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Plan calls for impact fees to soar

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Consultants who have identified almost \$500 million in upcoming infrastructure needs for southern Beaufort County are recommending massive increases in development impact fees, along with tax increases for residents.

Development impact fees should be almost quadrupled for road construction and doubled for park construction, according to Clarion Associates, a consulting firm compiling a plan for Beaufort County, Bluffton and Hilton Head Island.

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An advertisement for Palmetto Dunes featuring a scenic view of a marina with several sailboats docked. In the background, there are multi-story resort buildings. The text 'Why Play Anywhere Else?' is at the top, and 'Palmetto Dunes' is at the bottom left. Contact information '843-785-1138' and 'www.palmettodunes.com' is at the bottom right, along with a logo.

Why Play Anywhere Else?

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The regional plan's steering committee meets at 9:30 a.m. today at the Hilton Head Island library to discuss the consultants' suggestions for raising fees and other actions that local governments could take. The joint planning effort started in September 2004 and is expected to finish in the spring of 2006.

In compiling the regional plan, the consultants have said southern Beaufort County is expected to be completely built out by about 2018 or 2020. The area will need \$495.6 million in roads, parks, schools, fire protection, emergency medical facilities and library services, but it currently has means to raise only \$129 million.

Development impact fees are paid for the construction of all new buildings throughout the county, including lesser amounts with the Town of Hilton Head Island and at Sun City Hilton Head. The base impact fees for roads in the southern part of the county should be almost quadrupled, from \$440 to at least \$1,600 per single-family home, the consultants say. That would generate an extra \$72 million.

Impact fees for parks should jump from \$483 to \$840 per single-family home, they say. That would bring in an extra \$10 million.

The consultants also suggest that county voters approve an extra 1 percent sales tax in the November 2006 election. If voters authorized the tax for two seven-year periods, it could generate \$322 million for the southern and northern parts of the county. Though a similar referendum passed in 1998, subsequent sales taxes were rejected in 2002 and 2004.

But local changes may not be enough, the consultants say. Local officials should lobby the state legislature to allow a real estate transfer fee throughout the county and allow local communities to implement a gasoline tax. State law currently allows the real estate transfer fee only on Hilton Head. Those changes could bring \$173.6 million over 15 years, the consultants say.

Eventually, officials hope to begin work on a similar regional plan for northern Beaufort County.

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