



*Beaufort County  
Capital Project Sales Tax  
Commission  
Agenda*

Thursday, May 29, 2014  
12:30 p.m.  
Beaufort Industrial Village  
Building #3

Members:

Mike Covert  
Craig Forrest  
Scott Graber  
Jeffrey Robinowich  
Bill Robinson  
Scott Richardson

1. Call to Order  
Chairman Craig Forrest
2. Pledge of Allegiance
3. Approval of Capital Project Sales Tax Commission minutes  
A. May 19, 2014 meeting ([backup](#))
4. Discussion of presented projects/proposed ballot question  
A. Joshua A. Gruber, County Attorney ([backup](#))
5. Adjournment

## **Capital Project Sales Tax Commission – May 19, 2014 Meeting**

### **Call to Order:**

Chairman Forrest opened the meeting and asked that everyone who will be making a presentation to try to keep the presentation within the 10 minute allotted time. He then asked everyone to stand and say the Pledge of Allegiance.

**Attendance:** Capital Project Sales Tax Commissioners in attendance were Commissioner Covert, Vice-Chairman Richardson, Chairman Forrest, Commissioner Graber and Commissioner Robinson. Commissioner Robinowich was absent.

### **Approval of Meeting Minutes:**

Chairman Forrest asked for a motion to approve the minutes from the May 12, 2014 meeting. A motion was made, a second was given and the Commissioners in attendance approved the minutes unanimously.

### **Public Comment:**

**Chancellor Jane Upshaw from USCB** is called to the podium.

Mrs. Upshaw gives a brief history of the University. She stresses there are many degree programs, a Water Quality lab, Athletics and Hospitality training now at USCB which wouldn't have been possible without the collaboration of several entities in the region. In addition to that, Mrs. Upshaw says there has been 140% growth in enrollment, 650 students living in dorms at the Hilton Head Gateway campus, and graduates who want to stay in Beaufort County. Mrs. Upshaw says all of the projects that USCB is going to present will be community resources and will generate revenue. There are four specific projects presented:

- 1) Convention Civic Center – 94,000 square foot facility with a 4,000 seat arena, 12 conference rooms, offices, and locker rooms for athletic and entertainment events with an additional 750 parking spaces. The benefits of this civic center include: money brought to the local economy from the shows that will perform at the arena and the fact there is no other such arena in all of Beaufort County. The estimated cost is \$35M.
- 2) Recreational Wellness Sports Complex – currently USCB uses facilities in the Town of Hardeeville. This new complex will be for USCB use plus a place to host teams traveling to Beaufort County. The complex will include: 1,000 seat baseball field, 400 seat soccer field, 500 seat softball field, cross country track and walking trail, concession stand, restrooms, coaches offices, lockers, admissions/ticketing booth. The land and parking infrastructure already exists for this project. The estimated cost is \$16M.
- 3) Center for the Arts Theatre/Auditorium Renovation – this building has not been updated in 25 years. The seating, lighting, sound system and stage rigging would be replaced. The finishes and wiring would also be updated. This auditorium is used 250 days out of the year. By updating it, the auditorium becomes a more attractive establishment attracting more organizations to use and rent it. The estimated cost for this project is \$2M.
- 4) Osher Life Long Learning Institute – 12,800 square foot facility that has 2 OLLI classrooms, small demonstration kitchen, offices, multipurpose room and parking spaces. The OLLI program has 1500 participants. It is the only program that provides non-credit curriculum to those 50 years and older. The estimated cost is \$4M.

**Questions to Chancellor Upshaw from the Commission:**

Commissioner Graber has concerns about USCB building their own sports complex and what that would mean for Richard Gray Athletic Complex. Mrs. Upshaw stated the Richard Gray Athletic Complex is not owned by USCB rather by the Town of Hardeeville. The Town lets USCB use it and help pay maintenance costs. Mrs. Upshaw says there are two advantage to having the fields on campus verses 7 miles away: allowing the student body to walk from class to a game and being a host to summer camps. Right now the University has the dorms to host summer baseball/softball/soccer camps, can provide the food services but can't provide buses to take the campers from campus to the Richard Gray Athletic Complex. Commissioner Graber says the Commission will have some hard decisions to make and is happy with the Richard Gray Athletic Complex. The USCB Athletic Director said over the last 8 years in the relationship with Hardeeville, USCB has spent approximately \$300,000 on maintenance of the complex.

**Mayor Billy Keyserling – City of Beaufort** is called to the podium.

Mayor Keyserling said the City of Beaufort adopted the vision of Beaufort in 2009. The projects he is presenting go along with that vision of redevelopment and revitalization. Mayor Keyserling gives some background on the City in regard to population decline since 2001, per capita income decline since 2001 and unemployment has gone up 4%. These numbers come after a block by block analysis of the City was completed. He says from these numbers, Beaufort is a city that must look at redevelopment and revitalization in aggressive manner. The 3 projects Keyserling discusses are:

1) Expansion of Waterfront Park - The project is conceptually based on the Sasaki Master Plan Phases II and III and replaces the Marina parking lot with green-scape, replaces the marina store and restroom with a harbormaster building, and opens up opportunities for non motorized watercraft storage and use. Mayor Keyserling says this park will generate more revenue by attracting more people to the downtown area. As more people come, he believes more people will spend money in local restaurants and local stores. He also hopes that with this Park attracting more families to the downtown area, more of those families will want to move back into the residential areas of downtown. The estimated cost is \$3.5M.

2) Parking Garage – 450 car garage designed as part of the City's Master Plan adopted in February of 2014. Mayor Keyserling says while some residents were against this at first, are now supporting it if it follows certain criteria. The Mayor said parking was removed from the general fund. He says every penny that doesn't pay for the overhead of parking, goes back into downtown through marketing and maintenance. The estimated cost is \$16M

3) Southside Park – This is a community park in which the city has started an arboretum that will help put spent money back into the community. This park will have 1.5 miles of trails, multi-use green that can be divided into multiple playing fields, tennis courts, basketball courts, playgrounds and dog park. Mayor Keyserling says with the Spanish Moss trail only being a ½ block away from this park, that will be a big benefit to the park. He believes this community park will help rejuvenate the Mossy Oaks area. The estimated cost is \$2M. Mayor Keyserling finished by saying all of these projects will help in renewing the downtown economic vitality.

**Questions for Mayor Keyserling from the Commission:**

Commissioner Robinson asks if the \$16M cost of the parking garage includes the land. Mayor Keyserling says yes and the firewall that needs to go around the garage. Vice-Chairman Richardson asks exactly where this garage would go. The Mayor says it is where Port Republic

Square is and the old Piggly Wiggly was by Emily's. Commissioner Graber asks if he understands correctly that if this garage and park are linked because if the Marina parking lot was changed into a park, the city will lose 95 parking spaces. The Mayor said at least 95 spaces. Commissioner Graber said he went over to the Trask/Piggly Wiggly parking lot today and counted 29 cars but there were 125 spaces leaving 94 empty spaces. Commissioner Graber says he assumes the city has studies that show parking is a problem and would like to see the studies showing the problem. The Mayor says there are 2 versions of a study. Commissioner Covert says he assumes if the parking garage is built there will be a net gain of parking spots for the City. The Mayor says he sees using the garage as a tool to building the City back like providing churches free parking on Sundays and Wednesday evenings if those churches redevelop their surface lots. Commissioner Covert asks how high the garage would go. Mayor Keyserling says there are two versions: 2 stories and 4 stories.

**Bridges Preparatory Charter School – Charlie Calvert, Vice-Chairman** is called to the podium.

Mr. Calvert explains that Bridges Prep is currently in the old Boys and Girls Building on Boundary Street. The school also leases the Charles Lind Brown Recreation Center for K and 1<sup>st</sup> grade classes. Mr. Calvert says there is currently 358 students and 142 on the waiting list. Bridges Prep is funded through the state verses through the Beaufort County School District. That gives Bridge Prep \$5300 per child with a budget of \$2.7M. By 2018 Bridges is expected to have 780 students therefore needing to expand. Mr. Calvert says Bridges Prep uses a STEM-infused curriculum and a Paideia instructional method. He then says under state law, Charter schools do not receive any capital improvement funds, therefore leaving these funds to private donations. Mr. Calvert says it typically takes a Charter school for 3-5 years before being able to receive a loan. He says projections show \$40M in revenue over the lift of Bridges 10 year charter. Mr. Calvert also says by expanding Bridges, more teachers will be needed, creating more jobs. Mr. Calvert says this will help Beaufort County as a whole because their charter is through the state which means their attendance zones are statewide bringing the opportunity for more families to move to Beaufort. It will also allow children who live near the school to walk to school giving low to moderate income children the chance to attend a Charter School. Mr. Calvert says Bridges Prep is asking for \$6.8 from the Commission to build a K-8 facility around the current building the school is using. The school is putting up \$1.4M to buy the current building the school is using. Mr. Calvert says the benefits of building this new school is redevelopment of a blighted area, increasing property values, reduces pressure on Bluffton schools and opens attendance zones allowing residents more choice on where to live and home invest. Mr. Calvert says the school already uses underutilized facilities being paid for by the tax payers like the Beaufort Library, Charles Lind Brown Recreation Center, Washington Park. Mr. Calvert wants Bridges Prep to be a walk-able school in downtown Beaufort that can use underutilized facilities already in the community.

**Questions to Mr. Calvert from the Commission:**

Vice-Chairman Richardson asks to have Mr. Calvert clarify how much money the school is asking for. Mr. Calvert says \$6.8M. Commissioner Graber asks for a better breakdown of the \$6.8M. He says he will email that but that the \$6M will cover building 37,000 square feet of classrooms, \$400,000 for technology and \$400,000 for infrastructure. Commissioner Covert asks for clarification if the \$6.8M is to purchase the old Boys & Girls Club building and to build a

new facility. Mr. Calvert said no. The school is already buying the old building. The \$6.8M will just be for the new facility.

**Scott Liggett – Town of Hilton Head** is called to the podium

Mr. Liggett explains he came back this week to answer some questions the Commission had last week in regard to the projects he presented. Mr. Liggett tells the Commission he has a representative from the Hilton Head PSD to answer questions about the Ward 1 Sewer Project and Deputy Chief Brad Tadluck in regard to the Station Fire 2 replacement. Mr. Liggett says in respect to time there are not any representatives from the Island Rec Center to discuss those projects or the Arts Center but the packets given to the Commission do provide more information on both projects. **PSD representative is called to the podium.** He explains that Hilton Head PSD is one of three public water, wastewater and recycling utilities on the island. Ward 1 Sewer Projects is something PSD and the Town have been working to improve since 2004. The progress made in this project is the 93% of PSD customers are now hooked up to the sewer system. The Town has helped with funding with more than \$3M going towards installing sewer. All of the areas needing sewer connection are low to moderate income areas where the burden will be put on the customer if sewer connection was made. There is “Project SAFE (Sewer Access for Everyone)” where more than \$350,000 has been donated from PSD customers since 2001. This has helped more than 150 families go from septic to sewer. The Town has also helped donating to the program. PSD requests \$3.4M which will provide sewer installation to Marshland Road, Dillon Road, Spanish Wells Road, and Gumtree Road. This is a public health issue for all of Hilton Head Island. Trying to get rid of as many failing septic tanks as possible and convert the public over to sewer connection.

**Questions to the PSD from the Commission:**

Vice-Chairman Richardson asks how many customers does the PSD serve? The answer, about 18,000 customers. Vice-Chairman Richardson then asked, why wouldn't the customers be expected to pay for this themselves. The PSD has two sources of funding – user rates and property taxes. Sewer is always paid by the customer receiving it so in the low to moderate income areas, they can't afford to pay for it. Vice-Chairman Richardson says he understand but says there are 18,000 customers that could be billed for this installation. The Vice-Chairman is told there is a PSD cost of service rate structure so the utility rates are based on this. The Vice-Chairman asks if the PSD Commission came together and said they will pay for this, can they do that. The answer is yes, but only by raising utility rates to current customers and while there are 18,000 customers the PSD has about 12,000 payable accounts. Vice-Chairman Richardson says this is an option the Commission needs to look at that there is another way to fund this project. Commissioner Graber says he agrees with Vice-Chairman Richardson and says the reason the Commission asks every applicant for a cost analysis is so the Commission can do the math and see how many people are going to be impacted by a project so the Commission can make meaningful comparisons. Commissioner Graber asks for any soil studies that have been done in the areas suggested in the project. Commissioner Graber also asked for a list of areas on the Island that do have failing septic tanks.

**Fire Chief Deputy Brad Tadluck** comes to the podium to address the re-building of Fire Station #2. Chief Deputy Tadluck says there was a question about Fire Station #2 being inside

Sea Pines. He says this area has no backup because it is in the tip of the Island and moving the station would cause slower response times to areas within Sea Pines and it would cause ISO problems. Fire Station #2 ran 35% of its calls outside the gates of Sea Pines and can backup anywhere on the Island if necessary. Chief Deputy Tadluck says this building is 40 years and has undergone 2 renovations. He says this is a critical building that needs to be rebuilt due to cracks in the foundation, sewer issues and it's not built to any hurricane standard.

#### **Questions to the Chief Deputy from the Commission:**

Chairman Forrest says his questions of how many calls occur outside the gates and if there is anywhere else to put the station were answered. Vice-Chairman Richardson asks if Fire and Rescue Funding usually comes from the Town. Chief Deputy Tadluck says yes. Vice-Chairman Richardson asks why this project isn't being funded by the Town. Chief Deputy Tadluck says this building is in the Town's CIP plan but the money has not been allocated yet. Vice-Chairman Richardson asks where the new Fire Station falls on the list of Town CIP's. Mr. Liggett comes to the podium and says it is #1 for its Safety category. Commissioner Graber said he had asked in the Commission's prior meeting for ratings of the roads that need to be repaved. Mr. Liggett said he has requested those ratings from the SCDOT but have not received the list from the SCDOT yet but when he does, he will forward to the Commission.

#### **Chris Campbell – Sheldon Township**

Downtown area of Sheldon – build a park near the Railroad tracks. Mr. Campbell says building this park would make the Downtown area more appealing and it would be good for the community. He is asking for \$15,000. The Park would be built by volunteers and says, other than private donations, there is no other source of funding.

#### **Colin Kinton – Beaufort County** is called to the podium:

Mr. Kinton says he spoke to the Commission a few weeks ago and is now back to discuss some sidewalk projects that Councilman Gerald Dawson would like to see completed in the Northern part of Beaufort County in the Lobeco & Sheldon areas:

- 1) 2 miles of pathway and safe route to school for Whale Branch Elem school and Whale Branch Middle school. The sidewalk would go along Stuart Point Road between Trask Parkway and Delaney Circle
- 2) 1 mile of sidewalk would be constructed along Bruce K Smalls Road between Big Road and Campbell Road. This would connect already existing sidewalk in the area.
- 3) 1.5 miles of sidewalk would be built along Paige Point Road between Trask Parkway and Frasier Landing Road.
- 4) 1.4 miles of sidewalk would be built along Big Estate Road between Charleston Highway and Big Estate Circle
- 5) Approximately 0.65 miles of sidewalk will be built along Charleston Highway between Jacob White Road and Jenkins Road. This will extend pathway along Charleston Highway that stops at Jacob White Road.

#### **Questions to Mr. Kinton from the Commission:**

Chairman Forrest asked if these projects were consistent with what Mr. Williams from Sheldon asked at the last meeting. Mr. Kinton responded yes. Chairman Forrest asks that he remembers Mr. Williams also asking about some resurfacing projects and if Mr. Kinton had any information

on those projects yet. Mr. Kinton said he didn't know about those. Chairman Forrest tells Mr. Kinton it would be very helpful that when the Commission goes into deliberations they will know where a sidewalk is being proposed to be built, if the estimated cost includes the right of way cost. He says he has an issue with Communities asking for sidewalks, the County paying for them and then having to buy the right of way from a resident. Chairman Forrest says if a community wants a sidewalk, they should go talk to the right of way owner and ask them to give up the right of way to help their neighbors. Mr. Kinton says he will get the information to the Commission. Vice-Chairman Richardson says he believes these are pretty low impact roads. Mr. Kinton says with the exception of Charleston Highway (US 17) that is correct. He says these are low volume rural roadways. Vice-Chairman Richardson asks who owns these roads. Mr. Kinton says the SCDOT. Vice-Chairman Richardson asks if they qualify for the Rural Roads fund which is a fund that all Counties have access to. Chairman Forrest interjects and says there are no more enhancement funds for sidewalks from the SCDOT. Vice-Chairman Richardson tells Mr. Kinton if Beaufort County has decided not to pay for these roads, why should the Commission. Mr. Kinton says sidewalks are a life wellness safety issue for pedestrians. Vice-Chairman Richardson asks again why can't the County pay for this? Mr. Kinton says the County can if taxes are raised. Commissioner Graber would like to see a breakdown of the estimated costs for each sidewalk. He says this is a part of Beaufort County that doesn't have a lot of people and these projects would cost a lot of money. He would like to know how many people will benefit from the sidewalk projects. Mr. Kinton said he could provide a number of how many people live within a certain distance of the sidewalks. Gary Kubic, Beaufort County Administrator, took to the podium and said these sidewalk projects are to benefit the local schools. Mr. Kubic says the state penalizes school districts if the district has to bus a child due to lack of pathways for the child to have an alternate route to and from school whether it be on foot or by bike. Commissioner Graber said he was delighted to see the pathway project that would connect Whale Branch Elem school and the pathway project by Coosa Elem on Lady's Island but Commissioner Graber says he also sees pathway projects on the list that do not link communities with schools. Mr. Kubic says the County is trying to show the complexity and need of everyone throughout Beaufort County. Mr. Kubic says if the Commission does want to agree to some projects but not all, to please take a look at the pathways near the schools first. Commissioner Robinson says his concern is building these pathways and then not having any one ever use them. He said if you are to drive down US 17 in Gardens Corner where there are pathways you never see anyone on them. Commissioner Covert asked with the projects the County has submitted, is there a difference between pathway and sidewalk. Mr. Kinton said they are the same thing.

#### **Mr. Foster and Ms. Thomas – Riverview Charter School**

Ms. Thomas said she came back tonight to clarify some questions the Commission had about Riverview Charter not being able to have funds to build their own facility. She explains that Riverview Charter is educating 2.5% of the students in Beaufort County on 1.5% of the money. She says that because of the State Funding Formula for Charter schools the state will give Riverview Charter school \$4.7M next year out of the Beaufort County School District's \$335M budget. Ms. Thomas says there is that disconnect that makes it very hard for Charter schools to have any money for capital needs. Ms. Thomas shows a piece of paper the School District has been using to explain their budget to the public. She explains Charter schools do get some money from the first 3 lines but Charter schools don't get any money from the lines below that including the \$102M given to the District for facility needs.

**Questions to Ms. Thomas from the Commissioner:**

Commissioner Covert asks why is it that Riverview Charter and Bridges Prep are given different amounts for each pupil. Ms. Thomas explains that the money allocated for each pupil depends on if a Charter school is sponsored by the local school district or by the state charter district.

Commissioner Graber says while he thinks Riverview Charter is doing a superb job, he has concerns if the Commission were to give money to Riverview Charter, the Commission will be setting a second line of taxation for education. Ms. Thomas says she is scared if that second line isn't opened. She points out that 38 schools in SC were given Federal perfect report cards and one quarter of those schools were Charter schools. It shows Charter schools are doing something positive in the state but the legislature still hasn't done anything to help with the funding of these schools. She would like SC to do what other states like Colorado, Idaho and Georgia have done which is set up referendums to fund Charter schools.

**Donald Graham – Alljoy Road Pathway Project** is called to the podium:

Mr. Graham says he is a resident in the Alljoy area of Bluffton. He is talking to the Commission as a concerned citizen. He said Alljoy Road was originally constructed to have a sidewalk/bike path. Due to budget constraints of the Road's improvements, the bike path was eliminated. Mr. Graham says the road is heavily traveled by vehicles, runners and bikers all using the same roadway. He says there has been one pedestrian fatality on the roadway as well as injuries. In 2012, Mr. Graham says there are 2700 trips along Alljoy. He says by building a 1.6 mile bike path, it will keep the citizens living in the area safer. He believes that if this project is not completed than there will be more accidents. Mr. Graham says there have been several studies done nationally that show bike paths improve the wellness of life and helps with the rise of obesity. Also studies have shown when bike paths are built near neighborhoods the value of those homes go up which means the tax base goes up as well. The estimated cost of this project is \$183,000. Chairman Forrest asks if this bike path is part of the County's pathway plan. Mr. Graham says no it isn't. Vice-Chairman Richardson asks where he got the estimated cost from. He said he got the numbers from Ward-Edwards civil engineering firm. Vice-Chairman said he wasn't sure if this number was too low because in comparison to the County's estimates for sidewalks it was much lower. He says maybe Mr. Graham should introduce Ward-Edwards to the County. Commissioner Covert comments the right of way is already taken care of. Mr. Graham says yes, it will be very easy for this pathway to be put in.

**Van Willis – Town of Port Royal** is called to the podium:

He explains he came back tonight to explain some more about his projects presented last week. He said he had discussions with the County Administrator and County Attorney about the County buying the port and maintains ownership. Mr. Willis said the County is not interested in this option. Another option would be the Port Royal takes on the ownership of the Port which Mr. Willis doesn't want to do so the best option would be to put together a Redevelopment Authority that would handle the transaction. The second question is how would the proceeds from the Port be handled – any proceeds would have to be re-invested into the Port. The Town is asking if the property is purchased, Phase 1 TIF projects and the spine road be funded.

**Questions to Mr. Willis from the Commission:**

Vice-Chairman Richardson asks if the Port is bought, why should the spine road be constructed to hand over to several developers who come in and by the parcels. Mr. Willis says he disagrees



with the Vice-Chairman. Commissioner Graber says what appeals to him about this project is the public access to a lot of waterfront. He says if the Commission recommends money for this project, how do they know the waterfront will stay part of Port Royal and not be sold off like other parcels of the property planned to be sold off. Mr. Willis says the Ports Authority has already promised to deed the waterfront area to the Town, regardless of the sale and keeping the waterfront was also part of the Town's Redevelopment Plan written in 2004.

**Mayor Lisa Sulka of Bluffton –**

Mayor Sulka wanted to thank the Commission for taking time out of their busy schedules and lives to be part of the Commission. She says she hopes the public that has watched the meetings understands a little bit better of what this County needs to improve the County as a whole.

**Josh Gruber, County Attorney** makes some brief comments to the Commission. He says all of the Commission members should have received in their email a sample ordinance from the 2004 Capital Project Sales Tax Commission. Commissioner Covert asks if it was a general ordinance brought into the County and then specifics written in when necessary. Mr. Gruber says yes, many parts of it are general wording. He said what this Commission will want to focus on is the list of projects, how many years the referendum will last – 2,4,6 or 8 and whether or not the bonding can take place to pay for the projects. Commissioner Covert asks, since the wording was used back in 2004, would the County feel comfortable with very similar wording this time. Josh says yes, many of the same wording could be used for this ordinance. Chairman Forrest said the main part of the ordinance is already done, the commission just has to plug in the specifics. Vice-Chairman asks about conditional language. Mr. Gruber says when the Commission is going through the process he will definitely flag any concern about language. Mr. Gruber recommends to the Commission when compiling the list of projects that if they know they will have \$200M, make a list of \$250M projects so if some projects receive funding from another source or can no longer be done, there is always a project that money will fall down to.

The Chairman then asks the Commission members to start working on their priority list and if any of the Commission members have their own project they want added to the list to go ahead and add it. He then adjourns the meeting.



## COUNTY COUNCIL OF BEAUFORT COUNTY

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Agnes Garvin  
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P.O. Drawer 1228  
Beaufort, SC 29901-1228

August 12, 2004

HAND DELIVERED

RE: Capitol Project Sales Tax

Dear Agnes:

Enclosed please find a certified copy of the Beaufort County One Percent Sales and Use Tax Ordinance No. 2004/24 for your records.

Should you have any questions or comments please do not hesitate to contact me.

With kindest regards,

Stacy D. Bradshaw

/sdb

enc.: as stated

cc: Gary Kubic w/o enclosure  
County Council members w/o enclosure  
Capitol Project Sales Tax Commission Members w/o enclosure

2004 AUG 12 PM 3:05

TO IMPOSE A ONE PERCENT SALES AND USE TAX, SUBJECT TO A REFERENDUM, WITHIN BEAUFORT COUNTY, PURSUANT TO THE *CAPITAL PROJECT SALES TAX ACT*, S.C. CODE ANN. 4-10-300, *ET SEQ.*; TO DEFINE THE SPECIFIC PURPOSES AND DESIGNATE THE PROJECTS FOR WHICH THE PROCEEDS OF SUCH TAX MAY BE USED; TO PROVIDE THE MAXIMUM TIME FOR WHICH SUCH TAX MAY BE IMPOSED; TO PROVIDE FOR THE MAXIMUM AMOUNT OF GENERAL OBLIGATION BONDS TO BE ISSUED IN ORDER TO FINANCE THE CAPITAL PROJECTS AUTHORIZED HEREUNDER SUCH BONDS TO BE PAYABLE FROM, AND SECURED BY, THE CAPITAL PROJECT SALES AND USE TAX AUTHORIZED HEREBY AS WELL AS THE FULL FAITH, CREDIT AND TAXING POWER OF BEAUFORT COUNTY; TO PROVIDE THE MAXIMUM COST OF THE PROJECTS OR FACILITIES FUNDED FROM THE PROCEEDS OF SUCH TAX OR BONDS AND THE MAXIMUM AMOUNT OF NET PROCEEDS TO BE RAISED BY SUCH TAX FOR THE PAYMENT OF THE COST OF SUCH PROJECTS OR FOR THE PAYMENT OF DEBT SERVICE ON ANY BONDS ISSUED TO PAY SUCH COSTS; TO PROVIDE FOR A COUNTYWIDE REFERENDUM AND TO PRESCRIBE THE CONTENTS OF THE BALLOT QUESTION IN SUCH REFERENDUM; TO PROVIDE CONDITIONS PRECEDENT TO THE IMPOSITION OF SUCH TAX AND CONDITIONS OR RESTRICTIONS ON THE USE OF SUCH TAX REVENUE; TO ESTABLISH THE PRIORITY, AND EXCEPTIONS THERETO, IN WHICH THE NET PROCEEDS OF SUCH TAX, IF APPROVED IN A REFERENDUM, ARE TO BE EXPENDED FOR THE PROJECTS AND PURPOSES STATED; TO PROVIDE FOR THE CONDUCT OF SUCH REFERENDUM BY THE BEAUFORT COUNTY BOARD OF ELECTIONS AND VOTER REGISTRATION, TO PROVIDE FOR THE ADMINISTRATION OF SUCH TAX, IF APPROVED; TO PROVIDE FOR THE PAYMENT OF SUCH TAX; AND TO PROVIDE FOR OTHER MATTERS RELATING THERETO.

BE IT ENACTED BY THE BEAUFORT COUNTY COUNCIL OF BEAUFORT COUNTY, SOUTH CAROLINA, IN PUBLIC MEETING DULY ASSEMBLED:

Section 1. Recitals and legislative findings. As an incident to the adoption of this ordinance, the Beaufort County Council of Beaufort County, South Carolina (the "County Council") has made the following findings:

(a) The South Carolina General Assembly has enacted the *Capital Project Sales Tax Act*, S.C. Code Ann. 4-10-300 *et seq.* (the "Capital Project Sales Tax Act" or "Act"), pursuant to which the County governing body may impose a one percent sales and use tax by ordinance, subject to a referendum, within the county area for a specific purpose or purposes and for a limited amount of time to collect a limited amount of money, and pursuant to which Beaufort County may utilize the revenues from such tax to pay directly and, or, to pay the debt service on any bonds issued by the County to pay the cost of any projects authorized by such Capital Project Sales Tax Act.

(b) The County Council, as the governing body of the County, is authorized to create a commission subject to the provisions of the Capital Project Sales Tax Act for the purpose of considering proposals for funding capital projects within the County area and the formulation of a referendum question which is to appear on the ballot. The County Council adopted a Resolution pursuant to the Capital Project Sales Tax Act creating the Beaufort County Capital Sales Tax Commission (the "Commission") for the purpose of considering proposals for funding capital projects within the County and the formulation of a referendum question which is to appear on the ballot. Members of the Commission were appointed by the County Council and by the municipalities of Beaufort County in accordance with the provisions of the Capital Project Sales Tax Act.

(c) The Commission has considered proposals for funding of one or more capital projects within the County and the Commission has, by vote taken in public meetings duly advertised, identified the purpose for which the proceeds of the proposed capital projects sales and use tax shall be used and, in furtherance thereof, approved the projects described in this ordinance, established the maximum time for which the sales and use tax may be imposed at five (5) calendar years, established the maximum aggregate principal amount of general obligation bonds

to be issued to finance the projects approved herein and specified that the proceeds of the tax may be pledged to the payment of any such bonds, authorized that grants, if any, may be applied towards the payment of any portion of the cost of a project; established the maximum cost of the projects to be funded from the proceeds of such tax and/or bonds and the maximum amount of net proceeds expected to be raised by the tax and used to pay the cost of such projects or debt service and costs of issuance relating to such bonds, established conditions precedent to the imposition of the sales and use tax and conditions and restrictions on the use of sales and use tax revenue collected pursuant to the Capital Project Sales Tax Act, established the priority in which the net proceeds of the sales and use tax are to be expended for the purposes stated, and formulated the ballot question that is to appear on the ballot pursuant to S.C. Code §4-10-330(D) (1976, as amended) of the Capital Project Sales Tax Act.

(d) The Beaufort County Council finds that the imposition of a capital projects sales and use tax in the County, subject to the limitations specified in this ordinance and for the purpose of paying, either directly or through payment of debt service on general obligation bonds, the proceeds of which are used to pay all reasonable or necessary expenses incidental to the purchase, acquisition, construction, repair, alteration, improvement of the projects including without limitation the expenses of studies; land title and mortgage title policies, architectural, engineering and construction management services; legal, accounting, organizational, marketing or other special services related to the financing of the projects and issuance of bonds, if any; financial or underwriting fees and expenses incurred in connection with issuing bonds; rating agencies' fees; initial trustee and paying agent fees; recording and filing fees; and all other necessary and incidental expenses as more specifically described in Subsection 3.2 hereof (the "Capital Projects"), all of which the Council finds will serve the proper public and corporate purposes of Beaufort County and its municipalities by enhancing the safety, efficiency and aesthetics of the public infrastructure of Beaufort County, thereby promoting public health and safety, desirable living conditions and economic development within the County and meeting the future needs of the County and its citizens.

Section 2. Adoption of Commission Report. Except as provided by law and to the extent that the Report of the Beaufort County Capital Sales Tax Commission is inconsistent with the

terms, conditions and provisions of this Ordinance, the capital projects itemized in the report of the Beaufort County Capital Sales Tax Commission are hereby approved and adopted.

Section 3.     Adoption of Capital Projects Sales and Use Tax Subject to Referendum.

3.1.     A capital projects sales and use tax, as authorized by the Capital Project Sales Tax Act, S.C. Code §4-10-300 *et seq.* is hereby imposed in the County, subject to a favorable vote of a majority of the qualified electors voting in a special referendum on the imposition of such tax to be held in Beaufort County on November 2, 2004 (the "Referendum"), and to the restrictions and limitations set forth in this Ordinance.

3.2     The capital projects sales and use tax authorized by this Ordinance shall be expended for the purpose of paying, either directly or through payment of debt service on general obligation bonds, the proceeds of which are used to pay, the cost of the designing, engineering, constructing, expanding, relocating and improving the Capital Projects which shall include the following approved by the Commission:

- \$650,000:     Intersection improvements to the Gardens Corner Intersection at U.S. 21 & U.S. 17;
- \$6,000,000:   Construction of the Bluffton Parkway with pathways from Simmonsville Road to S.C. 170;
- \$1,100,000:   Intersection improvements to Squire Pope Road intersection at U.S. 278;
- \$5,750,000:   Multi-lane widening improvements to Lady's Island Drive with pathways from Sea Island Parkway to Ribaut Rd.;
- \$4,500,000:   Improvements to the Waterfront Park, City of Beaufort;
- \$4,700,000:   Improvements and resurfacing of William Hilton Parkway with pathways from Squire Pope Road to Sea Pines Circle;
- \$15,500,000:   Improvements to U.S. 278 including frontage roads, intersection & access management improvements from S.C. 170 to Jenkins Road;
- \$17,500,000:   Construction of a new parallel bridge to the McTeer Bridge on Lady's Island Drive across the Beaufort River;
- \$165,000:     Traffic signal installation at the intersection of Edinburgh Avenue & Vaigneur Road with Ribaut Road;
- \$1,440,000:   Multi-lane widening improvements to Burnt Church Road with pathways from U.S. 278 to the Bluffton Parkway;
- \$5,000,000:   Paving & improvements to the following named, but not prioritized, County maintained dirt roads:

(continued on next page)



Eddings White Road.....	Off Seaside Road	Joe Allen Drive .....	Off Patterson Road
Klebold Road .....	Off Bay Point Road	Patterson Road .....	Off Clarendon Road
Honeysuckle Lane .....	Off Alston Road	Foreman Hill Road.....	Off Ulmer Road
Stony Hill Loop.....	Off Palmetto Bluff Road	John Fripp Cr. ....	b/w Sea Island Parkway & Folly Road
Mosse Road.....	between Lands End & Bay Point Road	Mt. Pisgah Church Road.....	Off Keans Neck Road
Levant Road.....	Off Old Miller Road	Old Dawson Acres.....	Off Trask Parkway
Ramsey Loop.....	Off Ramsey Road	Woodduck Lane.....	Off Flycatcher Lane
Bessies Lane.....	Off Stuart Point Road	Scipio Road.....	Off S.C. 802
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Phoenix Road.....	Off S.C. 46	Northview Drive.....	Off Perryclear Drive
Shamrock Road.....	between Lands End & Bay Point Road	Major Road.....	Off Warsaw Island Road
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Sandy Ridge Road.....	Off Salem Drive West	Middlefield Circle .....	Off Keans Neck Road
Fiddler Road..	between Middle Road & Brickyard Point Road	Oxeye Lane.....	Off Marsh Hawk Drive
Hunt Ter.....	Off Keans Neck Road	Prayer House Lane .....	b/w Tom Fripp Road & Dulamo Road
Preister Road.....	Off Paige Point Road	Relative Lane....	b/w Friendship Lane & Dog Creek Road
Tabby Road.....	Off Tanglewood Drive	Stone Street.....	Off Guerad Avenue
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- \$750,000: Construct a multi-purpose biking & walking trail / pathway from the MC Riley School to the Bluffton Library;
- \$236,500: Construct sidewalks in the Town of Port Royal for Columbia, Edinburgh, London, Madrid and West Paris Avenues;
- \$1,500,000: Multi-lane widening improvements to Simmonsville Road with pathways from U.S. 278 to the Bluffton Parkway;
- \$4,140,000: Multi-lane widening improvements to S.C. 802 with pathways from S.C. 170 to S.C. 280;
- \$1,000,000: Improvements to the Pigeon Point Park, City of Beaufort;
- \$1,720,000: Intersection improvements and a roundabout construction for the intersection of S.C. 46 and Buckwalter Parkway;
- \$1,000,000: Long Term Conceptual Engineering & Design on U.S. 278 from S.C. 170 to Jenkins Road;
- \$2,780,000: Construction of the Foreman Hill Road Extension from U.S. 278 to Ulmer Road;
- \$60,000: Traffic signal installation at the intersection of U.S. 278 and Sun City Boulevard;
- \$6,000,000: Land acquisition and the construction of a Municipal Court and Police Facility for the City of Beaufort on City property at the intersection of Boundary Street and Ribaut Road;
- \$920,000: Construction of turning lanes on U.S. 17 at Big Estate Road, Bull Corner Road and the Sheldon Piggly Wiggly;
- \$300,000: Construction of drainage improvements for Johnny Morrall Circle at Ribaut Road;
- \$1,240,000: Intersection improvements and a roundabout construction for the intersection of S.C. 46 and S.C. 170;
- \$5,575,000: Multi-lane widening improvements with pathways to S.C. 170 from S.C. 46 to Bulltomb Road;
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- \$12,000: Improvements and resurfacing of Smilax Ave;
- \$1,000,000: Improvements to Southside Park, City of Beaufort;
- \$4,750,000: Land acquisition and improvements for the Okatie East Regional Park;
- \$4,000,000: Construction of frontage and back access roads for the Robert Smalls Parkway from S.C. 280 to S.C. 802;
- \$5,000,000: Multi-lane widening improvements to U.S. 17 from U.S. 21 (Gardens Corner) to Big Estate Road;
- \$6,195,000: Multi-lane widening improvements with pathways to S.C. 170 from Bulltomb Road to U.S. 278;

- \$120,000: Land acquisition and improvements for the Town of Yemassee Park.

**TOTAL ESTIMATED COST OF ALL CAPITAL PROJECTS: \$117,203,500.**

3.3. The capital projects sales and use tax authorized herein shall be imposed for a period not to exceed five (5) calendar years from the date of imposition.

3.4. Subject to the provisions of Section 4 of this ordinance, the maximum aggregate principal amount of bonds to be issued to pay the cost of the Capital Projects is \$117,203,500 and it is anticipated that the capital projects sales and use tax authorized hereby will be pledged to the payment of debt service with respect to such bonds. In addition, the County may accept any grants and any other lawful sources of funds to apply to or pay for the Capital Projects provided herein. The maximum cost of the Capital Projects to be funded from the proceeds of the capital projects sales and use tax (including costs relating to the bonds) is \$122,203,500, the maximum amount of bonds to be issued is \$117,203,500 and the maximum amount of net proceeds anticipated to be used to pay such cost or debt service shall be \$122,203,500 which includes the repayment of a principal amount of bonds of \$117,203,500 and interest and expenses relating thereto of not exceeding \$5,000,000.

3.5. The sales and use tax imposed herein shall be imposed only if approved by a majority of qualified electors voting in favor of imposing such tax for the stated purposes in the Referendum. The imposition of such tax shall be subject to the additional conditions and restrictions set forth in this Ordinance and as otherwise imposed by law. The bonds referred to herein shall only be issued only if approved by a majority of qualified electors voting in favor thereof as part of the Referendum.

3.6. It is anticipated that the components of the Capital Projects will be funded to the extent practicable simultaneously from the proceeds of tax revenues and, or, general obligation bonds(s). If sufficient funds are not available to fund completely all components of the Capital Projects simultaneously or in the order provided herein, the County Council shall, by subsequent resolution or resolutions, approve funding for the Capital Projects as funds become available using the system set forth in this Subsection 3.6. The County will fund portions of the Capital



Projects as may be necessary to fulfill the conditions of any grant associated with such portion of construction. The County will utilize any remaining funds to undertake those components of the Capital Projects in the most orderly means available. The County shall not commence construction on any component of the Capital Projects unless and until it has arranged funding for completion of such portion of the Capital Project.

3.7 If a sales and use tax is approved by a majority of the qualified electors voting in the Referendum, such tax is to be imposed on the first day of May, 2005, provided the Beaufort County Voter Registration and Election Commission shall certify the results and the County Council shall by resolution declare the results of the referendum and certify such results to the South Carolina Department of Revenue timely.

3.8. The capital projects sales and use tax imposed by this ordinance, if approved in the referendum conducted on November 2, 2004, shall terminate on the earlier of:

- (1) the final day of the fifth (5<sup>th</sup>) calendar year following imposition of the tax; or
- (2) the end of the calendar quarter during which the Department of Revenue receives a certificate from the County Administrator or the County Treasurer indicating that no more bonds approved in the referendum remain outstanding that are payable from the sales tax and that all the amount of the costs of the Capital Projects will have been paid upon application of the net proceeds during such calendar quarter.

3.9. Amounts of sales and use tax collected in excess of the required net proceeds must be applied, if necessary, to complete the Capital Projects; otherwise, the excess funds must be credited to the general fund of the governmental entity or entities receiving the proceeds of the tax, in the proportion in which they received the net proceeds of the tax while it was imposed.

3.10. The capital projects sales and use tax levied pursuant to this ordinance must be administered and collected by the South Carolina Department of Revenue in the same manner that other sales and use taxes are collected. The Department may prescribe amounts that may be added to the sales price because of the tax.

3.11. The tax authorized by this ordinance is in addition to all other local sales and use taxes and applies to the gross proceeds of sales in the applicable area that is subject to the tax imposed by Chapter 36 of Title 12 of the Code of Laws of South Carolina, and the enforcement provisions of Chapter 54 of Title 12 of the Code of Laws of South Carolina. The gross proceeds of the sale of items subject to a maximum tax in Chapter 36 of Title 12 of the Code of Laws of South Carolina are exempt from the tax imposed by this ordinance. The tax imposed by this ordinance also applies to tangible personal property subject to the use tax in Article 13, Chapter 36 of Title 12 of the Code of Laws of South Carolina.

3.12. The capital projects sales and use tax authorized by this ordinance shall be administered in all respects in accordance with the Capital Project Sales Tax Act and as otherwise required by law.

Section 4. Authorization to Issue General Obligation Bonds Payable from the Proceeds of the Capital Project Sales and Use Tax.

4.1. There is hereby authorized to be issued from time to time in one or more series a maximum of \$117,203,500 aggregate principal amount of general obligation bonds of the County. Such bonds shall be secured by the full faith, credit and taxing power of the Beaufort County and by the proceeds of the capital project sales and use tax authorized hereby. Bonds issued pursuant to this ordinance shall not be counted toward the Beaufort County's 8% constitutional debt limitation.

4.2 Anything herein to the contrary notwithstanding, nothing in this ordinance shall be construed as prohibiting the County from issuing revenue bonds to pay for any portion of the Capital Projects to the extent that the County identifies an appropriate source of revenue to be pledged to the payment of such bonds.

Section 5. Capital Project Sales and Use Tax Referendum: Ballot Question.

5.1. The Voter Registration and Election Commission of Beaufort County shall conduct a referendum on the question of imposing a capital projects sales and use tax in the area of the County on Tuesday, November 2, 2004, between the hours of 7 a.m. and 7 p.m. under the election laws of the State of South Carolina. The Beaufort County Voter Registration and Election Commission shall publish in a newspaper of general circulation the question that is to appear on the ballot with the list of capital projects and the cost of projects, and shall publish such election and other notices as are required by the Capital Project Sales Tax Act.

5.2. The question to be included on the ballot of the referendum to be held in the Beaufort County on November 2, 2004, must read substantially as follows:

OFFICIAL BALLOT  
GENERAL ELECTION  
BEAUFORT COUNTY, SOUTH CAROLINA  
NOVEMBER 2, 2004

Beaufort County One Percent Capital Projects Sales Tax Referendum

Local Question #1

MUST A SPECIAL ONE PERCENT SALES AND USE TAX BE IMPOSED IN BEAUFORT COUNTY FOR NOT MORE THAN FIVE (5) YEARS TO RAISE THE AMOUNTS SPECIFIED FOR THE FOLLOWING PURPOSES?

- \$650,000: Intersection improvements to the Gardens Corner Intersection at U.S. 21 & U.S. 17;
- \$6,000,000: Construction of the Bluffton Parkway with pathways from Simmonsville Road to S.C. 170;
- \$1,100,000: Intersection improvements to Squire Pope Road intersection at U.S. 278;
- \$5,750,000: Multi-lane widening improvements to Lady's Island Drive with pathways from Sea Island Parkway to Ribaut Rd.;
- \$4,500,000: Improvements to the Waterfront Park, City of Beaufort;
- \$4,700,000: Improvements and resurfacing of William Hilton Parkway with pathways from Squire Pope Road to Sea Pines Circle;
- \$15,500,000: Improvements to U.S. 278 including frontage roads, intersection & access management improvements from S.C. 170 to Jenkins Road;
- \$17,500,000: Construction of a new parallel bridge to the McTeer Bridge on Lady's Island Drive across the Beaufort River;
- \$165,000: Traffic signal installation at the intersection of Edinburgh Avenue & Vaigneur Road with Ribaut Road;
- \$1,440,000: Multi-lane widening improvements to Burnt Church Road with pathways from U.S. 278 to the Bluffton Parkway;
- \$5,000,000: Paving & improvements to the following named, but not prioritized, County maintained dirt roads:

Eddings White Road.....	Off Seaside Road	Joe Allen Drive .....	Off Patterson Road
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- \$750,000: Construct a multi-purpose biking & walking trail / pathway from the MC Riley School to the Bluffton Library;
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- \$1,000,000: Improvements to the Pigeon Point Park, City of Beaufort;
- \$1,720,000: Intersection improvements and a roundabout construction for the intersection of S.C. 46 and Buckwalter Parkway;
- \$1,000,000: Long Term Conceptual Engineering & Design on U.S. 278 from S.C. 170 to Jenkins Road;
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- \$6,195,000: Multi-lane widening improvements with pathways to S.C. 170 from Bulltomb Road to U.S. 278;

- \$120,000: Land acquisition and improvements for the Town of Yemassee Park.

**TOTAL ESTIMATED COST OF ALL CAPITAL PROJECTS: \$117,203,500.**

**In order to pay the costs of the capital projects pending receipt of the sales tax revenues, must the County also be authorized to issue not exceeding \$117,203,500 of its general obligation bonds and pledge the proceeds of the sales tax, if authorized, to the payment thereof?**

The maximum amount of net proceeds of the tax which may be used to pay the cost or debt service on the bonds must not exceed \$5,000,000. The maximum amount of sales tax that may be collected must not exceed the sum of \$122,203,500 which includes the direct costs of the capital projects plus the amount of \$5,000,000 being the maximum amount of cost or debt service on bonds that may be paid from such source. The \$122,203,500 is to be repaid from the net proceeds of the sales and use tax and if such sales and use tax is inadequate to repay the \$122,203,500, any balance shall be paid by Beaufort County.

**CONDITIONS AND RESTRICTIONS ON THE USE OF SALES AND USE TAX REVENUE COLLECTED UNDER THE CAPITAL PROJECT SALES TAX ACT:** The capital projects sales and use tax shall be expended for design, engineering, construction or improvement of the highways, roads, streets, bridges, parks and other capital projects listed above. Net proceeds of the capital project sales and use tax, if approved, must be expended for the purposes stated in the priority listed; provided, however, that the order of funding of the projects may be adjusted on the basis of construction schedules or other events that may affect the schedule for any particular project; and provided that multiple projects may be funded simultaneously based on the formula or system contained in the ordinance adopted by the Beaufort County Council which shall include the authority to pay directly the cost of such projects or to issue bonds and/or to borrow funds in advance of receiving the net proceeds of the one percent sales and use tax, the estimated cost of such bonds or other borrowing not to exceed \$5,000,000. The expenditure of revenues from the capital projects sales and use tax, if approved, shall be subject to acquisition of title, right-of-way, design and engineering considerations, environmental issues, the discovery of historic sites or endangered species, the receipt of necessary permits, funding of projects from other sources, bids in excess of project estimates, qualifications of bidders, cost overruns, exhaustion or insufficiency of net sales and use tax revenues to complete all projects in the order and priority provided herein and other unforeseen circumstances and conditions.

**INSTRUCTIONS TO VOTERS:** All qualified electors desiring to vote in favor of imposing the tax for the stated purposes and authorizing the general obligation bonds in connection therewith as outlined above and subject to the limitations and conditions set forth above shall vote "YES" and all qualified electors opposed to levying the tax and issuing such general obligation bonds shall vote "NO".

\_\_\_ YES

\_\_\_ NO

5.3. In the referendum on the imposition of a special projects sales and use tax in the County, all qualified electors desiring to vote in favor of imposing the tax for the stated purposes and issuing the general obligation bonds shall vote "Yes" and all qualified electors opposed to levying the tax shall vote "No". If a majority of the votes cast is in favor of imposing the tax, then the tax should be imposed as provided in the Capital Project Sales Tax Act, S.C. Code Ann, 4-10-300 *et seq.* Expenses of the referendum shall be paid by the County.

5.4. Upon receipt of the returns of the referendum, the County Council shall, by resolution, declare the results thereof. The results of the referendum, as declared by resolution of the County Council, shall not be open to question except by suit or proceeding instituted within thirty (30) days from the date the County Council shall adopt a resolution declaring the results of such referendum.

Section 6. Imposition of Tax Subject to Referendum. The imposition of a capital projects sales and use tax in the County is subject in all respects to the favorable vote of a majority of qualified electors casting votes in a referendum on the question of imposing a capital projects sales and use tax in the area of the County in a referendum to be conducted by the Beaufort County Voter Registration and Election Commission on November 2, 2004 and the favorable vote of a majority of the qualified electors voting in such referendum shall be a condition precedent to the imposition of a capital projects sales and use tax to the provisions of this ordinance.

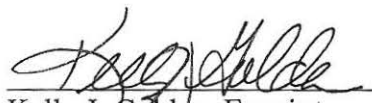
Section 7. Effective Date. Except as otherwise provided by law, this ordinance shall take effect immediately, upon adoption.

AND SO IT IS ORDAINED, this 9th day of August, 2004.

COUNTY COUNCIL OF BEAUFORT COUNTY

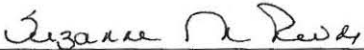
By:   
Wm. Weston J. Newton, Chairman

APPROVED AS TO FORM:

  
Kelly J. Golden, Esquire  
Staff Attorney



ATTEST:

  
Suzanne M. Rainey, Clerk to Council

First Reading:	June 28, 2004, By Title Only
Second Reading:	July 26, 2004
Public Hearing:	August 9, 2004
Third and Final Reading:	August 9, 2004