

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

RESOLUTION NO.: 2021-04

**A RESOLUTION TO ADOPT THE ABBEVILLE COUNTY
GROCERY STORE INVESTMENT INCENTIVE POLICY**

WHEREAS, Abbeville County has determined that it is necessary to make efforts to attract Grocery Store Investment in Abbeville County.

NOW, THEREFORE, BE IT RESOLVED that the Abbeville County Grocery Store Investment Incentive Policy, a copy of which is attached hereto as Exhibit "A", is hereby approved and adopted by Abbeville County Council in a meeting duly assembled.

DONE AND PASSED this 8th day of February, 2021.

ABBEVILLE COUNTY COUNCIL

By: 
William C. Norris, Chairman

Attest:



Lynn Sopolosky, Clerk to Council

EXHIBIT "A"

Abbeville County Grocery Store Investment Incentive Policy

THE FOLLOWING POLICY ADOPTED BY ABBEVILLE COUNTY COUNCIL SHALL NOT REPRESENT A COMMITMENT TO PROVIDE INCENTIVES AND ABBEVILLE COUNTY COUNCIL SHALL HAVE SOLE DISCRETION AND AUTHORITY TO REJECT ANY PROPOSAL NOT BEING DEEMED TO BE IN THE PUBLIC INTEREST

Abbeville County Council has adopted the following policy to attract grocery store investment within Abbeville County:

- 1) There is a need within Abbeville County for a more competitive full-service grocery marketplace, in order to: a) improve retail grocery store facilities within Abbeville County, b) improve access to residents that would have a further walk or drive to purchase fresh food choices and c) improve the variety and pricing of products available to Abbeville County grocery shoppers.
- 2) The incentivization and recruitment of new grocery store investment is a legitimate public purpose and, to the greatest degree possible, should be pursued using the same property tax incentives available to County Council under state law for the incentivization and recruitment of industrial investment.
- 3) The incentives contained herein are intended to promote growth in investment through the establishment of new full-service grocery stores in Abbeville County, as well as new investments that may significantly improve existing full-service grocery stores and/or vacant properties compatible for use as full-service grocery store facilities.
- 4) Determinations concerning which companies might establish new full-service grocery stores in Abbeville County, where such stores might be located within Abbeville County, and which existing stores or compatible vacant properties might be improved pursuant to this policy, are largely matters for the private sector to determine; *provided that, the County and its municipalities shall have the authority to reject any proposal not deemed to be in the public interest.*

Qualified Grocery Store Project

For purposes of this policy, a "Qualified Grocery Store Project" is one that meets all of the following criteria: 1) minimum size of 15,000 square feet floor space; 2) new demonstrated investment expenditures of at least \$1million related to the provision of full-service grocery shopping services; 3) more than 50% of floor space dedicated to the sale of a wide variety of food products generally found in full-service grocery stores, including but not limited to meats, seafood, dairy, canned goods, baked goods, fresh produce, and frozen foods; 4) more than 50% of total revenue coming from food sales; 5) operation by a qualified grocer, whether such grocer is operating as the owner or the lessee of the real property involved; 6) no abandonment of an existing facility, i.e., no creation of "empty boxes," to build elsewhere in Abbeville County; and 7) if not a stand-alone store, inclusion for Credit purposes of only the discrete, full-service

grocery store component of any given retail development/shopping center. The County's intent, with this policy, is to improve the *full-service grocery store services* available to Abbeville County's citizens.

The property tax-related incentives (Credits) provided for herein will promote new grocery store investment, which will necessitate investment in real property. As such, the benefits of this policy will flow directly to the property owner of the Qualified Grocery Store Project, unless lease terms between the real property owner and grocery operator provide otherwise, as with a "triple-net" or similar lease arrangement.

New Taxable Value and Demonstrated New Expenditures

"New Taxable Value" shall result from two components: 1) "Prior Taxable Value," and 2) the increased taxable value resulting from "Demonstrated New Expenditures." The Prior Taxable Value shall be that value on the County's tax rolls prior to any improvements made pursuant to this policy, except that commercial land value equivalents shall be used to establish Prior Taxable Value where agriculturally-assessed property is being converted to use for a Qualified Grocery Store Project. The Demonstrated New Expenditures shall be the total of all expenditures made pursuant to this policy for the provision of improved or expanded full-service grocery shopping services. The value of Demonstrated New Expenditures will be subject to independent verification, in the County's sole discretion. New Taxable Value shall be the sum of Prior Taxable Value and the taxable value of those Demonstrated New Expenditures made pursuant to this policy.

While Demonstrated New Expenditures will enable achievement of the thresholds for the property tax incentives described herein, the entire taxable value of the property after these improvements have been made shall be the property's New Taxable Value, and the property tax-related incentives (Credits) described herein shall apply to the entire New Taxable Value.

Property Tax Incentives and Demonstrated New Expenditures

Qualified Grocery Store Projects meeting certain thresholds for new expenditures made in the form of Demonstrated New Expenditures will receive property tax incentives by means of a special source revenue credit (SSRC "Credit"). The Credit, for purposes of this policy document, is expressed as a percentage reduction of the total property tax liability due (all applicable levies). Qualification for the Credit involves placement of the Qualified Grocery Store Project in a multi-county industrial park, as defined by South Carolina law. (Note: The term multi-county industrial park refers to a mode of tax treatment under state law, not a physical or geographical location. This policy does not determine where Qualified Grocery Store Projects may locate.) The express concurrence of municipal governments is required where Qualified Grocery Store Projects are located within the corporate boundaries of a town or city. Unless otherwise specified, the term of the Credit will be for twenty (20) years.

For any Qualified Grocery Store Project proposing Demonstrated New Expenditures of at least \$1 million in a single location within Abbeville County, the resulting New Taxable Value of the property may be eligible for a 60% Credit for twenty (10) years.

Demonstrated New Expenditures of at least \$3 million at a single location within Abbeville County may qualify the New Taxable Value of the Qualified Grocery Store Project for a 90% Credit for each of the first three years and a Credit of 60% per year for years four (4) through twenty (10).

Demonstrated New Expenditures of at least \$4 million at a single location within Abbeville County may qualify the New Taxable Value of the Qualified Grocery Store Project for a 100% Credit for each of the first five (5) years and a Credit of 60% per year for years six (6) through twenty (20). All property tax incentives apply only to New Taxable Values of Qualified Grocery Store Projects making improvements subject to this policy; provided that, the inclusion of *any* Qualified Grocery Store Project under this policy is at the sole discretion of the County.

Limited Time Period

The property tax-related incentives (Credits) provided for herein may apply to Qualified Grocery Store Project investments announced within two (2) years following the adoption of this policy and completed within four (4) years following the adoption of this policy. Any extensions or other modifications of these terms must be approved by County Council.

Application/Approval

To be considered for the Credits described herein, a representative of the project must complete a Request for Consideration of Credit Application (“RCC Application”), which will require details about the proposed grocery store project and a general demonstration of the project’s applicability to this policy, as well as its suitability for Abbeville County and its municipalities. Applications will be reviewed by Abbeville County Council, county administration, and municipalities, as may be deemed appropriate. *The approval of any application will be in the sole discretion of the County.* If approved, the Credit may be claimed by the party responsible for paying the property taxes on the recognized site/real property of the Qualified Grocery Store Project during the period of the term of the Credit. The actual grant of the Credit will be accomplished through an agreement between the County and the appropriate taxpayer(s), which agreements shall be subject to approval by Ordinance of the County Council.

Continuous Operation Required

For any period of time that the Qualified Grocery Store Project is closed to the public for longer than six months, the Credit described herein will cease, and a new Application process will be required as a condition of continuing or restarting the Credit. Closure for reasons of *force majeure* are exempt from this provision, but only where the clear intent to continue operations is sufficiently established, in the County’s sole discretion.

