

**ORDINANCE NO.: 2018-069**

*Consenting to the Inclusion of Property in a Multi-County Industrial/Business Park  
(Kline City Center, portion of Richland County TMS #08912-13-02)*

WHEREAS, the City of Columbia, South Carolina ("City"), is a body, politic and corporate located in Richland County, South Carolina ("County"); and,

WHEREAS, through Columbia City Council ("Council"), the City is entitled to exercise all the powers and privileges provided to municipal corporations in the State of South Carolina; and,

WHEREAS, the project to be undertaken is the Kline City Center that includes a mix of uses including retail, restaurant, hospitality, and office along with parking garages and public improvements necessary to support the project. The project cost is estimated to be \$75M on four acres located between Huger St, Gervais St, Washington St and Williams St. The Kline City Center Project will create more than 200 full time equivalent jobs, annual hospitality taxes, annual accommodation taxes, and business license revenue along with inducement of additional economic investment nearby. The parking garages will support the components of the project along with inclusion of public parking that will be beneficial to the area surrounding the project to include but not limited to commercial uses and public attractions. The project includes approximately 35,000 SF of commercial and retail development, 250 hotel room keys, 55,000 SF of office space, all supported by approximately 409 parking spaces and other related infrastructure necessary to support the project.

WHEREAS, to encourage a public parking component in the project, representatives of the Developer and the City approached the County seeking certain property tax incentives for the Project; and,

WHEREAS, the County has agreed to offer an infrastructure credit to reduce the property taxes due on the Project ("Credit") pursuant to the terms of Section 4-1-175 of the Code of Laws of South Carolina 1976, as amended ("Credit Act") and an infrastructure credit agreement between the County and the Developer ("Credit Agreement"); and,

WHEREAS, to grant the Developer the full value of the Credit, the County desires to locate the Project in the multi-county industrial park ("Park") the County has jointly developed with Fairfield County, South Carolina ("Fairfield"), pursuant to Article VIII, Section 13(D) of the South Carolina Constitution and Section 4-1-170 of the Code of Laws of South Carolina, 1976, as amended ("Park Act"); and,

WHEREAS, pursuant to the Park Act and the agreement between the County and Fairfield which governs the operation of the Park ("Park Agreement"), following application of the Credit and distribution of the net fees in lieu of taxes ("FILOT") generated from the Project to Fairfield, the FILOT payment will be distributed on a pro-rata basis to the taxing entities in the County that, at the time the Project is included in the Park, are eligible to levy tax millage on the Project; and,

WHEREAS, pursuant to the Park Act, because the Project is located within the City's geographical borders, the City must consent to the inclusion of the Project within the boundaries of the Park; and

WHEREAS, the Project is anticipated to meet the criteria set forth in Resolution No.: R-2018-094, and any amendments thereto, and it is appropriate to consent to including the Project in the Park; NOW, THEREFORE,

BE IT ORDAINED by the Mayor and City Council this 18th day of December, 2018, that the City hereby consents to the inclusion of the Property in the Park, which consent is conditioned upon the following:



1. The County's approval, execution and delivery of the Credit Agreement with the Developer related to the Project; and,

2. Collectively, the Park Agreement and Credit Agreement will provide that (a) the owner of the Property will pay a FILOT with respect to the Project during the term of the Credit Agreement; (b) the annual FILOT payment due with respect to the Project will be subject to reduction by the Credit, which is equal to a maximum of 50% of the FILOT due with respect to the Project, for a period of time that allows an abatement amount equivalent to \$25,000 per space for all spaces within the garage or no more than 15 years, whichever occurs first; and, beginning with the first full year for which the Developer owes a FILOT payment with respect to the Project; (c) the City will be entitled to receive the portion of the net FILOT payment; and (d) the Project will be deemed removed from the Park on the expiration or earlier termination of the Credit Agreement; and,

If the project proceeds in a phased approach, the first phase must meet the criteria established in Resolution No.: R-2018-108 to be eligible for the abatement. The time limit for the project abatement period as allowed in this ordinance shall begin the first full year for which the Developer owes a FILOT payment. The timeline for additional phases shall be for the period of time or abatement amount that remains available on the original period and shall not have a new beginning date. Any phasing is at the discretion of the developer with a full understanding of the limitations on the abatement amount of \$25,000 per space in the parking deck or no greater than fifteen (15) years, whichever occurs first; and,

3. The project will incorporate a minimum of 25% public parking in addition to the minimum parking required by the zoning ordinance. Said public parking will be made available for public use for the duration of the credit period and owner will be responsible for verifying that use to the City Parking Services on an annual basis. Such use is also subject to periodic inspections by the City.

a. Public Parking for this site shall be a blend of monthly, daily, and hourly parking and can be located within one or multiple parking facilities constructed to support the project and public parking requirement, a decision of which can be determined by the City and agreed upon by the Developer once the design of the development is finalized.

b. Notwithstanding, handicap spaces and electric vehicle charging, the transient parking spaces shall be located in closest proximity to the entrance of the facilities to be most convenient to the high turnover users.

c. The agreed upon monthly parking may be located at upper levels of the parking facilities but shall be grouped together and posted according to agreed upon signage that reflects a public use component. Parking types- handicap, electric vehicle, timed, valet, and reserved shall be grouped together and individually signed as such. All other spaces (public) shall be open to any user if empty. A few spaces may be signed for extended length trucks, but not necessarily grouped since they will be chosen for access.

d. Non-signed, empty spaces within the 25% public parking threshold may be filled by monthly, daily, or hourly parkers as agreed upon by the City Manager or designee, the approval of which will not be unreasonably withheld or delayed by the City. At no time during the Credit period shall the blend of public parking be reduced below the number of spaces required to meet the 25% public parking component.

e. The Developer will own, operate and manage the parking facilities and as of such, the City will not receive any revenues from the public parking component. If at any time the Developer elects to contract with the City to operate/manage the facilities, the Developer will pay the City a fee sufficient to cover all expenses plus a 20% management fee or negotiate a mutually acceptable arrangement through a separate management contract. If said parking is managed by the City, revenues generated from such use will be provided to the Developer after all City expenses plus a 20% management fee have been paid.



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f. The public parking will be made available at the rate agreed upon by the City and facility owner and will be based on market rates established in other public places within close proximity to the facility and are subject to change as those rates change. While such rates do not have to mirror the public rate in close proximity, there will be a logical comparison between the various rates. The City agrees to revisit and reconsider the rates no more than quarterly if the operator feels changes are needed in order to maximize revenues and adjust to demands of the area. The City agrees that dynamic pricing models will be allowed as part of the rate structure. Monthly passes may be restricted by hour and day depending on user needs and rate paid.

g. If at any time the developer elects to terminate use of parking for public parking purposes, the abatement shall terminate immediately and the owner will be required to reimburse the governing bodies the previous five years' worth of abatement. If the Developer sells the project as a whole or the garage prior to or within the first five years after receiving a certificate of occupancy, the abatement period continues with the new owner for the duration of the term; however, the previous owner/seller will be required to reimburse the governing bodies an amount equal to the previous five years' worth of abatement or whatever period of time up to five years that the abatement has been applied to the property, otherwise the abatement period will terminate immediately.

4. Approval of this ordinance does not constitute a development approval, as all regulatory permitting and approval requirements remain in effect, the requirement of such is not altered in any way by the approval of this ordinance. Project must proceed with site plan review no later than December 31, 2020 in order to be eligible to receive the credit and must continue to progress forward at a reasonable pace for a project of this magnitude or else the approved tax credit will be repealed by the City.

5. The City Manager is authorized to execute any documents as approved by the City Attorney, and take any further action as may be reasonably necessary to further the intent of this Ordinance.

6. Any prior ordinance, resolution or order, the terms of which are in conflict with this Ordinance, is, only to the extent of that conflict, repealed.

Requested by:

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Mayor

Approved by:

  
\_\_\_\_\_

City Manager

Approved as to form:

  
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City Attorney

ATTEST:

  
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City Clerk

Introduced: 12/4/2018

Final Reading: 12/18/2018

ORDINANCE NO.: 2018-069  
EXHIBIT A  
PROPERTY DESCRIPTION

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Disclaimer: This plan is included only as an illustration of the intended mixed use development layout and location. The inclusion of this development site plan in no way infers approval of any specific elements of the plan nor does any component of this plan replace or alter existing requirements, if any, that are part of the Kline Redevelopment site.

