

Priority Investment Element

Description of Priority Investment Element

The priority investment element analyzes the likely federal, state and local funds available for public infrastructure and facilities during the next ten years. The element includes recommendations for expenditure of funds for public infrastructure and facilities such as water, sewer, roads and fire and police stations.

Background and Existing Condition

In May of 2007 the Governor signed into law the Priority Investment Act. The Act includes several amendments to the 1994 Comprehensive Planning Enabling Act. Two additional elements that are required by the legislation are a Transportation Element and the Priority Investment Element. The Act reads as follows concerning the Priority Investment 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 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 purposes 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.”

Determination of Needed Capital Improvements

The City of Conway currently has a Capital Improvements Committee comprised of City Council members and City staff members. The goal of the Committee is to develop a five-year Capital Improvements Plan (CIP). Each department of the City was asked to submit a five-year budget summary to include personnel requests and capital requests. The capital requests includes land improvements, building improvements, roads and bridges, heavy equipment, office furniture and equipment, computer equipment, motor vehicles, and other equipment. The role of the Committee is to prepare a recommendation to City Council taking into consideration anticipated revenue and other expenses that the

City will incur. This exercise requires the elimination of the gap between the Departments' requests and the available funding. **The 5-year Capital Plan Summary, 5-year Capital Summary by Department, Major Capital Considerations FY 2010 – 2013 and Major Capital Considerations Long-Term Needs are included at the end of this element.**

Funding Gap/ Potential Funding Sources

The requests developed by the City Departments indicate that the needs of the City may exceed the ability of anticipated revenues to fund those needs. Developing or identifying additional sources of revenue would be an option the City could explore to fund the gap between anticipated revenue and the Departments' requests. Additionally, major transportation projects and other major infrastructure projects are not included in the current CIP, which will be needed with the growth anticipated to occur in the next decade.

While the City should be able to fund a large portion of its growth-related infrastructure requirements from growth related revenue increases, the transportation system improvements and major projects may require the identification of new funding sources. As traditional methods of infrastructure finance have become less feasible, local governments have turned to methods that place more of the financial burden of growth-related infrastructure on developers and ultimately on the new residents moving to their community. These methods include negotiated development exactions and statutory impact fees. (Strom Thurmond Institute)

Negotiated Development Exactions

Negotiated development exactions may be used in the development or annexation approval process to assist in funding infrastructure for public services to a new development. The assistance may come in one of several forms. The developer may provide land within the development for the location of a public facility such as a park or construct a fire station. The developer may make a payment with the money to be used for infrastructure serving the development. (Strom Thurmond Institute)

Development Impact Fees

Impact fees are similar to negotiated exactions in that the developer provides assistance in financing public infrastructure required to serve the new development. They differ from negotiated exactions in that they are not voluntary, but are instead imposed by the local government in a manner similar to other fees. (Strom Thurmond Institute)

The South Carolina Development Impact Fee Act establishes the rules under which South Carolina communities may develop and implement impact fee ordinances. The Act permits the assessment of impact fees for a number of public facilities and include water and wastewater, solid waste and recycling, roads, streets, and bridges, storm water, public safety facilities, capital equipment over \$100,000, parks, libraries, and recreation

facilities. A number of communities around the state have adopted impact fee ordinances. (Strom Thurmond Institute)

Urban County HUD Entitlement Grant

The City of Conway and Myrtle Beach agreed to give up their entitlement city statuses in order for Horry County to become eligible to become an entitlement county. Horry County would become the primary beneficiary of \$1,497,929 in grant funds for the first year. Both cities have a three-year agreement with Horry County to receive a percentage of these funds that exceeds their past allotments. This grant is designed to assist low/moderate income residents by improving infrastructure and public services.

Tax Increment Financing

Tax increment financing is a useful economic development tool in the redevelopment of blighted areas within a community where “private initiatives are unlikely to alleviate those conditions without substantial public assistance”. Redevelopment project costs includes “all reasonable or necessary public costs incurred or estimated to be incurred and costs incidental to a redevelopment project”. (South Carolina Tax Increment Financing Law)

Development of a Funding Strategy

The City should develop a comprehensive funding strategy to finance needed capital improvements. The Transportation Element will include funding options for that critical part of the City’s future. Other major projects should also be included in this strategy. Grants, general obligations bonds, and continued updating of fees for city services should be considered when developing this strategy.

Priority Investment Zones

Part of the Priority Investment Act provides for the creation of priority investment zones. A “governing authority may adopt market-based incentives or relax or eliminate non-essential housing regulatory requirements to encourage private development in the priority investment zone. The governing authority also may provide that traditional neighborhood design and affordable housing must be permitted within the priority investment zone.”(Priority Investment Act)

'Nonessential housing regulatory requirements' mean those development standards and procedures that are determined by the local governing body to be not essential within a specific priority investment zone to protect the public health, safety, or welfare and that may otherwise make a proposed housing development economically unfeasible. Nonessential housing regulatory requirements may include, but are not limited to:

- Standards or requirements for minimum lot size, building size, building setbacks, spacing between buildings, impervious surfaces, open space, landscaping, buffering, reforestation, road width, pavements, parking, sidewalks, paved paths, culverts and storm water drainage, and sizing of water and sewer lines that are excessive; and
- Application and review procedures that require or result in extensive submittals and lengthy review periods." (Priority Investment Act)

'Traditional neighborhood design' means development designs intended to enhance the appearance and functionality of the new development so that it functions like a traditional neighborhood or town. These designs make possible reasonably high residential densities, a mixture of residential and commercial land uses, a range of single and multifamily housing types, and street connectivity both within the new development and to surrounding roadways, pedestrian, and bicycle features. (Priority Investment Act)

'Affordable housing' means in the case of dwelling units for sale, housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than twenty-eight percent of the annual household income for a household earning no more than eighty percent of the area median income, by household size, for the metropolitan statistical area as published from time to time by the U.S. Department of Housing and Community Development (HUD) and, in the case of dwelling units for rent, housing for which the rent and utilities constitute no more than thirty percent of the annual household income for a household earning no more than eighty percent of the area median income, by household size for the metropolitan statistical area as published from time to time by HUD. (Priority Investment Act)

Coordination with Adjacent and Relevant Agencies and Jurisdictions

The City Planning Commission and/or Planning Department staff will provide written notification of projects included in the CIP to those agencies and jurisdictions that are affected by or have planning authority. To meet the intent and purpose of this requirement those capital projects for which notification will be given shall be for roads/bridges projects, buildings and major structures.

Goals, Objectives and Strategies

Primary Goal

Develop a comprehensive funding strategy to finance needed capital improvements and meet the requirements of the Priority Investment Element.

Goal 1: Complete a 5-year capital improvement plan and expand the timeframe to 10 years within a one year period.

Objective 1: Determine capital improvements and develop funding plan based on available funding.

Strategies: Continue to monitor the capital needs of all city departments and the overall needs of the City.

Identify and develop priorities to complete capital projects and achieve and maintain desired levels of services.

Consider cost of maintenance and operation of all capital projects.

Track the cost of maintenance of facilities to assure funds are being spent in an appropriate manner.

Objective 2: Explore and develop funding opportunities for future capital improvements that are needed in order to expand the funds available for major city projects such as transportation improvements. Include these projects the in Capital Improvements Plan and Priority Investment Element.

Strategies: Identify and pursue state and federal grants and other funding for capital improvements.

Consider local options such as impact fees, tax increment financing and negotiated development exactions.

Develop partnerships on a regional or countywide basis to complete when appropriate.

Objective 3: Coordinate with all adjacent and relevant agencies and jurisdictions.

Strategies: Identify projects within the CIP that would require notification.

Develop a timely and appropriate notification schedule for relevant jurisdictions and agencies.

5 YEAR CAPITAL SUMMARY BY DEPT

ADMINISTRATION		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	1	0	0	0	1
PERSONNEL		0	45,000	0	0	0	45,000
CAPITAL		<u>147,200</u>	<u>36,500</u>	<u>57,000</u>	<u>60,000</u>	<u>30,000</u>	<u>330,700</u>
TOTAL		147,200	81,500	57,000	60,000	30,000	375,700

PLANNING		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	0	1	0	0	1
PERSONNEL		0	0	39,715	0	0	39,715
CAPITAL		<u>0</u>	<u>27,000</u>	<u>2,500</u>	<u>18,500</u>	<u>0</u>	<u>48,000</u>
TOTAL		0	27,000	42,215	18,500	0	87,715

FINANCE		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	0	1	1	1	3
PERSONNEL		0	0	15,000	30,376	26,897	72,273
CAPITAL		<u>15,000</u>	<u>57,000</u>	<u>50,000</u>	<u>17,000</u>	<u>10,000</u>	<u>149,000</u>
TOTAL		15,000	57,000	65,000	47,376	36,897	221,273

POLICE		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	2	3	2	3	10
PERSONNEL		0	63,750	103,174	66,980	102,984	336,888
CAPITAL		<u>181,800</u>	<u>250,000</u>	<u>262,500</u>	<u>275,625</u>	<u>289,500</u>	<u>1,259,425</u>
TOTAL		181,800	313,750	365,674	342,605	392,484	1,596,313

COURT		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	0	0	0	0	0
PERSONNEL		0	0	0	0	0	0
CAPITAL		<u>1,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
TOTAL		1,000	0	0	0	0	1,000

5 YEAR CAPITAL SUMMARY BY DEPT

FIRE		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	0	9	1	2	12
PERSONNEL		0	0	133,672	28,930	73,468	236,070
CAPITAL		<u>70,850</u>	<u>80,600</u>	<u>308,500</u>	<u>81,000</u>	<u>87,000</u>	<u>627,950</u>
TOTAL		70,850	80,600	442,172	109,930	160,468	864,020

BUILDING		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	0	0	0	0	0
PERSONNEL		0	0	0	0	0	0
CAPITAL		<u>12,500</u>	<u>14,000</u>	<u>16,000</u>	<u>0</u>	<u>14,000</u>	<u>56,500</u>
TOTAL		12,500	14,000	16,000	0	14,000	56,500

STREET		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	0	0	0	0	0
PERSONNEL		0	0	0	0	0	0
CAPITAL		<u>512,000</u>	<u>676,600</u>	<u>651,430</u>	<u>581,502</u>	<u>511,827</u>	<u>2,933,358</u>
TOTAL		512,000	676,600	651,430	581,502	511,827	2,933,358

MAINTENANCE		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	0	0	1	0	1
PERSONNEL		0	0	0	31,898	0	31,898
CAPITAL		<u>775,000</u>	<u>195,000</u>	<u>80,000</u>	<u>55,000</u>	<u>100,000</u>	<u>1,205,000</u>
TOTAL		775,000	195,000	80,000	86,898	100,000	1,236,898

BEAUTIFICATION		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	1	0	1	1	3
PERSONNEL		0	22,847	0	24,003	24,603	71,453
CAPITAL		<u>0</u>	<u>43,000</u>	<u>24,000</u>	<u>37,000</u>	<u>35,000</u>	<u>139,000</u>
TOTAL		0	65,847	24,000	61,003	59,603	210,453

5 YEAR CAPITAL SUMMARY BY DEPT

SOLID WASTE		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	0	0	0	0	0
PERSONNEL		0	0	0	0	0	0
CAPITAL		0	0	0	0	0	0
TOTAL		0	0	0	0	0	0

RECREATION		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	3	13	2	1	19
PERSONNEL		0	80,839	229,158	48,993	37,848	396,838
CAPITAL		300,000	365,000	456,000	419,000	183,000	1,723,000
TOTAL		300,000	445,839	685,158	467,993	220,848	2,119,838

STREET & DRAINAGE		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	0	0	0	0	0
PERSONNEL		0	0	0	0	0	0
CAPITAL		360,000	370,000	375,000	385,000	395,000	1,885,000
TOTAL		360,000	370,000	375,000	385,000	395,000	1,885,000

STORM WATER		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	0	0	0	0	0
PERSONNEL		0	0	0	0	0	0
CAPITAL		401,000	278,000	303,000	303,000	303,000	1,588,000
TOTAL		401,000	278,000	303,000	303,000	303,000	1,588,000

PUBLIC UTILITIES		FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS		0	3	3	0	3	9
PERSONNEL		0	92,971	84,945	0	89,245	267,161
CAPITAL		5,620,000	2,765,000	1,830,000	1,370,000	2,305,000	13,890,000
TOTAL		5,620,000	2,857,971	1,914,945	1,370,000	2,394,245	14,157,161

**CITY OF CONWAY
5 YEAR CAPITAL PLAN SUMMARY
FY 2008-2009 THRU FY 2012-2013**

ALL DEPTS	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
# PERSONNEL REQUESTS	0	10	30	8	11	59
PERSONNEL	0	305,407	605,664	231,180	355,045	1,497,296
CAPITAL	<u>8,396,350</u>	<u>5,157,700</u>	<u>4,415,930</u>	<u>3,602,627</u>	<u>4,263,327</u>	<u>25,835,933</u>
TOTAL	8,396,350	5,463,107	5,021,594	3,833,807	4,618,372	27,333,229

**CITY OF CONWAY
5 YEAR CAPITAL PLAN SUMMARY
FY 2008-2009 THRU FY 2012-2013
OF PERSONNEL REQUESTED BY DEPT**

	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
ADMINISTRATION	0	1	0	0	0	1
PLANNING	0	0	1	0	0	1
FINANCE	0	0	<u>1</u>	1	1	3
POLICE	0	2	3	2	3	10
COURT	0	0	0	0	0	0
FIRE	0	0	9	1	2	12
BUILDING	0	0	0	0	0	0
STREET	0	0	0	0	0	0
MAINTENANCE	0	0	0	1	0	1
BEAUTIFICATION	0	1	0	1	1	3
SOLID WASTE	0	0	0	0	0	0
RECREATION	0	3	<u>13</u>	2	1	19
STREET & DRAINAGE	0	0	0	0	0	0
STORM WATER	0	0	0	0	0	0
PUBLIC UTILITIES	<u>0</u>	<u>3</u>	<u>3</u>	<u>0</u>	<u>3</u>	<u>9</u>
TOTAL	0	10	30	8	11	59

NOTES: (1)FY2010 - 2011 FINANCE POSITION IS RECLASSIFICATION FROM PART-TIME TO FULL-TIME.

(2)FY2010 - 2011 RECREATION POSITIONS- (10) PART-TIME ONLY FOR RECREATIONAL FACILITY.

**CITY OF CONWAY
5 YEAR CAPITAL PLAN SUMMARY
FY 2008-2009 THRU FY 2012-2013**

PERSONNEL REQUESTS BY DEPT

	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
ADMINISTRATION	0	45,000	0	0	0	45,000
PLANNING	0	0	39,715	0	0	39,715
FINANCE	0	0	15,000	30,376	26,897	72,273
POLICE	0	63,750	103,174	66,980	102,984	336,888
COURT	0	0	0	0	0	0
FIRE	0	0	133,672	28,930	73,468	236,070
BUILDING	0	0	0	0	0	0
STREET	0	0	0	0	0	0
MAINTENANCE	0	0	0	31,898	0	31,898
BEAUTIFICATION	0	22,847	0	24,003	24,603	71,453
PUBLIC WORKS	0	0	0	0	0	0
RECREATION	0	80,839	229,158	48,993	37,848	396,838
STREET & DRAINAGE	0	0	0	0	0	0
STORM WATER	0	0	0	0	0	0
PUBLIC UTILITIES	<u>0</u>	<u>92,971</u>	<u>84,945</u>	<u>0</u>	<u>89,245</u>	<u>267,161</u>
TOTAL	0	305,407	605,664	231,180	355,045	1,497,296

**CITY OF CONWAY
5 YEAR CAPITAL PLAN SUMMARY
FY 2008-2009 THRU FY 2012-2013
CAPITAL REQUESTS BY DEPT**

	FY 2008-2009	FY 2009-2010	FY 2010-2011	FY 2011-2012	FY 2012-2013	TOTAL
ADMINISTRATION	147,200	36,500	57,000	60,000	30,000	330,700
PLANNING	0	27,000	2,500	18,500	0	48,000
FINANCE	15,000	57,000	50,000	17,000	10,000	149,000
POLICE	181,800	250,000	262,500	275,625	289,500	1,259,425
COURT	1,000	0	0	0	0	1,000
FIRE	70,850	80,600	308,500	81,000	87,000	627,950
BUILDING	12,500	14,000	16,000	0	14,000	56,500
STREET	512,000	676,600	651,430	581,502	511,827	2,933,358
MAINTENANCE	775,000	195,000	80,000	55,000	100,000	1,205,000
BEAUTIFICATION	0	43,000	24,000	37,000	35,000	139,000
PUBLIC WORKS	0	0	0	0	0	0
RECREATION	300,000	365,000	456,000	419,000	183,000	1,723,000
STREET & DRAINAGE	360,000	370,000	375,000	385,000	395,000	1,885,000
STORM WATER	401,000	278,000	303,000	303,000	303,000	1,588,000
PUBLIC UTILITIES	<u>5,620,000</u>	<u>2,765,000</u>	<u>1,830,000</u>	<u>1,370,000</u>	<u>2,305,000</u>	<u>13,890,000</u>
TOTAL	8,396,350	5,157,700	4,415,930	3,602,627	4,263,327	25,835,933