

Golf course tax breaks aimed at preserving rural community

Berkeley area of Lebanon wants a say in limiting development



Residents of the Lebanon community in Berkeley County have asked the County Council to preserve the area's rural atmosphere. That is being threatened, some say, by investors buying large parcels of land for development.



PHOTOGRAPHS BY DAVID WREN/STAFF A gate blocks the entrance to a roughly 440-acre parcel that will become a private golf course development off Cypress Campground Road in Berkeley County.



A new home is under construction in the Thistledown Farms development off Cypress Campground Road in the Lebanon community, about a half-mile from where a private golf course is planned.DAVID WREN/STAFF

BY DAVID WREN DWREN@POSTANDCOURIER.COM

LEBANON — Even with new neighborhoods and industrial development closing in on all sides, there's been little change over the years to the two-lane Cypress Campground Road that winds through sleepy stretches of farmland in Berkeley County's rural interior.That's

how the residents like it.

They've fought hard to keep their tiny slice of one of South Carolina's fastest-growing counties free of the traffic, noise and commotion that's creeping in around them.

But change is coming. Nearby, large swaths of open fields are going on the market, catering to developers eager to build more homes or industrial warehouses.

If staving off growth is a losing battle, residents say, at least let that growth be something the community can, if not embrace, at least tolerate.

And that's how an exclusive, members-only golf club came to get the kind of property tax breaks usually reserved for the big manufacturers Lebanon has tried to shield itself from.

A group of investors that includes the president and CEO of the country club on Daniel Island wants to build an 18-hole private course on 442 acres just off Cypress Campground Road.

The development would include a clubhouse and 16 cottages for overnight stays, with memberships marketed nationally and capped at about 200.

Berkeley County Council recently approved the golf course for a property tax incentive known as "special source revenue credits." A perk created by state legislators to lure big industrial employers, it refunds a portion of the tax bill to the property owner to help cover expenses associated with a particular economic development project.

In this case, the golf course's annual tax bill will be capped at \$153,000 for a 20-year period. In exchange, the developer CCGC LLC has agreed to invest nearly \$30 million and create 69 full-time jobs. It would take more than 100 homes to generate the same amount of tax

revenue.

The county also negotiated the use of the course once a year for a charity event.

It's believed to be the first time such property tax incentives have been approved in South Carolina for a golf club, private or public.

Tight-lipped Despite that distinction, the elected officials who blessed the deal have been reluctant to talk about it.

The incentives received three unanimous approvals from Berkeley County Council, with little public discussion and no disclosure about what sort of business CCGC is in.

Johnny Cribb, the county's supervisor, did not respond to a request for comment. Instead, he forwarded the request to a spokeswoman.

The Post and Courier filed a Freedom of Information Act request for documents related to the incentives, but the county had not provided all of them as of Friday.

Councilman Caldwell Pinckney Jr., whose district includes the CCGC property and who "enjoys playing golf," according to his online biography did not return a telephone call seeking comment.

Josh Whitley, chairman of the council's finance committee and a sometimes outspoken opponent of corporate tax breaks, ultimately broke the silence.

"This is an exciting and unique opportunity for the county to prevent a large-scale housing development in a community that is jealously trying to protect its identity, namely the Lebanon community," Whitley said.

Instead of a neighborhood boast-ing potentially hundreds of homes under the property's current zoning, the tract would host a few dozen golfers at any one time, which Whitley said pleases the neighbors.

Hence the development's code name when it was working its way through the approval process: Project Happy.

Identity crisis Growth and its impact on quality of life is nothing new for Berkeley County residents. A report in 1997 by The Post and Courier analyzed whether the county's expansion was too fast, as new homes pushed the population to 132,502 residents.

That figure has since swelled to 236,701, according to the latest Census Bureau data for 2021.

The concerns hit overdrive when Volvo Cars announced in 2015 that it would build its only U.S. manufacturing campus and eventually hire 4,000 workers where thousands of acres of forestland stood near the tiny town of Ridgeville.

Warehouses, distribution centers, manufacturing suppliers and a large business park followed along the Interstate 26 corridor, putting pressure on county leaders to approve vast new residential developments to house those new workers.

Through it all, Lebanon's residents have fought to keep growth from encroaching on their way of life.

Lynn Hoover grew up in the community.

As a child, she caught fish in a pond where the golf course is to be built. Today, she can see the property from her front porch, and she's glad the site will be preserved from large-scale development.

“I believe the majority of people in the community completely support the golf course coming out here,” said Hoover, a retired middle school teacher who’s been on the county’s Planning Commission for the past 25 years.

“I want my former students and my own children to have a great place to work, but I also want them to have a great place to live,” she said.

“We have tried really hard to maintain a balance between development and retaining the rural character of our wonderful, traditionally farming communities.”

The neighborhood where Hoover lives is in what’s called a “Flex-1” zone, which means the land can be used for farming and low-density housing. A golf course is also allowed under that designation.

“If somebody buys property and does not seek zoning changes, there’s not much that can be done about that,” Hoover said. “But if somebody comes in and wants to change the zoning ... they might stir up a hornet’s nest.”

That’s exactly what happened when a homebuilder wanted to buy the parcel near her home. Residents opposed the development, and the deal never came together.

When CCGC proposed building a golf course on the site, the county jumped at the chance.

“It checks all the boxes from an infrastructure standpoint,” Whitley said. “There’s not going to be an impact on schools. It’s not going to be an impact on sewer. There’s not going to be an impact on traffic.”

And, he added, it lets Lebanon’s residents “hang on to their identity.”

Taxing matters CCGC LLC is led by Greg Keating, whose investment group purchased the golf course site in February for \$11.5 million, according to public land records. The company has hired Tyler Rae to design the 18-hole layout in the same style as Donald Ross, the Scottish-born architect of Pinehurst fame known for his tightly routed courses, turtleback greens and diagonal hazards that can punish a poorly hit tee shot.

“It’s a classic design there’s really not that type of a golf course down here in the Lowcountry,” said Keating, who declined to identify his investors.

A wetlands delineation has been completed, and Keating is hopeful a special permit won’t be needed.

“We hope we can use the wetlands as features” that enhance the course, he said.

Construction is scheduled to begin this fall.

The property tax incentives are largely an offshoot of an earlier legal battle between the county and Keating’s employer: The Daniel Island Club, which winds through a roughly 465-acre upscale residential development on the north end of “Charleston’s island town.”

It features a pair of 18-hole layouts designed by Tom Fazio and Rees Jones, among other recreational amenities.

The private club took Berkeley County to court in 2011, arguing that the tax bill for its courses should be based on their capitalized income rather than comparable land values. A judge with the S.C.

Administrative Law Court agreed, and the original assessment of \$17.2 million was ultimately reduced to \$7 million.

“Revenue generation is really what drives the real estate value” for a golfcourse, Keating said.

The CCGC course in Lebanon initially won’t have operating statements, so the \$153,000 annual cap on its tax bill was negotiated with county officials “to get the taxes into the realm that would be based on operations in the future,” he said.

A separate lawsuit opened the door for all sorts of commercial businesses to take advantage of the tax breaks that legislators created to lure industrial employers to the state.

A nonprofit watchdog group took the city of Columbia to court in 2016 over a deal that cut the tax bill in half for several apartment projects geared toward University of South Carolina students. It argued legislators created the incentives exclusively for manufacturers.

But the S.C. Court of Appeals disagreed. It said state law doesn’t specify the type of eligible businesses or projects, theoretically making the tax break available to any commercial operation.

Burnie Maybank, a former director of the S.C. Department of Revenue and an attorney who represented the city in that case, said he’s never heard of a golf course getting the incentive. But as long as it is taxed as a commercial property, it’s eligible under the Appeals Court ruling, he said.

Whitley, the county councilman, said he isn’t worried the CCGC tax breaks will create a slippery slope of other non-manufacturing businesses seeking equal treatment.

“I hope it does set a precedent that we will think outside the box and use our tools to protect infrastructure and protect communities,” he said. “As someone who is skeptical of tax incentives, I am very open to the precedent to use tools to gain tax revenue by bringing

commerce that prevents urban growth in our rural communities.”

While the golf course deal might have made Lebanon residents happy, their elation could be short-lived.

Last week, a new sign went up along Cypress Campground Road, about a half-mile from the CCGC’s property. It’s marketing 159 acres of land, touting the site’s proximity to the Volvo plant and Interstate 26.

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