

Wm. Weston J. Newton, Chairman  
September 22, 2006  
State of the County

Thank you and good morning. It is my pleasure to stand before you and represent your Beaufort County Council. Please allow me to introduce some of my fellow councilmen. I would also like to introduce Gary Kubic, who is now in his fourth year as our Beaufort County Administrator.

I would like to begin by taking you back 26 years to 1980. Beaufort County had a population of slightly more than 65,000 people with 10,830 children in the public schools. Today, the estimated number of residents is more than 2 and ½ times that at 160,000 with 19,031 children in the schools. In 1980, US 278 was a quiet stretch of rural, 2-lane road between Beaufort and Hilton Head. Today, we are preparing to open it up as a six-lane highway. The greatest growth occurred in the Bluffton area. In 1980, the small Town of Bluffton was about 1 square mile in size. There was no such thing as “Greater Bluffton.” The area consisted largely of woodlands, marsh and farmland. Today, Bluffton Township has grown to 52 square miles and Greater Bluffton covers an area more than 100 square miles.

The greatest explosion in Beaufort County’s population occurred in just a very few years. County tax files show the heavy building began to climb in 1995 with Sun City. In 2001 -- 1,712 new single family homes were permitted. In 2005 -- 4,016 new single family homes were permitted. Beaufort County found itself trying to find ways to meet the demands of new residents to the county and towns. There were more people on our highways – taking them overcapacity, there were more children in our schools – straining facilities, there were more boats – and not enough boat landings to meet the demand. There were more people desiring recreation and in need of fire, ambulance and law enforcement – straining the demand on county services. We became short on facilities -- boat ramps, ball fields, recreation areas, fire stations, ambulances and books in the libraries... there weren’t enough libraries! Through regional planning efforts county planners are now able to project the population trend and predict even greater impacts in the future. Current planning data indicates that by the year 2020 the population will increase by an additional 50 % to an estimated 240,000 residents.

Where does that leave us today, Sept. 22, 2006? We are committed to working with the municipalities to address the needs of today’s residents – the last decade’s doubling – while simultaneously making plans to meet the needs of the next decade’s 50% increase. Mutually beneficial cooperation between the governments – the municipalities and the county – is imperative. The childhood principal -- united we stand – divided we fall --has never been more applicable in Beaufort County. Beaufort County is a family – our family includes everyone – cities, towns, businesses, farms, etc., and we will run it like we do a family – with support for each and every member. Through the southern regional planning process all zoning jurisdictions in southern Beaufort County created the blue print of what’s coming. Merging it with the northern regional plan collectively the governments will create a county-wide comprehensive plan allowing governments throughout multiple jurisdictions to plan for future infrastructure needs.

The congestion and unsafe conditions on our highways are the clearest and strongest indications of the impact of the explosion in our population. The state, with federal funding assembled through Beaufort County efforts, will complete the first phase widening and intersection improvements to US 278 in Greater Bluffton in a matter of days. I am happy to report the contractor has committed to opening all lanes of traffic – both eastbound and westbound – on US 278 at the project limits on the causeway near the bridges to Tanger Outlet #2 by Oct. 10, which is a full month ahead of the scheduled completion date. Beaufort County is hopeful that the entire project corridor is open by Halloween. In addition, the project manager says it appears 278 will be completed under budget. We've come a long way from where we were 6 years ago when 278 was not on the state's 25-year highway improvement list and US Senator Strom Thurmond asked me, "What's wrong with the little road to Hilton Head?"

Completion of this project will make a significant dent in mitigating our existing deficiencies of traffic congestion and improve safety. But, it's not the ultimate solution to the problem. More needs to be done. The Bluffton and Buckwalter Parkways will take some of the burden off US 278. Yet, the Southern Beaufort Co. Regional Plan identifies enormous needs – more than \$1/2 billion dollars -- in all service areas, including highways.

As recommended by the Southern Beaufort County Regional Plan, revised impact fees should generate \$100 million over the next 20 years for our roadways. County council will proceed with second reading of this new impact fee program this Monday and we look forward to approval by Hilton Head Island, Bluffton and Hardeeville in the near future.

Solutions must also be found at a regional level. Jasper County and its municipalities have already permitted several thousand new homes near SC 170 and US 278 with many more to come in the next decade. Regional discussions are ongoing and essential.

We have made big strides this year in strengthening our valuable alliance with Jasper County with the goal of reducing the impacts of growth there on our highways here. In June, Jasper County Council endorsed an access management plan for SC 170 and a portion of US 278 along the border of our two counties. The plan presented by Beaufort County limits the number of driveway cuts and traffic lights along the 170 corridor, and makes a provision for parallel roadways on both the Beaufort and Jasper County sides of 170 with the goal of not repeating the mistakes of 278. We look forward to future partnerships with our regional partners in Jasper County and finding more ways to work together to reduce transportation problems and identify additional funding sources. We continue to coordinate lobbying efforts with Jasper and Hardeeville for funding for the extension of the Bluffton Parkway – (US 278 Alternate) – outside Beaufort County to 1-95.

Following the failure of the 1-cent sales tax in 2004, Mayor Peoples of Hilton Head Island, Mayor Johnston of Bluffton and I formed the Southern Beaufort County Highway Improvement Team composed of our respective planning and engineering staffs to formulate a plan to address critical roadway needs in southern Beaufort County and several effective measures have resulted:

- A prioritized, consensus project list with funding strategies including increased impact fees and a sales tax referendum
- At Beaufort County's request, Bluffton Parkway (US 278 Alternate) has been added to the Statewide Transportation Improvement Program (STIP), which enables the project to now receive federal funds.
- Beaufort County enacted an admissions fee – largely aimed at tourists - to generate roadway funds.
- The Town of Hilton Head Island increased its hospitality tax, creating additional funds for roadway improvements.
- The Town of Bluffton negotiated with developers and established their Town MIDF with funds directed toward the Bluffton and Buckwalter Parkways.
- The County contracted to build Bluffton Parkway Phases 3 and 4 and to widen the Buckwalter Parkway. We have made progress this year on construction of both the Bluffton and Buckwalter Parkways -- 7.6 new miles of 4-lanes with more than 15-miles of 8-ft pathways and \$28 million worth of construction is on schedule for completion early next year.
- The County contracted to begin the planning and design of the Bluffton Parkway Extension (Phase 5), which will be constructed as a state roadway eligible for Federal funds.

An offshoot of the southern regional planning effort was the Road Impact Fee Update Support Study for Southern Beaufort County, which identified \$300.2 million dollars needed for highways to meet the existing and future needs of the next 20 years. We have secured almost \$62 million in funding from federal, state and local municipal contributions and the county admissions fee to meet our existing deficiencies. That leaves us more than \$238 million short. On Monday, county council will debate revisions to the impact fee program – which could produce over \$100 million dollars in 20 years.

The impact fee program being discussed includes differing fees for the 2 assessment districts – Bluffton/Okatie and Hilton Head/Daufuskie based on land-use types or dwelling units and daily average vehicle miles of travel.

The recommendation includes increases to \$3,067 for a single family home in the Bluffton/Okatie district and \$1,555 in the Hilton Head/Daufuskie District from \$440 today. Parks and library fees would be adjusted as well. The current parks impact fee for one dwelling unit is \$483 for Bluffton/Okatie and \$268 for Hilton Head Island. Those will increase significantly to \$1,385 and \$627 respectively. Library impact fees would be adjusted countywide.

This gets us half-way to full funding. I look forward to adoption of the new impact fees. But it isn't enough. We need an additional \$138 million to meet projected demands on our highway system through southern Beaufort County. The state and federal governments, as you know, simply do not have the resources to fulfill this responsibility. If we want safe highways, we must consider sales tax as an alternative to property tax increases.

In August, Beaufort County Council passed an ordinance placing a one-cent special transportation sales and use tax question on the Nov. ballot, which, if approved will fund \$152 million in road projects from the prioritized list county-wide. Seventy-five million would go south of the Broad. It would mean an additional penny on the dollar for 6 years or until the necessary funding is raised, whichever comes first.

I'd like to thank Bluffton Mayor Hank Johnston, Hilton Head Mayor Tom Peebles and their respective municipal councils for their support for the ballot measure. I would also like to thank those who aren't here today --Beaufort Mayor Bill Rauch and Port Royal Mayor Samuel Murray and their councils.

The 10 transportation projects targeted for funding include several frontage roads and additional improvements to 278, the Bluffton Parkway, S.C. 170 widening, and Squire Pope Rd. on Hilton Head Island. They also include widening and improvements to US 17, SC 802 and US 21 in northern Beaufort County.

Copies of the complete list of all road projects included in the referendum are at the tables in the lobby for your review.

I am confident the projects identified accurately represent the needs of the people of Beaufort County. Municipal and county representatives worked together for months discussing and prioritizing our many transportation issues. Only by working together were we able to create a plan to fund safer and more efficient roadways for the people's consideration this November.

If the referendum passes, lives would be saved and productivity would rise as congestion decreased on our roadways. The penny sales tax – a majority of which would be paid for by visitors – would fund completion of the Bluffton Parkway – an alternative to US 278, currently our single avenue of escape during a hurricane evacuation and US 278 would be further improved and expanded.

Our consultant, Clarion Assoc., has graded our current roadway service level using a letter grade scale from A to F. Currently; the road system in southern Beaufort County is at a level "D". If we are unable to implement plans to improve, we will assuredly be graded "F". This will result not only in unsafe conditions – it will impact the stormwater infrastructure beneath our roadways which improves drainage and limits runoff thereby protecting our rivers and alleviating flooding problems.

If the referendum fails, the sad reality facing each and every one of us in this room is the reality of a property tax increase. This is not an option that I want to impose.

I – just like all of you – do not like additional or higher taxes – but I know that our road problems will not be solved without local participation. I personally will vote for safer roads in November and encourage all of you to do the same.

Another way to reduce the impacts of population growth and preserve our quality of life is through land preservation. In the year 2000, voters approved \$40 million dollars in bond funding for the Beaufort County Rural and Critical Land Preservation Program. Since then,

the county has acquired approximately 10,000 vulnerable acres of land which have been set aside for buffers, open space, passive parks, environmental protection, view preservation, historic preservation and for limiting encroachment upon our valuable military facilities north of the Broad River. This has also removed the possibility of 25,000 additional vehicles on our roadways each day.

Last November saw the first official opening of a park purchased through the Rural and Critical Land Preservation Program. Pinckney Colony Preserve in Bluffton contains 38 acres of high ground and 26 acres of freshwater wetlands. This park will prevent as much as 290,000 square feet of future commercial space which could have generated as many as 5,000 vehicle trips per day and protects water quality in the Colleton River.

This past year was another successful one for the Rural and Critical Land Preservation Program.

In June of 2006, Beaufort County in partnership with the Town of Hilton Head Island bought development rights to one Bluffton's few remaining farms, the Ulmer family tract. It is one of the most effective purchases to date in reducing future impacts by removing a potential 3,500 vehicles from US 278 each day.

This summer also saw the purchase of 2.3 acres in Mitchellville - a portion of the first community of freed slaves on Hilton Head Island.

Also this year, 9 environmentally-sensitive marsh islands with 500 acres of adjacent marshland in the Harbor River and Johnson Creek were purchased and donated to the state park system which will bear the cost of preservation and maintenance.

Other sites include a future 22-acre eco-education park at Crystal Lake on Lady's Island.

- 25 acres along the marshes of the Okatie River at Sun City Riverbend
- 145 acres at Calhoun Plantation at Pinckney Point in Bluffton
- parcels near Beaufort's Marine Corps Air Station which prevent encroachment from threatening air station operations
- Fort Fremont on St. Helena Island -- an 1898 gun battery overlooking a white sand beach.
- Altamaha - a Yamesee Indian village which later became Heyward Plantation - overlooking the Okatie River
- two acres on deep water in the Town of Port Royal
- Ford and Green Shell Rings on Hilton Head Island containing valuable Native American remnants
- The Bluffton Oyster Company
- Aranda – a deep-water Site on Jarvis Creek on Hilton Head Island
- The Baringer property on St. Helena Island – another deep water site
- The Penn Center Tree Farm

- Okatie River Headwaters Regional Park Preserve in Bluffton including three adjoining parcels totaling 148 acres protecting the river's headwaters

The community's response and appreciation of the county's Rural and Critical Land Preservation Program is clear. This positive public attitude was reinforced by a recent council vote. When a new PUD was proposed next to a site acquired for preservation on the Okatie River, there was public outcry. Council listened. We should never make a choice between the lesser of two evils. We should simply decide the right thing to do and do it. I believe it is necessary for government policy to protect what we all love most.

Land Preservation is a positive, pro-active approach to lessening the impacts of growth. Landowners benefit, citizen's benefit and we all save money by reducing the need for costly services, roads and new facilities. Additional funding is needed for land purchases and preservation. Escalating land costs and availability of land mean we need to act now to acquire funding. \$50 million for land preservation in the fastest growing county in the state will eliminate the potential for several thousand additional vehicles from our roadways. It will protect animal habitat and our priceless waterways. It will provide parks, preserve history and retain the vast open spaces of marsh, water, trees and wildlife that we all love in Beaufort County.

The voters of Beaufort County will decide this November whether they want to continue funding the Beaufort County Land Preservation Program through the issuance of \$50-million in general obligation bonds. The issuance of these bonds will insignificantly affect your property taxes in future years, but will profoundly affect our quality of life – not only for ourselves, but for our children and grandchildren – and protect this place we call home. Because of all these reasons I encourage everyone to vote yes in November.

2006 was a productive year for your county government. County services and operating hours were expanded for the assessor, auditor and zoning office at our new county building at Myrtle Park in Bluffton and on Hilton Head Island. The Human Services Alliance published its first report – *Together for Beaufort* - on the status of such issues as poverty, mental health, obesity, teen pregnancy, school readiness and other important topics which will provide the basis for improving the quality of life for all in Beaufort County. We opened the new Simmonsville state of the art trash & recycling drop off center in Bluffton. We were advised by Dixie Youth League officials - impressed by our PALS ball fields – that they will bring a national tournament to Bluffton. In March, we allocated money from the county's new 3% Accommodations Tax Funds to continue vital tourism-related programs. Hunting Island State Park received \$65,000 and we provided continuing funding for the South Carolina Treasured Coast marketing campaign headed by our local chambers of commerce. Also in March, through the efforts of the Economic Partnership, a new industrial park opened in Beaufort County in line with the goal of attracting more industry to the county. Greenline Industries, another partnership project, gave a welcome boost to our workforce with 50 new employees to start and a \$3 million capital investment. A new partnership between county council and the arts council of Beaufort County resulted in the exhibit of sculpture outside our county libraries at no cost. We also partnered with the Beaufort Art Association to exhibit paintings at our government center. We plan to expand on these public art efforts. The float system at the H.E. Trask Boat Landing near Victoria Bluff was repaired and reopened following damage by high winds. A new Judicial Automation Project launched by S.C. Chief

Justice Jean Toal is now operating at our county web site integrating all levels of court from the Supreme Court to the Summary Courts. Household hazardous materials roundups were held for the first time as well as an educational workshop on composting that had so many attendees we had to find a bigger location. We became one of the first counties in the nation to start drafting a comprehensive, long-term disaster recovery plan. We have had much confidence in life-saving disaster management in this county for many years, but a long term plan will be implemented for the efficient handling of damage assessments, debris management, and the administration of long-term recovery and reconstruction programs, should the need arise.

Does anybody here today understand the funding formula for public education in the state of South Carolina? You're not alone. The state doesn't even know it. If they did – they wouldn't cut 16 million from Beaufort County's education allotment. The state's additional \$16 million cut in funding for Beaufort County Schools created a grave challenge for county council this year when it was time to approve the annual school district operating budget. The education funding formula used by the state penalizes Beaufort County for a perceived "ability to pay" based on property values. What the formula fails to consider is that more than half of Beaufort County students are eligible for the free or reduced lunch program and that our wages are 9 % below the state average. Figures just released for 2005 also show Beaufort County's weekly wages are below those of Jasper and Hampton Counties. Despite this fact, under the Education Finance Act distribution formula, next year Jasper will receive more than 68 % funding from the state, Hampton will receive 87 to 89 percent funding from the state and Beaufort County is looking forward to a whopping 1.08 percent funding from the state. In addition, we were required by the state to fund certain education mandates, therefore, Beaufort County taxpayers have to pay more to make up for this loss of state funding. If state property tax reform is approved by voters in November and goes into effect next year, it is unclear as yet how it would impact school funding in Beaufort County. County council and the board of education are working together to monitor and understand these impacts. I am hopeful that caps on property tax increases will be helpful to home owners, but the law is complex and it is yet to be seen how school funding dollars will be distributed.

Although state cuts and mandates forced council to raise millage for funding schools, I am pleased to report county council **reduced taxes** for its 2007 operating budget. A new feature at the Beaufort County website allows homeowners to calculate their real property tax using current or projected millage rates. The "Tax Calculator" feature is located at the home page of the county website, [www.bcgov.net](http://www.bcgov.net) and is quite user friendly.

Other pending issues facing Beaufort County today include:

- River buffer protection regulations including discussion of a possible multi jurisdictional river corridor overlay measure
- The need for more boat landings
- Protection of our waterways in an emergency. We will continue discussions with DHEC and the Coast Guard
- Illegal immigration. Council will study and consider an illegal immigration relief ordinance
- new and complicated state property tax laws and how they will impact funding for public education

- we will further implement our new stormwater best management practices to protect the health of our waterways and protect against flooding
- we look forward to a review of the county-wide comprehensive plan with much citizen input
- we will continue to make progress implementing our joint land use study and find ways to enforce it for the protection of our valuable military bases
- Beaufort County intends to continue its policy of open government by televising not only full council meetings, but committee meetings, DRT, planning commission and other public meetings to provide clear and open access to government.

We know what must be done and will continue to work with our municipal partners to address the many challenges before us.

As you leave here this morning and get back in your car, many of you will head west on 278 toward Greater Bluffton. With the winding down of the tourist season, traffic congestion has lessened and in a few days, the big APAC trucks will be gone along with the orange barrels and other signs of construction. Remember, though, there is more work to be done up the road toward 170 and on the parkways. There is more land to be acquired and set aside for parks and recreation and to limit future traffic. Remember that build out is expected in southern Beaufort County in just 14 more years.

Let's all continue to work together today for a better tomorrow. We owe it to ourselves, to each other and to our children. Thank you.