

Meeting Minutes: Beach Front Amenity Ad-Hoc Committee

All members of the BFA Ad-Hoc Committee met on June 6, 2019. The day began with a visit to the Beach Club at 8:30AM followed by a 9:30 to 11:40 meeting in the POA Administration Building, and concluded with a visit to the Beach Club 2 at 12:00 noon.

Recap of All Beach Front Opportunities

- **Location 1**
These are the marquee images used for marketing purposes, and unlikely to relinquish. And with the sale of nearby lots, there is no available parking.
- **Location 2**
Requires the undesirable task of placing a commercial entity in the center of a residential area. Would require a zoning change that would likely be resisted during public meetings.
- **Location 3**
Requires a similar zoning change, and is susceptible to the same public challenges. Would have to bring the property up to commercial standards and offers no additional parking.
- **Location 4**
A potential contender, with a two-story building and rooftop deck. Would likely require a 5,000 SF building to support required storage and function. A zoning change would be required to support additional density and use (currently "Snack Bar and Deck"). The lack of parking is a concern.
- **Location 5**
A capital-intensive initiative that would take years, if ever, to acquire all properties. This solution does not meet a plausible time horizon requirement.
- **Location 6**
It remains unclear what value a POA relationship could offer. Given their brand and customer protections, this may be challenging. However, a substantial building renovation (such as adding a second floor) would be required to meet our needs.
- **Location 7**
Another potential contender. If there is interest, we should engage the town to further understand the Dune Protection Zone—or locate the structure landward. This solution would require density and possibly a zoning change. In the interim, the POA could explore other alternatives.
- **Location 8**
While currently for sale, it would offer a marsh rather than an ocean view.

Recap of “Conceptual” Discussions

Both parties were receptive to the initial concepts of partnering to develop a multi-use building.

Recap of the Meeting with the Town of Hilton Head Island

Given grandfather clauses and the current Dune Protection Zone, the Town of Hilton Head Island confirmed that some structures could be rebuilt in their current location—even if demolished and rebuilt. Constructing anew might be challenging or impossible given the Town’s Dune Protection Zone policies. However, the group agreed it is still willing to explore opportunities—which the Town stated would be permissible. The group also discussed the idea of potentially replacing an existing structure. The group also discussed the rezoning process, and the Town has limited appetite for requests that receive any public opposition.

Review of a Rental Opportunity

Mike shared his thoughts regarding the use of the structure as a transitional beachfront amenity until a beach club is available for the community. Using the structure would enable us to develop a relationship, would not involve a CapEx expense and enable the community to assess interest in a beach amenity or even the opportunity to explore a “pay to use” membership. This opportunity might be discussed during the next meeting.

Review of Land/Building Partnership Approaches

Ed shared ideas regarding ownership retention, land and building leases, operating responsibilities and a land-building partnership. Ultimately, a managing partner would likely be required—and that ideally should be the POA. The proposed terms for a relationship will be defined once we determine which partner(s) might be available for a beachfront amenity.

Multi-Use Concept

The group reviewed the multi-use concept and evaluated the need to potentially increase the size of the building to accommodate larger meeting rooms, additional storage and perhaps a larger catering kitchen. While DHEC permits up to 5,000 heated SF for buildings between the Base and Set Back lines, they may permit requests of a larger building. See attached. The group agreed a rooftop deck would be a tremendous asset and unique differentiator among community beach clubs.

Next Steps

The group agreed to the following:

1. Andrew will arrange a meeting to discuss their thoughts—and perhaps explore a larger facility.
2. After understanding interest, arrange a meeting to share an example of the conceptual plans and deal points.
3. Lee will reach out to the Town of Hilton Head Island to see if we might be able to view the entire Dune Protective Zone

From a scheduling perspective, we hope to meet with others during the month of June, July or August. These meetings will dictate the timing of our recommendations and ultimate deliverables.

Notes from the 8:30AM Beach Club 1 Visit:

- The beach club transformed how the community interacts and accesses the beach
- Hire a beach club person for supervision
- 400 beach storage lockers generate annual income—with 200 owners on waiting lists
- Consider a standing seam roof to endure coastal weather
- Quality A/C knowing that doors are open and closing a great deal
- Consider sound, good equipment for TV, WIFI, microphone and sound proofing for the rooms
- Locking area for sound equipment
- Plenty of kitchen space for caterers for portable catering equipment
- Locking cabinets for the kitchen
- Screen door for kitchen
- Ample space for hotbox storage
- Good storage for table and chairs
- A room for brides
- Full length mirror in bride room
- Good locker for bridal party personal things - purses etc.
- Place on deck covered for preacher, etc.
- Neutral colors for décor
- Carpet must be replaced every four or five years
- Education for owners that it cannot be used whenever they want
- Scheduling is important

The operating costs include the employee, insurance, routine maintenance, utilities, etc. The Beach Club is about 4,000 square feet.

The Beach Club is rented approximately 24 times per year by outside parties, and is used approximately 100 days per year by the owners.

Notes from the 12:00 noon Beach Club 2:

- Court Aktins was the architect and Graves was the builder.
- The building was elevated to 18' feet to capture the maximum credit of 4' (or lowest flood rate).
- The parking lot has approximately 72 spaces.
- A substantial demand was estimated for beach storage.
- The building and storage area have sprinklers—fed by a standpipe in a dedicated room with required heat.
- New building code requires elevator mechanisms to operate from above and reside within a temperature-controlled climate zone.
- There is a dedicated electrical room which also includes all communication/security technology.
- The building is extensively wired with security cameras—both inside and out.
- They are considering hiring a person to manage the beach club—with a small on-site office.

- Trash is in regular bins that are transported by Maintenance to another facility—there is no dumpster.
- The large catering kitchen is appreciated by all companies that use it—with refrigerator, small freezer, hotbox, two dishwashers, two sinks, coffee machine, open cabinetry and a large island.
- Doors provide access to a deck leading to HVAC compressor access (avoiding the need for ladders).
- Room 1 uses replaceable carpet tiles—which are showing some frayed ends.
- Room 1 and 2 have separate lighting, HVAC, music, microphones, etc. through smart panels.
- Ample table and chair storage is essential.
- The sound equipment is in a locked closet within Room 2.
- Board meetings are held in Room 2, complete with a projector and large retractable screen.
- The glass doors to the rear porch provide great access.
- The Beach Club has impact glass—no external hurricane shutters.
- The building is bifurcated. Owners have continual access to the bathrooms, Community Room and the Screened Porch. Access to the kitchen, Room 1 and Room 2 is based upon events only.
- Owner access is provided via wireless/RF access cards.
- The outdoor decks are exceptionally popular.
- There are plans to provide outdoor gas/propane firepits.
- The process to determine the features of the building involved extensive owner engagement—allowing every owner to write down the features they desired. A committee was interviewed, with 7 qualified owners selected to then coalesce the input and provide guidance to the architect.