

Update to Planning & Economic Development Committee

*Oconee County Council
December 13, 2016*

Oconee Economic Alliance

The Oconee Economic Alliance (OEA) is the economic development entity for Oconee County. The OEA is a public-private nonprofit effort to accelerate job creation and capital investment, increase per capita income, diversify the local tax base and generate awareness of Oconee County, South Carolina as a business location.



Economic Development Efforts:

- 2012-2016: 1100 new jobs
- \$271M capital invsm't

- 2016 YTD:
 - \$89.9 M capital invsm't
 - 113 new jobs



2016 Successes

Recent Announcements:

Nason

- Expansion
- \$2.5M Capital Investment
- 26 New Jobs

Sealed Air

- Expansion
- \$6.77M Capital Investment
- 4 New Jobs, *unannounced*

BASF

- Expansion
- \$68M Capital Investment

Baxter / Hi-Tech

- New
- \$20.7M Capital Investment
- 87 New Jobs

Growth at Duke Energy

Bad Creek operations that has been called "the marvel in the mountain." Located nearly 500 feet below ground, the 32,000 square foot facility produces 1,065 megawatts, using water that flows through the mountain into Lake Jocassee.

Duke Energy announced plans this past Fall to expand its Bad Creek pumped storage project by 200 MW, with an anticipated completion date of 2023. Bad Creek is about 8 miles north of Salem, S.C., and began operating in 1991.

A second Duke Energy pumped-storage facility, 660-MW Jocassee, uses water from Lake Jocassee, which is its upper reservoir. The utility upgraded this plant a few years ago, increasing its capacity by 50 MW.

Also this Fall, federal regulators issued a new 30-year operating license for Duke's Keowee-Toxaway Hydroelectric Project, which generates more than 850 MW.

Workforce Update

October 2016 Unemployment Rate:

4.5%

(Oct. '15: 5.2%)

Lowest unemployment rate in 15 years in Oconee County

October 2016 Labor Participation:

33,777 people employed, 2nd highest number ever in history of the county (June 2016 – 33,779)

(October '15: 32,647)

1,130 more people working in Oconee County in last 12 months

**OCONEE COUNTY
SPEC BUILDING #3**

CONSIDERATION

Oconee Spec Building #1

2004

2007



Oconee Spec Building #2

- Constructed in 2011-2012,
Located In Oconee County
Commerce Center
- 50,000 SF
 ~ 200,000 SF Expandable
- 32' Ceiling Heights
- 50'x50' Column Spacing
- 6" Concrete Floor



Oconee Spec Building Successes

- Lift Technologies, Inc.
 - Bought Spec #1 in 2007
 - 23 months on the market
 - \$5 million dollar investment & 50 new jobs
 - Doubled the size of the facility to 80,000 sq ft.
- A.I.D. Company / RBC aerostructures
 - Bought Spec #2 in 2012
 - 10 months on the market
 - \$7 million dollar investment & 75 new jobs
 - Added 15,000 sq ft; plans to double in future

**SPEC BUILDING #3 – SANTEE
COOPER LOAN**

Santee Cooper SPEC Loan

- **Eligibility:**
 - For Local Governments/Municipalities and Nonprofit Economic Development Organizations within Santee Cooper direct-service, wholesale, and municipal-served territories.
- **Up to \$6 million per project request**
- **Term: Not to exceed 10 years**
- **Interest Rate:**
 - Years 1-3: 0%
 - Years 4-5: 1/2 of the 10-year "Insured" Municipal Market Data (MMD) Index
 - Years 6-10: Resets annually to the 10-year US Treasury Rate
- **Eligible Uses of Funds:**
 - Construction of speculative building
 - Property acquisition for industrial park
 - Infrastructure improvements or expansion
- **Maximum of 60% of total "project" costs**
- **No prepayment penalties**
- **Loan must be repaid once building is sold or leased**
- **Certain securities and/or liens on property will be required**

Approved ED Loans

1. Dorchester County
2. Newberry County
3. Laurens County
4. Town of Blythewood
5. Horry County
6. Anderson County
7. Dillon County (2)
8. City of Greer
9. Florence County
10. City of Union
11. Colleton County
12. York County
13. City of Rock Hill
14. Clarendon County
15. Aiken County
16. Town of Bluffton
17. Beaufort County
18. Calhoun County
19. Jasper County
20. Orangeburg County (2)
21. Bamberg County
22. Cherokee County



Total Loans: \$55.13 million

Santee Cooper SPEC Loan

- OEA brought forth Support Consideration in 2016
 - OEA board issued support
 - Council ED Committee issued support
 - County Council issued support
- Questions at this stage:
 - Do we move forward with building a shell/spec?
 - If so, where do we build and size of building?
 - How big of a loan is needed?

Santee Cooper SPEC Loan

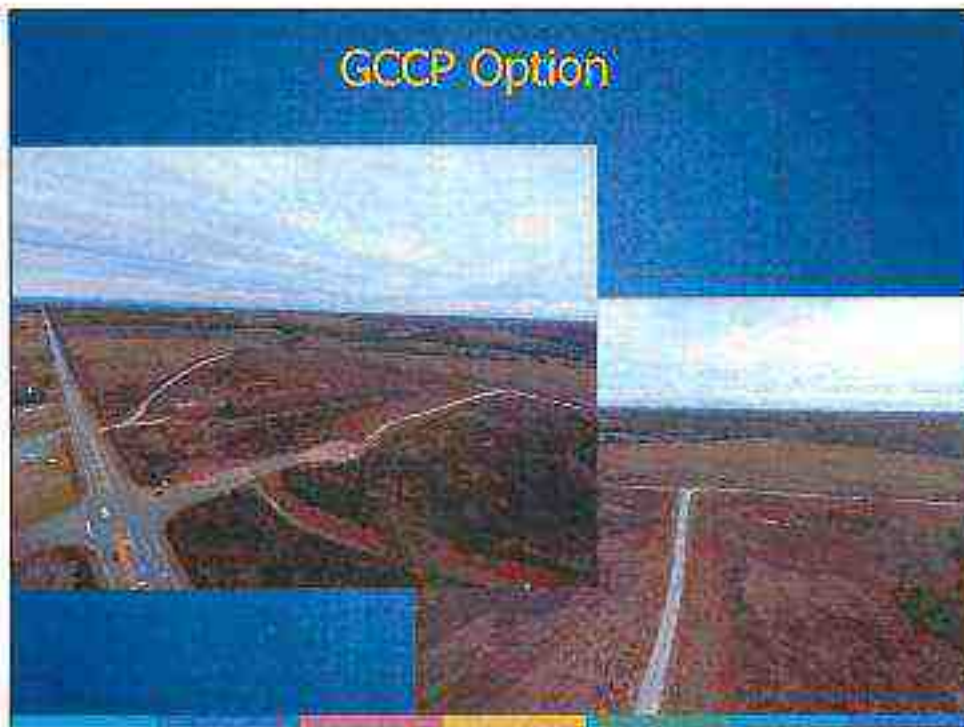
- Oconee County has zero stand-alone buildings, suitable for 2016 manufacturing needs, between 21,000 and 135,000 sq. ft.
- OEA recommends building at least a 50,000 sq. ft. building with ability to expand to at least 100-150k.
- OEA recommends building within OITP or GCCP.

DETERMINING WHERE TO BUILD

QITP Option



50,000 SF Graded Pad
23.30 Acre Site





GCCP Option



ESTIMATED COSTS

Price Points

- Building Costs est. -> \$35-\$40 / sq. ft.
- Engineering/Civil/Dirt work -> \$500,000 to \$800,000
- With GCCP:
 - Water and Sewer Extensions?
 - Road extension?
- Summary -> \$3M loan at GCCP OR \$2.3M in OITP with expansion OR \$1.8M in OITP building only

Considerations

- Build on OITP 50k Pad, building only with no expansion of Pad
- Build on OITP 50k Pad, building and expansion of Pad
- Build in GCCP, building and expansion of Pad

Direction from Council

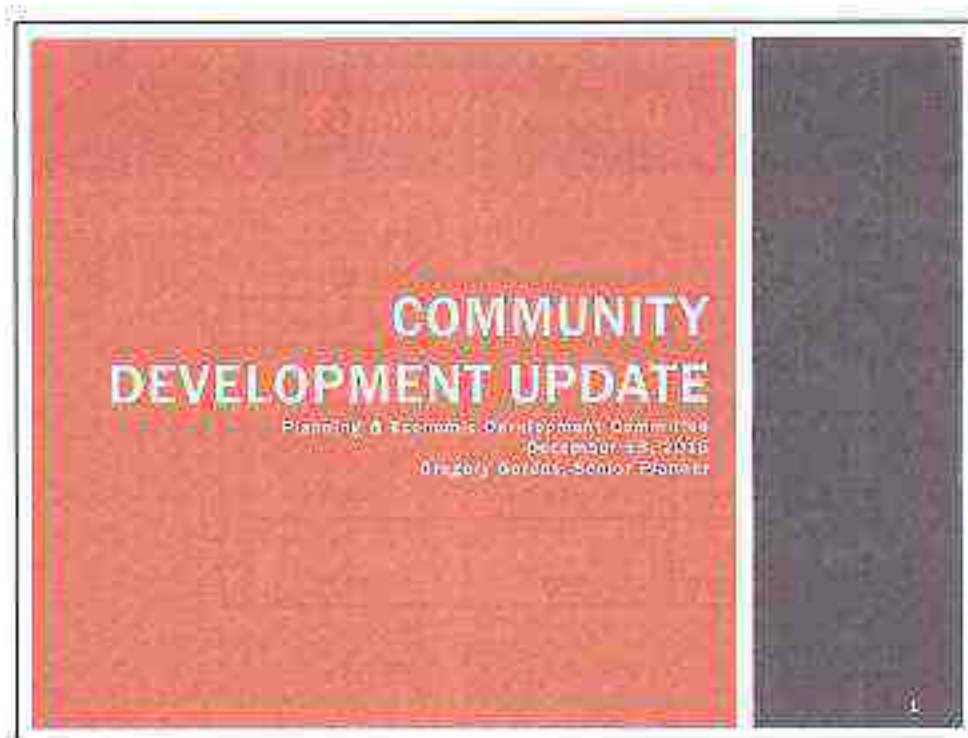
- Do we move forward with Santee Cooper Loan Program application?
- If so, WHERE do we build?
- How much of a loan application is made?

QUESTIONS

Oconee Economic Alliance

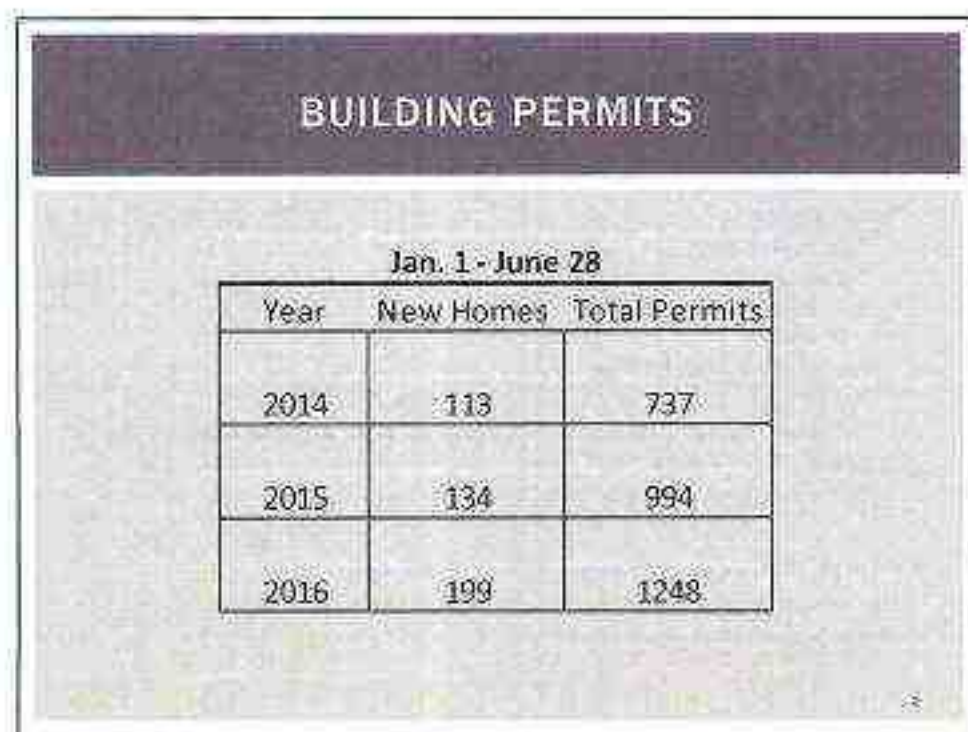
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COMMUNITY DEVELOPMENT UPDATE
Planning & Economic Development Committee
December 13, 2016
Gregory Gordon, Senior Planner

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BUILDING PERMITS

Jan. 1 - June 28

Year	New Homes	Total Permits
2014	113	737
2015	134	994
2016	199	1248

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BUILDING PERMITS

January 1 - November 30

Year	New Homes	Total Permits
2014	113	737
2015	134	994
2016	320	1921

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PLANNING & ZONING

- **Subdivisions:**
 - **On the Horizon**
 - Conceptual discussions with a number of potential sites
 - Jacobs Road proposal
 - US 123
 - **Preliminary Plan Review**
 - The Peninsula on Waterfall - near High Falls Park
 - Harbor Point - two phase, 151 lots off Stamp Creek Landing Rd.
 - **Under Construction**
 - Timber Bay - 96 lots off of Crooked Creek Rd
- **Boards and Commissions** - AAB, BZA, PC (resolutions)
- **Development:**
 - Hartwell Village plan submital

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COMPREHENSIVE PLANNING

- **Elements Reviewed:**
 - Introduction
 - Natural Resources
 - Cultural Resources
 - Population
- **Elements now Underway**
 - Land Use
 - Overall document design and theme (Appalachian Rustic Elegance)
- **Workload Planning:**
 - Turnover in Staff
 - Gregory Gordos - via City of Great Falls, Montana
 - Bill Huggins - via Anderson County

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COMMUNITY DEVELOPMENT

- **City Collaboration:**
 - Conduct research and prepare Zoning Ordinance text amendment language for City of Westminster as requested. During 2016, have prepared three such text amendments.
 - Process rezoning applications and prepare staff reports for City of Westminster as requested. Have prepared one request set to be considered in January by the Planning Commission.
 - Facilitated visioning session for Walhalla City Council in which opportunities were identified and goals set for the improvements related to departmental structure and services as well as community and economic development.
 - Began dialogue with the Towns of West Union and Salem concerning technical assistance and outreach.

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STRATEGIC PLANNING

- As noted in the last quarterly update, FEMA will issue updated Flood Insurance Rate Maps for most of the Seneca Watershed
- This marks a change by the National Flood Insurance Programs from focusing on county boundaries to watersheds.
- Although no schedule has been announced, new maps for the Tugaloo Watershed area will also be developed by FEMA in the future

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FLOOD MAPS

Status Update:

- The draft ordinance necessary to adopt the new maps is currently in process.
- Council has taken second reading
- The draft ordinance also includes changes identified during a regular review by SC DNR on behalf of FEMA needed to make our standards more consistent with the state model

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FLOOD MAPS

- A final reading of the ordinance will be proposed by staff when FEMA releases the required effective date of the new maps- federal rules require adoption of the maps within 30 days of the release of the date
- Currently, the new maps are anticipated to be in effect early next year