
Capital Projects

Charleston County

Charleston County's capital program encompasses building and renovating capital facilities, large items of capital equipment, road construction, and contributions to other local governments' capital projects. The program's goal is to enhance the quality of life in the community.

Council and staff annually review the program, its direction, progress, and financing requirements. The Capital Projects Department manages the majority of the construction projects. The Public Works Roads Management Division manages most road construction projects, the Solid Waste Administration Division manages the solid waste projects, and the Facilities Management Department manages the remainder of the projects.

Financing the Capital Program

Generally, the County finances its capital program through debt. The three types used are General Obligation Bonds (GOBs), Certificates of Participation (COPs), and Revenue Bonds. The South Carolina State Constitution limits overall County debt to eight percent of the assessed value of the property base. Since taxable property is assessed from 4 to 10.5 percent of appraised value, this is a restrictive limit. Revenue Bonds, GOBs approved by voter referendum, and COPs issued prior to January 1, 1996 are not currently subject to this limitation. The South Carolina Aquarium and North Charleston Coliseum projects as well as a portion of the Library project are referendum debt.

The County finances resource recovery, solid waste, and recycling programs with Revenue Bonds. The County also seeks other sources of funds for capital projects. State and Federal funding are two of these sources. The South Carolina Department

of Transportation (SCDOT) changed its policy and now permits willing local governments to manage the construction of funded, but low State priority, road projects.

Two additional sources of funding are revenue derived from the sale of real estate and contributions from other agencies. Per the County Budget Ordinance, all revenues from the sale of real estate must be used for capital projects.

Another source of funding recently utilized is a Capital Lease. Capital leases provide the ability to fund relatively smaller capital needs without issuing General Obligation bonds. During FY 2002, the County entered into a lease agreement to fund replacement computer equipment over a three year period.

Promoting community and continual economic development is also an objective of the County's capital improvement program. During FY 2001, County Council agreed to support the Cooper River Bridges replacement project with an annual contribution of \$3 million for 25 years, beginning in FY 2004. A half cent sales tax was proposed and passed by referendum during the 2002 General Election to support this project. However, the results were challenged and overturned after the approval of the FY 2004 budget. The source of funds for the annual bridge payment has not been determined; however, several sources are under discussion.

Capital Projects

Charleston County

CAPITAL IMPROVEMENT PROGRAM (in 000's)

Project / Life	Total Project Estimate	GOB Funds Available	COP Funds Available	Other Funds Available	Future Funding Required
Cooper River Bridge Replcmnt - 3 yrs	\$ 75,000	\$ 0	\$ 0	\$ 3,000	\$ 72,000
County Office Building / Blake - 4 yrs	16,607	14,150	2,457	0	0
EMS Medic Stations 4, 6, and 7 - 3 yrs	3,575	3,575	0	0	0
John's Island Branch Library - 2 yrs	4,350	4,350	0	0	0
Juvenile Detention Center - 2 yrs	8,096	8,096	0	0	0
Melbourne Avenue - 2 yrs	4,500	4,500	0	0	0
Road Construct. Projects - 1-3 yrs	18,000	0	0	18,000	0
Tax System - 2 yrs	1,783	1,783	0	0	0
TOTAL PROJECTS	\$ 131,911	\$ 36,454	\$ 2,457	\$ 21,000	\$ 72,000

The projects above reflect significant infrastructure improvements and additions, but do not include small projects such as heating and air system replacements, building renovations, and some computer equipment and software. Not shown are projects supported from General Fund appropriations for capital improvements managed and performed by the County's Facilities Management Department. This Department renovates offices, does carpentry work, and performs building mechanical maintenance and repairs. Occasionally, the scope and duration of projects are so large that funding sources are mixed, utilizing General Obligation Bonds, Certificates of Participation and other funding sources.

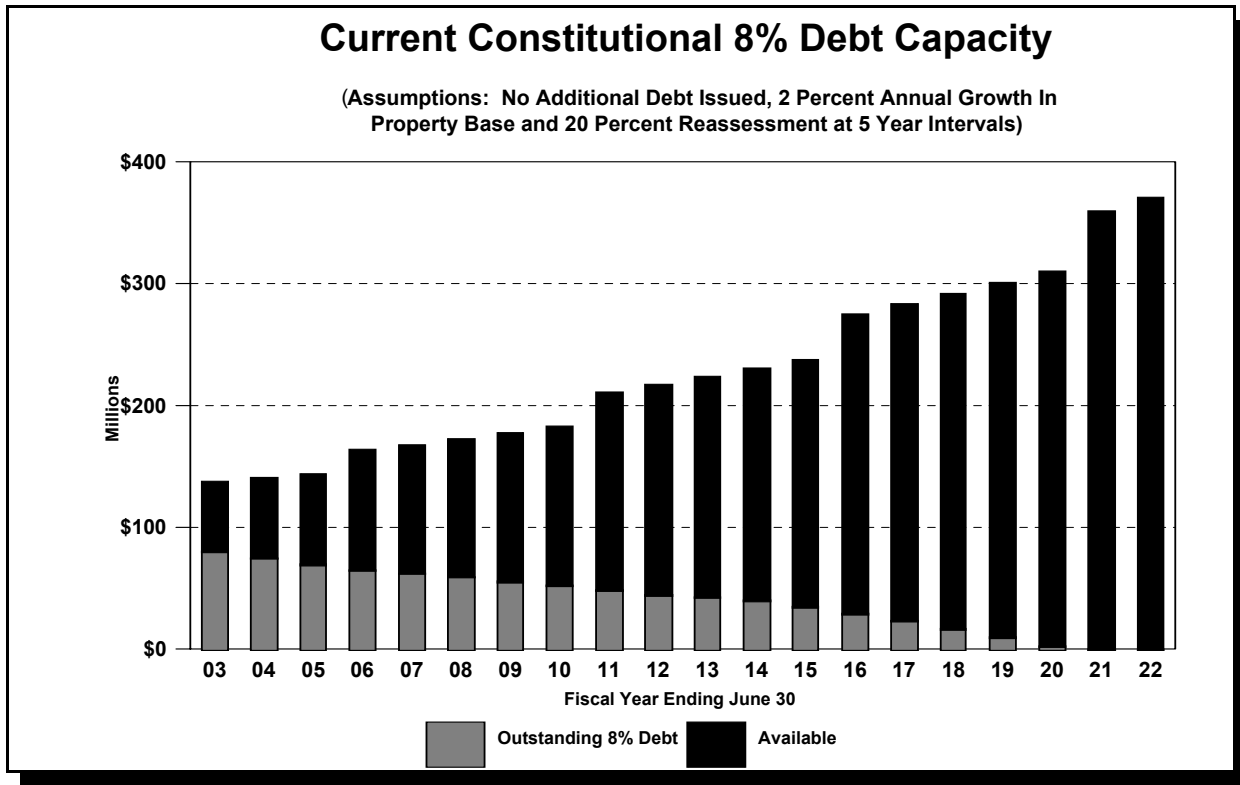
The County has begun the development of a five year plan to address future and existing facility and capital needs. This plan will evaluate existing County-owned

facilities and land, rented facilities and prioritized needs from an annual survey. This plan will be updated on an annual basis. The funding for this plan will come from the sale of existing County-owned facilities and land, the reprogramming of existing funds, or the issuance of additional debt.

Also not shown above are improvements to the Solid Waste program funded with the Solid Waste Revenue Bonds, totaling \$22.9 million, issued to fund the following: repayment of outstanding Revenue Bond Anticipation Notes, bond insurance, the debt service reserve fund, final closure and capping of the Romney Street Landfill and Ash Monofill at the Bee's Ferry Landfill, partial closure of and purchase of a borrow pit for the Bee's Ferry Landfill, and engineering and permitting of a new landfill at the Sheppard Property site.

Capital Projects

Charleston County



Total Assessment at June 30, 2003	\$1,723,059,976
Constitutional Debt Limit (8% of Assessment)	\$137,844,798
Outstanding 8% Debt	\$80,245,000
Available Capacity	\$57,599,798

As indicated previously, the South Carolina State Constitution limits the debt capacity of all governmental entities seeking capital through securities exchanges to eight percent of the assessed value of the property base. Revenue Bonds, GOBs approved by voter referendum, and COPs issued prior to January 1, 1996 are not currently subject to this limitation. However, the South Carolina legislature, during its 1995 session passed legislation which makes COPs issued after January 1, 1996 subject to the eight percent limit.

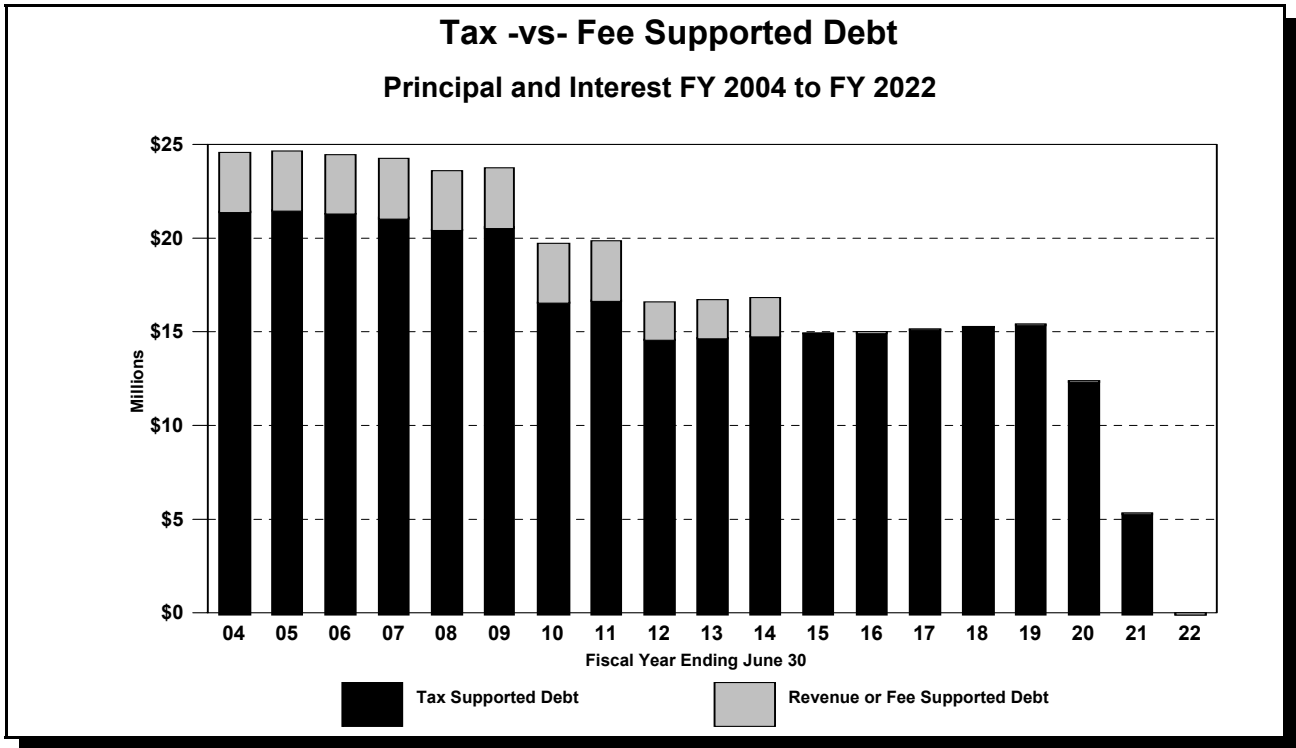
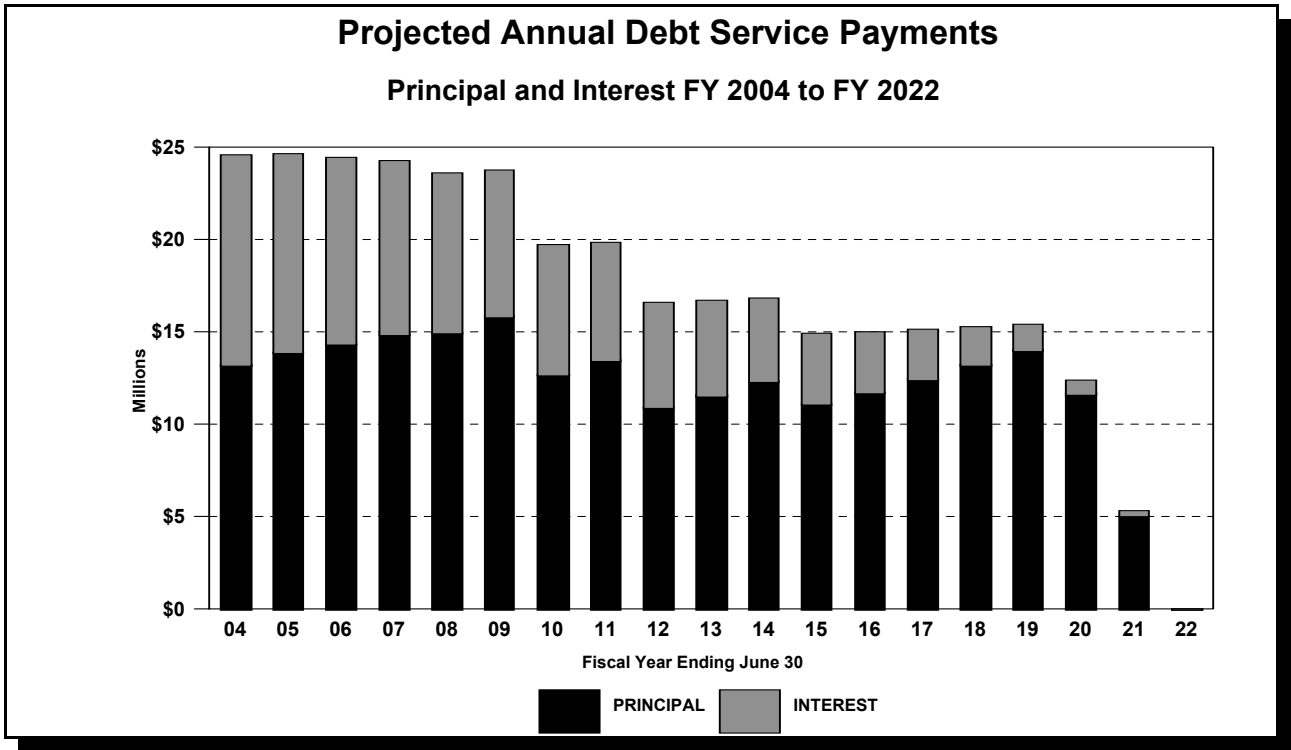
The County's outstanding debt subject to the eight percent limit is \$80.2 million at June 30, 2003 and its capacity to issue new

debt is approximately \$57.6 million. The County's last issue of debt was during FY 2001 when the County issued \$30 million in GOBs to fund completion of existing projects and the construction of three replacement Emergency Medical Service Stations.

Municipal bond rating agencies have rated Charleston County's General Obligation debt "AA+" (Standard & Poor's Corporation), "Aa1" (Moody's Investors Service) and "AA" (Fitch, IBCA, Duffy & Phelps). The County's general strategy for maintaining these high ratings is to follow its debt policy outlined in the Appendix of this document.

Capital Projects

Charleston County



Capital Projects

Charleston County

Charleston County Schedule of Debt Service (in Millions)

	Fiscal Year								
	04	05	06	07	08	09 - 13	14 -18	19-23	TOTAL
Tax Supported									
Principal	\$ 11.4	\$ 12.0	\$ 12.4	\$ 12.8	\$ 12.7	\$ 53.5	\$ 58.9	\$ 30.7	\$ 204.4
Interest	10.0	9.5	8.9	8.3	7.8	29.7	16.3	2.4	92.9
Subtotal	21.4	21.5	21.3	21.1	20.5	83.2	75.2	33.1	297.3
Revenue/Fee Supported									
Principal	1.8	1.9	2.0	2.1	2.2	11.1	1.9	0.0	23.0
Interest	1.4	1.3	1.1	1.0	0.9	2.4	0.1	0.0	8.2
Subtotal	3.2	3.2	3.1	3.1	3.1	13.5	2.0	0.0	31.2
Total									
Principal	13.2	13.9	14.4	14.9	14.9	64.6	60.8	30.7	227.4
Interest	11.4	10.8	10.0	9.3	8.7	32.1	16.4	2.4	101.1
TOTAL ANNUAL DEBT	\$ 24.6	\$ 24.7	\$ 24.4	\$ 24.2	\$ 23.6	\$ 96.7	\$ 77.2	\$ 33.1	\$ 328.5

The County's annual debt service consists of principal and interest payments on tax and fee supported debt. The graphs and table depict the total outstanding debt for the next 20 years. As of July 1, 2003, total outstanding debt is \$328.5 million (principal payments of \$227.4 million and interest payments of \$101.1 million). The graphs and table show that the level of debt funded by taxes is consistently higher than the level attributable to user fees. Whenever possible, the County issues debt which can be paid by sources other than taxes. Most Enterprise Fund debt whether it is GOBs, COPs or Revenue Bonds is funded through the revenue generated by that fund.

Impact on the Operating Budget

The capital program directly impacts the operating budget. Upon completion of a project the costs to operate and maintain a new facility are funded in the operating budget relative to the project. The County's current operating cost of \$5 per square foot includes administrative costs, insurance, building maintenance, utilities and security, but excludes indirect costs and depreciation. No additional operating costs are usually incurred for infrastructure improvements, since the original infrastructure had operating costs associated with them.

Capital Projects

Charleston County

Project Status Reports

The County has completed several construction projects over the last two years. Outstanding projects currently in design, under construction or in the planning phase include the following:

- Construction of a new **John's Island Branch Library** was approved by County Council during FY 1999. Funded by the 2001 GOB, this project has an estimated cost of \$4.4 million inclusive of books, computers and equipment. Consisting of 16,000 square feet, the library will be located on -Maybank Highway. Operating costs will include new FTEs to manage the anticipated workload. Construction began January 2003 with anticipated completion in July 2004.
- A new 35,000 square foot, \$8.1 million **Juvenile Detention** facility on 3.9 acres at 2144 Melbourne Avenue is programmed to be constructed adjacent to the temporary Judicial Center. The design has been completed, but construction has been placed on hold pending findings of a consultant's study. A determination as to final staffing levels will not take place until the project has advanced.
- The temporary Judicial Center at **Melbourne Avenue** is programmed to be renovated for the Sheriff's Law Enforcement Offices. Total approved funding to-date is \$4.5 million. Design work has not yet begun and no completion date has been set for this project.
- Renovation of the **O.T. Wallace County Office Building (COB) and Blake Tenement Buildings** at Courthouse Square began April 16, 2001. With a projected completion date of June 2004, this project includes complete renovation and modernization of all six floors of the COB and restoration of, and addition to, the Blake Tenement Building. Phase one, or the internal demolition and renovation of floors four, five and six, has been completed with the Solicitor and the Public Defender occupying the floors in July 2002. Phase two, to renovate floors one, two, and three is underway. All floors should be completed by the Fall of 2004. With an estimated cost of \$16.6 million, this project is funded by GOBs and COPs.
- Design of replacement **EMS Medic Stations** for James Island, John's Island and McClellanville is complete. The James Island EMS station (Medic 4) will be located at Signal Point and Folly Road providing a central location to best serve the primary service area. The John's Island EMS station (Medic 7) will also include the John's Island Magistrate's Court. The McClellanville EMS station (Medic 6) will include replacement of the McClellanville Fire Station and Magistrate's Court. Total projected cost is \$3.6 million and is funded in the 2001 GOB. Construction of each station is projected to require twelve months to complete.

Capital Projects

Charleston County

COOPERATIVE PROJECTS

Other projects such as the County's **road work** programs, funded with State appropriated "C" funds, are continuously ongoing. The annual appropriation for FY 2004 is anticipated to be at least \$3.5 million. Projects such as road work, bridge replacements, road resurfacing, road paving, and bikeway construction are still in progress. The County currently has a cumulative "C" fund budget of approximately \$18.0 million. Due to the scope and nature of road work projects, most projects take between one and three years to complete.

These funds are administered by the Charleston County Transportation Committee (CCTC), which includes community representatives and select Public Works staff. The State Department of Transportation provides various funding mechanisms to encourage participation and cooperation in the maintenance and construction of local and state roads. During FY 2001 the CCTC participated in the ongoing Intersection Matching Fund Program. This program consists of a 50/50 (Federal passed through State) matching funds formula. The CCTC match will be provided from existing unobligated "C" funds contingency. It is the mission and goal of the CCTC to maximize the use of funding by taking advantage of all programs which will benefit the entire community and further its goal toward economic development.

Charleston County Government, through the **Community Development Block Grant** (CDBG) program, has an ongoing effort in home rehabilitation, and general infrastructure additions. Charleston County has been awarded an Urban Entitlement Grant for the past six years. Funded by the Federal Department of Housing and Urban Development (HUD), the \$3.7 million Urban Entitlement award is divided into three categories: CDBG, Emergency Shelter Grant and HOME. Public Hearings are held to solicit applications for services. Projects are selected for funding by an Advisory Board composed of community leaders and select County staff. For a project to be selected for funding, it must meet specific federal guidelines. At least 48 percent of the Urban Entitlement Grant is allocated to the City of North Charleston. The City of North Charleston is an entitlement zone based on population and specific community needs assessments. Over the past decade the County's CDBG program has completed single family dwellings, purchased mobile homes, renovated homes of the elderly, built recreation centers and demolished structures left unsafe by age or natural disasters. The County's goal is to continue its assistance to the community by enhancing the quality of life through providing citizens with liveable communities.



This page has been left blank intentionally.