



Town of Hilton Head Island TOWN COUNCIL MEETING Tuesday, October 3, 2023 – 3:00 p.m. MINUTES

Present from Town Council: Alan Perry, *Mayor*; David Ames, *Mayor Pro-Tempore*; Tamara Becker, Alex Brown, Steve Alfred, Patsy Brison, Glenn Stanford

Call to Order

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

FOIA Compliance

Gammon confirmed compliance with FOIA.

Pledge to the Flag

Invocation

Senior Pastor Nathan Futrell, Central Church of Hilton Head Island delivered the invocation.

Adoption of the Agenda

Ames moved to amend the agenda with the addition of Item 5c. Commendations for the 360/40 Committee Members and the Celebration, and 5.d. Breast Cancer Awareness Month. Alfred seconded. Motion carried 7-0.

Report of the Town Manager

Marc Orlando reported the Town has received full accreditation from the Emergency Management Accreditation Program (EAP). He commended Tom Dunn and the Emergency Management Division for their efforts.

Fire Safety Week Proclamation - Mayor Perry

Mayor Perry presented the Fire Safety Week Proclamation. Russell Rogers and members of Fire Rescue were on hand to accept the proclamation.

Breast Care Awareness Month

Mayor Perry noted October is Breast Cancer Awareness Month and asked staff and attendees for the meeting to be held on October 17, 2023 to wear pink in recognition of Breast Cancer Awareness Month.

Commendations for 360/40 Committee Members and the Celebration

Mayor Perry presented a Commendation for the 360/40 Celebration in recognition of the Committee Members and the Celebration. The following Committee Members were

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awarded individual commendations for their hard work on the event: Faidra Smith, Chair; Natalie Harvey, Co-Chair; Kevin Tylus; Cinda Seamon; Karen Bazzano; Rene Tuttle; Kathryn Thorne; Carolyn Grant; Taylor Ladd; Phyllis Deiter; Krishana Perry; Leah Arnold; Jordyn Weber; Joe Cain; Heather Rath; Caitlin Lee; Robin Swift; Hallie Martin; John Cranford and Angie Stone

Appearance by Citizens

Skip Hoagland addressed Town Council regarding the limit on appearance by citizens.

Skip Hoagland stated he would address Town Council on behalf of Lynn Greely. Mayor Perry reminded Hoagland that POA's are not accepted, and he would be in violation of the ordinance and face a fine. Hoagland stated he looked forward to facing the fine. He proceeded to speak stating Ms. Greely's concerns about the Hilton Head Island-Bluffton Chamber of Commerce as the Town of Hilton Head Island DMO.

Thomas Reitz stated as a Beaufort County Council member he would like the Town and the County to work together regarding workforce housing. He stated his support for the proposed text amendment on the agenda.

Keith Sledge addressed Council on behalf of 33 property owners in the Bradley Circle Area regarding the Executive Session item on the agenda regarding the Application of the Pending Ordinance Doctrine. He stated that allowing building permit applications after the advertisement for the July 27, 2023 Planning Commission Special Meeting where the 4.a Proposed Amendments were presented and passed is not in keeping with a Supreme Court decision regarding pending ordinances. He requested all building permits applications which do not comply with the proposed 4.a. amendments to the LMO be held until such a time that the Town Council completes its consideration at the second reading and finalizes their decision on the four 4.a. amendments to the LMO.

Steve Baer addressed Council regarding the U.S. 278 Corridor Project noting it is critical and very well supported by the population, He stated the need for advisers in a number of areas.

Frank Babel addressed Town Council regarding Hilton Head Island being a bike-friendly community. He stated his support and thanks for areas being addressed that needed improvement. He noted the issues with Shelter Cove Lane existing pathway and the new pathway being constructed. He requested the old pathway be converted to a shoulder for safety purposes and so bikers are not confused.

Mare Deckard addressed Council regarding the need for equal weight to be given to information received regarding community welfare.

Unfinished Business

Consideration of a Proposed Ordinance 2023-07 Amending Section Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance, to Create a New Use Called Island Mixed-Use with the Sea Pines Circle District - Second and Final Reading - Shawn Colin, Assistant Town Manager, Community Development

Shawn Colin conducted a detailed presentation and reviewed the public meeting timeline regarding Proposed Ordinance 2023-07 to amend sections of the Land management

Ordinance (LMO) to create a new use called Island Mixed-Use within the Sea Pines Circle District. He noted the request is from Josh Tiller of J. K. Tiller Associates, Inc. for a text amendment to the LMO to create a new use called Islander Mixed-Use that is proposed to be permitted with conditions in the Sea Pines Circle (SPC) District. The text amendment request that is subject to this review includes proposed amendments to the following sections within the LMO: 16-3-105.M, Sea Pines Circle District 16-4-102.A, Principal Uses 16-4-102.B, Use-Specific Conditions 16-10-103.A, Use Classifications, Use Types, and Definitions. He reviewed the timeline and outcome in detail.

Colin stated Town Council reviewed the Islander Mixed-Use Text Amendment request at their August 15, 2023 meeting and voted 4-3 to approve the text amendment to the Land Management Ordinance as set out on Proposed Ordinance 2023-27 subject to the following amendments: (1) Increase the workforce housing standards to 20% of Islander Mixed-Use units shall be workforce house units, excluding any units for student housing for USCB; for households earning 60% to 120% of the AMI per the Town's Workforce Housing Agreement requirements; and rental workforce housing units, excluding student housing units for USCB, shall remain subject to the workforce housing unit requirements in the Town's Workforce Housing Agreement for a minimum of 15 years from the date of the initial certificate of occupancy for the completion of construction Page 5 of 347 Page 3 of 19 of the last workforce housing units as evidenced by restrictive covenants or other compliant document recorded in the Office of the Beaufort County Register of Deeds. (2) A four (4) bedroom per dwelling unit maximum. Planning Commission: The Planning Commission met on September 20, 2023 to review deviations from the proposal made following their December 2022 public hearing and voted unanimously to recommend acceptance of the changes to Town Council.

He proceeded to review the applicant's text amendment submittal and the current Text Amendment per Town Council action of August 15, 2023 which is detailed in the agenda packet materials.

Following discussion, comments and questions from Council, **Stanford moved that the Town Council adopt on second reading Proposed Ordinance 2023-07 amending Section 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance to create a new use called Island Mixed-Use in the Sea Pines Circle District. Becker seconded.**

Mayor Perry asked for public comment.

Eric Somerville addressed Council and expressed disappointment in the project not being approved and spoke in support of the amendment.

Sherie Mikrut addressed Council in favor of the Office Park Way project and requested that Council members listen to their constituents. She noted the difference between low-income housing and workforce housing.

Lynn Pico Bullard addressed Council and noted the need to value students and SERG Group employees as well as others.

Pastor June Wilkins of Christ Lutheran Church addressed Council and encouraged them to continue working on long-term workforce housing.

Bob Risk addressed Council stating he felt there were two defects in the proposed ordinance regarding the workforce housing component which are the AMI and the parking requirements.

Xiadon Li addressed Council and encouraged a yes vote to pass the text amendment.

Cherry Norris addressed Council and quoted the Planning Commission member comments from the 09.20/2023 meeting, and she conveyed her support of the amendment.

Kate Reddy addressed Council and spoke in support of the developer.

Angie Hutchins addressed Council and encouraged all to work together in addressing workforce housing.

Charlie Clark on behalf of the Hilton Head Island-Bluffton Chamber of Commerce encouraged Council to approve the text amendment.

Jim Lever addressed Council and noted the uniqueness of the situation dealing with workforce housing issues and a blighted area. He noted this is a first step in meeting needs with minimal taxpayer expense.

Melinda Tunner addressed Council in support of the text amendment noting it is a creative approach to deal with dilapidated land.

George Paletta addressed Council in support of the text amendment noting the need to move forward.

Mike Wagner of Shore Beach Services addressed Council and spoke in support noting the short-term rentals have overtaken housing options and the text amendment provides options.

Matt Sweeney addressed Council asking them to look at the merits and benefits of the text amendment.

John Zmarsly addressed Council and spoke in support of the text amendment noting the revitalization of this area as a plus.

Beth Ann Crane addressed Council and spoke in opposition of the text amendment as there will be no accountability and noted the need for more stringent requirements.

Lynn Fontiane addressed Council and spoke in support of the private approach to housing the workforce noting the developer is not asking for any funding or tax cuts.

John Casey addressed Council in favor of the text amendment noting it is a private project funded by private funding.

Julie Raino addressed Council and requested that as the development is considered, Council base their vote on the four pillars regarding workforce housing.

Skip Hoagland addressed Council and stated Council is doing the right thing and are abiding by the law regarding the text amendment. He noted the need for a master land plan for the entire Island.

Brendan Rielley addressed Council and requested if the amendment is approved the parking be required to be on the building site of the development.

Following discussion, comments and questions from Council, **Alfred moved to amend the motion to further define “educational use”. Motion failed due to the lack of a second.**

Mayor Perry called the vote on the original motion. Motion carried 4-3-0 (Brison, Brown, Ames opposed).

New Business

Consideration of Proposed Ordinance 2023-16 Amending Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance (LMO) to Amend Single - Family Dwelling Parking Requirements and to Establish Regulations for Single Family Dwelling Floor Area Ratio Requirements - First Reading - Missy Luick, Director of Planning

Mayor Perry explained the item was sent back to the Public Planning Committee on September 14 for further review and due to several questions Council had and the Public Planning Committee moved that the action taken at the previous meeting concerning adoption of the floor area ratio regulations and maximum lot size be reconsidered and that parking be handled in a separate matter.

Missy Luick conducted a detailed presentation and Following discussion, comments, and questions from Council

Following discussion, the item was divided into two separate motions. They are as follows:

Consideration of an Ordinance Amending Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance (LMO) to Amend Single - Family Dwelling Parking Requirements

Ames moved to approve as presented. Alfred seconded.

Denise Pacita addressed Council and stated when implementing required parking allowance open space and pervious areas need to be considered.

Carolyn Storn addressed Council noting the issue is impervious areas and pervious areas and they should be addressed but encouraged approving the requirements and solve the pervious and impervious issues at a later date.

Keith Sledge addressed Council and supported Ms. Pacita's comments regarding the consideration of the need for open space on building sites.

Lisa Cotter addressed Council and stated the issues are not clear and encouraged Council to be clear on the details of the issue before voting.

Motion carried 7-0.

Consideration of an Ordinance Amending Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance (LMO) to Establish Regulations for Single Family Dwelling Floor Area Ratio Requirements First Reading - Missy Luick, Director of Planning

Following discussion, comments and questions from Council, **Ames moved to amend Title 16 of the Municipal Code of the Town of Hilton Head Island, the Land Management Ordinance (LMO) to Establish Regulations for Single Family Dwelling Floor Area Ratio Requirements, to include Forest Beach Overlay and exclude Family Compounds and Subdivisions. Stanford seconded.**

Mayor Perry asked for Public Comment.

Kevin Sledge addressed Council and spoke on behalf of 33 owners in the Bradly Circle Area stating their support of the proposed regulations.

Daniel Anthony addressed Council noting that the 4500 square foot cap can be altered during District Planning.

Don Hufham addressed Council expressing his opposition to the regulations.

Bill McNeil addressed Council requesting exemptions for parking underneath a structure and storage. He added that a change in the Floor Area Ratio requirements will also limit tax revenues in the long run.

Carl Braden addressed Council and noted that the amendment is not consistent with the majority of FAR requirements in the LMO for character overlay districts.

Lisa Cotter addressed Council and spoke in opposition to the blanket FAR regulations. She voiced her concern decisions are being make and then they ae being defined later.

Denis Pacita addressed Council and stated her opposition to the proposed regulations

At the conclusion of public comment, Mayor Perry brought the item back to the dais.

Brown expressed concerns regarding the impact on Family Compounds and Subdivisions and property values.

Following discussion, comments and questions from Council the **Motion carried 6-1-0 (Brown opposed).**

Consideration of an Ordinance for the Town of Hilton Head, for the Fiscal Year Ending June 30, 2024; to Provide for the Expenditures of Certain Funds; to Allocate the Sources of Revenue for the Said Funds; and to Provide for Severability and an Effective Date - First Reading - John Troyer, Director of Finance

John Troyer conducted a presentation stating the budget needs amended to reflect four land purchases made by Town council. He stated the sites include Bryant Road, Shelter cove Lane, Pope Avenue and Mathews Drive; Capital Improvement Program changes noting that the total remains the same.

Following discussion, comments and questions from Council, **Ames moved to approve. Alfred seconded.**

Brison expressed concern regarding the amendments and requested a memo be provided to Town Council defining the specifics of the adjustments. Brown requested the difference between 2023 actuals and 2023 projections be spelled out in the memo as well.

Mayor Perry asked for public comment.

Meliinda Tunner addressed Council and stated she was in agreement with Brison and noted her surprise that the item did not go to the Finance & Administrative Committee for review before coming to Town Council.

Skip Hoagland addressed Council and stated there is a need for an Independent Forensic Audit.

Following discussion, comments and questions from Council, **the Motion carried 6-1 (Brison opposed).**

Consideration of an Ordinance Amending the Business License Ordinance of the Town of Hilton Head Island to Update the Class Schedule as Required by Act 176 of 2020, South Carolina Business License Tax Standardization Act § 6-1-400 -420 – First Reading– John Troyer, Director of Finance

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

Every odd year, Act 176 requires every taxing jurisdiction levying a business license tax to adopt by ordinance the latest Standardized Business License Class Schedule as recommended by MASC and adopted by the Director of the Revenue and Fiscals Affair Office. MASC shall determine and revise the Standardized Business License Class Schedule every even year using the latest available nationwide Internal Revenue Service statistics. MASC published the latest Standardized Business Class Schedule on June 27, 2023. Town staff completed a detailed rate study analysis in July 2023 to determine the impact of the class schedule changes to the Town and to the business community. Akiins reviewed the Proposed Ordinance and the Business License Class Schedule Rate Study Analysis.

Following discussion, comments and questions from Council, **Ames moved to approve. Becker seconded. Motion carried 7-0.**

Executive Session

Receipt of Legal Advice from the Town Attorney on Matters Covered Under the Attorney-Client Privilege [pursuant to the South Carolina Freedom of Information Act

Section 30-4-70(a)(2)] related to: Application of the Pending Ordinance Doctrine

Orlando stated the need to go into Executive Session for the purposes listed above. **At 7:42 p.m. Ames moved to go into Executive Session for the reasons stated by the Town Manager. Alfred seconded. Motion carried 7-0.**

Actions from Executive Session

None.

Adjournment

The meeting was adjourned at 8:46 p.m.

Approved: 10/17/2023



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