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**Incentives for  
Downtown  
Investment**

2024 MASC  
Annual Meeting

Greenville, SC  
Thursday, July 18  
3:15p – 4p

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**Today's Speakers**



**Gary Bailey**  
Bailey Building Owner  
Laurens  
[gbailey@lovebaileycpa.com](mailto:gbailey@lovebaileycpa.com)



**Rob Wolfe**  
Town Manager  
Cheraw  
[rwolfe@cheraw.com](mailto:rwolfe@cheraw.com)



**Andrew Porio**  
VP Business Development  
Tax Credit Marketplace  
[aporio@taxcreditmp.com](mailto:aporio@taxcreditmp.com)

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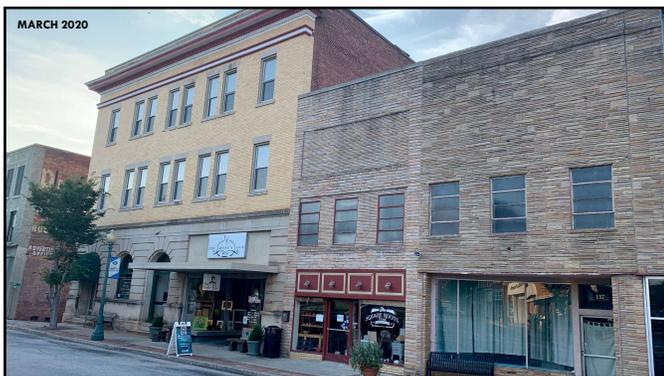
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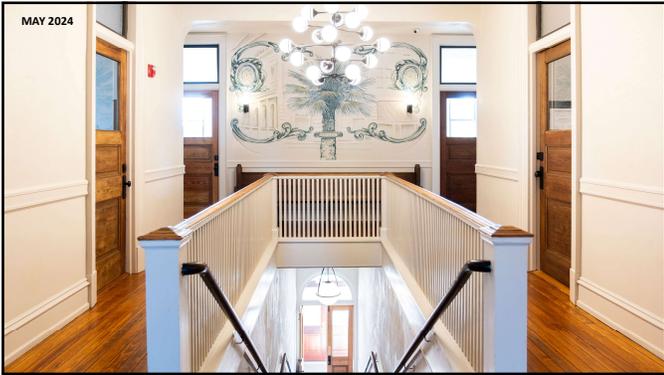
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BUILDING INVESTMENT	
Building Purchase March 2020	\$ 335,000
Renovations	1,950,000
Total Renovation	\$2,300,000
Total Credits (historic & abandon)	\$1,215,174
Less: Credit Sale	( 239,105)
Net Credits	\$ 976,069
Net Investment	\$1,323,931
Grouchos Construction (2024)	\$ 365,493
Net Investment	\$1,689,424
May 2024 Appraisal	\$2,800,000

\*\*\*Estimated property tax savings over the 10yrs is \$100,000

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**Public Investment in  
Downtowns**  
Making the Numbers Work

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- Defining the Main Street Program: **Adaptability**
- Main Street is: 4 Principles to Guide Local Policy Making
- Main Street is not: A plug and play equation that creates a thriving downtown.



**The 4-Point Approach is 44+ years strong!**

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**Cheraw Quick Notes:**

- Joined the Main Street in 2019
- Approximately \$1 million in local investment since 2020

**Assets:**

- Historic Resources
- Strong Industrial Base
- Cultural History

**Weaknesses:**

- Disinvestment in Downtown
- Dilapidated Properties



Mar 26, 2021, 1:59 PM

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**“You don’t serve steak on a dirty platter!”**  
 – Cheraw Downtown Master Plan, 2021

**The Town of Cheraw needed to focus on maintaining our sense of place.**



Town and private investment secured a 104 room Springhill Suites in downtown in mid-2020

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**Utilization of Local Resources**

- How do we encourage private property owners to invest in downtown?




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**Justification**

- Downtowns are a tourism asset. You have to maintain your tourism assets!
- Nichols v. South Carolina Research Authority
- In 2023 Downtown Cheraw had 100,000 unique visitors, with 826,000 total visits. Up from 77,000 and 644,000 in 2021 respectively.

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**Façade Grants**



157 Market Street




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### Historic Building Rehabilitation Grants

- Started with a Hometown Economic Development Grant
- Promotes the sale of buildings.
- Promotes Good Stewardship of Historic Resources
- Since 2021 Cheraw's Historic Rehab Grant has helped promote the transfer of three properties and helped secure approximately \$400,000 in private investment.



168 Second Street




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Maintaining our intact streetscapes is a top priority to maintain Cheraw's sense of place.

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Tax Credit & Syndication Opportunities

Main Street South Carolina  
Municipal Association of SC  
July 18, 2024

Andrew Porio  
VP Business Development

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### Presentation Outline

- Tax Credit Overview & Statistics
- State & Federal Credits: A Deeper Dive
- Tax Credit Monetization Process
- TCM Recent Fund Statistics
- Project Spotlights
- Recent Legislation, Questions

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### Tax Credit Marketplace

- 2010 **Principals began monetizing S.C. tax credits**
- 2013 **Formed Tax Credit Marketplace, LLC**  
Tax Credit Marketplace began connecting investors with developers to partner in the monetization and investment of tax credits.
- 2014 **Launched first annual state credit fund**  
This state credit fund was designed to aggregate credits, which solved an inefficient market.
- 2017 **Formed Poinsett Securities, LLC**  
Poinsett Securities, LLC was formed to be a captive Broker Dealer for Tax Credit Marketplace, LLC.
- 2017 **Closed first federal tax credit fund**
- 2021 **Opened Charleston, S.C. office**
- 2023 **\$140M in Monetized Tax Credits**  
Tax Credit Marketplace has monetized over \$140 million in tax credits.

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### Purpose of South Carolina Rehabilitation/Revitalization Tax Credit

The abandonment of buildings has resulted in the disruption of communities and increased cost to local governments by requiring additional police and fire services due to excessive vacancies. Many abandoned buildings pose safety concerns. A public and corporate purpose is served by restoring these buildings to productive assets for the communities in which they are located and result in increased job opportunities.

Acts create an incentive for the rehabilitation, renovation, and redevelopment of abandoned and/or historic buildings located in South Carolina.

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### Purpose of South Carolina Rehabilitation/Revitalization Tax Credit




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### Tax Credits Currently Available in SC

SC Abandoned Buildings Revitalization Act	Federal Historic Rehabilitation Act
SC Textile Communities Revitalization Act	Federal Renewable Energy ITC
SC Historic Rehabilitation Incentives Act	

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### Abandoned Building Revitalization

- 2/3 vacant continuously for **5** years prior to submission of NOI
- Costs to increase square footage by over **100%** excluded from credit calculation
- **25%** credit; **\$700k** maximum per site. Can be multi-sited in certain circumstances to maximize credits
- Final actual rehab costs must be greater than **80%** and capped at **125%** of amount in NOI
- Current sunset: 12/31/2035

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### Abandoned Building Credit Producing Projects



**5<sup>th</sup> and Sloan Apartments**  
2901 Rosewood Drive  
Columbia, SC

**The Dewberry Hotel**  
L. Mendel Rivers  
Federal Building  
(built 1964)  
Charleston, SC

**Anchorage Restaurant**  
586 Perry Avenue  
Greenville, SC

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### Textile Revitalization

- SC Rev-Proc 15-08
- **25%** credit - unlimited
- **80%** closed continuously for at least **ONE** year prior to filing NOI; or non-operational as a textile facility
- Site may be subdivided with separate developers
- Pre-2008: 1,000 feet; excludes ancillary service areas unless property acquired pre-1/1/2008 (footprint rule)
- Includes only areas within the boundaries of the manufacturing, dyeing or finishing operation
- Post 2018: Distressed area rules commenced

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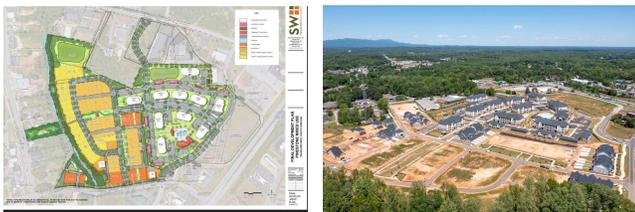
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### 100 Roe Road - Travelers Rest, SC



- Former EMB-Text Plant
- Multiple phases: Single Family Residential, Multifamily, and Commercial
- \$100 - \$120 million estimated development budget
- Placed in service over 3-year period (2022-2024)

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### Textile Credit Producing Project



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### SC Historic Rehabilitation Tax Credits

- **25%** tax credit up to **\$4 million** QRE OR **10%** unlimited; may be combined with Textile and Abandoned Building
- Properties that qualify for Federal Historic Rehabilitation credits (**20%**), also qualify for SC Historic Rehabilitation credits (**25%**)
- June 2015 - Amended to offer **25%** option up to **\$4 million** QRE

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### Historic Credit Producing Project



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### Community Impact

- Investors: **500+**
- Projects: **100+**
- Real Estate Developers: **75+**
- Counties: **19**
- Total estimated rehabilitation investment: **\$672 million**
- Total tax credit investments: **139**
- Total credits monetized: **\$140 million**

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### Federal Historic Tax Credits

- **20%** credit
- Construction at least **50** years old. Must be a "certified historic structure" on National Register of Historic Places administered by the NPS or located in a historic district and certified as having historic significance
- **5**-year utilization period
  - Can stack with AB or Textile and SC Historic
  - Bailey Bill available

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### Federal Historic Tax Credits

#### **Federal Historic Program Accomplishments 1977- 2023**

- \$131.71 billion in historic rehabilitation investments
- 49,263 projects certified as Historic Projects

#### **National Park Service HTC 2023 Annual Report Highlights:**

- \$34.8 billion of total rehabilitation investments (Qualified Rehabilitation Expenditures)
- 4,922 projects certified as Historic Projects

#### **South Carolina Statistics 2016-2023**

- 98 projects completed
- \$489.73 million of qualified rehabilitation expenses
- \$97.9 million in Federal Historic Tax Credits generated

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### Historic Tax Credit Producing Project



**Savage Craft Brewery**  
420, 424 - 426 Center Street  
West Columbia, SC

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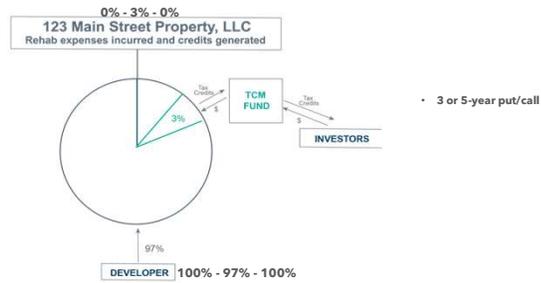
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### SC Tax Credit Life Cycle




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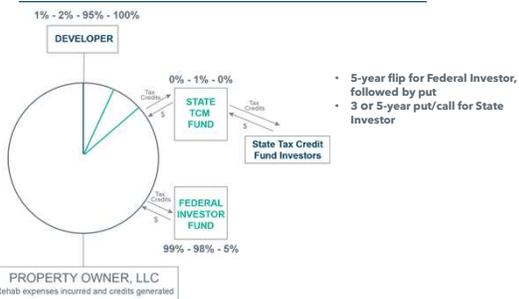
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### Federal Tax Credit Life Cycle




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### Unique Projects



**1770 Anchorage**  
William Elliott House (est. built 1800)  
1103 East Bay Street  
Beaufort, SC



Former Aug Smith Dept Store Building  
174 East Main Street  
Spartanburg, SC  
(est. built 1926)

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**Savage Craft Ale Works**  
430 Center Street  
West Columbia, SC  
Federal & State  
HTC Credits  
AB Credits



**William T. Wilkins House**  
105 Mills Ave  
Greenville, SC  
(Built 1878)  
Federal & State  
Historic Credits  
AB Credits



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### Recent Legislation

**SC S0271:** Passed May 2021  
Extend the provisions of the SC AB Rules until 12/31/2025; Railway easement

**SC S0627:** Passed June 2021  
Pass through trade and business income

**SC S1087:** Passed June 2022  
Comprehensive Tax Cut Act of 2022

**SC H4547:** Pre-filed November 2023  
Extend the AB Revitalization Act until 12/31/2035; with cost escalators

**SC S1021:** Passed May 2024  
Extend the AB Revitalization Act until 12/31/2035; increase credit to \$700K

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Project Spotlight




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Project Spotlight




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Project Spotlight

	Parcel A: Fire House & City Hall	Parcel B: New Construction	Parcel C: Jail	Parcel D: Army Hall
Federal Credits	\$ 716,266		\$ 174,429	\$ 344,940
SC Historic Credits	\$ 895,333		\$ 218,036	\$ 435,530
SC AB Credits	\$ 500,000	\$ 500,000	\$ 140,625	\$ 263,553

Construction Loan	<b>\$3,632,000</b>	Total Project Cost	<b>\$9,603,972</b>
Federal Tax Credit Equity	<b>\$883,245</b>	Total Credits Generated	<b>\$4,188,712</b>
State Tax Credit Equity	<b>\$2,008,093</b>	Total Tax Credit Equity	<b>\$2,891,338</b>
Sponsor Equity	<b>\$1,827,942</b>	Percentage of Project Cost	<b>30.11%</b>
Deferred Dev Fee	<b>\$1,252,692</b>	Tax Credit Mezz Loan	<b>\$1,574,000</b>

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### Project Spotlight




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### Project Spotlight




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### Project Spotlight



**WINNER!**  
South Carolina Department of  
Archives and History's Historic  
Preservation Honor Award

**Savage Craft Ale Works**  
West Columbia, SC

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### QUESTIONS?



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Bailey Building Owner  
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Tax Credit Marketplace  
[aporio@taxcreditmp.com](mailto:aporio@taxcreditmp.com)  
843.737.8017



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### Resources



[Economic Incentives Toolkit pdf](#)



[Bailey Bill Economic Impact Study Columbia, SC](#)



[Economic Development Incentives: A Collaborative Process on-demand video resource](#)

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