

**RESOLUTION NO.: R-2019-059**

*Adopting a Policy and Criteria to Apply Richland County's Commercial Development Tax Credit for Developments within the City of Columbia*

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WHEREAS, the City of Columbia desires to adopt a policy and criteria to apply Richland County's Commercial Development Tax Credit for developments within the City of Columbia, as they have been identified as a desirable location for commercial development and receive frequent requests from commercial developers desiring to locate within the City of Columbia that are unable to do so due to certain cost barriers, one being property tax costs in Richland County; and, <sup>1</sup>

WHEREAS, Richland County Council has adopted a Commercial Development Tax Credit Policy whereby qualifying commercial developments will receive an assignable, annual property tax credit subject to a six (6%) percent assessment rate. The maximum property tax credit percentage and term available to a qualifying commercial development under the policy is fifty (50%) percent and ten (10) years, respectively, and the dollar value of the property tax credit benefit cannot exceed expenditures made by developers on public infrastructure; and,

WHEREAS, the eligibility of a commercial development will be considered on a case-by-case basis and the receipt by a commercial development within the City of Columbia of a property tax credit will require approval by public hearing of both the City of Columbia and Richland County Councils pursuant to an ordinance duly enacted by each body. The ordinances before each body shall include the specific credit percentage and term applicable to the subject commercial development which will be determined by Richland County Council and City of Columbia Council, in their sole discretion, based on the facts and circumstances of the subject commercial development; and,

WHEREAS, to be considered for the property tax credit, a representative must complete by December 31, 2022, a Request for Consideration of Credit Application ("Application"), which will require, in addition to other details about the commercial development, a pro forma illustrating the expected costs and profits of the commercial development, and submit the Application to the Economic Development Departments of both the City of Columbia and Richland County. The City of Columbia Economic Development Department, City Council Economic Development Committee, Richland County Economic Development Department and the Richland County Council Economic Development Committee each shall review the Application and, if warranted, make a recommendation to the City of Columbia Council and Richland County Council with respect to the receipt of the property tax credit and the applicable credit percentage and term; NOW, THEREFORE,

BE IT RESOLVED by the Mayor and City Council of the City of Columbia, South Carolina this 9th day of July, 2019, that it hereby adopts a Policy and Criteria to Apply Richland County's Commercial Development Tax Credit for Developments within the City of Columbia which shall be evaluated based on the following criteria:

1. The type and nature of the public infrastructure provided at the commercial development or by the developer within the City of Columbia.
2. If the commercial development includes a residential component, whether any of the residential units are made available for use as affordable or workforce housing.

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<sup>1</sup> The property tax costs for new investment is greater because property taxes are based on the purchase/fair-market value of the property. In contrast, the property tax costs for older investments are based on historical assessed values, which are often lower than the market value of the property.

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3. The total amount of expected taxable investment at the commercial development over a five (5) year period, which must not be less than Thirty Million and No/100 (\$30,000,000.00) Dollars.

4. Whether the benefits of the commercial development to the public exceed the costs of the property tax credit as shown by a cost/benefit analysis.

5. Such other factors as the City's Economic Development Department staff and the City Council Economic Development Committee deem relevant.

At the end of the initial term, the property tax credit may be renewed for an additional ten (10) years at the discretion of Columbia City Council and Richland County Council.

Requested by:


Assistant City Manager Gentry \_\_\_\_\_

  
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Mayor

Approved by:

  
\_\_\_\_\_  
City Manager

Approved as to form:

  
\_\_\_\_\_  
City Attorney

ATTEST:  
  
\_\_\_\_\_  
City Clerk

Introduced: 7/9/2019  
Final Reading: 7/9/2019