



Town of Hilton Head Island
Special Planning Commission Meeting
Friday, June 8, 2012
9:00 a.m. Benjamin M. Racusin Council Chambers
AGENDA

As a Courtesy to Others Please Turn Off All Cell Phones and Pagers during the Meeting.

1. **Call to Order**
2. **Pledge of Allegiance to the Flag**
3. **Roll Call**
4. **Freedom of Information Act 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. **Approval of Agenda**
6. **Approval of Minutes - None**
7. **Appearance by Citizens on Items Unrelated to Today's Agenda**
8. **Unfinished Business**
9. **New Business**
Public Hearing
ZMA120006 - Shelter Cove Towne Centre, LLC has applied to amend the Official Zoning Map by amending the Palmetto Dunes Resort Master Plan to change the land uses and associated density permitted on the parcels, located at the Mall at Shelter Cove and a portion of the adjacent Shelter Cove Community Park parcel. The properties are identified on Beaufort County Tax Map 12B as parcel 26 and a portion of parcel 2 on Beaufort County Tax Map 12C. *Presented by: Heather Colin*

Public Hearing
PPR120003 – Application for Public Project Review from the Town of Hilton Head Island for pathways, a community park, and road modifications, including on street parking at the Mall at Shelter Cove and portions of Shelter Cove Lane at Shelter Cove Community Park.
Presented by: Heather Colin
10. **Commission Business**
11. **Chairman's Report**
12. **Committee Reports**
13. **Staff Reports**
14. **Adjournment**

Please note that a quorum of Town Council may result if four or more of their members attend this meeting.

*** Upcoming Planning Commission Meetings**

- a. Regular Planning Commission Meeting – Wednesday, June 20, 2012 at 3:00p.m.

* Please visit the Town's website for complete and up-to-date information on all meetings.



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:
ZMA#120006	The Mall at Shelter Cove	June 8, 2012

Parcel Data or Location:		Applicant/Agent
Parcel 26; Tax Map 12B 42.25 acres	Parcel 12; Tax Map 12C <i>(portion of)</i> Approximately 9.3 acres	
<p><u>Existing Zoning</u> PD-1; Palmetto Dunes Resort Master Plan Mall at Shelter Cove</p> <p><u>Existing Density</u> 314,000 square feet, of which 46,000 square feet is limited to cinema complex use</p> <p><u>Proposed Zoning</u> PD-1; Palmetto Dunes Resort Master Plan with land use designations of Multi Family Residential, Community Park and Commercial, excluding uses restricted by LMO 16-4-209, but permitting Liquor Stores and Gas Sales</p> <p><u>Proposed Density</u> 295,000 square feet of commercial density and 76 Multi-family dwelling units</p> <p><u>Applicable Overlay District</u> Corridor Overlay</p>	<p><u>Existing Zoning</u> PD-1; Palmetto Dunes Resort Master Plan Community Park</p> <p><u>Existing Density</u> 6,000 square feet per net acre of nonresidential density</p> <p><u>Proposed Zoning District</u> PD-1; Palmetto Dunes Resort Master Plan with a land use designation of Multi Family Residential and Community Park.</p> <p><u>Proposed Density</u> 134 Multi-family dwelling units</p> <p><u>Applicable Overlay District</u> Corridor Overlay</p>	<p><u>Applicant/Owner</u> Don Barnett Shelter Cove Towne Centre, LLC (Kroger)</p> <p><u>Agent</u> Mark Senn Blanchard & Calhoun</p>

Application Summary:

Don Barnett on behalf of Shelter Cove Towne Center has submitted a request to amend the Palmetto Dunes Master Plan to facilitate the development of a mixed use commercial development that includes general commercial uses, a grocery store with an associated fuel center, multi-family residential dwelling units (apartments), community park space, commercial kiosks and a liquor store to be included as part of the overall Shelter Cove Mall redevelopment.

Specifically the applicant seeks to amend the master plan by decreasing the total commercial density from 314,000 square feet (of which 46,000 square feet shall be limited to cinema complex and 268,000 square feet for 'Mall at Shelter Cove' and Community Service uses) to **295,000 square feet of general commercial uses, of which no more than 1,500 square feet can be used for up to 10 kiosks; and to add 210 multi-family dwelling units (134 units on parcel 12 and 76 units on parcel 26); and to add the uses of Community Park, Liquor Store and Gas Sales.**

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 Commission or Committee Recommendations:

- As a result of the discussions at the Town Council workshop on December 9-11, 2010, 'Shelter Cove Mall Redevelopment: Conceptual Plan Direction and Town's Role', was approved by resolution of Town Council on **December 21, 2010** as a High Priority Target for Action.
- Town Council discussed it again at their annual 2011 workshop, December 1-3, which resulted in it being approved through a resolution on **December 20, 2011** as a Top Priority Target for Action as part of the 'Shelter Cove Area Redevelopment: Determine Town's Role, and Approve a Plan.
- On **November 16, 2011** Mark Senn from Blanchard & Calhoun made a presentation on the conceptual redevelopment plans for the Mall to the Planning Commission who stated their support for the direction of the project.
- On **May 31, 2012**, Town Council held an informational meeting.

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 II, 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)

On July 7, 2009, Town Council approved the 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. This is the current zoning and master plan designation for the property.

When the mall was sold to the present owners, the developers, Blanchard & Calhoun began a dialogue with Town staff on their conceptual plans. Several different plans were drafted and discussed with the intention of drafting the best plan for the developer and the community. During this dialogue the idea of a possible land swap with the Town was discussed in order to provide a better public space, which highlighted the natural and environmental assets of Broad Creek and better integrated the commercial development and the public space. In order to accomplish this, the portion of the current Shelter Cove Community Park between the Veteran's Memorial and the Mall is requested to be assigned 134 multi-family dwelling units. This portion of the property is part of a larger piece that is zoned PD-1 with the designation of Community Park.

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. A portion of this property as shown in the attachments is proposed to be amended to include a designation of 134 multi-family dwelling units (apartments).

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

The applicant's narrative and application materials describe the planned developments and this particular property as being appropriate for a mix of uses. This application proposes just that, a mix of commercial uses, park and multi-family residential. They state that the original plans for the district and the Mall Parcel, designate the back portion of the property for 180 multi-family units.

The applicant states that this development will revitalize the mall by opening up views to the marsh, provide the community with apartments which are currently in a limited supply on the island, that would have views to the marsh and take advantage of the mixed use concept of close proximity to commercial and public open space. The mall will be redeveloped to an open air series of retail shops, offices, and multi-family dwelling units. The addition of a public park will create a significant, flexible, functional and usable open space which will provide a sense of place for the community.

Summary of Facts and Conclusions of Law:

Findings of Facts.

- Notice of the Application was published in the Island Packet on May 6, 2012 as set forth in LMO 16-3-110 and 16-3-111.
- Notice of the Application was posted 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 June 8, 2012 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, 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:

Natural Resources Element

Implications for the Comprehensive Plan 3.3 – Positive Impacts of Environmental Preservation on quality of life.

The preservation of natural resources includes thoughtful planning techniques and sustainable land-use practices. The Town needs to maintain healthy beaches and creeks, invest in well-planned green space and protect mature tree canopies in order to enhance and support mental and physical health, economic vitality and a high quality of life.

Goal 3.1 – Water Quality and Quantity

- B. The goal is to preserve all blueways (which includes salt marsh, freshwater wetlands, open canals, ditches and open water systems).

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 6.3 – Transportation Network

While the Island currently has an extensive pathway network, opportunities to improve pathway connections between destinations that provide additional recreational opportunities and promote alternative means of transportation on the Island should be considered.

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 6.3 – Transportation Network

- A. The goal is to provide a transportation network that includes opportunities for roadway, pathway, water-based and air-based transportation to and on the Island.
- D. The goal is to have a pathway network that provides for recreational opportunities as well as an alternative means of transportation to and on the Island.

Goal 6.4 – Town Acquired Property

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

Implementation Strategy 6.3 – Transportation Network

- C. Continue to expand the Island’s pathway network.

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 – Land Use Goals and Implementation Strategies

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 8.9 – Age of Structures

- B. The goal is to encourage redevelopment of properties with aging structures or that no longer meet current market demands.

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 8.9 - Age of Structures

- B. Develop flexible regulations and incentives to encourage redevelopment of aging structures and districts.

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...

Implications for the Comprehensive 9.4 - Pathway Network

While the Island currently has an extensive pathway network, opportunities to improve pathway connections between destinations that provide additional recreational opportunities and promote alternative means of transportation on the Island should be considered.

Implications for the Comprehensive 9.4 - Pathway Network

There may be potential benefits of linking private community pathways to destinations such as shopping and entertainment centers immediately adjacent to the PUDs via pathway connections or secondary access points. This could have the potential to reduce the number of automobile trips on Island roadways, reduce the parking area required to accommodate customers and integrate the PUDs and non PUD areas.

Goal 9.4 - Multi-Use Pathways

- A. The goal is to expand the pathway network to provide pedestrians, bicyclists, and other users of non-motorized transit with a safe and efficient infrastructure to connect residential and tourist areas to schools, parks, commercial areas, and potential off-Island connections.

Implementation Strategy 9.4 - Multi-Use Pathways

- A. 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 residential and commercial destinations:
 - ii. Identify areas for sidewalk or multi-use pathway locations which have significant commercial, recreational, resort, entertainment or other intense public use but do not have adequate pedestrian or bicycle access.

Recreation Element

Implications for the Comprehensive 10.5 – Inventory of Existing Facilities

All organizations and groups, including the Town, School District and private communities and developers should work together when developing park and recreation plans.

Goal 10.1 - Recreation Needs

- A. Continue to expand the public recreation system by providing adequate facilities to meet the needs of a broad spectrum of the Island population (including visitors) while maintaining sensitivity to the specific needs of the Island.

Goal 10.4 - Pathways

- A. Continue improving and expanding the existing network of multi-use pathways throughout the Island enabling residents and visitors to access recreational areas, shopping centers, schools and businesses by non-motorized forms of transportation.

Goal 10.2 Protection of Unique Features

- A. Acquire conservation and park lands as a means to preserve natural and cultural resources for educational, interpretive, and passive recreation uses.

Implementation Strategy 10.1 – Recreation Needs

- D. Include within the park system a combination of all park types and strive to achieve the park guidelines as stated in this element by providing the number of future parks needed based on population projections.

Implementation Strategy 10.2 – Protection of Unique Features

- B. Acquire properties located in areas of need for both passive and active uses, and for access points to waterways.

Conclusions:

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

- This rezoning will approve the land uses needed to relocate a portion of the Town's Shelter Cove Park, , which will result in longer frontage along Broad Creek and a reduction in the amount of impervious surface adjacent to the waterway, which will help improve water quality through the filtration of pollutants before they enter Broad Creek.
- 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.
- The approval of this rezoning will help to remove underperforming commercial space from the Island's market and help facilitate the redevelopment of the Mall into a pedestrian friendly mixed-use environment, which better meets market demands and encourages alternate forms of transportation.

- This rezoning contributes 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.
- The approval of this rezoning will facilitate the expansion of the Island's pathway system as part of the relocation of Shelter Cove Park , which will better link other neighboring residential and commercial areas to the development and provide additional recreation opportunities for Island residents and visitors.
- This rezoning takes into the consideration the special utility of Town-owned property by using a portion of the existing Shelter Cove 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 in 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 allowing the redevelopment of one of the Island's largest failing commercial centers and the Island's only indoor mall in a way that is designed to take better advantage of the natural beauty and views of Broad Creek and provide a more pedestrian oriented mixed use environment that will improve the character of the Island.
- The proposed rezoning provides the flexibility that is needed in the regulation of land use within the PD-1 District to allow for the designation of an appropriate mix of land uses in the appropriate locations to meet the needs of the population and improve the quality of life on the Island.
- The proposed rezoning will help promote redevelopment of the Mall, an aging structure that no longer meet current market demands.

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 Master Plan with a mix of land use designations including commercial, community park, office/commercial, and multi-family 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 property 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 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.
- The proposed uses that would be designated on the master plan for the larger parcel include a gas station, kiosks, and a liquor store as well as general commercial uses. Apartments would also be a permitted use on the property. Community Park would also be a permitted use on both parcels.
- There are existing public park spaces in close proximity, the Shelter Cove Community Park and the Veteran’s Memorial Park.
- The existing portion of the Town owned property would be designated for 134 multi-family dwelling units and community park.

Conclusions 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.
- The property is suitable for park space because it is a good compliment to the other uses to provide the mix of uses that is desired and is a complimentary use Broad Creek.

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 for this property are very specific and limited to various factors that were established as conditions of previous rezonings and restrictive covenants that were entered into between the Town and property owner. The only uses permitted on the parcels are commercial and community park.
- The two properties (Mall parcel and the portion of the Town owned parcel) in total size are greater than 50 acres in size and s are bound by Broad Creek to the rear, William Hilton Parkway to the front, and residential, commercial and public park space.

Conclusion 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.

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.
- A combination of statements made at other public meetings and other marketing and development research, supports that closed air malls are no longer the trend and people generally prefer an open air shopping and more life center experience.
- Many tenants have left Shelter Cove Mall to other open air commercial space, demonstrating the change in trends from enclosed malls to open air plazas and centers.

Conclusion of Law:

- The approval of this request would increase the marketability of the property with the additional uses as well as the associated density assigned to each. 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.
- Storm water facilities are in place for the existing Mall 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 III.
- 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.

Summary of Facts and Conclusions of Law:

Other documents or actions address this project:

Findings of Facts.

- To determine compatibility with the Southern Regional Plan Implementation Committee, comments were solicited to other Planning Directors and Town/County Administrators as well as the County School District as to the regional impacts of this proposed application. No negative responses or letters of concern were received.
- The Policy Agenda for 2011, Targets for Action as adopted by Town Council list 'Shelter Cove Mall Redevelopment: Conceptual Plan Direction and Town's Role'.
- The Policy Agenda for 2012, Targets for Action as adopted by Town Council list 'Shelter Cove Area Redevelopment: Determine Town's Role and Develop and Approve a Plan'.

Conclusions:

- Staff concludes that the project will not have a negative impact on the region based on the input from other jurisdictions in Southern Beaufort County.
- This is the first step in approving a redevelopment plan for the Mall site based on Town Council's goals resulting from their annual workshop.

LMO Official Determination

Determination: Staff determines that this application is compatible with the Comprehensive Plan and serves to carry out the purposes of the LMO as based on the following Findings of Fact and Conclusions of Law.

Staff recommends that the Planning Commission **recommend approval** to Town Council of this application, which includes amending the Official Zoning Map by amending the Palmetto Dunes Resort Master Plan for the Mall parcel, indicated as 'Portion 1' to "Commercial, excluding uses restricted by LMO 16-4-209, but permitting Liquor Stores and Gas Sales", "Multifamily" and "Community Park" with an allocated 295,000 square feet of commercial density (with no more than 1,500 square feet used for 10 kiosks) and 76 multi-family residential units.

Town staff further recommends that 'Portion 2', the existing Town owned portion, be amended to Multifamily and Community Park with an allocated 134 residential units.

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

Heather L. Colin, AICP
Development Review Administrator

May 23, 2012

DATE

REVIEWED BY:

TBL

Teri B. Lewis, AICP
LMO Official

May 29, 2012

DATE

REVIEWED BY:

JL

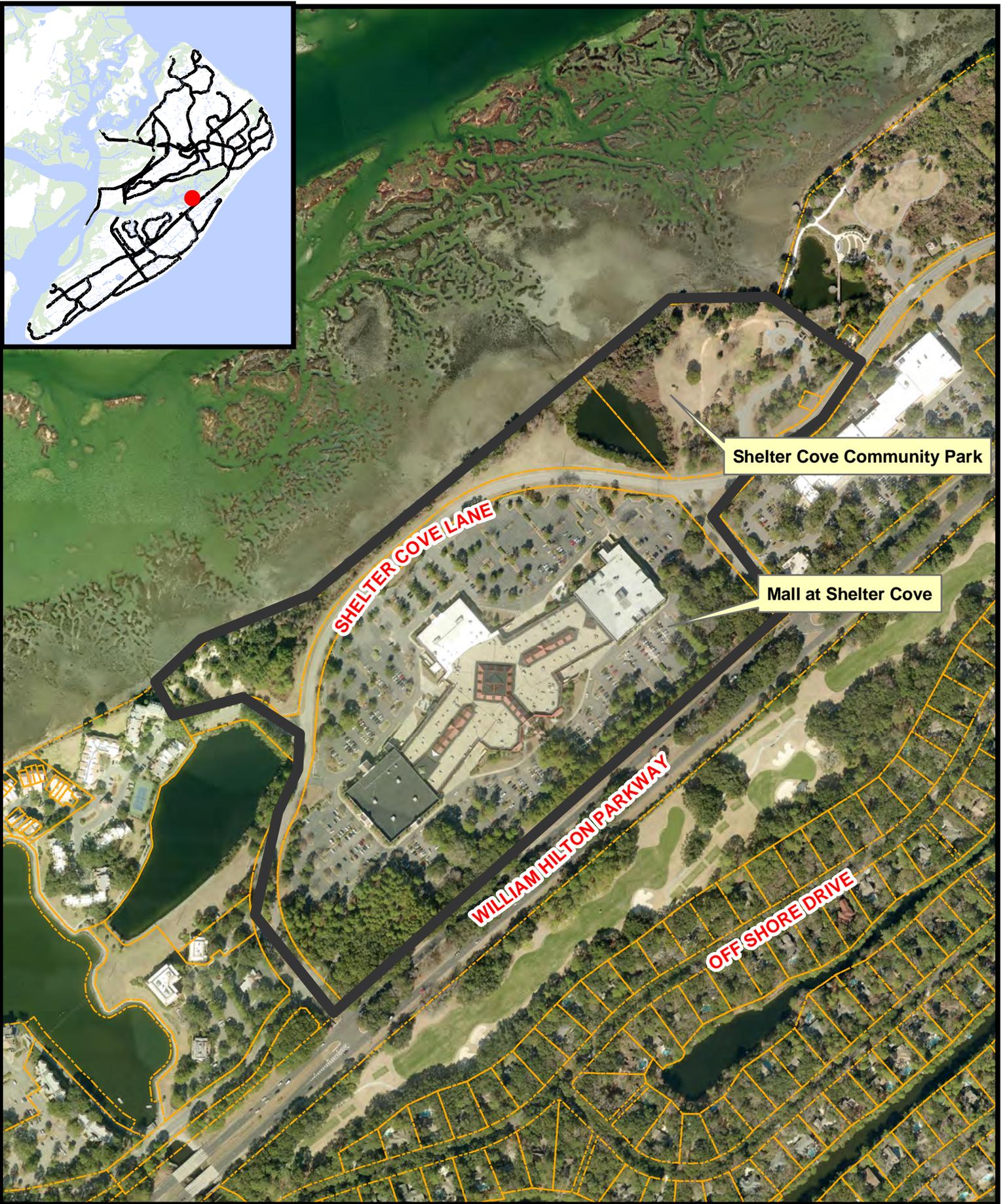
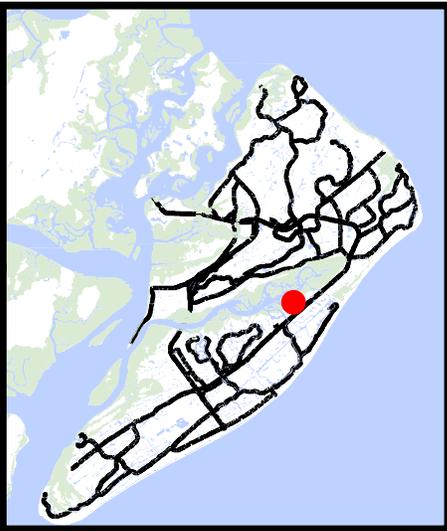
Jayme Lopko, AICP
*Senior Planner & Planning Commission Board
Coordinator*

May 29, 2012

DATE

ATTACHMENTS:

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



Shelter Cove Community Park

Mall at Shelter Cove

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

Town of Hilton Head Island
ZMA120006 - Vicinity Map



450 225 0 450 Feet

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.

acres owned by the Town, all as shown on that certain Conceptual Master Plan (“Concept Plan”) attached hereto as Exhibit A for Shelter Cove Mall dated March 14, 2012. It is respectfully requested that the parcel exchanged by the Town to the Applicant remain a separate parcel, subdivided, and be zoned for multi-family dwelling units. The Applicant further requests an Amendment to the Master Plan Zoning Map to amend ZMA 2-98 to allow development on Outparcel I and to allow development on Parcel C as shown on the Concept Plan. Additionally, the Applicant desires to provide for an automobile fuel dispensing facility, including the sale of not more than 200 square feet of incidental merchandise and cigarettes, and liquor in accordance with LMO Section 16-4-209(E)(6) and LMO Section 16-4-209(E)(8). Except as otherwise provided by the Development Agreement to be entered into between the Town and Applicant, all such uses provided under LMO Section 16-4-209(E) shall be subject to providing the Town with such additional information as required therefore in regard to specific use standards.

The amendments respectfully requested herein shall further amend the Zoning Map Amendment resulting from Ordinance 2009-21 and an amendment to the Master Plan Zoning Map designated as ZMA 2-98.

I. NARRATIVE – INTRODUCTION

The Applicant purchased the Mall Tract from PVI Shelter Cove Limited Partnership on April 10, 2011¹. The Mall Tract is comprised of what were originally six (6) separate parcels, all of which have been consolidated into one tract now designated in the Beaufort County property tax records as Tax Parcel R520-012-00B-0026-0000. In addition, by virtue of a previous rezoning of the Mall Tract completed in 1999, it is now considered one tract for zoning purposes, designated as Parcel 23 on the Master Plan for Palmetto Dunes Resort dated February

¹ See the copy of the deed recorded in Beaufort County Record Book 3076 at Page 2860. A copy of an ALTA Survey of the Mall Tract is attached to this Application as Exhibit C.

10, 1984, last revised on April 22, 1986, and stamped as approved by the Town on May 7, 1986 (the "PD Master Plan")².

The Applicant is now seeking to amend the Town's Official Zoning Map by amending the PD Master Plan and its accompanying text to decrease the amount of commercial square footage for the Mall for which it is currently entitled from 314,000 square feet to 295,000 commercial square feet, of which no more than 1500 square feet can be used for up to ten (10) kiosks; to add an authorized use for multi-family dwelling units to the Mall Tract up to a maximum of 210 multi-family dwelling units; to add a community park as a permitted use through an exchange of approximately 5.1 acres owned by the Applicant bordering on Broad Creek to the Town in exchange for approximately 4.9 acres owned by the Town. The Applicant further respectfully requests amendment to the Master Plan Zoning to amend ZMA 2-98 to allow development on Outparcel I and to allow development on Parcel C and to add to the Zoning Map the parcel that will be deeded by the Town to the Applicant in exchange for the community park as shown on the Concept Plan. Additionally, the Applicant desires to provide for an automobile fuel dispensing facility, including the sale of not more than 200 square feet of incidental merchandise and cigarettes, and liquor, which is an allowed commercial use but subject to LMO Section 16-4-209(E)(6) and LMO Section 16-4-209(E)(8). All such uses provided under LMO Section 16-4-209(E) shall be subject to providing the Town with such additional information as required therefore in regard to specific use standards and shall be subject to all applicable municipal and state laws and regulations.

This Attachment 1 is submitted to the Town to amend the previous changes to the Official Zoning Map of the Shelter Cove Mall Tract and to confirm the termination of that certain

² The Mall Tract includes Parcel 23 as shown on the PD Master Plan (which shows five (5) outparcels in addition to the main parcel where the Mall is located), and also the generally western portion of Parcel 32 on the PD Master Plan.

Development Agreement between PVI Shelter Cove Limited Partnership, a Maryland limited partnership, and the Town of Hilton Head Island, South Carolina, dated July 10, 2009, which is deemed, by and through its own terms, terminated and of no further force and effect.

II. NARRATIVE – BACKGROUND

A. THE PD MASTER PLAN

The PD Master Plan was initially developed and maintained by Palmetto Dunes Resort, Inc., the original developers of Palmetto Dunes Resort, and thereafter by Greenwood Communities and Resorts, Inc.³, which acquired substantially all of the interests of Palmetto Dunes Resort, Inc., in 1979.

The Town enacted the original version of the LMO on January 19, 1987.

Among other things, the LMO established zoning districts within the Town, including the district that is now known as the PD-1 Planned Development Mixed Use District (the "PD-1-District"). The purpose of the PD-1 District is to recognize the existence within the Town of certain unique mixed use Planned Unit Developments (PUD's) which are greater than 250 acres in size. Generally, these PUD's, which include Sea Pines Plantation, Hilton Head Plantation, Palmetto Dunes Resort, Long Cove Club, and the other major PUD's on Hilton Head Island, have served to establish the special character of Hilton Head Island as a quality resort and residential community. The intent in establishing the PD-1 District is to allow the continuation of well-planned development within these areas.⁴

The various PUD master plans and associated text, as approved and, when applicable, as amended by the Town, establish general permitted uses and maximum area densities for the PUD's, except as may be modified by the overlay of a specific district other than the PD-1

³ Greenwood Communities and Resorts, Inc., was formerly known as Greenwood Development Corporation.

⁴ See LMO Section 16-4-209(A).

District.⁵ The 1984 Master Plan indicated that the back parcel of the Mall Tract was to be used for multi-family dwelling units and information in the file submitted by Greenwood Development in April of 1984 suggested that the area would be developed at roughly 180 multi-family dwelling units⁶. With respect to the Palmetto Dunes Resort area in particular, the approved master plan and associated text is the PD Master Plan approved by the Planning Commission on April 4, 1984, and later revised and stamped by the Town on May 7, 1986.⁷ It is interesting to note that the PD Master Plan is the only one of the ten master plans included in the various PD-1 Districts that has site-specific commercial density limitations. The PD Master Plan has been amended on numerous occasions since it was originally approved by the Town. Three of those amendments have dealt specifically with the Mall Tract.

B. 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 make up the Mall Tract.⁸ 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 Mall Tract, so that the Mall itself was allocated 247,300 square feet of fully developed

⁵ See LMO Section 16-4-209(D).

⁶ See the Minutes of the February 5, 1986, Town of Hilton Head Island Planning Commission meeting.

⁷ See the Town's records on the PD Master Plan in general, and, in particular, the copy of the 1986 PD Master Plan.

⁸ 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.

commercial space, and one of the Mall Tract outparcels was allocated 3,700 square feet of undeveloped commercial space.⁹

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 that are now the Mall Tract 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.¹⁰ 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 rezonings, the Mall is currently 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. As a result of the former owner's failure to utilize the cinema complex square footage and Community Service uses, the aforementioned Development Agreement became void¹¹.

⁹ 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.

¹⁰ 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.

¹¹ See Zoning Letter dated the 23rd day of June, 2011, attached hereto and marked as Exhibit B and copy of ZMA 08005 marked Exhibit B-1.

It is common knowledge that over the past several years, the Mall has struggled commercially and financially. The Applicant hopes to revitalize the Mall through redevelopment by opening up corridors of view from William Hilton Parkway through the Mall Tract exposing Broad Creek and to provide attractive multi-family dwelling units to be used as apartments to accommodate the widest range of individuals from young professionals to retirees with the multi-family dwelling units being located to take advantage of the views of Broad Creek and the surrounding marshes as well as taking advantage of the mixed use concept of proximity to commercial/public open space. The addition of the 5.1 acres community park on Broad Creek to be owned and maintained by the Town will create a significant, flexible, functional and usable open space dedicated to the general public creating a sense of “place” providing opportunities for public meetings, concerts, cultural and art venues. It is anticipated that these additional uses to the Mall Tract will serve to attract additional patrons to the Mall who reside in the Town and in the multi-family dwelling units in the Mall Tract in order to increase its commercial viability. The Applicant’s proposed redevelopment of the Mall into an open-air series of retail shops, offices, and multi-family dwelling units will require a substantial investment, but one the Applicant believes is absolutely necessary to avoid further commercial and economic deterioration of the Mall.

By way of comparison to other shopping centers within the Town, the Applicant notes that the majority of other shopping centers have densities that exceed the current allowed density on the Mall Tract

Because of the fully developed condition of the Mall Tract as the Mall currently exists, there are no substantial infrastructure improvements necessary for the Mall itself so that the only

necessary additional infrastructure improvements are the ones necessary to accommodate the multi-family dwelling units and the community park facility.

C. THE REQUESTED REZONING

The Applicant is requesting that the PD Master Plan and the accompanying text be amended to (1) decrease the actual commercial density from 314,000 square feet of commercial to 295,000 commercial square feet, of which no more than 1500 square feet can be used for up to ten (10) kiosks; (2) to provide for multi-family dwelling units not to exceed 210 units; and (3) to allow a public community park use on the Mall Tract through the exchange of approximately 5.1 acres of property within the Mall Tract on Broad Creek to the Town in exchange for approximately 4.9 acres owned by the Town to the north of the Mall Tract; to amend ZMA 2-98 to allow development on Outparcel I and Parcel C and to allow for an automobile fuel dispensing facility, including the sale of not more than 200 square feet of incidental merchandise and cigarettes, and liquor sales, as an approved commercial use pursuant to LMO Section 16-4-209(E)(6) and LMO Section 16-4-209(E)(8). All such uses provided under LMO Section 16-4-209(E) shall be subject to providing the Town with such additional information as required therefore in regard to specific use standards and shall be subject to all applicable municipal and state laws and regulations.

III. NARRATIVE – THE DEVELOPMENT AGREEMENT

This Application shall precede the filing by Applicant of a Development Agreement pursuant to the provisions of 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"). Under the Act, the review and approval process for a 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.

IV. CURRENT AND PROPOSED PERMITTED USE AND DENSITY

For zoning purposes under the LMO, the Mall Tract is located in the PD-1 Palmetto Dunes Resort Planned Development District. Under LMO Sections 16-4-209(D) and 16-5-904(A)(1), the permitted uses and maximum density for any parcel that is within a PD-1 District is established by the Town approved master plan and accompanying text. The Applicant is proposing to amend the PD Master Plan as set forth above to provide for a 19,000 square foot decrease in commercial density on the Mall Tract; to permit the construction of not more than 210 multi-family dwelling units; to expand the permitted uses on the Mall Tract to include a community park use; and to amend ZMA 2-98 to allow development on Outparcel I and Parcel C, and to add for an automobile fuel dispensing facility, including the sale of not more than 200 square feet of incidental merchandise and cigarettes, and liquor pursuant to LMO Section 16-4-209(E)(6) and LMO Section 16-4-209(E)(8). All such uses provided under LMO Section 16-4-209(E) shall be subject to providing the Town with such additional information as required therefore in regard to specific use standards and shall be subject to all applicable municipal and state laws and regulations.

The requested rezoning will not change the applicable zoning district for the Mall Tract. Instead the requested rezoning, if approved, will allow for additional uses as set forth above. The Applicant firmly believes that the additional uses are critical to support the health and long-term success of the Mall and to provide shopping and recreational experiences for the people of Hilton Head Island and enhance revenues to the Town arising from the Mall Tract. Hilton Head Island has had a reputation over the years for its high standards and quality and the

redevelopment of Shelter Cove Mall as envisioned in the Concept Plan will further enhance that reputation.

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

Through the years, the Mall at Shelter Cove has gradually deteriorated to the point that one of the most visible and well-known shopping areas on the Island is virtually empty. The Town has spent considerable time over the past four or five years analyzing the best way to rehabilitate and revitalize older areas in a way that is consistent with the goals of the Town and provides a new benefit to the Town and its residents. The Applicant has seen and recognized the opportunities of redeveloping the Mall and has indicated a willingness to invest substantial capital in creating a new mid-Island, mixed-use destination that will bring new life to the Mall, provide an opportunity for new and old residents and commuters of the Island to relocate to a modern development which reflects the newest trends in living, shopping and working communities in an environmentally sensitive way and at the same time create a new venue for many civic functions and special events that will be contiguous with an existing community park being utilized for the same purposes.

A thorough analysis of the Town's current Comprehensive Plan (as hereinafter more fully discussed) indicates that the proposed Concept Plan of the Applicant appears to be exactly what the Town and its various consultants have concluded is needed to revitalize an aging area or development that has deteriorated to the point that is of little benefit to its owner and little benefit to the Town and its residents.

The public-private initiative in creating a community park in such a critical and bio-diverse location on the banks of Broad Creek satisfies the Natural Resources Vision of the

Comprehensive Plan and is consistent with the Broad Creek Management Plan¹². The 5.1 acre community park proposed by the Applicant recognizes the need to protect water quality and quantity and to afford the Island with another venue for the Island's residents to recreate and for the first time enjoy the magnificence of this rare location.

The added "use" component of multi-family dwelling units comes at a time when there exists a significant lack of apartments for residents and visitors to live at a cost that is much less than the price points that are being charged today, even in this economic downturn. This entrepreneurial housing initiative will help meet market demands and the new trends of housing and partially correct the current imbalance that exists for apartment living.

The Applicant's vision of "opening up" the "Mall fortress" as it is currently configured with vistas of view from William Hilton Parkway through to the natural beauty of the marshes and waters of Broad Creek, will take advantage of this rare location providing new and updated retail spaces in a setting that promotes the Island's natural resources and encourages on-Island shopping with all its attendant advantages, including increases in ad valorem taxes, hospitality taxes, and the presence of well-known retail facilities consistent with the quality that Hilton Head Island has always been known for in the past.

The linkage between the proposed community park and the Chaplin pathway vision that the Town has promoted will once again meet the goals of the Comprehensive Plan to enhance the pathways providing access to public and neighborhood beaches, resort developments, resort visitor accommodations, shopping, eating establishments, and recreation facilities.

The many reasons set forth above and the enumerable additional benefits as hereinafter outlined makes it difficult to see how this public-private initiative could be anything but a public benefit to Hilton Head Island and the Applicant respectfully requests that it be allowed to create

¹² See Comprehensive Plan, at Page 19.

the “place” that is envisioned by the Concept Plan for the benefit of the Town, its shoppers, residents and those Island visitors desiring the refreshment and relaxation opportunities afforded by the community park.

VI. 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 **Cultural Resources Vision** of the Town’s Comprehensive Plan dated May 4, 2010, (the “Comprehensive Plan”) sets forth a goal to have a public art program to reflect the diverse spectrum of beliefs, cultural heritage and traditions, and artistic expressions of the Island. The inclusion within this redevelopment of the Mall Tract of the 5.1 acre community park on the banks of Broad Creek provides an ideal venue for the Town to conduct programs consistent with its goals to “develop public art projects which enhance the public spaces as well as a visual design, form and content of the community; which enhance a particular neighborhood; and which may enhance the tourist and economic potential of the Town and particular sites within the redevelopment program¹³”.

Additionally, under the general category of Cultural Resources, the Comprehensive Plan specifically emphasizes community character and the need to “preserve and enhance natural and physical environments that reflect the character of the Island¹⁴.” The community park proposed in this Amendment will serve as an important public gathering place for residents and visitors of the Island to view the natural beauty of the marshes and waterways that are indigenous to our Island community.

¹³ See Comprehensive Plan, at Page 15.

¹⁴ See Comprehensive Plan, at Page 18.

The **Natural Resources Vision** of the Comprehensive Plan is to protect Hilton Head Island's diverse natural resources which are pivotal to the economic well being of the community and the high quality of life on the Island¹⁵.

Under the topic of Current Policies, the Comprehensive Plan states that "the acquisition of property and subsequent creation of parks by Hilton Head Island has opened vistas as well as increased open space opportunities for the public. Additional opportunities may develop as new land acquisition is completed¹⁶." The creation of the community park provided for in this Amendment would appear to be fully consistent with the continuation of this policy. The Comprehensive Plan indicates in Section 3.4 that a pre-requisite for the long-term sustainability of parks and protected areas is public involvement and support for conservation of natural resources. In order to better educate the public local education opportunities must be available¹⁷. The public/private initiative in creating a community park in such a critical and bio-diverse location will certainly provide a venue to satisfy this objective. Likewise, sub-section 3.5 of the Comprehensive Plan provides that "findings of the Hilton Head Island Community Survey reported that 84% of residents surveyed supported a notion that environmentally responsible architecture and sustainable development should be a focus of redevelopment"¹⁸. The redevelopment of Shelter Cove Mall reflects this objective in its redevelopment plans.

Finally, Section 3.6 of the Natural Resources section of the Comprehensive Plan focuses on the need to protect water quality and quantity. The creation of an approximately 5-acre community park as open space will serve as a buffer for absorption of stormwater runoff and the utilization of pervious parking surfaces where feasible in the area between the westerly side of

¹⁵ See Comprehensive Plan, at Page 19.

¹⁶ See Comprehensive Plan, at Page 24.

¹⁷ See Comprehensive Plan, at Page 26.

¹⁸ See Comprehensive Plan, at Page 27.

the Mall and the community park and the associated roads that utilize pervious surfaces will again reduce runoff into the existing detention pond areas, all as more fully explained in the accompanying Development Agreement, and all of which is consistent with the Broad Creek Management Plan¹⁹.

The **Housing Vision** of the Comprehensive Plan is for the Town 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 Island²⁰. 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 greatly. Unfortunately, since the date of the adoption of the current Comprehensive Plan, available, reasonably priced multi-family dwelling units have virtually been eliminated through the conversion of 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 the 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 has been exacerbated by the limited amount of land available for construction of new multi-family 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

¹⁹ See Comprehensive Plan, at Page 30.

²⁰ See Comprehensive Plan at Page 50.

Table 5.1 of Chapter 5 of the Comprehensive Plan that states that “...in 1999 there were 601 fewer multi-family dwelling units than there were single-family units. In 2000, there were 4,506 fewer multi-family dwelling units than single-family units and in 2007 there were 3,660 fewer multi-family 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’s Hilton Head Island Complex Report generated by Coastal Marketing Services indicates a total of 475 units with 211 of the 475 being HUD Subsidized. (See Report of Coastal Marketing Services attached hereto and marked Exhibit D). Accordingly, the multi-family dwelling units component of the redevelopment is expected by the Applicant to be in high demand and to satisfy an ever-increasing need through this entrepreneurial housing initiative to develop diverse housing types for all income levels on Hilton Head Island and help to partially rebalance the substantial difference between single-family residential and multi-family dwelling units, which are far more affordable and provide greater opportunities for the diverse income levels of current and future residents on the Island. Section 5.1 of Chapter 5 of the Comprehensive Plan provides a goal to encourage development of multi-family dwelling units to meet market demands and new trends²¹. This goal is more important today than it was at the time that the Comprehensive Plan was adopted.

The **Community Facilities Vision** of the Comprehensive Plan is to provide facilities for the residents and visitors of Hilton Head Island which are maintained at the highest levels of service and efficiency consistent with facilities of a world-class community²². The Community Facilities Chapter of the Comprehensive Plan indicates in Section 6.1 that “...it has been

²¹See Comprehensive Plan, at Page 50.

²² See Comprehensive Plan , at Page 60.

estimated that the Island will be home to 53,000 people by 2020 (Southern Beaufort County Regional Plan, 2006)²³. Accordingly, the demand for Town-owned facilities shall inevitably increase and the community park envisioned herein will provide the Town with additional recreational facilities (more fully described in Paragraph 10 hereafter) and serve as an integral connection point and enhancement to the Chaplin Linear Park Trail which will meander through the Mall Tract providing additional walking and biking access to the community park that will be used by the Town for all of the purposes hereinbefore discussed.

As previously noted, the 5.1 acre community park and utilization by the Applicant of pervious parking where possible will greatly enhance stormwater retention, control and utilization for irrigation consistent with the Comprehensive Plan's Implementation Strategies under 6.5(N). The ability of the Town to acquire a 5.1 acre community park on Broad Creek without having to use the Town's real estate transfer fee is consistent with the Town's aggressive land acquisition program and helps to protect the fragile edge of the Mall Tract against water quality degradation.

The **Economic Development Vision** of the Comprehensive Plan looks to define, foster, and enhance the economic environment that sustains Hilton Head Island's unique way of life²⁴. 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 Islands' success²⁵. Further, Section 7.6 provides that consideration should be given to leveraging and growing high-value added businesses

²³ See Comprehensive Plan, at Page 60.

²⁴ See the Comprehensive Plan, at Page 89.

²⁵ See Comprehensive Plan, at Page 92.

“through identifying and prioritizing areas in need of redevelopment, including any obsolete or run-down commercial buildings. Incentivize the redevelopment of flexibility of stream-lining in regulation of density caps, set-backs and other controls that enable a qualitative, principle-based, asset revitalization that enhances the Island’s positive legacies²⁶”. 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 recapture the dollars that are being lost, flexibility in allowing the Applicant to use private funds to restore the Town’s most prominent shopping mall with world-renown shops and stores will attract and retain visitors and shoppers to the core of the Island and re-energize and encourage local shopping and the economic benefits to the Town associated therewith. The proposed amendment to the Town’s 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 rehabilitation²⁷.

The **Land Use Vision** of the Comprehensive Plan seeks a high quality of life by planning for population growth, public and private development and redevelopment, and the proper distribution, location, and intensity of land uses with adequate levels of services, while maintaining and protecting the natural resources, residential neighborhoods, and overall character of the Town²⁸. The Zoning Map Amendment requested by the Applicant appears to be totally consistent with these objectives and goals.

More particularly, the Comprehensive Plan in the introduction of the Land Use section recognizes the need to redevelop and infill as the Island matures by stating that “While previous

²⁶ See Comprehensive Plan, at Page 93.

²⁷ See Comprehensive Plan, at Page 91.

²⁸ See Comprehensive Plan, at Page 101.

regulations were aimed toward managed growth, future policy should focus more on redevelopment strategies and should consider creative alternatives to traditional zoning classifications and regulations.²⁹” Further, in analyzing the Implications for the Comprehensive Plan dealing with Land Use, the Comprehensive Plan states that “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 into a more mature level of development.³⁰”

As Hilton Head Island continues to grow, particularly as the recent economic down turn begins to improve, there is going to be an ever-increasing need for multiple types of housing to accommodate new residents to the Island and those that have lost their homes as a result of financial issues, and retirees who are interested in down-sizing who want to be able to access grocery stores, shops and parks by living in a walking community.

The multi-family dwelling units that the Applicant is requesting herein will have the effect of maximizing the utilization of land that will provide the maximum amount of housing in an area that is compatible with multi-family dwelling units.

The original Mall was built in 1988 and readily shows its age through its appearance and illustrates the typical type of mall structure that was common-place at the time. The Concept Plan shows a more modern approach to mall redevelopment that provides for the introduction of mixed-uses together with the reconnection of thoroughfares into urban blocks and eliminates the more obsolete “boxcar” design. Section 8.9 of the Comprehensive Plan provides that “the specific age of the built structures is not necessarily a specific land use; however, it is something

²⁹ See Comprehensive Plan, at Page 101.

³⁰ See Comprehensive Plan, at Page 104.

that is associated with the underlying land use and is integral in determining areas that are prime for redevelopment”.³¹

Revitalization of the Shelter Cove Mall property represents a rare and unique opportunity to create a mid-island mixed-use destination with commercial and residential land uses that are oriented to Broad Creek. The proposed Conceptual Master Plan is organized around a relocated Shelter Cove Lane creating a new Waterfront Drive paralleling Broad Creek; and a new Central Main Street (subject to the approval by the Planning Commission and fire and rescue authorities) connecting William Hilton Parkway to the water front. Moving Shelter Cove Lane landward allows for the creation of a new community park between the marshes of Broad Creek and redeveloped commercial and residential land uses. The new community park and street provide the back drop for mixed-use commercial and residential properties. The community park will also be the host site for many civic functions and special events.

Placement of the residential units along the continuous waterfront open space and adjacent to the commercial center and community park will add to and enhance the pedestrian scale and qualities of the newly revitalized center. Residential units in this setting provide a new and unique opportunity to live in a setting with convenient access to shopping, dining and recreation spaces.

The new central Main Street and entry drive will have buildings placed along it to further enhance pedestrian scale and qualities and break up the large surface parking lots along William Hilton Parkway. The plan also includes a proposed land swap for the new community park in front of the mall site for a multifamily residential area on Town owned property within the existing Shelter Cove Community Park as shown on the Concept Plan.

³¹ See Comprehensive Plan, at Page 108.

Section 8.1 of the Land Use chapter of the Comprehensive Plan provides a goal to have an appropriate mix of land uses to meet the needs of existing and future populations³². Further, Section 8.4 cites as a goal an appropriate mix of land uses to accommodate permanent and seasonal populations in existing market demands, which is important to sustain the Town's high quality of life and should be considered when amending the Town's official Zoning Map³³. Lastly, under the topic of Implementation Strategies, Section 8.3 provides in regard to planned unit developments to consider flexibility within the PUDs to address appropriate commercial or service land uses in areas with a high residential concentration³⁴.

All of the above strongly suggests that this Application and its requests are consistent with the Natural Resources chapter of the Comprehensive Plan.

The **Transportation Vision** of the Comprehensive Plan is for the Town to provide a safe, efficient, environmentally-sound, aesthetically-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 Island³⁵. Realignment of Shelter Cove Lane provides the opportunity for onstreet parking, providing direct access to the park and adjacent shared uses, further minimizing need for large parking areas. As has been previously described, and to be further elaborated on in the following Recreation paragraph of the Comprehensive Plan, the 5.1 acre public community park that will be included in the Mall Tract's redevelopment bordering on Broad Creek shall be considered a central stopping and connection point with the Chaplin Linear Park planned by the Town. This multi-use pathway meets Goal 9.4 of the Transportation section of the Comprehensive Plan providing that, "the goal is to expand the

³² See Comprehensive Plan, at Page 110.

³³ See Comprehensive Plan, at Page 110.

³⁴ See Comprehensive Plan, at Page 110.

³⁵ See Comprehensive Plan, at Page 116.

pathway network to provide pedestrians, bicyclists, and other users of non-motorized transit with a safe and efficient infrastructure to connect residential and tourist areas to schools, parks, commercial areas, and potential off-Island connections” A further component of that Implementation Strategy related to Multi-Use Pathways as provided for under Section 9.4(ii) is to “identify areas for sidewalk or multi-use pathway locations which have significant commercial, recreational, resort, entertainment or other intense public use but do not have adequate pedestrian or bicycle access”³⁶. The redeveloped Mall shall have significant commercial and entertainment aspects when built in conjunction with the Chaplin Linear Trail to more than adequately satisfy this strategy. Further, through the Applicant’s use of abundant land and streetscaping, Section 9.1(y) of the Comprehensive Plan’s Implementation Strategy for Road Network is again accommodated through the Applicant’s intent to utilize the streetscape to establish a character or theme for redevelopment areas, recreation or activity centers, pedestrian oriented areas and gateways³⁷. It is in the Applicant’s best interest to create an attractive entranceway into and exit out of the Mall Tract in order to provide a comfortable sense of place on the Chaplin Linear Trail for those using non-motorized vehicles to stop and enjoy the community park and its associated amenities, whether or not they intend to shop in the commercial center³⁸. Again, 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 residential and commercial destinations”³⁹. Likewise, the Comprehensive Plan notes under Implications for the Comprehensive Plan, that “there may be

³⁶ See Comprehensive Plan, at Page 138.

³⁷ See Comprehensive Plan, at Page 137.

³⁸ See Comprehensive Plan, at Page 137.

³⁹ See Comprehensive Plan, at Page 138.

potential benefits of linking private community pathways to destinations such as shopping and entertainment centers immediately adjacent to the PUDS via pathway connections or secondary access points. This could have the potential to reduce the number of automobile trips on Island roadways, reduce the parking area required to accommodate customers and integrate PUDS in non-PUD areas.⁴⁰

The **Recreation Vision** of the Comprehensive Plan is to enrich the quality of life for residents and visitors by providing diverse recreational facilities and programs which respond to changing needs of the population⁴¹.

The 5.1 acre community park that the Applicant proposes to convey to the Town bordering Broad Creek appears to fit perfectly within the Comprehensive Plan's initiative which provides in Section 9.4 of Implications for the Comprehensive Plan that "pathways provide access to public and neighborhood beach areas, resort developments, visitor accommodations, shopping, eating establishments, and recreation facilities..."⁴². By being directly linked to the Chaplin Linear Trail, the community park will provide opportunities for both visitors and residents of the Island to not only stop and enjoy the beautiful vistas that will be created over the marshes of Broad Creek, but also allow access to the cultural and artistic venues that will be provided at the community park along with public gatherings, enabling those who have access to the Trail to avoid having to drive and find parking areas.

The Broad Creek Management Plan adopted by the Town on September 3, 2002 provides that "while the Broad Creek Management Plan project has been progressing, another planning effort has been focusing on the redevelopment of the neighborhood called Chaplin. Part of this neighborhood wraps around the headwaters of Broad Creek along Marshland Road and Mathews

⁴⁰ See Comprehensive Plan, at Page 127.

⁴¹ See Comprehensive Plan, at Page 141.

⁴² See Comprehensive Plan, at Page 125.

Drive and William Hilton Parkway. The Chaplin Plan recommends more intensive development along the Broad Creek Shore than exists today. The future land uses will be mixed-use (residential, commercial and office) at a moderate density. Site design will be an important factor; the Chaplin Plan recommends the buffers along the Creek be preserved, the buildings be sited to take advantage of the views out to the Creek.⁴³”

Additionally, it is also recognized and hoped by the Applicant that many of those that use the Trail and community park will also feel inclined to shop at the Mall, restoring its viability and creating a gathering spot for friends, neighbors and visitors. The community park will also provide an educational stopping point for those that utilize the pathway through the use of kiosks, overlooks and viewing decks, and other informational means⁴⁴. The Development Agreement that will accompany this Zoning Map Amendment will propose the utilization of alternative funding mechanisms as mutually agreed by the Town and SCTC, to provide the Town and Applicant with adequate funds to develop the community park in a way that will be attractive, utilitarian and educational for both residents and visitors alike and to showcase the community park lands as a means to preserve natural and cultural resources for educational, interpretive and passive recreational uses⁴⁵. Likewise, goal 10.4 of the Comprehensive Plan is to “continue improving and expanding the existing network of multi-use pathways through the Island enabling residents and visitors to access recreational areas, shopping centers, schools and businesses by non-motorized forms of transportation”. The additional benefit of this community park is that it is outside the gates of private communities and therefore open and free for public use as the Town and the Applicant feel appropriate.

⁴³ See Chapter 2, Page 12 of the Broad Creek Management Plan.

⁴⁴ See Comprehensive Plan, at Page 125.

⁴⁵ See Comprehensive Plan, at Page 157.

When looking at the Comprehensive Plan as a whole, on balance, the Applicant believes that the amendments sought hereunder totally support the Comprehensive Plan. Accordingly, the Applicant believes this Application is consistent with the Comprehensive Plan. Given the history of the Mall Tract, the community-wide benefits afforded the Town under the proposed Development Agreement, the requested rezoning will not have an adverse effect on the natural resources, community facilities or existing development in the Shelter Cove area but in actuality greatly enhance the community experience and viability of the Mall as outlined herein. The Applicant feels that the requested zoning will encourage and facilitate the redevelopment of the Mall Tract and the revitalization of the Mall itself, and encourage additional resident and visitor use of the entire Shelter Cove Area.

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

Given the mixed-use nature of the PD-1 Zoning District, the location of the Mall Tract within the PD Master Plan area, the existing commercial use, and the community park, this redevelopment is compatible with the present zoning and uses of nearby properties and with the character of the neighborhood.

All of the nearby or surrounding properties in the vicinity of the Mall Tract 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 dwelling units residential development, the Plaza at Shelter Cove Shopping Center, offices and health services. Accordingly, the Applicant feels that the additional multi-family dwelling units component respectively 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 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 will not result in any change in the zoning district applicable to the Mall Tract but rather add uses that are typically associated with PUDs. As noted in Paragraph B above, the adjacent Newport multi-family dwelling units development would indicate that the addition of multi-family dwelling units on the Mall Tract would be a suitable use and compatible with the surrounding property. Considering the mixed-use nature of the PD-1 Zoning Districts under the LMO, the addition of the multi-family dwelling units is consistent with most other PUDs on Hilton Head Island, including Sea Pines, the oldest existing PUD on the Island, and Palmetto Dunes, which is in the same PD-1 District. Accordingly, the Applicant believes that the Mall Tract is well suited for the existing commercial use (including an automobile fuel dispensing facility, including the sale of not more than 200 square feet of incidental merchandise and cigarettes, and liquor in accordance with LMO Section 16-4-209(E)) plus the multi-family dwelling units being requested herein and that a destination including these uses will increase customer visits to the Mall and create an atmosphere where customers and residents will live, work and recreate in a neighborhood that offers transit, 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 not result in any change in the zoning district applicable to the Mall Tract but rather add a use that is typically

associated with PUDs. Applicant's purpose in adding this additional use is to reinvigorate the Mall for a benefit that will accrue to its owners, the residents of Hilton Head Island and the Town. The Mall Tract has long been designated for commercial use under the PD Master Plan and the Applicant knows of no reason why the suitability of that present use does not continue and the Applicant feels strongly that the additional multi-family dwelling units will only strengthen the Mall's viability.

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 as presently configured and restricted to sole commercial use has not been a commercial success that the Applicant or the Town would prefer. The vast experience of the Applicant suggests that the additional uses 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 commercial and residential success and value translate directly to increased marketability.

Similarly, if this Application is denied, there is little reason to expect any dramatic increase in the Mall marketability.

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

The sewer, water and stormwater facilities serving the Mall Tract were designed and implemented as part of the overall sewer, water and stormwater system serving the PD Master Plan area. The fact that the Mall is currently in operation is clear evidence of the availability of the facilities necessary to accommodate the commercial activities on the Mall Tract. The Broad Creek Public Service District currently provides potable water and sanitary sewer service to the

Mall Tract and will likewise continue to do so for the multi-use facilities. The stormwater drainage system of the Mall Tract which currently drains into detention ponds and ultimately Broad Creek will be greatly enhanced through the utilization of the community park facility, the introduction of pervious parking areas near Broad Creek, enhanced stormwater detention infrastructures, and the absorption capacity and cleansing effect of the community park area.

IV. NARRATIVE – CONCLUSION

The Applicant believes the foregoing narrative demonstrates that this Application is in conformance with the LMO as amended by and through the 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, including the proposed Development Agreement, establish that the Applicant has demonstrated adjustment to the PD Master Plan will result in a community-wide benefit; and

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

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

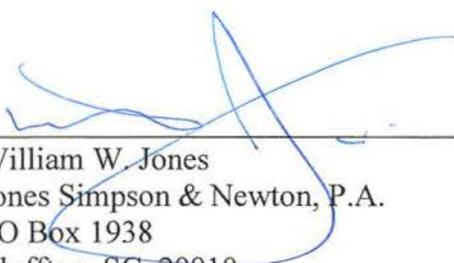
5. That this Application and the supporting documentation establish that the Mall Tract is suitable for the current and proposed uses and density permitted by the zoning district that is currently applicable to the Mall Tract; and

6. That this Application and the supporting documentation establish that the marketability of the Mall Tract for the current and proposed use and density permitted by the zoning district that is currently applicable to the Mall Tract 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 sewer, water and stormwater facilities except for those additional requirements and infrastructure resulting from the multi-family dwelling units and the substantial benefit of the community park to the handling of the stormwater that will result through absorption by property engineering design, utilization for irrigation, and conversion in that area of the Mall that is currently between the waters of Broad Creek and the waters of the western most side of the Mall that will be converted from imperious to pervious surfaces for additional stormwater handling.

(c) recommend to the Town Council that they approve this Application.

Respectfully submitted on behalf of the Applicant this 20th day of April, 2012.



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

6. An automobile fuel dispensing facility, including the sale of not more than 200 feet of incidental merchandise and cigarettes.
7. Liquor sales.

The Amendments respectfully requested herein shall further amend the Zoning Map Amendment resulting from Ordinance 2009-21 and an amendment to the Master Plan Zoning Map designated as ZMA2-98.

Respectfully submitted on behalf of the Applicant this 20th day of April, 2012.



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

TOWN OF HILTON HEAD ISLAND

One Town Center Court, Hilton Head Island, S.C. 29928

(843) 341-4600 Fax (843) 842-7728

www.hiltonheadislandsc.gov

Drew A. Laughlin
Mayor

Kenneth S. Heitzke
Mayor Pro Tem

Council Members

Wm. Lee Edwards
Willie (Bill) Ferguson
William D. Harkins
Kimberly W. Likins
George W. Williams, Jr.

Stephen G. Riley
Town Manager

June 23, 2011

Mr. Mark Senn
President
Blanchard & Calhoun Commercial
2743 Perimeter Parkway
Building 100, Suite 370
Augusta, GA 30909

Dear Mr. Senn:

This letter is in response to your request for a zoning verification letter for property located at 24 Shelter Cove Lane [R520 012 00B 0026 0000]. Please be aware that it is not a Town of Hilton Head Island policy to conduct a detailed site analysis, therefore, this correspondence will verify zoning, density and permitted land use only.

As identified on the Town of Hilton Head Island Official Zoning Map, the above property lies within the Palmetto Dunes PD-1 zoning district. The specific Master Plan Land Use Designation for the above referenced address is "The Mall at Shelter Cove". The allowable density on this parcel is 314,000 square feet; however, the square footage is further allocated as follows:

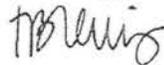
- 268,000 square feet for general commercial purposes
- 40,000 for a cinema complex use.

The 268,000 square feet for general commercial purposes are exclusive of areas open and unobstructed to the sky, specifically excluding common areas such as enclosed pedestrian areas, fire exits, mall offices, public restrooms, and service entrances and corridors.

The allowable land uses are general commercial uses. Additionally, please be aware that any land uses listed in Land Management Ordinance (LMO) Section 16-4-209.E (copy enclosed) require a zoning map amendment and conformance with any specific use standards found in LMO Chapter 4, Article XIII.

I hope that this letter provides the information that you need. Please contact me should you need further assistance with this matter.

Sincerely,



Teri Lewis, AICP
LMO Official

EXHIBIT A

PUBLIC WATERFRONT PROMENADE
(AVERAGE MARSH SETBACK 50')

MULTI-FAMILY RESIDENTIAL
- 4 STORY, +/- 76 UNITS

WATERFRONT DRIVE
- PEDESTRIAN STREETSCAPE
- ON-STREET PARKING

COMMUNITY PARK (+/- 5.1 ACRES)
- PUBLIC EVENT & GATHERING AREA
- WATERFRONT PROMENADE & BOARDWALKS
- OPEN SPACE PARK
- PUBLIC PIER AND PAVILION
- CONVENIENT ACCESS TO PARKING,
VILLAGE COMMERCIAL AREA & RESIDENTIAL

PUBLIC WATERFRONT PROMENADE
(AVERAGE MARSH SETBACK 75')

MULTI-FAMILY RESIDENTIAL (+/- 4.9 ACRES)
- 4 STORY, +/- 134 UNITS

**WATERFRONT PROMENADE TO
CONNECT TO EXISTING PARKS**

**NEWPORT
COMMUNITY**

MARSHES OF
BROAD CREEK

MARSHES OF
BROAD CREEK

**EXISTING
LAGOON**

**EXISTING
LAGOON**

**EXISTING
LAGOON**

**VETERANS PARK &
PUBLIC RESTROOMS**

EXISTING POWER
EASEMENT

EXISTING POWER EASEMENT

BELK

BELK
PUBLIC
RESTROOMS

KROGER

EXISTING COMMERCIAL

RELOCATED
POWER EASEMENT

RELOCATED
POWER EASEMENT

OPEN VIEW TO WATER

PUBLIC PLAZA

**WILLIAM HILTON
PARKWAY**

**FUEL CENTER
PHARMACY DRIVE-THRU KIOSK**

RIGHT-TURN INTERSECTION

**GREENWAY
TRAIL SYSTEM**

MAIN STREET COMMERCIAL
- VILLAGE SCALE
- ENHANCED STREETSCAPES & PLAZAS
- PEDESTRIAN & BICYCLE ORIENTED
- VIEW TO WATER

DEVELOPMENT SUMMARY

■ **NON-RESIDENTIAL +/- 295,000 SF**

□ **MULTI-FAMILY +/- 210 UNITS**

CONCEPTUAL MASTER PLAN

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.



EXHIBIT A

Prepared For:

BLANCHARD & CALHOUN
COMMERCIAL
AUGUSTA, GA

SHELTER COVE MALL REDEVELOPMENT

Hilton Head Island, SC
March 14, 2012

Prepared By:

Wood Partners Inc. WPI
Landscape Architects
Land Planners



EXHIBIT B

TOWN OF HILTON HEAD ISLAND

One Town Center Court, Hilton Head Island, S.C. 29928

(843) 341-4600 Fax (843) 842-7728

www.hiltonheadislandsc.gov

Drew A. Laughlin
Mayor

Kenneth S. Heitzke
Mayor ProTem

Council Members

Wm. Lee Edwards
Willie (Bill) Ferguson
William D. Harkins
Kimberly W. Likins
George W. Williams, Jr.

Stephen G. Riley
Town Manager

June 23, 2011

Mr. Mark Senn
President
Blanchard & Calhoun Commercial
2743 Perimeter Parkway
Building 100, Suite 370
Augusta, GA 30909

Dear Mr. Senn:

This letter is in response to your request for a zoning verification letter for property located at 24 Shelter Cove Lane [R520 012 00B 0026 0000]. Please be aware that it is not a Town of Hilton Head Island policy to conduct a detailed site analysis, therefore, this correspondence will verify zoning, density and permitted land use only.

As identified on the Town of Hilton Head Island Official Zoning Map, the above property lies within the Palmetto Dunes PD-1 zoning district. The specific Master Plan Land Use Designation for the above referenced address is "The Mall at Shelter Cove". The allowable density on this parcel is 314,000 square feet; however, the square footage is further allocated as follows:

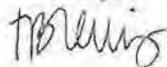
- 268,000 square feet for general commercial purposes
- 40,000 for a cinema complex use.

The 268,000 square feet for general commercial purposes are exclusive of areas open and unobstructed to the sky, specifically excluding common areas such as enclosed pedestrian areas, fire exits, mall offices, public restrooms, and service entrances and corridors.

The allowable land uses are general commercial uses. Additionally, please be aware that any land uses listed in Land Management Ordinance (LMO) Section 16-4-209.E (copy enclosed) require a zoning map amendment and conformance with any specific use standards found in LMO Chapter 4, Article XIII.

I hope that this letter provides the information that you need. Please contact me should you need further assistance with this matter.

Sincerely,



Teri Lewis, AICP
LMO Official

EXHIBIT B-1



**TOWN OF HILTON HEAD ISLAND
COMMUNITY DEVELOPMENT
DEPARTMENT**

One Town Center Court | Hilton Head Island, SC 29928 | 843-341-4757 | FAX 843-842-8908

**TOWN COUNCIL
NOTICE OF ACTION
ZONING MAP AMENDMENT**

Case #:	Name of Project or Development:	Public Hearing Date:
ZMA080005	Shelter Cove Mall	June 17, 2009

Parcel Data or Location:	Applicant:	Agent:
R520 012 00B 0026 0000 24 Shelter Cove Lane	PVI Shelter Cove Limited Partnership	Chester C. Williams

Town Council Determination, Findings of Fact, and Conclusions of Law:
<p>The Town Council has determined that they find the application (✓):</p> <p>✓ To be consistent with the Comprehensive Plan and serves to carry out the purposes of the LMO based on those Facts and Conclusions of Law determined by the LMO Administrator Determination and listed in the attached ordinance</p>

CASE MANAGER:

July 15, 2009

Teri B. Lewis, AICP, LMO Official

DATE

WHEREAS, the Planning and Development Standards Committee held a public meeting on December 17, 2008 to review ZMA080005, 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 and Development Standards Committee, after consideration of the staff report, public comments, and the criteria set forth in Section 16-3-1505 of the LMO, voted 2-1-0 to forward ZMA080005 to Town Council with a recommendation for approval; and

WHEREAS, as a result of subsequent discussions with the Town regarding a proposed Development Agreement for said 42.45 acre parcel, PVI Shelter Cove Limited Partnership sought certain revisions to ZMA080005; and

WHEREAS, the Planning Commission held a second public hearing on revised ZMA080005 on June 17, 2009, 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 revised ZMA080005, the staff report, public comments and the criteria set forth in Section 16-3-1505 of the LMO, voted 6-2 to recommend to Town Council that the rezoning request be approved; and

WHEREAS, after due consideration of said zoning map amendment application, the staff report, public comment on the rezoning request and the recommendations of the Planning Commission and the Planning and Development Standards Committee, the Town Council, upon further review, now finds that the requested zoning map amendment does meet the criteria set forth in Section 16-3-1505 of the LMO; that the requested 40,000 square feet of additional density, with 46,000 square feet of density limited to cinema complex use, and the allowance of community service uses on said 42.45 acre tract, as requested in revised ZMA080005 are compatible with surrounding land uses and neighborhood character, is not detrimental to the public health, safety and welfare; that the requested zoning map amendment, taken together with the proposed Development Agreement, provides a community-wide benefit; that the development permitted by the increase in density will not result in negative impacts on the infrastructure and, further, that the requested zoning map amendment is in conformance with the Comprehensive Plan;

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

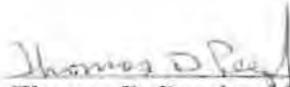
Section 1. Amendment. That the Official Zoning Map of the Town of Hilton Head Island, as referred to in Section 16-4-102 of the LMO, and the Palmetto Dunes Resort Master Plan and associated text, referred to in Section 16-4-209 of the LMO, be hereby amended to increase the density assigned to that certain 42.45 acre parcel of land within the Palmetto Dunes Resort Master Plan located at 24 Shelter Cove Lane, and identified as Beaufort County Tax Parcel FMS District 520, Map 012, Submap 00B, Parcel 0026, Block 0000, by 40,000 square feet to 314,000 square feet, of which 46,000 square feet shall be limited to a cinema complex use, and to allow

community service uses, in addition to commercial uses except as limited by LMO Section 16-4-209 on said 42.45 acre parcel.

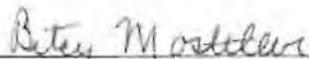
Section 2. Severability. If any section, phrase, sentence or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity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

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

PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS 7 DAY OF July, 2009.

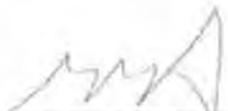

Thomas D. Peebles, Mayor

ATTEST:


Betsy Mosteller, Town Clerk

Public Hearing: June 17, 2009
First Reading: June 24, 2009
Second Reading: July 7, 2009

Approved as to form:


Gregory M. Alford, Town Attorney

Introduced by Council Member: Bill Ferguson

EXHIBIT C

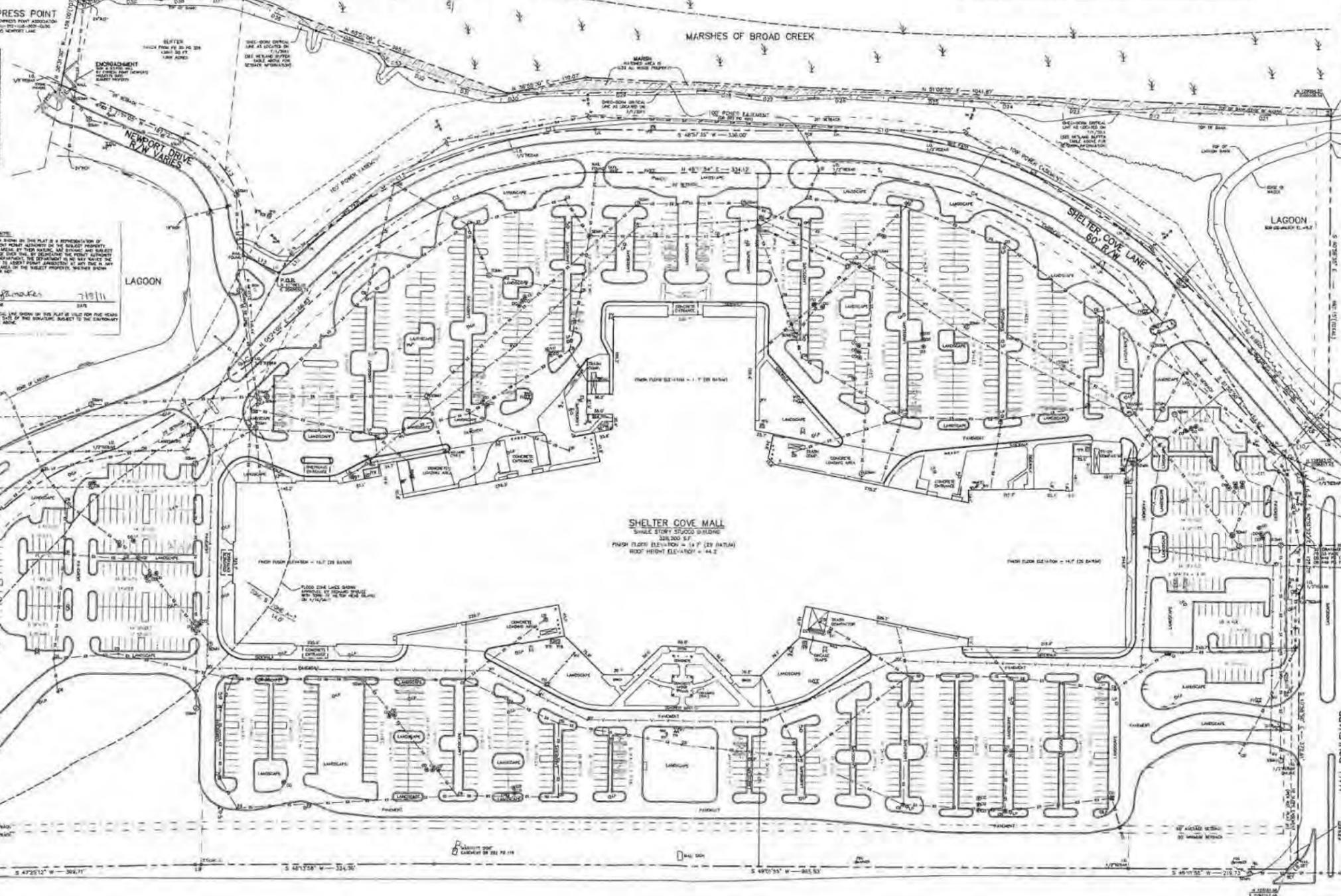


CURVE	LENGTH	RADIUS	ANGLE	CHORD	BEARING	DELTA
C1	354.45	120.00	324.47	314.77	S 84°58'04" W	243.277
C2	229.72	1500.00	177.74	220.09	S 123°11'00" W	63.8277
C3	187.22	547.48	76.47	188.38	S 28°31'50" W	113.413
C4	385.27	508.24	200.13	368.07	S 67°51'47" W	175.141
C5	134.86	393.57	77.60	133.17	S 8°32'52" W	113.818
C6	24.39	411.27	47.34	24.20	S 82°34'42" W	73.246
C7	51.82	1045.03	104.05	50.81	S 81°51'00" W	115.831
C8	202.30	628.57	112.20	202.81	S 131°17'50" W	263.737
C9	124.86	628.57	112.20	124.87	S 48°18'42" W	113.828
C10	130.78	607.48	110.08	130.54	S 41°27'27" W	112.523
C11	270.30	607.48	110.08	270.31	S 208°01'00" W	207.676
C12	138.14	117.00	90.00	138.14	S 115°02'00" W	263.913

LINE	LENGTH	BEARING
L1	41.21	S 87°16'30" W
L2	3.42	S 31°25'30" W
L3	6.27	S 80°11'30" E
L4	1.86	S 81°48'27" E
L5	3.82	S 48°17'14" E
L6	18.80	S 45°32'00" E
L7	13.43	S 33°08'00" E
L8	10.17	S 04°10'45" E
L9	8.31	S 47°12'15" E
L10	75.70	S 42°19'10" E
L11	8.50	S 86°27'45" E
L12	37.44	S 02°34'00" E
L13	30.50	N 74°36'30" E
L14	35.10	S 82°00'00" E

LEGEND

- 1-0 FROM OLD FOUND
- 1-01 NEW NEW 5/8" IRON BAR SET
- 1-02 POWER BOX
- 1-03 TRANSFORMER
- 1-04 CLEAN-OUT
- 1-05 FIRE HYDRANT
- 1-06 WATER VALVE
- 1-07 WATER LATCH
- 1-08 FIRE PROTECTION VALVE
- 1-09 LIGHT POLE
- 1-10 SANITARY SEWER MANHOLE
- 1-11 STORM DRAIN MANHOLE
- 1-12 CATCH BASIN
- 1-13 CURB INLET
- 1-14 60" WIRE ANCHOR
- 1-15 60" WIRE ANCHOR
- 1-16 60" WIRE ANCHOR
- 1-17 60" WIRE ANCHOR
- 1-18 60" WIRE ANCHOR
- 1-19 60" WIRE ANCHOR
- 1-20 60" WIRE ANCHOR
- 1-21 60" WIRE ANCHOR
- 1-22 60" WIRE ANCHOR
- 1-23 60" WIRE ANCHOR
- 1-24 60" WIRE ANCHOR
- 1-25 60" WIRE ANCHOR
- 1-26 60" WIRE ANCHOR
- 1-27 60" WIRE ANCHOR
- 1-28 60" WIRE ANCHOR
- 1-29 60" WIRE ANCHOR
- 1-30 60" WIRE ANCHOR
- 1-31 60" WIRE ANCHOR
- 1-32 60" WIRE ANCHOR
- 1-33 60" WIRE ANCHOR
- 1-34 60" WIRE ANCHOR
- 1-35 60" WIRE ANCHOR
- 1-36 60" WIRE ANCHOR
- 1-37 60" WIRE ANCHOR
- 1-38 60" WIRE ANCHOR
- 1-39 60" WIRE ANCHOR
- 1-40 60" WIRE ANCHOR
- 1-41 60" WIRE ANCHOR
- 1-42 60" WIRE ANCHOR
- 1-43 60" WIRE ANCHOR
- 1-44 60" WIRE ANCHOR
- 1-45 60" WIRE ANCHOR
- 1-46 60" WIRE ANCHOR
- 1-47 60" WIRE ANCHOR
- 1-48 60" WIRE ANCHOR
- 1-49 60" WIRE ANCHOR
- 1-50 60" WIRE ANCHOR



TOWN OF HILTON HEAD ISLAND LUG SEC. 10-6-204 - WELAND BUFFERS

Use	Top Wetland	Freshwater Wetland
Multi-Family Residential/Nonresidential Intermediate Paved Surfaces	20 feet average 25 feet minimum	40 feet average 20 feet minimum
Multi-Family Residential/Nonresidential Paved Surfaces	15 feet average 15 feet minimum	35 feet average 15 feet minimum
Multi-Family Residential/Nonresidential Structures	40 feet average 20 feet minimum	30 feet average 20 feet minimum
Single Family Dwelling Including accessory structures and independent or previous paved surfaces	10 feet	10 feet
Lagoons and Stormwater Retention/Retention Areas		20 feet minimum

LEGAL DESCRIPTION

The land referred to in this Commission is situated in the County of Beaufort, State of South Carolina and is described as:

As shown on a plat of 47.447 acres, more or less and being shown and described as "Lot 1", "Outparcel 1", "Outparcel 1", "Parcel A-1", "Parcel C", and "Parcel D" on that certain plat of survey entitled "Shelter Cove Project The Mall at Shelter Cove B & C Project Number 20030468 126 Shelter Cove Lane, Hilton Head Island, SC" prepared by Smith Surveyors, Inc. Robert Dale Kirk, P.L.C. 18133, dated August 16, 2002 as revised September 18, 2003, re-recorded and filed February 14, 2005 recorded in Plat Book 106 at page 92.

The above described property is the same property recorded by HILTON HEAD ISLAND TITLE COMPANY UNDER COMMISSION NO. 07-10-043 DATED JUNE 18, 2007 AT 8:00 AM COMMISSION NO. 07-10-043 DATED JUNE 18, 2007 AT 8:00 AM as shown on a plat of 47.447 acres, more or less and being shown and described as "Lot 1", "Outparcel 1", "Outparcel 1", "Parcel A-1", "Parcel C", and "Parcel D" on that certain plat of survey entitled "Shelter Cove Project The Mall at Shelter Cove B & C Project Number 20030468 126 Shelter Cove Lane, Hilton Head Island, SC" prepared by Smith Surveyors, Inc. Robert Dale Kirk, P.L.C. 18133, dated August 16, 2002, as revised September 18, 2003, re-recorded and filed February 14, 2005 recorded in Plat Book 106 at page 92.

U.S. HIGHWAY 278
"WILLIAM HILTON PARKWAY"
PUBLIC VARIABLE R/W

AREA TABLE

VACANT/MARSH TRACT	= 6.63 ACRES
MALL TRACT	= 35.82 ACRES
TOTAL AREA	= 42.45 ACRES



NOTES

- I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THE SURVEY THEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MISSISSIPPI STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN. ALSO THERE ARE NO DE-TOLE, ZONING OR VISIBLE ENCROACHMENTS ON PROJECTIONS OTHER THAN SHOWN.
- AS OF THE DATE OF THIS SURVEY THE PROPERTY IS LOCATED IN ZONE S-1-A-2-A AS A SPECIAL FLOOD HAZARD AREA AS DETERMINED BY HILTON HEAD ISLAND COMMUNITY BY ORDINANCE 04-0006, BASE ELEVATION 10.0' AND FLOOD HAZARD ZONE AND BASE ELEVATION WERE DETERMINED BY RICHARD SPURLOCK, PLANNING REVIEW ADMINISTRATOR, TOWN OF HILTON HEAD ISLAND ON 4/16/2011.
- THE UNDERGROUND UTILITIES SHOWN WERE TAKEN FROM A COMBINATION OF REFERENCE PLAT NUMBERS 2, 3 AND 4 AND FROM FIELD OBSERVATION TO THE BEST OF THIS FIRM'S ABILITY. SURVEYING CONSULTANTS DOES NOT CERTIFY TO THE ACTUAL LOCATION OF ANY OF THE UNDERGROUND UTILITIES.

REFERENCE PLATS:

- RECOMBINATION PLAT, TOTAL AREA 1744933.00 FT. 42.847 ACRES, DATED 8/27/2005, BY: ROBERT DALE KIRK, R.C.R.L.S. NO. 18133, RECORDED P.B. 106, PG. 96, 97, 99, 100.
- ALTA/ACSM LAND TITLE SURVEY, THE MALL AT SHELTER COVE, 28 SHELTER COVE LANE, HILTON HEAD ISLAND, SC, DATED 8/27/2005, BY: ROBERT DALE KIRK, R.C.R.L.S. NO. 18133.
- PAVING, GRADING & DRAINAGE PLAN, THE MALL AT SHELTER COVE, FOR DAVID HOOKER & ASSOCIATES, DATED 06/11/2008, LAST REVISED 5/8/2009, BY: HUSSEY, DAY & BELL CONSULTING ENGINEERS.
- SANITARY SEWER & WATER DISTRIBUTION PLAN, THE MALL AT SHELTER COVE, FOR DAVID HOOKER & ASSOCIATES, DATED 06/11/2008, LAST REVISED 5/8/2009, BY: HUSSEY, DAY & BELL CONSULTING ENGINEERS.

PREPARED FOR: PVI SHELTER COVE LIMITED PARTNERSHIP
ADDRESS: #24 SHELTER COVE LANE
TAX PARCEL NO. 18420-013-008-0026-0001

ALTA/ACSM LAND TITLE SURVEY
OF
SHELTER COVE MALL
A SECTION OF
SHELTER COVE

HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA
SCALE: 1" = 60'
DATE: 7/27/2011
JOB NO: SC1100404

REVISION: 4/16/2012; REVISED FROM FLOOD ZONE LINES
SG SURVEYING CONSULTANTS
17 Stratfordton Drive, Suite C, Beaufort, SC 29915
SC Phone: (843) 851-3204 FAX: (843) 851-3202
24 Tomlinson Drive, Beaufort, SC 29915
SC Phone: (843) 858-0700 FAX: (843) 858-0701
© 2011



LEGAL DESCRIPTION

The land referred to in this instrument is situated in the County of Beaufort, State of South Carolina and is described as:

As shown on a plot of 42.447 acres, more or less, and being shown and described as "Mall Tract", "Outparcel F", "Outparcel G", "Outparcel H", "Outparcel I", "Outparcel J", "Outparcel K", and "Outparcel L" on that certain plot of survey entitled "Shelter Cove Project The Mall at Shelter Cove II & C Project Number 20030486.126 Shelter Cove Lane, Hilton Head Island, SC" prepared by Smith Surveys, Inc., Robert Dale Dale, P.L.L.C., dated August 18, 2003, as revised September 18, 2003 or more fully shown on that certain plot of survey entitled "RECOMBINATION PLAT, TOTAL AREA 1846693.50 FT. 42.447 ACRES" prepared by Smith Surveys, Inc., dated February 16, 2005 recorded in Plot Book 108 at page 88.

THE ABOVE DESCRIBED PROPERTY IS THE SAME PROPERTY INSURED BY FIDELITY NATIONAL TITLE COMPANY UNDER COMMITMENT NO. 07-10-048 DATED JUNE 18, 2007 AT 8:00 AM.

As shown on a plot of 42.447 acres, more or less, and being shown and described as "Mall Tract", "Outparcel F", "Outparcel G", "Outparcel H", "Outparcel I", "Outparcel J", "Outparcel K", and "Outparcel L" on that certain plot of survey entitled "Shelter Cove Project The Mall at Shelter Cove II & C Project Number 20030486.126 Shelter Cove Lane, Hilton Head Island, SC" prepared by Smith Surveys, Inc., Robert Dale Dale, P.L.L.C., dated August 18, 2003, as revised September 18, 2003 or more fully shown on that certain plot of survey entitled "RECOMBINATION PLAT, TOTAL AREA 1846693.50 FT. 42.447 ACRES" prepared by Smith Surveys, Inc., dated February 16, 2005 recorded in Plot Book 108 at page 88.

CURVE	LENGTH	RADIUS	TANGENT	CHORD	BEARING	DELTA
C1	200.46'	426.00'	331.47'	313.77'	S 04°30'04" E	74°28'27"
C2	228.27'	1808.86'	112.74'	225.08'	N 15°31'30" E	8°45'24"
C3	287.22'	847.48'	207.40'	288.59'	S 28°21'59" W	41°24'16"
C4	385.52'	288.34'	208.12'	388.07'	S 87°30'17" W	37°29'42"
C5	183.38'	683.02'	57.00'	183.07'	N 87°33'58" W	11°18'18"
C6	34.96'	412.87'	27.64'	34.86'	N 85°14'52" W	7°37'46"
C7	42.63'	391.87'	31.34'	42.50'	N 89°24'42" W	6°35'09"
C8	208.20'	1054.03'	104.88'	205.83'	N 87°24'08" W	11°18'31"
C9	208.20'	658.34'	158.78'	207.81'	S 73°13'50" W	20°27'27"
C10	134.64'	858.54'	87.80'	134.41'	S 54°18'58" W	11°43'09"
C11	180.78'	807.48'	80.86'	180.86'	S 41°27'37" W	11°24'26"
C12	230.00'	808.48'	163.80'	230.21'	S 20°30'18" W	30°10'28"
C13	158.84'	147.26'	88.45'	148.20'	N 70°10'18" W	68°10'24"

LINE	LENGTH	BEARING
L1	21.21'	N 87°18'26" E
L2	3.48'	N 81°20'28" E
L3	8.27'	N 88°45'38" E
L4	1.85'	S 81°46'27" E
L5	9.82'	S 29°17'16" E
L6	18.86'	S 43°21'16" E
L7	13.42'	S 14°02'02" E
L8	21.21'	S 04°30'40" E
L9	8.32'	S 47°27'14" W
L10	75.70'	S 47°10'10" W
L11	8.92'	S 88°17'40" E
L12	21.44'	S 14°02'02" E
L13	25.85'	N 74°28'22" E
L14	28.18'	S 43°21'16" E

SURVEYOR'S CERTIFICATION

This is to certify that Shelter Cove Towne Centre, LLC, a South Carolina limited liability company and/or its assignee, ("Purchaser"), and Old Republic National Title Insurance Company ("Title Insurer") and The Kroger Co. ("Landlord") but as to that part or parts thereof "ALTA/ACSM LAND TITLE SURVEY OF SHELTER COVE MALL, A SECTION OF SHELTER COVE, HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA" prepared by the undersigned Surveyor. Consistent with the "Survey": (a) the Survey is true and correct and was made on the ground under my supervision in full compliance with the provisions of the laws of the State of South Carolina and each individual parcel thereof indicated hereon; (b) all monuments shown on the Survey actually exist, and the location, size and type of such monuments are correctly shown; (c) the subject property described in this survey is the same land as described in the Deed of Pacific Life Insurance Company to PM Shelter Cove Limited Partnership dated March 8, 2004 and recorded in the ROD Office for Beaufort County in Book 1924 at Page 2281 and as described on that plot entitled "RECOMBINATION PLAT, TOTAL AREA 1846693.50 FT. 42.447 ACRES" dated February 16, 2005 and recorded in the ROD Office for Beaufort County in Plot Book 108 at page 88 as further described on Exhibit "A" attached hereto.

AREA TABLE

VACANT/MARSH TRACT	= 6.63 ACRES
MALL TRACT	= 35.82 ACRES
TOTAL AREA	= 42.45 ACRES

ZONING INFORMATION

- PROPERTY IS ZONED PD-4, PLANNED DEVELOPMENT MIXED USE.
- BUILDING SETBACK REQUIREMENTS:**
 - MINIMUM 50% OF AVERAGE SETBACK OF MINIMUM SETBACK.
 - MINIMUM 50% OF AVERAGE SETBACK OF MINIMUM SETBACK.
 - SUPPORT 50% OF SETBACK.
 - MINIMUM 50% OF AVERAGE SETBACK OF MINIMUM SETBACK.
- BUILDING HEIGHT REQUIREMENTS:** MAXIMUM 70' & HARBORABLE STORES
- PARKING SPACE REQUIREMENTS FOR PD-4 SHOPPING CENTER 1 SPACE FOR EVERY 300 SQUARE FEET OF GROSS FLOOR AREA**
- EXISTING PARKING DATA:**
 - REGULAR SPACES = 1,189
 - HANDICAP SPACES = 48
 - TOTAL SPACES = 1,234
 - 1 SPACE FOR 300 SQUARE FEET OF GROSS FLOOR AREA

NOTES

- I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN. ALSO THERE ARE NO CONFLICTS APPARENT ON VISIBLE ENCROACHMENTS OR PROJECTIONS OTHER THAN SHOWN.
- AS OF THE DATE OF THIS SURVEY THIS PROPERTY IS LOCATED IN ZONE B-7-A-C-A. A SPECIAL FLOOD HAZARD AREA AS DETERMINED BY H.U.D. PANEL 14-C COMMUNITY NO. 560220. MAP DATED 3/28/86. BASE ELEVATION IS 13.6'. FLOOD HAZARD ZONE AND BASE ELEVATION WERE VERIFIED BY RICHARD SPRUIELL, PLANS REVIEW ADMINISTRATOR, TOWN OF HILTON HEAD ISLAND ON 4/16/2012.
- THE UNDERGROUND UTILITIES SHOWN WERE TAKEN FROM A COMBINATION OF REFERENCE PLAT NUMBERS 2, 3 AND 4 AND FROM FIELD OBSERVATION TO THE BEST OF THIS FIRM'S ABILITY. SURVEYING CONSULTANTS DOES NOT CERTIFY TO THE ACTUAL LOCATION OF ANY OF THE UNDERGROUND UTILITIES.

REFERENCE TABLE:

- RECOMBINATION PLAT, TOTAL AREA 1846693.50 FT. 42.447 ACRES, DATED 2/16/2005, BY: ROBERT DALE DALL, S.C.L.S., NO. 18133, RECORDED: P.L. 108, PG. 88, 5/9/2005.
- ALTA/ACSM LAND TITLE SURVEY, THE MALL AT SHELTER COVE, 28 SHELTER COVE LANE, HILTON HEAD ISLAND, SC, DATED 8/27/2007, BY: ROBERT DALE DALL, S.C.L.S., NO. 18133.
- PAVING, GRADING & DRAINAGE PLAN, THE MALL AT SHELTER COVE, FOR DAVID HOOKER & ASSOCIATES, DATED: OCT. 1988, LAST REVISED: 5/8/1987, BY: HURSEY, GAY & BELL, CONSULTING ENGINEERS.
- SANITARY SEWER & WATER DISTRIBUTION PLAN, THE MALL AT SHELTER COVE, FOR DAVID HOOKER & ASSOCIATES, DATED: OCT. 1988, LAST REVISED: 5/8/1987, BY: HURSEY, GAY & BELL, CONSULTING ENGINEERS.

Notice Concerning the Schedule II - Section 2

COMMITMENT NO. 10341.0022 DATED: MARCH 1, 2011 AT 8:00 AM
 OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

- Terms, conditions and easements contained in Easement for Use of Drainage Facilities from Greenwood Development Corporation to H97 77 Company, H97 50 Company and H97 177 Company dated July 22, 1988 and recorded August 3, 1988 in Book 507 of page 534, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Rights or claims of parties in possession not shown of record.
- Mechanic's, contractor's and/or materialman's liens, and lien claims, if any, where no notice thereof appears for record. (This exception will be deleted in the first policy year renewal of a satisfactory DRP Form 101-3C or 102-3C "Owner's Affidavit".) **NOT OF SURVEY MATTERS.**
- INTENTIONALLY LEFT BLANK.
- INTENTIONALLY LEFT BLANK.
- INTENTIONALLY LEFT BLANK.
- INTENTIONALLY LEFT BLANK.
- Intervests created by or limitations on use imposed by the Federal Coastal Zoning Management Act or by SC Code, Chapter 38, Title 46, as amended, or any regulations promulgated pursuant to said state or federal laws. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Easement granted to Palmetto Dunes Cooperative by The Hilton Head Agriculture Company, Inc. dated March 10, 1981 and recorded in Book 158 at page 43, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Easement regarding the Hyatt Hotel sign as set forth in the Sign Easement by and between Palmetto Dunes Resort, Inc. and Danae Hotel Associates dated November 15, 1979 and recorded November 18, 1979 in Book 282 at page 1728, Beaufort County Records, and as shown on the plot recorded in Plot Book 38 of page 228. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- All matters described in that certain Declaration of Covenants, Conditions and Restrictions Running with Certain Lots of Greenwood Development Corporation in Beaufort County, South Carolina, and Provisions for Member in the Shelter Cove Harbor Company, a South Carolina Non-Profit Corporation recorded in Book 342 of page 1728, Beaufort County Records, and as shown on the plot recorded in Plot Book 38 of page 228. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Restrictions and other matters in that deed from Greenwood Development Corporation to H97 77 Company dated May 28, 1988 and recorded in the ROD Office for Beaufort County in Deed Book 448 at Page 1760. **NOT AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Grant of Easement between Palmetto Dunes Resort, Inc. and Plantation Distributors, Inc. dated January 9, 1978 and recorded on January 19, 1979 in Deed Book 278 at Page 44. **NOT AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- INTENTIONALLY LEFT BLANK.
- Restrictions and other matters in that deed from Greenwood Development Corporation to H97 77 Company dated May 28, 1988 and recorded in the ROD Office for Beaufort County in Deed Book 448 at Page 1760. **NOT AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Twenty (20) foot drainage easement reserved in the Deed from Greenwood Development Corporation to H97 77 Company dated May 28, 1988 and recorded June 2, 1988 in Deed Book 448 at page 1768, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Twenty (20) foot drainage easement reserved in Deed from Greenwood Development Corporation to H97 77 Company dated May 28, 1988 and recorded June 10, 1988 in Deed Book 449 of page 1868, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- All terms and conditions contained in the Declaration of Covenants and Restrictions dated April 5, 1992 and recorded May 7, 1992 in Book 598 at page 420, Beaufort County Records, as amended by that certain First Amendment to Declarations of Covenants and Restrictions dated August 30, 1999 and recorded September 23, 1999 in Book 1215 of page 2318 as amended by Second Amendment to Declaration of Covenants and Restrictions dated August 30, 1999 and recorded September 23, 1999 in Book 1215 of page 2318 as amended by Page 2318. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of the Declaration of Covenants and Restrictions dated April 5, 1992 and recorded May 7, 1992 in Book 598 at page 420, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Power Line Easement, Slope and Hotel Easement and other terms and conditions reflected in that certain Deed from Greenwood Development Corporation to H97 77 Company dated May 28, 1988 and recorded June 2, 1988 in Book 448 of page 1768, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Terms, conditions and easements contained in Easement for Drainage by and between H97 77 Company and H97 50 Company dated May 23, 1988 and recorded June 2, 1988 in Book 449 of page 1772, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Terms, conditions and right-of-way contained in Right-of-Way granted into Central Electric Power Cooperative, Inc. by H97 77 Company dated December 12, 1988 and recorded January 19, 1987 in Book 488 at page 507, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Terms, conditions and right-of-way contained in Right-of-Way granted into Central Electric Power Cooperative, Inc. by Greenwood Development Corporation dated January 2, 1997 and recorded January 16, 1997 in Book 489 at page 508, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY IN ITS RELOCATED POSITION.**
- Blas joint assessment rights reflected in the Deed from H97 77 Company and H97 177 Company to Greenwood Development Corporation dated July 28, 1988 and recorded August 3, 1988 in Book 507 at page 490, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Terms, conditions and easements contained in Declaration of Easement dated July 14, 1988 by H97 77 Company and recorded August 3, 1988 in Book 507 of page 500, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Terms, conditions and easements contained in Easement for Drainage dated July 14, 1988 from H97 77 Company to H97 77 Company recorded August 12, 1988 and recorded August 3, 1988 in Book 507 of page 501, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Terms, conditions and easements contained in Easement for Drainage into Lagoon from Greenwood Development Corporation and H97 177 Company to H97 77 Company dated July 27, 1988 and recorded August 30, 1988 in Book 507 of page 508, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**

- Terms, conditions and easements contained in Easement for Use of Drainage Facilities from Greenwood Development Corporation to H97 77 Company, H97 50 Company and H97 177 Company dated July 22, 1988 and recorded August 3, 1988 in Book 507 of page 534, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Terms, conditions and easements contained in Agreement to Transfer Commercial Square Footage by and between Pacific Mutual Realty Finance, Inc. and Greenwood Development Corporation dated November 28, 1988 and recorded December 18, 1988 in Book 823 of page 523, Beaufort County Records. **AFFECTS PROPERTY AS SHOWN ON SURVEY.**
- Terms and conditions of recorded Lease by and between Pacific Mutual Realty Finance, Inc. and State 1775 Avenue, Inc. dated August 22, 1988 as evidenced by that certain Memorandum of Lease Agreement dated August 22, 1988 and recorded March 23, 1987 in Book 928 of page 1102, Beaufort County Records. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by and between H97 77 Company and Horton Incorporated dated July 11, 1988 and recorded on July 18, 1988 in Lease Book 18 of Page 1281 as amended by that instrument recorded in the said ROD Office in Lease Book 18 of Page 1271.
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVEY MATTERS.**
- Terms and conditions of that Lease by Book _____ of Page _____. **(TO REMAIN AN EXCEPTION IN THE OWNER'S POLICY AND TO BE MOVED TO BE A SUBORDINATE MATTER IN THE LOAN POLICY)**. Financing Statement showing PM Shelter Cove Limited Partnership, as Debtor, and Colman Frenkel, Inc., as Secured Party, recorded March 16, 2004 at 1:57pm in Book 0003 of page 0878 as amended by Amendment to UCC recorded in the ROD Office for Beaufort County in Book 8 of Page 1887, assigned by that certain Assignment to The Kroger Co. dated 2/27/11 to The Kroger Co. dated 2/27/11 and Restrictions dated May 7, 2003 and recorded in the ROD Office for Beaufort County in Book 1204, and Second Amendment restricts the property from future development. **NOT OF SURVE**

EXHIBIT D

January 17, 2012

Wes Jones

Jones Simpson and Patterson Law Firm

18 Pope Ave

Hilton Head, SC 29928

Wes,

Attached you will find a spreadsheet detailing all rental apartments on Hilton Head Island. My methodology in developing this report was to first pull from the Beaufort County Tax records, all parcels that were classified as apartment rental properties. I then visited each property and identified the number of units at each site. Finally I contacted the rental agent on each property to verify the number of units and determine the rents and vacancy rates.

Some of my observations:

Most of the complexes cater to lower income tenants. They are mostly pretty old and I didn't see anything new built in over 20 years. Many of the complexes are subsidized by HUD or the Beaufort County Housing Authority, which means the tenant has to qualify by income.

The one complex that catered to a more middle class tenant was Marsh Point – off Gum Tree Rd – near the HH Schools complex. The rental agent –Renay McClain – describes Marsh Point as a transition community- meaning that many of the tenants upgrade to a home or condo. FYI, I felt Renay was an excellent source for information on this segment of the market.

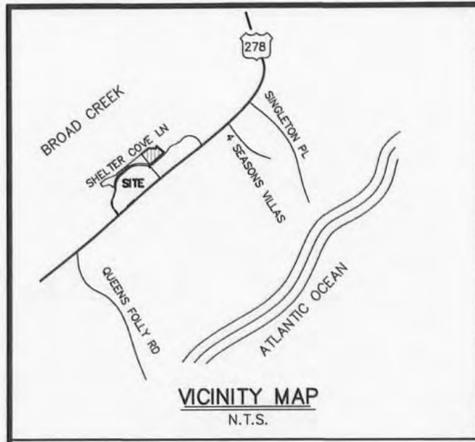
The apartment to condo conversions that took place several years ago took several complexes out of the rental market, mostly on the south end of the island. The individual owners then put their units back on the rental market but they created a great deal of inconsistency. These converted units and the units that were vacation units make up the bulk of long term condo rentals on the South end of the island. Now with the difficult economy, many of these units are going into foreclosure and creating problems for the regimes.

If you would like, I could do a more in- depth study on this segment. Thank you for the opportunity of helping you on this project.

Paul Cifaldi Sr

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	units rent	52		43	9	1950	don 686-2150	Chimney Cove LLC	PO Box 21326, Hilton Head SC 29925 1-3 story bldg rest flats
Sylby Tub Apartments	344078	Off Dillon Rd	units rent	18		18		1983	Patrick 689-3070, 684-8806	Tom Barnwell	rent based on income
Cedar Wells Apartments	3336759	On Squire Pope Rd-near Hudsons	units rent	24		24		1990	Patrick 689-3070, 684-8806	Tom Barnwell	
90 Dillon Road Apartments	5186844	Dillon Rd - Past Entrance to FBQ	units rent	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
Hilton Head Gardens Apartments	857299	Southwood Park Rd-off 278-behind Apple Appliance	units rent	112	16	16	64	16	debbie Carroll-681-2911	C/O Rellly Mgt Assoc-200 Corporate Ridge-suite 925- McClean VA 22102	Hud Subsidized-managed by Frye Properties
Sandlewood Terrace	901554	Southwood Park Rd-off 278-behind Apple Appliance	units rent	81					pat-681-5309	Beaufort Housing Authority	HUD subsidized- owned by Beaufort Cty Housing rent based on income
Marsh Point -Apartments	3448255	off Gum Tree Rd - Near HH Schools Complex	units rent	140	56	84			Renay McClain-681-6650	Marshpoint LP- Managed by	3301 West End Ave suite 200-Nashville TN 37203 top of the line-nice surroundings
Totals:-				475	16	96	257	25			



MARSHES OF BROAD CREEK



SHELTER COVE MALL TRACT

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

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

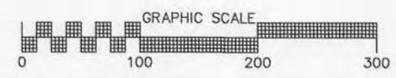
SURVEY OF
SHELTER COVE MALL
& A PORTION OF
SHELTER COVE COMMUNITY PARK
A SECTION OF
SHELTER COVE

HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA

SCALE: 1" = 100' DATE: 4/30/2012 JOB NO: SC110040D

PREPARED FOR: SHELTER COVE TOWNE CENTRE, LLC

ADDRESS: #39 SHELTER COVE LANE
TAX PARCEL I.D. NO. R520-012-00C-0002-0000



SURVEYING CONSULTANTS

17 Sherington Drive, Suite C, Bluffton, SC 29910
SC Telephone: (843) 815-3304 FAX: (843) 815-3305
GA Telephone: (912) 826-2775 CAD: AJ

COPYRIGHT © BY SURVEYING CONSULTANTS



TOWN OF HILTON HEAD ISLAND COMMUNITY DEVELOPMENT DEPARTMENT

One Town Center Court

Hilton Head Island, SC 29928

843-341-4757

FAX 843-842-8908

STAFF REPORT PUBLIC PROJECT REVIEW

Case #	Name of Project	Public Hearing Date
PPR120003	Shelter Cove Mall Redevelopment Park, Pathways and Road Realignment	June 8, 2012

Parcel Data and Location	Applicant/Owner/Agent
Shelter Cove Mall: Parcel 26; Tax Map 12B Portion of Shelter Cove Park: Parcel 12; Tax Map 12C	<u>Applicant/Owner</u> Don Barnett Shelter Cove Towne Centre, LLC (Kroger) <u>Agent</u> Mark Senn Blanchard & Calhoun

Application Summary

Application for Public Project Review from the Town of Hilton Head Island for new pathways, road modifications to Shelter Cove Lane, including on-street parking, and the relocation of a portion of Shelter Cove Community Park as a part of the redevelopment of the Mall at Shelter Cove.

Staff Recommendation

Staff recommends that the Planning Commission find this application to be compatible with the Town's Comprehensive Plan for location character and extent based on those Findings of Facts and Conclusions of Law as determined by the LMO Official and enclosed herein.

Background:

The Town of Hilton Head Island is collaborating with the owners of Shelter Cove Mall (Mall) to redevelop the Mall property and a portion of Shelter Cove Park into a mixed use development with a public waterfront park. The park will be relocated to a more central location in the project. To accommodate the new park location, Shelter Cove Lane will be moved away from Broad Creek and new multi-use pathways will provide connections along the frontage of William Hilton Parkway and Broad Creek.

Description of Project:

The project will be designed to complement the character of the Shelter Cove area and will take better advantage of frontage along Broad Creek. A new linear park will extend along the frontage of the creek with standard pathway connections to other existing pathways. The relocation of Shelter Cove Lane will create a new waterfront drive designed for on-street parking and pedestrian friendly streetscape improvements consistent with those in the development or with current Town standards.

Location, Character, and Extent:

LMO Section 16-3-1201. Applicability and Purpose
The Planning Commission shall review any new street, structure, utility, square, park, or other public way, grounds or open space or public buildings for any use, whether publicly or privately owned, and make a determination of compatibility with the Comprehensive Plan for location, character and extent.

Summary of Facts and Conclusions of Law:

Findings of Fact:

- o Notice of the Public Project Application was published in the Island Packet on May 6, 2012 as set forth in LMO 16-3-110 and 16-3-111.
- o Notice of the Public Project Application was posted and mailed as set forth in LMO 16-3-110 and 16-3-111.
- o A public hearing is being held on June 8, 2012 as set forth in LMO 16-3-1204A.
- o The Commission has authority to render their decision reached here in LMO Section 16-3-1204.

Conclusion of Law:

The Public Project application, notice requirements, and public hearing comply with the legal requirements as set forth in LMO 16-3-110, 16-3-111 and 16-3-1204A.

Summary of Facts and Conclusions of Law:

Findings of Facts:

The adopted Comprehensive Plan addresses *the location, character and extent* of this project in the following areas:

Community Facilities Element

Implementation for the Comprehensive Plan 6.3 – Transportation Network

The Town needs a comprehensive transportation network composed of roads, pathways, water and air transportation opportunities that are adequately maintained that meet current standards.

Implementation for the Comprehensive Plan 6.3 – Transportation Network

While the Island currently has an extensive pathway network, opportunities to improve pathway connections between destinations that provide additional recreational opportunities and promote alternative means of transportation on the Island should be considered.

Goal 6.3 – Transportation Network

- B. The goal is to have a safe, efficient and well maintained regional and local roadway network.
- D. The goal is to have a pathway network that provides for recreational opportunities as well as an alternative means of transportation to and on the Island.

Implementation Strategy 6.3 – Transportation Network

- C. Continue to expand the Island’s pathway network.

Transportation Element:

Implication for the Comprehensive Plan 9.4 - Pathway Network

Pathways do not currently serve all areas of the Island. The Town should continue to move forward with construction of pathways to connect these areas.

Implication for the Comprehensive Plan 9.4 - Pathway Network

While the Island currently has an extensive pathway network, opportunities to improve pathway connections between destinations that provide additional recreational opportunities and promote alternative means of transportation on the Island should be considered.

Implication for the Comprehensive Plan 9.4 - Pathway Network

There may be potential benefits of linking private community pathways to destinations such as shopping and entertainment centers immediately adjacent to the PUDs via pathway connections or secondary access points. This could have the potential to reduce the number of automobile trips on Island roadways, reduce the parking area required to accommodate customers and integrate the PUDs and non PUD areas.

Goal 9.4 – Multi-Use Pathways

- A. The goal is to expand the pathway network to provide pedestrians, bicyclists, and other users of non-motorized transit with safe and efficient infrastructure to connect residential and tourist areas to school, parks, commercial areas, and potential off-Island connections.

Implementation Strategy 9.4 – Multi-Use Pathways

- A. 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 residential and commercial destinations.

Recreation Element

Goal 10.1 - Recreation Needs

- A. Continue to expand the public recreation system by providing adequate facilities to meet the needs of a broad spectrum of the Island population (including visitors) while maintaining sensitivity to the specific needs of the Island.

Goal 10.2 Protection of Unique Features

- A. Acquire conservation and park lands as a means to preserve natural and cultural resources for educational, interpretive, and passive recreation uses.

Goal 10.4 – Pathways

- A. Continually make improvements to the existing pathway system and provide new pathway links.

Implementation Strategy 10.1 – Recreation Needs

Include within the park system a combination of all park types and strive to achieve the park guidelines as stated in this element by providing the number of future parks needed based on population projections.

Implementation Strategy 10.2 – Protection of Unique Features

- B. Acquire properties located in areas of need for both passive and active uses, and for access points to waterways.

Conclusions of Law:

For the Location of the project:

- Staff concludes that the project is compatible with the adopted Comprehensive Plan as described in the Community Facilities Element, Transportation Element and Recreation Element for the location of this project.
- The proposed park will be located in a way that will help to preserve natural areas along Broad Creek and will be better integrated with nearby commercial and residential uses.
- The proposed pathways will result in new pathway segments, better connecting commercial and residential areas.
- The pathways will be located in existing transportation corridors and along the linear frontage of Broad Creek.
- The project will result in park, roadway and roadway improvements that provide a more pedestrian friendly environment and opportunities for alternate modes of transportation.

For the Character of the project:

- Staff concludes that the project is compatible with the adopted Comprehensive Plan as described in the Community Facilities Element, Transportation Element and Recreation Element for the character of this project.
- The park and pathways are compatible with the residential and commercial land uses and provide opportunities for special events, educational, interpretive, and passive recreation uses.
- The park will enhance the character of the area by opening up views and increasing access to Broad Creek.

- The pathways will meander along side of the roadways consistent with the character of existing paths. They will be designed to minimize disturbance to existing natural resources.
- The roadway improvements will include streetscape elements that create a pedestrian friendly environment.

For the Extent of the project:

- Staff concludes that the project is compatible with the adopted Comprehensive Plan as described in the Community Facilities Element, Transportation Element and Recreation Element for the extent of this project.
- The park will be better integrated with other residential and commercial uses in the development and better connected to adjacent developments.
- The pathways will increase the recreational capacity of the Town’s pathway system, improve pedestrian safety, and provide for an alternative transportation route into both residential and commercial areas within the Town.
- The relocation of Shelter Cove Lane will create a more pedestrian friendly redevelopment and contribute to a well designed street system in the Town.

LMO Official Determination

Determination: Staff determines that this application is compatible with the Comprehensive Plan for the location, character, and extent as based on the above Findings of Fact and Conclusions of Law.

PREPARED BY:

SF

 Shea Farrar
Senior Planner

May 29, 2012

 DATE

REVIEWED BY:

TBL

 Teri B. Lewis, AICP
LMO Official

May 29, 2012

 DATE

REVIEWED BY:

JL

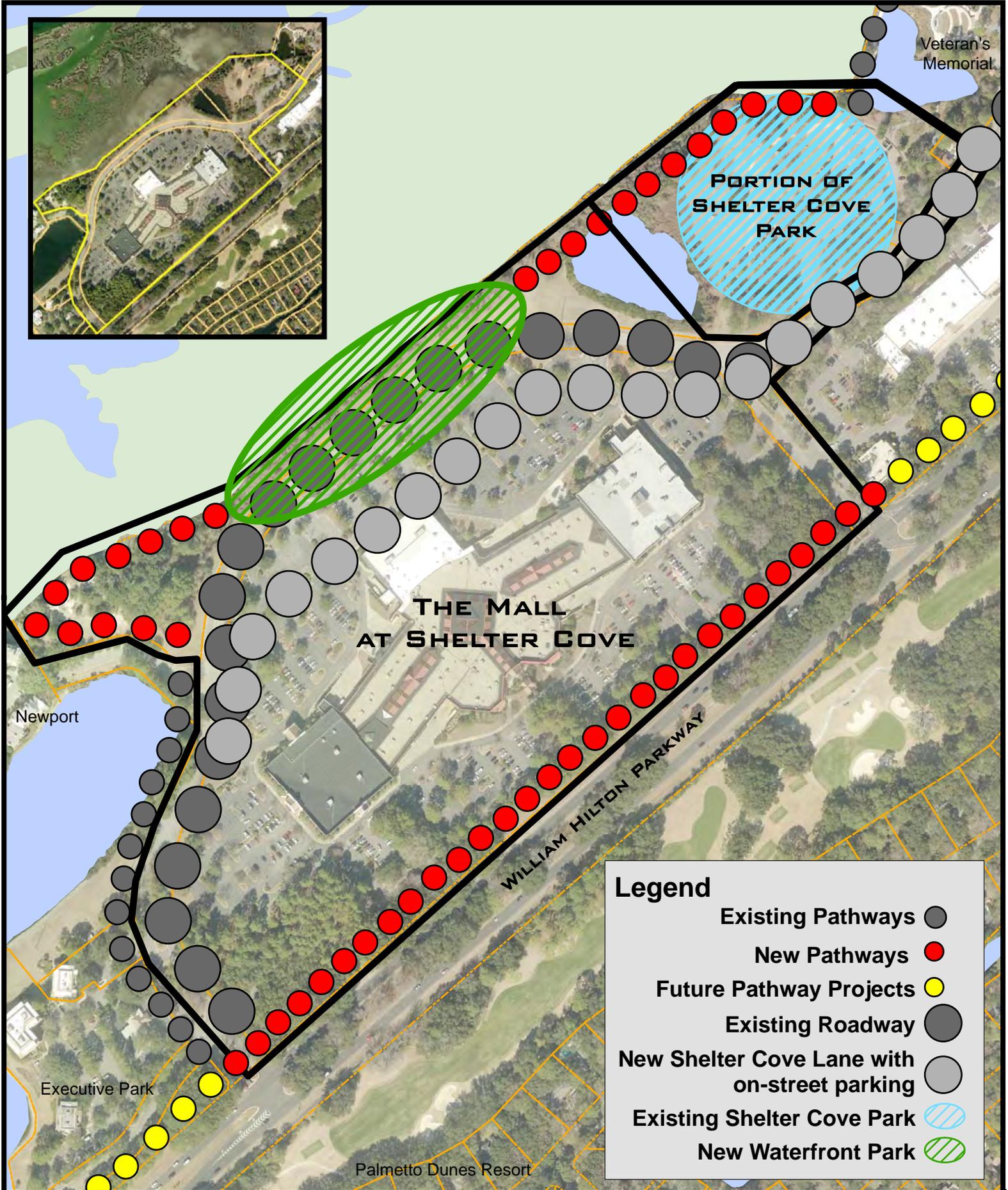
 Jayme Lopko, AICP
Senior Planner and PC Coordinator

May 29, 2012

 DATE

ATTACHMENTS:

- A) Vicinity Map
- B) Applicant’s Narrative

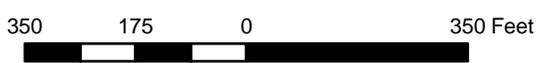


Legend

- Existing Pathways
- New Pathways
- Future Pathway Projects
- Existing Roadway
- New Shelter Cove Lane with on-street parking
- Existing Shelter Cove Park
- New Waterfront Park


 TOWN OF HILTON HEAD ISLAND
 ONE TOWN CENTER COURT
 HILTON HEAD ISLAND, S.C. 29928
 PHONE (843) 341-4600

PPR 120003
MALL AT SHELTER COVE REDEVELOPMENT



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.

Shelter Cove Mall Public Project Review Narrative

The Town of Hilton Head Island is working with the developers of the Shelter Cove Mall (Mall) to redevelop the Mall property and a portion of Shelter Cove Park into a mixed use development with a public waterfront park. This will result in a lifestyle center that integrates public open space with both commercial and residential uses, which will benefit both the property owner and the community as a whole.

A portion of Shelter Cove Park, where events are currently held, will be relocated to a more central location in the project that will integrate a longer frontage along Broad Creek and a waterfront park. To accommodate the new park location, Shelter Cove Lane will be moved farther away from the creek and new multi-use pathways will provide connections along the frontage of William Hilton Parkway and Broad Creek. The road will also be designed with public on-street parking and other pedestrian friendly streetscape improvements for users of the park and to accommodate parking for special events. The park will be larger than the current park space in total size to accommodate a variety of special events and park activity.

Public multi-use pathways are proposed along Broad Creek to tie into the future Chaplin Linear Park as well as along William Hilton Parkway. The project will be designed to complement the character of the Shelter Cove area will take better advantage of Broad Creek frontage.