

TOWN COUNCIL



STAFF REPORT Executive Department

MEETING DATE:	June 10, 2025
PROJECT:	Consideration of An Ordinance Authorizing an Economic Development Incentive Agreement between the Town of Bluffton and Ninety-Seven, LLC – Second and Final Reading
PROJECT MANAGER:	David Nelems, DRCI CEO

REQUEST:

Request for Town Council to first reading of an ordinance approving the execution and delivery of an economic development agreement for Ninety-Seven, LLC.

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:

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

PROJECT OVERVIEW:

Ninety Seven, LLC owns property located at 97 Goethe Road in Bluffton, South Carolina. The developer is proposing a small-scale residential project consisting of three renter-occupied workforce/affordable housing units. This project is fully aligned with the Town's strategic goals—most notably, addressing the urgent and well-documented need for affordable housing in Bluffton to support our growing and diverse workforce.

The total estimated investment for the project is **\$965,393**, with the developer requesting financial assistance to offset infrastructure-related expenses specifically associated with utility connections:

- **Water:** \$14,850.00
- **Sewer:** \$84,150.00
- **Electric:** \$7,000.00
- **Total Infrastructure Support Requested: \$106,000.00**

Unlike most projects submitted under the Town's Economic Development Incentive Plan, this proposal does not include a traditional itemized cost-share breakdown or a Town-requested percentage match formula. Instead, the applicant has submitted a straightforward request for support totaling the full amount of the infrastructure costs listed above.

While this approach is atypical and somewhat removed from the Town's standard grant process, staff recognizes the significant public value of this project. It responds directly to one of the Council's most pressing concerns—providing accessible and affordable housing options within town limits. For this reason, we are presenting the request as submitted and respectfully deferring to Town Council to determine an appropriate level of financial participation.

This project represents a meaningful opportunity to support a small-scale, high-impact initiative that aligns with the community's long-term priorities and ongoing policy efforts to increase housing affordability and economic resilience.

This project directly aligns with the town's strategic priorities by addressing the local affordable housing shortage and providing quality housing options that support economic stability and growth within Bluffton.

ATTACHMENTS:

1. Ordinance
2. Project Profile Worksheet
3. Motion

**AN ORDINANCE OF THE TOWN OF BLUFFTON, SOUTH CAROLINA,
APPROVING THE EXECUTION AND DELIVERY OF A DEVELOPMENT
AGREEMENT WITH NINETY SEVEN, 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, Ninety Seven, LLC ("Developer") owns 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 and estimated nine hundred sixty five thousand, three hundred and ninety three dollars (\$965,393) to construct three renter-occupied workforce/affordable homes (collectively, the "Development") located at 97 Goethe Rd in Bluffton.

**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.

This Ordinance was read and passed at first reading held on May 27, 2025.

Larry C. Toomer, Mayor
Town of Bluffton, South Carolina

Marcia Hunter, Town
Clerk Town of Bluffton,
South Carolina

This Ordinance was read and passed at second reading held on _____, 2025.

Larry C. Toomer, Mayor
Town of Bluffton, South Carolina

Marcia Hunter, Town
Clerk Town of Bluffton,
South Carolina

Project Profile Worksheet

Project Information	
Company Name:	Ninety Seven, LLC
Project Name:	NINETY-SEVEN GOETHE ROAD
Type of Project:	Start Up
Type of Entity:	LLC
Type of Business:	Please Choose From Drop Down
NAICS or SIC Code:	
Address:	97 Goethe Rd, Bluffton, SC 29909
Completed By:	Gerald Neal
Phone Number:	843-263-8417
Email Address:	ganeal@nealsconstructionllc.com
Date:	5/15/2025



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

Ninety-Seven Goethe Road will be a newly developed community designed for renter-occupied workforce/affordable housing. It is located within the heart of Bluffton at 97 Goethe Road, Bluffton, South Carolina 29910. We have exceeded our estimated construction cost due to sewer, water and electricity connection fees; therefore, we are asking for assistance with these fees to allow this project to remain affordable. Estimated completion date for this project is about 12 months; however, we will need aforementioned utilities installed in 6 months. Your assistance will be greatly appreciated.

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	
	2025	2026	2027	2028	2029	Total
Land Costs	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000.00
Building - New Construction	\$ 652,315	\$ 163,078	\$ -	\$ -	\$ -	\$ 815,393.00
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	\$ 802,315.00	\$ 163,078.00	\$ -	\$ -	\$ -	\$ 965,393.00

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		
	2025		2026		2027		2028		2029		
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	2	\$ -		\$ -		\$ -		\$ -		\$ -	
Professional	4	\$ -		\$ -		\$ -		\$ -		\$ -	
Technical	3	\$ -		\$ -		\$ -		\$ -		\$ -	
Sales	3	\$ -		\$ -		\$ -		\$ -		\$ -	
Clerical	4	\$ -		\$ -		\$ -		\$ -		\$ -	
Craftsman (skilled)		\$ -		\$ -		\$ -		\$ -		\$ -	
Operators (semi-skilled)		\$ -		\$ -		\$ -		\$ -		\$ -	
Laborers (unskilled)		\$ -		\$ -		\$ -		\$ -		\$ -	
Service	2	\$ -		\$ -		\$ -		\$ -		\$ -	
		\$ -		\$ -		\$ -		\$ -		\$ -	
		\$ -		\$ -		\$ -		\$ -		\$ -	
		\$ -		\$ -		\$ -		\$ -		\$ -	
New Job Creation to Date and Avg. Weekly Wage	18	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	
										Total New Jobs to SC	
										18	

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	\$14,850.00
Sewer	\$84,150.00
Electric	\$7,000.00
Gas	N/A
Use of Port?	

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.
Ninety Seven, LLC borrowed Five Hundred Sixty-Two Thousand and no/100 Dollars (\$562,000.00) for this project. The owner invested One Hundred Fifty Thousand and no/100 Dollars (\$150,000.00) to secure the Loan. Ninety Seven, LLC will request a nonrefundable grant in the amount of Twenty-Seven Thousand and no/100 Dollars (\$27,000.00) from Beaufort Jasper Housing Trust.

Recommended Motion

Consideration of An Ordinance Authorizing an Economic Development Incentive Agreement between the Town of Bluffton and Ninety Seven, LLC. – Chris Forester, Assistant Town Manager

“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 Ninety Seven, LLC for renter-occupied workforce/affordable housing located at 97 Goethe Rd.”