

**PALMETTO DUNES
PROPERTY OWNERS ASSOCIATION**

Strategic Planning Process

**A Report on the 2018-2023
Strategic Plan**



Palmetto Dunes Property Owners Association

2018-2023 STRATEGIC PLAN

The Town of Hilton Head Island is currently in the process of developing its vision for the future; it's time to determine the future of Palmetto Dunes.

The PDPOA chose this time to develop a strategic plan for a number of reasons: we have a long term capital plan to reinvest into the community's infrastructure, a strong and dedicated management team in place to take us forward, and the time was right for planning for the future. Our management and Board of Directors recognized a need to do more than simply maintain the status quo, and we lacked a defined plan for future Community Enhancement Fund (CEF) collections.

There were also questions that needed answers: how might we develop a better sense of community? How can we best maintain a balance between a residential and resort atmosphere? How could we better serve our members, while attracting new ones? What can the PDPOA do to maintain our community's competitive edge for the next generation?

An exploratory workshop with the Board of Directors was held in May 2016, resulting in the PDPOA's decision to undertake the process to establish a long-term plan. After several preparation meetings and engaging a facilitator (Sandy West of Lighthouse Consulting, LLC), a Strategic Planning Team was created. The team held ten meetings, hosted nine stakeholder engagement sessions, and developed this plan with facilitator guidance. It provides the PDPOA with a road map for operations, direction for the association's progress, and enables us to position ourselves within the large-scale resort community landscape.

It is an exciting time at the PDPOA, and we welcome you to come along with us on this journey as we work to both preserve and enhance the Palmetto Dunes experience for all those who live, invest, work, and play here.

From Sand Spurs to Sloops

A BRIEF HISTORY OF PALMETTO DUNES

It began in the mid-1960's, when several physicians and business executives from Greenwood, South Carolina entered into an innovative business venture with Charles Fraser. For \$1,000 an acre, the group bought a 2,000-acre no man's land on Hilton Head Island. The property would become Palmetto Dunes Resort.

Ten years earlier, the president of Greenwood Mills, Jim Self, Jr. had started investing in Hilton Head property, when no bridge existed and it took a very creative mind to picture what the island could offer. He and Charles Fraser, the modern day founder of Hilton Head Island, partnered at Sea Pines to build the island's first golf course; the Ocean Course at Sea Pines.

By the mid-1970's, Greenwood was developing a project in Columbia, South Carolina with Environmental Resorts Incorporated (ERI), a firm whose principals included Bill Gregory, one of the first owners of Palmetto Dunes; and Charles Bates, an architect who lived in Palmetto Dunes who designed the original Hyatt Regency Hotel. They contacted the Self family about investing in another one of their projects

on Hilton Head: the Fazio Villas along the Fazio golf course. Bates was into the second phase of Fazio Villas and was somewhat bogged down, so he asked if Greenwood would take over the third phase of the project. And with that, Greenwood was back on the island.

Soon afterward, Greenwood executives were approached to buy Palmetto Dunes, and closed the deal. With a significant presence now secured on Hilton Head, the company was determined to create a deliberate and sound development framework for PD. The community's legacy already was intact. Now, it was up to Greenwood Development to preserve and advance it.

One giant advantage, already established, was the now famous lagoon system. It was and is unlike

anything else on the island, and it provided a unique template for future neighborhoods and amenities. Work was begun to save the beach in 1970. 11-foot high dunes were constructed using sand dredged for the lagoons. Tidal gates were installed, which today regularly flush the lagoons and control the tides.

Palmetto Dunes is a prototype for other coastal communities. When the lagoon system and dunes were developed, there was very little beach at high tide; PD was all forest. The solution was the canal system - considered a radical way to handle things, at the time. Today, it is hard to imagine Palmetto Dunes without its miles of navigable lagoons and acres of lakes.

The 21st Century brought continuing improvements and recognition

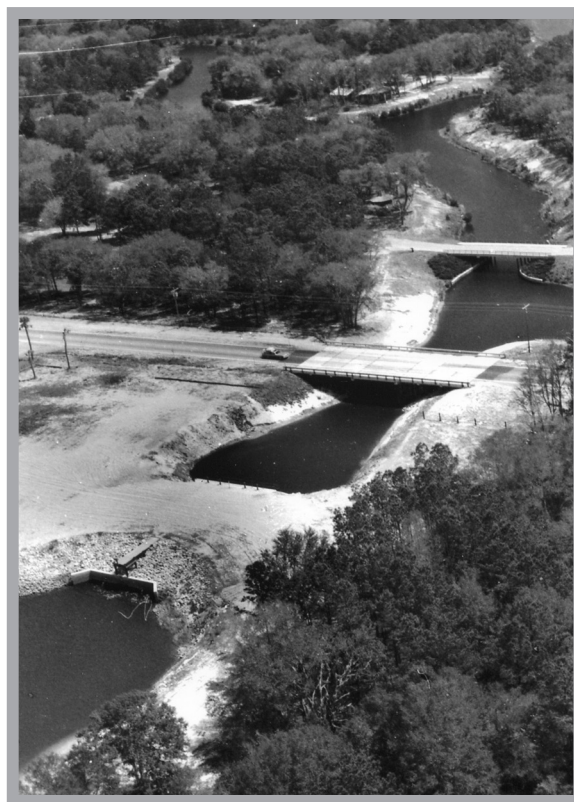
to PD. In September 2002, renovation of the Robert Trent Jones golf course - the original course - was completed. The newly elevated 10th green and the addition of junior tees regenerated the course, adding excitement and accessibility. In the spring of 2003, Tennis Resorts Online named the Palmetto Dunes Tennis Center its number three tennis resort in the world. Palmetto Dunes for the third year was named in the top 75 golf resorts by Golf Magazine. Then Travel and Leisure Magazine named Palmetto Dunes the Number One Family Resort in the World.

Effective January 1, 2006, Greenwood turned over ownership of the common areas and the operation of Palmetto Dunes (excluding the Shelter Cove and Leamington areas, which had been previously transitioned to their own respective homeowner associations) to the Palmetto Dunes Property Owners Association, Inc. (the "PDPOA"). Greenwood retained ownership of the golf courses, tennis center, and certain commercial properties within Palmetto Dunes; Greenwood still has these today.

Originally formed in 1977, the PDPOA's original purpose was to represent the property owners and communicate significant events to them. For several years prior to transition, Greenwood had also

assigned it the powers of the Architectural Review Board under the Covenants of the community.

In 2006 the PDPOA became responsible for all Association operations, and the owner of all roads, bridges, lagoon system, beach accesses, and other common areas. Under its own governance, it established a Community Enhancement Fund and a Land Planning Steering



Committee to develop a five-year plan to enhance the community (i.e. landscaping, signage, beach accesses, leisure paths, and land planning). A Storm Reserve Fund was created, and the association secured a \$5 million line of credit so that funds would be available in the event of a storm or other natural disaster. The improvements continued in 2008 with the construction

of new gate houses. By 2011, plans for the purchase of the fire station were in place. This would end up being redeveloped into the PDPOA Administrative, Security, and Pass Offices from 2013-2015.

The long-term bridge replacement program commenced in 2013, and during the Board retreat in 2014, a change to the bylaws was proposed that would affect the governing structure of the organization: the Board would focus on policy development and long term initiatives, and have less involvement in the day-to-day operations of the PDPOA. Many of the committees were eliminated, thus placing greater responsibility with the CEO for operations. These bylaw amendments were approved by the membership at the PDPOA 2014 Annual Meeting.

Today, the PDPOA collects the residential and commercial assessments, and is responsible for providing property maintenance and security services to the common areas. It employs a full administrative staff as well as maintenance, pass office, and security departments. It is governed by a ten-member board, with three directors elected each year for three-year terms and Greenwood appointing a tenth director. All property owners are automatically members with the right to vote and to attend meetings.

Contributors

CREATING THE STRATEGIC PLANNING TEAM

The inclusion and involvement of various participants was vital to the planning process. We began by engaging an outside facilitator, and selecting fourteen individuals to participate. They represent a broad and diverse range of stakeholders within the community, including resident and investment property owners, directors, executive and managerial level staff members, and commercial representatives.

SANDY WEST, FACILITATOR

Sandy West, Principal of Lighthouse Consulting, is an organizational/talent strategy consultant and executive coach with 30 years of experience working with Fortune-500 companies, start-ups and non-profit organizations. Her practice is focused on driving results through effective talent and business strategies. She believes discovering individual “exceptionality” – unique gifts, strengths and specialties – and developing them are essential to creating high-performing cultures that drive results and exceed goals.



lighthouse consulting, LLC

Lighthouse Consulting, LLC is a strategy solutions firm empowering clients to drive growth and performance by leveraging their greatest asset – their people.

LOIS ADAMS-RODGERS

*Property Owner
Board of Directors 2014-2017
Board Chair 2016-2017*

BEN BROWN

*PDPOA Principal Planner &
Project Manager*

JIM GRINER

PDPOA Chief of Security

BEN KINNAS

*Palmetto Dunes property owner
Board of Directors 2015-2018*

JIMMY ROWE

Palmetto Dunes property owner

ANDREW SCHUMACHER

PDPOA CEO

MICHAEL VAUGHN

*Palmetto Dunes property owner
Board of Directors 2015-2018*

ERNIE AHR

*Palmetto Dunes property owner
Board of Directors 2013-2016*

KILEY FUSCO

*PDPOA Community
Relations Liaison*

JOE HOMA

Palmetto Dunes property owner

KATE NOLAN

PDPOA ARB Administrator

CAROL SCHEMBRA

*Palmetto Dunes property owner
Board of Directors 2013-2016
Board Chair 2015-2016*

CLARK SINCLAIR

*Palmetto Dunes Resort,
Golf Operations*

ENGAGEMENT SESSION PARTICIPANTS

In order to allow for a variety of perspectives and insight, we invited key stakeholders to attend Engagement Sessions. To ensure a candid dialogue, Sandy West facilitated these valuable discussions.

Each session was dedicated to gathering input from a specific demographic. We asked that all participants come prepared to share honest and candid opinions, offer suggestions about what could make Palmetto Dunes an even more desirable community/experience, and to personally engage in the process.

PROPERTY OWNERS & RENTAL COMPANIES

Tim Nolan, *VRBO*
Dru Brown, *Beach Properties*
Talley Lauderdale, *Wyndham*
Jamie Delsandro, *PD Resort*
Bill Haley, *Resort Rentals of HHI*
Lori Romolo, *Destination Vacations*
Christine McGlinn, *Vacation Company*
Mike Manesiotis, *HH Long Term Rentals*
Joe Nahman, *RMC*
Christine McMahon, *Island Getaway*

COMMUNITY LEADERS

Glenn Frankel, *Leamington*
Rocky Browder, *Town of HHI*
Charles Cousins, *Town of HHI*
Tom Dunn, *Emergency Management*
Charlie Davis, *Shelter Cove*
Lee Edwards, *Town Council*
Charlie Clark, *Chamber of Commerce*
Heather Rath, *Parks & Recreation*
Mick Mayers, *Station 6 Fire Chief*
David Ames, *Town Council*
Kim Likins, *Town Council*
John Betts, *Shelter Cove*
David Bennett, *Mayor*
Bill Miles, *Chamber of Commerce*

PDPOA STAFF

Loretta Hoover, *HR*
Bryan Wheeler, *Security*
Jasmine Milledge, *Accounting*
Matt Nemes, *Accounting*
Elizabeth Regan, *Pass Office*
Sara Manesiotis, *Administration*
Jimmy Martinez, *Facilities Maintenance*
Herbert Jenkins, *Facilities Maintenance*
Sydney Wan, *Facilities Maintenance*
Rick Miller, *Security*
Andrea Martenson, *Security*
Darryl Johnson, *Security*
Jennifer Fields, *Pass Office*
Joshua Spruce, *Security*

COMMERCIAL ENTITIES

Theo Schofield, *Omni*
Ronnie Albritton, *Shelter Cove*
Frank Gaston, *General Store*
Samm Wolfe, *PD Golf*
Karen Kozemczak, *PD Marketing*
Jim Maloney, *Dunes Buggy*
Brad Smith, *IMC Resort Services*
Michael Royer, *PD Operations*
Allan Dew, *HH Outfitters*
Trent Malphrus, *Lagoon Charters*
John Kerr, *PD Tennis*
Brian Covey, *PD F&B*
Patrick Wake, *Golf Maintenance*
David Howard, *Outside HH*
Frank Babel, *Bicycles & Recreation*
Brad Marra, *PD Resort*
Warren Woodward, *Omni*

GUESTS/PUBLIC

General Store Outfitters
Dunes House Dunes Buggy

REALTORS

Robbie Bunting	Phil Schembra
Daniel Moskowicz	Dan Prudhome
Chris Walker	Ken Oliver
Michael Weppner	Gloria LaCoe
Rob Moore	Bill Baldwin
John McMahon	James Wedgeworth

PROPERTY OWNERS (GROUP 1)

Doug Luba	Raymond Cox
Larry Shaff	Marion Gorczynski
Sue Kerr	Steve Marra
Karen Gannon	Matt Nishioka
John Joseph	Mary Amonitti
Theresa Baker	Jay Roppelt
Dawn Bullock	Carol Billman

VENDORS & CONTRACTORS

Tim Drake, *The Greenery*
Brian Quinn, *Twelve Oaks Group*
Mike Allen, *Broad Creek PSD*
Matt Losey, *Bartlett*
Rick Clanton, *Group 3 Builders*
Terry Rosser, *Architect*
Billy Brown, *Low Country Cleaning Services*
Allen Ward, *Ward Edwards*
Rick DeLong, *Advantage Builders*
Rob Tedford, *Architect*
Mike Baroni, *Carolina Landscape*
Mike Vaccaro, *Architect*
Clay Jones, *Jones Brothers*
Hospice Care of the Low Country
Todd Hawk, *H2 Builders*
Joe Nix, *Nix Construction*
Henry Brown, *Hargray*
Shawn Woods, *Estate Management*
Harry Hussman, *Alpha Marine*
Larry Mann, *Builder*
Rick McDevitt, *Oceanwoods*
Chad Perrine, *Reno Pro*
Mike Lynes, *Home Inspections*

PROPERTY OWNERS (GROUP 2)

Ric Gorman	Lee Hildebrandt
Jim Gant	Jay Roppelt
Scott Dutton	Tom McCall
Susan Murphy	Jim Thomas
Bob Houlihan	Susan Whittelsey
Tom Kelly	Grover Cleaveland
Joseph Andronaco	Jim Schlotman
Deborah Boyd	Dot Maggi
Kathy Fromme	Rainer Kuenkel
Ceylon Leitzel	

The Year in Review

A STRATEGIC PLANNING TIMELINE

2016-17 was an extremely active time for the PDPOA, to include an unplanned hiatus due to storm recovery efforts. In total, our dedicated team members volunteered over 650 hours to the process!

We followed best practices by gathering facts, performing an in depth SWOT* analysis, and received input from numerous stakeholders. Internal and external limitations were analyzed, and we defined our objectives prior to a final review.

WORKSHOP

Held a small-scale Strategic Planning Development Workshop for the PDPOA Board of Directors in preparation for the work ahead. Determined the who, what, where, and when of the process.

MEETING 10

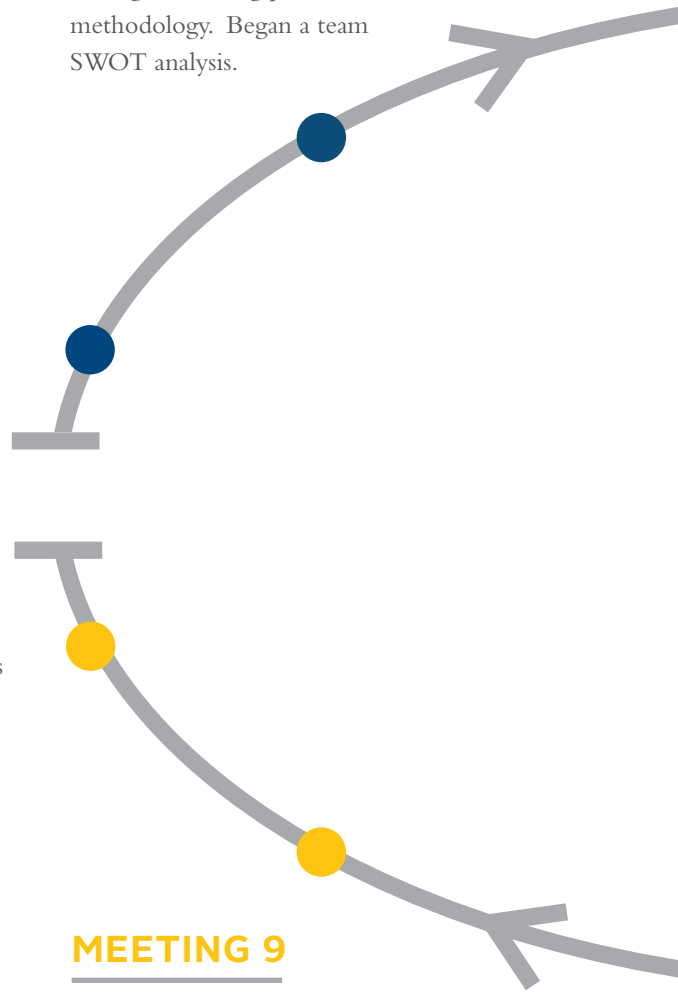
March 30 2017 - Reviewed previously suggested actions and presented new ones. Voted on their top five actions under each area of focus. Aligned actions as a group using a S.M.A.R.T. goals form. Completed Hedgehog Concept exercise begun in Meeting 9.

MEETING 1

June 29, 2016 - Reviewed our charter and purpose as well as a brief history of Palmetto Dunes. Created a shared understanding of the Strategic Planning process/ methodology. Began a team SWOT analysis.

MEETING

July 20, 2016 - SWOT and refi Planning Team values, and com vision statemen for Palmetto D input/output ex



MEETING 9

March 16, 2017 - Reviewed the five steps to a strategic plan. Created statements for and further refined the areas of focus. Executed a Hedgehog Concept exercise.

MEETING

February 21, 20 top strategic are shared addition each. Categoriz all suggestions.

MEETING 2

Reviewed Board...
ned the Strategic
SWOT. Revisited
rmed mission and
ts. Defined “great”
nes during an
ercise.

ENGAGEMENT SESSIONS

August 2016 - Invited eight groups of key stakeholders to attend nine Engagement Sessions to gather outside input, insights, and ideas.

MEETING 3

August 18, 2016 - Received a capital project update, prioritized values, and discussed admired communities. Shared tagline ideas and revisited input/output framework. Reviewed Engagement Session results.

MEETING 4

September 1, 2016 - Continued to advance the process with an update on the Town of Hilton Head Island’s focus and priorities, and prioritized the Engagement Session input.

Hurricane Matthew

MEETING 5

January 5, 2017 - Reconvened after a four month storm recovery hiatus. Began the master SWOT analysis using all of the SWOT input submitted to date. Identified the top ten in each category.

MEETING 6

January 19, 2017 - Continued to narrow down the master SWOT. Categorized Engagement Session data, and voted on which to leverage. Selected the final tagline.

*A study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats.

MEETING 8

17 - Confirmed
eas of focus, and
al solutions for
ed and refined

MEETING 7

February 9, 2017 - Analyzed and narrowed the master SWOT down to the primary strategic areas of focus. Discussed and catalogued potential solutions to each. Examined constraints.

Defining Who We Are

OUR MISSION, VISION, VALUES, AND TAGLINE

The mission statement, vision statement, and values each have their own distinct function within the strategic planning process. While developing these statements and further defining the PDPOA's identity, we felt it was important to establish a tagline as well.

MISSION

Creating a mission statement was one of the first exercises performed by the Strategic Planning Team. How does one begin a successful journey without a purpose? After numerous ideas, thoughtful conversation, and several refinements, the mission statement was completed.

It will serve to communicate our purpose and direction to owners, investors, guests, vendors, and employees. The mission reflects our priorities and identifies our scope of operations.

VISION

Our vision statement was developed along with our mission. Where does the PDPOA want to be in 5 years? 10 years? 20 years? We wanted to envision a goal without constraints, a future state we wish to achieve. We want to continuously challenge and inspire our board and our staff.

VALUES

In order to arrive at our final values, the top ten selected by our Board of Directors during its workshop were combined with the top ten chosen by the Strategic Planning Team. After much discussion over the course of several meetings, the final six were decided upon by vote.

Our values define the deeply held beliefs and principles of our association, and create a moral compass for our leadership and our employees. They will guide our decision-making and establish a standard that actions can be assessed against.

TAGLINE

We asked the team to get clever and creative, and they delivered. We came up with a list of over 15 taglines and narrowed it down to an agreed upon favorite that checked all the boxes. Our goal is to use this tagline in future marketing materials and advertising.

A **mission statement** explains the organization's reason for existence. It describes what it does and its overall intention.

A **vision statement** is inspirational, aspirational, and describes the organization as it would appear in a future successful state.

Values explain what the organization believes in and how it will behave.

A variant of a branding slogan, a **tagline** is a memorable dramatic phrase that sums up the tone and premise of a product. It reinforces and strengthens an audience's memory.

MISSION

To enhance the quality of life, strive to protect the natural environment, and improve the resources of our community for all those who live, invest, work, and play here.

VISION

For Palmetto Dunes to be regarded as the best and most sought after residential resort community on the east coast.

TAGLINE

*Where Visitors
Become Locals*

VALUES

*Accountable
Ethical
Forward-Thinking/Proactive
Innovative
Responsible
Transparent*

The Results

PRIMARY AREAS OF FOCUS & ASSOCIATED ACTIONS FOR APPROVAL

The team as a whole determined the following four overarching goals aligned with our mission. These are to be the primary areas of focus as we work toward completing the actions and strategies associated with each. Each of the actions were evaluated conceptually using S.M.A.R.T. goals criteria, and in their finality will be assigned based on a RACI model. When the conceptual strategic plan is approved, each action will be individually researched, prioritized, and scheduled for the appropriate budget cycle.

S.M.A.R.T. GOALS

S.M.A.R.T. is a mnemonic acronym, giving criteria to guide in the setting of objectives in, our case, project management. S.M.A.R.T. criteria are commonly associated with Peter Drucker's management by objectives concept. The principal advantage of these objectives is that they are easier to understand and to know when they have been done. Ideally speaking each section objective should be:

Specific – target a specific area for improvement

Measurable – quantify or at least suggest an indicator of progress

Achievable – state what results can realistically be achieved, given available resources

Responsible – specify who will do it

Time-related – specify when the result(s) can be achieved

RACI MATRIX

A responsibility assignment matrix, also known as RACI matrix or linear responsibility chart, describes

the participation by various roles in completing tasks or deliverables for a project or business process. It is especially useful in clarifying roles and responsibilities in cross-functional/departmental projects and processes, like in the case of our strategic plan areas of focus.

RACI is an acronym derived from the four key responsibilities most typically used: Responsible, Accountable, Consulted, and Informed:

Responsible - those who do the work to achieve the task

Accountable - the one ultimately answerable for the correct and thorough completion of the deliverable or task, and the one who delegates the work to those responsible.

Consulted - those whose opinions are sought, typically subject matter experts; and with whom there is two-way communication

Informed - those who are kept up-to-date on progress, often only on completion of the task or deliverable; and with whom there is just one-way communication.

①

Achieve desired balance of full-time vs. investment property owners through branding, identity, and increased marketing toward full-time residents.

- Create a baseline
- Create an RFP for branding/marketing support (ad hoc committee/brand independently as PDPOA or as the larger resort)
- Focus on POA-controlled items
 - Determine best way to advertise
 - Reword entrance sign
- Partner with realtor/real estate branch
- Incentivize full-time residency/waive fees
- Develop/implement new owner questionnaire
- Build an increased sense of community
- Establish a welcoming committee
- Establish funding sources

②

Investigate, consider, and establish methods of acquiring properties. These may be beachfront, lagoonfront, foreclosed, outside PD gates, Greenwood-owned, community center, or other.

- Survey owners on desired amenities
- Identify “wishlist” for what/where we would like (community center, green space, etc.)
- Use Geographic Information System (GIS) to determine properties we may acquire
- Engage legal counsel as to what rights of repurchase are in our covenants
- Develop a right to repurchase policy
- Approach Greenwood or other entities to develop partnership(s)
- Begin discussions with Greenwood around first right of refusal for commercial properties

③

Enhance, protect, leverage, educate on, and improve our lagoon and lake system.

- Review 2014 report and reevaluate as needed
- Increase waterway accessibility for owners (launches, decks, docks)
- Update all documents pertaining to the lagoon and lakes
- Leverage the resource in our branding
- Produce a drone video of the lagoon
- Educate realtors on the resource
- Improve enforcement and enact more stringent fine structures for waterfront property violations
- Evaluate staffing for the lagoon (natural resource/environmental officer, etc.)
- Partner with local or state educational institutions (TCL, USCB, Clemson Extension, etc.)
- Develop education plan (signs, printed material, etc.)
- Reorganize Lagoon & Lake Advisory Group member structure; increase participation

④

Enact sensible, reasonable proactive covenant compliance policies and processes, which will, in part, include establishing and enforcing short-term rental control requirements.

- Revise regulations and fine structures/schedules
- Achieve Improved and consistent waterfront property compliance
- Recognize compliance through awards and/or acknowledgement
- Retrain/develop workshop for Security department on covenant violations
- Consider staffing a code enforcement position or using an ambassador resource
- Accomplish earlier outreach to new owners
- Create owner/builder/ARB partnership from the onset
- Institute term limits for all committees with appropriate transition plans; seek more diverse representation
- Potentially manage Greenwood's maintenance



Executive Summary

Thanks to all the people who worked so hard on this important effort. A great deal of time and energy were invested in formulating this strategic plan with the goals of setting a direction for the future and establishing priorities for our community.

It is important to recognize that a strategic plan is a process, not a product. Even after all of the information gathering, in depth analysis and assessment, strategy development and execution, there will still be further evaluation and refinement over time. The process is a dynamic one: most long-range plans can, and quite often do, change depending upon financial factors and/or if the needs and desires of the community shift. Once approved, this plan will be monitored and updated annually to meet the needs of our organization.

This lofty initiative will involve various stakeholders, and will require conscious engagement from our board, staff, property owners, commercial partners, and vendors. But it will provide guidance to our Association as it considers decisions impacting the future of the PDPOA, and with it, we will be able to more effectively draft and implement programs serving the association's needs and fulfilling the expectations of its members. Change is outlined by a few, but achieved working together as a whole.

Pending Board approval, management will begin evaluating responsibility, staffing needs, operational needs, and the financial resources that will impact next year's operating and capital budgets. This plan marks the beginning of a road map to Palmetto Dunes' future for all those who live, invest, work, and play here.

Andrew P. Schumacher,
CEO, PDPOA

Lois Adams-Rodgers
Chair, PDPOA Board of Directors



PALMETTO DUNES™

PROPERTY OWNERS ASSOCIATION

RESIDENTIAL RESORT COMMUNITY