



DOWNTOWN FLORENCE, SC

INCENTIVE PROGRAMS

**CITY OF FLORENCE
DEVELOPMENT OFFICE**

324 W. EVANS STREET | FLORENCE, SC 29501
843-678-5912 • PROGRESS@FLORENCEDOWNTOWN.COM



Overview

This document is intended to provide an overview of the incentive programs currently available in Downtown Florence, SC. Programs listed in this document are administered by multiple agencies and it is the responsibility of the business prospect or applicant to verify eligibility information.

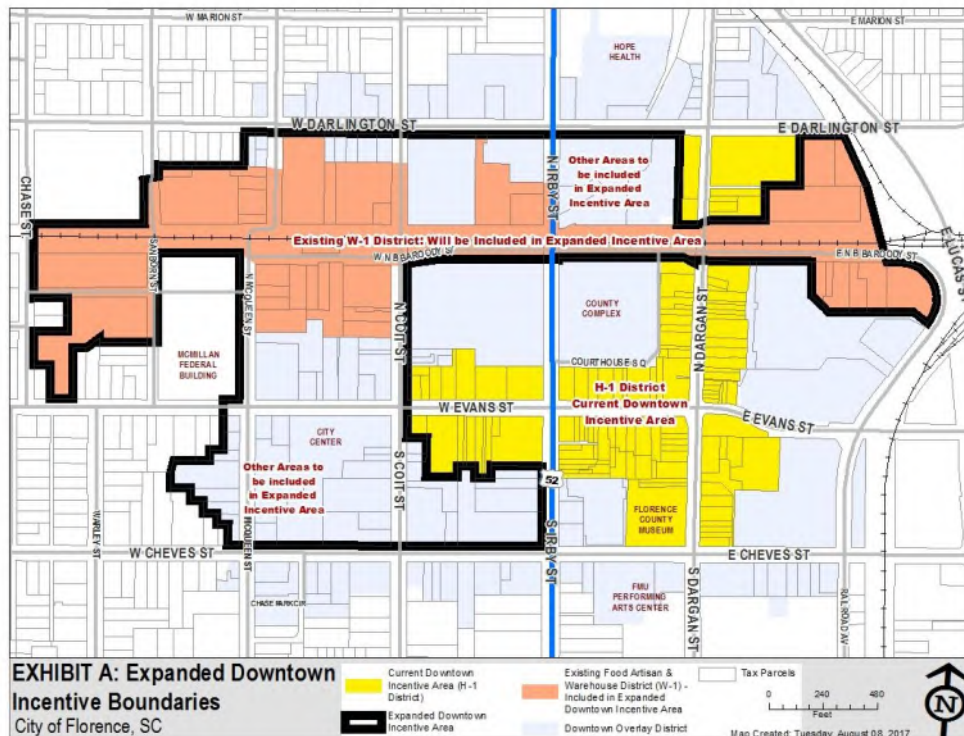
The City of Florence desires to encourage appropriate redevelopment work within the City's Historic Overlay District (H-1), Food, Artisan, and Warehouse District (W-1), Irby Street Corridor Overlay District (ISC-OD), and other specified adjacent areas included in this document. To be eligible for the financial incentives, the property must be located inside of the designated area and must be fully compatible with and meet all City of Florence Design Guidelines and other requirements as outlined by the overlay district.

Incentive funding is limited and the incentives shall be suspended when funding has been depleted. Upon the availability of additional funding, the incentives shall be restored. All redevelopment incentives are reimbursement based. Applicants must spend funds and demonstrate proof of payment as well as fill out the appropriate reimbursement form prior to receiving redevelopment incentive funds. All grant years stand alone, and an application submitted and not funded in any given year must be resubmitted in the following year.

Please be advised that if an applicant is approved for one of the redevelopment incentives, the City of Florence may be required to issue the applicant an IRS Form 1099-G for the grant payments that are received from the City, depending upon the federal tax classification status marked on the IRS Form W-9 that applicants will be required to complete as a condition of obtaining these redevelopment incentives.

Historic District (H-1) and Food, Artisan, Warehouse District (W-1) Incentives

Map of H-1 and W-1 Boundaries
(H-1 properties in yellow, W-1 boundaries outlined by a thick black line)



Façade Grant Program • Requires a 50% match and grant maximum is \$10,000

The Façade Grant program grants up to \$10,000 for property owners or tenants to improve the exterior appearance and functionality of the facades of buildings. Grants require a minimum of a 50% match by the property owner or tenant, and the grant is allocated by tax map ID number. Grant funds are limited to \$10,000 per building. Once a building owner or tenant has used the maximum grant funds available, no additional façade grant will be awarded for future improvements to the building façade.

Façade grant program funds can be used on any exterior portion of the building that is visible to the public. This can include the front, back, and/or sides of the building. Façade grant funds may not be used for interior renovations or roof repair.

Grant applications must include three recent price quotes from licensed commercial contractors or architects. Quotes are the responsibility of the applicant, not the City of Florence. The project should be awarded to the lowest bid. All work must be completed within 180 days of awarding the grant or the City of Florence reserves the right to revoke the grant.

All Downtown Florence projects that involve exterior changes to a building must be approved by the Design Review Board and may be subject to review by the SC Department of Archives and History. In the event that a grant is awarded but the project does not meet the established design standards, the grant may be revoked. The Design Review Board meets monthly and applications to appear before that board may be obtained through the City of Florence Planning Department.

Payment of grant funds will only be issued once the applicant provides proof of payment for work completed in the form of canceled check images or credit card receipts and the appropriate reimbursement application is completed and turned into the Development Office.

Any improvements completed under the Façade Grant Program shall become permanent fixtures of the building and may not be removed by the business owner or property own in the event of the closing or sale of the business or sale of the building. This provision shall not apply if a future change is made to the building for the purpose of further renovation that will enhance the redevelopment of the downtown area.

Applicants for the Façade Grant Program can be obtained from the City of Florence Development Office located on the 2nd floor of the City Center. This grant program is administered by the City of Florence.

Design Grant Program • Grant maximum is \$500

Grants up to \$500 are available for architectural services required to create a scope of work for exterior or interior redevelopment projects in the H-1 and W-1 areas. No match is required, but applicants will be required to submit the appropriate reimbursement form and provide proof of payment to the architect. Grant funds may be used for services provided by licensed commercial architects or licensed commercial interior designers.

Sign Grant Program • Grant maximum is \$500

Business owners within the H-1 or W-1 Overlay Districts are eligible to apply for grant assistance up to \$500 for exterior business signage. All signs must adhere to the Design Guidelines outlined by the corresponding district, and must be approved by the City of Florence Planning Department and/or the Design Review Board. No match is required, but applicants will be required to submit the appropriate reimbursement form, provide proof of payment for the sign, and provide the Certificate of Appropriateness issued by the Planning Department.

Business Redevelopment & Historic Building Grant Program • Grant maximum is \$30,000

The Redevelopment Grant Program consists of three application types and is a competitive grant program, meaning that applicants will be scored against a matrix established by the City of Florence to include NAICS listing priorities, potential job creation, estimated tax revenues for the City, preservation of key historical or architecturally significant building elements, and whether the proposed project meets a desired or unique niche in the marketplace that diversifies the economy of the City. Redevelopment grants are awarded based on City staff recommendation and approval by City Council. For complete grant details, see the Redevelopment Grant Application.

Applications are accepted quarterly on the first Friday of January, April, July, and October. Grant awards are made at the February, May, August, and November City Council meetings. All applicants will be required to complete an application and submit required supporting documentation including quotes from commercial contractors for the proposed work for the project. The maximum grant amount received shall be no more than \$30,000. No business or property owner will be eligible to receive a grant award more than once every three years. In addition, grants will not be awarded retroactively for work that was completed prior to application and work cannot begin on proposed projects until after notification of grant acceptance is received. Grants available include:

1. Interior Up-fit Grant

This grant opportunity is directed as existing or new businesses located within the H-1 or expanded W-1 districts. The grant is to be used only for repairs or up-fits to the interior of a building that will either repair or restore original architectural or structural elements of the building or up-fits that the building to be "tenant ready." Generally, all up-fits must be permanent improvements to the building and may include but not be limited to display windows; new construction such as bathrooms or changing areas; certain electrical, mechanical, and plumbing work; and interior repairs to walls, windows, and flooring. In determining priority among grant applicants, emphasis shall be given to the degree the project preserves or establishes "historic" or other like architectural features in the interior of the building.

2. Historic Building Maintenance Grant

This grant opportunity is directed as existing buildings located within the H-1 or expanded W-1 districts. This grant is to be used only for repairs that will stop the intrusion of water into a historic building. All buildings within the H-1 District are eligible; however priority will be given to those buildings either listed as a contributing member of the National Register boundary within the Downtown Area, or individually listed on the National Historic Register. This grant shall not be used as a match for the City's façade grant program or used to comply with the City's Maintenance and Appearance Codes. Eligible buildings within the W-1 should be able to demonstrate age, integrity, and significance of the building to be considered for this grant.

3. Rent Subsidy Grant

This grant opportunity is directed at supporting business activities within the H-1 and W-1 districts. To be eligible for this grant, a tenant must be one of the following categories: (a) a tenant which was located in the H-1 or W-1 district as of January 1, 2015 in a building where "significant renovation" occurred resulting in at least a 50% increase in the rent being charged; (b) a tenant that is a business start-up originating out of the Kelley Center for Economic Development in Downtown Florence. Rent subsidy grants shall not be greater than 50% of the rent payment and are limited to the first two years of operations. The total Rent Subsidy grant may not exceed the maximum grant amount of \$30,000. See Resolution Number 2015-03 for complete details on qualifying renovations for this program.

Utility Incentives

The City of Florence provides utility incentives for qualifying properties and/or projects located in the Downtown area:

1. Solid Waste Charges

For five years from the issue date of the certificate of occupancy for a new or renovated downtown building, the City of Florence will waive all commercial municipal solid waste charges (trash removal) for services.

2. Water and Sewer Connection Fee Reduction

This utility incentive is made available to projects involving the renovation of a historic structure where the renovation investment is equal to, or greater than, 30% of the value of the renovated building. For this incentive, the City of Florence shall provide a 50% reduction in initial water and sewer connection fees (the physical tap and unit contributory loading fees).

3. Water, Sanitary Sewer, or Storm Sewer System Connection Reimbursement

This utility incentive is made available to projects involving the renovation of a historic structure where the renovation investment is equal to, or greater than, 30% of the value of the renovated building. This incentive shall provide a direct reimbursement for actual construction costs (not connection fees) necessary to connect the renovated building to the City's water, sanitary sewer, or storm sewer system, not to exceed \$25,000. Reimbursement will be available to the developer when the certificate of occupancy is issued. Except for the sanitation fees, no other monthly fees (water, sewer, or storm drainage) will be waived or discounted.

Business License Credit

Businesses located inside the H-1 Historic Overlay District will receive a \$300.00 credit toward their first year business license fees. If their first year liability is less than \$300.00, any remaining credit balance will be carried forward to the second year.

documentation including quotes from commercial contractors for the proposed work for the project. The maximum grant amount received shall be no more than \$30,000. No business or property owner will be eligible to receive a grant award more than once every three years.

The primary goal of these grants is to improve the exterior appearance of the building, landscaping, parking areas, and signage. If the primary exterior goals are achieved, at least 65% of the granted funds have been used for those exterior goals, and the recipient's grant funds have not been exhausted, the remaining grant funds can be used for interior improvements. Exterior improvements are defined as: (a) exterior improvements to the building that enhance the appearance of the building including façade work, windows, doors, and other exterior elements visible to the public; (b) site work to include landscape and parking lot improvements; (c) new signage or renovations to existing signage to bring it into compliance with the City of Florence signage guidelines; (d) curb appeal must be at least 65% of the total project seeking funding. The maximum grant award will be no more than \$30,000.

In addition to the visual impact that the above improvements make to the property, other criteria will be considered when reviewing ISC-OD grant applications, including projected jobs created, projected property tax value after improvement work is completed, and whether the applicant is investing some of their own funds into the project. No maintenance projects will be funded with this grant program. Additional grant program information including required support documentation can be found on the ISC-OD Redevelopment Grant application.

Loan Programs

Florence Downtown Development Corp. MELP Loan Program

Florence Downtown Development Corp. (FDDC) is dedicated to the revitalization of Downtown Florence and to the reestablishment of the area as a viable retail, dining, and entertainment district. By securing grants through federal sources, FDDC has created a Micro Enterprise Loan Program (MELP) Revolving Loan Fund, through which it is able to assist downtown business and property owners improve, expand, or create new business in the downtown area.

MELP is designed to offer business owners and potential business owners a vehicle to borrow money at a competitive or below market rate. The program is not a high risk loan fund. Borrowers must have a good credit history and the borrower's credit report should typically have less than two thirty-day delinquencies in the last two years with a minimum credit score of 620. MELP loans are made by a local participating bank, but are guaranteed by FDDC. Borrowers can choose any Florence-area FDIC insured financial institution for the loan. The maximum MELP loan available is \$25,000.

In general, eligible projects for loans can include any business venture that promotes job creation, retains jobs, promotes the revitalization of the downtown area through qualifying building rehabilitation, and enable business owners to become property owners. Qualifying expenses will include buildings, land, fixed assets, machinery and equipment, building and façade improvements, or building rehabilitation projects.

For complete details on the FDDC MELP Loan Program including eligibility, application process, and supplemental financing requirements, see the MELP Loan Program brief available in the City of Florence Development Office.

USDA Rural Development Loan Programs

USDA Rural Development has several different low interest loan programs available. The Downtown Development Office provides information on the program(s) available to potential property owners and/or developers. For complete details about this and other programs, visit www.rd.usda.gov/programs-services. Interested borrowers should inquire about the program with their lender.

Business and Industry (B&I) Guaranteed Loan Program:

The purpose of the Business and Industry (B&I) Guaranteed Loan Program of Business and Cooperative Programs (B&CP) is to improve, develop, or finance business, industry, and employment in an effort to favorably impact the economic and environmental climate of rural communities. The guarantee is a method in which a local lender can extend its legal lending limits by the portion of B&CP's guarantees. B&CP can provide up to an 80% loan guarantee for loans of \$5 million or less, 70% for loans between \$5 million and \$10 million, and 60% for loans exceeding \$10 million. Guaranteed loans may exceed \$10 million under certain conditions.

Tax Credit Programs

For property owners, there are tax credit programs available from federal and state agencies. The Downtown Development Office can assist property owners in assessing whether their properties or projects would qualify for these programs.

Federal Historic Tax Credit • 20% Tax Credit

A federal income tax credit equal to 20% of rehabilitation costs is available for work on qualifying historic buildings. In general, each dollar of tax credit earned reduces the amount of federal income taxes owed by the investor by one dollar.

Eligible Properties: Buildings listed individually or buildings that are listed as "contributing" to a historic district on the National Register of Historic Places are eligible for Federal Historic Tax Credits.

Eligible Use: Income producing use such as offices, stores/shops, or rental housing

Expenditure Requirements: Costs must exceed the adjusted basis of the building (the purchase price – the cost of the land + the value if improvements were made – depreciation already taken), or \$5,000, whichever is greater.

Review of Work: The National Parks Service must certify that the rehabilitation meets the Secretary of the Interior's Standards for Historic Preservation. Review begins with the State Historic Preservation Office (SHPO).

Authorizing Legislation: Tax Reform Act of 1986 (PL99-514; Internal Revenue Code Section 47)

State Historic Rehabilitation Tax Credit • 25% Tax Credit

Owners of historic buildings in South Carolina who meet the requirements of the 20% Federal Historic Building Tax Credit may also qualify for a state income tax credit of 25%. Taxpayers do not have to go through a separate State Historic Preservation Office (SHPO) application process. Successfully completing the federal application process qualifies the owner of the property for the state credit. The incentive is a state income or license tax credit equal to 25% of the property

Other Resources

The list of other resources below is subject to change and are listed as a courtesy to the organization offering the resources. Please contact the resource provider for additional program information.

Free Legal Work Incentive • Offered by Turner Padgett Law Firm

Palmetto Propeller is a free legal service for business start-ups and small businesses offered by Turner Padgett Law Firm. No-cost work includes lease review, purchase agreements, non-disclosure agreements, employment agreements, corporate or LLC entity formation, contract review, general business counseling, licensing, collections, tax planning, and other legal issues.

Contact Turner Padgett at (843) 662-9008 or visit www.palmettopropeller.com

Small Business Assistance • Offered by FMU Kelley Center for Economic Development

FMU's Kelley Center for Economic Development is located at 142 N. Dargan Street in Downtown Florence. Free services offered include business incubation, small business assistance, and small business training/education. The center offers free individual counseling to assist with business plans, market research, financial projections, resource identification, and general business mentoring. FMU Kelley Center also offers many training courses throughout the year on various topics related to small business.

Contact Brianna Dennis at 843-661-4606 or visit www.fmarion.edu/kelleycenter

Small Business Assistance • Offered by Small Business Development Center

The Florence Area Center for Small Business Development offers free small business assistance in the areas of business planning, financial analysis, small business strategy, and marketing. The center is powered by the US Small Business Administration, Winthrop University, and Florence-Darlington Technical College and is located at the Florence-Darlington Tech main campus.

Contact Eddie Watson at 843-661-8394 or visit www.winthropregionalsbdc.org/florence-sc-sbdc