



Town of Hilton Head Island
Finance & Administrative Committee
Tuesday, October 6, 10:00 a.m.
Special Meeting
AGENDA

In accordance with the Town of Hilton Head Island Municipal Code Section 2-5-15, this meeting is being conducted virtually and can be viewed live on the Town's Public Meeting Facebook Page at <https://www.facebook.com/townofhiltonheadislandmeetings/>. Following the meeting, the video record will be made available on the Town's website at <https://www.hiltonheadislandsc.gov/>.

1. Call to Order

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

3. Roll Call

4. Approval of Agenda

5. Approval of Minutes

- a. Special Meeting, September 15, 2020

6. Citizen Comments

[Citizens who wish to address the Committee on new committee business must contact the Committee Secretary by 4:30 p.m. the day prior to the scheduled meeting. All comments are limited to 3 minutes.]

7. Unfinished Business - None

8. New Business

- a. Town of Hilton Head Island Financial Update
- b. FY 2020 Merit Based Salary Adjustments
- c. Presentation and Discussion Regarding Beaufort County Impact Fees- *Eric Greenway, Beaufort County Planning Director*
- d. Discussion of a Revised Standard POA/PUD Drainage Agreement
- e. Review and Approval of 2021 Proposed Meeting Dates

9. Executive Session

a. Contractual Matters:

Discussion incident to proposed contractual negotiations relative to Designated Marketing Organization Services Pursuant to Section 6-4-10 of the South Carolina Code of Laws.

10. Adjournment

Public comments concerning agenda items can be submitted electronically via the Town's Virtual Town Hall public comment portal at <https://hiltonheadislandsc.gov/opentownhall/>. The portal will close at **4:30p.m.** the day prior to the scheduled meeting. Citizens may also call (843) 341-4646 to sign up for public comment participation during the meeting by phone. The public comment period will close at **4:30p.m.** the day prior to the scheduled meeting. All comments will be provided to the Committee for review and made part of the official record.

Please note that a quorum of Town Council may result if four (4) or more of their members attend this meeting.



Town of Hilton Head Island
**Finance & Administrative
Special Committee Meeting**
Tuesday, September 15, 2020, 10:00 a.m.
Conference Room 3

MEETING MINUTES

Present from the Committee: Tom Lennox, *Chairman*; Bill Harkins and Tamara Becker
Council Members

Present from Town Council: David Ames and Glenn Stanford; *Council Members*

Present from Town Staff: Josh Gruber, *Deputy Town Manager*; John Troyer, *Director of Finance*; Angie Stone, *Director of Human Resources*; Scott Liggett, *Director of Public Projects and Facilities/Chief Engineer*; Shawn Colin, *Director of Community Development*; Cindaia Ervin, *Finance Assistant*

Present from the Media: None

1. Call to Order

The Chairman called the meeting to order at 10:02 a.m.

2. FOIA Compliance

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

3. Roll Call- See as noted above

4. Approval of Agenda

Chairman Lennox asked for a motion to approve the agenda. Mrs. Becker made a motion to approve the agenda as submitted. Mr. Harkins seconded. By way of roll call, the motion was approved by a vote of 3-0-0.

5. Approval of Minutes

a. Special Meeting, July 21, 2020

Chairman Lennox asked for a motion to approve the minutes of the July 21, 2020 special meeting. Mr. Harkins moved to approve. Mrs. Becker seconded. By way of roll call, the motion passed with a vote of 3-0-0.

b. Special Meeting, August 18, 2020

Chairman Lennox asked for a motion to approve the minutes of the August 18, 2020 special meeting. Mr. Harkins moved to approve. Mrs. Becker seconded. By way of roll call, the motion passed with a vote of 3-0-0.

6. Citizens Comments

Public comments concerning today's agenda items were to be submitted electronically via the Town's Open Town Hall portal. The public comment period closed the day prior to the meeting at Noon. There was one comment made for a total of three minutes of public comment and one person signed up to address the Committee via telephone. All comments were provided to the Committee for review and will be made a part of today's official record.

Skip Hoagland: Addressed members of the Committee via phone regarding FOIA compliance and the corruption within the Town.

7. Unfinished Business- None

8. New Business

a. Financial Update from Finance Director

John Troyer, Director of Finance, provided the Finance & Administrative Committee a Financial update on the Town's progress. In his discussion, he stated year-to-date collections were 55.6% higher than last year's collections. Some collections that he highlighted were Business License collections for June at 44.4% of budget, Stormwater 305.8% of budget and Real Estate Transfer fees are at 74.9%. The Town's General Fund year-to-date spending by category is down -8.4%; However, if spending were evenly distributed though the year it would be 16.67% spent through August. Mr. Troyer stated the timing of expenses has had a very similar pattern to last year and the Town depends on the temporary use of its reserves from time to time when Town collections are slower. However, for 2020 the Town will report a small surplus. Key items that Mr. Troyer wanted the Committee to be aware of are that the Town is continuing to keep an eye on expenditures and adjusting where necessary to continue to be in a good financial position. The Committee had many favorable comments regarding Mr. Troyer's presentation of the Town's finances. They were very pleased to see the positives in revenues regarding Real Estate showing the good health of the community even during a global pandemic. Glenn Stanford, Council Member, thought it would be a good idea to reach out to the realtor community to request additional information to understand the trends they are seeing better and they all agreed. Mr. Lennox thanked Mr. Troyer and all present for the good financial update discussion.

b. Review of Proposed Budget Amendment

John Troyer, Director of Finance, provided a review of the Proposed Budget Amendments. Mr. Troyer stated that in light of some appropriations not spent in fiscal year 2020 this would allow for spending in fiscal year 2021. Due to the delay or cancelling of some Town projects, the reallocation of funds within the budget would provide for the operating costs required for the opening of Lowcountry Celebration Park and other vital Town initiatives. Key items of discussion were the funding of operating grants for the Hilton Head Concours d'Elegance

(HHC), the Arts Center of Coastal Carolina ACCC) and parks and recreation costs. The total budget amendment that Mr. Troyer is seeking to roll-forward is \$781,328.

Due the global pandemic of COVID-19, two of the Town's economic drivers during the Town's off-season are struggling to continue to operate and the Committee felt it would be reasonable to provide a one-time grant to them. The HHC is seeking \$100,000 and the ACCC is seeking \$200,000 to assist in operations while COVID-19 restrictions are still in place. William Harkins, Committee Member, felt that that having a clear understanding of how important each organizations survival is and the uniqueness is to our community is most important. David Ames, Council Member, was concerned with the message that the Town would potentially be sending regarding providing a grant to solely these two organizations and not others. Tom Lennox, Chairman, agreed and provided the Committee an example of the RBC Heritage having difficulty with sponsorship in the past and the Town agreed to a one time grant to assist as well. After some discussion, the Committee collectively felt that the proposed budget amendments were warranted and should be forwarded to Town Council for final approval. Mr. Harkins made a motion to raise the grant level funding for the Hilton Head Concours d' Elegance to \$150,000 with the difference being funded from the Town's Electric Franchise Fee. (The new total request for Townwide grants would be \$350,000). Mrs. Becker seconded. By way of roll call, the motion passed with a vote of 3-0-0. Mr. Lennox thanked Mr. Troyer and all present for the discussion.

c. Discussion of Information Technology Organizational Assessment

Josh Gruber, Deputy Town Manager, gave the Finance & Administrative Committee an update of the Town's recent Information Technology Organizational Assessment. Mr. Gruber stated that there was an evaluation of all departments that the Information Technology department provides services to. This review in particular focused on the delivery of information technology (IT) services and included a review of both "Town IT" and "Public Safety IT" functions Mr. Gruber said. He later outlined a number of recommendations of how to best improve the level and quality of service delivery within the information technology areas. One recommendation believed that would serve the Town best would be to hire a Chief Information Officer (CIO) having a focus of innovation and the development of a formalized information technology strategic plan. A formal steering committee has been formed to meet periodically and evaluates the progress. Mr. Gruber also informed the Committee that the Town has begun the implementation of recommendations that the consultant firm recommended such as forming an official IT Steering Committee, the creation of a Chief Information Officer level job description and the reorganization of several non-technical positions formally located within the Information Technology Department. He also shared that subsequent activities will include the posting and advertising for the Chief Information Officer level position and the development of several competitive Requests for Proposals (RFP) that will explore the possibility of outsourcing certain maintenance and security responsibilities stated Mr. Gruber. The overall discussion and feedback were positive from the Committee and they looked forward to future possibilities with the Town having a CIO. Mr. Lennox thanked Mr. Troyer and all present for the discussion.

9. Executive Session

a. Contractual Matters:

Discussion incident to proposed contractual negotiations relative to Designated Marketing Organizations Services Pursuant to Section 6-410 of the South Carolina Code of Laws.

Mr. Lennox stated that he had a need to enter into Executive Session to discuss the proposed contractual negotiations relative to Designated Marketing Organization Services Pursuant to Section 6-4-10 of South Carolina Laws.

At 11:11 a.m. Mr. Harkins moved to go into Executive Session for the item mentioned by Mr. Lennox. Mrs. Becker seconded. By way of roll call, the motion was approved by a vote of 3-0-0.

At 11:24 a.m. The Committee returned from Executive Session.

10. Possible Actions by the Finance & Administrative Committee concerning matters discussed in Executive Session. There was no action taken as a result of Executive Session.

There was no action taken as a result of Executive Session.

11. Adjournment

At 11:24 a.m. Mr. Harkins moved to adjourn. Mrs. Becker seconded. The motion to adjourn was approved by vote of 3-0-0.

Submitted by: Cindaia Ervin, Secretary

Approved: _____



TOWN OF HILTON HEAD ISLAND

Finance Department

TO: Finance and Administrative Committee
VIA: Steve Riley, *ICMA-CM, Town Manager*
VIA: Josh Gruber, *Deputy Town Manager*
FROM: John M. Troyer, *Director of Finance*
DATE: September 25, 2020
SUBJECT: Town of Hilton Head Island Financial Update

Recommendation:

Staff recommends that Finance continue to monitor Town Revenues and continue to provide monthly updates to the Finance & Administrative Committee.

Summary:

As part of the pandemic response, Town Management identified expenditure items to reduce, cut or delay. A couple of examples of delays already implemented are: approximately \$4 million in capital spending and delay implementation of merit raises for Town employees – pending better collection information to ensure collections can support those expenditures. Further examination for possible candidates to reduce, delay or cut spending will continue.

In order to provide Town Council as clear a picture of the Town's revenue collections and financial position, I plan to give Finance and Administrative Committee an update during the October 6, 2020 meeting of the committee. I plan to give an overview of year-to-date results for the three months ending September 30, 2020. This will give the Finance and Administrative Committee a continuing look at Town financial position, and provide a forum for discussions. We will continue those discussions monthly to ensure the Town is appropriately positioned in this economic environment.

Background:

As Town Council considered the proposed budget for FY 2021, one issue at the forefront of the discussion was the economic uncertainties due to the impact of the COVID-19 pandemic. How long will the pandemic last? What kind of impact will this have on our revenue collections and our spending? Town Council recognized that once a budget was adopted for FY2021, continuing the close monitoring of the revenue collections and spending would be especially important this year.



TOWN OF HILTON HEAD ISLAND

Finance Department

TO: Stephen G. Riley, ICMA-CM, Town Manager
VIA: Josh Gruber, Assistant Town Manager

FROM: John Troyer, Finance Director
CC: Cindaia Ervin, Finance Administrator

DATE: September 28, 2020
SUBJECT: Consideration for implementation of merit-based raises

Recommendation

Staff recommends the Finance and Administration Committee and Town Council consider establishing an “as of” date to release the temporary freeze on merit raises for Fiscal 2021.

Summary

The FY 2021 budget included merit-based raises for Town employees. Implementation of the raises was held pending further information and insight on the effects of COVID on the Town’s revenues and expenditures. As our June 30, 2020 financial results were positive – adding over a million to the General Fund balance. Our current General Fund spending is tracking about 7% less than last year. Real Estate transactions have been at record levels. Town staff have successfully accomplished handling the Town’s business under extremely difficult circumstances—and handling it well. From Zoom-based public meetings to new protocols in how we conduct business for the public -- consideration should be given towards releasing the freeze on merit-based raises.

Background

As the FY 2021 budget was being considered, our Town Manager proposed a freeze on the merit raises in order to better understand the effect of the pandemic on the Town’s finances – both revenues and expenditures. The June 30, 2020 financial results were positive – adding over a million to the General Fund balance. Part of this was because of strong revenues for the first nine months of the year which offset the lower revenues during the shutdown. Part of the reason for the positive results was the effectiveness to reduce, delay or cut spending where possible– which was successful to finish the fiscal year. Thru September, basic Town operations are running about 7% less than last year. About half of this is due to savings in law enforcement – which are expected to be spent on parks. Merit raises were planned to cost \$748,309 and were included in the General Fund budget. If the effective date for raises is established at 10-1-2020, the amount is reduced by 25% or a savings from budget of \$187,077. Town Manager recommends this action to recognize the past and present efforts of the Town Staff at keeping the Town operating during the difficult circumstances caused by this pandemic.



TOWN OF HILTON HEAD ISLAND

Community Development Department

TO: Finance and Administrative Committee
VIA: Shawn Colin, *AICP, Director of Community Development*
FROM: Jennifer B. Ray, *ASLA, Deputy Director of Community Development*
DATE: September 23, 2020
SUBJECT: Beaufort County Impact Fees

Staff has been made aware of proposed Beaufort County impact fees prepared by the County's consultant, TischlerBise. Below are staff's comments regarding the proposed impact fees for discussion in advance of execution of an Intergovernmental Agreement to collect the fees.

Beaufort County's Planning Commission met on August 3, 2020 and voted to send the impact fees to the Natural Resources Committee. The Natural Resources Committee met on August 10, 2020 and voted to send the school impact fee to County Council for approval. The Natural Resources Committee also moved to conduct a workshop to discuss the impact fees for transportation, parks and recreation, libraries, fire, solid waste, and EMS. County Council met on August 10, 2020 and approved the school impact fee by title only. The Natural Resources Committee hosted an Impact Fee Work Session on August 27, 2020. County Council met on September 14, 2020 and voted to table action on the school impact fee until Intergovernmental Agreements are negotiated and executed.

Parks and Recreation Impact Fee – The Town of Hilton Head Island currently collects park impact fees on the County's behalf to be used for parks and recreation on the island. The Town is currently a separate service area and all fees collected in the Town are used to fund capital improvements for parks within the Town boundaries. New residential growth within the Town will not create a demand for new recreation facilities in other parts of Beaufort County. Therefore, it seems Hilton Head Island should remain its own service area. To this end, Town of Hilton Head Island park projects that address future recreation needs should be included. The Town is currently wrapping up Part 1 of a Parks and Recreation Master Plan that has identified the need for new parks and for improvements/additional facilities at existing parks. The use of Park impact fees collected on Hilton Head Island should be used for investment and capacity building for Hilton Head Island park properties as is the case with the current impact fee for parks. If this direction is taken, the list of capital park projects needs to be updated as part of the Intergovernmental Agreement.

Library Impact Fee – no comment

Subject: Beaufort County Impact Fees

Date: September 23, 2020

Page 2

EMS Impact Fee – The Town currently provides comprehensive Emergency Medical Services. Future residential growth within the Town will not create any demand for additional capital needs for EMS elsewhere in the County. The Town should be excluded from this fee.

Solid Waste Impact Fee –This fee has been removed from consideration therefore there is not a comment at this time.

Transportation Impact Fee – The Town currently assesses its own road impact fee to fund improvements within Town boundaries. Due to this, the existing County road impact fee was discounted for new development within Hilton Head Island. The existing County fee discount for Hilton Head Island reflects that only a percentage of the trips generated by new Hilton Head Island development crosses the bridges to the mainland. Thus, the impact of these trips on road needs on the mainland is reflected in this discount. The remainder of the impact for new development is reflected in the Town’s own road impact fee that funds capital road needs within the Town. We see no reason to change this arrangement.

Beaufort County School District Impact Fee –The proposed new fee is proposed to be applied uniformly across the South of the Broad Service Area. We are unaware of any planned capital improvements to serve future students on Hilton Head Island. We are confused as to why a fee is proposed within the Town since the capacity building is planned for the mainland and not to serve future Hilton Head Island students. Additionally, a referendum for school improvements was approved and includes planned upgrades for the Hilton Head Island cluster.

It appears based on the latest presentation that a tiered approach, based on square footage per residential housing size or nonresidential floor space, has been proposed for the Parks and Recreation, Library, EMS, Transportation, and Fire impact fees. The County should consider this tiered fee approach for the School impact fee as well.

The Town of Hilton Head Island has been working with Beaufort County and other regional partners on efforts related to workforce housing. The proposed impact fees will result in an increase in housing cost burden for home ownership and may negatively affect the development of workforce housing. An alternate source of funds should be identified to allow waivers for workforce housing projects.

Staff has requested information from Beaufort County and Eric Greenway, Beaufort County Planning Director, will participate in the October 6, 2020 Finance and Administrative Committee meeting to provide an update to the Committee and answer questions about the forthcoming Intergovernmental Agreement.

Attachments

Exhibit A - Impact Fee Study Overview August 27, 2020

Exhibit B – School Impact Fee Study and Capital Improvement Plan July 18, 2020

Impact Fee Study Overview

Beaufort County, SC

August 27th, 2020



General Impact Fee Overview

- One-time payment for growth-related infrastructure
- Only paid by new development—not existing residents or businesses
- Impact fees fund capital improvements that add capacity
- Not a tax but an agreement to build infrastructure
 - Helps alleviate pressure on GF tax revenue for capital projects
- Three requirements to meet **rational nexus**:
 - **Need**: Growth creates the need for the infrastructure
 - **Benefit**: Growth receives a benefit from the infrastructure
 - **Proportionality**: Growth pays its fair share of the cost

Common Impact Fee Methods

- Cost Recovery (past)
 - Oversized and unique facilities
 - Funds typically used for debt service
- Incremental Expansion (present)
 - Formula-based approach documents level of service with both quantitative and qualitative measures
- Plan-Based (future)
 - Common for utilities but can also be used for other public facilities with non-impact fee funding

Impact Fees in South Carolina

- Impact fee revenue must be maintained in an interest bearing account
- Monies must be spent within 3 years of scheduled date for construction in the CIP
- Must publish an Annual Monitoring Report
- Comprehensive review and update every 5 years, requiring an updated study
- Requires an analysis that estimates the effect of imposing updated impact fees on affordable housing in the County

Beaufort County Projected Growth

○ 10-Year Residential & Nonresidential Projections

	Base Year 2019	2024	2029	Total Increase
Population				
Permanent Unincorp. Residents	72,954	80,534	88,115	15,161
Permanent Incorp. Residents	110,758	123,808	136,855	26,096
Seasonal Residents	39,122	41,042	42,656	3,534
Peak Daily Visitors	54,612	57,291	59,543	4,931
Total Peak Population	277,446	302,675	327,168	49,722
Housing Units				
Unincorporated Units	33,308	36,558	39,808	6,500
Incorporated Units	47,152	52,742	58,336	11,184
Seasonal Units	15,582	16,222	16,860	1,278
Total Housing Units	96,042	105,522	115,004	18,962
Housing Type				
Single Family	72,441	79,473	86,506	14,065
Multifamily	23,601	26,049	28,498	4,897
Total Housing Units	96,042	105,522	115,004	18,962

	Base Year 2019	2024	2029	Total Increase
Countywide Jobs				
Retail	15,943	17,782	19,620	3,677
Office/Service	27,466	30,723	33,980	6,514
Industrial	14,825	16,813	18,801	3,976
Institutional	8,246	9,289	10,332	2,086
Total	66,480	74,606	82,733	16,253
Countywide Nonresidential Floor Area (1,000 sq. ft.)				
Retail	6,808	7,593	8,378	1,570
Office/Service	9,256	10,354	11,451	2,195
Industrial	9,310	10,558	11,807	2,497
Institutional	2,919	3,288	3,658	738
Total	28,293	31,793	35,293	7,000

Source: Beaufort County TAZ Transportation Model; Trip Generation, Institute of Transportation Engineers, 10th Edition (2017)

Source: Beaufort County TAZ Transportation Model; U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates; Beaufort County Convention and Visitor Bureau, 2017

Beaufort County Impact Fee Study

- Solid Waste has been removed from impact fee study
- TischlerBise is completing a solid waste service fee and with County staff it has been determined that the service fee will better capture future funding needs
- Ensures no double payments issues

Beaufort County Impact Fee Study

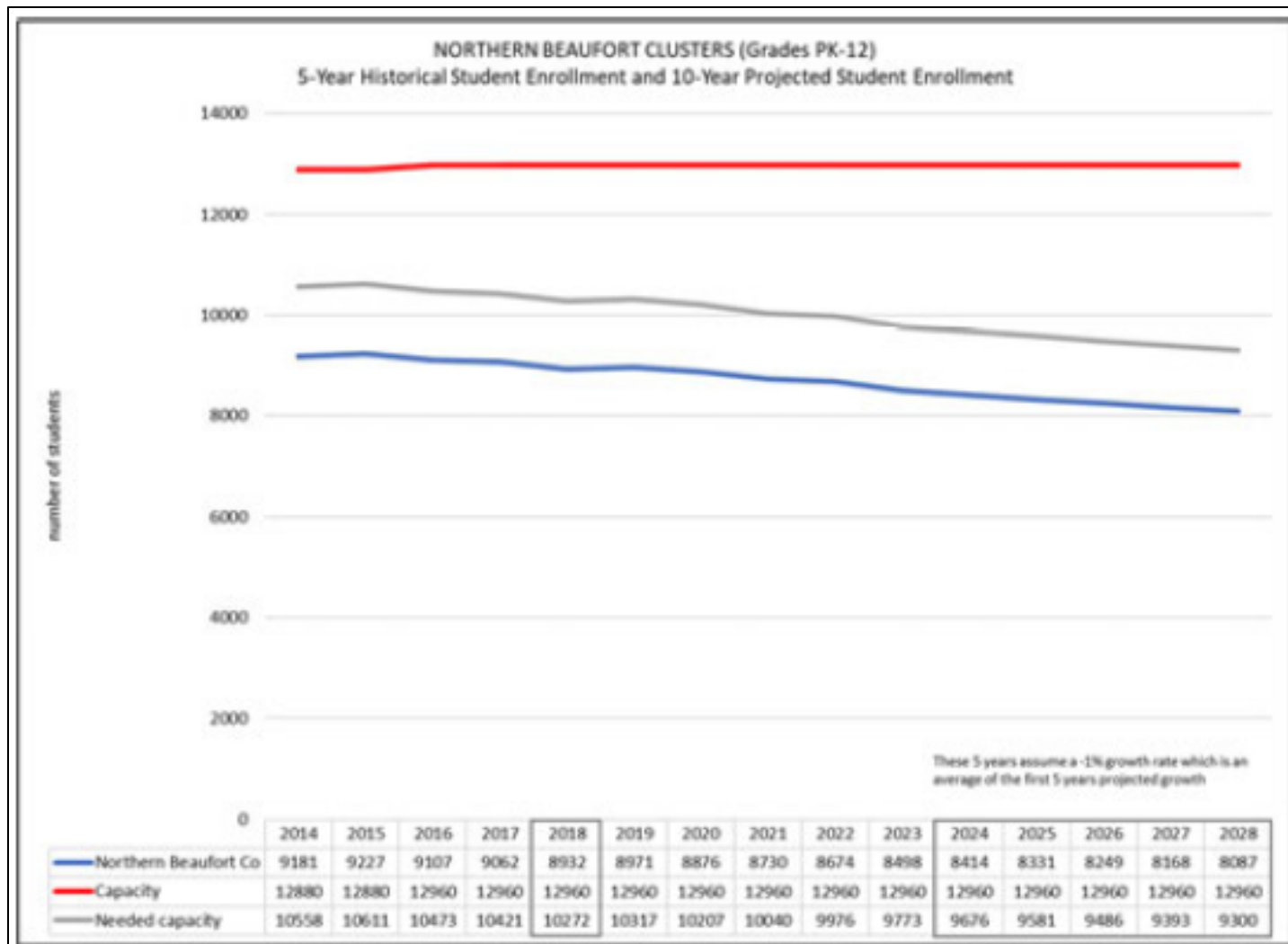
- Intergovernmental agreements are necessary to ensure fee revenue matches capital costs from future growth
- IGAs are in place for some of the capital components
- However, Beaufort County needs to revisit IGAs with municipalities for new components

School Impact Fee Analysis

- Components:
 - **School Construction** – Incremental
 - **School Land** – Incremental
 - **School Buses** – Incremental
- Service Area:
 - South of the Broad River Only
- Current IGAs:
 - None (new fee)

School Impact Fee Analysis

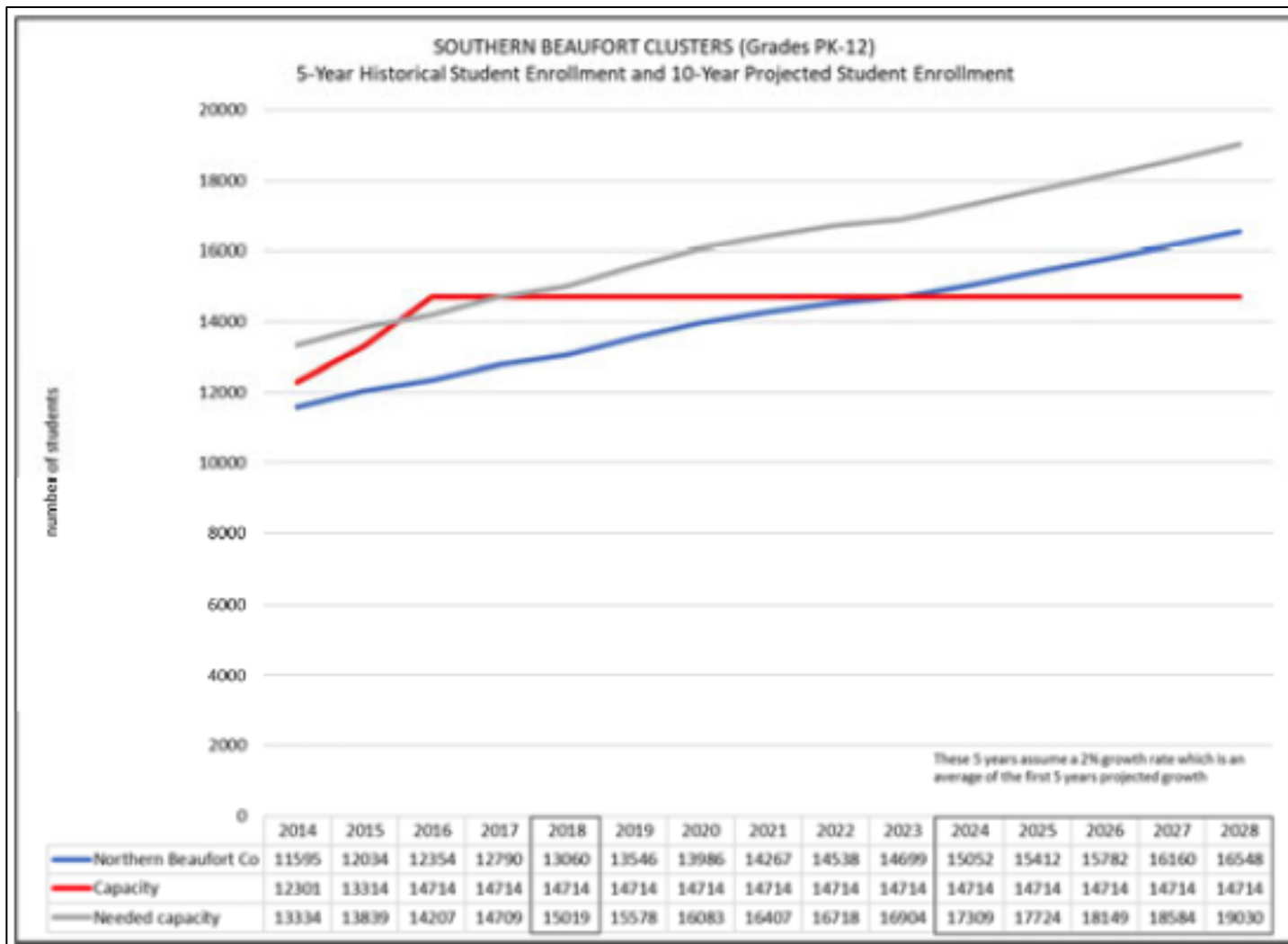
- Total Enrollment Projections **North of the Broad**
- **Decreasing** enrollment



Source: BCSD Capital Plan and Budget

School Impact Fee Analysis

- Total Enrollment Projections South of the Broad
- Enrollment surpasses capacity in 2023



Source: BCSD Capital Plan and Budget

School Impact Fee Analysis

- Projected Elementary School Students
- South of the Broad

South of the Broad

Beaufort County School District - Elementary					
Year		Total Capacity	Enrollment	Total Capacity Utilization	Choice Program Capacity Utilization [1]
Base	2019	7,049	5,759	82%	96%
1	2020	7,049	5,885	83%	98%
2	2021	7,049	5,980	85%	100%
3	2022	7,049	6,109	87%	102%
4	2023	7,049	6,177	88%	103%
5	2024	7,049	6,301	89%	105%
6	2025	7,049	6,427	91%	107%
7	2026	7,049	6,555	93%	109%
8	2027	7,049	6,686	95%	112%
9	2028	7,049	6,820	97%	114%
10	2029	7,049	6,956	99%	116%

[1] Choice capacity is the building capacity the District needs to keep all schools available for the Choice program, using the 85 percent recommendation

Source: Beaufort County School District FY2020-2029 Ten-Year Plan and Capital Budget

School Impact Fee Analysis

- Projected Middle School Students
- South of the Broad

South of the Broad

Beaufort County School District - Middle					
Year		Total Capacity	Enrollment	Total Capacity Utilization	Choice Program Capacity Utilization [1]
Base	2019	3,329	3,130	94%	111%
1	2020	3,329	3,301	99%	117%
2	2021	3,329	3,307	99%	117%
3	2022	3,329	3,300	99%	117%
4	2023	3,329	3,380	102%	119%
5	2024	3,329	3,448	104%	122%
6	2025	3,329	3,517	106%	124%
7	2026	3,329	3,587	108%	127%
8	2027	3,329	3,659	110%	129%
9	2028	3,329	3,732	112%	132%
10	2029	3,329	3,806	114%	135%

[1] Choice capacity is the building capacity the District needs to keep all schools available for the Choice program, using the 85 percent recommendation

Source: Beaufort County School District FY2020-2029 Ten-Year Plan and Capital Budget

School Impact Fee Analysis

- Projected High School Students
- South of the Broad

South of the Broad

Beaufort County School District - High					
Year		Total Capacity	Enrollment	Total Capacity Utilization	Choice Program Capacity Utilization [1]
Base	2019	4,216	4,032	96%	113%
1	2020	4,216	4,190	99%	117%
2	2021	4,216	4,369	104%	122%
3	2022	4,216	4,530	107%	126%
4	2023	4,216	4,480	106%	125%
5	2024	4,216	4,570	108%	128%
6	2025	4,216	4,661	111%	130%
7	2026	4,216	4,754	113%	133%
8	2027	4,216	4,849	115%	135%
9	2028	4,216	4,946	117%	138%
10	2029	4,216	5,045	120%	141%

[1] Choice capacity is the building capacity the District needs to keep all schools available for the Choice program, using the 85 percent recommendation

Source: Beaufort County School District FY2020-2029 Ten-Year Plan and Capital Budget

School Impact Fee Analysis

- Cost per Student Analysis
- South of the Broad

Current Level of Service Standards			
	<i>Elementary</i>	<i>Middle</i>	<i>High</i>
School Floor Area per Student (sq. ft.)	117.99	135.45	154.98
School Cost per Sq. Ft. [2]	\$300	\$300	\$300
School Construction Cost per Student	\$35,397	\$40,635	\$46,494
School Land per Student (acres)	0.0295	0.0303	0.071
Land Cost per Acre [2]	\$100,000	\$100,000	\$100,000
Land Cost per Student	\$2,950	\$3,030	\$7,100
District Owned Buses per Student	0.0028	0.0028	0.0028
Cost per School Bus [2]	\$100,000	\$100,000	\$100,000
School Bus Cost per Student	\$280	\$280	\$280
Total Gross Capital Cost per Student	\$38,627	\$43,945	\$53,874
Credit for Existing Debt per Student	\$4,053	\$4,053	\$4,053
Credit for 2019 Bond per Student	\$301	\$301	\$301
Total Net Local Capital Cost Per Student	\$34,273	\$39,591	\$49,520

[1] Source: US Census Bureau, 5-Year 2017 American Community Survey PUMS data for South Carolina PUMA 01400; TischlerBise analysis

[2] Source: Beaufort County School District

School Impact Fee Analysis

- Preliminary Maximum Supportable Fee
- South of the Broad

Student Generation Rates [1]	School Level			Total
	Elementary (K-5)	Middle (6-8)	High (9-12)	
Housing Type				
Single Family	0.106	0.056	0.074	0.236
Multifamily	0.069	0.023	0.026	0.117

[1] Source: US Census Bureau, 5-Year 2017 American Community Survey PUMS data for South Carolina PUMA 01400; TischlerBise analysis

Maximum Supportable School Impact Fee				
Housing Type	Elementary (K-5)	Middle (6-8)	High (9-12)	Maximum Supportable Fee
Single Family	\$3,635	\$2,229	\$3,671	\$9,535
Multifamily	\$2,350	\$891	\$1,267	\$4,508

School Impact Fee Analysis

- School Impact Fee Revenue
- South of the Broad

Projected Development Impact Fee Revenue

		Single Family \$9,535 per unit	Multifamily \$4,508 per unit
Year		Housing Units	Housing Units
Base	2019	44,852	15,253
Year 1	2020	45,642	15,555
Year 2	2021	46,431	15,858
Year 3	2022	47,221	16,160
Year 4	2023	48,009	16,464
Year 5	2024	48,798	16,767
Year 6	2025	49,588	17,069
Year 7	2026	50,377	17,372
Year 8	2027	51,166	17,675
Year 9	2028	51,955	17,978
Year 10	2029	52,750	18,283
Ten-Year Increase		7,898	3,031
Projected Revenue		\$75,304,749	\$13,662,761
Projected Revenue =>		\$88,967,511	

Beaufort County Impact Fee Study

- Parks & Recreation
- Libraries
- Public Safety: EMS
- Public Safety: Fire
- Transportation
- Housing Affordability

Parks & Rec Impact Fee Analysis

- Components:
 - **Regional Parkland and Improvements** - Incremental
 - **Community Parkland and Improvements** - Incremental
 - **Neighborhood Parkland and Improvements** - Incremental
 - **Recreation Centers** - Incremental
- Service Area:
 - Regional Parks – Countywide
 - All other facilities – North and South of the Broad River
- Current IGAs:
 - Only Town of Bluffton

Parks & Rec Impact Fee Analysis

- Projected Future Facility Needs
- Regional Park: Countywide

Level of Service		Demand Unit	Unit Cost
2.29	Regional Parks Acres	per 1,000 Persons	\$85,408

Year		Population	Regional Park Acres
Base	2019	222,834	510.2
Year 1	2020	227,584	521.1
Year 2	2021	232,034	531.3
Year 3	2022	236,484	541.5
Year 4	2023	240,934	551.7
Year 5	2024	245,384	561.9
Year 6	2025	249,834	572.1
Year 7	2026	254,283	582.3
Year 8	2027	258,733	592.4
Year 9	2028	263,183	602.6
Year 10	2029	267,625	612.8
Ten-Year Increase		44,791	102.6
		Growth-Related Expenditures	\$8,762,878

Countywide Growth-Related Expenditures	\$8,762,878
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Parks & Rec Impact Fee Analysis

- Projected Future Facility Needs
- North of the Broad

Level of Service		Demand Unit	Unit Cost
1.01	Community Park Acres	per 1,000 Persons	\$69,122
0.44	Neighborhood Park Acres	per 1,000 Persons	\$76,612
0.06	Recreation Center Acres	per 1,000 Persons	\$14,000
289.76	Recreation Center Square Feet	per 1,000 Persons	\$175.82

Year		Population	Community Park Acres	Neighborhood Park Acres	Recreation Center Acres	Recreation Center Square Feet
Base	2019	88,819	89.7	39.0	5.3	25,736
Year 1	2020	90,719	91.6	39.9	5.4	26,287
Year 2	2021	92,620	93.5	40.7	5.5	26,838
Year 3	2022	94,521	95.4	41.5	5.6	27,388
Year 4	2023	96,421	97.3	42.4	5.7	27,939
Year 5	2024	98,322	99.3	43.2	5.8	28,490
Year 6	2025	100,222	101.2	44.0	6.0	29,040
Year 7	2026	102,123	103.1	44.9	6.1	29,591
Year 8	2027	104,024	105.0	45.7	6.2	30,142
Year 9	2028	105,924	106.9	46.6	6.3	30,693
Year 10	2029	107,819	108.8	47.4	6.4	31,242
Ten-Year Increase		19,000	19.1	8.4	1.1	5,506
Growth-Related Expenditures			\$1,320,240	\$643,539	\$15,400	\$968,086

North of the Broad Growth-Related Expenditures \$2,947,264

Parks & Rec Impact Fee Analysis

- Projected Future Facility Needs
- South of the Broad

Level of Service		Demand Unit	Unit Cost
0.06	Community Park Acres	per 1,000 Persons	\$234,923
0.04	Neighborhood Park Acres	per 1,000 Persons	\$429,440
0.19	Recreation Center Acres	per 1,000 Persons	\$158,000
258.94	Recreation Center Square Feet	per 1,000 Persons	\$37.00

Year		Population	Community Park Acres	Neighborhood Park Acres	Recreation Center Acres	Recreation Center Square Feet
Base	2019	134,015	8.0	5.3	25.4	34,702
Year 1	2020	136,865	8.2	5.4	26.0	35,440
Year 2	2021	139,414	8.3	5.5	26.4	36,100
Year 3	2022	141,963	8.5	5.6	26.9	36,760
Year 4	2023	144,513	8.6	5.7	27.4	37,420
Year 5	2024	147,062	8.8	5.8	27.9	38,080
Year 6	2025	149,612	8.9	5.9	28.4	38,741
Year 7	2026	152,160	9.1	6.0	28.9	39,400
Year 8	2027	154,709	9.2	6.1	29.3	40,060
Year 9	2028	157,259	9.4	6.2	29.8	40,721
Year 10	2029	159,806	9.5	6.3	30.3	41,380
Ten-Year Increase		25,791	1.5	1.0	4.9	6,678
Growth-Related Expenditures			\$352,385	\$429,440	\$774,200	\$247,086

South of the Broad Growth-Related Expenditures | \$1,803,111

Parks & Rec Impact Fee Analysis

○ Preliminary Maximum Supportable Fee

North of the Broad Service Area

Fee Component	Land Cost per Person	Improvement Cost per Person
Regional Parks	\$124	\$71
Community Parks	\$14	\$56
Neighborhood Parks	\$6	\$28
Recreational Facilities	\$1	\$51
Gross Total	\$145	\$206
Gross Total per Person	\$351	
Credit for Debt Payments	(\$4)	
Net Total	\$347	

South of the Broad Service Area

Fee Component	Land Cost per Person	Improvement Cost per Person
Regional Parks	\$124	\$71
Community Parks	\$9	\$5
Neighborhood Parks	\$6	\$11
Recreational Facilities	\$30	\$10
Gross Total	\$169	\$97
Gross Total per Person	\$266	
Credit for Debt Payments	(\$31)	
Net Total	\$235	

Residential

Housing Unit Size (Sq. Ft.)	Persons per Household	Maximum Supportable Fee per Unit	Current Fee [1]	Increase/ (Decrease)
1,000 or less	1.40	\$486	\$321	\$165
1,001 to 1,250	1.70	\$590	\$321	\$269
1,251 to 1,500	2.00	\$694	\$321	\$373
1,501 to 1,750	2.30	\$798	\$321	\$477
1,751 to 2,000	2.50	\$868	\$321	\$547
2,001 to 2,500	2.90	\$1,006	\$321	\$685
2,501 to 3,000	3.10	\$1,076	\$321	\$755
3,001 to 3,500	3.40	\$1,180	\$321	\$859
3,501 to 4,000	3.60	\$1,249	\$321	\$928
4,001 or more	3.80	\$1,319	\$321	\$998

[1] fee listed is the average of the fees for the current service areas north of the Broad River

Residential

Housing Unit Size (Sq. Ft.)	Persons per Household	Maximum Supportable Fee per Unit	Current Fee [1]	Increase/ (Decrease)
1,000 or less	1.20	\$282	\$671	(\$389)
1,001 to 1,250	1.50	\$353	\$671	(\$318)
1,251 to 1,500	1.80	\$423	\$671	(\$248)
1,501 to 1,750	2.00	\$470	\$671	(\$201)
1,751 to 2,000	2.20	\$517	\$671	(\$154)
2,001 to 2,500	2.50	\$588	\$671	(\$83)
2,501 to 3,000	2.80	\$658	\$671	(\$13)
3,001 to 3,500	3.00	\$705	\$671	\$34
3,501 to 4,000	3.20	\$752	\$671	\$81
4,001 or more	3.30	\$776	\$671	\$105

[1] fee listed is the average of the fees for the current service areas south of the Broad River

Parks & Rec Impact Fee Analysis

- Parks & Rec Impact Fee Revenue: **North of the Broad**
 - County collecting in only unincorporated areas

Infrastructure Costs for Parks & Recreation Facilities

	Total Cost	Growth Cost
Regional Parks	\$3,717,146	\$3,717,146
Community Parks	\$1,320,240	\$1,320,240
Neighborhood Parks	\$643,539	\$643,539
Recreational Facilities	\$983,310	\$983,310
Total Expenditures	\$6,664,235	\$6,664,235

Projected Revenue =>	\$4,243,418
Total Expenditures =>	\$6,664,235
Non-Impact Fee Funding =>	\$2,420,816

Projected Development Impact Fee Revenue

		Single Family \$1,076 per unit	Multifamily \$590 per unit	Retail \$0 per KSF	Office/Service \$0 per KSF	Industrial \$0 per KSF	Institutional \$0 per KSF
Year		Housing Units	Housing Units	KSF	KSF	KSF	KSF
Base	2019	15,141	4,582	459	674	703	107
Year 1	2020	15,479	4,684	475	698	728	110
Year 2	2021	15,817	4,786	491	722	753	114
Year 3	2022	16,155	4,888	507	745	778	118
Year 4	2023	16,492	4,991	523	769	803	122
Year 5	2024	16,830	5,093	539	793	827	125
Year 6	2025	17,168	5,195	555	816	852	129
Year 7	2026	17,506	5,297	571	840	877	133
Year 8	2027	17,844	5,399	587	864	902	137
Year 9	2028	18,181	5,502	603	888	927	141
Year 10	2029	18,524	5,605	619	911	951	144
Ten-Year Increase		3,382	1,024	159	237	248	38
Projected Revenue		\$3,639,533	\$603,885	\$0	\$0	\$0	\$0

Parks & Rec Impact Fee Analysis

- Parks & Rec Impact Fee Revenue: South of the Broad
 - County collecting in unincorporated areas and Bluffton

Infrastructure Costs for Parks & Recreation Facilities

	Total Cost	Growth Cost
Regional Parks	\$5,045,732	\$5,045,732
Community Parks	\$352,385	\$352,385
Neighborhood Parks	\$429,440	\$429,440
Recreational Facilities	\$1,021,323	\$1,021,323
Total Expenditures	\$6,848,880	\$6,848,880

Projected Revenue =>	\$3,638,828
Total Expenditures =>	\$6,848,880
General Fund's Share =>	\$3,210,052

Projected Development Impact Fee Revenue

		Single Family \$658 per unit	Multifamily \$353 per unit	Retail \$0 per KSF	Office/Service \$0 per KSF	Industrial \$0 per KSF	Institutional \$0 per KSF
Year	Housing Units	Housing Units	KSF	KSF	KSF	KSF	
Base 2019	31,421	13,757	2,662	3,394	4,816	1,692	
Year 1 2020	31,824	13,930	2,720	3,467	4,923	1,730	
Year 2 2021	32,276	14,131	2,788	3,549	5,046	1,773	
Year 3 2022	32,728	14,331	2,857	3,632	5,170	1,817	
Year 4 2023	33,180	14,532	2,925	3,714	5,293	1,860	
Year 5 2024	33,632	14,732	2,994	3,796	5,417	1,904	
Year 6 2025	34,084	14,933	3,062	3,879	5,540	1,947	
Year 7 2026	34,536	15,133	3,131	3,961	5,664	1,991	
Year 8 2027	34,988	15,334	3,199	4,044	5,787	2,034	
Year 9 2028	35,440	15,534	3,268	4,126	5,911	2,078	
Year 10 2029	35,890	15,735	3,336	4,209	6,034	2,121	
Ten-Year Increase	4,469	1,978	674	814	1,219	429	
Projected Revenue	\$2,940,661	\$698,167	\$0	\$0	\$0	\$0	

Beaufort County Impact Fee Study

- Parks & Recreation
- **Libraries**
- Public Safety: EMS
- Public Safety: Fire
- Transportation
- Housing Affordability

Library Impact Fee Analysis

- Components:
 - **Library Branches** - Incremental
 - **Bookmobiles** - Incremental
- Service Area:
 - Library Branches - North and South of the Broad River
 - Bookmobiles – Countywide
- Current IGAs:
 - Bluffton, Hilton Head Island participating
 - Beaufort, Port Royal considering program

Library Impact Fee Analysis

- Projected Future Facility Needs
- Service Area: **North of the Broad**

Level of Service		Demand Unit	Unit Cost
0.67	Library Branch Square Feet	per Persons	\$285
0.11	Library Branch Land Acres	per 1,000 Persons	\$14,000

Year		Population	Library Branch Square Feet	Library Branch Land Acres
Base	2019	88,819	59,508	9.77
Year 1	2020	90,719	60,781	9.97
Year 2	2021	92,620	62,055	10.18
Year 3	2022	94,521	63,329	10.39
Year 4	2023	96,421	64,602	10.60
Year 5	2024	98,322	65,875	10.81
Year 6	2025	100,222	67,148	11.02
Year 7	2026	102,123	68,422	11.23
Year 8	2027	104,024	69,696	11.44
Year 9	2028	105,924	70,969	11.65
Year 10	2029	107,819	72,238	11.86
Ten-Year Increase		19,000	12,730	2.09
Growth-Related Expenditures			\$3,628,050	\$29,260

North of the Broad Growth-Related Expenditures	\$3,657,310
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Library Impact Fee Analysis

- Projected Future Facility Needs
- Service Area: South of the Broad

Level of Service		Demand Unit	Unit Cost
0.39	Library Branch Square Feet	per Person	\$285
0.09	Library Branch Land Acres	per 1,000 Persons	\$158,000

Year		Population	Library Branch Square Feet	Library Branch Land Acres
Base	2019	134,015	52,266	12.06
Year 1	2020	136,865	53,377	12.31
Year 2	2021	139,414	54,371	12.54
Year 3	2022	141,963	55,365	12.77
Year 4	2023	144,513	56,360	13.00
Year 5	2024	147,062	57,354	13.23
Year 6	2025	149,612	58,348	13.46
Year 7	2026	152,160	59,342	13.69
Year 8	2027	154,709	60,336	13.92
Year 9	2028	157,259	61,331	14.15
Year 10	2029	159,806	62,324	14.38
Ten-Year Increase		25,791	10,058	2.32
			\$2,866,530	\$366,560

South of the Broad Growth-Related Expenditures	\$3,233,090
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Library Impact Fee Analysis

- Projected Future Facility Needs – Bookmobiles
- Service Area: Countywide

Type of Infrastructure	Level of Service		Demand Unit	Unit Cost / Sq. Ft.
Bookmobiles	Residential	0.009	Vehicles	per 1,000 persons
	Nonresidential	0.00		per jobs
				\$150,000

Growth-Related Need for Bookmobiles						
Year		Population	Jobs	Residential Square Feet	Nonresidential Square Feet	Total Square Feet
Base	2019	222,834	66,479	2.0	0.0	2.0
Year 1	2020	227,584	68,104	2.0	0.0	2.0
Year 2	2021	232,034	69,730	2.1	0.0	2.1
Year 3	2022	236,484	71,355	2.1	0.0	2.1
Year 4	2023	240,934	72,980	2.2	0.0	2.2
Year 5	2024	245,384	74,606	2.2	0.0	2.2
Year 6	2025	249,834	76,231	2.2	0.0	2.2
Year 7	2026	254,283	77,856	2.3	0.0	2.3
Year 8	2027	258,733	79,482	2.3	0.0	2.3
Year 9	2028	263,183	81,107	2.4	0.0	2.4
Year 10	2029	267,625	82,733	2.4	0.0	2.4
Ten-Year Increase		44,791	16,254	0.4	0.0	0.4
Projected Expenditure				\$60,000	\$0	\$60,000

Growth-Related Expenditures for Bookmobiles | \$60,000

Library Impact Fee Analysis

○ Preliminary Maximum Supportable Fee

North of the Broad Service Area

Fee Component	Cost per Person
Library Branches	\$191
Library Land	\$2
Book Mobiles	\$1
Gross Total	\$194
Credit for Debt Payments	(\$33)
Net Total	\$161

South of the Broad Service Area

Fee Component	Cost per Person
Library Branches	\$111
Library Land	\$14
Book Mobiles	\$1
Gross Total	\$126
Credit for Debt Payments	\$0
Net Total	\$126

Residential

Housing Unit Size (Sq. Ft.)	Persons per Household	Maximum Supportable Fee per Unit	Current Fee	Increase/ (Decrease)
1,000 or less	1.40	\$225	\$553	(\$328)
1,001 to 1,250	1.70	\$273	\$553	(\$280)
1,251 to 1,500	2.00	\$321	\$553	(\$232)
1,501 to 1,750	2.30	\$369	\$553	(\$184)
1,751 to 2,000	2.50	\$401	\$553	(\$152)
2,001 to 2,500	2.90	\$466	\$553	(\$87)
2,501 to 3,000	3.10	\$498	\$553	(\$55)
3,001 to 3,500	3.40	\$546	\$553	(\$7)
3,501 to 4,000	3.60	\$578	\$553	\$25
4,001 or more	3.80	\$610	\$553	\$57

Residential

Housing Unit Size (Sq. Ft.)	Persons per Household	Maximum Supportable Fee per Unit	Current Fee	Increase/ (Decrease)
1,000 or less	1.20	\$151	\$553	(\$402)
1,001 to 1,250	1.50	\$189	\$553	(\$364)
1,251 to 1,500	1.80	\$227	\$553	(\$326)
1,501 to 1,750	2.00	\$252	\$553	(\$301)
1,751 to 2,000	2.20	\$278	\$553	(\$275)
2,001 to 2,500	2.50	\$316	\$553	(\$237)
2,501 to 3,000	2.80	\$353	\$553	(\$200)
3,001 to 3,500	3.00	\$379	\$553	(\$174)
3,501 to 4,000	3.20	\$404	\$553	(\$149)
4,001 or more	3.30	\$417	\$553	(\$136)

Library Impact Fee Analysis

- Library Impact Fee Revenue: **North of the Broad**
 - Projections include revenue from municipalities
 - Credit results in a slight need for other funding

Infrastructure Costs for Library Facilities

	Total Cost	Growth Cost
Library Branches	\$3,628,050	\$3,628,050
Library Land	\$29,260	\$29,260
Bookmobiles	\$25,928	\$25,928
Total Expenditures	\$3,683,238	\$3,683,238

Projected Revenue =>	\$3,580,784
Total Expenditures =>	\$3,683,238
Non-Impact Fee Funding =>	\$102,454

Projected Development Impact Fee Revenue

		Single Family \$498 per unit	Multifamily \$273 per unit	Retail \$0 per KSF	Office/Service \$0 per KSF	Industrial \$0 per KSF	Institutional \$0 per KSF
Year	Housing Units	Housing Units	KSF	KSF	KSF	KSF	
Base 2018	27,589	8,348	2,321	3,970	3,885	1,074	
Year 1 2019	28,206	8,535	2,401	4,100	4,015	1,109	
Year 2 2020	28,823	8,722	2,480	4,230	4,144	1,143	
Year 3 2021	29,440	8,909	2,559	4,360	4,273	1,178	
Year 4 2022	30,058	9,095	2,639	4,490	4,403	1,213	
Year 5 2023	30,675	9,282	2,718	4,620	4,532	1,248	
Year 6 2024	31,292	9,469	2,797	4,750	4,661	1,283	
Year 7 2025	31,909	9,656	2,877	4,880	4,791	1,318	
Year 8 2026	32,526	9,843	2,956	5,010	4,920	1,353	
Year 9 2027	33,144	10,029	3,035	5,140	5,049	1,388	
Year 10 2028	33,756	10,215	3,115	5,270	5,179	1,423	
Ten-Year Increase	6,167	1,866	793	1,300	1,293	349	
Projected Revenue	\$3,071,306	\$509,478	\$0	\$0	\$0	\$0	

Library Impact Fee Analysis

- Library Impact Fee Revenue: South of the Broad
- Projections include revenue from municipalities

Infrastructure Costs for Library Facilities

	Total Cost	Growth Cost
Library Branches	\$2,866,530	\$2,866,530
Library Land	\$366,560	\$366,560
Bookmobiles	\$35,272	\$35,272
Total Expenditures	\$3,268,362	\$3,268,362

Projected Revenue =>	\$3,360,712
Total Expenditures =>	\$3,268,362
Non-Impact Fee Funding =>	\$0

Projected Development Impact Fee Revenue

		Single Family \$353 per unit	Multifamily \$189 per unit	Retail \$0 per KSF	Office/Service \$0 per KSF	Industrial \$0 per KSF	Institutional \$0 per KSF
Year		Housing Units	Housing Units	KSF	KSF	KSF	KSF
Base	2018	44,852	15,253	4,486	5,287	5,424	1,845
Year 1	2019	45,642	15,555	4,564	5,376	5,544	1,884
Year 2	2020	46,431	15,858	4,642	5,466	5,665	1,923
Year 3	2021	47,221	16,160	4,720	5,555	5,785	1,962
Year 4	2022	48,009	16,464	4,797	5,645	5,906	2,001
Year 5	2023	48,798	16,767	4,875	5,734	6,026	2,040
Year 6	2024	49,588	17,069	4,953	5,824	6,146	2,079
Year 7	2025	50,377	17,372	5,030	5,913	6,267	2,118
Year 8	2026	51,166	17,675	5,108	6,003	6,387	2,157
Year 9	2027	51,955	17,978	5,186	6,092	6,508	2,196
Year 10	2028	52,750	18,283	5,263	6,182	6,628	2,235
Ten-Year Increase		7,898	3,031	777	895	1,204	389
Projected Revenue		\$2,787,895	\$572,818	\$0	\$0	\$0	\$0

Beaufort County Impact Fee Study

- Parks & Recreation
- Libraries
- **Public Safety: EMS**
- Public Safety: Fire
- Transportation
- Housing Affordability

EMS Impact Fee Analysis

- Components:
 - **EMS Stations** - Incremental
 - **EMS Vehicles** - Incremental
- Service Area:
 - Countywide excluding Hilton Head Island
- Current IGAs:
 - None (new fee)

EMS Impact Fee Analysis

- Projected Future Facility Needs – EMS Stations
- Service Area: Countywide

Type of Infrastructure	Level of Service		Demand Unit	Unit Cost / Sq. Ft.
EMS Stations	Residential	0.17	Square Feet	per persons
	Nonresidential	0.06		per vehicle trip
				\$413

Growth-Related Need for EMS Stations						
Year		Population	Nonres. Trips	Residential Square Feet	Nonresidential Square Feet	Total Square Feet
Base	2019	158,581	112,143	26,958	6,729	33,687
Year 1	2020	163,613	115,884	27,814	6,953	34,767
Year 2	2021	167,928	119,945	28,547	7,197	35,744
Year 3	2022	172,243	124,006	29,281	7,440	36,721
Year 4	2023	176,558	128,067	30,014	7,684	37,698
Year 5	2024	180,874	132,127	30,748	7,928	38,676
Year 6	2025	185,189	136,189	31,482	8,171	39,653
Year 7	2026	189,502	140,249	32,215	8,415	40,630
Year 8	2027	193,817	144,310	32,948	8,659	41,607
Year 9	2028	198,132	148,372	33,682	8,902	42,584
Year 10	2029	202,432	152,433	34,413	9,146	43,559
Ten-Year Increase		43,851	40,289	7,455	2,417	9,872
		Projected Expenditure		\$3,078,915	\$998,221	\$4,077,136

Growth-Related Expenditures for EMS Stations \$4,077,136

EMS Impact Fee Analysis

- Projected Future Facility Needs – EMS Vehicles
- Service Area: Countywide

Type of Infrastructure	Level of Service		Demand Unit	Unit Cost
EMS Vehicles	Residential	0.08	Vehicles	per 1,000 persons
	Nonresidential	0.03		per 1,000 vehicle trips
\$300,000				

Growth-Related Need for EMS Vehicles						
Year		Population	Nonres. Trips	Residential Vehicles	Nonresidential Vehicles	Total Vehicles
Base	2019	158,581	112,143	13.42	3.53	16.95
Year 1	2020	163,613	115,884	13.85	3.65	17.50
Year 2	2021	167,928	119,945	14.22	3.78	18.00
Year 3	2022	172,243	124,006	14.58	3.91	18.49
Year 4	2023	176,558	128,067	14.95	4.04	18.99
Year 5	2024	180,874	132,127	15.31	4.16	19.47
Year 6	2025	185,189	136,189	15.68	4.29	19.97
Year 7	2026	189,502	140,249	16.04	4.42	20.46
Year 8	2027	193,817	144,310	16.41	4.55	20.96
Year 9	2028	198,132	148,372	16.77	4.68	21.45
Year 10	2029	202,432	152,433	17.14	4.80	21.94
Ten-Year Increase		43,851	40,289	3.72	1.27	4.99
		Projected Expenditure		\$1,116,000	\$381,000	\$1,497,000

Growth-Related Expenditures for EMS Vehicles | \$1,497,000

EMS Impact Fee Analysis

- **Preliminary** Maximum Supportable Fee
 - The County currently does not have an EMS fee

Fee Component	Cost per Person	Cost per Nonres. Vehicle Trip
EMS Facilities	\$70	\$25
EMS Vehicles	\$24	\$9
Gross Total	\$94	\$34
Credit for Debt Payments	(\$21)	(\$8)
Net Total	\$73	\$26

Residential

Housing Unit Size (Sq. Ft.)	Persons per Household	Maximum Supportable Fee per Unit
1,000 or less	1.30	\$95
1,001 to 1,250	1.62	\$118
1,251 to 1,500	1.89	\$138
1,501 to 1,750	2.12	\$155
1,751 to 2,000	2.32	\$169
2,001 to 2,500	2.65	\$193
2,501 to 3,000	2.92	\$213
3,001 to 3,500	3.15	\$230
3,501 or 4,000	3.35	\$245
4,001 or more	3.53	\$258

Nonresidential

Development Type	Trips per 1,000 Sq. Ft.	Maximum Supportable Fee per 1,000 Sq. Ft.
Retail	14.35	\$373
Office/Service	4.87	\$127
Industrial	1.97	\$51
Institutional	5.36	\$139

EMS Impact Fee Analysis

- EMS Impact Fee Revenue
 - Credit results in revenue not covering entire cost

Infrastructure Costs for Public Safety Facilities

	Total Cost	Growth Cost
EMS Facilities	\$4,077,136	\$4,077,136
EMS Vehicles	\$1,497,000	\$1,497,000
Total Expenditures	\$5,574,136	\$5,574,136

Projected Revenue =>	\$4,190,284
Total Expenditures =>	\$5,574,136
Non-Impact Fee Funding =>	\$1,383,852

Projected Development Impact Fee Revenue

		Single Family \$213 per unit	Multifamily \$118 per unit	Retail \$373 per KSF	Office/Service \$127 per KSF	Industrial \$51 per KSF	Institutional \$139 per KSF
Year		Housing Units	Housing Units	KSF	KSF	KSF	KSF
Base	2019	53,764	13,384	4,109	5,930	6,807	2,043
Year 1	2020	55,015	13,788	4,241	6,136	7,045	2,113
Year 2	2021	56,266	14,193	4,392	6,347	7,288	2,185
Year 3	2022	57,517	14,597	4,543	6,559	7,531	2,258
Year 4	2023	58,768	15,002	4,693	6,771	7,774	2,330
Year 5	2024	60,019	15,407	4,844	6,983	8,017	2,402
Year 6	2025	61,270	15,811	4,995	7,195	8,260	2,475
Year 7	2026	62,521	16,216	5,146	7,407	8,503	2,547
Year 8	2027	63,772	16,621	5,297	7,618	8,746	2,619
Year 9	2028	65,023	17,025	5,448	7,830	8,989	2,692
Year 10	2029	66,275	17,431	5,599	8,042	9,232	2,764
Ten-Year Increase		12,511	4,047	1,490	2,112	2,425	721
Projected Revenue		\$2,664,864	\$477,546	\$555,776	\$268,179	\$123,676	\$100,242

Beaufort County Impact Fee Study

- Parks & Recreation
- Libraries
- Public Safety: EMS
- **Public Safety: Fire**
- Transportation
- Housing Affordability

Fire Impact Fee Analysis

- Components:
 - **Fire Stations** – Incremental
 - **Admin and Training Facilities** – Incremental
 - **Fire Apparatuses** - Incremental
- Service Area:
 - Bluffton Township Fire District and North of the Broad Service Area excluding Beaufort/Port Royal
- Current IGAs:
 - Town of Bluffton
 - Other municipalities not included in fee analysis

Fire Impact Fee Analysis

- Projected Future Facility Needs
- Service Area: **North Service Area**

Level of Service		Demand Unit	Unit Cost
3.83	Fire Station Square Feet	per EDU	\$184
0.48	Admin Office Square Feet	per EDU	\$199
1.38	Fire Apparatus	per 1,000 EDUs	\$507,143

Year		Equivalent Dwelling Unit	Fire Station Square Feet	Admin Office Square Feet	Fire Apparatuses
Base	2019	20,314	77,803	9,751	28.0
Year 1	2020	20,793	79,636	9,981	28.7
Year 2	2021	21,271	81,470	10,210	29.4
Year 3	2022	21,750	83,303	10,440	30.0
Year 4	2023	22,229	85,137	10,670	30.7
Year 5	2024	22,708	86,971	10,900	31.3
Year 6	2025	23,187	88,804	11,130	32.0
Year 7	2026	23,665	90,638	11,359	32.7
Year 8	2027	24,144	92,472	11,589	33.3
Year 9	2028	24,623	94,305	11,819	34.0
Year 10	2029	25,107	96,160	12,051	34.6
Ten-Year Increase		4,793	18,357	2,301	6.6
Growth-Related Expenditures			\$3,377,726	\$457,828	\$3,354,420

South of the Broad Growth-Related Expenditures | **\$7,189,974**

[1] EDU stands for equivalent dwelling unit

Fire Impact Fee Analysis

- Projected Future Facility Needs
- Service Area: Bluffton Fire District

Level of Service		Demand Unit [1]	Unit Cost
1.62	Fire Station Square Feet	per EDU	\$385
0.41	Admin Office Square Feet	per EDU	\$383
0.55	Fire Apparatus	per 1,000 EDUs	\$571,250

Year		Equivalent Dwelling Unit	Fire Station Square Feet	Admin Office Square Feet	Fire Apparatuses
Base	2019	36,276	58,767	14,873	20.0
Year 1	2020	37,296	60,420	15,292	20.5
Year 2	2021	38,317	62,073	15,710	21.1
Year 3	2022	39,337	63,726	16,128	21.6
Year 4	2023	40,357	65,379	16,546	22.2
Year 5	2024	41,378	67,032	16,965	22.8
Year 6	2025	42,398	68,685	17,383	23.3
Year 7	2026	43,418	70,337	17,801	23.9
Year 8	2027	44,438	71,990	18,220	24.4
Year 9	2028	45,459	73,643	18,638	25.0
Year 10	2029	46,487	75,309	19,060	25.6
Ten-Year Increase		10,211	16,542	4,187	5.6
Growth-Related Expenditures			\$6,368,682	\$1,603,454	\$3,208,209

North of the Broad Growth-Related Expenditures | **\$11,180,345**

[1] EDU stands for equivalent dwelling unit

Fire Impact Fee Analysis

- **Preliminary** Maximum Supportable Fee

North of the Broad

Fee Component	Cost per EDU
Fire Stations	\$705
Admin & Maintenance Facilities	\$96
Fire Apparatuses	\$700
Gross Total	\$1,501
Credit for Debt Payments	(\$323)
Net Total	\$1,178

Residential

Housing Unit Size (Sq. Ft.)	Persons per Household	Equivalent Dwelling Units	Maximum Supportable Fee per Unit	Current Fee	Increase/ (Decrease)
1,000 or less	1.40	0.51	\$601	\$1,178	(\$577)
1,001 to 1,250	1.70	0.63	\$742	\$1,178	(\$436)
1,251 to 1,500	2.00	0.74	\$872	\$1,178	(\$306)
1,501 to 1,750	2.30	0.85	\$1,001	\$1,178	(\$177)
1,751 to 2,000	2.50	0.92	\$1,084	\$1,178	(\$94)
2,001 to 2,500	2.90	1.07	\$1,260	\$1,178	\$82
2,501 to 3,000	3.10	1.14	\$1,343	\$1,178	\$165
3,001 to 3,500	3.40	1.25	\$1,473	\$1,178	\$295
3,501 or 4,000	3.60	1.32	\$1,555	\$1,178	\$377
4,001 or more	3.80	1.40	\$1,649	\$1,178	\$471

Fire Impact Fee Analysis

- Preliminary Maximum Supportable Fee

Bluffton Fire District

Fee Component	Cost per EDU
Fire Stations	\$624
Admin & Maintenance Facilities	\$157
Fire Apparatuses	\$314
Gross Total	\$1,095
Credit for Debt Payments	(\$142)
Net Total	\$953

Residential

Housing Unit Size (Sq. Ft.)	Persons per Household	Equivalent Dwelling Units	Maximum Supportable Fee per Unit	Current Fee	Increase/ (Decrease)
1,000 or less	1.20	0.50	\$477	\$481	(\$4)
1,001 to 1,250	1.50	0.63	\$600	\$481	\$119
1,251 to 1,500	1.80	0.75	\$715	\$481	\$234
1,501 to 1,750	2.00	0.83	\$791	\$481	\$310
1,751 to 2,000	2.20	0.92	\$877	\$481	\$396
2,001 to 2,500	2.50	1.04	\$991	\$481	\$510
2,501 to 3,000	2.80	1.17	\$1,115	\$481	\$634
3,001 to 3,500	3.00	1.25	\$1,191	\$481	\$710
3,501 or 4,000	3.20	1.33	\$1,267	\$481	\$786
4,001 or more	3.30	1.38	\$1,315	\$481	\$834

Fire Impact Fee Analysis

- **Preliminary** Maximum Supportable Fee
 - Nonresidential fee is based on the determined fire hazard level (consistent with the current fee schedule)

Nonresidential

FIRE HAZARD LEVEL	BUILDING AREA (SQUARE FEET)			
	Up to 1,000 sq. ft.	1,001 to 5,000 sq. ft.	5,001 to 10,000 sq. ft.	10,000 sq. ft. and larger
	Base Minimum	Add Per 1,000 sq. ft.		
Low Hazard Occupancy	1.0 EDU	0.8 EDU	0.5 EDU	0.1 EDU
Medium Hazard Occupancy	1.5 EDU	1.2 EDU	0.75 EDU	0.15 EDU
High Hazard Occupancy	2.0 EDU	1.6 EDU	1.0 EDU	0.2 EDU

Fire Impact Fee Analysis

- Fire Impact Fee Revenue – North of the Broad
- Credit results in revenue not covering entire cost

Infrastructure Costs for Fire Facilities

	Total Cost	Growth Cost
Fire Stations	\$3,377,688	\$3,377,688
Admin Facilities	\$457,700	\$457,700
Fire Apparatuses	\$3,347,144	\$3,347,144
Total Expenditures	\$7,182,532	\$7,182,532

Projected Revenue =>	\$6,316,028
Total Expenditures =>	\$7,182,532
Non-Impact Fee Funding =>	\$866,504

Projected Development Impact Fee Revenue

		Single Family \$1,343 per unit	Multifamily \$742 per unit	Retail \$1,260 per KSF	Office/Service \$789 per KSF	Industrial \$401 per KSF	Institutional \$860 per KSF
Year		Housing Units	Housing Units	KSF	KSF	KSF	KSF
Base	2019	17,237	2,486	461	674	703	107
Year 1	2020	17,657	2,506	477	698	728	110
Year 2	2021	18,077	2,526	493	722	753	114
Year 3	2022	18,497	2,546	509	745	777	118
Year 4	2023	18,917	2,566	525	769	802	122
Year 5	2024	19,337	2,586	541	793	827	125
Year 6	2025	19,757	2,606	557	816	852	129
Year 7	2026	20,177	2,626	573	840	877	133
Year 8	2027	20,597	2,646	589	864	901	137
Year 9	2028	21,017	2,666	605	888	926	140
Year 10	2029	21,441	2,688	621	911	951	144
Ten-Year Increase		4,204	202	160	237	248	38
Projected Revenue		\$5,645,972	\$149,884	\$201,562	\$186,958	\$99,353	\$32,299

Fire Impact Fee Analysis

- Fire Impact Fee Revenue – Bluffton Fire District
- Credit results in revenue not covering entire cost

Infrastructure Costs for Fire Facilities

	Total Cost	Growth Cost
Fire Stations	\$6,368,670	\$6,368,670
Admin Facilities	\$1,603,621	\$1,603,621
Fire Apparatuses	\$3,199,000	\$3,199,000
Total Expenditures	\$11,171,291	\$11,171,291

Projected Revenue =>	\$10,195,965
Total Expenditures =>	\$11,171,291
Non-Impact Fee Funding =>	\$975,326

Projected Development Impact Fee Revenue

		Single Family \$1,115 per unit	Multifamily \$600 per unit	Retail \$1,191 per KSF	Office/Service \$743 per KSF	Industrial \$372 per KSF	Institutional \$810 per KSF
Year		Housing Units	Housing Units	KSF	KSF	KSF	KSF
Base	2019	26,175	5,036	1,657	1,968	2,921	969
Year 1	2020	26,809	5,253	1,715	2,033	3,022	1,002
Year 2	2021	27,442	5,471	1,774	2,097	3,122	1,034
Year 3	2022	28,077	5,689	1,833	2,161	3,223	1,067
Year 4	2023	28,710	5,907	1,891	2,225	3,323	1,100
Year 5	2024	29,344	6,125	1,950	2,290	3,424	1,132
Year 6	2025	29,978	6,342	2,009	2,354	3,524	1,165
Year 7	2026	30,612	6,561	2,067	2,418	3,625	1,198
Year 8	2027	31,245	6,779	2,126	2,482	3,725	1,231
Year 9	2028	31,880	6,996	2,185	2,546	3,825	1,263
Year 10	2029	32,519	7,217	2,243	2,611	3,926	1,296
Ten-Year Increase		6,344	2,181	586	642	1,004	327
Projected Revenue		\$7,073,358	\$1,308,468	\$698,548	\$477,288	\$373,337	\$264,964

Fire Impact Fee Analysis

- Fire Impact Fee Considerations
 - Residential fee exempted with approved sprinkler system
 - Higher fee for 5,000 sq. ft. single family units
 - Units require advance equipment and vehicles
 - Demand = 2 EDUs

Beaufort County Impact Fee Study

- Parks & Recreation
- Libraries
- Public Safety: EMS
- Public Safety: Fire
- **Transportation**
- Housing Affordability

Transportation Impact Fee Analysis

- Components:
 - **Transportation Improvements - Plan-Based**
- Service Area:
 - North and South of the Broad River
- Current IGAs:
 - All municipalities participating

Transportation Impact Fee Analysis

- Plan-Based Approach: **North of the Broad**
 - Offset included for revenue from Penny Referendum
 - County anticipates contributing 85% of costs

Project	Description	Total Cost	Penny Referendum Offset	County Contribution (85%)
US 21/SC 802 Connector SE (Hazel Farms Road)	New Road	\$5,244,000	\$5,244,000	\$0
US 21/SC 802 Connector NW (Sunset/Miller Road)	New Road	\$6,634,000	\$6,634,000	\$0
US 21/SC 802 Intersection Improvement (Sea Island Pkwy/Sams Pt. Road)	Intersection Improvements	\$2,500,000	\$2,500,000	\$0
US 21/SC 128 Intersection Improvement (Ribaut Road/Lady's Island Drive)	Intersection Improvements	\$1,000,000	\$1,000,000	\$0
Boundary Street Connectivity (Polk St. Parallel Road)	New Road	\$4,000,000	\$4,000,000	\$0
Joe Frazier Road Improvements	Access Management	\$7,000,000	\$0	\$5,950,000
US 21 Business (Woods Memorial Bridge ITS)	Intelligent Transportation Systems	\$1,000,000	\$0	\$850,000
Sea Island Parkway Improvements	Access Management/Complete Street	\$15,756,000	\$15,756,000	\$0
Spine Road - Port Royal Port	New Road	\$5,000,000	\$0	\$4,250,000
US 21 and Parker Drive Mast Arm Signal	Traffic Signal	\$125,000	\$0	\$106,250
9 Traffic Signals	Traffic Signal	\$2,525,000	\$0	\$2,146,250
Port Royal Road Interconnectivity	New Road	\$950,000	\$0	\$807,500
		\$51,734,000	\$35,134,000	\$14,110,000

Total Cost for Road Projects	\$14,110,000
2030 Vehicle Miles Traveled - North of the Broad	1,086,520
Capital Cost per Vehicle Miles Traveled	\$12.99

Transportation Impact Fee Analysis

- Plan-Based Approach: South of the Broad
 - Offset included for revenue from Penny Referendum
 - County anticipates contributing 85% of costs

Project	Description	Total Cost	Penny Referendum Offset	County Contribution (85%)
US 278 at Jenkins Island Alternate 2A	Superstreet Plan	\$7,400,000	\$0	\$7,400,000
US 278 from Bluffton 5A to Jenkins Is	Bridge Widening	\$200,000,000	\$80,000,000	\$102,000,000
US 278	Access Management	\$12,600,000	\$0	\$10,710,000
US 278/SC 170 Interchange	Interchange Improvements	\$25,000,000	\$0	\$21,250,000
SC 170 - US 278 to Tide Watch	Road Widening	\$15,000,000	\$0	\$12,750,000
SC 46/170 from Argent Blvd to SC 462	Road Widening	\$10,000,000	\$0	\$8,500,000
Buckwalter Parkway	Access Management	\$2,000,000	\$0	\$1,700,000
May River Rd	Access Management	\$10,000,000	\$0	\$8,500,000
Burnt Church Rd from Bluffton Pkwy to All Joy Turn	Access Management	\$5,000,000	\$0	\$4,250,000
Buck Island Rd from US 278 to Bluffton Pkwy	Road Widening	\$8,000,000	\$0	\$6,800,000
Lake Point Dr / Old Miller Rd Connection	New Road	\$1,000,000	\$0	\$1,000,000
SC 170/SC 46 from roundabout to Jasper Co.	Road Widening	\$45,000,000	\$0	\$45,000,000
Innovation Drive	New Road	\$750,000	\$0	\$637,500
Buckwalter Frontage Connector Road	New Road	\$880,000	\$0	\$748,000
16 Traffic Signal	Traffic Signal	\$4,480,000	\$0	\$3,808,000
		\$347,110,000	\$80,000,000	\$235,053,500

Total Cost for Road Projects	\$235,053,500
2030 Vehicle Miles Traveled - South of the Broad	1,585,901
Cost per Vehicle Miles Traveled	\$148.21

Transportation Impact Fee Analysis

- Preliminary Maximum Supportable Fee
 - North of the Broad

North of the Broad

Fee Component	Cost per VMT
North of the Broad Projects	\$12.99
Gross Total	\$12.99
Credit for Debt Payments	\$0.00
Net Total	\$12.99

Development Type	Ave. Daily Veh. Trip Ends	Trip Rate Adjustment	Ave. Miles per Veh. Trip	Trip Length Weighting	Maximum Supportable Fee	Current Fee	Increase/ (Decrease)
Residential (per housing unit)							
1,000 or less	3.90	55%	3.66	121%	\$123	\$544	(\$421)
1,001 to 1,250	4.90	55%	3.66	121%	\$155	\$544	(\$389)
1,251 to 1,500	5.80	55%	3.66	121%	\$184	\$544	(\$360)
1,501 to 1,750	6.50	55%	3.66	121%	\$206	\$775	(\$569)
1,751 to 2,000	7.10	55%	3.66	121%	\$225	\$775	(\$550)
2,001 to 2,500	8.10	55%	3.66	121%	\$256	\$775	(\$519)
2,501 to 3,000	9.00	55%	3.66	121%	\$285	\$775	(\$490)
3,001 to 3,500	9.70	55%	3.66	121%	\$307	\$775	(\$468)
3,501 or 4,000	10.30	55%	3.66	121%	\$326	\$775	(\$449)
4,001 or more	10.80	55%	3.66	121%	\$342	\$775	(\$433)
Nonresidential (per 1,000 square feet)							
Retail	37.75	38%	3.00	66%	\$369	\$1,948	(\$1,579)
Office/Service	9.74	50%	3.97	73%	\$183	\$803	(\$620)
Industrial	3.93	50%	3.97	73%	\$74	\$122	(\$48)
Institutional	10.72	50%	3.36	73%	\$171	\$1,423	(\$1,252)

Transportation Impact Fee Analysis

- Preliminary Maximum Supportable Fee
- South of the Broad

South of the Broad

Fee Component	Cost per VMT
South of the Broad Projects	\$148.21
Gross Total	\$148.21
Credit for Debt Payments	(\$8.72)
Net Total	\$139.49

Development Type	Ave. Daily Veh. Trip Ends	Trip Rate Adjustment	Ave. Miles per Veh. Trip	Trip Length Weighting	Maximum Supportable Fee	Current Fee [1]	Increase/ (Decrease)
Residential (per housing unit)							
1,000 or less	3.60	55%	3.66	121%	\$1,223	\$1,471	(\$248)
1,001 to 1,250	4.50	55%	3.66	121%	\$1,529	\$1,471	\$58
1,251 to 1,500	5.30	55%	3.66	121%	\$1,801	\$1,471	\$330
1,501 to 1,750	6.00	55%	3.66	121%	\$2,039	\$2,095	(\$56)
1,751 to 2,000	6.60	55%	3.66	121%	\$2,242	\$2,095	\$148
2,001 to 2,500	7.50	55%	3.66	121%	\$2,548	\$2,095	\$454
2,501 to 3,000	8.30	55%	3.66	121%	\$2,820	\$2,095	\$726
3,001 to 3,500	8.90	55%	3.66	121%	\$3,024	\$2,095	\$930
3,501 or 4,000	9.50	55%	3.66	121%	\$3,228	\$2,095	\$1,134
4,001 or more	10.00	55%	3.66	121%	\$3,398	\$2,095	\$1,304
Nonresidential (per 1,000 square feet)							
Retail	37.75	38%	3.00	66%	\$3,962	\$4,314	(\$352)
Office/Service	9.74	50%	3.97	73%	\$1,969	\$2,353	(\$384)
Industrial	3.93	50%	3.97	73%	\$794	\$356	\$438
Institutional	10.72	50%	3.36	73%	\$1,834	\$3,531	(\$1,697)

[1] fee listed is the average between the Bluffton/Okatie and Hilton Head/Daufuski Island Assessment Districts

Transportation Impact Fee Analysis

- Transportation Impact Fee Revenue: **North of the Broad**

Infrastructure Costs for Transportation Facilities

	County Cost	Growth Cost
Roadway Improvements	\$14,110,000	\$2,963,100
Total Expenditures	\$14,110,000	\$2,963,100

Projected Revenue =>	\$3,006,253
Total Expenditures =>	\$2,963,100
Non-Impact Fee Funding =>	\$0

Projected Development Impact Fee Revenue

		Single Family \$285 per unit	Multifamily \$155 per unit	Retail \$369 per KSF	Office/Service \$183 per KSF	Industrial \$74 per KSF	Institutional \$171 per KSF
Year		Housing Units	Housing Units	KSF	KSF	KSF	KSF
Base	2019	27,589	8,348	2,321	3,970	3,885	1,074
Year 1	2020	28,206	8,535	2,401	4,100	4,015	1,109
Year 2	2021	28,823	8,722	2,480	4,230	4,144	1,143
Year 3	2022	29,440	8,909	2,559	4,360	4,273	1,178
Year 4	2023	30,058	9,095	2,639	4,490	4,403	1,213
Year 5	2024	30,675	9,282	2,718	4,620	4,532	1,248
Year 6	2025	31,292	9,469	2,797	4,750	4,661	1,283
Year 7	2026	31,909	9,656	2,877	4,880	4,791	1,318
Year 8	2027	32,526	9,843	2,956	5,010	4,920	1,353
Year 9	2028	33,144	10,029	3,035	5,140	5,049	1,388
Year 10	2029	33,756	10,215	3,115	5,270	5,179	1,423
Year 11	2030	34,373	10,401	3,194	5,400	5,308	1,458
Eleven-Year Increase		6,784	2,053	873	1,430	1,423	384
Projected Revenue =>		\$1,933,435	\$318,187	\$322,014	\$261,686	\$105,277	\$65,654

Transportation Impact Fee Analysis

- Transportation Impact Fee Revenue: **South of the Broad**
- Credit reduces revenue to be collected

Infrastructure Costs for Transportation Facilities

	County Cost	Growth Cost
Roadway Improvements	\$235,053,500	\$37,608,560
Total Expenditures	\$235,053,500	\$37,608,560

Projected Revenue =>	\$36,757,423
Total Expenditures =>	\$37,608,560
Non-Impact Fee Funding =>	\$851,137

Projected Development Impact Fee Revenue

		Single Family \$2,820 per unit	Multifamily \$1,529 per unit	Retail \$3,962 per KSF	Office/Service \$1,969 per KSF	Industrial \$794 per KSF	Institutional \$1,834 per KSF
Year		Housing Units	Housing Units	KSF	KSF	KSF	KSF
Base	2019	44,852	15,253	4,486	5,287	5,424	1,845
Year 1	2020	45,642	15,555	4,564	5,376	5,544	1,884
Year 2	2021	46,431	15,858	4,642	5,466	5,665	1,923
Year 3	2022	47,221	16,160	4,720	5,555	5,785	1,962
Year 4	2023	48,009	16,464	4,797	5,645	5,906	2,001
Year 5	2024	48,798	16,767	4,875	5,734	6,026	2,040
Year 6	2025	49,588	17,069	4,953	5,824	6,146	2,079
Year 7	2026	50,377	17,372	5,030	5,913	6,267	2,118
Year 8	2027	51,166	17,675	5,108	6,003	6,387	2,157
Year 9	2028	51,955	17,978	5,186	6,092	6,508	2,196
Year 10	2029	52,750	18,283	5,263	6,182	6,628	2,235
Year 11	2030	53,540	18,587	5,341	6,271	6,748	2,274
Eleven-Year Increase		8,688	3,334	854	985	1,324	428
Projected Revenue =>		\$24,498,803	\$5,097,504	\$3,385,184	\$1,938,954	\$1,051,475	\$785,502

Beaufort Impact Fee Summary

○ Preliminary Maximum Supportable Fees

North of the Broad

Development Type	Parks & Recreation	Library	EMS	Transportation	Fire [1]	Maximum Supportable Fee	Current Dev. Impact Fee Total	Increase/ (Decrease)
Residential Fee by Housing Size (square feet)								
1,000 or less	\$486	\$225	\$95	\$123	\$601	\$1,530	\$1,850	(\$320)
1,001 to 1,250	\$590	\$273	\$118	\$155	\$742	\$1,878	\$1,850	\$28
1,251 to 1,500	\$694	\$321	\$138	\$184	\$872	\$2,209	\$1,850	\$359
1,501 to 1,750	\$798	\$369	\$155	\$206	\$1,001	\$2,529	\$2,080	\$449
1,751 to 2,000	\$868	\$401	\$169	\$225	\$1,084	\$2,747	\$2,080	\$667
2,001 to 2,500	\$1,006	\$466	\$193	\$256	\$1,260	\$3,181	\$2,080	\$1,101
2,501 to 3,000	\$1,076	\$498	\$213	\$285	\$1,343	\$3,415	\$2,080	\$1,335
3,001 to 3,500	\$1,180	\$546	\$230	\$307	\$1,473	\$3,736	\$2,080	\$1,656
3,501 or 4,000	\$1,249	\$578	\$245	\$326	\$1,555	\$3,953	\$2,080	\$1,873
4,001 or more	\$1,319	\$610	\$258	\$342	\$1,649	\$4,178	\$2,080	\$2,098
Nonresidential (per 1,000 square feet)								
Retail	\$0	\$0	\$373	\$369	\$1,260	\$2,002	\$2,379	(\$376)
Office/Services	\$0	\$0	\$127	\$183	\$789	\$1,099	\$1,234	(\$134)
Industrial	\$0	\$0	\$51	\$74	\$401	\$526	\$553	(\$27)
Institutional	\$0	\$0	\$139	\$171	\$860	\$1,170	\$1,854	(\$684)

Note: the current fee listed is the average of the fees for the current service areas north of the Broad River. Some existing fees are based on housing type, so for comparison, a multifamily unit is assumed to be 1,500 square feet and less.

[1] The nonresidential Fire Development Impact Fee is based on fire hazard level. The complexity of fire safety is determined case by case, so for illustrative purposes the nonresidential fee listed is based on EDUs per 1,000 square feet.

Beaufort Impact Fee Summary

- Preliminary** Maximum Supportable Fees

South of the Broad

Development Type	Parks & Recreation	Library	EMS	Transportation	Fire [1]	Maximum Supportable Fee	Current Dev. Impact Fee Total	Increase/ (Decrease)
Residential Fee by Housing Size (square feet)								
1,000 or less	\$282	\$151	\$95	\$1,223	\$477	\$2,228	\$3,176	(\$948)
1,001 to 1,250	\$353	\$189	\$118	\$1,529	\$600	\$2,789	\$3,176	(\$387)
1,251 to 1,500	\$423	\$227	\$138	\$1,801	\$715	\$3,304	\$3,176	\$128
1,501 to 1,750	\$470	\$252	\$155	\$2,039	\$791	\$3,707	\$3,799	(\$92)
1,751 to 2,000	\$517	\$278	\$169	\$2,242	\$877	\$4,083	\$3,799	\$284
2,001 to 2,500	\$588	\$316	\$193	\$2,548	\$991	\$4,636	\$3,799	\$837
2,501 to 3,000	\$658	\$353	\$213	\$2,820	\$1,115	\$5,159	\$3,799	\$1,360
3,001 to 3,500	\$705	\$379	\$230	\$3,024	\$1,191	\$5,529	\$3,799	\$1,730
3,501 or 4,000	\$752	\$404	\$245	\$3,228	\$1,267	\$5,896	\$3,799	\$2,097
4,001 or more	\$776	\$417	\$258	\$3,398	\$1,315	\$6,164	\$3,799	\$2,365
Nonresidential (per 1,000 square feet)								
Retail	\$0	\$0	\$373	\$3,962	\$1,191	\$5,526	\$4,795	\$731
Office/Services	\$0	\$0	\$127	\$1,969	\$743	\$2,839	\$2,834	\$6
Industrial	\$0	\$0	\$51	\$794	\$372	\$1,217	\$837	\$380
Institutional	\$0	\$0	\$139	\$1,834	\$810	\$2,783	\$4,012	(\$1,228)

Note: the current fee listed is the average of the fees for the current service areas south of the Broad River. Some existing fees are based on housing type, so for comparison, a multifamily unit is assumed to be 1,500 square feet and less.

[1] The nonresidential Fire Development Impact Fee is based on fire hazard level. The complexity of fire safety is determined case by case, so for illustrative purposes the nonresidential fee listed is based on EDUs per 1,000 square feet.

Beaufort County Impact Fee Study

- Schools
- Parks & Recreation
- Libraries
- Public Safety: EMS
- Public Safety: Fire
- Solid Waste
- Transportation
- **Housing Affordability**

Affordable Housing Analysis

- North of the Broad
- Increase in impact fee results in a 0.1% increase in housing cost burden ratio for home ownership

Scenario 1 - Base Condition

Occupancy	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$4,243	\$1,149	27.1%
Renter-Occupied	\$2,713	\$1,086	40.0%

Scenario 2 - Base Condition + Impact Fee

Occupancy	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$4,243	\$1,154	27.2%
Renter-Occupied	\$2,713	\$1,085	40.0%

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates; U.S. Bureau of Labor Statistics CPI Calculator

Note: American Community Survey data represents information as of June, 2018. CPI calculator calculates dollars May, 2020.

Note: Monthly income represents 80 percent of the median income for the area.

Affordable Housing Analysis

- South of the Broad
- Increase in impact fee results in a 0.1% increase in housing cost burden ratio for home ownership

Scenario 1 - Base Condition

Occupancy	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,462	\$1,857	34.0%
Renter-Occupied	\$3,339	\$1,330	39.8%

Scenario 2 - Base Condition + Impact Fee

Occupancy	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,462	\$1,862	34.1%
Renter-Occupied	\$3,339	\$1,329	39.8%

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates; U.S. Bureau of Labor Statistics CPI Calculator

Note: American Community Survey data represents information as of June, 2018. CPI calculator calculates dollars May, 2020.

Note: Monthly income represents 80 percent of the median income for the area.

Comments/Questions

Affordable Housing Analysis

- **Shown with School Impact Fee**
- **North of the Broad**
- Increase in impact fee results in a 0.1% increase in housing cost burden ratio for home ownership

Scenario 1 - Base Condition

Occupancy	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$4,243	\$1,149	27.1%
Renter-Occupied	\$2,713	\$1,086	40.0%

Scenario 2 - Base Condition + Impact Fee

Occupancy	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$4,243	\$1,154	27.2%
Renter-Occupied	\$2,713	\$1,085	40.0%

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates; U.S. Bureau of Labor Statistics CPI Calculator

Note: American Community Survey data represents information as of June, 2018. CPI calculator calculates dollars May, 2020.

Note: Monthly income represents 80 percent of the median income for the area.

Affordable Housing Analysis

- **Shown with School Impact Fee**
- South of the Broad
- Increase in impact fee results in a 0.8% increase in housing cost burden ratio for home ownership

Scenario 1 - Base Condition

Occupancy	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,462	\$1,857	34.0%
Renter-Occupied	\$3,339	\$1,330	39.8%

Scenario 2 - Base Condition + Impact Fee

Occupancy	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,462	\$1,900	34.8%
Renter-Occupied	\$3,339	\$1,341	40.2%

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates; U.S. Bureau of Labor Statistics CPI Calculator

Note: American Community Survey data represents information as of June, 2018. CPI calculator calculates dollars May, 2020.

Note: Monthly income represents 80 percent of the median income for the area.

Beaufort Impact Fee Summary

- **Shown with School Impact Fee**
- **Preliminary** Maximum Supportable Fees

North of the Broad

Development Type	Parks & Recreation	Library	EMS	Solid Waste	Transportation	Fire [1]	School	Maximum Supportable Fee	Current Dev. Impact Fee Total	Increase/ (Decrease)
Residential Fee by Housing Size (square feet)										
1,000 or less	\$486	\$225	\$95	\$24	\$123	\$601	\$0	\$1,554	\$1,850	(\$296)
1,001 to 1,250	\$590	\$273	\$118	\$29	\$155	\$742	\$0	\$1,907	\$1,850	\$57
1,251 to 1,500	\$694	\$321	\$138	\$34	\$184	\$872	\$0	\$2,243	\$1,850	\$393
1,501 to 1,750	\$798	\$369	\$155	\$39	\$206	\$1,001	\$0	\$2,568	\$2,080	\$488
1,751 to 2,000	\$868	\$401	\$169	\$43	\$225	\$1,084	\$0	\$2,790	\$2,080	\$710
2,001 to 2,500	\$1,006	\$466	\$193	\$49	\$256	\$1,260	\$0	\$3,230	\$2,080	\$1,150
2,501 to 3,000	\$1,076	\$498	\$213	\$53	\$285	\$1,343	\$0	\$3,468	\$2,080	\$1,388
3,001 to 3,500	\$1,180	\$546	\$230	\$58	\$307	\$1,473	\$0	\$3,794	\$2,080	\$1,714
3,501 or 4,000	\$1,249	\$578	\$245	\$61	\$326	\$1,555	\$0	\$4,014	\$2,080	\$1,934
4,001 or more	\$1,319	\$610	\$258	\$65	\$342	\$1,649	\$0	\$4,243	\$2,080	\$2,163
Nonresidential (per 1,000 square feet)										
Retail	\$0	\$0	\$373	\$0	\$369	\$1,260	\$0	\$2,002	\$2,379	(\$376)
Office/Services	\$0	\$0	\$127	\$0	\$183	\$789	\$0	\$1,099	\$1,234	(\$134)
Industrial	\$0	\$0	\$51	\$0	\$74	\$401	\$0	\$526	\$553	(\$27)
Institutional	\$0	\$0	\$139	\$0	\$171	\$860	\$0	\$1,170	\$1,854	(\$684)

Note: the current fee listed is the average of the fees for the current service areas north of the Broad River. Some existing fees are based on housing type, so for comparison, a multifamily unit is assumed to be 1,500 square feet and less.

[1] The nonresidential Fire Development Impact Fee is based on fire hazard level. The complexity of fire safety is determined case by case, so for illustrative purposes the nonresidential fee listed is based on EDUs per 1,000 square feet.

Beaufort Impact Fee Summary

- **Shown with School Impact Fee**
- **Preliminary** Maximum Supportable Fees

South of the Broad

Development Type	Parks & Recreation	Library	EMS	Solid Waste	Transportation	Fire [1]	Schools	Maximum Supportable Fee	Current Dev. Impact Fee Total	Increase/ (Decrease)
Residential Fee by Housing Size (square feet)										
1,000 or less	\$282	\$151	\$95	\$79	\$1,223	\$477	\$4,508	\$6,815	\$3,176	\$3,639
1,001 to 1,250	\$353	\$189	\$118	\$99	\$1,529	\$600	\$4,508	\$7,396	\$3,176	\$4,220
1,251 to 1,500	\$423	\$227	\$138	\$119	\$1,801	\$715	\$4,508	\$7,931	\$3,176	\$4,755
1,501 to 1,750	\$470	\$252	\$155	\$132	\$2,039	\$791	\$9,535	\$13,374	\$3,799	\$9,575
1,751 to 2,000	\$517	\$278	\$169	\$145	\$2,242	\$877	\$9,535	\$13,763	\$3,799	\$9,964
2,001 to 2,500	\$588	\$316	\$193	\$165	\$2,548	\$991	\$9,535	\$14,336	\$3,799	\$10,537
2,501 to 3,000	\$658	\$353	\$213	\$185	\$2,820	\$1,115	\$9,535	\$14,879	\$3,799	\$11,080
3,001 to 3,500	\$705	\$379	\$230	\$198	\$3,024	\$1,191	\$9,535	\$15,262	\$3,799	\$11,463
3,501 or 4,000	\$752	\$404	\$245	\$211	\$3,228	\$1,267	\$9,535	\$15,642	\$3,799	\$11,843
4,001 or more	\$776	\$417	\$258	\$218	\$3,398	\$1,315	\$9,535	\$15,917	\$3,799	\$12,118
Nonresidential (per 1,000 square feet)										
Retail	\$0	\$0	\$373	\$0	\$3,962	\$1,191	\$0	\$5,526	\$4,795	\$731
Office/Services	\$0	\$0	\$127	\$0	\$1,969	\$743	\$0	\$2,839	\$2,834	\$6
Industrial	\$0	\$0	\$51	\$0	\$794	\$372	\$0	\$1,217	\$837	\$380
Institutional	\$0	\$0	\$139	\$0	\$1,834	\$810	\$0	\$2,783	\$4,012	(\$1,228)

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School Impact Fee Study and Capital Improvement Plan

Prepared for:
Beaufort County School District, South Carolina

July 18, 2020

Prepared by:

TischlerBise

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	11
BEAUFORT COUNTY SCHOOL DISTRICT SCHOOL DEVELOPMENT IMPACT FEE OVERVIEW	11
GENERAL LEGAL FRAMEWORK.....	11
SOUTH CAROLINA DEVELOPMENT IMPACT FEE ACT	12
CONCEPTUAL DEVELOPMENT IMPACT FEE CALCULATION	13
GENERAL METHODOLOGIES	14
<i>Cost Recovery (Past Improvements)</i>	14
<i>Incremental Expansion (Concurrent Improvements)</i>	14
<i>Plan-Based Fee (Future Improvements)</i>	14
<i>Credits</i>	15
SERVICE/BENEFIT AREA.....	15
Figure 1. Map of Service Areas	16
MAXIMUM SUPPORTABLE IMPACT FEE SCHEDULE	16
Figure 2. Maximum Supportable School Development Impact Fees – South Service Area.....	17
STUDENT GENERATION RATES AND PROJECTED ENROLLMENT.....	18
STUDENT GENERATION RATES.....	18
Figure 3. Student Generation Rates by Housing Type – South Service Area	18
STUDENT ENROLLMENT PROJECTIONS.....	19
Figure 4. Projected South Service Area Elementary School Enrollment	19
Figure 5. Projected South Service Area Middle School Enrollment	20
Figure 6. Projected South Service Area High School Enrollment	21
SCHOOL LEVEL OF SERVICE	22
OVERVIEW OF CURRENT SCHOOL FUNDING ARRANGEMENTS	22
SCHOOL FACILITY LEVEL OF SERVICE STANDARDS	22
<i>South Service Area Elementary Schools</i>	22
Figure 7. Elementary School Inventory – South Service Area	23
<i>South Service Area Middle Schools</i>	23
Figure 8. Middle School Inventory – South Service Area	24
<i>South Service Area High Schools</i>	24
Figure 9. High School Inventory – South Service Area	25
<i>School Buses</i>	25
Figure 10. Beaufort County School District Buses	25
SCHOOL IMPACT FEE CALCULATION.....	26
METHODOLOGY	26
SERVICE/BENEFIT AREA.....	26
COST ASSUMPTIONS	26
Figure 11. Facility Cost Assumptions	26
CREDITS FOR FUTURE PRINCIPAL PAYMENTS ON EXISTING SCHOOL IMPROVEMENTS	26
Figure 12. Beaufort County Assessed Value by Property Type	27
Figure 13. Credit for Future Principal Payments on Existing Debt	28
CREDIT FOR 2019 BOND REFERENDUM	28

Figure 14. Countywide Property Assessed Value	28
Figure 15. Credit for 2019 Bond Referendum	29
SCHOOL DEVELOPMENT IMPACT FEE INPUT VARIABLES	30
Figure 16. School Development Impact Fee Input Variables	30
MAXIMUM SUPPORTABLE SCHOOL DEVELOPMENT IMPACT FEES	31
Figure 17. Maximum Supportable School Development Impact Fees – South of the Broad Service Area.....	31
PROJECTED REVENUE FROM MAXIMUM SUPPORTABLE DEVELOPMENT IMPACT FEE.....	32
Figure 18. Projected Revenue from Maximum Supportable Development Impact Fee	32
CAPITAL IMPROVEMENT PLAN	33
PLANNED CAPACITY PROJECTS.....	33
Figure 19. South of the Broad Beaufort County School District Planned Capacity Projects	33
APPENDIX A: HOUSING AFFORDABILITY ANALYSIS	34
SOUTH CAROLINA DEVELOPMENT IMPACT FEE ACT	34
MAXIMUM SUPPORTABLE SCHOOL DEVELOPMENT IMPACT FEE.....	34
Figure 20. Maximum Supportable School Development Impact Fee – South of the Broad Service Area.....	34
HOUSING STOCK	35
Figure 21. Housing Stock Characteristics – South of the Broad	35
HOUSEHOLD INCOME.....	35
Figure 22. Median Household Income – South of the Broad	35
COST OF HOMEOWNERSHIP	36
COST OF RENTING	37
COST BURDEN ANALYSIS.....	37
Figure 23. Scenario 1: Cost Burden Analysis without Maximum Supportable Development Impact Fee.....	38
Figure 24. Scenario 2: Cost Burden Analysis with Proposed Development Impact Fee	38
<i>Conclusion</i>	38
Figure 25. Cost of Homeownership – South of the Broad.....	39
APPENDIX B: LAND USE DEFINITIONS.....	40
RESIDENTIAL DEVELOPMENT	40
NONRESIDENTIAL DEVELOPMENT.....	41
APPENDIX C: SOUTH CAROLINA DEVELOPMENT IMPACT FEE ACT	42

EXECUTIVE SUMMARY

The Beaufort County School District retained TischlerBise to prepare a Capital Improvement Plan and Development Impact Fee Study. Development impact fees are one-time payments used to construct system improvements needed to accommodate new development. A development impact fee represents new growth's proportionate share of capital facility needs. Development impact fees do have limitations and should not be regarded as the total solution for infrastructure funding needs. Rather, they are one component of a comprehensive portfolio to ensure provision of adequate public facilities needed to serve new development. In contrast to general taxes, development impact fees may not be used for operations, maintenance, replacement of infrastructure, or correcting existing deficiencies.

BEAUFORT COUNTY SCHOOL DISTRICT SCHOOL DEVELOPMENT IMPACT FEE OVERVIEW

The Beaufort County School District has seen significant residential growth over the past several years and with the growth there has been increased enrollment. Also, this growth is expected to continue in the future. The District currently levies no school impact fees. In 1999, the State of South Carolina enacted new development impact fee enabling legislation. Any initiation of Beaufort County School District development impact fees requires a study that complies with the new enabling legislation.

The Beaufort County School District school development impact fees are derived using the incremental expansion approach. This approach determines current level of service standards for school buildings (i.e., elementary, middle, and high), land for school sites, and school buses. Level of service standards are derived using 2018-2019 permanent capacity and are expressed as follows:

1. School buildings: Square feet per student by type of school
2. Land: Acres per student by type of school
3. School buses: buses per student districtwide

Credits are included in the development impact fee to account for outstanding and anticipated debt on existing and future school facilities. Further details on the approach, levels of service, costs, and credits are provided in the body of this report.

GENERAL LEGAL FRAMEWORK

Both state and federal courts have recognized the imposition of impact fees on development as a legitimate form of land use regulation, provided the fees meet standards intended to protect against regulatory takings. Land use regulations, development exactions, and impact fees are subject to the Fifth Amendment prohibition on taking of private property for public use without just compensation. To comply with the Fifth Amendment, development regulations must be shown to substantially advance a legitimate governmental interest. In the case of impact fees, that interest is in the protection of public health, safety, and welfare by ensuring that development is not detrimental to the quality of essential public services. The means to this end is also important, requiring both procedural and substantive due process. The

process followed to receive community input, with stakeholder meetings, work sessions, and public hearings provide opportunity for comments and refinements to the impact fees.

There is little federal case law specifically dealing with impact fees, although other rulings on other types of exactions (e.g., land dedication requirements) are instructive. In one of the most important exaction cases, the U. S. Supreme Court found that a government agency imposing exactions on development must demonstrate an “essential nexus” between the exaction and the interest being protected (see *Nollan v. California Coastal Commission*, 1987). In a more recent case (*Dolan v. City of Tigard, OR*, 1994), the Court ruled that an exaction also must be “roughly proportional” to the burden created by development. However, the Dolan decision appeared to set a higher standard of review for mandatory dedications of land than for monetary exactions such as impact fees.

There are three reasonable relationship requirements for impact fees that related closely to “rational nexus” or “reasonable relationship” requirements enunciated by a number of state courts. Although the term “dual rational nexus” is often used to characterize the standard by which courts evaluate the validity of impact fees under the U.S. Constitution, we prefer a more rigorous formulation that recognizes three elements: “need,” “benefit,” and “proportionality.” The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the U.S. Supreme Court in the Dolan case. Individual elements of the nexus standard are discussed further in the following paragraphs.

All new development in a community creates additional demands on some, or all, public facilities provided by local government. If the capacity of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Impact fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The Nollan decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle clearly applies to impact fees. In this study, the impact of development on infrastructure needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific facilities, based on applicable level of service standards.

The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the Dolan case and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related capital costs, and in the methods used to calculate impact fees for various types of facilities and categories of development. The demand for facilities is measured in terms of relevant and measurable attributes of development (e.g. a typical housing unit’s household size).

SOUTH CAROLINA DEVELOPMENT IMPACT FEE ACT

The State of South Carolina grants the power for cities and counties to collect impact fees on new development pursuant to the provisions set forth in the South Carolina Development Impact Fee Act (Code of Laws of South Carolina, Section 6-1-910 et seq.). The process to create a local impact fee system

begins with a resolution by the County Council directing the Planning Commission to conduct an impact fee study and recommend a development impact fee ordinance for legislative action.

Generally, a governmental entity must have an adopted comprehensive plan to enact impact fees; however, certain provisions in State law allow counties, cities, and towns that have not adopted a comprehensive plan to impose development impact fees. Those jurisdictions must prepare a capital improvement plan as well as prepare a development impact fee study that substantially complies with Section 6-1-960(B) of the Code of Laws of South Carolina.

All counties, cities, and towns are also required to prepare a report that estimates the effect of impact fees on the availability of affordable housing before imposing development impact fees on residential dwelling units. Based on the findings of the study, certain developments may be exempt from development impact fees when all or part of the project is determined to create affordable housing, and the exempt development's proportionate share of system improvements is funded through a revenue source other than development impact fees. A housing affordability analysis in support of the development impact fee study is published at the end of this report.

Eligible costs may include design, acquisition, engineering, and financing attributable to those improvements recommended in the local capital improvements plan that qualify for impact fee funding. Revenues collected by the county, city, or town may not be used for administrative or operating costs associated with imposing the impact fee. All revenues from impact fees must be maintained in an interest-bearing account prior to expenditure on recommended improvements. Monies must be returned to the owner of record of the property for which the impact fee was collected if they are not spent within three years of the date they are scheduled to be encumbered in the local capital improvements plan. All refunds to private landowners must include the pro rata portion of interest earned while on deposit in the impact fee account.

If ultimately adopted, the Beaufort County School District would also be responsible for preparing and publishing an annual report describing the amount of development impact fees collected, appropriated, and spent during the preceding year. Subsequent to adoption of a development impact fee ordinance, the Beaufort County Planning Commission will be required to review and update the development impact fee study report, capital improvements plan, housing affordability analysis, and development impact fee ordinance. These updates must occur at least once every five years. Pursuant to State Law, the Beaufort County School District will not be empowered to recommend additional projects eligible for impact fee funding or charge higher than the maximum supportable impact fees until the development impact fee study and capital improvement plan are updated.

CONCEPTUAL DEVELOPMENT IMPACT FEE CALCULATION

In contrast to project-level improvements, development impact fees fund growth-related infrastructure that will benefit multiple development projects, or the entire jurisdiction (referred to as system improvements). The first step is to determine an appropriate demand indicator for the infrastructure. The demand indicator measures the number of demand units for each unit of development. For example, an

appropriate indicator of the demand for schools is the population growth of school age children. The increases in that population can be estimated from the average number of students per housing unit. The second step in the development impact fee formula is to determine infrastructure units per demand unit, typically called level of service (LOS) standards. In keeping with the school example, a common LOS standard is square footage of school space per student, for each type of school (elementary, middle, and high). The third step in the development impact fee formula is the cost of various infrastructure units. To complete the school example, this part of the formula would establish the cost per square foot for school facility construction.

GENERAL METHODOLOGIES

There are three general methods for calculating development impact fees. The choice of a method depends primarily on the timing of infrastructure construction (past, concurrent, or future) and service characteristics of the facility type being addressed. Each method has advantages and disadvantages in a particular situation and can be used simultaneously for different cost components.

Reduced to its simplest terms, the process of calculating development impact fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities within the designated service area. The following paragraphs discuss three basic methods for calculating development impact fees and how those methods can be applied.

Cost Recovery (Past Improvements)

The rationale for recoupment, often called cost recovery, is that new development is paying for its share of the useful life and remaining capacity of facilities already built, or land already purchased, from which new growth will benefit. This methodology is often used for utility systems that must provide adequate capacity before new development can take place.

Incremental Expansion (Concurrent Improvements)

The incremental expansion method documents current level of service (LOS) standards for each type of public facility, using both quantitative and qualitative measures. This approach ensures that there are no existing infrastructure deficiencies or surplus capacity in infrastructure. New development is only paying its proportionate share for growth-related infrastructure. Revenue will be used to expand or provide additional facilities, as needed, to accommodate new development. **An incremental expansion cost method is best suited for public facilities that will be expanded in regular increment to keep pace with development, and is the methodology used for this school development impact fee calculation.**

Plan-Based Fee (Future Improvements)

The plan-based method allocates costs for a specified set of improvements to a specified amount of development. Improvements are typically identified in a long-range facility plan and development

potential is identified by a land use plan. There are two options for determining the cost per demand unit: (1) total cost of a public facility can be divided by total demand units (average cost), or (2) the growth-share of the public facility cost can be divided by the net increase in demand units over the planning timeframe (marginal cost).

Credits

Regardless of the methodology, a consideration of “credits” is integral to the development of a legally defensible development impact fee methodology. There are two types of “credits” with specific characteristics, both of which should be addressed in development impact fee studies and ordinances.

- First, a revenue credit might be necessary if there is a double payment situation and other revenues are contributing to the capital costs of infrastructure to be funded by impact fees. This type of credit is integrated into the impact fee calculation, thus reducing the fee amount.
- Second, a site-specific credit or developer reimbursement might be necessary for dedication of land or construction of system improvements funded by impact fees. This type of credit is addressed in the administration and implementation of the impact fee program.

SERVICE/BENEFIT AREA

Based on projected growth and available school capacity, over the next ten years there are capacity needs in the school attendance zones south of the Broad River. However, over the next ten years there are no capacity needs projected in the school attendance zones north of the Broad River. To ensure the development impact fee study is meeting the required “rational nexus”, **TischlerBise recommends a development impact fee in only the South of the Broad Service Area.** By only applying the development impact fee to new growth in the South, new residents in the South will be certain that they are receiving a benefit from the fee. **Furthermore, new residents in the North will not be charged a fee without receiving a benefit.**

Figure 1. Map of Service Areas



MAXIMUM SUPPORTABLE IMPACT FEE SCHEDULE

As documented in this report, the Beaufort County School District has complied with the South Carolina Development Impact Fee Act and applicable legal precedents. The development impact fees proposed are proportionate and reasonably related to capital improvement demands of new development. Specific costs have been identified using local data and current dollars. This report documents the formulas and input variables used to calculate the school impact fees. Development impact fee methodologies also identify the extent to which new development is entitled to various types of credits to avoid potential double payment of growth-related capital costs.

School development impact fees are applied only to residential development and are per housing unit, reflecting the proportionate demand by type of unit. The amounts shown are “maximum supportable” amounts based on the methodologies, levels of service, and costs for the capital improvements identified herein. The fees represent the highest amount feasible for each type of applicable development, which represent new growth’s fair share of the school capital costs detailed in this report. The District, through Beaufort County, can adopt amounts that are lower than the maximum amounts shown; however, a

reduction in fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in the School District’s level of service.

Figure 2 provides the maximum supportable school development impact fees for the Beaufort County School District in the South Service Area. For a single family unit, the maximum supportable fee amount is \$9,535 per unit. For a multifamily unit, the maximum supportable development impact fee amount is \$4,508.

Figure 2. Maximum Supportable School Development Impact Fees – South Service Area

Maximum Supportable School Impact Fee				
Housing Type	<i>Elementary (K-5)</i>	<i>Middle (6-8)</i>	<i>High (9-12)</i>	Maximum Supportable Fee
Single Family	\$3,635	\$2,229	\$3,671	\$9,535
Multifamily	\$2,350	\$891	\$1,267	\$4,508

A note on rounding: calculations throughout this report are based on an analysis conducted using Excel software. Most results are discussed in the report using one, two, and three digit places, which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

STUDENT GENERATION RATES AND PROJECTED ENROLLMENT

STUDENT GENERATION RATES

Section 6-1-960(3) of the South Carolina Development Impact Fee Act requires:

“a definitive table establishing the specific service unit for each category of system improvements and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, agricultural, and industrial, as appropriate.”

Demand for additional school capacity will come from new residential development. To determine the level of this demand, student generation rates are used as the “service unit” for the school development impact fees. The term “student generation rate” refers to the number of non-charter, public school students per housing unit within the Beaufort County School District. Public school students are a subset of school-aged children, which includes students in private schools and home-schooled children. Student generation rates are important demographic factors that help account for variations in demand for school facilities by type of housing. Students per housing unit are held constant over the projection period since the impact fees represent a “snapshot approach” of current levels of service and costs.

Student generation rates for the Beaufort County School District were developed by TischlerBise, based on housing unit and person data provided by the U.S. Census Bureau, 5-Year American Community Survey Public Use Microdata (2017). The results from the public use microdata is countywide, so student generation rates were scaled proportionately to the South Service Area based on persons per housing unit. The housing unit types that will be used in the impact fee calculations are (1) Single Family and (2) Multifamily. Student generation rates are listed by housing type below in Figure 3. Indicated in the figure, a single family unit is estimated to generate a total of .236 students, with .106 in elementary grades, .056 in middle school grades, and .074 in high school grades. As expected, a multifamily unit has a lower generation rate than a single family unit.

Figure 3. Student Generation Rates by Housing Type – South Service Area

Housing Type	Elem. (K-5)	Middle (6-8)	High (9-12)	All Grade
Single Family	0.106	0.056	0.074	0.236
Multifamily	0.069	0.023	0.026	0.117

Source: US Census Bureau, 5-Year 2017 American Community Survey PUMS data for South Carolina PUMA 01400; TischlerBise analysis

STUDENT ENROLLMENT PROJECTIONS

Section 6-1-960(6) of the South Carolina Development Impact Fee Act requires:

“the total number of service units necessitated by and attributable to new development within the service area, based on the land use assumptions and calculated in accordance with generally accepted engineering or planning criteria.”

Furthermore, the Beaufort County School District offers a Choice program that allows students to choose a learning program that fits a specific learning style or interest. This allows students to enroll in schools outside of their assigned school for the choice program of that school. To have the capacity in schools to offer the Choice program, the District has chosen to follow best practices and established a districtwide and clusterwide **capacity goal of 85%**. The capacity goal to adequately provide the Choice program is included in the following tables under the Choice Capacity column.

Included in the District’s *FY2020-2029 Ten-Year Plan and Capital Budget*, there are 5,759 elementary students and a capacity of 7,049 seats, an 82 percent utilization. Furthermore, to allow for the Choice Program to continue capacity levels must stay below 85 percent. According to the District’s *Ten-Year Plan*, student enrollment is projected to increase at a 2 percent annual growth rate in the South Service Area. Shown in Figure 4, the elementary school enrollment is projected to nearly reach each current available capacity. Also, the projected increase in students exceeds the thresholds for the Choice Program.

Note: the current enrollment listed in Figure 4 differs from the enrollment used in the level of service calculations. Figure 4 data is listed to illustrate the future need from new students, while the enrollment used in the level of service is more recent and reflects a student total 45 days after the school year began.

Figure 4. Projected South Service Area Elementary School Enrollment

Beaufort County School District - Elementary					
Year		Total Capacity	Enrollment	Total Capacity Utilization	Choice Program Capacity Utilization [1]
Base	2019	7,049	5,759	82%	96%
1	2020	7,049	5,885	83%	98%
2	2021	7,049	5,980	85%	100%
3	2022	7,049	6,109	87%	102%
4	2023	7,049	6,177	88%	103%
5	2024	7,049	6,301	89%	105%
6	2025	7,049	6,427	91%	107%
7	2026	7,049	6,555	93%	109%
8	2027	7,049	6,686	95%	112%
9	2028	7,049	6,820	97%	114%
10	2029	7,049	6,956	99%	116%

[1] Choice capacity is the building capacity the District needs to keep all schools available for the Choice program, using the 85 percent recommendation

Source: Beaufort County School District FY2020-2029 Ten-Year Plan and Capital Budget

Listed in Figure 5, there are 3,130 middle students and a capacity of 3,329 seats, a 94 percent utilization. At the current level, the Choice Program cannot continue because the capacity utilization level has exceeded 85 percent. Based on the annual average growth rate, the middle school enrollment is projected to exceed current capacity by 478 students, a capacity utilization of 114 percent.

Note: the current enrollment listed in Figure 5 differs from the enrollment used in the level of service calculations. Figure 5 data is listed to illustrate the future need from new students, while the enrollment used in the level of service is more recent and reflects a student total 45 days after the school year began.

Figure 5. Projected South Service Area Middle School Enrollment

Beaufort County School District - Middle					
Year		Total Capacity	Enrollment	Total Capacity Utilization	Choice Program Capacity Utilization [1]
Base	2019	3,329	3,130	94%	111%
1	2020	3,329	3,301	99%	117%
2	2021	3,329	3,307	99%	117%
3	2022	3,329	3,300	99%	117%
4	2023	3,329	3,380	102%	119%
5	2024	3,329	3,448	104%	122%
6	2025	3,329	3,517	106%	124%
7	2026	3,329	3,587	108%	127%
8	2027	3,329	3,659	110%	129%
9	2028	3,329	3,732	112%	132%
10	2029	3,329	3,806	114%	135%

[1] Choice capacity is the building capacity the District needs to keep all schools available for the Choice program, using the 85 percent recommendation

Source: Beaufort County School District FY2020-2029 Ten-Year Plan and Capital Budget

Listed in Figure 6, there are 4,032 high students and a capacity of 4,216 seats, a 96 percent utilization. At the current level, the Choice Program cannot continue because the capacity utilization level has exceeded 85 percent. Based on the annual average growth rate, the high school enrollment is projected to exceed current capacity by 829 students, a capacity utilization of 120 percent.

Note: the current enrollment listed in Figure 6 differs from the enrollment used in the level of service calculations. Figure 6 data is listed to illustrate the future need from new students, while the enrollment used in the level of service is more recent and reflects a student total 45 days after the school year began.

Figure 6. Projected South Service Area High School Enrollment

Beaufort County School District - High					
Year		Total Capacity	Enrollment	Total Capacity Utilization	Choice Program Capacity Utilization [1]
Base	2019	4,216	4,032	96%	113%
1	2020	4,216	4,190	99%	117%
2	2021	4,216	4,369	104%	122%
3	2022	4,216	4,530	107%	126%
4	2023	4,216	4,480	106%	125%
5	2024	4,216	4,570	108%	128%
6	2025	4,216	4,661	111%	130%
7	2026	4,216	4,754	113%	133%
8	2027	4,216	4,849	115%	135%
9	2028	4,216	4,946	117%	138%
10	2029	4,216	5,045	120%	141%

[1] Choice capacity is the building capacity the District needs to keep all schools available for the Choice program, using the 85 percent recommendation

Source: Beaufort County School District FY2020-2029 Ten-Year Plan and Capital Budget

These projections differ from a recently published report conducted by McKibben Demographics. In the *Beaufort County Schools, SC Demographic Study (2019)* a similar analysis as the District’s *Ten-Year Plan and Capital Budget* was conducted; however, different projections resulted. In the demographic study, it is projected that the District will lose 142 students over the next ten years. A consequence of such results would be that no new schools or school expansions would be necessary to accommodate future growth. This is inconsistent with the current growth being observed, the District’s Capital Improvement Plan, and the projected housing growth in Beaufort County (TischlerBise is performing a Development Impact Fee Study for Beaufort County in conjunction with this study). Therefore, it was determined that the Development Impact Fee Study’s enrollment projections would be consistent with those in the District’s Capital Improvement Plan.

SCHOOL LEVEL OF SERVICE

OVERVIEW OF CURRENT SCHOOL FUNDING ARRANGEMENTS

Section 6-1-960(8) of the South Carolina Development Impact Fee Act requires:

“identification of all sources and levels of funding available to the governmental entity for the financing of the system improvements.”

In South Carolina, the construction of schools is largely the responsibility of each School District. In the case of the Beaufort County School District, the District is 100% responsible for the funding of new school capacity. Historically, the District has funded new school construction through the issuance of bonds, backed by property tax revenue. South Carolina’s State Constitution allows government entities to issue bonds to fund capital projects (construction of new schools and improvements to existing schools). The District has never collected development impact fees on new construction of residential units. The District is interested in adopting school development impact fees and applying the revenue to reduce the amount of principal the District needs to bond to construct needed school facilities in the future. In order to lessen the burden on existing residents and businesses of funding growth-related school capacity needs, the District has determined a development impact fee structure needs to be implemented to reflect current levels of service and costs.

SCHOOL FACILITY LEVEL OF SERVICE STANDARDS

Section 6-1-960(1) of the South Carolina Development Impact Fee Act requires:

“a general description of all existing facilities and their existing deficiencies, within the service area or areas of the governmental entity, a reasonable estimate of all costs, and a plan to develop the funding resources, including existing sources of revenues, related to curing existing deficiencies including, but not limited to, the upgrading, updating, improving, expanding, or replacing of these facilities to meet existing needs and usage.”

Section 6-1-960(2) of the South Carolina Development Impact Fee Act requires:

“an analysis of total capacity, the level of current usage, and commitments for usage of capacity of existing public facilities, which must be prepared by a qualified professional using generally accepted principles and professional standards.”

This section provides current inventories of elementary, middle, and high schools in the South Service Area of Beaufort County School District. The data contained in these tables are used to determine infrastructure standards for school buildings and sites on which the development impact fees are based. School buses are included in this analysis as well.

South Service Area Elementary Schools

The inventory and current levels of service for elementary schools in the South Service Area are shown below in Figure 7. As indicated, elementary school buildings have a total of 831,765 square feet of building

floor area on 207.6 acres. Total enrollment in all elementary schools (ES) for the 2018-2019 school year is 5,914 and total capacity is 7,049. In the 2018-2019 school year, capacity utilization for the elementary schools in the South is 84 percent.

Levels of service are shown for buildings and land for elementary schools at the bottom of Figure 7. Levels of service are calculated by dividing the amount of infrastructure by total enrollment and capacity. For example, 831,765 square feet of school building space is divided by a capacity of 7,049 students to arrive at 117.99 square feet per student.

Since elementary schools overall are currently operating under capacity, there are no existing deficiencies. Therefore, *the level of service standard on which the impact fees are based is calculated using existing capacity* (shaded in Figure 7). This ensures new development is not charged for a higher level of service than what is currently provided or what is planned to be provided, using a level of service that is based on capacity represents the level of service the District provides (or will ultimately provide). Levels of service differ when calculated based on enrollment and capacity. For example, the building square footage level of service is 140.64 square feet per student when based on enrollment versus a level of service of 117.99 square feet per student when based on capacity.

Current levels of service are:

- **Buildings: 117.99 square feet per student**
- **Land: 0.0295 acres per student**

Figure 7. Elementary School Inventory – South Service Area

Facility	Building Sq Ft	Acreage	2019 Enrollment	Capacity	Utilization
HHI-ECC	47,010	9.1	273	314	87%
HHIES	163,591	28.6	890	1,128	79%
HHI-SCA	118,543	23.4	644	921	70%
Bluffton ES	73,843	23.3	619	866	71%
Michael C. Riley ES	64,080	25.8	682	849	80%
Okatie ES	85,022	45.4	571	632	90%
Pritchardville ES	101,149	23.8	850	880	97%
Red Cedar ES	88,487	12.2	588	704	84%
River Ridge Academy	90,040	16.1	797	755	106%
Total	831,765	207.6	5,914	7,049	84%

<i>Elementary School Levels of Service</i>	<i>Building SF</i>	<i>Land</i>
LOS per Student (current enrollment)	140.64	0.0351
LOS per Student (current capacity)	117.99	0.0295

Source: Beaufort County School District. Enrollment totals reflect attendance 45 days into the school year.

South Service Area Middle Schools

The inventory and current levels of service for middle schools are shown in Figure 8. As indicated, middle school buildings have a total of 450,872 square feet of gross floor area on approximately 100.7 acres. Total

enrollment in all middle schools for the 2018-2019 school year is 2,997 and total capacity is 3,329. Overall, middle schools are operating at 90 percent capacity utilization.

Levels of service are shown for buildings and land for middle schools at the bottom of Figure 8. Since middle schools overall are currently operating under capacity, there are no existing deficiencies. Therefore, *the level of service standard on which the impact fees are based is calculated using existing capacity* (shaded in Figure 8). Levels of service are calculated by dividing the amount of infrastructure by capacity. For example, 450,872 square feet of school building space is divided by middle school total capacity of 3,329 students to arrive at 135.45 square feet per student.

Current levels of service are:

- **Buildings: 135.68 square feet per student**
- **Land: 0.0303 acres per student**

Figure 8. Middle School Inventory – South Service Area

Facility	Building Sq Ft	Acreage	2019 Enrollment	Capacity	Utilization
Hilton Head MS	133,565	25.5	1,023	1,007	102%
Bluffton MS	139,215	41.9	784	1,035	76%
River Ridge Academy	45,020	8.1	399	378	106%
H.E. McCracken MS	133,072	25.2	791	909	87%
TOTAL	450,872	100.7	2,997	3,329	90%

<i>Middle School Levels of Service</i>	<i>Building SF</i>	<i>Land</i>
LOS per Student (current enrollment)	150.46	0.0336
LOS per Student (current capacity)	135.45	0.0303

Source: Beaufort County School District. Enrollment totals reflect attendance 45 days into the school year.

South Service Area High Schools

The inventory and current levels of service for high schools are shown in Figure 9. As indicated, high school buildings have a total of 653,384 square feet of gross floor area on approximately 299.4 acres. Total enrollment in all high schools for the 2018-2019 school year is 3,876 and total capacity is 4,216. Overall, high schools are operating at 92 percent capacity.

Levels of service are shown for buildings and land for high schools at the bottom of Figure 9. Since high schools overall are currently operating under capacity, there are no existing deficiencies. Therefore, *the level of service standard on which the impact fees are based is calculated using existing capacity* (shaded in Figure 9). Levels of service are calculated by dividing the amount of infrastructure by capacity. For example, 653,384 square feet of school building space is divided by high school total capacity of 4,216 students to arrive at 154.98 square feet per student.

Current levels of service are:

- **Buildings: 154.98 square feet per student**
- **Land: 0.071 acres per student**

Figure 9. High School Inventory – South Service Area

Facility	Building Sq Ft	Acreage	2019 Enrollment	Capacity	Utilization
Hilton Head HS	231,768	35.0	1,300	1,382	94%
Bluffton HS	183,000	39.8	1,219	1,434	85%
May River HS	238,616	224.5	1,357	1,400	97%
TOTAL	653,384	299.4	3,876	4,216	92%

<i>High School Levels of Service</i>	<i>Building SF</i>	<i>Land</i>
LOS per Student (current enrollment)	168.57	0.0772
LOS per Student (current capacity)	154.98	0.0710

Source: Beaufort County School District. Enrollment totals reflect attendance 45 days into the school year.

School Buses

The District owns a fleet of buses, which will need to be expanded to accommodate enrollment. The District’s current fleet includes 57 buses, which have a purchase price of \$100,000. The bus fleet operates on a districtwide basis, so the level of service must be calculated as such. When the number of buses is compared to the current districtwide enrollment of 20,629, the level of service standard is 0.0028 buses per student.

Figure 10. Beaufort County School District Buses

Vehicle Type	District Owned Units	District Enrollment	Buses per Student
School Buses	57	20,629	0.0028

Source: Beaufort County School District. Enrollment totals reflect attendance 45 days into the school year.

SCHOOL IMPACT FEE CALCULATION

METHODOLOGY

The Beaufort County School District school development impact fee methodology is based on current average public school student generation rates, level of service standards, and local costs. The school development impact fees use an incremental expansion approach, which documents the current level of service for public facilities in both quantitative and qualitative measures. The intent is to use development impact fee revenue to expand or provide additional capital school facilities, as needed to accommodate new development, based on the current level of service and cost to provide capital improvements. All school levels are included in the development impact fees. Costs for school buildings, land for school sites, and school buses are included in the fee. Finally, credits for future principal payments towards debt is included.

SERVICE/BENEFIT AREA

Based on projected growth and available school capacity, over the next ten years there are capacity needs in the school attendance zones south of the Broad River. However, over the next ten years there are no capacity needs projected in the school attendance zones north of the Broad River. To ensure the development impact fee study is meeting the required “rational nexus”, **TischlerBise recommends a development impact fee in only the South of the Broad Service Area**. By only applying the development impact fee to new growth in the South, new residents in the South will be certain that they are receiving a benefit from the fee. **Furthermore, new residents in the North will not be charged a fee without receiving a benefit.**

COST ASSUMPTIONS

The Beaufort County School District is responsible for 100% of new school construction costs. The construction cost assumptions are based on estimates provided by the Beaufort County School District staff. The estimated cost assumptions are \$300 per square foot for school construction, \$100,000 per acre of land, and \$100,000 per school bus.

Figure 11. Facility Cost Assumptions

Facility Type	Cost
School Construction (per sq. ft.)	\$300
School Land (per acre)	\$100,000
School Bus	\$100,000

Source: Beaufort County School District

CREDITS FOR FUTURE PRINCIPAL PAYMENTS ON EXISTING SCHOOL IMPROVEMENTS

Section 6-1-990(B)(3) of the South Carolina Development Impact Fee Act requires and analysis of:

“extent to which the new development contributes to the cost of system improvements”

Because the Beaufort County School District debt-financed recent school capacity expansions, a credit is included for future principal payments on outstanding debt. A credit is necessary since new residential units that will pay the development impact fee will also contribute to future principal payments on this remaining debt through property taxes. A credit is not necessary for interest payments because interest costs are not included in the development impact fee. This credit for outstanding debt is credited to residential development at a rate of 35.1 percent, which is the residential percentage of the overall taxable value of real property within the Beaufort County School District.

Figure 12. Beaufort County Assessed Value by Property Type

Property Type	Assessed Value	% of Total
Owner Occupied	\$589,917,460	35.1%
Commercial/Rental Property	\$1,024,726,380	61.0%
Manufacturing	\$2,278,944	0.1%
Fee-in-Lieu	\$6,753,302	0.4%
Utility	\$54,885,480	3.3%
Total	\$1,678,561,566	100.0%

Source: Beaufort County School District CAFR 2018

As shown in Figure 13, outstanding debt from school capacity expansion projects allocated to residential development is estimated at approximately \$102 million. Annual principal payments are divided by student enrollment in each year to determine a per student credit. For example, in 2020, the total principal paid by the residential tax base (\$11,452,077) is divided by projected enrollment of 21,387 for a payment per student of \$535. To account for the time value of money, annual payments per student are discounted using a net present value formula based on an average interest rate of 2.5%. The total net present value of future principal payments per student is \$4,053. This amount is subtracted from the gross capital cost per student to derive a net capital cost per student.

Figure 13. Credit for Future Principal Payments on Existing Debt

Year	Principal Payment	Residential 35.1%	Total Enrollment	Payment per Pupil
2019	\$35,961,000	\$12,622,311	20,970	\$602
2020	\$32,627,000	\$11,452,077	21,387	\$535
2021	\$32,212,621	\$11,306,630	21,530	\$525
2022	\$28,129,000	\$9,873,279	21,769	\$454
2023	\$29,482,000	\$10,348,182	21,698	\$477
2024	\$19,430,000	\$6,819,930	21,902	\$311
2025	\$19,430,000	\$6,819,930	22,113	\$308
2026	\$19,430,000	\$6,819,930	22,330	\$305
2027	\$19,430,000	\$6,819,930	22,553	\$302
2028	\$19,430,000	\$6,819,930	22,784	\$299
2029	\$6,685,000	\$2,346,435	23,021	\$102
2030	\$6,685,000	\$2,346,435	23,251	\$101
2031	\$6,685,000	\$2,346,435	23,483	\$100
2032	\$6,685,000	\$2,346,435	23,718	\$99
2033	\$6,685,000	\$2,346,435	23,955	\$98
2034	\$1,855,000	\$651,105	24,195	\$27
Total	\$290,841,621	\$102,085,409		\$4,647
			Discount Rate	2.50%
			Total Credit per Pupil	\$4,053

Source: Beaufort County School District CAFR 2018

CREDIT FOR 2019 BOND REFERENDUM

The recent voter approved bond referendum will help the District improve school safety, renovate facilities, and add classroom space to address enrollment growth. To ensure that new residents are not double paying for capital improvements, a credit is included in the impact fee analysis.

In summary, the bond referendum included two ballot questions to the voters, and both were approved. There is \$26 million of capacity increasing projects districtwide. The bond will be repaid with property tax revenue and to attribute the appropriate amount of the future payments to residential development, the current percentage of the countywide assessed value is applied (35.1 percent).

Figure 14. Countywide Property Assessed Value

Property Type	Assessed Value	Percent
Owner Occupied	\$589,917,460	35.1%
Commercial/Rental Property	\$1,024,726,380	61.0%
Manufacturing	\$2,278,944	0.1%
Fee-in-Lieu	\$6,753,302	0.4%
Utility	\$54,885,480	3.3%
Total	\$1,678,561,566	100.0%

Source: Beaufort County School District CAFR 2018

A payment schedule is not yet available, so listed in Figure 15, TischlerBise has estimated the future payments of the bond based on a 20-year schedule. Annual principal payments are divided by student enrollment in each year to determine a per student credit. For example, in 2020, the principal paid by the residential tax base (\$1,017,825) is divided by projected enrollment of 21,387 for a payment per student of \$17. To account for the time value of money, annual payments per student are discounted using a net present value formula based on an average interest rate of 2.5%. The total net present value of future principal payments per student is \$301. This amount is subtracted from the gross capital cost per student to derive a net capital cost per student.

Figure 15. Credit for 2019 Bond Referendum

Year	Principal Payment	Residential 35.1%	Total Enrollment	Payment per Pupil
2020	\$1,017,825	\$357,257	21,387	\$17
2021	\$1,043,271	\$366,188	21,530	\$17
2022	\$1,069,353	\$375,343	21,769	\$17
2023	\$1,096,087	\$384,726	21,698	\$18
2024	\$1,123,489	\$394,345	21,902	\$18
2025	\$1,151,576	\$404,203	22,113	\$18
2026	\$1,180,365	\$414,308	22,330	\$19
2027	\$1,209,874	\$424,666	22,553	\$19
2028	\$1,240,121	\$435,283	22,784	\$19
2029	\$1,271,124	\$446,165	23,021	\$19
2030	\$1,302,902	\$457,319	23,251	\$20
2031	\$1,335,475	\$468,752	23,483	\$20
2032	\$1,368,862	\$480,471	23,718	\$20
2033	\$1,403,083	\$492,482	23,955	\$21
2034	\$1,438,161	\$504,794	24,195	\$21
2035	\$1,474,115	\$517,414	24,437	\$21
2036	\$1,510,967	\$530,350	24,681	\$21
2037	\$1,548,742	\$543,608	24,928	\$22
2038	\$1,587,460	\$557,199	25,177	\$22
2039	\$1,627,147	\$571,128	25,429	\$22
Total	\$26,000,000	\$9,126,000		\$391
			Discount Rate	2.50%
			Total Credit per Pupil	\$301

Source: TischlerBise estimated payment schedule

SCHOOL DEVELOPMENT IMPACT FEE INPUT VARIABLES

Factors used to derive the Beaufort County School District’s school development impact fees are summarized in Figure 16. Development impact fees for schools are based on student generation rates (i.e., public school students per housing unit) and are only assessed on residential development. Level of service standards are based on current costs per student for school buildings, school land, and school buses, as described in the previous sections and summarized below.

The gross capital cost per student is the sum of the cost per student for each component. For example, for the elementary school portion, the calculation is as follows: $\$35,397$ [building construction] + $\$2,950$ [land] + $\$280$ [buses] = $\$38,627$ gross capital cost per student.

The net local capital cost per student is the sum of the gross capital cost per student and the recommended credits. Continuing with the elementary school example, the calculation is as follows: $\$38,627$ [gross capital cost per student] - $\$4,053$ [credit for future payments on existing debt service principal] - $\$301$ [credit for future payments on 2019 bond referendum] = $\$34,273$ net local capital cost per student. The same approach is followed for middle schools and high schools.

Figure 16. School Development Impact Fee Input Variables

Student Generation Rates [1]	School Level			Total
	Elementary (K-5)	Middle (6-8)	High (9-12)	
Housing Type				
Single Family	0.106	0.056	0.074	0.236
Multifamily	0.069	0.023	0.026	0.117

Current Level of Service Standards			
	Elementary	Middle	High
School Floor Area per Student (sq. ft.)	117.99	135.45	154.98
School Cost per Sq. Ft. [2]	\$300	\$300	\$300
School Construction Cost per Student	\$35,397	\$40,635	\$46,494
School Land per Student (acres)	0.0295	0.0303	0.071
Land Cost per Acre [2]	\$100,000	\$100,000	\$100,000
Land Cost per Student	\$2,950	\$3,030	\$7,100
District Owned Buses per Student	0.0028	0.0028	0.0028
Cost per School Bus [2]	\$100,000	\$100,000	\$100,000
School Bus Cost per Student	\$280	\$280	\$280
Total Gross Capital Cost per Student	\$38,627	\$43,945	\$53,874
Credit for Existing Debt per Student	\$4,053	\$4,053	\$4,053
Credit for 2019 Bond per Student	\$301	\$301	\$301
Total Net Local Capital Cost Per Student	\$34,273	\$39,591	\$49,520

[1] Source: US Census Bureau, 5-Year 2017 American Community Survey PUMS data for South Carolina PUMA 01400; TischlerBise analysis

[2] Source: Beaufort County School District

MAXIMUM SUPPORTABLE SCHOOL DEVELOPMENT IMPACT FEES

Figure 17 shows the schedule of maximum supportable development impact fees for the South of the Broad Service Area. The development impact fees are calculated by multiplying the student generation rate for each housing type (shown in Figure 3) by the net capital cost per student for each type of school. Each component is then added together to derive the total school development impact fee.

For example, for a single family unit, the elementary school portion of the development impact fee is calculated by multiplying the student generation rate of .106 by the net local capital cost per elementary student of \$34,273, which results in a fee of \$3,635 per single family unit. This is repeated for the other school levels. Totals for the three school levels of the development impact fee are added together to calculate the total fee per single family unit of \$9,535 ($\$3,635 + \$2,229 + \$3,671 = \$9,535$). This is repeated for the multifamily housing types.

Figure 17. Maximum Supportable School Development Impact Fees – South of the Broad Service Area

Maximum Supportable School Impact Fee				
Housing Type	Elementary (K-5)	Middle (6-8)	High (9-12)	Maximum Supportable Fee
Single Family	\$3,635	\$2,229	\$3,671	\$9,535
Multifamily	\$2,350	\$891	\$1,267	\$4,508

PROJECTED REVENUE FROM MAXIMUM SUPPORTABLE DEVELOPMENT IMPACT FEE

Over the next ten years, there are 10,929 housing units are projected in the South Service Area. Estimated revenue is projected by applying the fee amounts to the projected housing growth. For example, single family development generates \$75.3 million (\$9,535 x 7,898 housing units = \$75,304,749). In total, the development impact fee is estimated to generated \$89 million.

Figure 18. Projected Revenue from Maximum Supportable Development Impact Fee

		Projected Development Impact Fee Revenue	
		Single Family \$9,535 per unit	Multifamily \$4,508 per unit
Year		Housing Units	Housing Units
Base	2019	44,852	15,253
Year 1	2020	45,642	15,555
Year 2	2021	46,431	15,858
Year 3	2022	47,221	16,160
Year 4	2023	48,009	16,464
Year 5	2024	48,798	16,767
Year 6	2025	49,588	17,069
Year 7	2026	50,377	17,372
Year 8	2027	51,166	17,675
Year 9	2028	51,955	17,978
Year 10	2029	52,750	18,283
Ten-Year Increase		7,898	3,031
Projected Revenue		\$75,304,749	\$13,662,761
Projected Revenue =>		<u>\$88,967,511</u>	

CAPITAL IMPROVEMENT PLAN

PLANNED CAPACITY PROJECTS

Section 6-1-960(9) of the South Carolina Development Impact Fee Act requires:

“a schedule setting forth estimated dates for commencing and completing construction of all improvements identified in the capital improvements plan.”

Figure 19 lists the capacity-related projects the Beaufort County School District has planned for the next ten years in the South of the Broad Service Area. Along with school expansion projects, there are several new schools listed in the Capital Improvement Plan to accommodate future growth. The projects total \$164 million.

Figure 19. South of the Broad Beaufort County School District Planned Capacity Projects

Project Description	Location	Service Area	Year	Amount
Nine Mobile Classrooms	District Level	Districtwide	2020	\$1,378,125
Thirteen Mobile Classrooms	District Level	Districtwide	2021	\$2,257,369
Classroom Wing Addition	River Ridge Academy	South	2021	\$3,818,715
CATE Building	Bluffton HS	South	2022	\$5,445,392
Land Purchase for Future School Site	District Level	Districtwide - anticipated in South	2022	\$8,103,375
New Wing Addition	May River HS	South	2022	\$15,327,534
Four Classrooms	River Ridge Academy	South	2022	\$2,686,269
New School (PK-8)	District Level	Districtwide - anticipated in South	2023	\$53,800,600
New School Classroom Addition	District Level	Districtwide - anticipated in South	2025	\$16,459,568
New School or School Expansion (PK-8)	District Level	Districtwide - anticipated in South	2026	\$50,197,103
Additional Classrooms	Hilton Head HS	South	2026	\$4,127,503
			Total	<u>\$163,601,553</u>

Source: Beaufort County School District 10-Year Capital Improvement Plan

APPENDIX A: HOUSING AFFORDABILITY ANALYSIS

In accordance with the South Carolina Development Impact Fee Act (Code of Laws of South Carolina, Title 6, Article 9, Chapter 1), this appendix estimates the effects of imposing the proposed school development impact fee on the affordability of housing in the Beaufort County School District. The analysis will examine the current household income and housing expenses that burden an average household in the **South of the Broad Service Area**. Next, the maximum school development impact fee will be included in the cost burden analysis to identify the effect the proposed school impact fee will have on affordable housing in the service area.

SOUTH CAROLINA DEVELOPMENT IMPACT FEE ACT

Affordable housing is defined in the South Carolina Development Impact Fee Act as housing to families whose incomes do not exceed 80% of the median income for the service area or areas within the jurisdiction of the governmental entity. The Act does not mention a preferred methodology to examine the household’s whose income does not exceed 80% of the median income. Therefore, the analysis uses the US Housing and Urban Development’s (HUD) criteria that housing costs should be 30% or less of a household’s income. The cost of housing is “moderately burdensome” if its cost burden is over 30% and “severely burdensome” if the ratio is over 50%.

MAXIMUM SUPPORTABLE SCHOOL DEVELOPMENT IMPACT FEE

The school impact fees found in Figure 20 are new development’s fair share of the cost to provide additional school capacity in the Beaufort County School District. The District may recommend, and Beaufort County may adopt on the District’s behalf fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service. The housing affordability analysis will assume a conservative condition for assessing the effect of the impact fee on affordable housing in the Beaufort County School District (i.e. the maximum supportable impact fee amount). If the County Council were to choose a lower impact fee amount, the results presented in this report would improve.

Figure 20. Maximum Supportable School Development Impact Fee – South of the Broad Service Area

Maximum Supportable School Impact Fee				
Housing Type	Elementary (K-5)	Middle (6-8)	High (9-12)	Maximum Supportable Fee
Single Family	\$3,635	\$2,229	\$3,671	\$9,535
Multifamily	\$2,350	\$891	\$1,267	\$4,508

HOUSING STOCK

Listed in Figure 21, there are a total of 62,583 housing units in the South of the Broad Service Area. Of the total, 66 percent are occupied by permanent residents. Additionally, there are 31,806 owner-occupied households and 9,581 renter-occupied households. The majority (82 percent) of the housing in the service area is single family units.

Figure 21. Housing Stock Characteristics – South of the Broad

Units in Structure	Owner-Occupied		Renter-Occupied		Renter & Owner Combined					
	Persons	Hsehlds	Persons	Hsehlds	Persons	Hsehlds	Hsg Units	PPHH	PPHU	
Single family [1]	68,284	29,554	14,395	4,270	82,679	33,824	44,748	2.44	1.85	
2 to 4	917	502	2,333	905	3,250	1,407	2,539	2.31	1.28	
5 or more	2,981	1,750	10,370	4,406	13,351	6,156	15,296	2.17	0.87	
Total	72,182	31,806	27,098	9,581	99,280	41,387	62,583	2.40	1.59	
							Vacant HU	21,196		
							Occupancy Rate	66%		
Summary by Type of Housing	Totals									
	Persons	Hsehlds	Hsg Units	PPHH	PPHU	Hhld Mix	Hsg Mix			
Single Family [1]	82,679	33,824	44,748	2.44	1.85	82%	72%			
Multifamily [2]	16,601	7,563	17,835	2.20	0.93	18%	28%			
Total	99,280	41,387	62,583	2.40	1.59	100%	100%			

[1] Includes attached and detached single family homes and mobile homes

[2] Includes all other types

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

HOUSEHOLD INCOME

The purchasing power of southern residents to secure housing is represented by personal income. Personal income includes all wages, tips, and bonuses from employment, as well as retirement income earned from a pension plan or retirement account. In the analysis, household income represents all residents living in the housing unit, no matter relationship. From the US Census Bureau American Community Survey, in 2018 the median annual household income for owner-occupied household in the South Service Area was \$80,527. By using the US Bureau of Labor Statistics' CPI Calculator, the current household income is estimated at \$81,934. The annual income for a household making 80 percent of the area's median is \$65,547, or \$5,462 per month. This is done for renter-occupied households as well.

Figure 22. Median Household Income – South of the Broad

Tenure	Median Annual Hsehold Income (2018)	Median Annual Hsehold Income (2020)	Household Income Factor	80% of Median Annual Income	Monthly Income
Owner-occupied	\$80,527	\$81,934	80%	\$65,547	\$5,462
Renter-occupied	\$49,220	\$50,080	80%	\$40,064	\$3,339

Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates; U.S. Bureau of Labor Statistics CPI Calculator

Note: American Community Survey data represents information as of June, 2018. CPI calculator calculates median income to March, 2020 dollars.

COST OF HOMEOWNERSHIP

The analysis uses seven categories to calculate the baseline cost of homeownership in the South Service Area: purchase price; mortgage payment; property tax; solid waste collection fee; water, sewer and electric utilities; telephone, cable and internet utilities; and homeowners insurance.

Furthermore, monthly household costs vary across the service area. To address this variation, when possible the analysis applies an average. The following section details the costs included.

Purchase Price

The median home value is used to estimate the purchase price of a home. The American Community Survey estimates that the median value of a home in the South Service Area in 2018 was \$364,583 (US Census Bureau, 2014-2018 American Community Survey 5-Year Estimates). With the US Bureau of Labor Statistics' CPI Calculator, the current home value is estimated to be \$370,956.

There are several different impact fees that exist in the South of the Broad Service Area. The average impact fee for Beaufort County, municipalities, and fire districts is estimated at \$4,124. Taking a conservative approach, the full impact fee amount is added to the purchasing price, resulting in the purchasing price increasing to \$375,080.

Mortgage Payment

A conventional, fixed-rate 30-year mortgage is assumed to estimate monthly costs of principle and interest on a home loan. The down payment for a loan is assumed to be 20 percent of the purchase price ($\$375,080 \times 20\% = \$75,016$). The loan amount for the mortgage is determined by subtracting the down payment from the purchase price ($\$375,080 - \$75,016 = \$300,064$). An interest rate of 3.22 percent is assumed for the home purchase based on a survey of competitive interest rates in Beaufort County (www.bankrate.com). The monthly mortgage payment is \$1,301.

Property Tax

To calculate annual property tax, homes in Beaufort County that are permanent residences are subject to 4 percent assessment ratio and a property tax millage rate. Depending on their location, residents are subject to a property tax for municipal services, school services, and fire services. The average total millage rate is 0.133. Assumed in the analysis, annual property tax for the average valued home is \$1,998 ($\$375,080 \times 4\% \times 0.133 = \$1,998$).

Solid Waste Collection Fee

Portion of the South Service Area require a resident to either transport their garbage to a refuse site or hire a private company. For this analysis, a weekly pick-up service was researched online. The service was found to cost an average of \$17 per month (May River Disposal).

Water, Sewer, and Electric Utilities

From the Beaufort – Jasper Water & Sewer Authority, an average household consumes 7,000 gallons of water a month. By combining the water usage with the Authority’s water rate, a monthly charge for water of \$33.60 is estimated.

On average, a household generates 7,000 gallons of wastewater per month. Based on the sewer rates, a household that generates the average amount of wastewater will be charged the maximum amount, \$55 per month.

Additionally, for an average household that uses 1,000 kilowatts of electricity per month, Dominion Energy charges \$127.13.

As a result, the average monthly bill for these utilities is \$216.

Telephone, Cable, and Internet Utilities

Spectrum is a provider of telephone, cable, and internet in Beaufort County. From their website, the three services costs \$90 per month.

Homeowner’s Insurance

Homeowner’s insurance provides protection for the home and is generally required when a home has a mortgage. The average cost for homeowner’s insurance in Beaufort County is estimated to be \$800 per year (www.insurance.com).

Total Monthly Homeownership Cost

By compiling the month obligations, it is estimated that the monthly cost for homeownership is \$1,857. At the end of this chapter the monthly costs are listed in Figure 25.

COST OF RENTING

The cost of renting a home in the South of the Broad Service Area is estimated with data provided by the US Census Bureau. In 2018, the median gross rent (including all utilities and rental insurance) is estimated to be \$1,298. With the US Bureau of Labor Statistics’ CPI Calculator, the current cost of renting is estimated to be \$1,320.

COST BURDEN ANALYSIS

The cost burden for affordable housing is measured as the ratio between monthly payments for housing (including property tax, fee, utilities, and insurance) and monthly gross household income. An analysis was conducted for residents that purchase a home and residents that rent a home. A cost burden ratio of 30 percent is used as the threshold to determine housing affordability in the South Service Area.

Scenario 1: Baseline Conditions

Figure 23 summarizes the cost burden analysis for residents purchasing or renting a median valued home without the proposed maximum supportable development impact fee included. Based on the results,

owner-occupied and renter-occupied housing costs are above the limit considered for affordability for households whose income is 80 percent of the County’s median income.

Figure 23. Scenario 1: Cost Burden Analysis without Maximum Supportable Development Impact Fee

Occupancy	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,462	\$1,857	34.0%
Renter-Occupied	\$3,339	\$1,330	39.8%

Scenario 2: Baseline Condition + Proposed Development Impact Fee

In the second scenario, the maximum supportable development impact fee is included into the cost burden analysis to highlight the effects the fee has on housing affordability. Indicated in Figure 21, owner-occupied housing units are predominately single family units and renter-occupied housings is mixed between the three categories (single family, 2 to 4 units, and 5 or more). Since the development impact fee is calculated by housing type, the owner-occupied housing unit will be assessed the fee a single family unit (\$9,535) and the renter-occupied housing unit will be assessed the fee a multifamily unit (\$3,431).

The analysis takes a conservative approach and assumes the purchase price of the median home is raised by the development impact fee. This ultimately increases the household’s mortgage payment and property tax, see Figure 25. For renter-occupied housing units, the analysis assumes that the development impact fee will be recouped over 30 years by the landlord through an increase in monthly rent.

Listed in Figure 24, the monthly costs for owners and renters only marginally increases with the maximum supportable development impact fee. The cost burden for owner-occupied housing increases by 0.7 percentage points, while the increase in costs for renter-occupied housing increases the burden by 0.3 percent points.

Figure 24. Scenario 2: Cost Burden Analysis with Proposed Development Impact Fee

Occupancy	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,462	\$1,894	34.7%
Renter-Occupied	\$3,339	\$1,339	40.1%

Conclusion

The South Carolina Development Impact Fee Act requires preparation of a report that estimates the effect of imposing development impact fees on affordability of housing in the jurisdiction. To calculate the effect, a household that earns 80 percent of the median income should have a cost burden ratio of 30 percent or less for housing. **This analysis has concluded that the maximum supportable development impact fee results in a marginal increase to the monthly cost for residents and that the increase is low enough that the existing cost burden is unaffected.** As noted, this analysis takes a conservative approach and assumes that the development impact fees are absorbed entirely by the home occupants. If the County Council were to choose a lower development impact fee amount, the results presented in this report would improve.

Figure 25. Cost of Homeownership – South of the Broad

	Monthly Payment Calculation	
	Scenario 1 Baseline Condition	Scenario 2 Baseline Condition + Impact Fee
Purchase Price	\$375,080	\$384,615
Down Payment	\$75,016	\$76,923
Loan Amount	\$300,064	\$307,692
Loan Length (Years)	30	30
Loan Length (Months)	360	360
Yearly Interest Rate	3.22%	3.22%
Monthly Interest Rate	0.27%	0.27%
Monthly Payment	\$1,301	\$1,334
Property Tax - County (per month)	\$78	\$80
Property Tax - City (per month)	\$26	\$26
Property Tax - School Debt (per month)	\$40	\$41
Property Tax - Fire (per month)	\$23	\$23
Solid Waste Collection Fee	\$17	\$17
Water, Sewer, Electric Utilities	\$216	\$216
Telephone, Cable, Internet Utilities	\$90	\$90
Homeowners Insurance	\$67	\$67
Monthly Cost	\$1,857	\$1,894

APPENDIX B: LAND USE DEFINITIONS

RESIDENTIAL DEVELOPMENT

As discussed below, residential development categories are based on data from the U.S. Census Bureau, American Community Survey. Beaufort County will collect development fees from all new residential units. One-time development fees are determined by site capacity (i.e. number of residential units).

Single Family:

1. Single family detached is a one-unit structure detached from any other house, that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A one-family house that contains a business is considered detached as long as the building has open space on all four sides.
2. Single family attached (townhouse) is a one-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.
3. Mobile home includes both occupied and vacant mobile homes, to which no permanent rooms have been added, are counted in this category. Mobile homes used only for business purposes or for extra sleeping space and mobile homes for sale on a dealer's lot, at the factory, or in storage are not counted in the housing inventory.
4. Examples of respective land use codes in the Institute of Transportation Engineers Trip Generation Manual, 2017: 210

Multifamily:

1. 2+ units (duplexes and apartments) are units in structures containing two or more housing units, further categorized as units in structures with "2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more apartments."
2. Boat, RV, Van, Etc. includes any living quarters occupied as a housing unit that does not fit the other categories (e.g., houseboats, railroad cars, campers, and vans). Recreational vehicles, boats, vans, railroad cars, and the like are included only if they are occupied as a current place of residence.
3. Examples of respective land use codes in the Institute of Transportation Engineers Trip Generation Manual, 2017: 220, 221, 222

NONRESIDENTIAL DEVELOPMENT

The proposed general nonresidential development categories (defined below) can be used for all new construction within Beaufort County. Nonresidential development categories represent general groups of land uses that share similar average weekday vehicle trip generation rates and employment densities (i.e., jobs per thousand square feet of floor area).

Retail: Establishments primarily selling merchandise, eating/drinking places, and entertainment uses. By way of example, *Retail* includes shopping centers, supermarkets, pharmacies, restaurants, bars, nightclubs, automobile dealerships, and movie theaters, hotels, and motels.

- Examples of respective land use codes in the Institute of Transportation Engineers [Trip Generation Manual](#), 2017: 820, 815, 823, 850, 875, 880

Office/Service: Establishments providing management, administrative, professional, or business services; By way of example, *Office/Service* includes banks, business offices, headquarter buildings, business parks, and research and development centers.

- Examples of respective land use codes in the Institute of Transportation Engineers [Trip Generation Manual](#), 2017: 710, 712, 714, 720, 750, 770

Industrial: Establishments primarily engaged in the production, transportation, or storage of goods. By way of example, *Industrial* includes manufacturing plants, distribution warehouses, trucking companies, utility substations, power generation facilities, and telecommunications buildings.

- Examples of respective land use codes in the Institute of Transportation Engineers [Trip Generation Manual](#), 2017: 110, 130, 150, 154, 160, 170

Institutional: Establishments providing management, administrative, professional, or business services; By way of example, *Institutional* includes assisted living facilities, nursing homes, hospitals, medical offices, veterinarian clinics, schools, universities, churches, daycare facilities, government buildings, and prisons.

- Examples of respective land use codes in the Institute of Transportation Engineers [Trip Generation Manual](#), 2017: 520, 560, 565, 575, 580, 590

APPENDIX C: SOUTH CAROLINA DEVELOPMENT IMPACT FEE ACT

<https://www.scstatehouse.gov/code/title6.php>

March 22, 2019

CHAPTER 1

General Provisions

ARTICLE 9

Development Impact Fees

SECTION 6-1-910. Short title.

This article may be cited as the “South Carolina Development Impact Fee Act”.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-920. Definitions.

As used in this article:

(1) “Affordable housing” means housing affordable to families whose incomes do not exceed eighty percent of the median income for the service area or areas within the jurisdiction of the governmental entity.

(2) “Capital improvements” means improvements with a useful life of five years or more, by new construction or other action, which increase or increased the service capacity of a public facility.

(3) “Capital improvements plan” means a plan that identifies capital improvements for which development impact fees may be used as a funding source.

(4) “Connection charges” and “hookup charges” mean charges for the actual cost of connecting a property to a public water or public sewer system, limited to labor and materials involved in making pipe connections, installation of water meters, and other actual costs.

(5) “Developer” means an individual or corporation, partnership, or other entity undertaking development.

(6) “Development” means construction or installation of a new building or structure, or a change in use of a building or structure, any of which creates additional demand and need for public facilities. A building or structure shall include, but not be limited to, modular buildings and manufactured housing. “Development” does not include alterations made to existing single-family homes.

(7) “Development approval” means a document from a governmental entity which authorizes the commencement of a development.

(8) “Development impact fee” or “impact fee” means a payment of money imposed as a condition of development approval to pay a proportionate share of the cost of system improvements needed to serve the people utilizing the improvements. The term does not include:

(a) a charge or fee to pay the administrative, plan review, or inspection costs associated with permits required for development;

(b) connection or hookup charges;

(c) amounts collected from a developer in a transaction in which the governmental entity has incurred expenses in constructing capital improvements for the development if the owner or developer has agreed to be financially responsible for the construction or installation of the capital improvements;

(d) fees authorized by Article 3 of this chapter.

(9) "Development permit" means a permit issued for construction on or development of land when no subsequent building permit issued pursuant to Chapter 9 of Title 6 is required.

(10) "Fee payor" means the individual or legal entity that pays or is required to pay a development impact fee.

(11) "Governmental entity" means a county, as provided in Chapter 9, Title 4, and a municipality, as defined in Section 5-1-20.

(12) "Incidental benefits" are benefits which accrue to a property as a secondary result or as a minor consequence of the provision of public facilities to another property.

(13) "Land use assumptions" means a description of the service area and projections of land uses, densities, intensities, and population in the service area over at least a ten-year period.

(14) "Level of service" means a measure of the relationship between service capacity and service demand for public facilities.

(15) "Local planning commission" means the entity created pursuant to Article 1, Chapter 29, Title 6.

(16) "Project" means a particular development on an identified parcel of land.

(17) "Proportionate share" means that portion of the cost of system improvements determined pursuant to Section 6-1-990 which reasonably relates to the service demands and needs of the project.

(18) "Public facilities" means:

(a) water supply production, treatment, laboratory, engineering, administration, storage, and transmission facilities;

(b) wastewater collection, treatment, laboratory, engineering, administration, and disposal facilities;

(c) solid waste and recycling collection, treatment, and disposal facilities;

(d) roads, streets, and bridges including, but not limited to, rights-of-way and traffic signals;

(e) storm water transmission, retention, detention, treatment, and disposal facilities and flood control facilities;

(f) public safety facilities, including law enforcement, fire, emergency medical and rescue, and street lighting facilities;

(g) capital equipment and vehicles, with an individual unit purchase price of not less than one hundred thousand dollars including, but not limited to, equipment and vehicles used in the delivery of public safety services, emergency preparedness services, collection and disposal of solid waste, and storm water management and control;

(h) parks, libraries, and recreational facilities;

(i) public education facilities for grades K-12 including, but not limited to, schools, offices, classrooms, parking areas, playgrounds, libraries, cafeterias, gymnasiums, health and music rooms, computer and science laboratories, and other facilities considered necessary for the proper public education of the state's children.

(19) "Service area" means, based on sound planning or engineering principles, or both, a defined geographic area in which specific public facilities provide service to development within the area defined. Provided, however, that no provision in this article may be interpreted to alter, enlarge, or reduce the service area or boundaries of a political subdivision which is authorized or set by law.

(20) "Service unit" means a standardized measure of consumption, use, generation, or discharge attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards for a particular category of capital improvements.

(21) "System improvements" means capital improvements to public facilities which are designed to provide service to a service area.

(22) "System improvement costs" means costs incurred for construction or reconstruction of system improvements, including design, acquisition, engineering, and other costs attributable to the improvements, and also including the costs of providing additional public facilities needed to serve new growth and development. System improvement costs do not include:

(a) construction, acquisition, or expansion of public facilities other than capital improvements identified in the capital improvements plan;

(b) repair, operation, or maintenance of existing or new capital improvements;

(c) upgrading, updating, expanding, or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental, or regulatory standards;

(d) upgrading, updating, expanding, or replacing existing capital improvements to provide better service to existing development;

(e) administrative and operating costs of the governmental entity; or

(f) principal payments and interest or other finance charges on bonds or other indebtedness except financial obligations issued by or on behalf of the governmental entity to finance capital improvements identified in the capital improvements plan.

HISTORY: 1999 Act No. 118, Section 1; 2016 Act No. 229 (H.4416), Section 2, eff June 3, 2016.

Effect of Amendment

2016 Act No. 229, Section 2, added (18)(i), relating to certain public education facilities.

SECTION 6-1-930. Developmental impact fee.

(A)(1) Only a governmental entity that has a comprehensive plan, as provided in Chapter 29 of this title, and which complies with the requirements of this article may impose a development impact fee. If a governmental entity has not adopted a comprehensive plan, but has adopted a capital improvements plan which substantially complies with the requirements of Section 6-1-960(B), then it may impose a development impact fee. A governmental entity may not impose an impact fee, regardless of how it is designated, except as provided in this article. However, a special purpose district or public service district which (a) provides fire protection services or recreation services, (b) was created by act of the General Assembly prior to 1973, and (c) had the power to impose development impact fees prior to the effective date of this section is not prohibited from imposing development impact fees.

(2) Before imposing a development impact fee on residential units, a governmental entity shall prepare a report which estimates the effect of recovering capital costs through impact fees on the availability of affordable housing within the political jurisdiction of the governmental entity.

(B)(1) An impact fee may be imposed and collected by the governmental entity only upon the passage of an ordinance approved by a positive majority, as defined in Article 3 of this chapter.

(2) The amount of the development impact fee must be based on actual improvement costs or reasonable estimates of the costs, supported by sound engineering studies.

(3) An ordinance authorizing the imposition of a development impact fee must:

(a) establish a procedure for timely processing of applications for determinations by the governmental entity of development impact fees applicable to all property subject to impact fees and for the timely processing of applications for individual assessment of development impact fees, credits, or reimbursements allowed or paid under this article;

(b) include a description of acceptable levels of service for system improvements; and

(c) provide for the termination of the impact fee.

(C) A governmental entity shall prepare and publish an annual report describing the amount of all impact fees collected, appropriated, or spent during the preceding year by category of public facility and service area.

(D) Payment of an impact fee may result in an incidental benefit to property owners or developers within the service area other than the fee payor, except that an impact fee that results in benefits to property owners or developers within the service area, other than the fee payor, in an amount which is greater than incidental benefits is prohibited.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-940. Amount of impact fee.

A governmental entity imposing an impact fee must provide in the impact fee ordinance the amount of impact fee due for each unit of development in a project for which an individual building permit or certificate of occupancy is issued. The governmental entity is bound by the amount of impact fee specified in the ordinance and may not charge higher or additional impact fees for the same purpose unless the number of service units increases or the scope of the development changes and the amount of additional impact fees is limited to the amount attributable to the additional service units or change in scope of the development. The impact fee ordinance must:

(1) include an explanation of the calculation of the impact fee, including an explanation of the factors considered pursuant to this article;

(2) specify the system improvements for which the impact fee is intended to be used;

(3) inform the developer that he may pay a project's proportionate share of system improvement costs by payment of impact fees according to the fee schedule as full and complete payment of the developer's proportionate share of system improvements costs;

(4) inform the fee payor that:

(a) he may negotiate and contract for facilities or services with the governmental entity in lieu of the development impact fee as defined in Section 6-1-1050;

(b) he has the right of appeal, as provided in Section 6-1-1030;

(c) the impact fee must be paid no earlier than the time of issuance of the building permit or issuance of a development permit if no building permit is required.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-950. Procedure for adoption of ordinance imposing impact fees.

(A) The governing body of a governmental entity begins the process for adoption of an ordinance imposing an impact fee by enacting a resolution directing the local planning commission to conduct the studies and to recommend an impact fee ordinance, developed in accordance with the requirements of

this article. Under no circumstances may the governing body of a governmental entity impose an impact fee for any public facility which has been paid for entirely by the developer.

(B) Upon receipt of the resolution enacted pursuant to subsection (A), the local planning commission shall develop, within the time designated in the resolution, and make recommendations to the governmental entity for a capital improvements plan and impact fees by service unit. The local planning commission shall prepare and adopt its recommendations in the same manner and using the same procedures as those used for developing recommendations for a comprehensive plan as provided in Article 3, Chapter 29, Title 6, except as otherwise provided in this article. The commission shall review and update the capital improvements plan and impact fees in the same manner and on the same review cycle as the governmental entity's comprehensive plan or elements of it.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-960. Recommended capital improvements plan; notice; contents of plan.

(A) The local planning commission shall recommend to the governmental entity a capital improvements plan which may be adopted by the governmental entity by ordinance. The recommendations of the commission are not binding on the governmental entity, which may amend or alter the plan. After reasonable public notice, a public hearing must be held before final action to adopt the ordinance approving the capital improvements plan. The notice must be published not less than thirty days before the time of the hearing in at least one newspaper of general circulation in the county. The notice must advise the public of the time and place of the hearing, that a copy of the capital improvements plan is available for public inspection in the offices of the governmental entity, and that members of the public will be given an opportunity to be heard.

(B) The capital improvements plan must contain:

(1) a general description of all existing public facilities, and their existing deficiencies, within the service area or areas of the governmental entity, a reasonable estimate of all costs, and a plan to develop the funding resources, including existing sources of revenues, related to curing the existing deficiencies including, but not limited to, the upgrading, updating, improving, expanding, or replacing of these facilities to meet existing needs and usage;

(2) an analysis of the total capacity, the level of current usage, and commitments for usage of capacity of existing public facilities, which must be prepared by a qualified professional using generally accepted principles and professional standards;

(3) a description of the land use assumptions;

(4) a definitive table establishing the specific service unit for each category of system improvements and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, agricultural, and industrial, as appropriate;

(5) a description of all system improvements and their costs necessitated by and attributable to new development in the service area, based on the approved land use assumptions, to provide a level of service not to exceed the level of service currently existing in the community or service area, unless a different or higher level of service is required by law, court order, or safety consideration;

(6) the total number of service units necessitated by and attributable to new development within the service area based on the land use assumptions and calculated in accordance with generally accepted engineering or planning criteria;

(7) the projected demand for system improvements required by new service units projected over a reasonable period of time not to exceed twenty years;

(8) identification of all sources and levels of funding available to the governmental entity for the financing of the system improvements; and

(9) a schedule setting forth estimated dates for commencing and completing construction of all improvements identified in the capital improvements plan.

(C) Changes in the capital improvements plan must be approved in the same manner as approval of the original plan.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-970. Exemptions from impact fees.

The following structures or activities are exempt from impact fees:

(1) rebuilding the same amount of floor space of a structure that was destroyed by fire or other catastrophe;

(2) remodeling or repairing a structure that does not result in an increase in the number of service units;

(3) replacing a residential unit, including a manufactured home, with another residential unit on the same lot, if the number of service units does not increase;

(4) placing a construction trailer or office on a lot during the period of construction on the lot;

(5) constructing an addition on a residential structure which does not increase the number of service units;

(6) adding uses that are typically accessory to residential uses, such as a tennis court or a clubhouse, unless it is demonstrated clearly that the use creates a significant impact on the system's capacity;

(7) all or part of a particular development project if:

(a) the project is determined to create affordable housing; and

(b) the exempt development's proportionate share of system improvements is funded through a revenue source other than development impact fees;

(8) constructing a new elementary, middle, or secondary school; and

(9) constructing a new volunteer fire department.

HISTORY: 1999 Act No. 118, Section 1; 2016 Act No. 229 (H.4416), Section 1, eff June 3, 2016.

Effect of Amendment

2016 Act No. 229, Section 1, added (8) and (9), relating to certain schools and volunteer fire departments.

SECTION 6-1-980. Calculation of impact fees.

(A) The impact fee for each service unit may not exceed the amount determined by dividing the costs of the capital improvements by the total number of projected service units that potentially could use the capital improvement. If the number of new service units projected over a reasonable period of time is less than the total number of new service units shown by the approved land use assumptions at full development of the service area, the maximum impact fee for each service unit must be calculated by

dividing the costs of the part of the capital improvements necessitated by and attributable to the projected new service units by the total projected new service units.

(B) An impact fee must be calculated in accordance with generally accepted accounting principles.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-990. Maximum impact fee; proportionate share of costs of improvements to serve new development.

(A) The impact fee imposed upon a fee payor may not exceed a proportionate share of the costs incurred by the governmental entity in providing system improvements to serve the new development. The proportionate share is the cost attributable to the development after the governmental entity reduces the amount to be imposed by the following factors:

(1) appropriate credit, offset, or contribution of money, dedication of land, or construction of system improvements; and

(2) all other sources of funding the system improvements including funds obtained from economic development incentives or grants secured which are not required to be repaid.

(B) In determining the proportionate share of the cost of system improvements to be paid, the governmental entity imposing the impact fee must consider the:

(1) cost of existing system improvements resulting from new development within the service area or areas;

(2) means by which existing system improvements have been financed;

(3) extent to which the new development contributes to the cost of system improvements;

(4) extent to which the new development is required to contribute to the cost of existing system improvements in the future;

(5) extent to which the new development is required to provide system improvements, without charge to other properties within the service area or areas;

(6) time and price differentials inherent in a fair comparison of fees paid at different times; and

(7) availability of other sources of funding system improvements including, but not limited to, user charges, general tax levies, intergovernmental transfers, and special taxation.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-1000. Fair compensation or reimbursement of developers for costs, dedication of land or oversize facilities.

A developer required to pay a development impact fee may not be required to pay more than his proportionate share of the costs of the project, including the payment of money or contribution or dedication of land, or to oversize his facilities for use of others outside of the project without fair compensation or reimbursement.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-1010. Accounting; expenditures.

(A) Revenues from all development impact fees must be maintained in one or more interest-bearing accounts. Accounting records must be maintained for each category of system improvements and the service area in which the fees are collected. Interest earned on development impact fees must be

considered funds of the account on which it is earned, and must be subject to all restrictions placed on the use of impact fees pursuant to the provisions of this article.

(B) Expenditures of development impact fees must be made only for the category of system improvements and within or for the benefit of the service area for which the impact fee was imposed as shown by the capital improvements plan and as authorized in this article. Impact fees may not be used for:

(1) a purpose other than system improvement costs to create additional improvements to serve new growth;

(2) a category of system improvements other than that for which they were collected; or

(3) the benefit of service areas other than the area for which they were imposed.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-1020. Refunds of impact fees.

(A) An impact fee must be refunded to the owner of record of property on which a development impact fee has been paid if:

(1) the impact fees have not been expended within three years of the date they were scheduled to be expended on a first-in, first-out basis; or

(2) a building permit or permit for installation of a manufactured home is denied.

(B) When the right to a refund exists, the governmental entity shall send a refund to the owner of record within ninety days after it is determined by the entity that a refund is due.

(C) A refund must include the pro rata portion of interest earned while on deposit in the impact fee account.

(D) A person entitled to a refund has standing to sue for a refund pursuant to this article if there has not been a timely payment of a refund pursuant to subsection (B) of this section.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-1030. Appeals.

(A) A governmental entity which adopts a development impact fee ordinance shall provide for administrative appeals by the developer or fee payor.

(B) A fee payor may pay a development impact fee under protest. A fee payor making the payment is not estopped from exercising the right of appeal provided in this article, nor is the fee payor estopped from receiving a refund of an amount considered to have been illegally collected. Instead of making a payment of an impact fee under protest, a fee payor, at his option, may post a bond or submit an irrevocable letter of credit for the amount of impact fees due, pending the outcome of an appeal.

(C) A governmental entity which adopts a development impact fee ordinance shall provide for mediation by a qualified independent party, upon voluntary agreement by both the fee payor and the governmental entity, to address a disagreement related to the impact fee for proposed development. Participation in mediation does not preclude the fee payor from pursuing other remedies provided for in this section or otherwise available by law.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-1040. Collection of development impact fees.

A governmental entity may provide in a development impact fee ordinance the method for collection of development impact fees including, but not limited to:

- (1) additions to the fee for reasonable interest and penalties for nonpayment or late payment;
- (2) withholding of the certificate of occupancy, or building permit if no certificate of occupancy is required, until the development impact fee is paid;
- (3) withholding of utility services until the development impact fee is paid; and
- (4) imposing liens for failure to pay timely a development impact fee.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-1050. Permissible agreements for payments or construction or installation of improvements by fee payors and developers; credits and reimbursements.

A fee payor and developer may enter into an agreement with a governmental entity, including an agreement entered into pursuant to the South Carolina Local Government Development Agreement Act, providing for payments instead of impact fees for facilities or services. That agreement may provide for the construction or installation of system improvements by the fee payor or developer and for credits or reimbursements for costs incurred by a fee payor or developer including interproject transfers of credits or reimbursement for project improvements which are used or shared by more than one development project. An impact fee may not be imposed on a fee payor or developer who has entered into an agreement as described in this section.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-1060. Article shall not affect existing laws.

(A) The provisions of this article do not repeal existing laws authorizing a governmental entity to impose fees or require contributions or property dedications for capital improvements. A development impact fee adopted in accordance with existing laws before the enactment of this article is not affected until termination of the development impact fee. A subsequent change or reenactment of the development impact fee must comply with the provisions of this article. Requirements for developers to pay in whole or in part for system improvements may be imposed by governmental entities only by way of impact fees imposed pursuant to the ordinance.

(B) Notwithstanding another provision of this article, property for which a valid building permit or certificate of occupancy has been issued or construction has commenced before the effective date of a development impact fee ordinance is not subject to additional development impact fees.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-1070. Shared funding among units of government; agreements.

(A) If the proposed system improvements include the improvement of public facilities under the jurisdiction of another unit of government including, but not limited to, a special purpose district that does not provide water and wastewater utilities, a school district, and a public service district, an agreement between the governmental entity and other unit of government must specify the reasonable share of funding by each unit. The governmental entity authorized to impose impact fees may not assume more than its reasonable share of funding joint improvements, nor may another unit of government which is not authorized to impose impact fees do so unless the expenditure is pursuant to an agreement under Section 6-1-1050 of this section.

(B) A governmental entity may enter into an agreement with another unit of government including, but not limited to, a special purpose district that does not provide water and wastewater utilities, a school district, and a public service district, that has the responsibility of providing the service for which an impact fee may be imposed. The determination of the amount of the impact fee for the contracting governmental entity must be made in the same manner and is subject to the same procedures and limitations as provided in this article. The agreement must provide for the collection of the impact fee by the governmental entity and for the expenditure of the impact fee by another unit of government including, but not limited to, a special purpose district that does not provide water and wastewater utilities, a school district, and a public services district unless otherwise provided by contract.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-1080. Exemptions; water or wastewater utilities.

The provisions of this chapter do not apply to a development impact fee for water or wastewater utilities, or both, imposed by a city, county, commissioners of public works, special purpose district, or nonprofit corporation organized pursuant to Chapter 35 or 36 of Title 33, except that in order to impose a development impact fee for water or wastewater utilities, or both, the city, county, commissioners of public works, special purpose district or nonprofit corporation organized pursuant to Chapter 35 or 36 of Title 33 must:

- (1) have a capital improvements plan before imposition of the development impact fee; and
- (2) prepare a report to be made public before imposition of the development impact fee, which shall include, but not be limited to, an explanation of the basis, use, calculation, and method of collection of the development impact fee; and
- (3) enact the fee in accordance with the requirements of Article 3 of this chapter.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-1090. Annexations by municipalities.

A county development impact fee ordinance imposed in an area which is annexed by a municipality is not affected by this article until the development impact fee terminates, unless the municipality assumes any liability which is to be paid with the impact fee revenue.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-2000. Taxation or revenue authority by political subdivisions.

This article shall not create, grant, or confer any new or additional taxing or revenue raising authority to a political subdivision which was not specifically granted to that entity by a previous act of the General Assembly.

HISTORY: 1999 Act No. 118, Section 1.

SECTION 6-1-2010. Compliance with public notice or public hearing requirements.

Compliance with any requirement for public notice or public hearing in this article is considered to be in compliance with any other public notice or public hearing requirement otherwise applicable including, but not limited to, the provisions of Chapter 4, Title 30, and Article 3 of this chapter.

HISTORY: 1999 Act No. 118, Section 1.



TOWN OF HILTON HEAD ISLAND

Public Projects and Facilities Management Department

TO: Stephen G. Riley, ICMA-CM, Town Manager
VIA: Josh Gruber, Assistant Town Manager
Scott Liggett, PE, Director of PP&F/Chief Engineer
Jeff Buckalew, PE, Town Engineer
Curtis Coltrane, Town Attorney
FROM: Jeff Netzinger, PE, Storm Water Manager
CC: Stephen Ryan, Staff Attorney

DATE: September 28, 2020
SUBJECT: Updated Standard POA/PUD Drainage Agreement

Recommendation

Staff recommends the Finance and Administration Committee and Town Council endorse the following items related to drainage maintenance agreements with Property Owners Associations (POA) and Planned Unit Developments (PUD):

1. Adoption of a revised standard maintenance agreement for POAs and PUDs (attached as Exhibit 1);
2. Offering the revised standard agreement in non-negotiable terms to those POAs requesting service.
3. Provide the requisite notice and then terminate any existing agreements whereby an existing agreement partner does not wish to accept the non-negotiable terms of the revised standard agreement as an amendment to supersede their existing agreement.

Summary

The revised standard agreement includes clarifying language defining qualifying and non-qualifying system deficiencies, specific stipulation of responsibilities of both the Town and the POA, and refinement of terms and process requirements for agreement partners to receive reimbursement for maintenance work not undertaken by the Town. A table summarizing the revisions is attached as Exhibit 2.

Background

Some of the existing agreements included minor negotiated items by the grantors and their attorneys and over a long period of time and use, staff has identified areas where the agreement could be more clear and informative. Staff has worked with the Town Attorney and PUD managers for approximately two years in updating the agreement. Staff has also received requests from the following POAs seeking public maintenance and repair service of their private storm drainage systems: Spanish Wells, Yacht Cove, Wells East, Bermuda Pointe, Jarvis Creek Club and Seagrass Landing.

WHEREAS, **[insert association name here]**, desires for the Town of Hilton Head Island, South Carolina, to utilize Storm Water Utility Service Fees to undertake maintenance and improvement of the storm water drainage system in **[insert name of development]**, to facilitate the conveyance of storm water runoff within and through the Development; and,

WHEREAS, the **[insert association name here]**, has agreed to grant access, drainage and maintenance easements to the Town, in order to facilitate the maintenance and improvement of the qualifying storm water drainage system in **[insert name of development]**.

Now, therefore, know all men by these presents, that **[insert association name here]**, and the Town of Head Island, South Carolina, for and in consideration of the sum of One and no/100 (\$1.00) Dollar, each paid to the other at and before the execution and delivery of this Agreement, the receipt and sufficiency whereof is acknowledged, agree as follows:

1. **Defined Terms:** As used in this Agreement, the following terms as related to this agreement shall mean:
 - a. *Agreement:* This “Drainage System Maintenance Agreement”.
 - b. *Association:* **[insert association name here]**, a South Carolina not-for-profit corporation with the full authority under the Covenants to enter into this Agreement and to complete all of the Association’s obligations under it, and the execute and deliver the Access, Drainage and Maintenance Easement Agreement attached hereto as Exhibit “C.”

- c. *Casualty*: The destruction of all or any part of the Drainage System through a natural disaster.
- d. *Covenants*: Any one or more of Covenants, Conditions, and Restrictions for **[insert association name here]** recorded in the Office of the Register of Deeds for Beaufort County, South Carolina.
- e. *Drainage System*: The existing system of lagoons, ditches, canals, pipes, culverts, catch basins, drains, manholes, junction boxes, weirs, valves, gates, pumps, structures, related equipment and related infrastructure, in the Development lying within the Easement Areas shown on the map attached hereto as Exhibit “A,” which facilitates the collection, storage and conveyance of storm and surface water runoff for public benefit through, within, and from the Development. For purposes of this Agreement, the Drainage System shall not include any bridges, docks, retaining walls, road or pathway asphalt, road or building gutters, underdrains, sub-drains, structural bulkheads, beaches, tidal banks, estuaries, or salt marshes, or driveway pipes, unless the Town, in its sole discretion deems any particular driveway pipe as critical to the function of the Drainage System.
- f. *Emergency*: A blockage, structural or mechanical failure, collapse or other sudden catastrophic event affecting any part of the Drainage System which prevents or substantially inhibits the flow of storm and

surface water through all or any part of the Drainage System, or which otherwise results in an imminent peril to life or property.

- g. *Permanent Structure*: Any immovable structure, including, but not limited to, buildings, sheds, pavilions, walls, masonry structures, tennis courts, and swimming pools, including swimming pool decks.
- h. *Post-construction Structural Best Management Practice Facility*: A Post-construction Structural Best Management Practice Facility (BMPF) is a facility designed and built to provide treatment of storm water either through storage, filtration or infiltration (i.e. detention basins, retention basins, rain gardens, bioretention cells, sand filters, vegetated filter strips, water quality swales and infiltration trenches).
- i. *Project*: Work, including repairs and improvements performed or approved by the Town to correct a specific Qualifying Storm Drainage System Deficiency.
- j. *Qualifying Drainage System Deficiency*: Anything that, in the determination of the Town, prevents, impairs or impedes the adequate conveyance or drainage of storm water runoff through the Drainage System or the structural failure of a Drainage System component. Qualifying Drainage System Deficiencies include, but are not limited to, the following:
 - i. Lagoon bank erosion that has an appreciable adverse impact on conveyance of storm water runoff through the Drainage

System or threatens the integrity of adjacent Drainage System infrastructure or Permanent Structures;

- ii. Presence of sediment and debris located in ditches, pipes, inlets, manholes, junction boxes and control structures that has an appreciable adverse impact on conveyance of storm water runoff through the Drainage System or the functioning of the Drainage System;
- iii. Structural deficiencies associated with pipes and culverts, including, but not limited to, joint failures, deterioration, root intrusion, or collapse that has an appreciable adverse impact on conveyance of storm water runoff through the Drainage System or threatens the integrity of adjacent Drainage System infrastructure or Permanent Structures;
- iv. Structural deficiencies associated with inlets, manholes, junction boxes, control structures and headwalls including, but not limited to, connection failure, deterioration, mechanical failure, or collapse that has an appreciable adverse impact on conveyance of storm water runoff through the Drainage System, or that threatens the integrity of adjacent infrastructure or Permanent Structures. Examples of typical deficiencies include damaged grates, grout failures at pipe connections, deterioration or failure of flap gates and sluice gates, or failure of structure walls;

- v. Sinkholes caused by Drainage System pipe or Drainage System structure Deficiencies, but not those caused by the actions of any third party, including utility providers;
- vi. Drainage System conveyance or performance deficiencies due to inadequate design capacity. Examples of typical conveyance or performance deficiencies include undersized pipes and insufficient weir capacities.

Qualifying Drainage System Deficiencies do not include the following:

- i. The aesthetic appearance or appeal of any part of the Drainage System, including but not limited to lagoons, banks of lagoons, channel banks, landscaping, drains, catch basins, canals, structures, bridges, bulkheads, pipes, culverts, valves gates, debris that does have an appreciable adverse impact on the conveyance of storm and surface water through the Drainage System, or other visible components of the Drainage System;
- ii. The introduction of pollution or pollutants into the Drainage System from any source;
- iii. Lagoon bank erosion that does not have an appreciable adverse impact on conveyance of storm water runoff through the Drainage System or threaten the integrity of

adjacent Drainage System infrastructure or Permanent Structures;

- iv. Tidal erosion or tidal flooding that does not have an appreciable adverse impact on conveyance of storm water runoff through the Drainage System or threaten the integrity of Drainage System infrastructure;
- v. Establishment of access to the Drainage System by the Association, including, but not limited to, grading, clearing of vegetation, removal of trees, or removal of other obstructions or Permanent Structures in order to provide physical access to the Drainage System;
- vi. Drainage System damage or deficiencies caused by the actions of others, including utilities and property owners (including, but not limited to, bores or cuts into pipes or structures);
- vii. Minor or nuisance flooding that does not adversely affect transportation infrastructure, Permanent Structures, hardscape amenities, or conveyance of storm water runoff through the Drainage System, including golf course flooding, isolated lawn and yard ponding, or standing water in roadway shoulders and unimproved lots or land;
- viii. Drainage System Deficiencies determined by the Town to be caused or exacerbated by intentional acts causing tidal backflow and saltwater intrusion into the Drainage System

through failure to operate control structures per the design intent or the failure by the Association to monitor and maintain proper functioning of backflow prevention devices including flaps, gates, sluice gates, check valves, or similar devices;

ix. Damage to, or failure of, Drainage System components situated underneath or within five (5) feet of any Permanent Structure that is not a part of the Drainage System, where the Town determines that difficult access and/or liabilities exist, or within the zone of influence for the foundation of a Permanent Structure;

x. The construction of a new drainage system or an addition to an existing Drainage System, or the modification of an existing Drainage System to accommodate drainage requirements for new development within the Development.

xi. Drainage System deficiencies determined by the Town to be caused by or originating from unauthorized or non-permitted modifications to the Drainage System by any party other than the Town.

k. *Development:* **[insert development name here]** A planned unit development or subdivision lying and being on Hilton Head Island,

Beaufort County, South Carolina, which is shown and described on the map attached as Exhibit “B” hereto.

- l. *Storm Water Utility Service Fees:* The fees collected by Beaufort County, South Carolina, under the authority of Beaufort County Ordinance 99-101, *et seq.*, as amended, and which are remitted by Beaufort County, South Carolina, to the Town; or any similar fee, however denominated, imposed and collected by any subsequent or successor Storm Water Utility operated by The Town, under the authority of Town Ordinance Number 2002-43.
 - m. *Storm Water Utility Project Prioritization and Annual Budget Process:* The annual process by which the Town of Hilton Head Island, South Carolina, shall establish and maintain a prioritized list of all known Qualifying Drainage System Deficiencies within the Town limits determined to be eligible for service using Storm Water Utility Service Fees. Prior to the beginning of each fiscal year, the Town shall establish an annual Storm Water Utility budget which defines all revenues and expenditures associated with the Storm Water Utility Service Fees. This budget shall include those known Projects to correct Qualifying Drainage System Deficiencies intended to be completed within that fiscal year.
 - n. *Town:* The Town of Hilton Head Island, South Carolina.
2. **Grant of Easements:** Contemporaneously with the execution and delivery of this Agreement, the Association and the Town have entered into an “Access,

Drainage and Maintenance Easement Agreement” which grants the Town rights to access, operate, utilize, maintain, and improve the Drainage System within the Development, with said easement being in the form attached hereto as Exhibit “C”.

3. **Maintenance, Inspection and Operation of Drainage System:** Upon the execution and delivery of this Agreement and the Access, Drainage and Maintenance Easement Agreement:

(a) the Town shall be responsible for the maintenance, repairs and improvements necessary to correct any Qualifying Drainage System Deficiency under the terms and conditions of this Agreement. This Agreement does not preclude the Association from repairing, maintaining, or improving any component of its Drainage System at its expense.

(b) The Association shall be responsible for the following within the Development:

(i) Normal and emergency operation of Drainage System control structures, including gates, weirs and pumps, and for lowering water levels in compliance with pre-storm preparation protocols established by the Town.

(ii) Maintenance and replacement of weir boards, maintenance of control structure access ways, decking and railings, and maintaining control structure accessibility for inspection and operation by controlling and/or removing vegetation as necessary.

- (iii) Performing maintenance of work shelves along ditches and canals to provide reasonable and adequate access for inspection, maintenance and repair.
- (iv) Monitoring the condition of flap gates, sluice gates, check valves, and similar devices intended to prevent the intrusion of tidal backflow and brackish water into the Drainage System to ensure that they are in proper working order and functioning as intended.
- (v) Making repairs to roadway pavement, pathway pavement, curb and gutter and related ancillary infrastructure or property damage attributed to a past or existing Qualifying Drainage System Deficiency if the deficiency has been corrected by the Town via trenchless technology methods (i.e. pipe lining). This does not obligate the Association to repair or replace such infrastructure if the repair is made using open cut excavations where removal of surface infrastructure is necessary to complete the repair, in which case, the repair of the ancillary infrastructure shall be considered to be a part of the Town's work to correct the deficiency.
- (vi) Performing annual inspections of Post-construction Structural Best Management Practice Facilities in order to comply with Stormwater Management Plan obligations, including submittal of inspection documentation to the Town in accordance with § 16-5-109 (H)(2), *Municipal Code to the Town of Hilton Head Island (1983)*.

- (vii) Regulating the actions of utility providers and property owners, or their assigns, to prevent and mitigate any damage they may cause to the Drainage System.

4. **Procedure for Town's Maintenance of Drainage System:** The Parties acknowledge that the Town intends to provide for the maintenance and improvement of the Drainage System and the repair of identified Qualifying Drainage System Deficiencies, other than those caused by an Emergency or Casualty, through the development of its Storm Water Utility Project Prioritization and Annual Budget Process. Other than in the case of an Emergency or Casualty, as described in Articles 7, 8 and 10 below, or work completed directly by the Association under Article 9, the Parties agree:

- a. *Identifying Qualifying Drainage System Deficiencies:* The Association shall be responsible for identifying any Qualifying Drainage System Deficiencies.
- b. *Schedule for Submission:* The Association shall submit a written description of each known Qualifying Drainage System Deficiency to the Town using the service request form provided by the Town, describing the nature, location and cause (if known) of each Qualifying Drainage System Deficiency. The Association may identify a potential solution is for the deficiency. In such case, the Association shall include a description of the solution and a preliminary estimate of anticipated costs for the proposed solution. Qualifying Drainage System Deficiencies that are reported to the

Town, or which are discovered by the Town, by the end of any calendar year will be considered in the development of the Storm Water Utility Project Prioritization and Annual Budget Process for the following fiscal year.

c. *Completion of Maintenance:* The Town shall annually develop a Storm Water Utility Project Prioritization and an Annual Budget that will address identified Qualifying Drainage System Deficiencies as follows:

i. The Town shall determine the scope and extent of the maintenance, repair or improvement that is necessary to correct any Qualifying Drainage System Deficiencies, and the means, methods and materials needed to accomplish the same.

ii. The Town shall determine the priority and number of the Projects and schedule the Projects to correct to correct the Qualifying Drainage System Deficiencies for each fiscal year. The determination of the scheduling and funding for the correction of the Qualifying Drainage System Deficiencies shall be made by the Town, taking into account the following:

1. The availability and amount of the Storm Water Utility Service Fees fund balance, revenue from bonds paid by Storm Water Utility Service Fees,

and Storm Water Utility Service Fees in any given fiscal year;

2. Prioritization of all other Projects, or qualifying requested improvements, repair and maintenance that are to be funded with Storm Water Utility Service Fees; and
3. The annual cost required to operate the Storm Water Utility, its programs and initiatives, and debt service.

iii. The Town will complete the Projects as determined by the Town as a part of the Storm Water Utility Project Prioritization and Annual Budget Process, unless Emergencies or Casualties occur that alter the prioritization and funding such that funds are insufficient to correct all Qualifying Drainage System Deficiencies as intended within the same fiscal year.

d. *Scheduling of Projects*: Other than in the case of an Emergency or Casualty, the Town and the Association shall mutually agree in writing as to the scheduling of any Project to be performed under this Agreement in the Development in advance of the commencement of the Project.

- e. *Resident Notification:* The Association shall be solely responsible for the notification of its owners and guests that may be affected by any Project, or by work to address any Emergency or Casualty.
- f. *Legal Access to Private Property:* The Association shall be responsible for obtaining all access rights, including access rights over and across property in the Development that is not owned by the Association, as may be deemed necessary by the Town to complete any Project.
- g. *Access Needed to Complete Project:* The Association shall be responsible for providing clear and adequate physical access to each Project site at no cost to the Town. If clear, adequate physical access to the Project site cannot be provided sufficient to complete the Project without the likelihood of damage to property, assets and amenities by contractors and equipment, the repair and replacement of any property, assets and amenities damaged as a result of the Project shall be the responsibility of the Association, at no additional cost to the Town. Such property, assets and amenities shall include, but are not limited to, landscaping, flowerbeds, ornamental shrubs and trees, lawns, irrigation systems, boardwalks, cart paths, driveways, and sidewalks. The determination of whether the access is clear and adequate, and whether there is a likelihood of damage shall be made in the sole discretion of the Town, prior to the commencement of the Project. The Association has the right to

withdraw the service request if the magnitude of potential damage is not acceptable to the Association. If the service request is withdrawn, completing the Project shall be the responsibility of the Association.

- h. *No Guarantees Regarding Schedule:* The Town cannot guarantee that the amount of available Storm Water Utility Service Fees, the number of Projects to be funded with Storm Water Utility Service Fees in any given fiscal year, and whether Emergencies and Casualties and weather related general emergencies will not cause delays in the correction of Qualifying Drainage System Deficiencies within the Development and elsewhere. The parties acknowledge that the Town's determinations with respect to the priority, funding and timing of any Project shall be made at the Town's discretion and shall be final.
5. **Further Obligations of the Association:** The Association agrees that during the term, or any renewal term, of this Agreement, it shall take no action which damages the Drainage System, allows damage to the Drainage System, or creates a Drainage System Deficiency, including, but not limited to allowing salt water intrusion or pollutants to enter the Drainage System and allowing utility providers, property owners, or their assigns to impair the function of the Drainage System. To the extent the Association has a continuing obligation under the Covenants to repair and maintain various improvements located within the Development including lagoons and lagoon banks, ditch maintenance shelves, roads, pathways,

utilities, this Agreement is not intended to in any way restrict or limit the Association's completion of its obligations.

6. **Payments as Current Expense of Town:** Any payments to be made by the Town hereunder shall be made from Storm Water Utility Service Fees as budgeted for by the Town in any given fiscal year. The Town and the Association intend that the payment obligations of the Town shall constitute a current expense of the Town and shall not in any way be construed to be a debt of the Town in contravention of any applicable constitutional or statutory limitations concerning indebtedness of the Town, nor shall anything contained herein constitute a pledge of general tax revenues, funds, money or credit of the Town.
7. **Emergency:** The Parties agree that in the event of an Emergency, the following procedure shall apply:
 - a. *Agreement Not Terminated:* This Agreement shall remain in full force and effect.
 - b. *Responsibilities of the Association:* The Association shall take such steps as may be reasonably necessary to secure any area affected by the Emergency. The Association shall notify the Town as soon as is practical after discovery of the Emergency. The Association may complete any repairs to the Drainage System needed to address the Emergency, as provided for in Article 10, below.
 - c. *Responsibilities of the Town:* Upon receipt of notification of an Emergency from the Association, the Town shall determine the scope and extent of the work that is necessary to repair or correct the

damage caused by the Emergency, and the means, methods and materials needed to accomplish the same. The Town shall correct or repair the damage caused by the Emergency as soon as practical, taking into account the threat presented by the Emergency, the existence of any other Emergency or Casualty, the cause of the Emergency and/or the existence of any general emergency affecting the Town and availability of funding. The Town may seek reimbursement from third parties for any costs incurred by the Town as a result of any Emergency found to have been caused by the negligence of said third parties.

8. **Casualty:** The Parties agree that in the event of a Casualty, the following procedure shall apply:
 - a. *Agreement Not Terminated:* This Agreement shall remain in full force and effect.
 - b. *Design of Drainage System:* The Town shall produce engineering and design plans at its expense for the reconstruction of all or any part of the Drainage System affected by the Casualty.
 - c. *Approval of Plans:* The engineering and design plans must be approved by the Association prior to any reconstruction of the Drainage System. If the Association does not approve the engineering and design plans prepared by the Town, the Association may reconstruct the Drainage System at its own expense and shall not seek reimbursement for the cost thereof from the Town.

- d. *Right of Entry and Access:* If the engineering and design plans approved by the Association require work outside of easement limits described in the Access, Drainage and Maintenance Easement Agreement, the Association shall provide temporary easements for access and construction over any property it owns or controls, and shall deliver a valid temporary construction easement for access and construction from the owners of property that the Association does not own.
- e. *Amendment of Access, Drainage and Maintenance Easement Agreement:* In the event that the engineering and design plans approved by the Association include permanent improvements or create access or other needs that are in areas not included in the Access, Drainage and Maintenance Easement Agreement, the Association agrees that it will execute and deliver an amendment to the Access, Drainage and Maintenance Easement Agreement to subject any such areas in the Access, Drainage and Maintenance Easement Agreement.
- f. *Reconstruction of Drainage System:* Following the approval of the engineering and design plans and specifications by the Association, the Association's delivery of any needed temporary easements for access and construction, the Town shall complete the reconstruction of the Drainage System, or any part of it, as soon as is practical, taking into account the threat presented by the cause of the Casualty,

the existence of any general emergency affecting the Town, the existence of other Emergencies and Casualties and availability of funding. Other than the expenses identified in subsection (b) of this Article 8, the Town may seek reimbursement for any costs incurred by the Town as a result of any Casualty from Storm Water Utility Service Fees, bond, any government aid and assistance programs, or the Association, if the Association is responsible for all or any part of the Casualty.

9. **Maintenance of Drainage System by the Association:** Nothing herein shall prohibit the Association from performing any Project in advance of the time that any such Project is scheduled as a part of the Town's Storm Water Utility Project Prioritization and Annual Budget Process, if the Association determines that it is in its interest to do so. Other than in the case of an Emergency (addressed in Article 10, below), or a Casualty (addressed in Article 8, above), the Association shall be entitled to reimbursement, in an amount up to the amount budgeted by the Town for the Project but not exceeding the actual cost to the Association, from Storm Water Utility Service Fees, in the fiscal year that such Project is scheduled to be done as a part of Town's Storm Water Utility Project Prioritization and Annual Budget Process, as follows;
 - a. The Association shall submit its plans, quantities, and specifications for any Project to the Town.
 - b. The Town shall grant its written approval to the Association to complete the Project unless it determines that:

- i. The plan and work proposed by the Association will not correct the existing Qualifying Drainage System Deficiency; or,
 - ii. The scope of the proposed work exceeds what is necessary to correct the existing Qualifying Drainage System Deficiency,
- c. Upon receipt of the Town's written approval, the Association shall bid the work in accordance with the Town's Procurement Code, § 11-1-111, *Municipal Code of The Town of Hilton Head Island, South Carolina* (1983), as the same may be amended from time to time.
- d. Any changes in the approved scope of work for the Project resulting in additional work or cost to the Town must be approved in writing by the Town prior to commencement of any additional work.
- e. The Association shall notify the Town at least seventy-two (72) hours prior to the commencement of work on the Project and at any key junctures of the work where the Town may need to inspect the work.
- f. Upon completion of the Project, the Town shall inspect the Project and provide the Association written approval or rejection of the Project.
- g. If the Project is approved by the Town, the Association shall submit to the Town its request for reimbursement, which shall include full documentation of the bid and procurement of the work to complete the Project, the contract for the work to complete the Project, the

construction plans, details and as-built surveys or drawings, measurements, dated inspection reports, photographs of the work in progress, documentation of the payments made by the Association, any required test reports and the Association's written certification that the Project was completed in accordance with the approved plans and specifications.

- h. The Town shall thereafter budget funds for reimbursement to the Association from Storm Water Utility Service Fees in the fiscal year that the Project would have otherwise been scheduled in the Town's Storm Water Utility Project Prioritization and Annual Budget Process. The schedule for reimbursement shall depend upon the Project ranking when compared to all other Projects as determined in the Town's Storm Water Utility Project Prioritization and Annual Budget Process and may be moved forward into a future budget year as a result. The Association acknowledges that the Town has no obligation to reimburse the Association for any Project in the fiscal year following the Association's completion of the Project, or in any other particular fiscal year.
10. **Emergency Work by the Association:** If for any reason, the Town is unable to repair or correct the damage caused by an Emergency in a time frame that is acceptable to the Association, the following shall apply:
- a. The Association shall consult with the Town to determine a cost-efficient scope and extent of work necessary to repair or correct the

damage caused by the Emergency, and the means, methods and materials needed to accomplish the same. The TOWN must approve in writing, the scope and plans for the work and procurement of construction services, prior to the commencement of work. The Association is not required to bid the work but if the Association chooses to bid the work, the Association shall bid the work in accordance with the Town's Procurement Code, § 11-1-111, *Municipal Code of The Town of Hilton Head Island, South Carolina* (1983), as the same may be amended from time to time.

- b. The Association shall complete the work that is necessary to repair or correct the damage caused by the Emergency.
- c. The Association shall, whenever possible, notify the Town at least seventy-two (72) hours prior to the commencement of work and at any key junctures of the work whereas the Town may need to inspect the work.
- d. Upon completion of the work that has been authorized and approved by the Town, the Association shall submit to the Town a request for reimbursement, which shall include full documentation of the bid and procurement documents for the work, the contract for the work, construction plans, details and as-built surveys or drawings, measurements, dated inspection reports, photographs of the work done and documentation of the payments made, any required test reports and the Association's written certification that the work was

completed in accordance with the approved plans and specifications and state the date the work was completed.

- e. The Town shall approve the Association's request for reimbursement unless it determines that :
 - i. The requested reimbursement includes work other than the work authorized and approved by the Town.
 - f. Within three (3) fiscal years following the Town's approval of the Association's request for reimbursement, the Town shall reimburse the Association in the amount approved.
 - g. Requests for reimbursement by the Association be submitted to the Town within three years following the completion of the work by the Association. The failure to submit the request for reimbursement to the Town within three years following completion of the Work shall bar any reimbursement for the work.
11. **No Guarantees Regarding Flooding:** The Association acknowledges that the Town's performance of its obligations under this Agreement does not guarantee or insure that property within the Development will be free of events of flooding or erosion, and that the Town does not represent or warrant to the Association that the performance of the Town's obligations under this Agreement will operate to prevent events of flooding or erosion within the Development.
12. **Waiver of Storm Water Service Fee Credit:** Upon the execution and delivery of this Agreement, and for and during the term or any extensions hereof, the Association acknowledges it shall not be entitled to receive and hereby waives any

Storm Water Service Fee Credit from Beaufort County or the Town with respect to any real property located within the limits of the Development, for and during the term of this Agreement or any renewal of this Agreement.

13. **Term:** This Agreement shall remain in place for ten years from the date of execution and shall renew automatically for successive two (2) year terms beginning July 1 each year thereafter, unless either Party notifies the other, in writing, of its intention to terminate this Agreement. Any such notice shall be delivered not less than two hundred and seventy (270) days prior to the end of the Town fiscal year (June 30) at the end of the then-current term in which such Party wishes to terminate the Agreement. Upon delivery of such notice, this Agreement shall terminate at midnight on June 30th of the fiscal year in which the notice is delivered (for example, if notice is given February 1, 2020, the Agreement would terminate on June 30, 2021). The parties shall thereafter execute and deliver such documents as may be necessary to cancel the Access, Drainage and Maintenance Easement delivered pursuant to this Agreement.

(a) **Superceding Legislation:** In the event that the South Carolina General Assembly enacts legislation prohibiting the ability of local governments to impose and collect Storm Water Service Fees then.

14. **Representation and Warranties of the Association:**

The Association represents and warrants:

- a. That any and all necessary approvals and/or resolutions have been obtained, that it has the full authority to execute, deliver and perform this Agreement and to execute and deliver the Access, Drainage and

Maintenance Easement to be delivered pursuant to this Agreement, and that the individual(s) executing such documents have full power and authority to bind the Association to the same.

- b. That it is not now a party to any litigation affecting the property burdened by the easements herein which could impair the obligations of the Association under this Agreement or the Access, Drainage and Maintenance Easement, and the Association knows of no litigation or threatened litigation affecting their ability to grant said easements.
- c. That as to any pipes or other portions of the Drainage System as shown on Exhibit "A" hereto which are located in whole or in part on private residential lots, the Association has full authority under the Covenants to convey or assign to the Town the rights contemplated in this Agreement and the Access, Drainage and Maintenance Easement Agreement.

15. **Town Representation and Warranties:**

The Town represents and warrants to the Association:

- a. As is shown by the Resolution of the TOWN that is attached hereto as Exhibit "D", the Town represents that it has the power and authority to enter into this Agreement and complete its obligations hereunder; and,
- b. That it is not now a party to any litigation which could impair the obligations of the Town under this Agreement, and the Town knows

of no litigation or threatened litigation affecting its ability to perform hereunder.

16. **Taxes:** The Association shall ensure payment, prior to delinquency, all taxes on Association properties within the Development burdened by the easements granted under this Agreement.
17. **Default:** The Town and the Association agree that in the event of a default or breach of any provision or term of this Agreement, the non-defaulting party or parties shall give written notice to the defaulting party or parties of the default or breach. In the event that the defaulting party or parties fail to cure the default or breach within thirty (30) days of the date of the written notice specifying the default or breach, unless a non-monetary default or breach cannot reasonably be cured within said thirty (30) day time period, then said period shall be reasonably extended, up to one hundred and twenty (120) days, then the non-defaulting party or parties shall be entitled to pursue any remedy at law or in equity against the defaulting party or parties, including but not limited to an action for damages, injunction or specific performance of this Agreement.
18. **Attorney's Fees:** If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default or misrepresentation in connection with any of the provisions or terms of this Agreement, the prevailing party or parties shall be entitled to seek recovery of its or their reasonable attorney's fees and any costs incurred as a result of any such action or proceeding, whether incurred before the commencement of suit or after

the commencement of suit, and including appellate proceedings, in addition to any other relief to which the prevailing party or parties is or are entitled.

19. **General Provisions:**

- a. *Binding Effect:* This Agreement shall inure to the benefit of and be binding upon the Association and the Town, and their respective successors and assigns.
- b. *Amendment, Changes and Modifications:* Except as is otherwise provided herein, this Agreement may not be modified, amended, changed or altered without the written consent of the TOWN and the Association.
- c. *Severability:* In the event that any term or provision of this Agreement shall be held to be invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other term or provision hereof.
- d. *Execution in Counterparts:* This Agreement may be simultaneously executed in several counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument.
- e. *Applicable Law:* This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.
- f. *Captions:* The captions or headings used herein are for convenience only and in no way define, limit, expand or describe the scope or intent of any term or provision of this Agreement.

- g. *Plural/Singular*: Where appropriate, the use of the singular herein shall be deemed to include the plural, and the use of the plural herein shall be deemed to include the use of the singular.
- h. *No Third Party Beneficiaries*: The Town and the Association affirmatively represent that this Agreement is made solely for the benefit of the Parties hereto and their respective successors and assigns and not for the benefit of any third party who is not a signature party hereto. It is the express intent of the Town and the Association that no other party shall have any enforceable rights hereunder, or any right to the enforcement hereof, or to any claim for damages as a result of any alleged breach hereof.
- i. *Notices*: All notices, applications, requests, certificates or other communications required hereunder shall be sufficiently given and shall be deemed given on the date when such is delivered in person, or deposited in the United States Mail, by regular first class mail, postage prepaid, at the following addresses, or at such other address as may be designated, in writing, by the Parties:

To the Town: The Town of Hilton Head Island, SC
 Attn: Stephen G. Riley, Town Manager
 One Town Center Court
 Hilton Head Island, SC 29928

To the Association: **[insert association name here]**
 Attn: **[insert association POC here]**
 [insert association address here]
 Hilton Head Island, SC 29928

- j. *No Waiver*: No failure of any Party hereto to exercise any power or right given to such Party hereunder, or to insist on strict compliance by any other Party of its obligations hereunder, and no custom or practice of the Parties at variance with the terms and provisions hereof shall constitute a waiver of any Party's right to thereafter demand strict compliance with the terms of this Agreement.
- k. *Further Assurances and Corrective Documents*: The TOWN and the Association agree to do, execute, acknowledge, deliver or cause to be done all such further acts as may be reasonably determined to be necessary to carry out this Agreement and give effect to the terms and provisions hereof. The Town and the Association agree that each shall, upon request, execute and deliver such other or further or corrective documents as may be reasonably determined to be necessary to carry out this Agreement and each of the terms and provisions hereof.

In Witness Whereof, The Town of Hilton Head Island, South Carolina; and **[insert association name here]**, by and through their duly authorized officers, have executed and delivered this Agreement as of this ____ day of _____, 2020.

SIGNATURES BEGIN ON NEXT PAGE

WITNESSES:

[insert association name here]

By: _____

Its: _____

Attest: _____

Its: _____

THE TOWN OF HILTON HEAD ISLAND,
SOUTH CAROLINA

By: _____

John McCann, Mayor

Attest: _____

Stephen G. Riley, Manager

List of Exhibits

- Exhibit A Map depicting the limits of the Access, Drainage and Maintenance Easement areas and Drainage Systems covered by this Agreement
- Exhibit B Map depicting the Development covered by this Agreement
- Exhibit C Access, Drainage and Maintenance Easement Agreement
- Exhibit D Town Resolution authorizing this Agreement

EXHIBIT B
2020 Update to the Standard Drainage Agreement
Summary of Significant Revisions

1. Definition: Drainage System

Reference Location: Section 1 / Item e (Page 3)		REVISION
Explanation: Expanded definition of " <u>does include</u> " components, and Added more specific language identifying " <u>shall not include</u> " components to improve clarity including each of the following for purposes of this Agreement:		
<ul style="list-style-type: none"> • Driveway pipes are excluded unless they are a component of a larger, connected drainage system • Estuaries, marshes, tidal banks and beaches are excluded • Underdrains are excluded (ground water is not stormwater) 		
New Language: The existing system of lagoons, ditches, canals, pipes, culverts, catch basins, drains, manholes, junction boxes, weirs, valves, gates, pumps, structures, related equipment and related infrastructure, in the Development lying within the Easement Areas shown on the map attached hereto as Exhibit "A," which facilitates the collection, storage and conveyance of storm and surface water runoff for public benefit through, within, and from the Development. For purposes of this Agreement, the Drainage System shall not include any bridges, docks, retaining walls, road or pathway asphalt, road or building gutters, underdrains, sub-drains, structural bulkheads, beaches, tidal banks, estuaries, or salt marshes, or driveway pipes, unless the Town, in its sole discretion deems any particular driveway pipe as critical to the function of the Drainage System.	Old Language: The existing system of ditches, drains, lagoons, pipes, culverts, structures, facilities and any related storm water improvements, lying within the limits of the easement areas as depicted on the map attached hereto as Exhibit "A" which facilitate the collection, storage and conveyance of storm and surface water runoff through and from within <i>the Development</i> . For purposes of this Agreement, the Drainage System shall not include any bridges, docks, retaining walls, road or pathway asphalt, or structural bulkheads.	

2. Definition: Permanent Structures

Reference Location: Section 1 / Item g (Page 4)		ADDITION
Explanation: Added to support stipulations for certain non-qualifying deficiencies		
New Language: Any immovable structure, including, but not limited to, buildings, sheds, pavilions, walls, masonry structures, tennis courts, and swimming pools, including swimming pool decks.	Old Language: n/a	

3. Post-construction Structural Best Management Practice Facility

Reference Location: Section 1 / Item h (Page 4)		ADDITION
Explanation: Added to support stipulations for certain non-qualifying deficiencies		
New Language: A Post-construction Structural Best Management Practice Facility (BMPF) is a facility designed and built to provide treatment of storm water either through storage, filtration or infiltration (i.e. detention basins, retention basins, rain gardens, bioretention cells, sand filters, vegetated filter strips, water quality swales and infiltration trenches).	Old Language: n/a	

4. Qualifying Drainage System Deficiency

Reference Location: Section 1 / Item j (Page 4)		REVISION
Explanation: Added "Qualifying" designation to more succinctly identify deficiencies that can be addressed and corrected by the Town under this Agreement. Significant expansion of this definition now includes a list of examples of deficiencies that would typically qualify for service and an extensive, specific and more comprehensive list of non-qualifying deficiencies. The intent is to provide clear and concise language defining deficiencies that will qualify for Town service under this agreement.		
New Language: Anything that, in the determination of the Town, prevents, impairs or impedes the adequate conveyance or drainage of storm water runoff through the Drainage System or the structural failure of a Drainage System component. Qualifying Drainage System Deficiencies include , but are not limited to, the following: i. Lagoon bank erosion that has an appreciable adverse impact on conveyance of storm water runoff through the Drainage System or threatens the integrity of adjacent Drainage System infrastructure or Permanent Structures; ii. Presence of sediment and debris located in ditches, pipes, inlets, manholes, junction boxes and control structures that has an appreciable	Old Language: A Drainage System Deficiency is anything which prevents, impairs or impedes the adequate flow or drainage of storm and surface water through the Drainage System, areas needing improvements to facilitate the adequate flow of storm and surface water through the Drainage System, soil erosion, or any structural inadequacies.	

<p>adverse impact on conveyance of storm water runoff through the Drainage System or the functioning of the Drainage System;</p> <p>iii. Structural deficiencies associated with pipes and culverts, including, but not limited to, joint failures, deterioration, root intrusion, or collapse that has an appreciable adverse impact on conveyance of storm water runoff through the Drainage System or threatens the integrity of adjacent Drainage System infrastructure or Permanent Structures;</p> <p>iv. Structural deficiencies associated with inlets, manholes, junction boxes, control structures and headwalls including, but not limited to, connection failure, deterioration, mechanical failure, or collapse that has an appreciable adverse impact on conveyance of storm water runoff through the Drainage System, or that threatens the integrity of adjacent infrastructure or Permanent Structures. Examples of typical deficiencies include damaged grates, grout failures at pipe connections, deterioration or failure of flap gates and sluice gates, or failure of structure walls;</p> <p>v. Sinkholes caused by Drainage System pipe or Drainage System structure Deficiencies, but not those caused by the actions of any third party, including utility providers;</p> <p>vi. Drainage System conveyance or performance deficiencies due to inadequate design capacity. Examples of typical conveyance or performance deficiencies include undersized pipes and insufficient weir capacities.</p> <p>Qualifying Drainage System Deficiencies <u>do not include</u> the following:</p> <p>i. The aesthetic appearance or appeal of any part of the Drainage System, including but not limited to lagoons, banks of lagoons, channel banks, landscaping, drains, catch basins, canals, structures, bridges, bulkheads, pipes, culverts, valves gates, debris that does have an appreciable adverse impact on the conveyance of storm and surface water through the Drainage System, or other visible components of the Drainage System;</p>	<p>Drainage System Deficiencies <u>do not include</u> the appearance or appeal of the lagoons, banks of lagoons, landscaping, drains, canals, or other visible components of the Drainage System, including, but not limited to, structures, bridges, bulkheads, pipes, culverts, valves and gates. Drainage System Deficiencies do not include the introduction of pollution or pollutants into the Drainage System from any source.</p>
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| <ul style="list-style-type: none"> ii. The introduction of pollution or pollutants into the Drainage System from any source; iii. Lagoon bank erosion that does not have an appreciable adverse impact on conveyance of storm water runoff through the Drainage System or threaten the integrity of adjacent Drainage System infrastructure or Permanent Structures; iv. Tidal erosion or tidal flooding that does not have an appreciable adverse impact on conveyance of storm water runoff through the Drainage System or threaten the integrity of Drainage System infrastructure; v. Establishment of access to the Drainage System by the Association, including, but not limited to, grading, clearing of vegetation, removal of trees, or removal of other obstructions or Permanent Structures in order to provide physical access to the Drainage System; vi. Drainage System damage or deficiencies caused by the actions of others, including utilities and property owners (including, but not limited to, bores or cuts into pipes or structures); vii. Minor or nuisance flooding that does not adversely affect transportation infrastructure, Permanent Structures, hardscape amenities, or conveyance of storm water runoff through the Drainage System, including golf course flooding, isolated lawn and yard ponding, or standing water in roadway shoulders and unimproved lots or land; viii. Drainage System Deficiencies determined by the Town to be caused or exacerbated by intentional acts causing tidal backflow and saltwater intrusion into the Drainage System through failure to operate control structures per the design intent or the failure by the Association to monitor and maintain proper functioning of backflow prevention devices including flaps, gates, sluice gates, check valves, or similar devices; ix. Damage to, or failure of, Drainage System components situated underneath or within five (5) feet of any Permanent Structure that is not a part of the Drainage System, where the Town determines that difficult access and/or liabilities exist, or within the zone of influence for the foundation of a Permanent Structure; | |
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<p>x. The construction of a new drainage system or an addition to an existing Drainage System, or the modification of an existing Drainage System to accommodate drainage requirements for new development within the Development.</p> <p>xi. Drainage System deficiencies determined by the Town to be caused by or originating from unauthorized or non-permitted modifications to the Drainage System by any party other than the Town.</p>	
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5. Maintenance, Inspection and Operation of Drainage System

<p>Reference Location: Section 3 (Page 10) REVISION</p>	
<p>Explanation: Adding a specific list of Association responsibilities related to maintenance, operations, inspection, monitoring and providing access to drainage system infrastructure, including:</p> <ul style="list-style-type: none"> • Normal operation of gates, weirs and pumps • Maintenance of weir boards, and accessways (including decking and railings) • Maintaining access to control structures and ditches (keeping workshelves clear and free from obstructions) • Monitoring the condition of drainage system control devices including weir gates, sluice gates, check valves, and flapgates • Making repairs to pavement and other improvements on the ground if a pipe is replaced via trenchless technology (i.e. pipe lining) • Performing annual inspection of post-construction structural BMPs 	
<p>New Language:</p> <p>Maintenance, Inspection and Operation of Drainage System: Upon the execution and delivery of this Agreement and the Access, Drainage and Maintenance Easement Agreement:</p> <p>(a) The Town shall be responsible for the maintenance, repairs and improvements necessary to correct any Qualifying Drainage System Deficiency under the terms and conditions of this Agreement. This Agreement does not preclude the Association from repairing, maintaining, or improving any component of its Drainage System at its expense.</p> <p>(b) The Association shall be responsible for the following within the Development:</p>	<p>Old Language:</p> <p>Upkeep and Maintenance of Drainage System: Upon the execution and delivery of this Agreement and the Access, Drainage and Maintenance Easement, the Town shall be responsible for any improvement, repair or maintenance necessary to correct any Drainage System Deficiency under the terms and conditions of this Agreement</p>

<ul style="list-style-type: none"> (i) Normal and emergency operation of Drainage System control structures, including gates, weirs and pumps, and for lowering water levels in compliance with pre-storm preparation protocols established by the Town. (ii) Maintenance and replacement of weir boards, maintenance of control structure access ways, decking and railings, and maintaining control structure accessibility for inspection and operation by controlling and/or removing vegetation as necessary. (iii) Performing maintenance of work shelves along ditches and canals to provide reasonable and adequate access for inspection, maintenance and repair. (iv) Monitoring the condition of flap gates, sluice gates, check valves, and similar devices intended to prevent the intrusion of tidal backflow and brackish water into the Drainage System to ensure that they are in proper working order and functioning as intended. (v) Making repairs to roadway pavement, pathway pavement, curb and gutter and related ancillary infrastructure or property damage attributed to a past or existing Qualifying Drainage System Deficiency if the deficiency has been corrected by the Town via trenchless technology methods (i.e. pipe lining). This does not obligate the Association to repair or replace such infrastructure if the repair is made using open cut excavations where removal of surface infrastructure is necessary to complete the repair, in which case, the repair of the ancillary infrastructure shall be considered to be a part of the Town's work to correct the deficiency. (vi) Performing annual inspections of Post-construction Structural Best Management Practice Facilities in order to comply with Stormwater Management Plan obligations, including submittal of inspection documentation 	
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<p>to the Town in accordance with § 16-5-109 (H)(2), Municipal Code to the Town of Hilton Head Island (1983).</p> <p>(vii) Regulating the actions of utility providers and property owners, or their assigns, to prevent and mitigate any damage they may cause to the Drainage System.</p>	
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6. Legal Access to Private Property

<p>Reference Location: Section 4 / Item f (Page 14) ADDITION</p>	
<p>Explanation: Private property ROE to be obtained by the Association on behalf of the Town and its contractors</p>	
<p>New Language: The Association shall be responsible for obtaining all access rights, including access rights over and across property in the Development that is not owned by the Association, as may be deemed necessary by the Town to complete any Project.</p>	<p>Old Language: n/a</p>

7. Access Needed to Complete Project

<p>Reference Location: Section 4 / Item g (Page 15) ADDITION</p>	
<p>Explanation:</p> <ul style="list-style-type: none"> • The Association is responsible for providing and/or creating adequate and reasonable access and for repairing unavoidable damage to adjacent amenities if said damage is determined to be unavoidable, including making repairs to cart paths, replacing sod, restoring shrubbery, etc. • The Association has the right to withdraw a service request if the magnitude of potential damage is unacceptable to the Association. 	
<p>New Language: The Association shall be responsible for providing clear and adequate physical access to each Project site at no cost to the Town. If clear, adequate physical access to the Project site cannot be provided sufficient to complete the Project without the likelihood of damage to property, assets and amenities by contractors and equipment, the repair and replacement of any property, assets and amenities damaged as a result of the Project shall be the responsibility of the Association, at no</p>	<p>Old Language: n/a</p>

<p>additional cost to the Town. Such property, assets and amenities shall include, but are not limited to, landscaping, flowerbeds, ornamental shrubs and trees, lawns, irrigation systems, boardwalks, cart paths, driveways, and sidewalks.</p> <p>The determination of whether the access is clear and adequate, and whether there is a likelihood of damage shall be made in the sole discretion of the Town, prior to the commencement of the Project.</p> <p>The Association has the right to withdraw the service request if the magnitude of potential damage is not acceptable to the Association. If the service request is withdrawn, completing the Project shall be the responsibility of the Association.</p>	
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8. Emergency - Responsibilities of the Town

<p>Reference Location: Section 7 / Item c (Page 17) REVISION</p>	
<p>Explanation: Added clause related to negligence of third parties</p>	
<p>New Language:</p> <p>Upon receipt of notification of an Emergency from the Association, the Town shall determine the scope and extent of the work that is necessary to repair or correct the damage caused by the Emergency, and the means, methods and materials needed to accomplish the same. The Town shall correct or repair the damage caused by the Emergency as soon as practical, taking into account the threat presented by the Emergency, the existence of any other Emergency or Casualty, the cause of the Emergency and/or the existence of any general emergency affecting the Town and availability of funding. The Town may seek reimbursement <u>from third parties</u> for any costs incurred by the Town as a result of any Emergency <u>found to have been caused by the negligence of said third parties.</u></p>	<p>Old Language:</p> <p>Upon receipt of such notification from the Association, the Town shall determine the scope and extent of the work that is necessary to repair or correct the damage caused by the Emergency, and the means, methods and materials needed to accomplish the same. The Town shall correct or repair the damage caused by the Emergency as soon as is practical, taking into account the threat presented by the Emergency, the cause of the Emergency or the existence of any general emergency affecting the Town and availability of funding. The Town may seek reimbursement for any costs incurred by the Town as a result of any Emergency from Storm Water Service Fees.</p>

9. Casualty – Approval of Plans / Right of Entry and Access

Reference Location: Section 8/ Items c & d (Page 18)		REVISION (SPLIT)
Explanation: Split item c in old agreement language into two items		
<ul style="list-style-type: none"> • Approval of plans now includes language stipulating that the Association is responsible for addressing deficiencies at its own expense if the Association does not approve engineering plans prepared by the Town • Obtaining Right-of Entry and providing temporary easements for access to construct a project is the responsibility of the Association If access required to construct per the approved plans requires access outside the limits of the current Easement agreement. 		
New Language: c. <i>Approval of Plans:</i> The engineering and design plans must be approved by the Association prior to any reconstruction of the Drainage System. <u>If the Association does not approve the engineering and design plans prepared by the Town, the Association may reconstruct the Drainage System at its own expense and shall not seek reimbursement for the cost thereof from the Town.</u> d. <i>Right of Entry and Access:</i> If the engineering and design plans approved by the Association require work outside of easement limits described in the Access, Drainage and Maintenance Easement Agreement, the Association shall provide temporary easements for access and construction over any property it owns or controls, and shall deliver a valid temporary construction easement for access and construction from the owners of property that the Association does not own.	Old Language: c. <i>Approval of Plans:</i> The engineering and design plans must be approved by the Association, prior to any reconstruction of the Drainage System. In the event such reconstruction requires work outside of the Easement limits as depicted in Exhibit “A,” the parties agree to modify the Access, Drainage and Maintenance Easement by a written agreement to be recorded in the Office of Register of Deeds for Beaufort County, South Carolina increasing the Easement areas as reasonably necessary to accommodate such reconstruction and the Association agrees to grant any temporary license allowing the Town temporary access to those Common Areas of the Development reasonably necessary to accommodate such reconstruction.	

10. Maintenance of Drainage System by the Association – Town Notification

Reference Location: Section 9/ Item e (Page 21)		REVISION
Explanation: Increased minimum notification time for Town opportunity to inspect work at key junctures from 48 to 72 hours.		
New Language: e. The Association shall notify the Town at least seventy-two (72) hours prior to the commencement of work on the Project and at any key junctures of the work where the Town may need to inspect the work.	Old Language: e. The Association shall notify the Town at least forty-eight (48) hours prior to the commencement of work on the Project and at any key junctures of the work where the Town may need to inspect the work.	

11. Maintenance of Drainage System by the Association – Town Inspection

Reference Location: Section 9/ Item f (Page 21)		ADDITION
Explanation: Added requirement for Town inspection and approval at project completion.		
New Language: Upon completion of the Project, the Town shall inspect the Project and provide the Association written approval or rejection of the Project.	Old Language: n/a	

12. Maintenance of Drainage System by the Association – Reimbursement Documentation

Reference Location: Section 9/ Item g (Page 21)		REVISION
Explanation: Reimbursement documentation requirements now include more specific details.		
New Language: g. If the Project is approved by the Town, the Association shall submit to the Town its request for reimbursement, which shall include full documentation of the bid and procurement of the work to complete the Project, the contract for the work to complete the Project, the construction plans, details and as-built surveys or drawings, measurements, dated inspection reports, photographs of the work in progress, documentation of the payments made by the Association, any required test reports and the Association’s written certification that the Project was completed in accordance with the approved plans and specifications.	Old Language: f. Upon completion of the work as approved by the Town, The Association shall submit its request for payment to the Town, which shall detail the work done and the payments made, and be accompanied by any required test reports, construction data / measurements or as-built surveys, and its written certification that the work was completed in accordance with the approved plans and specifications.	

13. Emergency Work by the Association – Town Inspection

Reference Location: Section 10/ Item a (Page 22)		REVISION
Explanation: Added requirement for Town approval in writing and requirement for Association to comply with Town procurement code if the Association intends to bid the work and request reimbursement.		
New Language: The Association shall consult with the Town to determine a cost-efficient scope and extent of work necessary to repair or correct the damage caused by the Emergency, and the means, methods and materials needed to accomplish the same. The TOWN must approve in writing, the scope and plans for the work and procurement of construction services, prior to the commencement of work. The Association is not required to bid the work but if the Association chooses to bid the work, the Association shall bid the work in accordance with the Town’s Procurement Code, § 11-1-111, <i>Municipal Code of The Town of Hilton Head Island, South Carolina</i> (1983), as the same may be amended from time to time.	Old Language: The Association shall consult with the Town to determine a cost efficient scope and extent of the work that is necessary to repair or correct the damage caused by the Emergency, and the means, methods and materials needed to accomplish the same.	

14. Emergency Work by the Association – Town Notification

Reference Location: Section 10/ Item c (Page 23)		ADDITION
Explanation: Added Town advance notification requirement to allow the Town the opportunity to inspect work at key junctures.		
New Language: The Association shall, whenever possible, notify the Town at least seventy-two (72) hours prior to the commencement of work on the Project and at any key junctures of the work where the Town may need to inspect the work.	Old Language: n/a	

15. Emergency Work by the Association – Reimbursement Documentation

Reference Location: Section 10/ Item d (Page 23) REVISION	
Explanation: Reimbursement documentation requirements now include more specific details.	
New Language: d. Upon completion of the work that has been authorized and approved by the Town, the Association shall submit to the Town a request for reimbursement, which shall include full documentation of the bid and procurement documents for the work, the contract for the work, construction plans, details and as-built surveys or drawings, measurements, dated inspection reports, photographs of the work done and documentation of the payments made, any required test reports and the Association’s written certification that the work was completed in accordance with the approved plans and specifications and state the date the work was completed.	Old Language: c. Upon completion of the work, The Association shall submit its or their request for payment to the Town, which shall detail the work performed and the cost for the same, and be accompanied by any required test reports, construction data / measurements or as-built surveys, with a written certification that the work was necessary to repair or correct the damage caused by an Emergency.

16. Term

Reference Location: Section 13 (Page 24)		REVISION
Explanation: Notification to terminate increased from 120 to 270 days; auto-renewal term increased from 1 year to 2 years.		
New Language: <p>This Agreement shall remain in place for ten years from the date of execution and shall renew automatically for successive two (2) year terms beginning July 1 each year thereafter, unless either Party notifies the other, in writing, of its intention to terminate this Agreement. Any such notice shall be delivered not less than two hundred and seventy (270) days prior to the end of the Town fiscal year (June 30) at the end of the then-current term in which such Party wishes to terminate the Agreement. Upon delivery of such notice, this Agreement shall terminate at midnight on June 30th of the fiscal year in which the notice is delivered (for example, if notice is given February 1, 2020, the Agreement would terminate on June 30, 2021). The parties shall thereafter execute and deliver such documents as may be necessary to cancel the Access, Drainage and Maintenance Easement delivered pursuant to this Agreement.</p>	Old Language: <p>This Agreement shall remain in place for a period of Five (5) year(s), and shall renew automatically for successive one (1) year terms thereafter, unless either Party notifies the other, in writing, of its intention to terminate this Agreement. Any such notice shall be delivered more than one hundred and twenty (120) days prior to the end of the Town fiscal year (June 30) at the end of the then-current term in which such Party wishes to terminate. Upon delivery of such notice, this Agreement shall terminate on July 1 of the calendar year in which the notice is delivered. The parties shall thereafter execute and deliver such documents as may be necessary to cancel the Access, Drainage and Maintenance and Construction Easements delivered pursuant to this Agreement.</p>	

17. Default

Reference Location: Section 17 (Page 27)		REVISION
Explanation: Added clause related to inability to reasonably cure, extending time from 30 to 120 days.		
New Language: The Town and the Association agree that in the event of a default or breach of any provision or term of this Agreement, the non-defaulting party or parties shall give written notice to the defaulting party or parties of the default or breach. In the event that the defaulting party or parties fail to cure the default or breach within thirty (30) days of the date of the written notice specifying the default or breach, <u>unless a non-monetary default or breach cannot reasonably be cured within said thirty (30) day time period, then said period shall be reasonably extended, up to one hundred and twenty (120) days</u> , then the non-defaulting party or parties shall be entitled to pursue any remedy at law or in equity against the defaulting party or parties, including but not limited to an action for damages, injunction or specific performance of this Agreement.	Old Language: The Town and the Association agree that in the event of a default or breach of any provision or term of this Agreement, the non-defaulting party or parties shall give written notice to the defaulting party or parties of the default or breach. In the event that the defaulting party or parties fail to cure the default or breach within thirty (30) days of the date of the written notice specifying the default or breach, then the non-defaulting party or parties shall be entitled to pursue any remedy at law or in equity against the defaulting party or parties, including but not limited to an action for damages, injunction or specific performance of this Agreement.	



TOWN OF HILTON HEAD ISLAND

2021 FINANCE & ADMINISTRATIVE COMMITTEE MEETING DATES

January 5	June 15
January 19	July 20
February 16	August 17
March 2	September 21
March 16	October 5
April 6	October 19
April 20	November 2
May 4	November 16
May 18	December 7
June 1	December 21

Regular meetings of the Finance & Administrative Committee shall be held on the first and third Tuesday of each month beginning at 2:00 p.m., unless changed by a majority vote of the members present at any regular or special meeting.

Approved: _____