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Concentrating on public finance, governmental and utility representation.



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PLANNING FOR DEVELOPMENT

Challenges, Opportunities, and Solutions for Dealing with Growth and Development

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What Will We Be Talking About?

1. Economic Development in my community
2. Knowing Who Makes Decisions
3. Challenges and Opportunities
4. Solutions – Strategies for Success

1. Economic Development in my community

1. New Projects all the time:

- In-land port (increased traffic and growth);
- Boeing expansion;
- Tire industries;
- Nuclear facilities;
- Cluster developments

2. Generally secretive in nature – how do I know what is going on?

1. Economic Development in My Community



What Is My Economic Development Plan?

- How does the project affect my district (is growth important)?
- What services will I have to provide?
- How will my existing customers/taxpayers be affected?
- What will it cost me to provide service?
- Do I have the capacity/infrastructure to support growth?
- Does this fit within my capital improvement plan?
- Do I have a rate structure that meets the industry's needs?

2. Who Makes the Decisions?

Get to know the decision makers - who is driving the train:

- County officials (including Administrator, Council members and economic development personnel)
- COG officials
- SC Department of Commerce
- Regional Agencies (Alliances, SCEDA, New Carolina)
- Industry Officials



JUST A MINUTE... WHY YES!! APPARENTLY I AM
THE DECISION MAKER FOR THE COMPANY!!

2. Who Makes the Decisions?

Are you working together?

- This effects:

- Discussion with industry;
- Tax/fee revenues received by your district (how are incentives being structured);
- Competition with other utility providers;
- Future industrial growth;
- Your growth plans; and
- Your value in the transaction.

3. Challenges and Opportunities?

Challenges

- Service territory
- Fee streams (revenue)
- Capacity
- Ability to serve
- Affect on existing customers
- Being the scapegoat
- Learning to stand your ground
- Working cooperatively
- Explaining your position
- Paying for expansion and service



3. Challenges and Opportunities?

Opportunities

- Increasing your service area (by County or legislation)
- New enabling legislation (multi-county)
- Dedicating FILOT payments (IGA or other contractual arrangement)
- Future assessed value growth
- Knowing your cost of service
- Having a voice
- Aiding the direction of growth
- Grant money, assessments, borrowing opportunities



4. Solutions

Changes in Boundaries by Counties

The general rule is that a County may diminish, enlarge or consolidate existing SPDs, but may not abolish them

Therefore, see *Berry v. Weeks*, limiting a County's power to diminish the boundaries of an SPD if the actual intent is to abolish the SPD

Be weary of municipal annexation – encroachment upon your service area

What SPDs Can Do For Protection



Playing Defense

1. Monitor your governing bodies (State and local).
2. Keep alert for special legislation.
3. Understand the motivation behind legislation.
4. Keep your lawyers involved (both local lawyers and bond lawyers).

What SPDs Can Do For Protection

Playing Offense

1. Be attentive to and strengthen your relationship with members of your legislative delegation and your County Council.
2. Embrace regionalism – find a role in every project that makes sense for you locally.
3. Consider the possibility of merging with other SPDs.
4. Consider sponsoring general legislation.



Understanding MCBPs and FILOTS

- Industry located in MCBP
- Constitution specifies that MCBP property is exempt from *ad valorem* taxation, but property owners shall pay same amount in FILOT that would have been payable but for exemption (reduction of assessment percentage)
- Agreement dictates sharing of fee revenues among counties (not other taxing entities, but may discuss bond payments)
- Some distribution to taxing entities, but in same proportion as if it were a tax (*Horry County* decision)

Financing Solutions

- Cash on hand
- Capital or facilities charges
- General obligation bonds
- Revenue Bonds
- Front-foot assessments or other assessments
- TIF, MIDs, CIDs, RIDs
- SSRBs (leveraging FILOT money) to pay for infrastructure
- Capital Project Sales Tax
- State law incentives (fire sprinkler credit, rural infrastructure grants)

CONCLUSIONS/QUESTIONS

- Development is coming and continuing to come
- You must have a strategy to deal with growth
- Do you have the relationships necessary to protect your district (do you know the players)
- Maximize opportunities
- Work cooperatively for solutions
- Don't rely on the State or Feds to get it done



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