



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.

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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:

$MFI \times 80\% \times 30\% / 12 - \text{expenses} = \text{maximum monthly principle and interest}$

- 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 \text{ MFI} \times 80\% \times 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:

$$\text{Residential Uses} = 50.6\% \text{ of } \$16,065,000.00 = \$8,128,890$$

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

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.

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

$$\text{Cost per Person} = \$305.43$$

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

$$\text{Residential Fire Impact Fee} = (\text{SU}) \times (\text{CPP})$$

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.

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

$$\begin{array}{l} \$592.34 * .57 = \$337.63 \\ \$337.63 * 50 \text{ rooms} = \$16,881.50 \end{array}$$

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

YVETTE BURGESS, CITY CLERK

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,

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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,

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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

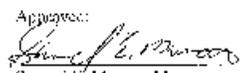
WHEREAS, the Joint Councils of the City of Beaufort and Town of Port Royal wish to direct the Metropolitan Planning Commission to conduct a study and to recommend a Fire Facilities and Equipment Development Impact Fee ordinance per this statute:

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. P., Town Manager

Approved:

Samuel F. Murray, Mayor

Attest:

Brooke D. P. Macena, 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 provide firefighting capabilities through hose or from an elevated nozzle on the tip of the ladder. These units carry a larger complement 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 (QRF-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 QRF'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

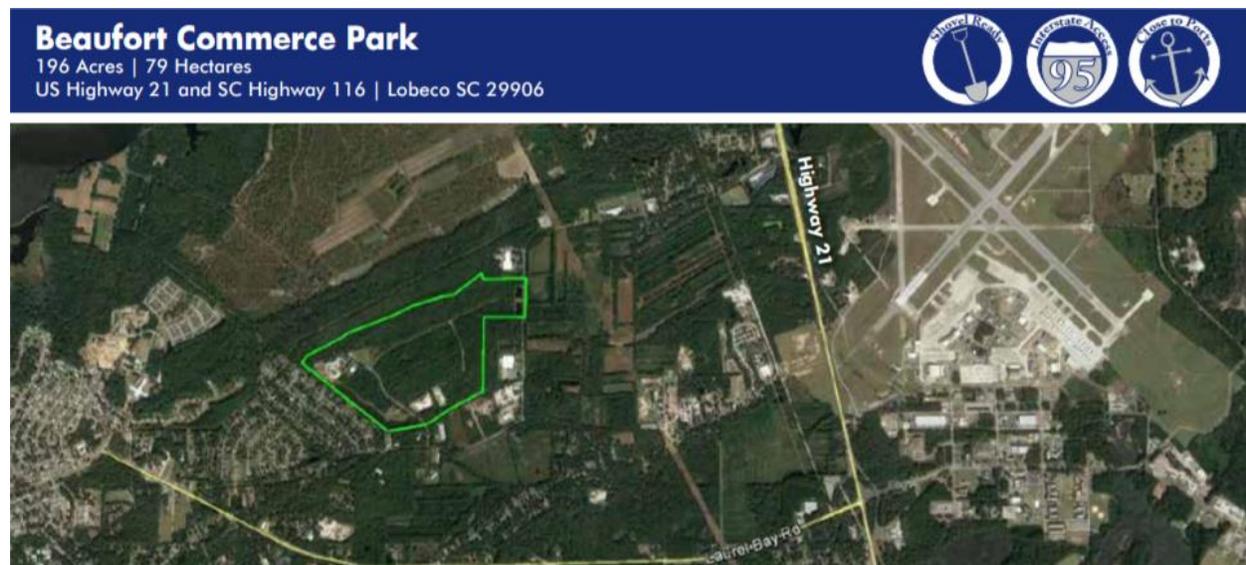
is anticipated to be needed. ISO requires a fire station within 5 road miles of properties in order to retain the rating of the department.

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