

TOWN COUNCIL

STAFF REPORT Executive Department



MEETING DATE:	May 13, 2025
PROJECT:	Consideration of An Ordinance Authorizing an Economic Development Incentive Agreement between the Town of Bluffton and Sunshine Bluffton Group, LLC – First 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 Sunshine Bluffton Group, 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.

DISCUSSION:

DRCI received a grant request from Trey Scott with Sunshine Bluffton Group, LLC. Mr. Scott owns and operates multiple locations of The Goddard Schools in Florida and Georgia. He would be construction his first South Carolina location within the Washington Square PUD on Buckwalter Parkway.

The proposed project will be a state-of-the-art preschool facility designed to serve the educational needs of Bluffton's growing population. This newly constructed building will span approximately 17,000 square feet. Once completed, it will accommodate up to ~230 children contributing to early childhood education and local job creation. The Goddard School's play-based curriculum and focus on child development will offer a valuable resource for families in the community.

The total investment for the project is \$7,600,000. It is expected to create 36 new jobs by the end of the first year after completion as they anticipate needing up to 32 teachers and 4 directors/managers.

Teachers will earn between \$16–\$20/hour, which equates to approximately \$35K–\$42K per year, depending on tenure, credentials, and other factors. Directors/Managers will earn \$65K–\$85K per year, inclusive of salary and bonus.

They anticipate breaking ground in late 2025, with an expected completion date in mid-to-late 2026. This timeline positions the Goddard School to open its doors and begin serving the community by the 2026–2027 school year.

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 development

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 proposed project, the significant investment and potential new jobs, staff recommends the following grant percentages. It is recommended that Sunshine Bluffton Group, LLC. 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 development and estimated grant amounts are as follows:

Fee	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Building Permit Fees	\$ 40,247	\$ 20,124				
Development Agreement Fees	17,000	8,500				
Stormwater Fees	3,000	1,500				
BJWSA Capacity Fee	40,000	40,000				
Business License Fee	10,200	5,100	5,100	5,100	5,100	5,100
	\$ 110,447	\$ 75,224	\$ 5,100	\$ 5,100	\$ 5,100	\$ 5,100
			Estimated Total 5 year Benefit			\$ 95,624

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

Bluffton Taxes / Fees Estimate (5 Year Total)	Amount
Initial Building & Development Fees	\$ 60,247
Property Taxes	37,000
Business License Fees	51,000
Total Taxes & Fees	\$ 148,247
Five Year Grant Total	\$ 95,624
Net Revenue (Initial 5 Years)	\$ 52,624

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. Site Plan
5. Motion

TOWN OF BLUFFTON, SOUTH CAROLINA

**AN ORDINANCE OF THE TOWN OF BLUFFTON, SOUTH CAROLINA,
APPROVING THE EXECUTION AND DELIVERY OF A DEVELOPMENT
AGREEMENT WITH SUNSHINE BLUFFTON GROUP, LLC, INC.**

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, Sunshine Bluffton Group, 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 seven million six hundred thousand dollars (\$7,600,000) to construct seventeen thousand (17,000) square feet of childcare service (collectively, the "Development") located at Parcel 1 of the Washington Square Planned Unit Development, and (b) It is expected to create 36 new jobs by the end of

the first year after completion as they anticipate needing up to 32 teachers and 4 directors/managers.

Teachers will earn between \$16–\$20/hour, which equates to approximately \$35K–\$42K per year, depending on tenure, credentials, and other factors. Directors/Managers will earn \$65K–\$85K per year, inclusive of salary and bonus.

**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 _____, 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

Trey Scott
Sunshine Blu1ton Group, LLC
511 Rutile Drive
Ponte Vedra Beach, FL 32082
tscottgt@gmail.com
404-550-4231

April 4, 2025

Town of Blu1ton
Attn: Town Council
20 Bridge Street
Blu1ton, SC 29910

Dear Members of the Blu1ton Town Council,

I am writing to formally request consideration for grant subsidies available through the Town of Blu1ton's discretionary incentive programs, as overseen by your esteemed Council. Our team is excited to present a proposed development project—a new Goddard School preschool—located within Parcel 1 of the Washington Square Planned Unit Development (PUD) along Buckwalter Parkway. We believe this project aligns with Blu1ton's vision for growth and community enhancement, and we respectfully seek your support through available incentives, including permit fee reimbursements, BJWSA capacity fee coverage, and business license fee reimbursements.

Project Overview

The proposed Goddard School will be a state-of-the-art preschool facility designed to serve the educational needs of Blu1ton's growing population. Situated within the Washington Square PUD on Buckwalter Parkway, this newly constructed building will span approximately 17,000 square feet. Once completed, it will accommodate up to ~230 children and employ a staff of approximately ~30, contributing to both early childhood education and local job creation. The Goddard School's play-based curriculum and focus on child development will offer a valuable resource for families in the community.

Supporting Materials

To provide a clearer vision of the project, I have attached a site plan to this correspondence, which outlines the layout and scope of the development. While renderings and architectural drawings are in progress, we would be pleased to submit these materials as they become available to further illustrate our commitment to a high-quality design that complements Blu1ton's aesthetic and functional standards.

Project Status and Timeline

Our project is currently in the planning and pre-development phase. We have engaged in preliminary discussions with Town staff regarding the Washington Square PUD (Parcel 1) and are actively refining our site plan and securing necessary approvals. Pending funding and permit timelines, we anticipate breaking ground in late 2025, with an expected completion date in mid-to-

late 2026. This timeline positions the Goddard School to open its doors and begin serving the community by the 2026–2027 school year.

Project Scale and Economic Impact

The total square footage of the planned preschool is approximately 17,000 square feet, reflecting a significant investment in Blu1ton's infrastructure. Beyond the physical structure, the project will generate economic benefits through construction jobs, permanent employment for 30 staff members, and increased demand for local services driven by the families of 230 enrolled children. We view this development as a partnership with the Town to foster education, economic activity, and community vitality.

Request for Incentives

In light of the project's scale and anticipated contributions, we respectfully request consideration for the following incentives at your discretion:

- Up to 50% reimbursement of permit fees to offset initial development costs.
- Up to 100% coverage of Beaufort-Jasper Water & Sewer Authority (BJWSA) capacity fees to support infrastructure integration.
- Up to 50% reimbursement of business license fees for a duration of up to five years to ease operational startup expenses.

These subsidies would significantly enhance our ability to deliver this project on schedule and maximize its positive impact on Blu1ton. We are committed to working collaboratively with the Town Council and staff to ensure compliance with all requirements and to provide any additional documentation needed for your review.

Thank you for considering our request. We are eager to contribute to Blu1ton's growth and would welcome the opportunity to discuss this proposal further at your convenience. Please feel free to contact me at 404-550-4231 or tscottgt@gmail.com to schedule a meeting or address any questions.

Sincerely,

Trey Scott
Principal
Sunshine Blu1ton Group, LLC

Attachment: Washington Square PUD (Parcel 1) Site Plan

Project Profile Worksheet

Project Information

Company Name:	Sunshine Bluffton Group, LLC
Project Name:	Goddard School Bluffton
Type of Project:	Expansion in SC
Type of Entity:	LLC
Type of Business:	
NAICS or SIC Code:	
Address:	Lot 1 - Washington Square, Bluffton, SC
Completed By:	Trey Scott
Phone Number:	404-550-4231
Email Address:	tscottqt@gmail.com
Date:	4/4/2025



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

Our project is currently in the planning and pre-development phase. We have engaged in preliminary discussions with Town staff regarding the Washington Square PUD (Parcel 1) and are actively refining our site plan and securing necessary approvals. Pending funding and permit timelines, we anticipate breaking ground in late 2025, with an expected completion date in mid-to-late 2026. This timeline positions the Goddard School to open its doors and begin serving the community by the 2026–2027 school year.

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

We have been considering additional locations, however found common ground and a solid partnership with David Johnson and his Washington Square development in Bluffton.

Estimated Capital Investment	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Total
Land Costs	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000.00
Building - New Construction	\$ -	\$ 5,100,000	\$ -	\$ -	\$ -	\$ 5,100,000.00
Building - Purchase of Existing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building - Renovations						
~Internal Renovations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
~External Renovations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building - Leasehold Improvements	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000.00
Machinery & Equipment - New	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000.00
Machinery & Equipment - Used	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pollution Control Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Investment	\$ 1,500,000.00	\$ 6,100,000.00	\$ -	\$ -	\$ -	\$ 7,600,000.00

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	
	2026		2027		2028		2029		2030	
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	4	TBD		\$ -		\$ -		\$ -		\$ -
Professional	2	TBD		\$ -		\$ -		\$ -		\$ -
Technical	1	TBD		\$ -		\$ -		\$ -		\$ -
Sales	1	TBD		\$ -		\$ -		\$ -		\$ -
Teachers	24	TBD		\$ -		\$ -		\$ -		\$ -
				\$ -		\$ -		\$ -		\$ -
				\$ -		\$ -		\$ -		\$ -
New Job Creation to Date and Avg. Weekly Wage	32	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -

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	
Sewer	
Electric	
Gas	
Use of Port?	

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

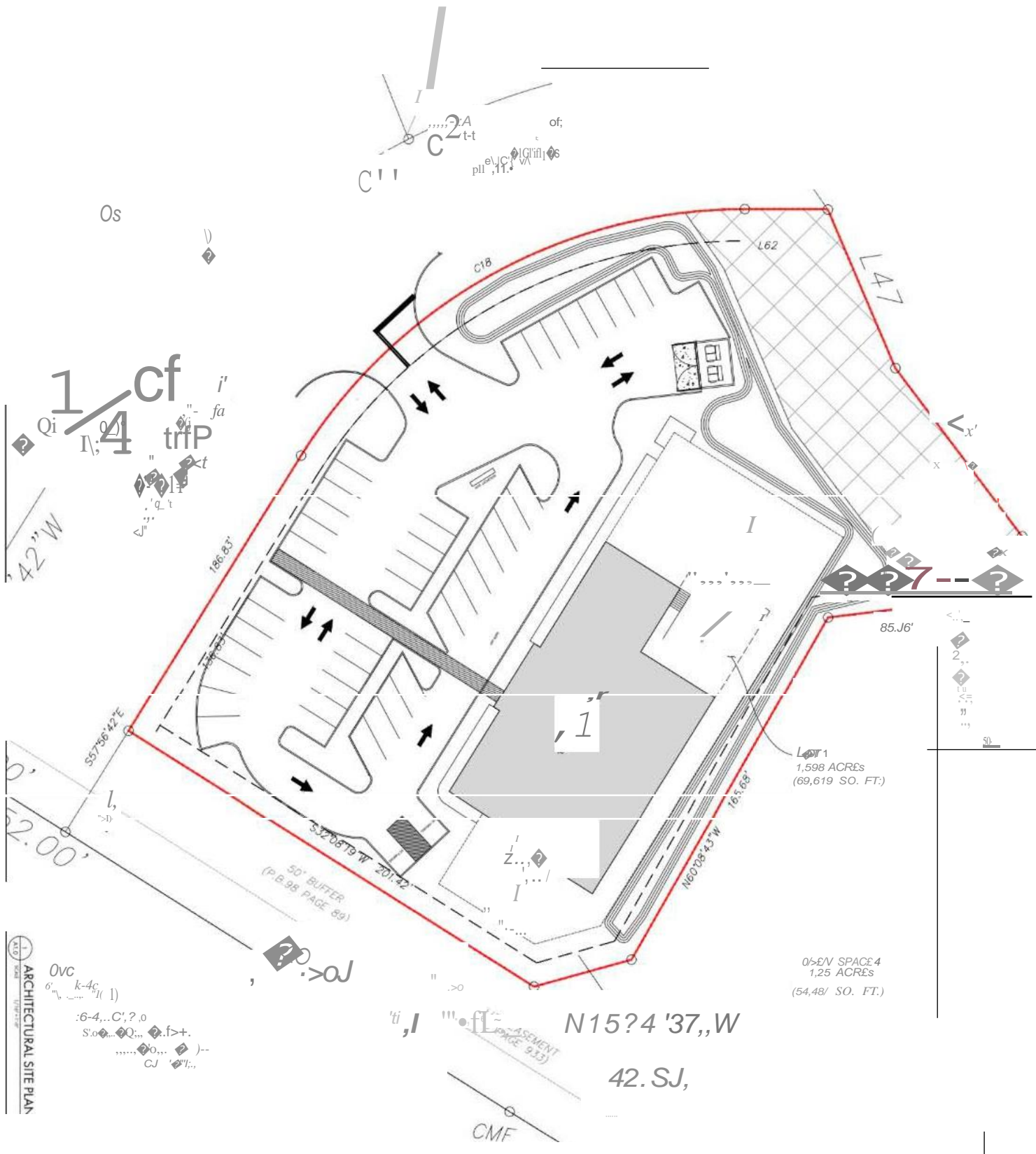
Benefits - Please provide a brief description of the benefit package offered to employees in the area below. Please include percentage paid by employer.

Our company currently operates 5 schools in FL and we have a benefits package for employees that we can share if requested. It's too much informatino to include in this spreadsheet box.

Briefly describe the financing structure for this project.

We have multiple financing partners that we have used in the past including First Citizens Bank, Synovus Bank and Thomasville National Bank.

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ARCHITECTURAL SITE PLAN

THE GODDARD SCHOOL
BUCKWALTER

f.53

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Recommended Motion

Consideration of An Ordinance Authorizing an Economic Development Incentive Agreement between the Town of BluAton and Sunshine BluAton Group, LLC. – David Nelems, DRCI CEO

“I make a motion to approve first reading of an Ordinance Authorizing an Economic Development Grant Incentive Agreement between the Town of BluBton and Sunshine BluBton Group, LLC of 17,000 square feet of Childcare Space situated within the Washington Square PUD on Buckwalter Parkway.”