



# GEORGETOWN COUNTY CAPITAL IMPROVEMENT PLAN

December, 2007



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**GEORGETOWN COUNTY  
SOUTH CAROLINA**

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**FROM:** THOMAS W. EDWARDS, JR.  
**SUBJECT:** CAPITAL IMPROVEMENT PLAN – APPROVED VERSION  
**DATE:** 12/27/2007

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The attached report was presented to County Council on December 18, 2007. On this date the plan received final approval from County Council pending completion of Community Enhancement/Recreation and Transportation Master Plans, Impact Fee Analysis and further financial analysis.

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GEORGETOWN COUNTY SOUTH CAROLINA

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TO: COUNTY COUNCIL  
FROM: THOMAS W. EDWARDS, JR.  
SUBJECT: CAPITAL IMPROVEMENT PLAN  
DATE: 12/20/2007

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Attached is the revised outline of the CIP in a "Draft" format. The CIP plan, as Phase I, has been revised to project revenues and expenses through FY2017. By separating the CIP plan into phase I, FY2008-FY2017 and Phase II, FY2018-2025, the CIP, perhaps, more accurately reflects the revenue projections based upon assumptions used.

The CIP draft is so structured that upon Council's review and modifications, subject to the completion of pending master plans and impact fee analysis, council may structure capital projects based upon revenues, funding options and cash flows.

Revenue sources requiring Council's careful consideration are impact fees, local A-H Tax and State A-Tax the use of which is recommended as a permanent source of funding for the CIP. Please, however, be mindful that once these and other funds are committed it will lessen the flexibility in their use.

The PRLS Master Plan should be finalized and presented to County Council in March and the Transportation Master Plan should be presented prior to the end of the current FY. Additional project activities recommended for use of impact fees as funding options are Judicial Center, Library, Detention Center, EMS and such others as may be identified in the future.

Until an impact fee schedule is presented adopted and implemented, the projected revenues from impact fees, as used in the draft of the CIP, should be considered as estimates only to be used for planning purposes.

It is recommended that long term financing options, routinely, receive Council and staff's careful considerations and analysis.

For planning purposes at the time, it is suggested that Council address issues as noted and begin establishing priorities; however, the final adoption of the CIP, which should occur prior to June 30, 2008. should remain as a working document until the Master Plans are approved and appropriate impact fees are approved and implemented.

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GEORGETOWN COUNTY SOUTH CAROLINA

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TO: COUNTY COUNCIL  
FROM: THOMAS W. EDWARDS, JR.  
SUBJECT: CAPITAL IMPROVEMENT PLAN RECAP (2008-2017)  
DATE: 12/20/2007

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Attached is a revised copy of the CIP, FY 2008- FY 2017.

Schedule A is a projection of County's ability to issue General Obligation Bonds in keeping with SC Codes and is without regard to ability to make debt service payments. This schedule indicates Georgetown County should have sufficient excess bonding capacity for emergencies and other projects not currently in the Capital Improvement Plan.

The estimated debt service payments for G.O. Bonds are outlined in schedule B. Please note that all G.O. bonds are calculated on a 20 yr amortization schedule.

Schedule C has an amortization schedule for each of the G.O. bond issues, installment purchase issues, enterprise financing agreement, and the existing G.O. bond debt schedule. The estimated total for debt service through 2017 is \$72.5 million.

(1) Tax mills

Current debt service payments	3.8 mills (est)
Judicial Center O&M (Revised)	4.5 mills (est)
Judicial Center debt service	<u>3.4 mills (est)</u>
Total	<u>11.7 mills (est)</u>

Gross rate of mills as shown in CIP	14.5 mills
Less: Mills previously committed	<u>11.7 mills (est)</u>
Net mills available for CIP	<u>2.8 mills (est)</u>

Revenue estimates and projections are shown in Schedule D. Listed below is a recap:

Tax Revenue 14.5 mills	\$103.6 million
Interest earnings	10.0 million

Service fees	3.6 million
Impact fees (1)	34.0 million
Vehicle road fees	18.7 million
Local A-H Tax	24.2 million
State A-Tax	9.5 million
Economic Development (special source)	<u>7.1 million</u>
Gross Revenue	\$210.7 million
Less: 5% discount	<u>10.5 million</u>
Net funds available	<u>\$200.2 million</u>

Cash flow is projected in Schedule E as recapped below:

Funds available – Estimated		\$200.2 million
Less: Estimated O&M Cost	\$50.7	
Estimated Debt Service	<u>72.5</u>	<u>123.2 million</u>
Net		<u>\$77.0 million</u>

(1) Revenues from impact fees are to be considered as nothing more than an estimate. It would be unwise to commit the use of proposed fees prior to completion of required impact fee studies and adoption of fee schedules.

The estimated amount of \$77 million dollars as projected will be available for Capital Improvements without the use of bond issues and permits greater flexibility for future adjustment to the plan.

There are several changes from the previous plan submitted:

Revenues

- Revised estimate for impact fees
- Increase in Local A & H Tax
- Increase in State A-Tax
- Gross revenues discounted 5%

Expenses

- Adjustments to O&M cost

- Annual Capital Cost Estimate adjusted for cash flow purposes

Recap of all revenues, funding sources, expenses, debt service and net revenues for Capital Expenditures:

Gross Revenue	\$210.7 million
Less: 5% discount	<u>10.5 million</u>
Net funds available	<u>\$200.2 million</u>

Recap of all revenues, funding sources, expenses, debt service, and net revenues for Capital expenditures:

Revenues	\$200.2 million
Funds on Hand	20.0 million
G.O. Bonds	75.0 million
Installment Purchases	21.5 million
Revenue Bonds	25.0 million
Grants	<u>20.0 million</u>
Total	\$361.7 million
Less: O&M	50.7
Debt Svc	<u>72.5</u>
	<u>123.2 million</u>
Net available	<u>\$238.5 million</u>

If no additional appropriations are made for major capital improvements and after consideration for existing debt service, Judicial Center O&M and debt service, the net increase in mills to support the CIP is approximately 2.8 mills.

Net estimated funds for the CIP through FY2017 are as follows:

Funds on Hands	\$20.0 million
G.O. Bond	75.0 million
Lease Purchase Funds (Net)	21.5 million

Revenue Bonds	25.0 million
Cash (Net of O&M, Debt Service Payments)	77.0 million
Grants estimated	<u>20.0 million</u>
Total	<u>\$238.5 million</u>

The following are recommended:

- FY 2008 increased mills by 1.5 for O&M use and annually to review the funding requirements to support O&M
- FY 2008 increased mills by 8.5 for Debt Service which in the future may require adjustment to partially fund O&M cost
- Develop and approve draft of CIP through FY 2017 with priorities being given to those projects that are high on Council's list and not dependent upon any further studies
- Completion of Recreation & Leisure Master Plan with reservation of funds for Recreation & Leisure Services incorporated into CIP pending completion of the Master Plan and development of an approved impact fee upon completion of Master Plan
- Completion of Transportation Master Plan with reservation of funds for Transportation incorporated into CIP pending completion of the Master Plan and upon completion of Master Plan the development of appropriate impact fee
- Establish permanent policies for allocation and use of State A-Tax funds and local A-H Tax funds
- Request a fully developed plan for Emergency Services, Fire and EMS, to include capital, O&M cost with associated timelines and impact fees to produce required revenues
- Establish a Debt Service Cushion Fund with a minimum balance equal to no less than one year of estimated debt service payments
- Make no appropriations without first updating and reviewing CIP
- Establish a policy requiring annual reports and updates as part of the annual budget process and require program reports and updates on routine basis with a comprehensive evaluation conducted not less than every five years
- Consider revisions, updates, and approval of the CIP plan on annual basis but never make appropriations or commitments without a complete update of CIP

- Establish a policy requiring that staff provide a detailed cost estimate for all projects prior to authorization to proceed. Estimates must include capital cost and O&M cost including all personnel requirements.
- Update all O&M cost on an annual basis and require valid estimates before any project approvals
- Develop an impact fee analysis for EMS Capital Improvement and the adoption of an impact fee
- Development of an impact fee analysis and the adoption of an impact fee structure for the Judicial Center and Detention Center expansion
- Review all pending projects for the possible adoption of a supporting impact fee schedule
- As the CIP develops to constantly review revenues and expenditures in order to gain assurance that appropriate revenues are available for Capital and O&M
- Upon approval of any project and the appropriation of funds update the cash flow schedule
- Consider investigating the possibility of adopting uniform regulations requiring developers to establish open/green spaces within subdivisions for neighborhood use and or the establishment of a green space fund for purchase of land for parks and open space.
- Develop goals to seek and maximize the use of State & Federal appropriations and grants to seek funding well in advance of construction
- As a part of the CIP and development regulations incorporate an affordable housing program

When reviewing these revisions please remain mindful that all revenues and project costs are estimates and will certainly require adjustment as the plan progresses.

Thanks.

**Georgetown County  
Estimated Capital Expenditure  
Recap by Category & Time Frame  
December 2007**

<u>Committee/Category</u>	2008-2017	2018-2025	Total
Community Enhancement	\$31,350	\$3,000	\$34,350
Economic Development	7,100	2,000	9,100
Recreation & Leisure Svcs	84,000	22,000	106,000
Facilities	45,270	18,000	63,270
Transportation	51,780	20,000	71,780
Contingency	<u>19,000</u>	<u>10,000</u>	<u>29,000</u>
<b>Total</b>	<b>\$238,500</b>	<b>\$75,000</b>	<b>\$313,500</b>

NOTE: Numbers expressed in millions

