

'Sweetening the pot' for business

Westminster fine-tuning economic incentive program

BY ANDREA KELLEY
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WESTMINSTER — Westminster City Council is working to make it easier for new businesses to move into town.

Council met with attorney Lawrence Flynn of Columbia-based firm Pope Flynn Group on Aug. 16 to workshop an economic development incentive program.

The goal is to promote new construction or the rehabilitation of existing buildings, and to decide which categories of businesses will bring people into the city.

Flynn brought a draft ordinance, and council decided which incentives to keep or tweak.

While barely touching on the bulk of incentives — reimbursing up to 100 percent of tap fees, half of business license fees, and half of hospitality and accommodations taxes for up to five years — council spent significant time deliberating the minimum investment threshold.

"The half million-dollar investment, I think, is a little high for us," city administrator Kevin Bronson said, mentioning two new businesses in town. "They're not going to put a half million dollars in those buildings, but they may put \$50,000, and that's a lot."

"Remember, we're also giving them a \$50,000 credit for every person they hire, so it doesn't have to be hard cash," Flynn pointed out. "If they put the \$50,000 in the building and they hire three people, that's effectively a \$200,000 investment."

"What you don't want to do, if someone comes in and puts \$10,000 into a building — meaning literally they hired some one to paint the walls — and the bathrooms don't work, sinks don't run, it looks like someone spent \$10,000 on it, and ... you're incentivizing them to be in town," he added. "That's kind of the line we're trying to draw."

Councilwoman Audrey Reese said it sounded like needing "skin in the game on their end."

"I think that's right," Flynn replied. "You want to make sure it is worthwhile to them."

Mayor Brian Ramey suggested \$100,000.

"If we did the \$100,000 ... and we put at least half has to be doing property improvements, it couldn't be employees, so you'd have to put \$50,000 in it. Do y'all think that's fair?" he asked council. "We're going to have some smaller buildings that aren't going to spend that much, but there again, they're not going to be giving as much to taxes or hospitality taxes either."

Reese said she didn't want to "do anything that would come across as a hindrance" to small business owners who are slowly funding restorations themselves.

Bronson said he felt \$100,000 would "capture the smaller ones."

"I think really solidifying the small-town environment with the businesses that will stay open year

after year is what we're after here," he said, using a recently opened ice cream shop as an example. "Even if the ice cream shop closes, you now have a building that can be used for something else."

Flynn reminded council the prospective businesses have already decided to make an investment.

"You're sweetening the pot," he said. "This is not going to be the tipping point between whether or not they make the investment. It's whether or not they make the investment in your community."

Council ultimately agreed to change the

threshold to \$100,000, with \$50,000 required to be in improvements.

THE BAILEY BILL

The ordinance would also incorporate the Bailey Bill, which deals specifically with restoring historic property. A property qualifies if it's listed on the National Register of Historic Places or is at least 50 years old and in

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a historic district or has been designated as historic by council.

Including the bill would "encourage restoration of historic properties" and "promote community development and

redevelopment," according to the ordinance.

Benefits include a special tax assessment allowing the owners to "freeze their assessed value at

the redevelopment cost," Flynn said.

"They go buy the building for \$50,000 and they put \$1 million into it. If you have the Bailey Bill ... and they apply in advance prior to going into the redevelopment, the property can be frozen at the \$50,000 purchase price for up to 20 years," he explained.

"They pay property taxes on \$50,000 valuation as opposed to a \$1 million valuation over 20 years. Which is beaucoup dollars to them. ... The key to that is making sure that folks are aware of it, so they take advantage of it."

INCENTIVE AREA

Council members also workshopped the incentive area, which they expanded from downtown.

Bronson suggested including the former Beacon Mill village and ball fields, as well as the M.D. Cleveland Civic Center and the old school building.

Council also stretched the area to include S.C. Highway 24 out to the city limits and U.S. Highway 76 to near Dollar General. It also encompasses U.S. Highway 123 from Standridge Drive all the way east until almost where the highway joins S.C. Highway 11.