

# **SPECIAL REPORT FEASIBILITY STUDY UNIFICATION OF WELLFORD, LYMAN, DUNCAN, STARTEX**

**BY HOLLEY H. ULBRICH, PH.D.**

**PROFESSOR OF ECONOMICS**

**THE STROM THURMOND INSTITUTE  
1998**

## **Preface**

This document represents a cooperative effort between the Strom Thurmond Institute and the Middle Tyger Area Council to explore the implications of a proposed unification of the four communities of Wellford, Lyman, Duncan, and Startex. The report does not offer any recommendation as to whether that unification should be undertaken, but attempts to identify and explore the consequences of unification and the obstacles to unification in so far as they can be discerned from interviews and from analysis of available factual data. The principal work on this project was undertaken by Senior Fellow Holley H. Ulbrich. Assistance from David Tarbox, Ellen Saltzman, and Joyce Bridges is gratefully acknowledged, as well as three anonymous readers who offered helpful comments.

## **THE UNIFICATION DECISION: QUESTIONS AND ANSWERS FOR WELLFORD, LYMAN, DUNCAN AND STARTEX**

*Should Wellford, Lyman, Duncan, and Startex join together to create a single incorporated community with one government?*

Each citizen has to evaluate his or her gains and losses in terms of taxes, services, growth management, community development, and community identity, and make a personal decision. Often both expectations and fears are exaggerated compared to the actual effects. Unification will not solve all the area's problems, but it may make some problems easier to address effectively. The study commissioned by the Middle Tyger Area Council was intended to provide information to help citizens in that evaluation.

*What boundaries would the combined communities have?*

Residents of the area have suggested a variety of combinations ranging from joining just two of

the communities to a municipality that would encompass the entire Middle Tyger area (School district #5). However, much of this area is still quite rural. The most widely favored option is to combine four contiguous communities--Wellford, Lyman, and Duncan (by consolidation) and Startex (by annexation). This area is fairly compact and densely populated enough to need (and support) city services.

### ***How large would the city be?***

Based on 1994 estimated population, a city made up of these four communities would have a population of almost 9,000 people and would rank 39th in rank among South Carolina's 271 incorporated cities, comparable in size to Irmo, Marion, or North Myrtle Beach.

### ***How would this city's tax base compare to other cities of similar size?***

Duncan, Lyman, and Wellford combined have a relatively low assessed property value per capita compared to other cities of similar size. Figures for Startex are not available because Startex is not incorporated. Because the business community is small, and there are a lot of smaller, older homes in some areas, the per capita assessed property value is only about half that of other South Carolina towns in the 1,000-5,000 population range, and only about 42% of the assessed value in the average town with populations of 5,000-10,000.

### ***What would happen to property taxes if the four communities were combined?***

There's no doubt that citizens of Startex would see higher property taxes, because right now they pay no millage. Property taxes for the three towns combined are low compared to other towns of similar size, even if we count fire district millage as well as municipal millage for Wellford. Towns of 5,000-10,000 residents in South Carolina levied a tax of 89 mills on average in 1994 and collected \$128.84 per capita in property taxes in 1992-93, compared to an average of 34.2 mills and \$46.30 per capita for Duncan, Lyman, and Wellford combined. If these three cities (not counting Startex) used the average mill rate for towns of their combined size, they could raise about \$105.25 per capita, which is closer but still somewhat below the \$128 average for towns in this size range.

### ***How much property tax would the average homeowner pay at that mill rate?***

If the combined community used that average mill rate, an owner of a \$50,000 house would pay \$178 in city taxes; a \$100,000 commercial building or apartment complex would have a tax bill of \$536; and the owner of a \$10,000 car would pay about \$93. However, that figure would include fire millage. It is very likely, however, that the mill rate would change only gradually if and when citizens want additional services.

### ***Wouldn't higher property taxes be a burden on low income senior citizens?***

A homeowner over age 65 with a \$50,000 house would only pay about \$107 in city property taxes, because the remainder of the taxes would be reimbursed by the state through the homestead exemption. Senior citizens who are homeowners (and the percentage of homeowners is above the state and county average in every one of the four communities except Duncan) pay

no taxes on the first \$20,000 of their homes because of the homestead exemption. The state makes up the loss of tax revenue to the city, so the combined town would collect more in new tax revenue than citizens would pay.

***With changes in school taxes, what's going to happen to my total tax bill?***

Because of property tax relief approved by the General Assembly last year, homeowners have received a substantial cut in their school property taxes, which are about half the total tax bill. Even if the combined town raised the mill rate to the average for towns of similar size, everyone's tax bill would be lower. Rental and commercial property, however, do not benefit from the state's school tax breaks.

***What about other revenue sources? How would they be affected by unification?***

Revenues from licenses and permits (primarily business licenses and building permits) were below the state average in all three communities, but service revenues were above average. A stronger business community and perhaps a review of the business license schedule might generate more revenue from this source in the future. State shared revenues are distributed on a per capita basis so it would not be affected, but all three communities received less than an average amount of other state and federal grants. A combined municipality might be in a better position to pursue grant opportunities.

***We've been talking about combined and better fire service in order to obtain a better ISO [fire insurance] rating and lower insurance premiums for a long time. Would consolidation help?***

Fire service consolidation is a promising opportunity, whether as part of overall unification or just by itself. There are a lot of good fire protection resources in the three communities as well as the Startex and Zoar fire districts, and the area is compact enough to be serviced by a single department. One fire service expert in the area estimates that a combined fire department could reduce the area's ISO rating from 6 to 4 within a year, saving an average of \$60 per home on household fire insurance premiums.

***What could we expect in the way of other improved services?***

That depends on what people want. Right now, one outside observer has described the four communities as "undertaxed, underserved, and understaffed." In interviews, people pointed to several areas of concern: access to sewer for development, better police protection, regular curbside garbage collection, professional administration, and better planning for growth management. Sewer is moving toward consolidation into the Lyman facility with or without unification. Police protection would benefit from more combined resources and perhaps more professionalism (less turnover, more experienced officers, detectives). At present Duncan and Lyman provide solid waste collection through taxes, using a private contractor at a cost of \$40,000 a year. This is a service that is typically provided through the municipality in towns of this combined size. There are some economies of scale in collecting and disposing of solid waste that should result in lower average cost for a combined service than service in the individual towns. Problems with management by volunteers and staff in the past, especially in Duncan, led many residents to suggest that a professional administrator would make it possible to improve services and deliver them more efficiently. In addition there is a perceived need for planning

related services, such as litter control, animal control, land use, planning, building inspection and beautification.

***Right now Startex has no city government but residents have good fire protection, private garbage collection that they pay for individually, a county deputy, and good water and sewer. Why should they want to become part of a city and start paying taxes?***

Some Startex residents would gain more than others. Older residents in less expensive homes would not pay much, if any, city taxes, but the combined city would get homestead exemption payments for these houses from the state as well as the additional state aid to cities based on population. City garbage collection would probably be cheaper. Some residents of Startex want more police protection. Others are concerned about Startex slowly disappearing through annexation. A few citizens are interested in local ordinances, such as noise regulations, beautification, or limiting mixed uses of property in residential areas.

***What will happen to city employees?***

There is no need to reduce the number of employees, just to reassign some to other duties. The three municipalities have very few employees compared to other small or medium sized cities in South Carolina. There are enough staff needs to assure a no-layoff policy, putting present employees in other jobs where duplication exists.

***Would unification really help to build a stronger local business community?***

That's hard to say for sure. Unification would make it easier to find local businesses listed in the Yellow Pages or newspaper ads if there was just one community. The area actually has a much bigger local market than the combined city population figures would suggest. Inside a five mile radius of where Highways 29, 358, 292 and 129 meet there are 24,579 people who depend on the Lyman, Duncan and Wellford area for their local business services. Potential businesses are going to find it easier to visualize that market surrounding a combined city of 9,000-10,000 than three little towns and an unincorporated village. Attracting these businesses would expand the tax base and also make the community more pleasant and convenient to live in, saving trips to Spartanburg or Greer or Greenville for shopping.

***I'm concerned about taking on the problems of other communities. What's the real story about the condition and the future of Wellford, Lyman, and Duncan?***

Each of these communities has had some problems in the past and, like most communities, has some question marks about the future. Duncan's financial troubles have been well publicized, but the city is on the road to resolving them. Leaving aside debt for sewer systems, once Duncan has paid off its short-term debt, each community is bringing close to an equal amount of assets (land, buildings, vehicles, etc.) and relatively little debt to the table. Lyman has the only good, functioning sewer system and the debt associated with it. The Wellford and Duncan systems are being tied into that sewer system and would share in the benefits, the revenues from the sewer contract with Springs Mill, and the cost. All three have let their infrastructure decline from neglect and will have to invest in roads and buildings, but that will be true whether they are combined or separate.

### ***What kinds of assets does each community have to offer a possible partnership?***

Duncan has the business community, good police and fire protection, and Highway 290 as a focus for growth. Lyman has the only real, traditional downtown, a slightly stronger tax base and the sewer system on which the others depend, as well as a central location and land for a possible municipal service complex. Wellford has growth potential along Highway 29 and a good fire department as well as a small business community that could expand.

### ***What would happen to community identity?***

This is always a critical issue in any consolidation. The library can play an important role in housing the history and artifacts of each community. Representation for the different communities on a city council could be ensured with some kind of ward system. The choice of a name is important. Some city services could be housed in each town.

### ***Is unification the only choice we have?***

No, there are other options. Any of these services discussed could be consolidated without combining the three communities--fire, police, solid waste, even professional administration. If residents are unwilling to take all the risks (financial, identity, etc.) of consolidation, unification of particular services might be a first step. Unification could end there, or it could in time encompass other services.

## **FEASIBILITY STUDY**

### **UNIFICATION OF WELLFORD, LYMAN, DUNCAN, STARTEX**

The proposed unification of the three municipalities of Wellford, Lyman, and Duncan, plus the unincorporated village of Startex, has been under consideration more than once over the last two decades. This proposal is again under consideration because of pressures of growth in the adjacent communities of Greer and Spartanburg, successful cooperative efforts between the communities, increased cohesiveness fostered by the Middle Tyger Area Council, population growth with increased demand for services, and financial pressures on local governments.

This feasibility study examines the implications of unification for citizens of these four communities in terms of providing and financing local public services, community debts and assets, growth management and economic and community development, and other concerns, including representation, community identity, history, and selecting a name. In order to do so, we examined financial reports and drew on information from the 1990 Census, the State Data Center, and other sources. We also interviewed a cross-section of local residents (27 in all) spread across the four communities, including elected officials, business persons, community leaders, and others, with representation from both proponents and opponents as well as a balanced sample across both sexes, both races, and a range of age groups.

This study does not offer any recommendations as to whether unification should be undertaken. That decision must be made by the citizens. The purpose of this report is to identify the issues, discuss the relevant background information, and explore the possible implications, positive and

negative, of combining these four communities. This study is intended to provide a common resource and basis for discussion for citizens who are in favor, opposed, neutral or undecided about unification.

In discussions with community leaders and citizens, there were a number of suggested offered outlining possible boundaries for the proposed unification, ranging from just Wellford and Duncan to the entire school district. Some of those who wanted to include the entire school district also thought that such a large project would have to be undertaken in stages. Considerations of compactness, feasibility, and population density led most who expressed any opinion to suggest combining the three incorporated municipalities plus Startex. Startex is contiguous, identifies with the other three communities, and is in need of urban services. This evaluation of the unification proposal will assume that these four entities are those that would be united into one municipality.

## **Driving forces**

In most communities, including these four, the driving forces behind any proposal to unify separate communities are the desires of citizens for better public services, economic and community development, and visibility and influence. Public services almost always head the list of reasons to consolidate. There is an expectation that consolidated communities can enjoy better services at the same cost or the same services at lower cost. In either case, citizens expect that they will eventually get more for their local tax dollars.

Economic development is another driving force behind unification. Working together rather than in competition with one another, the consolidated communities may be in a better position to attract desirable residential and commercial development as well as industry. Working together may also make it possible to develop the kind of infrastructure and services that makes a unified city more competitive in seeking such development.

Community development includes economic development, but goes beyond jobs and income to include such quality of life aspects of a community as land-use controls, availability of local private services (restaurants, shopping, medical care), cultural opportunities, community centers, and the general atmosphere that makes the community attractive not only to newcomers but to established residents as well. Community development is created in partnership by the local public sector, the local business community, and the nonprofit sector of volunteer groups, churches, and organizations. There is an expectation that all three of these groups would have a broader perspective, greater numbers, and more effectiveness in a larger community.

Finally, there is visibility and influence. A single city of 9,000 people speaking with a single voice might be more effective in dealing with county officials, with economic developers, with the state highway department, with adjacent municipalities, and with private firms than three small cities of under 3,000 and an unincorporated village. Visibility is an important protection from being surrounded, overshadowed, and absorbed by larger nearby communities, since the entire area lies in the expansion path of Spartanburg along Highway 29 and Greer along Highway 101.

## **Costs and drawbacks**

No change is without costs. Those costs, and the groups on whom those costs will fall, must be identified and evaluated in the process of considering unification. Citizens in each of the three municipalities have expressed real concerns about the financial conditions of the other partners.

Those questions must be explored. Some citizens, particularly those in Startex, would have to start paying local taxes in order to finance services. Some people, or some groups, may see their taxes increase.

Another source of costs, one that is real even if it cannot be measured in dollars, lies in having to accept the decisions of a larger majority. In a larger community, individuals are likely to find themselves in a minority on a particular expenditure, a financial decision, or a land use decision more often. People who live in small communities can choose a community with limited services and low taxes, or more business and more congestion, or higher services and more taxes, or better police protection but no solid waste pickup. Once these areas are consolidated into a single larger community there would be just one package of services, tax levels, and facilities, instead of three or four choices. For this reason, there is usually more dissatisfaction with the tax-service-amenities package in a single larger community than in several smaller communities.

A third issue on the negative side is that of community identity. Each of the four communities involved has its own history, values, institutions, and sense of uniqueness. In any consolidation or unification, there is a valid concern about being swallowed up and losing that sense of place. The community identity expresses itself in many ways, but certainly one expression is in local government--the mayor and council, the city hall and other public facilities. These problems are not insurmountable. They have been addressed in other consolidations, in the choice of a common name, in provision for representation by wards, in the uses for surplus city buildings, and in other ways that we will discuss later in this report. If other factors are favorable to unification, it would be important for proponents of unification to acknowledge the value and importance of community identity to develop satisfactory ways to preserve it in a unified community.

## **The communities: background information**

The Middle Tyger area of Spartanburg County is served by a single school district (Spartanburg #5), a single water district (SJWD Water District), a single county council district, three incorporated municipalities, and several small unincorporated settlements. The area was at one time all served by a single school, the Wellford-Lyman-Tucapau School. The school district in particular has been a unifying force in an area that has been split by rivalries in both the recent and the more distant past. Many of those rivalries, however, have been diluted by the influx of new residents with no ties of history or kinship to people in the area, and thus no investment in any past disputes.

All four communities in the area being examined have a history closely connected with three mills: Jackson Mills just outside Wellford, Startex Mills in Startex, and Springs Mills just outside Lyman. Startex has always been the most dependent on its mill, which historically was the employer, the owner of the houses, the landlord for the school and the post office, and the source of what city services were provided. Once the houses were sold, many of them eventually to outsiders who have no link to Startex Mills, the community lost its binding center. Many of these residents moved in because inexpensive mill houses were an attractive, affordable alternative to mobile homes, the most popular form of owner-occupied lower income housing in South Carolina. With the loss of the mill's role as a focus, the impending closing of Startex Elementary by the school district, and the lack of local government, Startex has continued to see its identity shrink and its undefined boundaries contract as parts have been annexed to other towns.

Duncan and Lyman have a long-standing rivalry with many contributing factors, most recently

friction over an attempted annexation by Lyman of an area close to Highway 290. Historically, Duncan was fortunate to have two railroad stops that enabled it to take a lead in commercial development. The recent expansion of Highway 290 has encouraged further business development in Duncan, aided by the availability of water and sewer and inexpensive land. Industrial parks along Highway 290 have in turn attracted new housing developments. One local citizen stated that 95% of all growth in the Wellford-Lyman-Duncan-Startex area is along Highway 290. Another interviewee, not a Duncan resident, regarded Duncan as an attractive partner for the other three because it has the Highway 290 growth corridor, is close to BMW, and enjoys new, good schools.

Lyman has been very oriented toward Springs Mill. The mill managers generally lived in Lyman, and the mill village was and continues to be an attractive residential area. Property values and incomes are still somewhat higher in Lyman than in the other communities. Lyman has the most traditional "downtown" of the three communities, even though Duncan has a larger business district. Since Lyman lies in the middle of the three towns, it has the least ability to expand by itself, although there is an area to the north that offers some potential for expansion.

Wellford is the oldest of the three communities, and the only one with a substantial minority population. Jackson Mills continues to be the town's major employer. Wellford has very little commercial development and has seen relatively limited growth in the last two decades.

Each of the three incorporated towns has had some recent difficulties that raise concerns in the other two towns about unification. Duncan has failed to pay the state its share of court fees for several years and has had to raise its mill rate sharply (by 30 mills, from 38 to 68) in order to resolve that problem, which was generally attributed to poor management practices. A petition was circulated to dissolve the municipality in response to the tax increase, but local observers do not expect anything to come of the move to disincorporate. Lyman has had to take responsibility for the sewer plant from Springs Mills (see below), assuming \$2 million in debt. Wellford has had long-standing problems in its police force that have only recently been resolved.

Elsewhere in the Middle Tyger area, Reidville is another center of growth. This unincorporated community is acquiring a new elementary school, shopping facilities, and residential development, and appears to be yet another embryonic town that may eventually join the larger community located in Wellford, Lyman, and Duncan.

## **The community: geography, population, and income**

The four communities are clustered around I-85 between Greer and Spartanburg, close to the Greenville-Spartanburg airport. Map #1 shows the boundaries of the Wellford Census Division, and the area being considered for unification. This area had been developing quite rapidly even before the arrival of BMW and its suppliers, but is now on an accelerated path of growth in jobs, income, population, and housing demand.

The Census provides population figures for incorporated areas, certain Census designated places (including Startex), counties, and an intermediate grouping called Census divisions. The Census division that includes these four communities is the Wellford Division, which in 1990 contained 16,305 persons. Of that total, 8,096 resided in the four communities, and the remainder were in the unincorporated area of the Wellford Division. Table #1 summarizes the 1990 Census population statistics for the four communities.



**Table 1**  
**1990 Census Population for**  
**Duncan, Lyman, Wellford and Startex**

	<b>Duncan</b>	<b>Lyman</b>	<b>Wellford</b>	<b>Startex</b>	<b>Total</b>
<b>Persons</b>	2,152	2,219	2,627	1,098	8,096
<b>Households</b>	818	970	892	466	3,146
<b>Housing units</b>	862	975	1,043	446	3,326

The geographic boundary understates the market area of these four communities. It is only 2.7 miles from one end of the three incorporated towns to the opposite end. A market area, even for smaller towns, typically includes a five to seven mile radius. That larger area encompasses the extended community that relates to Wellford, Lyman, Duncan and Startex for local commercial services and local shopping. Reidville and Jackson Mills as well as some areas just "out in the county" are part of that commercial service area.

Map #2 shows the population within a five mile radius and a 7.5 mile radius of the intersection of Highways 29, 358, 292, and 129. The five mile circle includes a small outlying section of Greer, while the seven mile circle takes in the entire town of Greer. Within the smaller circle there are 24,579 people in 9,168 households, a substantial market for local retailers and service providers (although for more major services or purchases, people are more likely to go to either Greenville or Spartanburg). The larger circle's population of 66,167 suggests that there is another entire, substantial city lying between Greenville and Spartanburg, of which Lyman, Wellford, Duncan and Greer comprise a substantial part.

### **Population characteristics**

The population characteristics in the Wellford Census division, which includes the four communities and the surrounding unincorporated area, are similar to those of Spartanburg County and the state. Table 2 summarizes the profile from the 1990 Census.

All four communities are below the South Carolina and Spartanburg County averages in income, although Lyman is closer to average than the other three. The area as a whole has about the same percent minority as the county, but the minority population is distributed quite unevenly among the four communities, with a much higher percentage in Wellford and much lower in Lyman. The combined community of Duncan, Lyman, Wellford, and Startex would have a 22.2% minority population, based on the 1990 Census.

Wellford conforms most closely to the typical upstate small town demographic pattern, in which a high percentage of elderly and homeowners indicates a stable and relatively unchanging community. That demographic pattern holds to some degree also in Startex and Lyman. Duncan is somewhat different, with about an average percentage of elderly and a below average percentage of homeowners.

**Table 2**  
**1990 Population Characteristics**

	<b>Duncan</b>	<b>Lyman</b>	<b>Startex</b>	<b>Wellford</b>	<b>Sptbg. Cty.</b>	<b>SC</b>
<b>Median household income</b>	\$23,085	\$28,846	\$23,851	\$23,370	\$31,857	\$30,790
<b>Percent minority</b>	20.8%	3.5%	41.9%	15.5%	21.7%	31.0%
<b>Percent over 65 yrs.</b>	13.0%	19.9%	26.9%	15.6%	12.6%	11.4%
<b>Percent homeowners</b>	58.2%	74.5%	76.0%	73.1%	69.8%	69.8%

More recent Census estimates show some growth in the three incorporated communities (no recent estimates are available for unincorporated places such as Startex). As of July 1, 1994, the estimated population and population growth since the 1990 Census were:

<b>Duncan</b>	2,458	212	+8.6%
<b>Lyman</b>	2,367	+96	+4.1%
<b>Wellford</b>	2,879	+368	+14.7%
<b>Combined</b>	7,704	+676	+8.8%

In comparison, Spartanburg County had an estimated population increase of 4.8% and South Carolina an increase of 5.6% over the same period. Thus, the area is growing more rapidly than the state and the county. Even if there had been no growth in Startex, based on population growth in Lyman, Duncan, and Wellford, the area considering unification would have had a 1994 population of 8,802.

South Carolina is a state of small towns; 129 of its 271 incorporated municipalities have populations under 1,000, while only seven have populations over 40,000. This combined 1994 population would make the combined municipality the 39th largest city in South Carolina, comparable in size to North Myrtle Beach, Irmo, and Marion.

### **City Revenues and Expenditures**

Among the most important questions in any proposed unification are how much revenue the combined municipality would have to work with and what kinds of expenditures it might be able to support. Improved services at lower cost are an important goal for consolidation, even if those gains are not always achieved immediately. In order to think about a combined city, we created a hypothetical city that has all the populations, land area, tax base, revenue sources, and services of Wellford, Lyman, and Duncan combined. (Startex was excluded because it has no municipal government at present.) This city is referred to as WELD in this report. WELD is not a proposed name for a combined city, just a useful nickname for describing a combined city in contrast to the three individual cities that exist at present.

The first step in looking at the financial picture of a combined city is to examine the finances of the current municipalities. Table 3 summarizes the major revenue and spending categories (per capita) for the three communities. We then pooled the reported income and expenditures for Wellford, Lyman and Duncan in 1993-94 to create a financial profile for the hypothetical city of WELD, which appears in the fourth column of Table 3. Finally, we compared this profile to the profile of a hypothetical city called Middletown. Middletown is the profile city with revenues and expenditures that are the averages for 24 cities and towns in South Carolina in the size class of 5,000-10,000 people. This is the size that Wellford, Lyman, and Duncan (and Startex) would be if they were a single city.

The most relevant comparisons are between the revenue and expenditure figures excluding municipal utilities. There are a number of cities in this size class (Middletown) that operate municipal utilities, including electric utilities. In many cases, revenues from utilities greatly increase a city's total cash flow without necessarily impacting on basic general revenues or city services.

The WELD profile shows the combined per capita revenue and expenditures for Wellford, Lyman and Duncan compared to the Middletown average. Overall, per capita revenue and spending in Wellford, Lyman and Duncan are less than half the average for towns in the 5,000 to 10,000 population range.

Within revenue categories, the most striking difference between these three municipalities and the typical town of their combined size is the difference in revenues from property taxes and in licenses and permits. The average town in the 5,000-10,000 size class in South Carolina collects more than three times as much per capita in property taxes and almost twice as much in licenses and permits than Wellford, Lyman, and Duncan. Since these two items account for a substantial share of revenue in both groups of cities, low levels of revenue in these two categories explain most of the difference in revenues, with "Middletown" collecting twice as much per capita as "WELD."

The low per capita property tax in WELD results from a combination of a low per capita assessed value and low mill rates. Low revenues in licenses and permits are not difficult to explain. Large scale commercial development in Wellford, Lyman, and Duncan (and Startex) is somewhat inhibited by their proximity to the city of Spartanburg and the extensive retail complex on the west side of Greenville, although there is a potential underserved market that could expand and generate more business license revenue.

**Table 3**  
**Per Capita Revenues and Expenditures**  
**Wellford, Lyman, and Duncan, 1993-94**

	Duncan	Lyman	Wellford	WELD	Middletown
<b>Revenues</b>					
Property tax	\$71.61	\$51.32	\$19.12	\$46.30	\$163.61
Local Sales Tax	na	na	na	na	<b>13.81</b>
Licenses/permits	61.24	64.71	26.48	49.90	96.28

Service revenues	73.08	37.65	96.68	70.20	69.75
Miscellaneous	3.92	6.51	0.00	3.35	31.81
Intergovernmental	18.81	41.80	62.34	41.77	63.24
<b>TOTAL NON UTILITY</b>	<b>228.72</b>	<b>201.99</b>	<b>204.61</b>	<b>211.53</b>	<b>438.50</b>
Utility Revenue	36.05	96.25	5.02	52.09	525.55
<b>TOTAL</b>	<b>264.78</b>	<b>298.24</b>	<b>209.63</b>	<b>263.61</b>	<b>1,042.91</b>
<b>Expenditures</b>					
Administration	47.26	113.95	25.21	60.70	109.23
Public Safety	145.89	136.96	122.77	134.62	202.11
Environ./housing*	15.77	0.00	0.00	5.07	68.84
Recreation/culture	0.00	0.00	0.00	0.00	28.37
Other	21.11	0.00	0.00	6.79	84.03
<b>TOTAL NON UTILITY</b>	<b>230.03</b>	<b>250.51</b>	<b>147.98</b>	<b>207.18</b>	<b>492.59</b>
Utility expenses	31.09	137.67	0.00	54.06	550.31
<b>TOTAL</b>	<b>261.12</b>	<b>388.18</b>	<b>147.98</b>	<b>261.25</b>	<b>1,042.91</b>

Note: items may not add precisely to total because of rounding.

Source: Annual Municipal Financial Reports filed with the Budget and Control Board.

There is one important consideration that needs to be kept in mind in comparing revenues among different cities. In some communities, revenues may be low because their citizens may purchase certain services privately that are paid for through taxes or municipal fees in other cities. The most obvious case is sold waste collection. Many South Carolina cities include garbage collection in their municipal services, either paid for with service charges or financed out of property taxes and other revenue sources. Duncan is the only one of these three municipalities to do so. In Lyman, where households pay for private garbage collection, a figure of \$6 per month (\$72 a year) for contract solid waste service per household was reported; in Startex, the reported cost was \$12 (\$144 a year). It is interesting to note that the cost of garbage collection in Lyman is just a little less than the average property tax on a \$50,000 house in Wellford, Lyman and Duncan (prior to Duncan's 30 mill increase). At the average 1994 property tax (mill) rate charged in these three communities prior to Duncan's new rate, a \$50,000 house paid only about \$79 in city taxes.

On the expenditure side, two important adjustments must be made in order to compare WELD to other communities of similar size. Unlike other counties, Spartanburg County provides (either directly or through special tax districts) both fire protection and recreation programs. Of the three towns, only Duncan includes fire protection in its municipal millage. Although 1994 figures are

not available for these subcategories, we can estimate the difference based on 1993 spending, where more detailed figures are available. These two outlays, fire protection and recreation, accounted for \$87.18 per capita in Middletown in fiscal year 1993--\$56.25 per capita for fire protection and \$30.93 for recreation and culture. Since Duncan accounts for 1/3 of the population, we only adjusted this fire protection figure downward by 2/3, to \$37.50. If we reduce Middletown's spending by recreation spending plus 2/3 of fire spending, and increase Weld's spending for a hypothetical \$72 in private solid waste costs per household, the gap in per capita spending falls by \$140. Even with these adjustments, however, per capita non utility spending in the combined WELD communities is still only half the Middletown average.

One might argue that it is not fair to compare this hypothetical city (WELD) to one that is already in the 5,000-10,000 population range, because the three municipalities currently operate separately as municipalities of much smaller size. However, WELD still takes in and spends less in most categories even if it (or Wellford, Lyman, and Duncan separately) is compared to Smallville, the profile city for South Carolina towns with populations between 1,000 and 5,000.

**Table 4**  
**Comparison of Per Capita Revenues and Expenditures**  
**Smallville and WELD**

	Smallville	WELD
<b>Revenues</b>		
Property tax	\$128.84	46.30
Local Sales Tax	10.68	0.00
Licenses/permits	66.49	49.90
Service revenues	53.48	70.30
Miscellaneous	14.38	3.35
Intergovernmental	108.24	41.77
<b>TOTAL NON UTILITY</b>	<b>\$382.11</b>	<b>211.53</b>
Utility Revenue	239.02	52.09
<b>TOTAL</b>	<b>\$621.13</b>	<b>263.62</b>
<b>Expenditures</b>		
Administration	\$65.75	60.70
Public Safety	146.26	134.62
Environ./housing*	52.60	5.07
Recreation/culture	14.74	0.00
Other	37.10	6.79

TOTAL NON UTILITY	\$316.45	207.18
Utility expenses	241.22	54.06
TOTAL	\$557.67	261.25

Note: items may not add precisely to total because of rounding.

Source: Annual Municipal Financial Reports filed with the Budget and Control Board.

Although WELD's revenues and spending are lower than Smallville's, the comparison is less unfavorable than it was when WELD was compared to Middletown. Spending on administration and public safety is much closer to the Smallville average, especially when WELD's fire protection spending is adjusted upward by \$20.66 per capita (2/3 of Smallville's 1993 fire spending). Likewise, recreation is provided to the WELD communities by the county. If we make a fairer comparison by removing recreation from the Smallville budget and adding some fire spending to WELD, the per capita spending difference is much smaller, \$301.71 compared to WELD's \$227.84. The remaining spending item that appears low in the WELD communities is environment and housing, which is mostly solid waste collection and disposal, discussed earlier. [See also discussion of solid waste services, page 14.]

On the revenue side, three items account for much of the difference in per capita revenues: per capita property taxes are lower in WELD than in Smallville (largely due to lower mill rates in WELD); there is no local option sales tax revenue; and there is a substantial difference in intergovernmental revenues. The sales tax is a county rather than a municipal issue, since the tax must be adopted county-wide in order for cities to receive revenue. Since all cities in South Carolina receive a per capita grant from the state's local government fund, the difference in intergovernmental revenues has to be accounted for primarily by state and federal grants (along with smaller amounts of interlocal revenues and accommodations taxes). A combined municipal government might be more effective in securing grant assistance for infrastructure and other public purposes, although grants are generally more difficult to obtain than formerly. The issue that generally causes the most concern, however, is the property tax. The first question that most people ask about consolidation or unification is how it will affect their property taxes. It is to that issue that we now turn.

**Property taxes.** Of all the revenue sources on which cities depend, the property tax is the most important. Property taxes are the largest single revenue source to cities as well as counties and school districts, providing 37.3% of all revenues in Middletown (cities of 5,000 to 10,000), and 33.7% in Smallville (cities in the 1,000 to 5,000 range). For WELD, property taxes made up only 21.9% of municipal revenues in fiscal year 1994. Duncan was closest to the norm at 31.3%, followed by Lyman at 25.4%, and Wellford at 9.3%.

Table 5 shows the 1994 mill rates for Lyman, Duncan, Wellford, Smallville, and Middletown. (Lyman, Duncan, and Wellford are shown with just municipal millage and with municipal plus fire millage for purposes of comparison.) The weighted average of the three mill rates, including Duncan's and Wellford's fire millage but excluding the temporary 30 mill increase enacted for Duncan in 1995, is almost exactly half the millage of other towns in the Smallville size class, so about half the difference in property tax collections is due to limited tax effort (low mill rate).

**Table 5**  
**Property Taxes: Mill Rates and Assessed Values, 1994**

	Duncan	Lyman	Wellford	WELD	Smallville	Middletown
Mill rate	38.2 <sup>1</sup>	29.5	24.2	30.1	78	89
Mill rate w/fire	38.2	29.5	37.2	34.2	78 <sup>2</sup>	89 <sup>2</sup>
Per capita assessed						
values <sup>3</sup>	\$1,028	\$1,827	\$784	\$855	\$1,776	\$2,044
Value of a mill <sup>3</sup>	\$2,528	\$4,325	\$2,258	\$9,111	\$2,044	\$13,726

<sup>1</sup>1995 rate is 68 mills in order to work off debt from withheld fines. Duncan's mill rate includes fire protection.

<sup>2</sup>Millage in many Smallville and Middletown cities includes support of a municipal fire department, but not in all. Residents of Startex pay 4 mills for fire protection.

<sup>3</sup>Duncan, Lyman, and Wellford assessed values and value of a mill based on 1994 population and 1995 assessed valuation; Smallville and Middletown figures for assessed value and value of a mill are all for 1993, the most recent ones available.

The per capita assessed value and the value of a mill (the amount of tax that would be raised per additional mill of tax rate) are also shown in Table 5. Note that the per capita assessed value is also low. While Lyman is slightly above Smallville and not far behind Middletown in per capita assessed value (the tax base), Duncan has only 58% of the Smallville average assessed property value per person, and Wellford has only 44% as much. The "blended" hypothetical town of WELD has just about half the Smalltown average per capita assessed value, which explains the rest of the low per capita property tax collections. If WELD collected the Middletown average mill rate of 89 mills on its combined tax base (assessed value) of just over \$9.1 million, the property tax revenue would be \$810,871, or \$105.25 per capita. (Startex is excluded from both the revenue and population figures because assessed valuation for Startex was not available.) Even if the Middletown tax rate was adjusted downward by taking out part of the fire millage (collected separately in Wellford), leaving a mill rate of 80 mills, the revenue would come to \$728,873. This figure is more than double the 1994 combined city property tax collections of \$356,695 in these three communities. Those additional funds would go a long way toward meeting some of the service needs identified by residents in interviews and described below.

Citizens are always rightfully concerned about any proposed change that may affect the taxes they pay, particularly property taxes. It is hard to anticipate what tax rate might be set by a consolidated government, but it is possible to speculate on the impact of imposing an "average" mill rate. What would happen to the tax bill of the average citizen if the three cities plus Startex merged into a single municipality and levied the average rate for a city of their combined size? Assuming that the Middletown mill rate includes taxes for fire protection, WELD would be charging 80 mills. The average house in South Carolina has a value of not quite \$50,000. For an owner-occupied residence, with a 4% assessment, the municipal tax on this house would be \$160 a year. (County taxes and fire district millage are additional; under the current state-funded property tax relief, there would be no school taxes except for debt service.) For an elderly person

(age 65 or over) who owns his or her home, there is a homestead exemption of the first \$20,000, which would reduce the tax to \$96. (The city receives these homestead exemption funds as a reimbursement from the state, but the elderly homeowner is not charged.) The tax increase for a nonelderly citizen would be \$101 a year in Lyman, \$122 in Wellford, and (at the current 1995 mill rate) \$24 in Duncan. For those over 65, the tax increase to bring WELD up to the Middletown average rate would be \$61 in Lyman, \$73 in Wellford, and \$14 in Duncan.

In lower income areas, where houses typically sell for less than \$50,000, any tax increase would be smaller. An elderly person in a mill village house or mobile home valued at \$20,000 or less (the price of some of the smaller or less attractive mill houses in Startex) would pay no city tax at all, regardless of the rate, because the entire bill would be covered by the state-funded homestead exemption.

## **Levels and quality of public services**

Local public services were very much on the minds of those citizens who were interviewed. Most saw at least some areas in need of improvement, in terms of cost and/or quality, although not all agreed about the best way to improve those services.

Several residents of Startex felt that there was a real need for municipal services, and that the community has lost ground by not having a government. While municipal services were originally provided by the mill, Startex Mills (like most textile firms in similar communities) has been gradually divesting itself of its municipal role. The houses were sold in 1953. While the mill continues to provide water and sewer services and helps to pay for a county deputy and street lights, maintenance on sidewalks has been neglected and at least some residents would like to have a community center, publicly provided solid waste collection, and expanded police protection.

In the other three communities, opinions on service needs varied widely; the major specific services are discussed individually. Some citizens saw the issue of consolidation not so much a matter of the quality or cost of current municipal services (except perhaps for fire protection) but rather a response to a need for land use planning, growth management, effective administration, and protection from the increasing encroachment of Greer and Spartanburg.

### **Public services: police protection**

In interviews, citizens expressed concerns about the level and quality of several kinds of public services. Police protection was consistently at or near the top on many people's lists. The combined communities are spending somewhat less on public safety than the average for Middletown, a town of similar (combined) size. Specific concerns about police protection expressed by residents included the limited protection available in Startex (one county deputy with some financial support from the mill); lack of experienced officers, lack of detectives, and high turnover; emphasis on ticket quotas and reputation as a speed trap; modest but growing crime problems in a few areas; and a desire to improve cooperation among the three departments. A better, more effective, unified police force is a significant attraction of unification for a number of residents.

### **Public services: fire protection**

Fire protection was another area of concern for many of those interviewed. Most of them recommended that the fire departments be merged into a single large unit. One interviewer



suggested (for ease of transition and further expansion) that the base be the Special Purpose District currently serving Startex. Each community has some resources to contribute to such a merger, which has been considered separately from the larger question of unification, but is not currently under consideration. Both Duncan and Wellford offer fire protection to areas beyond their municipal boundaries. Wellford levies separate fire millage for that purpose. Duncan includes fire protection in its municipal millage but also receives contract revenues from industries and the counties for service outside town boundaries. Startex is served by a Special Purpose District with an all volunteer force and levies 4 mills for fire protection. The nearby Zoar district levies 10-12 mills for its all-volunteer service, or about \$25 a year for the average household.

Duncan residents feel that their fire department is one of the major assets that they would bring to any consolidation, with a full-time paid fire chief and good equipment. Wellford also has good fire service, and Duncan, Wellford, and Startex participate in a mutual aid agreement, but Lyman is not included. Lyman has a volunteer fire chief and a large number of volunteer firefighters as well as a new pumper truck, with the final payments in 1996 and 1997. Lyman's fire department is supported by the contract to provide protection to Springs Mills. This contract is up for renewal soon. Several of those interviewed were actively involved in providing fire service and expressed a preference for unifying fire services in order to improve cooperation, reduce duplication, raise training standards, and possibly reduce costs.

An important concern of many area residents is the effect of consolidation, or at least consolidation of fire services, on their insurance costs. The four communities would constitute a viable fire service area with some excellent resources, and one knowledgeable observer believes that a consolidated department could get an ISO (fire insurance) rating of 4 within a year, a substantial improvement over the ratings of 5 and 6 that all four departments have presently. That reduction in ISO rating would save about \$60 a year on the average residential insurance policy. There would also be substantial savings in insurance premiums for commercial and industrial property.

## **Public services: water and sewer**

Duncan, Lyman, and Wellford are all served by SJWD Water District, with Lyman the last to join (about 10 year ago). The filtration plant is in Lyman, the Spartanburg Water System also supplies water. All those interviewed who commented on water spoke highly of one management and operation of SJWD.

While water service is generally satisfactory, sewer is a matter of serious concern in three of the four communities. Sewer always presents a more difficult management challenge than water. As in many communities, inadequate sewer service or lack of access to sewer has proved to be a major limitation on development in the Middle Tyger area--not only industrial but also commercial and residential. Startex at present enjoys the most satisfactory sewer service because the system is operated by the mill, and an industrial system needs residential customers to make it work well. Most of the former mill houses in Startex have access to sewer. About half of Wellford is on sewer; tap-on fees of \$800 to \$1,000 are an obstacle to participation for some residents. After the Department of Health and Environmental Control closed the Wellford system, Wellford sewer users have tapped into the Lyman plant. In Duncan, the lagoon is close to capacity and has had problems in meeting state standards for sewerage treatment. The cost of bringing it into compliance is about \$30,000, which has been requested from state sources. This upgrade will cover a transition period until a better solution can be found. Duncan is currently

seeking a Farmers' Home Administration loan to tap on to the Lyman system.

Lyman is in a relatively strong position with respect to sewer. Its sewer plant dates from the 1960s and serves Springs Mills as well as Lyman, part of Wellford, and several industrial parks with a capacity of six million gallons a day. Here the concern is financial rather than capacity, because the town of Lyman will be assuming responsibility for the sewer system from Springs Mills, which is and will configure to be the biggest customer, using about 2 million gallons a day and generating 70% of the revenues. Lyman has taken on \$2 million in debt to the state to upgrade the sewer system. Lyman and other areas that rely on Lyman for sewage treatment are also concerned about providing adequate technical oversight of the management of the system, which has been provided until now by employees of Springs Mills. While some residents in other communities expressed concern about the financial viability of the Lyman sewer system and the town of Lyman if Springs Mills were to close, there do not appear to be any indications that such a closing is likely in the near term.

There is obviously a need for better sewer service both to accommodate existing residents and firms and to provide for expansion. There is also substantial cooperation in sewer provision already, although a broader tax and population base might strengthen the financial security of the Lyman sewer system as the town assumes responsibility for the system this year from Springs Mills. The county has created a Middle Tyger Area Sewer Authority that could provide a foundation for a combined sewer operation, possibly as a special tax district taking in all four communities as well as other unincorporated areas. The MTA Sewer Authority has received a grant of \$40,000 to study a sewer plan for the Middle Tyger basin.

### **Public services: solid waste disposal**

Solid waste appeared as a concern in interviews both with respect to the large nearby landfill and, closer to the individual resident, solid waste collection and recycling. The large solid waste facility nearby raised concerns from several residents about its size, odor problems, and night fires from burning wastes. Several who were interviewed expressed the view that a larger municipality with more voice and clout would have been more effective in putting some restrictions on the landfill. The landfill does offer a convenient compacting station for local users.

At present, solid waste collection services are limited. The Towns of Duncan and Lyman contract for garbage service for their residents out of tax revenues, but the other communities do not have public solid waste collection. Wellford, and Startex residents rely on private contractors. Many Wellford residents do not choose to have their solid waste collected by a contractor. None of the municipalities offer recycling services. Some of those interviewed thought that solid waste pickup and recycling would be services that residents would find attractive, while others thought that residents would be reluctant to pay higher taxes or pay city fees for solid waste pickup.

### **Public services: other**

One service that received generally high praise from interviewees was Emergency Medical Services in all of the communities. The library is another point of local pride, with current efforts at renovation receiving support from local residents as well as the county. On the negative side, several persons expressed a need for beautification and stricter guidelines to keep the community attractive, and voiced concerns about traffic control and congestion. Some areas, especially parts of Wellford, need road repairs and improvements.

A number of interviewees saw the opportunity to hire a capable, experienced professional town administrator as a major plus for unification. This person could seek grants, promote economic development, and ensure that there would not be a repetition of past problems with funds owed to the state in Duncan or police management in Wellford. A single administrator could consolidate purchasing and other administrative services. One interviewee, commenting sympathetically on the challenges faced by volunteer leadership (mayors and councils), noted that "people are trying to do the best they can, but the best they can do is not good enough." She felt that there was a need for more technical skills in managing local public affairs. One possible option is for the three communities to operate independently with a shared administrator if unification is not undertaken.

## **Public services: municipal employees and officials**

Other communities that have consolidated or considered consolidation have found that it is very desirable to decree a "no-layoff" policy at the start. That is, no employee will be laid off or dismissed, but some may find that their job descriptions changes as duplicate services are eliminated. A no-layoff policy often means that cost savings are delayed, but in cities with as few employees as Duncan, Lyman, and Wellford, it should be possible to absorb any displaced workers into other needed service areas quickly.

By law, an incorporated municipality must have a full time clerk. Duncan, Lyman, and Wellford each have a town clerk. Duncan also has a police chief, a fire chief, and a part time police clerk. In 1993, Duncan reported 8 general fund employees and one utility employee for a total of 9, compared to the typical town in this size class with 20 general fund employees and 5 utility employees for a total of 25. Wellford has two maintenance workers, and five police officers (plus several who work part time). In 1993, Wellford reported a total of 9 employees, all general fund, again well below the average for towns of this size. Lyman did not report employment in 1993, but its employees also include a police clerk, a police chief, four full time and two reserve officers, a fire chief and two assistants, and three full time maintenance workers, for an estimated total of 10-12 full-time equivalents. (Lyman's fire department also has the services of 23 volunteer firemen.) If the towns were combined they would have a total of 27-29 nonutility employees, but the combined towns would be comparable in size to Middletown (the profile city of 5,000-10,000 population), in which the average number of non utility employees is 82. Clearly, low tax revenues and limited services have resulted in very lean limited staffs in all three communities; a no-layoff policy would be unlikely to create any hardships for current employees, who could be reassigned to other much needed positions.

Wellford and Lyman both have a strong mayor form of government, (mayor-council) while Duncan has a "weak mayor" form (mayor-council). All council members are elected at large, but in Duncan, they must reside in designated areas, a modified ward system. In interviews, several options were suggested for organizing city government if unification were to take place. Among the options suggested were single member member districts, wards with election at large, a metro government retaining individual town names, or a larger council (perhaps 9 members).

## **Municipal assets and debt**

In addition to the sewer plant, Lyman owns the library building which is leased to Spartanburg County, and a town hall which also houses the fire and police departments. Lyman is exploring the idea of a park on land near library. With its central location and the land adjacent to the library, Lyman could be the best situated to host a municipal service complex.

All three communities have about the same value of fixed assets exclusive of sewer. Lyman's 1994 financial statement estimates the value of the town's general fixed assets at \$761,546, and its proprietary fund assets (sewer) at \$6,299,271. Wellford has a combined town hall and fire station among its principal fixed assets. According to the 1994 financial statement, Wellford had property, plant and equipment (including vehicles) with a current value of \$850,825, and an additional \$94,594 in assets of the sewer system.

Duncan has a small town hall and separate fire and police department facilities. According to its 1994 financial statement, the town has general fixed assets (land, buildings, furniture and equipment, and leased assets) of \$842,928. Because of accumulated depreciation, the estimated current value of the Duncan sewer facility is only \$57,436. Short term financial problems have resulted in some neglect of Duncan's infrastructure, and provision will have to be made for repairs and improvements in the near future.

On the debt side, Lyman's principal debt is the \$2 million borrowed for sewer upgrades, which will be paid for by customers of the system rather than out of tax revenues. Wellford has \$150,607 in debt incurred primarily for purchase of vehicles that comes due over a period up to 2001, with most of the payments coming in 1995 through 1998.

Duncan's debt is primarily short-term, the result of several years of poor budgeting practices and inadequate fiscal oversight. One important consequence of past poor management practices is that Duncan is now very close to its constitutional debt limit and cannot borrow more other than for enterprise activities such as sewer. This short-term debt is being repaid through a temporary 30 mill increase in Duncan's millage. Duncan officials estimate that the debt will be repaid within two to three years.

Lyman's contribution to a potential partnership is a strong tax base, a sewer system, a central location, and land for a possible service complex near the Middle Tyger library. Duncan brings the business community, growth potential, a good police force, and fire protection resources. Wellford offers a somewhat more stable financial position and growth potential along Highway 29. Startex would add to the tax base, already enjoys an independent source of sewer service, and has a good fire district.

## **Economic and community development**

Unlike many smaller communities in South Carolina, Duncan, Lyman, Wellford and Startex are not faced with the problems of lack of jobs and job opportunities, an eroding tax base, or loss of population. These small towns enjoy some remarkable locational assets. They are easily accessed by two interstates that stretch from Charlotte to Atlanta and the mountains to the coast. They enjoy outstanding employment opportunities, mild climate, good water, good schools, and nice housing developments, all in a small town atmosphere with easy access to the large urban centers of Greenville and Spartanburg and within a few minutes of the Greenville-Spartanburg airport.

Residents who were interviewed were often proud of low taxes but concerned about the level and quality of public services, particularly sewer, police patrols in some areas, fire protection and insurance rates, beautification, and solid waste collection. There is a recognition that economic growth has costs as well as benefits. One resident noted that the area's inexpensive land attracts development but also strains water and sewer capacity.

Many citizens would like to see the communities continue to grow and attract more residents and

more local businesses so that goods and services would be available locally. They are concerned about the continued encroachment of Greer on one side and Spartanburg on the other, and would like ensure their survival as a separate entity or entities. At least some citizens feel a need for growth management that will provide some land use controls and protection from helter-skelter development. An attractive environment with a strong local business community and quality local services is not only attractive to further economic development but also makes the community more pleasant and attractive for both established and new residents. One person pointed out that a combined community with a single name and a large enough size for outsiders to know where it is would be beneficial to local businesses in advertising in newspapers and the combined community in terms of having a single, identifiable city location in the telephone yellow pages and in newspaper advertising.

How would community development be affected by unification of Wellford, Lyman, Duncan, and Startex? It is possible to accomplish many of these goals--better services, land use controls, and development of a stronger local business community--separately or in cooperation, with or without unification. Unification may make some of these efforts more effective or efficient, but it is possible to consolidate individual services (such as fire or police protection, or sewer), to work cooperatively on economic development through entities such as the Middle Tyger Area Chamber of Commerce, and to coordinate land use planning without creating a single municipal government. Unification alone would free up a limited amount of resources for improving local public services, but it would not be an adequate substitute for higher taxes or other revenues to bring local services up to a level comparable to that of other communities of similar size. Growth management and land use control is always more difficult when governing authorities are fragmented and competing, but it is possible to have effective policies within a single community regardless of what neighboring communities do.

Other issues have been raised by some citizens that would have to be explored. One is the matter of whether unification would result in a single post office. Another is the potential alternative uses of current city buildings and the location of central municipal service facilities. By far the most important issue, however, is that of community identity. Community identity is tied up in the names, the histories, the local businesses and historic places, the post offices, the town-owned facilities, and the families that have lived in each community for a long time. Issues of identity are not an insurmountable obstacle to unification, but they do require thoughtfulness, patience, a willingness to compromise, and creativity in trying to preserve the best of the past while creating something new to respond to changing needs.

## **Conclusion**

The unification of Wellford, Lyman, Duncan and Startex presents some real challenges and opportunities that residents should consider carefully before deciding whether, when and how to create a single city out of three small towns and one unincorporated village. One outside observer described the three communities as "undertaxed, underserved, and understaffed." Unification alone will not necessarily generate better services without a commitment to pay for them. However, the combined city has the potential to provide better public services, enhance the quality of life, manage economic growth, attract more local businesses, provide a more effective voice in other public bodies, protect itself from further encroachment by surrounding larger communities, and enhance the community's visibility. These advantages will be more appealing to some citizens than others.

However, the enhanced public services can only come about to a limited degree out of the existing tax and fee structure. If citizens want better police protection, solid waste collection,

professional management, enhanced fire service, and other public services, they must be prepared to move closer to the typical level of property taxes and city fees that are the price of such services in other South Carolina cities.

Unification faces some serious obstacles in terms of the financial and service challenges being experienced by each of the communities, and many opponents of unification have emphasized those concerns. Duncan's financial conditions, Lyman's ability to manage its sewer, Wellford's unmet service needs, are all sources of concern for citizens in the other communities. There is some foundation for citizen concerns that three small towns that have not managed their resources effectively or provided needed services may develop into one larger city that combines the weaknesses of all three. Unification should not take place without some careful attention to service expectations and how those services would be funded.

Citizens of different communities have different needs and preferences, not only about public services, but about growth and change, location of public facilities, forms of government, how large a community they want to be part of, and what name they want to call the place where they live. These are nontrivial issues that must be addressed in any unification proposal.

To date, Batesburg-Leesville represents the only successful municipal consolidation under the 1990 consolidation act. Pacolet, Pacolet Mills, and Central Pacolet are a little farther down the road in exploring the benefits and pitfalls of being one small city instead of three tiny towns. Wellford, Lyman, Duncan and Startex have the choice of taking a chance on consolidation or sitting back and watching to see what other communities do and how well it works. There is an opportunity in being an "early adopter" of a new option such as consolidation, but there are also a lot of risks and unknowns. Ultimately, the choice of what kind of city or cities will lie between Greer and Spartanburg is up to the residents of these four communities. This report can only offer some issues to debate, some facts to absorb, and some implications to consider in making that choice.

## ABOUT THE AUTHOR

*[Dr. Ulbrich](#) is Alumni Professor of Economics at Clemson University and Coordinator of the Community and Economic Development Program at the Strom Thurmond Institute of Government and Public Affairs at Clemson.*



This page is maintained by [Thomas Rourke](#)  
The person responsible for this web site server is  
[Patrick Harris](#)

©1998 Strom Thurmond Institute

