



**The Town of Hilton Head Island
Regular Town Council Meeting**

November 5, 2014

4:00 P.M.

AGENDA

**As a Courtesy to Others Please Turn Off/Silence All Mobile Devices During
the Town Council Meeting**

- 1) Call to Order**
- 2) Pledge to the Flag**
- 3) Invocation**
- 4) FOIA Compliance** – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 5) Proclamations and Commendations**
 - a. Pancreatic Cancer Awareness Month
- 6) Approval of Minutes**
 - a. Town Council Meeting, October 21, 2014
- 7) Report of the Town Manager**
 - a. Town Manager's Items of Interest
 - b. October 2014, Quarterly Report
- 8) Reports from Members of Council**
 - a. General Reports from Council
 - b. Report of the Intergovernmental Relations Committee – George Williams, Chairman
 - c. Report of the Personnel Committee – Lee Edwards, Chairman
 - d. Report of the Planning & Development Standards Committee – John McCann, Chairman
 - e. Report of the Public Facilities Committee – Kim Likins, Chairman
 - f. Report of the Public Safety Committee – Marc Grant, Chairman
- 9) Appearance by Citizens**
- 10) Unfinished Business**

None.
- 11) 5:30 p.m. - PUBLIC HEARING ON THE PROPOSED AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN SHELTER COVE TOWNE CENTRE, LLC, SHELTER COVE II, LLC, AND THE TOWN OF HILTON HEAD ISLAND.**

12) New Business

a. First Reading of Proposed Ordinance 2014-25

First Reading of Proposed Ordinance 2014-25 of the Town Council of the Town of Hilton Head Island, South Carolina, authorizing the execution of an Amended and Restated Development Agreement for Shelter Cove Mall with Shelter Cove Towne Centre, LLC And Shelter Cove II, LLC for the redevelopment of property known generally as the Mall at Shelter Cove, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

b. First Reading of Proposed Ordinance 2014-31

First Reading of Proposed Ordinance 2014-31 of the Town Council Of The Town Of Hilton Head Island, South Carolina, authorizing the sale of real property owned by the Town of Hilton Head Island, South Carolina, in exchange for land owned by Shelter Cove Towne Centre, LLC and/or Shelter Cove II, LLC, in conjunction with the Amended and Restated Development Agreement for Shelter Cove Mall, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

c. First Reading of Proposed Ordinance 2014-32

First Reading of Proposed Ordinance 2014-32 of the Town Council of the Town of Hilton Head Island, South Carolina, authorizing the establishment of covenants and restrictions on real property in conjunction with the Mall at Shelter Cove Development Agreement and any amendments or modifications thereto, pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

d. First Reading of Proposed Ordinance 2014-24

First Reading of Proposed Ordinance 2014-24 to amend Title 16, “the land management ordinance,” of the municipal code of the town of Hilton Head Island, South Carolina, by amending section 16-4-102, the Official Zoning Map and the Palmetto Dunes Resort Master Plan with respect to the certain parcels identified as parcel 12 on Beaufort County Tax Map #12B, and a 9.3 acre portion of parcel 12 on Beaufort County Tax Map #12C, within the Palmetto Dunes Resort Master Plan under the PD-1 Planned Development Mixed Use District, to decrease the number of multifamily dwelling units on Parcel 26, Tax Map #12B to 50; increase the number of multifamily dwelling units on Parcel 12, Tax Map #12C to 210; the aggregate total of dwelling units for both properties would not exceed 240 units; and no other changes to the Master Plan land use designations and associated densities for the properties; and providing for severability and an effective date.

e. Consideration of easement relocation agreement for Shelter Cove Marina area

13) Executive Session

- a. Land Acquisition
- b. Legal Matters
- c. Contractual Matters
- d. Annual Review of the Town Manager

14) Adjournment

Proclamation

**BY
THE TOWN OF HILTON HEAD ISLAND**

WHEREAS, in 2014, an estimated 46,420 people will be diagnosed with pancreatic cancer in the United States and 39,590 will die from the disease, which is the fourth leading cause of cancer death in the United States and is projected to become the second by 2020; and

WHEREAS, pancreatic cancer is the only major cancer with a five-year relative survival rate in the single digits at just six percent; and

WHEREAS, when symptoms of pancreatic cancer present themselves, it is generally late stage, and 73 percent of pancreatic cancer patients die within the first year of their diagnosis while 94 percent of pancreatic cancer patients die within the first five years; and

WHEREAS, approximately 610 deaths will occur in South Carolina in 2014, and there is no cure for pancreatic cancer and there have been no significant improvements in survival rates in the last 40 years; and

WHEREAS, of all the racial/ethnic groups in the United States, African Americans have the highest incidence rate of pancreatic cancer, about 50% higher than the other groups; and

WHEREAS, the Pancreatic Cancer Action Network is the first and only national patient advocacy organization serving the pancreatic cancer community in Hilton Head Island and nationwide by focusing its efforts on public policy, research funding, patient services, public awareness, education related to developing effective treatments, and a cure for pancreatic cancer; and

WHEREAS, the good health and well-being of the residents of Hilton Head Island are enhanced as a direct result of increased awareness about pancreatic cancer and research into early detection, causes, and effective treatments.

*Now, **THEREFORE**, I Drew A. Laughlin, Mayor, of the Town of Hilton Island, South Carolina do hereby proclaim the month of November, 2014 as:*

PANCREATIC CANCER AWARENESS MONTH

in the Town of Hilton Head Island, South Carolina and encourage all citizens to recognize the benefits of early identification, causes, and effective treatments.

IN TESTIMONY WHEREOF**, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this **fifth day of November, two thousand and fourteen.

Drew A. Laughlin, Mayor

Attest:

Victoria L. Pfannenschmidt, Town Clerk

THE TOWN OF HILTON HEAD ISLAND
REGULAR TOWN COUNCIL MEETING

Date: Tuesday, October 21, 2014

Time: 4:00 P.M.

Present from Town Council: Drew A. Laughlin, *Mayor*; Bill Harkins, *Mayor Pro Tem*; George Williams, Marc Grant, Kim Likins, Lee Edwards, John McCann, *Council Members*

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Brad Tadlock, *Fire Chief*; Charles Cousins, *Director of Community Development*; Nancy Gasen, *Director of Human Resources*; Susan Simmons, *Director of Finance*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Brian Hulbert, *Staff Attorney*; Teri Lewis, *LMO Official*; Darrin Shoemaker, *Traffic and Transportation Engineer*; Angie Stone, *Senior Human Resources Administrator*; Shawn Colin, *Deputy Director of Community Development*; Jennifer Ray, *Urban Designer*; Heather Colin, *Development Review Administrator*; Melissa Cope, *Systems Analyst*; Vicki Pfannenschmidt, *Executive Assistant/Town Clerk*

Present from Media: Dan Burley, *Island Packet*

1) CALL TO ORDER

Mayor Laughlin called the meeting to order at 4:00 p.m. and stated Mrs. Likins phoned and said she was in route and would be late.

2) PLEDGE TO THE FLAG

3) INVOCATION

4) FOIA Compliance – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.

5) Proclamations and Commendations

None.

6) Approval of Minutes

a. Town Council Meeting, October 7, 2014

Mr. Williams moved to approve. Mr. McCann seconded. The minutes of the October 7, 2014 Town Council meeting were approved by a vote of 7-0.

7) Report of the Town Manager

a. Town Manager's Items of Interest

Mr. Riley reported on some items of interest.

b. September, 2014 Policy Agenda, Management Targets and CIP Updates

Mr. Riley noted the report was included in the packet and staff was available to answer any questions.

8) Reports from Members of Council

a. General Reports from Council

Mr. Williams pointed out misinformation posted on the facebook page of a local attorney concerning timeshares and multi-family communities on Hilton Head Island.

b. Report of the Intergovernmental Relations Committee – George Williams, Chairman

No report.

c. Report of the Personnel Committee – Lee Edwards, Chairman

No report.

d. Report of the Planning & Development Standards Committee – John McCann, Chairman

No report.

e. Report of the Public Facilities Committee – Kim Likins, Chairman

No report.

f. Report of the Public Safety Committee – Marc Grant, Chairman

No report.

9) Appearance by Citizens

None.

10) Unfinished Business

a. Second Reading of Proposed Ordinance 2014- 27

Second Reading of Proposed Ordinance 2014-27 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2014; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

b. Second Reading of Proposed Ordinance 2014- 28

Second Reading of Proposed Ordinance 2014-28 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2015; to provide for the budgeted appropriations of prior year encumbrances and for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

c. Second Reading of Proposed Ordinance 2014-29

Second Reading of Proposed Ordinance 2014-29 to amend the budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2015; to provide for the budgeted appropriations of prior year budget roll-forwards and the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

d. Second Reading of Proposed Ordinance 2014-30

Second Reading of Proposed Ordinance 2014-30 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2015; to provide for the expenditures of certain funds; to allocate the sources of revenue for the said funds; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0.

11) New Business

a. Consideration of a Recommendation – Coligny District Improvements

Consideration of a Recommendation that Town Council approve the Conceptual Master Plan for the Coligny District Redevelopment, prepared by Wood+Partners, dated October 1, 2014.

Mr. Harkins moved to approve. Mrs. Likins seconded.

Kyle Theodore of Wood + Partners stated she was available to answer any questions from Council. Mr. Grant asked if the community in the area was comfortable with the parking. Ms. Theodore stated public input was positive at the presentation done for the Planning Commission.

Henry Sanders of South Forest Beach Drive spoke in support of the plan.

Mark Senn of Blanchard and Calhoun which owns Heritage Plaza stated that after seeing the plan they are looking forward to redeveloping the Plaza.

Mr. Williams stated that regardless of what has been said concerning Council's lack of vision that this is the first plan that has come forward that the residents and merchants were satisfied. He noted that is what Town Council had been striving for and stated he was happy to vote in favor of the plan.

Mr. Edwards voiced concerns about the surface parking. He said he felt Council is wasting a great opportunity to do a little more for the area. He suggested retail along Pope Avenue and the parking placed behind. Mr. Edwards asked if changes could be made in the design. It was confirmed that this was a conceptual plan and actual design had not been completed.

Mrs. Likins stated she was excited about the destination park along with the location for the Children's Museum. She said that Jack Daly, President, Forest Beach Owners Association contacted her and asked her to let Council know they were in full support of the plan.

Barb Fitzgerald and owner at Forest Beach Villas suggested the proposed parking garage be placed closer to Coligny. She expressed concerns of residents having the view of a parking garage.

The motion was approved by a vote of 7-0.

12) Executive Session

Mr. Riley stated he needed an Executive Session for contractual matters pertaining to land acquisition; legal matters pertaining to an Memorandum of Understanding with USCB; legal matters pertaining to the Development Agreement with Shelter Cove Towne Centre; personnel matters pertaining to the annual review of the Town Manager and legal matters pertaining to Outlaw Road.

At 4:23 p.m. Mr. Harkins moved to go into Executive Session for the reasons as set forth by the Town Manager. Mr. McCann seconded. The motion was approved by a vote of 7-0.

Mayor Laughlin called the meeting back to order at 5:29 p.m. and stated there was no business as a result of Executive Session.

5:30 p.m. - PUBLIC HEARING ON THE PROPOSED AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN SHELTER COVE TOWNE CENTRE, LLC, SHELTER COVE II, LLC, AND THE TOWN OF HILTON HEAD ISLAND.

Mayor Laughlin opened the Public Hearing at 5:30 p.m.

Heather Colin conducted a review of the proposed changes in detail. Mark Senn, Blanchard and Calhoun, Ellen Garland, Niles Bolton Associates and Mark Baker, Wood + Partners conducted presentations reviewing the proposed changes.

Mayor Laughlin asked for public comment.

Phil Schembra; Mary Amonitti; Charles Davis, President, Shelter Cove Harbour Company; Mary Margaret McGaughey, Owner, Copper Penny; spoke in support of the changes to the development agreement.

Bill Baker, on behalf of the Military Veterans Coalition informed Council that after working with Blanchard and Calhoun on various changes to enhance the park's visibility and views, they are in support of the project.

Mr. Alf Nelson, President of the Newport Condominium Association informed Council that the developer has met with them, listened to them and worked towards accommodating their requests. He said they favored the change in the plan due to the reduction in height on the west side of the development and the inclusion of a parking garage.

Lynn Piwko-Bullard spoke in opposition to the proposed changes, specifically the additional apartments.

Peter Ovens displayed a suggested change to the layout of the plan.

Mary Alice Tartler spoke in opposition to the proposed changes and the effects they will have on the environment.

Jan Martin, Vice President of the Newport Condominium Association spoke as a resident in support of the proposed changes.

Nancy Lindstrom spoke in opposition to the proposed changes noting her concern with parking in the area.

An unidentified gentleman voiced his concerns on the east side of the development.

John Phelps spoke in support of the project and the quality of work being done.

Mr. Robert Rommel, Vice President of the Audubon Society informed Council they worked with the developer about their concerns with intrusion on a lagoon which serves as a roosting site for over 200 types of birds. He said they have agreed to work with them on maintaining the site along with constructing an observation platform and installing signage warning visitors of the environmentally sensitive area.

Kevin Quat spoke in support of the project noting the need for luxury long-term rental units.

Bob Prest, Owner, Wine & Spirits Shop in Shelter Cove Plaza commended Blanchard and Calhoun for their work and noted that his business has increased significantly within the last 11 months. He spoke in support of the amendment to the agreement.

Fran Baer spoke in opposition to the amendment noting concern with the appearance of the structures and asked that more consideration be given to the natural beauty of the area.

Kumar Viswanathan encouraged Council to approve the amendments noting revitalization is needed for Hilton Head Island.

Frank Babel spoke in support of the amendment noting the developer is improving the area for future generations.

Mr. Senn reviewed the concessions given by Blanchard and Calhoun for the project. He noted they gave up more acreage than they received in the land swap for the park to be placed in the middle of the development and committed to spending 2.25 million dollars on the park construction. He said when asking for 30 additional apartment units they were asked to give up 42 existing parking spaces and to construct an additional 42 parking spaces near on Shelter Cove Lane northeast of Mall Drive. In addition they were asked to provide \$200,000 with parking needs, and if there are any funds left over from the park construction they agreed that the Town can use the funds to the Town's discretion in Shelter Cove. He stated this is an expensive project but they feel they are doing the right thing. He emphasized the buildings will still be built, but they feel this amendment will allow for the best use of the land.

There being no further requests to comment Mayor Laughlin announced there would be second Town Council Public Hearing on the Proposed Amended and Restated Development Agreement between Shelter Cove Town Centre, LLC, Shelter Cove II, LLC, and the Town of Hilton Head Island on Wednesday, November 5, 2014 at 5:00 p.m. in the Town Government Center, Benjamin M. Racusin Council Chambers, One Town Center Court, Hilton Head Island, South Carolina.

He added that the first readings of ordinances concerning the proposed amended and restated development agreement would be on the November 5, 2014 agenda.

Mayor Laughlin closed the Public Hearing at 7:15 p.m.

13) Adjournment

Mr. Harkins moved to adjourn. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0. The meeting was adjourned at 7:16 p.m.

Vicki L. Pfannenschmidt,
Executive Assistant/Town Clerk

Approved:

Drew A. Laughlin, Mayor

DRAFT



Items of Interest November 5, 2014

1. Noteworthy Events

a) Some of the upcoming meetings at Town Hall:

- Accommodations Tax Advisory Committee – November 6, 2014, 9:00 a.m.
- Town offices closed in observance of Veterans Day – November 11, 2014
- Intergovernmental Relations Committee – November 17, 2014, 10:00 a.m.
- Town Council – November 18, 2014, 4:00 p.m.

(Meetings subject to change and/or cancellation. Please visit the Town of Hilton Head Island website at www.hiltonheadislandsc.gov for meeting agendas.

2014 Hilton Head Island Events

Saturday, November 8, 2014 Sunday, November , 2014 11:00am-5:00pm	Hilton Head Island Oyster Festival	Shelter Cove Community Park
Tuesday, November 11, 2014 10:00 a.m.-11:30 a.m.	Veterans Day Observance	Shelter Cove Veterans Memorial Park

OCTOBER - 2014 QUARTERLY REPORT

TOPIC:	Hilton Head Island History
CONTACT:	Greg DeLoach, Assistant Town Manager
STATUS:	Fall Edition of <i>Our Town</i> was distributed on October 24, 2014
ISSUE:	“The Gullahs of Hilton Head Island 1862-1956”
BACKGROUND:	At a recent ceremony naming a bridge after Charlie Simmons, Sr., residents requested the Town provide more history stories for residents. The Heritage Library provided the article, “The Gullahs of Hilton Head Island 1862-1956” for <i>Our Town</i> .
OUTLOOK:	The Town will consider more history stories/articles in the future.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
VIA: Teri Lewis, AICP, *LMO Official*
FROM: Heather Colin, AICP, *Development Review Administrator*
CC: Charles Cousins, AICP, *Director of Community Development*
DATE: October 23, 2014
SUBJECT: Amended and Restated Development Agreement for Shelter Cove Mall
Proposed Ordinance No. 2014-25

Recommendation:

The Planning Commission met on October 1, 2014 to review the two portions of the Proposed Agreement related to land development, the proposed number of apartments (total of 210- 240) and the height of the apartments from (4 stories or 60' to 75') and after a public meeting voted 4-3-0 to recommend that Town Council approve the proposed elements in the Agreement. Two Commissioners recused themselves for reasons of conflict of interest.

Staff recommends that Town Council approve the modifications that were reviewed by the Planning Commission as well as the additional modifications to the Agreement as outlined below and supported in part through the review and recommendation of the associated Zoning Amendment.

Summary:

The proposed increase in the number of apartments (multifamily dwelling units) has created the need to amend the approved Development Agreement. This has caused the need to change other elements in the agreement, which include the following:

- Include dates for items that have already been completed in relationship to the Agreement;
- Increase in the number of multifamily dwelling units (apartments) and the location (from the West side to the East, Town owned portion of the project);
- Increase in the height of the apartment buildings from the approved 4 stories or 60' to 75' (the standard regulation for the PD-1 Zoning District);
- Establish a timeframe of 18 months to obtain approval of the Community Park Pier element at the Community Park or it will be removed from the Park Plan;
- Eliminate the impact fee credits to the Developer for park construction and road improvement related costs in order for the Town to use the impact fees for other public improvements in the area;
- Revised Concept Plan that reflects the change in apartments which would allow up to 50 units (from the approved 76) on the West side closest to the Newport community and up to 210 on the portion of Town owned property (previously 134); however, the aggregate total will not exceed 240;
- A revised Traffic Study that takes into account the overall increase (30 additional units) and the shift of the apartments;

- Revisions related to the boundaries and timeframe for the land swap for the park; and
- The Developer will contribute \$200,000 to apply to the construction of parking facilities to be used within 5 years to accommodate increased parking demands that may result from the redevelopment and construction of the Park.

Background:

On **October 16, 2012** Town Council approved a Development Agreement between Shelter Cove Towne Centre, LLC and the Town of Hilton Head Island for the redevelopment of the Mall at Shelter Cove, now known as Shelter Cove Towne Centre that includes commercial uses, multifamily residential (apartments), and a relocated waterfront Community Park.

On **July 29, 2014** Town Council held a workshop to discuss the proposed changes associated with the project in a public setting. No action was taken; the massing of the buildings and associated parking were discussed and indicated as areas of concern.

On **October 21, 2014** Town Council held a public hearing to receive public comments on the Proposed Amended and Restated Development Agreement. After a staff presentation, and presentations from the applicant, public comments were received. No action was taken.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2014-__

PROPOSED ORDINANCE NO. 2014-25

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF AN AMENDED AND RESTATED DEVELOPMENT AGREEMENT FOR SHELTER COVE MALL WITH SHELTER COVE TOWNE CENTRE, LLC AND SHELTER COVE II, LLC FOR THE REDEVELOPMENT OF PROPERTY KNOWN GENERALLY AS THE MALL AT SHELTER COVE, PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. § 5-7-40 (SUPP. 2011), AND § 2-7-20, CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

LEGISLATIVE FINDINGS

WHEREAS, on or about October 16, 2012, the Town of Hilton Head Island, South Carolina and Shelter Cove Towne Centre, LLC entered into that certain Development Agreement for Shelter Cove Mall, which provided for terms and conditions governing the redevelopment of property located on Hilton Head Island and known generally as The Mall at Shelter Cove; and,

WHEREAS, the aforementioned Development Agreement was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on October 26, 2012 in Book 3185 at Page 1785; and,

WHEREAS, the parties desire to amend and restate the aforementioned Development Agreement to provide for, among other things, a revised Concept Plan and to reflect other matters which have changed since the aforementioned Development Agreement was recorded, in a form entitled as an Amended and Restated Development Agreement for Shelter Cove Mall; and,

WHEREAS, the State of South Carolina has enacted the South Carolina Local Government Development Agreement Act, Section 6-31-10, *et seq.* of the South Carolina Code of Laws (1976), as amended (the "Act"); and

WHEREAS, the Act authorizes local governments, including the city council of a municipality, to enter into development agreements with developers to accomplish the goals as set forth in the Act; and

WHEREAS, pursuant to and under the terms of the Act, the Amended and Restated Development Agreement would provide assurances to the parties that they may proceed with the proposed development, and memorialize certain agreements between the parties with respect to the property and its development; and

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina, has determined that it is in the best interests of the Town to execute the Amended and Restated Development Agreement for Shelter Cove Mall, or one substantially similar in form and substance, a copy of which is attached hereto as Exhibit "A".

NOW THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID COUNCIL, AS FOLLOWS:

Section 1. Execution of Agreement.

- (a) The Mayor and/or Town Manager are hereby authorized to execute and deliver the Amended and Restated Development Agreement for Shelter Cove Mall in a substantially similar form to that attached hereto as Exhibit "A"; and
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated in the Amended and Restated Development Agreement for Shelter Cove Mall, as authorized hereby.

Section 2. Severability.

If any section, phrase, sentence or portion of this Ordinance is, for any reason, held or deemed to be invalid or unconstitutional by any court of competent jurisdiction, then such

section, phrase, sentence or portion shall be deemed a separate, distinct and independent provision and shall not affect the remaining portion thereof.

Section 3. Effective Date.

This Ordinance shall become effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS ___ DAY OF _____, 2014.

Drew A. Laughlin, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

First Reading: _____

Second Reading: _____

Approved as to form: _____
Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

Exhibit “A”

WHEREAS, DEVELOPER is currently redeveloping the Mall Tract pursuant to Zoning Map Amendment #120006 and Zoning Map Amendment ZA-000659-2014, with a reconfigured footprint as shown on the Concept Plan attached as Exhibit “B” (hereinafter “Concept Plan”) which will:

1. Open up and highlight the expanse of Broad Creek;
2. Allow up to 295,000 square feet of commercial Gross Floor Area;
3. Allow up to 10 kiosks (not to exceed a total of 1,500 square feet);
4. Add a component of not more than 240 multi-family dwelling units and related recreation and club facilities;
5. Add gas sales which will include not more than 200 square feet of incidental merchandise and cigarettes in accordance with LMO Section 16-4-209(E)(6) and a maximum of seven (7) fuel pumps;
6. Add a liquor store in accordance with LMO Section 16-4-209(E)(8); and
7. Add a Community Park;
8. Provide the Town with a Community Park (“Community Park”) bordering on Broad Creek containing the same acreage or more acreage than the Exchange Parcel (as defined herein) connecting with and becoming an integral part of the Town’s proposed Chaplin Park Linear Trail, which will provide a location and venue for various purposes, including but not limited to walking, entertainment and educational activities, picnicking, and non-organized sports activities; and
9. Allow development on Outparcels I and C, all as more fully shown on the Concept Plan; and

WHEREAS, this Amended and Restated Development Agreement is entered into by and between DEVELOPER and the Town pursuant to, and in accordance with, the terms of the Act for the purpose of describing certain development that has been completed as of this date, reflecting certain changes to the original Development Agreement between SCTC and the Town (“Original Development Agreement”) dated the 16th day of October, 2012, and Zoning Map Amendment # 000659-2014, and providing assurances to DEVELOPER that it may proceed with its proposed development, and for the further purpose of memorializing certain agreements between the Town and DEVELOPER with respect to the Mall Tract and its redevelopment; and

Exhibit “A”

WHEREAS, the Original Development Agreement was subject to, and predicated upon, the Land Management Ordinance of the Town in effect at the time of the Effective Date of the Original Development Agreement, and, as such, it is acknowledged and agreed between DEVELOPER and the Town that this Amended and Restated Development Agreement continue to be subject to, and predicated upon, the Land Management Ordinance of the Town in effect at the time of the Effective Date of the Original Development Agreement.

NOW THEREFORE, for and in consideration of the mutual promises and covenants set forth herein, and of other good and valuable consideration, including economic and other benefits inuring to both the Town and DEVELOPER as a result of this Amended and Restated Development Agreement with regard to the future development and modification of Shelter Cove Mall by DEVELOPER, the receipt and sufficiency of such consideration being hereby mutually acknowledged, and intending to be legally bound, the Town and DEVELOPER hereby agree as follows:

I. RECITALS.

This Amended and Restated Development Agreement is predicated upon the following:

- A. The Code of Laws of South Carolina (the “SC Code”) Section 6-31-10 through 6-31-160 as it exists on the Effective Date of this Amended and Restated Development Agreement (the “Act”) enabling municipalities to enter into binding development agreements with entities intending to develop real property under certain conditions set forth in the agreement.
- B. Authorization for DEVELOPER to apply for a rezoning of Parcel 26 on Beaufort County Tax Map 12B and a 9.3 acre portion of Parcel 12 on Beaufort County Tax Map 12C owned by the Town, within the Palmetto Dunes Resort Master Plan under the PD Planned Development Mixed District. A copy of the Authorization is attached hereto as Exhibit “C”.
- C. Public hearings regarding the consideration of this Amended and Restated Development Agreement conducted by the Town on the ____ day of _____, 2014, and the ____ day of _____, 2014, after publishing and announcing notice in accordance with the Act.

Exhibit "A"

- D. Ordinance Number _____ adopted by the Town on the _____ day of _____, 2014, (a) determining that this Amended and Restated Development Agreement is consistent with the Town's Comprehensive Plan and the Act; and (b) approving this Amended and Restated Development Agreement.
- E. Ordinance Number _____ adopted by the Town on the _____ day of _____, 2014, approving and allowing for the Town to execute a deed transferring ownership of the Exchange Parcel as defined herein to DEVELOPER in return for the Community Park as further defined herein.
- F. Ordinance Number 2012-24 adopted by the Town on the 16th day of October, 2012, approving the re-zoning of the Mall Tract, pursuant to ZMA #120006 and that certain Ordinance adopted by the Town on the [] day of _____, 2014, pursuant to ZA #000659-2014.
- G. Ordinance Number 2012-28 adopted by the Town on the 16th day of October, 2012, approving the dissolution of the Restrictions referred to in Paragraph V.(C) hereafter.
- H. Ordinance Number 2012-27 adopted by the Town on the 16th day of October, 2012, authorizing the Covenants provided for in Paragraph VI.(N) hereafter.
- I. Ordinance Number _____ adopted by the Town on the ___ day of _____, 2014, approving the rezoning of the Mall Tract and Exchange Parcel pursuant to ZA # 000659-2014.
- J. The Land Management Ordinance of the Town of Hilton Head Island, South Carolina as it existed on the Effective Date of the Original Development Agreement.

II. INCORPORATION.

The above recitals are hereby incorporated into this Amended and Restated Development Agreement, together with the findings of the South Carolina General Assembly as set forth in Section 6-31-10(B) of the Act, and the definitions as set forth in Section 6-31-20 of the Act.

III. DEFINITIONS.

Capitalized terms used in this Amended and Restated Development Agreement shall have the following definitions:

- A. Act: The South Carolina Local Government Development Agreement Act, Section 6-31-10, *et seq.* of the South Carolina Code of Laws (1976) as amended.
- B. Administrator: The person designated as the "LMO Administrator" or "LMO Official" under the applicable provisions of the LMO.
- C. Agreement: This Amended and Restated Development Agreement.
- D. ALTA Survey: That certain ALTA/ACSM Land Title survey of Shelter Cove Mall, a section of Shelter Cove, prepared by Surveying Consultants, dated the 27th day of July, 2011 and identified as Exhibit "A" attached hereto.
- E. Certificate of Compliance: A Certificate of Compliance issued by the Administrator pursuant to Chapter 3, Article VII of the LMO.
- F. Commercial: Those Commercial uses as more fully described in LMO Sections 16-4-209 and 16-4-217.
- G. Community Park: Certain real property fronting on Broad Creek originally being part of the Mall Tract and being exchanged to the Town as shown on the Concept Plan. As of the date hereof the exact size and configuration of the Community Park is unknown. Accordingly, prior to the Closing of the swap of the Exchange Parcel for the Community Park, a survey shall be prepared by the DEVELOPER, at DEVELOPER'S expense, subject to the approval of the Town, which will show the exact metes, bounds and acreage of the Community Park, and which shall be in substantial conformance with the Concept Plan.
- H. Comprehensive Plan: The Comprehensive Plan for the Town of Hilton Head Island dated May 4, 2010, as amended, including other adopted supplements, referred to in LMO Chapter 1, Article II.

Exhibit "A"

- I. Concept Plan: That certain Conceptual Master Plan for Shelter Cove Mall entitled "Shelter Cove Mall Concept Plan" dated August, 2014, prepared by Witmer-Jones Keefer Limited, marked Exhibit "B".
- J. Developer: Shelter Cove Towne Centre, LLC, a South Carolina limited liability company referred to herein from time to time as SCTC, its successors or assigns, and Shelter Cove II, LLC, a South Carolina limited liability company, referred to herein from time to time as SCII, its successors or assigns.
- K. Easement: An interest in land of another that entitles the holder to a specified limited use.
- L. Effective Date: The later of (i) the date of final approval and enactment of an ordinance approving the Rezoning Application ZA # 000659-2014 by the Town Council of Hilton Head, and (ii) the date of final approval and enactment of Ordinance No. _____ approving this Amended and Restated Development Agreement by the Town Council of the Town.
- M. Exchange Parcel: A parcel currently owned by the Town fronting Broad Creek and being a portion of the parcel identified as Parcel 12 on Beaufort County Tax Map 12C. The Exchange Parcel owned by the Town shall be exchanged by the Town for the Community Park bordering on Broad Creek owned by DEVELOPER. The Community Park to be exchanged by the DEVELOPER shall be equal in size or larger than the Exchange Parcel. As of the date hereof the exact size and configuration of the Exchange Parcel is unknown. Accordingly, prior to the Closing of the swap of the Exchange Parcel for the Community Park, a survey shall be prepared by the DEVELOPER, at DEVELOPER'S expense, subject to the reasonable approval of the Town, which will show the exact metes, bounds and acreage of the Exchange Parcel, and which shall be in substantial conformance with the Concept Plan.

- N. Gross Floor Area: The area within the inside perimeter of the exterior walls with no deduction for corridors, stairs, closets, thickness of walls, columns or other features, exclusive of areas open and unobstructed to the sky and the public restrooms and 1,000 square foot storage area serving the Community Park, to be provided by DEVELOPER.
- O. Land Development Regulations: Land Development Regulations, attached hereto as Exhibit “D”, of the Town of Hilton Head Island, including but not limited to (a) this Amended and Restated Development Agreement, (b) the Concept Plan, (c) the Town of Hilton Head Island Zoning Map Amendment #120006 and Zoning Map Amendment ZA-000659-2014, (d) the Town of Hilton Head Island LMO, as it existed on the Effective Date of the Original Development Agreement, (e) Town of Hilton Head Ordinance No. 2012-24 relative to Zoning Map Amendment #120006 entitled “An Ordinance to Amend Title 16 of the Municipal Code of the Town of Hilton Head Island, South Carolina, by Amending Section 16-4-102, The Official Zoning Map and The Palmetto Dunes Resort Master Plan With Respect to the Certain Parcels Identified as Parcel 26, on Beaufort County Tax Map #12B, and a 9.3 Acre Portion of Parcel 12 on Beaufort County Tax Map #12C owned by the Town, within the Palmetto Dunes Resort Master Plan Under the PD-1 Planned Development Mixed Use District, to Amend the Uses and Associated Density for Parcel 26, Tax Map #12B to 295,000 Square Feet of Commercial Uses, Excluding Uses Listed in LMO 16-4-209, but Permitting Liquor Store and Gas Sales, Community Park and subject to ZMA # 120006 and ZA-000659-2014, providing for not more than 50 multi-family dwelling units on Parcel 26, on Beaufort County Tax Map #12B, and not more than 210 multi-family residential dwelling units on Parcel 12 on Beaufort County Tax Map #12C, provided that there will not be

more than 240 multi-family dwelling units on both parcels and Providing for Severability and an Effective Date”, (except as otherwise provided herein) (f) any other Ordinances and/or Regulations enacted by the Town specifically and exclusively pertaining to the regulation of any aspect of the redevelopment of the Mall Tract as approved by the Administrator or other LMO Official under the applicable provisions of the LMO, (g) Declaration of Covenants, Conditions and Restrictions Running With Certain Land of Greenwood Development Corporation in Beaufort County, South Carolina, and Provisions For Membership in the Shelter Cove Harbour Company, Inc., a South Carolina Non-Profit Corporation, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Book 342 at Page 1726, as amended, and (h) Covenants and Restrictions applicable to the use of the residential multi-family dwelling units.

- P. LMO: The Land Management Ordinance of the Town, Title 16 of the Municipal Code of the Town, as it existed on the Effective Date of the Original Development Agreement, attached hereto as Exhibit “D(iv)”.
- Q. Mall Facility/Facilities: The Mall at Shelter Cove.
- R. Mall Tract: That certain parcel of land containing approximately 41.92 acres (prior to the Land Swap as hereafter described), more or less, located within the Town of Hilton Head Island, South Carolina, more fully described in that certain plat entitled “Boundary Reconfiguration of Shelter Cove Mall Area, A Section of Shelter Cove” (“Reconfiguration Plat”) dated October 24, 2013, prepared by Surveying Consultants, recorded in the Register of Deeds Office for Beaufort County, South Carolina, in Plat Book 138 at Page 1. The 41.92 acre parcel includes Area “A-2” and excludes Area “B-2” on the Reconfiguration Plat and includes 4.62 acres entitled “Multi-Family Parcel”, and Area “A-1” on the

above-referenced Reconfiguration Plat. Upon the swap of the Community Park for the Exchange Parcel, the acreage of the Mall Tract shall be adjusted to reflect the swap.

- S. Owner: SCTC, its successors or assigns and SCII, its successors and assigns.
- T. Palmetto Dunes Resort Master Plan (including Shelter Cove): That certain Master Plan for Palmetto Dunes Resort dated February 10, 1984, last revised on April 22, 1986, and stamped as approved by the Town on May 7, 1986, and the accompanying text, as amended.
- U. Parking Agreement: That certain Parking License Agreement dated November 8, 2001 by and between the Town and Pacific Life Insurance Company, a California corporation, its successors and assigns.
- V. Park Improvement Plan: That certain Plan to be entered into between the Town and DEVELOPER prior to or within sixty (60) days following the Effective Date of this Amended and Restated Development Agreement and the Zoning Map Amendment (which time period can be extended as deemed necessary by both the Town and DEVELOPER) which will identify the elements and improvements to be placed on and/or made to the Community Park.
- W. Park Management Plan. That certain Plan to be entered into between the Town and DEVELOPER within six (6) months following the Effective Date of this Amended and Restated Development Agreement and the Zoning Map Amendment (which time period can be extended as deemed necessary by both the Town and DEVELOPER) which shall provide, among other things, a process to avoid use conflicts of the Community Park between DEVELOPER and the Town as hereinafter described.

Exhibit “A”

- X. Project: The redevelopment that will occur within and upon the Mall at Shelter Cove Tract, including the Exchange Parcel, as exemplified in the Concept Plan.
- Y. Rezoning Application: That certain Zoning Map Amendment Application filed with the Town by DEVELOPER on April 20, 2012 to amend the PD1 Master Plan of Palmetto Dunes Resort (ZMA #120006) and that certain Zoning Map Amendment Application filed with the Town by DEVELOPER on May 7, 2014 to amend the PD1 Master Plan of Palmetto Dunes and designated as ZA # 000659-2014.
- Z. Shelter Cove Towne Centre, LLC: A South Carolina limited liability company, which owns a portion of the Mall at Shelter Cove.
- AA. Shelter Cove II, LLC: A South Carolina limited liability company, which owns a portion of the Mall at Shelter Cove.
- BB. Shopping Center: That certain shopping center commonly known as The Mall at Shelter Cove, located on the Mall Tract.
- CC. Third-Party Developer: A developer developing portions of the Project that are not the DEVELOPER.
- DD. Town: The Town of Hilton Head Island, South Carolina.
- EE. Zoning Map Amendment: The Amendment to the PD1 Master Plan of Palmetto Dunes Resort referred to as “ZMA #120006” and the Amendment to the PD1 Master Plan of Palmetto Dunes Resort filed on the 7th day of May, 2014, referred to herein as ZA-000659-2014.

IV. DEVELOPMENT RIGHTS.

A. Density and Permitted Uses. Pursuant to approval by the Town of ZMA#120006 and the Amendment to the Official Zoning Map submitted to the Town on the 7th day of May, 2014, identified as ZA-000659-2014, the Town agrees that permitted commercial density for the Mall Tract shall be measured in terms of Gross Floor Area of Mall Facilities totaling 295,000 square feet, of which no more than 1,500 square feet can

Exhibit “A”

be used for up to ten (10) kiosks; 240 multi-family residential units; a Community Park (to be owned by the Town pursuant to a land swap as hereinafter described); and additional uses of the Property for gas sales, which may include not more than 200 square feet of incidental merchandise; liquor sales; and the right to develop Outparcels I and C.

B. Land Subject to Amended and Restated Development Agreement. The real property which is the subject of this Amended and Restated Development Agreement is described as:

(i) a legal description of the real property is set forth in Exhibit “E”.

C. Land Swap. The Town and DEVELOPER recognize that a Community Park is desirable, needed and appropriate to be owned by and serve the Town and its citizenry. The location provides ample parking and desirable vistas on the edge of Broad Creek connecting with and becoming an integral link to the Town’s proposed Chaplin Park Linear Trail providing a location for walking, entertainment, educational activities, picnicking, and non-organized sports activities and playground areas. The Community Park’s general area results from the relocation of Shelter Cove Lane but may include portions along the waterfront of Parcel 26 on Beaufort County Tax Map 12B. The creation of a Town-owned Community Park in this location is also consistent with the terms and conditions of the Broad Creek Management Plan. The Community Park is shown on the Concept Plan and is currently owned by Developer and will be exchanged by Developer for the Exchange Parcel at the time (“Closing”) provided in Paragraph V.(vii) hereafter. The Community Park to be exchanged by the Developer shall be equal in size or greater than the Exchange Parcel, but the exact dimensions of the Community Park and Exchange Parcel will be determined prior to the Closing Date by virtue of a survey which shall be prepared by the DEVELOPER, at DEVELOPER’S expense, subject to the approval of the Town, which will show the exact metes, bounds and acreage of the Land Swap and which shall be in substantial conformance with the Concept Plan. It is understood and agreed between DEVELOPER and the Town that all land constituting the Land Swap shall be usable land which either party is able to make reasonable use of, and shall not consist of impractical or unusable land remnants/slivers or other areas which provide little benefit to the Town and/or DEVELOPER.

Exhibit “A”

Contemporaneously with the aforementioned exchange of property, DEVELOPER will also grant an easement to the Town over DEVELOPER’S property containing the apartments on the southwest portion of the Mall Tract, for the Town to connect property fronting Broad Creek (and to be conveyed to the Town pursuant to the Land Swap and Concept Plan) to the pathway located on Shelter Cove Lane by virtue of a multi-purpose pathway. The portions of the multi-purpose pathway located along property fronting Broad Creek (adjacent to the southwest apartments and to be conveyed to the Town pursuant to the Land Swap and Concept Plan), and the portions connecting to the pathway located on Shelter Cove Lane, shall be constructed and/or otherwise installed by DEVELOPER at DEVELOPER’S expense. After the Land Swap is consummated, the Town shall assume all ownership and ongoing maintenance rights/responsibilities in connection with any portions of this multi-purpose pathway located on property owned by the Town.

D. Applicable Land Use Regulations.

(i) Applicable Laws and Land Development Regulations. Except as otherwise provided by this Amended and Restated Development Agreement or by Section 6-31-10, *et seq.*, the laws applicable to the development of the real property subject to this Amended and Restated Development Agreement include, but are not limited to (a) this Amended and Restated Development Agreement, (b) the Concept Plan, (c) the Zoning Map Amendment #120006 and Zoning Map Amendment # ZA-000659-2014 to the PD1 Master Plan of Palmetto Dunes Resort, (d) the Town of Hilton Head Island LMO, as it existed on the Effective Date of the Original Development Agreement, (e) Town of Hilton Head Ordinance No. 2012-24 relative to the Zoning Map Amendment entitled “An Ordinance to Amend Title 16 of the Municipal Code of the Town of Hilton Head Island, South Carolina, by Amending Section 16-4-102, The Official Zoning Map and The Palmetto Dunes Resort Master Plan With Respect to the Certain Parcels Identified as Parcel 26, on Beaufort County Tax Map #12B, and a 9.3 Acre Portion of Parcel 12 on Beaufort County Tax Map #12C, within the Palmetto Dunes Resort Master Plan Under the PD-1 Planned Development Mixed Use District, to Amend the Uses and Associated Density for Parcel 26, Tax Map #12B

Exhibit "A"

to 295,000 Square Feet of Commercial Uses, Excluding Uses Listed in LMO 16-4-209, but permitting liquor store and gas sales, Community Park and, subject to ZMA120006 and ZA # 000659-2014, providing for not more than 50 multi-family residential dwelling units on Parcel 26 on Beaufort County Tax Map 12B; and not more than 210 multi-family dwelling units on Parcel 12 on Beaufort County Tax Map 12C, provided that there will be not more than 240 multi-family dwelling units on both parcels; and Providing for Severability and an Effective Date (f) any other Ordinances and/or Regulations enacted by the Town specifically and exclusively pertaining to the regulation of any aspect of the redevelopment of the Mall Tract as approved by the Administrator or other LMO Official under the applicable provisions of the LMO, provided however, the Town may apply later enacted laws to the real property relating to the development applications, submittals and reviews, so long as such laws apply Town-wide, (g) Declaration of Covenants, Conditions and Restrictions Running With Certain Land of Greenwood Development Corporation in Beaufort County, South Carolina, and Provisions For Membership in the Shelter Cove Harbour Company, a South Carolina Non-Profit Corporation, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Book 342 at Page 1726, as amended, and (h) Covenants and Restrictions applicable to the use of the residential multi-family dwelling units. The Town shall not apply subsequently adopted laws to the Mall Tract unless the Town has held a public hearing and has determined:

a. the proposed, subsequent laws are not in conflict with the Land Development Regulations governing the Amended and Restated Development Agreement and do not prevent the Development set forth in this Amended and Restated Development Agreement;

b. the proposed, subsequent laws are essential to the public health, safety, or welfare and the proposed, subsequent laws expressly state that they apply to a development that is subject to a development agreement;

c. the proposed, subsequent laws are specifically anticipated and provided for in this Amended and Restated Development Agreement; d. the Town demonstrates that substantial changes have occurred in pertinent conditions existing at the time of approval of this Amended and Restated Development Agreement, which changes, if not addressed by the Town, would pose a serious threat to the public health, safety or welfare; or

e. this Amended and Restated Development Agreement is based on substantially and materially inaccurate information supplied by

DEVELOPER. Nothing herein shall preclude DEVELOPER from agreeing, on a case by case basis, to abide by such new laws, regulations, or ordinances subsequently passed by the Town which it, in its sole discretion, deems appropriate; and in such case the laws, regulations, or ordinances, so agreed by DEVELOPER shall become part of the Land Development Regulations.

(ii) Vesting Rights. Subject to the provisions of sub-paragraph D (i) above, all rights, entitlements and prerogatives accorded to DEVELOPER by this Amended and Restated Development Agreement shall immediately constitute vested rights for the redevelopment of the Mall Tract, including the Exchange Parcel.

Paragraph IV (D) of this Amended and Restated Development Agreement does not abrogate any rights either preserved by S.C. Code Section 6-31-40 or that may have been vested pursuant to common law and otherwise in the absence of a development agreement.

(iii) Building Codes and Laws Other Than Land Use Regulations. DEVELOPER, notwithstanding any provision which may be construed to the contrary in this Amended and Restated Development Agreement, must comply with any current or subsequently adopted building, housing, electrical, mechanical, and plumbing, gas or other standard codes adopted by the Town or other governmental entity, as authorized by Chapter 9 of Title 6 of the South Carolina Code. This Amended and Restated Development Agreement shall not be construed to supersede or contravene the requirements of any building, housing, electrical, mechanical, plumbing, gas or other standard codes subsequently adopted by the Town or other governmental entity, as authorized by Chapter 9 of Title 6 of the South Carolina Code. The provisions of this Amended and Restated Development Agreement are not intended, nor should they be construed in any way, to alter or amend in any way the rights, duties and privileges of the Town to exercise governmental powers and pass laws not applicable to redevelopment of the Mall Tract including, but not limited to, police power measures of general application, the power of eminent domain and the

power to levy and collect taxes; provided, however that laws applicable to the Development of the real property shall be subject to Section IV(D).

(iv) Local Development Permits and Other Permits Needed. The parties anticipate that the following local Development Permits and other regulatory permits will be needed to complete the development of the Project:

(a). Zoning Map Amendment #120006 and Zoning Map Amendment # ZA-000659-2014, plat approvals (preliminary, conditional or final), roads, drainage construction plan approvals, building permits, certificates of occupancy, water and/or sewer development contracts, and utility construction and operating permits, as well as approval by various entities under the LMO, including but not limited to the Development Plan Review process and the Design Review Board.

(b). The failure of this Amended and Restated Development Agreement to address a particular permit, condition, term or restriction does not relieve DEVELOPER of the necessity of complying with the law governing permit requirement, conditions, terms or restrictions.

V. INFRASTRUCTURE COSTS.

The Town and DEVELOPER recognize that the preponderance of the direct costs associated with the implementation of this Amended and Restated Development Agreement will be borne by DEVELOPER, and certain specific other necessary services and improvements will be provided by separate governmental or quasi-governmental entities, and not by the Town, except as hereinafter set forth. For clarification, the parties make specific notes of the following:

A. Facilities and Services. Although the nature of this project prevents DEVELOPER from providing exact completion dates, the general phases and approximate timing of construction and development are set forth in Exhibit "T" attached hereto and incorporated herein by reference. DEVELOPER certifies that the services and facilities will be in place at the time provided herein, and as to road, sewer, and water infrastructure, at the time commercial facilities or multi-family dwelling units are offered for occupancy to the public. It is understood that DEVELOPER will be required to comply with all requirements of the LMO and Town Municipal Code to obtain a

Exhibit “A”

Certificate of Compliance (“COC”) and/or Certificate of Occupancy (“CO”) and that any occupancy of the units prior to receipt of said COC or CO shall be deemed a violation of the LMO, Municipal Code, and this Amended and Restated Development Agreement. Subject to compliance with applicable laws and all provisions of this Amended and Restated Development Agreement, the Town hereby authorizes DEVELOPER, on its own or through its affiliated companies, to install the facilities. Notwithstanding any provision herein to the contrary, DEVELOPER hereby assures the Town that adequate facilities shall be available concurrent with the phase of development.

B. Shelter Cove Lane Relocation. Shelter Cove Lane has been relocated pursuant to and in accordance with that certain Road Realignment and Acknowledgment Agreement dated the 22nd day of January, 2013, by and between Shelter Cove Harbour Company, a South Carolina not-for-profit corporation (the “Harbour Company”) and Shelter Cove Towne Centre, LLC, a South Carolina limited liability company, a copy of which is attached hereto as Exhibit “G “. The relocated Shelter Cove Lane is shown on the Concept Plan and on that certain plat prepared by Surveying Consultants dated July 5, 2012 entitled “Boundary Reconfiguration of Shelter Cove Mall Area a Section of Shelter Cove” attached hereto as Exhibit “F”. The reconfigured roadbed of Shelter Cove Lane will be owned and maintained by Harbour Company, of which DEVELOPER is a member. In accordance with the Road Realignment and Acknowledgment Agreement, DEVELOPER paid for the cost of the realignment of the road, including all landscaping, as shown on the Concept Plan for that portion of Shelter Cove Lane between the entrance to the Newport Community and the currently existing Veterans’ Memorial. The Harbour Company has conveyed to Shelter Cove Towne Centre, LLC, the original roadbed as depicted on Exhibit “F” in order to enable the development of the Community Park. The deed from the Harbour Company to Shelter Cove Towne Centre, LLC, is recorded in the Register of Deeds Office of Beaufort County, South Carolina in Deed Book 3294 at Page 85, dated the 14th day of June, 2014, a copy of which is attached hereto and marked Exhibit “K”. All on-street parking shall remain public and shall be constructed with pervious material, such as pervious pavers, pervious concrete, or other material approved by the Administrator and Harbour Company. In its new configuration, Shelter Cove Lane is a private road owned and maintained by the Harbour Company for the use and

Exhibit "A"

benefit of its members, their guests and invitees, and it shall remain a private road after the conveyance and construction contemplated in the Road Realignment and Acknowledgement Agreement. As a member in good standing, Shelter Cove Towne Centre, LLC, and its successors in title, assigns, guests and invitees, possess and maintain the complete, full, and irrevocable right to the use and enjoyment of Shelter Cove Lane and other common property of the Harbour Company, such use and enjoyment being authorized in and granted pursuant to, and in accordance with, those certain Covenants entitled "Declaration of Covenants, Conditions and Restrictions Running With Certain Lands of Greenwood Development Corporation in Beaufort County, and Provisions For Membership in the Shelter Cove Harbour Company, a South Carolina Not-For-Profit Corporation" dated February 22, 1982, and recorded in Deed Book 342 at Page 1726, in the Register of Deeds Office for Beaufort County, South Carolina, and that certain "Supplemental Declaration of Rights, Restrictions, Conditions, etc., Which Constitute Covenants Running With Certain Land of Greenwood Development Corporation in Beaufort County, South Carolina, And Provisions For Membership in the Shelter Cove Harbour Company, a South Carolina Not-For-Profit Corporation" made by Greenwood Development Corporation which made the Harbour Basin Area subject to and a supplement to the Shelter Cove Covenants of 1982, said Covenants being dated March 16, 1983, and recorded in Deed Book 365 at Page 1669, and Deed Book 367 at Page 631, in the Register of Deeds Office for Beaufort County, South Carolina..

Developer has constructed one hundred forty-eight (148) on-street public parking spaces along Shelter Cove Lane as shown on the Concept Plan and eliminated its need for forty-two (42) on-street parking spaces for its multi-family residential dwelling units through the utilization of on-site garages and under-building parking. The Developer shall build forty-two (42) additional public on-street parking spaces along Shelter Cove Lane to the Northeast of its intersection with Mall Drive as indicated on the Concept Plan, and the Town, at its option, may choose to build additional on-street parking along Shelter Cove Lane, but the Town is under no obligation to do so.

C. Development of Outparcels I and C. Included within the Mall Tract are two parcels identified as Outparcel I and Outparcel C on that plat entitled "The Mall at Shelter Cove" (attached hereto as Exhibit "A"). Previous amendments to the Palmetto

Exhibit “A”

Dunes Resort Master Plan prohibited any development on Outparcel I and Outparcel C. The prohibition for development of Parcel I and Parcel C were contained within restrictions imposed upon the two outparcels by previous owners who no longer have an interest in the Mall at Shelter Cove. Accordingly, in accordance with the original Development Agreement, the Town of Hilton Head enacted Ordinance 2012-28 entitled “An Ordinance of the Town of Hilton Head, South Carolina, Authorizing the Extinguishment of Covenants and Restrictions on Real Property in Conjunction with the Mall at Shelter Cove Development Agreement and Pursuant to the Authority of SC Code Annotated Section 5-7-40(SUPP. 2011) and Section 2-7-20, Code of the Town of Hilton Head Island, South Carolina (1983, as amended); and Providing for Severability and an Effective Date”, which provided that the Mayor and Town Manager were authorized to execute and deliver any documents necessary to effectively extinguish any development restrictions on outparcels which are shown on attached Exhibit “A” to the Ordinance (a copy of said Ordinance being attached hereto and marked Exhibit “N”. Pursuant to Town of Hilton Head Ordinance 2012-28, an Extinguishment of Restrictions by PVI Shelter Cove Ltd. Partnership, a Maryland Limited Partnership (SCTC’s predecessor in title), dated the 13th day of May, 2013, was recorded in Deed Book 03274 at Page 0620-0625, and an Extinguishment of Restrictions by the Town of Hilton Head Island, South Carolina, and Shelter Cove Towne Centre, LLC, dated the 24th day of June, 2013, was recorded in Deed Book 03274 at Page 0626-0703. In addition to the above, subject to the approval of the Town, DEVELOPER shall be permitted to locate signage in accordance with the applicable sign ordinances of the LMO on Outparcel II as shown on the above-referenced Exhibit.

D. Community Park Improvements and Maintenance. It has been agreed between the Town and DEVELOPER that the Community Park will create a benefit to both parties hereto. DEVELOPER, as the current owner of the Community Park, shall comply with the following requirements relative to development and sale of the Community Park (as hereinafter described) to the Town upon the completion of improvements to the Community Park:

(i) Park Improvement Plan. The Town and the DEVELOPER have agreed on a Park Improvement Plan. It is mutually agreed and understood that the

budget estimated for the Park Improvement Plan is \$4.5 Million Dollars with the DEVELOPER and the Town being responsible for one-half (1/2) of the cost unless otherwise agreed by each respective party;

(ii) Cost Estimate. The Town and DEVELOPER will approve a Cost Estimate ("Cost Estimate") which will include all elements associated with the Park Improvement Plan as set forth in sub-paragraph (i) above, including all projected costs of site work, costs of improvements, equipment costs, building costs, pier installation, engineering, architectural costs, landscape architectural, construction management fees, and any other fees, including permit fees, payment and performance bonds, construction interest, and any and all other costs required to complete the Community Park. In the event the Cost Estimate exceeds \$4.5 Million Dollars, DEVELOPER and the Town will work together to make such determination as is necessary to meet the \$4.5 Million Dollars maximum Cost Estimate with neither party having any further obligation beyond one-half (1/2) of the \$4.5 Million Dollars unless the Town or DEVELOPER otherwise agrees to be responsible for the excess;

(iii) Responsibility for Park Improvement. DEVELOPER, as owner of the Community Park, will be responsible for the implementation of the Park Improvement Plan upon receiving written acknowledgment from the Town that all Cost Estimate and design issues have been resolved and agreed upon, and upon delivery to the Town of a Payment and Performance Bond, letter from DEVELOPER's bank, completion guaranties, or other completion assurances acceptable to the Town for the improvements to be made to the Community Park. DEVELOPER shall seek construction contracts with the various vendors and contractors. The individual contracts, in addition to the normal terms and conditions, will include a minimum of a one year warranty with each vendor or builder for all construction elements at the Community Park. All contracts entered into between DEVELOPER and vendors or contractors shall specifically provide that the Town is not acting as General Contractor or Design Professional or as a partner during the planning/construction process of the Community Park;

Exhibit "A"

(iv) Information/Change Orders. During the period of design and construction of the Community Park, DEVELOPER shall forward to the Town all material submittals, notices and correspondence associated with the design, construction and improvements to the Community Park. The Town must approve any change orders pursuant to the vendor or construction contracts that exceed the Cost Estimate and any contingency therein. Additionally, the Town and DEVELOPER shall meet every two (2) weeks during the course of construction or at regular intervals as agreed between the Town and DEVELOPER, and at the time of any other significant events, to address any issues or problems;

(v) Conformance Certification. Upon completion of all Park Improvements landward of the OCRM Critical Line, DEVELOPER will submit to the Town certifications ("Conformance Certifications") to be provided by building professionals or certified engineers that the Community Park has been completed in conformance with the Park Improvement Plan;

(vi) Park Completion and Conformance Certifications. Within thirty days upon receipt of the Conformance Certifications by the Town for all Park Improvements made by DEVELOPER landward of the OCRM Critical Line described in sub-paragraph (v) above, the Town will notify DEVELOPER in writing of any discrepancies, deviations or exceptions from the established Park Improvement Plan, and DEVELOPER shall take such appropriate action with the various vendors and/or contractors to correct any deviations, or in the alternative, the Town will notify DEVELOPER within such thirty day period after receipt of such Conformance Certifications that it accepts the Conformance Certifications as presented;

(vii) Closing Date. On or before sixty (60) days following the later of: (a) the correction of any discrepancies identified by the Town in the Conformance Certifications or acknowledgment by the Town that the Community Park has been completed in accordance with the Park Improvement Plan, or (b) completion of a survey showing the exact dimensions of the Exchange Parcel and Community Park as described in Article IV(C) herein above, the Town and DEVELOPER shall complete the purchase/sale of the Community Park (the "Closing") for a

Exhibit "A"

purchase price calculated in accordance with sub-paragraph (viii) hereafter. The construction of the pier may be delayed as a result of delays in obtaining permits or other requirements from applicable regulatory agencies and will not be a cause for delay of the closing;

(viii) Purchase Price. The purchase price to be paid by the Town to DEVELOPER for the improvements to the Community Park will be equal to one-half of the construction cost ("Construction Cost") subject to the provisions of Paragraph D (ii) above, plus the exchange of the Exchange Parcel as more fully described in Paragraph IV (C) above. Construction Cost shall be deemed to include all costs incurred by DEVELOPER in constructing the Community Park and all improvements thereon including, but not necessarily being limited to, the proposed pier extending from the Park into the Broad River (if applicable), all infrastructure and site work, all costs of improvements, equipment costs, engineering and design costs, architectural and landscape architectural costs, construction management fees, permit fees, construction interest, any cost for payment and performance bonds required by the Town, and any and all other costs not included in the Cost Estimate but incurred or expected to be incurred by DEVELOPER and deemed reasonable and necessary by the Town for completion of the Community Park. In regard to the transfer of the Exchange Parcel, the Exchange Parcel shall be conveyed free and clear of liens and encumbrances, except for the Covenants and Restrictions described in Paragraph VI(N). Any and all ad valorem property taxes, if applicable, shall be prorated between the parties and each party will be responsible for those costs normally incurred by a Buyer and Seller in a typical sale of real property with improvements in Beaufort County, South Carolina. The Town will be responsible to pay the transfer tax on the Deed for the Exchange Parcel and DEVELOPER shall be responsible to pay the cost of transfer tax on the Community Park Site as valued prior to the installation of improvements. Title to both the Exchange Parcel and the Community Park shall be by general warranty deed in a form reasonably similar to those attached hereto as Exhibit "H".

Exhibit "A"

(ix) Permits. The Town shall be responsible to obtain all permits for improvements to the Community Park required by OCRM or any other regulatory agency for those areas of the Community Park within the Critical Area.

(x) Park Management Plan. A Park Management Plan shall be entered into by and between the parties, and shall establish a system which will allow both parties hereto to utilize the Community Park for special events to avoid any conflicts of use and shall provide that upon completion of the improvements to the Community Park, the Town shall assume responsibility for its maintenance, including all of the amenities or facilities placed thereon.

(xi) Community Park Pier. It is contemplated between the DEVELOPER and Town that a pier will be constructed as an element of the Community Park, and such pier is included in the Cost Estimate and Park Improvement Plan. However, in the event DEVELOPER and the Town are unable to obtain all necessary approvals for construction or installation of the pier by SCDHEC/OCRM and/or any other governmental regulatory agency (for any reason whatsoever) within eighteen (18) months of the Effective Date of this Amended and Restated Development Agreement, DEVELOPER and the Town agree to eliminate the pier as an element of the Community Park.

E. Relocation of Santee Cooper Power Line Easement. In accordance with the Original Development Agreement, the relocation of the 100-foot Santee Cooper power line easement has been completed and will be owned by DEVELOPER subject to an easement to Santee Cooper Cooperative. The relocated power line easement and the associated power line thereon is shown on the Concept Plan and that plat entitled "Easement Plat for the Relocation of Hilton Head Gas Turbine Marketplace 115kV Transmission Line on the lands of Shelter Cove Harbour Company and Shelter Cove Towne Centre, LLC, Hilton Head Island, Beaufort County, South Carolina", prepared for Shelter Cove Towne Centre, LLC and South Carolina Public Service Authority by Sea Island Land Surveying, most recently dated the 9th day of July, 2013, and attached hereto as Exhibit "O".

F. Road and Transportation Improvements. In the event the Traffic Study or other unforeseen circumstances resulting from road and transportation improvements

Exhibit "A"

impact specimen trees as defined in LMO Section 16-6-408, the impact of such improvements shall be exempt from the specimen trees requirements as provided for in the LMO.

G. Additional Infrastructure. DEVELOPER has agreed to accommodate the needs of the Town's visitors to the Community Park and to those utilizing the Mall Facilities to construct publicly accessible restrooms on the Mall Tract in a location convenient to the commercial center and Community Park. Additionally, DEVELOPER shall provide covered storage space of approximately 1,000 square feet for storage of Community Park equipment as part of the Mall Tract in a location adjacent to Shelter Cove Lane as shown on the Concept Plan. DEVELOPER shall be responsible for the total cost of the restrooms and storage area. DEVELOPER shall also be responsible for the construction of all of the pathways shown on the Concept Plan that are not located within the Community Park and the remaining Town-owned portion of the Shelter Cove Community Park (not included within the Exchange Parcel), to provide public access easements over all such pathways to provide for the use and enjoyment of same by the general public. Upon the creation of said easements, the Town shall be responsible for the maintenance of such pathways and agrees that use of, access to, and travel upon the pathways shall be under the exclusive control of the Town, and the Town shall at all times comply with all applicable laws, rules, codes, and regulations concerning the use and maintenance of the pathways.. The storage for Community Park equipment and the public restrooms shall not be a deduction of the commercial density of 295,000 square feet.

H. Public Roads. William Hilton Parkway is an existing public road adjacent to the Mall Tract, which is under the jurisdiction of the South Carolina Department of Transportation. The Town will not be responsible for construction or maintenance of William Hilton Parkway or any other public roads adjacent to or within the Mall Tract; provided, however, the Town agrees to cooperate and support a new corridor entranceway into the Mall Tract from William Hilton Parkway to the Community Park with a "right-in, right-out" turn into William Hilton Parkway for the purposes of providing additional access to the Community Park and the Mall Tract and allowing a public corridor of view through the Mall Tract to Broad Creek furthering the objective of

Exhibit “A”

opening up the Mall Tract to allow additional vistas to Broad Creek and the surrounding marshes as exemplified on the Concept Master Plan. The additional ingress and egress into the Mall Tract shall be built in accordance with all S.C. Department of Transportation standards, including acceleration and deceleration lanes. The Town and DEVELOPER agree that in the event a median cut across from the new corridor entranceway into the Mall Tract is desired, the DEVELOPER shall not be responsible for any costs associated with its design, permitting, and construction.

I. Potable Water. Potable water currently is, and will continue to be, supplied to the Mall Tract by the Broad Creek Public Service District pursuant to its availability letter attached hereto and marked Exhibit “L”. DEVELOPER will construct or cause to be constructed all necessary potable water service infrastructure within the Mall Tract which is required as part of the future development and modification of the commercial area and multi-family dwelling units, which will be maintained by Broad Creek Public Service District. The Town will not be responsible for any construction or maintenance of potable water service infrastructure serving, or the treatment of potable water supplied to the Mall Tract. The Town agrees to use best efforts to assist in obtaining easements across properties not owned by DEVELOPER and relocating easements as necessary in order to facilitate timely connection to the Broad Creek Public Service District service lines and facilities.

J. Sanitary Sewer Collection. Sanitary sewer treatment and disposal currently is, and will continue to be, provided to the Mall Facilities and the multi-family dwelling units by Broad Creek Public Service District pursuant to its availability letter attached hereto and marked Exhibit “L”. DEVELOPER will construct or cause to be constructed all necessary sanitary sewer collection infrastructure within the Mall Tract which is required as part of the redevelopment and modification of the Mall Tract, which will be maintained by Broad Creek Public Service District. The Town will not be responsible for any construction or maintenance of sanitary sewer service disposal infrastructure serving, or the treatment of sanitary sewer generated by, the Mall Tract. The Town agrees to use best efforts to assist in obtaining easements across properties not owned by DEVELOPER and relocating easements as necessary in order to facilitate timely connection to the Broad Creek Public Service District service line and facilities.

Exhibit “A”

K. Drainage System and Stormwater Master Plan. The redevelopment of Shelter Cove Mall and associated surrounding properties will include the design and implementation of a new Stormwater Master Plan, the elements of which must be fully compliant with the LMO and/or otherwise approved by the Town. The Master Plan will propose modifications to the existing stormwater infrastructure to meet the stormwater standards in the Town of Hilton Head Island’s Land Management Ordinance. The Town agrees to use best efforts to assist in approving and implementing the Master Plan.

Notwithstanding US Army Corps of Engineers (USACE) and OCRM determinations, the three (3) existing stormwater management ponds within the Shelter Cove Mall area shall be treated as stormwater management facilities and shall not be considered tidal or freshwater wetlands for the purposes of application of the Town of Hilton Head Island LMO. The ponds remain subject to all requirements of USACE and OCRM.

Since modifications will be made to the three (3) existing stormwater management ponds within the Shelter Cove Mall area that will significantly improve stormwater management for water quality improvement by providing for first-flush retention with 48-hour drawdown, no prior or additional filtration on site will be required. Best efforts will be made to incorporate prior or additional on-site treatment where practical.

L. Solid Waste. All solid waste collection services within the Mall Tract currently are, and will continue to be, supplied under private contract by DEVELOPER. The Town will not be responsible for solid waste collection services within the Mall Tract, with the exception of the Community Park.

M. Other Utility Services. All other utility services, including telephone and electric, currently are, and will continue to be, supplied directly to the Mall Tract by the applicable utility companies pursuant to the availability letters attached hereto and marked Exhibits “L-1”, “L-2” and “L-3”. DEVELOPER will construct or cause to be constructed all other necessary utility service infrastructure which is required as part of the future development and modification of the Mall Tract. The Town will not be responsible for any construction or maintenance of such utility services infrastructure serving, or the providing of any utility services to, the Mall Tract.

Exhibit "A"

N. Establishment of Special Districts. The Town agrees that it will reasonably cooperate with DEVELOPER to attempt to identify alternative funding mechanisms to assist in the timely implementation of the above-referenced infrastructure, services, and Community Park Improvements described herein. DEVELOPER shall be responsible for the initial cost of the public infrastructure but will work with the Town, at the Town's discretion, for the establishment of a district which may allow all or a portion of cost reimbursement to DEVELOPER of the public infrastructure developed by DEVELOPER.

O. Open Space and Pervious Area Requirements. All parks and other public facilities conveyed to the Town or retained by DEVELOPER shall be deemed Open Space in accordance with the terms of the LMO. It is mutually agreed between the Town and DEVELOPER that the Community Park and the remaining portions of the Shelter Cove Community Park being rezoned by the Town not included within the boundaries of the Exchange Parcel shall be counted in calculating any open space and pervious area requirements that may be required in the redevelopment of the Mall Tract.

VI. SPECIFIC CONDITIONS OF FURTHER REDEVELOPMENT OF THE MALL TRACT.

In further consideration for the commitments made to DEVELOPER by the Town under this Amended and Restated Development Agreement, DEVELOPER agrees to the following specific conditions regarding further development and modification of the Mall Tract. The conditions which follow are in addition to the commitments made elsewhere herein by DEVELOPER, and under this Amended and Restated Development Agreement:

A. Community Park Site. Both the Town and DEVELOPER recognize that a Community Park is desirable, needed and appropriate to serve the Town of Hilton Head Island community in a location that provides ample parking, desirable vistas on the edge of Broad Creek connecting with and becoming an integral open space link to the Town's proposed Chaplin Park Linear Trail in order to provide a location for walking, cultural, entertainment and educational activities, picnicking, non-organized sports activities, and playground areas. The Community Park may be used by DEVELOPER for

Exhibit “A”

any of the permitted uses described in the Park Management Plan provided such activities do not interfere with any of the Town’s designated uses and prearranged times. In accordance with the terms of Paragraph V(D) above, as a portion of the Purchase Price that the Town shall pay DEVELOPER for the improved Community Park, the Town will convey by general warranty deed the Exchange Parcel owned by the Town, being a portion of Parcel 12 on Beaufort County Tax Map 12C, generally to the east of the Community Park. The Town shall own (in accordance with the Park Improvement Plan) and maintain the Community Park but shall have the right to convey the site to another political subdivision of South Carolina or private not-for-profit entity mutually agreed upon by DEVELOPER and the Town (the “Park Organization”), subject to mutually agreed upon covenants and restrictions. In accordance with Paragraph V(D), the Town shall purchase the Community Park from DEVELOPER at the Purchase Price and at the time more fully described in Paragraph V(D). It is mutually agreed between the Town and DEVELOPER that the Community Park shall be counted in calculating any open space or pervious area requirements of the LMO within the Mall Tract.

B. Shelter Cove Lane. As shown on the Concept Plan, Shelter Cove Lane has been reconfigured in order to allow the creation of a new waterfront Community Park paralleling Broad Creek. The public functions that will occur on the Community Park anticipate large numbers of individuals and cars utilizing all of the Mall’s parking facilities and therefore the Town and DEVELOPER agree that on-street parking will be provided for and that the right-of-way of the reconfigured Shelter Cove Lane, denoted as “Area B-1” on Exhibit “F” shall have an 80-foot right-of-way to allow for such on-street parking and the anticipated pedestrian crosswalks at the most appropriate locations.

C. Buffers and Setbacks within the Mall Tract. DEVELOPER agrees to maintain at all times an adjacent use buffer in accordance with LMO Section 16-5-904 (as amended) adjacent to the Newport Community, the Veterans’ Memorial, The Plaza at Shelter Cove Shopping Center, and William Hilton Parkway as shown on the Concept Plan. The buffer along the Veterans’ Memorial shall be measured from the northeastern most line that designates the area rezoned by the Town of Hilton Head pursuant to Ordinance No. 2012-24. In accordance with LMO Section 16-5-904, and as a result of the redevelopment scheme approved by the Town in the Zoning Map Amendment and in

Exhibit “A”

this Amended and Restated Development Agreement, the standards for pervious area and open space within the Mall Tract shall be fully satisfied within the Mall Tract as a whole, including the Community Park, but do not have to be satisfied on a site-specific basis.

DEVELOPER agrees to have an average 50-foot or greater setback between the Broad Creek marsh critical line and proposed multi-family buildings. The overall design and landscaping of the public pathway between the multi-family dwelling units and Broad Creek shall be sufficiently designed and landscaped to provide users with a sense of separation from the multi-family dwelling units with an emphasis on trail-wide open space wide enough to accommodate emergency vehicles where necessary.

D. Traffic Study. DEVELOPER has conducted a traffic study to determine the Level of Service at the lighted, signalized entranceway into the Mall Tract to determine the impact resulting from the modifications to the Mall Tract resulting from the Zoning Map Amendment #120006. DEVELOPER has agreed to have the updated traffic study to reflect the proposed 30 additional multi-family dwelling units contemplated by Zoning Map Amendment # ZA-000659-2014. This traffic study shall be agreed by the Town to be in lieu of the traffic study provided for under LMO Section 16-3-1301, *et seq.* If the updated traffic study of DEVELOPER indicates the possibility of certain existing deficiencies at the entrances of Mall Boulevard and Shelter Cove Lane, the correction of such deficiencies may be paid for by the Town at its discretion.

E. Outside Dining. As a result of the redevelopment of the Mall Tract and the emphasis placed on its reconfiguration toward Broad Creek, the parties agree that outside dining shall be permitted upon notification by DEVELOPER to the Town and provided such outside dining does not interfere with ingress and egress to other commercial retail shops and establishments and does not block or encroach into any road right-of-way impacting pedestrian circulation on the Mall Tract. DEVELOPER acknowledges and agrees to comply with any and all applicable federal, state, and local laws, regulations, and ordinances regarding pedestrian circulation over roads, sidewalks, and pathways on the Mall Tract.

F. Park Edge. In order to provide the users of the Community Park the benefit of its location on the edge of Broad Creek, the Town and DEVELOPER agree to cooperate to allow selective clearing of the buffer adjacent to Broad Creek and to use best

Exhibit "A"

efforts through the use of additional fill and plant material, and the location of irrigation facilities to prevent stormwater drainage from the Community Park draining into Broad Creek to the degree feasible. Additionally, DEVELOPER and the Town shall utilize pervious surfaces wherever possible in walkways and pathways within wetland buffers.

G. Pathway Easements. DEVELOPER agrees that all pathway easements shall include the right of the Town to utilize same for emergency vehicle entry, particularly behind the Exchange Parcel and other multi-family parcels, to ensure that emergency vehicles, including fire trucks, have access to all areas of the Mall Tract.

H. Acceptance of Facilities. The facilities described in this section will be accepted by the Town upon tender by DEVELOPER, provided the facilities are built in accordance with the specifications approved by the Town, and provided further that the facilities are in good condition and not subject to any monetary lien.

I. Lighting. Prior to applying for a Certificate of Compliance for the redevelopment of the Mall Tract as contemplated by this Amended and Restated Development Agreement, DEVELOPER will adhere to all applicable provisions of the LMO.

J. Pedestrian Crossings. Prior to applying for a Certificate of Compliance for the development and modification of the Mall Tract as contemplated by this Amended and Restated Development Agreement, and upon approval by Shelter Cove Harbour Company, Inc., DEVELOPER will provide painted pedestrian crossings, pavers, or stamped crosswalks approved by the LMO Administrator on the relocated Shelter Cove Lane between the parking areas contemplated by this Amended and Restated Development Agreement across Shelter Cove Lane for use by patrons of the Mall and visitors to the Community Park.

K. Existing Parking Agreement; Parking Facilities to be Constructed. It is contemplated that public parking facilities will be constructed by the Town on land nearby and serving, among other areas, the redeveloped Mall Tract. Therefore, prior to the Land Swap as described in Article IV(C) above, the Town and DEVELOPER will terminate the existing Parking License Agreement, dated November 8, 2001, related to the Mall Tract. Contemporaneously with the termination of the existing Parking License Agreement, DEVELOPER will submit Two Hundred Thousand and 00/100 Dollars

Exhibit "A"

(\$200,000.00) to the Town to be applied to the costs of construction of the aforementioned parking facilities. The Town shall hold and apply these funds for such purposes; provided, however, that in the event the Town does not complete construction of the aforementioned parking facilities within five (5) years of the DEVELOPER'S deposit of the \$200,000.00, the Town shall return this amount to the DEVELOPER.

L. Parking Data. In connection with an application to the Town for development plan review approval for the redevelopment of the Mall Tract pursuant to Ordinance No. 2012-25 of the Town of Hilton Head Island, DEVELOPER will provide developer submitted parking data to comply with LMO Section 16-5-1209.

M. Local Vendor Preference. DEVELOPER shall make good faith, commercially reasonable efforts to utilize the services of local vendors for all work connected with this Amended and Restated Development Agreement, including but not limited to the design, permitting, construction, and landscaping as may be necessary to implement the re-development authorized by this Amended and Restated Development Agreement on the Mall Tract. DEVELOPER agrees to post notices of all job or project opportunities that have an estimated value of \$20,000.00 or more within the Mall Tract in a conspicuous location at the Hilton Head Island Town Hall, and to review all applications of Hilton Head Island located applicants to include Hilton Head based contractors and businesses.

N. Covenants and Restrictions. As evidenced in the Declarations of Covenants, Conditions and Restrictions as set forth in Exhibit "M" to this Amended and Restated Development Agreement, the Community Park, the Exchange Parcel, and Parcel "C" as referenced on Exhibit "J" and any transfers of property within the re-developed Mall Tract categorized as multi-family dwellings shall be subject to various covenants and restrictions, notably prohibitions on (1) converting apartments to condominiums, (2) rentals of apartments for less than twelve (12) months per lease, (3) sub-letting of apartments by tenants, and (4) timeshares and interval/fractional ownership.

O. Donation of Right(s) of Way. DEVELOPER agrees to donate any and all property owned by DEVELOPER to the Town which may be needed in connection with the correction of any deficiencies related to required improvements or reconstruction to the existing intersections providing access to the Mall Tract.

Exhibit “A”

P. Modifications to the Concept Plan. In addition to any requirements provided for in the LMO, including any approved modifications thereto, it is reasonable to anticipate that certain changes may occur in the development and construction that differ from the Concept Plan within the Mall Tract caused by changes or matters that become apparent to DEVELOPER when the improvements are laid out within the Mall Tract. In order to provide guidance as to minor modifications (Minor Changes) in the Concept Plan as opposed to or in contrast to major modifications (Major Changes) to the Concept Plan, any Minor Changes that become necessary therefrom can be approved by the LMO Administrator and any Major Changes will require an appropriate amendment to the Amendment and Restated Development Agreement subject to the provisions of the Act.

Modifications to Approved Concept Plan.

Whenever an application is made to modify the Concept Plan, the modification shall be classified as either a major or minor modification.

Major Modifications (Major Changes). In addition to any required approvals under the Land Management Ordinance of the Town or any other applicable land development regulations, Major modifications require approval of the Town Council in accordance with the Act.

The following shall be deemed a Major modification:

- a. An increase in the height of the multi-family buildings greater than seventy-five (75) feet;
- b. A reduction in the wetland buffers adjacent to the multi-family buildings;
- c. Increase beyond 240 multi-family residential dwelling units; or
- d. Any other modifications to the Land Management Ordinance of the Town other than those found in Exhibit “D” to this Amended and Restated Development Agreement.

Minor Modifications (Minor Changes). All other changes not specifically listed as a Major modification above shall be considered Minor modifications and may be approved by the LMO Administrator.

VII. COMPLIANCE REVIEWS.

As long as DEVELOPER owns any of the Mall Tract, DEVELOPER, its successors or assigns, shall meet with the Town, or its designee, at least once per year

Exhibit "A"

during the Term to review development completed by DEVELOPER in the prior year and the development anticipated to be commenced or completed by DEVELOPER in the ensuing year. DEVELOPER or its designee shall provide such information as may reasonably be requested, to include but not be limited to, the occupancy of the commercial areas of the Mall and the multi-family dwelling units and any development rights transferred in the prior year and anticipated to be transferred in the ensuing year, if any. DEVELOPER or its designee shall be required to compile this information for the entire Mall Tract within a reasonable time after written request by the Town.

VIII. TERMINATION AND ASSIGNMENT.

The Town shall have the right to unilaterally terminate this Amended and Restated Development Agreement should development and modification of the Mall Tract, as contemplated by this Amended and Restated Development Agreement, not be substantially complete within five (5) years of the Effective Date; *provided, however*, if any litigation or appeal is instituted by one or more third parties against the Town or DEVELOPER, or both, regarding this Amended and Restated Development Agreement, the Rezoning Application, or the development or modification of the Mall Tract, the Town and DEVELOPER shall take such actions as are permitted under 6-31-60(A)(2) of the Act to extend the termination date of this Amended and Restated Development Agreement during the pendency of such litigation or appeal. This Amended and Restated Development Agreement may be assigned by DEVELOPER to a good faith purchaser of the Mall Tract.

IX. DEFAULT AND ENFORCEMENT.

The failure of the Owner, DEVELOPER or the Town to comply with the terms of this Amended and Restated Development Agreement shall constitute a Default. In the event such Default is not cured within sixty (60) days after written notice from the non-defaulting party to the defaulting party (as such time period may be extended with regard to non-monetary breaches or a reasonable period of time based on the circumstances, provided such defaulting party commences to cure such Default within such sixty (60) day period and is proceeding diligently and expeditiously to complete such cure), the non-defaulting party shall be entitled to pursue all remedies available at law or equity, including but not limited to specific performance; provided however no termination of

Exhibit "A"

this Amended and Restated Development Agreement may be declared by the Town absent its according the DEVELOPER the notice, hearing and opportunity to cure in accordance with the Act; and provided any such termination shall be limited to the portion of the Project in default, and provided further that nothing herein shall be deemed or construed to preclude the Town or its designee from issuing stop work orders or voiding permits issued for Development when such Development contravenes the provisions of the Land Development Regulations or this Amended and Restated Development Agreement. A Default of the Owner shall not constitute a Default by Third-Party Developers, and default by Third-Party Developers shall not constitute a default by the Owner. The parties acknowledge that individual residents and owners of completed buildings within the Property shall not be obligated for the obligations of the Owner or developer set forth in this Amended and Restated Development Agreement.

X. NOTICES.

Any notice, demand, request, consent, approval or communication which a signatory party is required to or may give to another signatory party hereunder shall be in writing and shall be delivered or addressed to the other at the address below set forth or to such other address as such party may from time to time direct by written notice given in the manner herein prescribed, and such notice or communication shall be deemed to have been given or made when communicated by personal delivery or by independent courier service or by facsimile, or if by mail, on the fifth (5th) business day after deposit thereof in the United States Mail, postage pre-paid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, consents, approvals, or communications to the Town shall be addressed to the Town at:

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

With a copy to:
Gregory M. Alford, Esquire
Alford Law Firm, LLC
P.O. Drawer 8008
Hilton Head Island, South Carolina 29938

Exhibit "A"

and to the Owner at:

Mark Senn
President, Blanchard & Calhoun Commercial Corporation
2743 Perimeter Parkway
Building 200, Suite 370
Augusta, Georgia 30909

With a copy to:
William W. Jones, Jr., Esquire
Jones, Simpson & Newton
P.O. Box 1938
Bluffton, South Carolina 29910

**XI. ENTIRE AGREEMENT, AMENDMENT, MODIFICATION,
GOVERNING LAW, PARTIES IN INTEREST.**

This Amended and Restated Development Agreement constitutes the entire agreement between the parties regarding the matters set forth herein. No amendment or modification to this Amended and Restated Development Agreement shall be effective unless reduced to writing, executed by both parties and approved by the Town Council of the Town. This Amended and Restated Development Agreement shall be interpreted pursuant to the laws of the State of South Carolina generally, and more specifically, pursuant to the Act. If any provision of this Amended and Restated Development Agreement shall be held by a court of competent jurisdiction after a final appeal to be illegal, unenforceable, or contrary to public policy, then such provision shall be stricken and the remaining provisions of this Amended and Restated Development Agreement shall continue in full force and effect. Nothing contained in this Amended and Restated Development Agreement, express or implied, is intended or shall be construed to confer upon or give any person (other than the parties hereto, their successors and permitted assigns) any rights or remedies under or by reason of this Amended and Restated Development Agreement, or any term, provision, condition, undertaking, warranty, representation, indemnity, covenant, or agreement contained herein.

The Town will approve changes in the location of roads, buildings, recreational amenities, and other elements which may vary at the time of permit application when

Exhibit "A"

more specific designs are available, provided the maximum densities and Land Development Regulations are followed.

XII. GENERAL.

A. Subsequent Laws. In the event state or federal laws or regulations are enacted after the execution of this Amended and Restated Development Agreement or decisions are issued by a court of competent jurisdiction which prevent or preclude compliance with the Act or one or more provisions of this Amended and Restated Development Agreement ("New Laws"), the provisions of this Amended and Restated Development Agreement shall be modified or suspended as may be necessary to comply with such New Laws. Immediately after enactment of any such New Law, or court decision, a party designated by DEVELOPER and other Third-Party Developer(s) (if any) and the Town shall meet and confer in good faith in order to agree upon such modification or suspension based on the effect such New Law would have on the purposes and intent of this Amended and Restated Development Agreement. During the time that these parties are conferring on such modification or suspension or challenging the New Laws, the Town may take reasonable action to comply with such New Laws. Should these parties be unable to agree to a modification or suspension, either may petition a court of competent jurisdiction for an appropriate modification or suspension of this Amended and Restated Development Agreement. In addition, DEVELOPER, Third-Party Developers and the Town each shall have the right to challenge the New Law preventing compliance with the terms of this Amended and Restated Development Agreement. In the event that such challenge is successful, this Amended and Restated Development Agreement shall remain unmodified and in full force and effect.

B. Estoppel Certificate. The Town, DEVELOPER or any Third-Party Developer may, at any time, and from time to time, deliver written notice to the other applicable party requesting such party to certify in writing:

(i) that this Amended and Restated Development Agreement is in full force and effect,

(ii) that this Amended and Restated Development Agreement has not been amended or modified, or if so amended, identifying the amendments,

Exhibit "A"

(iii) whether, to the knowledge of such party, the requesting party is in default or claimed default in the performance of its obligations under this Amended and Restated Development Agreement, and, if so, describing the nature and amount, if any, of any such default or claimed default, and

(iv) whether, to the knowledge of such party, any event has occurred or failed to occur which, with the passage of time or the giving of notice, or both, would constitute a default and, if so, specifying each such event.

C. No Partnership or Joint Venture. Nothing in this Amended and Restated Development Agreement shall be deemed to create a partnership or joint venture between the Town, DEVELOPER or any Third-Party Developer or to render such party liable in any manner for the debts or obligations of another party.

D. Force Majeure. No Party shall be liable for any failure to perform its obligations under this Amended and Restated Development Agreement where such failure is as a result of Acts of God or nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), orders of any kind of the government of the United States or the State of South Carolina or the courts thereof, war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labor dispute, strike, lockout or industrial disturbances, and no other Party will have a right to terminate this Amended and Restated Development Agreement under Section IX (Default) in such circumstances. Any Party asserting Force Majeure as an excuse for non-performance in whole or in part of its obligations under this Amended and Restated Development Agreement shall have the burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excusable obligations were substantially fulfilled, and that the other Party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that other prudent precautions could be contemplated and implemented.

E. Exhibits. All exhibits attached hereto and/or referred to in this Amended and Restated Development Agreement are incorporated herein as though set forth in full.

Exhibit "A"

F. Construction. The parties agree that each party and its counsel have reviewed and revised this Amended and Restated Development Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Amended and Restated Development Agreement or any amendments or exhibits hereto.

G. Governing Law. This Amended and Restated Development Agreement shall be governed by the laws of the State of South Carolina.

H. Counterparts. This Amended and Restated Development Agreement may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

I. Agreement to Cooperate. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Amended and Restated Development Agreement, the parties hereby agree to cooperate in defending such action; provided, however, each party shall retain the right to pursue its own independent legal defense.

J. Eminent Domain. Nothing contained in this Amended and Restated Development Agreement shall limit, impair or restrict the Town's right and power of eminent domain under the laws of the State of South Carolina.

K. No Third Party Beneficiaries. The provisions of this Amended and Restated Development Agreement may be enforced only by the Town, DEVELOPER and Third-Party Developers. No other persons shall have any rights hereunder.

L. Transfers of Interest. Owner shall notify the Town, in writing, each time that it transfers any Development Rights hereunder to any other owner or developer. Such information shall include the legal name of the acquiring owner or developer, the current address and the name of a contact person at that entity, the location and number of acres of property transferred, a description of the Development Rights transferred and the allocation of any rights or responsibilities arising under this Amended and Restated Development Agreement transferred to the acquiring owner or developer. The notification shall also include an updated Development Summary Schedule reflecting the transferred rights. The entity acquiring Development Rights hereunder shall file with the Town an acknowledgment of this Amended and Restated Development Agreement as

Exhibit "A"

well as a commitment to be bound by them, all in a form reasonably satisfactory to the Town of Hilton Head Island. The notification must be signed by the Town.

M. Agreements to Run with the Land. This Amended and Restated Development Agreement shall be recorded against the Real Property. The Agreements contained herein shall be deemed to run with the land for the Term hereof and any extensions of same. The burdens of this Amended and Restated Development Agreement are binding upon, and benefits of the Agreement shall inure to, all successors in interest to the Parties to this Amended and Restated Development Agreement.

N. No Waiver. Failure of a party hereto to exercise any right hereunder shall not be deemed a waiver of any such right and shall not affect the right of such Party to exercise at some future time said right or any other right as it may have hereunder. Unless this Amended and Restated Development Agreement is amended by vote of the Town Council taken with the same formality approving this Amended and Restated Development Agreement, no officer, official or agent of the Town has the power to amend, modify or alter this Amended and Restated Development Agreement or waive any of its conditions as to bind the Town by making any promise or representation contained herein.

O. Attorney's Fees. Should any Party hereto employ an attorney for the purpose of enforcing this Amended and Restated Development Agreement, or any judgment based on this Amended and Restated Development Agreement, for any reason or in any legal proceeding whatsoever, including insolvency, bankruptcy, arbitration, declaratory relief or other litigation, including appeal or rehearings, the prevailing Party shall be entitled to receive from the other party thereto reimbursement for all reasonable attorney's fees and all costs and expenses. Should any judgment or final order be issued in that proceeding, said reimbursement shall be specified therein.

XIII. STATEMENT OF REQUIRED PROVISIONS.

The Act requires that a development agreement must include certain mandatory provisions, pursuant to Section 6-31-60(A). Although certain of these items are addressed elsewhere in this Amended and Restated Development Agreement, the following listing of the required provisions is set forth for convenient reference. The

Exhibit “A”

numbering below corresponds to the numbering utilized under Section 6-31-60(A) for the required items:

A. Legal Description of the Property and the Legal and Equitable Owners. The legal description of the property is set forth in Exhibit “E” attached hereto. The present legal owner of the Mall Tract is DEVELOPER and the Town until the Closing as provided for in Paragraph _____. The total acreage for the Mall Tract is currently 41.92 acres (prior to the Land Swap as hereafter described), more or less, located within the Town of Hilton Head Island, South Carolina, more fully described in that certain plat entitled “Boundary Reconfiguration of Shelter Cove Mall Area, A Section of Shelter Cove” (“Reconfiguration Plat”) dated October 24, 2013, prepared by Surveying Consultants, recorded in the Register of Deeds Office for Beaufort County, South Carolina, in Plat Book 138 at Page 1. The 41.92 acre parcel includes Area “A-2” and excludes Area “B-2” on the Reconfiguration Plat and includes 4.62 acres entitled “Multi-Family Parcel”, and Area “A-1” on the above-referenced Reconfiguration Plat. The size of the Exchange Parcel shall be in addition to the 41.92 acreage, currently constituting the Mall Tract.

B. Duration of Agreement. The duration of this Amended and Restated Development Agreement is five (5) years, unless extended or terminated by the parties, as may be permitted by the Act; *provided, however*, that the Town and Developer acknowledge and agree that the initial term of the Agreement may be renewed for two additional five (5) year periods absent a default under the terms of the Agreement pursuant to Section IX hereof.

C. Permitted Uses, Population, Densities, Building Heights, and Intensities. A complete listing and description of permitted uses, population, densities, building intensities and heights, as well as other development related standards, are contained in Land Development Regulations, as supplemented by this Amended and Restated Development Agreement and the uses on the Mall Tract are those allowed by the PD Master Plan, as amended by the approval of ZMA #120006, this Amended and Restated Development Agreement, the LMO, and ZA # 000659-2014.

D. Utility Services. The utility services available to the property are described generally above regarding water service, sewer service, cable and other

Exhibit “A”

telecommunications service, gas service, electrical service, telephone service, and solid waste disposal. The mandatory procedures of the Land Development Regulations will ensure availability of roads and utilities to serve the residents and tenants on a timely basis.

E. Required Public Facilities. All requirements relating to land transfers for public facilities are set forth herein. The Land Development Regulations described above and incorporated herein contain numerous provisions for the protection of environmentally sensitive areas. All relevant State and Federal laws will be complied with, in addition to the important provisions set forth in this Amended and Restated Development Agreement. The environmentally sensitive areas located on the Mall Tract adjacent to the marshes of Broad Creek will be protected in accordance with the terms of the Land Development Regulations set forth herein.

F. Land Development Permits. The development standards for the Project shall be as set forth in the Land Development Regulations. Specific permits must be obtained prior to commencing development, consistent with the standards set forth in the Land Development Regulations. Building permits must be obtained under applicable law for any vertical construction, and appropriate permits must be obtained from the State of South Carolina (OCRM) and Army Corps of Engineers, among other required entities, when applicable, prior to any impact on jurisdictional wetlands. It is specifically understood that failure of this Amended and Restated Development Agreement to address a particular permit, condition, term, or restriction does not relieve the DEVELOPER, its successors and assigns, of the necessity of complying with the law governing the permitting requirements, conditions, terms, or restrictions, unless otherwise provided hereunder. This Amended and Restated Development Agreement is contingent upon the DEVELOPER obtaining approval from the Town of the Rezoning Application (ZA # 000659-2014).

G. Comprehensive Plan and Development Agreement. The Town has determined that the development and modification of the Mall Tract contemplated by this Amended and Restated Development Agreement is consistent with the Town’s Comprehensive Plan, as recently amended, and with the Land Development Regulations.

Exhibit “A”

H. Terms for Public Health, Safety, and Welfare. The legal process which resulted in the approval of ZMA #120006 and ZA # 000659-2014 for the Mall Tract included considerable input to assure the Town that the redevelopment and modification of the Shelter Cove Mall contemplated by this Amended and Restated Development Agreement adequately addresses applicable issues of public health, safety, and welfare. The terms and conditions of the approval of ZMA #120006 and ZA # 000659-2014 serve that purpose, together with other terms and conditions contained in this Amended and Restated Development Agreement.

I. Historic Structures. No specific terms relating to historic structures are pertinent to this Amended and Restated Development Agreement. No historic structures exist on the Mall Tract.

[Signature pages follow]

Exhibit "A"

IN WITNESS WHEREOF, Shelter Cove Towne Centre, LLC, has caused this Amended and Restated Development Agreement to be signed and sealed this ____ day of _____, 2014.

**SIGNED, SEALED AND
DELIVERED IN THE PRESENCE
OF:**

**Shelter Cove Towne Centre, LLC,
a South Carolina limited liability
company**

By: _____

STATE OF)
)
COUNTY OF)

ACKNOWLEDGEMENT

I, the undersigned Notary Public, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this ____ day of _____, 2014.

Notary Public for South Carolina
My Commission Expires: _____

Exhibit "A"

IN WITNESS WHEREOF, Shelter Cove II, LLC, has caused this Amended and Restated Development Agreement to be signed and sealed this ____ day of _____, 2014.

**SIGNED, SEALED AND
DELIVERED IN THE PRESENCE
OF:**

**Shelter Cove II, LLC,
a South Carolina limited liability
company**

By: _____

STATE OF)
)
COUNTY OF)

ACKNOWLEDGEMENT

I, the undersigned Notary Public, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this ____ day of _____, 2014.

Notary Public for South Carolina
My Commission Expires: _____

PROPOSED PUBLIC WALKING TRAIL TO BE INCLUDED IN COMMUNITY PARK (±.17 AC) * PROPERTY LINES APPROXIMATE AND SUBJECT TO CHANGE

MULTI-FAMILY RESIDENTIAL (AVERAGE MARSH SETBACK 50') LANDSCAPE ENHANCED AT ENTRANCE TO NEWPORT

NEWPORT COMMUNITY

WATERFRONT DRIVE
-PEDESTRIAN STREETSCAPE
-ON-STREET PARKING

MARSHES OF BROAD CREEK

COMMUNITY PARK (±5.1 ACRES)
* PROPERTY LINES APPROXIMATE AND SUBJECT TO CHANGE

MULTI-FAMILY RESIDENTIAL (± 4.9 ACRES) (AVERAGE MARSH SETBACK 50')
* PROPERTY LINES APPROXIMATE AND SUBJECT TO CHANGE

PUBLIC WALKING SPACE



EXHIBIT C

THIS SHELTER COVE MALL CONCEPTUAL MASTER PLAN ("CONCEPT PLAN") REPRESENTS THE FUTURE DEVELOPMENT OF SHELTER COVE MALL AS ENVISIONED BY SHELTER COVE TOWNE CENTRE, LLC. THE CONCEPTUAL MASTER PLAN IS A CHANGEABLE DESIGN AND MAY BE MODIFIED AND ALTERED AT ANY TIME BY SHELTER COVE TOWNE CENTRE, LLC, ITS SUCCESSORS OR ASSIGNS, IN RESPONSE TO CHANGING NEEDS OF END USERS, CHANGING REQUIREMENTS OF GOVERNMENTAL AGENCIES AND AN INCREASED KNOWLEDGE OF ECOLOGICAL NEEDS. ALL SITE LOCATIONS AND POSSIBLE POTENTIAL LAND USES MAY BE ALTERED TIME TO TIME AS MINOR MODIFICATIONS BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA.

DEVELOPMENT SUMMARY	
NON-RESIDENTIAL	±295,000 SF
MULTI-FAMILY	±240 UNITS

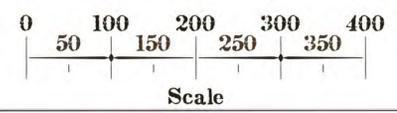
Prepared For:



BLANCHARD & CALHOUN
COMMERCIAL
AUGUSTA, GA

SHELTER COVE MALL CONCEPT PLAN

HILTON HEAD ISLAND, SOUTH CAROLINA
AUGUST 2014



Prepared By:



Witmer Jones Keefe
Ltd.
landscape architecture
land planning
www.wjktd.com
14 Palmetto Way, Suite A • Bluffton, South Carolina • 29910 • ph 843.757.7411

The “Draft” Proposed Amended And Restated Development Agreement Between Shelter Cove Towne Centre, LLC, Shelter Cove II, LLC, And The Town Of Hilton Head Island is available for review in its entirety on our website at:

<http://www.hiltonheadislandsc.gov/departments/commdev/Redevelopment/sheltercovemall/sheltercovemallredev.cfm>

or

at the

Town of Hilton Head Island Administrative
Offices



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
VIA: Teri Lewis, AICP, *LMO Official*
FROM: Heather Colin, AICP, *Development Review Administrator*
CC: Charles Cousins, AICP, *Director of Community Development*
DATE: October 23, 2014
SUBJECT: Land Exchange Related to Amended and Restated Development Agreement for the Mall at Shelter Cove
Proposed Ordinance No. 2014-31

Recommendation:

Staff recommends Town Council authorize the Town Manager to execute a contract for the exchange of a portion of Town owned real property in exchange for a portion of land to be used for the new relocated Shelter Cove Community Park.

Summary:

The approved Development Agreement with Shelter Cove Towne Centre, LLC (the Mall Redevelopment Agreement) indicates that the exchange of real property wherein the property conveyed to SCTC will be developed into multifamily dwelling units (apartments) and the property conveyed to the Town will be a Community Park.

The proposed Amended and Restated Development Agreement for the Mall at Shelter Cove maintains the similar provisions for the construction of a new waterfront community park in exchange for a portion of adjacent Town owned real property to be used as a site for future apartments. The final survey is subject to change based on changes in building footprints and areas.

Background:

On **October 16, 2012** Town Council approved Ordinance 2012-26 authorizing the Town Manager to execute a contract for the exchange of real property for land for the new Shelter Cove Community Park. Since the legal description of the property involved in the land swap has changed, it is necessary to revise the previously approved ordinance and attached survey description.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2014-__

PROPOSED ORDINANCE NO. 2014-31

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE SALE OF REAL PROPERTY OWNED BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, IN EXCHANGE FOR LAND OWNED BY SHELTER COVE TOWNE CENTRE, LLC AND/OR SHELTER COVE II, LLC, IN CONJUNCTION WITH THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT FOR SHELTER COVE MALL, PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. § 5-7-40 (SUPP. 2011), AND § 2-7-20, CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

LEGISLATIVE FINDINGS

WHEREAS, the Town of Hilton Head Island, South Carolina (the “Town”) is the owner of certain real property located on Hilton Head Island and known as a portion of Beaufort County Tax Map # R520-012-00C-0002-0000, more particularly described as follows:

That certain 4.9 acre tract bounded in red and described as “MULTI-FAMILY RESIDENTIAL (+/- 4.9 ACRES) (AVERAGE MARSH SETBACK 50’)” on that certain “Shelter Cove Mall Concept Plan” dated August 2014 and prepared by Witmer-Jones-Keefer Ltd., a copy of which Concept Plan is attached hereto as Exhibit “A”.

(hereinafter referred to as “Exchange Parcel”)

; and,

WHEREAS, Shelter Cove Towne Centre, LLC and/or Shelter Cove II, LLC (hereinafter collectively referred to as “SCTC”) is the owner of certain real property located on Hilton Head Island and known as a portion of Beaufort County Tax Map # R520-012-00B-0026-0000, more particularly described as follows:

That certain 5.1 acre tract bounded in red and described as “COMMUNITY PARK (+/- 5.1 ACRES)” on that certain “Shelter Cove Mall Concept Plan” dated August 2014 and prepared by Witmer-Jones-Keefer Ltd., a copy of which Concept Plan is attached hereto as Exhibit “A”.

-and-

That certain tract bounded in red and located along Broad Creek to the southwest of the “Community Park”, which parcel is described as “PROPOSED PUBLIC WALKING TRAIL TO BE INCLUDED IN COMMUNITY PARK (+/- .17 AC) on that certain “Shelter Cove Mall Concept Plan” dated August 2014 and prepared by Witmer-Jones-Keefer Ltd., a copy of which Concept Plan is attached hereto as Exhibit “A”.

(hereinafter collectively referred to as “Community Park Parcel”)

; and,

WHEREAS, contemporaneously with the adoption of this Ordinance, the Town is adopting an Ordinance approving the execution and recording of that certain Amended and Restated Development Agreement for Shelter Cove Mall (“Amended Development Agreement”), by and between the Town, Shelter Cove Towne Centre, LLC, and Shelter Cove II, LLC; and,

WHEREAS, the Amended Development Agreement contemplates that within sixty (60) days after completion of construction and issuance of a Certificate of Compliance of the Community Park, or completion of a survey showing the exact dimensions of the Exchange Parcel and the Community Park Parcel, whichever occurs later, the Town and SCTC will exchange ownership of the Exchange Parcel and the Community Park Parcel through the execution, delivery, and recording of deeds; and,

WHEREAS, the Town Council for the Town of Hilton Head Island, South Carolina, has determined that it is in the best interests of the Town to approve the exchange of property as mentioned herein above, and to authorize the Mayor and/or Town Manager to take such further and other actions as may be necessary to effectuate the above exchange of property, so long as such exchange is in substantial conformance with the Concept Plan attached hereto as Exhibit “A” and the Amended Development Agreement; and,

WHEREAS, under the provisions of S.C. Code Ann. § 5-7-40 (SUPP. 2011) and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983), the conveyance or granting of an interest in real property owned by the Town of Hilton Head Island must be authorized by Ordinance.

NOW THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID COUNCIL, AS FOLLOWS:

Section 1. Execution and Acceptance of Deeds.

- (a) The Mayor and/or Town Manager are hereby authorized to (i) execute and deliver a deed, and (ii) accept a deed, evidencing the aforementioned exchange of property so long as such exchange is in substantial conformance with the Concept Plan attached hereto as Exhibit “A” and the Amended Development Agreement;
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated herein and as authorized hereby.

Section 2. Severability.

If any section, phrase, sentence or portion of this Ordinance is, for any reason, held or deemed to be invalid or unconstitutional by any court of competent jurisdiction, then such section, phrase, sentence or portion shall be deemed a separate, distinct and independent provision and shall not affect the remaining portion thereof.

Section 3. Effective Date.

This Ordinance shall become effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

(SIGNATURE PAGE FOLLOWS)

**PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN
OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS ___ DAY OF
_____, 2014.**

Drew A. Laughlin, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

First Reading: _____

Second Reading: _____

Approved as to form: _____
Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

EXHIBIT "A"

PROPOSED PUBLIC WALKING TRAIL TO BE INCLUDED IN COMMUNITY PARK (±.17 AC) * PROPERTY LINES APPROXIMATE AND SUBJECT TO CHANGE

MULTI-FAMILY RESIDENTIAL (AVERAGE MARSH SETBACK 50') LANDSCAPE ENHANCED AT ENTRANCE TO NEWPORT

NEWPORT COMMUNITY

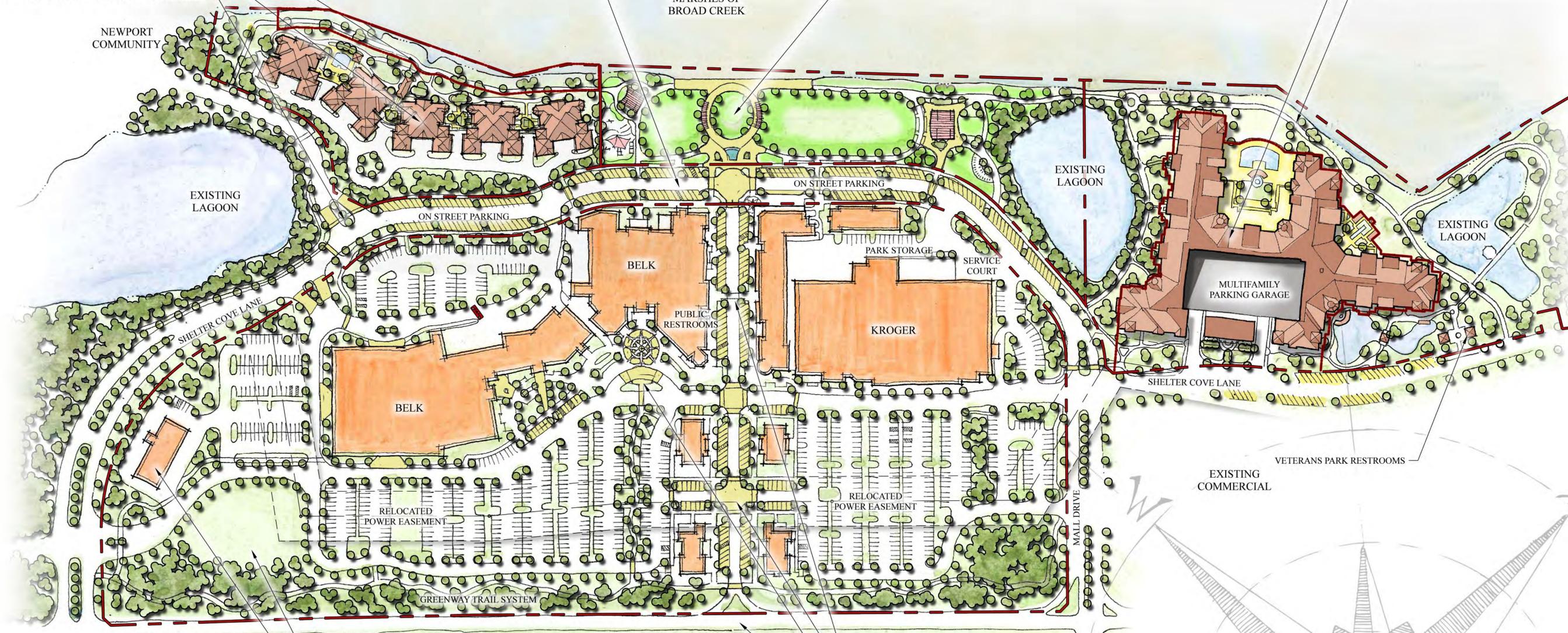
WATERFRONT DRIVE
-PEDESTRIAN STREETSCAPE
-ON-STREET PARKING

MARSHES OF BROAD CREEK

COMMUNITY PARK (±5.1 ACRES)
* PROPERTY LINES APPROXIMATE AND SUBJECT TO CHANGE

MULTI-FAMILY RESIDENTIAL (± 4.9 ACRES) (AVERAGE MARSH SETBACK 50')
* PROPERTY LINES APPROXIMATE AND SUBJECT TO CHANGE

PUBLIC WALKING SPACE



RESTAURANT/RETAIL OUT PARCEL
GAS STATION

WILLIAM HILTON PARKWAY

COMMERCIAL VILLAGE WITH PLAZAS & PEDESTRIAN STREETSCAPES

DROP-OFF PLAZA

RIGHT IN/ RIGHT OUT INTERSECTION

EXHIBIT C

THIS SHELTER COVE MALL CONCEPTUAL MASTER PLAN ("CONCEPT PLAN") REPRESENTS THE FUTURE DEVELOPMENT OF SHELTER COVE MALL AS ENVISIONED BY SHELTER COVE TOWNE CENTRE, LLC. THE CONCEPTUAL MASTER PLAN IS A CHANGEABLE DESIGN AND MAY BE MODIFIED AND ALTERED AT ANY TIME BY SHELTER COVE TOWNE CENTRE, LLC, ITS SUCCESSORS OR ASSIGNS, IN RESPONSE TO CHANGING NEEDS OF END USERS, CHANGING REQUIREMENTS OF GOVERNMENTAL AGENCIES AND AN INCREASED KNOWLEDGE OF ECOLOGICAL NEEDS. ALL SITE LOCATIONS AND POSSIBLE POTENTIAL LAND USES MAY BE ALTERED TIME TO TIME AS MINOR MODIFICATIONS BY THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA.

DEVELOPMENT SUMMARY	
NON-RESIDENTIAL	±295,000 SF
MULTI-FAMILY	±240 UNITS

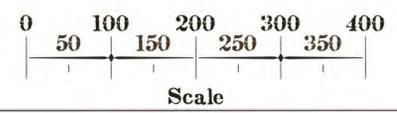
Prepared For:



BLANCHARD & CALHOUN
COMMERCIAL
AUGUSTA, GA

SHELTER COVE MALL CONCEPT PLAN

HILTON HEAD ISLAND, SOUTH CAROLINA
AUGUST 2014



Prepared By:



Witmer Jones Keefe
Ltd.
landscape architecture
land planning
www.wjktd.com
14 Palmetto Way, Suite A • Bluffton, South Carolina • 29910 • ph 843.757.7411



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
VIA: Teri Lewis, AICP, *LMO Official*
FROM: Heather Colin, AICP, *Development Review Administrator*
CC: Charles Cousins, AICP, *Director of Community Development*
DATE: October 23, 2014
SUBJECT: Establishment of Restrictive Covenants and Restrictions for property in
conjunction with the Amended and Restated Development Agreement for the
Shelter Cove Mall
Proposed Ordinance No. 2014-32

Recommendation:

Staff recommends Town Council approve the establishment, execution and recording of Covenants and Restrictions on real property associated with the Amended and Restated Development Agreement for the Shelter Cove Mall.

Summary:

The Development Agreement for Shelter Cove Mall states that there will be an exchange of real property wherein property conveyed to Shelter Cove Towne Centre (SCTC) will be developed into multifamily dwelling units and that the units must remain apartments. Town Council approved the ordinance and covenants associated with this requirement. The proposed changes to the Development Agreement include changes to the description of the real property associated with the land exchange; which requires a change to the property description in the covenants.

Background:

The Town has agreed to convey a portion of real property to be developed and utilized as multifamily dwelling units upon certain conditions and restrictions. Specifically, the parties have agreed that these multifamily units are to remain apartments and cannot be converted to condominiums nor timeshares or interval occupancy units, that they will not be rented for terms less than twelve (12) months and that tenants may not sub-let the units. The Declaration of Covenants and Restrictions must be executed and recorded prior to the Town's conveyance of the property.

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE ESTABLISHMENT OF COVENANTS AND RESTRICTIONS ON REAL PROPERTY IN CONJUNCTION WITH THE MALL AT SHELTER COVE DEVELOPMENT AGREEMENT AND ANY AMENDMENTS OR MODIFICATIONS THERETO, PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. § 5-7-40 (SUPP. 2011), AND § 2-7-20, *CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, (1983)*; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

LEGISLATIVE FINDINGS

WHEREAS, the Town of Hilton Head Island, South Carolina (the “Town”) is the owner of certain real property located on Hilton Head Island and known as a portion of Beaufort County Tax Map # R520-012-00C-0002-0000, more particularly described as follows:

That certain 4.9 acre tract bounded in red and described as “MULTI-FAMILY RESIDENTIAL (+/- 4.9 ACRES) (AVERAGE MARSH SETBACK 50’)” on that certain “Shelter Cove Mall Concept Plan” dated August 2014 and prepared by Witmer-Jones-Keefer Ltd.

(hereinafter referred to as “Exchange Parcel”)

; and,

WHEREAS, contemporaneously with the adoption of this Ordinance, the Town is adopting an Ordinance approving the execution and recording of that certain Amended and Restated Development Agreement for Shelter Cove Mall (“Amended Development Agreement”), by and between the Town, Shelter Cove Towne Centre, LLC, and Shelter Cove II, LLC; and,

WHEREAS, the Amended Development Agreement contemplates that the Town will convey the Exchange Parcel to Shelter Cove Towne Centre, LLC (“SCTC”) in conjunction with the redevelopment of the Mall at Shelter Cove; and

WHEREAS, SCTC will develop multi-family dwelling units on the Exchange Parcel subject to certain restrictions as agreed upon between SCTC and the Town; and

WHEREAS, the Town Council of the Town has determined that it is in the best interests of the Town to record and establish a Declaration of Covenants, Restrictions, and Limitations in a substantially similar form as attached hereto as Exhibit "A"; and,

WHEREAS, under the provisions of S.C. Code Ann. § 5-7-40 (SUPP. 2011) and § 2-7-20, *Code of the Town of Hilton Head Island , South Carolina*, (1983), the disposition of an interest in real property owned by the Town of Hilton Head Island must be authorized by Ordinance.

NOW THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID COUNCIL, AS FOLLOWS:

Section 1. Establishment of Covenants and Restrictions:

- (a) The Mayor and/or Town Manager are hereby authorized to execute and deliver a Declaration of Covenants, Restrictions, and Limitations, or a document substantially similar in form and substance to that, which is attached hereto as Exhibit "A"; and
- (b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated herein and as authorized hereby.

Section 2. Severability.

If any section, phrase, sentence or portion of this Ordinance is, for any reason, held or deemed to be invalid or unconstitutional by any court of competent jurisdiction, then such section, phrase, sentence or portion shall be deemed a separate, distinct and independent provision and shall not affect the remaining portion thereof.

Section 3. Effective Date.

This Ordinance shall become effective upon adoption thereof by the Town Council for the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, ON THIS ___ DAY OF _____, 2014.

Drew A. Laughlin, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

First Reading: _____

Second Reading: _____

Approved as to form: _____
Gregory M. Alford, Town Attorney

Introduced by Council Member: _____

Exhibit “A”

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) DECLARATION OF COVENANTS,
) RESTRICTIONS, AND LIMITATIONS

THIS DECLARATION is made this ____ day of _____, 2014, by the Town of Hilton Head Island, South Carolina, a municipal corporation (hereinafter referred to as “Declarant”).

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain lands (hereinafter referred to as the “Property”) described in Article I of this Declaration, located on Hilton Head Island, Beaufort County, South Carolina; and

WHEREAS, Declarant finds that private controls over the use of the land are an effective means of establishing, preserving, maintaining and, in some instances, enhancing, the economic or intangible values pertaining to the use and enjoyment of the Property and, to this end, Declarant desires to establish on the Property certain private land use controls, conditions, restrictions, equitable servitudes, encumbrances, affirmative obligations, burdens, benefits, reservations, easements, assessments, charges and liens (hereinafter referred to as the “Declaration” or these “Covenants”).

NOW THEREFORE, Declarant hereby declares that the Property hereof is and shall be held, transferred, sold, devised, assigned, conveyed, given, purchased, leased, occupied, possessed, mortgaged, encumbered and used subject to these Covenants. These Covenants, the benefits of these Covenants, and the affirmative and negative burdens of these Covenants, whether pertaining to items, benefits and obligations presently existing or to be created or executed in the future, do and shall, in equity and at law, touch and concern, benefit and burden, and run with the land and any estates in the Land herein referred to as the Property, and these Covenants are intended to be Covenants and servitudes burdening and benefiting all persons now or hereafter deriving a real property estate in the Property whether by assignment, succession or inheritance or other method of conveyance.

PART ONE
PROPERTY COVERED BY COVENANTS

ARTICLE I:

Property Description

Section 1.1: The Property: The real property (“the Property”) which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to these Covenants, is described as follows:

[Legal description to be inserted upon completion of survey]

PART TWO
LAND USE RESTRICTIONS

ARTICLE II:
General Land Use Restrictions and Obligations

Section 2.1: Restrictions on Converting Apartments to Condominiums. In the event any apartments are erected, constructed, or otherwise built on or within the Property, said apartments shall not be converted into condominiums in any manner.

Section 2.2: Restrictions on Rentals of Apartments for Less than Twelve Months per Lease. In the event any apartments are erected, constructed, or otherwise built on or within the Property, the owner(s) of any apartment(s) shall not execute or enter into any lease(s) with a term for less than twelve (12) months per lease. In the event that such a lease is executed or entered into, said lease shall be considered void and of no legal effect.

Section 2.3: Restrictions on Sub-Letting of Apartments by Tenants. In the event any apartments are erected, constructed, or otherwise built on or within the Property, the tenant(s) of any apartment(s) shall not lease or sub-let the apartment(s) to any third parties.

Section 2.4: Restrictions on Timeshares and Interval/Fractional Ownership. There shall not be any timesharing, interval ownership, or fractional ownership occurring in or about the Property, in connection with any apartments or other dwellings or structures erected, constructed or otherwise built on or within the Property.

PART THREE
GENERAL

Article III:
General Provisions

Section 3.1: Duration of Covenants. All covenants, restrictions and affirmative obligations set forth herein shall run with the land and shall be binding on all parties and persons claiming under them.

Section 3.2: Remedies in the Event of Violation or Breach. In the event of a violation or breach of any of the restrictions contained herein by grantee, its agents, successors or assigns, Declarant shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event, and Declarant shall have the right to recover all costs and expenses of suit in such action, including reasonable attorneys' fees and costs whether or not incurred in conjunction with appellate proceedings.

Section 3.3: Severability and Rule Against Perpetuities. The invalidation by any court of any restrictions of these Covenants shall in no way affect any of the other restrictions, but they shall remain in full force and effect. If any provisions of this Declaration would violate the rule against perpetuities or any other limitation on the duration of the provisions contained herein and imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law or until twenty-one (21) years after the death of the last survivor of the now living descendants of former President George W. Bush and the original Owner of the Property.

Section 3.4: Interpretation. In all cases, the provisions of this Declaration shall be given that reasonable interpretation or construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property, which will carry out the intent of the Declarant as expressed in the recitals of these Covenants.

Contrary to the restrictive common law rule of construction, these Covenants shall by this Covenant be interpreted broadly to touch and concern the Property with recognition of modern economic, land use planning and real estate finance and development principles, theories and practices. It is the Declarant's intent, and all Owners who take subject to the Covenants, do covenant and agree, and are thereby estopped to deny, that any reserved right or function of the Declarant, and any other covenant condition, restriction or obligation within these Covenants is intended to promote the use and enjoyment of the Property, is intended to foster the creation, preservation or enhancement of economic or intangible values associated with the Property, and does touch and concern, benefit and burden and run with the Property.

The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning ordinance which allows a less restricted use of the Property.

Section 3.5: Enforcement by the Declarant. In addition to the foregoing, the Declarant shall have the right, but shall not be obligated, to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. Violators shall be obligated to reimburse the Declarant in full for its direct and indirect costs, including but not limited to legal fees incurred by the Defendant in maintaining compliance with these Covenants in the event the Declarant prevails in such proceedings.

Section 3.6: Gender, Tense, and Number. When necessary for proper construction, the masculine form of any word used in this Declaration shall include the feminine or neuter gender, and the singular, the plural and vice versa, and words used in the present tense shall include the future tense.

Section 3.7: No Waiver. Failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provisions of this Declaration.

Section 3.8: Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provisions of this Declaration.

TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA

WITNESSES

By: _____
Stephen G. Riley, ICMA-CM
Town Manager

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

UNIFORM ACKNOWLEDGMENT

I, the undersigned Notary Public do hereby certify that Stephen G. Riley appeared before me this day and, in the presence of the two witnesses above named, acknowledged the due execution of the foregoing instrument on behalf of The Town of Hilton Head Island, South Carolina.

Witness my hand and seal this _____ day of _____, 2014.

_____(SEAL)
Signature of Notary Public for South Carolina
My Commission expires:_____



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
VIA: Teri Lewis, AICP, *LMO Official*
FROM: Heather Colin, AICP, *Development Review Administrator*
CC: Charles Cousins, AICP, *Director of Community Development*
DATE: October 23, 2014
SUBJECT: ZA-000659-2014; Shelter Cove Towne Centre - Apartments
Proposed Ordinance No. 2014-24

Recommendation:

The Planning Commission met on October 1, 2014 to review the attached application for Zoning Map Amendment (ZA-000659-2014) and after a public hearing voted 4-3-0 to recommend that Town Council approve the proposed application for rezoning. Two Commissioners recused themselves for reasons of conflict of interest.

Staff recommended that the application be forwarded to Town Council with a recommendation for approval.

Summary:

Victor J. Mills on behalf of Shelter Cove Towne Centre, LLC and Shelter Cove II, LLC has submitted a request to amend the Palmetto Dunes Resort Master Plan to reallocate the multifamily density and allow for flexibility in assigning density in the following manner:

- decrease the number of multifamily dwelling units (apartments) on the west side (Property One) of the development (76 to 50);
- increase the number of multifamily dwelling units on the eastern side (Property Two) of the development (134 up to 210); and
- the aggregate total of dwelling units for both properties would not exceed 240 units (an overall increase from 210).

There are no other changes to the Master Plan land use designations and associated densities for the properties.

Background:

On **October 16, 2012** Town Council approved a Development Agreement between Shelter Cove Towne Centre, LLC and the Town of Hilton Head Island for the redevelopment of the Mall at Shelter Cove, now known as Shelter Cove Towne Centre that includes commercial uses, multifamily residential (apartments), and a relocated waterfront Community Park.

On **July 29, 2014** Town Council held a workshop to discuss the proposed changes associated with the project in a public setting. No action was taken; the massing of the buildings and associated parking were discussed and indicated as areas of concern.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2014

PROPOSED ORDINANCE NO. 2014-24

AN ORDINANCE TO AMEND TITLE 16, "THE LAND MANAGEMENT ORDINANCE," OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, BY AMENDING SECTION 16-4-102, THE OFFICIAL ZONING MAP AND THE PALMETTO DUNES RESORT MASTER PLAN WITH RESPECT TO THE CERTAIN PARCELS IDENTIFIED AS PARCEL 12 ON BEAUFORT COUNTY TAX MAP #12B, AND A 9.3 ACRE PORTION OF PARCEL 12 ON BEAUFORT COUNTY TAX MAP #12C, WITHIN THE PALMETTO DUNES RESORT MASTER PLAN UNDER THE PD-1 PLANNED DEVELOPMENT MIXED USE DISTRICT, TO DECREASE THE NUMBER OF MULTIFAMILY DWELLING UNITS ON PARCEL 26, TAX MAP #12B TO 50; INCREASE THE NUMBER OF MULTIFAMILY DWELLING UNITS ON PARCEL 12, TAX MAP #12C TO 210; THE AGGREGATE TOTAL OF DWELLING UNITS FOR BOTH PROPERTIES WOULD NOT EXCEED 240 UNITS; AND NO OTHER CHANGES TO THE MASTER PLAN LAND USE DESIGNATIONS AND ASSOCIATED DENSITIES FOR THE PROPERTIES; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, on May 7, 1986, the Town of Hilton Head Island granted Preliminary Plan Approval to an update of the Palmetto Dunes Resort Master Plan; and

WHEREAS, on July 21, 1998 , the Town Council did amend Title 16 of the Municipal Code of the Town of Hilton Head Island by enacting a revised Land Management Ordinance ("LMO"); and

WHEREAS, section 16-4-209 of the LMO incorporates the Palmetto Dunes Resort Master Plan and associated text as a Town-approved master plan under the PD-1 Planned Development Mixed Use District; and

WHEREAS, on October 16, 2012, Town Council approved a Zoning Map Amendment to facilitate the redevelopment of the Mall at Shelter Cove; and

WHEREAS, on October 16, 2012, Town Council approved a Development Agreement to facilitate the redevelopment of the Mall at Shelter Cove; and

WHEREAS, on December 17, 2013, Town Council approved a Resolution identifying Shelter Cove Towne Centre Development Rezoning as an item on the Management Agenda for 2014; and

WHEREAS, on July 29, 2014, Town Council held a public workshop to discuss the proposed changes; and

WHEREAS, the Planning Commission is authorized by Town Council to hold a public hearing on said zoning map amendment application, and said hearing was held on October 1, 2014, at which time a presentation was made by staff and an opportunity was given for the public to comment on the rezoning request; and

WHEREAS, the Planning Commission, after consideration of the staff report, public comment, and criteria set forth in Section 16-3-1505 of the LMO, voted 4-3-0 to recommend to Town Council that the rezoning request be approved; and

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SC; AND IT IS ORDAINED BY SAID AUTHORITY OF THE SAID COUNCIL:

Section 1. Amendment. That the Official Zoning Map of the Town of Hilton Head Island, as referred to in Section 16-4-102 of the LMO, and the Palmetto Dunes Resort Master Plan, PD-1 Planned Development Mixed Use District and associated text, referred to in Section 16-4-209 of the LMO, be hereby amended to modify the density of the multifamily dwelling units, specifically on the parcel identified as Parcel 26 on Beaufort County Tax Map 12B, to 50 multifamily dwelling units, (no other changes in uses or associated densities), and that certain 9.3 acre portion of the parcel identified as Parcel 12 on Beaufort County Tax Map 12C to 210 multifamily units (no other changes in uses or associated densities), and provided that the aggregate total not exceed 240 multifamily dwelling units. The attached Vicinity Map shows the location of the subject properties.

Section 2. Severability. If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. Effective Date. This Ordinance shall be effective upon adoption by the Town Council of the Town of Hilton Head Island, South Carolina.

PASSED, APPROVED, AND ADOPTED, BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND THIS _____ DAY OF _____, 2014.

Drew A. Laughlin, Mayor

ATTEST:

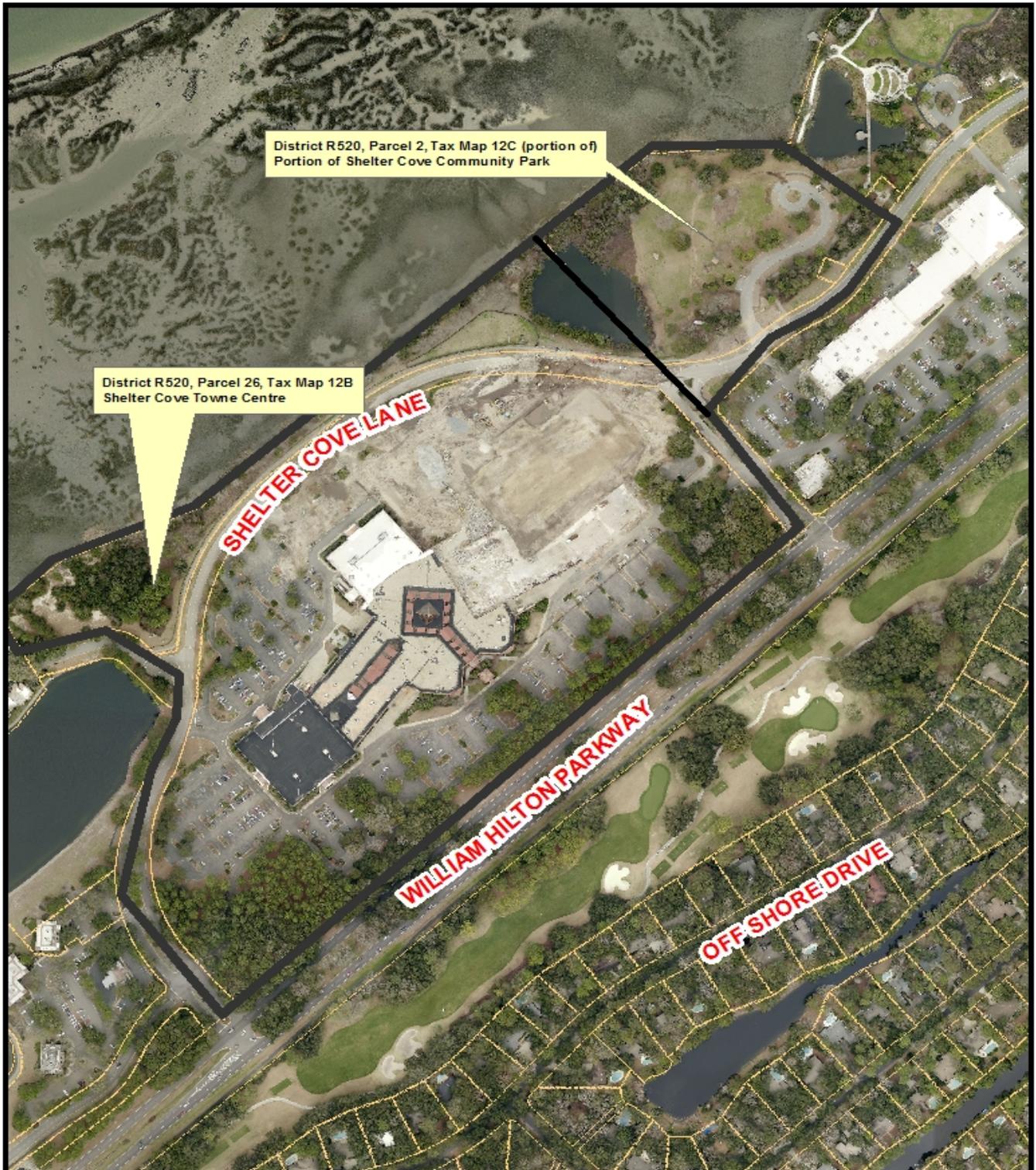
Victoria L. Pfannenschmidt, Town Clerk

Public Hearing: October 1, 2014
First Reading: _____
Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



District R520, Parcel 2, Tax Map 12C (portion of)
Portion of Shelter Cove Community Park

District R520, Parcel 26, Tax Map 12B
Shelter Cove Towne Centre

SHELTER COVE LANE

WILLIAM HILTON PARKWAY

OFF SHORE DRIVE



TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 341-6000

Vicinity Map
ZA-000659-2014



This information has been compiled from a variety of unverified general sources at various times and as such is intended to be used only as a guide. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion. Map created May 15, 2014.





TOWN OF HILTON HEAD ISLAND COMMUNITY DEVELOPMENT DEPARTMENT

One Town Center Court

Hilton Head Island, SC 29928

843-341-4757

STAFF REPORT ZONING MAP AMENDMENT

Case #:	Name of Project or Development:	Public Hearing Date:
ZA-000659-2014	Shelter Cove Towne Centre Apartments	October 1, 2014

Parcel Data or Location:		Applicant/Agent
District R520, Parcel 26, Tax Map 12B 41.9 acres	District R520, Parcel 2, Tax Map 12C (<i>portion of</i>) Approximately 9.3 acres	
<p><u>Existing and Proposed Zoning District</u> PD-1; Palmetto Dunes Resort Master Plan (no change)</p> <p><u>Existing and Proposed Master Plan Land Use Designations</u> Multifamily Residential, Community Park, and Commercial, excluding uses restricted by LMO 16-4-209, but permitting Liquor Stores and Gas Sales (no change)</p> <p><u>Applicable Overlay District</u> Corridor Overlay</p> <p><u>Existing Density</u> 295,000 square feet of Commercial density and 76 Multifamily dwelling units</p> <p><u>Proposed Density</u> 295,000 square feet of Commercial density (no change) and up to 50 Multifamily dwelling units (provided that there will be no more than 240 total Multifamily units on both properties in this request)</p>	<p><u>Existing and Proposed Zoning District</u> PD-1; Palmetto Dunes Resort Master Plan (no change)</p> <p><u>Existing and Proposed Master Plan Land Use Designations</u> Multifamily Residential and Community Park (no change)</p> <p><u>Applicable Overlay District</u> Corridor Overlay</p> <p><u>Existing Density</u> 134 Multifamily dwelling units</p> <p><u>Proposed Density</u> Up to 210 Multifamily dwelling units (provided that there will be no more than 240 total Multifamily units on both properties in this request)</p>	<p>Victor J. Mills on behalf of Shelter Cove Towne Centre, LLC and Shelter Cove II, LLC</p>

Application Summary:

Victor J. Mills on behalf of Shelter Cove Towne Centre, LLC and Shelter Cove II, LLC has submitted a request to amend the Palmetto Dunes Resort Master Plan to reallocate the multifamily density and allow for flexibility in assigning density in the following manner:

- decrease the number of multifamily dwelling units (apartments) on the west side (Property One) of the development (76 to 50);
- increase the number of multifamily dwelling units on the eastern side (Property Two) of the development (134 up to 210);
- the aggregate total of dwelling units for both properties would not exceed 240 units; and
- no other changes to the Master Plan land use designations and associated densities for the properties.

Staff Recommendation:

Staff recommends that the Planning Commission find this application to be consistent with the Town’s Comprehensive Plan and serves to carry out the purposes of the LMO, based on those Findings of Facts and Conclusions of Law as determined by the LMO Official and enclosed herein; making the recommendation to Town Council of **APPROVAL** of the request.

Other Related Commission or Committee Recommendations and Background:

- On **December 21, 2010** Town Council approved by resolution, ‘Shelter Cove Mall Redevelopment: Conceptual Plan Direction and Town’s Role’ as a High Priority Target for Action.
- On **December 20, 2011**, Town Council approved by resolution, ‘Shelter Cove Area Redevelopment: Determine Town’s Role, and Approve a Plan’ as a Top Priority Target for Action.
- On **October 16, 2012** Town Council approved a Development Agreement between Shelter Cove Towne Centre, LLC and the Town of Hilton Head Island for the redevelopment of the Mall at Shelter Cove, now known as Shelter Cove Towne Centre that includes commercial uses, multifamily residential (apartments), and a relocated waterfront Community Park.
- On **July 29, 2014** Town Council held a workshop to discuss the proposed changes associated with the project in a public setting. No action was taken; the massing of the buildings and associated parking were discussed and indicated as areas of concern.

Background:

The Master Plan for Palmetto Dunes Resort was initially approved by Beaufort County in 1975 and was subsequently approved by the Town when Hilton Head Island incorporated in 1983. This plan did not assign site specific densities; but rather, the amount of commercial square footage and/or acreage that could be developed within the entire Master Plan was limited to 750,000 square feet or 110 acres.

In 1986, the plan was amended to assign the density to specific parcels and the Mall site was

assigned **235,000** square feet and the Mall out-parcels were assigned **16,000** square feet; the common space in the mall (hallways, etc) was determined by the Planning Commission to not count toward the assigned density; a total of **251,000** square feet for the total area. In 1992, an Order of Settlement related to a court case transferred 12,300 square feet from Outparcels I and II, and Parcel C to the larger Mall parcel (**247,300** total square feet) and restricted Outparcel II and Parcel C to no vertical construction. Outparcel I retained **3,700** square feet of commercial density; still retaining a total of **251,000** square feet of commercial density for the entire site.

In 1998, a rezoning was approved that transferred **23,000** square feet of density from elsewhere in the PUD and required that all of the parcels (Outparcels I, II, and Parcel C) be combined to one. This resulted in a total of **274,000** square feet of commercial density (**247,300** sq ft + **3,700** sq ft + **23,000** sq ft).

In January 2004, through an administrative rezoning, the existing Shelter Cove Community Park was approved as Community Park with 6,000 square feet per net acre to be consistent with the PR district regulations as specified in LMO 16-4-1601 from the previous designation of **257 dwelling units**.

On July 7, 2009, Town Council approved a request to amend the Master Plan for the Mall (adding **40,000** sq ft) property for a total of **314,000** square feet of commercial uses, of which **46,000** square feet was to be designated particularly for cinema complex use and to allow community service uses in addition to commercial uses except as limited in LMO 16-4-209.

On October 16, 2012, Town Council approved both a Development Agreement as well as an amendment to the Palmetto Dunes Resort Master Plan. The Development Agreement includes specific information related to the redevelopment project, including a conceptual site plan. The current Master Plan land use designations for the properties are:

Property One:

- **295,000** square feet of Commercial uses excluding uses restricted by LMO 16-4-209, but permitting liquor stores and gas sales, Community Park, and **76 Multifamily dwelling units**.

Property Two:

- Community Park and **134 Multifamily dwelling units** (on a portion of the Town owned parcel, a portion of the current Shelter Cove Community Park).

Since the commencement of the commercial portion of the project, additional site planning has been examined for the apartments. The applicant has requested a shift and overall increase in the number of units from the west side of the development to the east. This will involve the construction of an internal multi-level parking garage for the apartments on the east side of the development.

Town Council will hold two public hearings on requested modifications in the Development Agreement that are associated with this request, which will be held at the same time as 1st and 2nd Readings for this zoning map amendment.

Applicant's Grounds for ZMA, Summary of Facts and Conclusions of Law:

The applicant's narrative and application materials describe the overall addition of 30

multifamily dwelling units as filling a need from the significant lack of apartments on Hilton Head Island. They state that the apartments will contribute to the economic tax base of the Town and will help sustain the current and future population and overall property values.

The applicant further describes this as a public benefit that meets the expectations of the citizens of Hilton Head Island in creating the place that is envisioned by the Town of Hilton Head Island Comprehensive Plan dated May 4, 2010.

Summary of Facts and Conclusions of Law:

Findings of Facts:

- The application was submitted as set forth in LMO 16-3-306.
- Notice of the Application was published in the Island Packet on August 24, 2014 as set forth in LMO 16-3-110 and 16-3-111.
- Notice of the Application was posted on August 25, 2014 and mailed as set forth in LMO 16-3-110 and 16-3-111.
- A letter was mailed soliciting comments from the property owners' association as set forth in LMO 16-3-1502.
- A public hearing will be held on October 1, 2014 as set forth in LMO 16-3-1504A.
- The Commission has authority to render their decision reached here in LMO 16-3-1504.

Conclusions of Law:

- The application was submitted on May 7, 2014, 147 days prior to the Planning Commission's public hearing, therefore in compliance with the 45 day requirement.
- Notice of the application, including the required information, was posted 37 days prior to the public hearing, therefore in compliance with the 30 day requirement.
- The public notice was posted in the Island Packet, the local newspaper of general circulation on Sunday, August 24, 2014, 38 days prior to the public hearing, therefore in compliance with the 30 day requirement.
- Five public hearing signs were posted along Shelter Cove Lane and the intersections of Shelter Cove Lane and William Hilton Parkway by the Town's Facilities Management Division 37 days prior to the public hearing therefore in compliance with the 30 day requirement.
- Town staff received an affidavit on September 9, 2014, 22 days prior to the public hearing from the applicant's representative stating that the letters were mailed according to the LMO, therefore in compliance with the requirement that it must be submitted 7 days prior to the public hearing.
- The application, notice requirements, and public hearing comply with the legal requirements as set forth in LMO 16-3-110, 16-3-111 and 16-3-1504.

As set forth in Section 16-3-1505, Zoning Map Amendment Review Criteria, the Commission shall consider and make findings on the following matters regarding the proposed amendment.

Summary of Facts and Conclusions of Law:

Criteria 1: Consistency (or lack thereof) with the Comprehensive Plan (LMO 16-3-1505A):

Findings of Facts:

The adopted Comprehensive Plan addresses this project in the following areas:

Housing Element

Implications for the Comprehensive Plan 5.1 – Housing Units and Tenure

Although, an increase in the total number of housing units contributes to the economic tax base for the Town, it is important that both the quantity as well as quality of the housing stock is maintained to sustain current and future population and overall property values. As the amount of available land declines for new development, it will be very important to maintain a high quality housing stock on residential properties. In addition, the availability of various housing types is important for the housing market viability to accommodate the diverse needs of the Island’s population.

Community Facilities Element

Implications for the Comprehensive 6.4 – Town Acquired Property

As the number of Town-owned properties continues to increase careful consideration of future utility is important to long range planning efforts.

Goal 6.1 – Build-out

A. The goal is to provide innovative and visionary initiatives that mitigate challenges of growth and redevelopment while making available higher levels of service for community facilities in a fiscally responsible manner.

Goal 6.4 – Town Acquired Property

B. The goal is to assess the utility and character of Town acquired property.

Economic Development Element

Potential Strategies with Implications for the Comprehensive Plan

Identify and prioritize areas in need of re-development including any obsolete, or run down, commercial buildings. Incentivize the development of flexibility of streamlining in regulation of density caps, setbacks (and other controls) that enable a qualitative, principle based, asset revitalization that enhance the Island’s positive legacies.

Land Use Element

Implications for the Comprehensive 8.2 – Town Acquired Property

Building permit data is indicative of several factors, one being the state of the economy as well as current building needs and growth in both residential and commercial types. The data indicates that there is currently a downward trend in the number of building permits issued by the Town. Redevelopment of our existing built environment and infill development should be a focus for the future development of our community, while the Town has entered a more mature level of development.

Goal 8.11 – Six Land Use Goals in Town Plan

4. Promote quality infill development and use redevelopment opportunities to promote

more pedestrian friendly retail environments.

Goal 8.1 – Existing Land Use

A. The goal is to have an appropriate mix of land uses to meet the needs of existing and future populations.

Goal 8.3 – Planned Unit Developments (PUD’s)

B. The goal is to have an appropriate mix of land uses to accommodate permanent and seasonal populations and existing market demands is important to sustain the Town’s high quality of life and should be considered when amending PUD Master Plans.

Goal 8.4 – Existing Zoning Allocation

A. An appropriate mix of land uses to accommodate permanent and seasonal populations and existing market demands is important to sustain the Town’s high quality of life and should be considered when amending the Town’s Official Zoning Map.

Goal 8.5 – Land Use Per Capita

A. The goal is to have an appropriate mix and availability of land uses to meet the needs of existing and future populations.

Goal 8.10 – Zoning Changes

A. The goal is to provide appropriate modifications to the Zoning designations to meet market demands while maintaining the character of the Island.

Goal 8.6 – Build-out

A. The goal is to monitor land use consumption and conversion rates to maintain a proper balance of public infrastructure, private development, and land conservation.

B. The goal is to consider develop regulations and requirements to maintain the Island character and meet the needs of the community as it approaches build out.

Goal 8.10 - Zoning Changes

A. The goal is to provide appropriate modifications to the Zoning designations to meet market demands while maintaining the character of the Island.

Implementation Strategy 8.3 - Planned Unit Developments (PUDs)

A. Consider flexibility within the PUDs to address appropriate commercial or service land uses in areas with a high residential concentration.

Implementation Strategy 8.10 - Zoning Changes

B. Consider focusing higher intensity land uses in areas with available sewer connections.

Transportation Element

Implications for the Comprehensive 9.3 – Traffic Planning on the Island

Future development and zoning classifications have an impact on the potential build-out of properties on the Island. Increasing the density of properties in certain areas of the Town may not be appropriate due to the inability of the current transportation network to handle the resulting additional traffic volumes. It may be more appropriate to provide density in areas that have the available roadway capacity and to reduce densities or development potential in areas that do not have the appropriate roadway capacity.

Conclusions of Law:

Staff concludes that this application is consistent with the Comprehensive Plan, as described in the Housing, Community Facilities, Economic Development, Transportation and Land Use Elements as set forth in LMO Section 16-3-1505A below.

- The proposed rezoning promotes the redevelopment of an existing site in an area where the infrastructure is adequate and reduces the potential for additional impacts on infrastructure in other areas of the Island by decreasing the total number of units adjacent to a residential community to a further location within the development.
- This rezoning contributes more units to a more diverse supply of high quality housing options on the Island by allowing the development of residential uses, which will result in the addition of long term rental units to the market that are currently very limited in number, but growing in demand.
- This rezoning takes into the consideration the special utility of Town-owned property by using a portion of the existing Shelter Cove Community Park property in a public/private partnership for the redevelopment of the Mall into a new mixed use development with an improved public waterfront park more centrally located and integrated into the development. This will result in increased frontage along Broad Creek for the park and improved public access to the Island’s largest tidal creek, making available higher levels of service for public open space in a fiscally responsible manner.
- This rezoning will enable a qualitative, principle based, asset revitalization that enhances the Island’s positive legacies by furthering the redevelopment to include more apartments to meet a diverse need of options.

Staff concludes that the application is consistent with the Comprehensive Plan as described above. Staff recognizes that 30 additional units will result in more trips; however:

- Results from the Traffic Study dated June 25, 2012 for the redevelopment of the Mall (Shelter Cove Towne Centre) indicated that there were existing transportation deficiencies. The report also included modifications that should be considered regardless of future development in the area.
- Information from the revised traffic study states that the resulting difference in generated traffic is very small and the recommended modifications remain relatively unchanged.

Summary of Facts and Conclusions of Law:

Criteria 2: Compatibility with the present zoning and conforming uses of nearby property and with the character of the neighborhood (LMO16-3-1505B):

Findings of Facts:

- The present zoning of adjacent properties is PD-1, Palmetto Dunes Resort Master Plan with a mix of land use designations including commercial, community park, office/commercial, and multifamily residential.
- According to LMO 16-4-209 “The purpose of this Planned Development Mixed Use District is to recognize the existence within the Town of certain unique mixed use Planned Unit Developments (PUDs) which are greater than 250 acres in size. Generally, these PUDs have served to establish the special character of Hilton Head Island as a quality resort and residential community and it is the

intent in establishing this District to allow the continuation of well-planned development within these areas.'

- The subject property and properties in the vicinity are within the COR District, Corridor Overlay District.
- According to LMO 16-4-501 'The purpose of establishing this overlay district is to protect the aesthetic and visual character of lands on Hilton Head Island adjacent to the major roads, the waterfront, and the marsh front, as defined herein. In particular, the purpose of the Corridor Overlay District is to encourage and better articulate positive visual experiences along the Island's major roads, the waterfront, and the marsh front; to provide for the continued safe and efficient utilization of these roads; and to provide for the continued preservation and conservation of the waterfront and marsh front. This will be accomplished through evaluation of proposed developments within this district by a Design Review Board.'

Conclusions of Law:

- Staff concludes that the present zoning and conforming uses of nearby properties are compatible with the character of the neighborhood as set forth in LMO 16-3-1505B because they are a mix of uses as stated in the purpose statement of the PD-1 zoning district.
- The DRB (Design Review Board) reviews all development in the vicinity of the property according to the Design Guidelines for Hilton Head Island to ensure the compatibility of the developments with the character of the neighborhood.

Summary of Facts and Conclusions of Law:

Criteria 3: Suitability of the property affected by the amendment for uses permitted by the district that would be made applicable by the proposed amendment (LMO 16-3-1505C):

Findings of Facts:

- The PD-1 zoning district allows for a mix of uses as designated specifically on the associated Master Plans.
- There are no changes to the land use designations for this development. This is a rezoning to increase the overall number of dwelling units while providing for flexibility.
- The west side of the development would be designated for a maximum of 50 multifamily dwelling units with no other changes to the existing land use designations and associated densities.
- The existing portion of the Town owned property would be designated for community park and up to 210 multifamily dwelling units.
- The aggregate total of dwelling units would not exceed 240 on both properties.

Conclusion of Law:

- The proposed commercial uses are the same type of commercial uses that are characteristic of the area. The property is also suitable for apartments and residential uses due to the proximity to other residential uses in the area and immediately adjacent to the property.

Summary of Facts and Conclusions of Law:

Criteria 4: Suitability of the property affected by the amendment for uses permitted by the district applicable to the property at the time of the proposed amendment (LMO 16-3-1505D):

Findings of Facts:

- The existing uses and associated densities for this property will remain unchanged with the exception of the density of the multifamily dwelling units.
- The multifamily density closest to the Newport Community (Property One) will decrease by at least 26 units, from 76 to 50.
- The multifamily density on Property Two (portion of Town owned property), closest to the Community Park and Veterans Memorial Park will increase by a maximum of 76 units, from 134 to 210.
- The two properties (Mall parcel and the portion of the Town owned parcel) in total size are greater than 50 acres in size and are bound by Broad Creek and William Hilton Parkway, and residential, commercial and public park space.

Conclusions of Law:

- A mix of all neighboring uses is appropriate for the site and is compatible with the surrounding uses since this development will encompass a mix of commercial, residential and public open space.
- The shift of units further from the nearest residential development (Newport Community) to a location that is surrounded by commercial uses and the relocated Shelter Cove Community Park is more appropriate. This will lessen the impact on neighboring residences.

Summary of Facts and Conclusions of Law:

Criteria 5: Marketability of the property affected by the amendment for uses permitted by the district applicable to the property at the time of the proposed amendment (LMO 16-3-1505E):

Findings of Facts:

- No uses that are currently allowed on the property are proposed to be removed.
- Additional units available for rent will provide for more opportunities for residences.

Conclusion of Law:

- The approval of this request would increase the availability of apartments and therefore marketability of the property with the additional units. The redevelopment of property will also affect the marketability, in what is expected to be a positive direction.

Summary of Facts and Conclusions of Law:

Criteria 6: Availability of sewer, water and stormwater facilities generally suitable and adequate for the proposed use (LMO 16-3-1505F):

Findings of Facts:

- The property is within the Broad Creek Public Service District which currently serves the development.
- Stormwater facilities are in place for the existing development as well as the

Park.

Conclusions of Law:

- Staff concludes that this property has available sewer and water facilities suitable and adequate for the proposed uses as set forth in LMO Chapter 3, Article XV.
- The adequacies of the storm water facilities and all other infrastructure will be reviewed as part of the DPR (Development Plan Review) and will be installed to comply with the LMO Chapter 5, Article VI.

LMO Official Determination

While staff has concerns over additional trips that will be generated, staff determines that overall this application is ***consistent with the Comprehensive Plan and serves to carry out the purposes of the LMO as based on the Findings of Fact and Conclusions of Law.***

Note: If the proposed amendment is approved by Town Council, such action shall be by ordinance to amend the Official Zoning Map. If it is denied by Town Council, such action shall be by resolution.

PREPARED BY:

HLC

9/9/14

DATE

Heather L. Colin, AICP
Development Review Administrator

REVIEWED BY:

Teri B. Lewis, AICP
LMO Official

DATE

REVIEWED BY:

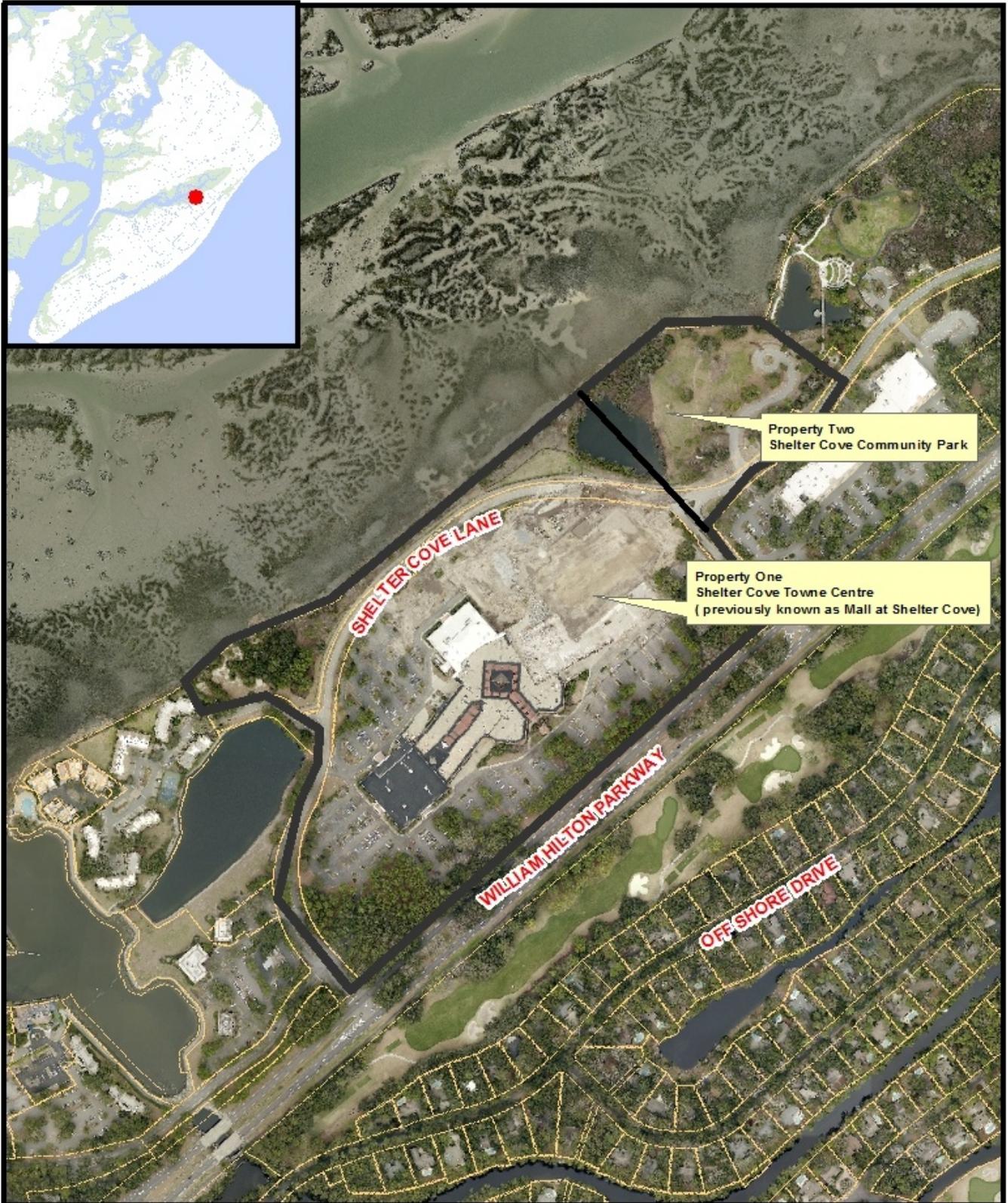
Jayne Lopko, AICP
*Senior Planner & Planning Commission
Coordinator*

DATE

ATTACHMENTS:

- A) Location Map
- B) Applicant's Narrative and Attachments

Attachment A - Location Map



Property Two
Shelter Cove Community Park

Property One
Shelter Cove Towne Centre
(previously known as Mall at Shelter Cove)


TOWN OF HILTON HEAD ISLAND
ONE TOWN CENTER COURT
HILTON HEAD ISLAND, S.C. 29928
PHONE (843) 943-6000

Town of Hilton Head Island
ZA-000659-2014 - Location Map



0 50 100 150 Feet

This information has been compiled from a variety of unverified general sources at various times and is intended to be used only as a guide. The Town of Hilton Head Island assumes no liability for its accuracy or state of completion. Map created May 15, 2014.



Town of Hilton Head Island
 Community Development Department
 One Town Center Court
 Hilton Head Island, SC 29928
 Phone: 843-341-4757 Fax: 843-842-8908
 www.hiltonheadislandsc.gov

FOR OFFICIAL USE ONLY
 Date Received: 5/7/14
 Accepted by: [Signature]
 App #: ZMA
 Meeting Date: 7/2/14

Applicant/Agent Name: Victor J. Mills Company: Shelter Cove Towne Centre, LLC and Shelter Cove II, LLC
 Mailing Address: 2743 Perimeter Parkway, Bldg. 100, Suite 370 City: Augusta State: GA Zip: 30909
 Telephone: (706) 854-6711 Fax: (706) 722-6960 E-mail: vicm@bcccommercial.com

Project Name: The Mall at Shelter Cove Project Address: 24 Shelter Cove Lane, Hilton Head, SC
 Parcel Number [PIN]: R 5 2 0 0 1 2 0 0 B 0 0 2 6 0 0 0 0 29926
 Zoning District: PD-1 Overlay District(s): Requested District: Same
 PD-1 Existing Land Use: Commercial PD-1 Proposed Land Use: Increase multi-family residential dwelling units to 240

ZONING MAP AMENDMENT (ZMA) SUBMITTAL REQUIREMENTS

Digital Submissions may be accepted via e-mail by calling 843-341-4757. The following items must be attached in order for this application to be complete:

- Affidavit of Ownership and Hold Harmless Permission to Enter Property
- A narrative that explains the reason(s) for the rezoning request and how the request meets the criteria of LMO Section 16-3-1505. Review Criteria.
- A copy of correspondence providing notice of a public hearing to all land owners of record within three hundred and fifty (350) feet on all sides of the parcel(s) being considered for the zoning map amendment. Such notice shall be mailed by first class mail thirty days (30) prior to the Planning Commission meeting per LMO Section 16-3-111C. Mailed Notice. A sample letter can be obtained at the time of submittal. Also provide a list of owners of record to receive notification. The Town can assist in providing this listing by calling 843-341-4757.
- Where applicable, a copy of correspondence requesting written comments from the appropriate property owners' association regarding the requested amendment per LMO Section 16-3-1502.B. The Town can assist in providing this information by calling 843-341-4757.
- A boundary map prepared and sealed by a registered land surveyor. Submit an 11X17 inch (or smaller) reproducible copy of the plan.
- Filing Fee - \$500 cash or check made payable to the Town of Hilton Head Island

Are there recorded private covenants and/or restrictions that are contrary to, conflict with, or prohibit the proposed request? If yes, a copy of the private covenants and/or restrictions must be submitted with this application. YES NO

To the best of my knowledge, the information on this application and all additional documentation is true, factual, and complete. I hereby agree to abide by all conditions of any approvals granted by the Town of Hilton Head Island. I understand that such conditions shall apply to the subject property only and are a right or obligation transferable by sale.

I further understand that in the event of a State of Emergency due to a Disaster, the review and approval times set forth in the Land Management Ordinance may be suspended.

SIGNATURE [Signature] VICTOR J. MILLS for Shelter Cove Towne Centre, LLC and Shelter Cove II, LLC

DATE 5-4-2014

STATE OF SOUTH CAROLINA)
)
)
COUNTY OF BEAUFORT) BEFORE THE PLANNING COMMISSION
) OF
) THE TOWN OF HILTON HEAD ISLAND,
) SOUTH CAROLINA

ATTACHMENT 1

**TO
THE ZONING MAP AMENDMENT APPLICATION**

**OF
SHELTER COVE TOWNE CENTRE, LLC
AND
SHELTER COVE II, LLC**

**FOR
AMENDMENT OF THE TOWN OF HILTON HEAD ZONING MAP PROVIDING FOR
THE REDUCTION OF THE ALLOWABLE MULTI-FAMILY RESIDENTIAL
DWELLING UNITS ON THAT CERTAIN 42.45 ACRE PORTION OF THE PARCEL
IDENTIFIED AS PARCEL 26 ON BEAUFORT COUNTY
TAX MAP 12B (THE "MALL TRACT") AND THE INCREASE IN THE NUMBER OF
MULTI-FAMILY RESIDENTIAL DWELLING UNITS ON PROPERTY OWNED BY
THE TOWN ("TOWN PARCEL") OF HILTON HEAD ISLAND
BEING A 9.3 ACRE PORTION OF THE PARCEL
IDENTIFIED AS PARCEL 12 ON BEAUFORT COUNTY
TAX MAP 12C ADJACENT TO THE MALL TRACT
(EXCEPT FOR THE AMENDMENT TO THE ZONING MAP APPLIED FOR HEREIN,
THE USES AND DENSITIES PROVIDED FOR IN ZMA #120006 REMAIN
UNCHANGED AND CONTINUE IN FULL FORCE AND EFFECT)**

This Attachment 1 is attached to and is made a part of the Zoning Map Amendment Application (this "Application") of Shelter Cove Towne Centre, LLC, and Shelter Cove II, LLC (the "Applicant"), and is submitted by the Applicant to the Planning Commission of the Town of Hilton Head Island (the "Town") to address the zoning map amendment criteria set forth in Section 16-3-1505 of the Town's Land Management Ordinance (the "LMO"). This Application seeks approval of an amendment to the Official Zoning Map of the Town referred to in LMO Section 16-4-102 by amending the Palmetto Dunes Resort Master Plan and its associated text to decrease the current number of multi-family residential units allowed on that 42.45 acre parcel

(Mall Tract) identified as Parcel 26 on Beaufort County Tax Map 12B (a ALTA survey thereof attached hereto and marked Exhibit "A") and to increase the number of multi-family residential units allowed on that 9.3 acre portion of the parcel ("Town Parcel") identified as Parcel 12 on Beaufort County Tax Map 12C (a survey thereof attached hereto and marked Exhibit "B").

This Zoning Map Amendment Application respectfully requests a reduction in the number of multi-family residential dwelling units allowed on the Mall Tract from 76 multi-family residential dwelling units to not more than 50 multi-family residential dwelling units and an increase in the number of multi-family residential dwelling units allowed on the Town Parcel from 134 multi-family residential dwelling units to not more than 210 multi-family residential dwelling units, provided, however, that the total number of multi-family residential dwelling units on the Mall Tract and the Town Parcel never exceed 240 multi-family residential dwelling units.

I. NARRATIVE – BACKGROUND

A. THE MALL TRACT

The Town originally issued a development permit for the construction of the Mall in 1986. At that time, a total of 235,000 square feet of commercial space was permitted for the Mall on one of the six original parcels that made up the Mall Tract.¹ Construction of the Mall was completed in 1988. The original plans for the development of the Mall Tract provided for a future expansion area of 30,000 square feet, which was not a part of the initial 235,000 square feet of commercial space permitted. In 1992 a court-ordered rezoning amended the PD Master Plan to provide for the transfer of 12,300 square feet of commercial density between parts of the

¹ Construction of the Mall itself was permitted on what was then the 33 acre main parcel of the Mall Tract. That 33 acre parcel, along with five (5) undeveloped parcels, formerly designated as Outparcel I, Outparcel II, Parcel C, Parcel D, and Parcel A-6, are what now makeup the 42.45 acres that are the Mall Tract.

Mall Tract, so that the Mall itself was allocated 247,300 square feet of fully developed commercial space, and one of the Mall Tract outparcels was allocated 3,700 square feet of undeveloped commercial space.²

In 1999 the Town Council approved Zoning Map Amendment Application ZMA-2-98 which enacted an amendment to the PD Master Plan that consolidated what were then the six (6) separate parcels into one parcel for zoning purposes, thereby combining the 3,700 square feet of undeveloped commercial space with the 247,300 square feet of developed commercial space, and transferred 23,000 square feet of commercial space to the Mall Tract from certain unallocated commercial density under the PD Master Plan controlled by Greenwood Development Corporation.³ On the 7th day of July, 2009, the Town Council approved ZMA 080005 increasing the Mall density by 40,000 square feet. As a result of the rezoning, the Mall was permitted for 314,000 square feet of commercial use, with 268,000 square feet being allocated for general commercial purposes and 46,000 square feet for cinema complex use; and Community Service uses.

On the 16th day of October, 2012, the Town Council approved ZMA #120006 modifying the use designations and associated density of the "Mall Tract" to 295,000 square feet of commercial uses, excluding uses listed in LMO Section 16-4-209, but permitting liquor store and

² See the Town's records on the PD Master Plan in general, and, in particular, the March 30, 1992 Order of Settlement in *HHI 71 Company v. Town of Hilton Head Island*, Case No. 89-CP-07-2055 in the Court of Common Pleas for Beaufort County, South Carolina.

³ On December 31, 1989, Greenwood Communities and Resorts, Inc., then known as Greenwood Development Corporation, transferred to the Cultural Council of Hilton Head Island, Inc., four tracts of land located in Shelter Cove which are now the site of the Arts Center of Coastal Carolina. Prior to the conveyance of that property by Greenwood Development Corporation to the Cultural Council of Hilton Head Island, Inc, the four parcels were rezoned by the Town Council to change the permitted use from commercial to art center. At that time, the commercial square footage which had been allocated to the four parcels then became unallocated, with Greenwood Development Corporation having the right to reassign that commercial square footage to other commercial parcels within the PD Master Plan area pursuant to a reletting application.

gas sales, 76 multi-family residential dwelling units and Community Park; and the “Town Parcel” to 134 multi-family residential dwelling units and Community Park.

B. THE REQUESTED REZONING

The Applicant is requesting that the PD Master Plan and the accompanying text be amended to decrease the maximum number of multi-family residential dwelling units on the Mall Tract from 76 multi-family residential dwelling units to not more than 50 multi-family residential dwelling units and to increase the allowable number of multi-family residential dwelling units on the Town Parcel from 134 to not more than 210 multi-family residential dwelling units, provided, however, that the total number of multi-family residential dwelling units on the Mall Tract and the number of multi-family residential dwelling units on the Town Parcel do not exceed 240 total multi-family residential dwelling units.

II. NARRATIVE – THE DEVELOPMENT AGREEMENT

This application shall precede the filing by Applicant of an Amended and Restated Development Agreement which amends and restates that certain Development Agreement between the Town of Hilton Head Island, South Carolina, and Shelter Cove Towne Centre, LLC, dated October 16, 2012, pursuant to the provisions of the South Carolina Local Government Development Agreement Act (Section 16-3-10, *et seq.* of the South Carolina Code of Laws (1976), as amended (the “Act”). The Amended and Restated Development Agreement is between the Town of Hilton Head Island, South Carolina (“Town”), and Shelter Cove Towne Centre, LLC, and Shelter Cove II, LLC (collectively, the “Developer”), and is amended to reflect the changes, if enacted by the Town, pursuant to this Application, to delete certain provisions of the original Development Agreement that have been completed since the Effective Date of the Development Agreement, and certain other changes not applicable under LMO Section 16-3-1502. Under the Act, the review and approval process for the Amended and

Restated Development Agreement is substantially the same as the process for the review and approval of this Application, although there are different requirements and standards applicable to each.

III. CURRENT AND PROPOSED PERMITTED USE AND DENSITY

The purpose of this Application is solely to amend the Town of Hilton Head Zoning Map to provide for a decrease in the number of multi-family residential dwelling units from 76 multi-family residential dwelling units to not more than 50 multi-family residential dwelling units on the Mall Tract and to increase the number of multi-family residential dwelling units allowed on the Town Parcel from 134 to 210, provided that the total number of multi-family residential dwelling units on both of the two aforementioned parcels shall never exceed 240 multi-family residential dwelling units. Except for the requested changes of the allowed density on the two parcels hereinabove described, all other terms, uses and densities pursuant to ZMA #120006 remain unchanged and unaffected.

IV. BENEFIT TO TOWN OF HILTON HEAD ISLAND RESULTING FROM REZONING REQUEST.

The 30 additional multi-family residential dwelling units requested herein come at a time when there continues to exist a significant lack of apartments for residents and visitors to Hilton Head Island to inhabit at a cost that is much less than the price points for other housing types, as the Town slowly emerges from the economic downturn that began in 2007. This entrepreneurial housing initiative will contribute to the economic tax base of the Town and help to sustain current and future population and overall property values. Additionally, the reduction in the number of multi-family residential dwelling units requested herein on the Mall Tract will lessen the impact of the multi-family residential dwelling units on the Mall Tract adjacent to the Newport Community.

As the amount of available land on Hilton Head Island declines for new development, it will be very important to maintain a high quality housing stock of residential properties. In addition, the availability of various housing types is important for the housing market viability to accommodate the diverse needs of the Island's population.

For the reasons set forth above and the additional benefits as hereafter outlined to the surrounding neighbors of the Mall Tract, it makes it difficult to see how this increase could be anything but a public benefit to the Town of Hilton Head Island and the surrounding property owners, and the Applicant respectfully requests that it be allowed to create the place that is envisioned by the Town of Hilton Head Island Comprehensive Plan dated May 4, 2010 ("Comprehensive Plan"), and meet the understandable expectations of the citizens of Hilton Head Island for an updated Mall at Shelter Cove.

V. NARRATIVE – REZONING CRITERIA

LMO Section 16-3-1505 sets forth the criteria which the Planning Commission is to address in making a recommendation to the Town Council on this rezoning request, as follows:

A. CONSISTENCY (OR LACK THEREOF) WITH THE COMPREHENSIVE PLAN.

The **HOUSING VISION** of the Comprehensive Plan for the Town is to promote and facilitate entrepreneurial housing initiatives that will result in the development of diverse housing types for all income levels on Hilton Head Island, and to support affordable housing initiatives in the region to supplement housing on the Island⁴. It is an accepted fact that the recent economic downturn in the economy has resulted in fewer families being able to afford to finance and maintain single-family individual houses and the number of Island residents that have been forced to vacate their homes and seek other more economical living facilities off Island has risen

⁴ See Comprehensive Plan at Page 50.

greatly. Unfortunately, since the date of the adoption of the current Comprehensive Plan available, reasonably priced multi-family residential dwelling units have virtually been eliminated through the conversion of multi-family residential apartment complexes into condominiums, creating a greater demand for apartment living for both permanent and temporary residents. The Applicant's experience in the housing market in the southeast has indicated an increasing need for available apartments to rent in locations that allow inhabitants to more easily get to their work place and to shop and recreate in a wholesome and centrally located environment. The shortage of available residential apartment units to rent on Hilton Head Island has been exacerbated by the limited amount of land available for construction of new multi-family residential dwelling units along with the added difficulty of obtaining financing to purchase condominiums by middle to lower-income families since the beginning of the economic crisis in 2007. This trend in the reduction of available apartments is illustrated in Table 5.1 of Chapter 5 of the Comprehensive Plan that states that "...in 1999 there were 601 fewer multi-family residential dwelling units than there were single-family units. In 2000, there were 4,506 fewer multi-family residential dwelling units than single-family units, and in 2007 there were 3,660 fewer multi-family residential dwelling units than single-family units...". Applicant's recent research, with the assistance of the Town, indicates that the number of apartments on the Island today that have not been converted to a condominium is a mere 302. Additionally, Applicant engaged Coastal Marketing Services to determine the amount of apartments available for rent on Hilton Head Island, and in January of 2012. The report at that time indicated a total of 475 rental units with 211 of the 475 being HUD subsidized. This report has been updated on the 29th day of April, 2014, and indicates that "there have been virtually no changes in rental inventory since January 2012" (see report of Coastal Marketing Services attached hereto and marked Exhibit "C"). Accordingly, the multi-family residential dwelling unit

component of the redevelopment is expected by the Applicant to be in high demand and to satisfy an increasing need, through this entrepreneurial housing initiative, to develop more diverse housing types on Hilton Head Island and help to partially rebalance the substantial difference between single-family residential and multi-family residential dwelling units, which are far more affordable, and provide greater opportunities for the diverse income and age levels of current and future residents to the Island. Section 5.1 of Chapter 5 of the Comprehensive Plan provides a “goal” to encourage development of multi-family residential dwelling units to meet market demands and new trends⁵. This “goal” is more important today than it was at the time that the Comprehensive Plan⁶ was adopted.

In order to help fulfill the “goals” of the Comprehensive Plan for the benefit of the current and future citizens of the Town, the Town Council of Hilton Head enacted Ordinance 2012-27 on the 16th day of October, 2012, which provided for a Declaration of Covenants, Restrictions and Limitations on the multi-family residential dwelling units authorized on the Mall Tract and Town Parcel by providing that “(i) in the event any apartments are erected, constructed or otherwise built on or within the Property (the Mall Tract and the Town Parcel), said apartments shall not be converted into condominiums in any manner; (ii) in the event any apartments are erected, constructed or otherwise built on or within the Property, the owners of any apartments shall not execute or enter into any lease(s) with a term for less than twelve (12) months per lease. In the event that such lease is executed or entered into, said lease shall be considered void and of no legal effect; (iii) in the event any apartments are erected, constructed or otherwise built on or within the Property, the tenant(s) of any apartment(s) shall not lease or sub-let the apartment(s) to any third parties”. This Declaration of Covenants, Restrictions and

⁵ See Comprehensive Plan at Page 50.

⁶ See Comprehensive Plan at Pages 50 and 60.

Limitations containing the above restrictions and such other provisions that are contained therein shall apply to and bind the additional 30 multi-family residential dwelling units requested in this Application, a copy of said Declaration of Covenants, Restrictions and Limitations being attached hereto as Exhibit "D".

The **ECONOMIC DEVELOPMENT VISION** of the Comprehensive Plan looks to define, foster and enhance the economic environment that that sustains Hilton Head Island's unique way of life⁷. Section 7.5 of the Comprehensive Plan recognizes potential risks to the Island's economic future and recognizes that with the early, rapid growth of the base economic engines of residential and visitor investment slowing as the Island approaches maturity, efforts should be focused on initiatives for enriching the economic potential while preserving the essential character and natural assets that have been responsible for the Island's success⁸. With the deterioration of the Mall, the economic benefit to the Town has decreased with the benefit going to the recently revitalized discount centers in the Bluffton area. In order for the Town to help recapture the dollars that are being lost, flexibility in allowing the Applicant to use private funds to increase the amount of multi-family residential housing to restore the Town's most prominent shopping mall will attract and retain visitors, shoppers and apartment residents and re-energize and encourage local shopping and the economic benefits to the Town associated therewith. The additional 30 multi-family residential dwelling units requested in this Application will further enhance and increase the Mall Tract and Town Parcel into a Town center. As a Town center, the residential multi-family residential apartments offer the surrounding area a place for working, shopping and socializing and become a regional generator of economic activity. The increase of multi-family residential apartments allows denser urban

⁷ See the Comprehensive Plan, at Page 89.

⁸ See Comprehensive Plan, at Page 92.

ranges to transform the enclaves into a transient-ready Town center, and at the same time help to partially rebalance the substantial difference between single-family residential and multi-family residential dwelling units and additionally helps to satisfy Section 5.1 of Chapter 5 of the Comprehensive Plan which contains a “goal” to encourage development of multi-family residential dwelling units to meet market demands and new trends. Further, potential strategies and implications of the Comprehensive Plan identify the need to incentivize the development of flexibility of streamlining in regulation of density caps, setbacks (and other controls), that enable a qualitative, principal based, asset revitalization that enhance the Island’s positive legacies⁹.

The Applicant feels that the requested rezoning will encourage and facilitate the redevelopment of the Mall Tract and Town Parcel and the revitalization of the Mall itself, and encourage additional residential occupancy and use of the entire Shelter Cove area, benefitting the entire Town of Hilton Head. The proposed amendment to the Town Zoning Map will also provide additional employment opportunities for Hilton Head Island residents; increase ad valorem tax revenue; substantially increase State sales taxes; and dramatically increase hospitality taxes to promote tourism, nourish beaches, support beach parks, build pathways, support various cultural organizations and pathway rehabilitation¹⁰.

The **TRANSPORTATION VISION** of the Comprehensive Plan is for The Town to provide a safe, efficient, environmentally sound, esthetically sensitive and fiscally responsible transportation system which is integrated into the regional network to enhance the quality of life for those living in, employed in, and visiting Hilton Head Island.¹¹

⁹ See Comprehensive Plan, at Page 93.

¹⁰ See Comprehensive Plan at Page 91.

¹¹ See Comprehensive Plan at Page 116.

The Amended and Restated Development Agreement provides that the Developer will have a Traffic Impact Study updated to reflect the proposed additional 30 multi-family residential dwelling units contemplated by this proposed Zoning Map Amendment. In the event the updated Traffic Study of the Developer indicates the possibility of certain deficiencies at the lighted, signalized intersection of Shelter Cove Lane and the William Hilton Parkway resulting from the additional 30 multi-family residential dwellings, Developer shall be responsible for the cost of any appropriate mitigation required. The additional multi-family residential dwelling units requested hereunder shall provide greater walking and bicycling opportunities for residents of the apartments and decrease the overall need for automobiles by its residents for working, shopping and recreating. It is in the applicant's best interest to create an attractive and safe entranceway into and exit out of the Mall Tract in order to provide a comfortable sense of place and safe ingress and egress. An implementation strategy for multi-use pathways under Section 9.4 of the Comprehensive Plan provides to "expand the Island's multi-use pathway system to connect all appropriate land uses such as parks, schools, open spaces and beach access facilities on the Island along with the residential and commercial destinations". The utilization of garage and first floor parking under multi-family residential housing is also being considered to enhance parking and encourage walking and bicycling within the Mall Tract, lessen any additional impact resulting from the additional multi-family residential units applied for herein.

When reviewing the Comprehensive Plan as a whole, the Applicant believes that the amendment sought hereunder (only requesting an increased density of 30 residential dwelling units) is consistent with all components of the Comprehensive Plan. Given the history of the Mall Tract, and the community-wide benefits afforded the Town under this proposed Application and the proposed Amended and Restated Development Agreement, the requested rezoning will not have an adverse effect on the natural resources, cultural resources, population, community

facilities, land use, transportation, recreation, or priority investment, all of which are more fully addressed in the Application leading to the enactment of ZMA #120006, incorporated herein by reference.

B. COMPATABILITY WITH THE PRESENT ZONING AND CONFORMING USES OF NEARBY PROPERTY AND WITH THE CHARACTER OF THE NEIGHBORHOOD.

All of the nearby or surrounding properties in the vicinity of the Mall Tract and Town Parcel are located within the PD-1 Planned Development Mixed Use District encompassed by the PD Master Plan, including the Town's Shelter Cove Memorial Park, the Newport multi-family residential dwelling unit residential development, and the Plaza at Shelter Cove Shopping Center. Accordingly, the Applicant feels that the additional multi-family residential dwelling units, respectfully applied for herein, is a consistent and appropriate use with the surrounding properties. Recognizing that historical intended uses are not pertinent to this Application, it is interesting to note that as far back as 1984 and 1986, a significant portion of the Shelter Cove Mall Tract was designated for multi-family residential dwelling units.

C. SUITABILITY OF THE PROPERTY AFFECTED BY THE AMENDMENT FOR USES PERMITTED BY THE DISTRICT THAT WOULD BE MADE APPLICABLE BY THE PROPOSED AMENDMENT.

The change to the PD Master Plan requested by this Application, respectfully requesting an increase in the number of multi-family residential apartments, will not result in any change in the currently permitted uses applicable to the Mall Tract and Town Parcel, but rather add to the already permitted uses (ZMA #120006) that are typically associated with PUDs. As noted in Paragraph B above, the adjacent Newport multi-family residential dwelling unit development would indicate that the addition of multi-family residential dwelling units on the Mall Tract and Town Parcel would be a suitable use and compatible with the surrounding property. Additionally, the decrease in the number of multi-family residential dwelling units immediately

adjacent to the Newport Community will, in the opinion of the Applicant, reduce the impact of multi-family residential dwelling units on that community. Considering the mixed-use nature of the PD-1 Zoning Districts under the LMO, the additional multi-family residential dwelling units respectfully requested herein is consistent with most other PUDs on Hilton Head Island, including Sea Pines, the oldest PUD on the Island, and Palmetto Dunes, which is in the same PD District. Accordingly, the Applicant believes that the Mall Tract and Town Parcel are well suited for the existing number of multi-family residential dwelling units previously authorized and the additional multi-family residential dwelling units being requested herein, creating an atmosphere where customers and residents will live, work and recreate in a neighborhood that offers transient, employment and shopping, plus civic and leisure activities.

D. SUITABILITY OF THE PROPERTY AFFECTED BY THE AMENDMENT FOR USES PERMITTED BY THE DISTRICT APPLICABLE TO THE PROPERTY AT THE TIME OF A PROPOSED AMENDMENT.

Again, the change to the PD Master Plan requested by this Application will, add additional single-family multi-use apartments that will invigorate the Mall Tract and Town Parcel for the benefit that will accrue to its owners, the residents of Hilton Head Island, and the Town. The property that is the subject of this Application has been permitted for multi-family residential use since the enactment of ZMA #120006 and is now an allowed use under the PD Master Plan and the Applicant feels that the additional multi-family residential dwelling units will only strengthen the Mall Tract's viability and lessen the impact on the Newport Community.

E. MARKETABILITY OF THE PROPERTY AFFECTED BY THE AMENDMENT FOR USES PERMITTED BY THE DISTRICT APPLICABLE TO THE PROPERTY AT THE TIME OF THE PROPOSED AMENDMENT.

The Mall Tract as presently under development pursuant to ZMA #120006 has, based on already experienced market demand, been deemed a success. The vast experience of Applicant suggests that the additional multi-family residential dwelling units requested hereunder will

undoubtedly increase the revenues and thereby increase the value of the Mall as an asset, not only for the Applicant but also for the Town. Increased residential success and value translate directly to increased marketability.

F. AVAILABILITY OF WATER AND STORM WATER FACILITIES GENERALLY SUITABLE FOR THE PROPOSED USE.

The sewer, water and stormwater facilities serving the Town Parcel were designated and implemented as part of the overall sewer, water and stormwater system serving the PD Master Plan area. The fact that the Mall Tract is currently in operation, even though under development, is clear evidence of the availability of the facilities necessary to accommodate the commercial activities on the Mall Tract and Town Parcel and the multi-family residential units associated therewith and the additional units as requested hereunder. The Broad Creek Public Service District currently provides potable water and sanitary sewer service to the entire Mall Tract and Town Parcel, which is the subject of this Application. The stormwater drainage system which currently drains into detention ponds, and ultimately Broad Creek, will be greatly enhanced through the utilization and introduction of pervious parking areas near Broad Creek, enhanced stormwater detention infrastructure.

VI. NARRATIVE – CONCLUSION

The Applicant feels the foregoing narrative demonstrates that this Application is in conformance with the LMO as amended by and through the Amended and Restated Development Agreement, the Town's Comprehensive Plan, and meets the criteria set forth in LMO Section 16-3-1505. Accordingly, the Applicant respectfully requests that the Planning Commission (a) consider the Application and the testimony and supporting documentation which will be entered into the record; (b) find:

1. That this Application and the supporting documentation established that the requested Master Plan Amendment is consistent with the Town's Comprehensive Plan; and

2. That this Application and the supporting documentation establish that the Applicant has demonstrated adjustment to the PD Master Plan which will result in a community-wide benefit; and

3. That this Application and the supporting documentation establish that the current and proposed density of the Mall Tract and Town Parcel are consistent with conforming uses of nearby properties and with the character of the neighborhood around the Mall Tract and Town Parcel; and

4. That this Application and the supporting documentation establish that the Mall Tract and Town Parcel is suitable for the current and proposed densities permitted by the Zoning District that would be applicable to the Mall Tract and Town Parcel by the requested Zoning Map Amendment; and

5. That this Application and the supporting documentation establish that the Mall Tract and Town Parcel are suitable for the current and proposed density permitted by the zoning district that is currently applicable to the Mall Tract and Town Parcel; and

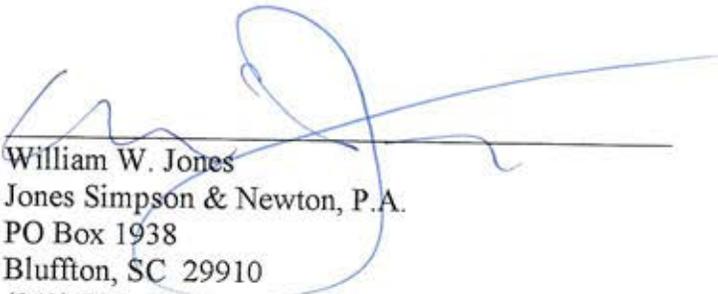
6. That this Application and the supporting documentation establish that the marketability of the Mall Tract and Town Parcel for the current and proposed density permitted by the zoning district that is currently applicable to the Mall Tract and Town Parcel will be increased by the approval of the requested master plan amendment; and

7. That this Application and the supporting documentation establish that there will be no substantial change in the Mall Tract's and Town Parcel's sewer, water and stormwater facilities except for those additional requirements and infrastructure resulting from the thirty (30) additional multi-family residential dwelling units applied for herein; and

8. Except for the Amendment to the Zoning Map applied for herein, the uses and densities provided for in ZMA #120006 remain unchanged and continue in full force and effect.

9. Respectively recommend to the Town Council that they approve this Application.

Respectfully submitted on behalf of the Applicant this 7th day of July, 2014.



William W. Jones
Jones Simpson & Newton, P.A.
PO Box 1938
Bluffton, SC 29910
(843) 706-6111

allowed on The Town Parcel from 134 to 210, provided that the total number of multi-family residential dwelling units on both of the aforementioned parcels shall never exceed 240 multi-family residential units.

Except for the Amendment to the Zoning Map applied for herein, the uses and densities provided for in ZMA #120006 remain unchanged and continue in full force and effect.

Respectfully submitted on behalf of the Applicant this 7th day of May, 2014.

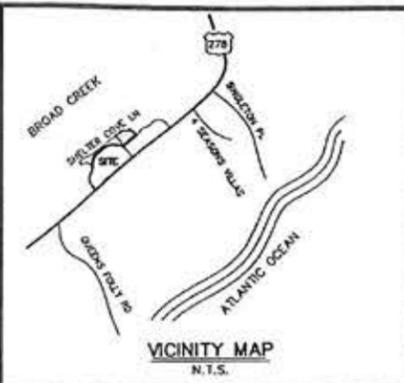


William W. Jones
Jones Simpson & Newton, P.A.
PO Box 1938
Bluffton, SC 29910
(843) 706-6111

EXHIBIT "A"

ALTA SURVEY OF MALL TRACT

EXHIBIT "B"
TOWN PARCEL



MARSHES OF BROAD CREEK

PORTION OF PARCEL TO BE
AMENDED TO MASTER PLAN
±9.3 ACRES

SHELTER COVE
MALL TRACT

SHELTER COVE LANE
PUBLIC 60' R/W

MALL BOULEVARD
R/W VARIES

PLAZA AT
SHELTER COVE

U.S. HIGHWAY 278
'WILLIAM HILTON PARKWAY'

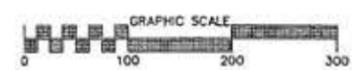
SPECIAL NOTE:
THIS EXHIBIT IS FOR RE-ZONING PURPOSES ONLY AND SHOULD NOT
BE USED FOR ANY OTHER PURPOSE.

RE-ZONING EXHIBIT

SURVEY OF
SHELTER COVE MALL
& A PORTION OF
SHELTER COVE COMMUNITY PARK
A SECTION OF
SHELTER COVE

HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA
SCALE: 1" = 100' DATE: 4/30/2012 JOB NO: SC1100400

PREPARED FOR: SHELTER COVE TOWNE CENTRE, LLC
ADDRESS: 39 SHELTER COVE LANE
TAX PARCEL I.D. NO. R520-012-00C-0002-0000



SG SURVEYING CONSULTANTS
17 Sherlington Drive, Suite C, Bluffton, SC 29910
SC Telephone: (843) 815-3304 FAX: (843) 815-3306
GA Telephone: (912) 880-8775
COPYRIGHT © BY SURVEYING CONSULTANTS

EXHIBIT "C"

LETTER FROM COASTAL MARKETING SERVICES



April 29, 2014

Wes Jones
Jones Simpson and Newton Law Firm
18 Pope Ave
Hilton Head, SC 29928

Wes,

Attached you will find a spreadsheet detailing all rental apartments on Hilton Head Island. This is essentially a copy of the one I sent to you in January 2012. My methodology in developing this review was to contact each complex and determine if there were any major differences from the original report. I next contacted the Town of Hilton Head planning department to determine if any multi-family projects were in the planning or construction process.

Some of my observations from this review:

There have been virtually no changes in rental inventory since January 2012. The rental rates have risen by approximately 5-10% on the average with the greatest increase coming at Marsh Point which was at the top of the rental price range in 2012.

Vacancy rates were hard to determine but in most cases they were non-existent. There was a waiting list of 68 names at Hilton Head Gardens (a HUD subsidized complex)

I went to the Town of Hilton Head Planning department to determine if any new units were planned, approved or under construction. I met with Heather Colin the town Planning Coordinator and she informed me that there has only been 1 project in planning that is designated as apartment complex. It is located in Shelter Cove and has 210 units which have been approved but not yet begun construction.

If I can be of any further assistance, please give me a call at 843-301-5528

Paul Cifaldi Sr

Printed version in mail

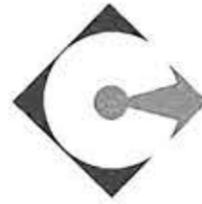
Post Office Box 5223
Hilton Head Island, SC 29938

Phone 843.785.6640
Cell 843-301-5528
paulcifaldi@hotmail.com

the right message...

to the right prospect...

at the right time!



Coastal Marketing Services

"The Information and Direct Marketing Specialists"

Apartment Complexes on Hilton Head Island												
complex name	tax key	location	total units	effic	1br	2br	3br	yr blt	contact	owned by		notes
Chimney Cove Apartments	376444	278-near Palmetto Dunes	52			43	9	1950	don 686-2150	Chimney Cove LLC	PO Box 21326 , Hilton Head SC 29925	1- 3 story bldg rest flats
			rent			\$650	\$750					
Sylby Tub Apartments	344078	Off Dillon Rd	18			18		1983	Patrick 689-3070, 684-8806	Tom Barnwell		rent based on income
			rent									
Cedar Wells Apartments	3336759	On Squire Pope Rd-near Hudsons	24			24		1990	Patrick 689-3070, 684-8806	Tom Barnwell		rent based on income
			rent			\$713						
90 Dillon Road Apartments	5186844	Dillon Rd - Past Entrance to FBO	48		24	24			steve689-5904-684-1177	Cap Mark Services	245 Peach Tree Center NE Suite 1800, Atlanta GA 30303	Tax Credit mgt co-RLJ -Ohio
			rent		\$700	\$795						
Hilton Head Gardens Apartments	867299	Southwood Park Rd-off 278-behind Apple Appliance	112	16	16	64	16		debbie Carroll-681-2911	C/O Reilly Mgt Assoc-200 Corporate Ridge-suite 925- McClean VA 22102		Hud Subsidized-managed by Frye Properties waiting List -68
			rent	\$673	\$767	\$857	\$1,004					
Sandlewood Terrace	901554	Southwood Park Rd-off 278-behind Apple Appliance	81						pat-681-5309	Beaufort Housing Authority		HUD subsidized- owned by Beaufort Cty Housing rent based on income
			rent									
Marsh Point -Apartments	3448255	off Gum Tree Rd - Near HH Schools Complex	140		56	84			Renay McClain-681-6550	Marshpoint LP- Managed by	3301 West End Ave suite 200-Nashville TN 37203	top of the line-nice surroundings
			rent		\$885	\$980						
			Totals-	475	16	96	257	25				
Approved by Town												
Shelter Cove			units	210								not yet under construction

EXHIBIT "D"

DECLARATION OF COVENANTS

Property Description

Section 1.1: The Property: The real property ("the Property") which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to these Covenants, is described as follows:

ALL that certain piece, parcel or lot of land being shown and described as "New Parcel to be Conveyed 4.97 Ac." on the plat entitled Boundary Reconfiguration of Shelter Cove Mall Area, A Section of Shelter Cove, Hilton Head Island, Beaufort County, South Carolina" dated June 12, 2012 prepared by Terry G. Hatchell, RLS#11059 and recorded in Plat Book ____ at Page ____ in the Office of the Register of Deeds for Beaufort County, South Carolina. For a more detailed description as to courses, metes and bounds, reference is made to said plat of record.

This being a portion of the same property conveyed to the within Grantor by PVI Shelter Cove Limited Partnership, dated August 10, 2011, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Record Book 3076 at Page 2860.

Beaufort County Tax Map Reference: a Portion of R520 012 00B 0026 0000

-AND-

ALL that certain piece, parcel or lot of land being shown and described as "Old 60' R/W of Shelter Cove Lane Area A-4 0.14 Ac." on the plat entitled Boundary Reconfiguration of Shelter Cove Mall Area, A Section of Shelter Cove, Hilton Head Island, Beaufort County, South Carolina" dated June 12, 2012 prepared by Terry G. Hatchell, RLS#11059 and recorded in Plat Book ____ at Page ____ in the Office of the Register of Deeds for Beaufort County, South Carolina. For a more detailed description as to courses, metes and bounds, reference is made to said plat of record.

This being a portion of the same property conveyed to the within Grantor by Shelter Cove Harbour Company, recorded on _____, 2012, in the Office of the Register of Deeds for Beaufort County, South Carolina in Record Book ____ at Page _____.

Beaufort County Tax Map Reference: a Portion of R520 012 00B 0030 0000

-AND-

All that certain piece, parcel or lot of land, lying and being on Hilton Head Island, Beaufort County, South Carolina, being shown and described as

“Parcel C” on that certain plat entitled “A Plat of Shelter Cove Mall, Phase II, Shelter Cove, 26 Shelter Cove Lane, As Built Survey, a Section of Palmetto Dunes Resort” prepared by Jerry L. Richardson, SCRLS 4784, Dated April 14, 1988, and revised on July 20, 1988, and which is recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 35 at Page 228.

Derivation Clause and Tax Map Reference Missing!

PART TWO
LAND USE RESTRICTIONS

ARTICLE II:
General Land Use Restrictions and Obligations

Section 2.1: Restrictions on Converting Apartments to Condominiums. In the event any apartments are erected, constructed, or otherwise built on or within the Property, said apartments shall not be converted into condominiums in any manner.

Section 2.2: Restrictions on Rentals of Apartments for Less than Twelve Months per Lease. In the event any apartments are erected, constructed, or otherwise built on or within the Property, the owner(s) of any apartment(s) shall not execute or enter into any lease(s) with a term for less than twelve (12) months per lease. In the event that such a lease is executed or entered into, said lease shall be considered void and of no legal effect.

Section 2.3: Restrictions on Sub-Letting of Apartments by Tenants. In the event any apartments are erected, constructed, or otherwise built on or within the Property, the tenant(s) of any apartment(s) shall not lease or sub-let the apartment(s) to any third parties.

PART THREE
GENERAL

Article III:
General Provisions

Section 3.1: Duration of Covenants. All covenants, restrictions and affirmative obligations set forth herein shall run with the land and shall be binding on all parties and persons claiming under them.

Section 3.2: Remedies in the Event of Violation or Breach. In the event of a violation or breach of any of the restrictions contained herein by grantee, its agents, successors or assigns, Declarant shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any

event, and Declarant shall have the right to recover all costs and expenses of suit in such action, including reasonable attorneys' fees and costs whether or not incurred in conjunction with appellate proceedings.

Section 3.3: Severability and Rule Against Perpetuities. The invalidation by any court of any restrictions of these Covenants shall in no way affect any of the other restrictions, but they shall remain in full force and effect. If any provisions of this Declaration would violate the rule against perpetuities or any other limitation on the duration of the provisions contained herein and imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law or until twenty-one (21) years after the death of the last survivor of the now living descendants of former President George W. Bush and the original Owner of the Property.

Section 3.4: Interpretation. In all cases, the provisions of this Declaration shall be given that reasonable interpretation or construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property, which will carry out the intent of the Declarant as expressed in the recitals of these Covenants.

Contrary to the restrictive common law rule of construction, these Covenants shall by this Covenant be interpreted broadly to touch and concern the Property with recognition of modern economic, land use planning and real estate finance and development principles, theories and practices. It is the Declarant's intent, and all Owners who take subject to the Covenants, do covenant and agree, and are thereby estopped to deny, that any reserved right or function of the Declarant, and any other covenant condition, restriction or obligation within these Covenants is intended to promote the use and enjoyment of the Property, is intended to foster the creation, preservation or enhancement of economic or intangible values associated with the Property, and does touch and concern, benefit and burden and run with the Property.

The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning ordinance which allows a less restricted use of the Property.

Section 3.5: Enforcement by the Declarant. In addition to the foregoing, the Declarant shall have the right, but shall not be obligated, to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. Violators shall be obligated to reimburse the Declarant in full for its direct and indirect costs, including but not limited to legal fees incurred by the Defendant in maintaining compliance with these Covenants in the event the Declarant prevails in such proceedings.

Section 3.6: Gender, Tense, and Number. When necessary for proper construction, the masculine form of any word used in this Declaration shall include the feminine or neuter gender, and the singular, the plural and vice versa, and words used in the present tense shall include the future tense.

Property Description

Section 1.1: The Property: The real property ("the Property") which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to these Covenants, is described as follows:

ALL that certain piece, parcel or lot of land being shown and described as "New Multi-Family Parcel 4.90 Ac." on the plat entitled Boundary Reconfiguration of 4.90 Acres New Multi-Family Parcel, Shelter Cove Lane, A Portion of Shelter Cove Community Park, Hilton Head Island, Beaufort County, South Carolina" dated June 12, 2012 prepared by Terry G. Hatchell, RLS#11059 and recorded in Plat Book ____ at Page ____ in the Office of the Register of Deeds for Beaufort County, South Carolina. For a more detailed description as to courses, metes and bounds, reference is made to said plat of record.

This being a portion of the same property conveyed to the within Grantor by deed of Hancock Development Company, Inc., dated April 29, 1999 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Record Book 1190 at Page 1309.

Beaufort County Tax Map Reference: A Portion of R520 012 00C 0002 0000

PART TWO LAND USE RESTRICTIONS

ARTICLE II: General Land Use Restrictions and Obligations

Section 2.1: Restrictions on Converting Apartments to Condominiums. In the event any apartments are erected, constructed, or otherwise built on or within the Property, said apartments shall not be converted into condominiums in any manner.

Section 2.2: Restrictions on Rentals of Apartments for Less than Twelve Months per Lease. In the event any apartments are erected, constructed, or otherwise built on or within the Property, the owner(s) of any apartment(s) shall not execute or enter into any lease(s) with a term for less than twelve (12) months per lease. In the event that such a lease is executed or entered into, said lease shall be considered void and of no legal effect.

Section 2.3: Restrictions on Sub-Letting of Apartments by Tenants. In the event any apartments are erected, constructed, or otherwise built on or within the Property, the tenant(s) of any apartment(s) shall not lease or sub-let the apartment(s) to any third parties.

PART THREE
GENERAL

Article III:
General Provisions

Section 3.1: Duration of Covenants. All covenants, restrictions and affirmative obligations set forth herein shall run with the land and shall be binding on all parties and persons claiming under them.

Section 3.2: Remedies in the Event of Violation or Breach. In the event of a violation or breach of any of the restrictions contained herein by grantee, its agents, successors or assigns, Declarant shall have the right to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event, and Declarant shall have the right to recover all costs and expenses of suit in such action, including reasonable attorneys' fees and costs whether or not incurred in conjunction with appellate proceedings.

Section 3.3: Severability and Rule Against Perpetuities. The invalidation by any court of any restrictions of these Covenants shall in no way affect any of the other restrictions, but they shall remain in full force and effect. If any provisions of this Declaration would violate the rule against perpetuities or any other limitation on the duration of the provisions contained herein and imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law or until twenty-one (21) years after the death of the last survivor of the now living descendants of former President George W. Bush and the original Owner of the Property.

Section 3.4: Interpretation. In all cases, the provisions of this Declaration shall be given that reasonable interpretation or construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property, which will carry out the intent of the Declarant as expressed in the recitals of these Covenants.

Contrary to the restrictive common law rule of construction, these Covenants shall by this Covenant be interpreted broadly to touch and concern the Property with recognition of modern economic, land use planning and real estate finance and development principles, theories and practices. It is the Declarant's intent, and all Owners who take subject to the Covenants, do covenant and agree, and are thereby estopped to deny, that any reserved right or function of the Declarant, and any other covenant condition, restriction or obligation within these Covenants is intended to promote the use and enjoyment of the Property, is intended to foster the creation, preservation or enhancement of economic or intangible values associated with the Property, and does touch and concern, benefit and burden and run with the Property.

The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any zoning ordinance which allows a less restricted use of the Property.

Section 3.5: Enforcement by the Declarant. In addition to the foregoing, the Declarant shall have the right, but shall not be obligated, to proceed at law or in equity to compel a compliance to the terms hereof or to prevent the violation or breach in any event. Violators shall be obligated to reimburse the Declarant in full for its direct and indirect costs, including but not limited to legal fees incurred by the Defendant in maintaining compliance with these Covenants in the event the Declarant prevails in such proceedings.

Section 3.6: Gender, Tense, and Number. When necessary for proper construction, the masculine form of any word used in this Declaration shall include the feminine or neuter gender, and the singular, the plural and vice versa, and words used in the present tense shall include the future tense.

Section 3.7: No Waiver. Failure to enforce any provisions of this Declaration shall not operate as a waiver of any such provision or of any other provisions of this Declaration.

Section 3.8: Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provisions of this Declaration.

(THIS SPACE INTENTIONALLY LEFT BLANK)

Shelter Cove Mall Redevelopment
TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
TRAFFIC IMPACT STUDY

June 25, 2012 – Revised June 9, 2014

Prepared for:
Blanchard and Calhoun Corporation
2743 Perimeter Parkway
Building 200, Suite 370
Augusta, GA 30909

Prepared by:
Pond & Company
3500 Parkway Lane, Suite 600
Norcross, GA 30092

TABLE OF CONTENTS

INTRODUCTION1
STUDY METHODOLOGY3
EXISTING FACILITIES.....5
BACKGROUND DEVELOPMENTS.....10
CURRENT MALL TRAFFIC OPERATING CONDITIONS.....13

REVISED

PROPOSED REDEVELOPMENT19
REDEVELOPED MALL TRAFFIC OPERATING CONDITIONS.....25
TRAFFIC OPERATIONAL ISSUES.....31
CONCLUSIONS AND RECOMMENDATIONS.....34

APPENDIX A: TRAFFIC COUNT DATA

APPENDIX B: 2013 CURRENT MALL CONDITIONS SYNCHRO ANALYSES REPORTS

APPENDIX C: 2013 REDEVELOPED MALL SYNCHRO ANALYSES REPORTS

REVISED

APPENDIX D: 2014 REDEVELOPED MALL SYNCHRO ANALYSES REPORTS (WITH 30 ADDITIONAL UNITS CURRENTLY PROPOSED)

INTRODUCTION

The purpose of this study is to evaluate the traffic impact that will result from the redevelopment of Shelter Cove Mall, located on US 278 Business (William Hilton Parkway) between King Neptune Way/Queens Folly Road and Singleton Beach Road in the Town of Hilton Head Island, South Carolina.

Shelter Cove Mall, in its current state, consists of approximately 272,357 square feet of commercial retail space and is leased to approximately 41% occupancy. The proposed redevelopment of the mall will consist of approximately 295,000 square feet of commercial retail space, including outparcels and 210 multi-family residential dwelling units. The redevelopment will also relocate a portion of Shelter Cove Lane, moving it away from Broad Creek and bringing it closer to the mall, as well as relocating/reconfiguring a portion of Shelter Cove Community Park. For the purposes of this study, the community park will be considered as a new 5.1-acre development.

It is the intent of this study to evaluate the relative traffic impact of this redevelopment to the roadway network and to identify recommendations, where appropriate, to mitigate this impact. The location of Shelter Cove Mall with respect to the adjacent roadway network is shown in Figure 1.

REVISED

This revised study considers the addition of 30 apartment units to the proposed site plan for the Shelter Cove Mall redevelopment and the potential impact that these new units will have on traffic along the US 278 corridor and at the intersections of US 278 and Mall Access Road, Mall Boulevard, and Shelter Cove Lane. Additionally, this study will update the analysis year from 2013 to 2014 and will consider the impact, if any, that background growth on the island will have on US 278.

Revisions include:

- Newly determined 2014 base year volumes to include a 7% increase in traffic between 2012 and 2013 for the PM peak hour, off-island direction. These 2014 base year volumes were used to study traffic impacts of additional 30 units at an analysis year of 2014. (Shown in Figure 4a)
- New daily and peak hour trip generation tables (Tables 10a and 11a) to include the additional 30 apartment units at the redevelopment site.
- Revised Figure 9 to illustrate traffic patterns for additional 30 units.
- Revised Figures 10 and 11 to illustrate new turning movements for the proposed redevelopment.
- Revised Tables 12 and 13 to show operational information with 2014 turning movements.
- Revised Table 15 to update queue lengths from 2014 proposed conditions.
- Revised Tables 16 and 17 to update with LOS from 2014 proposed conditions.

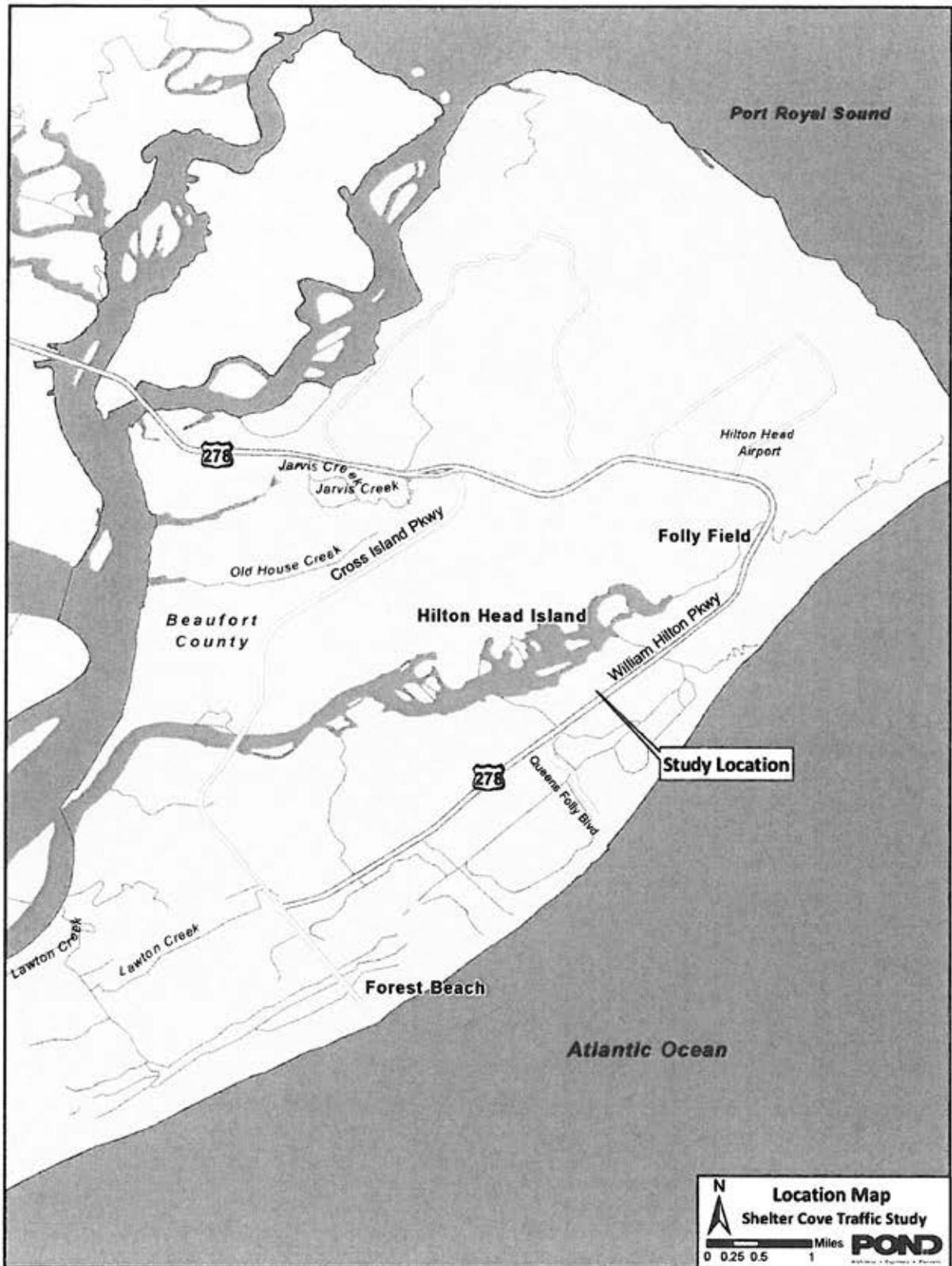


Figure 1: Project Location Map

STUDY METHODOLOGY

In this study, the methodology used for evaluating traffic operations at intersections is based on the criteria that is set forth in the Transportation Research Board's Highway Capacity Manual 2000 (HCM). The HCM is the standard recognized manual for conducting traffic analysis throughout the country. Trafficware Synchro 8 software, which emulates the HCM methodology, was used for the analysis. The following is a description of the methodology employed for the analysis of unsignalized and signalized intersections.

Level of Service (LOS) is an indication used to describe the operations of an intersection. For unsignalized intersections, the LOS is determined by control delay for the turning movements at the intersection and minor street crossing movements. Several factors affect the control delay including the availability and distribution of gaps in the conflicting traffic stream, critical gaps, and follow-up time for a vehicle in the queue.

LOS is assigned a letter designation from A through F. LOS A indicates excellent operations with little delay to motorists, while LOS F exists at unsignalized intersections when there are insufficient gaps of acceptable size to allow vehicles on the side street to cross or turn safely. This condition will result in extremely long control delays and long queues. The LOS criteria for unsignalized intersections, as defined in the HCM, are given in Table 1.

Table 1 - Level of Service Criteria for Unsignalized Intersections

Level of Service (LOS)	Control Delay (s/veh.)
A	0 - 10
B	>10 - 15
C	>15 - 25
D	>25 - 35
E	>35 - 50
F	>50

Source: *Highway Capacity Manual 2000*

LOS for a signalized intersection is a qualitative measure and is defined in terms of control delay per vehicle (in seconds per vehicle). Control delay refers to the portion of total delay that can be attributed to the traffic signal operation for signalized intersections. Control delay depends upon a number of variables including traffic volumes, lane configuration, the quality of progression of traffic from adjacent intersections, the cycle length, and the ratio of green time to the cycle length. The Level of Service criteria for signalized intersections, based on control delay, is shown in Table 2. Level of Service A indicates operations with very low control delay while Level of Service F describes operations with extremely high control delay. Level of Service F is considered to be unacceptable by most drivers. Level of Service D is typically considered to be the limit of acceptable delay in urbanized areas.

Table 2 - Level of Service Criteria for Signalized Intersections

Level of Service	Control Delay per Vehicle (s/veh.)
A	< 10
B	>10 - 20
C	>20 - 35
D	>35 - 55
E	>55 - 80
F	>80

Source: Highway Capacity Manual 2000

Development of the Synchro Models

The Current Mall and Redeveloped Mall Synchro models were developed using the Synchro files provided by Town Staff. The signal phasing, cycle lengths and timing used in the analysis for the intersection of US 278 Business at Mall Boulevard were taken from the data provided. It is noted that the intersection is a “scissor” intersection with the Off-Island bound traffic operating as a free-flow movement. However, since long cycle lengths are used along US 278 Business for signal coordination, stopping the Off-Island bound traffic for a short period for the side street movement does not affect modeling of this free-flow movement. The intersection is modeled as a fully signalized intersection with all movements signal controlled.

It should also be noted that the Off-Island bound left-turn movement is a two-lane approach. However, the second lane is approximately 30 feet in length, (about one car length) and effectively operates as a one-lane approach. Therefore, this left-turn movement is modeled as a one-lane approach in the analysis.

At the two unsignalized intersections on US 278 Business at Mall Access and at Shelter Cove Lane, the median along US 278 Business is taken to operate in a manner similar a two-way left-turn lane which allows for left turning vehicles out of the side street to make the maneuver in two movements.

Development of the Build-out Year Background Traffic Volumes Methodology

In order to appropriately compare the relative traffic impacts associated with the proposed redevelopment of Shelter Cove Mall to the existing development several factors must be considered:

- The current mall is operating at 41% occupancy. The current mall traffic operations must be evaluated assuming 100% occupancy when compared to full build-out of the redevelopment.
- The Build-out for the redeveloped mall is planned for summer 2013. Both the existing mall and the redevelopment scenario must be evaluated for the same summer 2013 period.
- Under both the Current Mall and Redeveloped Mall scenarios, there are approved but as yet un-built background developments that must be included in the background traffic.

EXISTING FACILITIES

An inventory was performed of the roadways in the immediate vicinity of the site. The following is a brief description of each of these facilities:

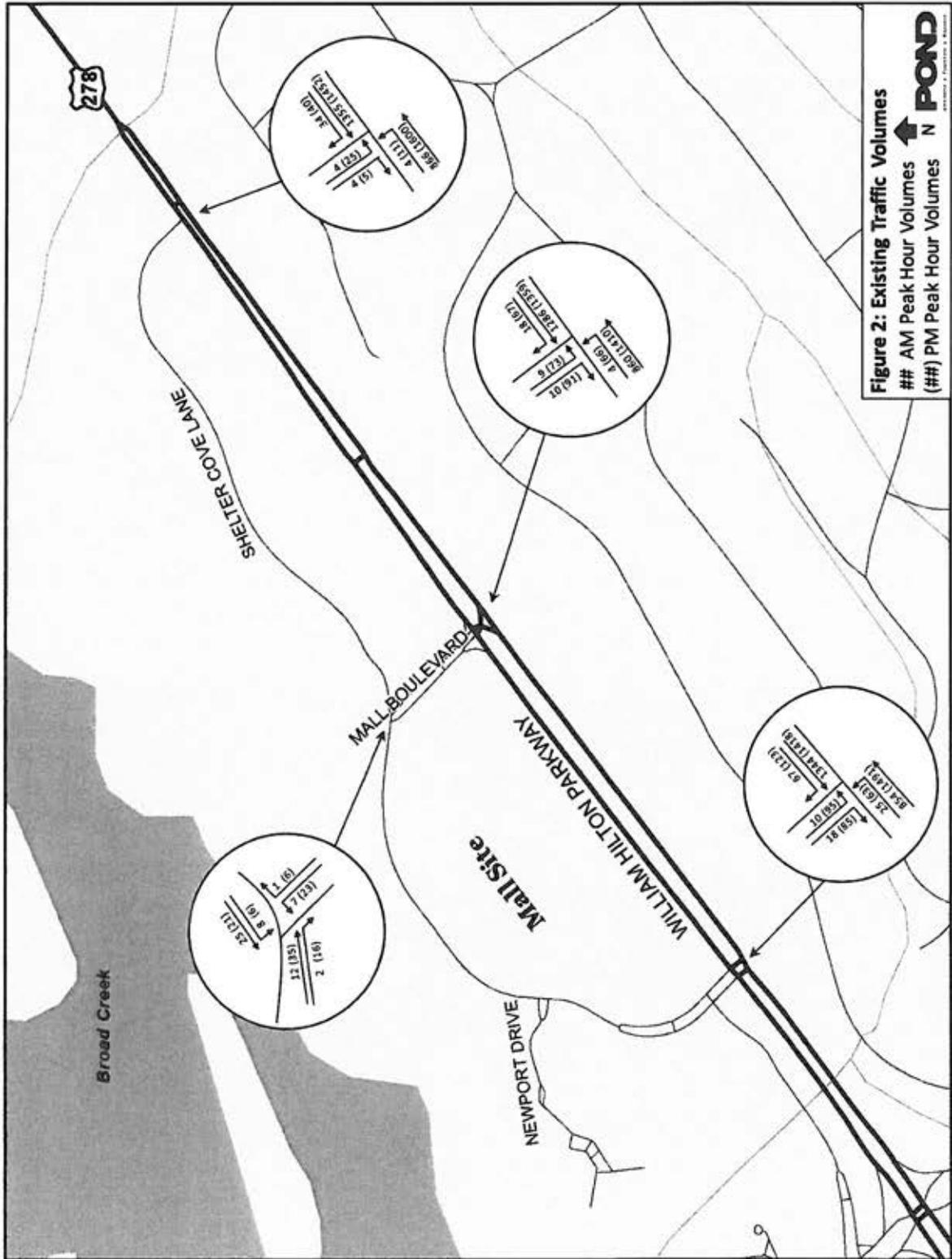
- **US 278 Business (William Hilton Parkway)** is a four-lane, landscaped median divided roadway that has long served as the “spine road” for Hilton Head Island, and many, if not most, of the plantation developments on the island have their primary point of access off US 278 Business. The 2010 annual average daily traffic (AADT) volume on US 278 Business, as recorded by the South Carolina Department of Transportation (SCDOT), was 39,400 vehicles per day (vpd).
- **Shelter Cove Lane** is a collector roadway that extends both east and west of the mall and is parallel to US 278 Business. Shelter Cove Lane has one through lane in each direction and provides access to numerous commercial and retail developments. Shelter Cove Lane also provides access to the Newport community.
- **Mall Boulevard** extends from US 278 Business to Shelter Cove Lane. The US 278 Business/Mall Boulevard intersection is a signalized scissors intersection where off-island traffic is free flow and not controlled by the traffic signal. The Shelter Cove Lane/Mall Boulevard intersection is a “T” intersection and the Mall Boulevard approach is stop sign controlled.
- **Mall Access** is a short connector roadway between US 278 Business and Shelter Cove Lane on the on-island side of the mall. Mall Access has one through lane in each direction.

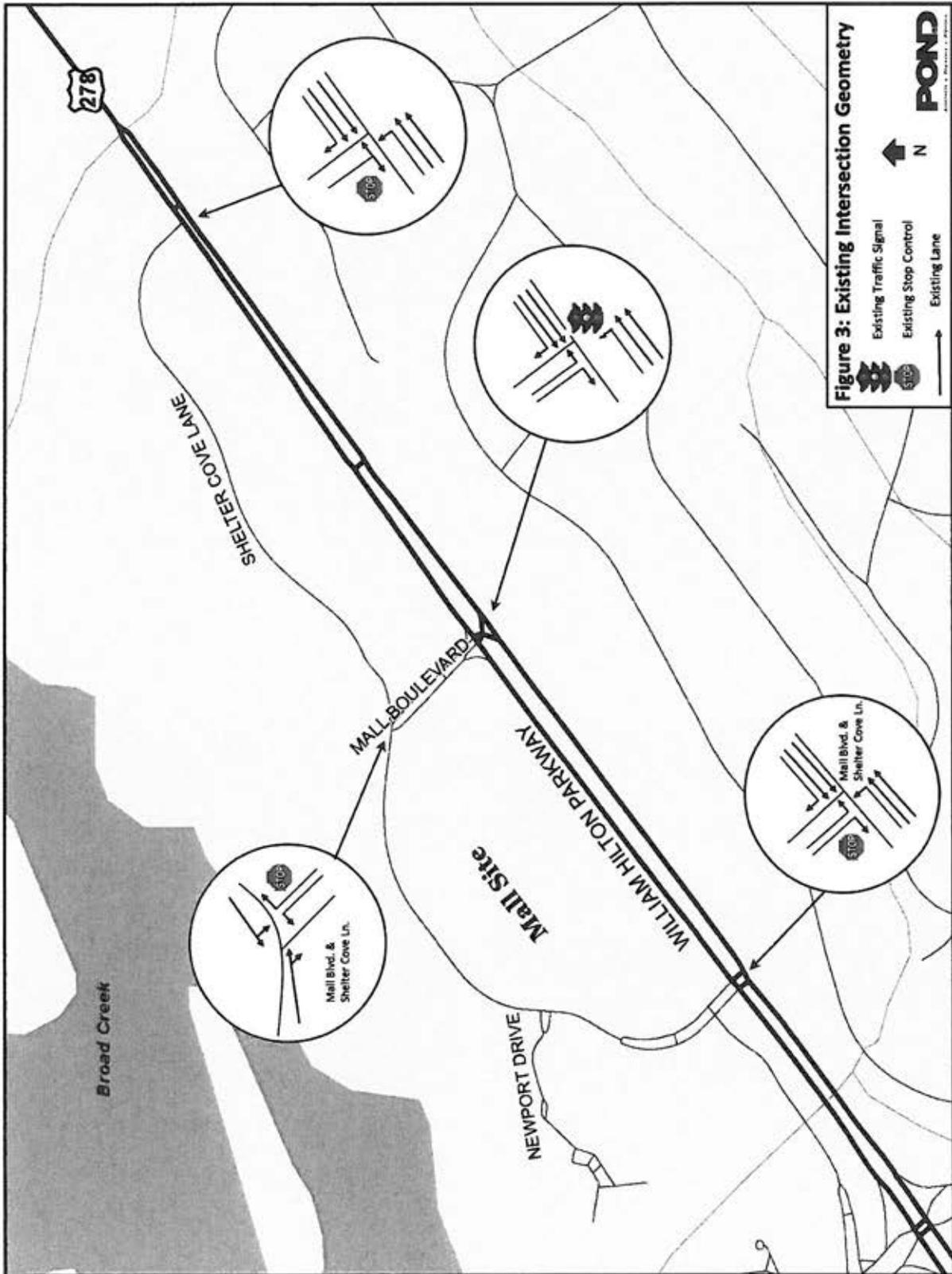
Existing Traffic Counts

Based on discussions with Town staff the following intersections were identified for evaluation:

- US 278 Business at Shelter Cove Lane (unsignalized)
- US 278 Business at Mall Boulevard (signalized)
- US 278 Business at Mall Access (unsignalized)
- Mall Boulevard at Shelter Cove Lane (internal site intersection-unsignalized)
- US 278 Business at new right-in/right-out access (redevelopment scenario only)

Turning movement counts were performed at the first four intersections listed above. The fifth intersection does not currently exist but will be constructed as part of the mall redevelopment and will only be analyzed as part of the redevelopment scenario. The traffic counts were collected during the weekday evening and morning peak times on Monday, May 14, 2012 between 4:00 p.m. and 6:00 p.m. and on Tuesday, May 15, 2012 between 7:00 a.m. and 9:00 a.m., respectively. The four consecutive 15-minute interval volumes that summed to produce the highest traffic volume at each intersection were determined. These volumes make up the existing peak hour traffic volumes for each intersection counted and are shown in Figure 2. The existing intersection geometry and traffic control is shown in Figure 3.





Traffic Volume Adjustments

It is the practice of the Town of Hilton Head Island to evaluate traffic operations and impacts on a typical June weekday, with weekday being a Tuesday, Wednesday, or Thursday. Because the traffic volumes used in this study were counted in May adjustments to the traffic volumes were necessary in order to represent this June condition. Adjustment factors were provided by the Town and these were applied only to the through movements on US 278 Business, and not to Shelter Cove Lane or the mall access points. Adjustments made were as follows:

Step 1 – Daily Adjustment Factor:

The traffic volumes are on average 5.2% higher on Tuesdays than on Mondays. Therefore, the US 278 Business p.m. peak hour through traffic volumes were increased by 5.2% to represent average Tuesday traffic volumes in May 2012.

Step 2 – Monthly Adjustment Factor:

The traffic volumes are on average 4% higher in June than in May. Therefore, the US 278 Business a.m. and p.m. peak hour through traffic volumes were increased by 4% to represent average June 2012 traffic volumes.

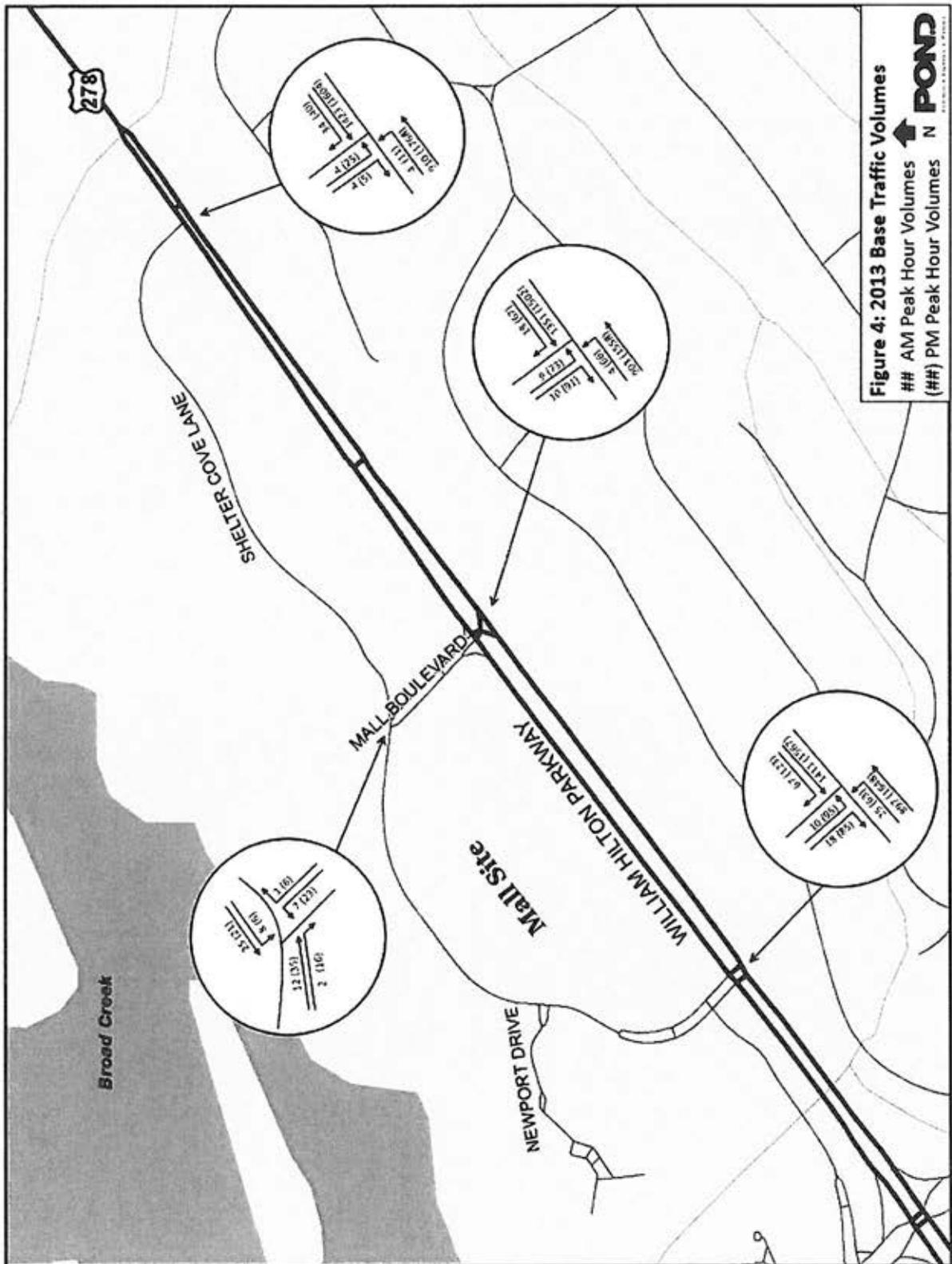
Step 3 – Growth Rate Adjustment Factor:

The Build-out for the redeveloped mall is planned for summer of 2013. The annual background growth rate on US 278 Business is approximately 1% per year. Therefore, the US 278 Business a.m. and p.m. peak hour through traffic volumes were increased by 1% to represent average June 2013 traffic volumes. Figure 4 shows the adjusted year 2013 base peak hour volumes and represents the mall operating at 41% capacity.

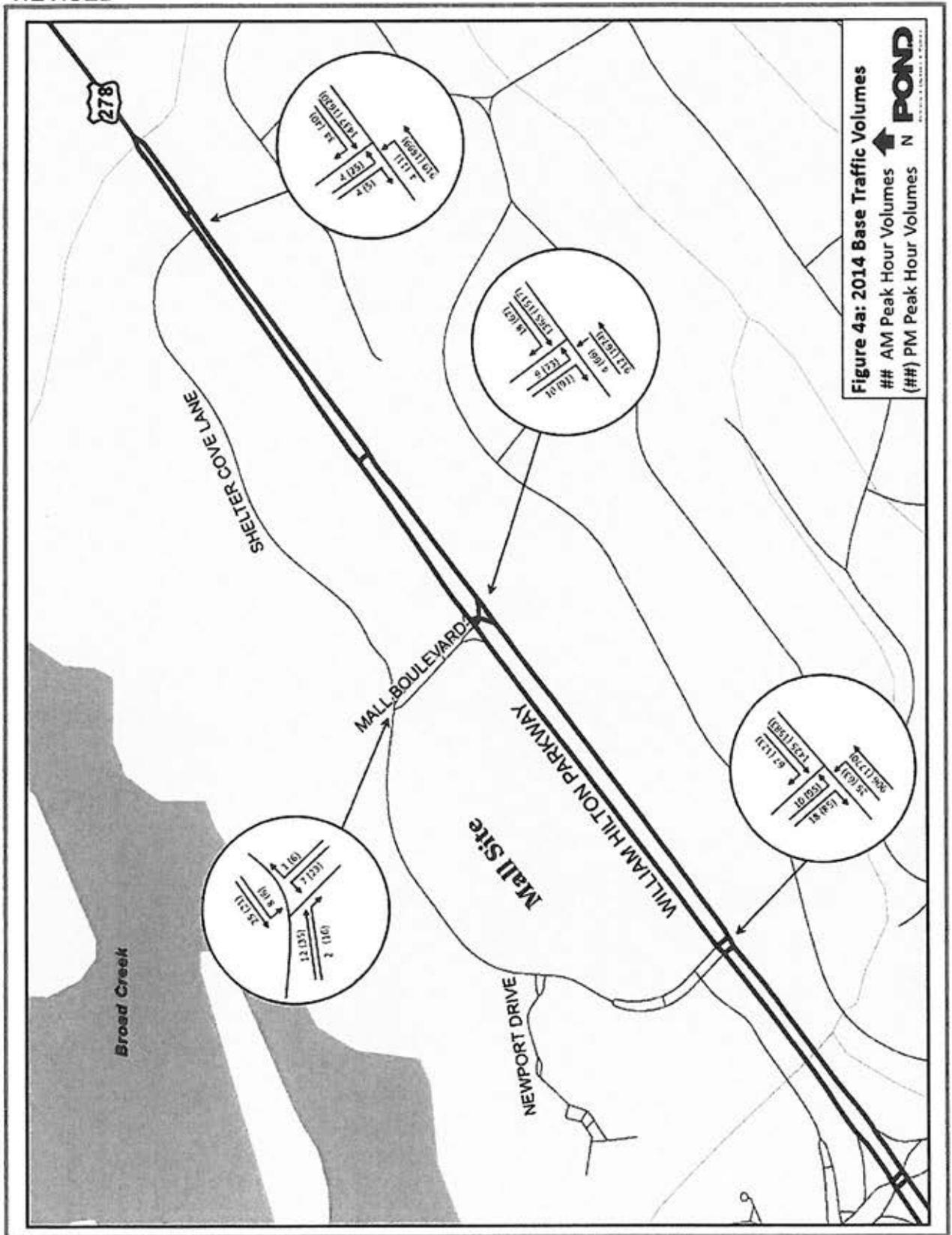
REVISED

The redeveloped mall is now planned for completion in 2014. For the purposes of this study, the annual background growth rate on US 278 Business remained 1% per year, however recent traffic counts conducted by the Town of Hilton Head Island at the intersections of US 278 Business and King Neptune Way/Queen's Folly Road and US 278 Business and Shelter Cove Lane (eastern drive) suggest that a sharp increase in the PM peak hour, eastbound (off-island) traffic of approximately 7% (in addition to the assumed 1% growth) occurred between 2012 and 2013. The PM peak hour, westbound (on-island) direction exhibited an approximate 1% growth rate. The AM peak hour volumes in both directions suggested an overall decrease in through volumes along US 278.

The significant increase in off-island traffic is likely due to several factors such as improved economic conditions and added destinations on Hilton Head Island. Due to the resort nature of the island, it is reasonable to assume that AM peaks are not comparable to non-resort areas, and may have a more gradual peaking trend as visitors to the island arrive over a longer period of time in the morning. The standard 1% per year growth rate was applied to through movements during each peak period, and a one-time 7% growth spike was applied to through movements in the eastbound direction during the PM peak hour. [Figure 4a](#) shows the adjusted year 2014 base peak hour traffic volumes with the one-time 7% yearly growth rate applied between 2012 and 2013. These volumes are used in the revised build analysis.



REVISED



BACKGROUND DEVELOPMENTS

As requested by Town staff, approved but as yet un-built background developments near the intersection of US 278 Business at Shelter Cove Lane are to be included in the traffic analysis for both the Current and Redeveloped conditions. The background developments are:

- Redevelopment of the former Cracker Barrel site to consist of:
 - 10,900 square feet for two high turnover (sit-down) restaurants; and
 - 4,000 square feet drive-in bank
- The Life Span Building:
 - 23,500 square feet office space of which 3,000 square feet will be used by SHARE center and the remainder (20,500 square feet) will be general office space.

Trip Generation

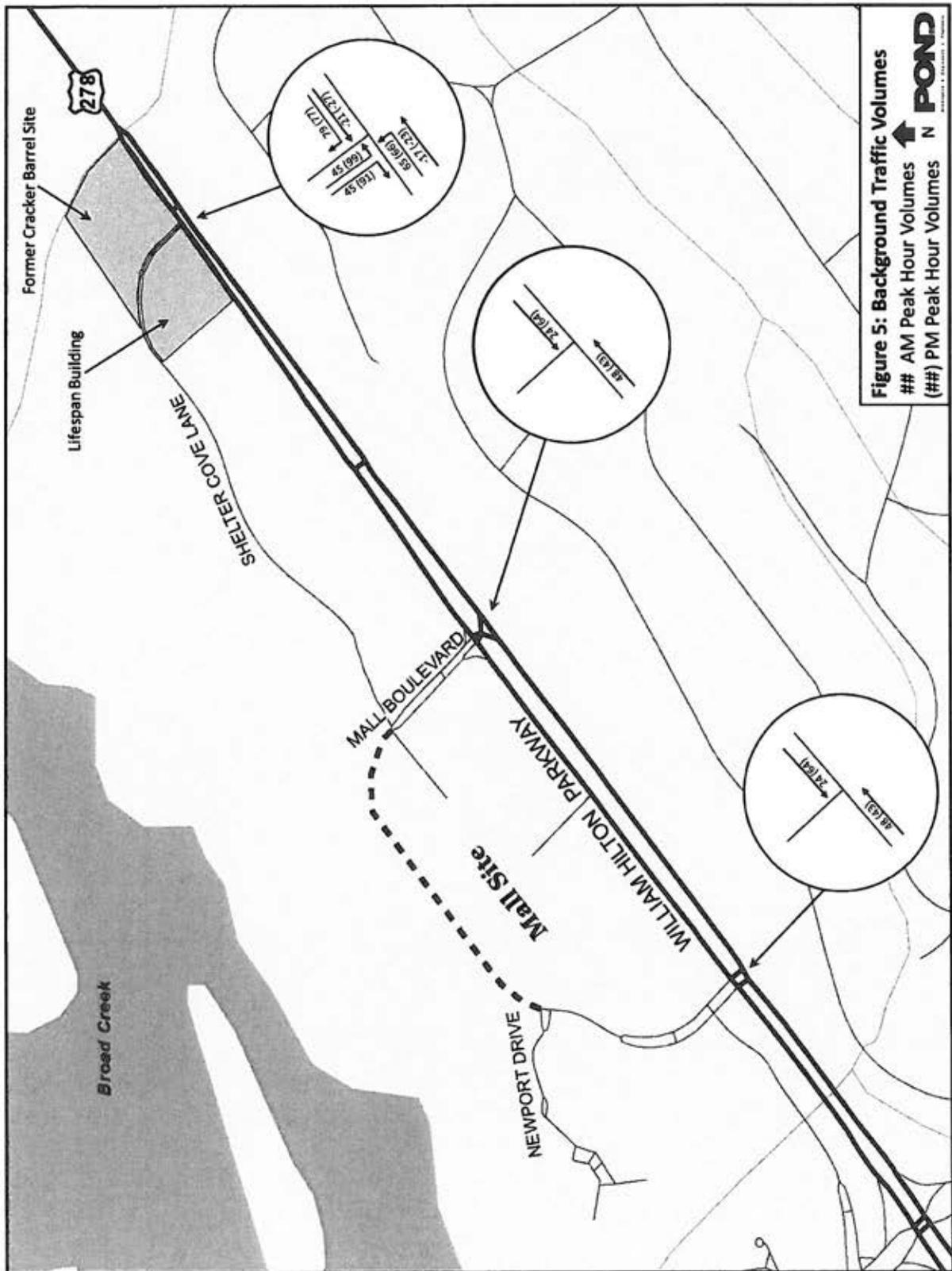
Trip generation for the background developments was prepared using the *ITE Trip Generation Manual, 8th Edition*. ITE Land Use 710, General Office Building, ITE Land Use 495 Recreational Community Center, ITE Land Use 932, High-Turnover (Sit-Down) Restaurant and ITE Land Use 912, Drive-in Bank, were used for the office space, SHARE center, restaurants and bank, respectively. Trip generation for a development can potentially be reduced by applying a pass-by trip reduction for retail and restaurant generated traffic. Pass-by trips are trips to retail developments by vehicles that are already traveling on the adjacent roadway network. These pass-by trips represent new trips to the site driveways, but do not represent new trips on the adjacent roads. Also, a mixed-use reduction for a development with more than one type of land use can be applied. Pass-by trip reduction was applied to the restaurant and bank generated traffic. Mixed-use reduction is not applicable to the background developments. Table 3 provides the trip generation for the background developments.

Table 3 – Background Developments Weekday AM and PM Peak Hour Trip Generation

ITE Trip Generation			AM Peak Hour			PM Peak Hour		
Land Use Code	Trip Type	Unit	Total Trips	Enter	Exit	Total Trips	Enter	Exit
710 General Office Building	ITE/Net New Trips	20,500 sf	53	47	6	102	17	85
495 Recreational Community Center	ITE/Net New Trips	3,000 sf	5	3	2	5	2	3
932 High-Turnover (sit-down) Restaurant	-	10,900 sf	126	66	60	122	72	50
	Pass-by*	43%	-54	-27	-27	-52	-26	-26
	Net New Trips	-	72	39	33	70	46	24
912 Drive-in Bank	ITE New Trips	4,000 sf	50	28	22	104	52	52
	Pass-by*	47%	-22	-11	-11	-48	-24	-24
	Net New Trips	-	28	17	11	56	28	28
TOTAL NET NEW TRIPS		-	158	106	52	233	93	140

*- Pass-by reduction rates taken from ITE recommended practice

The trip distribution for the background developments was based on existing trip patterns in the study area, which approximates to about 55% to/from Off-Island and 45% to/from On-Island on US 278 Business. The trip generation and assignment for the background developments are shown in Figure 5.



CURRENT MALL TRAFFIC OPERATING CONDITIONS

The Current Mall traffic operating condition was analyzed as if the existing mall is operating at 100% (272,357 square feet of commercial retail space) occupancy and including approved but as yet un-built background developments, as described in the previous section.

Current Mall Traffic Volumes

The year 2013 Current Mall peak hour traffic volumes were developed using the 2013 base traffic volumes shown in Figure 4, adding in traffic for the current mall operating at 100% occupancy and adding in traffic generated by approved but as yet un-built background developments, as shown in Figure 5.

Trip generation for the current mall at 100% occupancy was prepared using the *ITE Trip Generation Manual, 8th Edition*. ITE Land Use 820, Shopping Center, was used for the mall. Because the mall is currently leased at 41% occupancy (111,920 square feet), it can be assumed that the traffic generated by this much of the mall is currently on the roadway network and is therefore represented in the existing traffic count data. The net additional trips added to the roadway by the current mall, if leased to 100% occupancy, are the difference between trip generation at 100% occupancy less trip generation at 41% occupancy. Trip generation for a development can potentially be reduced by applying a pass-by trip reduction for retail generated traffic. Also, a mixed-use reduction for a development with more than one type of land use can be applied. Pass-by trip reduction was applied to the mall generated traffic. Mixed-use reduction is not applicable to the current mall development. Table 7 provides the trip generation to be added to the roadway network for the current mall operating at 100% occupancy adjusted for the 41% spaced currently leased out.

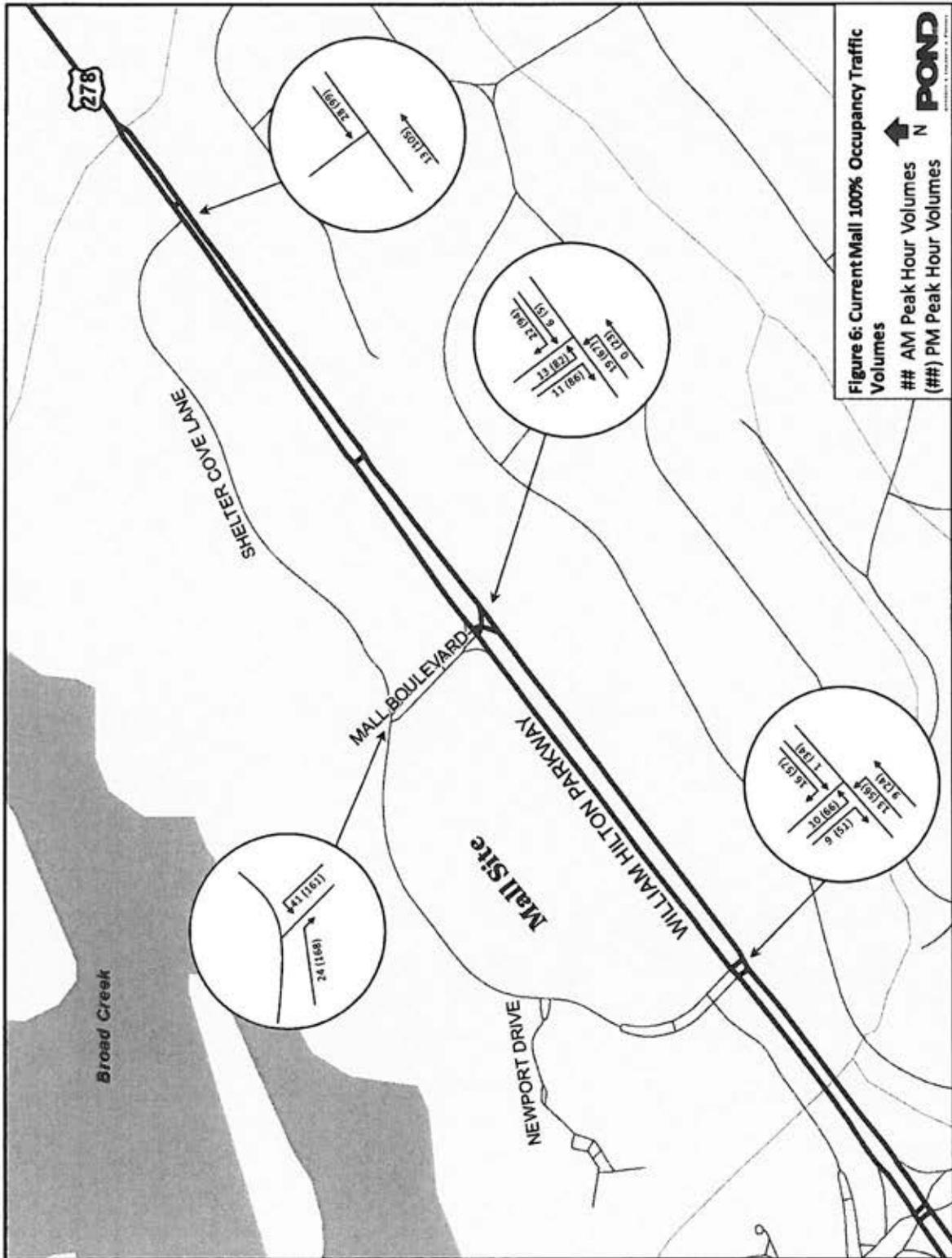
Table 7 - Current Shelter Cove Mall Weekday AM and PM Peak Hour Trip Generation, 100% Occupancy

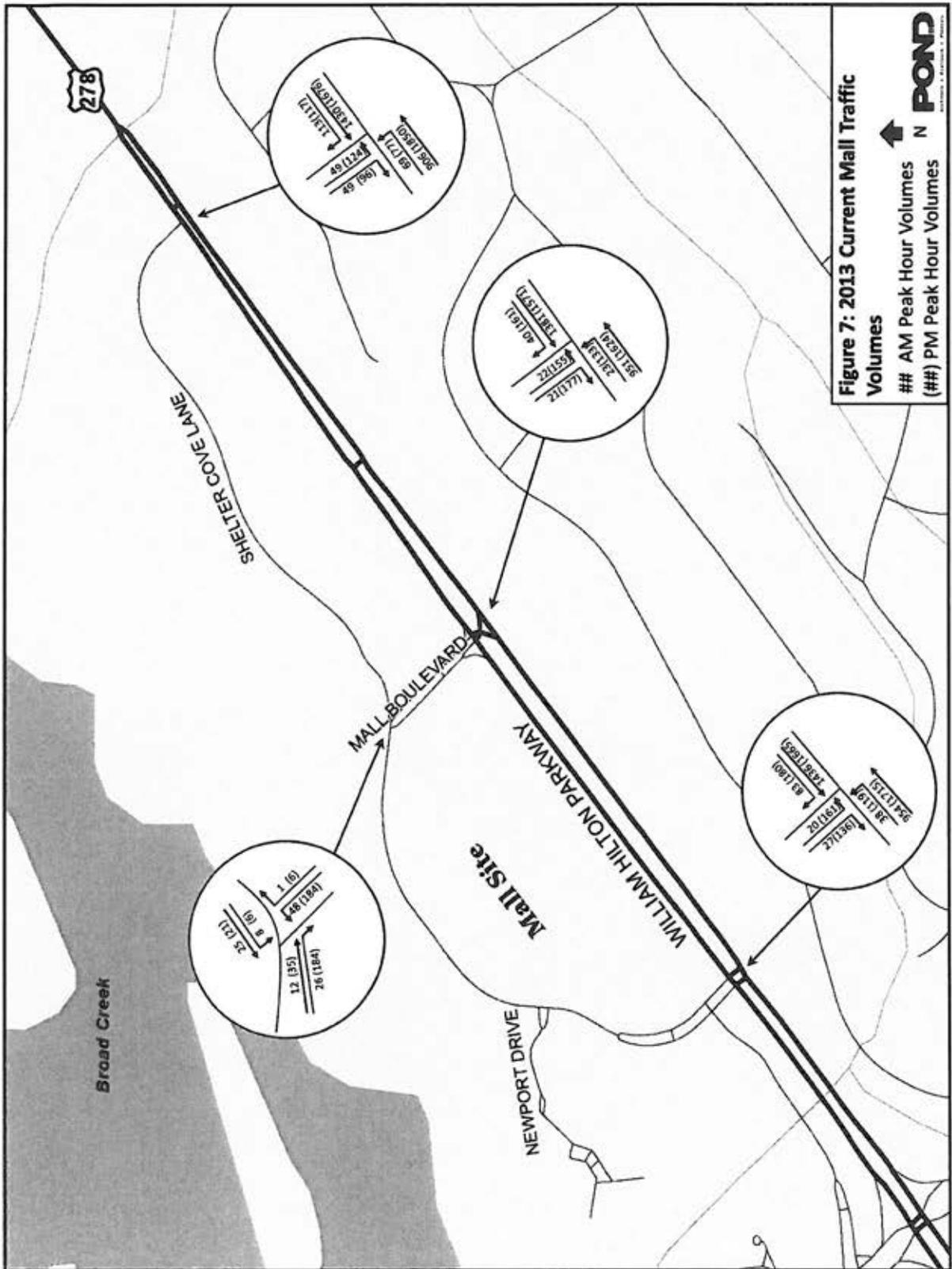
ITE Trip Generation			AM Peak Hour			PM Peak Hour		
Land Use Code	Trip Type	Unit	Total Trips	Enter	Exit	Total Trips	Enter	Exit
820 Shopping Center	ITE New Trips	272,357 sf (100%)	278	170	108	1,245	610	635
	ITE New Trips	111,920 sf (41%)	-165	-100	-65	-686	-336	-350
	Net Trips Added	-	113	70	43	559	274	285
	Pass-by*	34%	-40	-20	-20	-190	-95	-95
	Net New Trips	-	73	50	23	369	179	190

*- Pass-by reduction rates taken from ITE recommended practice

The trip distribution for the mall is based on existing trip patterns in the study area. The trip generation and assignment for the mall operating at 100% occupancy are shown in Figure 6.

The year 2013 Current Mall peak hour traffic volumes were developed by adding the year 2013 base traffic volumes (shown in Figure 4), the mall operating at 100% traffic (shown in Figure 6) and the traffic generated by approved but as yet un-built background developments (shown in Figure 5). The traffic volumes generated by the Current Mall during peak hours are shown in Figure 7.





Current Mall Capacity Analysis

Capacity analyses were performed using the year 2013 Current Mall peak hour traffic volumes and the results of the capacity analyses are shown in Table 8:

Table 8 - Peak Hour Intersection Level of Service (LOS), 2013 Current Mall Conditions

Peak Hour Intersection Level-of-Service (LOS)	AM Peak Hour			PM Peak Hour		
	LOS	Delay (sec)	v/c	LOS	Delay (sec)	v/c
US 278 Business at Mall Access, Unsignalized						
US 278 Bus. Off-Island bound Left-Turn	C	15.8	.11	D	29.9	0.48
Mall Access (Southbound) Approach	C	24.4	.15	F	>180.0	>1.50
US 278 Business at Mall Blvd, Signalized						
Overall Intersection	A	4.8	-	B	18.1	-
US 278 Bus. Off-Island bound Left-Turn	E	70.5	.22	F	86.3	0.71
US 278 Bus. On-Island bound Approach	A	5.1	-	B	19.1	-
Mall Blvd (Southbound) Approach	D	35.9	-	D	39.1	-
Southbound Left-Turn	E	70.3	.30	F	83.7	0.72
US 278 Business at Shelter Cove Ln, Unsignalized						
US 278 Bus. Off-Island bound Left-Turn	C	17.4	.21	C	22.8	0.29
Shelter Cove Ln (Southbound) Approach	E	42.6	.54	F	>180.0	>1.50
Mall Blvd at Shelter Cove Ln, Unsignalized						
Shelter Cove Ln (Westbound) Left-Turn	A	1.8	0.01	A	1.8	0.00
Mall Blvd (Northbound) Approach	A	9.1	0.06	B	10.9	0.25

Table 8 shows that the Mall Access approach at the intersection of US 278 Business at Mall Access is expected to operate with undesirable Level of Service (LOS) F in the p.m. peak hour. Similarly, the Shelter Cove Lane approach at the intersection of US 278 Business at Shelter Cove Lane is also expected to operate at undesirable LOS E or F in the a.m. and p.m. peak hours.

Also shown in Table 8, at the intersection of US 278 Business at Mall Boulevard, the US 278 Business off-island left-turn and the Mall Boulevard southbound left-turn movements are expected to operate at undesirable LOS E in both a.m. and p.m. peak hours. This is in part due to the cycle lengths of 150 seconds and 160 seconds currently being used in the a.m. and p.m. peaks, respectively for traffic signal coordination along the US 278 Business corridor. Using a shorter cycle length is expected to improve Level of Service for the side street, however it will introduce additional delays for through traffic on US 278 Business. Improvements, if feasible, were considered at the study intersections to improve the Level of Service. Table 9 shows the results of the capacity analyses with the identified improvements.

Table 9 - Peak Hour Intersection Level of Service (LOS), 2013 Current Mall Conditions with Improvements

Peak Hour Intersection Level-of-Service (LOS)	AM Peak Hour			PM Peak Hour		
	LOS	Delay (sec)	v/c	LOS	Delay (sec)	v/c
US 278 Business at Mall Access, Unsignalized						
US 278 Bus. Off-Island bound Left-Turn	C	15.8	0.11	D	29.9	0.48
Mall Access (Southbound) Approach	C	24.4	0.15	F	>180.0	>1.50
US 278 Business at Mall Blvd, Signalized						
Overall Intersection	A	4.3	-	B	12.9	-
US 278 Bus. Off-Island bound Approach	A	2.8	-	A	9.9	-
Off-Island bound Left-Turn – Dual Left*	E	68.2	0.13	E	74.1	0.49
US 278 Bus. On-Island bound Approach	A	4.4	-	B	11.7	-
Mall Blvd (Southbound) Approach	C	34.6	-	D	35.3	-
Southbound Left-Turn – Dual Left*	E	67.7	0.11	E	75.5	0.54
US 278 Business at Shelter Cove Ln, Unsignalized						
US 278 Bus. Off-Island bound Left-Turn	C	17.4	0.21	C	22.8	0.29
Shelter Cove Ln (Southbound) Approach	D	31.6	0.38	F	>180.0	>1.50
Mall Blvd at Shelter Cove Ln, Unsignalized						
Shelter Cove Ln (Westbound) Left-Turn	A	1.8	0.01	A	1.8	0.00
Mall Blvd (Northbound) Approach	A	9.1	0.06	B	10.9	0.25

*- Identified Improvement

As shown in Table 9, the addition of a left-turn lane, creating dual lefts, is not expected to improve LOS for the left-turn movements at the intersection of US 278 Business at Mall Boulevard. Again, this is due to the cycle lengths used for traffic signal coordination. As discussed later in this study, dual lefts are expected to reduce queuing. It should be noted that by adding the turn lanes, the intersection would no longer operate as a “scissor” intersection and would operate as a full signalized intersection.

At the intersections of US 278 Business at Mall Access and US 278 Business at Shelter Cove Lane improvements were considered such as adding turn lanes and installing a traffic signal. However, these improvements were not evaluated as the addition of turn lanes, without signalization, would not improve LOS for the side street approaches. The installation of traffic signal is expected to improve LOS for the side streets, however, it will introduce delay for the currently free-flowing through movements on US 278 Business. For these reasons, the addition of turn lanes and traffic signals were not considered viable forms of mitigation at the intersections of US 278 Business at Mall Access and US 278 Business at Shelter Cove Lane for this study.

PROPOSED REDEVELOPMENT

Shelter Cove Mall, in its current state, consists of approximately 272,357 square feet of commercial retail space and is leased to approximately 41% occupancy. The proposed redevelopment of the mall will consist of approximately 295,000 square feet of commercial retail space, including outparcels, and 210 multi-family residential dwelling units. The redevelopment will also relocate a portion of Shelter Cove Lane, moving it away from Broad Creek and bringing it closer to the mall, as well as relocating/reconfiguring a portion of Shelter Cove Community Park. For the purposes of this study, the community park will be considered as a new 5.1-acre development.

The redeveloped mall area will continue to have full movement access on US 278 Business via Mall Boulevard and the existing Mall Access. The mall area will also have a new right-in/right-out driveway on US 278 Business. The redeveloped mall area can also be accessed via Shelter Cove Lane on the off-island side of the mall. However, due to the long distance from the mall along a slower speed roadway, it is expected that this route will not be frequently used for mall access. Figure 8 shows the site plan of the proposed development.

Trip Generation

Trip generation for the redeveloped mall at 100% occupancy, the multi-family residential and the community park were prepared using the *ITE Trip Generation Manual, 8th Edition*. ITE Land Use 820, Shopping Center, ITE Land Use 220, Apartment and ITE Land Use 412, County Park, were used for the redeveloped mall, residential units and community park, respectively. Trip generation for a development can potentially be reduced by applying a pass-by trip reduction for retail generated traffic. Pass-by trips are trips to retail developments by vehicles that are already traveling on the adjacent roadway network. These pass-by trips represent new to the site driveways, but do not represent new trips on the adjacent roads. Also, a mixed-use reduction for a development with more than one type of land use can be applied. Pass-by trip reduction was applied to the mall generated traffic. Mixed-use reduction is applicable to the site as it contains the redeveloped mall and residential units. Tables 10 and 11 provide trip generation for the redeveloped mall area. The trip generation for the redeveloped mall is adjusted for the 41% current occupancy.

REVISED

An additional 30 apartment units have been included in the trip generation step as of June 2014. The same land use code 220 was used to estimate the trips generated by these apartments. Additionally, the same mixed-use internal capture rate of 7.5% was used to reduce overall entering and exiting vehicles at the access points to US 278 from the site.

Figure 8: Site Plan

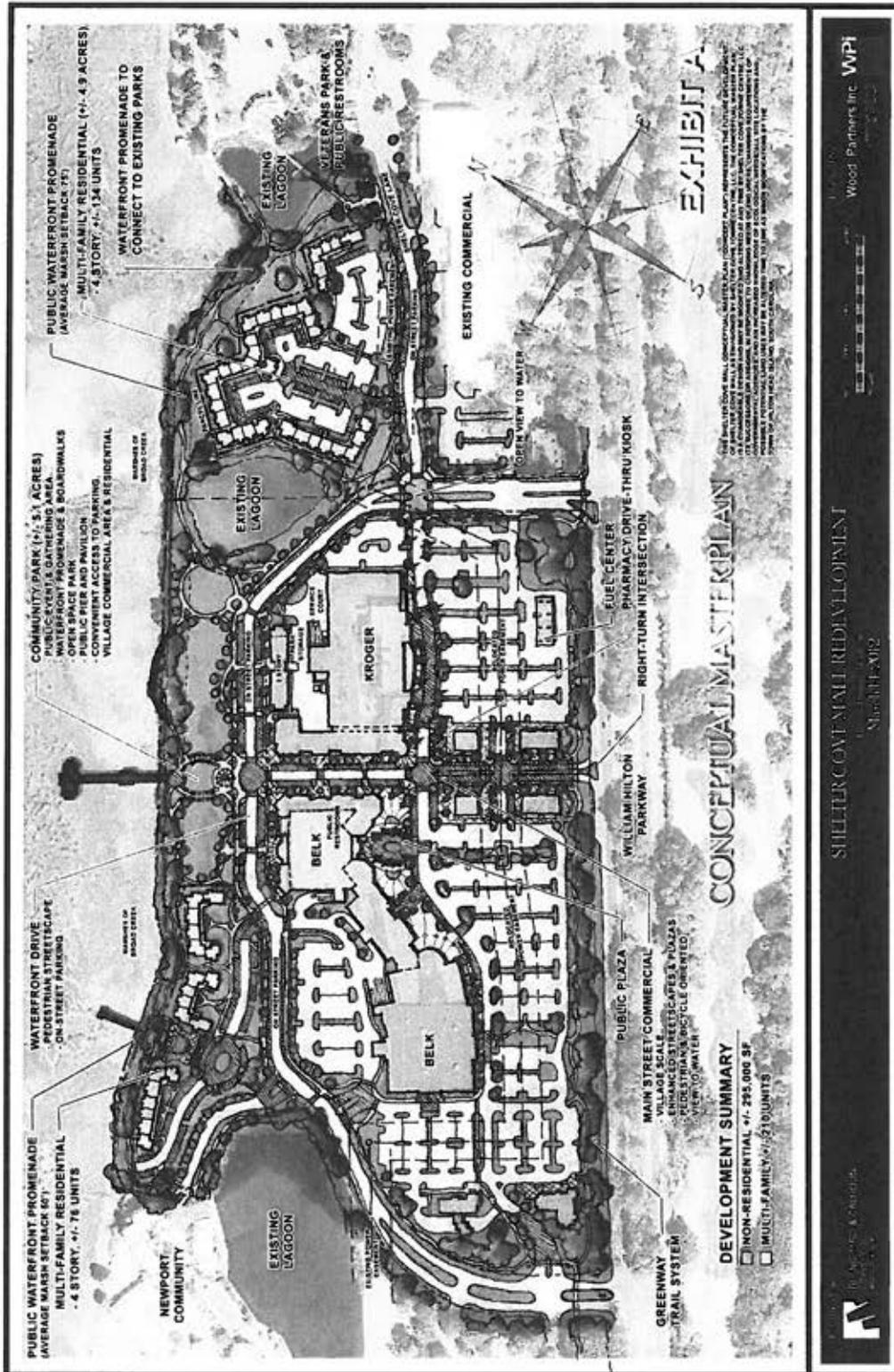


Table 10 - Redeveloped Shelter Cove Mall Weekday Daily Trip Generation, 100% Occupancy

ITE Trip Generation			Daily		
Land Use Code	Trip Type	Unit	Total Trips	Enter	Exit
820 Shopping Center	ITE New Trips	295,000 sf (100%)	13,720	6,860	6,860
	ITE New Trips	111,920 sf (41%)	-7,306	-3,653	-3,653
	Net Trips Added	-	6,414	3,207	3,207
	Pass-by*	34%	-2,180	-1,090	-1,090
	Mixed-use**	-	-110	-55	-55
	Net New Trips	-	4,124	2,062	2,062
220 Apartment	ITE New Trips	210 units	1,396	698	698
	Mixed-use**	-	-110	-55	-55
	Net New Trips	-	1,286	643	643
412 County Park	ITE/Net New Trips	5.1 Acres	12	6	6
TOTAL NET NEW TRIPS		-	5,422	2,711	2,711

* - Pass-by reduction rates from ITE recommended practice

** - Mixed-use reduction from ITE recommended practice between retail and residential uses

REVISED

Table 10a – Redeveloped Shelter Cove Mall Weekday Daily Trip Generation, Additional 30 Units

ITE Trip Generation			Daily		
Land Use Code	Trip Type	Unit	Total Trips	Enter	Exit
220 Apartment	ITE New Trips	30 Units	305	152	153
	Mixed Use **	-	-23	-11	-12
	Net New Trips	-	282	141	141
Total Net New Trips (All Land Uses)		-	5,704	2,852	2,852

** - Mixed-use reduction from ITE recommended practice between retail and residential uses

Table 11 - Redeveloped Shelter Cove Mall Weekday AM and PM Peak Hour Trip Generation, 100% Occupancy

ITE Trip Generation			AM Peak Hour			PM Peak Hour			
Land Use Code	Trip Type	Unit	Total Trips	Enter	Exit	Total Trips	Enter	Exit	
820 Shopping Center	ITE New Trips	295,000 sf (100%)	292	178	114	1,314	644	670	
	ITE New Trips	111,920 sf (41%)	-165	-100	-65	-686	-336	-350	
	Net Trips Added	-	127	78	49	628	308	320	
	Pass-by*	34%	-42	-21	-21	-214	-107	-107	
	Mixed-use**	-	-8	-7	-1	-10	-3	-7	
	Net New Trips	-	77	50	27	404	198	206	
220 Apartment	ITE New Trips	210 units	107	21	86	133	87	46	
	Mixed-use**	-	-8	-1	-7	-10	-7	-3	
	Net New Trips	-	99	20	79	123	80	43	
412 County Park	ITE/Net New Trips	5.1 Acres	3	2	1	3	1	2	
TOTAL NET NEW TRIPS			-	179	72	107	530	279	251

* - Pass-by reduction rates from ITE recommended practice

** - Mixed-use reduction from ITE recommended practice between retail and residential uses

REVISED

Table 11a – Redeveloped Shelter Cove Mall Weekday AM and PM Peak Hour Trips, Additional 30 Units

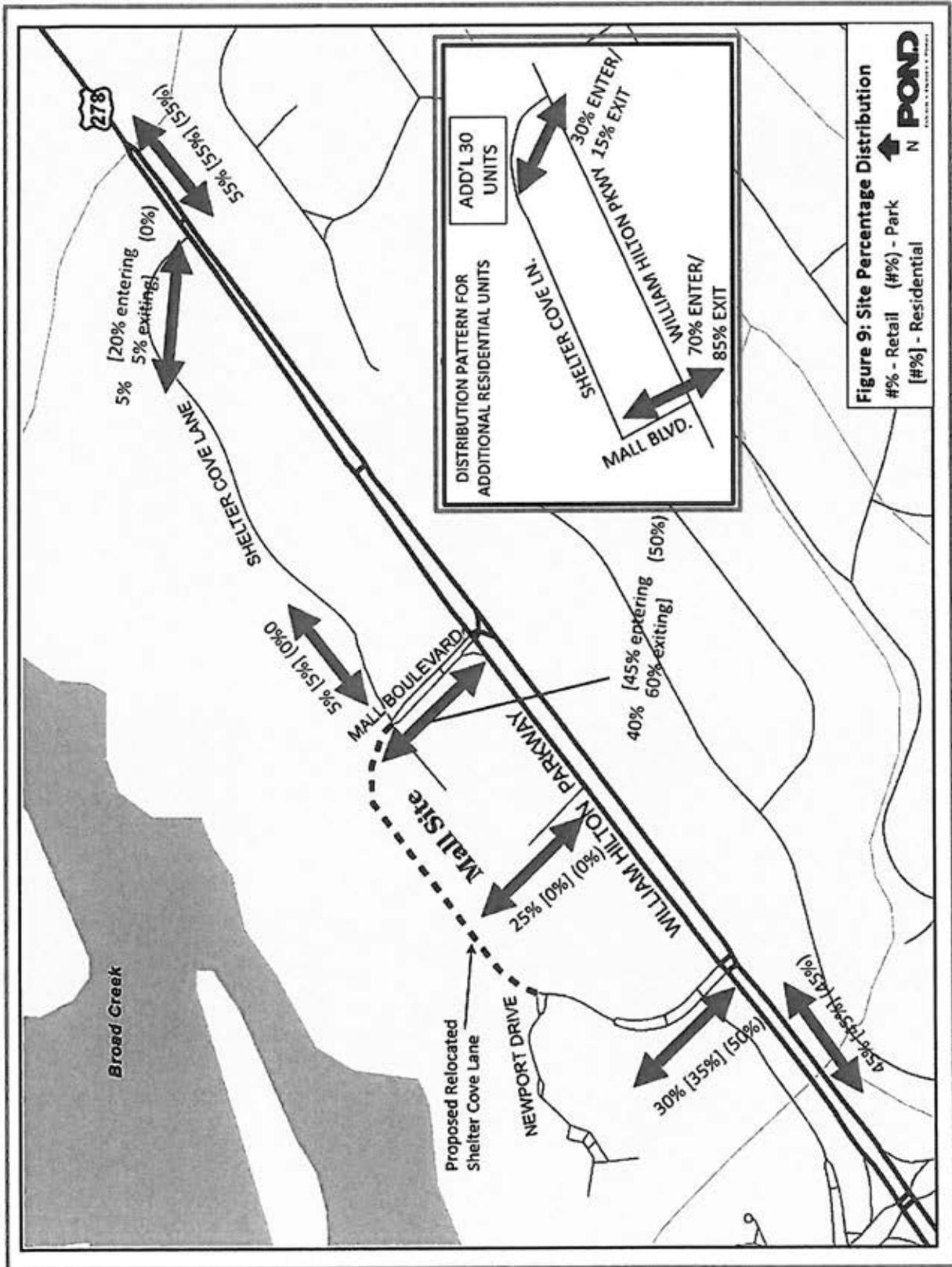
ITE Trip Generation			AM Peak Hour			PM Peak Hour		
Land Use Code	Trip Type	Unit	Total Trips	Enter	Exit	Total Trips	Enter	Exit
220 Apartment	ITE New Trips	30 Units	18	4	14	34	22	12
	Mixed Use **	-	-1	0	-1	-3	-2	-1
	Net New Trips	-	17	4	13	31	20	11
Total Net New Trips (All Land Uses)			-	196	76	120	299	262

** - Mixed-use reduction from ITE recommended practice between retail and residential uses

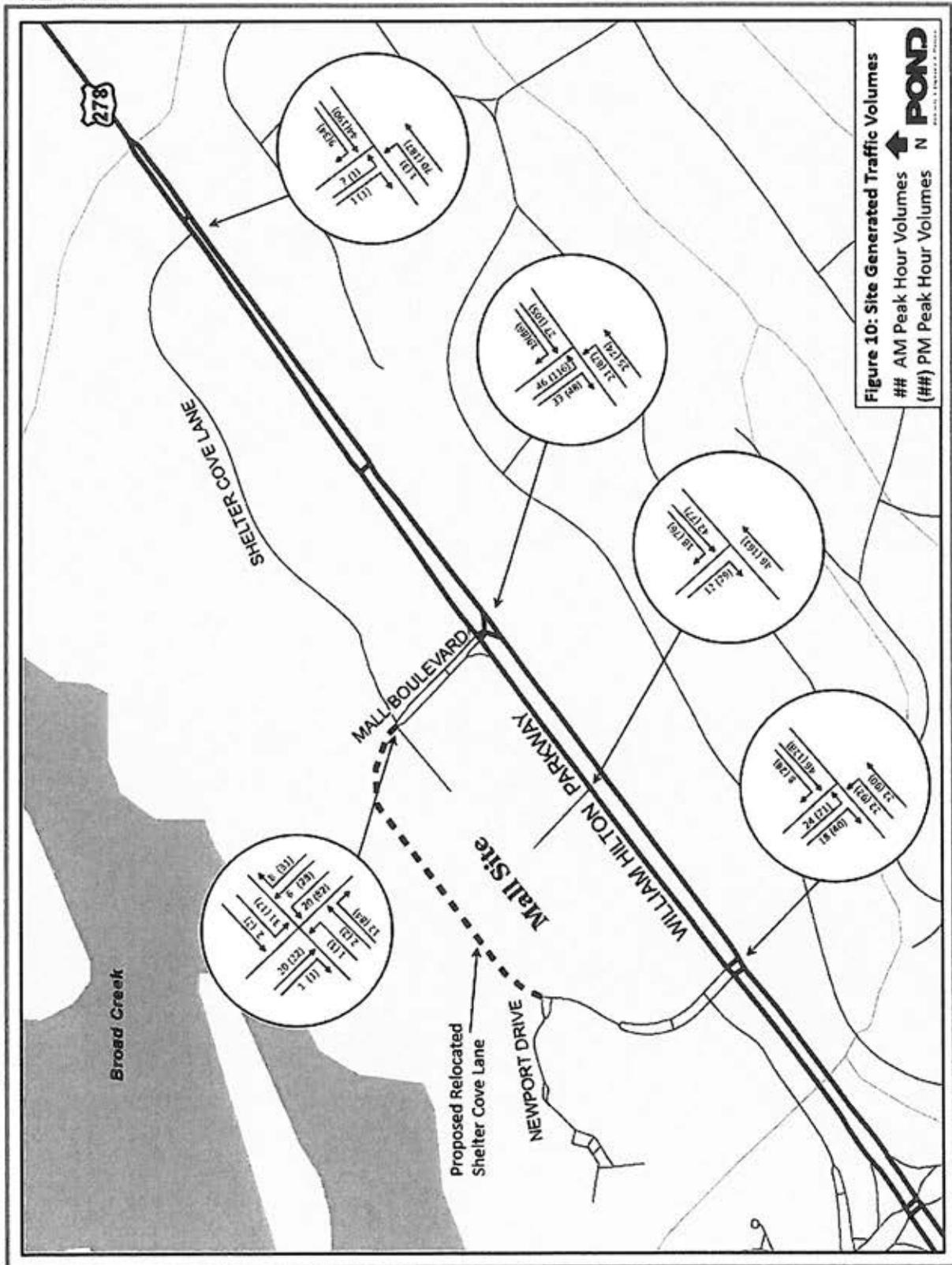
Trip Distribution

The trip distribution for the redeveloped mall area is based on existing trip patterns in the study area. The percentage trip distribution is shown in Figure 9. The site generated traffic for the redeveloped mall area shown in Table 11 and 11a was distributed to the roadway network based on these distributions. The site generated traffic volumes are shown in Figure 10.

REVISED



REVISED



REDEVELOPED MALL TRAFFIC OPERATING CONDITIONS

The Redeveloped Mall condition consists of the proposed redevelopment of the mall consisting of approximately 295,000 square feet of commercial retail space, 240 multi-family residential dwelling units and a 5.1-acre community park. The Redeveloped Mall condition also includes the approved but as yet un-built developments of restaurants and bank on the former Cracker Barrel site and occupancy of the Lifespan Building.

Redeveloped Mall Traffic Volumes

The year 2014 Redeveloped Mall peak hour traffic volumes were developed by adding the year 2014 base traffic volumes (shown in Figure 4), the site generated traffic (shown in Figure 10), and the traffic generated by approved but as yet un-built background developments (shown in Figure 5). The Redeveloped Mall peak hour traffic volumes are shown in Figure 11.

Redeveloped Mall Capacity Analysis

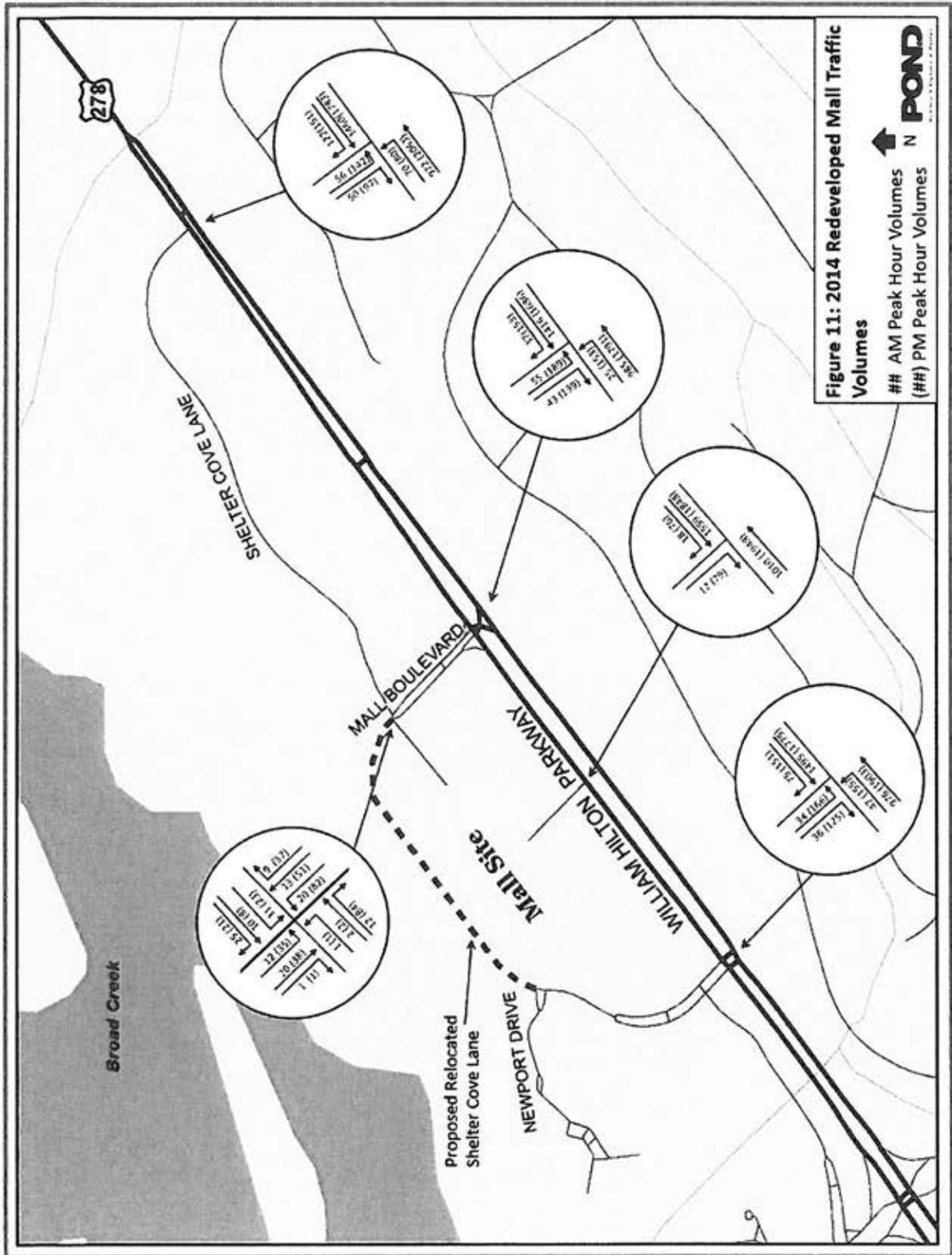
Capacity analyses were performed using the year 2014 Redeveloped Mall peak hour traffic volumes and the results of the capacity analyses are shown in Table 12. These results reflect conditions with the Mall redevelopment but without any roadway or operational improvements.

REVISED

Table 12 - Peak Hour Intersection Level of Service (LOS), 2014 Redeveloped Mall Conditions

Peak Hour Intersection Level-of-Service (LOS)	AM Peak Hour			PM Peak Hour		
	LOS	Delay (sec)	v/c	LOS	Delay (sec)	v/c
US 278 Business at Mall Access, Unsignalized						
US 278 Bus. Off-Island bound Left-Turn	C	16.9	0.14	E	45.0	0.68
Mall Access (Southbound) Approach	D	30.1	0.27	F	>180.0	>1.50
US 278 Business at Mall Blvd, Signalized						
Overall Intersection	A	7.1	-	C	22.0	-
US 278 Bus. Off-Island bound Left-Turn	E	70.7	0.24	F	92.3	0.78
US 278 Bus. On-Island bound Approach	A	6.9	-	C	23.4	-
Mall Blvd (Southbound) Approach	D	41.3	-	D	51.1	-
Southbound Left-Turn	E	73.9	0.43	F	88.7	0.80
US 278 Business at Shelter Cove Ln, Unsignalized						
US 278 Bus. Off-Island bound Left-Turn	C	18.1	0.22	D	27.2	0.35
Shelter Cove Ln (Southbound) Approach	F	51.7	0.62	F	>180.0	>1.50
Mall Blvd at Shelter Cove Ln, Unsignalized						
Mall Blvd (Northbound) Left-Turn	A	7.3	0.01	A	7.5	0.06
Shelter Cove Ln (Southbound) Left-Turn	A	7.3	0.01	A	7.5	0.03
Kroger Access (Eastbound) Approach	A	8.7	0.01	A	9.0	0.04
Shelter Cove Ln (Westbound) Approach	A	9.2	0.04	B	12.7	0.05
New Mall Right-in/Right-out Driveway						
Mall Driveway (Southbound) Approach	B	12.5	0.03	B	11.6	0.14

REVISED



As shown in Table 12, the Mall Access approach at the intersection of US 278 Business at Mall Access is expected to operate with undesirable Level of Service (LOS) F in the p.m. peak hour, which is similar to the LOS for the Current Mall operating conditions. The Shelter Cove Lane approach at the intersection of US 278 Business at Shelter Cove Lane is also expected to operate at undesirable LOS E or F in the a.m. and p.m. peak hours. The new Mall right-in/right-out driveway is expected to operate with acceptable Level of Service.

Again similar to Current Mall operating conditions, the intersection of US 278 Business at Mall Boulevard, the US 278 Business off-island left-turn and the Mall Boulevard southbound left-turn movements are expected to operate at undesirable LOS E in both a.m. and p.m. peak hours. As previously discussed, this is in part due to the cycle lengths of 150 seconds and 160 seconds currently being used in the a.m. and p.m. peaks, respectively for traffic signal coordination along the US 278 Business corridor. Using a shorter cycle length is expected to improve Level of Service for the side street, however it will introduce additional delays for through traffic on US 278 Business. Improvements, if feasible, were considered at the study intersections to improve the Level of Service. Table 13 shows the results of the capacity analyses with the identified improvements.

REVISED

Table 13 - Peak Hour Intersection Level of Service (LOS), 2014 Redeveloped Mall Conditions with Improvements

Peak Hour Intersection Level-of-Service (LOS)	AM Peak Hour			PM Peak Hour		
	LOS	Delay (sec)	v/c	LOS	Delay (sec)	v/c
US 278 Business at Mall Access, Unsignalized						
US 278 Bus. Off-Island bound Left-Turn	C	16.9	0.14	E	45.0	0.68
Mall Access (Southbound) Approach	D	30.1	0.28	F	>180.0	>1.50
US 278 Business at Mall Blvd, Signalized						
Overall Intersection	A	5.8	-	B	15.5	-
US 278 Bus. Off-Island bound Approach	A	3.4	-	B	11.4	-
Off-Island bound Left-Turn – Dual Left*	E	68.2	0.14	E	74.4	0.52
US 278 Bus. On-Island bound Approach	A	5.2	-	B	14.8	-
Mall Blvd (Southbound) Approach	D	38.7	-	D	43.4	-
Southbound Left-Turn – Dual Left*	E	69.2	0.27	E	75.3	0.59
US 278 Business at Shelter Cove Ln, Unsignalized						
US 278 Bus. Off-Island bound Left-Turn	C	18.1	0.22	D	27.2	0.35
Shelter Cove Ln (Southbound) Approach	E	36.2	0.45	F	>180.0	>1.50
Mall Blvd at Shelter Cove Ln, Unsignalized						
Mall Blvd (Northbound) Left-Turn	A	7.3	0.01	A	7.5	0.06
Shelter Cove Ln (Southbound) Left-Turn	A	7.3	0.01	A	7.5	0.03
Kroger Access (Eastbound) Approach	A	8.7	0.01	A	9.0	0.09
Shelter Cove Ln (Westbound) Approach	A	9.2	0.04	B	11.1	0.04
New Mall Right-in/Right-out Driveway						
Mall Driveway (Southbound) Approach	B	13.0	0.03	B	10.8	0.12

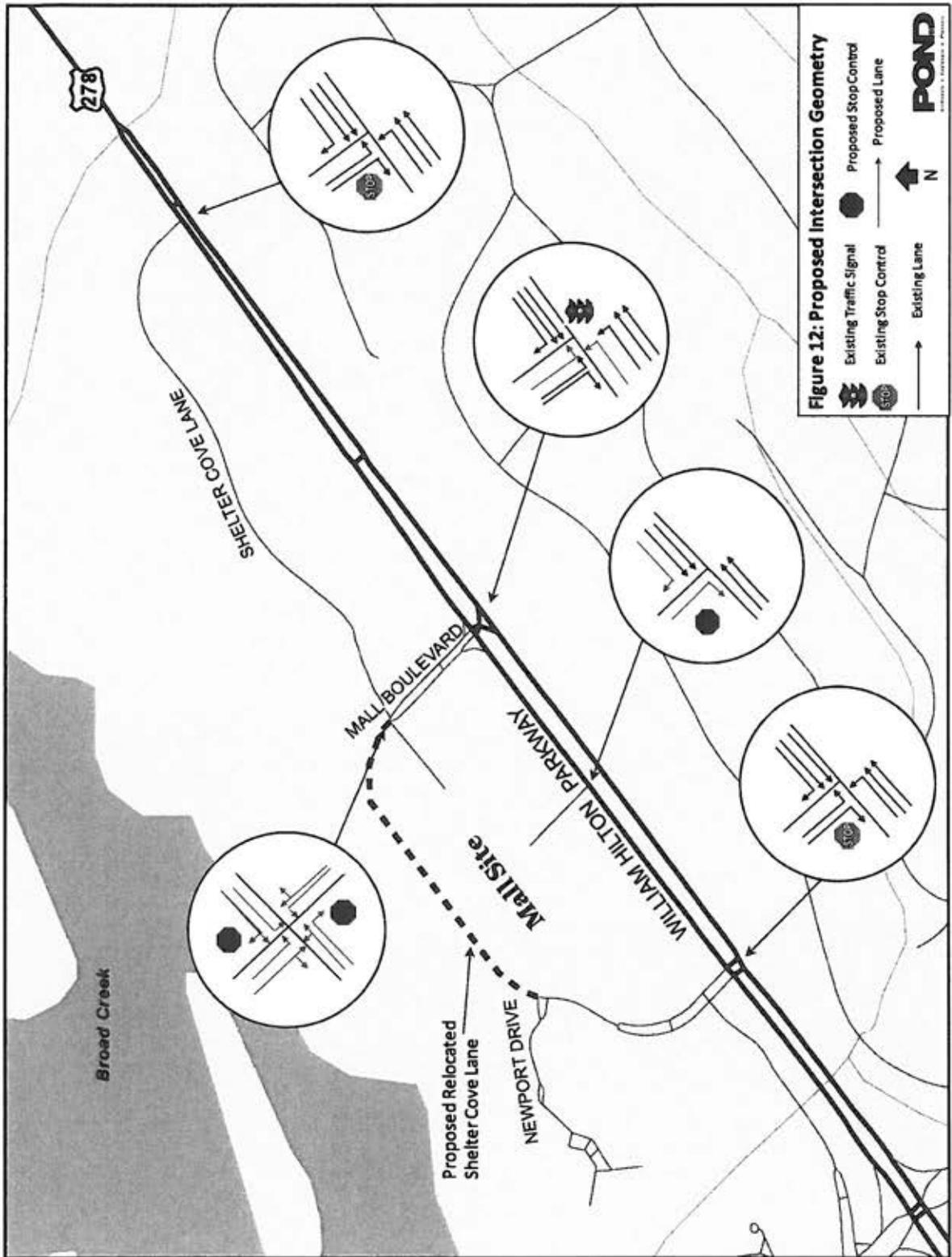
*- Identified Improvement

As shown in Table 13, the addition of a left-turn lane, creating dual lefts, is not expected to improve LOS for the left-turn movements at the intersection of US 278 Business at Mall Boulevard, which is similar to the Current Mall operation conditions. Again, this is due to the cycle lengths used for traffic signal coordination. As discussed later in this study, dual lefts are expected to reduce queuing. It should be noted that by adding the turn lanes, the intersection would no longer operate as a “scissor” intersection and would operate as a full signalized intersection.

Again similar to Current Mall operating conditions, at the intersections of US 278 Business at Mall Access and US 278 Business at Shelter Cove Lane improvements were considered such as adding turn lanes and installing a traffic signal. However, these improvements were not evaluated as the addition of turn lanes, without signalization, would not improve LOS for the side street approaches. The installation of a traffic signal is expected to improve LOS for the

side streets, however, it will introduce delay for the currently free-flowing through movements on US 278 Business. For these reasons again, the addition of turn lanes and traffic signals were not considered viable forms of mitigation at the intersections of US 278 Business at Mall Access and US 278 Business at Shelter Cove Lane for this study.

Figure 12 shows the proposed intersection geometry and traffic control at the study intersections.



TRAFFIC OPERATIONAL ISSUES

In discussions with Town Staff, several traffic operational issues were to be addressed as part of this study as follows:

1. Intersection Operations - LOS, Delay and v/c ratios – Level of Service (LOS), Delay and v/c ratios are provided in Tables 8 and 9 for the Current Mall conditions and in Tables 12 and 13 for the Redeveloped Mall conditions. These are discussed in detail together with improvements to address the undesirable Level of Service.

2. Need for dual lefts at US 278 Business/Mall Boulevard intersection and impacts related to that (queuing) considering the presence of an existing internal intersection between this location and the internal Mall Boulevard/Shelter Cove Lane intersection - As noted in the analysis for the addition of the two dual left-turns at the intersection of US 278 Business at Mall Boulevard does not significantly improve the Level Service, however, the queues for these movements are significantly reduced as shown in Tables 14 and 15.

Table 14 - Peak Hour Queue Length Comparison, 2013 Conditions – Current Mall

Queue Length Intersection	AM Peak Hour		PM Peak Hour	
	w/o Imp	w/ Imp	w/o Imp	w/ Imp
US 278 Business at Mall Blvd, Signalized				
US 278 Bus. Off-Island bound Left-Turn	56 feet	28 feet	227 feet	112 feet
Mall Blvd Southbound Left-Turn	54 feet	27 feet	250 feet	126 feet

REVISED

Table 15 - Peak Hour Queue Length Comparison, 2014 Conditions – Proposed Mall

Queue Length Intersection	AM Peak Hour		PM Peak Hour	
	w/o Imp	w/ Imp	w/o Imp	w/ Imp
US 278 Business at Mall Blvd, Signalized				
US 278 Bus. Off-Island bound Left-Turn	59 feet	30 feet	276 feet	124 feet
Mall Blvd Southbound Left-Turn	107 feet	55 feet	315 feet	148 feet

Please note: The changes due to revision from 2013 to 2014 Proposed Mall Conditions result in changes in queuing length of less than 10% percent for all conditions except the AM Peak hour for the Mall Blvd. southbound left turn. This is expected to see a 12% increase in queue length versus the values in the 2012 analysis. However, the results indicated below remain the same.

As shown, the queue lengths are expected to be halved with the improvements added. It should be noted that on Mall Boulevard there is an existing internal intersection approximately 200 feet from the US 278 Business intersection. As shown for both the Current Mall and Redeveloped Mall conditions, without improvements the queue lengths are expected to exceed this distance causing blocking for northbound left-turn traffic on Mall Boulevard at this internal

intersection. However, with the southbound dual-left improvement, the queues are expected not to exceed 200 feet and, therefore blocking is not anticipated.

Also shown is that the queues for the US 278 Off-Island left-turn movement is also expected to be halved with the improvements. This movement is currently a two-lane approach with a 30 ft second lane which effectively operates as a one-lane approach. By increasing the second lane to approximately 150 feet, this movement is expected to operate efficiently as a two-lane approach.

3. Performance of and/or need to improve the auxiliary acceleration lane in the median of US 278 Business east of Mall Boulevard – This auxiliary lane serves as an acceleration lane for left-turn traffic coming from Mall Boulevard through the ‘scissor’ intersection and merging with the US 278 Business Off-Island through traffic. Based on the recommended improvements in this study, the ‘scissor’ intersection is to be replaced with a full signalized intersection thereby removing the need for the auxiliary lane.

4. Queuing impacts at Mall Boulevard/Shelter Cove Lane and recommendation for intersection operational control (i.e. all way stop, side street stop, roundabout, signal, etc.) considering the presence of an existing internal intersection between this location and the internal Mall Boulevard/Shelter Cove Lane intersection – The Mall Boulevard/Shelter Cove Lane intersection is currently a “T” intersection with Shelter Cove Lane forming the major east-west street and Mall Boulevard forming the side street southern leg. As part of the redevelopment of the Mall, this intersection will be reconfigured to a four-leg intersection with Shelter Cove Lane forming the northern and eastern legs, Mall Boulevard forming the southern leg and the Kroger access forming the western leg.

Due to the potential queuing on Mall Boulevard northbound which could block the internal intersection, it was deemed appropriate to keep the north-south movement free flowing with stop control for the east-west movement. Therefore, all-way stop control and traffic signal were not considered appropriate and side street stop control is the recommended traffic control for this intersection. As shown in the capacity analysis, all movements are expected to operate at LOS B or better in both the a.m. and p.m. peak hours. Also, the queues on Mall Boulevard are not expected to block the internal intersection. The proposed intersection geometry is shown in Figure 12.

A roundabout was also considered. Capacity analysis shows that the roundabout is expected to operate with LOS A in both peak hours and maximum v/c ratio of 0.05 and 0.11, respectively in the a.m. and p.m. peak hours, respectively. As an alternate recommendation, a roundabout could be installed at the Mall Boulevard/Shelter Cove Lane intersection.

NOTE

Please note: The internal intersection analysis above is a result of year 2013 analysis and was not revised. The good operational results above are not likely to be effected by the small change in generated traffic.

5. Recommend auxiliary lane design on US 278 Business to serve the three direct access points proposed to serve the redeveloped Shelter Cove Mall – Shelter Cove Mall currently has two direct access points on US 278 Business: one at Mall Access and the other at Mall Boulevard. Both of these access points have left-turn and right-turn auxiliary lanes which meet or exceed the auxiliary lane design guidelines contained in SCDOT's *Access and Roadside Management Standards (ARMS), 2008 Edition*. Based on the recommended improvements in this study, improvements are not proposed at the US 278 Business/Mall Access intersection, therefore auxiliary lane modifications are not required. At the US 278 Business/Mall Boulevard intersection, modifications to the US 278 Business Off-Island left-turn movement are proposed by increasing the second auxiliary lane to 150 feet to enable it to be effectively utilized. Modifications to US 278 Business On-Island right-turn auxiliary lane are not proposed.

As part of the redevelopment of the Mall, a new right-in/right-out access will be added on US 278 Business. The design of the right-turn auxiliary lane will be based on the guidelines contained in ARMS. Based on assumptions contained in this study, the storage length for the auxiliary deceleration lane is calculated to be 100 feet plus 180 feet taper length. A deceleration lane of this length will overlap with the existing acceleration lane for vehicles traveling on-island from the US 278 Bus. at Mall Boulevard intersection. If the Mall Boulevard acceleration lane remains and the right in-right out driveway deceleration lane is constructed as recommended, a weaving area will occur. A weaving analysis was performed using Highway Capacity Software which indicates this weaving area will operate at LOS B in the AM peak hour and LOS C in the PM peak hour. This results in acceptable operations overall. However, removal of the right turn acceleration lane onto US 278 Business at Mall Boulevard would not result in a significant decrease in intersection LOS. Therefore, retaining or removal of the acceleration lane would result in acceptable operations. Since the town has found acceleration lanes to be useful for the flow of traffic onto US 278 Business, the free flow right turn has been included in the traffic analysis results presented.

The right-in and right-out intersection operates at acceptable LOS during the AM and PM peak hours. The downstream intersection is of sufficient distance that construction of an acceleration lane for traffic exiting the right in-right out driveway onto US 278 Business would not create a weaving area. The town has found acceleration lanes to be useful to facilitate traffic flow onto US 278. Therefore, the free flow right turn lane at this intersection has been included in the traffic analysis results presented.

NOTE

Please note: The right-in and right-out intersection and acceleration lane weaving analysis above is a result of year 2013 analysis and was not revised. The good operational results above are not likely to be effected by the small change in generated traffic for year 2014.

6. Recommend location of a pedestrian crossing on US 278 Business to serve the redeveloped Shelter Cove Mall – There are currently two unsignalized pedestrian crossings in the study area: one at the private driveway on US 278 Business approximately 1,000 feet on the Off-Island side

from Mall Boulevard; and the other is at the intersection of US 278 Business at Shelter Cove Lane approximately 2,400 feet on the Off-Island side from Mall Boulevard.

Based on the recommended improvements in this study, the ‘scissor’ intersection at US 278 Business at Mall Boulevard is to be replaced with a full signalized intersection. With the conversion to full traffic control, the recommended pedestrian crossing location is across the US 278 Business Off-Island approach to the intersection. It is also recommended to include a pedestrian crossing across the Mall Boulevard approach to assist pedestrians on the Mall side of US 278 Business.

CONCLUSIONS AND RECOMMENDATIONS

Comparison of Current Mall and Redeveloped Mall Conditions

Tables 16 and 17 show the comparison of the year 2013 Level of Service conditions for the Current Mall (with 100% occupancy) and the Redeveloped Mall without and with improvements, respectively.

Table 16 - Peak Hour Intersection Level of Service (LOS) Comparison, 2013 & 2014 Conditions without Improvements

Peak Hour Intersection Level-of-Service (LOS)	AM Peak Hour		PM Peak Hour		2014 Redev. Cond.	
	Current	Redeveloped	Current	Redeveloped	AM	PM
REVISÉD						
US 278 Business at Mall Access, Unsignalized						
US 278 Bus. Off-Island bound Left-Turn	C	C	D	E	C	E
Mall Access (Southbound) Approach	C	D	F	F	D	F
US 278 Business at Mall Blvd, Signalized						
US 278 Bus. Off-Island bound Left-Turn	E	E	F	F	E	F
US 278 Bus. On-Island bound Approach	A	A	B	C	A	C
Mall Blvd (Southbound) Approach	D	D	D	D	D	D
(Southbound) Left-Turn	E	E	F	F	E	F
US 278 Business at Shelter Cove Ln, Unsignalized						
US 278 Bus. Off-Island bound Left-Turn	C	C	C	D	C	D
Shelter Cove Ln (Southbound) Approach	E	E	F	F	F	F
Mall Blvd at Shelter Cove Ln, Unsignalized						
Shelter Cove Ln (Westbound) Left-Turn	A	-	A	-	-	-
Mall Blvd (Northbound) Approach	A	-	B	-	-	-
Mall Blvd (Northbound) Left-Turn	-	A	-	A	-	-
Shelter Cove Ln (Southbound) Left-Turn	-	A	-	A	-	-
Kroger Access (Eastbound) Approach	-	A	-	A	-	-
Shelter Cove Ln (Westbound) Approach	-	A	-	B	-	-
New Mall Right-in/Right-out Driveway						
Mall Driveway (Southbound) Approach	-	B	-	B	-	-

Table 17 - Peak Hour Intersection Level of Service (LOS) Comparison, 2013 & 2014 Conditions with Improvements

Peak Hour Intersection Level-of-Service (LOS)	AM Peak Hour		PM Peak Hour		2014 Redev. Cond.	
	Current	Redeveloped	Current	Redeveloped	AM	PM
US 278 Business at Mall Access, Unsignalized						
US 278 Bus. Off-Island bound Left-Turn	C	C	D	E	C	E
Mall Access (Southbound) Approach	C	D	F	F	D	F
US 278 Business at Mall Blvd, Signalized						
Overall Intersection	A	A	B	B	A	B
US 278 Bus. Off-Island bound Approach	A	A	A	B	A	B
Off-Island bound Left-Turn – Dual Left*	E	E	E	E	E	E
US 278 Bus. On-Island bound Approach	A	A	B	B	A	B
Mall Blvd (Southbound) Approach	C	D	D	D	D	D
Southbound Left-Turn – Dual Left*	E	E	E	E	E	E
US 278 Business at Shelter Cove Ln, Unsignalized						
US 278 Bus. Off-Island Left-Turn	C	C	C	D	C	D
Shelter Cove Ln (Southbound) Approach	D	D	F	F	E	F
Mall Blvd at Shelter Cove Ln, Unsignalized						
Shelter Cove Ln (Westbound) Left-Turn	A	-	A	-	-	-
Mall Blvd Approach	A	-	B	-	-	-
Mall Blvd (Northbound) Left-Turn	-	A	-	A	-	-
Shelter Cove Ln (Southbound) Left-Turn	-	A	-	A	-	-
Kroger Access (Eastbound) Approach	-	A	-	A	-	-
Shelter Cove Ln (Westbound) Approach	-	A	-	B	-	-
New Mall Right-in/Right-out Driveway						
Mall Driveway (Southbound) Approach	-	B	-	B	-	-

*- Identified Improvement

As shown in Tables 16 and 17, the results of the comparison indicate that Level of Service under the Redeveloped Mall condition are not significantly different from the Current Mall condition. The identified improvements of adding dual left-turns on the US 278 Business Off-Island and southbound Mall Boulevard approaches at the intersection of US 278 Business at Mall Boulevard are applicable to both conditions and additional improvements for the Redeveloped Mall condition are not required.

Recommendations

Based on the analysis conducted for the redevelopment of Shelter Cove Mall, it is recommended that:

- At the intersection of US 278 Business at Mall Boulevard:
 - Extend the second US 278 Business Off-Island bound left-turn lane;
 - Add a second Mall Boulevard southbound left-turn lane; and
 - Add pedestrian crossing on On-Island side across US 278 Business and across Mall Boulevard.

- At the intersection of Mall Boulevard at Shelter Cove Lane:
 - Install side street stop control for the east-west movements;
 - Add left-turn lane and shared through/right-turn lane on Mall Boulevard northbound approach;
 - Add left-turn lane and shared through/right-turn lane on southbound and westbound Shelter Cove Lane approaches;
 - Add shared left-turn/through lane and right-turn lane on Kroger Access eastbound approach.
 - Retain the existing acceleration lane for southbound traffic exiting the development and connected to the deceleration lane for the right in-right out driveway (if desired by the City and approved by SCDOT).

- At the intersection of US 278 Business at new right-in/right-out driveway:
 - Add a right-turn lane with 100 feet storage length and 180 feet taper length on US 278 Business On-Island bound.
 - Add an acceleration lane for southbound traffic exiting the (if desired by the City and approved by SCDOT).

- At the intersection of US 278 Business at Shelter Cove Drive:
 - Add a southbound right-turn lane and channelization island

Conclusions

Based on the recommended improvements for the redevelopment of Shelter Cove Mall, it is anticipated that the roadway network in the study area will provide safe and efficient access to the Mall area. Also, it is noted that the identified improvements at the intersection of US 278 Business and Mall Boulevard are required if the current Mall were operating at 100% occupancy and that additional improvements are not required to mitigate for the redeveloped Mall.

NOTE

Please note, the recommendations indicated above remain the same as those provided in the June 2012 report with the addition of 30 residential units and adjustment of traffic to reflect year 2014 conditions, as indicated in the report.