



REQUEST FOR COUNCIL ACTION

City of Greenville, South Carolina

Agenda Item No.

16d

TO: Honorable Mayor and Members of City Council
FROM: John F. McDonough, City Manager

Ordinance/First Reading Ordinance/Second & Final Reading Resolution/First & Final Reading Information Only

AGENDA DATE REQUESTED: 9/12/2022

ORDINANCE/RESOLUTION CAPTION:

A RESOLUTION TO CERTIFY THE PROPERTY LOCATED AT 300-320 SOUTH MAIN STREET AS AN ABANDONED TEXTILE MILL SITE UNDER THE SOUTH CAROLINA TEXTILE COMMUNITIES REVITALIZATION ACT (TAX MAP NUMBERS 0060000100100 AND 0060000201300)

SUMMARY BACKGROUND:

This Resolution certifies real property located at 300-320 South Main Street as an abandoned textile mill site for purposes of the South Carolina Abandoned Building Revitalization Act. The Resolution itself provides no tax relief. The applicant is seeking State Income Tax Credits.

IMPACT IF DENIED:

The site will not be certified as an abandoned textile mill site.

FINANCIAL IMPACT:

N/A

REQUIRED SIGNATURES

Department Director

DocuSigned by:
Merte Johnson
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City Attorney

DocuSigned by:
Leigh Padletti
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OMB Director

City Manager

DocuSigned by:
John F McDonough
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A R E S O L U T I O N

TO CERTIFY THE PROPERTY LOCATED AT 300-320 SOUTH MAIN STREET AS AN ABANDONED TEXTILE MILL SITE UNDER THE SOUTH CAROLINA TEXTILE COMMUNITIES REVITALIZATION ACT (TAX MAP NUMBERS 0060000100100 AND 0060000201300)

WHEREAS, the South Carolina Textiles Communities Revitalization Act (the "Act") was enacted in Title 12, Chapter 65 of the South Carolina Code of Laws (2008) (the "Code"), as amended, to create an incentive for the rehabilitation, renovation, and redevelopment of abandoned textile mill sites located in South Carolina; and

WHEREAS, the Act provides that it is necessary to encourage private investment in order to restore and enhance the tax base of the taxing districts in the areas by the redevelopment of abandoned textile mill sites; and

WHEREAS, Section 12-65-30 of the Act provides that a taxpayer who rehabilitates an abandoned textile mill site is eligible either for a credit against certain income taxes, license fees or premium taxes, or a credit against local property taxes; and

WHEREAS, Peace Center Foundation, a South Carolina nonprofit corporation or its affiliates ("Developer") is redeveloping the abandoned textile mill site located at 300-320 South Main Street in the city of Greenville (the "City"), being more particularly identified as Greenville County Tax Map Parcels 0060000100100 and 0060000201300 (the "Property"), which have been owned or leased by Developer from the City pursuant to a Lease Agreement dated October 14, 1988, attached hereto as Exhibit A, with a 99 year lease term and which are located on contiguous parcels within one thousand feet of a textile mill structure which are being certified by the City by way of Resolution as contemplated under Section 12-65-20 of the Act; and

WHEREAS, the City notes the broad remedial purposes of the Act is to encourage redevelopment of textile mill sites and that "[a] public and corporate purpose is served by restoring these textile mill sites to a productive asset for the communities and result in increased job creation opportunities" as set forth in Section 12-65-10 of the Act; and

WHEREAS, this broad remedial purpose of the Act has been specifically recognized by the South Carolina Department of Revenue (the "SCDOR") in Private Letter Ruling No. 06-03; and

WHEREAS, in connection with the redevelopment by Developer of the Textile Mill Site on the Property, the redevelopment expenditures are anticipated to qualify for state income tax credits pursuant to the Act; and

WHEREAS, Developer has provided to the City information concerning the history of the uses of the Property and the adjacent textile mill which included the operation of the weaving, beaming and quilting business in the building located on the adjacent property by The Huguenot Mill from 1882 to 1908; and

WHEREAS, the Developer acquired the Property in 1988 from the City for purposes of Section 12-65-20(4)(b) of the Act; and

WHEREAS, pursuant to the Act, a taxpayer may apply to the municipality or county in which the textile mill site is located for a certification of the textile mill site made by ordinance or binding resolution of the governing body of the municipality or county, which certification shall include findings that the (i) the property was a textile mill as defined in Section 12-65-20(3) of the Act; (ii) the Property has been abandoned as defined in Section 12-65-20(1) of the Act; and (iii) the geographic area of the Textile Mill Site is consistent with Section 12-65-20(4) of the Act; and

WHEREAS, the City has received informal guidance from SCDOR that the property qualifies for certification under the Act; and

WHEREAS, the Developer has applied to the City for a certification of the Property as a textile mill site under the Act in order to encourage investment by potential investors in the redevelopment of the Property; and

WHEREAS, the City wishes to provide the requested certification following due inquiry;

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF GREENVILLE, SOUTH CAROLINA:

Section 1. The Developer has submitted to the City a request to certify the Textile Mill Site upon the Property pursuant to Section 12-65-60 of the Act.

Section 2. Based solely upon the information provided to it by the Developer, the City's search of its business license records, the historical Sanborn fire maps provided by the Developer, and informal guidance from SCDOR, the City hereby certifies pursuant to the Act that:

- a. The Textile Mill Site was a textile mill as defined in Section 12-65-20(3) of the Act; and
- b. The Textile Mill Site has been abandoned as defined in Section 12-65-20(1) of the Act; and
- c. The geographic area of the Textile Mill Site is consistent with Section 12-65-20(4) of the Act .

Section 3. This Resolution does not provide any tax relief whatsoever and the City expresses no opinion regarding the availability of any tax relief or benefit to Developer.

Section 4. This Resolution shall be effective upon the date of its adoption.

RESOLVED THIS _____ DAY OF _____, 2022.

MAYOR

Attest:

CITY CLERK

EXHIBIT A

STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE) LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this 14th day of October, 1988, by and between the City of Greenville, a municipal corporation of the State of South Carolina, hereinafter referred to as Lessor, and The Center for the Performing Arts Foundation, an eleemosynary corporation of the State of South Carolina with its principal place of business at Greenville, South Carolina, hereafter referred to as Lessee,

W I T N E S S E T H:

WHEREAS, the Lessor having determined that for many years there has been a pressing need in the City of Greenville and the surrounding regional area for a performing arts center for the benefit of the public in general and the various artistic groups in the regional area, and

WHEREAS, the Lessee was incorporated in 1985 as an eleemosynary corporation having as its particular purpose the establishment of a center for the performing arts to be located in Greenville, South Carolina, for the enjoyment, appreciation and use by the public in general, and

WHEREAS, the Lessor received from the Lessee a written proposal dated May 8, 1986 to design and construct a performing arts center on property to be furnished and landscaped by the Lessor, which said proposal was duly accepted by the Lessor pursuant to resolution adopted May 12, 1986, and

WHEREAS, the Lessor has acquired an area bounded by Broad Street, South Main Street, the Reedy River and River Street as a

site for such performing arts center and other public uses including parks, open spaces and parking, and

WHEREAS, the Lessor having acquired the property necessary for the performing arts center site desires to enter into a 99-year lease of such site with the Lessee in accordance with the aforesaid proposal under the terms and provisions hereinafter set forth.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, Lessor hereby demises and leases unto Lessee, its successors and assigns, the property situate within the City of Greenville, Greenville County, South Carolina, described as follows:

All that certain piece, parcel or tract of land located within the area bounded by Broad Street, South Main Street, the Reedy River and River Street comprising 57,163 square feet, more or less, and being shown upon a plan of Craig, Gaulden & Davis, Inc. dated June 30, 1988, a copy of which is hereto attached and made a part hereof, being the areas designated as "Concert Hall" and "Huguenot Mill" (exclusive of a portion of such mill delineated on such plan by broken lines and the legend "to be removed").

Also, all that certain piece, parcel or tract of land located within the area bounded as aforesaid on the westerly side of North Main Street comprising 27,767 square feet, more or less, and being shown and designated on the aforesaid plan as the area designated "Theater" and "Markley Hardware."

1. TO HAVE AND TO HOLD the above-described premises unto Lessee, its successors and assigns, from September 1, 1988 (nineteen hundred and eighty-eight A.D.), until August 31, 2087 (two thousand and eighty-seven A.D.). This lease shall be deemed extended for additional successive terms of twenty-five years

each until such time as either party shall terminate the same at the end of any additional lease by written notice to the other at least one year prior to the end of such additional term.

2. As rental for the foregoing lease, the Lessee shall pay to the Lessor the sum of One Dollar (\$1.00), the receipt whereof is hereby acknowledged and further agrees to construct within said leased premises a performing arts center in accordance with plans and specifications identified as The Center for the Performing Arts (Concert Hall and Theater) dated April 15, 1988, revised June 10, 1988, prepared by Craig, Gauden & Davis, Inc., reference to which is hereby made, beginning not later than six months from the date of the commencement of the term of this lease.

3. The Lessor will be responsible for constructing and maintaining the plaza, landscaping and park areas adjacent to and surrounding such performing arts center.

4. Lessee shall, unless prevented by fire, earthquake, war, strike, acts of God or economic constraints, operate the concert hall and theater located on such premises as aforesaid as a performing arts center. Areas of the leased premises including the buildings thereon not occupied by such concert hall or theater may be utilized by Lessee for such commercial or other purposes as it may deem desirable and compatible with the performing arts center to enable it to carry out the charitable or eleemosynary purposes for which Lessee was organized.

5. Lessee shall pay or cause to be paid all taxes on the

land leased and on any improvements constructed thereon.

6. Lessee shall pay for all insurance maintained on any improvements constructed on said premises.

7. Lessee shall have the right to construct, maintain, replace, modify, and with the written consent of the Lessor, the right to remove any buildings or other improvements on said premises. At the expiration of this lease or upon the cancellation thereof by reason of default of the Lessee, all remaining buildings and improvements on said premises shall become the sole property of Lessor, its successors and assigns forever.

8. Lessee shall have the right to sublease all or portions of said premises from time to time or to assign this lease in whole or in part provided such sublease or assignment shall not relieve Lessee of its obligations hereunder.

9. By reason of the duration for this lease and the fact that the same may be assigned outright or as security, or various subleases may be entered into and/or assigned, the rights under which derive from this lease agreement, Lessor agrees that in the event of default it will give to Lessee written notice of said default and Lessee shall have a period of six (6) months thereafter within which to cure said default; and in the event said default is not cured within said six (6) month period, Lessor agrees to give to any assignee or sublessee, of which Lessor has actual written notice or knowledge, an additional ninety (90) day period after written notice to such assignee or

sublessee within which said default may be cured. The word "assignee" as herein used includes any person or corporation who holds this lease or any sublease as security for any loan.

10. In the event of default which is not cured after notice or notices as herein provided, Lessor shall have the right to terminate this lease and upon such termination the premises shall revert to the Lessor, free and clear of any claims under this lease.

11. Lessor shall not be required to pay for any utilities used on the premises.

10. Lessor warrants that it is the sole owner of the demised premises in fee simple and that the same is free and clear of all liens and encumbrances.

12. Lessor shall put Lessee in possession for the demised premises and covenants and agrees that during the continuance of this lease, or renewals thereof, Lessee shall have quiet possession and enjoyment of the premises.

13. Lessee shall have easements across all adjacent property of the Lessor for ingress and egress to the leased property by Lessee, its sublessees and members of the general public and for parking in the area shown on the aforesaid plan entitled "designated parking". Lessee shall also have easements across such adjacent property for the location and maintenance of water, power, telephone, gas, and all other utility service to the leased premises. The location of utility easements is subject to approval by Lessor and utilities will be placed

underground where possible.

14. This agreement shall be binding upon the Lessor, its successors and assigns, for and during the term hereof, and upon Lessee, its successors and assigns, for and during the term hereof.

IN WITNESS WHEREOF, the parties hereto have caused this lease agreement to be properly executed the day and year first above written.

WITNESSES:

[Signature]

James W. Green

[Signature]

Jean M. Harris

THE CITY OF GREENVILLE

By: [Signature]
LESSOR

THE CENTER FOR THE PERFORMING ARTS FOUNDATION

By: [Signature] President
LESSEE

STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE)

PROBATE

PERSONALLY APPEARED before me John H. Nichols
and made oath that she/he saw the within named CITY MANAGER
(John Dullas) for the City of Greenville, sign, seal
and as her/his act and deed deliver the within written lease, and
that she/he with JAMES W. GREER witnessed the
execution thereof.

[Signature]

SWORN TO before me this
1st day of October, 1988.

[Signature]
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 12/30/97

STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE)

PROBATE

PERSONALLY APPEARED before me DAVID L. FREEMAN
who, being duly sworn, says that she/he saw ELIZABETH P. STALL
PRESIDENT for The Center for the Performing
Arts Foundation, sign seal and as her/his act and deed deliver
the within written lease, and that she/he with JEAN M. HARRIS
witnessed the execution thereof.

David L. Freeman

SWORN TO before me this
14 day of October, 1988

Jean M. Harris
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 12/29/88