CITY OF BEAUFORT
1911 BOUNDARY STREET
BEAUFORT MUNICIPAL COMPLEX
BEAUFORT, SOUTH CAROLINA 29902
(843) 525-7070

CITY COUNCIL WORKSESSION AGENDA
January 21, 2020

NOTE: IF YOU HAVE SPECIAL NEEDS DUE TO A PHYSICAL CHALLENGE, PLEASE CALL IVETTE BURGESS 525-7070 FOR ADDITIONAL INFORMATION

STATEMENT OF MEDIA NOTIFICATION

"In accordance with South Carolina Code of Laws, 1976, Section 30-4-80(d), as amended, all local media was duly notified of the time, date, place and agenda of this meeting."

WORKSESSION - City Hall, Planning Conference Room, 1st Floor - 5:00 PM

I. CALL TO ORDER

A. Billy Keyserling, Mayor

II. DISCUSSION ITEMS

A. Fire Impact Fee Ordinance
B. Development and Annexation Incentives
C. Higher Education Task Force Update
D. Affordable Housing Task Force Update

III. ADJOURN

CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO:	CITY COUNCIL	**DATE:**	1/7/2020
FROM:	Reece Bertholf, Fire Chief and Deputy Fire Chief, John Robinson		
AGENDA ITEM TITLE:	Fire Impact Fee Ordinance		
MEETING DATE:	1/21/2020		
DEPARTMENT:	City Clerk		

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

Description	Type	Upload Date
Impact Fee Study	Backup Material	1/17/2020
Draft Impact Fee Ordinance	Backup Material	1/17/2020
Residential Impact Fee Option	Backup Material	1/17/2020

IMPACT FEE STUDY

City of Beaufort /Town of Port Royal

8/15/2019

Developmental Impact fees are vital to the City of Beaufort and Town of Port Royal. Impact fees will ensure our organization can sustain the current level of fire service into areas of growth and infill.

Contributors

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John C. Robinson MBA/MPA, EFO
Tim Ogden, MPA, CBO
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Table of Contents

Abstract …….. Page 2

Introduction …… Page 3

Comparison of Fees …… Page 4

Process …… Page 5

Comprehensive Plan/ Capital ……..……... Page 5

Developmental Impact Fee Exemptions ……. Page 6

Affordable Housing …… Page 6

Affordable Housing Exemptions …… Page 7

Eligible Fee Uses…….… Page 10

Municipal Responsibilities ……. Page 10

Analysis Period …….….. Page 11

Demographic Data …….. Page 11

Methodology …….…….….…….…... Page 12

Replacement Value ……..……... Page 12

Cost per Person …….…….……..... Page 13

Cost per Employee …….…... Page 14

Impact Fee Schedule ……... Page 16

Other Available funding sources …… Page 19

Conclusion …….…. Page 19

Appendix A State Enabling Legislation …….. Page 20

Appendix B City of Beaufort and Town of Port Royal Resolutions …Page 34

Appendix C Beaufort/Port Royal Fire Department CIP ……. Page 37

Appendix D US Census Bureau 2018 data for Beaufort City, SC …... Page 47

Abstract

The following impact fee study is consistent with the requirements set forth by South Carolina Code 6.1.9. The imposition of developmental Fire Impact fees by the municipalities of the Town of Port Royal and the City of Beaufort are needed to ensure that fire services are maintained at the current level of service as our communities grow. The capital needs of the municipal fire service are defined in the Beaufort/Port Royal Capital Improvement Plan and supported by the Comprehensive Plans of both municipalities. This study discusses exemptions from impact fees as defined in the code, to include exemptions for affordable housing. Fee calculations are based on a consumption-driven approach and using the International Transportation Engineers (ITE) guidance to calculate Cost per Person and Cost per Employee. Cost per Person is a normalized unit of measure applied to residential uses. Beaufort/Port Royal developmental impact fees for residential uses are calculated by multiplying the Cost per Person ($305.43), times the number of service units. Cost per Employee ($592.34) is a normalized unit of measure applied to non-residential uses. Fee are calculated by multiplying the service units by the employee space ratio, then multiplying the sum by the Cost per Employee. The study goes on to explain eligible fee uses, municipal responsibilities such as capital improvement plan updates, comprehensive plan updates and financial reporting requirements.

Introduction

Impact fees commonly provide a means for orderly development by mitigating the negative impacts of new growth, while passing the costs associated with new development onto developers, rather than existing taxpayers. Impact fees are most useful in communities that are experiencing rapid growth and have significant land available for development. As communities grow, the demands placed on surrounding infrastructure continue to increase. Eventually, these demands will require additional capacity improvements to maintain appropriate levels of public service. The proposed impact fees comply with provisions of the South Carolina Development Impact Fee Act in support of the Beaufort/Port Royal Fire Department. The City of Beaufort and Town of Port Royal work together to provide fire protection and emergency medical response services for both municipalities.

Demands of growing communities placed on surrounding infrastructure necessitate additional capacity improvements to maintain adequate service delivery. Traditionally, elected officials rely on rising property taxes in addition to federal, state or county funding to pay for future year capital improvements. However, decreases in outside governmental funding, increases in construction costs for replacing and expanding public facilities, and rising resistance to increased property taxes have led many local governments to consider other funding mechanisms for implementing needed improvements.

Impact fees represent financial payments made from a developer to the local government for funding certain off-site capital improvements needed to accommodate future growth. Fees may be collected for many different public facilities and services; including transportation, water, sewer, municipal facilities and equipment, stormwater, police and fire protection, and parks and recreation. They generally provide a means for orderly development by mitigating the

negative impacts of new growth, while passing costs onto new developments rather than existing taxpayers.

Two factors control the legality of collecting impact fees. First, local governments must have authority to impose the fees as a condition of development approval. Second, the design and implementation of impact fee requirements must be fair, logically applied, and reasonable. In addition, impact fees must not violate a developer's right to due process or be discriminatory.

The State of South Carolina grants specific powers to cities and counties to collect development impact fees pursuant to the rules and regulations set forth in the South Carolina Development Impact Fee Act (Code of Laws of South Carolina, Section 6-1-910 et seq.). A copy of the State enabling legislation is included in Appendix A of this report. To date, ten counties, cities, and towns — Beaufort County, Dorchester County, York County, City of Charleston, City of Myrtle Beach, City of Rock Hill, Town of Hilton Head, Town of Fort Mill, and Town of Summerville, Town of Mount Pleasant — enforce their development impact fee ordinances in accordance with the rules and regulations established under the enabling legislation. It is crucial to identify that differences in CIP's and populations, produce different factors driving the final fee calculations.

Comparison of Fire Impact Fees

Beaufort / Port Royal Fire Department proposed developmental Fire Impact fee:

Residential $305.00

Non-Residential $592.34

Beaufort County fire impact fees are calculated by dwelling unit (DU) / exceptional dwelling unit (EDU) by fire district as follows:

Lady's Island Fire District	$633 per DU/EDU
Sheldon Fire District	$181 per DU/EDU
Bluffton Fire District	$481 per DU/EDU
Burton Fire District	$479 per DU/EDU
Daufuskie Fire District	$751 per DU/EDU

Beaufort County's current developmental impact fees procedures are found in Beaufort County, South Carolina – Code of Ordinances / Chapter 82.

Mount Pleasant SC has calculated the maximum fire impact fee for a single-family dwelling as $204.24 and the maximum fire impact fee for a hotel as $00.53 per square foot. Tega Cay SC has calculated the maximum fire impact fee for a single-family dwelling as $1682.00 and the maximum fire impact fee for a hotel as $2699 per 1000 sq. feet.

Process

The process to create a development fire impact fee study began with analysis of the requirements as stated in South Carolina Code Title 6 Chapter 1 Article 9. The first step in the process was for the City of Beaufort and the Town of Port Royal to sign resolutions (Appendix B) directing the Metropolitan Planning Commission to conduct the study (SC Code 6.1.950). After consideration of the study, the Metropolitan Planning Commission may recommend an impact fee ordinance to be presented for council action.

Comprehensive Plan

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. The City of Beaufort and Town of Port Royal have current Comprehensive Plans. Beaufort/Port Royal Fire Department has a current Capital Improvement Plan which will support the local impact fee system (Appendix C).

Developmental Impact Fee Exemptions

Consistent with state law, the developmental fire impact fee ordinance may authorize exemptions for construction projects which do not change the land use category or increase the number of service units. Projects include rebuilding, remodeling, repairing or replacing an existing structure; residential additions; construction trailers and temporary offices; neighborhood amenities (playgrounds, tennis courts, clubhouses, etc.), and affordable housing units which meet minimum eligibility requirements.

Affordable Housing

All counties, cities and towns are required to provide estimates of the effect of impact fees on the availability of affordable housing before imposing impact fees on residential dwelling units. Based on these findings' certain single-family dwellings, portions of planned unit developments, as well as other residential living structures may be exempt from impact fees when all or part of the project is determined to create affordable housing. Permits for single family dwellings or portions of developments which qualify as affordable housing within the municipal boundaries of the City of Beaufort and Town of Port Royal will be exempt from Beaufort/Port Royal Fire service developmental impact fees.

The state impact fee law, SC Code Section 6-1-920, defines affordable housing as "housing affordable to families whose incomes do not exceed eighty percent of the median family income (MFI) for the service area or areas within the jurisdiction of the governmental

entity." The United States Census Bureau defines median income as "the amount which divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount. Mean income (average) is the amount obtained by dividing the total aggregate income of a group by the number of units in that group. The means and medians for households and families are based on all households and families. Means and medians for people are based on people 15 years old and over with income." According to the American Fact Finder 2017 from the U.S. Census Bureau, the MFI for the City of Beaufort is $47,452, +/- $5,777 and the MFI of the Town of Port Royal is $55,660 +/-$8,820. In comparison, the MFI for Beaufort County SC is $60,603 +/- $1,522. An average of the City of Beaufort and Town of Port Royal MFI is $51,556.00.

The Act does not offer a preferred methodology to examine the household's whose income does not exceed 80 percent of the median income. Therefore, the analysis uses the US Housing and Urban Development's (HUD) criteria that housing cost should be 30% or less of a household's MFI. The cost of housing is "moderately burdensome" if its cost burden is over 30 percent and "severely burdensome" if the ratio is over 50 percent.

Affordable Housing Exemptions

Because all or part of any development project may be exempt from Beaufort/Port Royal developmental fire impact fees, the following sets forth the administrative standards of what constitutes affordable housing and the procedures for exemption from the fees. Median family income shall be determined once a year utilizing the following procedure: the most recently available US Census figures shall act as the base year. Each subsequent year will be adjusted once annually thereafter during the first month of the calendar year

based upon the previous year's published Consumer Price Index increase, until the next US Census data is published, and this procedure is replicated.

In keeping with SC state law and HUD recommendation, the Beaufort/Port Royal developmental impact fee will use the following processes and formulas to determine if project qualify as affordable housing:

Rental Properties

MFI X 80% X 30% /12 = maximum monthly rent

MFI (Median Family Income) - $51,556 This is an average of the U.S. Census Bureau MFI's published for the City of Beaufort and the Town of Port Royal

80% - The required MFI reduction as defined by the SC State impact fee law, SC Code Section 6-1-920

30% - The US Housing and Urban Development's (HUD) criteria that housing cost should be 30% or less of a household's MFI.

- Example: $51,556 MFI x 80% x 30% / 12 = $1031.12 maximum per month rent cost.

Properties for Sale (Mortgage)

Qualifying dwelling units will be equal to or less than 30% of 80% of the gross median family monthly income as reflected in the sales price using the Fannie Mae Foundation Mortgage Calculator (or comparable methodology) assuming a 10% down payment and a specified interest rate. The specified interest rate shall be determined by selecting the lowest 30-year fixed mortgage rate reported by area lending institutions as of the first week of January for any given year and shall remain so for the balance of the year. Total monthly

payments must account for required additions to principal and interest such as homeowners taxes, insurance, utilities estimate, and basic upkeep.

Dwelling units of which the monthly mortgage payments of the dwelling unit do not exceed:

MFI X 80% X 30% /12 - expenses = maximum monthly principle and interest

- MFI (Median Family Income) - $51,556 This is an average of the U.S. Census Bureau MFI's published for the City of Beaufort and the Town of Port Royal
- 80% - The required MFI reduction as defined by the SC State impact fee law, SC Code Section 6-1-920
- 30% - The US Housing and Urban Development's (HUD) criteria that housing cost should be 30% or less of a household's MFI.

Expenses

Assumes $100 per month insurance, $100 per month taxes, $200 per month utilities and upkeep.

Example:

$51,556 MFI x 80% x 30% /12 - 400 = $631.12 maximum monthly mortgage principle and interest payment.

- A 30-year mortgage at 7% and 10% down payment calculates to a purchase price of $105,400.00 to meet $631.12 monthly principle and interest payment

and $400 per month expenses. This excludes consideration of closing costs and other unknown expenses.

Eligible Fee Uses

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 a 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 which 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.

Municipal Responsibilities

The City of Beaufort and Town of Port Royal are responsible for preparing and publishing an annual report describing the amount of impact fees collected, appropriated and spent during the preceding year for each service area in which impact fees were collected. Subsequent to adoption of a development impact fee ordinance, the Metropolitan Planning Commission will be required to review and update the impact fee study report, capital improvement plan, housing affordability analysis, and development impact fee ordinance. These updates must occur at least once every five years. Pursuant to State Law, the City of Beaufort and Town of Port Royal are not empowered to recommend additional projects eligible for impact fee funding or charge higher maximum allowable impact fees until the development impact fee study and capital improvements plan have been updated. SC Code of Law 6-1-920 defines

capital equipment and vehicles, with and individual unit purchase price of not less the 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.

The fire impact fees will be calculated for the applicant at the beginning of the permit application process or as requested and will be paid prior to issuance of the building permit. Fire Impact fees collected will be deposited in a Trust Fund created for Beaufort/Port Royal Fire Department. Impact fee funds may be used to implement one or more projects specified in the Beaufort/Port Royal Fire Department Capital Improvements Program (CIP), for the principal payment on bonds used to fund expanded or new capital facilities, for capital equipment or capital facilities purchases or facility or equipment leasing, as reflected in the CIP.

The City of Beaufort and Town of Port Royal Finance Officers will produce annual reports for presentation to their respective Councils, summarizing where impact fees have been collected and the projects that have been funded with these monies as part of the overall annual budget process.

Analysis Period

A twenty-year planning horizon is a reasonable period pursuant to Section 6-1-960(B)(7) of the South Carolina Development Impact Fee Act.

Demographic Data

According to the U.S, Census Bureau, as of July 1, 2017, the population estimate for the City of Beaufort was 13,729 and the population estimate for the Town of Port Royal was 12,886. Current employment estimate for the city is 7,935 and 5,463 in the town (United States Department of Commerce, 2019).

Average persons per household statistics used in the study were based on information published by the US Census Bureau, American Community Survey, One Year Estimate, 2017 for various dwelling unit categories. Employee space ratios used in the study were based on information published by the Institute of Transportation Engineers'(ITE) in the ninth edition Trip Generation. Information from both sources is summarized by the ITE in Appendix D.

Methodology for Fire Protection Impact Fee Calculation

The fire protection development impact fee assumes a consumption-driven approach. This approach charges new residential and non-residential development the cost of replacing existing capacity on a one-for-one basis, assuming constant current service delivery standards, and expansion of services and infrastructure to areas impacted.

Replacement value

Total replacement costs were determined using fee simple land values, site development costs, facility replacement costs, vehicle and equipment replacement costs, and related professional services.

The replacement value (system-wide) was calculated in two steps. First, total replacement value was multiplied by the proportionate share of calls of service received from residential and non-residential structures. Second, the resulting replacement values for residential and non-residential uses were divided by current population or employment estimates to determine the cost per capita or cost per employee for replacing fire protection facilities and equipment currently serving the study area.

Replacement value of capital assets and equipment, apparatus, and equipment total $16,065,000.00 per Beaufort/Port Royal CIP 2018 (Appendix C). The Beaufort/Port Royal Fire Department responded to 3595 emergency calls for service in calendar year 2018. 1820 (50.6%)

calls for service to residential uses and 1775 (49.4%) calls for service to non-residential uses. The proportionate share between residential and non-residential used to rebuild fire protection facilities and purchase eligible equipment is as follows:

Residential Uses = 50.6% of $16,065,000.00 = $8,128,890

Non-Residential Uses = 49.4% of $16,065,000.00 = $7,936,110

Cost per Person (residential impact fee calculation)

Cost per Person represents the burden to each existing resident within the municipal boundaries should the Beaufort/Port Royal Fire Department find the need to construct, rebuild, or remodel fire facilities or replace eligible equipment to maintain or improve the current service delivery standard. Total replacement cost attributable to City/Town residents for residential uses is $8,128,890 per the Beaufort/Port Royal Fire Department 2018 Capital Improvement plan. The population estimate from July 1, 2018 published by the US Census Bureau, American Community Survey, for the city and town combined is 26,615 residents.

$$\text{Cost per Person} = \frac{\text{Total replacement Cost Attributable to Residents } (\$8{,}128{,}890)}{\text{Population Estimate } (26{,}615)}$$

Cost per Person = $305.43

Impact fee for Residential uses is calculated using the ITE Land use chart as follows:

Residential Fire Impact Fee = (SU) x (CPP)

Where:

SU (Service Unit) = The amount of net new service units generated by the proposed development. The service unit variable is calculated per Service Unit as annotated by each land use category.

CPP (COST PER PERSON) = The cost per person for providing fire protection services. The cost per person is $305.43.

Exp. 10 unit apartment building

10 units * $305.43 = fee of $3,054.43

1 single family home = 1 * $305.43 = fee of $305.43

Cost per Employee (non-residential impact fee calculation)

Cost per Employee represents the burden to each existing employee in the study area, should the Beaufort/Port Royal Fire Department find the need to construct, rebuild, remodel fire facilities, or replace eligible equipment to maintain or improve the current service delivery standard. Employee Estimates per the 2017 American Community Survey data from the United States Census Bureau.

$$\text{Cost per Employee} = \frac{\text{Total replacement Cost Attributable to Non- Residents } (\$7{,}936{,}110)}{\text{Employee Estimate } (13{,}398)}$$

Cost per Employee calculation = $592.34

Cost per Employee multiplied by the employee space ratio for the appropriate land use category, the product then multiplied by the unit of measure or per 1,000 GSF. (Institute of Transportation Engineers' Trip Generation, Ninth Edition.)

Impact fee for Non-Residential uses will be calculated using the following formula as applied to the ITE's Land Use Category Chart:

Cost per Employee ($592.34) * Employee Space Ratio * unit of measure = fee

a. Non-Residential Development

Non-Residential Fire Impact Fee = (#SU) x (ESR) x (CPE)

Where:

SU = The amount of net new service units generated by the proposed development. The service unit variable is calculated per Service Unit as annotated by each land use category.

ESR = Average employee space ratio developed using information published in the Institute of Transportation Engineers *Trip Generation, Ninth Edition*
CPR (Cost per Employee) = The cost per employee for providing fire protection. The cost per employee is $592.34.

Exp. 50 room Hotel

$592.34 * .57 = $337.63 $337.63 * 50 rooms = $16,881.50

Impact Fee Schedule for Fire Protection Facilities and Equipment						
Land Use Category	**Service Units**	**Persons per Household**	**Employee Space Ratio**	**Cost per Person**	**Cost per Employee**	**Impact Fee per Service unit**
Residential Uses						
Single Family (Attached or Detached)	d.u.	2.69	—	$305.43	—	$305.43
Mobile Home	d.u.	3.66	—	$305.43	—	$305.43
Multifamily (>2 Dwelling Units)	d.u.	1.25	—	$305.43	—	$305.43
Non-Residential Uses						
Hotel / Motel Uses						
Hotel	room	—	0.57	—	$592.34	$337.64
Business Hotel	room	—	0.1	—	$592.34	$59.23
Motel	room	—	0.71	—	$592.34	$420.56
Recreational Uses						
Golf Course	hole	—	1.74	—	$592.34	$1,030.68
Movie Theater (w/ Matinee)	1,000 s.f.	—	1.1	—	$592.34	$651.58
Institutional Uses						
Elementary School	1,000 s.f.	—	0.98	—	$592.34	$580.50
Middle/Junior High School	1,000 s.f.	—	0.84	—	$592.34	$497.57
High School	1,000 s.f.	—	0.65	—	$592.34	$385.02
Junior/Community College	1,000 s.f.	—	1.77	—	$592.34	$1,048.45
University/College	student	—	0.19	—	$592.34	$112.55
Daycare	1,000 s.f.	—	2.77	—	$592.34	$1,640.79
Library	1,000 s.f.	—	1.07	—	$592.34	$633.81
Medical Uses						
Hospital	bed	—	2.88	—	$592.34	$1,705.95
Nursing Home	bed	—	0.84	—	$592.34	$497.57
Clinic	1,000 s.f.	—	3.93	—	$592.34	$2,327.91
Medical/Dental Office	1,000 s.f.	—	4.05	—	$592.34	$2,398.99

Impact Fee Schedule for Fire Protection Facilities and Equipment						
Land Use Category	**Service Units**	**Persons per Household**	**Employee Space Ratio**	**Cost per Person**	**Cost per Employee**	**Impact Fee per Service unit**
General Office Uses						
< 50,000 s.f.	1,000 s.f.	—	4.14	—	$592.34	$2,452.30
50,001 – 100,000 s.f.	1,000 s.f.	—	3.72	—	$592.34	$2,203.52
100,001 – 150,000 s.f.	1,000 s.f.	—	3.55	—	$592.34	$2,102.82
150,001 – 200,000 s.f.	1,000 s.f.	—	3.44	—	$592.34	$2,037.66
> 200,001 s.f.	1,000 s.f.	—	3.26	—	$592.34	$1,931.04
Office Park Uses						
< 50,000 s.f.	1,000 s.f.	—	3.7	—	$592.34	$2,191.67
50,001 – 100,000 s.f	1,000 s.f.	—	4.96	—	$592.34	$2,938.03
100,001 s.f. – 150,000 s.f.	1,000 s.f.	—	4.18	—	$592.34	$2,476.00
150,001 – 200,000 s.f.	1,000 s.f.	—	3.82	—	$592.34	$2,262.75
200,001 – 250,000 s.f.	1,000 s.f.	—	3.62	—	$592.34	$2,144.29
250,001 – 300,000 s.f.	1,000 s.f.	—	3.48	—	$592.34	$2,061.36
300,001 – 350,000 s.f.	1,000 s.f.	—	3.38	—	$592.34	$2,002.12
350,001 – 400,000 s.f.	1,000 s.f.	—	3.3	—	$592.34	$1,954.74
> 400,001 s.f.	1,000 s.f.	—	3.17	—	$592.34	$1,877.73
Business Park Uses						
< 100,000 s.f	1,000 s.f.	—	2.44	—	$592.34	$1,445.32
100,001 s.f. – 150,000 s.f.	1,000 s.f.	—	2.79	—	$592.34	$1,652.64
150,001 – 200,000 s.f.	1,000 s.f.	—	2.95	—	$592.34	$1,747.41
200,001 – 250,000 s.f.	1,000 s.f.	—	3.03	—	$592.34	$1,794.80
250,001 – 300,000 s.f.	1,000 s.f.	—	3.09	—	$592.34	$1,830.34
300,001 – 350,000 s.f.	1,000 s.f.	—	3.12	—	$592.34	$1,848.11
350,001 – 400,000 s.f.	1,000 s.f.	—	3.15	—	$592.34	$1,865.88
> 400,001 s.f.	1,000 s.f.	—	3.2	—	$592.34	$1,895.50

Impact Fee Schedule for Fire Protection Facilities and Equipment						
Land Use Category	**Service Units**	**Persons per Household**	**Employee Space Ratio**	**Cost per Person**	**Cost per Employee**	**Impact Fee per Service unit**
General Retail Uses						
< 50,000 s.f.	1,000 s.f.	—	2.86	—	$592.34	$1,694.10
50,001 – 100,000 s.f	1,000 s.f.	—	2.5	—	$592.34	$1,480.86
100,001 s.f. – 150,000 s.f.	1,000 s.f.	—	2.22	—	$592.34	$1,315.00
150,001 – 200,000 s.f.	1,000 s.f.	—	2.22	—	$592.34	$1,315.00
200,001 – 300,000 s.f.	1,000 s.f.	—	2.22	—	$592.34	$1,315.00
300,001 – 400,000 s.f.	1,000 s.f.	—	2.22	—	$592.34	$1,315.00
> 400,001 s.f.	1,000 s.f.	—	2.22	—	$592.34	$1,315.00
Specific Retail Uses						
Supermarket	1,000 s.f.	—	1.1	—	$592.34	$651.58
Building Materials/ Lumber Store	1,000 s.f.	—	1.41	—	$592.34	$835.21
Free Standing Discount Store	1,000 s.f.	—	1.98	—	$592.34	$1,172.84
Nursery/Garden Center	1,000 s.f.	—	3.12	—	$592.34	$1,848.11
New Car Sales Center	1,000 s.f.	—	1.53	—	$592.34	$906.29
Tire Store	1,000 s.f.	—	1.21	—	$592.34	$716.74
Furniture Store	1,000 s.f.	—	0.42	—	$592.34	$248.78
Industrial Uses						
General Light Industrial	1,000 s.f.	—	2.31	—	$592.34	$1,368.31
General Heavy Industrial	1,000 s.f.	—	1.83	—	$592.34	$1,083.99
Industrial Park	1,000 s.f.	—	2.04	—	$592.34	$1,208.38
Warehousing	1,000 s.f.	—	0.92	—	$592.34	$544.96
Mini-Warehouse	1,000 s.f.	—	0.04	—	$592.34	$23.69
Specific Service Uses						
Drive-In Bank	1,000 s.f.	—	4.79	—	$592.34	$2,837.33
High-Turnover Sit-Down Restaurant	1,000 s.f.	—	5.64	—	$592.34	$3,340.82
Fast Food w/ Drive Through	1,000 s.f.	—	5	—	$592.34	$2,961.72

Other Available Funding Sources

The City of Beaufort Fire Department does not have any active grants or outside funding sources in excess of $100,000 for building, apparatus, or other capital items.

Conclusion

Significant growth and development within municipal boundaries of the City of Beaufort and Town of Port Royal is expected to continue, which will likely overburden fire protection services and equipment beyond current service delivery standards or maximum service capacities. Therefore, it is appropriate to implement a developmental impact fee program to mitigate a proportionate share of the anticipated future deficiencies associated with new growth.

Appendix A Enabling Legislation

South Carolina Code of Laws, Title 6, Article 9, Section 910

TITLE 6. Local Government – Provisions Applicable to Special Purpose Districts and Other Political Subdivisions

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 Previous 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, § 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, § 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, § 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, § 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, § 1; 2016 Act No. 229 (H.4416), § 1, eff June 3, 2016.

Effect of Amendment

2016 Act No. 229, § 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, § 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, § 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, § 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, § 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, § 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, § 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, § 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, § 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, § 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, § 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, § 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, § 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, § 1.

Appendix B

Resolution

A JOINT RESOLUTION of THE CITY OF BEAUFORT AND TOWN OF PORT ROYAL TO BEGIN THE PROCESS FOR ADOPTION OF AN ORDINANCE IMPOSING A FIRE FACILITIES AND EQUIPMENT DEVELOPMENT IMPACT FEE

WHEREAS, the City of Beaufort Comprehensive Plan -Vision Beaufort 2009 Comprehensive Plan - contains, on pages 239 and 241 a section outlining a capital improvement plan for fire facilities and equipment needs of the Beaufort-Port Royal Fire Department (Beaufort's Portions); and,

WHEREAS, the Town of Port Royal comprehensive plan shows commitment to regional cooperation on Level of Service Standards (LOS) on page 25; and,

WHEREAS, The City of Beaufort and Town of Port Royal signed an Intergovernmental Agreement on May 10th, 2017 memorializing a contractual agreement for provision of fire service and shared costs between the two governments; and,

WHEREAS, certain fire districts throughout Beaufort County have heretofore imposed capital improvements fire development impact fees to assist in the funding of capital improvements; and,

WHEREAS, as the Beaufort-Port Royal Fire Department continues to expand and improve its response to new construction and development, the City and Town Council's believe that such new development should assist in the funding of capital improvements to enable such services; and,

WHEREAS, the joint councils of the City of Beaufort and Town of Port Royal believe collectively that it is in the best interest of their citizens to enact a Fire Facilities and Equipment Development Impact Fee on construction and development, to assist in the funding of this capital improvements plan; and,

WHEREAS, Section 6-1-950 (A) of the South Carolina Code of Laws provides that, in order to begin the process for adoption of an ordinance imposing an impact fee, the governing body must first enact a resolution directing the local planning commission to recommend a capital improvement plan and impact fee ordinance; and,

WHEREAS, the joint Councils of the City of Beaufort and Town of Port Royal wish to direct the Metropolitan Planning Commission to conduct a study and to recommend a Fire Facilities and Equipment Development Impact Fee ordinance per this statute:

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Beaufort, South Carolina and Town Council of Port Royal, South Carolina that the Metropolitan Planning Commission is hereby directed to conduct such study as it deems necessary and appropriate within 45 days of this Resolution, and to recommend to the City and Town Councils a Fire Facilities and Equipment Development Impact Fee ordinance in accordance with the requirements of state law.

IN WITNESS THEREOF, I hereunto set my hand and caused the Seal of the City of Beaufort to be affixed this 13th day of November 2018.

BILLY KEYSERLING, MAYOR

ATTEST

IVETTE BURGESS, CITY CLERK

PORT ROYAL
EST. 1562
COOL. COASTAL. FAR FROM ORDINARY.

Council

Samuel E. Murray
Mayor

Mary Beth Heyward
Mayor Pro Tempore

Jerry Ashmore
Robert Landrum
Darryl Owens

Van Willis
Town Manager

T. Alan Beach
Chief of Police

Jeffrey S. Coppinger
Operations

Linda Bridges
Planning

A JOINT RESOLUTION of THE CITY OF BEAUFORT AND TOWN OF PORT ROYAL

A RESOLUTION TO BEGIN THE PROCESS FOR ADOPTION OF AN ORDINANCE IMPOSING A FIRE FACILITIES AND EQUIPMENT DEVELOPMENT IMPACT FEE

WHEREAS, the City of Beaufort Comprehensive Plan -Vision Beaufort 2009 Comprehensive Plan - contains, on pages 239 and 241 a section outlining a capital improvement plan for fire facilities and equipment needs of the Beaufort-Port Royal Fire Department (Beaufort's Portions); and,

WHEREAS, the Town of Port Royal comprehensive plan shows commitment to regional cooperation on Level of Service Standards (LOS) on page 25; and,

WHEREAS, The City of Beaufort and Town of Port Royal signed an Intergovernmental Agreement on May 10th, 2017 memorializing a contractual agreement for provision of fire service and shared costs between the two governments; and,

WHEREAS, certain fire districts throughout Beaufort County have heretofore imposed capital improvements fire development impact fees to assist in the funding of capital improvements; and,

WHEREAS, as the Beaufort-Port Royal Fire Department continues to expand and improve its response to new construction and development, the City and Town Council's believe that such new development should assist in the funding of capital improvements to enable such services; and,

WHEREAS, the joint councils of the City of Beaufort and Town of Port Royal believe collectively that it is in the best interest of their citizens to enact a Fire Facilities and Equipment Development Impact Fee on construction and development, to assist in the funding of this capital improvements plan; and,

WHEREAS, Section 6-1-950 (A) of the South Carolina Code of Laws provides that, in order to begin the process for adoption of an ordinance imposing an impact fee, the governing body must first enact a resolution directing the local planning commission to recommend a capital improvement plan and impact fee ordinance; and,

Resolution 8-2018

WHEREAS, the joint Councils of the City of Beaufort and Town of Port Royal wish to direct the Metropolitan Planning Commission to conduct a study and to recommend a Fire Facilities and Equipment Development Impact Fee ordinance per this statute:

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Beaufort, South Carolina and Town Council of Port Royal, South Carolina that the Metropolitan Planning Commission is hereby directed to conduct such study as it deems necessary and appropriate within 45 days of this Resolution, and to recommend to the City and Town Councils a Fire Facilities and Equipment Development Impact Fee ordinance in accordance with the requirements of state law.

Resolved by the Mayor and Council of Port Royal this 14th day of November, 2018.

Requested by:

Milton W. Ivey, Town Manager

Approved:

Samuel E. Murray, Mayor

Attest:

Brooke D. Paul-Bucciola, Municipal Clerk

Appendix C

City of Beaufort – Town of Port Royal,

South Carolina

Fire Department

Proposed Impact Fee Eligible

Capital Improvement Plan

Introduction

What are Impact Fees?

As communities grow, the demands placed on surrounding infrastructure continue to increase. Eventually, these demands will require additional capacity improvements to maintain appropriate levels of public service.

Impact fees represent financial payments made from a developer to the local government to offset the costs of certain off-site capital improvements needed to facilitate future growth. Fees may be collected for many different public facilities and services, including: transportation, municipal facilities (such as public services, planning, building, engineering, and general administration), stormwater, police and fire protection, and recreation.

Impact fees commonly provide a means for orderly development by mitigating the negative impacts of new growth, while passing the costs associated with new development onto developers, rather than existing taxpayers. Impact fees are most useful in communities that are experiencing rapid growth and have significant land available for development.

The City of Beaufort and Town of Port Royal, who work together to provide fire protection and emergency medical first response services to the two municipalities, are in the process of updating their development impact fees for, fire protection, on all new development (residential and non-residential; exempting low income housing) within their respective municipal limits.

Basis for Impact Fees

The State of South Carolina grants cities and counties the authority to collect impact fees on new development pursuant to the rules and regulations set forth in the South Carolina Development Impact Fee Act (Section 6-1-910 et seq. of the SC Code of Laws). As part of the process for developing an impact fee program, a city or county must prepare and adopt the following:

- An impact fee study report that documents existing conditions, future capital needs, replacement and implementation costs. The study also identifies the maximum allowable impact fees (by category) which may be charged in accordance with the rules and requirements of the Act.
- A report that estimates the effect of impact fees on the availability and affordability of housing.
- A development impact fee ordinance.
- A Capital Improvements Plan (CIP) that identifies capital improvements, equipment, and vehicles that qualify for impact fee funding. Eligible costs may include design, engineering, acquisition, financing, and construction costs. (Administrative and operating costs are not eligible for impact fee funding).

FIRE PROTECTION

Project:	Engine/Pumper Trucks
Description:	Designed to be the main firefighting/pumping unit on the scene of a fire. These trucks are designed to house a 1,500 gpm pump, a 750 – 1000 gallon water tank, ground ladders, small equipment, and hose. These trucks are also designed to carry medical equipment for Basic Life Support (BLS) as EMT's are assigned to each Engine. Strategic Plans are in place to move these apparatus to Advanced Life Support (ALS) units by July 1 of 2021. The Fire Department currently has six (3) frontline units that fall into this category and two (3) additional in reserve.
Justification:	To maintain the current level of fire protection and emergency services, the fire protection development impact fee assumes a consumption-driven approach. This approach charges new residential and non-residential development the cost of replacing existing capacity on a one-for-one basis, assuming constant current service delivery standards. It is anticipated that growth will require additional equipment to maintain response time and ISO rating.

Estimated Cost: $850,000 each in 2018

Timeline: As needed beginning FY 2019

Possible Funding: Development Impact Fees, General Fund, Lease, Lease-Purchase Agreement, Grants, Hospitality Tax, Accommodations Tax

FIRE PROTECTION

Project: Ladder Truck

Description: Designed to provide access to upper levels of a structure using the 75 - 110-foot aerial ladder affixed to the top of the truck. These units are also equipped with a pump and water tank and can provided firefighting capabilities through hose or from an elevated nozzle on the tip of the ladder. These units carry a larger compliment of ground ladders, saws, vehicle extrication equipment, and tools. The Fire Department currently has one (1) frontline unit and one (1) in reserve.

Justification:	To maintain the current level of fire protection and emergency services, the fire protection development impact fee assumes a consumption-driven approach. This approach charges new residential and non-residential development the cost of replacing existing capacity on a one-for-one basis, assuming constant current service delivery standards. It is anticipated that growth will require additional to maintain response time and ISO rating.
Estimated Cost:	$1.2 – $1.4 million in 2018
Timeline:	As needed beginning FY 2019
Possible Funding:	Development Impact Fees, General Fund, Lease, Lease-Purchase Agreement, Grants, Hospitality Tax, Accommodations Tax

FIRE PROTECTION

Project:	Quick Response Vehicles/Limited Firefighting Capability (QRV-F)
Description:	Commercial vehicle chassis with emergency capabilities. The Fire Department responds on all medical calls within municipal limits regardless of severity. Patient care and stabilization is provided. Beaufort County Emergency Medical Services (EMS) provides the ambulance for transport to a hospital if needed. Our QRV's provide a smaller option for response and provide minimal firefighting/rescue capability. The department currently has one (1) in frontline service and one (1) in reserve.
Justification:	To maintain the current level of fire protection and emergency services, the fire protection development impact fee assumes a consumption-driven approach. This approach charges new residential and non-residential development the cost of replacing existing capacity on a one-for-one basis, assuming constant current service delivery standards.
Estimated Cost:	$185,000 each in 2018
Timeline:	As needed beginning FY 2019
Possible Funding:	Development Impact Fees, General Fund, Lease, Lease- Purchase Agreement, Grants, Hospitality Tax, Accommodations Tax

FIRE PROTECTION

Project: Quick Response Vehicles/Service Companies (QRV-S)

Description: Commercial vehicle chassis with emergency capabilities. The QRV-S fulfill the same function as a ladder company in the ISO grading schedule and significantly contribute to the department's ISO class 1 rating. The Fire Department strategically places these vehicles in the response area to respond to fires with additional equipment not carried on engine companies. The Department currently has two (2) in frontline service and zero (0) in reserve.

Justification: To maintain the current level of fire protection and emergency services, the fire protection development impact fee assumes a consumption-driven approach. This approach charges new residential and non-residential

development the cost of replacing existing capacity on a one-for-one basis, assuming constant current service delivery standards.

Estimated Cost: $385,000 each in 2018

Timeline: As needed beginning FY 2019

Possible Funding: Development Impact Fees, General Fund, Lease, Lease-Purchase Agreement, Grants, Hospitality Tax, Accommodations Tax

FIRE PROTECTION

Project: Quick Response Vehicles/Command Vehicle (QRV-C)

Description: Commercial vehicle chassis with emergency capabilities. The QRV-C provide Chief level command and control to the fire department and

significantly contribute to the department's ISO class 1 rating by placing a Chief Officer on every scene. The Fire Department strategically places these vehicles in the response area to respond to fires with additional equipment not carried on engine companies. The Department currently has one (1) in frontline service and zero (0) in reserve.

Justification: To maintain the current level of fire protection and emergency services, the fire protection development impact fee assumes a consumption-driven approach. This approach charges new residential and non-residential development the cost of replacing existing capacity on a one-for-one basis, assuming constant current service delivery standards. The department is currently a 1-battalion department but with sufficient growth will become a 2-battalion department in the planning horizon.

Estimated Cost: $125,000 each in 2018

Timeline: As needed beginning FY 2019

Possible Funding: Development Impact Fees, General Fund, Lease, Lease-Purchase Agreement, Grants, Hospitality Tax, Accommodations Tax

FIRE PROTECTION

Project: Renovation and Redesign of Fire Station Number 1 (CHQ)

Description: Redesign with necessary renovations of the existing 9,631 square foot facility to update the 34-year-old facility and come in line with the Civic Master Plan. The department has conducted user charette's and determined the best use of the existing footprint is to redesign the existing structure to accommodate a segregation of operations and administration on opposite sides of the building. Also, a concept has been developed to create a public space on the street side of the building that will meet the civic master plan vision.

Justification: To maintain the current level of fire protection and emergency services, the fire protection development impact fee assumes a consumption-driven approach. This approach charges new residential and non-residential development the cost of replacing existing capacity on a one-for-one basis,

assuming constant current service delivery standards. Station 1 is currently the oldest station that houses an engine company, a Battalion Chief, the maintenance equipment, reserve and retired apparatus, and the fire administration. Station 1 is centrally located to the service area and has seen an increase in call volume over the past several years. As commercial density increases in the area with the Boundary Street re-development district, need will increase.

Estimated Cost: TBD, estimated at $2,950,000

Timeline: Contingent on funding

Possible Funding: Development Impact Fees, General Fund, Grants, General Obligation Bonds, Hospitality Tax, Accommodations Tax

FIRE PROTECTION

Project: Fire Station Construction Number 5 (north area/City of Beaufort)

Description: As the northern part of the City of Beaufort develops industry, the demands on service increases. To meet the new fire protection demands and provide the same level of existing services, a fifth station in this area

is anticipated to be needed. ISO requires a fire station within 5 road miles of properties in order to retain the rating of the department.

Justification: To maintain the current level of fire protection and emergency services, the fire protection development impact fee assumes a consumption-driven approach. This approach charges new residential and non-residential development the cost of replacing existing capacity on a one-for-one basis, assuming constant current service delivery standards. To maintain level of service, response time, ISO rating, and proper distance all due to growth, an eighth station would be required.

Estimated Cost: TBD, estimated at $3,950,000

Timeline: Contingent on funding

Possible Funding: Development Impact Fees, General Fund, Grants, General Obligation Bonds, Hospitality Tax, Accommodations Tax

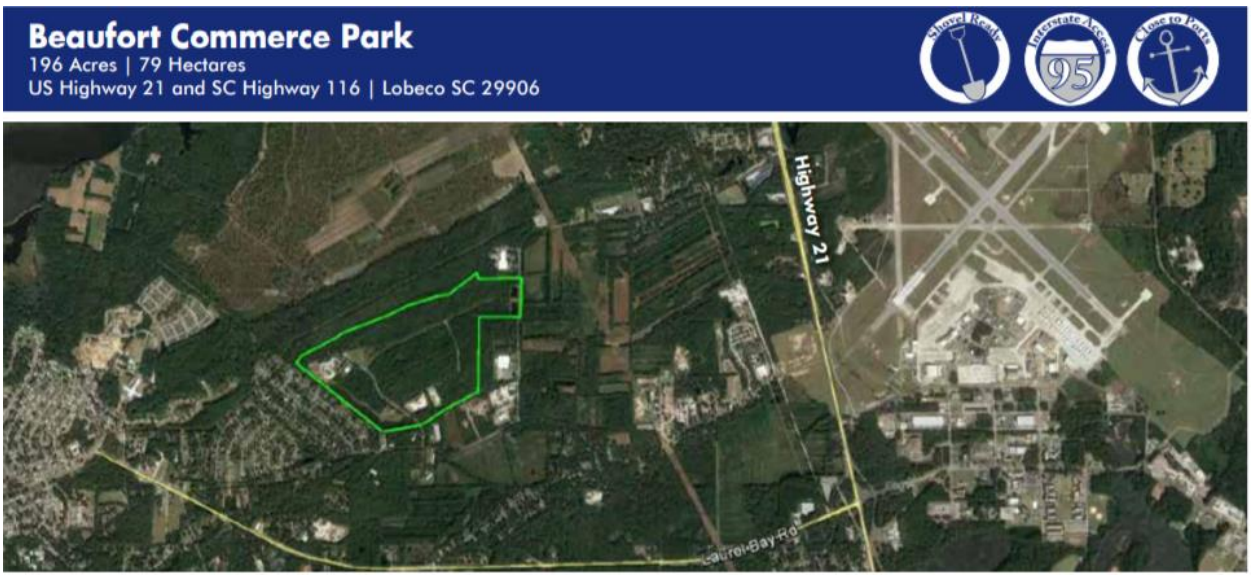

TABLE OF CURRENT ASSETS WITH REPLACEMENT COST or MARKET VALUE

of > $100,000

TYPE	ASSET NUMBER	YEAR	REPLACEMENT YEAR	REPLACEMENT COST
ENGINE/PUMPER				
	E4107	1988	2008	$850,000
	E9260	1995	2015	$850,000
	E9783	1996	2016	$850,000
	E8944	2007	2027	$850,000
	E4083	2011	2031	$850,000
	E7587	2014	2034	$850,000
Ladder Truck				
	T2445	2001	2021	$1,400,000
	L8795	2016	2036	$1,400,000
QRV-F				
	S9665	2011	2031	$185,000
	S6011	2011	2031	$185,000
QRV-S				
	U9341	2001	2021	$385,000
	U0655	2005	2025	$385,000
QRV-C				
	B3416	2017	2037	$125,000
Total				$9,165,000

TYPE	ASSET #	YEAR	Replacement/ Refurb. Year	Market Value	Project Cost
FIRE STATION					
	Station 1 (CHQ)	1984	2004-2009	$795,000	$2,950,000
	Station 2	2015	2035-2040	$2,027,000	
*1/2 Value of Bldg	Station 3	1996	2016-2021	$1,744,100	
	Station 4	2018	2038-2043	$2,638,000	
	Construction 1	TBD	Build + 20-25	N/A	$3,950,000
Total					$6,900,000

Capital Rolling Stock Replacement Cost	$9,165,000
Capital Infrastructure Replacement/Renovation Cost	$6,900,000
Total Capital Improvement projection	**$16,065,000**

Appendix D

United States Census Bureau 2018 Quick Facts for Beaufort City, South Carolina

United States Census Bureau 2018 Quick Facts for Town of Port Royal, South Carolina

City of Beaufort

Housing	
Owner-occupied housing unit rate, 2013-2017	56.8%
Median value of owner-occupied housing units, 2013-2017	$210,700
Median selected monthly owner costs -with a mortgage, 2013-2017	$1,594
Median selected monthly owner costs -without a mortgage, 2013-2017	$513
Median gross rent, 2013-2017	$859
Families & Living Arrangements	
Households, 2013-2017	4,901
Persons per household, 2013-2017	2.51

Town of Port Royal

Housing	
Owner-occupied housing unit rate, 2013-2017	33.7%
Median value of owner-occupied housing units, 2013-2017	$211,500
Median selected monthly owner costs -with a mortgage, 2013-2017	$1,390
Median selected monthly owner costs -without a mortgage, 2013-2017	$438
Median gross rent, 2013-2017	$1,101
Families & Living Arrangements	
Households, 2013-2017	3,478
Persons per household, 2013-2017	2.48

STATE OF SOUTH CAROLINA
CITY OF BEAUFORT

AN ORDINANCE AMENDING THE CODE OF ORDINANCES FOR THE CITY OF BEAUFORT; CHAPTER___ , SO AS TO ADD A NEW DIVISION TO BE NUMBERED DIVISION ___, DEVELOPMENT IMPACT FEES FOR FIRE SERVICE; PROVIDING FOR THE ADOPTION OF DEVELOPMENT IMPACT FEES FOR THE CITY OF BEAUFORT; PROVIDING FOR THE ADMINISTRATION AND ENFORCEMENT THEREOF; AND OTHER MATTERS RELATED THERETO

Pursuant to the authority granted by the Constitution and the General Assembly of the State of South Carolina, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF BEAUFORT:

SECTION I. The Code of Ordinances for the City of Beaufort Chapter ___; is hereby amended by adding a division, to be numbered Division ___, Development Impact Fees for Fire Service; which division shall read as follows:

DIVISION ___. DEVELOPMENT IMPACT FEES FOR FIRE SERVICES

Title

This ordinance shall be referred to as the "Development Impact Fee Ordinance for Fire Service, City of Beaufort South Carolina."

Authority

This ordinance is adopted pursuant to and in compliance with the authority of the South Carolina Development Impact Fee Act, Code of Laws of South Carolina, Title 6, Article 9, Chapter 1 (the "Act"), and is to be interpreted in accordance with such Act , or as it may be amended in the future.

Findings

The City of Beaufort Council hereby declares that:

(a) Fire protection, municipal fire department facilities and fire department equipment are vital and necessary to the health, safety, welfare, and prosperity of the city and its citizens. Substantial growth and new construction is taking place within the municipality and is anticipated to continue. This growth creates substantial need for new infrastructure capacity and maintenance. Meeting these needs is very costly; however, failure to do so will result in an inadequate system of facilities and equipment to accommodate anticipated demand. This would make the City of Beaufort a less desirable place to live and do business and be detrimental to the health, safety, welfare, and prosperity of the city and its citizens.

(b) To the extent that future growth and new construction in the city places demands on fire protection which should be met by shifting a portion of the capital costs for providing new capacity and maintaining exiting capital to serve new development, which creates, in whole or in part, these demands and needs.

(c) By Joint Resolutions adopted on November 13, 2018, and November 14, 2018, the City of Beaufort and Town of Port Royal Councils directed the Metropolitan Planning Commission to conduct the necessary studies and a recommended development impact fee ordinance in accordance with the requirements of the Act.

(d) The Metropolitan Planning Commission recommended a *Developmental Fire Impact Fee Study Report for Beaufort/Port Royal Fire Department* dated 8/15/2019, a *Beaufort/Port Royal Capital Improvements Plan* with projects eligible for impact fee funding dated November 2018, which have been adopted by the City Council, as modified.

(e) This ordinance is enacted to implement the findings and recommendations of the *Development Fire Impact Fee Study Report for Beaufort/Port Royal Fire Department* and endorse the list of capital projects eligible for impact fee funding in the *Beaufort/Port Royal Fire Department Capital Improvement Plan*.

(f) The impact fees prescribed in this ordinance are equitable, do not impose an unfair or disproportionate burden on developers and new construction, and are in the best interests of the general welfare of City of Beaufort and its citizens.

(g) New facilities or equipment eligible for development impact fee funding will benefit all new development or redevelopment in city limits. Therefore, it is appropriate to treat the entire city as one service area for calculating, collecting, and spending development impact fees.

(h) This ordinance provides the procedures for timely processing of applications for determination of appropriate development impact fees applicable to all development inside city limits subject to the impact fees, and for the timely processing of applications for individual assessment of development impact fees, credits, or reimbursements allowed or paid.

(i) Property for which a valid building permit has been issued prior to the effective date of this ordinance shall not be subject to new or updated development impact fees.

Definitions

The following definitions apply within this ordinance, consistent with the provisions set forth in the South Carolina Development Impact fee Act, or as it may be amended in the future. Where terms are not defined, the definitions used in the City of Beaufort Code of Ordinances shall apply.

(a) Affordable Housing. Housing that is affordable to families whose incomes do not exceed eighty (80%) percent of the median income for the service zone established for the City of Beaufort.

(b) Building Permit. A permit issued by the city permitting the construction of a building or structure within city limits.

(c) Capital Improvement. Improvements with a useful life of five years or more, by new construction or other action, which increase the service capacity of any public facility.

(d) Capital Improvements Plan (CIP). A multi-year planning tool used to identify capital projects. The Plan also identifies capital improvements for which impact fees may be used as a funding source.

(e) Certificate of Occupancy. A certificate allowing the occupancy or use of a building and certifying that the structure or use has been constructed or will be used in compliance with the City of Beaufort Code of Ordinances and all other applicable regulations.

(f) Credits. Impact fee deductions allowed to a fee payor for eligible off-site capital improvements funded by the fee payor or other allowance.

(g) Developer. An individual, corporation, partnership, or other legal entity undertaking new development.

(h) Development. Construction or installation of a new building or structure, or a change in use of an existing building or structure, any of which creates additional demand and need for public facilities (i.e., parks and recreation, fire protection, municipal facilities and equipment, or transportation). 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.

(i) Development Impact Fee. A financial payment made by a developer to a local government for funding certain off-site capital improvements identified to accommodate future growth. Development impact fees (or "impact fees") are collected by the municipality for, fire protection, fire department facilities, and fire department equipment.

(j) Fee Payor. A developer that pays or is required to pay a development impact fee.

(k) Fire Impact Fee. A payment of money imposed as a condition of approval to pay a proportionate share of the cost for improvements and maintenance of the fire protection system identified to serve new development.

(l) Level of service. Means a measure of the relationship between service capacity and service demand for public facilities.

(m) Public Facilities. Public facilities for the purpose of this ordinance shall include fire protection facilities and equipment and/or construction of capital improvements identified in the *Beaufort/Port Royal Fire Department Capital Improvements Plan* and the *Development Impact Fee Study Report for the Beaufort/Port Royal Fire Department.*

(1) Capital equipment and vehicles, with an individual unit purchase price of not less than $100,000 dollars including but not limited to, equipment and vehicles used in the delivery of public safety services or emergency preparedness services.

(n) Square Feet (s.f.). As referred to in Appendix A *Impact Fee Schedule for Fire Protection Facilities and Equipment* of this ordinance, means the sum (in square feet) of the area of each floor level, including cellars, basements, mezzanines, penthouses, corridors, lobbies, stores and offices, that are within the principal outside faces of exterior walls, not including architectural setbacks or projections. Included are all areas that have floor surfaces with clear standing head room (measured 6 foot, 6 inches minimum) regardless of their use. If a ground-level area of a building, or part thereof, within the principal outside faces of the exterior walls is not enclosed, this square footage definition considers it part of the overall square footage for the building. However, unroofed areas and unenclosed roofed-over spaces, except those contained within the principle outside faces of exterior walls, should be excluded from the area measurement. The area of any parking garage within a building shall not be included in the area measurement.

(o) System Improvement. A capital improvement to a public facility which is designed to provide service to a service area.

(p) System Improvement Costs. The costs incurred for construction and reconstruction of system improvements, including design, acquisition, engineering, and other costs attributable to the improvements including the cost of providing additional public facilities needed to serve new growth and development. System improvement costs do not include:

(1) Construction, acquisition, or expansion of public facilities other than capital improvements eligible for impact fee funding that are identified in the *Beaufort/Port Royal Fire Department Capital Improvement plan*;

(2) Repair, operation, or maintenance of existing or new capital improvements;

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

(4) Upgrading, updating, expanding, or replacing existing capital infrastructure to provide better service to existing development;

(5) Administrative and operating costs of the governmental entity; or

(6) Principal payments and interest or other finance charges on bonds or other indebtedness issued by or on behalf of the governmental entity to finance capital improvements eligible for impact fee funding that are identified in the *Beaufort/Port Royal Fire Department Capital Improvement Plan*.

Supporting Documentation

This ordinance is based upon the conclusions and recommendations presented in the *Beaufort/Port Royal Development Fire Impact Fee Study*, prepared with the provisions set forth in the Act and adopted by joint resolutions from the City of Beaufort and Town of Port Royal councils. These documents are and shall remain on file in the City of Beaufort Community and Economic Development department and are hereby incorporated into this ordinance by reference.

All developmental impact fees for fire service collected pursuant to this ordinance shall be used to implement any or all of the public facilities deemed eligible for impact fee funding identified in the *Beaufort/Port Royal Fire Department Capital Improvement Plan.*

Jurisdiction

A development impact fee shall apply to all new development or redevelopment located within municipal boundaries.

Application and Exemptions

The provisions of the ordinance shall apply to all new development or redevelopment within municipal boundaries for which a building permit or development approval is required except for the following:

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

(b) Remodeling or repairing a structure with the same land use that does not result in an increase in the number of service units or place new demand on fire protection;

(c) Replacing a residential unit, including a manufactured home, with another residential unit on the same lot, if the number of service units does not change;

(d) Placing a construction trailer or temporary office on a lot during the period of construction on the same lot;

(e) Construction of an addition to a residential structure that does not increase the service units;

(f) 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 new consumption of fire services, municipal facilities and equipment, or the transportation system; and

(g) All or part of a particular development project determined to create affordable housing.

Provisions for Affordable Housing

Because all or part of any development project may be exempt from development fire impact fees for affordable housing, the following sets forth the administrative standards for determining what constitutes affordable housing and the procedures for exemption.

(a) Median Household Income

Affordable housing is based upon eighty percent (80%) of the median household income for residents living within the City of Beaufort. Median household income shall be determined once a year utilizing the following procedure:

(1) The most recently available figures from the US Census Bureau American Community Survey will serve as the base year for this evaluation;

(2) Each subsequent year will be adjusted once annually thereafter during January of the calendar year based upon the previous year's published Consumer Price Index (CPI) increase, until the next US Census Bureau data set is published, and this procedure is replicated.

(b) Maximum Expenditure

The maximum expenditure for housing costs shall correspond to the Fannie Mae Foundation Mortgage Calculator multiplier of thirty percent (30%) of gross household income based upon eighty percent (80%) of median household income is:

(1) Multifamily rental dwelling units of which the gross monthly rent cost does not exceed thirty percent (30%) of eighty percent (80%) of the gross median household monthly income.

- maximum monthly rent = MFI X 80% X 30% /12
- $1031.12 max month rent = $51,556 MFI x 80% x 30% / 12
- MFI (Median Family Income) - $51,556 This is an average of the U.S. Census Bureau MFI's published for the City of Beaufort and the Town

of Port Royal.

- 80% - The required MFI reduction as defined by the SC State impact fee law, SC Code Section 6-1-920

- 30% - The US Housing and Urban Development's (HUD) criteria that housing cost should be 30% or less of a household's MFI.

(2) Fee for simple ownership dwelling units of which the cost of homeownership for the dwelling unit do not exceed thirty percent (30%) of eighty percent (80%) of the gross median household monthly income as reflected in the sales price using the Fannie Mae Foundation Mortgage Calculator (or comparable methodology) assuming a 10% down payment and a specified interest rate. The specified interest rate shall be determined by selecting the lowest 30-year fixed mortgage rate reported by area lending institutions as of the first week of January for any given year and shall remain so for the balance of the year.

- maximum monthly principle and interest (MMPI) = MFI X 80% X 30% /12 – expenses

- $631.12 MMPI = $51,556 MFI x 80% x 30% /12 - 400

- A 30-year mortgage at 7% and 10% down payment calculates to a purchase price of $105,400.00 to meet $631.12 MMPI.

  - MMPI – Maximum monthly Principle and Interest Payment

  - MFI (Median Family Income) - $51,556 This is an average of the U.S. Census Bureau MFI's published for the City of Beaufort and the Town of Port Royal

  - 80% - The required MFI reduction as defined by the SC State impact fee law, SC Code Section 6-1-920

  - 30% - The US Housing and Urban Development's (HUD) criteria that housing cost should be 30% or less of a household's MFI.

  - Expenses - $100 per month insurance, $100 per month taxes, $200 per month utilities and upkeep.

(c) Procedures for Exemption from Development Impact Fees

(1) A developer seeking exemption from development fire impact fees for the construction of affordable multifamily rental dwelling units, must provide a Rent Control Agreement, approved by the City of Beaufort Community and Economic Development department, restricting the monthly rental cost of each affordable

housing unit for a period of six (6) years in accordance with the maximum expenditure, prior to issuance of the building permit.

(2) A developer seeking exemption from developmental fire impact fees for the construction of affordable simple ownership dwellings, must provide a letter, approved by the City of Beaufort Community and Economic Development, restricting the sale price of the housing unit.

Credit for Redevelopment

(a) Properties with existing structures may receive fire impact fee credit for structures to be redeveloped or replaced.

(1) The permit applicant is responsible to notify the City of Beaufort Community and Economic Development department of the request for fire impact fee credit prior to presenting application for building permit or development permit and provide documentation necessary to properly assess the impact fee potential of the existing structure.

(2) The structure shall be evaluated in the present state to determine the developmental impact fee as if that structure was being constructed at the time of building permit application.

(3) The fee calculated for the existing structure will be credited towards to the developmental fire impact fee calculated for the new development building permit.

(4) Impact fee credit applied for existing structures shall not result in a developmental fire impact fee of less than Zero.

Determination of Fees

(a) <u>General Provisions</u>

(1) The Community and Economic Development department shall determine, assess and collect all development impact fees administered within the city limits.

(2) Upon the effective date of this ordinance, development impact fees shall be charged to new development or redevelopment in accordance with the procedures set forth in this ordinance. Fees to be collected for a development will be determined at the time of application for a building permit. If the development is one that does not require a building permit, the impact fee for the development will be determined at the time of development approval. No building permit or development approval shall be issued for any development requiring the payment of development impact fees until the fees have been assessed by and remitted to the City of Beaufort Community and Economic Development department, or in the case of affordable housing exemptions, the appropriate financial guarantees have been filed with the

Community and Economic Development department. Payment of such fees shall not relieve the developer from obligations to comply with any other applicable city ordinances, regulations, or requirements including, but not limited to, the "Zoning," "Subdivisions," or "Buildings and Building Regulations" Chapters of the City of Beaufort Code of Ordinances prior to receiving a Certificate of Occupancy.

(3) All monies paid by the fee payor pursuant to this ordinance shall be identified as development fire impact fees and promptly deposited in the developmental fire impact fee trust fund described in this ordinance.

(4) For the purpose of calculating development impact fees, the land use types assumed in the Development Fire Impact Fee Schedule of this ordinance (i.e., Appendix A) shall be defined in accordance with the definitions contained in the Institute of Transportation Engineers' *Trip Generation Manual*, Ninth Edition (see *Beaufort Port Royal Fire Department Development Impact Fee Study, Appendix B*).

(5) Payment of development impact fees according to the Development Fire Impact Fee Schedule (i.e., Appendix A), or independent impact fee calculation reviewed and approved by the City of Beaufort Director of Community and Economic Development, shall constitute full and complete payment of the new development's proportionate share of fire service costs.

(6) A developer may negotiate and contract with the city to provide facilities or services in lieu of payment of development impact fees in accordance with Section 6-1-1050 of the Act.

(b) Fire Protection Impact Fees

(1) Fire Protection Impact Fee Formula

Fire protection impact fees collected within city limits shall be in accordance with one of the following formulas:

a. Residential Development

Residential Fire Impact Fee = (SU) x (CPP)

Where:

SU (Service Unit) = The amount of net new service units generated by the proposed development. The service unit variable is calculated per Service Unit as annotated by each land use category

CPP (COST PER PERSON) = The cost per person for providing

fire protection services based on information presented in the *Beaufort/Port Royal Fire Department Development Impact Fee Study*. The cost per person is $305.43.

b. Non-Residential Development

Non-Residential Fire Impact Fee = (#SU) x (ESR) x (CPE)

Where:

SU = The amount of net new service units generated by the proposed development. The service unit variable is calculated per Service Unit as annotated by each land use category.

ESR = Average employee space ratio developed using information published in the Institute of Transportation Engineers *Trip Generation, Ninth Edition* (see *Beaufort/Port Royal Fire Department Development Impact Fee Study, Appendix A*).

CPR (Cost per Employee) = The cost per employee for providing fire protection services is based on information presented in the *Beaufort/Port Royal Fire Department Development Impact Fee Study*. The cost per employee is $592.34.

(2) Determining Fire Protection Impact Fees

The amount of fire protection impact fees attributable to a specific development shall be determined through the following process:

a. Verify the use and number of new service units for which the building permit is being sought;

b. For residential development, determine whether any of the proposed residential dwelling units qualify for exemption of fire protection impact fees as "affordable housing" and, if so, the number and type of such units; and

c. For residential uses multiply the number of non-exempt service units for the specified land use category by the cost per person.

d. For Non-residential development, determine the applicable land use type and impact fee per service unit set forth in Appendix A of this ordinance; and

e. For non-residential uses multiply the number of service units for the specified land use category by the employee space ratio, and then multiply the product by the cost per employee.

(3) Independent Fire Protection Impact Fee Calculation

In the event that a fee payor or city staff contend that the land use for which the building permit is being sought is not within those land uses identified in Appendix A, or if the fee payor contends that the Appendix A calculations are not accurate for its intended use, then the City of Beaufort Director of Community and Economic Development, or its designee, shall make a determination as to the most comparable land use category to assume for calculating fire protection impact fees. If the fee payor disagrees with the determination of the City of Beaufort Director of Community and Economic Development, or if the city otherwise deems it appropriate, an independent impact fee calculation may be performed to quantify the fair share of system improvement costs attributable to the development. Preparation of an independent impact fee calculation will immediately halt the building permit application process until such time that the necessary calculation is deemed complete by the City of Beaufort Director of Community and Economic Development. If an independent calculation is requested, it must accompany the building permit application and be prepared in accordance with the following provisions:

a. Independent calculations for the determination of fire protection impact fees must be performed by a certified professional engineer, architect, landscape architect, planner or other duly qualified and licensed professional approved by the City of Beaufort Director of Community and Economic Development.

b. The independent calculation shall be subject to review and approval by the City of Beaufort Director of Community and Economic Development, or its designee. In the event that the City of Beaufort Director of Community and Economic Development elects to contract with a third party to review the independent calculation, the cost of this review shall be borne by the applicant based on the cost of the third-party review, plus a ten percent (10%) administrative fee.

c. The City of Beaufort Director of Community and Economic Development, shall either approve or provide in writing the reasons for disapproval of the independent calculation study within thirty (30) days of its submittal for review.

d. Prior to commencing the study, the developer's hired professional and the City of Beaufort Director of Community and Economic Development, or its designee, shall agree upon the relevant factors and values that will be utilized in the independent calculation of impact fee.

e. The independent impact fee calculation shall be based on one of the following formulas:

Residential Development

Residential Fire Impact Fee = (SU) x (CPP)

Where:

SU (Service Unit) = The amount of net new service units generated by the proposed development. The service unit variable is calculated per Service Unit as annotated by each land use category

CPP (COST PER PERSON) = The cost per person for providing fire protection services based on information presented in the *Beaufort/Port Royal Fire Department Development Impact Fee Study.* The cost per person is $305.43.

Non-Residential Development

Non-Residential Fire Impact Fee = (#SU) x (ESR) x (CPE)

Where:

SU = The amount of net new service units generated by the proposed development. The service unit variable is calculated per Service Unit as annotated by each land use category.

ESR = Average employee space ratio developed using information published in the Institute of Transportation Engineers *Trip Generation, Ninth Edition* (see *Beaufort/Port Royal Fire Department Development Impact Fee Study, Appendix A*).

CPR (Cost per Employee) = The cost per employee for providing fire protection services is based on information presented in the *Beaufort/Port Royal Fire Department Development Impact Fee Study*. The cost per employee is $592.34.

Impact Fee Trust Funds

Development impact fees collected pursuant to this ordinance shall be kept separate from other revenue of the city. There shall be one trust fund established solely for development fire impact fee funds. All development impact fees collected shall be properly identified by property address noted on the approved building permit and by the appropriate trust account.

Any funds on deposit not immediately necessary for expenditure shall be maintained in an interest-bearing account prior to expenditure on recommended projects. Interest earned on development impact fees in deposit must be considered revenue to the trust fund account for which income is earned and must be subject to all restrictions placed on the use of development impact fees pursuant to this ordinance.

Limitation on Expenditures of Funds Collected

(a) Eligible System Improvement Costs

Funds from development impact fee trust accounts shall be expended only for the public facilities and system improvements identified as eligible for impact fee funding in the *Beaufort/Port Royal Fire Department Capital Improvement plan*, incorporated herein by reference. No funds shall be used for administrative or operating costs associated with imposing any of the development impact fees. Eligible components of a public fire department facility may include, but are not limited to, the following:

(1) Design and construction plan preparation;

(2) Construction of new facilities, structures, or amenities that provide additional capacity;

(3) Purchase of new equipment (>$100,000 purchase price) that provide additional capacity.

(4) Principal payments, interest and other finance charges on bonds or other indebtedness issued by or on behalf of the city for financing any or all public fire department infrastructure.

(b) Rational Nexus Test

The City Finance Director, or its designee, shall make an annual report to the City Council and publish this report for access by the general citizenry showing where development fire impact fees have been collected and what projects have been funded with these revenues. The Council shall consider this report and whether the fees are being spent for the benefit of new developments within city limits. If the Council determines that this is not the case, then it shall adjust the *Beaufort/Port Royal Fire Department Capital Improvement plan*, and other projected capital expenditures to correct the condition.

(c) Expenditure of Funds

Development impact fee funds shall be expended in the order in which they were collected. The disbursal of such funds shall require approval of the City Council,

upon recommendation of the City Manager or its designee.

(d) Reimbursement

Impact fee funds not obligated for expenditure within three (3) years of the date that they are scheduled to be expended in the *Beaufort/Port Royal Fire Department Capital Improvement plan*, shall be returned, with actual interest earned, to the record owner of the property for which the fees were collected, on a first-in, first-out basis.

Credits / Reimbursements

(a) General Provisions

(1) A developer shall be entitled to a credit against development impact fees assessed pursuant to this ordinance for city-approved monetary or in-kind contributions toward some or all expenditures included in the *Beaufort/Port Royal Fire Department Capital Improvement plan*, that are eligible for impact fee funding.

(2) Development impact fees shall not be imposed on a fee payor or developer who has entered into an agreement with the city for certain contribution, payment, construction, or dedication of land up to the cash value of the specific improvements identified within the agreement. Any difference between total development impact fees due for the development and the cash value of the executed agreement remain eligible for collection pursuant to the rules and requirements of this ordinance.

(3) A fee payor shall be reimbursed for contributions of land or facilities that exceed his proportionate share of the cost of public facilities when such excess contribution is made at the request of the city.

(b) Application for Credit Agreement

(1) The determination of the amount of any credit shall be undertaken through submission of an Application for Credit Agreement, which shall be submitted through the City of Beaufort Community and Economic development, for review by the Director of Community and Economic development, or its designee.

(2) The Application for Credit Agreement shall include the following information:

a. The following documentation must be provided if the proposed application involves a credit for any cash contribution:

1. A certified copy of the development approval in which the contribution was agreed; and

2. Proof of payment (if already made); or

3. Proposed method of payment (if not already made).

b. The following documentation must be provided if the proposed application involves credit for dedication of land:

1. A drawing and legal description of the land;

2. The appraised fair market value of the land at the date a building permit application is sought for the land use(s), prepared by a professional Real Estate Appraiser who is a member of the member Appraisal Institute (MAL) or who is a member of Senior Residential Appraisers (SRA); and

3. A certified copy of the development permit in which the land was agreed to be dedicated (if applicable).

c. The following documentation must be provided if the proposed application involves credit for construction:

1. The proposed construction documents of the specific construction project prepared and certified by a duly qualified and licensed engineer in the State of South Carolina;

2. The projected costs for the suggested improvements, which shall be based on local information for similar improvements, along with the construction schedule for the completion of said improvements. Such estimated cost shall include construction or reconstruction of the project, the cost of labor and materials, the cost of all lands, property, rights, easements, and franchises acquired, financing charges, interest prior to and during construction and for one (1) year after completion of construction, costs of plans and specifications, surveys of estimates of costs and revenues, costs of professional services, and all of the expenses necessary or incidental to determining the feasibility or practicability of such construction or reconstruction.

(3) Within fourteen (14) days of receipt of the proposed Application for Credit Agreement, the City of Beaufort Director of Community and Economic development, or its designee, shall determine if the application is complete. If it is determined that the proposed agreement is not complete, the City of Beaufort Director of Community and Economic development shall send written notification to the applicant outlining the deficiencies. The City of Beaufort Director of Community and Economic development shall take no further action on the proposed Application for Credit Agreement until all such deficiencies have been corrected or otherwise settled.

(4) Once the City of Beaufort Director of Community and Economic development determines that the proposed Application for Credit Agreement is complete, it shall be reviewed within thirty (30) days by a committee of designated staff composed of the City Manager, City Finance Director, City Fire Chief, City Building Official, and City Engineer (together known as the Credit Review Committee).

(5) If the Application for Credit Agreement is approved by the Credit Review Committee, a Credit Agreement shall be prepared and signed by the applicant and the City Manager. It shall specifically outline the contribution, payment, construction, or land dedication, the time by which it shall be complete, dedicated, or paid, and any extensions thereof, and the dollar credit the applicant shall receive for the contribution, payment, or construction against development impact fees. The agreement may also include provisions for rescinding the credit and issuing stop work orders if the dedication and/or work and/or construction are not timely accomplished.

(6) A fee payor affected by the decision of the Credit Review Committee regarding credits may appeal such decision pursuant to the Appeal Process as outlined in this ordinance.

Penalties

City Council shall have the following remedies, which may be exercised individually or collectively, for collecting development impact fees. The failure to pursue any remedy at any time shall not be deemed as a waiver of city rights to pursue any remedy at such other time as may be deemed appropriate.

(a) Interest and Penalties. The City may, at its discretion, add to the amount of calculated development impact fees due prior to award of a Certificate of Occupancy, reasonable interest and penalties for non-payment or late payment of required funds. Penalties for unpaid development impact fees shall be administered consistent with City of Beaufort Code of Ordinances.

(b) Withholding Certificate of Occupancy. The City may withhold a Certificate of Occupancy until full and complete payment has been made by the developer of development impact fees due for the development.

(c) Withholding Utility Service. The City may withhold the provision of utility services to a development until the required development impact fees have been paid in full.

(d) Lien. The City may impose a lien on the developer's property for failure of the developer to pay required development impact fees in full.

(e) Other. The City may pursue the collection of the development impact fees, including interest, by way of civil process.

Appeal Process

A developer shall have the following rights for appeal of development impact fees imposed by the city on their development pursuant only to this ordinance:

(a) Administrative Appeal

(1) A developer may file an administrative appeal with the City Manager regarding the payment of development impact fees, independent calculation of impact fees, or credits or reimbursements by filing a written Notice of Appeal. Said Notice shall be filed within thirty (30) days of the decision sought to be appealed. The filing of an appeal will immediately halt the building permit application process, unless the developer posts a bond or submits an irrevocable letter of credit for the full amount of the development impact fees as calculated by the city to be due. All Notices of Appeal shall include a full explanation of the reasons for the appeal, specifying the grounds therefore, and containing any documentation that the developer desires to be considered. The appeal shall contain the name and address of the developer filing the appeal and shall state their capacity to act as a representative or agent if they are not the owner of the property to which impact fees or credits pertain.

(2) Within thirty (30) days following receipt of the written Notice of Appeal, the City Manager will review the Appellant's written report, supporting documentation and departmental staff reports. The thirty (30) day review period may be extended if additional information is needed from the Appellant in order to render a decision. Upon completion of the administrative review, the City Manager will provide a written response to the Appellant constituting a final administrative determination.

(3) Any person desiring to appeal the final administrative determination of the City Manager regarding payment of development impact fees or credits shall file a written Notice of Appeal to the City Council. Said Notice of Appeal to City Council shall be filed with the City Clerk of Council within fifteen (15) days following receipt of the final administrative determination. Receipt shall be construed to have occurred when the final administrative decision is deposited in the United States mail postage prepaid to the person whose name and address is identified in the original Notice of Appeal.

(4) The City Clerk of Council will schedule all impact fee appeals for the first City Council meeting following ten (10) days from receipt of the Written Notice of Appeal to the City Council. Postponements of the City Council appeal date may be granted by the City Manager if they are requested in writing at least ten (10) days in advance of the scheduled City Council meeting date.

(5) When an Appeal is scheduled for oral presentation before the City Council, the Appellant and city staff shall each be given ten (10) minutes at the oral argument to present the Appeal and to discuss the submitted written record.

(b) Payment Under Protest

A fee payer may pay development impact fees under protest. Payment under protest does not preclude the developer from filing an administrative appeal nor is the fee payer stopped from receiving a refund of an amount considered to have been collected illegally. A fee payor, at his option, may also post a bond or submit an irrevocable letter of credit for the amount of development impact fees due instead of making a cash payment under protest, pending the outcome of an appeal.

(c) Mediation

City Council shall provide for mediation by a qualified independent party, upon voluntary agreement by both the developer and the City, to address a disagreement related to development impact fees calculated by the City. Neither a request for, nor participation in, mediation shall preclude a fee payor from pursuing other developer rights or remedies otherwise available by law.

Refunds

(a) General Provisions

Funds not obligated for expenditure within three (3) years of the date that they are scheduled to be expended in the *Beaufort/Port Royal Fire Department Capital Improvement Plan* shall be refunded to the record owner of property for which the impact fees were paid, with actual interest earned, on a first-in, first-out basis. For the purpose of determining whether fees have been spent or encumbered, the first money placed in a trust fund account shall be deemed to the first money taken out of that account when withdrawals have been made.

(b) Refund Process

The owner of property eligible for a refund of one or more development impact fee payments shall submit to the City of Beaufort Director of Community and Economic Development:

(1) a notarized sworn statement that the person is the current owner of the property for which a refund is due, a certified copy of the latest recorded deed, and a copy of the most recent ad valorem tax bill for the property.

(2) When a right to a refund exists, the city shall send a refund to the current owner of record within ninety (90) days after it is determined by City Council that a refund is due.

(3) All refunds shall include the pro rata portion of the interest earned while on deposit in the specific development impact fee trust account.

(4) A record owner of property for which one or more development impact fee refunds are due has standing to sue for such refund pursuant to Section 6-1-1020(D) of the Act if there has not been a good-faith effort towards a timely payment of a refund pursuant to this section.

Review

(a) City Council shall be responsible for preparing and publishing an annual report describing the amount of development impact fees collected, appropriated, and spent during the preceding fiscal year.

(b) Metropolitan Planning Commission shall be responsible for a holistic review and update of the *Developmental Fire Impact Fee Study for the Beaufort/Port Royal Fire Department*, *The Beaufort/Port Royal Fire Department Capital Improvement Plan*, and the Affordable Housing Analysis in support of both, in the same manner and on the same review cycle as the City of Beaufort Comprehensive Plan.

Termination of Development Impact Fees

Development impact fees for the City of Beaufort shall be terminated within Twenty (20) years after the effective date of this ordinance, or when sufficient fees have been collected to fund all of the projects eligible for development impact fee funding that are identified in the *Beaufort/Port Royal Fire Department Capital Improvement Plan*, whichever shall first occur, unless:

(a) City Council adopts a revised *Developmental Fire Impact Fee Study for the Beaufort/Port Royal Fire Department* or amends *The Beaufort/Port Royal Fire Department Capital Improvement* for a subsequent amount of time; or

(b) City Council adopts and updated *Developmental Fire Impact Fee Study for the Beaufort/Port Royal Fire Department,* pursuant to the substantive and procedural requirements set forth in the South Carolina Development Impact Fee Act, as amended.

Liberal Construction

The provisions of this ordinance shall be liberally construed to effectively carry out its purpose in the interest of further promoting and protecting public health, safety, welfare, and convenience.

SECTION II. Severability. If any section, subsection, sentence, clause, phrase or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court, such section, subsection, sentence, clause, phrase or portion of this ordinance shall be deemed to be a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining provisions of this ordinance nor impair or nullify the remainder of these provisions which shall continue in full force and effect.

If the application of any provision of this ordinance to any new development is declared to be invalid by a decision of any court, the intent of City Council is that such decision shall be limited only to the specific new development expressly involved in the controversy, action, or proceeding in which such decision of invalidity was rendered. Such decision shall not affect, impair, or nullify this ordinance as a whole or the application of any provision of this ordinance to any other new development.

Conflicting Ordinances. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Effective Date. This ordinance shall be effective from and after ----------.

SIGNED AND SEALED:

Development Fire Impact Fee

Options for calculation of Residential Impact Fee

There is no guide, law, or set of directions which mandates how developmental fee calculations are created. SC Code refers to "common accounting practices." The following is a description of the proposed method for the calculation of residential developmental fire impact fee, followed by an optional method of calculation for your consideration.

Residential development fire impact fee is calculated using a consumption-based approach. This approach assumes that each property will consume some percentage of public infrastructure. Fee are based on the total value of that infrastructure consumed.

Residential property falls into 3 categories:

Single family (attached or detached)

Mobile Home

Multifamily (> 2 Dwelling Units)

Current Calculation Proposal

Cost per person is defined as that portion of capital needs assessment attribute to residential uses.

The formula is:

$$\text{Cost per Person} = \frac{\text{Total replacement Cost Attributable to Residents } (\$8{,}128{,}890)}{\text{Population Estimate } (26{,}615)}$$

Cost per Person = $305.43

Residential Fire Impact Fee = (SU) x (CPP)

SU (Service Unit) = The amount of net new service units generated by the proposed development. The service unit variable is calculated per Service Unit as annotated by each land use category.

CPP (COST PER PERSON) = The cost per person for providing fire protection services. The cost per person is $305.43.

Option

This option uses the minimum fee as proposed ($305.43) and additional fee per square over the reported national average square footage.

U.S. Census Bureau data for 2019 Quarterly Starts and Competitions of residential properties in the south average 2475 sq. feet for single family dwellings and 1173 sq. feet for multifamily units with 2 or more units. The U.S. Department of Housing and Urban development says that the average size of manufactured (mobile) homes is the double wide. They range in size from 1100 to 2000 square feet, the average being 1550 sq. feet. The average square footage of single-family dwelling permitted for 2019 in the City of Beaufort was 2350 Square Ft.

Single family (attached or detached) $305.43 / 2475 sq. ft = .12ct per square ft

Mobile Home $305.43 / 1550 sq. ft = .19ct per square ft

Multifamily (> 2 Dwelling Units) $305.43 / 1173 = .26 per square ft.

Residential Fire Impact Fee = (SU) x (CPP) + (CPFT)

SU (Service Unit) = The amount of net new service units generated by the proposed development. The service unit variable is calculated per Service Unit as annotated by each land use category.

CPP (COST PER PERSON) = The cost per person for providing fire protection services. The cost per person is $305.43

CPFT (Cost per square foot) = The cost per square foot in excess of the national standard.

Single family (attached or detached) ($305 / 2475 + .12ct per sq. ft)

Less than or equal to 2475 sq. ft	CPFT = $0
Greater the 2475 sq. ft	CPTF = .12 x each sq. ft in excess of 2475 sq. ft

Mobile Home ($305.43 / 1550 sq. ft = .19ct per square ft)

Less than 1550 sq. ft	CPFT= $0
Greater than or equal to 1550 sq. ft	CPFT= $30.19 x per sq. ft in excess of 1550 sq. ft

Multifamily (> 2 Dwelling Units) ($305.43 / 1173 = .26 per square ft.)

Less than 1173 sq. ft	CPFT = $0
Greater than or equal to 1173 sq. ft	CPFT=.26 x each sq. ft in excess of 1173 sq. ft

CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO:	CITY COUNCIL	**DATE:**	1/17/2020
FROM:	David Prichard, Community and Economic Development Director		
AGENDA ITEM TITLE:	Development and Annexation Incentives		
MEETING DATE:	1/21/2020		
DEPARTMENT:	Community and Economic Development		

BACKGROUND INFORMATION:

Development and Annexation Incentives authorized by Ordinances.

PLACED ON AGENDA FOR:

REMARKS:

ATTACHMENTS:

Description	Type	Upload Date
Memo and Ordinances	Backup Material	1/17/2020

Memorandum for City Manager
From the Director of
Community and Economic Development

25 June 2019

SUBJECT: Development and Annexation Incentives

You asked me to review the incentives the City is authorized to provide by ordinance. Below are the incentives authorized by ordinance:

- New construction/rehabilitation receiving affordable housing financial assistance – building permit fees reduced 50% - Municode Sec. 5-1005
- Occupancy of empty/vacant commercial buildings – reimbursement of city real property taxes up to 5 years – Sec. 5-2023
- New construction in downtown and redevelopment corridors[i] - reimbursement of city real property taxes up to 3 years – Sec. 5-2024
- Development of student housing - reimbursement of city real property taxes up to 3 years – Sec. 5-2025
- Development of accessory dwelling units[ii] - reimbursement of city real property taxes attributed to the accessory dwelling unit up to 3 years – Sec. 5-2026
- Rehabilitation of vacant or abandoned structures in the Beaufort Historic District - reimbursement of city real property taxes attributed to the building rehabilitation up to 3 years – Sec. 5-2027
- Rehabilitated historic properties – special tax assessment equal to appraised value at time of preliminary certification for ten years – Sec. 10-1001
- Annexation – two times the projected city real property taxes minus two times any proportional payments remitted to a fire district – Sec. 5-2028 amended by O-4-19
- Annexation (commercial) – building permit fees reduced 50% within 12 months of annexation – Sec.10-2002
- Annexation (segments on Lady's Island) - reimbursement of city real property taxes up to 3 years less that portion remitted to Lady's Island Fire District; 90% in years four and five; 50% in year six; and 30% in year seven – Sec. 10-3002 (a)
- Annexation (Lady's Island commercial recreation) - - reimbursement of city real property taxes up to 3 years less that portion remitted to Lady's Island Fire District; 90% in years four, five and six; 60% in year seven; 50% in years eight and nine; and 40% in year ten – Sec. 10-3002 (b)

I have attached the ordinances.

-DAVID PRICHARD

[i] The following areas are defined as Redevelopment Areas:

(1) The area defined by the lots on the north side of Calhoun Street, the lots on the east side of Carteret Street, the centerline of Bay Street, and the lots on the west side of Ribaut Road;

(2) U.S. 21 Design District *[The area between the right-of-way and a line measured 500 feet perpendicular to the right-of-way running parallel to the right-of-way on both sides of U.S. Highway 21 from the Beaufort city limits east to the west side of Ribaut Road on the south and to the west side of Sycamore Street on the north.]*; and

(3) Any lot within one-quarter mile of the intersection of Ribaut Road and Mossy Oaks Road.

[ii] A second dwelling unit either in or added to an existing single-family detached dwelling or in a separate accessory structure on the same lot as the main dwelling, for use as a complete, independent living facility with provision within the accessory dwelling unit for cooking, eating, sanitation, and sleeping. Such a dwelling is accessory and subordinate to the primary dwelling

Sec. 5-1005. - Reduction in fees and regulatory requirements for qualified affordable housing developments.

(a) *Building permit fees.* Building permit fees shall be reduced up to a maximum of fifty (50) percent for any single or multifamily residential development, whether new construction or rehabilitation, that receives or will receive affordable housing financial assistance from any governmental or legally established nonprofit entity. Proof of qualification shall consist of legally executed documents establishing the financial assistance. No reduction shall be provided if work is undertaken without a permit. If the developer receives a reduction for any units which are ultimately not rented or sold to persons who are deemed low income, then the developer shall rebate to the city any savings which were incorrectly associated with those units.

(b) *Affordable housing standards established.* Affordable housing is defined as a development with residential units available for rental or for sale to persons or families of low income defined as income equal to or less than eighty (80) percent of the area median income. Area median income is determined by the United States Department of Housing and Urban Development.

(c) *Fee schedule.* Building permit fee reduction shall be calculated as follows:

(1) *Rental residential.* A scaling percentage based upon the percentage of units within the development which are reserved for qualifying individuals or households shall be used as follows:

Percent of Affordable Units	Percent Reduction
0—10%	10%
11—20%	20%
21—30%	30%
31—40%	40%
41—50%	50%
51% or greater	50%

(2) *Owner occupied residential.* A reduction of fifty (50) percent of the building permit fee.

(Ord. No. O-02-05, § 2, 1-11-05)

ARTICLE C. - BEAUFORT REDEVELOPMENT INCENTIVE PROGRAM[6] Footnotes:

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Editor's note— Ord. No. O-28-02, adopted July 9, 2002, deleted Art. C in its entirety and enacted similar provisions to read as herein set out. Former Art. C derived from Ord. No. O-26-98, adopted May 26, 1998; and Ord. No. O-54-99, adopted Sept. 28, 1999.

Sec. 5-2021. - Definitions.

(a) *Appraised value.* For the purposes of this article, the appraised value of any property will be the value attributed to that property by the Beaufort County Tax Assessor's Office.

(b) *Beaufort Redevelopment Incentive Program.* A program established for the following public purposes: Increase the occupancy of empty/vacant commercial buildings, encouragement of greater development and density in Beaufort's downtown, encouragement of student housing and affordable housing, and encouragement of annexation of property into Beaufort's city limits. The program will reimburse property owners for city taxes that are associated with an owner's occupancy of a certain previously empty/vacant buildings, an owner's development of a downtown property, an owner's development of student housing, an owner's development of an accessory dwelling unit, and an owner's annexation of property into the city limits. Reimbursement of these taxes will be promised and paid in order to encourage property owners to accomplish the program purposes. The realization of these goals will promote the public health, safety, morals, general welfare and security, prosperity, and contentment of the citizens of Beaufort. Hereinafter, the Beaufort Redevelopment Incentive Program will be referred to as "the program."

(c) *Building.* Any structure located within Beaufort city limits built for the support, shelter, or enclosure of persons, animals, chattels, or property of any kind which has enclosing walls for at least fifty (50) percent of it perimeter. For the purposes of this article, each portion of a building separated from other portions by a fire wall shall be considered a separate building.

(d) *Commercial building.* Any building located within Beaufort city limits that is adapted to occupancy for the transaction of business; for the rendering of professional services; for the display, sale or storage of goods, wares or merchandise; or for the performance of work or labor and was utilized for commercial activity during its most recent occupancy.

(e) *Development of student housing.* Development of housing, whether construction of new buildings on vacant sites or renovation of existing structures that have remained vacant continuously for at least one (1) full calendar year, for occupancy by students enrolled on a full or part-time basis at the Technical College of the Lowcountry or the University of South Carolina Beaufort.

(f) *Empty/vacant commercial building.* Any existing commercial building that has not housed any commercial activity for at least one (1) year prior to any occupancy asserted by a property owner(s) as qualifying under the program.

(g) *Empty/vacant commercial building qualifications.* Any commercial building which is conveyed to a new property owner after that building has remained empty and/or vacant continuously for at least twelve (12) months during which time it has been continuously and actively offered for sale or lease. Any substantial use of an otherwise qualified commercial building within twelve (12) months prior to a new owner's attempt to qualify under the program, including any commercial, charitable, or residential use, will compromise the previous period that the building was empty/vacant and disqualify that building from the program.

(h) *New occupancy of previously empty/vacant qualified commercial building.* Any new owner(s) attempting to benefit from section 5-2023 of this article must actively use the qualified commercial building for its generally recognized or obvious purpose, including, but not limited to: operation of a retail business, operation of a restaurant, storing of wares/chattels, or any other business activity allowed in the City of Beaufort. Any owner who maintains the property in the same fashion as during the minimum one (1) year that the building was empty/vacant will not qualify for the program, as one

of the public purposes of this article is to increase occupancy of previously empty/vacant commercial buildings. To maintain its qualification under section 5-2023 of this article, a previously empty/vacant commercial building that has been acquired by a new owner(s) must be continuously utilized in a viable, bona fide commercial capacity. A mere change in ownership of the property without accompanying viable commercial activity will not qualify a property hereunder.

(i) *New construction.* For the purposes of section 5-2024 of this article, new construction will mean:

(1) Construction of new buildings on previously vacant sites;

(2) City-approved legal demolitions of blighted and/or dilapidated buildings and construction of new buildings on those sites;

(3) Renovations, improvements, and/or additions to second and higher stories in existing commercial buildings for the purpose of creating new housing; and

(4) Any renovations, improvements and/or additions or existing buildings where the renovations, improvements, and/or additions or existing buildings where the renovations, improvements, and/or additions increased the appraised value of the building by at least fifty (50) percent.

(j) *Property owner.* For the purposes of this article, any person, persons, or entity with legal title to the property in question will be deemed property owner.

(k) *Rehabilitation of vacant or abandoned structures.* For purposes of section 5-2027, rehabilitation means renovations that bring the structure into a habitable condition. A rehabilitated structure shall have sound structural framing for roof, walls, floor, and foundation systems; completely weather-proofed wall, roof, and window systems; correctly sized heating systems; safe egress; and clean water supply with sanitary bathroom connected to sewer per code. A rehabilitated structure shall have passed a final inspection.

(Ord. No. O-28-02, 7-9-02; Ord. No. O-13-03, §§ 1, 2, 4-22-03)

Sec. 5-2022. - General provisions.

(a) *Prospective application.* This article is prospective only and is not retroactive. Therefore, any action taken in regards to a property that would have qualified that property hereunder but which predates this article shall fail to qualify that property for the program.

(b) *Qualification for the program.* Qualification for the program is contingent upon a change in the use, condition, and/or status of an owner's property and, to qualify under section 5-2023 of this article, a bona fide change in ownership of the commercial property in question. Furthermore, to qualify hereunder the property in question must be fully in compliance with all federal, state and local codes, statutes, regulations and ordinances. The property in question must qualify for the program before any development incentives may be earned. No person or entity other than the qualifying property's bona fide owner may receive any reimbursement for taxes paid. No property may qualify for the program more than one (1) time or under more than one (1) section.

(c) *City of Beaufort's approval.* Any property owner seeking to participate in the program must receive the city's approval that the owner's property qualifies for the program before any reimbursements will be paid by the city to the owner. The determination as to property's qualification hereunder will be made by the city manager or his/her designee upon the application of the owner of the property in question.

(d) *Appeals.* Any property owner aggrieved by the city manager's determination of whether that property owner's property qualifies hereunder may appeal to the city council by filing a letter with the city clerk setting forth the ground(s) for the appeal within ten (10) days of the city manager's determination. Council shall thereafter consider that appeal at its next regularly scheduled meeting. Council may consider any information presented by the aggrieved property owner and the city manager in making its determination as to whether the property in question qualifies for the program.

(e) *Source of reimbursements paid by city.* For qualifying properties within the existing TIF District (pursuant to Ordinance No. O-34-96), any reimbursements hereunder which qualify as redevelopment project costs shall be paid from the TIF Fund. All other development incentives reimbursements paid by the city to any owners pursuant hereto shall be paid from the city general fund.

(f) *Reimbursements by city.* The city will only reimburse a property owner for projected taxes or taxes actually paid to the city for the property qualified under the program. In no event will the city's development incentives to any property owner exceed the city's projections or actual payments made to the city by that property owner.

(g) *Schedule of reimbursements.* Each time a property owner pays a city property tax, the city will reimburse that property owner the appropriate amount paid to the city provided that property maintains its qualification hereunder for at least ninety (90) days after the city receives the tax. Therefore, it is possible that a property could be approved for the program but subsequently disqualified for no longer maintaining that qualification pursuant hereto.

(h) *Disqualification.* Any property that is approved hereunder may be disqualified from the program and any reimbursements to that property's owner may be suspended should that property fail to maintain its qualification hereunder. Such disqualification could be cause by any of the following or any other legitimate contravention of the program: ceasing commercial activities in a previously qualified commercial building; discovery that alleged commercial activity qualifying the property hereunder was merely a facade as no bona fide commercial activity takes place at or on the property in question; discovery that a structure intended for occupancy by students as defined in this article, is not longer occupied by students; violation of any federal, state, or local code, statute, regulation, or ordinance at, on, or by the property in question; no development or renovation is actually accomplished; and the taxes asserted by an owner do not actually relate to a qualifying property.

(Ord. No. O-28-02, 7-9-02)

Sec. 5-2023. - Occupancy of empty/vacant commercial buildings.

Any property owner who acquires ownership of any qualified empty/vacant commercial building and pays city real property taxes in regards to a qualifying property will receive credits for all such taxes paid. The amount of these credits will be calculated as follows: the new property owner will receive cash reimbursements for all city real property taxes paid over the same number of years the qualified property had been continuously empty and/or vacant and which was continuously available for sale and/or lease during that time, up to a maximum period of five (5) years.

(Ord. No. O-28-02, 7-9-02)

Sec. 5-2024. - New construction in downtown and redevelopment corridors.

The property owner responsible for qualifying new construction (as defined in section 5-2021(i) of this article) will be reimbursed for all city real property taxes paid by the owner on the relevant property attributable to the new development on that property for a maximum period of three (3) years. For the purposes of section 5-2021(i)(3) of this article, a property owner who creates new rental housing in an upper story (or in upper stories) of an existing commercial building in the tax increment financing district will receive double the reimbursement authorized hereunder. To qualify under this section 5-2024, the new construction must either be in the city downtown tax increment financing district or in a redevelopment corridor defined in section 11.2 of the Unified Development Ordinance of the City of Beaufort, South Carolina. Should a property owner elect to receive a lump sum payment for all such taxes which will be credited, the city will pay the property owner for all such real property taxes which the property owner will pay which are attributable to the qualifying new construction for a maximum period of three (3) years, upon that owner's receipt of a certificate of occupancy for that newly constructed building or that area of the previously existing commercial building which was renovated, improved, and/or added.

(Ord. No. O-28-02, 7-9-02; Ord. No. O-13-03, § 3, 4-22-03)

Sec. 5-2025. - Development of student housing.

A property owner responsible for development of student housing (as defined in section 5-2021(e) of this article) will be reimbursed for all city real property taxes paid by the owner on the relevant property for a maximum period of three (3) years. Reimbursements will be made on an annual basis after the city property taxes are paid and the owner has provided an affidavit that the units are being utilized for student housing.

(Ord. No. O-28-02, 7-9-02)

Sec. 5-2026. - Development of accessory dwelling units.

A property owner responsible for development of an accessory dwelling unit as defined in section 11.2 of the Unified Development Ordinance of the City of Beaufort, South Carolina will be reimbursed for all city real property taxes attributable to the accessory dwelling unit for a maximum period of three (3) years. Reimbursements will be made on an annual basis after the city property taxes are paid and the owner has provided an affidavit that the accessory unit is occupied.

(Ord. No. O-28-02, 7-9-02; Ord. No. O-13-03, § 4, 4-22-03)

Sec. 5-2027. - Rehabilitation of vacant or abandoned structures.

A property owner responsible for rehabilitating a structure located in the Beaufort Historic District as defined in section 4.9.C. of the Unified Development Ordinance of the City of Beaufort, South Carolina, and listed on the vacant and abandoned structures list maintained by the department of planning and development services, will be reimbursed for all city real property taxes attributable to the building rehabilitation for a maximum period of three (3) years. Reimbursements will be made on an annual basis after the city property taxes are paid on the rehabilitated structure.

(Ord. No. O-13-03, § 5, 4-22-03)

Sec. 5-2028. - Annexation incentives. Replaced; ref: O-4-19

(a) *Annexation agreements.* Any property owner who owns real property located in Beaufort County that is not within the corporate limits of the City of Beaufort who, upon the request of the city, executes an annexation agreement with the city will receive from the city a payment equal to one and one-half (1½) times that property's projected city real property taxes based upon the real property's then current appraised value, use, and city millage rate at the date of execution of the annexation agreement. Once such a property actually annexes into Beaufort's city limits pursuant to this subsection, that property's owner will receive another payment equal to one and one-half (1½) times that property's projected city real property taxes based upon that real property's appraised value, use, and city millage rate as of the time the property owner executed the annexation agreement.

(b) *Annexation of properties.* Any real property owner who owns real property located in Beaufort County that is not within the corporate limits of the City of Beaufort who, upon the request of the city, annexes that real property into Beaufort's city limits, will receive credits and reimbursements for all city real property taxes paid by the property owner on that property and all city personal property taxes paid by the property owner for all personal property owned by the property owner and located at the annexed real property from the date of annexation for a maximum period of three (3) years. Should the property owner elect to receive a lump sum payment for all such taxes which will be

credited, the city will pay the property owner for all such projected city taxes based upon that real property's then current appraised value, use, and city millage rate and the relevant personal property then located at the property from the date of annexation for a maximum period of three (3) years.

(Ord. No. O-28-02, 7-9-02; Ord. No. O-13-03, § 5, 4-22-03)

Secs. 5-2029—5-2030. - Reserved.

CHAPTER 1. - SPECIAL PROPERTY TAX ASSESSMENTS FOR REHABILITATED HISTORIC PROPERTIES

Sec. 10-1001. - Special tax assessment created.

A special tax assessment is created for eligible rehabilitated historic properties for ten (10) years equal to the appraised value of the property at the time of preliminary certification.

(Ord. No. O-23-14, 9-23-14)

Sec. 10-1002. - Purpose.

It is the purpose of this division to:

(a) Encourage the restoration of historic properties;

(b) Promote community development and redevelopment;

(c) Encourage sound community planning; and

(d) Promote the general health, safety, and welfare of the community.

(Ord. No. O-23-14, 9-23-14)

Sec. 10-1003. - Eligible properties.

(a) *Certification.* In order to be eligible for the special tax assessment, historic properties must receive preliminary and final certification.

(1) To receive preliminary certification a property must meet the following conditions:

a. The property has received historic designation.

b. The proposed rehabilitation work receives approval from the historic district review board (HRB); or

c. Be a project that commences on or after the date of the adoption of this ordinance. Preliminary certification must be received prior to beginning work.

(2) To receive final certification, a property must have met the following conditions:

a. The property has received preliminary certification.

b. The minimum expenditures for rehabilitation were incurred and paid.

c. The completed rehabilitation receives approval from the director of planning and development services as being consistent with the plans approved by HRB as part of preliminary certification.

(b) *Historic designation.* As used in this section, "historic designation" means:

(1) the structure is at least fifty 50 years old and is located in the historic district;

(2) The structure is located outside the historic district and is listed on the National Register of Historic Places; or

(3) The structure is listed on the "1997 Beaufort County Above Ground Historic Sites Survey," and has been designated as "historic" according to Section 3.21 of the Unified Development Ordinance and its successors.

(Ord. No. O-23-14, 9-23-14)

Sec. 10-1004. - Eligible rehabilitation.

(a) *Standards for rehabilitation work.* To be eligible for the special tax assessment, historic rehabilitations must be appropriate for the historic building and the historic district. This is achieved through adherence to the standards set out in Section 3.20.C of the Unified Development Ordinance and is successors.

(b) *Work to be reviewed.* The following work will be reviewed according to the standards set forth above:

(1) Repairs to the exterior of the designated building.

(2) Alterations to the exterior of the designated building.

(3) New construction on the property on which the building is located.

(4) Alterations to interior primary public spaces.

(5) Any remaining work where the expenditures for such work are being used to satisfy the minimum expenditures for rehabilitation.

(c) *Minimum expenditures for rehabilitation* means the owner rehabilitates the building, with expenditures for rehabilitation exceeding seventy-five (75) percent of the fair market value of the building. Fair market value means the appraised value as certified to the HRB by a real estate appraiser licensed by the State of South Carolina, the sales price as delineated in a bona fide contract of sale within twelve (12) months of the time it is submitted, or the most recent appraised value published by the Beaufort County tax assessor.

(d) *Expenditures for rehabilitation* means the actual cost of rehabilitation relating to one or more of the following:

(1) Improvements located on or within the historic building as designated.

(2) Improvements outside of but directly attached to the historic building which are necessary to make the building fully useable (such as vertical circulation) but shall not include rentable/habitable floor space attributable to new construction.

(3) Architectural and engineering services attributable to the design of the improvements.

(4) Costs necessary to maintain the historic character or integrity of the building.

(e) *Scope.* The special tax assessment may apply to the following:

(1) Structure(s) rehabilitated.

(2) Real property on which the building is located.

(f) *Time limits.* To be eligible for the special tax assessment, rehabilitation must be completed within two (2) years of the preliminary certification date. If the project is not complete after two (2) years, but the minimum expenditures for rehabilitation have been incurred, the property continues to receive the special assessment until the project is completed or until the end of the special assessment period, whichever shall first occur.

(Ord. No. O-23-14, 9-23-14)

Sec. 10-1005. - Process.

(a) *Fee required.* A fee as set out in the city's fee schedule shall be required for final certification for each application.

(b) *Plan required.* Owners of property seeking approval of rehabilitation work must submit an HRB application with supporting documentation and application fee prior to beginning work.

(c) *Preliminary certification.* Upon receipt of the completed application, the proposal shall be placed on the next available agenda of the HRB to determine if the project is consistent with the standards for rehabilitation in subsection 10-1004(a). After the HRB makes its determination, the owner shall be notified in writing. Upon receipt of this determination the owner may:

(1) If the application is approved, begin rehabilitation;

(2) If the application is not approved, may revise such application in accordance with comments provided by the HRB;

(d) *Substantive changes.* Once preliminary certification is granted to an application, substantive changes must be approved by the HRB. Unapproved substantive changes are conducted at the risk of the property owner and may disqualify the project from eligibility. Additional expenditures will not qualify the project for an extension on the special assessment.

(e) *Final certification.* Upon completion of the project, the project must receive final certification in order to be eligible for the special assessment the director of planning and development services will inspect completed projects to determine if the work is consistent with the approval granted by the HRB pursuant to section 10-1004(a). Final certification will be granted when the completed work meets the standards and verification is made that expenditures have been made in accordance with section 10-004(c) above. Upon receiving final certification, the property will be assessed for the remainder of the special assessment period on the fair market value of the property at the time the preliminary certification was made or the final certification was made, whichever occurred earlier.

(f) *Additional work.* For the remainder of the special assessment period after final certification, the property owner shall notify the HRB of any additional work, other than ordinary maintenance. The HRB will review the work at a regularly scheduled hearing and determine whether the overall project is consistent with the standards for rehabilitation. If the additional work is found to be inconsistent the property owner may withdraw his request and cancel or revise the proposed additional work.

(g) *Decertification.* When the property has received final certification and has been assessed as rehabilitated historic property, it remains so certified and must be granted the special assessment until the property becomes disqualified by any one of the following:

(1) Written notice from the owner to the HRB and the Beaufort County auditor requesting removal of the preferential assessment; or

(2) Rescission of the approval of rehabilitation by the HRB because of alterations or renovation by the owner or the owner's estate which causes the property to no longer possess the qualities and features which made it eligible for final certification.

Notification of any change affecting eligibility must be given immediately to the Beaufort County assessor, auditor, and treasurer.

(h) *Notification.* The city shall, upon final certification of a property, notify the Beaufort County assessor, auditor and treasurer that such property has been duly certified and is eligible for the special tax assessment.

(i) *Date effective.* If an application for preliminary or final certification is filed by May 1 or the preliminary or final certification is approved by August 1, the special assessment authorized herein is effective for that year. Otherwise, it is effective beginning with the following year. The special assessment only begins in the current or future tax years as provided for in this section. In no instance may the special assessment be applied retroactively.

(j) *Application.* Once the HRB has granted the special property tax assessments authorized herein, the owner of the property shall make application to the Beaufort County auditor for the special assessment provided for herein.

(Ord. No. O-23-14, 9-23-14)

CHAPTER 2. - PROMOTION OF ANNEXATION

Sec. 10-2001. - Benefit to new businesses.

The benefit described in section 10-2002 below shall be available to the owner of any commercial operation situated on land which is annexed into the city any time after March 1, 1996. A "commercial operation" shall be construed to be any business enterprise for which the purchase of a business license is required under this ordinance. A "new business" shall be defined as set forth in section 7-1002(9).

(Ord. No. O-14-96, 3-26-96)

Sec. 10-2002. - Building permit fees.

One-half (½) of the fees for any building permits which are issued to a new business within twelve (12) months of the effective date of the annexation shall be waived. This waiver shall apply only to building permit fees and not to any other fees which may be paid in conjunction with building permit applications (such as plan checking fees, plumbing permit fees, electrical permit fees, sign permit fees, safety inspection fees, and tree removal application fees).

(Ord. No. O-14-96, 3-26-96)

CHAPTER 3. - INCENTIVE REIMBURSEMENT GRANT PROGRAM FOR CERTAIN ANNEXATIONS

Sec. 10-3001. - Creation of the program.

The incentive reimbursement grant program for certain annexations is hereby established for the city. The city manager or his designee will administer the program.

(Ord. No. O-28-16, 9-13-16)

Sec. 10-3002. - Purpose of the program.

The purpose of the program is to provide reimbursement to the property owner, as a grantee under the program, of an amount equivalent to a portion of city real property taxes paid by the property owner of property that is annexed into the city at the request of the city and pursuant to the program. The initial designated areas for the program, as set by council, are (1) commercial properties (vacant or developed) used exclusively for recreational purposes located on Lady's Island with frontage on either Lady's Island Drive or Island Causeway that are now contiguous to the city limits or will become contiguous with related annexations, and (2) all other commercial and residential properties located within or that are a part of residential/commercial developments on Lady's Island with frontage on Lady's Island Drive (U.S. Highway 21 Bypass) south of U.S. Highway 21 Business or with frontage on Island Causeway or with frontage on Sea Island Parkway that are now contiguous to the city limits or will become contiguous with related annexations. The council may set additional or substituted designated program areas from time to time.

(Ord. No. O-28-16, 9-13-16)

Sec. 10-3003. - Provision for reimbursement.

(a) *Residential and commercial properties.* A property owner of residential or commercial property who participates in the program is not eligible for, and waives, the annexation and other incentives set out in city Code sections 5-2021 through 5-2028. Under the program, the city will reimburse a residential or commercial property owner, who is requested by the city to annex and whose property is annexed, as the grantee, an amount representing one hundred (100) percent of the amount of City of Beaufort real property tax paid less that portion remitted to Lady's Island Fire District under the agreement for fire protection by annexed areas of Lady's Island, for the annexed residential or commercial property for the first three (3) years after program application for which city real property taxes are paid. For each of the following four (4) years, the amount of reimbursement shall be reduced as follows: Ninety (90) percent of such paid taxes in year four (4) and five (5), fifty (50) percent in year six (6), and thirty (30) percent in year seven (7). The city will make this reimbursement to the grantee within fifteen (15) business days of the city's receipt of proof of payment, satisfactory to the city, of city real property taxes for the annexed property. Reimbursement and the calculation of the amount of reimbursement shall not include any late payment of taxes or any amount paid as penalties.

(b) *Commercial properties used exclusively for recreational purposes.* A property owner of commercial property used exclusively for recreational purposes who participates in the program is not eligible for, and waives, the annexation and other incentives set out in city Code sections 5-2021 through 5-2028. Under the program, the city will reimburse such commercial property owner, who is requested by the City to annex and whose property is annexed, as the Grantee, an amount representing one hundred (100) percent of the amount of City of Beaufort real and personal property tax paid less that portion remitted to Lady's Island Fire District under the agreement for fire protection by annexed areas of Lady's Island, for the annexed commercial (exclusively recreational use) property for the first three (3) years after program application for which city real and personal property taxes are paid. For each of the following three (3) years, the amount of reimbursement shall be reduced from one hundred (100) percent by an amount representing ten (10) percent of the total of city real and personal property taxes paid for the property (that is, ninety (90) percent of such paid taxes in year four (4), ninety (90) percent in year five (5), ninety (90) percent in year six (6)). For each of the remaining four (4) years, the amount of the reimbursement shall be reduced as follows: Sixty (60) percent in year seven (7), fifty (50) percent in year eight (8), fifty (50) percent in year nine (9) and forty (40) percent in year ten (10). The city will make this reimbursement to the grantee within fifteen (15) business days of the city's receipt of proof of payment, satisfactory to the city, of city real and personal property taxes for the annexed property. Reimbursement and the calculation of the amount of reimbursement shall not include any late payment of taxes or any amount paid as penalties.

(Ord. No. O-28-16, 9-13-16)

Sec. 10-3004. - Application and documentation for the program.

A property owner seeking a grant under the program must apply for the program by the time of annexation of the subject property, provide documentation of qualification as requested in the application, and agree to furnish any other information as may be needed by the city to determine qualification and reimbursement. The city manager may establish any policies or regulations needed for administration of the program.

(Ord. No. O-28-16, 9-13-16)

CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO:	CITY COUNCIL	**DATE:** 1/17/2020
FROM:	Jon Verity and Stephen Murray	
AGENDA ITEM TITLE:	Higher Education Task Force Update	
MEETING DATE:	1/21/2020	
DEPARTMENT:	City Managers Office	

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS:

CITY OF BEAUFORT

DEPARTMENT REQUEST FOR CITY COUNCIL AGENDA ITEM

TO:	CITY COUNCIL	**DATE:** 1/17/2020
FROM:	Phil Cromer	
AGENDA ITEM TITLE:	Affordable Housing Task Force Update	
MEETING DATE:	1/21/2020	
DEPARTMENT:	City Managers Office	

BACKGROUND INFORMATION:

PLACED ON AGENDA FOR:

REMARKS: