



**Town of Summerville  
Planning Commission**  
**The public and Town Council members are invited to attend**  
**October 21, 2019 - 4:00 PM**  
**Summerville Town Hall, Training Room**  
**200 S. Main Street, Summerville, SC**

*For additional information regarding items on this agenda including any public hearings, please contact the Planning Department at 843.851.5200. Applications and related documents for this meeting are available for review at any time at [www.summervillesc.gov](http://www.summervillesc.gov), Public Notices; and, in the Planning Department during regular business hours, Monday–Friday, 8:30–5:00 excluding Town of Summerville holidays.*

**I. APPROVAL OF MINUTES:**

1. Approval of minutes from meeting on September 16, 2019.

**II. PUBLIC HEARINGS:**

**III. OLD BUSINESS:**

1. Article VI, Summerville Economic Development Incentive Program proposed to be added to Town Code, Chapter 20, Planning and Development

**IV. NEW BUSINESS:**

1. New Street Names (as needed)

**V. MISCELLANEOUS:**

1. Unified Development Ordinance Approval

**VI. ADJOURNMENT:**

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Chairman or Vice Chairman

Posted October 17, 2019

The Town of Summerville Planning Commission Meeting  
Minutes  
September 16, 2019

This meeting of the Town of Summerville Planning Commission was attended by Commission Members, Jim Reaves, Chairman; Sarah Bares; Betty Profit; Elaine Segelken; and Kevin Carroll. Staff in attendance included Jessi Shuler, Director of Planning; Tim Macholl, Zoning Administrator; Michael Lisle, Economic Development Coordinator; and Bonnie Miley, Assistant Town Engineer.

Jim Reaves, Chairman, called the meeting to order at 4:00 PM.

**Approval of Minutes:**

The Chairman asked if there were any edits or additions to the minutes from the meeting on August 19, 2019. Hearing none, the Chairman declared the minutes accepted as presented.

**Public Hearings:**

The first public hearing opened at 4:02 PM and was for Article VI, Summerville Economic Development Incentive Program proposed to be added to Town Code, Chapter 20, Planning and Development. Mr. Reaves introduced the request, and Mr. Lisle presented the proposed ordinance. He stated that the ordinance was planned for first reading by Town Council in October and the purpose is to create a program to encourage commercial investment in the Town, particularly in the areas identified in the Comprehensive Plan and Vision Plan. Mr. Lisle briefly detailed how the program would work, explaining that staff would work with the developer to craft an incentive agreement to be approved by Council. He stressed that any incentive given could not exceed the benefit to the Town, and the proposed development must meet certain qualifications to be eligible, including being consistent with the Comprehensive Plan, Vision Plan, or other future master plan; located within Town limits; meeting a minimum threshold of \$500,000 investment of which at least 50% must be in property improvements; and falling under at least one of the economic development activities identified in the ordinance. This program will be looking for proposals that not only improve the individual property, but also improve the adjacent properties and areas as a whole. Each incentive agreement could last up to five years, and staff would monitor annually to make sure that the development is meeting the deliverables included in the agreement. Dr. Bares asked for a Point of Information, which Mr. Reaves allowed. Dr. Bares asked how handing public money to a private developer is consistent with any of our plans. Mr. Lisle responded that this would stimulate the type of development that our plans consider and desire. He also noted that we are one of the few municipalities in our state that do not offer any type of development incentives, and this proposed ordinance is consistent with what other municipalities in our state are doing to stimulate economic development. Dr. Bares questioned the inclusion of restaurants, and not manufacturing, because she is concerned that this is not in line with any of the goals included in our Comprehensive Plan. Mr. Lisle explained that only full-service restaurants could qualify for the incentive and noted that defining the different economic development activities for qualification would be part of the approval process. He also agreed that manufacturing could be added as a specific activity. Dr. Bares remarked that she was also concerned about the level of staffing required for implementation of the ordinance, and Mr. Lisle confirmed that as the Economic Development Coordinator, he would be responsible for implementation of the ordinance, and he did not anticipate a large volume of projects that would overwhelm his ability to adequately implement the ordinance. Dr. Bares then questioned how projects would be decided upon in a way that would prohibit lawsuits against the Town given the broad nature of the ordinance. Mr. Lisle acknowledged that there is not a way to prevent lawsuits, but this ordinance is consistent with other municipalities in the state. Mr. Carroll asked for clarification on whether this proposes incentive money to the developer or tax rebates, and Mr. Lisle stressed that this is post-delivery incentives, nothing in advance. Ms. Segelken asked how staff would quantify the amount justified. Mr.

Lisle stated that it would be on a case-by-case basis, looking at the investment being made, the type of improvement being proposed, and the long-term benefits of the improvement, including increases in property taxes for the property and increases in property values of the surrounding area, types and wages of the jobs produced, and yearly check-ins would ensure that the purposes for which the incentives were being given are being met. He emphasized that flexibility would be in the agreement to reduce the incentives given or end the agreement entirely if the agreed upon commitments are not being met. Ms. Segelken agreed with Dr. Bares that she would have a problem with including restaurants because she does not see them as economic stimulators, particularly because of the wages provided for restaurant jobs. Mr. Lisle stated that most restaurants would not be able to meet the minimum \$500,000 investment requirements, as only up to \$250,000 can be counted for the cost of land. Mr. Reaves asked if anyone from the public had any comments.

Peter Gorman of 313 S. Magnolia Street questioned the inclusion of full-service restaurants. He compared this proposed ordinance to the public-private partnership on the boutique hotel project, and expressed his belief that government should not be competing with private businesses. Mr. Gorman stated that experiences in other towns have shown that the benefits are often not tracked, complex variables come into the calculation, and often these businesses will fail once they have to pay the full taxes. He noted that the existing Summerville Redevelopment Corporation already in place could have pursued these types of incentives and more, but it has not done so in four years. He urged the Commission to table the proposed ordinance as the Town is currently updating their Comprehensive Plan, and refer it to the staff, Comprehensive Plan consultants, and Comprehensive Plan Advisory Committee to consider first.

Hearing no further comment, the public hearing was closed at 4:18 PM.

#### **Old Business**

There were no items under Old Business.

#### **New Business:**

The first item under New Business was New Street Names (as applicable). Ms. Shuler explained that they did not have any street names for approval.

The second item under New Business was the Article VI, Summerville Economic Development Incentive Program proposed to be added to Town Code, Chapter 20, Planning and Development. Mr. Reaves introduced the request. Ms. Segelken made a motion to reject the ordinance as submitted, and Dr. Bares made the second. Dr. Bares expressed her belief that the ordinance was too vague and left the Town open to being sued and wasn't in line with the Comprehensive Plan. She described what she believed to be a similar program in Jackson, MS, that targeted a specific redevelopment area, and the city ended up losing \$21,000,000. Ms. Segelken clarified that the Town's proposed ordinance would not give the money to start with, but only after agreed upon improvements are made; however, she stated that she was not completely comfortable with the current wording of the ordinance. She also explained that she would be interested in how the Chamber feels about the proposed ordinance. Rita Berry and Kevin Szostak, both representing the Chamber in the audience, explained that they had not had a chance to review it and could not comment at this time. Ms. Segelken feels that more research and time needs to be given to review of this proposed program. Following further discussion about the possibility of tabling the item, Dr. Bares made a motion to table the item until the next meeting, and Ms. Segelken made the second. Mr. Reaves called for the vote, and the motion passed unanimously.

The third item under New Business was the Bicycle and Pedestrian Advisory Committee (BPAC) 2019 Improvement Priority List. Mr. Reaves introduced the request, and Dr. Bares, who also serves on the BPAC, acknowledged the work of Rick Reiff on the BPAC, whose expertise as a traffic engineer made the details included in the list possible along with Ms. Miley. Mr. Reaves agreed and commended the

BPAC on their effort and work; however, he stated that he was concerned about the identified projects not being in order of priority if it is sent on to Council. Dr. Bares and Ms. Miley agreed that it could be reordered prior to being sent on to Council. Mr. Carroll questioned the tan shading on certain items and asked what a bulb-out is. Ms. Miley explained that the tan shading represented items added this year, and Ms. Shuler provided a definition and example of a bulb-out. Ms. Segelken made a motion to endorse this list and send it on to Council in order of priority, and Mr. Carroll made the second. The motion passed unanimously.

**Miscellaneous:**

Ms. Shuler stated that she did not have any updates at this time, except that Carly Petersen, the main contact person for the consultant, is leaving Houseal Lavigne, so John Houseal, who is one of the principals of the firm, will take over in the lead contact position. She explained that Mr. Houseal was at the opening meeting with the Town, and has been involved in all communications with the consultant. Mr. Reaves asked for an update on the timeline of the project, and Ms. Shuler confirmed that it was still running close to the original timeline, and she hoped to have a completed draft by the end of the year.

**Adjourn**

With no further business for the Commission, Mr. Carroll made a motion to adjourn with Ms. Segelken making the second, and Mr. Reaves adjourned the meeting at 4:36 PM.

Respectfully Submitted,

Jessi Shuler  
Director of Planning

Date: \_\_\_\_\_

Approved: \_\_\_\_\_  
Jim Reaves, Chairman or Elaine Segelken, Vice Chairman

**AN ORDINANCE ESTABLISHING THE SUMMERVILLE ECONOMIC DEVELOPMENT INCENTIVE PROGRAM TO ENCOURAGE COMMERCIAL INVESTMENT IN THE TOWN OF SUMMERVILLE, AND OTHER MATTERS RELATED THERETO.**

**WHEREAS**, the Town of Summerville, South Carolina (the "**Town**") was created as a municipal corporation under the laws of the State of South Carolina (the "**State**"); and,

**WHEREAS**, the Town is duly empowered to enact ordinances consistent with the S.C. Code of Laws, 1976, as amended, exercising its powers related to the expenditure of public funds for public purposes, and those other powers incident to, and necessary for the accomplishment of, the Town's express authorization to levy certain taxes and fees; and,

**WHEREAS**, the Town Council of the Town of Summerville, the governing body of the Town (the "**Council**"), through the Town's adopted Comprehensive Plan, Vision Plan, and/or other redevelopment plan(s), has established as a matter of policy that fostering the revitalization and redevelopment of areas or districts identified within these plans, and other areas that may be identified (collectively, the "**Incentive Area**") brings about positive economic, social, and cultural impacts within the Town and greatly enhances the quality of life of the Town's citizens; and,

**WHEREAS**, it is essential to the Town's efforts to foster revitalization and redevelopment within the Incentive Area that the Town offer certain incentives (as defined in Section 20-204 below) that will encourage commercial investment in the Incentive Area. The goals (the "**Goals**") of the Town in offering the incentives are as follows:

- (1) To promote the construction of new buildings or the rehabilitation of existing buildings within the Incentive Area; and,
- (2) To support the establishment of the categories of new businesses and/or commercial development that the Council determines will:
  - a. Significantly increase the overall commercial activity within the Incentive Area;
  - b. Attract the Town's residents and tourists into the Incentive Area; and,
  - c. Increase property values within the Town as a whole; and,

**WHEREAS**, while the incentives may benefit the incentive recipients, the primary beneficiary of the incentives will be the Town and its citizens, who shall realize one or more of the following benefits (the "**Benefits**"):

- (1) Increased property values within the Incentive Area and the Town as a whole;
- (2) Increased revenue from property taxes, business license fees, and permit fees;
- (3) Increased tourism and commercial activity within the Incentive Area and the Town as a whole; and/or,
- (4) The improvement of the character of the Town by preserving historic buildings within the Incentive Area or promoting the construction of new buildings that are compatible with its historic character; and,

**WHEREAS**, the incentives, as provided for in an incentive agreement (as defined in Section 20-208 below), shall be structured in such a way that the value of the Benefits to the Town will exceed their 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 in Section 20-208 below) are met or continue to be met; should all the benchmarks be accomplished, the Town believes that there is a high probability that one or more of the Benefits will be realized by the Town and that the value of the Benefit(s) realized will exceed the value of the public funds expended on the incentives.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SUMMERVILLE THAT CHAPTER 20 OF THE TOWN OF SUMMERVILLE CODE OF ORDINANCES BE AMENDED AS FOLLOWS:**

**Chapter 20—PLANNING AND DEVELOPMENT**

**ARTICLE VI. – SUMMERVILLE ECONOMIC DEVELOPMENT INCENTIVE PROGRAM**

**Sec. 20-201. – Title.**

This article shall be referred to as the “Summerville Economic Development Incentive Program.”

**Sec. 20-202. – Authority.**

This program is enacted pursuant to the powers conferred upon the municipality.

**Sec. 20-203. – Purpose.**

The purpose of the Summerville Economic Development Incentive Program is to allow public support of economic projects to foster, promote, and enhance local economic development efforts. The purpose of this article is to allow and to establish criteria for the Town of Summerville to enter into an agreement with a person, firm, or corporation who/that undertake(s) a development project consistent with the Town’s adopted Comprehensive Plan, Vision Plan, and/or other redevelopment plan(s) and the provisions herein.

Nothing in this Ordinance shall be construed to establish any form of ownership, partnership, or liability to or with any third party for the development of any project.

**Sec. 20-204. – Definitions.**

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section:

*Capital investment.* Capital investment is defined as an activity that adds value to the Town’s tax base by the acquisition and/or improvement of real property.

*Development.* Development is defined as the activity of improving a real property to the extent of adding value to the tax base through real property improvements, and the creation and/or retention of employment opportunities.

*Incentive.* Incentive shall be defined as a grant of any inducement having monetary value by the Town of Summerville that is offered to a person, firm, or corporation to pursue a development that encourages commercial investment and/or the creation/retention of jobs. The incentive may also include

grants from other public entities that the Town of Summerville may be able to obtain. Examples of incentives include rebates of all or a portion of payments to the town for property taxes, licenses, and/or fees.

*Incremental increase.* Incremental increase is the difference in the real property value at the beginning of the incentive period and the real property value upon completion of the first taxable year of occupancy of the new development.

*Priority investment areas.* Priority investment areas are defined as those geographic areas identified in the current Town of Summerville Comprehensive Plan as required by the Enabling Act of 1994, as amended. For the purposes of this article, those areas are identified as Brownsville, Downtown, North Main, and Oakbrook.

*Real property value.* Real property value is defined according to the value assigned by the Dorchester County Tax Assessor's Office.

**Sec. 20-205. – Applicability.**

The Town Council may, at its discretion and on a case-by-case basis, and according to available funding, enter into an agreement with a person, firm, or corporation for the purpose of providing an economic development incentive.

The provision of any incentive(s) shall be made only after an agreement has been entered into between the person, firm, or corporation setting forth the particulars of the development and the incentive(s). Such agreement shall be executed upon approval by resolution of the Town Council.

**Sec. 20-206. – General eligibility criteria.**

In order to be considered eligible for incentive(s) under this article, at a minimum a proposed development project must:

- (1) Be consistent with the Town's adopted Comprehensive Plan, Vision Plan, and/or other redevelopment plan(s). Town Council, at its discretion, may approve the provision of incentives for a project not identified in any existing plan that is determined to be of value to the Town.
- (2) Be located within the Town of Summerville.
- (3) Have a minimum threshold investment of \$500,000.00, which must include physical improvements and may also include acquisition costs, and which may be comprised of a single real property investment or a cumulative investment. A minimum of 50% of the total investment made in an individual project must be classified as physical improvements.
- (4) Be for one or more of the following economic development activities:
  - a. Commercial uses as identified in the current Town of Summerville retail market study;
  - b. Tourism and hospitality-related business or activity;
  - c. Cultural arts activities and associated businesses;

- d. Corporate headquarters;
- e. Research and development;
- f. High technology growth business;
- g. Full-service restaurants;
- h. Removal of blight and dilapidation, conversion to green space; and/or
- i. Other uses as may be determined by Town Council which carry out the intent of this article.

**Sec. 20-207. – Specific eligibility criteria.**

In addition to demonstrating compliance with the general eligibility criteria outlined in Section 20-206, each project proposal must address the following topics:

- (1) The extent to which the proposed project furthers the goals for the redevelopment of the district or area as established in the Town of Summerville Comprehensive Plan, Vision Plan, or other master or redevelopment plan(s);
- (2) The extent to which the proposed project positively impacts the real property value of the parcel(s) involved, results in an incremental increase in the district/area, and results in increased revenues for the Town;
- (3) The anticipated positive impact on surrounding properties and the area in general; and,
- (4) The anticipated retention and/or creation of jobs involved in the proposed project and the pay level of such jobs.

**Sec. 20-208. – Administrative criteria and terms of delivery.**

- (1) The person, firm, or corporation must apply for the Summerville Economic Development Incentive Program, provide sufficient documentation on the development, and agree to furnish good faith estimates on projected sales tax, assessed valuation, and other information as may be needed to determine the type and amount of incentive(s) that may be provided.
- (2) The incentive amount shall be determined based upon the amount of the capital investment and new revenues generated as a result of the capital investment as calculated over a period not to exceed five (5) years. The 5-year-or-less incentive period shall commence with the issuance of the Certificate of Occupancy, issuance of a business license, and/or other criteria corresponding to the eligibility factors. The incentive shall require annual monitoring by the Town of Summerville during the incentive period to ensure continued program compliance. Monitoring during the incentive period shall include benchmarks such as, but not limited to, the completion of the first taxable year of occupancy and first year of operation of the identified business use. Benchmarks shall be monitored for each year of the incentive period, and a list of annual benchmarks to be met shall be included in the incentive agreement.

- (3) The total incentive amount shall not be greater than the direct value received by the Town and derived from the capital investment during the term of the incentive.
- (4) The Town of Summerville may, at its discretion, extend the incentive period by no more than one (1) additional year if deemed warranted based upon the continuing benefit created by the investment.
- (5) The Town of Summerville may increase or decrease the amount of the incentive based upon actual development and real property values as determined through the monitoring process.
- (6) If at any time during the incentive period the development's use does not meet the eligibility criteria, then the Town shall deem the agreement null and void.
- (7) If at any time during the incentive period the development is sold, the benefits of the incentive may be assigned to the new owner only upon written consent of the Town. The new property owner must request written consent from the Town within thirty (30) days of the sale. Consent by the Town will not be unreasonably withheld.
- (8) If at any time during the incentive period the real property value is appealed, then the incentive amount may be renegotiated or voided.
- (9) Administration of this program shall be the responsibility of the economic development coordinator.
- (10) Upon adoption by the Town Council of the Town of Summerville, South Carolina, this ordinance shall take effect on January 1, 2020.

## Town of Summerville Economic Development Incentive Program Fact Sheet

### Overview

- The program is intended to **foster revitalization and redevelopment** within the areas identified in existing Town-approved plans (“incentive areas”), such as the Comprehensive Plan and the Vision Plan.
  - Downtown
  - Oakbrook
  - North Main
  - Brownsville
  - Sheep Island
- Program goals are to:
  - Promote **new construction** and **building rehabilitation** in the incentive areas
  - Support establishment of categories of **new businesses and/or commercial development** that Town Council has determined will significantly **increase overall commercial activity** within the incentive areas; **attract Town residents and tourists** into the incentive areas; and **increase property values** within the Town as a whole.
- Benefits to the Town include:
  - **Increased property values** in the incentive areas and the Town as a whole
  - **Increased revenues** from property taxes, business license taxes, and permit fees
  - **Increased tourist and commercial activity** in the incentive areas and the Town as a whole
  - Improvement of the character of the Town by **preserving historic buildings** within the incentive areas or promotion of the construction of new buildings compatible with its historic character

### Considerations

In addition to the eligibility criteria, proposals will be evaluated on the following elements:

- The extent to which the project furthers the goals for **redevelopment of the incentive area**
- The extent to which the project **positively impacts the real property value of the parcel(s)** involved
- Anticipated positive impact on the **real property value of the surrounding properties** and the incentive area in general
- Anticipated **retention and/or creation of jobs** involved in the project and the pay level of such jobs

### Eligibility for Incentives

In order to be eligible for any incentive, at a minimum a proposed project must:

- Be consistent with the Comprehensive Plan and/or Vision Plan
- Be located within the Town of Summerville
- Have a **minimum threshold investment of \$500,000**, at least 50% of which is classified as physical improvements
- Be for an **identified economic development activity** as listed below:
  - Commercial use as identified in the Town’s retail market study
  - Tourism and hospitality-related business or activity
  - Cultural arts activities and associated businesses
  - Corporate headquarters
  - Research & development
  - High technology growth business
  - Full-service restaurants
  - Removal of blight or dilapidation, conversion to green space
  - Other uses as determined by Town Council which carry out the intent of the program

### Key Elements

- Any incentives to be provided are approved on a **case-by-case basis** by Town Council
- No incentive can be provided prior to performance—**no waivers, no abatements, no blank checks**
- Pursuant to Council’s approval of an incentive agreement, the maximum period for incentive provision is **five (5) years**
- The amount of incentive provided **cannot exceed the direct financial value** of the project to the Town
- Town staff will **monitor each incentivized project on an annual basis** during the 5-year window to ensure that the project continues to comply with program requirements and meet performance benchmarks.
- If a project is found to be out of compliance, the Town has the right to **immediately terminate any incentive(s)**

**Note: This fact sheet is for a proposed ordinance to create an Economic Development Incentive Program.**