Hartwell Village deal up for public hearing tonight

Casto estimates 15-year economic impact of $43M

BY STEVEN BRADLEY
THE JOURNAL

SENECA — A proposed lakefront retail and restaurant development near Oconee's border with Clemson would have a $43 million local impact over the next 15 years, according to the county's cost/benefit analysis.

County council will hold a public hearing ahead of third and final reading tonight of an ordinance to approve a fee-in-lieu-of-tax agreement for Casto Southeast Realty, the developer of the proposed Hartwell Village, where 300,000 square feet of commercial space are planned at the intersection of U.S. Highway 123 and S.C. 93.

The cost/benefit analysis, included in the backup material for the meeting, shows Casto would invest $24 million in construction, in addition to $6.2 million already spent on land, and would account for $6 million in total direct payroll.

The project is estimated to create 30 new jobs at an average hourly wage of $10 and an average salary of $20,000.

In its first year, the project is estimated to account for $27.6 million in private sector benefits, and that number is estimated to grow to $36.2 million by year 15. The other $7.5 million in local benefits across that 15-year period is to the local government — $3.8 million in property taxes and $6.1 million in public utilities minus $2.4 million in local government costs from the FILOT deal and special source credits primarily.

The FILOT agreement holds Casto to "rustic elegance" guidelines laid forth by the county, as it states the standards for all facades for single-story buildings and the first floor of multi-story buildings with facades facing a public street must be comprised of not less than 20 percent of building materials that fit the theme, which includes stacked stone and exposed wood beams.

As a commercial development, Casto is already taxed at a 6 percent assessment rate, thus its FILOT is different than more common agreements for industrial properties that include assessment reductions from 10.5 percent.

In Casto's case, the company will make a $2.4-million investment in infrastructure — roughly $1.8 million on road construction and $600,000 to match funds provided by the county and City of Seneca, half by each, for a regional lift sewer station.

"We are beefing up the infrastructure in that corridor to allow more growth around the Food Lion, around Greenfield Industries — to help that whole corridor as it changes over the next five to 20 years," county economic development director Richard Blackwell told The Journal recently.

In return, the company would be reimbursed the money for those upgrades by 50-percent tax abatement over the next 15 years.

The county will also refund its own coffers for the $300,000 investment into sewer upgrades over an eight-year period out of tax revenue generated by the company.

There are clawback provisions included in the deal whereby the county would ask for certification of the development and ensure it complies with the agreement.

All plans would be submitted to the county's Community Development Department, which would confirm they meet the "rustic elegance" guidelines, Blackwell said.

"The county is going to be an active partner in seeing the plan come to fruition," he said. "Throughout the timeline of development, we the county have an opportunity to certify the project, voice our concerns, see architectural renderings ... and there are clawbacks — if they don't make the road improvements, if they don't make the sewer improvements — they are not going to get a tax rebate over the 15-year period."

In late 2013, NewSpring Church bought the roughly 60-acre tract at the intersection of U.S. Highway 123 and S.C. 93 from the DeFore Milliken plant for about $5 million and flipped roughly 42 acres of the property to Casto for more than $6 million.

Casto plans to develop 275,000 to 350,000 square feet of space for a movie theater, retail stores and restaurants, resulting in a total capital investment of $35-$45 million and creating 300 to 400 jobs.

Anticipated timing includes the opening of NewSpring's Clemson campus to be completed by fall 2016, with the mixed-use development to occur in 2016-17.

sbradley@upstatetoday.com | (864) 973-6685