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SAVANNAH VALLEY AUTHORITY



ANNUAL REPORT 1987-1988

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State Budget And Control Board

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STATE DOCUMENTS

LETTER OF TRANSMITTAL

The Honorable Carroll A. Campbell, Jr., Governor

The Honorable Members of the General Assembly

On behalf of the Board of Directors and staff of the Savannah Valley Authority (formerly Clarks Hill-Russell Authority), it is a distinct pleasure to submit the Authority's 1987-1988 Annual Report because, as has been true the last several years, this has been the Authority's most productive year yet.

This fiscal year began with the Authority in the midst of negotiations with Cooper Communities, Inc., for the development of the Savannah Lakes Village project on Thurmond Lake (formerly Clarks Hill Lake) in McCormick County. Working in close conjunction with the Department of Health and Environmental Control, the State Department of Highways and Public Transportation, the Department of Parks, Recreation and Tourism, the Water Resources Commission, and the U.S. Army Corps of Engineers, the Authority and Cooper Communities have obtained the necessary permits to make the recreation and retirement community a reality. As this report is being written, the legal documents required for closing are being finalized. The Authority and Cooper Communities anticipate a December 1988 closing on the project, with development and sales beginning immediately thereafter.

In addition, the Authority has committed its resources for a development near Lake Russell; and by the time this Annual Report is published, the Authority will have developed and begun implementation of a land acquisition program for a Lake Russell project.

Active economic development and cultural resource improvement programs, along with the land development programs, serve to implement the long-range agency business plan.

Recent changes to the Authority's legislation provided the agency with the increased ability to promote economic growth and prosperity. This impact will be felt primarily in the area of water and sewer infrastructure.

The Authority looks forward to the challenge of working in close cooperation with local, regional, state, and national officials to ensure that the economic changes in this Region are properly guided and managed in the best interests of the State. These improvements come as a direct result of continued support from the Governor's Office, the Constitutional officers, the General Assembly, the Congressional delegation, and all the other local and regional "partners for progress." Thank you.

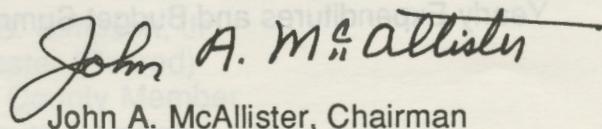

John A. McAllister, Chairman

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SAVANNAH VALLEY AUTHORITY BOARD OF DIRECTORS

John A. McAllister, Chairman
Farmer and Businessman
McCormick County Member
Mt. Carmel, South Carolina

S. M. (Mack) Beaty, Vice Chairman
[Retired from SVA Board, February 1988]
Farmer and Businessman
Member-at-Large
Abbeville, South Carolina

Robert E. Powell, Vice Chairman
Businessman
Member-at-Large
Greenwood, South Carolina

J. Lee Burch, Secretary
Rural Mail Carrier (Retired)
McCormick County Member
McCormick, South Carolina

John R. West, Treasurer
Businessman
Abbeville County Member
Abbeville, South Carolina

Rebecca M. Pennell
School Administrator
Member-at-Large
Anderson, South Carolina

R. Eugene Pruitt
[Appointed to Board, February 1988]
Attorney
Member-at-Large
Abbeville, South Carolina

S. F. Sherard, Jr.
Agro-Business and Real Estate Broker
Abbeville County Member
Calhoun Falls, South Carolina

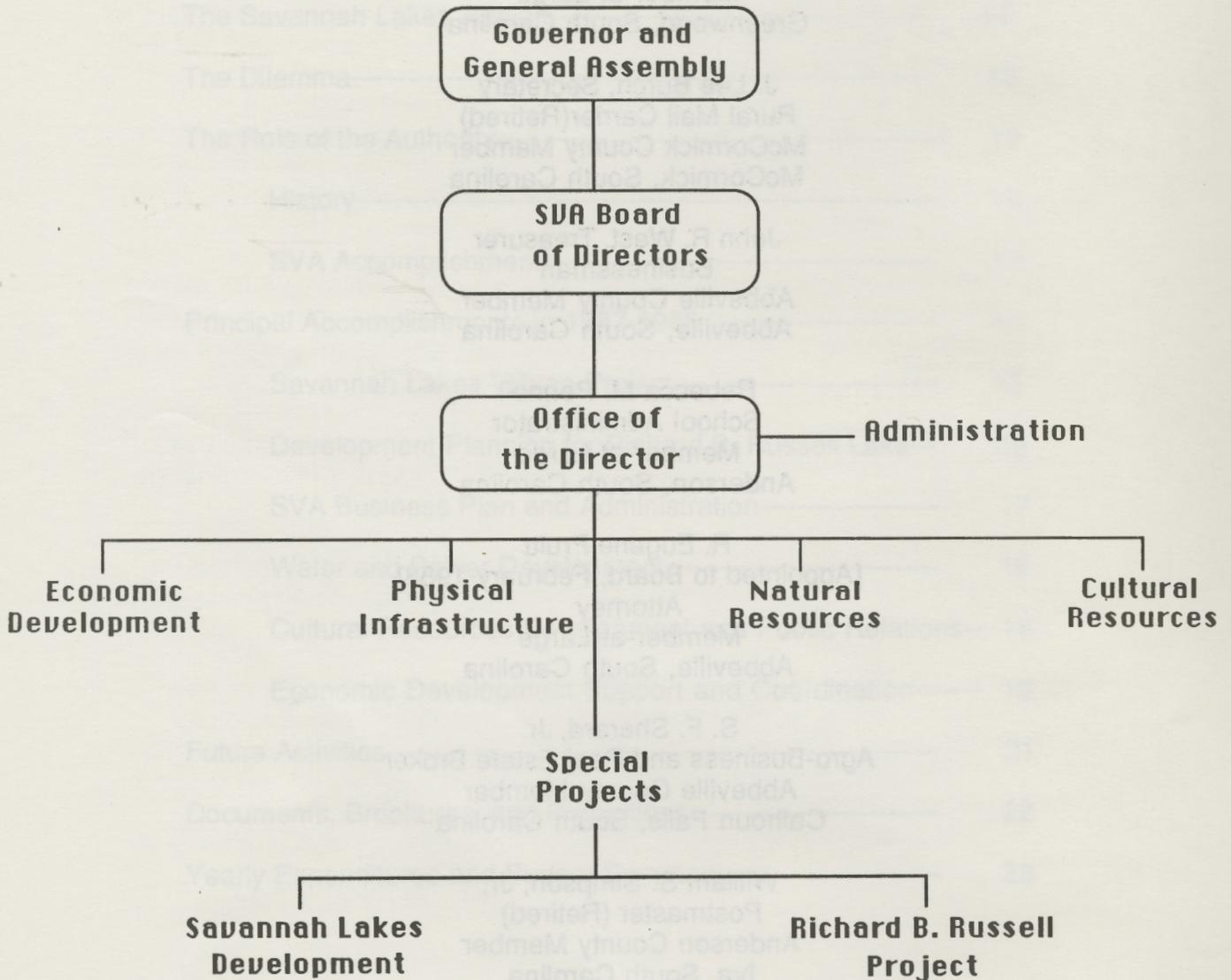
William S. Simpson, Jr.
Postmaster (Retired)
Anderson County Member
Iva, South Carolina

SVA ORGANIZATION

STAFF

James N. Workman-----Executive Director (thru November 1987)
 Morrison J. Parrott -----Executive Director (beginning December 1987)
 John C. Blythe, Jr.-----Cultural Resources Specialist
 Fred E. Catchings-----Economic Development Specialist
 Kathy S. Hollingsworth-----Administrative Assistant
 Sallie W. Rice -----Administrative Specialist

Organizational Chart



STATUTORY AUTHORITY

Section 13-9-10. There is created the Savannah Valley Authority of South Carolina, referred to in this chapter as the 'authority'. The governing body of the authority consists of an eight-member board appointed by the Governor for terms of four years and until successors are appointed and qualify.

At least two of the appointed members must be residents of McCormick County recommended by the legislative delegation of that county.

At least two of the appointed members must be residents of Abbeville County recommended by the legislative delegation of that county.

At least one of the appointed members must be a resident of Anderson County recommended by the legislative delegation of that county.

Vacancies on the board for any reason must be filled for the unexpired term in the manner of original appointment. Members may be removed by the Governor for cause or at will.

Section 13-9-20. The members of the board shall elect one member as chairman and one as vice-chairman and shall also elect a secretary. The board shall meet upon the call of its chairman, and four members constitute a quorum for the transaction of its business.

Section 13-9-30. The board of the authority shall have all the rights and powers of a public body politic and corporate of this State, including without limitation, all the rights and powers necessary or convenient to manage the business and affairs of the authority and to take action as it may consider advisable, necessary, or convenient in carrying out its powers, including, but not limited to the following rights and powers:

- (a) to have perpetual succession;
- (b) to sue and be sued;
- (c) to adopt, use, and alter a seal;
- (d) to make and amend bylaws for regulation of its affairs consistent with the provisions of this chapter;
- (e) to acquire, purchase, hold, use, improve, lease, mortgage, pledge, sell, transfer, and dispose of any property, real, personal, or mixed, or any interest in any property, or revenues of the authority as security for notes, bonds, evidences of indebtedness, or other obligations of the authority. The authority has no power to pledge the credit and the taxing power of the State or any of its political subdivisions;
- (f) to receive contributions, donations, and payments and to invest and disperse the authority's funds;
- (g) to make inquiry into the status of, and plans for, the development of the Clarks Hill-Russell project and the Richard B. Russell project by the United States Government, by the State of Georgia, or by any other agency or instrumentality;
- (h) to encourage, assist, promote, and cooperate in the development of the Savannah River and the streams, canals, or watercourses now or at a later time connected to or flowing into the river and to appear on behalf of the State before any agency, department, or commission of this State, of the United States, or of

any other state in furtherance of the development or of any matter connected with the development or related to the development;

(i) to negotiate agreements, accords, or compacts on behalf of and in the name of the State with the State of Georgia or the United States, or both, with any agency, department, or commission of either or both, or with any other state or any agency, department, or commission of the other state, relating to the development of the Savannah River and the development of the streams, canals, or watercourses now or at a later time connected to or flowing into the river, and particularly in reference to joint or concurrent action in the furtherance of agreements, accords, or contracts. Interstate compacts made by the authority are subject to approval by concurrent resolution of the General Assembly;

(j) to act as the designated agency of the State to receive, purchase, hold title to, and to manage any real property in the Clarks Hill Reservoir project area, in the Richard B. Russell Reservoir project area, and of the Savannah River basin, including its tributaries, streams, canals, and watercourses now or at a later time connected to or flowing into the river, in the State acquired by release of surplus real property, by purchase, by lease, or by exchange and to develop and promote the development of the land for recreational, transportation, residential, commercial, and industrial purposes, both public and private, and to lease, sublease, or convey title in fee simple to the real property subject to approval by the State Budget and Control Board.

The authority may retain, carry forward, and expend any proceeds derived from the sale, lease, rental, or other use of real and personal property under the authority's exclusive jurisdiction. The proceeds may only be used in the development and the promotion of the authority as provided by this chapter and for the purposes authorized by this chapter;

(k) to promulgate regulations affecting the use, management, and control of real property acquired pursuant to item (j) of this section;

(l) to borrow money, make and issue notes, bonds, and other evidences of indebtedness, including refunding and advanced refunding notes and bonds, of the authority; to secure the payment of the obligations or any part by mortgage, lien, pledge, or deed of trust, on any of its property, contracts, franchises, or revenues, including the proceeds of any refunding and advanced refunding notes, bonds, and other evidences of indebtedness and the investments in which proceeds are invested and the earnings on and income from the investments; to invest its monies, including without limitation its revenues and proceeds of the notes, bonds, or other evidences of indebtedness, in obligations of, or obligations the principal of and interest on which are guaranteed by or are fully secured by contracts with, the United States, in obligations of any agency, instrumentality, or corporation which has been or may at a later time be created by or pursuant to an act of the United States Congress as an agency, instrumentality, or corporation, in direct and general obligations of this State, and in certificates of deposit issued by any bank, trust company, or national banking association; to make agreements with the purchasers or holders of the notes, bonds, or other evidences of indebtedness or with others in connection with any notes, bonds or other evidences of indebtedness, whether issued or to be issued, as the authority considers advisable; and to provide for the security for the notes, bonds, or other

evidences of indebtedness and the rights of the holders of the notes, bonds, or other evidences of indebtedness.

In the exercise of the powers granted in this section to issue advanced refunding notes, bonds, or other evidences of indebtedness the authority may, but is not required to, avail itself of or comply with any of the provisions of Chapter 21 of Title 11. The authority, when investing in certificates of deposit, shall invest in certificates of deposit issued by institutions authorized to do business in this State if the institutions offer terms which, in the opinion of the authority, are equal to or better than those offered by other institutions;

(m) to loan the proceeds of notes, bonds, or other evidences of indebtedness to a person, corporation, or partnership to construct, acquire, improve, or expand the projects described in Section 13-9-40;

(n) to make contracts, including service contracts with a person, corporation, or partnership, to provide the services provided in Section 13-9-40, and to execute all instruments necessary or convenient for the carrying out of business.

Section 13-9-35. Upon consent of a majority of the members of the House of Representatives representing the county and a majority of the Senators representing the county, the authority may exercise any of the powers and duties conveyed under the provisions of Section 13-9-30 in the entire area of any county or portion of any county which borders the Savannah River or is within the Savannah River Basin; provided, that this consent, once given shall continue and may be removed only upon consent of a majority of the members of the House of Representatives representing the county, upon consent of a majority of the Senators representing the county, and upon consent of a majority of the Savannah Valley Authority.

Section 13-9-40. The authority may issue revenue bonds for the purpose of financing or refinancing, in whole or in part, the cost of the following projects;

(a) purchasing real estate;

(b) constructing, reconstructing, or improving roads, bridges, culverts, or other transportation facilities;

(c) constructing, reconstructing, improving, or equipping water distribution systems, sewer treatment and distribution facilities, buildings, or environmental utilities;

(d) constructing, reconstructing, and improving recreational facilities, including but not limited to marinas, docks, swimming pools, parks, dams, ponds, golf courses, racquetball and tennis facilities, and equestrian and archery complexes.

In connection with the issuance of bonds, the authority may enter into an agreement with a company to construct, operate, maintain, and improve a project, and the authority may enter into a financing agreement with the company prescribing the terms and conditions of the payments to be made by the company to the authority, or its assignee, to meet the payments that become due on the bonds.

Section 13-9-50. Revenue bonds issued under this chapter for any project described in Section 13-9-40 must be authorized by resolution of the board of the authority. The resolution may contain provisions which are a part of the contract between the authority and the several holders of the bonds as to:

(a) the custody, security, use, expenditure, or application of the proceeds of the bonds;

(b) the acquisition, construction, and completion of any project for which the bonds are issued;

(c) the use, regulation, operation, maintenance, insurance, or disposition of the project for which the bonds are issued, or any restrictions on the exercise of the powers of the board to dispose of or limit or regulate the use of the project;

(d) the payment of the principal of or interest on the bonds and the sources and methods of payment, the rank or priority of any bonds as to any lien or security, or the acceleration of the maturity of any bonds;

(e) the use and disposition of the revenues derived from the operation of any project;

(f) the pledging, setting aside, depositing, or entrusting of the revenues from which the bonds are made payable to secure the payment of the principal of and interest on the bonds or the payment of expenses of operation and maintenance of the project;

(g) the setting aside of revenues, reserves, or sinking funds and the source, custody, security, regulation, and disposition of the revenues, reserves, or sinking funds;

(h) the determination of the definition of revenues or of the expenses of operation and maintenance of the project for which the bonds are issued;

(i) the rentals, fees, or other charges derived from the use of the project and the fixing, establishing, collection, and enforcement of the rentals, fees, or other charges, the amount or amounts of revenues to be produced by the rentals, fees, or other charges, and the disposition and application of the amounts charged or collected;

(j) limitations on the issuance of additional bonds or any other obligations or the incurrence of indebtedness payable from the same revenues from which the bonds are payable;

(k) rules to insure the use of the project by the public or private sector to the maximum extent to which the project is capable of serving the public or private sector;

(l) any other matter or course of conduct which, by recital in the resolution authorizing the bonds, is declared to further secure the payment of the principal of or interest on the bonds.

Section 13-9-60. The bonds may be issued in one or more series, may bear a date, may mature at a time not exceeding forty years from their respective dates, may bear interest at the rate or rates per annum as approved by the State Budget and Control Board, may be payable in the medium of payment and at a place, may be in a denomination, may be in a form, either coupon or registered, may carry registration privileges, may be subject to terms of redemption before maturity, with or without premium, and may contain terms, covenants, and conditions as the resolution authorizing the issuance of the bonds may provide. The interest rate on bonds issued by the authority, the proceeds of which are loaned to a company pursuant to a financing agreement to construct or acquire a project authorized under Section 13-9-40, are not subject to approval by the State Budget and Control Board. The bonds are fully negotiable within the meaning of and for the purposes of the Uniform Commercial Code.

Section 13-9-70. The principal of and interest on bonds issued under this chapter are exempt from taxation, as provided in Section 12-1-60. All security agreements, indentures, and financing agreements made pursuant to the provisions of this chapter are exempt from state stamp and transfer taxes.

Section 13-9-80. No bonds may be issued pursuant to the provisions of this chapter until the proposal of the board of the authority to issue the bonds receives the approval of the State Budget and Control Board. When the board proposes to issue bonds, it shall file a proposal with the Budget and Control Board setting forth;

(a) a brief description of the project proposed to be undertaken and its anticipated effect upon the economy of the area in which the project is to be located;

(b) a reasonable estimate of the cost of the project;

(c) a general summary of the terms and conditions of any financing agreement and security agreement.

Upon the filing of the proposal the Budget and Control Board shall, as soon as practicable, make an independent investigation, as it considers necessary or appropriate, and if it finds that the project is intended to promote the purposes of this chapter, it may approve the project. At any time following the approval, the board may proceed with the acquisition and financing of the project. If the proceeds of the bonds are to be made available to a company to construct a project, as provide in Section 13-9-40, notice of the approval of any project by the Budget and Control Board must be published at least once by the authority in a newspaper having general circulation in the county where the project is to be located.

Any interested party may, within twenty days after the date of the publication of notice, but not after the twenty days, challenge the validity of the approval in the court of common pleas in the county where the project is to be located.

Section 13-9-90. The bonds must be signed in the name of the board of the authority by the manual or facsimile signature of the chairman of the board and attested with the manual or facsimile signature of the secretary of the board. Interest coupons attached to the bonds must be signed by the facsimile signatures of the officers. The bonds may be issued notwithstanding that any of the officials signing them or whose facsimile signatures appear on the bonds or the coupons have ceased to hold office at the time of issue or at the time of the delivery of the bonds to the purchaser.

Section 13-9-100. The bonds must be sold at public or private sale upon terms and conditions as the State Budget and Control Board considers advisable.

Section 13-9-110. The board of the authority or its proper administrative officers shall file with the State Treasurer within thirty days from the date of their issuance a complete description of all obligations entered into by the board with the rates of interest, maturity dates, annual payments, and all pertinent data.

Section 13-9-120. All provisions of a resolution authorizing the issuance of the bonds in accordance with this chapter and any covenants and agreements constitute legally binding contracts between the authority and the several holders of the bonds, regardless of the time of issuance of the bonds, and are enforceable by any holder by mandamus or other appropriate action, suit, or proceeding at law or in equity in any court of competent jurisdiction.

Section 13-9-130. The bonds authorized by the chapter are limited obligations of the authority. The principal and interest are payable solely out of the revenues derived by the authority, including any revenues that may be derived by the authority pursuant to the financing agreement with respect to the projects which the bonds are issued to finance. The bonds are an indebtedness payable solely from a revenue producing source or from a special source which does not include revenues from any tax or license. The bonds do not constitute nor give rise to a pecuniary liability of the authority, the State, or any political subdivision of the State, or to a charge against the general credit of the authority, the State, or any political subdivision of the State or taxing powers of the State, or any political subdivision of the State, and this fact must be plainly stated on the face of each bond. The principal of and interest on any bonds issued under this chapter must be secured by a pledge of the revenues from which the bonds are payable, may be secured by a security agreement, including a mortgage or any property given as security pursuant to a financing agreement, and may be additionally secured by a pledge of the financing agreement with respect to the project. In making any agreements or provisions, the board of the authority does not have the power to obligate itself with respect to any project for which the proceeds of bonds issued under this chapter have been loaned to a company, except with respect to the project and the application of the revenues from the financing agreement, and does not have the power to incur a pecuniary liability or a charge upon its general credit.

The trustee under any security agreement or indenture, or any depository specified by the security agreement or indenture, may be any person, or corporation as the authority designates, notwithstanding that the trustee may be a nonresident of this State or incorporated under the laws of the United States or the laws of other states.

Section 13-9-140. The net earnings of the authority, beyond that necessary for retirement of its bonds or other obligations or to implement the purposes of this chapter, may not inure to the benefit of any person other than the authority. Upon termination of the existence of the authority, title to all property, real and personal, owned by it, including net earnings, vests in the State.

Section 13-9-150. The authority may retain any unexpended funds at the close of the fiscal year of the State regardless of the source of the funds and expend the funds in subsequent fiscal years.

Section 13-9-160. A. Prior to undertaking any project authorized by Section 13-9-40, the board of the authority shall make a determination:

- (1) that the project will serve the purposes of this chapter;
- (2) that the project is anticipated to benefit the general public welfare of the locality by providing services, employment, recreation, or other public benefits not otherwise provided locally;
- (3) that the project will give rise to no pecuniary liability of the authority, the State, or any political subdivision of the State, or charge against the general credit of the authority, the State, or any political subdivision of the State, or taxing power of the State or any political subdivision of the State if the proceeds are loaned by the authority to a company to construct a project;
- (4) as to the amount of bonds required to finance the project;
- (5) as to the amount necessary in each year to pay the principal of and the interest on the bonds proposed to be issued to finance the project;

(6) as to the amount necessary to be paid each year into any reserve funds which the board may consider advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project.

The determinations of the board must be set forth in the proceedings under which the proposed bonds are to be issued.

B. Every financing agreement between the authority and a company with respect to a project shall contain an agreement obligating the company to complete the project if the proceeds of the bonds prove insufficient, and obligating the company to pay an amount under the terms of a financing agreement, which, upon the basis of the determinations made by the board, is sufficient:

(1) to pay the principal of and interest on the bonds issued to finance the project;

(2) to build up and maintain any reserves considered by the board to be advisable in connection with the project;

(3) to pay the costs of maintaining the project in good repair and keeping it properly insured, unless the financing agreement obligates the company to pay for the maintenance and insurance of the project.

Section 13-9-170. The proceeds from the sale of any bonds issued under authority of this chapter may be applied only for the purpose for which the bonds were issued, except any premium and accrued interest received in any sale must be applied to the payment of the principal of or the interest on the bonds sold, and if for any reason any portion of the proceeds are not needed for the purpose for which the bonds were issued, that portion of the proceeds must be applied to the payment of the principal of or the interest on the bonds.

The cost of acquiring any project includes the following:

(a) the actual cost of the construction of any part of a project, including architects', engineers', and attorneys' fees;

(b) the purchase price of any part of any project that may be acquired by purchase;

(c) all expenses in connection with the authorization, sale, and issuance of the bonds to finance the acquisition;

(d) the interest on the bonds for a reasonable time prior to construction and for not exceeding one year after completion of the construction.

SYNOPSIS
OF THE
SAVANNAH VALLEY AUTHORITY (SVA)

THE SAVANNAH LAKES REGION

Introduction

The Savannah River Valley area is vast, scenic, and rich in natural splendor, historical significance, and cultural attractions. It is becoming an increasingly more popular recreational and retirement area, and as such, an area of great potential for the economic development of the State as a whole.

The Lakes of the upper Savannah River are dominant features of the Region and promise to have a significant impact on the future economy and development if managed properly. It is the definition and implementation of "proper management" of the land adjacent to the lakes and the Region as a whole that concerns SVA. Although both lakes are under federal ownership and control, they must also be managed as resources for the betterment of the Region and its people. To do otherwise constitutes a missed opportunity in an area that cannot afford such waste.

The Lakes

The J. Strom Thurmond and Richard B. Russell Lakes were formed along the border of South Carolina and Georgia when segments of the Savannah River were dammed at two separate locations by the U. S. Army Corps of Engineers.

Thurmond Lake, the southernmost lake in the Savannah River chain, was begun in 1946 and completed in 1954. The reservoir project was authorized by the Flood Control Act of 1944 and involved the acquisition of 164,341 acres of land in South Carolina and Georgia (48,600 in South Carolina; 47,369 in McCormick County). The lake covers 70,000 acres and has 1,200 miles of shoreline. Thurmond Lake is the largest Corps of Engineers project east of the Mississippi River and one of the 10 most visited lakes in the nation, serving about six million visitors annually.

Construction of Richard B. Russell Lake, located at the headwaters of Thurmond Lake, began in 1974, and impoundment of the lake began in 1979. The dam and lake were dedicated at a ceremony in September 1985. This reservoir project, authorized by the Flood Control Act of 1966, involved the acquisition of 59,260 acres of land in South Carolina and Georgia. A total of 25,930 acres was acquired in South Carolina, with 23,833 acres in Abbeville County and 2,097 acres in Anderson County. The lake itself has approximately 540 miles of shoreline.

THE DILEMMA

With the area economy dominated by agriculture, timber, and textiles, the Savannah Lakes Region is sensitive to frequent downturns in the fortunes of these industries. Additionally, the federal land acquisition policy with regard to the construction of the lakes has accounted for the transfer of vast amounts of land from private hands to federal ownership. While this practice resulted in recreational opportunities on two beautiful lakes, it also withdrew property from the tax rolls and inhibited private, job-producing development adjacent to those lakes.

The central question is and has always been quite simple -- how should the resources of this Region be managed to meet the most important goals? Unfortunately, the answer has not been as simple. Federal goals and the missions of federal agencies often have not meshed with local, regional, and state needs. Management of the lakes for their original purposes -- flood control, power generation, water supply, wildlife habitat, and recreation -- is often perceived by the federal government to be in direct conflict with the real-life economic development needs of the area. Such a conflict need not exist because controlled, limited development can be compatible with the lake environment.

It is the job of the SVA to help resolve those conflicts whereby all parties involved -- local, regional, state, and federal -- accomplish their separate but related missions.

THE ROLE OF THE AUTHORITY

History

The Authority has its roots in a state agency formed in 1945 to deal with the impacts of the construction of Thurmond Lake (then the Clarks Hill Lake). Soon after construction was completed, the original organization became inactive and remained dormant until the early 1970s. In 1971 the South Carolina General Assembly enacted legislation which reactivated and reorganized the Clarks Hill Authority (there was no Lake Russell at that time). The legislation empowered the Authority "to encourage, assist, promote and cooperate in the development" of the South Carolina segment of the Thurmond Lake area. In order to ensure that those citizens living in the area were properly represented, the legislation required that two of the five board members be residents of McCormick County.

In June 1978, the South Carolina Code was amended to change the name to the Clarks Hill-Russell Authority, add two additional members to the Board of Directors from Abbeville County, and give the Authority responsibilities for the development of the Richard B. Russell project.

In May 1985, the South Carolina Code was again amended to add one Board member from Anderson County, bringing the number on the Board of Directors to eight. That amendment also gave the Authority increased responsibilities and resources for overall economic development in the Savannah River Basin of South Carolina.

In 1988, the Code was amended once again to encompass a broader geographic area, expand the powers of the Authority, and change the name to the Savannah Valley Authority.

The Authority is currently operating under that code, Chapter 9 of Title 13 as amended, the text of which is included in this Annual Report. Overall, the Authority's legislation has been amended eight times since 1971:

- | | |
|----------|----------|
| (1) 1973 | (5) 1983 |
| (2) 1977 | (6) 1984 |
| (3) 1978 | (7) 1985 |
| (4) 1979 | (8) 1988 |

SVA Accomplishments

Since its reactivation in 1971, the Authority has been working with local, state, and federal governments to reverse the low income, high unemployment rate, and other negative economic conditions by returning some of the federally-owned lake property to the private sector. The Authority has been instrumental in the return of approximately 455 acres to private, tax-producing ownership in the Thurmond Lake area. The Authority was also responsible for reducing 5,900 acres from the planned acquisition by the Corps of Engineers in the Russell Lake area, thereby retaining tax and revenue-producing private property.

After years of negotiations, the Authority achieved the release of 3,159 acres of lakeside property at Thurmond Lake from the Corps of Engineers in 1984 and purchased that property from the federal government in 1986. That success was a cooperative effort that could not have been achieved without the dedication of the Governor's Office, General Assembly, Budget and Control Board, S. C. Congressional delegation, federal agency officials, and countless others involved along the way. With the purchase of the land, the Authority has undertaken the necessary steps to develop the land in association with the private sector.

1985 saw the Authority begin negotiations for the release of land in the Russell Lake area. The Authority increased that effort in 1986 by initiating a planning project to identify areas suitable for development near Russell Lake. This will be an on-going cooperative program involving those who know the area best. As with the land releases at Thurmond Lake, this effort will undoubtedly be

complicated, but with the continued support of local, state, and federal officials, the effort can be successful.

The Authority's impact cannot be measured just in terms of the land releases. It has provided technical assistance to local governments for the purpose of effecting increased development and has served as a unifying force for economic development activities. In a time when long-term planning has lost favor and funding from the federal government, the Authority maintains its role as a planning and research agency, drawing from and complementing local and regional government agencies.

PRINCIPAL ACCOMPLISHMENTS IN 1987-1988

Savannah Lakes Village Project

The 1987-1988 Fiscal Year witnessed the bulk of the negotiations between the Authority and Cooper Communities, Inc., the selected private developer for the recreation/retirement community planned for Thurmond Lake. The Authority reauthorized the Memorandum of Understanding (MOU) with Cooper Communities. The new MOU sets December 10, 1988, as the closing date for transfer of ownership from the Authority to Cooper, specifies the specific development obligations incurred by Cooper, and provides the Authority with \$200,000 as part of the reauthorization action.

The preliminary draft of the project master plan anticipates expanding the project from 3,159 acres to just under 4,000 acres. Cooper has secured options for the additional acreage from private land owners.

Through the joint efforts of the Authority and Cooper, the water, sewer, and roads for the project have been approved by McCormick County, the S.C. Department of Health and Environmental Control, and the State Department of Highways and Public Transportation. Likewise, the U.S. Army Corps of Engineers has approved a blanket permit for 1,200 boat slips for the Village. The S.C. Water Resources Commission permit for the boat slips is pending and nearing approval. Although Cooper continues to make application for other related permits, the boat dock and infrastructure approvals are critical for the project.

All legal documentation, agreements, and contracts involving the Authority, McCormick County, Cooper, and other state agencies have been through a rigorous drafting and review procedure and are in the final stages of adoption. These documents will be presented to the Budget and Control Board in the early Fall of 1988 in anticipation of a December 1988 closing.

When fully developed, Savannah Lakes Village (formerly known as Indian Hill) is expected to contain approximately 5,100 homesites, a health care facility, commercial shopping area, championship golf course, clubhouse, a lodge, boat docks, tennis courts, a health spa facility, and open greenbelt areas. The Savannah Lakes Village development schedule will, of course, be dictated by market conditions, but it is anticipated that the residential lots will be sold within six to eight years, with build-out to be completed within approximately twenty years.

The anticipated economic impacts of the project are incredible for any community, but are even more staggering when measured against the current economic conditions of the Region. Among the major benefits to be expected are: (1) new tax revenues on almost 4,000 acres of lake-oriented land (most of it previously federally-owned and absent from the tax rolls) and on the 5,100 home sites and townhouses to be built there during the coming years; (2) new sources of disposable income in the Region; (3) several thousand permanent jobs; (4) surplus revenue for the school system; (5) new revenues for public utilities; (6) new recreation and tourist attractions; and (7) other advantages that will increase this Region's attraction for new businesses and industries.

Development Planning for Richard B. Russell Lake

The stringent lakeshore restrictions at Russell Lake have effectively prevented the Region from realizing any economic development benefits from the lake. Accordingly, the Authority continued its planning efforts, begun in 1985, for the development of selected land adjacent to Russell Lake. The Piedmont Group of Greenville, South Carolina, was selected to prepare an environmental analysis of several sites already controlled by the State through a lease arrangement with the U. S. Army Corps of Engineers and to recommend alternative development approaches for those sites. Several schematic, conceptual site designs were prepared by the consultant and used by the Authority in discussions with numerous state agencies and with members of the South Carolina Congressional delegation.

During Fiscal Year 1987-88, the Authority began work on an overall economic development plan for the Russell Lake area in consultation with local governments and other agencies. The purpose of this plan is to identify types of private development that will have a positive economic impact and will maintain the aesthetic and environmental quality of the lake.

Additionally, the Authority began work on a land acquisition plan for the Lake Russell area, and by the time this Annual Report is published, the Authority will have begun implementing that acquisition plan. The Board has earmarked funds from the FY 1988-1989 and subsequent budgets for this purpose. These funds are in addition to those allocated the previous year for infrastructure development in that area.

SVA Business Plan and Administration

In FY 1986-1987, the Authority adopted an agency business plan that involves it in a wider range of development activities, all of which are aimed at increasing the Region's economic strength. Implementation of the plan will require close coordination with the major public and private sector economic development interests in the region. These interests include local public utility providers, regional water and sewer authorities, state/local development agencies, lending institutions, and others.

The key provisions of the plan are:

- a. Increased availability of business capital.
- b. Increased support to local development agencies for their efforts at business and industrial recruiting.
- c. Expansion of physical infrastructure to support development.
- d. Improvement of the cultural resources of the Region.
- e. Protection of the Region's natural resources.

The Authority is a full year into the implementation of that plan.

Fundamental to the plan's success is the employment of additional staff to handle the increased workload. Accordingly, the Authority, with the approval of the Joint Personnel Review Committee of the General Assembly, the State Budget and Control Board, and the state Division of Human Resource Management, approved the addition of four positions to the staff: Engineer, Economic Development Specialist, Cultural Resources Specialist, and an additional clerical position. The Cultural Resources position was filled in late June 1987, and the Economic Development Specialist position was filled in September 1987. The other positions, plus the position of Deputy Director (opened when the Deputy assumed the Executive Director's position in December 1987), have not been filled at this time, awaiting the increased workload created by the Savannah Lakes Village development and increased activity at Lake Russell.

During the last session of the General Assembly, the Authority's duties and powers were expanded to include all powers "politic and corporate." The General Assembly also provided a mechanism to expand the Authority's geographic jurisdiction over the entire Savannah River Valley and its contiguous counties. At the same time the Authority's name was changed from "Clarks Hill-Russell Authority" to "Savannah Valley Authority."

Water and Sewer Development

The Authority assumed responsibilities for water and sewer planning and development when, acting on the request of the regional water and sewer authority, it undertook the duties of that agency. In light of the Authority's new legislation, these responsibilities will allow the agency to promote economic development through the coordination and limited provision of water and wastewater treatment facilities. The board of the original regional water and sewer authority continues to serve as the advisory committee to the SVA Board of Directors.

In keeping with these duties, the Authority initiated an analysis and plan for a regional wastewater collection system and treatment facility for an area including Calhoun Falls, the proposed Lake Russell project area, the Savannah Lakes Village project area, the town of McCormick, and certain other areas of McCormick County. This plan is being coordinated with a similar one for Edgefield and Aiken Counties to determine the feasibility of creating a regional collection system that connects with the Horse Creek Wastewater Treatment Facility in Aiken County.

Cultural Resources Development and Public Relations

During the 1987-1988 fiscal year, the Authority continued efforts it began in 1986 to develop a better public relations program for the Region.

The employment of a Cultural Resources Specialist in late June 1987, as called for in the Agency's Business Plan, and the selection of the firm of Newman, Saylor, and Gregory assisted greatly with the Authority's public relations efforts on a local and regional basis. Specifically, press relations were improved substantially as was the direct connection between public relations, cultural resources, and overall economic development.

The SVA staff continued to make presentations to civic organizations and to maintain regular contacts with other development-related agencies. The Authority also has developed a series of categorical mailing lists that formed the basis for a database created during 1987-88 that has enabled the SVA to target special publications and notices to appropriate audiences.

Specifically, the major accomplishments in cultural resources development and public relations include:

- a. Creation of a regional cultural resources advisory group, focusing on the coordination and promotion of activities throughout the Region.
- b. Publication and widespread distribution of ENCORE, a quarterly calendar of cultural events in the Region.

- c. Development of a regional promotions brochure and press kit which will be published in FY 1988-1989.
- d. Development of long-range public relations plan.
- e. Assumption of coordination and promotional responsibilities for the Savannah Valley Scenic Highway, beginning with a dedication ceremony for the Scenic Highway.
- f. Conceptual development and financial support of McCormick County Main Street program which has been implemented.
- g. Re-design of "Highlights" publication, which will be reinstated in FY 1988-1989.
- h. Aggressive media briefings.
- i. Coordination of promotional activities with Cooper Communities, Inc.
- j. Second Annual Partners for Progress Rally.
- k. Board membership on S.C. Retirement Communities Association.
- l. Representation on the Advisory Committee of the Joint Legislative Committee on Cultural Affairs.
- m. Representation on the Executive Committee of the Confederation of South Carolina Local Historical Societies.

Economic Development Support and Coordination

There are numerous agencies and economic development interests in this Region of South Carolina, all of which play vital and interdependent roles. In recognition of this fact, the Authority has continued with its "Partners for Progress" program, designed to encourage good working relationships with and among these groups. SVA confers with the partners to ensure that the Authority's plan is implemented in a way that will best support local development goals, reduce unnecessary duplication, and further the interests of the Region as a whole. The Partners for Progress include city and county governments, regional councils of governments, commissions of public works, planning commissions, the Congressional and legislative delegations, development boards, chambers of commerce, businesses, industries, financial and educational institutions, state and federal agencies, citizens, utility providers, the media, statewide elected officials, medical service providers, and agriculture and forestry interests. The Authority also is seeking to strengthen its working relationship with appropriate development agencies and interests in Georgia.

Some specific examples of the Authority's technical support and coordinated efforts include:

a. SVA participated in joint planning for water withdrawal rights with the South Carolina Water Resources Commission, the Upper Savannah Council of Governments, and the former regional water and sewer authority.

b. SVA served as a partner with McCormick County, the Town of McCormick, the McCormick Commission of Public Works, and Calhoun Falls in developing a regional sewer plan.

c. The Authority, in the course of the Savannah Lakes Village negotiations with Cooper Communities, has developed a funding mechanism to McCormick County for the development of water distribution and wastewater collection and treatment facilities in support of the Savannah Lakes Village development.

d. SVA monitored and assisted in preliminary planning for a developmental highway network in the western Piedmont area of South Carolina, in conjunction with the legislative delegation.

e. SVA worked with a coalition of other agencies and officials to promote the Savannah River Scenic Highway, which passes through the Savannah Lakes Region. A modified version of the Authority's logo has been adopted to serve as the symbol for the highway, and those signs have been erected by the Department of Highways and Public Transportation.

f. SVA has coordinated efforts with the South Carolina Department of Highways and Public Transportation; the South Carolina Department of Parks, Recreation, and Tourism; the United States Army Corps of Engineers; Cooper Communities, Inc.; and others to bring about improved traffic flow and access to the Savannah Lakes Village development and surrounding area.

g. SVA has worked closely with the Town of Calhoun Falls and with other development agencies, including the Upper Savannah Council of Governments and the Abbeville County Development Board, to assist the Town with economic development planning.

h. SVA maintained an active involvement in the programs of the Ninety Six District Resource Conservation and Development Commission, Soil and Water Conservation District, regional economic developers association (sponsored by the Upper Savannah Council of Governments), South Carolina Economic Developers Association, Richard B. Russell Lake Water Safety Council, South Carolina Retirement Communities Association, and other state and regional organizations.

i. SVA served as an information and technical resource for other development agencies.

j. SVA assisted development interests and local governments with grant applications for development projects.

k. SVA has been actively engaged in the direct recruitment of an industrial prospect for the Region.

FUTURE ACTIVITIES

Just as the past year has been successful, future years hold the same or even greater promise. Using the interest and momentum generated by the Savannah Lakes Village project, the Authority proposes to implement an even stronger program of economic, physical, and cultural development in the years to come.

The Authority will continue to develop and expand its current programs, in addition to responding to regional development needs and opportunities that become apparent in the future. The following are among the Authority's major on-going projects:

1. Development planning, negotiations, and land acquisition for limited land release for controlled development at Russell Lake.
2. The long-term oversight of the infrastructure development of the Savannah Lakes Village project.
3. Creation of a major capital revolving loan fund for business creation and expansion in the Region.
4. Regionwide public relations campaign.
5. Implementation of the Agency Business Plan.
6. Economic development support and project coordination.

DOCUMENTS, BROCHURES, AND PROMOTIONS

1. 1987 Annual Report
2. ENCORE
3. HIGHLIGHTS newsletter
4. Savannah Lakes Village Development Summary
5. Assorted position papers on lake management and water levels.

YEARLY EXPENDITURES AND BUDGET SUMMARY

	<u>ACTUAL</u> <u>1987-88</u>	<u>BUDGETED</u> <u>1988-89</u>
Personal Service -----	\$ 142,650.30	\$ 214,745.00
Contractual Services -----	417,163.50	422,621.00
Supplies -----	5,672.90	5,000.00
Fixed Charges -----	9,252.54	3,000.00
Travel -----	11,038.30	15,000.00
Equipment -----	14,283.85	10,000.00
Employer Contributions -----	26,442.14	40,104.00
Capital Improvements -----	59,521.00	88,280.89
Lights, Power, Heat -----	3,402.87	4,000.00
Transportation -----	1,464.87	2,500.00
Special Projects-----	.00	1,822,000.00*
 TOTAL	 \$ 690,892.27	 \$2,627,250.89

*\$911,000 carried forward from previous year