

BEAUFORT PENNY REFERENDUM

Frequently Asked Questions About the November 6 Referendum



1. When will the cent go into effect?

South Carolina Department of Revenue (SCDOR) has advised Beaufort County that collections will begin May 1, 2019.

2. Who collects this penny?

Merchants collect the tax due and remit it to the South Carolina Department of Revenue (SCDOR). Based on the returns, SCDOR sends Beaufort County a check for the collected tax on a quarterly basis.

3. What will the corridors actually look like?

We do not know the specific details of the projects yet because these will be guided by the National Environmental Policy Act (NEPA) process. NEPA process for the US 278 project is an Environmental Assessment (EA). The process for the Lady's Island roadway projects will be individually permitted to their separate locations.

4. Aren't we asking for a lot of money, with only a General Plan to rely on, and something that can't be well-defined?

To some extent, yes. However, we do know that traffic congestion and accidents rates must be improved on these corridors. We also know that 1 of the existing bridges to Jenkins Island and Hilton Head must be replaced due to age. On major projects such as this, the National Environmental Policy Act (NEPA) requires an in depth study, with community involvement, to be completed to identify the 'Preferred Alternative'. This study is underway with its first community meeting on September 27, 2018 at Hilton Head High School from 6pm to 8pm.

5. How long will these projects take to build?

The current construction estimate is 3 to 5 years once construction begins. There will be individual community meetings for each of these projects.

6. What are some of the major problems & issues that make a New Bridge on US 278 an urgent need for Beaufort County and the Region?

One of the most critical issues that we are facing is timing. Of the four bridge spans that are currently in place (two east-bound, two west-bound), one (first east-bound span) has reached the end of its useful life (it was part of the original road to Hilton Head built in 1955). While that does not mean that it is in anyway unsafe to travel upon, it does mean that the bridge is deteriorating and will unquestionably need to be replaced in the near future. SCDOT has already set aside \$40M to perform this work. The problem with this is that simply replacing that single bridge will NOT solve the existing capacity and congestion issues facing traffic through this area. Even if an additional lane were included on the bridge replacement, it would only be to this one bridge span and traffic would simply bottleneck at Pinckney Island. Additionally, this action would provide no relief whatsoever for traffic that is trying to leave the island. Considering these constraints, we should try and utilize SCDOT's currently allocated funding to accomplish a much greater project that will in fact address the traffic concerns that already exist in this area, and do so in such a way so as to limit the amount of impact on the residents and visitors who will continue to use this corridor as the project is being completed.

7. Are there additional costs likely, as these projects evolve over several years?

It is possible; however, the \$240M figure for US 278 that is currently being used was developed by SCDOT as an estimate of what a project of this size could potentially cost based upon average lane mile expenses. Similarly, as the other projects along US 21 (Lady's Island roadway projects) go through the environmental assessment process and various aspects of the project get added to or subtracted from the final design due to public input and involvement, the final project budgets could ultimately change.

8. How will any potential, additional costs be covered?

Currently, the \$240M project on US 278 is broken down as follows: \$80M from the penny referendum, \$40M from SCDOT in bridge replacement funds, and \$120M from the South Carolina State Infrastructure Bank (SIB). This budget does not take into account any Federal funding that could be obtained to address potential additional costs. For example, in the completed 2006 1 Cent Referendum projects, because Beaufort County had committed 1 Cent revenue, Beaufort County was able to leverage funding from other sources such as the South Carolina Department of Transportation (SCDOT), South Carolina Infrastructure Bank (SIB) and Federal Highway Administration (FHWA) for nearly 30% of the entire program (over \$160 million).

9. Why not just tax Visitors?

There is no legal way of doing this. We are confined to utilizing only those statutory methods that are permitted by the South Carolina General Assembly and, currently, there is no method by which only tourists and visitors could be required to pay for this project. The sales tax as currently proposed is the best method possible for trying to ensure that tourists and visitors pay their fair share for using this infrastructure as well.

10. Are Bike & Pedestrian Paths included in the plans?

There are no firm engineering plans as of yet since the Environmental Assessment process is still actively being conducted. However, public input is part of the environmental assessment process and, currently, bike and pedestrian access continues to be one of the most frequently requested amenities identified by the public that they would like to include as part of these projects.

11. Won't a bigger bridge just "bring more people and traffic congestion to HHI?"

The proposed infrastructure improvements that are being discussed along US 278 are necessary to address the existing traffic congestion that is already being experienced today. Existing traffic counts are starting to consistently reach between 60,000 and 70,000 vehicles per day and are likely to continue to grow due to the increase in population of the surrounding areas of Bluffton, Beaufort County, Hardeeville and Jasper County, and the desirable amenities such as the beaches, restaurants, and shopping that are available on Hilton Head Island. To help address growth, Hilton Head and Beaufort County both have very active critical lands acquisition programs that have removed over 25,000 acres from development in addition to strict land use provisions to control growth and the resulting traffic.

12. What items are exempted by this Tax?

Many items, such as medicines and services, are exempt. A list of items that are exempted from the local sales tax is maintained by the South Carolina Department of Revenue. A link to a reference document can be found here: www.beaufortpenny.com

13. How exactly, will the public participate throughout these projects?

Public meetings have already begun to occur both on Hilton Head Island and off the Island as well for the US 278 project. The public will also have multiple opportunities to participate in formal public meetings as part of the Environmental Assessment (EA) process. Additionally, depending on the project location, Beaufort County, City of Beaufort, or the Town of Hilton Head Island, working in conjunction with SCDOT, will need to conduct multiple public meetings in order to finalize project designs and award construction contracts. Each one of these meetings presents an opportunity to the public to provide comments and feedback regarding each of these processes and the overall project as a whole.

14. How will citizens be kept informed & updated?

The SCDOT created a US 278 project website specifically dedicated to the: US 278 project, www.scdot278corridor.com, Lady's Island roadway projects, <https://www.bcgov.net/departments/Engineering-and-Infrastructure/Engineering/one-cent-referendum/projects.php>, Pathway projects, <https://bcgov.net/departments/Engineering-and-Infrastructure/Engineering/one-cent-referendum/documents/pathways-map.pdf>. The county has created a website, www.beaufortpenny.com, to keep track of frequently asked questions and provide status updates to the public for the penny referendum as a whole. Additionally, the Town of Hilton Head, City of Beaufort, the County and SCDOT will be utilizing newsletters, mailings and social media updates to keep the community informed about the projects.

15. What are the Environmental impacts of these projects?

The NEPA study currently underway along US 278 will identify these impacts and ways to mitigate them. The Lady's Island roadway projects will begin individual permitting in the Fall of 2019 to identify their impacts.

16. Are local, regional or State Environmental agencies in favor of this?

Yes, and each project will undergo permitting and design review based on its individual public benefit.

17. What are the Economic, or Safety, or other benefits of improving US 278 and Lady's Island roadway projects?

Tourism and second home ownership are significant economic drivers for not only Hilton Head Island and Lady's Island, but for the entire Lowcountry area. If the traffic flows within the project boundaries continue to deteriorate to the point where it begins to discourage residents and visitors from coming to this area, purchasing a home, or going out to eat, shop, etc.

18. Why is there so much being said about Safety and Emergency considerations?

Because US 278 is the only surface transportation link to the islands, a proactive approach must be adopted to maintain the safe and efficient travel of vehicles. Similarly, continued congestion along US 21 affects all the Sea Islands to the east.

19. What does it mean to say “the US 278 Bridge & Corridor are the last part of the bigger project?”

Significant infrastructure improvements have already been made outside of the project area to include US 278, Bluffton Parkway, and on Hilton Head Island itself. The area within the project corridor has not been substantially improved since the 1980's and the current lack of capacity for vehicular traffic needs to be addressed so that it can function better with the improvements that have already been installed outside of the project area. Completion of the Flyover connection to Bluffton Parkway in 2015 reduced traffic on US 278 in the greater Bluffton area by nearly 30%. This project is the last under-improved segment of US 278 and completing it will allow a greater utilization of the Bluffton Parkway as well as reduce congestion and improve safety.

20. Why can't we put in a toll to pay for the US 278 project?

There are several reasons that looking to tolls to pay for the entire project would not likely work. First, with most toll roads that exist today there is always another non-toll option that people can choose to travel on instead of paying for the convenience of driving on a road that has a toll. In this situation, with there being only one way onto and off of the Island, it would likely have a significant impact on those who would not have any ability to pay the toll nor would they have another route that they could consider using where they could avoid the toll if it were necessary. Second, a large portion of the Island's workforce does not live on the Island and has to commute every day to reach their place of employment. Adding a toll cost to this roadway would have a negative impact to the economy of the Island and could result in ever higher costs for services or a greater shortage of workforce. Finally, the amount that would have to be collected from the tolls would have to be significantly greater than the current \$240M estimated project cost. Specifically, issuing costs and interest for the bonds that would have to be issued would have to be included in the project financing as well as the costs for maintenance and repairs of the roadway while the bonds are in repayment. All of this together would create a much more expensive project than one that could be paid for from a combination of sales tax revenues and State/Federal Grant funds.

21. “I don't think you had the right projects on the referendum. Can't you transfer the money over to another project?”

Only those projects specifically enumerated on the referendum may receive funding derived from the One Cent Transportation Referendum Revenue.