



July 2005 Newsletter

Island Notes:

A special thanks to LIBPA members Dick Goerlich of The Trophy Case and Frank Bailey of Spectrum Graphics for combining their professional talents to design and construct the new LIBPA plaque for the lectern. This was done without anyone asking, only because they thought LIBPA needed one for our meetings.

With regret we note the announced closing, as part of a bankruptcy restructuring, of the Winn Dixie grocery store on Lady's Island and also the store at Cross Creek Shopping Center. The Lady's Island store has provided a real service to residents of our area for many years.

To Gail Mullen, President of Mortgage Associates, Congratulations on the great renovation of your new location at 72 Sams Point Road. Every thing from the new sign, the exterior upgrade and the interior layout is exactly what the CP Committee had in mind when it established the Expanded Home Business District. It looks great!

Do away with the Lady's Island TIF District? Recently, it was reported that consideration was being given to doing away with Lady's Island TIF district and establishing a larger one to allow fiscal support of a Performing Arts Center. This TIF was the subject of an earlier Beaufort County/City of Beaufort lawsuit which was settled out of court. Perhaps, a careful and public look should be given to the question of disestablishing the present TIF to support a single project.

A new Lady's Island elementary school in 2009? The Dejong study found that northern Beaufort County existing elementary schools have a total student capacity of 5,513 students. It recommended that planning for a new 500 student elementary school be initiated in time to open the doors of a new school in 2009 when the total northern elementary student population would reach 5600 students (presently 5,020). Three years is a short period of time to site, plan and build an elementary school and now is the time to make the decision. Naturally, we on Lady's Island believe our projected growth supports the school being located on the island.

2005 Membership Report: by Jane Hinchler, Chairman, Membership Committee

As of June 22nd, 2005 LIBPA had an active membership of 220 members. This is an increase of 8% over last year's figure of 201 members. LIBPA continues to see a steady increase in membership due to a variety of reasons. As LIBPA becomes more involved in the development of our community, people are realizing the value of what our association has to offer and what the advantages are of becoming involved and having their voices heard.

Whether it be business people who appreciate the opportunity of having a good source for meeting and mingling with local business contacts or residents concerned with issues such as incorporating Lady's Island vis-à-vis annexation, the objectives of LIBPA coincide with the interests of everyone who works or lives on Lady's Island, or in the surrounding communities.

LIBPA expects to see an increase in membership of at least 10% in 2006 because of the Association's augmentation of involvement in community undertakings. We are increasing the projects we are becoming involved with because they are so important to the future of our community. Some of the issues added to our plate for 2006 are following the potential loss of TIF money, the expansion of the Lady's Island Airport, the building of a Performing Arts Center, the construction of both active and passive parks, the design for a Highway 802/21 bypass, the need for new schools and the cleaning of our roads.

LIBPA also has increased it's attractiveness to business members by including a direct link to member's web sites and added the ability for members to contract for web site design. Furthermore, through the efforts of the Association's Administrative Assistant Judy Smith, more comprehensive information about those who have joined our Association will be available to the membership.

It is very gratifying to see that so many professionals, businesses and residents are concerned about the future of Lady's Island and its surrounding communities.

A Look at Lady's Island and Beaufort Joining Forces:

Of the three choices of government available to Lady's Island, incorporation, do nothing and remain a mixed (unincorporated and City of Beaufort) community or annex into the City of Beaufort, very little discussion or study has been done in regard to Lady's Island and the City of Beaufort joining forces as one governmental body as a matter in the best interest of both parties. The purpose of this article is to neither support nor oppose annexation but to provide an overview of the annexation option.

The Pros: The City of Beaufort already has an established government and by folding Lady's Island into its limits would offer the following benefits.

- ~ It would result in a city of 24,000 residents.
- ~ It would prevent duplication of effort and competition for regional infrastructure such as roads, schools, parks and libraries.
- ~ It would guarantee a tax base sufficient to support the provision of first rate municipal services.
- ~ It would establish a City with sufficient political clout to merit attention at the various county, state and national political levels.
- ~ It would eliminate the City of Beaufort's efforts to expand its tax base by annexation of the businesses on Lady's Island.
- ~ In matters of zoning it would establish a single authority over the area.

The Cons:

- ~ It would result in additional taxes.
- ~ Most services are already available to the residents.
- ~ Lady's Island would lose its individual identity.
- ~ Concern that Lady's Island would be considered only as a source of revenue, not an equal partner.
- ~ Perception that the residents of Lady's Island have more say regarding their community under the present system or incorporated than they would as part of the City of Beaufort.

In regard to having a voice in a combined Lady's Island and City of Beaufort consider that Lady's Island has 6,390 registered voters compared to 5,843 in the City of Beaufort. Not only does Lady's Island have a large number of registered voters they go to the polls and vote. In the last general election on the 1% sales tax question 3902 Lady's Island voters went to the poll for an impressive 66%. In the same election on the same question 1,451 voters from the City of Beaufort went to the polls representing approximately 25% voter turn out. The point is that in a City of Beaufort, which included Lady's Island, the residents of the island would probably have the political power necessary to not only be heard but respected.

Admittedly, over the years a degree of distrust and animosity has arisen between Lady's Island and the City of Beaufort as a result of annexation. In 1998 the LIBPA Board of Directors invited a specialist in municipal incorporation to brief the board in regard to Lady's Island and incorporation. His message was "Study all of the pros and cons of your specific community incorporating. If you chose to incorporate, annex into the City of Beaufort or stay in the county, be very sure of the specific reasons for your action, other than emotions."

THE JULY LIBPA SURVEY QUESTION IS "SHOULD LADY'S ISLAND CONSIDER ANNEXATION INTO THE CITY OF BEAUFORT AS AN ALTERNATIVE TO INCORPORATION OR REMAINING UNINCORPORATED?" PLEASE VISIT OUR MAIN PAGE TO VOTE AND PROVIDE YOUR COMMENTS ON THIS SUBJECT.

Results of Incorporation Survey:

Recently, at the request of the Board of Directors and with the help of Steve Thompson of PC Web Services, the capability to conduct a survey and post comments was added to the LIBPA web site (www.libpa.org). The first survey question was "Should Lady's Island incorporate?"

Survey Results. A total of 106 individuals took the survey. The results were that 47% of the individuals who took the survey opposed incorporation, 44% were in favor of incorporation and the remaining 9% were undecided or desired additional information. Of the 29 comments received, 19 were opposed, 4 in favor and 6 desired additional information or were undecided. Simply stated the survey indicated the residents of Lady's Island are almost evenly divided on the question of incorporation and there is no significant portion of the community desiring action in the direction of incorporation in the near future.

This month's survey question on the LIBPA web site looks at an alternative to incorporation and ask:
SHOULD LADY'S ISLAND CONSIDER ANNEXATION INTO THE CITY OF BEAUFORT AS AN ALTERNATIVE TO INCORPORATION OR REMAINING UNINCORPORATED?

A Look at James Island Incorporation:

With the passage of the new state law which appears to allow Lady's Island to incorporate, it would appear prudent to look at the history of similar areas which have attempted incorporation in the recent past. The most well known such area is James Island, South Carolina located on the border of the City of Charleston.

As in the case of Lady's Island the 1960's saw the beginning of growth on the island and it continued until the island became a residential community. Some of the residents became convinced that the City of Charleston was annexing portions of their island, especially undeveloped property, and allowing types of development that would not be allowed in the city proper. With this belief, they perceived that their island was threatened by the City of Charleston and its annexation policy. To protect their island a group of James Island citizens initiated action to incorporate and become a town.

Following is a chronological listing, as published in the January 6, 2005 issue of The Post and Courier, of the highlights of the community's efforts to become a town.

December 1992 – By a 52-42 (%) margin, voters in most of James Island's unincorporated area agree to form a new town. The City of Charleston and three residents file suit against the James Island Election Commission, which held the special election.

March 1993 – Town voters pick Joan Sooy as their first mayor. The town has about 18,000 residents and is the state's 18th largest municipality. Charleston County and the James Island Public Service District still provided most services for the area.

October 1995 – A circuit judge rules that the town was incorporated illegally by crossing over marshes and waterways already claimed by the city, but he allows it to stay in business while the case is appealed.

November 18, 1996 – The S. C. Supreme Court upholds the lower court ruling and orders the town dissolved.

April 2000 – The General Assembly passes a bill that would let a new town of James Island to cross over waterways and marshes already claimed by Charleston, addressing the legal problem with the first town. The movement to create a new town soon gathers momentum.

May 21, 2002 – Voters choose to form a new town by a more than 2-1 margin. The vote creates the second town of James Island.

June 18, 2002 – Voters elect Mary Clark as the new town's first mayor.

July 24, 2002 – The city of Charleston and two James Island residents sue the town.

February 7, 2003 – Circuit judge rules the law that allowed the second town to incorporate was unconstitutional special legislation that did not generally apply statewide.

July 26, 2004 – S. C. Supreme Court upholds lower court ruling, ending the second town.

January 2005 – (Mayor) Clark clears out the second town's Town Hall, saying she will continue to work for a third town.

With the passage of the new law, it would appear safe to say the residents of James Island will try a third time to incorporate and become a town. However, a review of their history lends support to the advice of LIBPA member Charlie Schreiner at the recent monthly meeting who recommended Lady's Island not rush in the direction of incorporation until the legality of the latest law is validated.

The Other Side of the Coin - ANNEXATION:

The annexation laws in South Carolina are viewed by municipalities as being excessively restrictive in that basically they prohibit initiating annexation without the request of the property owner. South Carolina annexation laws are similar to the children's game "Mother May I" in which you can not take a step forward unless you request and receive permission. There are exceptions but in most cases the existing South Carolina laws require either all or at least a majority (75%) of property owners to concur with annexation.

Even with "restrictive" annexation laws, recent years have seen Bluffton annex over 37,000 acres, Hardeeville over 4000 acres, Port Royal over 7,000 acres and Beaufort more than 5,000 acres. Regardless of whether you believe this much annexation and accompanying development is good or bad, it is a fact and in regard to providing infrastructure (roads, schools, parks) will become the fiscal responsibility of every tax payer in Beaufort. Even with this rather large amount of recent annexation there continues to exist the common perception by most Beaufort County municipal governments that a town or city must "grow or die".

For municipalities, such as the Town of Port Royal and City of Beaufort, it must be frustrating to look across the state line at our sister state North Carolina and see the ease with which a municipality may annex adjoining property. This is because in 1959 the North Carolina State Legislature revised the statute regarding how cities annex adjoining areas. The law allows an area adjoining the present boundaries of a city or town to be annexed if:

- ~ Certain characteristics of urbanization exist. For example, the population must be as least 2.3 persons per acre.
- ~ The annexing city is prepared to provide the areas to be annexed with all the facilities and services that are provided within the existing city limits.

If these two requirements are met, in addition to other less significant requirements, the cities are authorized to annex the property as long as they follow specific procedures. As a result of this law, cities such as Charlotte, N. C. each year designate certain adjoining unincorporated areas as being within their "sphere of influence" based on high levels of development and rapid urbanization. Each spring the city planning department initiates a study/survey of the designated area and if it meets the state requirements, annexation is accomplished the following year. As a direct result of the North Carolina incorporation law, the City of Charlotte and other cities in North Carolina have successfully experienced very rapid, organized and planned growth in recent years.

Worthy of note is the fact that at the present time there are 9 legislative bills regarding annexation being considered by the South Carolina legislature. These include:

- ~ S224 – After annexing an area the municipality cannot take over services if such service is provided by a special purpose district (Example, the Lady's Island/St. Helena Fire District).
- ~ S536 – Reduces the required percentage of property owners favoring annexation in a petition request from 75% to 60%.
- ? ? S 538 – Authorizes a municipality to annex an area completely surrounded by the municipality. This type of area is commonly referred to as a "doughnut hole".
- ~ S 539 - Authorizes a municipality to annex a contiguous area once the area has achieved a certain population and density criteria. (Does this sound similar to the N. C. law?)

Just as the residents of Lady's Island recently awoke to discover the law had been changed to allow them to incorporate their island, a similar legislative event could occur allowing the City of Beaufort to annex Lady's Island. This points out the fact that, regardless of your personal feelings in regard to annexation, continuous cooperation, coordination and dialog between Lady's Island, Beaufort County and the City of Beaufort is the key to successfully meeting the challenges of the future. In this regard LIBPA, with your support, will continue its efforts to serve our community.

Cost of Running A City :

If Lady's Island decides to become a city, how much will it cost the individual resident in additional taxes? The new state law, which would allow Lady's Island to incorporate, requires each new city to provide certain services. They must provide a minimum level of law enforcement plus at least three of the following services. Since the City of Beaufort has approximately the same population as Lady's Island the amount of funding included in their 2005 budget for each of these services is provided for general information.

Law Enforcement - \$3.3 million

Fire Protection - \$1.7 million

Solid Waste Collection and Disposal - \$320,643

Planning/Enforcement of Codes - \$760,128

Recreational Facilities and Program - \$1.5 million (Parks and tourism for Beaufort)

Street Lighting - \$63,000

Note: Two of the optional services available to be provided by the new law are not optional in Beaufort County, these being water supply/distribution (BJWSA) and storm water collection and disposal (Beaufort County Storm Water Authority).

The total cost of running a municipality can be seen from the 2005 annual budget for the City of Beaufort (\$10.4 million) or Town of Port Royal (\$3.1 million). To fund the operation of these municipalities in 2005 the owners of a \$200,000 home paid property taxes of approximately \$680 in Port Royal and \$587 in Beaufort. These taxes were paid in addition to county property taxes.

So what would the taxes be in the City of Lady's Island? The truth is no one has a clue and won't until a study is conducted in that regard. The law allows a new municipality to provide the services either directly or by contract. Fire protection and law enforcement would probably continue to be provided by the County Sheriff's Department and the Lady's Island/St. Helena Fire District. The amount charged for these services would be a matter of negotiation but probably cheaper than operating a "stand alone" police or fire department. After law enforcement and fire services the matter of selecting which additional services the community desired and could afford would have to be faced.

To reduce the initial price of being a city there is the concept that the new municipality would only provide the minimum of services. The chances that the residents of Lady's Island would be satisfied with a government that provided only minimal services is probably not realistic. Hilton Head was incorporated under the concept of providing minimal services and that lasted only a short time before the voters demanded the full spectrum of services. As can be seen, incorporation of Lady's Island is much more complex than simply determining which services are desired by the community. However, the answer to the question of services is the key to the cost of incorporation to the individual resident. Before any referendum ask the voters to decide "yes or no" in regard to incorporation, the price tag should be clearly established to not only see if we could pay it but do we want to.

Lady's Island Commons Becomes A Reality:

A few years ago LIBPA member Paul Trask developed a vision for a commercial development directly adjacent to his theater, the Lady's Island Cinema. The development would include a mixture of retail stores, professional offices and possibly residential apartments. The first hurdle was to change the Village Center zoning regulations to allow joint use of parking areas. Such a change would allow the large parking lot for the theater to meet the parking needs of businesses during the day and his theater in the evening. As much of a common sense idea as joint use parking may sound, it is seldom authorized. However, at Paul's recommendation the change was successfully sponsored by the Lady's Island Community Preservation Planning Committee and became authorized in the Village Center.

The first three buildings, of what will eventually become a nine unit complex are presently under construction. All of the buildings will be two stories and with a low country type of design. There are two types of buildings which will be available to prospective occupants. One model will have 1102 square feet of space on the first floor and 1055 square feet on the second floor. The other available type of building is larger with 1285 square feet on the first floor and 1284 square feet on the second floor. Those looking for either retail space or professional offices are encouraged to call Paul at 525-0578.

A special thanks to Mr. Trask for investing in the future of the Village Center and Lady's Island. Also, we appreciate his patience in working with LIBPA to get the zoning changes regarding joint use parking which will benefit future businesses in the Village Center.

Firm Selected For Highway 802/21 Bypass:

The firm of Kimley-Horn and Associates were recently awarded the contract for planning and design of the project to construct a bypass from Lady's Island Drive/Highway 802 to Sea Island Parkway/Highway 21. A detailed discussion of this project was included in the May LIBPA newsletter.

Kimley-Horn and Associates is a national engineering, planning and environmental consulting firm with 1,200 employees in 47 offices nationwide. Kimley-Horn is ranked 58th among the top 500 design firms, 28th among the top 100 pure design firms, and 15th among the top 20 transportation firms in the United States.

The project, which is funded from impact fees (\$3.92 million), will plan and design a road departing from Lady's Island Drive somewhere between Club Road and Hazel Farm Road and entering Sea Island Parkway in the vicinity of the current Dow Road/Highway 21 intersection. The purpose of the road is to allow easier and quicker access to travelers heading in the direction of Hunting Island. It will also reduce the traffic volume at the Highway 21/Highway 802 intersection.

In their initial study of the project Kimley-Horn representatives indicated the key issues with the project as being the physical constraints in the corridor, the need to insure the final design meets the needs of the future and public perception. It is anticipated the design phase will take approximately 1 year. Therefore, the construction contract would be awarded the latter part of 2006 or the first part of 2007.

Lowcountry National Bank To Expand:

The Beaufort County Development Review Team recently gave Low Country National Bank conceptual approval to expand their present facility at 36 Sea Island Parkway on Lady's Island.

The proposed expansion will consist of adding approximately 11,000 square feet to the present building. The 2 story addition will encompass a portion of the existing bank and be located on to the right side of present structure. When completed, the new 15,000 square foot facility will house the main offices for the bank including a new teller line, loan/mortgage department, customer lobby and lounge, bank operations department and various additional administrative offices.

Our congratulations to LIBPA member and President of the Low Country National Bank Randy Kohn on leading the bank to the point of requiring expansion after only 5 years.

Community Preservation Committee Report:

The Lady's Island Community Preservation Committee met on June 27, 2005 at the Lady's Island Airport at which time they reviewed a previously submitted request to allow boat sales and service as an authorized commercial use in the Village Center.

The meeting included comments from the applicant and the public. By a unanimous vote it was agreed that the CP Committee would support a recommended change to the Village Center zoning which would allow, as a commercial use, boat sales and services. The specific definition of what would be allowed is "establishments primarily engaged in the sale, service and maintenance of pleasure watercraft and accessories."

The use of boat sales and service is limited to the following:

- ~ Only authorized in areas in close proximity to the existing marina on both sides of Highway 21 between Meridian Road and the Beaufort County Boat Landing on the west and the entrance to Beaufort High School on the east.
- ~ All service and repair activities shall be completely screened from U. S. 21 and adjoining properties. Service bay doors shall not be oriented toward U. S. 21.
- ~ The scale, massing and building design shall be compatible with the surrounding area.
- ~ All outdoor display areas shall be located behind the front building line.

These were the primary limitations recommended, although there are additional technical requirements.

It was the opinion of the CP Committee that in view of the communities' demonstrated enjoyment of the water, boats and boating the recommended change in zoning was appropriate and in the best interest of Lady's Island. This zoning change will be sponsored by the CP Committee and public hearings regarding the recommended change will be conducted by the Beaufort County Planning Commission in the future.

Thanks Mr. Gaither:

On June 30, 2005 Mr. Herman Gaither retired from his job as Superintendent of the Beaufort County School District. He has given 45 years of service to the educational system of Beaufort County starting as a teacher in 1960. In 1995 he was selected as the interim Superintendent which evolved into a permanent position.

Under Mr. Gaither's leadership Lady's Island has seen the construction of Coosa Elementary school and Beaufort High School plus extensive renovation of both Lady's Island Elementary School and Lady's Island Middle School. The quality of the schools on our island is a matter of pride for the entire community. They have received a wide variety of awards and recognition to include Beaufort High School being named one of the top five high schools in the state. There are many individuals who deserve credit for the quality of public education on Lady's Island but the man in charge for the last decade was Mr. Gaither. As Superintendent he faced the challenges of leading a school district in the fastest growing county in South Carolina and deserves the credit for a job well done.

Tattoo Parlors and the Rest of the Story:

In the May issue of the LIBPA newsletter, under Island Notes, we stated that as a result of the recent decision by both the City of Beaufort and the County to limit tattoo parlors to areas zoned light industrial the only such area on Lady's Island was the property along Highway 21 across from the entrance to the airport. This property had been annexed into the City.

Mayor Rauch asked the City Attorney, Bill Harvey, to verify that tattoo parlors could be authorized in the City property near the airport. The results of Mr. Harvey's research were both interesting and a great example of the complexity of zoning. The property was zoned light industrial when it was annexed into the City of Beaufort in 2003. However, when the property was annexed it was approved as a Planned Unit Development authorized for specific light industrial uses versus being classified as a light industrial area. Thus, even though both City Council and County Council have agreed that tattoo parlors may operate in areas zoned light industrial, the Lady's Island property does not qualify since it is a PUD not light industrial. Mr. Harvey noted in his opinion that sexually oriented businesses would fall in the same category of not being authorized in the PUD.

So if Mr. Fred Task had kept his property along Highway 21 in the County, it would be an authorized area for operation of a tattoo parlor. However, since he annexed into the City of Beaufort under the planned unit development method the establishment of a tattoo parlor is prohibited.

How Long Will It Take To Sell My House?: by Jerry Marlow, BIC Coldwell Banker/Keyserling Real Estate

The question of how long it will take to sell a client's home is one every realtor hears frequently. It is fully recognized that a wide variety of factors effect the time on the market necessary to sell a house. However, to assist in answering the question the following data reflects a comparison of the average days on the market and the number of single family homes sold by price range for the period between June 1, 2004 and May 31, 2005. The days on the market for sold properties is calculated from the date listed to the date an accepted offer is ratified and not to the date the sale is closed. Currently there is approximately 50 days between when the contact is accepted and when the sale closes. The term northern Beaufort County includes Beaufort, Mossy Oaks, Port Royal, Burton and Lady's Island. It does not include Fripp and Harbor Island.

Price Range	NBC Total Sales	LI Total Sales	NBC Ave DOM	LI Ave DOM
\$0 - 99,999	45	6	142	65
\$100,000 - 199,999	428	159	107	104
\$200,000 - 299,999	190	100	154	140
\$300,000 - 399,999	76	42	169	152
\$400,000 - 499,999	31	15	111	108
\$500,000 - 599,999	19	6	173	129
\$600,000 - 699,999	3	1	169	341
\$700,000 - 799,999	6	4	182	194
\$800,000 - 899,999	3	3	169	169
\$900,000 - 999,999	6	4	297	330
\$1,000,000+	8	4	256	140

NBC = Northern Beaufort County | LI = Lady's Island | Ave = Average | DOM = Days on Market

As can be seen from the above chart, if a home is in the \$100,000 to \$500,000 price range it can realistically expect to be on the market between 3 to 5 months. Every realtor knows there are exceptions but based on the last 12 months that would appear to be a realistic projection. Finally, to provide an idea of the important role Lady's Island plays in the northern Beaufort County real estate market consider the fact that in the last year 4 of every 10 houses sold in northern Beaufort County were located on Lady's Island. Next month the data for the first 6 months of 2005 will be available to give us an idea of how we are doing this year compared to the same period last year.

The Price Is Right:

During July, LIBPA will be working with Steve Thompson of PC Web Service to revise the format of the member's page on our web site (www.libpa.org). Admittedly we have not been as conscientious as we should have been in removing the names of those who are no longer active members. Thanks to efforts of the Jane Hinchler and Bill Cody of the membership committee we believe our current roster is accurate and up to date. With this information the new member's page will be modified to indicate current active members. For businesses, the new format will include your business phone number (residential members will not have their phone number listed) and if you have a web site a link can be established from your membership listing to your web site.

The link will be maintained until January 1, 2006 at no charge. Upon request Steve will provide a report of the number of times your link was used. When we send out the 2006 dues notices you can decide if you desire the link to continue. If you do there will be a \$20 annual fee. If not, it will be disconnected. However, to make it work requires you contact Steve at 521-4985 or thewebguy@earthlink.net and give him your web site address. Steve has also offered to develop a web page (\$150) or a full web site (price varies) for those who do not have a web site.
