

ORDINANCE NO. 2024 – 01

**AN ORDINANCE OF THE TOWN OF BLUFFTON, SOUTH CAROLINA,
APPROVING THE EXECUTION AND DELIVERY OF A DEVELOPMENT
AGREEMENT WITH SOLOMON PROPERTY HOLDINGS SC, LLC**

WHEREAS, South Carolina law authorizes municipalities to take actions not inconsistent with the Constitution and general laws of the State, regarding any subject the municipality finds necessary and proper for the general welfare and convenience of the municipality, including to execute and deliver contracts, to assist in redeveloping blighted areas, and to expend public funds for economic development; and

WHEREAS, the Council has further determined that the Town should offer certain incentives to encourage private investment and recruit both small businesses and new employers to the Incentive Areas; and

WHEREAS, while the Incentives may benefit the Incentive Recipients (as defined herein), the primary beneficiary of the Incentives will be the Town and its citizens who shall realize the following benefits (the "Benefits"):

- (i) Increased property values within the Incentive Areas and the Town as a whole;
- (ii) Increased revenue from property taxes, business license fees, and permit fees;
- (iii) Increased tourism and commercial activity within the Town as a whole; and
- (iv) Meeting needs of the community residents by encouraging growth within targeted sectors to provide adequate services to Town residents; and
- (v) Assist in providing access to a variety of affordable housing options; and,

WHEREAS, the Incentives, as provided for in an Incentive Agreement (as defined herein), shall be structured in such a way that the value of the Benefits to the Town will exceed the value to the Incentive Recipients; and

WHEREAS, the financial benefit of the Incentives to the Incentive Recipients will only be realized at such time as certain Benchmarks (as defined herein) are met or continue to be met. Should all the Benchmarks be accomplished, the Town believes that there is a high probability that the Benefits will be realized by the Town and that the value of the Benefits will exceed the value public funds expended on the Incentives; and

WHEREAS, Solomon Property Holdings SC, LLC ("Developer") owns, or intends to purchase, real property (the "Property") in the Town of Bluffton, South Carolina (the "City") and to develop the Property; and

WHEREAS, on the Property, Developer intends (a) to invest over ten-million eight hundred thousand dollars (\$10,800,000) to purchase, design, and construct on the property fifteen thousand (15,000) square feet of Class A, health and wellness office space (collectively, the "Development"), and (b) create over sixty five (65) health and wellness related jobs in the first year, earning an average of one hundred nine thousand dollars annually (109,000).

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BLUFFTON, SOUTH CAROLINA, AS FOLLOWS:

1. The City hereby authorizes the Town Manager to make minor corrections, execute, and deliver such documents as may be necessary or useful to affect the implementation of the Economic Development Agreement attached to this ordinance.

2. The Project Agreement, with whatever changes are (a) not materially adverse to the Town and (b) approved by the Town Manager (after advice of Town's counsel), is approved and is incorporated by reference in this Ordinance as if set forth fully in the Ordinance's body. The Town Manager's execution of the final Project Agreement shall be conclusive evidence of the Town's approval thereof.

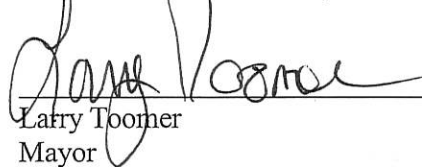
3. The Town Manager is, acting alone, authorized to take whatever actions and execute and deliver whatever documents (including the Project Agreement) as either of them deems appropriate to affect this Ordinance's intent.

THIS ORDINANCE SHALL BE EFFECTIVE IMMEDIATELY UPON SECOND READING.

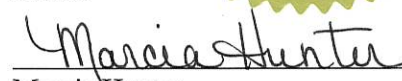


(SEAL)

TOWN OF BLUFFTON, SOUTH CAROLINA


Larry Toomer
Mayor

Attest:


Marcia Hunter
Town Clerk

First Reading: Jan. 16, 2024

Second Reading: Feb. 13, 2024

EXHIBIT A

GRANT AGREEMENT

(SEE ATTACHED)

STATE OF SOUTH CAROLINA)

COUNTY OF BEAUFORT)

THIS AGREEMENT dated the 28th day of February 2024, is between the Town of Bluffton, S.C., a municipal corporation with offices at 20 Bridge Street, SC 29910 ("Town"), and Solomon Property Holdings SC, LLC, ("Developer") a South Carolina limited liability corporation located at 255 New Riverside Village Way, Bluffton, SC 29910.

BACKGROUND STATEMENT

One of the primary missions of the Town is to encourage economic development and thereby improve the tax base and enhance the livability of the Bluffton area.

In September 12, 2023, the Bluffton Town Council adopted an Ordinance ("the Ordinance") establishing an economic development incentive plan. The Ordinance was codified as Article VI within Chapter 6 – Businesses and Business Regulations, and is incorporated herein by reference.

The Developer has acquired commercial property located at 255 New Riverside Village Way; the property is within the Town limits and within the Incentive Area identified in the Ordinance.

The Developer has requested an economic incentive grant from the Town in return for the Developer's agreement to move its business into the Town and locate approximately fifteen thousand (15,000) square feet of class A health care, wellness, med spa or similar ancillary use office space.

Revenues from business licenses, stormwater fees, building permits and property taxes are estimated to exceed \$120,000 in a five-year period. There is also an estimate that the development will create an additional sixty-seven (67) jobs in the first year of operations.

Based upon the foregoing, the Town Council of the Town of Bluffton has determined that the mission of the Town to encourage economic development will be enhanced by the completion of the Developer's project.

STATEMENT OF AGREEMENT

1. In consideration of the mutual representations, warranties, covenants and agreements contained herein, the parties hereto agree as follows:
2. The Developer will establish an operation in the Town in 2025 that complies with the definition of health care as referenced in the Ordinance. If the Developer cannot find suitable business occupants in the health care industry, he must inform the Town in writing of his intent to expand the search, and all potential business occupants must fall within the uses identified in the Ordinance, Section 6-145(a)(5) or the grant award may be amended in accordance with the Ordinance, Section 6-146(c)(3).

3. The Town will pay the Developer a grant based on the increase in fees and business licenses. The grant will be provided over a five-year period on April 1st of each year, beginning April 1, 2025, contingent upon a certificate of occupancy being issued by this date. The grants will be percentage based on the increase in values over the bases established for each of the below categories for the following percentages.

	Year 1	Year 2	Year 3	Year 4	Year 5
Permit Fees	50%	-	-	-	-
BJWSA	100%				
Business License	50%	50%	50%	50%	50%
Property Tax Basis	50%	50%	50%	50%	50%

The Business License amount will be set based on the amount paid at the time of issuing their building permit and subsequently on their paid renewal application amount that covers an entire twelve-month operation period. The permit fees will be based on the fees paid for work done prior to the Certificate of Occupancy and initial Business License of any tenants being issued.

4. The total amount of the grant shall not be greater than the direct value received by the Town and delivered from the capital investment during the contribution period.
5. The benchmarks, measures and reporting for this Agreement shall be:

Benchmark	Measure	Reporting
Target industries	Healthcare and or med spa; in the alternative, provide notice of expansion to all target industries in the Ordinance	Provision of tenant's business license with the Town of Bluffton.
Total project investment	\$10,800,000	Budget spreadsheet with accompanying invoices and proof of payment.
Property valuation		


6. Notifications shall be addressed:

- a) To Developer:
Dr. Jeffrey Solomon
Solomon Property Holdings SC, LLC
33 Red Knot Road
Bluffton, SC 29910
- b) To Town:
Town Manager
Town of Bluffton
20 Bridge Street
Bluffton, SC 29910

7. The Background Statement above is included in the terms of this agreement. The terms and conditions of the Ordinance are incorporated by reference.

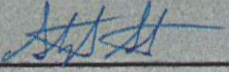
IT IS SO AGREED as of the date above first written.

Solomon Property Holdings SC, LLC

By: 

Its: Member

Town of Bluffton, South Carolina

By: 

Its: Town Manager