

BLUFFTON TOWN COUNCIL MEETING MINUTES

January 10, 2023

Mayor Sulka called the meeting to order at 4 P.M. Council members present were Larry Toomer, Bridgette Frazier, Fred Hamilton, and Dan Wood. Town Manager Stephen Steese, Chief of Police Joe Babkiewicz, Assistant Town Manager Chris Forster, Assistant Town Manager Heather Colin, Town Clerk Kimberly Gammon, and Town Attorney Terry Finger were also present.

The pledge and invocation were given by Mayor Sulka.

Adoption of the Agenda

Toomer made a motion to adopt the agenda as presented with the exception of the removal of Item XIV.6 Request for Approval for Two Miniature Highland Cows at 11 Rose Dhu Creek Plantation Drive in the Rose Dhu Creek Plantation. Hamilton seconded. The motion was unanimously approved.

Wood made a motion at 4:07 P.M. to go into Executive Session to discuss the aforementioned items. Frazier seconded. The motion carried unanimously.

Executive Session

1. Personnel Matters Regarding an Associate Judge Appointment (Pursuant to Freedom of Information Act 30-4-70 [a][1])

Council exited Executive Session at 4:18 P.M. No motions were made, and no votes were cast.

Toomer made a motion to permit the Town Manager to execute a contract with James Andrew Smith to hold the capacity of Associate Judge for the Town of Bluffton with a three-year term that runs concurrently with the Municipal Judge. Hamilton seconded. The motion carried unanimously.

Adoption of the Minutes

Wood made a motion to approve the Regular Meeting Minutes of December 13, 2022, as presented. Hamilton seconded. The motion carried unanimously.

Presentations, Celebrations and Recognitions

Mayor Sulka presented the Beaufort County School District Character Student of the Month Award to Asher Wright from Bluffton Elementary for the character traits of courage and tolerance.

Mayor Sulka read and presented the Martin Luther King, Jr. Proclamation

Presentation of the Hilton Head Island Bluffton Chamber of Commerce FY23 Quarterly Report - Ariana Pernice, Hilton Head Island Bluffton Chamber of Commerce

Ariana Pernice gave a report on FY2023 Quarter 1. Pernice highlighted the paid media partnership with Garden and Gun and The Local Palate. She stated that Destination Metrics saw lighter volume during the first quarter due to availability of other travel openings, potential visitors were given more options when considering a destination. Pernice highlighted social media and website metrics, and stated that there were twenty events held during the months of July through September, and also stated that the 2023 Official Bluffton Vacation Planner is in the process of design and review.

Town of Bluffton Annual Development Agreement Update - Heather Colin, Assistant Town Manager

Colin stated that each year, staff updates the Development Agreement Summaries and Build-Out table to provide an update on the amount of dwelling units and commercial square footage that is constructed and utilized. This information assists staff and citizens to understand the amount of growth that the town has undergone.

The following are the Development Agreements that are updated:

- Bluffton Village
- Buckwalter
- Jones Estate
- New Riverside
- Palmetto Bluff
- Schultz Tract
- Village at Verdier

Colin highlighted information relating to the total allowed development rights, new construction statistics from January 1, 2022 through December 31, 2022, cumulative construction statistics, utilization of development rights, preserved development rights, and the development rights status in the Town Development Rights Bank. Also highlighted was the remaining development rights associated with each community and the estimated percentage built-out as well as the percentage of development rights utilized.

Annual Palmetto Bluff Development Agreement Update - Will Culp, South Street Partners

Culp from South Street Partners gave an update on Palmetto Bluff sales closed and home construction. Culp stated that some of the strategic partners initiatives include a 2023 product release that will include 38 lots in Moreland Forest with the potential for an additional 81 lots and the Montage Residential Expansion that includes up to 8 lots; a \$1M renovation to Buffalos (projected to open in February); Shooting Club Clubhouse; Nine-hole golf course (projected to open in the final quarter of 2023); the marina (consulting team designing dry-stack design); Anson 18 Hole Golf Course; and Palmetto Bluff Builders.

Culp went on to state that overall in 2022, there was an overall revenue increase from 2021, with a 53.2% decrease in occupancy (rate increases every year). Three new food and beverages were introduced – the River House Restaurant, Buzz, and Hush. The Village Home participation increased to 54 homes vs. 40 the previous year. 2022 was a record year for the number of weddings that took place on the property (85). Accommodations Tax for 2022 was \$1,824,074.

Public Comment

There was no public comment.

Communications from Mayor and Council

Mayor Sulka welcomed our newly appointed Chief of Police, Joseph Babkiewicz and reminded the audience about the upcoming Martin Luther King Jr. Day events coming up.

Public Hearing & Final Reading

Consideration of Town of Bluffton Needs Assessment for Housing, Public Facilities, and Economic Development – Michelle Knight, Community and Economic Development Director, Lowcountry Council of Governments and Kimberly Washok-Jones, Director of Projects and Watershed Resilience

Public Hearing Opened at 6:01 PM

There were no comments.

Public Hearing Closed at 6:02 PM

Elected officials and Town Staff receive input from citizens regarding community needs which may lead to Town projects or programs that can be supported by the SC Department of Commerce's CDBG Program. These recommendations on community needs may be received through phone calls, face-to-face discussions, comments at public meetings, and public hearings.

The CDBG application process requires the Town develop a citizen participation plan which includes a Needs Assessment Public Hearing.

The Public Hearing serves three purposes:

1. Provides an opportunity for the community to learn about the CDBG program and the types of projects eligible for grant funding;
2. Provides a forum at which citizens can voice their suggestions for community needs; and
3. Identifies formally at least three top priorities for community needs.

Town Council prioritized community needs in prior years as follows:

2022	2021	2020	2019	2018
1. Transportation & Pedestrian Safety	Infrastructure Improvements including sewer, water and drainage	Infrastructure Improvements including sewer, water and drainage	Infrastructure Improvements including sewer, water and drainage	Infrastructure Improvements including sewer, water and drainage
2. Affordable House for Low to Moderate Income (LMI) individuals, families and seniors	Transportation & Pedestrian Safety	Transportation & Pedestrian Safety	Transportation & Pedestrian Safety	Transportation & Pedestrian Safety
3. Residential Rehabilitation of Housing for safe and dry housing	Affordable House for Low to Moderate Income (LMI) individuals, families and seniors	Affordable House for Low to Moderate Income (LMI) individuals, families and seniors	Affordable House for Low to Moderate Income (LMI) individuals, families and seniors	Residential Rehabilitation of Housing for safe and dry housing
4. Infrastructure Improvements including sewer, water and drainage	Residential Rehabilitation of Housing for safe and dry housing	Residential Rehabilitation of Housing for safe and dry housing	Residential Rehabilitation of Housing for safe and dry housing	Restoration of properties or facilities of special value to the community
5. Restoration of properties or facilities of special value to the community	Restoration of properties or facilities of special value to the community	Restoration of properties or facilities of special value to the community	Restoration of properties or facilities of special value to the community	Affordable House for Low to Moderate Income (LMI) individuals, families and seniors

Wood made a motion to rank the Town of Bluffton priorities as follows:

- 1. Affordable Housing for Low to Moderate Income (LMI) individuals, families and seniors.**
- 2. Transportation and Pedestrian Safety.**
- 3. Residential Rehabilitation of Housing for safe and dry housing.**
- 4. Infrastructure improvements including sewer, water and drainage.**
- 5. Restoration of Properties or facilities of special value to the community.**

Hamilton seconded. The motion carried unanimously.

Public Hearing Concerning Program Performance and Accomplishments for Goethe Shults
Neighborhood Revitalization Grant # 4-NR-18-001 – Michelle Knight, Community and Economic
Development Director, Lowcountry Council of Governments

Public Hearing Opened at 6:32 PM

There were no comments.

Public Hearing Closed at 6:33 PM

Knight stated that in December 2018, the Town of Bluffton was awarded \$500,000 for the Goethe Shults Neighborhood Revitalization Project to install sidewalks, lighting and drainage. This project benefited 524 people of which 71% were low-to-moderate income.

Financial and program monitoring has taken place and the project will close before the end of the first quarter of the year.

No action or vote was necessary for this presentation – this was a public hearing only to allow for public comment.

Workshop Agenda Items

Sarah Riley Hooks Update - Kimberly Washok-Jones, Director of Projects and Watershed Resilience and Glen Umberger, Historic Preservationist

The Sarah Riley Hooks Cottage, located at no. 76 Bridge Street, was designated by Town Council as a Contributing Resource to the Old Town Bluffton Historic District in 2008 at the time that the local historic district was created. As such, the structure “adds to the historic associations, architectural qualities, or archaeological values that relate to the documented significance of the Old Town Bluffton Historic District.” The property is also within the boundaries of the Bluffton Historic District, listed in the National Register of Historic Places on June 21, 1996, though it is a noncontributing resource within that district.

The property was purchased by the Town of Bluffton on December 28, 2020. Security fencing was immediately installed around the structure to prevent potential trespass and vandalism. The property has been maintained by Public Services since the acquisition. With the approval of the FY 2023 Consolidated Budget, Town Council approved funding within the Capital Improvement Program (CIP) to begin preliminary planning for the property and assess the potential use of the structure.

With Council input during 2022 Strategic Planning, Town Staff developed a survey for potential uses of the Cottage and grounds which was distributed at the Historic Arts & Seafood Festival in October 2022 and is still actively posted on Town social media sites. As of January 3, 2023, over 300 responses have been received. Top uses for the Cottage include an “Ancillary Park Use/Restrooms/Classroom” or “Museum/Interpretive Center”. Top public facilities that were considered “Extremely Important” for the Cottage grounds included “Flexible Use/Open Lawn” and “Boardwalk Access to Huger Cove”. These findings corroborate Council’s discussion and guidance during Strategic Planning.

Throughout 2022, Town Staff has conducted periodic exterior inspections to monitor conditions of the property. On April 20, 2022, Town Staff was informed that the roof appeared to have “fallen in,” conducted a site inspection and noted a hole in the roof along the western side of the structure at the chimney. Staff’s recommendation was to repair the roof at least temporarily by the installation of a tarp, which was completed at that time. A larger roof tarp was installed in June 2022.

On September 23, 2022, Town Staff noted new damage to the structure’s exterior on the western elevation near the chimney and documented the damage. Town Staff completed subsequent periodic site inspections to monitor this damage and recommended that the Town undertake a mothballing procedure to properly stabilize the entire structure while a decision is made for future use of the property based on the public survey.

These procedures are outlined by the National Park Service, in *Preservation Brief 31, Mothballing Historic Buildings* which includes steps for Documentation, Stabilization, and Mothballing. Town Staff

recommended that a conditions assessment of the building (step 2) be performed since there are no documents that suggested that an historic building assessment was made at the time the Town purchased the property.

After consultation with the Town's Historic Preservationist, CIP contracted with Meadors Inc. to assess the condition of the structure and the potential for rehabilitation and an on-site conditions assessment was completed on December 5, 2022.

Feedback and direction from Council was for staff to bring back reconstruction vs rebuild cost estimates, incorporate the family history, allow public access, and not use the property as an event space. Council would like to have an additional workshop to determine the use at a later date.

Formal Agenda Items

Consideration of Approval for a Contract Awarded to Vendor 8x8 for Upgrade to Town Phone System - Tracye Stormer, Director of IT

Stormer stated that the Town's current phone system is ten years old. An RFP was put out to bid for an update, with 25 vendors responding. The lowest bid was for vendor 8 x 8. Stormer said upon Council approval, staff will begin transitioning into the new system.

Toomer made a motion to approve a contract to award Vendor 8x8 to upgrade the Town of Bluffton's phone system. Hamilton seconded. The motion carried unanimously.

Consideration of a Resolution in Support of a Letter to Bluffton's Elected State Delegation Requesting the Introduction of Legislation to Allow Local Jurisdictions to Establish a Real Estate Transfer Fee – Chris Forster, Assistant Town Manager

Forster stated that in 1990 the Town of Hilton Head Island adopted a Real Estate Transfer Fee ("RETF") at a rate of 0.25 of 1% of the gross sale price of each real estate transaction within the municipal limits of the Town. The purpose of the fee was to acquire lands for public ownership, maintain open space and environmental protection, acquire developed land or development rights to convert its use to public use, restore previously developed property to open space, or to redefine and reuse previously developed property.

In 1994 the state legislature enacted SC Code Section 6-1-70 which prohibited any other municipality from enacting their own RETF. HHI's RETF was grandfathered in and in April of 2022 HHI, approved an amendment to their Ordinance extending the expiration date of their RETF from December 31, 2024, to December 31, 2044.

HHI has collected over \$87 million in RETF funds and used over \$76 million since 1990. They have purchased over 1,300 acres of land throughout the island. HHI has identified the following benefits to the RETF:

- Preservation of open space
- Public access and views to our waterways
- Provides space for passive and active recreational needs
- Preserves wildlife habitat

- Protects environmentally sensitive lands
- Protects culturally and historically significant sites
- Provides for Island resiliency through stormwater protection
- Provides space for capital improvement projects
- Strengthens demand for property values
- Reduces demand for other public facilities and services
- Reduces future traffic

On the sale of a \$500,000 home the fee would be \$1,250 paid by the buyer. The housing price index ("HPI") for the HHI-Bluffton MSA has increased 365% since 1990. This compares to 277% for the State of SC and 290% for the national HPI. This would imply there has been no notable negative impact to the housing market in HHI since the passing of a RETF. The Town of Bluffton would have collected \$15 million if it had a 0.25 of 1% of gross real estate sales fee for the past five years. The fee would have generated \$5.7 million for the Town in 2021 alone.

Forster stated that upon approval by Town Council, Staff will provide a Council signed letter to the Bluffton legislative delegation requesting the SC Code Section 6-1-70 be amended to allow Municipalities to enact a RETF.

Toomer made a motion to approve a Resolution in Support of a Letter to Bluffton's Elected State Delegation Requesting the Introduction of Legislation to Allow Local Jurisdictions to Establish a Real Estate Transfer Fee. Wood seconded. The motion carried unanimously.

Consideration of a Resolution to Authorize the Town Manager to Sign an Intergovernmental Agreement between the Town of Bluffton, Beaufort County and Beaufort Jasper Water Sewer Authority for the Construction of Sewer Infrastructure as Part of the Stoney Crest / Palmetto Bluff Rd. - Chris Forster, Assistant Town Manager

Forster stated that there are approximately 150 residences in the Stoney Creek watershed area that are on septic systems. Water monitoring in the area shows chronic leaks from area septic tanks that are emitting fecal coli into the upstream portions of the May River causing negative impacts on the environment, commercial fishing operations, and recreational activities.

In September 2022, the Parties worked write a compelling grant application to the Rural Infrastructure Authority for the South Carolina Infrastructure Investment Program ("SCIIP"), a one-time grant initiative to improve water, wastewater, and stormwater systems throughout the state using federal funds allocated by the 2021 American Rescue Plan Act ("ARPA"). The scope of the project includes installation of a vacuum sewer system for the estimated 150 existing individual connections with capacity to accommodate an additional 50 connections as shown on the map attached to the Intergovernmental Agreement. It is projected that grant awards might be announced some time in February 2023 but there has been no confirmation from the Rural Infrastructure Authority.

The grant application was submitted in the name of BJWSA as the system owner, citing the Town and the County as equal partners. If the grant is awarded, there is a firm timeline to finalize the engineering of the system, procure services in accordance with the grant terms and conditions, acquire the rights of

way and complete construction. Funds must be committed no later than 12/31/2024 and expended no later than 12/31/2026. The grant would cover 75% of project costs and the parties would equally split the 25% local match. No grant money will cover the connections on private property; that money would have to come from the match.

In the event that the grant is not awarded, the Parties deem this project important to each of their respective interests that they desire the work to proceed in the same timeline with equal financial contributions; each jurisdiction will commit funds from other sources if the grant is not received. The draft Intergovernmental Agreement was written to document this cooperative agreement in the alternate circumstances whether the grant was awarded or not. The Agreement was transmitted to all Parties for their review 12/15/2022.

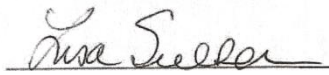
Hamilton made a motion to approve a resolution in support of an intergovernmental agreement among the Town of Bluffton, Beaufort-Jasper Water and Sewer Authority, and Beaufort County to equally share in the costs to transition sewer connections away from septic in the Stoney Creek watershed so long as the intergovernmental agreement does not materially differ from what was presented herein. Toomer seconded. The motion carried unanimously.

Consent Agenda Items

1. Monthly Department Reports: Police, Finance and Administration, Human Resources, Municipal Court, Projects and Watershed Resilience, Public Services, Don Ryan Center for Innovation, and Growth Management
2. Town Manager Monthly Report
3. Consideration of a Resolution Authorizing Acceptance of a Easement Donation of Approximately 0.0162 Acres Real Property, at 38 Boundary Street, Parcel R610 039 00A 0355 0000, Bluffton, South Carolina, in Favor of Dominion Energy and the Town of Bluffton for the Construction and Maintenance of Street Lighting, Electrical Utilities and Sidewalk Improvements for the Boundary Street Streetscape Project - Kimberly Washok-Jones, Director of Projects and Watershed Resilience
4. Consideration of a Proposed Lighting Agreement with Dominion Energy for a Portion of Bridge Street - Kimberly Washok-Jones, Director of Projects and Watershed Resilience
5. Approval to Authorize a Contract to Apothic Enterprises, LLC for Assistance Collecting Business License Taxes – Chris Forster, Assistant Town Manager
6. Request for Approval for Two Miniature Highland Cows at 11 Rose Dhu Creek Plantation Drive in the Rose Dhu Creek Plantation - Heather Colin, Assistant Town Manager

Hamilton made a motion to approve the Consent Agenda as presented. Toomer seconded. The motion carried unanimously.

Wood made a motion to adjourn at 6:52 PM. Hamilton seconded.

A handwritten signature in blue ink, appearing to read "Lisa Sulka", written over a horizontal line.

Lisa Sulka, Mayor

A handwritten signature in blue ink, appearing to read "Kimberly Gammon", written over a horizontal line.

Kimberly Gammon, Town Clerk