

**ARTICLE IV. - SPECIFIC DEVELOPMENT AND REDEVELOPMENT PROGRAMS****Sec. 15-48. - Infrastructure reimbursement program.**

- (a) The city may, where the city council has determined that a proposed plan of development furthers the principles, goals, and objectives of the comprehensive plan of the city, enter into an agreement to reimburse any person developing property for industrial, commercial (including office, professional, and institutional uses), or residential purposes up to the actual or estimated cost, whichever is less, of investments in infrastructure associated with such development. A letter of intent to participate must be filed with the city administrator within 90 days of the building permit issuance date. Properties otherwise included in the city's tax increment finance (TIF) district are exempt from eligibility for participation in this program, but may qualify for incentives offered by the tax increment finance ordinance.
- (b) For the purposes of this section, the term "infrastructure" shall be defined as improvements to undeveloped land consisting of streets, storm sewer, water and sewer lines, sidewalks, transit shelters, lighting, and bikeways located in the public road right-of-way, and recreational areas, greenways, and open space, which by their nature provide service to the general public. All such improvements must be built to city specifications and standards and must qualify for dedication and acceptance by the city. Similar private improvements which are oriented to a specific structure or structures, such as a sidewalk from the street to a specific structure or structures; a sewer line serving a specific structure or structures; a driveway serving a specific structure or structures; etc., shall not be classified as infrastructure for purposes of this section. Flood control structures, sedimentation structures, ponds, and dams shall not be considered infrastructure for the purposes of this section.
- (c) Applications for approval of the development and requests for reimbursements must be made within two years of the date of the letter of intent to participate, unless other provisions are specifically approved for a development by the city council. Applications filed two years after the date of the letter of intent to participate shall be denied.
- (d) No payment will be made to any person under the terms of this section until application is made to the city for the approval of such development for compliance with the city's comprehensive plan; chapter 19, pertaining to zoning; land development regulations; sections 11-151 through 11-157, pertaining to stormwater management and sediment control; utility extension policies; and other related city codes. Such application will include all necessary information requested by the city engineer, city planning director, or any other designated city department. No payment will be made until a written request for reimbursement is submitted with all paid invoices and a release of lien affidavit attached as documentation of the final expenditures associated with the installation of the subject improvements.
- (e) The repayment to such developer under this section shall be made after an agreement has been entered into between the city and the developer, setting forth the particular public improvements that are eligible for reimbursement. All required plans and specifications must have been reviewed and approved by the city planning commission for compliance with the city's comprehensive plan; chapter 19, pertaining to zoning; and land development regulations. The reimbursement agreement shall not be executed until after the city engineer has estimated the cost of such infrastructure and

has approved and certified a copy of the plans and specifications for the development. All infrastructure reimbursement agreements must be approved by resolution of the city council prior to payment of any funds.

- (f) The repayment under this section to such developer shall be made, without interest, in annual installments in an amount not to exceed 75 percent of the amount of city property taxes collected for that year from the improvements to the real property within the approved project area.
- (g) Reimbursement for improvements in a residential development will begin the first full calendar year after the year in which the city council approves, by resolution, the infrastructure reimbursement agreement and continue for a total of ten years or until the reimbursement is complete, whichever comes first. City taxes generated from the taxing of the personal property of individuals residing within residential developments otherwise subject to an infrastructure reimbursement agreement are not included in the calculation of the monies available for repayment and will be retained entirely by the city.
- (h) Reimbursement for improvements in a commercial or industrial development will begin the first full calendar year after the year in which the city council approves, by resolution, the infrastructure reimbursement agreement and continue for a total of 11 years or until the reimbursement is complete, whichever comes first. City taxes generated from taxing personal property of individuals residing within commercial and/or industrial developments otherwise subject to an infrastructure reimbursement agreement are not included in the calculation of the monies available for repayment and will be retained entirely by the city.
- (i) If property is annexed into the city and is subject to development under the provisions of this section, the repayment under this section to such developer shall be made, without interest, in annual installments in an amount not to exceed 75 percent of the amount of city real property taxes collected for that year from the improvements and land subject to city property taxes within the project area. The duration of the payment period is dependent upon the type of project developed, as outlined in subsections (g) and (h) of this section. Taxes paid for any personal property are exempt from the inclusion in the calculations of the monies used for repayment and will be retained entirely by the city.
- (j) If property has been tax-exempt for the prior 15 or more consecutive years and is subject to development under the provisions of this section, the repayment under this section to such developer shall be made, without interest, in annual installments in an amount not to exceed 75 percent of the amount of city real property taxes collected for that year from the improvements and land subject to city property taxes within the project area. The duration of the payment period is dependent upon the type of project developed, as outlined in subsections (g) and (h) of this section. Taxes paid for any personal property are exempt from the inclusion in the calculations of the monies used for repayment and will be retained entirely by the city.
- (k) The city council may extend the time limits for reimbursement for improvements set forth in the infrastructure reimbursement agreement if:
  - (1) It finds that unusual and extraordinary circumstances exist during the development period that create unforeseen impediments to the completion of the development in the original time period; and
  - (2) The development has a reasonable likelihood of being completed and will substantially add to the tax base of the city.

*(Ord. No. CC-2001-03, 4-2-2001)*

**State law reference—** Permissible agreements, installation of improvements, credits, and reimbursements, S.C. Code 1976, § 6-1-1050.

**STATE OF SOUTH CAROLINA**  
**CITY OF CLEMSON**

)  
) **INFRASTRUCTURE REIMBURSEMENT**  
) **AGREEMENT**  
(Underhills Project)

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THIS AGREEMENT made this \_\_\_\_ day of July, 2013 by and between City of Clemson hereinafter called the “City” and ONE Clemson, LLC, developer of the “Underhills” mixed-use development project, hereinafter called the “Developer.”

WITNESSETH:

That for and in consideration of the payments and agreements hereinafter mentioned:

1. The Developer proposes to assist financially in the construction of infrastructure improvements necessary to support the project identified as “Underhills” and desires to participate in the City’s Infrastructure Reimbursement Program as provided in Chapter 15, Article IV, Section 15-48 of the City of Clemson Code of Ordinances. All terms and conditions established by said ordinance shall govern the execution of this agreement.
2. The development shall be constructed in accordance with the following:
  - a. Plans and Specifications
  - b. Approved Final Subdivision Plat
  - c. Cost Estimate of Eligible Reimbursement Items
  - d. City Standards for Utilities

All plans and specifications shall be prepared and sealed by a Professional Engineer licensed in South Carolina and approved, as required by the Planning Commission of the City of Clemson. Such approval shall also include the written approval of other City departments, boards, or commissions charged with the review and approval of any improvement not otherwise approved by the Planning Commission. Involvement in the Infrastructure Reimbursement Program does not in any way modify or suspend the development review process established by the City of Clemson.

This agreement shall be binding for only the improvements submitted to and approved by the Clemson City Council as part of the Request for Reimbursement provided by the Developer in item 2c. of this Agreement. Any modifications made to the request submitted by the developer shall be noted herein and formally made a part of this agreement.

The City of Clemson shall rebate up 100% (One hundred percent) of the actual costs related to construction of off-premise water line construction mutually agreed upon by this document, but not to exceed \$27,000.00 (Twenty seven

thousand dollars). The City of Clemson shall have full authority and discretion to make the determination as to what costs are related specifically to the costs of the improvements and the City Council's decision shall be final and binding on the parties. All documentation required to dedicate any improvement to the City of Clemson, including surveys and deeds, shall be provided to the City Engineer prior to the City Council's consideration of the request. Upon an affirmative vote of the City Council accepting dedication of the improvement(s), the allowed costs will be added to the amount used in the calculation of the payments made under this agreement. All parties to this agreement hereby acknowledge that the final calculation of the related costs shall not exceed the amount otherwise established by this agreement. Any modifications to this amount shall require execution of a new written agreement. A description of the reimbursable improvements and estimated costs is attached to this agreement as Exhibit A.

The actual costs of completed improvements will be calculated on an annual basis reflecting the process cited in the above paragraph and the payment will be rebated annually not to exceed 50% (Fifty percent) of the City tax revenues actually collected that are directly attributable to the property taxes generated by the redevelopment project and its improvements. Late fees and other payment penalties shall not be included in the calculation of the tax revenues received by the City for the purposes of this agreement. City taxes generated from any personal property associated with this project are not subject to inclusion in the calculation of payments. The payments will be made for a time limit of 10 years beginning for work begun by July 1, 2013 and be completed by July 1, 2014. The City of Clemson shall make one payment per year based on the cumulative total of allowed expenses from the proceeding calendar year. Payments shall be made on or about June 1<sup>st</sup> of each year for the duration of this agreement, following submittal of paid Pickens County tax receipts for this development parcel.

The total amount to be reimbursed shall not exceed the developer's financial contribution for the improvements outlined in Exhibit A and shall continue for up to a maximum of 10 years or until the reimbursement is complete, whichever occurs first.

3. This Infrastructure Reimbursement Agreement shall be binding upon all parties hereto and is not transferrable. It is agreed by both parties to this agreement that the payments due to the developer under this agreement are not assignable to a third party.
4. The City will initiate the completion of the water line extension, outlined in Exhibit A upon the deposit of \$27,000 by the Developer to the City of Clemson. Any costs incurred on this line extension in excess of the deposited amount will be paid by the City of Clemson.

In witness whereof, the parties hereto have executed or caused to be executed by their duly authorized officials, this Agreement in three copies each of which shall be deemed and original on the date first above written.

**CITY OF CLEMSON**

(Seal)

**BY:** \_\_\_\_\_

**ITS:** Mayor

**Typed Name:** J.C. Cook, III

**ATTEST:**

\_\_\_\_\_

**Typed Name & Title:** Beverly A. Coleman  
City Clerk

**DEVELOPER**

**BY:** \_\_\_\_\_

**ITS:** Manager, ONE Clemson, LLC.

**Typed Name:** Lee E. Hill

**Address:** 208 Lebanon Road  
Pendleton, SC 29670

**ATTEST:**

\_\_\_\_\_

**Printed Name & Title:**

\_\_\_\_\_

**EXHIBIT A**

**DESCRIPTION OF REIMBURSABLE IMPROVEMENTS AND  
ESTIMATED COSTS FOR THEIR INSTALLATION**

Water line extension – from Highway 93 (near driveway entrance of old Winn Dixie Plaza) to “Underhills” Development site, to be installed by the City of Clemson:

Waterline Improvement/Developer's Estimate - Alternate					
Item No.	Item Description	Quantity	Unit	Unit Price	Total
1	6" DIP CL 350 Water Line	600	LF	\$31.00	\$18,600.00
2	2" SCH 80 PVC Tie-In	1	EA	\$1,000.00	\$1,000.00
3	6" A/C Tie-In	1	EA	\$1,400.00	\$1,400.00
4	Fire Hydrant Assembly	1	EA	\$3,000.00	\$3,000.00
5	Asphalt Repair	1	LS	\$3,000.00	\$3,000.00
				Subtotal:	\$27,000.00
				Engineering/design by City personnel:	\$0.00
				Total:	\$27,000.00

**Total Eligible Reimbursement Costs:**

**\$ 27,000.00 Fixed Amount**

Estimated City Property Tax Liability and Infrastructure Reimbursement Program rebates:

Market Value	\$	1,000,000.00	
x Assessment Rate (6% commercial)		<u>6%</u>	
Assessed Value	\$	60,000.00	
x City property tax millage rate:		<u>0.0834</u>	millage rate for FY 13/14
Gross Property Tax Liability:	\$	5,004.00	(prior to LOST credit)
Less: LOST Credit:	\$	<u>1,070.00</u>	(@ \$107 per \$100,000 market value)
Net Annual Property Tax Liability	\$	3,934.00	(Net City property taxes)
<b>Infrastructure Reimbursement @ 50%:</b>	\$	<b>1,967.00</b>	<b>(Annual estimated IRP billing to City)</b>
	\$	<b>19,670.00</b>	<b>(IRP x 10 year estimated annual reimbursement)</b>

(Estimates provided on May 31, 2013 - based on current property tax rate and estimated private investment)