

Exhibit A

MEMORANDUM

To: Chairman and Members, Beaufort County Council

From: Dean Moss, Chairman, Sales Tax Advisory Committee

Copy to: County Administrator and Members of 2023 Sales Tax Advisory Committee

Subject: Sales Tax Advisory Committee Report and Recommendations

Date: December 11, 2023

1. Introduction

The purpose of this memo is to transmit to the Beaufort County Council the recommendations and observations of the Council appointed Sales Tax Advisory Committee (STAC). These recommendations represent the unanimous position of the 6 members of the Committee.

2. Summary General Recommendations

The Committee recommends that Council prepare a referendum question to be placed upon the ballot in November 2024, which will ask the electorate to approve a one percent (1%) additional sales tax in Beaufort County, beginning in the following year and extending for fifteen years. The proceeds from this tax would be expended by the County for a series of critical transportation and mobility projects and programs vital to the health and safety of the residents and visitors. Further, the Committee recommends that a standing Citizen's Oversight Committee be appointed to assist the County Council and staff in the prioritization and implementation of the projects and activities to be funded by the referendum.

3. Council's Charge to the Committee

County Council created the STAC through a resolution adopted on 12 June 2023. The charge to the Committee reads as follows:

‘The Committee will, by a date to be set by Council in the future, provide Council with information that identifies the need and, where required the specific projects for the various referenda questions.’

4. Committee Process

The Committee consisted of six (6) members, one representing the two municipalities north of the Broad River, one representing the Town of Hilton Head, one representing the Town of Bluffton, two representing the north county unincorporated area, and one representing the south county unincorporated area. Five of the six members had been members of the Transportation Tax Committee established in early 2022 and were familiar with the technologies and concepts being discussed. The Committee met eight times, on Thursday afternoons from 5:30 to between 7:00 and 7:30. At the meeting on November 30, the Committee reached a general consensus, and at the meeting on December 7, formally voted unanimously to approve the projects, amounts, and recommendations that are contained in this memo.

5. Sales Tax Alternatives Considered

The Committee was initially presented with three separate sales tax options based on three separate State statutes: one for Transportation, one for Capital Projects, and one for Education. Two meetings evaluated and discussed these and the opportunities each presented. We watched the 2023 Education Referendum carefully with the thought that, should it not pass, a sales tax might be needed to raise the funds required for the School District. It did pass, and we turned our attention to the Transportation Tax and the Capital Projects Tax. Both offer significant opportunities since a very substantial portion of the taxes collected for either one would be paid by visitors to the County and residents of adjacent counties. After analysis and considerable discussion, we settled on the Transportation Tax and our recommendations for that tax are contained herein. I would note that we recommend that Council consider the addition of a Capital Projects 1% tax in the future.

6. Role of the Staff

Staff involved in this project consisted of Assistant County Administrator of Infrastructure Jared Fralix and Executive Assistant Carol Puryear. Given the

complex nature of this process there was a lot for the Committee members to learn and staff provided many documents and plans that had been completed by the State of SC and other Counties. Staff provided the Committee with a suggested list of projects, transportation program categories and amounts. There were many questions at every meeting, and they were clearly and patiently answered. In sum, the staff support to the STAC was outstanding.

7. Concepts behind the Recommendations

The Committee is recommending that the referendum contain two types of project expenditures.

a. Big Projects - \$650,000,000

These represent the traditional approach to referendum questions. As in the 2018 referendum, specific projects are enumerated with an allocation of money specified. An example might be “Highway 170 Improvements – \$80 million.” A short description of the project is included. As described below, the Committee recommends that eight of these projects be included in the referendum. They are countywide and address problems both on Federally designated highways (278, 46, 170, 21) and on State, County, and local roads, and streets. \$300 million is recommended for projects south of the Broad River, and \$175 million is recommended for projects north of the Broad River. \$175 million is recommended for future “big projects”. It is important to note that none of these projects have been fully designed or bid, and the amounts assigned to them do not represent project budgets.

b. Project Programs \$975,000,000

This category encompasses a large variety of projects which, because they are small (pave a dirt road), or because they may emerge in the future, are not specifically defined. These are projects that are, and will be, undeniably required, but which cannot yet be defined and may cost only a fraction of a “Big Project.” They would address needs that will emerge all over the County; in response, for example, to coastal flooding, new developments in rural areas, or the need to resurface existing streets. Spent correctly, these funds will benefit residents and businesses all over the County. The Committee recommends putting approximately sixty percent (\$975 million) of the total expected revenue into these categories of projects, as described below.

8. Recommendations

a. Amount and Duration of Tax

We recommend that the sales tax be applied at 1% (one penny on the dollar) for a period of fifteen years. We assumed a moderate to high growth rate. Based upon this projection, the tax should raise approximately \$1.625 billion over 15 years. We believe that this amount will enable us to plan, develop, and implement appropriate solutions to meet the current needs caused by an overwhelmed and aging infrastructure system and to accomplish the improvements required to address future demands. In addition, this money can be multiplied several times over by aggressive pursuit of matching federal and state funds and the development of coordinated projects with Jasper County.

b. Big Projects and Amounts

i. The Triangle - \$100,000,000

Capacity and safety improvements on the Beaufort County section of the triangle made by Hwy 170, Hwy 278, and Argent Blvd. This project will be developed jointly with Jasper County. Traffic counts on these roadways have exploded with the development of residential and commercial development along all three corridors.

ii. Ribaut Road Improvements -\$75,000,000

Implementation of the “Reimagine Ribaut Road” Project developed by the County, the City of Beaufort, and the Town of Port Royal to improve safety, interconnectivity, capacity, and attractiveness along the Ribaut Road Corridor between Boundary Street and the Russell Bell Bridge.

iii. Hwy 46 Improvements - \$20,000,000

Capacity and safety improvements along SC 46 from SC 170 to Jasper County. Additional safety improvements (i.e.- turn lanes at intersections) along SC 46 from SC 170 to Buckwalter Parkway. All planned improvements would be designed so as to preserve the South Carolina Scenic Byway designation.

iv. Lady’s Island Corridor Improvements -\$40,000,000

Lady’s Island Corridor Traffic Improvements from the Woods Memorial Bridge to Chowan Creek. These funds would supplement the monies approved in the 2018 referendum.

- v. **Bluffton Municipal Projects - \$60,000,000**
Implementation of any or all Bluffton projects listed as priorities by the Bluffton Town Council.
 - vi. **Hilton Head Island Municipal Projects - \$60,000,000**
Intersection improvements to include Sea Pines Circle and adjacent corridors for the safety of motorists, bicyclists and pedestrians.
 - vii. **North of the Broad Transportation System Improvements - \$60,000,000**
Intersection improvements, pathways, flood prevention on access roads such as, Warsaw Island Road, and other projects in both incorporated and unincorporated areas developed in coordination with the City of Beaufort and the Town of Port Royal.
 - viii. **Hwy 278 Project Enhancements - \$60,000,000**
Additional funding to support the US 278 Corridor Improvement Project.
 - ix. **Future Projects - \$175,000,000**
The County and its neighbors will continue to grow into the future, and work must be continued to plan for the transportation improvements going forward. As an example, and while not specifically listed here, a third bridge between Port Royal Island and Lady's Island has been discussed for decades and given the growth on Lady's Island, may become necessary before too long.
- c. **Project Programs and Amounts**
- i. **Mass Transit – \$100,000,000**
Funding multimodal transportation planning and implementation, to include marine transport and commercial airport improvements for a more robust and equitable public transportation system.
 - ii. **Safety and Traffic Flow - \$250,000,000**
Safety improvements along roadways and intersections to include pedestrian accommodations.
 - iii. **Emergency Evacuation and Resiliency - \$90,000,000**

Improvements to transportation infrastructure to address flooding, rising sea levels, stormwater, and drainage.

- iv. Pavement Resurfacing and Preservation – \$180,000,000**
Road resurfacing and preservation of ALL roadways (State, County, and municipal-owned) throughout the County. The goal is to improve the overall pavement condition of roads across the County. This includes paving county and municipally owned dirt roads throughout the county.
- v. Pathways - \$180,000,000**
Design, right of way acquisition, and construction of bike and pedestrian accommodations throughout the County in accordance with the Beaufort County Connects Bicycle and Pedestrian Plan 2021. We recommend that priority be given to pathways already approved by the voters in the 2018 referendum.
- vi. Transportation Technology/Access Roads - \$90,000,000**
Planning, design, right-of-way acquisition, and construction of access roads for better interconnectivity. Implementation of transportation technologies to support enhancements to capacity and safety of the transportation system.
- vii. Greenbelts (Long-term Demand Reduction) - \$85,000,000**
Acquisition of property to reduce new lots and thereby establish a balance between environmental protection and development growth. *Note: the term “Greenbelt” is used in the enabling legislation as an eligible category of expenditure.*

9. Implementation Recommendations

a. Citizen’s Oversight Committee (“Committee”)

- i.** County Council, with other stakeholders, should create a citizen’s oversight committee similar to the BCSD’s successful Citizen’s Oversight Committee to oversee and prioritize projects for the entire length of the program. It should meet bi-monthly or quarterly. Its membership of seven members should reflect the interests of all citizens of the County.

- ii. The Committee should make a call each year for projects from all stakeholders (County, municipalities, LATS/COG) for general projects.
- iii. The Committee should prioritize all central programs, such as:
 - 1. **Safety:** intersection Improvements, turn lanes, rural road improvements. Specifics to be developed.
 - 2. **Dirt Road Paving:** update the existing 5-year plan to include municipal dirt roads.
 - 3. **Resilience:** priorities should be based on susceptibility to flooding and population or critical functions the road serves.
 - 4. **Resurfacing:** program to look at improving any and all roads (DOT, County, Municipal) specifics to be developed.
 - 5. **Pathways:** use approved county-wide pedestrian and bike master plan as a guide. Priorities to projects already approved by voters.
 - 6. **Transportation Technologies/Access Roads:** focus on access and connecting roads, smart signals, and other advanced transportation technologies.
- b. **Issue Revenue Bonds**

Big projects should be bonded for immediate work.
- c. **Long Term Demand Reduction**

Utilize the new Greenspace Board for priority setting of expenditures related to land or development rights acquisition.
- d. **Mass Transit**

Because no central plan currently exists for a comprehensive mass transit program, this should be the first priority. Utilize the existing transit authority as the lead agency for this effort supported by an advisory committee.

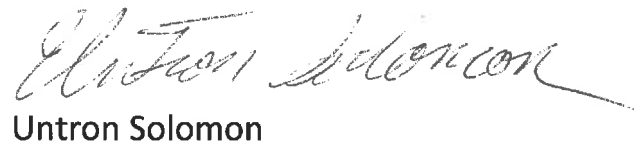
10. Conclusions

As we weaved through the process and reviewed the gravity of the assignment and the critical needs for improvement and new components for our local mobility, it became quite evident that there is much to do. It appears that we are not just behind the “8 ball”; we are under it, and it will take a coordinated public relations effort to move this referendum forward for a better “mobility” future for all of us.

On behalf of the Sales Tax Advisory Committee members, may I say that it has been an honor to be entrusted by Council with preparing these important recommendations. I am available to meet with Council at your discretion to explain and discuss these projects and recommendations.

Sales Tax Advisory Committee:


Dean Moss, Chairman


Untron Solomon


Charlie Wetmore, Vice-Chairman


Morris Campbell


Carol Ruff


Tom Lennox