



**PLANNING & ECONOMIC DEVELOPMENT  
COMMITTEE MEETING  
AGENDA**

**December 12, 2017  
5:30 P.M.**

Oconee County Administrative Offices  
Council Chambers  
415 South Pine Street, Walhalla, SC

1. Call to Order
2. Approval of Minutes:
  - October 3, 2017
3. Discussion regarding establishing an Economic Development Incentives policy
4. Economic Development Update
5. Unfinished Business
5. New Business *[to include Vote and/or Action on matters brought up for discussion, if required]*
6. Adjourn

There will not be a scheduled opportunity for public to comment at this meeting.  
Council members will discuss recommendations from the Administrator at this meeting.  
If time permits at the end of the meeting *[and at the Committee Chair's discretion]* the Committee may take questions from the public.

**[This agenda is not inclusive of all issues which the Committee may bring up for discussion at this meeting.]**

**Assisted Listening Devices [ALD] are available to accommodate the special needs  
of citizens attending meetings held in Council Chambers.  
ALD requests should be made to the Clerk to Council at least 30 minutes prior to the meeting start time.**

Oconee County Council & Committee meeting schedules and agendas are posted at the Oconee County Administration Building and are available on the County Council Website [www.oconeesc.com/council.html](http://www.oconeesc.com/council.html) [All upcoming meetings will be held in Council Chambers unless otherwise noted]



# A Best Practice from the Government Finance Officers Association: Economic Development Incentives

Nov. 13, 2017

## Background

Governments consider using public funds to help incentivize proposed private economic development projects in order to strengthen the community's economic viability. Incentives can take a variety of forms such as tax breaks, building supporting infrastructure or workforce development. Jurisdictions may use these incentives to pursue economic goals such as tax base diversification, job creation, housing stock creation, or business retention and expansion.

However, these incentives often carry substantial risk. These risks include failure to direct scarce public funds to their highest and best use, violation of laws and misuse of incentive programs. Policies that guide the use of publicly funded incentives help ensure that incentives are applied consistently with principles and practices designed to mitigate these risks.

## Recommendation

GFOA recommends that jurisdictions create policies on the appropriate parameters for use of economic development incentives. An economic development incentive policy needs to be specific enough to establish clear boundaries but not overly restrictive in order to allow for flexibility and discretion to ensure that the policy serves the best interest of a jurisdiction.

Economic development projects vary considerably and incentives may need to be evaluated and tailored on a case-by-case basis. Additionally, a government may have multiple policies to cover specific considerations associated with each different strategies or economic development tools.

An economic development incentive policy should contain the following elements:

► **The Goals and Objectives of Economic Development** — Goals and measurable objectives create a context and accountability for the use of economic development incentives. Common goals used in economic development include: expansion of tax base, job creation, development of targeted economic sectors, business retention and/or recruitment blight mitigation, improving economically distressed neighborhoods, housing stock creation, environmental and infrastructure improvements.

► **Financial Incentive Tools and Limitations** — An economic development incentive policy should define the types of incentives the jurisdiction is permitted to use and any limitations on their use (e.g., maximum dollar amounts, time limits, type of project that is eligible). For example, governments may choose to grant an entitlement to any firm that meets minimum qualifications, or may choose to provide incentives based on an assessment of individual firms. The policy should identify the funding sources for the incentives and ensure the use of incentives is not in conflict with the government's established fiscal policies. Governments may also establish maximum funding for a particular program.

► **Evaluation Process** — A clearly defined evaluation process should be outlined in an economic development policy for the purposes of consistency and transparency. Evaluation activities and factors typically include:

How a proposal measures up to the criteria a jurisdiction has established to evaluate proposals. The criteria should align with the jurisdiction's goals and objectives of economic development and policy guidance on financial incentive tools and their limitations.

A comparison of the cost of the incentive against the benefits that the project is expected to produce.

An evaluation of the impact on the tax base and revenue. This should include the impact on the tax base and revenue of the jurisdiction offering the incentive, but may also include the impact on other tax jurisdictions, especially where the incentive may have the potential to reduce the tax revenue of another jurisdiction.

Analysis of the impact of a project on existing businesses. Projects that simply shift economic activity from one area of the community to another may not represent good investments of public funds.

A determination of whether the project would proceed if the incentive were not provided. Local economic development incentives exist to induce private economic activity where it would have not otherwise occurred.

A jurisdiction may also wish to include in its policy a list of required documentation for the economic development application and the officials who are a part of the review team.

► **Performance Standards** — An economic development policy should require that specific performance standards, that are either quantitative or include an objective assessment that can determine if the standard is met, be established for each project receiving incentives. The policy should also outline remedies the governing board would use in the event that specific performance standards are not achieved.

Performance standards help a jurisdiction gauge the effectiveness of its overall economic development program, as well as the performance of specific economic development projects.

Performance standards allow jurisdictions to avoid payment of incentives for projects that do not meet the performance standards. If the proper contractual provisions are in place, performance standards could even help jurisdictions to recover the cost of the incentive if the financial benefits that the incentive was predicated on do not materialize (e.g., a “clawback” provision).

► **Monitoring and Compliance** — A process should be established for regular monitoring of the economic development agreements adopted by the governing board and the performance of each project receiving incentives per the agreements. The policy should also identify who in the organization will be responsible for monitoring and compliance, and if multiple departments are involved, the roles and responsibilities of each department.

The monitoring process should examine performance standards relative to each economic development agreement and determine whether the goals for each project are achieved within the defined timeframe. The policy should identify when the governing board will receive status updates regarding the jurisdiction’s economic development projects and related outcomes per the relevant agreements. Additionally, lessons learned during the monitoring can be used to update the jurisdiction’s policies going forward.

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*GFOA’s Best Practice on Economic Development Incentive Policies was approved by GFOA’s Executive Board, September 2017 and reprinted with permission.*



**Oconee County  
Council**

Oconee County  
Administrative Offices  
415 South Pine Street  
Walhalla, SC 29691

Phone: 864-364-5136  
Fax: 864 718-10246

E-mail:  
[\\*\\*\\*.com](mailto:***@occonee.com)

Edda Cammick  
District I

Wayne McCall  
District II

Paul Cain  
District III

Julian Davis  
District IV

J. Glenn Hart  
District V



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The Oconee County Council will meet in 2017 on the first and the third Tuesday of each month [excluding July & August which will meet only on the third Tuesday of the month] at 6:00 p.m. in Council Chambers, Oconee County Administrative Offices, 415 South Pine Street, Walhalla, South Carolina unless otherwise advertised.

Oconee County Council will also hold a Planning Retreat in February 2017 [TBD] in Council Chambers to establish short and long term goals.

Additionally, Council will meet on January 2, 2018 at 6:00 p.m. in Council Chambers at which point they will establish their 2018 council and committee meeting schedules.

Additional Council meetings, workshops and/or committee meetings may be added throughout the year as needed.

Oconee County Council Committees will meet in 2017 on the following dates/times in Council Chambers, 415 South Pine Street, Walhalla, South Carolina unless otherwise advertised.

The Law Enforcement, Public Safety, Health & Welfare Committee and the Transportation Committee at 5:30 p.m. on the following dates: January 10, April 11, July 11 and October 10, 2017.

The Real Estate, Facilities & Land Management Committee and the Budget, Finance & Administration Committee at 5:30 p.m. on the following dates: February 14, May 9, August 8 and November 14, 2017.

The Planning & Economic Development Committee at 5:30 p.m. on the following dates: March 14, June 13, September 12 and December 12, 2017.