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# Mega-stores, mega-breaks in Columbia?

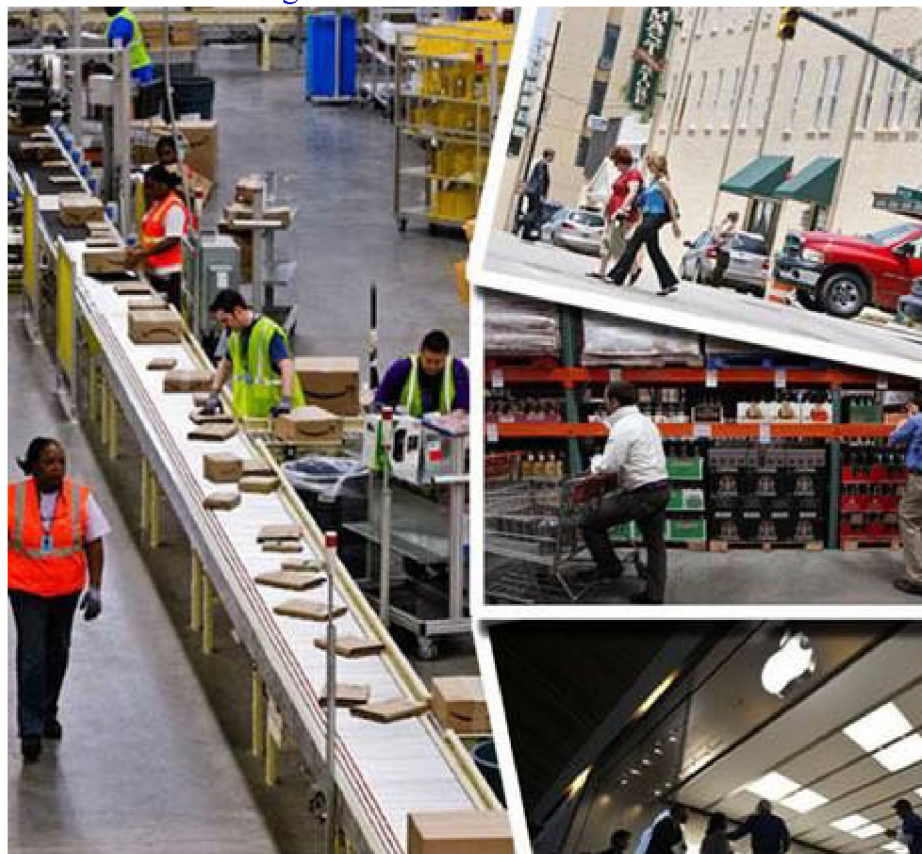
By KRISTY EPPLEY RUPON and JEFF WILKINSON

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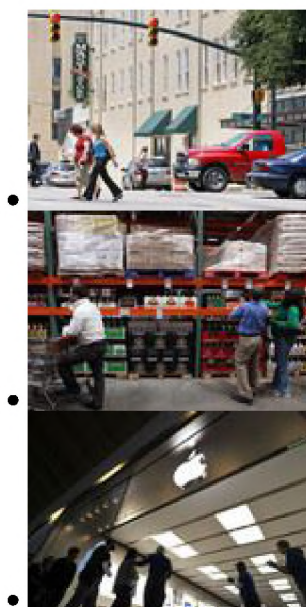
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By KRISTY EPPLEY RUPON and JEFF WILKINSON The\_State

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Amazon on the left. Mast General, Costco, and Apple on the left THE STATE STAFF ILLUSTRATION





- Retailer incentives

*Traditionally, economic-development incentives have been reserved for manufacturers, which bring hundreds of jobs and millions in investment. However, Costco's decision last week to drop its plans for a Midlands site has some questioning whether deals also should be offered to retailers. In some cases, they already are. A look:*

Amazon

*The online retailer received:*

- A property tax break for 20 years, worth roughly \$2.5 million a year
- A rare sales tax collection exemption at least through 2015
- Job-creation tax credits

Mast General Store

*The Main Street retailer received:*

- Low-interest financing

Discounts for employee parking from the city

COLUMBIA, SC — Columbia-area shoppers want more national stores. They create Facebook pages begging retailers to open. They line up by the hundreds when Whole Foods and Mast General Store open, and crowd the parking lot at the new Trader Joe's to overflowing for weeks.

But should government offer incentives to a retailer to locate in the Midlands?

It has happened before – think Mast General Store along Columbia's Main Street.

But it's a bad idea, critics say.

Still, many shoppers expressed disappointment – on social media and beyond – when a deal fell apart earlier this week to bring the first Costco to the Midlands.

Developers had asked Richland County for tax incentives to help with nearly \$3 million in cost overruns at Costco's proposed site – along Piney Grove Road, near the Harbison area. The overruns stemmed from topography concerns and needed road improvements.

But the warehouse retailer dropped its Midlands plans when Richland County did not offer enough assistance, developers say. Neither side will say how much was offered.

Part of the problem is that economic incentives, including tax breaks, traditionally have not been offered to retailers. Instead, they have been reserved for manufacturers, distribution centers and call centers, which bring hundreds of jobs and millions in investment to an area.

But, perhaps, the time has come to offer deals to retailers as well, some say.

"You can see the economic development it brings to the area when someone like a Costco comes to town," said Richland County Planning Commission chairman Patrick Palmer, a senior broker with the NAI Avant commercial real estate firm who was not involved in the Costco deal.

"When you're able to put something on the tax rolls of this significant size, you need to take a look at it in the long haul," Palmer said. "It would be helpful if (County Council) would look for ways to help with deals."



Costco would have brought more than 200 jobs to the area and \$7 million in sales taxes annually to the county, its Mount Pleasant-based developer said.

And, once Costco had established a foothold in the Midlands, the warehouse retailer likely would have opened a second store, said Palmer, who has worked with Costco in the past. The development also would have boosted the Piney Grove Road area, attracting new development along that corridor, he said.

But Ashley Landess, president of the S.C. Policy Council, says incentives packages for retailers are a bad idea. “What is particularly dangerous about retail incentives is that not only are you forcing taxpayers to subsidize a private business, but you really are forcing businesses to subsidize their competition,” she said. “Politicians are deciding which businesses don’t have to pay their taxes. ... They are literally creating monopolies and hurting independent businesses.

Read more here: <http://www.thestate.com/2013/12/13/3157774/mega-stores-mega-breaks-in-columbia.html#storylink=cpy>

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