

Attachment 18

Grande Oaks Annexation

Cost Benefit Analysis

1. Cost Benefit Summary

University Investments, LLC is proposing to annex certain property containing approximately 65.592 acres, more or less, located at southwest corner of the Buckwalter Parkway and Lake Point Drive intersection and to the west of the Retreat at Grande Oaks and identified by Beaufort County Tax Map No. R600-029-000-0014-0000 (Portion) and R600-029-000-2410-0000 (Property) and establish zoning for the property as Buckwalter Planned Unit Development District and designate as the Grande Oaks Commons Land Use Tract. Under existing conditions the additional municipal costs will be minimal, while tax revenue is estimated to increase by approximately \$26,717.08 per year at buildout.

2. Parcel Information

The Property is owned by University Investments, LLC and contains approximately 65.592 acres containing a cell phone tower located within Unincorporated Beaufort County which is zoned as Grande Oaks PUD and designated as part of the Village Commercial V-1 Land Use Tract. The Applicant does not have a specific plan for the Property but notes that current preliminary planning for this expanded area contemplates a mixed use, village style, development, perhaps built with residential above commercial, and including extensive medical services and commercial establishments.

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
Total Beaufort County Millage	243.54	243.3
General Fund	0	34.3
Debt Service	0	1.7
Total Town of Bluffton Millage	0	36
Stormwater Utility Fee	Varies	Varies
Countywide Infrastructure Cost Share Fee	\$28.71	\$28.71

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
Appraised Value	\$3,625,600	\$8,052,575	\$79,241,132.10
Taxable Value	\$1,820	\$4,358	\$713,170.19
Beaufort County Taxes	\$443.37	\$1,185.84	\$194,075.00
Town of Bluffton Taxes	\$0	\$156.87	\$26,717.08
Stormwater Utility Fees	\$295	\$731.00	\$17,671.53
Countywide Infrastructure Cost Share Fee	\$0	\$114.84	\$114.84
Total Taxes and Fees	\$738.37	\$156.87	\$238,578.45

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
General Government Services	Beaufort County	Town of Bluffton
Planning, Community Development, & Land Use Regulatory Services	Beaufort County	Town of Bluffton
Police Protection	Beaufort County	Town of Bluffton
Fire Protection	Bluffton Township Fire District	Bluffton Township Fire District
Emergency Medical Services	Beaufort County	Beaufort County
Hospitals	Private	Private
Schools	Beaufort County School District	Beaufort County School District
Parks & Recreation	Beaufort County	Beaufort County
Stormwater Maintenance	Beaufort County	Town of Bluffton
Road Maintenance	Private (<i>Internal Roads</i>) Beaufort County (<i>Davis Road</i>)	Private (<i>Internal Roads</i>) Beaufort County (<i>Davis Road</i>)
Garbage Service - Residential	Private	Town of Bluffton
Garbage Service - Commercial	Private	Private
Water & Sewer Service	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 st Year of Annexation ¹	Build Out ²
Estimated Annual Town Property Tax Revenue	36 Mills	\$156.87	\$26,717.08
Garbage/ Recycling Service	\$13.45 per Month Per Dwelling Unit ³	\$0	\$0
Police Service	\$66,380 per Officer	\$0	\$0
Administrative/ Growth Management/ Stormwater/ Public Works Service	\$65,018 per Employee	\$0	\$0
Total Estimated Revenue After Expenses	N/A	\$156.87	\$26,717.08

¹ Property currently has a cell phone tower and are otherwise vacant and classified as Agricultural Property.

² Build out estimated in 5 years resulting in an estimated development of 354,560 commercial square footage based upon each property's upland acres multiplied by the average commercial construction for the area of 10,000 square feet plus additional square footage of 80,200 square feet included in the 14B calculation to provide for the possibility of 2-3 story construction within the proposed annexation area. Upland Acres = Parcel 14B - 5.861 acres, Parcel 16 - 0.294 acres, Parcel 12D - 10.663 acres, Parcel 14A - 10.618 acres.

- a) Police and Judicial Costs – The costs of police protection and judicial services 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 anticipated residential development at build-out will contain eight dwelling units.

7. Transportation

The proposed annexation will have no measurable effect to the traffic along SC-170. The amount of day-to-day traffic would remain very low, as only eight dwelling units will be added to the property at build out.

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
Grande Oaks Annexation Cost Benefit Analysis
2023 Beaufort County Taxes and Fees

Property/ Tax/ Fee Description	Property				TOTAL
	Parcel 14 ¹	Parcel 16 ¹	Parcel 12D	Parcel 14A	
Property ID	R600 029 000 2484 0000	R600 029 000 2486 0000	R600 029 000 2410 0000	R600 029 000 0014 0000	N/A
Property Owner	U.I. Investments, LLC	Grande Oaks II, LLC	Grande Oaks II, LLC	Grande Oaks II, LLC	N/A
Acreage	24.65	8.137	12.348	20.457	65.592
Property Class Code	AgVac Forest	AgVac Forest	AgVac Forest	AgVac Forest	N/A
Appraised Land Value	\$ -	\$ -	\$ 625,000	\$ 3,000,600	\$ 3,625,600
Appraised Improvements Value	\$ -	\$ -	\$ -	\$ -	\$ -
Total Appraised Value	\$ -	\$ -	\$ 625,000	\$ 3,000,600	\$ 3,625,600
Limited (Capped) Appraised Value Total	\$ -	\$ -	\$ 721,350	\$ 985,007	\$ 1,706,357
Assessment Ratio	6%	6%	4%	6%	N/A
Assessed Value	\$ -	\$ -	\$ 100	\$ 1,720	\$ 1,820
Taxable Value	\$ -	\$ -	\$ 100	\$ 1,720	\$ 1,820
Beaufort County Taxes					
County Operations (42.3 Mils)	\$ -	\$ -	\$ 4.23	\$ 72.76	\$ 76.99
County Debt Service (3.34 Mils)	\$ -	\$ -	\$ 0.34	\$ 5.85	\$ 6.19
County Purchase of Real Property Program (4.4 Mils)	\$ -	\$ -	\$ 0.44	\$ 7.57	\$ 8.01
Capital Improvement (2.4 Mils)	\$ -	\$ -	\$ 0.24	\$ 4.13	\$ 4.37
Solid Waste and Recycling (3.7 Mils)	\$ -	\$ -	\$ 0.37	\$ 6.36	\$ 6.73
Higher Education USCB/TCL (2.2 Mils)	\$ -	\$ -	\$ 0.22	\$ 3.78	\$ 4.00
Indigent Care Beaufort Memorial Hospital (0.4 Mils)	\$ -	\$ -	\$ 0.04	\$ 0.69	\$ 0.73
Indigent Care Beaufort Jasper Comp (0.4 Mils)	\$ -	\$ -	\$ 0.04	\$ 0.69	\$ 0.73
Economic Development (0.3 Mils)	\$ -	\$ -	\$ 0.03	\$ 0.52	\$ 0.55
School Operations (121.8 Mils)	\$ -	\$ -	\$ 12.18	\$ 209.50	\$ 221.68
Owner Occupied (4 % Ratio) School Operations Credit	\$ -	\$ -	\$ -	\$ -	\$ -
School Bond Debt Service (36.3 Mils)	\$ -	\$ -	\$ 3.63	\$ 62.44	\$ 66.07
Bluffton Fire Operations (24.1 Mils)	\$ -	\$ -	\$ 2.41	\$ 41.45	\$ 43.86
Bluffton Fire Debt Service (1.9 Mils)	\$ -	\$ -	\$ 0.19	\$ 3.27	\$ 3.46
Total Beaufort County Taxes	\$ -	\$ -	\$ 24.36	\$ 419.01	\$ 443.37
Stormwater Utility Fee					
Beaufort County Stormwater Utility Fee	\$ -	\$ -	\$ 27.41	\$ 267.59	\$ 295.00
Total Beaufort County Stormwater Utility Fee	\$ -	\$ -	\$ 27.41	\$ 267.59	\$ 295.00
Total Beaufort County 2023 Taxes and Fees	\$ -	\$ -	\$ 51.77	\$ 686.60	\$ 738.37

Note:

1. Created by Subdivision Plat Recorded in Plat Book 162 at Page 186 on December 8, 2023 and Not Included on the 2023 Tax Roll

EXHIBIT B

Grande Oaks Annexation Cost Benefit Analysis

2024 Estimate of Town of Bluffton and Beaufort County Taxes and Fees

Property/ Tax/ Fee Description	Property				TOTAL
	Parcel 14B ^{1,2}	Parcel 16 ^{1,2}	Parcel 12D	Parcel 14A	
Property ID	R600 029 000 2484 0000	R600 029 000 2486 0000	R600 029 000 2410 0000	R600 029 000 0014 0000	N/A
Property Owner	U.I. Investments, LLC	Grande Oaks II, LLC	Grande Oaks II, LLC	Grande Oaks II, LLC	N/A
Acreage	24.65	8.137	12.348	20.457	65.592
Property Class Code	AgVac Forest	AgVac Forest	AgVac Forest	AgVac Forest	N/A
Appraised Land Value	\$ 3,328,299	\$ 1,098,676	\$ 625,000	\$ 3,000,600	\$ 8,052,575
Appraised Improvements Value	\$ -	\$ -	\$ -	\$ -	\$ -
Total Appraised Value	\$ 3,328,299	\$ 1,098,676	\$ 625,000	\$ 3,000,600	\$ 8,052,575
Limited (Capped) Appraised Value Total	\$ 1,092,581	\$ 360,662	\$ 721,350	\$ 985,007	\$ 3,159,600
Assessment Ratio	6%	6%	4%	6%	N/A
Assessed Value	\$ 1,908	\$ 630	\$ 100	\$ 1,720	\$ 4,358
Taxable Value	\$ 1,908	\$ 630	\$ 100	\$ 1,720	\$ 4,358
Beaufort County Taxes					
County Operations (42.3 Mils)	\$ 80.70	\$ 26.64	\$ 4.23	\$ 72.76	\$ 184.33
County Debt Service (3.2 Mils)	\$ 6.11	\$ 2.02	\$ 0.32	\$ 5.50	\$ 13.94
County Purchase of Real Property Program (3 Mils)	\$ 5.72	\$ 1.89	\$ 0.30	\$ 5.16	\$ 13.07
Capital Improvement (3.2 Mils)	\$ 61.05	\$ 20.15	\$ 3.20	\$ 55.04	\$ 139.44
Solid Waste and Recycling (3.2 Mils)	\$ 6.11	\$ 2.02	\$ 0.32	\$ 5.50	\$ 13.94
Higher Education USCB/TCL (2.3 Mils)	\$ 4.39	\$ 1.45	\$ 0.23	\$ 3.96	\$ 10.02
Indigent Care Beaufort Memorial Hospital (0.6 Mils)	\$ 1.14	\$ 0.38	\$ 0.06	\$ 1.03	\$ 2.61
Indigent Care Beaufort Jasper Comp (0.4 Mils)	\$ 0.76	\$ 0.25	\$ 0.04	\$ 0.69	\$ 1.74
Economic Development (1.3 Mils)	\$ 2.54	\$ 0.84	\$ 0.13	\$ 2.29	\$ 5.80
School Operations (121.8 Mils)	\$ 232.37	\$ 76.71	\$ 12.18	\$ 209.50	\$ 530.76
Owner Occupied (4 % Ratio) School Operations Credit	\$ -	\$ -	\$ -	\$ -	\$ -
School Bond Debt Service (36.3 Mils)	\$ 69.25	\$ 22.86	\$ 3.63	\$ 62.44	\$ 158.18
Bluffton Fire Operations (24.1 Mils)	\$ 45.98	\$ 15.18	\$ 2.41	\$ 41.45	\$ 105.02
Bluffton Fire Debt Service (1.6 Mils)	\$ 3.05	\$ 1.01	\$ 0.16	\$ 2.75	\$ 6.97
Total Beaufort County Taxes	\$ 519.18	\$ 171.38	\$ 27.21	\$ 468.06	\$ 1,185.84
Beaufort County Fees					
Beaufort County Stormwater Utility Fee (\$34 per Unit)	\$ 304.00	\$ 132.00	\$ 27.41	\$ 267.59	\$ 731.00
Countywide Infrastructure Cost Share Fee	\$ 28.71	\$ 28.71	\$ 28.71	\$ 28.71	\$ 114.84
Beaufort County Total Estimated Annual Taxes and Fees	\$ 851.89	\$ 332.09	\$ 83.33	\$ 764.36	\$ 2,031.68
Town of Bluffton Taxes					
Town of Bluffton General Fund (34.3 Mils)	\$ 65.44	\$ 21.60	\$ 3.43	\$ 59.00	\$ 149.47
Town of Bluffton Debt Service (1.7 Mils)	\$ 3.24	\$ 1.07	\$ 0.17	\$ 2.92	\$ 7.41
Total Town of Bluffton Taxes	\$ 68.68	\$ 22.67	\$ 3.60	\$ 61.92	\$ 156.87
Town of Bluffton Total Estimated Annual Taxes and Fees	\$ 68.68	\$ 22.67	\$ 3.60	\$ 61.92	\$ 156.87
Beaufort County and Town of Bluffton Estimated Taxes and Fees	\$ 920.57	\$ 354.76	\$ 86.93	\$ 826.28	\$ 2,188.55

Notes:

1. Created by Subdivision Plat Recorded in Plat Book 162 at Page 186 on December 8, 2023 and Not Included on the 2023 Tax Roll

2. Estimated Appriased Value Based Upon the Per Acre Value of R600 029 0014 0000 of \$135,022.27

EXHIBIT C

Grande Oaks Annexation Cost Benefit Analysis

Estimate of Annual Beaufort County and Town of Bluffton Taxes and Fees at Build Out

Property/ Tax/ Fee Description	Property				Total
	Parcel 14B ^{1,2}	Parcel 16 ^{1,2}	Parcel 12D	Parcel 14A	
Property ID	R600 029 000 2484 0000	R600 029 000 2486 0000	R600 029 000 2410 0000	R600 029 000 0014 0000	N/A
Property Owner	U.I. Investments, LLC	Grande Oaks II, LLC	Grande Oaks II, LLC	Grande Oaks II, LLC	N/A
Acreage	24.65	8.137	12.348	20.457	65.592
Development Description ³	138,810 Sq Feet Commercial	2,940 Sq Feet Commercial	106,630 Sq Feet Commercial	106,180 Sq Feet Commercial	354,560 Sq Feet Commercial
Property Class Code	ComImp	ComImp	ComImp	ComImp	N/A
Appraised Land Value	\$ 3,328,299	\$ 1,098,676	\$ 625,000	\$ 3,000,600	\$ 8,052,575.30
Appraised Improvements Value ⁴	\$ 27,870,271.80	\$ 590,293.20	\$ 21,409,171.40	\$ 21,318,820.40	\$ 71,188,556.80
Total Appraised Value	\$ 31,198,571	\$ 1,688,969	\$ 22,034,171	\$ 24,319,420	\$ 79,241,132.10
Limited (Capped) Appraised Value Total ⁵	\$ 4,679,786	\$ 253,345	\$ 3,305,126	\$ 3,647,913	\$ 11,886,169.82
Assessment Ratio	6%	6%	6%	6%	N/A
Assessed Value	\$ 280,787	\$ 15,201	\$ 198,308	\$ 218,875	\$ 713,170.19
Taxable Value	\$ 280,787	\$ 15,201	\$ 198,308	\$ 218,875	\$ 713,170.19
Beaufort County Taxes					
County Operations (42.3 Mils)	\$ 11,877.30	\$ 642.99	\$ 8,388.41	\$ 9,258.40	\$ 30,167.10
County Debt Service (3.2 Mils)	\$ 898.52	\$ 48.64	\$ 634.58	\$ 700.40	\$ 2,282.14
County Purchase of Real Property Program (3 Mils)	\$ 842.36	\$ 45.60	\$ 594.92	\$ 656.62	\$ 2,139.51
Capital Improvement (3.2 Mils)	\$ 8,985.19	\$ 486.42	\$ 6,345.84	\$ 7,003.99	\$ 22,821.45
Solid Waste and Recycling (3.2 Mils)	\$ 898.52	\$ 48.64	\$ 634.58	\$ 700.40	\$ 2,282.14
Higher Education USCB/TCL (2.3 Mils)	\$ 645.81	\$ 34.96	\$ 456.11	\$ 503.41	\$ 1,640.29
Indigent Care Beaufort Memorial Hospital (0.6 Mils)	\$ 168.47	\$ 9.12	\$ 118.98	\$ 131.32	\$ 427.90
Indigent Care Beaufort Jasper Comp (0.4 Mils)	\$ 112.31	\$ 6.08	\$ 79.32	\$ 87.55	\$ 285.27
Economic Development (1.3 Mils)	\$ 373.45	\$ 20.22	\$ 263.75	\$ 291.10	\$ 948.52
School Operations (121.8 Mils)	\$ 34,199.87	\$ 1,851.45	\$ 24,153.86	\$ 26,658.95	\$ 86,864.13
Owner Occupied (4 % Ratio) School Operations Credit	\$ -	\$ -	\$ -	\$ -	\$ -
School Bond Debt Service (36.3 Mils)	\$ 10,192.57	\$ 551.79	\$ 7,198.56	\$ 7,945.15	\$ 25,888.08
Bluffton Fire Operations (24.1 Mils)	\$ 6,766.97	\$ 366.34	\$ 4,779.21	\$ 5,274.88	\$ 17,187.40
Bluffton Fire Debt Service (1.6 Mils)	\$ 449.26	\$ 24.32	\$ 317.29	\$ 350.20	\$ 1,141.07
Total Beaufort County Taxes	\$ 76,410.60	\$ 4,136.57	\$ 53,965.43	\$ 59,562.39	\$ 194,075.00
Beaufort County Fees					
Beaufort County Stormwater Utility Fee (Varies)	\$ 6,878.26	\$ 271.24	\$ 5,231.17	\$ 5,290.85	\$ 17,671.53
Total Beaufort County Stormwater Utility Fee	\$ 6,878.26	\$ 271.24	\$ 5,231.17	\$ 5,290.85	\$ 17,671.53
Countywide Infrastructure Cost Share Fee					\$ -
Countywide Infrastructure Cost Share Fee	\$ 28.71	\$ 28.71	\$ 28.71	\$ 28.71	\$ 114.84
Beaufort County Total Estimated Annual Taxes and Fees at Build Out	\$ 83,317.58	\$ 4,436.53	\$ 59,225.31	\$ 64,881.96	\$ 211,861.37
Town of Bluffton Taxes					
Town of Bluffton General Fund (34.3 Mils)	\$ 9,631.00	\$ 521.38	\$ 7,297.72	\$ 8,054.59	\$ 25,504.69
Town of Bluffton Debt Service (1.7 Mils)	\$ 477.34	\$ 25.84	\$ 337.12	\$ 372.09	\$ 1,212.39
Total Town of Bluffton Taxes	\$ 10,108.34	\$ 547.23	\$ 7,634.84	\$ 8,426.68	\$ 26,717.08
Town of Bluffton Total Estimated Annual Taxes and Fees Revenue at Build Out	\$ 10,108.34	\$ 547.23	\$ 7,634.84	\$ 8,426.68	\$ 26,717.08
Beaufort County and Town of Bluffton Estimated Annual Taxes and Fees at Build Out	\$ 93,425.91	\$ 4,983.75	\$ 66,860.15	\$ 73,308.64	\$ 238,578.45

Notes/Assumptions:

1. Created by Subdivision Plat Recorded in Plat Book 162 at Page 186 on December 8, 2023 and Not Included on the 2023 Tax Roll

2. Estimated Appraised Value Based Upon the Per Acre Value of R600 029 0014 0000 of \$135,022.27

3. Development square footage based upon each property's upland acres multiplied by the average commercial construction for the area of 10,000 square feet. Upland Acres = Parcel 14B - 5.861 acres, Parcel 16 - 0.294 acres, Parcel 12D - 10.663 acres, Parcel 14A - 10.618 acres. Additional square footage of 80,200 square feet included in the 14B calculation to provide for the possibility of 2-3 story construction within the proposed annexation area.

4. Appraised Improvements Value is based up the cost for new construction of Business occupancy type and VB type of construction of \$200.78 per square foot per the ICC Building Valuation Data for released February 2024.

5. Limited (Capped) Appraised Value based upon 15% of the Total Appraised Value per SC reassessment valuation cap.

6. Taxes based upon 2024 Millage.