

TOWN COUNCIL



STAFF REPORT Executive Department

MEETING DATE:	September 9, 2025
PROJECT:	Consideration of An Ordinance Authorizing an Economic Development Incentive Agreement between the Town of Bluffton and Spartina 449, LLC – First Reading
PROJECT MANAGER:	David Nelems, DRCI, Director of Special Projects

REQUEST:

Request for Town Council to first reading of an ordinance approving the execution and delivery of an economic development agreement for Spartina 449, 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 Jordan Olson with Spartina 449, LLC. Spartina 449 is a locally founded company specializing in women's apparel and accessories, with a strong presence across the Hilton Head/Bluffton region and an expanding footprint along the Eastern Seaboard.

The company proposes the expansion of its headquarters within the Bluffton Village Town Center. The planned state-of-the-art facility will span approximately 14,100 square feet and serve as a modernized hub for operations, collaboration, and innovation.

This capital investment of \$6,100,000 will create approximately 15 new jobs over the next five years, with an average pay of \$40.71 per hour, contributing to Bluffton's economic development and local job growth.

Spartina 449 anticipates breaking ground in the fourth quarter of 2025, with the expansion designed to enhance sustainability, community engagement, and support for regional suppliers and tradespeople

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 <applicant>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	\$ 38,994	\$ 19,497				
Development Agreement Fees	-	-				
Stormwater Fees	3,000	1,500				
BJWSA Capacity Fee	40,000	40,000				
Business License Fee	54,196	27,098	27,098	27,098	27,098	27,098
	\$ 136,190	\$ 88,095	\$ 27,098	\$ 27,098	\$ 27,098	\$ 27,098
			Estimated Total 5 year Benefit			\$ 196,487

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	\$ 41,994
Property Taxes	\$ 23,625
Business License Fees	270,981
Total Taxes & Fees	\$ 336,600
Five Year Grant Total	\$ 196,487
Net Revenue (Initial 5 Years)	\$ 140,112

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

**AN ORDINANCE OF THE TOWN OF BLUFFTON, SOUTH CAROLINA, APPROVING
THE EXECUTION AND DELIVERY OF A DEVELOPMENT AGREEMENT WITH
SPARTINA 449, 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, **Spartina 449, 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 six million , one hundred and six thousand dollars (\$6,106,000.00) to construct fourteen thousand, one hundred (14,100) square feet of corporate headquarters (collectively, the "Development") located at 142, 144 and 148 State Street and (b) It is expected to create 15 jobs.

Average pay for jobs at this development will be \$40.71/hour

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



Jordan Olson
Chief Financial Officer
Spartina 449, LLC
23 Johnston Way, Unit D
Bluffton, SC 29910
July 24, 2025

Town of Bluffton
20 Bridge Street
Bluffton, SC 29909

Dear Town of Bluffton,

I am writing on behalf of Spartina 449 to respectfully request your consideration for a grant to support the expansion of our company's headquarters, to be located in the heart of Bluffton, South Carolina. Originating in the Hilton Head/Bluffton area serving the women's apparel and accessories industry, our business has seen immense growth over the past sixteen years of existence. As our business continues to grow in both scope and scale, this strategic expansion is vital to our ability to meet increasing demand, foster innovation, and provide new employment opportunities within the Lowcountry region.

With storefront expansions underway across the Eastern Seaboard, the establishment of a centralized and modernized headquarters will enable us to streamline operations, improve cross-functional collaboration, and better serve our growing customer base. The proposed project includes the upfit of a state-of-the-art facility soon to be constructed in the Bluffton Village Town Center, designed with sustainability and community engagement in mind.

We are deeply committed to investing in our local economy. This expansion will result in the creation of approximately fifteen new jobs over the next five-year period and will provide long-term support for regional suppliers, tradespeople, and professional services. In seeking grant funding, we hope to offset construction and infrastructure costs associated with this significant development, thereby accelerating our timeline and broadening our community impact.

We would welcome the opportunity to discuss this project further and provide any additional information needed to support our request. Thank you for your time and consideration.

Warm regards,

Jordan Olson
CFO at Spartina 449, LLC

Project Profile Worksheet	
Project Information	
Company Name:	Spartina 449, LLC
Project Name:	Spartina HQ
Type of Project:	Expansion in SC
Type of Entity:	LLC
Type of Business:	Corporate HQ
NAICS or SIC Code:	458
Address:	23 Johnston Way, Unit C, Bluffton, SC 29910
Completed By:	Jordan Olson
Phone Number:	(334) 782-2990
Email Address:	jordanolson@spartina449.com
Date:	7/22/25



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

Spartina 449, LLC is looking to solidify its presence in the Bluffton community by establishing its national headquarters. Currently, Spartina operates from three separate buildings around the downtown Bluffton area with three retail store fronts within a 3 miles radius. Spartina 449 has been a pillar of the Bluffton community including local charity fundraising and community outreach while growing at a significant pace reaching close to \$50M in revenue in about 15 years. As storefront expansions continue along the U.S. East Coast, establishing a centralized headquarters is essential to effectively manage and support the company's rapid growth.

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

Some additional sites have been considered, including Savannah, GA and Charleston, SC.

Estimated Capital Investment	Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Year 5 2030	Total
Land Costs	\$ 956,000	\$ -	\$ -	\$ -	\$ -	\$ 956,000.00
Building - New Construction	\$ 3,900,000	\$ -	\$ -	\$ -	\$ -	\$ 3,900,000.00
Building - Purchase of Existing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building - Renovations						
~ Internal Renovations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
~ External Renovations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building - Leasehold Improvements	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000.00
Machinery & Equipment - New	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000.00
Machinery & Equipment - Used	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pollution Control Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Investment	\$ 6,106,000.00	\$ -	\$ -	\$ -	\$ -	\$ 6,106,000.00

Estimated Net New Jobs at New Facility													
Jobs are full time employees of the Company		By the end of the First Year of Operation 2026		By the end of the Second Year of Operation 2027		By the end of the Third Year of Operation 2028		By the end of the Fourth Year of Operation 2029		By the end of the Fifth Year of Operation 2030			
		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		
Employment Category													
Managerial			\$ -		\$ -		\$ -	1	\$ 86.54		\$ -		
Professional			\$ -	1	\$ 38.46		\$ -		\$ -	1	\$ 38.46		
Technical	1	\$ 48.08			\$ -		\$ -	1	\$ 57.69		\$ -		
Sales			\$ -	1	\$ 38.46	1	\$ 38.46	1	\$ 38.46	1	\$ 38.46		
Clerical			\$ -		\$ -		\$ 28.85		\$ -	1	\$ 28.85		
Craftsman (skilled)			\$ -	1	\$ 40.87		\$ -		\$ -	1	\$ 40.87		
Operators (semi-skilled)			\$ -		\$ -		\$ -		\$ -		\$ -		
Laborers (unskilled)			\$ -		\$ -		\$ -		\$ -		\$ -		
Service	1	\$ 24.04			\$ -	1	\$ 24.04		\$ -		\$ -		
			\$ -		\$ -		\$ -		\$ -		\$ -		
			\$ -		\$ -		\$ -		\$ -		\$ -		
			\$ -		\$ -		\$ -		\$ -		\$ -		
New Job Creation to Date and Avg. Weekly Wage	2	\$ 36.06	3	\$ 39.26	3	\$ 30.45	3	\$ 60.90	4	\$ 36.66	15	\$ 40.71	Average Wage

Estimated Jobs Relocated to New Facility (Not included above)

Jobs are full time employees of the Company			
Employment Category		Full Time Jobs	Avg Annual Wage
Sales		2	\$ 48.08
Technical		1	\$ 62.50
Total Transferred Jobs	3	\$ 55.29	

Estimated Utility Requirements (or increase if expansion):

Water	Yes
Sewer	Yes
Electric	Yes
Gas	TBD
Use of Port?	Yes, primarily SAV

Estimated Business Activities:

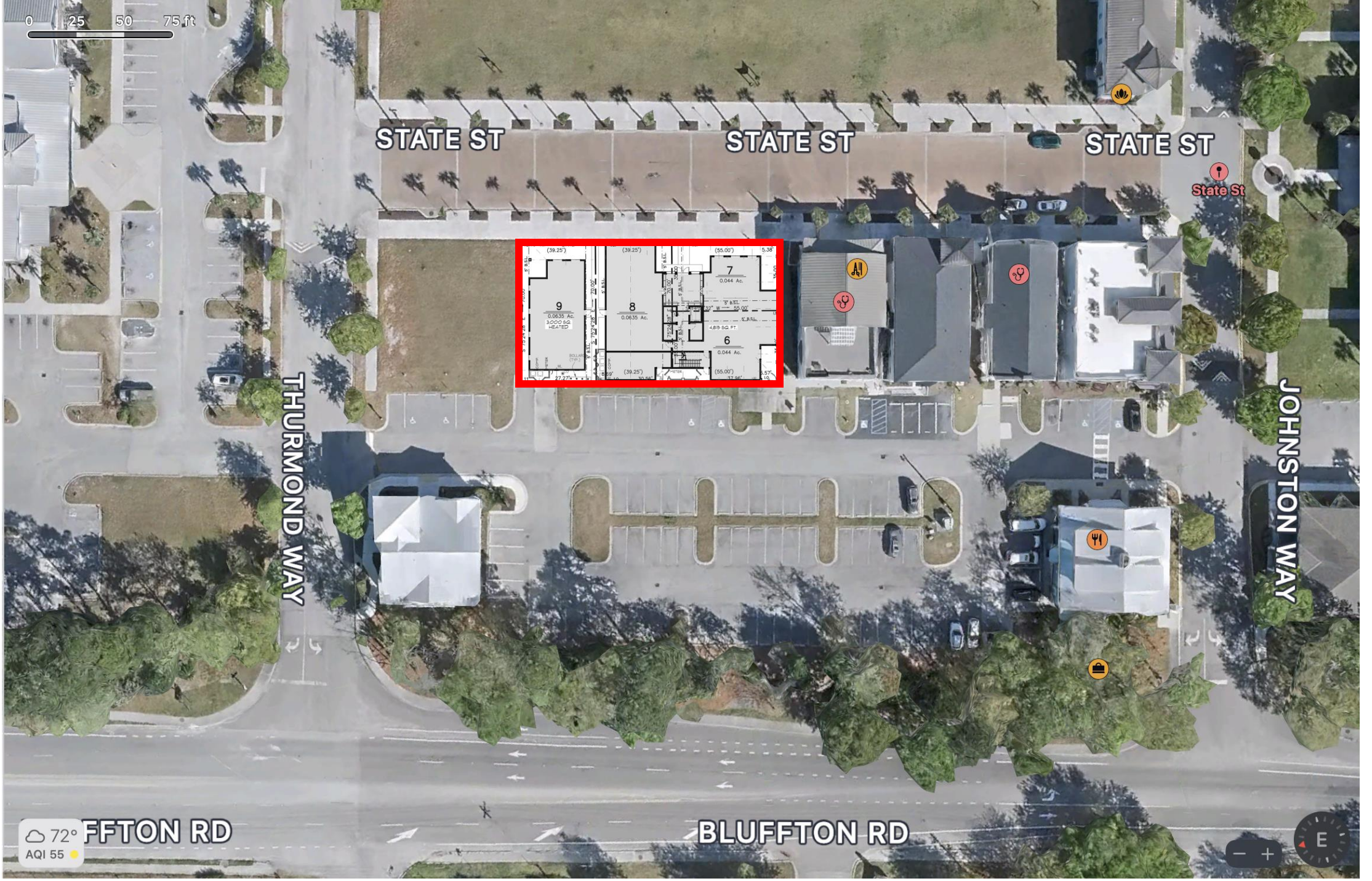
Annual Materials Purchased for Operations:	\$27,000,000
Annual Number of Visitors to the Facility:	30
Avg Visitors Length of Stay:	4

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

Spartina 449 offers medical including an HSA option with contribution match up to ~\$83/month (~60% funded by the company), dental, vision, basic life (\$25K fully funded by company), voluntary term life, long term disability (\$1K/mo fully funded by company), voluntary long term disability, and retirement funding (25% match of first 4% contributed by employee).

Briefly describe the financing structure for this project.

Currently, there are two financing options for this project. Option 1 is to fully self-fund the project and allocate a large part of overall CAPEX budget to the project. This option will temporarily stem the company's growth pattern, but should be realigned starting in 2027, depending on the market. Option 2 is to apply a bank loan to fund 80% of the project as a note payable over a floating or locked rate term. This option is still in exploration and details are premature.



0 25 50 75 ft

STATE ST

STATE ST

STATE ST

State St

THURMOND WAY

JOHNSTON WAY

BLUFFTON RD

BLUFFTON RD

72°
AQI 55





STATE STREET ELEVATION - MAIN BUILDING

SCALE: 1/4" = 1'-0"

1
A.2.1



HWY 46 ELEVATION - MAIN BUILDING

SCALE: 1/4" = 1'-0"

2
A.2.1

Recommended Motion

Consideration of An Ordinance Authorizing an Economic Development Incentive Agreement between the Town of Bluffton and Spartina 449, LLC – David Nelems, Director of Special Projects

“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 Spartina 449, LLC of 14,100 square feet of Corporate Headquarters located at 142, 144 and 148 State Street”