

TOWN COUNCIL

STAFF REPORT Executive Department



MEETING DATE:	September 10, 2024
PROJECT:	Consideration of An Ordinance Authorizing an Economic Development Incentive Agreement between the Town of Bluffton and Reed Commercial Partners, LLC in Support of the Development of up to 30,000 Square Feet of Commercial Space for Incentive Eligible Commercial Space – Second and Final Reading
PROJECT MANAGER:	Chris Forster, MPA, CPFO, CGFM, Assistant Town Manager

REQUEST: Request for Town Council to first reading of an ordinance approving the execution and delivery of an economic development agreement with Reed Commercial Partners, LLC.

UPDATES:

Based on feedback from Council Staff have updated the grant agreements with the following change:

“Should the Developer lease and/or sell only a portion of the space for eligible business uses the grant paid will be allocated based on the equivalent of the percentage of square feet eligible. For example, if only 50% of the square footage is leased to entities using the space for an eligible business use, the Developer will only receive 50% of the grant calculated according to the chart above in section 3.”

BACKGROUND:

The laws or Constitution of the State of South Carolina, 1895, as amended, empowers towns to enact ordinances related to the expenditure of public funds for public purposes and necessary for the Town to levy certain taxes and fees.

Town residential development has grown exponentially over the past decade. Commercial development has lagged the residential growth. Certain areas of the Town of Bluffton, notably west of Buckwalter parkway, are experiencing a void of commercial development in certain critical service industries. There also remains a lack of affordable housing to accommodate the demand for a diverse local workforce.

In September of 2023 the Bluffton Town Council adopted an Ordinance establishing an economic development incentives plan:

- (i) To promote the redevelopment of existing buildings and infill development within the Incentive Areas;
- (ii) To support the establishment of the categories of new businesses that the Council determines will significantly increase the overall commercial activity within the Town, provide the Town's residents with sufficient options within the Town rather than having to travel elsewhere; encourage tourists and those who reside in surrounding communities to make use of businesses within the Town; and increase property values within the Town as a whole; and
- (iii) To develop the Incentive Areas into commercial spaces that match the Town's sense of place and contributes to the Council's overall priorities established within our Comprehensive and Strategic Plans; and
- (iv) To support the development of affordable housing to encourage relocation of professionals working in one of the professions supported by the incentivized developments.

The intended use of the development must be for one or more of the following business purposes:

healthcare, dental, home health, pharmaceutical retail, and similar ancillary uses;

- (i) childcare services;
- (ii) affordable housing developments (separately or part of a larger project);
- (iii) mixed use commercial and similar flex-use space;
- (iv) corporate headquarters; and
- (v) other uses, as may be determined by the Council, that are consistent with the Goals, and the Plans.

DISCUSSION:

Staff received a grant request from Grant Sadler, with Read Commercial Partners, LLC (RCP). RCP intends to build a 10,000 square foot building at Raider Drive, and an 8,274 square foot building and a 10,842 square foot building at Hampton Lake Drive. If awarded a grant, RCP will market its space to commercial entities eligible within the targeted industries of the economic development incentive ordinance. The grant will apply to only space that is ultimately sold or leased to incentive eligible businesses.

The total investment for the three buildings is up to \$13 million. It is expected to employ up to 90 new jobs. The estimated completion is by January of 2026.

The remaining phases are expected to be completed by summer of 2027. The three buildings will generate an estimated \$40,000 in property taxes annually and an estimated \$20,000 in business

license revenue related to the construction and \$5,000 in business license revenue annually.

The ordinance allows for grant awards equal to; up to 50% of all permitting fees, up to 100% of BJWSA capacity fees and up to 50% of business license fees for up to five years. The Council has additional discretion to grant additional grant amount if deemed necessary to advance the goals of the ordinance.

Staff have developed the following guide for determining eligible grant amounts based on the significance of qualifying developments.

New Jobs	or	Minimum Capital Investments	Eligible Grant Percentages		
			Permit Fees	BJWSA Capacity Fees	Business License Fees
5		\$500,000	10%	20%	50% (1 Year)
10		\$750,000	15%	30%	50% (2 Year)
15		\$1,000,000	20%	50%	50% (3 Year)
20		\$1,500,000	35%	75%	50% (4 Year)
25+		\$2,000,000+	50%	100%	50% (5 Year)

Based on the size of the RCP proposed developments, the significant investment and potential new jobs, staff recommends the following grant percentages. It is recommended that RCP receive an economic development incentive grant equal to 50% of all town permitting and development fees, 100% of their BJWSA capacity fees and 50% of business license fees as it relates to the portion of the project dedicated for incentive eligible uses.

The estimated fees related to the Raider Drive development and estimated grant mounts are as follows:

Fee Estimate	Est. Total	Year 1	Year 2	Year 3	Year 4	Year 5
Development Fees	9,900	4,950				
Permit Fees	15,740	7,870				
Stormwater Fees	5,600	2,800				
BJWSA Capacity Fee	12,000	12,000				
Business License Fee	3,976	1,988	1,250	1,250	1,250	1,250
	\$ 47,216	\$ 29,608	\$ 1,250	\$ 1,250	\$ 1,250	\$ 1,250
			Total Estimated 5 year Benefit			\$ 34,608
* These are estimates and actuals are subject to change.						

The estimated benefit and net revenue to the Town over 5 years for the Raider Drive

development are as follows:

Bluffton Taxes / Fees Estimate (5 Year Total)	Amount
Initial Building & Development Fees	\$ 31,240
Property Taxes	13,738
Business License Fees	13,976
Total Taxes & Fees	\$ 58,954
Five Year Grant Total	\$ 34,608
Net Revenue (Initial 5 Years)	\$ 24,346

The estimated fees related to the Hampton Lakes Drive development and estimated grant mounts are as follows:

Fee Estimate	Est. Total	Year 1	Year 2	Year 3	Year 4	Year 5
Development Fees	27,500	13,750				
Permit Fees	43,571	21,785				
Stormwater Fees	5,600	2,800				
BJWSA Capacity Fee	33,600	33,600				
Business License Fee	11,044	5,522	3,500	3,500	3,500	3,500
	\$ 121,315	\$ 77,457	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
			Total Estimated 5 year Benefit			\$ 91,457
* These are estimates and actuals are subject to change.						

The estimated benefit and net revenue to the Town over 5 years for the Hampton Lakes Drive development are as follows:

Bluffton Taxes / Fees Estimate (5 Year Total)	Amount
Initial Building & Development Fees	\$ 76,671
Property Taxes	45,850
Business License Fees	39,044
Total Taxes & Fees	\$ 161,565
Five Year Grant Total	\$ 91,457
Net Revenue (Initial 5 Years)	\$ 70,107

NEXT STEPS: The Town Council may approve the ordinance as submitted, approve with amendments, or deny approval of the ordinance.

ATTACHMENTS:

1. Ordinance
2. Grant Request Letter
3. Project Profile Worksheet
4. Building Rendering
5. Motion

**AN ORDINANCE OF THE TOWN OF BLUFFTON, SOUTH CAROLINA,
APPROVING THE EXECUTION AND DELIVERY OF A DEVELOPMENT
AGREEMENT WITH REED COMMERCIAL PARTNERS, 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, Reed Commercial Partners, 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 three million dollars (\$3,000,000) to purchase, design, and construct on the property ten thousand eight hundred (10,000) square feet of commercial flex space (collectively, the "Development") in the area of Raider Drive, and (b) create over thirty (30) jobs, earning an average of sixty thousand dollars annually (60,000).

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.

TOWN OF BLUFFTON, SOUTH CAROLINA

Larry Toomer
Mayor

(SEAL)

Attest:

Marcia Hunter
Town Clerk

First Reading: _____

Second Reading: _____

EXHIBIT A

GRANT AGREEMENT

(SEE ATTACHED)

**AN ORDINANCE OF THE TOWN OF BLUFFTON, SOUTH CAROLINA,
APPROVING THE EXECUTION AND DELIVERY OF A DEVELOPMENT
AGREEMENT WITH REED COMMERCIAL PARTNERS, 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, Reed Commercial Partners, 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 ten million dollars (\$10,000,000) to purchase, design, and construct on the property twenty eight thousand eight hundred (28,000) square feet of economic development eligible office space (collectively, the "Development") in the area of Hampton Lakes Drive, and (b) create over sixty (60) jobs, earning an average of sixty thousand dollars annually (60,000).

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.

TOWN OF BLUFFTON, SOUTH CAROLINA

Larry Toomer
Mayor

(SEAL)

Attest:

Marcia Hunter
Town Clerk

First Reading: _____

Second Reading: _____

EXHIBIT A

GRANT AGREEMENT

(SEE ATTACHED)

4/16/2024

Grant Sadler
1 Promenade St.
Bluffton, SC 29910
grants@reed-commercial.com

Chris Forster
Assistant Town Manager
Town of Bluffton
20 Bridge St.
Bluffton, SC 29910

Chris,

I am pleased to share details about an exciting project that we have in the pipeline, Raider Drive Flex Building. With the Town's newly adopted Economic Development Incentives, we would like to submit the following for review:

Raider Drive entails the development of a standalone commercial building spanning approximately 10,000 square feet. This space is designed to accommodate 1 to 4 tenants, offering flexibility for a variety of businesses that need offices and warehouse.

We have already obtained a development permit from the Town and are excited to commence construction.

Anticipated development costs are projected to be just shy of \$3 million, which include a land value of \$250,000 (arguably lower than market). We anticipate total fees to the Town of Bluffton at approximately \$15,000 throughout development. Additionally, we've allocated approximately \$12,000 to BJWSA for capacity fees, inspections, recording, and hook up costs.

One challenge we presently face, as it relates to BJWSA, since this is a speculative build: we are committing 1 commercial capacity credit to the facility. The expense associated with purchasing 4 commercial capacity credits, in addition to the added infrastructure cost, is a value engineering decision that we had to make due to the cost of capacity credits being due prior to construction (and non-refundable if not used), long before we know how many tenants will occupy the facility. It's an identified loss leader if the facility results in only one tenant. The delta for the all-in cost is at minimum \$50,000. Maybe we can discuss this in a bit more detail.

For further consideration, the town's adoption of the new stormwater manual has introduced a direct increase in development costs. Specifically, substituting pavers for asphalt in the parking area and incorporating an extra pond result in an additional expenditure of \$52,000 on pavers and at least \$30,000 on the second bio retention pond. As development expenses escalate, the necessary rent to achieve an acceptable investment return will rise, therefore burdening tenants with higher rents.

Cumulatively, between the Town, BJWSA, and added site costs for Stormwater amount to ~\$109,000, translating to ~\$10 per foot in construction costs. For the end user, or tenant, these costs result in an additional \$10,000 per year in rent.

Sincerely,

Thanks,

Grant Sadler
Reed Commercial Partners

Cc: Jake J. Reed, John P. Reed, Tim Brutcher

Expense Exhibit

Town of Bluffton	
Description	Cost
New Structure Commercial Building Safety Fee	\$ 7,923.50
Electrical Building Safety Fee	\$ 75.00
Irrigation Permit Building Safety Fee	\$ 100.00
Stormwater Plan Review Fee	\$ 500.00
Stormwater Plan Review Fee Resubmittal x2	\$ 600.00
Development Plan Submittal	\$ 500.00
Final Development Plan Permit	\$ 1,000.00
Erosion Control Inspection Fees x18	\$ 4,500.00
Sign Fee	\$ 50.00
Exempt Plat Fee	\$ 25.00
Total	\$ 15,273.50

BJWSA	
Description	Cost
Water Connection Fee	\$ 400.00
Sewer Connection Fee	\$ 400.00
1 2" E- Series Meter	\$ 3,700.00
Sewer Inspection Fee 2x	\$ 150.00
Backflow Inspection 2x	\$ 150.00
Construction Charge	\$ 200.00
Commercial Quote 2x	\$ 100.00
6" Fire Line Fee for 1 year	\$ 78.00
Wastewater Capacity Fee 230 GPD Min	\$ 3,744.40
Water Capacity Fee 300 GPD Min	\$ 1,497.00
Plan Review Fee	\$ 300.00
Construction Phase Review Based on 4 Minimums	\$ 45.00
Record Drawing Conversion Fee	\$ 250.00
System Pressure Testing Fee	\$ 150.00
DHEC DRP Water Submittal	\$ 75.00
DHEC DRP Wastewater Submittal	\$ 75.00
LCOG	\$ 230.00
Blanket Easement Document Recording Fee	\$ 150.00
Total	\$ 11,694.40

4/23/2024

Grant Sadler
1 Promenade St.
Bluffton, SC 29910
grants@reed-commercial.com

Chris Forster
Assistant Town Manager
Town of Bluffton
20 Bridge St.
Bluffton, SC 29910

Chris,

Our project entails the development of 3 commercial buildings spanning approximately 28,000 square feet. This versatile space is designed to accommodate anywhere from 5 to 18 users, offering flexibility for a variety of business needs. These 3 modern buildings can serve numerous purposes and is adaptable to different types of businesses and industries.

We have already obtained the necessary development permits and are eagerly awaiting the right opportunity to commence construction on this project. Once construction begins, we are committed to delivering high-quality buildings that meet the needs and exceed the expectations of our future tenants.

This project presents an excellent opportunity for businesses looking for a modern and adaptable space to establish or expand their operations. Whether in need of office space, retail space, or space for a restaurant, our Buildings can be tailored to suit various requirements.

We believe this project will contribute positively to the local community and provide an attractive option for businesses seeking a prime location with versatile amenities. We are dedicated to ensuring the success of this development and are excited about the potential opportunities it will bring to the area.

Anticipated development costs are projected to fall around \$10 million. Presently, we estimate to pay \$335,715 to all the municipalities throughout the life of the project. This includes The Town of Bluffton, BJWSA, Beaufort County, Low Country Council of Governments, etc.

Thank you for considering our project for the Town of Bluffton Incentive.

Thanks,

Grant Sadler
Reed Commercial Partners

Cc: John Salmon, Jake J. Reed, John P. Reed, Tony Forino, John Smith, Martin Bozalek

Project Profile Worksheet	
Project Information	
Company Name:	Raider Drive LLC
Project Name:	Raider Drive
Type of Project:	Start Up
Type of Entity:	LLC
Type of Business:	Please Choose From Drop Down
NAICS or SIC Code:	
Address:	Corner of Raider Drive and Hampton Pkwy
Completed By:	Jake Reed
Phone Number:	(949) 945-4959
Email Address:	jake@reed-commercial.com
Date:	3/6/2024



Project Description - Please include the product/service and a brief description of the project including timing.

This project is a stand alone 10,000 sqft commercial building intended for 1 to 4 users. This is considered a flex space which can be used for many different uses. Building permit is obtained, we are waiting for the correct oputunity to start construction on this project.

Project Alternatives - Are other sites or project configurations under consideration? Please list other potential locations.

N/A

Estimated Capital Investment	Year 1	Year 2	Year 3	Year 4	Year 5	
	2024	2025	2026	2027	2028	Total
Land Costs	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ 350,000.00
Building - New Construction	\$ 2,544,000	\$ -	\$ -	\$ -	\$ -	\$ 2,544,000.00
Building - Purchase of Existing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building - Renovations						
~Internal Renovations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
~External Renovations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building - Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Machinery & Equipment - New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Machinery & Equipment - Used	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pollution Control Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Investment	\$ 2,894,000.00	\$ -	\$ -	\$ -	\$ -	\$ 2,894,000.00

Estimated New Jobs at New Facility											
Jobs are full time employees of the Company	By the end of the First Year of Operation		By the end of the Second Year of Operation		By the end of the Third Year of Operation		By the end of the Fourth Year of Operation		By the end of the Fifth Year of Operation		
	2024		2025		2026		2027		2028		
Employment Category	New Full Time Jobs Created	Avg Hourly Wage	New Full Time Jobs Created	Avg Hourly Wage	New Full Time Jobs Created	Avg Hourly Wage	New Full Time Jobs Created	Avg Hourly Wage	New Full Time Jobs Created	Avg Hourly Wage	Total New Jobs to SC
Managerial	5	\$ -		\$ -		\$ -		\$ -		\$ -	
Professional	5	\$ -		\$ -		\$ -		\$ -		\$ -	
Technical	5	\$ -		\$ -		\$ -		\$ -		\$ -	
Sales	10	\$ -		\$ -		\$ -		\$ -		\$ -	
Clerical		\$ -		\$ -		\$ -		\$ -		\$ -	
Craftsman (skilled)		\$ -		\$ -		\$ -		\$ -		\$ -	
Operators (semi-skilled)	5	\$ -		\$ -		\$ -		\$ -		\$ -	
Laborers (unskilled)		\$ -		\$ -		\$ -		\$ -		\$ -	
Service		\$ -		\$ -		\$ -		\$ -		\$ -	
		\$ -		\$ -		\$ -		\$ -		\$ -	
		\$ -		\$ -		\$ -		\$ -		\$ -	
		\$ -		\$ -		\$ -		\$ -		\$ -	
New Job Creation to Date and Avg. Weekly Wage	30	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	30

Estimated Jobs Relocated to New Facility		
<i>Jobs are full time employees of the Company</i>		
Employment Category	Full Time Jobs	Avg Annual Wage
		\$ -
		\$ -

Estimated Utility Requirements (or increase if expansion):	
Water	313
Sewer	438
Electric	
Gas	
Use of Port?	No

Estimated Business Activities:	
Annual Materials Purchased for Operations:	
Annual Number of Visitors to the Facility:	
Avg Visitors Length of Stay:	

Benefits - Please provide a brief description of the benefit package offered to employees in the area below. Please include percentage paid by employer.

Briefly describe the financing structure for this project.

Project Profile Worksheet	
Project Information	
Company Name:	FR Offices
Project Name:	The Parkways Offices
Type of Project:	Start Up
Type of Entity:	LLC
Type of Business:	
NAICS or SIC Code:	
Address:	3,5 & 7 Hampton Lake Drive
Completed By:	Jake Reed
Phone Number:	(949) 945-4959
Email Address:	jake@reed-commercial.com
Date:	3/5/2024



Project Description - Please include the product/service and a brief description of the project including timing.

This project encompasses three buildings totaling approximately 27,000 square feet. Building 1 and Building 3 will stand three stories tall, while Building 2 will consist of two stories. Our buildings feature premium modern and contemporary architecture, designed to resonate with the surrounding community. Construction is anticipated to conclude by the end of 2024 or the beginning of 2025. The intended occupants include office tenants, medical offices, and various other commercial tenants.

Project Alternatives - Are other sites or project configurations under consideration? Please list other potential locations.

N/A

Estimated Capital Investment	Year 1	Year 2	Year 3	Year 4	Year 5	
	2024	2025	2026	2027	2028	Total
Land Costs	\$ 1,152,000	\$ -	\$ -	\$ -	\$ -	\$ 1,152,000.00
Building - New Construction	\$ 7,798,505	\$ -	\$ -	\$ -	\$ -	\$ 7,798,505.00
Building - Purchase of Existing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building - Renovations						
~Internal Renovations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
~External Renovations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building - Leasehold Improvements	\$ 1,128,000	\$ -	\$ -	\$ -	\$ -	\$ 1,128,000.00
Machinery & Equipment - New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Machinery & Equipment - Used	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pollution Control Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Investment	\$ 10,078,505.00	\$ -	\$ -	\$ -	\$ -	\$ 10,078,505.00

Estimated New Jobs at New Facility										
<i>Jobs are full time employees of the Company</i>		By the end of the First Year of Operation	By the end of the Second Year of Operation	By the end of the Third Year of Operation	By the end of the Fourth Year of Operation	By the end of the Fifth Year of Operation				
		2024	2025	2026	2027	2028				
Employment Category	New Full Time Jobs Created	Avg Hourly Wage	New Full Time Jobs Created	Avg Hourly Wage	New Full Time Jobs Created	Avg Hourly Wage	New Full Time Jobs Created	Avg Hourly Wage	New Full Time Jobs Created	Avg Hourly Wage
Managerial	5	\$ -	6	\$ -	0	\$ -	0	\$ -	0	\$ -
Professional	5	\$ -	5	\$ -	0	\$ -	0	\$ -	0	\$ -
Technical	2	\$ -	7	\$ -	0	\$ -	0	\$ -	0	\$ -
Sales	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Clerical	3	\$ -	3	\$ -	0	\$ -	0	\$ -	0	\$ -
Craftsman (skilled)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Operators (semi-skilled)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Laborers (unskilled)	2	\$ -	2	\$ -	0	\$ -	0	\$ -	0	\$ -
Service	10	\$ -	10	\$ -	0	\$ -	0	\$ -	0	\$ -
		\$ -		\$ -		\$ -		\$ -		\$ -
		\$ -		\$ -		\$ -		\$ -		\$ -
		\$ -		\$ -		\$ -		\$ -		\$ -
New Job Creation to Date and Avg. Weekly Wage	27	\$ -	33	\$ -	0	\$ -	0	\$ -	0	\$ -

Total New Jobs to SC

60

Estimated Jobs Relocated to New Facility		
<i>Jobs are full time employees of the Company</i>		
Employment Category	Full Time Jobs	Avg Annual Wage
		\$ -
		\$ -

Estimated Utility Requirements (or increase if expansion):	
Water	3107
Sewer	2418
Electric	
Gas	
Use of Port?	No

Estimated Business Activities:	
Annual Materials Purchased for Operations:	0
Annual Number of Visitors to the Facility:	0
Avg Visitors Length of Stay:	0

Benefits - Please provide a brief description of the benefit package offered to employees in the area below. Please include percentage paid by employer.

Briefly describe the financing structure for this project.

70% Bank Financeing 30% private equity





STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

THIS AGREEMENT dated the ____ day of _____ 2024, is between the Town of Bluffton, S.C., a municipal corporation with offices at 20 Bridge Street, SC 29910 ("Town"), and Reed Commercial Partners, LLC, ("Developer") a South Carolina limited liability corporation located at _____.

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 Hampton Lake Drive and Raider Drive; 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 develop commercial space in Town and locate up to ten thousand (10,000) square feet of commercial space to be used for an eligible use as outlined in the Ordinance.

Revenues from business licenses, stormwater fees, building permits and property taxes are estimated to exceed \$58,000 in a five-year period. There is also an estimate that the development will create an additional thirty jobs.

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 designate up to 10,000 square feet of commercial space dedicated for uses eligible in the Ordinance. The Developer will establish an operation in the Town on or before December 30, 2025 that complies with the definition of eligible uses as referenced in the Ordinance. If the Developer cannot find suitable business occupants within the eligible uses, they must inform the Town in writing of their 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 the 1st of the month in which the business opens and on such date each subsequent year, contingent upon a certificate of occupancy being issued to an occupant who fits the definition of eligible use in the Ordinance. 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%

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. Should the Developer lease and/or sell only a portion of the space for eligible businesses uses the grant paid will be allocated based on the equivalent of the percentage of square feet eligible. For example, if only 50% of the square footage is leased to entities using the space for an eligible business use, the Developer will only receive 50% of the grant calculated according to the chart above in section 3.

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	Commercial flex space or, 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	\$3,000,000 for commercial flex space.	Budget spreadsheet with accompanying invoices and proof of payment.

6. Notifications shall be addressed:

- a) To Developer:
Gran Sadler
Reed Commercial Partners, LLC
- 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.

Reed Commercial Partners, LLC

Town of Bluffton, South Carolina

By: _____

By: _____

Its: _____

Its: _____

COUNTY OF BEAUFORT)

located at _____

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 Hampton Lake Drive and Raider Drive; 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 develop commercial space in Town and locate up to twenty eight thousand (28,000) square feet of commercial space to be used for an eligible use as outlined in the Ordinance.

Revenues from business licenses, stormwater fees, building permits and property taxes are estimated to exceed \$161,000 in a five-year period. There is also an estimate that the development will create an additional sixty jobs.

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 designate up to 28,000 square feet of commercial space dedicated for uses eligible in the Ordinance. The Developer will establish an operation in the Town on or before December 30, 2025 that complies with the definition of eligible uses as referenced in the Ordinance. If the Developer cannot find suitable business occupants within the eligible uses, they must inform the Town in writing of their 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 the 1st of the month in which the business opens and on such date each subsequent year, contingent upon a certificate of occupancy being issued to an occupant who fits the definition of eligible use in the Ordinance. 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%

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. Should the Developer lease and/or sell only a portion of the space for eligible businesses uses the grant paid will be allocated based on the equivalent of the percentage of square feet eligible. For example, if only 50% of the square footage is leased to entities using the space for an eligible business use, the Developer will only receive 50% of the grant calculated according to the chart above in section 3.

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 medical; in the alternative, provide notice of expansion to any and all target industries in the Ordinance	Provision of tenant's business license with the Town of Bluffton.
Total project investment	\$10,000,000 for office space to be used by a target industry in the Ordinance.	Budget spreadsheet with accompanying invoices and proof of payment.

6. Notifications shall be addressed:

a) To Developer:
Grant Sadler
Reed Commercial Partners, LLC

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.

Reed Commercial Partners, LLC

Town of Bluffton, South Carolina

By: _____

By: _____

Its: _____

Its: _____

Recommended Motion

Consideration of An Ordinance Authorizing an Economic Development Incentive Agreement between the Town of Bluffton and Palmetto Land Associates, LLC in Support of the Development of 11,800 square feet of Medical and Healthcare Facility Space – David Nelems, DRCI CEO

“I make a motion to approve second and final reading of an Ordinance Authorizing an Economic Development Grant Incentive Agreement between the Town of Bluffton and Reed Commercial Partners, LLC for the development of 10,000 square feet of commercial space on Raider Drive in Bluffton.”

Recommended Motion

Consideration of An Ordinance Authorizing an Economic Development Incentive Agreement between the Town of Bluffton and Palmetto Land Associates, LLC in Support of the Development of 11,800 square feet of Medical and Healthcare Facility Space – David Nelems, DRCI CEO

“I make a motion to approve second and final reading of an Ordinance Authorizing an Economic Development Grant Incentive Agreement between the Town of Bluffton and Reed Commercial Partners, LLC for the development of 28,000 square feet of commercial space on Hampton Lakes Drive in Bluffton.”