



## **The Town of Hilton Head Island**

### **Regular Town Council Meeting**

**June 20, 2017**

**4:00 P.M. EXECUTIVE SESSION**

**5:00 P.M. REGULAR MEETING**

### **BENJAMIN M. RACUSIN COUNCIL CHAMBERS AGENDA**

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**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 Freedom of Information Act and the Town of Hilton Head Island requirements.
- 3. Executive Session**
  - a. Land Acquisition**  
Discussion of negotiations incident to the proposed sale, lease or purchase of property:
    - i.** Related to property in the Cordillo Parkway area
  - b. Legal Matters**  
The receipt of legal advice related to pending, threatened or potential claim related to:
    - i.** Pending litigation – ArborNature appeal
  - c. Personnel Matters**  
Discussion of appointments of members related to:
    - i.** Boards and Commissions
    - ii.** Membership of the Gullah-Geechee Land and Preservation Task Force
  - d. Contractual Matters**  
Discussion of negotiations incident to proposed contractual arrangements related to:
    - i.** POA Sub-Area Drainage Agreement within Hilton Head Plantation
- 4. Pledge to the Flag – 5:00 p.m.**
- 5. Invocation**
- 6. 5:00 PM PUBLIC HEARING – Town of Hilton Head Island Comprehensive Plan with all appendices, including the Beach Management Plan**
- 7. Proclamations & Commendations**
  - a.** Gullah/Geechee Nation Appreciation Week
- 8. Approval of Minutes**
  - a.** Town Council Meeting, June 6, 2017
  - b.** Town Council Public Hearing/Special Meeting, June 13, 2017

## **9. Report of Town Manager**

- a. Emergency Beach Renourishment Update**
- b. Items of Interest**
  - i. Town News
  - ii. Noteworthy Events

## **10. Reports from Members of Council**

- a. General Reports from Council
- b. Report of the Intergovernmental & Public Safety Committee – Bill Harkins, Chairman
- c. Report of the Community Services Committee – Kim Likins, Chairman
- d. Report of the Public Planning Committee – David Ames, Chairman
- e. Report of the Public Facilities Committee – Marc Grant, Chairman
- f. Report of the Finance & Administrative Committee – John McCann, Chairman

## **11. Appearance by Citizens**

## **12. Unfinished Business**

### **a. Second Reading of Proposed Ordinance 2017-10**

Second Reading of Proposed Ordinance 2017-10 to raise revenue and adopt a budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2018; to establish a property tax levy; to establish funds; to establish a policy for acquisition of rights of way and easements; and providing for severability and an effective date.

### **b. Second Reading of Proposed Ordinance 2017-11**

Second Reading of Proposed Ordinance 2017-11 to Amend Title 10 Chapter 1 and Chapter 9, of the Municipal Code of the Town of Hilton Head Island, to increase Business License and EMS fees by fifteen percent (15%), as per the adopted Fiscal Year 2018 Budget, and to update and amend Sections of Title 10, Chapter 1 to conform with current practice, and providing for severability and effective date.

### **c. Second Reading of Proposed Ordinance 2017-12**

Second Reading of Proposed Ordinance 2017-12 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, specifically to apply the Planned Development Overlay District (PD-2) to eight parcels. The PD-2 will incorporate three Waterfront Mixed Use (WMU) properties and five low to moderate density residential (RM-4) properties to allow for the permitted density and specific uses from the three WMU parcels to be transferred to the five RM-4 parcels. The WMU parcels will be rezoned Conservation District (CON) to be preserved as permanent open space. The proposed development will occur on the RM-4 parcels and consist of mixed-use residential and specific commercial uses. The subject parcels are located near the intersection of Squire Pope and Gumtree Roads and are further identified on Beaufort County Tax Map #3 as parcels 223, 49, 14D, 16, 14I, 14, 58 and 58A and providing for severability and an effective date.

### **d. Second Reading of Proposed Ordinance 2017-13**

Second Reading of Proposed Ordinance 2017-13 authorizing the issuance and sale of not to exceed \$28,500,000 General Obligation Bonds, in one or more Series, in one or more years, with appropriate Series designations, of the Town of Hilton Head Island, South Carolina, fixing the form and certain details of which the Bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the Bonds providing for the payment of the Bonds and the disposition of the proceeds thereof, other matters relating thereto, and providing for severability and effective date.



**e. Second Reading of Proposed Ordinance 2017-14**

Second Reading of Proposed Ordinance 2017-14 authorizing the issuance and sale of not exceeding \$32,000,000 Tax Increment Bonds, in one or more Series, with appropriate Series designations, of the Town of Hilton Head Island, South Carolina, for the purpose of paying the cost of certain redevelopment projects; delegating the authority to the Town Manager to determine certain matters with respect to the Bonds; prescribing the form and details of the Bonds, limiting the payment of the Bonds from the sources provided herein; providing for the disposition of the proceeds thereof, amending and restating Ordinance No. 2004-29, as previously amended, and confirming amendments to Ordinance No. 09-20, and other matters relating thereto.

**f. Second Reading of Proposed Ordinance 2017-15**

Second Reading of Proposed Ordinance 2017-15 providing for the issuance and sale of Town of Hilton Head Island, South Carolina, Special Obligation Bonds (Beach Preservation Fee Pledge), in one or more series, in the principal amount of not exceeding \$36,000,000; 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.

**g. Second Reading of Proposed Ordinance 2017-16**

Second Reading of Proposed Ordinance 2017-16 authorizing the issuance and sale of not to exceed \$18,000,000 General Obligation Bonds, Taxable Series 2017A, or such other appropriate series designation, of the Town of Hilton Head Island, South Carolina, fixing the form and certain details of the Bonds; authorizing the Town manager or his lawfully authorized designee to determine certain matters relating to the Bonds; providing for the payment of the Bonds and the disposition of the proceeds thereof; and providing for severability and an effective date.

**13. New Business**

**a. First Reading of Proposed Ordinance 2017-02**

First Reading of Proposed Ordinance 2017-02 to provide for the adoption of updates to “The Town of Hilton Head Island Comprehensive Plan” and its appendices, including the Beach Management Plan; and to provide for severability and an effective date.

**b. Consideration of a Resolution – Creating the Gullah-Geechee Land and Cultural Preservation Task Force**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, creating the Gullah-Geechee Land and Cultural Preservation Task Force as an Ad Hoc Committee of the Planning Commission and providing a goal for the Committee.

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

**15. Adjournment**

# Proclamation

BY  
THE TOWN OF HILTON HEAD ISLAND

*WHEREAS, Beaufort County is the second oldest county in South Carolina, and at its founding, Africans were brought into what is now known as Hilton Head Island, and these Africans are now known as Gullah/Geechee; and*

*WHEREAS, for the fifth consecutive year, the Town of Hilton Head Island joins the native Gullah/Geechee in honoring Gullah/Geechee Nation and honoring the region built by their ancestors; and*

*WHEREAS, Queen Quet, Chieftess of Gullah/Geechee Nation and Kwame Sha of All Mobile Productions™ founded the “Gullah/Geechee Nation International Music & Movement Festival™” as a culminating event to educate the world on all aspects of the Gullah/Geechee story and culture; and*

*WHEREAS, the “Gullah/Geechee Nation International Music & Movement Festival™” moves to various parts of the Gullah/Geechee Nation and the African Diaspora each year to celebrate the continuation of Gullah/Geechee traditions; and*

*WHEREAS, a series of activities will take place throughout Beaufort County and in the Town of Hilton Head Island to celebrate “Gullah/Geechee Nation Appreciation Week” leading up to the Festival.*

*NOW, THEREFORE, I, David Bennett, Mayor of the Town of Hilton Head Island, South Carolina do hereby proclaim the week of July 29 – August 6, 2017 as*

**Gullah/Geechee Nation Appreciation Week**

*in Hilton Head Island to honor the history and legacy of the Gullah/Geechee Nation, and I urge the citizens of our Island to join in “Fa We Ancestas.”*

*IN TESTIMONY WHEREOF, I have hereunto set my hand and caused this seal of the Town of Hilton Head Island to be affixed this 20th day of June, Two Thousand and Seventeen.*

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David Bennett, Mayor

Attest:

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Krista M. Wiedmeyer, Town Clerk

**THE TOWN OF HILTON HEAD ISLAND**  
**REGULAR TOWN COUNCIL MEETING**

**Date:** Tuesday, June, 6 2017

**Time:** 4:00 P.M.

**Present from Town Council:** David Bennett, *Mayor*; Kim Likins, *Mayor Pro Tem*; David Ames, Marc Grant, Bill Harkins, Tom Lennox, John McCann, *Council Members*

**Present from Town Staff:** Steve Riley, *Town Manager*, Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Scott Liggett, *Director of Public Projects & Facilities/Chief Engineer*; Brad Tadlock, *Fire Chief*; Brian Hulbert, *Staff Attorney*; John Troyer, *Director of Finance*; Nancy Gasen, *Director of Human Resources*; Tom Fultz, *Director of Administrative Services*; Steven Markiw, *Deputy Finance Director*; Shawn Colin, *Deputy Director of Community Development*; Julian Walls, *Facilities Manager*; Jeff Buckalew, *Town Engineer*; Thomas Dunn, *Emergency Management Coordinator*; Jennifer Ray, *Planning and Special Projects Manager*; Teri Lewis, *LMO Official*; Nicole Dixon, *Development Review Administrator*; Melissa Cope, *Systems Analyst*; Cuiwei Zhang, *Systems Analyst*, Erica Madhere, *Finance Administrator*; Cindaia Ervin, *Finance Assistant*; Krista Wiedmeyer, *Executive Assistant/Town Clerk*;

**Present from Media:** Alex Kincaid, *Island Packet*

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**1) Call to Order**

Mayor Bennett 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 Freedom of Information Act and the Town of Hilton Head Island requirements.

**3) Executive Session**

Mr. Riley stated he needed an Executive Session for: (a) Land Acquisition Matters; the discussion of negotiations incident to the proposed sale, lease, or purchase of property related to; (i) property in the Cordillo Parkway area; (b) Legal Matters; the receipt of legal advice related to pending, threatened, or potential claims related to; (i) Karen Watson vs. Town of Hilton Head Island, (ii) pending litigation related to the ArborNature appeal, and (iii) potential litigation related to a LMO matter in the North Forest Beach area; (c) Personnel Matters related to the appointments to Boards and Commissions; and (d) Contractual Matters; discussions of negotiations incident to proposed contractual arrangements related to (i) POA Sub-Area drainage agreement within Hilton Head Plantation, (ii) Shelter Cove Development Agreement and (iii) agreement with Beaufort County and St. James Church regarding Airport related improvement.

At 4:02 p.m. Mrs. Likins moved to go into Executive Session for matters mentioned by the Town Manager. Mr. Harkins seconded. The motion was approved by a vote of 7-0.

Council returned to the dais at 5:00 p.m.

**4) Pledge to the Flag – 5:00 p.m.**

**5) Invocation**

**6) Proclamations and Commendations**

**a) Alzheimer's & Brain Awareness Month**

Mayor Bennett presented the Alzheimer's and Brain Awareness Month Proclamation to Ms. Taylor Wilson representing the Alzheimer's Association who made some brief comments to Council about Alzheimer's Awareness.

## **7) Approval of Minutes**

### **a) Town Council Budget Workshop & Special Meeting, May 9, 2017**

Mrs. Likins moved to approve. Mr. Harkins seconded. Town Council Budget Workshop and Special Meeting Minutes for May 9, 2017 were approved by a vote of 7-0.

### **b) Town Council Meeting, May 16, 2017**

Mrs. Likins moved to approve. Mr. Harkins seconded. Town Council Meeting Minutes for May 16, 2017 were approved by a vote of 7-0.

## **8) Report of Town Manager**

### **a) Hilton Head Island – Our Future: Monthly Update**

Emily Sparks addressed Council with an overview of the Vision Committee and the first monthly update.

### **b) Annual Report of the Hazard Mitigation Plan**

Mr. Riley reported to Council the requirements related to disclosure of the Annual Report of the Hazard Mitigation Plan.

### **c) Hurricane Season Update**

Tom Dunn addressed Council providing an overview from what was learned during and after Hurricane Matthew to better prepare for the upcoming hurricane season.

### **d) Bradley Circle Zoning Issue Update**

Charles Cousins addressed Council providing an update on the status of the Bradley Circle Zoning matter.

### **e) Town Manager's Items of Interest**

#### **i) Town News**

Mr. Riley reported on the Public Hearing/Special Meeting for the Fiscal Year 2018 Budget Wrap up on June 13, 2017, beginning at 6:00 p.m. As well as the Public Hearing for the First Reading of the Comprehensive Plan Update on June 20, 2017, beginning at 5:00 p.m. Mr. Riley recognized Fire Rescue for their receipt of the 2017 Mission: Gold EMS Recognition from the American Heart Association for the second year in a row.

#### **ii) Noteworthy Events**

Mr. Riley reported on upcoming noteworthy events taking place in the coming weeks.

## **9) Reports from Members of Council**

### **a) General Reports from Council**

Mr. McCann made an inquiry to all the members of Council concerning a recent news article concerning Workforce Housing. Mayor Bennett requested further discussion take place after the report from the Public Planning Committee has given their report.

### **b) Report of the Intergovernmental and Public Safety Committee – Bill Harkins, Chairman**

Mr. Harkins deferred his report until the discussion of Agenda Items; 12(b) Consideration of a Resolution from the Intergovernmental and Public Safety Committee and 13(b) Continuation of Council's Review of proposed budget of Beaufort County Sheriff's Office.

**c) Report of the Community Services Committee – Kim Likins, Chairman**

Mrs. Likins reported that the Committee had completed the items necessary to provide the Recommendation for the Phase One Needs Assessment to Council, and would defer the remainder of her report for that Agenda Item; 12(c) Consideration of a Recommendation – Phase One: Needs Assessment Recommendation.

**d) Report of the Public Planning Committee – David Ames, Chairman**

Mr. Ames reported that the Committee has reviewed the changes to the Comprehensive Plan that were made at the request of Council. Staff also provided an update regarding the food truck and shuttle programs to begin operating this summer.

**e) Report of the Public Facilities Committee – Marc Grant, Chairman**

Mr. Grant reported the Committee is moving the reimbursement agreement for the Hilton Head Public Service District Sewer Expansion Project forward to Council to review at the next meeting. Mayor Bennett asked Mr. Riley to add that item to the June 13, 2017 Public Hearing/Special Meeting Agenda.

**f) Report of the Finance and Administrative Committee - John McCann, Chairman**

Mr. McCann reported that the Chamber gave their Annual Report on their matrix for their contract with the Town. The Committee plans to follow up on any remaining open items.

**10) Appearance by Citizens**

Deborah Urato, Jack Daly, Renea Hushour, Carolyn Austin, Mira Scott, Shane Gould, Pamela Ovens, Dru Brown, and David Schweiger addressed Council about the properties located at 3 and 5 Heron Street in the North Forest Beach area.

Tamara Becker addressed Council about the Bradley Circle zoning matter.

Skip Hoagland addressed Council about his matters with the Town of Hilton Head Island.

**11) Unfinished Business**

**a) Second Reading of Proposed Ordinance 2017-09**

Second Reading of Proposed Ordinance 2017-09 to amend Title 16 of the Municipal Code of the Town of Hilton Head Island, South Carolina, The Land Management Ordinance (LMO), Chapters 2, 3, 4, 5, 10 and Appendix D to revise various sections. These Amendments, commonly referred to as 2017 LMO Amendments – First set as noticed in the Island Packet on March 19, 2017, include changes that provide for general amendments to a variety of sections in the LMO, and providing for severability and an effective date.

Mrs. Likins moved to approve the Second Reading of Proposed Ordinance 2017-09. Mr. Harkins seconded. The motion was approved by a vote of 7-0.

**12) New Business**

**a) First Reading of Proposed Ordinance 2017-12**

First Reading of Proposed Ordinance 2017-12 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, specifically to apply the Planned Development Overlay District (PD-2) to eight parcels. The PD-2 will incorporate three Waterfront Mixed Use (WMU) properties and five low to moderate density residential (RM-4) properties to allow for the permitted density and specific uses from the three WMU parcels to be transferred to the five RM-4 parcels. The WMU parcels will be rezoned Conservation District (CON) to be preserved as permanent open space. The proposed development will occur on the RM-4 parcels and

consist of mixed-use residential and specific commercial uses. The subject parcels are located near the intersection of Squire Pope and Gumtree Roads and are further identified on Beaufort County Tax Map #3 as parcels 223, 49, 14D, 16, 14I, 14, 58 and 58A and providing for severability and an effective date.

Mrs. Likins moved to approve the Second Reading of the Proposed Ordinance 2017-12. Mr. Harkins seconded. The motion was approved by a vote of 7-0.

**b) Consideration of a Resolution – Intergovernmental and Public Safety Committee**

Consideration of a Resolution of the Town Council of the Town of Hilton Head Island, South Carolina, establishing a Friendship City Pact with Verona, Italy.

Dr. Robert LeFavi of the Hilton Head Italian American Club addressed Council regarding the steps as they relate to the Friendship Pact with Verona, Italy. Mr. Harkins echoed Dr. LeFavi's statements, further explaining the Committee voted unanimously to endorse the Friendship Pact and move it to full Council for consideration. Mr. Harkins moved to approve the Resolution for the Town of Hilton Head Island, South Carolina establishing a Friendship Pact with Verona, Italy. Mrs. Harkins seconded. The motion was approved by a vote of 7-0.

**c) Consideration of a Recommendation – Phase One: Needs Assessment Recommendation**

Consideration of a Recommendation from the Community Services Committee that Town Council approve the recommendations as brought forward by the Venue Committee based on Phase One, of the needs assessment completed by Webb Management Services.

Mrs. Likins reported to Council about the discussions and work that took place in the prior weeks for Committee to move the above-mentioned Recommendation forward to full Council for review, consideration, and approval. Citizens Terry Orr, George Paletta, and Cindy Creamer addressed Council regarding the Recommendation. After much discussion by Council considering the Recommendation, Mrs. Likins moved to approve the Recommendation from the Community Services Committee that Town Council approve the recommendations as brought forward by the Venue Committee based on Phase One of the needs assessment completed by Webb Management Services. Mr. Harkins seconded. The motion was approved by a vote of 7-0. McCann moved to discuss the lighting for the Arts Center of Coastal Carolina on the next regular Town Council agenda. Mr. Lennox seconded. Upon Council's request a Roll Call was taken to confirm the vote for the aforementioned motion; Mr. McCann, yes; Mr. Harkins, no; Mrs. Likins, no; Mayor Bennett, no; Mr. Grant, yes; Mr. Lennox, yes; and Mr. Ames, no. The motion failed by a vote of 3-4.

**13) Budget Workshop Carry Over Items**

**a) Review of Storm Water Utility Fund**

Scott Liggett presented a PowerPoint with an overview of the FY2018 Storm Water Utility Fund answering questions posed by Council.

**b) Continuation of Council's Review of proposed budget of Beaufort County Sheriff's Office**

Mr. Harkins reported to Council about the discussion that took place earlier in the week during the Intergovernmental and Public Safety Committee meeting concerning the proposed budget request for the Beaufort County Sheriff's Office. After much discussion, Mr. Harkins moved to approve the same budget amount as the current fiscal year, place an amount in a reserve account to satisfy an adjustment in the cost of living, and utilized the previously approved funds from the current fiscal year's budget to proceed with the previously discussed study to determine the value of the services being rendered by the Sheriff's Office. Mr. Ames seconded. The motion was approved by a vote of 7-0.

- c) Continuation of Council's Review of General Operating Budget
- d) Continuation of Council's Review of Debt Service
- e) Continuation of Council's Review of Capital Improvement Program

Mr. Riley reported to Council the intent of the three above-referenced Agenda Items was to prepare for the forthcoming Public Hearing/Special Meeting taking place Tuesday, June 13, 2017. Council discussed the pending rate increase and bonds in preparation to proceed with the FY2018 Budget requirements.

#### **14) Possible actions by Town Council concerning matters discussed in Executive Session**

Mrs. Likins moved to re-appoint the following persons to boards and commissions:

For the Accommodations Tax Advisory Committee, re-appoint Brad Marra to a 3-year term ending June 30, 2020, as a Hospitality member and Heather Rath to a 3-year term ending June 30, 2020, as a Cultural Organization member. For the Construction Board of Adjustments and Appeals, re-appoint Neil Gordon to a 4-year term ending June 30, 2021 as an Architect member, Ling Graves to a 4-year term ending June 30, 2021 as a General Contractor member, and Frank Guidobono to a 4-year term ending June 30, 2021 as a Building Industry Alternate member. For the Design Review Board, re-appoint Ronald Hoffman to a 3-year term ending June 30, 2020, as an Attorney member, Dale Strecker to a 3-year term ending June 30, 2020, as an Architect member, and Brian Witmer to a 3-year term ending June 30, 2020, as a Landscape Architect member. For the Parks and Recreation Commission, re-appoint Mike Ray to a 3-year term ending June 30, 2020. For the Planning Commission, re-appoint Peter Kristian to a 3-year term ending June 30, 2020, as an At-Large member, Caroline McVitty to a 3-year term ending June 30, 2020, as an Attorney member, and Lavon Stevens to a 3-year term ending June 30, 2020, as an At-Large member.

Mrs. Likins further moved to appoint the following persons to boards and commissions:

For the Accommodations Tax Advisory Committee, appoint Roger Freedman to a 3-year term ending June 30, 2022, as an At-Large member to replace Trish Heichel. For the Planning Commission, appoint Glenn Stanford to a 3-year term ending June 30, 2020, as an At-Large member to replace Jim Gant.

Mr. Harkins seconded. The motion passed by a vote of 7-0.

#### **15) Adjournment**

Mayor Bennett adjourned the meeting at 8:09 p.m.

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Krista M. Wiedmeyer,  
Executive Assistant/Town Clerk

Approved: 06/20/2017

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David Bennett, Mayor

**THE TOWN OF HILTON HEAD ISLAND**  
**TOWN COUNCIL PUBLIC HEARING/SPECIAL MEETING**

**Date:** Tuesday, June 13, 2017

**Time:** 6:00 P.M.

**Present from Town Council:** David Bennett, *Mayor*; Kim Likins, *Mayor Pro Tem*; Marc Grant, Bill Harkins, Tom Lennox, John McCann, *Council Members*

**Absent from Town Council:** David Ames, *Council Member*

**Present from Town Staff:** Steve Riley, *Town Manager*, Greg DeLoach, *Assistant Town Manager*; Charles Cousins, *Director of Community Development*; Brad Tadlock, *Fire Chief*; Brian Hulbert, *Staff Attorney*; John Troyer, *Director of Finance*; Nancy Gasen, *Director of Human Resources*; Steven Markiw, *Deputy Finance Director*; Melissa Cope, *Systems Analyst*; Erica Madhere, *Finance Administrator*; Cindaia Ervin, *Finance Assistant*; Krista Wiedmeyer, *Executive Assistant/Town Clerk*;

**Present from Media:** Alex Kincaid, *Island Packet*

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**1) Call to Order**

Mayor Bennett called the meeting to order at 6:00 p.m.

**2) Pledge to the Flag**

**3) Invocation**

**4) FOIA Compliance**

**5) PUBLIC HEARING ON THE MUNICIPAL BUDGET FOR FY2018**

Mayor Bennett called to Order the Public Hearing on the Municipal Budget for Fiscal Year 2018 at 6:01 p.m. With no requests to address Council, Mayor Bennett closed the Public Hearing.

**6) Unfinished Business**

**a. Revised First Hearing of Proposed Ordinance 2017-10**

Revised First Reading of Proposed Ordinance 2017-10 to raise revenue and adopt a budget for the Town of Hilton Head Island, South Carolina, for the Fiscal Year ending June 30, 2018; to establish a property tax levy; to establish funds; to establish a policy for acquisition of rights of way and easements; and providing for severability and an effective date.

Mrs. Likins moved to approve the Revised First Reading of Proposed Ordinance 2017-10. Mr. Harkins seconded. The motion was approved by a vote of 6-0.

Mr. Harkins excused himself and left the meeting.

**7) New Business**

**a. Hilton Head Public Service District Sewer Expansion Project**

Cost Reimbursement Agreement between Hilton Head Public Service District and the Town of Hilton Head Island, South Carolina for costs associated with the implementation of the Master Sewer Plan.

Mrs. Likins moved to approve the Cost Reimbursement Agreement between Hilton Head Public Service District and the Town of Hilton Head Island. Mr. McCann seconded. The motion was approved by a vote of 5-0.



**b. First Reading of Proposed Ordinance 2017-11**

First Reading of Proposed Ordinance 2017-11 to Amend Title 10 Chapter 1 and Chapter 9, of the Municipal Code of the Town of Hilton Head Island, to increase Business License and EMS fees by fifteen percent (15%), as per the adopted Fiscal Year 2018 Budget, and to update and amend Sections of Title 10, Chapter 1 to conform with current practice, and providing for severability and effective date.

Mrs. Likins moved to approve the First Reading of Proposed Ordinance 2017-11. Mr. McCann seconded. The motion was approved by a vote of 5-0.

**c. First Reading of Proposed Ordinance 2017-13**

First Reading of Proposed Ordinance 2017-13 authorizing the issuance and sale of not to exceed \$28,500,000 General Obligation Bonds, in one or more Series, in one or more years, with appropriate Series designations, of the Town of Hilton Head Island, South Carolina, fixing the form and certain details of which the Bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the Bonds providing for the payment of the Bonds and the disposition of the proceeds thereof, other matters relating thereto, and providing for severability and effective date.

Mr. Riley provided further documentation to Council showing the uses of the proceeds from the sale of the GO Bonds. Mrs. Likins moved to approve the First Reading of Proposed Ordinance 2017-13. Mr. McCann seconded. The motion was approved by a vote of 5-0.

**d. First Reading of Proposed Ordinance 2017-14**

First Reading of Proposed Ordinance 2017-14 authorizing the issuance and sale of not exceeding \$32,000,000 Tax Increment Bonds, in one or more Series, with appropriate Series designations, of the Town of Hilton Head Island, South Carolina, for the purpose of paying the cost of certain redevelopment projects; delegating the authority to the Town Manager to determine certain matters with respect to the Bonds; prescribing the form and details of the Bonds, limiting the payment of the Bonds from the sources provided herein; providing for the disposition of the proceeds thereof, amending and restating Ordinance No. 2004-29, as previously amended, and confirming amendments to Ordinance No. 09-20, and other matters relating thereto.

Mrs. Likins move to approve the First Reading of Proposed Ordinance 2017-14. Mr. McCann seconded. The motion was approved by a vote of 5-0.

**e. First Reading of Proposed Ordinance 2017-15**

First Reading of Proposed Ordinance 2017-15 providing for the issuance and sale of Town of Hilton Head Island, South Carolina, Special Obligation Bonds (Beach Preservation Fee Pledge), in one or more series, in the principal amount of not exceeding \$36,000,000; 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.

Mrs. Likins moved to approve the First Reading of Proposed Ordinance 2017-15. Mr. McCann seconded. The motion was approved by a vote of 5-0.

**f. First Reading of Proposed Ordinance 2017-16**

First Reading of Proposed Ordinance 2017-16 authorizing the issuance and sale of not to exceed \$18,000,000 General Obligation Bonds, Taxable Series 2017A, or such other appropriate series designation, of the Town of Hilton Head Island, South Carolina, fixing the form and certain details of the Bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the Bonds; providing for the payment of the Bonds and the disposition of the proceeds thereof; and providing for severability and an effective date.

Mayor Bennett asked Mr. Riley about the ongoing conversations with the County concerning the Town borrowing One Mil for out-of-pocket hurricane recovery costs. Mr. Riley recommended approval of this Bond Ordinance as a backup, but the Town will continue the discussions with the County, providing follow up to Council at the July 18, 2017 Town Council meeting. Mrs. Likins moved to approve the First Reading of Proposed Ordinance 2017-16. Mr. McCann seconded. The motion was approved by a vote of 5-0.

**8) Adjournment**

Mayor Bennett adjourned the meeting at 6:11 p.m.

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Krista M. Wiedmeyer,  
Executive Assistant/Town Clerk

Approved: 06/20/2017

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David Bennett, Mayor



## ITEMS OF INTEREST

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### JUNE 20, 2017

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#### Noteworthy Events

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Some of the upcoming meetings:

- Planning Commission – June 21 2017, 3:00 p.m.
- Venue Committee – June 22, 2017, 9:00 a.m.
- Public Planning Committee – June 22, 2017, 3:00 p.m.
- Public Facilities Committee – June 26, 2017 – 10:00 a.m.
- Board of Zoning Appeals – June 26, 2017 – 2:30 p.m.
- Design Review Board – June 27, 2017 – 1: 15 p.m.
- Vision Project Management – June 16, 2017, 2:00 p.m.
- Town Council Executive Session– July 18, 2017, 4:00 p.m.
- Town Council Regular Meeting – July 18, 2017

*Additional meetings may be scheduled and all meetings are subject to change and/or cancellation. Please visit the Town of Hilton Head Island website at [www.hiltonheadislandsc.gov](http://www.hiltonheadislandsc.gov) for Committee meeting dates and agendas.*

#### Hilton Head Island Events

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June 20, 2017 3:00 p.m. – 10:00 p.m.	Car Club Cruise-In	Shelter Cove Community Park
June 20, 2017 5:00 p.m. – 10:00 p.m.	Parrot Palooza 2017	Shelter Cove Harbour & Marina
June 20, 2017 8:00 p.m. – 11:00 p.m.	Movie Nights Swiss Family Robinson	Shelter Cove Community Park
June 21, 2017 7:00 p.m. to 10:00 p.m.	Sunset Celebrations	Shelter Cove Community Park
June 27, 2017 5:00 p.m. – 10:00 p.m.	Harbourfest	Shelter Cove Harbour & Marina
June 27, 2017 5:00 p.m. – 10:00 p.m.	Summer Jams	Shelter Cove Community Park



## **MEMORANDUM**

**TO:** Town Council

**FROM:** John Troyer, CPA, Director of Finance

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

**DATE:** June 20, 2017

**RE:** **Second Reading of Proposed Ordinance No. 2017-10**

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**Recommendation:**

Staff recommends that Town Council approve the second reading of Proposed Ordinance No. 2017-10 to adopt the General, Capital Projects, Debt Service and Stormwater Funds budgets and millage rates for the fiscal year ending June 30, 2018.

**There have been no changes since public hearing and first reading.**

ORDINANCE NO. \_\_\_\_\_

PROPOSED ORDINANCE NO. 2017-10

**AN ORDINANCE TO RAISE REVENUE AND ADOPT A BUDGET FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2018; TO ESTABLISH A PROPERTY TAX LEVY; TO ESTABLISH FUNDS; TO ESTABLISH A POLICY FOR ACQUISITION OF RIGHTS OF WAY AND EASEMENTS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, Section 5-7-260(3) of the Code of Laws for South Carolina 1976, as amended, and Section 2-7-20 of the Municipal Code of the Town of Hilton Head Island, South Carolina, require that the Town Council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

**WHEREAS**, Town Council also desires to set aside funds for an Operating Reserve to provide for emergency-related expenditures and to offset fiscal year tax revenue income stream deficiency; and

**WHEREAS**, Town Council finds that it would be more economical and efficient to authorize the Town Manager to move forward with construction contract modifications, change orders, contract price adjustments, and execution of contracts for supplies, services, and construction where the contract amount involved does not exceed the budget line item or project budget as approved by Town Council in the Consolidated Municipal Budget.

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

**NOTE:** Underlined and bold-face typed portions indicate additions to the Ordinance. ~~Stricken~~ Portions indicate deletions to the Ordinance.

**Section 1. Adoption of the Budget.** The prepared budget of estimated revenues and expenses, a copy of which is attached hereto and incorporated herein, is hereby adopted as the budget for the Town of Hilton Head Island for the fiscal year ending June 30, 2018.

**Section 2. Establishment of Property Tax Levy.** A tax to cover the period from July 1, 2017 through June 30, 2018, inclusive, for the sums and in the manner hereinafter mentioned, is and shall be, levied, collected and paid into the treasury of the Town of Hilton Head Island for its uses at a rate of mills on assessed value of real estate and personal property of every description owned in the Town of Hilton Head Island, except such property as is exempt from taxation under the Constitution and laws of the State of South Carolina. Said tax levy shall be paid into the Town Treasury for the credit of the Town of Hilton Head Island for its corporate purposes, for the purpose of paying current operational expenses of the said municipality 16.38 mills, Debt Service 6.14 mills, **Disaster Recovery (millage override) 5.00 mills**, and Capital Projects Fund .84 mills making the total levy of 28.36 mills.

**Section 3. Establishment of Funds.** To facilitate operations, there shall be established and maintained a General Fund, a Capital Projects Fund, a Debt Service Fund, a Stormwater Fund and other appropriate funds in such amounts as are provided for in the aforesaid Budget, as hereby adopted or as hereafter modified pursuant to law.

**Section 4. Acquisition of Rights of Way and Easements.** The Town Manager is charged with the duty of executing all necessary documents to obtain rights of way, easements, and other property interests necessary to complete duly authorized Capital Improvement Projects. Capital Improvement Projects based on the ownership and life expectancy of the assets or improvements or based on the funding source authorized may be budgeted in the General, Capital Projects or Stormwater Funds. If expenditures are expressly authorized for an approved Capital Improvement Project in any of the budgeted funds, then the Town Manager is hereby authorized to execute all necessary documents and to expend such funds as are approved pursuant to the Capital Improvement budgets. Provided, however, in the event that the costs of an acquisition of such real property interests materially exceeds the amount budgeted in the approved Capital Improvement Project and the Town Manager is unable to shift additional funds from other authorized sources, the Town Manager shall be required to obtain the approval of Town Council for such additional expenditures. Nothing herein shall obviate the requirement that no condemnations shall be commenced without the appropriate approval of the Town Council for the Town of Hilton Head Island.

**Section 5 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 6. Effective Date.** This Ordinance shall be effective upon its enactment by the Town Council for the Town of Hilton Head Island.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2017.**

\_\_\_\_\_  
David Bennett, Mayor

ATTEST:

\_\_\_\_\_  
Krista Wiedmeyer, Town Clerk

First Reading: May 2, 2017

Public Hearing: June 13, 2017

Revised First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Gregory M. Alford, Town Attorney

Introduced by Council Member: \_\_\_\_\_

# General Fund - FY 2018 Budget Summary

					2017		2018		
	2013	2014	2015	2016	Adopted Budget	Estimated Actual	FY 2018 Budget	% change	
								FY 2017 Budget	FY 2017 Est. Actual
<b>Revenues</b>									
Property Taxes	11,500,914	11,447,533	11,894,284	12,647,166	12,950,052	12,610,002	13,473,000	4%	7%
ATAx Local 1%	2,499,067	2,798,783	3,068,339	3,215,849	3,119,000	3,280,166	3,312,968	6%	1%
<b>Business Licenses:</b>									
Business Licenses - Town	3,388,636	3,428,367	3,941,652	3,866,698	3,987,000	3,905,365	4,620,576	16%	18%
Business Licenses - MASC	4,385,502	4,367,542	4,392,826	4,357,613	4,484,000	4,401,189	4,405,590	-2%	0%
<b>Franchise Fees:</b>									
Cable	763,434	817,454	848,708	890,697	875,000	908,511	926,681	6%	2%
Beach Fee	21,811	24,234	27,352	28,430	25,000	29,282	30,160	21%	3%
Recycling	150,324	135,231	-	-	-	-	-	0%	0%
<b>Permit Fees:</b>									
Construction	481,110	588,868	552,722	1,189,212	794,233	574,831	592,076	-25%	3%
Development	13,212	6,615	15,101	20,902	11,000	12,488	12,863	17%	3%
Other	873,843	782,456	813,023	829,456	815,000	830,000	838,300	3%	1%
Intergovernmental	800,659	805,027	812,085	812,322	812,000	812,000	812,000	0%	0%
<b>Grants:</b>									
Beaufort County - Hazmat	11,677	11,677	11,677	11,677	11,001	11,677	11,677	6%	0%
Beaufort County - E911	140,328	159,724	132,041	135,083	132,000	132,000	132,000	0%	0%
DHEC	84,817	3,990	-	-	4,000	10,666	5,000	25%	-53%
SLED	6,261	-	-	-	-	-	-	0%	0%
SC Regional	-	-	-	-	-	-	-	0%	0%
<b>Miscellaneous Revenue:</b>									
Beach Services	223,196	230,839	239,358	229,643	245,000	230,000	230,000	-6%	0%
Donations	155	273	2,429	146	500	200	200	-60%	0%
Municipal Court	261,776	224,217	198,948	210,243	190,000	220,000	220,000	16%	0%
Other	240,638	267,125	223,925	268,241	250,000	267,068	267,070	7%	0%
Public Safety - EMS	1,198,868	1,059,918	1,403,782	1,383,496	1,394,700	1,370,799	1,490,000	7%	9%
Public Safety - County D/T	53,758	55,103	55,721	53,781	55,000	53,424	54,000	-2%	1%
Town Codes	246	230	46	10	250	20	200	-20%	900%
Prior Year Funds	-	-	-	-	-	508,750	191,250	0%	-62%
Victim's Assistance	42,477	36,980	34,399	37,134	45,000	37,727	38,000	-16%	1%
<b>Transfers In:</b>									
EDC	-	-	-	-	-	-	-		
Beach Fees	981,705	1,111,138	1,111,138	1,111,138	1,111,138	1,111,138	1,361,138	22%	22%
CIP - Ad Valorem	-	-	-	1,413,000	453,000	453,000	453,000	0%	0%
CIP - Sunday Liquor	37,500	359,703	418,150	37,500	50,000	50,000	50,000	0%	0%
CIP - Land	-	-	594,000	986,752	175,000	175,000	175,000	0%	0%
Road Usage Fee	-	-	-	-	509,000	-	-	-100%	0%
Hospitality Fee	2,974,236	3,570,012	4,391,195	3,270,069	3,392,245	3,392,245	3,492,245	3%	3%
TIF	182,930	163,775	169,398	169,398	175,000	175,000	180,000	3%	3%
ATAx	1,178,148	1,270,356	1,338,188	1,596,057	1,347,181	1,365,900	1,565,900	16%	15%
Electric Franchise fee	82,551	63,600	311	87,878	90,000	90,000	90,000	0%	0%
Stormwater	236,131	74,258	94,258	94,258	95,000	95,000	125,000	32%	32%
Lease/Other	-	57,614	12,000	-	-	49,002	-	0%	0%
Dredging Reserve	-	-	-	-	-	-	600,000	0%	0%
Investments	2,732	2,662	2,347	2,454	2,700	2,444	2,500	-7%	2%
<b>Total Revenues</b>	<b>32,818,642</b>	<b>33,925,304</b>	<b>36,799,403</b>	<b>38,956,303</b>	<b>37,600,000</b>	<b>37,164,894</b>	<b>39,758,394</b>	<b>6%</b>	<b>7%</b>
<b>Increase/Decrease</b>		<b>1,106,662</b>	<b>2,874,099</b>	<b>2,156,900</b>	<b>(1,356,303)</b>	<b>(1,791,409)</b>	<b>2,593,500</b>		
<b>%</b>		<b>3.37%</b>	<b>8.47%</b>	<b>5.86%</b>	<b>-3.48%</b>	<b>-5.46%</b>	<b>6.98%</b>		



# General Fund - FY 2018 Budget Summary

	2017					2018			
	2013	2014	2015	2016	Adopted Budget	Estimated Actual	FY 2018 Budget	% change	
								FY 2017 Budget	FY 2017 Est. Actual
<b>Expenditures</b>									
<b>General Government:</b>									
Town Council	374,956	433,654	408,860	427,765	474,768	513,409	526,646	11%	3%
Town Council - Initiative	-	-	-	-	700,000	508,750	791,290	13%	56%
Town Manager	593,550	626,486	638,030	653,768	659,078	714,828	666,124	1%	0%
<b>Total General Government</b>	<b>968,506</b>	<b>1,060,140</b>	<b>1,046,890</b>	<b>1,081,533</b>	<b>1,833,846</b>	<b>1,736,987</b>	<b>1,984,060</b>	<b>8%</b>	<b>14%</b>
<b>Management Services:</b>									
<b>Finance</b>									
Administration	282,118	294,044	291,907	291,019	306,737	341,901	319,757	4%	-6%
Accounting	546,355	571,742	606,567	606,998	647,377	600,073	693,463	7%	16%
Revenue and Collections	677,526	676,924	606,206	604,859	871,726	636,684	844,274	-3%	33%
	1,505,999	1,542,710	1,504,680	1,502,876	1,825,840	1,578,658	1,857,494	2%	18%
<b>Administrative Services</b>									
Administrative Support	171,549	183,724	264,885	220,591	264,761	238,113	257,268	-3%	8%
Legal	379,626	457,520	495,858	465,729	535,611	496,757	545,918	2%	10%
Cultural Arts Network	-	-	-	-	-	-	182,853	100%	100%
Municipal Court	376,952	392,215	404,911	413,928	349,916	371,104	398,872	14%	7%
Operations	1,813,267	2,082,435	2,166,005	1,929,433	2,189,804	2,198,717	2,262,359	3%	3%
Human Resources	526,432	522,981	537,289	555,813	619,193	625,192	663,236	7%	6%
	3,267,826	3,638,875	3,868,948	3,585,494	3,959,285	3,929,883	4,310,506	9%	10%
<b>Total Management Services</b>	<b>4,773,825</b>	<b>5,181,585</b>	<b>5,373,628</b>	<b>5,088,370</b>	<b>5,785,125</b>	<b>5,508,541</b>	<b>6,168,000</b>	<b>7%</b>	<b>12%</b>
<b>Community Services:</b>									
<b>Community Development</b>									
Administration	562,957	541,552	469,752	479,077	538,871	568,926	513,950	-5%	-10%
Comprehensive Planning	366,299	466,352	518,454	520,792	546,189	490,931	704,285	29%	43%
Development, Review and Zoning	625,144	650,164	613,114	688,858	767,895	616,798	815,183	6%	32%
Building	664,599	636,045	653,044	754,959	759,673	589,591	726,381	-4%	23%
CD Services	274,917	287,875	303,408	329,021	355,020	348,391	376,894	6%	8%
	2,493,916	2,581,988	2,557,772	2,772,707	2,967,648	2,614,637	3,136,693	6%	20%
<b>Public Projects and Facilities</b>									
Administration	239,383	248,101	254,895	263,379	270,136	255,378	289,604	7%	13%
Engineering	723,366	577,277	924,937	923,622	1,198,577	1,168,811	1,071,992	-11%	-8%
Facilities Management	2,539,757	2,999,444	3,500,999	3,858,960	4,054,018	3,945,411	4,363,163	8%	11%
	3,502,506	3,824,822	4,680,831	5,045,961	5,522,731	5,369,600	5,724,759	4%	7%
<b>Total Community Services</b>	<b>5,996,422</b>	<b>6,406,810</b>	<b>7,238,603</b>	<b>7,818,668</b>	<b>8,490,379</b>	<b>7,984,237</b>	<b>8,861,452</b>	<b>4%</b>	<b>11%</b>

## General Fund - FY 2018 Budget Summary

	2017					2018			
	2013	2014	2015	2016	Adopted Budget	Estimated	FY 2018 Budget	% change	
						Actual		FY 2017 Budget	FY 2017 Est. Actual
<b>Public Safety:</b>									
<b>Fire Resue</b>									
Administration	308,546	390,652	321,583	310,870	360,157	360,868	378,015	5%	5%
Operations	9,148,030	9,262,673	9,501,028	9,599,610	9,777,424	9,950,264	9,966,135	2%	0%
Fire Prevention	540,727	559,669	572,246	599,698	624,350	561,292	624,994	0%	11%
Fleet Maintenance	504,545	541,097	538,316	547,936	609,533	533,312	595,463	-2%	12%
Communications	1,136,446	1,089,587	1,108,894	1,067,697	1,154,362	1,075,758	1,160,990	1%	8%
Safety and Professional Development	701,681	698,039	713,425	726,861	741,294	731,745	654,358	-12%	-11%
Planning/EMS Training	-	-	197,348	204,384	209,284	115,538	322,784	54%	179%
Emergency Management	122,290	134,141	133,138	140,944	153,899	148,063	158,023	3%	7%
E911 Communications	238,152	246,373	257,640	284,155	300,807	294,819	234,439	-22%	-20%
Support Services	760,133	943,494	1,340,866	951,155	1,586,853	1,385,679	712,941	-55%	-49%
<b>Total Fire Resue</b>	<b>13,460,550</b>	<b>13,865,725</b>	<b>14,684,484</b>	<b>14,433,310</b>	<b>15,517,963</b>	<b>15,157,338</b>	<b>14,808,142</b>	<b>-5%</b>	<b>-2%</b>
<b>Public Safety - Police Services</b>	<b>3,181,737</b>	<b>3,153,057</b>	<b>3,220,413</b>	<b>3,443,143</b>	<b>3,717,896</b>	<b>3,717,896</b>	<b>3,576,857</b>	<b>-4%</b>	<b>-4%</b>
<b>Townwide (non-departmental):</b>									
Personnel	123,581	136,366	214,044	167,142	443,609	479,117	351,010	-21%	-27%
Operating	1,364,548	1,403,298	1,380,034	1,402,856	1,866,443	1,382,252	2,217,980	19%	60%
Capital	-	28,349	41,635	30,012	32,000	32,000	789,000	2366%	2366%
Capital Equipment Lease	-	-	-	-	-	-	-	0%	0%
Transfers	-	-	-	986,752	-	-	-	-	-
Grants	1,459,304	1,958,302	2,285,747	2,780,166	1,926,382	2,822,425	1,562,535	-19%	-45%
<b>Total Townwide (non-departmental)</b>	<b>2,947,433</b>	<b>3,526,315</b>	<b>3,921,460</b>	<b>5,366,928</b>	<b>4,268,434</b>	<b>4,715,794</b>	<b>4,920,525</b>	<b>15%</b>	<b>4%</b>
<b>Total Expenditures</b>	<b>31,328,473</b>	<b>33,193,632</b>	<b>35,485,478</b>	<b>37,231,952</b>	<b>39,613,643</b>	<b>38,820,793</b>	<b>40,319,036</b>	<b>2%</b>	<b>4%</b>
<b>Net change in fund balances</b>	<b>1,490,169</b>	<b>731,672</b>	<b>1,313,925</b>	<b>1,724,351</b>	<b>(2,013,643)</b>	<b>(1,655,899)</b>	<b>(560,642)</b>	<b>0.00%</b>	
<b>Fund balance - beginning</b>	<b>15,813,557</b>	<b>17,303,726</b>	<b>18,035,398</b>	<b>19,349,323</b>	<b>21,073,674</b>	<b>21,073,674</b>	<b>19,417,775</b>		
<b>Fund balance - ending</b>	<b>17,303,726</b>	<b>18,035,398</b>	<b>19,349,323</b>	<b>21,073,674</b>	<b>19,060,031</b>	<b>19,417,775</b>	<b>18,857,133</b>		

## Debt Service Fund - FY 2018 Budget Summary

	2017						2018		
	2013	2014	2015	2016	Adopted Budget	Estimated Actual	FY 2018 Budget	% change	
								FY 2017 Budget	FY 2017 Est. Actual
<b>Revenues</b>									
Property Taxes	5,493,152	5,064,974	5,084,193	5,136,244	5,324,419	5,093,777	5,337,600	0.2%	4.8%
BABS Subsidy	189,634	171,155	168,051	163,656	169,870	169,870	169,870	0.0%	0.0%
Investment Income	76,527	57,136	37,374	36,913	38,801	36,000	36,000	-7.2%	0.0%
Reserve Restoration 5 mils	-	-	-	-	-	-	4,200,000	100.0%	100.0%
<b>Transfers In:</b>									
Beach Preservation Fees	3,113,645	3,106,277	4,381,225	2,531,437	3,336,913	2,536,913	5,986,288	79.4%	136.0%
Hospitality Fees	1,637,313	1,562,670	1,616,427	1,633,112	1,627,113	1,627,113	2,324,350	42.9%	42.9%
Tax Increment Financing	4,064,432	4,093,289	4,122,476	-	772,500	-	5,535,000	616.5%	0.0%
Real Estate Transfer Fees	2,152,296	2,169,797	2,269,578	2,243,681	2,237,884	1,875,913	2,260,263	1.0%	20.5%
Hospitality Tax Bond	1,061,140	-	-	-	-	-	-	0.0%	0.0%
Series 2013 GO Bonds	664,056	-	-	-	-	-	-	0.0%	0.0%
Lease Revenue	-	119,782	10,889	65,336	65,000	65,000	65,000	0.0%	0.0%
<b>Total Revenues</b>	<b>18,452,195</b>	<b>16,345,080</b>	<b>17,690,213</b>	<b>11,810,379</b>	<b>13,572,500</b>	<b>11,404,586</b>	<b>25,914,371</b>	90.9%	127.2%
<b>Expenditures</b>									
Administrative	23,625	17,025	11,024	11,025	38,790	38,790	40,000	3.1%	3.1%
Payment to Escrow Agent	-	-	-	-	25,000	-	50,000	100.0%	100.0%
Transfer to Beach Fees	-	-	1,900,110	-	-	-	-	0.0%	0.0%
Debt Issue Costs	-	-	-	-	750,000	-	750,000	0.0%	100.0%
Principal	11,645,000	12,950,000	12,995,000	7,420,000	7,680,000	8,040,000	7,595,000	-1.1%	-5.5%
Interest	4,265,011	4,080,573	3,702,272	3,278,425	5,078,710	2,062,870	15,765,000	210.4%	664.2%
<b>Total Expenditures</b>	<b>15,933,636</b>	<b>17,047,598</b>	<b>18,608,406</b>	<b>10,709,450</b>	<b>13,572,500</b>	<b>10,141,660</b>	<b>24,200,000</b>	78.3%	138.6%
<b>Net change in fund balances</b>	<b>2,518,559</b>	<b>(702,518)</b>	<b>(918,193)</b>	<b>1,100,929</b>	<b>-</b>	<b>1,262,926</b>	<b>1,714,371</b>		
<b>Fund balance - beginning</b>	<b>6,587,994</b>	<b>9,106,553</b>	<b>8,404,035</b>	<b>7,485,842</b>	<b>8,586,771</b>	<b>8,586,771</b>	<b>9,849,697</b>		
<b>Fund balance - ending</b>	<b>9,106,553</b>	<b>8,404,035</b>	<b>7,485,842</b>	<b>8,586,771</b>	<b>8,586,771</b>	<b>9,849,697</b>	<b>11,564,068</b>		

## Capital Improvement Program - FY 2018 Budget Summary

THOUSANDS OF DOLLARS											
FY 2018 Budget	FY 2018 Property Taxes	Beach Fee Transfer In	Beach Bond	GO Bond	Hospitality Tax Transfer In	TIF Bond	Sunday Liq. Permit Fees	Road Usage Fee	2018 COPS	Lease	Sale of Land

### PATHWAYS

US 278-B (William Hilton Parkway) Shelter Cove Plaza to Beaufort County Sheriff's Office	75				75						
Pathway Accessibility & Safety Enhancement Projects	25				25						
<b>TOTAL</b>	<b>100</b>	-	-	-	<b>100</b>	-	-	-	-	-	-

### ROADWAY IMPROVEMENTS

Private Dirt Roads *	650							650			
Intersection Improvements at Shelter Cove Towne Center	125				125						
<b>TOTAL</b>	<b>775</b>	-	-	-	<b>125</b>	-	-	<b>650</b>	-	-	-

### PARK DEVELOPMENT

Parks Upgrades	300						300				
Cordillo Courts Upgrades	200						200				
<b>TOTAL</b>	<b>500</b>	-	-	-	-	-	<b>500</b>	-	-	-	-

### EXISTING FACILITIES & INFRASTRUCTURE

Rec Center Building Upfit	309				309						
Rec Center Pool Dome Replacement	316				316						
<b>TOTAL</b>	<b>625</b>	-	-	-	<b>625</b>	-	-	-	-	-	-

### NEW FACILITIES & INFRASTRUCTURE

Sewer Service Projects	2,526				2,526						
Fire Hydrant Expansion Project	100					100					
<b>TOTAL</b>	<b>2,626</b>	-	-	-	<b>2,526</b>	<b>100</b>	-	-	-	-	-

### BEACH MAINTENANCE

Beach Management & Monitoring	500		500								
Dune Fencing & Planting	300		300								
Beach Renourishment Project	7,750			7,750							
<b>TOTAL</b>	<b>8,550</b>	-	<b>800</b>	<b>7,750</b>	-	-	-	-	-	-	-

### LAND

Undefined Project / Legal Fees	20										20
<b>TOTAL</b>	<b>20</b>	-	-	-	-	-	-	-	-	-	<b>20</b>

### OTHER CAPITAL EXPENDITURES

Cost of Issuance	641			125	141		275			100	
Medic Unit, Specialty Vehicle, TIC replacement	2,085									2,085	
Rec Center CIP	109									109	
Other storm related projects not covered by FEMA	150									150	
Transfer to General Fund	743	453						50		65	175
<b>TOTAL</b>	<b>3,728</b>	<b>453</b>	-	<b>125</b>	<b>141</b>	-	<b>275</b>	<b>50</b>	-	<b>2,444</b>	<b>175</b>

### TOTAL BUDGET BY FUNDING SOURCE

<b>TOTAL FY 2018 BUDGET</b>	<b>16,924</b>	<b>453</b>	<b>800</b>	<b>7,875</b>	<b>3,292</b>	<b>325</b>	<b>275</b>	<b>550</b>	<b>650</b>	<b>2,444</b>	<b>65</b>	<b>195</b>
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\*Beginning in FY 2018, Dirt Road Projects funded by the Community Development Block Grant (CDBG) are separate from the Capital Improvement Plan Budget.



## **MEMORANDUM**

**TO:** Town Council

**FROM:** John Troyer, CPA, Director of Finance

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

**DATE:** June 20, 2017

**RE:** **Second Reading of Proposed Ordinance No. 2017-11**

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**Recommendation:**

Staff recommends that Town Council approve the second reading of Proposed Ordinance No. 2017-11 to amend Title 10 Chapter 1 and Chapter 9, of the Municipal Code of the Town of Hilton Head Island, to increase the Business License and EMS fees by fifteen percent (15%), as per the adopted Fiscal Year Budget, and to update and amend Section of Title 10, Chapter 1 to conform with current practice, and providing for severability and effective date.

**There have been no changes since public hearing and first reading.**

AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND

ORDINANCE NO. 2017 – \_\_\_\_

PROPOSED ORDINANCE NO. 2017 –11

**AN ORDINANCE TO AMEND TITLE 10 CHAPTER 1 AND CHAPTER 9, OF THE MUNICIPAL CODE OF THE TOWN OF HILTON HEAD ISLAND; TO INCREASE BUSINESS LICENSE AND EMS FEES BY FIFTEEN PERCENT (15%), AS PER THE ADOPTED FISCAL YEAR 2018 BUDGET; AND TO UPDATE AND AMEND SECTIONS OF TITLE 10, CHAPTER 1 TO CONFORM WITH CURRENT PRACTICE; AND PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE.**

**WHEREAS**, the Town Council of the Town of Hilton Head did previously adopt Chapter 1 and Chapter 9 of Title 10 of the Municipal Code of the Town of Hilton Head Island to provide for business license and ambulance service fees; and

**WHEREAS**, the Town Council now desires to revise the business license and ambulance service fees as per the adopted fiscal year 2018 budget by increasing them by fifteen percent (15%); and

**WHEREAS**, the Town Council now desires to update and amend certain sections of Chapters to conform with current practice.

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

**Note: Items stricken are to be deleted; items in bold and underlined are additions.**

Section 1. **Amendment.** That Sec. 10-1-20, Definitions, of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same is hereby amended to read as follows:

- (1) *Business*: A calling, occupation, profession or activity engaged in with the object of gain, benefit or advantage, either directly or indirectly. A charitable organization shall be deemed a business unless the entire proceeds of its operation are devoted to charitable purposes. In addition to the above-described activities constituting doing business in the town, ~~an person individual~~ shall be deemed to be in "business" if that person ~~individual~~ owns and rents more than one (1) residential unit within the town. This applies to both short-term and long-term rentals.

Section 2. **Amendment.** That Sec. 10-1-50, Registration required, of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same is hereby amended to read as follows:

- (a) The owner, agent or legal representative of every business subject to this chapter, whether listed in the classification index or not, shall register the business and make application for a business license on or before May 31st of each year, except that a new business shall be required to have a business license prior to operation within the town. Application shall be on a form provided by the license inspector which shall contain the **last four digits of their** social security number ~~and/or~~ the **full** federal employer's identification number, the business name as reported on the South Carolina income tax return, and all other information about the applicant and the business deemed necessary to carry out the purposes of this chapter by the license inspector. The applicant shall certify that the information given in the application is true, that the gross income is accurately reported, or estimated for a new business, without any unauthorized deductions, and that all assessments and personal property taxes due and payable to the town have been paid. With regard to registration of insurance companies and brokers for nonadmitted insurance companies, the Municipal Association of South Carolina is designated as the exclusive agent of the town and is empowered to utilize all procedures and actions authorized by ordinance or state law.

Section 3. **Amendment.** That Sec. 10-1-50, Registration required, of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same is hereby amended to read as follows:

~~(e) Elimination of commercial waste. On the business license application form, each business shall fully disclose its method of solid waste handling and shall present proof of such solid waste disposal before a license is granted.~~

Section 4. **Amendment.** Rates identified in Sec. 10-1-190, Classifications, rates schedules, of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same herby are amended as follows:

Class	Income: 0--\$5,000 Up to \$5,000 minimum		All over \$5,000 Rate per thousand or fraction thereof	
	Old Rate	New Rate	Old Rate	New Rate
1	\$ <del>37.50</del>	\$ <b>43.20</b>	\$ <del>0.60</del>	\$ <b>0.70</b>
2	<del>43.75</del>	<b>50.40</b>	<del>0.72</del>	<b>0.90</b>
3	<del>50.00</del>	<b>57.50</b>	<del>0.84</del>	<b>1.00</b>
4	<del>56.25</del>	<b>64.70</b>	<del>0.96</del>	<b>1.20</b>
5	<del>62.50</del>	<b>71.90</b>	<del>1.08</del>	<b>1.30</b>
6	<del>68.75</del>	<b>79.10</b>	<del>1.20</del>	<b>1.40</b>
7	<del>75.00</del>	<b>86.30</b>	<del>1.32</del>	<b>1.60</b>

Section 5. **Amendment.** That Sec. 10-1-190, Classifications, rates schedules, of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same are hereby amended to read as follows:

*Nonresident business rate:*

Unless otherwise specifically provided, all rates shall be doubled for businesses **located outside of the Town limits** ~~located in county and~~ **or for** itinerants having no fixed place of business. ~~within the town and triple for businesses located out of county.~~

~~The following alternate rates shall apply to all classifications of manufacturers engaged in interstate commerce which elect to pay based on total gross income from all sources:~~

Income	Base	Rate per \$1,000 or fraction
<del>First \$100,000.00</del>	\$ <del>62.50</del>	\$ <del>0.60</del>
<del>Over \$100,000.00</del>		<del>0.50</del>

# CLASS 8 RATES

SIC – 15, 16, 17

		Minimum		Per \$1,000 or fraction	
	Income	Old Rate	New Rate	Old Rate	New Rate
A. Having <u>a</u> place of business within the Town <b>limits</b>					
First	\$ 5,000.00	\$ <del>43.75</del>	\$ <b>50.40</b>		
Over	5,000.00			\$ <del>0.72</del>	\$ <b>0.90</b>
B. Having <u>a</u> place of business <del>in county, but not in the</del> <b>outside of town limits</b>					
First	5,000.00	<del>87.50</del>	<b>100.70</b>		
Over	5,000.00			<del>1.44</del>	<b>1.70</b>
<del>C. Having no place of business within the town or county</del>					
<del>First</del>	<del>5,000.00</del>	<del>131.25</del>			
<del>Over</del>	<del>5,000.00</del>			<del>2.16</del>	

~~For Type "C" contractors, the total fee for the full amount of the contract shall be paid prior to commencement of work and shall entitle contractor to complete the job without regard to the normal license expiration date.~~ A trailer at the construction site, a home office or structure in which the contractor resides is not a permanent place of business under this ordinance.

No contractor shall be issued a business license until all state and town qualification examination and trade license requirements have been met. Each contractor shall post a sign in plain view on each job identifying the contractor with the job.

**Any person or entity that designs or installs irrigation systems ("landscape contractor") must be licensed to do so by the Town of Hilton Head Island, South Carolina. Prior to issuance or renewal of the license required herein, each landscape contractor or designated employee of said landscape contractor shall pass a certification test given by the Town of Hilton Head Island, South Carolina. Said license and certification must be shown at the annual renewal of the town business license. See Sec. 13-3-310 of the Town Code for additional information regarding this requirement.**

SIC – 40

Railroad Companies-(See South Carolina Code of Laws, Code section 12-23-210)



## SIC – 5093

		Minimum		Per \$1,000 or fraction	
	Income	Old Rate	New Rate	Old Rate	New Rate
Junk or scrap dealers					
First	\$ 5,000.00	\$ <del>93.75</del>	\$ <b>107.90</b>		
Over	5,000.00			\$ <del>1.44</del>	\$ <b>2.00</b>

## SIC – 55

		Minimum		Per \$1,000 or fraction	
	Income	Old Rate	New Rate	Old Rate	New Rate
Automotive, motor vehicle dealers and farm machinery, retail					
First	\$ 5,000.00	\$ <del>43.75</del>	\$ <b>50.40</b>		
Over	5,000.00			\$ <del>0.72</del>	\$ <b>0.90</b>

## SIC – 5813

		Minimum		Per \$1,000 or fraction	
	Income	Old Rate	New Rate	Old Rate	New Rate
Drinking places (alcoholic beverages, beer and wine consumed on premises)					
First	\$ 5,000.00	\$ <del>93.75</del>	\$ <b>107.90</b>		
Over	5,000.00			\$ <del>1.44</del>	\$ <b>1.70</b>

## SIC – 5932

		Minimum		Per \$1,000 or fraction	
	Income	Old Rate	New Rate	Old Rate	New Rate
Pawnbrokers, all types					
First	\$ 5,000.00	\$ <del>93.75</del>	\$ <b>107.90</b>		
Over	5,000.00			\$ <del>1.44</del>	\$ <b>1.70</b>

## SIC – 5962

		Minimum		Per \$1,000 or fraction	
	Income	Old Rate	<u>New Rate</u>	Old Rate	<u>New Rate</u>
Vending machines and all other coin-operated automatic merchandising machines (Not included in business gross oncome)					
First	\$ 5,000.00	\$ <del>93.75</del>	\$ <b>107.90</b>		
Over	5,000.00			\$ <del>1.44</del>	\$ <b>1.70</b>

## SIC – 5963

Peddlers, solicitors, canvassers, door-to-door sales, direct retail sales of merchandise. (Non-resident rates apply).

		Minimum		Per \$1,000 or fraction	
	Income	Old Rate	<u>New Rate</u>	Old Rate	<u>New Rate</u>
A. Regular activities (more than two sale periods of more than three days each per year)					
First	\$ 5,000.00	\$ <del>87.50</del>	\$ <b>100.70</b>		
Over	5,000.00			\$ <del>1.44</del>	\$ <b>1.70</b>

		Minimum		Per \$1,000 or fraction	
	Income	Old Rate	<u>New Rate</u>	Old Rate	<u>New Rate</u>
B. Seasonal activities (not more than two sale periods of more than three days each year, separate license required for each sale period)					
First	\$ 5,000.00	\$ <del>43.75</del>	\$ <b>50.30</b>		
Over	5,000.00			\$ <del>0.72</del>	\$ <b>0.90</b>

SIC – 5999

	Income	Minimum		Per \$1,000 or fraction	
		Old Rate	New Rate	Old Rate	New Rate
Promoter/Coordinator of Arts and Crafts Shows					
First	\$ 5,000.00	<del>\$ ——— 43.75</del>	<b>\$ 50.40</b>		
Over	5,000.00			<del>\$ ——— 0.72</del>	<b>\$ 0.90</b>
Plus, for each participating vendor		5.00	5.00		

SIC – 7993

Amusement machines, coin-operated

A. Music machines, kiddie rides, and amusement machines licensed pursuant to S.C. Code section 12-21-2720(A)(1) and (A)(2)

	Income	Minimum	
		Old Rate	New Rate
1. Operator of machine (Section 12-21-2746) .....	\$ 5,000.00	<del>\$12.50 per machine, PLUS \$12.50 business license for operation of all machines (not on gross income)</del>	<b><u>\$14.40 per machine, PLUS \$14.40 business license for operation of all machines (not on gross income)</u></b>

	Income	Minimum		Per \$1,000 or fraction	
		Old Rate	New Rate	Old Rate	New Rate
2. Distributor selling or leasing machines (not licensed by the state as an operator pursuant to section 12-21-2728): (Non-resident rates apply.)					
First	\$ 5,000.00	<del>\$ ——— 187.50</del>	<b>\$ 215.70</b>		
Over	5,000.00			<del>\$ ——— 2.88</del>	<b>\$ 3.40</b>

B. ~~Video poker and~~ Amusement machines license pursuant to S.C. Code Ann. section 12-21-2720(A)(3):

	Income	Minimum	
		Old Rate	New Rate
1. Operator of machine (Section 12-21-2720(B))	\$ 5,000.00	<del>\$180.00 per machine, PLUS \$12.50 business license (not on gross income)</del>	<b><u>\$210.00 per machine, PLUS \$14.40 business license (not on gross income)</u></b>

		Minimum		Per \$1,000 or fraction	
	Income	Old Rate	<u>New Rate</u>	Old Rate	<u>New Rate</u>
2. Distributor selling or leasing machines (not licensed by the state as an operator pursuant to section 12-21-2728): (Non-resident rates apply.)					
First	\$ 5,000.00	<del>\$ 187.50</del>	<u>\$ 215.70</u>		
Over	5,000.00			<del>\$ 2.88</del>	<u>\$ 3.40</u>

SIC – 7999

		Minimum		Per \$1,000 or fraction	
	Income	Old Rate	<u>New Rate</u>	Old Rate	<u>New Rate</u>
Billiard or pool tables, all types					
First	\$ 5,000.00	<del>\$ 93.75</del>	<u>\$ 107.90</u>		
Over	5,000.00			<del>\$ 1.44</del>	<u>\$ 1.70</u>
Additional license per table		5.00	5.00		

SIC – 7999

		Minimum		Per \$1,000 or fraction	
	Income	Old Rate	<u>New Rate</u>	Old Rate	<u>New Rate</u>
Carnivals and circuses:					
First	\$ 5,000.00	<del>\$ 187.50</del>	<u>\$ 215.70</u>		
Over	5,000.00			<del>\$ 5.85</del>	<u>\$ 6.80</u>

## ALPHABETICAL BUSINESS CLASSIFICATION INDEX

Real estate

Operator, lessor (~~more than \$10,000 annual gross income~~)

## FEE SCHEDULE FOR BILLING AMBULANCE SERVICES

Section 6. **Amendment.** That Sec. 10-9-10, General Fee Schedule, of the Municipal Code of the Town of Hilton Head Island, South Carolina, be and the same is hereby amended to read as follows:

Billing Category		Old Rates	New Rates
BLS	(Basic Life Support)	<del>\$400.00 plus \$6.50 mileage rate</del>	<b><u>460.00 plus \$7.50 mileage rate</u></b>
BLS	(Basic Life Support) Emergency	<del>\$400.00 plus \$6.50 mileage rate</del>	<b><u>460.00 plus \$7.50 mileage rate</u></b>
ALS 1	(Advanced Life Support level 1)	<del>\$450.00 plus \$6.50 mileage rate</del>	<b><u>520.00 plus \$7.50 mileage rate</u></b>
ALS 1	(Advanced Life Support level 1) Emergency	<del>\$450.00 plus \$6.50 mileage rate</del>	<b><u>520.00 plus \$7.50 mileage rate</u></b>
ALS 2	(Advanced Life Support level 2)	<del>\$875.00 plus \$6.50 mileage rate</del>	<b><u>1,010.00 plus \$7.50 mileage rate</u></b>

Section 7. **Severability.** If any sections, 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 attest the validity of the remaining portions thereof. All previous ordinances or portions of ordinances in conflict with this Ordinance are hereby repealed.

Section 8. **Effective Date.** This Ordinance shall be effective upon 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 \_\_\_\_\_, 2017.**

\_\_\_\_\_  
David Bennett, Mayor

\_\_\_\_\_  
Krista Wiedmeyer, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Gregory M. Alford, Town Attorney

First Reading: June 13, 2017

Second Reading:

Introduced by Council Member:

\_\_\_\_\_



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## TOWN OF HILTON HEAD ISLAND

### *Community Development Department*

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**TO:** Stephen G. Riley, ICMA~CM, *Town Manager*  
**VIA:** Charles Cousins, AICP, *Director of Community Development*  
**VIA:** Teri B. Lewis, AICP, *LMO Official*  
**FROM:** Nicole Dixon, CFM, *Development Review Administrator*  
**CC:** Shawn Colin, AICP, *Deputy Director of Community Development*  
**DATE:** June 7, 2017  
**SUBJECT:** ZA-000954-2017 – Tabby Village PD-2

---

Town Council reviewed the proposed zoning map amendment application at their meeting on June 6, 2017. At that meeting, Town Council made no changes to Proposed Ordinance 2017-12.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO. 2017-#**

**PROPOSED ORDINANCE NO. 2017-12**

**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, SPECIFICALLY TO APPLY THE PLANNED DEVELOPMENT OVERLAY DISTRICT (PD-2) TO EIGHT PARCELS. THE PD-2 WILL INCORPORATE THREE WATERFRONT MIXED USE (WMU) PROPERTIES AND FIVE LOW TO MODERATE DENSITY RESIDENTIAL (RM-4) PROPERTIES TO ALLOW FOR THE PERMITTED DENSITY AND SPECIFIC USES FROM THE THREE WMU PARCELS TO BE TRANSFERRED TO THE FIVE RM-4 PARCELS. THE WMU PARCELS WILL BE REZONED CONSERVATION DISTRICT (CON) TO BE PRESERVED AS PERMANENT OPEN SPACE. THE PROPOSED DEVELOPMENT WILL OCCUR ON THE RM-4 PARCELS AND CONSIST OF MIXED-USE RESIDENTIAL AND SPECIFIC COMMERCIAL USES. THE SUBJECT PARCELS ARE LOCATED NEAR THE INTERSECTION OF SQUIRE POPE AND GUM TREE ROADS AND ARE FURTHER IDENTIFIED ON BEAUFORT COUNTY TAX MAP#3 AS PARCELS 223, 49, 14D, 16, 14I, 14, 58 AND 58A; 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 May 17, 2017 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 and the criteria set forth in Section 16-2-103 and 16-3-106, voted 9-0-0 to recommend that Town Council approve the proposed zoning map amendment application with conditions; 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 parcels, totaling 8.96 acres, be rezoned to apply the Planned Development Overlay District (PD-2) with specific use and density standards.

**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, be hereby amended as follows:

Apply the Planned Development Overlay District (PD-2) to 8 parcels. The PD-2 will incorporate three Waterfront Mixed Use (WMU) properties and five Low to Moderate Density Residential (RM-4) properties to allow for the permitted density and specific uses from the three WMU parcels to be transferred to the five RM-4 parcels. All development will occur on the RM-4 parcels. The three WMU parcels will be rezoned Conservation District (CON) to be preserved as permanent open space. The proposed development will consist of mixed-use residential and specific commercial uses. The subject parcels are located near the intersection of Squire Pope and Gum Tree Roads and are further identified on Beaufort County Tax Map# 3 as Parcels 223, 49, 14D, 16, 14I, 14, 58 AND 58A. The attached Vicinity Map shows the location of the subject properties.

The Planned Development Overlay District (PD-2) applied to the above properties is adopted with the conditions and design and performance standards as described in the attached staff report.

**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 \_\_\_\_\_, 2017.**

THE TOWN OF HILTON HEAD  
ISLAND, SOUTH CAROLINA

\_\_\_\_\_  
David Bennett, Mayor

ATTEST:

\_\_\_\_\_  
Krista Wiedmeyer, Town Clerk

Public Hearing: May 17, 2017

First Reading: June 6, 2017

Second Reading:

APPROVED AS TO FORM:



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Gregory M. Alford, 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:	Public Hearing Date:
ZA-000954-2017	Tabby Village	May 17, 2017

Parcel Data:	Property Owner
<p><u>Parcels Numbers:</u> R511 003 000 0223 0000 R511 003 000 0049 0000 R511 003 000 014D 0000 R510 003 000 0016 0000 R510 003 000 014I 0000 R510 003 000 0014 0000 R510 003 000 0058 0000 R510 003 000 058A 0000</p> <p><u>Size:</u> 8.96 Estimated Total Acres</p> <p><u>Addresses:</u> 293 and 316 Squire Pope Road and 315 Gum Tree Road; the other parcels are vacant and do not have an assigned address yet</p>	<p>Thomas C. Barnwell, Jr and Susan Barnwell PO Drawer 21057 Hilton Head Island, SC 29925</p>
<p><u>Existing Zoning District:</u> RM-4 (Low to Moderate Density Residential) WMU (Waterfront Mixed Use)</p>	<p><u>Existing Overlay District:</u> COR (Corridor Overlay District) – within 450 feet of an arterial road and within 500 feet of the OCRM Critical Line PD-2 (Planned Development Overlay District)</p>

#### Application Summary:

Thomas C. Barnwell, Jr is proposing to modify the existing Tabby Village Planned Development Overlay District (PD-2) to make the development options more flexible. The PD-2 Overlay District will incorporate the three Waterfront Mixed-Use District (WMU) properties and the five Low to Moderate Density Residential District (RM-4) properties to allow for the permitted density and select uses from the WMU zoned parcels to be transferred to the five RM-4 zoned parcels. All development, which will consist of mixed-use residential and light commercial, will occur on the RM-4 zoned parcels and the WMU zoned parcels will be preserved as permanent open space. The subject parcels are located near the intersection of Squire Pope Road and Gum Tree Road. Parcels 2D, 2E, 2F, 2H, 16A, 16B, 19C, 19D and 19E on Tax Map 3 will be removed from the existing PD-2 Overlay District.

### Staff Recommendation:

Staff recommends that the Planning Commission find this application to be consistent with the Town's Comprehensive Plan and serves to carry out the purposes of the LMO, based on those Findings of Facts and Conclusions of Law as determined by the LMO Official and enclosed herein. Staff recommends that the Planning Commission recommend **Approval** to Town Council of this application. With this recommendation staff has proposed the following conditions:

- The three parcels that are zoned WMU (223, 49 and 14D) will remain undeveloped, be designated as permanent open space and the underlying zoning district will be rezoned to the Conservation District with this application as required by LMO Section 16-3-106.G.7.c.iii.
- The residential and commercial uses from the WMU zoning district that are being transferred to the RM-4 zoned parcels (16, 14I, 14, 58, and 58A) are limited to:
  - Mixed-Use
  - Other Office Uses
  - Bicycle Shop
  - Eating Establishment
  - Other Commercial Services (not limited to 1,200 square feet)
  - Convenience Store (not limited to 1,200 square feet)
- Mixed-use, bicycle shops, convenience stores and eating establishments are all permitted with conditions in the WMU zoning district. There are conditions related to Other Commercial Services and Convenience Stores in the RM-4 zoning district which state the gross floor area shall not be more than 1,200 square feet. The applicant requests to use the conditions that are applicable to the WMU zoning district instead of RM-4 since the uses are being transferred over to the RM-4 property from the WMU parcels and do not restrict the square footage of the uses. The conditions applicable to the WMU district that shall be met in order for these uses to be permitted within this development are as follows:
  - Mixed-use is permitted with the following conditions:
    1. Mixed-use development shall designate separate parking spaces for use by the residential units. The parking spaces designated for residential use shall not be included as part of a shared parking plan.
  - Bicycle shops are permitted with the following conditions:
    1. Outdoor storage is permitted only in the CR, SPC, MS, WMU, S, MF, MV and RD Districts.
    2. Vegetation, fences, and walls shall be installed to screen outdoor storage areas.
  - Convenience stores are permitted with the following conditions:
    1. The site shall have direct vehicular access to a minor arterial in accordance with Section 16-5-105.B, Street Hierarchy. There shall not be direct vehicular access onto a major arterial.
  - Eating establishments are permitted with the following conditions:
    1. In the CR, MS, WMU, S, MF, MV, IL, NC and RD Districts, an eating establishment shall not have drive-through service.

### Background:

In 2009, Mr. and Mrs. Barnwell went through the rezoning process to apply the PD-2 Overlay District to their land at the intersection of Squire Pope Road and Gum Tree Road. They wanted to develop the property with residential and commercial uses around the existing tabby structure. The property

was zoned RM-4 and did not allow the commercial uses desired by the Barnwell family. The PD-2 Overlay District is intended to encourage creativity in design and planning in development of parcels by allowing greater design flexibility than the underlying base zoning district so that natural features may be protected and development is concentrated in more suitable or less environmentally sensitive areas. Through the PD-2 overlay rezoning process, the Barnwell's were able to get a plan approved that would place their three WMU waterfront parcels in to permanent open space and transferred the development rights from that property over to the RM-4 zoned parcels. The uses that transferred from the WMU parcels to the RM-4 parcels were limited to mixed-use, other retail sales and services, convenience store (without fuel sales), eating establishments with high turnover (no drive thru) and bicycle shops (with outdoor storage). There was also relief given from all internal setbacks and buffers for the single family residential portion of the proposed development.

The property and the plan that was approved have not yet been developed. The PD-2 was originally approved with a specific site plan that the applicant had to adhere to, with no room for flexibility. Because there was no flexibility with the site plan, the Barnwell's received little interest for developing the property. The Barnwell's approached Town staff recently to inquire about modifying the PD-2 Overlay District that had been approved for their land to make the development options more flexible and the property more marketable. The current LMO allows a PD-2 to have a conceptual site plan instead of a detailed site plan to allow design flexibility. The applicant is requesting to remove several of the parcels from the existing PD-2 Overlay District as those uses are now allowed by right. The applicant is no longer seeking relief from setback and buffer requirements; their development will comply with all LMO design standards. They do wish to keep the three WMU zoned parcels as permanent open space, while transferring the development rights to the five RM-4 parcels. The proposed development will now be mixed-use residential and light commercial, consisting of up to 31 multi-family residential units and up to 16,000 square feet of commercial space. Because the WMU and RM-4 zoned parcels are separated by Squire Pope Road, the PD-2 will be considered a noncontiguous planned development, which is permitted pursuant to LMO Section 16-3-106.G.7.b.v because having the separation of lands enables protection of significant historic, cultural and natural resources.

#### **Applicant's Grounds for ZMA:**

The applicant's narrative states the proposed rezoning is consistent with the goals of the Comprehensive Plan, specifically the Historical/Cultural Resources and the Housing Element. The applicant states the rezoning will meet the needs of the community and is appropriate for the uses that currently exist and that are in the vicinity of the site. The Barnwell's wish to develop their land using the true sense of a village or neighborhood, where the residents live and work in close proximity to one another. The development will be designed to be a primarily walking community. The historically significant tabby structure will be a focal point of the village. The majority of the trees and wetlands on site will be preserved. The applicants propose an underground storm water retention system. The applicant states that by placing the three waterfront lots into permanent open space, less traffic will be generated to the area than if it would be open to future development.

#### **Summary of Facts and Conclusions:**

##### **Findings of Fact:**

- The application was submitted on April 14, 2017 as set forth in LMO Section 16-2-103.C and Appendix D-1.
- Per LMO Section 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.

- The LMO Official scheduled the public hearing on the application for the May 17, 2017 Planning Commission meeting, which is a regularly scheduled meeting of the Planning Commission.
- Per LMO Section 16-2-102.E.2, 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.
- Notice of the May 17, 2017 public hearing was published in the Island Packet on April 30, 2017.
- Per LMO Section 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.
- The applicant mailed notices of the May 17, 2017 public hearing by first-class mail to the owners of record of properties within 350 feet of the subject land on April 25, 2017.
- Per LMO Section 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 such notice being visible from each public thoroughfare that abuts the subject land.
- The LMO Official posted on April 25, 2017 conspicuous notice of the public hearing on the land subject to the application.

**Conclusions of Law:**

- The application was submitted in compliance with LMO Section 16-2-103.C and Appendix D-1.
- The LMO Official scheduled the public hearing on the application for the May 17, 2017 Planning Commission meeting, in compliance with LMO Section 16-2-102.E.1.
- Notice of the public hearing was published 17 calendar days before the meeting date, in compliance with LMO Section 16-2-102.E.2.
- The applicant mailed notices of the public hearing to owners of record of properties within 350 feet of the subject land 22 calendar days before the hearing date, in compliance with LMO Section 16-2-102.E.2.
- The LMO Official posted conspicuous notice of the public hearing on the land subject to the application 22 calendar days before the hearing date, in compliance with LMO Section 16-2-102.E.2.

***As set forth in LMO Section 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:**

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

**Findings of Fact:**

The under lying zoning of the RM-4 zoned property is not changing but the Comprehensive Plan

addresses this application in the following areas:

### **Cultural Resources Element**

#### Goal – 2.1 Historical/Cultural Resources

- A. The goal is to identify historic and archaeological sites in Hilton Head Island. Various archaeological sites on Hilton Head Island are thousands of years old. A number of churches and cemeteries date back hundreds of years. Even certain modern buildings, which are products of early resort development, have character worth retaining. Without protection these areas may not be preserved into the future. These areas and structures should be recognized and preserved as important elements in the Island's historic heritage.

#### Implementation Strategies – 2.1 Historical/Cultural Resources

- D. Improve access to historic sites for educational purposes. Research the options of increasing the ease of accessibility to these sites for education, viewing, and maintenance.
- J. Promote preservation of Gullah/historical neighborhoods and historic structures to help maintain the Gullah culture.

### **Natural Resources Element**

#### Implications for the Comprehensive Plan – 3.3 Positive Impacts of Environmental Preservation on Quality of Life

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

#### Goal - 3.3 Positive Impacts of Environmental Preservation on Quality of Life

- B. The goal is to maintain human health through natural resource preservation.
- D. The goal is to preserve open space (including improvement and enhancement of existing).

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

#### Goal – 5.2 Housing Opportunities

- A. The goal is to engage in projects that encourage affordable/workforce housing on the Island or within the region.
- D. The goal is to monitor changing demographics and trends in housing development to provide housing options that meet market demands.

### **Land Use Element**

#### Goal – 8.1 Existing Land Use

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

#### Goal – 8.3 Planned Unit Developments (PUDs)

- A. The goal is to provide flexibility for the PUDs as future policies, regulations and requirements are

adopted Town-wide.

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

**Goal - 8.4 Existing Zoning Allocation**

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

**Goal – 8.5 Land Use Per Capita**

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

**Goal – 8.10 Zoning Changes**

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

**Transportation Element**

**Implication for the Comprehensive Plan – 9.3 Traffic Planning on the Island**

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

**Conclusions of Law:**

- This application is consistent with the Comprehensive Plan, as described in Cultural Resources, Natural Resources, Housing, Land Use, and Transportation Elements as set forth in LMO Section 16-2-103.C.3.a.i.
- The proposed rezoning will preserve a historic tabby structure that was part of a historic neighborhood and Gullah culture and use it for educational purposes consistent with the Cultural Resources Element.
- The proposed rezoning will place 2.92 acres of waterfront property into permanent open space protecting the mature tree canopy and the natural resources on this property consistent with the Natural Resources Element.
- The proposed rezoning will allow mixed use development that will provide an option for affordable/workforce housing and various housing types to meet market demands consistent with the Housing Element.
- The proposed rezoning will provide flexibility within a PUD and an appropriate mix of land uses to meet the needs of the population and market demands consistent with the Land Use Element.
- The proposed rezoning will reduce the permitted density and development potential in the area by placing 2.92 acres into permanent open space which will reduce the number of trips produced by development of property consistent with the Transportation Element.

**Summary of Facts and Conclusions:**

*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 Section 16-2-103.C.3.a.ii):*

**Findings of Fact:**

- The applicant is proposing a mixed use development consisting of residential units and light commercial uses limited to office, convenience store, bicycle shop, eating establishment and other commercial services.
- The subject property is surrounded by a mix of uses adjacent to it and in the near vicinity including: a church, restaurants, Bluewater Marina and Resort, single family residential homes, a barber shop and a multi-family residential community.

**Conclusion of Law:**

- Even though the zoning of the RM-4 property is not changing, the PD-2 Overlay District will allow a range of uses that are compatible with the uses allowed on other property in the immediate vicinity in accordance with LMO Section 16-2-103.C.3.a.ii.

**Summary of Facts and Conclusions:**

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

**Findings of Fact:**

- The uses proposed for the site are designed around the historic tabby ruins, the wetlands and large trees.
- The tabby structure will be preserved and serve as a focal point within the development.
- The transferring of the uses from the WMU zoned properties will allow for preservation of open space that will help to retain the views and water quality of Skull Creek.
- The commercial uses that are proposed for this development are limited and intended to serve the surrounding neighborhoods.

**Conclusion of Law:**

- Even though the zoning of the RM-4 property is not changing, the zoning of the WMU parcels will be rezoned to Conservation District with this application, therefore the PD-2 Overlay District will allow for a range of uses that will be designed to preserve the significant historical and natural resources on site and is appropriate for the land in accordance with LMO Section 16-2-103.C.3.a.iii.

**Summary of Facts and Conclusions:**

*Criteria 4: Whether and the extent to which the proposed zoning addresses a demonstrated community need (LMO Section 16-2-103.C.3.a.iv):*

**Findings of Fact:**

- The applicant is proposing to develop the land using the true sense of a village or neighborhood, where the residents live and work in close proximity to one another. This mixed use will provide for workforce housing.
- The development will be designed to be a primarily walking community and will limit traffic generated to the area.
- Usable common open space is planned throughout the development. The applicant proposes a community garden within the open space for the residents who live within the development.



**Conclusion of Law:**

- Even though the zoning of the RM-4 property is not changing, the PD-2 Overlay District addresses and provides for a demonstrated community need in accordance with LMO Section 16-2-103.C.3.a.iv.

**Summary of Facts and Conclusion:**

*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):*

**The zoning of the property is not changing except for the WMU parcels which will be rezoned to Conservation District, therefore this criteria is not applicable to this application.**

**Summary of Facts and Conclusions:**

*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 Section 16-2-103.C.3.a.vi):*

**The zoning of the property is not changing except for the WMU parcels which will be rezoned to Conservation District, therefore this criteria is not applicable to this application.**

**Summary of Facts and Conclusions:**

*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:**

- The property is proposed to be developed with mixed-use residential and limited light commercial uses (office, bicycle shop, convenience store, eating establishment, other commercial service uses).
- The proposed uses are uses that are permitted in the underlying WMU and RM-4 zoning districts and are compatible with the uses in the vicinity.
- As there hasn't been interest in developing the site with the site plan that was approved with the original PD-2, this application will allow more design flexibility and increase the marketability of the property.

**Conclusion of Law:**

- Even though the zoning of the RM-4 property is not changing, the PD-2 Overlay District will allow the subject property to be put to a reasonably viable economic use in accordance with LMO Section 16-2-103.C.3.a.vii.

**Summary of Facts and Conclusion:**

*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:**

- The drainage for the development will be designed as an underground system.
- Water and sewer lines currently exist in this area and will be modified to serve this

development.

**Conclusion of Law:**

- Even though the zoning of the RM-4 property is not changing, the PD-2 Overlay District will result in development that can be and is already served by available, adequate, and suitable public facilities in accordance with LMO Section 16-2-103.C.3.a.viii.

**Summary of Facts and Conclusion:**

*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:**

- The applicant states in the narrative that Squire Pope Road is experiencing heavy traffic. By placing the WMU zoned parcels in permanent open space, that property will no longer have any development potential and will result in less future traffic generated to the already congested roadway.
- Even though the density from the WMU zoned parcels is being transferred over to the RM-4 zoned parcels, which could potentially generate additional traffic, only a select few uses that are permitted in the WMU zoning district are being transferred over.
- The intent of this project is to be a live-work walkable community which would generate less traffic to this area than if both sites were developed.

**Conclusion of Law:**

- The proposed application is appropriate due to the changed traffic conditions to the area in accordance with LMO Section 16-3-103.C.a.ix.

***As set forth in LMO Section 16-2-103.D.4, PUD District Review Standards, the Commission may also consider and weigh the following standards of LMO Section 16-3-106.G, Planned Development Overlay District.***

**Summary of Facts and Conclusions:**

*Criteria 1: An arrangement of developed uses on the site that properly considers significant natural features and natural drainage patterns, views, roadway access, and surrounding land uses (LMO Section 16-3-106.G.6.a):*

**Findings of Fact:**

- The uses proposed for the site are designed around the historic tabby structure and the wetlands.
- The tabby structure will be preserved and serve as a focal point within the development.
- There are several large trees on site that will be preserved.
- The commercial uses that are proposed for this development are limited and intended to serve the surrounding neighborhoods.
- The drainage for the development will be designed as an underground system.
- The transferring of the uses from the WMU zoned properties will allow for preservation of open space that will help to retain the views and water quality of Skull Creek.
- The roadway access points on both Squire Pope Road and Gum Tree Road will be designed to provide the safest location of curb cuts taking into consideration the distance of each curb

cut from the existing traffic circle and all other curb cuts.

- The subject property is surrounded by a mix of uses adjacent to it and in the near vicinity including: a church, restaurants, Bluewater Marina and Resort, single family residential homes, a barber shop, a multi-family residential community and a vacant property owned by the Town.

**Conclusion of Law:**

- This application does provide for the proper arrangement of uses on the site so that it considers the natural features and drainage, views, roadway access and surrounding uses in accordance with LMO Section 16-3-106.G.6.a.

**Summary of Facts and Conclusions:**

*Criteria 2: Clustering of developed sites, especially buildings, so as to preserve natural or historic features and provide usable common open space (LMO Section 16-3-106.G.6.b):*

**Findings of Fact:**

- The proposed design of the site does cluster development in areas to preserve the historic tabby structure as well as several large trees and wetlands.
- Usable common open space is planned throughout the development. The applicant proposes a community garden within the open space for the residents who live within the development.
- The transferring of the uses from the WMU zoned properties will allow for preservation of open space that will help to retain the views and water quality of Skull Creek.

**Conclusion of Law:**

- This application does cluster the development portion of the site to preserve the natural and historic features and provides open space in accordance with LMO Section 16-3-106.G.6.b.

**Summary of Facts and Conclusions:**

*Criteria 3: An integrated, coordinated circulation system with complete interconnection (LMO Section 16-3-106.G.6.c):*

**Finding of Fact:**

- Pedestrian circulation will be provided throughout the property through an integrated pathway system that ties into the Town's existing pathways.

**Conclusion of Law:**

- This application does provide an integrated circulation system and interconnection for both pedestrian and vehicular travel in accordance with LMO Section 16-3-106.G.6.c.

**Summary of Facts and Conclusions:**

*Criteria 4: Maximum integration of other infrastructure – such as sewers, water, and drainage systems – in consideration of environmental factors (LMO Section 16-3-106.G.6.d):*

**Findings of Fact:**

- The drainage for the development will be designed as an underground system.
- Water and sewer lines currently exist in this area and will be modified to serve this

development.

- Locations of the utility lines as well as the underground drainage system will be reviewed with respect to the natural resources on site by Town staff during the Development Plan Review process.

**Conclusion of Law:**

- This application will consider environmental factors as it pertains to the integration of the infrastructure in accordance with LMO Section 16-3-106.G.6.d.

**Summary of Facts and Conclusions:**

*Criteria 5: Design and sizing of street, drainage, and utility systems to accommodate the overall service demand of the planned development (LMO Section 16-3-106.G.6.e):*

**Finding of Fact:**

- The design and size of the drive aisles, drainage and utilities will be reviewed by staff during the Development Plan Review process and will be required to meet the standards of the LMO.

**Conclusion of Law:**

- The infrastructure proposed with this application will accommodate the overall service demand of the development in accordance with LMO Section 16-3-106.G.6.e.

**Summary of Facts and Conclusions:**

*Criteria 6: Provision for the ownership and maintenance of common open space through a property owners' association or other mechanisms permitted under Section 16-5-104.E, Ownership, Management and Maintenance of Common Open Space (LMO Section 16-3-106.G.6.f):*

**Finding of Fact:**

- A Property Owner's Association will be formed to maintain common areas in the development.

**Conclusion of Law:**

- This application will provide for ownership and maintenance of the common open space in accordance with LMO Section 16-3-106.G.6.f.

**Summary of Facts and Conclusions:**

*Criteria 7: Architectural guidelines and standards throughout the planned development (LMO Section 16-3-106.G.6.g):*

**Findings of Fact:**

- Conceptual designs have been submitted proposing traditional low country vernacular design for the development.
- The project will require approval from the Design Review Board

**Conclusion of Law:**

- This application will follow architectural standards in accordance with LMO Section 16-3-106.G.6.g.

**Summary of Facts and Conclusions:**

*Criteria 8: Acreage sufficient to accomplish the basic purposes and features as outlined above (LMO Section 16-3-106.G.6.b):*

**Findings of Fact:**

- Per LMO Section 16-3-104.E.3, the maximum density permitted in the RM-4 Zoning District is 4 dwelling units per net acre (6 units per net acre if the lot area is at least 3 acres, or 8 units per net acre if the lot area is at least 5 acres) or 6,000 square feet per net acre for nonresidential uses.
- Per LMO Section 16-3-105.O.3, the maximum density permitted in the WMU Zoning District is 16 dwelling units per net acre or 8,000 square feet per net acre for nonresidential uses.
- Per LMO Section 16-3-106.G.4, a section or phase of the planned development may be built at a density which is greater than the site-specific density allowed by the underlying base zoning district, provided that any such concentration of density is offset by an area of lower density in another section or phase of the planned development or by an appropriate reservation of common open space elsewhere in the planned development. This section also states that when a PD-2 Overlay District overlays more than one base zoning district, the area standards shall be pro-rated based on the district acreage and the average resulting standard shall rule. Therefore, this section allows the higher density of the WMU district to be placed in the RM-4 district as long as an area of lower density or common open space is provided elsewhere.
- Per LMO Section 16-3-106.G.3, any use permitted by right, or subject to use-specific conditions, in the underlying base district is permitted. Where multiple base zoning districts are incorporated in the PD-2, the uses shall remain proportional to the area of the underlying base zoning district.
- Per LMO Section 16-3-106.G.7.c.i, the overall density permitted within a noncontiguous PD-2 Overlay District shall be calculated by adding the densities allowed by right for the total acreage of all sites in the district and then averaging.
- This project consists of 8.96 total acres; of which 7.83 acres contains no tidal wetlands. The development will consist of both residential and commercial uses. Because the density is calculated by adding the densities allowed by right for each district and then averaging the two, the density for this development is limited to 9 dwelling units per net acre or 6,411 square feet per net acre of nonresidential uses. Based on these calculations, the maximum permitted density for this development is 47 dwelling units and 16,027 square feet of nonresidential uses. The applicant is proposing 31 dwelling units and 16,000 square feet of nonresidential development for this project.

**Conclusion of Law:**

- This application contains sufficient acreage to accomplish the basic purposes and preserves both the natural and historic features of the site in accordance with LMO Section 16-3-106.G.6.h.

**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:**

ND

Nicole Dixon, CFM  
*Development Review Administrator*

April 28, 2017

DATE

**REVIEWED BY:**

TL

Teri B. Lewis, AICP  
*LMO Official*

May 9, 2017

DATE

**REVIEWED BY:**

JL

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

May 5, 2017

DATE

**ATTACHMENTS:**

- A) Vicinity Map
- B) Zoning Map
- C) Applicant's Narrative
- D) Site Survey
- E) Project Diagram
- F) Building Elevation





Properties highlighted in blue are subject to PD-2 Overlay District



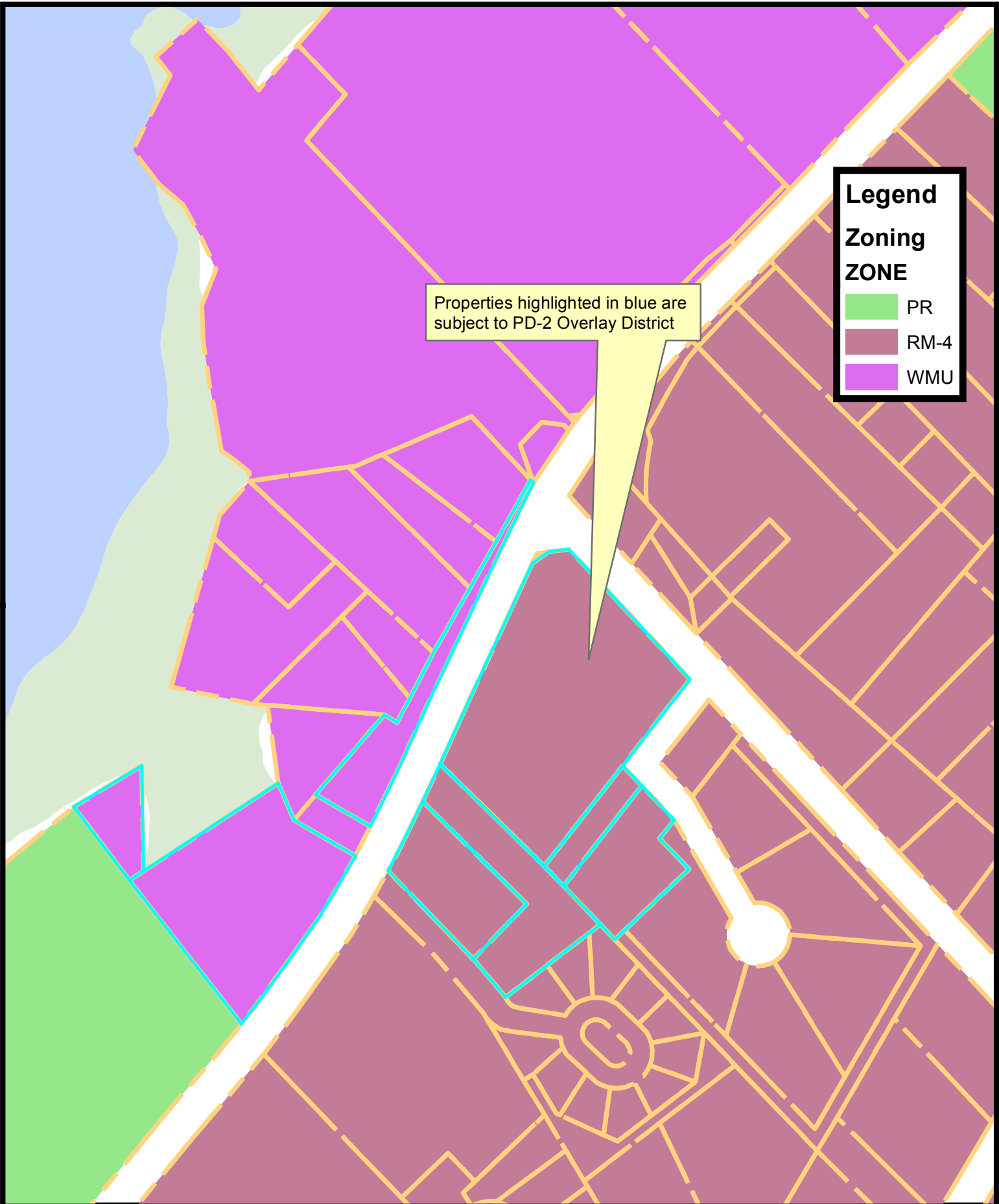
TOWN OF HILTON HEAD ISLAND  
ONE TOWN CENTER COURT  
HILTON HEAD ISLAND, S.C. 29928  
PHONE (843) 341-4600  
Date Created: April 24, 2017  
Project: map.mxd

**Town of Hilton Head Island**  
**ZA-000954-2017**  
**Attachment A - Vicinity Map**



The information on this map has been compiled from a variety of sources and is intended to be used only as a guide. It is provided without any warranty or representation as to the accuracy or completeness of the data shown. The Town of Hilton Head Island assumes no liability for its accuracy or date of completion or for any losses arising from the use of the map.





**Legend**

**Zoning**

**ZONE**

	PR
	RM-4
	WMU

Properties highlighted in blue are subject to PD-2 Overlay District



TOWN OF HILTON HEAD ISLAND  
ONE TOWN CENTER COURT  
HILTON HEAD ISLAND, S.C. 29928  
PHONE (843) 341-4600  
Date Created: April 25, 2017  
Project: map.mxd

**Town of Hilton Head Island**  
**ZA-000954-2017**  
**ATTACHMENT B - Zoning Map**



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# ATTACHMENT C

PD-2 Proposal for Tabby Village

## **Tabby Village: A Traditional Mixed-Use Development at the southwest side of the Intersection of Squire Pope and Gumtree Roads, Hilton Head Island**

The purpose of this application is to modify the existing PD-2 to make the development options more flexible.

The site for Tabby Village lies in the native islander section of Hilton Head Island known as Ward One, at the intersection of Squire Pope and Gumtree Roads. The term 'village' is deliberately used to impart a sense of a true neighborhood, where inhabitants live and work in close proximity to one another. The development is designed to be primarily a walking community where day-to-day needs -- both commercial and social -- are accommodated. While there is currently no public transportation available to transport residents to work outside of the community, a bus stop has been included in the design in the hope that bus service will one day be available. The property includes a tabby ruin which will be restored and will become focal point of the development. The plan is laid out to preserve wetlands and the majority of trees, and to allow access to the historically significant ruin. The developer's sincere hope and intent is that this plan represents the beginnings of a neighborhood in which local people and newcomers alike will feel comfortable and will be able to build a community that is respectful of the land, is nurturing, and is a good place to raise their families, not unlike the Gullah communities of the old Hilton Head.

The proposed Tabby Village development is structured as a PD-2, and encompasses +/- 9 acres of land. The underlying zoning districts are RM4 (approx. 6 acres) and WMU (approx. 3 acres). The plan calls for the preservation in a natural state of 2.92 acres of marsh-front land, currently zoned WMU, of which approximately 1.25 acres are upland. Also incorporated is a .54-acre parcel, zoned WMU, all of which is upland, for a total of 1.79 acres of upland. The intention is to use the development rights from these 1.79 acres on a portion of the site which is currently zoned RM4, generally around the area of the tabby ruin.

There are two sections of planned development, as follows:

- I) Section A: Approximately 3 acres of land on the northwest side of Squire Pope Road, current zoning WMU, parcels:

a) R511 003 0223 0000	0.54 acre
b) R511 003 0049 0000	0.33 acre
c) R511 003 014D 0000	2.05 acres
TOTAL	2.92 acres



## ATTACHMENT C

- 2) Section B: Approximately 6 acres of land on the southwest side of the intersection of Squire Pope and Gumtree Roads, current zoning RM4, parcels:

a)	R510 003 0016 0000	3.23	acres
b)	R511 003 00141 0000	0.77	acre
c)	R510 003 0014 0000	0.98	acre
d)	R510 003 0058 0000	0.27	acre
e)	R510 003 058A 0000	0.73	acre
	TOTAL	5.98	acres

Total development area: 8.90 acres

The development will include up to 16,000 square feet of commercial space and up to 31 units of multifamily housing, all in section B, and a minimum of 3 acres of designated open space including all of Section A.

The three parcels zoned WMU will remain undeveloped and be designated as open space. In addition to the uses allowed in the RM4 District the following WMU uses will be transferred to the RM4 parcel:

- mixed-use
- office uses
- bike shop
- eating establishment
- other commercial services not limited to 1200 square feet
- convenience store not limited to 1200 square feet

The +/- 6 acres in the RM4 district will include mixed-use residential and light commercial. Design will be traditional low-country vernacular and will comply with the Design Review Board requirements. Underground storm water retention system to be installed under roadways and/or parking areas as required. Tree removal will be kept to a minimum, and new plantings will be added.

The development will comply with the setback requirements in the Land Management Ordinance.

Marsh Tacky Village is consistent with the Comprehensive Plan's goals as follows:

### Historical/Cultural Resources

Goal A: the tabby structure, part of the original Cotton Hope Plantation, will be preserved

Goal B: the tabby structure will become accessible to the public as the focal point of this development

Goal D: education about the rich culture of Hilton Head Island will be enhanced by the access to the tabby ruins

Goal E: the goal of preserving and maintaining historical resources is realized with the preservation of and access to the tabby ruins



## ATTACHMENT C

### Protect Water Quality and Quantity

Goal B: 3 parcels of land along the marshes of Skull Creek will be preserved

### Protect Quality of Life through Environmental Preservation

Goal D: 3 parcels of land (2.92 acres) along the marshes of Skull Creek will be preserved as open space

### Housing Opportunities

Goal A: Marsh Tacky Village is being planned with the needs of workforce housing in mind

Additional benefits of the development:

- Densities and accompanying traffic generation will be lower than current zoning allowances
- Majority of trees will be preserved
- The development will include neighborhood shops to serve the daily needs of the surrounding area, and will encourage pedestrian traffic throughout
- Majority of existing wetlands on the property will be left undisturbed

PD-2 Proposal for Tabby Village

**Zoning Map Amendment Review Standards for  
Tabby Village: A Traditional Mixed-Use Development at the southwest  
side of the Intersection of Squire Pope and Gumtree Roads, Hilton Head  
Island**

i. Is in accordance with the ***Comprehensive Plan***

Marsh Tacky Village is consistent with the Comprehensive Plan's goals as follows:

Historical/Cultural Resources

Goal A: the tabby structure, part of the original Cotton Hope Plantation, will be preserved

Goal B: the tabby structure will become accessible to the public as the focal point of this development

Goal D: education about the rich culture of Hilton Head Island will be enhanced by the access to the tabby ruins

Goal E: the goal of preserving and maintaining historical resources is realized with the preservation of and access to the tabby ruins

Protect Water Quality and Quantity

Goal B: 3 parcels of land along the marshes of Skull Creek will be preserved

Protect Quality of Life through Environmental Preservation

Goal D: 3 parcels of land (2.92 acres) along the marshes of Skull Creek will be preserved as open space

Housing Opportunities

Goal A: Marsh Tacky Village is being planned with the needs of workforce housing in mind

Additional benefits of the development:

- Densities and accompanying traffic generation will be lower than current zoning allowances
- Majority of trees will be preserved
- The development will include neighborhood shops to serve the daily needs of the surrounding area, and will encourage pedestrian traffic throughout
- Majority of existing wetlands on the property will be left undisturbed

ii. Would allow a range of **uses** that are compatible with the uses allowed on other property in the immediate vicinity

The development is surrounded by RM4 with WMU across the street.

iii. Is appropriate for the **land**

The land surrounding the tabby would be used for commercial and multifamily. The waterfront land would be preserved as open space.

iv. Addresses a demonstrated community need

The mixed use allows for workforce housing while the limited commercial use will keep some traffic more local.

v. Is consistent with the overall zoning program as expressed in future plans for the Town

There aren't any future plans for this area.

vi Would avoid creating an inappropriately isolated zoning district unrelated to adjacent and surrounding zoning districts

Because this is going to be an overly district, the basic zoning would remain.

vii Would allow the subject property to be put to a reasonably viable economic use

This allows for a better mix of uses.

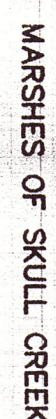
viii Would result in **development** that can be served by available, adequate, and suitable public facilities (e.g. **streets**, potable water, sewerage, stormwater management)

These services/facilities are already available.

ix Is appropriate due to any changed or changing conditions in the affected area

The Squire Pope Road traffic light is failing due to heavy traffic. This will decrease traffic on Squire Pope Road by placing the waterfront section in a conservation plan so that it will not be developed.





CIRQUE	DATA TABLE				DELTA
	LENGTH	RADIUS	INHERENT COEF	BEARING	
C1	371.99	1882.04	188.60	371.39	N41.9535°E
C2	59.16	298.04	49.59	58.16	N41.9535°E
C3	98.16	498.04	98.58	97.16	N41.9535°E
C4	134.86	695.91	67.48	134.81	N27.6156°E
C5	58.77	467.91	29.44	58.72	N27.6156°E
C6	117.08	947.97	55.88	116.13	N54.9414°E
C7	32.66	94.04	16.33	32.65	S39.0439°W
C8	32.66	94.04	16.33	32.65	S39.0439°W
C9	136.23	1465.01	72.44	136.65	S39.0439°W
C10	124.83	1465.01	72.44	124.56	S39.0439°W
C11	57.63	1040.04	25.80	57.19	S48.0474°W
C12	57.63	1040.04	25.80	57.19	S48.0474°W

LINE TABLE		
LINE	LENGTH	BEARING
L1	9.21	S55.09 S 38.7° W
L2	16.64	N48.18 N 02.7° W
L3	9.85	S45.23 S 07.6° E
L4	26.91	S52.25 S 30.7° W
L5	59.65	N43.54 N 41.7° W
L6	11.84	N09.21 N 35.7° W
L7	16.02	S44.11 S 46.1° E
L8	31.20	N64.00 N 41.1° E
L9	31.25	N62.20 N 41.1° E
L10	29.00	N73.58 N 58.6° E
L11	17.22	S65.55 S 02.7° E
L12	15.33	S57.38 S 34.7° E

[illegible]

LINE TABLE		
LINE	LENGTH	SEANING
L95	37.65	N55.44.42E
L96	35.10	N87.01.13E
L97	21.03	N81.55.41E
L98	10.57	N43.53.31W
L70	9.43	N44.51.20E
L71	9.54	N81.75.52W
L72	18.98	N81.20.15E
L73	22.70	N82.28.47E
L74	39.88	S79.07.22E
L75	47.34	S21.14.19E
L76	10.00	S21.56.32W
L77	56.85	S25.56.32W

LINE TABLE		
LINE	LENGTH	SEARING
4.58	25.50	184.55.49.7
4.6	25.50	184.55.49.7
4.67	21.03	184.55.41.7
4.68	10.57	144.55.70.7
4.7	95.54	144.55.70.7
4.71	95.54	144.55.70.7
4.72	19.86	184.55.41.7
4.73	27.70	184.55.47.7
4.74	27.70	184.55.47.7
4.75	47.58	184.55.47.7
4.76	10.00	184.55.47.7
4.77	56.55	184.55.47.7

[illegible]

1) UNDEVELOPED UTILITIES NOT LOCATED EXCEPT AS SHOWN.

2) SEA ISLAND LAND SURVEY, LLC, CENTERED TO THE BARNWELL "TRADITIONAL SURVEY" OF SEA ISLAND, GEORGIA, IS THE BEST AVAILABLE RECORD. THIS DOCUMENT IS PROVIDED AS THE BEST AVAILABLE RECORD FOR OTHERS. REPRESENTATIVE OF SEA ISLAND LAND SURVEY, LLC.

3) SUBJECT PROPERTY DOES NOT APPEAR TO BE EFFECTED BY THE EXISTING RECORDS OF THE SURVEY OF THE SEA ISLAND SECTION OF ACT OF JULY 1, 1868.

4) HORIZONTAL CONTROL IS STATE PLANE COORDINATES, NAD83(2011).

5) PRECISION OF SURVEY IS 1" PER 100 FEET.

6) CONTOUR INTERVAL IS 1'.

7) USE OF THIS PROPERTY MAY BE AFFECTED BY THE TITLES.

8) BOUNDARY SETBACKS, WHETHER SHOWN OR NOT, SHOULD BE CARRIED OUT BY THE LOCAL JURISDICTION WITHOUT INFRINGEMENT OF A COURT.

9) THIS SURVEY IS NOT TO BE USED FOR ANY OTHER PURPOSES. TITLE SEARCH AND IS SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

BEAUFORT COUNTY, SOUTH CAROLINA

PREPARED FOR BARNWELL FAMILY ASSOCIATES, LLC

DATE: 01/01/2018

SCALE: 1" = 50'

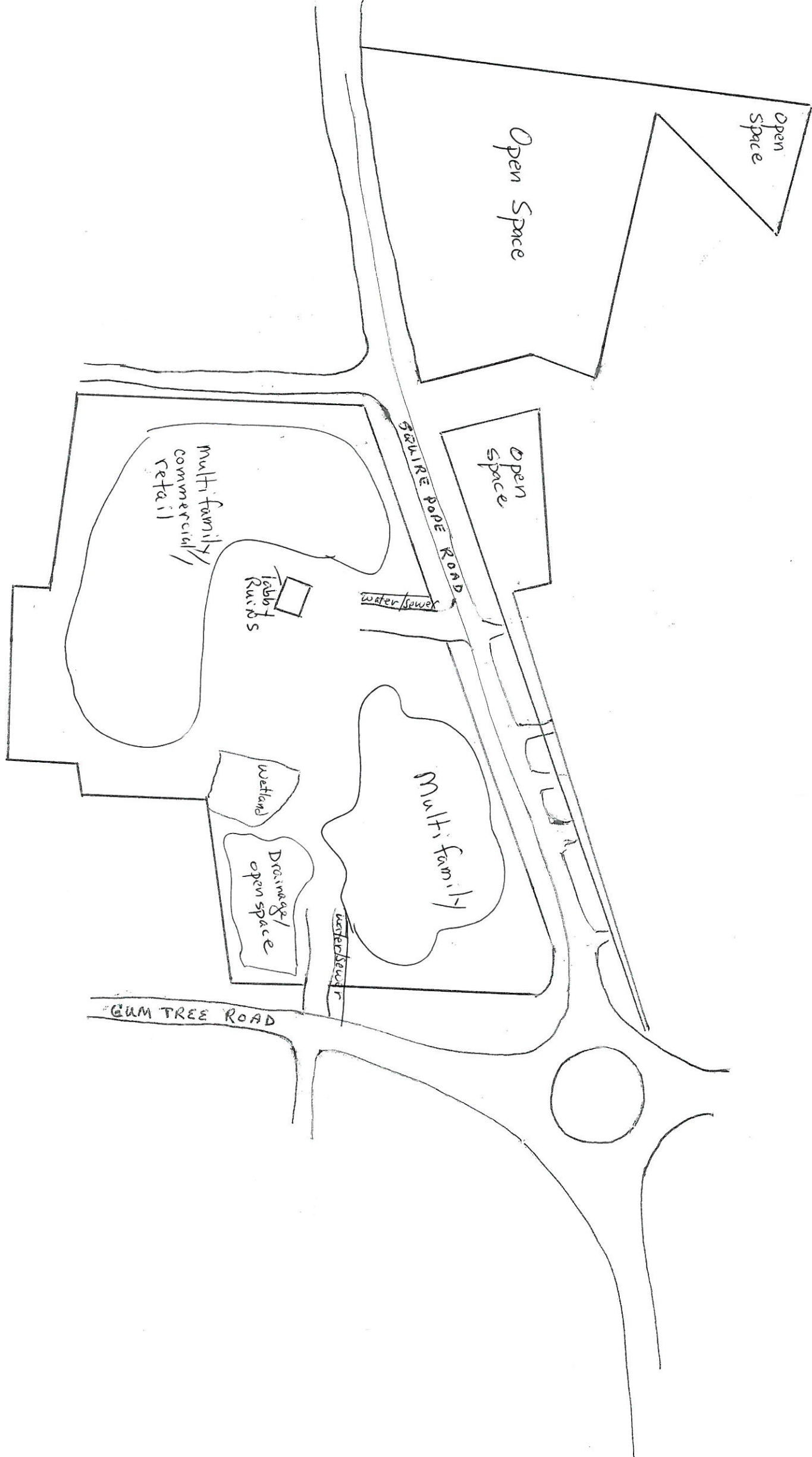
GRAPHIC SCALE

0 50 100 150

**SILS**  
Sea Island Land Survey, LLC  
40 BARNWELL COURT  
FARMINGTON, SOUTH CAROLINA 29503  
SC 29503  
E-MAIL: info@silsls.com  
FILE NO. 06/1918  
DWG NO.: 1-6-203



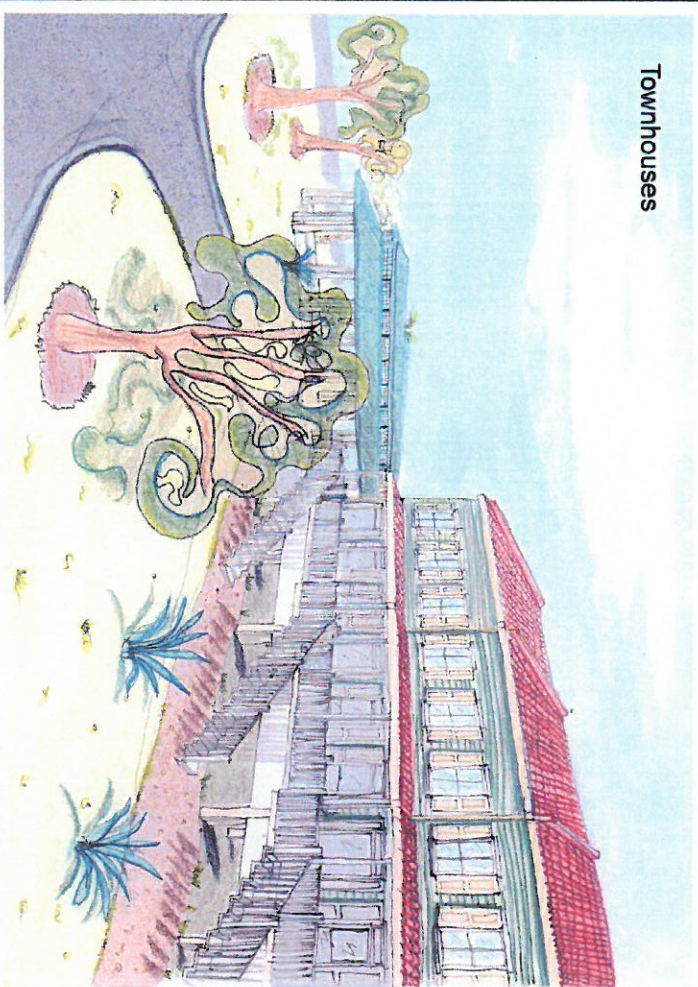
ATTACHMENT E



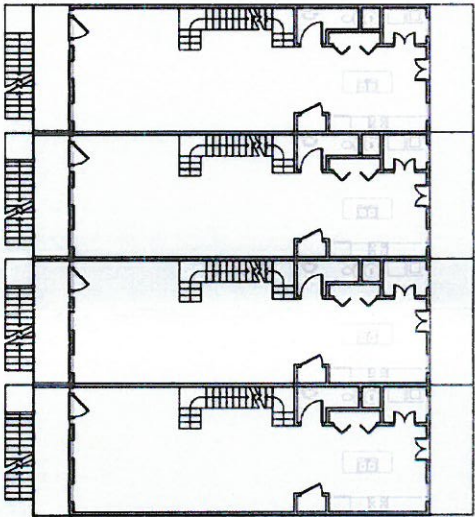
Scale: 1" = 125'



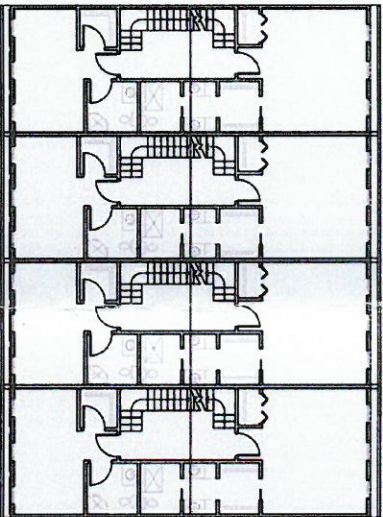
Townhouses



FIRST FLOOR



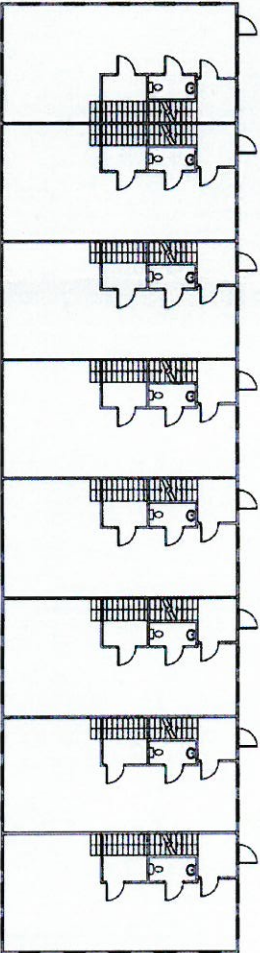
SECOND FLOOR



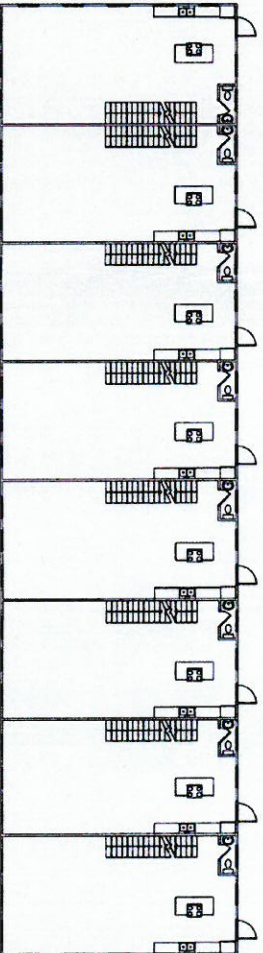
Live / Work Units  
Small Shops with Apartments  
above



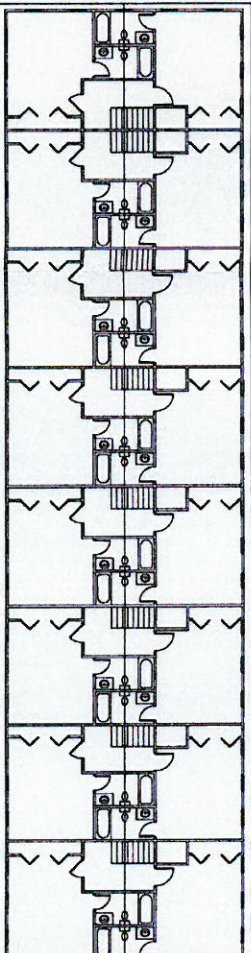
RETAIL LEVEL



SECOND FLOOR LIVING SPACE



THIRD FLOOR LIVING SPACE



**TABBY RUINS VILLAGE LIVE / WORK UNITS AND TOWNHOUSES**  
Prepared for Barnwell Family Associates LLC  
Savannah College of Art & Design, Design Studio II Winter 2007  
Helga B. Lilley & Kimberly C. Deriana  
Professor Catalina Strother





## **MEMORANDUM**

**TO:** Town Council

**FROM:** John Troyer, CPA, Director of Finance

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

**DATE:** June 20, 2017

**RE:** **Second Reading of Proposed Ordinance No. 2017-13**

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### **Recommendation:**

Staff recommends that Town Council approve the second reading of Proposed Ordinance No. 2017-13 to authorizing the issuance and sale of not to exceed \$28,500,000 General Obligation Bonds in one or more Series, in one or more years, with appropriate Series designations, of the Town of Hilton Head Island, South Carolina, fixing the form and certain details of which the Bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the bonds providing for the payment of the Bonds and the disposition of the proceeds thereof, other matters relating thereto, and providing for severability and effective date.

**There have been no changes since public hearing and first reading.**

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$28,500,000 GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, IN ONE OR MORE YEARS, WITH APPROPRIATE SERIES DESIGNATIONS, OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; FIXING THE FORM AND CERTAIN DETAILS OF THE BONDS; AUTHORIZING THE TOWN MANAGER OR HIS LAWFULLY AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; OTHER MATTERS RELATING THERETO; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town Council has been advised that the Town's capital improvement plan includes several capital projects (the "Capital Projects") that would appropriately be funded through the issuance of general obligation bonds; and

WHEREAS, the Town's Administration has not yet determined the exact amount needed in order to fund the Capital Projects; and

WHEREAS, pursuant to Ordinance No. 2016-09 enacted on June 7, 2016, the Town issued its \$25,000,000 General Obligation Bond Anticipation Notes, Series 2016, dated October 5, 2016 (the "2016 Notes"), the proceeds of which were used to fund a portion of the Capital Projects; and

WHEREAS, in order to authorize the issuance of general obligation bonds to be used to retire all or a portion of the general obligation bond anticipation notes and to fund the Capital Projects, it is necessary for Town Council to enact an ordinance; and

WHEREAS, Town Council previously enacted Ordinance No. 2016-10 on June 7, 2016, authorizing not to exceed \$21,200,000 general obligation bonds to retire all or a portion of the Series 2016 Notes at maturity and to fund the Capital Projects; and

WHEREAS, Town Council has been informed that additional Capital Projects need to be funded from the proceeds of general obligation bonds increasing the not to exceed amount from \$21,200,000 to \$28,500,000.

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

**SECTION 1. Findings and Determinations.** The Town Council (the "Town Council") of the Town of Hilton Head Island, South Carolina (the "Town"), hereby finds and determines:

(a) The Town is an incorporated municipality located in Beaufort County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution of the State of South Carolina, 1895, as amended (the "Constitution") and laws of the State of South Carolina (the "State").

(b) Article X, Section 14 of the Constitution provides that general obligation debt may be incurred by the governing body of each municipality of the State for any public and corporate purpose in an amount not exceeding eight (8%) percent of the assessed value of all taxable property of such municipality and upon such terms and conditions as the General Assembly may prescribe. Such Article further provides

that if general obligation debt is authorized by a majority vote of the qualified electors of the municipality voting in a referendum authorized by law, there shall be no conditions or restrictions limiting the incurring of such indebtedness except as specified in such Article.

(c) Title 5, Chapter 21, Article 5, Code of Laws of South Carolina, 1976, as amended (the "Municipal Bond Act"), provides that the municipal council of any municipality may issue general obligation bonds of such municipality for any corporate purpose of such municipality to any amount not exceeding the constitutional debt limitation applicable to such municipality.

(d) The Municipal Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended (the S.C. Code"), provides that if an election be prescribed by the provisions of the Municipal Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the Municipal Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) The assessed value of all the taxable property in the Town as of June 30, 2016, for purposes of computation of the Town's constitutional debt limit, is \$918,731,530. Eight percent of such sum is \$73,498,522. As of the date hereof, the outstanding general obligation debt of the Town subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$51,767,220. Thus, the Town may incur \$22,731,302 of additional general obligation debt within its applicable debt limitation. The Town will ensure that at the time of issuance the final par amount of the Bonds issued will be within its 8% constitutional debt limit.

The Town also intends to issue not to exceed \$18,000,000 Taxable General Obligation Bonds, with an appropriate series designation, the final par amount of which will count against the Town's 8% constitutional debt limit.

(f) Pursuant to Ordinance No. 2013-03 duly enacted by the Town Council on May 7, 2013, the Town has adopted Written Procedures Related to Tax-Exempt Debt.

(h) It is now in the best interest of the Town for the Town Council to provide for the issuance and sale of not to exceed \$28,500,000 aggregate principal amount general obligation bonds of the Town to provide funds for the purposes of (i) retiring or redeeming a portion of the 2016 Notes; (ii) funding other capital improvements including but not limited to projects related to the Island Recreation Center, fire stations, sewer systems and equipment acquisition for fire and rescue (the "Projects"); (iii) reimbursing the Town for funds previously expended on the Projects; and (iv) paying costs of issuance of the Bonds (hereinafter defined).

SECTION 2. Authorization and Details of the Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not to exceed \$28,500,000 general obligation bonds of the Town (the "Bonds") for the purposes listed in Section 1(g) above.

The Bonds shall be issued as fully-registered Bonds; shall be dated their date of delivery; shall be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing in each year; shall be numbered from R-1 upward; shall bear interest at such times as hereafter designated by the Town Manager or his lawfully authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the Town Manager or his lawfully authorized designee.

SECTION 3. Delegation of Authority to Determine Certain Matters Relating to the Bonds. The Town Council hereby expressly delegates to the Town Manager the authority, with respect to the Bonds, to determine (a) the maturity dates and the respective principal amounts maturing on such dates; (b) the interest payment dates; (c) the redemption provisions, if any; (d) the Registrar/Paying agent; (e) whether to publish notice of the adoption of this ordinance under the provisions of Section 11-27-40(8), of the S.C. Code; (f) the date and time of the sale, including whether or not the Bonds should be sold on the same date as one or more series or on separate dates as separate series; and (g) such other matters as are necessary or appropriate. The Town Manager is further directed to consult with the Town's financial advisor and bond counsel in making any such decisions.

The Town Council hereby further delegates to the Town Manager or his lawfully authorized designee the authority to receive bids on behalf of the Town Council and the authority to award the sale of the Bonds to the lowest bidder therefor, in accordance with the terms of the Notice of Sale for the Bonds, provided the true interest cost does not exceed 5.00%. After the sale of the Bonds, the Town Manager or his lawfully authorized designee shall submit a written report to the Town Council setting forth the results of the sale of the Bonds.

SECTION 4. Registration, Transfer and Exchange of Bonds. The Town shall cause books (herein referred to as the "registry books") to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

Each Bond shall be transferable only upon the registry books of the Town, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond the Registrar/Paying Agent on behalf of the Town shall issue in the name of the transferee a new fully-registered Bond or Bonds, of the same aggregate principal amount, interest rate and maturity as the surrendered Bond. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The Town and the Registrar/Paying Agent may deem or treat the person in whose name any fully-registered Bond shall be registered upon the registry books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Town nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring Bonds is exercised, the Town shall execute and the Registrar/Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. Neither the Town nor the Registrar/Paying Agent shall be obliged to make

any such transfer of Bonds during the fifteenth (15th) day of the calendar month preceding an interest payment date on such Bonds.

SECTION 5. Record Date. The Town establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Bonds, and such record date shall be the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on such Bond or, in the case of any proposed redemption of Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the mailing of notice of redemption of Bonds.

SECTION 6. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the Town shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the Town and the Registrar evidence or proof satisfactory to the Town and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State or such greater amount as may be required by the Town and the Registrar. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder.

All expenses necessary for the providing of any duplicate Bond shall be borne by the applicant therefor.

SECTION 7. Form of Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 8. Execution of Bonds. The Bonds shall be executed in the name of the Town with the manual or facsimile signature of the Mayor of the Town attested by the manual or facsimile signature of the Town Clerk under the seal of the Town which shall be impressed, imprinted or reproduced thereon. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Bond shall bear a certificate of authentication manually executed by the Registrar/Paying Agent in substantially the form set forth herein.

SECTION 9. Security for the Bonds. The full faith, credit, taxing power and resources of the Town are hereby irrevocably pledged for the payment of the principal and interest of the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary to provide for the prompt payment thereof. There shall be levied and collected annually upon all taxable property of the Town an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes. The Town at its option may also utilize any other funds available therefor for the payment of the principal of and interest on the Bonds.

SECTION 10. Defeasance. The obligations of the Town herein made or provided for, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding hereunder when:

(a) such Bond or Bonds shall have been purchased by the Town and surrendered to the Town for cancellation or otherwise surrendered to the Town or the Paying Agent and is canceled or subject to cancellation by the Town or the Paying Agent; or

(b) payment of the principal of and interest on such Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Paying Agent in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment or (2) Government Obligations (hereinafter defined) maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the Paying Agent. At such time as the Bonds shall no longer be deemed to be outstanding hereunder, such Bonds shall cease to draw interest from the due date thereof and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Ordinance.

“Government Obligations” shall mean any of the following:

(i) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;

(ii) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”);

(iii) general obligation bonds of the State, its institutions, agencies, Towns and political subdivisions which, at the time of purchase, carry a AAA rating from Standard & Poor’s or a Aaa rating from Moody’s Investors Service; and

(iv) a defeasance obligation as defined in Section 6-5-10 of the S.C. Code as such may be amended from time to time.

(c) Such Bond or Bonds shall be defeased as provided in Section 11-14-110 of the S.C. Code as such may be amended from time to time.

The Town has reserved the right to modify this definition to conform to amendments in State law regarding legal investments of public funds.

**SECTION 11. Exemption from State Taxes.** Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the S.C. Code, from all State, county, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

**SECTION 12. Eligible Securities.** The Bonds initially issued (the “Initial Bonds”) will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York (“DTC”), and transfers of beneficial ownership of the Initial Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of bonds of the same maturity or any integral multiple of \$5,000.

The Initial Bonds shall be issued in fully-registered form, one Bond for each of the maturities of the Bonds, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the Initial Bonds becomes due, the Paying Agent, on behalf of the Town, shall transmit to DTC an amount equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the 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 DTC in accordance with the provisions of the Ordinance.

If (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Town has advised DTC of its determination that DTC is incapable of discharging its duties, the Town shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the Town of the Initial Bonds together with an assignment duly executed by DTC, the Town shall execute and deliver to the successor securities depository bonds of the same principal amount, interest rate and maturity registered in the name of such successor.

If the Town is unable to retain a qualified successor to DTC 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 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 Bonds by mailing an appropriate notice to DTC, upon receipt by the Town of the Initial Bonds together with an assignment duly executed by DTC, the Town shall execute, authenticate and deliver to the DTC participants bonds in fully-registered form in the denomination of \$5,000 or any integral multiple thereof.

**SECTION 13. Sale of Bonds, Form of Notice of Sale.** The Bonds shall be sold at public sale. A Notice of Sale shall be distributed to prospective bidders and a summary of such Notice shall be published in a newspaper having general circulation in the State or in a financial publication published in the City of New York, State of New York, or both, not less than seven (7) days prior to the date set for such sale in substantially the form attached hereto as Exhibit B and incorporated herein by reference.

**SECTION 14. Preliminary and Final Official Statement.** The Town Council hereby authorizes and directs the Town Manager or his lawfully authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds together with the Notice of Sale. The Town Council authorizes the Town Manager or his lawfully authorized designee to designate the Preliminary Official Statement as “near final” for purposes of Rule 15c2-12 of the Securities Exchange Commission (the “Rule”). The Town Manager or his lawfully authorized designee is further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchasers of the Bonds.

**SECTION 15. Filings with Central Repository.** In compliance with Section 11-1-85 of the S.C. Code, as amended, the Town covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of an annual independent audit of the Town within thirty (30) days of the Town's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, event specific information of an event which adversely affects more than five (5%) percent of the tax revenues of the Town or the Town's tax base.

SECTION 16. Continuing Disclosure. In compliance with the Rule, the Town covenants and agrees for the benefit of the holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of a Continuing Disclosure Certificate in substantially the form attached hereto and incorporated herein by reference as Exhibit C. In the event of a failure of the Town to comply with any of the provisions of the Continuing Disclosure Certificate, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by the Town.

SECTION 17. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bonds shall be deposited with the Town in a special fund and shall be applied solely to the purposes for which the Bonds have been issued, including payment of costs of issuance of the Bonds, except that the premium, if any, shall be placed in a sinking fund for the Bonds.

SECTION 18. Tax Covenants. The Town hereby covenants and agrees with the holders of the Bonds that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the holders of the Bonds for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (the "Code") in effect on the date of original issuance of the Bonds. The Town further covenants and agrees with the holders of the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been reasonably expected on the date of issue of the Bonds would have caused the Bonds to be "arbitrage bonds," as defined in Section 148 of the Code, and to that end the Town hereby shall:

- (i) comply with the applicable provisions of Sections 103 and 141 through 150 of the Code and any regulations promulgated thereunder so long as the Bonds are outstanding;
- (ii) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and
- (iii) make such reports of such information at the time and places required by the Code.

SECTION 19. Declaration of Intent to Reimburse Certain Expenditures. This Ordinance shall constitute the Town's declaration of official intent pursuant to Regulation §1.150-2 of the Code to reimburse the Town from a portion of the proceeds of the Bonds for expenditures it anticipates incurring (the "Expenditures") with respect to the Referendum Projects set forth in Section 2(f) hereof prior to the issuance of the Bond. The Expenditures which are reimbursed are limited to Expenditures which are: (a) properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1.150-2 of the Code) under general federal income tax principals; or (2) certain de minimis or preliminary Expenditures satisfying the requirements of Regulation §1.150-2(f) of the Code. The source of funds for the Expenditures with respect to these projects will be the Town's reserve funds. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid; or (b) the date such projects were placed in service, but in no event more than three (3) years after the original Expenditures.



SECTION 20. Miscellaneous. The Town Council hereby authorizes the Mayor and the Town Clerk, the Town Manager, the Director of Finance and any lawfully authorized designee to execute such documents and instruments as may be necessary to effect the issuance of the Bonds or make modifications in any documents including but not limited to the form of the Bond or Notice of Sale, if necessary. The Town Council hereby retains the law firm of McNair Law Firm, P.A. as bond counsel and Stifel, as financial advisor in connection with the issuance of the Bonds. The Town Manager is authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

SECTION 21. 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 22. Codification. This Ordinance shall be forthwith codified in the Code of Town Ordinances in the manner required by law.

SECTION 23. Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island, South Carolina.

[Signature Page follows]

**PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND, SOUTH CAROLINA ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2017.**

\_\_\_\_\_  
David Bennett, Mayor

ATTEST:

\_\_\_\_\_  
Krista Wiedmeyer  
Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Gregory M. Alford, Town Attorney

First Reading: June 13, 2017

Second Reading: \_\_\_\_\_

Introduced by Council Member:

\_\_\_\_\_

**FORM OF BOND**

UNITED STATES OF AMERICA  
 STATE OF SOUTH CAROLINA  
 THE TOWN OF HILTON HEAD ISLAND  
 \$\_\_\_\_\_ GENERAL OBLIGATION BOND  
 SERIES \_\_\_\_\_

No. R-

INTEREST <u>RATE</u>	MATURITY <u>DATE</u>	ORIGINAL <u>ISSUE DATE</u>	<u>CUSIP</u>
%			

REGISTERED HOLDER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the Town of Hilton Head Island, South Carolina (the "Town"), is justly indebted and, for value received, hereby promises to pay to the registered holder named above, or registered assigns, the principal amount shown above on the maturity date shown above, upon presentation and surrender of this Bond at the principal office of \_\_\_\_\_ in \_\_\_\_\_ (the "Paying Agent"), and to pay interest on such principal sum from the date hereof at the interest rate per annum shown above until this Bond matures. Interest on this Bond is payable semiannually on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year commencing \_\_\_\_\_ 1, 20\_\_, until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the Town maintained by the registrar, presently \_\_\_\_\_ in \_\_\_\_\_ (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month next preceding each semiannual interest payment date. The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully-registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Ordinance of the Town authorizing the Bonds, nor become valid or obligatory for any purpose, until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

For the payment of the principal and interest of this Bond as they respectively mature and for the creation of such sinking fund as may be necessary to provide for the prompt payment hereof, the full faith, credit, taxing power and resources of the Town are hereby irrevocably pledged, and there shall be levied and collected annually upon all taxable property of the Town an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One bond certificate with respect to each date on which the Bonds are stated to mature, registered in the name of the securities depository

nominee, is being issued and required to be deposited with the securities depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the securities depository's participants, beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the securities depository and its participants pursuant to rules and procedures established by the securities depository and its participants. The Town and the Registrar/Paying Agent will recognize the securities depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including payments of principal of and redemption premium, if any, and interest on this bond, notices and voting. Transfer of principal and interest payments to participants of the securities depository will be the responsibility of the securities depository, and transfer of principal, redemption premium, if any, and interest payments to beneficial owners of the Bonds by participants of the securities depository will be the responsibility of such participants and other nominees of such beneficial owners. The Town will not be responsible or liable for such transfers of payments or for maintaining, supervision or reviewing the records maintained by the securities depository, the securities depository nominee, its participants or persons acting through such participants. While the securities depository nominee is the owner of this bond, notwithstanding, the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements between the Registrar/Paying Agent or its successors under the Ordinance and the securities depository.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, date of maturity, denomination, [redemption provisions] and rate of interest, aggregating \_\_\_\_\_ Dollars issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended, and Ordinance No. \_\_\_\_\_ duly enacted by the Town Council of the Town.

[Redemption Provisions]

This Bond is transferable as provided in the Ordinance, only upon the books of the Town kept for that purpose at the principal office of the Registrar by the registered holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney. Thereupon a new fully-registered Bond or Bonds of the same aggregate principal amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance. The Town, the Registrar and the Paying Agent 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 hereof and interest due hereon and for all other purposes.

Under the laws of the State of South Carolina (the "State"), this Bond and the interest hereon are exempt from all State, county, municipal, school district and other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the Town does not exceed the applicable limitation of indebtedness under the laws of the State; and, that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the Town sufficient to pay

the principal and interest of this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

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

TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This Bond is one of the bonds described in the within mentioned Ordinance of the Town of Hilton Head Island, South Carolina.

\_\_\_\_\_,  
as Registrar

By: \_\_\_\_\_  
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the  
entireties

\_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

JT TEN - as joint tenants with  
right of survivorship  
and not as tenants in  
common

under Uniform Gifts to  
Minors Act \_\_\_\_\_  
(state)

Additional abbreviations may also be used though not in above list.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns  
and transfers unto \_\_\_\_\_  
(Name and Address of Transferee)

\_\_\_\_\_ the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_  
\_\_\_\_\_ attorney to transfer the within Bond on the books kept  
for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature Guaranteed

\_\_\_\_\_  
Notice: Signature(s) must be  
guaranteed by an institution which is a  
a participant in the  
registered Securities Transfer Agents  
Medallion Program ("STAMP")  
or similar program.

\_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
Notice: The signature to  
the assignment must correspond  
with the name of the  
holder as it appears upon the  
face of the within Bond in every  
particular, without alteration  
or enlargement or any change  
whatever.

A copy of the final approving legal opinion to be rendered shall accompany each Bond and preceding the same a certificate shall appear, which shall be signed on behalf of the Town with a manual or facsimile signature of the Town Clerk in the following form:

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the final legal opinion (except for date and letterhead) of McNair Law Firm, P.A., Columbia, South Carolina, approving the issue of Bonds of which the within Bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for the Bonds, and a copy of which is on file with the Town of Hilton Head Island, South Carolina.

THE TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA

By \_\_\_\_\_  
Town Clerk

## FORM OF NOTICE OF SALE

\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, SERIES \_\_\_\_\_  
TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that proposals addressed to the undersigned will be received on behalf of the Town Council of the Town of Hilton Head Island, South Carolina (the "Town"), in Council Chambers, One Town Center Court, Hilton Head Island, South Carolina, until 11:00 a.m., South Carolina time, on \_\_\_\_\_, \_\_\_\_\_, at which time said proposals will be publicly opened for the purchase of \_\_\_\_\_ (\$ \_\_\_\_\_) General Obligation Bonds, Series \_\_\_\_\_ of the Town (the "Bonds").

Sealed Bids: Each hand delivered proposal shall be enclosed in a sealed envelope marked "Proposal for \$ \_\_\_\_\_ General Obligation Bonds, Series 20\_\_\_\_, Town of Hilton Head Island, South Carolina" and should be directed to the Director of Finance at the address in the first paragraph hereof.

Electronic Bids: Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 40 W. 23rd Street, 5th floor, New York, New York 10010, Customer Support, telephone (212) 404-8102.

**PROPOSALS MAY BE DELIVERED BY HAND OR BY ELECTRONIC BID, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE TOWN AT THE PLACE, DATE AND TIME APPOINTED, AND THE TOWN SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR RESULTING FROM THE SELECTION BY ANY BIDDER OF ANY PARTICULAR MEANS OF DELIVERY OF BIDS.**

Book-Entry-Only Bonds: The Bonds will be issued in fully-registered form. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry-only form in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates representing each maturity with DTC. The Bonds will be dated \_\_\_\_\_ 1, \_\_\_\_\_ and will mature serially in successive annual installments on \_\_\_\_\_ 1 in each of the years and in the principal amounts as follows:

_____1	Principal Amount*	_____1	Principal Amount*
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\*Preliminary, subject to adjustment.

Adjustment of Maturity Schedule. If, after final computation of the proposals, the Town determines in its sole discretion that the funds necessary to accomplish the purposes for which the Bonds are being issued are either more or less than the proceeds of the sale of the amount of the Bonds as shown in this Notice of Sale, it reserves the right either to decrease or increase the principal amount of the Bonds (all calculations to be rounded to the near \$5,000), provided that any such decrease or increase shall not exceed 10% of the par amount. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award of the Bonds, bidders must disclose to the Town in connection with their respective bids the price (or yield to maturity) at which each maturity of the Bonds will be reoffered to the public.

In the event of any adjustment of the maturity schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

The Bonds will bear interest from the date thereof payable semiannually on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, commencing \_\_\_\_\_ 1, \_\_\_\_\_.

[Redemption Provisions]

Registrar/Paying Agent: Within twenty-four (24) hours of the sale of the Bonds, the Town will designate a registrar and paying agent ("Registrar/Paying Agent") for the Bonds. The Registrar/Paying Agent shall be a bank, trust company, depository or transfer agent located either within or without the State of South Carolina.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 of 1% with no greater difference than two percent (2%) between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds, a bid at a price less than par or a bid which includes a premium of more than 1% will not be considered. In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price.

Good Faith Deposit: A good faith deposit is not required.



Bid Form: It is requested but not required that you submit your bid on the Proposal for Purchase of Bonds supplied with the Official Statement.

Official Statement: Upon the award of the Bonds, the Town will prepare an official statement (the “Official Statement”) in substantially the same form as the preliminary official statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business days after the award of the Bonds, the Town will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the Town within 24 hours after the award of the Bonds all necessary pricing information and any Underwriter identification necessary to complete the Official Statement.

Security: The Bonds shall constitute binding general obligations of the Town, and the full faith, credit, resources and taxing power of the Town are irrevocably pledged for the payment of the principal and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor. There shall be levied and collected annually upon all taxable property of the Town a tax, without limitation as to rate or amount, sufficient for such purposes.

Continuing Disclosure: In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5), the Town will undertake, pursuant to an ordinance and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Legal Opinion: The Town shall furnish upon delivery of the Bonds the final approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, which opinion shall accompany each Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds.

Certificate as to Issue Price: The successful bidder must provide a certificate to the Town by the date of delivery of the Bonds, stating the initial reoffering price of the Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Bonds were sold to the public, in form satisfactory to Bond Counsel. A sample copy of such a certificate may be obtained from Bond Counsel.

Delivery: The Bonds will be delivered on or about \_\_\_\_\_, \_\_\_\_\_, in New York, New York, at the expense of the Town or at such other place as may be agreed upon with the purchaser at the expense of the purchaser. The balance of the purchase price then due (including the amount of accrued interest) must be paid in federal funds or other immediately available funds.

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the Town; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Award of Bid. The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost (TIC) to the Town. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year of twelve 30-day months) to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds. In the case of a tie bid, the winning bid will be awarded by lot. The Town reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

Additional Information: The Preliminary Official Statement and the Official Notice of Sale of the Town with respect to the Bonds are available via the internet at <http://www.idealprospectus.com> and will be furnished to any person interested in bidding on the Bonds upon request to McNair Law Firm, P. A., Post Office Box 11390, Columbia, South Carolina 29211, attention: Francenia B. Heizer, Esquire, telephone (803) 799-9800, e-mail: [fheizer@mcnair.net](mailto:fheizer@mcnair.net). The Preliminary Official Statement shall be reviewed by bidders prior to submitting a bid. Bidders may not rely on this Official Notice of Sale as to the complete information concerning the Bonds. For additional information, please contact the Town's Bond Counsel, Francenia B. Heizer, Esquire, McNair Law Firm, P. A., Post Office Box 11390, Columbia, South Carolina 29211, telephone (803) 799-9800, e-mail: [fheizer@mcnair.net](mailto:fheizer@mcnair.net) or the Town's Financial Advisor, Brenton J. Robertson, Managing Director, Stifel, 515 Gervais Street, Columbia, South Carolina 20201, telephone (803) 331-3848, e-mail: [robertsonb@stifel.com](mailto:robertsonb@stifel.com).

Town of Hilton Head Island, South Carolina

## FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Town of Hilton Head Island, South Carolina (the “Town”) in connection with the issuance of \$\_\_\_\_\_ General Obligation Bonds, Series \_\_\_\_\_ (the “Bonds”). The Bonds are being issued pursuant to an Ordinance adopted by the Town Council of the Town (the “Council”). The Town covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the Town for the benefit of the beneficial owners and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below).

**SECTION 2. Definitions.** The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Bonds” shall mean the \$\_\_\_\_\_ General Obligation Bonds, Series \_\_\_\_\_, of the Town of Hilton Head Island, South Carolina, dated \_\_\_\_\_.

“Dissemination Agent” shall mean the Town or any successor Dissemination Agent designated in writing by the Town and which has filed with the Town a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“National Repository” shall mean for purposes of the Rule, the Electronic Municipal Market Access (EMMA) system created by the Municipal Securities Rulemaking Board.

“Participating Underwriter” shall mean \_\_\_\_\_ and any other original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean each National Repository and each State Depository, if any.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Depository” shall mean any public or private repository or entity designated by the State of South Carolina as a state depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Depository.

**SECTION 3. Provision of Annual Reports.**

(a) The Town shall, or shall cause the Dissemination Agent to provide, not later than February 1 of each year, commencing in 20\_\_\_\_, to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date the Town shall provide the Annual Report to the Dissemination Agent, if other than the Town; provided, that if the audited financial statements required pursuant to Section 4 hereof to be included in the Annual Report are not available for inclusion in the Annual Report as of such date,

unaudited financial statements of the Town may be included in such Annual Report in lieu thereof, and the Town shall replace such unaudited financial statements with audited financial statements within fifteen (15) days after such audited financial statements become available for distribution. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Town may be submitted separately from the balance of the Annual Report.

(b) If the Town is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Town shall send a notice to the Municipal Securities Rulemaking Board and State Depository, if any, in substantially the form attached hereto as Exhibit A.

(c) The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Depository, if any; and

(2) if the Dissemination Agent is other than the Town, file a report with the Town and (if the Dissemination Agent is not the Registrar) the Registrar certifying whether the Annual Report has been provided pursuant to this Disclosure Certificate, and, if provided, stating the date it was provided, and listing the Repository to which it was provided.

#### SECTION 4. Content of Annual Reports.

(a) The Town's Annual Report shall contain or incorporate by reference the most recent audited financial statements, which shall be prepared in conformity with generally accepted accounting principles (or, if not in such conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information) applicable to governmental entities such as the Town, and shall, in addition, contain or incorporate by reference the following, for the immediately preceding fiscal year:

- (1) Town population;
- (2) Total anticipated state appropriations subject to withholding under Article X, Sec. 14, South Carolina Constitution;
- (3) Outstanding indebtedness of the Town;
- (4) Market value/assessment summary of taxable property in Town;
- (5) Tax Rates for Town;
- (6) Tax collections for Town; and
- (7) Five largest taxpayers (including fee-in-lieu-of-tax) for Town.

(b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Town is an "obligated person" (as defined by the Rule), which have been previously filed with the National Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Town will clearly identify each such document so incorporated by reference.

## SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Town shall give, or cause to be given, notice of the occurrence of any of the following events (the “Listed Events”):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders;
- (8) Bond calls;
- (9) Tender offers;
- (10) Defeasances;
- (11) Release, substitution, or sale of property securing repayment of the securities;
- (12) Rating changes;
- (13) Bankruptcy, insolvency, receivership or similar event of the Town;
- (14) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (15) Appointment of a successor or additional trustee or the change of name of a trustee.

(b) Whenever the Town obtains knowledge of the occurrence of a Listed Event described in subsections (a)(2), (7), (8), (11), (14), or (15) above, the Town shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Town determines that knowledge of the occurrence of such event would be material under applicable federal securities laws, the Town shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Repository.

(c) Whenever the Town obtains knowledge of the occurrence of a Listed Event described in subsections (a)(1), (3), (4), (5), (6), (9), (10), (12), or (13) above, the Town shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Repository.

(d) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8), (9), and (10) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds. For the purposes of the event identified in (a)(13) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of

reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

SECTION 6. Termination of Reporting Obligation. The Town's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Town may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Town.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Town may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Town, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Town chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Town shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Town, or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any beneficial owner may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the Town, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Town, or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of the Dissemination Agent. The provisions of this Section 11 shall apply if the Issuer is not the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and to the extent permitted by applicable law and other public policy considerations, the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Town, the Dissemination Agent, the Participating Underwriters, and Holders from time to time of the Bonds and shall create no rights in any other person or entity.

TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA

By: \_\_\_\_\_  
Town Manager

Dated: \_\_\_\_\_, 20\_\_

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Town: Town of Hilton Head Island, South Carolina

Name of Bond Issue: \$\_\_\_\_\_ General Obligation Bonds, Series \_\_\_\_\_,  
Town of Hilton Head Island, South Carolina

Date of Issuance: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that The Town of Hilton Head Island, South Carolina (the “Town”) has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3 and 4 of the Continuing Disclosure Certificate executed and delivered by the Town as Dissemination Agent. The Town has notified us in writing that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA





## **MEMORANDUM**

**TO:** Town Council

**FROM:** John Troyer, CPA, Director of Finance

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

**DATE:** June 20, 2017

**RE:** **Second Reading of Proposed Ordinance No. 2017-14**

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### **Recommendation:**

Staff recommends that Town Council approve the second reading of Proposed Ordinance No. 2017-14 authorizing the issuance and sale of not to exceed \$32,000,000 Tax Increment Bonds in one or more Series, in one or more years, with appropriate Series designations, of the Town of Hilton Head Island, South Carolina, fixing the form and certain details of which the Bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the bonds providing for the payment of the Bonds, limiting payment of the Bonds from the sources provided herein; the disposition of the proceeds thereof, other matters relating thereto, and providing for severability and effective date.

**There have been no changes since public hearing and first reading.**

## ORDINANCE

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$32,000,000 PRINCIPAL AMOUNT TAX INCREMENT BONDS, IN ONE OR MORE SERIES, WITH APPROPRIATE SERIES DESIGNATIONS, OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, FOR THE PURPOSE OF PAYING THE COST OF CERTAIN REDEVELOPMENT PROJECTS; DELEGATING THE AUTHORITY TO THE TOWN MANAGER TO DETERMINE CERTAIN MATTERS WITH RESPECT TO THE BONDS; PRESCRIBING THE FORM AND DETAILS OF THE BONDS; LIMITING THE PAYMENT OF THE BONDS FROM THE SOURCES PROVIDED HEREIN; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS THEREOF; AMENDING AND RESTATING ORDINANCE NO. 2004-29, AS PREVIOUSLY AMENDED, AND CONFIRMING AMENDMENTS TO ORDINANCE NO. 09-20; AND OTHER MATTERS RELATING THERETO.

WHEREAS, the Town Council (the "Town Council") of the Town of Hilton Head Island, South Carolina (the "Town"), enacted Ordinance No. 99-35 on December 7, 1999, establishing and approving a plan for the redevelopment of a portion of the Town pursuant to the Hilton Head Tax Increment Financing Development Plan dated October 1999 (the "Original TIF Plan"); and

WHEREAS, pursuant to Ordinance No. 2004-29 enacted by the Town Council on June 15, 2004 (the "2004 Bond Ordinance"), the Town issued \$8,000,000 principal amount of its Tax Increment Bond, Series 2004, dated June 25, 2004 (the "2004 Bond"); and

WHEREAS, pursuant to Ordinance No. 2008-10 enacted by the Town Council on April 15, 2008 (the "First Supplemental Ordinance" and, together with the 2004 Bond Ordinance, the "Prior Bond Ordinance"), the Town also issued \$22,000,000 principal amount of its Tax Increment Bond, Series 2008, dated April 17, 2008 (the "2008 Bond"), and amended the 2004 Bond Ordinance and Ordinance No. 90-26 enacted by the Town Council on October 1, 1990, in order to permit the Town to issue from time to time Bonds payable from a pledge of Tax Revenues and amounts on deposit in the Additional Security Fund (as such terms are defined in the First Supplemental Ordinance), including but not limited to the Town's real estate transfer fee fund; and

WHEREAS, the 2004 Bond and 2008 Bond matured on December 1, 2014, and June 1, 2015, respectively, and are no longer outstanding under the Prior Bond Ordinance; and

WHEREAS, pursuant to Ordinance No. 2014-13 enacted by the Town Council on June 10, 2014, the Town Council amended the Original TIF Plan (as so amended, the "Amended TIF Plan"), as follows: (1) extending the time for the implementation of the Original TIF Plan, as amended for an additional ten years; (2) increasing the cap on TIF expenditures from \$65 million in the Original TIF Plan to a cumulative \$115 million through the Amended TIF Plan; (3) describing the TIF Projects (as defined in the Amended TIF Plan) which will be included in the Amended TIF Plan; and (4) establishing binding terms and conditions upon which Hilton Head Public Service District (the "PSD"), Beaufort County, South Carolina (the "County"), and the School District of Beaufort County, South Carolina (the "School District"), would agree to participate in the Amended TIF Plan; and

WHEREAS, the governing bodies of each of the PSD, the County and the School District adopted resolutions consenting to the Amended TIF Plan, based on the terms and conditions referenced above; and

WHEREAS, the Town desires to undertake certain of the TIF Projects (the “New Projects”), and to issue not exceeding \$32,000,000 principal amount of its Tax Increment Bonds, in one or more series, with appropriate series designations (the “New Bonds”), to finance, among other things, the Costs of Acquisition and Construction of the New Projects, including Costs of Issuance (as such terms are defined herein), and to fund or otherwise satisfy the reserve requirement for a debt service Reserve Account, if any, established for a series of the New Bonds; and

WHEREAS, the Town Council has been advised that the Prior Bond Ordinance should be further amended in order to establish debt service Reserve Accounts, if any, for Bonds issued thereunder, to permit the replenishment of such debt service Reserve Accounts from deposits of the Town’s real estate transfer fees and to make other changes thereto, and that it would be most expedient to enact this Ordinance to authorize the New Bonds to finance the New Projects and amend and restate the Prior Bond Ordinance in its entirety;

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, AS FOLLOWS:

## ARTICLE I

### DEFINITIONS

Section 1. Definitions. The terms in this Section 1 shall for all purposes of this Ordinance have the respective meanings given to them in the Ordinance and in Section 1 hereof.

“2004 Bond” shall mean the \$8,000,000 Tax Increment Bond, Series 2004 issued on June 25, 2004.

“2008 Bond” shall mean the \$22,000,000 Tax Increment Bond, Series 2008, issued on April 17, 2008.

“Act” shall mean Title 31, Chapter 6, Code of Laws of South Carolina 1976, as amended (being the Tax Increment Financing Law), and as such Act may be further amended from time to time.

“Additional Bonds” shall mean any Bond issued as provided in Section 8.1 herein which shall be secured on a parity with any other Bonds issued hereunder.

“Additional Security Fund” shall mean the fund of that name established pursuant to Section 4.2 hereof.

“Amended TIF Plan” shall mean the amendments to the Original TIF Plan entitled: “Amended Tax Increment Financing Plan for the Town of Hilton Head Island Redevelopment Area” dated March 2014, as approved by Ordinance No. 2014-13 enacted by the Town Council on June 10, 2014, and as the same may be amended from time to time hereafter.

“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 (if any), the Registrar and the Paying Agent may rely exclusively upon written representations made and information given to the Town, the Trustee (if any), the Registrar and the Paying Agent, as the case may be, by the Depository or its Participants with respect to any Initial Bond held by the Depository or its Participants in which a beneficial ownership interest is claimed.

“Bond” or “Bonds” shall mean any Bond, some of the Bonds, or all of the Bonds issued under and pursuant to the Bond Ordinance, including the New Bonds and any Additional Bonds issued from time to time.

“Bondholder(s)” or the term “Holder(s)” or the term “Owner(s)” or any similar term shall mean the registered owner or owners of any Outstanding Bond or Bonds.

“Bond Ordinance” shall mean this Ordinance (which amends and restates the Prior Bond Ordinance in its entirety) and any Supplemental Ordinance hereafter enacted authorizing the issuance of a series of Bonds.

“Bond Year” shall mean such date or dates as may be determined in connection with any Series of Bonds.

“Book-Entry Form” or “Book-Entry System” shall mean with respect to the Initial Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Initial 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 Initial Bonds, when subject to the Book-Entry System.

“Books of Registry” shall mean the registration books maintained by the Town in accordance with Section 3.3 hereof.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banking institutions in the State are required or authorized by law (including executive orders) to close.

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

“Cost of Acquisition and Construction” shall mean, to the extent permitted by the Act, Redevelopment Project Costs, including Cost of Issuance. Cost of Acquisition and Construction shall include the reimbursement of funds previously advanced by the Town with respect to the New Projects.

“Cost of Issuance” shall mean all items of expense, directly or indirectly payable or reimbursable by or to the Town and related to the authorization, sale and issuance of the New Bonds including, but not limited to, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Registrar, legal fees and charges, auditing and accounting fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of bonds, costs and expenses of refunding, bond insurance premiums, financing charges and any other costs, charges or fees in connection with the original issuance of the New Bonds.

“County” shall mean Beaufort County, South Carolina.

“Custodian” shall mean one or more banks or financial institutions to hold the Series Construction Fund, if any, as selected by the Town Manager pursuant to Section 10.2 hereof.

“Debt Service” shall mean, with respect to each Series of Bonds and with respect to any particular Bond Year, the aggregate of the amounts to be paid or set aside (or estimated to be required to be paid or set aside) in the Special Tax Allocation Fund in such Bond Year for the payment of the

principal of, redemption premium, if any, and interest (to the extent not capitalized) on such Series of Bonds.

“Default” or “Event of Default” shall mean any of those defaults specified in and defined by Article XI 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 Initial Bonds, and to effect transfers of the Initial Bonds, in Book-Entry Form, and includes and means initially The Depository Trust Company (a limited-purpose trust company), New York, New York.

“First Supplemental Ordinance” shall mean Ordinance No. 2008-10 enacted by the Town Council on April 15, 2008.

“Government Obligations” shall mean any of the following, if and to the extent the same are at the time legal investments of the Town:

(a) non-callable bonds, notes or direct obligations and general obligations of the United States or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America; and

(b) non-callable, U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - “SLGS”);

(c) non-callable, direct obligations of the U.S. Treasury which have been stripped by the U.S. Treasury;

(d) non-callable, interest strips of obligations issued by Resolution Funding Corporation which are backed by the full faith and credit of the United States; and

(e) non-callable (or not subject to further call), prerefunded municipal bonds which are rated “Aaa” by Moody’s or “AAA” by S&P.

“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 such date or dates as shall be determined by the Town Manager for each Series of Bonds for the payment of interest.

“Junior Bonds” shall mean either (a) bonds secured by a pledge of Tax Revenues junior and subordinate in all respects to the pledge securing the Bonds or (b) any other form of indebtedness, including lease purchase obligations, secured by sums available in the Special Tax Allocation Fund after provision has been made for all payments required to be made with respect to the Bonds as provided in this Ordinance.

“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 Requirement.

“New Bonds” shall mean not exceeding \$13,000,000 principal amount of the Town’s Tax Increment Bonds, authorized to be issued hereunder in one or more series.

“New Projects” shall mean, collectively, the Redevelopment Projects to be financed with the proceeds of the New Bonds and such other projects as may be approved by the Town Manager and permitted by the Amended TIF Plan.

“Ordinance” shall mean this ordinance as originally enacted and, unless the context shall clearly indicate otherwise, as it may be from time to time hereafter supplemented, modified or amended.

“Original TIF Plan” shall mean the redevelopment plan entitled: “Tax Increment Financing District” dated October 1999 approved and adopted pursuant to the Redevelopment Ordinance.

“Outstanding” when used with respect to any Bonds shall have the construction given to such term in Article XIII hereof; i.e., a Bond shall not be Outstanding if such Bond is not, or would not be, at the time, deemed to be Outstanding by reason of the operation and effect of Article XIII.

“Paying Agent” shall mean for each Series of Bonds the respective paying agent or paying agents, if any, appointed pursuant to Section 10.2 hereof.

“Permitted Investments” shall mean those investments described in Section 6-5-10 of the Code of Laws of South Carolina 1976, as amended, as now or hereafter amended and in effect from time to time, or any authorization relating to the investment of Town funds, and (b) the South Carolina Pooled Investment Fund or similar State administered pool investment, as same shall be approved by the Bond Insurer, if any.

“Placement Agent” shall mean Stifel.

“Principal Payment Date” shall mean such date or dates as shall be determined by the Town Manager for each Series of Bonds for the payment of principal.

“Prior Bond Ordinance” shall mean Ordinance No. 2004-29 enacted by the Town Council on June 15, 2004, as amended by the First Supplemental Ordinance, which is amended and restated in its entirety by this Ordinance.

“Record Date” shall mean with respect to any Series of Bonds the fifteenth (15th) day (whether or not a Business Day) of the calendar month immediately preceding an Interest Payment Date or such other day as may be provided in this Ordinance.

“Redevelopment Ordinance” shall mean Ordinance No. 99-35 dated December 7, 1999, establishing and approving the Original TIF Plan.

“Redevelopment Projects” shall mean one or more projects pursuant to the Original TIF Plan and the Amended TIF Plan, to wit:

1. Completion of projects within the Original TIF Plan, Planning/Design/Land Acquisition for items 2, 3 and 4 described below and related Financing Costs and Project Management (estimated in the aggregate at \$13,124,597).
2. Coligny/Pope Initiative Area
  - A. Coligny Area Improvements
  - B. University of South Carolina – Beaufort (USCB) at Office Park Road
3. Chaplin Linear Park
4. Mathews/Chaplin and Stoney Projects
5. Financing Costs and Project Management for the foregoing projects 2, 3 and 4 (items 2, 3, 4 and 5 are estimated in the aggregate at \$50,000,000).

“Redevelopment Project Area” shall mean the area within the Town identified as such in the Amended TIF Plan.

“Redevelopment Project Costs” shall mean costs incurred in connection with the Redevelopment Projects, the repayment to the Town of any moneys used to replenish the Series Debt Service Reserve Account, if any, established for a Series of Bonds, the repayment to the Town of any funds expended on Costs of Acquisition and Construction of the Redevelopment Projects, and any other items included as “redevelopment project costs” as defined in the Act.

“Registrar” shall mean for each Series of Bonds, the respective bank, trust company, depository or transfer agent appointed as registrar pursuant to Section 10.2 hereof. The Town may appoint itself, acting through the Town Clerk, to serve as Registrar.

“School District” shall mean the School District of Beaufort County, South Carolina.

“Series” or “Series of Bonds” or “Bond of Series” shall mean all Bonds designated as being of the same series issued and delivered on original issuance in a simultaneous transaction, and any Bond thereafter delivered in lieu thereof or in substitution therefor pursuant to this Ordinance.

“Series Construction Fund” shall mean one or more Funds established pursuant to Section 10.1 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 Acquisition and Construction of the New Projects (including the Costs of Issuance). Pursuant to Section 10.1, each Series Construction Fund shall be further identified or designated to relate to the specific Series of the New Bonds issued hereunder.

“Series Debt Service Account” shall mean one or more Accounts established pursuant to Section 5.3 hereof to provide for the payment of the principal of and interest on the Series of Bonds related thereto. Pursuant to Section 5.3, each Series Debt Service Account shall be further identified or designated to relate to the specific Series of the New Bonds issued hereunder.

“Series Debt Service Reserve Account” shall mean one or more Accounts, if any, established pursuant to Section 5.4 hereof (a) to insure the timely payment of the principal and interest on the Series of Bonds related thereto; and (b) to provide for the redemption of the Series of Bonds related thereto. Pursuant to Section 5.4, each Series Debt Service Reserve Account shall be further identified or designated to relate to the specific Series of the New Bonds issued hereunder.

“Series Interest Sub-Account” shall mean the Sub-Account of that name of the New Bonds and Series Debt Service Account established pursuant to Section 5.3 of this Ordinance with respect to any series of Additional Bonds pursuant to a Supplemental Ordinance.

“Series Principal Sub-Account” shall mean the Sub-Accounts of that name with respect to the New Bonds of the Series Debt Service Account established pursuant to Section 5.3 of this Ordinance and with respect to any Series of Additional Bonds pursuant to a Supplemental Ordinance.

“Series Reserve Requirement” shall mean the amount, if any, established pursuant to Section 5.4 hereof.

“Surety Bond” shall mean, subject to Section 5.4, the reserve policy or surety bond, if any, issued by the Insurer in connection with the New Bonds and payable to the Paying Agent.

“Supplemental Ordinance” shall mean any ordinance enacted by the Town Council providing for the issuance of Bonds issued as provided in Article VIII, and any ordinance enacted by the Town Council pursuant to and in compliance with the provisions of Article XIV hereof amending or supplementing the provisions of this Ordinance.

“State” shall mean the State of South Carolina.

“Tax Revenues” shall mean the amounts of ad valorem taxes, if any, determined in accordance with Section 5.1 hereof and collected in each year in the Redevelopment Project Area which amounts shall be deposited upon receipt by the Town in the Special Tax Allocation Fund, and shall include the proportionate amount of any increased ad valorem taxes due to the late payment of such taxes.

“Tax Year” shall mean the consecutive twelve (12) month period during which ad valorem real property taxes of the Town are levied and collected, presently being the period from July 1 to June 30.

“Taxing Districts” shall mean the Town, the County, the School District and the PSD.

“TIF Capital Projects Account” shall mean the account of that name established pursuant to Section 5.4 of this Ordinance with respect to the New Bonds.

“Town” shall mean the Town of Hilton Head Island, South Carolina, an incorporated municipality of the State situated in the County.

“Town Council” shall mean the Town Council of the Town of Hilton Head Island, South Carolina.

“Trustee” shall mean the bank or financial institution appointed by the Town, as determined by the Town Manager pursuant to Section 10.2 hereof.

“Underwriter” shall mean such bank or financial institution selected by the Town Manager pursuant to Section 10.2 hereof.



## ARTICLE II

### FINDINGS AND DETERMINATIONS

Section 2.1. Findings and Determinations. The Town Council hereby finds and determines:

(a) The Town is an incorporated municipality located in the County, and as such possesses all powers granted to municipalities by the Constitution and general laws of the State.

(b) Pursuant to Section 5-5-10, Code of Laws of South Carolina 1976, as amended, the Town has selected the Town Council-Manager form of government and is governed by a Council composed of a Mayor and six (6) council members which constitute the governing body of the Town.

(c) Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that the General Assembly may authorize by general law that indebtedness for the purpose of redevelopment within incorporated municipalities may be incurred, and that the debt service of such indebtedness be provided from the added increments of tax revenues to result from a redevelopment project.

(d) Pursuant to the Act, the governing bodies of the incorporated municipalities of the State are vested with all powers consistent with the Constitution of the State necessary, useful, and desirable to enable them to accomplish redevelopment in areas which are or threatened to become blighted. Incorporated municipalities are further authorized to issue bonds under the Act to finance a "redevelopment project" as defined in the Act.

(e) Pursuant to the Prior Bond Ordinance, the Town issued the 2004 Bond and the 2008 Bond, both of which are no longer outstanding thereunder.

(f) The Town proposes to construct and acquire any one or more of the Redevelopment Projects with the proceeds of the New Bonds authorized by this Ordinance and such Additional Bonds as may be issued from time to time.

(g) The total expenditures for public improvements to be funded pursuant to the Original TIF Plan totaled approximately \$65,000,000, which was funded in part with proceeds of the 2004 Bond and the 2008 Bond. Pursuant to the Amended TIF Plan, the total expenditures for public improvements was increased to approximately \$115,000,000, to be funded in part with proceeds of the New Bonds for the New Projects.

(h) The Town further proposes to make certain amendments to the Prior Bond Ordinance, while also continuing several of the provisions thereof; as such, it is in the best interest of the Town to amend and restate the Prior Bond Ordinance in its entirety.

(i) It is now in the best interest of the Town for the Town Council to provide for the issuance and sale of the New Bonds of the Town from time to time pursuant to the aforesaid provisions of the Constitution and laws of the State in a not exceeding amount of \$32,000,000 to provide funds to pay the Redevelopment Project Costs for any one or more of the New Projects and to fund or satisfy the reserve requirement for the Series Debt Service Reserve Account, if any, established for the New Bonds.

(j) The application of a portion of the proceeds of the New Bonds for the Costs of Acquisition and Construction of the Redevelopment Projects is necessary and in the best interest of the

Town and will promote the health, safety, morals and welfare of the residents of the Town. The issuance of the New Bonds and Additional Bonds as may be issued will provide funds to further implement the Amended TIF Plan. Each of the Redevelopment Projects constitutes a “redevelopment project” within the meaning of the Act, and the New Bonds will be issued for corporate purposes and public purposes of the Town.

### ARTICLE III

#### AUTHORIZATION OF THE NEW BONDS

Section 3.1. Authorization of the New Bonds. Pursuant to the aforesaid provisions of the Constitution and the Act, there is hereby authorized to be issued one or more Series of Bonds designated “Town of Hilton Head Island, South Carolina, Tax Increment Bonds, Series (year)” (the “New Bonds”), 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 to exceed \$32,000,000, for the purposes set forth in Article II above.

Section 3.2. Details of the New Bonds.

(a) Unless otherwise determined by the Town Manager pursuant to Section 10.2 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 10.2 hereof.

(b) Such of the New Bonds as the Town Manager shall determine pursuant to Section 10.2 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 10.2 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 (if any) or Registrar 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 (if any) or Registrar 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 (if any) or Registrar, 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 (if any) or Registrar, and the principal amount of the New Bonds to be redeemed by operation of the mandatory redemption requirement shall be accordingly reduced.

(c) Such of the New Bonds as may be determined by the Town Manager pursuant to Section 10.2 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 10.2 hereof, together, in each such case, with the interest accrued on such principal amount to the date fixed for redemption.

(d) The Trustee (if any) 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 thirty (30) days prior to the date fixed for the redemption thereof. The Trustee (if any), without further authorization or direction from the Town, shall give notice of all mandatory redemptions within the time periods and in the manner specified above, with respect to optional redemptions.

(e) 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 10.2 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.

(f) 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.

(g) 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 this 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.

(h) A copy of the approving opinion to be rendered on the New Bonds shall be printed on the back of 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 McNair Law Firm, P.A., 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 3.3. Town as Registrar and Registration of New Bonds. The Town shall cause Books of Registry to be kept by the Registrar, for the registration and transfer of the New Bonds. Upon presentation at the office of the Town Clerk of the Town or at the corporate trust office of the Registrar for such purpose, the Registrar shall register or transfer, or cause to be registered or transferred, on the Books of Registry, the New Bonds under such reasonable regulations as the Registrar may prescribe. The Town shall serve as the Registrar and Paying Agent for the New Bonds or the Town Manager may

appoint a bank, trust company, depository or transfer agent as registrar and paying agent, as determined pursuant to Section 10.2 hereof.

Unless the New Bonds are issued pursuant to the Book Entry System (subject to Section 3.5 hereof), the New Bonds shall be transferable only upon the Books of Registry of the Town, which shall be kept for such purpose at the office of the Town Clerk or the corporate trust office of the Registrar, if any, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of the New Bonds, the Registrar shall cause to be issued in the name of the transferees new fully registered New Bonds of the same aggregate principal amounts, interest rates and maturities as the surrendered New Bonds. The New Bonds, if surrendered in exchange for new registered New Bonds pursuant to this Section, shall be canceled by the Town.

The Town and the Registrar and Paying Agent, if any, may deem or treat the person in whose name any fully registered New Bonds shall be registered upon the Books of Registry as the absolute owner of such New Bonds; whether such New Bonds shall be overdue or not, for the purpose of receiving payment of the principal of, interest and redemption premium, if any, on such New Bonds and for all other purposes; and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such New Bonds to the extent of the sum or sums so paid, and neither the Town, the Paying Agent nor the Registrar, if any, shall be affected by any notice to the contrary.

Section 3.4. Transfer of Bonds. In all cases in which the privilege of transferring the New Bonds are exercised, the Town shall execute and the Registrar shall authenticate and deliver the New Bonds in accordance with the provisions of this Ordinance. The Registrar shall not be obligated to make any such transfer of the New Bonds after the Record Date and before the respective interest payment date with respect to the New Bonds after the New Bonds have been called for redemption. The Town has established a Record Date for the payment of interest or for the giving of notice of any proposed redemption of the New Bonds.

Section 3.5. Book-Entry System; Recording and Transfer of Ownership of the New Bonds.

The New Bonds may be initially issued as eligible securities for the purposes of the Book-Entry System of transfer maintained by the Depository (the "Initial Bonds"), as determined by the Town Manager pursuant to Section 10.2 hereof, in which case the provisions of this Section 3.5 shall control, 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 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 this 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 (if any), 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 (if any), 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 (if any), 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 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 (if any), 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.

## ARTICLE IV

### SECURITY FOR AND PAYMENT OF BONDS

Section 4.1. Pledge of Special Tax Allocation Fund. The 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, from and secured by a pledge of funds in and to be deposited in the Special Tax Allocation Fund established in Article V hereof and all sub-accounts therein. Such funds are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Bonds, to the extent said amount is not paid from the proceeds of the Bonds.

The Bonds do not constitute an indebtedness of the Town within any State constitutional provisions (other than Article X, Section 14, Paragraph 10 of the Constitution authorizing obligations payable solely from special sources not involving revenues from any tax or license) or statutory limitation. The 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 amounts on deposit in the Special Tax Allocation Fund. No recourse shall be had for the payment of the 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 Bonds.

Section 4.2. Establishment and Pledge of Additional Security Fund.

(a) There is hereby continued under the Prior Bond Ordinance the Additional Security Fund of the Town into which there shall be deposited an amount, if any, determined by the Town Manager pursuant to Section 10.2 hereof (the "Additional Security Fund Requirement"), from the Town's real estate transfer fee fund or any other legally available source; provided, that for the avoidance of doubt, the Additional Security Fund and the provisions of this Section 4.2 are intended to be available as security for the New Bonds only if determined by the Town Manager pursuant to Section 10.2 hereof (which may be in addition to or in lieu of the provisions of Section 5.4 hereof). Amounts on deposit in the Additional Security Fund (if any, determined by the Town Manager pursuant to Section 10.2 hereof) are pledged as additional security for the New Bonds on a ratable basis without preference.

(b) The Additional Security Fund shall be held by such bank or financial institution selected by the Town Manager, as custodian, and invested and reinvested as directed in writing by the Town, in accordance with the requirements of Section 6.8 hereof.

(c) If sufficient Tax Revenues have not been deposited into the Special Tax Allocation Fund to make the payments required on the New Bonds to be made at the next Principal Payment Date or Interest Payment Date, or if amounts are withdrawn from the Series Debt Service Reserve Account to make such payments pursuant to Section 5.3(c) hereof, in each case as determined by the Town Manager pursuant to Section 10.2 hereof, the Town will transfer or cause to be transferred from the Additional Security Fund such amounts as shall be necessary to make all required payments in full or to replenish the Series Debt Service Reserve Account, as applicable.

(d) If funds are withdrawn from the Additional Security Fund, the Town will restore the Additional Security Fund to the Additional Security Fund Requirement within 90 days from the date of such withdrawal from its real estate transfer fee or any other legally available source.

(e) The Additional Security Fund shall remain in existence until such time as the Town Manager or the Finance Director of the Town shall certify to the Holders of the New Bonds that the Tax

Revenue collected in such number of Fiscal Years as determined by the Town Manager pursuant to Section 10.2 hereof, are not less than such percentage of debt service on the New Bonds as determined by the Town Manager pursuant to Section 10.2 hereof. Such certification shall be provided in writing to the Holders of the New Bonds. After such notice, the Additional Security Fund shall be terminated, and all amounts on deposit therein shall be returned to the Town. The pledge of the Additional Security Fund shall terminate at that time.

## ARTICLE V

### CONTINUATION OF SPECIAL TAX ALLOCATION FUND AND INVESTMENT OF MONEYS

Section 5.1. Continuation of Special Tax Allocation Fund and Accounts Therein. There is hereby continued the special fund of the Town created by the Prior Bond Ordinance and designated as the “Town of Hilton Head Island - Special Tax Allocation Fund” (the “Special Tax Allocation Fund”)

The Special Tax Allocation Fund shall contain the following accounts and sub-accounts:

(a) one or more Series Debt Service Accounts to be held by the Town or the Trustee (if any) appointed pursuant to Section 10.2 hereof, which shall contain the Series Interest Sub-Account and the Series Principal Sub-Account.

(b) if determined by the Town Manager to be necessary pursuant to Section 5.4 hereof, one or more Series Debt Service Reserve Accounts to be held by the Town or the Trustee (if any) appointed pursuant to Section 10.2 hereof.

Upon the enactment of this Ordinance and the issuance of the New Bonds hereunder, there shall be deposited in the Special Tax Allocation Fund the amounts of ad valorem taxes (heretofore defined as “Tax Revenues”), if any, determined as follows. After the total equalized assessed valuation of the taxable real property in the Redevelopment Project Area exceeds the certified “total initial equalized assessed value” established in accordance with the Act and set forth in Article VI hereof of all taxable real property in the Redevelopment Project Area, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Redevelopment Project Area by the Taxing Districts, and tax rates determined in the manner provided by the Act and Article VI hereof each year after the New Bonds have been issued until the Bonds have been retired must be divided as follows:

(a) That portion of taxes levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the total initial equalized assessed value of all taxable real property in the Redevelopment Project Area must be allocated to and, when collected, must be paid by the Beaufort County Treasurer to the respective Taxing Districts in the manner required by law in the absence of the adoption of the Original TIF Plan.

(b) That portion, if any, of taxes which is attributable to the increase in the current equalized assessed valuation of all taxable real property in the Redevelopment Project Area over and above the total initial equalized assessed value of taxable real property in the Redevelopment Project Area (the “Incremental Tax Revenues”) must be allocated to and, when collected, must be paid to the Town which shall deposit the taxes into the Special Tax Allocation Fund for the purpose of paying the Redevelopment Project Costs and debt service on the Bonds; provided, however:

(1) with respect to the School District, only the Incremental Tax Revenues generated from 75% of the debt service millage of the School District up to but not exceeding \$13,000,000 in the aggregate, shall be deposited into the Special Tax Allocation Fund, and any Incremental Tax Revenues generated above \$13,000,000 in the aggregate, together with any Incremental Tax Revenues generated from the remaining 25% of the School District's debt service millage and any of its operating millage, shall be paid by the Beaufort County Treasurer to the School District;

(2) with respect to the County, the Incremental Tax Revenues generated from the millage of the County and deposited into the Special Tax Allocation Fund shall be limited to the lesser of (A) \$26,000,000 in the aggregate or (B) the cost necessary to establish the University of South Carolina Beaufort Campus within the incorporated boundaries of the Town, as promptly certified in writing by the County to the Town (provided that the Town shall not be required to refund to the County any Incremental Tax Revenues deposited to the Special Tax Allocation Fund, if such refund would prevent the principal or interest on the Bonds from being timely paid from amounts on deposit therein);

(3) with respect to the PSD, the Incremental Tax Revenues to be included in funding the Amended TIF Plan will be generated from the millage of the PSD for no more than ten years; and

(4) the Incremental Tax Revenues generated with respect to the Taxing Districts shall be limited to no more than ten years, which shall be based on tax years 2015 through 2024 (and correlate to the Taxing Districts' fiscal years 2016 through 2025).

Section 5.2. Deposits to Special Tax Allocation Fund. The taxes collected and paid to the Town pursuant to paragraph (b) of Section 5.1 have been heretofore defined and are hereinafter referred to as "Tax Revenues." There shall be and are hereby authorized to be deposited into the Special Tax Allocation Fund Tax Revenues in the following order of priority:

First, there shall be transferred ratably and on a parity in the Series Debt Service Accounts the amounts required by this Ordinance;

Second, there shall be transferred ratably and on a parity in the Series Debt Service Reserve Accounts, if any, the amount necessary to replenish such accounts;

Third, there shall be transferred to the TIF Capital Projects Account the amounts determined hereunder.

Section 5.3. Series Debt Service Account. There shall be established in the Special Tax Allocation Fund for the New Bonds a special account of the Town to be designated the Series Debt Service Account (and within such account, a Series Interest Sub-Account and Series Principal Sub-Account) which should be kept on deposit with the Town 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 accounts and sub-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 account (and subaccounts) will be considered the "Series Debt Service Account" with respect to the related Series of New Bonds.



(a) Series Interest Sub-Account. There shall be established and maintained for the purpose of paying the interest on the New Bonds as the same becomes due and payable the Series Interest Sub-Account in the Series Debt Service Account. Not later than the 15th day of the month preceding each Interest Payment Date, the Town shall transfer for deposit into the Series Debt Service Account for credit to the Series Interest Sub-Account an amount derived from Tax Revenues equal to the installment of interest on the New Bonds then falling due.

(b) Series Principal Sub-Account. There shall be established and maintained for the purpose of paying the principal of the New Bonds as it matures the Series Principal Sub-Account in the Series Debt Service Account. Not later than the 15th day of the month preceding each Principal Payment Date, the Town shall transfer for deposit into the Series Debt Service Account to the credit of the Series Principal Sub-Account an amount derived from Tax Revenues equal to the installment of principal on the New Bonds then falling due.

(c) Transfers from Series Debt Service Reserve Account. If, on the dates when the payments required by paragraphs (a) and (b) of this Section are to be made, the deposits made pursuant to said paragraphs (a) and (b) are less than the sum required to pay the succeeding installment of principal or interest, or both, a sum equal to such deficiency shall be transferred from the Series Debt Service Reserve Account and added to the payment to be made pursuant to paragraphs (a) and (b).

Moneys in the Series Interest Sub-Account and the Series Principal Sub-Account shall be used and applied solely to the payment of the interest on and the retirement of the principal of and premium, if any, on the New Bonds and shall be used and applied in accordance with the provisions of this Section and this Ordinance. Withdrawals from such sub-accounts shall be made by the Town in the manner in which withdrawals from the other funds of the Town are made in order to transfer such moneys to the Paying Agent for the New Bonds. Such withdrawals shall be made so that the necessary moneys shall be available to the Paying Agent three (3) Business Days prior to the date on which principal or interest, or both, are payable on the New Bonds.

Section 5.4. Series Debt Service Reserve Account. If the Town Manager determines pursuant to Section 10.2 hereof, there may be established in the Special Tax Allocation Fund for the New Bonds a special account of the Town to be designated the Series Debt Service Account for the benefit of the Holders of one or more Series of New Bonds (if any) and the amount of the applicable Series Reserve Requirement, and, if so, such Series Debt Service Reserve Account shall be established on the date of the original delivery of such Series of New Bonds and held by the Trustee (if any), 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 Account" 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 XIII of this Ordinance, then the Series Reserve 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 Account is established, the Series Reserve Requirement initially will be satisfied by the Town by the deposit of cash into the Series Debt Service Reserve Account, 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.

Moneys in the Series Debt Service Reserve Account shall be used for the following purposes, and for no other:

(a) To prevent a Default in the payment of the principal of or interest on the New Bonds, by reason of the fact that moneys in the Special Tax Allocation Fund are insufficient for such purposes;

(b) To pay the principal of, interest on, and redemption premium, if any, of the New Bonds at maturity or in the event that all Outstanding New Bonds are redeemed as a whole;

(c) To effect partial redemption of the New Bonds, provided that such redemption be undertaken in accordance with the provisions of the Ordinance permitting a partial redemption of the New Bonds and the balance remaining in the Series Debt Service Reserve Account following such partial redemption shall not be less than the Series Reserve Requirement; and

(d) To effect the retirement of New Bonds through purchase under the conditions herein prescribed.

Whenever the market value (determined as of the valuation dates specified in Section 5.7 hereof) of the cash and securities in the Series Debt Service Reserve Account shall exceed the Series Reserve Requirement, such excess may at the direction of the Town either (1) be used to repurchase and retire New Bonds at prices not exceeding the call price first to become available or then prevailing or (2) be transferred to another account of the Special Tax Allocation Fund. Purchases of New Bonds shall be effected by the Town; and whenever New Bonds shall have been purchased pursuant to this authorization, it shall be the duty of the Trustee (if any) or Registrar to cancel and destroy such New Bonds and to deliver certificates evidencing such act to the Town.

Whenever the aggregate value of cash and securities in the Series Debt Service Reserve Account shall be less than the Series Reserve Requirement (whether because of a transfer pursuant to Section 5.3(c) to pay Debt Service on the New Bonds, a re-valuation of the Series Debt Service Reserve Account or otherwise), there shall be deposited, first, from the Town's real estate transfer fee fund, second, from the Additional Security Fund (if any), and, third, from Tax Revenues such amounts as are necessary to cure any deficiency that exists therein; provided, also that in the event amounts are deposited into the Series Debt Service Reserve Account or Additional Security Fund (if any) from the Town's real estate transfer fee fund, following the payment of Debt Service on the New Bonds for the current Bond Year and the replenishment of the Series Debt Service Reserve Account pursuant hereto, the Town may elect to transfer Tax Revenues to replenish the Town's real estate transfer fee fund. Such deposits shall be made in equal, successive, monthly deposits in the same amount so as to restore the value of cash and securities in the Series Debt Service Reserve Account to the Series Reserve Requirement during the succeeding twelve (12) months.

Section 5.5. Dissolution of Special Tax Allocation Fund. Upon the payment of all Redevelopment Project Costs in the amount of \$115,000,000, the payment of all amounts of principal and interest due on the Bonds, which is scheduled for June 1, 2025, and the distribution of any surplus moneys pursuant to the Act, the Town shall enact an ordinance dissolving the Special Tax Allocation Fund for the Redevelopment Project Area and terminating the designation of the Redevelopment Project Area as a "redevelopment project area" for purposes of the Act. Thereafter, the rates of the Taxing Districts must be extended and taxes levied, collected and distributed in the manner applicable in the absence of the adoption of the Amended TIF Plan and the issuance of the Bonds under the Act.

Section 5.6. Investment Income. All investment income or interest earnings on any Principal Sub-Account shall be transferred to the Interest Sub-Account for the applicable Series of New Bonds and applied as a credit against the next interest payment due on the applicable Series of New Bonds. All investment income or interest earnings on an Interest Sub-Account shall be retained therein and applied as

a credit against the next interest payment due on the applicable Series of New Bonds. The Town shall account for all amounts earned on each Fund and Account.

Section 5.7. Investment of Moneys Held by the Town. (a) Moneys in all funds and accounts created hereunder may be invested by the Town in Permitted Investments; provided, that the maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates in which moneys in the funds or accounts for which the investments were made will be required for the purposes thereof. The Town shall, not later than May 15 of each year, determine the value as of the preceding May 1 or the succeeding Business Day thereafter, in the Special Tax Allocation Fund and accounts therein created by this Ordinance.

(b) Amounts credited to a fund or account may be invested, together with amounts credited to one or more other funds or accounts, in the same Permitted Investments; provided, that (i) each such investment complies in all respects with the provisions of subsection (a) of this Section as they apply to each fund or account for which the joint investment is made, and (ii) the Town maintains separate records for each fund and account and such investments are accurately reflected therein.

(c) Except as otherwise specifically provided herein, in computing the amount in any fund or account, Permitted Investments purchased as an investment of moneys therein (taking into account straight line amortizations and accretions of premiums and discounts) shall be valued at the original cost or current market value thereof, or at the redemption price thereof, if then redeemable at the option of the holder, in either event inclusive of accrued interest.

(d) The Town may rely on an opinion of counsel that any investment constitutes a Permitted Investment as defined in this Ordinance.

## ARTICLE VI

### DETERMINATION OF ASSESSED VALUE

The Redevelopment Project Area, as designated in Ordinance No. 99-35 and as it may be amended or supplemented from time to time, shall be the Redevelopment Project Area for purposes of this Ordinance. The Redevelopment Project Area is more particularly described in Exhibit B to Ordinance No. 99-35.

The County Auditor, shall, upon the request of the Town, determine and certify: (1) the most recently ascertained equalized assessed value of all taxable real property within the Redevelopment Project Area, as of the date of enactment of Ordinance No. 99-35, which value is the "initial equalized assessed value" of such property; and (2) the total equalized assessed value of all taxable real property within the Redevelopment Project Area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within the Redevelopment Project Area, which value is the "total initial equalized assessed value" of the taxable real property within the Redevelopment Project Area.

After the County Auditor has certified the total initial equalized assessed value of the taxable real property in the Redevelopment Project Area, then in respect to every Taxing District in the Redevelopment Project Area, the County Auditor or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within the Redevelopment Project Area for the purpose of computing the rate percent of tax to be extended upon taxable property within such Redevelopment Project Area shall in every year the Bonds are Outstanding for Redevelopment Projects in

the Redevelopment Project Area ascertain the amount of value of all taxable real property in the Redevelopment Project Area by including in the amount the certified total initial equalized assessed value of all taxable real property in such Redevelopment Project Area in lieu of the equalized assessed value of all taxable real property in such Redevelopment Project Area. The rate percent of tax determined must be extended to the current equalized assessed value of all property in the Redevelopment Project Area in the same manner as the rate percent of tax is extended to all other taxable property in the Taxing Districts. The method of extending taxes established under this Section terminates when the Town adopts an ordinance dissolving the Special Tax Allocation Fund for the Redevelopment Projects.

## ARTICLE VII

### ALTERATION OF BOUNDARIES OF THE REDEVELOPMENT PROJECT AREA

To the extent permitted by the Act and as permitted by the provisions of Article XIV(a), the Town may alter the exterior boundaries of the Redevelopment Project Area and general land uses established by the Amended TIF Plan or nature of the Redevelopment Projects; subject, however, to each of the following conditions:

(a) The Town Council must enact an ordinance approving the aforesaid changes in accordance with the provisions of the Act;

(b) Any alteration of the exterior boundaries of the Redevelopment Project Area shall not result in a reduction of the total current equalized assessed valuation in the Redevelopment Project Area immediately prior to such deletion; and

(c) The Town shall receive an opinion of nationally recognized bond counsel that any actions taken pursuant to this Article will not impair the exemption from federal income tax of the interest on the Tax Exempt Obligations (as defined herein).

## ARTICLE VIII

### ADDITIONAL PARITY BONDS; JUNIOR BONDS

Section 8.1. Additional Parity Bonds. (a) To the extent permitted by law, including the Act, and the provisions of this Ordinance, the Town may from time to time, if not in Default in the payment of principal of and interest on the Bonds then Outstanding and if no other Event of Default has occurred and is continuing, issue Additional Bonds pursuant to a Supplemental Ordinance. Such Additional Bonds may be issued for such purposes as may be permitted by the Act upon compliance with the Additional Bonds test set forth below.

(b) Such Additional Bonds may be issued only if (i) the Town Manager or the Finance Director for the Town shall certify that the Tax Revenues collected during the Fiscal Year prior to the Fiscal Year in which such Additional Bonds are to be issued, are not less than such percentage of debt service on the New Bonds and any Additional Bonds, all as determined by the Town Manager pursuant to Section 10.2 hereof; or (ii) the Series Debt Service Reserve Fund or Additional Security Fund is established and maintained as provided in Sections 5.4 or 4.2 hereof, as determined by the Town Manager pursuant to Section 10.2 hereof.

Section 8.2. Refunding Bonds. Without complying with the provisions of Section 8.1 hereof, the Town by means of a Supplemental Ordinance enacted in compliance with the provisions of the Act and any

other statutory provisions authorizing the issuance of refunding bonds, including by advance refunding, may issue refunding bonds.

Section 8.3. Junior Bonds. The Town may issue Junior Bonds in such amount as it may from time to time determine, payable from the Tax Revenues, provided that such Junior Bonds are issued to secure funds to defray Redevelopment Project Costs, or to refund bonds, junior bonds, or any notes, or other obligations issued to finance or to aid in financing Redevelopment Project Costs, and provided further that the pledge of Tax Revenues securing Junior Bonds shall at all times be subordinate and inferior to the pledge securing the Bonds.

## ARTICLE IX

### COVENANTS

As long as the Bonds are Outstanding and unpaid, the Town shall abide by all of the covenants, undertakings and provisions contained in this Ordinance or in any Bonds issued hereunder, including the following:

(a) Redevelopment Projects. The Town will continue to undertake the remaining Redevelopment Projects in accordance with the Act and the Amended TIF Plan.

(b) Management and Operation of Amended TIF Plan. The proceeds of the sale of the Bonds will be deposited and used as provided herein, and the Town will own, manage and operate all the Redevelopment Projects in a sound manner.

(c) Lien of Bonds. The Town will not issue any obligations which have any lien upon the Tax Revenues prior or superior to the lien of the Bonds.

(d) To Pay Principal of and Interest on Bonds. The Town will duly and punctually pay or cause to be paid the principal of and interest on the Bonds solely from the sources provided herein.

(e) Maintenance of Additional Security Fund. The Town will maintain the Additional Security Fund at a level equal to the Additional Fund Requirement (if any) until such time as it is terminated pursuant to Section 4.2(e) hereof.

(e) Maintenance of Records, Accounts and Audits. The Town will at all times keep, or cause to be kept, proper and current books and accounts (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Redevelopment Projects and the Tax Revenues and other funds relating to the Redevelopment Projects. The Town shall execute such reporting certificate or other agreement with the holders of the Bonds, regarding the on-going preparation and delivery of information related to the Bonds.

(f) Federal Tax Covenant. The Town covenants and agrees with the Holders of the New Bonds issued as tax exempt obligations (the "Tax Exempt Obligations") that no use of the proceeds of the Tax Exempt Obligations shall be made which, if such use had been reasonably expected on the date of issue of the Tax Exempt Obligations would have caused the Tax Exempt Obligations to be "arbitrage bonds," as defined in the Code; and to that end the Town shall:

(i) comply with the applicable provisions of Section 103 and Sections 141 through 150 of the Code and any regulations promulgated thereunder (or any applicable successor provisions thereto) so long as the Tax Exempt Obligations are Outstanding;

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

(iii) make such reports of such information at the times and places required by the Code;

(iv) not take any action which will, or fail to take any action which failure will, cause interest on the Tax Exempt Obligations to become includable in the gross income of the Bondholders 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 Obligations.

(g) Continuing Disclosure. 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:

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

(b) Event specific information within thirty (30) days of an event adversely affecting more than five (5%) of tax revenues or the Town's tax base.

The only remedy for failure by the Town to comply with the covenant of this paragraph shall be an action for specific performance of this covenant. The Town specifically reserves the right to amend or delete this covenant to reflect any change in Section 11-1-85, without the consent of any New Bondholder.

## ARTICLE X

### SERIES CONSTRUCTION FUND; SALE OF THE NEW BONDS; DISPOSITION OF THE PROCEEDS OF THE NEW BONDS

Section 10.1. Series Construction Fund. There is hereby created and established the Series Construction Fund, which fund shall be held by the Town or 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 Construction Fund" with respect to the related Series of New Bonds. If the Series Construction Fund is held by a Custodian, the Town Manager is authorized and directed to negotiate, execute and deliver such construction fund agreements or other agreements with such bank or other financial institution as may be necessary or desirable in connection therewith. The Series Construction Fund 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 Custodians. The moneys on deposit in the Series Construction Fund shall be used and applied to pay all or a portion of the Costs of Acquisition and Construction of the New Projects, including all Costs of Issuance related to the New Bonds.

Moneys held for the credit of the Series Construction Fund 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 Construction Fund shall be made in the manner withdrawals from other funds of the Town are made.

If after the payment in full of all costs of the New Projects (or retiring at maturity or redeeming prior to maturity all or a portion of any bond anticipation notes issued by the Town therefor) and Costs of Issuance or after adequate provision has been made for such payment any moneys remain in the Series Construction Fund, 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 10.2. 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 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 and the redemption prices of the New Bonds subject to optional redemption; (h) determine which Series of the New Bonds, if any, should be initially issued pursuant to the Book-Entry System; (i) determine whether the Series Debt Service Reserve Account and/or Additional Security Fund will be established or continued with regard to each Series of New Bonds and, if so, the amount of the applicable Series Reserve Requirement and/or Additional Security Fund Requirement and manner in which either or both will be satisfied; (j) determine the required debt service calculations and fiscal years of determination for purposes of Sections 4.2 and 8.1 hereof; (k) determine whether each 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 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; (m) designate the Trustee, if any, Registrar and Paying Agent for the New Bonds and Custodian, if any, for the Series Construction Fund; and (n) 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 through the Placement Agent. 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 Beach Preservation 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 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 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 agreements as shall be necessary and advisable, with advice of bond 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 Ordinance as if fully set forth herein.

(f) A copy of this Ordinance shall be filed with the minutes of the meeting at which this Ordinance is 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.

(i) The Town Council hereby ratifies, confirms and approves the actions of the Town Manager heretofore undertaken 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 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 Ordinance as if fully set forth herein.

Section 10.3. 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 or the Custodian, as applicable, and used for the following purposes:

(a) If the Town Manager determines that a Series Debt Service Reserve Account shall be established for a Series of New Bonds and the Series Reserve 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 Account an amount equal to the applicable Series Reserve Requirement.

(b) The remainder of the proceeds of any Series of the New Bonds shall be deposited into the Series Construction Fund established in Section 10.1 hereof to pay all or a portion of the Costs of Acquisition and Construction for the New Projects, including Costs of Issuance, for such Series of New Bonds.

The respective amounts specified in this Section 10.3 shall be determined by the Town upon delivery of any Series of the New Bonds.

## ARTICLE XI

### EVENTS OF DEFAULT

With respect to the New Bonds, the following shall constitute "Events of Default" by the Town:

(a) If payment by the Town of the principal of the New Bonds whether at maturity or by proceedings for redemption by declaration as provided in Section 12.1 hereof, or otherwise, is not made on the date such principal is due and payable; or

(b) If payment by the Town of any installment of interest on any New Bond is not made on the date such installment of interest is due and payable; or

(c) If the Town shall fail or refuse to comply with the provisions of the Act, or shall fail in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the New Bonds or in this Ordinance on the part of the Town to be performed, and such failure continues for sixty (60) days after written notice specifying such failure and requiring the same to be remedied has been given to the Town by the Holders of not less than twenty percent (20%) in principal amount of the New Bonds then Outstanding or any or committee therefor; or

(d) If any proceeding is instituted, with the consent or acquiescence of the Town, for the purpose of effecting a composition between the Town and its creditors and if the claim of such creditors is in any circumstance payable from any of the Tax Revenues or any other moneys pledged and charged in this Ordinance for the payment of the New Bonds, or any such proceedings are instituted for the purpose of adjusting the claims of such creditors, pursuant to any federal or State statute now or hereafter enacted; or

(e) If the Town is for any reason rendered incapable of fulfilling its obligations hereunder in any material respect.

## ARTICLE XII

### REMEDIES UPON EVENT OF DEFAULT

Section 12.1. Declaration of Principal and Interest as Due. Upon the occurrence of an Event of Default, and at any time thereafter while such Event of Default continues, then and in each and every case the Trustee (if any) in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Outstanding Bonds, may, and upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall, or if there is no Trustee, the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding or any or committee therefor may, declare the principal of the Bonds then Outstanding, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same shall become and be due and payable immediately, anything contained in this Ordinance or in the Bonds to the contrary notwithstanding. This provision is subject, however, to the condition that if at any time after the principal of the Bonds, together with the accrued and unpaid interest thereon and other moneys secured hereby, have been so declared due and payable and before any further action has been taken (other than the making of the above declaration), the principal amount then due according to the maturity date or dates otherwise specified therein (except as a result of such declaration) and all arrears of interest upon the Bonds, except interest accrued but not yet due on the Bonds, have been paid or caused to be paid, and all other Events of Default, if any, which have occurred have been remedied, cured or secured, then and in each and every such case the Holders of twenty-five percent (25%) in principal amount of the Bonds then Outstanding or the Trustee (if any) if so directed by such Holders, by notice in writing delivered to the Town and the Trustee (if any), as applicable, may waive such Default and its consequences and rescind and annul such declaration. No such waiver or rescission or annulment shall extend to or affect any subsequent Default or impair or exhaust any right or power related to such subsequent Default.

Section 12.2. Suits at Law or in Equity and Mandamus. In case any one or more of the Events of Default shall happen and be continuing, then and in every such case, but subject to the provisions, limitations and conditions of Section 12.1 hereof so far as the remedies provided in said Section are concerned, the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds then Outstanding, or therefor, may, for the equal benefit and protection of the other Holder of the Bonds similarly situated,

(a) by mandamus or other suit, action or proceeding at law or in equity, enforce such Bondholder's rights against the Town and require and compel the Town to perform and carry out its duties and obligations under the Act and this Ordinance, and to perform and carry out its covenants and agreements with the Bondholders;

(b) by action or suit in equity require the Town to account as if such Town were the trustee of an express trust;

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders; or

(d) bring suit upon the Bonds.

Section 12.3. Remedies Not Exclusive; Effect of Waiver of Default; Effect of Abandonment of Proceedings or Adverse Determination. The Holders from time to time of the Bonds shall be entitled to all the remedies and benefits of this Ordinance as are and as shall be provided by law, and, subject to the provisions of Sections 12.1 and 12.2, nothing herein shall be construed to limit the rights or remedies of any such Holders under any applicable statute that may now exist or be enacted hereafter. No remedy conferred by the Act and this Section upon any Holder of the Bonds are intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred by the Act and this Section or by any other law now or hereafter existing. Every substantive right and remedy conferred upon the Holder of the Bonds may be enforced and exercised from time to time and as often as may be deemed expedient.

No waiver of any Default or breach of duty or contract by any Holder of the Bonds shall extend to or affect any subsequent Default or breach of duty or contract, or shall impair any rights or remedies thereon. No delay or omission of any Holder of the Bonds or coupon, if any, to exercise any right or power shall be construed to be a waiver of any such Default or acquiescence therein.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and then discontinued or abandoned, or shall be determined adversely to any Holder of the Bonds, then and in every case, the Town and such Holder shall be restored to their former positions and rights and remedies as if no suit, action or proceeding had been brought or taken.

Section 12.4. Restrictions on Bondholder's Action. (a) Except as provided in (b) below, no Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Ordinance or the execution of any trust under this Ordinance or for any remedy under this Ordinance unless such Holder shall have previously given to the written notice of the happening of an Event of Default and the Holders of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding shall have filed a written request with the Town and the Trustee (if any) and shall have offered the reasonable opportunity, either to exercise the powers granted in this Ordinance or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Town or the Trustee (if any) adequate security and indemnity against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Town or the Trustee (if any) shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Ordinance, or to enforce any right under this Ordinance, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Ordinance shall be instituted, had and maintained in the manner provided in this Ordinance and for the equal benefit of all Holders of the Outstanding Bonds.

(b) Nothing contained in this Ordinance or the Bonds shall affect or impair the obligation of the Town, which is absolute and unconditional, to pay from the sources provided herein at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bonds.

Section 12.5. Application of Revenues and Other Moneys After Default. During the continuance of an Event of Default, all moneys received by the Town pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Town with respect thereto, be applied as follows:

(a) Unless the principal of all outstanding Bonds shall have become or have been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds in the order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the person entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal amounts or redemption premium, if any, of any Bonds which shall have become due (other than Bonds previously called for redemption in accordance with the provisions hereof), whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the principal amounts or redemption premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal amounts of all Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal amounts and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, of any installment of interest over any other installment of interest, or of any Bonds over any other Bonds, ratably, according to the amounts due respectively for principal amounts and interest, to the persons entitled thereto without any discrimination or preference.

(c) If the principal amounts of all Outstanding Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section 12.5 (in the event that the principal of all Outstanding Bonds shall later become due or be declared due and payable), the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section 12.5.

(d) Whenever moneys are to be applied by the Town pursuant to the provisions of this Section 12.5, such moneys shall be applied by it at such times, and from time to time, as the Paying Agent shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Paying Agent shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal amounts to be paid on such dates shall cease to accrue. The Paying Agent shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bonds until such Bonds shall be presented to the Paying Agent for appropriate endorsement of any partial payment or for cancellation if fully paid.

(e) Whenever all principal of, premium, if any, and interest on all Bonds have been paid under the provisions of this Section and all expenses and charges of the shall have been paid, any balance remaining in the Funds and Accounts shall be paid to the Town.

## ARTICLE XIII

### DEFEASANCE

The obligations of the Town under this Ordinance and the liens, pledges, charges, trusts and the covenants and agreements of the Town herein made or provided for shall be fully discharged and satisfied as to the Bonds and such Bonds shall no longer be deemed to be Outstanding hereunder when:

(a) the Bonds shall have been purchased by the Town and surrendered to the Town for cancellation or otherwise surrendered to the Town and is canceled or subject to cancellation by the Town; or

(b) payment of the principal of, premium, if any, and interest on the Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with a Paying Agent, in trust and irrevocably set aside exclusively for such payment, (A) moneys sufficient to make such payment, or (B) Government Obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment. At such time as the Bonds shall no longer be deemed to be Outstanding hereunder, as aforesaid, such Bonds shall cease to draw interest from the due date thereof, and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Ordinance.

Any moneys so deposited with the Paying Agent as provided in this Article may at the direction of the Town also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of such Paying Agent which is not required for the payment of the Bonds with respect to which such deposit is made and interest thereon with respect to which such moneys shall have been so deposited, shall be returned to the Town.

Notwithstanding any provision hereof which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of the Bonds shall be applied to and used solely for the payment of the Bonds with respect to which such moneys and Government Obligations have been so set aside in trust.

Any provision hereof to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Paying Agent pursuant to this Article for the payment of the Bonds and the Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Bondholder of each Bond affected thereby.

## ARTICLE XIV

### AMENDMENTS OR SUPPLEMENTS TO THIS ORDINANCE

The Town shall not amend this Ordinance except in accordance with the provisions of this Article.

(a) The Town may, from time to time and without the consent of any Holder of the Bonds, (i) make any amendments or modifications hereto which may be required to permit this Ordinance to be qualified under the Trust Indenture Act of 1939, as amended; (ii) make any modification or amendment of this Ordinance not inconsistent herewith required for the correction of language or to cure any ambiguity

or defective provisions, omission, mistake or manifest error herein contained; (iii) make any amendments or supplements hereto to grant to or confer upon the Bondholders additional rights, remedies, power and authority, or to grant to or confer upon any Bondholders committee or for the Bondholders any additional rights, power or authority; (iv) to add to the security of the Holders of the Bonds; or (v) alter the Amended TIF Plan or the Redevelopment Project Area in accordance with Article VII hereof.

(b) From time to time the Holders of sixty-six and two-thirds percent (66 2/3%) in principal amount of the Bonds then Outstanding by an instrument or instruments in writing signed by such Holders and filed with the Town or the Trustee (if any), shall have power to assent to and authorize any modification or amendment of the provisions of this Ordinance that may be proposed by the Town or of the rights and obligations of the Town and of the Holders of Bonds issued hereunder; and any action herein authorized to be taken with the assent and authority given as aforesaid of the Holders of sixty-six and two-thirds percent (66-2/3%) in principal amount of the Bonds at the time Outstanding shall be effective and binding upon all of the Holders of the Bonds Outstanding and upon the Town as fully as though such action were specifically and expressly authorized by the terms of this Ordinance; provided always, that without the consent of the Holder of the Bonds, no such modification shall be made which will (i) extend the time of payment of principal of, premium, if any, or the interest on the Bonds, or reduce the principal amount thereof or the rate of interest thereon or the premium payable upon the redemption thereof; or (ii) authorize the creation of any pledge superior to the pledge for the Bonds; or (iii) reduce the percentage in principal amount of the Bonds required to assent to or authorize any such modification to this Ordinance. For the purpose of computations required by this paragraph, any portion of the Bonds directly or indirectly owned or controlled by the Town shall be disregarded.

(c) Prior to issuing any Bonds authorized pursuant to Article VIII hereof, the Town shall enact a Supplemental Ordinance setting for the details thereof.

Any modification or amendment or supplement of the provisions of this Ordinance shall be set forth in an ordinance to be enacted by the Town.

## ARTICLE XV

### TRUSTEE; RESIGNATION OF TRUSTEE; LIABILITY OF TRUSTEE FOR INVESTMENTS

Section 15.1. Trustee. As determined pursuant to Section 10.2 hereof, the Town Manager shall be authorized to designate the bank or financial institution to serve as Trustee under this Ordinance. If a Trustee is so designated, the provisions of this Article XV shall apply throughout.

Prior to the delivery of the Bonds, the Trustee shall signify its acceptance of the powers, duties and obligations conferred and imposed upon it by this Ordinance by executing and delivering to the Town a written instrument of acceptance.

The Trustee shall (a) prior to the occurrence of an Event of Default as set forth in Article XI hereof, and after the curing of all Events of Default which may have occurred, perform such duties and obligations as are specially set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Trustee, and (b) during the existence of any Event of Default (which has not been cured or waived) exercise the rights and powers vested in it by this Ordinance and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provisions of this Ordinance shall be construed to relieve the Trustee from liability for its own negligence, intentionally wrongful action or failure to act.

At all times, (1) the Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; (2) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority (or such lesser percentage as is specially required or permitted by this Ordinance) in the aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting a proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Ordinance; and (3) in the administration of the trusts of this Ordinance, the Trustee may execute any of the trusts or powers hereof directly or through its agents or attorneys. The Trustee may consult with counsel and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

The Trustee may rely upon the authenticity, and the truth of the statements and the correctness, of the opinions expressed in, and shall be protected in acting upon any notice, resolution, request, consent order, certificate, report, opinion, note, or other paper or document furnished to it pursuant to any provision of this Ordinance, believed by it to be genuine and to have been signed and presented by the proper party.

The Trustee shall not be required to take notice or be deemed to have notice or actual knowledge of any Event of Default specified in Article XI hereof unless the Trustee shall receive from the Town or the Holder of any Bond written notice stating that an Event of Default hereunder has occurred and specifying the same, and, in the absence of such notice, the Trustee may conclusively assume that there is no such Event of Default.

The Trustee shall be entitled to payment of and reimbursement for reasonable fees in accordance with its then applicable fee schedule for its services rendered hereunder and all advances and counsel fees reasonably and necessarily made or incurred by the Trustee in connection with such services.

In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Ordinance.

No provision of this Ordinance shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Any request, direction, order or demand of the Town under this Ordinance shall be sufficiently evidenced by a written certificate of an authorized Town representative (unless other evidence thereof is specifically prescribed) and any resolution of the Town Council may be sufficiently evidenced by a copy thereof certified by an authorized Town representative.

Whenever in the administration of this Ordinance the Trustee deems it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence thereof is specifically prescribed) may, in the absence of bad faith on its part, rely upon a written certificate of an authorized Town representative.

The Trustee is not required to make any inquiry or investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records and premises of the Town, in person or by agent or attorney.

The Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Ordinance.

In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, pursuant to the provisions of this Ordinance, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Ordinance shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Ordinance and final payment of the Bonds.

The permissive right of the Trustee to take the actions permitted by this Ordinance shall not be construed as an obligation or duty to do so.

Except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

The recitals contained in this Ordinance and in the Bonds (other than the certificate of authentication on the Bonds) are statements of the Town and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value, condition or sufficiency of any assets pledged or assigned as security for the Bonds, the right, title or interest of the Town therein, the security provided thereby or by this Ordinance, the technical or financial feasibility of the Redevelopment Projects, the compliance of the Redevelopment Projects with the Act, or the tax-exempt status of the Bonds. The Trustee is not accountable for the use or application by the Town of any of the Bonds or the proceeds of the Bonds, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Ordinance.

The Trustee, in its commercial banking or in any other capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any act which any Bondholder may be entitled to take with like effect as if it were not Trustee. The Trustee, in its commercial banking or in any other capacity, may also engage in or be interested in any financial or other transaction with the Town and may act as depository, trustee or agent for any committee of Bondholders secured hereby or other obligations of the Town as freely as if it were not Trustee. The provisions of this Section shall extend to affiliates of the Trustee.

The Trustee shall not, in any event, be required to take, defend, or appear in any legal action or proceeding hereunder or to exercise any of the trusts or power, hereof unless it shall first be adequately indemnified to its satisfaction against the costs, expenses, and liabilities which may be incurred thereby.



Every provision of this Ordinance relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions hereof.

Section 15.2. Resignation of Trustee. The Trustee may at any time resign, effective upon the taking of office of its successor, by giving thirty (30) days' written notice to the Town and by giving to the Holders of the Bonds notice by publication of such resignation. Such notice shall be published at least once in a financial journal of general circulation published on each business day in each calendar week in the City of New York, New York. No resignation will become effective until a successor Trustee has been appointed and accepts such appointment as provided below. Upon receiving such notice of resignation, the Town shall promptly appoint a successor Trustee by an instrument in writing executed by order of its Council. In the event a successor Trustee has not been appointed within sixty (60) days of the date notice of resignation is given, the Trustee, at the Town's expense, may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

Section 15.3. Removal of Trustee. Upon thirty (30) days' written notice, the Town, at its sole discretion provided that an Event of Default shall not have occurred and be continuing, may remove the Trustee. The removal of the Trustee under this Section shall not be effective until a successor Trustee has been appointed and has accepted the duties of Trustee.

With or without cause, the Holders of a majority in aggregate principal amount of the Bonds at the time Outstanding may, upon thirty (30) days' written notice to the Trustee and the Town, remove the Trustee and appoint a successor Trustee by instrument or instruments in writing by such Holders of the Bonds. In the event a successor Trustee has not been appointed within sixty (60) days' of the date notice of removal is given, the Trustee, at the Town's expenses, may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time a successor is appointed as provided in this Section.

Section 15.4. Successor Trustee. Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Trustee shall, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms, be (i) a bank, or a wholly owned subsidiary of a bank holding company, having a combined capital, surplus and undivided profits of at least \$50,000,000; or (ii) a trust company having at least \$100,000,000 of trust assets under management and a combined capital, surplus and undivided profits of at least \$50,000,000 and, in each case, being qualified to do, and doing, trust business in the State.

Any successor trustee appointed as provided in this Section 15.4 shall execute, acknowledge and deliver to the Town and its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor of the trust hereunder. Upon the request of any such successor Trustee, the Town shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and duties. Upon acceptance of appointment by a successor Trustee, the Town shall notify the Holder of each Bond then Outstanding by first-class mail, postage prepaid.

The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Trustee. The predecessor Trustee shall promptly transfer all funds to the successor Trustee and deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger, or any corporation or association succeeding to the business of the Trustee, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of the Town or the former Trustee.

Each, every and all funds and accounts held by the Trustee shall be impressed with a trust for the benefit of the Holders of the Bonds, under the provisions of this Ordinance and of the Act.

Section 15.5. Liability of Trustee for Investments. The Trustee shall not be liable for the making of any investment authorized by this Ordinance in the manner provided in this Ordinance or for any loss resulting from any such investment so made, except for its own negligence, willful misconduct or breach of trust. All investments shall be made in accordance with Section 5.7 of this Ordinance.

## ARTICLE XVI

### ORDINANCE A CONTRACT

So long as the New Bonds are Outstanding, each of the obligations, duties, limitations and restraints imposed upon the Town by this Ordinance shall be deemed to be a covenant between the Town and each and every Holder of the New Bonds, and this Ordinance and each and every provision and covenant hereof shall constitute a contract of the Town with each and every Holder, from time to time, of the New Bonds.

## ARTICLE XVII

### INVALIDITY OF ARTICLES, SECTIONS, PARAGRAPHS, CLAUSES OR PROVISIONS

If any article, section, paragraph, clause or provision of this Ordinance is held invalid or unenforceable under any circumstances, such holding shall not affect the validity or enforceability thereof under other circumstances or the validity or enforceability of this Ordinance as a whole or of any other article, section, paragraph, clause or provision of this Ordinance.

## ARTICLE XVIII

### REPEAL OF CONFLICTING OR INCONSISTENT PROVISIONS OF ORDINANCE

All orders, resolutions, ordinances and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the New Bonds are hereby repealed, to the extent of such conflict, and this Ordinance shall take effect and be in full force from and after its passage and approval.

## ARTICLE XIX

### GENERAL AUTHORIZATION

The Town Council hereby authorizes the Mayor, Town Manager, Clerk and Director of Finance of the Town and Town Attorney to execute such documents and instruments as necessary to effect the issuance of the New Bonds and to fulfill the requirements of this Ordinance.

A certified copy of this Ordinance shall be filed with the Clerk of the Town Council of the County, the Treasurer of the County and such filing shall constitute the authority for the extension and collection of the taxes to be deposited in the Special Tax Allocation Fund.

## ARTICLE XX

### NOTICES

All communications under this Ordinance shall be in writing and shall be deemed given when delivered and, if delivered by mail, shall be mailed by first-class mail, postage prepaid, and addressed as follows:

(a) To the Town:

Town of Hilton Head Island, South Carolina  
One Town Center Court  
Hilton Head Island, South Carolina 29928-2701  
Attn: Stephen G. Riley

(c) To the Bank:

At such name and address as designated in writing to the Town from time to time

## ARTICLE XXI

### AMENDMENT AND RESTATEMENT OF PRIOR BOND ORDINANCE AND CONFIRMATION OF AMENDMENTS TO ORDINANCE NO. 90-26

Section 21.1. Amendment and Restatement of Prior Bond Ordinance. By enactment of this Ordinance, the Prior Bond Ordinance is hereby amended and restated in its entirety.

Section 21.2. Confirmation of Amendment to Ordinance No. 90-26. The amendment to Ordinance No. 90-26 contained in Article XXIII of the Prior Bond Ordinance are hereby confirmed and continued, namely as follows:

Section 4-5-40. Purpose is amended to add the following paragraph (c).

(c) To facilitate appropriate redevelopment efforts within the Town by pledging defined amounts of the Fee as additional security for tax increment financing bonds issued by the Town.

## ARTICLE XXII

### EFFECTIVENESS OF ORDINANCE; CODIFICATION

This Ordinance shall be in full force and effect from and after its enactment as provided by law. This Ordinance shall be forthwith codified in the Code of Town Ordinances in the manner required by law.

[Remainder of page intentionally left blank]

PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON  
HEAD ISLAND, SOUTH CAROLINA ON THIS \_\_\_\_DAY OF \_\_\_\_\_, 2017.

---

David Bennett, Mayor

ATTEST:

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Krista Wiedmeyer  
Town Clerk

APPROVED AS TO FORM:

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Gregory M. Alford, Town Attorney

First Reading: June 13, 2017

Second Reading:

Introduced by Council Member:

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EXHIBIT A

FORM OF NEW BOND

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
TOWN OF HILTON HEAD ISLAND  
TAX INCREMENT BOND  
SERIES (YEAR)

KNOW ALL MEN BY THESE PRESENTS, that the Town of Hilton Head Island, South Carolina (the "Town"), is justly indebted and, for value received, hereby promises to pay \_\_\_\_\_ in \_\_\_\_\_ (the "Bank"), its successors and assigns, the principal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_). Interest shall accrue from \_\_\_\_\_, 2017 payable semiannually on June 1 and December 1 of each year, commencing December 1, 2017, at the rate of \_\_\_\_\_% per annum, and is payable in annual principal installments on June 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	

[This Bond is subject to prepayment prior to maturity at any time in whole without penalty.]

The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts and are payable at the principal office of \_\_\_\_\_ in \_\_\_\_\_.

This Bond is issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14, of the Constitution of the State of South Carolina, 1895, as amended; Title 31, Chapter 6, Code of Laws of South Carolina, 1976, as amended and as such may be further amended (the "Act"), Ordinance No. 99-35 duly enacted on December 7, 1999, as amended by Ordinance No. 2014-13 duly enacted on June 10, 2014 (as amended, the "TIF Plan Ordinance"); and Ordinance No. \_\_\_\_\_ duly enacted on \_\_\_\_\_, 2017 (collectively, the "Bond Ordinance"), by the Town Council of the Town.

This Bond and the interest thereon are special obligations of the Town payable solely from, and secured equally and ratably by a pledge of the funds in and to be deposited in a Special Tax Allocation Fund created pursuant to the Act. THE FULL FAITH, CREDIT AND TAXING POWERS OF THE TOWN ARE NOT PLEDGED FOR THE PAYMENT OF THIS BOND AND THE INTEREST HEREON.

Additional Bonds (as defined in the Bond Ordinance) on a parity with the series of which this Bond is one may hereafter be issued under terms and conditions set forth in the Bond Ordinance. Such Additional

Bonds shall be equally and ratably secured with the pledge of the Tax Revenues (as defined in the Bond Ordinance).

The Bond Ordinance contains provisions defining terms; sets forth the moneys, funds and 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 Bond Ordinance; sets 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; sets forth the terms and conditions upon which this Bond is issued and 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 sets forth the terms and conditions upon which the pledge made in the Bond Ordinance 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 provision for the payment thereof in the manner set forth in the Bond Ordinance. Reference is hereby made to the Bond Ordinance, 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 Bond Ordinance shall be a contract with the holder of this Bond.

Under the laws of the State of South Carolina (the "State"), this Bond and the interest hereon are exempt from all State, county, municipal, school district and other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the series of Bonds of which this Bond is a part does not exceed any constitutional or statutory limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Bond and the series of which it is a part, as provided in the Bond Ordinance.

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

TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA

By: \_\_\_\_\_  
Mayor

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Town Clerk

REGISTRATION

This Bond has been registered in the name of \_\_\_\_\_ in \_\_\_\_\_, on the registration books kept by the Clerk of the Town of Hilton Head Island, South Carolina.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Town Clerk, Town of Hilton Head Island, South Carolina

(FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION)

This Bond is one of the Bonds described in the within-mentioned Ordinance of the Town of Hilton Head Island, South Carolina.

\_\_\_\_\_,  
Registrar

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Officer



## **MEMORANDUM**

**TO:** Town Council

**FROM:** John Troyer, CPA, Director of Finance

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

**DATE:** June 20, 2017

**RE:** **Second Reading of Proposed Ordinance No. 2017-15**

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### **Recommendation:**

Staff recommends that Town Council approve the second reading of Proposed Ordinance No. 2017-15 to authorizing the issuance and sale of not to exceed \$36,000,000 Special Obligation Bonds (Beach Preservation Fee Bonds) in one or more Series, in one or more years, with appropriate Series designations, of the Town of Hilton Head Island, South Carolina, fixing the form and certain details of which the Bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the bonds providing for the payment of the Bonds and the disposition of the proceeds thereof, other matters relating thereto, and providing for severability and effective date.

**There have been no changes since public hearing and first reading.**



SECOND SUPPLEMENTAL ORDINANCE

PROVIDING FOR THE ISSUANCE AND SALE OF TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, SPECIAL OBLIGATION BONDS (BEACH PRESERVATION FEE PLEDGE), IN ONE OR MORE SERIES, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$36,000,000; 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 Beach Preservation Fees (as defined in the General Bond Ordinance); and

WHEREAS, the Town is presently undertaking, and contemplating the future undertaking, of the New Projects (as defined herein); and

WHEREAS, the Town desires to issue not exceeding \$36,000,000 principal amount of its Special Obligation Bonds (Beach Preservation Fee Pledge), in one or more series (the "New Bonds") to finance, among other things, the Costs of Acquisition and Construction of the New Projects (or retiring at maturity or redeeming prior to maturity all or a portion of any bond anticipation notes issued by the Town therefor); and

WHEREAS, the Council has been advised that in order to finance the New Projects, the Council must enact an appropriate ordinance supplemental to the General Bond Ordinance authorizing the issuance of the New Bonds;

WHEREAS, the Council previously enacted Ordinance No. 2016-11 on June 7, 2016, authorizing the issuance of a portion of the New Bonds (the "Prior Ordinance"); the Council has been advised that this Second Supplemental Ordinance would amend and restate the Prior Ordinance in its entirety and authorize the issuance of all of the New Bonds.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

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 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.

“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 of 2011” shall mean the Town’s \$11,000,000 principal amount Special Obligation Bonds (Beach Preservation Fee Pledge), Series 2011, dated November 18, 2011, and outstanding as of the date of this Second Supplemental Ordinance in the principal amount of \$4,985,000.

“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.

“Custodian” shall mean one or more banks or financial institutions to hold the Series Construction Fund, if any, as selected by the Town Manager pursuant to Section 11 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.

“First Supplemental Ordinance” shall mean Ordinance No. 2011-21 enacted by the Town Council on September 20, 2011, authorizing the Bonds of 2011.

“General Bond Ordinance” shall mean Ordinance No. 2011-18 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 February 1 and August 1 of each year, commencing August 1, 2017, 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 Bonds (Beach Preservation Fee Pledge), issuable in one or more series, in the aggregate principal amount of not exceeding \$36,000,000 authorized to be issued hereunder.

“New Projects” shall mean, collectively, the Projects to be financed with the proceeds of the New Bonds and such other projects as may be approved by the Town Manager and permitted by the Beach Preservation Fee Ordinance.

“Paying Agent” shall mean Wells Fargo Bank, N.A., 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 Wells Fargo Bank, N.A., as Registrar for the New Bonds.

“Second Supplemental Ordinance” shall mean shall mean this Second Supplemental Ordinance enacted by the Town Council authorizing the New Bonds, which amends and restates the Prior Ordinance in its entirety.

“Series Construction Fund” shall mean one or more Funds 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 Acquisition and Construction of the New Projects (including the Costs of Issuance). Pursuant to Section 9, each Series Construction Fund 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., as Trustee for the Bonds.

“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 Bonds 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 Accommodations Fee Act authorize the Town to issue Bonds in order to finance Projects (as defined in the General Bond Ordinance). 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 Beach Preservation 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 under the General Bond Ordinance and the First Supplemental Ordinance for payment and security of the Bonds of 2011; 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 Costs of Acquisition and Construction (as defined in the General Bond Ordinance) of the New Projects are \$32,700,000.

(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) financing all or a portion of the Costs of Acquisition and Construction of the New Projects (or retiring at maturity or redeeming prior to maturity all or a portion of any bond anticipation notes issued by the Town therefor), (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 Issuance of the New Bonds.

(g) The period of usefulness of the New Projects will be in excess of seven (7) years from the date of the acquisition thereof.

(h) 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 \$36,000,000 in accordance with the Bond Act, the Accommodations Fee Act, the Ordinance and this Second Supplemental Ordinance for the purposes set forth above.

### Section 3. Authorization of 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 Bonds (Beach Preservation Fee Pledge), Series (year)" (the "New Bonds"), 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 \$36,000,000. 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 August 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 the back of 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 McNair Law Firm, P.A., 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 thirty (30) 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 Beach Preservation 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 Beach Preservation Fees on a parity with the pledge of Beach Preservation Fees securing the payment of the Bonds of 2011 and any other Bonds hereafter 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 Beach Preservation 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 Construction Fund.

There is hereby created and established the Series Construction Fund, 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 Construction Fund" with respect to the related Series of New Bonds. If the Series Construction Fund is held by a Custodian, the Town Manager is authorized and directed to negotiate, execute and deliver such construction fund agreements or other agreements with such bank or other financial institution as may be necessary or desirable in connection therewith. The Series Construction Fund 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 Custodians. The moneys on deposit in the Series Construction Fund shall be used and applied to pay all or a portion of the Costs of Acquisition and Construction of the New Projects (or retiring at maturity or redeeming prior to maturity all or a portion of any bond anticipation notes issued by the Town therefor), including all Costs of Issuance related to the New Bonds.

Moneys held for the credit of the Series Construction Fund 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 Construction Fund shall be made in the manner withdrawals from other funds of the Town are made.

If after the payment in full of all costs of the New Projects (or retiring at maturity or redeeming prior to maturity all or a portion of any bond anticipation notes issued by the Town therefor) and Costs of Issuance or after adequate provision has been made for such payment any moneys remain in the Series Construction Fund, 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 Council hereby designates Wells Fargo Bank, N.A. as Registrar and Paying Agent for the New Bonds. The Registrar and Paying Agent shall signify their acceptances of their 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 Construction Fund; (j) determine whether the Series Debt Service Reserve Fund will be established 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 each 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 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; and (m) 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 Beach Preservation 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 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 Council hereby ratifies, confirms and approves the actions of the Town Manager heretofore undertaken 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 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 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. 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 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) The remainder of the proceeds of any Series of the New Bonds shall be deposited into the Series Construction Fund established in Section 9 hereof to pay all or a portion of the Costs of Acquisition and Construction for the New Projects (or retiring at maturity or redeeming prior to maturity all or a portion of any bond anticipation notes issued by the Town therefor), including Costs of Issuance, for such Series of New Bonds.

The respective amounts specified in this Section 12 shall be determined by the Town upon delivery of any Series of the New Bonds.

Section 13. Federal Tax Covenant. 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.

The Town Manager shall be authorized and directed to prepare and adopt written procedures with respect to tax-exempt debt, including but not limited to the New Bonds.

Section 14. 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 Beach Preservation Fees or the Town's tax base.

The only remedy for failure by the Town to comply with the covenant of this Section 14 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 their obligations under this paragraph.

Section 15. 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 issuance of the New Bonds, to elect to purchase the Surety Bond and to carry out the intentions of this Second Supplemental Ordinance.

Section 16. 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 17. 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

If to the Paying Agent, the Registrar or the Trustee:

Wells Fargo Bank, N.A.  
Attention: Corporate Trust Department  
9062 Old Annapolis Road  
R1204-010  
Columbia, Maryland 21045

The Town, the Paying Agent, the Registrar and the Trustee 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 18. Amendment and Restatement of Prior Ordinance; Repeal of Inconsistent Ordinances and Resolutions. By enactment of this Second Supplemental Ordinance, the Prior Ordinance is hereby amended and restated in its entirety. 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 19. 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 20. 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, SOUTH CAROLINA ON THIS \_\_\_\_DAY OF \_\_\_\_\_, 2017.

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David Bennett, Mayor

ATTEST:

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Krista M. Wiedmeyer  
Town Clerk

APPROVED AS TO FORM:

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Gregory M. Alford, Town Attorney

First Reading: June 13, 2017

Second Reading:

Introduced by Council Member:

**EXHIBIT A**

**FORM OF NEW BOND**

[DTC Legend]

THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA  
SPECIAL OBLIGATION BONDS (BEACH PRESERVATION 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 Wells Fargo Bank, N.A. in Columbia, Maryland, 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 \_\_\_\_\_, 2017 (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 Wells Fargo Bank, N.A., 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 5, AND SECTION 6-1-760, 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 BEACH PRESERVATION 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. 2011-18 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 Council on \_\_\_\_\_, 2017 (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) finance a portion of all or a portion of the New Projects (or retiring at maturity or redeeming prior to maturity all or a portion of any bond anticipation notes issued by the Town therefor), (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 Beach Preservation Fees imposed and collected by the Town, which pledge is on a parity with the pledge thereof securing the Bonds of 2011 (as defined in the Second Supplemental Ordinance) and any other Bonds (as defined in the General Bond Ordinance) issued from time to time.

**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.

Wells Fargo Bank, N.A., as Trustee

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: \_\_\_\_\_

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the approving opinion of McNair Law Firm, P.A., 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.



## **MEMORANDUM**

**TO:** Town Council

**FROM:** John Troyer, CPA, Director of Finance

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

**DATE:** June 20, 2017

**RE:** **Second Reading of Proposed Ordinance No. 2017-16**

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### **Recommendation:**

Staff recommends that Town Council approve the second reading of Proposed Ordinance No. 2017-16 authorizing the issuance and sale of not to exceed \$18,000,000 General Obligation Taxable Series 2017A Bonds in one or more Series, in one or more years, with appropriate Series designations, of the Town of Hilton Head Island, South Carolina, fixing the form and certain details of which the Bonds; authorizing the Town Manager or his lawfully authorized designee to determine certain matters relating to the bonds providing for the payment of the Bonds and the disposition of the proceeds thereof, other matters relating thereto, and providing for severability and effective date.

**There have been no changes since public hearing and first reading.**

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$18,000,000 GENERAL OBLIGATION BONDS, TAXABLE SERIES 2017A, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA; FIXING THE FORM AND CERTAIN DETAILS OF THE BONDS; AUTHORIZING THE TOWN MANAGER OR HIS LAWFULLY AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Town experienced a natural disaster as a result of Hurricane Matthew in October 2016 which caused substantial damage throughout the Town which included but is not limited to damage to the beach, roads, and trees; and

WHEREAS, Town Council has been advised that a portion of the cost of the recovery will be paid by funds received from the Federal Emergency Management Agency ("FEMA"); however, a portion of the cost of recovery will not be reimbursed; and

WHEREAS, Town Council has been advised that the Town has advanced funds to pay a portion of the cost of recovery from the Town's General Fund reserve; and

WHEREAS, Town Council has been advised that it is appropriate and in the best interest of the Town to issue general obligation bonds for the purpose of replenishing the Town's General Fund for the costs incurred for recovery; and

WHEREAS, Town Council has been advised that because the financing will be used to replenish the Town's General Fund reserve which is not a capital project, it will be necessary for the bonds to be issued as taxable debt.

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

**SECTION 1. Findings and Determinations.** The Town Council (the "Town Council") of the Town of Hilton Head Island, South Carolina (the "Town"), hereby finds and determines:

(a) The Town is an incorporated municipality located in Beaufort County, South Carolina, and as such possesses all powers granted to municipalities by the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), and laws of the State of South Carolina (the "State").

(b) Article X, Section 14 of the Constitution provides that general obligation debt may be incurred by the governing body of each municipality of the State for any public and corporate purpose in an amount not exceeding eight (8%) percent of the assessed value of all taxable property of such municipality and upon such terms and conditions as the General Assembly may prescribe. Such Article further provides that if general obligation debt is authorized by a majority vote of the qualified electors of the municipality voting in a referendum authorized by law, there shall be no conditions or restrictions limiting the incurring of such indebtedness except as specified in such Article.

(c) Title 5, Chapter 21, Article 5, Code of Laws of South Carolina, 1976, as amended (the “Municipal Bond Act”), provides that the municipal council of any municipality may issue general obligation bonds of such municipality for any corporate purpose of such municipality to any amount not exceeding the constitutional debt limitation applicable to such municipality.

(d) The Municipal Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended (the “S.C. Code”), provides that if an election be prescribed by the provisions of the Municipal Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the Municipal Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) The assessed value of all the taxable property in the Town as of June 30, 2016, for purposes of computation of the Town’s constitutional debt limit, is \$918,731,530. Eight percent of such sum is \$73,498,522. As of the date hereof, the outstanding general obligation debt of the Town subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$51,767,220. Thus, the Town may incur \$22,731,302 of additional general obligation debt within its applicable debt limitation. The Town will ensure that at the time of issuance the final par amount of the Bonds issued will be within its 8% constitutional debt limit.

The Town also intends to issue not to exceed \$24,000,000 General Obligation Bonds, with an appropriate series designation, the final par amount of which will count against the Town’s 8% constitutional debt limit.

(f) Pursuant to Ordinance No. 2013-03 duly enacted by the Town Council on May 7, 2013, the Town has adopted Written Procedures Related to Tax-Exempt Debt.

(g) It is now in the best interest of the Town for the Town Council to provide for the issuance and sale of not to exceed \$18,000,000 aggregate principal amount taxable general obligation bonds of the Town to provide funds for the purposes of (i) replenishing the Town’s General Fund reserve for moneys spent on Hurricane Matthew recovery; (ii) paying costs of issuance of the Bonds (hereinafter defined); and (iii) such other purposes as shall be determined by Town Council.

SECTION 2. Authorization and Details of the Bonds. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued not to exceed \$18,000,000 general obligation bonds of the Town (the “Bonds”) for the purposes listed in Section 1(g) above.

The Bonds shall be issued as fully-registered Bonds; shall be dated their date of delivery; shall be in denominations of \$5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing in each year; shall be numbered from R-1 upward; shall bear interest at such times as hereafter designated by the Town Manager or his lawfully authorized designee at such rate or rates as may be determined at the time of the sale thereof; and shall mature serially in successive annual installments as determined by the Town Manager or his lawfully authorized designee.

SECTION 3. Delegation of Authority to Determine Certain Matters Relating to the Bonds. The Town Council hereby expressly delegates to the Town Manager the authority, with respect to the Bonds, to determine (a) the maturity dates and the respective principal amounts maturing on such dates; (b) the interest payment dates; (c) the redemption provisions, if any; (d) the Registrar/Paying agent; (e) the date and

time of the sale, including whether or not the Bonds should be sold with other authorized series of bonds; and (g) such other matters as are necessary or appropriate. The Town Manager is further directed to consult with the Town's financial advisor and bond counsel in making any such decisions.

The Town Council hereby further delegates to the Town Manager or his lawfully authorized designee the authority to receive bids on behalf of the Town Council and the authority to award the sale of the Bonds to the lowest bidder therefor, in accordance with the terms of the Notice of Sale for the Bonds, provided the true interest cost does not exceed 5.00%. After the sale of the Bonds, the Town Manager or his lawfully authorized designee shall submit a written report to the Town Council setting forth the results of the sale of the Bonds.

**SECTION 4. Registration, Transfer and Exchange of Bonds.** The Town shall cause books (herein referred to as the "registry books") to be kept at the offices of the Registrar/Paying Agent, for the registration and transfer of the Bonds. Upon presentation at its office for such purpose the Registrar/Paying Agent shall register or transfer, or cause to be registered or transferred, on such registry books, the Bonds under such reasonable regulations as the Registrar/Paying Agent may prescribe.

Each Bond shall be transferable only upon the registry books of the Town, which shall be kept for such purpose at the principal office of the Registrar/Paying Agent, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar/Paying Agent duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond the Registrar/Paying Agent on behalf of the Town shall issue in the name of the transferee a new fully-registered Bond or Bonds, of the same aggregate principal amount, interest rate and maturity as the surrendered Bond. Any Bond surrendered in exchange for a new registered Bond pursuant to this Section shall be canceled by the Registrar/Paying Agent.

The Town and the Registrar/Paying Agent may deem or treat the person in whose name any fully-registered Bond shall be registered upon the registry books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Town nor the Registrar/Paying Agent shall be affected by any notice to the contrary. In all cases in which the privilege of transferring Bonds is exercised, the Town shall execute and the Registrar/Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. Neither the Town nor the Registrar/Paying Agent shall be obliged to make any such transfer of Bonds during the fifteenth (15th) day of the calendar month preceding an interest payment date on such Bonds.

**SECTION 5. Record Date.** The Town establishes a record date for the payment of interest or for the giving of notice of any proposed redemption of Bonds, and such record date shall be the fifteenth (15th) day (whether or not a business day) preceding an interest payment date on such Bond or, in the case of any proposed redemption of Bonds, such record date shall be the fifteenth (15th) day (whether or not a business day) prior to the mailing of notice of redemption of Bonds.

**SECTION 6. Mutilation, Loss, Theft or Destruction of Bonds.** In case any Bond shall at any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as to impair the value thereof to the owner, the Town shall execute and the Registrar shall authenticate and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at his request, risk and expense a new Bond of the same series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender for cancellation of such defaced, mutilated or partly destroyed Bond, or in lieu of

or in substitution for such lost, stolen or destroyed Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the Town and the Registrar evidence or proof satisfactory to the Town and the Registrar of the loss, destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and also such security and indemnity as may be required by the laws of the State or such greater amount as may be required by the Town and the Registrar. Any duplicate Bond issued under the provisions of this Section in exchange and substitution for any defaced, mutilated or partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the other Bonds of the same series issued hereunder.

All expenses necessary for the providing of any duplicate Bond shall be borne by the applicant therefor.

SECTION 7. Form of Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 8. Execution of Bonds. The Bonds shall be executed in the name of the Town with the manual or facsimile signature of the Mayor of the Town attested by the manual or facsimile signature of the Town Clerk under the seal of the Town which shall be impressed, imprinted or reproduced thereon. The Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication. Each Bond shall bear a certificate of authentication manually executed by the Registrar/Paying Agent in substantially the form set forth herein.

SECTION 9. Security for the Bonds. The full faith, credit, taxing power and resources of the Town are hereby irrevocably pledged for the payment of the principal and interest of the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary to provide for the prompt payment thereof. There shall be levied and collected annually upon all taxable property of the Town an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes. The Town at its option may also utilize any other funds available therefor for the payment of the principal of and interest on the Bonds.

SECTION 10. Defeasance. The obligations of the Town herein made or provided for, shall be fully discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer be deemed to be outstanding hereunder when:

(a) such Bond or Bonds shall have been purchased by the Town and surrendered to the Town for cancellation or otherwise surrendered to the Town or the Paying Agent and is canceled or subject to cancellation by the Town or the Paying Agent; or

(b) payment of the principal of and interest on such Bonds either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Paying Agent in trust and irrevocably set aside exclusively for such payment (1) moneys sufficient to make such payment or (2) Government Obligations (hereinafter defined) maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment and all necessary and proper fees, compensation and expenses of the Paying Agent. At such time as the Bonds shall no longer be deemed to be outstanding hereunder, such Bonds shall cease to draw interest from the due date thereof and, except for the purposes of any such payment from such moneys or Government Obligations, shall no longer be secured by or entitled to the benefits of this Ordinance.



“Government Obligations” shall mean any of the following:

- (i) direct obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which, in the opinion of the Attorney General of the United States, is fully and unconditionally guaranteed by the United States of America;
  - (ii) non-callable, U. S. Treasury Securities - State and Local Government Series (“SLGS”);
  - (iii) general obligation bonds of the State, its institutions, agencies, Towns and political subdivisions which, at the time of purchase, carry a AAA rating from Standard & Poor’s or a Aaa rating from Moody’s Investors Service; and
  - (iv) a defeasance obligation as defined in Section 6-5-10 of the S.C. Code as such may be amended from time to time.
- (c) Such Bond of Bonds shall be defeased as provided in Section 11-14-110 of the S.C. Code as such may be amended from time to time.

The Town has reserved the right to modify this definition to conform to amendments in State law regarding legal investments of public funds.

SECTION 11. Exemption from State Taxes. Both the principal of and interest on the Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the S.C. Code from all State, county, municipal, town and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

SECTION 12. Eligible Securities. The Bonds initially issued (the “Initial Bonds”) will be eligible securities for the purposes of the book-entry system of transfer maintained by The Depository Trust Company, New York, New York (“DTC”), and transfers of beneficial ownership of the Initial Bonds shall be made only through DTC and its participants in accordance with rules specified by DTC. Such beneficial ownership must be of \$5,000 principal amount of bonds of the same maturity or any integral multiple of \$5,000.

The Initial Bonds shall be issued in fully-registered form, one Bond for each of the maturities of the Bonds, in the name of Cede & Co., as the nominee of DTC. When any principal of or interest on the Initial Bonds becomes due, the Paying Agent, on behalf of the Town, shall transmit to DTC an amount equal to such installment of principal and interest. DTC shall remit such payments to the beneficial owners of the 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 DTC in accordance with the provisions of the Ordinance.

If (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Town has advised DTC of its determination that DTC is incapable of discharging its duties, the Town shall attempt to retain another qualified securities depository to replace DTC. Upon receipt by the Town of the Initial Bonds together with an assignment duly executed by DTC, the Town shall execute and deliver to the successor securities depository bonds of the same principal amount, interest rate and maturity registered in the name of such successor.

If the Town is unable to retain a qualified successor to DTC 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 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 Bonds by mailing an appropriate notice to DTC, upon receipt by the Town of the Initial Bonds together with an assignment duly executed by DTC, the Town shall execute, authenticate and deliver to the DTC participants bonds in fully-registered form in the denomination of \$5,000 or any integral multiple thereof.

SECTION 13. Sale of Bonds, Form of Notice of Sale. The Bonds shall be sold at public sale. A Notice of Sale shall be distributed to prospective bidders and a summary of such Notice shall be published in a newspaper having general circulation in the State or in a financial publication published in the City of New York, State of New York, or both, not less than seven (7) days prior to the date set for such sale in substantially the form attached hereto as Exhibit B and incorporated herein by reference.

SECTION 14. Preliminary and Final Official Statement. The Town Council hereby authorizes and directs the Town Manager or his lawfully authorized designee to prepare, or cause to be prepared, a Preliminary Official Statement to be distributed to prospective purchasers of the Bonds together with the Notice of Sale. The Town Council authorizes the Town Manager or his lawfully authorized designee to designate the Preliminary Official Statement as “near final” for purposes of Rule 15c2-12 of the Securities Exchange Commission (the “Rule”). The Town Manager or his lawfully authorized designee is further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchasers of the Bonds.

SECTION 15. Filings with Central Repository. In compliance with Section 11-1-85 of the S.C. Code, the Town covenants that it will file or cause to be filed with a central repository for availability in the secondary bond market when requested: (a) a copy of an annual independent audit of the Town within thirty (30) days of the Town's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, event specific information of an event which adversely affects more than five (5%) percent of the tax revenues of the Town or the Town's tax base.

SECTION 16. Continuing Disclosure. In compliance with the Rule, the Town covenants and agrees for the benefit of the holders from time to time of the Bonds to execute and deliver prior to closing, and to thereafter comply with the terms of a Continuing Disclosure Certificate in substantially the form attached hereto and incorporated herein by reference as Exhibit C. In the event of a failure of the Town to comply with any of the provisions of the Continuing Disclosure Certificate, an event of default under this Ordinance shall not be deemed to have occurred. In such event, the sole remedy of any bondholder or beneficial owner shall be an action to compel performance by the Town.

SECTION 17. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bonds shall be deposited with the Town in a special fund and shall be applied solely to the purposes for which the Bonds have been issued, including payment of costs of issuance of the Bonds, except that the premium, if any, shall be placed in a sinking fund for the Bonds.

SECTION 18. Miscellaneous. The Town Council hereby authorizes the Mayor and the Town Clerk, the Town Manager, the Director of Finance and any lawfully authorized designee to execute such documents and instruments as may be necessary to effect the issuance of the Bonds or make modifications in any documents including but not limited to the form of the Bond or Notice of Sale, if necessary. The Town Council hereby retains the law firm of McNair Law Firm, P.A. as bond counsel and Stifel, as financial advisor in connection with the issuance of the Bonds. The Town Manager is authorized to execute such contracts, documents or engagement letters as may be necessary and appropriate to effectuate these engagements.

SECTION 19. 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 20. Codification. This Ordinance shall be forthwith codified in the Code of Town Ordinances in the manner required by law.

SECTION 21. Effective Date. This Ordinance shall be effective upon its enactment by the Town Council of the Town of Hilton Head Island, South Carolina.

[Signature Page follows]

**PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF  
HILTON HEAD ISLAND, SOUTH CAROLINA ON THIS \_\_\_\_DAY OF \_\_\_\_\_, 2017.**

\_\_\_\_\_  
David Bennett, Mayor

ATTEST:

\_\_\_\_\_  
Krista Wiedmeyer  
Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Gregory M. Alford, Town Attorney

First Reading: June 13, 2017

Second Reading: \_\_\_\_\_

Introduced by Council Member:

\_\_\_\_\_

**FORM OF BOND**

UNITED STATES OF AMERICA  
 STATE OF SOUTH CAROLINA  
 THE TOWN OF HILTON HEAD ISLAND  
 \$ \_\_\_\_\_ GENERAL OBLIGATION BOND  
 TAXABLE SERIES \_\_\_\_\_

No. R-

INTEREST <u>RATE</u>	MATURITY <u>DATE</u>	ORIGINAL <u>ISSUE DATE</u>	<u>CUSIP</u>
%			

REGISTERED HOLDER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the Town of Hilton Head Island, South Carolina (the "Town"), is justly indebted and, for value received, hereby promises to pay to the registered holder named above, or registered assigns, the principal amount shown above on the maturity date shown above, upon presentation and surrender of this Bond at the principal office of \_\_\_\_\_ in \_\_\_\_\_ (the "Paying Agent"), and to pay interest on such principal sum from the date hereof at the interest rate per annum shown above until this Bond matures. Interest on this Bond is payable semiannually on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year commencing \_\_\_\_\_ 1, \_\_\_\_\_, until this Bond matures, and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the Town maintained by the registrar, presently \_\_\_\_\_ in \_\_\_\_\_ (the "Registrar"), at the close of business on the fifteenth (15th) day of the calendar month next preceding each semiannual interest payment date. The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts; provided, however, that interest on this fully-registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Ordinance of the Town authorizing the Bonds, nor become valid or obligatory for any purpose, until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

For the payment of the principal and interest of this Bond as they respectively mature and for the creation of such sinking fund as may be necessary to provide for the prompt payment hereof, the full faith, credit, taxing power and resources of the Town are hereby irrevocably pledged, and there shall be levied and collected annually upon all taxable property of the Town an ad valorem tax, without limitation as to rate or amount, sufficient for such purposes.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One bond certificate with respect to each date on which the Bonds are stated to mature, registered in the name of the securities depository

nominee, is being issued and required to be deposited with the securities depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the securities depository's participants, beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the securities depository and its participants pursuant to rules and procedures established by the securities depository and its participants. The Town and the Registrar/Paying Agent will recognize the securities depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including payments of principal of and redemption premium, if any, and interest on this bond, notices and voting. Transfer of principal and interest payments to participants of the securities depository will be the responsibility of the securities depository, and transfer of principal, redemption premium, if any, and interest payments to beneficial owners of the Bonds by participants of the securities depository will be the responsibility of such participants and other nominees of such beneficial owners. The Town will not be responsible or liable for such transfers of payments or for maintaining, supervision or reviewing the records maintained by the securities depository, the securities depository nominee, its participants or persons acting through such participants. While the securities depository nominee is the owner of this bond, notwithstanding, the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements between the Registrar/Paying Agent or its successors under the Ordinance and the securities depository.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, date of maturity, denomination, [redemption provisions] and rate of interest, aggregating \_\_\_\_\_ Dollars issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended, and Ordinance No. \_\_\_\_\_ duly enacted by the Town Council of the Town.

[Redemption Provisions]

This Bond is transferable as provided in the Ordinance, only upon the books of the Town kept for that purpose at the principal office of the Registrar by the registered holder in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney. Thereupon a new fully-registered Bond or Bonds of the same aggregate principal amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance. The Town, the Registrar and the Paying Agent 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 hereof and interest due hereon and for all other purposes.

Under the laws of the State of South Carolina (the "State"), this Bond and the interest hereon are exempt from all State, county, municipal, Town and other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the Town does not exceed the applicable limitation of indebtedness under the laws of the State; and, that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the Town sufficient to pay

the principal and interest of this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

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

TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This Bond is one of the bonds described in the within mentioned Ordinance of the Town of Hilton Head Island, South Carolina.

\_\_\_\_\_,  
as Registrar

By: \_\_\_\_\_  
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the  
entireties

\_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

JT TEN - as joint tenants with  
right of survivorship  
and not as tenants in  
common

under Uniform Gifts to  
Minors Act \_\_\_\_\_  
(state)

Additional abbreviations may also be used though not in above list.

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns  
and transfers unto \_\_\_\_\_  
(Name and Address of Transferee)

\_\_\_\_\_ the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_  
\_\_\_\_\_ attorney to transfer the within Bond on the books kept  
for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature Guaranteed

\_\_\_\_\_  
Notice: Signature(s) must be  
guaranteed by an institution which is a  
a participant in the  
registered Securities Transfer Agents  
Medallion Program ("STAMP")  
or similar program.

\_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
Notice: The signature to  
the assignment must correspond  
with the name of the  
holder as it appears upon the  
face of the within Bond in every  
particular, without alteration  
or enlargement or any change  
whatever.

A copy of the final approving legal opinion to be rendered shall accompany each Bond and preceding the  
same a certificate shall appear, which shall be signed on behalf of the Town with a manual or facsimile  
signature of the Town Clerk in the following form:

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the  
final legal opinion (except for date and letterhead) of McNair Law Firm, P.A., Columbia, South  
Carolina, approving the issue of Bonds of which the within Bond is one, the original of which  
opinion was manually executed, dated and issued as of the date of delivery of and payment for the  
Bonds, and a copy of which is on file with the Town of Hilton Head Island, South Carolina.

TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA

By \_\_\_\_\_  
Town Clerk



## FORM OF NOTICE OF SALE

\$\_\_\_\_\_ GENERAL OBLIGATION BONDS, TAXABLE SERIES \_\_\_\_\_  
TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

Time and Place of Sale: NOTICE IS HEREBY GIVEN that proposals addressed to the undersigned will be received on behalf of the Town Council of the Town of Hilton Head Island, South Carolina (the "Town"), in Council Chambers, One Town Center Court, Hilton Head Island, South Carolina, until 11:00 a.m., South Carolina time, on \_\_\_\_\_, \_\_\_\_\_, at which time said proposals will be publicly opened for the purchase of \_\_\_\_\_ (\$\_\_\_\_\_) General Obligation Bonds, Taxable Series \_\_\_\_\_ of the Town (the "Bonds").

Sealed Bids: Each hand delivered proposal shall be enclosed in a sealed envelope marked "Proposal for \$\_\_\_\_\_ General Obligation Bonds, Taxable Series \_\_\_\_\_, Town of Hilton Head Island, South Carolina" and should be directed to the Director of Finance at the address in the first paragraph hereof.

Electronic Bids: Electronic proposals must be submitted through i-Deal's Parity Electronic Bid Submission System ("Parity"). No electronic bids from any other providers of electronic bidding services will be accepted. Information about the electronic bidding services of Parity may be obtained from i-Deal, 40 W. 23rd Street, 5th floor, New York, New York 10010, Customer Support, telephone (212) 404-8102.

**PROPOSALS MAY BE DELIVERED BY HAND OR BY ELECTRONIC BID, BUT NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE TOWN AT THE PLACE, DATE AND TIME APPOINTED, AND THE TOWN SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR RESULTING FROM THE SELECTION BY ANY BIDDER OF ANY PARTICULAR MEANS OF DELIVERY OF BIDS.**

Book-Entry-Only Bonds: The Bonds will be issued in fully-registered form. One Bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry-only form in the principal amount of \$5,000 or any integral multiple thereof not exceeding the principal amount of Bonds maturing each year; Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates representing each maturity with DTC. The Bonds will be dated \_\_\_\_\_ 1, \_\_\_\_\_ and will mature serially in successive annual installments on \_\_\_\_\_ 1 in each of the years and in the principal amounts as follows:

_____1	Principal Amount*	_____1	Principal Amount*
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\*Preliminary, subject to adjustment.

Adjustment of Maturity Schedule. If, after final computation of the proposals, the Town determines in its sole discretion that the funds necessary to accomplish the purposes for which the Bonds are being issued are either more or less than the proceeds of the sale of the amount of the Bonds as shown in this Notice of Sale, it reserves the right either to decrease or increase the principal amount of the Bonds (all calculations to be rounded to the near \$5,000), provided that any such decrease or increase shall not exceed 10% of the par amount. Such adjustment(s), if any, shall be made within twenty-four (24) hours of the award of the Bonds. In order to calculate the yield on the Bonds for federal tax law purposes and as a condition precedent to the award of the Bonds, bidders must disclose to the Town in connection with their respective bids the price (or yield to maturity) at which each maturity of the Bonds will be reoffered to the public.

In the event of any adjustment of the maturity schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

The Bonds will bear interest from the date thereof payable semiannually on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, commencing \_\_\_\_\_ 1, \_\_\_\_\_.

[Redemption Provisions]

Registrar/Paying Agent: Within twenty-four (24) hours of the sale of the Bonds, the Town will designate a registrar and paying agent ("Registrar/Paying Agent") for the Bonds. The Registrar/Paying Agent shall be a bank, trust company, depository or transfer agent located either within or without the State of South Carolina.

Bid Requirements: Bidders shall specify the rate or rates of interest per annum which the Bonds are to bear, to be expressed in multiples of 1/20 or 1/8 of 1% with no greater difference than two percent (2%) between the highest and lowest rates of interest named by a bidder. Bidders are not limited as to the number of rates of interest named, but the rate of interest on each separate maturity must be the same single rate for all Bonds of that maturity from their date to such maturity date. A bid for less than all the Bonds, a bid at a price less than par or a bid which includes a premium of more than 1% will not be considered. In addition to the bid price, the successful bidder must pay accrued interest from the date of the Bonds to the date of full payment of the purchase price.

Good Faith Deposit: A good faith deposit is not required.

**Bid Form:** It is requested but not required that you submit your bid on the Proposal for Purchase of Bonds supplied with the Official Statement.

**Official Statement:** Upon the award of the Bonds, the Town will prepare an official statement (the “Official Statement”) in substantially the same form as the preliminary official statement subject to minor additions, deletions and revisions as required to complete the Official Statement. Within seven (7) business days after the award of the Bonds, the Town will deliver the Official Statement to the successful bidder in sufficient quantity to comply with Rule G-32 of the Municipal Securities Rulemaking Board. The successful bidder agrees to supply to the Town within 24 hours after the award of the Bonds all necessary pricing information and any Underwriter identification necessary to complete the Official Statement.

**Security:** The Bonds shall constitute binding general obligations of the Town, and the full faith, credit, resources and taxing power of the Town are irrevocably pledged for the payment of the principal and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor. There shall be levied and collected annually upon all taxable property of the Town a tax, without limitation as to rate or amount, sufficient for such purposes.

**Continuing Disclosure:** In order to assist the bidders in complying with S.E.C. Rule 15c2-12(b)(5), the Town will undertake, pursuant to an ordinance and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

**Legal Opinion:** The Town shall furnish upon delivery of the Bonds the final approving opinion of McNair Law Firm, P.A., Columbia, South Carolina, which opinion shall accompany each Bond, together with the usual closing documents, including a certificate that no litigation is pending affecting the Bonds.

**Certificate as to Issue Price:** The successful bidder must provide a certificate to the Town by the date of delivery of the Bonds, stating the initial reoffering price of the Bonds to the public (excluding bond houses and brokers) and the price at which a substantial amount of the Bonds were sold to the public, in form satisfactory to Bond Counsel. A sample copy of such a certificate may be obtained from Bond Counsel.

**Delivery:** The Bonds will be delivered on or about \_\_\_\_\_, \_\_\_\_\_, in New York, New York, at the expense of the Town or at such other place as may be agreed upon with the purchaser at the expense of the purchaser. The balance of the purchase price then due (including the amount of accrued interest) must be paid in federal funds or other immediately available funds.

**CUSIP Numbers:** It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the Town; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Award of Bid. The Bonds will be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost (TIC) to the Town. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year of twelve 30-day months) to the dated date of the Bonds, results in an amount equal to the price bid for the Bonds. In the case of a tie bid, the winning bid will be awarded by lot. The Town reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on the date of the sale.

Additional Information: The Preliminary Official Statement and the Official Notice of Sale of the Town with respect to the Bonds are available via the internet at <http://www.idealprospectus.com> and will be furnished to any person interested in bidding on the Bonds upon request to McNair Law Firm, P. A., Post Office Box 11390, Columbia, South Carolina 29211, attention: Francenia B. Heizer, Esquire, telephone (803) 799-9800, e-mail: [fheizer@mcnair.net](mailto:fheizer@mcnair.net). The Preliminary Official Statement shall be reviewed by bidders prior to submitting a bid. Bidders may not rely on this Official Notice of Sale as to the complete information concerning the Bonds. For additional information, please contact the Town's Bond Counsel, Francenia B. Heizer, Esquire, McNair Law Firm, P. A., Post Office Box 11390, Columbia, South Carolina 29211, telephone (803) 799-9800, e-mail: [fheizer@mcnair.net](mailto:fheizer@mcnair.net) or the Town's Financial Advisor, Brenton J. Robertson, Managing Director, Stifel, 515 Gervais Street, Columbia, South Carolina 29201, telephone (803) 331-3848, e-mail: [robertsonb@stifel.com](mailto:robertsonb@stifel.com).

Town of Hilton Head Island, South Carolina

## FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Town of Hilton Head Island, South Carolina (the “Town”) in connection with the issuance of \$\_\_\_\_\_ General Obligation Bonds, Taxable Series \_\_\_\_\_ (the “Bonds”). The Bonds are being issued pursuant to an Ordinance adopted by the Town Council of the Town (the “Council”). The Town covenants and agrees as follows:

**SECTION 1. Purpose of the Disclosure Certificate.** This Disclosure Certificate is being executed and delivered by the Town for the benefit of the beneficial owners and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below).

**SECTION 2. Definitions.** The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Bonds” shall mean the \$\_\_\_\_\_ General Obligation Bonds, Taxable Series \_\_\_\_\_, of the Town of Hilton Head Island, South Carolina, dated \_\_\_\_\_.

“Dissemination Agent” shall mean the Town or any successor Dissemination Agent designated in writing by the Town and which has filed with the Town a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“National Repository” shall mean for purposes of the Rule, the Electronic Municipal Market Access (EMMA) system created by the Municipal Securities Rulemaking Board.

“Participating Underwriter” shall mean \_\_\_\_\_ and any other original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean each National Repository and each State Depository, if any.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Depository” shall mean any public or private repository or entity designated by the State of South Carolina as a state depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Depository.

**SECTION 3. Provision of Annual Reports.**

(a) The Town shall, or shall cause the Dissemination Agent to provide, not later than February 1 of each year, commencing in 2018, to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to such date the Town shall provide the Annual Report to the Dissemination Agent, if other than the Town; provided, that if the audited financial statements required pursuant to Section 4 hereof to be included in the Annual Report are not available for inclusion in the Annual Report as of such date,

unaudited financial statements of the Town may be included in such Annual Report in lieu thereof, and the Town shall replace such unaudited financial statements with audited financial statements within fifteen (15) days after such audited financial statements become available for distribution. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Town may be submitted separately from the balance of the Annual Report.

(b) If the Town is unable to provide to the Repository an Annual Report by the date required in subsection (a), the Town shall send a notice to the Municipal Securities Rulemaking Board and State Depository, if any, in substantially the form attached hereto as Exhibit A.

(c) The Dissemination Agent shall:

(1) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Depository, if any; and

(2) if the Dissemination Agent is other than the Town, file a report with the Town and (if the Dissemination Agent is not the Registrar) the Registrar certifying whether the Annual Report has been provided pursuant to this Disclosure Certificate, and, if provided, stating the date it was provided, and listing the Repository to which it was provided.

#### SECTION 4. Content of Annual Reports.

(a) The Town's Annual Report shall contain or incorporate by reference the most recent audited financial statements, which shall be prepared in conformity with generally accepted accounting principles (or, if not in such conformity, to be accompanied by a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information) applicable to governmental entities such as the Town, and shall, in addition, contain or incorporate by reference the following, for the immediately preceding fiscal year:

- (1) Town population;
- (2) Total anticipated state appropriations subject to withholding under Article X, Sec. 14, South Carolina Constitution;
- (3) Outstanding indebtedness of the Town;
- (4) Market value/assessment summary of taxable property in Town;
- (5) Tax Rates for Town;
- (6) Tax collections for Town; and
- (7) Five largest taxpayers (including fee-in-lieu-of-tax) for Town.

(b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Town is an "obligated person" (as defined by the Rule), which have been previously filed with the National Repository or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Town will clearly identify each such document so incorporated by reference.

## SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Town shall give, or cause to be given, notice of the occurrence of any of the following events (the “Listed Events”):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders;
- (8) Bond calls;
- (9) Tender offers;
- (10) Defeasances;
- (11) Release, substitution, or sale of property securing repayment of the securities;
- (12) Rating changes;
- (13) Bankruptcy, insolvency, receivership or similar event of the Town;
- (14) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (15) Appointment of a successor or additional trustee or the change of name of a trustee.

(b) Whenever the Town obtains knowledge of the occurrence of a Listed Event described in subsections (a)(2), (7), (8), (11), (14), or (15) above, the Town shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Town determines that knowledge of the occurrence of such event would be material under applicable federal securities laws, the Town shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Repository.

(c) Whenever the Town obtains knowledge of the occurrence of a Listed Event described in subsections (a)(1), (3), (4), (5), (6), (9), (10), (12), or (13) above, the Town shall promptly, and no later than 10 days after the occurrence of the event, file a notice of such occurrence with the Repository.

(d) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8), (9), and (10) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds. For the purposes of the event identified in (a)(13) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of

reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

SECTION 6. Termination of Reporting Obligation. The Town's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Town may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Town.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Town may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Town, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Town chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Town shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Town, or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any beneficial owner may take such actions as may be necessary and appropriate, including seeking injunctive relief or specific performance by court order, to cause the Town, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Town, or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of the Dissemination Agent. The provisions of this Section 11 shall apply if the Issuer is not the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and to the extent permitted by applicable law and other public policy considerations, the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.



SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Town, the Dissemination Agent, the Participating Underwriters, and Holders from time to time of the Bonds and shall create no rights in any other person or entity.

TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA

By: \_\_\_\_\_  
Town Manager

Dated: \_\_\_\_\_, \_\_\_\_\_

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Town: Town of Hilton Head Island, South Carolina

Name of Bond Issue: \$\_\_\_\_\_ General Obligation Bonds, Taxable Series \_\_\_\_\_,  
Town of Hilton Head Island, South Carolina

Date of Issuance: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that The Town of Hilton Head Island, South Carolina (the “Town”) has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3 and 4 of the Continuing Disclosure Certificate executed and delivered by the Town as Dissemination Agent. The Town has notified us in writing that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

TOWN OF HILTON HEAD ISLAND,  
SOUTH CAROLINA



# **TOWN OF HILTON HEAD ISLAND**

## *Community Development Department*

**TO:** Stephen G. Riley, ICMA-CM, *Town Manager*  
**VIA:** Charles Cousins, AICP, *Director of Community Development*  
**VIA:** Jennifer Ray, ASLA, *Planning and Special Projects Manager*  
**FROM:** Jayme Lopko, AICP *Senior Planner*  
**CC:** Shawn Colin, AICP, *Deputy Director of Community Development*  
**DATE:** June 6, 2017  
**SUBJECT:** Comprehensive Plan Update

---

**Recommendation:** Staff recommends that the Town Council adopt the proposed updates to the Town's Comprehensive Plan, with all appendices, including the Beach Management Plan.

The Public Planning Committee met on May 25, 2017 and voted unanimously to approve proposed updates to the Town's Comprehensive Plan, with all appendices, including the Beach Management Plan and forward them to Town Council for adoption.

The Planning Commission met on May 17, 2017 and voted unanimously to forward the proposed updates to the Town's Comprehensive Plan, with all appendices, including the Beach Management Plan to Town Council with a recommendation of approval

The Comprehensive Plan Committee met on May 9, 2017 and voted unanimously to approve the updates to the Comprehensive Plan as presented by staff.

Town Council reviewed the proposed updates to the Comprehensive Plan at their April 18, 2017 meeting and requested two changes: add information regarding the new Culture and Arts Network Director position and the Culture and Arts Advisory Committee and add more information regarding the Sewer Master Plan. The Comprehensive Plan, with all appendices, including the Beach Management Plan was sent back to the Planning Commission for further review including these requested changes.

**Summary:** Attached is the proposed Comprehensive Plan and the Beach Management Plan and a resolution for recommendation to Town Council that they adopt the Comprehensive Plan and its appendices by Ordinance. This complies with the South Carolina Planning Enabling Legislation, which requires that the plan and all elements be reviewed at least every five years and sets forth the adoption process.

The Town's Comprehensive Plan was fully updated and adopted by Town Council on July 3, 2012. Staff and the Comprehensive Plan Committee have reviewed each element for update over the past two years. A number of proposed updates to the Town's Comprehensive Plan have been

identified. Newly added language is illustrated with red underline and deleted language is illustrated with ~~strikethrough~~.

The Beach Management Plan, an appendix of the Comprehensive Plan, was recently updated and adopted by Town Council in August of 2016. Due to changes in State Law that were passed during the Town's adoption process, additional revisions have been made to update references to State law in this plan. Newly added language is illustrated with blue underline and deleted language is illustrated with ~~strikethrough~~.

**Background:** The South Carolina Planning Enabling Legislation requires municipalities to review their Comprehensive Plan every five years and completely update the plan every ten years. The Town completed the full update in 2012 and is in the process of the five year review.

Staff anticipates the upcoming visioning process to provide guidance that will be useful in the next complete update to the Comprehensive Plan.

Please contact me at (843) 341-4695 or at [jaymel@hiltonheadislandsc.gov](mailto:jaymel@hiltonheadislandsc.gov) if you have any questions.

**AN ORDINANCE OF THE TOWN OF HILTON HEAD ISLAND**

**ORDINANCE NO. 2017- \_\_\_\_**

**PROPOSED ORDINANCE NO. 2017-02**

**AN ORDINANCE TO PROVIDE FOR THE ADOPTION OF  
UPDATES TO “THE TOWN OF HILTON HEAD ISLAND  
COMPREHENSIVE PLAN” AND ITS APPENDICES,  
INCLUDING THE BEACH MANAGEMENT PLAN; AND TO  
PROVIDE FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, in April of 1999, Town Council adopted the Town of Hilton Head Island Comprehensive Plan and subsequently in 2004 updated the Plan; and

**WHEREAS**, on May 4, 2010, Town Council adopted a new Town of Hilton Head Island Comprehensive Plan and subsequently in 2012 updated the Plan; and

**WHEREAS**, the Town of Hilton Head Island Comprehensive Plan is required to be updated in accordance with Sections 6-29-520 and 6-29-530 of the Code of Laws of South Carolina; and

**WHEREAS**, the proposed updates to the Town of Hilton Head Island Comprehensive Plan includes the following elements: Cultural Resources, Natural Resources, Population, Housing, Community Facilities, Economic Development, Land Use, Transportation, Recreation, and Priority Investment and adopted appendices, including the Beach Management Plan; and

**WHEREAS**, on May 9, 2017, the Comprehensive Plan Committee of the Planning Commission voted to recommend that the updates to the Comprehensive Plan be forwarded to the full Planning Commission for review; and

**WHEREAS**, on May 17, 2017, the Planning Commission reviewed the proposed updates to the Comprehensive Plan and its appendices, including the Beach Management Plan, conducted a public hearing, and voted to approve a resolution recommending adoption by the Town Council of the Town of Hilton Head Island; and

**WHEREAS**, on May 25, 2017, the Public Planning Committee reviewed the proposed updates to the Comprehensive Plan and its appendices, including the Beach Management Plan, and after consideration, voted to approve and recommend adoption by the Town Council of the Town of Hilton Head Island; and

**WHEREAS**, Town Council now desires to adopt the proposed 2017 Comprehensive Plan of the Town of Hilton Head Island;

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

**Section 1. Adoption.** The proposed updates to the Comprehensive Plan and its appendices, including the Beach Management Plan, attached hereto as Exhibit 1 is hereby adopted pursuant to Article 2 of Chapter 1 of Title 16 (adopted July 21, 1998) of the Municipal Code of the Town of Hilton Head Island, South Carolina and Sections 6-29-510, 6-29-520, and 6-29-530 of the Code of Laws of South Carolina.

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

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

Passed, approved, and adopted, by the Town Council of the Town of Hilton Head Island this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

---

**David Bennett, Mayor**

**ATTEST:**

---

**Krista Wiedmeyer, Town Clerk**

Planning Commission Public Hearing: February 15, 2017  
Town Council Public Hearing & First Reading: June 20, 2017  
Second Reading:

**Approved as to form:**

---

**Gregory M. Alford, Town Attorney**

**Introduced by Council Member:** \_\_\_\_\_



**A RESOLUTION BY THE PLANNING COMMISSION OF THE TOWN OF HILTON HEAD ISLAND RECOMMENDING UPDATES TO THE TOWN OF HILTON HEAD ISLAND COMPREHENSIVE PLAN INCLUDING THE BEACH MANAGEMENT PLAN AS AN APPENDIX TO THE COMPREHENSIVE PLAN BE FORWARDED TO TOWN COUNCIL FOR ADOPTION**

**WHEREAS**, the Town of Hilton Head Island has established a reputation as a well-planned community; and

**WHEREAS**, the Town of Hilton Head Island Comprehensive Plan, adopted July 3, 2012, is currently in need of update; and

**WHEREAS**, Town staff and the Comprehensive Plan Committee were asked to update the Comprehensive Plan for the Town of Hilton Head Island; and

**WHEREAS**, the proposed updates to the Town of Hilton Head Island Comprehensive Plan meet the requirements of The Comprehensive Planning Enabling Act of 1994 and its updates; and

**WHEREAS**, the Comprehensive Plan Committee has recommended that the Planning Commission review and recommend by resolution that the proposed updates to the Town of Hilton Head Island Comprehensive Plan and its appendices be forwarded to the Town Council for adoption; and

**WHEREAS**, the State of South Carolina adopted the Coastal Zone Management Act (SC Code of Laws Title 48) to further protect the sensitive and fragile areas of the coastal environment from inappropriate development and to provide adequate environmental safeguards with respect to the construction of facilities; and

**WHEREAS**, an individual appendix of the Comprehensive Plan addressing a more in-depth analysis of beach management needs, goals and implementation strategies was necessary to guide future beach management; and

**WHEREAS**, the Town of Hilton Head Island adopted the Beach Management Plan in 2008 in compliance with the Coastal Zone Management Act (SC Code of Laws Title 48); and

**WHEREAS**, the Town of Hilton Head Island adopted the Comprehensive Plan in 2012 with the Beach Management Plan as an appendix, and identifies its desire to protect the zones of dunes from the seaward edge of the beach berm to the seaward edge of the maritime forest tree line; and

**WHEREAS**, the Comprehensive Plan Committee and staff presented the proposed updates to the Town of Hilton Head Island Comprehensive Plan and the Beach Management Plan to the Planning Commission on May 17, 2017; and

**WHEREAS**, the proposed updates to the Town of Hilton Head Island Comprehensive Plan and The Beach Management Plan have been made available for public review; and

**WHEREAS**, the Town of Hilton Head Island Comprehensive Plan is required to be adopted in accordance with Section 6-29-510, 6-29-520, and 6-29-530 of the Code of Laws of South Carolina.

**NOW, THEREFORE BE IT, AND IT HEREBY RESOLVED BY THE PLANNING COMMISSION FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THAT** the Planning Commission hereby recommends that Town Council adopt the Comprehensive Plan including the Beach Management Plan as an appendix to the Town of Hilton Head Island Comprehensive Plan, as amended, and attached.

**MOVED, APPROVED, AND ADOPTED ON THIS \_\_\_\_ DAY OF \_\_\_\_\_ 2017.**

\_\_\_\_\_  
Alex Brown, Chairman

\_\_\_\_\_  
Krista Wiedmeyer, Town Clerk

Commission Member introducing Resolution: \_\_\_\_\_

# **Charting the Island's Future – From Here to 2030**



## **Town of Hilton Head Island Comprehensive Plan**

May 8, 2017 July 3, 2012

# Appendices to the Comprehensive Plan

- [Beach Management Plan](#) 
- 
- [Bridge to Beach Redevelopment Plan](#) 
- 
- [Broad Creek Management Plan](#) 
- 
- [Chaplin Initiative Area Plan](#) 
- 
- [Fire & Rescue Master Plan](#) 
- 
- [Hazard Mitigation Plan \(2009\)](#) 
- 
- [Stoney Initiative Area Plan](#) 
- 
- [Ward One Master Land Use Plan \(1999\)](#) 

# Table of Contents

Appendices to the Comprehensive Plan.....	ii
Table of Contents.....	i
List of Tables .....	iv
List of Figures .....	v
1 Introduction.....	1
Overview.....	1
The Planning Process .....	1
Comprehensive Plan Elements.....	1
Introduction and Vision Booklet.....	1
2 Cultural Resources .....	3
Introduction.....	3
2.1 Historical/Cultural Resources .....	3
2.2 Arts.....	10
2.3 Community Character .....	15
2.4 Goals and Implementation Strategies .....	16
Goals .....	16
Implementation Strategies .....	17
3 Natural Resources .....	21
Introduction.....	21
3.1 Water Quality & Quantity.....	21
3.2 Air Quality .....	24
3.3 Positive Impacts of Environmental Preservation on Quality of Life .....	25
3.4 Environmental Education.....	27
3.5 Sustainable Development.....	28
3.6 Goals and Implementation Strategies .....	30
Goals .....	30
Implementation Strategies .....	31
4 Population .....	36
Introduction.....	36
4.1 Population .....	37
4.2 Population Projections .....	39
4.3 Age Distribution.....	41
4.4 Racial Composition and Trends .....	43
4.5 Gender Composition .....	44
4.6 Households.....	45
4.7 Education .....	45
4.8 Income.....	47
4.9 Goals and Implementation Strategies .....	49
Goals .....	49
Implementation Strategies .....	50
5 Housing.....	52
Introduction.....	52
5.1 Housing Units and Tenure .....	52
5.2 Housing Opportunities .....	57
5.3 Barriers to Affordable Housing.....	59
5.4 Goals and Implementation Strategies .....	60
Goals .....	60
Implementation Strategies .....	61
6 Community Facilities.....	63
Introduction.....	63
6.1 Build-out and Future Service Needs .....	63
6.2 Town Government .....	64
6.3 Transportation Network .....	67

6.4	Town Acquired Property.....	74
6.5	Utilities.....	78
6.6	Public Safety .....	89
6.7	Communications .....	90
6.8	Health Care Services.....	91
6.9	Educational Facilities.....	92
6.10	Capital Improvement Program.....	96
6.11	Goals and Implementation Strategies .....	97
	Goals .....	97
	Implementation Strategies .....	98
7	Economic Development.....	101
	Introduction.....	101
7.1	Comprehensive Plan Approach.....	102
7.2	Economic Model.....	102
7.3	Economic Development Discussion .....	102
7.4	Key Island Economic Assets and Capabilities.....	103
7.5	Potential Risks for Future Economy with Comprehensive Plan Implications .....	103
7.6	Potential Strategies with Implications for the Comprehensive Plan .....	104
7.7	Some Key Implementation Strategies.....	105
7.8	Figures.....	107
8	Land Use .....	114
	Introduction.....	114
8.1	Existing Land Use.....	114
8.2	Building Permit Trends .....	116
8.3	Planned Unit Developments (PUDs) .....	118
8.4	Existing Zoning Allocation.....	119
8.5	Land Use Per Capita .....	121
8.6	Build-out .....	121
8.7	Short Term Rental/Interval Occupancy Units or Timeshares .....	122
8.8	Nonconforming Parcels by Use .....	122
8.9	Age of Structures .....	123
8.10	Zoning Changes .....	125
8.11	Goals and Implementation Strategies .....	125
	Goals .....	126
	Implementation Strategies .....	127
9	Transportation .....	134
	Introduction.....	134
9.1	Road Network .....	134
9.2	Traffic Volumes and Trends .....	141
9.3	Traffic Planning & Modeling on the Island .....	143
9.4	Pathway Network.....	145
9.5	Public Transportation.....	151
9.6	Air Transportation.....	151
9.7	Marine Transportation.....	154
9.8	Emergency Evacuation .....	155
9.9	Regional Transportation Issues .....	156
9.10	Goals and Implementation Strategies .....	158
	Goals .....	158
	Implementation Strategies .....	159
10	Recreation .....	164
	Introduction.....	164
10.1	Park Definitions .....	164
10.2	Park Sites .....	167
10.3	Park Development Guidelines .....	169
10.4	Inventory of Existing Recreational Facilities.....	171
10.5	Facilities Guidelines.....	176



10.6 Park Maintenance Tasks and Levels of Service.....	178
10.7 Recreation Programs .....	179
10.9 Goals and Implementation Strategies .....	181
Goals .....	182
Implementation Strategies .....	183
11 Priority Investment.....	185
Introduction.....	185
11.1 Process .....	185
11.2 10-Year Capital Improvements Plan.....	186
11.3 CIP Revenues and Expenditures .....	189
11.4 Goals and Implementation Strategies .....	190
Goals .....	190
Implementation Strategies .....	191

## List of Tables

Table 2.1: Hilton Head Island Arts Venues .....	12
Table 2.2: Town of Hilton Head Island ATAX Award Recipients: 2010-2014 .....	13
Table 3.1: Ecosystem Health and the Relationship to Impervious Surface .....	23
Table 3.2: Summary of Cost Savings between Conventional and LID Approaches .....	30
Table 4.1: Population Trends, 1980 - 2010.....	37
Table 4.2: Planning Area Population Trends .....	37
Table 4.3: Seasonal Visitor Population Trends for Hilton Head Island.....	39
Table 4.4: Population Estimates for Hilton Head Island.....	40
Table 4.5: Population Projections for Hilton Head Island .....	41
Table 4.6: Age Distribution: 2010 Town, County, and State.....	42
Table 4.7: Trends in the Age Distribution of Hilton Head Island's Population .....	42
Table 4.8: 2010 Racial Composition Town, County, and State.....	43
Table 4.9: Trends in Racial Composition of Hilton Head Island's Population .....	44
Table 4.10: 2010 Gender Composition Town, County, and State .....	44
Table 4.11: Trends in Gender Composition of Hilton Head Island's Population.....	44
Table 4.12: Household Size for Town, County, and State.....	45
Table 4.13: 2010 Educational Attainment Town, County, and State.....	46
Table 4.14: Trends in Educational Attainment, Hilton Head Island.....	46
Table 4.15: Median Household Income .....	47
Table 4.16: Trends in Per Capita Income Town, County, and State.....	47
Table 4.17: Income Distribution, 2010 Town, County, and State .....	48
Table 4.18: Income Type by Household, 2010 Town, County, and State .....	49
Table 5.1: Housing Growth Rates.....	53
Table 5.2: Housing Vacancy Rates .....	54
Table 5.3: Housing Units by Structure Type .....	55
Table 5.4: Home Ownership Estimates 2010.....	55
Table 5.5: Assisted Living Facilities.....	58
Table 6.1: Government-Owned Facilities .....	66
Table 6.2: General Obligation Bonds Resulting from Land Acquisition Referendums .....	74
Table 6.3: 2014 Water and Wastewater Use and Disposal * .....	79
Table 6.4: Enrollment in Hilton Head Island Cluster .....	94
Table 7.1: Hilton Head Island Annual Visitors and Expenditures.....	109
Table 8.1: Land Use Category Comparison.....	119
Table 8.2: Land Use Categories within PUDs .....	119
Table 8.3: Land Use Classification by Zoning District.....	120
Table 9.1: Street Standards .....	135
Table 9.2: State Owned Roads on Hilton Head Island.....	136
Table 9.3: County Owned Roads on Hilton Head Island.....	137
Table 9.4: Town Owned Roads on Hilton Head Island .....	138
Table 9.5: 24-Hour Bi-Directional Traffic Demand – June 2009-2014.....	143
Table 9.6: 2009 vs. 2002 Build-out Projections by Land Use .....	144
Table 9.7 Chronology of Town Pathway Projects .....	148
Table 10.1: Existing Island Parks .....	168
Table 10.2: New Park Development Guidelines & Potential Future Park Needs.....	170
Table 10.3: Inventory of Existing Recreational Facilities .....	173
Table 10.4: Potential Future Parks and Suggested Facility Locations.....	177
Table 11.1: Recommended Resource Allocation.....	188
Table 11.2: CIP Driving Force (Scale of 1 to 10).....	189
Table 11.3: Town of Hilton Head Island Fiscal Year 2015 CIP Funding Sources.....	190

## List of Figures

Figure 2.1: Gullah/Geechee Cultural Heritage Corridor .....	5
Figure 2.2: Historic Native Island Neighborhoods of Hilton Head Island.....	6
Figure 2.3: Historic Landmarks and Archaeological Sites .....	9
Figure 2.4: Percentage of ATAX dollars awarded to Arts: 2010-2014 .....	11
Figure 3.1: Impervious Surface Analysis Map .....	35
Figure 4.1: Population Change on Hilton Head Island, 2000 to 2010 .....	38
Figure 4.2: Income Distribution, 2010.....	48
Figure 5.1: Housing Units by Type.....	55
Figure 6.1: Town Organizational Chart .....	64
Figure 6.2: Community Facilities .....	68
Figure 6.3: Town-owned Roads.....	70
Figure 6.4: Pathways.....	72
Figure 6.5: Town-owned Property .....	77
Figure 6.6: Island Areas not Connected to Sewer.....	84
Figure 6.8: Hilton Head Island Convenience Center Traffic Volumes.....	85
Figure 6.7: Power Line Burial Projects.....	87
Figure 6.9: Beaufort County Schools Enrollments .....	94
Figure 7.1: Business Plan Best Practice Approach for Development of Hilton Head Island's Comprehensive Plan .....	107
Figure 7.2: Economic Dynamic Model for Hilton Head Island.....	108
Figure 7.3: Hilton Head Island Passenger Arrivals – Monthly Trends.....	111
Figure 7.4: Risk/Reward Economy Direction Summary .....	113
Figure 8.1: Land Use Percentage by Category .....	115
Figure 8.2: Permits for New Construction .....	117
Figure 8.3: Permits for Renovation/Addition .....	118
Figure 8.4: Percentage of Non-Conforming Parcel by Type .....	123
Figure 8.5: Age of Non-Residential Structures.....	124
Figure 8.6: Age of Residential Structures .....	124
Figure 8.7: Hilton Head Island Town Limits .....	129
Figure 8.8: Existing Land Use .....	131
Figure 8.9: Nonconforming Parcels Based on Current Zoning.....	132
Figure 9.1: Public Pathway System .....	149
Figure 9.2: Hilton Head Airport Passenger Arrivals 2010-2016 .....	152
Figure 10.1: Existing and Future Parks.....	175
Exhibit 11.1: Town of Hilton Head 2015-2024 CIP Summary .....	195

## ACKNOWLEDGEMENTS

**Hilton Head Island Town Council**

~~Drew Laughlin~~ David Bennett, Mayor  
~~Kim Likins~~ Bill Harkins, Mayor Pro Tem  
 Marc Grant  
 John McCann

~~Lee Edwards~~ David Ames  
~~Kim Likins~~ Bill Harkins  
~~George W. Williams, Jr.~~ Tom Lennox

**Hilton Head Island Planning Commission**

~~David Bennett~~, Chairman  
 Alex Brown, ~~Vice~~ Chairman  
 Peter Kristian, ~~\*~~ Vice Chairman\*  
 Jim Gant  
 Bryan Hughes

Caroline McVitty\*  
 Todd Theodore  
 Barry H. Taylor  
 Judd Carstens\*  
Lavon Stevens\*

\*Members of the Comprehensive Plan Committee

**Town of Hilton Head Island Staff**

Stephen G. Riley, Town Manager  
 Greg DeLoach, Assistant Town Manager  
 Charles Cousins, Director of Community Development  
~~Jill Foster, Deputy Director of Community Development~~  
 Shawn Colin, ~~Comprehensive Planning Manager~~ Deputy Director of Community Development  
Jennifer Ray, Planning and Special Projects Manager  
 Teri Lewis, LMO Official

**Comprehensive Planning Team**

Shawn Colin, Deputy Director of Community Development ~~Comprehensive Planning Manager~~  
Jennifer Ray, Planning and Special Projects Manager  
 Jayme Lopko, Senior Planner Community Development  
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 Marcy Benson, Senior Grants Administrator  
~~Heather Colin, Development Review Administrator~~  
 Sally Krebs, Sustainability Coordinator Community Development  
 Darrin Shoemaker, Transportation Engineer, Public Projects and Facilities

# 1 Introduction

## Overview

A comprehensive plan is the foundation for growth and development in a community. It provides a baseline of existing conditions and outlines a blueprint for future development in the community, in the form of plans, maps, concepts, goals and implementation strategies. While state laws typically do not dictate how far into the future the comprehensive plan should look, twenty years is a widely accepted timeframe. Less than that is not realistic in terms of laying the blueprint for the future, and more than that is placing too much credence on assumptions about the future economy and other factors affecting a community's growth.

The Comprehensive Plan reflects the Town's desire to retain its reputation as a quality residential-resort area, maintain a sustainable economy, protect the island's cultural and natural resources, and provide for the efficient delivery of public services in a fiscally responsible manner. This plan is crafted as a dynamic guide that reflects the integral components of the community fabric and serves as a tool for community leaders to strengthen and preserve the Town's structure, culture, image and unique sense of place for residents and visitors.

## The Planning Process

South Carolina state law (the Local Government Comprehensive Planning Enabling Act of 1994) requires that all Planning Commissions must develop a comprehensive plan, to guide the development and redevelopment of its area of jurisdiction. State law requires that this plan must include at least the following elements: population, economic development, natural resources, cultural resources, community facilities, housing, land use, transportation, and priority investment. The process of developing each element must include an inventory of existing conditions, a statement of needs and goals, and implementation strategies with time frames to accomplish the goals set forth in the element.

There should be broad based community involvement in the planning process when the plan is being written. State law requires that the Planning Commission re-evaluate the comprehensive plan every five years, and update the plan every ten years. The Planning Commission must adopt a resolution recommending to Town Council that the plan be adopted. The Town Council is required by state law to hold a public hearing to receive public comments on the plan. The Council then adopts the plan by ordinance.

## Comprehensive Plan Elements

The 2017~~9~~ Comprehensive Plan meets the standards of the South Carolina Comprehensive Planning Enabling Act of 1994 and its updates. In accordance with this law, the plan includes the following Elements.

- |                      |                        |                       |
|----------------------|------------------------|-----------------------|
| • Cultural Resources | • Community Facilities | • Transportation      |
| • Natural Resources  | • Economic Development | • Recreation          |
| • Population         | • Land Use             | • Priority Investment |
| • Housing            |                        |                       |

## Introduction and Vision Booklet

An "Introduction and Vision Booklet" was generated in 2010 to provide a summary of the planning effort that included various public participation components, leadership interviews and a cross-sectional scan across the community. It provides an overview to the Comprehensive Plan and a summary of potential

strategies that will shape action and policy decisions for the Town over the next several years. It also provides the connection to the elements of the Comprehensive Plan, which follow in this document.



## 2 Cultural Resources

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

### Introduction

Culture is defined as the totality of socially transmitted behavior patterns, arts, beliefs, institutions, and all other products of human thought and work characteristic of a community or population. Hilton Head Island has a rich cultural heritage, including prehistoric elements and historic sites, structures, human practices, and a strong spirit of volunteerism. Modern development has spawned the emergence of new cultural trends. The Town seeks to preserve and protect its cultural heritage, recognize changing socio-economic and cultural patterns, and promote the fine arts.

This inventory and analysis of cultural resources considers three areas of existing resources: historical/cultural resources, arts, and community character.

### 2.1 Historical/Cultural Resources

Hilton Head Island is the second largest barrier island on the east coast. It is roughly 12 by 5 miles (or 29,000 acres). Due to its location near Port Royal Sound, Charleston, and Savannah, the Island played an important role in early Indian settlement, plantation agriculture, the American Revolutionary War, and the War Between the States (Civil War).

#### **Origin of the Name**

In 1663, Captain William Hilton sailed on the *Adventure* from Barbados to explore lands granted by King Charles II of England to the eight Lords Proprietors. In his travels, he identified a headland near the entrance to Port Royal Sound and named it "Hilton's Head". He stayed for several days, making note of the trees, crops, "sweet water" and "clear sweet air".

In 1698, the Island was granted as part of a barony to John Bayley of Ballingclough, County of Tipperary, Kingdom of Ireland. Another John Bayley, son of the first, appointed Alexander Trench as the Island's first retail agent and for a time, the Island was known as Trench's Island. In 1729, Trench sold land to John Gascoine which Gascoine named "John's Island", which later came to be known as Jenkin's Island after another owner.

In 1862, the Island's name was changed to Port Royal and lastly in 1872, the Island's official name was changed to Hilton Head Island.

#### **Historical Events**

During the War of 1812, British troops landed on Hilton Head and burned most of the Island homes. By 1860 there were over 20 plantations in operation. Some of these plantation names are still in use today as streets – Myrtle Bank, Talbird, Braddock Point, Leamington, Pineland, & Seabrook. The Island was populated mostly by slaves and overseers who worked the cotton, indigo, and sugar cane. Sea Island cotton was known world-wide and made the land owners very wealthy.

Shortly after South Carolina seceded from the Union and the first shots were fired on Fort Sumter, Hilton Head Island played a major role in the war. In November of 1861, the largest naval battle ever fought on the American coast was waged between the Union fleet and the Confederates. Fort Walker, which is in today's Port Royal Plantation, was overrun within hours by more than 12,000 union troops. Many of the

Island families had to evacuate their plantation homes. By 1862, with 20-30,000 Union troops, some prisoners, and escaped slaves, Hilton Head Island's population swelled to over 40,000.

Hundreds of ex-slaves flocked to Hilton Head Island, where they could buy land, go to school, live in government housing, and serve in what was called the First Regiment of South Carolina Volunteers (although in the beginning, many were "recruited" at the point of a bayonet). A community called Mitchelville (in honor of General Ormsby M. Mitchel) was constructed on the north end of the island to house them. Mitchelville became the first "Freedmans" village and was settled by freed slaves.

On August 27, 1893, the Sea Islands Hurricane made landfall near Savannah, Georgia with a storm surge of 16 feet (5 m) and swept north across South Carolina, killing over a thousand and leaving tens of thousands homeless.

### **Agriculture and Maritime Activity**

Rice became a major crop in St. Luke's Parish (southern Beaufort County) after the Revolutionary War; fields were located primarily by the Savannah and New Rivers. Rice was grown for a short time on Calibogia Plantation in the 19th century, but it was not an important commercial crop on Hilton Head Island. Most historians attribute rice's failure to the lack of fresh water to flood the fields. The significance of the rice culture in South Carolina is that it provided the impetus for use of slave labor for agriculture.

Indigo, used to produce blue dye for textiles, also became a major cash crop in the South Carolina colony. Many Lowcountry planters were able to use slaves to process rice and indigo during the same season, increasing labor efficiency and profits.

The first crop of Sea Island cotton was grown in Myrtle Bank Plantation in South Carolina on Hilton Head Island in 1790. After the boll weevils destroyed Sea Island cotton, Hilton Head's population dropped to only a few hundred, most of which were descendants of slaves. Farming, fishing, and commercial oystering were how the Hilton Head and Sea Islanders lived.

The local seafood industry has been part of Hilton Head Island and the Lowcountry since colonial times. As time has progressed this industry has faced and will continue to face many challenges including: rising fuel and labor costs, age of fleet, loss of maintenance and processing facilities, increased land values affecting waterfront access, and low prices of imported seafood.

### **Modern Development**

Electricity arrived on the Island in 1950. At this time, Hilton Head Island was still only accessible by boat. In 1956 Charles Fraser, the Father of Modern Day Development of Hilton Head Island, had a vision and created a master plan for a world class resort called Sea Pines. Also in 1956, the first bridge connecting the Island to the mainland was built. The Byrnes Bridge was a two-lane swing bridge. The swing bridge was replaced in 1982 with the existing four-lane bridge.

In 1960, Charles Fraser built the Island's first golf course, the Ocean Course in Sea Pines. In 1967 the Hilton Head airport opened, Harbour Town village was completed in 1969 and Arnold Palmer won the first Heritage Classic Golf Tournament. The Island's population in 1973-75 was around 6,000 with around 350,000 visitors annually. The Hilton Head Hospital was completed in 1975. In 1982, the population was 12,500 and there were more than 500,000 visitors. Hilton Head Island incorporated into a municipality as the Town of Hilton Head Island in 1983.

The Town of Hilton Head Island turned ~~twenty-five-thirty~~ years old in 2013~~07~~, and had a population between 35,000 and 40,000, and was host to over 2.1 million visitors. Development for Hilton Head Island, Bluffton, and Beaufort and Jasper Counties will remain strong for many years to come due to a desire to live in its environmentally planned communities and take advantage of the active outdoor lifestyle and natural beauty this area has to offer - the sandy beaches, sweeping marshes and pristine waterways.

### **Gullah Culture and Heritage**

The Gullah culture is a unique aspect of the history of the Island that could be used as an economic driver through marketing of the culture to draw tourists to the Island. The Gullah Museum could become an important visitor attraction as well as an educational piece for both visitors and residents. ~~The recently established~~ Gullah/Geechee Cultural Heritage Corridor was established in 2006 and includes the Town of Hilton Head Island. The four-state cultural heritage corridor is a congressionally designated National Heritage Area that encompasses coastal communities from Wilmington, NC, through South Carolina and Georgia, to Jacksonville, FL, and extends about 30 miles inland. These historic lands and communities have been inhabited by Gullah/Geechee people for more than three centuries. Figure 2.1 illustrates the Gullah-Geechee Cultural Heritage Corridor.

**Figure 2.1: Gullah/Geechee Cultural Heritage Corridor**



Source: National Park Service 2009

### **History**

The Gullah culture started with the transportation of African slaves to the Sea Islands of South Carolina, Georgia and Florida. The Sea Islands served as an excellent location for the Gullah culture because of its separation from the mainland by creeks, rivers, and marshes. The African slaves, who came from different regions in Africa, brought with them their language, culture and traditions. Because of their geographic protection from outsiders and strong sense of family and community, Gullah/Geechee people maintained a separate language and developed distinct culture patterns, which included more of the African cultural tradition than African-American population in other parts of the United States. Collectively these traditions and languages have merged into one to form Gullah. The Gullah culture has survived over the years by Gullah elders passing down the language and traditions to their children.

### **Traditions**

The Gullah/Geechee people of the Low Country and Sea Islands of South Carolina, Georgia, Florida, and North Carolina are a distinctive people. They are also the only African American population of the United States with a separate, long-standing name identifying them as a separate people. They are distinct among African American peoples in this development of a tradition that depends as much upon maritime



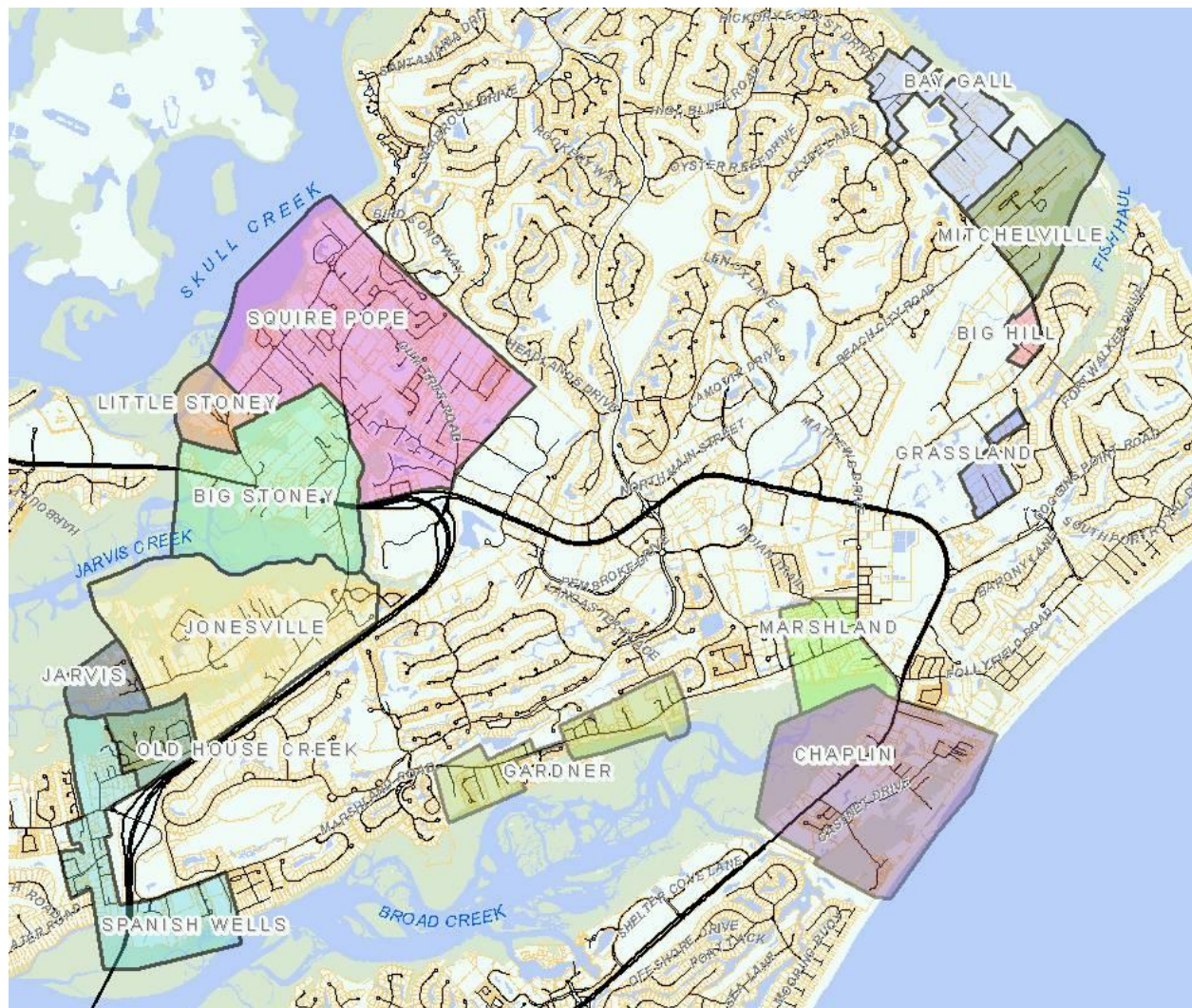
resources as upon land resources, including basket weaving and net making. Historically they are speakers of the only true African American creole language of the continental United States.

Gullah/Geechee cultural heritage, eating habits, cooking styles, music, language and traditions have made significant contributions, not only to the lives of southerners but also to all Americans. Recognizing the pivotal place that Gullah/Geechee people, language, folklore, and culture have occupied in African American scholarship.

### **Residential Settlement of Hilton Head Island**

The settlement patterns for residential areas of Hilton Head Island are primarily composed of PUDs (Planned Unit Developments), Historic Native Island Neighborhoods, and early resort style neighborhoods. The Historic Native Island Neighborhoods are illustrated in Figure 2.2.

**Figure 2.2: Historic Native Island Neighborhoods of Hilton Head Island**



Source: Information provided by the Native Island Business and Community Affairs Association (NIBCAA) Land Management Ordinance (LMO) Committee.

### **Historic Landmarks and Archaeological Sites**

There are many historical or culturally significant properties in the Town. One Three structures, the Leamington Lighthouse, Cherry Hill School, and Fort Howell and five sites (Mitchelville Fish Haul Archeological, Green's Shell, Baynard Ruins, Sea Pines-shell ring, and Skull Creek-shell ring) have been placed on the National Register of Historic Places. Other properties are listed as potentially eligible for the National Register. There are currently no is one historic zoning districts or overlays within the Town.

the Mitchelville (MV) District, and other ~~than the~~ historic land use designations assigned to sites within the Master Plans of the Planned Unit Developments. The purpose of the Mitchelville District is to recognize the historical and cultural significance of this area of the Island. Figure 2.3 illustrates historic landmarks and archaeological sites located on Hilton Head Island. Additional documents and maps regarding certain sites may be found at the Heritage Library.

### **Additional Cultural Resources**

#### **Mitchelville Preservation Project**

In 1862, shortly after the Emancipation Proclamation was signed, most of the African American slave population was trying to adjust to the idea of their new post-war freedom. The people of Mitchelville were busy creating a completely new, self-governed culture that would be used as a guide for the generations that followed. On April 15, 2010, the Mitchelville Preservation Project (MPP) was granted a 501(c) (3) status for a charitable nonprofit organization. The mission of the Mitchelville Preservation Project is to “replicate, preserve, and sustain an historically significant site and to educate the public about the sacrifice, resilience and perseverance of the freedmen of Mitchelville, which in 1862 was the first self-governed town of freed slaves in America.” The MPP Board is made up of up to twenty one volunteers with various backgrounds that meet monthly to plan events and activities, discuss educational opportunities, discuss research and development, review finances, and discuss fundraising.

#### **Heritage Library Foundation**

The Heritage Library Foundation is comprised of two main components, namely the Hilton Head Island Historical Society and the Hilton Head Island Genealogical Society Group. These cultural resources are devoted to acquiring, preserving and recording the history of the Island and its people, and to making this history available to all citizens and visitors. The Heritage Library contains more than 4,000 volumes of history and serves as a valuable resource for history, family heritage research, historic preservation, education, and community outreach. The Heritage Library is one of the most comprehensive in the region, with microfilm readers, computers, Internet access, and collections of books, microfilm, microfiche, CDs, manuscripts, periodicals, video tapes, and maps. Teams of Heritage Library Foundation members and friends work at Fort Mitchel and the Zion Chapel of Ease cemetery to preserve the remaining physical evidence of the Island's past so area residents and visitors may appreciate and understand its heritage. The Foundation assists family historians in publishing research and publishes selected manuscripts of out-of-print works from the Library's collections.

#### **Education**

USCB (University of South Carolina at Beaufort) is one of the Island's major resources for higher education. It brings USC's statewide mission of teaching, research, scholarship, and public service to the rapidly growing Lowcountry of South Carolina. It is accredited by the Southern Association of Colleges and Schools and offers baccalaureate degrees and numerous continuing education programs. The university's degree programs respond to regional needs, draw upon regional strengths, and prepare graduates to participate successfully in local and global communities.

TCL (Technical College of the Lowcountry) serves the Island as well. One of sixteen colleges comprising the South Carolina Technical College System, the Technical College of the Lowcountry (TCL) traces its origin to the Mather School founded in 1868. TCL is a comprehensive, public, two-year College dedicated to serving the diverse educational needs of Beaufort, Colleton, Hampton and Jasper Counties. The College annually serves approximately 8,500 credit and continuing education students, a mix of traditional, non-traditional, full-time, and part-time. TCL provides quality, affordable academic and technical programs leading to Associate Degrees, Diplomas and Certificates.

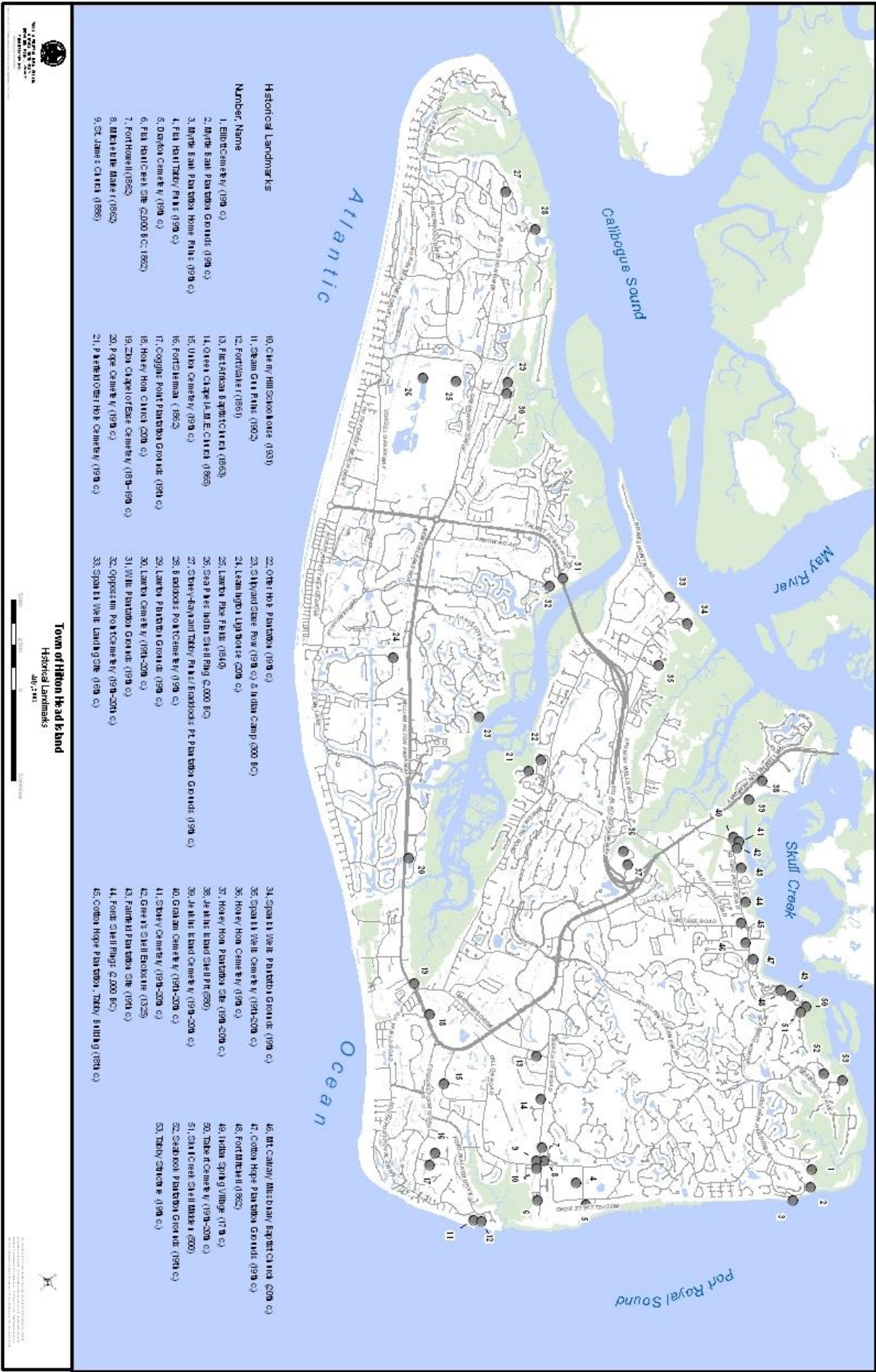
Other adult education services are provided by Beaufort County School District, such as GED training and testing. One of the largest adult education organizations serving Hilton Head Island is USCB's Osher Lifelong Learning Institute (OLLI) programs. This program offers a wide variety of classes such as: philosophy, history, art, music, current events, political issues, religion, science, literature, and languages.

## Implications for the Comprehensive Plan

- Recognize the importance of the shrimping industry as part of Lowcountry history and culture by encouraging lowcountry sustainable seafood industry initiatives.
- Several studies have been completed on single archaeological sites on Hilton Head Island. The last archeological survey of the Island was completed in 1986 for the Comprehensive Plan. The 2004 Comprehensive Plan acknowledged the need for further study of the Islands historic and archeological sites.
- The Town of Hilton Head Island does not require routine archaeological assessments as part of the development approval process, except through the review of the project by the State of South Carolina, Department of Archives and History. The only protection for these sites is through the Town's Municipal Code, Chapter 2 Sections 17-2-111 and 112 that states it is unlawful to damage, deface, or loot archaeological or historic sites, tombstones, and monuments.
- The 2004 Comprehensive Plan noted that historic sites behind the gates of communities should be accessible to the public for education and viewing. Current access to historic sites is limited to guided tours by the local museum (for a fee) in Port Royal, automobiles in Hilton Head Plantation (no tour buses), and for a fee of six five dollars to enter Sea Pines.
- Native Island cemeteries located behind the gates of communities are currently accessible to those visiting family within the cemeteries. The 2004 Comprehensive Plan recommended that access to these historic sites and cemeteries be maintained and options researched to make these areas more easily accessible.
- Typically, Native Islanders are African Americans who lived on Hilton Head Island before modern development and who trace their roots to Gullah slaves from central and western Africa. After the Civil War, freedmen established farms, small communities, schools, and churches throughout the Island. Several of the community names are still used to describe historic neighborhoods. The 2004 Comprehensive Plan recommended mapping these historic neighborhoods, which is shown in Figure 2.2, Historic Neighborhoods of Hilton Head Island.
- The Town's unique sense of place and character through the preservation and maintenance of cultural heritage and historical resources should be enhanced as a valuable cultural resource.



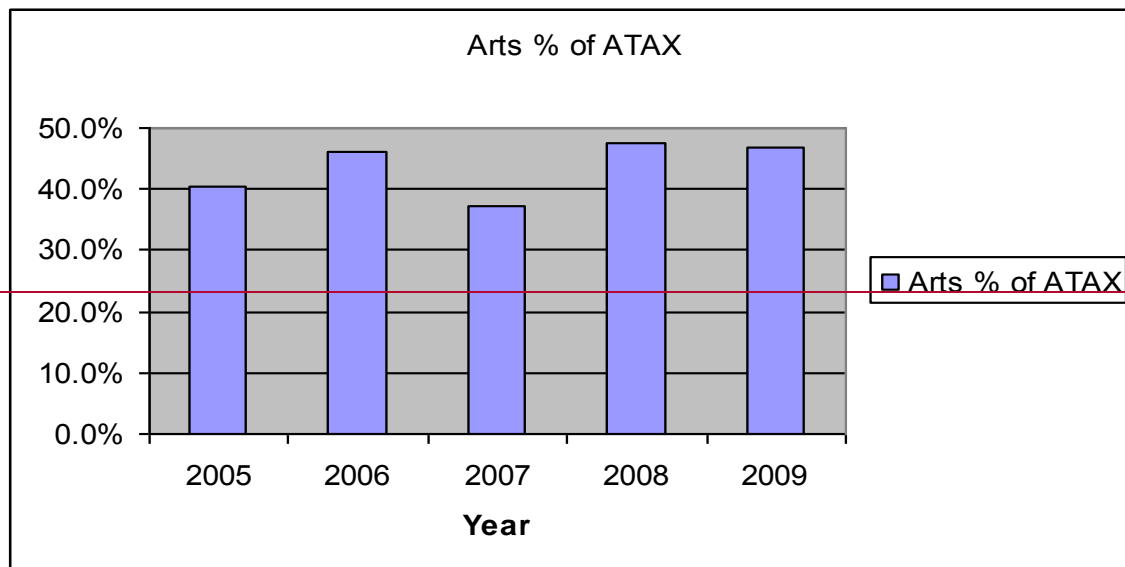
Figure 2.3: Historic Landmarks and Archaeological Sites



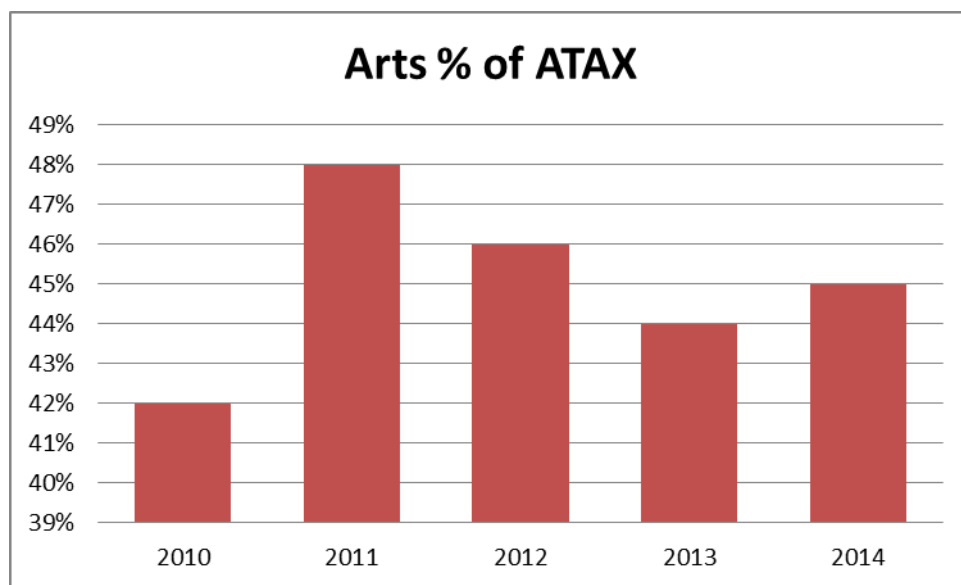
## 2.2 Arts

### Considerations for the Arts

- The fine arts play an integral role in contributing to a sense of community, and to an increased appreciation for our diverse cultures.
- Education has been identified as an important component to the arts organizations.
- Arts ~~organizations groups~~ are always searching for places to display their work in such places as public buildings, displaying art on public and private properties, as well as Town parks.
- ~~In 2009~~ During development of this chapter, participants from various agencies and organizations identified specific needs. Each group voiced different needs; however, all groups agreed there is a need for expanded arts facilities for larger performances, additional education, and gallery space to display work.
- There are currently ~~12~~ 6 venues on the Island utilized by various arts organizations. These venues have a seating capacity that range from ~~73-235~~ seats to ~~1030~~ 2,000 seats for an indoor facility and over ~~5,000-2,500~~ seats for an outdoor facility. Current arts organizations feel they are limited by capacity constraints of available facilities. Current arts organizations also feel their repertoire and quality of their performances are limited by the available venues.
- There are approximately ~~12~~ 9 Performing Artist Organizations, 18 Visual Artist Organizations, and ~~8~~ 9 Cultural ~~Resource~~-Organizations serving our community. There is no one unified group that serves all the groups. This results in each organization requesting assistance to meet only their individual needs when it comes to financing and venues. The organizations recognize the need to work collectively to reach goals and provide improved coordination. The 2004 Comprehensive Plan called for the creation of a Cultural Committee to promote all cultures through art.
- In 2015, the Town adopted an Arts and Culture Mission Statement: To support the advancement of Hilton Head Island as a rich and diverse arts and cultural destination that enriches the lives of our residents and guests.
- In 2015, the Town created the Arts and Cultural Strategic Planning Committee to determine the role, if any, of the Town or other entities in supporting the Island arts and cultural organizations. At the completion of their work, the Committee made the following three recommendations to the Town:
  - The Town should support Hilton Head Island as an Arts and Cultural Destination by elevating it in Town communications.
  - The Town should support and fund the Hilton Head Island Culture & Arts Network (HHICAN).
  - The Town should address the venue issues impacting a significant number of arts cultural, and history organizations.
- In 2016, the Town created the Venue Committee to recommend, if substantiated, the structure, cost, and funding of venue(s), and operational stability, which satisfy the needs of the community and the arts, cultural, and history organizations, maximizing the return on investment for the Town and its citizens.
- In, 2017, the Town created both a Culture and Arts Network Director position and a Culture and Arts Advisory Committee, a new Town volunteer committee to support the Director.
- The arts and cultural festivals are how we gather in this community, to come together and celebrate our heritage in arts, food, wine, etc. In the past five years between ~~37-42~~ and ~~47~~ 48% (a total of ~~\$5,371,079-\$5,513,843~~) of the Town's ATAX (Accommodations Tax) money has gone to support arts and cultural groups on the Island.

**Figure 2.4: Percentage of ATAX dollars awarded to Arts: 2005-2009**

Source: ATAX Data 2005-2009

**Figure 2.4: Percentage of ATAX dollars awarded to Arts: 2010-2014**

Source: ATAX Data 2010-2014

Table 2.1: Hilton Head Island Arts Venues

VENUE	CAPACITY	WHO USES	COMMENTS/CONCERNS
First Presbyterian Church	950	Hilton Head Symphony Orchestra, Hilton Head Choral Society	Stage not large enough, not built for acoustics, not large enough
Hilton Head High School	650	<del>Hilton Head Symphony Orchestra</del> <del>Hilton Head Dance Theatre, Hilton Head Shore Notes</del>	Managed by school so school activities get priority, difficult to get reserved
Arts Center	318	<del>Hilton Head Symphony Orchestra</del> , Hilton Head Dance Theatre, Hilton Head Island Barbershoppers	Arts Center has 5 productions a year that run 3-6 weeks each and 6 shows a year that have 1-3 performances each
Shelter Cove Park	2,500	Hilton Head Symphony Orchestra, <u>Island Recreation Association</u>	All outdoor
<del>Holy Family Church</del>	<del>1,030</del>	<del>Hilton Head Choral Society</del>	<del>Not large enough</del>
<del>St. Andrews by the Sea</del>	<del>400</del>	<del>Hilton Head Choral Society</del>	<del>Not large enough</del>
<del>Christ Lutheran Church</del>	<del>400</del>	<del>Hilton Head Choral Society</del>	<del>Not large enough</del>
Main Street Theatre	235	Main Street Youth Theater, <u>Hilton Head Prep</u>	Not large enough, some need larger stage
<del>Honey Horn</del>	<del>5,000+</del>	<del>High Tide Entertainment</del>	<del>Used for large outdoor concerts</del>
<del>Sea Pines Tennis Stadium</del>	<del>2,500</del>	<del>No longer used</del>	<del>High Tide used to use this facility but could not make enough money to cover the costs of the show with the limited seating</del>
Shoreline Ballroom(Hilton Head Beach and Tennis)	<del>Up to 1,000</del> <u>2,000</u>	Various	<del>Construction planned to add seating up to 2,000</del> <u>5 smaller rooms of various sizes, can be combined to one ballroom</u>
<del>SC Repertory Theatre</del>	<del>73</del>	<del>Unknown</del>	
OFF ISLAND VENUES			
USCB Performing Arts Center Beaufort	467	Used by other County organizations	Arts Council of Beaufort County organizes Festival Series
May River Theatre	206	Used by other County organizations	

Source: Town of Hilton Head Island Community Development Department, 2017<sup>99</sup>

**Table 2.2: Town of Hilton Head Island ATAX Award Recipients: 2005-20092010-2014**

ORGANIZATION	YEARS	TOTAL AMOUNT AWARDED
Arts Center of Coastal Carolina	2005-2009 <u>2010-2014</u>	\$1,953,853 <u>\$1,942,734</u>
The Heritage Library	2005, 08, 09 <u>2010-2014</u>	\$75,250 <u>\$72,150</u>
Coastal Discovery Museum	2005-2009 <u>2010-2014</u>	\$1,477,750 <u>\$851,000</u>
Native Island Business & Community Affairs Association (NIBCAA)	2005-2009 <u>2010-2014</u>	\$400,000 <u>\$401,439</u>
South Carolina Repertory Company	2005-2009 <u>2010-2014</u>	\$88,705 <u>\$69,000</u>
Hilton Head Community & Youth Theatre	2005-2009 <u>2010-2014</u>	\$238,650 <u>\$153,714</u>
Hilton Head Choral Society	2005-2009 <u>2010-2014</u>	\$63,510 <u>\$86,000</u>
Hilton Head Youth <u>Dance</u> Theater	2005-2009 <u>2010-2014</u>	\$56,230 <u>\$54,000</u>
The Sandbox Museum	2005-2009 <u>2010-2014</u>	\$145,550 <u>\$222,500</u>
Other (arts & cultural events)	2005-2009 <u>2010-2014</u>	\$430,645 <u>\$386,053</u>
<u>Mitchelville Preservation Project</u>	<u>2011, 2013, 2014</u>	<u>\$93,000</u>
Hilton Head Orchestra	2006, 08, 09 <u>2010-2014</u>	\$493,000 <u>\$805,489</u>
Art League of Hilton Head	2008-2009 <u>2010-2014</u>	\$90,700 <u>\$234,000</u>
ATAX FOR ARTS & CULTURAL	2005-2009 <u>2010-2014</u>	\$5,513,843 (44%) <u>\$5,371,079 (45%)</u>
TOTAL ATAX	2005-2009 <u>2010-2014</u>	\$12,613,409 <u>\$12,042,174</u>

Source: Town of Hilton Head Island Community Development Department, 201409



### **Art in Public Places Program**

Art in public places enriches our community by engaging the eye, mind and spirit. It creates a sense of place and identifies public spaces, drawing citizens into them and provoking dialogue about what our community should look and feel like. A Town rich in public art is a museum without walls because the artworks are so accessible to our residents and visitors. Public art also helps to create high aesthetic and design standards for all types of building projects.

A public art program can integrate art and art programs into the fabric of the community by means of community participation, cultural exchange between citizens, and collaboration of various professional disciplines such as artists, design professionals, planners and developers among others.

Around the country, private developers are finding that commissioning art is good citizenship. It's also good business. By enhancing the overall quality of a project and giving it a unique character, not achievable in other ways, onsite art helps make space more rentable at higher rates. Public art often becomes a "landmark" itself, helping a project to stand out from the crowd.

### **Purpose**

The purpose is to promote and encourage private and public programs to further the development and public awareness of and interest in, the fine and performing arts and cultural properties; to increase employment opportunities in the arts; and, to encourage the integration of art into the architecture and landscapes of the community.

- It is estimated that for every \$1 invested in the arts community, \$16 in revenue is generated for the local economy.<sup>1</sup>
- Cultural facilities and opportunities are frequently listed as an important factor when a company is considering relocation. Company executives base decisions on whether or not they themselves want to live in the community.<sup>1</sup>
- A perceived lack of cultural offerings inhibits economic development efforts.<sup>1</sup>
- Cultural visitors stay an extra day and spend 50% more than other visitors.<sup>1</sup>
- Communities where artists are valued and efforts are made to help them succeed are successful at retaining and recruiting artists.<sup>1</sup>

### **Public Art Program**

The Community Foundation of the Lowcountry's Public Art Fund Committee was formed in 2007 in an effort to grow a public art collection for the Town of Hilton Head Island by acquiring pieces of art through juried competition, commissions, direct purchases and donations. The first piece was a commissioned sculpture to honor Charles Fraser. The sculpture of Charles Fraser walking the alligator was completed and located in Compass Rose Park in 2010.

The Public Art Fund Committee then started the bi-annual Public Art Exhibition held at Honey Horn. The inaugural Public Art Exhibition was held in the fall of 2011 and resulted in one juried piece being purchased and donated to the Town's public art collection. The "Family" sculpture was the winning piece and was placed in the Chaplin Linear Park in 2012. The 2013 Public Art Exhibition resulted in not only a juried piece but two donated pieces of art as well. One of the donated pieces called "Sail Around" was placed in a Town open space at the corner of William Hilton Parkway and Arrow Road. The second donated piece, "Sandy Roads", is awaiting the redevelopment of the Coligny area for placement. The juried piece called "Carocol" was placed in the new Shelter Cove Community Park. The 2015 Public Art Exhibition was held in the fall of 2015 and resulted in one juried piece being purchased and donated to

1 National Endowment for the Arts



the Town's public art collection. The "Setting Sun" sculpture will be made by the artist and installed in the new Coligny Park when it is completed.

## Implications for the Comprehensive Plan

- There are numerous arts and cultural organizations on the Island. There is no one organization that represents the arts community as a whole.
- Arts and cultural tourism gives the Island a sense of community and provides educational benefits to both residents and visitors.
- The arts can play a role in shaping a community, enhancing unique character, and providing for expanded opportunities for economic development.

## 2.3 Community Character

The definition of Island Character and the manner through which it's achieved is a discussion that has evolved over decades. In 1992, highly motivated by an increasing number of highly visible developments that deviated from the Island's style, the Town's CRB (Corridor Review Board), now the DRB (Design Review Board) gathered some of the most influential developers and design professionals from the Island to officially define the sense of place and design details that are characteristic of Island development. Charles Fraser, visionary and Sea Pines developer, was part of this discussion and shared his notes from the meeting with the CRB. In Fraser's notes it was clear that those involved in the development of the Island had a sincere dedication to outstanding planning and design practices. President James Barker of Clemson University mentioned that ancient Romans believed each place had its own unique spirit; it was the job of the Roman architect to understand the spirit of place by spending time in it before beginning the design, the physical manifestation of the spirit.

The rich history, beautiful beaches, pristine waterways, abundant wildlife and native vegetation of this sub-tropic barrier island presented such serene and natural beauty that developers during the mid-1900's were enticed to begin a new type of master planned community that used restrictive covenants to ensure designs were guided by the unique spirit and natural environment of each site. Characteristic of these early developments were narrow roads with separated bikeways meandering around towering live oaks, large preservations of open space, abundant recreational opportunities and a style of architecture that was born from the site itself. Structures were designed to fit within the canopies of trees, oriented to take advantage of natural light, natural views and site specific microclimates. Nature-blending indigenous materials were used to create a sense of wholeness among the natural and built environment.

As part of the 2008 Community Assessment Survey, Town of Hilton Head Island residents were asked to identify important considerations that should direct future development of the Town. The top five rated responses were as follows:

- Protecting the natural environment (97%)
- Supporting the Island's unique quality of life (93%)
- Promoting a relaxed and friendly environment (88%)
- Integrating architectural styles that blend with existing surroundings (87%)
- Preserving the culture and history of the Island (85%)

In addition, the term "Island Character" was defined by respondents of stakeholder interviews and the Community Assessment Survey as follows:

### Architectural style that blends with surroundings

Fraser Vision

"Southern" style\low-density housing

**Protected, pristine natural environment/ Distinct, unique Island ecosystem**

Pristine Beaches	Buffers	Tree Canopies
Pristine Waterways	Setbacks	Live Oaks
Salt Marshes	Green Spaces	Spanish Moss

**Outdoor amenities**

Golf	Tennis	Water Sports
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**A respect for history and culture of Island**

Gullah	Southern
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**Upscale resort/cultural activities, entertainment and recreation**

Laid-back, friendly hospitality	Low density public lighting	Unique	quality	of	life
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The Town currently has the Corridor Overlay District and Neighborhood Character Overlay Districts that are designed to preserve Island and neighborhood character.

When Charles Fraser started the development of Hilton Head Island, he had a development concept that included 7 basic principles:

1. Do not impose development on the environment
2. Create green space for privacy
3. Keep density as low as profitably possible
4. Create roads for beauty and efficiency not just transit
5. Build no structure higher than the tallest tree
6. Cut only those trees that are absolutely necessary
7. Think always of enhancing the quality of life for those who would be residents of the Island.

**Implications for the Comprehensive Plan**

- These concepts have helped to shape the Island and Community Character for Hilton Head Island and provide a guide to protect these important legacies.
- Character preservation and “sensitive renewal” have been identified as key components to guide growth, regulation and control.

**2.45 Goals and Implementation Strategies****Goals****2.1 Historical/Cultural Resources**

- ~~The goal is to~~ To identify historic and archaeological sites in Hilton Head Island. Various archaeological sites on Hilton Head Island are thousands of years old. A number of churches and cemeteries date back hundreds of years. Even certain modern buildings, which are products of early resort development, have character worth retaining. Without protection these areas may not be preserved into the future. These areas and structures should be recognized and preserved as important elements in the Island's historic heritage.
- ~~The goal is to~~ To provide access to important historic and religious sites located inside gated communities that are currently inaccessible to the public. The Town should encourage improvement of access to these sites, while protecting them from destruction or loss.
- ~~The goal is to~~ To preserve Native Island culture. Increased development and changing demographics have the potential to lead to the loss of Native Islander culture. The Town should assist Native Islanders (Gullah-freedmen descendent) culture with programs that will sustain deep ties to family-owned lands and historic neighborhoods.
- ~~The goal is to~~ To encourage education about the rich cultural heritage of Hilton Head Island.

- E. ~~The goal is to~~To celebrate the Town's unique sense of place and character through the preservation and maintenance of cultural heritage and historical resources. The heritage and legacies of the Native Island Community is cherished and capitalized by the development of a center for Gullah studies.

## **2.2 Arts**

- A. ~~The goal is to~~To support arts through sources such as ATAX funding. In the past the Town has contributed an average of ~~44~~ 45% of total ATAX funds annually to the arts and cultural organizations of the Island.
- B. ~~The goal is to~~To create one vision for the arts and cultural community of the Island. There are numerous arts and cultural organizations on the Island; however there is no one organization that represents the arts community as a whole.
- C. ~~The goal is to~~To have adequate space to serve as a large arts venue with appropriate seating and layout conducive for the type of events that are held on the Island.
- D. ~~The goal is to~~To provide space for local artists for public display of art in parks and within buildings to display their work while adding character to the space where it is located.
- E. ~~The goal is to~~To understand that fine arts are an integral part of the cultural resources on Hilton Head Island, which contribute to mutual appreciation of different cultures, and promote and support those resources as necessary.
- F. ~~The goal is to~~To have a Public Art Program that employs goals such as the following to guide the Public Art in the Town:
- i. The Public Art Program should reflect the diverse spectrum of beliefs, cultural heritage and traditions, and artistic expressions of Hilton Head Island.
  - ii. The Public Art Program should include ~~W~~works of ~~A~~art representing a broad variety of media and styles and support community interests to have an aesthetically built environment.
  - iii. The Public Art Program should endeavor to provide opportunities for artists of all racial, ethnic and cultural backgrounds, artists with disabilities, and artists of all other diverse groups.
  - iv. The program should identify and pursue additional sources of funds such as a 1% fund, and donations of Works of Art to the Town.
  - v. The program should develop public art projects which enhance the public spaces as well as the visual design form and content of the community; which enhance a particular neighborhood; and, which may enhance the tourist and economic potential of the Town and particular sites within the redevelopment program.
  - vi. The program should pursue opportunities to inform the public regarding public art including possibilities for public participation in all phases of the public art process.
  - vii. The program should promote the visual arts and inform and work to increase understanding within the community about the purposes and meaning of the ~~W~~works of ~~A~~art in the Collection.
  - viii. The program should inventory, document, maintain and conserve works of art in the collection, regardless of the source of acquisition.

## **2.3 Community Character**

- A. ~~The goal is to~~To preserve and enhance the natural and physical environments that reflect the character of the Island.

# **Implementation Strategies**

## **2.1 Historical/Cultural Resources**

- A. Consider conducting a Town-wide study of all archeological and culturally significant sites.
- B. Consider developing a historic landmarks protection program to preserve important sites and architecture on the Island. Research the need to create an ordinance, regulations, or a zoning district to offer additional protection to historical and culturally significant sites.
- C. Encourage planned communities and other landowners to provide access for family members, friends and historians to cultural and historic sites ~~in~~ to respect cultural dignity and allow for maintenance of historic areas.

- D. Improve access to historic sites for educational purposes. Research the options of increasing the ease of accessibility to these sites for education, viewing, and maintenance.
- E. Identify historic landmarks and important archaeological sites with a Historic Resource Survey. Elements of the survey should include development approval incentives for preservation, consideration of variances to encourage rehabilitation, purchase and lease options, and moving certain structures to designated Historic Preservation Zones.
- F. Identify appropriate locations for historic markers that identify important people, places, events, and neighborhoods.
- G. Identify historic figures within Hilton Head Island to use for street naming applications. Various books and manuscripts at the Heritage Library Foundation provide extensive information on historic figures with ties to Hilton Head Island.
- H. Work on public land acquisition to preserve historic and cultural sites for future generations.
- I. Cooperate with the Coastal Discovery Museum to establish a strong Gullah cultural education component at the Honey Horn site.
- J. Promote preservation of Gullah/historical neighborhoods and historic structures to help maintain the Gullah culture.
- K. Support the goals of the Gullah/Geechee Cultural Heritage Corridor organization and promote the Gullah culture within Beaufort County and on Hilton Head Island.
- L. Promote educational programs and interpretive signage that help residents and visitors of all ages to understand the long unique history and rich cultural traditions on Hilton Head Island.
- M. Preserve the identity of traditional neighborhoods. Officially, recognize historic neighborhood names by showing their locations on Town maps, and by encouraging other mapmakers to also include the names.
- N. Increase education about Hilton Head Island's diverse cultural resources through the following:
  - i. Continue to fund educational programs and cultural celebrations.
  - ii. Apply for grants to fund development of interpretive facilities and programs about cultural/historic resources.
  - iii. Coordinate with Coastal Discovery Museum and other institutions to provide educational materials and hands-on programs to schools and various subcultures to promote cultural understanding.
  - iv. Provide interpretive displays of cultural artifacts and themes at public buildings, such as Town Hall, the Beaufort County library, and Coastal Discovery Museum.
  - v. Increase awareness of the brochure created by the Chamber that includes a driving tour of important historic and archaeological sites on the Island.
- O. Preserve Native Islander and Gullah cultural history through the following:
  - i. Continue to provide financial support for the annual Gullah Celebration Festival through ATAX grants and other appropriate sources.
  - ii. Incorporate Native Islander history into public parks in and near their neighborhoods.
  - iii. Encourage property owners of family cemeteries to provide for the perpetual protection of the cemeteries.
- P. Provide funding and promotion of cultural events for all cultures represented on the Island, from festivals to art exhibits to prominent entertainers.
- Q. Support and improve media coverage for local arts and cultural events through an enhanced relationship with the local Chamber of Commerce and inclusion in the Town's website and newsletter.
- R. Recognize the economic value of Hilton Head Island's arts and cultural resources in tourism.
- S. Consider the creation of a Cultural Committee to promote all cultures through art and photographic exhibits, theatrical and musical performances, sporting events, etc.

## **2.2 Arts**

- A. Recognize and support the continued education efforts of the arts community.
- B. Evaluate the current public art program.
- C. Support Arts through ATAX funding.

~~D. Evaluate need for arts master plan.~~~~E.D.~~ Utilize Town land for arts and cultural activities.~~F.E.~~ Based on the recommendation of the Venue Committee, if needed ~~C~~coordinate with arts organizations for a new facility that will have a larger capacity as well as being more suitable for quality arts performances. This will help foster additional arts and cultural opportunities.~~G.F.~~ Support the development of an Arts Master Plan to provide a unified position and voice for the entire arts and cultural community, which could include the creation of a Cultural Committee to support the needs and goals of the Arts Master Plan.~~H.G.~~ Work with Chamber to promote arts and cultural as visitor attractors, ~~such as the BRAVO Art and Cultural Festival.~~~~I.H.~~ Research the economic benefits and return on investment for expanding arts venues and programs as a means to attract and enrich the Island experience for residents and visitors.~~J.I.~~ Support development of a Public Art Master Plan.

- i. The intent of developing guidelines is to strike a reasonable balance between allowing the future artist maximum freedom while ensuring that the art is suitable and appropriate for the site and the community.
- ii. Most sites should be located on public property such as Town, State and County owned property, but can include private property having a high degree of public visibility within the area covered by a Public Art Master Plan.
- iii. The Master Plan Map should consider various neighborhood identities, each defining a distinct context for public art. The Map should suggest locations appropriate for placement of public art. The purpose is to alert artist and art selection of the nature and character of each part of Town.
- iv. The Town is concerned with the issue of visual clutter. The approach to avoid such problems on public property is to master plan public art locations. A plan should be developed that identifies in advance the publicly owned locations that are suitable and appropriate for artful public spaces.

~~K.J.~~ Consider Implementing a Percent for Art Density Bonus Program. This program would provide bonus density as an incentive to develop the facilities and the community amenities specified in an adopted public art plan. The private sector would be encouraged to invest in public art such as the following:

- i. Allocate and spend 75% of ~~the~~ 1%-2% of construction costs on a work(s) of art and contribute the remaining 25% directly to the Public Art ~~Trust~~ Fund.
- ii. Contribute the full 1%-2% of construction costs to the Public Art Trust Fund.
- iii. Contribute an amount greater than 25% of 1%-2% of construction costs to the Public Art Trust Fund, and dedicate the balance to on-site artworks.

~~L.K.~~ Consider a Percent for Art CIP Program.

- i. Public art is a creative way to celebrate the Town's unique culture while encouraging public-private partnerships, furthering sustainability in Town projects and enhancing community pride. To complement the numerous projects the Town funds throughout the community, it is recommended that there be established a 1% for Public Art ~~CIP~~ ~~p~~Program.
- ii. To assist with the allocation of the 1% program funds, the Town could partner with the Public Art Committee of the Community Foundation. By working together, the two agencies should seek to reach a broad base of artists with diverse perspectives and talents, while encouraging interest in the Town as a venue for their product, and leverage Town resources.
- iii. "Percent for Arts Program" would require public and private development to allocate 1% of total costs to the creation of public art. The private development participation could be limited to specific areas of the Town where a particular emphasis on art is envisioned.

~~M.L.~~ Consider ~~c~~Creating ~~A~~arts ~~S~~paces.

- i. Finding and retaining affordable live/work space is a problem for artists, painters, sculptors, dancers, and others who require an abundance of well-lit space in which to work. Many artists gravitate to old warehouses and other industrial buildings, but their very presence in an industrial neighborhood often acts as a catalyst, setting in motion a process of gentrification that drives rents up and forces the artists out.

- ii. Art space would be a Town initiative through public/private partnerships to create, foster, and preserve affordable space for artists and arts organizations. The Town should pursue this initiative through development projects, asset management activities, consulting services, and community-building activities that serve artists and arts organizations of all disciplines, cultures, and economic circumstances. By creating art spaces the Town supports the continued professional growth of artists and enhances the cultural and economic vitality of the surrounding community.

## 2.3 Community Character

- A. Preserve and enhance natural and physical environments that reflect character of the Island.
- B. Support development concepts and architectural styles that foster and promote Island and Community Character and that preserve culture or history of the Island.
- C. Protect Island Character and the authenticity of the Island experience.
- D. Consider formalizing the Design Guide through development of a Community Design Element to improve the Comprehensive Plan.
- E. Update Design Guide Standards with a design-oriented focus for redevelopment areas.
- F. Preserve Island and neighborhood character through approved design standards. The Town has a Corridor Overlay District and Neighborhood Character Overlay Districts that are designed to preserve Island and neighborhood character.
- G. The following components should be used to protect Island Character:
  - i. Preserve significant existing site features, trees and vegetation.
  - ii. Treat the landscape as a major element of the project.
  - iii. Provide landscaping of a scope and size that is in proportion to the scale of the development.
  - iv. Design and maintain landscaping in its natural shape and size.
  - v. Design structures appropriate for their use and neighborhood.
  - vi. Promote pedestrian scale circulation.
  - vii. Demonstrate the fundamental principles of good architectural design.
  - viii. Design structures with subtle visual impact and utilize natural colors, materials, textures and colors.
  - ix. Provide lighting that is adequate for safety and enhances the site.
  - x. Coordinate and harmonize the design of structures, parking and site amenities.
  - xi. Provide continuity of design on all facades of the building.
  - xii. Conceal visually undesirable utilities and equipment.



### 3 Natural Resources

*To protect Hilton Head Island's diverse natural resources, which are pivotal to the economic wellbeing of the community and the high quality of life on the Island.*

#### Introduction

The most powerful natural force on earth - the ocean - formed Hilton Head Island and affects it every day. Proximity to water and the maritime environment are foremost reasons why visitors and permanent residents have been attracted to the Island. However, this proximity limits drainage, use of soils, natural vegetation, animal habitat, and development possibilities. These limits are potential conflicts with the development of the Island. A clearer understanding of natural resources will highlight the need to minimize environmental impacts from development and show where opportunities lie for safeguarding the habitat for all living things, including humans.

This element of the comprehensive plan builds on the challenges and objectives that are essential for the future preservation of natural resources in the Town of Hilton Head Island. This plan element is intended to provide the mechanism for guiding resource conservation and development in a way that is consistent with the capabilities of the natural resources, the physical limitations of the land, and the state and regional legal land use planning requirements. Critical to this preservation is the interconnectivity between quality of life and environmental health, one without the other is virtually impossible. This policy document provides background information pertaining to the Town's past accomplishments in preserving natural resources and goes one step further to outline the critical data that will help formulate new key issues and identify the strategies by which to accomplish them. The natural resource issues on Hilton Head Island were identified as fitting into one of the following categories: water quality and quantity, air quality, positive impacts of environmental protection on quality of life, environmental education, and sustainable development.

#### 3.1 Water Quality & Quantity

##### Current Policies:

- The Town has implemented drainage improvements that control stormwater to protect human safety and property. The current Town regulation requires that the first one inch of runoff be retained on site to capture the majority of stormwater-borne pollutants. Controlling the volume (quantity) of polluted stormwater that reaches tidal areas is integral to maintaining a healthy ocean/tidal ecosystem.
- The current requirement of tidal and freshwater wetland buffers helps to maintain and improve stormwater runoff retention on site. The required buffers increase runoff filtration and during the process have the ability to improve groundwater recharge rates. While existing regulations assist in improving and protecting water quality, additional site design standards could ensure that stormwater quantities entering island water bodies are reduced altogether.
- The Town of Hilton Head Island implemented a voluntary water conservation program, along with reuse of advance-treated domestic effluent, or "reclaimed water," for irrigation on golf courses and open spaces in order to decrease overall demand on aquifer resources.
- Freshwater wetlands on Hilton Head Island are protected through the Town's Land Management Ordinance. Alteration of any of these wetlands (with the exception of those located on single family lots) is prohibited without approval from the Town. Mitigation or replacement is required when any wetland alteration is allowed. This regulation is intended to ensure that the vital functions and values of freshwater wetlands are not lost on Hilton Head Island.
- The Town adopted the Broad Creek Management Plan in 2002. This study incorporated a multi-disciplinary inventory and analysis of the Broad Creek ecosystem. The plan included recommendations for improvement of land use policies (such as a decrease in impervious surfaces allowed), recreational opportunities, water quality, and wildlife habitat.

**Data:**

- Water conservation initiatives are increasingly important as the PSDs (Public Service Districts) are continually challenged in meeting the Island's water demands. Current studies show that the saltwater is intruding from Port Royal Sound at a rate more than 200 feet per year. Many of the wells on the north end of the island have been abandoned due to excessively elevated chloride concentrations, several more of the Upper Floridian wells may also be made unusable in the near future.
- It is important to remember that much of the responsibility for water resource management, in terms of conservation as well as pollution prevention, lies with the individual property owner. It is much easier to reduce usage and prevent pollutants from entering the system than to find new potable sources or clean water once it is already contaminated.
- Runoff from developed areas flows into poorly flushed streams and inlets. Without sufficient stormwater retention or wetland interception, sediment and debris, nutrients, disease organisms, hydrocarbons, pesticides, and metals may contaminate natural water bodies. This contamination may harm shellfish beds and pose potential health hazards for humans. Use of conventional stormwater control methods needs to be updated. The use of traditional stormwater ponds in new developments has proven to result in incomplete treatment of runoff, treating E.coli bacteria and removing sediment, but not treating common pollutants such as metals, nitrogen and pesticides as effectively as other stormwater management practices.
- In 2009, ~~T~~the impervious surfaces contained within each of the 34 watersheds on the Island were calculated. Please note that the percentages for impervious surfaces represent the best available data at this time; it is a conservative estimate and in most cases the actual percentages of cover are higher. It incorporates calculations for building footprints, parking lots, tennis courts, roadways and lagoons. Cart and bike paths as well as driveways for single-family are not included in the calculations.
- Local studies have also discussed the relationship between increased buffer width and its ability to effectively remove pollutants prior to reaching adjacent water bodies. Buffers of both medium (24-ft) and large (39-ft) width possessed the highest removal efficiencies for nutrients and proved to be the most effective for filtration of pollutants.<sup>2</sup>
- Town staff completed a comprehensive report which contains a summary and analysis of the water quality monitoring data that has been collected since 1999. This report identified critical areas of concern; while fecal ~~eeli-form~~coliform inputs to Broad Creek have decreased over the years it continues to be a concern at monitoring stations on other tidal creeks, especially during the summer months. Nutrients and turbidity also continue to be a concern during the summer months at the majority of monitoring stations.
- Local studies<sup>3</sup> have shown the effects of watershed urbanization on tidal creek health. The studies showed that creeks with higher levels of impervious cover had measurable physical, chemical and biological impairments compared with undeveloped areas. High impervious surfaces correlated with high sediment contamination, coarser sediments and high fecal ~~eeli-form~~coliform levels.
- Based on national research that has been conducted, 10-15% is the threshold of impervious surface which can be sustained within a watershed. Once the impervious surface exceeds 15%, pollution sensitive insects, which serve as a primary food source for fish and shellfish populations, experience rapid decline.<sup>2</sup> The Island's area above the high tide line is equal to 34.5 square miles, approximately 5 square miles of which is covered with impervious surfaces. The Island is broken down into 34 watersheds, of those watersheds 31 are over 10% and 23 are over 15% impervious surface.
- The U.S. Environmental Protection Agency's (EPA) 1998 Clean Water Action Plan estimated that about half the nation's 2,000-plus major watersheds experience degraded water quality—polluted runoff a primary cause. To address this problem, EPA has urged a watershed management approach,

2 Vandiver, Lisa and A. Fredrick Holland. September, 2007. Vegetated Buffer Efficiency in Coastal Regions of Southeastern United States. Hollings Marine Laboratory, National Oceanic and Atmospheric Association. Contribution of the Hollings Marine Laboratory. Contact: lisa.vandiver@noaa.gov

3 The Trust for Public Land. 1999. Building Green Infrastructure: Land Conservation as a Watershed Protection Strategy. Prepared for the US Environmental Protection Agency.

and proposed that 20% of its Clean Water State Revolving Fund (CWSRF) be set aside to provide communities with more flexibility to protect water.<sup>3</sup>

**Table 3.1: Ecosystem Health and the Relationship to Impervious Surface**

Location	Stream Condition Marker	% Impervious Area where marked change occurred	Reference
Delaware	Decline in species diversity	8-15%	Paul and Meyer, 2001
Georgia	Decline in species diversity	15%	Roy et al., 2003
North Carolina	Water quality (fecal coliform)	>10%	Mallin et al., 2000
South Carolina	Physical, chemical, and biological indicators	10-20%	Holland et al., 2004
Washington	Loss of aquatic system function	10%	Booth and Jackson, 1997
Wisconsin	Decline in species diversity	8-12%	Stepenuck et al., 2002 Wang et al., 2000

- Preservation of wetlands is an essential component of water quality. Intact wetland systems provide highly efficient stormwater filtration. Wetlands control and hold stormwater and, in cooperation with a diverse range of plants, help to intercept and capture primary pollutant loads, prior to discharge into creeks and streams. Other essential functions of wetlands include providing high quality habitat for fish, birds and other wildlife, allowing for groundwater recharge as well as mitigating the effects of peak flooding.<sup>4</sup>
- Poorly maintained irrigation systems can waste water and money. Persistent leaks and broken heads on old or malfunctioning systems can waste more than 12 gallons a minute.<sup>5</sup>
- Debris in waterways has been an issue of concern from both an ecological standpoint as well as an aesthetic one. Plastic bags are one of the primary problems in waterways. They clog storm drains, choke canals and creeks, and lower property values, and degrade recreational areas. In 2007, residents in the San Francisco Bay Area collected over 25,000 bags from San Francisco Bay – this amount represents only a small fraction of the total plastic trash flowing into the Bay and ocean. It is estimated by the California Integrated Waste Management Board that Bay residents use approximately 3.8 billion plastic bags per year and discard over one hundred plastic bags per second. It is estimated that about one million of these bags wind up in the Bay each year where they pollute the water, smother wetlands and entangle and kill animals.
- South Carolina Sea Grant organizes Beach and River Sweep debris clean-up days every year. Between 2006 and 2008, encompassing the areas of Bluffton and Hilton Head Island, over 7,000lbs of debris was collected from our beaches and creeks. In addition, the Town also pays for beach litter patrol and cleanup along roadways.

### Implications for the Comprehensive Plan

- The data collected on the local, regional and national scale suggests that the current development strategies can have a negative impact on water quality. The Town needs to continue to make water

4 Fretwell, Judy D., Daniel Smith, Richard P. Novitzki. October, 1997. National Water Summary on Wetland Resources: United States Geological Survey Water Supply Paper 2425

5 University of Florida Fact Sheet: Conserving Water, Solutions for Your Florida-Friendly Landscape <http://gardeningsolutions.ifas.ufl.edu/water/articles/systems/maintenance.shtml>

quality and quantity a high priority by encouraging water conservation, reducing impervious surfaces, encouraging environmentally sound drainage and flood control practices, as well as sustainably manage stormwater for small and large scale development.

## 3.2 Air Quality

### **Data:**

- As a vacation destination for many, Hilton Head Island receives over 2 million people throughout the year. Due to the primary reliance on personal vehicles for transportation around the island it is important to note the long term impacts traffic congestion on and around Hilton Head Island can have on air quality.
- Ozone levels increase with heat. On hot summer days peak ozone concentration increases by 2 to 4% for each degree Celsius increase in air temperature. Urban heat islands are created in paved areas that have reduced tree canopy shading. By maintaining existing tree cover and continuing to require replacement trees for those removed, overall air temperatures and ground level ozone can be reduced. Trees also trap and filter particulate pollutants which can aggravate human health ailments such as asthma.<sup>6</sup>
- Changes in climate can affect air quality. Warming of the atmosphere increases the formation of ground-level ozone. The National Academy of Sciences recommends that air pollution and climate change policies be developed through an integrated approach. A number of strategies are discussed for climate change, such as: energy efficiency, renewable energy, and reducing the number of vehicles on the highway will provide reductions in emissions that contribute to multiple air quality concerns such as ozone and particle pollution, toxic air pollutants, atmospheric deposition, and visibility.<sup>7</sup>
- The trends in domestic greenhouse gas emissions over time in the U.S. show that the dominant gas emitted is carbon dioxide (mostly from fossil fuel combustion). The data shows that total U.S. greenhouse gas emissions increased 15% between 1990 and 2006.<sup>7</sup>
- Several regional cross-sectional studies in the United States and Europe have shown consistently higher rates of bronchitis and bronchitis symptoms among children with higher exposure to total suspended particulates than in children living in less polluted areas. Recently published reviews on the health effects of air pollution reported chronic adverse health effects even at relatively low levels of ambient particulates in urban areas.<sup>8</sup>
- Motor vehicles contribute up to 70% of ozone-forming emissions in urban areas. Exhaust from automobiles also contributes to haze, particulates and other air and water pollution problems.<sup>9</sup>
- Using data collected on the ground and from satellite imaging of 240 sites over 35 million acres, scientists found that the more untouched a forest, the greater its carbon storage capacity in the total biomass of the trees and soil. It found that the oldest areas of forest can store more than 809 tons of carbon per acre.<sup>6</sup>
- Vehicles emit about one-third of all volatile organic compounds and half of the nitrogen oxides and air toxics that contribute to poor air quality. These contaminants contribute ozone forming pollutants, aggravating asthma and other respiratory ailments.<sup>9</sup>
- In 2002 the United States Environmental Protection Agency estimated our national truck fleet at 500,000. A comprehensive study found that the truck fleet emits approximately 10.9 million tons of

6 Sailor, David, Ph.D. May 10, 2007. The Urban Heat Island – Causes, Impacts and Mitigation Strategies. Mechanical and Materials Engineering, Portland State University.

7 National Academy of Sciences. Understanding and Responding to Climate Change: Highlights of National Academies Reports, 2008 Edition. [http://dels.nas.edu/dels/rpt\\_briefs/climate\\_change\\_2008\\_final.pdf](http://dels.nas.edu/dels/rpt_briefs/climate_change_2008_final.pdf)

8 Frye, Christian, Bernd Hoelscher, Josef Cyrus, Matthias Wjst, H.-Erich Wichmann, and Joachim Heinrich. March 2003. Association of Lung Function with Declining Ambient Air Pollution. Environmental Health Perspectives, Vol. 111, No 3.

9 US EPA, Office of Air and Radiation, Office of Air Quality Planning and Standards. National Air Quality Status and Trends (through 2007).

carbon dioxide and 190,476 tons of nitrous oxide as well as consuming 960 million gallons of diesel fuel while idling.<sup>10</sup>

- As of March 2008, 35 cities, counties and/or states have adopted anti-idling ordinances, which greatly restrict the time vehicles can remain stationary with the engine on. Locations with ordinances enacted include the City of Atlanta, City and County of Denver, City of New York, ~~as well as~~ the states of California, Massachusetts, Rhode Island, and New Hampshire, as well as many others.<sup>11</sup>
- The ~~2008-2013~~ daily average for traffic coming over the bridges onto the island was approximately ~~47,900~~ 52,100 vehicles. The numbers have increased from ~~ten-fifteen~~ years ago when the daily average was 42,300. The increasing volume of daily traffic brings with it unintended but significant impacts to air quality, water quality and wildlife.

## Implications for the Comprehensive Plan

- Toxic and cancer-causing chemicals can be inhaled directly or carried by small particles into the lungs. Millions of pounds of these chemicals are emitted into the air over our nation every year by motor vehicles and by both large and small industry. The Town needs to consider the human health and environmental implications of declining air quality and act to prevent further degradation through alternative and innovative transportation strategies, providing incentives for energy efficiency, researching the feasibility of enacting an anti-idling ordinance and maintaining effective tree protection and replanting regulations.

## 3.3 Positive Impacts of Environmental Preservation on Quality of Life

### Current Policies:

- Town staff has in the past and continues to work with multiple non-profit, municipal, county and state agencies on accomplishing regional goals to maintain and improve quality of life throughout the Lowcountry. Some of the recent projects include the Together for Beaufort Water Quality Task Force and the Natural Assets Element of the Southern Beaufort County Regional Plan.
- The acquisition of property and subsequent creation of parks by the Town of Hilton Head Island has opened vistas as well as increased open space opportunities for the public. Additional opportunities may develop as new land acquisition is completed.
- To prevent the eventual disappearance of the dry sand beach, the Town renourishes the beach periodically. The most recent beach renourishment was completed in ~~2017~~07. The Town also conducts semi-annual surveys of beach conditions.
- The Town adopted a Beach Management Plan in 1991 which inventoried and evaluated existing conditions along the beach, and identified needed improvements to facilities and regulations. An update to this plan was adopted ~~completed~~ in ~~2016~~08, which serves as an appendix to this document.
- The Town has been proactive in the creation of additional dune systems on the beach front. The sand fencing installation and native plantings completed after the 1997 renourishment have been very successful in creating new dune systems. Additional planting and fencing was installed on the beach during the spring of 2008 as part of the 2007 beach renourishment. Limited sand fencing was placed in selected areas in 2013 and 2014 to slow erosion and to create additional dune systems.
- In order to help prevent development from encroaching on the natural dune systems along the beachfront, a Critical Storm Protection and Dune Accretion Area and Transition Area was established for South Forest Beach and adopted by Town Council in 2006. In 2008, the process was initiated to

10 US EPA, Office of Air and Radiation: Study of Exhaust Emissions from Idling Heavy-Duty Diesel Trucks and Commercially Available Idle-Reducing Devices. EPA420-R-02-025, October 2002.

11 American Transportation Research Institute, Compendium of Idling Regulations, March 2008.



extend the shoreline protection area for the entire beach, from Lands End in Sea Pines Plantation to Fish Haul Creek. In September 2009 the extension was adopted by Town Council.

### **Data:**

- Major findings of the Hilton Head Island Community Survey reported that 98% of residents promote protecting the natural environment during the redevelopment process and 93% support maintaining the Island's unique character, which is directly related to the preservation of intact natural resources such as beaches, creeks, wetlands and forests.
- Bulkheads adjacent to the salt marsh protect private property, but restrict the growth of productive cordgrass that provide wildlife and water quality benefits. The construction of new bulkheads has been a growing trend on Hilton Head Island. The required backfilling behind newly constructed walls often results in the loss of fringe wetland. The change from a soft shoreline to a hardened structure permanently alters the nearshore habitat for wildlife as well as the long term dynamics of the barrier island environment.
- The use of non-native plants on homesites and in resort areas has resulted in the higher use of fertilizer, irrigation, and pesticides. Exotic plants attract non-native animal species including insect pests. Native plants are lower maintenance, very often more drought and salt tolerant.
- Snags (dead trees), fallen logs, high grass, and shrub rows are prime wildlife habitat. These are routinely eliminated in the normal course of land clearing and landscaping for a more manicured look. It is critical to maintain a diversity of habitats throughout the island to in turn sustain species diversity.
- The preservation of healthy water resources maintains and improves the quality of life for island residents and visitors. Wetlands, beaches and creeks, free of garbage, chemicals, sediments and unsanitary stormwater runoff, are essential for maintaining a good quality of life. This includes reducing prevalence of environmentally related diseases, as well as maintaining a high standard for all recreational activities.<sup>12</sup>
- Research done by the University of Washington indicates that consumers will travel greater distances to visit shopping areas having high quality tree canopy, will stay longer and will spend 9-12% more for goods.<sup>13</sup>
- National research shows that preservation of healthy and properly maintained tree stands is not only good for the local economy but also an important factor in maintaining quality of life.<sup>14</sup> Some of the highlights include:
  - 83% of realtors believe that mature trees have a "strong or moderate impact" on the salability of homes listed for under \$150,000; on homes over \$250,000, this perception increases to 98% (Arbor National Mortgage & American Forests).
  - Landscaping, especially with trees, can increase property values as much as 20% (Management Information Services/ICMA).
  - Healthy, mature trees add an average of 10% to a property's value (USDA Forest Service).
  - In laboratory research, visual exposure to settings with trees has produced significant recovery from stress within five minutes, as indicated by changes in blood pressure and muscle tension (Dr. Roger S. Ulrich, Texas A&M University).
- Trees help moderate the "urban heat island" effect. They also greatly increase human comfort indoors or outdoors. On hot days, trees pump hundreds of gallons of water through their foliage. This water evaporates, keeping the tree and its immediate surroundings cool. While groves of trees reduce local air temperatures, individual trees increase human comfort primarily by controlling solar radiation (radiation is the movement of heat from a warmer body, the Sun, to a cooler body, the Earth). Trees and other vegetation shield people from direct sunlight. Trees also shade soil, pavement, buildings,

<sup>12</sup> Ulrich, R.S. 1984. View through a window may influence recovery from surgery. *Science* 224: 420-421.

<sup>13</sup> Wolf, K.L. 2005. Business district streetscapes, trees and consumer response. *Journal of Forestry* 103, 8: 396-400.

<sup>14</sup> USDA Forest Service. 1993. A Technical Guide to Urban Community Forestry: Urban and Community Forestry: Improving Our Quality of Life. [www.treeseearch.fs.fed.us/pubs/10970](http://www.treeseearch.fs.fed.us/pubs/10970)



and other surfaces that would absorb solar energy and then radiate that heat back to the surroundings. Without the protection of trees, city dwellers are literally surrounded by radiant heat.<sup>14, 15</sup>

### Implications for the Comprehensive Plan

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

## 3.4 Environmental Education

### Data:

- Ecotourism is a growing industry on the Island, and it provides an excellent source of public access, education, and recreation. Ecotours are often water based, with patrons using kayaks under the guidance of experienced personnel. Such programs are enjoyed by residents and visitors alike, and can lead to a greater understanding of and appreciation for the environment. While not currently a problem, duplication of tours by a number of companies could lead to overuse of an area which can degrade the very resources which the tours are seeking to interpret.
- Environmental education is defined as the process of recognizing values and clarifying concepts in order to develop skills and attitudes necessary to understand and appreciate the interrelatedness of humans, their culture and their biophysical surroundings. One of the major roles of environmental education is to educate people to think more on the interaction between human society and the environment, and its long-term consequences.<sup>16</sup>
- A prerequisite for the long-term sustainability of parks and protected areas is public involvement and support for the conservation of natural resources. In order to better educate the public, local environmental education opportunities must be available.<sup>17</sup>
- Environmental education enables residents to make the necessary decisions to ensure adequate resources for both ours and future generations. In turn, environmental education is vital to the concept of sustainable development. The National Environmental and Training Foundation estimates that environmental education about topics such as energy, water and waste management, employee health, cleaner working conditions, and recycling would save small and medium sized businesses alone at least \$25 billion per year.<sup>18, 19</sup>
- The enhancement and maintenance of high quality wildlife habitat is an immediate and direct effect of strong environmental education. Helping visitors and residents understand the impact they have upon the surrounding natural resources encourages the creation of better environmental stewards.
- The National Science Foundation's Advisory Committee for Environmental Research and Education stated in a 2003 report that "in the coming decades, the public will more frequently be called upon to understand complex environmental issues, assess risk, evaluate proposed environmental plans and understand how individual decisions affect the environment at local and global scales. Creating a scientifically informed citizenry requires a concerted, systematic approach to environmental education".<sup>20</sup>

15 National Arbor Day Foundation: [www.arborday.org/trees/benefits.cfm](http://www.arborday.org/trees/benefits.cfm)

16 Dooms, L. 1995. Environmental Education (Belgium: Vrije Universiteit Brussels Press)

17 Sauvé, Lucie. 1996 Environmental Education and Sustainable Development: A Further Appraisal. Canadian Journal of Environmental Education (CJEE), Vol 1, No 1.

18 Fujii, Tomoki. September 2, 2003. Measurement of the benefits of environmental education. Department of Agricultural and Resource Economics, University of California at Berkeley

19 National Environmental Education Advisory Council, Report to Congress, September 2000

20 Complex Environmental Systems: Synthesis for Earth, Life, and Society in the 21st Century, NSF Advisory Committee for Environmental Research and Education (2003) Page 41

## Implications for the Comprehensive Plan

- Our community and our nation's future rely on a well-educated public to be wise stewards of the very environment that sustains us. It is environmental education which can best help us as individuals make the complex, conceptual connections between economic prosperity, benefits to society, environmental health, and our own wellbeing. Ultimately, the collective wisdom of our citizens, gained through education, will be the most compelling and most successful strategy for environmental management. Therefore, the Town should take a leadership position to provide enhanced environmental learning opportunities for community development.

## 3.5 Sustainable Development

### Data:

- Sustainability: Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.<sup>21</sup>
- Large scale roads with wide rights-of-way and high speed traffic are barriers to wildlife movement and create habitat fragmentation, affecting large predators most. Small to moderate scale development fragments drainage and vegetation corridors used for food, shelter, and pathways for wildlife. More sustainable development patterns for the island should be considered during the redevelopment process.
- Findings of the Hilton Head Island Community Survey reported that 84% of residents surveyed supported the notion that environmentally responsible architecture and sustainable development should be a focus of redevelopment.
- The economic stability of Hilton Head Island is greatly dependent upon tourism revenues. The presence of abundant wildlife is a major component of the aesthetic appeal of the island. Maintaining intact wildlife habitat in the form of wetlands, creeks, wildlife corridors, vegetated buffers, mature dune systems and dense forests is critical to the long term sustainability of the island's wildlife population and in turn the economy.
- Commercial insurance payouts in the wake of Katrina were estimated at about \$20 billion. Only recently have some insurance companies begun to address the financial repercussions of global warming. For example, one company is introducing commercial insurance policies encouraging the development of "green" buildings that save energy and reduce greenhouse-gas emissions.
- Arlington County, VA reported energy savings of \$100,000 at its government buildings and a 2% drop in energy intensity in the same county buildings from 2007 to 2008. The 89,973 square-foot Court Square West building cut the amount of energy consumed at the site from 2007 to 2008, with a comprehensive lighting retrofit last year reducing electricity use about 10% at the building. The 30,000 square-foot new Leadership in Energy and Environmental Design-certified Parks Operations building cut energy use about 20% last year compared to 2007.
- Across America, examples are emerging where communities are utilizing tools like land conservation, greenway buffers, the creation of park and recreational areas, natural and constructed wetlands, urban and community forestry, waterfront brownfields revitalization, low impact development, watershed-based management, Geographic Information Systems (GIS) mapping, and other tools to reduce non-point source pollution, control stormwater, and improve water quality. These tools for clean water approaches are often more cost-effective than traditional structural solutions like building new wastewater plants or stormwater collection facilities. Moreover, these tools not only enable localities to achieve clean water goals, but they also help maintain other community objectives, such as preservation of open space and parks, cleanup of environmental

21 Brundtland Commission Report, 1987

contamination and community eyesores, creation of sustainable economic development, saving tax dollars through efficient use of infrastructure, and the improvement of overall quality of life.

- The SC Code of Laws (48-39-250(6)) states that "...it is in both the public and private interests to afford the beach/dune system space to accrete and erode in its natural cycle by discouraging new construction in close proximity to the beach/dune system and encouraging those who have erected structures too close to the system in the past to retreat from it." This would suggest that the Town should consider removing the grandfather clause from the Critical Storm Protection and Dune Accretion and Transition Area Overlay District.
- Already nearly two-thirds of the global population crowd along a coastline, or live within 100 miles of one. If trends continue, 75% will reside in coastal areas by 2025. Most coastal ecosystems have been negatively affected by sprawled development and in turn the excessive pollution produced by that development. The negative impact of coastal development may be compounded by the effects of the sea temperatures rising, which can result in increased beach erosion and more intense, frequent storm activity. In order to meet these challenges, future planning for coastal areas needs to be comprehensive and watershed based. It is vital to strike a balance between the different uses of our coasts in the pursuit of long term sustainability through the utilization of low impact development strategies.<sup>22, 23</sup>
- Business leaders increasingly believe that an environmentally literate workforce is critical to their long term success and profitability, with better environmental practices and improved efficiencies positively impacting the bottom line, while helping to better position and prepare their companies for the future.<sup>24</sup>
- In New York City a tax measure was recently proposed that would charge six cents for each plastic bag used in stores across New York City. If passed, the tax proposal would bring in an estimated \$16 million, making New York City one of the first cities in the United States to implement such a charge on plastic bags. Seattle Washington has proposed charging twenty cents for each plastic bag used. Similar proposals have succeeded elsewhere. In 2002, a 33 cent fee imposed per plastic bag in Ireland led to a 94% decrease in plastic bag usage. In March 2007, San Francisco became the first U.S. city to ban non-biodegradable plastic bags in favor of recyclable and reusable bags. Large department stores in Britain report that charging customers for bags resulted in a 95% decrease in plastic bag use. Fees on single-use bags are proven to reduce litter and plastic bag use and motivate shoppers to switch.
- The United States Green Building Council in cooperation with the Rocky Mountain Institute worked to produce multiple projects including a government building, a regional high school and a housing development, which all maximized resource efficiency and water conservation for the same cost as conventional design. Quality of life, marketability and sustainability have all been enhanced as a result.<sup>25, 26</sup>
- It has become very common for consumers to use their purchasing power to become better environmental stewards. Due to this high demand for purchasing information many websites have been created to provide background environmental information for individual companies. The Town can utilize the same resources in order to raise its level of environmental responsibility. Websites such as [www.betterworldshopper.com](http://www.betterworldshopper.com) help consumers make better decisions. The Town should consider using some of this information when making large purchases, and choosing vendors for routine services such as fuel supply.
- Low Impact Development (LID) is a comprehensive approach to land development and redevelopment that result in a reduction of stormwater runoff volume, increased infiltration of stormwater into the sod, and treatment of stormwater pollutants before they reach surface waterbodies.

22 Hinrichsen, Don, 1995. Coasts in Crisis. American Association for the Advancement of Science. <http://www.aaas.org/>

23 National Association of Local Government Environmental Professionals Trust for Public Land. 2003. SMART GROWTH FOR CLEAN WATER: Helping Communities Address the Water Quality Impacts of Sprawl.

24 Campaign for Environmental Literacy 2007. <http://www.fundee.org/campaigns/nclb/brief2b.htm>

25 Rocky Mountain Institute, Case Studies, 2009. <http://bet.rmi.org/our-work/case-studies>

26 United States Green Building Council, 2008. <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=76>

**Table 3.21: Summary of Cost Savings between Conventional and LID Approaches**

Project	Conventional	LID	Cost Difference	Percent Difference
2 <sup>nd</sup> Ave SEA St	\$868,803	\$651,548	\$217,255	25%
Auburn Hills	\$2,360,385	\$1,598,989	\$761,396	32%
Bellingham City Hall	\$27,600	\$5,600	\$22,000	80%
Bellingham Bloedel Donovan Park	\$52,800	\$12,800	\$40,000	76%
Gap Creek	\$4,620,600	\$3,942,100	\$678,500	15%
Garden Valley	\$324,400	\$260,700	\$63,700	20%
Laurel Springs	\$1,654,021	\$1,149,552	\$504,469	30%
Mill Creek	\$12,510	\$9,099	\$3,411	27%
Prairie Glen	\$1,004,848	\$599,536	\$405,312	40%
Somerset	\$2,456,843	\$1,671,461	\$785,382	32%
Tellabs Corporate Campus	\$3,162,160	\$2,700,650	\$461,510	15%

Source: United States Environmental Protection Agency

## Implications for the Comprehensive Plan

- Coastal municipalities are under increasing pressure to accommodate human-induced changes to the natural environment. In order to sustain long-term wellbeing, the Town needs to employ and encourage others to utilize resource efficiency and low impact development practices on every site.

## 3.6 Goals and Implementation Strategies

### Goals

#### 3.1 Protect Water Quality and Quantity

- ~~The goal is m~~Management of impaired watersheds.
- ~~The goal is t~~To preserve all blueways, which are interconnected waterways that provide aquatic trails for wildlife and recreation opportunities for humans (which includes salt marsh, freshwater wetlands, open canals, ditches and open water systems).
- ~~The goal is t~~To encourage water conservation.
- ~~The goal is t~~To encourage private property owners to incorporate water quality protection measures into their home and/or development.
- ~~The goal is t~~To research the possibility of instituting an irrigation inspection program to assist in water conservation and design efficiency.

#### 3.2 Improve Air Quality

- ~~The goal is t~~To explore opportunities for alternative transportation to limit traffic congestion and pollution, including potential for effective mass transit and other innovative transportation strategies.
- ~~The goal is t~~To preserve and plant trees for reduction of the urban heat island effect and to lessen the formation of disease-causing ground-level ozone.
- ~~The goal is t~~To educate residents and visitors about the impacts of idling and traffic congestion and provide ways in which each person can help to reduce idling time as well as reduce overall personal and commercial vehicle usage. The Island imports nearly 100 percent of goods. The commercial fleet utilized to transport these goods should be encouraged to reduce idling time due to its potential impact on air quality.

#### 3.3 Protect Quality of Life through Environmental Preservation

- ~~The goal is t~~To monitor the effectiveness of the Critical Storm Protection and Dune Accretion Area and Transition Area overlay district.

- B. ~~The goal is to~~To maintain human health through natural resource preservation.
- C. ~~The goal is to~~To maintain beach ecosystem for wildlife (e.g. ~~S~~sea turtle nesting, island glass lizard habitat, piping plover ~~C~~critical ~~H~~habitat).
- D. ~~The goal is to~~To preserve open space (including improvement and enhancement of existing).
- E. ~~The goal is to~~To encourage greenways between present and future town properties.
- F. ~~The goal is to~~To encourage the preservation and/or enhancement of wildlife habitat on all town properties.
- G. ~~The goal is to~~To encourage blueways between present and future town properties.
- H. ~~The goal is to~~To enhance, create and maintain vegetated riparian wetland buffers with viewing corridors and windows.
- I. ~~The goal is to~~To incorporate wildlife design standards for all roads (new and upgrades to existing).
- J. To preserve and enhance our urban forest by continuing to preserve native species and the species mix on the Island.

### 3.4 Maintain Environmental Education and Outreach with the Public

- A. ~~The goal is to~~To initiate and maintain partnerships with other Island, county, state and federal agencies for environmental education purposes (e.g. Coastal Discovery Museum, ~~Friends of the Rivers-Port Royal Sound Foundation~~, Chamber of Commerce, Clemson University, OCRM, SCDNR, ~~and~~ NOAA).
- B. ~~The goal is to~~To continue to communicate with Island residents and visitors for general environmental education relating to stormwater, native plants, buffers, wildlife, ~~and~~ water quality.
- C. ~~The goal is to~~To continue to create and disseminate brochures and other informational material for visitors and citizens.
- D. ~~The goal is to~~To encourage property owners to become 'wildlife friendly' through environmental education.

### 3.5 Promote Sustainable Development

- A. ~~The goal is to~~To create incentives for low impact development (both site and structure design).
- B. ~~The goal is to~~To create a "green" standard for all capital improvement projects.
- C. ~~The goal is to~~To establish a "green" maintenance standard for Town properties.
- D. ~~The goal is to~~To create positive environmental effects on the surrounding neighborhood through ~~the~~ Town open space land acquisition program.
- E. ~~The goal is to~~To preserve wetlands (isolated freshwater are of high priority), ~~individual and stands of~~ trees, ~~specimen trees~~, rare or critical animal habitats, rare or critical plant species, and reduce impervious surfaces in impaired watersheds through land acquisition.
- F. ~~The goal is to~~To reduce and mitigate the negative impacts of sea level rise and global warming effects on Island.
- G. ~~The goal is to~~To explore the opportunity to implement a plastic bag fee for shopping establishments.

## Implementation Strategies

### 3.1 Protect Water Quality and Quantity

- A. Explore incentives to motivate applicants to utilize watershed friendly, low-impact planning strategies during both the development and re-development review process.
- B. Maintain and/or improve watershed condition by reducing impervious surfaces through land acquisition.
- C. Explore the opportunities for trading development rights within impaired watersheds to take development pressure off environmentally sensitive headwater regions, areas of particular concern are watersheds 6, 8, 11, 19, 20, and 22 (see Figure 3.1 Impervious Surface Analysis Map for more details).
- D. Maintain and/or improve watershed pervious surface for Town projects.
- E. Require wetland buffers vegetated with native plants for all land-use types.
- F. Encourage the use of drought tolerant native plantings with high wildlife value (food and cover).

- G. Consider training qualified staff to conduct field inspections of installed irrigation systems to ensure water resource conservation and design efficiency. Inspections conducted by qualified Town staff would assist in saving money for the owner as well as water resources for the entire Island.
- H. Monitor water quality at stormwater discharge points and use the data to guide future infrastructure improvements.
- I. Use the latest technology to monitor environmental conditions and the effectiveness of current regulation.
- J. Implement the recommendations of the Broad Creek Management Plan.
- K. Avoid channelizing naturalized waterways solely for drainage purposes.
- L. Encourage ~~homeowners~~ land owners and developers to utilize alternative stormwater management techniques, through incentives provided by the Town of Hilton Head Island and the Stormwater Utility, to include LID techniques such as bioretention, treatment trains, permeable pavement, and infiltration.
- M. Highlight resources for alternative stormwater management and designs for both single family and non-single family developments on the Town's website.

### 3.2 Improve Air Quality

- A. Promote innovative technologies for alternative transportation. Educate visitors and residents of the impacts that idling and traffic congestion have on air quality.
- B. Encourage bicycle friendly roadways through signage.
- C. Encourage walking districts to reduce daily trips.
- D. Explore opportunities for Park-n-Ride lots on mainland for commuters.
- E. Look at opportunities for staggered work hours.
- F. Continue the conversion of the municipal vehicle fleet to more efficient technology whenever practical.
- G. Continue to encourage the conservation of mature forests.
- H. Require island and median width (min. 15 feet) in parking ~~lots~~ lot construction to accommodate large shade trees ~~(min. 15 feet)~~. Flexibility for other site features may be considered to accommodate this provision.
- I. Encourage private developments to create alternative forms of transportation to essential destinations.
- J. Encourage, through incentives, the use of resource efficiency in new and redevelopment projects.
- K. Preserve vertical layers of vegetation (canopy, understory, shrub, herbaceous) wherever possible and restore these layers in disturbed areas.
- L. Initiate an assessment of the Town's Urban Tree Cover.

### 3.3 Protect Quality of Life through Environmental Preservation

- A. Reduce or remove obstructions for corridors between blueways – especially between freshwater wetlands, salt marshes and beaches.
- B. Investigate incentives to encourage all property owners to replant native trees and understory vegetation. ~~for those removed and keep 3 of their 4 buffers undisturbed in accordance with Design Review Guide.~~
- C. Assist utility companies to maintain easements in a natural state.
- D. Recommend methods to enhance wildlife habitat on Town projects such as parks, natural areas and rights-of-way. Some examples could include nesting boxes, nesting platforms, littoral shelves in ponds, wildflower patches, living hedges and thickets, and enhanced buffers.
- E. Utilize wildlife friendly infrastructure for roads, including but not limited to: culverts for under-road crossings; no curbing or rolled curbing; lower speed limits and/or traffic-calming devices (e.g. curved roads, trees on shoulders, landscaped medians); wooded medians on roadways 4 lanes or greater (act as wildlife crossing refuges); signage to alert motorists of crossing areas.

### 3.4 Maintain Environmental Education and Outreach with the Public

- A. Assist in funding the Clemson Extension Agent.



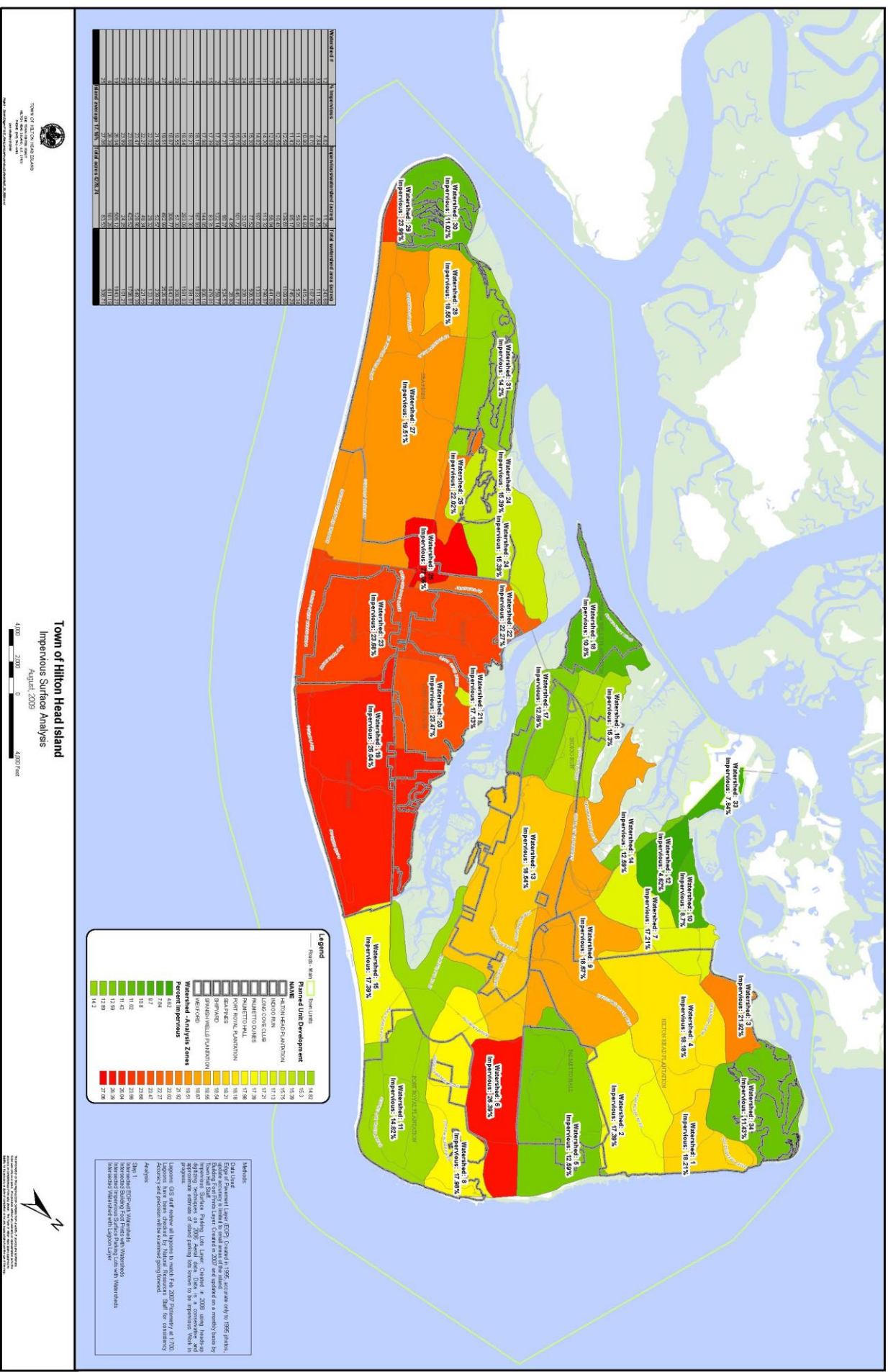
- B. Host workshops and seminars in Beaufort County for the general public's information on environmental issues and regulations.
- C. Show how to reduce nutrient inputs, sediment, pathogens, organic matter and litter before it reaches drainage conveyance systems using demonstration projects and public education.
- D. Implement interpretive signs at Island parks; include researching grant opportunities for financial support.
- E. Develop an education program to inform property owners of the benefits (to their health, property values and wildlife) of preserving or enhancing native vegetation.
- F. Inform the public about programs for certifying backyard wildlife habitat that help make properties wildlife friendly such as: National Wildlife Federation, National Audubon Society, National Audubon Golf Course Certification, and Carolina Yards and Neighborhoods.

### 3.5 Promote Sustainable Development

- A. Develop a comprehensive sustainability plan that addresses green practices throughout its operations to position the Town as a nationally recognized leader in the green movement. This sustainability plan would address the design and construction of new facilities and parks as well as retrofits of existing ~~facilities; assist facilities and assist~~ in the formulation of enhanced regulations for the private sector to follow for new and existing development. It would also include the implementation of an effective Town--wide recycling program and a comprehensive education program.
- B. Integrate a LID menu of optional design techniques into the Land Management Ordinance. Each LID design technique should be incentivized to encourage use by the applicant/developer.
- C. Explore the opportunities for monetary and non-monetary incentives for LID.
- D. Green-up Capital Improvement projects to include achieving green certifications with programs such as Sustainable Sites Initiative, Leadership in Energy and Environmental Design (LEED) or Earthcraft for new and redeveloped Town facilities and infrastructure. It could also include the use of recycled building materials and recycled asphalt for roadways. Other greening initiatives could utilize reflective paint for dark surfaces to reduce urban heat islands, the use of solar panel technology, employment of green roofs, pervious parking, wildlife-friendly crossings during roadway construction, preservation of existing tree canopy, green roofs and rainwater harvest technologies for the capture and reuse of stormwater.
- E. Establish criteria to include during the solicitation process for potential contractors based on level of environmental responsibility. Criteria can be established to evaluate a contractor based on environmental stewardship.
- F. Develop green maintenance strategies, including the use of organic fertilizers and cleaning products, low-VOC paint and carpet.
- G. Increasing building efficiency by utilizing compact fluorescent and other high-efficiency bulbs for light fixtures; and enhancing the weatherproofing for both doors and windows. This may include the need to conduct an energy audit for Town facilities in order to properly assess energy usage and target ways in which the Town could improve efficiency. These projects can then function to provide practical examples for the public to follow and integrate into future developments.
- H. Support beach renourishment activities.
- I. Institute an effective, Island-wide recycling program.
- J. Increase the frequency of the hazardous waste round-ups.
- K. Identify smaller pieces of land for acquisition in order to provide localized benefits such as reduction of stormwater runoff, increased shading of impervious surfaces and overall reduction of impervious surfaces.
- L. Utilize the latest technology to better understand the long term implications of sea level rise and global warming on island natural resources.
- M. Consider eliminating the grandfather clause for non-conformities in the Critical Storm Protection Dune Accretion Area and Transition Area overlay district. This is in order to protect private property from storm surge and sea level rise as well as maintain a mature intact dune system.

- N. The implementation of a small fee for the use of plastic bags would reduce the overall demand, reduce litter, as well as provide a small amount of money to the Town for reinvestment. Low cost reusable bags could be provided by the Town.

### Figure 3.1: Impervious Surface Analysis Map



## 4 Population

*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.*

### Introduction

An accurate description of the population of the Town of Hilton Head Island raises some complicated issues. Hilton Head Island is not a typical Southeastern town and its population is quite different from those of other towns in the South, and indeed much of the United States. The Town's geographic nature, presence of a native island population, tourism based economy and number of seasonal or interval occupancy housing units are the primary reasons for this difference. As an island, the reasons for which people have chosen to move to or remain in the Town are specific to the place: historical family ties, quality of life, natural resources and ocean frontage, unique recreational facilities and its prominence as a retirement community. Hilton Head Island is nationally and internationally recognized as a high quality place to visit, live and retire.

Hilton Head Island is home to an estimated 40,000 people on a permanent, full-time basis. The population continues to grow as the Town matures. Maintaining a high quality of life in the face of rapid growth has been one of the primary challenges faced by the Town. As the population continues to grow and diversify, properly managing development and redevelopment will continue to be a significant challenge.

The community is comprised of families, children and older adults of many races and backgrounds. The Island's residents have chosen to live here for many reasons. Some have come here to enjoy the benefits of retirement while others located here to make a living. Some belong to native families that were born and raised on the island and stay to maintain the historic roots of their family. There are, within the spectrum of the population, different levels of social and economic capacity. An understanding of these elements is the goal of this analysis of the population of the Town of Hilton Head Island.

An inventory and analysis of demographic data for the Town of Hilton Head Island involves several issues: a clear explanation of the most current data available; comparisons of trends indicated in the data; comparisons with Beaufort County, South Carolina, and surrounding communities; and projections of likely future population rates and characteristics. From this type of analysis, it is possible to understand the trends and patterns that have affected Hilton Head Island in the past, the way in which the Town relates to its larger demographic environment, and what the Town may be like in the future.

A clear understanding of political and statistical geography is useful in order to analyze the Town of Hilton Head Island's population. Unlike many municipalities, Hilton Head Island has clearly marked geographic boundaries. Within that area are U.S. Census defined areas called census tracts and block groups. On a broader scale, the census recognizes Beaufort County and the State of South Carolina. Additionally, within Beaufort County there are divisions of "Planning Areas" used by the Low Country Council of Governments for county analysis.

The Town of Hilton Head Island has an unusual asset in the availability of reliable demographic data beyond the normal decennial census tabulations. As special census tabulations have been taken for the years 1975, 1985 and 1995, it was possible to trace the trends of population change over five year intervals. However, no special census was completed in 2005 as it was not cost beneficial to the Town. There are limits to the data available from these tabulations, and it remains necessary to focus on the most complete decennial census (taken in 2010) for some variables.

The 2010 Census was shortened to only 10 questions, in an effort to get more complete results. Some of the information that was contained in the 2000 Census will be updated as an estimate since the information is no longer collected from all respondents.

**Table 4.1: Population Trends, 1980 - 2010**

Year	Hilton Head Island	% Change	Beaufort County	% Change	South Carolina	% Change
1980	11,344		65,364		3,121,820	
1985	17,622	55.3%	80,400*	23.0%	3,333,000*	6.8%
1990	23,694	34.5%	86,425	7.5%	3,485,703	4.6%
1995	28,800	21.5%	102,735*	18.9%	3,698,746*	6.1%
2000	33,862	17.5%	120,937	17.7%	4,012,012	8.5%
2010	37,099	9.6%	162,233	34.1%	4,625,364	15.3%

Sources: U.S. Census Bureau: 1960, 1970, 1980, 1990, 2000, 2010 Census of Population and Housing.

U.S. Census Bureau: special census tabulations for Hilton Head Island for 1975, 1985, 1995.

Notes: \* = US Census Bureau data for inter-census populations and percentages based on estimates.

## 4.1 Population

The total permanent resident population of the Town of Hilton Head Island according to the 2010 Census is 37,099 persons. When compared with the 2010 population of Beaufort County, the Town comprises nearly 23% of the County's population. The Town has seen a steady slowing in the percent of change in the population while the County and State have seen their percent change in population fluctuate. The 2010 Census shows a significant increase in population and percent change in population for both Beaufort County and the State of South Carolina.

Table 4.2, Planning Area Population Trends, shows how distribution of the population in Beaufort County has changed over the past four decades. In 1980, the population of Hilton Head Island comprised 17% of the county, and by 2010 it comprised 23%. The Beaufort/Port Royal area had 59% of the county's population in 1980 and only 28% in 2010. Bluffton's share of the population has grown from 6% to 33% during this period, mainly due to annexations of large vacant parcels that have been built as residential developments which surrounded the previous one square mile Town. All of the planning areas have seen a steady increase in their population except Bluffton Township. The population of Bluffton grew 277% from 19,044 in 2000 to 52,777 in 2010.

**Table 4.2: Planning Area Population Trends**

Year	Hilton Head Island	Beaufort/Port Royal Island	Sheldon Township	St. Helena	Bluffton Township	Lady's Island
1980	11,344	39,017	2,994	5,091	3,652	3,094
1990	23,694	40,710	3,194	6,579	7,084	5,046
2000	33,862	44,563	4,116	9,486	19,044	9,321
2010	37,099	45,343	4,269	11,259	52,777	10,792

Source: Beaufort County Planning Department (data from U.S. Census Bureau)

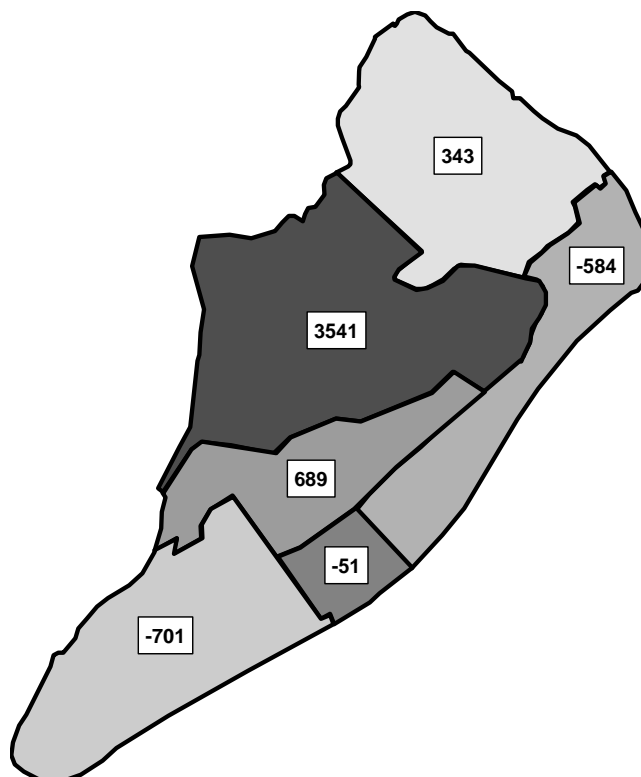
### Recent Population Change

The U.S. Census Bureau performs population counts based on geographic units called census blocks, block groups, and tracts. A block group is made up of, as the name suggests, a group of blocks, and a tract is comprised of several block groups. Typically, census tracts are used to make comparisons of population from one census to the next. For Hilton Head Island, however, the census tract boundaries were slightly modified and renumbered for the 2010 Census, making a direct comparison impossible.

However, it was possible to combine block groups from the 2000 and 2010 censuses to create six areas for comparison. While there were slight variations in the boundaries of these six areas, they were determined to be insignificant for the purposes of this analysis. Figure 4.1, Population Change on Hilton Head Island, 2000 to 2010, shows these six areas along with the population change between 2000 and 2010. Two areas on the south end of the Island had a decrease in population, while two areas on the north end of the Island had significant increases in population. For this comparison the northern section is

comprised of Hilton Head Plantation, Indigo Run and all other areas of the Town north of Broad Creek and Union Cemetery Road. The southern portion includes Sea Pines and Shipyard Plantations.

**Figure 4.1: Population Change on Hilton Head Island, 2000 to 2010**



Source: US Census Bureau. 2010

A possible explanation for these differences in growth between the southern and northern portions of the Island is that there is more tourism related development on the south end and more permanent residential development on the north end of the Island. In addition, the south end was nearly built out by 1990, as it was the location of the early developments on the Island, while the north end was still developing during this decade. In 1990 the northern portion of the Island comprised approximately 39.7% of the total population. By 2000 the population percentages had significantly changed with 50.1% of the total population living in the northern portion of the Town and 49.9 % living in the southern portion. In 2010, the population percentages shifted again to have 56% of the population living in the northern portion of the Island and 44% living in the southern portion of the Island.

### **Seasonal Population Characteristics**

Data for the permanent population of Hilton Head Island does not tell the complete story of the numbers of people that occupy the Island during different times of the year. As a community with a large resort and retirement component, there is a considerably higher actual number of persons on the Island than what was reported by the census tabulations. This population also has fluctuations according to season, making the actual number of persons not only greater than the permanent population by some degree, but also varies throughout the year. Finally, the Island labor force has the effect of increasing the daytime population of the Island as a large percentage of workers commute from off-Island locations. The sum of these factors makes the actual population of the Town of Hilton Head Island very difficult to estimate at any one point in time. The most important aspect of seasonal population on Hilton Head Island concerns the seasonal trends of visitation to the Island. Data from the South Carolina Parks, Recreation and Tourism Bureau have been published in "Lodging Trends in South Carolina" and are used by the Hilton Head Island Chamber of Commerce to describe the business cycle pattern by season, as shown in Table 4.3, Seasonal Visitor Population Trends for Hilton Head Island.



The most significant finding is that visitation in 1987 became more evenly distributed among the seasons and this trend has continued through 2010. ~~W~~whereas, in 1976 a majority of visitors came to the Island during the summer months of June through August. The majority of the shift took place between 1976 and 1987, with only minor fluctuations since 1987. This leveling of the seasonal impact on the Island is viewed as a positive economic factor.

**Table 4.3: Seasonal Visitor Population Trends for Hilton Head Island**

Season	Percent of Annual Visitors by Season by Year					
	1976	1987	1991	1995	2000	2010
Spring	19.7%	28.0%	28.9%	29.8%	29.0%	25.9%
Summer	51.1%	33.3%	31.5%	31.0%	31.0%	33.4%
Fall	21.8%	24.0%	24.2%	23.25%	23.0%	22.0%
Winter	7.4%	15.0%	15.4%	16.0%	17.0%	18.7%

Sources: 1976, 1987, 1991, 1995 from Lodging Trends in South Carolina, S.C. Parks, Recreation and Tourism, 2000 and 2010 from Estimated Monthly Visitors, Hilton Head Chamber of Commerce

## Implications for the Comprehensive Plan

- Permanent and seasonal population has experienced significant growth.
- As an Island with a large commuter work force and large visitor draw, the Town of Hilton Head Island should have accurate counts of seasonal and daytime Island populations. The data is necessary for many reasons, in particular, to assist in planning for evacuations, traffic and transportation infrastructure improvements and the provision of other public services (More information is in the Transportation and Community Facilities Elements).
- Establishing a method for tracking the Island's actual daytime and seasonal population including the impacts of the commuting workforce and seasonal visitor population is important.
- With the growing size and diversity of the Town's population, new and unforeseen challenges are likely to arise. To better understand and address these challenges the Town needs access to a large base of comprehensive demographic information.
- The sense of community on Hilton Head Island needs to be reenergized and all elements of its population made more aware of each other. The Town needs to foster a Town identity and continue to play an active role in merging Hilton Head Island's many communities into one Island community.

## 4.2 Population Projections

### Estimates

Population projections generally concern two issues: an estimate of the current population and statistical projections of future populations. The Town's population, for the years 1995 through 2010, is illustrated in Table 4.4, Population Estimates for Hilton Head Island. Census estimates show the Town of Hilton Head Island's population remaining relatively constant from 2000 through 2008. It appears that the estimates for years 1995 through 1999 and 2001 through 2008 were somewhat conservative as is indicated by the significant spike (8.6% in 2000 and 8.0% in 2010) based on official Census population numbers in 2000 and 2010.

**Table 4.4: Population Estimates for Hilton Head Island**

Date	Population	% Change
1995	27,736	--
1996	29,088	4.9%
1997	29,801	2.5%
1998	30,450	2.2%
1999	31,181	2.4%
2000	33,862*	8.6%
2001	34,080	0.6%
2002	34,671	1.7%
2003	34,647	-0.1%
2004	34,683	0.1%
2005	34,855	0.5%
2006	34,271	-1.7%
2007	33,994	-0.8%
2008	33,913	-0.2%
2009	34,362	1.3%
2010	37,099*	8.0%
<u>2011</u>	<u>37,329</u>	<u>0.01%</u>
<u>2012</u>	<u>38,522</u>	<u>0.03%</u>
<u>2013</u>	<u>39,412</u>	<u>0.02%</u>

Source: U.S. Census Bureau, Population Estimates Program,

\*U.S. Census Bureau 2000, 2010 Population

**Projection Sources and Techniques**

There are numerous factors involved when determining reliable numbers for the projected future permanent population of any town. It is important to note that a projection is actually an issue of policy such that the projected population for a time in the future is based on a certain understanding of desired policies concerning growth and development.

Until recently areas outside of the PUDs have had lower development pressures, but are now targeted as the PUDs are reaching build-out. It is possible that the Island will have reached build-out by 2025, although the concept of build-out is constantly changing as properties can be redeveloped and zoning regulations can change to accommodate higher (or lower) densities. After release of the Census 2000 data only one method, which projected population using an annual growth rate of 3.3%, was close to the official Census count. This method used a steady 3.3% rate of growth, which was the annual population increase from 1990 to 1995 per year, to project population.

Impacts from a national recession, including modifications to lending practices from most financial institutions most likely contributed to a slower rate of growth. A more likely growth rate of 1%<sup>7</sup> would provide a more accurate estimate of population. Table 4.5, Population Projections for Hilton Head Island, provides projections using both methods.

**Table 4.5: Population Projections for Hilton Head Island**

Year	Population Estimates	
	Constant 3.3% Growth Rate	Adjusted 1% Growth Rate
2010*	37,099	N/A
2011	38,323	37,470
2012	39,588	37,845
2013	40,894	38,223
2014	42,244	38,605
2015	43,638	38,991
2016	45,078	39,381
2017	46,566	39,775
2018	48,103	40,173
2019	49,690	40,575

Source: Town of Hilton Head Community Development Department \* U.S. Census Bureau 2010 Population

## Implications for the Comprehensive Plan

- Population projections provide useful information that assists in determining future service needs and proper allocation of land uses.
- Providing updated population projections at a regular interval would provide beneficial information to decision makers in planning for the provision of services in the future.
- The impact of economic conditions, programs such as land acquisition, and changes to zoning all impact potential development within the Town and should be monitored.
- As an island with a large commuter work force and large visitor appeal, the Town of Hilton Head Island needs to have accurate counts of seasonal and daytime Island populations. The data is necessary for many reasons, in particular, to assist in planning for evacuations, traffic and transportation infrastructure improvements and the provision of other public services (More information is in the Transportation and Community Facilities Elements).

## 4.3 Age Distribution

Data concerning the age of the Town of Hilton Head Island's population agree with the general perception that the Town's residents include all age groups with higher than average percentages of older adults and retirees (Table 4.6, Age Distribution, 2010 Town, County, and State). The median age of permanent residents on the Island in 1990 was 39.9. This number increased to 46 years by 2000 and 51 years by 2010.

Children and young adults comprise a much smaller percentage of the population on Hilton Head Island than they do in either Beaufort County or the State (22.5% versus 31.4 and 33.6% respectively). In the 25 to 44 year age category, the Town has a slightly smaller percentage than the County and State, while in the combined grouping of the 45 to 64 year age categories the Town has a slightly larger percentage.

A comparison of retirement-aged residents (65 and older) between the Town, County, and State over time shows that Hilton Head Island's population grew to 28.9% in 2010 from 24.0% in 2000, while it grew to 20.4% in Beaufort County from 15.6% in 2000, and in the State overall it grew only slightly, to 13.6% in 2010 from 12.1% in 2000.

Available 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.

**Table 4.6: Age Distribution: 2010 Town, County, and State**

Age	Hilton Head Island	% of Total	Beaufort County	South Carolina
0-4	1,694	4.6	6.8	6.5
5-17	4,451	12.0	14.4	16.8
18-20	816	2.2	4.5	4.7
21-24	1,380	3.7	5.7	5.6
25-44	7,558	20.4	23.2	25.8
45-54	4,567	12.4	11.4	14.3
55-59	2,535	6.8	6.1	6.6
60-64	3,395	9.2	7.6	6.1
65 & Older	9,226	28.9	20.4	13.6

Source: U.S. Census Bureau, 2010

So, while most age groups of the Town of Hilton Head Island's population continue to increase, the general aging of the population poses some interesting questions for consideration. Clearly, as the retiree population continues to grow, it will place increasing demand on medical facilities and services associated with aging. The way in which property may cycle through age groups in the future, however, is much more difficult to predict.

**Table 4.7: Trends in the Age Distribution of Hilton Head Island's Population**

Age	Percentages							% Change in Share 1975-2010
	1975	1980	1985	1990	1995	2000	2010	
0-4	7.9	5.4	6.1	5.9	4.9	4.4	4.6	-3.3%
5-17	19.1	15.4	13.4	12.4	12.4	12.8	12.0	-7.1%
18-20	4.3	3.3	2.7	2.7	2.3	2.7	2.2	-2.1%
21-24	8.6	7.0	6.8	4.9	3.9	4.2	3.7	-4.9%
25-44	27.6	27.6	32.5	31.0	27.4	24.6	20.4	-7.2%
45-54	8.8	8.8	8.3	9.6	13.0	13.4	12.4	3.6%
55-59	6.8	7.1	5.5	5.5	5.9	7.0	6.8	0.0%
60-64	7.0	9.7	7.9	7.7	7.2	6.9	9.2	2.2%
65 & Older	9.9	15.7	16.8	20.3	23.3	24.0	28.9	19.0%

Sources: U.S. Census Bureau: 1980, 1990, 2000, 2010 U.S. Census  
U.S. Census Bureau - Special Census for Hilton Head Island: 1975, 1985, 1995.

## Implications for the Comprehensive Plan

- Provisions 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.
- The gradual aging of the Town's population presents both new opportunities and new problems. The Town needs to work to insure that the problems are identified and solved. The Town needs to assist the community in best utilizing the skills that older citizens possess.
- Children and teenagers represent the long-term future of the community, as well as the County, State and Nation. Given the many pressures that young people face today, the Town needs to place more focus on the expectations, problems and needs of this segment of the population.

## 4.4 Racial Composition and Trends

The dynamics of the development of the Town of Hilton Head Island in recent decades have contributed significantly to the current racial composition of the Island as well as the trends of change in the past. Currently, the Town's population is predominately white with 82.9% of residents indicating this category in the 2010 Census. The share of white residents in the Town stands in contrast with Beaufort County and South Carolina, where the white population comprises 71.9% of the total population in Beaufort County and 66.2% in the State (Table 4.8, 2010 Racial Composition Town, County, and State). In 1990, the black population in the Town stood at 9.5%, and other races combined were 1% of the total population. In 2000 these percentages had changed to 8.3% for the black population and 6.4% for all other races. By 2010, these percentages had changed to 7.5% for the black population and 9.6% for all other races (Table 4.9, Trends in Racial Composition of Hilton Head Island's Population).

**Table 4.8: 2010 Racial Composition Town, County, and State**

Race	Hilton Head Island	% of Total	Beaufort County	% of Total	South Carolina	% of Total
White	30,751	82.9	116,606	71.9	3,060,000	66.2
Black	2,766	7.5	31,290	19.3	1,290,684	27.9
Other	3,582	9.6	14,337	8.8	274,680	5.9

Source: U.S. Census Bureau, 2010

While the actual population of each racial segment has increased over the past 25 years, the trend has been a high percentage of the overall population being composed of whites, an increasing percentage being others, and a decreasing percentage of blacks. From 1975 to 2010, the white population has grown by over 3% of the share of the total population while blacks have lost over a 12% share of the total. The loss in the percentage of the black population has gained in the percentage of the other population. The other category has grown from 6.4% of the population in 2000 to 9.6% of the population in 2010.

An important trend is the growth of the Hispanic population in the Town of Hilton Head Island. The Census Bureau determined Hispanic origin based on a 2010 Census form question that asked for self-identification of the person's origin or descent. Respondents were asked to select their origin (or the origin of some other household member) from a list of ethnic origins. Persons of Hispanic origin, in particular, are those who indicated that their origin was Mexican-American, Chicano, Mexican, Puerto Rican, Cuban, Central or South American, or other Hispanic. Whereas from 1980 to 1990 the percentage of the Town's residents considering themselves to be of Hispanic origin increased from 1% to 1.4%, the corresponding percentage for 1995 was 4.2%, for 2000 was 11.5%, and for 2010 is 15.8%. It is a reasonable assumption that the actual numbers and percentages of Hispanic residents in the Town are even higher than reported numbers.

This assumption is supported by National and regional evidence indicating that this population may be undercounted. Regardless, the Hispanic population has grown rapidly in recent years and its presence as an important component of the population will likely increase. It would appear that growth trends within the past 10 years outside of the Hispanic population have begun to stabilize somewhat. It can be reasonably expected that the Island's population will tend towards more racial and cultural diversity as the County and State do the same.

**Table 4.9: Trends in Racial Composition of Hilton Head Island's Population**

Race	1980	1985	1990	1995	2000	2010	Change 1975- 1985	Change 1985- 1995	Change 1995- 2010
White	9,659	15,488	21,208	25,547	28,893	30,751			
Percent	85.0%	87.9%	89.5%	88.7%	85.3%	82.9%	7.9%	0.8%	-5.8%
Black	1,647	2,000	2,259	2,647	2,797	2,766			
Percent	14.5%	11.3%	9.5%	9.2%	8.3%	7.5%	-8.4%	-2.1%	-1.7%
Other	38	134	227	611	2,172	3,582			
Percent	0.5%	0.8%	1.0%	2.1%	6.4%	9.6%	0.5%	1.3%	7.5%
*Hispanic Percent	1.0%	1.3%	1.4%	4.2%	11.5%	15.8%	--	2.9%	11.6%

Sources: U.S. Census Bureau 1980, 1990, 2000, 2010 U.S. Census  
U.S. Census Bureau - Special Census for Hilton Head Island: 1975, 1985, 1995.  
Note: \*Not a race by U.S. Census Bureau definitions.

### Implications for the Comprehensive Plan

- The Town population trends are moving toward a slightly more diverse population, which creates challenges and opportunities. Creating a healthy, self-sustaining community that encourages economic and cultural diversity by understanding the needs and assets of the Island's many ethnic groups is important.

## 4.5 Gender Composition

In 2010, there were slightly more females than males on Hilton Head Island, and a similar percentage in the County and State as well (Table 4.10, 2010 Gender Composition Town, County, and State and 4.11, Trends in Gender Composition of Hilton Head Island's Population). In both 1980 and 1990, there were more females than males on the Island, with 52.2% female versus 48.8% males, while in 2000 there was an equal percentage of males and females on the Island.

**Table 4.10: 2010 Gender Composition Town, County, and State**

Gender	Hilton Head Island	% of Total	Beaufort County	% of Total	South Carolina	% of Total
Male	18,206	49.1%	80,089	49.4%	2,250,101	48.6%
Female	18,893	50.9%	82,144	50.6%	2,375,263	51.4%

Source: 2010 U.S. Census

**Table 4.11: Trends in Gender Composition of Hilton Head Island's Population**

Gender	1975	1980	1985	1990	1995	2000	2010	Change 1975-1985	Change 1985-1995	Change 1995-2010
Male	50.1	47.8	48.4	47.8	48.8	50.0	49.1	-1.7%	0.4%	0.3%
Female	49.9	52.2	51.6	52.2	51.2	50.0	50.9	1.7%	-0.4%	-0.3%

Sources: U.S. Census Bureau 1980, 1990, 2000, 2010 U.S. Census  
U.S. Census Bureau - Special Census for Hilton Head Island: 1975, 1985, 1995.

### Implications for the Comprehensive Plan

- Facilities for males and females should be programmed at an even rate.



## 4.6 Households

The 2010 Census report for the Town of Hilton Head Island reported a total of 16,435 permanently occupied housing units, or households, on the Island. Statistics for average household size on Hilton Head Island show there to be smaller households in comparison with Beaufort County and South Carolina (Table 4.12, Household Size Town, County, and State). This fact is consistent with the age statistics for Hilton Head Island, which indicate smaller than average percentages of children and teenagers among the population. Household size has decreased incrementally from the years 1980 to 1995 on the Island, but has remained consistently smaller than comparable figures for the County and State. The 2000 Census showed a slight increase in the average household size to 2.32 persons per household, which is still lower than the County or State figures.

**Table 4.12: Household Size for Town, County, and State**

Year	Hilton Head Island		Beaufort County		South Carolina	
	Number <sup>1</sup>	Size <sup>2</sup>	Number <sup>1</sup>	Size <sup>2</sup>	Number <sup>1</sup>	Size <sup>2</sup>
1980	4,634	2.45	65,364	2.84	1,029,981	2.93
1985	7,551	2.33	NA	--	NA	--
1990	10,334	2.29	30,712	2.60	1,258,044	2.68
1995	12,903	2.23	NA	--	NA	--
2000	14,408	2.32	45,532	2.51	1,533,854	2.53
2010	16,535	2.23	64,945	2.42	1,801,181	2.49

Sources: U.S. Census Bureau 1980, 1990, 2000, 2010

U.S. Census Bureau - Special Census for Hilton Head Island: 1975, 1985, 1995.

Notes: <sup>1</sup> Total number of households. <sup>2</sup> Calculated Average or Mean household size.

## Implications for the Comprehensive Plan

- Smaller average household sizes may result in reduced impacts to community infrastructure such as roads, schools and sanitary sewers. When planning projects and programs these impacts should be considered.
- There is a segment of the population which cannot afford the high cost of housing on the Island. In order to insure the diversity of the Island's population and to develop a healthy self-sustaining community, additional moderate income housing is needed (See the Housing Element for additional details on the difficulties that many families face to find affordable housing).

## 4.7 Education

### School System and Student Population

The Town of Hilton Head Island's public schools are part of the Beaufort County School District. There is further division of public schools into sub districts, called clusters. Schools within the Hilton Head Cluster, and located on the Island include: Hilton Head Island High School, Hilton Head Island Middle School, Hilton Head Island School for the Creative Arts, Hilton Head Island Baccalaureate Academy, and Hilton Head Island Early Childhood Center. There were 4,461 017 students enrolled in the public schools on Hilton Head Island in the 20140-20154 school year. The projected enrollment for the school year 20173-20184 indicates an ~~in~~ decrease in enrollment to 4,304 237 students and projected enrollment for 201917-202048 indicate a further ~~in~~ decrease in enrollment to 4,169 548 students. (For additional information concerning school enrollments and facilities, see the Community Facilities Element.)

Private education institutions that serve elementary and secondary students on Hilton Head Island include the Hilton Head Christian Academy, St. Francis Catholic School, Hilton Head Preparatory School, Heritage Academy and Sea Pines Montessori Academy. In addition, several other private schools operate on Hilton Head Island. The total enrollment of Hilton Head Island's private schools was approximately 1340 as of 2011. Following national trends, the Island is seeing continued growth in private education and the variety of educational sources.

### Educational Attainment

In a statistical comparison with Beaufort County and the State of South Carolina, the Town of Hilton Head Island's population appears to have reached a higher level in the area of educational attainment (Table 4.13, 2010 Educational Attainment Town, County, and State). Just over 7.9% of the resident population over the age of 25 has not completed a High School degree. This is compared to a 9.38% high school incompletion rate for Beaufort County and 16.3% for the State. However, the 2010 Census reveals that both the County and the State have decreased this discrepancy significantly in the last 10 years. The Town's educational attainment statistics (Table 4.14, Trends in Educational Attainment, Hilton Head Island- Educational Attainment Town, County, and State) indicate that while the vast majority of the population over age 25 has at least some college education, further improvement in this area could be achieved.

**Table 4.13: 2010 Educational Attainment Town, County, and State**

Years of School Completed	All Residents 25 or Older					
	Hilton Head Island		Beaufort County		South Carolina	
	Number	Percent	Number	Percent	Number	Percent
0-8	935	3.3	3,868	3.5	175,549	5.8
9-11	1,319	4.6	6,319	5.8	319,871	10.5
12 <sup>1</sup>	5,030	17.6	26,002	23.8	925,719	30.5
13-15 <sup>2</sup>	5,391	18.8	23,959	21.9	621,243	20.5
Associate's	1,674	5.9	8,877	8.1	258,202	8.5
Bachelor's	9,324	32.6	25,184	23.0	473,862	15.6
Graduate	4,940	17.3	15,056	13.8	260,607	8.6
Total	28,613	100	109,265	100	3,035,053	100

Source: 2008-2010 American Community Survey 3-Year Estimates.

Notes: <sup>1</sup> High School Graduate, <sup>2</sup> "Some College" not resulting in a college degree

**Table 4.14: Trends in Educational Attainment, Hilton Head Island**

Years of School Completed	All Residents 25 or Older								
	1980		1990		2000		2010**		Change 1980 - 2010
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
0-8	441	5.6	291	1.7	682	2.7	935	3.3	-2.3%
9-11	361	4.6	792	4.5	1,252	4.9	1,319	4.6	0.0%
12	1,855	23.8	3,394	19.3	4,651	18.1	5,030	17.6	-6.2%
13-15	1,815	23.3	4,533	25.8	5,590	21.8	5,391	18.8	-4.5%
Associate's	*	--	1,108	6.3	1,686	6.6	1,674	5.9	-0.4%*
Bachelor's	3,334	42.7	5,362	30.5	7,902	30.8	9,324	32.6	-10.1%
Graduate	*	--	2,213	12.1	3,876	15.1	4,940	17.3	5.2%*
Total	7,806		17,603		25,639		28,613		

Source: U.S. Census Bureau, 2000, 2010

\* No 1980 data for Associates or Graduate degrees. Change comparison is from 1990 to 2010.

\*\* 2008-2010 American Community Survey 3-Year Estimates.

### Implications for the Comprehensive Plan

- 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. ~~There is an indication that with the projected growth of enrollment that the Hilton Head Island High School will be over capacity by the 2017-2018 school year.~~
- The Town has social capital from a highly educated citizenry. This provides the Town with some advantages as the boards, commissions and other volunteer positions, including community organizations, may be comprised of highly skilled professionals. It also provides a source of labor for future employers.

## 4.8 Income

### Median Household Income

The Median Household Income level for the Town of Hilton Head Island in 2010 was \$67,995 per year (Table 4.15, Median Household Income). Not surprisingly, this figure is considerably higher than that of Beaufort County (\$55,549) or South Carolina (\$43,209).

**Table 4.15: Median Household Income**

	Median Household Income			
	1980	1990	2000	2010*
Hilton Head Island	\$23,854	\$42,999	\$60,438	\$67,995
Beaufort County	\$15,490	\$30,450	\$46,992	\$55,549
South Carolina	\$14,711	\$26,256	\$37,082	\$43,208

Source: U.S. Census Bureau, 2000, \*2008-2010 American Community Survey 3-Year Estimates.

### Per Capita Income

The Town of Hilton Head Island's Per Capita Income is higher than that of the County and State (Table 4.16, Trends in Per Capita Income Town, County, and State). At \$46,424, the Per Capita Income of the Town is 42% greater than the National average of \$26,942.

**Table 4.16: Trends in Per Capita Income Town, County, and State**

	Per Capita Income			
	1980	1990	2000	2010*
Hilton Head Island	\$13,149	\$25,171	\$36,621	\$46,424
Beaufort County	\$6,863	\$15,213	\$25,377	\$32,258
South Carolina	\$5,886	\$11,897	\$18,795	\$23,003

Source: U.S. Census Bureau, 2000, \* 2008-2010 American Community Survey 3-Year Estimates.

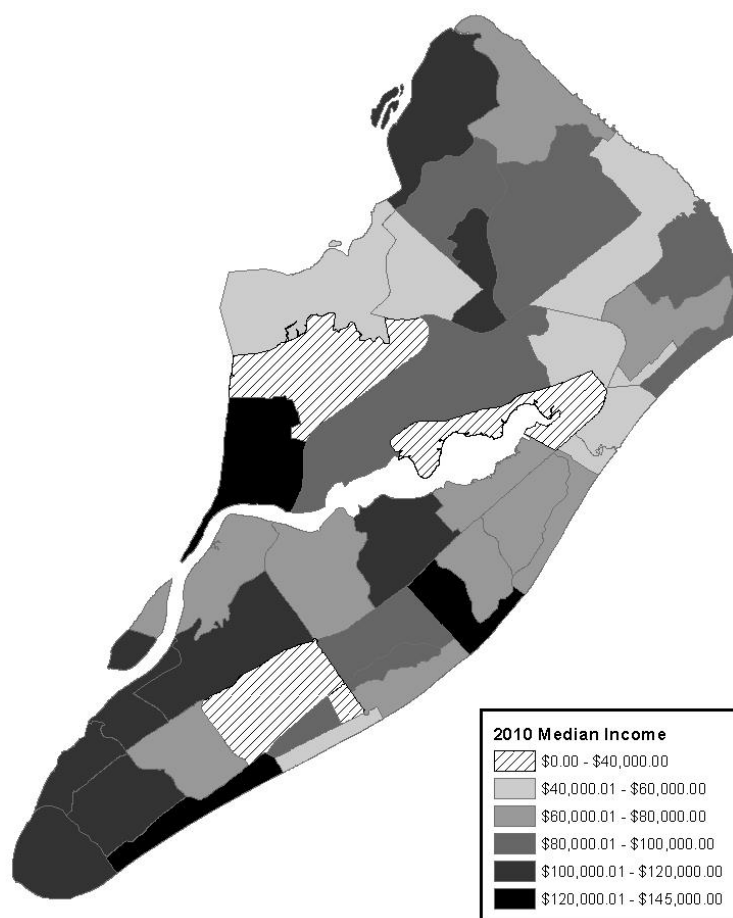
### Income Distribution

Despite higher than average Median Household Income and Per Capita Income levels, the Town of Hilton Head Island does have its share of residents that are not financially stable (Table 4.17, Income Distribution, 2010 Town, County, and State). The U.S. Census Bureau produces annual reports detailing poverty thresholds by size of family. The 3 year estimate for 2008-2010 shows that 4.8% of the Town's families lived below the poverty level. To be considered below the poverty level a family of four would have to make less than \$22,314 annually. The 3 year estimate for 2008-2010 shows that 3,166 Hilton Head Island residents, or about 8.6% of the total population, were below the federally calculated poverty level. Of these 3,166 residents, Census data indicate that 879 were children under the age of 18. The Federal government uses this figure as an indication of the existence and extent of child poverty. When consideration is given to the higher than average cost of living and housing in the Town of Hilton Head Island relative to the region, those in lower and middle income categories may have difficulty living on the Island and making ends meet. The income distribution on the Island as determined in the 2010 Census is reflected in Figure 4.2, Income Distribution, 2010.

**Table 4.17: Income Distribution, 2010 Town, County, and State**

Income Range	Households	Percent of Households		
	Hilton Head Island	Hilton Head Island	Beaufort County	South Carolina
Less than \$10,000	746	4.4	5.7	9.5
\$10,000 to \$14,999	410	2.4	3.9	6.7
\$15,000 to \$24,999	1,521	9.0	9.0	13.1
\$25,000 to \$34,999	1,575	9.4	11.3	11.8
\$35,000 to \$49,999	1,882	11.2	15.2	15.2
\$50,000 to \$74,999	3,238	19.2	19.6	18.2
\$75,000 to \$99,999	2,218	13.2	13.1	11.2
\$100,000 to \$149,999	2,525	15.0	12.8	9.4
\$150,000 to \$199,999	832	4.9	3.6	2.7
\$200,000 or more	1,879	11.2	5.7	2.3

Source: 2008-2010 American Community Survey 3-Year Estimates.

**Figure 4.2: Income Distribution, 2010**

Source: U.S. Census Bureau, 2010

**Source of Income**

The Census Bureau calculates household income amounts from various sources (Table 4.18, [Income Type by Household, 2010 Town, County, and State-Income Distribution, 2010](#)). For the 2010 Census they calculated five categories of income type and the mean value of each type for the Town of Hilton Head

Island. Of the total number of households on the Island (16,826), 11,234 households, or 66.8%, drew wage and salary income with a mean value of \$77,642 in 2010. This compares with 73.2% for Beaufort County with a mean annual salary of \$64,752 and 76.6% for the State of South Carolina with a mean annual salary of \$58,248. Town of Hilton Head Island households draw a significant amount of their income from retirement and Social Security sources. A total of 5,100 ~~households~~ or 30.3% in 2010 and 4,128 ~~households~~ or 28.6% in 2000 ~~of all households~~, received retirement income from a source other than social security. The average amount of non-social security retirement income was \$43,847 in 2010 up from \$32,558 in 2000. Social security income was received by 7,499 households in 2010, up from 5,554 in 2000 for an average of \$20,675 in 2010 and \$14,515 in 2000. Over 45% of all households in the Town of Hilton Head Island receive social security benefits.

**Table 4.18: Income Type by Household, 2010 Town, County, and State**

Income Type	Households	Percent of Households		
	Hilton Head Island	Hilton Head Island	Beaufort County	South Carolina
Wages and Salaries	11,234	66.8	73.2	76.6
Mean Amount, yearly		\$77,642	\$64,752	\$58,248
Retirement	5,100	30.3	27.5	19.8
Mean Amount, yearly		\$43,847	\$36,344	\$20,585
Social Security	7,499	44.6	38.3	31.2
Mean Amount, yearly		\$20,674	\$19,071	\$15,651
Public Assistance	92	0.5	1.6	1.8
Mean Amount, yearly		\$6,972	\$3,945	\$31,355
Supplemental Social Security	24	0.1	2.0	3.8
Mean Amount, yearly			\$8,173	\$7,504
Food Stamp/SNAP benefits (past 12 months)	762	4.5	8.4	12.6

Source: \*\* 2008-2010 American Community Survey 3-Year Estimates.

Income other than those from wages, retirement, and social security in 2010 came from Federal public assistance which was received by 92 households (176 in 2000). The average amount of public assistance received per household was \$6,972 (\$5,079 in 2000) annually.

## Implications for the Comprehensive Plan

- The Town has a wealthy population relative to the County and State. Increased financial service sector operations may develop to support the needs associated with this population.
- Today, the Town is a diverse community that includes families and residents of all ages, educational and economic achievements, as well as many races. This increasingly diverse population will present challenges and opportunities that are not currently being addressed. The Town needs to identify these challenges and opportunities to help the Island be a more sustainable community in the future.

## 4.9 Goals and Implementation Strategies

### Goals

#### 4.1 Demographics

- ~~The goal is to~~ acquire accurate Census data.
- ~~The goal is to~~ broaden the types of data available, such as health statistics or more detailed economic information.
- ~~The goal is to~~ maintain information to track the Island's actual daytime and seasonal populations including the impacts of the commuting workforce and the seasonal tourist population.

## 4.2 Population Diversity

- A. ~~The goal is to~~To create a healthy, self-sustaining community that encourages economic and cultural diversity by understanding the needs and assets of each of the Island's many different communities. By better understanding these needs and assets the Town will work to become less dependent on the workforce residing on the mainland and ensure the ability of different communities to work and live on Hilton Head Island.
- B. ~~The goal is to~~To work with the appropriate organizations that can help the Town to best utilize and support its older population. Assist local businesses and organizations in properly implementing the Americans with Disabilities Act (ADA) to insure that the Town's infrastructure is not an impediment to this population.
- C. ~~The goal is to~~To actively promote interaction among Hilton Head Island's numerous communities. Also, facilitate recognition of these communities by including neighborhoods in non-master planned Island areas alongside the Island's well-recognized planned communities. By bringing the various communities together, the Town will create a more complete identity.

## 4.3 Community Building

- A. ~~The goal is to~~To support moderate income housing in an effort to develop a healthy self-sustaining community. See the Housing Element for needs, goals, and implementation strategies regarding this issue.
- B. ~~The goal is to~~To develop and support programs and activities to meet the needs of its diverse population and age groups.
- C. ~~The goal is to~~To emphasize "quality of life" issues when reviewing proposed residential developments.

# Implementation Strategies

## 4.1 Demographics

- A. Endorse and fund future efforts to maintain the most current and accurate demographic data for Hilton Head Island.
- B. Request mid-decennial Census counts to provide Hilton Head Island with a more accurate and detailed look at population shifts.
- C. Research other sources of demographic information, such as the University of South Carolina or the S.C. Office of Research and Statistical Services.
- D. Update official Town demographic data on the Town's World Wide Web site regularly.
- E. Develop and update a demographic profile for the Town.
- F. Track the daytime population on Hilton Head Island by coordinating a system to monitor commuting traffic onto Hilton Head Island with estimates of the tourist population, daily workforce and current permanent resident population estimates. This will allow the Town to maintain a useful and accurate estimate of the actual Island population at any point in time.

## 4.2 Population Diversity

- A. Organize an outreach program to study the culture, lifestyles, landmarks, etc. of various communities and groups to insure that opportunities and infrastructure exists so that all groups can enjoy a high quality of life.
- B. Gather information to help determine appropriate activities that support the proper development of the Island's youth.
- C. Cooperate with organizations such as the Chamber of Commerce to promote further growth of the family and resident young adult population while continuing to promote the Island as a desirable destination for retirees and vacationers.
- D. Pursue programs that meet the special needs of groups such as the elderly, youth, disabled, Native Islanders and the Hispanic population. Information from the regular tracking of demographic trends can inform the Town as to what groups on the Island may need specific attention.
- E. Identify methods to support construction of new moderate income housing. See the Housing Element for additional needs, goals, and implementation strategies on this issue.



### **4.3 Community Building**

- A. Promote community building efforts among the Island's communities.
- B. Foster events, organizations and infrastructure that encourage involvement from the Island's entire population. Community and recreational activities can help to bridge geographical and social boundaries by involving children, adults and seniors from all cultural and ethnic groups on the Island.
- C. Identify and support the many different organizations and groups that currently are involved in community building efforts.
- D. Consider creating incentives for redevelopment that opt for a planned community approach with goals of diversity in housing cost and transportation modes.
- E. Consider flexible ordinances for planned unit developments (PUD), cluster homes and other innovations in housing development that meet workforce housing needs.
- F. Encourage interconnection between developments to promote the establishment of neighborhoods and to provide safe and convenient access to neighborhood level public facilities, such as parks and schools.
- G. Consider establishing a mechanism to evaluate the quality of life likely to be experienced in proposed developments.

## 5 Housing

*To promote and facilitate entrepreneurial housing initiatives that will result in the development of diverse housing types for all income levels on Hilton Head Island, and to support affordable housing initiatives in the region to supplement housing on the Island*

### Introduction

Beginning with Charles Fraser and the Sea Pines community, modern housing development on the Island has been driven predominately by private developers responding to market demands. Early housing developments included housing types that appealed mainly to second home buyers and vacationers seeking to enjoy this beautiful coastal barrier island. Since that time, Hilton Head Island has evolved from a second home destination into a year round community that is known as a place to live as well as vacation. This evolution has resulted in considerable change to the existing housing stock as well as to future housing demands. Factors that often determine housing selection include personal choice, financial limitation, value, safety and location.

In many communities, the public sector has the responsibility to ensure adequate, safe housing, especially for low, and very low income families, elderly and other disadvantaged segments of the population. The Town has adopted development regulations and building codes that guide the private sector in the development and construction of housing. In addition, over 70% of the Island has been developed as private planned communities (PUDs), such as Sea Pines that have restrictive covenants that limit the type as well as the character of housing development.

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. This Element will examine housing development trends and characteristics along with the impact that population, land use, and economic development have on housing. The elements within this plan are independent; therefore many of the characteristics described within this Element are further discussed within other Elements of this Plan.

### 5.1 Housing Units and Tenure

Data on housing trends can be derived from a number of sources. The U.S. Census Bureau gathers information such as population, housing and demographics for communities around the nation that can be used to evaluate historical trends and to project future needs. The Decennial Census was conducted on the Island in 1960, 1970, 1980, 1990, 2000 and 2010. In addition, special census counts were conducted for the Island in 1975, 1985 and 1995 to provide interim information. In addition, the American Community Survey (ACS) is a nationwide survey conducted by the U.S. Census Bureau that is designed to provide communities a fresh look at how they are changing. In 2008, the ACS released its first multi-year estimates based on ACS data collected from 2005 through 2007. In 2011, the ACS released a second set of multi-year estimates based on data collected from 2008 through 2010. These three year estimates of demographic, social, economic and housing characteristics are available for geographic areas with a population of 20,000 or more. Building permit data from the Town of Hilton Head Island's Community Development Department can also provide insight into the type of building and development permits that are being issued on the Island.

According to the U.S. Census Bureau, a housing unit is defined as a house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which occupants live separately from any other persons in the building and which have direct access from the outside of the building or through a common hall.

### **Housing Growth on the Island**

In 1985 the U.S. Census Bureau indicated that 17,740 housing units were developed on the Island. In 1990, there were an estimated 21,509 units. From 1990~~5~~ to 2000 the number of housing units increased at a rate of 15% and in 2010 the number of housing units increased by ~~26~~ 35% to 33,306. Table 5.1, Housing Growth Rates shows the total number of housing units on the Island from 1985 to 2010.

Between 1985 and 2010 the number of housing units increased by 88% on the Island with there being 17,740 housing units in 1985, which grew to an estimated 33,306 units in 2010.

**Table 5.1: Housing Growth Rates**

	1985**	1990	1995	2000	2007*	2010	Change, 1990- 2000	Change 2000- 2010	Total Change, 1985-2010
Total Housing Units	17,740	21,509	25,438	24,647	28,557	33,306	15%	35%	88%

Source: U.S. Census Bureau; 1990, 2000 and 2010 Decennial Census, 1985 and 1995 Special Census and \* 2005-2007 American Community Survey 3-Year Estimates. \*\*1985 Special Census was first official census count since Town incorporation in 1983.

Town of Hilton Head Island building permit data indicates that during the early 2000's housing development spiked, which can be attributed to a booming real estate market, lower interest rates and more flexible financing options from lenders. This also helped to facilitate more second home purchases, which is a major contributor to the Island's economy.

~~More recently, however, By the mid-2000s~~ these rates ~~have~~ slowed due to the impacts of a shrinking economy and the contraction of financing options for housing development. In 2005, the number of new construction single family permits issued began to decrease. Similarly, the number of building permits issued for the construction of multi-family/commercial buildings also declined, but at a slower rate than single family permits.

From 2000-2007, the number of single family and multi-family/commercial building permits issued for renovations and additions increased. Along with the current state of the economy, the amount of vacant land on the Island has continued to decrease. This ~~has~~ resulted in a shift from new construction to renovations and additions. In 2008, the number of permits for new construction continued to decline while single family renovation or addition permits continued to rise. By 2009, the number of overall permits had dropped significantly due to the struggling economy. ~~In 2010 and 2011, the number of permits began to rise slightly in all categories; however these numbers are still far less than the number of permits that were issued in 2008. From 2009 to 2013, the number of new single family permits steadily increased with a slight decline in 2014. From 2009 to 2014, the number of new multi-family/commercial permits and all renovation permits fluctuated up and down each year with 2013 having the highest number of building permits issued during that period.~~

### **Housing Vacancy Rates**

When evaluating housing trends, vacancy rates are important indicators of the stability of the housing market. There were 33,306 housing units located within the Town of Hilton Head Island in 2010, an increase of ~~26~~ 35% from ~~24,467~~ 24,647 in 2000. While there was an increase in the total units there was also an increase in the percentage of vacant units. The high percentage of vacant units can be attributed to seasonal population and resort and second home accommodations. The U.S. Census Bureau defines a vacant unit as a housing unit in which no one is living on Census Day (April 1), unless its occupants are only temporarily absent. Units temporarily occupied at the time of enumeration by individuals who have a usual home elsewhere are classified as vacant. Table 5.2, Housing Vacancy Rates, indicates the vacancy characteristics for the Town from 1985 to 2010.

**Table 5.2: Housing Vacancy Rates**

	1985**	1990	1995	2000	2007*	2010	Change 1990- 2000	Change 2000- 2010	Change 1985- 2010
Housing Units	17,740	21,509	25,438	24,647	28,557	33,306	15%	35%	88%
Total Vacant	10,189	11,165	12,535	10,239	13,132	16,771	-8%	64%	65%
Percent Vacant	57%	52%	49%	42%	46%	50.4%	-10%	8.4%	-6.6%
Total Occupied	7,551	10,344	12,903	14,408	15,425	16,535	39%	15%	119%
Percent Occupied	43%	48%	51%	58%	54%	49.6%	10%	-8.4%	6.6%

Source: U.S. Census Bureau; 1990, 2000 and 2010 Decennial Census, 1985 and 1995 Special Census and \* 2005-2007 American Community Survey 3-Year Estimates. \*\*1985 Special Census was first official census count since Town incorporation in 1983.

As noted in the Land Use Element, from 2000 until 2007 the number of single family and commercial/multi-family building permits issued for renovations and additions increased. Due to the limited amount of land available for construction a decrease in the number of new building permits show a shift to improvements and renovations of existing housing stock. Beginning in 2005 the number of new construction single family building permits issued decreased. The number of building permits for new construction of commercial/multi-family buildings issued since 2005 has declined, but at a slower rate than the single family permits. The net result from 2000 to 2010 has been an increase in total housing units of 26.35%.

The slow-down in the number of new construction permits issued for housing followed economic trends. The increase in the number of permits issued from 2000-2005-10 can be attributed to the real estate boom, lower interest rates, and flexible financing options from lenders. This also facilitated second home purchases.

### **Housing Types and Forms**

The types and functions of housing units on the Island are also important to understand the unique nature of the Island's housing development. There are various forms or types of housing units on the Island, including detached single family homes and attached duplexes, multi-family structures and mobile homes. There are also various types of housing in terms of function, including traditional apartment complexes, condominiums, both long and short term home rentals, extended stay hotels/motels, seasonal homes and timeshares or interval occupancy units. According to the U.S. Census Bureau, single family is defined as a detached household unit or attached single family with only one attached wall, for example a duplex or town home where only one common wall is shared. Multi-family units are defined as any other housing structure with more than 2 household units, apartments, or condominiums.

The Town of Hilton Head Island Land Management Ordinance (LMO) includes specific definitions for a single-family detached residence and a single family attached residence single-family dwelling as well as a multi-family dwelling-residence. ~~A single family detached residence is a structure containing one dwelling unit that is free standing. A single family attached residence is a structure containing more than one single family dwelling unit in which the units are physically attached, and each has its own separate exterior entrance way on a separately owned lot. A single-family dwelling is a freestanding structure containing not more than two single-family dwelling units. A multi-family dwelling-residence is a building, or parcel, or development containing three or more dwelling units.~~

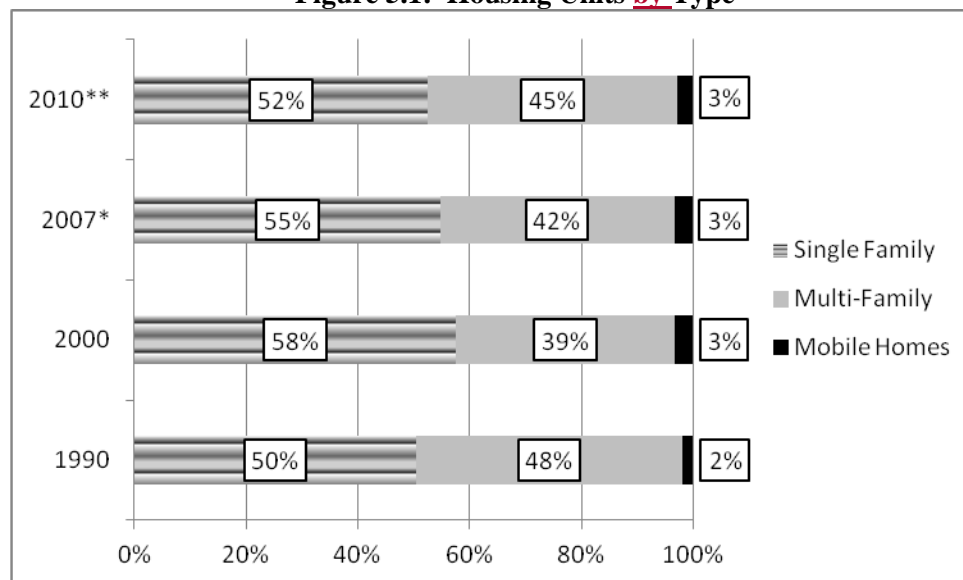
The data shown in Table 5.3, Housing Unit by Structure Type, refers to housing units as defined by the U.S. Census Bureau. This table shows that the number of housing units by structure type in each category has increased since 1990; the number of mobile homes has more than doubled between 1990 and 2010, increasing from 419 to 974.

**Table 5.3: Housing Units by Structure Type**

	1990	2000	2007*	2010**	Change 1990 - 2000	Change 2000 - 2010
Single Family	10,775	14,157	15,627	17,432	24%	19%
Multi-Family	10,174	9,651	11,967	14,739	-5%	35%
Mobile Homes <sup>+</sup>	419	806	963	974	48%	17%
<b>TOTAL</b>	<b>21,368</b>	<b>24,614</b>	<b>28,557</b>	<b>33,145</b>	<b>13%</b>	<b>26%</b>

Source: U.S. Census Bureau – 1990 & 2000 Census; \*2005-2007 American Community Survey Estimates;  
 \*\* 2008-2010 American Community Survey Estimates

The information shown in Table 5.3, Housing Units by Structure Type, also indicates that in 1990 there were 601 fewer multi-family units than there were single family units. This trend continues as the gap increases in 2000, with 4,506 fewer multi-family units than single family units. In 2007 the gap narrowed to 3,660 fewer multi-family units than single family units. In 2010, the gap continued to narrow to only 2,693 fewer multi-family units than single family units. Overall this indicates a declining trend in the development of multi-family units on the Island. Figure 5.1, Housing Units by Type, illustrates a comparison of the three classifications of housing types in 2010.

**Figure 5.1: Housing Units by Type**

Source: U.S. Census Bureau – 1990 & 2000 Census; \*2005-2007 American Community Survey Estimates;  
 \*\* 2008-2010 American Community Survey Estimates

### **Housing Tenure and Household Size**

Housing tenure refers to how a housing unit is financed by its occupant. Typical housing arrangements include renting, owning or a combination of the two. According to the 2010 Census 73% of households were owner occupied on the Island, as shown in Table 5.4, Home Ownership Estimates 2010. The average household size for owner occupied households is 2.12 persons, which is slightly less than renter occupied housing units at an average of 2.54 persons.

**Table 5.4: Home Ownership Estimates 2010**

	Number	Percent
Occupied Housing Units	16,535	100%
Owner Occupied	12,039	72.8%
Renter Occupied	4,496	27.2%

Source: U.S. Census Bureau 2010

### Seasonal Housing Units

The U.S. Census Bureau defines seasonal use as housing units used or intended for use only in certain seasons, for weekends, or other occasional use throughout the year. Hilton Head Island is a destination for visitors and second home owners. Figures from the 2010 U.S. Census indicate that there were 9,767 seasonal housing units located on the Island.

Short term rental development and interval occupancy developments are also addressed in the Land Use Element of this Plan. An inventory of interval occupancy developments is available in that Element. This type of housing serves to meet the needs of our seasonal and visitor populations. Based on 2007 data gathered by Town staff, there are 3,537 interval occupancy units on the Island. It is important to note that during the building permit process interval occupancy developments are categorized as multi-family structures. If a multi-family structure is permitted with no indication or intention to be used for interval occupancy, but is subsequently converted, there may be no reclassification in the Town's records. Interval occupancy units are permitted within ~~four~~ three zoning districts: WMU (Water Front Mixed Use), ~~CFB (Central Forest Beach District)~~ CR (Coligny Resort), MV (Mitchelville) and RD (Resort Development).

### Implications for the Comprehensive Plan

- Housing tenure, or financing methods for housing, is impacted by various factors such as housing supply and demand, lifestyle choices, and employment or income status. In addition, seasonal population trends of the Town affect the number of vacant structures and also have a direct effect on the ownership type. Due to the character of the Island as a popular location for visitors and part time residents, depending on the season, units may be vacant during various times. Existing structures should be refurbished and renovated to reflect the needs and wants of the current market when possible.
- 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 a high quality housing stock on residential properties. In addition, the availability of various housing types is important for the housing market viability to accommodate the diverse needs of the Island's population.
- An increase in home ownership is important for a community because it enables the homeowner to establish a deeper connection with the community. Therefore, it is important to strive for increased opportunities for home ownership as a housing option. Second homes, vacation and seasonal homes as well as timeshare units comprise a large portion of the Island's housing stock. The high number of second homes impacts the percentage of total owner-occupied homes Town-wide and doesn't necessarily portray an accurate assessment of home ownership status on the Island.
- It is also important to acknowledge that mobile homes may be more vulnerable during storms and other significant weather events, such as tornados, hurricanes or floods. Fluctuations to the number, as well as areas of concentration of mobile homes, should be monitored to ensure public safety.
- The ownership structure for interval occupancy units, with multiple owners having a stake in individual units presents a challenge in cooperative efforts to redevelop the properties and keep them current with changing trends, desires and market demands. Incentives to encourage these types of communities to tackle their own individual challenges should be considered in order for the Town to remove barriers to redevelopment that may be particular to timeshare developments. Additional issues include cooperation with property management agencies and archaic covenants for condos and timeshare developments.



## 5.2 Housing Opportunities

### **Obtainable Housing**

What is obtainable housing for one family is different from what is obtainable for another family. In some instances obtainable may refer to housing units managed by Beaufort County Housing Authority, a house located in a gated community, a modest mobile home, or other type of housing. Obtainable housing is dependent on many variables and factors, however, most directly associated with the financial ability to pay for the housing that is needed or desired.

### **Workforce Housing & Affordable Housing**

Workforce housing is a widely acceptable term that refers to housing that is available for the working class segment of the population. It often means housing that is available for gainfully employed people such as teachers, police officers, firemen, government employees and other workforce populations who are essential for the function of a community or those who typically work in the service sectors. The accepted definition of affordable housing by the Department of Housing and Urban Development (HUD) is any housing that requires 30% or less of the household income to pay for housing related expenses.

While workforce housing isn't specific to any one type of housing, Section 8 housing is managed by the Beaufort County Housing Authority. Section 8 housing is a type of Federal assistance provided by the Department of Housing and Urban Development. Section 8 housing is not a type of housing form, but rather the type of housing assistance that is granted in the form of vouchers. A voucher program assists in bridging the gap for low income households by providing rental assistance for the monthly cost of market rate units. As of June 2014<sup>99</sup>, the Beaufort County Housing Authority reported that there were five developments on the Hilton Head Island that have accepted vouchers to supplement rents. They include developments commonly referred to as: 90 Dillon Apartments, Hilton Head Beach and Tennis, Cedar Well Apartments, Marshpoint, and The Spa.

Hilton Head Regional Habitat for Humanity is dedicated to eliminating substandard housing by constructing, rehabilitating and preserving homes; by advocating for fair and just housing policies; and providing training and access to resources to help families improve their shelter conditions. The Town of Hilton Head Island donated land to Habitat for Humanity to assist in bringing affordable housing to the island. The Glen is Habitat for Humanity's affordable housing project located off Alex Patterson Drive. Phase one of this project consists of 16 single family detached dwellings and is currently under construction.

### **Luxury Housing**

Hilton Head Island has many large, well-appointed homes. The high cost of land has also led to an increase in the number of luxury homes located on the Island. This is a popular ~~an~~ option for seasonal housing as a means for many families or visitors to stay in one, very large home.

### **Assisted Living**

Nine facilities on the Island focus their housing on a segment of the population that needs assistance for various reasons including elder care or Alzheimer's care. The assisted living facilities have various levels of care, including individual, shared rooms, or more independent apartment style units. Table 5.5, Assisted Living Facilities, shows the facilities including the number of beds or units that are available on the Island.

**Table 5.5: Assisted Living Facilities**

Facility	# of Beds	# of Units
Broad Creek Health Care/Tidepoint	50	311
Fraser Center/Seabrook	44	207
The Preston/The Cypress	55	280
Life Care	88	NA
<del>Hawthorne Inn Brookdale Hilton Head</del>	51	NA
<del>Palm Meadows-Brookdale Hilton Head</del> Court	36	NA
<del>Palm Meadows-Brookdale Hilton Head</del> Village	52	NA
<del>Carolina House Bloom at Hilton Head</del>	72	NA
Indigo Pines	NA	118
TOTAL	448	916

Source: Town of Hilton Head Island Fire Department and Community Development Department, June 8, 2009

NA = not applicable

## Implications for the Comprehensive Plan

- Affordable or obtainable housing availability poses many challenges in most communities. The Town of Hilton Head Island is not unique in the challenges that the community faces relative to the creation of obtainable housing. High or increasing land costs, coupled with declining availability of developable land on the Island, drives up the cost of many housing options, often above more traditional “obtainable” price levels. Construction costs, particularly those associated with building to hurricane standards, statutory requirements such as point of sale taxation and other economic drivers are barriers to keeping housing costs affordable. The Town has attempted to engage in policies and projects that encourage affordable housing, such as regulations and incentives in the Land Management Ordinance, and partnerships with developers; however, these programs were not successful. Affordable housing remains a challenge for both local and regional communities.
- A sustainable workforce is essential to the future economic potential of the Island. To be sustainable over the horizon envisioned by this Comprehensive Plan, the workforce needs appropriate education, training, and access to affordable housing. While efforts for education and training may be broadly addressed on a regional basis, the current strategy for affordable housing seems to hinge on an off-Island labor pool. While this may meet short term (3-5 years) needs, potential development in Jasper County and other areas west of the Island may create competitive pressure on this off-Island labor pool and may threaten the Island’s access to a viable work force.
- It is important that the Town of Hilton Head Island assists in the ability for the population to age in place. As the average age of the population gets older, the needs of the community change. It is important that housing options accommodate these changes. It is also important that the family and friends that support aging family members are able to reside in close proximity. The location of assisted living facilities is also important. Special complimentary land uses and associated infrastructure are needed. When one ages in place, it is important that one is living in close proximity to basic services, for instance banks, grocery stores and medical services and ~~that~~ provisions for emergency evacuation are considered.
- Although current market conditions have resulted in reduced housing values and costs, the long-term rise in cost of housing will threaten aging in place. There are several solutions to the rising housing cost problems. One is accessory apartments, “granny-flats” or accessory dwelling units (ADU) built within a single-family home or separate structure on the same lot that functions as an apartment. The additional unit can house a family member or professional providing health care to reduce cost or it might be rented for additional revenue.
- The LMO (Land Management Ordinance) counts ~~these~~ accessory dwelling units toward the density in most residential zones. Advocates point to benefits for the community in the form of higher tax revenue. Other solutions include co-housing, home sharing, taxation, and financial tools such as a reverse mortgage that can pay for home modifications and health care. There are many advantages to the solutions mentioned but communities must make the general public aware of such 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 wages 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 home and invest.
- The replacement of the older housing stock to larger homes, typically located in close proximity to the beach, is a trend that has the potential to change the character of Island neighborhoods. The Forest Beach and Folly Field neighborhoods saw this change occurring and reacted with the adoption of regulations that protect the existing neighborhood character by limiting the size of homes and requiring additional setbacks. The conversion of small homes to large luxury homes threatens the traditional single family character of some neighborhoods and can also put a strain on the infrastructure of these areas, which were planned and built to accommodate single family development, not short term rentals utilized by as many as five families or more at one time.

### 5.3 Barriers to Affordable Housing

The State of South Carolina requires that municipalities indicate any barriers to the community's access to affordable housing. Many of these barriers are not unique to the Town of Hilton Head Island and are similarly faced by the region as a whole.

#### **Land Costs**

Land costs are a limiting factor in the construction of affordable or workforce housing units. The increasing cost of land is related to the high demand for water-front lots and the convenient access to the beach which is provided by other properties within the Town. As the availability of land decreases, costs for land increases often creating larger scale developments that have the potential to deliver higher profits to offset the cost of land, ultimately decreasing the affordability of housing units.

#### **Land Supply**

Land is a finite resource as the Town approaches build out. There is less land available for housing and the land that is available is very expensive. The remaining vacant land on the Island is not only limited in quantity and size, but often challenged with costs associated with providing utilities and access and environmental factors such as wetlands and specimen trees.

#### **Construction Costs**

Increasing construction costs is also a factor that creates a barrier to the development of affordable housing, such as the costs of materials, delivery of the materials to the Island, as well as increased labor costs. Building codes, flood plain requirements, and costs associated with building in an area susceptible to hurricanes can significantly impact the affordability of housing. Fees required by government agencies also increase the cost of affordable housing, such as impact fees, building permits, licensing fees, utility service fees and other outside agency approvals.

#### **Long Term Sustainability**

The initial construction costs are a barrier to affordable housing as well as the increased living expenses associated with residing in the Town. Much of the housing in the Town and land available for housing is subject to floodplain insurance requirements as well as other insurance requirements, such as wind and hail. Many residential developments operate under organized home owner's associations, which also require payment of fees to cover costs associated with common open space, amenities and infrastructure.

#### **Marketability and Potential Profit**

Because of the challenges that developers already face with construction in a coastal area and all of the barriers listed here, the potential profit is always a factor for the private developer. Developers often

strive for the 'highest and best use' which, given the barriers to affordable housing, does not typically result in the construction of housing units geared to the workforce population.

### **Attitudes towards Affordable Housing**

The "NIMBY" syndrome, "Not in My Backyard", is a common sentiment toward affordable housing on the Island. This is a typical response to affordable housing in some communities. Many people make assumptions that affordable housing increases crime and aesthetically displeasing homes and buildings. This is not necessarily true; however, turning around the NIMBY syndrome is a challenge that developers of affordable housing face in this community.

### **Lack of Developer Incentives**

Developers strive for the highest profit margin, which is determined by various factors. The cost of developing housing in the Town is high based on many factors which have previously been discussed throughout this Plan. The lack of some development incentives, such as ~~increased density~~, decreased parking, and increased height standards, ~~etc.~~ which allow the developer to build more than otherwise allowed by Town regulations and requirements do not exist in current codes and may, when coupled with the other barriers, also become a barrier in itself to the construction or availability of affordable housing.

## **5.4 Goals and Implementation Strategies**

Key housing issues were identified based on public input that was received throughout this process and data that was collected by Town staff. Housing issues are not isolated and do not only ~~those that~~ affect the municipal limits of the Town of Hilton Head Island; therefore, the goals and implementation strategies should be approached regionally and collectively, integrating a palette of solutions.

## **Goals**

### **5.1 Housing Units and Tenure**

- A. ~~The goal is to~~ To encourage redevelopment of multi-family residential structures to meet market demands and new trends.
- B. ~~The goal is to~~ To encourage occupancy of existing residential properties.
- C. ~~The goal is to~~ To consider incentives that remove barriers to redevelopment and encourage redevelopment of properties that have multiple owners.
- D. ~~The goal is to~~ To support programs aimed at increasing home ownership.
- E. ~~The goal is to~~ To continue focusing on requiring high quality development to meet future housing needs.
- F. ~~The goal is to~~ To monitor availability of housing types and occupancy rates to meet housing demands.

### **5.2 Housing Opportunities**

- A. ~~The goal is to~~ To engage in projects that encourage affordable/workforce housing on the Island or within the region.
- B. ~~The goal is to~~ To look at housing opportunities as a mechanism to maintain its essential workforce.
- C. ~~The goal is to~~ To encourage housing options that provide opportunities for residents to age in place.
- D. ~~The goal is to~~ To monitor changing demographics and trends in housing development to provide housing options that meet market demands.
- E. ~~The goal is to~~ To consider residential overlay districts to maintain traditional single family character.

### **5.3 Barriers to Affordable Housing**

- A. ~~The goal is to~~ To address housing issues using a systemic approach that integrates other elements such as economic development, transportation and land use.
- B. ~~The goal is to~~ To consider mechanisms that decrease or eliminate barriers to affordable housing.
- C. ~~The goal is to~~ To address affordable housing considering Town and regional solutions.

- D. ~~The goal is to~~To include partnerships and the cooperation with the entire community.

## **Implementation Strategies**

### **5.1 Housing Units and Tenure**

- A. Consider providing flexibility in the LMO to allow for accessory dwelling units as a housing option.
- B. Consider providing flexibility in the LMO to provide options to the traditional housing or subdivision standards in the form of family compounds. Look to other communities, particularly Beaufort County for examples on how to allow for family compounds which may assist in removing the barrier to legal and title issues associated with heirs property.
- C. Educate owners of heirs property on methods to clear titles and to build houses on their land. Pursue partnerships with organizations such as the Penn Center, a credit counseling agency or legal aid agency to overcome title and credit issues preventing land owners from building homes.
- D. Consider revising the LMO to include flexible zoning options and tools that allow a mix of uses for residential over commercial or other live work units. This may be a tool to foster both a commercial and housing option as well as a means to provide affordable housing and to reduce the amount of infrastructure necessary to travel from home to work or other basic services. Other LMO revisions may include regulations to facilitate the conversion and redevelopment of empty commercial or office space to residential units or allow for a mix of residential within the redevelopment.
- E. Encourage owners of small properties to assemble land resources through density bonuses tied to increased property sizes.
- F. Consider addressing ownership or heirs property issues with tools such as transfer of development rights or the purchase of development rights.

### **5.2 Housing Opportunities**

- A. Consider developing alternative approaches to affordable housing such as viewing it as community infrastructure and establish a 'minimum level of service' with a focus on transportation and access issues and location related to concentration of employment centers. The level of service concept could be based on a goal of insuring that a specified percentage of the total housing units in a neighborhood or development are affordable.
- B. Consider developing a master plan for Town-owned properties that considers future development projects or land swaps for affordable housing sites.
- C. Review inclusionary housing programs within the Town boundaries or the region that foster a mix of housing choices and forms.
- D. Support employer assisted housing programs to encourage more employees of various professions (teachers, police officers, firemen) to live within the Town limits or within Beaufort County.
- E. Consider developing housing programs and other educational workshops to the middle class and workforce housing markets.
- F. Educate the public on the potential impact on their daily quality of life that is directly affected by the supply or lack thereof of workforce housing. Workshops and discussion groups should be considered as a means to brainstorm strategies to address housing issues and should involve all players in the community and throughout the region.
- G. Review the land acquisition program to determine if an affordable housing component would be an appropriate modification.
- H. Encourage redevelopment of individual units to maintain marketability and code compliance, especially in developments that have multiple owners.
- I. Consider creating incentives for redevelopment that opt for a planned community approach with goals of diversity in housing cost and transportation modes.
- J. Consider flexible ordinances for planned unit developments (PUD), cluster homes and other innovations in housing development that meet workforce housing needs.
- K. Consider regulations to require interconnection between developments, which promotes the establishment of neighborhoods and to provide safe and convenient access to neighborhood level of public facilities, particularly parks and schools.

**5.34 Barriers to Affordable Housing**

- A. Encouraginge property owners of unsafe or dilapidated structures to rehabilitate and convert the buildings to affordable housing should be researched as a means to provide both redevelopment and provide affordable housing.
- B. Facilitate the construction and redevelopment of housing opportunities through economic incentives, such as grants or other funding sources.
- C. Consider establishing a Redevelopment Agency or other similar agency to administer housing programs and continue researching housing options, and serve as an educational resource.
- D. Monitor statutory issues and the implications they have on homeowners. This includes any proposed legislation that addresses taxation, property owner's association fees and taxes and the point of sale, or real estate transfer taxes.
- E. Consider creating development incentives to encourage diverse housing options that may include increased density, reduced parking requirements and increased height standards.



## 6 Community Facilities

*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.*

### Introduction

One of the most important elements within the planning process as mandated by the State Enabling Legislation is the provision of community facilities. The legislation defines community facilities as major capital improvements, including, but not limited to, transportation, sanitary sewer, solid waste, stormwater drainage, potable water, educational facilities, parks and recreational, and health systems ~~and~~ facilities. The provision of these services is directly related to current needs and future demands; therefore this element will address existing needs for services and how those services will be provided to meet future needs.

The nature of community facilities is somewhat different in the Town of Hilton Head Island than in an average municipality. Whereas a town government typically organizes during the early phases of a community's development and adds services and facilities as the community grows, the Town of Hilton Head Island was not organized and incorporated until nearly thirty years after the Island began to develop. At the time of its incorporation, the Town was designated a "limited services government" in recognition that only certain functions such as planning, permitting and engineering would be under the jurisdiction of the Town government. Other traditionally public functions like solid waste collection, water, and sewer services had been provided to many Island communities for years by private and public entities. The incorporated Town government of Hilton Head Island was created to fill gaps in community services and facilities but not to duplicate functions already under the jurisdiction of capable agencies.

Currently both Hilton Head Island and its Town government may be considered to be in transition. Although not a traditional town government, the Town of Hilton Head Island government has grown dramatically since its inception and holds influence over community services and facilities which it has not always held. The Town government can be a leading voice in all major issues concerning the services and facilities available to the general population of Hilton Head Island.

Due to complexity, information on the transportation and recreation networks in the Town is found in the Transportation Element ~~(Chapter 9)~~ and the Recreation Element ~~(Chapter 10)~~ of this Plan. ~~More information on Cultural Resources can be found in Chapter 3 of this Plan.~~

### 6.1 Build-out and Future Service Needs

As the population of the Island continues to grow, some Island service providers will be faced with increasing demands for services. Regional growth will also impact some of the Town's facilities and services. ~~Currently In 2010~~, the number of permanent residents on the Island ~~is was~~ 37,099 ~~in 2010~~, based on the 2010 Census. It has been estimated that the Island will be home to 53,000 people by 2020 (*Southern Beaufort County Regional Plan*, 2006). In addition to the number of permanent residents living on the Island, the Island's visitors produce additional demand on services. According to the Chamber of Commerce's Comprehensive Visitors Summary, the number of *monthly* visitors in 2010 ranged from over 130,000 in December to over 278,000 in July. Having this type of variation in the number of people on the Island creates unique challenges for service providers. Rather than a constant rate of service consumption throughout the year, needs spike dramatically during summer months. Growth and visitation trends are important considerations for the services needed on the Island.

Regional growth also has the potential to impact Island facilities and services, such as the provision of beach access. As the mainland continues to grow, more intense use of the Island's beach parks will most likely occur. More information on population projections can be found in the Population Element ~~(Chapter 4)~~ of this Comprehensive Plan. More information on beach access and beach management, including beach nourishment, can be found in the [Town of Hilton Head Island Beach Management Plan](#), which was adopted as an appendix to this Plan.

## Implications for the Comprehensive Plan

- The Town government should continue to provide creative, innovative and visionary solutions in dealing with the challenges of growth and development, as well as continue to provide a high level of service to the public keeping in mind fiscal responsibility, return on investment and the community's willingness to pay.

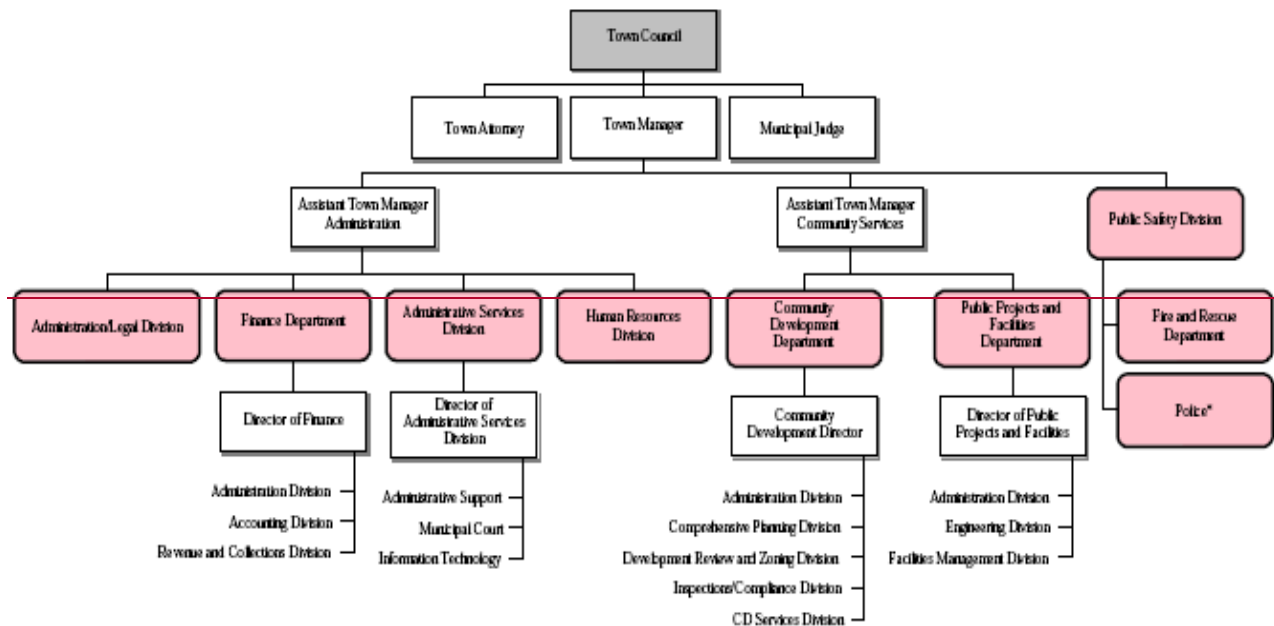
## 6.2 Town Government

In 1983, the Town of Hilton Head Island was established by voter approval of a five-member Town Council. Following reapportionment of the Island into five wards, the Town Council was increased to seven members consisting of six Council members and the Mayor. Currently, the Town is divided into six wards. A Council-Manager form of government has been in place since the incorporation of the Town and continues to effectively serve the purposes of Town government. Under the oversight of the Town Manager, the staff is organized to manage the various functions under the Town's jurisdiction.

The Town staff organizational chart is illustrated in Figure 6.1. ~~Please note that the Police Division under Public Safety is indicated differently because these services are contracted with Beaufort County Sheriff's Office.~~

**Figure 6.1: Town Organizational Chart**





Source: Town of Hilton Head Island

The services provided by the Town are managed by a professional staff under the leadership of the Town Manager. In 2014, the total number of staff positions among all Town departments is approximately 96403, with an additional 1458 employees in the Fire and Rescue Department. This staff size represents a considerable increase from the 52 staff positions in 1991 and is indicative of the general expansion of the Town's services and responsibilities.

The services provided by the Town have continued to increase. In 1993 the Town began its Fire and Rescue Department and beginning in the early 1990's the Town began its land acquisition program, which has increased the number of Town-owned properties, facilities and maintenance responsibilities for the Town. In addition, the growth of the Town's Capital Improvement Program to include projects such as beach management, drainage improvements, roadway improvements and park development is symbolic of the expansion in the Town's role in the provision of services on the Island. As the Town continues to evaluate the scope of its government, the funding for new and increased services must also be considered. The State has a limit on the amount of annual tax increases that local governments can make, which makes planning for future service needs even more important.

Generally, State Law allows a governing body to increase its millage for general operating purposes over the rate charged in the preceding tax year only to the extent of the average increase in the Consumer Price Index for the preceding calendar year, plus the percentage increase in population within the taxing jurisdiction. For example, in fiscal year 2010, the Town's allowable population percentage increase is 0.07% and the consumer price index percentage increase is 3.84%, for a combined allowable millage rate increase maximum of 3.9%. Should the provision of services require an increase greater than this amount in one fiscal year, additional funding sources must be allocated to the new service; therefore it is important for the Town to continue to evaluate the scope of its government and plan accordingly for any increases in funding associated with services on the Island.

As the services of the Town have increased, so have facility needs. The Town has conducted a series of space needs studies, which analyzed staffing levels, staff functions and facility needs. As a result of the recommendations from various studies, the Town has made renovations to Town Hall and continues to evaluate viable options to meet existing and future space needs. In addition to these properties, the Town also owns other types of properties that are discussed in more detail in Section 6.45, Town Acquired Property, of this Element and Town parks are discussed in the Recreation Element (Chapter 10).

Table 6.1 is a list of Town government-owned facilities and Figure 6.2 shows select Community Facilities on the Island.

**Table 6.1: Town-owned Facilities**

Town-owned Facility	Town-owned Facility	Town-owned Facility
Town Hall Town Hall Library Municipal Court One Town Center Court	Fire and Rescue Training Center—Hilteeh Drive	Station 4 400 Squire Pope Road
Facilities Management Gateway Circle	Station 1 70 Cordillo Parkway (Shipyard Plantation)	Station 5 20 Whooping Crane Way (Hilton Head Plantation)
Emergency Communications and Emergency Operations Center 21 Oak Park Drive	Station 2—65 Lighthouse Road (Sea Pines Plantation)	Station 6 16 Queens Folly Road Palmetto Dunes
Fire and Rescue Headquarters 40 Summit Drive	Station 3 534 William Hilton Parkway	Station 7 1001 Marshland Road

Source: Town of Hilton Head Island

**Table 6.1: Government-Owned Facilities**

Facility Name	Facility Address	Town or County Owned
Town Hall/Library/Municipal Court	One Town Center Court	Town
Fire Rescue Training Center	75 Dillon Road	Town
Facilities Management	12 Gateway Circle	Town
Emergency Communications & Emergency Operations Center	21 Oak Park Drive	Town
Beaufort County Sheriff's Office	70 Shelter Cove Lane	Town
Senior Center	70 Shelter Cove Lane	Town
Fire Rescue Headquarters	40 Summit Drive	Town
Fire Station #1	70 Cordillo Parkway (Shipyard Plantation)	Town
Fire Station #2	65 Lighthouse Road (Sea Pine Plantation)	Town
Fire Station #3	534 William Hilton Parkway	Town
Fire Station #4	400 Squire Pope Road	Town
Fire Station #5	20 Whooping Crane Way (Hilton Head Plantation)	Town
Fire Station #6	12 Dalmatian Lane (Palmetto Dune Resort)	Town
Fire Station #7	1001 Marshland Road	Town
Beaufort County Government Center	539 William Hilton Parkway	County
Hilton Head Island Library	11 Beach City Road	County
Solid Waste & Recycling Convenience Center	26 Summit Drive	County
Hilton Head Island Airport	120 Beach City Road	County

Source: Town of Hilton Head Island

## Implications for the Comprehensive Plan

- Adequate facilities should be provided in order to facilitate the administration of all Town government functions.
- After Town projects are constructed, provide maintenance that preserves or improves upon the original quality of the project.
- As the Town matures, the scope of Town government should continue to be evaluated.

- The state limits expanding services through an increase in taxes.
- Developing other sources of revenue is critical to providing any new or expanded services.

## 6.3 Transportation Network

### **Roadways**

Although, currently, air based transportation as well as water based transportation opportunities are available on and to the Island, the most extensively used transportation network is the ground based roadway system. According to the Town's Geographic Information System, the total length of roadway miles on the Island is approximately 39885. The Town owns and maintains approximately 8.5 11.8 miles of that total or 23-%. The County owns 224 miles of roadway and the State owns approximately 73 miles of roadway. The largest roadway system is found within the PUDs and they are privately owned and maintained by their residents. Private roads total 29182 miles. ~~Currently the Town's policy is to transfer all Town-owned roads to the County for ownership and maintenance. While this policy is in place, the County's ability to accept new roads is limited due to funding. On selected roads the Town retains some road maintenance responsibilities, which include landscape, litter control and beautification projects. The County is no longer accepting new roads for maintenance, SCDOT will not accept any either. As the island expands the public road network through acquisition of private roads, the Town will be responsible for the cost of acquisition, capital improvements, and perpetual maintenance.~~ In addition to these responsibilities, the Facilities Management Division also responds to routine maintenance requests on both County and State roads if needed. Figure 6.3 shows all Town-owned roads. More details about the transportation network, including facilities and services, are discussed in the Transportation Element ~~(Chapter 9)~~.

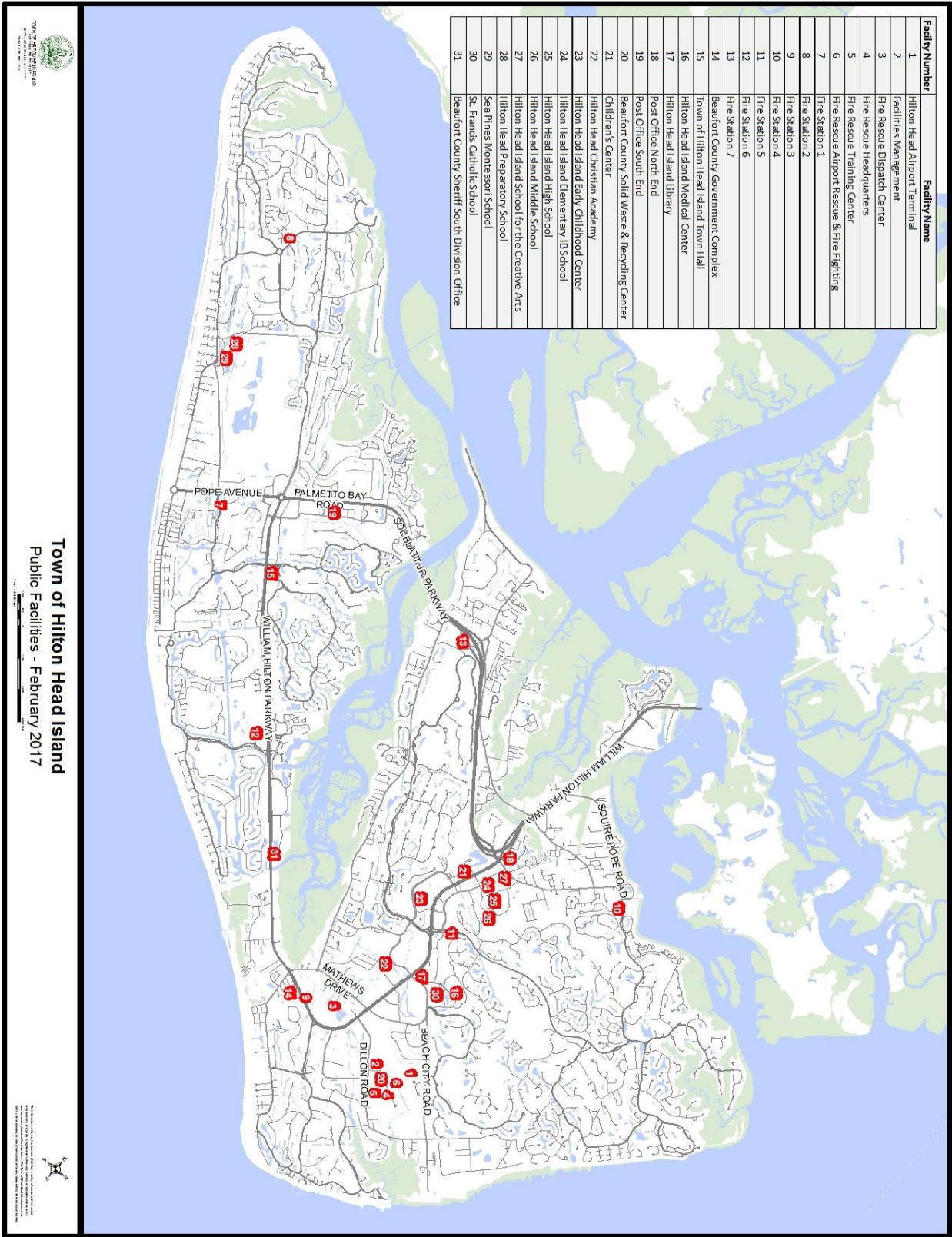
### **Pathways**

The Town of Hilton Head Island provides ~~over nearly~~ 60 miles of public pathways on which pedestrians and cyclists may enjoy the diverse destinations and activities provided by the Island. There are also additional projects planned for the future. Public pathways are maintained by the Facilities Management Division of the Town. In addition to these pathways, there is an estimated 560 miles of pathways and shared roadways within the private developments. Together both the public and private pathway networks comprise a comprehensive system of multi-use pathways on the Island.

Construction of the Town's first pathway project was completed in 1989. It was the first phase in a pathway route planned to extend from Sea Pines Circle to Palmetto Dunes along William Hilton Parkway. The Town also resurfaced Burkes Beach Road and provided a bike lane along the edge of the roadway leading to the beach. Originally, the intention for the pathway system was to build a continuous pathway along William Hilton Parkway to Hilton Head Island's school campus, which quickly expanded to include interconnecting pathways along secondary roads and to parks. Today, the Town's primary goals for the multi-use pathway network are to guide the development and maintenance of a pathway transportation system that provides access and mobility throughout the Town. More information on the Town's multi-purpose pathway network can be found in the Transportation Element ~~(Chapter 9)~~. Figure 6.4 shows the Island's existing and proposed pathways.



**Figure 6.2: Community Facilities**







**Figure 6.3: Town-owned Roads**

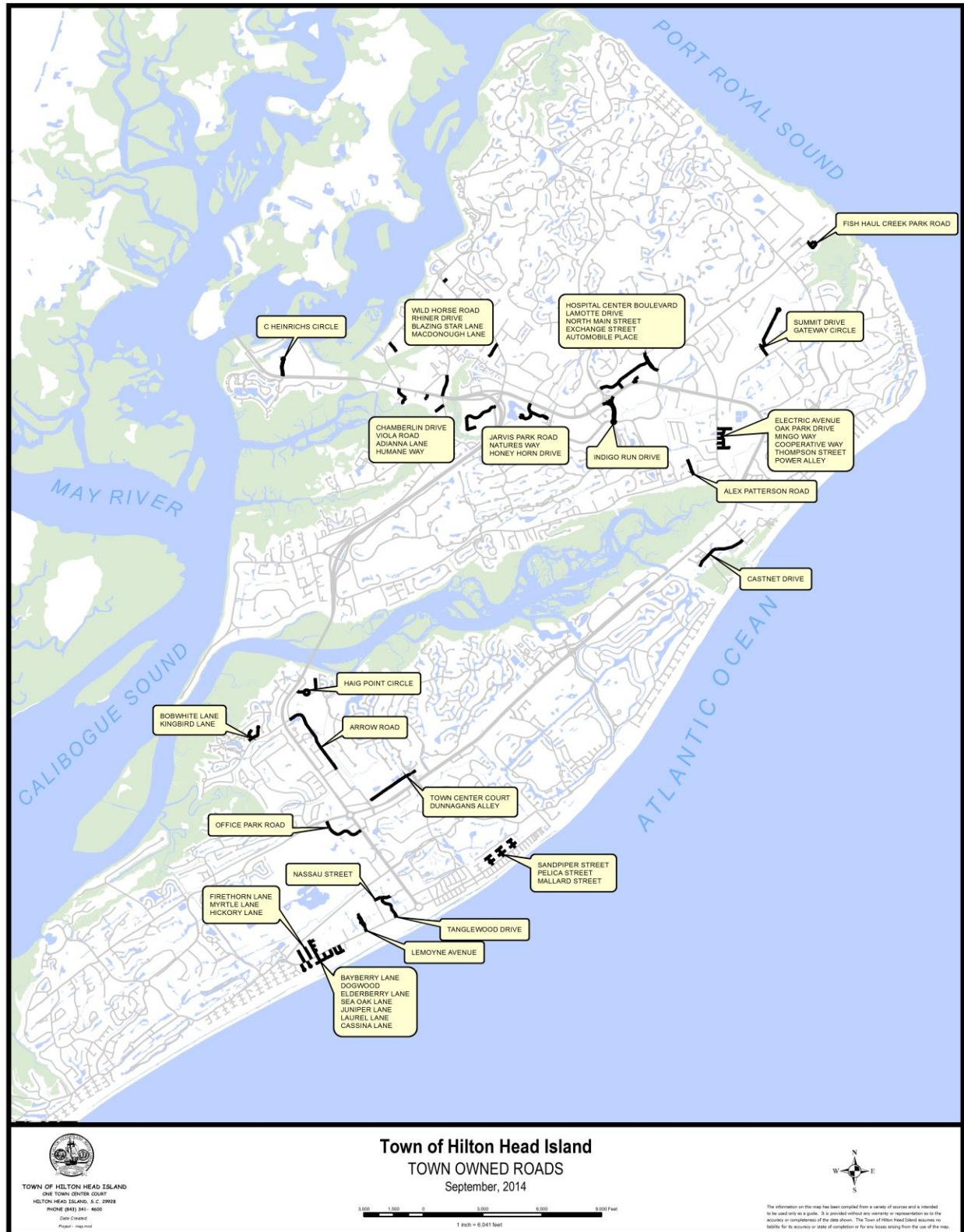
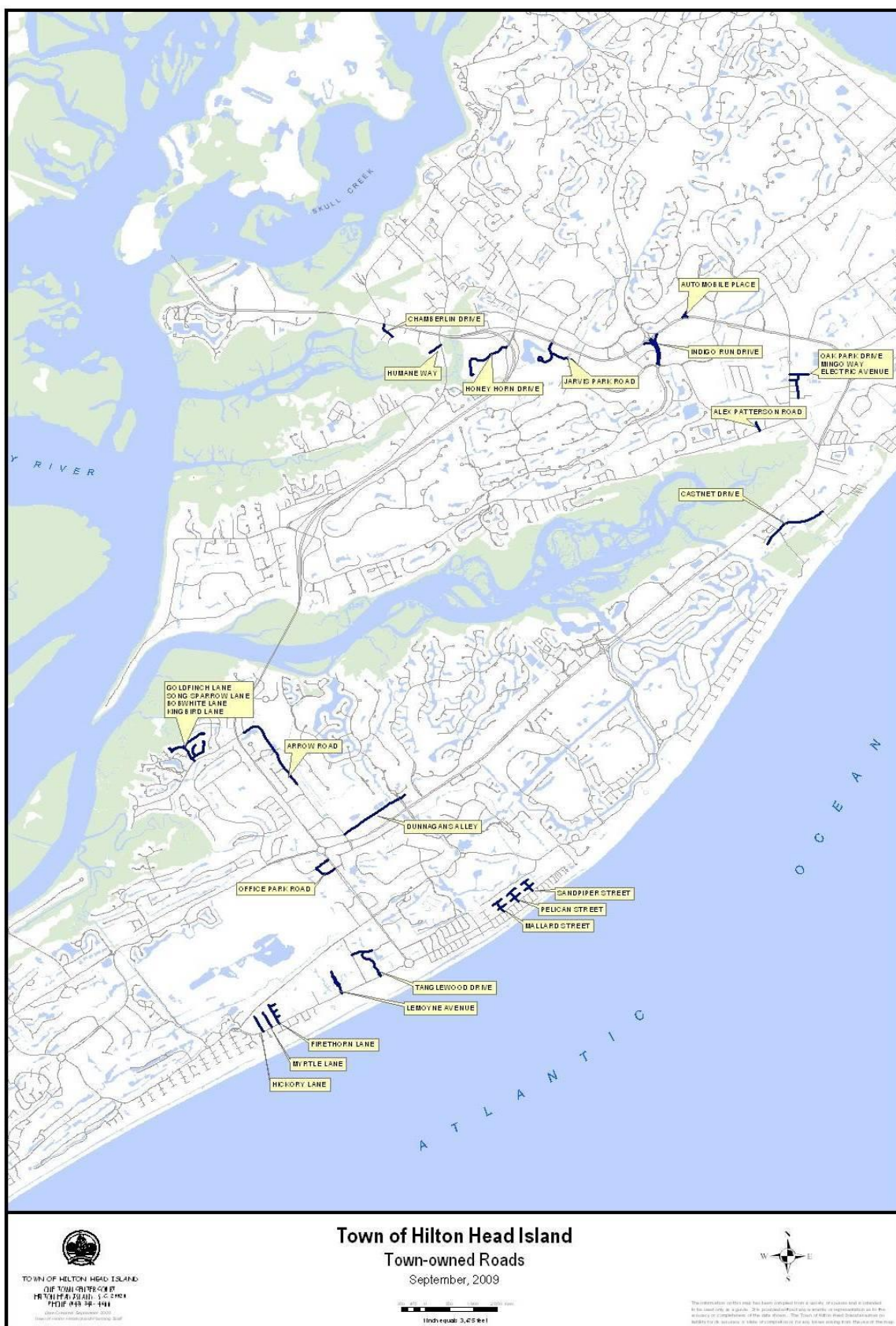


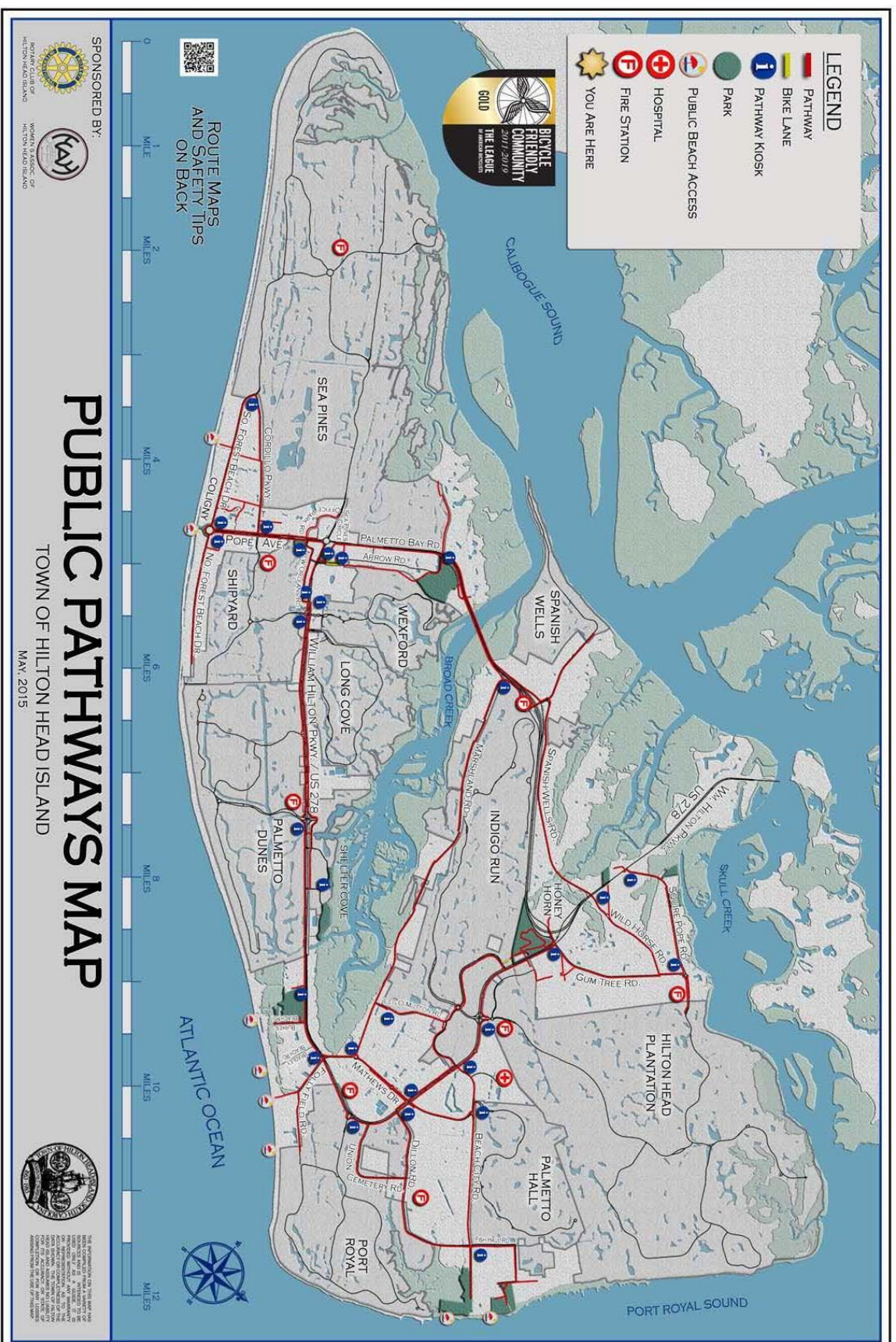


Figure 6.3: Town-owned Roads



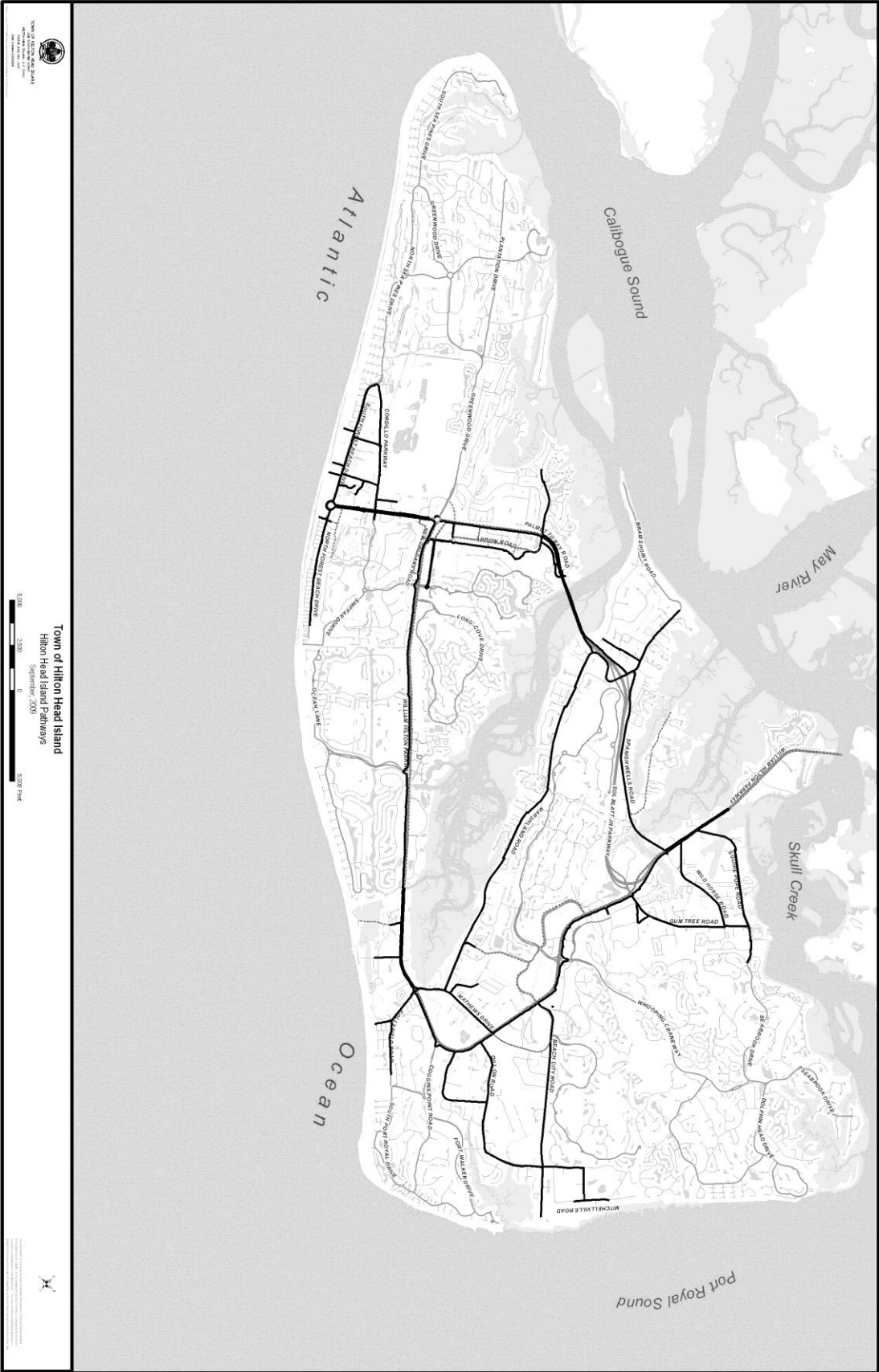


## Figure 6.4: Pathways





**Figure 6-4: Pathways**



## Implications for the Comprehensive Plan Zoning

- The Town needs a comprehensive transportation network composed of roads, pathways, water and air transportation opportunities that are adequately maintained ~~that~~ and meet current standards.
- The Town should coordinate with the State and County to provide for a safe, efficient and well maintained regional transportation network.
- The bridge and causeway are critical public facilities that provide a lifeline for residents and visitors as well as the only ground transportation link for emergency evacuations. Protection of these critical facilities should be a priority.
- While the Island currently has an extensive pathway network, opportunities to improve pathway connections between destinations that provide additional recreational opportunities and promote alternative means of transportation on the Island should be considered.
- The Island's pathway network could be enhanced by providing a link to mainland pathway facilities.

## 6.4 Town Acquired Property

The Town has an aggressive land acquisition program funded through five Land Acquisition Referendums and other sources, such as the Real Estate Transfer Fees, Hospitality Taxes, Property Taxes and Stormwater Fees. Land Acquisition Referendum results are shown in Table 6.2.

**Table 6.2: General Obligation Bonds Resulting from Land Acquisition Referendums**

YEAR	AMOUNT
1998	\$10 Million
1999	\$6 Million
2001	\$20 Million
2004	\$15 Million
2007	\$17 Million
<u>2013</u>	<u>\$4 Million</u>

Source: Town of Hilton Head Island Staff

Depending on the funding source, additional purchase requirements can apply. For example, purchases made with the Real Estate Transfer Fee must comply with the Real Estate Transfer Fee Ordinance. This ordinance specifies that purchases must be for one of the following reasons:

- To acquire land while it is still available to be held in perpetuity as wildlife preserves or believed to be needed by the public in the future for active and passive recreational uses and scenic easements and/or
- To acquire already developed land or development rights in order to convert its use to a public use, to restore the property to open space, or to redefine the property in accordance with the comprehensive plan and dispose of it.

Currently, on the Island, the Town has purchased over ~~1,433~~ parcels, totaling over ~~1,320~~ 177 acres at a cost of over ~~\$171.15~~ 1.6 Million. In order to determine what purchases to make, Town Council uses the *Town of Hilton Head Island Land Acquisition Manual*, which was adopted in 2005 and contains policies and procedures, including purchase criteria, for the Land Acquisition Program.

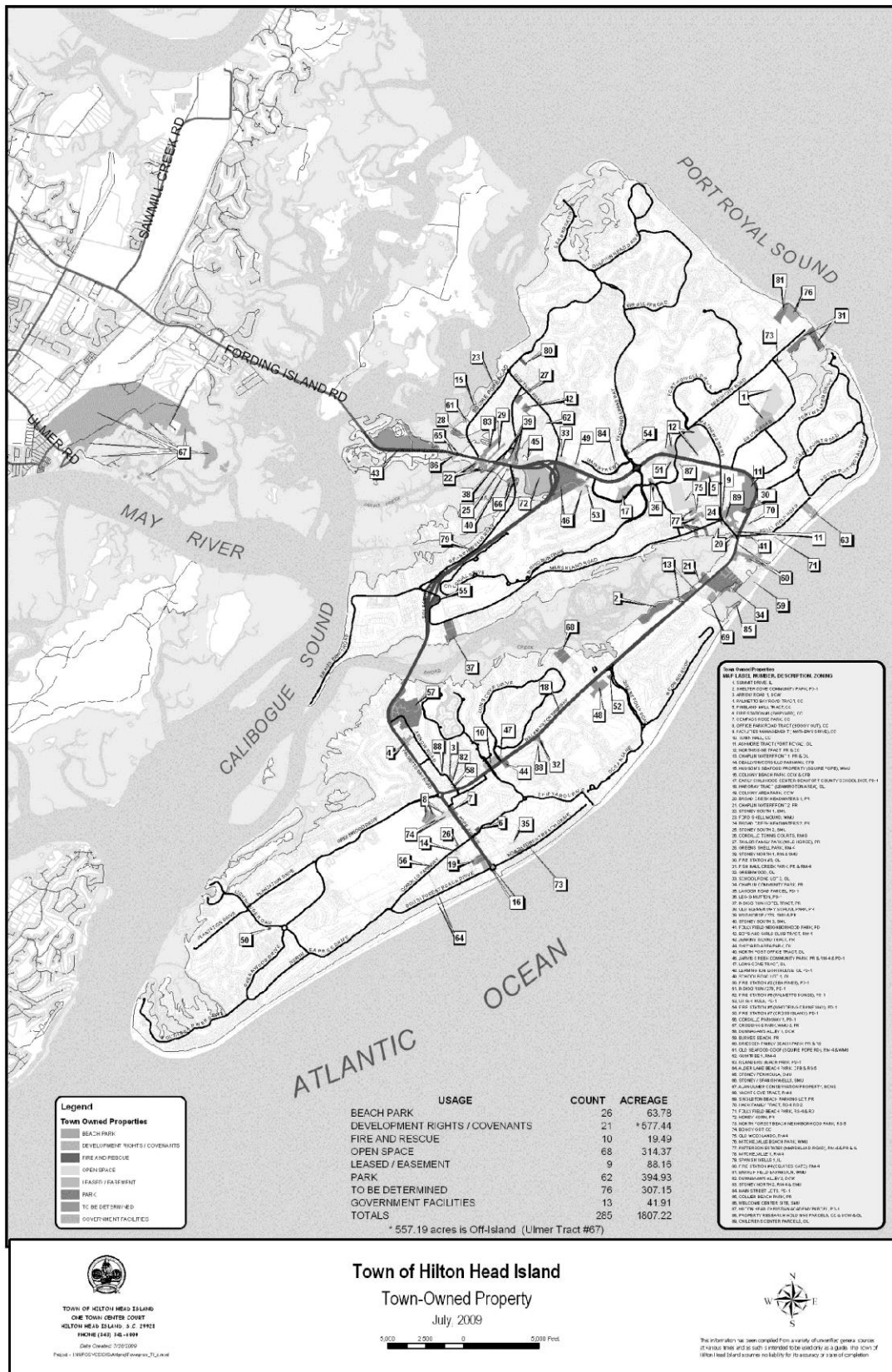
Proof of the program's success is evident in its results. As of the middle of ~~2014~~ 08, the Land Acquisition Program has resulted in the elimination of over ~~4.57~~ 37 million potential square feet of commercial development, the elimination of 1,365 potential motel rooms and the elimination of ~~4,437~~ 67 residential or timeshare units. This has resulted in improved traffic conditions on the Island, helping to



reduce the need for additional infrastructure, such as road widening. Other accomplishments include the addition of recreational facilities, beach access locations, the protection of open space, and contributions toward redevelopment initiatives. Figure 6.5, shows all Town-owned properties and their current use. Once purchased by the Town, properties are maintained by the Facilities Management Division. A limited number of properties are maintained by the County.

### **Implications for the Comprehensive Plan**

- Funding of the Town's land acquisition program should be continued to further protect natural resources as well as to further implement goals of the program.
- As the Town matures and the need for redevelopment increases, the evaluation of policies related to land acquisition can help to better address the changing needs of the community.
- As the number of Town-owned properties continues to increase careful consideration of future utility is important to long range planning efforts.
- Development and land use changes adjacent to Town properties should be monitored.

**Figure 6.5: Town-owned Property**



**Figure 6.5: Town-owned Property**



## 6.5 Utilities

### **Water and Wastewater Treatment Systems**

Drinking water supply, wastewater treatment, and reclaimed (or recycled) water services on Hilton Head Island are provided by three Public Service Districts (PSDs): Hilton Head Public Service District (HHPSD), Broad Creek Public Service District (BCPSD) and South Island Public Service District (SIPSD). In some cases individually owned wells are still being used; however a Town Ordinance prohibits further permitting of new wells on the Island. The Districts' service areas are shown in Figure 6.6.

The current number of PSDs reflects the consolidation of the Island's utility companies from 10 in 1994. All three PSDs on Hilton Head Island are separate governmental entities created through legislation passed by the South Carolina General Assembly. Each PSD is governed by its own Commission. The HHPSD Commission is elected by registered voters within its service area. The Commissioners of the BCPSD and SIPSD are appointed by the Governor of South Carolina. BCPSD holds a vote of its customers to recommend Commissioner Appointments to the Governor.

The water distribution systems of all three PSDs on the Island meet the requirements for fire protection as regulated by the State of South Carolina Department of Health and Environmental Control. Water and sewer services are also adequate to accommodate future service needs.

#### **Hilton Head Public Service District (HHPSD)**

HHPSD serves the north end of the Island and extends a far south as the bridge crossing Hwy 278 at Palmetto Dunes and includes Jenkins Island (Windmill Harbour).~~a district extending from the northern end of the Island southward to Broad Creek and ending south of US 278 at Singleton Beach Road; the This service area includes Hilton Head Plantation, Indigo Run, Palmetto Hall and Port Royal Spanish Wells Plantations and all surrounding areas. Water sources for HHPSD are from a combination of sources including Upper Floridian Aquifer drinking water wells, a four million gallons per day (MGD) reverse osmosis treatment facility and wholesale water contract for water purchased from the Beaufort Water & Sewer Authority via a pipeline from the mainland. Water sources for HHPSD which are supplied by seven wells in the Upper Floridian Aquifer, a Reverse Osmosis Drinking Water Treatment Facility that utilizes three wells in the Middle Floridian Aquifer, and a pipeline under the Intracoastal Waterway that brings Savannah River surface water, which is purchased wholesale by HHPSD and BCPSD from Beaufort Jasper Water and Sewer Authority (BJWSA).~~ HHPSD treats approximately 3 million gallons a day (MGD) of wastewater at the District's in its state-of-the-art 6.4MGD advanced tertiary treatment plant. Reclaimed Water Plant at This plant located at 21 Oak Marsh Drive, off Mathews Drive.~~has the capacity in place to provide service to HHPSD's service area for This plant meets the needs anticipated by future growth and redevelopment of the District.~~

#### **Broad Creek Public Service District (BCPSD)**

BCPSD serves a small area in the south-central portion of Hilton Head Island bounded by Broad Creek on the north and the Atlantic Ocean on the south including the Palmetto Dunes Resort, Shelter Cove, Leamington and Yacht Cove areas. BCPSD customers are served by three wells to the Upper Floridian Aquifer, which currently pump an average of 1.~~9575~~ MGD, with additional water supply from the Savannah River through the cooperative agreement with HHPSD and BJWSA with the potential for up to 2 MGD.

BCPSD operates one wastewater treatment facility located along Marina Side Drive. The facility currently treats 1.2 MGD and is permitted for 2 MGD. Approximately 1 MGD of reclaimed water is used to water the three golf courses in Palmetto Dunes. During peak usage, there are eight back-up wells within Palmetto Dunes. BCPSD is working with customers to reduce irrigation intensity and frequency, which has been successful in reducing water use. BCPSD service district is primarily built out and all customers in the district are connected to sewer. Future planning for BCPSD is related to water source diversification, water conservation and emergency planning. If needed, BCPSD's sewer system can be



connected to HHPSD's system at a lift station located in the Chaplin area. This is one example of the cooperative planning being accomplished by Island PSDs.

### **South Island Public Service District (SIPSD)**

SIPSD serves the south end of the Island from Broad Creek to the Atlantic Ocean and includes Wexford, Long Cove Club, Shipyard and Sea Pines. The water infrastructure includes seventeen wells tapped into the Upper Floridian Aquifer and a reverse osmosis water treatment plant. The reverse osmosis water treatment plant uses Cretaceous Aquifer water for its feed water. The PSD averages approximately 6.0 MGD of potable water demand, which includes 4.465 MGD from the Upper Floridian Aquifer with the reverse osmosis water treatment plant providing the balance. SIPSD is currently conducting a study of the Upper Floridian Aquifer to evaluate the sustainable yield from this source and working in conjunction with other Island PSDs to address long range water planning issues.

SIPSD operates three wastewater treatment plants. The largest, located off of Lawton Road near the Sea Pines Forest Preserve, has an average flow rate of 3.4 MGD and is capable of treating 5.0 MGD. There are two smaller plants located in Wexford and Long Cove Club that average flows of 0.095 MGD and 0.081 MGD respectively. This service area is primarily built out and major increases in usage are not anticipated. There are a few areas in this service district that, although sewer is available, have not chosen to connect. They are Calibogue Cay, Greenwood Court and a small area along Plantation Drive. Table 6.3 shows a summary of water and wastewater use and disposal.

**Table 6.3: 201408 Water and Wastewater Use and Disposal \***

	HHPSD	BCPSD	SIPSD
<b>Water Supply</b>			
Average Daily Demand	<del>6.5</del> <u>5.7</u> MGD	1.95 MGD	5.938 MGD
Peak Daily Demand	<del>10.7</del> <u>9.2</u> MGD	3.29 MGD	9.676 MGD
Potential Demand	12 MGD	4.86 MGD	16.249 MGD for the well system
# of customers	<del>17,354</del> <u>17,600</u>	5,000	24,093
<b>Wastewater</b>			
Average Daily Flow	2.4 MGD	1.05 MGD	3.282 MGD
Peak Daily Flow	<del>2.9</del> <u>3.4</u> MGD	1.87 MGD	4.630 MGD
Max Capacity	6.4 MGD	2.08 MGD	5.000 MGD
# of customers	14,880	5,000	24,008
<b>How Water is Discharged</b>			
MGY to Golf Courses	<del>508.03</del> <u>543.16</u> MGY	365 MGY	435.73 MGY
MGY to Wetlands	<del>323.8</del> <u>337.57</u> MGY	0 MGY	441.09 MGY
Total MGY	<del>831.9</del> <u>880.73</u> MGY	365 MGY	876.82 MGY
<b>Wetlands Nourishment</b>			
Number of Acres	199 acres	0	104 acres
* It is important to note that variations do occur due to rainfall events. MGY = Million Gallons per Year			

Source: Hilton Head Island Public Service Districts

### **Salt Water Intrusion**

Due to saltwater intrusion into the Upper Floridian Aquifer the South Carolina Department of Health and Environmental Control (SCDHEC) limited the amount of water that can be drawn from the Upper Floridian Aquifer within a four-county zone in South Carolina, which includes Beaufort County and thereby all of Hilton Head Island. Multiple federal, state and local studies have shown that the saltwater intrusion has been caused by the over pumping of the Upper Floridian Aquifer in the Savannah, Ga.,

region. This over pumping is pulling saltwater from the Port Royal Sound into the freshwater underground aquifer. South Carolina and Georgia are currently working together to address this problem.

The Island's three PSDs have been combating the effects of the intrusion since the late 1990's. HHPSD and BCPSD each entered into agreements with BJSWAWSA to supply water from the Savannah River. In 1999, a pipeline was constructed that supplies treated Savannah River surface water to the Island. HHPSD as well as SIPSD have built Reverse Osmosis drinking water treatment plants to provide for additional water source diversification.

All three Island PSDs continue to conduct future water supply planning in order to ensure a long-term and high-quality source of drinking water for the island in the face of continued saltwater intrusion.

### **Disposal of Wastewater**

The manner in which wastewater is recycled or disposed of is an important consideration for the Island, especially for water conservation efforts. Currently all three PSDs have golf course watering programs. Reclaimed Water provides highly-treated reclaimed water to ~~over 14~~ almost all golf courses on the Island, with the exception of smaller courses. Broad Creek BCPSD recycles all of its wastewater for golf course purposes. The remainder of reclaimed water at HHPSD and SIPSD is used for the recharge of wetlands. Hilton Head Plantation, Palmetto Hall, Boggy Gut and White Ibis wetlands all receive reclaimed water. The Boggy Gut project was started in 1983 by SIPSD as a 3 year pilot study and is one of the oldest natural wetland restoration projects in the southeastern United States. It has also been used as a model for other wetland disposal projects.

### **Sewer and Water Connection Needs**

~~Prior to 2014, there are remained~~ a number of ~~areas within neighborhoods and properties on~~ the Island that ~~do did~~ not ~~currently~~ have access to the public sewer system or have sewer available and choose not to connect. These areas are shown ~~in~~ Figure 6.6, Island Areas not Connected to Sewer. ~~Home and business owners in Development within these areas with out sewer available are has been~~ dependent upon ~~individual, on-site septic systems for sewage disposal systems (septic tanks). This can be costly for property owners to provide sewage disposal, partly due to the high groundwater table and poor soil conditions in many of these areas. It can~~ Septic systems can be problematic for certain areas of the Island with high groundwater and/or with low permeability. If septic systems are not properly maintained by their owners, they also can lead to environmental and health concerns ~~as many older systems are subject to failure, especially when improperly maintained.~~

In 2004 HHPSD embarked upon an effort to provide sewer access and connection throughout its entire service area, aided in part by a Sewer Master Plan that was jointly funded by the Town. ~~The Town then adopted a number of sewer policies to help increase sewer availability on the Island. The Town subsequently invested approximately \$3 million to pay for the construction of sewer projects in the Stoney, Gum Tree Road, Squire Pope Road, Marshland Road, Chaplin and Baygall areas. As a result of this effort, approximately only 6.8% 8% of Hilton Head-HHPSD customers remained unconnected to the sewer system in 201609, as opposed to 20% unconnected at the start of the sewer access effort in 2004.~~

~~In May, 2015, the Town and HHPSD elected officials held Sewer Summit IV. As a result of this summit, the PSD was asked to provide the Town with a funding proposal for the completion of the Sewer Master Plan, providing sanitary sewer service to all residents in the PSD's service jurisdiction that desire it. The Town and HHPSD entered into an agreement whereby the Town will provide funding and the HHPSD will implement the Sewer Master Plan over a period of five years. This plan is to install trunk lines and local mains, in order to make sewer service available to the unserved areas desiring sewer. The Town is funding the cost that would normally be paid by the property owners receiving the service under HHPSD policy. It is critical to note that the funding below does not connect a single home to the sanitary sewer system. Costs for customer connections in the project areas below could total more than \$5 million.~~



~~The 8% of customers who remained unconnected as of 2009 include approximately 1,000 customers that lack access, and approximately 120 customers that have sewer available but choose to remain unconnected. In 2009, HHPSD began planning a series of projects to provide sewer access for the remaining 8% of its customers currently lacking access to the sewer system. The effort involves identification of funding sources, infrastructure needs, and easement acquisition to complete the sewer access effort.~~

~~It is estimated that 200 to 400 of the approximately 1,000 customers lacking sewer access may be low to moderate income property owners. A financial assistance program is in place to assist these owners. There are financial assistance programs in place to help property owners connect to the local mains and trunk line sewer system. Project SAFE (Sewer Access for Everyone) is a fund of the Community Foundation of the Lowcountry. Hilton Head HHPSD customers fund Project SAFE via the utility bill round-up program, Bucks for a Better Island. Bucks for a Better Island This program has historically raised about annually raises nearly \$40,000 annually to help fund Project SAFE. In 2009 alone, Project SAFE granted more than \$100,000 to Since 2004, SAFE has provided approximately four hundred thousand dollars (\$400,000) for towards connecting qualified property owners to the sewer, covering all or a portion of their sewer connection costs. The fund program uses the Beaufort County Median Family Income, as established by the U.S. Department of Housing and Urban Development, to determine the levels of grant awards. In order to further reduce costs the Town has assisted HHPSD by allowing critical the location of sewer infrastructure on Town property, such as the regional lift stations, located in the Chaplin area. By locating these facilities to be constructed on Town-owned properties, y, land costs were reduced resulting in lower fees for connection to sewer.~~

### **Stormwater**

As stated previously, the modern era of development began almost thirty years prior to the incorporation of the Town. During this time, significant stormwater infrastructure was installed that manipulated the natural watersheds and their boundaries. The Town inherited the majority of its stormwater infrastructure from these past developers. In some cases, similar work today would be difficult to permit due to the potential environmental impacts; however, some decisions of early developers have produced more favorable results. One of the most important decisions was to not install any direct stormwater outfalls onto the Island's beach. Another success has been the interconnected system of lagoons in some developments. These have proven successful in relationship to both water quality and water quantity.

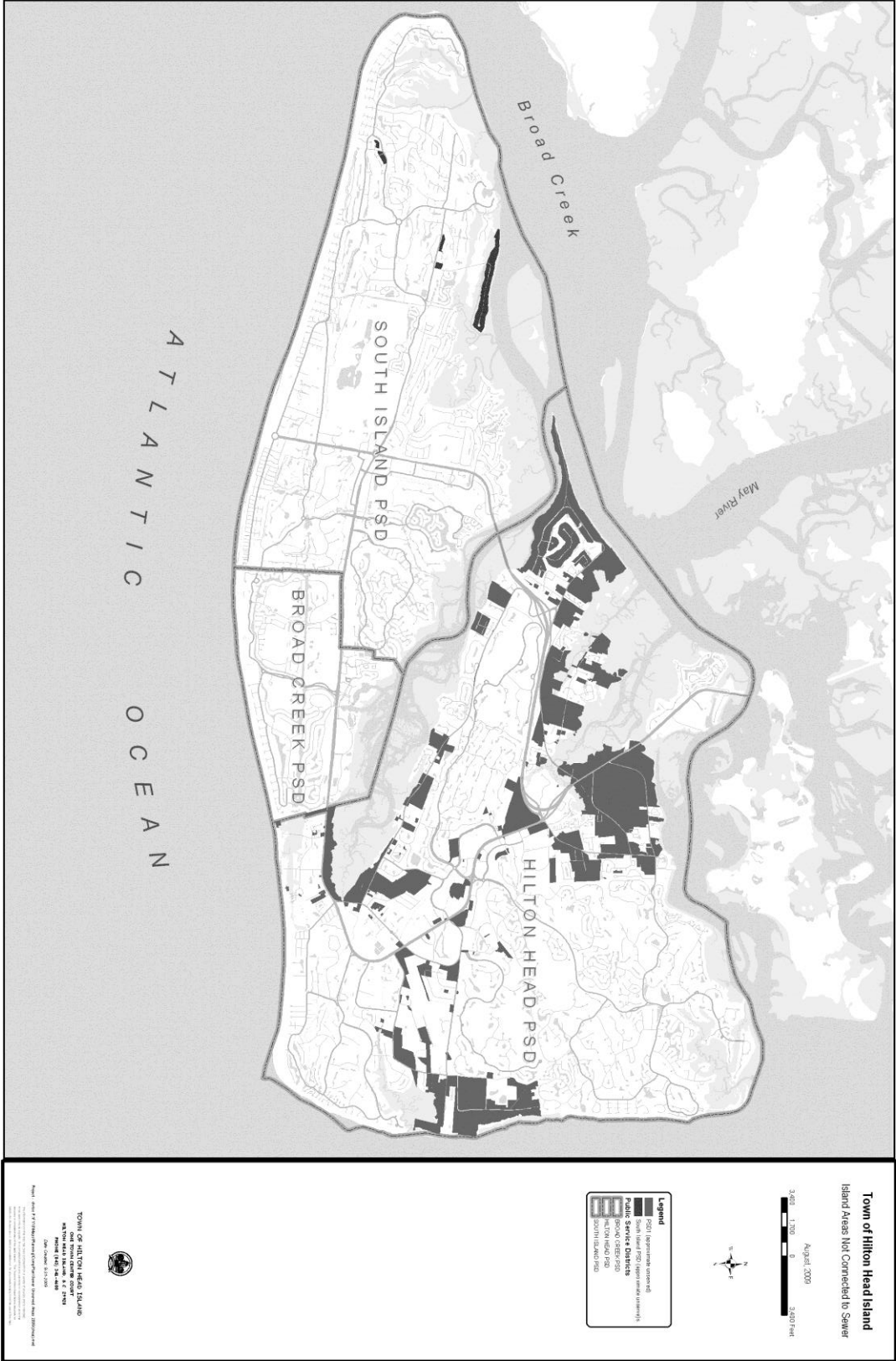
~~In 1995, an Island-wide Drainage Study was completed to inventory and analyze the Island's stormwater system in order to determine what improvements were needed to prevent or minimize upland flooding due to the lack of capacity to move water in the more lowland areas. This plan identified 16 public projects with a total cost of approximately \$20 Million, along with other private improvements of approximately \$3 Million.~~

~~After historic flooding in 1994, the Town completed an Island-wide Drainage Study in 1995 which inventoried and analyzed the Island's primary stormwater systems in order to determine the major improvements needed to improve storm water conveyance and mitigate flooding. This plan identified 16 major public projects to cost approximately \$20 million, along with other private improvements recommended at approximately \$3 million. The public projects have been addressed at a cost of approximately \$27 million. In 1996, drainage was added to the Town's Capital Improvements Program, which included a prioritized project listing with proposed funding sources. The design and construction of Jarvis Lake, Jarvis Creek Pump Station, and Jarvis Creek Park is one nationally recognized effort to save federal wetlands while still achieving stormwater control. With these major flooding projects completed, the Town's role in stormwater construction has transitioned from large capital projects to maintenance and regulatory compliance efforts.~~

~~To date, all but 2 of the 16 projects have been completed at a cost of approximately \$27 Million. With these projects completed, the Town's role in stormwater has begun to transition from project implementation to maintenance and regulatory compliance efforts. In 2001, the Town began assessing a~~

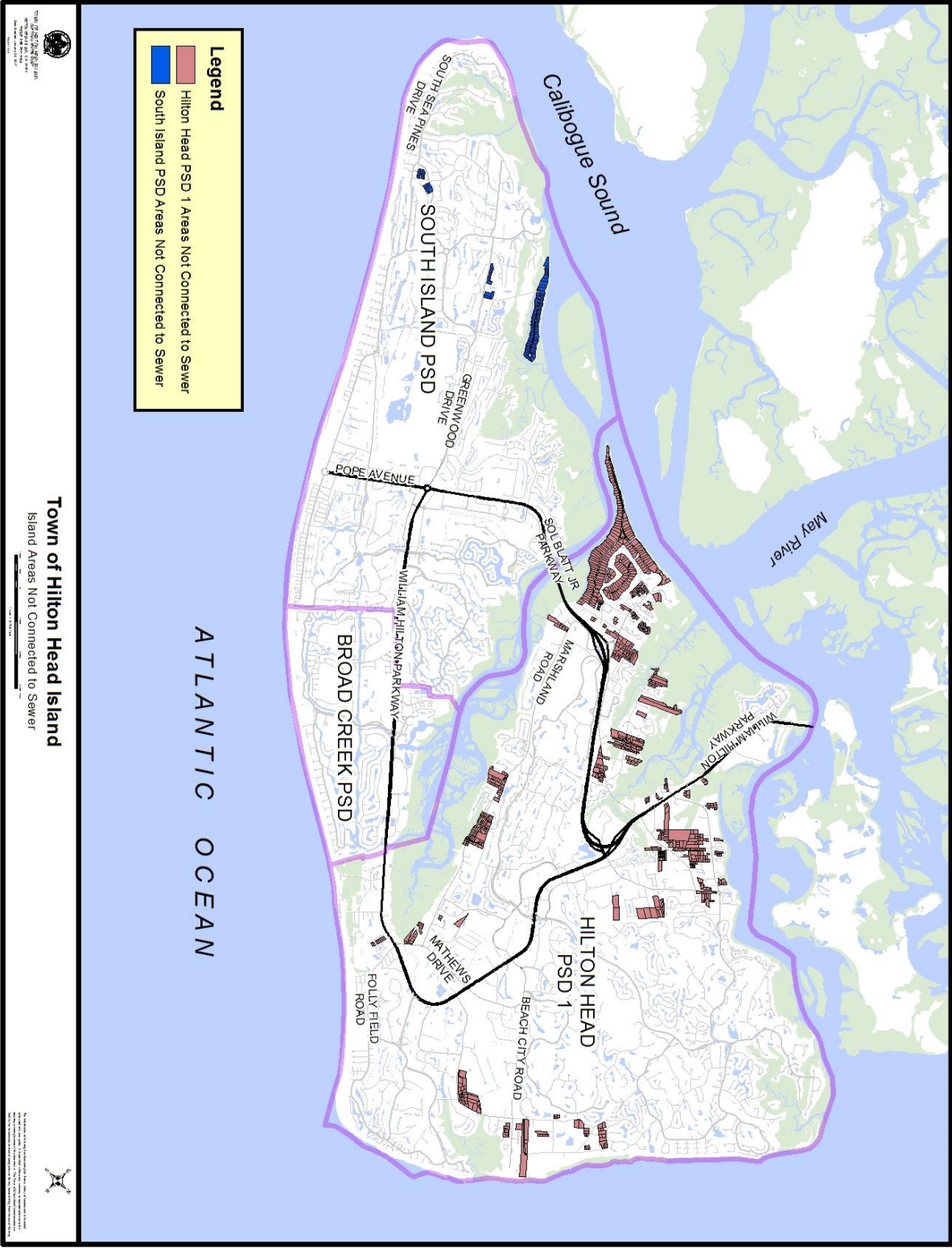
~~storm water utility fee as the primary funding source for storm water related activities. This user fee has been increased three times since then and is currently is set at \$108.70 for an equivalent residential unit. The Town's Stormwater Utility fees are collected by the County through both property taxes at a rate based on the amount of impervious area on the property. The Town has an agreement with the County defining each parties roles and responsibilities in operating the utility. The Town has secured agreements to maintain and improve the stormwater infrastructure in Shipyard, Hilton Head Plantation, Port Royal, Indigo Run, Sea Pines, Palmetto Hall, Long Cove Club, Leamington, Palmetto Dunes, and Wexford PUDs. The recent LMO update included storm water regulations that comport with the state's regulations. The Town has recently been named an NPDES MS4 Phase 2 community, which entails many requirements of the Town aimed at protecting and enhancing water quality. This additional responsibility comes with an associated cost and as a result, has necessitated an increase of our Stormwater Utility Fees. Stormwater Utility Fees are collected by the County through both residential and commercial property taxes at a rate based on the amount of impervious area on the property. Once collected, the County redistributes the fees to participating municipalities. Hilton Head Island recently raised its fee from \$50.76 to \$83.23 primarily due to the expansion of the Town's responsibilities associated with the agreements described above.~~

**Figure 6-6: Island Areas not Connected to Sewer**





**Figure 6.6: Island Areas not Connected to Sewer**



### **Electricity**

The Island's electricity services are provided by Palmetto Electric Cooperative (PEC), which was formed in 1940 and serves Hampton, Colleton, Jasper and Beaufort Counties. In 1949, PEC began buying electricity generated by Santee Cooper. In 2002, PEC secured its partnership with Touchstone Energy, which is a network of more than 600 cooperatives in 44 states. This has helped to diversify the sources of power for Island residents. Customers are also owners in the company. The customers of PEC elect other members as its governing body, which has helped to guide community involvement in decision making and strategic planning. PEC aggressively promotes energy conservation through providing information and programs to its customers.

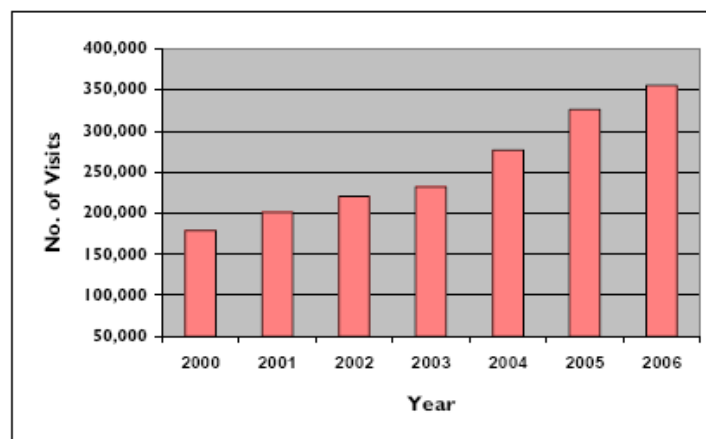
In response to community concerns with the visual quality of the built environment and storm event mitigation, the Town and PEC jointly developed a program to bury 108.63 miles of overhead power lines on the Island. Approximately ~~35~~ 87% of the work is now complete. This program is funded by rate payers through the Hilton Head Island Franchise Fee which was adopted by the Town on November of 2004. The benefits are far more reaching than the obvious beautification to the community. The underground power system allows the Island to better withstand lightning, tropical storms and low level hurricanes. Figure 6.7 shows power line burial projects that have been completed, are ongoing or are planned for the future. It is anticipated that the projects will be complete by 2019; however this date can be extended if necessary to accomplish program goals.

### **Solid Waste Collection and Disposal**

Solid waste collection and disposal services within the Town are available from private waste haulers as well as Beaufort County. Residential customers have the option of contracting with private waste haulers for curbside pick-up or dropping off solid waste at the County Convenience and Recycling Center located on the Island. Residents' charges for solid waste disposal services are included in their property taxes on homes and cars. Commercial customers must contract with private haulers.

In 2000 the Town partnered with Beaufort County to develop a consolidated waste and recycling center on the Island at the Town-owned property located off Dillon Road. This center replaced two smaller locations on the Island. The Convenience Center accepts recyclables, bagged household garbage, yard waste and non-compactable items. According to the County, the number of vehicles visiting the convenience center on the Island has increased from about 175,000 in 2000 to over 350,000 vehicles 2006; a 50% increase in traffic. Figure 6.8 shows the number of trips to the Hilton Head Island's convenience center.

**Figure 6.8: Hilton Head Island Convenience Center Traffic Volumes**



Source: Beaufort County Comprehensive Plan: Community Facilities Element, 2007

**Figure 6-7: Power-Line Burial Projects**

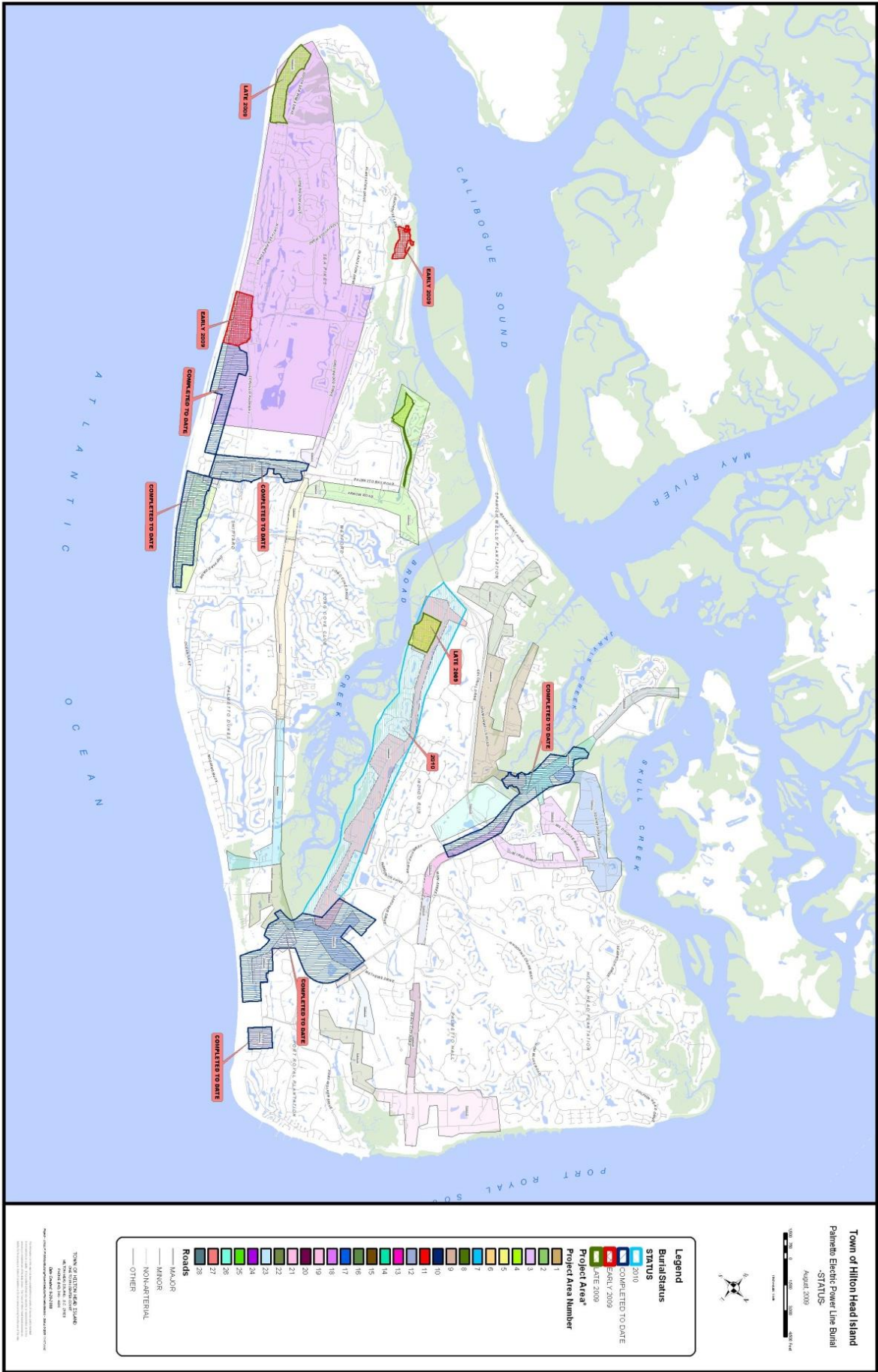
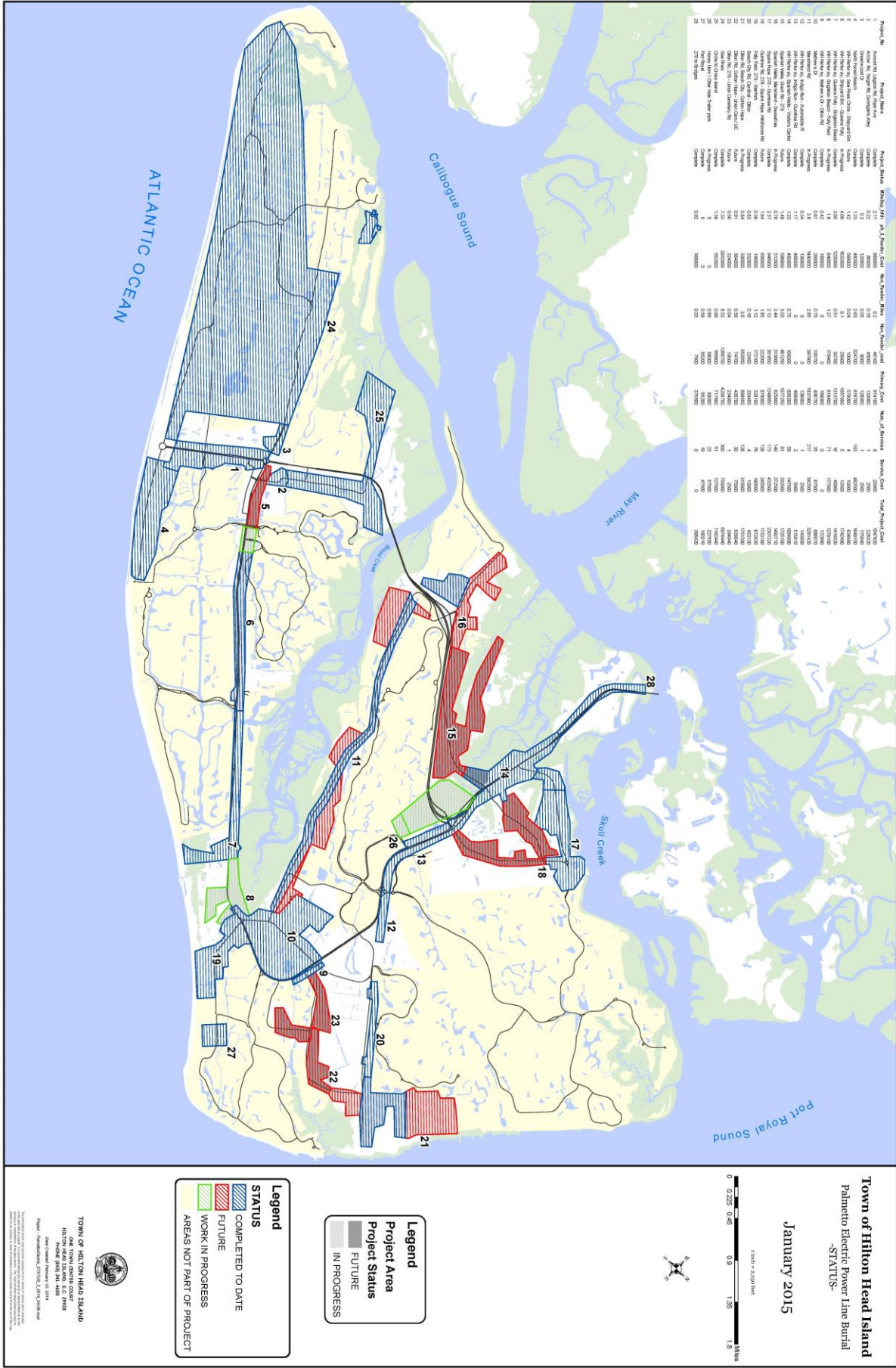




Figure 6.7: Power Line Burial Projects



Once solid waste and recyclables are dropped off, full containers are hauled to Hickory Hill Landfill, located in Jasper County. Recyclables are sorted and municipal solid waste is placed in the landfill. Hickory Hill Landfill is owned by Waste Management, a private company, and has an estimated lifetime of 20 years. (*Beaufort County Comprehensive Plan: Community Facilities Element, 2007*). The County has a contract with the Hickory Hills Materials Recovery Facility, also owned by Waste Management Inc., to process and market recyclables collected at the County's twelve convenience centers.

An evaluation of the County's solid waste needs was conducted by Beaufort County in 2005, which resulted in a recommendation for the County to build a solid waste transfer station. A transfer station is a facility where solid waste can be sorted, consolidated and distributed to other landfills in addition to Hickory Hill Landfill. This would result in the County having alternative facilities for solid waste disposal and would potentially help reduce customer costs. This evaluation also resulted in the identification of six landfill facilities within a 175 mile radius as potential Beaufort County disposal sites.

Recycling is one way to reduce the amount of solid waste generated by the Island's residents and visitors. The Town has established a beach and park recycling pilot program at all Town parks. ~~Islander's and Coligny Beach Parks, as well as Chaplin Park to serve the highest concentration of Island residents. A solar powered trash receptacle with a recycling kiosk will also be installed in Coligny Beach Park.~~ Although recycling has become a high priority for the Town, the unique nature of the Island's development patterns, with gated communities that have aesthetic restrictive covenants, has resulted in unique problems associated with recycling collection at individual addresses. The Island's Property Owners Associations are a key to this and to any recycling initiative in the PUD areas. The nature of the Island as a destination for vacation tourism poses additional challenges to effective recycling. Recycling alternatives that improve recycling awareness and accessibility for Island residents and visitors continue to be evaluated.

Beaufort County offers Special Collection Events in Bluffton and Beaufort to manage special materials such as household hazardous waste, medications, shredding, and electronics. Hazardous waste disposal is also accommodated on the Island. The Household Hazardous Waste Round Up has been held annually and sometimes twice a year by the Town. Each event has recovered about 55,000 lbs of waste that would have been sent to area landfills or improperly disposed of in sewer and storm drains. 95% of all hazards collected are recycled or reclaimed leaving only a small quantity of hazards to be permanently stored. Almost 400,000 pounds of material has been collected since the beginning of the program.

## Implications for the Comprehensive Plan

- Adequate water service should be provided for both domestic use and fire and safety purposes.
- Adequate sewer service should be provided Island-wide to improve public health, safety and welfare, reduce detrimental impacts on the Island's environment and accommodate growth and redevelopment.
- Saltwater intrusion increases the need to evaluate viable water source solutions to ensure that the Town will have an adequate water supply in the future.
- The Town should continue to work with Island PSDs to encourage water conservation.
- In order to maintain water quality, reduce negative impacts on natural systems and provide for improved stormwater conditions on the Island, the Town should continue improving stormwater infrastructure and promoting the use of best management practices.
- By encouraging recycling the Town can help reduce solid waste and pollution, as well as save natural resources and energy.
- The Town should continue to evaluate cost effective and efficient solid waste disposal and recycling options to ensure that there are adequate facilities available for these purposes.
- The Town should help educate Island residents and visitors about recycling options.
- Continued power line burial is needed to improve aesthetics and protect the Island from interruptions in electrical service, especially during significant weather events.

- Cooperative use of utility easements, primarily Santee Cooper's power line easement, should be considered.
- Utilization of Town Convenience Center has experienced significant increases, ultimately capacity and location should be evaluated to meet future needs.
- ~~Town Hazardous Waste Round-Ups should be continued.~~

## 6.6 Public Safety

### **Law Enforcement Services**

Police services for the Town of Hilton Head Island are provided by the Beaufort County Sheriff's Office (BCSO). The Sheriff's Office operates a substation on Hilton Head Island and has an agreement with the Town of Hilton Head Island to provide policing services for the Town.

The substation for the Beaufort County Sheriff's Office is currently ~~rented space~~ located at ~~70 Shelter Cove Lane Lagoon Road near Coligny Plaza on the south end of the~~ mid-Island. In 2000, the Town studied several options for the provision of police services to continue from Beaufort County or some form of Town controlled administration. The study was initiated due to a perception that Beaufort County Sheriff's Department may have failed to meet its contractual level of service. The study ultimately recommended that the Town and County renegotiate a contract to require additional direct reporting and detailed level of service expectations. ~~Recently, the~~ Town and Beaufort County ~~are~~ are considering the development of a new Law Enforcement Center that would replace the existing office location on the Island and provide a holding facility. The current holding facility is located in the City of Beaufort. As opportunities arise, the Town continues to evaluate potential scenarios with the BCSO.

Currently 60 to 64 deputies operate out of the Hilton Head Island Substation to serve the Island. Additional deputies are employed on the Island during special events such as the Heritage PGA Golf Tournament. With consideration for 10 officers per shift, the coverage area per officer is approximately 4.5 square miles. It is difficult to accurately state the ratio of police officers to population on Island due to visitor population fluctuation. A typical shift assigns approximately one on-duty officer per 4,000 permanent residents.

Another aspect of the Island's policing that is unique is private security forces which operate in each of the PUD communities. Over 70% of the Island is policed by private security. There is a strong cooperation with BCSO and the private policing services for those communities. Pursuant to State Law, all criminal cases must be turned over to BCSO. Although these private security forces do reduce demand on the Sheriff's Office, additional deputies are often needed to respond to criminal cases within the PUDs.

### **Fire and Rescue and Emergency Management**

Fire, Rescue, Emergency Medical and Emergency Management services for the Town of Hilton Head Island are provided by the Town's Fire & Rescue Department (HHIFR) which began in 1993 as a consolidation of the former Sea Pines Forest Beach Fire Department, the Hilton Head Island Fire District, and the Hilton Head Island Rescue Squad. In 1999, the Emergency Management Division was added. HHIFR now operates seven staffed fire stations, an Emergency Communications Center, an Emergency Operations Center, a Headquarters/ Maintenance facility and a new Training facility. In 20~~13~~<sup>08</sup>, 6,518~~083~~ calls for service were received, with the majority of requests being related to emergency medical needs.

The Department maintains the [Town of Hilton Head Island Fire and Rescue Master Plan](#), an appendix to the Comprehensive Plan, which establishes management and operational goals for a ten year period. The last plan was developed in 1999, received an interim update in 2004, and ~~is presently undergoing~~ a full revision in 2013. The Town also has a Comprehensive Emergency Management Program (CEMP) that takes an all hazard approach to emergencies and is composed of numerous documents. These include the



CEMP Overview (adopted 2009), the Continuity of Operations Plan (adopted 2009) and the Emergency Operations Plan (adopted 1999, updated 2008, presently undergoing a full revision).

In addition, the local portion of the [Beaufort County Hazard Mitigation Plan](#) (adopted 2004) ~~and the Town of Hilton Head Island Recovery Plan (adopted 2003)~~ are is presently undergoing full revisions and the Town of Hilton Head Island Recovery Plan (adopted 2003) was updated in 2009. These two documents, while part of the CEMP, are developed by other organizations with significant support and input being provided by HHIFR.

When developing these plans, consideration is given to the policies contained in the Town's Comprehensive Plan. Due to the technical nature of the plans listed above, they are included in this plan by reference and should be referred to for information on fire and rescue as well as emergency management service needs on the Island.

### Implications for the Comprehensive Plan

- In order to ensure that the Town has adequate fire and rescue as well as emergency management services, *Town of Hilton Head Island Fire and Rescue Master Plan* and other emergency management plans should be implemented, keeping in mind fiscal responsibility.
- The cost effectiveness and level of service provisions for law enforcement services and facilities should be monitored.

## 6.7 Communications

Residential and commercial communication services are provided by multiple source providers on the Island. Examples of these services include phone, cellular phone, internet, wireless internet and television services. The economic and redevelopment opportunities that may result from technology infrastructure improvements are also important considerations for the Town. The Town should advance communication capacity to support improved operations and enhance economic development potential. Encouragement should be given to upgrading electronic telecommunication capability on the Island to facilitate development of the telecommuting market segment. Far too many wireless “cold” spots exist and ~~third~~<sup>fourth</sup> generation (34G) capability on Island is limited and spotty. This is discussed in more detail in the Economic Development Element ~~(Chapter 7)~~.

At no time are communications services more critical than during an emergency; to facilitate effective communication with Island residents and visitors during such a time, a Public Information Officer (PIO) is provided by the Town to implement the Town's *Emergency Operations Plan*. In the case of an emergency, the PIO will work with Town officials and Beaufort County to ensure accurate, consistent and non-contradictory information is provided to the citizens and visitors in a timely manner. Press releases will be regularly issued during emergencies, and the Town will supplement media coverage by providing crisis communications to residents and visitors on the Town's website ([www.hiltonheadislandsc.gov](http://www.hiltonheadislandsc.gov)), Twitter account ([www.twitter.com/hhiemergency](https://twitter.com/hhiemergency)), [Facebook account](#) ([www.facebook.com/TownofHiltonHeadIslandSC/](https://www.facebook.com/TownofHiltonHeadIslandSC/)), and recorded telephone hotline (800.963.5023). Emergency information will be provided throughout the preparedness, response and recovery phases of an emergency.

### Implications for the Comprehensive Plan

- As technology improves, it is important for the Town to implement improvements that will help to enhance the services provided to Island residents and visitors.
- The Town should continue to monitor available technologies for improvements to the Town's communications system for emergency management purposes as well as economic development incentives.

- The Town should continue to install and provide wireless internet hot spots in all Town parks and facilities.

## 6.8 Health Care Services

### Primary Healthcare

Hilton Head Hospital (HHH) is a privately owned 93-bed acute care hospital located at 25 Hospital Center Boulevard. Opened in 1974, HHH serves Hilton Head Island, Bluffton, Okatie and surrounding counties through its team of over 600 employees, 100 physicians and 200 volunteers. The hospital provides a continuum of services through its centers and programs, including cardiovascular care, open heart surgery, breast health center, obstetrics/gynecology, gastroenterology, spine and orthopedic centers, surgical services, ~~and~~ physical rehabilitation and wellness. The hospital's cancer care program is affiliated with the Medical University of South Carolina Hollings Cancer Center.

~~Hilton Head Regional Primary and Urgent Care Centers offer family practice and internal medicine physicians providing flexible office hours to meet the health care needs of family's at convenient locations throughout the Hilton Head Island and Bluffton areas.~~ Hilton Head Hospital is accredited by The Joint Commission, the nation's oldest and largest hospital accreditation agency.

Island residents and visitors have access to a large regional healthcare system with locations in Beaufort, Savannah and Charleston.

### Public Health Facilities

The Lowcountry Health District of the South Carolina Department of Health and Environmental Control provides public health services through local health departments in Beaufort County as well as Jasper, Hampton and Colleton Counties. Health services offered through the Beaufort County Health Department include Child Health, Children's Rehabilitative Services, Maternal Health, WIC, STD Control, Tuberculosis Control, General Clinical Services, Health Promotion, Home Health Services, Long Term Care Services, Vital Records and Environmental Health including food protection, general sanitation and vector control (insects). The Bluffton Health Center is the nearest branch of the Lowcountry Health District to the Town of Hilton Head Island.

In addition to the Beaufort County Health Department, health services are available to Hilton Head Island residents from Beaufort-Jasper Comprehensive Health Services, Inc. (B-JCHS), and the Volunteers in Medicine Clinic.

Since 1970, B-JCHS has existed as a community development corporation to deliver comprehensive health services to residents of the socially and economically deprived areas of Beaufort and Jasper Counties. Services offered include general family practice, pediatrics, internal medicine, OB/GYN, dental care, ophthalmology, home health nursing, medical social work, nutritional counseling, pharmacy services, radiology, ~~ultra~~-sonography, WIC, supplemental food program, mental health linkage, migrant health services, and others. In addition to Medicaid, Medicare and insurance acceptance, B-JCHS accepts payment from patients on a sliding scale for medical and dental charges based on family size and income. Currently, B-JCHS serves residents of Hilton Head Island by means of a transportation service that is available to transport patients to the main B-JCHS Health Center in Chelsea.

The Volunteers in Medicine Clinic (VIM) is located at 15 Northridge Drive on Hilton Head Island. In 1994 the Town leased property to VIM, which was later dedicated to the Center. The Clinic's personnel consist of full-time paid employees and nearly 450 lay and professional volunteers. These doctors, dentists, nurses and other specialists provide routine medical services including vaccinations, physical examinations, general medicine, dermatology, postnatal and ~~well~~-baby care, cardiology, pediatric care, eye and ear services, dental care, pharmacy, chiropractic, gynecology and mental health services. Care is provided at no cost to those eligible for the Clinic's services. Eligibility is based on requirements that a



patient live or work on Hilton Head Island or Daufuskie Island, that the patient's income is limited to 200 percent of the poverty level based on federal guidelines or less, and that the patient is either not insured, under-insured, or on Medicaid. VIM estimates that there are 30,000 patient visits per year, with approximately 75% of clinic patients living on Hilton Head Island.

### **Cemeteries**

There are a total of 16 cemeteries located on the Island, the majority these are also historical sites. Cemetery ownership and maintenance responsibilities vary depending on the individual circumstances. The cemeteries located within the PUDs are typically owned by the property owners association. In some cases maintenance is provided by the PUD; in other cases affiliated churches provide maintenance. The cemeteries located outside of PUDs are typically owned and maintained by churches or other non-profit agencies. More information on cemeteries can be found in the Cultural Resources Element (~~Chapter 3~~) of this Plan.

## **Implications for the Comprehensive Plan**

- The Town has a higher percentage of older adults than an average community. (See Population Element). This results in a higher demand for medical care including emergency services.
- Consideration for evacuation needs in relationship to Island medical facilities should be considered.
- Maintaining a comprehensive and viable community for medical care is integral to attracting additional retirees and permanent residents to the Island.
- The Town's large service industry employment, which tends to have lower wages, can increase the number of residents without financial resources for health care services.
- Facilities are necessary to provide a final resting place for the deceased. The Town should cooperate with the County and other appropriate organizations to meet the continuing need for final resting places.

## **6.9 Educational Facilities**

### **Daycare**

The South Carolina Department of Social Services – Division of Child Day Care Licensing and Regulatory Services maintains a database of licensed child daycare providers in Beaufort County. In 20~~13~~<sup>19</sup>, there were 1~~6~~<sup>7</sup> licensed daycare centers on Hilton Head Island, which is a decline from 21 in 1999. Daycare on the Island is an important service, especially for the Island's workforce.

### **Primary and Secondary Education**

Public school educational services for the children in Beaufort County are available from the Beaufort County Board of Education. The Board is comprised of 11 elected members serving 4 year terms. Three members currently serve the Hilton Head Island community.

Elementary aged children on Hilton Head Island attend the Hilton Head Island Early Childhood Center on Pembroke Drive for grades Pre-Kindergarten through Kindergarten, and then have the choice of the Hilton Head Island International Baccalaureate Program or the Hilton Head Island School for the Creative Arts for grades 1-5. Students residing on Daufuskie Island attend the Daufuskie Island School for grades PK-5. Students on both Hilton Head Island and Daufuskie Island attend Hilton Head Island Middle School for grades 6-8 and Hilton Head Island High School for grades 9-12. These schools comprise the Hilton Head Cluster. There are currently no plans ~~for the next 5 years~~ for expansions to existing schools or additional new schools for the Hilton Head Island Cluster.

Additional public school choice options are the Riverview Charter School, serving grades K-5, AMES Academy for gifted and talented students (by application) in grades 3-5, and the Beaufort-Jasper Academy for Career Excellence, which is a public technical high school serving students grades 9-12 from 6 different high schools in the 2 counties.

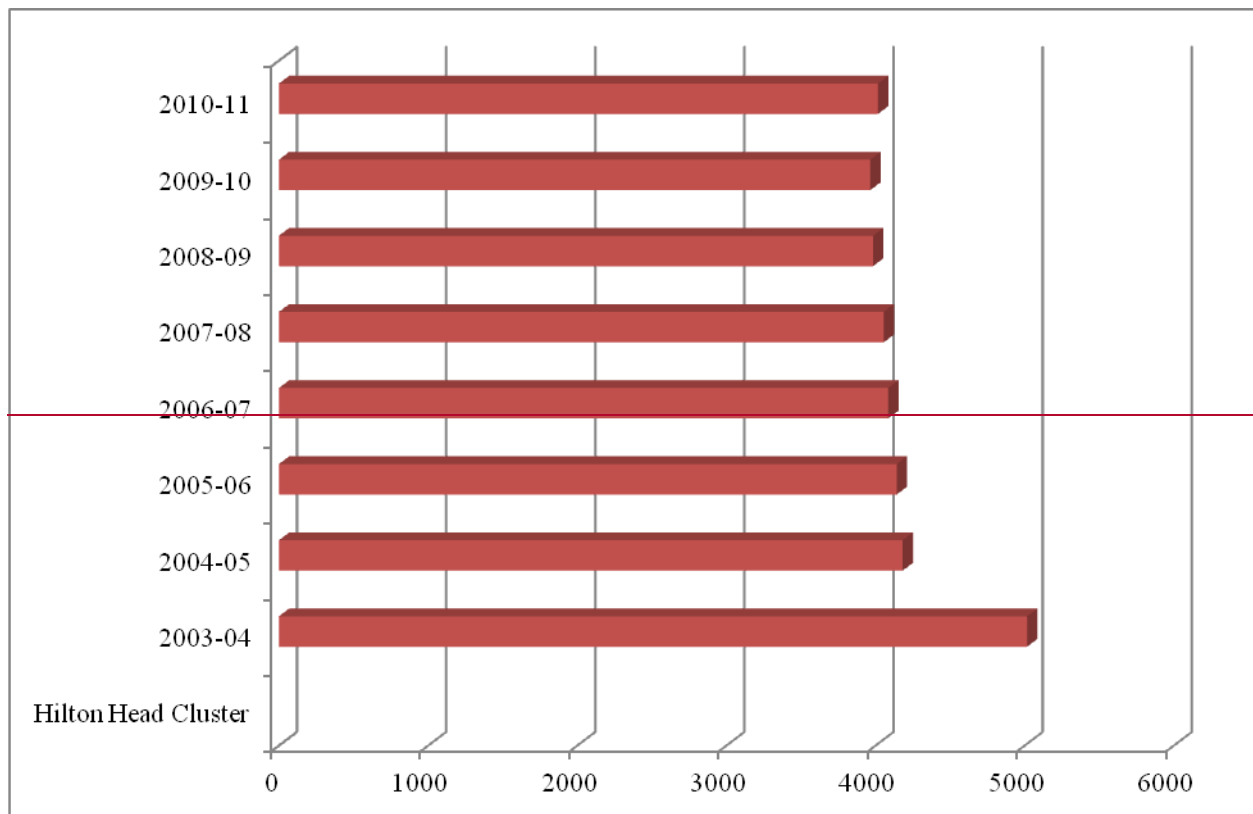
### **Enrollments – Historical and Projected**

Enrollments for the Hilton Head Cluster schools have been in a slow but steady decline for last five years. This is indicative of the Island's aging population and limited potential for future growth. Figure 6.98 shows the enrollment history for the Hilton Head Cluster schools since the 2003-2004 school year. The drop in enrollment from the 2003-04 school year to the 2004-05 school year was due to the opening of Bluffton High School.

### **Private Education**

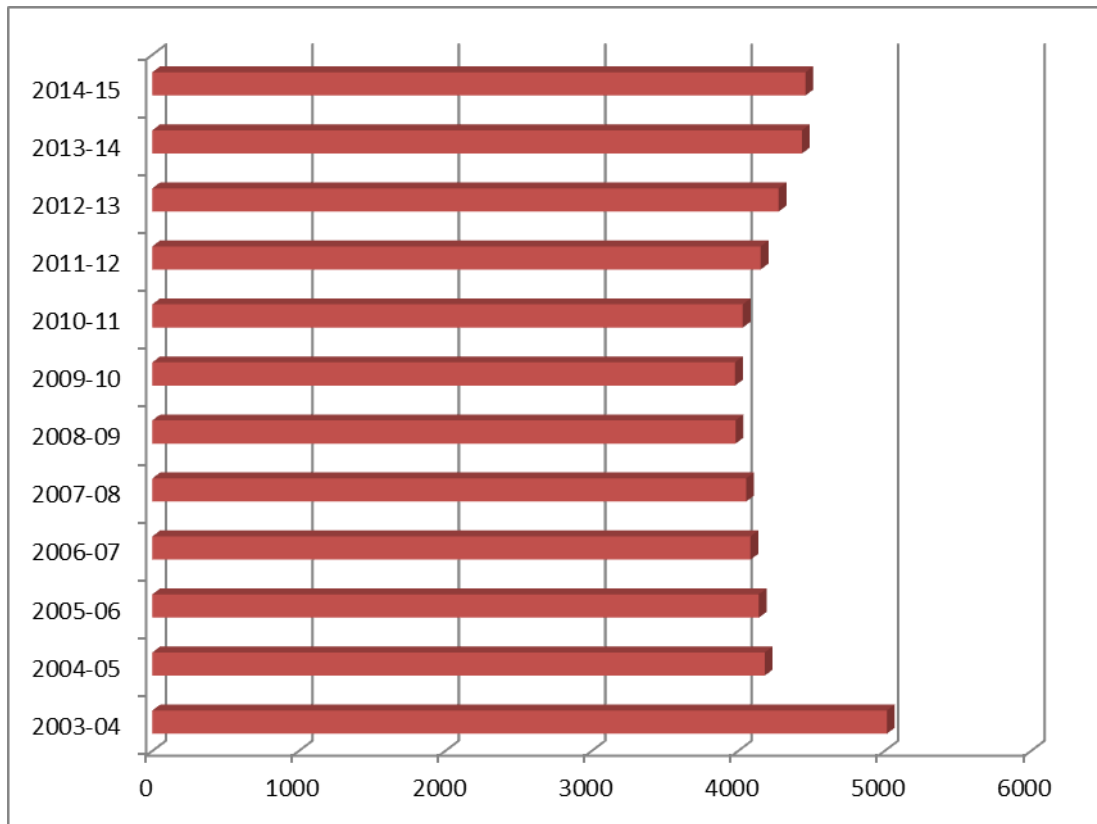
Private education institutions that serve elementary and secondary students on Hilton Head Island include Hilton Head Christian Academy, Hilton Head Preparatory School, St. Francis Catholic School, Sea Pines Montessori School and Heritage Academy. There are also numerous programs and specialty need schools that are privately owned and operated.

**Figure 6.8: Beaufort County Schools Enrollments**



Hilton Head Cluster	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	5017	4183	4143	4086	4056	3984	3966	4017

Source: Beaufort County School District.

**Figure 6.9: Beaufort County Schools Enrollments**

<u>Hilton</u>	<u>2003-</u>	<u>2004-</u>	<u>2005-</u>	<u>2006-</u>	<u>2007-</u>	<u>2008-</u>	<u>2009-</u>	<u>2010-</u>	<u>2011-</u>	<u>2012-</u>	<u>2013-</u>	<u>2014-</u>
<u>Head</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Cluster</u>	5017	4183	4143	4086	4056	3984	3981	4033	4155	4278	4437	4461

Source: Beaufort County School District.

Table 6.4 shows the enrollment levels in the Hilton Head Cluster schools from 2004 to 2011 and 2015 to 2017 for the past 7 school years:

**Table 6.4: Enrollment in Hilton Head Island Cluster**

Year	PK to 5	6 to 8	9 to 12
2004-05	2099	940	1144
2005-06	2048	941	1154
2006-07	1997	934	1155
2007-08	1956	900	1200
2008-09	1889	931	1164
2009-2010	1898	885	1183
2010-2011	1961	860	1196
<u>2015-16</u>	<u>2191</u>	<u>988</u>	<u>1312</u>
<u>2016-17</u>	<u>2084</u>	<u>1004</u>	<u>1326</u>

Source: Beaufort County School District

Table 6.5 shows the projected enrollment in the Hilton Head Cluster schools from 2011 to 2018.

**Table 6.5: Projected Enrollments in Hilton Head Island Cluster**

Year	PK to 5	6 to 8	9 to 12
2011-12	2091	899	1165
2012-13	2038	968	1231
2017-18	1796	1170	1582

Source: Beaufort County School District

### Higher Education

The University of South Carolina at Beaufort (USCB) is one of the Island's major resources for higher education. In 1983, USCB began offering courses in a leased facility located on the Island until April 2004 when USCB outgrew that facility due to increased enrollment and demand for expanded course offerings resulting from the rapid increase in population in Beaufort County. In 1994 International Paper gave eighty acres of land to build an additional full-service campus of USCB in southern Beaufort County, the region's highest growth area. The County government agreed to finance the construction of the campus if the school were designated as a four-year university. Once the state approved the four-year status, construction of the Hilton Head Island Gateway Campus (HHIG campus) began. Classes at the HHIG commenced in August of 2004. On-campus student apartments at the HHIG campus opened in the fall of 2005. The school's Campus Center opened in the fall of 2009 and houses a dining facility, gym, bookstore, offices, and meeting space.

The Town has a desire to provide higher education opportunities on the island; therefore, a Memorandum of Understanding was signed to bring a USCB facility back to the island. The USCB facility would offer programs in Hospitality Management, Event Management & Hospitality Promotion, the Osher Lifelong Learning Institute (OLLI), and adult education/certification.

USCB is accredited by the Southern Association of Colleges and Schools and offers baccalaureate degrees and numerous continuing education programs. The university's degree programs respond to regional needs, draw upon regional strengths, and prepare graduates to participate successfully in communities here and around the globe.

USCB is a senior campus of the state's largest public university, the University of South Carolina. It brings USC's statewide mission of teaching, research, scholarship, and public service to the rapidly growing Lowcountry of South Carolina. Programs are offered in mathematics and the natural sciences, humanities, and professional and social sciences. Its curriculum is designed to promote acquisition of knowledge and, through it, the intellectual dispositions and skills that encourage depth of understanding, tolerance of others and individual accountability. Attracting a racially and culturally diverse student body of varying ages and experiences, the University of South Carolina Beaufort draws its students primarily from the South Carolina Lowcountry, with representation from other parts of the state, other states, and foreign countries. USCB currently serves approximately 1,650 over 1,700 students.

The Technical College of the Lowcountry serves the Island as well. One of sixteen colleges comprising the South Carolina Technical College System, the Technical College of the Lowcountry (TCL) traces its origin to the Mather School founded in 1868. TCL is a comprehensive, public, two-year college dedicated to serving the diverse educational needs of Beaufort, Colleton, Hampton and Jasper Counties. The College annually serves approximately 10,000 8,500 credit and continuing education students, a mix of traditional, non-traditional, full-time, and part-time. TCL provides quality, affordable academic and technical programs leading to Associate Degrees, Diplomas and Certificates.

Other adult education services are provided by Beaufort County School District, such as GED training and testing. One of the largest adult education organizations serving Hilton Head Island is USCB's Osher Lifelong Learning Institute (OLLI) programs. This program offers a wide variety of classes: philosophy, history, art, music, current events, political issues, religion, science, literature, languages, and many others.

### **Libraries**

Beaufort County operates a regional library on the north end of Hilton Head Island. Completed in 1998, this 26,000 square foot facility replaced the former 8,000 square foot library which in turn was converted into a Beaufort County Administrative Annex on William Hilton Parkway.

The Beaufort County library system operates as a fiscal and administrative department of County government. The Beaufort County Library Board of Trustees establishes library policy, monitors library operations, and makes recommendations to County Council concerning budget and planning and development.

The current building has 88,881 collection items. Current national standards recommend a per capita building level of service between 1.25 and 1.6 square feet. Beaufort County has also adopted a level of service standard of 3.5 collection items per capita. This results in 0.639 square feet per person and 2.18 collection items per person on the Island, making the Island's library deficient in relationship to these standards. ~~Beaufort County currently has an expansion project planned for the library, which will help to improve the library's level of service.~~

Community meeting space is provided at the Hilton Head Island Library. Friends of the Library is an organization which helps the library through cash contributions, book sales and volunteer services. The Heritage Library is also a non-profit organization that provides a facility for reference materials on the Island's history.

### **Implications for the Comprehensive Plan**

- Adequate daycare services should be provided to support the Island's workforce.
- Enrollment trends and future projections indicate no immediate need for additional school facilities on the Island.
- Continuing and adult education has been identified as important to Island citizens. More on-island opportunities should be considered for higher education.
- Because of the resort nature of the Town's economy there are opportunities to expand higher education in areas that support the local economy, such as culinary arts, golf and hospitality services.
- Adequate library facilities and services are important to the community. Continued implementation of the levels of service adopted by the County should be considered.

## **6.10 Capital Improvement Program**

There is a strong link between the Town's Comprehensive Plan and its Capital Improvement Program (CIP). Coordination of the various elements of the Comprehensive Plan is a major objective of the planning process. All elements of the Comprehensive Plan should be consistent and the Comprehensive Plan should be financially feasible. Financial feasibility is determined using professionally accepted methodologies and applies to a 10 year planning period, which is the scope of the CIP. In accordance with State Law, the proposed CIP for each fiscal year is developed by staff for review and recommendation to the Town's Planning Commission. The pathways and parks sections ~~are~~ is also reviewed by the Town's Parks and Recreation Commission. The Planning Commission recommends the proposed CIP to Town Council for adoption during the CIP Budget Workshop around May of each year. Projects contained in the Town's CIP relate to roads, government facilities, park facilities, pathways, drainage improvements and beach renourishment.

"Existing Infrastructure and Improvements" is the largest funded program of the current CIP indicating the expansion of the Town's services in areas of property and facility maintenance. Recent CIP projects have included the construction of Fire Station 6, the Rowing and Sailing Center at Squire Pope Community Park, and various stormwater improvements throughout the island ~~Compass Rose Park,~~



~~redevelopment of Coligny Beach Park, realignment of Office Park and Wild Horse Roads, as well as the construction of a Fire and Rescue Training Center.~~

## Implications for the Comprehensive Plan

- The strong link that exists between the Capital Improvement Program and the Comprehensive Plan helps to ensure that public investment in municipal facilities and infrastructure is coordinated with the Town's projected growth and development. This relationship is important and should be maintained during the development of future Capital Improvement Plans.
- During the annual review of the CIP, the goals and implementation strategies adopted in the Comprehensive Plan should be used to assist in the development of project identification and prioritization.

## 6.11 Goals and Implementation Strategies

### Goals

#### 6.1 Build-out

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

#### 6.2 Town Government

- ~~The goal is to~~ provide excellent Town services funded through a variety of revenue sources.
- ~~The goal is to~~ provide the staff and requisite facilities to maintain the superior administration of all Town government functions as the community's needs increase.
- ~~The goal is to~~ work toward a more balanced composition of Town boards that better reflects the diversity of the Island's population.
- ~~The goal is to~~ set an example for the community by maintaining Town projects and properties in a manner that preserves and enhances the Island's character.

#### 6.3 Transportation Network

- ~~The goal is to~~ provide a transportation network that includes opportunities for roadway, pathway, water-based and air-based transportation to and on the Island.
- ~~The goal is to~~ have a safe, efficient and well-maintained regional and local roadway network.
- ~~The goal is to~~ protect the bridges that provide the only ground transportation link from the Island to the Mainland.
- ~~The goal is to~~ have a pathway network that provides for recreational opportunities as well as an alternative means of transportation to and on the Island.

#### 6.4 Town Acquired Property

- ~~The goal is to~~ preserve and protect the Island's character through land acquisition.
- ~~The goal is to~~ assess the utility and character of Town acquired property.

#### 6.5 Utilities

- ~~The goal is to~~ have a safe and effective utility system that minimizes interruption in services.
- ~~The goal is to~~ provide adequate water service for both domestic use and fire safety to all areas of the Island.
- ~~The goal is to~~ address the challenges that salt water intrusion presents for Island water sources.
- ~~The goal is to~~ promote water conservation.
- ~~The goal is to~~ have sewer service Island-wide.
- ~~The goal is to~~ have well-maintained, effective stormwater infrastructure on the Island.

- G. ~~The goal is to~~To have a solid waste and recycling program for the Island and to educate residents and visitors on the benefits of recycling.
- H. ~~The goal is to~~To improve the utility and cooperative use of publicly owned easements on the Island.

## 6.6 Public Safety

- A. ~~The goal is to~~To have adequate and cost effective law enforcement services for the Island.
- B. ~~The goal is to~~To provide Fire and Rescue and Emergency Management services to Island residents and visitors.

## 6.7 Communications

- A. ~~The goal is to~~To have effective communication services that minimize service interruptions on the Island that support emergency management as well as economic development applications.

## 6.8 Health Care Services

- A. ~~The goal is to~~To have adequate, cost effective health care service for Island residents and visitors.
- B. ~~The goal is to~~To work toward provisions that would allow for aging in place on Hilton Head Island.
- C. ~~The goal is to~~To provide for safe and efficient evacuation including Island medical facilities in accordance with the Town's adopted Emergency Management Plans.
- D. ~~The goal is to~~To coordinate with the County and other appropriate organizations regarding the provision of a final resting place for members of the community.

## 6.9 Educational Facilities

- A. ~~The goal is to~~To have adequate daycare facilities for the Island's workforce and residents.
- B. ~~The goal is to~~To coordinate with educational agencies in the community to meet the educational needs of the Island's population.

## 6.10 Capital Improvement Program

- A. ~~The goal is to~~To have a Capital Improvement Program that is grounded in the Town's Comprehensive Plan.

# Implementation Strategies

## 6.1 Build-out

- A. Continue an ongoing assessment of community facility needs in the Town as growth and redevelopment continue.
- B. Develop visionary and innovative initiatives to mitigate challenges of build-out in a proactive manner that considers fiscal responsibility and the community's willingness to pay.

## 6.2 Town Government

- A. Review the scope of Town government to determine if any increases or decreases should be made to the services that are provided by the Town.
- B. Develop a long range plan to address staffing levels of existing and potential new departments, and to consider the facility needs of the Town staff for the next twenty years.
- C. Ensure that adequate facilities are available to continue the high level of services offered by the Town.
- D. Research the availability of new funding sources that will help to diversify the Town's revenue sources and assist in funding any new services that may be provided by the Town.
- E. Promote diverse participation of all members of the community through appointments to Boards, Commissions and Task Forces.
- F. Maintain the economic capacity to provide for the operation and maintenance of Town projects and properties.

### 6.3 Transportation Network

- A. Coordinate with the County of Beaufort and the SCDOT (South Carolina Department of Transportation) to implement the recommendations included in the Town's annual Traffic Monitoring and Evaluation Report and to ensure that high quality maintenance is provided for the Island's roadway network.
- B. Coordinate with appropriate agencies for the protection and routine maintenance of the bridges and causeways.
- C. Continue to expand the Island's pathway network.
- D. Coordinate with SCDOT and Beaufort County to provide a pathway link to the mainland.

### 6.4 Town Acquired Property

- A. Continue funding the Town's Land Acquisition Program.
- B. Evaluate the policies of the Town's Land Acquisition Program to determine if any changes are needed to better address the changing needs of the community as it builds out and reaches maturity.
- C. Create a Town-owned property master plan.
- D. Monitor development activities adjacent to Town-owned property.

### 6.5 Utilities

- A. Take a leadership role in seeking funding sources and cooperative agreements with the existing PSDs for the construction of sewer lines where needed. Continue to coordinate with HHPSD on the implementation of its Sewer Master Plan.
- B. Continue to Implement the Town's Sewer Policy.
- C. Continue to evaluate the positive and negative consequences of additional combinations of the three separate PSDs.
- D. Encourage the development of a joint sludge composting operation on the Island with participation from solid waste disposal and recycling organizations.
- E. Coordinate with Island PSDs to evaluate Island water needs in relationship to the impacts of salt water intrusion.
- F. Promote water conservation through joint efforts with Island PSDs and educate island residents, visitors and businesses about the importance of reducing water use.
- G. Use reclaimed water when maintaining Town projects where financially feasible.
- H. Research and compile data on the amount of waste produced by Island residents and businesses, and use that data to determine target amounts for recycling.
- I. Develop an effective recycling program for the Island and educate residents, visitors and business owners about recycling options.
- J. Cooperate with the County and appropriate agencies to seek funding sources to increase the capacity and level of service for recycling on the Island.

~~K. Continue to fund Town Hazardous Waste Roundups.~~

~~L.K.~~ Continue to fund the Island's power line burial program.

~~M.L.~~ Coordinate with Santee Cooper and other easement holders to explore the use of such easements for ~~such~~ uses such as wildlife corridors, roadway connections and parking.

~~N.M.~~ Continue to improve Island stormwater infrastructure.

~~O.N.~~ Continue to develop cooperative agreements with Island PUDs for maintenance of stormwater infrastructure.

### 6.6 Public Safety

- A. Continue to assess the adequacy of all public safety services, including law enforcement, in light of updated resident population and visitor figures.
- B. Please refer to the Fire & Rescue Master Plan and the emergency management plan for needs, goals, and implementation strategies for public safety.

## **6.7 Communications**

- A. Communication improvements should be made to improve capacity (4G) for economic development ~~(3G)~~ and emergency management through cooperation with service providers.

## **6.8 Health Care Services**

- A. Coordinate with health care providers to access health care needs for the aging population.

## **6.9 Educational Facilities**

- A. Cooperate with the public school district, Island non-profit organizations, and concerned citizens to assess the Island's daycare facilities and propose potential ways to improve daycare options.

B. Encourage Beaufort County to provide adequate resources and funding for the library located on Hilton Head Island.

~~B-C.~~ Coordinate with USCB in the development of an educational facility on the island to provide higher education programs and adult education services for Island residents.

## **6.10 Capital Improvement Program**

- A. Utilize recommended strategies contained in the Town's Comprehensive Plan as the driving force for the development of the Town's Capital Improvement Program.
- B. Estimate the impacts of continued operations and maintenance of all proposed facilities as part of the development of the Capital Improvements portion of the annual budget.

## 7 Economic Development

*To define, foster, and enhance the economic environment that sustains Hilton Head Island's unique way of life.*

### Introduction

The Town of Hilton Head Island has developed into a nationally and internationally known premier resort and retirement community. The appeal of the Island to retirees, visitors, and permanent residents is a very favorable climate, environmental attractiveness and perceived sensitivity to environmental preservation with public controls on growth to preserve natural attractiveness, coupled with high quality amenities and infrastructure.

The Town of Hilton Head Island has preserved a relaxed, small town feel while evolving an economic system where the sources of wealth (residents, second homes and visitors) are balanced with a growing private service and retail sector through the sensitive interplay of public authority, land use, and governmental controls. The notion that resonated throughout interviews, surveys, and public meetings (outlined in the “Element Knowledge Input” subsection below) provided the following overall insight:

The Community and officials alike feel that they like the Island pretty much the way it is now (meaning to retain the existing character, spirit, and experience of the Island) and understand that it has reached somewhat of a maturity phase in its development (versus its earlier rapid growth). To a great extent this is a vote of confidence in the governance of the Island thus far. They indicated “character preservation” over growth, with “sensitive renewal” now being the key to guide regulation and controls. The guidance being to preserve, wherever possible, those legacy attributes of the Island that attracted residents and visitors in the first place.

“Sensitive (re)development” dominates the thinking (versus development in earlier stages) with calls for the exercise of “flexibility” and applying “good judgment” in controls often on a case by case basis in order to preserve the essential “character” of the Island.

These insights present new challenges for planning, governance and regulation.

The central issue now is how to sustain this economic system as the Town transitions from a successful growth phase to relative maturity while preserving the natural settings, fragile ecology, amenities and infrastructure that will continue to attract and retain retirees, visitors and new residents.

The Economic Development Element will discuss issues raised in connection with growth, ecology, amenities and infrastructure and present some potential strategies for consideration by Town Governance.

### **Element Knowledge Input**

Unless otherwise attributed, the background information, and knowledge gained, for this element was synthesized from an inventory and analysis of existing conditions and findings based on 30 interviews with community leaders in 2007, 2008 and 2009, consultant structured interviews (67 stakeholders), a consultant administered Community Assessment Survey in 2008 (564 responses), and direct neighborhood meetings (attended by 343 Islanders).



## 7.1 Comprehensive Plan Approach<sup>27</sup>

Beginning in November 2007 element meetings were conducted to outline a rigorous approach to develop the Economic Development Element and the Comprehensive Plan. The existing comprehensive planning process was merged with a best practice business planning methodology with the framework shown in Figure 7.1.

## 7.2 Economic Model<sup>28</sup>

This approach led to the formulation of the following preliminary economic dynamic model for the Town of Hilton Head Island shown in Figure 7.2.

Residents/Second Home Owners and Visitors/Tourism sectors are the economic engines while the Retail and Service sector is the integrator for Island wealth creation.

## 7.3 Economic Development Discussion

Since the Town was incorporated in 1983, Hilton Head Island has developed a relatively stable economic system enabled by the two well springs of economic wealth. (Residents/Second Home Owners and Visitors/Tourism—~~Model Figure 2~~)

- Residents and second home owners have increased residential capital invested on the Island from \$3.5 ~~B~~ billion in 1994 to \$13.8 billion in 2008 while the value of nonresidential property has increase from \$800 million to \$3.1 billion over the same time period.<sup>29</sup>
- Visitors have steadily increased from nearly 1 million at the time the Town's incorporation to nearly 2.5 million in 2000.<sup>30</sup> Visitor rates have declined somewhat since then to around ~~two~~ 2 million in 2008. Overall the increase in visitors has generated an increase in nonresidential, service sector, capital invested from \$372 million to over \$1.5 billion in 2009–today.<sup>31</sup> (~~Economic Development Table 7.3~~)
- Town government revenues from residential, visitors and service sectors have increased from \$18.3 million in 2003 to \$~~38.6~~ ~~36.2~~ million in 20~~15~~08.<sup>32</sup>
- Presently, there are more than 600 real estate executives employed on the Island.<sup>30</sup>
- 61% of local jobs are tourism-related.<sup>30</sup>
- In 2015, Tourism in the Hilton Head Island area employed s-over 12,740 ~~10,000~~ people living both on the Island and in the surrounding communities.<sup>33,30</sup>
- Approximately 43 percent of the 5,000 licensed Island enterprises are retail and service-oriented companies.<sup>30</sup>
- Retail operations and restaurants, in particular, have grown on Hilton Head Island.<sup>30</sup>
- Tourism contributes more than \$1.5 billion into the Hilton Head Island area economy annually.<sup>30</sup>

<sup>27</sup> See Figure 7.1

<sup>28</sup> See Figure 7.2

<sup>29</sup> Beaufort County Assessor Data

<sup>30</sup> Hilton Head Island – Bluffton Chamber of Commerce

<sup>31</sup> Town of Hilton Head Island Comprehensive Annual Financial Report

<sup>32</sup> Town of Hilton Head Island Consolidated Municipal Budget

<sup>33</sup> Estimated Impact of Hilton Head Island Tourism in 2015 on Beaufort County, South Carolina Economic and Fiscal Impact Analysis prepared by Regional Transactions Concepts, LLC

- Visitor accommodations on Hilton Head Island pay nearly \$20 million in property taxes to Beaufort County.<sup>30</sup>
- Sales taxes paid by Hilton Head Island visitors total \$47 million. Taxes paid by visitors save every South Carolina taxpayer more than \$200 each year in state taxes.<sup>30</sup>
- ~~Last year~~In 2016, ~~almost~~ \$3.8 ~~2.5~~ million in accommodation taxes paid by visitors was awarded to community organizations and Town government to help<sup>30</sup>:
  - Promote tourism
  - Nourish beaches
  - Support beach parks
  - Build pathways
  - Support various cultural organizations
  - Pathway rehabilitation
- This system has created a dynamic and broad-based service industry infrastructure, based largely on hospitality, tourism and residential support, which provides a relatively stable economic base for the Island.

## 7.4 Key Island Economic Assets and Capabilities

The key assets and capabilities that have contributed to the Island's economic success are:

- Unparalleled natural assets in the form of 13 miles of pristine beaches, green spaces, parks, trees and waterways which have been maintained and protected by both early restrictive covenants and a Town governance process focused on the need to protect and preserve these natural assets. These natural assets not only make the Island environmentally pleasing, but also are key tangible assets of Hilton Head Island's economy in attracting and retaining residents and visitors alike.
- An evolved community culture with an image of a quieter, natural experience for visitors and residents alike having a real "Island" feel.
- Access and communication via a land bridge which increases the opportunity for relatively low cost transportation for visitors, residents, and employees.
- Sensitive regulation and ordinance that owe much to the vision of the early Island founders and developers, resulting in a recognizable (and marketable) Hilton Head Island image and style as a recreation and residential resort. This "brand" image is a key intangible economic asset for the Island.
- Development of a first class, diverse, service sector offering friendly hospitality for families, outstanding sporting facilities in the form of PGA caliber golf and renowned tennis facilities, diverse restaurants, medical support, and educational opportunities to enable residential and visitor growth.

## 7.5 Potential Risks for Future Economy with Comprehensive Plan Implications <sup>34</sup>

There are potential risks to the Island's economic future that should be addressed:

- The primary access to the Island, which has proven to be so vital to the growth of its economy, is dependent on a road bridge system. Any significant disruption to this critical gateway from marine shipping damage, or other major event, would have a serious impact on the Island's economy. No volume-capable alternative currently exists. The Island's small airport is limited in capacity ~~(around 4% of visitors historically arrive by air—Figure 3)~~ and expansion capability is limited.

33 See Figure 7.5

- In addition, continued mainland growth coupled with no plans to widen Interstate 95 or Interstate 26 may limit future access to the Island. This issue will be addressed in the Transportation Element.
- The Island has reached a stage of relative maturity from its earlier rapid growth in the life cycle of its development. Some of its hospitality and other service sector assets are aging (becoming “tired” looking) and are in need of revitalization or potential replacement. “Sensitive Redevelopment” has become a major theme resonating from the research interviews and community input. Older condominium units, in particular, present a challenge due to the multiplicity of owners in any given development.
- “Flexibility” (where reasonable people may disagree but must find a solution) in the application of historic regulation and ordinance was called for to improve existing non-conformities and future redevelopment.
- Preservation of natural assets - Continual protection, nourishing and replenishing of beaches, dunes and native vegetation with continuity of the Town's successful land acquisition program to preserve green space and control density is vital to the future economic potential of the Island.
- With the early rapid growth of the base economic engines of residential and visitor investment slowing, as the Island approaches maturity, efforts should be focused on initiatives for enriching the economic potential while preserving the essential character and natural assets that have been responsible for the Island's success.
- A sustainable workforce will become essential to the future economic potential of the Island and is essential to support the social economic population mixing that is vital for a vibrant and sustainable economy. To be sustainable over the horizon envisioned by the Comprehensive Plan such a workforce needs both appropriate education and training, and access to affordable housing. While efforts for education and training may be broadly addressed on a regional basis, the current strategy for affordable housing seems to hinge on a “pool of labor” being accessible off Island. While this may be valid short-term (3-5 years) thinking, it is a costly one for employers on Island and is a contributing factor in driving business “off-Island”. One Island employer, for example, estimates that employee labor costs incur a penalty in excess of \$2000 per employee per year for “crossing the bridge”. Potential development in the Jasper County and other areas west of the Island will likely put severe competitive pressure on this off-Island labor pool which, in turn, may threaten the Island's access to this “pool”.

## 7.6 Potential Strategies with Implications for the Comprehensive Plan

In addition to the ongoing work that the Chamber of Commerce and Town have engaged in tourism and residential attraction, consideration should be given to leveraging and growing high value added business, and business travel and hospitality segments that are consistent with, or do not threaten, the Island's character or natural assets, such as:

- Become more focused on major national and international corporations with a view to becoming a premier corporate meeting location. Hilton Head Island has natural beauty, sporting and hospitality amenities but is comparatively unknown in the corporate world and may be limited by the capacity of its airport to safely and effectively support corporate aircraft transportation (the latter to be addressed by the Transportation Element).
- Promotion of the Island as world class, but quiet, well-maintained, coastal Island resort community with hi-speed telecommunication capability, road, sea and air access that may lend itself to segments like consulting, some focused medical or medical/sporting research where it is possible to operate with remote capability (“telecommuting”) and also enjoy a rich Island lifestyle.
- Off season arts, education, culinary and sports festivals leveraging off such successes as Heritage Golf Tournament, the Concours d'Elegance, and the Wine Festival. With more than 60 miles of cycling and walking track now becoming interconnected, the Island is gaining a national (and possibly international via word-of-mouth) reputation as an excellent facility for casual cycling events.

This should be capitalized on as should the potential to develop a Center for Gullah Studies and a Central Arts Facility.

- Major theme #4 “Mobility and Access” identified the Island’s airport as “a community asset requiring sensitive development” and that the Town should “own the airport as an asset”, especially in growing the business travel and hospitality segment of the economy. Consideration should be given to such ownership with the thought of developing the airport in line with similar assets owned by other major upscale resort communities. Direct ownership may not be a high priority within the short term (3-5 years), especially given the magnitude of the current recession, but certainly within the 20 year scope of the Comprehensive Plan. A well-developed, small Island airport is a key tool in further enhancing the Island’s economy through potential for growth in the niche, premier corporate meeting and functions segment.
- Identify and prioritize areas in need of redevelopment including any obsolete, or run down, commercial buildings. Incentivize the development of flexibility of streamlining in regulation of density caps, setbacks (and other controls) that enable a qualitative, principle based, asset revitalization that enhance the Island’s positive legacies.
- A revitalization of effort to attract residential and retiree growth emphasizing not only character and natural assets but the quality, and breadth, of the service infrastructure that has developed relative to its competitor communities along the southeast coast.

## 7.7 Some Key Implementation Strategies

- In collaboration with the Chamber of Commerce and key Island or leading regional businesses, consider forming a “Business Renewal Task Force” (or equivalent concept) to focus on, and identify and assess, potential opportunities to supplement, or enrich, the economic space that may be becoming vacated by the slowing of traditional growth from tourism and residential sectors. Again, any potential opportunities should be consistent with, or not threaten, the Island’s character or natural assets.
- Also in collaboration with the Chamber of Commerce, USCB, TCL and other agencies such as SCORE give consideration to the development of a Center for Economic Excellence for small businesses. The purpose would be to provide practical business education, training and consulting support for potential local entrepreneurs wishing to set up and/or grow and diversify small business enterprises in the Island’s retail and service economy.
- Foster a renewed and positive mindset between Staff, Town Council and the public in accepting that the challenges of maturity - versus growth - require a different, and in many cases more complex, regulatory and management approach.
- Champion innovation in Community Planning and reward creative concepts of approach to legacy issues, such as the need for affordable housing, revitalization of public transport, recycling, etc... and need for new initiatives such as the arts and corporate meeting centers of attraction.
- Continue to address recommendations from Ward 1 Master Plan such as:
  - Expansion of the pathway network and paved roads to improve access for employment and economic growth.
  - Coordination with Hilton Head Public Service District to expand sewer service.
  - Ward 1 is also seen as a gateway to the Island and should be high on action list for redevelopment.
- Consider setting up a Land Planning and/or “Green Practices” Center of Excellence based on, and leveraging off, Hilton Head Island early visionary thinking (Fraser principles), heritage learnings, and leading edge knowledge gained from the development of renowned developments such as those at Sea Pines.
- As a further tool to attract and retain retirees (i.e. those who have choice of location for retirement) consider developing a “Center for Creative Retirement” using the well-publicized, and successful, Asheville NC model as a guide. The North Carolina Center for Creative Retirement (NCCCR) is an

award-winning, internationally-acclaimed learning community dedicated to promoting lifelong learning, leadership, community service, and research.

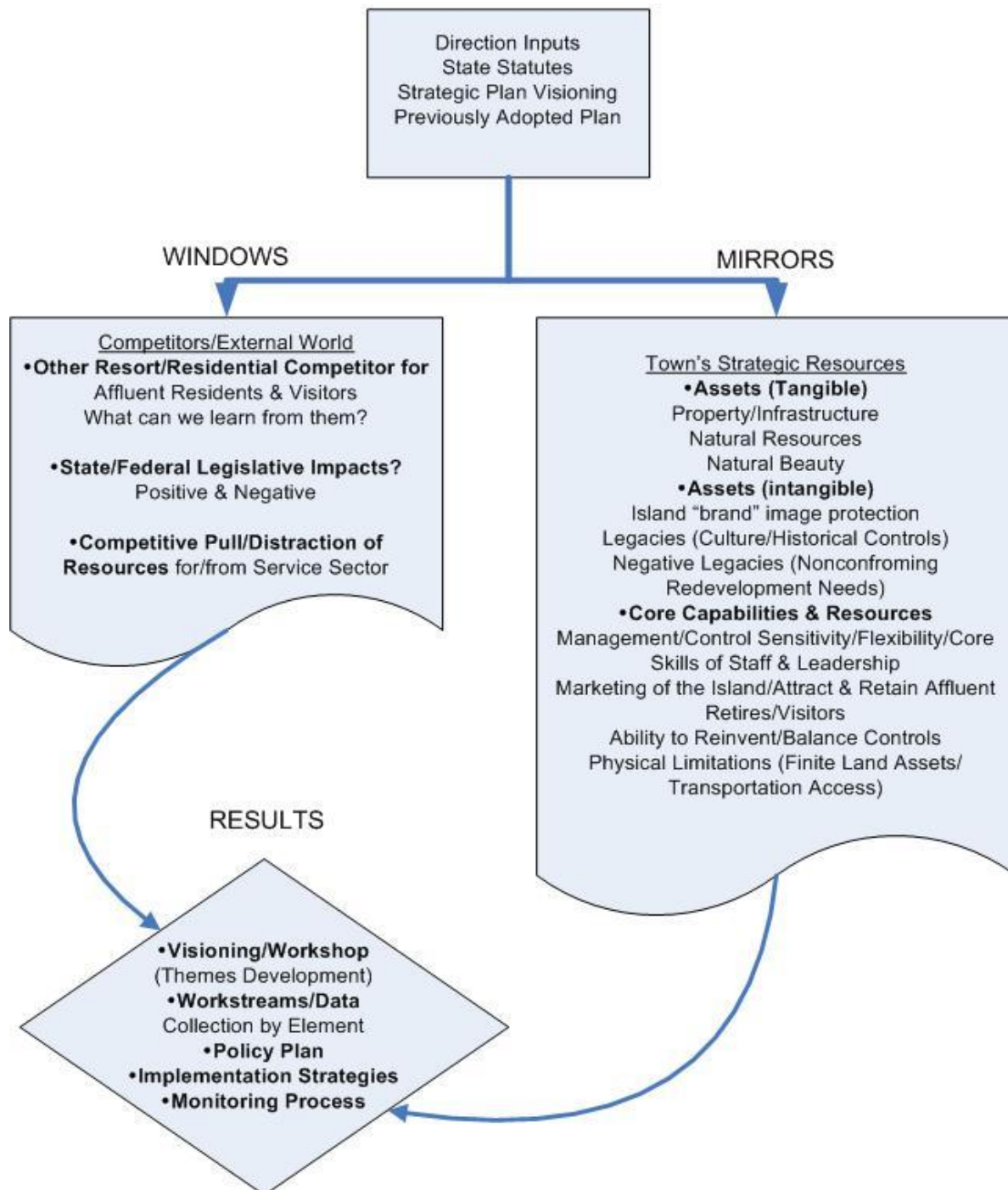
- Consider also the Fraser vision of Hilton Head Island becoming an “Aspen East” with the development of an “Institute for Learning and Arts” on Island. The Aspen Institute Harman-Eisner Program in the Arts was established to support and invigorate the arts in America and to return the arts and artists to the center of the Aspen Institute's "Great Conversation". It brings artists and art works to the Institute, and it also brings together leading artists, arts managers, sponsors and patrons to generate, exchange and develop ideas and policies to assure vibrancy and dynamism in all artistic realms, and to enrich civic culture in ways only the arts can do.
- Solutions to the sustainable workforce issue (7.6) should be addressed in a fully systemic way, analyzing learnings from past initiatives, including the potential for low cost public transportation options (both on and off and within the Island), collaborative employer and developer nonprofit initiatives (Silicon Valley, Charleston models), planned mixed use developments, consideration for conservation based land banks and workforce advisory committees. The issue is vital to the economic future of the Island requiring a full palette of solutions and tools.
- The question of the future of Hilton Head Island Airport has become highly emotional in the community necessitating that an informed “position” be developed from a Hilton Head Island Town perspective (versus the current Airport Master Plan development which views the airport from a “regional” perspective). Consideration should be given to a small Town sponsored Island work group to examine the Airport's significance to the Island's future, as part of the overall transportation/communication system of the Island that considers aspects such as, but not limited to:
  - Creating a financial baseline analysis of continued airport operations versus alternate land/asset use.
  - Viability for future commercial airline use as part of the overall transportation system serving the Island and leveraging off the learnings of value to community of other Island airport models.
  - Use of the airport to facilitate currently under-served markets such as the lucrative corporate hospitality and meetings segment (a relatively quick survey of Fortune 20 corporations should establish potential opportunity) and the rapidly growing telecommuting market (several communities exist in Colorado to serve as examples)
- Encouragement should be given to upgrading electronic telecommunication capability on the Island to facilitate development of the telecommuting market segment. Far too many wireless “cold” spots exist and 3 4G (~~third~~ fourth generation) capability on the Island (and higher as it evolves) is limited and spotty. A necessary element of the evolution of the Island's economy will be the need to embrace the upgrading of reliable wireless capability if the Island is to attract and retain the rapidly growing telecommuting community market segment. Best Management Practice communities, such as Aspen CO, provide excellent learning opportunities to adopt on the Island.



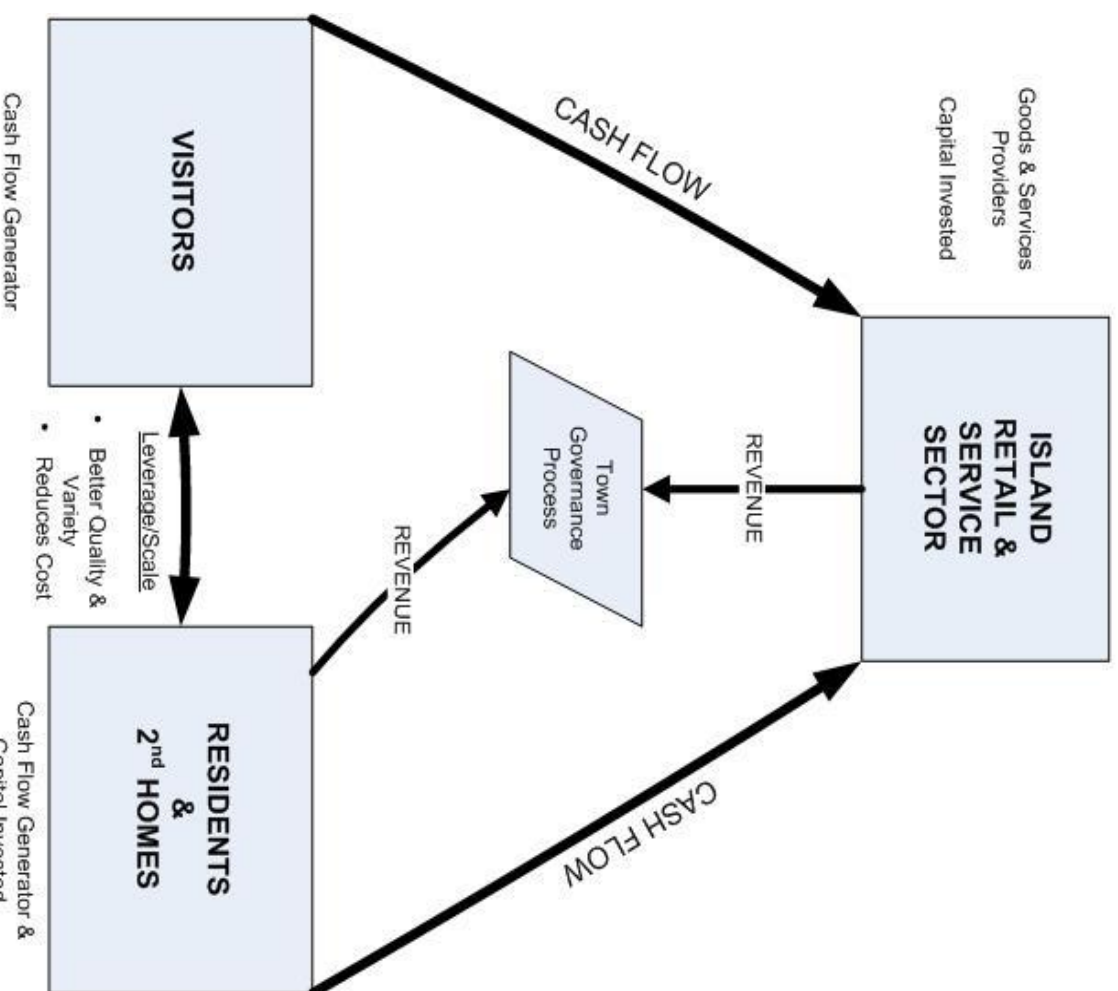
## 7.8 Figures

**Figure 7.1: Business Plan Best Practice Approach for Development of Hilton Head Island's Comprehensive Plan**

### Business Plan Best Practice Approach to Comprehensive Plan Development for Hilton Head Island



Source: Based on original work by Dr. Ned Bowman (Wharton) and best practice surveys by Dr. Terence M. Ennis, Business Management Consulting

Figure 7.2: Economic **Dynamic** Model for Hilton Head Island**ECONOMIC MODEL- STABLE, SIMPLE, INTERDEPENDENT SYSTEM**

- Interdependent, Relatively Stable Economic System Evolved
- Driven By:
  - Unparalleled Natural Assets
  - Access Via Land
  - Sensitive Governance and Regulation in Development
  - Evolved Culture and Brand Image (Quieter, Natural Experience, "Island Feel")
- Risks:
  - Restriction/Disruption of Road Access
  - Loss of Brand Image (Insensitive Development)
  - Failure to Appreciate Interdependence
  - Urge to 'Diversify' Beyond the Theme that has Evolved for the Island

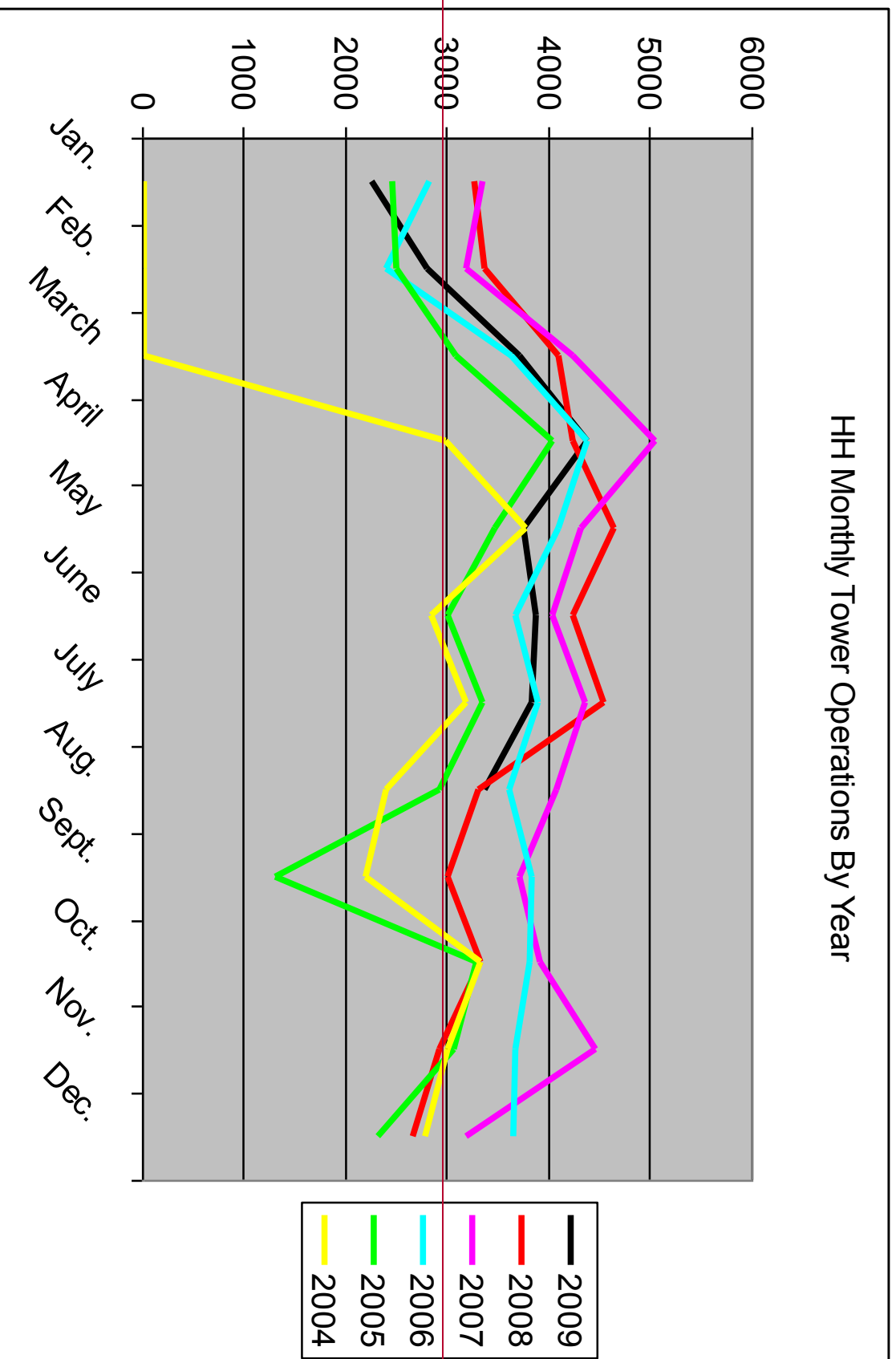
Source: Dr. Terence M. Ennis

**Table 7.1: Hilton Head Island Annual Visitors and Expenditures**

YEAR	NUMBER OF ANNUAL VISITORS	ANNUAL EXPENDITURES
1986	950,000	\$371,972,000
1987	1,100,000	\$410,801,000
1988	1,200,000	\$485,000,000
1989	1,400,000	\$529,000,000
1990	1,594,000	\$577,000,000
1991	1,544,000	\$567,000,000
1992	1,651,000	\$583,000,000
1993	1,634,000	\$603,000,000
1994	1,583,000	\$652,000,000
1995	1,640,000	\$684,600,000
1996	1,831,000	\$987,000,000
1997	2,383,000	\$1,400,000,000
1998	2,533,000	\$1,500,000,000
1999	2,401,000	\$1,501,000,000
2000	2,485,517	\$1,563,000,000
2001	2,261,092	\$1,455,000,000
2002	2,195,530	\$1,475,000,000
2003	2,183,231	\$1,485,000,000
2004	2,248,389	\$1,500,000,000
2005	2,302,370	\$1,550,000,000
2006	2,235,131	\$1,546,000,000
2007	2,141,325	\$1,585,000,000
2008	2,013,405	\$1,532,000,000
<u>2009</u>	<u>1,957,100</u>	<u>\$1,700,000,000</u>
<u>2010</u>	<u>2,228,329</u>	<u>\$1,700,000,000</u>
<u>2011</u>	<u>2,373,381</u>	<u>\$1,262,800,000</u>
<u>2012</u>	<u>2,441,813</u>	<u>\$1,262,800,000</u>
<u>2013</u>	<u>2,466,654</u>	<u>\$1,262,800,000</u>

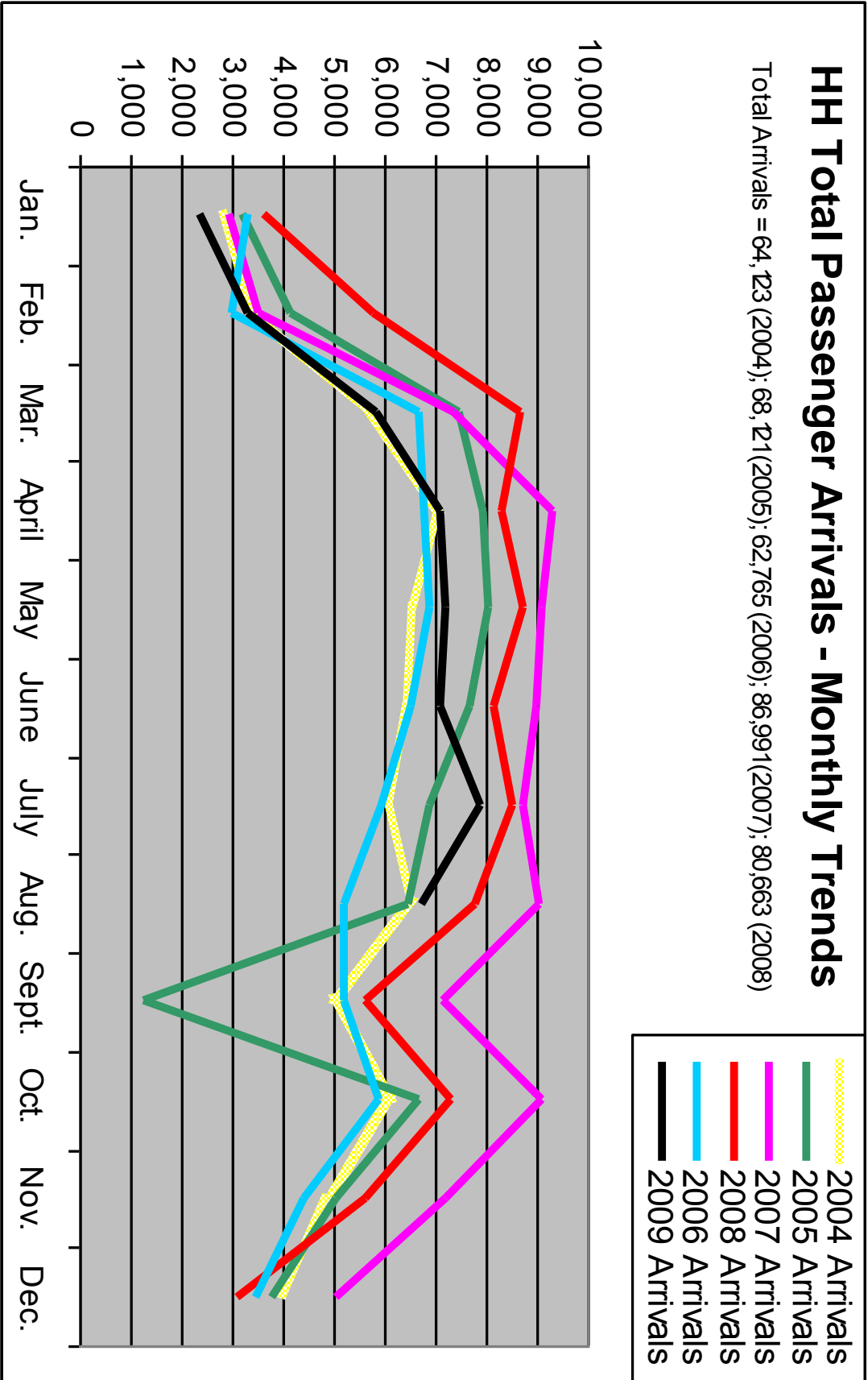
Source: Town of Hilton Head Island Comprehensive Annual Financial Report

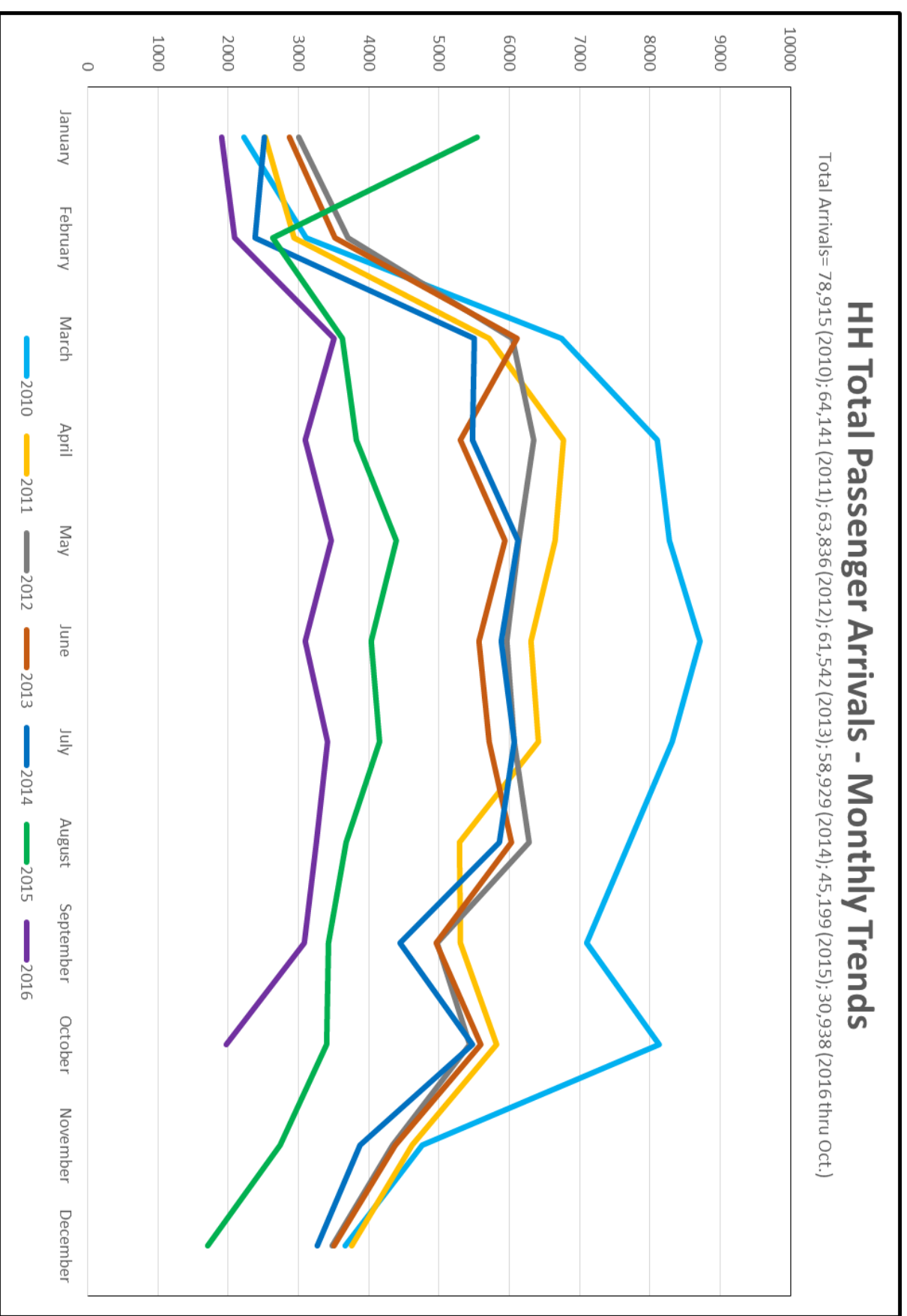
**Figure 7.3: Hilton Head Island Airport Monthly Tower Operations by Year**



Source: Hilton Head Island Airport

Figure 7.34: Hilton Head Island Passenger Arrivals – Monthly Trends

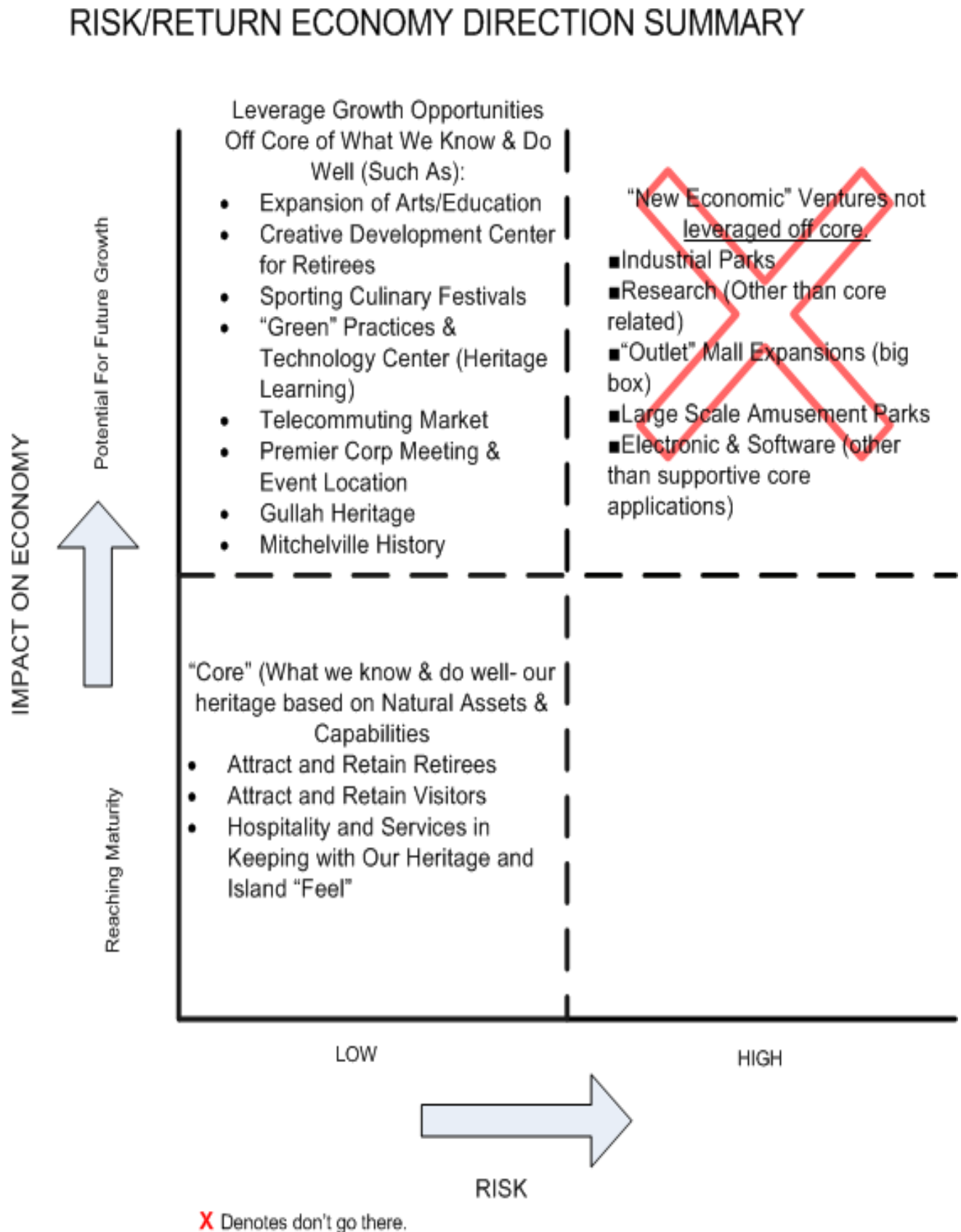




Source: Hilton Head Island Airport



Figure 7.45: Risk/Reward Economy Direction Summary



## 8 Land Use

*Provide for 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.*

### Introduction

The Town of Hilton Head Island is comprised of 21,862 acres, the equivalent of 34.2 square miles for land above the mean high tide mark. The municipal limits include all of Hilton Head Island, Buck Island, and a portion of Jenkins Island. This is further broken into a variety of different land uses.

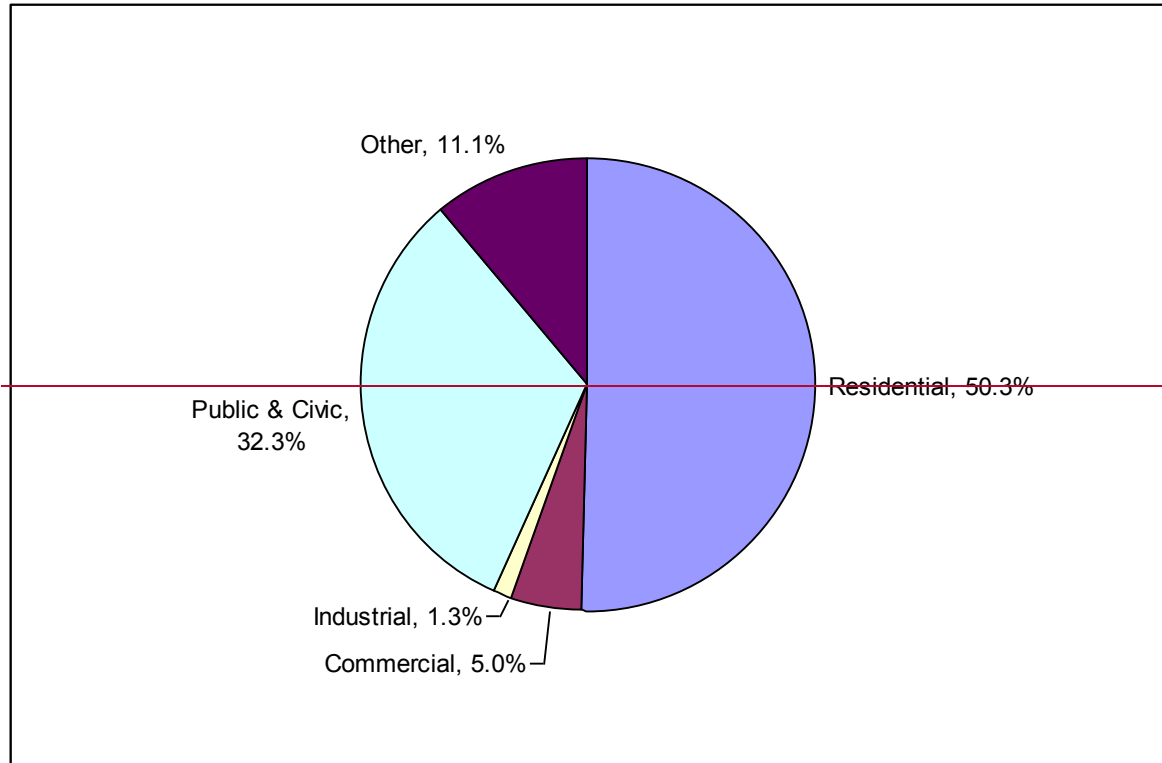
The existing land use of the Island should be the backbone to all development decisions and redevelopment strategies. It is important that the amount and location of each land use category is at a sustainable level for the existing and projected population of the Town and vice versa. While previous regulations were aimed toward managed growth, future policies should focus more on redevelopment strategies and should consider creative alternatives to traditional zoning classifications and regulations. Education on the purpose of regulations and creative, flexible approaches to redevelopment of the Island should be emphasized as development patterns change and the Island matures.

### 8.1 Existing Land Use

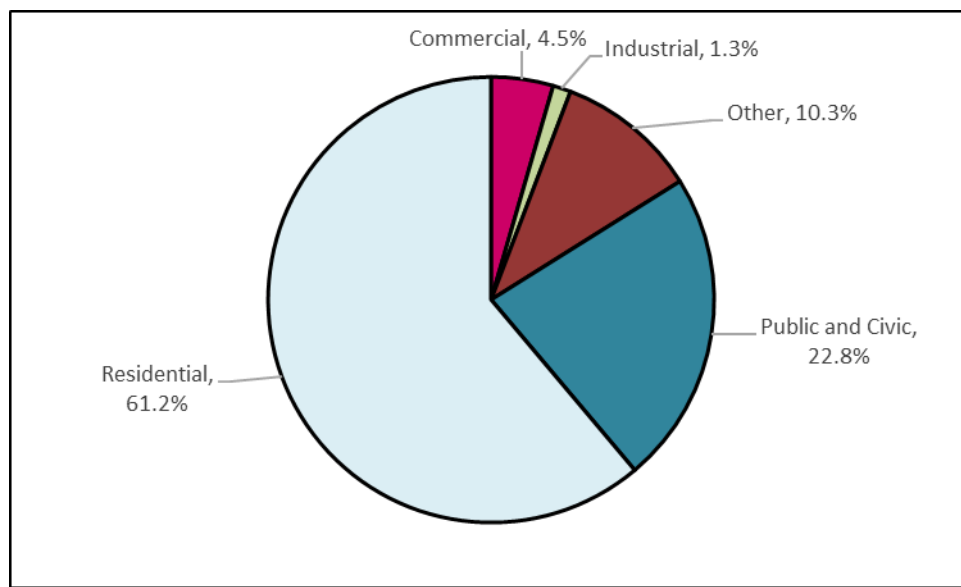
The Town of Hilton Head Island is physically separated from Beaufort County by water. The municipal boundaries of the Town include land on Hilton Head and Buck Islands and Jenkins Island, with the exception of Windmill Harbour, Mariners Point, and Blue Heron Point. The Town of Hilton Head Island is 21,862 acres, the equivalent of 34.2 square miles. This is the land area above the mean high tide mark. Figure 8.74 illustrates the municipal boundaries of the Town of Hilton Head Island in relationship to the entire island.

Of the 21,862 acres in the Town, 20,524 acres (94%) are classified in a generalized land use category and then broken down into more specific land use types. The remaining 1,338 acres (6%) percent is classified as road right of way or other areas that may be water, wetlands or other land that is not contained within a parcel. Figure 8.12 illustrates the existing land use for the Island. This was documented by Town Community Development Staff in the field by observation and further researched using building and development permits and business licenses.

As shown in Figure 8.1, ~~one over~~ half of the land use area is being used as residential, either single family or multi-family. The "Other" category is slightly over ~~10.4~~ percent, which includes vacant parcels. Public and Civic is slightly less than one ~~quarter third~~ at ~~22.8 32.3~~ percent and includes Town parks, recreation areas and beach access. Industrial is the lowest land use at only 1.3 percent and commercial at ~~4.5~~ percent. The figure below provides a visual representation of the breakdown of existing land use by category type. This information is based on existing land use data from ~~January 2016-December 2008~~.

**Figure 8.1: Land Use Percentage by Category**

Source: ~~Town of Hilton Head Island, Community Development Department, 2008~~



Source: ~~Town of Hilton Head Island, Community Development Department, 2014~~

Parcels lacking development on the site, with no buildings or other site improvements were classified as vacant. Vacant parcels represent 2,114.6 ~~2,140~~ acres of land, with 1,371.46 ~~1,391~~ acres (65%) located outside of the planned unit developments.

According to information from the Town of Hilton Head Island, Planning Department in 1998 there were 4,349.1 acres classified as vacant. The amount of vacant land has decreased by 2,234.5 ~~2,208.6~~ acres (49.2 ~~51.3~~%) from 1998 to 2008.

## Implications for the Comprehensive Plan

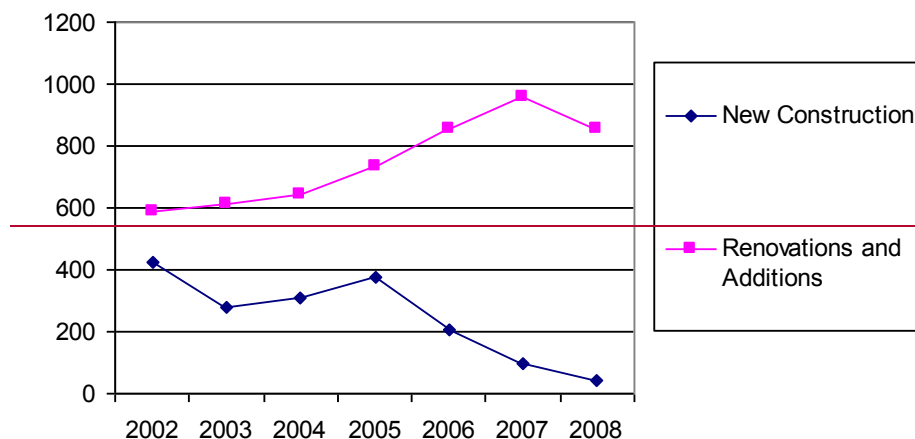
- Due to the physical characteristics of the Town, opportunity for growth and physical expansion from annexation is limited. However, there may be opportunities to annex more land located on the Island as well as crossing water bodies to other contiguous properties. It is important to consider annexation in order to appropriately plan for growth and development. An annexation process should be considered in order to ensure that growth is compatible with the character of the Island, establishing criteria which would maintain the character of the Town of Hilton Head Island.
- The calculations of each land use type indicate that there is slightly more than 10 percent of land available for development or inclusion in one of the other categories. Town policy leaders should use this analysis in determining the direction for future development and specifically redevelopment in conjunction with all of the information contained herein. More detailed analysis in the chapter and the other chapters will help determine whether or not the Town has an adequate amount of each classification to support its population, both permanent and seasonal.
- Remaining vacant land, totaling approximately ~~2,114.6~~ 2,140 acres or 10 percent of the Hilton Head Island's land area, represents the remaining pool of land available for development. A major challenge for development will be to maintain the character of the Island while insuring adequate infrastructure is in place and balancing land conservation.

## 8.2 Building Permit Trends

In the analysis of building permit trends from January 200~~5~~2 through ~~Nov~~December 20~~13~~08 information was obtained using the building permit reports generated by the Inspections/Compliance Division of the Town of Hilton Head Island. The data indicates the number of permits obtained and is not necessarily indicative of permits that received a final certificate of occupancy during the same time period.

~~As illustrated in figure 8.2 renovations and additions for single family homes continued to increase in numbers until a slight decline from 960 to 856 permits from 2007 to 2008, whereas the number of permits for new construction has declined since 2005.~~

**Figure 8.2: Single Family Building Permits by Year**

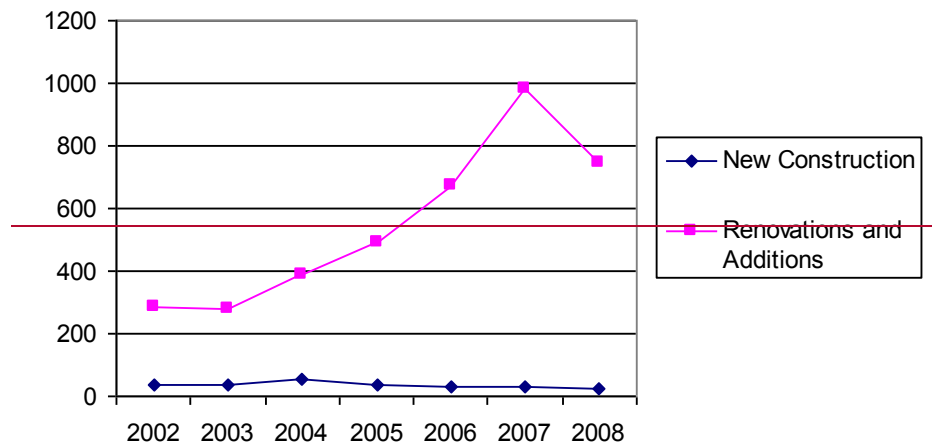


Source: Town of Hilton Head Island Community Development Department, Building Code Division, 2008

~~The commercial and multi family permits obtained during the same time period show a different trend. The number of permits obtained for renovations and additions is similar to that of the above single family permits, steadily and at times sharply increasing until a decline from 2007 to 2008; however, the number~~

of permits for new construction has remained relatively steady, from 37 permits in 2002 to 25 permits in 2008. The graph below illustrates the commercial and multi family building permit trends by year.

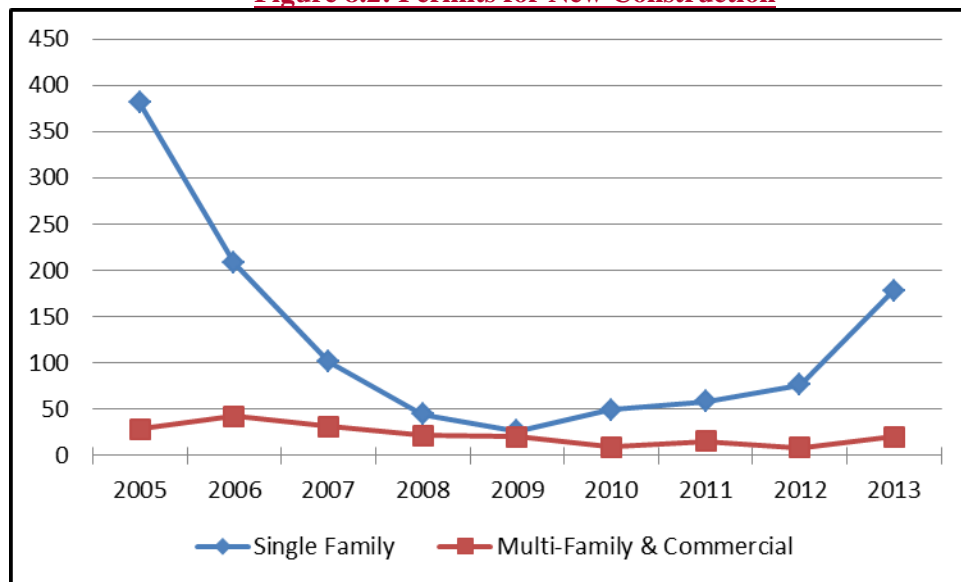
**Figure 8.3: Commercial and Multi-Family Building Permits by Year**



Source: Town of Hilton Head Island Community Development Department, Building Code Division, 2008

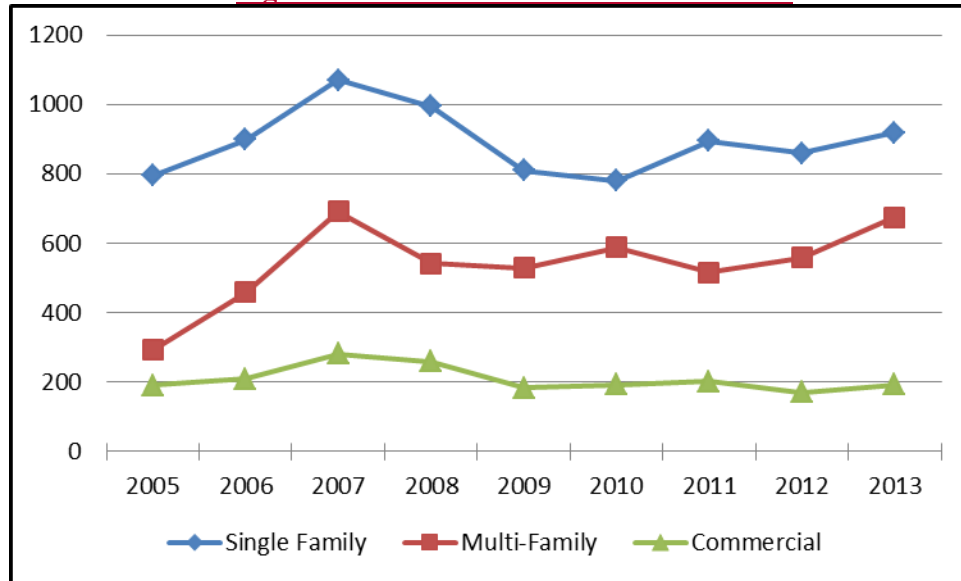
As illustrated in Figure 8.2, building permits for new construction of multi-family and commercial has remained relatively steady ranging from 8 to 42 permits between 2005 and 2013; however, the number of permits for new single family construction has varied greatly. New single family permits had a high of 381 in 2005 and dropped to a low of 26 in 2009; however, with the change in the economy this number has continued to rise since 2009 to 178 permits in 2013.

**Figure 8.2: Permits for New Construction**



Source: Town of Hilton Head Island Community Development Department, Building Code Division, 2014

Figure 8.3 illustrates the number of building permits issued for a renovation or addition for singly family, multi-family, or commercial uses. The number of permits for renovation/addition is significantly higher than permits for new construction.

**Figure 8.3: Permits for Renovation/Addition**

Source: Town of Hilton Head Island Community Development Department, Building Code Division, 2014

### Implications for the Comprehensive Plan

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

## 8.3 Planned Unit Developments (PUDs)

Planned Unit Developments, commonly referred to as either PUDs, or PD-1s, are communities that were master planned, mostly before the Town was incorporated. PUDs comprise land that was developed in a comprehensive, design-integrated manner according to an overall master plan. These communities are governed by the rules established in the adopted master plan. Often portions of the PUDs have gates that allow only property owners, residents, and invited guests to enter the community.

~~More than two thirds—Almost three quarters~~ of the land area of the Island is located in planned developments (~~72.0~~ 70.7%). Existing land uses were classified and areas inside and outside PUDs were compared. The percentages indicated are the percentage of each land use within the planned developments (PUDs) and the area of the Island located outside of the PUDs. The residential land use category is the largest area for both areas and industrial is the least. The results of the land use category comparison are listed in Table 8.1.



**Table 8.1: Land Use Category Comparison**

Land Use Category	Acreage “INSIDE” the PUDs	Acreage “OUTSIDE” the PUDs	Total Acreage
Commercial	<u>194.58</u> <del>325.6</del> (1.3 <del>2.2</del> %)	<u>736.43</u> <del>691.9</del> (12.8 <del>11.5</del> %)	<u>931.01</u> (4.5%)
Industrial	<u>42.21</u> <del>.4</del> (0.3 <del>.4</del> %)	<u>220.87</u> <del>217.0</del> (3.8 <del>3.6</del> %)	<u>263.08</u> (1.3%)
Other	<u>743.14</u> <del>838.6</del> (5.0 <del>5.8</del> %)	<u>1,371.46</u> <del>1432.2</del> (23.8 <del>23.9</del> %)	<u>2,114.6</u> (10.3%)
Public and Civic	<u>3,668.10</u> <del>4990.4</del> (24.7 <del>34.4</del> %)	<u>1,030.46</u> <del>1645.0</del> (17.8 <del>27.4</del> %)	<u>4,698.56</u> (22.8%)
Residential	<u>10,202.08</u> <del>8310.1</del> (68.7 <del>57.2</del> %)	<u>2,415.33</u> <del>2018.5</del> (41.8 <del>33.6</del> %)	<u>12,617.41</u> (61.2%)
TOTALS	<u>14,850.12</u> <del>14465.1</del>	<u>5,774.55</u> <del>6004.6</del>	<u>20,624.67</u>

Source: Town of Hilton Head Island Community Development Department, 201708

The percentage of each classification is indicated in the table below. The high percentage of the Island's total public and civic land use category is located behind the gates at 78.75% of the total area. Golf courses account for a high portion of this total and regardless of whether or not the course is private or public, it is classified as public and civic land use because on the master plans it is typically designated as open space and functions as a recreational land use. All golf courses, with the exception of miniature golf courses are located in the PUDs. As shown in Table 8.2, ~~not quite one fifth-third~~ of the Town's commercial acreage is located within the PUDs; however, more than two thirds (80.94%) of the total residential acreage is located within planned developments.

**Table 8.2: Land Use Categories within PUDs**

Land Use Category	Percentage of Island-wide Total within the PUDs
Commercial	<u>20.9</u> <del>32.0</del> %
Industrial	<u>16.0</u> <del>19.9</del> %
Other	<u>35.1</u> <del>36.9</del> %
Public and Civic	<u>78.1</u> <del>75.2</del> %
Residential	<u>80.9</u> <del>80.4</del> %

Source: Town of Hilton Head Island Community Development Department, 201708

## Implications for the Comprehensive Plan

- The location of each concentration of land use category and type is important to consider when determining infrastructure and other service needs, while also ensuring a high standard of quality of life. The location of the land uses within the PUDs as well as outside the PUDs has a direct relationship to the regulations or policies that we adopt as a Town depending on where they are applicable.

## 8.4 Existing Zoning Allocation

Table 8.3 below shows the breakdown of existing land use classifications within each zoning district. A description of each zoning classification can be found within the Town's Land Management Ordinance (LMO). The existing land use category that makes up the majority of each zoning classification represents the land uses that are permitted by right.

The RM-4 district, Low Density Residential, represents the largest area by zoning district at approximately 1,906 1,556.4 acres (other than the PD-1, Planned Development Mixed Use District). Residential uses account for 895 930.1 acres or 47 60 percent, while “other” acreage, which includes vacant and undeveloped properties account for 338 percent. This district represents the most acreage for residential uses, which is permitted by right within this zoning district.

The ELC district, Light Commercial Center-District, represents the most acreage for commercial uses, which is permitted by right in this district. The ELC district is a total of 576 578.1 acres, with commercial uses accounting for 47 37 percent of the total acreage.

**Table 8.3: Land Use Classification by Zoning District**

<u>Zoning</u>	<u>Commercial Acreage</u>	<u>Residential Acreage</u>	<u>Public and Civic Acreage</u>	<u>Industrial Acreage</u>	<u>Other Acreage</u>	<u>TOTAL</u>
<u>CON</u>	<u>0</u>	<u>8.1</u>	<u>47.3</u>	<u>0</u>	<u>0</u>	<u>55.4</u>
<u>PR</u>	<u>3.4</u>	<u>31.6</u>	<u>306.5</u>	<u>0</u>	<u>430.7</u>	<u>772.2</u>
<u>RS-3</u>	<u>0</u>	<u>118.2</u>	<u>0.03</u>	<u>0</u>	<u>13.7</u>	<u>131.93</u>
<u>RS-5</u>	<u>0.3</u>	<u>178.4</u>	<u>4.9</u>	<u>0</u>	<u>36.4</u>	<u>220</u>
<u>RS-6</u>	<u>0</u>	<u>10.4</u>	<u>0</u>	<u>0</u>	<u>0.9</u>	<u>11.3</u>
<u>RM-4</u>	<u>11.6</u>	<u>930.1</u>	<u>88.9</u>	<u>13.9</u>	<u>511.9</u>	<u>1,556.4</u>
<u>RM-8</u>	<u>0.3</u>	<u>253.3</u>	<u>80.1</u>	<u>0</u>	<u>95.2</u>	<u>428.9</u>
<u>RM-12</u>	<u>0</u>	<u>82.4</u>	<u>0.2</u>	<u>0</u>	<u>7.1</u>	<u>89.7</u>
<u>CR</u>	<u>36.5</u>	<u>0</u>	<u>7.4</u>	<u>0</u>	<u>8.1</u>	<u>52</u>
<u>CC</u>	<u>130</u>	<u>1.0</u>	<u>40.8</u>	<u>6.9</u>	<u>29.5</u>	<u>208.2</u>
<u>LC</u>	<u>211.8</u>	<u>148.7</u>	<u>76.3</u>	<u>67.4</u>	<u>73.9</u>	<u>578.1</u>
<u>IL</u>	<u>24</u>	<u>7.5</u>	<u>245.4</u>	<u>119</u>	<u>28.5</u>	<u>424.4</u>
<u>MS</u>	<u>79</u>	<u>146</u>	<u>35</u>	<u>0</u>	<u>15.1</u>	<u>275.1</u>
<u>MF</u>	<u>4.6</u>	<u>38.8</u>	<u>0.5</u>	<u>1.5</u>	<u>9.1</u>	<u>54.5</u>
<u>MED</u>	<u>27.8</u>	<u>18.1</u>	<u>21.9</u>	<u>0</u>	<u>13.8</u>	<u>81.6</u>
<u>MV</u>	<u>0</u>	<u>31.1</u>	<u>8.0</u>	<u>0</u>	<u>37.9</u>	<u>77</u>
<u>NC</u>	<u>0.7</u>	<u>2.7</u>	<u>0.0</u>	<u>0</u>	<u>1.5</u>	<u>4.9</u>
<u>PD-1</u>	<u>194.6</u>	<u>10,220.5</u>	<u>3,668.1</u>	<u>42.2</u>	<u>743.1</u>	<u>14,868.5</u>
<u>RD</u>	<u>44</u>	<u>311.4</u>	<u>53.5</u>	<u>0.8</u>	<u>7.7</u>	<u>417.4</u>
<u>SPC</u>	<u>101.3</u>	<u>0</u>	<u>3.6</u>	<u>10</u>	<u>5.2</u>	<u>120.1</u>
<u>S</u>	<u>18</u>	<u>18.4</u>	<u>6.6</u>	<u>1.5</u>	<u>6.9</u>	<u>51.4</u>
<u>WMU</u>	<u>43.2</u>	<u>60.4</u>	<u>3.3</u>	<u>0</u>	<u>38.4</u>	<u>145.5</u>
<u>Total</u>	<u>931.1</u>	<u>12,617.3</u>	<u>4,698.33</u>	<u>274.8</u>	<u>2,114.6</u>	<u>20,624.53</u>

<u>Zoning District</u>	<u>Commercial Acreage</u>	<u>Residential Acreage</u>	<u>Public—and Civic Acreage</u>	<u>Industrial Acreage</u>	<u>Other Acreage</u>	<u>TOTAL</u>
<u>CON</u>	<u>0.0</u>	<u>2.9</u>	<u>8.4</u>	<u>0.0</u>	<u>1.1</u>	<u>12.4</u>
<u>PR</u>	<u>0.0</u>	<u>0.0</u>	<u>337.3</u>	<u>0.0</u>	<u>175.9</u>	<u>513.2</u>
<u>RS-2</u>	<u>0.0</u>	<u>7.9</u>	<u>1.1</u>	<u>0.0</u>	<u>4.7</u>	<u>13.7</u>
<u>RS-3</u>	<u>0.0</u>	<u>101.0</u>	<u>0.0</u>	<u>0.0</u>	<u>8.3</u>	<u>109.3</u>
<u>RS-4</u>	<u>0.0</u>	<u>32.3</u>	<u>3.1</u>	<u>0.0</u>	<u>3.2</u>	<u>38.7</u>
<u>RS-5</u>	<u>0.3</u>	<u>156.7</u>	<u>4.6</u>	<u>0.0</u>	<u>36.9</u>	<u>198.5</u>
<u>RS-6</u>	<u>0.0</u>	<u>10.4</u>	<u>0.0</u>	<u>0.0</u>	<u>1.1</u>	<u>11.5</u>
<u>RM-4</u>	<u>12.8</u>	<u>895.3</u>	<u>246.9</u>	<u>18.4</u>	<u>732.5</u>	<u>1,905.9</u>
<u>RM-8</u>	<u>0.3</u>	<u>169.1</u>	<u>17.8</u>	<u>0.0</u>	<u>48.1</u>	<u>235.3</u>
<u>RM-12</u>	<u>0.0</u>	<u>71.2</u>	<u>0.0</u>	<u>0.0</u>	<u>7.0</u>	<u>78.2</u>
<u>PD-1</u>	<u>325.6</u>	<u>8,310.1</u>	<u>4,990.4</u>	<u>53.9</u>	<u>838.6</u>	<u>14,518.6</u>
<u>SMU</u>	<u>19.5</u>	<u>23.8</u>	<u>8.8</u>	<u>1.5</u>	<u>37.1</u>	<u>90.8</u>
<u>WMU</u>	<u>44.3</u>	<u>101.3</u>	<u>37.4</u>	<u>0.0</u>	<u>69.2</u>	<u>252.2</u>
<u>MMU</u>	<u>4.2</u>	<u>36.8</u>	<u>0.5</u>	<u>1.4</u>	<u>13.7</u>	<u>56.7</u>
<u>CFB</u>	<u>34.9</u>	<u>178.1</u>	<u>53.4</u>	<u>0.0</u>	<u>5.5</u>	<u>272.0</u>
<u>RD</u>	<u>12.2</u>	<u>110.4</u>	<u>0.1</u>	<u>0.8</u>	<u>14.5</u>	<u>138.1</u>
<u>NC</u>	<u>1.7</u>	<u>4.0</u>	<u>0.0</u>	<u>0.0</u>	<u>4.5</u>	<u>10.2</u>
<u>OL</u>	<u>74.4</u>	<u>0.0</u>	<u>49.3</u>	<u>6.2</u>	<u>43.7</u>	<u>173.7</u>

OM	41.9	23.0	36.5	0.0	13.8	115.1
CC	270.7	32.9	162.9	23.8	85.6	575.9
CCW	32.9	0.0	6.2	0.0	9.2	48.3
DCW	21.0	0.0	2.6	6.3	2.6	32.4
IL	50.8	13.2	256.7	158.2	45.8	524.7
Total	947.5	10,280.6	6,224.0	270.6	2,202.5	19,925.3

Source: Town of Hilton Head Island Community Development Department, 201608

### Implications for the Comprehensive Plan

- Analysis of this table along with the nonconforming parcels should be looked at together in order to determine whether or not changes to the LMO and the permitted uses in each district are warranted. This information should also be used in the future planning for the location of supporting infrastructure and other uses.

## 8.5 Land Use Per Capita

An important land use analysis is the assessment of the amount of land use within each category and type compared to our population, both permanent and seasonal. This refers to the type of land use designated in each category per person. It is important in terms of sustainability and growth that this number balances to meet the Town's needs.

Based on population statistics in the US Census, the Town's population in 2010 was 37,099. ~~Southern Beaufort Regional Plan and estimates calculated by the Town of Hilton Head Island's Community Development Department, the Town's population in 2008 was 40,697 persons.~~ This does not include the 2.1 million visitors during this past year. It is also unknown how many people are living, visiting, or working on the Island during the busiest days. Visitor information is provided by the Hilton Head Island-Bluffton Chamber of Commerce.

### Implications for the Comprehensive Plan

- A fundamental policy of land use is whether or not the Town has sufficient land uses to support the population, both the permanent and seasonal population. It is also important that the portion of each land use classification is supported and sustainable in terms of infrastructure and natural resources to ensure a high quality of life that contributes to the character defining features of our community.

## 8.6 Build-out

Opportunities for expansion are constrained by the Town's physical characteristics. This directly affects build-out and new development opportunities. Vacant parcels were inventoried as part of the analysis of the existing land use. The parcels include land that does not have any visible improvements, and land with no buildings. Ownership was not included in the review and restrictive covenants and other factors that may limit development were not considered.

There are 2,114.6 ~~2,140.5~~ acres of vacant parcels located within the Town. This comprises 10 percent of the total area of all parcels on the Island. Of this 10 percent, 35.65 percent or 743.14 ~~746~~ acres of vacant or developable land is located in Planned Developments (PUDs).

## Implications for the Comprehensive Plan

- The amount of vacant land and population trends can be used to determine build-out, which may be defined as the highest level that the Island can sustain. The level that the community may want to sustain depends on several factors; therefore, determining an established number for build-out in terms of building density is a complicated task. Because of the anticipation of build-out, creative redevelopment policies and alternatives to traditional zoning and land development regulations should be a focus for all land use policies and regulations.

## 8.7 Short Term Rental/Interval Occupancy Units or Timeshares

Interval occupancy units, or timeshares, create different traffic patterns than other uses that may seem similar, such as multi-family developments or other resort accommodations. This is due to the nature of their operation and function.

Based on 2007 data, there are 3,537 interval occupancy units Island-wide. Interval occupancy units are permitted within ~~four~~ three zoning districts: WMU (Water Front Mixed Use), ~~CFB (Central Forest Beach District)~~ CR (Coligny Resort), MV (Mitchelville), and RD (Resort Development). To maintain sustainable levels of traffic, it is important that the very specific land use of interval occupancy units is considered in the Town's policy decisions. This specific use is included in the existing land use classification of multi-family residential or hotel/motel.

## Implications for the Comprehensive Plan

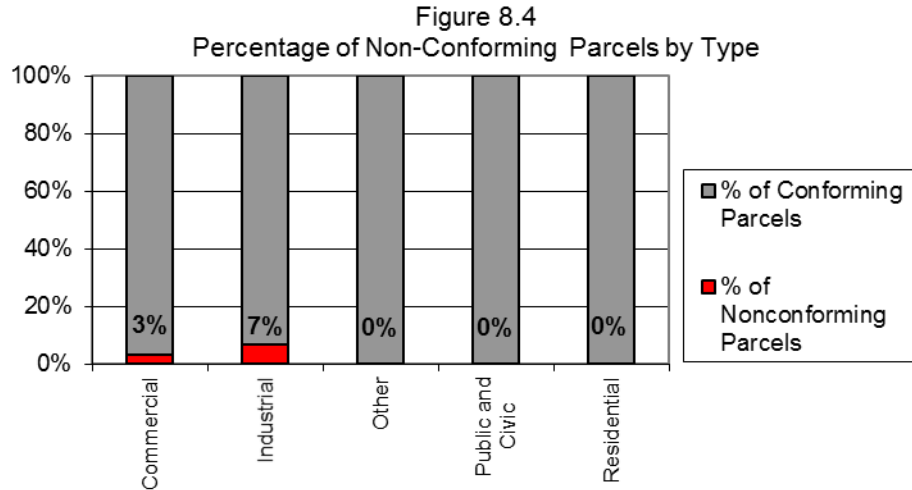
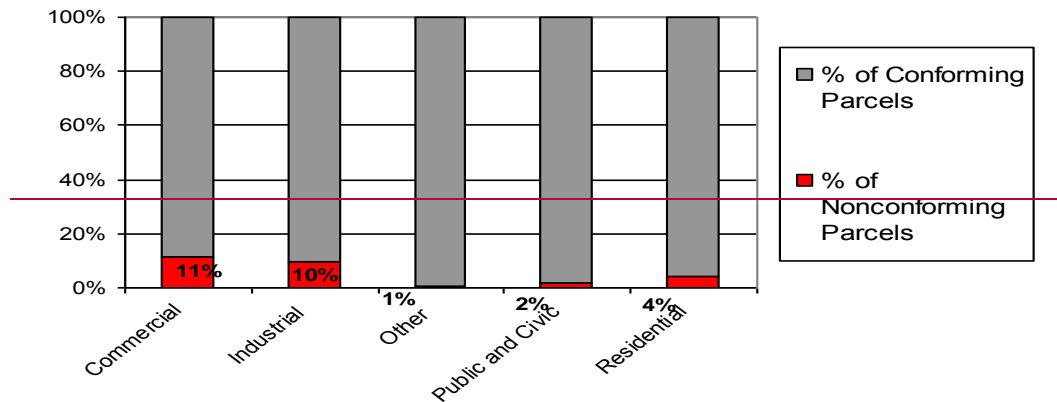
- The location of permitted timeshares or interval occupancy units is important because it has a direct relationship on the transportation network and infrastructure of our Island. It is also important to analyze the impact that timeshares have on our economy and establishing a balance with our natural resources and preservation of our character.

## 8.8 Nonconforming Parcels by Use

Parcels were determined as conforming based on the underlying zoning land use classification and the existing land use designation. Since parcels were classified based on the predominant use, the conforming status of each individual tenant was not determined.

The parcels that were designated as nonconforming also were not further researched to determine whether or not conditional permits or special exceptions were approved for the site. Only the land outside of the planned developments was analyzed. It is assumed that the PUDs are all conforming to their adopted master plans in terms of use.

Data gathered show ~~60439~~ parcels are considered nonconforming by use. This is less than 1 percent of the total number of town-wide parcels (Figure 8.4). The bar graph below indicates the percentage of each land use that is considered nonconforming by use. The land use category with the highest percentage of nonconforming parcels is the existing land use of industrial/commercial. A map showing the location of the nonconforming parcels is attached as Figure 8.3.

**Figure 8.4: Percentage of Non-Conforming Parcel by Type****Figure 8.4: Percentage of Non-Conforming Parcels by Type**

Source: Town of Hilton Head Island Community Development Department, 2015

## Implications for the Comprehensive Plan

- Current zoning classifications should be reviewed along with the associated regulations for each use. Areas that have high instances of nonconforming uses should be reviewed closely and revisions should be made where necessary. Creative alternatives to traditional zoning classifications should be considered, such as form based and smart codes to reflect current building and development trends that are indicative of our Island character.

## 8.9 Age of Structures

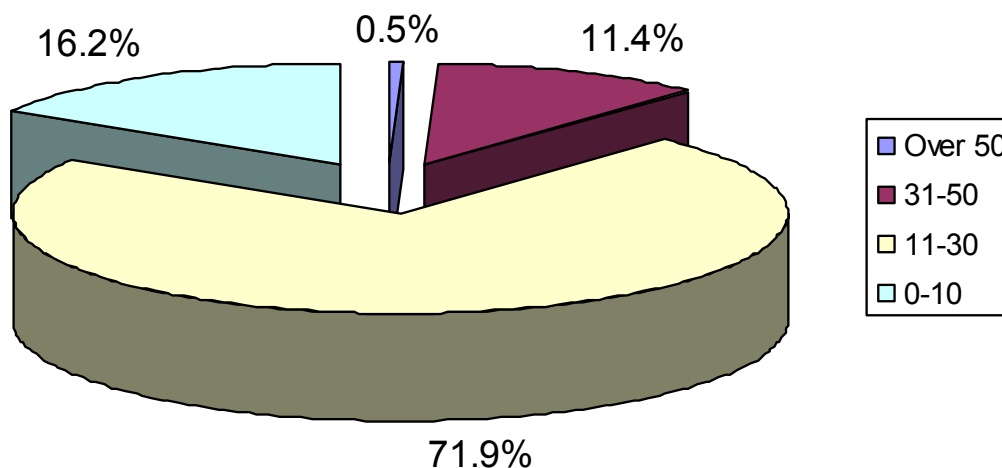
The specific age of the built structures is not necessarily a specific land use; however, it is something that is associated with the underlying land use and is integral in determining areas that are prime for redevelopment. Older structures that were built to different regulations are more vulnerable to stresses to the built environment, such as flooding and wind damage.

The age of structures was determined using information maintained by Beaufort County records. Parcels with multiple units built at various times were classified using the oldest building date. The units used for this non-residential analysis are parcel units which is the equivalent of one individually owned unit (one

individually owned building or one individually owned unit in a multi-unit building). Residential parcel units are considered the equivalent of one living unit for the purposes of this analysis.

71.9 percent, or 2,405 of the Town's non-residential parcels contain structures in the 11-30 year age category, while less than 1 percent (16 parcels units) are over 50 years old. This is illustrated in the Figure 8.5, Age of Non-Residential Structures.

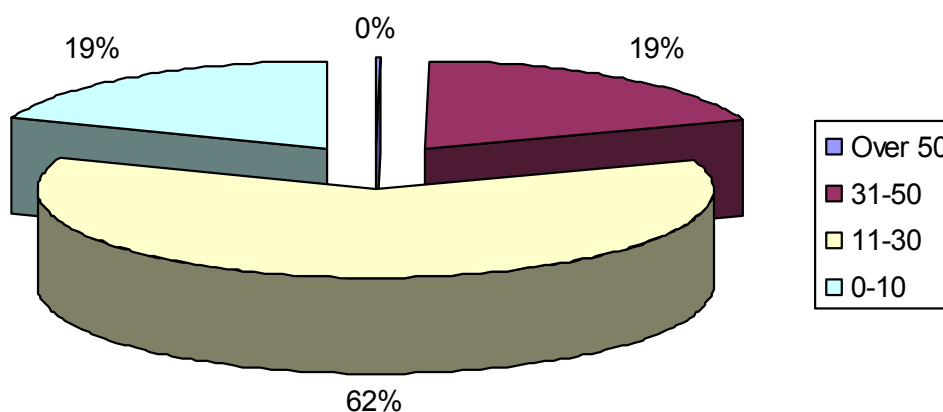
**Figure 8.5: Age of Non-Residential Structures**



Source: Town of Hilton Head Island Community Development Department, 2008

Most of the residential structures are in the 11-30 year age bracket at 62 percent (17,956 parcel units) of total parcel units. Only 0.2 percent, or 16 units, are over 50 years old. This is illustrated in the Figure 8.6, Age of Residential Structures.

**Figure 8.6: Age of Residential Structures**



Source: Town of Hilton Head Island Community Development Department, 2008



## Implications for the Comprehensive Plan

- The location of the older developments should be reviewed to determine the areas that may be primed for redevelopment. Changes in building codes, building trends, and consumer expectations should also be considered when determining the appropriate age of structures to target redevelopment strategies.

## 8.10 Zoning Changes

When development patterns change, often amendments to the zoning map are initiated either by the property owner or developer or sometimes by the Town.

Within a ~~four~~ five year time frame, ~~2004-2008~~ 2009-2013, there were ~~14~~ 22 zoning map amendments (changes to the zoning districts) which changed the permitted uses of the parcels or the permitted density. A review of the location and concentrations for requests for zoning changes may result in policy changes to the text in the Land Management Ordinance or to the zoning map.

## Implications for the Comprehensive Plan

- Reviewing the background information as well as analyzing the trends will guide future zoning changes, whether the changes are map amendments or text changes to the requirements for each district. Future land use decisions and requests for zoning changes will be determined using the background information contained in this plan as well as the future land use map, currently represented by the Town's Official Zoning Map.
- Future land use maps for the Town of Hilton Head Island may be developed using the information from the analysis of the existing land use, information from the public meetings and surveys as well as the analysis from the other elements of this plan. The best available data should be used in hazard mitigation practices, particularly the relocation of critical service facilities. Green infrastructure and compact development practices should also be considered for all future land use changes. Transfer of Development Rights (TDRs) is another creative tool that should be considered in order to focus development in the most appropriate and suitable locations to ensure the sustainability of our Town.

## 8.11 Goals and Implementation Strategies

Hilton Head Island's future land use goals, which are included in the implications stated above, the key issues goals and implementation strategies, represent those of a more maturely developed community and therefore address issues of infill development, redevelopment and the build out of the island's remaining vacant parcels. The plan emphasizes the sustainability of the balance of land uses; the balance of human activity and the natural environment; and the balance between land uses and public infrastructure and services.

There are six land use goals in the Town's Plan:

1. Insure that future land uses do not adversely impact the environment through better oversight in the placement of structures in environmentally sensitive areas and through better stormwater management techniques.
2. Identify an acceptable level of future development that does not overtax the area's natural environment and infrastructure. This can be done by monitoring allowable densities and by continuing to purchase lands that would adversely impact the island if developed.
3. Balance the demand for recreation and the environmental health of the waterways.

4. Promote quality infill development and use redevelopment opportunities to promote more pedestrian friendly retail environments.
5. Provide better emergency preparedness and reduce vulnerability based on the utility of land.
6. Encourage continual intergovernmental cooperation on regional land use issues. The land use element specifically calls for the participation in the Southern Beaufort County Regional Plan.

## **Goals**

### **8.1 Existing Land Use**

- A. ~~The goal is to~~To have an appropriate mix of land uses to meet the needs of existing and future populations.
- B. ~~The goal is to~~To maintain the character of the Island while insuring adequate infrastructure is in place and balancing land conservation to meet future needs.
- C. ~~The goal is to~~To encourage development to reflect the character of Hilton Head Island for lands adjacent to existing Town limits, including the bridge.

### **8.2 Building Permit Trends**

- A. ~~The goal is to~~To monitor trends of issued building permit data in order to respond to development trends and community needs.

### **8.3 Planned Unit Developments (PUDs)**

- A. ~~The goal is to~~To provide flexibility for the PUDs as future policies, regulations and requirements are adopted Town-wide.
- B. ~~The goal is to~~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.

### **8.4 Existing Zoning Allocation**

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

### **8.5 Land Use Per Capita**

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

### **8.6 Build-out**

- A. ~~The goal is to~~To monitor land use consumption and conversion rates to maintain a proper balance of public infrastructure, private development, and land conservation.
- B. ~~The goal is to~~To consider developing regulations and requirements to maintain the Island character and meet the needs of the community as it approaches build out.

### **8.7 Short Term Rental/Interval Occupancy Units or Timeshares**

- A. ~~The goal is to~~To maintain an inventory of Short Term Rentals, Interval Occupancy Units, or Timeshares.
- B. ~~The goal is to~~To encourage Short Term Rentals, Interval Occupancy Units, or Timeshares to locate and/or redevelop in areas that have available supporting infrastructure.

### **8.8 Nonconforming Parcels by Use**

- A. ~~The goal is to~~To monitor non-conforming uses and consider flexible regulations for redevelopment.
- B. ~~The goal is to~~To evaluate the locations of non-conforming uses to determine areas to consider for Zoning Map Amendments.

### 8.9 Age of Structures

- A. ~~The goal is to~~To monitor areas that have high concentrations of aging structures to target for potential redevelopment.
- B. ~~The goal is to~~To encourage redevelopment of properties with aging structures or that no longer meet current market demands.

### 8.10 Zoning Changes

- A. ~~The goal is to~~To provide appropriate modifications to the ~~Z~~zoning designations to meet market demands while maintaining the character of the Island.

## Implementation Strategies

### 8.1 Existing Land Use

- A. Evaluate annexation beyond the physical boundaries of the Island and should take into consideration purposes other than physical growth, such as regulation of the bridge and land beyond the existing municipal boundaries.
- B. Consider drafting a “Town owned property master plan” that identifies the details of the Town’s Land Acquisition Program and identifies policy on the potential uses of the property. This plan should include criteria to prioritize land for future purchases.

### 8.2 Building Permit Trends

- A. Develop a building permit report at regular intervals to allow the Town to adjust to development trends and meet customer service needs.

### 8.3 Planned Unit Developments (PUDs)

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

### 8.4 Existing Zoning Allocation

- A. Determine if there is an adequate amount and location of current zoning districts through review of existing zoning district classifications.
- B. Consider implementing alternatives to traditional zoning classifications, such as Form Based Codes or Smart Code.
- C. Evaluate land use consumption rates using the best available data, including building trends, to monitor future build-out and determine an appropriate zoning mix.
- D. Evaluate the use of Neighborhood Commercial and Mixed Uses developments, both inside and outside PUDs.
- E. Review of use designations within each zoning category should be conducted to determine if there is adequate supply and a suitable mix to meet community build-out needs.

### 8.5 Land Use Per Capita

- A. Monitor land use demands based upon existing and projected demographics for the Town.

### 8.6 Build-out

- A. Consider flexibility within the Land Management Ordinance to address future development and redevelopment of existing sites. Areas of existing and future redevelopment should be reviewed and identified and additional TIF (Tax Increment Finance) districts considered.
- B. Evaluate a Transfer of Development Rights program to guide development to appropriate locations and areas within the Town.

**8.7 Short Term Rental/Interval Occupancy Units or Timeshares**

- A. Consider flexibility to upgrade and maintain inventory of Short Term Rental/Interval Occupancy Units or Timeshares to allow for redevelopment to meet market demands and eliminate functional obsolescence.
- B. Direct Short Term Rental/Interval Occupancy Units or Timeshares to areas that have adequate infrastructure in place to meet service demands.

**8.8 Nonconforming Parcels by Use**

- A. Evaluate the zoning districts or regulations of the districts when high concentrations of non-conforming properties by use exist to determine if amendments are appropriate.

**8.9 Age of Structures**

- A. Target areas for redevelopment using information such as age of structure and assisting with reducing the vulnerability of structures to storms and natural disaster events due to non-compliance to current building codes.
- B. Develop flexible regulations and incentives to encourage redevelopment of aging structures and districts.

**8.10 Zoning Changes**

- A. Review the appropriate locations of certain land uses in critical areas such as headlands, velocity zones, airport overlay, critical line for storm and the dune accretion zone.
- B. Consider focusing higher intensity land uses in areas with available sewer connections.

Figure 8.74: Hilton Head Island Town Limits





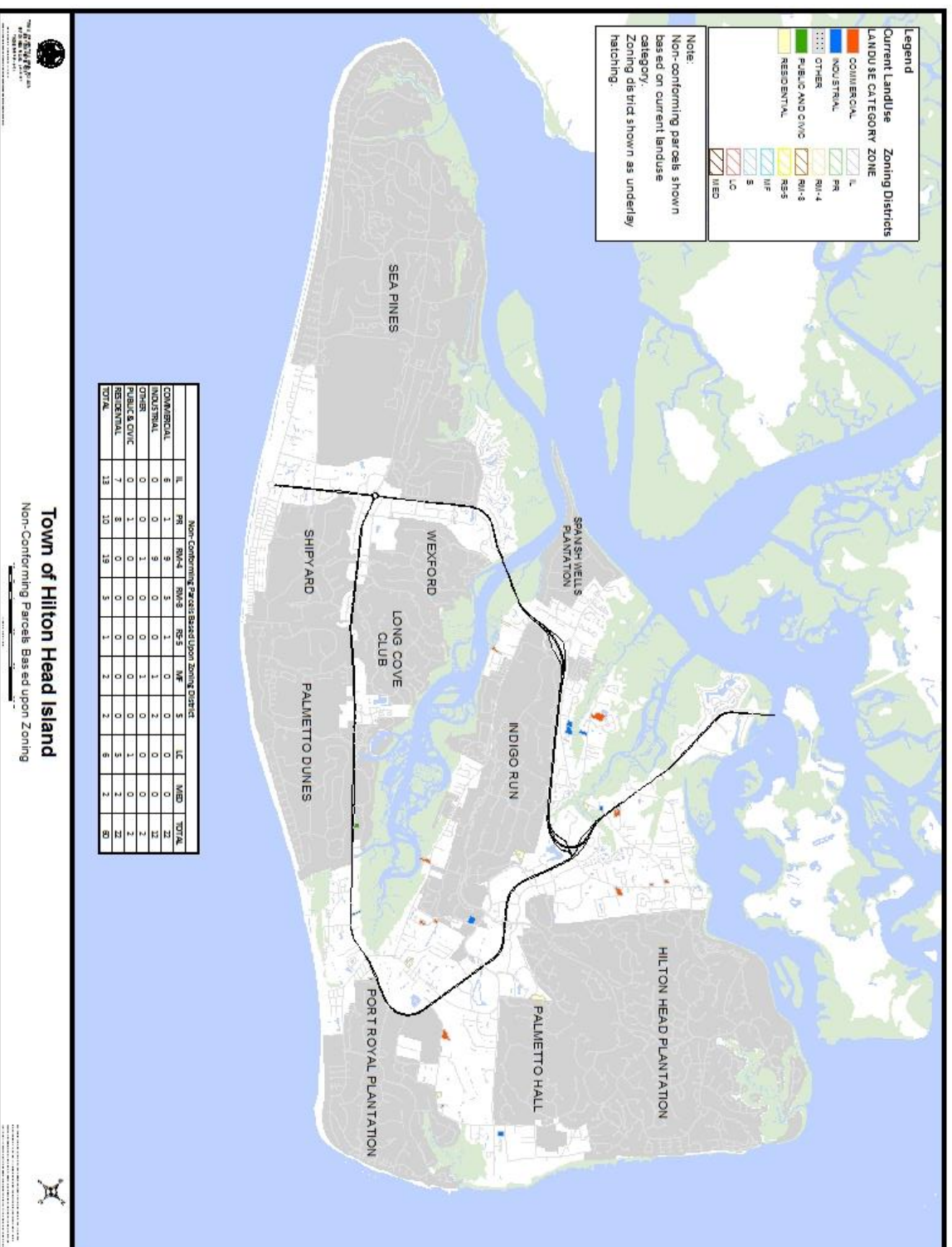
Figure 8.2: Existing Land Use



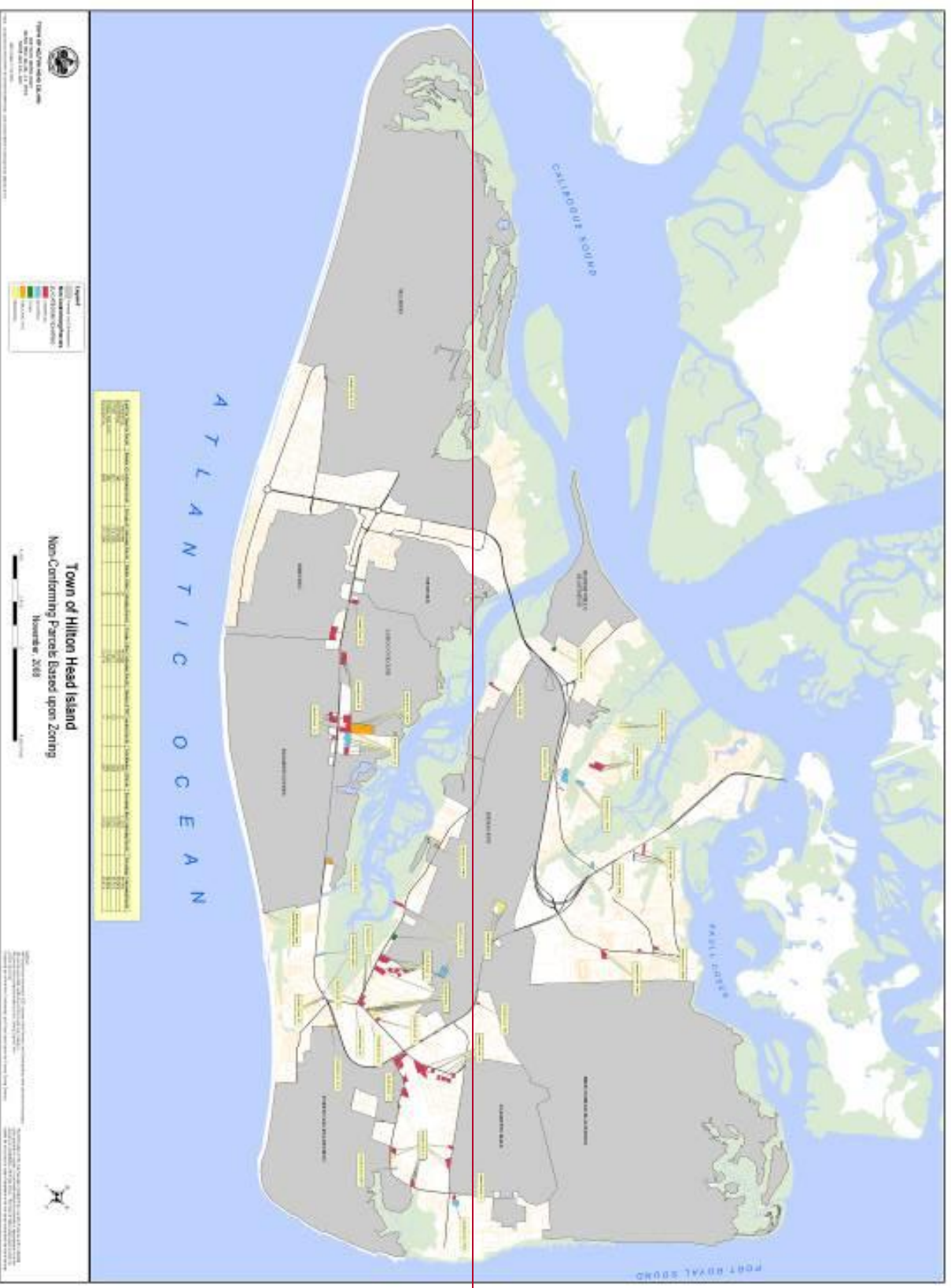




**Figure 8.93: Nonconforming Parcels Based on Current Zoning**







## 9 Transportation

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

### Introduction

This element is intended to be a general guide for the growth and development of the community's transportation system. It recommends policies that encourage appropriate land use development, facilitate mobility and public safety, reduce infrastructure costs, preserve environmentally sensitive lands, and enhance the aesthetic quality and economic viability of existing neighborhoods and communities.

Hilton Head Island has developed into a nationally and internationally known premier resort and retirement community. The appeal of the Island to retirees, visitors, and permanent residents is a very favorable climate, environmental attractiveness and perceived sensitivity to environmental preservation with public controls on growth to preserve natural attractiveness, coupled with high quality amenities and infrastructure.

The central issue now is how to sustain this economic system as the Town transitions from a successful growth phase to relative maturity while preserving the natural settings, fragile ecology, amenities and infrastructure that will continue to attract and retain retirees and tourists.

The Transportation Element will discuss issues raised in connection with growth, ecology, amenities and infrastructure and present some potential strategies thought necessary for consideration by the Town. The Transportation Element includes an inventory and analysis of all multimodal components including, roads, pathways, water and air transportation, as well as, public and quasi-private transit.

### 9.1 Road Network

Roadway access to the Island is provided by Highway US 278 over two toll-free bridges, J. Wilton Graves Bridge and Karl Bowers Bridge. William Hilton Parkway (US 278 Business) and the Cross Island Parkway (US 278) serve as the Island's two primary roadways. The Charles E. Fraser Bridge spans across Broad Creek to connect the Cross Island Parkway with William Hilton Parkway on the south end of the Island. All other roads connect into these roads, making them the critical link for local residential, business and recreational areas. The Island's road network consists of ~~385~~ 398 roadway miles, including ~~8.5~~ 11.8 miles of Town owned roads, ~~24~~ 22.3 miles of County owned roads, 73 miles of State owned roads, and ~~282.5~~ 291.2 miles of privately owned roads, which are mostly located within the Planned Unit Developments (PUDs).

Alternate transportation routes provide a viable alternative to utilizing main roads on the Island. These routes allow traffic to be calmed, and relieve congestion from major roads, especially William Hilton Parkway. One such route that has been successful is the combination of Pembroke Drive, Gardner Drive, Leg O'Mutton Road, Marshland Road, and Mathews Drive, which provides an alternate route to William Hilton Parkway. The Town of Hilton Head Island worked closely with Indigo Run to develop this alternate system of roads. This alternate road system is especially helpful because it serves as direct access to the commercial and residential development fronting William Hilton Parkway at Indigo Run. It also serves as an alternate link between the Indigo Run area and the Marshland Road, Mathews Drive and Folly Field areas to the south. Main Street is an example of a well-planned, privately-owned road that provides direct access to commercial businesses with frontage on William Hilton Parkway. Although

Main Street functions well as an aesthetically pleasing access road, many sections lack sidewalks or multi-use pathways.

The Town has designated its public streets in a hierarchy ranked by design and function. The street hierarchy is defined by road function and average daily traffic (ADT). The design standards are required by the Land Management Ordinance (LMO) and are shown in Table 9.1, Street Standards.

**Table 9.1: Street Standards**

Street type	Maximum ADT	Minimum Pavement Width (feet)	Minimum Shoulder Width (feet)	Minimum Right-of-Way (feet)
Lane	50	20	4	30
Cul-de-sac	250/500	20	4/8	40/50
Local Access	2,000	22	8	50
Sub-Collector	4,000	24	8	60
Collector	6,000	24	10	70
Minor Arterial	25,000	24	10	70
Major Arterial	50,000	24	12	120

Source: Town of Hilton Head Island Land Management Ordinance, 2009

The Town has installed mile markers along William Hilton Parkway (US 278 Business) to assist motorists with identifying their location for emergency purposes as well as to locate businesses along the route. This program has proven to be very successful as businesses are now advertising their location in relation to the markers.

The State of South Carolina has ownership of all the major arterials, and most of the minor arterial roads on the Island. The Island's business development exists mainly along William Hilton Parkway (US 278 Business) and the other State-owned arterial and minor arterial roads. Roads such as Pembroke Drive and New Orleans Road are County owned roads with dense commercial development. Table 9.2, State Owned Roads, lists the state owned roads on Hilton Head Island.

Residential, and some resort-related development, exist along smaller County-owned roads and private roads. Most of the roads (~~287~~ 291 miles) within the incorporated boundary of the Town of Hilton Head Island are privately owned and maintained by the PUDs. The majority of these are streets within residential developments. Table 9.3, County Owned Roads, lists the Island roads owned by Beaufort County. Table 9.4, Town Owned Roads, lists the limited number of roads owned by the Town.

The Town's current policy is to transfer all Town-owned roads to the County for ownership and maintenance. While this policy is in place, the County's ability to accept new roads is limited due to funding capacities. On selected roads the Town retains some road maintenance responsibilities following transfer of ownership. These responsibilities may include landscape, litter control and beautification projects. In most recent years the issue of road ownership and maintenance has been a concern for the Town. Some privately owned roads or driveways that provide access to multiple residences are not adequately maintained. Roadways that are unpaved can cause damage to vehicles and stormwater systems. Often there are also public safety concerns. In 2003, the Town began evaluating the benefits of developing a program through which the Town would acquire rights-of-way and private roads under the Storm Water Utility Program to maintain and improve drainage, to facilitate future paving and to facilitate the future extension of other services, such as sewer, electric, phone and cable utilities. Ultimately the roads would be transferred to the County for continued maintenance and ownership. The first two roads identified for acquisition under the pilot program were Ned Court and Jessica Drive. These roads were subsequently acquired by the Town, general improvements were made and the roads were turned over to the County for future paving. Both roads are now in Beaufort County's road paving program. The Town has a program to acquire public rights-of-way on private unpaved roads. These acquisitions are funded in the Capital Improvement Program and are based on priorities considering the number of homes served, physical condition of the road, existing private easements or right-of-way, and cost-benefit. In the past,

Town acquired roads were dedicated to the County for maintenance, but the County is no longer accepting any new road rights-of-way for permanent maintenance. The Town has various funding sources available to make improvements within these rights-of-ways, once they become public. These are the Community Development Block Program, a five-year grant currently active to pave five dirt roads, the Road User fee, and the Storm Water Utility fee. This winter, the Town completed work on paving Blazing Star Lane and this summer the Town will be paving Rhiner Drive and Wiley Road.

Acquiring a public right-of-way also helps facilitate the installation and maintenance of storm drainage infrastructure and utilities. Improvements within the rights of way provide better access for emergency responders, safer travel for residents, and may enhance adjacent property values.

Beaufort County's road paving program operates on a four year cycle and is funded by State gas tax revenues; approximately \$1.5 Million annually. Beaufort County has a road paving program which operates on a four year cycle and is funded by State gas tax revenues. Only County-owned roads that have dedicated public rights-of-way are considered for paving, which is one major benefit of the Town assembling the rights-of-way for substandard roads on the Island. The criteria used for ranking roads in the County's program include, but are not limited to, the number of residences served, pre-existing maintenance demand and the cost of paving the road.

Within in the Town, the unpaved, County-maintained portion of Fish Haul Road has been included in the County's upcoming four-year paving program. Ned Court and Jessica Drive have been included for paving in this cycle as well on an as-funds-become-available basis. Following that, the highest rated roads under the County's rating system are Allen Road, Ferguson's Lane, Gibson Road, and Wright Place, although none of were rated high enough to be included in the upcoming four-year paving program.

**Table 9.2: State Owned Roads on Hilton Head Island**

Street Name	Street Name
Archer Road	Point Comfort -Circle
Arrow Rd. (Pal. Bay to Helmsman)	Point Comfort Road
Arrow Rd. (Archer to <del>Archer</del> WHP)	Pope Avenue
Avocet Road	<del>Pope Avenue</del> Executive- Park Rd
Baygall Road	<del>Power Alley</del>
Beach City Rd(Mathews-The Spa)	Row Boat Road
Bittern Rd. (Lagoon to NFB Dr)	Sand Dollar Rd (Seahorse to end)
Blue Heron Point Road	Sea Horse Way
Bradley Beach Road	Sea Olive Road
Camellia Street	Singleton Beach Road (up to & Inc. bridge across Folly)
Cordillo Parkway	South Forest Beach Drive
Sol Blatt Jr. Cross Is. Pkwy.	Spanish Wells Road
Deallyon Avenue	Squire Pope Road
Dillon Road	Squiresgate Road
Dune Lane (Ibis to Jacana)	Target Road
Dunnagans Alley(Palmetto Bay to Arrow)	Union Cemetery Road
Fish Haul Road (paved)	Wilborn Rd (WHP to School Rd)
Folly Field Rd (WHP to Starfish)	Wild Horse Road
Folly Field Rd (Starfish-Islanders-Beach.Park.)	<del>Wm Hilton Pkwy (XIP to SP Cir)</del>
Gardenia Street	Wm Hilton Pkwy (Bridge to <del>Sea Pines Circle</del> XIP)
Genesta Street	Woodhaven Drive
Ghost Crab Way	Woodhaven Lane
Gum Tree Road	<del>Pope Avenue</del>
Helmsman Way	<del>Pope Avenue Exec. Park Rd</del>
Ibis Street (Lagoon to NFB Dr.)	<del>Power Alley</del>



Street Name	Street Name
Jacana Street	<del>Row Boat Road</del>
Jenkins Road	<del>Sand Dollar Rd (Seahorse to end)</del>
Kings Court	<del>Sea Horse Way</del>
Lagoon Road	<del>Sea Olive Road</del>
Marshland Road	<del>Singleton Beach Road</del>
<u>Marshland Lane</u>	
Mathews Drive	<del>South Forest Beach Drive</del>
Mimosa Street	<del>Spanish Wells Road</del>
Mitchellville Road (paved)	<del>Squire Pope Road</del>
Moonshell Road	<del>Squiresgate Road</del>
Nautilus Road	<del>Target Road</del>
North Forest Beach Drive	<del>Union Cemetery Road</del>
Office Way	<del>Wilborn Rd (WHP to School Rd)</del>
Old Wild Horse Road	<del>Wild Horse Road</del>
Oleander Street	<del>Wm Hilton Pkwy (XIP to SP Cir)</del>
Paddleboat Lane	<del>Wm Hilton Pkwy (Bridge to XIP)</del>
Palmetto Bay Road	<del>Woodhaven Drive</del>
Periwinkle Lane	<del>Woodhaven Lane</del>
<u>Coligny Circle</u>	<u>Sea Pines Circle</u>

Source: Town of Hilton Head Island 2016**Table 9.3: County Owned Roads on Hilton Head Island**

Street Name	Street Name
Arrow Rd. (WHP to New Orleans)	Jessica Drive
Augusta Lane	Jonesville Road
<del>Avocet Road</del>	Katie Miller Road <u>(N. of Caesar Place)</u>
Bay Pines Drive	Leg O' Mutton Road
Bay Pines Road	Marblehead Road
Beach City Road (WHP to Mathews)	<del>Marshland Lane</del>
Ben White Drive	Mitchellville Rd <u>(unpaved 1035' S. of Baygall Rd. to southern Fish Haul intersection)</u>
Bittern Street (NFB Dr to Dune)	Muddy Creek Road
Bluebell Lane	Murray Avenue <u>(paved portion)</u>
Bow Circle	Mystic Drive
Bradley Circle	Namon Road
Bryant Road <u>(w. of Muddy Creek)</u>	Nature's Way (Pembroke to Augusta)
Burkes Beach Road	Ned Court
Cardinal Road	New Orleans Road
Caesar Place	Northridge Drive
Chisholm Place	Oak Marsh Drive
Corpus Christie	Oakview Road
Curlew Road	<del>Otter Hole Lane</del>
Dianah's Drive	Palmetto Bay Business Park
Dove Street <u>(NFB to Dune Lane)</u>	Palmetto Parkway
Dune Lane <u>(Avocet to Ibis except Ibis to Jacana)</u>	Park Road
Eagin Court	Pembroke Drive
Egret Street <u>(NFB to Dune Lane)</u>	Pensacola Place
Elizabeth Road	Rebecca Circle
Ferguson's Lane	Saint Augustine Place
<del>First Street</del>	Sand Dollar Rd (Starfish to Sea Horse)
Fish Haul Road (unpaved)	<del>Second Street</del>
Flamingo Street <u>(NFB to Dune)</u>	Shamrock Circle

Street Name	Street Name
Gannet Street <u>(NFB to Dune)</u>	Simmons Road
Gardner Drive	Southwood Park Drive
Heron Street	Starfish Drive
Hunter Road	Thomas Cohen Drive
Indian Trail	Wexford Drive (from WHP to Circle)
Island Drive	<u>Wright Place</u>
<u>Barrier Beach Cove</u>	<u>Brown Court</u>
<u>Cardinal Court</u>	<u>Gibson Drive</u>
<u>Ibis Road (NFB to Dune)</u>	<u>Nazarene Road</u>
<u>Nichols Court</u>	<u>O'Connor Road</u>
<u>Sandy Beach Trail</u>	<u>Sea Front Lane</u>
<u>Shore Crest Lane</u>	<u>Surfwatch Way</u>

Source: Town of Hilton Head Island 2016**Table 9.4: Town Owned Roads on Hilton Head Island**

Street Name	Street Name
Alex Patterson Road	Kingbird Lane
Arrow Rd. (Helmsman to Archer)	Lemoyne Avenue
Automobile Place	Mac Donough Lane (100' E. of Gumtree)
Bobwhite Lane	Mallard Street (n. of N. Forest Bch. Dr.)
Castnet Drive	Mingo Way
Chamberlin Drive	Myrtle Lane
Cooperative Way	Nassau Street (private w/in Circle Center)
Dunnagans Alley (Arrow to Wexford)	Nature's Way
Electric Avenue	Oak Park Drive
Firethorn Lane	Office Park Road
Haig Point Circle	Pelican Street (n. of N. Forest Bch. Dr.)
Hickory Lane	Sandpiper Street (n. of N. Forest Bch Dr)
<del>Hiltech Drive</del>	Summit Drive
Humane Way	Tanglewood Drive
Indigo Run Drive (WHP to Pembroke)	Thompson Street
<del>Jacana Street (n. of N. Forest Bch. Dr.)</del>	Wild Horse Road (WHP to Old WH Rd)
Jarvis Park Road	<u>Adrianna Lane (for 300' south of WHP)</u>
<u>Bayberry Lane</u>	<u>Blazing Star Lane</u>
<u>C Heinrichs Circle</u>	<u>Cassina Lane</u>
<u>Dogwood</u>	<u>Dove Street (NFB to Lagoon)</u>
<u>Egret (NFB to Lagoon)</u>	<u>Elderberry Lane</u>
<u>Exchange Street</u>	<u>Flamingo Street (Park Rd to Lagoon)</u>
<u>Fish Haul Creek Park Common</u>	<u>Fresh Market Shoppes D/W (off-island drive to far side of Hargray access)</u>
<u>Gannet Street (Park Rd to Lagoon)</u>	<u>Gateway Circle</u>
<u>Hargray Access Road (from Fresh Market drive above to 110' past Queens Way)</u>	<u>Heron Street (NFB to Lagoon)</u>
<u>Honey Horn Drive</u>	<u>Hospital Center Blvd. (from Beach City to N. of Main St)</u>
<u>Juniper Lane</u>	<u>Katie Miller (Gum Tree to Caesar)</u>
<u>Laurel Lane</u>	<u>North Main Street (from E. of roundabout to Hosp. Ctr. Bldg)</u>
<u>Otter Hole Road</u>	<u>Power Alley</u>
<u>Queens Way (N. of WHP)</u>	<u>Rhiner Drive</u>
<u>Roadrunner Lane</u>	<u>Sea Oak Lane</u>
<u>Town Center Court</u>	<u>Viola Road</u>

Street Name	Street Name
<u>Wanderer Lane</u>	<u>Wiley Road</u>

Source: Town of Hilton Head Island 2016

### **Island Intersection Design**

In 1996, Town Council passed a resolution stating that roundabout designs should be considered as an alternative to conventional, cross-type intersections within the Town as opportunities presented themselves as a result of new highway construction or reconstruction. At that time, roundabouts were little used in South Carolina outside of Hilton Head Island. In the interim, the South Carolina Department of Transportation and various local governments throughout the State have been constructing roundabout intersections with increasing frequency.

Modern roundabouts employ different design characteristics over older traffic circles, which are often found in central business districts of cities and towns. Traffic circles have street approaches that enter at right angles, may be controlled by traffic signals, may have on-street parking, and are often large enough to accommodate pedestrian features and points of interest in the interior of the circle. Roundabouts have street approaches that flare and intersect the circulating roadway at an acute angle, are controlled by "YIELD" signs, route pedestrians and cyclists around the exterior of the roundabout only, and are smaller. Both modern roundabouts and older traffic circles are grouped together under the category of "rotary" intersections.

Roundabouts may employ a single circulating lane of travel or multiple circulating lanes. The Town has modified both Sea Pines Circle and Coligny Circle ~~in recent years~~ from a multi-lane roundabout to a single lane roundabout in order to simplify operations. Some roundabouts on the island, including Coligny Circle, have a single lane of travel that circulates all of the way around the interior island, but have multiple lanes in one or more of the roundabout's quadrants. The roundabouts at the intersections of Whooping Crane Way with Main Street, Indigo Run Drive with Pembroke Drive and Leg O'Mutton Road are of this variety. Some single lane roundabouts, including Sea Pines Circle and the one at Squire Pope Road and Gum Tree Road, have bypass, or "slip" lanes to allow right-turning motorists to bypass the circulating roadway altogether.

The Town has twenty ~~three~~ ~~two~~ traffic signals, with all of them located on the major arterials William Hilton Parkway, Palmetto Bay Road, or Pope Avenue. The Town has successfully avoided the installation of any traffic signals on any other roads, partially through the use of rotary intersections as a viable alternative to building turn lanes and placing traffic signals. Examples of intersections that could have been signalized are Squire Pope Road/Gum Tree Road and Mathews Drive/Woodlake Villas intersections. The Town ~~is currently designing recently completely~~ roundabout intersections at Arrow Road/Dunnagans Alley, Mathews Drive/Marshland Road, and Mathews Drive/Beach City Road, ~~and Mathews Drive/Marshland Road~~ in order to avoid the need to introduce traffic signals at these intersections.

Roundabout intersections afford distinct advantages in many instances over more conventional signalized cross-type intersections. The first advantage is that, while landscaping accommodated by roundabouts requires ongoing maintenance, they do not generate the initial and recurring costs associated with a traffic signal installation. They tend to operate more safely with a reduced collision frequency that is typically made up primarily of low-speed rear-end or side swipe collisions as opposed to the high-speed right-angle collisions that tend to result from the motorists disregarding a red traffic signal. The intersection of Squire Pope Road with Gum Tree Road, for instance, formerly one of the most high-frequency collision locations within the Town, has ~~not~~ experienced a 50% reduction in reported vehicle collisions since the construction of a roundabout in April of 2008. Sea Pines Circle and Coligny Circle both experienced collision frequency decreases of approximately 30% or more following their redesign to incorporate design features of a modern roundabout in recent years. Roundabouts afford a large area for beautification for aesthetic purposes, and usually result in reduced average delay to motorists. Motorists may experience long delays at a traffic signal when they encounter a red signal and must await a green

one, but roundabouts tend to spread out the delay more evenly between motorists, usually insuring that everyone experiences a smaller and more equitable amount of delay. Roundabout designs tend to decrease the length of pedestrian crosswalks, making pedestrian movements safer and reducing travel speeds of motorists passing through the intersection. Unlike traffic signals, they generally do not require reconstruction following a catastrophic weather event or other disaster, and do not require electrical service to control traffic.

Roundabouts have some disadvantages when compared with conventional signalized intersections. They generally are more costly to construct, and may cost a million dollars or more compared to a typical conventional intersection improvement and signalization that may cost half of that. They typically require more area to construct than a more conventional intersection, and the need to acquire right-of-way necessary for their construction can further drive up costs. Some motorists remain unused to roundabout control and resist it, avoiding roundabout intersections when alternate routes are available.

There are at least a dozen rotary intersections on Hilton Head Island, with at least ~~four~~ one more in some stage of planning or design. The high profile Sea Pines Circle and Coligny Circle intersections are high-volume junctions that serve as transportation hubs in their respective areas. Hilton Head Island has become somewhat noteworthy for its number of rotary intersections and roundabouts, and is often cited as a source for information on their planning, design and operation.

### Implications for the Comprehensive Plan

- The Town owns ~~less than 2~~ 3% of the roads on the Island and has limited authority to maintain or service roads it does not own. Coordination with the County, State and PUDs to ensure proper safety and road maintenance is important on the nearly 98% of roads not owned by the Town.
- Continued coordination with South Carolina Department of Transportation and Beaufort County to maintain the current capacity of William Hilton Parkway and other arterials by controlling access points and median crossing locations, improving intersections, adding decelerations lanes, optimizing the synchronized traffic lights with the mainland's system and investigating other methods of traffic management and development control is recommended.
- Alternative connections to alleviate traffic from William Hilton Parkway should continue to be considered.
- The bridges onto the Island are critical public facilities that provide the only vehicular access for residents and visitors to the Island, as well as the only ground transportation link for emergency evacuations. Protection of these critical facilities should be a priority.
- The Town's use of roundabouts rather than conventional signalized intersections has strengthened its identity and differentiated the Island from many other communities. The character of the Island as a unique residential and resort destination is enhanced by limiting typical street intersection design. The use of roundabouts should be continued, keeping in mind, public safety, reduced impact on natural resources and financial considerations.
- The Town enjoys a positive reputation for the high quality of maintenance along its roadways. This should be considered as additional development or redevelopment is proposed. Protection of aesthetics and natural character of the Town's main arterials has been and should continue to be a priority. With this in mind streetscapes should be used to establish character for redevelopment areas, recreation or activity centers, pedestrian oriented areas and gateways to the Island.
- The County requires that road improvements made with the intention of conveying ownership and maintenance to the County be constructed to the approved standards. In addition, the County has limited capacity to accept additional roads into its maintenance program. Alternative standards, including different materials used in road building may provide a means to improve existing substandard roads, reduce impervious surfaces and enhance fire and rescue access.

## 9.2 Traffic Volumes and Trends

In order to evaluate traffic volumes and trends and to propose improvements, each year a Traffic Monitoring and Evaluation Report is prepared for the Island. The Land Management Ordinance requires this report, which is presented to the Planning Commission and Town Council. Recommendations from this report are incorporated into the annual revised Capital Needs Assessment Program, which is then used to develop the Capital Improvements Program. The report provides traffic volumes and pertinent data on the following subjects:

- Yearly June peak hour traffic counts for all signalized intersections.
- Daily traffic counts for other major arterials.
- A description of operating conditions relative to the Town's adopted traffic service goals for selected signalized intersections.
- Proposed improvements to resolve intersections not meeting the Town's traffic goals.
- Peak hour counts at Sea Pines Circle for years divisible by five.

### **Island Trends**

The opening of the Cross Island Parkway brought major changes to the traffic patterns on Hilton Head Island, as is evidenced by the changes in traffic volumes at various points around the Island. After the opening of the Cross Island Parkway in 1998, the vehicle counts dropped on William Hilton Parkway at most monitoring locations while it increased at some south end locations, such as Palmetto Bay Road. The net effect has been positive. Long traffic backups on William Hilton Parkway at the approach to Sea Pines Circle and backups in other north end locations on William Hilton Parkway have been minimized to a large degree. Locations that had both pre-and post- Cross Island Parkway counts were compared and except one on Pope Avenue had significant declines in volumes.

Traffic counts are also monitored along US 278 at the J. Wilton Graves Bridge to the mainland, at the Town line. The first count taken at this location was in 1998, when the volume was 49,693 vehicles. The counts were significantly higher in 2006 at 62,855 and have since leveled back at roughly 53,000 to 54,000 in 2008 and 2009 respectively. The traffic volume has increased slightly over the years resulting in 56,079 vehicles in 2013 and 58,355 vehicles in 2014.

Much of the Island's traffic merges at the Sea Pines Circle. Traffic diverted off of William Hilton Parkway onto the Cross Island Parkway still flows through this main juncture. Redesigned in 2001, the Sea Pines Circle works well to lower vehicle speeds and move high volumes of traffic, and it is considered to be a cultural landmark by the community. Improvements to roadways in the area which offer alternative routes around Sea Pines Circle have been suggested to mitigate volumes on the circle.

A decade after the opening of the Cross Island Parkway, new development is still occurring on the Island, and redevelopment is becoming more likely. It appears that traffic volumes have leveled off and may continue to slowly increase on the Island over time. It should be noted, however, that average daily traffic volumes are increasing at different rates in different areas.

Permanent traffic counters were installed by the State at four strategic locations after 1991. These counters provide continuous real time traffic volume data and allow Town staff to examine traffic volumes for any time period of any day throughout the year. This provides accurate and timely data for the yearly Traffic Monitoring and Evaluation Report and helps with periodic reports regarding traffic volumes. This permits the Town staff, the Planning Commission and Town Council to stay informed about the status of the Island's road system.

These permanent counters are all located on William Hilton Parkway. The first is between Wilborn Road and Pembroke Drive, the second is between Beach City Road and Palmetto Parkway, the third is at the north side of the bridge north of Queens Folly Road and the fourth is just north of Park Lane.



Table 9.5 provides an inventory of traffic counts taken at the traffic count stations each year. While the Town has seen an increase in traffic volume through the late 1990s and early 2000s, traffic volumes have leveled off to relatively constant numbers.

**Table 9.5: 24-Hour Bi-Directional Traffic Demand—June 2004-2009**

Station #	Location	Pre-Cross Island Pkwy 1997	2004	2005	2006	2007	2008	2009	% Change/Year
1	Wm. Hilton Pkwy. at J. Wilton Graves Br.		54,769	52,769	62,855	57,524	53,479	53,949	-0.3
2	Wm. Hilton Pkwy. west of Cross Is. Pkwy.		51,436	52,769	54,445	51,054	50,066	53,971	1.0
3	Wm. Hilton Pkwy. east of Whooping Crane	54,100	50,217	49,348	48,404	45,934	44,848	46,600	-1.5
4	Wm. Hilton Pkwy. east of Coggins Pt. Rd.	44,200	34,769	35,193	34,275	32,143	34,535	32,231	-1.5
5	Wm. Hilton Pkwy. west of Queens Folly Rd.	50,700	42,302	43,818	43,029	40,671	37,888	39,856	-1.2
6	Wm. Hilton Pkwy. west of Arrow Rd.	45,200	34,142	33,912	32,026	30,350	28,585	30,940	-2.0
7	Pope Ave. south of New Orleans Rd.	35,200	35,336	37,306	33,817	32,007	29,991	29,990	-3.2
8	Palmetto Bay Rd. south of Pt. Comfort Rd.		24,336	25,852	24,716	24,795	23,870	23,558	-0.6
9	Sol Blatt Jr. XIP south of W. Hilton Pkwy.		12,481	15,524	15,495	16,230	17,717	13,904	2.2
10	Sol Blatt Jr. Cross Is. at Toll Plaza		22,803	26,215	24,740	26,241	23,793	24,339	1.3

Town-Wide Rate of Change—2007-2008 = -3.4 % \*

Town-Wide Rate of Change—2008-2009 = +1.3 % \*

Effective Town-Wide Annual Rate of Change—2004-2009 = -0.7 % \*

\*All three rates based exclusively on data in Table One

**Table 9.5: 24-Hour Bi-Directional Traffic Demand – June 2009-2014**

<u>Station #</u>	<u>Location</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Change/Year</u>
<u>1</u>	<u>Wm. Hilton Pkwy. at J. Wilton Graves Br.</u>	<u>53,949</u>	<u>55,275</u>	<u>52,080</u>	<u>54,343</u>	<u>56,079</u>	<u>58,355</u>	<u>+1.6%</u>
<u>2</u>	<u>Wm. Hilton Pkwy. west of Cross Is. Pkwy.</u>	<u>53,971</u>	<u>53,946</u>	<u>48,519</u>	<u>52,386</u>	<u>46,177</u>	<u>48,042</u>	<u>-2.3%</u>
<u>3</u>	<u>Wm. Hilton Pkwy. east of Whooping Crane</u>	<u>46,600</u>	<u>45,444</u>	<u>43,750</u>	<u>52,994</u>	<u>43,794</u>	<u>44,009</u>	<u>-1.1%</u>
<u>4</u>	<u>Wm. Hilton Pkwy. east of Coggins Pt. Rd.</u>	<u>32,231</u>	<u>32,578</u>	<u>29,920</u>	<u>33,033</u>	<u>31,249</u>	<u>32,264</u>	<u>+0.0%</u>
<u>5</u>	<u>Wm. Hilton Pkwy. west of Queens Folly Rd.</u>	<u>39,856</u>	<u>39,699</u>	<u>34,805</u>	<u>36,773</u>	<u>39,182</u>	<u>39,460</u>	<u>-0.2%</u>
<u>6</u>	<u>Wm. Hilton Pkwy. west of Arrow Rd.</u>	<u>30,940</u>	<u>31,036</u>	<u>27,868</u>	<u>28,418</u>	<u>31,214</u>	<u>29,190</u>	<u>-1.2%</u>
<u>7</u>	<u>Pope Ave. south of New Orleans Rd.</u>	<u>29,990</u>	<u>30,700</u>	<u>30,871</u>	<u>30,252</u>	<u>29,544</u>	<u>33,361</u>	<u>+2.2%</u>
<u>8</u>	<u>Palmetto Bay Rd. south of Pt. Comfort Rd.</u>	<u>23,558</u>	<u>23,678</u>	<u>22,814</u>	<u>23,207</u>	<u>24,941</u>	<u>24,850</u>	<u>+1.1%</u>
<u>9</u>	<u>Sol Blatt Jr. XIP south of W.Hilton Pkwy.</u>	<u>13,904</u>	<u>14,412</u>	<u>14,171</u>	<u>14,712</u>	<u>13,273</u>	<u>15,833</u>	<u>+2.6%</u>
<u>10</u>	<u>Sol Blatt Jr. Cross-Is. at Toll Plaza</u>	<u>24,339</u>	<u>23,446</u>	<u>23,314</u>	<u>23,010</u>	<u>22,489</u>	<u>24,034</u>	<u>-0.3%</u>

Town-Wide Rate of Change – 2013-2014 = + 3.4 % \*

Town-Wide Rate of Change – 2012-2013 = - 3.2 % \*

Effective Town-Wide Annual Rate of Change – 2009-2014 = + 0.0 % \*

\*All three rates based exclusively on data in Table above.

## Implications for the Comprehensive Plan

- Future traffic volumes may exceed the capacity of the Town's road network impacting both the efficiency and safety of the Island's roads. Improvements to the road network that include safe and convenient access and interconnections to all areas of the Island that still protect community investments, neighborhoods and the natural environment should be considered.
- Continued monitoring and review of the Town's traffic analysis standards should be conducted in accordance with existing and future needs of the Town.

## 9.3 Traffic Planning & Modeling on the Island

The current Town traffic model has divided the Island into 69 Transportation Analysis Zones (TAZ). These zones are used in a computerized traffic model to analyze build-out scenarios and identify potential roadway improvements needed in the future. Each zone encompasses an area which feeds vehicles into the road network at one or two road locations.

The Town's work with traffic models has evolved from one traffic model to another, each building on the previous model's assumptions and results. All of these traffic model runs have served, currently serve, and will continue to serve to identify roadway improvements and capital improvement projects.

The traffic models are based on land use information within each TAZ. A "most likely build-out" concept is used in an attempt to estimate how many residential, resort, hotel, and office/commercial units will be

on Hilton Head Island when all development and redevelopment is completed. The most likely build-out concept assigns land uses to each TAZ based on what the Town believes are the most reasonable and likely developments, not simply the maximum permitted land use allowed by the current zoning designation. This results in a more realistic build-out scenario.

In 2002 the most recent traffic model for the Island was completed (Long Range Transportation Study, 2002). This effort included a roadway needs analysis based on the “most likely” build-out scenario projected by the Town at that time. The study addressed the current roadway system and identified needs for both roadway and intersection improvements to accommodate the anticipated future traffic conditions.

Concern has been expressed about a few of the potential improvements suggested in that study. In particular, there are sections of William Hilton Parkway that are recommended to be expanded to six lanes and there are three existing intersections recommended to be replaced with grade separated interchanges. The concern is that these improvements will negatively affect existing communities and not fit in with Island character.

In an effort to evaluate the information used for the 2002 model and therefore the need for some of these improvements, revised build-out projections were completed in 2009. A comparison of the 2002 and 2009 land use build-out projections is outlined in Table 9.6, 2009 vs. 2002 Build-out Projections by Land Use.

**Table 9.6: 2009 vs. 2002 Build-out Projections by Land Use**

Use	Change in Build-out 2002 vs. 2009 Projections	Percent Change in Projections 2002 vs. 2009
Government	-19,384 SF	-5.20%
Hotel Motel	170 Units	5.00%
Institutional	-14,921 SF	-0.90%
Light Industrial	-105,663 SF	-6.10%
Mobile Home	-168 Units	-14.50%
Multi-Family	825 Units	4.50%
Single Family	759 Units	4.30%
Office Commercial	249,869 SF	15.70%
Retail Commercial	-266,315 SF	-4.40%

Source: Town of Hilton Head Island Community Development Division

The 2009 data indicates that the total number of residential units on the Island, including mobile home, multi-family and single family, will only increase by 1,416 or 3.8% at build-out. The amount of non-residential development is projected to decrease by 156,414 square feet or 1.4% at build-out.

The land use assumptions that were used in the 2009 projections differed slightly from those used for the 2002 model. These changes helped to provide a more accurate “maximum” build-out scenario. No reductions to the projected number of units or square footage that could potentially be developed on a property were made for property conditions such as wetlands or infrastructure requirements, whereas the 2002 data reduced development potential on all properties by 15% to account for these factors. While these factors do have an impact on the potential utility of properties, they do not discount the by-right use of the property to its full potential. All things considered, the 2009 projections provide for a maximum level of development based on current zoning classifications.

One significant change in land use potential that occurred between 2002 and 2009 is the rezoning of properties on the north end of the Island in the Stoney area to increase the permitted density on some properties. This increase in the permitted density provided an increase in the number of potential build-out units in the 2009 projection. The projected increase in residential units is offset to some degree by the projected reduction of non-residential development. This may be attributed to the Town's Land Acquisition program, which has a goal of reducing the number of trips on the Island's transportation network.

Additional concerns regarding traffic on the south end of the Island and specifically in the area around the Sea Pines Circle were considered by the Planning Commission's Circle to Circle Committee. The Ad Hoc committee's recommendations included reducing congestion at the Sea Pines Circle by maintaining improved site lines through regular trimming of vegetation, improving signage to facilitate better flow, creating signage to show a New Orleans Road alternative to entering the Sea Pines Circle from US278B William Hilton Parkway, and requesting Sea Pines CSA assistance in educating visitors of the Ocean Gate exit for Coligny area destinations. Additional recommendations included increasing awareness of mid-Island beaches through an integrated communication plan, expanding Shore Beach Services to provide lifeguards and beach chairs/umbrellas, approving food trucks at all beaches except Coligny, improving signage for mid-Island beaches, and measuring the traffic impact on Burke's Beach Road as part of 2017 traffic measures as well as implementing a pilot shuttle system for the Coligny area employees and tourists.

## Implications for the Comprehensive Plan

- Data on traffic volumes and movements is required to perform accurate traffic modeling. The Town should continue to collect appropriate supporting data to assist in traffic modeling. This will allow for continued monitoring and evaluation of traffic management practices.
- 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.
- The analysis of TAZ zones provides a localized view of the travel demand placed on the Island's roadway network from Island residents and visitors; but, it does not provide a macro look at the regional impacts on the transportation system. A regional analysis or travel demand modeling, taking into account potential development in both Beaufort and Jasper Counties, would be an appropriate next step for traffic planning in the region.

## 9.4 Pathway Network

The Town of Hilton Head Island considers people of all ages and demographic groups when planning parks, recreation activities, recreation amenities, and transportation systems such as multi-use pathways. Pedestrians and bicyclists of all ages will be encouraged to use the multi-use pathway system as it evolves into an interconnected system of trails, parks, and other recreational uses. At a walking pace we see, hear, and smell the world around us. By planning portions of the community around the scale and speed of the pedestrian, we can create new opportunities to make walking more enjoyable for Hilton Head Island residents and visitors.

The initiative area plans proposed new multi-use pathways and other design elements that could be constructed to enhance the pedestrian experience and improve area circulation within the study areas. As the redevelopment planning process currently underway moves forward, new public projects that encourage modes of transportation such as walking and bike riding will be identified.

The Town's public pathway network provides residents and visitors with an inter-connected, non-motorized vehicular transportation system. Pathways provide access to public and neighborhood beach areas, resort developments, visitor accommodations, shopping, eating establishments, and recreation facilities. They connect to private pathways which are built and maintained by the PUDs. One primary difference in the Town's pathway network and those within PUDs is the ability to drive on the pathways in golf carts.

A survey of area communities provided the following information on golf cart use: The following PUDs allow golf carts on internal roads and paths: Windmill Harbor, Spanish Wells, Leamington, and Indigo Run. In addition, the following PUDs do not allow golf carts but have expressed a desire to consider in the future: Shipyard, Hilton Head Plantation, and Port Royal.

The Town's primary goals for the pathway network are to guide the development and maintenance of a pathway transportation system that provides access and mobility throughout the Town; to educate people about pedestrian and bicyclist transportation; and to reduce traffic volumes by encouraging pathway use.

Planning efforts throughout the Town over the past five years have identified several needs: pedestrian safety, location of pathways and road crossings. The initiative area plans also identified areas where multi-use pathways are needed but do not currently exist. Other needs identified include creating separation between pedestrians and motorists, and roadway or pathway lighting. The Town's first pathway lighting project was completed along the pathway within Compass Rose Park in 2008.

The Land Management Ordinance provides pathway standards that guide the community when maintaining or constructing pathways. These pathways are a major part of the Town's Capital Improvements Program, and high standards are followed during design and construction. The Town attempts to include pathway construction with any road construction or improvement. Recent improvements to the pathway system include signage to alleviate conflicts at strategic locations, sign kiosks, benches, trashcans, and water fountains. Pathways are located in existing rights-of-way, along existing roads and highways, or within other easements such as utility related use where possible.

Island pathways must cross roads at many locations throughout the road network. The typical intersection crossing allows the pathway user to cross the road in front of vehicles that stop at the intersection. This is a typical design used throughout the country and in most cases is the safest alternative.

Conflicts between vehicles, bikes and pedestrians occur when lines of sight for the vehicle driver are not adequate and the driver must pull out over the area where a pathway user crosses. Many of these situations are exacerbated by driver and bicyclist awareness (or lack thereof) and behavior. In order to improve conditions for pathway users, the Town has treated high-demand crossing locations on all major arterials and equipped all of the associated crossings at traffic signals with pedestrian-actuated signal devices. Further, pedestrian refuges have been installed on William Hilton Parkway, on both sides of the Mathews Drive (north) intersection, Old Wild Horse Road, Shelter Cove Lane and Northridge Drive, to name a few.

The Town of Hilton Head Island has implemented a program to inform the public of its pathway system. The Town has constructed new signs and kiosks that are located at key points on the pathways around the Island. These new signs and kiosks will provide more detailed information for pathway users displayed on large easy-to-read maps. ~~The maps provide information to the public regarding points of interest, public pathways (planned and existing), and some area land uses. Moreover, a widely used pathway brochure that describes existing and future pathways is also available to the public. The maps provide information to the public regarding existing public pathways, routes around the island based upon length and points of interest, and safety tips for bicyclists. The Town also produces a pathway brochure that contains the existing public pathways map as well as general information about Town parks and pathway safety tips.~~

The pathway system also helps to reduce traffic volumes by encouraging alternative means of transportation to Island destinations. Table 9.7 shows a chronology of Island pathway construction. The public pathway network is illustrated in Figure 9.12.

## Implications for the Comprehensive Plan

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



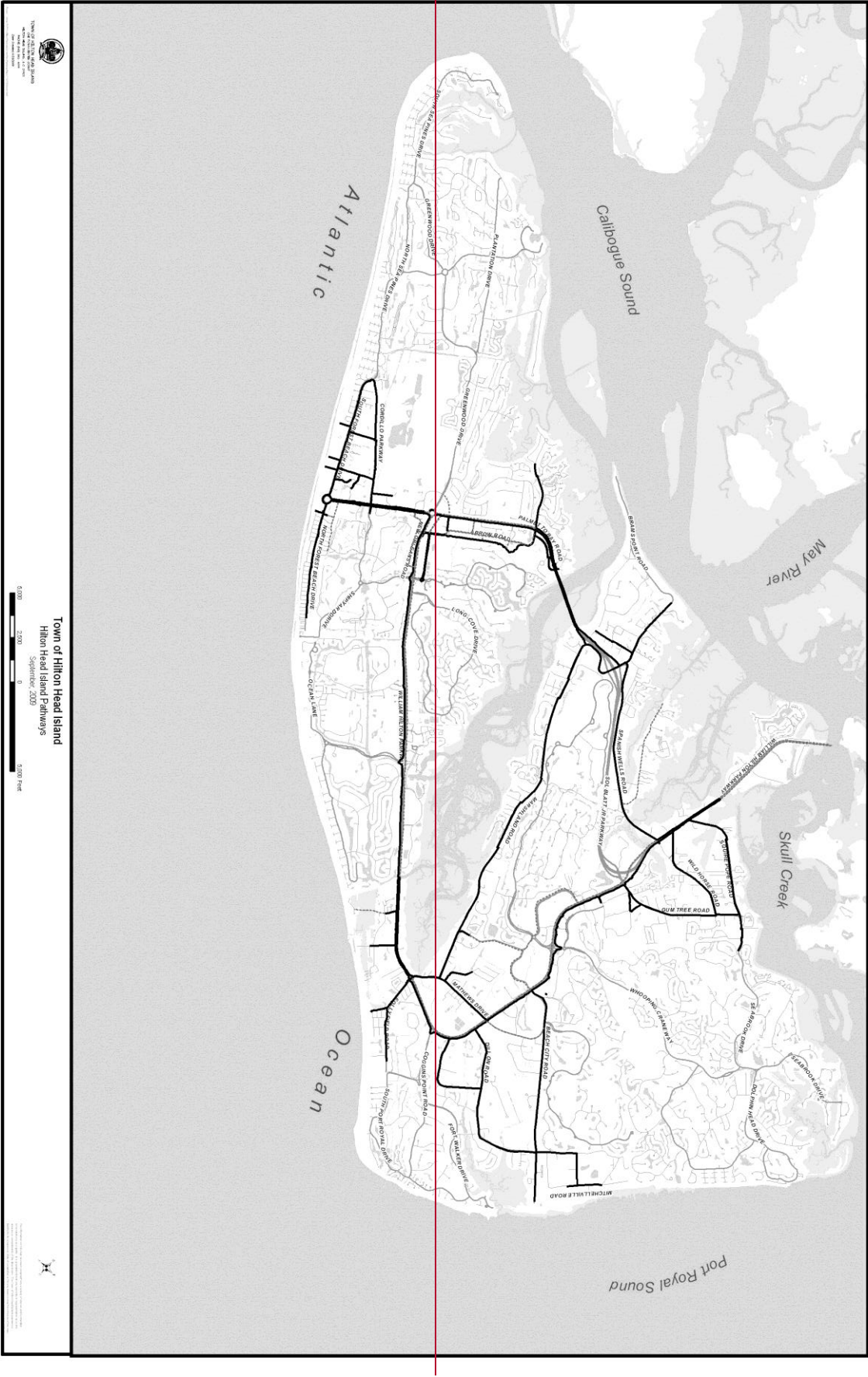
- While the Island currently has an extensive pathway network, opportunities to improve pathway connections between destinations that provide additional recreational opportunities and promote alternative means of transportation on the Island should be considered.
- The Island's pathway network could be enhanced by providing a link to the bridge to the mainland in anticipation that other jurisdictions will connect pathway facilities on the mainland
- There may be potential benefits of linking private community pathways to destinations such as shopping and entertainment centers immediately adjacent to the PUDs via pathway connections or secondary access points. This could have the potential to reduce the number of automobile trips on Island roadways, reduce the parking area required to accommodate customers and integrate the PUDs and non PUD areas.

**Table 9.7 Chronology of Town Pathway Projects**

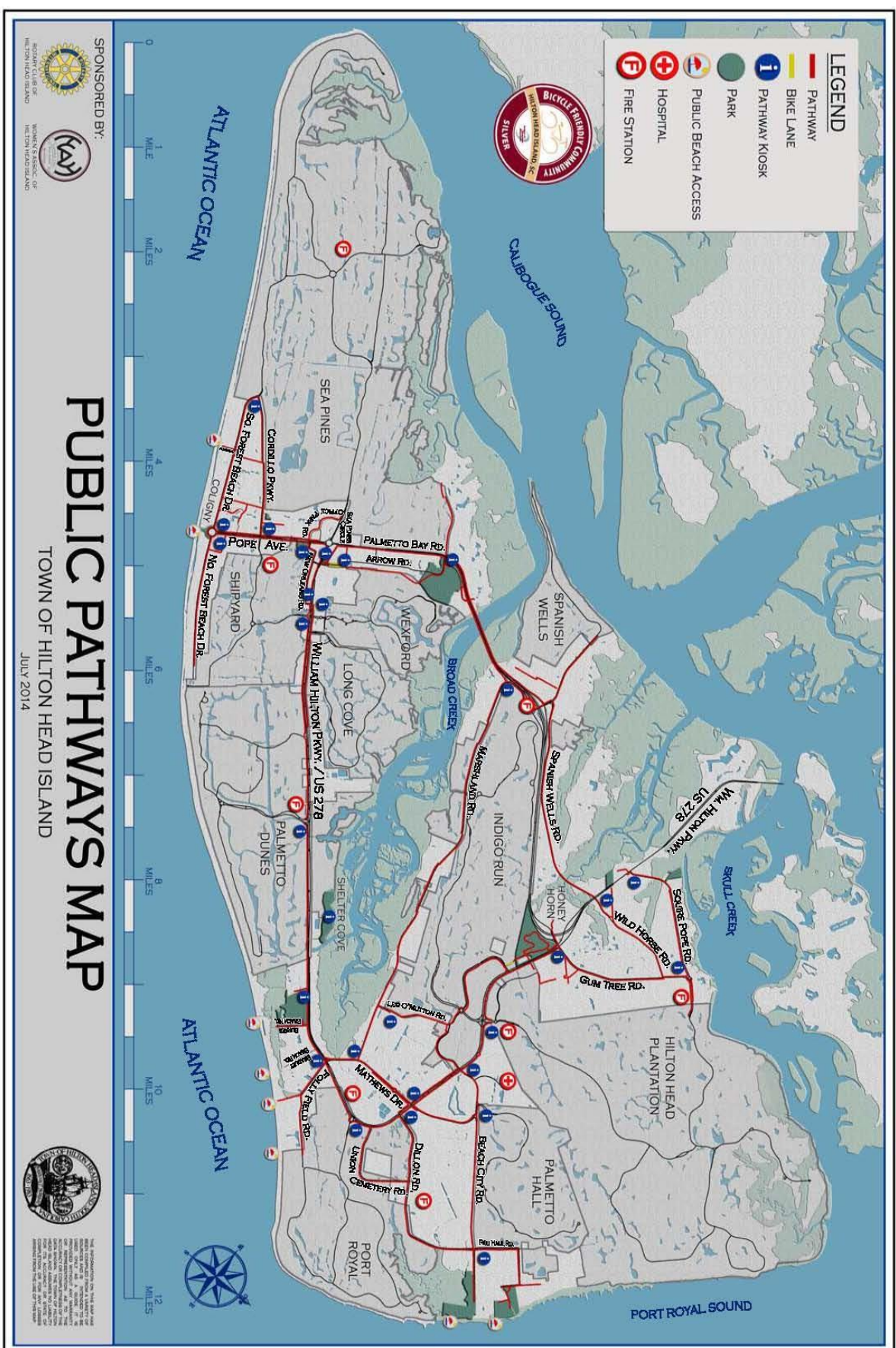
Year	Project
1989	US 278 Business (William Hilton Parkway) – Sea Pines Circle to Palmetto Dunes
1992	US 278 Business (William Hilton Parkway) – Palmetto Dunes to Folly Field Beach Park
1996	US 278 Business (William Hilton Parkway – Folly Field to Gum <del>f</del> T Tree Road
1992	Cordillo Parkway
1994	South Forest Beach Drive to Cordillo Parkway Connector
1997-1999	Gum <del>f</del> T Tree Road including portions of Wild Horse Road and Squire Pope Road
1999	Beach City Road
1998	Point Comfort Road
1998	Berm Pathway (adjacent to Wexford)
2001	Dillon Road
2001	Fish Haul Road
2001	Folly Field Road
2001	Fraser Bridge
2001	Helmsman <del>s</del> Way
1999	Rehabilitation of North Forest Beach Drive Pathway
1999	Rehabilitation of South Forest Beach Drive Pathway
1999	Rehabilitation of Pope Avenue Bike Lanes
1999	Rehabilitation of Folly Field Pathway
1999	Rehabilitation of US 278 Business (William Hilton Parkway) Pathway
2001	Squire Pope Road
2001	Union Cemetery Road
2002	Nassau Street
2004	Muddy Creek Road
2004	Wild Horse Road
2005	Marshland Road
2005	Mathews Drive (Marshland Road south to Wm. Hilton Parkway)
2006	Spanish Wells Road including boardwalk
2007	Office Park Road
2007	Pope Avenue (Boardwalks)
2007	Pope Avenue Pathway
2008	Mathews Drive Boardwalks
2008	Mathews Drive Pathway
2008	Horseshoe Road
2008	Palmetto Bay Road
2008	Target Road
2010	New Orleans Road
<u>2011</u>	<u>Mathews Drive North</u>
<u>2010</u>	<u>Avocet Street</u>
<u>2010</u>	<u>Lagoon Road</u>
<u>2012</u>	<u>WHP – Wexford Drive</u>
<u>2012</u>	<u>WHP – Gardner Drive to Mathews Drive</u>
<u>2012</u>	<u>Dunnagan's Alley</u>
<u>2012</u>	<u>Palmetto Bay Road</u>
<u>2013</u>	<u>WHP – Long Cove to Fresh Market</u>
<u>2013</u>	<u>WHP – Jarvis Park to Honey Horn</u>
<u>2013</u>	<u>Leg O'Mutton</u>
<u>2014</u>	<u>Pembroke Drive</u>
<u>2014</u>	<u>Gardner Drive</u>

Source: Town of Hilton Head Island

Figure 9.12: Public Pathway System







## 9.5 Public Transportation

Palmetto Breeze (formerly Lowcountry Regional Transit Authority) is the only public transit provider for the Town, Beaufort County and the surrounding region (Jasper, Allendale, Colleton and Hampton Counties). Palmetto Breeze's main function is to connect the labor force in the surrounding counties of Beaufort, Jasper, Hampton, Allendale, and Colleton to employment opportunities on the Island. In order to do this Palmetto Breeze operates seven fixed route commuter lines and specialized transportation for the PEP program, two of which only operate during the summer months. The Town provides five designated shelter stops on the Island, two on the south end of the Island, and three on the north end. In Fiscal Year 2014~~06~~, Palmetto Breeze had 30 ~~25~~ active vehicles providing more than 160,000 ~~230,000~~ passenger trips. Palmetto Breeze receives funding from the five member counties, with the majority of contributions from Beaufort County and the Town. Palmetto Breeze also receives federal rural transit funding under the Federal Transit Administration (FTA) Section 5311 funding program. In addition to Palmetto Breeze, internal shuttle systems are currently utilized by private communities to move residents and visitors to select Island locations.

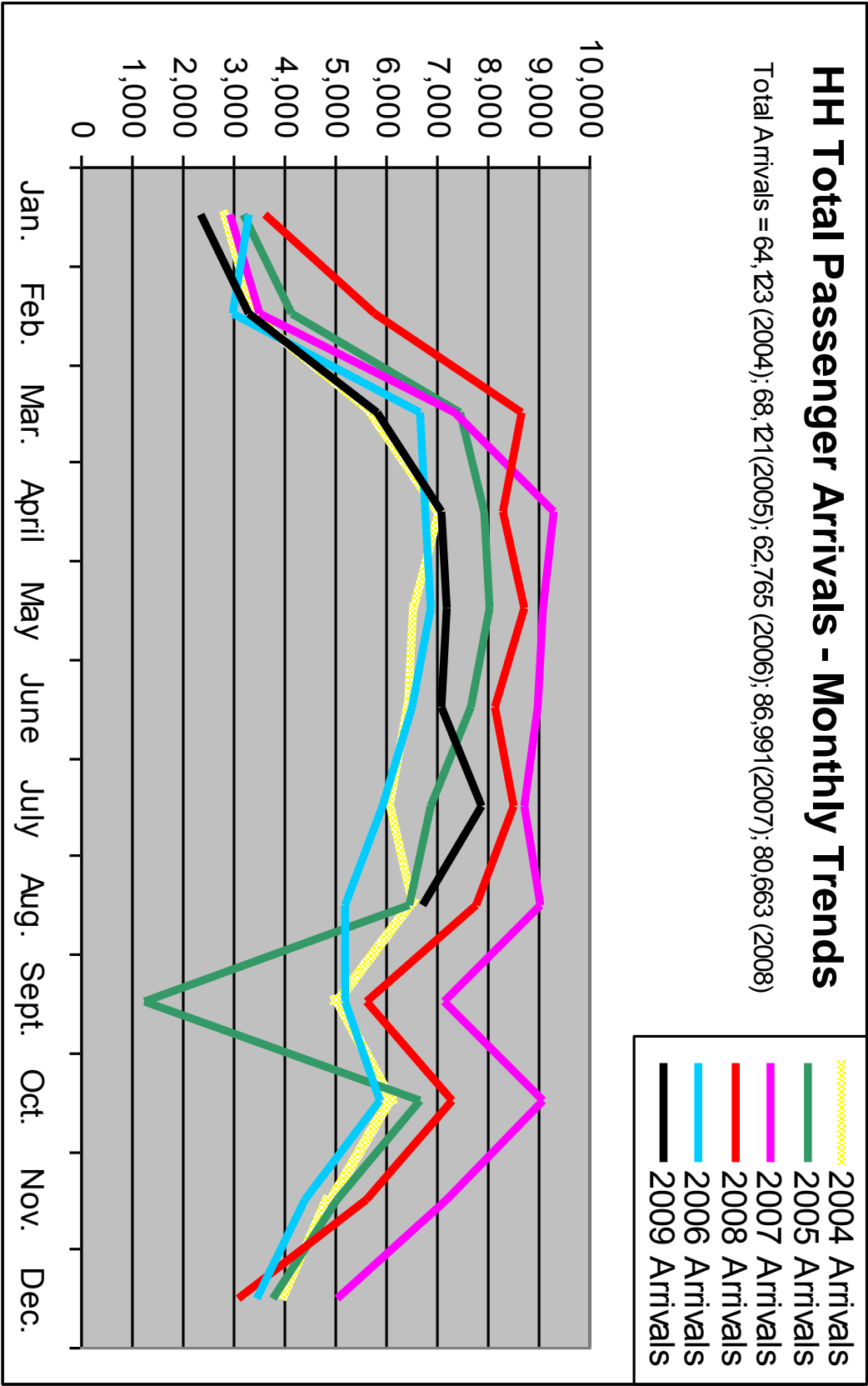
### Implications for the Comprehensive Plan

- Current public transportation may not serve the actual needs of the Island community, including certain segments of the population with specific requirements. Better coordination between the Town, public transportation providers, major employers, special needs providers and other agencies could result in an increased utility of public transportation resulting in fewer automobile trips on Island roads.
- Integration of bike racks on buses and linking pathways to bus stops has the potential to enhance the transportation network on the Island and provide a link to off-island users.
- Internal shuttle systems such as the Sea Pines Trolley and Palmetto Dunes Buggy have the potential to reduce trips on Island roads. Expanding this concept to other areas of the Island and coordinating schedules with public transportation routes should be evaluated.

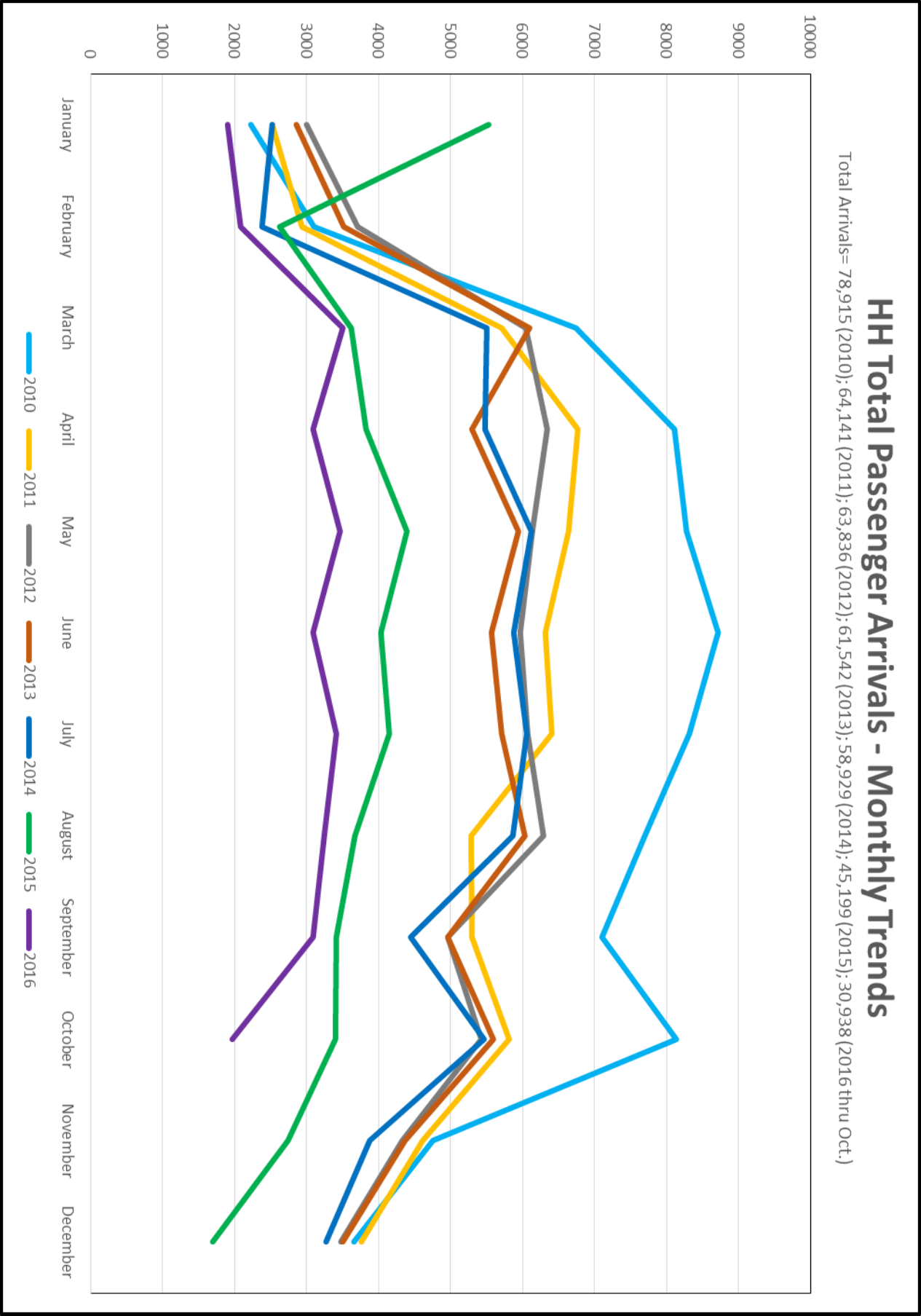
## 9.6 Air Transportation

The Hilton Head Island Airport (HXD) is operated by Beaufort County and the Beaufort County Aviation Board. Facilities include a 4,300 foot runway with two parallel taxiways, one commercial and two general aviation terminals, and professionally trained and equipped fire, crash and rescue teams. The current Hilton Head Island Airport Master Plan (updated in 2010) called for capital improvements, including; expansion of the runway to 5,400 linear feet, commercial service terminal expansion, airfield deficiency corrections, tree removal within the aviation easements, commercial service parking lot expansion, general aviation apron expansion and hanger expansion, some of which have been implemented. The Land Management Ordinance (LMO) of the Town limits the length of an airport runway to 5,000 feet. The LMO will need to be amended for the airport runway to be lengthened to the full 5,400 linear feet. -a new control tower, expanded airport facilities for general aviation, a renovation of the commuter air terminal building, and commuter parking improvements which included landscaping, some of which have been implemented. In 2008, the Land Management Ordinance of the Town was amended, limiting the length of an airport runway to 4,300 feet. In addition, a new Airport Master Plan is currently being developed. - Recommendations from this The recommendations from the Hilton Head Island Airport Master Plan effort should be monitored and used to evaluate future airport development and operations. Figure 9.3 shows the number of Hilton Head Airport passenger arrivals from 2010~~04~~-2016~~09~~.

Figure 9.23: Hilton Head Airport Passenger Arrivals 201004-201609







Source: Hilton Head Island Airport Landing Data

## Implications for the Comprehensive Plan

The future of Hilton Head Island Airport has become a highly emotional discussion in the community, necessitating an informed “position” be developed from the Town’s perspective (versus the current Airport Master Plan development which views the airport as part of a “regional” issue). Consideration should be given to a Town-sponsored Island work group. The Town and Beaufort County worked together with input from Hilton Head Island residents to develop the 2010 Hilton Head Island Airport Master Plan Update. The Town should continue to examine the Airport’s significance to the Island’s future, as part of the overall transportation/communication system of the Island that considers aspects such as, but not limited to:

- ~~A baseline analysis of continued airport operations versus alternate land/asset use.~~
- Viability for future commercial airline use as part of the overall transportation system serving the Island and leveraging off the value to the community of other Island airport models.
- Use of the airport to serve an underserved market such as the lucrative corporate hospitality and meetings segment.

## 9.7 Marine Transportation

Small ferries exist that connect Hilton Head Island to neighboring Daufuskie Island, which are privately owned and operated. Beaufort County and the School District also contract for ferry service for residents. Finally, other private services exist for moving goods and materials to and from the Island as well as providing recreational trips.

The Island has very few publicly owned docks but has several privately owned and operated boat landings, boat docks and marinas that include some of the following locations:

- Broad Creek Marina - Broad Creek
- Harbour Town Yacht Basin - Calibogue Sound
- Long Cove - Broad Creek
- Palmetto Bay Marina - Broad Creek
- ~~Salty Fare Marina - Skull Creek~~
- Schilling Boathouse - Skull Creek
- Shelter Cove Marina - Broad Creek
- Skull Creek Marina - Skull Creek
- South Beach Marina - Calibogue Sound
- Windmill Harbour Marina – Jarvis Creek
- Wexford Plantation - Broad Creek

The Beaufort County Comprehensive Plan recommends encouraging waterborne transportation as an alternative mode of future travel. Links between Hilton Head Island and Port Royal, the City of Beaufort, Lady’s Island, Bluffton, Daufuskie, and Savannah are all possibilities.

Boat landings are one way to encourage more waterborne transportation. Two Beaufort County landings are currently open to the public on Hilton Head Island. One is located on the north side of Broad Creek by the Old Oyster Factory. This boat landing is open to the public year-round and is maintained by Beaufort County. The second is located near the Charles E. Fraser Bridge on Broad Creek. This location provides deep-water access for watercraft and has alleviated overcrowding and the lack of adequate water depth during low tide at the Island’s public boat landing off Marshland Road in the headwaters of Broad Creek.

## Implications for the Comprehensive Plan

- As an Island, there is potential to expand the transportation network to include marine access to and from the mainland as well as other destinations. Long term integration of a water transportation system, including parking facilities and links to ground transportation, and Palmetto Breeze as a public transportation provider, may be considered.
- There are opportunities to expand the marine activity and access through installation of publicly owned docks and boat landings as there are very few non-private facilities.

## 9.8 Emergency Evacuation

Hilton Head Island faces several natural threats including flooding, hurricanes, fire or other natural disasters that could require an evacuation of all or parts of the Town. In 1999 Hilton Head Island created an Emergency Operations Plan, which was updated in 2008 and is presently going through a full revision. This plan describes the policies and procedures that the Town will utilize to coordinate with local, county, state, and federal agencies in the event of a disaster or threat from disaster. The plan also describes how the community will mobilize when a hurricane or other evacuation is imminent. Transportation routes on both the Island and mainland become critical for successful evacuations. An updated plan is currently under development.

The opening of the Cross Island Parkway has changed the Island's evacuation procedures and allows for an alternate transportation route between the north and south ends of the Island.

Hilton Head Island has been evacuated several times in the past because of threatening hurricanes: Hurricane David in 1979, Hurricane Hugo in 1989, Hurricane Bertha and Hurricane Fran in 1996, ~~and Hurricane Floyd in 1999, and Hurricane Matthew in 2016~~. The evacuation for Floyd ~~and Hurricane Matthew~~ was accomplished with the additional capacity of the Cross Island Parkway, which was heavily utilized at that time. Evacuations for Hurricane Matthew stretched over two days and the bumper-to-bumper exodus of prior evacuations was never experienced.

Certain types of development in the Town are required by the LMO to submit an Evacuation Plan prior to approval of development applications. These plans require the organizations to have evacuation transportation methods in place. The plans are reviewed and approved by the Beaufort County Emergency Management Department. Unfortunately, experience has shown that many of the facilities contract with the same provider for evacuation transportation, resulting in delays and the need for public resources to be used to evacuate people from those facilities when the contracted provider cannot meet their commitments. The types of development required to have such a plan are:

- Development employing 25 or more persons relying on mass transit.
- Hotels, motels or similar facilities.
- Hospitals, nursing homes and similar facilities.
- Schools, camps, residential clubs, daycare centers and similar facilities.

Efficient mainland transportation is extremely critical to the success of evacuating Hilton Head Island during a natural disaster. "Evacuation in Beaufort County during Hurricane Floyd in 1999 was successful but evacuees faced major traffic jams once they reached the interior of the State and region. The Beaufort County Sheriff's Office Emergency Management Division and the State of South Carolina DOT developed mandatory evacuation routes for Bluffton, Beaufort County, and the State that were implemented for the evacuation of the island during Hurricane Matthew in 2016 which kept traffic moving smoothly state-wide. It should be remembered that Beaufort County's population is expected to double by 2020 and future evacuations could become more congested with longer waits for evacuees inevitable at many locations." ~~During Hurricane Floyd in 1999 evacuees faced major traffic jams once~~

~~they reached the interior of the State and region. In Beaufort County the evacuation was successful, but future evacuations will become predictably more congested and longer waits for evacuees are inevitable at many locations. It should be remembered that Beaufort County's population is expected to double by 2020.~~

It is the policy of Beaufort County Emergency Management Department to evacuate the Town of Hilton Head Island in 12 hours or less (18 hours if the Island is heavily populated during a holiday). During the last four evacuations, the Island was successfully evacuated in less than 12 hours. Hurricane Hugo's evacuation was accomplished in just under 10 hours.

Fast moving Hurricane Bertha threatened the Island during the heavy tourist season in July of 1996. The hurricane turned farther north, resulting in many residents deciding not to leave the Island at the last minute. Two months later during Hurricane Fran, the Island was evacuated in phases—tourists and visitors during the first four hours, residents living on the southern part of the Island during the next four hours, and residents on the north end leaving during the latter four hours. In 1999, a similar phased evacuation during Hurricane Floyd was successful.

In preparation for the 2003 hurricane season, plans were finalized for a third lane to take traffic off Hilton Head Island, and a fourth lane if it became necessary due to conditions. This will entail conversion of one or both inbound lanes of US 278 into outbound lanes. The Town and County plan to use this method of evacuation during the peak tourism season if evacuation is necessary. The third lane would start at the intersection of Spanish Wells Road on William Hilton Parkway, and would continue west to Interstate 95 in Hardeeville. In 2016 the County completed the construction of the Bluffton Parkway Flyover that facilitates traffic moving from the bridges to the Bluffton Parkway at Buckingham Landing. The Bluffton Parkway extends to Highway 170 via the Buckwalter Parkway providing an alternate route for traffic leaving the Island to avoid traffic on US 278.

While improvements have been made to some highways inland from the coast in response to the Hurricane Floyd evacuation, concerns still remain regarding the lack of a good road system in the interior portion of South Carolina. The Town and County should coordinate with South Carolina Department of Transportation to improve interior roads in anticipation of major coastal evacuations that will be more congested with increasing coastal population.

### **Implications for the Comprehensive Plan**

- The population of the Island and region has reached the level where emergency evacuations pose significant challenges. These include safely evacuating Island residents and visitors by providing advanced warnings of a potential risk, ensuring that the Island's roads are adequately maintained and working with State, County and regional entities to provide safe and efficient evacuation routes.

## **9.9 Regional Transportation Issues**

Southern Beaufort County and Hilton Head Island are growing at a rapid rate and Hilton Head Island is approaching "build out" status. Hilton Head Island had a population of 33,862 people in the 2000 Census and a population of 37,099 in the 2010 Census. The Island is expected to have a build out population of approximately 53,300.

Beaufort County is expected to grow from a population of 158,314 in 2006 to a population of 227,898 persons by 2020. (Beaufort County Impact Fee Study, 2006) This phenomenal growth will place increasingly greater strains on an already busy and congested transportation system in southern Beaufort County where much of the growth will occur. New businesses and institutions, recreational opportunities,

and new housing starts, will compound transportation problems, yet there are no current plans to widen the two major Interstates leading to the Lowcountry, Interstate 95 and Interstate 26.

William Hilton Parkway is the only way on and off the Island for motorists. Widening of US 278 on the mainland and the William Hilton Parkway/Squire Pope intersection improvement project have for the most part mitigated most traffic issues of getting on and off the Island. Minor delays and congestion are occasionally experienced during the morning and afternoon rush hour periods during peak volume times of the year or when incidents requiring emergency vehicle response occur.

Growth in southern Beaufort County precipitated transportation improvements, such as the construction of the Bluffton Parkway, and widening of US 278 to six lanes from the Bridge to Highway 170 Simmonsville Road, meant to accommodate increased traffic volumes and to assist in emergency evacuations.

Beaufort County has studied the US 278 Corridor in the southern part of the county and has adopted an Intermediate Needs, a Short-Term Needs and a Long Term Needs Study. This study includes access management recommendations along US 278 in southern Beaufort County. The study provides recommendations for new roads; intersection improvements; roadway improvements and new design/safety standards; interconnections between developments; and funding sources for projects.

~~In addition, the Town has assisted the Both Beaufort County and the Town of Bluffton in drafting an ordinance to~~ require traffic studies with mitigating solutions be conducted by developers in order to obtain permits. These ordinances ~~would be~~ are similar to the one already adopted by the Town of Hilton Head Island. ~~However, they have currently not been adopted.~~

The County has taken steps to resolve countywide traffic problems including:

- Adoption of a County Comprehensive Plan that includes a section on Transportation Planning.
- Creation of a multi-governmental County Transportation Advisory Group (BCTAG) whose mission is to serve as the principal entity responsible for planning and oversight of the County's road transportation system.
- Retention of a transportation consulting firm to undertake traffic modeling; update a functional classification map; review a traffic impact fee ordinance; study new and alternate road systems in certain parts of the County; draft a US 278 Corridor Access Road and Management Plan; draft Bluffton and Beaufort Bypass Alignment and Access Management Plans; investigate funding alternatives; and determine locations for bicycle and pedestrian facilities.
- Creation of a US 278 Corridor Study Committee (sub-committee to BCTAG) which includes staff members of Bluffton, Hilton Head Island, Beaufort, Port Royal, Yemassee, Beaufort County, Jasper County, and, LCOG, LRTA, BCSO, and SCDOT.
- Improvements to intersections on side streets and US 278.
- Administration of a grant for median landscaping along certain parts of US 278.
- Working with SCDOT to implement more efficient traffic signal timings.
- Installed several roadway improvements including traffic signals and median closures as part of implementing the Immediate Needs Study.
- Development and installation of Intelligent Transportation System, which includes video surveillance, motorist assistance patrols, and highway advisory radio messages.
- Completed the Southern Beaufort County Regional Plan from which the county updated impact fees and adopted a one-cent capital project sales tax referendum for \$150 million to assist in funding specified road improvements.



## Implications for the Comprehensive Plan

- Development on the mainland continues to impact the Island, creating issues related to increased volume and travel times on US 278. The town should make every attempt to ensure that traffic conditions on the mainland provide the minimum amount of adverse impacts to the development and enjoyment of the Island. This should include coordination with all appropriate entities that make decisions that impact the US 278 corridor, including South Carolina Department of Transportation, Beaufort and Jasper Counties, the Town of Bluffton, the City of Hardeeville and the Lowcountry Council of Governments.

## 9.10 Goals and Implementation Strategies

Key issues of transportation were identified based on public input that was received throughout this process and data that was collected by Town staff. Transportation needs are not isolated; therefore, the implementation strategies should be approached regionally and collectively, integrating a palette of solutions.

### Goals

#### Goal 9.1 Road Network

- ~~The goal is to~~ To improve the road network by creating safe and convenient access and interconnections to all areas of the Island while protecting community investments, neighborhoods, and the natural environment.
- ~~The goal is to~~ To maintain specific traffic analysis standards in the Land Management Ordinance to guide development in accordance with existing and future needs of the Town.
- ~~The goal is to~~ To provide intersection design standards and maintenance for public safety while considering the unique Island character, aesthetics, topography, vegetation, environmentally sensitive areas, and neighborhood cohesiveness.
- ~~The goal is to~~ To maintain all roads on Hilton Head Island to ensure safety and adequate access.
- ~~The goal is to~~ To ensure that aesthetic and vegetative character are maintained and improved along main arterials without sacrificing safety.
- ~~The goal is to~~ To maintain Town landmarks through Transportation planning efforts.
- ~~The goal is to~~ To minimize the negative impact of construction projects on adjacent neighborhoods.

#### Goal 9.2 Traffic Volumes and Trends

- ~~The goal is to~~ To acquire and maintain data on traffic volume for the road network throughout the year to ~~access~~ assess existing and potential deficiencies in the transportation network.
- ~~The goal is to~~ To have multiple ~~of~~ transportation options available to residents, visitors and employees.

#### Goal 9.3 Traffic Planning & Modeling

- ~~The goal is to~~ To collect data on traffic volume for the road network throughout the year and provide a basis for making future transportation and land use decisions.

#### Goal 9.4 Multi-Use Pathways

- ~~The goal is to~~ To expand the pathway network to provide pedestrians, bicyclists, and other users of non-motorized transit with a safe and efficient infrastructure to connect residential and tourist areas to schools, parks, commercial areas, and potential off-Island connections.
- ~~The goal is to~~ To complement public transit operations such as those of the Palmetto Breeze (LRTA), by connecting transit stops with employment destinations and tourist destinations.

**Goal 9.5 Public Transportation**

- A. ~~The goal is to~~ To identify the Island-wide needs for public transportation and research alternative ways to provide the needed services.

**Goal 9.6 Air Transportation**

- A. ~~The goal is to~~ To ensure that airport operations remain safe while providing air travel to Island.
- B. ~~The goal is to~~ To ensure that development surrounding the airport is designed and constructed to minimize the negative impacts of being located near the airport.

**Goal 9.7 Marine Transportation**

- A. ~~The goal is to~~ To integrate a marine-based transportation option into the transportation network that has the potential to serve Town residents, visitors and employees.

**Goal 9.8 Emergency Evacuation**

- A. ~~The goal is to~~ To work with appropriate agencies to plan for and implement safe and efficient evacuation routes away from the coast of South Carolina and Georgia.

**Goal 9.9 Regional Transportation Issues**

- A. ~~The goal is to~~ To promote regional transportation and land use planning for all of southern Beaufort County.
- B. ~~The goal is to~~ To work with appropriate agencies to provide input on roadway improvements along the US 278 corridor and projects such as the widening of I-95 and I-26.

**Implementation Strategies****9.1 Road Network**

- A. Continue to coordinate with SC-DOT and Beaufort County to maintain the current capacity of William Hilton Parkway and other arterials by controlling access points and median crossing locations, improving intersections, adding deceleration lanes or extending existing deceleration lanes, optimizing the synchronized traffic lights and investigating other methods of traffic management and development control.
- B. Continue to consider plans for alternate road systems to remove some of the traffic burden from William Hilton Parkway.
- C. Support installation of infrastructure that promote efficiency, improves environmental quality and promotes alternatives to traditional automobile travel such as recharge station for electric cars and leading edge technologies such as hydrogen fuel cells.
- D. Secure adequate land for needed transportation improvements.
- E. Implement intersection signal improvement proposals (left turn signals, right turn signals, pedestrian signals and crosswalks, etc.) that have been endorsed by the South Carolina Department of Transportation.
- F. Continue to consider the use of standard intersection design, traffic circles or roundabouts, when developing road improvement projects.
- G. Consider implementation of concepts such as "Complete Streets" that integrates multiple forms of transportation modes and promotes connectivity.
- H. Continue to implement the use of mast arms at traffic signals and install light emitting diode (LED) traffic lights exclusively at all signalized intersections.
- I. Coordinate with gated communities to identify and provide alternative ingress/egress points for emergency vehicles.
- J. Continue to purchase parcels that have high traffic generating development potential.
- K. Continue to maintain traffic analysis standards in the Land Management Ordinance.
- L. Discourage the installation of traffic signals permitted at a spacing of less than 1,500 feet from established signalized intersections.

- M. Continue to seek funding for safety improvements to Island roads by coordinating with SC-DOT, County Transportation Committee (CTC), and other entities to secure funds.
- N. Maintain and update the transportation impact fees program for both the Town and County with new developments paying for new road modifications based on their impact to the transportation system.
- O. Coordinate with State and local law enforcement officials to enforce laws regarding all vehicle standards, towing regulations and other regulations that improve safety.
- P. Continue to educate and involve the public regarding transportation safety issues via television, radio, direct mail, internet and all other appropriate media and alternative education forums.
- Q. Continue to improve and streamline signage for better direction.
- R. Utilize local traffic accident data to design and evaluate projects to minimize injuries.
- S. Work with and encourage Beaufort County, the ~~South Carolina~~ SCDOT, and private road owners to maintain their roadways and associated drainage facilities.
- T. Develop and maintain a priority list for dirt road paving.
- U. Coordinate with SC-DOT and Beaufort County to protect the capital investment in the transportation system through adequate maintenance of facilities and roadways.
- V. Continue to ~~transfer all Town-owned roads to the County for ownership and offer~~ maintenance and support litter-control efforts on and off-Island.
- W. Periodically review and update the design and performance standards relating to road building, landscaping, and buffering to ensure that aesthetic and vegetative character are maintained and improved along the Island's roads.
- X. Examine and install streetscaping methods that do not hinder a driver's vision for use along business sections of William Hilton Parkway and other major and minor arterial roads.
- Y. Utilize the streetscape to establish a character or theme for redevelopment areas, recreation or activity centers, pedestrian oriented areas, and gateways.
- Z. Retain Sea Pines Circle as a Circle.
- AA. Preserve and protect the public investment in the landscaped medians along William Hilton Parkway to the greatest extent practicable.
- BB. Utilize streetscaping techniques such as coordinated landscaping, lighting, street furniture, and other public amenities on all appropriate new or reconstructed roads.
- CC. Investigate all possible alternatives to widening William Hilton Parkway before committing to such a project.
- DD. Future roadway widening projects within the Town should be carefully planned to protect vegetative cover along roads, and to assure neighborhoods are not excessively adversely impacted.
- EE. Consider improvements to the Town's Drainage Plan and other Capital Improvement Projects in conjunction with transportation improvements.
- FF. Coordinate road improvements with the Island's Drainage Study and any other drainage, water or sewer improvement project.
- GG. Continue to update and maintain a ten-year Capital Improvement Program in accordance with all state laws. This program should consider road and multi-use pathway improvements, park and town facilities, and drainage projects, at a minimum.

## 9.2 Traffic Volumes and Trends

- A. Acquire traffic data for the Town ~~on~~ at a regular interval and provide a trend analysis at least once per year.
- B. Coordinate a periodic review of regional traffic volumes and trends with appropriate organizations in the region.

## 9.3 Traffic Planning & Modeling

- A. Coordinate traffic modeling with regional partners to develop a regional transportation vision that identifies critical transportation deficiencies that should be addressed.
- B. Conduct consistent traffic counting each year at strategic points on the Island.

- C. To obtain necessary data for traffic modeling and management, ensure the four existing permanent traffic counters continue to function properly, and obtain updates to the software necessary to run the system when appropriate.
- D. Continue to prepare Traffic Monitoring and Evaluation Reports on an annual basis.
- E. Perform traffic modeling at least once every 10 years, or more often as needs and concerns dictate, to identify roadway improvements and capital improvement projects.
- F. Continuously monitor and improve traffic management practices.
- G. Monitor the function of traffic circles and roundabouts, especially Sea Pines Circle.

#### 9.4 Multi-Use Pathways

- A. Expand the Island's Multi-Use Pathway System to connect all appropriate land uses such as parks, schools, open spaces, and beach access facilities on the Island along with residential and commercial destinations:
  - i. Continue to assess the viability of constructing pathways along with each Town road improvement project or drainage project.
  - ii. Identify areas for sidewalk or multi-use pathway locations which have significant commercial, recreational, resort, entertainment or other intense public use but do not have adequate pedestrian or bicycle access.
  - iii. Investigate the use of power line easements for potential multi-use pathway locations.
  - iv. Consider installation of bicycle loop detectors to count bicycle trips at selected locations on the Island's multi-use pathways to determine needs.
  - v. Encourage bicycle parking facilities, especially on Town-owned properties.
- B. Encourage new public and private development and redevelopment to create connections to the Island Multi-Use Pathway System:
  - i. Educate developers during pre-application conferences of future multi-use pathway locations in relation to their development and encourage developers to include pathways or sidewalks along all roads within their development and connections to the existing public system.
  - ii. Coordinate with Beaufort County, Bluffton, and the Lowcountry Council of Governments to connect Island multi-use pathways to pathway systems on the mainland.
  - iii. Continue to seek funding for safety improvements to Island multi-use pathways by coordinating with SC-DOT, CTC (County Transportation Committee), and other entities to secure funds.
- C. Continue to improve safety of the Island's Multi-use Pathway System by identifying conflicts and improvement opportunities:
  - i. Inventory areas for safety on an annual basis for problems such as low-hanging vegetation, inadequate signage, lines of sight, and irregular asphalt.
  - ii. Schedule safety maintenance of pathways at least annually.
  - iii. Coordinate with SC-DOT and other agencies as well as private road owners to mark major intersection crossings with colored and textured pavement or painted crosswalks, and install pedestrian activated crosswalks where needed.
  - iv. Utilize accident data to determine pedestrian and bicyclist needs at intersections.
  - v. Identify pedestrian crossing signal locations on all roads and plans for their installation should be included in the Capital Improvement Program.
  - vi. Ensure warning signs that alert motorists of pedestrian/cyclist crossings on all roadways are installed and maintained for visibility.
- D. Continue to promote the Island Multi-Use Pathway System as a viable alternative to auto-oriented transportation:
  - i. Produce brochures showing the relationship of multi-use pathways to shopping areas and other areas of interest, and distribute to the general public through bicycle rental shops, hotels, and other appropriate places.
  - ii. Educate the public about multi-use pathways via the world-wide web, newspaper and other media.
  - iii. Maintain and update the Town's multi-use pathway kiosk signs along the pathways.

## 9.5 Public Transportation

- A. Prepare a Public Transportation Plan to address public transportation issues on the Island. This plan should include a needs assessment and recommendations for actions to meet identified deficiencies. All modes of public transit should be considered, and attention should be given to special populations such as the disabled and elderly.
- B. Support the coordination of regional public transit to serve the mainland and the Island for workers and visitors, including the potential for public transit to the Savannah-Hilton Head International Airport. Work with the County and other government entities such as LCOG, SC-DOT, GDOT the Town of Bluffton, and Jasper and Chatham Counties to investigate and implement new options for public transportation such as marine transit, small-gauge rail service, trolley service, and ride-share programs.
- C. Continue to promote public transportation by providing infrastructure, transit shelters, pull-off lanes, and multi-use pathway links to existing viable transportation services that move people to and from mainland locations and within the Island, and promote shuttle service as a transportation mode for hotels and resort areas.
- D. Consider public transportation options when planning and designing new public improvement projects such as parks, marinas, and other public land-uses.
- E. Support coordination between public transportation providers, major employers and special needs providers to increase utility of public transportation resulting in fewer automobile trips on Island roads.
- F. Support enhancements to the public transportation network, including integration of bike racks on buses and linking pathways to bus stops providing a link to off-island users.
- G. Explore potential for internal shuttle systems such as the Sea Pines Trolley and Palmetto Dunes Buggy to reduce trips on Island roads. Expanding this concept to other areas of the Island and coordinating schedules with public transportation routes should be evaluated.

## 9.6 Air Transportation

~~A. Coordinate with Beaufort County during their update of the Airport Master Plan.~~

~~B.A.~~ Assist Beaufort County with pre-planning for airport modifications.

~~C.B.~~ Continue to review development proposals within the Airport ~~Hazard~~ Overlay District to ensure site is designed with the maximum safety possible for the occupants of the site.

~~D.C.~~ Coordinate and plan with Beaufort County to utilize the airport as a staging ground during a disaster recovery.

## 9.7 Marine Transportation

- A. Support efforts to expand marine transportation that reduces vehicular trips on Island roads or increases revenue through expanded tourism.
- B. Support coordination of regional partners to assess potential water-born transportation to serve areas from Beaufort to Savannah.

## 9.8 Emergency Evacuation

- A. Coordinate with appropriate agencies to plan for and evaluate the capacity of emergency evacuation routes through Beaufort and Jasper Counties and the State of South Carolina, including the widening of I-95 and I-26.
- B. Coordinate with SCDOT and Jasper County to connect Route 321 to I-95 (Exit 8) for a direct interior route from the interstate to one of Beaufort County's evacuation routes.
- C. Coordinate with SCDOT to widen I-95 from Exit 8 south to the Georgia border where it connects with an existing 6 lane section going south to I-16.
- D. Coordinate with regional planning agencies including Savannah-Chatham County, GA to examine evacuations on a regional basis.
- E. Coordinate with SCDOT and GDOT to ensure that roads in the interior portions of South Carolina and Georgia are designed to handle coastal evacuations.



## 9.9 Regional Transportation Issues

- A. Engage in cooperative planning efforts with officials from Jasper County, LCOG, and Chatham County (GA) to provide input on their land use decisions that will affect shared use of major transportation modes and infrastructure.
- B. Sponsor a series of workshops with regional transportation partners to develop a regional transportation vision that identifies needs and provides a unified voice for the region when requesting funding for transportation improvements.
- C. Establish a close working relationship with SCDOT by continuing to meet at a minimum on a quarterly basis to review Town, County and regional transportation issues.
- D. Coordinate with SC-DOT, Bluffton, and Beaufort County for the creation of a secondary road system in southern Beaufort County.
- E. Coordinate with SC-DOT, Beaufort and Jasper Counties, and Bluffton to maintain the current capacity of US 278 in southern Beaufort County by controlling access points, improving intersections, adding deceleration lanes, computer-controlling traffic signals, maintaining the Intelligent Transportation System, and investigating other methods of traffic management.
- F. Coordinate with the Town of Bluffton and Beaufort County to assist their staffs with growth management strategies such as public land acquisition, purchase or transfer of development rights, and other planning tools.
- G. Assist Bluffton and Beaufort County with mapping processes.
- H. Assist Beaufort County with development of an updated regional traffic model.

# 10 Recreation

*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.*

## Introduction

Hilton Head Island has become well-known throughout the country as a world class resort destination recognized for its high quality recreational amenities and natural resources. Private resort and residential communities located on the Island provide an exceptional number of leisure facilities highlighting tennis, golf, swimming, bicycling, and boating. The Town government excels in providing specialized recreational facilities such as beach parks, leisure pathways, and ball fields where both residents and visitors may participate in recreation activities. The Town strives to work with public and private recreation organizations to promote leisure time programs and activities that will accommodate all ages, skill levels and interests of residents and visitors.

As discussed in the Cultural and Natural Resources Elements, the Island has a rich cultural history and an abundance of natural resources, including numerous archaeological sites that range from prehistoric shell rings to Civil War sites. The natural resources of the Island provide a highly scenic and diverse landscape that offers outstanding views to water, marshes, maritime forests, and wetlands.

~~Over the past~~ For over 20 15 years, the Town of Hilton Head Island has taken steps to assess the future park and recreation needs of Island residents. The Parks and Recreation Commission was created in 1992 to establish long and short term goals for development and management of parks and recreational facilities. In October 1995 the first Recreation and Open Space Plan was written outlining recreation needs for the next twenty years. The plan was adopted by Town Council on January 3, 1996 as an appendix to the Town's Comprehensive Plan. The plan was then amended in 1998 and 2000 to address additional future park locations. In 2005, the Recreation Element replaced the Recreation and Open Space Plan and was adopted as part of the Comprehensive Plan. The Recreation Element now includes revised park definitions; an existing facilities inventory; and new park guidelines which are currently in use. Listed below are park definitions which pertain to existing and future parks.

These definitions should be used as guidelines. Due to the unique characteristics of Hilton Head Island these definitions must be flexible. Existing and future parks may not fall neatly into one specific park category. For example, the Town beach parks which are listed as special use parks may also be considered regional parks.

Park service areas are referred to in the park definitions below. A park service area defines the geographic location of expected users. Accessory uses, although not stated in every definition, may be implied at both parks and facilities. For example, accessory uses at a gymnasium, may include fitness or aerobics classes, karate classes, basketball courts, and volleyball courts.

## 10.1 Park Definitions

### **Activity Categories**

*Passive Park:* A park and/or recreation area that is used for passive activities which may include walking, cultural and educational activities, contemplative activity, picnicking, non-organized sports activities, playground areas and beach access to name a few examples. Some small scale active activities may be included in a passive park.

*Active Park:* A park and/or recreation area that is used for active activities which may include organized sporting events and may be comprised of multi-purpose fields, multi-purpose sports courts, playground areas, multi-purpose trails, and boat landings. Passive activities may also be included in an active park.

**Park Categories**

*Mini-Park:* The mini-park is the smallest park classification which is used to address limited, isolated or unique recreational needs. Mini-parks, also known as pocket parks, address unique recreational needs such as landscaped public use areas in a commercial or residential area, or scenic overlook areas. The mini-park may include ~~such~~ passive uses such as picnic areas, arbors, sitting areas and public art. Accessibility to mini-parks may be via interconnecting trails, sidewalks, or low-volume streets. Portions of the park site should be readily visible from adjoining streets to provide a secure environment. A mini-park may be between 2,500 square feet and 1 acre in size. However, park areas less than 5 acres may also be considered a mini-park. Ease of access from the surrounding area and linkage to the community pathway system are key concerns when selecting a mini-park site.

*Neighborhood Park:* The neighborhood park should serve as the recreational and social focus of the neighborhood. It may be developed for both active and passive recreational activities, and accommodate a wide variety of age and user groups. Creating a sense of place by bringing together the unique character of the site with that of the neighborhood is important to successful design. A neighborhood park should be centrally located within its service area, which may be ¼ mile to ½ mile radius. Ease of access and walking distance are critical factors in locating a neighborhood park. Generally 1 acre is the accepted minimum size necessary to provide space for a variety of recreation activities, while 1 to 5 acres may be considered optimal. Active recreational facilities should be used in an informal and unstructured manner. Neighborhood parks are not intended for programmed activities that result in overuse, noise, parking problems or congestion. Examples of active facilities are playgrounds or structures, court games, informal play fields, and tennis courts. Examples of passive uses are internal trails connecting to a pathway system, picnic/sitting areas, and contemplative or "people watching" areas. Generally active recreational facilities should consume approximately 50 percent of the park's acreage and the remaining 50 percent should be used for passive activities.

*Community Park:* The community park is larger in size and serves a broader purpose than neighborhood parks. Their focus should be on meeting the recreation needs of several neighborhoods or large sections of the community. They allow for group activities and may offer other recreational opportunities not available at neighborhood parks. Community parks should be developed for both passive and active recreational activities. The optimal size for a community park is between 20 and 50 acres, but its actual size should be based on the land area needed to accommodate desired uses. Reserved and programmed uses are compatible and acceptable for a community park. Examples of active facilities at a community park may include large playgrounds or structures, game courts, ball fields, and swimming pools. Examples of passive facilities may include extensive internal trails, individual and group picnic areas, nature study areas, contemplative and sitting areas. Parking lots should be provided to accommodate user access.

*Special Use Park:* The special use park should offer the opportunity to highlight unique local historical, educational, cultural, and natural resources. Examples may include performing arts parks, special events parks, arboretums, ornamental gardens, amphitheaters, boat landing or other water-oriented facilities and beach parks. Features within a special use park may include both hardscape and softscape development for commemorative purposes. Park use may be passive with some sites functioning as venues for festivals, concerts and other special events. Special use facilities should be viewed as strategically-located community-wide facilities rather than as serving a specific neighborhood or area. The special use park is generally accessed by pedestrians via walkways, sidewalks, or trails around and throughout the site as well as by automobiles. Parking should be provided as appropriate for the specific park - some parks require a significant amount of parking (e.g., beach park) while others do not. Opportunities for sharing parking with nearby facilities should be explored for parks with occasional heavy use (e.g., performing arts park). Park use and space requirements are the primary factors in determining the size of the park site.

*Regional Park:* Regional parks supplement neighborhood and community parks and may serve broader-based recreational needs. The greater size permits large-scale development of both passive and active facilities providing a wide range of recreational activities. Regional parks may include sizeable areas of

undeveloped land with natural vegetation and/or water features. The optimal size for a regional park may be between 50 and 85 acres. Regional parks may have a service area within reasonable and equal driving distance from the populations served. Some residential development should be within walking distance of the park, but any high use activity areas within the park should not be situated adjacent to residential areas. Regional parks may have frontage on major and minor arterial streets and may have designated bicycle and pedestrian pathway access. Major streets should be routed around, rather than through regional parks. One or more parking lots should be provided to accommodate user access. Examples of active facilities at a regional park include a large playground, sports complexes (possibly lighted) with single or multi-purpose fields and concession buildings, basketball courts, multi-use courts, tennis courts, and swimming pools. Examples of passive facilities include open spaces and nature reserves, extensive internal trails, 1 or more picnic areas, 1 or more picnic pavilions of varying sizes, fishing access sites, and landscaped contemplative areas.

*Private Park/Recreational Facility:* This classification recognizes contributions of private providers to the community park and recreation system. Private parks such as swimming pools, tennis courts, and party houses or meeting rooms are generally within residential areas developed solely for the use of residents and are maintained by a neighborhood association. These facilities should not be considered as a complete substitute for public recreation space. Other private recreational facilities are for-profit businesses such as health and fitness clubs, golf courses, and water parks. The location of private parks/recreational facilities is typically determined by a developer. Service areas for these parks will depend on the type of use. The size of the park is also dependent on the intended use of the park.

*Linear Park:* Linear parks are greenways of open space that may offer scenic beauty and may allow safe, uninterrupted pedestrian or bicycle movement along natural or man-made corridors. Generally they are located along waterways. Linear parks combined with the planned pathway system may link various other parks, residential neighborhoods, schools, libraries and businesses. Pedestrian and bicycle trails can accommodate both recreational and purposeful trips. Linear parks should conserve ecologically unique areas along marshes and creeks and provide long stretches of open space well suited for pathways. Existing tree cover within natural corridors should be protected. The maximum length of a linear park may be variable. The minimum width should be 50 feet. Support facilities throughout the linear park should include benches, bike racks, trash receptacles, drinking fountains, signage, and connectors to adjacent parks and pathways.

## **Implications for the Comprehensive Plan**

- ~~The detailed definitions for the different park categories provide the Town with more information to plan for future parks and provide a tool to plan for specific types of parks to serve the community.~~

## **10.2 Major Facility Categories**

### **Major Facility Categories**

These are the major facility categories along with a description. Other facility categories are self-explanatory.

*Multi-Use Pathway or Trail:* Multi-use pathways or trails may be designed to provide walking, skating, bicycling, and other non-motorized recreational opportunities. These pathways should provide linkages to other areas and facilities and offer non-vehicular options for travel through the community. Paved pathways should generally be developed to a high level to accommodate greater numbers of users of all abilities. Non-paved pathways should generally be developed to match the intent of the park or recreational area in which it is located.

*Swimming Pool:* Swimming pools for general community use should be planned for teaching, competitive, and recreational purposes with enough space to accommodate diving boards. For teaching purposes the size of the swimming pool should be 75 feet by 45 feet and have an even depth of 3 to 4 feet in non-diving areas. For competitive purposes the size of the swimming pool should be 75 feet by 70

feet. This will accommodate approximately ten swimming lanes with a minimum of 25 square feet of water surface per swimmer. Generally swimming pools should be located in community or regional parks, within a 15 to 30 minute travel time for facility users.

***Basketball Courts:*** Outdoor basketball courts for general community use should have unobstructed space on all sides. Generally outdoor basketball courts should be located in neighborhood or community parks and regional parks. The service radius for an outdoor basketball court is between ¼ mile and ½ mile and should have safe walking or biking access for facility users.

***Tennis Courts:*** Outdoor tennis courts for general community use should be 36 feet by 78 feet and have a minimum of 12 feet clearance on both ends of the court and should be planned in groups of 2 to 4 courts in one location. Generally outdoor tennis courts should be located in neighborhood or community parks and regional parks. An outdoor tennis court should have safe walking and biking access for facility users.

***Baseball/Softball Field:*** Baseball/Softball fields for general community use should be located in community or regional parks. Baseball/softball fields should be within a 15 to 30 minute travel time for facility users.

***Multi-Purpose Rectangular Field:*** Multi-purpose rectangular sports fields for general community use should be located in community or regional parks. Examples of activities played on multi-purpose rectangular fields include football, soccer, lacrosse, and rugby. Multi-purpose rectangular fields will vary in size based on the intended use of the field - youth activities, adult activities, practice activities, programmed activities and tournament activities.

### **Implications for the Comprehensive Plan**

- The detailed definitions for the different park categories provide the Town with more information to plan for future parks and provide a tool to plan for specific types of parks to serve the community.
- The detailed definitions for the different recreational facilities provide the Town with the background needed to plan for future facilities and provide the basis to determine future needs.

## **10.23 Park Sites**

Table 10.1, Existing Island Parks, shows the existing parks listed by park category based on the general park definitions in Section 10.12. Some of these parks contain characteristics of multiple categories and were placed in the category that most describes their characteristics.

### **Implications for the Comprehensive Plan**

- An inventory of each facility, the type and the location should be used as a tool in determining whether or not the recreational facilities adequately serve the visitors and population of the community.



**Table 10.1: Existing Island Parks**

Park Category	Existing Parks	Acreage
Mini Park	Compass Rose Park	2
Neighborhood Park	Old Schoolhouse <u>Park</u> Greens Shell <u>Park</u>	3 3
Community Park	Barker Field* Island Recreation Center* Jarvis Creek <u>Park</u> * Crossings Park* Chaplin Community Park* Barker Field Expansion/Mitchelville Beach Park <u>Rowing &amp; Sailing Center at Squire Pope Community Park</u>	20 6 56 74 67 27 <u>7</u>
Special Use Park	Shelter Cove <u>Community</u> Park Shelter Cove Memorial Park Fish Haul <u>Creek</u> Park Folly Field Beach Park Islanders Beach Park* Alder Lane Beach Park <del>Malphrus-Burkes</del> Beach Park Coligny Beach Park Cordillo Courts* Driessen Beach Park* Xeriscape Interpretive Garden Marshland Road Boat Landing Old House Fishing Pier (Freddie's Place Landing/Rasta Drive Fishing Pier) Cross Island Boat Landing Honey Horn Northridge (limited use due to conservation easements)	<u>58</u> 6 31 1 13 1 7 8 2 15 3 5 1 3 69 70
Regional Park	Beaufort County Schools Campus	12
Private Parks/ Recreational Facilities	Leamington Recreation Center (Neighborhood Park) Palmetto Hall Recreation Area (Neighborhood Park) Hilton Head Plantation Spring Lake Area (Neighborhood Park) Hilton Head Plantation Dolphin Head Area (Neighborhood Park) Port Royal Plantation Children's Play Field (Neighborhood Park) Wexford Croquet Court (Neighborhood Park) Sea Pines Harbor Town Liberty Oak (Neighborhood Park) Sea Pines South Beach (Neighborhood Park) Sea Pines Six Oaks Park (Neighborhood Park) Hilton Head Plantation Whooping Crane Conservancy (Special Use Park) Hilton Head Plantation Cypress Conservancy (Special Use Park) Shipyard Beach Club (Special Use Park) Port Royal Plantation Beach Club (Special Use Park) Long Cove Community Dock (Special Use Park) Sea Pines <u>Audubon</u> Newhall Preserve (Special Use Park) Sea Pines Forest Preserve (Special Use Park) Sea Pines Deer Island Park Preserve (Special Use Park) Sea Pines Baynard Ruins Park (Special Use Park) Port Royal Plantation Croquet Court	varies
Linear Park	None at this time	0

Note 1: Parks in Table 10.1 with an asterisk (\*) can also be considered a Neighborhood Park.

Note 2: The school campus is considered regional in nature due to the stadium.

Note 3: The Northridge property is considered a Special Use Park; however, there are restrictive covenants on the property that prevent certain uses.

## 10.34 Park Development Guidelines

The National Recreation and Park Association (NRPA) is moving away from recommending national standards and encouraging communities to create their own unique standards or guidelines for public and private parks and recreational facilities. Since Hilton Head Island has a diverse wealth of recreation opportunities and a unique population that is divided among permanent residents and visitors to the Island, using generic park standards or guidelines is not appropriate.

Table 10.2 shows new park development guidelines and potential future park needs. The guidelines include park category, general park size, population served, number of existing parks in 2015 ~~09~~, additional parks needed by 2020, and total number of parks needed in 2020, which includes both existing and additional park figures. The calculations for the additional parks needed by 2020 are based on the population projection of 53,300 permanent residents in the year 2020. This population figure was projected by the Town of Hilton Head Island in August 2004 for the Southern Beaufort County Regional Plan. In the Neighborhood Park and Community Park categories, the numbers for additional parks have been adjusted to better reflect the Island's unique characteristics, including private facilities and a public beach.

The park numbers shown in Table 10.2 reflect the recommended number of existing and potential future public parks and do not include parks located in private gated communities. It is unknown if the PUDs plan to expand or construct new parks or facilities for their residents.

The number of Community Parks needed in the year 2020 reflects the use of private facilities and beach. Several of the PUDs and private schools provide recreational facilities that could be accommodated in Community Parks such as rectangular multi-purpose fields and other single purpose fields. The number of additional Community Parks needed by 2020 has been adjusted to reflect this. For every 2 rectangular multi-purpose fields and 2 single-purpose fields in PUDs or at private schools, one Community Park was deducted from the guidelines for the number of parks calculated using the population projection of 53,300 permanent residents.

Park types recommended for expansion can be seen in reviewing the information in Table 10.2 for the Neighborhood Park, Community Park and Regional Park categories. Based on previous assessments, by the year 2020, a total of ~~21~~ additional Community Parks, 1 additional Regional Park, and 14 additional Neighborhood Parks were recommended for construction on the Island. The Town will work with residents of individual neighborhoods to determine if there is an interest for a neighborhood park. The number of additional parks needed and the total parks needed by 2020 presented in Table 10.2 in the Neighborhood Park category are based on the population projection of 16,421 permanent residents outside of PUDs. This number was used because the Town does not plan to construct Neighborhood ~~p~~Parks inside PUDs. The word “varies” in Table 10.2 indicates the information is not based on population but rather the desire of the Town, the location of the property, and any opportunities available on the property.

Beaufort County adopted the Southern Beaufort County Regional Plan in 2006. One of the sections of this plan addresses parks and recreation on a regional level in southern Beaufort County. The Southern Beaufort County Regional Plan is not intended to replace this Recreation Element of the Hilton Head Island Comprehensive Plan. The Regional Plan has a broad scope of the recreation needs of the entire area while this Recreation Element also includes local and ~~s~~Special ~~u~~Use ~~p~~Parks that serve the needs of the people on Hilton Head Island.

**Table 10.2: New Park Development Guidelines & Potential Future Park Needs**

Park Category	General Size in Acres	Population Served	Existing Number of Parks in 20 <del>15</del> <sup>09</sup>	Additional Parks Needed by 2020	Total of Existing & Additional Parks Needed by 2020
Neighborhood	1-5	500-1,000	2	14*	16
Community	20-80	2,000-5,000	<del>6</del> <sup>7</sup>	<del>2</del> <sup>1</sup>	8
Regional	50-85	5,000-20,000	1	1	2
Special Use	1-50	1,000-5,000	16	0	16
Mini	2500sq. ft. to 1 acre	Varies	1	Varies	Varies
Linear	Varies	Varies	0	Varies	Varies

\*It should be noted that the need for Neighborhood Parks will fluctuate depending on the requests of each individual neighborhood.

The Town of Hilton Head Island worked with the Beaufort County to assist in the development of the Regional Plan. The Town provided information for the regional plan on the park and recreation needs of the residents of Hilton Head Island. The Southern Beaufort County Regional Plan recommended the Town of Hilton Head Island adopt the following levels of service for a regional park network:

- 12.2 acres of land per 1,000 residents; and
- \$722 of park and recreational facilities per capita

It should be noted this level of service was adapted from a list of existing parks considered regional in nature. With the inclusion of all other existing and future parks the Town of Hilton Head Island is exceeding this level of service.

## **FUNDING SOURCES**

Town Council attempts to minimize reliance on property tax while expanding alternative revenue sources. Several funding sources are used to construct and maintain the Town's park system.

- Parks impact fees were enacted Countywide to provide funding for emerging park needs. Similar to Traffic Impact Fees, parkland purchases and park developments have nearly exhausted the accumulated monies in our Park Impact Fee account. Thus, the Town may consider Interfund borrowing that will be repaid with interest as the Town continues to garner park impact fees through build out.
- Ad valorem property taxes, collected during the fiscal year.
- Sunday Liquor Sales Permit Fees derived from the sale of permits to sell alcohol on Sunday.
- County Contributions such as their bond issue for CIP projects.
- Donations.
- Grants.
- Local Accommodation Tax (ATAX) grants are derived from a State mandated two- percent tax on short-term rentals, hotels and motel accommodations.
- Beach Fees are derived from an additional two-percent Local Accommodations Tax levied by Town Council. This source provides dedicated funds to beach renourishment and related monitoring, dune refurbishment, maintenance and operations, and new beach parks and access facilities.
- Tax Increment Financing (TIF) are funds derived from increased assessed value above the baseline assessment when the TIF District was established. These funds may be used for public projects within the District.
- Real Estate Transfer Fee which is 0.25 of 1% on each real estate transaction in the Town. The funds generated by this fee are dedicated to the Land Acquisition Program and its debt service for land acquisition only.

## Implications for the Comprehensive Plan

- As the population of the Island changes, so does the need for recreational opportunities.
- Guidelines should provide a mechanism to establish a plan to develop future parks and to determine the needs of the community. Several factors should be considered such as population, level of service, and the associated projections. The Comprehensive Plan should provide the foundation to establish the guidelines while recognizing that other factors, such as changing community needs and use trends in order to determine whether or not future parks are necessary.
- Additional funding sources and ways to efficiently utilize the existing funding sources should be considered and reviewed.

## 10.45 Inventory of Existing Recreational Facilities

Table 10.3 is an inventory of existing recreational facilities done in 2009. The extensive list shows the wealth and variety of recreational facilities in the Town both outside and inside Planned Unit Developments (PUDs), giving a more accurate representation of available recreational facilities within the Town. Commercial businesses such as mini-golf, health clubs/fitness centers and tennis clubs were not included in the survey information. Private schools and church facilities were also not included.

Swimming pools and tennis courts located at multi-family developments were also not included in the inventory. These facilities are available to the owners of the multi-family units and their guests, and not to the general public. In the instance of a PUD, swimming pools and tennis courts available to all residents of the PUD were included in the survey and those available to only one group of property owners in the PUD were not counted due to their limited access.

Table 10.3, Inventory of Existing Recreational Facilities, shows that the Town has over 60 miles of paved pathways/trails. These pathways link various Town parks and commercial and residential areas of the Island. These pathways service pedestrians by providing access along roadways throughout the Island. The pathways are used by both residents and visitors for transportation and recreation activities such as bicycling, walking, and jogging. In private gated communities there are also paved pathways and trails.

While not limited to non-motorized boat traffic, the County boat landing at Marshland Road is used heavily by people to launch kayaks. Other launching sites exist at private and commercial marinas and docks along the waterfront throughout the Island and were not included in the survey information.

### **ROLE OF PRIVATE DEVELOPMENT**

The majority of the Town's neighborhoods consist of subdivisions that are master-planned with parks and recreation in mind. Parks are located to provide safe and convenient access to recreation opportunities. Most commonly, pathways and parks are privately owned and maintained by property owners associations (POAs). The Town's current policy is that new development provides for community open space and parks to serve the development's residential population. Pathways located in private developments, which serve the connectivity needs of residents within the development, are not publicly accessible. The Town's pathways are intended to provide connectivity outside the gates to encourage non-motorized travel.

Although privately owned and maintained, their use by the general public cannot be discounted. The facilities provided by PUDs address many of the recreation needs of residents and visitors. Many of the parks are utilized as team sports practice fields when a resident parent serves as coach. Often there are non-resident participants who benefit from the private facilities.

## **ROLE OF SCHOOLS**

Given the high cost of land on Hilton Head Island, it is important that schools serve multiple needs of the community. When community groups or organizations wish to utilize Beaufort County School's fields, gymnasiums or other school facilities for recreation activities, each event must be approved and scheduled through the specific school's principal. A continued strong working relationship with the schools is strategic to providing the most efficient delivery of leisure services.

## **ROLE OF THE PUBLIC SECTOR**

Beaches: The Town of Hilton Head Island contains ~~132~~ miles of the world's finest beach. The entire beach is public, from the ocean to the high water mark. However, access to the beach may be either public or private. The Town of Hilton Head Island provides beach access at nine different locations:

- Alder Lane Beach Access, off South Forest Beach Drive
- Burkes Beach Access, at the end of Burkes Beach Road
- ~~Chaplin Community Park Collier Beach~~, off of ~~William Hilton Parkway~~ Singleton Beach Road
- Coligny Beach Park, off Coligny Circle
- Driessen Beach Park, at the end of Bradley Beach Road
- Fish Haul Creek Park, at the end of Beach City Road
- Folly Field Beach Park, off Folly Field Road
- Islanders Beach Park, off Folly Field Road
- Mitchelville Beach Park, off Beach City Road

The beach is used for various recreational activities, including passive beach going, running, cycling, kite flying, surfing, swimming, exercising and numerous other activities. Maintenance of the beach is contracted with a private company that also supplies various equipment and beach items for a fee. Other planned activities include weddings, competitive races and events, religious services and fitness programs that occur on the beach during various times. The beach has a significant economic impact to the community, from the creation of jobs associated with the beach ~~and~~ to the millions of visitors and users, which is further described in both the Community Facilities and Economic Development Elements of this plan.

Multi-Purpose Pathways: The Town of Hilton Head Island provides ~~nearly 55~~ over 60 miles of public pathways and nature trails. The pathways are used for both transportation and recreation, by casual cycling and walking. The pathways are continuous through much of the island, providing connectivity to other recreational opportunities, and residential and other commercial centers.

In addition, there are more than 50 miles of pathways and shared roadways within the private developments. These private pathways are for the use of residents and renters of the respective communities and their guests.

Figure 10.1 Existing and Future Parks illustrates the existing and future parks anticipated for the Town.



**Table 10.3: Inventory of Existing Recreational Facilities**

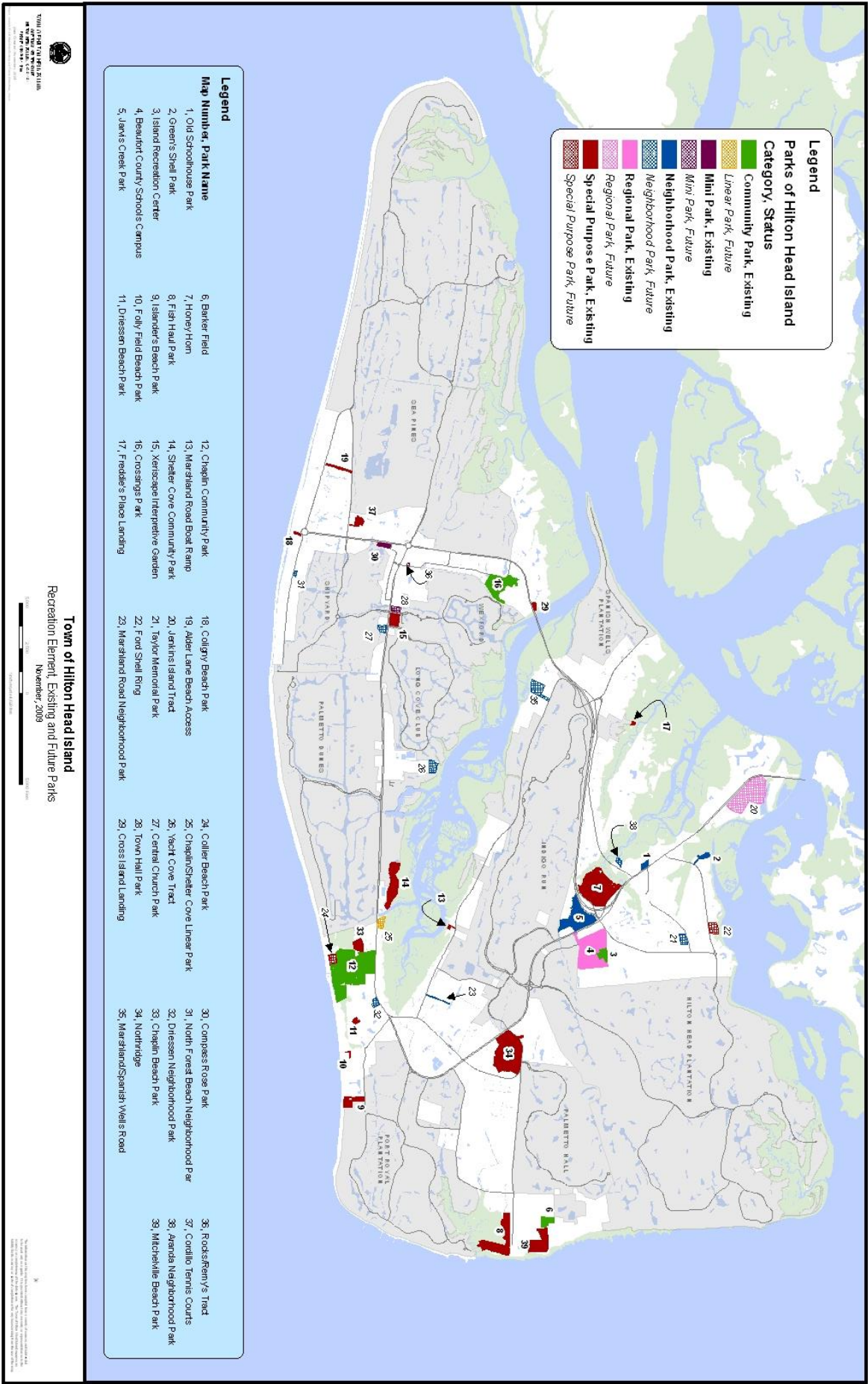
	Town of HHI	Bft County	HH Schools	Island Rec. Center	Boys & Girls Club	Hilton Head Plantation	Indigo Run	Long Cove Club	Palmetto Dunes	Palmetto Hall	Port Royal Plantation	Sea Pines	Shipyard Plantation	Spanish Wells Plantation	Wexford Plantation	TOTAL
Paved Trails (miles)	<del>55</del> 64		1.2			10	1.5		4		7	15	10		5	<del>117.7</del> 98
Unpaved Trails (miles)	2.5										2	2				6.5
Beach (miles)																13
Rectangular Multi –Purpose Fields	11	5	4	1		1	1					1				24
Single Purpose Fields	3	7	6			1		1		1	1					20
Running Track			1													1
Indoor Basketball Court			5	1	1											7
Outdoor Basketball Court	5	1		3	2	1.5		2			1				1	16.5
Outdoor Tennis Court	8	2	10			33	6	10	25	4	20	59	20	2	6	205
Volleyball Court			1	2		2										5
Public Golf Course (# of holes)						36	18		54	36	36	54	27			261
Private Golf Course (# of holes)						36	18	18			18	18		9	18	135
Outdoor Swimming Pool				1		1*	3*	1*		1	1*	4*		1	1*	14*
Indoor Swimming Pool												1				1
Playground	6	2	6	1	2	2	4	1	2	1	1	2	1		1	<del>32</del> 28
Dog Park	1															1
Beach Park	8					1			2		2	2	1			16
Creek Park								1								1
Boat Landing		3							1			1				5
Nature Preserve (Acres)	70**					177					6.5	605				858.5
Gymnasium			4	1	1											6
Community House/Meeting Room (Square Footage)	2660			280	280	9632	3575	14,000			3500	5400	4000	1500	5500	50,327
Picnic Areas	22	2	1	1	1	2	1	2	2	1	2	1			1	39
Horse Stables												1				1
Lawn Bowling Court															1	1
Croquet Court											1				1	2

Roller Hockey Facility	1															1
Skateboard Facility	1															1
Outdoor Band/Theater/Pavilion/Stage									1			2				3
Civic Art Areas									1			2				3
Teen Club					1											1
Rowing/ Sailing Center	<u>1</u>								1							<u>2</u> +

\*Of the 14 outdoor swimming pools in this table, 9 have outdoor “kiddy” pools in addition to adult pools.

\*\* This 70 acre nature preserve is the Town-owned Northridge property.

Figure 10.1: Existing and Future Parks



## Implications for the Comprehensive Plan

- It is important to understand the recreation facilities that are available throughout the Town. The inventory includes both public and private recreational facilities indicating that organizations and individual communities have assumed the responsibility to develop recreational opportunities to meet their needs. This detailed inventory of available recreational opportunities should be used as a tool in determining whether or not adequate facilities are available for the community.
- All organizations and groups, including the Town, School District and private communities and developers should work together when developing park and recreation plans.

## 10.56 Facilities Guidelines

As mentioned earlier, the National Recreation and Park Association is moving away from recommending national standards. The NRPA is advocating communities create unique guidelines for recreational facilities that will accommodate each community's individual needs. Guidelines for several regularly-used recreational facilities in Hilton Head Island have been developed by Town staff using information from a variety of sources such as public input, other communities' guidelines or standards, and the National Recreation and Park Association.

These guidelines are not rigid and can fluctuate depending on the community's recreation needs, population and the availability of land to build new facilities or renovate existing facilities. The total number of facilities used in these guidelines includes facilities located inside and outside private gated communities. By including these, the total number of recreational facilities is more accurately related to the total population of the Island. Some of the more popular facilities are described below.

Multi-purpose rectangular fields are typically used for sports such as football, baseball, soccer, lacrosse, and rugby. Currently there are 24 multi-purpose rectangular fields in the Town with 3 of those in gated communities. Since these fields accommodate a variety of sports the number of users that each field can serve is a cumulative total of 5,000 people.

There are currently 20 single purpose fields in the Town with 4 of those in gated communities. An example of a single purpose field is a baseball/softball field. Since these fields accommodate one type of sport the number of users that each field can serve is a cumulative total of 3,000 people.

There are a total of 23.5 basketball courts in the Town with 5.5 of those in gated communities. This number is a combination of 7 indoor and 16.5 outdoor basketball courts. One basketball court (indoor or outdoor) can serve approximately 5,000 people.

Tennis is a popular recreational activity in the Town. There are a total of 205 tennis courts on the Island with 185 of those in gated communities. This figure does not include commercial tennis facilities. One tennis court can serve approximately 4,000 people.

There are many swimming pools in the Town. There are 14 outdoor swimming pools 13 of which are in gated communities and 1 year-round indoor pool in a gated community outside the gates. It is important to note that the outdoor swimming pool located at the Island Recreation Center converts to an indoor pool during the winter months with a dome that is placed over the pool facility. This pool is counted in the outdoor category. Of the 14 locations reporting outdoor pools, 9 also have outdoor "kiddy" pools. One pool can serve approximately 20,000 people.

The need for additional swimming pools has recently been a topic of discussion with residents and recreation organizations on the Island. There is one swimming pool for community-wide use located at the Island Recreation Center. Although there appears to be a sufficient number of limited access swimming pools, Island residents believe another community-wide swimming pool should be

constructed.

There are 32 ~~28~~ playgrounds located in the Town with 15 ~~4~~ of those in gated communities. One playground can serve approximately 2,000 people.

There are 64 miles of public pathways providing residents and visitors with an inter-connected, non-motorized vehicular transportation system. Pathways provide access to public and neighborhood beach areas, resort developments, visitor accommodations, shopping, eating establishments, and recreation facilities.

The waterways surrounding Hilton Head Island and the 13 miles of beaches draw residents and tourists to the Island to live, work, and visit the beautiful natural environment. There are 16 beach parks located on Hilton Head Island, 8 of these parks are owned and maintained by the Town. The number of people served by one beach park will fluctuate based on the park size, proximity to residential areas, and the number of parking spaces available at the park. In addition to the private and Town-owned Beach Parks there are several beach access points in established subdivisions throughout the Island, such as the North Forest Beach neighborhood, where residents can access the beach.

In and around Hilton Head Island there are 5 boat landings/ramps; 3 are county boat ramps and 2 are privately owned. Based on the available parking and the size of the boat landing, 1 boat landing can accommodate between approximately 1,000 to 8,000 people, depending on parking.

Outdoor recreation activities abound on Hilton Head Island and picnicking is a popular activity for both residents and visitors alike. The Town has 39 picnic areas with 12 of these in gated communities. Each picnicking area can serve approximately 2,000 people. Table 10.4: Potential Future Parks and Suggested Facility Locations, indicates types of facilities and locations for future parks.

**Table 10.4: Potential Future Parks and Suggested Facility Locations**

Park Category	<u>Potential</u> Future Parks As Designated in the CIP	Suggested Facilities from the Public
Neighborhood	TBD (See Note 1)	Playgrounds Picnic Areas Basketball Courts Tennis Courts
Community	Yacht Cove Island Recreation Aquatics Center	Multi-Purpose Fields (See Note 2) Swimming Pool with Kiddie Pool Indoor & Outdoor Volleyball Court Jogging Track With Exercise Stops Basketball Courts Tennis Courts
Regional	TBD	TBD
Special Use	Collier Beach Park Ford Shell Ring	Sailing/Rowing Center Fishing Pier for Fresh & Salt Water More Boat Ramps/Landings
Mini	Rock's/ Remy's Tract	Water Fountains Picnic Areas Public Art
Linear	Chaplin Linear Park All Pathways	Boardwalks with Water Views Lighting, Street Furniture, etc.

Note 1: To be determined after coordinating with neighborhoods who desires neighborhood parks.

Note 2: Many organizations have requested dedicated single purpose fields. It is the Town's desire to create as many multi-purpose fields as possible in order to supply the needs of the various ball teams. Better scheduling and lighting of the existing fields could result in postponing the need for construction of more fields. This needs to be monitored annually.

TBD: To be determined.



## **Implications for the Comprehensive Plan**

- Guidelines should be considered when making recommendations for future park development. However, they should be used as a tool with the consideration that our population and visitors may have needs that are unique to the character of the Island community.

## **10.67 Park Maintenance Tasks and Levels of Service**

Maintenance of parks and recreational facilities within the Town is done by both the Town and Beaufort County through shared informal agreements which may be formalized in the future as intergovernmental agreements. Beaufort County maintains the active recreational facilities such as multi-purpose fields and baseball and softball fields. The Town of Hilton Head Island Facilities Management Division maintains the passive parks and beach parks located on Town properties.

There is a high expectation of residents and visitors of Hilton Head Island for excellent recreational facilities. To maintain the expected level of service requires an impact on fiscal resources. Redevelopment and development of new parks and facilities should be considered in annual budgets to ensure that the long term maintenance is addressed.

The Town also maintains a beach patrol franchise agreement with Shore Beach Services for patrolling and servicing the 13 miles of beaches on the Island. The Town may want to investigate ways to work with Beaufort County to have improved maintenance to meet the expectations and evaluate ability of Town's Facilities Management Division to assume all maintenance and operation of parks.

### **MAINTENANCE TASKS**

Maintenance tasks are divided into 8.7 major categories described below and are performed by both the Town of Hilton Head Island and Beaufort County to sustain a high level of service for the residents and visitors of Hilton Head Island.

#### **Park Landscape Maintenance**

Turf areas are mowed on a regular basis and sidewalks, decks, and parking lots are cleared with leaf blowing machines and edging on an as-needed basis. Pruning of trees and shrubs is performed when necessary to maintain an orderly appearance. Spraying for insect and disease control, weed control (performed by manual, mechanical, or chemical means) and mulching or pine strawing is performed throughout the year.

#### **Pathways/Sidewalks/Trails Maintenance**

Pathways are maintained in a safe and neat appearance at all times. This includes edging, and clearing tree limbs and branches, mowing shoulders and removing other objects interfering with a clear pathway.

#### **Playground Maintenance**

Grass, weeds, and other vegetation is hand-pulled from playground areas as needed. No chemicals are used in playground areas. All maintenance work in playground areas is performed during daylight hours.

#### **Ball Field Maintenance**

Turf at athletic fields is maintained by the County. Disease and insect problems are treated immediately upon observation and the irrigation systems are maintained in proper working order at all times.

#### **Park Janitorial Services**

Restroom facilities at park locations are opened and cleaned daily with additional cleanings on weekends, holidays, and during the visitor high season between Memorial Day and Labor Day.

**Litter Control**

All litter and debris is removed prior to mowing or any other landscape services performed at Town parks and recreational facilities. Trash receptacles at park locations are emptied daily.

**Street Sweeping**

All Town owned parking lots and entry roads into parks and recreational facilities operated by the Town are swept weekly.

**Recycling**

The Town ~~has~~ established a beach and park recycling pilot program in 2008 at Islander's and Coligny Beach Parks, as well as Chaplin Park to serve the highest concentration of Island residents. In 2010, the Town began recycling in all parks, at all Fire Stations, and in Town Hall. In 2012, the Town established recycling on the entire beach. A solar powered trash receptacle with a recycling kiosk will also be installed in Coligny Beach Park.

**Implications for the Comprehensive Plan**

- Responses from the Community Survey indicated that the community is satisfied with the existing recreational facilities and parks; however, would like to ensure that they are maintained to ensure high quality and character.
- Fiscal responsibility and the community's willingness to pay for potential increase in costs associated with the redevelopment or development of new or existing facilities and to maintain a certain level of quality should be included as a consideration when making policy and planning decisions.
- The Town should coordinate maintenance standards and other related maintenance issues, including a formalized agreement with Beaufort County and Shore Beach Services to verify that all organizations and departments involved in maintenance of recreational facilities are operating under the same standards.

**10.78 Recreation Programs**

Recreation programs for children, adults and senior citizens in Hilton Head Island are offered through the Island Recreation Association and Beaufort County Parks and Leisure Services (PALS). The Island Recreation Association is a non-profit organization which provides and coordinates public recreation programs, activities and special community events in the Town. Beaufort County PALS is a division of the county government which provides recreational facilities and activities in Beaufort County.

The Island Recreation Association maintains the Island Recreation Center located on Wilborn Road on the north end of the Island. The Town is currently working on a multi-phased project to provide a new gymnasium, additional parking, restrooms and storage near the pool and renovations to the existing restrooms. As a Town facility, it is being reviewed for recapitalization and maintenance by the Town in the future.—This facility and several other recreational facilities in the Town are home to many of the programs offered by the Association. Programs offered by the association are grouped into categories which include preschool programs, youth programs, youth athletics, adult and senior programs, adult athletics, aquatics and special community events.

Pre-school programs are for children between the ages of 2 and 5, starting ages vary based on the program. Some of the programs offered include discovery club preschool, mother's parent's morning out, storybook hour, art classes, kitchen/cooking classes and various sports and future stars soccer.

Youth programs are for children in kindergarten through 58th grade. Some of the programs offered include kid's night out, girl's night out, after school recreation club, vacation club, summer camp, and birthday parties.

Youth athletics are for children between the ages of 6 and 17<sup>2</sup>, some ages vary based on the activity. Some of the youth athletic programs offered are basketball, roller hockey ~~league~~, flag football, Gator Football league, soccer league, soccer camp, softball, ~~junior golf school golf clinics~~, karate, tennis, and baseball.

Adult athletics are offered through the Island Recreation ~~Association Center~~ and include: ~~dodge ball league~~, basketball league, soccer leagues, tennis ~~programs leagues~~, ~~kickball league~~, and ~~jazzercise fitness~~ classes.

Aquatics programs are offered to a variety of age groups from ~~babies 6 months old~~ to master swimmers. Aquatic programs offered at the Island Recreation Center are: group swim lessons, water babies, private swim lessons, lifeguard training, masters swimming, Hilton Head ~~a~~Aquatics swim team, open/lap swimming, water fitness classes and recreational swim club.

The Island Recreation Association also offers a variety of special events held during the year at various facilities throughout the Island. Some special events include: ~~golf tournaments, a water festival, tennis tournaments~~, Wingfest, ~~o~~Oyster ~~r~~Roasts, Seafood Festival and the Summer Jams concert series.

The Senior Center ~~(SHARE)~~ is a program division of the Island Recreation Association and offers a variety of educational, recreation and social activities to adults over 50 years of age.

These activities are offered at ~~various locations including the senior center (SHARE), the Hilton Head Island Senior Center and~~ the Island Recreation Center, ~~St. Andrew Methodist Church and the Player's Club~~. The examples listed in the Adult Programs category are just a sample of the activities offered through the ~~s~~Senior ~~e~~Center. There also are regularly scheduled daily activities at the ~~s~~Senior ~~e~~Center ~~facility~~ such as bowling, group bicycle rides, ~~table tennis~~, and bridge games. Numerous seminars and discussion groups are scheduled throughout the year which includes a wellness series, guest author series, gardening series, and financial seminars. Day and extended trips are organized through the ~~s~~Senior ~~e~~Center and they include trips to places of interests in the region such as Charleston, Beaufort, Kiawah Island, and Savannah ~~and Macon~~, Georgia.

Beaufort County PALS offers youth and adult athletic programs for residents of ~~on~~ the Island. Throughout the year PALS coordinates adult soccer leagues and various youth sports leagues: baseball and softball, soccer, football, cheerleading, flag football, tennis, lacrosse, aquatics, and basketball.

The Boys & Girls Club of the Lowcountry is an organization that exists solely for the benefit of children. It is funded by a variety of sources, but mostly depends on the community including churches, civic organizations, businesses, local foundations, and individuals. They provide such programs as Character and Leadership Development; Education and Career Development; Health and Life Skills; the Arts; and Sports, Fitness and Recreation.

The First Tee of the Lowcountry is an organization provides youth with educational programs that build character, instill life-enhancing values and promote healthy choices through the game of golf.

Many of the private gated communities throughout the Town offer a variety of recreational programs for their residents and guests of residents. Examples of these programs include summer day camps, dancing lessons, fitness classes, social or special interest clubs, and holiday themed parties for adults and children. There are also an assortment of private sports organizations, such as ~~Gator Football, Dixie Youth~~ Hilton Head Baseball Association, Public Tennis Inc. and others, that provide programming for a variety of sports activities such as baseball, soccer, swimming, boating, ~~football~~, tennis, golf, and martial arts.

## Implications for the Comprehensive Plan

- There are various programs available on the Island that cross different population and socio-economic groups. As our population changes, community programs and services should be evaluated to ensure that the needs of our community are being met. The variations in programs provide social interaction and provide connectivity among members of the community.
- It is recommended the Town continue to participate with local recreation organizations to develop recreation programs that will meet the needs of the residents and visitors of the Island, including: baseball, football, tennis, soccer, running, sailing, and martial arts.

## 10.9 Goals and Implementation Strategies

Key issues of recreation were identified based on public input that was received throughout this process and data that was collected by Town staff. Recreation needs are not isolated; therefore, the implementation strategies should be approached regionally and collectively, integrating a palette of solutions.

### Goals

#### **Goal 10.1—Recreation Needs**

- ~~A. Continue to expand the public recreation system by providing adequate facilities to meet the needs of a broad spectrum of the Island population (including visitors) while maintaining sensitivity to the specific needs of the Island.~~
- ~~B. Participate with local recreation organizations in the development of programs and facilities to meet the needs of the resident and visitor populations of the Island.~~
- ~~C. Continue working with Beaufort County and the Town of Bluffton to ensure a regional park system on the mainland is developed that will serve the recreational needs of the residents and visitors of Southern Beaufort County.~~

#### **Goal 10.2—Protection of Unique Features**

- ~~A. Acquire conservation and park lands as a means to preserve natural and cultural resources for educational, interpretive, and passive recreation uses.~~
- ~~B. Expand national recognition of Town's recreational facilities, programs, and opportunities such as beaches, pathways and cycling.~~

#### **Goal 10.3—Neighborhood Parks**

- ~~A. Provide neighborhood parks where needed and desired.~~

#### **Goal 10.4—Pathways**

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

#### **Goal 10.5—Maintenance**

- ~~A. Continue working with Beaufort County to provide the high standards of maintenance Island residents and visitors expect from this community.~~
- ~~B. Budget for and provide cost effective park maintenance and operations in order to maintain the expected level of service for all Town-owned parks.~~

#### **Goal 10.6—Funding Sources**

- ~~A. Continue to seek and utilize a variety of funding sources in order to attain required parks at build-out.~~

## **Goals**

### **Goal 10.1 Park Definitions**

- A. Utilize definitions and categories when evaluating the current inventory and future potential needs for parks.
- B. Provide a combination of passive and active parks.

### **Goal 10.2 Park Sites**

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

### **Goal 10.3 Park Development Guidelines**

- A. Continue working with Beaufort County and the Town of Bluffton to ensure a regional park system on the mainland is developed that will serve the recreational needs of the residents and visitors of Southern Beaufort County.
- B. Acquire conservation and park lands as a means to preserve natural and cultural resources for educational, interpretive, and passive recreation uses.
- C. Provide neighborhood parks where needed and desired.
- D. Continue to seek and utilize a variety of funding sources in order to attain required parks at build-out.

### **Goal 10.4 Inventory of Existing Recreational Facilities**

- A. Continue national promotion and recognition of Town's recreational facilities, programs, and opportunities such as beaches, pathways and cycling.

#### Goal 10.5 Facilities Guidelines

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

### **Goal 10.6 Park Maintenance Tasks and Levels of Service**

- A. Continue working with Beaufort County to provide the high standards of maintenance Island residents and visitors expect from this community.
- B. Budget for and provide cost effective park maintenance and operations in order to maintain the expected level of service for all Town-owned parks.

### **Goal 10.7 Recreation Programs**

- A. Participate with local recreation organizations in the development of programs and facilities to meet the needs of the resident and visitor populations of the Island.

## **Implementation Strategies**

### **10.1 Recreation Needs**

- ~~A. Be proactive in consideration of leisure services based on current park and recreation needs assessment.~~
- ~~B. Continue participation with local recreation organizations in the development of programs and facilities to meet the needs of the diverse populations of the Island.~~
- ~~C. Work with appropriate agencies to ensure the recreational needs of the Island's various age groups, specifically youth and elderly residents are met through adequate facilities and programs.~~



- ~~D. Include within the park system a combination of all park types and strive to achieve the park guidelines as stated in this element by providing the number of future parks needed based on population projections.~~
- ~~E. Encourage public participation in the ongoing development, implementation, and evaluation of recreational facilities and programs.~~
- ~~F. Improve and expand existing parks to accommodate additional facility needs.~~
- ~~G. Planning for parks should begin as appropriate Town-owned properties are identified for such a use, including locating specific facilities within future parks.~~

## **~~10.2 Protection of Unique Features~~**

- ~~A. Coordinate with various agencies including Beaufort County Rural & Critical Lands Board and property owners to identify and purchase undeveloped property for parks and recreation lands as needed.~~
- ~~B. Acquire properties located in areas of need for both passive and active uses, and for access points to waterways.~~
- ~~C. Support accessible regional parks which complement the local park system.~~
- ~~D. Seek recognition as a place that offers unique recreation facilities, programs and opportunities.~~

## **~~10.3 Neighborhood Parks~~**

- ~~A. Work directly with residents of neighborhoods to determine a need or desire for a neighborhood park.~~

## **~~10.4 Pathways~~**

- ~~A. Continually make improvements to the existing pathway system and provide new pathway links.~~
- ~~B. Build pathways when improving or building roads and in conjunction with utility projects.~~
- ~~C. Educate residents and visitors on the use of bicycles and the rules and responsibilities of bicycling.~~
- ~~D. Educate residents and visitors on the use pathways.~~
- ~~E. Link new parks with the multi-use pathway system.~~

## **~~10.5 Maintenance~~**

- ~~A. Determine if the Town's Facilities Management Division should increase park maintenance responsibilities.~~
- ~~B. Examine the need to create a Parks and Recreation Department to supplement or replace those services provided by Beaufort County.~~
- ~~C. Work with the County to ensure high quality recreational facilities through proper maintenance.~~

## **~~10.6 Funding Sources~~**

- ~~A. Apply for Federal and State grants for park construction.~~
- ~~B. Continue to seek private donations and co-operative agreements.~~
- ~~C. Continue to evaluate Park Impact Fee Program to determine its adequacy.~~
- ~~D. Increase park maintenance funding proportionately to increases in park construction.~~
- ~~E. Seek additional funding sources.~~

# **Implementation Strategies**

## **10.1 Park Definitions**

- A. Ensure adequate number of parks provided in each category.
- B. Ensure adequate facilities provided within each park category.

## **10.2 Park Sites**

- A. Improve and expand existing parks to accommodate additional facility needs.

### **10.3 Park Development Guidelines**

- A. Be proactive in consideration of leisure services based on the current parks and recreation needs assessment.
- B. Include within the park system a combination of all park types and strive to achieve the park guidelines as stated in this element by providing the number of future parks needed based on population projections.
- C. Encourage public participation in the ongoing development, implementation, and evaluation of recreational facilities and programs.
- D. Coordinate with various agencies including Beaufort County Rural & Critical Lands Board and property owners to identify and purchase undeveloped property for parks and recreation lands as needed.
- E. Acquire properties located in areas of need for both passive and active uses, and for access points to waterways.
- F. Support accessible regional parks which complement the local park system.
- G. Apply for Federal and State grants for park construction.
- H. Continue to seek private donations and co-operative agreements.
- I. Continue to evaluate Park Impact Fee Program to determine its adequacy.
- J. Seek additional funding sources.

### **10.4 Inventory of Existing Recreational Facilities**

- A. Promote and seek recognition for the Town as a place that offers unique recreation facilities, programs and opportunities.

#### 10.5 Facilities Guidelines

- A. Future park needs or park expansion should be considered when the Town evaluates properties for acquisition.
- B. Work directly with residents of neighborhoods to determine a need or desire for a neighborhood park.
- C. Continually make improvements to the existing pathway system and provide new pathway links.
- D. Link new parks with the multi-use pathway system.

### **10.6 Park Maintenance Tasks and Levels of Service**

- A. Determine if the Town's Facilities Management Division should increase park maintenance responsibilities.
- B. Examine the need to create a Parks and Recreation Department to supplement or replace those services provided by Beaufort County.
- C. Work with the County to ensure high quality recreational facilities through proper maintenance.
- D. Increase park maintenance funding proportionately to increases in park construction.

### **10.7 Recreation Programs**

- A. Continue participation with local recreation organizations in the development of programs and facilities to meet the needs of the diverse populations of the Island.
- B. Work with appropriate agencies to ensure the recreational needs of the Island's various age groups, specifically youth and elderly residents are met through adequate facilities and programs.
- C. Educate residents and visitors on the use of bicycles and the rules and responsibilities of bicycling.
- D. Educate residents and visitors on the use of pathways.

# 11 Priority Investment

*Public infrastructure projects will be prioritized and provide coordination with adjacent and relevant jurisdictions and agencies.*

## Introduction

The purpose of the Priority Investment Element is to tie the capital improvement needs identified in other elements to forecasted revenues for the next ten years. It is, in essence, a ten-year Capital Improvements Plan that is meant to guide the Town's Capital Improvements Program (CIP) and annual budgeting processes.

### **South Carolina Priority Investment Act (PIA)**

In June 2007, the governor signed into law the South Carolina Priority Investment Act (PIA). The PIA consists of amendments to the 1994 Local Government Comprehensive Planning Enabling Act. One of the amendments adds the Priority Investment Element to the list of required elements for local comprehensive plans. The PIA states the following regarding this new element: "A priority investment element [is required] that analyzes the likely federal, state, and local funds available for public infrastructure and facilities during the next ten years, and recommends the projects for expenditure of those funds during the next ten years for needed public infrastructure and facilities such as water, sewer, roads, and schools. The recommendation of those projects for public expenditure must be done through coordination with adjacent and relevant jurisdictions and agencies. For the purposes of this item, "adjacent and relevant jurisdictions and agencies" means those counties, municipalities, public service districts, school districts, public and private utilities, transportation agencies, and other public entities that are affected by or have planning authority over the public project. For the purposes of this item, "coordination" means written notification by the local planning commission or its staff to adjacent and relevant jurisdictions and agencies of the proposed projects and the opportunity for adjacent and relevant jurisdictions and agencies to provide comment to the planning commission or its staff concerning the proposed projects. Failure of the planning commission or its staff to identify or notify an adjacent or relevant jurisdiction or agency does not invalidate the local comprehensive plan and does not give rise to a civil cause of action."

### 11.1 Process

To prepare the list of public infrastructure projects, Town departments review recommendations of adopted plans and initiatives to develop a list of projects for the Capital Improvements Program. A list of capital improvements based on needs identified in the Comprehensive Plans as well other adopted Town plans needed to maintain existing service levels and repair/replace obsolete or worn out facilities should be developed. The result of this process is a 10-year Capital Improvements Plan (CIP) (Exhibit 1). The projects are listed by category, project costs, funding sources, project schedule.

Since the Town currently operates under a 10-~~Y~~year CIP there is no need to retool the entire process to meet the requirements of the PIA. However, a routing process for information, developed each year during the CIP process, should be established that provides the opportunity for other jurisdictions to review and provide comments back to the Town. Finally, a methodology that requires a systematic approach to address capital project needs may be outlined as a strategy in this Element.

## 11.2 10-Year Capital Improvements Plan

There is a strong link between the Town's Comprehensive Plan and its Capital Improvement Program (CIP). Coordination of the various elements of the Comprehensive Plan is a major objective of the planning process. All elements of the Comprehensive Plan should be consistent and the Comprehensive Plan should be financially feasible, including capital costs as well as costs for maintenance and operations. Financial feasibility is determined using professionally accepted methodologies and applies to the 10-year planning period, which is the scope of the CIP. In accordance with State Law, the proposed CIP for each fiscal year is developed by staff for review and recommendation to the Town's Planning Commission. The pathways and parks section is also reviewed by the Town's Parks and Recreation Commission. The Planning Commission recommends the proposed CIP to Town Council for adoption during the CIP Budget Workshop around May of each year. Projects contained in the Town's CIP relate to roads, parks government facilities, park facilities, pathways, drainage improvements and beach renourishment. Recent CIP projects have included the construction of the Rowing and Sailing Center at Squire Pope Community Park, the Mathews Connectivity project, new traffic signal at William Hilton Parkway and Queens Way, Mathews/Marshland Road Roundabout-Compass Rose Park, redevelopment of Coligny Beach Park, realignment of Office Park and Wild Horse Roads, as well as the construction of a Fire Station 6 and Rescue Training Center. Additional public investment in projects that address emerging technology such as fiber optics, and wireless infrastructure may provide opportunities to expand economic development and improve market position to attract residents and visitors may be considered in future CIPs.

### **The Comprehensive Plan and the CIP**

Specific capital improvements are routinely planned for and financed in the Town's ~~Annual Ten~~10-Year Capital Improvements Program (CIP). The ~~Ten~~10-Year CIP is internally consistent with the implementation planning time frame of this Comprehensive Plan. The CIP is a well-established program and has successfully served the Town's needs for many years. It is intended that the CIP be utilized as a principal method for implementing the Comprehensive Plan. The current adopted ~~Ten~~10-Year CIP is provided at the end of this document. In this regard, projects proposed in the annual CIP are reviewed for consistency with the adopted Comprehensive Plan and certified as such by the Planning Commission.

In meeting the needs of the Town's future growth and redevelopment, certain capital improvements could increase the tax burden for Town residents. In order to minimize this burden, the Town will continue to explore new programs to ensure that new growth and change assumes economic responsibility for its impact. The Town should maximize the use of equitable funding methods, such as impact fees, user fees, special assessments, taxing districts, and the like, to accommodate the costs of new development or redevelopment, and to ensure the lowest possible tax burden on Town residents.

### **CIP Performance Management**

Each year many citizens and service providers call for the Town to address a growing list of capital needs. The Town must separate the needs from the wants. The Town must allocate its resources wisely within economic constraints and prevailing priorities to develop and manage capital resources in the following key areas:

- Preserve, protect, and enhance economic prosperity
- Maintain competitiveness in the market place
- Protect quality of life
- Protect natural resources
- Create a sense of place

It is imperative that we provide comprehensive, sustainable solutions to resources challenges. It is suggested that the annual allocation of capital resources requires these key efforts:

1. Development of a Strategic Capital Plan laying out broad goals and strategic objectives for the next ten years;
2. Development of an Annual Performance Plan setting annual targets to move toward strategic goals and objectives;
3. Developing an annual Performance Report summarizing actual progress achieved toward goals and objectives.

The Strategic Capital Plan, the Annual Performance Plan, and the annual Performance Report comprise the total Capital Improvements Plan performance management package.

### **The CIP Principles**

The approach that the Town envisions for its CIP reflects “integrated resource management.” The benefit of an integrated approach is that it requires one to think about resources allocation, development, and management in the context of a larger system rather than a single project. This facilitates the search for comprehensive and integrated solutions to achieve objectives set by all concerned parties. By taking into account a multitude of projects over a given area as opposed to concentrating on a single project on one project site, it becomes possible to integrate a complex array of public values, institutional policies and priorities, regulatory procedures, planning criteria, public participation, and private sector business interests. Integrated capital resource management highlights four key concepts that encapsulate the CIP Principles.

1. Systems Approach. In order to solve problems comprehensively, all major aspects of the natural and human systems need to be accounted for. This includes the hydrology, geology, ecology, man-made systems, and how they interact with one another. Systems models help predict how changes in one or more parts of the system affect the other parts of the system given the interdependence among elements. A project area framework facilitates evaluation of a range of project options simultaneously to determine the best combination of projects to achieve multiple goals over the entire area rather than examining each potential project in isolation from others.

2. Geographic Integration. It is important to define the geographic boundaries that are potentially affected by or that could affect a project and to examine the project in the context of a larger geographic area. Projects typically impact water quantity or water quality. The watershed is an appropriate geographic area to look at upstream and downstream impacts of a project. By enlarging the area of consideration – for example, to a watershed, coastal zone, view shed, or transportation zone -- it becomes possible to examine the potential for project synergies and tradeoffs among all resource elements in that area. Jarvis Creek Park is a great example.

3. Balance Across Multiple Uses or Functions. Considering the many elements of a project illuminates a full range of ways in which land, infrastructure, and natural resources are used. Typically, there are many potential uses for Town resources, some competing and some complementary. Each use generates requirements for funding. Any project should be evaluated in the context of the broad range of needs in the project area or “problem-shed” so that conscious decisions are made about tradeoffs and opportunities for synergies are availed when they make sense. The objective is to seek greater balance across objectives. Interdisciplinary views and collaboration become germane to identifying how best to achieve multiple objectives.

4. Collaborative Approach. Clearly, collaboration is essential to bring together the expertise on natural and manmade systems over the appropriate geographic area, knowledge of problems that exist, and the range of current and potential needs for various resources. Collaboration involves Town staff and its expertise in engineering, planning, natural resource protection, public safety, and urban design. Collaboration can involve several Federal, State, County and local agencies, the private sector, and interest groups and can take many forms. Each participating entity will bring its own legal authorities, skills and knowledge, history, and contributions to the project scope and effect funding levels. It is clear that the Town will not have complete control with various aspects of project planning, design,



implementation, and management will vary depending on the nature of potential solutions to the problems and whether or not the Town has relevant expertise.

### **Current 10-Year CIP (20150)**

The projects in the 10-year CIP represent the best efforts of Town departments to identify capital needs to address existing deficiencies and future needs. Goals of the CIP and Priority Investment should focus on sustainable development, growth management, economic development and redevelopment and natural resource protection. Under the current Town process, inclusion of projects in the 10-year CIP does not connote de-facto approval. In most cases further analysis, prioritization, and review of projects is required prior to the actual implementation of the capital projects.

The results from the 2008 Town of Hilton Head Island Community Planning Survey provide an indication of where citizens feel resources should be allocated as summarized in Table 11.1, Recommended Resource Allocation:

**Table 11.1: Recommended Resource Allocation**

	Extremely important	Very important	Somewhat important	Not at all important
Disaster recovery planning	57.6%	30.4%	11.3%	0.7%
Roadway improvements	32.4%	49.5%	17.0%	1.1%
Pathway/sidewalk improvements	26.7%	34.7%	36.0%	2.7%
Intersection improvements	25.2%	38.0%	31.6%	5.3%
Expansion of recreational services	15.1%	26.9%	42.3%	15.8%
Expansion of parks	13.3%	22.5%	38.7%	25.4%
Expanded educational opportunities	26.5%	30.7%	32.7%	10.1%
Stormwater/drainage improvements	39.1%	40.0%	19.4%	1.5%
Economic development	27.2%	40.7%	24.6%	7.5%
Historic preservation	31.7%	35.1%	26.2%	7.0%

Source: Town of Hilton Head Island Community Planning Survey 2008

A rough analysis based upon the survey response provides information that can be used to assist in prioritizing projects and resource allocation in upcoming CIP planning efforts. Table 11.2, CIP Driving Force, outlines the areas in which citizens felt were important to focus the Town's CIP efforts. Items were ranked on a scale from 1 to 10. The top three include: disaster recovery planning, roadway improvements and ~~S~~stormwater/-drainage improvement.

**Table 11.2: CIP Driving Force (Scale of 1 to 10)**

(Positive = Very Important + Extremely Important) (Negative = not at all important ) (Neutral = Somewhat Important)	Positive Alignment	Negative Alignment	Neutral
Q9a Disaster recovery planning	8.8	0.1	1.1
Q9b Roadway improvements	8.2	0.1	1.7
Q9h Stormwater/drainage improvements	7.9	0.2	1.9
Q9i Economic development	6.8	0.8	2.5
Q9j Historic preservation	6.7	0.7	2.6
Q9d Intersection improvements	6.3	0.5	3.2
Q9c Pathway/sidewalk improvements	6.1	0.3	3.6
Q9g Expanded educational opportunities	5.7	1.0	3.3
Q9e Expansion of recreational services	4.2	1.6	4.2
Q9f Expansion of parks	3.6	2.5	3.9

Source: Town of Hilton Head Island Community Planning Survey 2008

## Implications for the Comprehensive Plan

- The strong link that exists between the Capital Improvement Program and the Comprehensive Plan helps to ensure that public investment in municipal facilities and infrastructure is coordinated with the Town's projected growth and development. This relationship is important and should be maintained during the development of future Capital Improvement Plans.
- During the annual review of the CIP the goals and implementation strategies adopted in the Comprehensive Plan should be used to assist in the development of project identification and prioritization.
- A strong CIP directs where development and redevelopment could be supported through infrastructure improvements.
- The Town's 10-~~Y~~year CIP, expanded to include project costs detailed revenue sources will need to be routed to other agencies having planning jurisdictions for review. The reason is primarily for informational purposes but could provide opportunities to reduce projects expenses and provide cost sharing for projects located in the same areas.
- There is an opportunity to develop a formal process or methodology to prioritize capital improvements required to achieve and maintain desired levels of service and to repair and replace public facilities for recommendation in the CIP. This methodology should take into account both capital costs and the cost to operate and maintain proposed capital improvements in order to achieve the best use of funds and potential overall cost savings. In addition, there may be some benefit to grouping like projects, providing an opportunity for conceptual review of projects with the community and area agencies before being added to the CIP list.
- A thorough inventory of revenues and past expenditures for public projects will provide an indication of how projects were prioritized in the past. Allocation of future revenues for public projects requires careful consideration to meet the needs of the community.
- Consideration of integrating communication infrastructure and other emerging technologies into the CIP may provide as opportunities to leverage public investments and improve economic development and communications for residents and visitors.

## 11.3 CIP Revenues and Expenditures

The list of capital projects and projected revenues sources over the next 10 years is included in Exhibit 11.1: [2010-2019 Town of Hilton Head 2015-2024 CIP Summary](#).

There are many different funding sources incorporated in to the Town's CIP Budget. They are summarized in Table 11.3.

**Table 11.3: Town of Hilton Head Island Fiscal Year 201~~50~~ CIP Funding Sources**

CIP Funding Source	CIP Funding Source
Traffic Impact Fees	General Obligation (GO) Bonds
Parks Impact Fees	Revenue Bonds
Interfund Borrowing	Grants
Fund Balance (Prior Year Funding)	<del>Accommodation Tax (ATAX)</del>
New Fiscal Year Taxes	Beach Fees
Sunday Liquor Sales Permit Fees	Hospitality Tax
<del>Storm Water Utility (SWU) Fees</del>	Tax Increment Finance (TIF)
<del>County Contributions</del>	Lease Fund
<del>Donations</del>	In Lieu of Open Space

Source: Town of Hilton Head Island Capital Improvements Program - FY201~~50~~-20~~24~~<sup>19</sup>

In 2014, The Town of Hilton Head Island amended the Tax Increment Finance (TIF) Plan to extend the time for implementation for an additional ten years from 2015 to 2024. The amendment also described TIF Extension Projects that included the University of South Carolina Beaufort (USCB) Campus at Office Park Road, Coligny Area Improvements, and Chaplin Linear Park.

## Implications for the Comprehensive Plan

- The Town has a comprehensive CIP that includes multiple funding sources. Fluctuations in revenues should be taken into account when developing the CIP and the one-year capital plan.
- Every opportunity should be explored to identify new revenue sources and refine information listed for capital projects.
- All funding sources should be reviewed periodically to provide an accurate account of projected and actual revenues.
- A detailed account of projected revenues from all available sources will allow decision makers appropriate short term or one year capital budget decision within the context of the long-term 10-year CIP program.
- The TIF extension will provide an addition \$50 million in revenue for the implementation of TIF projects over the ten year period.

## 11.4 Goals and Implementation Strategies

### Goals

#### 11.1 Process

- ~~The goal is to~~ To prioritize public infrastructure projects to the extent practical through coordination with adjacent and relevant jurisdictions and agencies.
- ~~The goal is to~~ To provide cost savings and/or quality improvements for projects by coordinating the provision of public services with other local government jurisdictions.

#### 11.2 10-Year Capital Improvements Plan

- ~~The goal is to~~ To provide the community with necessary services and facilities and maintain sufficient flexibility to meet the challenges associated with growth.
- ~~The goal is to~~ To develop and review the Town's 10-~~Y~~year CIP and 1-~~Y~~year Capital Plan based on recommendations of projects from approved Town Plans.

- C. ~~The goal is to~~To focus the CIP and Priority Investment on sustainable development, growth management, economic development, encouraging redevelopment and natural resource protection.
- D. ~~The goal is to~~To manage and modernize infrastructure so that it becomes more efficient while it serves the needs of the community.
- E. ~~The goal is to~~To enhance the Town's market position by exploring methods to improve communication and technology infrastructure.
- F. ~~The goal is to~~To provide for needs of all segments of the population.
- G. ~~The goal is to~~To provide for existing and future trends in land use, communication technology, transportation, and related fields to remain competitive and economically viable in the 21st century.
- H. ~~The goal is to~~To provide adequate infrastructure such as a safe, effective and efficient regional road network through planning and inter-jurisdictional coordination.

### 11.3 CIP Revenues and Expenditures

- A. ~~The goal is to~~To provide appropriate services to residents and guests.
- B. ~~The goal is to~~To develop revenue sources to fund service delivery.
- C. ~~The goal is to~~To provide cost savings by coordinating the provision of public services with other local government.
- D. ~~The goal is to~~To designate areas of the Town as Priority Investment Zones based on identified needs of improving existing conditions or addressing specific planning issues.
- ~~D.E.~~ To maximize TIF revenues authorized by our partners: Beaufort County, Hilton Head Public Service District, and Beaufort County School District.

## **Implementation Strategies**

### 11.1 Process

- A. Organize and carry out specific area plans in a coordinated effort to address specific planning issues such as economic development, appearance standards, transportation alternatives, and affordable housing.
- B. Update and circulate the Capital Needs Assessment Plan (CNAP) to review and identify relevant and necessary development and public facilities that should be considered for the CIP.
- C. Review and update the LMO (Land Management Ordinance) to ensure standards reflect the recommendations of the Comprehensive Plan including, but not limited to, cultural preservation, Island character, development quality, resource protection, housing affordability and economic development.
- D. Continue Emergency Planning coordination with Beaufort County and South Carolina Emergency Preparedness Management Division to adequately plan for hurricanes and other potential disasters.
- E. Provide for allowances in the LMO for potential new energy and sustainability endeavors.
- F. Coordinate major capital improvements with other nearby governmental jurisdictions where possible. Coordination may include techniques such as joint funding of capital improvements, shared use agreements, or shared maintenance or operations agreements. Coordination should also include consultation during the development of each Comprehensive Plan update and during the development of the annual CIP.
- G. Coordinate the Capital Improvements Program with any and all agencies that provide public facilities to the Town, including the Public Service Districts, Beaufort County, pertinent regional and state agencies, and the Lowcountry Council of Governments. The Town will also participate in the plans of any agency providing public facilities within the Town to ensure coordination in the Capital Improvements Program budgeting process.
- H. The Town will coordinate the provision of public services and operations amongst its various departments.
- I. Continue to work with SCDOT, Lowcountry Council of Governments, Beaufort and Jasper Counties and other agencies to enhance transportation planning and facilities in the region, focused upon the following:

- i. Identification of roadway improvements in future updates of the STIP (State Transportation Improvements Plan).
- ii. Long-term planning for state highways that support the goals of the Town and region.
- iii. Design of state highways that support the goals of the Town of Hilton Head Island.
- iv. Identify alternative transportation options and funding sources.

### 11.2 10-Year Capital Improvements Plan

- A. Prepare and update a 10-~~Y~~year CIP on an annual basis that includes funding options and coordinates with the Land Use, Transportation, Community Facilities and other elements and components of the Comprehensive Plan.
- B. Conduct a review of community needs each year and analyze potential revenues to balance the proposed Capital Improvements Program costs.
- C. Evaluate public facility demands by new development or redevelopment on a project-by project basis to assure that capital facilities are provided concurrent with development.
- D. Evaluate and update as applicable the inter-local agreement for sewer facilities. The review shall include an examination of residents not served and anticipated cost to provide service.
- E. Projects will be identified that achieve specific program goals including sustainable development, growth management, economic development and redevelopment and natural resource protection.
- F. Coordinate with service providers to install/enhance communication systems and infrastructure to the latest emerging technologies.

### 11.3 CIP Revenues and Expenditures

- A. Estimate the impacts of continued operations and maintenance for all proposed facilities as part of the development of the Capital Improvements portion of the annual budget.
- B. Update impact fee studies on a periodic basis to assure that fees remain appropriate to capital needs caused by new development or redevelopment.
- C. Evaluate as applicable recreation fee schedules. The review shall include an examination of resident and nonresident recreation fees.
- D. Annually evaluate reinstituting the Coligny beach parking fee. The review shall include an examination of resident and nonresident beach parking fees.
- E. Evaluate the budget impact through the established Capital Improvements Program process to fund such public facility improvements, spreading the impact over the ~~Ten~~10-~~Y~~year Capital Improvements Program time period to assure financial feasibility including long term maintenance and operational cost.

F. Develop revenue sources within the Town's powers to fund service delivery.

~~F.G.~~ Expend all TIF monies by the end of 2024 to avoid losing those revenues.

G.H. The following items will should be addressed when considering funding of CIP projects:

- i. Identify needed capital improvement(s);
- ii. Identify costs of capital improvement(s), including maintenance and operational costs; and
- iii. Identify funding support for the improvement(s).



**Figure 11.1: Town of Hilton Head 2010-2019 CIP Summary**

CAPITAL IMPROVEMENTS PROGRAM FY 2010 FUNDING SUMMARY (Post PC CIP Committee)									
		ACCEL	In Bid or Obligated	SLIDE	NEW	CHANGE			
		THOUSANDS OF DOLLARS							
	FY	IMPACT	PRIOR YEAR	2010 FISCAL	BEACH	SWU	HOSP	TIF	OTHER
	2010	FEES	FUNDING	YEAR TAXES	FEE	FEE	TAX		FUNDS
<b>A PATHWAYS</b>		Traffic							Impact Fees, TIF & Taxes
1 PATHWAY REHABILITATION	170		Recurring	170					
2 LAGOON ROAD	165	71	45					94	
3 AVOCET ROAD	368	110	30					258	
4 DUNNAGANS ALLEY	60							60	
<b>TOTAL PATHWAYS</b>	<b>763</b>	<b>181</b>	<b>75</b>	<b>170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>412</b>	<b>0</b>
<b>B DRAINAGE IMPROVEMENTS</b>									SWU Fees
1 DRAINAGE SYSTEM REHABILITATION, MAINTENANCE, MONITORING, CREDITS, EDUCATION & NPDES II COMPLIANCE	600		Recurring			600			
<b>TOTAL DRAINAGE IMPROVEMENTS</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C ROADWAY IMPROVEMENTS</b>		Traffic							TIF, Hosp Tax
1 MATHEWS DRIVE NORTH - ROUNDABOUT at BEACH CITY ROAD and intersection imps.	1,000		440					1000	
2 MEDIAN CURBING - US 278 B various locations	175		175				175		
3 INTERSECTION IMPROVEMENTS (TIF Funded in District)	75						75		
4 F&R EMERGENCY ACCESS POINTS	90		Recurring				90		
5 MAINLAND TRANSPORTATION IMPROVEMENTS	500		500 IGA obligation				500		
6 MATHEWS DRIVE / MARSHLAND ROAD ROUNDABOUT	90							90	
<b>TOTAL ROADWAY IMPROVEMENTS</b>	<b>1,930</b>	<b>0</b>	<b>615</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>840</b>	<b>1,090</b>	<b>0</b>
<b>D PARK DEVELOPMENT</b>		Parks							Park Impact Fees, Sunday Liquor Permit Fees, Beach Fees & other funding sources
1 PARKS UPGRADES	380		recurring						380 County Bond (\$110k) and Sunday Liquor Permit Fees (\$270k) In house design
2 ROCK'S/REMY'S TRACT PARK (TIF)	50							50	
3 ISLAND RECREATION - COMMUNITY CENTER	95						95		
4 ROWING & SAILING CENTER (\$1.5 million of Donations)	150								Donations
<b>TOTAL PARK DEVELOPMENT</b>	<b>675</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>95</b>	<b>50</b>	<b>380</b>
<b>E EXISTING FACILITIES &amp; INFRASTRUCTURE</b>		Traffic							Hospitality Tax, Lease Acct & other sources
1 REHABILITATION & RENOVATION of FIXED CAPITAL ASSETS	351		Recurring	351					
2 CLEAN UP, SAFETY & MAINTENANCE OF TOWN PROPERTY & DEMOLITION OF UNSAFE STRUCTURES	191		Recurring	122					69 Lease Account
3 APPARATUS & VEHICLES REPLACEMENT / REFURBISHMENT	2,160		3,145	60		35	2,065		
4 FACILITIES SURVEILLANCE CAMERAS	100		500				100		
5 FIRE STATION # 1 REPLACEMENT & DEMO (Shipyard)	275		250				275		
6 FIRE STATION # 6 REPLACEMENT (Palmetto Dunes) (Hospitality Tax)	275						275		
<b>TOTAL EXISTING FACILITIES &amp; INFRASTRUCTURE</b>	<b>3,352</b>	<b>0</b>	<b>3,895</b>	<b>533</b>	<b>0</b>	<b>35</b>	<b>2,715</b>	<b>0</b>	<b>69</b>

~~Figure 11.1 Town of Hilton Head 2010-2019 CIP Summary continued~~

**CAPITAL IMPROVEMENTS PROGRAM  
FY 2010 FUNDING SUMMARY  
(Post PC CIP Committee)**

[illegible]

### **Exhibit 11.1: Town of Hilton Head 2015-2024 CIP Summary**

#### **Capital Improvement Program (CIP)**

The capital improvements program (CIP) is broken into segments. Located in the General Fund and funded with current operating funds are capital equipment and apparatus/vehicle purchases costing \$5,000 or more and software purchases which cost more than \$50,000. All other items meeting the same criteria, but not being funded by General Fund operating funds, are included in the Capital Projects Fund. The Palmetto Electric Franchise Fee Fund grants/reimburses the majority of its funds to the Palmetto Electric Cooperative for power line burial; any capital infrastructure created by this program is an asset of the Cooperative not the Town. As required by proprietary fund accounting, the Stormwater Fund (Enterprise Fund) reports its own capital.

In accordance with State law, the proposed CIP for fiscal year 2015 was developed by staff for review and recommendation of the full Planning Commission. The pathways and parks section was also reviewed by the Parks & Recreation Commission. The Planning Commission annually recommends the proposed CIP to Town Council for adoption during their CIP Budget Workshop in June.

Included in this section is the Town's capital expenditure plan with funding sources for the upcoming year. Expenditures in this section are exclusive of projects associated with the Stormwater Program or the Palmetto Electric Program. In addition, a ten-year capital plan is included that identifies anticipated capital expenditures with funding sources to be determined. Input for the capital improvements program comes from a variety of sources. Sources are 2014 Town Council Policy and Management Agendas which included input from the public and the Town's Boards, Commissions and Committees. Other source documents include: The 2011 Comprehensive Plan update which incorporates the Initiative Area Plans; the Transportation Plan which includes pathways as well as roads; the Fire and Rescue Master Plan, the recently approved Recreation Element; the adopted County-wide All Hazard Mitigation Plan, the Comprehensive Emergency Management Plan, which will be updated as a part of the Disaster Recovery Commission's work program; the Beach Access Plan, the Beach Maintenance Monitoring reports; the Broad Creek Management Plan, and our Space Needs Study of all Town facilities and properties to include Town Hall, all parks, Fire and Rescue stations and town-wide infrastructure.

The *Stormwater Utility Program* in which funds derive from stormwater utility fees assessed annually based on a rate per SFU (Single Family Unit) are committed to the management, construction, maintenance, protections, control, regulation, use, and enhancement of stormwater systems and programs within the Town limits of Hilton Head Island in concert with Beaufort County and other water resource management programs. The fee generates approximately \$3.6 million annually. The budget for this program is reflected in the separate enterprise fund.

The *Palmetto Electric Program* in which funds derive from the Town's negotiated franchise fee with Palmetto Electric Coop. These funds are committed to power line burials and hook ups which are estimated to cost approximately \$30 million over 15 years. The fee generates approximately \$2.7 million annually. This program is reflected in one of the funds in the combined Special Revenue Funds.

#### **Capital Project Fund (CPF) Revenues and Other Sources**

Previously, Town Council directed that we "minimize reliance on property tax while expanding alternative revenue sources." The CPF continues to be an excellent example of that approach. It consistently reduces reliance on ad valorem property taxes and shares the costs of infrastructure requirements with the beneficiaries. The CPF incorporates many different funding sources; a brief description of some of those sources is provided below.

- A. **Impact Fees** are assessed against new developments to finance capital improvements necessary to support the growth in population.
1. **Traffic Impact Fees** are derived from development and applied to roads, pathways and additional traffic signals. Pathways may only be funded up to fifty percent with Traffic Impact Fees.
  2. **Parks Impact Fees** were enacted Countywide to provide funding for emerging park needs.
- B. **Fund Balance** which is un-obligated and obligated monies that are rolled over from previously approved, but incomplete, projects.
- C. **New Fiscal Year Taxes** are ad valorem property taxes collected during the next fiscal year. The amount dedicated to the CIP is .84 mils and will generate approximately \$689,244.
- D. **Sunday Liquor Sales Permit Fees** that are derived from the sale of permits to sell alcohol on Sunday. These fees are rebates from the State and prior year revenues will provide approximately \$478,150.
- E. **Beach Preservation Fees** are derived from an additional two percent (2%) Local Accommodations Tax levied by Town Council. This source will generate approximately \$5.7 million in revenue for the Town next fiscal year. These funds are dedicated to beach renourishment and related monitoring, dune refurbishment, maintenance and operations, and new beach parks and beach access facilities. The Town will expend \$4.4 million of these funds to pay debt service on bonds associated with beach renourishment projects and has budgeted \$1.25 million for projects in the CPF.
- F. **Hospitality Tax** which is a two percent (2%) tax on the sale of prepared meals and beverages, sold in establishments with or without licenses and for on premise consumption of alcoholic beverages, beer or wine. This source will generate approximately \$5.6 million in revenue next fiscal year. The Town has budgeted \$600,000 for projects; the remainder goes for debt service and to support public safety in the General Fund.
- G. **Tax Increment Financing (TIF)** in which funds derive from increased assessed value above the baseline assessment when the TIF District was established. These funds may be used for public projects within the District. TIF will generate approximately \$6.9 million in revenue next fiscal year; \$3.3 million is budgeted for CPF projects.
- H. **Real Estate Transfer Fee** which is .25 of 1% on each real estate transaction in the Town. This source will generate approximately \$2.3 million in revenue next fiscal year. These funds are dedicated to the Land Acquisition Program and its debt service.
- I. **Lease Revenue** is derived from lease payments on Town-owned property. As the Town has acquired properties, some have existing leases that the Town chooses to honor until their expiration. Approximately \$89,000 derived from those leases has been assigned to pay for maintenance and cleanup of Town property or transferred for debt service.
- J. **Bond Proceeds from funding sources above.** In fiscal year 2015 the Town budgeted \$1.87, \$3.075 and \$1.375 million for capital projects from beach fee, hospitality tax and general obligation bonds, respectively.

Implementation of the fiscal year 2015 CPF will require about \$12.7 million during the fiscal year. The chart below reflects a comparison of the major budgeted revenue sources for fiscal years 2014 and 2015.

Revenue Source	FY 2014 Budget	FY 2015 Budget	\$ Change	% Change
Property Taxes	\$ 716,161	\$ 689,244	\$ (26,917)	-3.76%
Sunday Permit Fees	480,936	478,150	(2,786)	-0.58%
Beach Preservation Fees	2,800,837	1,250,000	(1,550,837)	-55.37%
Tax Increment Financing	9,563,200	3,300,000	(6,263,200)	-65.49%
Hospitality Tax	3,201,023	600,000	(2,601,023)	-81.26%
Bond Proceeds	8,426,465	6,320,000	(2,106,465)	-25.00%
Impact Fees - Roads	840,594	0	(840,594)	-100.00%
Other	12,000	89,336	77,336	644.47%
Total	\$ 26,041,216	\$ 12,726,730	\$ (13,314,486)	-51.13%

### Capital Projects Fund Expenditures

In the *Beach Maintenance* category, there are 2 projects (including 1 on-going maintenance project) programmed during the next ten years. The projects, including the ongoing beach management and monitoring program, are funded for approximately \$1,250,000 in fiscal year 2015.

In the *Existing Facilities/Infrastructure* category, there are 3 projects programmed during the next ten years, 2 projects are funded for approximately \$300,000 in fiscal year 2015.

In the category of *Park Development*, 3 projects (including 1 on-going maintenance project) are programmed during the next ten years, 3 projects are funded for approximately \$2,810,000 in fiscal year 2015.

In the *New Facilities/Infrastructure* category, there are 4 projects programmed during the next ten years, 2 projects are funded for approximately \$3,100,000 in fiscal year 2015.

In the *Pathways* category, there are 3 projects programmed during the next ten years. Of those 3 projects, 2 are funded for approximately \$1,720,000 in fiscal year 2015. Funded projects may involve land acquisition, legal work, design, concept and survey, and/or construction.

In the category of *Roadway Improvements*, there are 14 projects programmed during the next ten years; 8 of them are funded for approximately \$2,180,000 in fiscal year 2015.

In the category of *Land Acquisition*, using Council's guidance, staff will continue to research and recommend pertinent acquisitions. This category is not budgeted until acquisitions are identified and funds encumbered or paid.

### Impact on Operation and Maintenance Expenditures

The operating impact of these capital projects are calculated utilizing the following assumptions:

Pathway maintenance per mile	\$6,500/year (General Fund)
Park litter and landscape (passive/beach)	\$25,000/year (General Fund)
Park janitorial (restrooms and supplies)	\$12,500/year (General Fund)
Roadways*	deeded to the County if possible

In fiscal year 2015, the major impact items of the Town's capital assets on the operating budget are as follows:

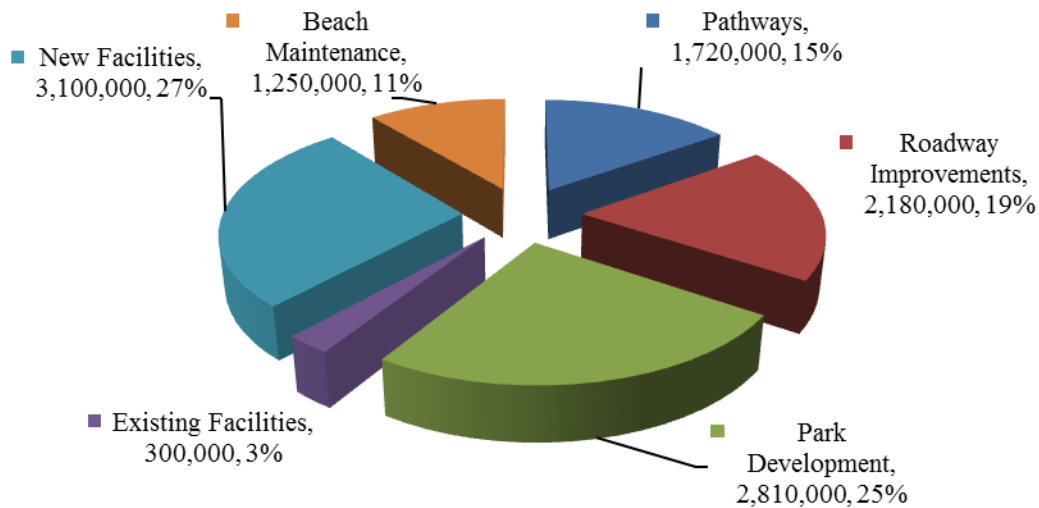
- The fiscal year 2015 General Fund operating budget associated with the upkeep of the Town's facilities and parks (including the shift of budgeting of non-project capital outlay from the Capital Projects Fund to the General Fund) has increased by \$475,450 in fiscal year 2015.
- The Town established a budget in the General Fund – PP&F – Engineering in fiscal year 2014 for maintaining Town-owned roads recognizing the minimal likelihood that the County will accept the Town's roads into its inventory. In fiscal year 2015, the roads maintenance budget will be \$632,000.

\*Budget established in General Fund – Engineering in fiscal year 2014

#### Fiscal Year 2015 Capital Projects Fund (CPF)

The Capital Projects Fund budget for fiscal year 2015 is \$11,360,000 plus \$250,000 for bond issue costs and \$1,149,486 for transfers to the General and Debt Service Fund and consists of the following project category funding levels.

#### Capital Projects Fund Expenditures by Category





**Capital Projects Fund****Revenues and Expenditures by Category Analysis – Historical, Estimated Actual, and Budget**

							% change	
	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget	FY 2014 Estimated Actual	FY 2015 Budget	FY 2014 Budget	FY 2014 Est. Actual
<b>Revenues:</b>								
Ad Valorem Property Taxes	696,763	692,418	685,501	716,161	656,689	689,244	-3.76%	4.96%
Investment Income	23,751	3,378	3,269	-	-	-		
Grants	-	944,854	27,622	-	-	-		
Contributions	7,500	100,000	20,000	-	-	-		
Sunday Permit Fees	356,900	332,230	381,015	480,936	380,700	478,150	-0.58%	25.60%
Traffic Impact Fees	79,254	151,989	100,572	840,594	162,700	-	-100.00%	-100.00%
Park Impact Fees	26,334	36,366	63,160	-	113,800	-		-100.00%
Beaufort County Bond	275,000	-	-	-	-	-		
Refund of Prior Year Expenditure	-	-	-	-	458,479	-		-100.00%
Bond Premium	-	742,422	664,056	-	-	-		
Bond Proceeds (Beach Preservation)	-	11,000,000	-	-	-	-		
Bond Proceeds (Hospitality)	-	15,250,000	-	4,597,228	-	1,870,000	-59.32%	
Bond Proceeds (TIF)	-	-	-	-	-	3,075,000		
Bond Proceeds (2013 General Obligation)	-	-	9,000,000	1,329,237	-	-	-100.00%	
Bond Proceeds (2014 General Obligation)	-	-	-	2,500,000	-	1,375,000	-45.00%	
Lease Revenue	19,200	46,978	208,998	12,000	125,700	89,336	644.47%	-28.93%
Sale of Property & Equipment	247,712	264,930	266,622	-	175,000	-		-100.00%
<b>Transfers In:</b>								
Beach Preservation Fees	606,267	608,882	642,078	2,800,837	2,800,838	1,250,000	-55.37%	-55.37%
Hospitality Fees	1,543,734	888,292	273,575	3,201,023	3,201,023	600,000	-81.26%	-81.26%
Tax Increment Financing	376,744	3,436,996	1,594,527	9,563,200	9,563,200	3,300,000	-65.49%	-65.49%
Real Estate Transfer Fees	33,081	821	-	-	-	-		
<b>Total Revenue</b>	<b>4,292,240</b>	<b>34,500,556</b>	<b>13,930,996</b>	<b>26,041,216</b>	<b>17,638,129</b>	<b>12,726,730</b>	<b>-51.13%</b>	<b>-27.85%</b>
<b>Expenditures:</b>								
Beach Maintenance	568,575	11,357,778	711,633	2,800,837	2,800,837	1,250,000	-55.37%	-55.37%
Existing Facilities	2,997,297	1,853,681	1,220,282	4,470,518	4,470,518	300,000	-93.29%	-93.29%
Park Development	257,991	849,815	765,810	2,241,957	2,241,957	2,810,000	25.34%	25.34%
New Facilities	354,643	1,426,276	1,340,994	5,742,528	5,742,528	3,100,000	-46.02%	-46.02%
Pathway Improvements	548,127	510,075	1,354,268	1,836,133	1,836,133	1,720,000	-6.32%	-6.32%
Roadway Improvements	1,154,475	1,297,643	1,669,550	6,145,846	6,145,846	2,180,000	-64.53%	-64.53%
Land Acquisition	2,917,122	8,909,874	6,080,116	2,500,000	15,227	0	-100.00%	-100.00%
Bond Issue Costs	0	525,364	127,167	108,500	108,500	250,000	130.41%	130.41%
Transfers Out	37,500	1,137,500	4,215,828	318,400	438,182	1,149,486	261.02%	162.33%
<b>Total Expenditures</b>	<b>8,835,731</b>	<b>27,868,005</b>	<b>17,485,649</b>	<b>26,164,720</b>	<b>23,799,728</b>	<b>12,759,486</b>	<b>-51.23%</b>	<b>-46.39%</b>
<b>Other Financing Sources:</b>								
Bond Proceeds Previously Recognized	-	-	-	(4,597,228)	-	(1,870,000)	-59.32%	
<b>Net Change in Fund Balance</b>	<b>(4,543,492)</b>	<b>6,632,552</b>	<b>(3,554,653)</b>	<b>(4,720,732)</b>	<b>(6,161,599)</b>	<b>(1,902,756)</b>		
Beginning Fund Balance	18,385,008	13,841,516	20,474,068	16,919,415	16,919,415	10,757,816		
<b>Ending Fund Balance</b>	<b>13,841,516</b>	<b>20,474,068</b>	<b>16,919,415</b>	<b>12,198,683</b>	<b>10,757,816</b>	<b>8,855,060</b>		

\* - For actual reporting purposes, all bond proceeds are recognized at the time of issuance and are therefore reflected in the beginning fund balance. For budgetary reporting purposes, bond proceeds are recognized to the extent the proceeds are utilized for capital projects. Therefore to reconcile between the two presentations it is necessary to adjust the Fund Balance by the previously recognized Bond Proceeds.

**Capital Projects Fund Expenditures by Funding Source - FY 2015**

THOUSANDS OF DOLLARS											
Estimated FY 2014 Funding (Enc./Roll)		FY 2015 Budget	FY 2015 Property Taxes	Beach Fee	Hospitality Bond	Hospitality Tax	TIF Bond	TIF	Sunday Liquor Permit Fees	Lease	GO Bond
<b>BEACH MAINTENANCE</b>											
Beach Management & Monitoring	272	500		500							
Beach Renourishment - FY 2016	323	750		750							
Beach Renourishment - Ocean Point	302	-		-							
<b>TOTAL</b>	<b>897</b>	<b>1,250</b>	<b>-</b>	<b>1,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXISTING FACILITIES &amp; INFRASTRUCTURE</b>											
Fire Station 2 Replacement	-	150			150						
Town Hall Office Space Reconfiguration		150				150					
Town Hall Renovations	26	-									
Fire Station 6 Replacement	367	-									
<b>TOTAL</b>	<b>393</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PARK DEVELOPMENT</b>											
Park Upgrades	30	60							60		
Chaplin Linear Park	515	2,000						2,000			
Recreation Center Expansion	16	750									750
Rowing and Sailing Center	1,149										
<b>TOTAL</b>	<b>1,710</b>	<b>2,810</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>60</b>	<b>-</b>	<b>750</b>
<b>NEW FACILITIES &amp; INFRASTRUCTURE</b>											
USCB Hospitality Management Program Building	4,020	2,600					2,600	-			
Sewer Service Projects		500									500
58 Shelter Cove Lane - Tenant Upfit (BCSO)	179	-									
Tenant Upfit Project at 58 Shelter cove	59										
Coligny/Pope Avenue Area Initiative	143	-									
<b>TOTAL</b>	<b>4,401</b>	<b>3,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>

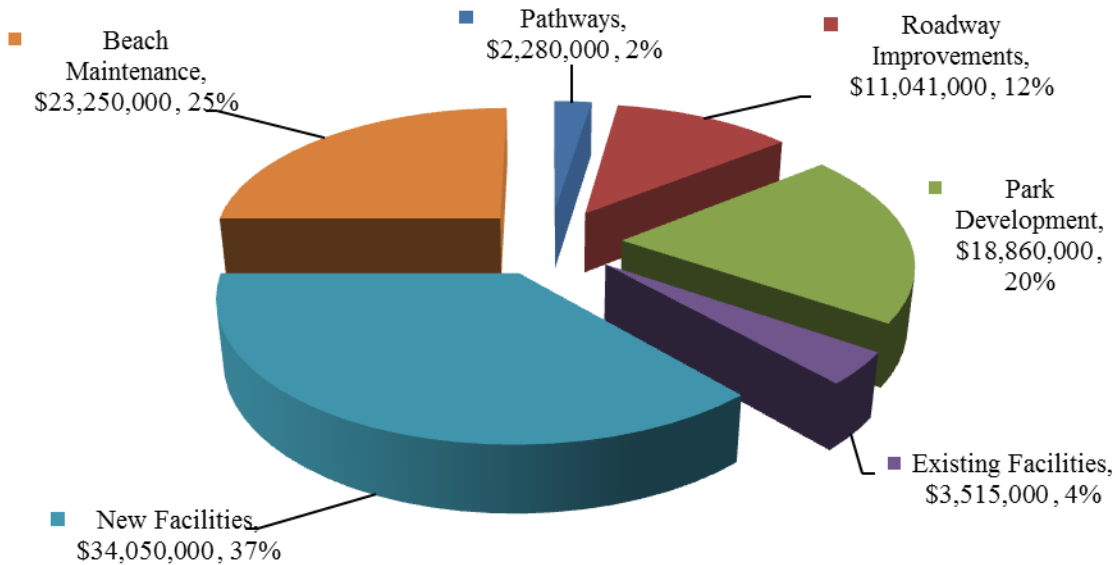
**Capital Projects Fund Expenditures by Funding Source – FY 2015**

	Estimated FY 2014 Funding (Enc./Roll)	FY 2015 Budget	FY 2015 Property Taxes	Beach Fee	Hospitality Bond	Hospitality Tax	TIF Bond	TIF	Sunday Liquor Permit Fees	Lease	GO Bond
<b>PATHWAYS</b>											
US 278 (Shelter Cove/Chaplin to Mathews North)	89	-									
US 278 (Gardner Drive to Jarvis Park / Honey Horn)	119	-									
US 278 (Gum Tree Road to Squire Pope Road)	54	-									
US 278 (Village at Wexford to Arrow Road)	46	-									
US 278 (Fresh Market Shoppes to Shelter Cove/Chaplin)	93	1,320			1,320						
Pathway Safety Improvements		400			400						
<b>TOTAL</b>	<b>401</b>	<b>1,720</b>	-	-	1,720	-	-	-	-	-	-
<b>ROADWAY IMPROVEMENTS</b>											
Mathews Dr/Marshland Rd Roundabout		1,000						1,000			
Office Park Rd Intersection Improvements		150						150			
Heritage Plaza Road Extension	2,509	350					350				
Intersection Improvements at Shelter Cove Town Center		TBD									
Bluffton Parkway - Phase 5A Beautification		250				250					
Traffic Signal Mast Arms		150						150			
Private (Dirt) Road Acquisition	73	50	50								
WM. Hilton Parkway Intersection Improvements at Squire Pope Road- westbound third lane		30	30								
Honey Horn Drive Apron and Access Aisle Improvements (facilitate special events parking)		200				200					
Lemoyne Road Reconstruction & Extension	82	-									
Traffic Signal System Pre-emption	375	-									
F&R Emergency Access Points	96	-									
Mathews Dr./Chaplin Area Connectivity	897	-									
Leamington Fresh Market Shoppes	25	-									
<b>TOTAL</b>	<b>4,057</b>	<b>2,180</b>	<b>80</b>	-	-	<b>450</b>	<b>350</b>	<b>1,300</b>	-	-	-
<b>TOTAL FY 2015 BUDGET</b>	<b>11,859</b>	<b>11,360</b>	<b>80</b>	<b>1,250</b>	<b>1,870</b>	<b>600</b>	<b>2,950</b>	<b>3,300</b>	<b>60</b>	-	<b>1,250</b>

### Ten-Year Capital Improvements Program (CIP)

The Town formally adopts a one year Capital Projects Fund budget. In addition, it develops an unbudgeted (planned) Ten-Year Capital Improvements Program (CIP). The anticipated capital expenditures over the next ten years are anticipated to be \$92,211,000. The Town estimates the following expenditures by program.

### Ten-Year Capital Improvements Program Expenditures by Program



### CIP Expenditures by Category 2015-2024

	THOUSANDS OF DOLLARS					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020-2024
<b>Summary</b>						
Beach Maintenance	1,250	18,000	500	500	500	2,500
Existing Facilities & Infrastructure	300	240	2,925	50	-	-
Park Development	2,810	5,450	2,700	200	200	7,500
New Facilities & Infrastructure	3,100	3,750	17,550	750	2,100	6,800
Pathways	1,720	-	-	-	-	560
Roadway Improvements	2,180	1,105	2,296	3,710	1,000	750
<b>TOTALS (THOUSANDS OF DOLLARS)</b>	<b>11,360</b>	<b>28,545</b>	<b>25,971</b>	<b>5,210</b>	<b>3,800</b>	<b>18,110</b>

**CIP Expenditures by Category 2015-2024**

	THOUSANDS OF DOLLARS					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020- 2024
<b>BEACH MAINTENANCE</b>						
Beach Management & Monitoring	500	500	500	500	500	2,500
Beach Renourishment - Island Wide	750	17,500				
<b>TOTAL</b>	<b>1,250</b>	<b>18,000</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>2,500</b>
<b>EXISTING FACILITIES &amp; INFRASTRUCTURE</b>						
Town Hall Renovations	150	50	50	50		
Fire Station 2 Replacement	150	150	2,700			
F&R Training Center Enhancements		40	175			
<b>TOTAL</b>	<b>300</b>	<b>240</b>	<b>2,925</b>	<b>50</b>	<b>-</b>	<b>-</b>
<b>PARK DEVELOPMENT</b>						
Park Upgrades	60	200	200	200	200	1,000
Chaplin Linear Park	2,000					6,500
Recreation Center Enhancements	750	5,250	2,500			
<b>TOTAL</b>	<b>2,810</b>	<b>5,450</b>	<b>2,700</b>	<b>200</b>	<b>200</b>	<b>7,500</b>

**CIP Expenditures by Category 2015-2024**

	THOUSANDS OF DOLLARS					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020- 2024
<b>NEW FACILITIES &amp; INFRASTRUCTURE</b>						
Coligny/Pope Avenue Area Initiative	-	750	50	750	2,100	6,800
USCB Campus	2,600	2,500	17,500			
58 Shelter Cove Lane - Tenant Upfit (Town Use)	-	-	-	-	-	-
Sewer Services Projects	500					
Wall at Airport	-	500				
<b>TOTAL</b>	<b>3,100</b>	<b>3,750</b>	<b>17,550</b>	<b>750</b>	<b>2,100</b>	<b>6,800</b>
<b>PATHWAYS</b>						
US 278 (Gum Tree Road to Squire Pope Road)						560
US 278 (Fresh Market Shoppes to Shelter Cove/Chaplin)	1,320					-
Pathway Safety Improvements	400					-
<b>TOTAL</b>	<b>1,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>560</b>
<b>ROADWAY IMPROVEMENTS</b>						
Mathews Drive/Marshland Road Roundabout	1,000					
Office Park Road Intersection Improvements	150	500	1,000			
Reconstruction of South Lagoon Road		120		1,200		
Reconstruction of Nassau Street		100		760		
Pope Avenue Improvements			100		1,000	
South Forest Beach Drive Improvements				100		750
Heritage Plaza Road Extension	350			1,500		
WM. Hilton Parkway Intersection Improvements at Squire Pope Road - westbound third lane	30		300			
Honey Horn Drive Apron and Access Aisle Improvements (facilities special events parking)	200					
Intersection Improvements at Shelter Cove Towne Centre	TBD	TBD				
Miscellaneous Turning lane Improvements: EB Wm. Hilton parkway @ Queens Folly, WB Wm. Hilton Pkwy @ Beach City Rd., Arrow rd. @ Palmetto Bay		35	300			
Bluffton Parkway - Phase 5A Beautification	250	250	500			
Traffic Signal Mast Arms	150	100	96	150		
Private (Dirt) Roads Acquisition	50	TBD	TBD	TBD	TBD	TBD
<b>TOTAL</b>	<b>2,180</b>	<b>1,105</b>	<b>2,296</b>	<b>3,710</b>	<b>1,000</b>	<b>750</b>
<b>TOTALS (THOUSAND OF DOLLARS)</b>	<b>11,360</b>	<b>28,545</b>	<b>25,971</b>	<b>5,210</b>	<b>3,800</b>	<b>18,110</b>



# Beach Management Plan

## Town of Hilton Head Island

Adopted November 5, 2008 - State Approved March 1, 2011

~~2016-2017~~ UPDATE DRAFT





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## CONTENTS

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EXECUTIVE SUMMARY	<u>34</u>
1 - INTRODUCTION	<u>89</u>
1.1 Purpose	<u>89</u>
1.2 History of Plan Approvals and Revisions	<u>89</u>
1.3 Overview of Hilton Head Island	<u>910</u>
1.4 Current Beach Management Issues	<u>1213</u>
2 - INVENTORY OF EXISTING CONDITIONS	<u>1516</u>
2.1 General Characteristics of the Beach	<u>1516</u>
2.2 General Land Use Patterns	<u>1718</u>
2.3 Beachfront Developments and Zoning	<u>1920</u>
2.4 Natural Resources and Ecological Habitats	<u>2627</u>
2.5 Existing Public Access and Map	<u>3435</u>
3 - BEACHFRONT DRAINAGE PLAN	<u>4243</u>
4 - BEACH MANAGEMENT & AUTHORITIES	<u>4647</u>
4.1 State Authorities	<u>4748</u>
4.2 Local Government and Authorities	<u>5455</u>
5 - EROSION CONTROL & MANAGEMENT	<u>6263</u>
5.1 Shoreline Change Analysis	<u>6364</u>
5.2 Beach alteration inventory	<u>7576</u>
5.3 Erosion Control Alternatives	<u>8182</u>
6 - NEEDS, GOALS AND IMPLEMENTATION STRATEGIES	<u>8586</u>

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## EXECUTIVE SUMMARY

The United States Congress recognized the importance of meeting the challenge of continued growth in coastal areas by passing the Coastal Zone Management Act (CZMA) in 1972. This law established the guidelines of a state-federal partnership program to comprehensively manage coastal resources and was authorized in South Carolina in 1977 under South Carolina's Coastal Tidelands and Wetlands Act (CTWA) with the goal of achieving a balance between the appropriate use, development, and conservation of coastal resources in the best interest of all citizens of the state. The South Carolina Department of Health and Environmental Control's Office of Ocean and Coastal Resource Management (DHEC OCRM) is the designated coastal management agency for the State of South Carolina and is responsible for the implementation of the Coastal Management Program in conjunction with the National Oceanic Atmospheric Administration (NOAA) and coastal communities. DHEC OCRM has authority over the direct regulation of impacts to coastal resources within the critical areas of South Carolina's coastal waters, tidelands, beaches and beach dune systems; and indirect certification authority over federal actions and state permit decisions within the eight coastal counties.

In 1988, the State of South Carolina adopted the South Carolina Beachfront Management Act, which ~~gives the State authority over the direct regulation of impacts to coastal resources within the critical areas of South Carolina's coastal waters, tidelands, beaches and beach dune systems; and indirect certification authority over federal actions and state permit decisions within the eight coastal counties.~~ This law is a complex and law that requires the use of scientific studies of coastal processes to establish precise building setback lines along the coast based on historic erosion rates. In addition, the Act adopts a policy of retreat for development away from the erosional beach and requires oceanfront counties and municipalities to prepare local comprehensive beach management plans in coordination with DHEC OCRM that become part of the State's management plan upon approval. These plans must be updated every 5 years.

This Beach Management Plan was prepared in compliance with the South Carolina Beachfront Management Act and was adopted as part of the Town's Comprehensive Plan. It contains all the following:

- ✓ an inventory of beach profile data and historic erosion rate data for each standard erosion zone and inlet erosion zone;
- ✓ an inventory of public beach access and attendant parking along with a plan for enhancing public access and parking;
- ✓ an inventory of all structures located in the areas seaward of the setback line;
- ✓ an inventory of turtle nesting and important habitats of the beach/dune system and a protection and restoration plan if necessary;
- ✓ a conventional zoning and land use plan for the area seaward of the setback line;



- ✓ an analysis of beach erosion control alternatives, including renourishment;
- ✓ a drainage plan for the area seaward of the setback;
- ✓ a post disaster plan including provisions for cleanup, maintaining essential services, protecting public health, emergency building ordinances, and the establishment of priorities;
- ✓ a detailed strategy for achieving the goals of this chapter by the end of the forty-year retreat period, which shall consider relocating buildings, removal of erosion control structures, and relocation of utilities;
- ✓ a detailed strategy for achieving the goals of preserving existing public access and the enhancement of public access to assure full enjoyment of the beach by all residents of the State of South Carolina.

Through this plan the following shoreline retreat policies and beach management needs, goals and implementation strategies are adopted:

### **Beach Management Needs, Goals and Implementation Strategies**

#### ***1. Shoreline Retreat***

*Need 1: The Town should investigate methods to continue to protect existing beach/dune features and those features resulting from renourishment projects from development and redevelopment pressures.*

**Goal 1.1: Have a well maintained beach and dunes system that helps to preserve and protect the Island's manmade and natural resources and provides for a sound economic base; ~~the Town does not support movement of the baseline or any other action that would result in encroachment of development into the dunes system or seaward of the baseline that was established in 1999.~~**

**Goal 1.2: Continue to Protect and Enhance the Beach/Dune System through the regulation of beachfront development.**

#### ***Implementation Strategies:***

- A. ~~The Town should~~ continue to implement its Capital Improvement Program and Land Acquisition Program to develop, renovate, or expand its beach parks.
- B. Continue to hold densities along the beachfront to their current levels or below.
- C. Continue to amend and enforce the LMO and Municipal Code to protect the established dunes systems on our beachfront, to provide for re-establishment of the dunes systems during redevelopment, and to provide for redevelopment scenarios after a natural disaster.



- D. Continue to Work with DHEC OCRM during the update of the Town's Local Comprehensive Beach Management Plan. ~~when designated by the State and to review, as requested, public petitions to move the Baseline on individual properties to ensure compatibility with this Plan. It is the policy of the Town of Hilton Head Island that the baseline not be moved seaward.~~
- E. Continue to promote environmental education programs and standards that stress protection of fragile areas and wildlife.
- F. Continue to Coordinate with the Chamber of Commerce in tourism efforts to promote our beach.
- G. Continue to Work ~~to revise support~~ state legislation for enhanced protection of the beach and dunes system which should include an effective retreat policy in addition to considering renourishment efforts ~~when determining baseline locations to prevent movement of the baseline further seaward as a result of renourishment.~~
- H. Continue to Provide input to DHEC OCRM during the update of the State's Beach Management Plan. ~~to help ensure that the DHEC OCRM Baseline does not move further seaward along the Town of Hilton Head Island shoreline.~~
- I. Continue to Work with the State to receive beach renourishment funds in the event the Town does not have local funding to renourish qualifying areas.

## **2. Beach Access**

*Need 2: With the large majority of oceanfront land under private ownership, the Town should seek ways to work with developers to allow for public beach access in redeveloped sites, and to work with Property Owners Associations to protect accesses that currently exist.*

**Goal 2.1: Have adequate public beach access at Town-owned sites and seek innovative solutions to provide additional beach access for the public in privately owned neighborhoods and commercial areas.**

### ***Implementation Strategies:***

- A. The Town should continue to implement its 10 year Capital Improvement Program to develop, renovate, or expand its beach parks.



- B. Continue to work with oceanfront developments to provide public access to the beach during redevelopment. Also work with neighborhood associations to protect neighborhood access points.
- C. Develop methods of increasing public awareness concerning beach access points through better access signage, informational kiosks, directional signage and brochures.

### **Town of Hilton Head Island's Shoreline Retreat Policy**

The State's Beach Management Act requires local plans to include a 40 year retreat policy that should consider relocation of buildings, removal of erosion control structures and relocation of utilities. When the Town's Beach Management Plan was first adopted in 1991, the State was in the process of drafting their own policy, so very little direction was received at that time. In 1992, the Town amended its original Beach Management Plan to include a 40 Year Retreat Policy which stated:

1. Locate development landward of the Setback line to the extent possible;
2. Adopt various growth management techniques and procedures to reduce development levels;
3. Retain open space seaward of the Setback line to the extent possible;
4. Utilize land acquisition; and
5. Address retreat during redevelopment scenarios after a disaster.

With the adoption of this Beach Management Plan, this Policy continues to be in effect. The Town's zoning, density and design standards help fulfill this policy along with other techniques mentioned in the next Section.

To accompany the above Retreat Policy, this Plan details an additional Policy on beach renourishment as part of the 40 Year Retreat Policy. Beginning in 1990, the Town embarked on an ambitious renourishment program with an ongoing maintenance program of sand fencing and native plantings. As a result of these beach renourishment and maintenance projects, portions of the beach and dunes system have been enhanced, thereby resulting in expanded areas that are subject to development pressures by construction that is not in the public interest and would not be in accordance with retreat policies and goals of the State of South Carolina and the Town of Hilton Head Island. In a few instances, the DHEC OCRM ~~has~~ designated a newly formed embryonic dune as the new primary dune, which ~~allow~~ed development on the landward, and sometimes larger, dunes. However, legislation passed in 2016 by the State now prohibits the movement of the baseline seaward after December 31, 2017. There have been petitions to the state administrative law judges to move the DHEC OCRM Baseline further seaward, in accordance with SC Code Section 48-39-280 (A) (4) increasing the number of areas for loss of the larger dunes system. In addition, the DHEC OCRM is also required under Section 48-39-280 (C) to





~~revise the Baseline every eight to ten years, which could possibly result in moving the line seaward. This would further encourage development on top of the larger dunes system.~~

It is not and has not been the intent of the Town to encourage or permit development to move seaward as a result of the Town's beach renourishment projects and efforts, ~~or to support any effort to move the DHEC OCRM baseline established by the DHEC OCRM seaward, where such effort to relocate the baseline is based in whole or in part on the existence of new dunes and/or new beach areas formed as a result of the Town's beach renourishment projects and efforts, or by other private efforts.~~ The Town's intent in pursuing the renourishment program is:

- ✓ To protect, preserve, restore, stabilize and enhance the beach/dune system through beach renourishment and other appropriate means, to provide for the protection of life and property, and to act as a buffer from high tides, storm surge, hurricanes, and erosion;
- ✓ To prohibit development from moving seaward onto new dunes or beach areas formed as a result of the Town's beach renourishment projects and efforts;
- ✓ To provide an important basis for a tourism industry that generates annual revenue for the State of South Carolina and the Town;
- ✓ To provide habitat for numerous species of plants and animals which are threatened or endangered, or which may become threatened or endangered as a result of the loss of the beach/dune system;
- ✓ To provide habitat for beach/dune system vegetation that is unique and extremely important to the vitality and preservation of the system; and
- ✓ To create a recreational beach at high tide.



# 1 – INTRODUCTION

## 1.1 PURPOSE

Local comprehensive beach management plans are an important and effective management tool for local governments to develop strategies for managing and protecting coastal resources. In South Carolina, if a local government wishes to participate in the state funding programs available for beach renourishment or other grant programs, the governing body must adopt and enforce a Local Comprehensive Beachfront Management Plan that is consistent with the South Carolina Beachfront Management Act. Section 48-39-350 of the South Carolina Code of Laws required local governments to prepare a local comprehensive beach management plan by July 1, 1991. This plan is to be updated at least every five years following its approval by the State of South Carolina.

The purpose of the Town of Hilton Head Island's Beach Management Plan is to:

- ✓ Fulfill the State-mandated requirement for a local beach management plan;
- ✓ Provide guidance for ordinances and actions that protect and preserve the beach and dunes;
- ✓ Provide guidance for local ordinances and actions that regulate development near the beach and dunes;
- ✓ Provide guidance and goals for future beach access;
- ✓ Provide guidance for beach management and maintenance; and
- ✓ Provide goals for future protection, preservation and regulation of the beach and dunes system.

## 1.2 HISTORY OF PLAN APPROVALS AND REVISIONS

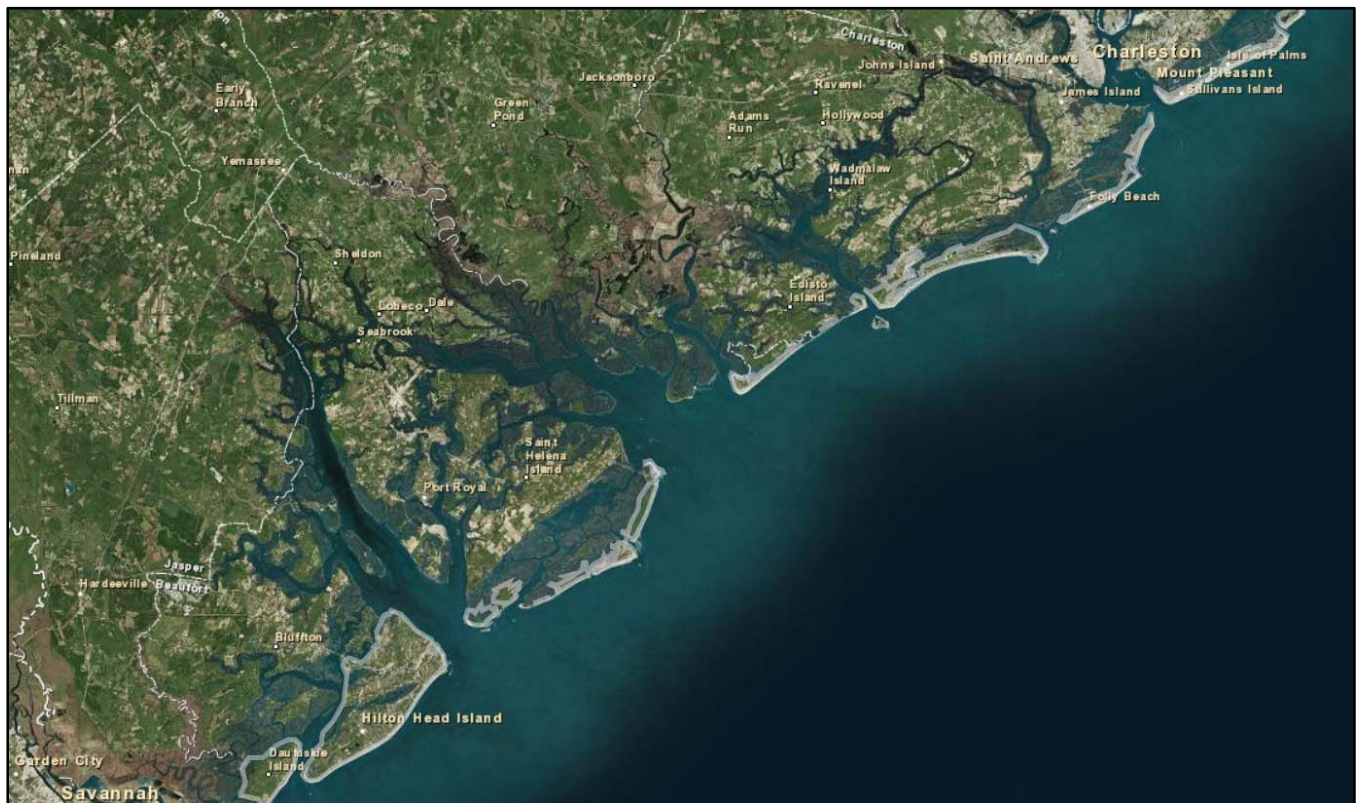
The Town's first Beach Management Plan was approved by the South Carolina Coastal Council (SCCC; now known as South Carolina Department of Health and Environmental Control, Office of Ocean and Coastal Resource Management - DHEC OCRM) and was adopted by Town Council on June 17, 1991. In 1992, the Plan was amended by Town Council and approved by the State to include a 40 Year Retreat Policy. Additional Plan modifications were adopted by Town Council including amendments to the public access improvement section, changing the number of beach access parking spaces and the implementation schedule of the Plan. The Beach Management Plan was also adopted as part of the Town's Comprehensive Plan in 2004 and 2010. Since initial adoption, the Plan has been reviewed by the State in 1992, 1995, 1998 and 2001. In 2009 a complete update of the plan was approved and minor modifications to beach parking were approved in 2011, which were also adopted as an appendix to the Town's Comprehensive Plan.



### 1.3 OVERVIEW OF HILTON HEAD ISLAND

Hilton Head Island is located along the Atlantic Coast in Beaufort County, South Carolina. The Island is located about 22 miles northeast of Savannah, Georgia, and 15 miles south of Beaufort, South Carolina. It occupies a land area of approximately 23,000 acres or 54 square miles, with approximately 34.4 square miles of high ground, and is approximately 12 miles long and 5 miles wide, making it the largest oceanfront island on the Atlantic seaboard between New York and Florida. It is bounded on the northeast by Port Royal Sound, Calibogue Sound to the southwest, and Skull Creek, part of the Atlantic Intracoastal Waterway, to the north.

**FIGURE 1: HILTON HEAD ISLAND LOCATION**



Source: DHEC OCRM (<http://gis.dhec.sc.gov/shoreline/>)

The Island's southeast shoreline faces the Atlantic Ocean and has a beach that stretches 13 miles from Braddock Cove in the south to Fish Haul Creek in the north. The beach runs uninterrupted except for a small tidal inlet located mid-island, called the Folly. Historically, the Island has had a wide, sandy beach to the north and south and a narrow, recreational beach mid-island at low tide. A seven mile tidal inlet, Broad Creek, runs diagonally across the Island and opens into Calibogue Sound. The island is relatively flat with a maximum elevation of twenty-four feet in limited places. The average tidal range along the island can be between six and thirteen feet.

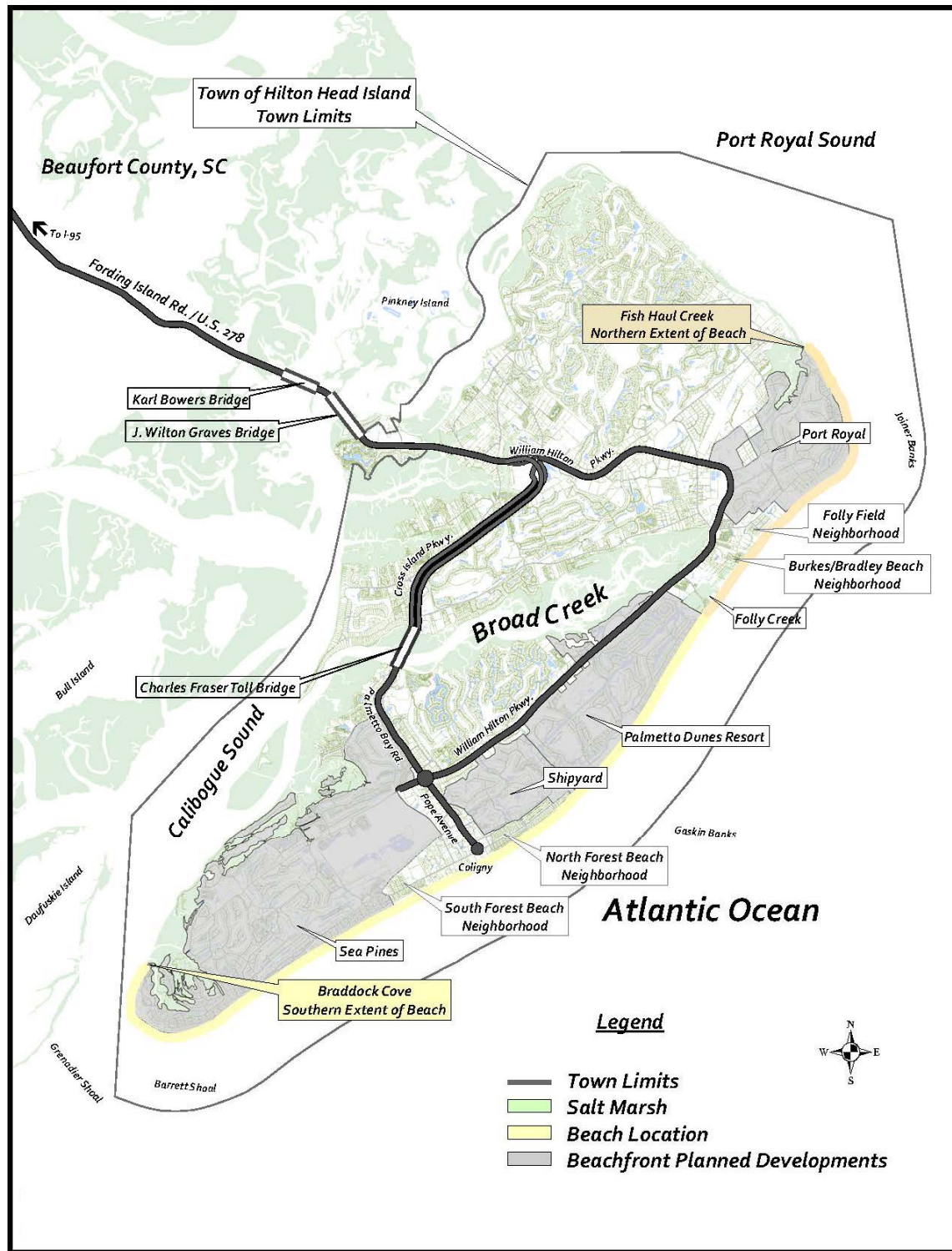


Access to the Island is provided by U.S. 278 over two toll-free bridges, Graves Bridge and Karl Bowers Bridge. William Hilton Parkway (US 278 Business) and the Cross Island Parkway (US 278) serve as the Island's primary roadways. The Fraser Bridge spans across Broad Creek to connect the Cross Island Parkway with William Hilton Parkway on the south end of the Island. All other roads connect these roads, making them the life line connecting area residents and visitors to local residential, business and recreational areas. From its beginnings as a rich and abundant agrarian community to its current status as a distinguished resort and retirement community, Hilton Head Island has become known for its unique island character which integrates high quality design in the built environment with the superior natural beauty of the Island's beaches, extensive wetlands, diverse wildlife and natural landscape. Currently, approximately 70% of the Island has been developed as a part of master planned communities, also referred to as Planned Unit Developments (PUDs), which contribute significantly to the unique character and demographic composition of the Island. These PUDs reflect a tradition of planned street patterns, dwelling sites, and locations for public and institutional activities adapted to a modern resort concept that has become unique to Hilton Head Island.





**FIGURE 2: ISLAND DESCRIPTION**





## 1.4 CURRENT BEACH MANAGEMENT ISSUES

### Development Issues

One of the most significant threats to the shoreline of Hilton Head Island is from continuous development pressure to construct as closely to the dunes system as possible, ~~and in some cases, to build on older, more well-established dunes that are located outside of any required setbacks.~~ With the Island approaching build-out, older developments are renovating or redeveloping with larger building footprints that push ever closer to the dunes system and beach. ~~Some recent development and redevelopment projects have even petitioned the State to move the DHEC OCRM line further seaward in order to create more land on which to build.~~

There are also several vacant parcels of land seaward of existing developments that usually encompass the dunes system, known as strand blocks. These parcels have historically been owned by property owners' associations. Some of these have been sold to developers who wish to develop the parcels. This endangers the existing dunes system and causes the landward parcels, which were marketed as oceanfront, to no longer have a view of or direct access to the beach. Furthermore, the economic, societal and safety risks that result from such development are of great concern to the Town.

### Environmental Issues

The Town also faces various environmental concerns in relationship to the management of its shoreline. Erosion of the beach is ongoing at some locations and has prompted a very ambitious and expensive renourishment program by the Town. The Town of Hilton Head Island has spent over \$50 million in beach renourishment projects from 1990-~~2012~~ 2014 resulting in a wider, higher and more robust beach configuration suitable for both active and passive use opportunities at all stages of the tide. Currently, a large scale renourishment project is planned for this year that is estimated to cost approximately ~~\$50~~ 20.7 million dollars. Constant monitoring is undertaken and a continuous local funding source has been established for renourishment. The potential for negative impacts from global warming and rising sea levels will require the Town to continue to evaluate the feasibility of renourishment as its primary shoreline management technique and plan accordingly.

In addition to beach renourishment, shoreline stabilization has also been performed in seven locations through the use of hard structures, such as groins, revetments and bulkheads. Some of these efforts were undertaken by homeowners, developers, hotels or property owners associations; however, the Town must evaluate issues such as liability, ownership, maintenance, cost and permit matters to determine the future role of the Town and the public's interest in these structures in relationship to overall shoreline management.

The protection and enhancement of the dunes system and its vegetation, as a part of an overall approach to beach management, is an extremely important issue for the Town. This area helps to protect life and





property by serving as a storm barrier and habitat for numerous species of plants and animals, some of which are threatened or endangered. As the number of beachgoers and activities on the beach increases, more demand will be placed on these important resources. Additionally, the protection of critical habitats, such as tidal inlets and creeks, like the Folly, as well as Fish Haul Creek, are also concerns.

### *Beach Access*

There are very few undeveloped beachfront parcels remaining on the Island. This makes preservation and enhancement of any current beach parking and access location critical. Redevelopment projects also offer the opportunity to secure additional easements open to the general public. Prior to the incorporation of the Town in 1983, public access to the beach was provided by more informal access areas. People often parked along the sides of roadways or on undeveloped properties to access the beach. As the Island has continued to develop, additional parking and access areas have been developed by the Town and the other beachfront developments for visitors and residents of the Island. The Town has constructed eight public beach parks. Other private developments contain a total of seven beach parks that serve thousands of visitors and residents of the Island.

### *Water Quality*

It is important to maintain a high level of beach water quality to protect the natural functions (i.e. chemical, biological and physical) and recreational opportunities (i.e. swimming, fishing, wading, boating). To support this, the Town of Hilton Head Island directs all drainage away from the beach area. Moreover, storm water quality is monitored at 16 locations twice a month on Hilton Head Island. DHEC OCRM monitors locations throughout the recreational swimming season, designated as April 15 through October 15. The Town of Hilton Head Island has documented less than 5 advisories in the past two years; overall, beach water quality is very good. In order to ensure that this does not change, the Town must continue to monitor water quality and make any necessary changes as a result of test indications.

### *Hurricane and Storm Damage*

As a coastal community, the potential for hurricanes and the associated impacts must be considered. In addition to the Town's efforts to maintain adequate storm protection through the continuation of beach renourishment, dune refurbishment and maintenance of selected shoreline protection structures, disaster recovery and response are being addressed. Since 2003, the Town has an adopted post-disaster recovery plan that will be implemented after experiencing the effects of a major storm event. This plan was recently updated. In relationship to beach management recovery efforts, issues for the Town include the recovery and disposition of overwash sand, damage assessment of structures and the permitting process for oceanfront properties. A later chapter will discuss planning efforts currently underway in regard to these issues.



### *Social Issues*

The increasing popularity of the beach has resulted in more intense use of the beach for recreational and commercial purposes. In addition to the increasing numbers of beach goers, commercial companies are marketing the beach as a location for special events, such as weddings, parties, fitness programs, animal training, racing events, religious services, and even movies. The Town must ensure that these events do not interfere with any other franchise agreements that currently exist for beach areas and that other codes are not violated. This requires increased efforts by Town staff and other enforcement agencies.

**FIGURE 3: HILTON HEAD ISLAND RECREATIONAL BEACH**





## 2 - INVENTORY OF EXISTING CONDITIONS

### 2.1 GENERAL CHARACTERISTICS OF THE BEACH

Hilton Head Island is a compound barrier island formed by the advancing and falling sea during which sediment was deposited and leveled a number of times. The northern portion is a core of marine sediments deposited during periods of higher sea level caused by melting of continental ice sheets in the early Pleistocene epoch (1 million- 10,000 years ago). This area generally extends from Skull Creek, east to Port Royal Sound and Fish Haul Creek, and west to Brams Point following the western bank of Broad Creek. Much of the land area east and southeast of Broad Creek is a “fringe” of marine sediments. Fine sand was pushed inland by the rising sea level, caused by another time of warming and thawing of ice during the Holocene Period of the Pleistocene Epoch. The approximate foot shape of Hilton Head Island is typical of barrier islands on the “mesotidal” shoreline, in the interior of the Georgia Bight. Islands in this area are wider than other barriers, strongly influenced by tides (2-4 meters in range), shaped by waves and currents, and develop ebb-tidal deltas such as Joiner Bank (Port Royal Sound) and Barrett Shoals (Calibogue Sound).

The existing conditions along the shoreline of Hilton Head Island are the result of natural erosion patterns and various shoreline stabilization efforts. Historically, wide, sandy beach areas generally occur along portions of the Island’s shoreline, indicating areas of accretion. Accretion is the gradual buildup of sediment that results in an increase in the size of the beach. Other areas of the Island’s shoreline have been more vulnerable to erosion and have a narrower beach area. Typically a wide, sandy beach occurs on the northern and southern ends of the Island with a narrower beach occurring mid-island. Ongoing erosion has been continually mitigated by beach renourishment projects.

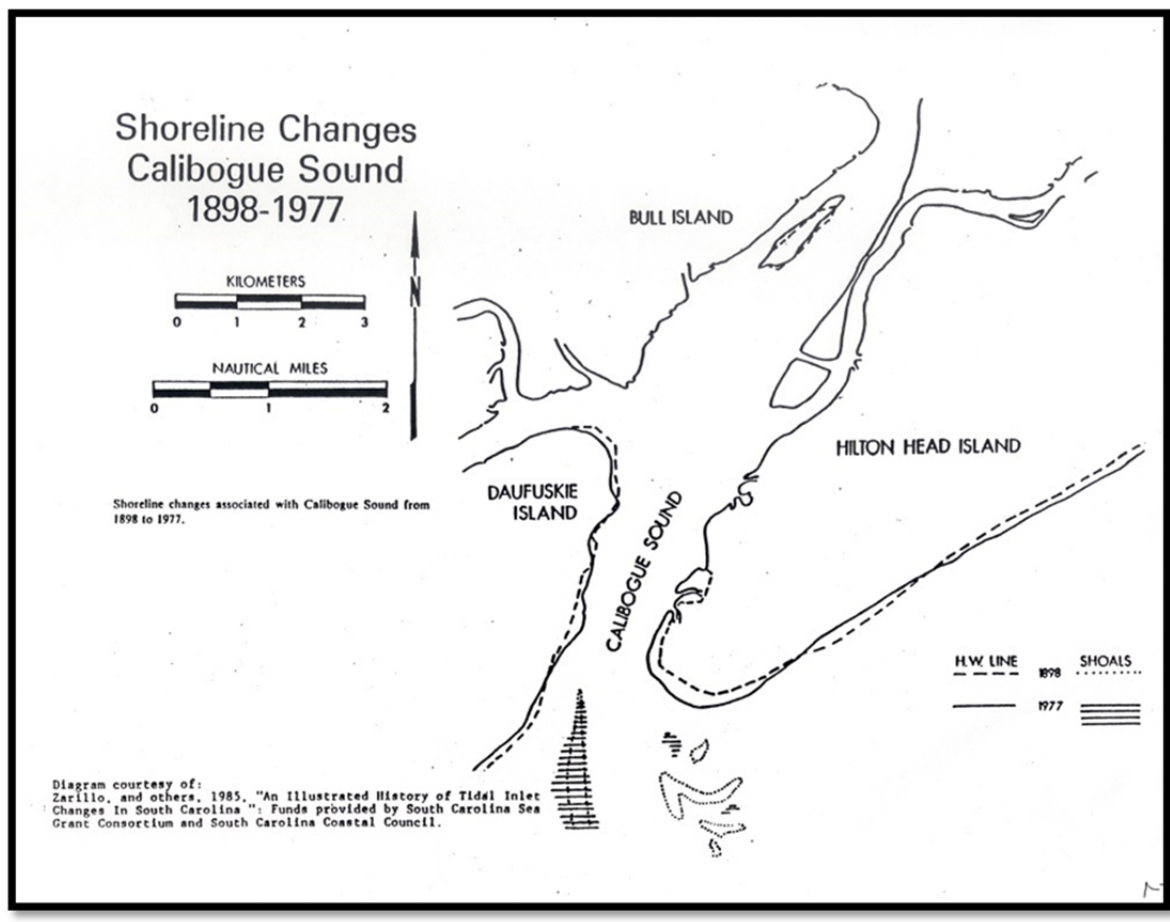
According to Section 8-1-112 of the Town’s Municipal Code, the beach extends from Fish Haul Creek to Braddock Cove, from the first property line into the water 75 yards from the low water mark. The surface material of the beach contains a mix of silica sand, or quartz sand and shell fragments, which is typical of other shorelines along this area of the coast and has a light brown appearance. The native sand is approximately 0.16mm in size.

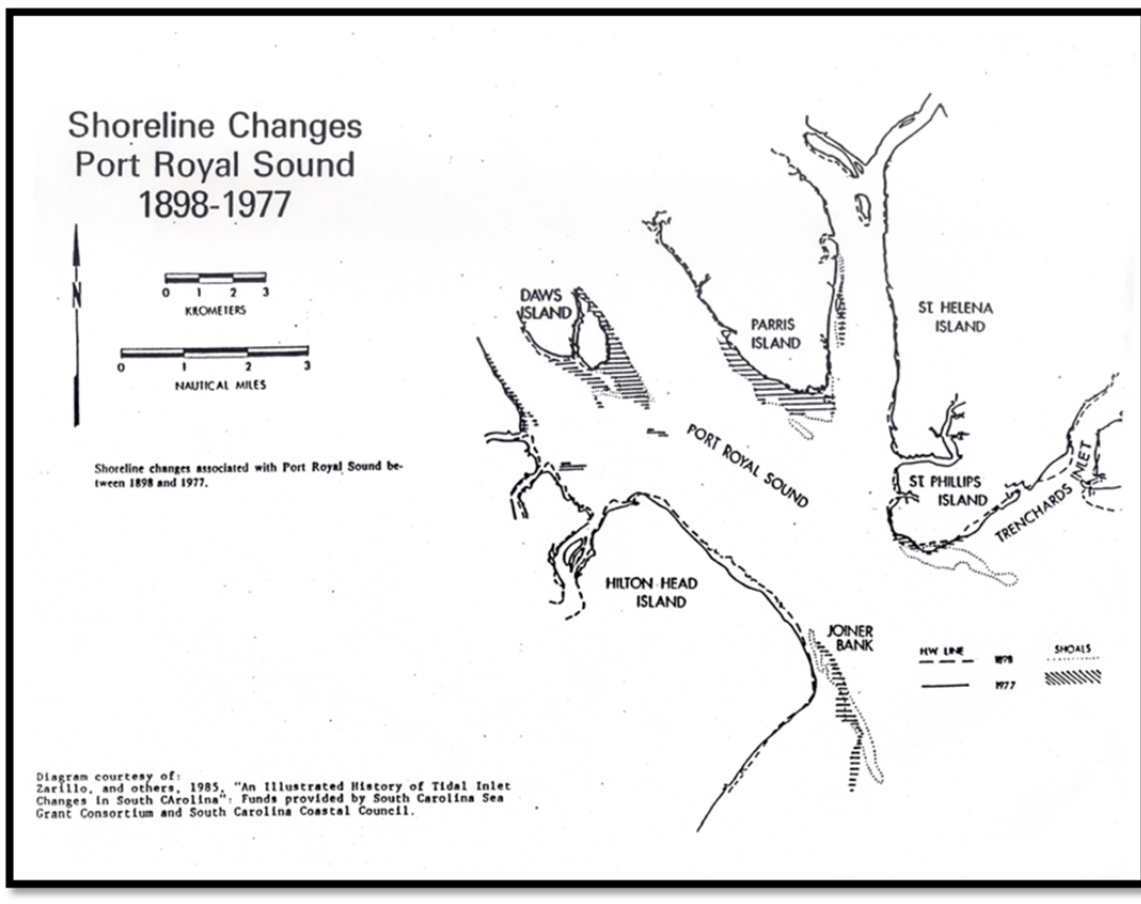
Along the shoreline, the existing dunes system varies in depth and height. This system is defined by the Town of Hilton Head Island’s Municipal Code as “one or a series of hills or ridges of wind-blown sand or one or a series of hills or ridges of sand resulting directly or indirectly from restoration or beach renourishment, all of which may or may not be anchored by vegetation and is in the vicinity of the beach.” The average dune height is approximately six feet, with heights ranging from three to twelve feet.



Calibogue Sound lies between Hilton Head Island to the west and Bull Island and Daufuskie Island to the east. It is the southernmost embayment in South Carolina. This Sound floods and drains extensive salt marshes landward of Hilton Head and Daufuskie Islands. A large intertidal shoal, Grenadier Shoal, has remained stable on the west side of Calibogue Sound for all of the 20<sup>th</sup> century. It lies seaward of Daufuskie Island and to the southwest of the main channel (See Figure 4- Shoreline Changes, Calibogue Sound 1898-1977). Eastward of this channel the shoals are more short-lived. They result from the littoral transport of sediment eroded from the central portion of Hilton Head Island. The accumulation of these shoals at the southwest corner of Hilton Head Island is the first step in forming the ebb tidal delta of Calibogue Sound.

**FIGURE 4 – SHORLINE CHANGES CALIBOGUE SOUND 1898-1977**



**FIGURE 5: SHORELINE CHANGES CALIBOGUE SOUND 1898-1977**

## 2.2 GENERAL LAND USE PATTERNS

Hilton Head Island is known for its incredible natural beauty and a sense of harmony between the natural and built environment. Over 70% of Hilton Head Island has been developed with master planned communities, which occupy the majority of the Island's shoreline. These beachfront planned developments include Sea Pines, Palmetto Dunes, Port Royal, and a small portion of Shipyard. In general, these developments are largely single family developments with some multi-family and resort areas along the beach. Other beachfront areas include South and North Forest Beach, Folly Field, Singleton, and Bradley Neighborhoods. (See Figure 2: Hilton Head Island Description.)

According to the 2010 Census, there are approximately 37,099 permanent residents on the Island. Census data also indicates that the Island's population consists of a higher percentage of older adults and retirees with a median age of 50.9 and average income of \$70,041. The racial composition of Island





residents is predominately white, 75.2% with an average household size of 2.3 people. The beach and associated amenities drive the Island's economy and contribute significantly to the economic vitality of the region supported by the Island's tourism industry support the Island's tourism industry, which drives the Island's economy and contributes significantly to the economic vitality of the region (See Figure 2 - Island Description).

### **2.2.1 Beach Uses**

In the past 25 years, the beach at Hilton Head Island has gone from an area where only a few beach walkers, sunbathers, and swimmers frequented, to an area with more varied activities. The primary uses of the beach include the traditional uses of walking, wading, swimming and sunbathing. The Town contracts with a private company, Shore Beach Services, to provide life guard services during certain times of the year. This service also includes litter patrol, including recycling, and beach rental items. Other activities that have become popular are fishing, surfing, kiting, volleyball, sailing, bocce ball and other beach games. The beach is also used for special events such as weddings, parties, fitness program locations, animal training locations, racing events, religious services, and even movies.

### **2.2.2 Benefits and Values of the Beach**

Natural habitats and resources are also recognized for the economic benefits that they provide. Protection of natural resources is identified in the Town's Comprehensive Plan as essential to maintaining the high quality of life on Hilton Head Island. Residents indicate that the attributes of coastal ecosystems, including marshes, mature trees, marine waters, and sandy beaches influenced their decision to purchase property on Hilton Head Island. In addition, the accessible ocean beach is a predominant factor in the local tourism and vacation rental economy. Eco-tourism has also increased as an economic market around Beaufort and on Hilton Head Island.

Hilton Head Island's shoreline is a diverse and productive ecosystem that serves as a critical link between the water and the land. The sandy beach and dunes system serves as the Island's first line of protection from the high winds and waves associated with storm activities and turbulent seas. This area also supports a rich web of life including animals like worms, clams, shrimp and crabs that in turn attract predators such as seabirds, which depend on sandy beaches for their foraging activities. The beach provides critical nesting habitat for several species of birds and animals, particularly the threatened loggerhead sea turtle. Recreational opportunities such as fishing, swimming, beachcombing, bird-watching, and sunbathing are also provided by the beach and contribute significantly to the success of the multi-million dollar tourism industry on the island.

According to the Hilton Head Island-Bluffton Chamber of Commerce, the Island hosts approximately 2.4 million annual visitors with the beach and its associated amenities being the most important reason





for choosing Hilton Head Island (Hilton Head Island Visitor Profile and Conversion Study, 2010). According to this same study, travel parties reported spending an estimated \$2,726 per trip during week-long trips to the Island. In order to help maintain the recreational quality of the beach associated with this industry, the Town of Hilton Head Island exercises beach renourishment as its primary means of shoreline management, which is anticipated to be needed every seven years.

The primary source of funding for these renourishments is a 2% local Accommodations Tax levied on short term rentals, hotels and motel accommodations, which provided \$5.3 million last year in funding dedicated to beach renourishment and related monitoring, dune refurbishment, maintenance and operations, and new beach parks and beach access facilities. It is anticipated that this source of funding will remain a viable option in future years. This document contemplates this and other issues surrounding the continuation of the Town's Beach Management Program and other alternatives for shoreline management, including shoreline retreat. The Town adopted special zoning districts along the beachfront to prevent development from moving further seaward, which is discussed in more detail in the Land Use Development and Zoning section.

The economic impact of the coastal areas has also been recognized by DHEC OCRM in a report that was issued in October of 2002. According to this report, 22% of the state's economy is a result of the output of revenues from coastal areas. This report also indicated that a quarter of the state's population growth in the last 10 years has occurred in the eight coastal counties. One in every three new private jobs during the past decade has been created along the coast and when compared to other areas of the State the average income in coastal areas is higher (Henry, M.S. & Barkley, D.L. 2002. The Contribution of the Coast to the South Carolina Economy. Clemson University Regional Economic Development Research Laboratory).

## **2.3 BEACHFRONT DEVELOPMENTS AND ZONING**

The Town's Land Management Ordinance, in Chapter 3 (Zoning Districts) provides for the establishment of certain base and overlay districts for the purpose of guiding development in accordance with existing and future needs and in order to protect, promote and improve the public health, safety, morals, convenience, order, appearance, prosperity and general welfare. Of these zones, a large portion of the beachfront area is zoned PD-1 (Planned Development Mixed-Use District). Sea Pines and Port Royal Master Plans specifically identify much of their beachfront area as 'open space.' To change this land use, it typically would require a vote of the majority of property owners as this property is typically owned by the POA. Such a change would then require a rezoning by Town Council.

Other areas along the beach are classified into different zones. The designation of 'open space' along the beach is not specifically identified in these other zones as it is in the PD-1 zone. In some instances, this



has led to certain parcels “(strand blocks)” being sold to developers who are looking into the possibility of developing these parcels. These strand blocks typically contain remnants of the dunes system that lie landward of the primary dune. Development of these areas would therefore destroy the remaining dunes system. The Town is taking steps to prevent this, as described later in the Shoreline Retreat Policy Section.

Density in the zoning districts is limited, in part to protect and preserve the beach and dunes system. The PD-1 zoning districts are typically 2 or fewer units/acre. The beachfront zones which allow the most density are the Coligny Resort District, for which the allowable density is undefined. It is limited by applicable design and performance standards such as height and parking. The Resort Development District allows 16 dwelling units per acre.

The following is a listing and brief description of the character and purpose of each of the beachfront zoning districts (See Figure 6 - Zoning District Map.)

- **PD-1 (Planned Development Mixed-Use District):**  
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.
- **RSF-6 Residential Single-Family-6 District:**  
The purpose of the Residential Single-Family-6 (RSF-6) District is to primarily accommodate single-family dwellings at densities ranging up to six units per acre. It is intended to discourage any use that would substantially interfere with the development of single-family dwellings or would be detrimental to the quiet residential nature of single-family neighborhoods. The district also accommodates agricultural uses and parks as permitted uses.
- **RM-8 Moderate Density Residential District:**  
The purpose of the Moderate Density Residential (RM-8) District is to allow the development of residential uses at densities up to eight dwelling units per net acre. The district allows a variety of residential uses, along with uses that support neighborhoods. The district is intended to discourage development that would substantially interfere with, or be detrimental to, moderate residential character.
- **Coligny Resort District:**  
The purpose of the Coligny Resort (CR) District is to recognize and promote further investment in the area near Coligny Circle as an activity center and a core high-energy and visitor oriented resort destination that encourages people to live, work, and recreate within the district. The district is



intended to accommodate relatively high-intensity commercial, office, residential, and mixed-use development that is pedestrian oriented and human-scale. It is also intended to promote development that integrates civic and public gathering spaces and connects to such places in nearby developments and public places.

- **RD (Resort Development District):**

It is the purpose of the Resort Development (RD) District to provide for resort development in the form of multifamily development, bed and breakfasts, and resort hotels. It is also the purpose of this district to provide for commercial development aimed at serving the island visitor.

- **PR (Parks and Recreation District):**

The purpose of the Parks and Recreation (PR) District is to accommodate and manage the land uses allowed on publicly held land used for active or passive recreation purposes, or publicly owned land preserved in its natural state for public enjoyment. Development in this district shall be allowed and designed to minimize, as much as possible, its impact on both the natural environment and the community.

- **CON (Conservation District):**

The purpose of the Conservation (CON) District is to preserve and protect environmentally sensitive tidal wetland and beachfront lands subject to natural hazards by ensuring these areas only accommodate very low intensity development that minimally disrupts natural features or systems (either temporarily or permanently). The upland boundary of this district corresponds to the OCRM Critical Line and therefore is approximately coterminous with all tidal wetlands and the upland boundary of the beach, as defined in Section 8-1-112 of the Municipal Code, and extends outward to the Town jurisdictional boundary, as identified in Section 2-1-20 of the Municipal Code.

- **FF-NC-O Folly Field Neighborhood Character Overlay District:**

The purpose of the Folly Field Neighborhood Character Overlay (FF-NC-O) District is to protect the single-family residential character of the district and in particular the development and redevelopment of lots within the district. All new development and changes to existing development in the district are subject to the overlay district regulations in addition to those listed in Sec. 16-3-104.C, Residential Single-Family-5 (RSF-5) District.

- **FB-NC-O Forest Beach Neighborhood Character Overlay District:**

The purpose of the Forest Beach Neighborhood Character Overlay (FB-NC-O) District is to protect the single-family residential character of the district and in particular the development and redevelopment of lots within the district. All new development and changes to existing development in the district are subject to the overlay district regulations in addition to those listed in Sec. 16-3-104.C, Residential Single-Family-5 (RSF-5) District.

- **HH-NC-O Holiday Homes Neighborhood Character Overlay District:**

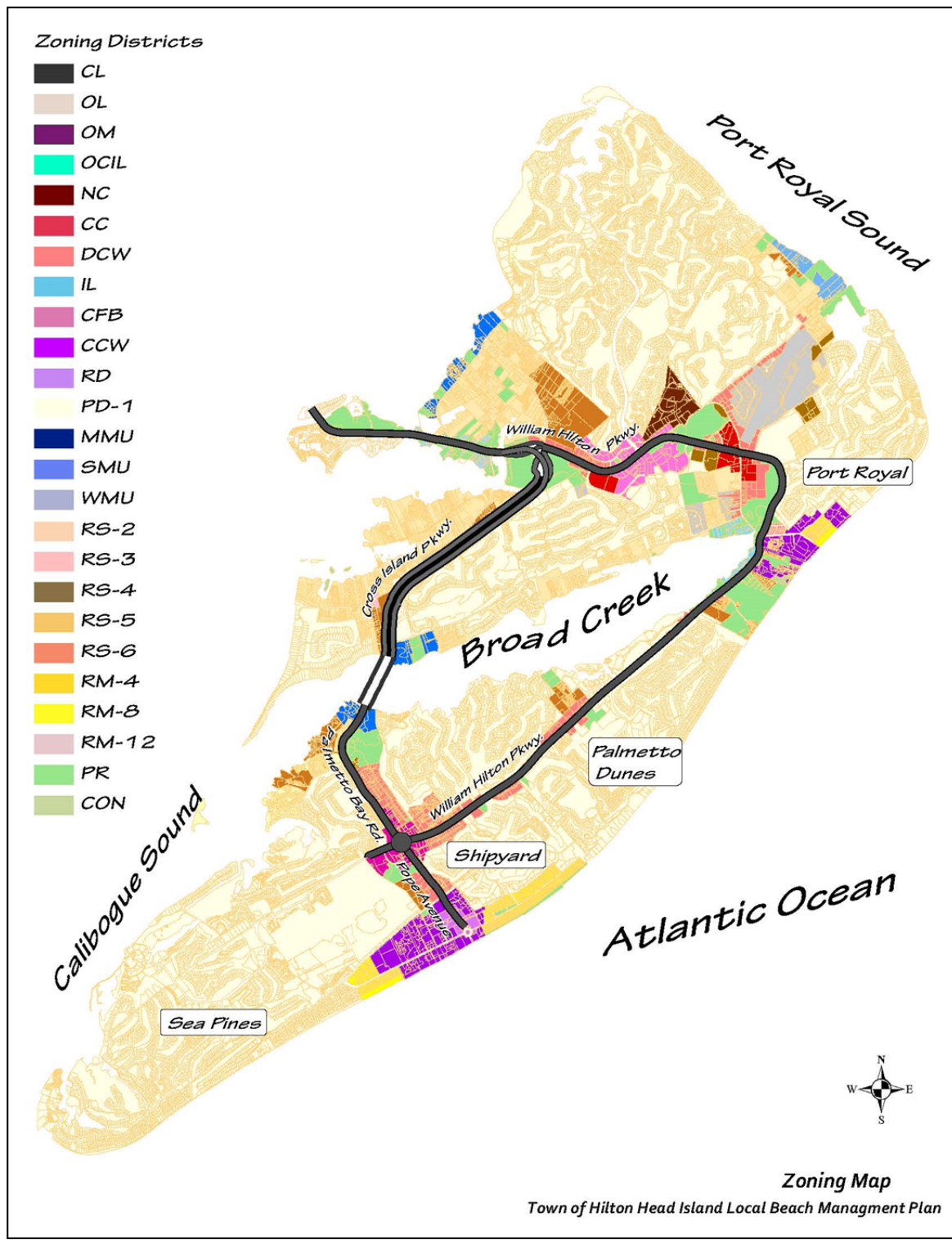
The purpose of the Holiday Homes Neighborhood Character Overlay (HH-NC-O) District is to protect the single-family residential character of the district and in particular the development and redevelopment of lots within the district. All new development and changes to existing



development are subject to the overlay district regulations, in addition to those listed in Sec. 16-3-104.D, Residential Single-Family-6 (RSF-6) District. Existing nonconforming structures and site features may be expanded as long as the site complies with certain standards for the required floor area ratio (FAR) and maximum impervious cover.



**FIGURE 6 – ZONING MAP**





Zoning regulations for beachfront areas adjacent to these PUD's are based on their individual master plans as part of the Planned Development Mixed Use Zoning District (PD-1) within the Town. In addition to these regulations, the Town's Land Management Ordinance requires that developments along the beach comply with special zoning districts.

**Table 1: Major Beachfront Planned Developments**

<i>Sea Pines Plantation:</i> 4,694 acres 5,890 residential units maximum permitted (includes both single family and multi-family)
<i>Shipyards:</i> 726.3 acres 279 single family lots <u>1,588 multi-family/hotel units</u> 1,867 units total
<i>Palmetto Dunes:</i> 1839 acres 1,231 single family <u>3,653 multi-family</u> 4,884 total units
<i>Port Royal:</i> 1,254 acres 1,021 single family lots/homes <u>1,032 multi-family</u> 2,053 total units

*Town of Hilton Head Island, 2007*

The following is a summary of the private covenants and restrictions that apply to each of the beachfront planned developments moving south to north along the Island's shore.

**Sea Pines**

Setbacks and other restrictions for properties in this PUD are outlined in the "Guidelines and Procedures for Design and Construction of Single Family Residences" (November 1991).





Owners of oceanfront lots are strongly encouraged to locate new homes as far from the beach as possible. Thus, the Sea Pines Architectural Review Board (ARB) has established a setback from the oceanfront property line for all vertical construction of 50 feet or 25 percent of the lot depth, whichever is greater. The ARB reserves the right, depending on special circumstances on a case-by-case basis, to approve variances from this setback guideline. The ARB also applies several aesthetic and natural setting considerations as it reviews proposed beachfront projects.

Setback requirements for pools and spas are also outlined in the guidelines for beachfront lots the decks of “in-ground” and “above-ground” pool and spa units, including decking, are considered “vertical” structures and are thus subject to the minimum 50 foot setback from the beachfront property line.

Persons who believe these regulations are unfair, inconsistent with past practices, or fail to consider all relevant facts and information may formally request the matter be reviewed and reconsidered again by the ARB via an appeal or variance. The Guidelines and Procedures outline the process for such appeals or variances.

#### *Shipyard*

This development has very limited beachfront area, which is currently developed with a hotel and beach club for visitors and residents of the development. Beachfront setbacks for the development are not mentioned within the Shipyard ARB guidelines or restrictive covenants, so the Town’s setbacks apply that are further described in Section 4.2.4, Beachfront Development Regulations.

#### *Palmetto Dunes*

Setback requirements for this development are outlined in its “Architectural Review Board Policies, Procedures and New Construction Guidelines” (March 2005). This outlines the beachfront setback requirements as generally being 50 feet from the beachfront. Pools and their surrounding decks have a setback of 20 feet. Variances from these setbacks may also be sought from the Architectural Review Board.

#### *Port Royal*

Setbacks in this PUD are outlined in the “Port Royal Plantation Plans Approval Board Guidelines and Procedures” (November, 2005). Property line setback regulations require that no vertical construction shall be closer than 50 feet from a property line adjoining a golf course, lagoon, ocean, dune area or marsh. Variances and appeal procedures area also included.

### **2.3.1 Beachfront Structural Inventory**

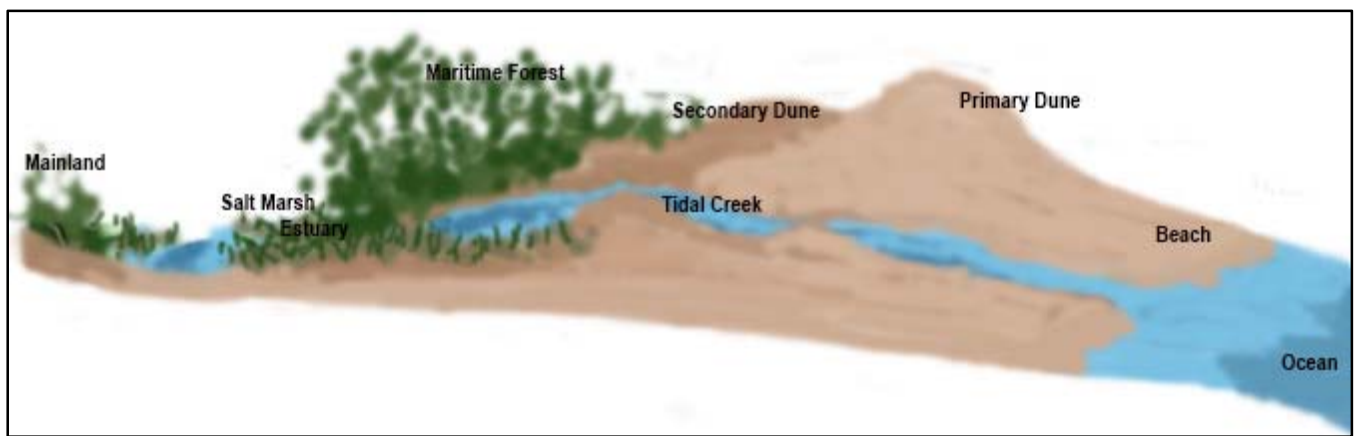
Section 48-39-350(A) (3) of the Beachfront Management Act requires all communities to include an inventory of all structures located seaward of the DHEC OCRM setback line as part of their local beach management plan. This inventory was conducted using the Town's GIS system and can be found in Appendix A.

Structural inventory guidelines required by the state are as follows:

- If any portion of a structure is seaward of the setback line document the distance seaward the structure is located.
- Commercial structures are considered habitable structures;
- Count all detached structures as separate buildings (decks, boardwalks, pools, etc.); and
- An erosion control structure which covers more than one tax parcel should be counted as a separate structure for each parcel.

## **2.4 NATURAL RESOURCES AND ECOLOGICAL HABITATS**

**FIGURE 7: BARRIER ISLAND ENVIRONMENTS**



A main concern in managing South Carolina's ocean beaches is the protection and conservation of coastal natural resources and ecological habitats. As part of a coastal barrier island, the Hilton Head Island beachfront exhibits a variety of natural resources due to the diversity of ecotypes and habitats that occur. The interaction between shifting terrestrial sand dune and beach habitats, shallow coastal waters, and the open ocean result in a dynamic landscape that is used by various organisms.



Three terrestrial habitats are found around the Hilton Head Island beachfront, namely the beach community, maritime shrub thickets, and maritime forest. Maritime forests are upland communities typified by live oak, cabbage palmetto, and loblolly pine. Small remnant patches of this habitat are scattered throughout the island. Maritime shrub thicket communities commonly grow in older dunes, behind the primary dunes, and include salt tolerant shrubs such as wax myrtle, yaupon holly, and red cedar. Finally, the beach community generally includes the open beach and dune habitats, as well as the foreshore zone that is frequently inundated by the tides. Each ecological community provides benefits to plants and animals that use the habitat to forage, as shelter for nesting or for a combination of these uses.

The zone of dunes extends from the seaward edge of the beach berm to the seaward edge of the maritime forest tree line. Dunes on Hilton Head Island are relatively small due to the lack of strong, direct winds. Dunes form when wind-blown sand lodges against an obstacle. Native plants, including sea rocket, seaside pennywort, morning-glory species, beach pea, dune sandbur, sea oats, seaside panicum, camphorweed, yucca species, wax myrtle and yaupon, are resistant to blowing salt and stabilize the dunes with their roots. The typical “dune field” has five zones:

- Sea wrack: Debris, primarily dead spartina grass, deposited by high tides.
- Embryo dune: Sand that collects in the sea wrack.
- Foredune: The seaward dune that is stabilized by plants.
- Interdune troughs: Low areas between dune ridges.
- Back dunes: One or more dunes landward of the foredune populated by common seaside grasses, shrubs and stunted trees.

The importance of barrier islands as habitat for plants and animals is significant. Many animals are dependent on smaller prey available on open beach habitats as part of complex food webs. Some animals also require the sands of primary dunes on barrier islands, such as at Hilton Head Island, for nesting sites and are unable to successfully reproduce without access to this habitat. In the water, nearshore subtidal bars and sand flats can support large numbers and species of marine invertebrates and fish that cannot thrive in the open ocean. Long-term or permanent alteration to these habitats can affect the type, health, and vitality of marine plants and animals.

Natural habitats and resources are also recognized for the social and economic benefits that they provide. Protection of natural resources is identified in the Town’s Comprehensive Plan as essential to maintaining the high quality of life on Hilton Head Island. Residents indicate that the attributes of coastal ecosystems, including marshes, mature trees, marine waters, and sandy beaches influenced their decision to purchase property on Hilton Head Island. In addition, the accessible ocean beach is a predominant factor in the local tourism and vacation rental economy. Eco-tourism has also increased as an economic market around Beaufort and on Hilton Head Island.

**FIGURE 8: THE FOLLY TIDAL CREEK ESTUARY**



Several natural resource protection efforts have been achieved and continue for the Town of Hilton Head Island.

- **Beach nourishment:** Conducted in 1990, 1997, 1999 (emergency work at South Beach) and, 2007 and 2012 This created a suitable nesting habitat for sea turtles along miles of previously eroded and/or reveted beach. It protects the sand dune habitat, promotes native plant and animal species that depend upon it and protects the shoreline from destruction by erosion. Approximately 8 miles of beach have been renourished.
- **Dune rebuilding/revegetation:** Sand fencing and native beach plants are routinely installed to help enhance the restoration of dune habitat previously destroyed by erosion.
- **Sea Turtle Protection Ordinance:** Established in 1990, this ordinance helps protect nesting sea turtles and emerging hatchlings by reducing disorientation caused by artificial lights shining onto the nesting beach. Prior to each season, the Town and the Coastal Discovery Museum use the media and informational brochures to advertise the ordinance. Town Code Enforcement Officers patrol the beaches regularly at night throughout the season to ensure compliance.
- **Sea turtle monitoring:** This has been an ongoing program of the Coastal Discovery Museum since 1984 (funded by the Town since 1989) that surveys and inventories sea



turtle nests which provides information on nesting activity and hatchling success rate. The Town has been accurately mapping the nests since 1999 using GPS technology. Educational benefits are afforded to the general public through opportunities for participation in the program, staff lectures and the distribution of a brochure written by the Town that gives information on sea turtle life history, states the regulations protecting them and gives contact numbers to report violations. (See Figure 10: Sea Turtle Nesting Densities.)

- **Tree protection ordinance:** Established in 1986, this ordinance protects native vegetation. Through the tree approval process, parcels are examined prior to development to ensure trees are marked for removal according to the approved site plan. Applicants are also encouraged to protect non-tree understory plants and are required to replant native trees similar to those removed if the post-development site no longer meets ordinance standards.
- **Wetland protection ordinance:** Established in 1986, this protects both salt and freshwater wetlands through the use of setbacks and buffers. Mitigation in-kind and on-site or - at another location on the Island is required for any wetland alteration. Monitoring the success of the mitigation is required for three years, with written reports required every six months and corrective action taken as necessary.
- **Design Review Board:** Established in 1987, this board reviews development projects along major roads, conservation districts, and waterfront areas (including beaches). It requires vegetated buffers (natural preferred) along waterfronts; reviews landscape plans to insure that a post-development site is adequately vegetated and encourages the use of native plant materials.
- **Land Acquisition Program:** Established in 1990, this program allows the Town to purchase properties for a variety of reasons, including beachfront and environmentally sensitive lands. The Town now owns over 1,312 acres. Most undeveloped beachfront property outside of the gated communities is now owned by the Town.
- **Town Staff:** An Environmental Planner and Sustainable Practices Coordinator have been hired since the initial adoption of the Town's Beach Management Plan. The Environmental Planner reviews site plans (including beachfront). The Sustainable Practices Coordinator prepares educational material such as brochures, performs biological monitoring, works to insure the Town is green in all its operations, implements the Town's Sustainability Plan (Green Blueprint) and performs other natural resources functions for the Town. The Codes Enforcement Officer is responsible for tree and wetland protection, including beachfront codes enforcement.
- **Water Quality Monitoring:** DHEC manages the water quality monitoring program for the Island's monitoring and testing of the beachfront for enterococcus.



- **Shore Bird Protection:** The Town of Hilton Head Island monitors two federally threatened shorebirds, piping plovers and red knots, which typically occur on the north end of the island. Both species use the island during fall and spring migration and winter, and may be present on the island from 15 July – 15 May. The monitoring area extends from Beach Marker 120 to Fish Haul Creek, and Mitchelville Beach to the north. Monitoring includes high tide surveys when birds are more concentrated to count and identify resting birds, and low tide surveys to count and identify feeding birds and to determine where to conduct benthic sampling, which monitors food availability. To obtain local population numbers for the season, monitoring is done weekly in November; one resting survey and two feeding surveys are done monthly from December to mid-March, and two island-wide surveys are done during migration in March and September.

Public education on these species is conducted via lectures and written articles in various media, brochures available in public areas of Town Hall, and information on these birds and their protection on the Town website and posted seasonally in the main lobby of Town Hall. Resting areas on the beach are posted with closure signs that prohibit entrance by dogs or people; these signs are relocated as the birds move their resting areas. Interpretive signs are also being designed for posting at public beach entrances.

#### **2.4.1 Threatened and Endangered Species**

The following is a listing of Endangered and Threatened Species, and species of Special Concern that use the beachfront, followed by a map (Figure 9—Piping Plover Critical Habitat) of the only known beachfront critical habitat on the Island for the piping plover.

***Table 2: Endangered and Threatened Species, and  
Species of Special Concern Using Hilton Head Island Beach***

<b><i>Name</i></b>	<b><i>Status</i></b>	<b><i>Habitat/Activity</i></b>
Loggerhead Sea Turtle	Threatened, FS	Beaches (nesting)
Green Sea Turtle	Threatened, FS	Beaches (nesting)
Kemps-Ridley Sea Turtle	Endangered, FS	Nearshore waters (Foraging)
Leatherback Sea Turtle	Endangered, FS	Beaches (nesting)
Eastern Brown Pelican	Species of Special Concern, S	Beaches
Least Tern	Threatened, S	Beaches, Dunes (nesting)





Wilson's Plover	Threatened, S	Beaches, Dunes (nesting)
Piping Plover	Threatened, F	Beaches
Red Knot	Threatened, S Threatened, F	Intertidal Flats(Wintering) Beaches, Intertidal Flats (Wintering)
Island Glass Lizard	Species of Special Concern, S	Dunes
<a href="#">West Indian Manatee</a>	<a href="#">FS</a>	<a href="#">Nearshore Waters (Wintering)</a>
<del>Seabeach Amaranth</del>	<del>Species of Special</del> <del>Threatened, F</del> <del>Threatened, S</del>	<del>Dunes (Plant)</del>

F—Federally Protected Species

S— State Protected Species

Source: USFWS and Town of Hilton Head Island, 2014



**FIGURE 9: PIPING PLOVER CRITICAL HABITAT**

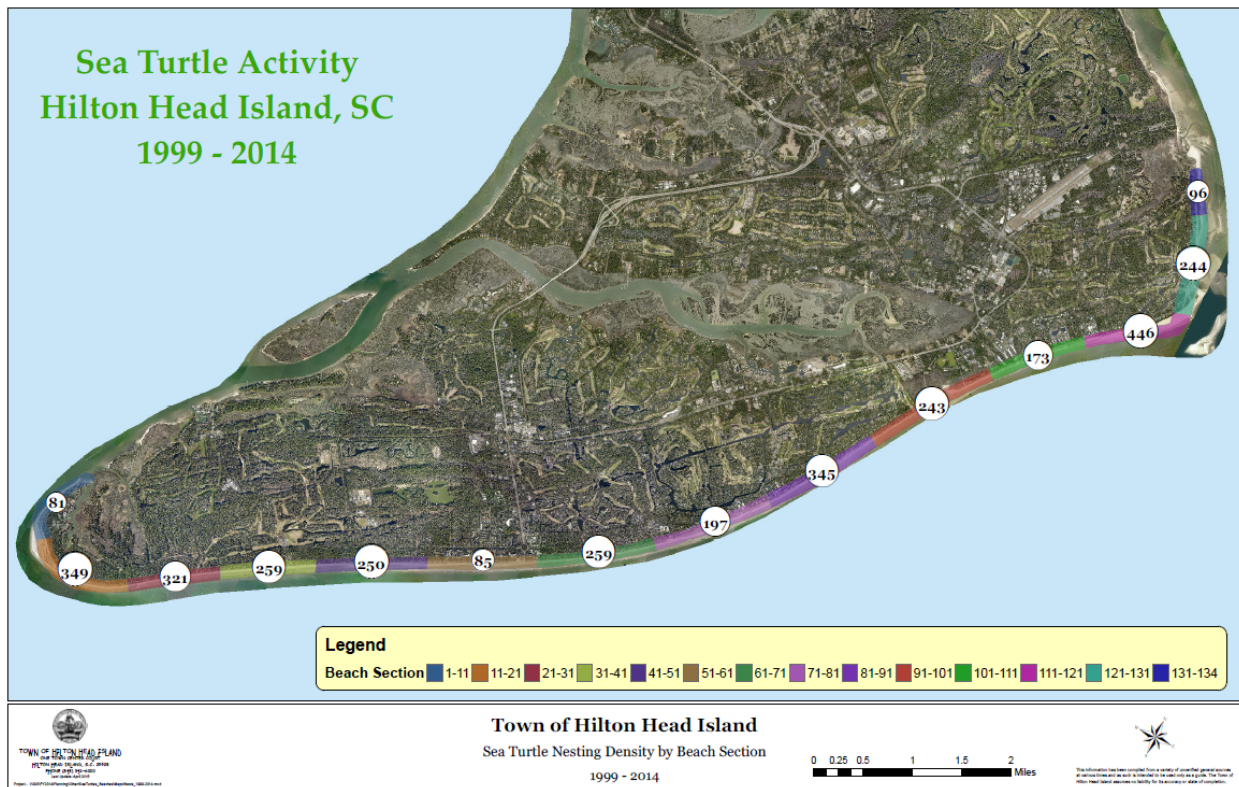


Source: U.S. Fish and Wildlife Service



## 2.4.2 SEA TURTLE NESTING

**FIGURE 10 – SEA TURTLE ACTIVITY 1999-2014**





## 2.5 EXISTING PUBLIC ACCESS AND MAP

In 1989, the Town of Hilton Head Island received a \$6,200,000 grant from the State of South Carolina (of which \$2,500,000 was received from SCCC) for a beach renourishment project. As part of this agreement, the Town committed to providing between 2,000-3,000 beach parking spaces on the Island, with all of the facilities being within 1,000 feet of public beach access points.

The Town's original 1991 Beach Management Plan detailed public access parks, undesignated private parking areas, privately-owned beach access points (hotels, condominiums and beach clubs), neighborhood access points, future public beach parks and facilities, and emergency vehicular access points. This was approved by the State and included a commitment of 2,000-2,500 parking spaces.

In 1998, the Beach Management Plan was amended by the Town and approved by South Carolina Department of Health and Environmental Control to include a Beach Access Plan, which outlined a plan to construct a total of 1,400 public parking spaces by December 2008, reducing the previous 2,000-2,500 parking spaces in the earlier plan. This plan included the construction of spaces that could be reserved for Island residents and property owners; however, such spaces are not counted when the State designates "full and complete public access" areas on the beach, which can impact grant eligibility. Currently, the Town has 1,454 beach parking spaces, of which 1,062 are open to the general public of the State, so they do not meet the requirements to be considered in the calculation of the areas that are considered "Full and Complete Public Access" by the State, in accordance with the State's Beachfront Management Act. However, these spaces are recognized by DHEC OCRM for the purpose of meeting the previous 1990 grant requirement. Currently, the Town has met this revised obligation.

Figure 11: Town-owned Beach Parks and Parking, shows the location of Town-owned beach access and parking areas. Table 3 details the existing number of public parks owned by the Town of Hilton Head Island with their facilities.

Figure 12: Neighborhood Beach Access and Parking, shows the location of neighborhood beach access and parking. These facilities are provided by the PUD's and neighborhood associations and are used by thousands of Island residents and visitors. There are a total of 107 neighborhood beach access locations, eight of which have parking areas, which are used predominately by visitors and residents within the gated community in which they are located.

Figure 13: Private Beach Access and Parking, shows the location of private and multifamily beach access points and parking locations. These facilities are provided by hotels and condominium complexes. There are a total of 59 private access locations with parking on the Island.



***Table 3: Existing Town-Owned Beach Parks and Parking***

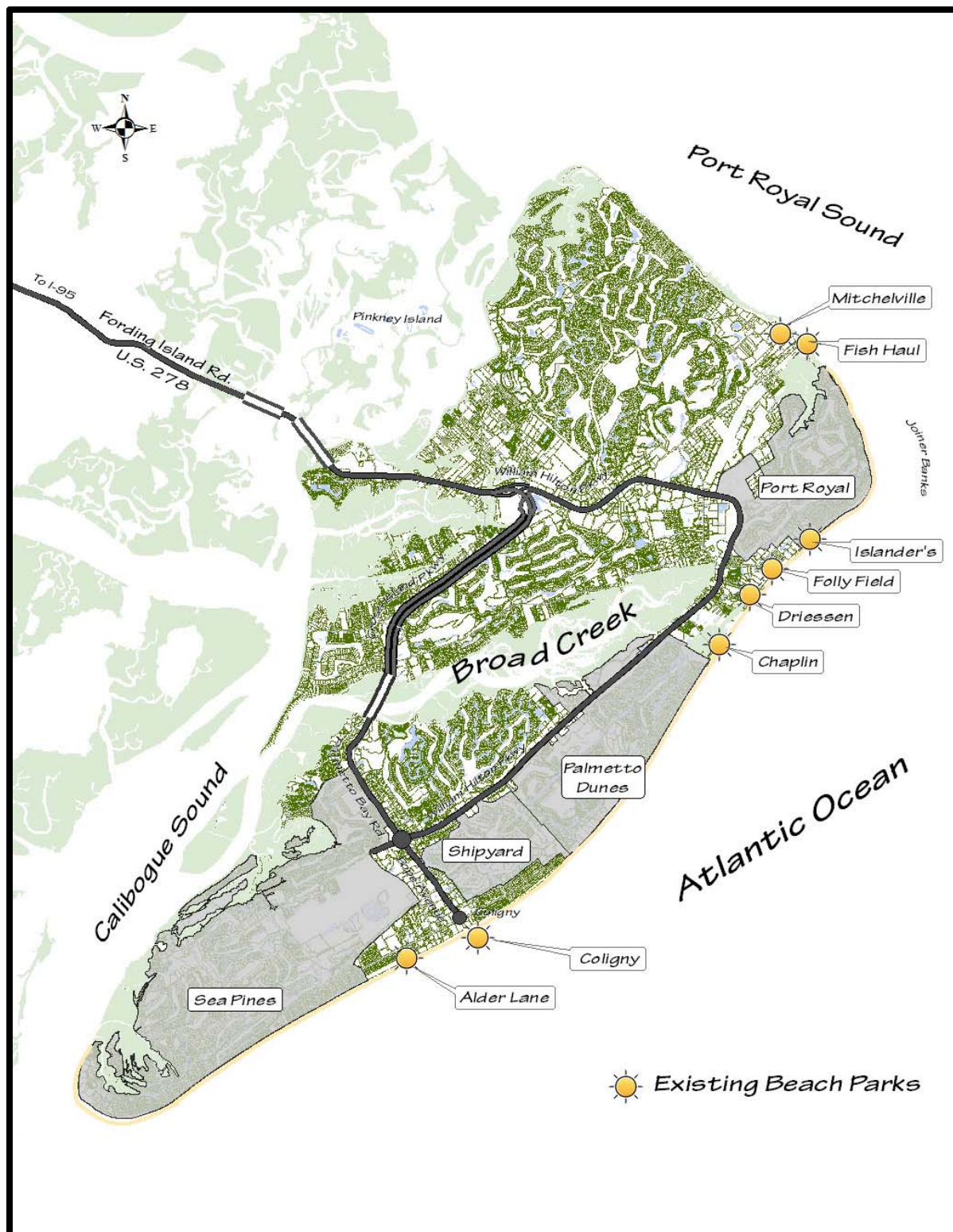
	Handicapped access	Boardwalk	Restrooms	Trash receptacles	Showers	Bike Racks	Drinking Fountain	Life guards/ rentals	Picnic pavilion	Natural trails	Sitting Deck	Viewing scope	Emergency Access	Historical Marker	Public Parking Spaces	Notes
Alder Lane Access	✓	✓	✓	✓	✓	✓	✓	✓							23*	
Coligny Area	✓		✓	✓	✓	✓	✓	✓			✓	✓	✓		522*	Parking breakdown: Coligny Circle Lot: 12 Paved Lot: 430 Unpaved: 80
Chaplin Park & Burkes Beach Road			✓	✓	✓	✓	✓	✓		✓			✓		258*	Parking breakdown: Burkes Beach Road: 13 w/in 1000' Chaplin Park: 110 w/in 1000' Castnet: 135 via shuttle
Driessen Beach Park	✓	✓	✓	✓	✓	✓	✓	✓	✓						179* 28	28 Spaces for Island Beach Pass Holders (Residents and Property Owners)
Folly Field Park	✓	✓	✓	✓	✓	✓	✓	✓							55*	
Islanders Beach Park	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓		25* 131	131 Spaces reserved for Island Beach Pass Holders (Residents and Property Owners)
Fish Haul Park	✓		✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	47	
Mitchelville Beach Park & Barker Field	✓	✓	✓	✓		✓	✓				✓	✓		✓	186	101 at Mitchelville Beach Park and 85 via boardwalk at Barker Field

\*Parking contributing to full and complete public access.





**FIGURE 11 – EXISTING BEACH PARKS WITH PARKING**





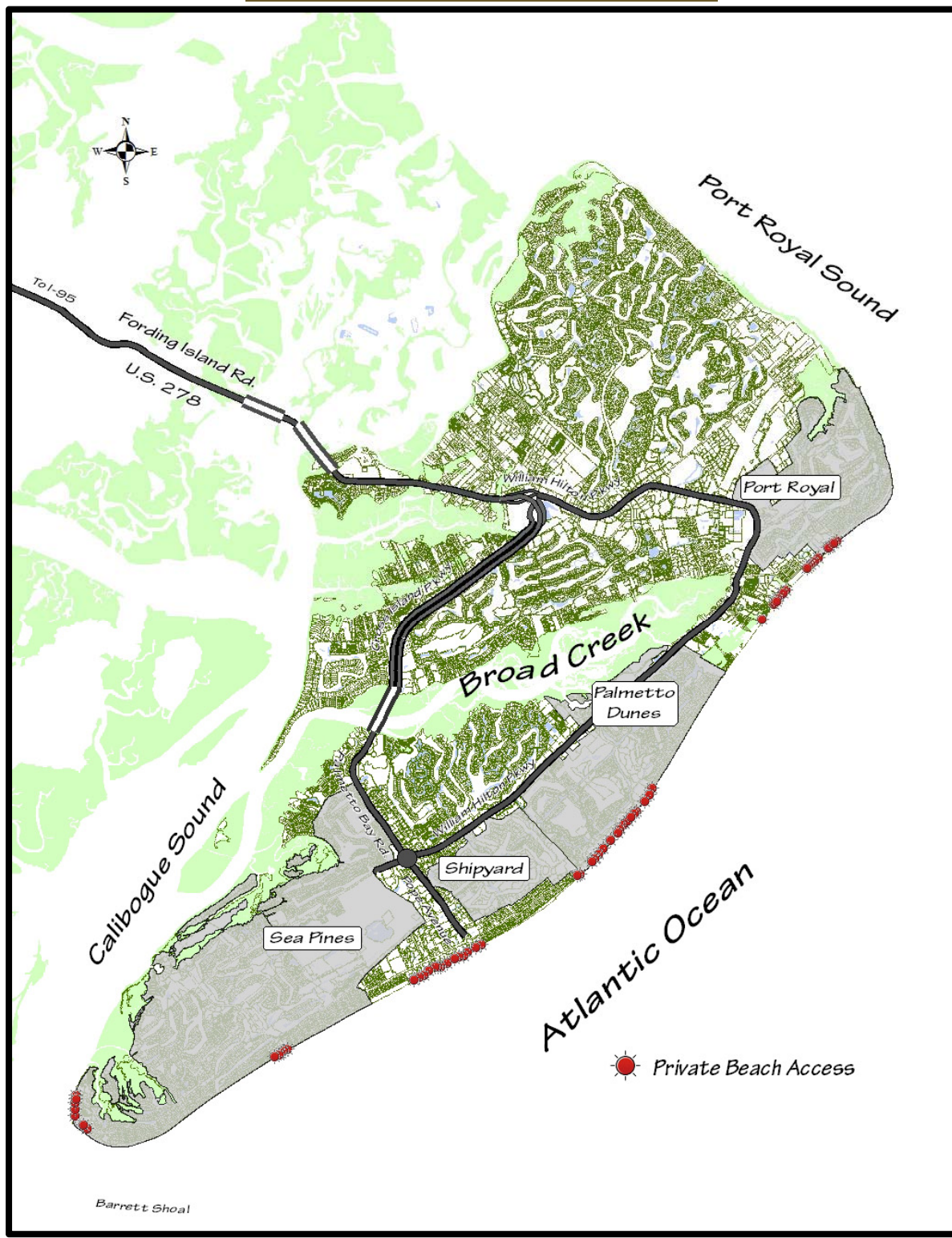


**FIGURE 12 – NEIGHBORHOOD BEACH ACCESS AND PARKING LOCATIONS**





**FIGURE13 – PRIVATE BEACH ACCESS**





### **FULL AND COMPLETE PUBLIC ACCESS**

DHEC OCRM classifies areas along the beach that are considered to offer full and complete public access, which is defined based on the criteria shown in Table 4 below. This classification is factored into the review of some State grants.

***Table 4:  
DHEC-OCRM Public Beach Access Facility Classification  
(SCCC, 1995)***

<b>Type of Facility</b>	<b>Distance on either side of Access Point which will be considered as having Full and Complete Access</b>	<b>Minimum Facilities</b>
<b>Public Access Point</b>	<b>1/8 Mile</b>	<b>Trash Receptacle, Walkover/Improved Surface Access; Signage; On-Street Parking For 6 Vehicles</b>
<b>Local Public Access Park</b>	<b>1/4 Mile</b>	<b>As Above, Parking For 10 Vehicles</b>
<b>Neighborhood Public Access Park</b>	<b>1/2 Mile</b>	<b>As Above, Showers, Restrooms, Parking For 25 Vehicles</b>
<b>Community Public Access Park</b>	<b>3/4 Mile</b>	<b>As Above, Showers, Handicapped Access; Parking For 75 Vehicles</b>
<b>Regional Public Access Park</b>	<b>1 Mile</b>	<b>As Above, Parking For 150 Vehicles And Greater</b>

On Hilton Head Island, the number and distribution of public access points are excellent. Sufficient access points, signage, facilities and parking exist to classify approximately 20% of the Hilton Head Island beach as having full and complete access per the State guidelines (SCCC, 1995; see Table 4). DHEC OCRM recognizes that full and complete public access is provided in two main areas along approximately 3.9 miles of the 13-mile beach (see Figures 14 and 15):

1. from a point ½ mile (2,640 feet) northeast of the public beach access at Islanders Park to a point ¾ mile (3,960 feet) southwest of the public beach access at Chaplin Park; and





2. from a point 1 mile (5,280 feet) northeast of the public access point at Coligny Beach park to a point ¼ mile (1,320 feet) southwest of the public beach access at Alder Lane.

While Mitchelville and Fish Haul Parks provide significant public access and parking, both parks are located outside of the extent of the state ocean beachfront jurisdiction. These parks are noted as providing public access and parking but are not included in calculations related to “full and complete public access”. DHEC OCRM does not recognize these parks as providing “full and complete public access” in accordance with the State Beachfront Management Plan.

The majority of public parking associated with the Town-owned public beach access points is located within 1,000 feet of the accesses. Only one beach parking location is in excess of 1,000 feet. Shuttle service is available for this location if the need arises. Establishing public parking closer to the beach would be infeasible due to infrastructure and development constraints. Based on these considerations, DHEC OCRM has agreed to allow public parking located greater than 500 feet away from the sand beach to be a factor in classifying these sections of Hilton Head Island’s beach as achieving “full and complete” public access in accordance with the guidelines established in the State Beachfront Management Plan.

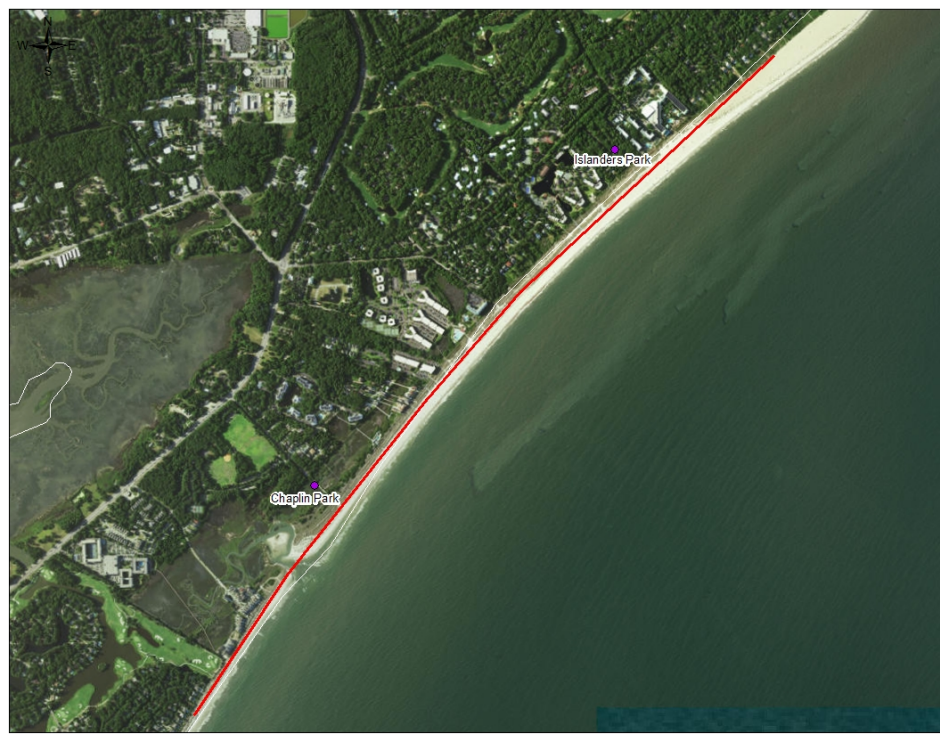
Signage indicating the public access points, as well as local beach regulations is located at each of the Town’s public beach access points. In addition, dog waste collection and disposal containers are located at many of the public access points, as well as recycling collection bins.



**FIGURE 14: ALDER LANE AND COLIGNY-FULL AND COMPLETE ACCESS AREA**



**FIGURE 15: CHAPLIN TO ISLANDER'S-FULL AND COMPLETE ACCESS AREA**





## 3 - BEACHFRONT DRAINAGE PLAN

The Town of Hilton Head Island does not have any existing drainage outfalls along the beachfront (either natural or anthropogenic) and Section 16-5-602 of the Town Code prohibits any future development from directly discharging storm water onto the beach.

The beachfront areas of the Island can be divided into 6 major natural drainage basins none of which drain to outfall structures on the beach (see Figure 16: Hilton Head Island Watersheds). In all of the drainage basins, the most common methods of conveyance are lagoons, swales, and pipes. In general, storm water is carried from the beachfront areas to the adjacent inland bodies of water. There are no significant grade differences on the island, necessitating the use of four pump stations during heavy rains to protect against flooding. They are located at Lawton Creek in Sea Pines, Cordillo Parkway in Shipyard, Broad Creek in Wexford and Jarvis Park.

The southernmost portion of the Island drains into Baynard Cove and Braddock Cove which in turn drain into Calibogue Sound. To the north, the second basin in Sea Pines Resort and South Forest Beach drains into Lawton Canal which is pumped toward Calibogue Sound.

The North Forest Beach area drains through the lagoons of Shipyard Plantation. A pump station was constructed in 2004 to help push the water through the lagoon system. Then the stormwater runs under William Hilton Parkway via a pipe through a canal in Wexford Plantation and is pumped into Broad Creek.

The Palmetto Dunes drainage basin contains approximately 11 miles of canals, which carry the storm water under William Hilton Parkway and into Broad Creek.

Storm water from the Folly Field basin is transported to the Folly, the Island's only tidal inlet to the Atlantic Ocean. The Folly is made up of several meandering creeks which accept runoff and carry it to the Ocean.

The northernmost drainage basin is Port Royal Plantation. The storm water from this basin is carried via a large drainage ditch to Broad Creek.

Overall, the effectiveness of the beachfront drainage systems is good. An inherent problem with Hilton Head Island is the lack of elevation (See Figure 17: Hilton Head Island Elevations). The vast majority of land being drained has an elevation of less than 10 feet. Therefore a common problem is capacity of the systems to convey runoff during an intense storm of short duration.





In 1995, the Town completed The Island Wide Drainage Study. Since then, all projects have been implemented.

1. Palmetto Hall Outfall Improvements (partnership) 1995
2. Lawton Canal Pump Station upgrades (partnership) - 1997
3. Jarvis Creek Pump Station - 1999
4. South Forest Beach Phase I - 2000
5. William Hilton Parkway, Culvert at Wendy's - 2000
6. Gum Tree Area – 2000
7. South Forest Beach Phase II – 2001
8. Pineland Mills Shops - 2001
9. North Forest Beach Phase 1 - 2003
10. North Forest Beach Wexford Pump Station - 2004
11. North Forest Beach Phase II - 2004
12. Ashmore Tract – 2003
13. Folly Field -2004
14. Northridge – 2006
15. Beach City Road / Airport – 2006
16. Lawton Canal Pump Replacement (partnership) – 2006
17. Club Course Drainage Project (partnership) – 2007/8

In terms of estimated life, the existing drainage systems are expected to remain in place well beyond a 20-year horizon. Build-out is substantially complete in these beachfront areas. The drainage systems in place should adequately handle future conditions since minimal new development can occur.

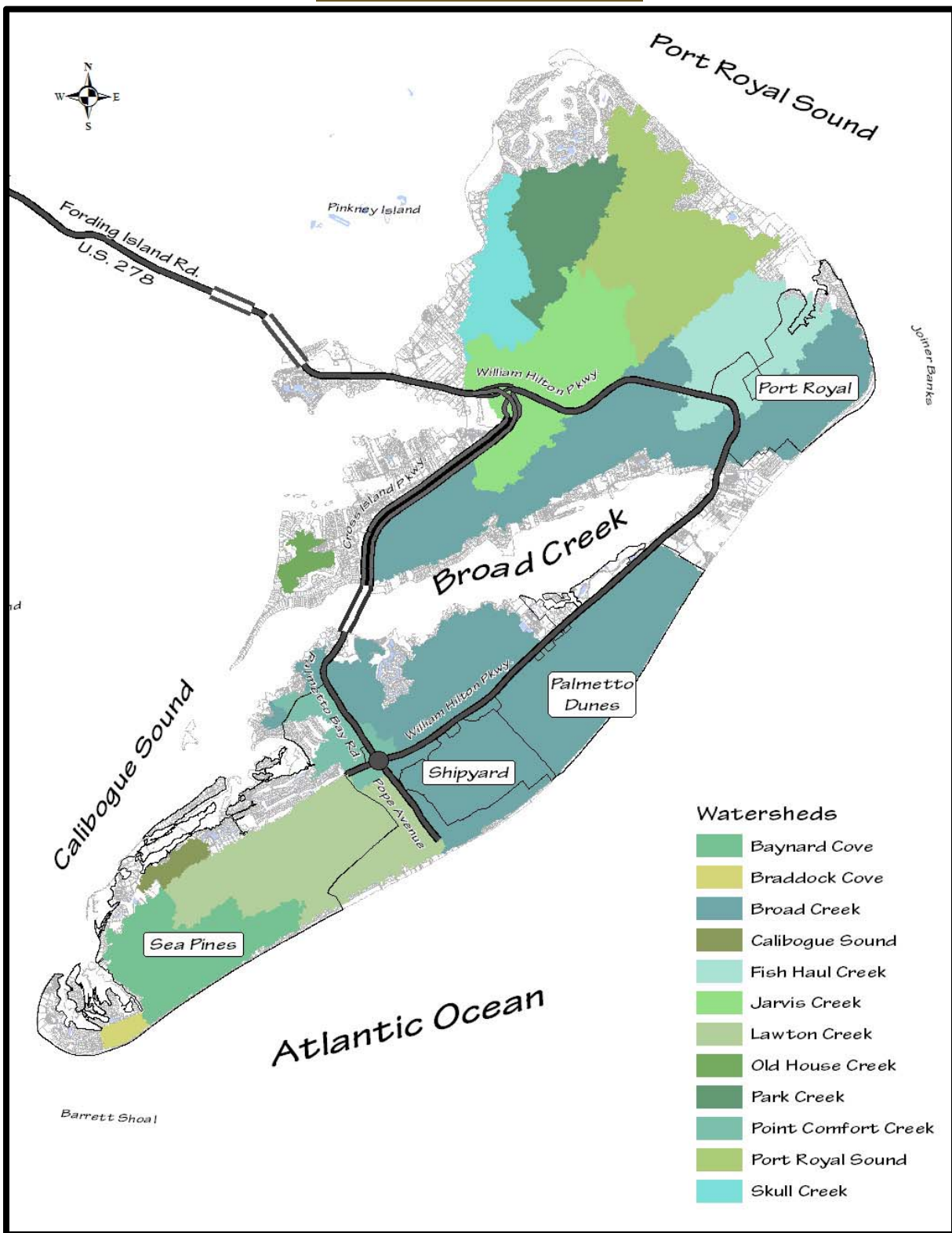
Cleaning, dredging and maintaining the existing drainage system is a foremost priority. The Beaufort County Stormwater Utility collects \$3.56 million dollars yearly from the Town. The Town provided 5% (\$91,992) last year to the Utility for administrative overhead. The Utility returns the entire \$3.56 million of fees (minus the administrative overhead) for the Town to use for drainage infrastructure maintenance and debt service on a \$17 million SWU Revenue Bond.

The Town also monitors water quality at 18 sites Island-wide. This project was initiated in 1999 in an effort to monitor stormwater drainage improvements. The Town currently tests for dissolved oxygen, pH, salinity, temperature, turbidity, nitrate, total phosphates, fecal coliform, total kjeldahl nitrogen, and ammonia.

Stormwater studies are being conducted for individual watersheds to develop drainage inventories, flood models, water quality models and lists of potential capital improvement projects.

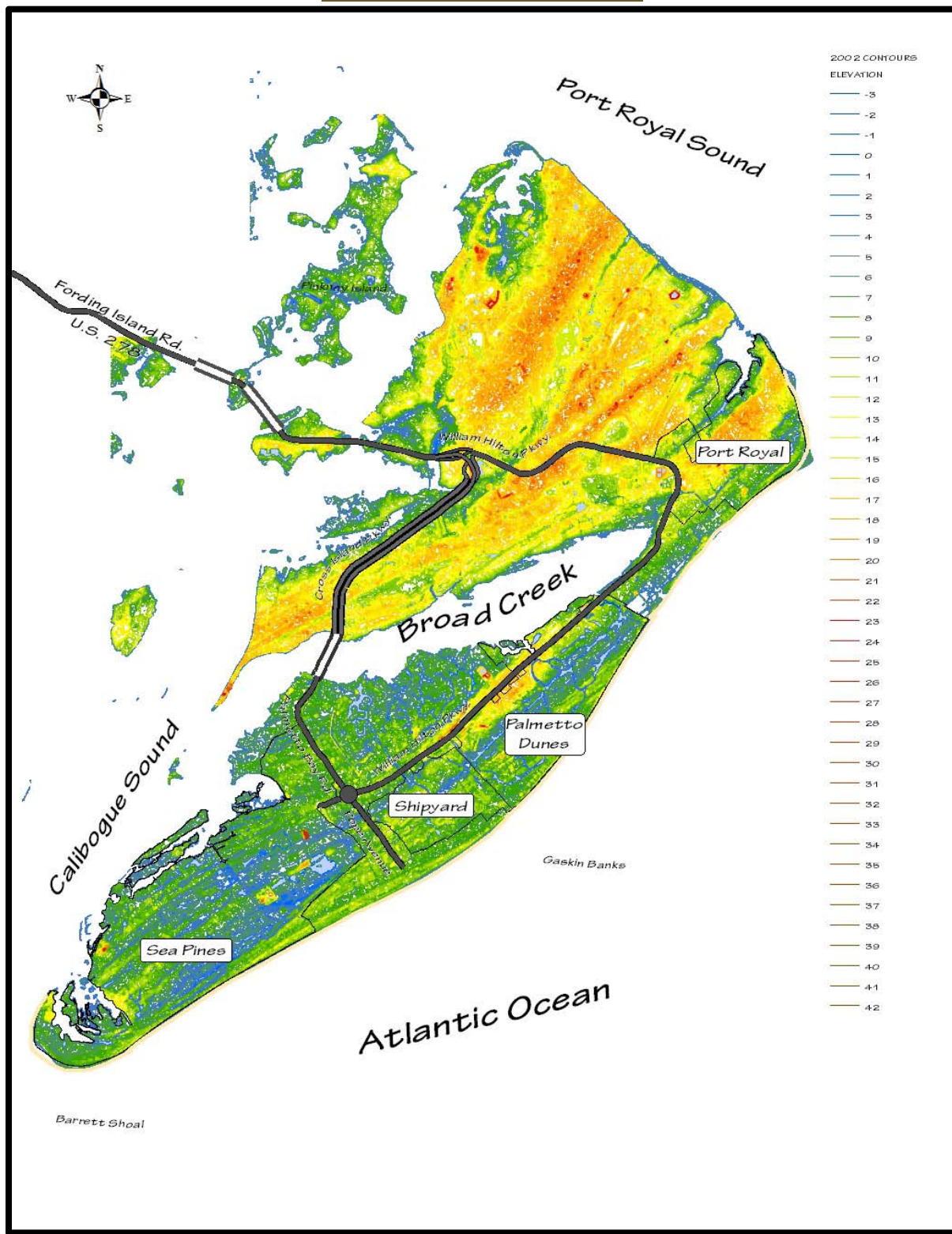


**FIGURE 16 - WATERSHEDS**





**FIGURE 17 – ELEVATIONS**





## 4 - BEACH MANAGEMENT & AUTHORITIES

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The Public Trust Doctrine provides much of the basis for the management of public lands and waters in the United States. The Public Trust Doctrine is an example of common law, meaning rules derived from the traditional laws of England in the Middle Ages that were based on custom and precedent rather than legislative action. Common law often addresses issues of access, fairness, commerce, and land uses. The Public Trust Doctrine established that public trust lands, waters, and living resources are held in trust by the State for the benefit of all citizens. It also created the right of the people to fully enjoy public trust lands, waters, and living resources for a multitude of public uses. Finally, the doctrine established responsibilities for the State when managing these public trust resources, and set limitations on the ways government, public, and private owners can use public trust resources.

In the coastal zone, the Public Trust Doctrine covers navigable waters and lands that are subject to the ebb and flow of the tide, including tidal marshes and oceanfront beaches. While each state is able to implement the Public Trust Doctrine according to its own views of justice and policy, the core principles are the same throughout the country. These principles, and the responsibility they establish for the state, are at the heart of many of the state's coastal laws, regulations, and policies. In many states, including South Carolina, the jurisdiction of the Public Trust Doctrine on the beach and navigable waters of the ocean extends landward to the mean high water line. Generally, the Public Trust Doctrine protects the right of the public to pass along the shoreline up to the mean high water line and utilize the space for fishing, navigation or recreation. The Public Trust Doctrine does not authorize the public to trespass on upland private property in order to access the beach. However, the doctrine does help preserve and protect the right of the public to access and utilize the beach

In South Carolina, as with much of the United States, the Public Trust Doctrine has been at the center of numerous court cases and deliberations and will likely continue to be. This doctrine is at the core of the philosophy of coastal zone management and should be recognized and considered by the government, private landowners, and the public at large in the course of decision-making along the beach. Numerous federal and state agencies have responsibility or authority for assisting beach management on Hilton Head Island. A summary and description of the agencies with regulatory or management authority relevant to beach management in the Town of Hilton Head Island can be found as Appendix E to this plan.



## 4.1 STATE AUTHORITIES

[Refer to Appendix E on regulatory agencies.](#)

### 4.1.1 Overview of State Policies (Beachfront Management Act)

[Refer to Appendix E on regulatory agencies.](#)

[The following overview was obtained from http://www.scdhec.gov/beach/BeachfrontManagement/.](http://www.scdhec.gov/beach/BeachfrontManagement/)

[In 1988, the South Carolina “Beachfront Management Act” \(Coastal Tidelands and Wetlands Act, as amended, §48-39-250 et seq.\) established a comprehensive statewide beachfront management program. The Act included several key legislative findings, including \(summarized\):](#)

- [• the importance of the beach and dune system in protecting life and property from storms, providing significant economic revenue through tourism, providing habitat for important plants and animals, and providing a healthy environment for recreation and improved quality of life of all citizens;](#)
- [• unwise development has been sited too close to and has jeopardized the stability of the beach/dune system;](#)
- [• the use of armoring in the form of hard erosion control devices such as seawalls, bulkheads, and rip-rap to protect erosion-threatened structures has not proven effective, have given a false sense of security, and in many instances, have increased the vulnerability of beachfront property to damage from wind and waves while contributing to the deterioration and loss of the dry sand beach;](#)
- [• inlet and harbor management practices, including the construction of jetties which have not been designed to accommodate the longshore transport of sand, may deprive down drift beach/dune systems of their natural sand supply;](#)
- [• it is in the state’s best interest to protect and promote increased public access to beaches for visitors and South Carolina residents alike;](#)
- [• a coordinated state policy for post-storm management of the beach and dunes did not exist and that a comprehensive beach management plan was needed to prevent unwise development and minimize adverse impacts.](#)

[Section 48-39-260 of the Beachfront Management Act then established eight state policies to guide the management of ocean beaches:](#)

- [1. Protect, preserve, restore, and enhance the beach/dune system;](#)
- [2. Create a comprehensive, long-range beach management plan and require local beach management plans for the protection, preservation, restoration, and enhancement of the beach/dune system, each promoting wise use of the state’s beachfront to include a gradual retreat from the system over a forty-year period;](#)





3. Severely restrict the use of hard erosion control devices and encourage the replacement of hard erosion control devices with soft technologies which will provide for the protection of the shoreline without long-term adverse effects;
4. Encourage the use of erosion-inhibiting techniques which do not adversely impact the long-term well-being of the beach/dune system;
5. Promote carefully planned nourishment as a means of beach preservation and restoration where economically feasible;
6. Preserve existing public access and promote the enhancement of public access for all citizens, including the handicapped, and encourage the purchase of lands adjacent to the Atlantic Ocean to enhance public access;
7. Involve local governments in long-range comprehensive planning and management of the beach/dune system in which they have a vested interest; and
8. Establish procedures and guidelines for the emergency management of the beach/dune system following a significant storm event.

DHEC OCRM is responsible for implementing these policies through a comprehensive management program that includes research and policy development, state and local planning, regulation and enforcement, restoration, and extension and education activities.

#### **4.1.2 Beachfront Setback Area**

~~The State of South Carolina established a forty-year policy of retreat as part of the Beachfront Management Act. DHEC OCRM, as the steward of the State's coastal resources, is responsible for implementing this policy. The implementation is derived from a baseline established by DHEC OCRM which runs parallel to the shoreline on oceanfront beaches. The baseline is evaluated and redrawn by DHEC OCRM every eight to ten years and, as directed by the Beachfront Management Act, stretches of beach are divided into standard erosion zones and inlet erosion zones based on their erosion characteristics.~~

~~The baseline for a standard erosion zone is established at the location of the crest of the primary oceanfront sand dune in that zone. If the shoreline in a standard erosion zone had previously been altered naturally or artificially by the construction of erosion control or other anthropogenic structures, the baseline is established where the crest of the dunes would be had the disturbance not occurred.~~

~~The baseline for inlet erosion zones is determined differently for inlets that are stabilized by jetties, groins or other structures, and inlets that are not stabilized. For unstabilized inlets, DHEC OCRM establishes the baseline at the most landward point of erosion at any time during the past forty years. For inlet zones that are stabilized by jetties, groins, or other structures, DHEC OCRM establishes the baseline at the location of the crest of the dune, and not at the location that the dunes would be had the inlet remained unstabilized.~~



~~All baseline decisions are determined by DHEC OCRM, founded on the best scientific and historical data available. In determining the baseline location for inlet erosion zones, DHEC OCRM must consider historical inlet migration, inlet stability, channel and ebb tidal delta changes, the effects of sediment bypassing on shorelines adjacent to the inlets, and the effects of nearby beach restoration projects on inlet sediment budgets.~~

~~The second part of implementing the forty year retreat policy at the State level is the setback line. The setback line is a boundary established by DHEC OCRM that is landward of the established baseline at a distance equal to forty times the average erosion rate, and not less than twenty feet.~~

~~No new construction is permitted seaward of the baseline, with the exception of wooden walkways not more than six feet wide, wooden decks no larger than 144 square feet, public fishing piers, golf courses, normal landscaping, pools that were located landward of existing functioning erosion control structures, groins built before 1988, or structures permitted by a DHEC OCRM special permit. A DHEC OCRM permit is required for all of the above actions except for the construction of wooden walkways not more than six feet wide.~~

~~Construction within the State setback line is restricted in order to implement the State forty year retreat policy. Construction, reconstruction, or alterations between the State baseline and setback lines are governed as habitable structures, erosion control devices, and swimming pools. All other construction between the baseline and setback lines requires a permit from DHEC OCRM. New habitable structures built between the baseline and setback line may not exceed five thousand square feet of heated space, be located as far landward on the property as possible, and not incorporate any erosion control structure or device as part of the integral habitable structure. No part of the building may be constructed seaward of the baseline or on the primary sand dune. The applicant must certify to DHEC OCRM in writing that these conditions are accurate, and submit a drawing that shows the footprint of the structure on the property, a cross section of the structure, and the structure's relation to property lines and setback lines which may be in effect.~~

~~Owners may replace habitable structures permitted within the setback that have been destroyed beyond repair by natural causes after notifying DHEC OCRM. The owner must certify that the total square footage of the replaced structure seaward of the setback line is not greater than the original square footage beyond the setback line, the replaced structure is no further seaward than the original structure, and is constructed as far landward as possible, considering local zoning and parking requirements.~~

~~No new erosion control devices are allowed seaward of the setback line except to protect a public highway which existed prior to the enactment of the Beachfront Management Act. Erosion control structures that existed before 1988 may not be repaired or replaced if destroyed more than fifty percent~~



~~above grade. DHEC OCRM is responsible for assessing the damage to erosion control devices and structures, as well as habitable structures, to determine the extent of damage following hurricanes or other events.~~

~~Finally, no new pools are permitted to be constructed seaward of the setback line, unless they are located as landward as possible of an existing, functional erosion control device. Pools that existed prior to 1988 may be repaired or replaced, if destroyed beyond repair, if the owner in writing certifies to DHEC OCRM that it is moved as far landward as practical, it is rebuilt no larger than the destroyed pool, and is constructed in such a manner that cannot become or act as an erosion control device. DHEC OCRM may issue a special permit for all other construction or alteration between the setback line and baseline.~~

The State of South Carolina established a forty-year policy of retreat as part of the Beachfront Management Act in 1988. That Act stated that the policy of retreat would include measures that:

- (a) stabilize the present beachfront shoreline position and sand volumes, through the use of renourishment in combination with groins, where such measures can be used without long term adverse effects on neighboring properties and the public beach,
- (b) discourage (or limit) new construction in the beach/dune Critical Area
- (c) prevent the seaward expansion of existing beachfront development
- (d) limit the size of structures within the beach/dune Critical Area
- (e) encourage the opportunistic, voluntary relocation of vulnerable structures and infrastructure;
- (f) prevent the loss of dry sand beaches, and the state's intertidal beaches, by restricting shore-parallel erosion control devices and,
- (g) encourage local governments, through zoning, to maximize space between existing oceanfront structures and the shoreline

DHEC OCRM, as the steward of the State's coastal resources, is responsible for implementing this policy. The policy is implemented by DHEC OCRM using jurisdictional lines along the ocean shoreline. DHEC OCRM has established two jurisdictional lines along the open coast beaches of South Carolina:

- The "Baseline", which is established along the dune crest in "standard erosion zone" areas away from significant influence by unstabilized tidal inlets, and along the most landward shoreline (+/- vegetation line) in areas subject to significant influence by unstabilized tidal inlets. A third procedure used by OCRM to establish the baseline along shorelines near tidal inlets stabilized by jetties, terminal groins or other structures (the baseline is set in a manner similar to that in standard erosion zones). The Baseline is used as the reference feature from which the 40-year



Setback Line is measured. Section 48-39-280 states that the baseline must not move seaward from its position on December 31, 2017.

- The 40-year Setback Line, which establishes the landward limit of DHEC OCRM jurisdiction under the Beachfront Management Act. The 40-year Setback Line is drawn landward of the Baseline a distance equal to 40 times the average annual long-term erosion rate or not less than twenty feet from the baseline for each erosion zone based on the best historical and scientific data adopted for the department as part of the State Comprehensive Beach Management Plan; however, a minimum distance of 20 ft is required.

Restrictions on construction and reconstruction are established within the state setback area, and seaward of the baseline (§48-39-290). Generally, structures within the setback area are limited to 5,000 square feet of heated space; no new erosion control structures are permitted; and structures damaged beyond repair may only be replaced with structures of the original size and must be moved as far landward on the lot as possible. Development seaward of the baseline requires a special permit from DHEC-OCRM and is also subject to restrictions on size and erosion control structures. State regulations define the “beach/dune system” as “all land between the mean high-water mark of the Atlantic Ocean landward to the 40-year setback line” (R. 30-1(D)(5)). This is not an ecological definition of “beach/dune system” since the setback area, which in many cases is limited to a 20 foot-wide strip landward of the primary dune (baseline), often excludes adjacent, landward dune fields

The DHEC OCRM Baseline and 40-year Setback Line were last updated for Hilton Head Island in 2009. The 2009 lines are posted on the DHEC OCRM website: <http://www.scdhec.gov/beach/BeachfrontJurisdiction>.

### **Town of Hilton Head Island’s Retreat Policy**

The South Carolina Beachfront Management Act requires that local plans include a 40 year retreat policy that considers relocation of buildings, removal of erosion control structures and relocation of utilities. When the Town’s Beach Management Plan was first adopted in 1991, the State was in the process of drafting their own policy, and provided little direction to the Town at that time. In 1992, the Town amended its original Beach Management Plan to include a 40 Year Retreat Policy which stated:

1. Locate development landward of the DHEC OCRM Setback line to the extent possible;
2. Adopt various growth management techniques and procedures to reduce development levels;
3. Retain open space seaward of the DHEC OCRM Setback line to the extent possible;
4. Utilize land acquisition; and
5. Address retreat during redevelopment scenarios after a disaster.



With the adoption of this 2008 Beach Management Plan, this Policy continued to be in effect. The Town's zoning, density and design standards mentioned previously help fulfill this policy along with other techniques outlined in the next Section.

To accompany the above Retreat Policy, this Beach Management Plan details an additional Policy on beach renourishment as part of the 40 Year Retreat Policy. Beginning in 1990, the Town embarked on an ambitious renourishment program with an ongoing maintenance program. ~~As a result of these projects, portions of the beach and dunes system have been enhanced, thereby resulting in expanded areas subject to development pressures by construction that is not in the public interest and not in accordance with retreat policies and goals of the State and the Town. In a few instances, DHEC OCRM has designated a newly formed embryonic dune as the new primary dune, allowing development on the landward, and sometimes larger, dune. Because of this, there have been petitions to the DHEC OCRM to move the Baseline further seaward, increasing the number of areas for loss of the larger dunes system. In addition, DHEC OCRM re-examines the possibility of relocating the Baseline every 8-10 years, possibly seaward. This would further encourage development on top of the larger dunes system.~~

~~It is not and has not been the intent of the Town to encourage or permit development to move seaward as a result of the Town's beach renourishment projects and efforts, or to support any effort to move the DHEC OCRM established baseline seaward, where such effort to relocate the baseline is based in whole or in part on the existence of new dunes and/or new beach areas formed as a result of the Town's beach renourishment projects and efforts, or by other private efforts.~~ The Town's intent in pursuing the renourishment program is:

1. To protect, preserve, restore, stabilize and enhance the beach/dune system through beach renourishment and other appropriate means, to provide for the protection of life and property, and to act as a buffer from high tides, storm surges, hurricanes, and erosion;
2. To prohibit development from moving seaward onto new dunes or beach areas formed as a result of the Town's beach renourishment projects and efforts;
3. To provide an important basis for a tourism industry that generates annual revenue for the State of South Carolina and the Town;
4. To provide habitat for numerous species of plants and animals which are threatened or endangered, or which may become threatened or endangered as a result of the loss of the beach/dune system;
5. To provide habitat for beach/dune system vegetation that is unique and extremely important to the vitality and preservation of the system; and
6. To create a recreational beach at high tide.

In support of this, the Town adopted two overlay zoning districts along the beachfront for the purpose of limiting the seaward migration of development as a result of renourishment.





- CPA-O Coastal Protection Area Overlay District

The purpose of the Coastal Protection Area Overlay (CPA-O) District, in conjunction with the Transition Area Overlay (TA-O) District, is to eliminate the potential for seaward migration of the built environment along the Island's beachfront to the greatest extent possible. This environmentally sensitive area:

- i. Protects life and property by serving as a storm barrier;
- ii. Provides an important basis for a tourism industry that generates annual tourism industry revenue;
- iii. Provides habitat for numerous species of plants and animals that are important to the natural functioning of the beach and dune system, or that are threatened or endangered; and
- iv. Provides beach and dune system vegetation that is unique and extremely important to the vitality and preservation of the barrier island environment.

- TA-O Transition Area Overlay District

The purpose of the Transition Area Overlay (TA-O) District, in conjunction with the Coastal Protection Area Overlay (CPA-O) District, is to eliminate the potential for seaward migration of the built environment along the Island's beachfront as well as protect the area between existing construction and the mean high water mark, to the greatest extent possible. This environmentally sensitive area:

- i. Protects life and property by serving as a storm barrier;
- ii. Provides an important basis for a tourism industry that generates annual tourism industry revenue;
- iii. Provides habitat for numerous species of plants and animals that are important to the natural functioning of the beach and dune system, or that are threatened or endangered; and
- iv. Provides beach and dune system vegetation that is unique and extremely important to the vitality and preservation of the barrier island environment.



## 4.2 LOCAL GOVERNMENT AND AUTHORITIES

### 4.2.1 Municipality's Comprehensive Plan

The Town's first Comprehensive Plan was adopted in 1985. This was revised and adopted in 1990, 1996, 2000, and 2004. The plan was then rewritten and adopted in 2010 and was updated in 2012. The Comprehensive Plan is a continuing planning program for the physical, social and economic growth, development and redevelopment of the Island. The original 1991 Town Beach Management Plan was adopted as part of the Town's Comprehensive Plan. The plan approved in 2009 was a revision and update of the previous 1991 Beach Management Plan and was adopted as an Appendix to the Town's Comprehensive Plan.

Other Elements of the Comprehensive Plan promote protection and preservation of the beach and dune systems. The Natural Resources Element describes the Island's beach systems and coastal dunes, as well as the endangered, threatened and rare plant communities and species. It also lists goals and strategies for continued research and monitoring of natural resources; improvement of water quality and reduction of pollutants; development and implementation of a wildlife protection plan; continued land acquisition to further protect sensitive and endangered environments; creation of view corridors; promotion of environmental education programs; and incorporation of environmental protection into development projects. The Land Use Element describes goals and strategies for reduction of allowable density to ensure that development does not create adverse impacts on natural resources and encourages incentives and voluntary compliance with the 40 year setback zones. The Recreation Element provides strategies for park development and guidelines for the continued creation or expansion of public beach parks and beach accesses.

### Regional Planning Efforts

In 2006, the Town of Hilton Head Island adopted by resolution the Southern Beaufort County Regional Plan. In relationship to Beach Management, this plan recommended that the participating local governments adopt the same regulations, if possible. As part of the implementation of this plan, a regional Natural Assets Working Group was formed which compiled a list of baseline standards that should be adopted by the applicable participating local governments and also be made available to the region. These included such recommendations as uniform dune/dune system definition, protection of more than just the primary dune, protection of all dune plants, reasonable dune plant pruning, re-establishment of dunes systems by redevelopments, restriction of structures in dune systems and buffer areas, uniform lighting standards for protection of wildlife, and standards for violations. These recommended suggestions have been reviewed by the Regional Plan's Implementation Committee.



#### **4.2.2 Municipality's Hazard Mitigation Plan**

In 2004, the Town adopted the Beaufort County Hazard Mitigation Plan which replaced earlier mitigation plans. It was updated in 2009 and identifies natural hazards to the Island, contains a vulnerability assessment, and gives goals to continue periodic beach renourishment. A Disaster Recovery Commission was formed that worked on the implementation of the 2003 Recovery Plan. This Plan will be discussed in more detail below.

#### **4.2.3 Municipality's Disaster Preparedness and Evacuation Plan**

The Town developed a Post-Disaster Plan in 1991 to guide its citizens and post-disaster operations. The plan was incorporated into the Town's Comprehensive Plan in 1999. In 2003, the Town prepared a Comprehensive Emergency Management Plan (CEMP), which was updated in 2014. According to this plan, Recovery is defined as actions taken in the long term after the immediate impact of the disaster has passed to stabilize a community and to restore some semblance of normalcy.

The Town's Disaster Recovery Plan is designed to supplement the Town's *Emergency Operations Plan – Basic Plan (EOP – Basic Plan)*, and identify agencies to provide assistance to disaster victims in conjunction with Federal, State and County governments and coordinate emergency recovery activities. This plan provides local emergency management personnel with operational guidance in order to effectively manage recovery activities in the aftermath of a major or catastrophic disaster or emergency. The Town works with all appropriate agencies, in advance of a disaster (if predictable) and after, to minimize potential injury and damage, and to expedite recovery and redevelopment.

The organization of the Town's recovery activities is consistent with the concepts of the Incident Management System (IMS) and Integrated Emergency Management System (IEMS). Storm recovery is divided into short-term phases, which begins during the response phase of an emergency and can last up to six months, and long-term recovery which focuses on restoring the community to pre-disaster condition or better. The Town's recovery activities and programs are grouped into 22 Recovery Functions (RF) including, Recovery and Redevelopment (RF1), Continuation of Government (RF3), Damage Assessment and Impact Analysis (RF 9), Emergency Permits and Inspections (RF 13), and Mitigation (RF 19).

In the event of a hurricane threat, the Town will activate all or part of the Town Emergency Operation Center (EOC).



### Cleanup

The purpose of the Debris Management Plan is to effectively manage debris generated by natural and man-caused disasters and contains the following policies:

1. First focus debris removal efforts on clearing of major transportation routes and roadways into damaged areas to allow for the movement of emergency vehicles, personnel, equipment and supplies.
2. Remove debris in affected areas to prevent the development and spread of vector-based epidemiological agents and general sanitation problems.
3. Conduct disposal activities with health and environmental concerns being the foremost consideration.

### Maintaining essential services

The repair and restoration of public infrastructure, services and buildings after a disaster will be completed for the purpose of returning public infrastructure and the Town's services to pre-event levels or better. Restoration of utility services is critical to the success of both short and long-term recovery programs. Complete utility restoration could take months. Initial roadway clearance will push debris to the right-of-ways, providing access to underground cables. Restoration of the commercial power supply will be the pacing activity for reestablishing water and sewer systems, and the restoration of power will be passed by the clearance of debris along the transmission line rights-of-way.

Damage to transportation systems will influence the accessibility of disaster relief services and supplies. Restoration of transportation systems is designed to make sure that the Town (service, equipment, facilities, etc.) can facilitate the movement of emergency personnel, vehicles, equipment and supplies.

Restoration of electrical services and communication systems will begin as soon as major transportation routes are cleared of debris to allow emergency vehicles and crews to enter the disaster area.

### Protecting public health

The Town will also work to identify the threats to public health during the recovery period and to provide remedies. It is the policy of the Town that the continuation of public health functions and control of environmental factors related to public health is essential following a disaster to prevent the outbreak of disease and to monitor the spread of vectors associated with the disaster itself.

### Emergency Building Ordinances

After a disaster the Town will provide an emergency permitting plan to streamline the permitting process on Hilton Head Island, which will include coordination with DHEC OCRM regarding the



permitting for reconstruction of any oceanfront structures. This process will include determining whether repair or reconstruction of damaged structures will be allowed and under what conditions, coordinating and streamlining the Town's permitting processes, and implementing a system to verify that repairs/redevelopment comply with all applicable codes and laws.

### Mitigation

In 1999, the Town developed a Flood Hazard Mitigation Plan. It was one of the first mitigation plans in the nation to be officially incorporated into a Town's Comprehensive Plan—a concept now embraced by the American Planning Association through their *Planning Advisory Series*, and FEMA, through the *Disaster Mitigation Act of 2000 (DMA) regulations*. In 2004, the County joined with its municipalities to create the *Beaufort County Hazard Mitigation Plan*, which was adopted by the Town as part of its Comprehensive Plan. This Plan was updated in 2009 and outlines hazard identification, vulnerability assessment, community mitigation capability assessment, goals and objectives, and hazard mitigation projects and Action Plan.

As mentioned in this Plan, floodplain management and development policies and procedures are in good order and contribute to the Town's commendable Community Rating System (CRS) rating of 5, which provides a 25% reduction in the cost of flood insurance to the more than 30,000 policyholders. This represents an approximate annual savings of \$5.5 million.

### **4.2.4 Beachfront Development Regulations**

The Town's Land Management Ordinance (LMO) is a set of laws that regulate land use and development activity within the Town. It has several sections that regulate development activity on the beach and dune system.

Development review and site design standards for all development on Hilton Head Island are regulated in LMO Chapter 2, 3, 4, 5 and 6. This includes regulations on density, buffers, setbacks, aesthetics, landscaping, tree protection, wetland alteration, traffic circulation, open space standards, street and pathway standards, parking and loading standards, stormwater management standards, lighting, flood zone standards, fire protection water supply and utility standards.

Other local setbacks exist regarding adjacent use and adjacent street setbacks in LMO:

Chapter 5: Adjacent Use Setbacks (for Single family, Multifamily/Recreational, Institutional/Commercial, and Industrial/Utility) and adjacent street setbacks (Single family detached and other uses) in areas outside the beachfront PUD's are governed by Chapter 5 of the LMO. Required setbacks for development shall be determined according to the relationship of the proposed use to the existing contiguous use on each property adjacent to the development. For purposes of determining the





appropriate setback distance where the adjacent property is vacant, it shall be classified as the use which would require the greatest setback allowed by right in that district. As mentioned previously, the PUD's also contain their own adjacent use and street setback requirements.

One consequence of this setback restriction may be that the buildable area of a parcel of land is diminished. The State has attempted to overcome this limitation by adopting a policy encouraging buildings to be located as far landward as practical. However, once the local setbacks required by the Town and/or a local architectural review board are included, the buildable size of the parcel may be even further diminished. A local avenue of relief for landowners who find themselves in this dilemma exists in the form of a variance required from local setback requirements. The Town's Board of Zoning Appeals determines whether to grant the variance based on those findings dictated in the State enabling legislation which requires consideration of the Town's Comprehensive Plan and therefore the Beach Management Plan.

LMO Chapter 6: (Natural Resource Protection) contains regulations designed to promote the protection and stabilization of existing beaches.

Before development plan approval is granted, it must meet the following general standards:

- Will not result in the removal or diminution of the amount of sand, silt, shell, sediment or other geologic components of any beach, or interfere with natural patterns of wind and water movement of sand, silt, shell, sediment or other beach components, except for maintenance of any structures causing these effects which were existing prior to the enactment of this Title;
- Will not result in the direct discharge of stormwater onto any beach;
- Will not result in the discharge of treated or untreated sewage or other human waste from land or waterborne sources, with the exception of advanced treated effluent irrigation systems approved by the SCDHEC;
- Will not result in the direct or indirect removal, destruction, depletion or digging out of vegetation which contributes to beach stability;
- Will minimize any interference with the natural use of the beach for feeding, foraging, resting, nesting and breeding by indigenous and migratory birds, shellfish, marine fishes, sea turtles and other wildlife. Such interference shall include the destruction or diminution of organisms or material upon which wildlife feed;
- Will not interfere with the customary rights of the public for access to and use of the active beach; and
- Will not remove, alter or destroy any beach protection structure, such as walls or revetments, unless specifically authorized by an appropriate development plan approval or building permit.



#### **4.2.5 Regulations on Beach and Shoreline Protection**

The Town's Municipal Code defines a dunes system as one or a series of hills or ridges of wind-blown sand or one or a series of hills or ridges of sand resulting directly or indirectly from restoration or beach renourishment, all of which may or may not be anchored by vegetation (e.g., sea oats) and is in the vicinity of the beach. Damage to or development of this dune system is not in the public interest and would not be in accordance with retreat policies of the State of South Carolina and the Town of Hilton Head Island. Furthermore, the Town wishes to protect, preserve, restore, and enhance the beach/dune system for the protection of life and property so it acts as a buffer from high tides, storm surge, hurricanes, and erosion.

In 2006, Town Council adopted an amendment to the Municipal Code Title 8 which strictly regulated the South Forest Beach area by establishing a Critical Storm Protection and Dune Accretion Area along the beach between the State-mandated Setback Line and the actual line of habitable existing construction. The Town determined that dunes systems exist in this area between the OCRM Setback Line and the line of existing construction that could be developed. Therefore, in 2006, Town Council adopted a Resolution and Ordinance to create and define the Landward Barrier Line, define and designate a Critical Storm Protection and Dune Accretion Area and Transition Area, and limit the type of construction activities within these areas. These provisions were expanded and ultimately incorporated into the Town's Land Management Ordinance natural resource protection requirements referenced above when it was rewritten as the CPA-O and TA-O overlay zoning districts that help to protect the dunes and oceanfront properties by protecting the dunes and limiting the intensity of uses in these areas, which are included as an appendix to this plan.

The activities and uses permitted and prohibited in the CPA-O District are as follows:

All development is prohibited in the CPA-O District except the following permitted uses and activities:

- Boarded pathways as perpendicular to the beach as practical and not larger than six feet in width and their associated wooden deck not larger than 144 square feet (must comply with Sec. 16-6-103, Beach and Dune Protection);
- Beach renourishment;
- Emergency vehicular beach access; and
- Permitted beach maintenance activities such as sand fencing, re-vegetation with native plant material and erosion control.
- All activities and uses in the CPA-O District must also comply with all current local, State and federal laws.



The activities and uses permitted in the TA-O District are as follows:

- In addition to the activities and uses permitted in the CPA-O District (see Sec. 16-3-106.L.3), the TA-O District may include any uses that do not require enclosed space to operate. These activities and uses include, but are not limited to, swimming pools, boardwalks, fire pits, decks, required drainage improvements, and necessary utilities.
- The activities and uses in the TA-O District shall be located as far landward as possible. Activities or uses in the TA-O District shall be accessory activities or uses to the development to which they are directly seaward.
- Development in the TA-O District shall conform to the standards for impervious cover and open space for the underlying base zoning district.
- Activities or uses in the TA-O District shall not be on or in any part of a dune or dune system.

#### **4.2.6 Other Regulations on Beach Management**

Chapter 6 of the LMO also describes general standards, beach nourishment and erosion control standards, beach access standards, and dune protection standards.

- Standards for beach nourishment and erosion control detail requirements for fill materials; the use of natural features of the beach and dune system over artificial structures; limited approval of erosion control structures; interference with existing or planned public access to the beach; and timing of beach nourishment or construction of control structures.
- Beach access standards regulate elevated walkways; vehicular access to the beach; general public interest in development applications (such as the need for land acquisition for public use); and prohibitions on development adjacent to the beach that would cause net loss of any officially designated beach access. Beach access will be discussed later in more detail.
- Dune protection standards prohibit development on dunes with certain exceptions; prohibit primary dune destruction, disturbance or alteration with exceptions; restrict elevated walkways; allow vegetation planting and construction of wood, sand and wire fences; and prohibit removal, alteration or destruction of any dune protection structure. It also outlines when restoration or stabilization of existing dunes and creation of new dunes may be required for new developments and redeveloping properties.

Title 8 of the Town of Hilton Head Island Municipal Code is the Town's Beach Ordinance. It covers activities which are prohibited or regulated on the beach, defines Designated Areas, and regulates enforcement. In order to ensure the public health, safety and welfare of individuals using the beach, the following activities are regulated or prohibited by the Town's Municipal Code:

- Prohibited: vehicles, para-sailing, glassware, horses on the beach, interfering with marine life and wildlife, indecent exposure, disorderly conduct, unauthorized wearing of lifeguard emblems, littering, possession or consumption of alcoholic beverages, and open containers.



- Regulated: operation of motorized watercraft, sand sailing, kites, sleeping on the beach, animals, shark fishing, fires, firework discharge, disturbing the public peace, and franchising commercial activities on the beach.

In addition, the Town contracts with two organizations for beach safety; the Beaufort County Sheriff's Office to provide law enforcement and security on the beach and Shore Beach Services to provide a patrol boat and rescue jet skis, life guards (9:00 a.m.-5:00 p.m. from Memorial Day weekend through Labor Day weekend), litter patrol, and beach rental items (chairs, umbrellas, paddleboats, sailboats, fun cycles, sailboards, etc.) Beach markers were also installed as part of the Sea Turtle Program every 0.1 miles along the beachfront. These markers are used to help identify beach access points.

The Town of Hilton Head Island is proactive on educating the public on the accessibility of its beaches. This includes information on access locations, parking rules, swimming areas, beach rules, pathways, and beach renourishment. In addition, the Town's Facilities Management Division operates and maintains the beach parks, including overseeing contracts for life guards, boat rentals, and litter patrol; collecting beach fees; park security; and public relations. Kiosks are being installed at several parks, and beach rule signs have been posted at every public access point. In addition, South Carolina Department of Transportation signs assist in directing beach-goers to the various parks.

Brochures and other information locations produced or funded by the Town include:

- Island Pathways Brochure
- Island Parks Brochure
- Beach Renourishment Brochure
- Resident and Visitor Guide to Hilton Head Island's Beaches
- EcoMap (funded with Southeastern Ecological Institute)
- Sea Turtle Information Brochure
- Website [www.hiltonheadislandsc.gov](http://www.hiltonheadislandsc.gov)

## 5 - EROSION CONTROL & MANAGEMENT

When the Town was incorporated in 1986, the need for a beach management strategy was also identified. A Shore Protection Task Group was created, along with a semi-annual beach monitoring program. The beach monitoring results revealed areas of highly erosional shoreline and sediment deficits that placed upland areas at risk along certain areas of the beach. The Town evaluated alternatives including no action and encouraging individual property owner's to protect their properties from potential beach erosion impacts. This led to the identification of an initial program philosophy of restoring and maintaining the entire beach system with a comprehensive approach and a program was developed by the Town that included comprehensive beach restoration, comprehensive beach monitoring, strategic use of shoreline stabilization structures to improve performance/increase longevity of beach nourishment, use of near-island sand sources, as available, and attempts to control seaward advancement of development and protect beach/dune resources. The benefits of this program include:

- Recreational – Provides/maintains recreational amenity for visitors and residents of the Island.
- Storm/Erosion Protection – Provides/maintains buffer between the ocean and upland.
- Environmental – Maintains beach habitat for turtles, birds, etc.
- FEMA Benefits – Can help decrease storm damage.

This program has been highly successful. The performance of nourishment projects has far exceeded program expectations and there have been island-wide improvements in beach and dune conditions.

**FIGURE 18: HILTON HEAD ISLAND BEACH EROSION NEAR PORT ROYAL SOUND**





## 5.1 SHORELINE CHANGE ANALYSIS

The Beachfront Management Act defines three types of shoreline zones. A standard erosion zone is a segment of shoreline which is not directly influenced by the inlet or associated shoals. An unstabilized inlet erosion zone is a segment of shoreline along or adjacent to a tidal inlet which is directly influenced by the inlet and its associated shoals and which is not stabilized by jetties, terminal groins or other structures. A stabilized inlet erosion zone is a segment of shoreline along or adjacent to a tidal inlet which is directly influenced by the inlet and its associated shoals and which is stabilized by jetties, terminal groins or other structures.

In accordance with the Beachfront Management Act, Hilton Head Island is divided into 3 inlet erosion zones and 2 standard erosion zones. These zones are defined and described from south to north according to the numbering system of the State's beach monitoring network. The location of each monitoring monument and zone designation is shown in Figure 19 - Beach Control Monuments & Erosion Rate Zones. ~~Each of the inlet zones are unstabilized by terminal groins, jetties or other types of shoreline armor.~~

### 5.1.1 Beach Profiles

There are 45 beach monitoring stations on Hilton Head Island that were surveyed in March 2014. Stations 1400-1406 show a low-lying dune field hundreds of feet wide at the southwest end of the island. Profiles at stations 1409-1436 in Sea Pines and South Forest Beach show a well-established dune field, with crests of 12-15 ft., and a wide high-tide sand berm. Stations 1437-1448 in North Forest Beach and Shipyard Plantation exhibit a similar beach profile with a wide beach and a dune crest peaking at 15 ft. At stations 1451 and 1454 in the southern end of Palmetto Dunes, the dune field becomes even wider, and stations 1456-1466 in the remaining section of Palmetto Dunes also have a mature dune field and wide dry-sand beach. In many places three distinct rows of sand dunes have formed seaward of the oceanfront houses. Stations 1468 and 1469 at Singleton Beach and also station 1472 on the other side of The Folly at Burkes Beach all have a wide dune field and dry-sand beach.

Stations 1474-1478 are located on Bradley Beach and Folly Field Beach. At stations 1474-1477 the dune field remains wide but becomes narrower and flatter at station 1478. The area to the northwest, where stations 1481 and 1484 are located in Port Royal Plantation, became highly erosional around 10 years ago. At that time an offshore sand shoal called Joiner Bank had dissipated, resulting in higher-energy waves reaching the shoreline and causing extreme erosion. The Town of Hilton Head Island responded to this situation by constructing a groin and a beach renourishment project here in 2011. The project has stabilized the beach, and the most recent profile data shows a 300-ft wide shelf of dry sand seaward of the vegetation line.



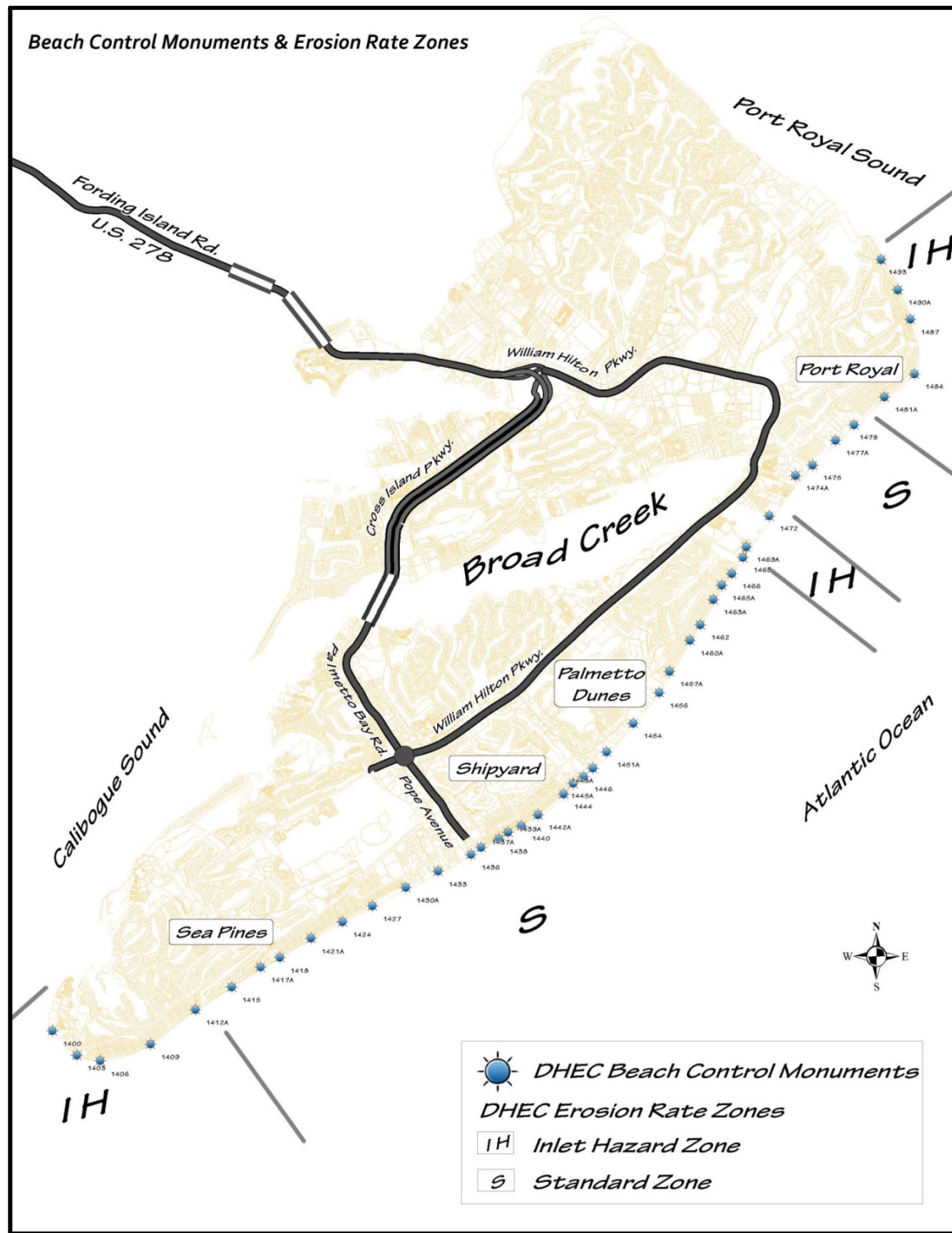


Stations 1487-1493 are located in Port Royal Plantation, along the Port Royal Sound shoreline up to Fish Haul Creek. Profiles here show a wide beach with a low-lying dune field, and the offshore portion of the profiles also show massive sand bars associated with the channels of Port Royal Sound. Station 1496, on the inland side of Fish Haul Creek, is far enough into Port Royal Sound to be out the state's beachfront jurisdiction. This is a typical estuarine shoreline, with a minimal sand beach.

Beach profile and volume over time graphs for representative monuments of each erosion zone are provided in Figures 20-27. The source of this data was <http://www.coastalgis.com/pmas/login.php>. - Updates to this data up to 2015 can be found at <https://gis.dhec.sc.gov/bermexplorer/>.

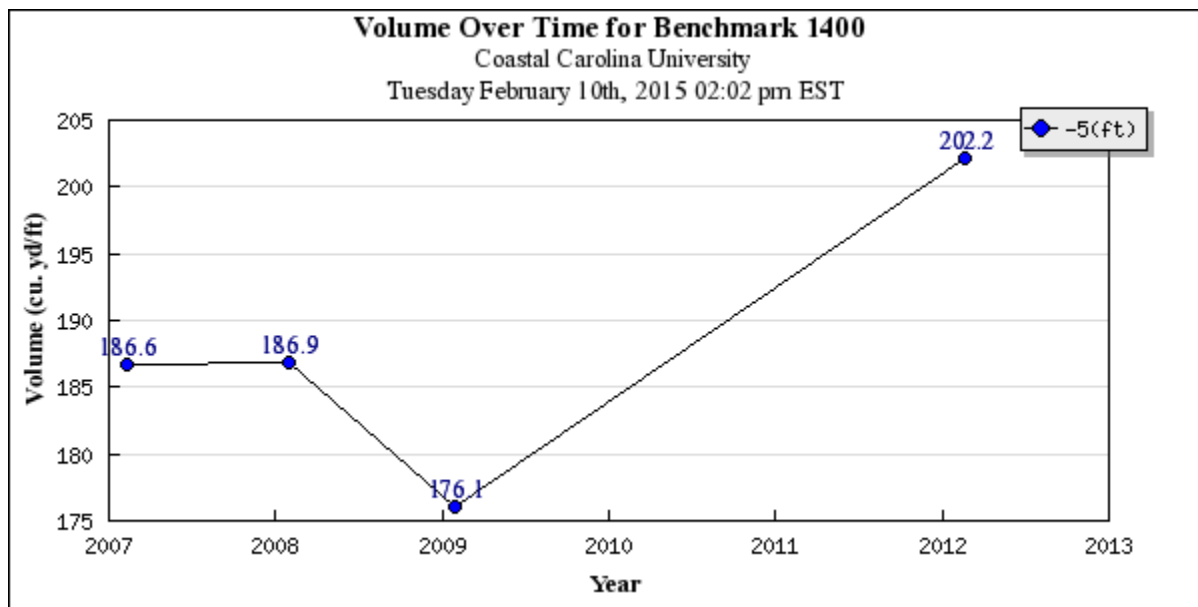
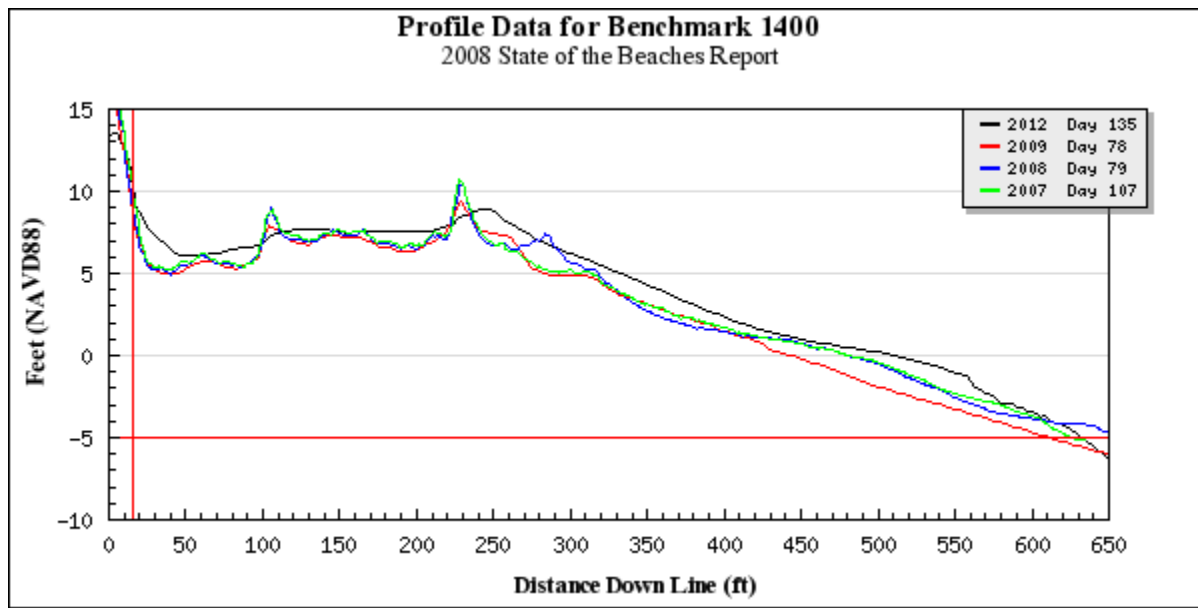


**FIGURE 19 - BEACH CONTROL MONUMENTS & EROSION RATE ZONES**



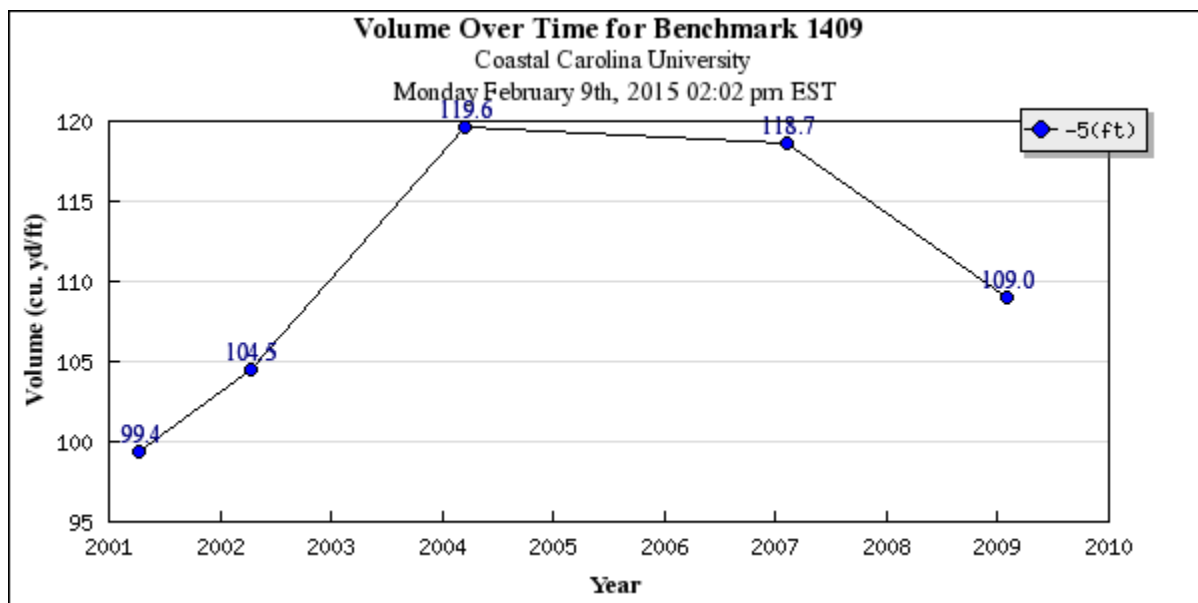
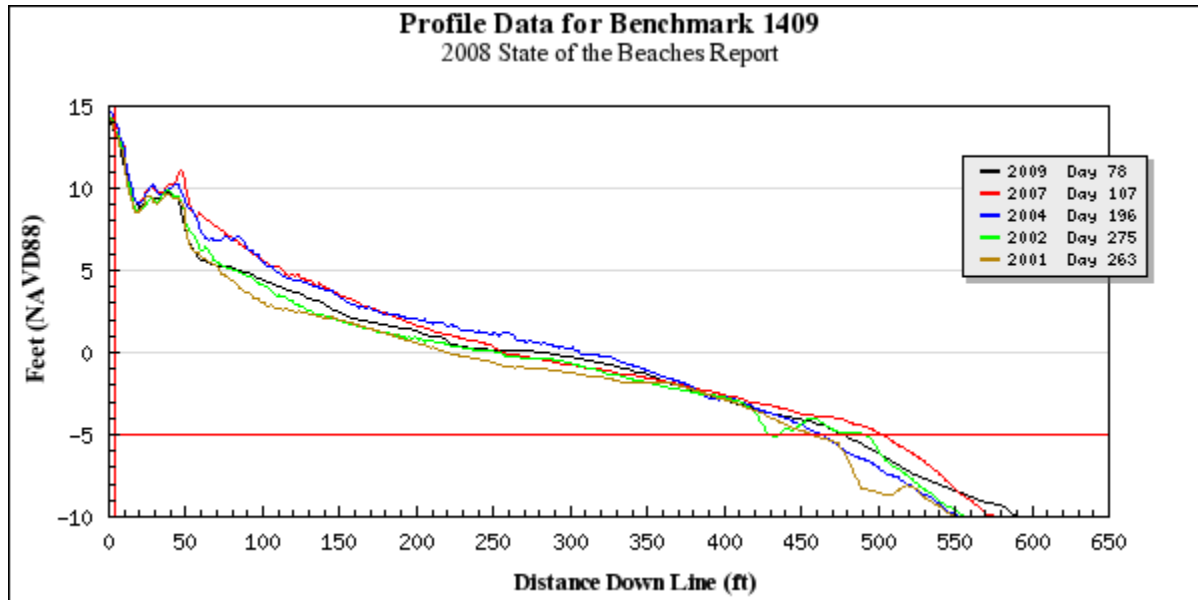


**FIGURE 20: BEACH CONTROL MONUMENT 1400**



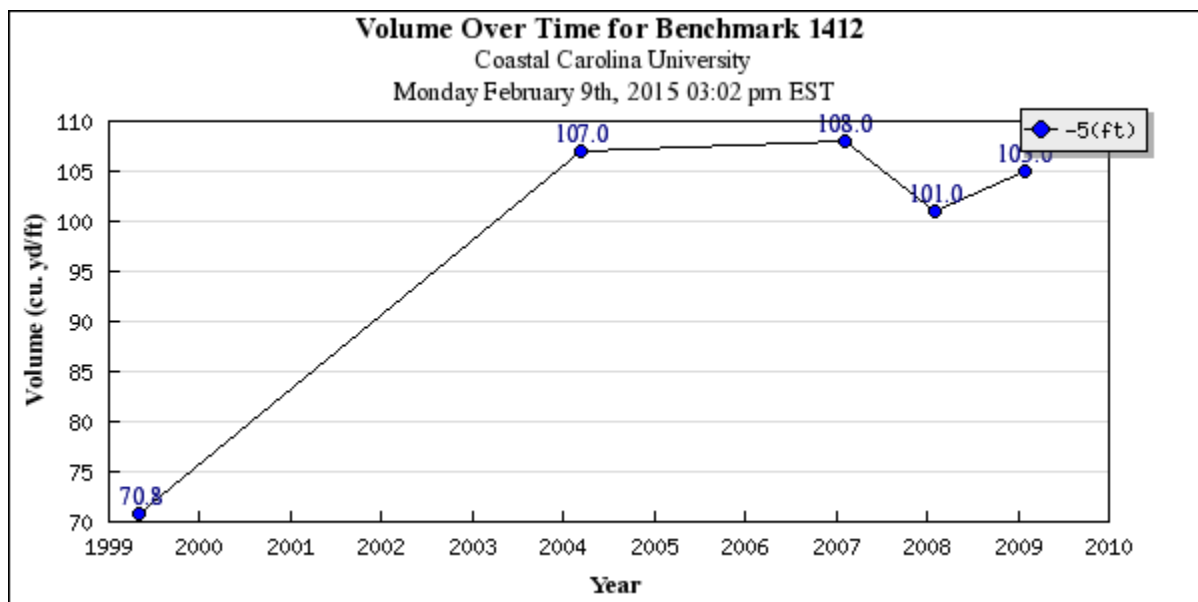
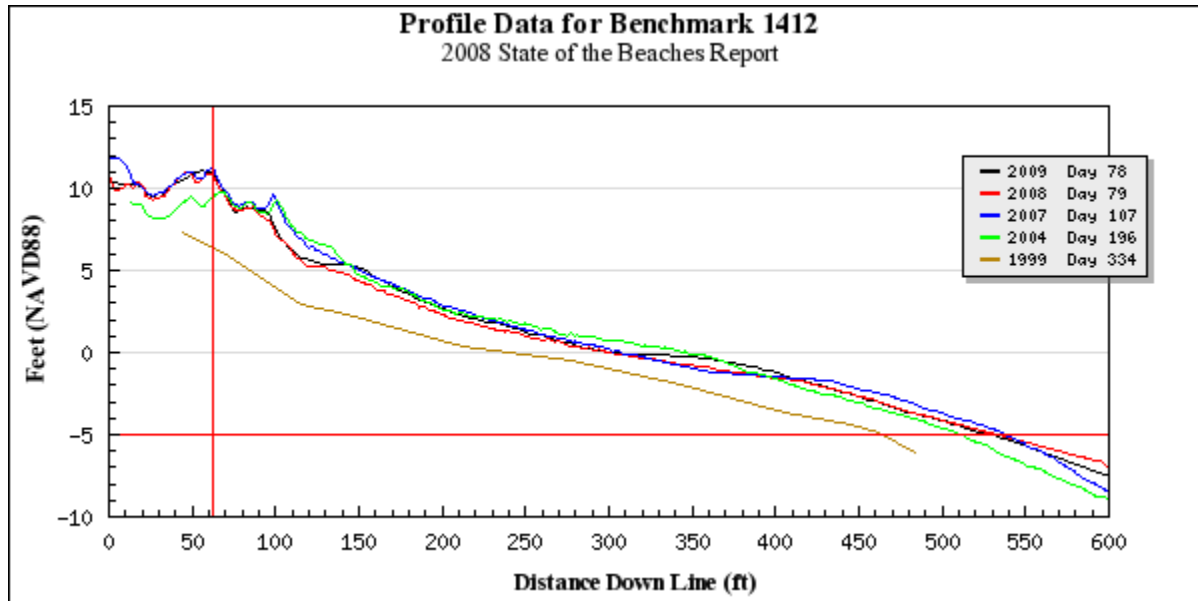


**FIGURE 21: BEACH CONTROL MONUMENT 1409**



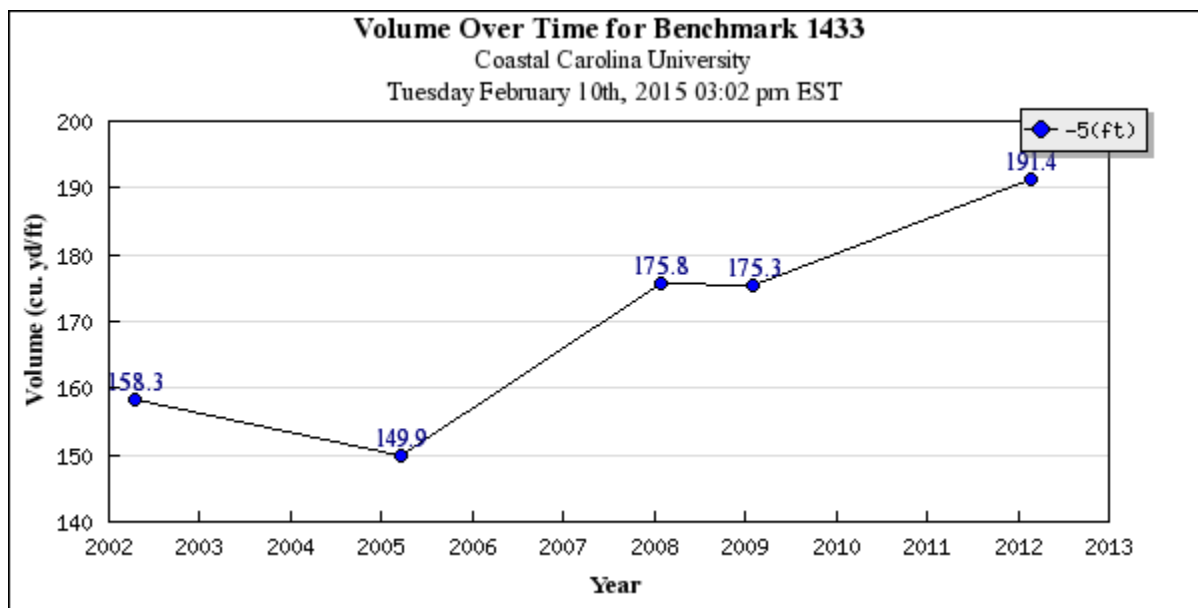
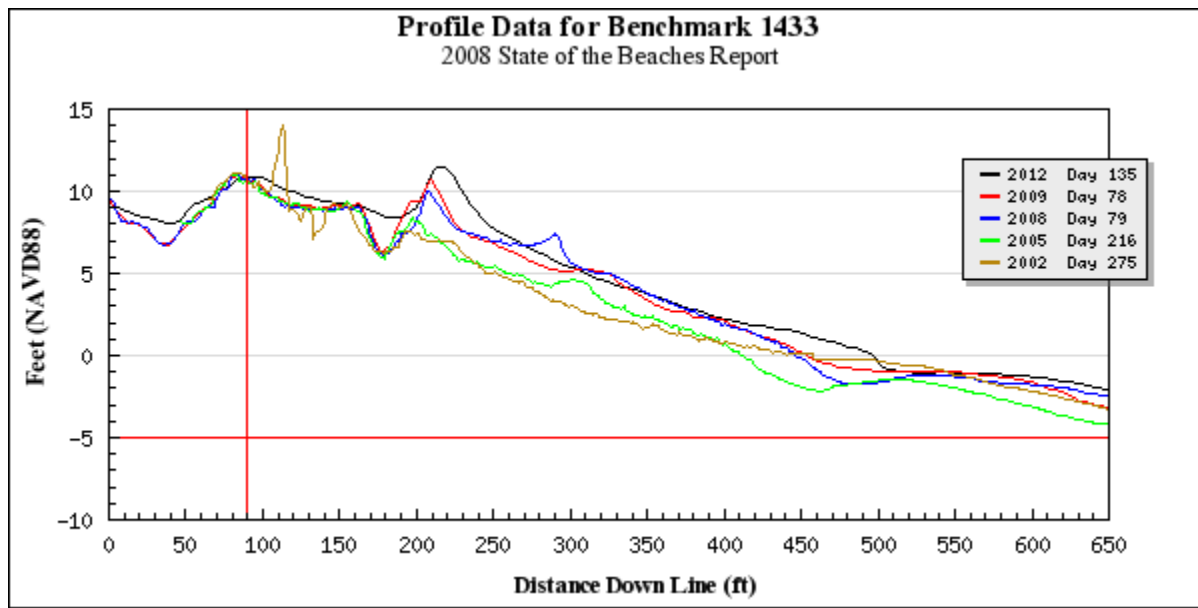


**FIGURE 22: BEACH CONTROL MONUMENT 1412**





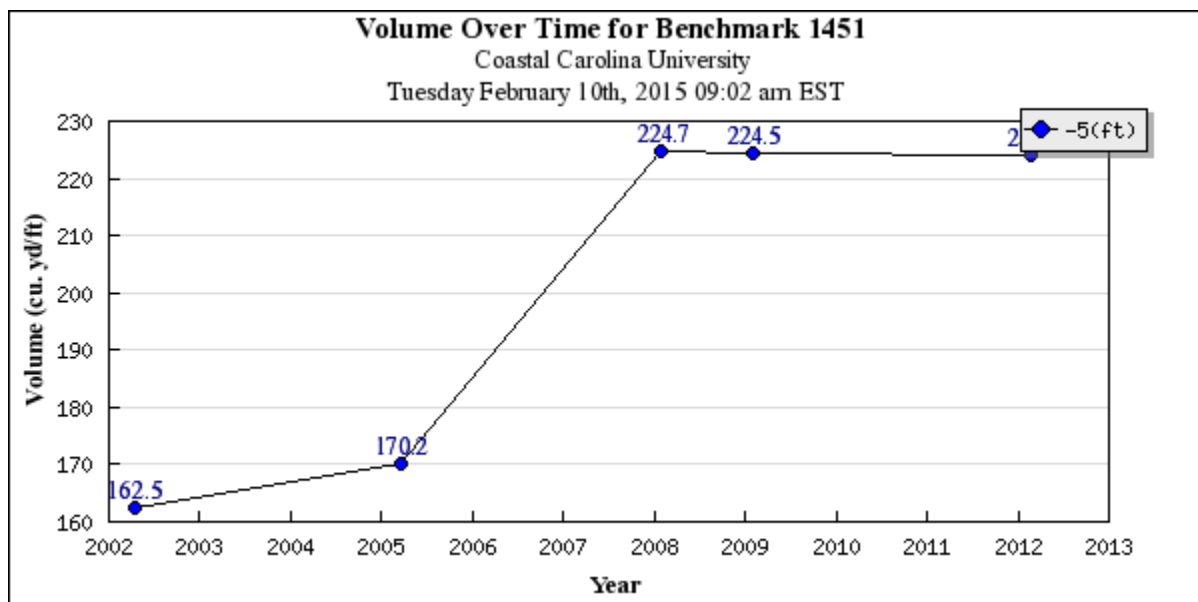
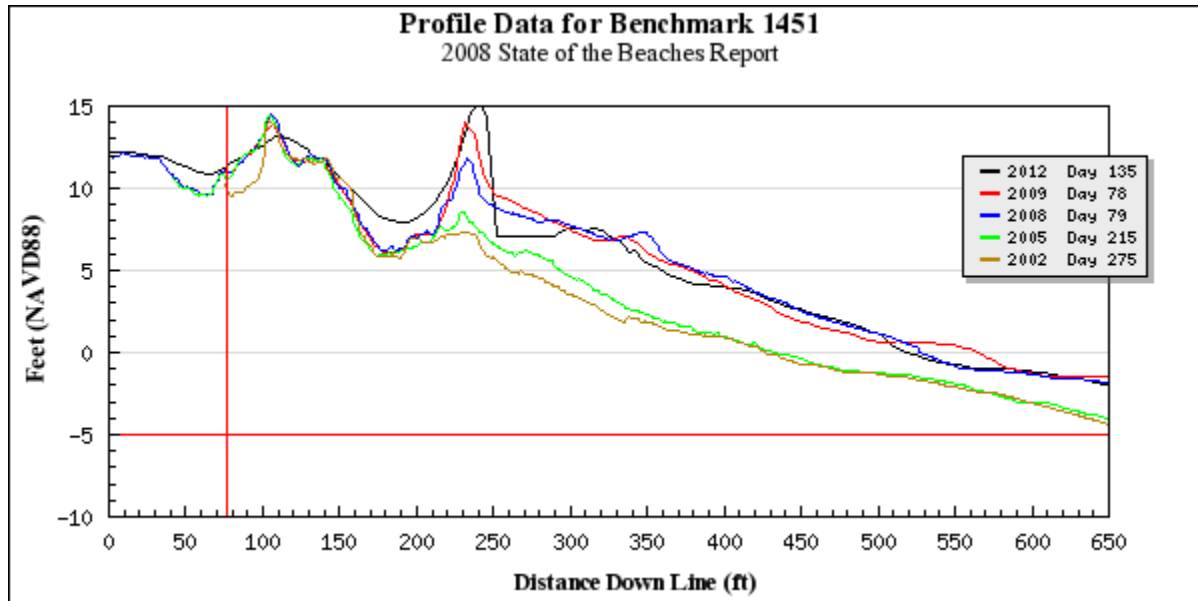
**FIGURE 23: BEACH CONTROL MONUMENT 1433**





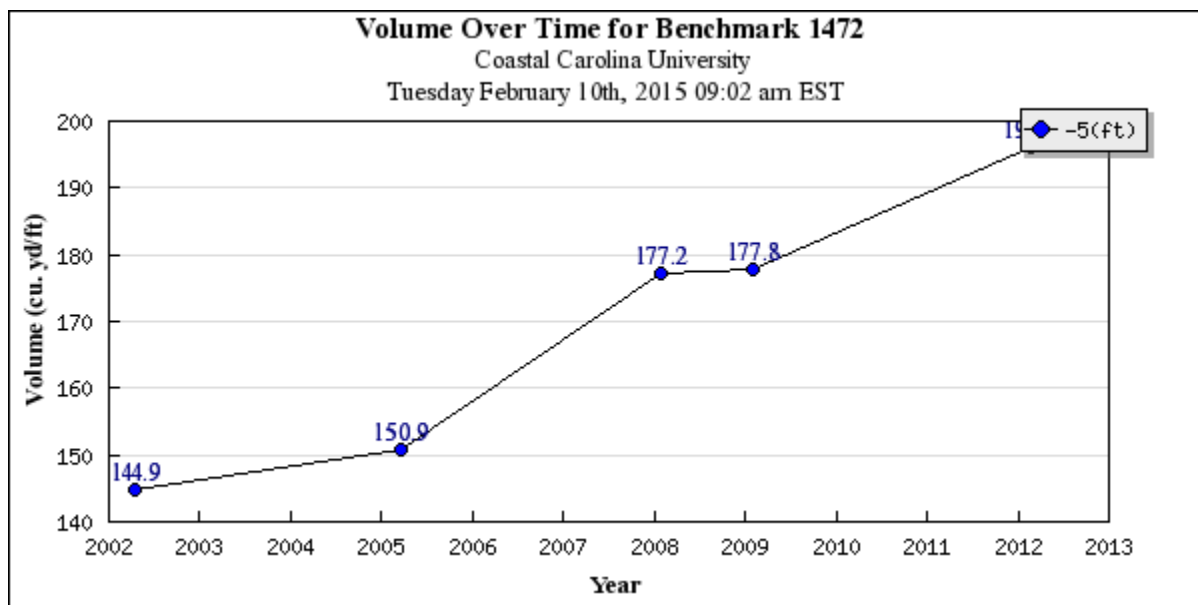
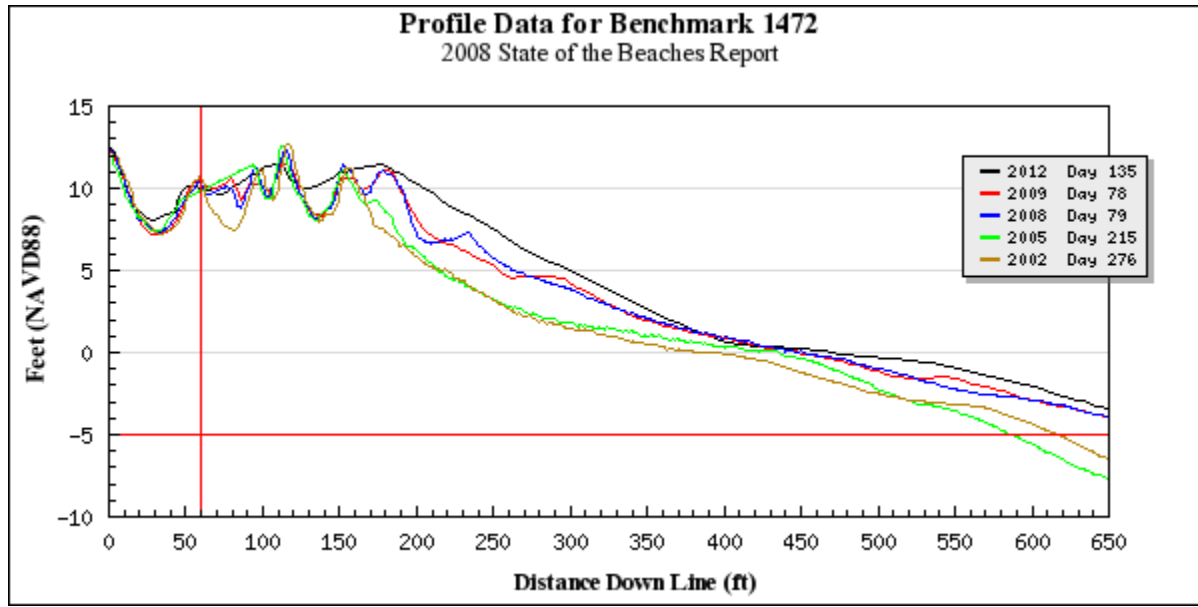


**FIGURE 24: BEACH CONTROL MONUMENT 1451**



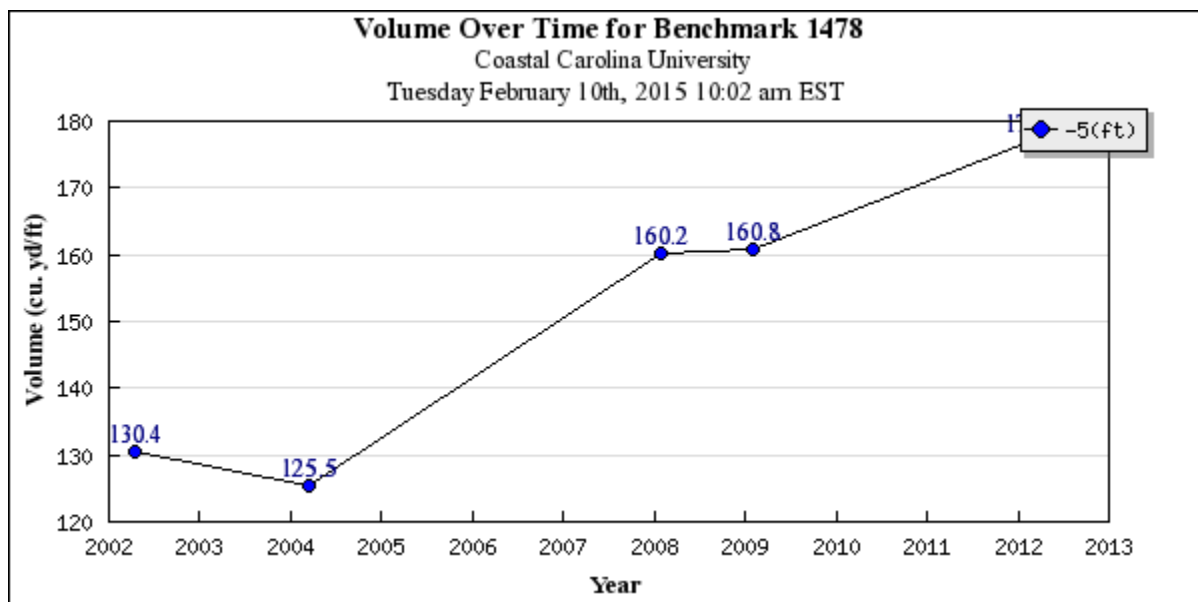
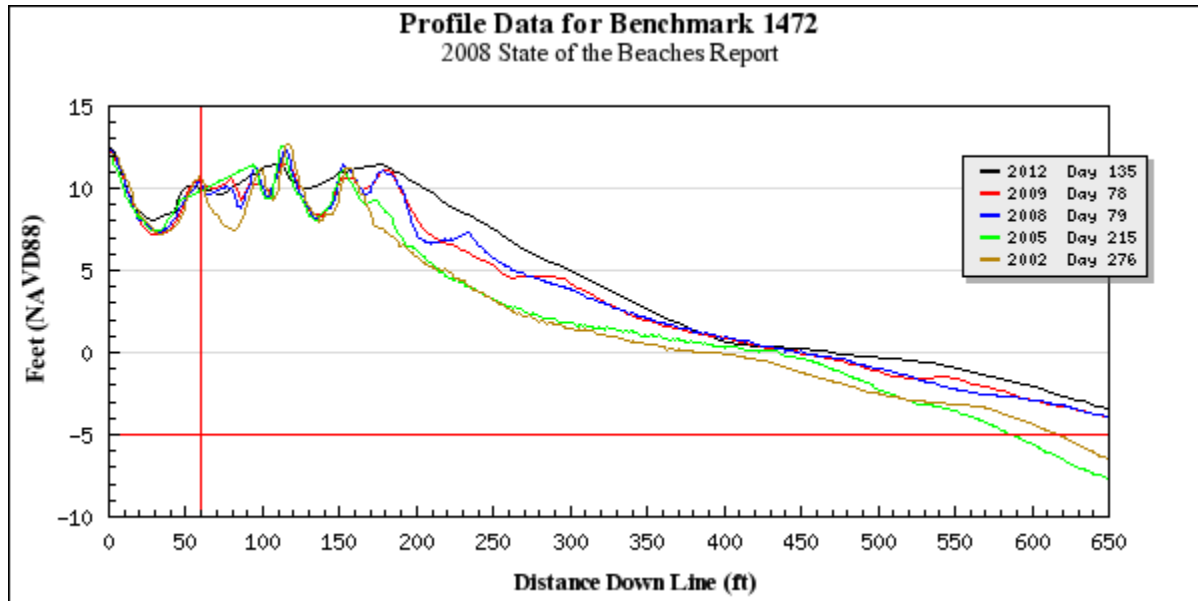


**FIGURE 25: BEACH CONTROL MONUMENT 1472**



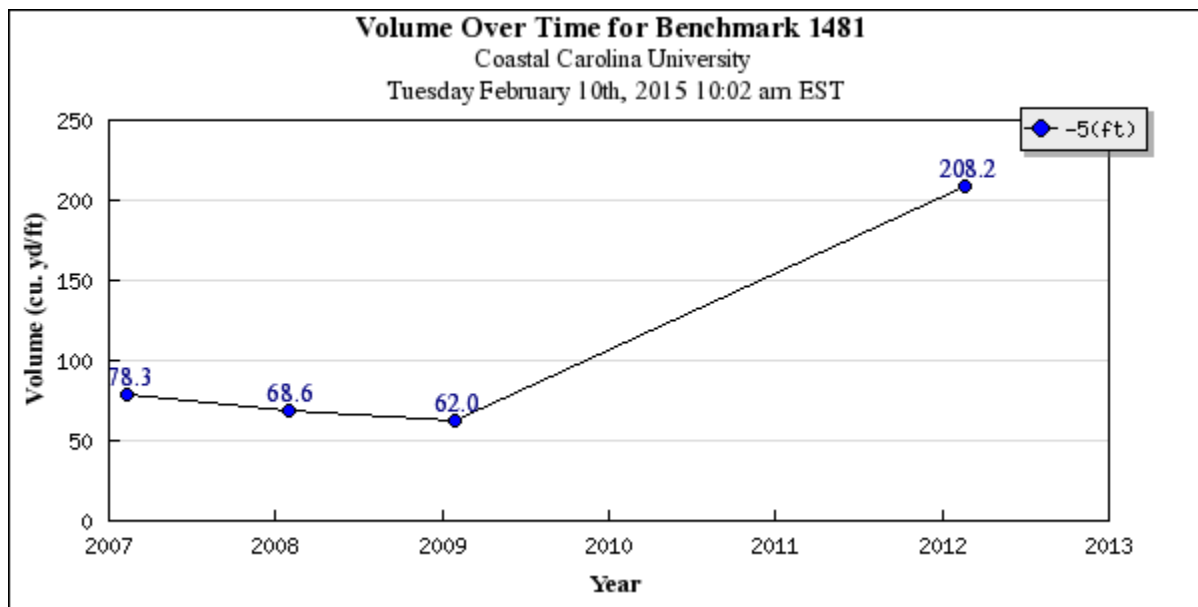
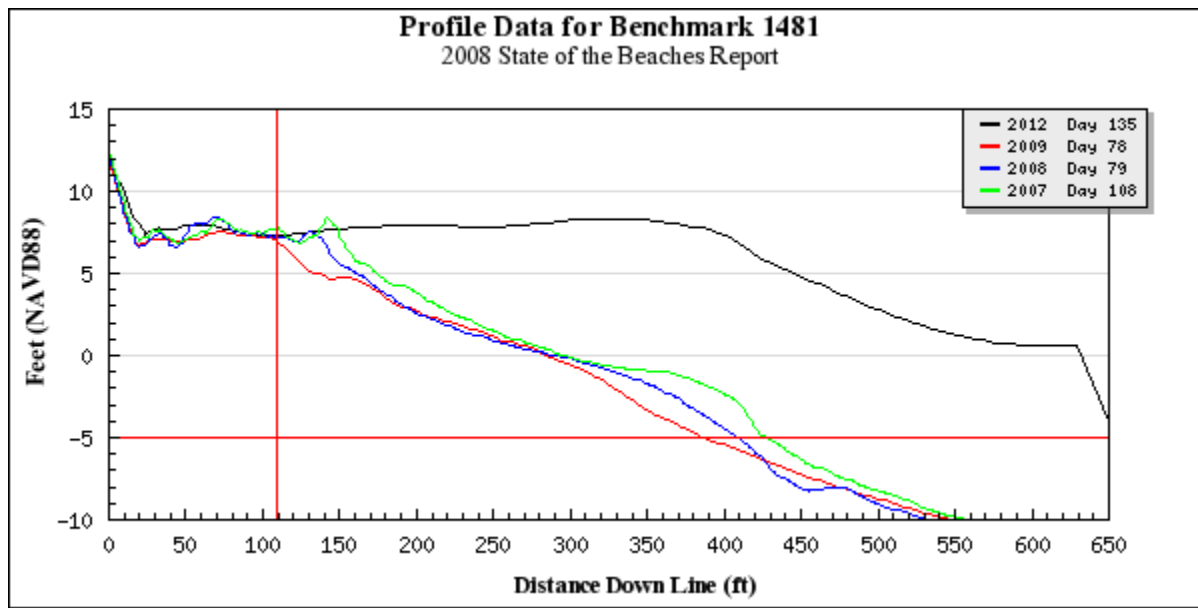


**FIGURE 26: BEACH CONTROL MONUMENT 1478**





**FIGURE 27: BEACH CONTROL MONUMENTS 1481**





### **5.1.2 Long Term Erosion Rates and Shoreline Change**

Hilton Head Island can be divided into five geomorphologic reaches, which are each discussed below:

The portion of Sea Pines Plantation bordering on Calibogue Sound is an unstabilized inlet zone, subject to the influence of the Sound and tidal processes. This section of shoreline is historically accretional.

The second zone on Hilton Head is a 10 mile-long standard zone that extends from station 1412 in Sea Pines Plantation to station 1469 just south of the Folly. This area includes South Forest Beach, North Forest Beach, and Palmetto Dunes. Long-term shoreline change rates vary in this zone. They are generally accretional for the area south of Coligny Circle and also north of Coligny Circle up to Lark St. Beyond Lark Street the beach becomes erosional up to Singleton Swash, with the rate of erosion increasing with distance from the Circle and reaching a maximum of -7 ft. per year in Palmetto Dunes.

The third zone on Hilton Head is a 2,200-ft long unstabilized inlet zone, located on either side of the Folly. Stations 1468, 1469 and 1472 are the monitoring stations in this reach, which historically was very dynamic because of the inlet channel. However, a small jetty constructed on the south side of the Folly in 1997 has helped stabilize this region. Long-term erosion rates here are around -6 ft. per year.

The fourth zone is a 1.3 mile-long standard zone that extends from just north of Burke's Beach Road to the Westin Hotel and includes stations 1474 through 1478. Long-term shoreline change rates here are stable to -3 ft. per year of erosion.

The fifth zone is an unstabilized inlet zone that includes all of the Port Royal Plantation shoreline. Survey stations 1481 through 1496 are located here. Stations 1481 and 1484 on the Atlantic Ocean shoreline are accretional on decadal time scales, but experienced extreme erosion in recent years. A new groin was built here in 2011 to stabilize the beach. Stations 1487-1496, on the Calibogue Sound shoreline, have long-term erosion rates of -1 to -5 feet per year.

The long-term erosion rates adopted by the State are shown in Table 5.



**Table 5:**  
**2015 Annual Erosion Rates for Current Beachfront Baseline**  
**DHEC-OCRM,**

Station	Erosion Rate (ft./yr.)	Station	Erosion Rate (ft./yr.)	Station	Erosion Rate (ft./yr.)	Station	Erosion Rate (ft./yr.)
1400	20.80	1433	3.90	1454	-4.76	1475	-1.71
1403	11.29	1436	3.71	1456	-5.45	1477A	-0.59
1406	10.43	1437A	3.58	1457A	-5.94	1478	0.69
1409	S/A	1438	2.99	1460A	-6.17	1481A	0.69
1412A	S/A	1439A	2.89	1462	-6.69	1484	1.94
1415	S/A	1440	2.30	1463A	-6.59	1487	-0.36
1417A	S/A	1442A	0.89	1465A	-6.33	1490A	-0.33
1418	S/A	1444	-0.95	1466	-6.23	1493	-2.00
1421A	S/A	1445A	-1.80	1468	-5.84		
1424	2.20	1446	-2.30	1469A	-5.64		
1427	3.97	1448A	-2.76	1472	-4.69		
1430A	4.17	1451A	-3.02	1474A	-2.72		

## 5.2 BEACH ALTERATION INVENTORY

Although the Town's preferred approach to shoreline stabilization is beach renourishment, historic efforts to stabilize the Island's shoreline have resulted in structures being installed by various entities at six locations along the Island's shoreline.

### Existing Shoreline Stabilization Structures

#### *South Beach Groins:*

Seven shore-stabilizing structures presently exist along the southern extremity of the Island within Sea Pines. Six of these structures constitute the groin field found along South Beach's ocean-facing shoreline, while the seventh structure is a terminal groin commonly called the Land's End Groin, located immediately adjacent to the Braddock Cove tidal creek. These structures were installed during the late 1960's and 1970's by Sea Pines Company.

#### *North Forest Beach Armoring:*

In conjunction with the development of this residential area in the 1960's and prior to the adoption of the S. C. Beachfront Management Plan and DHEC OCRM setback line in the 1980's, over a mile of various forms of armoring was constructed along the North Forest Beach shoreline by property owners. Typical types of armoring ranged from walls, to granite rip rap and concrete rubble, most of which was placed in





an undesigned fashion on an as-needed basis. As a result of the Town's renourishment efforts, this zone of shoreline hardening has been effectively isolated from normal day to day wave and tide impacts by beach fill projects conducted in 1990 and 1997. Since the section of central Hilton Head Island shoreline extending from North Forest Beach to the present day Marriott Hotel naturally experiences the most erosional stress, it is deemed to be an important trigger for beach restoration activities.

*Marriott Hotel Sloping Concrete Revetment with Seawall:*

The existing Marriott Hotel complex (formerly the Hyatt Hotel) is an example of the placement of a major habitable shorefront structure at the natural dividing point along Hilton Head Island's littoral system. A massive sloping concrete revetment with seawall was constructed in conjunction with and upland of the original project, clearly acknowledging that the hotel complex would be subjected to wave and tide impacts. However, what may not have been realized was the magnitude for potential chronic shoreline recession at that location. A Littoral Transport Study of the island's oceanfront shoreline (Olsen, June, 1996) confirmed that the natural dividing point for littoral transport lies in the vicinity of the hotel and that phenomenon has been partially responsible for increased background erosion rates measured at that location. Although two previous beach renourishment projects have overtly sought to both reduce erosion vulnerability at the Marriott hotel site and to maximize post-construction beach widths sufficient to address high intensity recreational demand, it is recognized that a comprehensive solution is neither practical nor cost-effective seaward of the hotel complex. It is acknowledged that erosion of this area will occur faster than other areas along the shoreline; however due to the specific nature of this area, such an occurrence will not be used as the trigger for a large scale renourishment, like erosion in the North Forest Beach area.

*Folly Terminal Groin:*

A relatively short rock terminal groin was built along the west side of the small tidal inlet known as the Folly, as part of the 1997 renourishment project. The primary purpose of the structure was to allow beach restoration operations to occur in close proximity to the Folly (westward of the inlet only) without increasing the probability of closure due to project induced shoaling. DHEC OCRM permits for beach nourishment on Hilton Head Island, require that the Folly "must be kept in an open and flowing condition" since the tidal inlet is connected to a small isolated estuarine area deemed to be an important environmental resource. Accordingly, maintenance of the groin structure at its current location and approximate existing configuration is an important mechanism for minimizing fill impacts at this location of the island. Conversely, the eastern limit of the Folly has remained unstabilized and beach fill operations at that location are not allowed to encroach toward the inlet.

*Port Royal Plantation Groin Field:*

Along the Port Royal Shoreline, 17 shore perpendicular groins and two shore parallel rock revetments were constructed between 1969 and 1974. The 17 groins were constructed of varying mixes of small, medium and large granite stone. Some groins included concrete rubble. The two remaining groins,



located at the southeastern most section of the Port Royal Sound shoreline, were constructed of palm tree trunks combined with granite stone. It is estimated that these two structures were constructed around 1960. The groins' lengths vary from about 100 to 600 feet and the spacing between groins varies from approximately 165 to 850 feet.

*Town/SPA Breakwaters:*

As part of the 2006 Beach Renourishment Project, a new section of Port Royal Sound facing shorefront received limited beach fill to the northwest of Fish Haul Creek. As a complement to the small sand fill, six small rock detached breakwaters were constructed seaward of the limits of sand placement. The purpose of the rock breakwaters is to extend the life (and performance) of the very small isolated fill project. The structures are likewise intended to reduce sand migration from the fill towards Fish Haul Creek. Subsequent to rock placement, marsh vegetation was planted in the lee of each structure to further encourage long term natural stabilization along this shoreline which is at the transition point from sandy beach to an estuarine environment. It should be noted that this shore stabilization project is not located within the DHEC OCRM Beach/Dune Critical Area, but serves to more evenly distribute beach access points throughout the Island.

*Town/Port Royal Groin:*

A new section of Port Royal Sound facing the Atlantic shorefront received limited beach fill and a 700 foot long rubble mound terminal groin at the northeastern end of the project. The groin is low crested and mostly buried. The purpose of the rock breakwaters is to extend the life (and performance) of the small isolated fill project.

**Beach Renourishment**

In 1980, United States Army Corps of Engineers (USACE) issued a permit for the deposition of 300,000 cubic yards of sand along approximately 14,000 linear feet of the beach to Sea Pines Company. The renourishment sand was transported from the permitted dredging project of Shelter Cove Marina, located mid-island on Broad Creek, as a result of its compatibility with existing beach front sand. A Palmetto Dunes Resort project was the only renourishment project on Hilton Head Island permitted by the USACE and certified by the South Carolina Coastal Council prior to 1990, and predates the incorporation of the Town.

In 1990, the Town of Hilton Head Island undertook a nourishment project that was jointly funded by the State and the Town. This project involved the placement and contouring of as much as 2.5 million cubic yards of compatible sand along 35,000 linear feet of the beach. This renourishment project covered an area of the beach from just north of the Westin Hotel to south of Coligny Circle, with a small area excluded around the Folly. The sand was excavated and placed by hydraulic dredge from two offshore borrow sites located at Joiner and Gaskin Banks.



In 1997, the Town performed another renourishment project located very similarly to the 1990 project; however, this project addressed an additional 1.5 mile segment along Port Royal Sound, the reconfiguration of a tidal channel and the installation of sand fencing and native vegetation to encourage dune formation and stabilization.

In 1999, another renourishment project was permitted for emergency work to renourish along the South Beach shoreline as the preferred solution to the localized erosion problem which was occurring at that time. This fill was placed over the South Beach groin field rather than maintaining the structures themselves.

In 2007, the Town finished a \$16.6 million project that was similar to the projects constructed in 1990 and 1997, with the exception of certain design refinements near the Marriott and along North Forest Beach. In addition, the Town elected an area near Fish Haul Creek along the shoreline of Port Royal Sound due to chronic erosion. This project placed about 2 million cubic yards of sand along 6.6 miles of Atlantic shorefront, from just south of Coligny Circle to just north of the Westin Hotel at Port Royal Plantation, 85,000 cubic yards of sand along 2,000 feet of the Port Royal Sound shoreline north of Fish Haul Creek at the Spa, and 42,000 cubic yards of sand along 1,500 feet of Atlantic Shorefront at South Beach. As with previous projects, the nourishment sand was excavated by hydraulic dredge from two offshore shoal features.

The 2011-12, beach renourishment project was a smaller scale project that built up the beach from just north of The Westin Resort to the Beach House in Port Royal Plantation. The 9.8 million dollar project included two principal parts: The placement of about 1.0 million cubic yards of sand along 1.0 miles of Atlantic shorefront and the construction of a 700 foot long rubble mound terminal groin at the northeastern end of the project. The groin is low crested and mostly buried.

[The 2014 beach renourishment project was a smaller scale project where 35,000 cubic yards of sand was placed along a segment of Port Royal Sound just north of Fish Haul Creek at a cost of approximately \\$1 million dollars.](#)

The 2016 beach renourishment of the Atlantic oceanfront shoreline is expected to be similar to the projects constructed in 1990, 1997 and 2006 and is estimated to cost over \$20 million dollars, will also include sand placement along localized portions of previously restored shoreline in Port Royal Plantation and the area just north of Fish Haul Creek on Port Royal Sound.

The planned 2016 renourishment project will include four principal parts:

1. Placement of about 1.3 million cubic yards of sand along 5.5 miles of Atlantic Ocean shorefront from just South of Coligny Circle to The Folly tidal inlet at Singleton Beach,



2. Placement of about 0.5 million cubic yards of sand along 7,000 feet of the Atlantic Ocean and Port Royal Sound shorelines in northern Port Royal Plantation,
3. Placement of about 0.3 million cubic yards of sand along 5,000 feet of Atlantic Shorefront in southern Sea Pines near South Beach, and
4. Placement of up to 60,000 cubic yards of sand along 2,400 feet of the Port Royal Sound shoreline north of Fish Haul Creek in the vicinity of the Fish Haul Park, Mitchelville Beach Park and The Spa of Port Royal.



**FIGURE 28: 2016 BEACH RENOURISHMENT MAP**





**FIGURE 29: PRE-1990 SHORELINE AND 2006 PROJECT COMPLETION**



### 5.3 EROSION CONTROL ALTERNATIVES

Since about 1986 a fundamental tenet of the Town’s beach management strategy is that reliance upon “hard” structures should be minimized. Prior to the initiation of beach restoration through nourishment, different types of hard structures implemented for shore stabilization by the private sector (*i.e.* homeowners, developers, hotels, P.O.A.’s, etc.) have typically consisted of structures such as groins and seawalls or bulkheads. For the purpose of evaluation, two basic types of shoreline stabilization techniques have been considered: hard and soft shoreline treatments. In 2005, Olson and Associates prepared a white paper on shoreline stabilization structures that included the following evaluation of alternatives for both “hard” and “soft” erosion control techniques.

“Armoring consists of shoreline *hardening* through the application of bulkheads, seawalls or revetments.

- Bulkheads are vertical retaining walls designed to hold or prevent soil from sliding waterward.
- Seawalls are usually massive, vertical designed structures used to protect backshore areas from heavy wave action. In highly erosive conditions or exposed locations they may separate land from water.





- Revetments provide a sloping protective cover of erosion resistant material to protect a shorefront from waves and/or strong currents. They can be solid (*i.e.* sloping concrete for example), but most typically are comprised of a designed cross section of natural rock (like granite), or on less frequent occasions manmade type armor units.

Although armoring may be successful in limiting or reducing the extent of horizontal shoreline recession along a chronically eroding shorefront, it does *not* serve to alleviate deflation (*i.e.* vertical erosion) of the beach profile seaward. Hence, armoring is considered to be net impactive with respect to littoral processes. Most vertical armoring is highly reflective of incident wave energy; thereby further accentuating offshore sediment losses, in particular during storm events. For this reason, a sloping rock revetment (with a lower coefficient of reflectivity) is typically preferable over a vertical seawall or bulkhead in open coast environments.

**Groins** are one of the oldest and most common shore connected beach stabilization structures. Groins are structures typically constructed perpendicular to a shoreline in the zone of most active littoral transport across the beach profile. As such, groins are often designed to interrupt longshore transport in order to trap, or retain sand mobilized by waves or currents. Groins are often deployed as a field of structures in order to spatially affect a section of shorefront. At the terminus of a littoral cell, a single “terminal structure” may be used to anchor the beach, and/or limit the removal of sand from the shore into a navigational channel or the shoals of a tidal inlet.”

Rather than these hard structures, the principal means of shore stabilization embraced by the Town of Hilton Head Island Shoreline Management Plan should be beach nourishment, a restorative “*soft*” structure which provides for improved shorefront conditions suitable for recreation, protection of upland development or infrastructure, as well as global environmental enhancement. In the mid 1980’s the Town commissioned an “Erosion Assessment Study for Hilton Head Island” which was followed by an “Engineering Evaluation of a Beach Restoration Strategy for Hilton Head Island.” In addition to providing the technical rationale for beach nourishment, these two documents formed the basis for the Town’s initial and first request to use State funds for the purpose of beach nourishment in 1989.

Since that time, the Town has enacted a local “Beach Preservation Fee” which amounts to a 2% assessment on short-term rental accommodations. Rental to the same person or party of ninety (90) continuous days or more is not considered short term. The collection of this fee has allowed the Town to unilaterally fund subsequent beach renourishment projects, conduct semi-annual beach surveys and annual shoreline aerial photography, provide annual monitoring reports, acquire land, develop beach parks to enhance access, and install and maintain sand fencing and dune vegetation. The program generates approximately \$4 million per year. The Town of Hilton Head Island has spent \$50 million for beach renourishment projects between 1990 and 2012, and the Town’s Capital Improvements Program includes funding to continue providing beach re-nourishment and maintenance in future years.



The Town has undertaken large scale fill projects on its oceanfront beach in 1990, 1997 and 2006. Besides the creation of a wider, higher and more robust beach configuration suitable for both active and passive opportunities at all stages of the tide, the Town has also been able to initiate a wide array of additional beach and shoreline management functions. These efforts benefit the local population as well as the island's natural environment. Noteworthy accomplishments directly associated with the Town's existing management program include, but are not necessarily limited to the following areas:

1. A coincident program of dune and vegetation restoration,
2. Improved beach protection laws for existing shorefront development and future redevelopment,
3. Enhanced property values and concurrent ad valorem tax base,
4. Eligibility for unique post-disaster financial assistance from FEMA,
5. Acquisition of undeveloped oceanfront lands for purposes of improved public access and park creation,
6. Improved promotional opportunities and amenities for resorts, hotels, property management firms, etc.
7. Protection of the Folly and its unique estuarine environment,
8. Improved Federal Flood Insurance program compliance,
9. More effective regulation of inappropriate oceanfront development,
10. Enhanced habitat for birds and endangered sea turtles.
11. Semi-annual beach surveys and annual shoreline aerial photography are used for modeling erosion and accretion rates when studying the Island's renourishment needs.

**FIGURE 30: SAND FENCING**





**FIGURE 31: BEACH RENOURISHMENT RESULTS**





## 6 - NEEDS, GOALS AND IMPLEMENTATION STRATEGIES

With the adoption of the Land Management Ordinance and the Comprehensive Plan and appendices, including the Beach Management Plan, many of the Town's policies and goals on shoreline retreat are being met. ~~However, continuous pressure from developers to move development toward the newly renourished beach is of grave and immediate concern to the Town.~~

*Need 1: The Town should investigate methods to continue to protect the existing beach/dune features and those features resulting from renourishment projects from development and redevelopment pressures.*

*Goal 1.1: Have a well maintained beach and dunes system that helps to preserve and protect the Island's manmade and natural resources and provides for a sound economic base; ~~the Town does not support movement of the baseline or any other action that would result in encroachment of development into the dunes system or seaward of the baseline that was established in 1999.~~*

*Goal 1.2: Continue to Protect and Enhance the Beach/Dune System through the regulation of beachfront development.*

### *Implementation Strategies:*

- A. The Town should continue to implement its Capital Improvement Program and Land Acquisition Program to develop, renovate, or expand its beach parks.

### *Achievements:*

- ✓ Town Council authorized the first phase of a comprehensive Shoreline Management Plan. The first element, an inventory and analysis of shoreline stabilization structures, has been completed.
- ✓ The Town has completed four major and one emergency beach renourishments since 1990, with another large scale project currently underway.
- ✓ Detached breakwaters were installed along parts of Port Royal Sound Shoreline.
- ✓ The Town has begun post 2007 project monitoring, studies on groins at Port Royal Plantation, South Beach, and the Spa area on Port Royal Sound.
- ✓ The Town contracted with Olsen Associates for studies on groins at Port Royal Plantation, South Beach, and the Spa area on Port Royal Sound.



- ✓ Semi-annual beach surveys are conducted and an annual monitoring report is prepared.
- ✓ Sea turtle monitoring continues on island beaches. Staff is mapping all nesting sites.
- ✓ A dedicated funding source has been established for beach renourishment in the form of a beach fee, derived from an additional two percent Local Accommodations Tax levied by Town Council. This source provides \$4 million each year, dedicated to beach renourishment and related monitoring, dune refurbishment, maintenance and operations, and new beach parks and beach access facilities.
- ✓ Completed a Port Royal beach erosion study.
- ✓ In accordance with continuing beach maintenance activities, shorebird monitoring is entering its seventh season. The Town's monitoring of threatened or endangered shorebirds is assisting federal and state agencies in the protection and recovery of those species.

B. Continue to hold densities along the beachfront to their current levels or below.

***Achievements:***

- ✓ The Town adopted *Resolution 2003-08*, that states: “to ensure that the intent of the ten Planned Unit Developments within the Town’s PD-1 District is not compromised, *the master plan caps for those Planned Unit Developments should be held at current levels or below* until the Comprehensive Plan review/revision process is completed and this resolution is incorporated into the same, unless it can be clearly demonstrated that such a change will result in a reduced impact on infrastructure and the natural resources of the Island.”
- ✓ A goal of the Land Use Element states: “*the reduction in allowable densities is preferred.*” The Town should “reduce allowable development densities to ensure that development and redevelopment do not create adverse impacts on the natural resources of the Island, and so, not place an unreasonable burden on the community’s infrastructure. Further, since 70% of the Town is within areas that were master planned, the “*master plan caps should be held at or below current levels* to ensure that the intent of those PUDs is not compromised” (*Comprehensive Plan 2004*).

C. Continue to amend and enforce the LMO and Municipal Code to protect the established dunes systems on our beachfront, to provide for re-establishment of the dunes systems during redevelopment, and to provide for redevelopment scenarios after a natural disaster.



***Achievements:***

- ✓ LMO Chapters 3 & 5 regulate growth management requirements regarding site design and density; LMO Chapter 6 regulates natural resources, including beach protection and preservation. These chapters address building location on the site and requirements for protection of beach/dunes systems and vegetation.
- ✓ Municipal Code Title 8 Chapter 1 regulates beach/dune use and activities. Municipal Code Title 8 Chapter 3 provides for Sea Turtle Protection.
- ✓ Town Council adopted the Recovery Plan in 2003, which was updated in 2014. The Disaster Recovery Commission was formed to work with staff to further research certain unresolved issues in the Recovery Plan.
- ✓ Town Council adopted the Coastal Protection Area and Transition Area Overlay Zoning Districts.
- ✓ The Town installed fences and plantings to support buildup and retention of dunes.

- D. Work with DHEC OCRM during the update of the Town's Local Comprehensive Beach Management Plan. ~~when designated by the State and to review, as requested, public petitions to move the Baseline on individual properties to ensure compatibility with this Plan. It is the policy of the Town of Hilton Head Island that the baseline not be moved seaward.~~

***Achievements:***

- ✓ Beach Management Plan was first adopted in 1991 and amended in 1992 (inclusion of 40 Year Retreat Policy) and in 1998 (update of Beach Access section).
- ✓ This constitutes the update of the 2008 Beach Management Plan that was last amended in 2011. Town Staff coordinated heavily with OCRM Staff on its outline and content.

- E. Continue to promote environmental education programs and standards that stress protection of fragile areas and wildlife.

***Achievements:***

- ✓ In 2001, USFWS identified critical wintering habitat for the Piping Plover along parts of the Island's shoreline.
- ✓ The Town supports the Loggerhead Sea Turtle Protection Program through funding.
- ✓ The Town provides brochures that addresses habitat on the beach.
- ✓ The Town conducted a habitat inventory near Fish Haul Creek in 2003.





- ✓ Ordinance enforcement is carried out by Town Codes Enforcement Officers, Facilities Management staff, Shore Beach franchise employees and BCSO deputies.
- ✓ Town Staff works with OCRM, DNR, the Coastal Discovery Museum, Clemson Extension, Lowcountry Estuarium and other partners to present public education programs on such topics as water quality, low impact development, wildlife and native beach plantings to both the general public and the development community.

F. Coordinate with the Chamber of Commerce in tourism efforts to promote our beach.

***Achievements:***

- ✓ ATAX grants are given to the Chamber for promotions.

G. Work to revise state ~~legislation support~~ for enhanced protection of the beach and dunes system, ~~which should include an effective retreat policy in addition to considering renourishment efforts when determining baseline locations to prevent movement of the baseline further seaward as a result of renourishment.~~

H. Provide input to DHEC OCRM during the update of the State's Beach Management Plan, ~~to help ensure that the DHEC OCRM Baseline does not move further seaward along the Town of Hilton Head Island shoreline.~~

I. Work with the State to receive beach nourishment funds in the event the Town does not have local funding to renourish.

## ***2. Beach Access***

*Need 2: With the large majority of oceanfront land under private ownership, the Town should seek ways to work with developers to allow for public beach access in redeveloped sites, and to work with Property Owners Associations to protect accesses that currently exist.*

**Goal 2.1: Have adequate public beach access at Town-owned sites and seek innovative solutions to provide additional beach access for the public in privately owned neighborhoods and commercial areas.**



### ***Implementation Strategies:***

- A. The Town should continue to implement its 10 year Capital Improvement Program to develop, renovate, or expand its beach parks.

#### ***Achievements:***

- ✓ The Town owns 8 dedicated beach parks with over 1400 parking spaces.
- ✓ The Town has a dedicated funding source for land acquisition on the beach.
- ✓ The Town has spent \$ 171 million for land acquisition to acquire over 1150 1,300 acres, some for beach parks.
- ✓ The Town has renovated the Coligny Beach Park to open views to the ocean and to provide a better designed park.

- B. Continue to work with oceanfront developments to provide public access to the beach during redevelopment. Also work with neighborhood associations to protect neighborhood access points.

#### ***Achievements:***

- ✓ LMO 16-6-304 provides the ability for the Town to “consider the need for beach access to meet the general public interest” while reviewing all development applications involving property adjacent to the beach. This allows Town Staff to recommend to Town Council purchasing the property for beach access.
- ✓ The Town has negotiated with beachfront developers to include emergency vehicle access in some of the new development along the beach (Marriott Oceanfront, Disney).

- C. Develop methods of increasing public awareness concerning beach access points through better access signage, informational kiosks, directional signage and brochures.

#### ***Achievements:***

- ✓ The Town installed beach matting at Coligny, Driessen, Folly Field, Alder Lane, Mitchellville and Islander’s beach parks for access to the lower beach area by wheelchairs and other mobility devices used by disabled people to traverse the dry, soft sand.
- ✓ The Town installed GEOWEB to stabilize emergency accesses to the beach. Accesses are in the Coligny Beach Park, Islanders Park, Bradley and Burkes Beach Roads, Mitchellville and future Collier Beach Park.



- ✓ Staff worked with oceanfront beach developers to allow beach access emergency markers for location identification and installed them for efficient emergency vehicle access.
- ✓ The Fire & Rescue Master Plan recommends special emergency response vehicles be purchased in order to facilitate medical emergency response on the beach.
- ✓ The Town produced a Beach brochure and a Park Brochure detailing beach access locations and pathways to the beach.
- ✓ The Town coordinated with SCDOT for highway identification signs directing the public to beach parks.



# **TOWN OF HILTON HEAD ISLAND**

## *Community Development Department*

**TO:** Stephen G. Riley, ICMA~CM, *Town Manager*  
**VIA:** Charles Cousins, AICP, *Director of Community Development*  
**VIA:** Jennifer Ray, ASLA, *Planning and Special Projects Manager*  
**FROM:** Jayme Lopko, AICP *Senior Planner*  
**CC:** Shawn Colin, AICP, *Deputy Director of Community Development*  
**DATE:** May 18, 2017  
**SUBJECT:** Resolution creating the Gullah-Geechee Land and Cultural Preservation Task Force

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**Recommendation:** That Town Council adopt the attached Resolution to create the Gullah-Geechee Land and Cultural Preservation Task Force as an ad hoc committee of the Planning Commission and appoint the identified members.

The Planning Commission met on May 17, 2017 and voted unanimously to forward the attached Resolution to create the Gullah-Geechee Land and Cultural Preservation Task Force as an ad hoc committee of the Planning Commission.

**Summary:** The Committee is proposed to consist of 9 members, including 3 Planning Commission members, 3 representatives from the Native Island community, and 3 members from organizations that have a mission dealing with Gullah-Geechee or Native Island culture. The goal of the Committee is to identify and assist in the preservation of Gullah/Geechee culture for the purpose of detecting and resolving issues specific to this community, including, without limitation, heirs property and land use, economic and sustainability issues, and education of the community.

**Background:** On April 18, 2017, Town Council supported the recommendations made by the Planning Commission to create an ad hoc committee, which will report to the Planning Commission, to study the preservation of Native Island Properties. Town Council further authorized the Planning Commission to propose the membership of the Committee and to have the Committee, once it's formed, create a scope of work.

### **Attachments:**

A Resolution of the Town Council of the Town of Hilton Head Island South Carolina creating the Gullah-Geechee Land and Cultural Preservation Task Force as an ad hoc committee of the Planning Commission and providing a goal for the Committee.

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, CREATING THE GULLAH-GEECHEE LAND AND CULTURAL PRESERVATION TASK FORCE AS AN AD HOC COMMITTEE OF THE PLANNING COMMISSION AND PROVIDING A GOAL FOR THE COMMITTEE.**

**WHEREAS**, the Town of Hilton Head Island has established a reputation as a well-planned community; and

**WHEREAS**, the Town Council of Hilton Head Island identified Heirs Property as a Key Priority at its 2017 Strategic Planning Workshop; and

**WHEREAS**, Town Council is desirous of appointing a diverse range of members to the Gullah-Geechee Land and Cultural Preservation Task Force members to operate under the jurisdiction of the Planning Commission and operate with considerable public input; and

**WHEREAS**, Town Council has determined that to accomplish the goal of addressing Heirs Property concerns, the Gullah-Geechee Land and Cultural Preservation Task Force is best served by appointing members from the Native Island community, those with involvement in the Gullah/Geechee culture and/or community, as well as members from the Planning Commission; and

**WHEREAS**, the goal of the Gullah-Geechee Land and Cultural Preservation Task Force is to identify and assist in the preservation of Gullah/Geechee culture for the purpose of detecting and resolving issues specific to this community, including, without limitation, heirs property and land use, economic and sustainability issues, and education of the community; and

**WHEREAS**, Town Council has determined that accomplishing this goal is best served by allowing the Gullah-Geechee Land and Cultural Preservation Task Force Committee to determine their scope of work.

**NOW, THEREFORE, BE IT, AND IT HEREBY IS, RESOLVED BY THE TOWN COUNCIL FOR THE TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA, THAT** that the Gullah-Geechee Land and Cultural Preservation Task Force, an ad hoc committee of the Planning Commission, is created.

**MOVED, APPROVED, AND ADOPTED THIS \_\_\_\_ DAY OF JUNE, 2017.**

\_\_\_\_\_  
**David Bennett, Mayor**

**ATTEST:**

**By: \_\_\_\_\_**  
**Krista Wiedmeyer, Town Clerk**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Gregory M. Alford, Town Attorney**

**Introduced by Council Member: \_\_\_\_\_**