

**AN ORDINANCE OF THE CITY OF EASLEY, SOUTH CAROLINA, APPROVING THE EXECUTION AND DELIVERY OF A DEVELOPMENT AGREEMENT WITH SILO HOLDINGS, LLC**

**WHEREAS**, South Carolina law authorizes municipalities to take actions not inconsistent with the Constitution and general laws of the State, regarding any subject the municipality finds necessary and proper for the general welfare and convenience of the municipality, including to execute and deliver contracts, to assist in redeveloping blighted areas, and to expend public funds for economic development;

**WHEREAS**, Silo Holdings, LLC (“Developer”) owns, or intends to lease/purchase, real property (the “Property”) in the City of Easley, South Carolina (the “City”) and to develop the Property;

**WHEREAS**, on the Property, Developer intends (a) to invest near one-million dollars (\$1,000,000) to purchase, design, and renovate the property to establish multiple businesses that will create at least twenty (20) and upwards of sixty (60) jobs, and (b) to design and construct various commercial/retail facilities, (collectively, the “Development”);

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EASLEY, SOUTH CAROLINA, AS FOLLOWS:**

1. The City hereby authorizes the Mayor or the City Administrator to make minor corrections, execute, and deliver such documents as may be necessary or useful to affect the implementation of the Economic Development Agreement attached to this ordinance.
2. The Project Agreement, with whatever changes are (a) not materially adverse to the City and (b) approved by the Mayor or the City Administrator (after advice of City’s counsel), is approved and is incorporated by reference in this Ordinance as if set forth fully in the Ordinance’s body. The Mayor’s or City Administrator’s execution of the final Project Agreement shall be conclusive evidence of the City’s approval thereof.
3. The Mayor and the City Administrator are, each acting alone or in concert, authorized to take whatever actions and execute and deliver whatever documents (including the Project Agreement) as either of them deems appropriate to affect this Ordinance’s intent.

**THIS ORDINANCE SHALL BE EFFECTIVE IMMEDIATELY UPON SECOND READING.**

**CITY OF EASLEY, SOUTH CAROLINA**

(SEAL)

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

**EXHIBIT A**

**DEVELOPMENT AGREEMENT**

**(SEE ATTACHED)**

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**STATE OF SOUTH CAROLINA** )  
 )  
**COUNTY OF PICKENS** )

**THIS AGREEMENT** dated the \_\_\_\_ day of \_\_\_\_\_ 2019, is between the City of Easley, S.C., a municipal corporation with offices at 205 N. First Street, Easley, SC 29640 ("City"), and Silos Holdings, LLC, ("developer") a South Carolina limited liability corporation.

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### **BACKGROUND STATEMENT**

One of the primary missions of the City is to encourage economic development and thereby improve the tax base and enhance the livability of the Easley area.

The developer will enter into a Lease/Purchase agreement for the commercial property (the "property") located at 122 Folger Street located within the City limits as outlined in the attached Lease-Purchase Agreement.

The developer has requested an economic incentive grant from the City in return for the developer's agreement to create up to six (6) businesses within the Silo property.

Revenues from property taxes, business licenses, stormwater fees and building permits are estimated to exceed \$25,000.00 in a five-year period. There is also an expectation that the business will renovate an abandoned, blighted, and historical building in the Tax Increment Finance District. The renovation and resulting commercial venture will also create at least 20 and upwards of 60 new full-time equivalent jobs.

Based upon the foregoing, the City Council of the City of Easley has determined that the mission of the City to encourage economic development will be enhanced by the completion of the developer's project.

### **STATEMENT OF AGREEMENT**

1. In consideration of the mutual representations, warranties, covenants and agreements contained herein, the parties hereto agree as follows:
2. Silo Holdings, LLC, or its subsidiaries, agrees to open to the general public on or before June 1, 2021 on the Silos property. agrees to open up to six (6) unique businesses that employ more than 20 and up to 50 people within 48 months of certificate of occupancy. Silo Holdings, LLC may open more that the number listed and still remain in compliance with this agreement.
3. The City will pay to the developer a grant based on the increase in business licenses and based on the total cost of plan review and building permits. The grant will be provided over a six-year period on May 1<sup>st</sup> of each year. The grants will be percentage based on the increase in values over the base established for each of the below categories for the following percentages.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Plans and Specs Review Fees and Permit Fees	50%	-	-	-	-	-
Business License	-	50%	40%	30%	20%	10%

The Business License amount will be set based on the amount paid on their first renewal application that covers an entire twelve-month operation period; if the first business license period is mid-year, the subsequent year will initiate the first renewal period for reimbursement. The permit fees will be based on the fees paid for work done prior to the Certificate of Occupancy and initial Business License being issued.

4. The total amount of the above-mentioned grants shall not be greater than the direct value received by the City and delivered from the capital investment during the contribution period.

5. Due to the nature of the site, scope of redevelopment, and impact on surrounding properties, The City agrees to the following actions:

- a. The City will make up to \$50,000 available through the City's Tax Increment Finance Funds that can be used to install Public Art in the Silo District. The City of Easley agrees to develop and implement a mutually beneficial mural on the Silos that does not serve as advertisement for any business. All Silo designs will have to be approved by Council. Additional Funding from the City Funds, private developers, and donors may be made available should projects be approved by City Council.
- b. The City of Easley will lease/purchase the property to Silo Holdings, LLC under the terms of 40 months at a set price of \$2,000/month beginning the 15<sup>th</sup> of the month after the Development Agreement is signed. The City will forgive the lease/purchase on a monthly basis if conditions of the Economic Development Ordinance are in progress and timelines are met. At the end of the term, the Title in full will be transferred to the purchaser. The minimum timeframes to be in compliance for forgiveness are:
  - i. Submittal of single Site Plans by 3/31/2020
  - ii. General construction and renovation started per site plan by 6/30/2020
  - iii. Continued progress quarterly on 9/30/2020 and 12/30/2020
  - iv. Substantial completion by 3/30/2021
  - v. Certificate of Single Occupancy and Open to Public by 6/30/2021
  - vi. Continued Occupancy and open to the Public monthly until the 40-month period ends. Construction may continue past the above timeline.

If the business is transferred to another party, the tenant shall not be in breach of contract as long as the tenant promptly makes diligent efforts to fill the space. The above shall only apply in cases of substantial non-compliance.

Should the timeframe not be met, the lease/purchase agreement shall be cancelled, and the property, including any renovations or improvements made to the property, shall remain with the City. There will be no limitations placed upon the city's ability to market the facility and seek new tenants should the lease /purchase end early due to non-compliance with the timeframe and scope set.

The timeframes outlined may be amended with approval by both parties as an amendment to this agreement.

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- c. The City of Easley will construct a sidewalk along Folger Avenue to connect the public parking facilities to the Silo property prior to substantial completion and maintain the adjacent retaining wall in perpetuity. Prior to transferring the property to Silo Holdings, LLC at the completion of the lease, the portion of the property containing the retaining wall will be surveyed and deeded to the City of Easley. Silo Holdings, LLC agrees to provide ADA accessible parking and loading/unloading zones within the property located at 122 Folger Avenue.
  - d. The City of Easley will pursue additional public parking opportunities, including but not limited to adjacent undeveloped sites on Folger Avenue.
  - e. Both parties agree to mutually pursue designation on the National Historic Registry. Silo Holdings, LLC agrees to pursue Federal and State Historical Tax Credits. The City of Easley will provide a letter of abandonment for the property for the purposes of the Abandoned Building Tax Credit.
  - f. The City agrees to work toward improved signage, pedestrian and bicycle connectivity, and marketing of the Silos and the "Silo District."
6. Notifications shall be addressed:
    - a) To Developer:  
Silo Holdings, LLC  
158 Timberstone trail  
Six Mile, SC 29682
    - b) To City:  
City Administrator  
City of Easley  
P.O. Box 466  
Easley, SC 29640
  7. The Background Statement above is included in the terms of this agreement.

**IT IS SO AGREED** as of the date above first written.

**Silo Holdings, LLC**

**City of Easley, South Carolina**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_