

Structural Integrity of the Canopy: consultants advised against installing any equipment on the canopy structure due to unknown weight capacities/limitations. Any reinforcement to the structure would be an additional cost not provided in the capital request.

Security/Safety of the Equipment: Without any structural changes to the canopy, all of the equipment would be exposed to weather, theft, and unforeseen damage. It was advised that, unless the Mauldin Cultural Center staff intended to take down the equipment and store it in the center itself, the lighting and sound structures would be at unnecessary risk.

Given these factors, City staff asked the vendors to quote a project to enhance and/or replace elements of the Cultural Center's theater. The theater is due for updated equipment in the near-term, so rather than forego the capital earmarked for the amphitheater, City staff assessed the improvements that such an expenditure could provide. Two vendors provided quotes: Productions Unlimited (Roebuck, SC) and TINC Productions (New York City, New York.)

Productions Unlimited quoted their scope of work at \$72,288. This quote is in line with the \$75,000 of capital allocated to the original Amphitheater Lights and Sound capital improvement as outlined in the FY23 budget.

Staff is asking to have the Mayor authorize the use of the FY23 capital improvements, originally planned for the Mauldin Cultural Center Amphitheater, for the use of upfitting/improving the lights/sound in the Mauldin Cultural Center Theater, as well as execute all documents related to a contract between the City of Mauldin and Productions Unlimited for the Lights/Sound improvements.

Chairman Matney asked if there was a line item to allow for rental of lighting or sound at the amphitheater. Mr. Charles said each department has its own line item.

Councilman Kraeling asked how much it costs to rent. Mr. Charles said it is about 3,000 dollars for each event. He will have a number by the Council meeting.

Motion: Councilman Kraeling made a motion to send this item to Council with Chairman Matney seconding.

Vote: The vote was unanimous (2-0).

- b. Public Art Trail- With new staff, direction is asked for on the public art trail. A budget, a location, schedule to bring in a new artist has all been proactively done. Chairman Matney said Council is a policy making body, not management. His thought is what staff is putting together needs to be fine-tuned so committee can forward a draft to Council.

Motion: Councilman Kraeling made a motion to send this item to Council with Chairman Matney seconding.

Vote: The vote was unanimous (2-0).

c. Leadership Golden Strip – Mural at MCC

Leadership Golden Strip has chosen to install murals in Fountain Inn, Simpsonville, and Mauldin as their class project, and it has chosen Art Houzze (<https://www.arthouzze.com/>) to manage this project. The class has identified the Mauldin Cultural Center’s north exterior wall as an art location.

Art Houzze would like to find a date/time in which it can conduct a listening session with the Mauldin City Council in order to create a vision for a mural at the Mauldin Cultural Center.

Art Houzze has quoted a 15-foot wide x 20-foot high mural in each city for \$10,059.40 each. Leadership Golden Strip has pledged to raise the funding for this project. It has asked the City of Mauldin to participate. The Community Development Department proposes contributing \$5,000 that will be paid out of unused FY 2023 H&A funds with the balance coming from fundraising efforts by Leadership Golden Strip.

Motion: Councilman Kraeling made a motion to send this item to Council with Chairman Matney seconding.

Vote: The vote was unanimous (2-0).

7. Public Comment- None

8. Committee Concerns

Councilman Kraeling asked Mr. Charles if there was a way to speed up the beer line at City events such as Amp’d up Fridays. Chairman Matney said a new trailer has been purchased with more taps that should help with the problem.

9. Adjournment- Chairman Matney adjourned the meeting at 7:58 p.m.

Respectfully Submitted,
Cindy Miller
Municipal Clerk

EPD COMMITTEE

AGENDA ITEM SUMMARY

MEETING DATE: July 3, 2023

AGENDA ITEM: 6c

TO: Economic Planning & Development Committee

FROM: J.R. Charles, Community Development Director

SUBJECT: Amendment to Business License Fee Abatement Incentive Program

REQUEST

Amend portions of Section 10-53 of the City of Mauldin Code with the following changes:

- Change definition found in Subsection (a)(5) Corporate and regional headquarters – “The headquarters must have responsibility for an area including South Carolina and one other state.”
- Insert the following sentence at the end of Subsection (c) Abatement – “The preceding notwithstanding, the Mauldin City Council may negotiate alternative incentive agreements for economic development projects.”

HISTORY/BACKGROUND

The current version of the Business License Fee Abatement Incentive Program requires that corporate headquarters operate in South Carolina and two additional states.

ANALYSIS or STAFF FINDINGS

The current ordinance restricts the ability for the City Council to negotiate with companies which may have a presence in South Carolina and one additional state. By eliminating the requirement for a corporate headquarters to operate in South Carolina and two additional states, the City will have additional flexibility in negotiating headquarter projects that operate in only one state other than South Carolina. This additional flexibility will allow the City to market itself as a preferred destination for corporate investment opportunities.

FISCAL IMPACT

There is no fiscal impact in amending the City’s ordinance.

RECOMMENDATION

Amend portions of Section 10-53 of the City of Mauldin Code with the following changes:

- Change definition found in Subsection (a)(5) Corporate and regional headquarters – “The headquarters must have responsibility for an area including South Carolina and one other state.”

- Insert the following sentence at the end of Subsection (c) Abatement – “The preceding notwithstanding, the Mauldin City Council may negotiate alternative incentive agreements for economic development projects.”

ATTACHMENTS

- Redline version of Section 10-53 “Business license fee abatement incentive program” containing the recommended changes.

Sec. 10-53. - Business license fee abatement incentive program.

The city offers a business license fee abatement program to incentivize and encourage private capital investment and reinvestment opportunities in the community. This program is intended to recognize the benefits of new investment and its contribution to the economic health and stability of the city. This program also provides a tool that furthers the economic development strategies outlined in the city's comprehensive plan, and further promotes the regional strategies of the Greenville Area Development Corporation.

(a) *Definitions.* The following words, terms and phrases, when used for determining a qualifying business shall have the meaning ascribed herein:

(1) *Advanced material manufacturing* shall mean the manufacturing of textile, plastic, and metal products used in a variety of downstream manufacturing. This shall also include the manufacturing of high-quality textiles that support downstream automotive and aerospace manufacturing.

(2) *Biosciences* shall mean the industry of the development and production of pharmaceuticals as well as the manufacturing of medical devices such as orthopedic instruments, surgical instruments, diagnostic tools, catheters and stents, etc.

(3) *Business centers* shall mean office centers, data centers, shared services, financial services, consumer customer care services, information technology/software, data support for financial and insurance services and engineering services. This shall also include applications related to cloud computing, development of software applications for automotive or aerospace industries, medical-related software, open-source software, and consumer customer services.

(4) *Capital investment* shall mean an activity that adds value to the city's tax base through property acquisition, and/or improvement of real property.

(5) *Corporate and regional headquarters* shall mean the national or regional operations of a corporation, real estate investment trust, general or limited partnership, or comparable business entity, provided the business operations has offices, production facilities, shipping locations, wholesale

facilities or retail outlets in other states. A majority (more than 50 percent) of the management, legal, planning, marketing and personnel operations must be handled or supervised from the corporate headquarters. The headquarters must have responsibility for an area including South Carolina and ~~two~~one other states.

(6) *High technology growth business* shall mean those enterprises, which have as a primary revenue component of their business activity, earnings derived from the design, engineering, development, or production of innovative technology businesses, which are expanding significantly in the world economy. Examples include companies primarily engaged in activities such as: Internet technology, digital media, biotechnology research and development, wireless and high speed communication, computerized technologies and equipment design, medical device and engineering, and proprietary electronic equipment, with micro-chip components, or businesses providing systems for computer software design or hardware design, or both, based on the assessment of customers' business or organizational needs. This category does not include the mere sale or installation of standard retail software packages or individual hardware components.

(7) *Manufacturing* shall mean doing any kind of business as manufacturers, which includes any goods, wares, or products manufactured, processed, assembled or produced with the city in whole or in part, regardless of where ultimately sold, distributed, or disposed of and not herein specifically taxed in another classification under the city's business license ordinance.

(8) *Research development* shall mean a facility or enterprise devoted directly and primarily to research and development in the experimental or laboratory sense for new products, new uses, for existing products, or for improving existing products. The facility must be a separate facility devoted primarily to research and development as defined in this section. The abatement does not include facilities used in connection with efficiency surveys, management studies, consumer surveys, economic surveys, advertising, promotion, or research in connection with literacy, historical, or similar projects.

(9) *Transportation equipment manufacturing* shall mean the production of equipment for transporting people and goods. Transportation equipment is a type of machinery. Establishments in this subsector utilize production processes similar to those of other machinery manufacturing establishments—bending, forming, welding, machining, and assembling metal or plastic parts into components and finished products.

(b) *Eligibility criteria.* Businesses may qualify for the business license fee abatement program according to one of the two qualification options provided below.

(1) *Eligibility option 1.* A business may qualify under "eligibility option 1" if it meets the following criteria pertaining to business type and revenue growth.

a. *Business type.* The business shall be one of the following business types: corporate and regional headquarters, advanced materials manufacturing, transportation equipment manufacturing, bioscience, research and development, high technology growth business, or business center.

b. *Revenue growth.* A business with 100 employees or more shall have an annual increase in gross revenue of ten percent or more during the duration of the abatement period. A business with less than 100 employees shall have an annual increase in gross revenue of 15 percent or more during the duration of the abatement period.

(2) *Eligibility option 2.* A business may qualify under "eligibility option 2" if it has an annual gross income of \$10,000,000.00 or more and it makes a capital investment of \$300,000.00 or more with at least 33 percent towards physical improvements (i.e., building up-fit, renovation, addition or other physical improvement, etc.).

(c) *Abatement.* Businesses which qualify as outlined above and that will be in operation for a period of six months or more during the calendar year shall have their business license fee abated in accordance with "abatement option 1" below. Business which qualify as outlined above and that will be in operation for a period of less than six months during the calendar year may have their business license

fee abated in accordance with either "abatement option 1" or "abatement option 2" below. [The preceding notwithstanding, the Mauldin City Council may negotiate alternative incentive agreements for economic development projects.](#)

(1) *Abatement option 1.*

- a. One hundred percent for the first taxable year of operation;
- b. Sixty-six percent for the second taxable year of operation; and
- c. Thirty-three percent for the third taxable year of operation.

(2) *Abatement option 2.*

- a. One hundred percent for the second taxable year of operation;
- b. Sixty-six percent for the third taxable year of operation; and
- c. Fifty percent for the fourth taxable year of operation.

(d) *Application and administration.*

(1) The person, firm, or corporation must apply for the business license fee abatement program through the city's business and development services department.

(2) The applicant shall provide sufficient documentation as deemed necessary to substantiate the qualifying criteria for which the abatement is being requested. Such documentation may include: a business plan showing the projected revenue growth over a three- to five-year period, a detailed description of business operations, and construction bid and contract costs.

(3) The abatement incentive shall require annual monitoring by the city to ensure continued compliance with the abatement program. Monitoring during the abatement period shall be performed during the annual business license renewal process, which requires verification of annual gross revenue for the tax year.

(4) The three-year abatement term shall commence with the issuance of the certificate of occupancy, issuance of a business license and/or other criteria corresponding to the eligibility factors.

(5) If at any time during the incentive period the development's use or business does not meet the eligibility criteria for which the abatement was established, then the city shall deem the agreement null and void.

(6) If at any time during the incentive period the development is sold, then the city shall deem the agreement null and void.

(7) If at any time during the incentive period the real property is sold, then the city shall deem the agreement null and void.

(8) No business and no successor or affiliated business entity having one or more of the same principles and substantially the same business activity may cease business operations in the name of one business and then resume business operations in another name if the effect of such resumption is to circumvent this section or to prolong the incentives provided beyond the third incentive year.

(9) A new business that qualifies under this section becomes eligible for the abatement in the tax year during which it commences business operations within the city.

(10) The director of business and development services shall be responsible for the interpretation and application of the business license abatement program.