

# Charleston County Government

## The community effort for passage of the Half-Cent Sales Tax

Presentation to  
Transit Initiatives and Communities Conference  
April 11, 2005



# Process and Project Review

- The area needs
- Sales tax history – 2000, 2002, 2004
- The community input and actions
- The turning point and results ...



# Area needs

- Transportation:
  - Charleston County has more than 1,400 miles of state, county, municipal and community roads
  - Studies estimate I-26 gridlocked by 2010 even after all improvements
  - Road needs total
    - \$1 billion+ for construction/improvements
    - \$280 million for maintenance/drainage



# Area needs

- Mass Transit:
  - Previously run by SCE&G for 75 years
  - Subsidy for local system (CARTA) ends in 2003
    - CARTA = 4 million rider trips annually
    - Operating needs = \$335 million
    - Capital needs = \$100 million



# Area needs

- Parks and Greenspace
  - Development eating up available land
  - Greenbelt Referendum Study Committee identified 46,100 acres of strategic lands in need of preservation
  - Total cost for program = \$122 million



# The final blow

- Cooper River Bridge
  - State says County must come up with \$75 million as local match for bridge
    - \$3 million for 25 years
  - County given a month to make commitment or jeopardize bridge plans
  - First payment due January 2004
  - No funding identified



# Sales Tax: the answer?

- June 2000 – Governor signs bill allowing sales tax for transportation projects
  - Includes roads/bridges, mass transit and greenbelts
- August 2000 – County has two months to identify projects and develop ballot



# The ballot

- Ballot asks for approval of half-cent sales tax for maximum of 25 years or until \$1.3 billion generated
- Funding split
  - 45% - road construction, maintenance and drainage
  - 30% - mass transit
  - 25% - parks and greenspace



# Outside input

- 2000
  - Community committee with representatives from area governments and target areas
  - Municipal governments
  - CARTA/RTMA boards
  - Greenbelt Referendum Study Committee
    - American Farmland Trust
  - Charleston County PRC



# 2000 referendum results

- Referendum lost by 932 votes or less than 1 percent
- Perceived reasons for defeat
  - Lack of details and project plan
  - Lack of community cohesiveness
  - Short education time frame
    - June - Governor signed bill
    - August - Council approved referendum
    - November - referendum



# Council goes back to voters

- New referendum before voters in 2002
- Actions:
  - Develop more finite plans:
    - Municipalities/county prioritized road needs
  - Get more community, government input
    - Charleston County Transportation Committee
    - CARTA boards
    - Charleston County PRC
    - Environmental community
    - Business community



# 2002 allocations altered

- Chamber joins education effort
  - Surveys members and citizens
    - Results show road construction, maintenance and drainage are top needs
- Council changes sales tax allocation
  - Roads: 65% or \$847 million
  - Mass transit: 18% or \$234.5 million
  - Parks/greenspace: 17% or \$221.5 million



# 2002 education efforts

- Chamber and municipal leaders spearhead fundraising/education efforts
- Anti-tax citizen group organized-
  - Misinformation campaign launched
- Public questions still linger on whether spending plan has enough detail



# 2002 referendum results

- Referendum passes by 685 votes or less than 1 percent
- Results challenged for
  - Not enough detail in spending plan
  - Wording of ballot considered biased or promoting an advocacy position



# 2002 challenged question

- (i) Improving roads and road safety throughout Charleston County by building, repairing and maintaining highways, streets, bridges, sidewalks, curbs, gutters, drainage systems and other road amenities where required, including, but not limited to, a new Cooper River Bridge; reducing traffic congestion; discouraging over-development; preventing unnecessary highway and road expenses; and improving air quality by funding and improving mass transit projects operated by Charleston County and other governmental entities serving Charleston County, including, but not limited to, the Charleston Area Regional Transportation Authority and Berkeley-Charleston-Dorchester Rural Transportation Management Association.
- (ii) Protecting farms, forestland, and open space from over-development; safeguarding rivers, creeks, bays, drinking water and groundwater; providing new parks; and improving air quality by purchasing and improving parklands and otherwise preserving greenspace.



# The holding pattern

- County sued over ballot language
- August 2003 – S.C. Supreme Court voids election
- January 2004 – County asks Governor to allow special election
  - Governor denies special election
  - Signs Executive Order putting issue back before voters in November 2004



# Meanwhile, back at the ranch

- County has to make bridge payments
  - County finds one-time money for 2 payments
    - Reserve funds
    - Accommodations revenues
    - Capital facility program
- Mass transit system runs out of money
  - CARTA makes drastic cuts to stay operational
    - Cuts routes by 75 percent
    - Borrows money
    - Sells building



# 2004 – the final chance

- Council changes ballot wording to meet all legislative and court requirements
- Spending allocation keeps roads as top priority
- Council develops detailed spending plan requiring public input, annual audits, plan reviews, citizen committees
- Chamber takes lead in education efforts



# Revised ballot question

I approve a special sales and use tax in the amount of one-half ( $\frac{1}{2}$  of one percent) to be imposed in Charleston County for not more than 25 years, or until a total of \$1,303,360,000 in resulting revenue has been collected, whichever occurs first. The sales tax proceeds will be used for the following projects:

## Project (1)

For financing the costs of highways, roads, streets, bridges, and other transportation- related projects facilities, and drainage facilities related thereto, and mass transit systems operated by Charleston County or jointly operated by the County and other governmental entities. \$1,081,788,800.

## Project (2)

For financing the costs of greenbelts. \$221,571,200.



# 2004 – the Chamber's role

- Polled Chamber members re: support
- Board unanimously supported, agreed to take lead in education effort
- Assigned key personnel to oversee
- Formed campaign committee
  - Key Chamber leader serves as chair
  - Chamber serves as unbiased third-party
  - Goal to build community support and coalition from existing area organizations



# The education focus

- Focus directed at road needs
  - Highest priority based on polls
  - Where most dollars being directed
- Supported Council's action to further define spending plan and process
- Supported creation of community advisory groups to improve public trust



# The education effort

- Chamber raised \$200,000
- Focus on PR/events versus advertising
  - Press Conferences (nearly weekly)
  - Special Events
  - Speaking engagements (45+)
- Advertising dollars used last two weeks
  - Direct mail
  - Print, Radio, Billboard ads
  - E-mail marketing with custom messages



# 2004 referendum results

- Question overwhelmingly passes
  - YES: 63,511 (58.8 percent)
  - NO: 44,401 (41.15 percent)
- 2000 – fails by 932 votes
- 2002 – passes by 685 votes
- 2004 – passes by 19,110 votes



# The lesson

- The county included area governments, organizations and groups in its planning process ....

***BUT***

- Consensus came only after the business community joined together to support the project and bring their talents to the effort
- The Chamber provided the leadership, talent and commitment to make it a success



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