

PRIORITY INVESTMENT ELEMENT

Priority Investment

The purpose of the Priority Investment Element is to tie the capital improvement needs identified in other elements to forecasted revenues for the next ten years, and to encourage coordination with adjacent and relevant jurisdictions and agencies. It is, in essence, a ten-year Capital Improvements Plan that is meant to provide guidance to the County and its annual budgeting process.

South Carolina Priority Investment Act (PIA)

In June 2007, the governor signed into law the South Carolina Priority Investment Act (PIA). The PIA consists of amendments to the 1994 Local Government Comprehensive Planning Enabling Act. One of the amendments adds the Priority Investment Element to the list of required elements for local comprehensive plans. The PIA states the following regarding this new element:

“A priority investment element that analyzes the likely federal, state, and local funds available for public infrastructure and facilities during the next ten years, and recommends the projects for expenditure of those local funds during the next ten years for needed public infrastructure and facilities such as water, sewer, roads, and schools. The recommendation of those projects for public expenditure must be done through coordination with adjacent and relevant jurisdictions and agencies. For the purposes of this item, 'adjacent and relevant jurisdictions and agencies' means those counties, municipalities, public service districts, school districts, public and private utilities, transportation agencies, and other public entities that are affected by or have planning authority over the public project. For the purpose of this item 'coordination' means written notification by the local planning commission or its staff to adjacent and relevant jurisdictions and agencies of the proposed projects and the opportunity for adjacent and relevant jurisdictions and agencies to provide comment to the planning commission or its staff concerning the proposed projects. Failure of the planning commission or its staff to identify or notify an adjacent or relevant jurisdiction or agency does not invalidate the local comprehensive plan and does not give rise to a civil cause of action.”

Process

To prepare the list of public infrastructure projects, County Departments were contacted and asked to provide a prioritized list of capital improvements based on needs identified in the Community Facilities and Transportation Elements as well as those facilities needed to maintain existing service levels and repair/replace obsolete or worn out facilities.

Definition of Capital Assets

The Clarendon County Fixed Assets Ordinance defines a capital asset as: “*capital assets include: land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, easements and works of art and historical treasures. More specifically, a capital asset will have a useful life greater than one (1) year and have a unit cost of \$5,000 or greater. Given the need to closely monitor and track weapons/fire arms, the dollar threshold is exempted for this asset category.*”

However, for the purposes of this 10 Year Capital Improvement Plan we have limited the definition to the requirements of the PIA, public infrastructure and facilities.

10-Year Capital Improvements Plan

The result of this process is a 10-year Capital Improvements Plan (Table IX-1). The projects are listed by department, construction date, facility costs, funding sources, and, where appropriate, annual operating expenses. The detailed schedule of road projects is provided in Chapter 8, the Transportation Element.

**TABLE IX-1
Ten Year Capital Improvement Plan**

Ten Year Capital Improvement Plan

Project	Description	Time Line	Cost	Funding Source	Ancillary Cost Changes
Airport Hanger expansion	Build additional airport hanger	In-process	\$800,000	FAA Grant(s) - both federal and state with local match from general revenue	None
Weldon Phase II	Renovate gymnasium and band room of old high school for emergency shelter space and alternate EOC	1 year	\$2,600,000	FEMA grant with local match from general revenue	\$4,000/year general fund
Airport land acquisition	Acquire unimproved property around existing airport for future runway construction	1 year	\$160,000	Unrestricted Fund balance of the County and general county revenue	None
Weldon Phase III	Renovate old high school auditorium for similar purpose to allow cultural opportunities	1-2 years	\$3,700,000	Revenue Bond(s), state grant(s) and community fundraising	Tiered to reduce after second year of operations, to break even in fifth yr.
Wyboo fire sub-station	Expand, renovate and equip existing fire sub-station in the Wyboo area to include EMS sub-station	1-2 years	\$250,000	Development fee from Eagle Point project, unrestricted fund balance and SPD revenue	None
Administration Building	Construct new Administration building to house all non-court related functions under one roof	1-3 years	\$6,650,000	GO bond(s), Capital reserve fund, FILO and general county revenue	\$50,000/year general fund
Summertown fire sub-station	Construct new fire sub-station within Summertown	3-5 years	\$340,000	Unrestricted Fund balance and SPD revenue	None
Turbeville fire sub-station	Expand existing fire sub-station in Turbeville	4-6 years	\$175,000	Unrestricted Fund balance and SPD revenue	None
Davis Station fire sub-station	Relocate and build new fire sub-station in Davis Station area	5-7 years	\$160,000	Unrestricted Fund balance and SPD revenue	None
Summertown recreational facility	Build a joint recreational/community center to support the Summertown area with space for branch library	5-8 years	\$1,200,000	CDBG and USDA grant(s), general county revenue and library operational revenue	\$75,000/year from general fund
Ram Bay fire sub-station	Relocate and build new fire sub-station in Ram Bay area	6-8 years	\$135,000	Unrestricted Fund balance and SPD revenue	None
Summertown Sheriff sub-station	Build and staff a sheriff department sub-station within the southern portion of the County	6-9 years	\$150,000	Development fee from Beach Company project	\$80,000/year from general fund
Turbeville recreational facility	Build a joint recreational/community center to support the Turbeville area with space for branch library	7-10 years	\$1,350,000	USDA grant(s), general county revenue and library operational funds	\$75,000/year from general fund
Turbeville Sheriff sub-station	Build and staff a sheriff department sub-station within the northern portion of the County	7-10 years	\$175,000	Unrestricted Fund balance of the County and general county revenue	\$175,000/year from general fund
Relocate Public Works dept	Relocate to a larger facility	7-8 years	\$500,000	Unrestricted Fund balance of the County and general county revenue	None
Library building	Construct new main library facility	7-8 years	\$5,500,000	GO bond(s), federal grants (USDA Community Facilities) and community fundraising	Annual CPI & population growth inflator as permitted by state law
New Airport runway	Build second runway of 5200 feet at airport	9-10 years	\$12,000,000	FAA Grant(s) - both federal and state, state commerce RIF grant, state line item appropriation and local match	\$8,000/year general fund
New C&D landfill	Develop and open larger C&D landfill within the county	9-10 years	\$400,000	State grant(s) and general county revenue	\$132,000/year from general fund
			\$36,245,000		

Notes:

- 1) General Obligation bonds will require no increase in ad valorem debt service. Grant Clarendon FILO of \$865,000/year sufficient to cover needs. As of Audit date June 30, 2007, legal debt margin (8% rule) of \$3,206,072; with total assessed values increasing a nominal 1.5% (on average) and G.O. debt being reduced approximately \$275,000/year
- 2) Fire department SPD continues to budget \$125,000 minimum annually for capital improvements
- 3) Development fees are negotiated with both Eagle Point and the Beach Company for absorption of costs associated with provision of emergency services (law enforcement, fire and EMS)

Funding

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. 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 taxable property. Clarendon County pays approximately \$275,000 annually toward existing debt and increases its bonding capacity by about \$95,000 annually due to increases in assessed property value. Therefore, once the County exhausts its existing bonding capacity of \$3.2 million, only an additional \$370,000 can be borrowed annually. To issue bonds in excess of the 8% limitation would require the County to hold a referendum.

With the above noted growth in assessed values, reassessment implementation this year, and the noted scheduled reduction in the debt through payments, the County does not anticipate a gap in funding for these projects. One reason for this is that with the scheduled implementation in the Capital Improvement Plan the County can spread out the needed drain on resources in a manner that will suffice to meet the projected needs. If however an unexpected shortfall occurs the County will have time to react through delaying implementation of project(s) or through reducing the scope of the projects to meet the resources available at the time, thus assuring that funding will be sufficient.

As anticipated in the plan, Revenue Bonds can be used to finance capital projects which have a source revenue associated with them. Such things as recreation projects which generate sufficient revenue, or utilities which generate revenues are examples of programs which can support capital projects.

Impact fees are another major revenue source for county capital projects. While Clarendon County has not enacted impact fees for roads, it is noted that revenue from impact fees can only fund the cost the County will incur to provide capital improvements to accommodate the new development that is being taxed. Impact fees cannot be used to address existing capital deficiencies. Impact fees also cannot be used to establish a higher level of service for future projects than what is currently being provided.

While there are many other possible sources of funds for capital projects such as USDA Community Facilities loans and grants, Community Development Block Grants, Rural Development Funds, Revenue Bonds, Hospitality and Accommodations Taxes, Capital Projects Sales Tax, and Transportation Enhancement Grants, the above noted sources are the main sources normally utilized for this purpose.

Next Steps

Clarendon County department heads should continue to meet over the next year to further refine the Capital Improvements Plan. County staff will need to establish a methodology to prioritize capital improvements that are required to achieve and maintain desired levels of service and to repair and replace public facilities. County staff will also need to identify additional sources of revenue to fund the refined list of capital projects.

In addition, Clarendon County should meet periodically with the adjacent and relevant agencies and jurisdictions to further coordinate capital improvements in the future.

Goals Objectives and Policies

Objective A - Determine Needed Capital Improvements

Policy A-1 Clarendon County should establish a methodology to prioritize capital improvements required to achieve and maintain desired levels of service and to repair and replace public facilities.

- Clarendon County should set the relative priorities among types of public facilities as follows:
 - Priority 1 – New public facilities and improvements to existing facilities that eliminate public hazards.
 - Priority 2 – The repair, renovation or replacement of obsolete or worn out facilities that are necessary to achieve or maintain existing levels of service.
 - Priority 3 – New and expanded facilities that reduce or eliminate existing deficiencies in levels of service.
 - Priority 4 – New and expanded facilities necessary to serve new development and redevelopment projected during the next five years.
- Clarendon County shall develop and annually update a five-year Capital Improvements Program (CIP) that plans for needed capital facilities that are within the fiscal capability of the County.
- Clarendon County shall prepare as part of the annual budget process a Capital Improvements Budget (CIB) that lists appropriations for the capital improvements projects in the first year of the CIP.

Objective B – Develop a Funding Strategy

Policy B-1 Clarendon County should develop a coordinated funding strategy to fund needed capital projects. Possible future revenue sources may include, but are not limited to:

- G.O. Bonds: Seek additional funding from G.O. Bonds by holding a referendum to exceed the County's 8% bonding capacity;
- Where appropriate look to Revenue Bonds as a source for funding capital projects.
- Impact Fees: Explore the implementation of transportation, park, and library impact fees;
- Capital Projects Sales Tax: Hold a referendum to establish a 1% capital projects sales tax; and
- Grants: Seek additional funding through private, state and federal grants.

Objective C – Coordination with Other Agencies and Jurisdictions

Policy C-1 Clarendon county shall coordinate the provision of capital improvements with other relevant agencies and jurisdictions.

- Clarendon County shall coordinate the provision of public facilities with municipalities in Clarendon County, surrounding counties and municipalities, and the Clarendon County School Districts.
- Clarendon County shall coordinate with the municipal and other water and sewer providers, the State Department of Transportation, and other state agencies as necessary regarding proposed capital improvements.
- Clarendon /county shall coordinate with Santee Wateree Regional Transportation Authority (SWRTA) as necessary in regards to capital improvements.