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RESOLUTION NO.: R-2022-090

Adopting City of Columbia Fats, Oils and Grease (FOG) Grant/Rebate Program and Funding

WHEREAS, a vibrant tourism industry fosters and enhances the economic growth and well-being of a community and its residents, and tourism has been and continues to be a major industry for the City of Columbia, South Carolina (the "City");

WHEREAS, restaurants and other establishments providing food services, also known as food service establishments, located within the City ("Restaurants") are a vital part of the City's tourism industry and instrumental in drawing visitors and tourists into the City and, as the City's tourism industry expands, the City must make provision to increase municipal services and facilities in order to accommodate the needs of tourists and to attract additional tourism;

WHEREAS, the cost of acquiring and installing new or improved fats, oils and grease traps/grease interceptors and other appurtenances ("Grease Traps"), which are essential to the operation of Restaurants, have become a financial barrier preventing the opening, expansion and operation of many new and existing Restaurants located within the City;

WHEREAS, the City has heretofore adopted its City of Columbia Fats, Oils and Grease (FOG) Forgivable Loan Program, as amended (as so amended, the "Existing FOG Program") to assist Restaurants with a portion of the costs of acquiring and installing Grease Traps necessary to meet the City's fats, oils and grease ("FOG") program requirements, but the City now desires to adopt a new FOG program (the "New FOG Program") which would make certain changes to the Existing FOG Program, including (1) increasing the benefits that Restaurants participating in the FOG program ("Participating Restaurants") can receive reimbursement for to cover full costs of installation, acquisition and equipment of the new Grease Traps up to \$10,000 in the aggregate, and (2) converting the method of assistance to Participating Restaurants from a forgivable loan from the City's water and sewer system into a grant funded by the City's 2% hospitality tax on prepared foods and beverages (the "Hospitality Tax") in the form of rebates to Participating Restaurants equal to one-half of the Hospitality Taxes actually collected by such Participating Restaurants and provided to the City, which rebates would be payable from time to time from Hospitality Taxes available pursuant to Section 6.9 of the General Bond Ordinance No. 2011-63 enacted by the City Council of the City on August 30, 2011;

WHEREAS, by imposing the Hospitality Fees, the City has provided a method to alleviate the increased financial burden on resources of the City and its citizens in providing services and facilities needed to attract and support tourism; pursuant to the City's most recent hospitality tax grant guidelines, Hospitality Taxes "may be used for organizations ... that promote the attraction of tourism and dining within the City limits" and 'tourists', for purposes of applicable South Carolina law, means "a person who does not reside in but rather enters temporarily, for reasons of recreation or leisure, the jurisdictional boundaries of a municipality";

WHEREAS, the New FOG Program would help alleviate the costs incurred by Participating Restaurants with respect to the acquisition and installation of Grease Traps and thereby encourage the opening, expansion and operation of new and existing Restaurants throughout the City, which would in turn (1) generate additional Hospitality Taxes that may be used to finance the acquisition, construction and renovation of facilities which will serve and attract visitors and tourists or to provide municipal services which serve visitors and tourists and (2) attract visitors and tourists to the City and foster and stimulate economic activity at surrounding businesses which will also generate additional Hospitality Taxes; and

WHEREAS, the New FOG Program would continue to serve a public purpose, given the fact that (1) the ultimate benefits to the public include (a) the promotion of efforts to prevent the introduction of FOG constituents into the sanitary sewer system which can clog sewer lines and cause sanitary sewer overflows, (b) the costs of remediating or replacing such clogged sewer lines, and (c) the promotion of tourism and economic development in areas surrounding Participating Restaurants as described above, (2) the public will be the primary beneficiary of the New FOG Program, although the Participating Restaurants will also benefit thereby, (3) the New FOG Program is not so speculative as to violate the public purpose doctrine, because grants of Hospitality Taxes that are rebated to Participating Restaurants represent a portion of Hospitality Taxes actually collected by such Participating Restaurants after the installation of the Grease Traps and the successful opening, expansion and operations of such restaurants, and (4) the public interest is likely to be served to a substantial degree through the alleviation of acquisition and installation costs of the Grease Traps, the generation of tourist-related revenues from Participating Restaurants, and the reduced introduction of FOG constituents into the sanitary sewer system, all as particularly described above;

BE IT RESOLVED this 18th day of October, 2022, that the Mayor and City Council of the City hereby adopts the New FOG Program and funding as described above. Effective January 1, 2023, the New FOG Program will replace and supersede the Existing FOG Program and all previous programs related thereto.

Requested by:

Assistant City Manager Shealy

Approved by:

Debra B. Wilson
City Manager

Approved as to form:

[Signature]
City Attorney

Introduced: 10/18/2022

Final Reading: 10/18/2022

Mayor

ATTEST:

Erika Dill Hammond
City Clerk