



Priority Investment Element

Overview

Pursuant to the requirements of the South Carolina Priority Investment Act (PIA), adopted in 2007, local governments are required to include an element in their comprehensive plans that focus on anticipated capital expenditures over the coming 10 years, prioritizing those deemed most critical. The element must also discuss potential methods of funding for the projects, considering all likely federal, state, and local sources. Additionally, the PIA mandates that the list of projects includes all projected needs in public infrastructure and facilities, including water, sewer, roads, and schools, and that the list is provided to all “adjacent and relevant jurisdictions and agencies” for their review and comment. It should be noted that other requirements established by the Act are addressed in other elements of this plan.

10-Year Capital Needs

The Planning Commission is charged with identifying a list of those capital projects in Oconee County that are anticipated to be funded with public monies in next 10 years. The list of projects is to be reviewed and considered as part of the Planning Commission’s annual recommended prioritization of projects for County Council. The source of projects to be considered on the list may be, but is not limited to, the listed needs of various County agencies on their 5-year Capital Improvement Plans (CIP), school board building programs, and other public infrastructure and facility requirements identified as critical to the citizens of Oconee County. Identified projects are listed on the “Ten-Year Capital Needs Plan for Oconee County”, which is contained in Appendix A of this document.

Funding Options

Bonds

The primary source of revenue for county capital projects are General Obligation Bonds (G.O. Bonds). G.O. Bonds are secured by the County’s projected future property tax revenue stream. It should be noted that the State of South Carolina limits the amount that local governments can borrow through G.O Bonds to 8% of the assessed value of the County’s

votes; therefore, only those funds available within the 8% limit can be considered a steady funding source.

In order to project the amount of capital funding that Oconee County may reasonably expect to be able to access through bonds in the coming decade, it is necessary to review past activity and bonding capacity. It should be emphasized that the amounts derived through this process are based on history, and although relevant for the purposes of this examination, may not necessarily indicate future conditions. Table PI-1 (below) shows the total taxable assessed values for Oconee County from 2003 to 2008. The utilization of the values recorded over a 5-year period will typically include at least one reassessment of all taxable properties in the County, thereby updating those values and improving the accuracy, and making it possible to establish reasonably reliable averages to use in projecting future funding levels into the near future.

Table PI-1

Total Taxable Assessed Value by Fiscal Year							
2013	2014	2015	2016	2017	2018 *	Average Assessed Value	Average Percent Change
\$515,557,710	\$521,294,691	\$525,343,034	\$546,294,072	\$559,921,105	\$562,810,506	\$543,132,682	2%

Source: Oconee County Finance Department and Auditor's Office

* 2018 Total Taxable Assessed Value is an estimate, due to actual values not being available at the time of this report.

Using the average assessed value of \$543,132,682 shown in Table PI-1, it is possible to establish a projected annual increase of 2% over the next 10 years. See Table PI-2 (below).

Table PI-2

Projected Legal Debt Limit for Oconee County for Fiscal Years 2019-2019				
Fiscal Year	*Assessed Property Value	**Debt Limit	***Outstanding Debt by Year	Projected Legal Debt Margin
2019	\$ 552,787,322	\$ 44,222,986	\$ 12,340,000	\$ 31,882,986
2020	562,613,583	45,009,087	11,291,000	33,718,087
2021	572,614,513	45,809,161	10,216,000	35,593,161
2022	582,793,218	46,623,457	9,105,000	37,518,457
2023	593,152,859	47,452,229	7,952,000	39,500,229
2024	603,696,650	48,295,732	6,758,000	41,537,732
2025	614,427,867	49,154,229	5,527,000	43,627,229
2026	625,349,840	50,027,987	4,255,000	45,772,987
2027	636,465,960	50,917,277	3,340,000	47,577,277
2028	647,779,678	51,822,374	2,390,000	49,432,374
2029	659,294,508	52,743,561	1,625,000	51,118,561

Source: Oconee County Finance Department and Auditor's Office

* Assessed Property Value projections are based on the average annual change in the taxable assessment value from fiscal year 2013 through 2018, which resulted in 2%. Refer to Table PI-1.

** Under South Carolina Constitution Article X, Section 14, 7(a), Oconee County's outstanding general obligation debt should not exceed 8% of the total assessed property value.

*** Projected values are based on existing fiscal year 2018 payment schedules.

The legal debt margin for Oconee County is projected to increase in the coming decade from \$31,882,986 to \$51,118,561 as a result of increased assessed property values. Naturally, any additional bonds utilized to fund capital projects in the interim would directly reduce the available amount, as would any significant decrease in assessed property values.

Other Sources

Designated Funds- Another option to provide a regular funding source for capital projects is to designate a specific portion of annual revenues as a 'set aside' for capital projects, much as Oconee County has done in the past with the reservation of one mill for economic development projects. Naturally, such a plan would only cover a limited portion of the overall capital needs of the County, but it would serve as a steady funding source for the purposes of planning for projects. One possible use for a regular set-aside could be to escrow the monies for specific multi-phased projects to be accomplished over a long period of time, or for those items that require significant upgrades on an ongoing basis. Also, for those projects that primarily serve only a limited region of the County but stimulate additional development, such as the expansion of infrastructure, it may be appropriate to designate a portion of the tax increment stemming from the new development, either to replenish the fund of designated monies, or to accomplish additional phases of the project.

Special Tax- In recent years, Oconee County has attempted to utilize a special one-cent capital infrastructure tax to assist in financing various projects. The tax, which has already been used in several other South Carolina counties, is governed by strict state guidelines that limit the applicability of funds primarily to the development and construction of a project. In brief, a 6-member commission made up of representatives from both the incorporated and unincorporated areas of the county creates a list of projects to be funded by the tax. The list is presented to County Council, who may either approve or reject the specified projects with no changes. If approved, the list of projects and projected costs are then part of a referendum question that must be voted on by the electorate. A majority vote supporting the tax initiates the levy, which will be in place no more than 7 years, with the tax ending sooner if actual revenues exceed the projected amount. If such an effort succeeds, the tax will be a reliable funding source for some projects; however, as with efforts to exceed the 8% assessable value limit on bond capacity by referendum, the outcome of votes cannot be reliably anticipated. Therefore, prior to the successful implementation of the one-cent capital infrastructure tax, it cannot be considered a steady funding source for future capital needs.

Grants- The use of grants become an increasingly important revenue component for many communities, with Oconee County being no different. In recent years, grants from state and federal agencies have enabled the County to move ahead with a number of projects that would otherwise have been delayed, or possibly even never realized. In spite of their value in providing needed funding, however, grants are at best of limited value for planning purposes, for the availability of funds needed for a specific project can seldom be reliably anticipated far enough in advance to allow for them to be considered a steady funding source. The competition for a limited pool of money from an ever growing number of potential applicants, combined with and the impact of the whims of economics and political moods,

often results in an ever-changing amount of grant funds. Grant money, therefore, while a wonderful supplement to turn to for specific capital projects, should not be considered a major steady source of revenue.

Impact Fees- A major revenue source for funding capital projects in some South Carolina counties is development impact fees. In spite of the fact that Oconee County has not enacted impact fees to date, they continue to receive public support as an option for funding roads, parks, libraries, and other capital improvements. It should be noted, however, that the South Carolina Development Impact Fee Act imposes a number of stringent requirements on local governments seeking to develop a program. For example, prior to the adoption of an impact fee for residential units, the local government must study and publish a report on the potential impacts of the fee on affordable housing within the jurisdiction. Also, the local ordinance creating the fee must specify the improvement that the money is to be used for, with the amount of the fee being based on verified costs or estimates established by detailed engineering studies. Once adopted, impact fees may be applied only for the period stated in the enacting ordinance, with all monies collected from the fee identified in a published annual report, detailing the collection, appropriation, spending of any portion. As a result, impact fees remain a viable alternative for Oconee County to consider as a funding source for future capital improvements, but the creation of a program will likely require significant assistance from an experienced consultant.

User Fees- Currently, Oconee County does not collect user fees for utilizing county-owned facilities. Although they can be considered a steady source of funding, user fees and other miscellaneous types of revenue typically generate only a portion of the amount associated with constructing and operating a facility. There are exceptions, however, for facilities such as recreation complexes many times combine these fees with concession monies, entry fees for events, and other miscellaneous revenues to achieve profitability, which can, in turn, be used to retire debt or upgrade a facility. Other types of facilities, however, simply do not lend themselves to the application of user fees. When appropriate, therefore, the County should consider user fees and other miscellaneous revenue as a funding source for capital projects.

Projected Needs

~~Currently identified Oconee County capital projects for which reasonable estimates have been developed are projected to cost \$86,421,000 over the coming decade, with several other potential projects for which reliable cost estimates have yet to be fixed receiving possible consideration. Because, as discussed above, Oconee County currently depends overwhelmingly on bonds as the only steady revenue source available to finance capital projects, for the purposes of this section we cannot count on grants and other funding sources that will offset at least some of the cost of individual items. Therefore, based on projected~~

~~debt levels established in Table PI 2 (above), the bonding capacity necessary to provide sufficient funding for the total anticipated required amount will fall short by approximately \$27,944,000. See Appendix A.~~

Another Consideration

The anticipated rate of growth and development in Oconee County's future gives rise to the need for a systematic approach to paying for public infrastructure and development, for the level of service and convenience demanded by the many thousands of new residents will require a more efficient approach that has been evidenced in the past. While it is reasonable to assume coming growth will bring with it additional revenues with which improvements may be accomplished, not all growth is equal in the amount of revenue generated, or additional support required. In fact, without all of the necessary tools in place to manage the amount and type of growth necessary to make it sustainable, it is possible that the needs will outweigh the ability to pay for them. This means it is important to begin to consider the effects of all our actions in terms of the impact on development, positive or negative, and how the results change the level of service necessary to support it. Therefore, we should seek to establish how much growth our existing infrastructure and facilities can support, and map out a rational approach for moving toward the densities and type of growth the people of Oconee County desire.

Priority Investment Objectives for the Future

The following objectives are intended to address those needs and desires established within the Priority Investment Element. See the 'Goals' section of this plan for specific strategies and timelines for implementation.

1. Promote partnerships and voluntary conservation easements to preserve significant lands and scenic areas under pressure.
2. Continue support of a comprehensive planning process so as to ensure that the citizens of Oconee County possess accurate inventories and analyses of existing county conditions, and the opportunity to better manage anticipated future conditions.
3. Review, update and adopt the Infrastructure Master Plan.
4. Develop and implement an effective Capital Projects Program that provides the highest level of service and facilities for Oconee County's citizens.

5. Explore and evaluate alternative methods of obtaining revenue and grant monies to fund capital improvements and new infrastructure.
6. Create and/or update plans for specific priorities.
7. Complete and properly maintain Oconee County's Geographic Information System (GIS).
8. Encourage development in a way that protects and preserves our natural resources.
9. Manage development in a manner that ensures our natural resources and lifestyle enhance sustainable economic growth and job opportunities.
10. Promote and enhance access to affordable housing through both public and private cooperation.
11. Upgrade solid waste facilities to improve services and allow for needed upgrades and expansion to provide for anticipated growth.
12. Regularly review public safety needs and enhance facilities as required.
13. Work to address the age-related problems that may arise among Oconee County's aging population, particularly focusing on issues not adequately dealt with by state and federal efforts.
14. Upgrade and maintain the county road system in a manner that meets the needs of Oconee County's growing population and provides safe and efficient routes through the county.
15. Continue to evaluate and fund public transportation in urbanizing areas of Oconee County, expanding as needed to provide for ongoing growth and development.
16. Expand bicycle and pedestrian routes to allow for greater use of alternative forms of transportation, and to promote ecotourism opportunities.
17. Continue upgrades to the Oconee County Airport in a manner that not only serves existing clientele, but will establish the facility as one of the premier small airports in the nation.
18. Establish programs to review all existing community facilities to determine needed changes resulting from both the aging of the facilities and the rapid population growth of Oconee County.

19. Promote a countywide arts program to facilitate an appreciation for the arts and other cultural facilities found within Oconee.

20. Conserve and protect features of significant local, regional and national interest, such as scenic highways, state parks, and historic sites and expand efforts to promote them for tourism.

Appendix A

Ten-Year Capital Needs Plan for Oconee County			
Anticipated Budget Year & Notes	3-Year Funding Timeframe	*Estimated Cost (based on best information available)	**Funding Source(s)
2010 Ongoing	Expand C & D landfill	\$ 650,000	G.O. Bonds
2010	10 Unit T-hanger and hanger taxiways	\$ 468,000	G.O. Bonds
2010	Replace bath house (day use/ campers) at Knob Campground (High Falls)	\$ 180,000	G.O. Bonds
2010	Chau Ram Park- ADA bathroom and day use area	\$ 160,000	G.O. Bonds
2010	Back scan mortgages & Plats from 1999 – 2000	\$ 100,000	G.O. Bonds
2010	Repave parking lot and roads at Solid Waste Complex	\$ 100,000	G.O. Bonds
2010	Phase I Golden Corner Commerce Park Infrastructure	\$275,000	G.O. Bonds/ ED Millage
	Upgrade/relocate fuel farm and maintenance shed at the Airport **2018(New terminal /sheds)	\$ 180,000	G.O. Bonds
	Oblique aerial photography reflight (Pictometry)	\$ 165,000	G.O. Bonds
	Expand Library in Westminster with FF&E (3,000 sq. ft)	\$ 1,000,000	G.O. Bonds
	Upgrade Cott (Data Processing System)	\$ 100,000	G.O. Bonds
	New library facilities in Seneca with FF&E (35,238 sq. ft)	\$ 9,100,000	G.O. Bonds
	Solid Waste building for tires, used oil, and aluminum	\$ 375,000	G.O. Bonds
	Expand Sewer South to interstate and beyond	TBD	TBD
	Phase 2, and 3 Golden Corner Commerce Park infrastructure	Phase 2 - \$ 1,350,000 Phase 3 - \$290,000	G.O. Bonds/ ED Millage

	5-Year Funding Timeframe		
	Video imaging	\$185,000	G.O. Bonds
	Phase 4 Golden Corner Commerce Park Infrastructure	\$655,000	G.O. Bonds/ ED Millage
	Phase 1 Golden Corner Commerce Park Infrastructure	\$975,000	G.O. Bonds/ ED Millage
	8,000 sq. ft. Office Facility in Geographical Center of the County	\$1,800,000	G.O. Bonds/ ED Millage
	Develop and Construct Exit 3 in I-85 region	\$5,000,000	G.O. Bonds/ ED Millage
	South County Library, with FF&E	\$2,000,000	G.O. Bonds
	Renovate Library in Walhalla, with FF&E	\$1,750,000	G.O. Bonds
	ADA Bathhouse-campground for Chau Ram Park	\$180,000	G.O. Bonds
	Renovate campsites for High Falls Park (2 phases)	\$300,000	G.O. Bonds
	Rubber tired front end pit loader for Rock Quarry	\$950,000	G.O. Bonds
	Purchase properties surrounding land fill as they become available	\$1,500,000	G.O. Bonds
	10-Year Funding Timeframe		
	Oblique aerial photography reflight	\$165,000	G.O. Bonds
	Video imaging (buildings)	\$185,000	G.O. Bonds
	Construction of spec. buildings	\$1,000,000	G.O. Bonds/ ED Millage
	New bath house facility in South Cove campground	\$220,000	G.O. Bonds
	Replace Camp Road culvert	\$250,000	G.O. Bonds/ Bridge/ Millage
	Lusk Road bridge	\$250,000	G.O. Bonds/ Bridge Millage
	Conley Road bridge	\$250,000	G.O. Bonds/ Bridge Millage
	Land adjacent to Rock Quarry as available	\$275,000	G.O. Bonds
	Upgrade or replace 1 Manned Convenience Center in high growth areas	\$750,000	G.O. Bonds
	Complete original Transfer Station Plan to meet with higher garbage volumes	\$1,000,000	G.O. Bonds
	In-house tax software for tax center	Cost TBD	G.O. Bonds
	Projected Capital Expenditures - County	\$86,421,000	
	Projected Capital Expenditures - Schools	\$64,000,000	
	Total Projected Capital Expenditures	\$150,421,000	

*All costs are based on best information available

**While grants and other one-time funds may be used for part or all of the required funding, Potential Funding Sources identified in the chart only include those sources considered steady

List of Capital needs removed due to lack of funds and interest, from above lists - 2018

2010	Wastewater Treatment Facility to serve I-85 region	\$ 6,600,000	G.O. Bonds/ED Millage
2010	Old Court House renovation	\$ 5,000,000	G.O. Bonds
	Hotel & Conference Center	\$ 5,000,000	G.O. Bonds
	Speculative Building in Commerce Park **2018 (Rotating Spec. Building Program)	\$400,000 (plus proceeds from prior spec building)	G.O. Bonds/ED Millage
	Upgrade Wastewater treatment facility for I-85 region	\$4,000,000	G.O. Bonds/ED Millage
2013	Addition/Renovation at Tamasee-Salem Middle & High School	\$3 – 4 million	G.O. Bonds
	Purchase right-of-way extension of Commerce Way in OCCC	\$1,000,000	G.O. Bonds/ED Millage
	Extend Commerce Way to Armstrong Road	\$1,200,000	G.O. Bonds/ED Millage
	Purchase additional acreage for OCCC	\$1,500,000	G.O. Bonds/ED Millage
	Build a speculative building	\$400,000 (plus proceeds from prior spec building)	G.O. Bonds/ED Millage
	Build an additional speculative building	\$600,000 (plus proceeds from prior spec building)	G.O. Bonds/ED Millage
	Dyar Bridge	\$1,400,000	G.O. Bonds/Bridge Millage
	McGee Bridge culvert	\$400,000	G.O. Bonds/Bridge Millage

List of Capital Projects that have been completed – January 2018

2010	Detention Facility	\$ 15,000,000	G.O. Bonds
2010	Replace Long Mountain radio	\$ 300,000	G.O. Bonds
2010	Westminster Fire/Emergency	\$ 2,500,000	G.O. Bonds
2010	Purchase Land Adjoining Rock Quarry as it becomes available	\$ 275,000	G.O. Bonds
2010	Cobb Bridge	\$ 1,200,000	G.O. Bonds/Bridge Millage
2010	Assess Viability of Future Need for Old Courthouse; Sipplast modified roof membrane for Old Courthouse, or Demolition	\$ 555,000	G.O. Bonds
	Pave South Cove parks gravel roads and overlay paved roads	\$ 142,000	G.O. Bonds
2010	Addition/Renovation at Seneca High School	\$ 5,000,000	G.O. Bonds
2010	Addition/Renovation at West Oak High School	\$ 5,000,000	G.O. Bonds

	Update Morgue Facility & Equipment	\$250,000	G.O. Bonds
	Replace Bookmobile	\$250,000	G.O. Bonds
	New office, store, visitor center with maintenance shop at South Cove Park	\$230,000	G.O. Bonds
	Purchase land adjoining Rock Quarry as it become available	\$275,000	G.O. Bonds
2013	New Walhalla High School	\$40 – 50 million	G.O. Bonds
	Update Morgue facility and equipment	\$250,000	G.O. Bonds
	Business incubator/training center- partner with Tri-County Technical College	\$3,000,000	G.O. Bonds/ ED Millage
	New Superintendents House for Chau Ram	\$120,000	G.O. Bonds
	Replace fishing pier at South Cove	Cost TBD	G.O. Bonds
	Replace fishing pier at South Cove	Cost TBD	G.O. Bonds
	New Superintendents House for Chau Ram	\$120,000	G.O. Bonds
	Update Morgue facility and equipment	\$250,000	G.O. Bonds
	Business incubator/training center- partner with Tri-County Technical College	\$3,000,000	G.O. Bonds/ ED Millage
2013	New Walhalla High School	\$40 – 50 million	G.O. Bonds
	Purchase land adjoining Rock Quarry as it become available	\$275,000	G.O. Bonds
	New office, store, visitor center with maintenance shop at South Cove Park	\$230,000	G.O. Bonds
	Replace Bookmobile	\$250,000	G.O. Bonds
	Update Morgue Facility & Equipment	\$250,000	G.O. Bonds
	Lands Bridge	\$400,000	G.O. Bonds/ Bridge Millage
	Jenkins Bridge	\$300,000	G.O. Bonds/ ED Millage
	Mauldin Mill Road Culvert	\$250,000	G.O. Bonds/ Bridge Millage
	Lonely Road bridge	\$250,000	G.O. Bonds/ Bridge Millage
	Nectarine Circle bridge	\$250,000	G.O. Bonds/ Bridge Millage