

Economic Development Incentive Program

The City of Anderson has established an economic development program that recognizes the benefits and economic impact of new investment will contribute to the health and stability of the City and in furtherance of the various adopted goals and plans of the City.

The incentive is a tool to encourage private capital investment and reinvestment in Downtown which geographical area is defined as the Tax Increment Financing District (TIF).

Purpose

The purpose of the Economic Development Incentive Program is to allow public support of economic projects to foster, promote, and enhance local economic development efforts. The purpose of the ordinance is to allow the City of Anderson to enter into an agreement with a person, firm or corporation who/that undertake/s a development project consistent with the City's adopted master plans and/or redevelopment plans and the provisions herein.

Definitions

Capital Investment. Capital Investment is defined as an activity that adds value to the City's tax base by the acquisition and/or improvement of real property.

Development. Development is defined as the activity of improving a real property to the extent of adding value to the tax base through real property improvements, and the creation and/or retention of employment opportunities.

Cumulative capital investment. Cumulative capital investment is defined as meeting the capital investment in the development of multiple real properties during a maximum period of three years.

Tax Increment Finance District (TIF). The TIF is defined as the Downtown Tax Increment Finance District. The geographical boundaries of the applicable area shall remain after expiration of the TIF.

Incentive. Incentive shall be defined as a grant of any inducement having monetary value by the City of Anderson that is offered to a person, firm, or corporation to pursue a development that encourages private investment and/or the creation/retention of jobs. The incentive may also include grants from other public entities that the City of Anderson may be able to obtain.

Real Property Value. Real property value is defined according to the value assigned by the Anderson County Tax Assessor's Office.

Incremental Increase. Incremental increase is the difference in the real property value at the beginning of the incentive period and the real property value upon completion of the first taxable year of occupancy of the new development.

Applicability

The City Council may, at its discretion, and on a case by case basis, and according to available funding, enter into an agreement with a person, firm or corporation for the purpose of providing an economic development incentive.

The provision of incentive/s shall be made only after an agreement has been entered into between the person, firm, or corporation setting forth the particulars of the development and the incentives. Such agreement shall be executed upon approval by Resolution of the City Council.

General eligibility criteria

- A. Must be consistent with an adopted City of Anderson Master Plan and/or Redevelopment Plan.
- B. Must be located within a specifically identified and designated area as determined by the City Council.
- C. Must have a minimum threshold investment which may be comprised of a combination of physical improvements and acquisition costs; such threshold investment may be comprised of a single real property investment or a cumulative investment.
- D. Must be for one or more of the following:
 - (1) Retail uses as identified in the most current Retail Market Power Database provided by Claritas
 - (2) Tourism related business or activity
 - (3) Cultural arts activities and associated businesses
 - (4) Corporate headquarters
 - (5) Research and development
 - (6) High technology growth business
 - (7) Other uses as may be determined the City of Anderson which meet the intent of the ordinance and as are identified more specifically according to the adopted master plans and/or redevelopment plans.

Specific eligibility criteria

Any identified designated area shall have specific eligibility criteria designed to meet the needs of that geographic area and the respective master plan and/or redevelopment plan pertaining to that designated area. Such specific criteria is enumerated in "Exhibit A" attached hereto.

Administrative criteria and terms of delivery

- A. The person, firm, or corporation must apply for the Economic Development Incentive Program, provide sufficient documentation on the development, and agree to furnish good faith estimates on projected sales tax, assessed valuation, and other information as may be needed to determine the incentives that may be provided and the amount of the incentive.
- B. The grant incentive amount shall be determined based upon the amount of the capital investment and new revenue generated as a result of the capital investment as calculated over a period not to exceed 5 years. The 5 year or less grant 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. The grant incentive shall require annual monitoring by the City of Anderson to ensure continued program compliance; monitoring during the grant incentive period shall include benchmarks such as, but not limited to, the completion of the first taxable year of occupancy and first year of operation of the identified business use; benchmarks shall be monitored for each year of the incentive period.

- C. The total incentive amount shall not be greater than the direct value received by the City and derived from the capital investment during the term of the incentive.
- D. The City of Anderson may at its discretion extend the incentive time period if deemed warranted based upon the continuing benefit created by the investment.
- E. The City of Anderson may increase or decrease the amount of the incentive based upon actual development and real property values as determined through the monitoring process.
- F. If at anytime during the incentive period the development's use does not meet the eligibility criteria, then the City shall deem the agreement null and void.
- G. If at any time during the incentive period the development is sold, then the City shall deem the agreement null and void.
- H. If at anytime during the incentive period the real property value is appealed, then the incentive amount may be renegotiated or voided.
- I. The administration of this Program shall be the responsibility of the Downtown Development Office.

Exhibit "A"

Designated Area	Eligible Business Category	Minimum Requirements
Downtown TIF	Retail – as per Claritas Database Tourism related business Or activity Cultural arts activities & Associated businesses Corporate headquarters Research & development High technology growth business	\$300,000 investment w/50% toward physical improvements;