Crossroads

Millions are riding on park, spec building decisions

Spec Building #1

Location: Oconee Commerce Center on Highway 11
Year built: 2004
Cost: Approximately $770,000
Sold: 2007 after 23 months on the market, for $770,000
Return: Lift Technologies, Inc. invested more than $3.2 million to expand the building, created 50 new jobs and increased the county's tax base.

Proposed Spec Building #2

Location: Oconee Commerce Center on Highway 11
Cost: $1.8 million
Estimated time on the market: 35 months according to national average
Return on Investment: Unknown

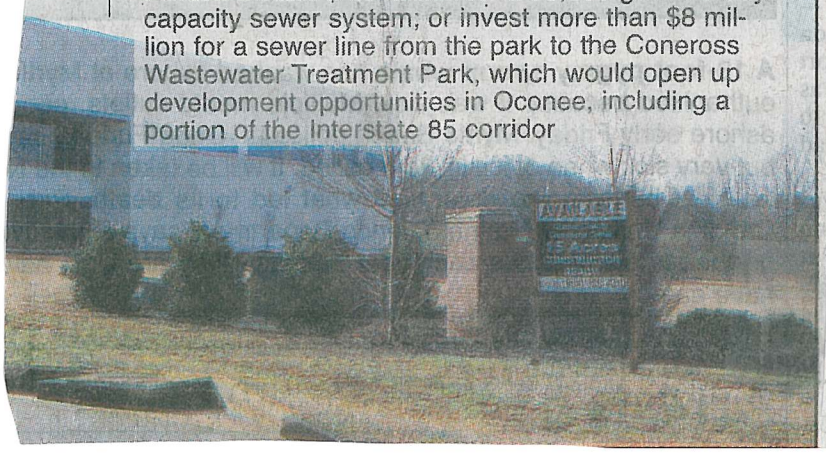


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High stakes development decisions to be made soon

Golden Corner Commerce Park

Location: Highway 59, Fair Play
Size: 397 acres of which approximately 260 acres could be developed
Cost: Purchased land for $2.3 million in 2005
Additional costs: Approximately $105,000 on Preliminary Engineering Report (PER), soil analysis, topography profile, etc.
Future Costs: $4.3 million for a 50,000-gallon-a-day capacity sewer system; or invest more than $8 million for a sewer line from the park to the Coneross Wastewater Treatment Park, which would open up development opportunities in Oconee, including a portion of the Interstate 85 corridor



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In the weeks ahead, decisions will be made that will shape the future of economic development in Oconee County for decades. This is the first in a six-part series looking at economic development past, present and future. What are the options? What will they cost? What's in it for you?

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WALHALLA — Oconee County stands at a crossroads of economic development policy decisions that likely will dictate where and how to spend millions of tax dollars in the months and years ahead.



Among the tough choices facing the County Council is whether to continue the policies of the past that put most, if not all, of the county's economic development chips on two bets — development of the proposed Golden Corner Commerce Park on Highway 59 in Fair Play and investing in publicly-funded spec buildings — to attract industry and create jobs.

The idea of turning nearly 400 acres of rural land along an agricultural beltway into an industrial park was conceived in 2005. Promoters of the plan saw it as an opportunity to set up an industrial park just a hop, step and jump away from the coveted Interstate 85 corridor.

Promoters claimed a strategically placed park, near the interstate, halfway between the booming Atlanta and Charlotte markets, would bring hundreds if not thousands of new jobs to Oconee and significantly expand its tax base.

Almost five years later, after having spent $2.3 million on the land that some critics have called Oconee's "Field of Dreams," the parcel sits empty with no clear-cut timeline for improvement.

BIG-TICKET CHOICES

The lack of sewer is the biggest obstacle to getting an industrial park open for business at the site. A report prepared last year by W.K. Dickson Engineering, a consultant for the Oconee Joint Regional Sewer Authority, outlined three options for sewer at the Golden Corner Commerce Park (GCCP).

Each option carries a multi-million-dollar price tag.

However, that's not the only dilemma the present Council has inherited from previous policymakers.

The Economic Development Commission is asking Council to approve a a $1.8 million spec building at the Oconee County Commerce Center on Highway 11 near Westminster.

Most economic development experts in South Carolina agree that spec buildings are wonderful tools for attracting companies looking for a location to start or expand their business.

However, unlike the vast majority of counties in the state that bring in private investors to fund spec buildings, Oconee proposes to continue using mostly tax dollars.

As significant as the council's decision regarding a new spec building may be, it pales in the face of the decision whether to proceed with the next step at the GCCP. If a spec building sets the tone for how the county intends to attract business in the short run, the Golden Corner Commerce Park represents an investment for the decades. The decision whether to make that investment is just around the corner. Last fall, a largely different group of county council members voted 3-2 to move forward with the development of a wastewater treatment system at the park. Since then, approximately $105,000 has been spent for preliminary engineering and soil and topographic studies. However, within a month, the county will likely be asked by the Oconee Joint Regional Sewer Authority (OJRSA) to, quite literally, put its money where the previous council's mouth was.

The cost of the first phase of the project — a 50,000 gallon-per-day treatment system — is expected to be at least $4.3 million.

On June 18, the OJRSA submitted a modified preliminary engineering report (PER) with the South Carolina Dept. of Health and Environmental Control (DHEC). This week, DHEC spokesman Jeff DeBessonet said that an internal review of the report and a "decision on the soils component" would likely be ready within 30 days.

RAISING THE STAKES

OJRSA Director Bob Winchester said he intends to go before county council as soon as he has the PER approved. Winchester has stated the OJRSA position several times. "We will build whatever anyone is willing to pay for." However, Winchester said moving into the engineering phase of the project without a further commitment from the council is not advisable. However, council approval would mean the group is not only agreeing to spend $4.3 million, but, in essence, would represent a commitment to a three-phase development with a price tag in excess of $8 million. Three new council members remain uncommitted.

Council Chairman Reg Dexter, who along with Wayne McCall and Joel Thrift inherited the previous council's decisions, indicated this week that he would be willing to consider alternatives.

For instance, Dexter is inclined to take a closer look at a third option for sewer at the Golden Corner Commerce Park contained in the W.K. Dickson Engineering report that the previous Council deemed too expensive to consider because of its front-end initial cost of about $8.5 million.

The consultant said that would pay to have a force-main sewer line go from the industrial park back to the Coneross Wastewater Treatment Plant near Seneca. Although more expensive initially because several pump stations would have to be built to support the infrastructure, Dexter said it also would bring sewer to new areas in the county and open the door for development opportunities.

Furthermore, Dexter said that under this plan a sewer line would not have to stop at the park but continue on to exits 2-4 on I-85 and its yet untapped potential.

Dexter said the county's Finance Department is taking a comprehensive look at capital funds and researching what's been set aside for projects. The new Council is determined to make decisions going forward based on the big picture.

"To spend ($1.8 million) on one spec building, when it could be put toward a sewer line that opens many lots, that's something we need to look at," Dexter said. When Winchester does go before the council for a commitment on the GCCP sewer project, very likely Pioneer Water District General Manager Terry Pruitt will be in the audience. Pioneer provides water service throughout much of southern Oconee County, including an existing line near the Commerce Park. That line, however, will not support the fire protection required by industries in the park. As a result, a decision to install a 20-inch line past the park to Fair Play has already been made by Pioneer. Although Pruitt said the line could also serve exits 2 and 4 on I-85, a decision by the council not to move ahead at the park would be a blow to Pioneer's plans.

Dexter said a capital development discussion to decide what to do regarding a spec building and how to proceed with the Golden Corner Commerce Park would take place sometime after a special election Aug. 25 to fill the empty District 1 County Council seat. Council might also want to wait until a new county administrator is hired.