

May 15, 2006

To: Bill Rauch  
Mayor, City of Beaufort

From: Dale Friedman  
Chairman, Beaufort County Board of Education

Subject: **Mayor's request for a School Board response to the City of Beaufort's proposed Annexation of the McCleod and Clarendon Tracts**

Thank you for this opportunity to respond to the obvious need for interagency cooperation and information sharing regarding the proposed annexation matter currently before the City of Beaufort.

After a careful review of the recent Clemson Study and existing School Board research data, the Beaufort County School Board raises serious concern with the potential financial impact which the annexations might impose on the School Districts' ability to deliver future adequate educational services to all the children of this County.

Using different scenarios included in the Clemson study, reviews of the 2005 Districts' DeJong Enrollment Projection Study together with financial modeling developed by Board, an average tax increase range of 2% to 34% would have to be attained to continue proper support of District operations over a 25-year period. This is substantiated by utilizing the 2005 Dejong student yield factors, anticipating growth in the McCleod area of .271 and in the Clarendon development area of .759.

Also, as we are sure you are aware, under current State of South Carolina law, the Board is not permitted to impose impact fees for school operations or capital expenses. With this current statutory restriction, we request that the City of Beaufort provide continuing open collaboration with the Board, regarding negotiations of all Master Development Agreements and Plans, in the processes leading up to a final vote to approve the Annexations. We also ask that once the Developers and the City reach a narrowing of options on the Agreements and Plans for both tracts, the School Board be invited to provide more detailed financial projections, before a final vote is taken by the City..

In summary, without preliminary Master Development Agreements and Plans, the School Board cannot provide any further recommendations of substance on the financial impact the proposed Annexations.

Thank you again and we look forward to a continuing dialogue to embrace the future, together.

Sincerely,

Dale Friedman, Chairman, Beaufort County Board of Education