

This is a companion document to the letter sent to the Kiawah community by KICA Chair Dave Singer on Aug. 15, 2017. It includes much of the same information, but with greater detail:

KICA has an opportunity to secure land for daily operations as well as preservation of our natural environment, in exchange for property that has very little value to us. This proposed land trade requires a vote of the membership, and we ask for your support in making this happen for the operational and environmental benefit of the Kiawah community.

In December 1995, an entity which is commonly known as Kiawah Partners (KP) deeded a 4.6-gross-acre property (of which 2.9 acres are seaward of the state-determined baseline and not developable) near Beachwalker Park to KICA. Years after the conveyance, KP informed KICA that it had transferred the property in error, as it was a small part of a much larger conveyance that included the majority of the dune system along Kiawah's 10 miles of beach. KP requested that KICA issue a corrective deed and transfer the property back to KP. The KICA board concluded that after so many years, it had no way of knowing if this was an error, and even if it did, the property had been properly conveyed as common property, which by covenant cannot be sold, traded, or transferred without the affirmative vote of 75% of the votes cast by association members. KP sought judicial reformation of the deed and to date, the courts have ruled in favor of KICA's position, though the Appeals Court recently heard the case again and a decision is pending.

The property ([Exhibit A - click here to view](#)) is unique. Despite the fact that it is ocean front property on Kiawah, it has very little value to KICA, or anyone other than KP. The reasons for this are twofold: first, KICA has no access to the property other than from the beach, as it is surrounded by property owned by KP. KICA could potentially seek legal action to gain access but such a suit would be costly and could take years to resolve. The second issue involves development rights. Through legally binding development agreements, KP is the only entity that has the right to develop this property, which makes it relatively worthless to anyone other than KP.

KICA and KP have been discussing this situation for close to a decade, and from time-to-time there have been informal conversations between the parties about whether or not the association should consider asking the membership, by vote, to transfer the property back to KP in exchange for other property that would be beneficial to all Kiawah property owners. Until recently, KICA had not been able to negotiate an exchange it felt was truly beneficial to both the financial health of the association and the environmental health of Kiawah at large. With vital assistance from the leadership of the Kiawah Conservancy, the association believes it has now hit both of those markers, and are asking for member support.

KICA has negotiated a proposal, subject to member approval, that provides KICA with property it critically needs for operations. These properties include:

- Additional land for parking at its 23 Beachwalker Drive administration building
- Land adjacent to KICA's maintenance parcel for equipment and other storage and its nursery for landscaping
- Additional land for future expansion of the Ocean Course Drive beach parking
- Equipment storage rights in Ocean Park

By KICA acquiring the ownership and other rights connected with these parcels, there are tremendous benefits to the community – some are practical day-to-day benefits that are obvious, and some are less visible, but no less important.

- **Maintenance Parcels:** Currently, the only property KICA owns to house its maintenance division is a 1.2-acre site on Kestrel Court. This location is home base for 50 employees working in landscaping, lakes, major repairs and general maintenance divisions, as well as the mechanics shop. All 50 employees park their personal cars here, in addition to the various KICA trucks, trailers, maintenance equipment sheds, office space, etc. The site is so crowded that KICA has leased the adjacent parcel from KP (currently \$1/year) for its greenhouse as well as overflow parking and storage. As part of this transaction, the leased parcel would be deeded to KICA.

In addition to the maintenance parcel on Kestrel Court, KP has agreed to provide via a long-term lease (\$1/year) a portion of the utility tract in Ocean Park for the purpose of housing an equipment shed. As Ocean Park is completed, KICA's maintenance responsibilities will increase significantly, and the ability to store maintenance equipment at this end of the island will save time and money as equipment won't have to be trailered daily from one end of the island to the other.

While there is obvious practical value to the day to day efficiency of owning these maintenance parcels, KICA believes there is significant financial value by way of future cost avoidance. Were these parcels unavailable to KICA, the likelihood that on-island alternatives would be available is minimal, and if available, they'd be costly. Should KICA have to look off-island to provide some of these functions, not only would there be direct cost associated with ownership or leasing, there'd be daily cost associated with travel time, additional wear and tear on association vehicles, and fuel costs. An estimate of the potential costs of moving significant portions of the maintenance operation off-island totals between \$2.7 and \$3.33 million over the first 10 years, including initial land acquisition costs between \$500,000 and \$1 million, and ongoing costs of approximately \$230,000/year.

- **Parking Parcel:** At the Administration Building (formerly Town Hall) on Beachwalker Drive, parking is a serious challenge any time there is a large meeting, or multiple meetings underway. In fact, one of several reasons the town cited when deciding to pursue a new Town Hall was the lack of sufficient parking at the current site. Now that the town has moved to their new facility on Betsy Kerrison, KICA intends to use portions of the vacated space for community groups and club meetings, so the availability of convenient parking is critical to member enjoyment of this facility. Further, a portion of the current parking there today is on KP land that will one day be developed; thus the total number of parking spaces will be reduced in the future if this vote is not approved.
- **Beach Parking:** With continued build out on the eastern end of Kiawah, there's likely to be additional demand for beach access and parking on that end of the island. Acquiring an additional parcel adjacent to KICA's existing beach parking near the Ocean Course Drive fire station will allow for additional beach parking if/when it is needed.

These parcels alone would benefit KICA and its members on a daily basis. However, KICA, working with the Kiawah Conservancy, sought significant conservation initiatives to further benefit the community and add value to the island and its natural resources. KICA is pleased that KP is willing to partner in these efforts.

Owners and visitors alike often speak of the extraordinary arrival experience on Kiawah where the island's natural beauty is on full display as one rounds the last bend before the bridge and then drives on to the island. Your affirmative vote assures this arrival experience remains as it is today.

The parcels directly across from Mingo Point have zoning and development rights for up to 25 units ([Exhibit B – Click Here to View](#)). KICA and the conservancy believe that development of these parcels would not only alter the arrival experience on Kiawah, but eliminate valuable wildlife habitat. As a result, KP has agreed to place a conservation easement on those parcels, to ensure there is no residential/commercial development, and that the current arrival experience to the island is preserved in perpetuity. In addition, KP has agreed to place conservation easements on more than 700 acres (+/-) of marshland stretching from the bridge all the way to approximately Rhett's Bluff ([Exhibit C – Click Here to View](#)). This wildlife-rich area is important to research efforts conducted by the town, the conservancy, and others. Also, a 7.72-acre island on Bass Creek will be transferred from KP to the Conservancy.

In addition to the proposed trade between KICA and KP, the conservancy has negotiated an additional agreement that becomes effective if the vote is successful. For full details, please visit kiawahconservancy.org, however a summary is as follows. KP will grant the conservancy a favorable purchase option on a 6.6-acre parcel across from Kiawah Island Real Estate, which currently has zoning and development rights for up to 19 units. Second, KP has agreed not to act on its current OCRM permit request to relocate sand from a west end development site to the beach, an act some members are uncomfortable with.

Combined, these efforts will permanently protect 18.87 acres of developable parcels which are now zoned for a combined 44 units.

In exchange, and if 75% of you vote in the affirmative, KICA will deed the 4.6-acre parcel back to KP. However, as part of the transfer, **it will include a deed restriction on the property that's designed to prevent any portion of the 4.6 acres to be used for an access road for the development of Captain Sam's Spit.** This parcel is not needed for Captain Sam's access, but KICA understands that among some of our owners there is a difference of opinion related to that proposed development, and wants to make it clear that this exchange in no way impacts the developer's ability to develop there.

As 2.9 of the 4.6 acres are undevelopable, that leaves approximately 1.7 acres of developable property. The property is zoned R3/Commercial which means the 1.7 acres could accommodate 2-3 single family home sites, or about 10 villa units. Whatever construction occurs on the site would be incorporated into the surrounding property, which is already approved for development (development will happen in the immediate area whether this trade moves forward or not).

Voting yes will prevent up to 44 units on 18.87 acres of developable land currently surrounding by marsh, in exchange for a maximum of about 10 units on 1.7 acres in an area that is already developed.

For a variety of reasons KICA, along with the Kiawah Conservancy, think this is a very good deal for the community, and your board is unanimous in encouraging you to vote “yes.” By approving this transaction, we can perpetually protect the entrance to the island, acquire property and property rights that provide instant day to day benefits to the community and KICA’s operations, eliminate possible future expenses by ensuring all maintenance operations remain on the island, and restrict KP from using any of the 4.6 acres for access to Capt. Sam’s.