



The Town of Hilton Head Island
Town Council
Tuesday, July 16, 2019, 4:00 p.m.
Benjamin M. Racusin Council Chambers
AGENDA

As a courtesy to others please turn off / silence ALL mobile devices during the Town Council Meeting. Thank You.

1. **Call to Order**
2. **FOIA Compliance** - Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.
3. **Pledge to the Flag**
4. **Invocation – Rabbi Brad Bloom, Congregation Beth Yam**
5. **Approval of Minutes**
 - a. Town Council Meeting, June 18, 2019
6. **Report of the Town Manager**
 - a. Board of Zoning Appeals Semi-Annual Report – Jerry Cutrer, Chairman
 - b. Design Review Board Semi-Annual Report – Dale Strecker, Chairman
 - c. Items of Interest
7. **Reports from Members of Council**
 - a. General Reports from Council
 - b. Report of the Intergovernmental Committee – Bill Harkins
 - c. Report of the Community Services & Public Safety Committee – Marc Grant
 - d. Report of the Public Planning Committee – David Ames
 - e. Report of the Finance & Administrative Committee – Tom Lennox
8. **Appearance by Citizens**

*[Town Code § 2-5-70: To sign-up, notify the Town Clerk **prior to 12:00 p.m. the day of the meeting.** All comments are limited to 3 minutes.]*
9. **Consent Agenda – NONE**
10. **Proclamations/Commendations - NONE**

11. Unfinished Business

a. Second Reading of Proposed Ordinance 2019-16 – Hilton Head Christian Academy Rezoning

Second Reading of Proposed Ordinance 2019-16 to amend Title 16, “The Land Management Ordinance,” of the Municipal Code of the Town of Hilton Head Island, South Carolina, by amending Section 16-1-107, the Official Zoning Map and the Indigo Run Master Plan with respect to the certain 13.83 acre parcel located at 55 Gardner Drive, identified as Parcel 98A on Beaufort County Tax Map 8, within the Indigo Run Master Plan “Parcel 15-F” under the PD-1 (Planned Development Mixed Use) District, to remove the Commercial and Public Recreation Uses and Commercial Density, and to add Multifamily Residential Use with Density of 260 Units, and to maintain the existing Institutional Use and Density, and to reduce the maximum building height allowed from 75 feet to 45 feet for three story buildings adjacent to the Southern property boundary and from 75 feet to 55 feet for four story buildings on the rest of the site; and provide a minimum rental duration of 6 months, reserve five percent of the units as workforce housing units for a duration of twenty years, and to include a Type C buffer along the North property boundary; and providing for severability and an effective date.

12. New Business

a. First Reading of Proposed Ordinance 2019-18 – Special Obligation Bonds

First Reading of Proposed Ordinance 2019-18 providing for the issuance and sale of Town of Hilton Head Island, South Carolina, Special Obligation Bonds (Hospitality Fee Pledge), in one or more Series, in the Principal amount of not exceeding \$17,000,000, delegating the authority to the Town Manager to determine certain matters with respect to the Bonds, prescribing the form and details of such Bonds; other matters relating thereto; and providing for severability and an effective date.

13. Executive Session

a. Land Acquisition

Discussion of negotiations incident to the proposed sale, lease, or purchase of property in the:

- i.** Old Wild Horse Road area;
- ii.** Marshland Road area;
- iii.** Beach City Road area; and
- iv.** Spanish Wells Road area.

b. Contractual Matters

Discussion of negotiations incident to proposed contractual arrangements regarding the Hilton Head Island Airport.

14. Possible actions by Town Council concerning matters discussed in Executive Session

- a.** Possible actions by Town Council concerning the Spanish Wells Road area

15. Adjournment



Town of Hilton Head Island

Town Council

Tuesday, June 18, 2019 at 4:00 pm

Benjamin M. Racusin Council Chambers

MEETING MINUTES

Present from Town Council: John J. McCann, *Mayor*; Bill Harkins, *Mayor Pro-Tempore*; Marc Grant, Tom Lennox, David Ames, Tamara Becker, Glenn Stanford; *Council Members*

Present from Town Staff: Steve Riley, *Town Manager*; Charles Cousins, *Assistant to the Town Manager*; Scott Liggett, *Director of Public Projects and Facilities*; Shawn Colin, *Director of Community Development*; John Troyer, *Finance Director*; Angie Stone, *Human Resource Director*; Brad Tadlock, *Fire Chief*; Chris Blankenship, *Deputy Fire Chief*; Joheida Fister, *Deputy Fire Chief*; Tom Bouthillet, *Battalion Chief*; Melissa Cope, *Systems Analyst*; Krista Wiedmeyer, *Executive Assistant/Town Clerk*

Present from Media: Kathrine Kokal

1. Call to Order

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

2. FOIA Compliance

Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the requirements of the Town of Hilton Head Island.

3. Pledge to the Flag

4. Invocation – Reverend Dr. Emil H. Klatt, III of Christ Lutheran Church, Hilton Head Island

Reverend Klatt of Christ Lutheran Church delivered the Invocation.

5. Approval of Minutes

a. Town Council Meeting, June 4, 2019

Mr. Harkins moved to approve the minutes from June 4, 2019. Mr. Stanford seconded. The motion was approved by a vote of 7-0.

6. Report of the Town Manager

a. Island Rec Center Update – Frank Soule, Executive Director

Frank Soule, Executive Director, gave an update to the members of Town Council highlighting the past six months of operation. Mr. Soule discussed many of the activities and programs that the Rec Center has been able to bring back since they had reopened as well as highlighted the current summer activities taking place.

b. Pulse Point App. Overview – Battalion Chief, Tom Bouthillet

Chief Bouthillet made a brief presentation about the Pulse Point mobile phone app. to the members of Town Council. He provided many statistics concerning the lifesaving efforts along with back-up application information. The information was well received from the members of Town Council and the public at large.

c. Items of Interest

Mr. Riley reviewed the Items of Interest, including Town news, upcoming Town meetings, and noteworthy events taking place throughout the Island over the coming weeks. Mayor McCann asked that the Town Manager provide a quarterly update instead of a semi-annual report.

7. Reports from Members of Council

a. General Reports from Council

Mrs. Becker thanked Scott Liggett, Director of Public Projects and Facilities/Chief Engineer for taking the time to come out and meet with her to address the concerns she had.

Mr. Stanford reported about the Lowcountry Area Transportation Study (LATS) meeting he had recently attended. He noted one of the items discussed during the meeting was the US 278 Project and updates provided by the SCDOT. Mr. Stanford talked about some of the funding aspects for the project including the SIB application.

b. Report of the Intergovernmental Committee – Bill Harkins

Mr. Harkins stated that he did not have a report.

c. Report of the Community Services & Public Safety Committee – Marc Grant

Mr. Grant stated that he did not have a report.

d. Report of the Public Planning Committee – David Ames

Mr. Ames stated that he did not have a report.

e. Report of the Finance & Administrative Committee – Tom Lennox

Mr. Lennox stated that he did not have a report.

8. Appearance by Citizens

Tai Scott: Addressed the members of Town Council on matters related to the LMO and other zoning matters throughout the Town.

Skip Hoagland: Addressed the members of Town Council on matters related to the Town and Chamber.

9. Consent Agenda – NONE

10. Proclamations/Commendations - NONE

11. Unfinished Business

a. First Reading of Proposed Ordinance 2019-16 – Hilton Head Christian Academy Rezoning

First Reading of Proposed Ordinance 2019-16 to amend Title 16, "The Land Management Ordinance," of the Municipal Code of the Town of Hilton Head Island, South Carolina, by amending Section 16-1-107, the Official Zoning Map and the Indigo Run Master Plan with respect to the certain 13.83 acre parcel located at 55 Gardner Drive, identified as Parcel 98A on Beaufort County Tax Map 8, within the Indigo Run Master Plan "Parcel 15-F" under the PD-1 (Planned Development Mixed Use) District, to remove the Commercial and Public Recreation Uses and Commercial Density, and to add Multifamily Residential Use with Density of 260 Units, and to maintain the existing Institutional Use and Density, and to reduce the maximum building height allowed from 75 feet to 45 feet for three story buildings adjacent to the Southern property boundary and from 75 feet to 55 feet for four story buildings on the rest of the site; and providing for severability and an effective date.

Mr. Harkins moved to approve. Mrs. Becker seconded. Mayor McCann opened up the discussion to the public at large, inviting the developer to podium to speak first. Mark Baker with Wood Partners along with Walter Nester of Burr and Forman spoke on behalf of the applicant, making a brief presentation. During their presentation Mr. Nester stated that after meeting with the Planning Commission a couple additional recommendations came out of that meeting. The first being extending the duration to reserve workforce housing units to twenty (20) years, instead of ten (10). He said that they were willing to accommodate this recommendation. Mr. Nester said that another recommendation was to extend the minimum rental duration from four (4) months to six (6) months. He said that the applicant will also accommodate this request too. While there was a discussion concerning the restriction on conversion of rental apartments to units for sale, Mr. Nester stated that it has an impact on the financing and noted that the Indigo Run Planned Unit Development does prohibit timeshares. Mr. Nester stated that the applicant has agreed to a Type D buffer and a solid six (6) foot fence along the property line and to improve the drainage as well as the Type C buffer along the north property line as recommended by Town staff.

11. Unfinished Business (cont.)

a. First Reading of Proposed Ordinance 2019-16 – Hilton Head Christian Academy Rezoning

Prior to taking public comment, Mr. Riley asked that the original motion that was made, be amended to include the items discussed by Mr. Nester, the extension of the duration to reserve workforce housing units, the extension of the minimum rental duration, and the Type C buffer along the north property line. Mr. Harkins moved to approve, Mrs. Becker seconded. With much discussion from the public at large, most in favor of the rezoning of the property, Mayor McCann brought the discussion back to the dais. Both Mr. Stanford and Mrs. Becker stated that they felt positive about the rezoning, both noting the concessions the developer made. Mr. Lennox and Mr. Harkins noting this being the right kind of investment. Mr. Grant asked if the Town will address all zoning matters in the future in the same way, stating that he felt this is a good project and supported it. Mr. Ames said that he appreciated the sincerity of the students and the board that came in to support the project and rezoning. He felt that this type of project and rezoning is a kind of urbanization of the Island, and as such could not support this matter. With no further discussion, the motion was approved as amended by a vote of 6-1, Mr. Ames opposed.

12. New Business - NONE

13. Executive Session

Mr. Riley stated that an Executive Session was needed to review the following matters; (a) Land Acquisition, discussion of negotiations incident to the proposed contractual arrangements, sale or purchase of property in (i) the Spanish Wells Road area and (b) Personnel Matters, discussion of appointments of members related to Boards and Commissions.

At 5:50 p.m. Mr. Harkins moved to go into Executive Session for the items mention by the Town Manager. Mr. Stanford seconded. The motion was approved by a vote of 7-0.

At 6:02, Town Council returned to the dais.

14. Possible actions by Town Council concerning matters discussed in Executive Session

a. Possible actions related to appointments of members to Boards & Commissions

Mr. Grant moved to appoint Will Okey to a four year term on the Construction Board of Adjustments and Appeals as a licensed mechanical contractor (heating and air conditioning) member to replace Robert Tanner, Jr. and Stephen Arnold to a three year term on the Accommodations Tax Advisory Committee as a Hospitality member to replace Rob Bender.

Mr. Grant further moved to reappoint Robert Johnson as an Architect member and Lisa Laudermilch as an at-large member to three year terms to the Board and Zoning Appeals; Michael Lunes as an electrical contractor, Jay Owen as an electrical engineer, and Doug Pine as a plumbing contractor to four year terms to the Construction Board of Adjustments and Appeals; and Jerry Okarma to a three year term for the Parks and Recreation Commission. Mr. Stanford seconded. With no discussion the motion passed by a vote of 7-0

15. Adjournment

At 6:04, Mr. Harkins moved to adjourn. Mr. Stanford seconded. The motion was approved by a vote of 7-0

Krista Wiedmeyer, Town Clerk

Approved: July 16, 2019

John J. McCann, Mayor



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Town Council
FROM: Jerry Cutrer, *Chairman of the Board of Zoning Appeals*
DATE: July 3, 2019
SUBJECT: Board of Zoning Appeals Semi-Annual Report: January – June 2019

The January, February, April and May meetings were cancelled due to lack of agenda items.

Variances

VAR-000329-2019 Variance requested from LMO Section 16-6-104.F, Specimen Tree Preservation, to remove a specimen size hickory tree located at 108 N. Sea Pines Drive. This variance was granted with conditions by a vote of 4-3.

VAR-001162-2019 Variance requested from LMO Section 16-6-102.D, Wetland Buffer Standards, to construct a home and driveway with the five foot setback from the 20 foot wetland buffer located at 26 Oak Marsh Drive. This variance was granted by a vote of 4-1.

Appeals

APL-000770-2019 Appeal requested by William Peratta with Greenberg Farrow on behalf of McDonald's. The appellant appealed staff's determination, dated March 14, 2019, that the proposed digital menu boards for the property located at 2 Plaza Drive are not permitted per the sign standards in the LMO. Staff's determination was not upheld by the BZA with a vote of 5-0.

Special Exceptions

There were no Special Exception hearings.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Town Council
FROM: Dale Strecker, *Chairman of the Design Review Board*
DATE: July 3, 2019
SUBJECT: Design Review Board Semi-Annual Report: January – June 2019

One (1) meeting was cancelled during this period due to lack of agenda items.

New Developments

1. Sunset Pavilion (Final) – approved with conditions
2. Alex Patterson Place (Final) – approved with conditions
3. Hilton Head Presbyterian Ministry Building (Final) – approved with conditions
4. Bayshore Phase 2 (Conceptual) – approved with conditions

Alterations/Additions

1. Island Club Roof Change – approved
2. Sharky's Roof Change – approved with conditions
3. Port Royal McDonald's Renovation - withdrawn
4. New York City Pizza Porch Enclosure – approved with conditions
5. Hargray Building Color Change – approved
6. Island Club Porte-cochere Color Change – approved
7. Summer House Renovations – approved with conditions
8. Amish Restaurant - withdrawn
9. Slapfish Restaurant – approved with conditions
10. TJ Max Façade Renovation – approved with conditions
11. Brookdale Roof Change – approved
12. Nunzio Restaurant - approved with conditions
13. Palmetto Bay Marina Condo Pergola – approved with conditions
14. Monarch Magnolia Color Change – approved
15. Monarch Dogwood Color Change – approved
16. Fish Camp Pavilion – withdrawn

Signs

1. Hilton Head Island Airport – approved
2. Hilton Head Community Church – approved with conditions
3. St. Francis – approved with conditions



Items of Interest

July 16, 2019

TOWN NEWS

- For the fourth consecutive year in a row, Hilton Head Island was named “Best Island in the Continental U.S.” in the *Travel + Leisure World’s Best Awards 2019* reader’s survey.
- On June 11, 2019 Fire Rescue Dispatch received a request for Rescue 1 and rope rescue technicians for a tractor trailer that went off a bridge with entrapment on the South Carolina/Georgia bridge of I-95 South.

Rescue 1 responded along with Bluffton Township Fire District Rescue 335. A total of eight TRT members responded and assisted Hardeeville Fire and Jasper County Fire with extrication of the victim from approximately seventy feet below. Hardeeville Fire’s tower ladder was used as a high anchor point to haul the victim to the bridge, who survived and was transported to Savannah Memorial. Crews operated for approximately three hours.
- We are currently accepting applications for the Firefighter Hiring Pool. This process takes place once every two years and results in a pool of pre-qualified candidates from which the Town can fill Firefighter vacancies over a life of the pool. For this effort, Fire Rescue and Human Resources team up to identify creative ways to get the word out about this great career opportunity. This year, we’re utilizing social media to a greater degree than in the past and have created a short video to increase awareness and pique the interest of potential candidates. The video was created in-house by Captain Jonathan Bills. The application period closes at 11:59 p.m. on July 21, 2019. Please spread the word!
- The Knights of Columbus presented Cinda Seaman, Fire and Life Safety Educator, the SK Jack Cavagnaro Public Service Award for her years of service and dedication in developing and implementing a variety of public education programs that support the community and help others.
- The South Carolina Municipal Insurance Trust Board approved a return surplus to their members for 2019. The amount that is returned to members is determined by the financial performance program and driven by the loss experience and participation by its members. The Town’s safety efforts paid off and we received \$96,174.75 this year and are slated to receive \$97,381.32 next year.

TOWN MEETINGS

- Public Planning Committee “Special Meeting” - Thursday, July 18, 2019 at 3:00 p.m.
- Community Services & Public Safety Committee – Monday, July 22, 2019 at 9:00 a.m.
- Public Planning Committee – Thursday, July 25, 2019 at 3:00 p.m.
- Intergovernmental Committee – Monday, August 5, 2019 at 10:00 a.m.
- Finance & Administrative Committee – Tuesday, August 20, 2019 at 2:00 p.m.
- Town Council Meeting – Tuesday, August 20, 2019 at 4:00 p.m.

HILTON HEAD ISLAND EVENTS

- 2019 Harbourfest Tuesday Night Fireworks! June 11 – Aug. 20, 2019, 5:00-10:00 p.m. @ Shelter Cove Harbour & Marina
- Movie Nights – Thursday, June 13 – Aug. 15, 2019, 9:00-11:00 p.m. @ Shelter Cove Community Park
- Sunset Celebrations – Friday, June 14 – Aug. 16, 2019, 7:00-10:00 p.m. @ Shelter Cove Community Park
- Beach Bum Triathlon & Duathlon – Saturday, July 20, 2019 – 8:00-11:00 a.m. @ Coligny Beach
- Beach House Wedding – Saturday, July 27, 2019 – 6:00-11:00 p.m. @ Beach House Resort



For more events taking place on the Island, please visit the Town’s Office of Cultural Affairs Events page at www.culturehhi.org/events/



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Stephen G. Riley, ICMA~CM, *Town Manager*
VIA: Shawn Colin, AICP, *Director of Community Development*
VIA: Teri B. Lewis, AICP, *Deputy Director of Community Development*
VIA: Nicole Dixon, CFM, *Development Review Administrator*
FROM: Taylor Ladd, *Senior Planner*
CC: Jennifer Ray, *Deputy Director of Community Development*
DATE: July 1, 2019
SUBJECT: ZA-001131-2019 – Hilton Head Christian Academy Rezoning

Town Council held first reading of Proposed Ordinance number 2019-16 at their meeting on June 18, 2019.

Recommendations requested by the Planning Commission to be taken into consideration by the applicant were discussed. The applicant agreed to the following recommendations:

- To extend the minimum rental duration from 4 months to 6 months;
- To reserve the workforce housing units for a duration of 20 years, instead of 10 years; and
- To include a Type C buffer along the north property boundary.

As a result of the meeting on June 18, 2019, Town Council made a motion to approve the first reading of Proposed Ordinance number 2019-16 with these changes. The motion was approved with a vote of 6-1. No changes have been made since first reading.

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2019-

PROPOSED ORDINANCE NO. 2019-16

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 16-1-107, THE OFFICIAL ZONING MAP AND THE INDIGO RUN MASTER PLAN WITH RESPECT TO THE CERTAIN 13.83 ACRE PARCEL LOCATED AT 55 GARDNER DRIVE, IDENTIFIED AS PARCEL 98A ON BEAUFORT COUNTY TAX MAP 8, WITHIN THE INDIGO RUN MASTER PLAN "PARCEL 15-F" UNDER THE PD-1 (PLANNED DEVELOPMENT MIXED USE) DISTRICT, TO REMOVE THE COMMERCIAL AND PUBLIC RECREATION USES AND COMMERCIAL DENSITY, AND TO ADD MULTIFAMILY RESIDENTIAL USE WITH DENSITY OF 260 UNITS, AND TO MAINTAIN THE EXISTING INSTITUTIONAL USE AND DENSITY, AND TO REDUCE THE MAXIMUM BUILDING HEIGHT ALLOWED FROM 75 FEET TO 45 FEET FOR THREE STORY BUILDINGS ADJACENT TO THE SOUTHERN PROPERTY BOUNDARY AND FROM 75 FEET TO 55 FEET FOUR STORY BUILDINGS ON THE REST OF THE SITE AND PROVIDE A MINIMUM RENTAL DURATION OF 6 MONTHS, RESERVE FIVE PERCENT OF THE UNITS AS WORKFORCE HOUSING UNITS FOR A DURATION OF TWENTY YEARS, AND TO INCLUDE A TYPE C BUFFER ALONG THE NORTH PROPERTY BOUNDARY; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, on October 7, 2014, the Town Council did adopt a new Land Management Ordinance (LMO); and

WHEREAS, this zoning change would be compatible with surrounding land uses and neighborhood character, would not be detrimental to the public health, safety and welfare, and further, would be in conformance with the Land Management Ordinance and Comprehensive Plan; and

WHEREAS, the Planning Commission held a public hearing on June 12, 2019 at which time a presentation was made by staff and an opportunity was given for the public to comment on the proposed zoning map amendment application; and

WHEREAS, the Planning Commission, after consideration of the staff presentation, public comments and the criteria set forth in Section 16-2-103, voted 7-0 to recommend that Town Council approve the proposed zoning map amendment application; and

WHEREAS, the Planning Commission asked for the following additional items to be considered by the applicant: to extend the minimum rental duration from 4 months to 6 months; to reserve the workforce housing units for a duration of 20 years, instead of 10 years; and to include a Type C buffer along the north property boundary; and

WHEREAS, the applicant has agreed to the additional items listed above; and

WHEREAS, at the first reading held on June 18, 2019, the Town Council reviewed and approved by vote of 6-1 the rezoning request submitted by the applicant, including the additional items listed above; and

WHEREAS, after due consideration of said zoning map amendment application and the recommendation of the Planning Commission, the Town Council, upon further review, finds it is in the public interest that the subject parcel be rezoned to remove the commercial and public recreation uses and commercial density, add multifamily residential use with density of 260 units, maintain the existing institutional use and density, and reduce the maximum building height allowed from 75 feet to 45 feet for three story buildings adjacent to the southern property boundary and from 75 feet to 55 feet for four story buildings on the rest of the site.

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 16-1-107 of the LMO, and the Indigo Run Master Plan and associated text be hereby amended to modify the zoning designation of the certain parcel identified as Parcel 98A on Beaufort County Tax Map 8 within the Indigo Run Master Plan “Parcel 15-F” to remove the commercial and public recreation uses and commercial density, add multifamily residential use with a density of 260 units, maintain the existing institutional use and density, reduce the maximum building height allowed from 75 feet to 45 feet for three story buildings adjacent to the southern property boundary and from 75 feet to 55 feet for four story buildings on the rest of the site, provide a minimum rental duration of 6 months; reserve five percent of the units as workforce housing units for a duration of 20 years, and to include a Type C buffer along the north property boundary.

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 COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND ON THIS ____ DAY OF _____, 2019.

THE TOWN OF HILTON HEAD
ISLAND, SOUTH CAROLINA

John J. McCann, Mayor

ATTEST:

Krista Wiedmeyer, Town Clerk

Public Hearing: June 12, 2019

First Reading: June 18, 2019

Second Reading:

APPROVED AS TO FORM:

Curtis L. Coltrane, Town Attorney

Introduced by Council Member: _____



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

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

**STAFF REPORT
ZONING MAP AMENDMENT**

Case #	Name of Project or Development	Public Hearing Date
ZA-001131-2019	Hilton Head Christian Academy	June 12, 2019

Parcel Data & Location		
Parcel: R510 008 000 098A 0000	Size: 13.83 acres	Address: 55 Gardner Drive

Owner	Applicant	Agent
Hilton Head Christian Academy 55 Gardner Drive Hilton Head Island, SC 29926	Spandrel Development Partners, LLC 170 Meeting Street, Suite 110 Charleston, SC 29401	Eric Walsnovich Wood + Partners, Inc. 7 Lafayette Place Hilton Head Island, SC 29925

	Existing Zoning	Proposed Zoning
Districts	Planned Development Mixed Use (PD-1) – Indigo Run Corridor Overlay (COR)	Planned Development Mixed Use (PD-1) – Indigo Run Corridor Overlay (COR)
Uses*	Commercial Institutional Public Recreation	Institutional <u>OR</u> Multifamily Residential
Density	Retail Uses: 10,000 sf/net acre Non-Retail Uses: 20,000 sf/net acre Institutional Uses: 10,000 sf/net acre Public Recreation Uses: Not specified	Institutional Uses: 10,000 sf/net acre <u>OR</u> Multifamily Residential: 260 units
Height	75 feet maximum	55 feet maximum for 4 story buildings 45 feet maximum for 3 story buildings along southern property boundary

*Currently, the Indigo Run PUD Master Plan text does not specify if all allowed uses are permitted at once on the property (such as commercial, institutional AND public recreation are permitted) or if only one of the uses can be permitted at a time (such as commercial, institutional OR public recreation are permitted).

Application Summary

Eric Walsnovich with Wood + Partners Inc., on behalf of Spandrel Development Partners, LLC, proposes to amend the Official Zoning Map by changing the uses, density and height assigned for the subject property on the Indigo Run Master Plan. The property is currently developed as the Hilton Head Christian Academy campus. The school plans to relocate to Bluffton.

The current assigned uses are commercial, institutional, and public recreation. The current assigned density is 10,000 sq. ft. per net acre for retail uses, 20,000 sq. ft. per net acre for non-retail uses and 10,000 sq. ft. per net acre for institutional uses. There is no assigned density for public recreation uses.

In the prior application number ZA-000097-2019 heard by the Planning Commission February 20, 2019, the developer proposed institutional uses with a density of 10,000 sq. ft. per net acre or multifamily residential use with density of 300 units with a reduction in maximum building height from 75 feet to 55 feet. This request included a proposed minimum rental duration of 90 days with a ten year restriction on conversion of apartments to units for sale.

This revised request is to change the assigned uses to institutional with a density of 10,000 sq. ft. per net acre or multifamily residential with a density of 260 units, which is approximately 19 units per net acre. This includes a reduction in maximum building height from 75 feet to 45 feet for three story buildings adjacent to the southern property boundary and from 75 feet to 55 feet for four story buildings on the rest of the site. The application also includes the following conditions proposed by the developer:

1. To extend the minimum rental duration from 90 days to 120 days;
2. To provide a 20 year restriction on conversion of rental apartment to units for sale;
3. To reserve five percent (5%) of the units for housing at below market rental (see Attachment H, Exhibit A for a proposed written agreement with the Town); and
4. To provide a Type D Buffer with 6 foot opaque fence along the property boundary adjacent to the Old Woodlands residential area.

Staff Recommendation

Staff recommends the Planning Commission find this application to be **consistent with the Town's Comprehensive Plan** and **serve to carry out the purposes of the LMO**, based on those Findings of Facts and Conclusions of Law as determined by the LMO Official and enclosed herein.

Staff recommends that the Planning Commission recommend **APPROVAL** of this application to Town Council with the following condition:

1. A Type C adjacent use buffer is required from the Sandalwood Terrace property boundary (north property line).

The property subject to this condition is further identified as R510 008 000 0224 0000.

Background

Founded in 1979, Hilton Head Christian Academy has been a presence on Hilton Head Island for about 40 years. The school relocated to the subject property in 1989. It is a private college preparatory school with an enrollment of approximately 390 students, the majority of whom live in Bluffton. To better serve their students, the school plans to relocate to the Buckwalter area in Bluffton where the school acquired property in 2002. The new campus in Bluffton will be funded by the sale of the subject property; the sale is contingent upon the proposed rezoning. Attachment H, Exhibit F shows the proposed Bluffton Campus Master Plan.

The subject property is 13.826 acres. See Attachment A for a vicinity map and Attachment E for the current boundary survey. The larger portion of the property is developed with the school facilities, including classrooms and offices, gymnasium, a multipurpose building, parking lots, and athletic fields and facilities. The subject property is bound by Gardner Drive to the west; the Sandalwood Terrace multifamily development to the north; an undeveloped portion of the Southwood Park right-of-way and the Hilton Head Gardens multifamily development to the east; and the Old Woodlands single family subdivision, an undeveloped Town-owned parcel, and a Hilton Head Public Service District facility to the south.

Specifically, the developments abutting and adjacent to the larger tract are comprised of the following:

- Northern property boundary: Sandalwood Terrace, a Beaufort Housing Authority multifamily development with 13 buildings and 80 units on 10 acres.
- Northeastern property corner: The Oaks multifamily development with 15 buildings and 114 units on 10.3 acres.
- Eastern property boundary: The Hilton Head Gardens multifamily development with 9 buildings and 112 units on 10 acres.
- Southern property boundary: Old Woodlands Plantation (formerly Mid-Island Estates) with 74 single family lots.

In close proximity to the subject property is the Woodlake Villas multifamily development comprised of 56 buildings with 224 units on 29 acres. The average density of all four multifamily developments in the vicinity of the subject property is approximately 10 to 11 dwelling units per net acre. By comparison, the applicant is proposing a density of 19 dwelling units per net acre.

A small area of the subject property north of the school is undeveloped. This area is bound by Gardner Drive to the west; an undeveloped Town-owned parcel to the west and north; and Sandalwood Terrace to the east.

The subject property is currently accessed from a single curb cut on Gardner Drive, which is defined as a minor arterial street in LMO Section 16-5-105.B. Attachment E shows the location of the curb cut at the subject property's western boundary line. Gardner Drive is a 60 foot wide right-of-way owned by Beaufort County.

In January of 2000, Town Council approved Zoning Map Application ZMA990009 to revise the entire Indigo Run Master Plan. At that time, the subject property was zoned into the Indigo Run Master Plan as part of Parcel 15-F. See Attachment F for the extents of Parcel 15-F. The uses designated for Parcel 15-F were commercial, institutional and

public recreation. As the Hilton Head Christian Academy was already developed on this site at that time, this zoning brought the property into compliance. The other properties that comprise Parcel 15-F on the Master Plan include a Town-owned undeveloped parcel, a parcel owned by the Hilton Head Public Service District (PSD), and a portion of the Christian Renewal Church. The proposed rezoning will only apply to the subject property. It will not affect the height, density or permitted uses for the other properties in Parcel 15-F.

Prior to being zoned into the Indigo Run Master Plan, the area of the subject property developed with the school campus was zoned R-8, moderate density residential. The parcels adjacent to the subject property and subsequently developed into multifamily complexes – Sandalwood Terrace, The Oaks, Hilton Head Gardens and Woodlake Villas – were also zoned R-8. Properties west of Gardner Drive were historically zoned M-1 (Planned Development Mixed Use) and were part of the Indigo Run PUD.

The adjacent multifamily properties are now zoned RM-12 (moderate to high density residential), which allows 12 units per net acre. The single-family subdivision and Woodlake Villas to the south/southeast of the subject property are zoned RM-4 (low to moderate density residential). When the revised Official Zoning Map was adopted in 2014, properties west of Gardner Drive were rezoned into MS (Main Street), a mixed-use district that allows up to 12 dwelling units per net acre, and PR (Parks and Recreation). See Attachment B for the current zoning in the vicinity.

Since the subject property is in the PD-1 District but located outside of any gates restricting access to the general public, the setback and buffer standards in LMO Sections 16-5-102 and 16-5-103, respectively, apply. Attachment J shows the setbacks and buffers for the existing and proposed uses currently required by the LMO. Any redevelopment of the subject property would have to meet these current LMO setback and buffer standards.

Per the LMO and as described in Attachment J, narrow and less vegetated buffers would be the requirement between a new residential development on the subject property and the Sandalwood Terrace and Old Woodlands property lines. A Type B buffer is currently required between Sandalwood Terrace to the north and the school; the proposed residential use would eliminate the requirement for a buffer. A Type C buffer is currently required between Old Woodlands to the south and the school; the proposed residential use would change that to a Type A buffer.

To reduce any visual or auditory impacts of future development on the residents of Sandalwood Terrace and the Old Woodlands, staff recommends approving the developer's condition of a Type D buffer adjacent to the Old Woodlands to the south. Staff also recommends the condition that a Type C adjacent use buffer be required from the Sandalwood Terrace to the north. Both of these buffer types are stricter than what would be currently required by LMO standards. See Attachment K for an excerpt from the LMO regarding the different type buffer requirements.

The other properties adjacent to the subject property are the undeveloped Town-owned parcels to the north and south and the Hilton Head Public Service District facility. There are no plans to develop the Town-owned properties.

Applicant's Grounds for ZMA

The applicant states that the current approved uses for the subject property and the allowable density are limited and are related to needs that are not viable nor desired; therefore, opportunities for quality redevelopment of the site with any of the existing uses is unlikely.

According to the applicant, the rezoning will facilitate the development of a high quality, 260 unit multifamily community with associated parking and amenities. This could include a mix of apartments from 500 square feet up to three bedroom units of about 1,800 square feet. The developer anticipates four buildings, but specifies in the application that the design has not been finalized.

This proposed rezoning is perceived as an appropriate density and use for the adaptive redevelopment of an aging school campus. Additionally, the property is part of what was a larger 50 acre tract subject to deed restriction by the Hilton Head Company, when it was subdivided in 1972, limiting the use to multifamily residential. Historically, the intent was for this area to be used as such.

The applicant states the development will not adversely impact the natural environment or adjacent properties. If all 260 dwelling units are built on the 13.83 acre parcel, the site density will be 18.8 units per net acre. This is less than what was previously approved for the WaterWalk apartments at Shelter Cove Towne Centre. WaterWalk East #1 contains 136 apartments on 4.97 acres, for a density of 27.4 units per net acre. WaterWalk East #2, which is under construction, is approved for 104 apartments on 4.44 acres, for a density of 23.4 units per net acre.

The prospective buyer and developer of the subject property, Spandrel Development Partners, LLC, has three apartment communities in the downtown historic district in Charleston and another on Bay Street in Savannah. The developer proposes that the multifamily development on the subject property will be a similar quality residential community. All of their southeast development projects are privately funded and typically held for investment once completed.

The applicant believes there is a strong demand in the local market for a high quality multifamily apartment community. Using the success of the WaterWalk apartments as an example, there is as much evidence of this demand as there is a need, as expressed by the Town's Comprehensive Plan and the Our Future Strategic Action Plan. This is explored in depth in the applicant's narrative. See Attachment H for the applicant's Narrative with Exhibits A through O-2.

Summary of Facts and Conclusions of Law

Findings of Fact:

1. The application was submitted on May 20, 2019 as set forth in LMO 16-2-103.C and Appendix D-1.
2. Per LMO 16-2-102.E.1, when an application is subject to a hearing, the LMO Official shall ensure that the hearing on the application is scheduled for a regularly scheduled meeting of the body conducting the hearing.
3. Per the Planning Commission Rules of Procedure Article V, Section 1.C, special

- meetings may be called by the Chairperson of the Commission.
4. The Chairperson of the Commission called a special meeting for the hearing of this application.
 5. The LMO Official scheduled a public hearing of the application for June 12, 2019, which is a special meeting of the Planning Commission.
 6. Per LMO 16-2-102.E, the LMO Official shall publish a notice of the public hearing in a newspaper of general circulation in the Town no less than 15 calendar days before the hearing date.
 7. Notice of the June 12, 2019 public hearing was published in the Island Packet on May 26, 2019.
 8. Per LMO 16-2-102.E.2, the applicant shall mail a notice of the public hearing by first-class mail to the owners of the land subject to the application and owners of record of properties within 350 feet of the subject land, no less than 15 calendar days before the hearing date.
 9. The applicant mailed notices of the public hearing by first-class mail to the owners of record of properties within 350 feet of the subject land on May 23, 2019.
 10. Per LMO 16-2-102.E.2, the LMO Official shall post conspicuous notice of the public hearing on or adjacent to the land subject to the application no less than 15 days before the hearing date, with at least one notice being visible from each public thoroughfare that abuts the subject land.
 11. The LMO Official posted on May 28, 2019 conspicuous notice of the public hearing on Gardner Drive in proximity to the school's existing main entrance.

Conclusions of Law:

1. The application was submitted in compliance with LMO 16-2-103.C and Appendix D-1.
2. The LMO Official scheduled a special meeting of the Planning Commission to hold a public hearing of the application on June 12, 2019, in compliance with the Planning Commission Rules of Procedure Article V Section 1.C.
3. Notice of the public hearing was published 17 calendar days before the meeting date, in compliance with LMO 16-2-102.E.2.
4. The applicant mailed notices of the public hearing 20 calendar days before the meeting date, in compliance with LMO 16-2-102.E.2.
5. The LMO Official posted conspicuous notice of the public hearing 15 calendar days before the hearing date, in compliance with LMO 16-2-102.E.2.

As set forth in LMO 16-2-103.C.2.e, Zoning Map Amendment (Rezoning) Advisory Body Review and Recommendation, the Commission shall consider and make findings on the following matters regarding the proposed amendment.

Summary of Facts and Conclusions of Law

Criteria 1: Whether and the extent to which the proposed zoning is in accordance with the Comprehensive Plan (LMO 16-2-103.C.3.a.i):

Findings of Fact:

The Comprehensive Plan addresses this application in the following areas:

Population Element

Implication for the Comprehensive Plan – 4.7 Education

- The current enrollment and projected enrollment in the Hilton Head Island schools indicate that there are no immediate needs for additional school sites or expansion of existing facilities.

Housing Element

Implication for the Comprehensive Plan – 5.1 Housing Units & Tenure

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

Implication for the Comprehensive Plan – 5.2 Housing Opportunities

- There are additional groups that will grow this market area. First are the multigenerational households, including aging parents moving in and 20 somethings moving back with their parents. Second, low wage jobs and high housing cost forces several non-family members into occupying a house. Finally, there is a growing trend of retirees becoming renters. The home in some communities will no longer be the great investment it once was, or the kids are gone and the house is too big, the taxes are high, and mowing the grass is not as much fun as traveling. Millions of baby boomers will sell their homes and invest.

Community Facilities Element

Implication for the Comprehensive Plan – 6.9 Educational Facilities

- Enrollment trends and future projections indicate no immediate need for additional school facilities on the Island.

Land Use Element

Goal – 8.1 Existing Land Use & Goal – 8.5 Land Use Per Capita

- A. To have an appropriate mix of land uses to meet the needs of existing and future populations.

Goal – 8.3 Planned Unit Developments (PUDs)

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

Goal – 8.10 Zoning Changes

- A. To provide appropriate modifications to the zoning designations to meet market demands while maintaining the character of the Island.

Implementation Strategy – 8.10 Zoning Changes

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

Transportation Element

Implications for the Comprehensive Plan – 9.3 Traffic Planning & Modeling

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

Conclusions of Law:

1. This application **is consistent** with the Comprehensive Plan, as described in the Population, Housing, Community Facilities, Land Use, and Transportation Elements as set forth in LMO Section 16-2-103.C.3.a.i.
2. The **Population and Community Facilities Elements** support the proposed rezoning because it would facilitate the redevelopment of the subject property from an educational facility to a multifamily residential development. These elements state there is no immediate need for additional school facilities on the Island. The Hilton Head Christian Academy intends to relocate to Bluffton if this rezoning is approved and the property is sold to the applicant. Though the proposed rezoning also includes institutional use, it was included to avoid changing the Hilton Head Christian Academy from a conforming to a non-conforming use while it remains on the subject property.
3. The **Housing Element** supports the proposed rezoning because it would facilitate the redevelopment of the subject property into a multifamily residential development. The Housing Element supports the availability of various housing types. Since there are far fewer multifamily residences than single-family residences on the Island, allowing multifamily residential uses on the subject property would increase the diversity of available housing types.
4. The **Land Use Element** supports the proposed rezoning because it would appropriately modify the allowed land uses to meet the market demands of existing and future populations. The approved uses on the subject property are in low demand on the Island. There are many vacant commercial spaces, no new privately-owned public recreation facilities are being developed, and aside from

the USCB campus, there has been little interest in new institutional development. Housing is in far greater demand; there are many new residential developments being planned or under construction on the Island.

5. The **Land Use Element** further supports the proposed rezoning because it would allow a high intensity use on a property with an existing sewer connection.
6. The **Transportation Element** supports the proposed rezoning because it would allow high residential density on a roadway with existing capacity for it.

Summary of Facts and Conclusions of Law

Criteria 2: Whether and the extent to which the proposed zoning would allow a range of uses that are compatible with the uses allowed on other property in the immediate vicinity (LMO 16-2-103.C.3.a.ii):

Findings of Fact:

1. The proposed rezoning will remove the commercial density and use for the subject property and allow either a multifamily residential use at 260 units per net acre or an institutional use at 10,000 square feet per net acre.
2. The residential properties adjacent to the subject property are the following multifamily developments: Sandalwood Terrace, The Oaks, and Hilton Head Gardens. Adjacent and to the south is Old Woodlands Plantation, a single-family detached subdivision.
3. Residential uses within one-half mile of the subject property are the Woodlake Villas, Indigo Pines assisted living facility, The Preserve at Indigo Run, Indigo Run's main gated community, The Glen, Alex Patterson Place, Victoria Square, Magnolia Place, and the entrance to Palmetto Hall Plantation.
4. Nonresidential uses within one-half mile of the subject property are Christian Renewal Church, offices and retail on Main Street, offices on Lafayette Place, Port Royal Plaza, Northridge Plaza, and Sea Turtle Marketplace.
5. Should the application be approved, the rezoning request retains the institutional use so that this rezoning does not create a nonconforming use, as the school will remain on the subject property before they relocate.
6. The subject property is located in the Corridor Overlay District and therefore it will be subject to review by the Design Review Board as required by the LMO.

Conclusions of Law:

1. This application **meets the criteria** in LMO 16-2-103.C.3.a.ii.
2. The applicant is proposing multifamily residential or institutional as the allowed uses for the subject property, which are compatible with the surrounding multifamily residential communities, the single-family residential development, and the nearby existing civic, public and commercial uses.

Summary of Facts and Conclusions of Law

Criteria 3: Whether and the extent to which the proposed zoning is appropriate for the land (LMO 16-2-103.C.a.iii):

Findings of Fact:

1. The subject property is suitable for development because the portion intended to support a multifamily community is already developed with school facilities totaling +/- 65,000 square feet with ancillary sports facilities.
2. The subject property is already connected to existing storm water and utility infrastructure such that only on-site improvements may be required for permitting the proposed development. There should be no impacts on the infrastructure of adjacent properties.
3. There are no known sensitive environmental features on the subject property that will be affected by the proposed multifamily development. The existing Town-owned freshwater wetlands adjacent to the northern portion of the property will not be disturbed.
4. The proposed maximum building height is 55 feet for the site with a 45 foot limit for buildings adjacent to the southern property boundary. The existing by-right maximum building height is 75 feet.

Conclusions of Law:

1. This application **meets the criteria** in LMO 16-2-103.C.a.iii.
2. The proposed zoning is appropriate for the land because the current site is already developed with a school and ancillary institutional uses. Development of a multifamily complex would not further impact the land or disturb any portion of the subject property that is currently vacant.
3. The proposed maximum building heights are appropriate because they are lower than the current by-right height of 75 feet.

Summary of Facts and Conclusions of Law

Criteria 4: Whether and the extent to which the proposed zoning addresses a demonstrated community need (LMO 16-2-103.C.a.iv):

Findings of Fact:

1. The proposed multifamily residential use will allow the site to be redeveloped with 260 residential housing units.
2. There is a need for more housing on the Island, as stated in the Comprehensive Plan, and specifically for more workforce housing as shown in the “Assessment of Workforce Housing Needs” report by the Town’s housing consultant, Lisa Sturtevant & Associates, LLC.
3. Mixed-use zoning districts within a mile of the subject property are the Main Street (MS), Community Commercial (CC), Light Commercial (LC), Light Industrial (IL), Marshfront (MF), Resort Development (RD) and Medical (MED) districts, which support a large employment base that could potentially benefit from more diverse housing options in the vicinity. See Attachment H, Exhibit N

for a letter from Hilton Head Hospital regarding the need for housing options for Hospital personnel.

4. Within a mile of the subject property are the main, gated portions of Indigo Run, Hilton Head Plantation, Port Royal, and Palmetto Hall Plantation. These large communities include retirees who may be interested in downsizing to an apartment in close proximity to their current community.
5. There is not a large demand for institutional space on the island. There is also not a large demand for commercial retail spaces without frontage along a main arterial on the Island or without close access to other commercial spaces. The subject property location is currently somewhat isolated from other commercial nodes.

Conclusions of Law:

1. This application **meets the criteria** in LMO 16-2-103.C.a.iv.
2. The proposed zoning meets a demonstrated community need, which is a need for more housing. A multifamily housing development in this area will provide a greater opportunity to meet a community need than what the existing commercial use could provide.

Summary of Facts and Conclusions of Law

Criteria 5: Whether and the extent to which the proposed zoning is consistent with the overall zoning program as expressed in future plans for the Town (LMO 16-2-103.C.3.a.v):

Findings of Fact:

1. Previous zoning designated the subject property and the surrounding area for multifamily development.
2. There are moderate density multifamily residential developments surrounding and adjacent to the subject property.
3. The overall zoning program is designed to be flexible yet supportive for the redevelopment of aging, redundant, or underutilized facilities.
4. Hilton Head Christian Academy intends to relocate to Bluffton and has made plans to do so.
5. The market has not shown desire for large institutional or commercial sites in this area of the Island.
6. The subject property could become an aging, redundant, or underutilized facility if it's not rezoned for appropriate uses that are in demand.
7. The overall zoning program guides development in accordance with the Town's Comprehensive Plan, which reflects future plans for the Town.
8. The proposed rezoning has been found to be consistent with the Town's Comprehensive plan per Criteria 1 of this report.
9. For consistency in land use patterns, it is appropriate for similar and compatible uses to be zoned together. The adjacent zoning districts suggest the future land use patterns for the area are intended to be residential.

Conclusions of Law:

1. This application **meets the criteria** in LMO 16-2-103.C.3.a.v.

2. The proposed rezoning is consistent with the overall zoning program as expressed in future plans for the Town because the proposed uses are institutional and multifamily residential, which would facilitate the sale and redevelopment of an aging site.
3. The proposed uses are consistent with Town's Comprehensive Plan.
4. The proposed uses are consistent with the surrounding zoning for residential uses.

Summary of Facts and Conclusions of Law

Criteria 6: Whether and the extent to which the proposed zoning would avoid creating an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts (LMO 16-2-103.C.3.a.vi):

Findings of Fact:

1. The subject property is currently zoned PD-1 Indigo Run and designated as a portion of Parcel 15-F on the current PUD Master Plan.
2. The proposed rezoning is only redefining the uses, height and densities for the subject property.
3. If the subject property is rezoned as proposed in this application, it will remain PD-1 Indigo Run.

Conclusions of Law:

1. This application **meets the criteria** in LMO 16-2-103.C.a.vi.
2. The proposed zoning would avoid creating an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts because the existing base zoning district will remain PD-1. Only the designated uses, height and density will change.

Summary of Facts and Conclusions of Law

Criteria 7: Whether and the extent to which the proposed zoning would allow the subject property to be put to a reasonably viable economic use (LMO Section 16-2-103.C.3.a.vii):

Findings of Fact:

1. The subject property is currently zoned to allow commercial, institutional and public recreation uses.
2. The subject property has no frontage on the main arterial, no direct access to other commercial nodes. It could be a difficult location for a viable commercial development.
3. Commercial retail and non-retail development at the currently allowed densities would not be complimentary to the adjacent residential developments.
4. Developing multifamily residential in this location would be compatible with the adjacent residential developments.
5. With a low demand for institutional spaces on the island, the continued use of the existing school facility after HHCA has relocated to Bluffton does not appear to be viable. The school is relocating because a majority of the student population commutes to the island for school. There appears to be little market for the subject

- property to remain an institutional use.
6. There is a demand for housing on the island that could support the proposed development more-so than the other currently permitted uses.
 7. A large vacant tract adjacent to the property owned by the Town is zoned PR and could support public recreation should the need arise for the area. Removing the public recreation zoning from the permitted uses for the subject property would not depreciate the opportunities for recreation in the area.

Conclusions of Law:

1. This application **meets the criteria** in LMO Section 16-2-103.C.3.a.vii.
2. The rezoning of the subject property would allow it to be put to a reasonably viable economic use because a residential use is more compatible with the surrounding uses and does not present an economic challenge like nonresidential uses might for this location.

Summary of Facts and Conclusions of Law

Criteria 8: Whether and the extent to which the proposed zoning would result in development that can be served by available, adequate, and suitable public facilities (e.g. streets, potable water, sewerage, stormwater management) (LMO Section 16-2-103.C.3.a.viii):

Findings of Fact:

1. Gardner Drive is a minor arterial as defined by the LMO.
2. The Town's multi-use pathway follows Gardner Drive and is accessible from the subject property.
3. There is infrastructure for storm water and drainage currently in place on the property that may require some on-site improvements to support a 260-unit residential development.
4. Water and sewer service, as well as electricity service exist and will continue to be available. See Attachment H, Exhibits O, O-1 and O-2 for "will-serve" letters from Hilton Head PSD, Palmetto Electric and Hargray for a 260 unit development on the subject property.
5. The proposed multifamily residential density of 260 units may require the developers to provide a Traffic Impact Analysis Plan for permitting if required per the LMO. Any roadway improvements required for Gardner Road to accommodate the proposed development would be reviewed in the permitting process and installed at the developer's expense.
6. Hilton Head Island Fire and Rescue has the capability to immediately access the subject property.

Conclusions of Law:

1. This application **meets the criteria** in LMO 16-2-103.C.3.a.viii.
2. The proposed rezoning would result in development that can be served by all typically available, adequate and suitable public facilities for properties in the Town of Hilton Head Island due to the existing infrastructure on the site.

Summary of Facts and Conclusions of Law

Criteria 9: Is appropriate due to any changed or changing conditions in the affected area (LMO Section 16-2-103.C.3.a.ix):

Findings of Fact:

1. Within a half-mile of the subject property, there are several existing commercial retail and non-retail developments.
2. In the vicinity of the subject property, there are several residential developments and neighborhoods.
3. There is a demonstrated need for more housing on the Island.
4. As there are fewer long-term multifamily residences than single-family residences on the island and per the Comprehensive Plan Housing Element described in Criteria 1 of this report, there is a need for more diverse housing on the Island.
5. As existing commercial areas in the vicinity are vacant, in need of redevelopment, or are being redeveloped, there is no current demonstrated need for new commercial development in this area.
6. There are several new residential neighborhoods being developed on the Island, but they are mostly single-family attached or detached subdivisions, which does not provide diverse housing in terms of price and square footage.
7. HHCA is moving to Bluffton and completely vacating the existing school facility.

Conclusions of Law:

1. This application **meets the criteria** in LMO Section 16-2-103.C.3.a.ix.
2. The proposed zoning is appropriate due to the changing conditions in the affected area. Hilton Head Christian Academy is relocating and vacating the school facility.
3. The proposed multifamily residential use is appropriate for the area as it will offer a more diverse housing opportunity that meets a demonstrated need.

LMO Official Determination

The LMO Official determines that this application **is consistent with the Comprehensive Plan and serves to carry out the purposes of the LMO** as based on the Findings of Fact and Conclusions of Law as determined by the LMO Official and enclosed herein.

The LMO Official recommends that the Planning Commission recommend **APPROVAL** of this application to Town Council with the following condition:

1. A Type C adjacent use buffer is required from the Sandalwood Terrace property boundary (north property line).

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

PREPARED BY:

TL

Taylor Ladd
Senior Planner

June 4, 2019

DATE

REVIEWED BY:

ND

Nicole Dixon, CFM
Development Review Administrator

June 4, 2019

DATE

REVIEWED BY:

TL

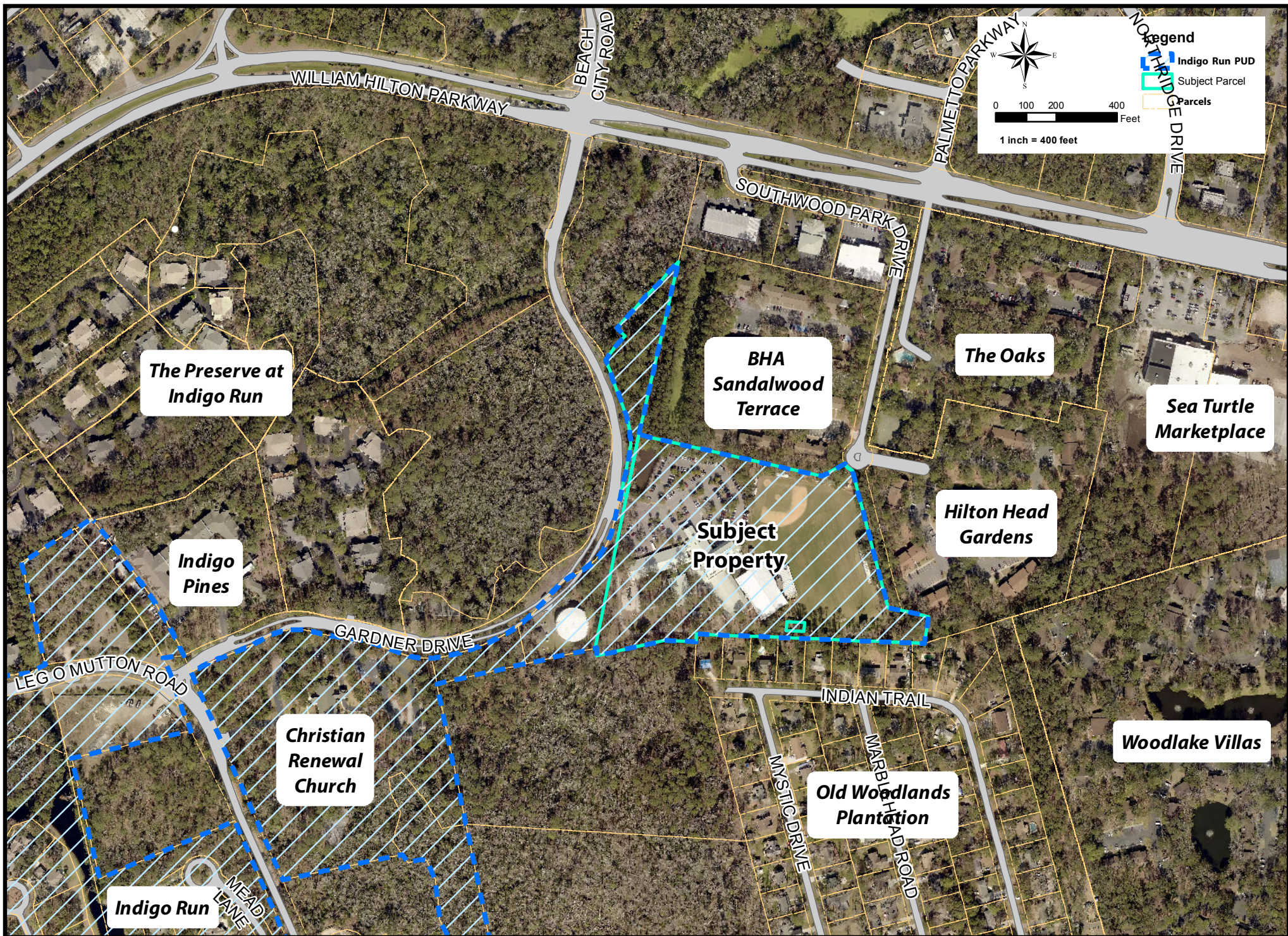
Teri Lewis, AICP
LMO Official

June 4, 2019

DATE

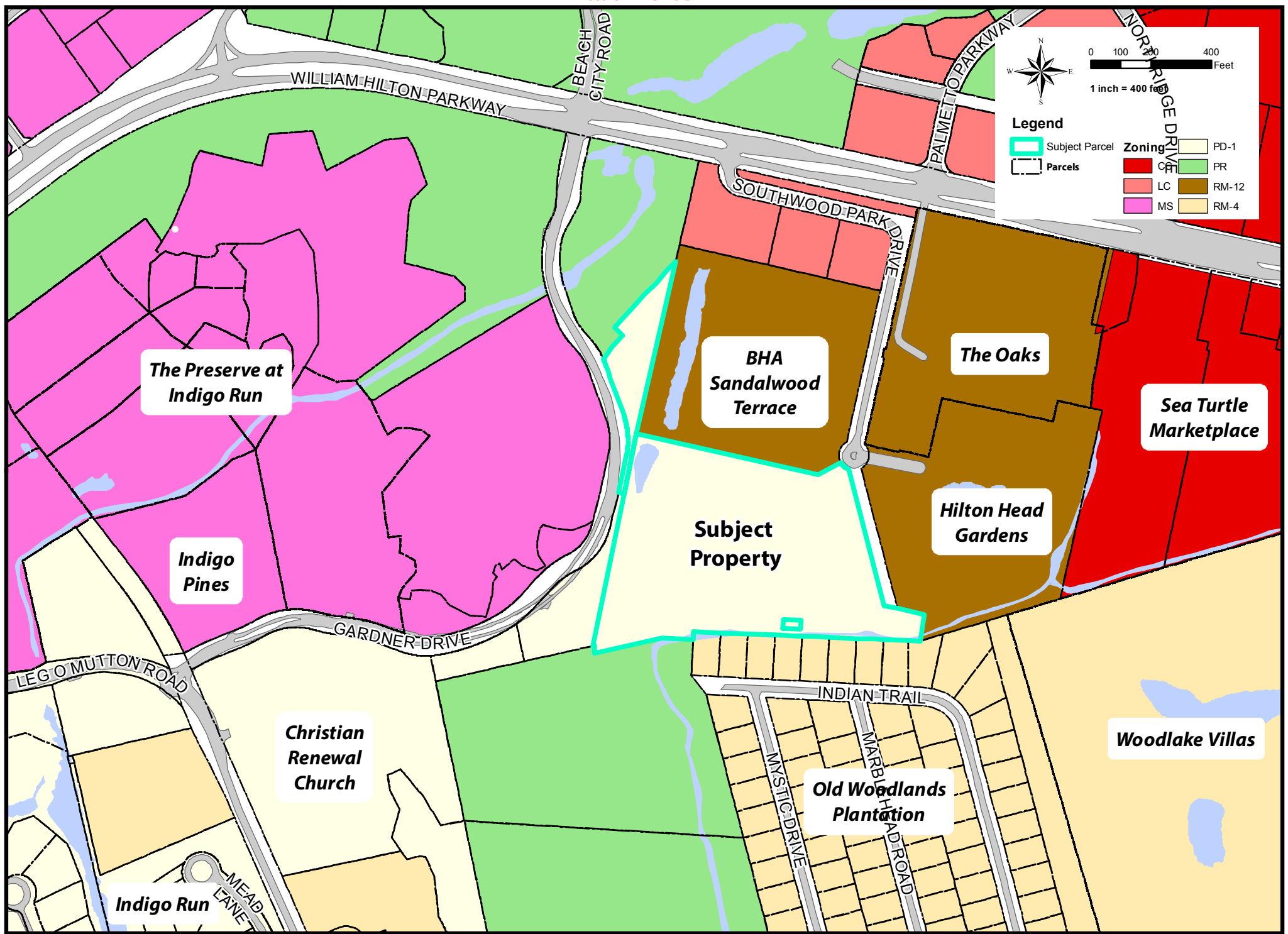
ATTACHMENTS:

- A) Vicinity Map
- B) Zoning Map
- C) LMO Use Table for PD-1
- D) Subject Property Aerial Imagery
- E) Boundary Survey
- F) Indigo Run PUD Master Plan circa 2000
- G) Current Indigo Run PUD Extents as of 2014 Zoning Map Adoption
- H) Applicant Narrative with Exhibits A through M-1
- I) Other Site Exhibits Provided by Applicant
- J) Setbacks and Buffers for Existing and Proposed Uses on the Subject Property
- K) LMO Table 16-5-103.F, Buffer Types



55 Gardner Drive and Vicinity

ZA-001131-2019



55 Gardner Drive Zoning
ZA-001131-2019

**Attachment C
ZA-001131-2019**

Town of Hilton Head Island Municipal Code

Title 16: Land Management Ordinance, Section 16-3-105.K

**PD-1
Planned Development Mixed-Use District**

1. Purpose

The purpose of the Planned Development Mixed-Use (PD-1) District is to recognize the existence within the Town of certain unique **Planned Unit Developments** (PUDs) that are greater than 250 acres in size. Generally, these PUDs have served to establish the special character of Hilton Head Island as a high quality resort and residential community. It is the intent in establishing this district to allow the continuation of well-planned **development** within these areas. In limited situations, some commercially planned portions of PUDs are placed within other base districts to more specifically define the types of commercial **uses** allowed.

2. Included PUDs and Master Plans

The following PUDs are included in the PD-1 District and their Town-approved Master Plans—including associated text and any subsequent amendments—are incorporated by reference as part of the **Official Zoning Map** and the text of this LMO. Amendments to these Master Plans and associated text shall be in accordance with Sec. 16-2-103.D, Planned Unit Development (PUD) District.

1 Hilton Head Plantation	6 Port Royal Plantation (and surrounds)
2 Indigo Run	7 Sea Pines Plantation
3 Long Cove Club	8 Shipyard Plantation
4 Palmetto Dunes Resort	9 Spanish Wells Plantation
5 Palmetto Hall Plantation	10 Wexford Plantation

3. Principal Uses Restricted by Master Plan

The Master Plans and associated text, as approved and amended by the Town, establish general permitted **uses** for the respective PUDs, except as may be modified by an **overlay zoning district**. Undesignated areas on these Master Plans shall be considered as **open space**.

The following **uses** are restricted to locations where a Town-approved Master Plan or associated text specifically states such **uses** are permitted. In addition, the **use**-specific conditions referenced below shall apply to any new such **use** or change to the site for any existing such **use**.

USE CLASSIFICATION/ TYPE	USE-SPECIFIC CONDITIONS	MINIMUM NUMBER OF OFF-STREET PARKING SPACES
Public, Civic, Institutional, and Educational Uses		
Telecommunication Towers, Monopole	PC Sec. 16-4-102.B.2.e	1

**Attachment C
ZA-001131-2019**

Resort Accommodations

<i>Interval Occupancy</i>	P		1 bedroom	1.4 per du
			2 bedrooms	1.7 per du
			3 or more bedrooms	2 per du

Commercial Recreation Uses

<i>Outdoor Commercial Recreation Uses</i> Other than <i>Water Parks</i>	PC	Sec. 16-4-102.B.5.b	See Sec. 16-5-107.D.2
---	----	---------------------	-----------------------

Commercial Services

<i>Adult Entertainment Uses</i>	SE	Sec. 16-4-102.B.7.a	1 per 100 GFA
<i>Animal Services</i>	PC	Sec. 16-4-102.B.7.b	1 per 225 GFA
<i>Convenience Stores</i>	PC	Sec. 16-4-102.B.7.d	1 per 200 GFA
<i>Liquor Stores</i>	PC	Sec. 16-4-102.B.7.g	1 per 200 GFA
<i>Nightclubs or Bars</i>	PC	Sec. 16-4-102.B.7.h	1 per 70 GFA
<i>Tattoo Facilities</i>	PC	Sec. 16-4-102.B.7.k	1 per 200 GFA

Vehicle Sales and Services

<i>Auto Rentals</i>	PC	Sec. 16-4-102.B.8.a	See Sec. 16-5-107.D.2
<i>Auto Sales</i>	P		See Sec. 16-5-107.D.2
<i>Gas Sales</i>	PC	Sec. 16-4-102.B.8.d	
<i>Towing Services</i> or <i>Truck and Trailer Rentals</i>	P		1 per 200 GFA of office or waiting area
<i>Watercraft Sales, Rentals, or Services</i>	PC	Sec. 16-4-102.B.8.e	1 per 200 GFA

Other Uses

<i>Boat Ramps , Docking Facilities , and Marinas</i>	PC	Sec. 16-4-102.B.10.a	1 per 200 GFA of enclosed floor space not used for storage + 1 per 3 wet slips + 1 per 5 dry storage slips
--	----	----------------------	--

4. Development Area Densities

MAX. DENSITY (PER NET ACRE)	LOT COVERAGE
Site specific <i>densities</i> shall not exceed the <i>density</i> limits established in approved Master Plans and associated text, except as may be modified by an <i>overlay zoning district</i> . Where the approved Master Plans and associated text do not establish a <i>density</i> limit, site specific <i>densities</i> shall not exceed 10,000 GFA per <i>net acre</i> .	Max. <i>Impervious Cover</i> in Areas without Restricted <i>Access</i> and Open to the Public
	40% - Residential 65% - Nonresidential
	Max. <i>Impervious Cover</i> in Areas with Restricted <i>Access</i>
	Shall not cause overall <i>impervious cover</i> for the PUD in that PD-1 District to exceed 45%

Attachment C
ZA-001131-2019

		Min. Open Space in Areas without Restricted Access and Open to the Public	50% - Residential 25% - Nonresidential
		Min. Open Space in Areas with Restricted Access	Shall not cause overall open space for the PUD in that PD-1 District to be less than 55%
MAX. BUILDING HEIGHT			
All Development	75 ft	Min. Open Space for Major Residential Subdivisions	16%
USE AND OTHER DEVELOPMENT STANDARDS			
See Chapter 16-4: Use Standards, Chapter 16-5: Development and Design Standards, and Chapter 16-6: Natural Resource Protection.			
TABLE NOTES:			
P = Permitted by Right; PC = Permitted Subject to Use-Specific Conditions; SE = Allowed as a Special Exception; du = dwelling units ; sf = square feet; GFA = gross floor area in square feet; ft = feet; n/a = not applicable			



55 Gardner Road 2017 Aerial Image

ZA-001131-2019



55 Gardner Road 2017 Aerial Image View North

ZA-001131-2019



55 Gardner Road 2017 Aerial Image View South

ZA-001131-2019



55 Gardner Road 2017 Aerial Image View East

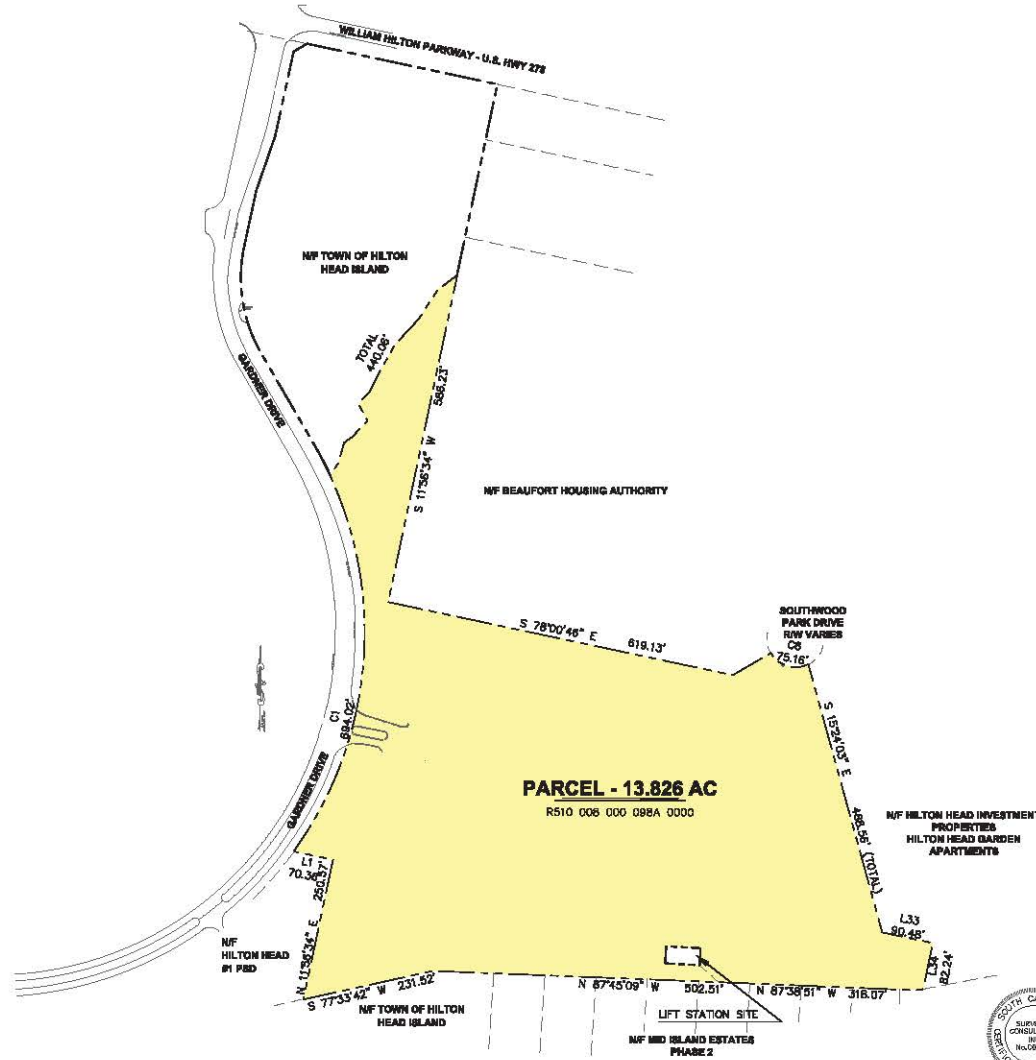
ZA-001131-2019



55 Gardner Road 2017 Aerial Image View West

ZA-001131-2019

Attachment E
ZA-001131-2019



**ASBUILT, BOUNDARY,
TREE & TOPOGRAPHIC
SURVEY OF**
PARCELS A & B
HILTON HEAD CHRISTIAN ACADEMY
GARDNER DRIVE &
WILLIAM HILTON PARKWAY
 A SECTION OF
HONEY HORN PLANTATION &
PARCEL II, INDIGO RUN PLANTATION
 HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA
 SCALE: 1" = 80' DATE: 12/8/2008 JOB NO: 080480
 REVISED 03/09/2007: ADDITIONAL TREE AND TOPD INFO ADDED
 REVISED 03/24/2008: LIMITED SURVEY
SURVEYING CONSULTANTS
 171 Charleston Drive, Suite C, Beaufort, SC 29906
 87 Telephone (843) 855-3004 FAX (843) 845-3555
 64 Telefaxline (843) 858-4775 FAX (843) 858-4783
 SURVEYING CONSULTANTS
 LEWIS & HATCHER
 1009 S. BRADLEY ST.
 BEAUFORT, SC 29906



Project No: 01-18055 Date: 01-18-19 Scale: 1" = 100'-00" Page Title: BOUNDARY SURVEY



Spandrel Multifamily (Former HHCA Site) Wood+Partners Inc. WPI
 Hilton Head Island, SC
 Landscape Architects
 Land Planners

Documents is preliminary and subject to change.
 2213 Wood+Partners Dr., 71 Ladysmith Place, 110m. Hilton Head Island, SC 29928 Tel: 843-681-4618 Fax: 843-681-7066, www.woodpartners.com

Attachment F
ZA-001131-2019

APPROVED BY
HILTON HEAD ISLAND
PLANNING DEPARTMENT
DATE: *June 11, 2019*
BY: *[Signature]*

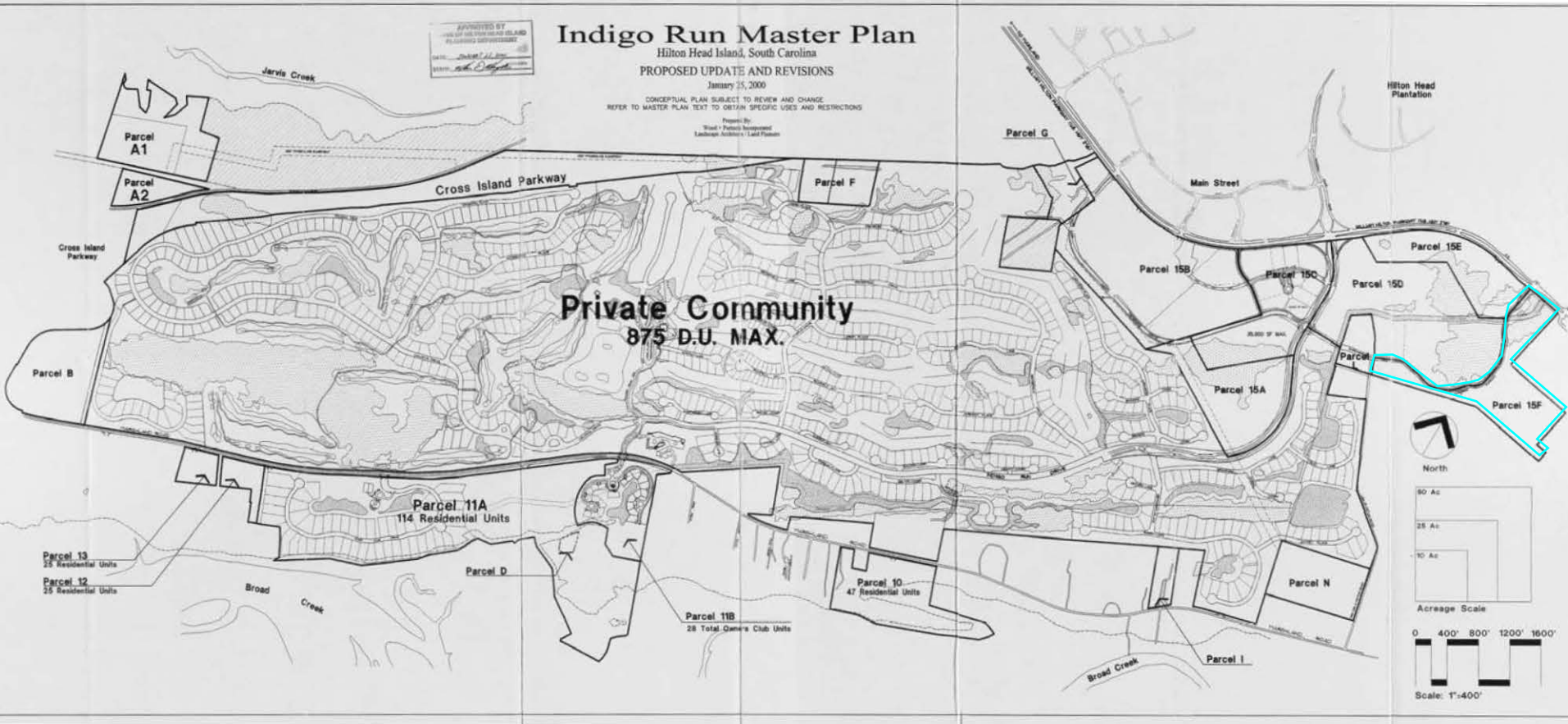
Indigo Run Master Plan

Hilton Head Island, South Carolina
PROPOSED UPDATE AND REVISIONS
January 15, 2000

CONCEPTUAL PLAN SUBJECT TO REVIEW AND CHANGE
REFER TO MASTER PLAN TEXT TO OBTAIN SPECIFIC USES AND RESTRICTIONS

Prepared By:
Black & Veatch International
Landscape Architects / Land Planner

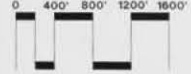
Private Community
875 D.U. MAX.



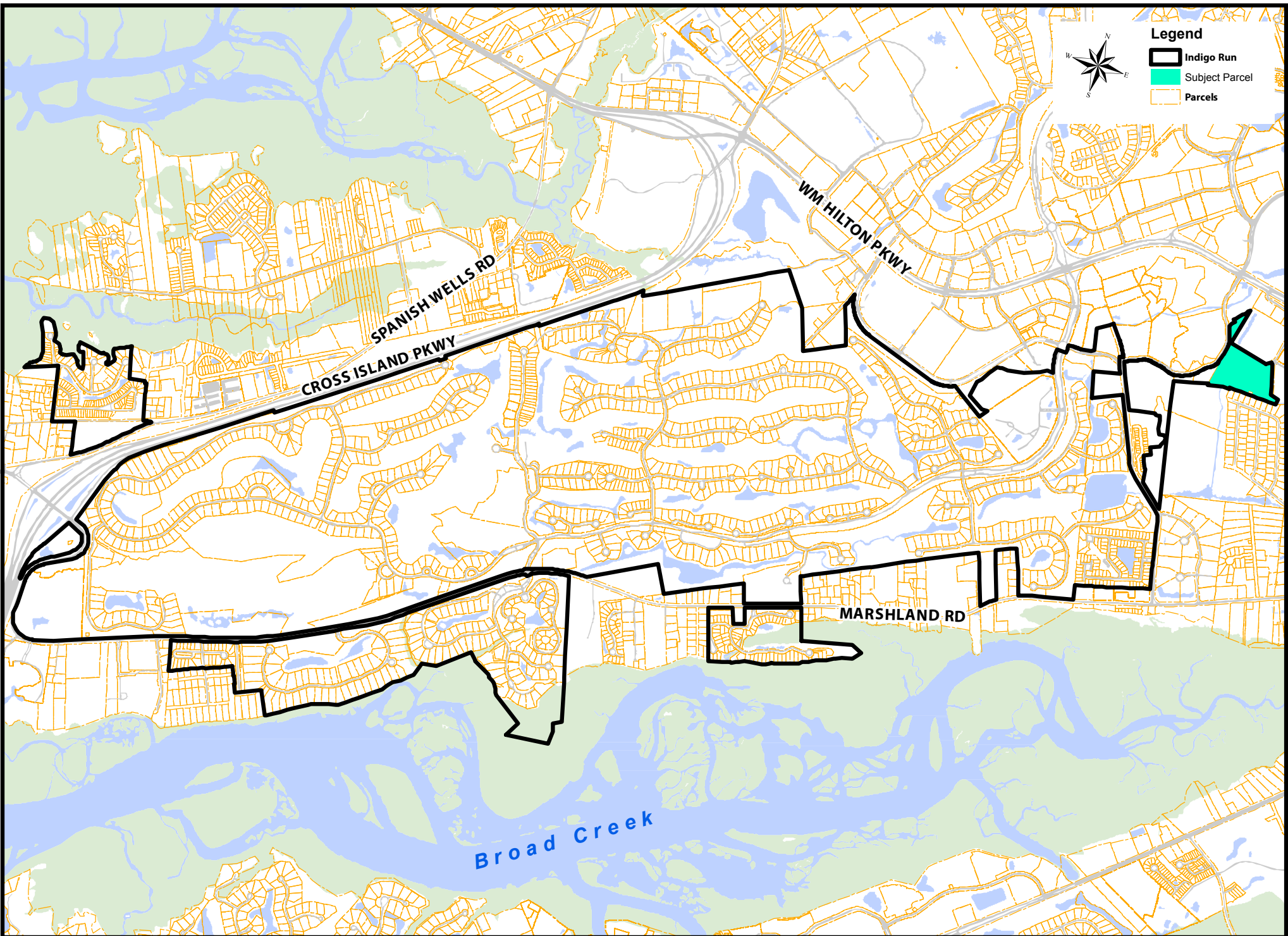
North



Acreage Scale



Scale: 1"=400'



STATE OF SOUTH CAROLINA)	BEFORE THE PLANNING COMMISSION
)	OF THE
)	TOWN OF HILTON HEAD ISLAND, SC
COUNTY OF BEAUFORT)	IN RE: ZA-001131-2019

**NARRATIVE SUPPLEMENT
TO
THE APPLICATION FOR ZONING MAP AMENDMENT
BY
SPANDREL DEVELOPMENT PARTNERS, LLC
REGARDING
55 GARDNER DRIVE, HILTON HEAD ISLAND, SC**

This Narrative Supplement is submitted with and is to be incorporated in and comprise a part of the Application for Zoning Map Amendment (the “**Application**”) of Spandrel Development Partners, LLC (the “**Applicant**”). This Narrative is submitted to the Planning Commission and the Town Council of the Town of Hilton Head Island, South Carolina (the “**Town**”) to describe the reasons for the Application and how the Application meets the criteria of Section 16-2-103.C.3 of the Town’s Land Management Ordinance (the “**LMO**”) as required by Section 16-2-103.C. of the LMO.

I. INTRODUCTION.

A. APPLICATION HISTORY.

This Application is subsequent to a recent prior application submitted by the Applicant concerning the Property, as hereinafter defined, identified as ZA-000097-2019 (the “Prior Application”) which Prior Application was reviewed by the Town’s Planning Commission on February 20, 2019. The Planning Commission recommended approval of the Prior Application at that meeting. The Applicant withdrew that Application prior to action by the Town Council at its regularly scheduled meeting on April 2, 2019. Having thoughtfully considered comments of the Planning Commission, Town Council and residents in communities near the Property, the Applicant has revised and hereby submits this Application. While the basis and reasons set forth in this Application are nearly identical to the Prior Application, for ease of analysis the following summary of those changes is provided:

1. The Application reduces the number of apartment units from 300 to 260 (18.8 DU’s/AC).
2. The Application reduces building heights along south property line from 75 feet to 45 feet with 3-story buildings.

3. The Application extends the minimum rental duration from 90 days to 120 days.
4. The Application provides a 20 year restriction on conversion of apartment units to units for sale.
5. The Application reserves five percent (5%) of the units constructed for housing at below market rental as set forth in a proposed written agreement with the Town¹.
6. The Application provides a Type 'D' Buffer with a 6 foot opaque fence along the south property line abutting single family residential lots of the Old Woodlands subdivision.

B. PROPERTY DESCRIPTION.

The owner of the property which is the subject of this Application is the Hilton Head Christian Academy (the “**Owner**”). The real property that is the subject of this Application consists of: (i) that certain 12.16 acre parcel of real property, more or less, with improvements located thereon, known as “Parcel A” shown and depicted on that certain plat of survey entitled “Boundary Recombination Survey of Parcels A & B, Hilton Head Christian Academy, Gardner Drive & William Hilton Parkway, Revised Parcel B, Gardner Drive and William Hilton Parkway”, dated May 22, 2006, prepared by Surveying Consultants, Terry B. Hatchel, SCRLS #11059 and recorded in the ROD in **Plat Book 115** at **Page 192**; (ii) that certain 0.193 acre parcel of real property, more or less, with improvements located thereon shown and depicted on that certain plat of survey entitled “Boundary Recombination Plat of 0.193 Acres, Gardner Drive”, dated June 9, 2009, prepared by Surveying Consultants, Terry B. Hatchel, SCRLS #11059 and recorded in the ROD in **Plat Book 128** at **Page 79**, and (iii) that certain 1.473 acre parcel, more or less, with improvements thereon known as “Revised Parcel B” shown and depicted on that certain plat of survey entitled “Boundary Recombination Survey of Revised Parcel B, Gardner Drive and William Hilton Parkway”, dated June 10, 2009, prepared by Surveying Consultants, Terry B. Hatchel, SCRLS #11059 and recorded in the ROD in **Plat Book 128** at **Page 102**, which real property is designated in the Beaufort County property tax records as: TMS District 510, Map 8, Parcel 98A, (collectively the “**Property**”)². The Applicant submits this Application requesting the approval of an amendment to the Town’s official zoning map described in Section 16-2-103.C of the LMO, in

¹ See draft “Agreement to Provide Workforce Housing, Conversion and Short Term Rental Restriction” attached hereto as Exhibit “A” and made a part hereof (the “**Housing Agreement**”).

² A combined acreage of 13.826 acres, more or less.

order to change the allowed use and density authorized under the base zoning district applicable to the Property³.

C. BACKGROUND.

The Owner acquired the Property pursuant to a deeds dated January 3, 1989, September 30, 1998 and June 12, 2009 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina (the “ROD”) in **Book 521 at Page 2073** (12.16 acres), **Book 2739 at Page 10** (6.22 acres identified as Parcel II on Plat recoded in the ROD in **Plat Book 54 at Page 187**) and **Book 2857 at Page 956** (0.193 Acres), respectively.⁴ Parcel II was also identified on a survey entitled “Boundary Recombination Survey of Parcels A & B, Hilton Head Christian Academy, Gardner Drive and William Hilton Parkway” dated May 22, 2006, prepared by Surveying Consultants, Terry B. Hatchel, SCRLS #11059 and recorded in the ROD in **Plat Book 115 at Page 192**. This survey reconfigured Parcel II by creating a new boundary line and contained a note thereon that appears to reserve density of 4.807 acres for future development of the Property (the “**Density Reservation**”).⁵ A 4.747 acre portion of Parcel II was subsequently sold to the Town which subsequently constructed sidewalks and other public improvements thereon.

The Property is the current campus for the Hilton Head Christian Academy (“**HHCA**”), a school serving Pre-K through 12th grade, such use is included in the general use category of “*Public, Civic, Institutional, and Education Use*”⁶. HHCA has acquired a parcel of real property on the Buckwalter Parkway in the Town of Bluffton and has permitted, engineered, designed and has commenced construction of a new campus at that site (the “**HHCA Bluffton Campus**”) ⁷. The Applicant is under contract to purchase the Property from HHCA contingent upon the approval of this ZMA and successful permitting to allow the development of the Property as contemplated in this

³ Planned Development Mixed Use District (PD-1) Indigo Run PD-1. See Zoning Confirmation Letter dated January 17, 2019 attached hereto as Exhibit “B” and made a part hereof.

⁴ See copy of deeds, attached hereto as Exhibit “C”, Exhibit “C-1”, and Exhibit “C-2” and made a part hereof.

⁵ See copy of survey, attached hereto as Exhibit “D” and made a part hereof.

⁶ See Section 16-10-103.B.2. of the LMO.

⁷ See copy of deed, attached hereto as Exhibit “E” and made a part hereof and Bluffton Campus master plan attached hereto as Exhibit “F” and made a part hereof.

Application. Funding for the construction of the HHCA Bluffton Campus in large part is from the purchase price to be paid for the Property.⁸

The Property is accessed via a 60' wide public right of way owned by Beaufort County, South Carolina known as "**Gardner Drive**"⁹ a "minor arterial street"¹⁰ The Property is bounded to the north by a 10 acre parcel of improved real property owned by the Beaufort Housing Authority containing 13 multifamily apartment buildings and associated parking and improvements. The Property is bounded to the northeast by a 10.3 acre parcel of improved real property owned by the Barnett Group, Inc., known as the Oaks Horizontal Property Regime, consisting of 15 multifamily buildings. The Property is bounded to the east by a 10 acre parcel of improved real property owned by Hilton Head Investment Property, known as Hilton Head Gardens, consisting of 9 multifamily buildings. The Property is bounded to the south by the Mid-Island Subdivision (a.k.a. "Old Woodlands Subdivision") with lots backing up to the Property along Indian Trail.¹¹

The Property, together with the Beaufort Housing Authority parcel, the Oaks HPR parcel and the Hilton Head Gardens apartment property were a part of a larger 50 acre tract of land subdivided by the Hilton Head Company in 1972 and when sold made subject to deed restriction limiting the use to "semi-residential purposes only" which is defined in said deed restriction as "buildings in the nature of multiple-unit apartment houses, condominium units, and any accompanying facilities, such as swimming pools..."¹² The rights of the Hilton Head Company as "declarant" under these deed restrictions relative to the Property were conveyed to and are held by the Owner.¹³

Section 16-3-105.O of the LMO describes the PD-1 zoning district, the stated purpose of which is to recognize the existence within the Town of certain unique planned unit developments ("**PUDs**") of greater than 250 acres in size. This section of the LMO provides that the PD-1 zoning district "serves to establish the special character of Hilton Head Island as a high quality resort and

⁸ See copy of letter from the Board of Directors for the HHCA attached hereto as Exhibit "G" and made a part hereof.

⁹ See print out from Beaufort County Assessor's on line records dated 1-14-2019 attached hereto as Exhibit "H".

¹⁰ See Section 16-5-105.B. of the LMO - "Street Hierarchy".

¹¹ See Aerial Photo of Property, attached hereto as Exhibit "I".

¹² See Deed recorded in ROD in Book 207 Page 1839 attached hereto as Exhibit "J" and made a part hereof.

¹³ See Assignment of Rights recorded in ROD in Book 521 Page 2090 attached hereto as Exhibit "K" and made a part hereof.

residential community” the intent of the PD-1 zoning district is to allow the “continuation of well planned development”¹⁴. The approved uses of the Property and its associated density are limited and are related to development that is not viable nor desired.

The Applicant has three apartment development projects in the downtown historic district in Charlestown and another on Bay Street in downtown Savannah. All are quality residential apartment developments and the Applicant proposes that the Project will be of similar quality to those projects. The Applicant’s apartment development projects are privately funded and typically held for investment once completed.

II. PROPOSAL AND REQUEST.

A. PROPOSED REDEVELOPMENT PROJECT.

The Applicant proposes to redevelop the Property into a high quality, aesthetically-pleasing multi-family apartment community consisting of 260¹⁵ residential apartments and associated parking, infrastructure and amenities (the “**Project**”). The Project proposes development of a mix of apartments from studio apartments of approximately 500 square feet through and up to 3 bedroom apartments of approximately 1800 square feet. Construction of four (4) buildings is anticipated but the final site design and layout has yet to be completed pending approval of the Application. Amenities proposed may include a pool, outdoor seating and recreation areas, a clubhouse and fitness center, outdoor tennis and pickle ball courts as well as barbecue areas and fire pits. Approximately 60 apartments will have closed door garage spacing under and behind those buildings with garage parking. While the Indigo Run PD-1 District has a maximum height of 75 feet, the Project proposes a reduction in height with a maximum height of 55 feet for four (4) story buildings and 45 feet for three (3) story buildings along the south boundary line of the Property.

The Applicant proposes, as a condition of the Zoning Map Amendment, a restriction against short term rentals for a period of ten (10) years. For the purpose of the Application and the restriction, “short term rental” is intended to be a rental term of less than four months (120 days). This restriction shall be described and included in the Housing Agreement to be recorded ROD.

¹⁴ See Section 16-3-105.K of the LMO.

¹⁵ A reduction of 40 units from the Prior Application.

In addition, in order to provide assurance that the Project will provide the housing benefits described herein, the Applicant proposes a restriction against conversion of the apartments to a condominium form of ownership for a period of twenty (20) years. This restriction shall also be described in the Housing Agreement.

B. PROPOSED DENSITY AND USE.

The current density of the Property is and consists of approximately 16,424 square feet of classroom buildings and 28,996 square feet of gymnasiums and associated infrastructure together with sports and athletic fields, bleachers and facilities for a total institutional density of 45,420 square feet. The facilities and improvements existing on the Property were designed for educational use. The Property is identified as Parcel 15-F of the Indigo Run PD-1 zoning district with existing designated uses being commercial, with density not to exceed 10,000 square feet per net acre for retail, or 20,000 square feet for non-retail which yields 138,260 square feet for retail and 276,520 square feet for non-retail commercial use, respectively. Allowed uses also include institutional, not to exceed 10,000 square feet per net acre and public recreation use.¹⁶ This Application seeks to change the approved use and density for the Property by deleting the commercial uses and density and allow residential multifamily¹⁷ use with density for 260 residential apartments or institutional use with density not to exceed 10,000 square feet per net acre. The Property consists of 13.83 acres. Even if the Density Reservation is not applied, the proposed density is 18.8 units per acre which is less than the two most recent zoning map amendments in Town PD-1 Districts.

The Applicant believes that it is important to note that the proposed residential multifamily density is similar to but less dense than the zoning map amendment to the Palmetto Dunes PD-1 for the redevelopment of Shelter Cove Towne Center. In 2015 the Town approved a zoning map amendment for the Palmetto Dunes PD-1 District¹⁸ to provide for, among other matters, 300,000 square feet of commercial density and two apartment buildings. The first apartment building (East #1), which is completed, consists of 136 apartments on a 4.97 acre parcel for a density count of 27.4 units per acre. The second apartment building (East #2), currently under construction, was

¹⁶ See Indigo Run Master Plan revised January 25, 2000 attached hereto as Exhibit "L" and made a part hereof and Town Ordinance No. 2000-01, Chart I, Definitions, attached hereto as Exhibit "L-1" and made a part hereof

¹⁷ See Section 16-10-103.A.2. of the LMO.

¹⁸ ZMA – 001190-2015.

approved for 104 apartments on a 4.44 acre parcel for a density count of 23.4 units per acre. These apartments are generally known as “WaterWalk” apartments.

The residential density requested for the Project is considerably below the residential density count in the comparable WaterWalk apartments in Shelter Cove Towne Center. Furthermore, if the density reserved in the Density Reservation is added the acreage for the density calculation would be 18.637 acres (13.83 + 4.807 = 18.637) resulting in residential density count of 14 residential units per acre. In any event, the proposed density is less than that of the apartments approved in the analogous Shelter Cove Towne Center redevelopment.

The Application contemplates a quality class A apartment development. As further described herein, such a development will support and provide housing for the workforce.¹⁹

Nevertheless, in an effort to address the stated concerns of the members of the Town Council, the Planning Commission and citizens while presenting the Prior Application regarding workforce or affordable housing, the Applicant proposes to dedicate five percent (5%) of the apartments in the Project to below market rental. Since the Town does not yet have a program to enforce such agreement, the Applicant proposes to do so pursuant to the Housing Agreement.

III. REZONING CRITERIA.

A. In Accordance with the Comprehensive Plan.

Natural Resources Vision. *The Natural Resources vision of the Comprehensive Plan instructs the Town to protect Hilton Head Island’s diverse natural resources, which are pivotal to the economic well-being of the community and the high quality of life on Hilton Head Island.*²⁰

The Applicant is seeking to amend the Indigo Run PD-1 District by changing the permissible use for the Property by adding “Multifamily” (as that term is defined in the LMO) and corresponding density of 260 residential units. Once the rezoning is approved, the Applicant proposes the complete redevelopment of the Property

¹⁹ See e-mail correspondence of Mr. Steve Birdwell of the Sea Pines Resort to Town Council dated May 13, 2019, attached hereto as Exhibit “M” and made a part hereof.

²⁰ See July 18, 2017 Comprehensive Plan, Page 21.

as described in the Application. The existing development on the Property is non-conforming in a number of areas related to the *Natural Resources Vision of the Comprehensive Plan*, including storm water drainage and treatment, landscaping areas, trees, buffers and setbacks. The proposed redevelopment contemplates removal of the existing buildings, pavement, and other structures on the Property. The redevelopment of the Property proposed by the Applicant also contemplates a number of improvements, which improvements are consistent with the goals and implementation strategies described in the *Natural Resources Vision of the Comprehensive Plan*.

The Applicant's proposed redevelopment contemplates that it will meet or exceed all current storm water and site development requirements of the LMO and Town Building Codes and ordinances. There are no additional variances or requests from applicable development codes or standards in this Application or anticipated for the Project.

Furthermore, the Property is largely devoid of any significant vegetation other than grass playing fields. The Applicant's Project proposes to landscape the Property with the installation of trees and other landscape materials, including a new upgraded irrigation system, which reduces the heat effect of the site and also furthers the goals described in the *Natural Resources Vision of the Comprehensive Plan*.

Moreover, the existing and historic use of the Property as a school creates significant traffic on U.S. Highway 278, the bridges to Hilton Head Island, and Gardner Drive. A majority of the school students, staff and teachers commute from the mainland to Hilton Head. The Applicant has commissioned a traffic analysis which will be submitted as soon as it is received. It is anticipated that the traffic study shall show that the amount and timing of the traffic patterns produced by a multifamily use will be improved as compared to the current traffic flow produced by the school use. That use produces morning, afternoon or event specific high volumes of traffic which will cease. The residential multifamily use likely results in reduced volume which is spread out over the course of the day.

Furthermore, the Project provides new and different housing type and stock which, as evidenced by the success of the Shelter Cove Towne Center Project is in great demand. Providing opportunity for housing in the Town within reach of middle income wage earners results in a significant reduction in the volume of motor vehicle traffic entering and impacting Hilton Head Island as many of those commuters have the opportunity to work and live in the Town. The Property is approximately 3/4 of a mile to the Hilton Head Hospital campus. The Project proposes the opportunity for quality housing for many of the nearly 1000 employees of the hospital.²¹

Additionally, the Project supports the goal of the Natural Resources Vision to promote sustainable development. Sustainable development “is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”²² The mix of housing types proposed in the Project support this goal as it provides housing for young workers and families just starting a career or work in the Town as well as empty-nesters who have reached a point in their lives where they desire to reduce the maintenance and upkeep responsibilities of home ownership and enjoy the freedom and flexibility provided by apartment living in a quality residential setting.

The Project contemplates a complete redevelopment of the Property, in order to create an economically viable use of an existing site that has already been developed and improved. The Project reduces traffic impacts, will increase the amount of landscaped areas and trees, and promotes sustainable development and the proposed change in use is therefore consistent with the *Natural Resources Vision of the Comprehensive Plan*.

²¹ See letter from Jeremy Clarke, CEO of the Hilton Head Hospital, attached hereto as Exhibit “N” and made a part hereof.

²² See July 18, 2017 Comprehensive Plan, Page 28.

2. **Population Vision.** *The Population Vision of the Comprehensive Plan seeks to maintain a diverse population in the Town of Hilton Head Island, which is given the opportunity to be well-educated, financially secure and enjoy a high quality of life.*²³

The change in use proposed by the Applicant is consistent with the *Population Vision of the Comprehensive Plan* as it provides additional residential mix of housing facilities and serves to support the existing and future population of the Town as it ages as well as provides opportunities for young people to live in the Town rather than live on the mainland and commute to the Town.²⁴

As more particularly detailed and described in Part 4.3 of the *Population Vision of the Comprehensive Plan*, the data compiled by the Town supports the general perception that although the Town's population includes all age groups, the Town has a higher than average percentage of older adults and retirees, and its population has grown progressively older from 1975 to 2010.²⁵

Furthermore, the Project directly supports the *Population Vision of the Comprehensive Plan's* stated concern and recommendation that “[p]rovisions that allow for aging in place should be considered, especially as the population percentage of people over the age of 65 in the Town continues to grow. These include additional medical and health care services, transportation, and mobility and access to appropriate services.”²⁶ The Project proposes the development of a “next step” in the aging process for our citizens. As Town citizens age many have less need or desire for a single family residence. The Project provides the opportunity for a safe, quality apartment in the Town where others are responsible for maintenance, repair and upkeep and the residents have the ability to come and go as they please.

²³ See July 18, 2017 Comprehensive Plan, Page 35.

²⁴ See July 18, 2017 Comprehensive Plan, Page 42.

²⁵ See Section 4.3: “Age Distribution”, Page 40 of the July 18 2017 Comprehensive Plan.

²⁶ See Section 4.3: “Implications for the Comprehensive Plan”, Page 40 of the July 3, 2012 Comprehensive Plan.

Furthermore, the *Population Vision of the Comprehensive Plan* notes that population projections for the Town are estimated to be between 3.3% and 1% per year. Accordingly, as the existing planned unit developments approach build out, other property in the Town needs quality projects to be developed or redeveloped with density to support the increases in population.²⁷

Section 4.3 of the *Population Vision of the Comprehensive Plan* provides “[a]vailable and current data demonstrate that the population of the Town of Hilton Head Island has progressively grown older over the time span from 1975 to 2010 (Table 4.7, Age Distribution: 2010 Town, County, and State). During this period of rapid population growth, the Town has decreased steadily in the percentage of the population which is under 25 (down 17.4% between 1975 and 2010), while increasing in most categories above the 25 to 44 year old range. The greatest share increase of one age category has been the increase in the 65 and older category from 9.9% in 1975 to 28.9% in 2010. These changes in the age composition of the population should not be viewed in terms of a declining number of young people on the Island. The data simply indicate that as the total permanent population of the Town has grown at a fast rate over the time span from 1975 to 2010, the percentage share of that population growth in the older age groups has increased. This means that these age groups are growing at a faster rate than younger age groups. A combination of the continued influx of retirees to Hilton Head Island and the national trend of the aging baby-boomer population has contributed to this trend.²⁸ However, the lack of affordable quality housing in the Town contributes to the decision by many younger adults to live on the mainland and commute to the Town for work. The Project proposes development of a quality apartment project located within walking or biking distance to many business including the Hilton Head Hospital campus, Main Street and Indigo Run commercial areas as well as the public school campus. The Project thereby supports the *Population Vision of the Comprehensive Plan*, as it provides housing opportunities for young adults who work and desire to live on Hilton Head.

²⁷ See Section 4.2: “Population Projections” July 18, 2017 Comprehensive Plan.

²⁸ See Section 4.3: “Age Distribution”, Page 40 of the July 18 2017 Comprehensive Plan.

The Project requires new residential density but is supportive of the *Population Vision of the Comprehensive Plan*, as it provides opportunities for enhanced quality of life and facilities that allow enable existing residents the opportunity to remain on Hilton Head Island and age in place and for new residents. The proposed change in use is therefore consistent with the *Population Vision of the Comprehensive Plan*.

3. **Housing Vision.** *The Housing Vision of the Comprehensive Plan seeks to promote and facilitate entrepreneurial housing initiatives that will result in the development of diverse housing types for all income levels on Hilton Head Island and to support affordable housing initiatives to supplement housing on Hilton Head Island.*²⁹

The Applicant's proposed use of the Property implicates the *Housing Vision of the Comprehensive Plan*. Part 5 of the *Housing Vision of the Comprehensive Plan* states that the "ultimate goal of planning for housing activities and programs on the Island is to increase housing opportunities that meet the needs of existing and future populations as well as attract new investment to the community".³⁰ The Applicant's proposed use provides additional multifamily housing opportunities to address the decline in the number of multifamily housing units as compared to single family housing for the Town and its residents.³¹ Implications for the *Comprehensive Plan* include the concept that while an increase in the total number of housing units contributes to the economic tax base for the Town, both the quantity as well as quality of the housing stock is maintained to sustain the current and future population and overall property values. As the amount of available land declines for new development, a diverse and high quality stock of housing opportunities must be maintained. The availability of various housing types is important for the viability of the housing market to accommodate the diverse needs of the Island's population.³²

²⁹ See July 3, 2012 Comprehensive Plan, Page 50.

³⁰ See Part 5: "Housing", "Introduction", Page 52 of the July 18, 2017 Comprehensive Plan.

³¹ See "Housing Types and Forms", Page 54 of the July 18, 2017 Comprehensive Plan.

³² See Section 5.2: "Implications for the Comprehensive Plan", Page 56 of the July 18, 2017 Comprehensive Plan.

The use proposed by the Applicant provides the availability of additional housing opportunities for Hilton Head Island's residents. The proposed change in use is therefore consistent with the *Housing Vision of the Comprehensive Plan*.

4. **Community Facilities Vision.** *The Community Facilities Vision of the Comprehensive Plan encourages the Town to provide facilities for the residents and visitors of Hilton Head Island, which are maintained at the highest levels of service and efficiency consistent with facilities of a world class community.*³³

The Comprehensive Plan defines "Community Facilities" as "major capital improvements, including, but not limited to, transportation, sanitary sewer, solid waste, drainage, potable water, educational, parks and recreation, and health systems and facilities".³⁴ The approval of this Application supports the Town's Community Facilities and the vision related thereto in the Comprehensive Plan. The infrastructure for the use proposed in the Application, including roadways, sanitary sewer, solid waste, potable water, electricity, telephone and cable, is already in place, and shall continue to serve the Property. Storm water drainage systems shall be redeveloped and improved as part of the Project. The Project will be served by Hilton Head Island Public Service District #1, Palmetto Electric Cooperative and Hargray Communications.³⁵ The Applicant's proposed change in use supports and is consistent with the *Community Facilities Vision of the Comprehensive Plan*, as by providing additional housing opportunities, it reduces the volume of motor vehicle traffic entering and impacting the Town, thereby reducing the burden on the transportation network and road infrastructure.

³³ See July 3, 2012 Comprehensive Plan, Page 62.

³⁴ See Part 6, "Introduction", Page 60 of the July 18, 2017 Comprehensive Plan.

³⁵ See "will serve letters" from of IHI PSD #1, Palmetto Electric Cooperative and Hargray Communications attached hereto as Exhibit "O", Exhibit "O-1" and Exhibit "O-2" and made a part hereof.

5. **Economic Development Vision.** *The Economic Development Vision of the Comprehensive Plan seeks to define, foster and enhance the economic environment that sustains Hilton Head Island's unique way of life.³⁶*

The Project proposes the development of a high quality multi-family apartment living facilities, which provide significant economic benefits to the Town. The current approved use is not economically viable as the facility is no longer desired and may soon be vacant. The Applicant's proposed change in use provides the Town's residents with an additional mix of housing opportunities for both young adults and older residents seeking the opportunity to live in a quality low maintenance apartment on the Island. The Applicant is an experienced high quality apartment developer with solid financial resources. The Project when complete will be well managed and maintained as a successful business enterprise which contributes to a stable tax base, has little impact on the Town's Community Facilities, and is therefore consistent with the *Economic Development Vision of the Comprehensive Plan*.

6. **Land Use Vision.** *The Land Use Vision of the Comprehensive Plan seeks to ensure a high quality of life by planning for population growth, public and private development and redevelopment, and the proper distribution, location and intensity of land uses with adequate levels of services, while maintaining and protecting the natural resources, residential neighborhoods and the overall character of the Town.³⁷*

Rather than manage growth, the *Land Use Vision of the Comprehensive Plan* provides that "future policies should focus more on redevelopment strategies and should consider creative alternatives to traditional zoning classifications and regulations."³⁸ The Applicant's proposed change in use is a creative way to transform the Property from the current use and purposes for which it was designed and constructed which are no longer needed or desired, and therefore cause the

³⁶ See July 18, 2017 Comprehensive Plan, Page 91.

³⁷ See July 18, 2017 Comprehensive Plan, Page 102.

³⁸ See July 18, 2017 Comprehensive Plan, Page 102.

Property to likely be considered not economically viable, to a use that would make private redevelopment of the Property a viable option. The Applicant's proposed use for the Property is supported by the existing infrastructure on the Property and within the Town. The Property, while subject to a base zoning of PD-1, is not "behind the gates" of a PUD and is accessible by the public.

Furthermore, the Property is located in the Town's largest employment district and has direct access to a minor arterial street and is adjacent to the north and east by three multi-family apartment developments. The existing density and allowed uses are not desired and opportunities for quality redevelopment for any of those uses are very unlikely. The proposed redevelopment represents quality planning and appropriate density and use, and proposes the redevelopment of existing development. The Applicant's proposed change in use proposes a complete redevelopment of the Property, but shall not adversely impact or burden the natural environment and infrastructure, and is therefore consistent with the *Land Use Vision of the Comprehensive Plan*.³⁹

7. **Transportation Vision.** *The Transportation Vision of the Comprehensive Plan seeks to provide a safe, efficient, environmentally sound, aesthetically sensitive, and fiscally responsible transportation system which is integrated into the regional network to enhance quality of life for those living in, employed in, and visiting Hilton Head Island.*⁴⁰

The Applicant's proposed use is consistent with and supports the *Transportation Vision of the Comprehensive Plan*. The existing use as a school campus from Pre-K the 12th grade is anticipated to contribute a higher volume of motor vehicle traffic on the roadway and transportation infrastructure of the Town and U.S. Highway 278, including the bridges to Hilton Head Island. Under the use proposed, traffic to and from the Property would not load as is currently the case a school. Rather, the multifamily residential apartment use is anticipated to produce a consistent but much lower volume of traffic. The Applicant is seeking residential density;

³⁹ See Goals and Implementation Strategies, Section 8.11, Page 111.

⁴⁰ See July 3, 2012 Comprehensive Plan, Page 117.

however, the proposed change in use is anticipated to reduce the volume of motor vehicle traffic to and from the Property, as available in its current use and configuration. Furthermore, the Property is accessed via a minor arterial street and is supported by the existing roadway and transportation infrastructure. The change in use proposed by the Applicant has a significant positive impact on the Town's transportation system through reduction of traffic, and is therefore consistent with the *Transportation Vision of the Comprehensive Plan*.

8. **Recreation Vision.** *The Recreation Vision of the Comprehensive Plan seeks to enrich the quality of life for residents and visitors by providing diverse recreational facilities and programs which respond to changing needs of the population.⁴¹*

The *Recreation Vision of the Comprehensive Plan* seeks to foster use and development of recreational facilities and programs, through both the Town's efforts and also through public and private recreational organizations. Such organizations promote leisure programs and activities as well as promote the rich cultural and natural resources of the Town. The Applicant's proposed change in use does not burden the *Recreation Vision of the Comprehensive Plan*. While the Project seeks a change in use and density, it is a redevelopment project which provides some of its own recreational amenities and therefore not unfairly burden Town facilities. The Project does, however, provide an economically viable use for the Property when the existing uses and densities are not desired or needed. Moreover, the proposed change in use provides needed additional housing opportunities for the Town's residents, and is therefore consistent with the *Recreation Vision of the Comprehensive Plan*.

9. **Cultural Resources Vision.** *The Cultural Resources vision of the Comprehensive Plan provides that the Town of Hilton Head Island envisions a community where art, music, performances and the stories of its people enhance the experience for all residents and visitors through*

⁴¹ See July 18, 2017 Comprehensive Plan, Page 142.

*stewardship of its unique Cultural Resources and support of the community's distinctive character.*⁴²

An element of the *Cultural Resources Vision* is the development and maintenance of Community Character, through the use, among other items, design details that are characteristic of Island development.⁴³ As indicated above, the proposed design character of the apartment buildings and infrastructure will be similar to that of Shelter Cove Towne Center a recognized and well respected example of Island character.

B. LMO REVIEW CRITERIA.

1. The proposed rezoning would allow a range of uses that are compatible with the uses allowed for other property in the immediate vicinity.

The current use of the Property is not compatible with the surrounding residential uses. As described above, the Property adjacent to the north and east by other multi-family residential apartment developments. To the south is a single family residential development. The Project will have less noise, traffic, lighting and activity than the current use as a school and is an appropriate, nearly identical use to that of the adjacent properties. The Project's buildings and improvements will appear, and, in many respects act, as a mixed use multifamily development similar to the adjacent properties and is appropriate for a PD-1 District, which is designed to include a mix of residential and non-residential uses. Therefore, the Applicant contends that rezoning of the Property, as proposed in the Application, is compatible with the uses on other property in the immediate vicinity.

2. The proposed rezoning is appropriate for the land.

The Applicant believes that the Property is uniquely suitable for the use proposed in the Application. The proposed redevelopment of the Property does not require the creation of additional off-site infrastructure or improvements. The Property has direct access to Gardner Drive, a minor arterial street with excellent

⁴² See July 18, 2017 Comprehensive Plan, Page 2.

⁴³ See Section 2.3 Community Character, July 18, 2017 Comprehensive Plan, Page 15.

connections to U.S. Highway 278 and beyond. The Property is connected to all necessary and available utilities and storm water drainage facilities. The proposed use creates virtually no discharge or other impacts on adjacent properties. In fact, the natural surroundings and ease of access serve to enhance the Property's desirability for the use proposed in the Application. Therefore, the proposed rezoning is appropriate for the Property.

3. The proposed rezoning addresses a demonstrated community need.

The *Housing Vision of the Comprehensive Plan* provides that the "ultimate goal of planning for housing activities and programs on the Island is to increase housing opportunities that meet the needs of existing and future populations as well as attract new investment in the community."⁴⁴ It specifically recommends that "[p]rovisions that allow for aging in place should be considered, especially as the population percentage of people over the age of 65 in the Town continues to grow".⁴⁵ Additionally, the proposed rezoning allows for the development of a housing option that supports and provides options for the Town's population, as it ages, which aligns with similar recommendations in the *Housing Vision of the Comprehensive Plan*.⁴⁶

The Applicant submits that the recommendations and goals stated in the Comprehensive Plan indicate a demonstrated community need, which shall be addressed by the proposed redevelopment of the Property once the rezoning is approved.

4. The proposed rezoning is consistent with the overall zoning program, as expressed in future plans for the Town.

Section 16-1-103 of the LMO states that the purpose and intent of the LMO is to "guide development and use of property in accordance with the Town's Comprehensive Plan and existing and future needs of the Town in order to protect, promote and improve public health, safety, morals, convenience, order,

⁴⁴ See Part 5, Housing, "Introduction", Page 52 of the July 18, 2017 Comprehensive Plan.

⁴⁵ See Section 4.3: "Implications for the Comprehensive Plan", Page 40 of the July 3, 2012 Comprehensive Plan.

⁴⁶ See Part 5: "Housing", "Introduction", Page 50 of the July 3, 2012 Comprehensive Plan.

appearance, prosperity and general welfare of the landowners and residents of the Town”⁴⁷.

The Applicant submits that this description is an excellent statement of the Town’s overall zoning program, and is one that is supported by the rezoning proposed as specifically described in the Application. The redevelopment of an aging, undesired and potentially underutilized and redundant facility into a modern, high quality, apartment development as proposed by the Applicant is consistent with the Town’s overall zoning program.

5. The proposed rezoning would avoid the creation of an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts.

The rezoning proposed in the Application maintains the PD-1 base zoning district for the Property, and adds a new use and corresponding appropriate density that analogous to the Shelter Cove Towne Center apartments. Furthermore, the property to the north and east currently contain multi-family apartment developments. Accordingly, an inappropriately isolated zoning district would not be created by the proposed rezoning. Rather, the rezoning a use that is complementary and compatible to the immediately adjacent and surrounding zoning districts as well as other PD-1 Districts with similar development.

6. The proposed rezoning would allow the subject Property to be put to a reasonably viable economic use.

The current limited use authorized under the PD-1 base zoning district makes the Property economically unviable as there is little market or desire for the current use or other Institutional uses and virtually no desire for commercial development which would not be complementary to the surrounding districts. Therefore, the Property’s marketability is poor for the currently permitted use. Limitations on specific commercial parcels within the PD-1 base zoning district may create limitations on marketability of such commercial parcels as time passes and as the Town develops and matures. That is the case with the Property.

⁴⁷ See Section 16-1-103 of the LMO.

The Property is currently under contract of sale between the Owner and the Applicant. The Applicant has successfully developed and currently owns and operates similar multi-family apartment developments in the southeastern United States. The approval of the Application shall improve the marketability of the Property, as it shall result in the sale thereof to an owner with a viable business and use of the Property. In addition, the Applicant believes that the approval of the Application will not have an adverse effect on the marketability of other properties in the vicinity.

7. **The proposed rezoning would result in development that can be served by available, adequate and suitable public facilities (e.g. streets, potable water, sewer and storm water management).**

The Property is currently served by sewer, water and storm water facilities. As indicated above, the storm water facilities will be redeveloped together with the redevelopment of the Property. The Property is located within the Hilton Head PSD #1 service area, and it has the capacity to service the Property. The Property is also directly accessed via Gardner Drive, a minor arterial street, and the proposed redevelopment requires no additional Town facilities.

8. **The proposed rezoning is appropriate due to any changed or changing conditions in the affected area.**

The Property is currently used as a school serving Pre-K through 12th grade students. The school has acquired land on the mainland and has permitted the development of a new campus on that land. There have been no other successful proposed purchasers and the existing by-right uses for commercial development are not needed not desired in the location of the Property or for that matter, anywhere in the Town. There is a need for addition and diverse housing and the Project fulfills that need and is therefore appropriate.

IV. VISION AND STRATEGIC ACTION PLAN.

While not a required element or discussion for an application for a zoning map amendment, the Applicant believes that the Project is also consistent with the Town's *Vision and Strategic Action*

*Plan*⁴⁸ (the “**Vision Plan**”). Throughout 2017, the Town undertook a community engagement process through a series of workshops, surveys and focus groups to explore thoughts and ideas for the long-term future of the Island in an effort to create a shared vision and action plan. As noted in the introduction of the Vision Plan, “there is a stated desire to preserve the heritage and character of the Island while at the same time progressing with “sensitive redevelopment” that continues to attract and retain young professionals, retirees and tourists alike.”⁴⁹

It is noted that the Vision Plan reports that the Town has a “relatively high percentage of two-person households compared to benchmark communities” and there is debate and concern whether population growth will stagnate.⁵⁰ As noted above, much of the residential housing stock is single family residences in the Town’s PD-1 Districts. Those are approaching build-out. Adding a new mix of quality residential housing provides opportunity for continued population growth. Further, it is noted that the median age in 2015 was 54.1 and expected to increase. The aging population can be addressed with the addition of a mix of quality residential housing opportunities, particularly for young adults, which the Project contemplates.

Section 3.5 of the Vision Plan describes the need for urgent action – and two of the four concerns – the trend of young adults leaving the Town and workforce issues impacting Town businesses – are directly addressed by the Project which provides the opportunity for quality housing for young adults who work and desire to live on the Town.

Interestingly, the “Preferred Future - Implications” analysis in Section 5.5 of the Vision Plan, the anticipated characteristics of “Reinventing Sustainability” include “[s]ome increase density and population with workforce and housing options.”⁵¹ The Project certainly supports this characteristic of the Vision Plan.

Section 8 of the Vision Plan discusses the Key Strategic Action Pillars and Section 8.4.2 describes “key Strategic Action Areas” which include developing mixed use community nodes with a variety

⁴⁸ Town of Hilton Head Island, Vision and Strategic Action Plan, February 15, 2018.

⁴⁹ See section 1.0 of the Vision Plan.

⁵⁰ See Section 2.3 of the Vision Plan - Changing Demographics of Hilton Head Island.

⁵¹ See Section 5.5 of the Vision Plan – Preferred Future – Implications.

of housing options for a cross section of the Towns demographics noting that the “Shelter Cove Town Center development was seen by many as a promising start.”⁵²

Another Key Strategic Action Pillar addressed by the Project is the importance of right sized infrastructure – relating to transportation and traffic. A key strategic action area noted is “right-sized neighborhood locations” identifying interest in neighborhood nodes where both Millennial and Baby Boomer generations can socialize and entertain in community spaces which range in size and scale.⁵³ Here again, the Project proposes a housing opportunity for a mix of young adults starting a career on the Island as well as empty-nesters seeking to move from the Island single family home but still maintain a residence on the Island.

Section 10 of the Vision Plan details the “Road Map to the Future” and Section 10.3 describes Key Metrics to Measure Future Success including, important to the Project, the proposed metric tied to the key strategic pillar that there be “[a]vailability of additional housing options appealing to mixed demographics.⁵⁴ As discussed in this Narrative Summary, that is precisely what the Project proposes.

V. **CONCLUSION.** The Applicant believes that there is strong demand in the Hilton Head Island market for a high quality multi-family apartment community. The redevelopment of Shelter Cove Towne Center and the successful development and occupancy of the apartment buildings there evidence the need and desire for new and diverse housing stock. The Applicant’s objective is to provide the opportunity for housing for young adults as well as for residents who desire to sell their existing home and downsize into a low maintenance lifestyle.

The Applicant believes the foregoing narrative demonstrates that the Application is in conformance with the Town’s Comprehensive Plan, and meets the review standards set forth in Section 16-2-103.C.3.a. of the LMO. Accordingly, the Applicant respectfully requests that the Planning Commission:

⁵² See Section 8.4.2 – Key Strategic Action Areas – page 41 of the Vision Plan.

⁵³ See Section 8.7.2 – Key Strategic Action Areas – page 47 of the Vision Plan.

⁵⁴ See Section 10.3 – Key Metrics to Measure Future Success – page 53 of the Vision Plan.

Attachment H
ZA-001131-2019

1. Review the Application and the supporting testimony and documentation which shall be entered into the record; and
2. Find the following:
 - a. That the Application and the supporting testimony and documentation establish that the requested zoning map amendment is in accordance with the Town's Comprehensive Plan; and
 - b. That the Application and the supporting testimony and documentation establish that the requested zoning map amendment allows an additional use that is compatible with the uses allowed for other property in the immediate vicinity; and
 - c. That the Application and the supporting testimony and documentation establish that the requested zoning map amendment is appropriate for the land; and
 - d. That the Application and the supporting testimony and documentation establish that the requested zoning map amendment addresses a demonstrated community need; and
 - e. That the Application and the supporting testimony and documentation establish that the requested zoning map amendment is consistent with the overall zoning program as expressed in future plans for the Town; and
 - f. That the Application and the supporting testimony and documentation establish that the requested zoning map amendment avoids the creation of an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts; and
 - g. That the Application and the supporting testimony and documentation establish that the requested zoning map

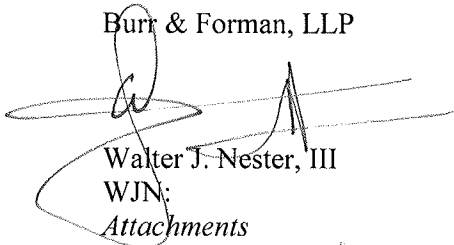
Attachment H
ZA-001131-2019

amendment allows the Property to be put to a reasonably viable economic use; and

- h.** That the Application and the supporting testimony and documentation establish that the requested zoning map amendment results in development that may be served by available, adequate and suitable public facilities (e.g. streets, potable water, sewer and storm water management); and
 - i.** That the Application and the supporting testimony and documentation establish that the requested zoning map amendment is appropriate due to changed or changing conditions in the affected area; and
- 3.** That the Planning Commission Recommend the Town Council's approval of the Application and the rezoning of the Property to make multi-family residential use as the approved use and authorize the density requested herein.

Respectfully submitted on behalf of the Applicant this 23rd day of May, 2019.

Burr & Forman, LLP



Walter J. Nester, III
WJN;
Attachments

EXHIBIT "A" TO NARRATIVE SUPPLEMENT

Agreement to Provide Workforce Housing, Conversion and Short Term Rental Restriction

*Prepared by and after recording
return to **Burr & Forman LLP (WJN)**
23B Shelter Cove Lane
Hilton Head Island SC 29938*

STATE OF SOUTH CAROLINA)	AGREEMENT TO PROVIDE
)	WORKFORCE HOUSING,
)	CONVERSION RESTRICTION
)	AND
COUNTY OF BEAUFORT)	SHORT TERM RENTAL RESTRICTION

THIS AGREEMENT TO PROVIDE WORKFORCE HOUSING, CONVERSION RESTRICTION AND SHORT TERM RENTAL RESTRICTION (the “**Agreement**”) is entered into and effective as of the _____ of _____, 2019 (the “**Effective Date**”) by and between **SDP HHI, LLC**, a South Carolina limited liability company, together with its successors and assigns, including its successors in title from time to time as to all or any portion of the Property subject to this Agreement (the “**Owner**”), and the **Town of Hilton Head Island**, South Carolina, a South Carolina municipal corporation (the “**Town**”).

WHEREAS, the Owner owns fee simple title to certain real property located at 55 Gardner Drive, consisting of 13.83 acres, more or less, together with improvements thereon, all as more particularly described in Exhibit “A” and attached hereto and made a part hereof (the “**Property**”); and

WHEREAS, the Owner has represented to the Town its intentions to construct a multi-family apartment complex consisting of two hundred sixty (260) multifamily residential dwelling units on the Property (the “**Project**”); and

WHEREAS, Town has requested and Owner has agreed to designate five percent (5%) of those units as Workforce Housing (as hereafter defined) for Qualified Household (as hereafter defined) as well as other restrictions as set forth herein; and

WHEREAS, the parties desire to document their agreements and the terms thereof as more particularly described in the Agreement.

NOW, THEREFORE, for and in consideration of the foregoing premises, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and the Town hereby agree, and the Owner hereby declares that, for a period of ten (10) years from the date that any certificate of occupancy is issued for the Project (hereinafter the “**Term**”), the Property shall be held, transferred, conveyed, leased, occupied and otherwise disposed of and used subject to the following terms of this Agreement, which shall constitute covenants with the land and be binding on all successors and assigns:

1. The following definitions shall apply to this Agreement:

a. **“Area Median Income”** shall mean and have reference to the median family income, based upon applicable family size of a Qualified Household for Beaufort County as most recently published by the United States Department of Housing and Urban Development (hereinafter **“HUD”**). In the event HUD shall not longer compile and publish Area Median Income, the most similar information compiled and published by HUD, or any other branch or department of the federal government or the State of South Carolina, or the County of Beaufort, shall be used for the purpose of determining Area Median Income.

b. **“County”** shall mean and refer to the County of Beaufort in the State of South Carolina.

c. **“Fair Market Rent”** applicable to each rental Workforce Housing Unit shall mean and have reference to the schedule of Fair Market Rents for Beaufort County as published annually by HUD.

d. **“Household Income”** shall mean and refer to all sources of financial support, both cash and in kind, of all adult members of a household, including, without limitation, wages, salaries, tips and commissions, all forms of self-employment income, interest, dividends, net rental income, income from estates or trusts, social security benefits, railroad retirement benefits, supplemental security income, aid to families with dependent children or other public assistance welfare programs, other sources of income regularly received including veterans’ (VA) payments, unemployment compensation, child support and alimony, awards, prizes, lottery income, government or institutional or eleemosynary loans, grants or subsidies, and contributions made by family or others for medical, financial, personal or educational needs.

e. **“Qualified Household”** for rental units shall mean and refer to those households whose occupants have, in the aggregate, a Household Income that does not exceed one hundred twenty percent (120%) of the Area Median Income as published annually by HUD as of the date of the lease.

f. **“Short Term Rental”** shall mean and refer to rental of a housing unit constructed on the Property for a period of less than one hundred twenty days (120).

g. **“Rental Workforce Housing Units”** shall mean and refer to those thirteen (13) residential units, comprised of a mix of studio, one bedroom, two bedroom, and three bedroom residential units in the same ratio as contained in the Project (the **“Housing Unit Mix”**) which shall be made available for lease only by and to Qualified Households.

h. **“Town”** shall mean and refer to the Town of Hilton Head Island, duly organized and existing under the laws of the State of South Carolina.

2. Rental Workforce Housing Units. The Owner agrees to construct, or cause to be constructed, and to provide at all times during the Term, a minimum of five percent (5%) Rental Workforce Housing Units comprised of the Housing Unit Mix. The Rental Workforce Housing

Units shall be rented by the Owner to only Qualified Households at Fair Market Rent. The Owner shall be required, upon request, to submit to the designated representative of the Town of Hilton Head Island, or its successor or designee, verified income reports of household income of all occupants of the Rental Workforce Housing Units at the inception of each tenancy and the rent charged for each such unit, and to update such information on a yearly basis thereafter as requested by the Town of Hilton Head Island.

3. Location. The Rental Workforce Housing Units shall be integrated within the residential areas of the Project and will be of similar architecture, design and quality as all other residential units within the Project.

4. Right to Inspect. Upon two (2) business days' notice, the Town and its authorized agents shall have the right to enter and the Property to inspect and take actions reasonably necessary to verify compliance with the terms of this Agreement.

5. Short Term Rental Restriction. For a period of ten (10) years from the date that any certificate of occupancy is issued for the Project, Short Term Rental of any housing unit constructed on the Property is prohibited.

6. Conversion. For a period of twenty (20) years from the date that any certificate of occupancy is issued for the Project, conversion of any housing unit constructed on the Property to fee simple ownership pursuant to a master deed or other means is prohibited.

7. Enforcement. The Owner acknowledges and otherwise grants to the Town the right to enforce this Agreement in a judicial action against any person or entity violating or attempting to violate this Agreement. Should the Town prevail in any such enforcement action, it shall be entitled to costs of enforcement, including reasonable attorney's fees.

8. Notice. During the Term, all deeds, plats, or any other legal instruments used to convey any interest in the Property, except any mortgage or financing document relating to the Property, shall include the following (failure to comply with this paragraph does not impair the validity or enforceability of the terms of this Agreement):

NOTICE: This Property is conveyed subject to Agreement to Provide Workforce Housing, recorded in the Register of Deeds Office for Beaufort County in Book _____, Page _____.

9. Binding Effect. Should any separate part of this Agreement be held contrary to law, the remainder shall continue in full force and effect.

10. Applicable Law. This Agreement shall be subject to and enforceable under the laws of South Carolina.

11. No Waiver. No failure to exercise and no delay in exercising any right, power or privilege under this Agreement will operate as waiver thereof, nor will any single or partial exercise of any right, power or privilege under this Agreement preclude any further exercise of the same or any other right, power or privilege hereunder.

Attachment H
ZA-001131-2019

12. Entire Agreement. This Agreement contains the entire agreement between the parties. All prior negotiations between the parties are merged in this Agreement, and there are no understandings or agreements other than those incorporated or referred to herein. This Agreement may not be modified except by an instrument in writing signed by both parties and recorded in the Office of the Register of Deeds for Beaufort County.

[Signatures on following pages]

IN WITNESS WHEREOF, the undersigned has set its hand and seal this ____ day of _____, 2019.

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

SDP HHI, LLC
a South Carolina limited liability company

_____)
Witness

By: _____
Print Name: _____

_____)
Witness/Notary

Its: _____

STATE OF _____)
))
COUNTY OF _____)

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by SDP HHI, LLC, by _____, its _____.

Notary Public for _____
My Commission Expires: _____

IN WITNESS WHEREOF, the undersigned has set its hand and seal this ____ day of _____, 2019.

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

TOWN OF HILTON HEAD ISLAND

Witness

By: _____
Print Name: _____

Witness/Notary

Its: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Town of Hilton Head Island, by _____, its _____.

Notary Public for _____
My Commission Expires: _____

Exhibit "A"

EXHIBIT "B" TO NARRATIVE SUPPLEMENT

Letter from Nicole Dixon, CFM, Town Development Review Administrator
dated January 17, 2019

TOWN OF HILTON HEAD ISLAND

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

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

www.hiltonheadislandsc.gov

John J. McCann
Mayor

January 17, 2019

William D. Harkins
Mayor Pro Tem

Council Members

David Ames
Tamara Becker
Marc A. Grant
Thomas W. Lennox

Mr. Walter Nester
Burr & Forman LLP
PO Drawer 3
Hilton Head Island, SC 29938

Dear Mr. Nester:

Stephen G. Riley
Town Manager

This letter replaces the letter dated January 16, 2019 and is in response to your request for a zoning verification letter for the property located at 55 Gardner Drive, further identified as R510 008 000 098A 0000, and currently owned by the Hilton Head Christian Academy. Please be aware that it is not a Town of Hilton Head Island policy to conduct a detailed site analysis; therefore, this correspondence will verify zoning and permitted land use only.

The subject parcel lies within the PD-1 (Planned Development Mixed Use) zoning district as identified on the Town of Hilton Head's Official Zoning Map. The parcel is identified as Parcel 15F on the Indigo Run Master Plan. This parcel is also located in the Corridor Overlay District.

The property is somewhat bisected by Gardner Drive and according to Beaufort County records, is approximately 13.83 acres in size. The current by-right uses and density as assigned on the Master Plan are Commercial-Retail (not to exceed 10,000 square feet per net acre), Commercial-Nonretail (not to exceed 20,000 square feet per net acre), Public Recreation and Institutional (not to exceed 10,000 square feet per net acre). The property currently contains a school with several buildings totaling approximately 61,018 square feet.

You can contact me at either (843) 341-4686 or nicoled@hiltonheadislandsc.gov if you have any additional questions.

Sincerely,



Nicole Dixon, CFM
Development Review Administrator

EXHIBIT "C" TO NARRATIVE SUPPLEMENT

Deed recorded in ROD in Book 521 Page 2073

508

The State of South Carolina,

COUNTY OF BEAUFORT

2073

10686

KNOW ALL MEN BY THESE PRESENTS, THAT

FOLLY FIELD ASSOCIATES, a Georgia Limited Partnership; LEROY MOORE and
ERWIN A. FRIEDMAN,

Revenue Stamps
Collected

State \$40.00 County \$26.00
Beaufort County, SC

in the State aforesaid ---for and-----in consideration of the sum of TEN AND NO/100ths--- (\$10.00)

and other valuable consideration Dollars,

to it and us in hand paid at and before the sealing and delivery of these Presents, by HILTON HEAD

CHRISTIAN ACADEMY, a South Carolina Eleemosynary Corporation, 12 Arrow
Road, Hilton Head Island, South Carolina 29928,

in the State aforesaid -----for which----- (the receipt whereof is hereby acknowledged),

have granted, bargained, sold and released, and by these Presents to do grant, bargain, sell and release unto the

said HILTON HEAD CRISTIAN ACADEMY, a South Carolina Eleemosynary Corporation,
its successors and assigns forever, the following described property, to-wit:

ALL that certain lot, tract or parcel of land situate, lying and
being 12.15 acres of a portion of the Honey Horn Plantation, Hilton
Head Island, Beaufort County, South Carolina, being more
particularly described as follows:

Commencing at the intersection of the center line of Matthews Drive
and the center line of U.S. Highway 278, and proceeding thence
North 75° 26' 20" West a distance of 2,608.17 feet to a point;
proceeding thence South 14° 32' 15" West a distance of 1,000.13
feet to a point marked by a found concrete monument which marks the
point of beginning of the property herein described.

Proceeding thence South 75° 26' 20" East a distance of 618.74 feet
to a point marked by a found concrete monument; proceeding thence
North 62° 18' 20" East a distance of 77.34 feet to a point marked
by a set concrete monument; proceeding thence along a curve to the
right having a radius of 50 feet an arc distance of 75 feet to a
point marked by a set concrete monument; proceeding thence South
12° 49' 15" East a distance of 488.64 feet to a point marked by a
set concrete monument; proceeding thence South 75° 33' East a
distance of 90.20 feet to a point marked by a set concrete
monument; proceeding thence South 14 27' West a distance of 82.22
feet to a point marked by a set concrete monument; proceeding
thence North 87° 38' 55" West a distance of 40.51 feet to a point;
proceeding thence North 85 04' West a distance of 317.78 feet to
a point marked by a found old concrete monument; proceeding thence
North 46° 25' 15" West a distance of 44.35 feet to a point marked
by a stake; proceeding thence North 84 11' West a distance of
60.50 feet to a point marked by a found concrete monument;
proceeding thence North 5° 49' East a distance of 30.04 feet to a
point marked by a found concrete monument; proceeding South 84
11' East a distance of 60.50 feet to a point marked by a stake;
proceeding thence South 5° 49' West a distance of 30.04 feet to a

continued on next page...

BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	Submap	Parcel	Block
570	8		98A	

2074

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 HILTON HEAD CHRISTIAN ACADEMY, a South Carolina Eleemosynary Corporation, its successors and assigns forever.

and our And it and we do hereby bind its successors/ Heirs, Executors and Administrators, to warrant and forever defend all and singular the said premises unto the said HILTON HEAD CHRISTIAN ACADEMY, a South Carolina Eleemosynary Corporation, and our its successors and assigns against it and us and its successors/Heirs and assigns now and hereafter lawfully claiming, or to claim the same, or any part thereof.

WITNESS its and our Hand and Seal, this 3rd day of JANUARY in the year of our Lord one thousand nine hundred and EIGHTY-NINE and in the two hundred and Thirteenth year of the Sovereignty and Independence of the United States of America.

Signed, Sealed and Delivered }
in the Presence of

[Signature]
[Signature]

[Signature]
[Signature]

FOLLY FIELD ASSOCIATES, (a Georgia Limited Partnership):

By: [Signature] (L.S.)
Erwin A. Friedman, General Partner

_____ (L.S.)

_____ (L.S.)

[Signature] (L.S.)

LeRoy Moore
[Signature] (L.S.)
Erwin A. Friedman

2075

GEORGIA
The State of South Carolina,
CHATHAM County

PERSONALLY appeared before me, Mary E. Bryson

and made oath that she saw the within named Folly Field Associates by its General Partner, Erwin A. Friedman, sign, seal, and as its Act and Deed deliver the within written Deed; and that she with Hetty J. Hensel witnessed the execution thereof.

SWORN to before me, this 3rd day of JANUARY, A. D. 19 89

Mary E. Bryson

Notary Public for: HETTY J. HENSEL
My Commission Expires: Notary Public, Chatham County, Georgia
STATE OF GEORGIA My Commission Expires Jan. 7, 1991
COUNTY OF CHATHAM

PERSONALLY appeared before me, Mary E. Bryson and made oath that s/he saw the within named Erwin A. Friedman sign, seal, and as his Act and Deed deliver the within written Deed; and that s/he with Hetty J. Hensel witnessed the execution thereof.

SWORN to before me, this 3rd day of JANUARY, 19 89

Mary E. Bryson

Notary Public for: HETTY J. HENSEL
My Commission Expires: Notary Public, Chatham County, Georgia
The State of South Carolina, My Commission Expires Jan. 7, 1991
County

RENUNCIATION OF DOWER.

I, do hereby certify
unto all whom it may concern, that Mrs.
wife of the within named did this day
appear before me, and upon being privately and separately examined by me, did declare that she does freely, voluntarily,
and without any compulsion, dread, or fear of any person or persons whomsoever renounce, release and forever
relinquish unto the within named
its successors and assigns, all her interest and estate, and also all her right and claim of Dower, of, in, or to all
and singular the premises within mentioned and released.

Given under my Hand and Seal, this day of

Anno Domini, 19
STATE OF GEORGIA
COUNTY OF CHATHAM

PERSONALLY appeared before me Mary E. Bryson and made oath that s/he saw the within named LeRoy Moore sign, seal and as his act and deed, deliver the within written Deed and that s/he with Hetty J. Hensel witnessed the execution thereof.

SWORN to before me this 3rd day of JANUARY, 19 89 (L.S.)

Mary E. Bryson

Notary Public for: HETTY J. HENSEL
My Commission Expires: Notary Public, Chatham County, Georgia
My Commission Expires Jan. 7, 1991

002076

point marked by a stake; proceeding thence South 46° 25' 15" East a distance of 44.35 feet to a point marked a found old concrete monument; proceeding thence North 85° 05' 55" West a distance of 502.91 feet to a point marked by an old stone; proceeding thence South 79° 54' 15" West a distance of 231.24 feet to a point marked by a found concrete monument; proceeding thence North 14° 32' 15" East a distance of 712.15 feet to a point marked by the found concrete monument which marks the point of beginning of the property herein described.

The 0.04 acre tract designated as the "Lift Station Site" on the plat described below is specifically excluded from the property described herein, this being the description of the 12.2 acre tract shown on said plat, specifically saving and excluding therefrom the 0.04 acre tract designated as the "Lift Station Site."

For a more particular description of said property, reference is made to that certain plat prepared by Hussey, Gay & Bell, Consulting Engineers on April 23, 1982, of a portion of the Honey Horn Plantation, Hilton Head Island, Beaufort County, South Carolina, which plat is recorded in the office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 30, Page 125, said real property being shown upon said plat as having the metes and bounds described above.

This being the same property conveyed to Leroy Moore, Walter C. Askew, III, Erwin A. Friszman, James W. Hancock, Jr., and Irwin Mazo by Deed from H. I. S., a South Carolina Limited Partnership dated June 2, 1982, and recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina, in Deed Book 348 at Page 1154 on June 3, 1982; and, to Folly Field Associates, a Georgia Limited Partnership, by Deed of James W. Hancock, Jr., Walter C. Askew, III and Irwin Mazo dated June 2, 1982, and recorded with said RMC office in Deed Book 348 at Page 1158 on June 3, 1982.

This Deed was prepared in the Law Offices of Black & Biel, Suite 102 Atlantic Savings Bank Building, 200 Office Park Road, Hilton Head Island, South Carolina 29926, by Dewitt T. Black, III, Esquire.

Black & Biel

The State of South Carolina,

TO

TITLE TO REAL ESTATE

Filed *27th* day
of *Jan* A. D. 19 *89*
at *10:48* o'clock *A.* M.
and recorded in Book *521*
Page *2073* Fee, \$ *5.00*
Floyd H. Dalton
R. M. C. or Clerk Court C. P. & C. S.
Beaufort County, S. C.

2077

Recorded this *13th* day
of *February* 19 *89*
in Book *V* Page *74*
Fee, \$
Thos. Lee Hays
Auditor *Beaufort* County, S. C.

EXHIBIT "C-1" TO NARRATIVE SUPPLEMENT

Deed recorded in ROD in Book 2739 Page 10

4
to
be
4033

ADD DMP Record 6/27/2008 12:18:27 PM
BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	SMap	Parcel	Block	Week
R510	008	000	0573	0000	00

BEAUFORT COUNTY SC- ROD

BK 02739 PGS 0010-0013

DATE: 06/26/2008 02:25:27 PM

INST # 2008040872 RCPT# 550067

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

QUITCLAIM DEED

RECORDED
2008 Jun -30 09:05 AM

TO ALL WHOM THESE PRESENTS MAY COME:

Shaun Q. Burns
BEAUFORT COUNTY AUDITOR

NOW, KNOW ALL MEN BY THESE PRESENTS, THAT INDIGO RUN LIMITED PARTNERSHIP, in the State aforesaid for and consideration of the sum of TEN DOLLARS (\$10.00) AND NO OTHER VALUABLE CONSIDERATION, to us in hand paid at and before the sealing of the presents by HILTON HEAD CHRISTIAN ACADEMY, 55 GARDNER DRIVE, HILTON HEAD ISLAND, SC 29926, the receipt whereof is hereby acknowledged has remised, released and forever quit-claimed, and by these presents do remise, release and forever quit-claim unto the said HILTON HEAD CHRISTIAN ACADEMY, its Successors and Assigns, forever, the following:

TMS NO: R510-008-0098-0000 (A SECTION OF INDIGO RUN)

ALL that certain piece parcel or tract of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, containing 6.22 acres, more or less, and being shown as Parcel II and Access Easement, on that certain Plat prepared by Coastal Surveying Co., Inc., and recorded December 28, 1995 in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 54 at Page 187. For more precise details of said plat, referenced is made to Exhibit "A" attached.

TOGETHER with all and singular the rights, members, hereditaments and appurtenance 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 HILTON HEAD CHRISTIAN ACADEMY, its Successors and Assigns, forever, so that neither the said INDIGO RUN LIMITED PARTNERSHIP, nor its Successors and Assigns, nor any other person or persons, claiming under them, shall at any time hereafter, by any ways or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part of parcel thereof, forever.

Attachment H
ZA-001131-2019

SO that the said INDIGO RUN LIMITED PARTNERSHIP, nor its Successors, Assigns or any person or persons claiming under it shall at any time hereafter, by any way or means, have claim or demand any right, title or interest to the aforesaid Premises or appurtenances, or any part of parcel thereof, forever.

IN WITNESS WHEREOF, INDIGO RUN LIMITED PARTNERSHIP, by its duly authorized Partner(s), has caused these presents to be executed in its name this 30th day of September in the year of Our Lord One Thousand Nine Hundred and Ninety-eight and in the Two Hundred Twenty-third year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED and DELIVERED
in the Presence of

INDIGO RUN LIMITED PARTNERSHIP,
a South Carolina limited partnership

BY: IRP ASSOCIATES LIMITED
PARTNERSHIP, a South Carolina limited
partnership
Its: General Partner

BY: THE MELROSE COMPANY, INC.,
a South Carolina corporation
Its: General Partner

Margaret B. Luckey
B. Jane Yulem


By: Robert P. Powell
Its: Sr. Vice President

m:\forms\quitdeed itp

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGEMENT
COUNTY OF BEAUFORT)

I, the undersigned Notary Public for the State of South Carolina, do hereby certify that RICHARD P. REICHEL, Sr. Vice-President of The Melrose Company, a South Carolina corporation, as General Partner for IRP Associates Limited Partnership, General Partner for Indigo Run Limited Partnership, personally appeared before me this day and, in the presence of the two witnesses above named, acknowledged the due execution of the foregoing instrument.

Witness my hand and seal this 30th day of September, 1998.



Notary Public for South Carolina
My Commission expires: July, 9, 2007

This Deed was prepared by Edward M. Hughes, Hughes Law Firm, P.C., P. O. Box 23526, Hilton Head Island, SC 29925.

EXHIBIT, "A" ,

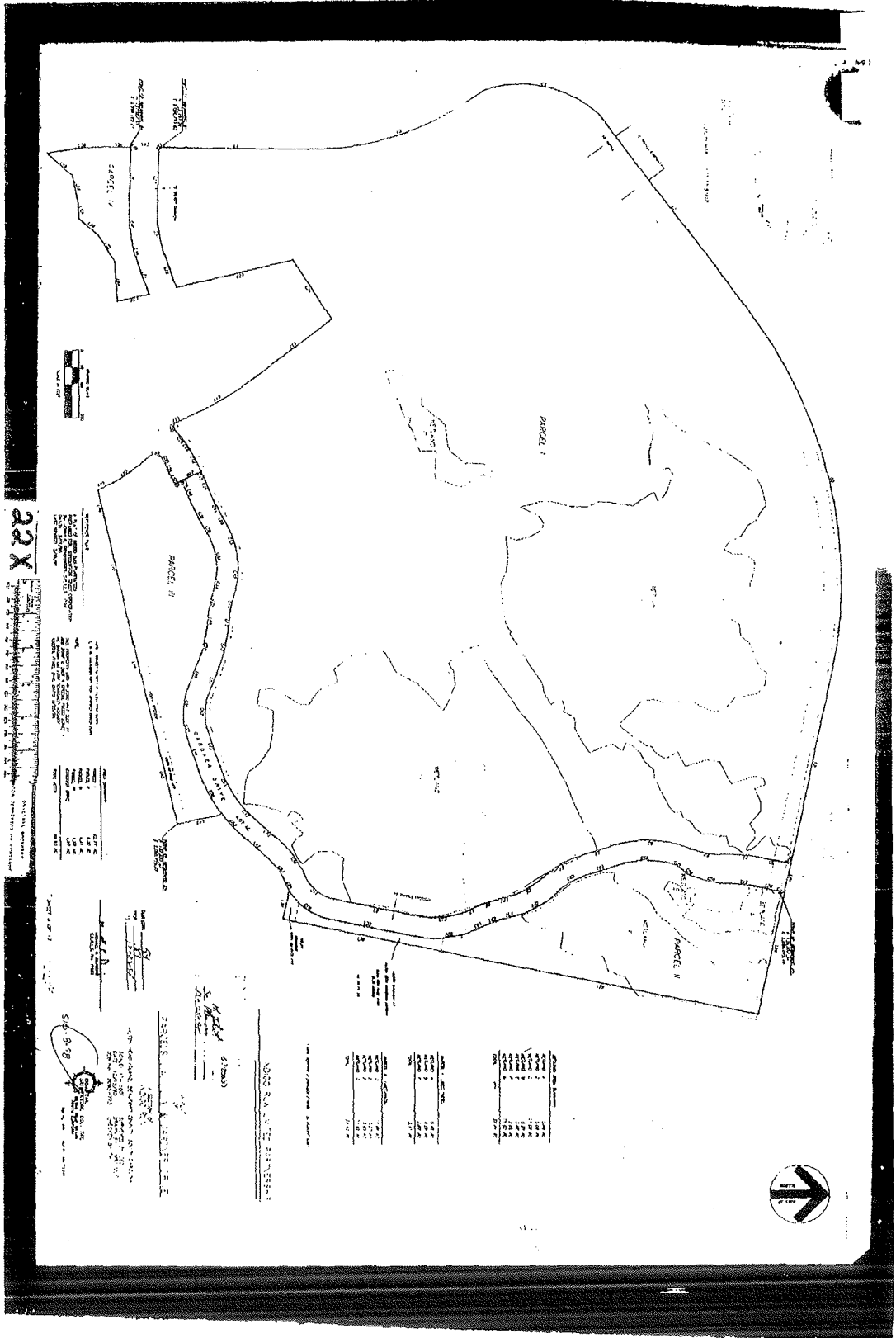


EXHIBIT "C-2" TO NARRATIVE SUPPLEMENT

Deed recorded in ROD in Book 2857 Page 956

After Recording Return to:
Qualey Law Firm
P.O. Box 10
Hilton Head, SC 29938
(843) 785-3525

BEAUFORT COUNTY SC- ROD
BK 02857 PGS 0956-0962 COUNTY TAX 5.50
DATE: 08/16/2009 09:42:42 AM STATE TAX 13.00
INST # 2009035071 RCPT# 587711 TRANSFER 12.50

*13RB
3974*

STATE OF SOUTH CAROLINA)
) LIMITED WARRANTY DEED
COUNTY OF BEAUFORT)

KNOW ALL MEN BY THESE PRESENTS, that **THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA**, a South Carolina municipal corporation (the "Grantor") in the State aforesaid and in consideration of the sum of **TEN AND NO/100 DOLLARS (\$10.00) DOLLARS** and other valuable consideration to it in hand paid at and before the sealing of these presents by **HILTON HEAD CHRISTIAN ACADEMY**, a South Carolina non-profit corporation (the "Grantee"), having an address of 55 Gardner Drive, Hilton Head Island, SC 29926, the receipt whereof is hereby acknowledged, has remised, released and forever granted, bargained, sold and released, unto the said Grantee, in fee simple, its Successors and Assigns forever, the following property subject to the restrictions and limitations set forth herein, to wit:

SEE ATTACHED EXHIBIT "A" FOR DESCRIPTION OF THE PROPERTY
WHICH CONTAINS 0.193 ACRES, MORE OR LESS
(the "PROPERTY")

THE PROPERTY IS CONVEYED SUBJECT TO THE FOLLOWING RIGHT OF FIRST REFUSAL, USE RESTRICTIONS AND LIMITATIONS:

1. **GRANT OF RIGHT OF FIRST REFUSAL.** Grantee hereby gives and grants to Grantor a right of first refusal to acquire the Property upon the following terms and conditions:
 - A. **NOTICE OF ACCEPTABLE OFFER.** If at any time or times during the term of this right of first refusal, Grantee or its successors in title receives an offer for the purchase of all or any part of the Property which it desires to accept, then Grantee shall forthwith forward a copy of such offer (the "Acceptable Offer") to Grantor.

CHANGE DMP Record 8/4/2009 10:22:32 AM
BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	SMap	Parcel	Block	Week
R510	008	000	098A	0000	00

RECORDED
2009 Aug -10 12:02 PM
Shaun W. Burris
BEAUFORT COUNTY AUDITOR

- B. EXERCISE OF RIGHT OF FIRST REFUSAL.** Grantor shall have a period of thirty (30) days after receiving such copy of the Acceptable Offer within which to notify Grantee that Grantor elects to purchase the Property (or the portion thereof covered by the Acceptable Offer) on the terms contained therein. Any such notice from Grantor shall be accompanied by any earnest money required under the terms of the Acceptable Offer, which shall then constitute a contract between Seller and Buyer even though neither has signed it.
- C. WAIVER OF RIGHT OF FIRST REFUSAL.** If Grantor does not notify Grantee within the thirty (30) day period mentioned in the preceding paragraph of its election to purchase such property, Grantee shall be free to sell such property to the person who submitted the Acceptable Offer (or to such person's permitted assigns) on the terms specified therein, and Grantor shall upon request execute and deliver an instrument in recordable form appropriate to evidence its relinquishment of its rights under this instrument with respect to such transaction. Notwithstanding any such relinquishment, Grantor's rights under this instrument shall remain in effect with respect to any part of the Property not covered by the Acceptable Offer, or for any subsequent sale of the property covered by the Acceptable Offer, if the transaction contemplated by the Acceptable Offer fails for any reason to close, with respect to any subsequent offer to purchase all or any part of the Property covered by such Acceptable offer.
- D. NOTICES.** Any notice required or permitted to be given under this right of first refusal shall be in writing and shall be deemed given upon personal delivery or on the second business day after mailing by registered or certified United States mail, postage prepaid, to the appropriate party at its address stated below:

Grantee: Headmaster, 55 Gardner Drive, Hilton Head Island, SC 29926

Grantor: Town Manager, 1 Town Center Court, Hilton
Head Island, SC 29928

Either party may change its address for notices by notice to the other party as provided above.

E. BINDING EFFECT. The provisions of this instrument are binding upon and for the benefit of Grantee and Grantor and their respective successors and assigns

- 2. RESTRICTIVE COVENANTS.** The Property is conveyed subject to the following reservations of rights, conditions, restrictions, limitations of use, which shall run with the land and be binding upon the Grantee, its successors and assigns.

A. The Property may not be developed in any way and can only be used as a buffer/open space; and

B. The Property may not be used in determining allowable density for the Grantee's combined adjoining property and no development rights are conveyed by Grantor to Grantee (intentionally or otherwise) in the within Limited Warranty Deed as an appurtenance to the Property.

3. **ENFORCEMENT OF RESTRICTIONS.** Grantor has standing to enforce each and every restrictive covenant and agreement contained in this Deed, and Grantor is entitled to enforce the full and faithful performance of any or all of the terms and provisions of this Deed, which shall include the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent the violation or breach of any of them.

The Property is a portion of the same property conveyed to the within Grantor by deed of Woodlands Housing Associates LP, dated February 14, 2000, and recorded in the Office of the Register of Deeds for Beaufort County in Record Book 1273 at Page 1813.

THIS Deed was prepared by the Law Offices of Alford and Wilkins, P.C., PO Drawer 8008, 18 Executive Park Road Suite 1, Hilton Head Island, SC 29938.

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 in fee simple.

AND Grantor does hereby bind itself its Successors and Assigns, to warrant and forever defend, all and singular, the said Premises unto the said Grantee, the Grantee's Successors and Assigns as herein above provided, against Grantor and Grantor's Successors and Assigns.

IN WITNESS WHEREOF, Grantor has executed this Limited Warranty Deed on
June 12, 2009.

WITNESSES:

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

[Signature]
Signature of 1st Witness

By: Thomas D. Peeples
Name: Thomas D. Peeples
Title: Mayor

[Signature]
Signature of 2nd Witness (Notary Public)

Attest: [Signature]
Name: Stephen G. Riley, ACIP
Title: Town Manager

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

ACKNOWLEDGMENT

I, the undersigned Notary Public, do hereby certify that Thomas D. Peeples and Stephen G. Riley, as Mayor and Town Manager, respectively, personally appeared before me this day and acknowledged the due execution of the foregoing Limited Warranty Deed on behalf of the Town of Hilton Head Island, South Carolina.

WITNESS my hand and seal
this 12 day of JUNE, 2009.

[Signature] (SEAL)
Notary Public for South Carolina
My Commission expires: 12/27/2017

EXHIBIT "A"

ALL that certain piece, parcel or lot of land situate, lying and being located in the Town of Hilton Head Island, Beaufort County, South Carolina, which is designated as "0.193 Acres to be conveyed to The Hilton head Christian Academy," as more fully shown on the plat prepared by Surveying Consultants, Inc., Terry G. Hatchell, South Carolina Registered Land Surveyor No. 11059, dated June 9, 2009, and entitled "Boundary Recombination Plat of 0.193 Acres, Gardner Drive, to be Conveyed to Hilton Head Christian Academy, Subdivided from Tax Parcel #R510-008-000-101B-0000 Lands of Town of Hilton Head Island," which is recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 128 at Page 79.

Tax Map Number: A Portion of TMS# R510 008 00A 101B 0000

Attachment H
ZA-001131-2019

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT) AFFIDAVIT FOR TAXABLE OR EXEMPT TRANSFERS

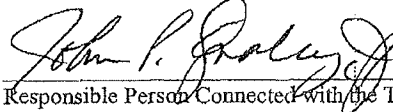
PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this affidavit and I understand such information.
2. The property being transferred is located at 0.193 Acres, Gardner Drive, Hilton Head Island, _____, bearing Beaufort County Tax Map Number P/O R510-008-00A-101B-0000 _____, was transferred by The Town of Hilton Head Island, South Carolina to Hilton Head Christian Academy on June 12, 2009.
3. Check one of the following: The deed is
 - (a) X subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) _____ subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) _____ exempt from the deed recording fee because (See Information section of Affidavit): _____
(If exempt, please skip items 4 - 7, and go to item 6 of this affidavit.)

If exempt under exemption #14 as described in the Information section of this affidavit, did the agent and principal relationship exist at the time of the original sale and was the purpose of this relationship to purchase the realty?
Check Yes _____ or No _____


4. Check one of the following if either item 3(a) or item 3(b) above has been checked (See Information section of this affidavit):
 - (a) X The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$5,000.00.
 - (b) _____ The fee is computed on the fair market value of the realty which is _____.
 - (c) _____ The fee is computed on the fair market value of the realty as established for property tax purposes which is _____.
5. Check Yes _____ or No X to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is: _____.
6. The deed recording fee is computed as follows:
 - (a) Place the amount listed in item 4 above here: \$5,000.00
 - (b) Place the amount listed in item 5 above here: N/A
(If no amount is listed, place zero here.)
 - (c) Subtract Line 6(b) from Line 6(a) and place result here: \$5,000.00
7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is: \$5,010.00.
8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Closing Attorney.

9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.


Responsible Person Connected with the Transaction

John P. Qualey, Jr.
Print or Type Name Here

SWORN to before me this 12th day of June, 2009
Notary Public for South Carolina
My Commission Expires: 10/30/16


Notary Public for South Carolina

INFORMATION

Except as provided in this paragraph, the term "value" means "the consideration paid or to be paid in money or money's worth for the realty." Consideration paid or to be paid in money's worth includes, but is not limited to, other realty, personal property, stocks, bonds, partnership interest and other intangible property, the forgiveness or cancellation of a debt, the assumption of a debt, and the surrendering of any right. The fair market value of the consideration must be used in calculating the consideration paid in money's worth. Taxpayers may elect to use the fair market value of the realty being transferred in determining fair market value of the consideration. In the case of realty transferred between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, and in the case of realty transferred to a trust or as a distribution to a trust beneficiary, "value" means the realty's fair market value. A deduction from value is allowed for the amount of any lien or encumbrance existing on the land, tenement, or realty before the transfer and remaining on the land, tenement, or realty after the transfer. Taxpayers may elect to use the fair market value for property tax purposes in determining fair market value under the provisions of the law.

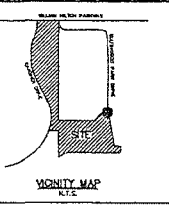
Exempted from the fee are deeds:

- (1) transferring realty in which the value of the realty, as defined in Code Section 12-24-30, is equal to or less than one hundred dollars;
- (2) transferring realty to the federal government or to a state, its agencies and departments, and its political subdivisions, including school districts;
- (3) that are otherwise exempted under the laws and Constitution of this State or of the United States;
- (4) transferring realty in which no gain or loss is recognized by reason of Section 1041 of the Internal Revenue Code as defined in Section 12-6-40(A);
- (5) transferring realty in order to partition realty as long as no consideration is paid for the transfer other than the interests in the realty that are being exchanged in order to partition the realty;
- (6) transferring an individual grave space at a cemetery owned by a cemetery company licensed under Chapter 55 of Title 39;
- (7) that constitute a contract for the sale of timber to be cut;
- (8) transferring realty to a corporation, a partnership, or a trust in order to become, or as, a stockholder, partner, or trust beneficiary of the entity provided no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficiary interest in the trust, or the increase in value in such stock or interest held by the grantor. However, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner, or trust beneficiary of the entity is subject to the fee even if the realty is transferred to another corporation, a partnership, or trust;
- (9) transferring realty from a family partnership to a partner or from a family trust to a beneficiary, provided no consideration is paid for the transfer other than a reduction in the grantee's interest in the partnership or trust. A "family partnership" is a partnership whose partners are all members of the same family. A "family trust" is a trust, in which the beneficiaries are all members of the same family. The beneficiaries of a family trust may also include charitable entities. "Family" means the grantor and the grantor's spouse, parents, grandparents, sisters, brothers, children, stepchildren, grandchildren, and the spouses and lineal descendants of any the above. A "charitable entity" means an entity which may receive deductible contributions under Section 170 of the Internal Revenue Code as defined in Section 12-6-40(A);
- (10) transferring realty in a statutory merger or consolidation from a constituent corporation to the continuing or new corporation;
- (11) transferring realty in a merger or consolidation from a constituent partnership to the continuing or new partnership; and,
- (12) that constitute a corrective deed or a quitclaim deed used to confirm title already vested in the grantee, provided that no consideration of any kind is paid or is to be paid under the corrective or quitclaim deed.
- (13) transferring realty subject to a mortgage to the mortgagee whether by a deed in lieu of foreclosure executed by the mortgagor or deed pursuant to foreclosure proceedings.
- (14) transferring realty from an agent to the agent's principal in which the realty was purchased with funds of the principal, provided that a notarized document is also filed with the deed that establishes the fact that the agent and principal relationship existed at the time of the original purchase as well as for the purpose of purchasing the realty.
- (15) transferring title to facilities for transmitting electricity that is transferred, sold, or exchanged by electrical utilities, municipalities, electric cooperatives, or political subdivisions to a limited liability company which is subject to regulation under the Federal Power Act (16 U.S.C. Section 791(a)) and which is formed to operate or to take functional control of electric transmission assets as defined in the Federal Power Act.

EXHIBIT "D" TO NARRATIVE SUPPLEMENT

Survey recorded in ROD in Plat Book 115 Page 192

Attachment H ZA-001131-2019



CHANCE	FARROW	RANOLD	FARROW	CHANCE	BEARING	CR. LN.
45	23.12	83.60	129.32	118.22	S 65°33'15" E	600.25
46	59.22	55.00	354.20	503.04	S 62°23'30" E	500.00
47	56.71	63.00	20.20	80.69	N 77°23'30" E	700.00
48	1.18	500.00	14.12	11.82	S 20°23'30" E	500.00
49	17.72	200.00	24.21	200.92	N 81°13'30" E	200.00
50	21.12	20.00	11.22	45.22	S 73°23'30" E	200.00

LINE	LENGTH	BEARING
W1	12.77	S 72°22'30" W
W2	12.77	S 72°22'30" W
W3	12.77	S 72°22'30" W
W4	12.77	S 72°22'30" W
W5	12.77	S 72°22'30" W
W6	12.77	S 72°22'30" W
W7	12.77	S 72°22'30" W
W8	12.77	S 72°22'30" W
W9	12.77	S 72°22'30" W
W10	12.77	S 72°22'30" W
W11	12.77	S 72°22'30" W
W12	12.77	S 72°22'30" W
W13	12.77	S 72°22'30" W
W14	12.77	S 72°22'30" W
W15	12.77	S 72°22'30" W
W16	12.77	S 72°22'30" W
W17	12.77	S 72°22'30" W
W18	12.77	S 72°22'30" W
W19	12.77	S 72°22'30" W
W20	12.77	S 72°22'30" W
W21	12.77	S 72°22'30" W
W22	12.77	S 72°22'30" W
W23	12.77	S 72°22'30" W
W24	12.77	S 72°22'30" W
W25	12.77	S 72°22'30" W
W26	12.77	S 72°22'30" W
W27	12.77	S 72°22'30" W
W28	12.77	S 72°22'30" W
W29	12.77	S 72°22'30" W
W30	12.77	S 72°22'30" W

LINE	LENGTH	BEARING
L1	79.44	N 79°22'30" E
L2	150.00	S 30°23'30" E
L3	99.99	N 17°23'30" E
L4	100.00	N 17°23'30" E
L5	100.00	N 17°23'30" E
L6	22.01	S 80°22'30" E
L7	75.42	S 20°23'30" E
L8	60.00	S 70°22'30" E
L9	44.00	S 15°23'30" E
L10	19.01	S 80°22'30" E
L11	44.00	S 15°23'30" E
L12	30.00	S 60°22'30" E
L13	60.00	S 70°22'30" E
L14	20.00	S 80°22'30" E
L15	20.00	S 15°23'30" E

REFERENCE PLATS

- 1) A PLAT OF PARCELS L&M, A GARDNER PARKWAY, A SECTION OF HONEY HORN PLANTATION, BEAUFORT COUNTY, SOUTH CAROLINA, DATED 12/15/1995, BY JONAS E. BURNHAM, S.C.P.L.S. NO. 11935, RECORDED, P.B. 24, PG. 197, 12/27/95.
- 2) A BOUNDARY PLAT OF GARDNER PARKWAY RIGHT-OF-WAY, ACQUISITION AND RE-ALIGNMENT PARCELS, HONEY HORN PLANTATION, BEAUFORT COUNTY, SOUTH CAROLINA, DATED 12/15/1995, BY LAURENCE E. CRAWFORD, S.C.P.L.S. NO. 9734, RECORDED, P.B. 41, PG. 21.
- 3) WELAND SURVEY OF PARCELS L&M, A GARDNER PARKWAY, A SECTION OF HONEY HORN PLANTATION, BEAUFORT COUNTY, SOUTH CAROLINA, DATED 12/15/1995, BY JONAS E. BURNHAM, S.C.P.L.S. NO. 11935, RECORDED, P.B. 24, PG. 197, 12/27/95.
- 4) 12.29 ACRES, A SECTION OF THE HONEY HORN PLANTATION, BEAUFORT COUNTY, SOUTH CAROLINA, DATED 12/15/1995, BY JONAS E. BURNHAM, S.C.P.L.S. NO. 11935, RECORDED, P.B. 24, PG. 197, 12/27/95.
- 5) ASHLEY A PARCEL TREE SURVEY OF HILTON HEAD CHRISTIAN ACADEMY, A SECTION OF HONEY HORN PLANTATION, BEAUFORT COUNTY, SOUTH CAROLINA, DATED 11/26/1998, LAST REVISED 5/11/2018, BY TERRY E. PATRICK, S.C.P.L.S. NO. 11288.

GENERAL NOTE

Some of the areas on this plat are flood hazard areas and have been identified as being at least a one percent chance of being flooded in any given year by rising sea water associated with possible hurricanes. State regulations require that certain flood hazard areas be delineated in the maps and construction of structures in these designated areas. Attention shall be made to the development constraints and restrictions of the development and requirements of the Town Building Official. It is considered that any proposed secondary structure of flood insurance in a community that is hereby insured mortgage financing in these designated flood hazard areas.

I, the undersigned as the Owner representative of Record of parcel 15310-028-000-0001-0002, agree to the recording of this plat.

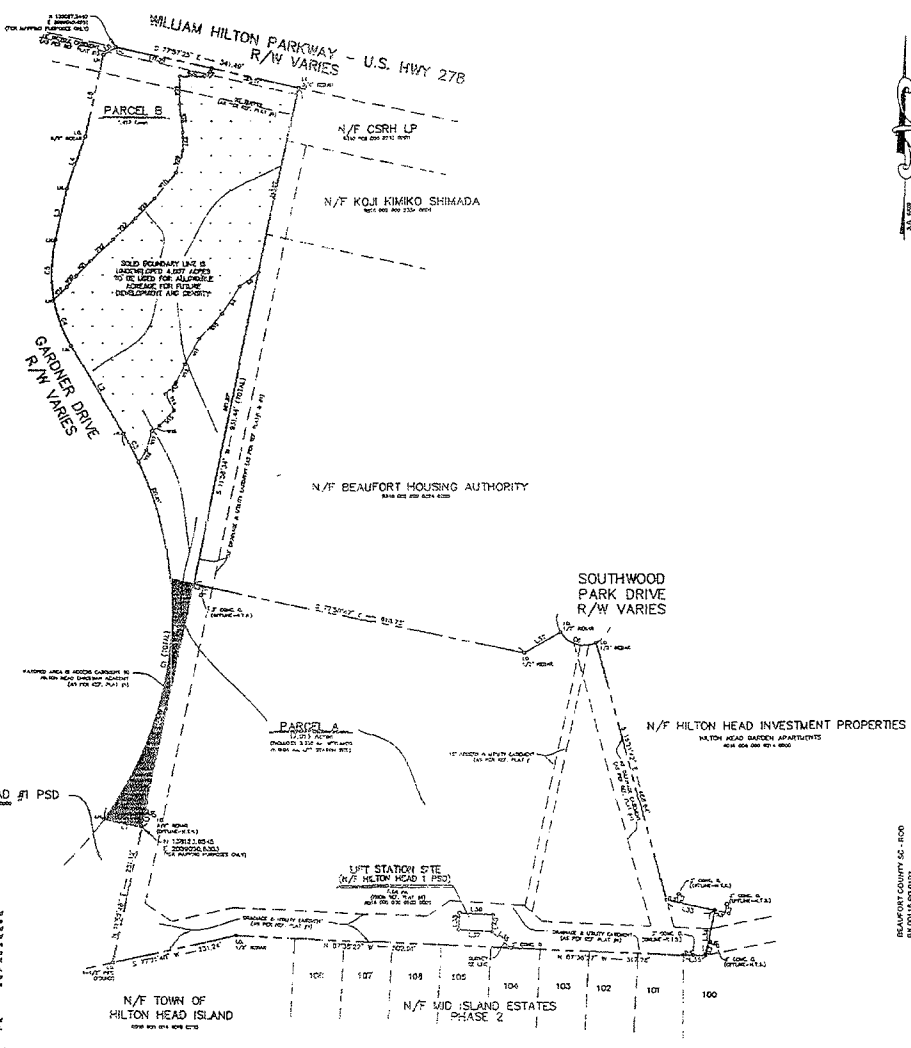
[Signature]
DATE: 8/16/19
WILLIAM HILTON CHRISTIAN ACADEMY

I, the undersigned as the Owners representative of Record of parcel 15310-028-000-0001-0002, agree to the recording of this plat.

[Signature]
DATE: 8/16/19
WILLIAM HILTON CHRISTIAN ACADEMY

PREPARED FOR: HILTON HEAD CHRISTIAN ACADEMY
CONTRACT NO. CHAS001-B106
PORTION OF TWO PARCELS, L&M 15310-028-000-0001-0002 AND A PORTION OF PARCELS L&M 15310-028-000-0001-0002

BEAUFORT COUNTY, SC: 1500
RECORDED FOR BOOK
FILED IN 2019/08/16
REC'D BY B. J. BOYD JR. 4:30 PM
RECORDED FILE 15310



PARCEL A =	17,312 ACRES
PARCEL B =	1,122 ACRES
TOTAL AREA =	18,430 ACRES

The plat was prepared and submitted for recording in accordance with the provisions of the South Carolina Code of Laws, Title 39, Chapter 25, and the provisions of the South Carolina Surveying Act, Chapter 47, as amended. The survey was conducted and the boundaries were determined in accordance with the provisions of the South Carolina Code of Laws, Title 39, Chapter 25, and the provisions of the South Carolina Surveying Act, Chapter 47, as amended.

Senior Planner, A.C. [Signature]

BOUNDARY RECONSTRUCTION
SURVEY OF
PARCELS A & B
HILTON HEAD CHRISTIAN ACADEMY
GARDNER DRIVE &
WILLIAM HILTON PARKWAY

A SECTION OF
HONEY HORN
PLANTATION

HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA
SCALE: 1" = 100' DATE: 5/22/2016 JOB NO: 090-199

SG SURVEYING CONSULTANTS
17 Oatman's Neck Road, P.O. Box 10, Beaufort, SC 29516
Telephone: (843) 724-9971 FAX: (843) 724-9972
www.sgsc.com

EXHIBIT "E" TO NARRATIVE SUPPLEMENT

HHCA Bluffton Campus Deed

AND Grantor does hereby bind itself and its successors and assigns to warrant and forever defend, all and singular the said premises unto the said GRANTEE, its successors and assigns, only against Grantor and its successors lawfully claiming or to claim the same or any part thereof, by, through or under it.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed this 30th day of December, 2002.

WITNESSES: BUCKWALTER GROUP, LLC, a South Carolina limited liability company

Thomas B. Langhorne
First Witness Signs Here

By: Richard P. Reichel
Name: Richard P. Reichel
Title: Managing Member

Edith L. Reed
Notary Public Signs Here

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGMENT
COUNTY OF BEAUFORT)

I HEREBY CERTIFY that on this 30th day of December, 2002, before me, the undersigned Notary Public of the State and County aforesaid, personally appeared RICHARD P. REICHEL, Managing Member of Buckwalter Group, LLC, known to me to be the person whose name is subscribed to the within Limited Warranty Deed, who acknowledged the execution thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above mentioned.

John P. Qualley, Jr.
[SEAL]
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: Oct. 23, 2007

EXHIBIT "A"

ALL that certain piece, parcel and tract of land, situate, lying and being within the Buckwalter Tract, Town of Bluffton, Beaufort County, South Carolina, containing 27.78 acres, consisting of 25.95 acres of uplands and 1.83 acres of wetlands, which parcel is more fully shown and described on a plat thereof prepared by Thomas & Hutton Engineering Co. Boyce L. Young, SCRLS No. 11079, entitled "A Boundary Plat of Buckwalter Private School Site, Formerly Known as a Portion of the Buckwalter Tract, Prepared For Hilton Head Christian Academy," which plat is dated December 4, 2002 and is recorded in the Office of the Register of Deeds for Beaufort County in Plat Book 91 at Page 2.

The property described above is conveyed subject to all applicable restrictive covenants, easements and affirmative obligations of record affecting it as of the date hereof, including but not limited to the following: (a) the Development Agreement recorded in Record Book 1288 at Page 1, as assigned; (b) the easements shown on the above-referenced recorded plat; and (c) the restrictive covenants, requirements for establishment of buffers, timber harvesting reservation, mineral royalties reservation, and other obligations and limitations affecting the above-described parcel contained in the Deed to Grantor which is recorded in Book 1549 at Page 815 in the Office of the Register of Deeds for Beaufort County.

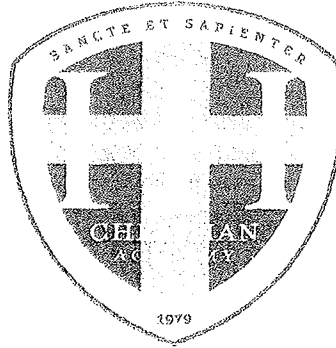
EXHIBIT "F" TO NARRATIVE SUPPLEMENT

Bluffton Campus Master Plan



EXHIBIT "G" TO NARRATIVE SUPPLEMENT

HHCA Board of Directors Letter



To the Planning Commission and Town Council of the Town of Hilton Head Island:

I am the Chairman of the Board of Directors for the Hilton Head Christian Academy. On behalf of the Board and the parents and supporters of our school, this letter is submitted to evidence our support and approval of the proposed zoning map amendment submitted by Spandrel Development Partners, LLC for the Academy property located at 55 Gardner Drive on Hilton Head Island. The approval of the requested rezoning of the Christian Academy property is critically important for the successful transition of the school to our mainland location.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Strickland", with a long horizontal flourish extending to the right.

Rod Strickland
Chairman of the Board of Directors

EXHIBIT "H" TO NARRATIVE SUPPLEMENT

Beaufort County Assessor's On Line Records dated 1-14-2019



Beaufort County, South Carolina

generated on 1/14/2019 10:27:23 AM EST

Property ID (PIN)	Alternate ID (AIN)	Parcel Address	Data refreshed as of	Assess Year	Pay Year
R510 008 000 098G 0000	04860662	,	1/11/2019	2019	2019

Current Parcel Information

Owner	BEAUFORT COUNTY SOUTH CAROLINA	Property Class Code	TCUVac Highway&StreetROW
Owner Address	PO BOX 1228 BEAUFORT SC 29901	Acreage	5.8400
Legal Description	60' R/W GARDNER DRIVE PB42 P117 PB61 P20 5/98 0.71 AC DEDUCTED FM 8/98 5/98 0.24 AC DEDUCTED FM 8/98F		

Historic Information

Tax Year	Land	Building	Market	Taxes	Payment
2018	\$500		\$500	\$0.00	\$0.00
2017	\$500		\$500	\$0.00	\$0.00
2016	\$500		\$500	\$0.00	\$0.00
2015	\$500		\$500	\$0.00	\$0.00
2014	\$500		\$500	\$0.00	\$0.00
2013	\$500		\$500	\$0.00	\$0.00
2012	\$500		\$500	\$0.00	\$0.00
2011	\$500		\$500	\$0.00	\$0.00
2010	\$500		\$500	\$0.00	\$0.00
2009	\$500		\$500	\$0.00	\$0.00

Sales Disclosure

Grantor	Book & Page	Date	Deed	Vacant	Sale Price
TOWN OF HILTON HEAD ISLAND	1241 1094	6/3/1999	QC		\$1
TOWN OF HILTON HEAD ISL	953 2313	6/17/1997	Fu		\$10
INDIGO RUN LTD P/S	952 1835	6/16/1997	Fu		\$10
UNKNOWN OWNER 04860662		12/31/1776	Or		\$0

12/31/1776 Or

\$0

Building	Type	Use Code Description	Improvements			Square Footage	Improvement Size
			Constructed Year	Stories	Rooms		

EXHIBIT "I" TO NARRATIVE SUPPLEMENT

Aerial Photo of Property



Project No: 01-1853

Date: 01-18-19

Scale: 1" = 500'-00"

Page Title: AERIAL IMAGE MAP



Spandrel Multifamily (Former HHCA Site)
Hilton Head Island, SC

Wood+Partners Inc. WPI
Landscape Architects
Landscape Planners

Document is preliminary and subject to change.
2451 Wood+Partners Inc., 7 Lakeside Place, Hilton Head Island, SC 29926 Tel: 803-481-1613 Fax: 803-481-7916, www.woodpartners.com

PO Box 2046 # Hilton Head Island, SC 29928
843.887.8258 # Fax 843.887.7360 # www.woodpartners.com

EXHIBIT "J" TO NARRATIVE SUPPLEMENT

Deed recorded in ROD in Book 207 Page 1839

207/1839

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

1839

KNOW ALL MEN BY THESE PRESENTS, That the Hilton Head Company, Inc. a Corporation having its principal offices in Beaufort County, South Carolina, for and in consideration of the sum of Ten and 00/100 (\$10.00) DOLLARS, to it in hand paid, at and before the sealing and delivery of these presents, by THOUSAND DARS, A Limited Partnership of Chatham County, Georgia the receipt whereof is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the said THOUSAND DARS, as aforementioned, its successors and assigns all the following described property, to-wit:

ALL that certain piece, parcel or tract of land located on Hilton Head Island Beaufort County, South Carolina, and containing 50 acres, more or less, as shown on a plat thereof prepared by William H. Mitchell, Registered Professional Engineer, surveyed December 4, 1972, and attached hereto and made a part hereof, and having the following metes and bounds: Said property is bounded on the north by the Southern right of way of U. S. Route 278, on the East and West by lands of the Hilton Head Company, Inc. and on the South by lands now or formerly of Shay and having the following metes and bounds: Beginning at a point located 50 feet perpendicular to the center line right of way of U. S. Route 278, 1,118.61 feet west of its intersection with the center line of U. S. Route 7-44; thence S 14 degrees 33 minutes 40 seconds W for a distance of 1,196.18 feet to a point; thence 113 degrees 30 minutes 10 seconds SW, for a distance of 63.12 feet; thence 180 degrees 01 minutes 00 seconds SW for a distance of 123.61 feet; thence 18 degrees 50 minutes 00 seconds SW for a distance of 152.02 feet; thence 1 degrees 47 minutes 30 seconds SW for a distance of 151.43 feet; thence 160 degrees 18 minutes 02 seconds SW for a distance of 127.29 feet; thence 192 degrees 30 minutes 20 seconds SW for a distance of 230.74 feet; thence 183 degrees 29 minutes 20 seconds SW for a distance of 1,623.81 feet; thence 275 degrees 26 minutes 20 seconds SW for a distance of 1,027.50 feet to the point of the beginning and containing 50 acres more or less.

NOTED, HOWEVER, TO THE FOLLOWING:
Said property is conveyed subject to all obligations, restrictions, covenants, conditions and covenants of record in the office of the Clerk of Court for Beaufort County, South Carolina attached hereto and made a part hereof.



Revenue Stamps
Collected
2017/06/26
Beaufort County, S. C.



TOGETHER WITH ALL and singular, the right, title, interest, claim, demand, debt, and premises, belongings, or in any wise made in or appertaining to

TO HAVE AND TO HOLD, all and singular, the said premises before mentioned unto the said THOUSAND OAKS, A Limited Partnership of Chatham County, Georgia, its SUCCESSORS ~~heirs~~ and assigns, forever, subject however to the restrictions of covenants set out above.

AND, the said GRANTOR does hereby bind itself, its assigns, heirs, and assigns, to maintain and forever defend, all and singular, the said premises unto the said THOUSAND OAKS, A Limited Partnership of Chatham County, Georgia, its successors ~~heirs~~ and assigns, against it and its successors and assigns, and all other persons or persons lawfully claiming or to claim the same or any part thereof.

IN WITNESS WHEREOF the Grantor has caused these presents to be signed, sealed, and attested, and its Seal affixed by its proper officers, this 15th day of December, 1973, and in the one hundred and ~~thirty~~ ^{thirty-seventh} year of the State's and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

Patricia L. Martin
William M. Smoot

THE WILSON HEAD COMPANY, INC. (SEAL)

By *Frederick C. Gack, Jr.*
President

ATTEST:
William M. Smoot
As Secretary

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

BEFORE ME personally appeared Patricia L. Martin and made oath that ~~say~~ the within named corporation by Frederick C. Gack, Jr. its President sign the within deed and William M. Smoot its Secretary attest the same, and the said corporation, by said officers, seal said deed and, as its act and deed, deliver the within written deed, that he with Lynn J. Scherdel witnessed the execution thereof.

SWORN to before me this 15th day of December, 1973 AD.

Patricia L. Martin
(Witness)

Robert L. Scherdel (SEAL)
Notary Public for South Carolina

EXHIBIT C

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PROTECTIVE COVENANTS

1841

WHEREAS, The Hilton Head Company, Inc. a corporation organized and existing under the laws of South Carolina, is owner of that certain fifty acre tract located on Hilton Head Island, Beaufort County, South Carolina as shown on the plat attached hereto and made a part hereof; and

WHEREAS, The Hilton Head Company, Inc. is desirous of placing upon the land certain restrictions and protective covenants which are more particularly hereinafter set forth.

NOW, THEREFORE, in consideration of the premises, The Hilton Head Company, Inc. does hereby publish, set forth and declare the following protective covenants and restrictions for that certain tract as shown on that certain plat attached hereto and made a part hereof as recorded in the office of the Clerk of Court for Beaufort County, South Carolina.

1. All property in said tract shall be used for semi-residential purposes only. As used in this declaration the term "semi-residential" means buildings in the nature of multiple-unit apartment houses, condominium units, and any accompanying facilities, such as swimming pools; save and except a ten acre tract to be designated and site approved by the Hilton Head Company, Inc. which said tract may be used for a hotel and/or motel with related facilities; subject however to the restrictions hereinbelow.

2. No building, structure, or accompanying facility of any kind, including signs or other forms of advertising shall be erected, placed, or altered on any property until architectural plans, specifications, construction material and site plan have been approved in writing by The Hilton Head Company, Inc., its designated agent, successors or assigns. Primary consideration in granting or refusing such approval shall be: Quality of design, workmanship and materials; harmony of external design with existing structures, landscaping plan and location with respect to topography and finish grade elevations as well as any other appropriate and reasonable considerations including a height restriction of two stories on all units except motel or hotel units which shall have a three story height restriction and a density

1512

restriction of sixteen units per acre. Provided, however, that said density restriction shall not apply to any motel or hotel development or related facility. If The Hilton Head Company, Inc., its successors and assigns, do not act on an application made to them for approval within thirty (30) days after submission, such application shall be deemed approved. This 30 day automatic approval period shall not be applicable unless the applicant presents written evidence of the date of submission to the Company.

3. Property owners shall landscape the improved property included within their property lines and shall maintain the premises in a neat and attractive manner.

4. No structure of a temporary character, trailer, mobile home, tent, shack, garage, barn or other outbuilding shall be used on any property at any time as a residence either temporarily or permanently.

5. Property owners shall provide within the area of their own property parking facilities to fully accommodate the automobiles of themselves and guests, such facilities to be shown on the site plan and approved by The Hilton Head Company, Inc., its successors and assigns.

6. No sewage disposal system shall be permitted on any property unless such system is designed, located and constructed in accordance with the requirements, standards, and recommendations of the appropriate public health authority. Approval of such system as installed shall also be obtained from such authority.

7. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition, and shall be screened from the public view.

8. Property owners shall provide adequate service entrances which shall be screened from public view.

9. No noxious or offensive activity shall be carried on upon any property nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

10. No livestock or live fowl shall be maintained on any property without the written consent of The Hilton Head Company, Inc., its successors or assigns.

11. No live trees measuring six inches or more in diameter at a height of

1512

four and one-half feet above ground level may be removed without the approval of The Hilton Head Company, Inc.

12. No property shall be subdivided, or its boundary lines changed, except with the written consent of The Hilton Head Company, Inc., its successors or assigns. Said consent shall not be unreasonably withheld.

13. The Hilton Head Company, Inc. hereby reserves to itself, its successors and assigns, a perpetual, alienable and releasable easement and right of way, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyances and use of electricity, telephone, gas, sewage, water and other public conveniences or utilities on, in or over the property conveyed hereunder. Such right may be exercised by any licensee of The Hilton Head Company, Inc., its successors or assigns, but this reservation shall not be construed as an obligation of The Hilton Head Company, Inc., its successors or assigns, to provide or maintain any such utility or service. Provided, however, that the foregoing is intended only as a general reservation of rights to the easements described, and each such easement shall be subject to a specific grant by written instrument as a condition precedent to its becoming effective, which instrument shall show the precise location and dimensions of any such easement. Such easements shall not be unreasonably withheld.

14. In the event that an owner of a unit or units within the property described herein should desire to sell his unit or units, then said property owner shall give The Hilton Head Company, Inc., its successors or assigns, an exclusive 90 day listing of such property, during which time the said company shall have the exclusive right to sell said property, and if the sale is consummated during said period, the said corporation shall be entitled to the prevailing commission of the total sales price on improved and unimproved property; and in the event the said company is unable to sell or dispose of said property at and for the price listed during the aforesaid period of time then the owner shall be free to sell and dispose of said property in such a manner as said owner shall desire. In no instance may the owner sell the property at a price less than that listed with the company, less commission, unless he has the express written consent of said company. If the property owner cannot sell the property within a one (1) year period following the

1816

listing by the company, the owner must again list the property with the company, for a 90 day period as above if he still desires to sell said property. This paragraph shall not apply in any way to the sale in a single transaction of all of the units in any development or phase of development on said property. No reservation of agency in favor of The Hilton Head Company, Inc. shall apply to any such sale.

15. If an owner of property within property described herein should receive an offer to purchase his property, it shall be offered for sale to the company at the same price at which the highest bona fide offer has been made for the property and with full disclosure of the intended purchaser; and the company shall have thirty (30) days within which to exercise its option to purchase said property at this price, and should the company fail to refuse within thirty (30) days after receipt of written notice of price and the terms of sale to exercise its option to purchase said property at the offered price and upon the offered terms, then the owners of said property shall have the right to sell said property subject however to all covenants and conditions and restrictions herein contained and at the exact price as submitted to the company. The owner may not solicit a purchaser by another agent or from advertising until the property owner has complied with Paragraph 14.

16. If any of the parties, agents, heirs, successors or assigns or any property owner, or any other person or persons shall violate or attempt to violate any of these covenants herein contained, any of said parties, their heirs, successors or assigns, or any other person or persons owning, or having an economic interest (such as a mortgage) in real property situated in said tract or area or in any adjacent tract or area subject to these restrictions shall have the right to prosecute any lawful proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant, to prevent him or them from doing so or continuing to do so, and/or to recover damages for such violation, but neither a delay in enforcement nor a failure to enforce any one or more of said covenants shall constitute a waiver of the right to do so thereafter as to the same or any subsequent violation. All plans, specifications, and other data information submitted to The Hilton Head Company, Inc. pursuant to Paragraph 2 above shall be open to the inspection prior to approval by any person or persons owning or having an

economic interest in real property situated in said property.

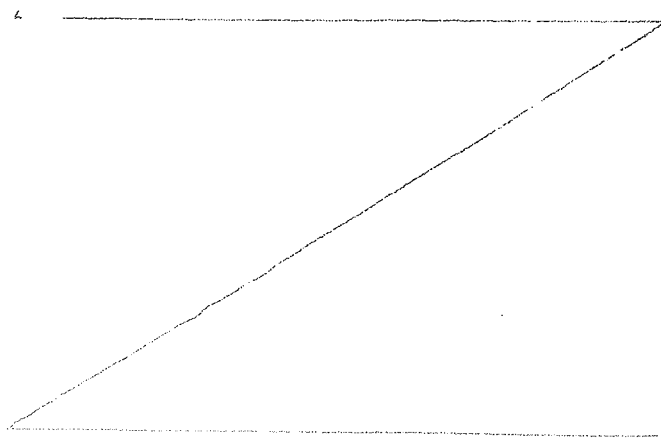
18-15

17. These restrictions incorporate all existing state and federal laws where applicable; and the invalidation of any restriction in this instrument contained, shall in no way affect any of the other restrictions, but they shall remain in full force and effect.

18. The provisions of the foregoing paragraphs shall be construed as covenants running with the land and shall be binding upon and enforceable by any and all of the parties hereto, their agents, heirs, successors or assigns, or any other person or persons owning, or having an economic interest in real property in said subdivision or area or any adjacent subdivision or area, until January 1, 1995, after which time said covenants shall be automatically extended for successive period of ten (10) years; however, these restrictions and covenants may be amended, altered, or changed at any time by an instrument signed by the owners of a majority interest in the property and approved by The Hilton Head Company, Inc., its successors and assigns, which said approval shall not be unreasonably withheld.

19. It is understood that these covenants and restrictions do not apply to any mortgagee of any property owner in said tract of property if and when said mortgagee forecloses on a loan to said property owner or acquires property by procedure in law or in equity; however, any person purchasing from said mortgagee takes the property subject to these covenants and restrictions.

20. Should there be established a property owners association for said tract it is expressly understood that the owners hereunder will subscribe to said association upon the express written consent of the owners of a majority of the land conveyed subject to these covenants and restrictions.



WATTS

RECORDED

1816

DATED this First day of December, 1972.

WITNESS:

THE HILTON HEAD COMPANY, INC.

Frederick C. Back, Jr.
William M. Smoot

By: Frederick C. Back, Jr.

Attest: William M. Smoot

State of South Carolina
County of Beaufort

Personally appeared before me _____ who, on oath says that he saw the within corporation The Hilton Head Company, Inc. by Frederick C. Back, Jr. its Vice President sign the within instrument and that William M. Smoot its Asst. Secretary attested the same and as its act and deed, sealed said instrument and that he with Lynn J. Scheider witnessed the execution hereof.

Frederick C. Back, Jr.

Sworn to before me this
First day of December, 1972

Notary Public

RECORDED

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

THOUSAND OAKS, A Limited Part-
nership of Chatham County,
Georgia

FROM XX

THE HILTON HEAD COMPANY, INC.

TITLE
TO

1847

HILTON HEAD ISLAND PROPERTY

I hereby certify that the within deed has been
this _____ day of _____ A.D. 19____ Recorded
in Book _____ of deeds, Page _____ of
Book _____ of _____ M.

[Signature]
Auditor of Beaufort County

I hereby certify that the within deed has been
this _____ day of _____ A.D. 19____ Trans-
ferred on Auditor's Book Page _____

Auditor of Beaufort County

1847

EXHIBIT "K" TO NARRATIVE SUPPLEMENT

Assignment of Rights recorded in ROD in Book 521 Page 2090

400

10689

2090

STATE OF SOUTH CAROLINA)
) ASSIGNMENT OF RIGHTS
COUNTY OF BEAUFORT)

This Assignment of Rights (the "Assignment") is made and executed this 3rd day of January 1989 by Erwin A. Friedman (herein referred to as the "Assignor").

WHEREAS, the Assignor desires to assign all of his rights, powers, titles, easements and Estates (collectively referred to as the "Rights") contained in any and all recorded and unrecorded Declarations of Covenants, Conditions and Restrictions and related instruments, recorded and unrecorded, and all subsequent amendments thereto affecting or related to the property described in Exhibit A hereto, and to this property only, situated on Hilton Head Island, Beaufort County, South Carolina (the "Declaration and the Amendments") to Hilton Head Christian Academy, a South Carolina eleemosynary corporation, its successors and assigns, (the "Assignee"), as recorded in the Office of the Register of Mesne Conveyances for Beaufort County in Deed Book 207 at Page 1839.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor does hereby fully assign to Assignee, its successors and assigns, the Assignor's Rights under the terms and provisions of the Declaration and the Amendments as they affect or relate to the property described in Exhibit A hereto, and to this property only.

This Assignment is granted without recourse, representation or warranty and is intended as a quit claim of the interest of Assignor as specified herein.

BLACK & OEL
ATTORNEYS AND COUNSELORS AT LAW
HILTON HEAD ISLAND, S.C.

2091

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed as of the day and year first above written.

ASSIGNOR:

Erwin A. Friedman
Erwin A. Friedman
Doris J. ...

ASSIGNEE:

HILTON HEAD CHRISTIAN ACADEMY

James B. Saba
BY: James B. Saba
Hent B. ...
Attest: Hent B. ...

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF BEAUFORT)

PERSONALLY appeared before me the undersigned witness who, being duly sworn, deposes and says that s/he saw the within named Assignor, Erwin A. Friedman, sign, seal and, as his act and deed, deliver the foregoing Assignment of Rights and that s/he, together with the other witness whose name appears as a witness, witnessed the execution thereof.

Erwin A. Friedman

Sworn to and subscribed before me this 3rd day of January 1989.

Doris J. ...
Notary Public for SC
My Commission Expires: 6-17-92

2092

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF BEAUFORT)

PERSONALLY appeared before me the undersigned witness who,
being duly sworn, deposes and says that s/he saw the within-named
Assignee, Hilton Head Christian Academy, by JAMES B. SAGA,
its College of Ad and attested to by KURT B. ENGLAND,
its Secretary, sign, seal and, as its act and deed,
deliver the foregoing Assignment of Rights and that s/he, together
with the other witness whose name appears as a witness, witnessed
the execution thereof.

Stellen A. Sheaffer

Sworn to and subscribed before me
this 3rd day of January 1989.

Daniel J. White
Notary Public for SC
My Commission Expires: 6-17-92

ORIGINAL DOCUMENT
POOR CONTRAST OR CONDITION

2093

EXHIBIT A

ALL that certain lot, tract or parcel of land situate, lying and being 12.16 acres of a portion of the Honey Horn Plantation, Hilton Head Island, Beaufort County, South Carolina, being more particularly described as follows:

Commencing at the intersection of the center line of Matthews Drive and the center line of U.S. Highway 170, and proceeding thence North 75° 26' 20" West a distance of 2,608.17 feet to a point; proceeding thence South 14° 32' 15" West a distance of 1,000.13 feet to a point marked by a found concrete monument which marks the point of beginning of the property herein described.

Proceeding thence South 75° 36' 20" East a distance of 618.74 feet to a point marked by a found concrete monument; proceeding thence North 82° 12' 20" East a distance of 77.34 feet to a point marked by a set concrete monument; proceeding thence along a curve to the right having a radius of 50 feet an arc distance of 75 feet to a point marked by a set concrete monument; proceeding thence South 12° 49' 15" East a distance of 488.64 feet to a point marked by a set concrete monument; proceeding thence South 75° 33' East a distance of 90.20 feet to a point marked by a set concrete monument; proceeding thence South 14° 27' West a distance of 82.22 feet to a point marked by a set concrete monument; proceeding thence North 87° 32' 35" West a distance of 48.31 feet to a point; proceeding thence North 85° 04' West a distance of 117.70 feet to a point marked by a found old concrete monument; proceeding thence North 46° 25' 15" West a distance of 44.35 feet to a point marked by a stake; proceeding thence North 84° 11' West a distance of 60.50 feet to a point marked by a found concrete monument; proceeding thence North 3° 49' East a distance of 30.94 feet to a point marked by a found concrete monument; proceeding South 84° 11' East a distance of 60.50 feet to a point marked by a stake; proceeding thence South 3° 49' West a distance of 30.94 feet to a

point marked by a stake; proceeding thence South 46° 25' 15" East a distance of 44.35 feet to a point marked a found old concrete monument; proceeding thence North 85° 05' 35" West a distance of 302.91 feet to a point marked by an old stone; proceeding thence South 75° 34' 15" West a distance of 231.24 feet to a point marked by a found concrete monument; proceeding thence North 14° 32' 15" East a distance of 712.13 feet to a point marked by the found concrete monument which marks the point of beginning of the property herein described.

The 0.04 acre tract designated as the "Lift Station Site" on the plat described below is specifically excluded from the property described herein, this being the description of the 12.2 acre tract shown on said plat, specifically saving and excluding therefrom the 0.04 acre tract designated as the "Lift Station Site."

For a more particular description of said property, reference is made to that certain plat prepared by Nussey, Gay & Bell, Consulting Engineers on April 23, 1982, of a portion of the Honey Horn Plantation, Hilton Head Island, Beaufort County, South Carolina, which plat is recorded in the office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 10, Page 125, said real property being shown upon said plat as having the acres and bounds described above.

Black & Biel

FILED AT	BEAUFORT COUNTY S.C.	RECORDED IN BOOK
10:48 O'CLOCK	JAN 27 1988	521 PAGE
A		2090
<i>Lloyd S. Dalton</i> REGISTER OF MESSSE CONVEYANCE		

EXHIBIT "L" TO NARRATIVE SUPPLEMENT

Indigo Run Master Plan revised January 25, 2000

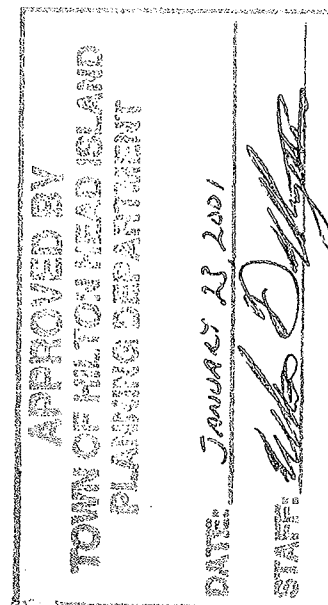
EXHIBIT “L-1” TO NARRATIVE SUPPLEMENT

Town Ordinance No. 2000-01, Chart I, Definitions

January 1, 1992
Last Revised January 25, 2000
ZMA990009
Ordinance No. 2000-01

INDIGO RUN MASTER PLAN TEXT
PD-1 Zoning District

CHART I
DEFINITIONS



1. RESIDENTIAL

- a. Land uses consisting of single family (full size and patio sized lots and attached and detached single family), and multi-family (attached residential including both short term and long term rentals).
- b. This land use also may include community maintenance and operations facilities, minor utility sub-stations, such as a phone or cable company switching station, and water, sewer and cable television facilities.

2. PRIVATE AND SEMI-PRIVATE RECREATION

Land uses which include but are not limited to golf courses, clubhouses and other golf related amenities/facilities (such as, but not limited to, maintenance facilities, cart barns, etc.) swimming pools, tennis courts, playgrounds, pavilions, bathhouses, multi-purpose buildings, community buildings, and other complementary active and passive uses which may be private and/or semi-private. Any such facility may be lighted for night use.

3. PUBLIC RECREATION

- a. Land uses consisting of private and semi-private recreation, indoor and outdoor lighted and unlighted recreation facilities, establishments and services which include active and passive sports, entertainment and equestrian facilities, and restaurants serving such public recreational facilities.
- b. Specifically excluded are outdoor multi-purpose amusement parks, waterslides, wave pools, go-cart tracks, automobile or other mechanized vehicle race tracks, mazes, rifle-range/shooting galleries, ferris wheels, roller coasters and displays of fiberglass or artificial animals, monsters or beasts.

4. COMMERCIAL

Land uses consisting of offices and retail commercial businesses.

5. RETAIL COMMERCIAL

Establishments engaged in selling goods or merchandise to the general public for personal or household consumption (e.g. shopping centers, super markets, department stores, convenience stores, gas stations, etc.) and rendering services incidental to the sale of such goods; and establishments providing services or entertainment to the general public, including but not limited to eating and drinking establishments, personal service businesses, automobile service and repair businesses and entertainment establishments (e.g. movie theaters, bowling alleys, video arcades).

6. INSTITUTIONAL

Land uses consisting of civic, cultural, municipal, governmental, educational, medical, research, or other similar facilities which may include dormitories or other similar living quarters for students, staff, faculty and professionals.

7. CONGREGATE CARE FACILITY

A facility which provides housing and one or more personal services for the elderly, which may include limited nursing services but which does not include nursing home care. Such facilities may provide common areas for the exclusive use of the residents and their guests (e.g. central dining facilities, recreation facilities, meeting rooms, beauty/barber shops). Units that do not contain kitchen facilities shall be calculated at a rate of 2.88 congregate care facility units equaling 1 residential dwelling unit.

END CHART I

CHART II
LAND USE SUMMARY

Parcel No.'s and Land Uses	Total Residential Units	Approx. Gross Acreage
Private Community	875	_____
• Residential		
• Private/Semi-Private Recreation		
Parcel 10	47	28.59
• Residential		
• Private/Semi-Private Recreation		
Parcel 11-A	114	_____
• Residential		
• Private/Semi-Private Recreation		
Parcel 11-B	28	_____
• Residential		
• Divisible Dwelling Units		
• Interval Occupancy		
• Private/Semi-Private Recreation		
Parcel 12	25	10.07
• Residential		
• Private/Semi-Private Recreation		
Parcel 13	25	4.64
• Residential		
• Private/Semi-Private Recreation		
Parcel 15-A		_____
• Single Family Residential	44	
Parcel 15-B		_____
• Retail Commercial, not to exceed 7,000 square feet per net acre	Not applicable	

Attachment H
ZA-001131-2019

Parcel No.'s and Land Uses	Total Residential Units	Approx. Gross Acreage
Parcel 15-C		_____
<ul style="list-style-type: none"> • Non-retail Commercial, not to exceed 10,000 square feet per net acre (except as otherwise shown on the Master Plan Map) 	Not applicable	
Parcel 15-D		_____
<ul style="list-style-type: none"> • Residential • Congregate Care Facility 	252 47	
Parcel 15-E		_____
<ul style="list-style-type: none"> • Commercial, not to exceed 50,000 square feet total 	Not applicable	
Parcel 15-F		_____
<ul style="list-style-type: none"> • Commercial, not to exceed 10,000 square feet per net acre for retail, or 20,000 square feet for non-retail • Public Recreation • Institutional, not to exceed 10,000 square feet per net acre 	Not applicable	

Note: Acreages shown are approximate and as such are not to be construed as survey accurate or as legal descriptions.

END CHART II

Attachment H
ZA-001131-2019

CHART III
LAND USE SUMMARY FOR TRACTS A-N

Chart V identifies the approved land use designations, densities, specific site requirements and any limitations or restrictions that apply to those properties (Tracts A, B, D, E, F, G, I, L and N) in the Town's original application (ZMA-8-91) for changes to the Indigo Run Master Plan that are included as a part of the revised Master Plan.

Tract Identification and Land Uses	Total Residential Units	Approx. Gross Acreage
Parcel A-1		
• Residential	141	32.98
• Private/Semi-Private Recreation		
Parcel A-2		
• Residential	29	7.038
• Private/Semi-Private Recreation		
• Church with accessory uses (not to exceed 5,000 square feet per net acre)		
Parcel B	204	25.08
• Residential		
• Private/Semi-Private Recreation		
Parcel D	Not Applicable	0.75
• Pine Field Cemetery		
Parcel F	50	12.73
• Residential		
• Private/Semi-Private Recreation		
Parcel G	Not Applicable	2.64
• Power Sub-Station and other utilities services		
• Waste Transfer Station		
Parcel I	Not Applicable	4.41
• Light Industrial		
Parcel L	Not Applicable	5.79
• Existing Concrete Plant		

Attachment H
ZA-001131-2019

Tract Identification and Land Uses	Total Residential Units	Approx. Gross Acreage
Parcel N	Not Applicable	23.81
<ul style="list-style-type: none"> • School (Grades K through 12) to include the following facilities: parking, classrooms, gymnasiums, swimming pool, auditorium, and administrative buildings. • Single Family detached Residential not to exceed 4 Dwelling Units per net acre of the parcel devoted to residential (Note: A maximum of 95 units are permitted if the entire parcel is developed for residential dwellings). • Non-commercial recreational areas to include the following: baseball facilities, soccer and football fields, nature trails, and gardening areas; but only in connection with a school. • Access to any school or recreational facility shall be exclusively from Leg O Mutton Road. • Required buffers shall be increased to a minimum of 150 feet along property lines for all recreational and school uses. • Interval Occupancy units are prohibited. • Dwelling Units permitted for this tract are not transferable to or from other parcels/tracts within the Indigo Run Master Plan. 		
MAXIMUM RESIDENTIAL UNITS	482	
TOTAL GROSS ACRES (+/-)		126.4

1976

END CHART III

EXHIBIT "M" TO NARRATIVE SUPPLEMENT

E-mail Correspondence of Mr. Steve Birdwell, Sea Pines Resort

Attachment H
ZA-001131-2019

From: Steve Birdwell <sbirdwell@seapines.com>
Sent: Monday, May 13, 2019 3:54 PM
To: JohnM@hiltonheadislandsc.gov; DavidA@hiltonheadislandsc.gov; David Ames
TamaraB@hiltonheadislandsc.gov; MarcG@hiltonheadislandsc.gov;
WilliamH@hiltonheadislandsc.gov; TomL@hiltonheadislandsc.gov; Tom Lennox
GlennS@hiltonheadislandsc.gov
Cc: Steve Riley (SteveR@hiltonheadislandsc.gov) <SteveR@hiltonheadislandsc.gov>; Emanuel D. Neuman
Mark Baker <mbaker@woodandpartners.com>; Cindi Rivera
<CRivera@seapines.com>; Cliff McMackin <CMcMackin@seapines.com>
Subject: Proposed new apartments

Dear Mayor McCann and members of Town Council,

I am writing you this afternoon in support of the new apartments proposed by Spandrel Development Partners on Gardner Drive.

Our team met with Emanuel Neuman, one of the Principals with Spandrel and Mark Baker, the President of Wood + Partners to review the project planned on the current location of the Hilton Head Christian Academy. After closely reviewing and discussing the plans with Emanuel and Mark we strongly support the proposed project. We believe the project represents the type of high-quality rental apartments that are needed and required to continue to attract and retain a highly qualified workforce in our Island community. Spandrel has recently completed new apartment communities in both Charleston and Savannah, and we believe these reasonably priced rental apartments are desperately needed on Hilton Head Island.

We are aware of the comments received from adjoining and surrounding residents and property owners, and we believe Spandrel has responded to these concerns by modifying the proposed number of units, increased the setback area, relocated the proposed clubhouse and swimming pool and they have made other changes and concessions.

We are also aware the Town is expecting a report from a workforce housing expert. We met with the housing expert during her on-site work effort and we understand the urgency to begin adding new rental units as quickly as possible.

As one of the largest employers on Hilton Head Island, we urge you to approve the proposed apartment project as quickly as possible. There is a significant construction period before these units will be completed, therefore we support approval of the units during the May 22nd Town Council meeting if this item is included on the agenda.

I am available to further discuss this matter at your convenience.

Best regards,

Steve

Attachment H
ZA-001131-2019



Steven P. Birdwell
President
Phone 843.842.1419
sbirdwell@seapines.com

[Accommodations](#) | [Golf](#) | [Meetings](#) | [Catering & Weddings](#) | [Dining](#) | [Real Estate](#)

Visit us at SeaPines.com | Home of the RBC Heritage PGA Golf Tournament

CONFIDENTIAL: This e-mail and any files transmitted with it are the property of The Sea Pines Resort, LLC. and its affiliates. All rights, including without limitation copyright, are reserved. The proprietary information contained in this e-mail message, and any files transmitted with it, is intended for the use of the recipient(s) named above. If the reader of this e-mail is not the intended recipient, you are hereby notified that you have received this e-mail in error and that any review, unauthorized disclosure, distribution or copying of this e-mail or any files transmitted with it is strictly prohibited. If you have received this e-mail in error, please notify the sender immediately and delete the original message and any files transmitted. The unauthorized use of this e-mail or any files transmitted with it is prohibited and disclaimed by The Sea Pines Resort, LLC and its affiliates. Nothing in this communication is intended to operate as an electronic signature under applicable law.

EXHIBIT "N" TO NARRATIVE SUPPLEMENT

Letter from Jeremy Clarke, CEO of the Hilton Head Hospital



January 18, 2019

Planning Commission and
Town Council of the Town of Hilton Head Island

Re: Zoning Map Amendment – Hilton Head Christian Academy Campus

Dear Ladies and Gentlemen:

This letter is provided by the Hilton Head Hospital in support of the proposed zoning map amendment and redevelopment of the Hilton Head Christian Academy Campus into a new multi-family apartment community. Tenet Health System's Hilton Head Hospital employs more than 700 personnel at its Hilton Head Island campus. The addition of quality residential housing opportunities is a well-known and much discussed need in our community, and the approval and development of this apartment community will provide a viable housing option for Hospital personnel and other employees working on Hilton Head. On behalf of the Hilton Head Hospital, it is respectfully requested that the Planning Commission and Town Council favorably view and approve this zoning map amendment and the development as proposed.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Clark", followed by the date "1/22/19".

Jeremy Clark
Market Chief Executive Officer
Hilton Head Regional Healthcare

EXHIBIT "O" TO NARRATIVE SUPPLEMENT

Copy of "will serve" letter HHI PSD #1

COMMISSIONERS
Bob Maune, Chair
Bob Gentzler, Vice-Chair
Gary Kratz, Treasurer
David McCoy, Secretary
Frank Drehwing
Herbert Ford
Pati Soltys



EXECUTIVE STAFF
J. Pete Nardi, General Manager
Larry M. Sapp, Chief Financial Officer
William C. Davis, Operations Manager

HILTON HEAD PUBLIC SERVICE DISTRICT

December 19, 2018

Jay Stasi
Spandrel Development Partners

Re: 55 Gardner Drive
R510-008-000-098A-0000

Dear Jay,

Hilton Head Public Service District has water and sewer availability to serve the above location.

Sincerely,

A handwritten signature in cursive script that reads "William Davis".

William Davis
Operations Manager

EXHIBIT “O-1” TO NARRATIVE SUPPLEMENT

Copy of “will serve” letter Palmetto Electric Cooperative



1 Cooperative Way

Hardeeville, SC 29927

843-208-5551

December 18, 2018

Mr. Jay Stasi
Spandrel Development Partners
Jstasi@spandreldevelopment.com

Re: 55 Gardner Drive

Dear Jay:

Palmetto Electric Cooperative, Inc. ("PECI") has ample power available to serve the above-referenced project. A redline drawing will be provided when the electrical load requirements and a detailed drawing have been received. There may be "Aid-in-Construction" charges for line extensions, relocations, or special grades of service as described in PECI policies.

Thank you for your cooperation in this matter. Please contact me at (843) 208-5512 or via email thutchinson@palmetto.coop if you have any questions or if I may be of further assistance.

Sincerely,

PALMETTO ELECTRIC COOPERATIVE, INC.

A handwritten signature in black ink, appearing to read "Tim Hutchinson", is written over a horizontal line.

Tim Hutchinson
System Engineer

TH:mhl

c: Mr. José-Luis Aguilar, PECI
Mr. Corey Tuten, PECI
Mr. Matt Loxley, PECI



EXHIBIT “O-2” TO NARRATIVE SUPPLEMENT

Copy of “will serve” letter Hargray Communications



February 5, 2019

Jay Stasi, VP of Construction
Spandrel Development
205 E 42nd St, 20th Floor
New York, NY 10017

Dear Mr. Stasi:

SUBJ: Letter of Intent to Provide Service for: **55 Gardner Drive, HHI**

Hargray Engineering Services has reviewed the master plan for the above referenced project. Hargray Communications has the ability and intent to serve the above referenced project. Forward to our office a digital copy of the plan that has been approved by the county/town for use with Microstation or AutoCAD. Our office will then include owner/developer conduit requirements on the approved plan and return to your office.

By accepting this letter of intent to serve, you also accept sole responsibility to forward the requirements and Project Application Form to the owner/developer. The Project Application Form identifies the minimum requirements to be met as follows:

- Commercial buildings – apartments – villas: Minimum 4 inch diameter conduit Schedule 40 PVC with pull string buried at 24 to 30 inch depth, from the equipment room or power meter location to a point designated by Hargray at the road right-of-way or property line. **Conduits are required from each building site and multiple conduits may apply.**
- Commercial buildings with multiple "units" may require conduit(s) minimum 3/4" from main equipment entry point to termination point inside unit. Plenum type ceilings require conduits or flame retardant Teflon wiring to comply with code.
- Hotel or large commercial project requirements would be two (2) 4 inch diameter Schedule 40 PVC underground conduits.
- Equipment rooms to have 3/4 inch 4'x8' sheet of plywood mounted on wall to receive telephone equipment.
- A power ground accessible at equipment room or an insulated #6 from the service panel or power MGN to the backboard.
- Residential wiring requires CAT5E wiring (4 or 6 Pair) twisted wire for Telephone and Data. Industry Standard.
- All interior wiring should be pulled to the area immediately adjacent to the plywood backboard or power meter location. A minimum of 5' of slack is required for terminations.

Aid in or Aid to Construction may apply to certain projects.

Easements are required prior to installing facilities to your site.

Should there be any changes or additions to the original master plan, this letter will only cover those areas which are shown on the original master plan. All changes or additions would require another Letter of Intent to supply service. All costs incurred by the Telephone Company resulting from any requested change or failure to comply with minimum requirements shall be borne by the Developer. **Commercial projects require pre-construction meeting with Telco Company to review requirements.** I am available to discuss these requirements in more detail at your convenience.

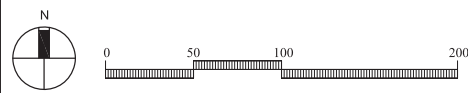
Sincerely,

A handwritten signature in black ink, appearing to read "Rodney Cannon", written over a horizontal line.

Rodney Cannon
Interim Manager, Facilities Engineering
843-815-1697



Project No: 01-18055 Date: 01-18-19 Scale: 1" = 50'-00" Page Title: EXISTING CONDITIONS



Spandrel Multifamily (Former HHCA Site) **Wood+Partners Inc. WPI**
 Hilton Head Island, SC
 Landscape Architects
 Land Planners

Document is preliminary and subject to change.
 2013 Wood+Partners Inc., 7 Lafayette Place, Hilton Head Island, SC 29926 Tel. 843-681-6618 Fax 843-681-7086, www.woodandpartners.com

PO Box 23949 ■ Hilton Head Island, SC 29925
 843.681.6618 ■ Fax 843.681.7086 ■ www.woodandpartners.com

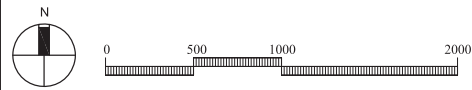


Project No: 01-18055

Date: 01-18-19

Scale: 1" = 500'-00"

Page Title: AERIAL IMAGE MAP



Spandrel Multifamily (Former HHCA Site)
 Hilton Head Island, SC

Wood+Partners Inc. WPI
 Landscape Architects
 Land Planners

Document is preliminary and subject to change.
 2013 Wood+Partners Inc., 7 Lafayette Place, Hilton Head Island, SC 29926 Tel. 843-681-6618 Fax 843-681-7086, www.woodandpartners.com

PO Box 23949 ■ Hilton Head Island, SC 29925
 843.681.6618 ■ Fax 843.681.7086 ■ www.woodandpartners.com

ATTACHMENT J

Current LMO Setbacks and Buffers for Existing and Proposed Uses on the Subject Property

*Hilton Head Christian Academy is an Institutional Use

Subject Property Existing, Designated Uses	Town-owned parcel to the north	Sandalwood Terrace	Undeveloped Southwood Park Drive right-of-way	Old Woodlands	Town-owned parcel to the south	Hilton Head PSD	Gardner Drive
Commercial Use Setback	30 ft, 60°	25 ft, 75°	20 ft, 60°	25 ft, 75°	30 ft, 60°	20 ft, 75°	40 ft, 70°
Commercial Use Buffer	Type C	Type B	Type A	Type C	Type C	No buffer	Type B
Public Recreation Use Setback	20 ft, 75°	20 ft, 75°	20 ft, 60°	20 ft, 75°	20 ft, 75°	25 ft, 75°	40 ft, 70°
Public Recreation Use Buffer	Type A	No buffer	Type A	Type A	Type A	Type B	Type B
Institutional Use* Setback	30 ft, 60°	25 ft, 75°	20 ft, 60°	25 ft, 75°	30 ft, 60°	20 ft, 75°	40 ft, 70°
Institutional Use* Buffer	Type C	Type B	Type A	Type C	Type C	No buffer	Type B
Subject Property Proposed Uses	Town-owned parcel to the north	Sandalwood Terrace	Undeveloped Southwood Park Drive right-of-way	Old Woodlands	Town-owned parcel to the south	Hilton Head PSD	Gardner Drive
Institutional Use* Setback	30 ft, 60°	25 ft, 75°	20 ft, 60°	25 ft, 75°	30 ft, 60°	20 ft, 75°	40 ft, 70°
Institutional Use* Buffer	Type C	Type B	Type A	Type C	Type C	No buffer	Type B
Multifamily Residential Use Setback	20 ft, 75°	20 ft, 75°	20 ft, 60°	20 ft, 75°	20 ft, 75°	25 ft, 75°	40 ft, 70°
Multifamily Residential Use Buffer	Type A	No buffer	Type A	Type A	Type A	Type B	Type B

ATTACHMENT K

LMO TABLE 16-5-103.F, BUFFER TYPES		
MINIMUM BUFFER WIDTH AND SCREENING REQUIREMENTS		
TYPE A BUFFER		
This buffer includes low- <i>density</i> screening designed to partially block visual contact and create spatial separation between <i>adjacent uses</i> or between <i>development</i> and <i>adjacent streets</i> with low traffic volumes.		
Option 1		Width: 20 feet <i>Overstory trees</i> : 2 every 100 linear ft <i>Understory trees</i> : 3 every 100 linear ft Evergreen shrubs: 8 every 100 linear ft
Option 2		Width: 10 feet <i>Overstory trees</i> : 2 every 100 linear ft <i>Understory trees</i> : 4 every 100 linear ft Evergreen shrubs: 10 every 100 linear ft
TYPE B BUFFER		
This buffer includes low- to medium- <i>density</i> screening designed to create the impression of spatial separation without significantly interfering with visual contact between <i>adjacent uses</i> or between <i>development</i> and <i>adjacent</i> minor arterials.		
Option 1		Width: 25 feet <i>Overstory trees</i> : 3 every 100 linear ft <i>Understory trees</i> : 6 every 100 linear ft Evergreen shrubs: 10 every 100 linear ft
Option 2		Width: 25 feet <i>Overstory trees</i> : 3 every 100 linear ft <i>Understory trees</i> : 6 every 100 linear ft Evergreen shrubs: 10 every 100 linear ft

ATTACHMENT K

LMO TABLE 16-5-103.F, BUFFER TYPES		
MINIMUM BUFFER WIDTH AND SCREENING REQUIREMENTS		
TYPE C BUFFER		
This buffer includes medium- <i>density</i> screening designed to eliminate visual contact at lower levels and create spatial separation between <i>adjacent uses</i> .		
Option 1		<p style="text-align: center;">Width: 25 feet</p> <p>Overstory trees: 3 every 100 linear ft Understory trees: 5 every 100 linear ft</p> <p>A solid wall or fence at least 3 ft high or a solid evergreen hedge at least 3 ft high and 3 ft wide</p>
Option 2		<p style="text-align: center;">Width: 15 feet</p> <p>Overstory trees: 4 every 100 linear ft Understory trees: 6 every 100 linear ft</p> <p>A solid wall or fence at least 3 ft high or a solid evergreen hedge at least 3 ft high and 3 ft wide At least 50% of all trees must be evergreen</p>
TYPE D BUFFER		
This buffer includes high- <i>density</i> screening designed to eliminate visual contact up to a height of six feet and create a strong spatial separation between <i>adjacent uses</i> . A Type D buffer is required adjacent to all loading areas per Section 16-5-107.H.8.d, Buffering of Loading Areas.		
Option 1		<p style="text-align: center;">Width: 30 feet</p> <p>Overstory trees: 5 every 100 linear ft Understory trees: 6 every 100 linear ft</p> <p>Evergreen shrubs: 25 every 100 linear ft and at least 6 ft high at maturity At least 50% of all trees must be evergreen</p>
Option 2		<p style="text-align: center;">Width: 20 feet</p> <p>Overstory trees: 6 every 100 linear ft Understory trees: 8 every 100 linear ft</p> <p>A solid wall or fence at least 6 ft high or a solid evergreen hedge at least 6 ft high and 3 ft wide At least 50% of all trees must be evergreen</p>

ATTACHMENT K

LMO TABLE 16-5-103.F, BUFFER TYPES		
MINIMUM BUFFER WIDTH AND SCREENING REQUIREMENTS		
TYPE E BUFFER		
<p>This buffer provides greater spacing and medium-<i>density</i> screening designed to define “green” corridors along major arterials.</p>		
Option 1		<p>Width: 50 feet <i>Overstory trees</i>: 4 every 100 linear ft <i>Understory trees</i>: 5 every 100 linear ft Evergreen shrubs: 20 every 100 linear ft and at least 3 ft high at maturity</p>
Option 2		<p>Width: 35 feet <i>Overstory trees</i>: 5 every 100 linear ft <i>Understory trees</i>: 7 every 100 linear ft Evergreen shrubs: 25 every 100 linear ft and at least 3 ft high at maturity At least 50% of all <i>trees</i> must be evergreen</p>
<ol style="list-style-type: none"> 1. Required overstory trees shall be distributed and spaced to maximize their future health and effectiveness as buffers. Other required vegetation shall be distributed within the buffer as appropriate to the function of the buffer. 2. Where an adjacent use is designed for solar access, understory trees may be substituted for overstory trees. 3. Fences or walls within an adjacent street or use buffer shall comply with the standards of Sec. 16-5-113, Fence and Wall Standards. 4. A berm may be provided in conjunction with the provision of a hedge, fence, or wall to achieve height requirements, provided its side slopes do not exceed a ratio of three horizontal feet to one vertical foot and the width of its top is at least one-half its height. 5. If a buffer length is greater or less than 100 linear feet, the planting requirements shall be applied on a proportional basis, rounding up for a requirement that is 0.5 or greater, and down for a requirement that is less than 0.5. (For example, if the buffer length is 150 linear feet, and there is a requirement that 5 overstory trees be planted every 100 linear feet, 8 overstory trees are required to be planted in the buffer (1.5 x 5 = 7.5, rounded up to 8)). 6. Minimum buffer widths and minimum planting requirements for adjacent street buffers may be reduced by up to 30 percent in the S District, 20 percent in the RD and IL Districts, and 15 percent in all other districts, on demonstration to the Official that: <ol style="list-style-type: none"> a. The reduction is consistent with the character of development on surrounding land; b. Development resulting from the reduction is consistent with the purpose and intent of the adjacent setback standards; c. The reduction either (a) is required to compensate for some unusual aspect of the site or the proposed development, or (b) results in improved site conditions for a development with nonconforming site features; d. The reduction will not pose a danger to the public health or safety; e. Any adverse impacts directly attributable to the reduction are mitigated; 		

ATTACHMENT K

- f. The reduction, when combined with all previous reductions allowed under this provision, does not result in a cumulative reduction greater than a 30 percent in the S District, 20 percent in the RD and IL Districts, or 15 percent in all other districts; and
 - g. In the S, RD, and IL districts, there are no reasonable options to the reduction that allow development of the site to be designed and located in a way that complies with LMO standards.
7. Minimum buffer widths and minimum planting requirements for adjacent use buffers may be reduced by up to 10 percent any district on demonstration to the Official that:
- a. The reduction is consistent with the character of development on surrounding land;
 - b. Development resulting from the reduction is consistent with the purpose and intent of the adjacent setback standards;
 - c. The reduction either (a) is required to compensate for some unusual aspect of the site or the proposed development, or (b) results in improved site conditions for a development with nonconforming site features;
 - d. The reduction will not pose a danger to the public health or safety;
 - e. Any adverse impacts directly attributable to the reduction are mitigated; and
 - f. The reduction, when combined with all previous reductions allowed under this provision, does not result in a cumulative reduction greater than a 30 percent in the S District, 20 percent in the RD and IL Districts, or 15 percent in all other districts.



MEMORANDUM

TO: Town Council

FROM: John M. Troyer, CPA, Director of Finance

VIA: Joshua A. Gruber, Assistant Town Manager

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

DATE: July 3, 2019

RE: First Reading of Proposed Ordinance No. 2019-18; Special Obligation Bond Ordinance Hospitality Fee. Second Supplemental Ordinance – providing for the issuance and sale of Town of Hilton Head Island, South Carolina, Special Obligation Bonds (Hospitality Fee Pledge), in one or more series, in the principal amount not exceeding \$ 17,000,000; delegating the authority to the Town Manager to determine certain matters with respect to the bonds; prescribing the form and details of such bonds; other matters relating thereto; and providing for the severability and effective date.

Recommendation:

Staff recommends Council approve first reading of Proposed Ordinance No. 2019-18. The ordinance provides for the authorization to issue special obligation bonds to refund special obligation bonds Series 2011 A and Series 2011 B to achieve savings and improve the Town's cash flow. The Town has previously directed the Financial Advisor and Bond Counsel to seek to take advantage of market opportunities to save the Town money on its outstanding debt. This recommendation is a result of those efforts.

Summary:

In 2011, the Town issued Special Obligation Bonds Series 2011A and Series 2011B. These bonds are supported by Hospitality fees. Market conditions at the time dictated not only an interest rate structure, but also a reserve requirement. Current market conditions have reduced rates and afforded a substitute for the reserve funds to a reasonably-priced surety. The Town's Financial Advisor and the Town's Bond Counsel both recommend the action to save money, improve cash flow, and improve the Town's portfolio of outstanding bonds.

Details:

Included with these materials is a detailed report on the current market conditions and savings opportunities. Among the highlights of the report on the following page (and page references to amounts):

Original Issue amounts:

Series 2011 A	\$15,250,000
Series 2011 B	<u>\$ 8,250,000</u>
Total	\$23,500,000

Bonds outstanding (and bonds to be refunded):

Series 2011 A	\$ 11,965,000	(page 1)
Series 2011 B	<u>\$ 4,770,000</u>	(page 2)
Total	\$ 16,735,000	

Average coupon of existing bonds:

Series 2011 A	4.200%	(page 8)
Series 2011 B	<u>3.569%</u>	(page 9)
Total	4.096%	(page 10)

Bonds expected to be issued: \$16,030,000 (page 10)

Expected interest rate (TIC) 3.0662% (taxable) (page 10)

Expected Cash Flow improvement \$2,360,765 (page 13)

Reserve Funds released:

Series 2011 A	\$1,061,140	-- otherwise would have been released in 2036	(page 11)
Series 2011 B	<u>\$ 574,060</u>	-- otherwise would have been released in 2028	(page 12)
Total	\$ 1,635,200		(page 13)

Expected Savings \$725,565 – Cash flow improvement \$2,360,765 less reserves released \$1,635,200.

Present Value Expected Savings \$274,393 (page 13)

Additional refunding details attached.

SECOND SUPPLEMENTAL ORDINANCE

PROVIDING FOR THE ISSUANCE AND SALE OF TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, SPECIAL OBLIGATION REFUNDING BONDS (HOSPITALITY FEE PLEDGE), IN ONE OR MORE SERIES, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$17,000,000; DELEGATING THE AUTHORITY TO THE TOWN MANAGER TO DETERMINE CERTAIN MATTERS WITH RESPECT TO THE BONDS; PRESCRIBING THE FORM AND DETAILS OF SUCH BONDS; OTHER MATTERS RELATING THERETO; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town Council (the “Council”) of the Town of Hilton Head Island, South Carolina (the “Town”), enacted an Ordinance (the “General Bond Ordinance”) on September 6, 2011 to authorize generally the issuance of Bonds (as defined in the General Bond Ordinance); and

WHEREAS, pursuant to the General Bond Ordinance, the Bonds are payable from and secured by a pledge of Hospitality Fees (as defined in the General Bond Ordinance); and

WHEREAS, the Town has heretofore issued \$15,250,000 original principal amount of its Special Obligation Bonds (Hospitality Fee Pledge), Series 2011A (the “Bonds of 2011A”), and \$8,250,000 original principal amount of its Special Obligation Bonds (Hospitality Fee Pledge), Series 2011B (the “Bonds of 2011B” and, together with the Bonds of 2011A, the “Bonds of 2011”); and

WHEREAS, the Town desires to issue not exceeding \$17,000,000 principal amount of its Special Obligation Refunding Bonds (Hospitality Fee Pledge), in one or more series (the “New Bonds”) to refinance all or a portion of the Bonds of 2011 (the “Bonds to be Refunded”); and

WHEREAS, the Town Council has been advised that in order to refinance the Bonds to be Refunded, the Town Council must enact an appropriate ordinance supplemental to the General Bond Ordinance authorizing the issuance of the New Bonds.

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

Section 1. Definitions. The terms in this Section 1 and all words and terms defined in the General Bond Ordinance (such General Bond Ordinance as from time to time amended or supplemented by Supplemental Ordinances being defined in the General Bond Ordinance as the

“Ordinance”) (except as herein otherwise expressly provided or unless the context otherwise requires), shall for all purposes of this Second Supplemental Ordinance have the respective meanings given to them in the Ordinance and in Section 1 hereof.

“Bonds of 2011” shall mean the Bonds of 2011A and the Bonds of 2011B.

“Bonds of 2011A” shall mean the \$15,250,000 original principal amount Town of Hilton Head Island, South Carolina, Special Obligation Bonds (Hospitality Fee Pledge), Series 2011A, outstanding as of the date hereof in the principal amount of \$11,965,000.

“Bonds of 2011B” shall mean the \$8,250,000 original principal amount Town of Hilton Head Island, South Carolina, Special Obligation Bonds (Hospitality Fee Pledge), Series 2011B, outstanding as of the date hereof in the principal amount of \$4,770,000.

“Beneficial Owner” shall mean any purchaser who acquires beneficial ownership interest in any Initial Bond held by the Depository. In determining any Beneficial Owner the Town, the Trustee, the Registrar and the Paying Agent may rely exclusively upon written representations made and information given to the Town, the Trustee, the Registrar and the Paying Agent, as the case may be, by the Depository or its Participants with respect to any New Bond held by the Depository or its Participants in which a beneficial ownership interest is claimed.

“Bond Purchase Agreement” shall mean one or more Bond Purchase Agreements relating to the sale of the New Bonds, to be dated the date of execution and delivery thereof between the Underwriter and the Town, as amended or supplemented thereto.

“Bonds to be Refunded” shall mean all or a portion of the Bonds of 2011 (or any Series thereof) selected by the Town Manager pursuant to Section 11 hereof, to be refinanced with a Series of the New Bonds.

“Book-Entry Form” or “Book-Entry System” shall mean with respect to the New Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the New Bonds may be transferred only through a book-entry and (b) physical bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Holder, with the physical bond certificates “immobilized” in the custody of the Depository. The book-entry maintained by the Depository is the record that identifies the owners of participatory interests in the New Bonds, when subject to the Book-Entry System.

“Business Day” shall mean, with respect to the New Bonds issued pursuant to this Second Supplemental Ordinance, any day other than a Saturday, a Sunday or a day which shall be in the State or the state in which the respective office of the Trustee, the Paying Agent and the Registrar is located a legal holiday or a day on which banking institutions are authorized by law or executive order to close.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Certificate” shall have the meaning given that term in Section 15 hereof.

“Depository” shall mean any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interests in the New Bonds, and to effect transfers of the New Bonds, in Book-Entry Form, and includes and means initially The Depository Trust Company (a limited-purpose trust company), New York, New York.

“Escrow Agent” shall mean Wells Fargo Bank, N.A., or such other bank or financial institution selected by the Town Manager pursuant to Section 11 hereof, in each case its capacity as Paying Agent for the Bonds of 2011.

“Escrow Agreement” shall mean the Escrow Agreement dated the date of its execution between the Town and the Escrow Agent.

“Escrow Fund” shall mean the fund of that name created pursuant to the Escrow Agreement.

“First Supplemental Ordinance” shall mean Ordinance No. 2011-20 duly enacted by the Town Council on September 6, 2011, authorizing the Bonds of 2011.

“General Bond Ordinance” shall mean Ordinance No. 2011-17 duly enacted by the Town Council on September 6, 2011, authorizing the issuance from time to time of Bonds.

“Initial Bonds” shall mean the New Bonds initially issued in Book-Entry Form as provided in Section 4 hereof.

“Insurer” shall mean each insurance company providing a Surety Bond, or any successor thereto or assignee thereof.

“Insurer Default” shall mean there shall exist a default in the payment by the Insurer of principal of or any interest on any New Bond when required to be made by the applicable Surety Bond.

“Interest Payment Date” shall mean any June 1 and December 1 of each year, commencing December 1, 2019, or such other date as the Town Manager may determine pursuant to Section 11 hereof.

“Letter of Credit” shall mean, subject to Section 8 hereof, a letter of credit (if any) issued by a bank or other financial institution satisfactory to the Town, to satisfy all or a portion of the Series Reserve Fund Requirement.

“New Bonds” shall mean the Town of Hilton Head Island, South Carolina, Special Obligation Refunding Bonds (Hospitality Fee Pledge), issuable in one or more series, in the aggregate principal amount of not exceeding \$17,000,000 authorized to be issued hereunder.

“Paying Agent” shall mean the bank, trust company or other financial institution selected by the Town Manager pursuant to Section 11 hereof to act as Paying Agent for the New Bonds.

“Principal Payment Date” shall have the meaning given to such term in Section 3(a).

“Registrar” shall mean the bank, trust company or other financial institution selected by the Town Manager pursuant to Section 11 hereof to act as Registrar for the New Bonds.

“Second Supplemental Ordinance” shall mean shall mean this Ordinance enacted by the Town Council, authorizing the New Bonds.

“Series Costs of Issuance Account” shall mean one or more accounts established pursuant to Section 9 hereof into which a portion of the proceeds of a Series of the New Bonds will be deposited and from which such proceeds will be disbursed to pay the Costs of Issuance applicable to such Series of New Bonds. Pursuant to Section 9, each Series Costs of Issuance Account shall be further identified or designated to relate to the specific Series of the New Bonds issued hereunder.

“Series Debt Service Fund” shall mean one or more funds established pursuant to Section 7 hereof to provide for the payment of the principal of and interest on the Series of the New Bonds related thereto. Pursuant to Section 7, each Series Debt Service Fund shall be further identified or designated to relate to the specific Series of the New Bonds issued hereunder.

“Series Debt Service Reserve Fund” shall mean one or more funds, if any, established pursuant to Section 8 hereof (a) to insure the timely payment of the principal and interest on the New Bonds related thereto; and (b) to provide for the redemption of the Series of the New Bonds related thereto. Pursuant to Section 8, each Series Debt Service Reserve Fund shall be further identified or designated to relate to the specific Series of the New Bonds issued hereunder.

“Series Reserve Fund Requirement” shall mean the amount, if any, established pursuant to Section 8 hereof.

“Surety Bond” shall mean, subject to Section 8, the reserve policy or surety bond, if any, issued by the Insurer in connection with the New Bonds and payable to the Paying Agent.

“Trustee” shall mean Wells Fargo Bank, N.A., or any bank, trust company or other financial institution selected by the Town Manager pursuant to Section 11 hereof to act as successor Trustee pursuant to the General Bond Ordinance.

“Underwriter” shall mean such bank or financial institution selected by the Town Manager pursuant to Section 11 hereof.

“Value” or “Values” means, if a Surety Bond is in effect for a Series of New Bonds, with respect to any Permitted Investments for the Series Debt Service Fund and Series Debt Service Reserve Fund established for such Series of New Bonds, the amount calculated under the Ordinance determined as of any date of calculation as follows:

- (a) the bid price published by a nationally recognized pricing service as selected by the Town in its sole discretion;
- (b) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and
- (c) as to any investment not specified above: the value thereof established by prior agreement between the Town and the Insurer.

Section 2. Certain Findings and Determinations.

The Town hereby finds and determines:

(a) The Ordinance, the Bond Act and the Hospitality Fee Act authorize the Town to issue Bonds in order to refinance some or all of the Bonds of 2011. This Second Supplemental Ordinance supplements the Ordinance, constitutes and is a “Supplemental Ordinance” within the meaning of such quoted term as defined and used in the Ordinance, and is enacted under and pursuant to the Ordinance.

(b) The New Bonds constitute and are “Bonds” within the meaning of the quoted word as defined and used in the Ordinance.

(c) The Hospitality Fees pledged under the Ordinance are or will not be encumbered by any lien and charge thereon or pledge thereof, other than: (i) the pledge thereof created by the General Bond Ordinance and the First Supplemental Ordinance for payment and security of the Bonds of 2011, if any remain outstanding after the issuance of the New Bonds; and (ii) the pledge thereof created by the General Bond Ordinance and this Second Supplemental Ordinance for the payment and security of the New Bonds.

(d) There does not exist an Event of Default (as defined in the General Bond Ordinance), nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute such Event of Default.

(e) The estimated cost of refunding the Bonds to be Refunded does not exceed \$18,057,450.

(f) The Town proposes to issue the New Bonds, in one or more Series (as defined in the General Bond Ordinance), for one or more of the principal purposes: (1) refinancing the Bonds to be Refunded, (2) funding the Series Debt Service Reserve Fund (if any) in an amount equal to the Series Reserve Fund Requirement through the deposit of cash, the purchase of a Surety Bond, the provision of a Letter of Credit or any combination thereof, and (3) paying the costs of issuing the New Bonds.

(g) It is necessary and in the best interest of the Town to authorize the issuance of the New Bonds in the principal amount of not exceeding \$17,000,000 in accordance with the Bond Act, the Hospitality Fee Act, the Ordinance and this Second Supplemental Ordinance for the purposes set forth above.

Section 3. Authorization of the New Bonds.

(a) There is hereby authorized to be issued one or more Series of Bonds designated “Town of Hilton Head Island, South Carolina, Special Obligation Refunding Bonds (Hospitality Fee Pledge), Series (year)”, including such further words, numbers or letters as may be necessary or desirable to identify individual series thereof, the purposes thereof, or the taxable status thereof, in the aggregate principal amount of not exceeding \$17,000,000. The proceeds of the New Bonds shall be used for the purposes set forth in Section 2(f) hereof.

Unless otherwise determined by the Town Manager pursuant to Section 11 hereof, the New Bonds shall mature on June 1 in each of the years (the “Principal Payment Dates”) and in the principal amounts, and bear interest at the rates per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months), as determined by the Town Manager, pursuant to Section 11 hereof.

(b) Such of the New Bonds as the Town Manager shall determine pursuant to Section 11 hereof shall be subject to mandatory redemption at a redemption price equal to the principal amount of the New Bonds to be redeemed, together with interest accrued from the date of redemption, in the years and in the amounts determined by the Town Manager, pursuant to Section 11 hereof.

At its option, to be exercised on or before the sixtieth (60th) day prior to any mandatory redemption date, the Town may (i) deliver to the Trustee for cancellation New Bonds which are subject to mandatory redemption in any aggregate principal amount desired or (ii) receive a credit in respect of its mandatory redemption obligation for any such New Bonds which, prior to such date, have been purchased or redeemed (otherwise than through the operation of the mandatory redemption requirement) by the Town and cancelled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each New Bond so delivered or previously purchased or redeemed shall be credited by the Trustee, at one hundred percent (100%) of the principal amount thereof, to the obligation of the Town on those respective mandatory redemption obligations in chronological order or such other manner as directed in writing by the Town to the Trustee, and the principal amount of the New Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

(c) The Trustee, without further authorization or direction from the Town, shall give notice of all mandatory redemptions within the time periods and in the manner specified in Article V of the General Bond Ordinance.

(d) The New Bonds shall originally be dated the date of delivery of the New Bonds, or such other date as the Town Manager shall determine pursuant to Section 11 hereof, and shall be issued as fully registered Bonds in the denominations of \$5,000 and integral multiples of \$5,000. The New Bonds shall be numbered and lettered in such a fashion as to maintain a proper record thereof.

(e) Principal of and redemption premium, if any, on the New Bonds shall be payable at the designated corporate trust office of the Paying Agent. Interest on the New Bonds shall be payable on each Interest Payment Date, in each case to the Holders as of the immediately preceding Record Date, such interest to be paid by the Paying Agent by check or draft mailed to each Holder at the address as it appears on the Books of Registry maintained at the designated corporate trust office of the Paying Agent, and in the case of a Holder of \$1,000,000 or more in principal amount of New Bonds, by wire transfer to an account within the continental United States upon the timely receipt of a written request of such Holder. Payment of the principal of and interest on such New Bonds may be payable to the Holder thereof without presentation and surrender of such New Bonds.

(f) The New Bonds shall be in substantially the form set forth in Exhibit A hereto, with such necessary or appropriate variations, omissions and insertions as are incidental to the series, numbers, denominations, maturities, dates, interest rate or rates, redemption provisions, the purpose of issuance and other details thereof or as are otherwise permitted or required by law or by the Ordinance, including this Second Supplemental Ordinance. The New Bonds shall be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Mayor and Town Clerk.

(g) A copy of the approving opinion to be rendered on the New Bonds shall be printed on such New Bonds, preceding the same a certificate shall appear, which shall be signed on behalf of the Town by a facsimile signature of the Town Clerk. Such certificate shall be in the form substantially as follows:

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the approving opinion of Burr & Forman LLP d/b/a Burr Forman McNair, Columbia, South Carolina, the original of which was manually executed, dated and issued as of the date of the delivery of and payment for the bonds, and a copy of which is on file with the Town.

THE TOWN OF HILTON HEAD, SOUTH CAROLINA

By: _____
Town Clerk

Section 4. Book-Entry System; Recording and Transfer of Ownership of the New Bonds.

The Initial Bonds will be eligible securities for the purposes of the Book-Entry System of transfer maintained by the Depository, and transfers of beneficial ownership of the Initial Bonds shall be made only through the Depository and its participants in accordance with rules specified by the Depository. Such beneficial ownership must be of \$5,000 principal amount of Initial Bonds of the same Series and maturity or any integral multiple of \$5,000.

The Initial Bonds will be issued in fully-registered form, as a single bond representing the entire principal amount of each Series of the New Bonds or one New Bond for each of the maturities

of each Series of the New Bonds, in the name of Cede & Co., as the nominee of the Depository. When any principal of, premium, if any, or interest on the Initial Bonds becomes due, the Town shall transmit or cause the Paying Agent to transmit to the Depository an amount equal to such installment of principal, premium, if any, and interest. Such payments will be made to Cede & Co. or other nominee of the Depository as long as it is owner of record on the applicable Record Date. Cede & Co. or other nominee of the Depository shall be considered to be the owner of the Initial Bonds so registered for all purposes of this Second Supplemental Ordinance, including, without limitation, payments as aforesaid and receipt of notices. The Depository shall remit such payments to the Beneficial Owners of the New Bonds or their nominees in accordance with its rules and regulations.

Notices of redemption of the Initial Bonds or any portion thereof shall be sent to the Depository in accordance with the provisions of the General Bond Ordinance.

The Depository is expected to maintain records of the positions of Participants in the Initial Bonds, and the Participants and persons acting through Participants are expected to maintain records of the Beneficial Owners in the Initial Bonds. The Town, the Trustee, the Registrar and the Paying Agent make no assurances that the Depository and its Participants will act in accordance with such rules or expectations on a timely basis, and the Town, the Trustee, the Registrar and the Paying Agent shall have no responsibility for any such maintenance of records or transfer of payments by the Depository to its Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.

The Town, the Trustee, the Paying Agent and the Registrar may treat the Depository (or its nominee) as the sole and exclusive owner of the New Bonds registered in its name for the purpose of payment of the principal of, interest or premium, if any, on the New Bonds, giving any notice permitted or required to be given to Bondholders under the General Bond Ordinance or this Second Supplemental Ordinance, registering the transfer of the New Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be affected by any notice to the contrary. The Town, the Trustee, the Paying Agent and the Registrar shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the New Bonds under or through the Depository or any Participant, or any other person which is not shown on the Books of Registry of the Town maintained by the Registrar as being a Bondholder, with respect to: the accuracy of any records maintained by the Depository or any Participant or the maintenance of any records; the payment by the Depository or any Participant of any amount in respect of the principal of, interest or premium, if any, on the New Bonds; the sending of any transaction statements; the delivery or timeliness of delivery by the Depository or any Participant of any notice which is permitted or required to be given to Bondholders thereunder; the selection of Bondholders to receive payments upon any partial redemption of the New Bonds; or any consent given or other actions taken by the Depository as a Bondholder.

If (a) the Depository determines not to continue to act as securities depository for the New Bonds, and gives reasonable notice to the Registrar or the Town, or (b) the Town has advised the Depository of the Town's determination that the Depository is incapable of discharging its duties, then the Town shall attempt to retain another qualified securities depository to replace the Depository. Upon receipt by the Town or the Registrar of the Initial Bonds together with an assignment duly executed by the Depository, the Town shall execute and deliver to the successor depository, the New

Bonds of the same principal amount, interest rate and maturity. If the Town is unable to retain a qualified successor to the Depository, or the Town has determined that it is in its best interest not to continue the Book-Entry System of transfer or that interests of the Beneficial Owners of the New Bonds might be adversely affected if the Book-Entry System of transfer is continued (the Town undertakes no obligation to make any investigation to determine the occurrence of any events that would permit it to make any such determination), and has made provision to so notify Beneficial Owners of the New Bonds by mailing an appropriate notice to the Depository, upon receipt by the Town of the Initial Bonds together with an assignment duly executed by the Depository, the Town shall execute, authenticate and deliver to the Depository Participants the New Bonds in fully-registered form, in authorized denomination; provided, however, that the discontinuation of the Book-Entry System of registration and transfer with respect to the New Bonds or the replacement of the Depository or any successor depository shall be subject to the applicable rules and procedures of the Depository or such successor depository on file or otherwise approved by the Securities and Exchange Commission.

Section 5. Optional Redemption of New Bonds. Such of the New Bonds as may be determined by the Town Manager pursuant to Section 11 hereof shall be subject to redemption prior to maturity, at the option of the Town, in whole or in part at any time in such order of their maturities as the Town shall determine and by lot within a maturity, at the respective redemption prices with respect to each New Bond, expressed as a percentage of principal amount of the New Bonds to be redeemed, as shall be determined by the Town Manager pursuant to Section 11 hereof, together, in each such case, with the interest accrued on such principal amount to the date fixed for redemption. The Trustee shall give notice of redemption of the New Bonds by first-class mail, postage prepaid, to the Holders thereof as shown on the Books of Registry of the Town not less than five (5) Business Days prior to the date fixed for the redemption thereof.

Section 6. Payment of the New Bonds. The New Bonds, together with the interest thereon, shall be payable, in such coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, solely from the Hospitality Fees of the Town in accordance with the provisions of the Ordinance and this Second Supplemental Ordinance. The New Bonds shall be secured by a pledge of Hospitality Fees on a parity with the pledge of Hospitality Fees securing the payment of the Bonds of 2011, if any, remaining outstanding after the issuance of the New Bonds, and any other Bonds issued in compliance with the provisions of the General Bond Ordinance.

The New Bonds do not constitute an indebtedness of the Town within any State constitutional provisions (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation. The New Bonds shall not be a debt of the Town, nor a charge, lien or encumbrance, legal or equitable, upon any property of the Town or upon any income, receipts or revenues thereof, other than the aforesaid Hospitality Fees of the Town. No recourse shall be had for the payment of the New Bonds or the interest thereon against the general fund of the Town, nor shall the credit or taxing power of the Town be deemed to be pledged thereto. The full faith, credit and taxing powers of the Town are not pledged to the payment of the principal of or interest on the New Bonds.

Section 7. Establishment of Series Debt Service Fund. In accordance with Section 6.6 of the General Bond Ordinance, the Series Debt Service Fund is hereby directed to be established by the Trustee on the date of the original delivery of the New Bonds for the benefit of the Holders of the New Bonds; provided, however, that upon the issuance of one or more Series of New Bonds, separate funds or accounts may be established for the payment of debt service on such Series of New Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the “Series Debt Service Fund” with respect to the related Series of New Bonds.

Section 8. Establishment of the Series Reserve Fund Requirement and Series Debt Service Reserve Fund.

In accordance with Section 6.7 of the Ordinance, the Town Manager may determine whether it is necessary or desirable to establish a Series Debt Service Reserve Fund for the benefit of the Holders of one or more Series of New Bonds (if any) and the amount of the applicable Series Reserve Fund Requirement, and, if so, such Series Debt Service Reserve Fund shall be established on the date of the original delivery of such Series of New Bonds and held by the Trustee, all as provided in the Ordinance; provided, however, that (1) upon the issuance of one or more Series of New Bonds, separate funds or accounts may be established (if at all) for each Series of New Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the “Series Debt Service Reserve Fund” with respect to the related Series of New Bonds; and (2) in the event of any full or partial defeasance of a Series of New Bonds under Article X of the Ordinance, then the Series Reserve Fund Requirement established for such Series of New Bonds shall be recalculated based on the then Outstanding principal amount of such Series. If the Series Debt Service Reserve Fund is established, the Series Reserve Fund Requirement initially will be satisfied by the Town by the deposit of cash into the Series Debt Service Reserve Fund, with the purchase of a Surety Bond, the provision of a Letter of Credit or any combination of the foregoing, in each case for the benefit of the Holders of the New Bonds.

Section 9. Series Costs of Issuance Account. There is hereby created and established the Series Costs of Issuance Account, which fund shall be held by the Town or by a Custodian; provided, however, that upon the issuance of one or more Series of New Bonds, separate funds or accounts may be established for such Series of New Bonds, with such additional numbers or letters to identify its relevance, but each such separate fund or account will be considered the “Series Costs of Issuance Account” with respect to the related Series of New Bonds. The Series Costs of Issuance Account established for a particular Series of New Bonds shall be accounted for as a single fund, however the moneys on deposit therein may be held by one or more banks or other financial institutions designated by the Town. The moneys on deposit in the Series Costs of Issuance Account shall be used and applied to pay Costs of Issuance incidental to the issuance and sale of the New Bonds.

Moneys held for the credit of the Series Costs of Issuance Account shall be invested to the fullest extent practicable and reasonable, in Permitted Investments, maturing at such times and in such amounts as shall be required to provide moneys to make the payments required to be made from such fund.

Withdrawals from the Series Costs of Issuance Account shall be made in the manner withdrawals from other funds of the Town are made.

If any moneys remain in the Series Costs of Issuance Account after the payment in full (or after adequate provision has been made therefor) of all Costs of Issuance, such excess shall be paid into the related Series Debt Service Fund and shall be used only for the payment of the principal of and interest on the related Series of New Bonds or, in the alternative, to acquire Outstanding New Bonds at a price (exclusive of accrued interest) not exceeding the face amount thereof.

Section 10. Designation of Trustee, Registrar and Paying Agent. Pursuant to the Ordinance, the Trustee is Wells Fargo Bank, N.A. The Town Manager is hereby authorized and empowered to remove the Trustee pursuant to Section 8.3 of the General Bond Ordinance and select another bank or financial institution as successor thereto, to select the Custodian, if any, and the Registrar and Paying Agent, respectively, for the New Bonds and to remove and/or select (as applicable) the Registrar and Paying Agent for the Bonds of 2011 and the Escrow Agent, pursuant to Section 11 hereof. Any successor Trustee, the Custodian, if any, and the Registrar and Paying Agent shall each signify its acceptance of its respective duties upon delivery of the New Bonds.

Section 11. Sale and Issuance of New Bonds.

(a) The Town Manager, upon the advice of the Town's bond counsel and financial advisor, is hereby authorized and empowered to undertake any one or more of the following actions: (a) determine the original issue dates of each Series of the New Bonds; (b) determine the aggregate principal amount of the New Bonds, if less than authorized by this Second Supplemental Ordinance, and each Series thereof (including the portions thereof to be issued on a taxable or tax-exempt basis); (c) determine the principal amount of each maturity of each Series of the New Bonds; (d) determine the Interest Payment Dates, including the initial Interest Payment Dates, and the Principal Payment Dates for each Series of the New Bonds; (e) determine the optional redemption dates and terms of redemption of each Series of the New Bonds; (f) determine the interest rates for each Series of the New Bonds; (g) determine the New Bonds to be subject to mandatory and optional redemption; (h) determine the redemption prices of the New Bonds subject to optional redemption; (i) determine the Custodian, if any, for the Series Costs of Issuance Fund; (j) determine whether the Series Debt Service Reserve Fund will be established and funded with regard to each Series of New Bonds and, if so, the amount of the applicable Series Reserve Fund Requirement and manner in which it will be satisfied; (k) determine whether any Series of the New Bonds will be sold publicly (and, if so, designate the Underwriter therefor) or directly to one or more purchasers in a private offering or private placement transaction); (l) determine the successor Trustee (if any) under the General Bond Ordinance, the Custodian (if any), Registrar and Paying Agent for each Series of the New Bonds, the Registrar and Paying Agent for the Bonds of 2011 and the Escrow Agent; (m) determine any original issue discount or original issue premium at which each Series of the New Bonds will be sold, or whether any Underwriter's discount or other fee will be paid to the purchasers of the New Bonds; (n) determine the Bonds to be Refunded; and (o) agree to any other terms, provisions and matters necessary or advisable to effect the issuance of each Series of the New Bonds.

(b) Each Series of the New Bonds shall either be sold publicly, following a private sale to the Underwriter, or directly to one or more purchasers in a private offering or private placement transaction. In connection with a public offering, the Town Manager is hereby authorized and directed to approve the form of Bond Purchase Agreement, together with such amendments and

modifications to the form thereof as the Town Manager shall negotiate and approve, and to execute the Bond Purchase Agreement, as so modified and amended, and deliver the same to the Underwriter, the Town Manager's execution and delivery of the Bond Purchase Agreement constituting conclusive evidence of approval of the matters therein contained; that, if executed, the New Bonds contemplated by the Bond Purchase Agreement shall be sold to the Underwriter upon the terms and conditions set forth in the Bond Purchase Agreement and upon the basis of the representations therein set forth, and that all conditions precedent to or concurrent with the acceptance of the Bond Purchase Agreement by the Town will be met prior to the Town's execution thereof. Notwithstanding the foregoing, the Town Manager is hereby authorized to take all actions, including the preparation and dissemination of requests for proposals and the preparation, publication and/or distribution of information, offering documents or private placement memoranda (which may be in the respective forms of the Bond Purchase Agreement and/or hereinafter defined Preliminary Official Statement, as applicable, together with such amendments and modifications as may be approved by the Town Manager), all relating to the Town, each Series of the New Bonds and the Hospitality Fees, to solicit interest and receive offers from financial institutions to purchase one or more Series of the New Bonds in a private offering, and to accept such offer which is in the best interest of the Town and execute such documents as may be necessary in connection therewith.

(c) The Town Manager is hereby authorized and directed to prepare a Preliminary Official Statement, relating to a public offering of each Series of the New Bonds (the "Preliminary Official Statement"), and to take such actions necessary to "deem final" the Preliminary Official Statement for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

(d) The Town hereby authorizes the Final Official Statement of the Town to be dated on or about the date of the execution and delivery of the Bond Purchase Agreement, relating to each Series of the New Bonds substantially in the form of the Preliminary Official Statement, with such modifications as the Town Manager approves; the Town Manager of the Town is hereby authorized and directed to execute copies of the Final Official Statement and deliver the same to the Underwriter, which execution and delivery shall be conclusive evidence of the approval of any such modifications; and the Town hereby authorizes the use of the Preliminary Official Statement and Final Official Statement and the information contained therein in connection with the public offering and sale of each Series of the New Bonds by the Underwriter.

(e) The Town Council hereby ratifies, confirms and approves the actions of the Town Manager heretofore undertaken, if any, with regard to applications for Surety Bonds, Letters of Credit, other credit enhancements, and liquidity arrangements relating to the New Bonds from municipal bond insurance companies or other financial institutions, and to enter into, execute and deliver on behalf of the Town, such loan, insurance, reimbursement or guaranty or other agreements as shall be necessary and advisable, with advice of counsel, in connection with the transactions and other matters referred to herein; provided, however, that the representations and covenants contained in such agreements may be incorporated in this Second Supplemental Ordinance as if fully set forth herein.

(f) A copy of this Second Supplemental Ordinance shall be filed with the minutes of the meeting at which this Second Supplemental Ordinance was enacted.

(g) The Town Council hereby authorizes and directs all of the officers and employees of the Town to carry out or cause to be carried out all obligations of the Town hereunder and to perform such other actions as they shall consider necessary or advisable in connection with the issuance, sale and delivery of the New Bonds.

(h) The Town Council hereby authorizes the Town Manager or his designee to negotiate the terms of, and execute, in the name and on behalf of the Town, and deliver investment agreements, forward delivery agreements, repurchase agreements and other agreements in connection with the New Bonds, to prepare and solicit bids for providers of such agreements and to execute, in the name and on behalf of the Town, written confirmations of any such agreements and other documents as may be necessary in connection therewith. Further, the Town Manager or his designee is hereby authorized to take any and all actions and execute any and all documents, upon the advice of its Bond Counsel, necessary to cause the termination of any forward delivery, repurchase or other investment agreement related to the Bonds of 2011.

Section 12. Authorization to Effect Refunding; Redemption of the Bonds to be Refunded.

If a Series of the New Bonds are issued for the purpose of refinancing the Bonds to be Refunded, such proceeds shall be used, together with amounts on deposit in the debt service or debt service reserve funds for the Bonds to be Refunded, for the payment of the principal of such Bonds to be Refunded as and when such Bonds to be Refunded mature or are called for redemption in accordance with the provisions of the General Bond Ordinance and the First Supplemental Ordinance, together with accrued interest on such Bonds to be Refunded.

The Town Manager is hereby authorized and directed for and on behalf of the Town to execute such agreements and give such directions as shall be necessary to carry out the provisions of this Second Supplemental Ordinance, including the execution and delivery of the Escrow Agreement. The Escrow Agreement shall be dated the date of delivery of the applicable Series of the New Bonds issued therefor.

Section 13. Disposition of Proceeds of New Bonds and Certain Other Moneys. The proceeds derived from the sale of the New Bonds, net of any original issue discount or premium (or both), any Underwriter's discount or fees payable to the purchaser thereof and any premiums paid to providers of Surety Bonds or Letters of Credit (if any), shall be deposited with (or at the order of) the Town, the Trustee, the Escrow Agent or the Custodian, as applicable, and used for the following purposes:

(a) If the Town Manager determines that a Series Debt Service Reserve Fund shall be established for a Series of New Bonds and the Series Reserve Fund Requirement shall be funded with a portion of the proceeds of a Series of the New Bonds, there shall be deposited with the Trustee for deposit into such Series Debt Service Reserve Fund an amount equal to the applicable Series Reserve Fund Requirement.

(b) With respect to a Series of the New Bonds issued to refinance the Bonds to be Refunded, proceeds thereof shall be deposited with the Escrow Agent pursuant to the Escrow Agreement.

(c) The remainder of the proceeds of any Series of the New Bonds shall be deposited with the Town or the Custodian (if any) into the Series Costs of Issuance Fund established in Section 9 hereof.

The respective amounts specified in this Section 13 shall be determined by the Town upon delivery of any Series of the New Bonds.

Section 14. Federal Tax Covenants. The Town hereby covenants and agrees with the Holders of the New Bonds issued as tax-exempt obligations (the “Tax-Exempt Bonds”) that it will not take any action which will, or fail to take any action which failure will, cause interest on the Tax-Exempt Bonds to become includable in the gross income of the Bondholders thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Tax-Exempt Bonds and that no use of the proceeds of the Tax-Exempt Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be “arbitrage bonds,” as defined in the Code; and to that end the Town hereby shall:

(a) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder so long as the Tax-Exempt Bonds are Outstanding;

(b) establish such funds, make such calculations and pay such amounts, if necessary, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebate of certain amounts to the United States; and

(c) make such reports of such information at the times and places required by the Code.

Section 15. Continuing Disclosure. So long as and to the extent required pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended (“Section 11-1-85”), the Town covenants that it will file with a central repository for availability in the secondary bond market when requested:

(i) An annual independent audit, within 30 days of the Town's receipt of the audit;
and

(ii) Event-specific information within 30 days of an event adversely affecting more than 5% percent of Hospitality Fees or the Town's tax base.

The only remedy for failure by the Town to comply with the covenant of this Section 15 shall be an action for specific performance of this covenant; and failure to comply shall not constitute a default or an “Event of Default” under the Ordinance or this Second Supplemental Ordinance. The Trustee shall have no responsibility to monitor the Town’s compliance with this covenant. The Town specifically reserves the right to amend or delete this covenant in order to reflect any change in Section 11-1-85, without the consent of the Trustee or any Holder of any New Bonds.

In addition, the Town Manager is hereby authorized and directed to approve the form of, and execute and deliver, a Continuing Disclosure Certificate of the Town, related to one or more Series of the New Bonds as required by applicable law, and the Town hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate. Notwithstanding any other provisions of this Second Supplemental Ordinance, failure of the Town to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default, and no liability for damages shall attach therefor. The sole remedy for such failure to comply shall be that any New Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Town to comply with its obligations under this paragraph.

Section 16. Modification of Ordinance.

The following provisions of the General Bond Ordinance are hereby amended, which amendments shall become effective upon obtaining the requisite consent of the Holders of the Bonds (as such terms are defined in the General Bond Ordinance) pursuant to Section 9.1 of the General Bond Ordinance; provided, however, that the Holders of the New Bonds, by their acceptance thereof, are deemed to have consented to the following amendments. Any Bonds (as defined in the General Bond Ordinance), including the New Bonds, issued after the date of enactment of this Second Supplemental Ordinance shall contain a reference to the amendments herein made:

(1) Section 6.7(d) of the General Bond Ordinance is hereby amended by deleting the last sentence thereof in its entirety and replacing it with the following text:

Any such budgetary appropriation shall be subject in all respects to the discretion of Council, and any failure to make such an appropriation, notwithstanding any provision of this Ordinance to the contrary, shall not constitute a default or Event of Default under this Ordinance.

(2) Section 12.1 of the General Bond Ordinance is hereby amended by deleting paragraph (A) of the first paragraph thereof in its entirety and replacing it with the following text:

A. Such Bond or Series of Bonds shall have been purchased by the Town and surrendered to the Town, the Trustee or the Registrar for cancellation or otherwise surrendered to the Town, the Trustee or the Registrar, and is canceled or subject to cancellation by the Town, the Trustee or the Registrar, or

Section 17. Further Actions. The Mayor, the Town Manager, the Finance Director of the Town, and the Town Clerk are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate the issuance of the New Bonds, including the election to purchase Surety Bonds or obtain Letters of Credit (if any), and the refunding of the Bonds to be Refunded.

Section 18. Headings. The headings and titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Second Supplemental Ordinance.

Section 19. Notices. All notices, certificates or other communications hereunder or under the Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the Town:

Hilton Head Island, South Carolina
Attn: Town Manager
One Town Center Court
Hilton Head Island, South Carolina 29928

The Town may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 20. Repeal of Inconsistent Ordinances and Resolutions. All ordinances and resolutions of the Town, and any part of any ordinance or resolution, inconsistent with this Second Supplemental Ordinance are hereby repealed to the extent of such inconsistency.

Section 21. Severability. If any sections, phrase, sentence or portion of this Second Supplemental 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 attest the validity of the remaining portions thereof.

Section 22. Effective Date. This Second Supplemental Ordinance shall be effective upon its adoption 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 ON THIS _____ DAY OF _____ 2019.

John J. McCann, Mayor

ATTEST:

Krista M. Wiedmeyer, Town Clerk

First Reading: _____

Second Reading: _____

APPROVED AS TO FORM:

Curtis Coltrane, Town Attorney

Introduced by Council Member: _____

FORM OF NEW BOND

[DTC Legend]

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA
[TAXABLE] SPECIAL OBLIGATION REFUNDING BONDS
(HOSPITALITY FEE PLEDGE), SERIES _____

No. R-____

Interest Rate

Maturity Date

Issue Date

CUSIP

Registered Holder:

Principal Amount:

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA (the "Town") a public body corporate and politic and a political subdivision of the State of South Carolina (the "State"), created and existing by virtue of the laws of the State, acknowledges itself indebted and for value received hereby promises to pay, solely as hereinafter provided, to the Registered Owner named above or registered assigns, the Principal Amount set forth above on the Maturity Date stated above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender hereof at the corporate trust office of _____ in _____, as trustee (the "Trustee"), and to pay interest on such Principal Amount at the annual Interest Rate stated above (calculated on the basis of a 360-day year of twelve (12) 30-day months), until the obligation of the Town with respect to the payment of such Principal Amount shall be discharged. Interest on this Bond shall be payable in semiannual installments on _____ 1 and _____ 1 of each year beginning _____, _____ (each, an "Interest Payment Date"), until maturity or earlier redemption. All payments shall be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month (each, a "Record Date") preceding each Interest Payment Date or Principal Payment Date (as defined in the hereinafter defined Ordinances). The payments shall be payable by check or draft mailed at the times provided herein to the person in whose name this Bond is registered at the address shown on the registration books of the Town held by _____, as registrar (the "Registrar"), or, in the case of a Registered Holder of \$1,000,000 or more in principal amount of this Bond, by wire transfer to on account within the continental United States upon the timely receipt of a written request of such Registered Holder. The payments are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF TITLE 6, CHAPTER 21 AND CHAPTER 1, ARTICLE 7, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED (COLLECTIVELY, THE "ACT"); THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE TOWN WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION (EXCEPT ARTICLE X, SECTION 14(10) OF THE STATE CONSTITUTION AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A SOURCE OF REVENUE DERIVED OTHER THAN A TAX OR LICENSE) OR STATUTORY LIMITATION. THE TOWN IS NOT OBLIGATED TO PAY ANY OF THE BONDS OR THE INTEREST THEREON EXCEPT FROM HOSPITALITY FEES (AS DEFINED IN THE ORDINANCES). THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE TOWN, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL CREDIT NOR TAXING POWERS OF THE TOWN, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

This Bond is one of an issue of bonds of the Town in the aggregate principal amount of _____ Million Dollars (\$_____) (the "Bonds") of like tenor, except as to number, rate of interest, date of maturity and redemption provides, issued pursuant to and in accordance with the Constitution and statutes of the State, including particularly the Act, Ordinance No. 2011-17 duly enacted by the Town Council of the Town (the "Council") on September 6, 2011 (the "General Bond Ordinance"), and Ordinance No. _____ duly enacted by the Town Council on _____, 2019 (the "Second Supplemental Ordinance") (the General Bond Ordinance and the Second Supplemental Ordinance are herein collectively referred to as the "Ordinances") for the purpose of providing moneys, to (i) refinance the Bonds to be Refunded, (ii) satisfy the Series Reserve Fund Requirement (if any) with respect to the Bonds, and (iii) pay all costs of issuing the Bonds.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Ordinances. Certified copies of the Ordinances are on file in the office of the Trustee and in the office of the Clerk of Court for Beaufort County, South Carolina.

The Ordinances contain provisions defining terms, set forth the revenues pledged for the payment of the principal of and interest on this Bond and the Bonds of other series herewith which may hereafter be issued on a parity herewith under the Ordinances; set forth the nature, extent and manner of enforcement of the security of this Bond and of such pledge, and the rights and remedies of the Holder hereof with respect thereto; set forth the terms and conditions upon which and the extent to which the Ordinances may be altered, modified and amended; set forth the terms and conditions upon which this Bond is issued upon which other bonds may be hereinafter issued payable as to principal, premium, if any, and interest on a parity with this Bond and equally and ratably secured herewith; sets forth the rights, duties and obligations of the Town thereunder; and set forth the terms and conditions upon which the pledge made in the Ordinances for the security of this Bond and upon which the covenants, agreements and other obligations of the Town made therein may be discharged at or prior to the maturity or redemption of this Bond with provisions for the payment thereof in the manner set forth in the Ordinances. Reference is hereby made to the Ordinances to all of the

provisions of which any holder of this Bond by the acceptance hereof thereby assents. The provisions of the Act and the Ordinances shall be a contract with the holder of this Bond.

This Bond and the series of Bonds of which it is one and the interest thereon are special obligations of the Town and are secured by and payable solely from, and secured equally and ratably by a pledge of and lien upon, the Hospitality Fees imposed and collected by the Town, which pledge is on a parity with the pledge thereof securing the payment and security of the Bonds of 2011, if any, remaining outstanding after the issuance of this Bond, and any other Bonds (as defined in the General Bond Ordinance) issued hereafter.

The General Bond Ordinance authorizes the issuance of additional bonds on a parity with the Bonds of this issue which, when issued in accordance with the provisions of the General Bond Ordinance, will rank equally and be on a parity herewith.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer and certain franchise taxes.

This Bond is transferable, as provided in the Ordinances, only upon the registration books of the Town kept for that purpose and maintained by the Registrar, by the Holder hereof in person or by his duly authorized attorney, upon (a) surrender of this Bond and an assignment with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder hereof or his duly authorized attorney and (b) payment of the charges, if any, prescribed in the Ordinances. Thereupon a new Bond of the same aggregate principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Ordinances. The Town, the Trustee and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or redemption price hereof and interest due hereon and for all other purposes.

For every exchange or transfer of this Bond, the Town or the Trustee or Registrar, as the case may be, may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

[Redemption Provisions]

If less than all the Bonds of any maturity are called for redemption, the Bonds of such maturity to be redeemed shall be selected at random by the Trustee. In the event any of the Bonds or portions thereof are called for redemption, the Trustee shall give notice, in the name of the Town, of redemption of Bonds by first-class mail, postage prepaid, to the Holder thereof as shown on the Books of Registry of the Town not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for the redemption thereof. If this Bond be redeemable and shall have been duly called for redemption and notice of the redemption hereof mailed as aforesaid, and if on or before the date fixed for such redemption, payment thereof shall be duly made or provided for, interest hereon shall cease or accrue from and after the redemption date hereof.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, that the amount of this Bond, together with all other indebtedness of the Town, does not exceed any limit prescribed by such Constitution or statutes.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA has caused this Bond to be signed by the manual or facsimile signature of its Mayor, its corporate seal to be reproduced hereon and the same to be attested by the manual or facsimile signature of its Town Clerk.

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By: _____
Mayor

(SEAL)

ATTEST:

By: _____
Town Clerk

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Ordinance.

_____, as Trustee

By: _____
Its: _____

Date: _____

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the approving opinion of Burr & Forman LLP d/b/a Burr Forman McNair, Columbia, South Carolina, the original of which was manually executed, dated and issued as of the date of the delivery of and payment for the bonds, and a copy of which is on file with the Town.

THE TOWN OF HILTON HEAD, SOUTH CAROLINA

By: _____
Town Clerk

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(please print or type name and address of Transferee and Social Security or other identifying
number of Transferee)

the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

STAMP Language

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed
By an institution which is a participant in the
Securities Transfer Agent Medallion Program
(STAMP) or similar program.

NOTICE: The signature to this assignment
must correspond with name as it appears
upon the face of the within bond in every
particular, without alteration or enlargement
or any change whatever.

TABLE OF CONTENTS

Town of Hilton Head Island, SC
Special Obligation Refunding Bonds (Hospitality Fee Pledge)
Taxable Rates as of June 17, 2019

Report	Page
Prior Bond Debt Service	1
Summary of Bonds Refunded	4
Escrow Requirements	5
Summary of Refunding Results	8
Savings	11
Sources and Uses of Funds	14
Bond Pricing	15
Bond Debt Service	18
Bond Summary Statistics	21

PRIOR BOND DEBT SERVICE

Town of Hilton Head Island, SC
Advance Refunding of 2011A

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020	485,000	4.000%	256,834.38	741,834.38	741,834.38
12/01/2020			247,134.38	247,134.38	
06/01/2021	505,000	4.500%	247,134.38	752,134.38	999,268.76
12/01/2021			235,771.88	235,771.88	
06/01/2022	530,000	4.500%	235,771.88	765,771.88	1,001,543.76
12/01/2022			223,846.88	223,846.88	
06/01/2023	555,000	5.000%	223,846.88	778,846.88	1,002,693.76
12/01/2023			209,971.88	209,971.88	
06/01/2024	580,000	5.000%	209,971.88	789,971.88	999,943.76
12/01/2024			195,471.88	195,471.88	
06/01/2025	610,000	4.000%	195,471.88	805,471.88	1,000,943.76
12/01/2025			183,271.88	183,271.88	
06/01/2026	635,000	5.000%	183,271.88	818,271.88	1,001,543.76
12/01/2026			167,396.88	167,396.88	
06/01/2027	665,000	5.000%	167,396.88	832,396.88	999,793.76
12/01/2027			150,771.88	150,771.88	
06/01/2028	700,000	4.000%	150,771.88	850,771.88	1,001,543.76
12/01/2028			136,771.88	136,771.88	
06/01/2029	725,000	4.000%	136,771.88	861,771.88	998,543.76
12/01/2029			122,271.88	122,271.88	
06/01/2030	755,000	4.000%	122,271.88	877,271.88	999,543.76
12/01/2030			107,171.88	107,171.88	
06/01/2031	785,000	4.000%	107,171.88	892,171.88	999,343.76
12/01/2031			91,471.88	91,471.88	
06/01/2032	815,000	4.125%	91,471.88	906,471.88	997,943.76
12/01/2032			74,662.50	74,662.50	
06/01/2033	850,000	4.125%	74,662.50	924,662.50	999,325.00
12/01/2033			57,131.25	57,131.25	
06/01/2034	885,000	4.125%	57,131.25	942,131.25	999,262.50
12/01/2034			38,878.13	38,878.13	
06/01/2035	925,000	4.125%	38,878.13	963,878.13	1,002,756.26
12/01/2035			19,800.00	19,800.00	
06/01/2036	960,000	4.125%	19,800.00	979,800.00	999,600.00
	11,965,000		4,780,428.26	16,745,428.26	16,745,428.26

PRIOR BOND DEBT SERVICE

Town of Hilton Head Island, SC
Advance Refunding of 2011B

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020	465,000	** %	82,990.63	547,990.63	547,990.63
12/01/2020			74,265.63	74,265.63	
06/01/2021	480,000	** %	74,265.63	554,265.63	628,531.26
12/01/2021			67,028.13	67,028.13	
06/01/2022	495,000	3.125%	67,028.13	562,028.13	629,056.26
12/01/2022			59,293.75	59,293.75	
06/01/2023	510,000	3.250%	59,293.75	569,293.75	628,587.50
12/01/2023			51,006.25	51,006.25	
06/01/2024	525,000	3.400%	51,006.25	576,006.25	627,012.50
12/01/2024			42,081.25	42,081.25	
06/01/2025	545,000	3.500%	42,081.25	587,081.25	629,162.50
12/01/2025			32,543.75	32,543.75	
06/01/2026	560,000	3.600%	32,543.75	592,543.75	625,087.50
12/01/2026			22,463.75	22,463.75	
06/01/2027	585,000	3.750%	22,463.75	607,463.75	629,927.50
12/01/2027			11,495.00	11,495.00	
06/01/2028	605,000	3.800%	11,495.00	616,495.00	627,990.00
	4,770,000		803,345.65	5,573,345.65	5,573,345.65

PRIOR BOND DEBT SERVICE

Town of Hilton Head Island, SC
Special Obligation Refunding Bonds (Hospitality Fee Pledge)
Taxable Rates as of June 17, 2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020	950,000	** %	339,825.01	1,289,825.01	1,289,825.01
12/01/2020			321,400.01	321,400.01	
06/01/2021	985,000	** %	321,400.01	1,306,400.01	1,627,800.02
12/01/2021			302,800.01	302,800.01	
06/01/2022	1,025,000	** %	302,800.01	1,327,800.01	1,630,600.02
12/01/2022			283,140.63	283,140.63	
06/01/2023	1,065,000	** %	283,140.63	1,348,140.63	1,631,281.26
12/01/2023			260,978.13	260,978.13	
06/01/2024	1,105,000	** %	260,978.13	1,365,978.13	1,626,956.26
12/01/2024			237,553.13	237,553.13	
06/01/2025	1,155,000	** %	237,553.13	1,392,553.13	1,630,106.26
12/01/2025			215,815.63	215,815.63	
06/01/2026	1,195,000	** %	215,815.63	1,410,815.63	1,626,631.26
12/01/2026			189,860.63	189,860.63	
06/01/2027	1,250,000	** %	189,860.63	1,439,860.63	1,629,721.26
12/01/2027			162,266.88	162,266.88	
06/01/2028	1,305,000	** %	162,266.88	1,467,266.88	1,629,533.76
12/01/2028			136,771.88	136,771.88	
06/01/2029	725,000	4.000%	136,771.88	861,771.88	998,543.76
12/01/2029			122,271.88	122,271.88	
06/01/2030	755,000	4.000%	122,271.88	877,271.88	999,543.76
12/01/2030			107,171.88	107,171.88	
06/01/2031	785,000	4.000%	107,171.88	892,171.88	999,343.76
12/01/2031			91,471.88	91,471.88	
06/01/2032	815,000	4.125%	91,471.88	906,471.88	997,943.76
12/01/2032			74,662.50	74,662.50	
06/01/2033	850,000	4.125%	74,662.50	924,662.50	999,325.00
12/01/2033			57,131.25	57,131.25	
06/01/2034	885,000	4.125%	57,131.25	942,131.25	999,262.50
12/01/2034			38,878.13	38,878.13	
06/01/2035	925,000	4.125%	38,878.13	963,878.13	1,002,756.26
12/01/2035			19,800.00	19,800.00	
06/01/2036	960,000	4.125%	19,800.00	979,800.00	999,600.00
	16,735,000		5,583,773.91	22,318,773.91	22,318,773.91

SUMMARY OF BONDS REFUNDED

Town of Hilton Head Island, SC
 Special Obligation Refunding Bonds (Hospitality Fee Pledge)
 Taxable Rates as of June 17, 2019

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price	
Special Obligation Bonds (Hospitality Fee Pledge), Series 2011A, 2011A:						
SERIAL	06/01/2020	4.000%	485,000.00			
	06/01/2021	4.500%	505,000.00			
	06/01/2022	4.500%	530,000.00	06/01/2021	100.000	
	06/01/2023	5.000%	555,000.00	06/01/2021	100.000	
	06/01/2024	5.000%	580,000.00	06/01/2021	100.000	
	06/01/2025	4.000%	610,000.00	06/01/2021	100.000	
	06/01/2026	5.000%	635,000.00	06/01/2021	100.000	
	06/01/2027	5.000%	665,000.00	06/01/2021	100.000	
	TERM31	06/01/2028	4.000%	700,000.00	06/01/2021	100.000
		06/01/2029	4.000%	725,000.00	06/01/2021	100.000
06/01/2030		4.000%	755,000.00	06/01/2021	100.000	
TERM36	06/01/2031	4.000%	785,000.00	06/01/2021	100.000	
	06/01/2032	4.125%	815,000.00	06/01/2021	100.000	
	06/01/2033	4.125%	850,000.00	06/01/2021	100.000	
	06/01/2034	4.125%	885,000.00	06/01/2021	100.000	
	06/01/2035	4.125%	925,000.00	06/01/2021	100.000	
	06/01/2036	4.125%	960,000.00	06/01/2021	100.000	
			11,965,000.00			
Special Obligation Refunding Bonds, Series 2011B, 2011B:						
SERIAL	06/01/2020	3.000%	115,000.00			
	06/01/2020	4.000%	350,000.00			
	06/01/2021	3.250%	230,000.00			
	06/01/2021	2.800%	250,000.00			
	06/01/2022	3.125%	495,000.00	06/01/2021	100.000	
	06/01/2023	3.250%	510,000.00	06/01/2021	100.000	
	06/01/2024	3.400%	525,000.00	06/01/2021	100.000	
	06/01/2025	3.500%	545,000.00	06/01/2021	100.000	
	06/01/2026	3.600%	560,000.00	06/01/2021	100.000	
	06/01/2027	3.750%	585,000.00	06/01/2021	100.000	
	06/01/2028	3.800%	605,000.00	06/01/2021	100.000	
				4,770,000.00		
				16,735,000.00		

ESCROW REQUIREMENTS

Town of Hilton Head Island, SC
Advance Refunding of 2011A

Period Ending	Principal	Interest	Principal Redeemed	Total
06/01/2020	485,000.00	256,834.38		741,834.38
12/01/2020		247,134.38		247,134.38
06/01/2021	505,000.00	247,134.38	10,975,000.00	11,727,134.38
	990,000.00	751,103.14	10,975,000.00	12,716,103.14

ESCROW REQUIREMENTS

Town of Hilton Head Island, SC
Advance Refunding of 2011B

Period Ending	Principal	Interest	Principal Redeemed	Total
06/01/2020	465,000.00	82,990.63		547,990.63
12/01/2020		74,265.63		74,265.63
06/01/2021	480,000.00	74,265.63	3,825,000.00	4,379,265.63
	945,000.00	231,521.89	3,825,000.00	5,001,521.89

ESCROW REQUIREMENTS

Town of Hilton Head Island, SC
Special Obligation Refunding Bonds (Hospitality Fee Pledge)
Taxable Rates as of June 17, 2019

Period Ending	Principal	Interest	Principal Redeemed	Total
06/01/2020	950,000.00	339,825.01		1,289,825.01
12/01/2020		321,400.01		321,400.01
06/01/2021	985,000.00	321,400.01	14,800,000.00	16,106,400.01
	1,935,000.00	982,625.03	14,800,000.00	17,717,625.03

SUMMARY OF REFUNDING RESULTS

Town of Hilton Head Island, SC
Advance Refunding of 2011A

Dated Date	12/01/2019
Delivery Date	12/01/2019
Arbitrage yield	3.035320%
Escrow yield	1.915438%
Value of Negative Arbitrage	194,261.90
Bond Par Amount	11,655,000.00
True Interest Cost	3.150621%
Net Interest Cost	3.153397%
Average Coupon	3.112754%
Average Life	9.217
Par amount of refunded bonds	11,965,000.00
Average coupon of refunded bonds	4.200266%
Average life of refunded bonds	9.512
PV of prior debt to 12/01/2019 @ 3.035320%	13,080,732.64
Net PV Savings	308,315.46
Percentage savings of refunded bonds	2.576811%
Percentage savings of refunding bonds	2.645349%

SUMMARY OF REFUNDING RESULTS

Town of Hilton Head Island, SC
Advance Refunding of 2011B

Dated Date	12/01/2019
Delivery Date	12/01/2019
Arbitrage yield	3.035320%
Escrow yield	1.920486%
Value of Negative Arbitrage	73,492.72
Bond Par Amount	4,375,000.00
True Interest Cost	2.659125%
Net Interest Cost	2.672022%
Average Coupon	2.854968%
Average Life	4.676
Par amount of refunded bonds	4,770,000.00
Average coupon of refunded bonds	3.569632%
Average life of refunded bonds	4.718
PV of prior debt to 12/01/2019 @ 3.035320%	4,877,726.82
Net PV Savings	-33,922.45
Percentage savings of refunded bonds	-0.711162%
Percentage savings of refunding bonds	-0.775370%

SUMMARY OF REFUNDING RESULTS

Town of Hilton Head Island, SC
Special Obligation Refunding Bonds (Hospitality Fee Pledge)
Taxable Rates as of June 17, 2019

Dated Date	12/01/2019
Delivery Date	12/01/2019
Arbitrage yield	3.035320%
Escrow yield	1.916828%
Value of Negative Arbitrage	267,754.62
Bond Par Amount	16,030,000.00
True Interest Cost	3.066191%
Net Interest Cost	3.076392%
Average Coupon	3.071516%
Average Life	7.978
Par amount of refunded bonds	16,735,000.00
Average coupon of refunded bonds	4.096153%
Average life of refunded bonds	8.146
PV of prior debt to 12/01/2019 @ 3.035320%	17,958,459.46
Net PV Savings	274,393.01
Percentage savings of refunded bonds	1.639636%
Percentage savings of refunding bonds	1.711747%

SAVINGS

Town of Hilton Head Island, SC
Advance Refunding of 2011A

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 12/01/2019 @ 3.0353196%
06/01/2020	741,834.38	687,333.75	54,500.63	53,685.86
06/01/2021	999,268.76	894,367.50	104,901.26	101,390.02
06/01/2022	1,001,543.76	897,717.50	103,826.26	97,341.41
06/01/2023	1,002,693.76	895,467.50	107,226.26	97,467.40
06/01/2024	999,943.76	892,767.50	107,176.26	94,464.71
06/01/2025	1,000,943.76	894,617.50	106,326.26	90,871.41
06/01/2026	1,001,543.76	895,867.50	105,676.26	87,605.06
06/01/2027	999,793.76	891,517.50	108,276.26	87,004.42
06/01/2028	1,001,543.76	894,357.50	107,186.26	83,484.21
06/01/2029	998,543.76	890,997.50	107,546.26	81,222.20
06/01/2030	999,543.76	891,537.50	108,006.26	79,094.35
06/01/2031	999,343.76	895,802.50	103,541.26	73,538.71
06/01/2032	997,943.76	893,602.50	104,341.26	71,857.44
06/01/2033	999,325.00	895,042.50	104,282.50	69,635.06
06/01/2034	999,262.50	894,922.50	104,340.00	67,556.98
06/01/2035	1,002,756.26	898,192.50	104,563.76	65,645.93
06/01/2036	999,600.00	894,842.50	104,757.50	63,770.42
	16,745,428.26	14,998,953.75	1,746,474.51	1,365,635.58

Savings Summary

PV of savings from cash flow	1,365,635.58
Less: Prior funds on hand	-1,061,140.00
Plus: Refunding funds on hand	3,819.88
	<hr/>
Net PV Savings	308,315.46

SAVINGS

Town of Hilton Head Island, SC
Advance Refunding of 2011B

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 12/01/2019 @ 3.0353196%
06/01/2020	547,990.63	513,755.00	34,235.63	33,723.82
06/01/2021	628,531.26	554,010.00	74,521.26	71,479.15
06/01/2022	629,056.26	555,810.00	73,246.26	68,166.46
06/01/2023	628,587.50	557,160.00	71,427.50	64,494.38
06/01/2024	627,012.50	553,060.00	73,952.50	64,768.94
06/01/2025	629,162.50	558,660.00	70,502.50	59,901.46
06/01/2026	625,087.50	553,660.00	71,427.50	58,858.91
06/01/2027	629,927.50	558,360.00	71,567.50	57,194.48
06/01/2028	627,990.00	554,580.00	73,410.00	56,875.53
	5,573,345.65	4,959,055.00	614,290.65	535,463.11

Savings Summary

PV of savings from cash flow	535,463.11
Less: Prior funds on hand	-574,060.00
Plus: Refunding funds on hand	4,674.44
	<hr/>
Net PV Savings	-33,922.45

SAVINGS

Town of Hilton Head Island, SC
 Special Obligation Refunding Bonds (Hospitality Fee Pledge)
 Taxable Rates as of June 17, 2019

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 12/01/2019 @ 3.0353196%
06/01/2020	1,289,825.01	1,201,088.75	88,736.26	87,409.68
06/01/2021	1,627,800.02	1,448,377.50	179,422.52	172,869.16
06/01/2022	1,630,600.02	1,453,527.50	177,072.52	165,507.87
06/01/2023	1,631,281.26	1,452,627.50	178,653.76	161,961.78
06/01/2024	1,626,956.26	1,445,827.50	181,128.76	159,233.65
06/01/2025	1,630,106.26	1,453,277.50	176,828.76	150,772.86
06/01/2026	1,626,631.26	1,449,527.50	177,103.76	146,463.96
06/01/2027	1,629,721.26	1,449,877.50	179,843.76	144,198.90
06/01/2028	1,629,533.76	1,448,937.50	180,596.26	140,359.74
06/01/2029	998,543.76	890,997.50	107,546.26	81,222.20
06/01/2030	999,543.76	891,537.50	108,006.26	79,094.35
06/01/2031	999,343.76	895,802.50	103,541.26	73,538.71
06/01/2032	997,943.76	893,602.50	104,341.26	71,857.44
06/01/2033	999,325.00	895,042.50	104,282.50	69,635.06
06/01/2034	999,262.50	894,922.50	104,340.00	67,556.98
06/01/2035	1,002,756.26	898,192.50	104,563.76	65,645.93
06/01/2036	999,600.00	894,842.50	104,757.50	63,770.42
	22,318,773.91	19,958,008.75	2,360,765.16	1,901,098.69

Savings Summary

PV of savings from cash flow	1,901,098.69
Less: Prior funds on hand	-1,635,200.00
Plus: Refunding funds on hand	8,494.32
Net PV Savings	274,393.01

SOURCES AND USES OF FUNDS

Town of Hilton Head Island, SC
Special Obligation Refunding Bonds (Hospitality Fee Pledge)
Taxable Rates as of June 17, 2019

Sources:	Dated Date 12/01/2019	Delivery Date 12/01/2019	Advance Refunding of 2011A	Advance Refunding of 2011B	Total
Bond Proceeds:					
Par Amount			11,655,000.00	4,375,000.00	16,030,000.00
Net Premium			2,958.70	54,926.15	57,884.85
			<u>11,657,958.70</u>	<u>4,429,926.15</u>	<u>16,087,884.85</u>
Other Sources of Funds:					
Transfer of 2011A DSRF			1,061,140.00		1,061,140.00
Transfer of 2011B DSRF				574,060.00	574,060.00
			<u>1,061,140.00</u>	<u>574,060.00</u>	<u>1,635,200.00</u>
			12,719,098.70	5,003,986.15	17,723,084.85
Uses:					
Refunding Escrow Deposits:					
Cash Deposit			0.71	0.74	1.45
SLGS Purchases			12,373,812.00	4,871,133.00	17,244,945.00
			<u>12,373,812.71</u>	<u>4,871,133.74</u>	<u>17,244,946.45</u>
Delivery Date Expenses:					
Cost of Issuance			272,652.84	102,347.16	375,000.00
Underwriter's Discount			46,620.00	17,500.00	64,120.00
Surety Bonds @ 2.1% of 3 Prong Test			22,193.27	8,330.81	30,524.08
			<u>341,466.11</u>	<u>128,177.97</u>	<u>469,644.08</u>
Other Uses of Funds:					
Additional Proceeds			3,819.88	4,674.44	8,494.32
			12,719,098.70	5,003,986.15	17,723,084.85

BOND PRICING

Town of Hilton Head Island, SC
Advance Refunding of 2011A

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Jason's Taxable Rates as of 17jul19:						
	06/01/2020	510,000	3.000%	2.240%	100.375	1,912.50
	06/01/2021	555,000	3.000%	2.270%	101.070	5,938.50
	06/01/2022	575,000	3.000%	2.290%	101.715	9,861.25
	06/01/2023	590,000	3.000%	2.320%	102.273	13,410.70
	06/01/2024	605,000	3.000%	2.410%	102.501	15,131.05
	06/01/2025	625,000	3.000%	2.470%	102.710	16,937.50
	06/01/2026	645,000	3.000%	2.600%	102.378	15,338.10
	06/01/2027	660,000	2.600%	2.700%	99.325	-4,455.00
	06/01/2028	680,000	2.700%	2.800%	99.248	-5,113.60
	06/01/2029	695,000	2.800%	2.900%	99.174	-5,740.70
	06/01/2030	715,000	2.900%	3.000%	99.104	-6,406.40
	06/01/2031	740,000	3.000%	3.100%	99.038	-7,118.80
	06/01/2032	760,000	3.100%	3.200%	98.976	-7,782.40
	06/01/2033	785,000	3.200%	3.300%	98.917	-8,501.55
	06/01/2034	810,000	3.300%	3.400%	98.862	-9,217.80
	06/01/2035	840,000	3.375%	3.480%	98.750	-10,500.00
	06/01/2036	865,000	3.450%	3.550%	98.759	-10,734.65
		11,655,000				2,958.70

Dated Date	12/01/2019	
Delivery Date	12/01/2019	
First Coupon	06/01/2020	
Par Amount	11,655,000.00	
Premium	2,958.70	
Production	11,657,958.70	100.025386%
Underwriter's Discount	-46,620.00	-0.400000%
Purchase Price	11,611,338.70	99.625386%
Accrued Interest		
Net Proceeds	11,611,338.70	

BOND PRICING

Town of Hilton Head Island, SC
Advance Refunding of 2011B

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Jason's Taxable Rates as of 17jul19:						
	06/01/2020	450,000	3.000%	2.240%	100.375	1,687.50
	06/01/2021	440,000	3.000%	2.270%	101.070	4,708.00
	06/01/2022	455,000	3.000%	2.290%	101.715	7,803.25
	06/01/2023	470,000	3.000%	2.320%	102.273	10,683.10
	06/01/2024	480,000	3.000%	2.410%	102.501	12,004.80
	06/01/2025	500,000	3.000%	2.470%	102.710	13,550.00
	06/01/2026	510,000	3.000%	2.600%	102.378	12,127.80
	06/01/2027	530,000	2.600%	2.700%	99.325	-3,577.50
	06/01/2028	540,000	2.700%	2.800%	99.248	-4,060.80
	06/01/2029		2.800%	2.900%	99.174	
	06/01/2030		2.900%	3.000%	99.104	
	06/01/2031		3.000%	3.100%	99.038	
	06/01/2032		3.100%	3.200%	98.976	
	06/01/2033		3.200%	3.300%	98.917	
	06/01/2034		3.300%	3.400%	98.862	
	06/01/2035		3.375%	3.480%	98.750	
	06/01/2036		3.450%	3.550%	98.759	
		4,375,000				54,926.15

Dated Date	12/01/2019	
Delivery Date	12/01/2019	
First Coupon	06/01/2020	
Par Amount	4,375,000.00	
Premium	54,926.15	
Production	4,429,926.15	101.255455%
Underwriter's Discount	-17,500.00	-0.400000%
Purchase Price	4,412,426.15	100.855455%
Accrued Interest		
Net Proceeds	4,412,426.15	

BOND PRICING

Town of Hilton Head Island, SC
 Special Obligation Refunding Bonds (Hospitality Fee Pledge)
 Taxable Rates as of June 17, 2019

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Jason's Taxable Rates as of 17jul19:						
	06/01/2020	960,000	3.000%	2.240%	100.375	3,600.00
	06/01/2021	995,000	3.000%	2.270%	101.070	10,646.50
	06/01/2022	1,030,000	3.000%	2.290%	101.715	17,664.50
	06/01/2023	1,060,000	3.000%	2.320%	102.273	24,093.80
	06/01/2024	1,085,000	3.000%	2.410%	102.501	27,135.85
	06/01/2025	1,125,000	3.000%	2.470%	102.710	30,487.50
	06/01/2026	1,155,000	3.000%	2.600%	102.378	27,465.90
	06/01/2027	1,190,000	2.600%	2.700%	99.325	-8,032.50
	06/01/2028	1,220,000	2.700%	2.800%	99.248	-9,174.40
	06/01/2029	695,000	2.800%	2.900%	99.174	-5,740.70
	06/01/2030	715,000	2.900%	3.000%	99.104	-6,406.40
	06/01/2031	740,000	3.000%	3.100%	99.038	-7,118.80
	06/01/2032	760,000	3.100%	3.200%	98.976	-7,782.40
	06/01/2033	785,000	3.200%	3.300%	98.917	-8,501.55
	06/01/2034	810,000	3.300%	3.400%	98.862	-9,217.80
	06/01/2035	840,000	3.375%	3.480%	98.750	-10,500.00
	06/01/2036	865,000	3.450%	3.550%	98.759	-10,734.65
		16,030,000				57,884.85

Dated Date	12/01/2019	
Delivery Date	12/01/2019	
First Coupon	06/01/2020	
Par Amount	16,030,000.00	
Premium	57,884.85	
Production	16,087,884.85	100.361103%
Underwriter's Discount	-64,120.00	-0.400000%
Purchase Price	16,023,764.85	99.961103%
Accrued Interest		
Net Proceeds	16,023,764.85	

BOND DEBT SERVICE

Town of Hilton Head Island, SC
Advance Refunding of 2011A

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020	510,000	3.000%	177,333.75	687,333.75	687,333.75
12/01/2020			169,683.75	169,683.75	
06/01/2021	555,000	3.000%	169,683.75	724,683.75	894,367.50
12/01/2021			161,358.75	161,358.75	
06/01/2022	575,000	3.000%	161,358.75	736,358.75	897,717.50
12/01/2022			152,733.75	152,733.75	
06/01/2023	590,000	3.000%	152,733.75	742,733.75	895,467.50
12/01/2023			143,883.75	143,883.75	
06/01/2024	605,000	3.000%	143,883.75	748,883.75	892,767.50
12/01/2024			134,808.75	134,808.75	
06/01/2025	625,000	3.000%	134,808.75	759,808.75	894,617.50
12/01/2025			125,433.75	125,433.75	
06/01/2026	645,000	3.000%	125,433.75	770,433.75	895,867.50
12/01/2026			115,758.75	115,758.75	
06/01/2027	660,000	2.600%	115,758.75	775,758.75	891,517.50
12/01/2027			107,178.75	107,178.75	
06/01/2028	680,000	2.700%	107,178.75	787,178.75	894,357.50
12/01/2028			97,998.75	97,998.75	
06/01/2029	695,000	2.800%	97,998.75	792,998.75	890,997.50
12/01/2029			88,268.75	88,268.75	
06/01/2030	715,000	2.900%	88,268.75	803,268.75	891,537.50
12/01/2030			77,901.25	77,901.25	
06/01/2031	740,000	3.000%	77,901.25	817,901.25	895,802.50
12/01/2031			66,801.25	66,801.25	
06/01/2032	760,000	3.100%	66,801.25	826,801.25	893,602.50
12/01/2032			55,021.25	55,021.25	
06/01/2033	785,000	3.200%	55,021.25	840,021.25	895,042.50
12/01/2033			42,461.25	42,461.25	
06/01/2034	810,000	3.300%	42,461.25	852,461.25	894,922.50
12/01/2034			29,096.25	29,096.25	
06/01/2035	840,000	3.375%	29,096.25	869,096.25	898,192.50
12/01/2035			14,921.25	14,921.25	
06/01/2036	865,000	3.450%	14,921.25	879,921.25	894,842.50
	11,655,000		3,343,953.75	14,998,953.75	14,998,953.75

BOND DEBT SERVICE

Town of Hilton Head Island, SC
Advance Refunding of 2011B

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020	450,000	3.000%	63,755	513,755	513,755
12/01/2020			57,005	57,005	
06/01/2021	440,000	3.000%	57,005	497,005	554,010
12/01/2021			50,405	50,405	
06/01/2022	455,000	3.000%	50,405	505,405	555,810
12/01/2022			43,580	43,580	
06/01/2023	470,000	3.000%	43,580	513,580	557,160
12/01/2023			36,530	36,530	
06/01/2024	480,000	3.000%	36,530	516,530	553,060
12/01/2024			29,330	29,330	
06/01/2025	500,000	3.000%	29,330	529,330	558,660
12/01/2025			21,830	21,830	
06/01/2026	510,000	3.000%	21,830	531,830	553,660
12/01/2026			14,180	14,180	
06/01/2027	530,000	2.600%	14,180	544,180	558,360
12/01/2027			7,290	7,290	
06/01/2028	540,000	2.700%	7,290	547,290	554,580
	4,375,000		584,055	4,959,055	4,959,055

BOND DEBT SERVICE

Town of Hilton Head Island, SC
Special Obligation Refunding Bonds (Hospitality Fee Pledge)
Taxable Rates as of June 17, 2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2020	960,000	3.000%	241,088.75	1,201,088.75	1,201,088.75
12/01/2020			226,688.75	226,688.75	
06/01/2021	995,000	3.000%	226,688.75	1,221,688.75	1,448,377.50
12/01/2021			211,763.75	211,763.75	
06/01/2022	1,030,000	3.000%	211,763.75	1,241,763.75	1,453,527.50
12/01/2022			196,313.75	196,313.75	
06/01/2023	1,060,000	3.000%	196,313.75	1,256,313.75	1,452,627.50
12/01/2023			180,413.75	180,413.75	
06/01/2024	1,085,000	3.000%	180,413.75	1,265,413.75	1,445,827.50
12/01/2024			164,138.75	164,138.75	
06/01/2025	1,125,000	3.000%	164,138.75	1,289,138.75	1,453,277.50
12/01/2025			147,263.75	147,263.75	
06/01/2026	1,155,000	3.000%	147,263.75	1,302,263.75	1,449,527.50
12/01/2026			129,938.75	129,938.75	
06/01/2027	1,190,000	2.600%	129,938.75	1,319,938.75	1,449,877.50
12/01/2027			114,468.75	114,468.75	
06/01/2028	1,220,000	2.700%	114,468.75	1,334,468.75	1,448,937.50
12/01/2028			97,998.75	97,998.75	
06/01/2029	695,000	2.800%	97,998.75	792,998.75	890,997.50
12/01/2029			88,268.75	88,268.75	
06/01/2030	715,000	2.900%	88,268.75	803,268.75	891,537.50
12/01/2030			77,901.25	77,901.25	
06/01/2031	740,000	3.000%	77,901.25	817,901.25	895,802.50
12/01/2031			66,801.25	66,801.25	
06/01/2032	760,000	3.100%	66,801.25	826,801.25	893,602.50
12/01/2032			55,021.25	55,021.25	
06/01/2033	785,000	3.200%	55,021.25	840,021.25	895,042.50
12/01/2033			42,461.25	42,461.25	
06/01/2034	810,000	3.300%	42,461.25	852,461.25	894,922.50
12/01/2034			29,096.25	29,096.25	
06/01/2035	840,000	3.375%	29,096.25	869,096.25	898,192.50
12/01/2035			14,921.25	14,921.25	
06/01/2036	865,000	3.450%	14,921.25	879,921.25	894,842.50
	16,030,000		3,928,008.75	19,958,008.75	19,958,008.75

BOND SUMMARY STATISTICS

Town of Hilton Head Island, SC
Advance Refunding of 2011A

Dated Date	12/01/2019
Delivery Date	12/01/2019
Last Maturity	06/01/2036
Arbitrage Yield	3.035320%
True Interest Cost (TIC)	3.150621%
Net Interest Cost (NIC)	3.153397%
All-In TIC	3.486571%
Average Coupon	3.112754%
Average Life (years)	9.217
Duration of Issue (years)	7.822
Par Amount	11,655,000.00
Bond Proceeds	11,657,958.70
Total Interest	3,343,953.75
Net Interest	3,387,615.05
Total Debt Service	14,998,953.75
Maximum Annual Debt Service	898,192.50
Average Annual Debt Service	909,027.50
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	4.000000
Total Underwriter's Discount	4.000000
Bid Price	99.625386

Bond Component	Par Value	Price	Average Coupon	Average Life
Jason's Taxable Rates as of 17jul19	11,655,000.00	100.025	3.113%	9.217
	11,655,000.00			9.217

	TIC	All-In TIC	Arbitrage Yield
Par Value	11,655,000.00	11,655,000.00	11,655,000.00
+ Accrued Interest			
+ Premium (Discount)	2,958.70	2,958.70	2,958.70
- Underwriter's Discount	-46,620.00	-46,620.00	
- Cost of Issuance Expense		-272,652.84	
- Other Amounts		-22,193.27	-22,193.27
Target Value	11,611,338.70	11,316,492.59	11,635,765.43
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	3.150621%	3.486571%	3.035320%

BOND SUMMARY STATISTICS

Town of Hilton Head Island, SC
Advance Refunding of 2011B

Dated Date	12/01/2019
Delivery Date	12/01/2019
Last Maturity	06/01/2028
Arbitrage Yield	3.035320%
True Interest Cost (TIC)	2.659125%
Net Interest Cost (NIC)	2.672022%
All-In TIC	3.256653%
Average Coupon	2.854968%
Average Life (years)	4.676
Duration of Issue (years)	4.334
Par Amount	4,375,000.00
Bond Proceeds	4,429,926.15
Total Interest	584,055.00
Net Interest	546,628.85
Total Debt Service	4,959,055.00
Maximum Annual Debt Service	558,660.00
Average Annual Debt Service	583,418.24
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	4.000000
Total Underwriter's Discount	4.000000
Bid Price	100.855455

Bond Component	Par Value	Price	Average Coupon	Average Life
Jason's Taxable Rates as of 17jul19	4,375,000.00	101.255	2.855%	4.676
	4,375,000.00			4.676

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,375,000.00	4,375,000.00	4,375,000.00
+ Accrued Interest			
+ Premium (Discount)	54,926.15	54,926.15	54,926.15
- Underwriter's Discount	-17,500.00	-17,500.00	
- Cost of Issuance Expense		-102,347.16	
- Other Amounts		-8,330.81	-8,330.81
Target Value	4,412,426.15	4,301,748.18	4,421,595.34
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	2.659125%	3.256653%	3.035320%

BOND SUMMARY STATISTICS

Town of Hilton Head Island, SC
 Special Obligation Refunding Bonds (Hospitality Fee Pledge)
 Taxable Rates as of June 17, 2019

Dated Date	12/01/2019
Delivery Date	12/01/2019
Last Maturity	06/01/2036
Arbitrage Yield	3.035320%
True Interest Cost (TIC)	3.066191%
Net Interest Cost (NIC)	3.076392%
All-In TIC	3.446773%
Average Coupon	3.071516%
Average Life (years)	7.978
Duration of Issue (years)	6.885
Par Amount	16,030,000.00
Bond Proceeds	16,087,884.85
Total Interest	3,928,008.75
Net Interest	3,934,243.90
Total Debt Service	19,958,008.75
Maximum Annual Debt Service	1,453,527.50
Average Annual Debt Service	1,209,576.29
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	4.000000
Total Underwriter's Discount	4.000000
Bid Price	99.961103

Bond Component	Par Value	Price	Average Coupon	Average Life
Jason's Taxable Rates as of 17jul19	16,030,000.00	100.361	3.072%	7.978
	16,030,000.00			7.978

	TIC	All-In TIC	Arbitrage Yield
Par Value	16,030,000.00	16,030,000.00	16,030,000.00
+ Accrued Interest			
+ Premium (Discount)	57,884.85	57,884.85	57,884.85
- Underwriter's Discount	-64,120.00	-64,120.00	
- Cost of Issuance Expense		-375,000.00	
- Other Amounts		-30,524.08	-30,524.08
Target Value	16,023,764.85	15,618,240.77	16,057,360.77
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	3.066191%	3.446773%	3.035320%