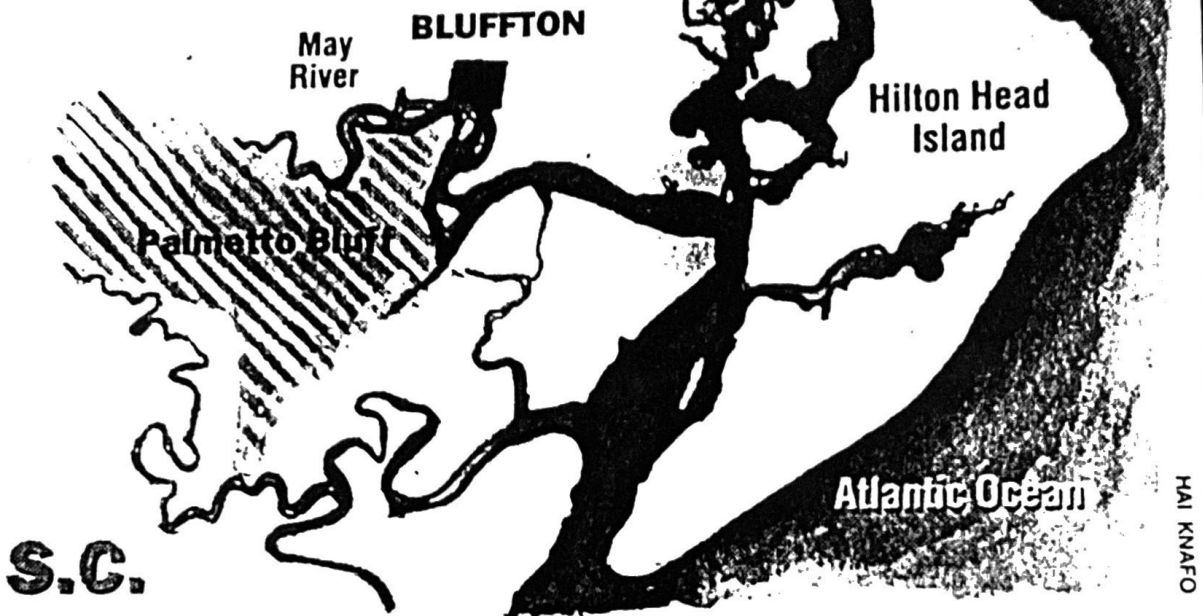




Annexation Anxiety

Palmetto Bluff, dominating the horizon off Bluffton's riverfront, could gradually be developed with 8,800 homes if the tiny town annexes land owned by giant paper maker Union Camp Corp.



Town's Growth Plan Has Citizens, County Wary

By MOTOKO RICH

Staff Reporter of THE WALL STREET JOURNAL

BLUFFTON, S.C.—During the sweltering height of summer last year, this sleepy coastal town's financial woes quite literally fell through the roof.

As rain seeped through a brown, water-swollen ceiling in the town hall, Mayor Theodore Washington placed a bucket behind his desk to collect the runoff. Then, to make matters worse, the town hall's air-conditioning unit broke down, forcing toddlers attending a day-care center in the back of the building to spend their days in bathing suits just to keep cool—and prompting a local businessman to scrape together \$20,000 to help pay for repairs.

But a fed-up Mayor Washington saw a longer-term solution: annexing 19,500 acres of unincorporated land owned by paper maker Union Camp Corp. into town, now a mere one square mile sandwiched between two retirement Meccas: the town of Hilton Head Island and the Sun City development.

"I am not looking to be one square mile for very long," says Mr. Washington, a robust 80-year-old former postal clerk.

Indeed, if Bluffton swallows Union Camp's land, one of South Carolina's smallest municipalities will overnight become its largest in land mass, and the town's annual property-tax revenue could shoot up to about \$1.4 million from \$92,000 after a planned 15 years of development.

For Union Camp—Beaufort County's largest landowner—Bluffton represents a more receptive partner in its plans to develop as many as 10,600 homes on land now largely covered by forests and marshland. Unhappy with state-mandated land-planning decisions made by the county, the firm's development arm quietly started negotiating a better deal with the town.

For Bluffton, the Wayne, N.J., paper company both answers its revenue needs and will allow town officials to evade planning mandates "imposed by people 35 miles up the road" in Beaufort, the county

Please Turn to Page S4, Column 1

Bluffton's Growth Plan

Continued From Page S1

seat, says Peter Lamb, chairman of a committee negotiating with Union Camp.

But for Beaufort County, on the verge of losing planning control over roughly 19% of the developable land in the southern half of the county, the pending marriage between Bluffton and Union Camp provides a sobering illustration of the pitfalls of trying to guide development as aggressive developers and enterprising small towns carve out their own growth plans.

And even in Bluffton, where the first negotiating team was disbanded last July after some citizens fretted it was giving up too much control to Union Camp, some residents are worried. "If we get into bed with a giant," says George Heyward, a town council member, "all it has to do is roll over and we would get squashed."

This wouldn't be the first time Bluffton has struck out on its own. According to local lore, South Carolina's first secession movement was born in 1844 in this onetime summer resort for Savannah's planters and merchants. Today, the town has an annual budget of less than \$460,000—most of it exacted in traffic fines from drivers speeding to nearby Hilton Head—a five-man police force and only one restaurant, the Squat & Gobble, known for its fried chicken.

But just beyond Bluffton's borders, the landscape is rapidly changing with the arrival of well-fixed Northern retirees and luxury golfing communities. Beaufort, the fastest-growing county in the state, saw its population jump nearly 19% to 102,735 between 1990 and 1996, and planners expect 68,000 more people to arrive by 2020.

Union Camp, too, has noticed the change. By 1990, company officials were beginning to think more seriously about developing rather than foresting 31,000 acres bought in Beaufort County starting in the 1930s to provide timber for a paper mill. The firm spent two years crafting a long-term vision for the properties.

At the same time, county officials realized that with outdated zoning codes and environmental regulations and inadequate roads, the county was unprepared "to deal with the magnitude of growth that was eventually going to come here," says Mike Bryant, Beaufort County administrator.

Brewing Conflict

The county was particularly keen to learn the development goals of the county's largest landowner. But although Union Camp divulged general maps and concepts, says Summer Rutherford, county planning director, "I don't know that we ever really saw what we would call a plan." (John Alderman, a senior vice president in the Hilton Head offices of Branigar Organization Inc., Union Camp's development arm, says specific plans hadn't yet been conceived.)

The county and company soon began to knock heads. In September 1995, prompted

with zoning authority to prepare long-range growth plans by May of 1999, Beaufort County began canvassing more than 8,000 county residents about their wish lists for the region.

At one workshop, a color-coded map foreshadowed a conflict. Residents were asked to mark which properties should be developed in red and yellow felt pens, and which sections should be left untouched as "sacred" in purple. Palmetto Bluff, an 18,800-acre peninsula where Union Camp eventually plans to build 8,800 homes, was most frequently circled in purple.

Union Camp grew increasingly uneasy during the land-planning process. Then, in October 1996, the county published the first draft of its strategy, with a map showing Palmetto Bluff colored green—marked for rural preservation. In a critique delivered to the county in January 1997, Union Camp called the plan "fatally flawed" and railed against the county's "preconceived notions of what is right for this county."

County officials say now it was all a misunderstanding. "No one was under the illusion that [Palmetto Bluff] was going to be forever pine trees and turkey hunting," says Emmett McCracken, chairman of the Beaufort County Council. The county only meant to identify the land as likely to develop more slowly, and suggested a compromise: Part of Palmetto Bluff could be developed within five to 15 years.

But Union Camp was about to get a better offer. In January, just after the company issued its blistering critique, Bluffton's Mayor Washington asked Gordon Burke, a 75-year-old plumber and town council member, to form a committee to study alternatives for boosting the town's meager tax base. The committee decided to look at annexation, which is legal for towns in South Carolina if a certain percentage of the landowners on unincorporated lands agree. One of their first stops: Union Camp. Mr. Burke and his committee wanted to know whether the company would be interested in letting the town annex some 700 acres north of the town.

The company was indeed interested, but quickly added a condition: It would allow the 700 acres to be annexed only if Bluffton would also accept Palmetto Bluff.

Branigar's Mr. Alderman says the company immediately saw a "commonality between the town's goals and Union Camp's goals," including a mutual desire to man-



Has Some Critics Wary

rivers. Mr. Alderman denies the company courted Bluffton because of disappointment over county planning decisions.

But others in Bluffton see it differently. "We offer [Union Camp] an escape," says town councilman Mr. Heyward. He adds, "If we're going to be used, we better get a hell of a lot out of it."

In a series of unpublicized meetings at town hall, Bluffton's annexation committee and the company discussed very general plans, says Mr. Burke. It wasn't necessary to open the meetings to the public, he adds, because "you don't have to bring the public in unless you have something to present to them of real importance that affects the town."

But about 15 citizens who showed up at a June 30 town-council meeting called on less than 24 hours' notice demanded to know what had been going on in the meetings. Mr. Washington

was shouted down as he tried to discuss a resolution to sever the town's ties with the county planning department and prepare for annexation. (Since the early 1970s, the county's planning staff has served as the town's de facto planning staff.)

"This is arbitrary and capricious," yelled Lucy Scardino, founder of the Bluffton

UNION CAMP

is calling
says Peter
chairman
s annexa
tee

Beautification Committee. After little more than 15 minutes, Mr. Washington hastily adjourned the meeting without seeking a vote on the resolution.

It wasn't until July 9, when the town council convened for one of its regular meetings to reopen discussions on the resolution, that Mr. McCracken, the county council chairman, learned that Union Camp was casting its lot with Bluffton. Mr. McCracken, who lives just 50 feet outside Bluffton's town limits and is himself negotiating to be annexed into the town, told the gathered citizens that he felt like he'd been dating a girl for two years, only to discover she intended "to marry my best friend."

Town council member CeCe Caldwell, a former TV scriptwriter who relocated to Bluffton from Los Angeles in 1994, moved to form a new negotiating committee. "Union Camp was in a big hurry, and we were not going to be rushed into making any decision," she says. Over objections from Mr. Burke, the council voted with Ms. Caldwell.

Some citizens were appeased by the appointment of the new, 10-member committee. They "understand how serious a matter this is," says Mr. Heyward.

'Not Calling the Shots'

Puttering around town in a 1967 convertible MG, Mr. Lamb, the 61-year-old chairman of the new annexation commit-

tee, says his team is moving carefully in the negotiations. Although Union Camp originally set a target of signing a development agreement with Bluffton by September of last year, the committee has long exceeded that deadline. "Union Camp is not calling the shots," says Mr. Lamb, a former Washington, D.C., corporate lawyer and the husband of Ms. Scardino.

But the new committee hasn't quelled suspicions about Union Camp's motives. In October, Mr. McCracken fired off a letter to Union Camp Chief Executive W. Craig McClelland, saying it appeared the company was "buying" Bluffton by offering to help pay planning costs.

Union Camp denies the assertions. Mr. Alderman says, however, that "we would be willing to work with them on administrative costs but there has not been any final definition of that." Union Camp has also promised to pay for many services traditionally provided by a municipality: It will build roads, install sewer hookups and hire a police force for Palmetto Bluff.

Still, some residents remain skeptical. "We have not been informed at all by the [new] annexation committee," says Mary Graves, granddaughter of Bluffton's first mayor. "I don't know what they are doing." (Mr. Lamb says the committee has held several closed "executive sessions" because Union Camp is revealing proprietary information.)

Moreover, Ms. Graves frets that within two or three years of the ground-breaking on Palmetto Bluff, residents in Union Camp's gated communities will overpower Bluffton's current voters, including the town's black community, which represents about half the population. "We will relinquish forever our control of Bluffton," says the 76-year-old retired physical therapist.

Others worry that Bluffton will permit Palmetto Bluff to develop before the county and state adopt river-protection guidelines. "Whether measuring by politics or environmental quality, Bluffton as we know it today will be history," Bill Marscher, a local activist, wrote in a December letter to the Island Packet, a newspaper in Hilton Head. (Mr. Alderman says Union Camp is "absolutely supportive of strong development standards.")

Meanwhile, although two Beaufort County officials sit on the new annexation committee as nonvoting members, county planners lament a missed opportunity. "Having a landowner with that much land is a phenomenal opportunity to master-plan the county," says Ms. Rutherford.

But for some Bluffton residents, the chance to have a say in how their town develops is reason enough to annex Union Camp's land. On a recent evening, Mr. Lamb sips a glass of wine and watches from his front window as a golden-red sun sinks behind Palmetto Bluff. "If you have to look at it for the rest of your life," he says, "then you probably ought to have some say about what it is going to be."

Beaufort County Zoning & Development Task Force

General Ordinance Review Work Group

This work group will have responsibility for reviewing the zoning and development standards ordinances and assigning priorities to various ordinance amendments. It will also recommend basic standards for initial zoning districts, which will require close coordination with the Zoning District Boundaries Work Group.

Beth Grace*	Louis Dore	John Dowdney
Corky Henninger	S.R. Jewell	Hank Johnston
Robert Middleton	John Trask, III	

Performance Standards & Density Work Group

This work group will have responsibility for developing initial recommendations for performance standards and development densities sufficient to implement the Comprehensive Plan.

Frank Brafman*	Alton Aimar	Jack Alderman
Harriett Keyserling	Bill Marscher	Joseph Stevens
David Tedder	Jim Tiller	Wendy Zara

Zoning & Development Review Administration Work Group

This work group will have responsibility for streamlining the development review process and structuring the Community Impact Assessment Report called for in the Comprehensive Plan.

Ron Atkinson*	Arthur Hancock	Jane Hinch
Sandra Jones	Bernie Kole	Bob Marshall
Sue Olsen	Billy O'Neal	

Zoning District Boundaries Work Group

This work group will have responsibility for recommending zoning district boundaries.

Bill McBride*	Jim Anthony	Michael Brandau
Cheryl Burnett	Mike McFee	Laura McIntosh
Sally Murphy	Harvey Rivers	Elayne Scott
Dick Taylor		

* Member of Beaufort County Council

County polishes land protection plan

By MATTHEW BARROWS
Special to *The Gazette*

Beaufort County is putting the final touches on its game plan to conserve land.

The "purchase of development rights" program, called the backbone of the county's comprehensive plan, will help the county secure strategic parcels and block the onrush of development in farmland and environmentally sensitive areas.

The program is a two-pronged approach that allows the county to either buy land outright or just the development rights on specific tracts.

But because of limited funds, the county must choose wisely which parcels it targets, experts say.

"It needs to be done in a very strategic way," said Sam Passmore, who coordinates the South Carolina Coastal Conservation League's land-use program. "Other communities that have done this realized quickly that there's never as much money as you'd like."

To that end, county planners recently released a list of criteria for areas that should receive priority.

Focus areas include farmland, wooded areas, land along the urban fringe and parcels next to other protected areas that could be used to create "greenways" and wildlife corridors.

Target areas

According to County Planner Tom Wilson, the county will pursue large tracts in the Sheldon area, tomato farms on southern St. Helena Island and areas near Lemon Island on the Chechessee River and Camp St. Mary's on

The county will pursue large tracts in the Sheldon area, tomato farms on southern St. Helena Island and areas near Lemon Island and Camp St. Mary's.

the Okatie River.

In greater Bluffton, the county will try to create greenways by targeting strips of land along rivers and roadsides, Wilson said.

The goal of the program, he said, is to steer development toward locations where it is efficient to have growth, such as areas where sewer systems and adequate roads are already in place.

For that reason, Passmore said, it doesn't make sense to waste county money buying land in areas immediately next to development.

"Those are the parcels that should be urbanized," he said.

Conversely, the county should shy away from spending money in rural areas where there is no development pressure. The "biggest bang for the buck," Passmore said, is in that "middle ground," where the future of the land is uncertain.

That middle ground includes farms.

County officials don't want houses and condominiums sprouting up where tomatoes, corn and strawberries used to grow.

The purchase of development rights program, Wilson said, would compensate farmers for the land while preserving it for their children.

Although the land itself would remain under the farmer's ownership, the county would buy the right to develop it. That means even if the farmer passes the land to his son or daughter or sells it to the highest bidder, the land could not be developed.

Keeping the farm in the family also has ecological advantages.

Because of their size, farms offer cushion for stormwater runoff, space for wildlife, and barriers against urban sprawl. But Passmore said the most important concern is to preserve the rural nature of the county.

"The goal of the plan is to maintain traditional land uses," he said. "It's just not panoramic views we're interested in. It's the traditional use of the land."

Preservation price tag

While the county is clear on where it wants to buy land, how it will make the purchases remains fuzzy.

Last year, the County Council approved a 1-mill hike in the county property tax rate — which raises about \$500,000 a year — to buy land, but has already spent roughly half that sum buying small parcels on Hilton Head Island and St. Helena.

Two of the purchases made last month, totaling \$127,000, encompass just over five acres and those were made with matching funds from the Town of Hilton Head and the Beaufort County Open Land Trust.

"One mill is a very small amount," Wilson said. "If that's all that's available, it can do some good, but the results aren't going to have widespread impact on the county."

PROTECTING RURAL LANDS THROUGH PDRs

Purchase of development rights (PDR) programs compensate landowners for voluntarily and permanently restricting the right to develop or subdivide their land. To understand how this works, imagine that the different rights associated with land ownership are a bundle of sticks: the bundle includes the right to farm, to grow trees, to develop, to mine sand and so on. PDR programs enable landowners to separate the "development stick" from the bundle and sell it for a fair price, usually to a government agency. In return, the landowner legally protects the property from development in perpetuity, through a conservation easement. The landowner retains all other rights in the bundle. Various mechanisms are used by state and local governments to fund PDR programs including sales taxes, real estate transfer fees and bonds. Also, legislation was recently introduced in South Carolina which would establish a state-wide PDR program which, if passed, could provide matching funds to eligible counties.

WHY CONSERVATIONISTS LIKE PDRs:

PDR programs enable local governments to use public funds to protect rural parcels from development and thereby stabilize the rural landscape. PDRs do something zoning will not: Remove all development potential from key parcels, thus permanently protecting environmentally sensitive lands, open space and critical wildlife habitat.

WHY LANDOWNERS LIKE PDRs:

Landowners favor PDRs because it provides a mechanism that allows landowners to keep possession of their land and stave off the increasing pressure to develop. PDRs often benefit "cash-poor" and "land-rich" farmers, who often reinvest the PDR cash into their farm operations.

WHY FISCAL CONSERVATIVES LIKE PDRs:

PDR programs can save taxpayers money by averting sprawling development that requires government supplied infrastructure such as roads, sewers, schools and emergency services. Studies show that for every dollar of revenue raised from new outlying development, taxpayers spend up to \$1.34 in infrastructure costs. On the other hand, for each farm, forest, and open space dollar received, only approximately 30 cents is spent.

For more information, contact SCCCL at (803) 723-8035.