



The Town of Hilton Head Island

Regular Town Council Meeting

April 22, 2014

4:00 P.M.

AGENDA

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

- 1) **Call to Order**
- 2) **Pledge to the Flag**
- 3) **Invocation**
- 4) **FOIA Compliance** – Public notification of this meeting has been published, posted, and mailed in compliance with the Freedom of Information Act and the Town of Hilton Head Island requirements.
- 5) **Proclamations and Commendations**
 - a. Sexual Assault Awareness and Prevention Month and Child Abuse Awareness Month
 - b. Bike Month
- 6) **Approval of Minutes**
 - a. Town Council Meeting – April 1, 2014
- 7) **Report of the Town Manager**
 - a. Heritage Library Request – Linda Piekut, Executive Director
 - b. Know2 - South Carolina High Education Foundation Request – Jeff Bradley
 - c. Town Manager's Items of Interest
 - d. March, 2014 Policy Agenda, Management Targets and CIP Updates
- 8) **Reports from Members of Council**
 - a. General Reports from Council
 - b. Report of the Intergovernmental Relations Committee – George Williams, Chairman
 - c. Report of the Personnel Committee – Lee Edwards, Chairman
 - d. Report of the Planning & Development Standards Committee – John McCann, Chairman
 - e. Report of the Public Facilities Committee – Kim Likins, Chairman
 - f. Report of the Public Safety Committee – Marc Grant, Chairman
 - g. Report of the LMO Rewrite Committee – Kim Likins, Ex-Officio Member
- 9) **Appearance by Citizens**

10) Unfinished Business

a. Second Reading of Proposed Ordinance 2014-05

Second Reading of Proposed Ordinance 2014-05 to amend Title 16, "The Land Management Ordinance," of the Municipal Code of the Town of Hilton Head Island, South Carolina, by amending Section 16-4-102, the Official Zoning Map with respect to that certain parcel identified as Parcel 347A on Beaufort County Tax Map 12, to apply the RFZ (Redevelopment Floating Zone Overlay District) to the existing PD-1 (Planned Development) Zoning District; and providing for severability and an effective date.

b. Second Reading of Proposed Ordinance 2014-07

Second Reading of Proposed Ordinance 2014-07 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2014; to provide for the expenditures of certain funds; and to allocate the sources of revenue for the said funds.

11) New Business

a. First Reading of Proposed Ordinance 2014-08

First Reading of Proposed Ordinance 2014-08 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a contract for purchase and sale and the execution of a deed for the sale of 10 acres of real property near William Hilton Parkway and Mathews Drive to Pineland Associates II, LLC pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

12) Executive Session

a. Land Acquisition

(1) Consideration of Sale of Property to Pineland Associates II, LLC

b. Legal Matters

c. Contractual Matters

13) Adjournment

Proclamation

By

The Town of Hilton Head Island

Whereas, Sexual Assault Awareness and Prevention Month and Child Abuse Prevention Month are intended to draw attention to the fact that sexual violence and child abuse is widespread and has public health implications for every community member of the Town of Hilton Head Island; and

Whereas, Rape and sexual assault impacts our community as seen by statistics indicating that 1 in 5 women and 1 in 33 men will be a victim of sexual violence in their lifetime; and

Whereas, Hope Haven of the Lowcountry, our local Children's Advocacy and Rape Crisis Center, served 521 primary victims, 915 secondary victims of child abuse and sexual assault in 2013, and 77% of victims served through Hope Haven were under 17 years of age; and

Whereas, We must work together to educate our community about what can be done to prevent sexual violence and child abuse and how to support survivors; and

Whereas, Staff and volunteers of Hope Haven of the Lowcountry encourage every person to speak out when witnessing acts of violence however small; and

Whereas, the Town of Hilton Head Island has dedicated individuals and organizations who work daily to counter the problem of child maltreatment, sexual assault, and help victims obtain the assistance they need; and

Whereas, With leadership, dedication, and encouragement, there is compelling evidence that we can be successful in reducing sexual violence and child abuse in the Town of Hilton Head Island through prevention, education, increased awareness, and holding perpetrators who commit violence responsible for their actions.

NOW, THEREFORE, I, Drew A. Laughlin, Mayor, of the Town of Hilton Head Island, South Carolina do hereby proclaim April as

SEXUAL ASSAULT AWARENESS AND PREVENTION MONTH AND CHILD ABUSE PREVENTION MONTH

in Hilton Head Island, South Carolina, in the belief that all community members must be part of the solution to end sexual violence and child abuse.

*IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this **twenty-second day of April, Two Thousand and Fourteen.***

Drew A. Laughlin, Mayor

Attest:

Victoria L. Pfannenschmidt, Town Clerk

Proclamation

BY

THE TOWN OF HILTON HEAD ISLAND

WHEREAS, for more than a century, the bicycle has been an important part of the lives of most Americans; and

WHEREAS, today millions of Americans engage in bicycling because it is a viable and environmentally-sound form of transportation, an excellent form of fitness, and provides quality family recreation; and

WHEREAS, the education of cyclists and motorists as to the proper and safe operation of bicycles is important to ensure safety and comfort of all users; and

WHEREAS, the League of American Cyclists, the Palmetto Cycling Coalition, cycling advocates, and riders throughout our area are promoting greater public awareness of bicycle operation and safety; and

WHEREAS, May 12-16, 2014 is National Bike to Work Week and May 16, 2014 is National Bike to Work Day:

NOW, THEREFORE, I, Drew Laughlin, Mayor of the Town of Hilton Head Island, hereby proclaim May 2014 as

BIKE MONTH

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this twenty-second day of April, in the year of our Lord, two thousand and fourteen.

Drew Laughlin, Mayor

Attest:

Victoria L. Pfannenschmidt, Town Clerk

THE TOWN OF HILTON HEAD ISLAND

REGULAR TOWN COUNCIL MEETING

Date: Tuesday, April 1, 2014

Time: 4:00 P.M.

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

Present from Town Staff: Steve Riley, *Town Manager*; Greg DeLoach, *Assistant Town Manager*; Lavarn Lucas, *Fire Chief*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Susan Simmons, *Director of Finance*; Brad Tadlock, *Deputy Fire Chief of Operations*; Ed Boring, *Deputy Fire Chief of Support Services*; Joheida Fister, *Fire Marshal*; Cinda Seamon, *Fire Rescue Public Education Officer*; Cathy Jones-Gooding, *Communications Manager*; Patti Robinson, *Communications Dispatcher*; Brian Hulbert, *Staff Attorney*; Natalie Majorkiewicz, *Systems and Reporting Administrator*; Jill Foster, *Deputy Director of Community Development*; Shawn Colin, *Deputy Director of Community Development*; Heather Colin, *Development Review Administrator*; Marcy Benson, *Senior Grants Administrator*; Melissa Cope, *Systems Analyst*; Vicki Pfannenschmidt, *Executive Assistant*; Numerous members of Hilton Head Island Fire Rescue Department

Present from Media: Dan Burley, *Island Packet*

1) CALL TO ORDER

Mayor Laughlin called the meeting to order at 4:00 p.m.

2) PLEDGE TO THE FLAG

3) INVOCATION

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

5) Proclamations and Commendations

a. National Public Safety Telecommunications Week Proclamation

Cathy Jones-Gooding and Patti Robinson were present to accept the proclamation.

b. Donate Life Appreciation Month Proclamation

The proclamation was accepted by Debbie Yasenka, member of the Board of Directors of Donate Life South Carolina.

c. Lois Richardson Commendation

Mrs. Richardson was present to accept the commendation.

6) Approval of Minutes

a. Town Council Meeting – March 18, 2014

Mr. Harkins moved to approve. Mr. McCann seconded. The minutes of the March 18, 2014 Town Council meeting were unanimously approved by a vote of 7-0.

b. Town Council Budget Workshop – March 18, 2014

Mr. Harkins moved to approve. Mr. McCann seconded. The minutes of the March 18, 2014 Town Council Workshop were unanimously approved by a vote of 7-0.

7) Report of the Town Manager

a. Solicitor's Award Presentation, Duffie Stone

Solicitor Duffie Stone presented the award to Jane Dyer, Past-President of the Lowcounty Coalition Against Human Trafficking.

b. Town Manager's Items of Interest

Mr. Riley reported on some Items of Interest.

8) Reports from Members of Council

a. General Reports from Council

None.

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

None.

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

None.

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

None.

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

Mrs. Likins stated the Committee held a special meeting to review the proposed sale of 10 acres of land to Pineland Associates II, LLC. She stated the Committee was in support of the sale.

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

No report.

g. Report of the LMO Rewrite Committee – Kim Likins, Ex-Officio Member

Mrs. Likins stated there would be one more meeting in April and then the process for approval will begin.

9) Appearance by Citizens

None.

10) Unfinished Business

None.

11) New Business

a. First Reading of Proposed Ordinance 2014-05

First Reading of Proposed Ordinance 2014-05 to amend Title 16, "The Land Management Ordinance," of the Municipal Code of the Town of Hilton Head Island, South Carolina, by amending Section 16-4-102, the Official Zoning Map with respect to that certain parcel identified as Parcel 347A on Beaufort County Tax Map 12, to apply the RFZ (Redevelopment Floating Zone Overlay District) to the existing PD-1 (Planned Development) Zoning District; and providing for severability and an effective date.

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

b. First Reading of Proposed Ordinance 2014-07

First Reading of Proposed Ordinance 2014-07 to amend the budget for the Town of Hilton Head Island, South Carolina, for the fiscal year ending June 30, 2014; to provide for the expenditures of certain funds; and to allocate the sources of revenue for the said funds.

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

c. Consideration of a Resolution – Amended TIF Plan

Consideration of a Resolution of the Town of Hilton Head Island Town Council authorizing the distribution of an Amended Tax Increment Financing Plan for the Town of Hilton Head Island Redevelopment Area.

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

d. Consideration of a Resolution – Fair Housing Month

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, SC to proclaim April, 2014 as Fair Housing Month.

Mr. Williams moved to approve. Mrs. Likins seconded. The motion was unanimously approved by a vote of 7-0.

12) Executive Session

Mr. Riley stated he needed an Executive Session for contractual matters pertaining to the proposed sale of the Pineland Station parcel; personnel matters pertaining to an appointment to the Beaufort-Jasper Water and Sewer Authority Board; and contractual matters pertaining to the proposed Memorandum of Understanding with USCB.

At 4:35 p.m. Mr. Harkins moved to go into Executive Session for the reasons given by the Town Manager. Mr. Williams seconded. The motion was unanimously approved by a vote of 7-0.

Mayor Laughlin called the meeting back to order at 4:56 p.m. and stated that as a result of Executive Session Item 11.e. would be carried over to a future Town Council meeting and addressed Item 11.f. below.

e. First Reading of Proposed Ordinance 2014-08

First Reading of Proposed Ordinance 2014-08 of the Town of Hilton Head Island, South Carolina, authorizing the execution of a contract for purchase and sale and the execution of a deed for the sale of 10 acres of real property near William Hilton Parkway and Mathews Drive to Pineland Associates II, LLC pursuant to the authority of S.C. Code Ann. § 5-7-40 (Supp. 2011), and § 2-7-20, *Code of the Town of Hilton Head Island, South Carolina*, (1983); and providing for severability and an effective date.

To be carried over to a future Town Council meeting.

f. Consideration of a Recommendation for a nomination to the Beaufort - Jasper Water and Sewer Authority

Mr. Edwards moved to nominate Jack Burke to the Beaufort – Jasper Water and Sewer Authority for a six year term beginning July 1. Mr. Harkins seconded. The motion was unanimously approved by a vote of 7-0.

13) Adjournment

Mr. Williams moved to adjourn. Mr. McCann seconded. The motion was unanimously approved by a vote of 7-0. The meeting was adjourned at 5:00 p.m.

Vicki Pfannenschmidt,
Executive Assistant/Town Clerk

Approved:

Drew A. Laughlin, Mayor



THE HERITAGE LIBRARY FOUNDATION, INC
A History & Genealogy Center on Hilton Head Island, SC
Bringing the Past to Life

E.I.N. 58-2332014

Officers

President & Executive Director

Linda T. Piekut

Vice President

Iva Welton

Secretary

Nancy M. Burke

Treasurer

Harry Eschenbach

Board of Directors

Class of 2014

Dr. Harvey Varnet

Iva Welton

Class of 2015

Harry Eschenbach

Beth Mayo

Linda T. Piekut

Class of 2016

Nancy Burke

Ezra "Cal" Callahan

Barbara G. Muller

Board of Advisors

Dr. Emory Campbell

Earl S. Cooler

Ed Dowaschinski

Norman Harberger

Natalie Hefter

Rev. Dr. Robert E.H. Peeples

Gail Quick

Dr. Larry Rowland

852 Wm. Hilton Parkway
Ste. 2A
Hilton Head Island, SC
29928

(843) 686-6560
www.heritagelib.org

January 23, 2014

RECEIVED
JAN 27 2014
BY: _____

Drew A. Laughlin, Mayor
Town of Hilton Head Island
One Town Center Court
Hilton Head Island, SC 29928

Dear Mr. Mayor:

The Heritage Library Foundation is proposing to partner with the town to host History Day 2014 in late September or early October to appeal to residents, visitors, and students, similar to our very successful 350/30 History Day. The 350/30 event attracted as many as 230 people to any one site, and was a signature event of the 350/30 week.

We are suggesting three bus routes, North End, Mid-Island, and Historic District:

North End

Greens Shell Ring
Amelia White Cemetery
Ft. Mitchel
Gullah Museum

Mid-Island

Headlands
Ft. Sherman
Ft. Walker
Steam Cannon

Historic District

Mitchelville
Ft. Howell
Cherry Hill School
3 Historic Churches

A "drop-on," drop-off" bus schedule will utilize two buses for each tour that will circle their routes continuously to pick up and drop off patrons at each stop. We will have docents on each bus to minimize the amount of time at each stop so that tour goers will have the opportunity to see all the sites.

We are also proposing a South End walking tour starting at the Liberty Oak, but with no special arrangements with Sea Pines to waive their entrance fee.

Expenses to be paid by the town:

Buses - \$1000 - \$1500

Advertising - \$3800:

Rack Cards - \$500

Chamber eblast - \$500

843 TV - free

Island Events - \$900

Hilton Head Monthly - \$600

Island Packet - \$1300

Graphics and Marketing - \$1000

Volunteer Recognition Event ~30 volunteers: \$150

Total Budget: \$6450

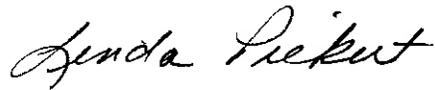
Insurance will not be necessary because the buses have insurance. We will ask the buses to name the Heritage Library Foundation and the Town of Hilton Head Island on their policies.

The Hilton Head Island/Bluffton Chamber of Commerce has generously agreed to donate new signs for the sites.

We believe that this event will be a wonderful way for the residents and visitors of Hilton Head Island to learn about the history of our community.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Linda Piekut".

Linda Piekut
Executive Director

A group of people, mostly seniors, are gathered outdoors in a wooded area. A man in a white t-shirt and cap is speaking to the group. The t-shirt has a circular logo on the back that reads "MILLER ROAD" and "1881". The group is standing on a dirt path with wooden benches. The background shows trees and a clear sky.

History Day 2014

- Possible date: Late September, early October; mid-February
- Three hop-off, hop-on bus tours
- Possible walking tour of Harbourn town area
- Docents on buses as well as at sites

Tour Structure

Tour of the historic district - possible
parking at St. James/Cherry Hill School
lot

Mitchelville

Ft. Howell

Cherry Hill School

3 Historic Churches

Historic District Tour

North end tour – parking at Coastal Discovery Museum

Greens Shell Ring

Amelia White Cemetery

Ft. Mitchel

Gullah Museum

North End Tour

Port Royal tour – parking at golf course

Headlands

Ft Sherman

Ft Walker

Steam Cannon

Port Royal Tour

- Primarily residents of Hilton Head Island
- Port Royal tour – 2013 - 230 people, 25% tourist
- Ft. Mitchel - 2013 – 155 people, 44% tourist

Target Audience

- 
- **The Hilton Head Island/Bluffton Chamber of Commerce has generously agreed to donate new signs for the sites.**
 - **Buses - \$1000 - \$1500**
 - **Advertising - \$3800:**
 - Rack Cards - \$500**
 - Chamber eblast - \$500**
 - 843 TV – free**
 - Island Events - \$900**
 - Hilton Head Monthly - \$600**
 - Island Packet - \$1300**
 - **Graphics and Marketing - \$1000**
 - **Volunteer Recognition Event ~30 volunteers: \$150**
 - **Total Budget: \$6450**

Costs

Questions?





Learn 2day. Lead 2morrow.

Know2 Beaufort County

April 17, 2014

Mr. Greg Deloach
C/O Town of Hilton Head
One Town Center Court
Hilton Head Island, SC 29928

Greg,

After discussions with the board I was requested to share with you the following as it regards KNOW2 funding going forward. Ideally, support from the Town of Hilton Head would come in two tranches. First would be a one-time participation support of \$75,000 for the Fiscal year 2015. The second element of our support request would be (5) five equal installments of \$25,000 annually through 2020.

We would be happy to meet with the Town annually for a review of our progress. At the end of 5 years, we would like to sit with the Town of Hilton Head and determine the effectiveness of the KNOW2 program, review the deliverables and determine if the program warrants a continuation of support from the Town of Hilton Head. If not, funding would cease. If it warranted additional support, decisions could be made at that time predicated on the effectiveness of the program and the value that it represented to the Town of Hilton Head at that time.

FY15 Funding Needs

Personnel	[\$34,500]	
Marketing/Communications	[\$18,000]	
Neighborhood Ambassadors	[\$5,000]	
GED Program	[\$7,500]	
Know2 Scholarship Pilot	[\$10,000]	
Sub-Total		\$75,000

2016-2020

5 Years of annual support	[\$25,000]	
Sub-Total		\$125,000
Total Six year commitment		\$200,000

Greg, we would also like to know how we can get on the docket for the next Town Meeting. Thank you for your interest and assistance with this effort. It is greatly appreciated.

/s/

Jeff Bradley
Chairman,
KNOW2 Board of Directors

Know2 Student Ambassadors

Hilton Head Island High School



Learn **2**day. Lead **2**morrow.

Know2 Cheat Sheet

Our Mission

Know2's mission is for every individual in Beaufort County to know two things:

- 1** Education is essential.
I know that education is essential for economic success and a higher quality of life.
- 2** Education is attainable.
I know that being highly educated is affordable, available, and achievable by me, my family, and my community.

Graduate. Twice.

It is no longer enough to merely graduate from high school. Not if you want to be competitive in today's job market. But you don't have to go to Harvard to get the education you need to be competitive either. In fact, the majority of the jobs available in South Carolina only require a two-year degree.

Learning a trade is a great option too. Did you know the average plumber earns \$50,000 a year, and the projected job growth in that sector is high? And there are programs here in Beaufort County that can teach you these skills.

What kind of work would you like to find? Do you know what kind of education you need to be qualified for those jobs? These are the important questions to ask. Start with your guidance counselors. Research on your own using O*NET Online (onetonline.org). Find someone in that position and ask them how *they* got there.

It's Effort, not IQ

The leading research on successful individuals shows that the qualities that affect success are largely *non-cognitive*—meaning, it isn't necessarily, or even mostly, about how smart you are. Rather, it's about persistence, grit, tenacity, and a willingness to work hard for what you want to achieve in life. Colleges and employers are all taking notice of this, and they are changing the way they evaluate potential students and employees. You don't have to be Einstein. You just have to want it badly enough.

Money Ain't the Issue

Because our community understands just how important it is to be well-educated, we are working to develop a program that will guarantee to pay for two years of continued education to anyone who graduates from a Beaufort County high school and works hard while they are in school. We believe you should have access to the training you need to be competitive for the jobs you want. That's how much we believe in and value you. That's how much we believe in and value education.

"I know my education is important. Do you Know2?"

Current Status

This document was submitted to the SC Higher Education Foundation as Know2 Beaufort County’s projected fundraising needs and priorities. Know2’s fiscal year begins and ends in August.

Know2 Beaufort has spent the past year researching and developing the initiatives it would implement to achieve the objectives of Know2 in our county. There are 4 initiatives to this end: a Know2 Scholarship Program, the Neighborhood Ambassadors Initiative, a College Savings Initiative, and an Employer Outreach Initiative. Our focus is fully on the development and implementation of these initiatives in collaboration with other community agencies.

Overview of Fundraising Needs & Priorities

Immediate Funding Needs

<i>Operational Expenses</i>	\$30,700
<i>Marketing/Communications</i>	\$25,000
<i>Neighborhood Ambassadors</i>	\$12,100
<i>High School Transition</i>	\$7,950
<i>GED Program</i>	\$14,250
<i>Know2 Scholarship Pilot:</i>	<u>\$30,000</u>
	Total \$120,000

FY15 Funding Needs

<i>Operational Expenses</i>	\$34,800
<i>Marketing/Communications</i>	\$18,000
<i>Neighborhood Ambassadors</i>	\$5,000
<i>GED Program</i>	\$7,500
<i>Know2 Scholarship Pilot</i>	<u>\$10,000</u>
	Total \$75,300

2-3 Year Funding Needs

<i>Operational Expenses</i>	\$70,000/year
<i>Marketing/Communications</i>	\$20,000/year
<i>Neighborhood Ambassadors:</i>	\$15,000/year
<i>GED Program</i>	\$15,000/year
<i>Know2 Scholarship Program</i>	(Will be funded through other sources.)
<i>Employer Outreach Program:</i>	\$5,000/year
<i>College Savings Program</i>	<u>\$2500/year</u>
	Total \$112,500/year

1. Know2 Scholarship Program

This “last dollar in” program will provide high school and GED graduates with assistance in applying for the local, state, and federal scholarship for which they are eligible, and then pays the difference in tuition (if there is one) to provide two years (or four semesters) of post-secondary education at a local institute for higher learning.

2. College Savings Program

Research shows that children who have a savings account specifically for college opened in their names are seven times more likely to go to college and significantly more likely to *complete* college. The College Savings Program will expand current savings programs to eventually open savings accounts for every child in Kindergarten which will follow them through to high school graduation. The program encourages regular contribution by both children and their parents and sets savings goals (EX: \$100 by 5th grade which can then roll into a real 529 College Savings Account). The program will include planned education components for both students and parents throughout the K-12 years. Students will be educated on topics from the importance of saving (younger ages) to cost-of-living simulations (older ages). Parents will be educated on how they can contribute to the plan over their child’s academic career and the financial options that exist to finance a post-secondary education, showing them that continuing education is not only important, but a very real and feasible option for their children.

3. Neighborhood Ambassadors Program

Changing mindsets towards education requires changing the underlying attitude and cultural beliefs that create those mindsets. Messages advocating change in cultural attitudes are only effective when the messenger is someone trusted and respected within one’s own community. The Neighborhood Ambassadors program will involve community members of all ages from our neighborhoods, churches, and other community groups to become “expert ambassadors for education” *outside of the schools*. This program aims to increase the amount of positive dialogue about education happening “around the kitchen table” by creating avenues for peer-to-peer persuasion and advocacy for educational attainment within subsets of the larger community.

4. Employer Outreach Program

Our local employers should be encouraged to actively involve themselves in the education of their future employees, recognizing that an educated workforce is essential to the growth and prosperity of their businesses. Among other ideas, this program seeks to facilitate opportunities for students to interact with area businesses, learn about potential careers, and see a direct application for their effort in school.

5. Communications Campaign – Marketing Culture Change

Our public awareness campaign will elevate our community’s dialogue around education by spotlighting important topics in education, involving more segments of our community in conversations about education, spreading the core message of Know2, and bringing greater awareness to existing local programs that are doing important work in three key impact areas: early childhood education, high school to college transition, and adult education.

GOAL: Increase average level of educational attainment in Beaufort County; remove barriers to higher education (perceived and real) to make education truly “available, affordable, and achievable” for every Beaufort County resident

GOAL: Develop a college bound identity in every child at the earliest ages; eliminate the perception among students and parents that continuing education is unaffordable or unrealistic.

GOAL: Change the underlying cultural beliefs and attitudes among parents and children that lead to limited mindsets towards education in favor of attitudes and beliefs that promote a positive regard for the pursuit of further education beyond high school

GOAL: Link educational achievement to REAL jobs available in Beaufort County as a result of that achievement; expand school-to-work opportunities available to students

GOAL: Generate a persistent, sustained conversation affirming our community’s support, prioritization, and acknowledgement of the importance of educational pursuits for individual success and the longer-term prosperity of our community.



Items of Interest

April 22, 2014

1. Town News

On March 21st through the 23rd, staff from Community Development participated in the Lowcountry Home and Garden Show in Bluffton. This was a three day event, with the Town booth focusing on public awareness of all the current building codes and sustainable practices. This includes ensuring life, health and safety are our number one priority.

(Contact: Jill Foster, Deputy Director of Community Development – 341-4694 or jillf@hiltonheadislandsc.gov)

On May 1, 2014, the Town will implement a new land management permitting and inspection software system (Energov). This has been a year-long effort with over 26 Town staff working closely with Energov to build the screens and databases and to test the system. This new software includes mobile inspections and code enforcement, electronic plan review, integrated GIS capabilities, and an Online system.

The Online aspect of this new software, called Development and Building Citizen Access Portal (CAP), will allow contractors to have the ability to use the system FREE via a smart phone, computer or mobile tablet—24 hours/7 days a week. This will enable contractors to schedule inspections over the web and to view their permit and inspection results. The Online system will replace our current Online Simple Permitting (HVAC Change-outs, re-roofs, and simple plumbing) and IVR call-in Inspection scheduling service.

In an effort to initiate a smooth transition with current registered users of our existing Online permitting and call-in inspection service, we are encouraging anyone who is a registered user to verify after May 1st their ability to enter our new Online system. Flyers with instructions are being distributed to notify the public of this effort.

(Contact: Nancy Heath at (843) 341-4663 or nancyh@hiltonheadislandsc.gov or Jill Foster at (843) 341-4694 or jillf@hiltonheadislandsc.gov)

Heather Colin and Nancy Heath from the Community Development Department earned the certification for the EnerGov Permitting courses IG Inspect and IG Enforce the mobile iPad application that staff will use in the field to conduct real time inspections and enforcements cases. They also earned the certification for E-Reviews; the tool that will be used to review electronic plans for more efficient permitting and plan review.

(Contact: Jill Foster, Deputy Director of Community Development – 341-4694 or jillf@hiltonheadislandsc.gov)

The week of **April 28th – May 4th** will be **Bike and Dine Week 2014** presented by Coligny. Residents and visitors are encouraged to bike to favorite dining spots during Chamber Bike & Dine Week. Participating restaurants will be offering special menus and discounts to those bicycling. More information is at: www.hiltonheadisland.org/bikeanddine

(Contact: Marcy Benson, Senior Grants Administrator – 341-4689 or marcyb@hiltonheadislandsc.gov)

The second annual **Islanders Beach Bike Ride at Coligny** will be on **Saturday, May 3rd**. Coligny will be unveiling a unique Lowcountry bike rack at 9am in the plaza and the Beach Ride begins at 10am at the Coligny Beach Park.

(Contact: Marcy Benson, Senior Grants Administrator – 341-4689 or marcyb@hiltonheadislandsc.gov)

The Town has received determination from FEMA that the Town will retain its current rating as a Community Rating System (CRS) Class 5 community. The floodplain management activities implemented by the Town qualify flood insurance policy holders to a 25 percent discount in the premium costs on flood policies for properties in the Special Flood Hazard Areas. As of April 10, 2014, there are 30,026 flood insurance policies on Hilton Head Island. The total savings as a result of the Town's participation in the CRS program is in excess of \$5.5 million per year or approximately \$183 to the average policy holder. Hilton Head Island saves the most out of any CRS community in South Carolina!

The Town's commitment to the CRS program enhances public safety, protects property, preserves the natural functions of floodplains, and reduces flood insurance premiums.

(Contact Nicole Dixon, Senior Planner (and the Town's Community Rating System Coordinator) at 341-4686 or nicoled@hiltonheadislandsc.gov)

Noteworthy Events

a) Some of the upcoming meetings at Town Hall:

- Planning Commission Special Meeting – April 23, 2014, 4:00 p.m.
- Board of Zoning Appeals – April 28, 2014, 2:30 p.m.
- Planning & Development Standards Committee – May 1, 2014, 3:00 p.m.
- Public Safety Committee – May 5, 2014, 10:00 a.m.
- Public Facilities Committee – May 6, 2014, 2:00 p.m.
- Town Council – May 6, 2014, 4:00 p.m.

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

2014 Hilton Head Island Events

April 26, 2014 10:00 a.m.-5:00 p.m. April; 27, 2014 11:00 a.m.- 4:00 p.m.	The Art Market	Honey Horn
May 3, 2014 8:00 a.m. – 1:00 p.m.	2 nd Annual Community Beach Bike Ride	Coligny Beach

**2014 Policy Agenda
Thru March, 2014**

Top Priority

Target	Chief Contact	Comments
<ul style="list-style-type: none"> • Tax Increment Financing Extension 	Steve Riley/Susan Simmons/Charles Cousins	On April 1, 2014, Town Council approved the Amended TIF Plan. The plan has been distributed to the TIF Taxing Districts. All are scheduling April meetings to consider their resolutions. The public hearing and first reading of the Town's ordinance are scheduled for May 20; second reading of the ordinance is scheduled for June 3.
<ul style="list-style-type: none"> • USCB Facility Development 	Jennifer Ray	Consultants finalizing capacity studies, initial traffic analysis, and preliminary cost estimates. Job orders for surveying and wetland delineation underway. MOU with USCB in progress.
<ul style="list-style-type: none"> • Coligny Area Development 	Jennifer Ray	PC held a public workshop on April 9 th to gain input on elements outlined by Town Council to ultimately make recommendations to the consultant to frame the development of Concept Plan for Coligny area. Report of findings and recommendations will be provided at a special Planning Commission meeting scheduled for April 23 rd .
<ul style="list-style-type: none"> • Island Recreation Center Expansion 	Jill Foster/Scott Liggett	Beaufort County School Board has endorsed the revisions to the site plan. The next step is to include the project in the CIP with funding and a proposed year.

High Priority

Target	Chief Contact	Comments
<ul style="list-style-type: none"> • Land Management Ordinance Rewrite 	Teri Lewis	The LMO Rewrite Committee has completed review of all draft chapters with the exception of Chapter 2 (Processes and Procedures). The review of Chapter 2 is expected to take place in late April. The draft LMO will start the public hearing process at the May 21 st Planning Commission meeting.
<ul style="list-style-type: none"> • Arts Collaboration Study 	Jill Foster	Draft plan is underway and will be presented to Town Council on April 22 nd .
<ul style="list-style-type: none"> • Tax Increment Financing Projects Prioritization 	Charles Cousins/Scott Liggett	Reprioritization being done as part of CIP preparation for the 2014/2015 budget.

Moderate Priority		
Target	Chief Contact	Comments
<ul style="list-style-type: none"> Shelter Cove Park 	Jennifer Ray	Hardscape portion of project received DRB approval on 4/8. Consultant working on building revisions and Development Plan Review submittal.
2014 Management Agenda Thru March, 2014		
Target	Chief Contact	Comments
<ul style="list-style-type: none"> Economic Development Corporation 	Shawn Colin	EDC has contracted with an Executive Recruitment Firm to assist in the recruitment of an Executive Director. Work will begin in late April and target July for having an Executive Director in place.
<ul style="list-style-type: none"> ATAX Additional Funds Criteria 	Susan Simmons	On April 3, 2014, ATAC met and recommended that the grant process for the additional ATAX funds coincide with the regular annual grant process. Applicants will be requested to submit separate grant applications for “one-time items”. Collaboration is encouraged; the desired outcome is for one or a few unique grant awards that provide tourism-based “game changers” for the Town.
<ul style="list-style-type: none"> Beach Renourishment (2015): Permitting 	Scott Liggett	Ongoing, inter-agency presentation scheduled for May 8, 2014. Permit application pending.
<ul style="list-style-type: none"> Mathews Drive Side Street Improvement Project: Funding 	Scott Liggett	Funding proposal included in mid-year budget amendment. First reading approval on April 1, 2014.
<ul style="list-style-type: none"> Lemoyne Avenue Roadway and Pedestrian Improvements: Direction and Funding 	Scott Liggett	A proposed rehabilitation/maintenance project is included in the draft FY 15 Municipal Budget. Subject to Council review and approval.

CIP Monthly Report
March, 2104

Project	Chief Contact	Comments
<ol style="list-style-type: none"> 1. Fire Station #6 2. Wm. Hilton Parkway / Leamington Intersection Improvements 3. Wm. Hilton Parkway Mast Arm Projects 4. Rowing and Sailing Center 5. Pembroke Drive Pathway 6. Gardner Drive Pathways 7. Ocean Point Interim Beach Fill Project 8. Town Hall – Business License Office Reconfiguration 	Scott Liggett	<ol style="list-style-type: none"> 1. Under Construction. To be completed summer 2014. 2. Under Construction – nearing completion. Signalized intersection went into operation April 1, 2014. 3. Under Construction. 4. Under Construction – scheduled for completion in fall 2014. 5. Under Construction. 6. Under Construction. 7. Under Construction – target completion date May 2014. 8. Under Construction – work targeted for completion in mid-April 2014.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, *Town Manager*
VIA: Teri Lewis, AICP, *LMO Official*
FROM: Nicole Dixon, CFM, *Senior Planner*
CC: Charles Cousins, AICP, *Director of Community Development*
DATE: April 2, 2014
SUBJECT: Proposed Ordinance No. 2014-05
ZMA130009 – Palmetto Dunes POA Office

Town Council made no changes to Proposed Ordinance No. 2014-05 as a result of first reading on April 1, 2014.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2014-

PROPOSED ORDINANCE NO. 2014-05

AN ORDINANCE TO AMEND TITLE 16, "THE LAND MANAGEMENT ORDINANCE," OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, BY AMENDING SECTION 16-4-102, THE OFFICIAL ZONING MAP WITH RESPECT TO THAT CERTAIN PARCEL IDENTIFIED AS PARCEL 347A ON BEAUFORT COUNTY TAX MAP 12, TO APPLY THE RFZ (REDEVELOPMENT FLOATING ZONE OVERLAY DISTRICT) TO THE EXISTING PD-1 (PLANNED DEVELOPMENT) ZONING DISTRICT; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

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

WHEREAS, on March 6, 2007, the Town Council did amend Title 16 of the Municipal Code of the Town of Hilton Head Island by adopting amendments to the Land Management Ordinance creating the Redevelopment Floating Zone Overlay District; and

WHEREAS, the purpose of the Redevelopment Floating Zone is to encourage nonconforming properties to redevelop without requiring full compliance with the design and performance standards of the Land Management Ordinance; and

WHEREAS, the Planning Commission held a public hearing on said zoning map amendment application on February 5, 2014, at which time a presentation was made by staff and an opportunity was given for the public to comment on the rezoning request; and

WHEREAS, the Planning Commission, after consideration of the staff report, public comments, and the criteria set forth in Section 16-3-1607 of the LMO, voted 7-0 to find the application consistent with the Comprehensive Plan and serves to carry out the purposes of the LMO; and

WHEREAS, the Planning and Development Standards Committee held a public meeting on March 6, 2014 to review said zoning map amendment application, 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 16-3-1607 of the LMO, voted to recommend that Town Council approve the proposed zoning map amendment application; and

WHEREAS, after due consideration of said zoning map amendment application and the recommendations of the Planning Commission and the Planning and Development Standards Committee, the Town Council, upon further review, finds it is in the public interest to approve the proposed application.

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, be hereby amended to modify the zoning designation of that certain parcel identified as parcel 347A on Beaufort County Tax Map 12, to apply the RFZ Overlay District to that specific parcel within the existing PD-1 Zoning District, specifically the Palmetto Dunes master plan. The attached Vicinity Map shows the location of the subject property.

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 _____ DAY OF _____, 2014.

Drew A. Laughlin, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

Public Hearing: February 5, 2014

First Reading:

Second Reading:

Approved as to form:

Gregory M. Alford, Town Attorney

Introduced by Council Member: _____



MEMORANDUM

TO: Town Council

FROM: Stephen G. Riley, ICMA-CM, Town Manager

VIA: Susan M. Simmons, CPA, Director of Finance

DATE: April 4, 2014

RE: First Reading of Proposed Ordinance No. 2014-07 re Midyear Budget Amendment

There were no changes to Proposed Ordinance No. 2014-07 as a result of First Reading on April 1, 2014.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2014-07

AN ORDINANCE TO AMEND THE BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2014; TO PROVIDE FOR THE EXPENDITURES OF CERTAIN FUNDS; TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS; AND TO PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

WHEREAS, the Town Council did adopt the budget on June 18, 2013, and

WHEREAS, pursuant to the budget amendment policy as stated in the Town’s annual budget document, the Town Council is desirous of amending the budget so as to provide for the expenditures and certain other commitments from the Fund Balance and other revenue sources, as well as to correct budget appropriations for certain projects in the Capital Projects and Stormwater Funds.

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

Section 1 Amendment. The adopted 2014 fiscal year budget is amended to make the following changes as increases and decreases to the funds from prior years and to the projected revenue and expenditure accounts as follows:

Capital Projects Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Beach Fees		\$ 200,000
Hospitality Bond		318,874
Hospitality Taxes		(55,958)
Property Taxes		(29,736)
Sunday Liquor Permit Fees		(287,564)
TIF Property Taxes		950,000
Traffic Impact Fees		(164,167)
Total Revenues		<u>\$ 931,449</u>

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2014-07

Capital Projects Fund (Cont.)

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Expenditures:		
Beach Maintenance		
Shoreline Management Plan	Beach Fees	\$ (16,616)
Beach Renourishment-FY2016	Beach Fees	16,616
Beach Renourishment-Ocean Point	Beach Fees	200,000
		<u>200,000</u>
Existing Facilities/Infrastructure		
Clean up, Maint. of Prop. & Demo of Structures	Property Taxes	(25,000)
Town Hall Renovations	Hospitality Taxes	8,000
Apparatus & Vehicle Replacement	Hospitality Taxes	335
		<u>(16,665)</u>
Park Development		
Chaplin Tennis Park	Sun. Liq. Permit Fees	(235,000)
Recreation Center Enhancements	Hospitality Taxes	(15,877)
Recreation Center Expansion	Hospitality Taxes	15,877
Park Upgrades	Sun. Liq. Permit Fees	(52,564)
		<u>(287,564)</u>
New Facilities/Infrastructure		
Coligny/Pope Ave. Area Initiative	TIF Property Taxes	100,000
		<u>100,000</u>
Pathways		
US 278 (Wexford Circle to Fresh Market Shoppes)	Hospitality Bond	(2,190)
Leg O'Mutton	Hospitality Bond	(3,690)
Pembroke Drive	Traffic Impact Fees	40,000
Gardner Drive	Traffic Impact Fees	(40,000)
Honey Horn Access Improvements	Property Taxes	(4,736)
		<u>(10,616)</u>
Road Improvements		
Directional/Neighborhood Singage	Hospitality Bond	5,571
Mathews Dr./Chaplin Area Connectivity	TIF Property Taxes	850,000
Mainland Transportation Improvements	Hospitality Taxes	400,000
Traffic Signal System Pre-Emption	Hospitality Bond	375,000
"	Hospitality Taxes	(350,000)
Pedestrian Crosswalks	Hospitality Bond	4,183
Traffic Signal Mast Arms	Hospitality Bond	(60,000)
"	Hospitality Taxes	10,536
Honey Horn Dr. Apron Improvement	Hospitality Taxes	(124,829)
Roadway Safety Improvements	Traffic Impact Fees	(114,283)
Lemoyne Avenue Reconstruction	Traffic Impact Fees	(49,884)
		<u>946,294</u>
Total Expenditures		<u><u>\$ 931,449</u></u>

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2014-07

Stormwater Fund

<u>Account Description</u>	<u>Source of Funds</u>	<u>Amount</u>
Revenues:		
Stormwater Fees		\$ (1,425)
Total Revenues		<u>\$ (1,425)</u>
Expenditures:		
Infrastructure Upgrades & Improvements		
Golden Hind	Stormwater Fees	\$ (10,000)
Wiler's Creek Stabilization	Stormwater Fees	(64,957)
Colonial Dr. Flooding	Stormwater Fees	10,000
Friendfield Ct.	Stormwater Fees	22,000
Longoat to Man O'War	Stormwater Fees	26,285
Tennismaster	Stormwater Fees	3,671
Shipyards Raquet Club & Port O'Call	Stormwater Fees	46,463
Golfmaster Villas	Stormwater Fees	(47,894)
Wexford Club Flooding	Stormwater Fees	(45,000)
Firethorn Lane Pipe Replacement	Stormwater Fees	12,105
Nassau/Tanglewood	Stormwater Fees	(30,550)
Gumtree Chnnl @ Katie Miller	Stormwater Fees	60,000
Arrow Road	Stormwater Fees	2,350
US278 Flooding (beyond SDCOT funding)	Stormwater Fees	(5,000)
Folly Field	Stormwater Fees	(13,765)
		<u>(34,292)</u>
Inventory & Modeling		
Palmetto Dunes	Stormwater Fees	33,000
Broad Creek Shelter Cove BMP	Stormwater Fees	(10,642)
		<u>22,358</u>
Drainage Maintenance and Repairs		
Palmetto Hall PUD		
Palmetto Hall General Maint.	Stormwater Fees	5,000
Shipyards PUD		
Shipyards Raquet Club & Port O'Call	Stormwater Fees	(40,495)
Cordillo Parkway along Townhouse Tennis	Stormwater Fees	(13,565)
Wexford PUD		
Wexford General Maint.	Stormwater Fees	45,000
Non-PUD		
County Owned General Maint.	Stormwater Fees	730
Tabby Walk	Stormwater Fees	74
Folly Field	Stormwater Fees	13,765
		<u>10,509</u>
Total Expenditures		<u>\$ (1,425)</u>

The effect of this amendment will be to increase the Capital Projects Fund to \$26,164,719 and reduce the Enterprise Fund at \$5,151,410. The General Fund at \$35,300,434 and Debt Service Fund at \$17,050,403 remain unchanged.

ORDINANCE NO.

PROPOSED ORDINANCE NO. 2014-07

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 enactment by the Town Council of the Town of Hilton Head Island on this _____ day of _____, 2014.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ___DAY OF_____, 2014.

Drew A. Laughlin, Mayor

ATTEST:

Victoria L. Pfannenschmidt
Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Gregory M. Alford, Town Attorney

Introduced by Council Member:_____



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, *ICMA-CM, Town Manager*
FROM: Charles F. Cousins, *AICP, Director of Community Development*
DATE: March 27, 2014
SUBJECT: Authorize the Sale of Town Property Near Pineland Station

Recommendation: Staff recommends that Town Council approve first reading of an ordinance authorizing the sale of approximately 10 acres of Town-owned property to facilitate the redevelopment of Pineland Station.

Summary: In 2001 the Town purchased 10 acres on Mathews Drive immediately behind Pineland Station with the intent of creating a law enforcement center and relocating the Town Court. The purchase price was \$1,100,385 of which \$1,000,000 was for the land and the remainder was for 18,000 gallons of water and sewer capacity. Later the Town determined that locating the law enforcement center elsewhere was a better option so this property is no longer needed for its original purpose. The sale of this property to Pineland Associates would facilitate the redevelopment of Pineland Station. The sales price would be \$1,000,000 and the Town would retain the water and sewer capacity it purchased.

On March 26, 2014 the Public Facilities Committee voted to recommend the execution of a contract for this purpose.

Background: The Town purchased 10 acres in 2001 along Mathews Drive to create a law enforcement center and to house the Town Court operations. The Town's 10 acres is immediately adjacent to Pineland Station. One of the original ideas behind selecting this site was the belief that placing the law enforcement center and courts there would generate activity that could reinvigorate this older shopping center. Since that time the Town decided to purchase an existing building in the Shelter Cove area and has relocated the Sheriff to that site. This land is no longer needed to meet its original intent with the creation of the law enforcement center in the Shelter Cove area.

However, the challenges of Pineland Station still exist. Pineland Station is an older shopping center with a large number of vacancies that is really showing its age. The shopping center also has numerous non-conformities as it was developed prior to the Town's Land Management Ordinance. The Town's land offers an opportunity to work with the owner of a worn out facility to replace much of it and create a new shopping center that corrects many of those non-conformities. This proposal would feature the tear down of the majority of the buildings on the property and create a more exciting retail space with the Town recouping its original investment. The redevelopment would include roughly 20,000 additional square feet which is less than would be allowed on the 10 acre Town parcel. Thus the community will experience a new shopping center at no financial costs to the Town or any rezoning to

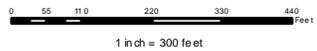
allocate additional square footage. Five acres of the Town's ten acres are wetlands. These would be set aside by the developer and not developed.

Attachments: *Pineland Station Parcels map and Pineland Station Redevelopment plan*




TOWN OF HILTON HEAD ISLAND
 ONE TOWN CENTER COURT
 HILTON HEAD ISLAND, S.C. 29928
 PHONE (843) 341-4600
 May 30, 2013

Town of Hilton Head Island
 Pineland Station Parcels



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.



PROJECT No 01-13007

DATE 11 20 2013

Scale: 1" = 50'

CONCEPTUAL SITE PLAN STUDY 7 (RETAIL +/- 141,300, + 8,000 2ND FLOOR)

Document is preliminary and subject to change.



PINELAND STATION REDEVELOPMENT
Hilton Head Island, South Carolina

WPI

Wood+Partners Inc.

Landscape Architects
 Land Planners

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AUTHORIZING THE EXECUTION OF A CONTRACT FOR PURCHASE AND SALE AND THE EXECUTION OF A DEED FOR THE SALE OF 10 ACRES OF REAL PROPERTY NEAR WILLIAM HILTON PARKWAY AND MATHEWS DRIVE TO PINELAND ASSOCIATES II, LLC PURSUANT TO THE AUTHORITY OF S.C. CODE ANN. § 5-7-40 (SUPP. 2011), AND § 2-7-20, CODE OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, (1983); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

LEGISLATIVE FINDINGS

WHEREAS, the Town of Hilton Head Island (hereinafter “Town”) owns two (2) parcels of real property known as R511-008-000-0156-0000 and R511-008-000-098B-0000 (hereinafter collectively referred to as the “Town Property”), which is located on Hilton Head Island, Beaufort County, South Carolina; and,

WHEREAS, the Town has agreed to sell the Town Property to Pineland Associates II, LLC in accordance with the terms and conditions set forth in that certain Contract for Purchase and Sale, a copy of which is attached hereto as Exhibit “A” (the “Contract”); and,

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

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

Section 1. Execution of Agreement.

- (a) The Mayor and Town Manager are hereby authorized to execute and deliver the Contract in a substantially similar form to that attached hereto as Exhibit "A" for the conveyance of Town-owned real property to Pineland Associates II, LLC; and

(b) The Mayor and/or Town Manager are hereby authorized to take such other and further actions as may be necessary to complete the transactions contemplated in the Contract as authorized hereby, including the execution and delivery of the Deed and all other documents called for in the Contract.

Section 2. Severability.

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

Section 3. Effective Date.

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

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

Drew A. Laughlin, Mayor

ATTEST:

Victoria L. Pfannenschmidt, Town Clerk

First Reading: _____

Second Reading: _____

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

Introduced by Council Member: _____

CONTRACT FOR PURCHASE AND SALE OF:

+/- 10 Acres near William Hilton Parkway and Mathews Drive
on Hilton Head Island, South Carolina:

By and Between

The Town of Hilton Head Island, South Carolina,

and

Pineland Associates II, LLC

Dated as of: May _____, 2014

STATE OF SOUTH CAROLINA)
) **SALE AND PURCHASE AGREEMENT**
COUNTY OF BEAUFORT)

This Agreement (hereinafter the “Agreement”) is made and entered into by and between The Town of Hilton Head Island, South Carolina (hereinafter, the “Seller”), and Pineland Associates II, LLC (hereinafter, the “Purchaser”) on this ____ day of May, 2014.

W I T N E S S E T H:

1. *Sale and Purchase:* For and in consideration of the Purchase Price set forth in Article 3 of this Agreement to be paid to Seller by Purchaser, and in further consideration of the full and faithful performance of the covenants, conditions and agreements hereinafter set forth to be performed, fulfilled and observed by Seller and Purchaser, and subject to the fulfillment of the Conditions set forth in Article 8 of this Agreement, Seller agrees to sell and Purchaser agrees to purchase from Seller that certain real property located on Hilton Head Island, Beaufort County, South Carolina, and which is described in Articles 1.1 and 1.2 of this Agreement.

1.1 *Real Property:* The Real Property is hereinafter referred to as the “Real Property” or the “Property” and is described as follows:

ALL that certain piece, parcel or tract of land situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, shown and described as Parcel C (Mathews Drive Parcel) on a plat dated March 29, 1982 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 30 at Page 112. Said property being more fully described in that certain deed of Pineland Mall Associates, L.P., dated January 30, 2001, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 31, 2001 in Official Record Book 1379 at Page 1319.

Beaufort County TMS#: R511-008-000-0156-0000

AND ALSO:

ALL that certain piece, parcel or tract of land situate, lying and being in the Town of Hilton Head Island, Beaufort County, South Carolina, shown and described as containing 8.35 acres on a plat dated March 29, 1982 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 30 at Page 112. Said property being more fully described in that certain deed of Pineland Mall Associates, L.P., dated January 30, 2001, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 31, 2001 in Official Record Book 1379 at Page 1319.

Beaufort County TMS#: R511-008-000-098B-0000

This being the same property conveyed to The Town of Hilton Head Island, South Carolina by deed of Pineland Mall Associates, L.P., dated January 30, 2001, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 31, 2001 in Official Record Book 1379 at Page 1319.

1.2 *Intangible Personal Property:*

(a) In connection with the Real Property, Seller may have (i) obtained certain governmental permits and approvals and (ii) obtained certain contractual rights and other intangible assets, which are hereinafter referred to as the “Intangible Personal Property” and which are described as follows:

- (i) Any and all contract rights, declarant rights, access rights or easements, utility easements, covenant rights burdening other property in favor of the Real Property, easements, rights with respect to lands or marshlands lying below the S. C. D. H. E. C. - O. C. R. M. Critical Line, development plan approvals, zoning rights or approvals, development permits, utility allocations, State, Federal or Local governmental permits and approvals, S. C. D. H. E. C. - O. C. R. M. Permits; United States Army Corps of Engineers Permits; and,
- (ii) Any and all rights, funds, rights to funds, including deductibles, associated with or related to any pending or previous environmental cleanup affecting the Real Property; and,
- (iii) Any and all other rights, contracts, easements, contract rights or governmental or other approvals, regardless of description, which affect, touch or concern the Real Property in any way, shape or form, regardless of description, except the 18,000 gallons per day of water and sewer capacity with Hilton Head Island Number 1 Public Service District as reflected in Article 1.4 herein below.

(b) It shall be agreed between Seller and Purchaser that the eighteen thousand (18,000) gallons per day of water and sewer capacity with Hilton Head Island Number 1 Public Service District shall not be included in the Intangible Personal Property conveyed by Seller to Purchaser, as reflected in Article 1.4 herein below.

1.3 *Definition of the "Property"*: Both the Real Property and the Intangible Personal Property are hereinafter referred to collectively as the "Property".

1.4 *Water and Sewer Capacity Rights*: Pursuant to that certain "Contract for Purchase and Sale of 10.39 Acres, More or Less", dated January 9, 2001 between Seller and Pineland Mall Associates, a South Carolina Limited Partnership, and pursuant to that certain "Prorata Assignment of Water and Sewer Service", dated January 31, 2001 between Pineland Mall Associates and Seller, and acknowledged by Hilton Head #1 Public Service District, Pineland Mall Associates assigned all of its allocated water and sewer capacity (consisting of 18,000 gallons per day) with the Hilton Head #1 Public Service District pertaining to Parcel C and Parcel D, Pineland Mall to Seller. Seller and Purchaser hereby agree that the aforementioned "Prorata Assignment of Water and Sewer Service" and its terms shall remain in force and shall not be altered in any way, nor shall such water and sewer rights be conveyed or otherwise transferred from Seller to Purchaser, in connection with this Agreement or the transactions contemplated therein.

2. *Current Survey*: Purchaser shall have prepared, at its own cost and expense, an updated current boundary and as-built survey or ALTA survey of the Property, prepared for and certified to Purchaser.

2.1 *Delivery of Documents*: Seller shall, within fifteen (15) days of the Effective Date of this Agreement and upon demand by Purchaser, tender to Purchaser copies of the following documents in Seller's possession:

- (a) Any existing title insurance policies in the possession of Seller or Seller's attorney insuring title to the Real Property.
- (b) Copies of any documents evidencing utility allocations or capacity or other contracts benefiting the Real Property.
- (c) Any and all documents relating to any rights or obligations which run to or from the Real Property.
- (d) Copies of all engineering studies, wetland delineations, environmental studies, surveys and the like of the Real Property which are in Seller's possession. Such studies may be given with appropriate disclaimers.
- (e) Copies of any reports, studies or documentation of any type pertaining to any ongoing or previous environmental cleanup affecting the Real Property.

3. *Purchase Price:* The Purchase Price for the Property is One Million and 00/100 Dollars (\$1,000,000.00) (hereinafter, the "Purchase Price"), which shall be paid in cash or its equivalent at the closing of the transactions contemplated in this Agreement (the "Closing").

3.1 *Payment of Purchase Price:* Upon execution of this Agreement by all parties, Purchaser shall deposit with Escrow Agent hereinafter described, in the amount of Twenty Thousand and 00/100 Dollars (\$20,000.00) (the "Escrow Deposit"), which shall be held in escrow pending compliance with this Agreement by Seller and Purchaser. At Closing, Purchaser shall pay to Seller the balance of the Purchase Price by certified check made payable to Seller, or by a wire transfer of cleared funds to the account of Seller at a financial institution which is designated by Seller. Seller shall give written notice of how it wishes for the purchase price to be paid, together with written bank wire instructions, if applicable, no later than three (3) business days prior to the Closing Date.

4. *Title:* Seller shall provide Purchaser with good and marketable title to the Property by Deed of General Warranty, free and clear of any and all monetary liens and encumbrances, the form which is attached hereto as Exhibit "A".

4.1. *Title Evidence:* Purchaser may obtain a current ALTA Owner's Title Insurance Commitment (the "Commitment") underwritten on, and issued by, a Title Insurance Company of Purchaser's choosing (hereinafter, the "Title Company"), by which Commitment the Title Company shall agree to insure fee simple marketable title to the Real Property in the name of Purchaser in an amount equal to the Purchase Price. Seller and Purchaser understand and agree that as of the date of the Title Commitment and the Closing Date, fee simple marketable title to the Property shall be vested in Seller, and the Commitment shall show and evidence:

(a) That fee simple, marketable title to the Real Property is vested in Seller;

(b) That title to the Real Property is in the condition required by this Article 4. The cost of, or premium associated with, the Commitment, and any Final Policy of Title Insurance issued thereon, shall be the responsibility of and shall be paid for by Purchaser.

4.2. *Objections to Title:* If Purchaser's title examination or the Commitment shall reveal that Seller's title to the Real Property is subject to any easements, covenants, clouds on or to the title, encroachments, boundary discrepancies, liens, encumbrances, or any other matter affecting title, or Purchaser's proposed use of the Real Property, then Purchaser shall notify Seller, in writing, of such title defects and Purchaser's objection to the same within ten (10) days after Purchaser's receipt of the Commitment and copies of all of the documents referred to in the Commitment. Upon such notification, the same shall be treated as defect(s) in title ("Title Defects"). Unless Purchaser delivers said written objections within the said ten (10) day period following the delivery of the Commitment, it shall be conclusively deemed that Purchaser has accepted title to the Real Property in its then-existing condition.

4.3. *Seller's Right to Cure:* Seller shall have thirty (30) days from receipt of Purchaser's written notice of any Title Defects to Cure (hereinafter defined), or to cause to be Cured, the Title Defects. Seller agrees to use its best efforts and due diligence in Curing, or in

causing to be Cured, the Title Defects. If said thirty (30) day period given Seller to Cure the Title Defects shall extend beyond the Closing Date, and Seller does not Cure, or cause to be Cured, the Title Defects before the Closing Date, then closing shall be held within ten (10) days after Seller delivers written notice to Purchaser that the Title Defects have been Cured. "Cured" as used herein means that a title insurance company authorized to do business in South Carolina and a member of the American Land Title Association will issue a Title Insurance Policy insuring title to the Real Property at standard rates and with only the standard exceptions and, if such title insurance company is not the Title Company, Seller's agreement to pay any cost of such Title Insurance Policy in excess of the cost that would have been charged by the Title Company.

4.4. *Seller's Failure to Cure:* If Seller cannot Cure, or cause to be Cured, the Title Defects within the said thirty (30) day period, or within such longer period to which Seller and Purchaser may agree in writing, then Purchaser shall have the option of:

(a) Closing this transaction in accordance with the terms and conditions hereof, and accepting title to the Real Property in its then-existing condition by deed, taking exception to such unCured Title Defects, with such adjustments to the purchase price as are agreed to by the Parties; or,

(b) Terminating this Agreement, whereupon Purchaser shall be refunded the entire Escrow Deposit together with any interest accrued thereon, and Seller and Purchaser shall thereafter be released from any and all further obligations or liabilities to one another arising under or out of this Agreement.

4.5. *Subsequent Matters:* Seller acknowledges that a period of days will elapse between the delivery of the Commitment as required herein and Closing. Acceptance of the Commitment by Purchaser shall not be deemed a waiver of any Title Defect arising between the date of delivery of the Commitment and the date of Closing.

(a) Purchaser shall notify Seller of any Title Defects arising subsequent to delivery of the Title Commitment prior to closing.

(b) Upon notification to Seller by Purchaser of any Title Defects arising subsequent to delivery of the Title Commitment, the "Cure" provisions of Article 4.3 and 4.4 shall become effective.

4.6 *Commercial Shopping Center:* It is understood and agreed to by the parties that the Property (excluding the portions which are jurisdictional wetlands) shall be developed by the Purchaser as a commercial shopping center (including single user freestanding buildings) in conjunction with the substantial redevelopment of property which is adjacent to the Property and known as Beaufort County Tax Map #: R511-008-000-098E-0000, within two (2) years of the date of recording of the Deed referenced in Article 4 herein above, in accordance with all applicable federal, state, and local laws and regulations, including but not limited to the Land Management Ordinance of the Town of Hilton Head Island, South Carolina. Specifically, the Property shall be developed by the Purchaser, in conjunction with the aforementioned adjacent property, as a multi-tenant commercial facility that is substantially in conformance with the Conceptual Site Plan attached hereto as Exhibit "B", except as otherwise consented to in writing by the Seller, which consent Seller agrees will not be unreasonably withheld, delayed or conditioned. It is agreed by the parties that this Article 4.6 is a material element of this Agreement and Seller is relying on its terms in the execution of this Agreement. The provisions of this Article 4.6 shall survive Closing, and any violation of the terms of this Article 4.6 shall serve as a Default to this Agreement, and Seller reserves the right to seek any legal or equitable remedies for the enforcement of the same.

5. *Closing:* This transaction shall be "Closed" and title to the Property shall be conveyed from Seller to Purchaser by delivery of the Deed (hereinafter defined) and other

documents required herein from Seller to Purchaser (hereinafter the “Closing”) at 10:00 o’clock A. M. on the Closing Date (hereinafter defined) at the Office of Purchaser’s Attorney, or at such other place as Purchaser and Seller shall mutually agree in writing. Subject to fulfillment of all of Seller’s obligations and any conditions hereunder, the Closing, unless otherwise modified or extended by mutual agreement of Seller and Purchaser in writing, shall occur on or before ninety (90) days after Condition Satisfaction Date as defined in Article 8 below (the “Closing Date”).

5.1. *Seller’s Obligations at Closing:* At Closing, Seller shall deliver to Purchaser, at Seller's expense, the following Closing Documents:

- (a) A good and sufficient General Warranty Deed (the “Deed”) so as to convey to Purchaser Fee Simple, Marketable Title to the Real Property, as provided in Article 4 above. The Deed shall be in recordable form, with documentary stamps (if any) affixed, executed by Seller and duly acknowledged before a Notary Public.
- (b) A “Certification by Entity Transferor,” certifying that Seller is not a “foreign person” as that term is used and defined in Section 1445 (f)(3) of the Internal Revenue Code of 1986, as amended.
- (c) A mechanic’s lien affidavit, duly executed by Seller and acknowledged before a notary public, attesting to the absence, unless otherwise provided for in this Agreement, or unless created by acts of Purchaser, of any claims of lien or potential lienors and further attesting that there have been no improvements to the Real Property for ninety five (95) days immediately preceding the Closing Date for which the cost thereof remains unpaid.
- (d) A South Carolina residency affidavit certifying the address, Residence and Federal Identification Number of Seller to establish the withholding requirements of S. C. Code Ann. § 12-9-310 (Supp. 2011), and South Carolina Revenue Ruling Number 90-3.
- (e) Full and complete releases, in recordable form, of any mortgages, liens, claims or other encumbrances to the title of the Real Property, except as may be otherwise provided in Article 4 above.
- (f) Such other documents as Purchaser, Purchaser’s Attorney or Purchaser’s Title Insurance Company may reasonably require or deem as necessary to convey the Property to Purchaser in accordance with the terms and provisions of this Agreement.
- (g) Certified copy of the Resolution of the Town Council authorizing the execution of

this Agreement.

(h) Certified copy of the Ordinance of the Town Council authorizing the sale of the Real Property and execution of the above-referenced Closing Documents.

(i) Certified copy of the Minutes of the Town Council meetings wherein the Resolution and Ordinance referenced in Articles 5.1 (g) and (h) above were approved.

5.2. *Purchaser's Obligations at Closing:* At Closing, Purchaser shall deliver to Seller, at Purchaser's expense, the following:

(a) The balance of the Purchase Price.

(b) Such other documents as Seller or Seller's attorney may reasonably require or deem necessary to convey the Property to Purchaser in accordance with the terms and provisions of this Agreement.

5.3. *Escrow Agent:* The Escrow Agent shall serve as Closing Agent for all Parties at Closing. Deposit with the Escrow Agent of the Purchase Price, the instruments of conveyance and such other funds and/or documents as are required of either Party under the terms of this Agreement, and/or the Title Company, shall be deemed to be a good and sufficient tender of performance in accordance with the terms hereof. Seller shall pay all fees and charges of the Escrow Agent.

6. *Default by Purchaser:* Except as may be otherwise expressly provided or limited herein with respect to any specific act or omission, if Purchaser shall default in any of its obligations, covenants, or agreements contained within this Agreement or any of the Exhibits hereto, and shall remain in default after ten (10) day's written notice specifying the default and demanding that the default be cured, then Seller shall be entitled to receive The Escrow Deposit as liquidated damages as its sole and exclusive remedy. The provisions of this Article 6 shall be binding upon the successors and assigns of Purchaser, and shall survive the Closing of the transaction contemplated herein.

7. *Default by Seller:* Except as may be otherwise expressly provided or limited herein

with respect to any specific act or omission, if Seller shall default in any other obligations, covenants, or agreements contained within this Agreement or any of the Exhibits hereto, and shall remain in default after ten (10) day's written notice specifying the default and demanding that the default be cured, then Purchaser shall be entitled to pursue any remedy at law or in equity against Seller, including an action for damages or for Specific Performance of this Agreement. The provisions of this Article 7 shall be binding upon the successors and assigns of Seller, and shall survive the Closing of the transaction contemplated herein.

8. *Conditions to Purchaser's Obligation to Close:* The obligation of Purchaser to purchase the Property from Seller is subject to satisfaction, as of the Closing Date, of the following conditions (any of which may be waived, in writing, in whole or in part by Purchaser at or prior to Closing):

(a) All of the representations and warranties of Seller set forth herein shall be true on and as of the Closing in all respects, as though such representations and warranties were made at and as of the Closing; and all covenants, agreements and documents required of Seller in this Agreement shall have been performed, complied with or delivered (as the case may be) in accordance with this Agreement.

(b) The Property shall not be in material violation of any governmental laws, ordinances, rules or regulations, and there shall be no action, suit or proceeding pending or filed against or affecting the Property or any portion thereof, or relating to or affecting or arising out of the ownership or development of the Property or any portion thereof, in any state or federal court or by any federal, state, county or municipal department, commission, board bureau, or agency or other governmental instrumentality.

(c) The receipt by Purchaser of a Jurisdictional Determination from the U.S. Army Corps of Engineers (the "Corps") confirming that the Property contains no more than five (5) acres of wetlands that are subject to the jurisdiction of the Corps and that the non-wetlands acreage is in a location (or locations) and in a configuration satisfactory to Purchaser;

(d) Purchaser's obtaining a financing commitment satisfactory to it for cost of the acquisition of the Property and development and construction of the Project; and

(e) Purchaser's receipt of an environmental assessment of the Property satisfactory to

it, which assessment shall be coordinated and paid for by Purchaser and not Seller.

In the event any of the above stated conditions is not satisfied or waived in writing by Purchaser prior to Closing, this Agreement shall terminate on the Option of Purchaser, any Escrow Deposit and any accrued interest thereon shall be returned to Purchaser, and neither Party shall have any further obligation or rights with respect to the other. Purchaser shall notify Seller when all of the conditions set forth in clauses (c) through (e) above have been satisfied. The date of such notice shall be the "Condition Satisfaction Date." If the Condition Satisfaction Date does not occur on or before September 30, 2014, then either party may terminate this Contract by written notice to the other, in which event the Escrow Deposit shall be refunded to Purchaser and neither party shall have any further rights against or obligations to the other.

9. [Omitted]

10. *Representations and Warranties of Seller:* To induce Purchaser to enter into this Agreement and to purchase the Property, Seller represents and warrants (which representations and warranties shall survive the Closing) to Purchaser as follows:

(a) As of the date of this Agreement and as of the date of Closing, Seller will have all requisite legal power and authority to execute and deliver the Deed and other documents to be delivered pursuant to this Agreement. The individual(s) executing this Agreement on behalf of Seller has, and as of the date of Closing will have, express authority and full power on behalf of Seller to enter into and deliver this Agreement and the Deed and other documentation required hereunder.

(b) Other than work or material contracted for by Purchaser, as of the Closing, no work will have been performed or will be in process at the Property, and no materials will have been delivered to the Property that might provide the basis for the filing of a Mechanic's, Materialman's or other lien against the Property or any portion thereof. The requirements set forth in this Article 10(b) shall be deemed satisfied if the Title Company, based upon Seller's mechanic's lien affidavit, is willing to give Purchaser affirmative mechanic's lien coverage.

(c) There has been no deferral of taxes with respect to this Property.

(d) Other than is expressly provided for herein, Seller shall not grant any easements, or enter into any covenants or agreements concerning the Property or title to the Real Property, or in any other way affect the Property or title to the Real Property without the written consent of Purchaser.

(e) There are no rights or claims of parties in possession not shown by the Public Records for Beaufort County, South Carolina; and there is no litigation now pending or threatened against Seller which would materially affect the Property, title to the Real Property, the execution, delivery or enforceability of this Agreement, or Seller's performance or other obligations hereunder.

(f) No options, leases or other contracts are still outstanding which give any other party a right to purchase the Real Property.

11. *Brokers:* Seller and Purchaser warrant and represent that no broker, finder, or other person is entitled to a commission, finder's fee or other compensation in connection with this Agreement, and Seller shall indemnify and hold harmless the other party from any and all claims, liabilities, losses, damages, costs and expenses arising from the claim of any other broker, finder or other person for such compensation, arising by, under or through such party. The obligations under this Article 11 shall survive the Closing.

12. *Effective Date:* The "Effective Date" of this Agreement shall be the date upon which the officials of The Town of Hilton Head Island, South Carolina, execute and deliver this Agreement to Seller.

13. *Miscellaneous:*

13.1. *Assignability:* This Agreement may not be assigned by either Purchaser or Seller without the express written consent of both parties, except that Purchaser may assign its rights under this Agreement to an entity or entities that is or are controlled by Jon S. Wheeler and/or Wallace Cahoon without Seller's consent. Purchaser shall notify Seller, in writing, each time that Purchaser assigns and/or otherwise transfers any interest in this Agreement to any other entity. Such notification shall include the legal name of the acquiring entity, the current address and the

name of a contact person at that entity, and the amount of interest transferred. Any assignee or entity acquiring any rights under this Agreement shall execute a document acknowledging this Agreement and agreeing to be bound by its terms, in a form reasonably satisfactory to Seller.

13.2 *Binding Effect:* This Agreement shall inure to the benefit of and shall be binding upon Seller and Purchaser and their respective successors and assigns.

13.3. *Amendment, Changes and Modifications:* Except as otherwise provided herein, this Agreement may not be effectively amended, changed, modified or altered without the written consent of both parties hereto.

13.4. *Severability:* In the event that any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

13.5. *Execution in Counterparts:* This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

13.6. *Applicable Law:* This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

13.7. *Captions:* The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

13.8. *Recording:* The parties hereto may not record this Agreement, or a short form Memorandum thereof, in the Office of the Register of Deeds for Beaufort County, South Carolina.

13.9. *Plural/Singular:* Where appropriate, the use of the singular herein shall include and be deemed to be the plural, and the use of the plural herein shall be deemed to include the

singular.

13.10. *No Third Party Beneficiaries:*The Parties hereto affirmatively represent that this Agreement is made solely for the benefit of the parties hereto and their respective successors and assigns and not for the benefit of any third party who is not a signature party hereto. No party other than the signature parties and their respective successors and assigns hereto shall have any enforceable rights hereunder, or have any right to the enforcement hereof, or any claim for damages as a result of any alleged breach hereof.

13.11. *Notices:* All notices, applications, requests, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered in person, or mailed by certified mail, return receipt requested, postage prepaid (in such case, delivery shall be deemed complete upon mailing), addressed as follows, or to such other place as may be designated in writing by the parties:

To Seller: THE TOWN OF HILTON HEAD ISLAND
Stephen G. Riley, Manager
One Town Center Court
Hilton Head Island, SC 29928

With Copy to: Gregory M. Alford, Esq.
Alford Law Firm, LLC
Post Office Drawer 8008
Hilton Head Island, SC 29938-8008

To Purchaser: Pineland Associates II, LLC
c/o Wheeler Interests, Inc.
Attn: Jon S. Wheeler
Riversedge North
2529 Virginia Beach Blvd., Suite 200
Virginia Beach, VA 23452

With Copy to: Charles E. Land, Esquire
c/o Kaufman & Canoles, P.C.
150 W. Main Street, Suite 2100
Norfolk, VA 23510

13.12. *Further Assurances and Corrective Documents:* Seller and Purchaser agree to do, execute, acknowledge, deliver or cause to be done all such further acts as may be reasonably determined to be necessary to carry out this Agreement and give effect hereto. Seller and Purchaser agree that each shall, upon request, execute and deliver such other or corrective documents, or any such document as may be requested by any governmental or regulatory agencies, including but not limited to any such documents relating to any pending or previous environmental cleanup affecting the Real Property, as may be reasonably determined to be necessary, either before or after the Closing. The obligations of this Article 13.12 shall survive the Closing.

14. *Possession:* Possession of the Property shall be delivered to Purchaser at Closing, provided, however, that the Purchase Price, minus adjustments and prorations, is paid in full by or on behalf of Purchaser at Closing.

15. *Prorations:* Payment of the following is to be pro-rated between Seller and Purchaser as of the Closing Date:

(a) Real Property Taxes and Assessments, if any, shall be made on the basis of the current year's tax with due exemptions, if allowed for the said year. If Closing occurs on a date when the current year's taxes are not fixed, taxes will be apportioned based upon the prior year's taxes plus ten (10%) per cent. Any tax apportionment based upon an estimate shall be recalculated when the property taxes are finally fixed, and Seller or Purchaser, as the case may be, shall make payment to the other based upon such recalculation. The provisions of this Article 15 shall survive the Closing and delivery of the Deed.

16. *Closing Costs:*

16.1. *Seller's Closing Costs:* Seller shall be responsible to pay for the Cost of:

(a) Any documentary stamp expense or taxes which may be payable to the State of South Carolina and/or the County of Beaufort, and any other fees or charges payable by reason of the execution, delivery and recording of the Deed, excluding any transfer fee(s)

payable to the Town of Hilton Head Island, South Carolina and/or any other applicable entity, which shall be paid by Purchaser; and,

(b) Any other Seller's Closing Costs which are customary in Beaufort County, South Carolina.

16.2. *Purchaser's Closing Costs:* Purchaser shall be responsible to pay the cost of:

(a) Recording of the Deed and any Town of Hilton Head Island, South Carolina, Transfer Fee and any other applicable transfer fee(s);

(b) The Cost of any title insurance premium chargeable for the Commitment and any policy of Title Insurance issued therefrom; and,

(c) Any other Purchaser Closing Costs which are customary in Beaufort County, South Carolina.

17. *Attorney's Fees and Costs:* If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover its reasonable attorney's fees and any costs incurred as a result of any such dispute, whether incurred before the institution of suit or after the commencement of suit, including appellate proceedings, in addition to any other relief to which the prevailing party is entitled.

18. *Damage or Risk of Loss:* The risk of loss or complete or partial destruction of the Property shall rest with Seller up to the time that the Closing occurs. If the Property is damaged, but repairable prior to Closing, Seller has the option of repairing and proceeding. If the Property is damaged, but un-repairable prior to Closing, Purchaser shall be entitled to a return of any Escrow Deposit together with any accrued interest thereon, and this Agreement shall be terminated, and neither party shall have any further rights or obligations with respect to the other.

19. *Condemnation:* If, between the date of this Agreement and the Closing, a taking or

condemnation of the Property is threatened or commenced by any party or entity other than Purchaser, Purchaser may elect, in writing, within five (5) days after receipt of notice from Seller of such taking or condemnation, accompanied by information regarding the amount and payment of the condemnation proceeds, to terminate this Agreement or to purchase the Property without regard to such condemnation. If Purchaser fails to notify Seller of Purchaser's election, Purchaser will be deemed to have elected to proceed with the purchase of the Property without regard to such taking or condemnation. In the event Purchaser elects to purchase, Seller shall have no obligation to repair or replace any of the Property destroyed, nor shall the purchase price be adjusted. If Purchaser elects to terminate this Agreement, Purchaser shall notify Seller of such election in writing; this Agreement shall be of no further force and effect; Escrow Agent shall immediately return the Deposit to Purchaser; and Seller shall be entitled to receive any condemnation awards payable as a result of such taking or condemnation. If Purchaser elects to purchase the Property despite such taking or condemnation Seller shall assign its rights to and Purchaser shall be entitled to receive any condemnation awards payable as a result of such taking or condemnation. However, in the event Seller determines that the amount of condemnation awards payable as a result of such taking or condemnation exceeds the Purchase Price, Seller may elect at any time and in their sole discretion to terminate this Agreement and retain and receive all rights to such condemnation awards, and Purchaser shall be entitled to the return of all deposits paid, and neither party shall have any further rights or obligation against the other. Nothing in this Article shall apply to any taking or condemnation instigated by Purchaser.

20. *Escrow Agent:* The "Escrow Agent" shall be Gregory M. Alford, Alford Law Firm, LLC, 18 Executive Park Road, Building 1, Hilton Head Island, South Carolina 29928, P.O. Drawer 8008, Hilton Head Island, South Carolina 29938. If any dispute should arise as to

whether Escrow Agent is obligated to deliver any Escrow Deposit, or any funds or documents which it holds, Escrow Agent shall not be required to make delivery thereof, but, in such event shall hold the same until receipt, by Escrow Agent, of written authorization from Seller and Purchaser directing the disposition of the same. In the absence of such written authorization, Escrow Agent may hold any Escrow Deposit, or any other funds or documents in connection with this transaction in its possession until a final determination of the rights of the Parties by a Court of competent jurisdiction. If such written authorization is not given or proceedings for such determination are not begun and diligently continued, Escrow Agent may institute an appropriate proceeding for leave to place any Escrow Deposit, or any other funds or documents in connection with this transaction in its possession with the Clerk of Court for Beaufort County, South Carolina, pending such determination. Escrow Agent shall not be charged with notice of any fact or circumstance unless and until written notice of the same is received by Escrow Agent. Upon making the delivery of the funds or documents which Escrow Agent may hold in accordance with the provisions of this Article 20, Escrow Agent shall have no further obligation or liability to Purchaser and Seller, and Purchaser and Seller agree to indemnify and hold Escrow Agent harmless from any such liability.

21. Matters Subsequent to Closing: Seller acknowledges that it has obligations under this Agreement to be fulfilled subsequent to Closing. Seller acknowledges that all such obligations survive the Closing whether or not a specific statement to that effect is set forth in connection with each such obligation.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, Seller and Purchaser caused their duly authorized officers and representatives to execute this Agreement as of the date and year first above written.

WITNESSES:

**THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA**

_____ **By:** _____
Drew A. Laughlin, Mayor

_____ **Attest:** _____
Stephen G. Riley, Town Manager

WITNESSES:

PINELAND ASSOCIATES II, LLC

_____ **By:** _____
Jon S. Wheeler, Manager

EXHIBIT "A"

DEED

of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 30 at Page 112. Said property being more fully described in that certain deed of Pineland Mall Associates, L.P., dated January 30, 2001, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 31, 2001 in Official Record Book 1379 at Page 1319.

Beaufort County TMS#: R511-008-000-098B-0000

This being the same property conveyed to The Town of Hilton Head Island, South Carolina by deed of Pineland Mall Associates, L.P., dated January 30, 2001, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 31, 2001 in Official Record Book 1379 at Page 1319.

This Deed was prepared in the law offices of Alford Law Firm, LLC, Post Office Drawer 8008, Hilton Head Island, South Carolina, 29938-8008, by Mitchell J. Thoreson, Esq.

TOGETHER with all and singular, the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said Grantee, its successors and assigns forever.

AND the said Grantor does hereby bind Grantor and Grantor's successors, assigns, executors and administrators, to warrant and forever defend, all and singular, the said Premises unto the said Grantee, the Grantee's successors and assigns, against Grantor and Grantor's successors and assigns and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

(SIGNATURES ON FOLLOWING PAGE)

EXHIBIT "B"

CONCEPTUAL SITE PLAN

