



POPE FLYNN
GROUP

COLUMBIA | CHARLOTTE | SPARTANBURG

www.PopeFlynn.com



POPE FLYNN
GROUP

COLUMBIA | CHARLOTTE | SPARTANBURG

**The Role of SPDs in
Successful Economic Development
or
How to be Part of the Team
Without Selling Yourself Down the River**

October 13, 2016



POPE FLYNN
GROUP

What is “economic development”?

Economic Development - the process by which wealth is generated through an investment in a community.

And the investment:

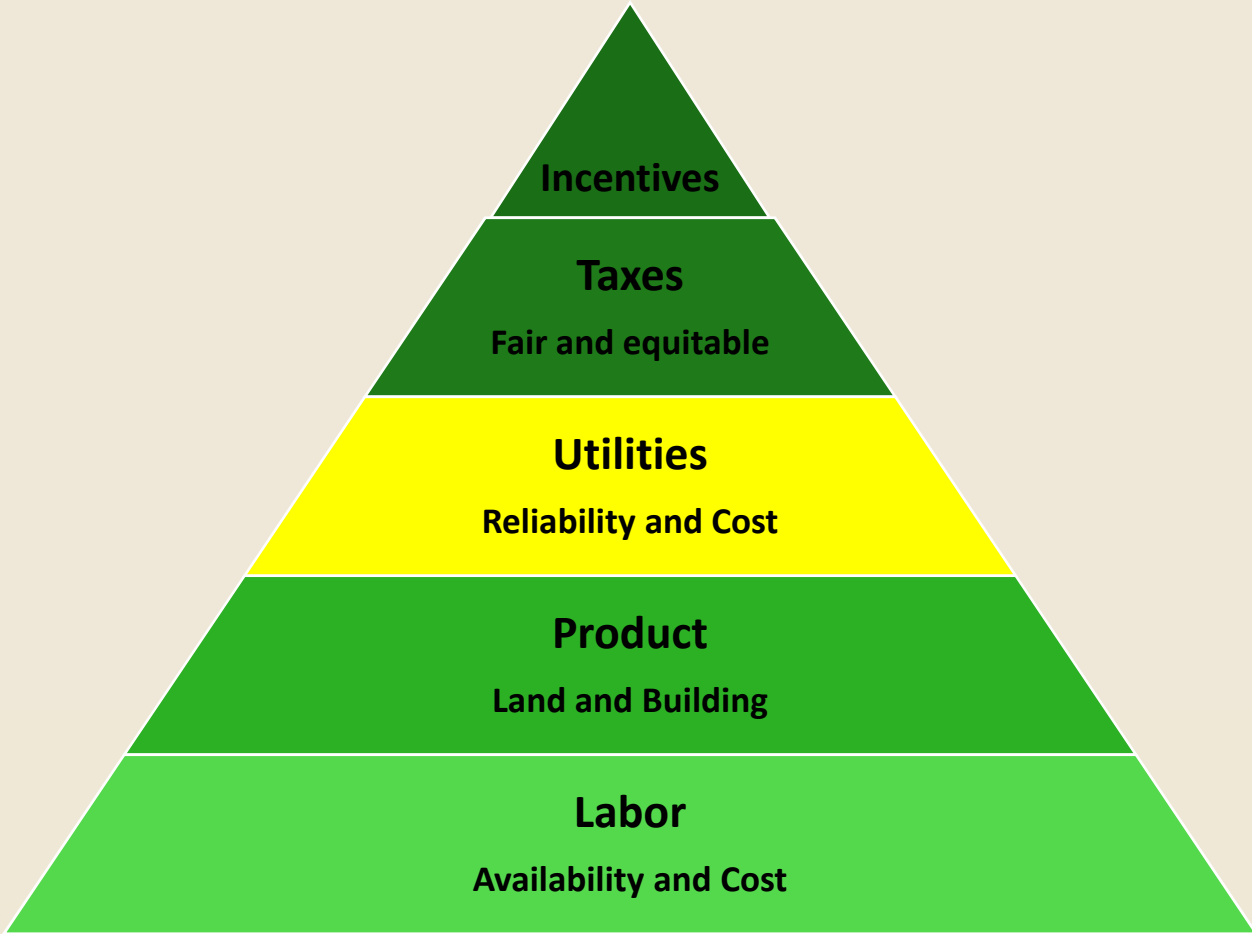
1. Brings new money and jobs into the community; and
2. Is NOT dependent on the community for its sales/revenues.



POPE FLYNN
GROUP

What guides a company's choice of a site?

Site Selection Factors Degrees of Importance





The Role of Incentives

- Incentives don't drive corporate decisions, except when all sites are equal.
- Incentives only have a significant effect on recruitment when all the sites are viable sites.
- By viable – sites meet the companies' requirement to be successful...timing, reasonable costs, limited or no risks, market access, adequate utilities, labor availability, etc.
- Incentives are almost never the major driver of a decision – until the end.



POPE FLYNN
GROUP

The Role of SPDs in Economic Development

- Utilities – essential to the viability of any project in your service area

Is your level of involvement in economic development equal to your importance?

- Fire – more of a foundational issue and generally not going to make a deal happen

Is the county economic development team aware of your strengths and weaknesses?

- Quality of Life – can be the determining factor between two otherwise equal sites

Are You Prepared for Economic Development



- How does the project affect my SPD?
- 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?



POPE FLYNN
GROUP

Paying For ED – Revenue Bonds

General Obligation Bonds

- Used to pay for most of the costs to develop a site
- Requires county council approval

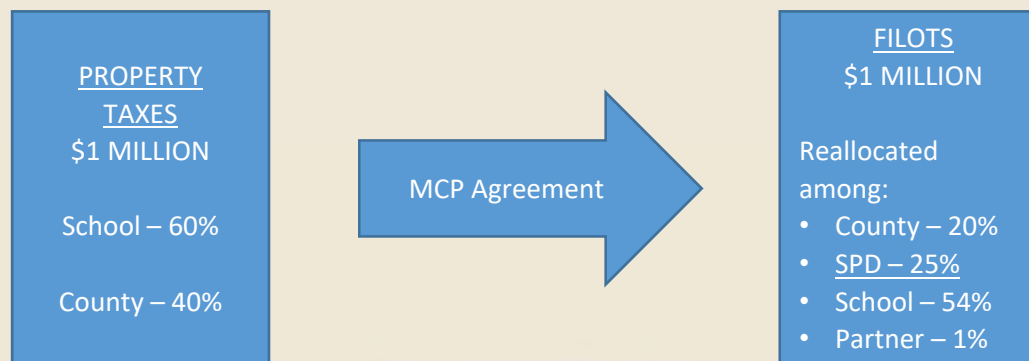
Revenue Bonds

- Ideally, increased revenues from the project will defray the cost of the debt
- Potential problem if development does not result in immediate increases in revenue
- Existing revenue stream can be used, provided revenues are sufficient to cover debt service



Paying for ED – MCP Designation

- Tool that allows counties to control the allocation of future tax revenue that is generated by industrial investment
- An MCP are a legal construct where property taxes are “magically” converted to “fee revenue” giving the County far greater control over the allocation of the revenue
- County can allocate revenue to partners to fund economic development





POPE FLYNN
GROUP

COLUMBIA | CHARLOTTE | SPARTANBURG

C.D. Rhodes – Pope Flynn Group
(803) 354-4911
cdrhodes@popeflynn.com