

COUNTY COUNCIL OF BEAUFORT COUNTY
ADMINISTRATION BUILDING
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX
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CHAIRMAN

D. PAUL SOMMERVILLE
VICE CHAIRMAN

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MARK LAWSON
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JOHN L. WEAVER
INTERIM COUNTY ADMINISTRATOR

CONNIE L. SCHROYER
CLERK TO COUNCIL

AGENDA
FINANCE COMMITTEE

Monday, March 4, 2019

2:00 p.m.

Executive Conference Room, Administration Building
Beaufort County Government Robert Smalls Complex
100 Ribaut Road, Beaufort

Committee Members:

Joseph Passiment, Chairman
Chris Hervochon, Vice Chairman
Gerald Dawson
Mark Lawson
Paul Somerville

Staff Support:

Suzanne Gregory, Employee Service Director
Alicia Holland, CPA,
Assistant County Administrator, Finance
Chanel Lewis, CGFO, Controller

1. CALL TO ORDER – 2:00 p.m.
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES – February 4, 2019 (backup)
5. CITIZEN COMMENTS (*Comments regarding agenda items only*)
6. PRESENTATION / TREASURER’S OFFICE – *Maria Walls, County Treasurer (backup)*
7. A-TAX ORDINANCE AMENDMENTS TO PROVIDE TRANSPARENCY IN ACCOUNTING REPORTS FROM AGENCIES RECEIVING FUNDS FROM THE COUNTY ACCOMMODATIONS TAXES AND TO INCLUDE THE GREATER BLUFFTON CHAMBER OF COMMERCE AS A RECIPIENT OF FUNDS – *Chris Inglese, Staff Attorney and Alicia Holland, Assistant County Administrator, Finance (backup)*
8. DISCUSSION / POSSIBLE USE OF LOCAL ACCOMMODATIONS TAX AND LOCAL HOSPITALITY TAX FUNDS FOR TOURISM RELATED BUILDINGS AND HISTORICAL FACILITIES (PENN CENTER) – *Marion Burns, Penn Center Board of Trustees; Tom Keaveny, County Attorney (backup)*



9. AN ORDINANCE DELETING SECTION 2-402 ESTABLISHMENT OF INTERNAL AUDIT UNIT AND INSERTING SECTION 2-402 ESTABLISHMENT OF THE AUDIT COMMITTEE – *Chris Inglese, Staff Attorney; Alicia Holland, Assistant County Administrator Finance* ([backup](#))
10. DISCUSSION / BEAUFORT SOIL AND WATER CONSERVATION DISTRICT FUNDING REQUEST – *Alicia Holland, Assistant County Administrator Finance* ([backup](#))
11. CONSIDERATION OF REAPPOINTMENTS AND APPOINTMENTS
 - A. Board of Assessment Appeals / (6) vacancies ([backup](#))
12. ADJOURNMENT

**MINUTES - DRAFT
FINANCE COMMITTEE**

February 4, 2019

Executive Conference Room, Administration Building,
Beaufort County Government Robert Smalls Complex,
100 Ribaut Road, Beaufort, South Carolina 29902

The electronic and print media duly notified in
accordance with the State Freedom of Information Act.

Attendance

Present: Committee Chairman Joseph Passiment, Committee Vice Chairman Chris Hervochon, and members Gerald Dawson, Mark Lawson and Paul Sommerville

Absent: Lawrence McElynn

Ex-officio: Michael Covert, Brian Flewelling, York Glover, Alice Howard, Stewart Rodman and Paul Sommerville (Non-committee members of Council serve as *ex-officio* members and are entitled to vote.)

Staff: Jim Beckert, County Auditor; Phil Foot, Assistant Administrator, Public Safety; Alicia Holland, Assistant County Administrator, Finance; Chris Inglese, Assistant County Attorney; Tom Keaveny, County Attorney; Jon Rembold, Airports Director; Dave Thomas, Purchasing Director.

Call to Order

Joseph Passiment called the meeting to order at 2:00 p.m.

Approval of Agenda

It was moved by Paul Sommerville, seconded by Gerald Dawson, to approve the agenda. The motion passed by a unanimous vote of 5:0.

Citizen Comments

There were no citizen comments.

ACTION ITEMS

Item: Purchase of Jacob Kits (Bleed Kits)

Discussion: Phil Foot spoke regarding the purchase of small trauma kits (Jacob Kits). During the Governmental Committee meeting on September 4, 2019, a motion was passed to purchase bleed kits for county offices (total of 125 kits). Staff was looking for recommendation on the funding source to purchase the kits. North American Rescue, had the lowest bid of \$14,437.20 for 125 kits including wall-mounting hardware. Going forward, the Finance Committee recommends replacement costs be incorporated into future fiscal year budgets.

Motion: It was moved by Mr. Hervochon, seconded by Mr. Dawson, that Finance Committee approve using the County Administrator’s Contingency Fund as the funding source to purchase 125 Jacob Kits (Bleed Kits). The vote: YAYS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Glover, Mr. Hervochon, Mrs. Howard, Mr. Lawson, Mr. Passiment, Mr. Rodman and Mr. Sommerville. The motion passed.

Status: Finance Committee approved using the County Administrator’s Contingency Fund as the funding source to purchase 125 Jacob Kits (Bleed Kits).

Item: Addition of Internal Auditor Position, Fiscal Year 2020

Discussion: Councilman Michael Covert asked the Finance Committee to consider whether or not the FY2020 annual budget should contain funds sufficient to cover the employee cost of an Internal Auditor. Assistant County Administrator Finance Alicia Holland discussed that the internal auditor should be independent of management, and will cost approximately \$87,000. She recommends hiring an independent accounting firm that will report to the Finance Committee.

Mr. Flewelling suggested forming an audit committee and members of the Finance Committee will receive those audits. Changes will come back before the Committee.

Motion: It was moved by Mr. Hervochon, seconded by Mr. Lawson, that Assistant County Attorney amend Ordinance 2004 / 6, Section 2.402 to provide the hiring of an external independent auditor, in an amount up to \$200,000 to allow transparency and assurance for the citizens of Beaufort County. Further, staff is to include the funds in the FY 2020 budget. The vote: YAYS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Glover, Mr. Hervochon, Mrs. Howard, Mr. Lawson, Mr. Passiment, Mr. Rodman and Mr. Sommerville. The motion passed.

Status: The Finance Committee agreed to create a subcommittee called, the Audit Committee, chaired by Mr. Hervochon, to develop the mission statement, goals and objectives. The committee will consist of 3-5 members from the private sector. Mr. Hervochon will take the lead to find additional members.

Item: Sheldon Fire District General Obligation Bond

Discussion: Alicia Holland explained the purpose of the Sheldon Fire District General Obligation Bond. Sheldon Fire District is requesting to borrow \$948,511 for improvements to Sheldon Fire Station 40 located at 5 Fire Station Lane.

The general obligation bond ordinance will have an amount not to exceed \$1 million to allow for the cost of debt issuance. The general obligation bond will be issued for 15 years. This will require the Sheldon Fire District to increase their debt millage rate to provide sufficient revenue for the annual debt service.

Motion: It was moved by Mr. Dawson, seconded by Mr. Hervochon for committee to move the Sheldon Obligation Fire District Bond to Council for three readings and a public hearing. The vote: YAYS - Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Glover, Mr. Hervochon, Mrs. Howard, Mr. Lawson, Mr. Passiment, Mr. Rodman and Mr. Sommerville. The motion passed.

Status: Committee approved to move the Sheldon Obligation Fire District Bond to Council for three readings and a public hearing.

Item: Consideration of Contract Award – Talbert, Bright and Ellington Work Authorization 18-08 / Construction Administration, Full-time Resident Project Representative and Project Arborist / \$118,626

Discussion: Airport Director, Jon Rembold, explained that this project is a consolidated tree mitigation project – planting tree material at both ends of Hilton Head Island Airport runway, as well as on either side of the airport.

This project is funded via 90% FAA AIP grant, 5% through SCAC grant 15-013, and 5% via Hilton Head Airport Capital Projects Fund.

Motion: It was moved by Mr. Lawson, seconded by Mr. Sommerville to move the consideration of Contract Award – Talbert, Bright and Ellington Work Authorization 18-08 / Construction Administration, Full-time Resident Project Representative and Project Arborist / \$118,626 to Council for approval. The vote: YAYS - Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Glover, Mr. Hervochon, Mrs. Howard, Mr. Lawson, Mr. Passiment, Mr. Rodman and Mr. Sommerville. The motion passed.

Status: Committee approved to move the consideration of contract award – Talbert, Bright and Ellington Work Authorization 18-08 / Construction Administration, Full-time Resident Project Representative and Project Arborist / \$118,626 to Council for approval.

Item: Consideration of Reappointments and Appointments / Accommodations Tax Board (2% State)

Motion: It was moved by Mr. Sommerville, seconded by Mr. Hervocho that Committee recommend Council reappoint Vimal Desai and Dick Farmer as members of the Accommodations (2% State) Tax Board. The vote: YAYS – Mr. Covert, Mr. Dawson, Mr. Flewelling, Mr. Glover, Mr. Hervocho, Mrs. Howard, Mr. Lawson, Mr. Passiment, Mr. Rodman and Mr. Sommerville. The motion passed.

Recommendation: Council reappoint Vimal Desai and Dick Farmer as members of the Accommodations (2% State) Tax Board.

Item: Consideration of Reappointment and Appointments / Board of Assessment Appeals

Motion: It was moved by Mr. Sommerville, seconded by Mr. Dawson that Committee recommend Council reappoint Robert Brown, Allan Miller and Alan Obstler as members of the Board of Assessment Appeals. The vote: YAYS – Mr. Dawson, Mr. Flewelling, Mr. Glover, Mr. Hervocho, Mr. Lawson, Mr. Passiment, Mr. Rodman and Mr. Sommerville.

Recommendation: Council reappoint Robert Brown, Allan Miller and Alan Obstler as members of the Board of Assessment Appeals.

INFORMATION ITEMS

Item: A-Tax Ordinance Amendments to Provide Transparency in Accounting Reporting from Agencies Receiving Funds from the County Accommodations Taxes and to Include the Greater Bluffton Chamber of Commerce as a Recipient of Funds

Discussion: Mr. Inglese and Mrs. Holland discussed the proposed amendments to the 2% Accommodations Tax and the 3% Local Accommodations Tax ordinance. The proposed amendments are as follows:

- adds audits and inspections to the 2% section
- adds Bluffton Chamber as a recipient of 3% local A-tax funds
- decreases amounts to Hilton Head Chamber of Commerce and Beaufort Chamber of Commerce, and adds specific minimum reporting requirements to both 2% and 3% A-tax accounting procedures.

Committee also considered the effect of decreasing Hilton Head Chamber of Commerce and Beaufort Chamber of Commerce amounts from \$150,000 to \$125,000.

Mr. Lawson expressed concern with Section 66-45(b), which prohibits an organization from failing to present necessary books and records during normal business hour upon 24 hour notice of an audit.

Mr. Inglese said that language could possibly come from the state statute.

Jonathan Sullivan, Chairman of Beaufort Area Hospitality Association, encouraged the committee to consider that roughly 60% of the county's A-Tax revenue (2% and 3%) comes from Northern Beaufort County.

Ray Deal, Hilton Head Island Bluffton Chamber of Commerce Controller, is also concerned with the 24-hour notice of audit.

Larry Holman, CEO of the Beaufort County Black Chamber of Commerce, shared that he'd like to see the 3% state tax increase.

Mr. Holman also explained that making changes to the budgets mid-year can be detrimental for existing organizations because of prior advertising commitments.

Status: Items for consideration are adding the audits inspections to the 2% section and 3% section so that they are the same. Bluffton Chamber of Commerce would also be added as a recipient. This item will be brought back to the committee with some additional changes to the language before moving forward.

Item: Review of Committee Mission Statement

Discussion: The Mission Statement for the Finance Committee was reviewed. There were no changes needed. A proposed vision statement was reviewed, and will be placed on the county website.

Adjournment

The meeting adjourned at 3:36 p.m.

Ratified by Committee:

Summary of Real and Personal Property

Tax Year 2017 as of February 15, 2018

	County Operations County Debt School Operations School Debt Total Charges					Taxable Value	
						LegRes	Non-LegRes
Real and Personal Property							
Billed	92,578,152.40	9,745,083.23	131,436,653.62	55,392,396.29	381,997,475.27	591,902,920	1,160,760,837
\$ Paid	87,286,965.97	9,188,109.90	121,925,032.06	52,226,280.51	357,042,698.87	575,590,040	1,071,447,147
% Paid	94.28%	94.28%	92.76%	94.28%	93.47%	97.24%	92.31%
\$ Outstanding	5,291,186.43	556,973.33	9,511,621.56	3,166,115.78	24,954,776.40	16,312,880	89,313,690
Motor Vehicles							
Billed	6,571,505.31	706,171.01	14,370,949.36	4,080,991.80	37,744,652.19		
\$ Paid	5,720,984.11	614,961.40	12,514,796.67	3,554,712.46	32,818,120.64		
% Paid	87.06%	87.08%	87.08%	87.10%	86.95%		
\$ Outstanding	850,521.20	91,209.61	1,856,152.69	526,279.34	4,926,531.55		
Total Taxes							
Billed	99,149,657.71	10,451,254.24	145,807,602.98	59,473,388.09	419,742,127.46		
\$ Paid	93,007,950.08	9,803,071.30	134,439,828.73	55,780,992.97	389,860,819.51		
% Paid	93.81%	93.80%	92.20%	93.79%	92.88%		
\$ Outstanding	6,141,707.63	648,182.94	11,367,774.25	3,692,395.12	29,881,307.95		
TIFs Paid to Date							
Total Taxes Paid Net of TIF	\$ 93,007,950.08	\$ 9,803,071.30	\$ 134,439,828.73	\$ 55,780,992.97			

Tax Year 2018 as of February 15, 2019

	County Operations County Debt School Operations School Debt Total Charges					Taxable Value	
						LegRes	Non-LegRes
Real and Personal Property							
Billed	97,727,071.99	10,406,809.23	126,116,817.05	59,156,669.83	392,274,597.31	663,646,440	1,205,604,160
\$ Paid	92,583,054.56	9,859,030.16	117,536,068.46	56,037,814.67	368,347,936.94	647,053,550	1,120,093,930
% Paid	94.74%	94.74%	93.20%	94.73%	93.90%	97.50%	92.91%
\$ Outstanding	5,144,017.43	547,779.07	8,580,748.59	3,118,855.16	23,926,660.37	16,592,890	85,510,230
Motor Vehicles							
Billed	6,570,943.59	692,317.26	13,999,298.29	3,934,242.50	38,405,189.07		
\$ Paid	5,822,555.67	613,459.13	12,405,736.79	3,486,112.95	33,958,387.79		
% Paid	88.61%	88.61%	88.62%	88.61%	88.42%		
\$ Outstanding	748,387.92	78,858.13	1,593,561.50	448,129.55	4,446,801.28		
Total Taxes							
Billed	104,298,015.58	11,099,126.49	140,116,115.34	63,090,912.33	430,679,786.38		
\$ Paid	98,405,610.23	10,472,489.29	129,941,805.25	59,523,927.62	402,306,324.73		
% Paid	94.35%	94.35%	92.74%	94.35%	93.41%		
\$ Outstanding	5,892,405.35	626,637.20	10,174,310.09	3,566,984.71	28,373,461.65		
TIFs Paid to Date							
Total Taxes Paid Net of TIF	\$ 98,405,610.23	\$ 10,472,489.29	\$ 129,941,805.25	\$ 59,523,927.62			



Beaufort County
TREASURER

Maria Walls, CPA

Collections Update

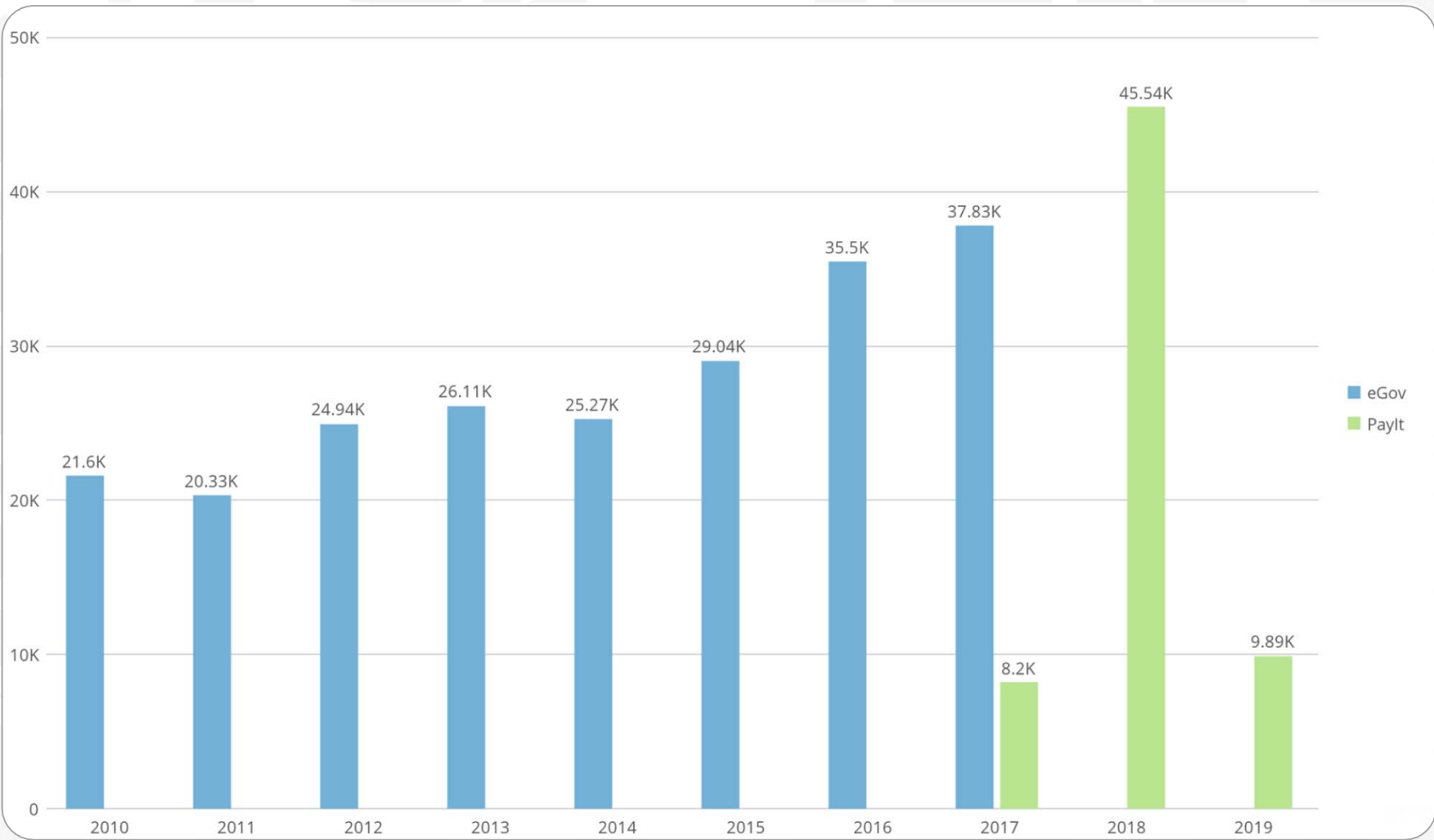
	County Operations	County Debt	School Operations	School Debt	Total
Billed	\$97,727,072	\$ 9,770,095	\$ 129,318,196	\$56,554,366	\$ 373,052,990
Collected	\$92,583,055	\$ 9,107,422	\$ 118,483,104	\$52,719,677	\$ 344,209,868
\$ Outstanding	\$ 5,144,017	\$ 547,779	\$ 8,580,749	\$ 3,118,855	\$23,926,660
% Collected	94.74%	94.74%	93.20%	94.73%	93.90%

* As of February 15, 2019

Online Billing and Payments

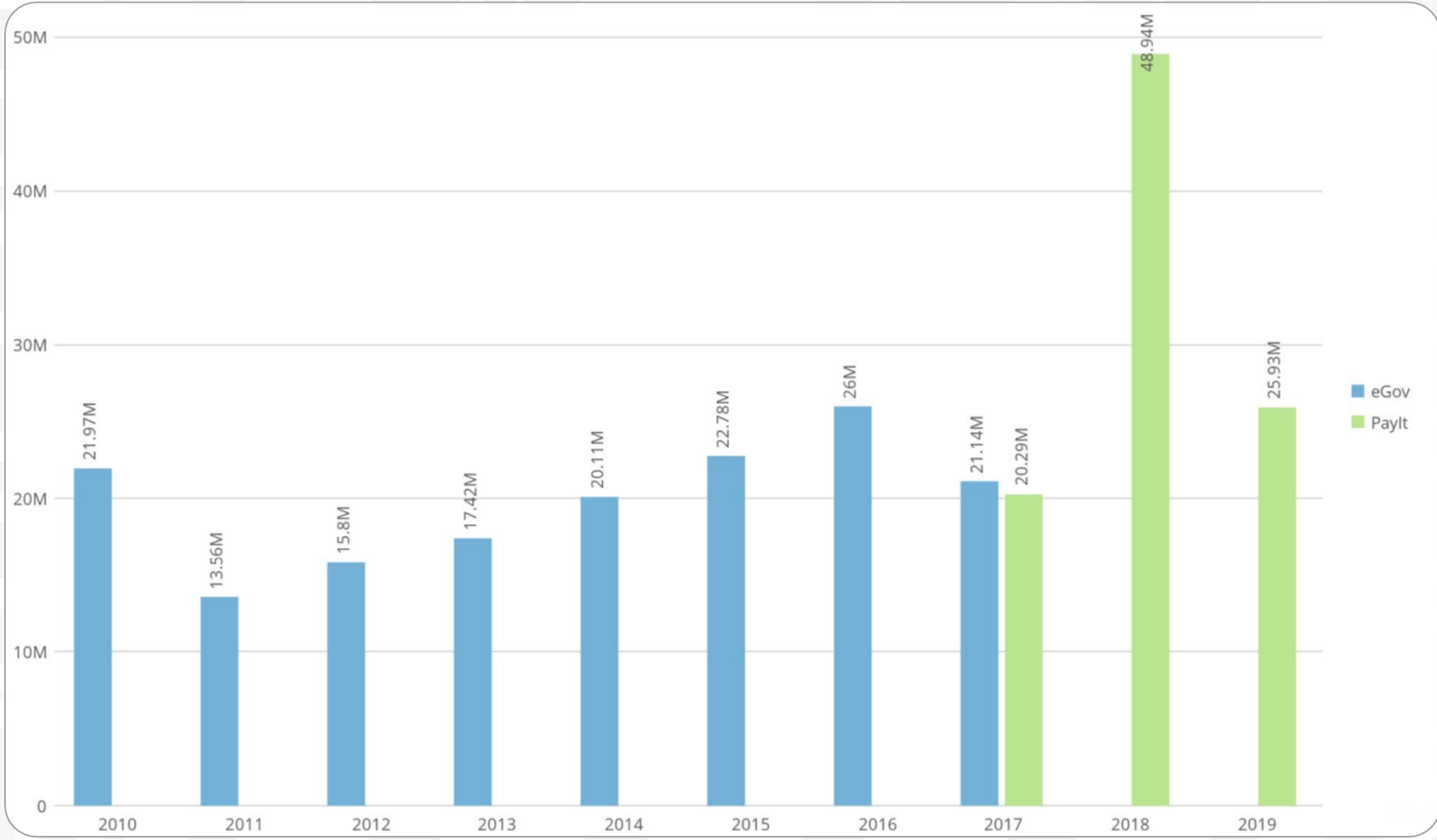
- 16,718 taxpayers enrolled in eBilling
- \$105,181,052 collected
- 81,930 transactions

Online Billing and Payments



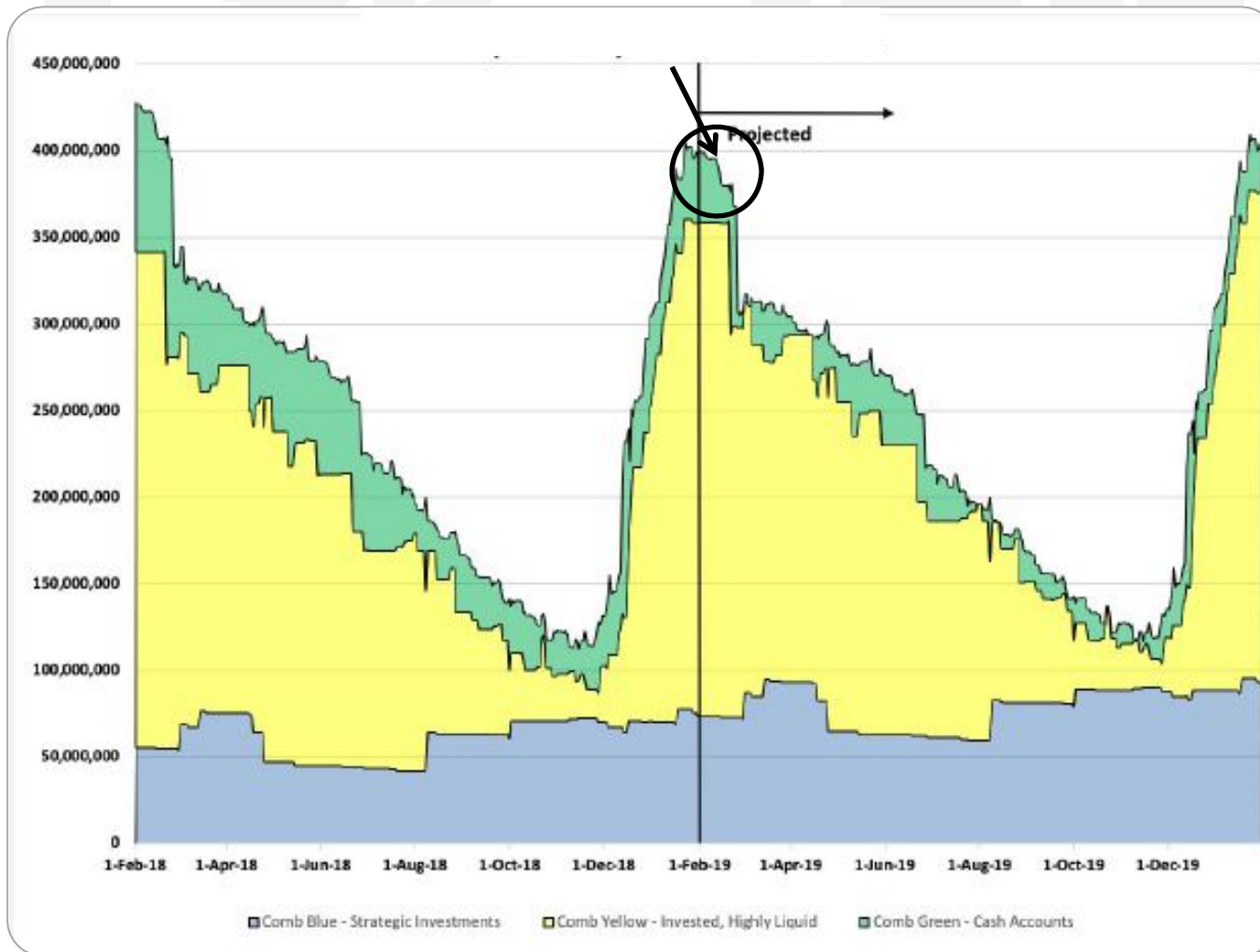
The Beaufort County Treasurer's Office, professionals serving with innovation

Online Billing and Payments



The Beaufort County Treasurer's Office, professionals serving with innovation

Cash Flow Projections



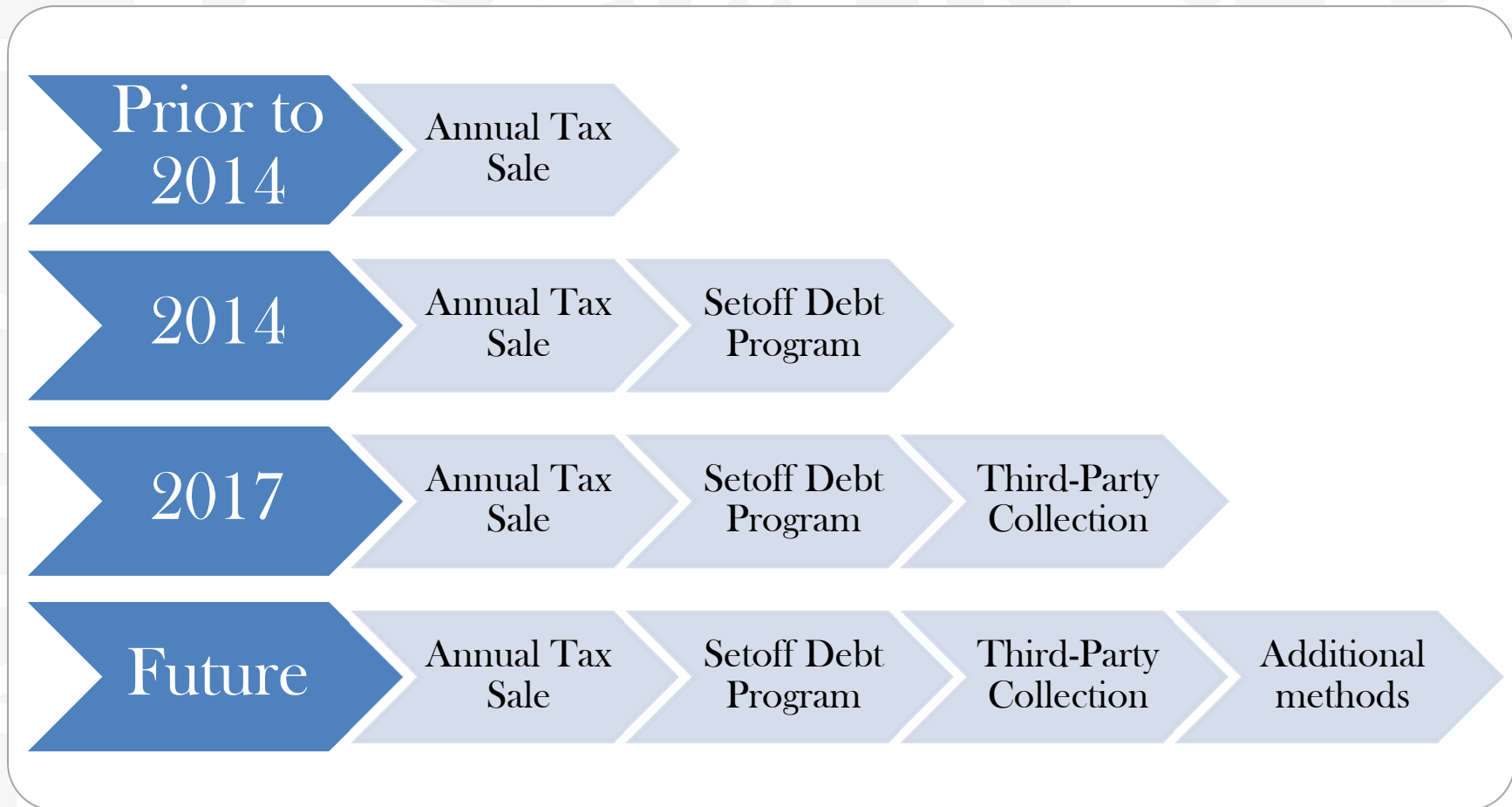
The Beaufort County Treasurer's Office, professionals serving with innovation

Investment Update

Fiscal Year	Investment Returns
2016	\$ 425,673
2017	\$ 756,326
2018	\$ 2,976,382
2019 (YTD*)	\$ 3,070,313

*Seven months

Delinquent Collection Methods



Delinquent Collections

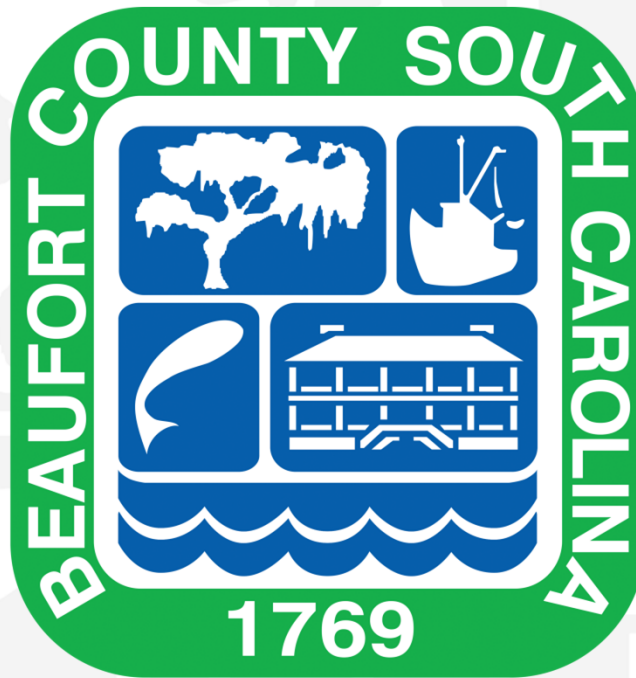
	Taxes Outstanding	Resolved Prior to Submission	Collected through the Program	Total Collected/ Resolved
Delinquent Tax Sale	\$ 13,536,575	\$ 13,016,573	\$ 481,767	99%
Debt Setoff	\$ 21,101,921	\$ 7,236,383	\$1,599,081	42%
Third-Party Collections	\$ 22,130,615	\$ 9,073,150	\$ 380,021	43%

Delinquent Collections

Tax Year	Collection Rates at Tax Year End	Current Collection Rates	Additional \$ Collected
2013	98.67%	99.51%	\$ 2,573,018
2014	98.02%	99.13%	\$ 3,559,274
2015	97.98%	99.04%	\$ 3,544,823
2016	98.28%	98.98%	\$ 2,470,988
2017	98.66%	98.77%	\$ 414,435

Operations Update

- Further implementation of technologies
- **Banking and Treasury Services RFP**
 - Target award date April 3, 2019
 - New Format
- Continued focus on staff training



Beaufort County
TREASURER

Questions



BEAUFORT COUNTY COUNCIL

Agenda Item Summary

Item Title:

A-Tax Ordinance Amendments

Council Committee:

Finance Committee

Meeting Date:

March 4, 2019

Committee Presenter (Name and Title):

Christopher Inglese, staff attorney; Alicia Holland Assistant County Administrator, Finance (CFO)

Issues for Consideration:

1. Adds Audits and inspections to the 2% section
2. adds Bluffton Chamber as recipient of 3% local A-tax funds and decreases amounts to Hilton Head and Beaufort
3. Adds specific minimum reporting requirements to both 2% and 3% A-tax accounting procedures
4. Changes time to produce books from 24 hrs. to 10 business days
5. Adds RFP process at least every 5 years

Points to Consider:

1. effect of decreasing Hilton Head and Beaufort amounts from \$150,000 down to \$125,000.
2. data provided regarding NOB/SOB accommodations tax revenues
3. standardizing reporting requirements w/ munis

Funding & Liability Factors:

Partly in response to Supreme Court decision to provide better transparency on use of government funds

Council Options:

Approve, modify or deny the proposed amendments.

Recommendation:

Approve the proposed amendments.

ORDINANCE 2019 / ____

AN ORDINANCE TO AMEND BEAUFORT COUNTY CODE OF ORDINANCES SECTION 66-26 et. seq. TO PROVIDE FOR TRANSPARENCY IN ACCOUNTING REPORTS FROM AGENCIES RECEIVING FUNDS FROM THE COUNTY ACCOMMODATIONS TAXES AND TO INCLUDE THE GREATER BLUFFTON CHAMBER OF COMMERCE AS A RECIPIENT OF FUNDS.

WHEREAS, County Council having considered the matters brought before it and finding it in the best interest of the citizens and residents of Beaufort County to make such amendments to the Beaufort County Code of Ordinances to provide for accounting transparency from those agencies receiving funds from the County accommodations taxes.

NOW, THEREFORE, BE IT ORDAINED, by Beaufort County Council that the Beaufort County Code of ordinances Section 66-26 et. seq. is hereby amended as provided below wherein deleted text is ~~struck through~~ and added text is double underlined:

DONE this ____ day of _____, 2019.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: _____
Stewart H. Rodman, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, County Attorney

ATTEST:

Connie L. Schroyer, Clerk to Council

First Reading:
Second Reading:
Public Hearing:
Third and Final Reading:

DIVISION 1. - GENERALLY

Sec. 66-26. - Purpose.

The purpose of the accommodations tax board shall be to advise the county council in matters concerning the expenditure of revenues received by the county by means of a two-percent state tax on tourist lodging facilities; provisions of the state act require the council to comply with specified criteria for the expenditure of revenues derived from the tax, and the council wishes to comply with the provisions of the state act.

(Code 1982, § 7-21(a))

Sec. 66-27. - Membership.

Membership on the accommodations tax board shall be composed of the following:

- (1) Four members shall be selected from the hospitality industry of the county.
- (2) Two members shall be selected at the pleasure of the council.
- (3) One member shall be selected from a cultural organization.

(Code 1982, § 7-21(b)(1)—(3))

Sec. 66-28. - Meetings.

The accommodations tax board shall meet no less than four times a year.

(Code 1982, § 7-21(b)(4))

Sec. 66-29. - Powers and duties.

To be in compliance with S.C. Code of Law, Title 6 Chapter 4, the state (2%) accommodations tax shall be allocated in the following manner:

- (1) Be in compliance with the Ordinance No. 89-9; however, the first \$25,000.00 of revenues received from the accommodations tax will, by law, be placed in the county's general fund with no restrictions on the expenditures.

- (2) Five percent of the balance must be allocated to the general fund with no restrictions on expenditures.
- (3) Thirty percent of the remaining balance is split with half going to an organization providing marketing services for the Northern portion of the County, currently the Greater Beaufort-Port Royal Convention and Visitors Bureau and half going to an organization providing marketing services for the Southern portion of the County, currently the Hilton Head - Bluffton Chamber of Commerce. The council hereby designates the Greater Beaufort-Port Royal Convention and Visitors Bureau and the Hilton Head - Bluffton Chamber of Commerce as the designated marketing organizations (DMOs) until such time as may be changed by the submittal and award of an RFP provided below.
- (4) Beginning in Fiscal Year 2020-2021, and at least every five (5) years thereafter, the County Administrator shall prepare a Request for Proposals and advertise for DMOs in accordance with Beaufort County Code of Ordinance for Purchasing Section 2-501 et. seq. The County Council may direct the County Administrator to solicit for bids sooner than the five(5) year period.
 - (a) In accordance with state law, the DMOs shall submit for approval a detailed budget of planned expenditures. The proposed budgets from the two DMOs shall be presented at the April finance committee meeting. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the county. The accounting shall include but not be limited to IRS form 990s from the organization receiving county funds, audited year-end financial statements, profit and loss statements and any other documentation in which the Finance Committee may request. The ~~final reports~~ accounting from the two DMOs shall be presented at the August ~~finance~~ Finance committee Committee meeting.
 - (b) Advertising expenditures using these county funds cannot be spent within Beaufort County except for notifications of festivals or other events similar in nature.
 - (c) Adoption of this section goes into effect immediately.

- (4) (a) The remaining balance plus earned interest received by the county must be allocated to a special fund and used for tourism-related expenditures. These expenditures shall be dispersed through a grant process of which the accommodations (2% state) tax board evaluates requests and makes recommendations to county council. Grant requests must not be used as an additional source of revenue to provide services normally provided by the county, but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county to attract and provide for tourists. Tourism-related expenditures include:
- i. Advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity;
 - ii. Promotion of the arts and cultural events;
 - iii. Construction, maintenance, and operation of facilities for civic and cultural activities including construction and maintenance of access and other nearby roads and utilities for the facilities;
 - iv. The criminal justice system, law enforcement, fire protection, solid waste collection, and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of costs directly attributed to tourists;
 - v. Public facilities such as restrooms, dressing rooms, parks, and parking lots;
 - vi. Tourist shuttle transportation;
 - vii. Control and repair of waterfront erosion;
 - viii. Operating visitor information centers.
- (b) Allocation must be spent within two years of receipt.

Sec. 66-30. Inspections and Audits.

(a) For the purpose of enforcing the provisions of this article, the license official or other authorized agent of the County of Beaufort, South Carolina, is empowered to enter upon the

premises of any person or establishment subject to this article to make inspections, examine and audit books and records of such person or establishment.

(b) It shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon written notice. Any person or organization required to provide books and records shall make them available no later than ten (10) business days after receipt of a written request from the license official or other authorized agent of the County of Beaufort. In the event that the audit reveals that false information has been filed by the remitter, the costs of the audit shall be added to the correct amount determined to be due in addition to the penalties provided herein. The license official may make systematic inspections of all businesses within the unincorporated areas of the County of Beaufort, South Carolina, to ensure compliance with this chapter.

(Code 1982, § 7-21(c); Ord. No. 2009/15, 3-30-2009 ; Ord. No. 2018/21, 6-11-2018)

Secs. 66-31—66-40. - Reserved.

DIVISION 2. - ACCOMMODATIONS (3%) TAX

Sec. 66-41. - Authority.

This article is enacted pursuant to the authority S.C. Code § 4-9-30 (1976, as amended) which provides that the county may adopt all ordinances which appear necessary and proper for the security, general welfare and convenience of the county and for the preservation of the general health, peace and order in the county and S.C. Code § 6-1-500 et seq. (1976, as amended) which expressly provides authorization for the imposition of a local accommodations tax.

(Ord. No. 2002-11, § 1, 3-11-2002; Ord. No. 2005/10, § 1, 3-28-2005)

Sec. 66-42. - Local (3%) accommodations tax—definitions.

(a) *Tourist* and *transient* means a person traveling to and staying in places outside his or her usual environment for one night or more for leisure, business, or any other purpose for

consideration within the unincorporated areas of Beaufort County, South Carolina. A person meeting this definition may be staying in places of public accommodations such as hotels, motels, inns, condominium, bed and breakfasts, tourist courts, campgrounds or the residences of family or friends for consideration.

- (b) *Local accommodations tax* means a tax on the gross proceeds derived from the rental or charges for any rooms, campground spaces, lodgings, or sleeping accommodations furnished to transients by any hotel, inn, tourist court, tourist camp, motel, campground, residence or any place in which rooms, lodgings, or sleeping accommodations are furnished to transients for consideration. This tax does not apply where the facilities consist of less than six sleeping rooms, contained on the same premises, which is used as the individual's place of abode. The gross proceeds derived from the lease or rental of sleeping accommodations supplied to the same person for a period of 90 continuous days are not considered proceeds from transients. The tax imposed herein does not apply to additional guest charges as defined in S.C. Code § 12-36-920(B) (1976, as amended).
- (c) A local accommodations tax equal to three percent is hereby imposed on the gross proceeds derived from the rental of any room(s) (excluding meeting rooms) as provided above.

(Ord. No. 2002-11, § 2, 3-11-2002; Ord. No. 2005/10, § 2, 3-28-2005 ; Ord. No. 2009/15, 3-30-2009)

Sec. 66-43. - Payment of local (3%) accommodations tax.

- (a) Payment of the local accommodations tax established herein shall be the liability of the consumer of the services described herein. The local accommodations tax shall be paid at the time of delivery of the services to which the local accommodations tax applies, and shall be collected by the provider of the services.
- (b) The county shall provide a local accommodations tax return, which shall be utilized by the provider of the services to calculate the amount of local accommodation taxes collected and due. Payment shall be made to Beaufort County and shall be made at the same time the return is required to be filed as provided below.

Real estate agents, brokers, corporations, or listing services required to remit taxes under this article must notify the county if rental property, previously listed by them, is dropped from their listings. The notice shall be on a form provided by the county.

- (c) The local accommodations tax collected by the provider of the services as required herein shall be remitted to the County of Beaufort, South Carolina, as follows:
 - (1) Payment shall be collected and remitted monthly starting January 1, 2010 and each month thereafter.
 - (2) Payments are due on or before the twentieth day following the end of the filing period.
- (d) An interest-bearing restricted account, kept in a separate fund segregated from the county's general fund and to be known as "The County of Beaufort, South Carolina, Local Accommodations Tax Account" is hereby established. All revenue and interest generated by the local accommodations tax shall be deposited into this account. "The County of Beaufort, South Carolina, Local Accommodations Tax Account," shall be controlled by the county administrator for the County of Beaufort, South Carolina. The principal and any accrued interest thereon shall be spent only as provided herein.
- (e) Deposits into "The County of Beaufort, South Carolina, Local Accommodations Tax Account" may also include appropriations from the general fund by the county council and voluntary contributions of money and other liquid assets from any source. Once any such funds are so deposited, the funds become dedicated funds and may only be spent as provided herein.

(Ord. No. 2002-11, § 3, 3-11-2002; Ord. No. 2005/10, § 3, 3-28-2005 ; Ord. No. 2009/15, 3-30-2009 ; Ord. No. 2009/36, 10-12-2009)

Sec. 66-44. - Permitted uses of local (3%) accommodations tax funds.

- (a) The county council is hereby authorized to utilize the funds collected from the imposition and collection of the local accommodations tax and other funds deposited into "The County of Beaufort, South Carolina, Local Accommodations Tax Account." The revenue generated by the local accommodations tax must be used exclusively for the following purposes:

- (1) Tourism-related buildings, including, but not limited to, civic centers, coliseums, and aquariums;
 - (2) Cultural, recreational, or historic facilities;
 - (3) River/beach access and renourishment;
 - (4) Highways, roads, streets, bridges and boat ramps providing access to tourist destinations;
 - (5) Advertisements and promotions related to tourism development;
 - (6) Water and sewer infrastructure to serve tourism-related demand; and
 - (7) The operation and maintenance of those items provided in (a)(1) through (a)(6) above, including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.
 - (8) For all other proper purposes including those set forth herein.
- (b) Authorization to utilize any funds from the "County of Beaufort, South Carolina, Local Accommodations Tax Account," shall be by ordinance duly adopted by the county council for the County of Beaufort, South Carolina.

(Ord. No. 2002-11, § 4, 3-11-2002; Ord. No. 2005/10, § 4, 3-28-2005 ; Ord. No. 2009/15, 3-30-2009)

Sec. 66-45. - Inspections and audits.

- (a) For the purpose of enforcing the provisions of this article, the license official or other authorized agent of the County of Beaufort, South Carolina, is empowered to enter upon the premises of any person or establishment subject to this article to make inspections, examine and audit books and records of such person or establishment.
- (b) It shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon written notice. Any person or organization required to provide books and records shall make them available no later than ten (10) business days after receipt of a written request from the license official or other authorized agent of the County of Beaufort. In the event that the audit reveals that false information

has been filed by the remitter, the costs of the audit shall be added to the correct amount determined to be due in addition to the penalties provided herein. The license official may make systematic inspections of all businesses within the unincorporated areas of the County of Beaufort, South Carolina, to ensure compliance with this chapter.

(Ord. No. 2002-11, § 5, 3-11-2002; Ord. No. 2005/10, § 5, 3-28-2005 ; Ord. No. 2009/36, 10-12-2009)

Sec. 66-46. - Violations and penalty.

(a) It shall be a violation of this chapter to:

- (1) Fail to collect the local accommodations tax in connection with the rental of accommodations to tourists or transients as set forth herein.
- (2) Fail to remit to the County of Beaufort, South Carolina, any local accommodations taxes collected pursuant to this article by the twentieth day of the following month, as set forth herein.
- (3) Knowingly provide false information on a return submitted to the County of Beaufort, South Carolina, as set forth herein.
- (4) Fail or refuse to provide books and records to an authorized agent of the County of Beaufort, South Carolina, for the purpose of an examination or audit upon 24 hours' written notice as provided herein.

(b) In the event that local accommodations taxes are not timely remitted to the County of Beaufort, South Carolina as provided herein, the person or establishment failing to remit shall also pay a penalty equal to one and one-half percent of the unpaid amount for each month or portion thereof that such taxes remain unpaid.

(c) A person or establishment failing or refusing to timely file a return and make appropriate payment and/or provide books and records as provided herein may be subject to a conviction for a violation hereof. The violator shall be guilty of a misdemeanor and subject to the penalties provided in section 1-6 of the Code of the County Council of Beaufort County, South Carolina.

- (d) Upon identification of a delinquent account, the director of business license or his/her designee has the authority to establish payment plans, revenue procedures, and reduce or waive penalties based on the revenue procedures as adopted with this amendment.

(Ord. No. 2002-11, § 6, 3-11-2002; Ord. No. 2005/10, § 6, 3-28-2005 ; Ord. No. 2009/36, 10-12-2009)

Sec. 66-47. - Management and use of local (3%) accommodations tax.

[The management and use of local accommodations tax is as follows:]

- (a) Fund the approved annual operating expenditures of the program at an amount not to exceed eight percent of the funds collected.
- (b) Allocate \$350,000.00 annually for advertising and promotion programs related to tourism development (subsection 66-44(a)(5)). These funds shall be allocated as follows:
- (1) One hundred ~~twenty-five~~ ~~thirty~~ ~~thirty-five~~ ~~thirty~~ thousand dollars (\$125,000.00) shall be allocated to the Greater Beaufort-Port Royal Convention and Visitors Bureau for advertising, promotion and events to increase tourism within the county.
 - (2) One hundred ~~twenty-five~~ ~~thirty~~ ~~thirty-five~~ ~~thirty~~ thousand dollars (\$125,000.00) shall be allocated to the Hilton Head - Bluffton Chamber of Commerce for advertising, promotion and events to increase tourism within the county.
 - (3) Fifty thousand dollars (\$50,000.00) shall be allocated to the Beaufort County Black Chamber of Commerce for advertising, promotion and events to increase tourism within the county.
 - (4) Fifty thousand dollars (\$50,000.00) shall be allocated to the Greater Bluffton Chamber of Commerce for advertising, promotion and events to increase tourism within the County.
 - (5) Funds shall be distributed to the designated organizations listed above on a quarterly basis no later than 30 days after the end of the quarter.

- (6) Advertising expenditures using these county funds cannot be spent within Beaufort County except for notifications of festivals or other events similar in nature.
- (c) Allocate the remaining balance of collections as follows:
- (1) Twenty percent to establish a reserve fund for emergency or other unforeseen needs;
 - (2) Twenty percent for river/beach access and renourishment (subsection 66-44(a)(3));
 - (3) Sixty percent for tourism-related buildings, including, but not limited to, civic centers, coliseums and aquariums (subsection 66-44(a)(1)); cultural, recreational, or historic facilities; highways, roads, streets, bridges and boat ramps providing access to tourist destinations (subsection 66-44(a)(2)); water and sewer infrastructure to serve tourism-related demand (subsection 66-44(a)(6); the operation and maintenance, including police, fire protection, emergency medical services and emergency preparedness operating directly attendant to those facilities as referenced above (subsection 66-44(a)(7); and for all other proper purposes (subsection 66-44(a)(8)).
- (d) In accordance with state law, the ~~three~~ chambers shall submit for approval a budget of planned expenditures. At the end of each fiscal year, an organization receiving funds shall render an accounting of the expenditure to the county. The accounting shall include but not be limited to IRS form 990s from the organization receiving county funds, audited year-end financial statements, profit and loss statements and any other documentation in which the Finance Committee may request. The accounting from the above listed organizations shall be presented annually at the August Finance Committee meeting.
- ~~(e) Any changes to this section of the code shall go into effect after July 1, 2009.~~

(Ord. No. 2002-11, § 7, 3-11-2002; Ord. No. 2005/10, § 7, 3-28-2005 ; Ord. No. 2009/15, 3-30-2009 ; Ord. No. 2018/22, 6-11-2018)

Sec. 66-48. - Applicability and effective date.

- (a) This division shall become effective ~~on October 12, 2009~~ upon final approval of County Council.
- (b) The business license department is authorized to adopt guidelines, policies and procedures to implement this division.

(Ord. No. 2009/36, 10-12-2009)

Sec. 66-49. - Severability.

If any part of the ordinance is held by a court of competent jurisdiction be unconstitutional, illegal, or invalid for any reason, it shall be construed to have been the legislative intent of the County Council of Beaufort County, South Carolina, to pass this Ordinance [Ord. No. 2009/36] without such unconstitutional, illegal or invalid provision, and the remainder of this division shall be deemed and held to be constitutional, lawful and valid as if such portion had not been included. If this division or any provision thereof is held by a court of competent jurisdiction to be inapplicable to any person, group of persons, property, kind of property, circumstances, or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

(Ord. No. 2009/36, 10-12-2009)

Sec. 66-50. - Reserved.

Inglese, Christopher

From: Holland, Alicia
Sent: Wednesday, February 13, 2019 11:28 AM
To: #COUNCIL
Subject: Local Accommodations Tax (3%)

The question was asked at a recent meeting if the information could be provided showing the amount of accommodations tax generated in the northern and southern portions of unincorporated Beaufort County. Below is the information for the Fiscal Year 2018 Local Accommodations Tax (3%) revenue. The County's Business License office is the source of the data.

<u>FISCAL YEAR 2018 LOCAL ATAX (3%) REVENUE</u>			
	NORTH OF THE BROAD RIVER	\$ 606,817	48.6%
	SOUTH OF THE BROAD RIVER	605,875	48.5%
	ONLINE TRAVEL COMPANIES	<u>36,008</u>	2.9%
	TOTAL	<u>\$ 1,248,700</u>	

In Fiscal Year 2018, the County recognized **\$755,903** in State Accommodations Tax (2%) revenue. I requested this information from SC Department of Revenue (SCDOR) for the State Accommodations Tax breakdown. I have not received a response from SCDOR but based on my conversation with our Business License Director, Edra Stephens, the breakdown would be the same.

Thanks,
Alicia

Alicia Holland, CPA, CGMA
Assistant County Administrator, Finance
Post Office Drawer 1228
Beaufort, SC 29901-1228
(843) 255-2296 office
(843) 255-9422 fax

Inglese, Christopher

From: Jonathan Sullivan <jsullivan@beaufortinn.com>
Sent: Friday, February 8, 2019 8:16 PM
To: Inglese, Christopher
Cc: Lise Sundrla
Subject: County 3% | 2% ATAX distributions | Short Term Rentals

Christopher thanks for sharing your contact info this week and I appreciate the County working to better understand to guide their decision making.

I will be out of town this coming week but would like to get together the week following I am back in the office Feb 19th if there is a best time for you following that.

Regarding 2% and 3% ATAX

Over the years Hilton Head and Bluffton have continued to ANEX property bringing hotels into the city limits, this along with confusion on how ATAX Funds are collected has lead many to believe that Hilton Head/Bluffton is the large contributor of County ATAX Funds. This has lead to a majority of funds going to the Southern portion of the county. This past year with a great deal of discussion we were able to achieve an equal share of funds being allocated. It's BAHA's belief the majority comes from the unincorporated Northern portion of the County. So we are grateful to learn the Finance Committee is seeking to understand the collection to improve the support of those regions of the county who are contributing to the ATAX collection.

This information on collection will be useful in understanding how the 3% could be distributed. This Ordinance I believe was put in place in 2010, if that is the case we could use that as a starting point. In 2010 the county collected \$562,869 in Local ATAX.

- Hilton Head Bluffton Chamber \$150,000 (26.6%) - Represent Northern Beaufort County

- Beaufort Port Royal CVB \$150,000 (26.6%) - Represent Souther Beaufort County

Combined the two above represent 53.3%.

- BCBC \$50,000(8.9%) - County wide cultural marketing

Using the Percent of total share you could use that to determine how the funds are distributed today.

In 2017 the County collected in \$1,310,936 in local ATAX, let's apply the above logic. Let's assume Southern Beaufort County generated 45% and Northern Beaufort County 55%.

Combined share is 53.3% * 1,310,936 = \$698,728

- Hilton Head Bluffton Chamber (45% of share) \$314,427

- Beaufort Port Royal CVB (55% of share) \$384,301

- BCBC (8.9% total county) \$116,673

in this model you are rewarding the marketing organizations for good performance and incentivizing them to continue generating good results and supporting the business community who is heavily invested in Hotels, Restaurants, Stores and Attractions.

- If there is an interest in funding Bluffton for the Southern Portion of the County it should perhaps come from Hilton Head Bluffton share as it will represent the Southern Region and perhaps less will be required of BCBC for Bluffton area as well.
- Another option is to add Bluffton and reduce the County's share.

Short Term Rentals

- I would like to meet to discuss the erosion of hotel occupancy with the surge of STR's.
- How is the ATAX Collection tracked, is there room for improvement?
- Residential zoning being used for business purpose.
- Tax requirements for STR's renting more than 72 nights a year.

Chris I hope you find this helpful, I would enjoy the opportunity to meet and discuss how BAHA (Beaufort Area Hospitality Association) can be a partner to the County and work together to strengthen and support our tourism economy. Thanks for what you do and the efforts you are taking to better understand the County process and how it contributes to our business community.

Thank you,
Jonathan Sullivan, BAHA Chair

Inglese, Christopher

From: Ray Deal <RDeal@hiltonheadisland.org>
Sent: Friday, February 22, 2019 11:30 AM
To: Inglese, Christopher
Cc: Bill Miles
Subject: Response to Beaufort County's Proposed Ordinance Change from the HHI-B Chamber of Commerce
Attachments: Town - Chamber Contract (2015)-Signed.pdf
Importance: High

Mr. Inglese

Thank you for allowing the Hilton Head Island-Bluffton Chamber of Commerce to comment on the proposed change to ordinance section 66, specifically 66-30, Inspection and Audits. As currently written, the Chamber does not support the ordinance change.

While we firmly stand behind our contention that we are private entity, we strive for all municipalities for which we are the Designated Marketing Organization to be supportive of, and comfortable with, how the funds are expended. What we propose is instituting an inspection rights clause similar to the one that is in effect with the Town of Hilton Head Island in our current contract. Per Section 2.7, which is also attached, states "The Town Manager (or designee that satisfies the same standard to interview auditors set forth in Section 2.3), or a representative from the Town's Finance & Administration Committee (who also satisfies the same standard to interview auditors set forth in Section 2.3) may, upon reasonable notice, inspect the necessary financial records, including third party invoices, of the Chamber in order to verify compliance of the Report in all material respects. This inspection right shall not be exercised more than twice in a fiscal year, unless otherwise agreed to by the parties."

In addition, we would also respectfully ask that there be public comment period before the proposed ordinance change goes to Council, not just for chambers/visitor bureaus, but for all non-profits that are affected by the change.

We look forward to your response. Thanks,

Ray Deal
Controller – Hilton Head Island-Bluffton Chamber of Commerce
843-341-8371
rdeal@hiltonheadisland.org

CONTRACT FOR PROFESSIONAL SERVICES

THIS CONTRACT FOR PROFESSIONAL SERVICES ("Contract") is entered into by and between **THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**, a municipal corporation organized and existing under the laws of the State of South Carolina ("Town") and **HILTON HEAD ISLAND - BLUFFTON CHAMBER OF COMMERCE**, a nonprofit corporation existing under the laws of the State of South Carolina ("Chamber").

WHEREAS, accommodations tax is a state and local tax that is levied on the lodging industry and South Carolina Code Section 6-4-10(3) requires thirty percent of the state received accommodation tax be awarded to a nonprofit corporation and allocated to a special fund used only for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity ("Promotional Fund").

WHEREAS, the Promotional Fund is not part of the general fund of the Town.

WHEREAS, nonprofit corporations are formed and governed pursuant to the South Carolina Non Profit Act ("Act") and the Act requires the corporation to be governed by a board of directors.

WHEREAS, the Town has determined that entering into a contract with certain non-profit corporations which receive tax funding is in the best interest of the Town so these non-profit corporations will satisfy certain compliance and operating standards.

WHEREAS, the Chamber believes that entering into a contract with the Town is in the best interest of its members and will provide for improved long-term planning.

NOW, THEREFORE, it is hereby agreed to as follows:

1. **Mutual Compliance with Laws**. The Town and the Chamber agree that each of them shall adhere to all applicable laws which govern their respective entities. These laws include Title VII of the Civil Rights Act of 1964, the Age Discrimination Employment Act of 1967, Title I of the Americans with Disabilities Act of 1990, the Equal Pay Act of 1963, the Fair Labor Standards Act of 1938, the Immigration Reform and Control Act of 1986, the South Carolina Wage Act, the South Carolina Worker's Compensation Act, all laws related to the South Carolina Accommodation Tax, the South Carolina Non-Profit Corporation Act, and all laws administered and enforced by the South Carolina Department of Revenue and the Internal Revenue Service.

2. **Chamber Obligations**.

2.1 **Audit**. The Chamber agrees to provide an independent auditor's report to the Town on an annual basis with regard to each of its fiscal years (July 1st to June 30th). The audit shall be delivered to the Town by November 15th after the applicable fiscal year end.

The following standards shall apply to the audit and/or the auditor.

(a) The audit shall be conducted in conformity with the statements, rules, policies, and procedures set forth by the American Institute of Certified Public Accountants (the "AICPA").

(b) The audit shall be performed in accordance with generally accepted auditing standards (the "GAAS").

(c) The auditor must comply with all applicable statements on auditing standards (the "SAS") that are issued by the Auditor's Standing Board of the AICPA.

(d) The auditor must maintain malpractice insurance in an amount equal to at least One Million and No/100 Dollars (\$1,000,000.00).

(e) The auditor must provide evidence of successful completion of the peer review process approved by the AICPA.

2.2 DMO Report. In addition to the audit, the Chamber shall also produce and deliver to the Town a schedule of revenues and expenses for each fiscal year (the "Report") for the destination marketing organization division of the Chamber ("DMO"). The DMO revenue shall include all accommodation tax revenue received from the Town and/or the State of South Carolina. This Report shall be produced under the standards set forth above in Section 2.1(a), (b), and (c) and by the same auditor that has satisfied the standards set forth above in Section 2.1(d) and (e). The Report shall be delivered to the Town by November 15th after the applicable fiscal year end.

2.3 Auditor. The Chamber agrees that it will cause its finance committee to interview other auditing firms when the existing contract with its auditor expires. A town staff member or a council member, at his/her election, shall participate with the finance committee during this process provided the individual demonstrates sufficient financial acumen (consistent with best practices for nonprofit finance/audit committee members) and agrees to all policies and procedures which apply to the Chamber's board of directors. The Chamber makes no representation or assurance that the individual who participates with the finance committee will be covered with directors and officers liability insurance.

2.4 Tax Returns. The federal and state tax returns shall be prepared and filed by a tax professional that must execute the returns as a tax preparer as defined by the Internal Revenue Code, the South Carolina tax code, and/or their regulations. This requirement will insure that such professional tax return preparer is subject to all penalties set forth in the Internal Revenue Code or the South Carolina code concerning tax preparers.

2.5 Promotional Fund. The Chamber shall manage and direct the expenditure of the Promotional Fund. In addition, the Chamber shall be eligible to apply for annual supplemental grants from the accommodation tax pool and from the emergency reserve fund established by the Town. All public funds received by the Chamber shall be subject to the auditing and reporting requirements of this Contract.

2.6 Process. The Chamber shall submit a budget of planned expenditures for the Promotional Fund ("Budget") and a marketing plan ("MP") for each fiscal year. The MP shall be recommended by the Chamber's marketing council and the MP and the Budget shall be approved by the board of directors of the Chamber. The Town may elect to have a staff

member or council member participate as a member of the marketing council provided the individual agrees to all policies and procedures which apply to the Chamber's board of directors. The Chamber makes no representation or assurance that the individual who participates on the marketing council will be covered with directors and officers liability insurance. The Budget and MP will then be submitted to the Town's accommodations tax ("ATAX") committee for review and recommendation. Upon the recommendation by the ATAX committee, the Budget and MP shall be forwarded for approval by the Town. The ATAX committee and the Town shall make all reasonable efforts to provide review and approval in a timely manner since private funds, state funds and placement of public relations and marketing programs are dependent on meeting deadlines. The Chamber shall submit the Report to the Town by November 15th after the applicable fiscal year end.

2.7 Inspection Rights. The Town Manager (or a designee that satisfies the same standard to interview auditors as set forth in Section 2.3), or a representative from the Town's Finance and Administration Committee (who also satisfies the same standard to interview auditors as set forth in Section 2.3) may, upon reasonable notice, inspect the necessary financial records, including third party invoices, of the Chamber in order to verify compliance of the Report in all material respects. This inspection right shall not be exercised more than twice in each fiscal year, unless otherwise agreed to by the parties.

2.8 Legal Opinion. The Chamber shall select and retain a law firm, with the consent of the Town, to deliver a third party opinion to the Town which opines that all expenditures from the Promotional Fund as set forth in the Report are in compliance with the then current requirements of South Carolina Code Section 6-4-10(3) and the Chamber is validly existing as a non-profit corporation under the laws of South Carolina. The legal opinion shall be addressed to the Town and the cost shall be equally divided by the Town and the Chamber. The legal opinion form and content shall adhere to the guidelines, to the extent applicable, of the South Carolina Third Party Legal Opinion Report approved by the Corporate, Banking and Securities Law Section of the South Carolina Bar on December 10, 2014 and approved by the House of Delegates of the South Carolina Bar on January 22, 2015.

3. Performance Standards.

3.1 DMO Standard. The Chamber and the Town agree that Destination Marketing Association International ("DMAI") is the industry leader in setting standards and accreditations with regard to destination marketing organizations. The Chamber agrees that it shall adopt policies and procedures and operate in a manner which satisfies the applicable standards set forth by DMAI under their categories of governance, finance, human resources, technology, marketing, visitor services, group services, sales, communications, membership, management and facilities, brand management, destination development, research and marketing intelligence, innovation, and stakeholder relationships with the goal of receiving accreditation by DMAI. The Chamber shall maintain accreditation with DMAI.

3.2 Organizational Standard. The United State Chamber of Commerce provides criteria to receive accreditation by a local chamber of commerce. The Chamber shall maintain the four star accreditation by the United States Chamber of Commerce.

3.3 DMO's Industry Metrics. The Chamber shall provide the Finance and Administration committee of the Town ("Committee") with certain tourism metrics and/or

reports such as:

- (a) revenue per available room;
- (b) occupancy rates;
- (c) visitor spending studies;
- (d) return on investment for visitor spending per dollar of investment;
- (e) local tax revenues generated by visitors;
- (f) number of visitors;
- (g) number of referrals made to area businesses and number of website hits and click through(s) made to area businesses;
- (h) numbers related to mail fulfillment and other contacts;
- (i) industry awards received for marketing and public relations efforts;
- (j) number of jobs created by tourism;
- (k) events held and participation in events by Chamber members; and
- (j) update on its public relations efforts to include the number of media impressions and the dollar equivalent for the media impressions.

It is understood and acknowledged that such metrics and/or reports may change from time to time based upon best practices, available funding and the goals set forth in the MP. The Committee shall review the data provided under this Section and evaluate the performance of the DMO. The evaluation shall consider the above metrics and reports, collectively, and shall be compared with peers and other factors that affect the tourism industry such as the state of the economy, weather, condition of the lodging properties, etc. The Committee shall report a summary of its evaluation to the Town Council.

If the Town Council determines that the Chamber has underperformed, it shall retain an industry recognized expert that has been recommended by DMAI ("Expert") to confirm its determination and to recommend strategies and policies to cure the deficiencies which have created the underperformance (the "Cure Plan").

In such an event, the Chamber shall cooperate with the Town Council and the Expert to implement the Cure Plan. If, after one year from the date of the delivery of the Cure Plan, the Town Council, after consultation with the Expert, determines the implementation of the Cure Plan has not occurred, the Town Council shall have the right to terminate this Contract by written notice, said termination to be effective sixty (60) days after said notice is given.

4. Chamber Covenants and Representations.

4.1 The Chamber covenants and represents that it has all necessary licenses and consents required for the Chamber to enter into and fully perform this Contract.

4.2 The Chamber covenants and represents to perform all tasks required under this Contract with a degree of skill and care of reputable organizations of the same profession in South Carolina.

4.3 The Chamber covenants and represents to properly withhold from all wages, commissions, salaries, and fees paid by Chamber to third parties or employees, agents, or sub-contractors of Chamber, all amounts required by state or federal law to be withheld for or on account of taxes, social security payments, or other withholdings mandated by law or regulation.

4.4 The Chamber covenants and represents that the MP shall include a public relations plan and a social media plan.

4.5 The Chamber covenants and represents that the Report shall include as exhibits the prior years' calendar of events and a dashboard of year over year tourism metrics as historically reported.

4.6 The Chamber covenants and represents to maintain www.ThinkHiltonHeadIsland.org and to post five (5) years of audits and tourism metrics as historically been reported.

4.7 The Chamber covenants and represents that it will comply with all state accommodation tax laws in administering the Promotional Fund.

4.8 The Chamber shall cause DMO revenue, less expenses, derived from DMO non programming activities to accrue for the benefit of the DMO.

5. Town Covenants and Representations.

5.1 The Town hereby covenants and represents that it will comply with all state accommodation tax laws in administering all such funds to the Chamber and other non-profit corporations.

5.2 The Town hereby covenants and represents that it shall comply will all such laws and procedures in a manner not to discriminate against one non-profit corporation versus another non-profit corporation.

5.3 The Town covenants and represents that it shall cause the Funding to promptly be paid to the Chamber in order for the Budget and MP to be implemented.

5.4 The Town hereby covenants and represents not to disturb, violate, request to be violated, any laws, loan covenants, policies and procedures, including but not limited to, all federal and state laws, and the South Carolina Non-Profit Act which effect the Chamber.

5.5 The Town hereby covenants and represents that Town has the lawful authority required under State law and Town's ordinances to enter into and perform this Contract.

6. **Term.** Since the current fiscal year's budget and MP have already been approved, this Contract shall be effective as of the 1st day of December 1, 2015, and shall continue for a period of five (5) years (the "Initial Term"), unless otherwise terminated as herein provided. If, at the expiration of the Initial Term, the Chamber has maintained the Performance Standards set forth in Section 3.1, 3.2, and 3.3 hereof, without interruption, then this Contract shall be extended by an additional five year term. Provided, however, each party shall have the ability to terminate this Contract upon the expiration of the Initial Term by providing the other party written notice during the month of November, 2019.

7. **Termination.**

7.1 If the Performance Standards set forth in Section 3.1 or 3.2 hereof have not been complied with in all material aspects as determined by DMAI, the United States Chamber of Commerce, or the Town, the Town shall provide written notice to the Chamber of the deficiency and the Chamber shall have one hundred eighty days (180) days to cure the deficiency. If the deficiency is not cured, the Town may terminate this Contract by providing ninety (90) day written notice to the Chamber. In addition, the Town shall have the right to terminate the contract by providing ninety (90) day notice if the auditor or DMAI determines fraud has occurred in the operation of the Chamber.

7.2 With respect to the Performance Standard set forth in Section 3.3 above, the termination process set forth in Section 3.3 shall control.

8. **Updates.** The Town acknowledges that the DMO makes a minimum of two public presentations to the ATAX committee each fiscal year. In addition to these appearances, the DMO shall report to the Committee on two other occasions during the fiscal year. These appearances shall be scheduled as to not interfere with any other presentation the DMO is making to a governmental body.

9. **Other Provisions.**

9.1 **Headings.** Headings to paragraphs in this Contract shall not interpret or alter the meaning of the words in the respective paragraph, nor any other provision of this Contract.

9.2 **Notices.** All notices to each party to this Contract shall be in writing, and sent as follows:

Town:

Town of Hilton Head Island, South Carolina
Attn: Stephen G. Riley, Town Manager
One Town Center Court
Hilton Head Island, SC 29928

Chamber:

Hilton Head Island - Bluffton Chamber of Commerce, Inc.
Attn: William G. Miles, President & CEO
1 Chamber of Commerce Drive
Hilton Head Island, SC 29928

9.3 **Form of Notice.** All notices required or permitted under this Contract shall be sent certified mail with signature required.

9.4 **Merger, Amendment, and Waiver.** This Contract contains all the terms of all agreements, oral or written, between the parties, and is the only document containing all such terms. This Contract merges all prior discussions, negotiations, contracts, agreements, and understandings between Town and Chamber concerning the subject matter described herein. This Contract may only be amended or varied by a written instrument signed by a

duly authorized signatory of Town and Chamber. Forbearance by Town from enforcing the strict terms of this Contract shall not be a waiver of any other term of this Contract, nor shall such forbearance entitle Chamber to rely upon such forbearance in the future.

9.5 Independent Contractor Status. Chamber shall not, by entering into this Contract, become a servant, agent, or employee of Town, but shall remain at all times an independent contractor. This Contract shall not be deemed to create any joint venture, partnership, or common enterprise between Chamber and Town, and the rights and obligations of the parties shall not be other than as expressly set forth herein.

9.6 Attorney's Fees, Dispute Resolution. In the event of a dispute between the parties, the prevailing party in any dispute shall be entitled to an award of all reasonable attorneys and costs, including the costs of appeal, if any.

The parties have executed this Contract effective as of the date set forth in Section 6 above.

TOWN:

Town of Hilton Head Island, South Carolina

By: 
Stephen G. Riley, Town Manager

CHAMBER:

Hilton Head Island Bluffton Chamber Of
Commerce, Inc.

By: 
William G. Miles, President & CEO



BEAUFORT COUNTY COUNCIL

Agenda Item Summary

Item Title:

Penn Center Funding

Council Committee:

Finance

Meeting Date:

March 4, 2019

Committee Presenter (Name and Title):

Tom Keaveny, County Attorney

Issues for Consideration:

Whether or not it is appropriate to consider funding for Penn Center over and above what might be available from other monies available as noted by Mr. Keaveny.

Points to Consider:

The attorney's opinion is that certain monies can be used for some renovations at Penn Center, whereas in the past it was assumed that public dollars could not be used on private property

Funding & Liability Factors:

In addition to county funding, there may well be dollars available through state and federal grants and/or private foundations.

Council Options:

Recommend that Penn Center complete the application process for funding through the Accommodations Tax Advisory Committee or, alternatively, provide additional, unbudgeted funding.

Recommendation:

None. This is a policy decision



Memorandum

DATE: February 15, 2019

TO: Tom Keaveny, Esquire County Attorney

FROM: Brittany Ward, Paralegal

SUBJECT: Use of A-Tax and H-Tax for Tourism Related Building and Historical Facilities

ISSUE

May Beaufort County (“County”) contribute funds received from the Local Accommodations Tax (A-Tax) and the Local Hospitality Tax (H-Tax) for the restoration and maintenance of Penn Center, a historical facility, owned and operated by a nonprofit organization.

BACKGROUND

Penn Center is a historic site located within Beaufort County. The facility’s mission is “to promote and preserve the history and culture of the Sea Islands” and has been named a Reconstruction Era National Monument (www.penncenter.com/welcome/). Penn Center has stated that their facilities are in need of renovation and upgrades; and is requesting monetary assistance from Beaufort County. The County seeks a clear understanding of whether this is an appropriate allocation of funds.

DISCUSSION

The applicable statute, S.C. Code of Laws §6-4-10(4)(b) provides the County the authority to allocate funds for the purpose of “promot(ing) tourism and enlarge(ing) its economic benefits through advertising, promotion, and providing those facilities and services which enhance the ability of the county or municipality to attract and provide tourists”. Similarly, S.C. Code §6-1-730 regarding hospitality tax, provides that revenue from the tax may be used for the purpose of “tourism-related cultural, recreational, or historic facilities”. The S.C. Code of Laws further defines the allocation of funds in §6-4-10(4)(b)(3) where it states that “construction, maintenance, and operation of facilities for civic and cultural activities” is included as a tourism-related expenditure.

First, the purpose and/or use of the funds must be consistent with said statutes’ requirements of a “tourism-related expenditure”. The South Carolina Attorney General (“AG”)

has consistently held that said statute “be given an expansive reading, allowing the counties or municipalities flexibility in their efforts to ‘...attract and provide for tourists’” (See Op. S.C. Atty. Gen. Dated April 2, 2003). Specifically, the AG has “opined that it is reasonable to conclude that the expenditure of A-Tax funds to protect the façade of a building with historical value is a tourism-related expenditure” (See Op. S.C. Atty. Gen. Dated April 2, 2003. referencing Op. S.C. Atty. Gen. Dated August 2, 1988). In analyzing whether the allocation of A-Tax revenues for the protection of the façade for a historical building is appropriate, the AG in Opinion dated August 2, 1988, applied the following four part test established by the South Carolina Supreme Court to determine the constitutionality of a statute for financing industrial development:

The Court should first determine the ultimate goal or benefit to the public intended by the project. Second, the Court should analyze whether public or private parties will be the primary beneficiaries. Third, the speculative nature of the project must be considered. Fourth, the Court must analyze and balance the probability that the public interest will be ultimately served and to what degree.
(*Nichols v. South Carolina Research Authority*, 290 S.C. 415, 351 S.E.2d 155 (1986).

The AG stated that allocation of A-Tax revenues was permissible in said instance “even though there would be some benefit to the private owner as the historical nature of the building promoted tourism thereby principally benefitting the public” (Op. S.C. Atty. Gen. Dated April 2, 2003).

Next, it is established that A-Tax funds may only be distributed in furtherance of tourism, but they also must be allocated for a public purpose. The AG has found that the allocation of A-Tax monies is permissible to organizations, “but those organizations must be non-sectarian in nature and nonprofit and it must perform a service which the political subdivision is authorized to perform” (Op. S.C. Atty. Gen. Dated October 9, 1989). In defining the extent of discretion allowed to the County, the AG has opined that “pursuant to the state Constitution and the Accommodations Tax statute, to disburse funds to a nonprofit, nonsectarian organization to be used in furtherance of ‘tourism-related expenditures’” is a right afforded to the County.

CONCLUSION

The recommended course of action is to follow the statutory requirements for determining whether the allocation of tax monies is consistent with the requirements of a “tourism-related expenditure”. Additionally, the AG Opinion of August 2, 1988, is applicable and the four part test should be followed in determining whether the purpose of the funds is appropriate and solely for the benefit of the public. Finally, the County must find that the funds are being received by a “nonprofit, nonsectarian organization to be used in furtherance of ‘tourism-related expenditures’” as stated in the October 9, 1989 AG Opinion. Under the circumstances, relevant to Penn Center, using A-Tax/H-Tax funds for proposed renovations and upgrades of historically significant buildings, which are used for tourism-related activities probably complies with §6-4-10 et seq and §6-1-730 et seq.

PHYSICAL PLANT OVERVIEW

PENN CENTER

NATIONAL HISTORIC DISTRICT

Dr. Martin Luther King Drive St. Helena Island SC 29920

NOVEMBER 8, 2018



*Received 1/10/2019
from Penn
Center*



Oceana
DESIGN

666 HARBOR CREEK PLACE CHARLESTON SOUTH CAROLINA 29412

CAPITAL IMPROVEMENT PROJECT PROPOSAL

EXECUTIVE SUMMARY

The Penn Center's mission is to promote and preserve the Sea Island's history and culture. This mission is accomplished through the implementation of the three major program areas, History, Culture and Tourism, Land Use, and Environmental Education, and then Program for Academic and Cultural Enrichment.

National monuments and historic landmarks are not just "niceties" or luxuries. They protect open space for recreation for all Americans; they preserve important chapters of the story of our great country and they contribute more than most would think to our national economy.

In fact, the Outdoor Industry Association recently released a report indicating outdoor recreation and related tourism last year generated \$887 billion in consumer spending and sustained 7.6 million jobs. Thanks, in large part to American's love of national parks and national monuments, our nation has a massive and growing industry that is sustainable – if only we protect cherished public lands and spaces.

Penn Center is requesting the financial support for the attached Capital Improvement Project proposal for \$2,129,000.00 from Beaufort County.

Thanks in advance for your anticipated response.

Marion Burns
Chairman and Interim Executive Director

6-1-500 - Local R. Tax

6-1-700 - H. Tax

6-1-500
Local A Tax

6-1-700
Hosp. Tax



*The list of needs
Discussed 1/10/2019*

Issue Date:
11.14.18

**PENN CENTER PHYSICAL PLANT OVERVIEW
BUILDING UPGRADE PHASES**

PHASE ONE				
No.	Item	Constructed	Probable Cost	Remarks
6	Frissell Community House	1925	\$175,000	Add Humidification Control, New Doors, Windows Exterior refurbishing, Lighting
21	Arnett Dormitory	1937	\$225,000	Ext porch rebuilding, remove gutters, general repair & upkeep
26	Orchard Cottage	1942	\$195,000	Emergency Stabilization, Repair, Restoration
27	Pump House	1955	\$25,000	Refurbish & repaint
28	Water Tower	1955	\$25,000	Structural Survey, Repaint, Add Wifi & Cell Service
TOTAL PHASE ONE			\$645,000	

PHASE TWO				
No.	Item	Constructed	Probable Cost	Remarks
11	Diary Barn	1910	\$225,000	Restore to 1950's configuration
12	Silos	1910	\$35,000	Restore to 1950's configuration
13	Boiler House	1949	\$30,000	Restore to 1950's configuration
14	Sales house	1910	\$35,000	Restore to 1950's configuration
15	Potato House	1936	\$150,000	Reconstruct from Photographs using salvaged materials
18	Cedar Cottage	1907	\$215,000	Complete restoration, Structure, Roof, Bathrooms, HVAC & Electrical systems
TOTAL PHASE TWO			\$690,000	

PHASE THREE				
No.	Item	Constructed	Probable Cost	Remarks
1	Lathers Dormitory	1922	\$250,000	Remodel Administrative Offices, Bathrooms, HVAC & Electrical systems
4	Retreat House	1968	\$75,000	Minor exterior repair, interior refurbishing
5	Pier & Dock	2008	\$9,000	Electrical Service-Potable water
7	Cope Industrial Building	1912	\$375,000	New HVAC, Windows, Lighting, Solar Control
19	Jasmine Cottage	1911	\$12,000	Exterior Painting add closure & screening between piers
22	Learning Center	1924	\$8,000	General Upkeep
23	Dining Hall	1917	\$35,000	Exterior Painting add closure & screening between piers
24	Benezet House	1905	\$30,000	Ext Repair, remove gutters, add on demand WH
TOTAL PHASE THREE			\$794,000	

TOTAL PHASES ONE-THREE \$2,129,000

OTHER				
No.	Item	Constructed	Probable Cost	Remarks
3	Founders Hall	1895-20??	?	Recreation - NEW CONSTRUCTION not part of this work



FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

LATHERS DORMITORY

1



View from Penn Center Drive West

CONSTRUCTED

1922

PRESENT USE

Penn Center Administration Building

PRESENT CONDITION & NEEDED RENOVATION

Structure:	General Sound may require minor repair
Roof:	Sound
Interior:	Finishes worn needs complete renovation
Mechanical:	Systems old and barely functioning, need new
Electrical:	New lighting, Data & Communications Systems
Plumbing:	Bathrooms need remodeling, Disabled access needed
Fire Protection:	No fire protection System
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 250,000.00

REMARKS

Larger Conference & Waiting Room needed, this can be provided when some functions housed in this building and moved to newly renovated or created facilities. Break room needs to be refurbished to provide staff a meeting & refreshment area.



FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

BUTLER DORMITORY

2



View from Penn Center Drive West

CONSTRUCTED

1922

PRESENT USE

Penn Center Archives library

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally sound may require minor repair
Exterior:	New non-appropriate vinyl windows installed, Needs finish repair & paint.
Roof:	New-generally Sound needs maintenance
Interior:	Finishes worn need complete renovation
Mechanical:	Systems new need to add archival humidity control
Electrical:	New lighting, Data & Communications Systems
Plumbing:	Bathrooms need remodeling, Disabled access needed
Fire Protection:	No fire Protection System, Archival materials require inclusion
Alarm (Fire & Burglar):	Need Campus wide integrated system
Communication:	Need Campus wide integrated system

PROBABLE COST:

Part of a Dept. of the Interior Project grant

REMARKS

This building houses the on-campus archives and is wholly inadequate for the protection of these valuable assets, immediate attention is needed. The "Bridge" structure at front formerly connected to Founders Hall (Now Demolished).



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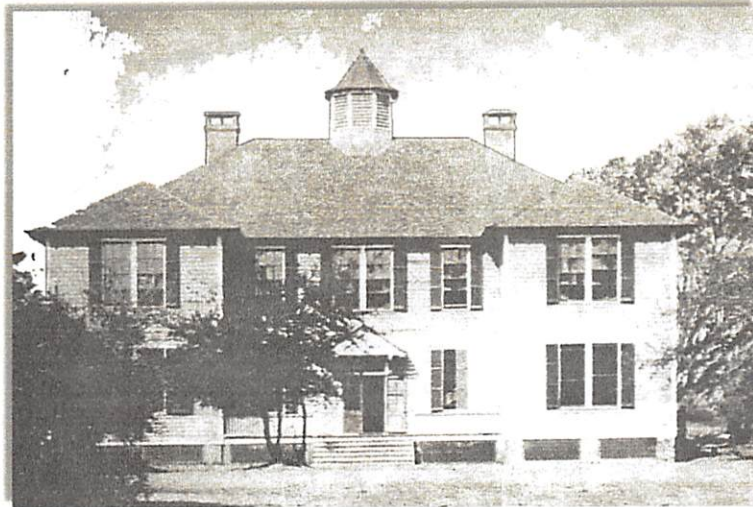


FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

FOUNDERS HALL

3



Archival Photograph

PRESENT USE

Now Demolished can be Rebuilt as Offices, classrooms and research facility.

PRESENT CONDITION & NEEDED RENOVATION

NA

PROBABLE COST:

NA

REMARKS





FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

RETREAT HOUSE

4



View from Dock

CONSTRUCTED

1968

PRESENT USE

Housing

PRESENT CONDITION & NEEDED RENOVATION

Structure:	General Sound may require minor repair
Roof:	Needs Replacement
Interior:	Finishes worn needs complete renovation
Mechanical:	Systems old and barely functioning, need new
Electrical:	New lighting, Data & Communications Systems
Plumbing:	Bathrooms need remodeling, Disabled access needed
Kitchen:	Needs new or refurbished appliances, refurbished cabinets, countertop, sink.
Fire Protection:	No fire Protection System
Alarm (Fire & Burglar):	Need Campus wide integrated system
Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 75,000

REMARKS

Constructed by volunteers as a "retreat within a retreat" for Dr. Martin Luther King. The interior needs a general upgrading. Any changes should preserve the character of the house consistent with the time it was built and the intent of the builders.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

PIER & DOCK

5



View of Dock & Pier House

CONSTRUCTED

2008

PRESENT USE

Dock, kayak tours, public recreation

PRESENT CONDITION & NEEDED RENOVATION

Facility is new

Electrical:

Electrical service needs to be run to Pier house load Center; Dock & Pier head are prewired.

Plumbing:

Potable water services needed to be supplied

PROBABLE COST:

\$ 9,000

REMARKS

This valuable resource connects the general public with the beauty & history of the Penn Center. It is situated on the historic location of the farm to market dock that served the Penn School and St. Helena Island farms before bridges connected the island to the mainland.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

FRISSELL COMMUNITY HOUSE

6



View from Dr. Martin Luther King Jr. Blvd.

CONSTRUCTED

1925 (Restored 2005)

PRESENT USE

Classrooms, Auditorium, Theater

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally sound may require minor repair
Roof:	General maintenance
Exterior:	Needs Plaster repair, cleaning & Finishes, New windows & doors
Interior:	General maintenance
Mechanical:	Add humidity control system to existing systems
Electrical:	Supplement existing auditorium lighting
Plumbing:	General maintenance
Fire Protection:	No fire protection System
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 175,000

REMARKS

Doors & windows have severely deteriorated



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

COPE INDUSTRIAL BUILDING (York W. Bailey Museum)

7



View from Dr. Martin Luther King Jr. Drive

CONSTRUCTED

1912 (Restored 1998)

PRESENT USE

Museum

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally Sound may require minor repair
Exterior:	Generally sound, needs new windows (impact & thermal rating, UV control, sun control)
Roof:	General maintenance (Repaired 2004)
Interior:	General maintenance, remodeling
Mechanical:	Need complete replacement of existing system with archival quality humidity control
Electrical:	Replace lighting, museum type (UV filter)
Plumbing:	Bathrooms need complete refurbishing
Fire Protection:	No fire protection System
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 375,000

REMARKS

Originally housing the industrial education classrooms this facility was remodeled 20 years ago and needs extensive upgrading. It is at present wholly inadequate for the long-term protection of the displayed artifacts as the tabby construction holds and transmits water vapor into the interior. The HVAC system is barely functioning and has no humidity control. The director's offices are minimal, there is no workroom. The best use of this building may be for travelling exhibits, or as the National Park Service Interpretive Center. Long term display of archival material is not recommended in this type of construction.



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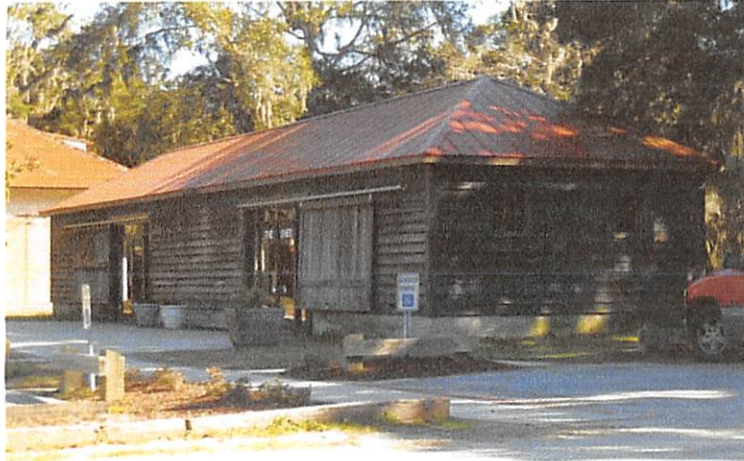


FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

WOOD SHED

8



View Penn Center Drive West

CONSTRUCTED

±1910 (Restored 2005)

PRESENT USE

Meeting Space, Gallery

PRESENT CONDITION & NEEDED RENOVATION

Structure:	New, General maintenance
Exterior:	Newly remodeled, General maintenance
Roof:	New, General maintenance
Interior:	New, General maintenance
Mechanical:	New, General maintenance
Electrical:	New, General maintenance
Plumbing:	None
Fire Protection:	No fire protection System
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 8,500

REMARKS

Originally housing the woodworking skills machine shop this building was restored in 2005 into a general meeting space and gallery. The building needs only general upkeep. Public bathrooms are needed to support the evolving use of this multipurpose space - See proposed new buildings. Also the space between the Cope building and this building is proposed to be converted into a "Museum Plaza" and Visitor welcoming area.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

PINE COTTAGE

09



View of Front facing Dr. Martin Luther King Jr. Drive

CONSTRUCTED

1921

PRESENT USE

Guest Accommodations, Satellite meetings.

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally sound, needs general maintenance
Exterior:	Generally sound, needs general maintenance
Roof:	New generally sound, needs general maintenance
Interior:	Generally sound, needs general maintenance, painting, new kitchen cabinets & appliances
Mechanical:	Needs replacement
Electrical:	Generally sound, needs general maintenance
Plumbing:	Replace Water Heater with on demand type.
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 25,000

REMARKS

Gutters need periodic cleaning. Kitchen cabinets and appliances need replacement. Energy efficient Water Heater & HVAC system need to replace those existing. They are at the end of their service life.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

LIVESTOCK BARN

10



View from Penn Center Drive West

CONSTRUCTED

±1910

PRESENT USE

Open Storage

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Stabilized
Exterior:	Stabilized, Inappropriate glazing installed in the openings
Roof:	Stabilized
Interior:	Stabilized
Mechanical:	None needs new if to be enclosed
Electrical:	None
Plumbing:	None
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 5,000

REMARKS

A typical agricultural building it is presently used to store disused equipment and furniture. Suggested uses for a remodeled structure include classroom space in conjunction with outdoor classrooms, administrative offices, or a maintenance facility. This building is integral to the historic district and must be preserved to represent the Penn Center's agricultural story along with the adjacent Dairy Barn, Silos, Boiler House, Potato House, and Sales House.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

DAIRY BARN

11



View of Front with Silo

CONSTRUCTED

1910 (remodeled/alterd in 1949)

PRESENT USE

Storage, maintenance Office

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally Sound, needs general maintenance
Exterior:	Some siding rotted needs immediate repair, painting
Roof:	Generally Sound, replaced 2008
Interior:	Needs immediate repair, restoration
Mechanical:	Needs new HVAC system
Electrical:	Needs new Electrical system
Plumbing:	Needs new bathrooms
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 225,000

REMARKS

A true "shovel ready" project drawings and specifications are prepared and in place for the restoration and renovation of this building. This barn, the Silos, Boiler house, Sales house, Livestock Barn, and Potato House are a built composition that reflects and physically displays the agricultural history of the Penn Center and must be preserved to prevent irreparable loss of these important buildings in the historic district.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

SILOS (2)

12



Present Day



1940's with demolished barn to left, Sales House to right
View of Silos

CONSTRUCTED
1910

PRESENT USE
Unused

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Deteriorating, needs stabilization
Exterior:	Deteriorating, needs stabilization
Roof:	Missing needs to be reconstructed
Interior:	Deteriorating, needs stabilization
Mechanical:	none
Electrical:	Needs new Electrical system services from Dairy Barn
Plumbing:	none
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:
\$ 35,000

REMARKS

A true "shovel ready" project drawings and specifications are prepared and in place for the restoration and renovation of these 2 silos. The Silos, the Dairy Barn, Boiler house, Sales house, Livestock Barn, and Potato House are a built composition that reflects and physically displays the agricultural history of the Penn Center and must be preserved to prevent irreparable loss of these important buildings in the historic district.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

BOILER HOUSE

13



View of Front

CONSTRUCTED

1949

PRESENT USE

Unused

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Walls sound Deteriorating, needs stabilization
Exterior:	Deteriorating, needs stabilization
Roof:	Missing needs to be reconstructed
Interior:	Deteriorating, needs stabilization
Mechanical:	none
Electrical:	Needs new Electrical system services from Dairy Barn
Plumbing:	none
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 30,000

REMARKS

A true "shovel ready" project drawings and specifications are prepared and in place for the restoration and renovation of these 2 silos. The Boiler House, the Dairy Barn, Silos, Sales house, Livestock Barn, and Potato House are a built composition that reflects and physically displays the agricultural history of the Penn Center and must be preserved to prevent irreparable loss of these important buildings in the historic district.



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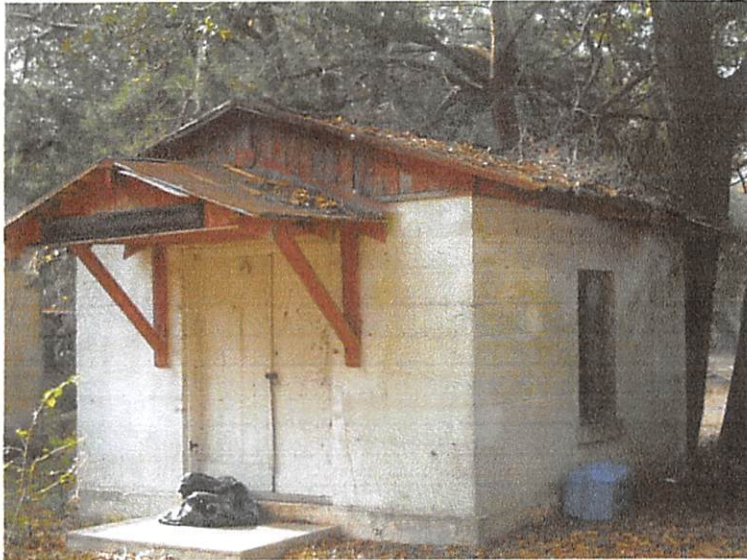


FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

SALES HOUSE

14



Present Day



View of Front

1930's Dairy Barn at left

CONSTRUCTED

1910

PRESENT USE

Unused

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Walls sound although Deteriorating, needs stabilization
Exterior:	Deteriorating, needs stabilization, new windows, doors, whitewash, re-create front roof
Roof:	Missing Front Gable Awning needs to be reconstructed
Interior:	Deteriorating, needs stabilization, coating
Mechanical:	none
Electrical:	Needs new Electrical system services from Dairy Barn
Plumbing:	none
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 35,000

REMARKS

Originally used to sell Penn Center agricultural products this is a true "shovel ready" project as drawings and specifications are prepared and ready to be bid for the restoration and renovation of this Building. The Sales House, the Dairy Barn, Silos, Boiler house, Livestock Barn, and Potato House are a built composition that reflects and physically displays the agricultural history of the Penn Center and must be preserved to prevent irreparable loss of these important buildings in the historic district.



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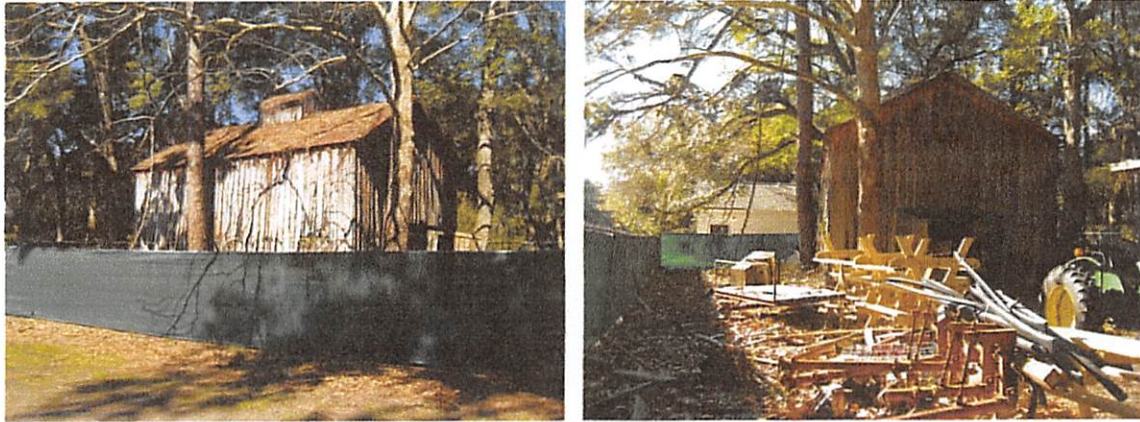


FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

POTATO HOUSE

15



View of Left Side & Front

CONSTRUCTED

1910

PRESENT USE

Unused

PRESENT CONDITION & NEEDED RENOVATION

Present Condition: Destroyed by Hurricane Damage
Can be recreated using salvaged materials

PROBABLE COST:

\$ 150,000

REMARKS

Originally used to store produce grown on Penn Center farms this is a true "shovel ready" project as drawings and specifications are prepared and ready to be bid for the restoration and renovation of this building. The Potato House, the Dairy Barn, Silos, Boiler house, Livestock Barn, and Sales House are a built composition that reflect and physically displays the agricultural history of the Penn Center and they all must be preserved to prevent irreparable loss of these important buildings in the historic district.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

DARRAH HALL

16



View of Right Side & Front

CONSTRUCTED

1903 (Moved to present location in the 1980's)

PRESENT USE

Performance Space, Group Classrooms

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally Sound, needs general maintenance
Exterior:	Generally Sound, needs general maintenance, painting
Roof:	Generally Sound, needs general maintenance
Interior:	Generally Sound, needs general maintenance, painting,
Mechanical:	Needs replacement as the present system is approaching the end of its service life.
Electrical:	Generally Sound, needs general maintenance
Plumbing:	Replace Water Hester with on demand type; add baths and dressing rooms to rear as originally planned (omitted for budgetary reasons).
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 175,000

REMARKS

Moved and renovated in the 1980's Darrah Hall is a multi-purpose space in generally sound condition. The lack of bathrooms and dressing rooms fully inhibit its use . General maintenance includes replacement of the HVAC system, interior refinishing (Floors, painting) and exterior paint & stain.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

PUBLIC BATHROOMS

17



View

CONSTRUCTED

1988

PRESENT USE

Men's & Women's Restrooms

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally Sound, needs general maintenance
Exterior:	Generally Sound, needs general maintenance, painting
Roof:	Generally Sound, needs general maintenance
Interior:	Generally Sound, needs general maintenance, painting,
Mechanical:	Generally Sound, needs general maintenance
Electrical:	Generally Sound, needs general maintenance
Plumbing:	Replace Water Heater with on demand type.
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 18,000

REMARKS

Constructed on the 1980's in conjunction with the renovation of Darrah hall these bathrooms need general maintenance and upkeep.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

CEDAR COTTAGE

18



View of Front facing Penn Center Drive East

CONSTRUCTED

1907

PRESENT USE

Day Care. After School Programs

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally Sound, needs general maintenance
Exterior:	Deteriorating, needs repair, restoration, Painting
Roof:	Needs replacement
Interior:	Generally Sound, needs general maintenance, painting, new kitchen cabinets & appliances
Mechanical:	Needs replacement
Electrical:	Needs upgrading
Plumbing:	Replace Water Heater with on demand type.
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 215,000

REMARKS

Complete restoration needed. .



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

JASMINE COTTAGE

19



View of Front facing Penn Center Drive East

CONSTRUCTED

1911 (Restored 2008)

PRESENT USE

Circuit Court, Sheriff Substation

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally sound, needs general maintenance
Exterior:	Generally sound, needs painting, caulk, etc.
Roof:	Generally sound, needs general maintenance
Interior:	Generally sound, needs general maintenance
Mechanical:	Generally sound, needs general maintenance
Electrical:	Generally sound, needs general maintenance
Plumbing:	Generally sound, needs general maintenance
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 12,000

REMARKS

Newly renovated Jasmine needs only continued maintenance. Closure lattice & screening be installed between foundation piers (to match that on Arnett). Exterior needs Painting.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

GANTT COTTAGE

20



View of Front

CONSTRUCTED

1946 (Rebuilt after fire)

PRESENT USE

Temporary Accommodations

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally sound, needs general maintenance, ties needed to foundation, Porches, Steps (Front & Rear) need rebuilding.
Exterior:	Limited general repair, painting, lead paint remediation
Roof:	Generally sound, needs general maintenance, recoating
Interior:	Generally sound, needs general maintenance, painting, new kitchen cabinets & appliances
Mechanical:	Needs refurbishing
Electrical:	Needs upgrading
Plumbing:	Water Heater needs refurbishing. Remodel bathroom
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

Part of a Dept. of the Interior Project grant

REMARKS

Cottage served as a retreat for Dr. Martin Luther King Jr. in 1967 as the leadership of the Southern Christian Leadership Conference planned the march on Washington. This unassuming little cottage bears importance well beyond its size and location on the Eastern border of the Historic District. The preservation work will be done with great care to preserve the simple dignity and 1946 condition of this building with the aim of creating a living museum depicting the life for Dr. King.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

ARNETT HOUSE

21



View of Front

CONSTRUCTED

1937 (Restored 1993)

PRESENT USE

Temporary Accommodations, Meetings

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Building Sound-Porches Severely Deteriorated
Exterior:	Some siding rotted from overflowing gutters, need immediate repair, painting.
Roof:	Needs replacement & repair recurring leak at vent penetration.
Interior:	Generally Sound, needs general maintenance, painting.
Mechanical:	Needs replacement
Electrical:	Generally Sound, needs general maintenance.
Plumbing:	Replace Water Heater with on demand type.
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 225,000

REMARKS

One of a trio (along with Benezet & Hampton) of houses on the Eastern Campus facing Dr. Martin Luther King Jr. Drive these houses were recently restored and need general maintenance with some minor repair to siding & roofing. The HVAC systems and Water Heater are nearing the end of their service life



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

LEARNING CENTER

23



Front view of Learning Center

CONSTRUCTED

1924

PRESENT USE

Dining Food Preparation

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally sound, needs general maintenance.
Exterior:	Generally sound, needs general maintenance, painting. Exterior doors need replacement
Roof:	Generally sound, needs general maintenance & repair of rafter tails.
Interior:	Generally sound, needs general maintenance, painting.
Mechanical:	Needs replacement within 5 years.
Electrical:	Generally sound, needs general maintenance.
Plumbing:	Generally sound, need general maintenance.
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 8,000

REMARKS

Upgraded in 2017 and operating as a Children's Day Care Center this building is in need general maintenance with some minor repair. The HVAC systems should be scheduled for replacement within 5 years. Needs to have cushioning material added to playground.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

DINING HALL & KITCHEN

22



View of Left Side Facing Learning Center

CONSTRUCTED

1917

PRESENT USE

Dining Food Preparation

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally Sound, needs general maintenance.
Exterior:	Generally Sound, needs general maintenance, painting. Exterior doors need replacement
Roof:	Generally Sound, needs general maintenance & repair of rafter tails.
Interior:	Generally Sound, needs general maintenance, painting.
Mechanical:	Needs replacement within 5 years.
Electrical:	Generally Sound, needs general maintenance.
Plumbing:	Remodel Bathrooms, provide disabled access, generally Sound, need general maintenance.
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 35,000

REMARKS

The building is in need general maintenance with some minor repair. Exterior doors are deteriorated and need replacement. The HVAC systems should be scheduled for replacement within 8 years.



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

BENEZET HOUSE

24



View of Front

CONSTRUCTED

1905 (Restored 1993)

PRESENT USE

Temporary Accommodations, Meetings

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally Sound, needs general maintenance.
Exterior:	Some siding rotted needs repair, painting.
Roof:	Generally Sound, needs general maintenance repair recurring leak at vent penetration.
Interior:	Generally Sound, needs general maintenance, painting.
Mechanical:	Second floor systems need replacement.
Electrical:	Generally Sound, needs general maintenance.
Plumbing:	Replace Water Heater with on demand type.
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 30,000

REMARKS

One of a trio (along with Arnett & Hampton) of houses on the Eastern Campus facing Dr. Martin Luther King Jr. Drive these houses were recently restored and need general maintenance with some minor repair to siding & roofing. The HVAC systems and Water Heater are nearing the end of their service life



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

HAMPTON HOUSE

25



View of Front

CONSTRUCTED

1904 (Restored 199)

PRESENT USE

Temporary Accommodations, Meetings

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally Sound, needs general maintenance.
Exterior:	Some siding rotted from overflowing gutters, need immediate repair, painting.
Roof:	Generally Sound, needs general maintenance repair recurring leak at vent penetration.
Interior:	Generally Sound, needs general maintenance, painting.
Mechanical:	Needs replacement within 5 years.
Electrical:	Generally Sound, needs general maintenance.
Plumbing:	Replace Water Heater with on demand type.
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 35,000

REMARKS

One of a trio (along with Arnett & Benezet) of houses on the Eastern Campus facing Dr. Martin Luther King Jr. Drive these houses were recently restored and need general maintenance with some minor repair to siding & roofing. The HVAC systems and Water Heater are nearing the end of their service life



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

ORCHARD COTTAGE

26



View of Front

CONSTRUCTED

1942

PRESENT USE

Temporary Accommodation

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Generally Sound, needs general maintenance.
Exterior:	Some siding rotted from overflowing gutters, need immediate repair, painting.
Roof:	Severe damage from tree limb at rear, needs immediate stabilization, then repair
Interior:	Needs repair. upgrading, renovation, general maintenance, refinishing, & painting. New kitchen appliances, refinish floor
Mechanical:	Needs new HVAC system
Electrical:	Needs upgrading to current standards.
Plumbing:	Remodel Kitchen & bath. Replace Water Heater with on demand type.
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 195,000

REMARKS

Used to house educators working at the Penn School this cottage needs Emergency Stabilization, then Repair & Restoration



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FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

PUMP HOUSE

27



View of Front

CONSTRUCTED

1955

PRESENT USE

Unused

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Walls & roof are Deteriorating, needs stabilization & rebuilding Needs new foundation & floor.
Exterior:	Deteriorating, needs restoration
Roof:	Missing needs to be replaced
Interior:	Deteriorating, needs stabilization, coating
Mechanical:	Unused pump equipment
Electrical:	Needs new Electrical service
Plumbing:	Pump & well presently on exterior
Fire Protection:	No fire protection system
Alarm (Fire & Burglar):	Need Campus wide integrated system
Data & Communication:	Need Campus wide integrated system

PROBABLE COST:

\$ 25,000

REMARKS

Originally used to house the pump mechanism for irrigation water the Pump House is presently unused. A new submersible pump was installed in 2008. The Pump House is an adjunct to the Water Tower and is an integral part of the agricultural history of the Penn Center.



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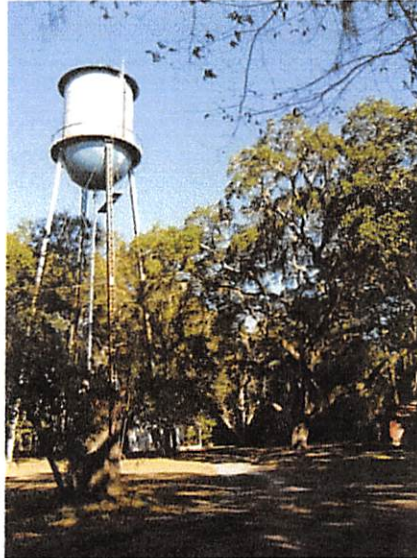


FACILITY PLANNING OVERVIEW

PENN CENTER, INC.
St. Helena Island, SC

WATER TOWER

28



View of Tower

CONSTRUCTED

1955

PRESENT USE

Unused

PRESENT CONDITION & NEEDED RENOVATION

Structure:	Needs investigation, Steel rusting and needs recoating
Exterior:	Needs investigation, Steel rusting and needs recoating
Roof:	Needs investigation, Steel rusting and needs recoating
Interior:	Deteriorating, needs stabilization, coating
Mechanical/Plumbing:	Unused pump equipment & Piping
Electrical:	Non-Functioning

PROBABLE COST:

\$ 25,000 (Investigation only)

REMARKS

Originally used to store water and provide pressure for irrigation water the Water Tank is presently unused. A distinctive feature of the campus the Water Tower needs to be investigated by an engineer for structural soundness, cleaned, recoated and protected from further deterioration.

A visible symbol of the Penn Center this tower should be painted with its name & logo, lit at night. Additionally, it is an ideal platform for cell phone antennas & area Wi Fi service. This data node would provide internet access for the area that is presently a "data desert". This is also consistent with the original mission of the Penn Center.



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BEAUFORT COUNTY COUNCIL

Agenda Item Summary

Item Title:

Audit Committee

Council Committee:

Finance Committee

Meeting Date:

March 4, 2019

Committee Presenter (Name and Title):

Christopher Inglese, staff attorney and Alicia Holland, CFO

Issues for Consideration:

1. how many and type of members
2. how often to meet or at election of committee chair
3. purpose and duties of committee

Points to Consider:

Timeline for reports and recommendations

Funding & Liability Factors:

no source of funding or amounts have been identified

Council Options:

continue to deliberate the details of a finance committee especially funding the activities of the committee; approve the ordinance establishing the Audit Committee; deny the ordinance; approve with amendments

Recommendation:

Once funding amounts and source are identified, move forward with approval of the ordinance establishing an Audit Committee.

ORDINANCE 2019 / ____

AN ORDINANCE ESTABLISHING AN AUDIT COMMITTEE

WHEREAS, the County finds that establishing an Audit Committee will provide for additional oversight and opportunities for transparency in government accounting; and

WHEREAS, the public interest is served when there are appropriate procedures and policies for assuring the continued success of County government financial practices; and

WHEREAS, the Beaufort County Finance Department was recently awarded the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting and County Council desires to provide support to staff to continue to improve the County's finance policies and procedures; and

WHEREAS, the Beaufort County Code of Ordinances provides Section 2-402 for the establishment of an internal audit unit with reporting duties directly to the Administrator, however the Audit Unit has not been active for the past several years; and

WHEREAS, County Council finds that it is in the best interest of taxpayers, and indeed a duty of the elected members of County Council, to have direct involvement in financial oversight of the County operating budget; and

WHEREAS, the Finance Committee did discuss and unanimously approved moving forward with the establishment of an Audit Committee to include members from outside of the County organization; and

WHEREAS, the Finance Committee met March 4, 2019 and did discuss and voted to approve moving forward with establishing an Audit Committee; and

WHEREAS, County Council finds that it is in the best interest of the citizens and residents of Beaufort County to establish an Audit Committee that will report directly to the Finance Committee and County Council.

NOW, THEREFORE, BE IT ORDAINED that Beaufort County Council, duly assembled, does hereby delete in its entirety "Section 2-402 Establishment of internal audit unit" and insert in its place and stead the following:

"Section 2-402 Establishment of the Audit Committee.

(1) *Creation.* There is hereby established an Audit Committee (the “Committee”) which shall have the structure, organization, composition, purposes, powers, duties and functions established below.

(2) *Membership; terms.* The Committee shall be comprised of two members of County Council and three members that are citizens from the public at large. Appointments shall be by nomination of a Councilmember and a majority vote of Council. Citizen appointments shall have varying professional backgrounds and varying geographical representation. The Committee shall also include one non-voting employee appointed by the County Administrator. Council members shall serve at the pleasure of the Chairman of County Council. Citizen appointments shall serve two-year terms and may be re-appointed for up to three additional terms by a majority vote of County Council.

(3) *Duties, Purpose and responsibilities.*

a. The Committee shall develop a proposed audit schedule for recommendation to the Finance Committee and ultimately approval by majority vote of County Council. The audit schedule shall include areas to be reviewed, their priority and the timelines for completion. The audit schedule shall also include interim audit progress updates, audit follow-ups, and address special needs for audits of specific areas requiring additional resources or extended timelines. The Committee shall be responsible for coordinating between the work of the Administrator’s staff, the Finance Committee, County Council, contractually hired auditors and any other party as necessary to fulfill the purpose of the Committee.

b. The Committee shall review, for recommendation to Council for approval by majority vote, all areas of County operations for which County funds are levied, collected, expended, or otherwise used. This includes departments or offices reporting to the County Administrator, departments or offices headed by elected or appointed officials, millage agencies, legislatively appointed Commissions receiving County funding, nonprofit organizations receiving grant monies from County funds, and any other organization receiving any type of funding for any purpose from the County.

c. The Committee shall oversee the responsibilities of the independent auditors hired by the County. The Committee shall work closely with the Administrator and appropriate staff for review and recommendations regarding all aspects of the County’s financial practices.

d. The Committee shall provide an annual report after the completion of each fiscal year budget but no later than a September meeting of the Finance Committee. Finance Committee shall provide a summary report to full County Council.

e. The Committee shall annually review the Financial Policies and Procedures manual and the practices of the County departments, and make recommendations for updates and improvements.

Adopted this ____ day of _____, 2019.

COUNTY COUNCIL OF BEAUFORT COUNTY

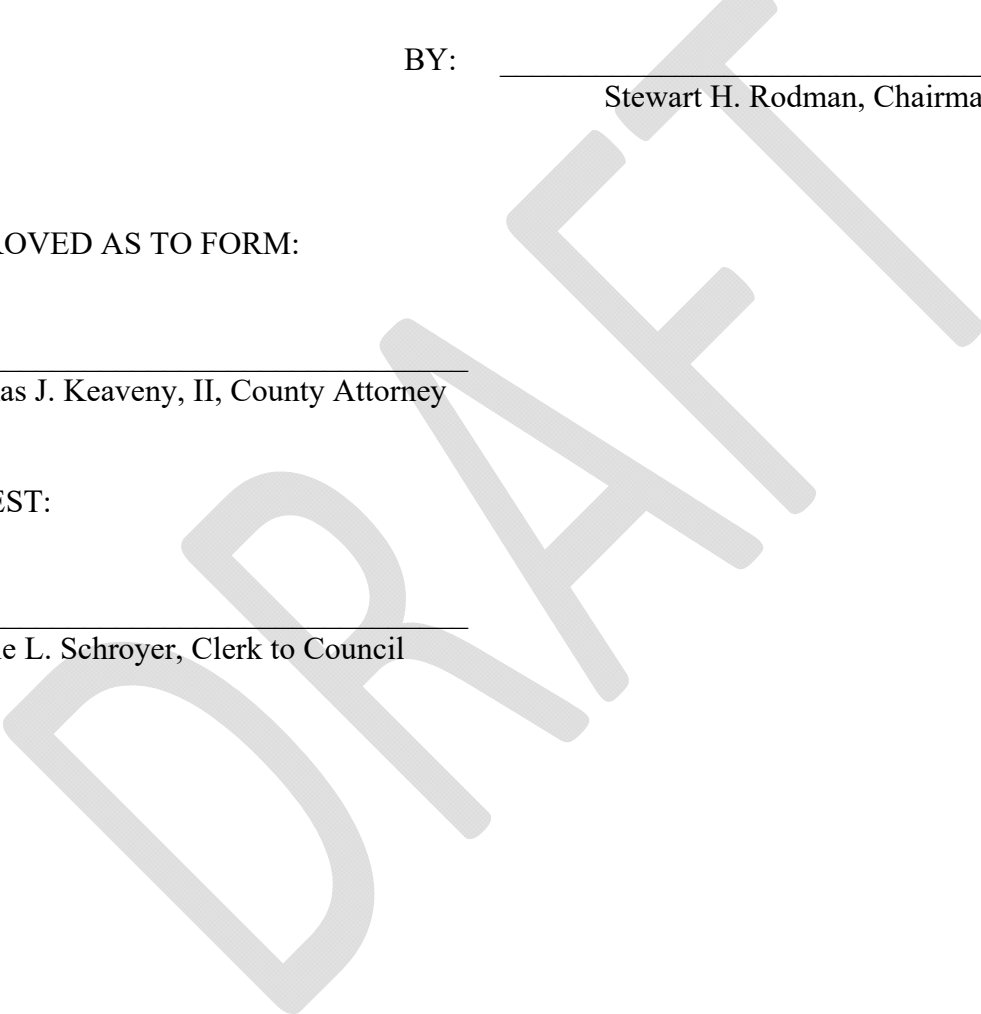
BY: _____
Stewart H. Rodman, Chairman

APPROVED AS TO FORM:

Thomas J. Keaveny, II, County Attorney

ATTEST:

Connie L. Schroyer, Clerk to Council





BEAUFORT COUNTY COUNCIL

Agenda Item Summary

Item Title:

Beaufort Soil & Water Conservation District Funding Request

Council Committee:

Finance

Meeting Date:

March 4, 2019

Committee Presenter (Name and Title):

Alicia Holland, Assistant County Administrator, Finance

Issues for Consideration:

Beaufort Soil and Water Conservation District is requesting \$24,000 of funding from Beaufort County in Fiscal Year 2019. This was not budgeted as part of the Fiscal Year 2019 budget.

Points to Consider:

From Fiscal Year 2000 through Fiscal Year 2018, Beaufort County paid Beaufort Soil and Water Conservation District \$381,900. This is an average annual subsidy in the amount of \$20,100. The Beaufort County Stormwater Utility also paid Beaufort Soil and Water Conservation District \$47,238 in Fiscal Years 2015 and 2016 for education and outreach consulting.

Funding & Liability Factors:

We are requesting Finance Committee to provide direction to staff whether or not to provide this unappropriated funding.

Council Options:

Approve the funding and identify the funding source.
Disapprove the funding.

Recommendation:

Beaufort Soil & Water Conservation District

Located at:
 Crystal Lake Park
 124 Lady's Island Drive
 Beaufort, SC 29907

Mailing:
 PO Box 70
 Port Royal, SC 29935

Phone: 843-255-7306
 Email: bswcd@islc.net

Invoice

Invoice #: 02-FY19 Support
Invoice Date: February 8, 2019
Customer ID: Beaufort County

Bill To:

c/o **Alicia Holland, CPA, CGMA**
 Assistant County Administrator,
 Finance
 Post Office Drawer 1228
 Beaufort, SC 29901-1228

Location

Crystal Lake Park & assorted locations throughout
 Beaufort County

Program Date	Description	FY19 annual Support: \$24,000.00	Total Cost
			\$ 24,000.00
July 1, 2018	1. Assistance to USDA-NRCS for technical assistance, cost share,		
to	& Landowner outreach.		
June 30, 2019			
	2. Staff building & provide assistance to visitors at Crystal Lake		
	Park, Coordinate Board room scheduling, monitoring park,		
	Report building needs, assist & provide outreach.		
	(Cost of staffing the office \$24,830)		
	3. Coordination of Together for Beaufort County Water Quality		
	Coalition Meetings & assistance with Stormwater Ed meetings.		
	4. Provide Water Quality & Environmental Science programs to		
	Schools and organizations as requested.		
	5. Coordinate & participate in Festivals and other community		
	Outreach opportunities.	Balance Due	24,000.00

Please make your check payable to: Beaufort Conservation District

Mail to: PO Box 70, Port Royal, SC 29935



BEAUFORT COUNTY COUNCIL

Agenda Item Summary

Item Title:

Board of Assessment Appeals - Board Appointments

Council Committee:

Finance Committee

Meeting Date:

March 4, 2019

Committee Presenter (Name and Title):

N/A

Issues for Consideration:

(6) vacancies

Points to Consider:

The Board of Assessment Appeals is temporarily increased from (9) members to (15). The (6) temporary appointments shall balance geographical resident and professional qualifications.

Funding & Liability Factors:

N/A

Council Options:

N/A

Recommendation:

Fill the vacancies.