

## Attachment 2

### Beaufort County School District Annexation Cost Benefit Analysis

#### 1. Cost Benefit Summary

The Beaufort County School District ("BCSD") is proposing to annex certain property containing approximately 24.12 Acres, More or Less, Located at 1105 Bluffton Parkway and Bearing Beaufort County Tax Map Nos. R600 029 000 011A 0000, R600 029 000 1736 0000 and R600 029 000 0034 0000 and establish zoning for the property as Preserve (PR) pursuant to the Town of Bluffton's Unified Development Ordinance. Under existing conditions the additional municipal costs will be minimal. The BCSD, a public entity, is not subject to property tax there will be no annual tax revenue at buildout.

#### 2. Parcel Information

The Property is owned by BCSD and contains approximately 24.12 acres containing a single family residence and an approximately 4.3 acre pond on the property that was a former borrow pit located within Unincorporated Beaufort County which is zoned as T2 Rural (T2R) Zone pursuant to the Beaufort County Community Development Code. The Applicant's intended use is to expand the River Ridge School Campus to utilize for education and its associated uses.

#### 3. Taxes and Fees

Upon annexation, the property's tax assessment will be subject to Beaufort County and Town of Bluffton millage as well as the Town's Stormwater Utility Fee rate. The table below provides a comparison of millage and Stormwater Utility Fee rates for Tax Years 2023-2024 and 2024-2025 to demonstrate the overall change of how the properties will be assessed:

| Description   | Millage/ Fee Rates |              |
|---|--------------------|--------------|
|   | 2023-2024          | 2024-2025    |
| County Operations                                       | 42.3               | 42.3         |
| County Debt Service                                     | 3.34               | 3.2          |
| Purchase of Real Property Program                       | 4.4                | 3            |
| Capital Improvement                                     | 2.4                | 3.2          |
| Solid Waste and Recycling                               | 3.7                | 3.2          |
| Higher Education USCB/TCL                               | 2.2                | 2.3          |
| Indigent Care Beaufort Memorial Hospital                | 0.4                | 0.6          |
| Indigent Care Beaufort Jasper Comprehensive Health      | 0.4                | 0.4          |
| Economic Development                                    | 0.3                | 1.3          |
| School Operations                                       | 121.8              | 121.8        |
| School Bond Debt Service (Principal & Interest)         | 36.3               | 36.3         |
| Bluffton Fire Operations                                | 24.1               | 24.1         |
| Bluffton Fire Debt                                      | 1.9                | 1.6          |
| <b>Total Beaufort County Millage</b>                    | <b>243.54</b>      | <b>243.3</b> |
| General Fund  | 0                  | 34.3         |
| Debt Service  | 0                  | 1.7          |
| <b>Total Town of Bluffton Millage</b>                   | <b>0</b>           | <b>36</b>    |
| Stormwater Utility Fee                                  | \$292              | \$292        |
| Countywide Infrastructure Cost Share Fee                | \$0                | \$0          |
| Town of Bluffton Stormwater Utility Fee (Varies By Use) | \$0                | \$0          |

The attached worksheets provide a detailed analysis of each parcel's value, taxes and fees paid for tax year 2017, and estimates of taxes and fees upon annexation and at build out. The table below provides a summary of the detailed worksheets for the entire annexation area:

| Description                                     | 2023 Paid    | 2024 Estimated | Build Out Estimated |
|---|--------------|----------------|---------------------|
| <b>Appraised Value</b>                          | \$2,024,000  | \$2,024,000    | \$23,054,063        |
| <b>Taxable Value</b>                            | \$0          | \$0            | \$0                 |
| <b>Beaufort County Taxes</b>                    | \$0          | \$0            | \$0                 |
| <b>Town of Bluffton Taxes</b>                   | \$0.00       | \$0            | \$0                 |
| <b>Stormwater Utility Fees</b>                  | \$292        | \$292          | \$10,201            |
| <b>Countywide Infrastructure Cost Share Fee</b> | \$0          | \$0            | \$0                 |
| <b>Total Taxes and Fees</b>                     | <b>\$292</b> | <b>\$292</b>   | <b>\$10,201</b>     |

#### 4. Service Providers

The table below provides a comparison of current service providers for the properties and identifies the services the Town of Bluffton would assume after annexation:

| Type of Service  | Provider of Service  |  |
|--|--|--|
|  | Current  | After Annexation   |
| <b>General Government Services</b>   | Beaufort County  | Town of Bluffton   |
| <b>Planning, Community Development, &amp; Land Use Regulatory Services</b> | Beaufort County  | Town of Bluffton   |
| <b>Police Protection</b>   | Beaufort County  | Town of Bluffton   |
| <b>Fire Protection</b>   | Bluffton Township Fire District  | Bluffton Township Fire District  |
| <b>Emergency Medical Services</b>  | Beaufort County  | Beaufort County  |
| <b>Hospitals</b>   | Private  | Private  |
| <b>Schools</b>   | Beaufort County School District  | Beaufort County School District  |
| <b>Parks &amp; Recreation</b>  | Beaufort County  | Beaufort County  |
| <b>Stormwater Maintenance</b>  | Beaufort County  | Town of Bluffton   |
| <b>Road Maintenance</b>  | Private ( <i>Internal Roads</i> )<br>Beaufort County ( <i>Davis Road</i> ) | Private ( <i>Internal Roads</i> )<br>Beaufort County ( <i>Davis Road</i> ) |
| <b>Garbage Service - Residential</b>                                       | Private  | Town of Bluffton   |
| <b>Garbage Service - Commercial</b>  | Private  | Private  |
| <b>Water &amp; Sewer Service</b>   | Beaufort-Jasper Water & Sewer Authority                                    | Beaufort-Jasper Water & Sewer Authority                                    |

**5. Additional Municipal Service Costs**

The services the Town of Bluffton would assume upon annexation of the property would not result in a significant expense as indicated in the table below:

| Property Tax Revenue/ Town Service   | Rate at Time of Annexation                       | Estimated Town Property Tax Revenue/ Expense    |                        |
|--|--|---|------------------------|
|  |  | 1 <sup>st</sup> Year of Annexation <sup>1</sup> | Build Out <sup>2</sup> |
| <b>Estimated Annual Town Property Tax Revenue</b>                          | 36 Mills   | \$0.00  | \$0.00                 |
| <b>Garbage/ Recycling Service</b>  | \$13.45 per Month Per Dwelling Unit <sup>3</sup> | \$0.00  | \$0.00                 |
| <b>Police Service</b>  | \$66,380 per Officer                             | \$0.00  | \$0.00                 |
| <b>Administrative/ Growth Management/ Stormwater/ Public Works Service</b> | \$65,018 per Employee                            | \$0.00  | \$0.00                 |
| <b>Total Estimated Revenue After Expenses</b>                              | <b>N/A</b>                                       | <b>\$0.00</b>                                   | <b>\$0.00</b>          |

<sup>1</sup> Property currently has one single-family home which will be demolished as part of the Properties' development for educational uses; Remaining two parcels are classified as Agricultural Property.

<sup>2</sup> Build out estimated in 5 years resulting in public education facilities which are not subject to Property Tax.

- a) Police and Judicial Costs – Development of the school within the Town of Bluffton will result in the Police Department placing an additional Class III School Resource Officer at the Early Childhood Center. If approved, the position will be funded through the State Grant (via the School District) and will be offset by the Beaufort County School District. Therefore, the cost for the annexation of this property would be nominal.
- b) Solid Waste/Recycling Collection – Additional costs for Solid Waste/Recycling Collection would be nominal.
- c) Other Government Services – Additional costs for other government services and employees (including Administration, Public Works, and Growth Management) would be nominal.

**6. Schools**

The proposed annexation will have a minimal effect on the Beaufort County School District as the Properties will be developed for the expansion of the River Ridge Academy Campus and there will be no new residential.

**7. Transportation**

The proposed annexation will moderately increase traffic during school hours on Bluffton Parkway and SC-170.

**Exhibits**

- A. 2023 Beaufort County Taxes and Fees Paid;
- B. Estimate of 2024 Beaufort County and Town of Bluffton Taxes and Fees; and
- C. Estimate of Annual Beaufort County and Town of Bluffton Taxes and Fees at Build Out.

# EXHIBIT A

## Beaufort County School District Annexation Cost Benefit Analysis

### 2023 Beaufort County Taxes and Fees

| Property/ Tax/ Fee Description                      | Property                        |                                 |                                 | TOTAL         |
|---|---------------------------------|---------------------------------|---------------------------------|---------------|
|   | Parcel 11A <sup>1</sup>         | Parcel 1736 <sup>1</sup>        | Parcel 34 <sup>1</sup>          |               |
| Property ID   | R600 029 000 011A 0000          | R600 029 000 1736 0000          | R600 029 000 0034 0000          | N/A           |
| Property Owner                                      | Beaufort County School District | Beaufort County School District | Beaufort County School District | N/A           |
| Acreage   | 19.1                            | 0.02                            | 5                               | 24.12         |
| Property Class Code                                 | ResVac Platted&Unplatted        | Educational Vac                 | ResImp SingleFamily             | N/A           |
| Appraised Land Value                                | \$ 1,325,100                    | \$ 500                          | \$ 450,000                      | \$ 1,775,600  |
| Appraised Improvements Value                        | \$ -                            | \$ -                            | \$ 248,400                      | \$ 248,400    |
| Total Appraised Value                               | \$ 1,325,100                    | \$ 500                          | \$ 698,400                      | \$ 2,024,000  |
| Limited (Capped) Appraised Value Total              | \$ 198,765                      | \$ 75                           | \$ 104,760                      | \$ 303,600    |
| Assessment Ratio                                    | 0%                              | 0%                              | 0%                              | N/A           |
| Assessed Value                                      | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| Taxable Value                                       | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| <b>Beaufort County Taxes</b>                        |                                 |                                 |                                 |               |
| County Operations (42.3 Mils)                       | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| County Debt Service (3.34 Mils)                     | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| County Purchase of Real Property Program (4.4 Mils) | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| Capital Improvement (2.4 Mils)                      | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| Solid Waste and Recycling (3.7 Mils)                | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| Higher Education USCB/TCL (2.2 Mils)                | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| Indigent Care Beaufort Memorial Hospital (0.4 Mils) | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| Indigent Care Beaufort Jasper Comp (0.4 Mils)       | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| Economic Development (0.3 Mils)                     | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| School Operations (121.8 Mils)                      | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| Owner Occupied (4 % Ratio) School Operations Credit | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| School Bond Debt Service (36.3 Mils)                | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| Bluffton Fire Operations (24.1 Mils)                | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| Bluffton Fire Debt Service (1.9 Mils)               | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| <b>Total Beaufort County Taxes</b>                  | \$ -                            | \$ -                            | \$ -                            | \$ -          |
| <b>Stormwater Utility Fee</b>                       |                                 |                                 |                                 |               |
| Beaufort County Stormwater Utility Fee              | \$ 172                          | \$ -                            | \$ 120                          | \$ 292        |
| <b>Total Beaufort County Stormwater Utility Fee</b> | \$ 172.00                       | \$ -                            | \$ 120                          | \$ 292        |
| <b>Total Beaufort County 2023 Taxes and Fees</b>    | <b>\$ 172</b>                   | <b>\$ -</b>                     | <b>\$ 120</b>                   | <b>\$ 292</b> |

**Note:**

1. The Beaufort County School District, a public entity, is not subject to Property Tax but is subject to the Stormwater Utility fee.

# EXHIBIT A

## Beaufort County School District Annexation Cost Benefit Analysis

### 2023 Beaufort County Taxes and Fees

| Property/ Tax/ Fee Description                      | Property                        |                                 |                                 | TOTAL        |
|---|---------------------------------|---------------------------------|---------------------------------|--------------|
|   | Parcel 11A <sup>1</sup>         | Parcel 1736 <sup>1</sup>        | Parcel 34 <sup>1</sup>          |              |
| Property ID   | R600 029 000 011A 0000          | R600 029 000 1736 0000          | R600 029 000 0034 0000          | N/A          |
| Property Owner                                      | Beaufort County School District | Beaufort County School District | Beaufort County School District | N/A          |
| Acreage   | 19.1                            | 0.02                            | 5                               | 24.120       |
| Property Class Code                                 | ResVac Platted&Unplatted        | Educational Vac                 | ResImp SingleFamily             | N/A          |
| Appraised Land Value                                | \$ 1,325,100                    | \$ 500                          | \$ 450,000                      | \$ 1,775,600 |
| Appraised Improvements Value                        | \$ -                            | \$ -                            | \$ 248,400                      | \$ 248,400   |
| Total Appraised Value                               | \$ 1,325,100                    | \$ 500                          | \$ 698,400                      | \$ 2,024,000 |
| Limited (Capped) Appraised Value Total              | \$ 198,765                      | \$ 75                           | \$ 104,760                      | \$ 303,600   |
| Assessment Ratio                                    | 0%                              | 0%                              | 0%                              | N/A          |
| Assessed Value                                      | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Taxable Value                                       | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| <b>Beaufort County Taxes</b>                        |                                 |                                 |                                 |              |
| County Operations (42.3 Mils)                       | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| County Debt Service (3.2 Mils)                      | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| County Purchase of Real Property Program (3 Mils)   | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Capital Improvement (3.2 Mils)                      | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Solid Waste and Recycling (3.2 Mils)                | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Higher Education USCB/TCL (2.3 Mils)                | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Indigent Care Beaufort Memorial Hospital (0.6 Mils) | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Indigent Care Beaufort Jasper Comp (0.4 Mils)       | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Economic Development (1.3 Mils)                     | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| School Operations (121.8 Mils)                      | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Owner Occupied (4 % Ratio) School Operations Credit | \$ -                            | \$ -                            | \$ -                            | \$ -         |

EXHIBIT A

Beaufort County School District Annexation Cost Benefit Analysis

2023 Beaufort County Taxes and Fees

|   |                                 |                                 |                                 |              |
|---|---------------------------------|---------------------------------|---------------------------------|--------------|
| Property ID   | R600 029 000 011A 0000          | R600 029 000 1736 0000          | R600 029 000 0034 0000          | N/A          |
| Property Owner  | Beaufort County School District | Beaufort County School District | Beaufort County School District | N/A          |
| Acreage   | 19.1                            | 0.02                            | 5                               | 24.120       |
| Property Class Code   | ResVac Platted&Unplatted        | Educational Vac                 | ResImp SingleFamily             | N/A          |
| Appraised Land Value  | \$ 1,325,100                    | \$ 500                          | \$ 450,000                      | \$ 1,775,600 |
| Appraised Improvements Value                                  | \$ -                            | \$ -                            | \$ 248,400                      | \$ 248,400   |
| School Bond Debt Service (36.3 Mils)                          | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Bluffton Fire Operations (24.1 Mils)                          | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Bluffton Fire Debt Service (1.6 Mils)                         | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Total Beaufort County Taxes                                   | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Beaufort County Fees  |                                 |                                 |                                 |              |
| Beaufort County Stormwater Utility Fee (\$34 per Unit)        | \$ 172.00                       | \$ -                            | \$ 120.00                       | \$ 292.00    |
| Countywide Infrastructure Cost Share Fee                      | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Beaufort County Total Estimated Annual Taxes and Fees         | \$ 172.00                       | \$ -                            | \$ 120.00                       | \$ 292.00    |
| Town of Bluffton Taxes  |                                 |                                 |                                 |              |
| Town of Bluffton General Fund (34.3 Mils)                     | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Town of Bluffton Debt Service (1.7 Mils)                      | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Total Town of Bluffton Taxes                                  | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Town of Bluffton Total Estimated Annual Taxes and Fees        | \$ -                            | \$ -                            | \$ -                            | \$ -         |
| Beaufort County and Town of Bluffton Estimated Taxes and Fees | \$ 172.00                       | \$ -                            | \$ 120.00                       | \$ 292.00    |

Notes:

1. The Beaufort County School District, a public entity, is not subject to Property Tax but is subject to the Stormwater Utility fee.

# EXHIBIT A

## Beaufort County School District Annexation Cost Benefit Analysis

### 2023 Beaufort County Taxes and Fees

| Property/ Tax/ Fee Description  | Property                        |                                 |                                 | Total                        |
|---|---------------------------------|---------------------------------|---------------------------------|------------------------------|
|   | Parcel 11A <sup>1</sup>         | Parcel 1736 <sup>1</sup>        | Parcel 34 <sup>1</sup>          |                              |
| Property ID   | R600 029 000 011A 0000          | R600 029 000 1736 0000          | R600 029 000 0034 0000          | N/A                          |
| Property Owner  | Beaufort County School District | Beaufort County School District | Beaufort County School District | N/A                          |
| Acreage   | 19.1                            | 0.02                            | 5                               | 24.120                       |
| Development Description <sup>3</sup>                                      | New Public School Facilities    | ROW Turn Radius                 | New School Facilities           | New Public School Facilities |
| Property Class Code   | ResVac Platted&Unplatted        | Educational Vac                 | ResImp SingleFamily             | N/A                          |
| Appraised Land Value  | \$ 1,325,100                    | \$ 500                          | \$ 450,000                      | \$ 1,775,600                 |
| Appraised Improvements Value <sup>3</sup>                                 | \$ 16,863,844                   | \$ -                            | \$ 4,414,619                    | \$ 21,278,463                |
| Total Appraised Value   | \$ 18,188,944                   | \$ 500                          | \$ 4,864,619                    | \$ 23,054,063                |
| Limited (Capped) Appraised Value Total <sup>4</sup>                       | \$ 2,728,342                    | \$ 75                           | \$ 729,693                      | \$ 3,458,109                 |
| Assessment Ratio  | 0%                              | 0%                              | 0%                              | N/A                          |
| Assessed Value  | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| Taxable Value   | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| <b>Beaufort County Taxes</b>  |                                 |                                 |                                 |                              |
| County Operations (42.3 Mils)   | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| County Debt Service (3.2 Mils)  | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| County Purchase of Real Property Program (3 Mils)                         | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| Capital Improvement (3.2 Mils)  | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| Solid Waste and Recycling (3.2 Mils)                                      | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| Higher Education USCB/TCL (2.3 Mils)                                      | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| Indigent Care Beaufort Memorial Hospital (0.6 Mils)                       | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| Indigent Care Beaufort Jasper Comp (0.4 Mils)                             | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| Economic Development (1.3 Mils)   | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| School Operations (121.8 Mils)  | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| Owner Occupied (4 % Ratio) School Operations Credit                       | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| School Bond Debt Service (36.3 Mils)                                      | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| Bluffton Fire Operations (24.1 Mils)                                      | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| Bluffton Fire Debt Service (1.6 Mils)                                     | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| <b>Total Beaufort County Taxes</b>  | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| <b>Beaufort County Fees</b>   |                                 |                                 |                                 |                              |
| Beaufort County Stormwater Utility Fee (Varies)                           | \$ 4,894                        | \$ 16                           | \$ 5,291                        | \$ 10,201                    |
| <b>Total Beaufort County Stormwater Utility Fee</b>                       | \$ 4,894                        | \$ 16                           | \$ 5,291                        | \$ 10,201                    |
| <b>Countywide Infrastructure Cost Share Fee</b>                           |                                 |                                 |                                 | \$ -                         |
| Countywide Infrastructure Cost Share Fee                                  | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| <b>Beaufort County Total Estimated Annual Taxes and Fees at Build Out</b> | <b>\$ 4,894</b>                 | <b>\$ 16</b>                    | <b>\$ 5,291</b>                 | <b>\$ 10,201</b>             |
| <b>Town of Bluffton Taxes</b>   |                                 |                                 |                                 |                              |
| Town of Bluffton General Fund (34.3 Mils)                                 | \$ -                            | \$ -                            | \$ -                            | \$ -                         |
| Town of Bluffton Debt Service (1.7 Mils)                                  | \$ -                            | \$ -                            | \$ -                            | \$ -                         |

EXHIBIT A

Beaufort County School District Annexation Cost Benefit Analysis

2023 Beaufort County Taxes and Fees

|   |          |       |          |           |
|---|----------|-------|----------|-----------|
| Total Town of Bluffton Taxes  | \$ -     | \$ -  | \$ -     | \$ -      |
| Town of Bluffton Total Estimated Annual Taxes and Fees Revenue at Build Out       | \$ -     | \$ -  | \$ -     | \$ -      |
| Beaufort County and Town of Bluffton Estimated Annual Taxes and Fees at Build Out | \$ 4,894 | \$ 16 | \$ 5,291 | \$ 10,201 |

- Notes/Assumptions:
1. The Beaufort County School District, a public entity, is not subject to Property Tax but is subject to the Stormwater Utility fee.
  2. The estimated total construction budget for building, site upgrades, and improvements is \$23,054,063.00. These costs are split between Parcels 11A and 34 which are available for development at a ratio of 80% to Parcel 11A and 20% to Parcel 34.
  3. Limited (Capped) Appraised Value based upon 15% of the Total Appriased Value per SC reassessment valuation cap.
  4. Taxes based upon 2024 Millage.