engagement in arts on the Island, as well as shared workspace offices for remote employees.
- Following behind is the Bright Young Professionals segment at 5.4% of the population. These working families have median household incomes, home values, and rent averages close to US figures. They are potential homebuyers if affordable housing options are available, and their children make up large portions of the school system.

ISLAND'S SILVER & GOLD POPULATION



This segment is significantly larger on the Island than anywhere else in the country



TAPESTRY SEGMENTATION

Silver & Gold
Median Age: 63.2
Median Household Income: \$72,100
Median Net Worth: \$357,100
Average Household Size: 2.03

61%

Esri’s **Tapestry Segmentation** tool provides a detailed description of US neighborhoods based on their socioeconomic and demographic composition. The model uses a unique classification system that divides the U.S. population into distinct segments, each characterized by specific traits, behaviors, and preferences. The segmentation is based on a wide range of variables, including income, education, age, housing, and lifestyle preferences. The goal is to provide a more nuanced and detailed understanding of the diversity within communities.

Emerald City
Median Age: 37.4
Median Household Income: \$59,200
Median Net Worth: \$52,700
Average Household Size: 2.06

8%

Bright Young Professionals
Median Age: 33
Median Household Income: \$54,000
Median Net Worth: \$34,200
Average Household Size: 2.41

5%

Other Tapestry Groups
Metro Fusion
Savvy Suburbanites
In Style
NeWest Residents
Retirement Communities
Up and Coming Families
The Great Outdoors
City Lights
Golden Years
Young and Restless
Old and Newcomers
Exurbanites

25%

Source: Esri



5

Some community groups on the Island are not being reached as often as others.

- Some groups on the Island are harder to reach than others when it comes to gathering community input. Hard-to-reach groups include the native Gullah Geechee and Hispanic / Latino populations, as well as workers from the greater Beaufort County area who commute to the Island.
- In a race and ethnicity breakdown of the 2018 Our Future vision & strategic action plan, only 3.3% of the community survey respondents were Hispanic / Latino, and 2.2% were Native Islanders. No data was collected regarding the number of respondents who work but do not live on Hilton Head Island.
- The Hispanic population on the Island has grown more than 28% from 2000 to 2020 and does not show signs of slowing. Like any group, they have their own specific needs and hopes for the future of the Island that were not captured in proportion to their share of the population.
- Conversely, the African American population has decreased by over 15% from 2000 to 2020. The Town must continue to engage this population in planning conversations in order to know what they need to reverse the trend of migration.

HISPANIC & LATINO SURVEY RESPONDENTS

3.3%

The percentage of survey participants for the Our Future plan who were Hispanic and Latino was significantly lower than the group's population on the Island (13.8%)



Louise Cohen, director of the Gullah Museum of Hilton Head Island. Credit: Bailey Davidson



Credit: Boys & Girls Club of Hilton Head Island

Boys & Girls Club

The Boys & Girls Club of Hilton Head Island has served children ages 6-18 with a host of educational and recreational programs on the Island since 1990. They currently serve 260 enrolled members in their facility, built in 1999 and funded completely through donations. The organization has a diverse membership of 42% Latino, 29% Caucasian, 28% African-American, and 1% Other. Additionally, 63% of Club members fall below the national federal poverty guidelines. The organization services the vital function of providing childcare after school and during the summer through their programming.

6

The Island Recreation Association produces, provides, and coordinates public recreation programs through a unique, non-profit model.

- In 1977, the Hilton Head Rotary Club recognized that the existing recreational programs provided by the county government were insufficient for the youth in the community. To address this issue, the Rotary Club decided to fund and build the Island Youth Center, to provide recreation programs for the youth. The Rotary Club also supported the center’s operation in its early years as it evolved into the Island Recreation Center.
- By 1984, the demand for recreation had expanded to include residents of all ages, prompting the transformation of the Island Youth Center into the Hilton Head Island Recreation Association.
- The Association’s Board of Directors played a crucial role in acquiring land and securing funding for the construction of the Island Recreation Center, which has been managed by the Association ever since.
- In 1990, recognizing the growing recreation needs of the community, the Association partnered with the SHARE Senior Center to provide programs for the senior population. In 2013, SHARE was re-branded as Hilton Head Island Senior Center under the direction of the Island Recreation Association.
- The renovations and expansion of the current Island Rec Center completed in January 2019, including a new gymnasium, classrooms, playground, fitness equipment, indoor walking track, renovated restrooms, pool restroom facilities, and other facilities.
- The Association’s non-profit status is a unique model among municipal recreation programs which are typically managed directly by the Town. The non-profit is funded through a 35% grant from the Town of Hilton Head. The balance is the responsibility of the Association’s Board to recover in order to deliver the best recreational services to residents and visitors alike.
- The quasi-government status of the association allows for proactive and nimble program planning and the opportunity to fund-raise. This model has allowed the Association to invest in novel programs like its Carmines Family Recreation Scholarship Program. This scholarship program annually awards an average of over \$280,000, supporting hundreds of families and children.

**POOL AND FITNESS
TOTAL MEMBERSHIPS**

4,639

In 2022, there were more than 350,000 unique visits to the Hilton Head Recreation Center

**2022 ASSOCIATION
OPERATING BUDGET**

\$2.9M

Programs are co-funded through ongoing support from the Town of Hilton Head and through program fees and memberships



The Association offer’s numerous adaptive recreation programs with more than 6,000 total participant visits in 2022.



Shifting Demographics and Recreation Programming

The median age for Island residents is increasing quickly, moving from 46 in 2000 to 58 in 2020. During this period, people over 55 drove a population increase, adding just over 9,000 new residents. Every other segment decreased in size. The under-18, or school-age, population is decreasing. This segment lost 13% of its share from 2000, and the decline is reflected in public school enrollment. The school system lost 400 students from 2012 to 2022, and is experiencing its largest loss among younger students below second grade. As these changes occur, there will be rolling impacts to the types of recreation programs demanded and the volume of enrollees. The growth in popularity for sports like pickleball - a lower-impact paddle sport combining elements of tennis and table tennis - have demonstrated the latent impact older recreation users can have on the Island's facilities and recreational programming. The Association can expect these impacts in demand and preferences to increase through the coming decade with older users continuing to grow into the most common age segment.

ISLAND RECREATION CENTER PROGRAMMING

YOUTH PROGRAMS (SELECTION)

After School Rec Club	Kid's Night Out
Vacation Club	E Sports
Discovery Club Pre-School	Swim Lessons
All-Day Summer Camp	

ADULT PROGRAMS (SELECTION)

Fitness Classes	Swim Lessons
Open Gym	Pickleball Club
Community Yoga	

SENIOR PROGRAMS / SENIOR CENTER PROGRAMS (SELECTION)

Exercise Classes	Book Club
Dining Socials	Craft Club
Card and Board Games	Painting for Fun

ADAPTIVE RECREATION PROGRAMS

Challenge Camp	PEP
Pockets Full of Sunshine	

ISLAND RECREATION FITNESS & POOL

RECREATION FITNESS VISITS

YOUTH (0-17)	45,000
ADULT (18-49)	108,426
SENIORS (50+)	94,972

RECREATION POOL VISITS

YOUTH (0-17)	56,763
ADULT (18-49)	30,667
SENIORS (50+)	30,000

Source: Island Recreation Association Annual Report, 2022





TOPIC I

SYSTEMS

Without its network of visible and invisible infrastructure, modern life on Hilton Head Island would be impossible.

The Island's initial growth was predicated on reliable access to the mainland; the Town's first bridge was completed in 1956. This spurred a wave of real estate development through the following decades.

With many attracted by an oceanfront lifestyle and the Island's natural beauty, it is ironic how central maintaining access to fresh water is to the life and sustainability of the Island today. Without access to deep wells into the Floridan aquifer, development on Hilton Head Island could never have achieved the scale it has today. However, the water cycle is both a limiting and enabling factor for growth on the Island, and the system is increasingly under threat from explosive growth on the mainland.

A web of services and utilities are present on the Island, and each has its unique challenge of servicing a formerly disconnected community.

This topic explores the various infrastructure systems on the Island and the challenges that come with maintaining them.

KEY TRENDS

- 1 Water use on the Island fluctuates significantly—reaching as high as 26 million gallons per day (MGD)—based on the season.
- 2 Saltwater infiltration poses a serious risk to long-term water extraction practices.
- 3 Wastewater recycling processes put treated water to use.
- 4 The Town's efforts to manage stormwater have mitigated the potential increase of runoff by regulating development.
- 5 Town partners and other agencies deliver services to residents, businesses and visitors.
- 6 The Island outperforms major indicators of health outcomes, despite an aging population.
- 7 Only 3% of the roads on the Island are owned and maintained by the Town, with the county and state planning for major regional projects.
- 8 The Island's renowned public multi-use pathway network is well-positioned for expansion.
- 9 Seasonal transit services broaden access with room to grow.

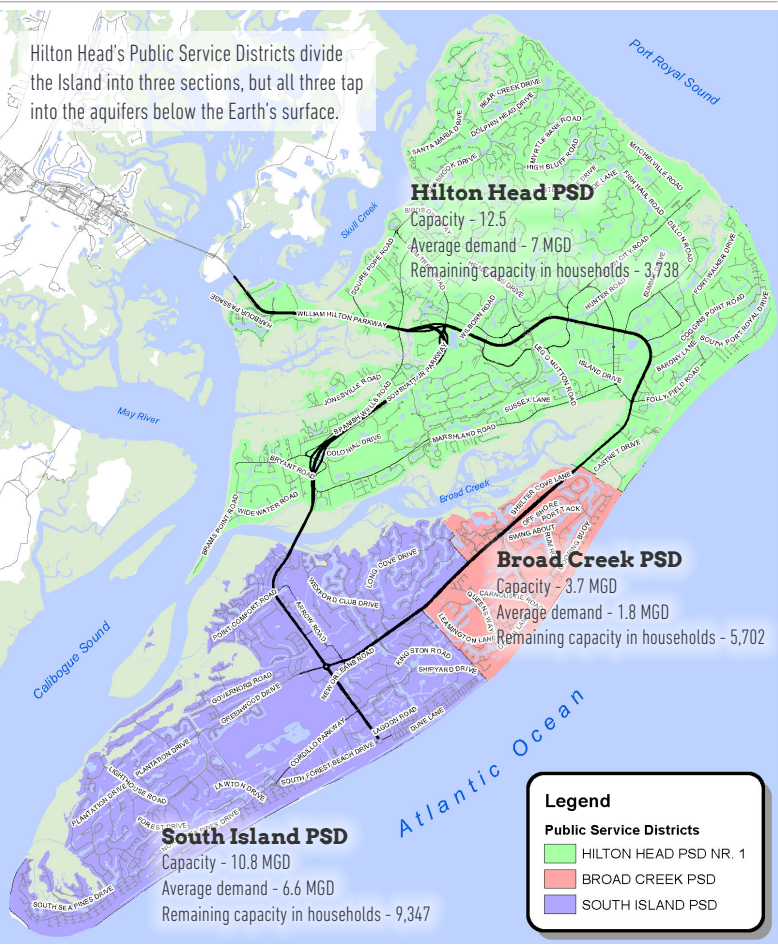
1

26 MILLION

Peak daily gallons of water usage

The Island’s source for potable water is groundwater drawn from the relatively shallow Floridan (<200 feet) and the very deep Cretaceous (>3,000 feet deep) aquifers. When islands like Hilton Head Island receive rainfall, this water infiltrates and charges a groundwater aquifer, but these unconfined sources are highly susceptible to saltwater intrusion and are not reliable long-term sources. The three Public Service Districts (PSDs) on the Island—Hilton Head, Broad Creek, and South Island—each maintain a series of deep wells that tap into confined aquifers far below the surface. On average, the three districts extract or serve a demand for 15 million gallons per day (MGD). However, peak demand can swell to 26 MGD and aligns with the high tourist season, from May to September, when the Island’s nighttime population pushes to its maximum.

PUBLIC SERVICE DISTRICTS



Source: Town of Hilton Head Island



Mitigation Measures

The Island’s PSD’s have taken several measures to diversify their water sources as the longevity of the Island’s main water source, the Upper Floridan Aquifer, is now compromised by saltwater intrusion.

Mitigation Initiatives:

- Reverse Osmosis Drinking Water Treatment Facility
- Aquifer Storage & Recovery Facility
- Groundwater hydrogeologic modeling
- Cretaceous well supply

WASTEWATER CAPACITY

Measured in million gallons per day (MGD)	WASTEWATER
AVERAGE DAILY DEMAND	6.4 MGD
PEAK DEMAND	10.6
ROUGH CAPACITY	2.8

Source: Hilton Head, Broad Creek, and South Island PSDs



2

Saltwater intrusion poses a serious risk to the long-term water extraction practices.

- The Hilton Head PSD has lost 10 drinking water wells to saltwater intrusion into the Upper Floridan freshwater aquifer from 2000 to 2023.
- Saltwater intrusion occurs when the pressure in the groundwater system is reduced, either by excessive pumping or by natural causes, such as drought. When this happens, saltwater from the ocean or nearby coastal areas can flow into the freshwater aquifer, displacing the freshwater and increasing the salinity of the groundwater.
- Only two of the utility's four remaining Upper Floridan freshwater wells are currently unaffected by saltwater intrusion.
- Saltwater intrusion can have serious consequences for communities that rely on the aquifer for their water supply, as the increased salinity can make the water unusable for drinking, irrigation, and other purposes.

FRESHWATER WELLS LOST TO SALTWATER INTRUSION



The Town has lost close to a dozen wells across its three PSDs, most recently in January 2023

3

Wastewater recycling processes put treated water to use.

- Each of the Island's three PSDs reclaims billions of gallons of treated wastewater each year.
- Through a process of capture, treatment, and release, the districts are able to irrigate landscaping and golf courses across the Island and help nourish wetlands.

RECYCLED WASTEWATER CAPTURED ANNUALLY (GALLONS)



gallons of water are recycled across the Island's three Public Service Districts for irrigation and wetland nourishment



The Floridan Aquifer

The Upper Floridan aquifer is a limestone, freshwater aquifer located 50 to 150 feet underground. It is one of the largest aquifers in the world, and stretches from the Beaufort area southward through the Florida Everglades. Groundwater from this aquifer requires little treatment. The PSD treats this water with chloramines directly at their well sites. Unfortunately, this aquifer has been impacted by saltwater intrusion.

4

The Town's efforts to manage stormwater have mitigated the potential increase of runoff by regulating development flood risk and improving water quality by capturing pollutants at or near the surface.

- Stormwater management refers to the proactive processes applied to control the discharge of rainwater back into the natural environment.
- On Hilton Head Island, rain events and development projects that produce large areas of impervious surfaces can lead to large and sudden surface water runoff that is not able to naturally percolate into the soil.
- Runoff can cause localized flooding, erosion, non-point pollutant discharge, and other issues.
- Through its Stormwater Management Division, the Town regulates new development with respect to its impact on runoff and site retention.

**OVERALL ISLAND
IMPERVIOUS SURFACE**

19%

Includes all areas acting as infiltration funnels (parking lots, roofs, etc.)



Credit: HiltonHead.com

Pervious parking areas, like the system picture above at Islanders Beach Park, allow rain water to percolate into the ground. This helps to re-charge ground water aquifers and minimize run-off.



Credit: Town of Hilton Head Island

The water cycle

So much of the life and activity on Hilton Head Island revolves around water and the water cycle. Without access to freshwater aquifers, the current scale of development on the Island may never have been possible. Above ground, managing water events is another crucial concern. In major storms or—much more rarely—hurricanes, stormwater management best practices can mitigate the risks to safety, property, and the overall health of waterways. The Town and its partner Public Service Districts have invested millions of dollars to ensure the health and resilience of these systems in the long term.



5 *Town partners and other agencies deliver services to residents, businesses and visitors.*

- Public safety is maintained by the Beaufort County Sheriff's Office. While headquartered in Beaufort, a fully-staffed substation is located on the Island and includes an enforcement and investigative department.
- In 2020, the County passed an ordinance to assess a special tax on property owners in the Town in order to raise the \$4.4 million in revenue necessary to serve the Island. This controversial "special" assessment was the result of a study that showed rising costs to serve the Island and a need to address growing budgetary limitations.
- The Town's ten planned unit developments (PUDs) contract with South Carolina Law Enforcement Division (SLED) certified private security to provide law enforcement authority within their communities.
- Some of the area's electricity providers are Palmetto Electric Cooperative and Dominion Energy. Hargray Communications and Spectrum are among the local options for internet / phone / cable.
- Over 17 years, Palmetto Electric has been working toward "underground" power distribution and to harden against storm events. It has converted just over 1,200 transformers and 115 miles from above-ground to underground systems.
- Trash and recycling are managed by several private companies including: Republic Services, Capital Waste Services, and Waste Management. Businesses are required to use a private waste and recycling company.
- The Hilton Head Island Convenience Center, run by Beaufort County, allows residents to drop off their trash and recycling up to three times a week per household. The Convenience Center is open 6 days a week, and closed on Wednesdays and holidays.
- The Town provides other direct services not listed above, but can be found on the Town website.



The Beaufort County Sheriff's Office maintains a substation at 70 Shelter Cove Lane on Hilton Head Island.



In early 2015, fiber Internet infrastructure was installed on Hilton Head Island, providing residents with high-speed Internet access. Data shows that the average download speeds in the Town (157 MBPS) are currently higher than the statewide and national average, while average upload speeds (30 MBPS) are lower than the statewide and national average. Credit: New York Times

6 *The Island outperforms major indicators of health outcomes, despite an aging population.*

- The Hilton Head Regional Healthcare system maintains the Island’s 109 hospital beds. Hilton Head Hospital provides short-term acute care and provides services in orthopedics, cardiovascular health, stroke treatment, and more.
- The top number of Medicare inpatients in 2022 were seen for ‘medicine,’ which encompasses less specific reasons including traumatic injury, allergic reactions, and other injuries, with an average length of stay of four days. The second largest number were seen for cardiology, with an average stay of three days.
- In 2023 there are 150 physicians on the Island. Compared to the 2023 population, that is one physician for every 251 residents, and one for every 170 residents over age 44. These ratios out perform the state and national averages.

7 *Only 3% of the roads on the Island are owned and maintained by the Town, with the county and state planning for major regional projects.*

- Of the 400 miles of roadways on the Island, the Town maintains only 14 miles. The longest, a segment of Arrow Road, runs for three-quarters of a mile from Helmsman Way to Archer Road.
- Because of this division of ownership, the Town must collaborate with other entities, such as SCDOT and Beaufort County, to facilitate upgrades. For example, the Town has agreements with the state and county to remove disaster-generated debris.
- Measuring from the entrance to William Hilton Parkway, the average daily traffic is 57,400 vehicles (or over 400,000 cars per week). Volumes have grown along with tourism and events, leading to some concerns about future levels of service.
- SCDOT is proposing to make improvements to the US-278 corridor between Bluffton and Hilton Head Island, including the replacement of the Island’s existing gateway bridges. However, the multi-billion-dollar project has sparked a community conversation about the potential impact of the transportation project on community character.
- The Town has initiated studies to develop its own standards for corridor development and to provide an alternative to the alignment of the roadway and the landing area of the state’s new proposed bridge.

PHYSICIANS PER RESIDENTS, 2022

PHYSICIAN TO RESIDENTS RATIO	
HILTON HEAD ISLAND	1:251
SOUTH CAROLINA	1:398
UNITED STATES	1:335

Source: Association of American Medical Colleges
State Physician Workforce Data Report, 2022

TOP 10 LONGEST TOWN-OWNED ROADS

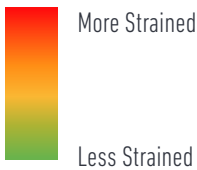
ROADWAY	ROAD TYPE	DISTANCE IN FEET
ARROW ROAD	Minor	4038
INDIGO RUN DRIVE	Other	3727
NORTH MAIN STREET	Non-arterial	3076
HONEY HORN DRIVE	Non-arterial	2902
DUNNAGANS ALLEY	Non-arterial	2778
CASTNET DRIVE	Non-arterial	2736
SUMMIT DRIVE	Non-arterial	2534
OFFICE PARK DRIVE	Non-arterial	2273
HAIG POINT CIRCLE	Non-arterial	2181
HOSPITAL CENTER BOULEVARD	Non-arterial	2157

Source: Town of Hilton Head Island



ROADWAY CAPACITY USAGE AND PROJECTS

KEY



WHP Gateway Corridor Project

The SC Department of Transportation (SCDOT) and Beaufort County are undertaking the US 278 Gateway Corridor project to address roadway issues along US 278 from the intersection of Moss Creek Drive to the intersection of Spanish Wells Road. Working with SCDOT, the Town of Hilton Head Island and local design and transportation consultants are using local knowledge to create community-based solutions to enhance SCDOT's preferred approach. This should aid the approximately 60,000-70,000 vehicles that use the corridor daily.



Credit: The Island Packet

Cross Island Parkway

Tolls were removed from the CIP in 2021 with the expiration of the levy period. Per SCDOT, daily traffic counts across the CIP had reached an all-time high in 2023, with over 35,000 vehicles a day for the month of July.

Sea Pines Circle Traffic & Safety Hotspot

Vehicular crashes cluster around the Sea Pines Circle area. The redesign of this intersection was an area of focus through the Corridors Planning Project. In 2022, peak midday and PM traffic caused consistent roundabout failure, where approaches from all four directions had queues in excess of 350 feet.



Hilton Head Airport Improvements

The planned expansion of the airport's terminal will triple the internal capacity of the facility, providing three total gates and greatly expanding daily flight potential.

Transportation Impact Analysis

Found in Section 16 of the Town's Land Management Ordinance (LMO), a Transportation Impact Analysis (TIA) is a requirement for new development proposals. The intent of a TIA is to ensure that proposed developments, if approved, would not cause a street facility to fall below the Town's adopted traffic service levels standards.

Source: Planning Team Research and Analysis

8 *The Island's renowned public multi-use pathway network is well-positioned for expansion.*

- Pathways are a signature feature of Hilton Head Island and are highly valued by residents and visitors. Trip Advisor ranks Hilton Head Island Bike Trails as the third most popular attraction on the Island.
- The Island currently has over 70 miles of existing Town-owned pathways (some neighborhoods may benefit with improved direct access to these facilities).
- The existing multi-use pathway network is extensive and interconnected, but there are opportunities to better connect to existing neighborhoods and improve safety.
- Rental bikes are affordable and widely accessible. Over 30 rental shops within the Town provide nearly 15,000 bikes for rent.
- The Island's pathways provide critical multi-modal connections to neighborhoods and destinations while contributing to the creation of Complete Streets throughout the Island.
- Current pathway routes are not intuitive or apparent due to missing connections and inconvenient access, and there is little adherence to best practices for pathway widths, horizontal curves, and queuing areas.
- Minimal separation is provided in some areas between pathways and vehicles, including safety hazards from turning vehicles at driveways.

MILES OF PUBLIC PATHWAY

72

The Island's pathway network is extensive and one of the country's most comprehensive



Source: Town of Hilton Head Island Corridors Plan

The design of pathways must go beyond establishing the bare minimum space requirements for various user groups. Pathways should be designed for safe usage, especially along highly-trafficked roadways.



Credit: Hilton Head Island Elementary School

Island Schools

There are five public and three private schools on the Island: Hilton Head Island Early Childhood Center, Hilton Head Island Elementary School, Hilton Head Island School for the Creative Arts, Hilton Head Island Middle School, and Hilton Head Island High School are all public schools. They are operated under the Beaufort County School District. There is a decreasing trend in enrolled capacity from the High School to the Elementary, with the High School at 98% usage, the Middle School at 85%, and the Elementary School at 63%.



9

Seasonal transit services broaden access, with room to grow.

- Palmetto Breeze Transit services the Lowcountry, including public transportation on Hilton Head Island.
- In addition to regional routes and central to mobility within the Town, the Palmetto Breeze Trolley service provides a highly efficient and sustainable alternative to car travel for employees, residents, and visitors on the island. According to the LRTA's Annual Comprehensive Financial Report, in FY 2022 more than 48,000 passengers rode The Breeze Trolley, compared to nearly 27,000 in 2021.
- Access to public transportation is proven to be a leading driver of increasing economic mobility for underserved communities. Palmetto Breeze's "Ride Free - New Job Pass" provides a free, 7-day transit pass for any rider starting a new job. Initiatives such as these are centered around utilizing public transportation as a catalyst for lowering poverty rates, driving down housing costs, and increasing workforce mobility.
- In 2023, the Palmetto Breeze Transit Service collected two industry awards for achievements in Transit Maintenance and Transportation Marketing.
- A transit development plan prepared for the Lowcountry Council of Governments in 2018 identified higher areas of need along and northwest of Beach City Road (including Hilton Head Hospital) and the south end of the Island extending southwest of Pope Avenue.



The Breeze Trolley serves 21 stops around the Island, but its service is not evenly distributed. Aside from being a seasonal service that only operates from April to September, the trolley does not serve some key locations such as Hilton Head Island Airport.

PALMETTO BREEZE TRANSIT SERVICE

8

The Island is currently serviced by eight regional routes that provide access to and from mainland locations

REGIONAL EMPLOYMENT

1,730

The share of Hilton Head Island workers that live in Bluffton jumped from 7.6% in 2002 to 23.5%, or 1,730 people, in 2020

THE BREEZE TROLLEY STOPS

21

The Breeze Trolley currently serves 21 stops around the Island, with opportunities for expansion toward the airport





TOPIC J

LAND USE

Land is a community's most important resource. Regulating the form, location, and aesthetics of development is one of a municipality's primary responsibilities and the area where the community has the most control. This section examines the Town's approach to this management, the opportunities presented by development and – now more commonly – redevelopment, and the current mix of land uses.

The visionary work of a few planned developments in the early days of the James F. Byrne Bridge has shaped Hilton Head Island into the iconic destination that it is today. With raw development slowing down in recent decades and land availability becoming sparse, Hilton Head Island may face less of the explosive growth it witnessed in past decades, instead relying on incremental changes to meet the needs of its residents and visitors alike.

This chapter explores the existing land use patterns and recent development trends on the Island. Land use and development on Hilton Head Island is regulated by a number of authorities, including the Land Management Ordinance discussed within this chapter. Zoning determines what types of development should occur on the Island and where it may be located; it is a critical component in shaping the character and productivity of the Town. While much of the land on the Island is already developed or under tight constraints that hinder development, there are many areas where the Town of Hilton Head Island can continue to grow and evolve.

KEY TRENDS

- 1 About 7%, or 1,500 acres, of the Island's total land area (above mean high tide) is undeveloped. Of that 1,500 acres, 28% (425 acres) is Town-Owned Property.
- 2 The Land Management Ordinance, in conjunction with several boards and commissions, regulates the character and desired development forms on the Island.
- 3 Redevelopment of aging retail centers and the addition of single-family homes are the biggest development trends on the Island.
- 4 Areas with the least amount of constraints to development are the biggest targets for growth and re-investment.
- 5 While the Island as a whole is dominated by Planned Development zoning districts, overall land use is more evenly distributed.
- 6 Older commercial properties are more susceptible to change or redevelopment in the near-term.
- 7 Housing density is slowly increasing but varies significantly across the Island's neighborhoods.

1,500

*Acres of Undeveloped Land**

Hilton Head Island covers 21,862 acres of land above mean high tide, but in 2023 the community is approaching “build out”. In this condition, the majority of large, unconstrained parcels have been developed or are entitled to be developed. Just over 1,500 acres, or less than 7% of the Island’s total land area is vacant or undeveloped land. This only considers properties that have never been developed and are considered ‘greenfield’ sites.

The transition of land use across the Island has been shaped by several different key eras of settlement and development. Before the arrival of European settlers, Native Americans lived on Hilton Head Island seasonally. The first Europeans arrived in 1717 when the Island was sparsely populated. Following the Civil War, formerly enslaved people created a settlement on the Island with their own culture and economy, known as the Gullah-Geechee community, driven by new opportunity to own land.

From the 1930s to the ‘50s, Charlie Simmons operated a ferry from Savannah to Hilton Head Island until the state ferry began operation in 1953. Development during this time was limited because the only way to reach the Island was via ferry or private boat. The James F. Byrne Bridge opened in 1956, making the Island accessible by car. Soon after, Charles E. Fraser began developing the Island’s first Planned Unit Development (PUD), Sea Pines, on the southern portion of the Island.

The Bridge led to an increase of development on the Island, allowing for the addition of several PUDs, the Island’s first golf course, and the introduction of telephone service. The 1970s and ‘80s saw continued development and a dramatic increase in people: the Island added 10,000 residents between 1969 and 1982, and visitors increased by over 250,000 from 1975 to 1982. Four more PUDs were built as well as a hospital, and the bridge was expanded to accommodate more traffic.

The Town of Hilton Head Island was finally incorporated in 1983 as a response to the rapid development of the Island. The Town’s chief goal was to create standards for development and implement strategies to manage growth. The population growth has been slowing down since 2000; as a result, development on the Island has taken on a new direction.

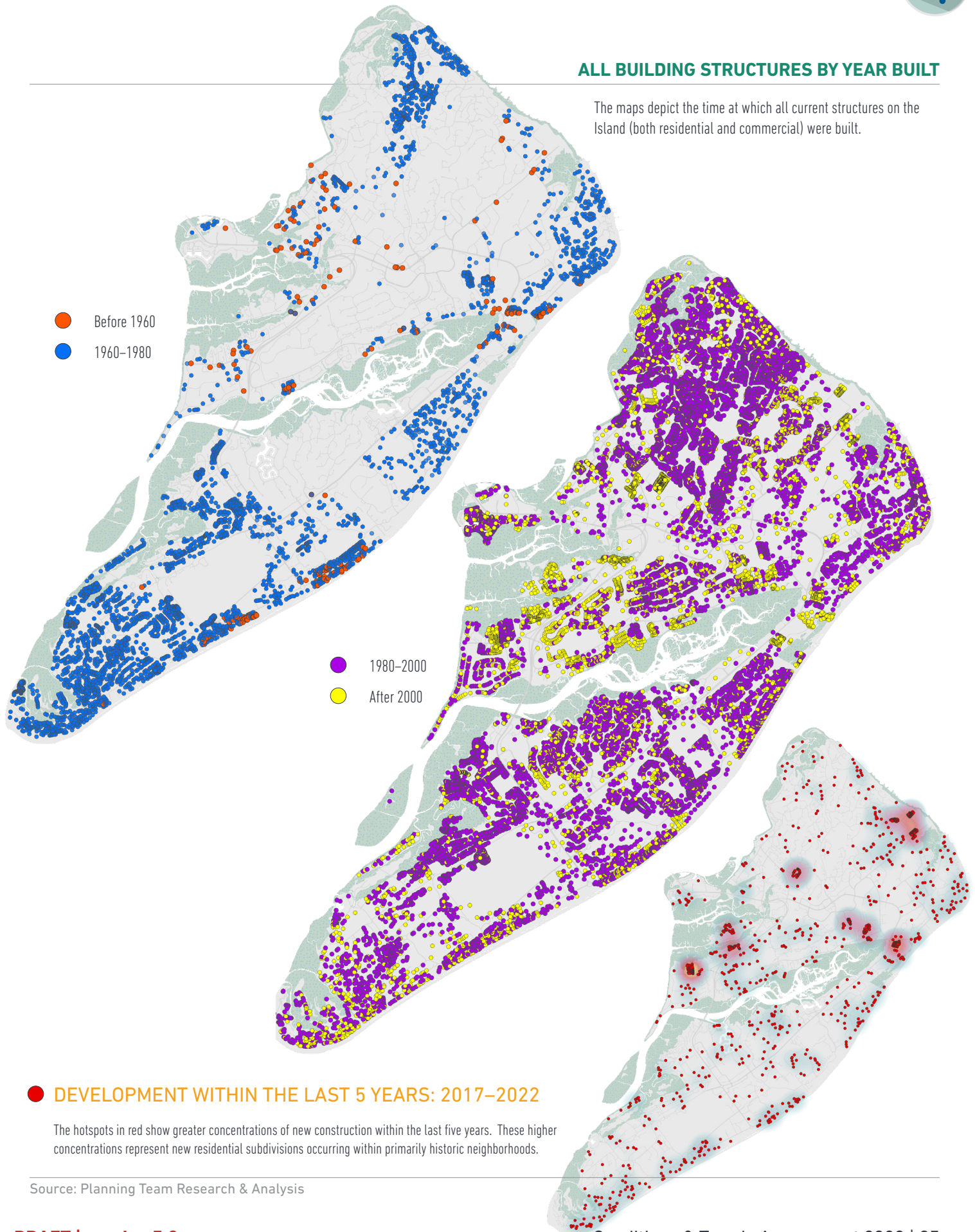


*Includes portions of undeveloped lots inside master planned communities such as Sea Pines or Wexford.



ALL BUILDING STRUCTURES BY YEAR BUILT

The maps depict the time at which all current structures on the Island (both residential and commercial) were built.



Source: Planning Team Research & Analysis

2 **The Land Management Ordinance, in conjunction with several boards and commissions, regulates the character and desired development forms on the Island.**

- The Town’s Land Management Ordinance (LMO) is its instrument for guiding the development and use of land within the Town’s jurisdiction. It is the regulating power that enforces the Town’s Comprehensive Plan.
- The LMO aims to promote public health, safety, and general welfare, while recognizing the rights of real property owners by adopting a comprehensive zoning ordinance for the Town and guiding administrative procedures and development standards.
- Town Council votes on any amendments to the LMO, including text changes, rezoning of districts, and/or new PUD districts. In addition, a host of individuals and governing bodies influence land use decisions across the Island. There are several different boards and commissions, including the Planning Commission and Board of Zoning Appeals, whose duties have direct land use implications.



BOARDS, COMMISSIONS AND COMMITTEES

BOARD / COMMISSION	SIZE	PURPOSE
Planning Commission	9 members	Prepares and updates Comprehensive Plan and reviews proposed zoning changes, public projects, conditional uses, street and development name changes, and traffic impact applications.
Design Review Board	7 members	Reviews the aesthetics of new development and renovations of existing developments in order to uphold Island character.
Board of Zoning Appeals	7 members	Reviews land use issues, including proposed variances from the Town's LMO, special exception applications, and appeals of decisions made by an administrative official.
Gullah-Geechee Land & Cultural Preservation Task Force	9 members	Identifies and assists in the preservation of the Gullah-Geechee culture, which includes taxes, land use, heir property, and the general sustainability of the Gullah-Geechee community.
Construction Board of Adjustments & Appeals	9 members	Decides on appeals made against Building Official determinations as they pertain to interpretation of building and fire codes; also oversees variances from base flood elevations.
William Hilton Parkway Gateway Corridor Independent Review Advisory Committee	5 members	Formed in 2023, this group plays a critical role in comprehensively reviewing the William Hilton Parkway Gateway Corridor Project.

Source: Planning Team Research & Analysis



3

Redevelopment of aging retail centers and the addition of single-family homes are the biggest development trends on the Island.

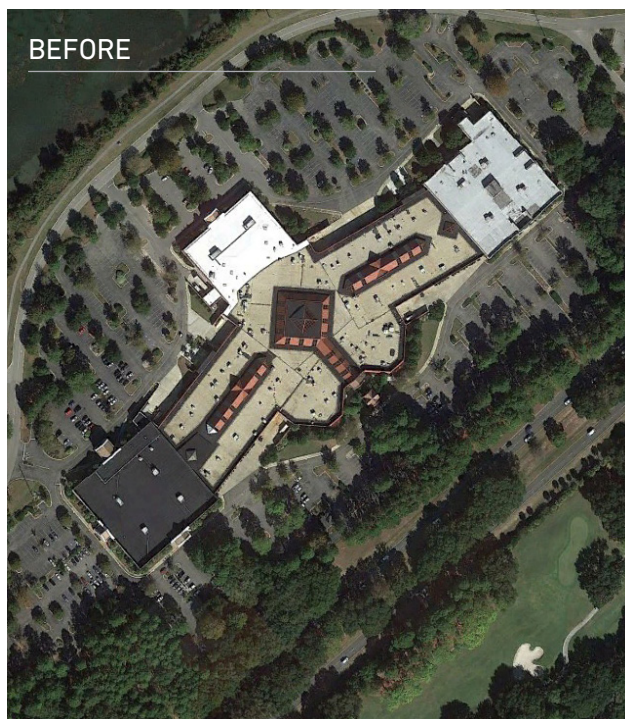
- Much of the significant recent residential development has entailed new single-family neighborhoods built within the Low to Medium Density Residential (RM-4) zoning district.
- The minimal space left for new commercial development opportunities and an aging stock of existing buildings is leading to a critical redevelopment moment for the Island. The Towne Center at Shelter Cove highlights this trend, which is likely to continue into the next decade where traditional retail centers with are repositioned into more engaging and vibrant commercial districts. The Towne Center redevelopment transformed a traditional mall of over 350,000 square feet into an open air, pedestrian-friendly mixed-use center. In addition to completely reconfiguring the mall's original footprint, existing roadways and parking areas adjacent to the marshland were converted into roughly 200,000 square feet of public space.
- The Towne Center at Shelter Cove is an example of how the Mid-Island District Center Concept can be utilized in practice. These redevelopments aim to build upon the Island's Lowcountry aesthetic, while also increasing access to public amenities and open space.



The Mid-Island District Center Concept

The Town is taking proactive steps to prepare for and guide future redevelopment projects in areas - like Mid Island - where there is more susceptibility to change. The District Center concept includes a vertical mix of uses and a greater emphasis on the public realm.

2013: Shelter Cove Mall



2023: Towne Center at Shelter Cove



4 *Areas with the least amount of constraints to development are the biggest targets for growth and re-investment.*

- When considering constraints to development, or the edges within which development should be confined, several different criteria are taken into account, including cultural considerations, locations of public property, transportation access, and environmental factors.

A. PLANNED UNIT DEVELOPMENTS

The Town's land area and zoning are primarily characterized by Planned Unit Developments. These areas operate under an approved master plan that governs their growth, aesthetics, circulation, and other community development considerations. While negotiations can occur between the communities and the Town, development opportunities (outside the district's master plan) are not likely.

B. HISTORIC NEIGHBORHOODS

The Island's historic neighborhoods are centers of cultural and historical significance. While development is by no means precluded, the opportunities must be pursued with special care and respect for existing sites and neighbors.

C. TOWN OWNED PROPERTY

Parcels owned by the Town may present an opportunity for certain, specific types of development, but in most cases these properties were purchased for the purpose of preservation. Funding source and restrictive covenants often limit developability of Town-Owned property. Only about 100 acres of the Town's nearly 1,500 acres is undeveloped and permissive of future development.

D. ACCESS TO ARTERIAL ROADS

Access to major roadways is key for visibility and economic viability. Land farther than 750 feet from a major arterial roadway is considered constrained.

E. HIGH RISK FLOOD ZONES

High risk flood zones are established by FEMA and have associated insurance premiums. Areas at greatest risk of flooding have more obstacles to financing and construction.

F. TREE CANOPY & SALT MARSHES

Both salt marshes and mature tree canopy are environmental assets many on the Island hope to protect, and also factors that make development difficult or much more expensive.



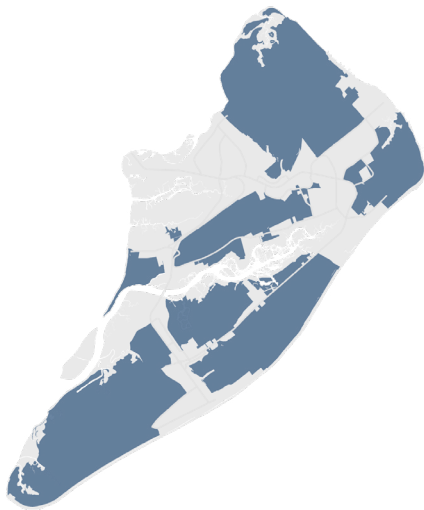
A Future Informed by Resiliency Planning

A Resiliency Plan is a comprehensive strategy that outlines actions to help a community adapt to and mitigate the impacts of climate change. This type of plan equips the Town with a robust, scientifically-backed understanding of the dynamic elements that pose the highest risk to the Island. Resiliency is also tied to the growth of environmental liability, particularly as it pertains to real estate and the growing risk and price tag involved in financing and insuring both new and existing built assets on the Island. A Resiliency Plan would help the Town navigate the complicated and evolving environmental landscape.

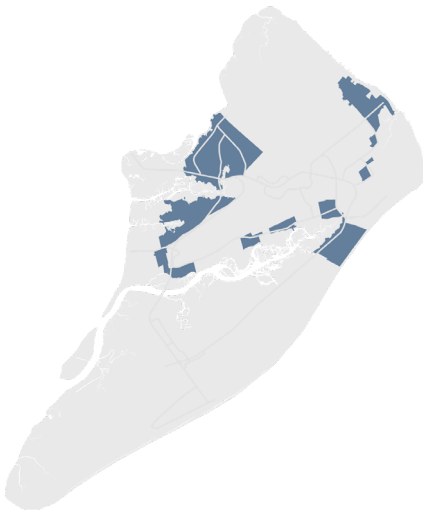


POTENTIAL CONSTRAINTS TO DEVELOPMENT

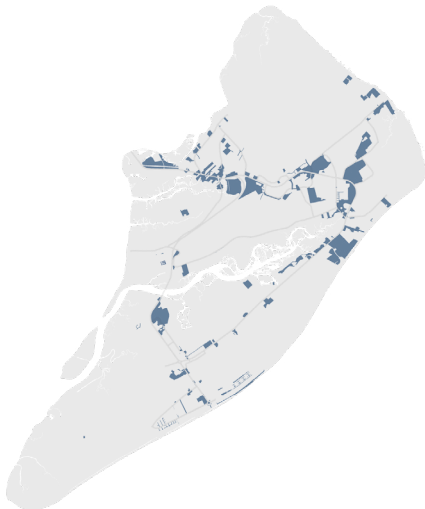
A. PLANNED UNIT DEVELOPMENTS (PUDS)



B. HISTORIC NEIGHBORHOODS



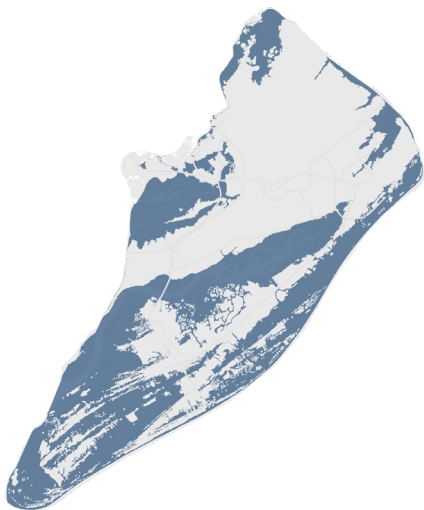
C. TOWN OWNED PROPERTY



D. ACCESS TO ARTERIAL ROADS



E. HIGH RISK FLOOD ZONES



F. TREE CANOPY & SALT MARSHES



5

While the Island as a whole is dominated by Planned Development zoning districts, overall land use is more evenly distributed.

- Zoning districts are delineated areas that have specific regulations which govern the use, placement, spacing, and size of land parcels and buildings. The Town has 22 different zoning districts.
- Island-wide, Planned Development (PD-1) zoning is most common and largest district, making up almost 70% of the total land area.
- After PD-1, the next largest zoning district is Low to Moderate Density Residential (RM-4). This zoning district makes up 1,557 acres. While it constitutes just 7.5% of the Island’s total area, it makes up 24% of the land area outside of the major Planned Development areas.
- The Land Management Ordinance (LMO) allows for up to four housing units per acre under RM-4 zoning, meaning the district has a maximum entitled capacity of over 6,200 housing units (based upon acreage) across the Island. There are currently 1,600 housing units within the zoning district, per census data from Esri Business Analyst. Additionally there is a net acreage bonus within RM-4, where properties five acres and above can develop at up to eight units per acre. This ‘ceiling of entitlement’ points to a high amount of housing that can be developed or redeveloped within areas that fall within the RM-4 zoning district.
- The third largest zoning district Island-wide is Parks and Recreation (PR), with 189 properties adding up to 759 total acres. This constitutes about 5% of the total Island, but 12% of the land area outside of Planned Developments.
- While there are 22 different zoning districts, the Town has only five general land use categories, which characterize how the land is currently functioning today. These categories are Commercial, Residential, Industrial, Public / Civic, and Other (which includes undeveloped and vacant land).
- Residential is the largest land use on the Island, encompassing 58% of the Island’s total land area.

PORTION OF THE ISLAND’S TOTAL LAND AREA DESIGNATED TO PLANNED DEVELOPMENT ZONING

69%

Which operate under the purview of private Master Plan agreements with limited involvement from the Town.

ISLAND-WIDE LAND USE

LAND USE CATEGORY	% LAND AREA	PROPERTIES
RESIDENTIAL	58%	19,314
PUBLIC / CIVIC	25%	687
UNDEVELOPED / OTHER	11%	1,860
COMMERCIAL	5%	600
INDUSTRIAL	1%	173

Source: Town of Hilton Head Island

Residential Breakdown (by land area) - 55% Single Family, 25% Residential Open Space, 15% Multifamily, 5% Mobile Home

ISLAND-WIDE ZONING (TOP 7 BY LAND AREA)

ZONING DISTRICT	ABBREVIATION	% LAND AREA
PLANNED DEVELOPMENT	PD-1	69%
LOW TO MODERATE DENSITY RESIDENTIAL	RM-4	8%
PARKS AND RECREATION	PR	5%
LIGHT COMMERCIAL	LC	3%
LIGHT INDUSTRIAL	IL	2%
RESORT DEVELOPMENT	RD	2%
MODERATE DENSITY RESIDENTIAL	RM-12	2%
REMAINING 15 ZONING DISTRICTS	N/A	9%

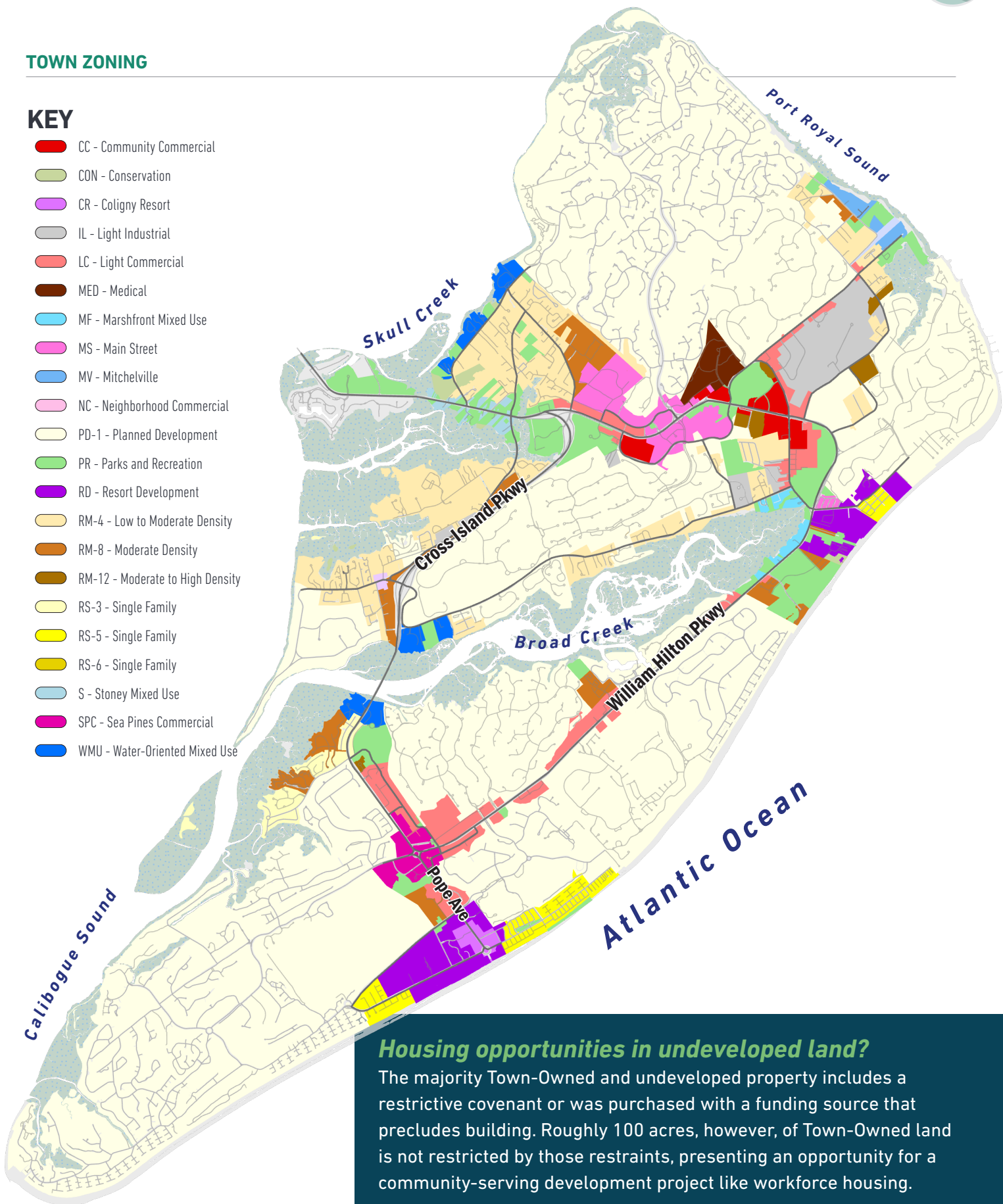
Source: Town of Hilton Head Island



TOWN ZONING

KEY

- CC - Community Commercial
- CON - Conservation
- CR - Coligny Resort
- IL - Light Industrial
- LC - Light Commercial
- MED - Medical
- MF - Marshfront Mixed Use
- MS - Main Street
- 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
- RS-3 - Single Family
- RS-5 - Single Family
- RS-6 - Single Family
- S - Stony Mixed Use
- SPC - Sea Pines Commercial
- WMU - Water-Oriented Mixed Use



Housing opportunities in undeveloped land?

The majority Town-Owned and undeveloped property includes a restrictive covenant or was purchased with a funding source that precludes building. Roughly 100 acres, however, of Town-Owned land is not restricted by those restraints, presenting an opportunity for a community-serving development project like workforce housing.

Unbuilt capacity by zoning district

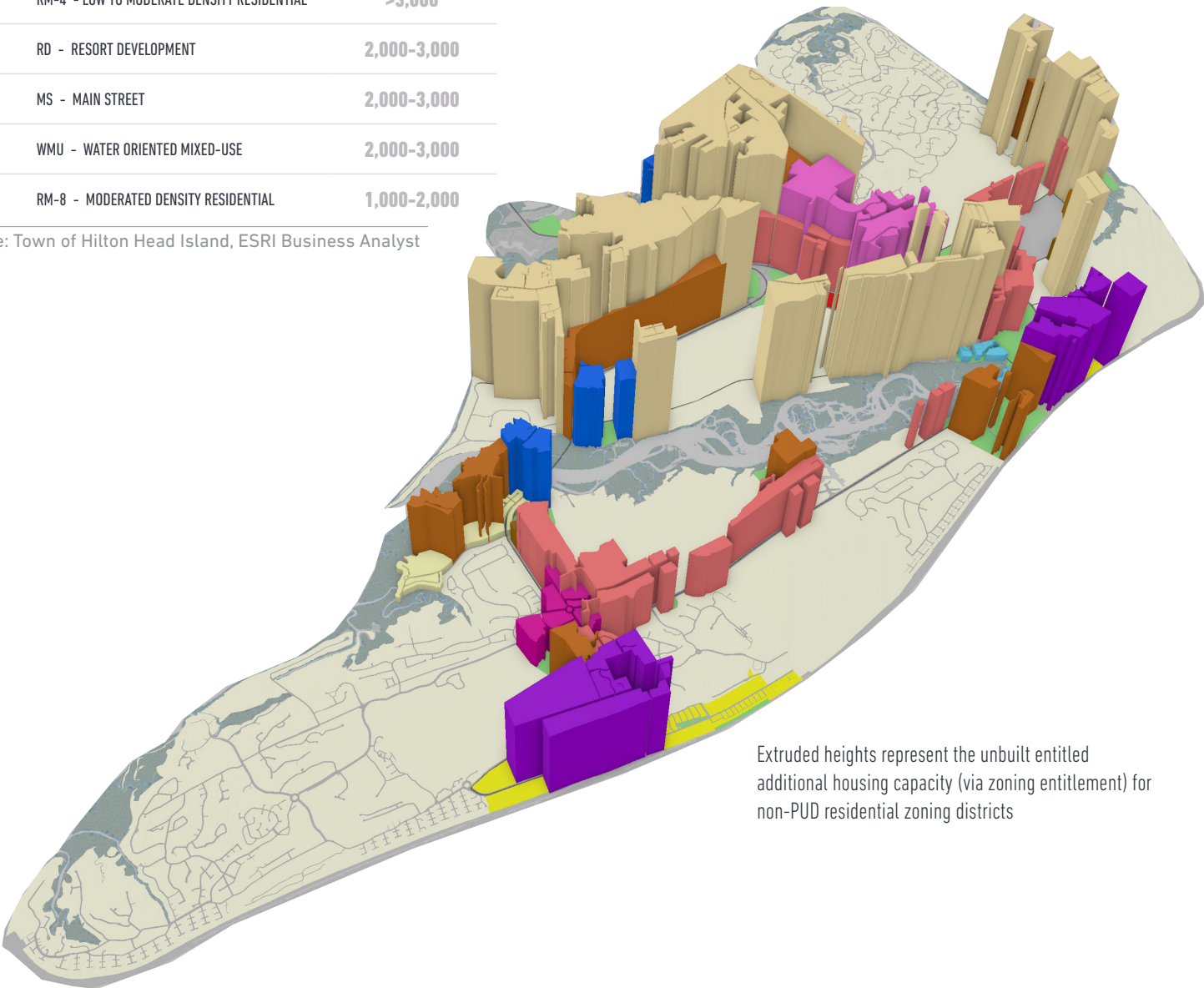
One way to measure potential buildable housing capacity is to look at the zoning district allowances per code, subtracted by the amount of current housing units within those districts. The remainder is the number of entitled capacity that remains within each zoning district (based upon their total acreages). This is a broad, analytical exercise that doesn't account for site specific development

considerations and constraints, but is meant to give an overview of which zoning districts hold the most potential for residential growth as an order of magnitude, based on current entitlements. With much of the Island "built-out", this is particularly relevant to long-term redevelopment scenarios under the existing zoning conditions.

ZONING DISTRICTS WITH MOST REMAINING ENTITLED HOUSING

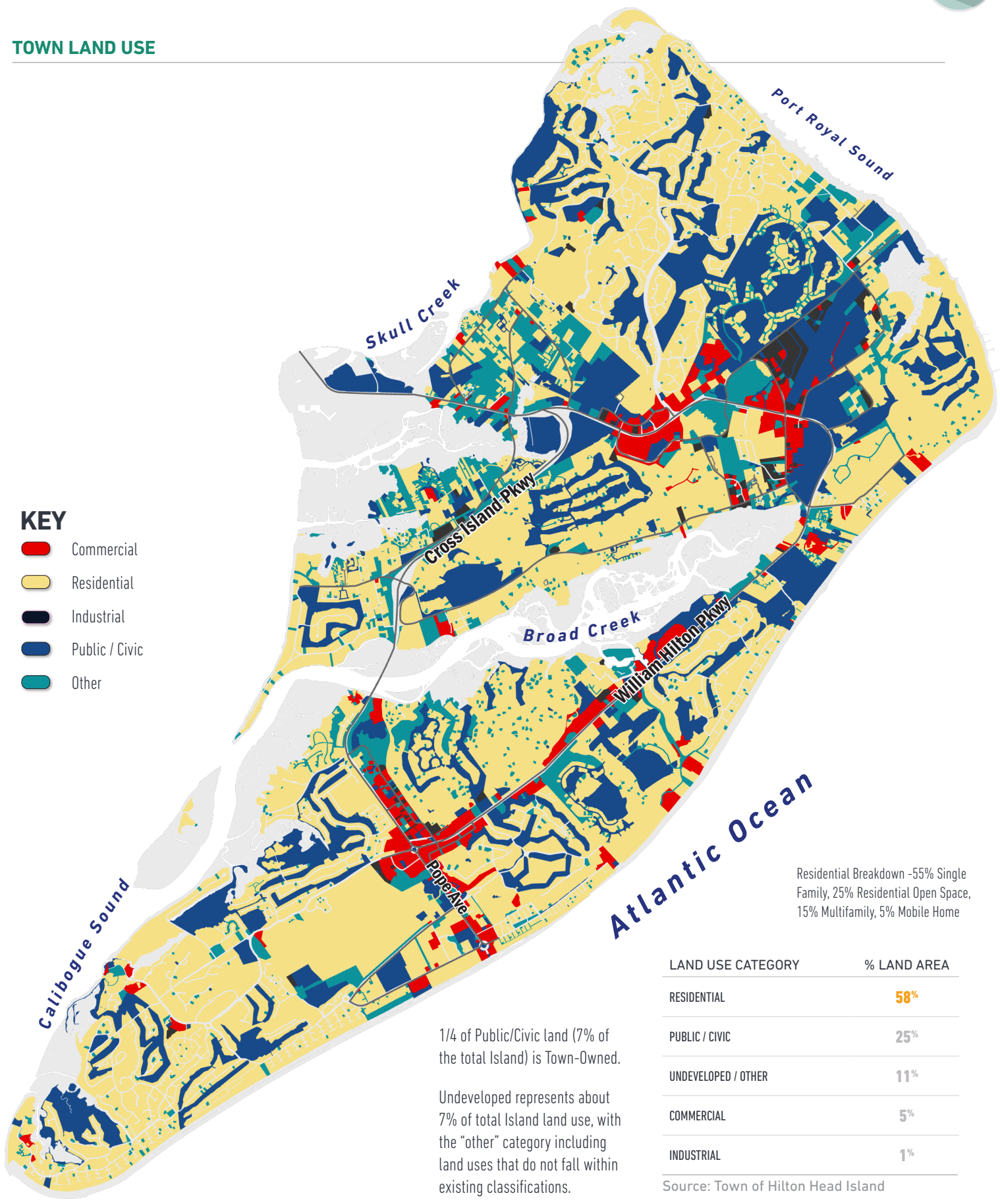
ZONING DISTRICTS	ENTITLED BUT UNBUILT UNITS
RM-4 - LOW TO MODERATE DENSITY RESIDENTIAL	>3,000
RD - RESORT DEVELOPMENT	2,000-3,000
MS - MAIN STREET	2,000-3,000
WMU - WATER ORIENTED MIXED-USE	2,000-3,000
RM-8 - MODERATED DENSITY RESIDENTIAL	1,000-2,000

Source: Town of Hilton Head Island, ESRI Business Analyst





TOWN LAND USE



KEY

- Commercial
- Residential
- Industrial
- Public / Civic
- Other

Residential Breakdown -55% Single Family, 25% Residential Open Space, 15% Multifamily, 5% Mobile Home

1/4 of Public/Civic land (7% of the total Island) is Town-Owned.

Undeveloped represents about 7% of total Island land use, with the "other" category including land uses that do not fall within existing classifications.

LAND USE CATEGORY	% LAND AREA
RESIDENTIAL	58%
PUBLIC / CIVIC	25%
UNDEVELOPED / OTHER	11%
COMMERCIAL	5%
INDUSTRIAL	1%

Source: Town of Hilton Head Island

PROPERTIES SUSCEPTIBLE TO CHANGE





6 Older commercial properties are more susceptible to change or redevelopment in the near-term.

While there are many factors that can influence the likelihood of real estate changing from its current form or function, two main criteria can be broadly applied to highlight properties with a relatively high susceptibility to change in coming years.

These criteria are undeveloped property and commercial property built pre-1983. Because of the complexities that permit change within the Planned Unit Developments (PUDs), this susceptibility analysis has been focused to the areas outside of the Island's major PUDs.

SHARE OF UNDEVELOPED PROPERTY COMPARED TO ISLAND TOTAL



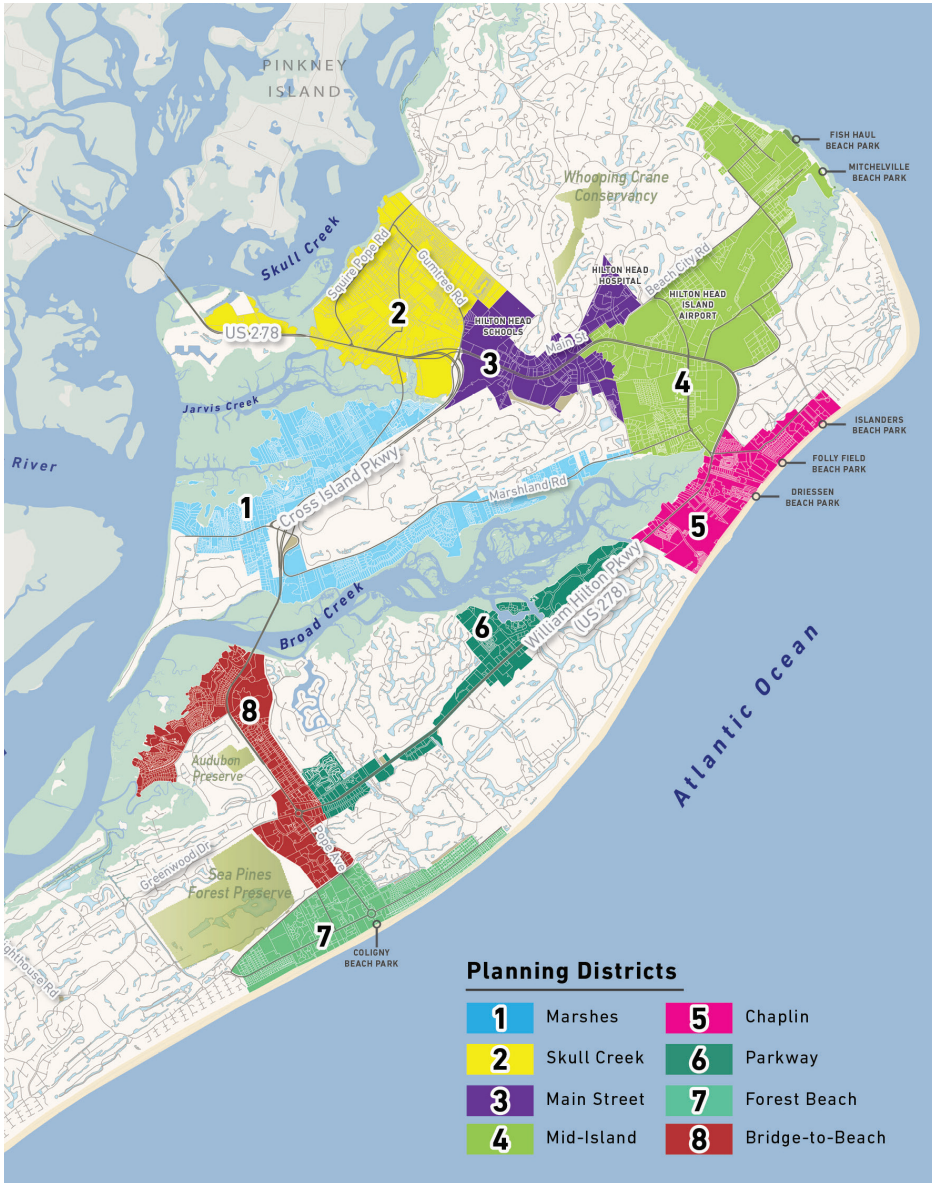
Undeveloped Property

Undeveloped property is land that has not been built on or altered by public or private capital investments. This type of property is often the most desirable for development investment (compared to redevelopment) because it is a “blank slate”, with more straightforward understanding of cost and risk. This category includes both residential and commercially zoned undeveloped land. Properties in the category may have specific site characteristics the present challenges for development like environmental or political constraints.

Commercial Property Pre-1983

Commercial properties built before 1983, and thus older than 40 years old, are properties that are reaching latter phases in the life cycle of typical commercial buildings. Major re-investment in the form of renovation, or even repositioning and reuse, become much more likely as owners and landlords seek to keep buildings viable and attractive to the desires of the broader market. Buildings constructed before 1983 were also built before the Town was incorporated, therefore not subject to its building and site design standards.

Source: Town of Hilton Head Island, ESRI Business Analyst



District Planning

To best understand the Island’s land use dynamics, both currently and into the future, its important to note the eight planning sub-districts of the Island. Each of the areas share common characteristics with respect to land uses, neighborhood character, access and geography. The eight planning districts do not include the following master planned communities: Hilton Head Plantation, Palmetto Hall, Port Royal, Indigo Run, Spanish Wells, Wexford, Long Cove Club, Palmetto Dunes, Leamington, Shipyard, and Sea Pines.

	CHANGE SUSCEPTIBILITY			TOP 3 EXISTING LAND USES		
	TOTAL ACRES	ACRES SUSCEPTIBLE TO CHANGE	% SUSCEPTIBLE TO CHANGE	1ST	2ND	3RD
MARSHES	1,235	195	16%	Single Fam.	Vacant/Undevelop	Mobile Home
SKULL CREEK	1,203	337	28%	Vacant/Undevelop	Single Fam.	Open Space
MAIN STREET	665	54	8%	Schools	Office	Retail/Serv/Sales
MID-ISLAND	1,798	355	20%	Vacant/Undevelop	Airport	Multi Family
CHAPLIN	601	44	7%	Park - Active Rec.	Multi Family	Single Family
PARKWAY	576	61	11%	Retail/Serv/Sales	Multi Family	Office
FOREST BEACH	614	36	6%	Multi Family	Single Family	Religious
BRIDGE-TO-BEACH	755	224	30%	Vacant/Undevelop	Multi Family	Retail/Serv/Sales

Source: Town of Hilton Head Island GIS



DEVELOPABLE CAPACITY BY PLANNING DISTRICT



Marshes

Current Commercial SF: 122,446 SF
Current Housing Units: 1,120

195 acres susceptible to change

Developable Capacity (per Zoning of Parcels Susceptible to Change)
Commercial SF: **Approx 25,000 SF**
Housing Units: **Approx 450 Units**



Skull Creek

Current Commercial SF: 120,057 SF
Current Housing Units: 1,366

337 acres susceptible to change

Developable Capacity (per Zoning of Parcels Susceptible to Change)
Commercial SF: **Approx 150,000 SF**
Housing Units: **Approx 1,000 Units**

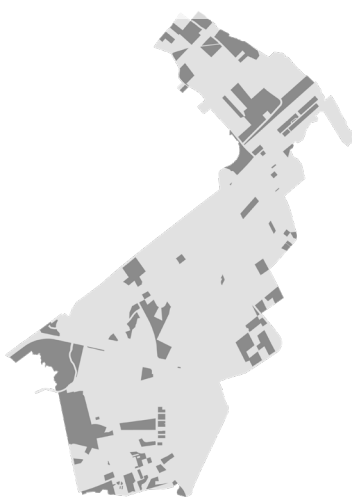


Main Street

Current Commercial SF: 1,312,612 SF
Current Housing Units: 549

54 acres susceptible to change

Developable Capacity (per Zoning of Parcels Susceptible to Change)
Commercial SF: **Approx 310,000 SF**
Housing Units: **Approx 175 Units**



Mid-Island

Current Commercial SF: 2,349,514 SF
Current Housing Units: 1,781

355 acres susceptible to change

Developable Capacity (per Zoning of Parcels Susceptible to Change)
Commercial SF: **Approx 725,000 SF**
Housing Units: **Approx 1,000 Units**



KEY



Planning District



Property Susceptible to Change

DEVELOPABLE CAPACITY BY PLANNING DISTRICT

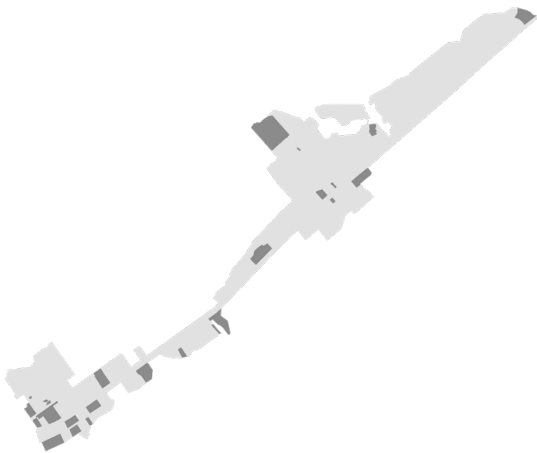


Chaplin

Current Commercial SF: 27,532 SF
Current Housing Units: 2,134

44 acres susceptible to change

Developable Capacity (per Zoning of Parcels Susceptible to Change)
Commercial SF: **Approx 85,000 SF**
Housing Units: **Approx 150 Units**



Parkway

Current Commercial SF: 1,446,360 SF
Current Housing Units: 375

61 acres susceptible to change

Developable Capacity (per Zoning of Parcels Susceptible to Change)
Commercial SF: **Approx 250,000 SF**
Housing Units: **Approx 75 Units**



Forest Beach

Current Commercial SF: 293,589 SF
Current Housing Units: 2,735

36 acres susceptible to change

Developable Capacity (per Zoning of Parcels Susceptible to Change)
Commercial SF: **Undefined***
Housing Units: **Undefined***
**11 acres of Coligny Resort Zoning is susceptible to change and has no maximum commercial or housing unit restriction.*



Bridge-to-Beach

Current Commercial SF: 1,581,646 SF
Current Housing Units: 542

224 acres susceptible to change

Developable Capacity (per Zoning of Parcels Susceptible to Change)
Commercial SF: **Undefined***
Housing Units: **Approx 850 Units**
**60 acres of Sea Pines Commercial Zoning is susceptible to change and has no maximum commercial square footage restriction*

KEY

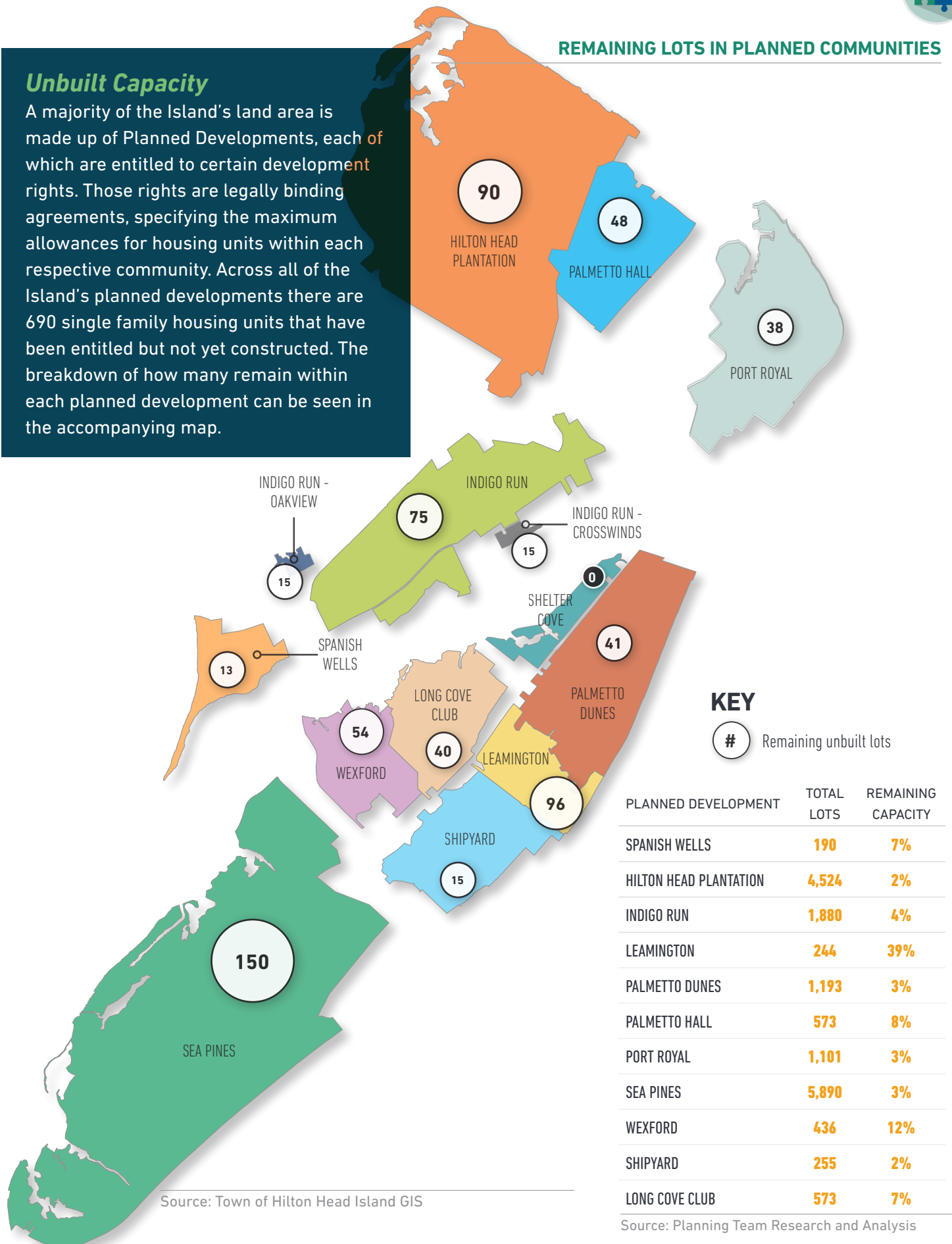
- Planning District
- Property Susceptible to Change



REMAINING LOTS IN PLANNED COMMUNITIES

Unbuilt Capacity

A majority of the Island's land area is made up of Planned Developments, each of which are entitled to certain development rights. Those rights are legally binding agreements, specifying the maximum allowances for housing units within each respective community. Across all of the Island's planned developments there are 690 single family housing units that have been entitled but not yet constructed. The breakdown of how many remain within each planned development can be seen in the accompanying map.



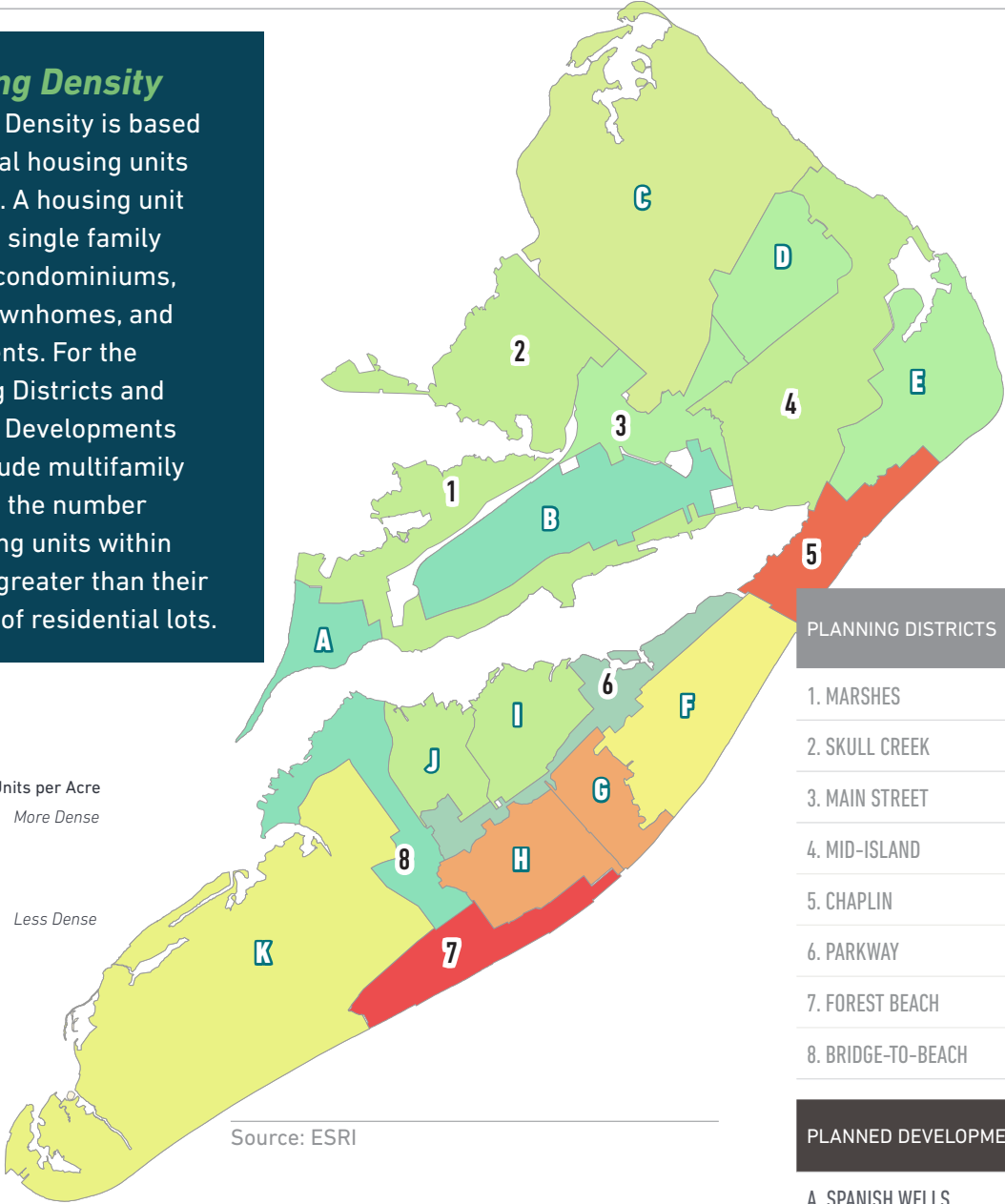
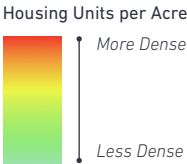
Source: Town of Hilton Head Island GIS

Source: Planning Team Research and Analysis

HOUSING DENSITY BY NEIGHBORHOOD / PLANNING DISTRICT

Housing Density

Housing Density is based upon total housing units per acre. A housing unit includes single family homes, condominiums, villas, townhomes, and apartments. For the Planning Districts and Planned Developments that include multifamily housing, the number of housing units within them is greater than their number of residential lots.

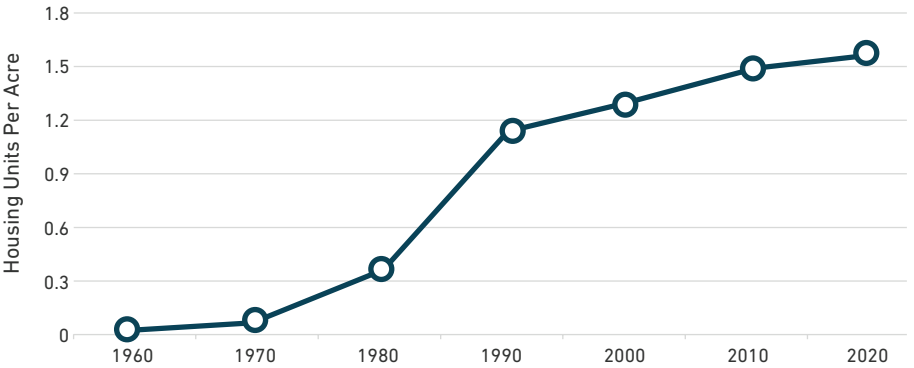


Source: ESRI

PLANNING DISTRICTS	HOUSING UNITS PER ACRE
1. MARSHES	0.9
2. SKULL CREEK	1.1
3. MAIN STREET	0.8
4. MID-ISLAND	1
5. CHAPLIN	3.6
6. PARKWAY	0.7
7. FOREST BEACH	4.5
8. BRIDGE-TO-BEACH	0.7

PLANNED DEVELOPMENTS	HOUSING UNITS PER ACRE
A. SPANISH WELLS	0.6
B. INDIGO RUN	0.7
C. HILTON HEAD PLANTATION	1.3
D. PALMETTO HALL	0.8
E. PORT ROYAL	0.9
F. PALMETTO DUNES	1.5
G. LEAMINGTON	1.8
H. SHIPYARD	2
I. LONG COVE CLUB	1
J. WEXFORD	0.9
K. SEA PINES	1.4

HOUSING DENSITY THROUGH TIME (ISLAND-WIDE)



Source: Town of Hilton Head Island GIS

7

Housing density is slowly increasing but varies significantly across the Island's neighborhoods.

- Housing density refers to the number of housing units (such as houses, apartments, or condominiums) within a specific area, often measured in terms of dwellings per unit of land area. It is a key indicator of how closely packed or dispersed residential structures are within a given region.
- The built density on the Island increased dramatically through the 1980's as most the Town's planned communities began to develop. The planned communities such as Sea Pines or Spanish Wells are, generally speaking, less dense than development that has occurred with the planning districts (or outside of a planned community).
- Housing density is driven upwards by multi-unit projects and districts that are close to the beach tend to include more of these properties. The Island's highest density — 4.5 dwelling units per acre — is inside the Forest Beach Planning District.

ISLANDWIDE RESIDENTIAL DENSITY, 2023



Densities have increased slowly from 2000, from 1.2 to 1.5. This is mostly driven by projects in the Island's Planning Districts or outside of the Planned Communities

HOUSING DENSITY VISUAL COMPARISON



Source: Nearmap, 2023 imagery



SOURCES & RESOURCES

The conditions and trends summaries presented through the previous chapters were distilled from numerous data sources, plans, publications, and additional resources. This section presents an index of those resources along with additional links and connected information. All sources presented through the section are hyperlinked.

TOPIC



Demographics

SOURCE

[U.S. Decennial Census 2000–2020](#)
[American Community Survey 2010–2020](#)
[Census Flows Mapper](#)
[South Carolina Department of Education](#)
[American Hospital Directory](#)
[Hilton Head Regional Physicians Network](#)
[HealthGrades.com](#)
[CauseIQ](#)
[County Health Rankings](#)
[Esri](#)
[2017 Gullah Geechee Cultural Preservation Project Report](#)



The Conditions & Trends Database

The source data and tables for the summarized conditions and trends topical series is organized into a single database. This can be accessed through the QR Code above. Data will be updated periodically based on new releases from their sources.

[Click for link to database](#)

TOPIC



Workforce

SOURCE

[American Community Survey 2000–2020](#)
[U.S. Decennial Census 2000–2020](#)
[Beaufort Regional Chamber of Commerce](#)
[The Town of Hilton Head Island Comprehensive Annual Financial Report](#)
[The Island Packet](#)
[Technical College of the Lowcountry](#)
[Federal Reserve Economic Data](#)

TOPIC	SOURCE
 Economics	U.S. Bureau of Economic Analysis
	Federal Reserve Economic Data
	The Town of Hilton Head Island
	Beaufort County, SC – HHH Airport Terminal Expansion
	Hilton Head Island Airport
	Lowcountry Area Transportation Study
	Hilton Head Island–Bluffton Chamber of Commerce & Visitor Convention Bureau
	American Community Survey 2000–2020
	U.S. Decennial Census 2000–2020
TOPIC	SOURCE
 Real Estate	Air DNA
	American Community Survey 2000–2020
	CoStar
	Beaufort County Auditor
	Zillow
	The Town of Hilton Head Island - Short Term Rental Permits
TOPIC	SOURCE
 Natural & Cultural Environment	National Hurricane Center
	Green Infrastructure Center
	Our Plan Hilton Head Island South Carolina 2020-2040
	SeaTurtle.org
	DeepRoot.com
	HiltonHeadIsland.com
	The Town of Hilton Head Island - Beach Renourishment Program
	The Island Packet
	South Carolina Department of Health Environmental Control

[National Oceanic and Atmospheric
Administration](#)

[Environmental Protection Agency](#)

[IOP Science](#)

[National Weather Service](#)

[Beaufort County, SC](#)

[S.C. Sea Grant Consortium](#)

TOPIC



Housing

SOURCE

[American Community Survey 2000–2020](#)

[Zillow](#)

[RedFin](#)

[Department of Housing and Urban
Development](#)

[Caring.com](#)

[Seniorly](#)

[Senior Housing Net](#)

[Affordable Housing Online](#)

[PublicHousing.com](#)

[Eviction Lab](#)

[Our Plan Hilton Head Island South Carolina
2020-2040](#)

TOPIC



Governance

SOURCE

[American Community Survey 2012–2021](#)

[The Town of Hilton Head Island](#)

[Think HHI and the Lowcountry](#)

TOPIC	SOURCE
 Community Engagement	<u>Our Plan Hilton Head Island South Carolina 2020-2040</u>
	<u>Youtube</u>
	<u>Twitter</u>
	<u>Instagram</u>
	<u>Facebook</u>
	<u>LinkedIn</u>
	<u>Flickr</u>
	<u>Hilton Head Island–Bluffton Chamber of Commerce</u>

TOPIC	SOURCE
 Systems	<u>Town of Hilton Head Island</u>
	<u>Hilton Head Public Service District</u>
	<u>Broad Creek Public Service District</u>
	<u>South Island Public Service District</u>
	<u>Beaufort County Sheriff’s Office</u>
	<u>Palmetto Electric Cooperative Inc.</u>
	<u>United States Geological Survey</u>
	<u>South Carolina DOT</u>
	<u>BreezeTrolley.com</u>
	<u>University of Wisconsin Population Health Institute</u>
	<u>American Hospital Directory</u>

TOPIC	SOURCE
 Land Use	HiltonHeadIsland.com
	ExploreHiltonHead.com
	Palmetto Dunes Property Owners Association
	Celebrate Hilton Head
	The Providence Group
	The Town of Hilton Head Island

RELEVANT PLANS AND STUDIES

- [Strategic Action Plan](#), 2021
Details activities of staff and associated entities necessary to implement the policy directions, furthering the Town's mission from the Our Plan (Comprehensive Plan)
- [Beach Management Plan](#), 2017
Analyzes Hilton Head beaches, their environmental constraints, and strategies for disaster planning and preserving public access
- [Our Plan \(Comprehensive Plan\)](#), 2020
Serves as the policy planning framework, and guide for a resilient and successful future of Hilton Head Island
- [Fire Rescue Strategic Plan](#), 2019
Establishes the priorities and expectations of Hilton Head's Fire Rescue Organization
- [Hazard Mitigation Plan](#), 2021
Required by the Federal Emergency Management Agency (FEMA), it serves as the representation of the jurisdiction's commitment to reduce risks from natural hazards
- [Mid-Island District Plan](#), 2022
Envisions a future for the Mid-Island District that combines park design with community planning
- [Mid Island Tract Master Plan](#), 2022
Aims to ensure that a park on the Mid-Island Tract serves the entire community, residents, and visitors
- [Office of Cultural Affairs Strategic Plan](#) 2021
Aims to promote and support Hilton Head Island as a vibrant and diverse place that is celebrated for the ways arts and culture enrich the community
- [Parks & Recreation Master Plan Pt. 1](#), 2020
Evaluates Hilton Head Island's access to public parks and makes recommendations to increase the level of service across the community over the next ten years

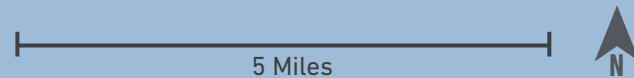
- [Workforce Housing Strategic Plan](#), 2019
Aims to expand housing options for workers who serve the Hilton Head Island economy and community
- [Workforce Housing Framework](#), 2022
Recommendations for perserving and expanding workforce housing options on the Island
- [2045 LATS Long Range Transportation Plan](#), 2022
Outlines the strategies for creating a resilient transportation system, accommodating both existing and future needs
- [Broad Creek Management Plan](#), 2023
Fulfills a recommendation from the 1999 Comprehensive Plan to manage and protect the most significant and vulnerable natural resource on the Island
- [Stoney Initiative Area Plan](#), 2023
Fills the gap in the Ward One Master Land Use plan regarding the Stoney Neighborhood
- [Chaplin Initiative Area Plan](#), 2002
Provides land use provisions with associated density and determines infrastructure services needed to accomplish the goals of the Chaplin area
- [Ward One Master Plan](#), 1999
Addresses the needs in equity in addressing the aspirations of the community for groups historically left out of the economic progress enjoyed by relative newcomers
- [Hilton Head Island Airport Master Plan](#)
Examines land use and facility requirements in line with sustainability and future airport development priorities

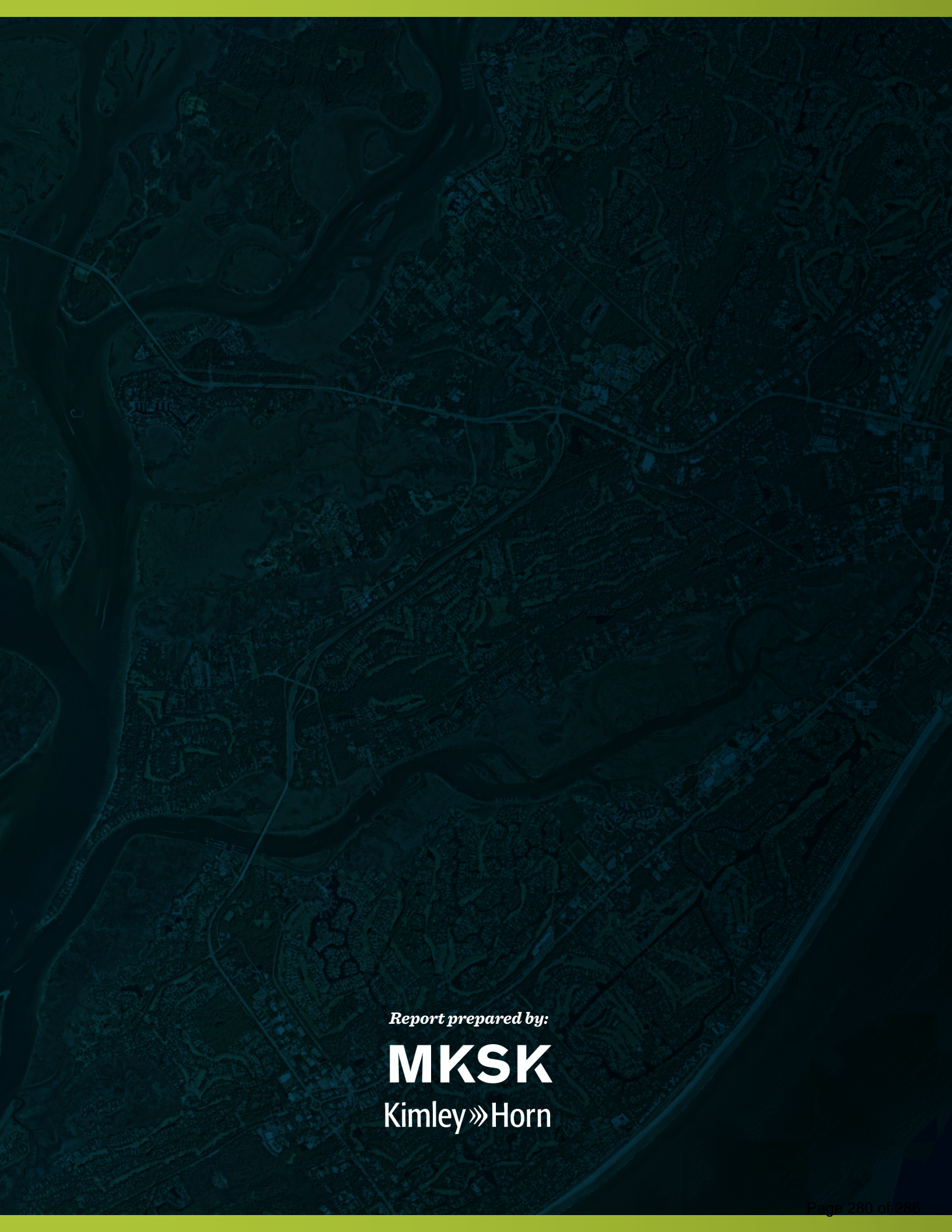




REGIONAL CONTEXT

The Town of Hilton Head Island is part of a dynamic and fast-growing region. Investments in roads, ports, and airports are expanding the jobs market. Homebuilding – to support these jobs and a burgeoning retirement community – is occurring at similar rates. This map depicts the Island's regional context and includes portions of Beaufort County, Jasper County, and the Savannah Metropolitan Area of Georgia.





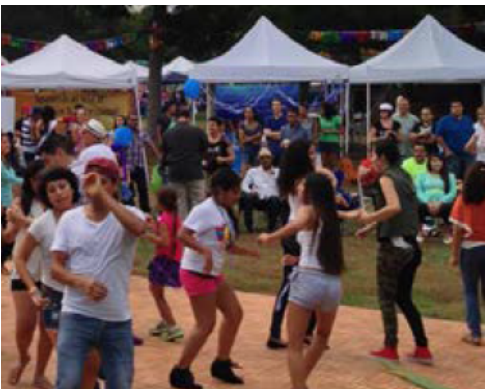
Report prepared by:

MKSK
Kimley»»Horn

CONDITIONS & TRENDS ASSESSMENT

Town of
Hilton Head Island





Town Council

June 20, 2024



Understanding our Island

1. **Collect and organize a baseline of data**

- Investigate available sources and existing research
- Assemble a comprehensive database organized around ten topics

2. **Identify major trends**

- Organize findings around critical trends.
- Supplement with a database of all information

3. **Clearly communicate the information**

- Focus on “need to know” information
- Present in a clear, graphically rich format



Topics and clusters

Reporting through the CTA covers ten, broad topic clusters



Demographics



Workforce



Economics



Real Estate



Environment



Housing



Governance



Engagement



Systems



Land Use

Putting the information to use



Provide a common starting point

- Add context to community conversations with local and regional trends
- Connect information; share source data and resources
- Remove the mystery on community needs, gaps, or opportunities

Inform future plans and studies



- Provide base set of findings to help initially focus and direct work
- Accelerate the data assembly process with ready-made resources, tables, maps, and other resources
- Uncover pressing or emergent issues, opportunities, and/or needs
- Synchronize data across multiple planning efforts, departments, and community partners

Measure progress



- Take a moment-in-time “snapshot” of the Island across multiple trends
- Measure progress or movement against this benchmark
- Evaluate policy effectiveness
- Quantify short and long-term impacts of major projects

Questions?

- Thank you

