



CITY OF SPARTANBURG

SOUTH CAROLINA

CITY COUNCIL AGENDA

City Council Meeting
City Council Chambers
145 W. Broad Street
Monday, November 13, 2023
5:30 PM

- I. Moment of Silence**
- II. Pledge of Allegiance**
- III. Approval of the Minutes of the October 23, 2023 Meeting**
- IV. Approval of the Agenda of the November 13, 2023 Meeting**
- V. Public Comment**
****Public Comment Forms are available at the door and should be submitted to the Clerk prior to the start of the meeting****
- VI. Proclamation Recognizing November 16, 2023 as Homlessness Awareness Day**
Presenter: Mayor Jerome Rice, Jr.
- VII. Consent Agenda**
 - A. An Ordinance to Authorize the City Manager to Execute the Lease of Various City Owned Aircraft Hangars at the Spartanburg Downtown Memorial Airport**
Presenter: Robert P. Coler, City Attorney
- VIII. West Main Street Strategic Growth Corridor Project**
Presenter: Jay Squires, Public Works Director
- IX. Ordinance**
 - A. An Ordinance Authorizing the Execution of a Development Agreement with Palmetto Operating Company, LLC**
Presenter: Chris Story, City Manager
 - B. An Ordinance Amending the Business License Ordinance of the City of Spartanburg to Update the Class Schedule as Required by Act 176 of 2020.**
Presenter: Robert P. Coler, City Attorney
- X. Staff Updates**
- XI. City Council Updates**

As required by the Americans with Disabilities Act, the City of Spartanburg will provide interpretive services for the City Council Meetings. Requests must be made to the Communications & Marketing Office (596-2020) 24 hours in advance of the meeting. This is a Public Meeting and notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information

XII. Executive Session

**A. Pursuant to Section 30-4-70(a)(1) of the South Carolina Code of Laws
Concerning A Personnel Matter**

XIII. Adjournment.

City Code Sec. 2-57. Citizen Appearance. Any citizen of the City of Spartanburg may speak at a regular meeting on any matter pertaining to City Services and operations germane to items within the purview and authority of City Council, except personnel matters, by signing a Citizen's Appearance form prior to the meeting stating the subject and purpose for speaking. No item considered by Council within the past twelve (12) months may be added as an agenda item other than by decision of City Council. The forms may be obtained from the Clerk and maintained by the same. Each person who gives notice may speak at the designated time and will be limited to a two (2) minute presentation.



**City Council Meeting
City Council Chambers
145 W. Broad Street
Monday, October 23, 2023
5:30 p.m.**

(These minutes to be approved at the November 13, 2023 Council Meeting)

City Council met this date with the following Councilmembers present: Mayor Jerome Rice, Jr, Mayor Pro Tem Rob Rain, Councilmembers Erica Brown, Jamie Fulmer, Ruth Littlejohn, Meghan Smith and Janie Salley. City Manager Chris Story, Deputy City Manager Mitch Kennedy, Assistant City Manager Kevin Limehouse and City Attorney Robert P. Coler were in attendance. Notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information Act. All City Council meetings are live streamed/recorded. To view the video for a complete transcript, please visit <https://www.cityofspartanburg.org/city-council>

- I. Moment of Silence – observed**
- II. Pledge of Allegiance - recited**
- III. Approval of the Minutes of the October 9, 2023 City Council Meeting –**
Councilmember Fulmer made a motion to approve the minutes as received.
Councilmember Smith seconded the motion, which carried unanimously 7 to 0.
- IV. Approval of the Agenda for the October 23, 2023 City Council Meeting -**
Councilmember Littlejohn made a motion to approve the agenda as received.
Councilmember Brown seconded the motion, which carried unanimously 7 to 0.
- V. Public Comment –**
*Citizen Appearance forms are available at the door and should be submitted to the City Clerk
 - 1. Keisha Gray**
 - 2. Midas Hampton**
 - 3. Dr. Russell Booker**
 - 4. Scott Neely**
 - 5. Dr. Phillip Stone**
- VI. Recognition of City of Spartanburg Retiree, Mark Ford, Environmental Services Manager**
Presenter: Jerome Rice, Jr., Mayor
Mayor Rice presented Mark Ford with an award honoring his years of service to the City of Spartanburg.

VII. Presentation of Proclamation Celebrating the 100th Anniversary of Duncan Park

Presenter: Jerome Rice, Jr., Mayor

Mayor Rice presented the proclamation to members of the Duncan Park Neighborhood

VIII. Presentation of Proclamation Recognizing October 15, 2023 as National Federation of the Blind Day

Presenter: Jerome Rice, Jr., Mayor

Mayor Rice presented the proclamation to members of the Spartanburg Chapter of the National Federation of the Blind.

IX. Presentation of Certificates for Appreciation to the Mayor and City Council Members by ReGenesis Health Care

Presenter: Marlon Hunter, President & CEO of ReGenesis Health Care

X. Update on Duncan Park Improvements and Trail Improvement Projects

Presenter: Mitch Kennedy, Deputy City Manager

Council received update as information only.

XI. Resolutions

A. A Resolution to Specify Utilization of Previously Allocated American Rescue Plan Funds for Recreation Projects

Presenter: Mitch Kennedy, Deputy City Manager

Mayor Pro Tem Rain made a motion to approve the resolution as presented.

Councilmember Fulmer seconded the motion, which carried unanimously 7 to 0.

B. A Resolution to Approve the City to Enter Into an Agreement with Community First Developers, LLC for Duncan Park Trail Improvements

Presenter: Jay Squires, Public Works Director

Mayor Pro Tem Rain made a motion to approve the resolution as presented.

Councilmember Smith seconded the motion, which carried unanimously 7 to 0.

C. A Resolution Approving the Issuance by Spartanburg Housing of its not to Exceed \$27,000,000 Multifamily Housing Revenue Bonds (Hope Road Project) Series 2023 Pursuant to Section 147(F) of the Internal Revenue Code of 1986 As Amended; Providing Certain Other Matters in Connection Therewith; and Providing an Effective Date

Presenter: Martin Livingston, Community Development Director

Councilmember Littlejohn made a motion to approve the resolution as presented.

Councilmember Brown seconded the motion, which carried unanimously 7 to 0.

XII. Ordinance

A. An Ordinance to Authorize the City Manager to Execute the Lease of Various City Owned Aircraft Hangars at the Spartanburg Downtown Memorial Airport

Presenter: Robert P. Coler, City Attorney

Councilmember Brown made a motion to approve the resolution as presented.

Councilmember Smith seconded the motion, which carried unanimously 7 to 0.

XIII. Staff Updates

XIV. City Council Updates-Each Councilmember gave updates on their activities since the previous council meeting.

XV. Executive Session-

A. Executive Session Pursuant to Section 30-4-70(a)(5) of the South Carolina Code to Discuss Matters Relating to Economic Development “Project TFV” a Potential Mixed-Use Development in the Downtown Area.

B. Executive Session Pursuant to Section 30-4-70(a)(5) of the South Carolina Code to Discuss Matters Relating to Economic Development “Project Railyard” a Potential Mixed-use Development in the Downtown Area.

Councilmember Smith made a motion to enter into Executive Sessions at 6:58 p.m. Councilmember Brown seconded the motion, which carried unanimously 7 to 0.

XVI. Adjournment – Councilmember Smith made a motion to adjourn the meeting. Councilmember Littlejohn seconded the motion, which carried unanimously 7 to 0. The meeting adjourned at 7:28 p.m.


Christie B. Lindsey, City Clerk



REQUEST FOR COUNCIL ACTION

TO: Spartanburg City Council

FROM: Chris Story, City Manager

SUBJECT: Ordinance Authorizing Execution of Development Agreement for Adaptive Reuse of 500 W. Main Street

DATE: November 9, 2023

The attached ordinance would authorize the City Manager to execute the attached development agreement to enable the adaptive reuse of the former Coca-Cola facility at 500 W. Main Street. This project will repurpose and reactivate over 60,000 square feet of commercial space including over 30,000 feet of office space, over 20,000 feet of event space, and over 5,000 feet of retail. This project involves a total capital investment of as much as \$18 million and will activate and restore a significant property along the important W. Main corridor. We believe the project will lead to additional investment in this corridor. In addition, the project will generate new local government revenues beginning at approximately \$60,000 annually and escalating thereafter to \$132,000 in the 20th and final year of the agreement.

We recommend your approval and welcome any questions you may have.

AN ORDINANCE

TO ENTER INTO A DEVELOPMENT AGREEMENT WITH PALMETTO
OPERATING COMPANY, LLC FOR A PROJECT LOCATED AT 500 WEST
MAIN STREET

WHEREAS, Palmetto Operating Company, LLC (“POC”) a project developer desires to enter into a development agreement with the City of Spartanburg to enable the adaptive re-use of the former facility on the property, that will house retail, office and meeting/event space in Spartanburg; and

WHEREAS, the City of Spartanburg believes this project will meet a need within our city and help to accelerate our progress; and

WHEREAS, the proposed project furthers the City’s goal of economic development and population growth.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SPARTANBURG, SOUTH CAROLINA:

Section 1. City Council approves entering into a Development Agreement with Palmetto Operating Company, LLC in substantially the same form as that Development Agreement, which is attached hereto and incorporated herein by reference as Exhibit 1 (“Agreement”). Minor changes and modifications to the Development Agreement and attached Lease are authorized as may be necessary or appropriate to allow for a final version mutually acceptable to the parties; said minor changes and modifications shall be approved by the City Manager and the City Attorney. Should the City Manager or City Attorney, or both, determine that any modification of previously negotiated terms is significant and warrants further action by Council, then the matter shall be presented to Council for further review and further action before the final execution, if Council so chooses.

Section 2. This Ordinance shall become effective on the second and final reading.

DONE, RATIFIED AND PASSED THIS THE ____ DAY OF _____, 2023.

MAYOR

City Clerk

APPROVED AS TO FORM:

City Attorney

____ 1st reading/ _____ 2nd reading

STATE OF SOUTH CAROLINA) CITY OF SPARTANBURG AND PALMETTO
) OPERATING COMPANY, LLC – DEVELOPMENT
) AGREEMENT FOR A PROJECT LOCATED AT
COUNTY OF SPARTANBURG) 500 WEST MAIN STREET

This Development Agreement (the “Agreement”) by and between Palmetto Operating Company, LLC, a South Carolina limited liability company duly authorized by the Secretary of State of South Carolina to transact business in the State and/or its assigns (the “Project Developer”) and the City of Spartanburg, a municipal corporation under the laws of South Carolina (the “City”), is entered into this ____ day of _____, 2023.

In consideration of and for the mutual exchange of promises set forth in the Agreement, the parties covenant with one another to perform as follows:

1. Project Developer Commitments:

- a. *Development Size and Purpose.* The Project Developer, its agents or assigns, shall be responsible for the design and construction of an adaptive re-use mixed-use real estate development to be located upon a portion of that certain parcel of real property currently owned by Project Developer (Tax Map #7-12-13-024.00) (the “Property”) as more fully referenced in **Exhibit A (Tax Map) and Exhibit B (Site Plan)**. The development, hereinafter referred to as the “Project” shall consist of approximately 61,564 square feet of market rate retail, office and meeting/event space as generally shown on the attached Site Plan and is intended to be the first phase of development on the Property.
- b. *Intended Market and Relevance to City.* Significant redevelopment and conversion of existing buildings into mixed use and apartment uses is occurring in downtown Spartanburg. The City has significant interest in seeing the construction of large scale "new" mixed-use developments in the West Main Street corridor. Project Developer acknowledges that a significant City motivation in providing the Project with incentives is to achieve market goal. Project Developer further acknowledges that the City seeks the development of mixed-use project that will increase the product offerings available in the City. The Project will be designed, constructed, and finished with fixtures, materials, and amenities of comparable quality design and construction as those example projects described in **Exhibit C**, attached hereto and incorporated by reference. The target tenants will be restaurants, entertainment venues and professional offices that will compliment other downtown development, be attractive to downtown residents and attract additional development to the West Main corridor.

- c. *Architectural Design.* Project Developer acknowledges that the architectural design is a key consideration for City. Project Developer has experience in developing mixed-use projects in various locations and has provided City with examples of other projects it has developed. Information regarding these other projects is described in Exhibit C, attached hereto and incorporated by reference. The examples contained in Exhibit C are representative of Project Developer's work and indicative of its emphasis on high quality design and construction. Project Developer acknowledges that its commitment regarding the Project's comparability to its other projects in Exhibit C are key considerations in the City's provision of development incentives to support the Project. Design will emphasize an urban look and feel commensurate with the Project's vicinity while maintaining respect for the history of the Property.
- d. *Investment Required.* The Project Developer covenants that it shall make an investment through equity, loans, and other sources anticipated to be not less than Twelve Million and 00/100 Dollars (\$12,000,000.00) in design, development and construction (the "Project Developer Investment") in the Project as evidenced by documentation which is reasonably acceptable to the City. Project Developer also has plans for a complimentary "phase 2" multi-family residential project on the Property involving an additional significant investment on the Property which shall be presented to the City at a later date and may result in the subdivision of the Property.
- e. *Project / Public Infrastructure Improvements.* The Project Developer agrees to install sidewalks and landscaping along West Main and a connection to the trail system immediately adjacent to the Project (the "Project Improvements") to the satisfaction, in his reasonable determination, of the City Manager based on plans approved by the City, in accordance with this Agreement and in accordance with all applicable laws and regulations. The City is committed to complete certain public infrastructure improvements along the West Main corridor adjacent to the Property to include lighting and streetscaping in accordance with its West Main Corridor Redevelopment Plan (the "Public Improvements").
- f. *Maintenance.* The Project Developer agrees to maintain the Project Improvements at its sole expense including any landscaping located in the public right-of-way around the Project in accordance with the City's Code of Ordinances but not including any landscaping installed by the City as part of the Public Improvements. Any irrigation associated with the Project Improvements will be connected to the Project Developer's meter as part of these maintenance obligations.
- g. *Compliance with Law.* Construction of the Project Improvements shall be performed in a good, safe and workmanlike manner and in accordance with all applicable laws, rules, orders, ordinances, regulations and legal requirements of all governmental entities, agencies or instrumentalities relating to the Public Improvements including, without limitation the Americans with Disabilities Act as well as all building code requirements then in effect.

- h. *Performance Data:* Because City is interested in continuing to keep updated and accurate data about the development projects located in the City, Project Developer agrees to share with City upon the City's request (such requests to be made no more frequently than twice each calendar year) its data indicating the Project's performance as it relates to lease-up and rental rates, including but not limited to rent rolls and financial performance related to such leased spaces. City shall keep and protect said data in a confidential manner, exempting it from Freedom of Information Act requests pursuant to the economic development exceptions.
- i. *Insurance Requirements.* The Project Developer shall procure and maintain insurance coverage for occurrences during the term of the Agreement against any claim for injuries to persons or damages to property which may arise from, or in connection with, Project Developer's construction of the Public Improvements or maintenance of the same pursuant to this Agreement by Project Developer's employees, agents, contractors, or representatives. Such insurance shall be in the following minimum amounts:
 - A. Commercial General Liability \$1,000,000.00 per occurrence
 - B. Comprehensive Motor Vehicle Liability \$1,000,000.00 per occurrence
 - C. Workers Compensation - Statutory limits
 - D. Employers Liability \$500,000/\$500,000/\$500,000

Within fifteen (15) days of written request by the City (such requests to be made no more than once per calendar year), Project Developer shall deliver certificates of insurance to establish proof of current and ongoing coverage to the City's Risk Manager via email at cwright@cityofspartanburg.org.

The City of Spartanburg must be shown as an additional insured / loss payee with notice of cancellation by delivery to the City in one of the above referenced means of contact.

The General Liability Coverage must list the City, its officers, officials, and employees as additional insureds for activities arising under the Project Developer performance under the Agreement. The coverage shall be primary as to the Project Developer's negligent acts and omissions or willful misconduct. It shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability coverage.

The Workers' Compensation Coverage shall apply to all of the Project Developer's employees who are in any way connected with the Project Developer's performance under the Agreement. The coverage shall comply with all applicable state laws and provide a waiver of subrogation from the Project Developer against the City, its officers, officials, agents and employees, unless otherwise approved by the City.

The Project Developer must obtain insurance coverage from insurers with a current A.

M. Best's rating of net less than A: VII. The insurers must be licensed to do insurance business in the State of South Carolina, unless otherwise approved by the City. The Project Developer cannot be a self-insured in order to meet these requirements, unless the City in writing consents for the particular named Project Developer for the specific Agreement.

The Project Developer shall be solely liable and the City in no way shall be responsible for any coverage deductible, co-insurance penalty, or self-insured retention (if applicable), including any loss sustained because of the operation of the deductible, penalty, or retention.

Further, the Project Developer has an affirmative duty, and shall carry out that duty, to see that any subcontractor performing on the Project Developer's behalf shall also have the same insurance obligations as are borne by the Project Developer under these general terms and conditions.

2. City Commitments

- a. *Maintenance of Public Improvements/Completion of Certain Additional Improvements.* The City shall maintain the Public Improvements (other than those items which are the responsibility of the Project Developer under Section 1(f) above) upon completion, dedication and acceptance by the City.
- b. *Real Property Tax Abatement.* City will provide its consent, upon request prior to the issuance of a Certificate of Occupancy of the permitted plans, for a Fee-In-Lieu of Tax Payment (FILOT) through a Multicounty Industrial Park, or similar mechanism. Furthermore, City will use its best efforts, acting in good faith, to secure Spartanburg County's approval of a Multicounty Industrial Park mechanism to abate the annual real property taxes in accordance with the schedule attached hereto as **Exhibit D**. The first FILOT payment shall be due for the tax year following the year that Project Developer's receives its Certificate of Occupancy for the Project. By way of example, if the CO is received in 2025 the first FILOT payment would be due for tax year 2026 to be paid on or before January 15, 2027. This Real Property Tax Abatement is limited to the Phase I improvements. Subsequent phase improvements will be subject to conventional ad-valorem taxation or addressed through a separate agreement.
- c. *Certification of Property as an Abandoned Textile Mill Site.* The City agrees that it shall certify the Property for up to five (5) Abandoned Building Sites in accordance with SC Code 12-67-160, et seq. to enable Project Developer or its investors to seek related tax credits from the South Carolina Department of Revenue.

3. No Assignment Without Consent.

Prior to completion of the duties set forth herein, neither the City nor the Project

Developer are authorized to assign its respective duties under the Agreement to third parties without first having received from the other party a written consent, which consent shall not be unreasonably withheld, executed with the same formality of the Agreement. Notwithstanding the foregoing, City does acknowledge and agree that Project Developer may be utilizing a general contractor to perform the work on the Project and may assign this Agreement to a to-be-formed special purpose entity created for the purpose of owning and operating the Project; which entity shall be owned and/or controlled by Project Developer. Additionally, in the event of a third-party sale of the Project by Project Developer, the rights and obligations of Project Developer hereunder may be transferred by Project Developer to such third-party purchaser with notice to the City.

4. Modification.

No modification of the Agreement shall be binding upon the parties unless the same is first reduced to writing in a document having the same formality as the Agreement and executed by the duly authorized officer for each party. However, minor changes and modifications to the Development Agreement are authorized as may be necessary or appropriate to allow for a final version mutually acceptable to the parties, with said minor changes and modification being approved by the City Manager and the City Attorney. Should the City Manager or City Attorney, or both, determine that any modification of previously negotiated terms is significant and warrants further action by Council, then the matter shall be presented to and reviewed by City Council before the final execution.

5. Merger of Negotiations.

All prior negotiations and representations of both parties are merged into the Agreement, and no prior statement, whether written or oral, shall be binding upon either party unless reduced to writing and contained in the Agreement.

6. Applicable Law.

The Agreement is entered into under the laws of South Carolina, the City is a political subdivision of South Carolina, and the subject real property and improvements are located in South Carolina. The Agreement shall be construed in accordance with the laws of South Carolina.

7. No Joint Venture.

The parties acknowledge the City is acting solely in a governmental capacity in expanding/enhancing the City's public infrastructure and spaces, in approving the Agreement and in providing any other approvals related to the Project. Accordingly, the parties further acknowledge that no joint venture is intended or created between the Project Developer (or its affiliates or principals) and the City, and

the parties expressly disclaim the same.

8. Indemnification.

The Project Developer shall indemnify, defend and hold harmless the City, as well as its officers, officials and employees, from and against all claims of any nature whatsoever, at law or in equity, arising out of, or related in any manner to the Agreement, the design and construction of the Public Improvements, or the Project Developer's maintenance obligations, excluding only those claims resulting from the breach of this Agreement by the City or the gross negligence or willful misconduct of the City, its officers, contractors, agents, officials and/or employees. This provision shall survive termination of the Agreement.

9. Notices.

All notices and communications hereunder shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested, addressed to the parties as follows:

CITY:

City of Spartanburg
Attention: City Manager
P.O. Box 1749
Spartanburg, SC 29304
Phone: 864.596.2712

PROJECT DEVELOPER:

Palmetto Operating Company, LLC
c/o _____
Attention: _____

Phone: _____

WITH A COPY TO:

Johnson, Smith, Hibbard & Wildman Law Firm, L.L.P.
Attn: Steven M. Querin, Esq.
220 N. Church Street, Suite 4
Spartanburg, SC 29306
Phone: 864.582.8121

10. Miscellaneous.

If any part or provision of this Agreement is held invalid or unenforceable under applicable law, such invalidity or unenforceability shall not in any way affect the

validity or enforceability of the remaining parts and provisions of this Agreement. The waiver of a breach of this Agreement by either party shall not operate as a waiver of any subsequent breach, and no delay in acting with regard to any breach of this Agreement shall be construed to be a waiver of the breach. Headings are inserted for convenience only and shall not be considered for any other purpose. All exhibits referenced above (including all attachments thereto) are attached hereto and incorporated herein as part of the Agreement.

[Signatures Follow]

WHEREFORE, in consideration of the foregoing, the parties do bind themselves by terms and conditions of the agreement by providing below the signature of their authorized officers.

WITNESSES:

Palmetto Operating Company, LLC

By: _____

Name: _____

Its: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this _____ day of _____, 2032 by the duly authorized officer for PALMETTO OPERATING COMPANY, LLC whose name and title appear above.

Notary Public for South Carolina
My Commission Expires: _____
Printed Name of Notary: _____

WHEREFORE, in consideration of the foregoing, the parties do bind themselves by terms and conditions of the agreement by providing below the signature of their authorized officers.

WITNESSES:

The City of Spartanburg

By: _____
Name: Chris Story
Its: City Manager

STATE OF SOUTH CAROLINA)
)
COUNTY OF SPARTANBURG)

ACKNOWLEDGEMENT

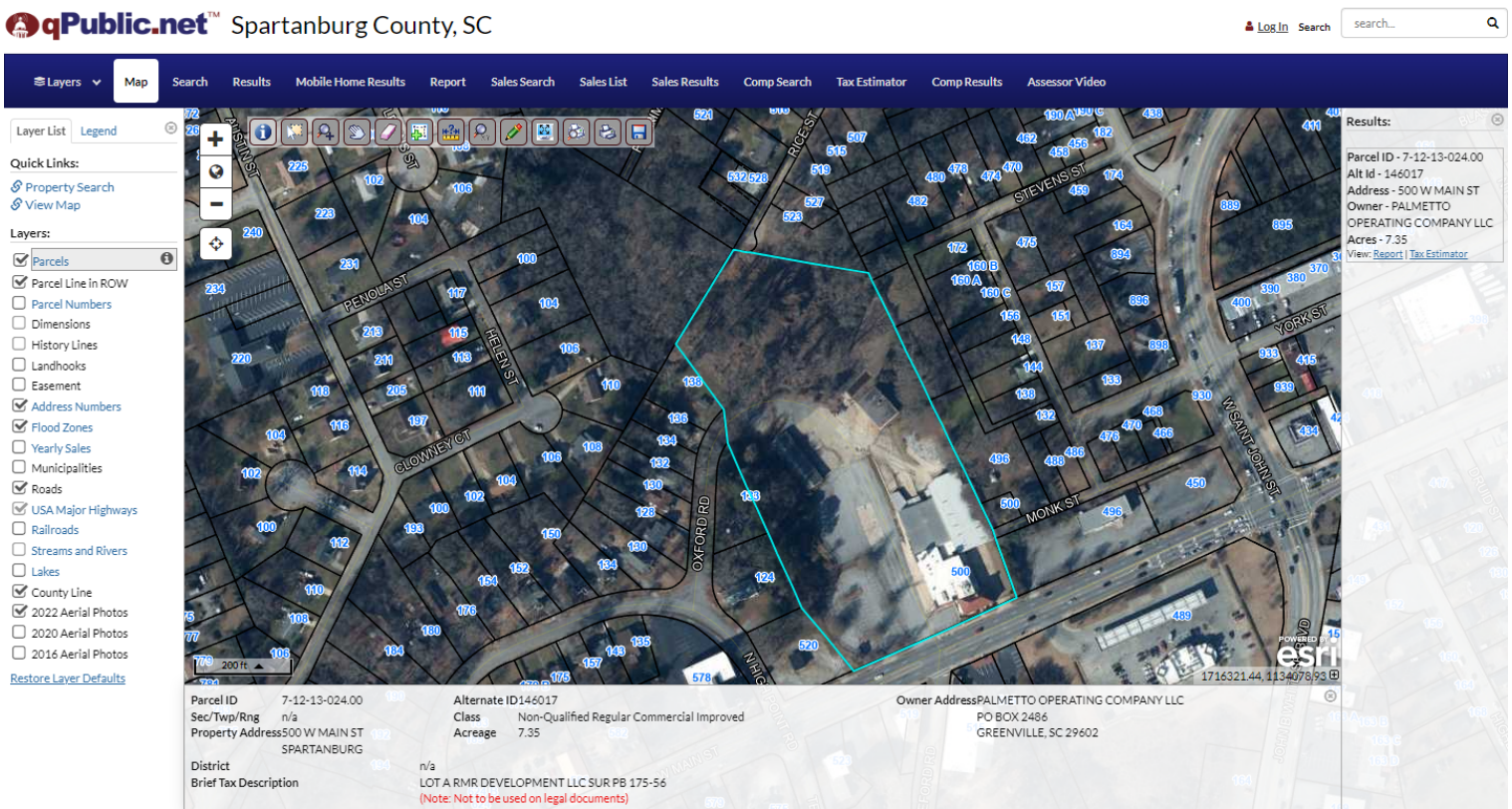
The foregoing instrument was acknowledged before me this _____ day of _____, 2023
by Chris Story, City manager, being duly authorized to execute the same.

Notary Public for South Carolina
My Commission Expires: _____
Printed Name of Notary: _____

APPROVED AS TO FORM:

City Attorney

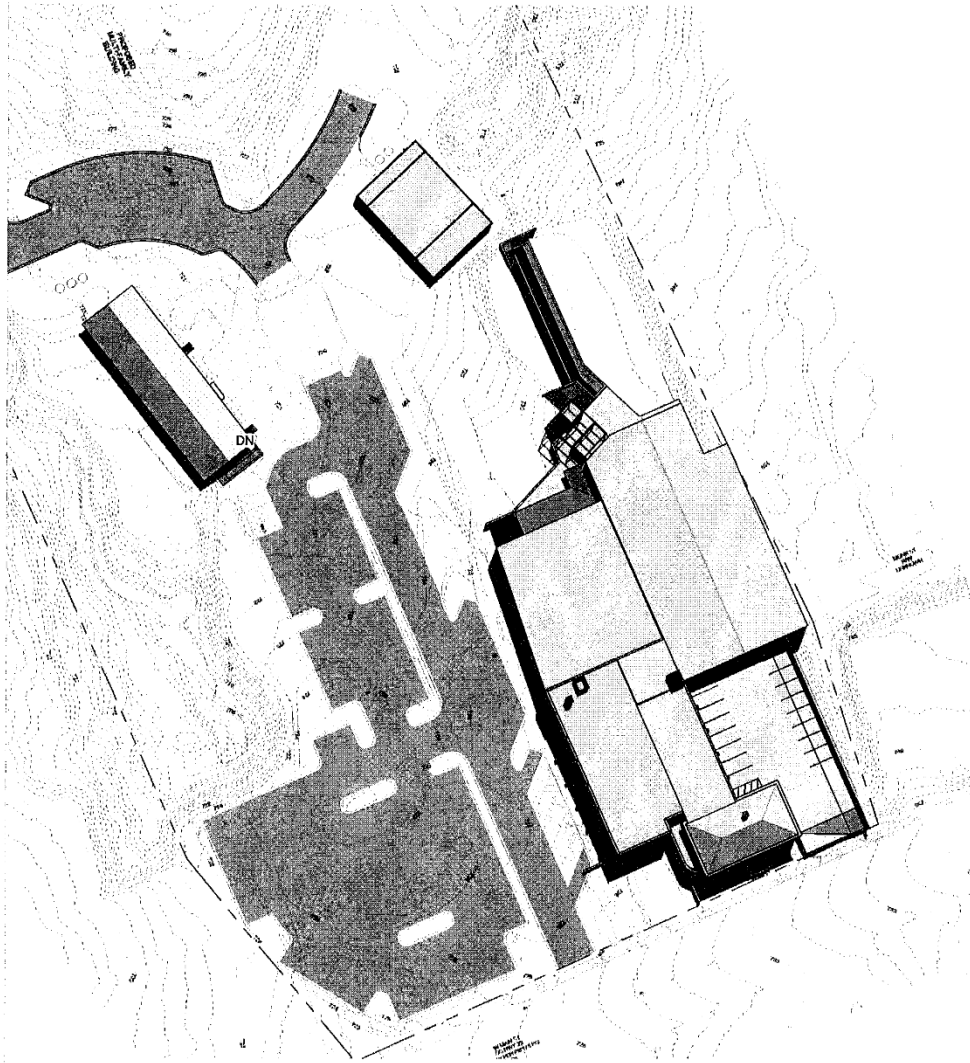
EXHIBIT A Property



500 W MAIN

SITE PLAN

EXHIBIT B Site Plan



NFI Earle Furman

864 398 4444

EXHIBIT C

Example Projects

Placer Gold Industrial Park Rocklin, CA - 367,000 former Formica Plant on 211 acres. Over the course of the development Coastal Partners (“CP”) juttred and repositioned the existing building from a single use manufacturing facility into a multi-tenanted industrial building and a 24,000sf office building. Additionally, CP entitled 170 acres into a multi-tenanted industrial park which included 9 users facilities and a 110 acre facility for Carvana. CP invested in excess of \$30 million in the project over a 5 year period.

At the Grounds (formerly the Placer County Fairgrounds) Roseville, CA - Coastal Partners acted as the project developer for Placer Valley Tourism in the redevelopment of the 50 year old County Fairgrounds. The \$46 million dollar project consisted of a complete revitalized master plan and redevelopment of existing structures and the development of a state of the art 150,000 events center. The project has won numerous awards and completely revitalized the former fairgrounds.

Fort Wayne IN Industrial Building - Coastal Partners converted a single user 865,000sf warehouse into a multi-tenanted industrial building. The conversion required new entry points along with an activated rail spur which allowed tenants access throughout the site. CP worked with the economic alliance to pull tenants from multiple states and completely fill the vacant building with new businesses and jobs.

3310 N Elston, Chicago, IL - Coastal Partners purchased the single user building and over the course of two years completely rebuilt the building (including but not limited to, new facades). The building was redeveloped into a mixed use project that is 100% occupied with office and retail users. CP preserved partial elements of the original 100 year facade while tying it in with a modern flexible design.

Since its inception Coastal Partners has developed or acquired in excess of \$800 million in Commerical RE projects.

[Photos / Renderings available upon request]

EXHIBIT D
Tax Abatement / FILOT Schedule

<u><i>Year</i></u>	<u><i>FILOT Payments</i></u>
1	\$61,564.00
2	\$83,111.00
3	\$104,659.00
4	\$123,128.00
5	\$123,744.00
6	\$124,359.00
7	\$124,975.00
8	\$125,591.00
9	\$126,206.00
10	\$126,822.00
11	\$127,437.00
12	\$128,053.00
13	\$128,669.00
14	\$129,284.00
15	\$129,900.00
16	\$130,516.00
17	\$131,131.00
18	\$131,747.00
19	\$132,363.00
20	\$132,978.00



REQUEST FOR COUNCIL ACTION

TO: Chris Story, City Manager

FROM: Bob Coler, City Attorney

SUBJECT: An Ordinance amending the Business License Ordinance to update the class schedule as required by state law

DATE: November 9, 2023

On November 22, 2021 the City adopted a Model Business License Ordinance (the “Model Ordinance”) to comply with state law. The Model Ordinance uses a schedule of business classifications, created by the U.S. Office of Management and Budget, to identify and properly charge each business the appropriate annual business license fee. Per state law, the City must update our Model Ordinance every odd year using the most recent schedule of business classifications created by the U.S. Office of Management and Budget, recommended by the Municipal Association of South Carolina, and adopted by the Director of the Revenue and Fiscal Affairs Office.

The attached Ordinance will update our Model Business License Ordinance with the most recent Business License Class Schedule as created by the U.S. Office of Management and Budget, recommended by the Municipal Association of South Carolina, and adopted by the Director of the Revenue and Fiscal Affairs Office. You may see the new schedule at Exhibit A to the attached Ordinance.

Staff recommends approval of the Ordinance.

I look forward to answering any questions Council may have.

AN ORDINANCE

AMENDING THE BUSINESS LICENSE ORDINANCE OF THE CITY OF SPARTANBURG TO UPDATE THE CLASS SCHEDULE AS REQUIRED BY ACT 176 OF 2020.

WHEREAS, the City of Spartanburg (the “Municipality”) is authorized by S.C. Code Section 5-7-30 and Title 6, Chapter 1, Article 3 to impose a business license tax on gross income;

WHEREAS, by Act No. 176 of 2020, known as the South Carolina Business License Tax Standardization Act and codified at S.C. Code Sections 6-1-400 to -420 (the “Standardization Act”), the South Carolina General Assembly imposed additional requirements and conditions on the administration of business license taxes;

WHEREAS, the Standardization Act requires that by December thirty-first of every odd year, each municipality levying a business license tax must adopt, by ordinance, the latest Standardized Business License Class Schedule as recommended by the Municipal Association of South Carolina (the “Association”) and adopted by the Director of the Revenue and Fiscal Affairs Office;

WHEREAS, following the enactment of the Standardization Act, the Municipality enacted “An Ordinance To Adopt a Revised Business License Ordinance in Accordance With The Business License Standardization Act (2020 Act No. 176)” on November 22, 2021, in order to comply with the requirements of the Standardization Act (the “Current Business License Ordinance”);

WHEREAS, the City Council of the Municipality (the “Council”) now wishes to amend the Current Business License Ordinance to adopt the latest Standardized Business License Class Schedule, as required by the Standardization Act, and to make other minor amendments as recommended by the Association;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Spartanburg, as follows:

SECTION 1. Amendments to Appendix A. Appendix A to the Current Business License Ordinance, the “Business License Rate Schedule,” is hereby amended as follows:

- (a) Class 8.3 is hereby amended by deleting the NAICS Codes and replacing them with NAICS 517111, 517112, 517122 – Telephone Companies.
- (b) Class 8.6 is hereby amended and restated in its entirety to read as follows: “**8.6 NAICS Code Varies – Billiard or Pool Tables**. A business that offers the use of billiard or pool tables shall be subject to business license taxation under its natural class for all gross income of the business excluding the gross income attributable to the billiard or pool tables. In addition, the billiard or pool tables shall require their own separate business licenses pursuant to SC Code § 12-21-2746 and shall be subject to a license tax of \$5.00 per table measuring less than 3½ feet wide and 7 feet long, and \$12.50 per table longer than that.”
- [(c) The NAICS codes corresponding to Classes 9.41 and 9.42 have been eliminated.

Businesses that were previously classified into 9.41 or 9.42 shall be required to apply and pay for a business license in their natural class.

SECTION 2. Amendments to Appendix B. Appendix B to the Current Business License Ordinance, the “Business License Class Schedule,” is hereby amended as follows:

- (a) Classes 1 through 8 in Appendix B to the Current Business License Ordinance, the “Business License Class Schedule,” are hereby amended and restated as set forth on the attached Exhibit A.
- (b) Class 9 in Appendix B to the Current Business License Ordinance, the “Business License Class Schedule,” shall remain in full force and effect as set forth in the Current Business License Ordinance.
- [(c) The NAICS codes corresponding to Classes 9.41 and 9.42 have been eliminated. Businesses that were previously classified into 9.41 or 9.42 shall be required to apply and pay for a business license in their natural class.

SECTION 3. Repealer, Effective Date. All ordinances in conflict with this ordinance are hereby repealed. This ordinance shall be effective with respect to the business license year beginning on May 1, 2024.

ENACTED IN REGULAR MEETING, this ____ day of _____, 20 ____.

Mayor

ATTEST:

Clerk

First reading: _____

Final reading: _____

**Exhibit A: Amendment to Classes 1 – 8 in Appendix B of the
Current Business License Ordinance**

**APPENDIX B
Classes 1 – 8: Business License Class Schedule by NAICS Codes**

NAICS Sector/Subsector	Industry Sector	Class
11	Agriculture, forestry, hunting and fishing	1
21	Mining	2
22	Utilities	1
31 - 33	Manufacturing	3
42	Wholesale trade	1
44 - 45	Retail trade	1
48 - 49	Transportation and warehousing	1
51	Information	4
52	Finance and insurance	7
53	Real estate and rental and leasing	7
54	Professional, scientific, and technical services	5
55	Management of companies	7
56	Administrative and support and waste management and remediation services	3
61	Educational services	3
62	Health care and social assistance	4
71	Arts, entertainment, and recreation	3
721	Accommodation	1
722	Food services and drinking places	2
81	Other services	4
Class 8	Subclasses	
23	Construction	8.1
482	Rail Transportation	8.2
517111	Wired Telecommunications Carriers	8.3
517112	Wireless Telecommunications Carriers (except Satellite)	8.3
517122	Agents for Wireless Telecommunications Services	8.3
5241	Insurance Carriers	8.4
5242	Insurance Brokers for non-admitted Insurance Carriers	8.4
713120	Amusement Parks and Arcades	8.51
713290	Nonpayout Amusement Machines	8.52
713990	All Other Amusement and Recreational Industries (pool tables)	8.6

2023 Class Schedule is based on a three-year average (2017 - 2019) of IRS statistical data.