

Explanation of Cost Estimates

The estimated probable costs of construction that are included in this report are based on the conceptual master plan designs that have been produced from aerial photography base mapping and not actual site surveys. These estimates are meant to provide an approximate budget figure that could reasonably be expected for each of the individual projects. Refined construction costs can be developed at the Design Development and Construction Document phases of the project.



151 - West Carolina Avenue Hartsville, SC					
COST ESTIMATE					
Item No.	Description	Quantity	Units	Unit Price	Price
1	Demo ex. Asphalt median/ site prep	1	LS	\$25,000.00	\$25,000.00
2	Traffic Control/ Mobilization	1	LS	\$5,000.00	\$5,000.00
3	Concrete Curb	1,350	LF	\$20.00	\$27,000.00
4	Top Soil	1	LS	\$2,500.00	\$2,500.00
5	Asphalt Patch	300	SY	\$200.00	\$60,000.00
6	Planting				
	a. 3" Large Trees	86	EA	\$325.00	\$27,950.00
	b. 2" Median Trees	19	EA	\$250.00	\$4,750.00
	c. 3 Gal. (red & green shrubs 4' O.C.)	1400	EA	\$30.00	\$42,000.00
	d. 1 Gal. (yellow shrubs 2.5' O.C.)	1200	EA	\$16.00	\$19,200.00
	e. Centipede Sod	51,500	SF	\$0.40	\$20,600.00
7	Irrigation	1	LS	\$25,000.00	\$25,000.00
Subtotal:					<u>\$259,000.00</u>
				10% Contingency:	\$25,900.00
CONSTRUCTION TOTAL:					<u>\$284,900.00</u>

*Estimate does not include Utility Pole Relocation and new ornamental lighting
Estimate based on areial photography and exact fiedl dimensions may vary.

151 - West Carolina Avenue Hartsville, SC					
COST ESTIMATE					
Item No.	Description	Quantity	Units	Unit Price	Price
1	Site Prep	1	LS	\$5,000.00	\$5,000.00
2	Traffic Control/ Mobilization	1	LS	\$5,000.00	\$5,000.00
3	Concrete Curb	1,350	LF	\$20.00	\$27,000.00
4	Top Soil	1	LS	\$2,500.00	\$2,500.00
5	Asphalt Patch	300	SY	\$0.00	\$0.00
6	Planting				
	a. 3" Large Trees	86	EA	\$325.00	\$27,950.00
	b. 2" Median Trees	19	EA	\$250.00	\$4,750.00
	c. 3 Gal. (red & green shrubs 4' O.C.)	1400	EA	\$30.00	\$42,000.00
	d. 1 Gal. (yellow shrubs 2.5' O.C.)	1200	EA	\$16.00	\$19,200.00
	e. Centipede Sod	51,500	SF	\$0.40	\$20,600.00
7	Irrigation	1	LS	\$20,000.00	\$20,000.00
Subtotal:					<u>\$174,000.00</u>
				10% Contingency:	\$17,400.00
CONSTRUCTION TOTAL:					<u>\$191,400.00</u>

*Estimate does not include Utility Pole Relocation and new ornamental lighting
Estimate based on areial photography and exact fiedl dimensions may vary.

APPENDIX - COST ESTIMATES

Hartsville-College Avenue
Brick Parking
Engineer's Estimate
December 17, 2013



Engineer's Estimate					
Item No.	Description	Quantity	Units	Unit Price	Price
1	Demolition				
	Major Demolition (sawcut asphalt and removal)	520	SY	\$30.00	\$15,600.00
2	Rough grading, mobilization and other miscellaneous items needed to complete the project according to the plans and specifications	1	LS	\$50,000.00	\$50,000.00
3	Storm Drainage				
	Storm Drainage	1	LS	\$25,000.00	\$25,000.00
4	Roads				
	Asphalt Patch	160	SY	\$50.00	\$8,000.00
	Milling and Overlay	2,610	SY	\$25.00	\$65,250.00
	Street Print XD	120	SF	\$108.00	\$12,960.00
	7" Concrete Driveway	520	SY	\$50.00	\$26,000.00
	Traffic Control	1	LS	\$30,000.00	\$30,000.00
	Barrier Curb and Gutter	1,400	LF	\$11.00	\$15,400.00
	Thermoplastic Painted Striping	1	LS	\$25,000.00	\$25,000.00
	6" Utility Conduit	500	LF	\$10.00	\$5,000.00
	Mucking and Replacement with suitable sand material	500	CY	\$15.00	\$7,500.00
5	Erosion Control				
	Silt Fence	1,500	LF	\$4.00	\$6,000.00
	Inlet Protection	10	EA	\$300.00	\$3,000.00
	Concrete Washout	1	LS	\$2,000.00	\$2,000.00
	DHEC Inspection Reports	1	LS	\$5,000.00	\$5,000.00
6	Construction Surveying				
	Staking	1	LS	\$5,000.00	\$5,000.00
	As-builts	1	LS	\$3,000.00	\$3,000.00
7	Hardscape				
	Sidewalks	1,400	SY	\$35.00	\$49,000.00
	Brick Paver	570	SY	\$120.00	\$68,400.00
	6" Concrete Base	570	SY	\$40.00	\$22,800.00
	Benches	8	EA	\$1,200.00	\$9,600.00
	Trash Cans	4	EA	\$800.00	\$3,200.00
	Brick Columns	4	EA	\$5,000.00	\$20,000.00
8	Landscaping				
	Irrigation	1	LS	\$20,000.00	\$20,000.00
	Canopy Trees	17	EA	\$400.00	\$6,800.00
	Shrubs	1	LS	\$5,000.00	\$5,000.00
	Grassing	3,500	SF	\$0.50	\$1,750.00
	Electrical Receptacle System for Street Trees	1	LS	\$20,000.00	\$20,000.00

Hartsville-College Avenue
No Brick
Engineer's Estimate
December 17, 2013



Engineer's Estimate					
Item No.	Description	Quantity	Units	Unit Price	Price
1	Demolition				
	Major Demolition (sawcut asphalt and removal)	860	SY	\$30.00	\$25,800.00
2	Rough grading, mobilization and other miscellaneous items needed to complete the project according to the plans and specifications	1	LS	\$50,000.00	\$50,000.00
3	Storm Drainage				
	Storm Drainage	1	LS	\$25,000.00	\$25,000.00
4	Roads				
	Asphalt Patch	150	SY	\$50.00	\$7,500.00
	Milling and Overlay	3,000	SY	\$25.00	\$75,000.00
	Street Print XD	120	SF	\$108.00	\$12,960.00
	7" Concrete Driveway	400	SY	\$50.00	\$20,000.00
	Traffic Control	1	LS	\$30,000.00	\$30,000.00
	Barrier Curb and Gutter	1,370	LF	\$11.00	\$15,070.00
	Thermoplastic Painted Striping	1	LS	\$25,000.00	\$25,000.00
	6" Utility Conduit	500	LF	\$10.00	\$5,000.00
	Mucking and Replacement with suitable sand material	500	CY	\$15.00	\$7,500.00
5	Erosion Control				
	Silt Fence	1,500	LF	\$4.00	\$6,000.00
	Inlet Protection	10	EA	\$300.00	\$3,000.00
	Concrete Washout	1	LS	\$2,000.00	\$2,000.00
	DHEC Inspection Reports	1	LS	\$5,000.00	\$5,000.00
6	Construction Surveying				
	Staking	1	LS	\$5,000.00	\$5,000.00
	As-builts	1	LS	\$3,000.00	\$3,000.00
7	Hardscape				
	Sidewalks	1,450	SY	\$35.00	\$50,750.00
	Benches	8	EA	\$1,200.00	\$9,600.00
	Trash Cans	4	EA	\$800.00	\$3,200.00
	Brick Columns	4	EA	\$5,000.00	\$20,000.00
8	Landscaping				
	Irrigation	1	LS	\$20,000.00	\$20,000.00
	Canopy Trees	27	EA	\$400.00	\$10,800.00
	Shrubs	1	LS	\$5,000.00	\$5,000.00
	Grassing	7,800	SF	\$0.50	\$3,900.00
	Electrical Receptacle System for Street Trees	1	LS	\$30,000.00	\$30,000.00

Hartsville-College Avenue
All Brick
Engineer's Estimate
December 17, 2013



Item No.	Description	Quantity	Units	Engineer's Estimate	
				Unit Price	Price
1	Demolition				
	Major Demolition (sawcut asphalt and removal)	860	SY	\$30.00	\$25,800.00
2	Rough grading, mobilization and other miscellaneous items needed to complete the project according to the plans and specifications	1	LS	\$50,000.00	\$50,000.00
3	Storm Drainage				
	Storm Drainage	1	LS	\$25,000.00	\$25,000.00
4	Roads				
	Asphalt Patch	150	SY	\$50.00	\$7,500.00
	7" Concrete Driveway	400	SY	\$50.00	\$20,000.00
	Traffic Control	1	LS	\$30,000.00	\$30,000.00
	Barrier Curb and Gutter	1,370	LF	\$11.00	\$15,070.00
	Thermoplastic Painted Striping	1	LS	\$25,000.00	\$25,000.00
	6" Utility Conduit	500	LF	\$10.00	\$5,000.00
	Mucking and Replacement with suitable sand material	500	CY	\$15.00	\$7,500.00
5	Erosion Control				
	Silt Fence	1,500	LF	\$4.00	\$6,000.00
	Inlet Protection	10	EA	\$300.00	\$3,000.00
	Concrete Washout	1	LS	\$2,000.00	\$2,000.00
	DHEC Inspection Reports	1	LS	\$5,000.00	\$5,000.00
6	Construction Surveying				
	Staking	1	LS	\$5,000.00	\$5,000.00
	As-builts	1	LS	\$3,000.00	\$3,000.00
7	Hardscape				
	Sidewalks	1,450	SY	\$35.00	\$50,750.00
	Brick Paver	3,000	SY	\$120.00	\$360,000.00
	6" Concrete Base	3,000	SY	\$40.00	\$120,000.00
	Benches	8	EA	\$1,200.00	\$9,600.00
	Trash Cans	4	EA	\$800.00	\$3,200.00
	Brick Columns	4	EA	\$5,000.00	\$20,000.00
8	Landscaping				
	Irrigation	1	LS	\$20,000.00	\$20,000.00
	Canopy Trees	27	EA	\$400.00	\$10,800.00
	Shrubs	1	LS	\$5,000.00	\$5,000.00
	Grassing	7,800	SF	\$0.50	\$3,900.00
	Electrical Receptacle System for Street Trees	1	LS	\$30,000.00	\$30,000.00

APPENDIX - COST ESTIMATES



151 - Fifth Street Roundabout Gateway
Hartsville, SC

COST ESTIMATE

Item No.	Description	Quantity	Units	Unit Price	Price
1	Demo ex. Asphalt median/ site prep	2200	SY	\$40.00	\$88,000.00
2	Traffic Control/ Mobilization	1	LS	\$50,000.00	\$50,000.00
3	Concrete Curb	2,500	LF	\$20.00	\$50,000.00
4	Top Soil	1	LS	\$20,000.00	\$20,000.00
5	Asphalt Mill & Overlay	4200	SY	\$25.00	\$105,000.00
6	Asphalt Base and Surfacing	625	SY	\$55.00	\$34,375.00
7	Concrete Walk	725	SY	\$45.00	\$32,625.00
8	Drainage	1	LS	\$80,000.00	\$80,000.00
9	Crosswalks	270	SY	\$108.00	\$29,160.00
10	Planting				
	a. 3" Large Trees	66	EA	\$325.00	\$21,450.00
	b. 2" Median Trees	6	EA	\$250.00	\$1,500.00
	c. 3 Gal. (yellow & green shrubs 4' O.C.)	400	EA	\$30.00	\$12,000.00
	d. 1 Gal. (red & blue shrubs 2.5' O.C.)	340	EA	\$16.00	\$5,440.00
	e. Centipede Sod	15,000	SF	\$0.40	\$6,000.00
11	Irrigation	1	LS	\$30,000.00	\$30,000.00
Subtotal:					<u>\$565,550.00</u>
10% Survey & Engineering:				\$56,555.00	
10% Contingency:				\$56,555.00	
CONSTRUCTION TOTAL:					<u><u>\$678,660.00</u></u>

*Estimate does not include Utility Pole Relocation and new ornamental lighting
Estimate based on aerial photography and exact field dimensions may vary.



151 - Fourth Street Gateway
Hartsville, SC

COST ESTIMATE

Item No.	Description	Quantity	Units	Unit Price	Price
1	Demo ex. Asphalt median/ site prep	1	LS	\$7,500.00	\$7,500.00
2	Traffic Control/ Mobilization	1	LS	\$5,000.00	\$5,000.00
3	Concrete Curb	980	LF	\$20.00	\$19,600.00
4	Top Soil	1	LS	\$2,500.00	\$2,500.00
5	Asphalt Patch	300	SY	\$200.00	\$60,000.00
6	Planting				
	a. 3" Large Trees	55	EA	\$325.00	\$17,875.00
	b. 2" Median Trees	10	EA	\$250.00	\$2,500.00
	c. 3 Gal. (red & green shrubs 4' O.C.)	1100	EA	\$30.00	\$33,000.00
	d. 1 Gal. (yellow shrubs 2.5' O.C.)	980	EA	\$16.00	\$15,680.00
	e. Centipede Sod	42,000	SF	\$0.40	\$16,800.00
7	Irrigation	1	LS	\$25,000.00	\$25,000.00
Subtotal:					<u>\$205,455.00</u>
10% Contingency:				\$20,545.00	
CONSTRUCTION TOTAL:					<u><u>\$226,000.00</u></u>

*Estimate does not include Utility Pole Relocation and new ornamental lighting
Estimate based on areial photography and exact fiedl dimensions may vary.

Hartsville/Greenwood
Demographic and Economic Comparison Analysis

Introduction

The focus of this analysis is to compare two cities: Hartsville, South Carolina and Greenwood, South Carolina. Both cities are located in rural central South Carolina. Although the communities share many similarities, there are also significant differences in their demographic, economic, industry, and transportation characteristics.

Greenwood was chosen to be compared to Hartsville primarily due to the following similarities:

- Both communities are home to small, liberal arts colleges (Lander and Coker).
- Both communities are relatively close to larger cites but are still in rural settings.
- Both communities have or were home to very large, mature manufacturing industries and their founding families (Greenwood Mills and the Self family and Sonoco and the Coker family).

Demographic Characteristics

We used the American Community Survey (ACS) to compare these two communities. We identified variances in the communities by focusing on percentage of total for each demographic characteristic, highlighting differences of five percent or greater. Finally, we compared absolute numerical differences where they appeared to be significant and of interest.

Population

The largest difference between these two communities is population. The population of Hartsville is 7,775, just 34 percent of Greenwood’s population of 23,108. Population is, in and of itself, a source of wealth and a key driver of economic prosperity. Within this population there are a number of differences in the makeup. Median age is significantly higher in Hartsville (37.6) versus Greenwood (32.6). On a percentage basis, Hartsville’s male population is six percent larger, offset by a smaller female population over age 65. Finally,

although the races have similar distributions, the Hispanic and non-Hispanic populations in Hartsville are, as a percentage of the population, significantly smaller than those population percentages in Greenwood.

Social Characteristics

A smaller population correlates to fewer households. Hartsville has 2,069 households, equal to 36 percent of Greenwood’s 8,633. However, households in Hartsville have eight percent more 65-plus age persons than Greenwood. Those same households are also smaller in size and general family size in Hartsville than Greenwood. With that older population, the grandparents also are more likely to be responsible for grandchildren in Hartsville (67 percent) compared to Greenwood (46 percent).

Those young Hartsville grandchildren are more likely to be in nursery school and preschool than their Greenwood counterparts. However, as these children age, the percentage attending elementary, college, or graduate school is each five percent less than the population in Greenwood. It is possible this is an anomaly of the data; however a review of education graduation rates would provide more information about the impact on education in the community.

In terms of overall educational attainment, those who live in Hartsville have higher educational attainment of high school and/or bachelor’s degrees than those that live in Greenwood.

Economic Characteristics

We evaluated the economic characteristics using the Census and ACS selected economic characteristics comparing Hartsville to Greenwood and the state of South Carolina over time. It is important to include the state of South Carolina, since the condition of a state’s economy impacts the economic conditions of its counties and cities, in particular. The state economy provides insight into why we see local improvements or declines in economic prosperity. We evaluated four economic indicators: 1) change in economic conditions based on Census and ACS data, 2) location quotients, 3) shift-share, and 4) economic exports.

Change in Economic Conditions

We focused on this question: Has Hartsville made up or lost ground over the past 11 years and how does this change compare to Greenwood and the state, in general? We again chose characteristics that varied five percent or more between Hartsville and Greenwood. Finally, we identified these changes over time to determine if there had been improvements in these criteria.

One economic indicator is change in population. Population in Hartsville has increased slightly but more slowly than in Greenwood. It has slipped against Greenwood slightly since 2000, from 34.7 percent to 33.6 percent today. Employment has improved in Hartsville and closed the gap with Greenwood. Unemployment rates are similar, with both Darlington and Greenwood counties below 10 percent unemployed.

Hartsville continues to lead Greenwood in management and professional occupations as a percent of all occupations, but trails Greenwood in maintenance, natural resources, and production and transportation occupations. The gap in production jobs between Hartsville and Greenwood has widened since 2000 from 8.7 percent to 12.6 percent fewer employees as a percentage of all occupations. This same gap appears in the industry profile, with the manufacturing industry employment gap between Hartsville and Greenwood sliding from 6.7 percent in 2000 to 7.7 percent in 2011. Interesting to note: Hartsville education services industry employs 7.2 percent more persons than Greenwood. Despite the percentage difference, Greenwood employs slightly over two times as many persons in this industry as does Hartsville due to the substantial difference in population.

APPENDIX - ECONOMIC ANALYSIS

Table 1
Employment Change: 2001 to 2011
Hartsville compared to South Carolina

Industry	South Carolina Employment Percent Change 2001 to 2011	Hartsville Employment Percent Change 2001 to 2011
Agriculture, forestry, fishing and hunting, and mining	1.7%	116.7%
Construction	2.1%	-87.8%
Manufacturing	-22.2%	-43.1%
Wholesale Trade	-9.0%	-61.5%
Retail Trade	11.0%	9.1%
Transportation and warehousing, and utilities	6.8%	-19.5%
Information	-6.6%	323.1%
Finance and insurance, and real estate and rental and leasing	16.1%	14.8%
Professional, scientific, and management, and administrative and waste management	44.9%	63.6%
Educational services, and health care and social assistance	25.5%	40.4%
Arts, entertainment, and recreation, and accommodation and food service	28.2%	-21.2%
Other services, except public administration	14.3%	10.3%
Public administration	15.4%	-72.7%

As seen in Table 1, Hartsville has lagged behind the State average employment growth in several sectors, especially in manufacturing, wholesale trade and the arts.

However, Hartsville has outpaced or grow about the same as the State average growth in several employment sectors.

- Agriculture -- 117% growth
- Information – 323% growth
- Finance -- 15% growth
- Professional Services -- 64% growth
- Education -- 40% growth

These last five sectors are the ones that Hartsville should focus on encouraging and attracting.

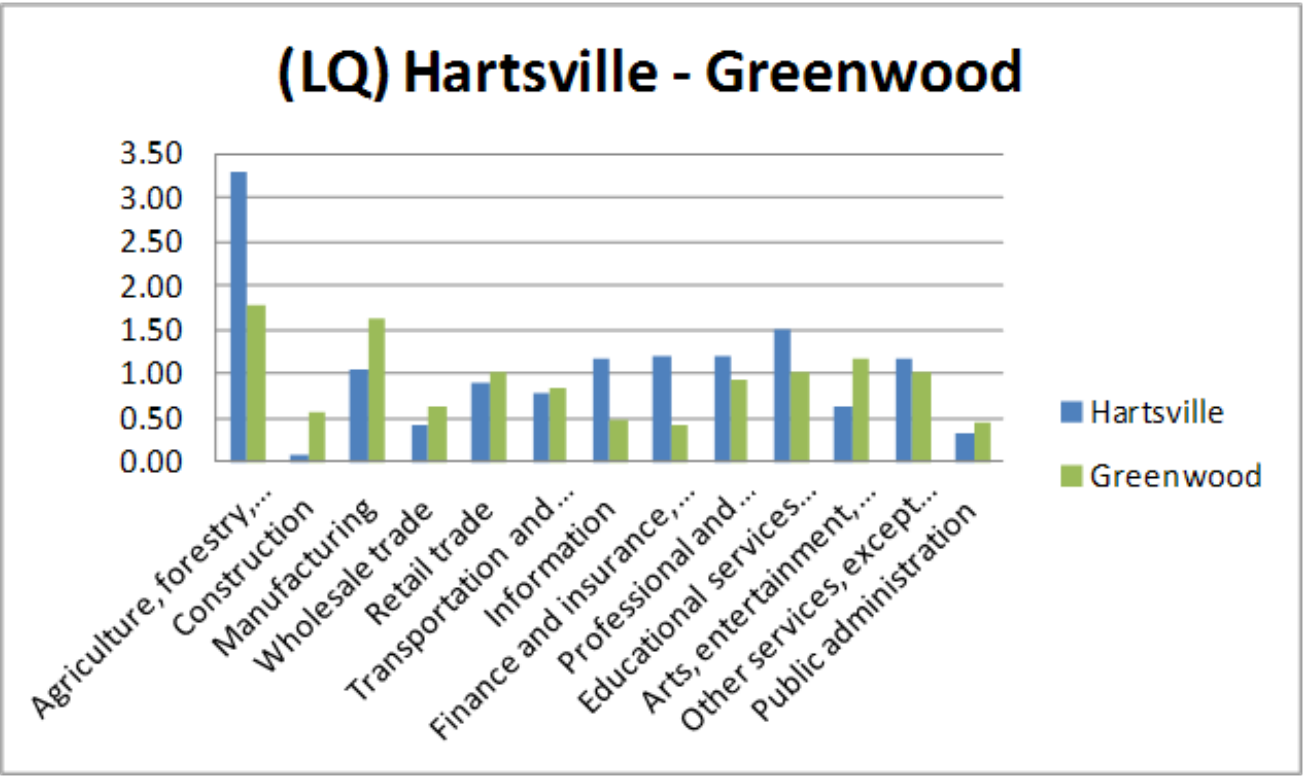
Finally, median household income, family income, and per capita income are all higher in Hartsville than in Greenwood, but lag behind the state of South Carolina.

Location Quotients

We calculated the strength of industries in Hartsville and Greenwood by comparing those economics to the state of South Carolina using employment as an indicator. We then compared the industry profiles of the two cites to identify their strengths and weaknesses.

Hartsville has significant strength in agriculture (3.28), and educational and healthcare services (1.5). Agriculture is actually an outlier industry (high concentration), making the city less balanced. To a lesser degree, the city is also strong in professional and finance industries. Weaknesses include construction (.07), and arts and entertainment (.63), two industries driven by population. Greenwood has a slightly more balanced industry portfolio with strengths in agriculture (1.76) and manufacturing (1.61). Hartsville’s additional strength industries include information and education, but the city lags in manufacturing, a key source of jobs for both communities. See Chart 1

Chart 1



Economic Exports

Finally, when we evaluate an economy, we focus on goods and services produced and exported out of the region in return for income. Although we do not have specific data for the city, the city is a beneficiary of regional exports. Darlington County lags slightly behind Greenwood County by \$0.5 billion dollars.

The top 18 industries in each county account for more than 80 percent of the industry exports. Key exports in Darlington County include paperboard, iron and steel, and electric power generation. There are no services that appear in the top industry export list. This is in part due to the region’s lower population. In Greenwood County, chemicals, paper, and animal processing lead the list of exports. Of the top 18, four service industries are included: computer, physician offices, employment services, and wholesale trade.

For any given industry, there is also an economic impact from the industry’s supply chain. The paper industry, in particular, has an extensive supply chain that may contribute to the economy of Hartsville. That chain includes industries such as logging, sawmills, chemical manufacturing, and transportation services.

Finally, although government education is not a primary exporter, it is an industry which transfers monies from outside the region to within through salary and wages. Educational payroll is \$64 million in Darlington County and \$276 million in Greenwood County, a significant difference between the two regions. Population plays a primary role in this variance.

Conclusion

Hartsville is a competitive city with many growth opportunities in the coming years. When comparing Hartsville to Greenwood, important differences can be observed. Most notable is the impact that a large and growing population has on a community and the services it provides. Although Hartsville is growing, it is growing at a pace slower than Greenwood and other communities.

Hartsville has a number of competitive industry sectors, but has still lost more than its expected share of employment over the last few years. Hartsville will need to regain market share by deploying strategies such as marketing its educational attainment.

In particular, Hartsville has experienced faster growth or at least equal growth relative to the state in the five sectors listed below. The community should focus on attracting more in these sectors and nurturing the existing.

- Agricultural Related industries
- Information and Technology sector
- Finance and banking companies
- Professional Services
- Education: GSSM and Higher Education

Notes:

Location Quotient

There are many ways to estimate a region’s base. The simplest is the location quotient. The location quotient utilizes several restrictive assumptions that constitute the technique’s weaknesses. However, the location quotient can tell a researcher much about a region’s economy in a short period of time and with a minimum of data requirements.

The location quotient is equal to the percentage of a reference region’s activity in a particular industry divided by the percentage of activity in that same industry for a larger region, usually the nation. The formula for such a quotient is:

LQ = Ri/R
Ni/N

where: Ri represents the regional activity in industry i,
R represents total regional activity,
Ni represents the national (or other larger region) activity in industry i,
and
N represents total national (or other larger region) activity.

Assuming the regional industries are technologically similar to their national counterparts and that the nation is relatively self-sufficient in the production of each industry’s products:

LQi = 1 indicates that this industry produces at the same level as its national counterpart. If the nation is self-sufficient in the production of this commodity, then so is the region. Therefore, there are no exports or imports associated with this regional industry.

LQi > 1 indicates that this industry is producing at a level that is greater than self-sufficiency would indicate. The surplus must be exported. In other words, this is an industry that is identified as a regional exporter.

LQi < 1 indicates that this regional industry is producing at a level that is less than self-sufficiency would indicate. The deficit in supply must be imported.

The assumptions associated with the location quotient are obviously restrictive. However, if nothing else, the location quotient does provide an indication of the relative importance of a particular industry to a region. The greater the location quotient value, the more important this industry is to the economic base of the region. What is more, changes in location quotient values over time represent changes in the industry’s relative importance to the region’s economic base. As such, location quotients are quite valuable as indicators of a region’s economic base.

APPENDIX - HISTORIC PRESERVATION TAX CREDITS

SC Abandoned Buildings Revitalization Act

The General Assembly passed legislation at the end of the 2013 session that gives cities a new economic development tool that incentivizes private investment in downtowns for the “rehabilitation, renovation and redevelopment” of empty storefronts. Abandoned buildings are routinely safety hazards that cost cities and towns precious resources by using additional fire and police services, while decreasing area property values.

Definition of an abandoned building

- at least 66 percent vacant for the past five years
- nonoperational for income-producing purposes
- may not be a single-family residence
- a building listed on the National Register for Historic Places when used solely for storage or warehousing
- investor using the tax credit may not be the owner at the time of the abandonment

Investment threshold to use tax credit

- more than \$250,000 investment within jurisdictions (cities or counties) with a population over 25,000
- more than \$150,000 investment within jurisdictions (cities or counties) with a population between 25,000 and 1,000
- more than \$75,000 investment within jurisdictions (cities or counties) in local with a population of less than 1,000

Type of tax credits available

Income tax credit

- investor files Notice of Intent to Rehabilitate with the Department of Revenue
- credit equals 25 percent of actual expenses but the credit may not exceed \$500,000
- credit must be taken over five years beginning with the tax year the building is placed into service after rehabilitation
- taxpayer may not claim income tax credit in addition to the Textile Communities Revitalization Act or Retail Facilities Revitalization Act credits

Property tax credit

- investor files Notice of Intent to Rehabilitate with city or county
- council must determine, by resolution, the eligibility of the project
- council must hold a public hearing and approve the project for the credit by ordinance
- at least 45 days before the public hearing the city or county must notify all affected taxing entities
- if the taxing entity does not file an objection by the date of the public hearing, then the local taxing entity consents to the tax credit
- credit equals 25 percent of actual expenses but the credit may not to exceed 75 percent of the real property taxes due on the building
- credit may be taken up to eight years beginning with the tax year building is placed into service

Timeframe for implementation

- sunsets in 2019
- retroactive to January 1, 2013



Preservation Hotline #11

South Carolina Department of Archives & History
8301 Parklane Road
Columbia, SC 29223-4905
State Historic Preservation Office
<http://shpo.sc.gov/>

Tax Savings for Owners of Historic Buildings
Is there a tax incentive for you?

In South Carolina, there are a number of state and federal tax incentives to help with the costs of preserving historic buildings. Both owner-occupied historic homes and historic buildings used to produce income — stores, offices, apartment buildings, for example — may be eligible for tax incentives. Use this chart to begin identifying tax incentives that may apply to your building.

Tax Incentive Program	Owner-Occupied Historic Residence	Income-Producing Historic Building	Mixed Use Historic Building (see note)
A. 20% Federal Historic Rehabilitation Tax Credit		✓	partial credit
B. 10% State Historic Rehabilitation Tax Credit		✓	partial credit
C. 25% State Historic Rehabilitation Tax Credit	✓		partial credit
D. Local Property Tax Abatement	✓	✓	✓
E. Federal Income Tax Incentives for Easement Donations	✓	✓	✓

Note: A rehabilitation project involving mixed uses (a store on the first floor and an owner-occupied residence on the second floor, for example) may be eligible for two different tax incentive programs. In these projects, rehabilitation costs must be allocated for each use, with a corresponding allocation of the tax credits (see *Tips on How To Apply for Mixed-Use Projects*: <http://shpo.sc.gov/programs/tax/Pages/Homeowner.aspx>).

Historic Preservation Tax Incentives — The Basics

The descriptions that follow are brief and do not include all of the detailed requirements for each program. Taxpayers/owners should read the other sources of information indicated at the end of each description and consult with an accountant or other professional tax advisor for help in determining whether the programs will be of benefit to them. For rehabilitation projects, contact the State Historic Preservation Office (SHPO) early in the planning process. Some of the programs require approval before work begins.

A. 20% Federal Historic Rehabilitation Tax Credit

Incentive: Federal income tax credit equal to 20% of rehabilitation costs. In general, each dollar of tax credit earned reduces the amount of federal income taxes owed by one dollar.

Eligible buildings: Buildings listed individually in the National Register of Historic Places or buildings that contribute to a National Register historic district.

Eligible use: Income-producing use (such as offices, stores, or rental housing).

Expenditure requirements: Costs must exceed the adjusted basis of the building (the purchase price, minus the cost

of the land, plus the value if improvements made, minus depreciation already taken).

Review of work: The National Park Service must certify that the rehabilitation meets the Secretary of the Interior’s *Standards for Rehabilitation*. Review begins with the State Historic Preservation Office (SHPO).

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

For more information: Visit the SHPO (<http://shpo.sc.gov/programs/tax/pages/income.aspx>), National Park Service (www.nps.gov/tps/tax-incentives.htm), and Internal Revenue Service (www.irs.gov) websites.

B. 10% State Historic Rehabilitation Tax Credit

Owners of historic buildings in South Carolina who meet the requirements for the 20% Federal Historic Rehabilitation Tax Credit may also qualify for a state income tax credit. Taxpayers do not have to go through a separate State Historic Preservation Office (SHPO) application process. Successfully completing the federal application process qualifies them for the state credit.

Incentive: State income tax credit equal to 10% of rehabilitation costs. In general, each dollar of tax credit earned reduces the amount of state income taxes owed by one dollar.

Authorizing legislation: South Carolina Rehabilitation Incentives Act (Section 12-6-3535, SC Code of Laws, 1976, as amended).

For more information: Visit the SHPO website (<http://shpo.sc.gov/programs/tax/Pages/Income.aspx>).

C. 25% State Historic Rehabilitation Tax Credit

Incentive: South Carolina State income tax credit equal to 25% of allowable rehabilitation expenses. In general, each dollar of tax credit earned reduces the amount of state income taxes owed by one dollar. (Allowable expenses include exterior rehabilitation work; repair of historic structural systems, improving energy efficiency; repairs and installation of heating, air-conditioning, plumbing, and electrical systems; restoration of historic plaster; and architectural and engineering fees.)

Eligible buildings: Buildings must be listed in the National Register of Historic Places, individually eligible for the National Register, contribute to a National Register historic district, or be a historic outbuilding associated with a residence that is eligible for the program.

Eligible use: Owner-occupied residence (not used in a trade or business, held for the production of income, or held for sale or disposition in the ordinary course of the tax payer’s trade or business).

Expenditure requirements: \$15,000 of allowable rehabilitation expenses within 36 months. (See definition of allowable rehabilitation expenses above.)

Review of work: The State Historic Preservation Office (SHPO) must review and approve plans before work begins. The SHPO must certify that the rehabilitation meets the Secretary of the Interior’s *Standards for Rehabilitation*.

Authorizing legislation: South Carolina Rehabilitation Incentives Act (Section 12-6-3535, SC Code of Laws, 1976, as amended).

For more information: Visit the SHPO website (<http://shpo.sc.gov/programs/tax/Pages/Homeowner.aspx>).

D. Local Property Tax Special Assessment

Incentive: The property is assessed on the pre-rehabilitation fair market value for the length of the special assessment (up to 20 years; length set by the local government).

Eligible buildings: A building must be designated historic by the local government and the local government must have adopted an ordinance to implement the property tax abatement program. Buildings designated historic by the local government can include buildings listed individually in the National Register of Historic Places or contributing to a National Register historic district, or buildings that meet the local government’s criteria for historic designation.

Eligible use: Owner-occupied residence or income-producing building.

Expenditure requirements: Expenditures for rehabilitation must exceed the minimum expenditure set by the local government. This can range from 20% to 100% of the fair market value of the building.

Review of work: A reviewing authority must approve that the proposed and completed rehabilitation work is appropriate for the historic building and the historic district in which it is located. The reviewing authority is the local board of architectural review, another designated entity with historic preservation expertise, or the State Historic Preservation Office (SHPO).

Authorizing legislation: Sections 4-9-195 and 5-21-140, SC Code of Laws, 1976, as amended (often referred to as the “Bailey Bill”).

For more information: Visit the State Historic Preservation Office website (<http://shpo.sc.gov/programs/tax/Pages/Local.aspx>). You must also check with your local government to determine if it has passed an ordinance.

E. Federal Income Tax Incentives for Easement Donations

Incentive: Income and estate tax deductions.

Eligible buildings: Buildings listed individually in the National Register of Historic Places or buildings that contribute to a National Register historic district. (Historically important land areas are also eligible.)

Eligible use: Owner occupied residence or income-producing building.

Expenditure requirements: Rehabilitation work is not required for this incentive. The incentive is based on the charitable contribution of a partial interest in a historic property (i.e. easement) to a government or nonprofit organization. When donors donate partial interests — or easements — on historic buildings, they pledge to preserve significant historic features and agree to obtain the easement holder’s consent before making alterations.

Authorizing legislation: Tax Reform Act of 1986 (Internal Revenue Code Section 170(h)).

For more information: Visit the State Historic Preservation Office (SHPO) (<http://shpo.sc.gov/programs/tax/Pages/Easements.aspx>) and National Park Service (www.nps.gov/tps/tax-incentives.htm) websites.

Note: South Carolina law does not mandate tax incentives for the donation of easements to preserve historic properties. However, the Conservation Easement Act of 1991 states: “For ad valorem tax purposes real property that is burdened by a conservation easement must be assessed and taxed on a basis that reflects the existence of the easement.” (Section 27-8-70,

APPENDIX - HISTORIC PRESERVATION TAX CREDITS

PRESERVATION HOTLINE #11 ▲ REHABILITATION INCENTIVES ▼ PRESERVATION HOTLINE #11 ▲ REHABILITATION INCENTIVES ▼ PRESERVATION HOTLINE #11

Other Tax Incentives for Rehabilitation Projects

SC Code of Laws, 1976, as amended)

10% Federal Rehabilitation Tax Credit: This credit, created by the Tax Reform Act of 1986 (PL 99-514; Internal Revenue Code Section 47), is available for the rehabilitation of buildings placed in service before 1936 that are not individually listed in the National Register or contributing buildings in a National Register historic district. The 10% federal income tax credit only applies to buildings rehabilitated for non-residential uses. To qualify for the credit rehabilitation costs must exceed the adjusted basis of the building (purchase price minus land value). No State Historic Preservation Office or National Park Service review is required for these projects. More information about the 10% federal credit is available on the National Park Service (www.nps.gov/tps/tax-incentives.htm) and Internal Revenue Service (www.irs.gov) websites.

Federal Income Tax Credit for Low Income Housing: The Tax Reform Act of 1986 (Internal Revenue Code Section 42) also created an income tax credit for acquisition, construction, or rehabilitation of low income housing. Many developers have used the Low Income Housing Tax Credit in conjunction with the 20% Federal Historic Rehabilitation Tax Credit to rehabilitate historic buildings to provide rental units for low income residents. For more information, contact the State Housing Finance and Development Authority (803-734-2000 or www.schousing.com), which allocates the Low Income Housing Credits in South Carolina.

Tax Incentives for Rehabilitating Textile Mill Buildings: The South Carolina Textiles Communities Revitalization Act (Section 6-32-10, SC Code of Laws, 1976, as amended) was approved by the General Assembly and signed by Governor Sanford in May 2004. The law provides tax incentives to encourage the renovation and redevelopment of abandoned textile mill sites. A taxpayer who meets the requirements of the law and improves, renovates, or redevelops an abandoned textile mill building is eligible for one of two tax credits: a credit against local property taxes or a state income tax credit.

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APPENDIX - RECOMMENDED TREES

Street Tree Recommendations

The tree cultivars recommended in this report have been chosen from the approved tree species list provided by the South Carolina Department of Transportation for use in SCDOT right of ways and are selected based on their hardiness and adaptability to urban conditions.

Botanical Name	Common Name	Height/Spread	Growth Rate/Native?	Deciduous/Evergreen; Form; Fall Color; Range?	Remarks
Acer buorgerianum	Trident Maple	20-35 ft tall, 20-35 ft spread	Mod-Fast; Korea & Eastern China	Dec; upright to oval; yellow, orange & red	See first remark
Acer rubrum ‘Bowhall’	Red Maple, var. ‘Bowhall’	50 ft tall, 18-25 ft spread	Fast; native hybrid	Deciduous conical/upright; orange & yellow	See first remark; needs adequate rooting space
Acer rubrum ‘Brandywine’	Red Maple, var. ‘Brandywine’	30-40 ft tall, 20-25 ft spread	Mod. Fast; native hybrid	Deciduous, mod. Upright, oval, orange to red to purple-red	See first remark; needs adequate rooting space
Acer Rubrum ‘Franksred’	Red Maple, var. ‘Red Sunset’	40-45 ft tall, 30-35 ft spread	Mod.-Fast’ native hybrid	Dec. mod. Broadly pyramidal, bright red	Straight, dominant central leader; strong branch angles; see first remark; needs adequate rooting space
Acer rubrum ‘HOSR’	Red Maple var. ‘Summer Red’	35-40 ft tall, 20-25 ft spread	Mod.-Fast; native hybrid	Dec. mod. Upright, oval, yellow, orange and purple	See first remark; needs adequate rooting space
Carpinus betulus ‘Fastigiata’	Pyramidal European Hornbeam	30-40 ft tall, 15-20 ft spread	Asia; cultivar of nursery origin	Dec. upright columnar to oval	Specimen, street tree for narrow areas. No litter problem.
Ginkgo biloba ‘Princeton Sentry’	Ginkgo Tree var. ‘Princeton Sentry’	50-75 ft tall, 15-25 ft spread	Slow; China; cultivar of nursery origin	Dec. columnar and upright or erect	Stinky fruit on female tree, plant male trees only; never plant near power lines; needs adequate rooting space
Lagerstromel hybrids	Hybrid Crape Myrtle	20-30 ft tall, 15-25 ft spread	Cultivar of nursery origin	Dec. upright to vase forms preferred; red	For use under power lines; a tree considered by SCDOT to be under 4 inches caliper at maturity
Quercus phellos ‘QPSTA’	Willow Oak, var. ‘Hightower’	55-65 ft tall, 30-40 ft spread	Fast; native cultivar of nursery origin	Dec. broad, pyramidal; yellow Fall color	Excellent multi-purpose tree, balanced shape; hight tower is narrower with a central leader; variety “Wynstar” 30’-45’ wide
Quercus phellos ‘QPSTJq	Willow Oak, var. ‘Ascendor’	30-60 ft tall, 20-30 ft spread	Mod-Fast; native cultivar of nursery origin	Dec. broad pyramidal; yellow Fall color	Very dense, somewhat upswept branchin, dominant leader
Quercus phellos ‘RT3’	Willow Oak, var. ‘Upperton’	50-60 ft tall, 30 ft spread	Fast; Native cultivar of nursery origin	Dec, pyramidal when young to upright oval; yellow Fall color	Medium to fine texture; extremely tough & urban tolerant; thrives in heat, soil tolerant
Quercus virginiana ‘QVTIA’	Oak, Live, var ‘Highrise’	30-40 ft tall, 14-20 ft spread	Moderate; native cultivar of nursery origin	Evergreen, upright ascending branching	Species has broad, spreading canopy, plant only where there is room; wrong form for street tree & requires extra setback on R/W
Taxodium distichum ‘Mickelson’	Bald Cypress var. ‘Shawnee Brave’	55-75 ft tall, 18-20 ft spread	Mod.-Fast; native cultivar of nursery origin	Deciduous, narrow, pyramidal form; orange-brown in Fall	Spreadly adaptable to urban environments, tolerant of water-logged soil
Ulmus parvifolia ‘BSNUPF’	Lacebark Elm var. ‘Everclear’	30-50 ft tall, 18-25 ft. spread	Fast; Japan, Korea; cultivar of nursery origin	Dec. upright, very narrow tight form when young; yellow to brown in Fall	Adaptable to different soil types; good, strong growth in poor planting env. Possibly invasive seedlings?
Ulmus parvifolia ‘UTMTF’ Lacebark Elm var. ‘Bosque’	Lacebark Elm var. ‘Bosque’	60-65 ft tall, 30-35 ft spread	Fast; Japan, Korea; cultivar of nursery origin	Deciduous, broad, oval; yellow to brown in Fall	Fast-growing and hardy, handsome ornamental with showy bark; possibly invasive seedlings?
Ulmus parvifolia ‘Dynasty’	Lacebark Elm var ‘Dynasty’	30 ft tall, 20 ft. spread	Fast; Japan, Korea; cultivar of nursery origin	Deciduous, domed shaped crown; orange-yellow in Fall	Fast-growing and hardy, handsome ornamental with showy bark; possibly invasive seedlings?
Ulmus parvifolia ‘Emer ii’	Lacebark Elm var. ‘Allee’	50-60 ft tall, 35-40 ft spread	Fast; Japan, Korea; cultivar of nursery origin	Deciduous, vase to upright; yellow to bronzed yellow in Fall	Fast-growing and hardy, handsome ornamental with showy bark; possibly invasive seedlings?
Zelkova serrata ‘C Creek 1’	Zelkova var. ‘Gold Falls’	30-35 ft tall, 15-20 ft spread	Mod. ; Japan, Korea; cultivar of nursery origin	Dec. upright, columnar, vase-shaped; b. yellow in Fall; not for coastal areas	Fast-growing and hardy, handsome ornamental, unique narrow crown
Zelkova serrata ‘Musashino’	Zelkova var. ‘Mushino’	45-50 ft tall, 15 ft. spread	Fast; Japan, Korea; cultivar of nursery origin	Dec, upright, columnar, vase-shaped; b. yellow in Fall; not for coastal areas	Fast-growing and hardy, handsome ornamental, unique narrow crown
Zelkova serrata ‘JFSKW1’ PP 20996	Zelkova var. ‘City Sprite’	24 ft tall, 18 ft. spread	Fast; Japan, Korea; cultivar of nursery origin	Dec., upright, compact oval to vase-shaped; b. yellow in Fall	Compact, dense, and semi-dwarf, this is the perfect little tree for tight urban spaces. Summer foliage appears brighter green than typical zelkova, short internodes, fine textured foliage and a self pruning growth habit promise low maintenance tree.