



View of Parcel 23 with river and marsh

(3+ acres) from Dyal Compass for approximately \$3 million. In addition, that deal also included payment for half a pump station (\$250,000) and waiver of contributions to reserves (CTR). *[Ed. Note: CTRs are the .5% of each sale and resale of property which is collected by KICA.]* The Board is **not** legally required to put the question to the membership unless a special assessment of members is required. Following an extensive discussion with property owners attending the meeting, the Board went into Executive Session, emerging to assure those present that they would not purchase the parcel **without a property owner referendum**.

Despite that commitment, it appears the Board is now prepared to pay \$2.9 million for the 3+ acre parcel, and the expectation is the offer will be accepted. Since the acquisition is not expected to require a special assessment, the majority of the Board appears to be comfortable stepping away from its September 8 promise to put the purchase to a referendum.

TALK spoke to several members of the KICA Board after the November 9 meeting; not all Board members returned calls, and those who did speak asked not be quoted. **Some board members remain concerned the \$2.9 million price is too high, and that moving ahead without a referendum is contrary to the commitment made to property owners who attended the September 8 board meeting.**

Property Owner Petition

If Captain Sams Spit is developed and if KRA/KDP deeds the infrastructure to the Kiawah Island Community Association (KICA) as is permitted by the KICA Covenants and further clarified by the 2005 Development Agreement between KRA/KDP and the Town of Kiawah Island, all property owners would be responsible for maintenance, repair and replacement of its infrastructure were a catastrophic event to occur.

To prevent that responsibility from being borne by those not owning property on Captain Sams Spit, a number of Kiawah residents have joined together to request a referendum for a Covenant amendment to limit KICA's liability on any portion of the Island and marsh hammocks which lie within the Coastal Barrier Resources System (CBRS). In an effort to preserve the integrity of fragile areas along the coast, and to discourage development in dynamic areas, the Coastal Barrier Resources System was established in 1982, thereby disallowing any federal funding for flood insurance in those particular areas. These areas would also be ineligible for federal funding in the case of natural disaster.

The potential financial liability for KICA was the impetus for the letter and accompanying referendum petition which all property owners should have received by now. The Kiawah Property Owners Group (KPOG) has endorsed and funded the project. (See President's Corner on page 2 of this issue).

Captain Sam's Spit and surrounding marsh hammocks fall within CBRS unit MO8. Eastern portions of the Island are within unit MO7. With passage of the proposed Covenant amendment, only those owning property in these two areas would/should be responsible for its infrastructure repair and replacement in the event of a major storm or erosion.

