

REQUEST FOR LETTERS OF INTEREST

For Developer
of Mixed-Use
Development Site
in Hartsville,
South Carolina

“Canal District”


DUE: 12/14/2022
5:00 pm

Letters may be
addressed to:

Daniel Moore,
City Manager,
PO Drawer 2497,
Hartsville, SC
29551



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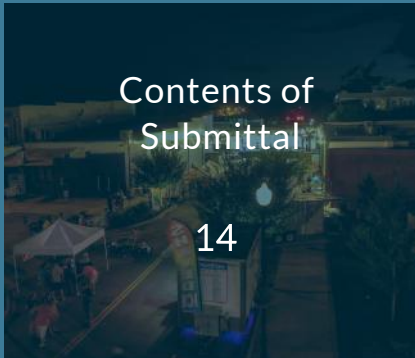
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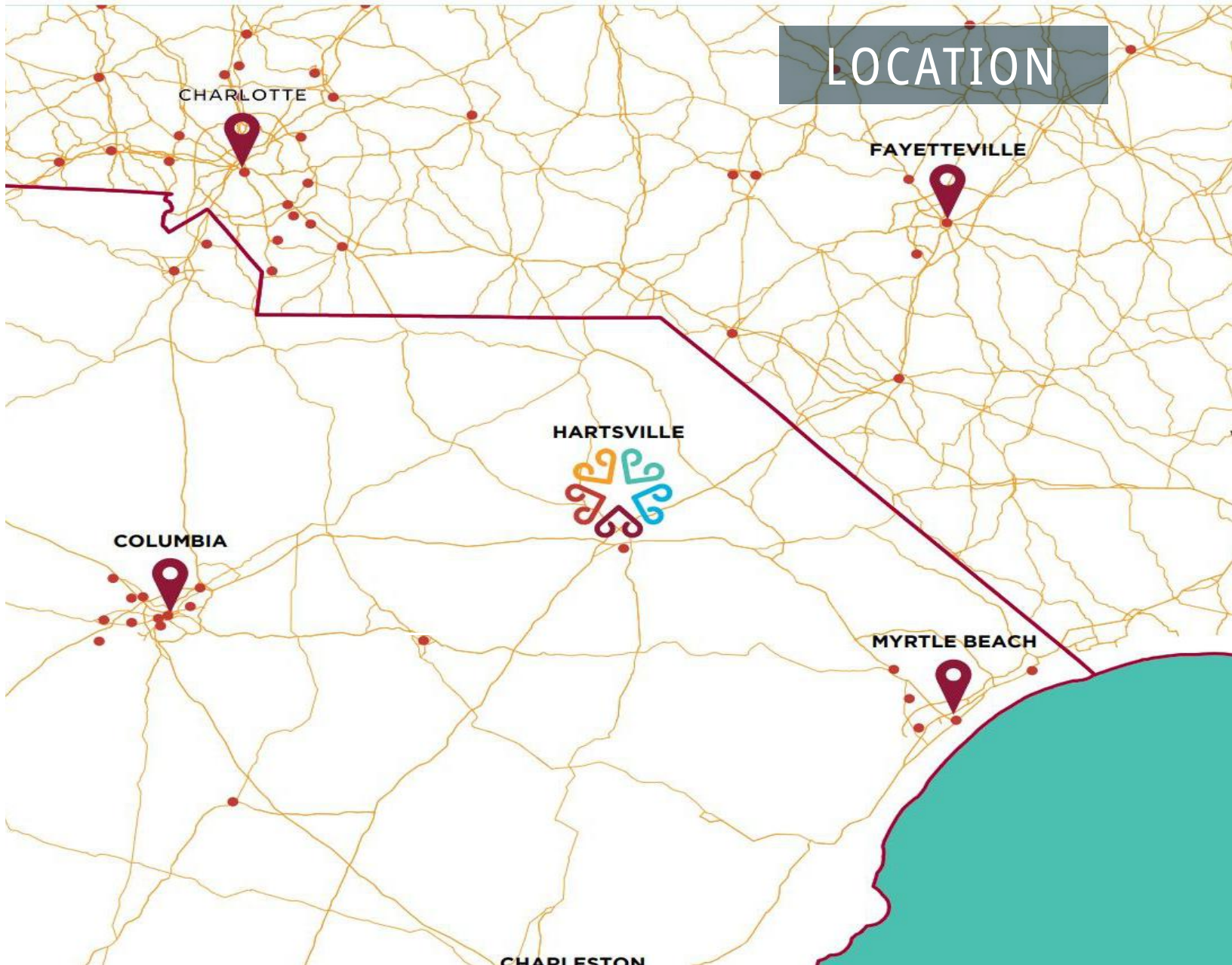


PURPOSE OF THE REQUEST

Rarely can a growing small southern town offer ten acres, ripe for development, adjacent to its thriving downtown. Hartsville, South Carolina, invites you to share its dream of redeveloping an historic neighborhood into a multi-use district to complement its varied housing and business mix.

The cleared site is surrounded by Coker University, the residential South Carolina Governor's School for Science and Mathematics, a future Florence-Darlington Technical College (FDTC) campus, and All America City's downtown. A new brewery in an historic feed and seed building sits at the edge of the property, and there are 184 hotel guest rooms within a three-minute walk.

LOCATION



Hartsville is in Darlington County in the northeast corner of South Carolina, about 20 miles northwest of the intersection of I-95 and I-20. We are part of the area known as the Pee Dee, which also includes the City of Florence, the inland port of Dillon, and Darlington—home of NASCAR’s track “Too Tough to Tame.” Hartsville is included in the Florence MSA, with over 205,000 people.

What is Hartsville?

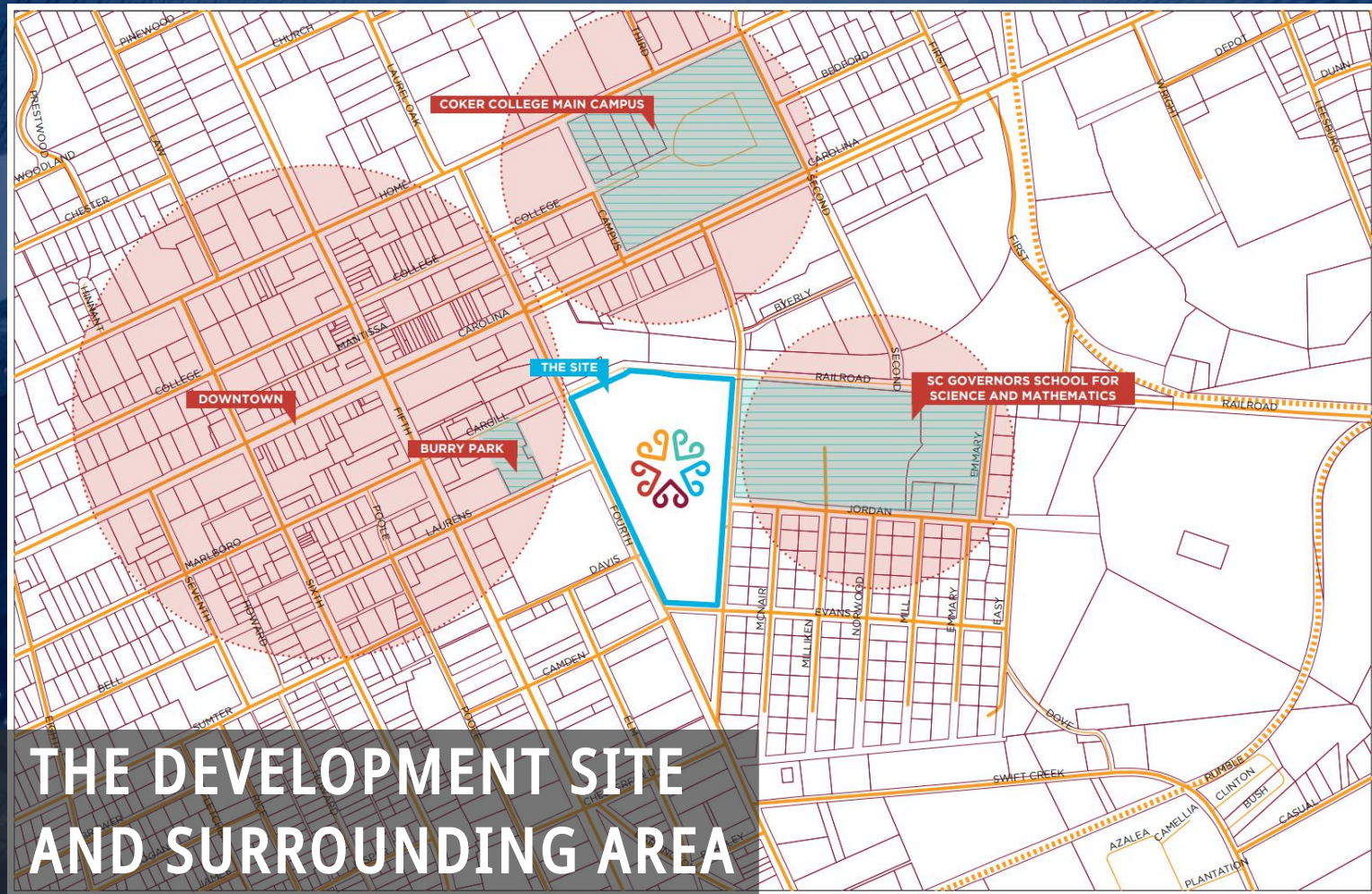


As the smallest city in the USA with a Fortune 500 corporate headquarters—Sonoco Products, a \$6 billion global packaging solutions leader—Hartsville combines the welcoming charm of a small town and amenities you'd associate with a larger city. Coker University, the South Carolina Governor's School for Science and Mathematics, Duke Energy's HB Robinson Power Plant, and the 116-bed Carolina Pines Regional Medical Center contribute to that atmosphere.

The population within the city limits of Hartsville is 7,500. The close-in market area holds over 35,000 residents. Hartsville's robust and diversified employment base draws nearly 6,000 daily commuters from the surrounding area. Manufacturing and retail businesses, many of them home-grown start-ups, offer a variety of employment opportunities and services.

Darlington County School District has the number one four-year graduation rate in the state. Hartsville High School is designated as an International Baccalaureate World School. Public elementary magnet opportunities include Thornwell School for the Arts and Bay Road Elementary, which offers a Montessori Program. Forty percent of Hartsville's adult population holds at least an Associate Degree. Butler Academy is a newly formed charter school. Private school options include Thomas Hart Academy, Emanuel Christian School, and Trinity Collegiate School.

Hartsville is a two-time winner of the National Civic League's All America City designation for our local innovation, civic engagement, and cross-sector collaboration. The city government works proactively to ensure a high standard of living for its citizens and to create an atmosphere in which businesses can thrive.



THE DEVELOPMENT SITE AND SURROUNDING AREA

The 10-acre parcel is trapezoid-shaped. On the Darlington County Tax Assessor's website, see tax map #056-06-02-051, located on the eastern edge of downtown along the two-lane central corridor of South 4th Street. The site is cleared of all but two existing structures in preparation for development. Several mature trees remain. A Phase 1 Environmental Study was done in 2019 and is available upon request.

The development site is within a three-minute walk of downtown, two chain hotels, and a locally owned boutique hotel. It is adjacent to the 15-acre campus of Coker University, a four-year liberal arts college founded in 1908, and the 17-acre South Carolina Governor's School for Science and Mathematics that houses 288 of the state's brightest high school juniors and seniors.

Nearby is the Hartsville campus of Florence-Darlington Technical College, which serves 6,000 students within the FDTC network. Within a half mile are a dozen restaurants, Burry Park with its greenspace and Veterans Memorial, The Vista walking path and pond, Hartsville YMCA, and numerous professional offices and locally owned retail shops.

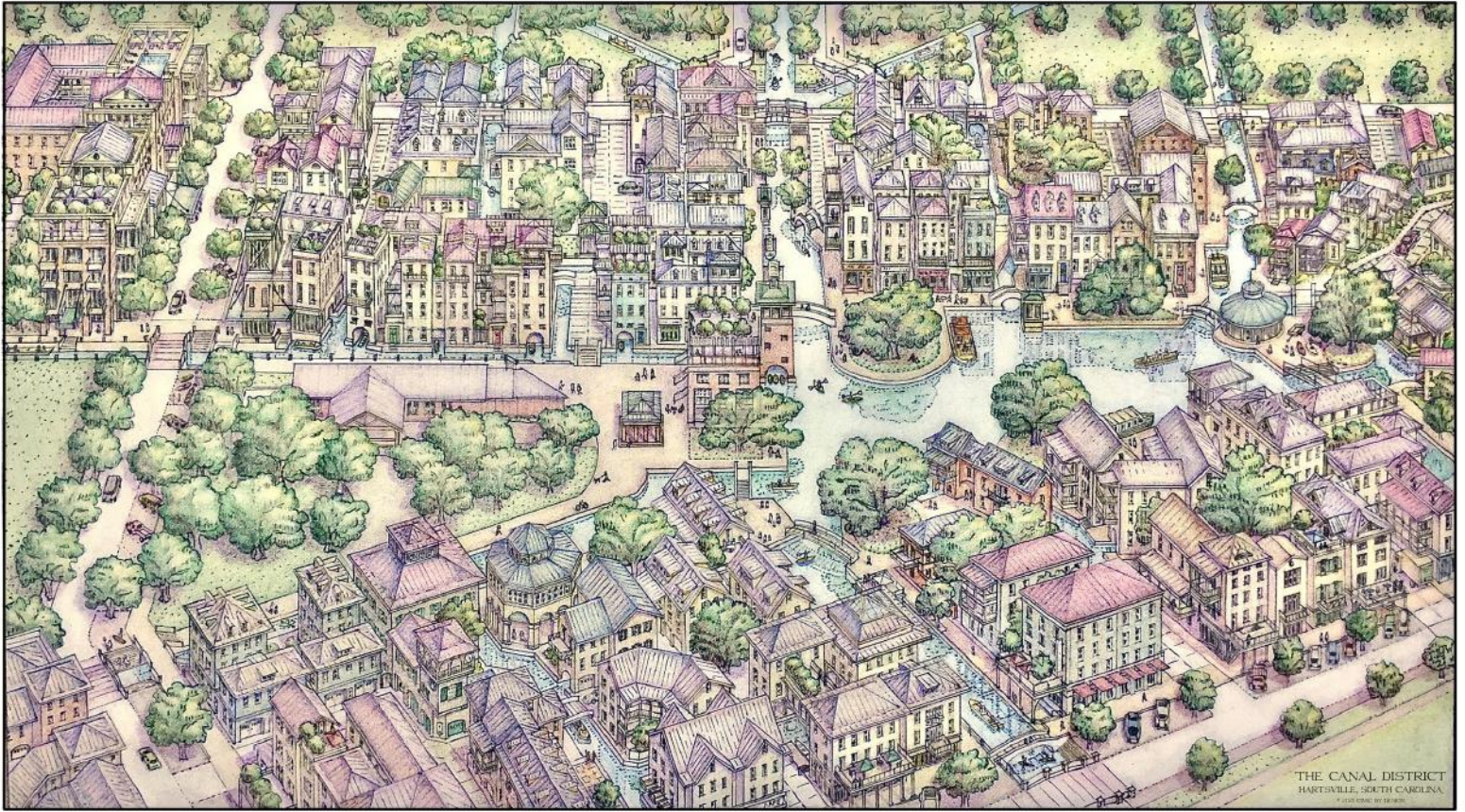
Within a mile, you will find Pride Park in the Historic Butler District and the 3.5-acre Lawton Park on Prestwood Lake. Two miles away is the 93-acre Byerly Park with fields for baseball, football, and soccer; tennis courts; a gymnasium; outdoor basketball court; and Neptune Island Water Park, which frequently sells out daily to its capacity of 1,300 visitors. A combination of designated bike trails and sidewalks makes access to these parks—and the Canal District—easy and pleasurable.

PROJECT OVERVIEW



The City of Hartsville and the Hartsville Public Development Corporation (HPDC) recognizes the actual buildout of the development site will be determined by the market but desires a project that integrates comfortably within the surrounding area and meets the overall goals of the City's 2030 Comprehensive Plan. Integration of water amenities/features as a creative component of the stormwater management system and quality affordable housing for young professionals are key components of the vision for the project.

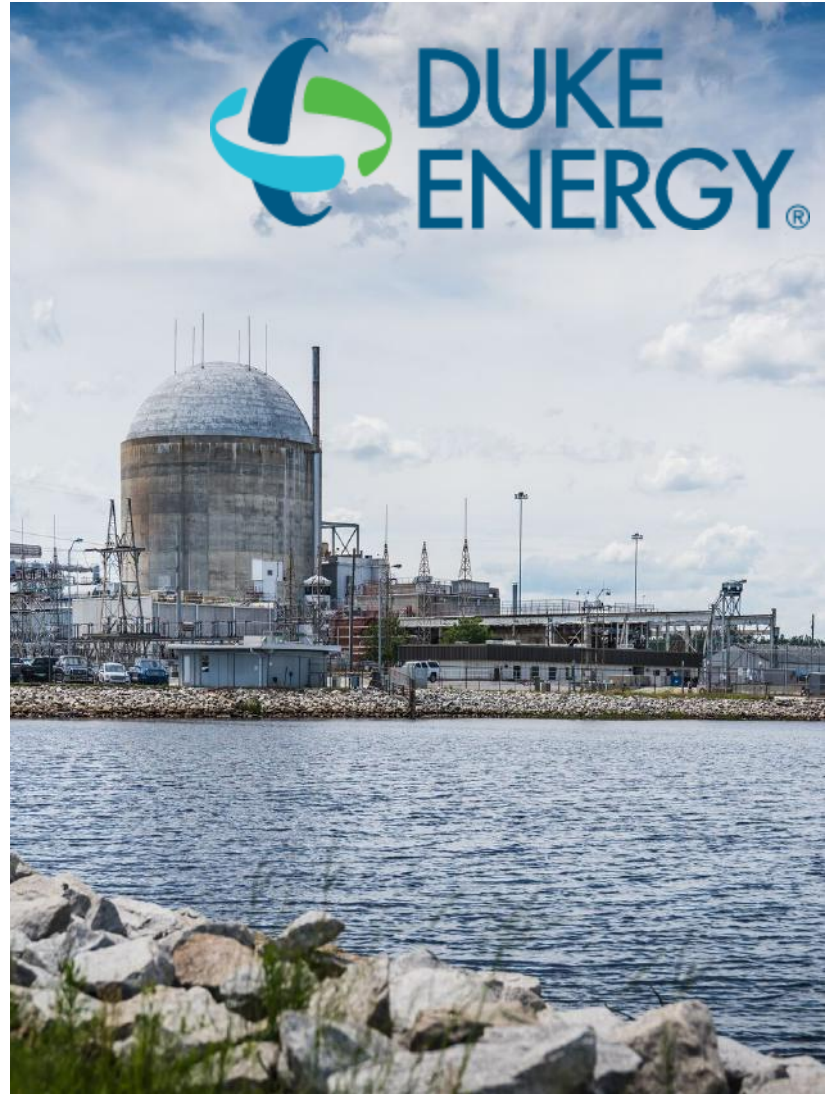
DEVELOPMENT VISION/GOALS FOR SITE



The City's goal is to facilitate the private redevelopment of the Canal District in a manner that will attract more residents and continue economic growth within the community's center city. The Canal District Master Plan envisions the creation of a mixed-use neighborhood with a strong sense of place that expands on the Main Street experience and connects with surrounding educational and residential uses. Conceptual illustrations suggest the creation of a reasonably dense, walkable district with 2- to 5-story buildings and a network of waterways/water features and green spaces. Recommended uses include housing options, neighborhood-oriented commercial, lodging, and civic and recreational activities.

PROMINENT INDUSTRIES

The Hartsville area is home to Duke Energy's Robinson Nuclear Plant, a single-unit power plant located on Lake Robinson, near Hartsville, S.C. The plant began commercial operation in 1971 and has a rated capacity of 759 megawatts. Robinson produces enough electricity to power more than 569,000 homes. The plant employs nearly 600 people with additional contingent workers during refueling outages.



Founded in 1899 by Major James Lide Coker, Sonoco Products Company is a United States based international provider of diversified consumer packaging industrial products, protective packaging, and packaging supply chain services and the world's largest producer of composite cans, tubes, and cores. With annualized net sales of approximately \$7.3 billion, Sonoco has 22,000 employees in more than 335 operations in 33 countries, serving more than 85 nations. The company is headquartered in Hartsville and is South Carolina's largest corporation in terms of sales. Sonoco is a member of the New York Stock Exchange Century Index and the S&P 400.

LAND USE REGULATIONS AND DESIGN STANDARDS/REVIEW

ZONING AND DESIGN STANDARDS

The current zoning of the development site is B-1, Central Business District, and P-1, Professional Offices. The City has invested a considerable amount of time and energy into developing this project and has a vested interest in its success. As such, the City is willing to entertain many zoning options for the site to make it more accessible for development, including using a planned unit development (PUD) agreement and/or zoning modifications to existing regulations.

Additionally, any development receiving incentives under the Strategic Investment Overlay Zone should comply with minor design and site planning elements to ensure quality and compatibility with general housing trends within the City.



NEPTUNE ISLAND - HARTSVILLE

CITY OWNED AND OPERATED WATERPARK

TRAFFIC CIRCULATION & RIGHT OF WAY ENCROACHMENTS

Four of the roads surrounding the site—S 4th Street, Evans St, Coker Ave, and Davis St—are owned and maintained by the state of South Carolina. The section of Railroad Ave that abuts the Site and the internal right of ways (ROWs) for China-berry Dr. and Reservoir St. are owned by the City of Hartsville. Any new encroachments and modifications in these street ROWs will require approval from the South Carolina Department of Transportation (SCDOT) and the City of Hartsville's Planning and Zoning Department, respectively.

FEMA/STORMWATER MANAGEMENT

Per Federal Emergency Management Agency (FEMA) maps, the development site is located in Zone X. The City/State requires all detention/retention of stormwater to be handled within the development Site. Stormwater permitting is overseen by the South Carolina Department of Health and Environmental Control (SCDHEC).

PURCHASE PRICE AND DEVELOPMENT ASSISTANCE



CAROLINA AVE

HARTSVILLE, SC

PURCHASE PRICE & INCENTIVES

The asking purchase price is \$1 million. To support the Project, the City and its County partners have created two mechanisms to assist in certain infrastructure costs associated with the site's development.

DISTRICT BUSINESS PARK

In November 2018, Darlington County and the City created the Canal District Business Park, which generally consists of the project area along 4th street. Per parcel, information is available upon request. Upon the creation of the Park, Darlington County and the City of Hartsville entered into an Intergovernmental Agreement dated November 14, 2018,

wherein: (i) the City agreed to the creation of the Park, (ii) the County agreed to provide 70% of Darlington County's portion of all fee revenues generated in the Park to the City through December 2038 (or after all improvements have been made) (defined as the "City's Fee Revenue"); and (iii) the City agreed to fund the infrastructure necessary to assist the development within the area constituting the Park, including:

- Engineering, architectural, consulting, and other professional services related to any projects located in or around the Park
- Parks, greenspace, hardscaping, land-scaping, and greenway improvements located in or around the Park

- Infrastructure improvements, including water, sewer, electric, gas, stormwater, railways, sidewalks, and roadways located in or around the Park
- Lighting and public access improvements located in or around the Park
- Surface parking, garage parking, on-street parking, and other parking facilities to serve the Park and related areas
- Waterway, canal, and waterworks features to benefit the Park and the development therein
- Recreation improvements in and around the Park

Under the terms of the IGA, the distribution of the City’s Fee Revenue began in 2019. Since that time, the City has received a total of \$780,478.61 as City Fee Revenue.

STRATEGIC INVESTMENT ZONE (SIZ) INCENTIVE PROGRAM

Under the SIZ, the City may negotiate additional incentives to support the construction of decent, safe, and affordable housing to low to moderate-income persons, applying some minor design guidelines and site planning elements. Accommodated housing types are single-family detached, single-family attached, mixed-use, duplexes, condominiums, and townhouses.

Incentives may include:

- Up to 100% of the applicable tap fees
- Up to 50% of the building permit fees
- Assistance with demolition
- Donation of property
- Expedited Development Review Process

Direct incentives include reimbursements or refunds of fees and taxes duly paid to the City.

FEDERAL/STATE INCENTIVES

OPPORTUNITY ZONE (OZ)

The development site is located in an Opportunity Zone. This federal program provides substantial tax incentives for taxpayers who reinvest unrealized capital gains into dedicated funds to encourage economic development and job creation in distressed urban and rural communities.

Opportunity Zones are a new community development program established by Congress as a part of the Tax Cuts and Jobs Act of 2017. They are designed to encourage long-term private investments in distressed communities. This program provides a federal tax incentive for taxpayers who reinvest unrealized capital gains into “Opportunity Funds,” specialized vehicles dedicated to investing in disadvantaged areas called “Opportunity Zones.”

The Opportunity Zones program offers investors the following incentives for putting their capital to work in disadvantaged communities:

- Investors can roll existing capital gains into Opportunity Funds with no up-front tax bill
- A 5-year holding increases the rolled-over capital gains basis by 10%
- A 7-year holding increases the rolled-over capital gain investment basis by 5% for a total of 15%
- Investors can defer their original tax bill until December 31, 2026, at the latest, or until they sell their Opportunity Fund investments, if earlier
- Opportunity Fund investments held in the fund for at least ten years are not taxed for capital gains

AFFORDABLE HOUSING

The Development Site is located within a USHUD 2022 Qualified Census Tract for incentives to support the construction of affordable housing. SC Housing, the state’s housing authority, offers federal tax credits, low-interest loans, tax-exempt bond allocations, and trust fund assistance through competitive application processes.

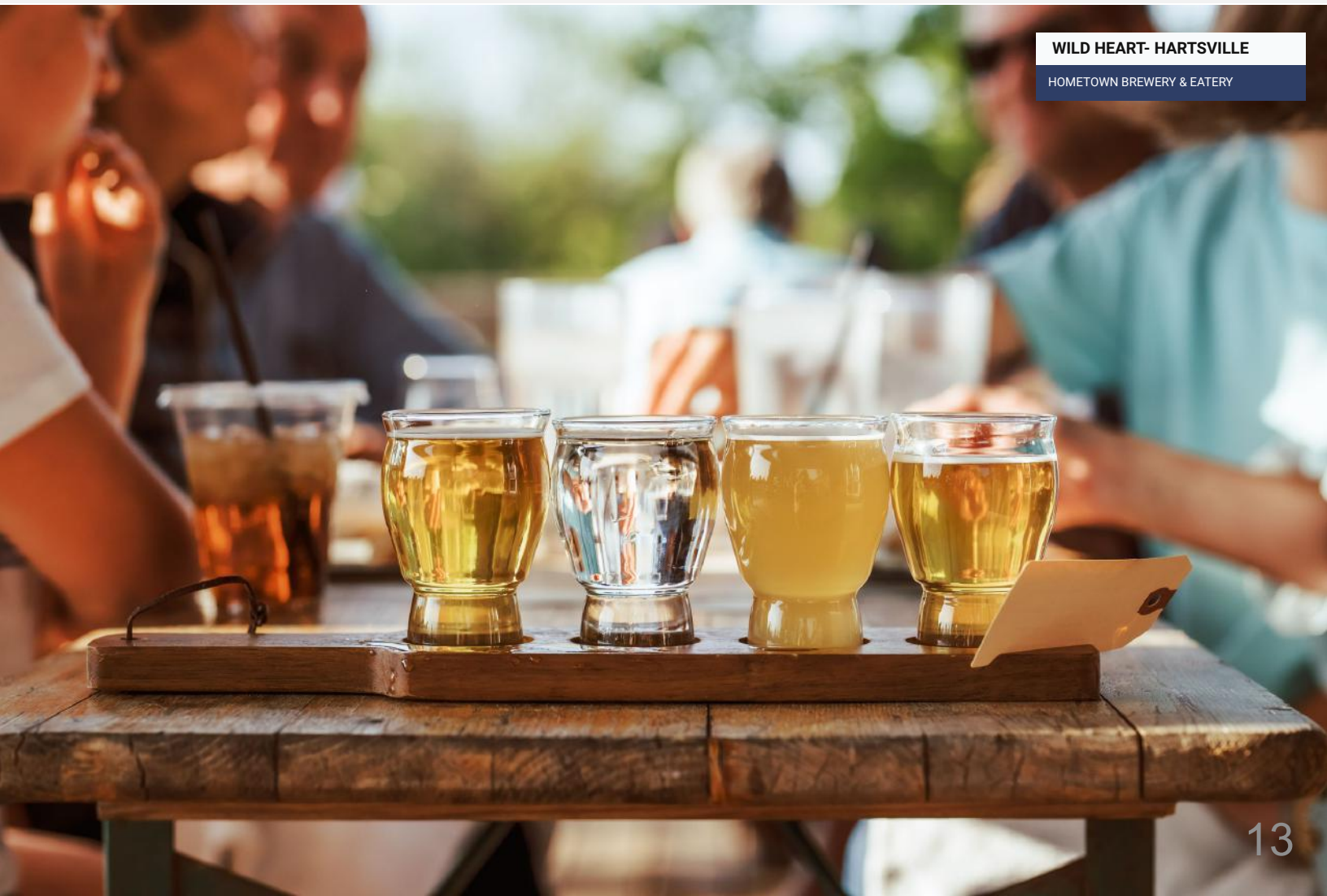
OTHER ECONOMIC DEVELOPMENT INCENTIVES

The State of South Carolina offers both statutory and discretionary incentives that may be used to attract new and expanding businesses. Incentives reduce real property and corporate income tax liabilities for low-cost construction financing for certain types of companies. Eligibility is based on new capital expenditure and job creation. Incentives are coordinated through Darlington County’s Economic Development.



UTILITY INCENTIVES

Development assistance may be available through utility rebates, cost savings products, and energy-saving incentive programs.



WILD HEART- HARTSVILLE
HOMETOWN BREWERY & EATERY

CONTENTS OF SUBMITTAL

Letters of Interest should include a packet with the following information:

- Developer's experience, qualifications, and financial capacity
- 3-4 illustrative examples of previous development projects
- A brief description of the developer's vision for a project on the site (i.e., potential uses and scale)
- General development approach, phasing
- Financial structure.

At this point in the process, site design, architectural renderings, and detailed financials are not required. The City and HPDC are open to imaginative approaches and welcome proposals of any conceptual framework that meets the overarching goals for the development site.

NEXT STEPS/CONTACT INFORMATION

Letters of Interest and packet submittals are due to Daniel Moore, City Manager, by **12/14/2022** by 5:00 pm. The City/HPDC reserves the right to interview interested parties on a case-by-case basis, request clarification directly from one or more interested parties, and reject any or all Letters of Interest. Upon successful negotiations with the appropriate developer(s), the City/HPDC anticipates entering into a Public-Private Partnership (PPP) Agreement outlining specific terms of the property sale. The final execution of the sale and a PPP Agreement are contingent on formal approval by the HPDC Board of Directors.

Questions regarding this Request for Letters of Interest and submittals may be addressed to:

Daniel Moore, City Manager
100 E. Carolina Ave.
PO Drawer 2497
Hartsville, SC 29551



COKER UNIVERSITY
HARTSVILLE, SC

