

ORDINANCE NO. 2015-04

AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND BETWEEN CLARENDON COUNTY, SOUTH CAROLINA, AND PROJECT JACKET; PROVIDING FOR A PAYMENT OF A FEE IN LIEU OF TAXES; PROVIDING FOR A CREDIT AGAINST FEE IN LIEU OF TAXES; PROVIDING FOR THE ACCEPTANCE AND ADMINISTRATION OF ANY GRANTS AND OTHER FUNDS RELATED TO PROJECT JACKET; AND OTHER RELATED MATTERS.

2015 NOV 18 P 3:05
CLARENDON COUNTY
BEULAH G. ROBERTS
CLERK OF COURT

WHEREAS, Clarendon County, South Carolina ("County"), acting by and through its County Council ("County Council") is authorized and empowered pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended ("Fee Act"), to enter fee agreements with any industry, with agreements identifying properties of industries as economic development property, through which powers the industrial development of the State of South Carolina ("State") and the County will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate, remain, and expand in the State and the County and thus utilize and employ the manpower, products, and natural resources and benefit the general public welfare of the State and County by providing services, employment, or other public benefits not otherwise adequately provided locally;

WHEREAS, the County is further authorized and empowered by Title 4, Chapters 1 and 29 of the Code of Laws of South Carolina, 1976, as amended (collectively, "Credit Act,"), to (i) create multi-county industrial parks in partnership with counties having contiguous borders with the County; (ii) include the property of eligible companies within such multi-county industrial parks; and (iii) provide special source credits against the payments in lieu of taxes pursuant due on property located in such multi-county industrial parks for the purpose of defraying the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the County or the Project (as defined below) and for improved or unimproved real estate and personal property used in the operation of a commercial or manufacturing enterprise in order to enhance the economic development of the County, and other such purposes as may be described therein;

WHEREAS, pursuant to the Credit Act, the County has jointly developed with Sumter County, South Carolina ("Sumter") the Sumter-Clarendon Industrial Park ("Park") and entered into the "Master Agreement Governing the Sumter-Clarendon Industrial Park" dated December 31, 2010, with Sumter ("Master Agreement") to govern the operation of the Park;

WHEREAS, Project Jacket, a corporation together with one or more affiliates ("Company"), , intends to invest in the establishment of a manufacturing facility ("Project") through the acquisition of land, as more particularly described in Exhibit A, a building, and improvements thereon (collectively, "Land and Building"); the construction of improvements thereon and/or therein; and/or the acquisition of personal property, including, but not limited to, machinery, equipment, and furniture to be installed on and/or in the Land and Building;

WHEREAS, the total cost of the investment in the Project is estimated to be approximately \$32,000,000 over five years;

WHEREAS, the Project would constitute a project within the meaning of the Fee Act, and the portion of the Project that has never been subject to *ad valorem* property tax in the State is eligible for inclusion

CERTIFIED TRUE COPY
OF ORIGINAL FILED IN THIS OFFICE
DATE 11/18/15
Beulah B. Roberts
CLERK OF COURT
CLARENDON COUNTY, SC

as economic development property under the Fee Act (“Economic Development Property”) and the fee-in-lieu of *ad valorem* tax (“FILOT”) benefits provided in the Fee Act;

WHEREAS, the Company’s investment in the Economic Development Property is anticipated to meet the minimum investment requirements under the Fee Act;

WHEREAS, pursuant to an Inducement Resolution adopted as of November 2, 2015, the County authorized the execution of an agreement providing for FILOT payments on the Economic Development Property;

WHEREAS, the Company has caused to be prepared and presented to this meeting the form of the Fee Agreement by and between the County and the Company (“Fee Agreement”), attached as Exhibit B, which provides for FILOT payments, calculated utilizing a 6% assessment ratio for a period of 20 years, on the Economic Development Property, or each component thereof, placed in service during the initial investment period and any investment period extension to which the County and the Company agree, the issuance of a five-year, \$40,000 per year special source revenue credit;

WHEREAS, it appears that the Fee Agreement, which is now before this meeting, is in appropriate form and is an appropriate instrument to be executed and delivered by the County for the purposes intended;

WHEREAS, the County further intends for the five-year property tax abatement allowed under South Carolina Code Annotated section 12-37-220(A)(7) to apply to the portion of the Project ineligible for the FILOT benefits under the Fee Act; and

WHEREAS, pursuant to the Credit Act and the terms of the Master Agreement, the County desires to locate the Project in the Park.

NOW, THEREFORE, BE IT ORDAINED by the County Council in a meeting duly assembled as follows:

Section 1. In order to promote industry, develop trade, and utilize and employ the manpower, products, and natural resources of the State of South Carolina by assisting the Company to expand or locate an industrial facility in the State of South Carolina, the Fee Agreement is hereby authorized, ratified, and approved.

Section 2. Based on information provided by the Company, it is hereby found, determined, and declared by the County Council, as follows:

- (a) The Project will constitute a “project” as said term is referred to and defined in the Fee Act, and the County’s actions herein will subserve the purposes and in all respects conform to the provisions and requirements of the Fee Act.
- (b) The Project and the payments in lieu of taxes set forth herein are beneficial to the County, and based on representations by the Company, the County has evaluated the Project based upon all criteria prescribed by law, including the anticipated dollar amount and nature of the investment to be made and the anticipated costs and benefits to the County.
- (c) The Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally.

- (d) The Project gives rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power of either.
- (e) The purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes.
- (f) The inducement of the location or expansion of the Project within the County and State is of paramount importance.
- (g) The benefits of the Project to the public will be greater than the costs.

Section 3. The form, terms, and provisions of the Fee Agreement presented to this meeting are hereby approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the Fee Agreement were set out in this Ordinance in its entirety. The Chairman of the County Council and/or the County Administrator are authorized, empowered, and directed to execute, acknowledge, and deliver the Fee Agreement in the name of and on behalf of the County, and thereupon to cause the Fee Agreement to be delivered to the Company. The Fee Agreement is to be in substantially the form now before this meeting and hereby approved, with such changes therein as shall not be materially adverse to the County and as shall be approved by the officials of the County executing the same, upon the advice of legal counsel to the County, such official's execution thereof to constitute conclusive evidence of such official's approval of any and all changes or revisions therein from the form of the Fee Agreement now before this meeting.

Section 4. There Park boundaries are expanded to include the Project in the Park. The Chairman of County Council or the County Administrator are hereby authorized to execute such documents and take such further actions as may be necessary to complete the inclusion of the Project in the Park. Pursuant to the terms of the Master Agreement, the expansion shall be complete on (i) the adoption of this Ordinance and (ii) the delivery of this approving Ordinance and descriptions on Exhibit A to Sumter.

Section 5. The Council authorizes the County Administrator to accept and administer one or more grants related to the Project from one or more governmental, or private, entities.

Section 6. The Chairman of the County Council and/or the County Administrator, for and on behalf of the County, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the Fee Agreement and the performance of all obligations of the County under and pursuant to the Fee Agreement.

Section 7. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase, or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereunder.

Section 8. All orders, resolutions, ordinances, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and this Ordinance shall take effect and be in full force from and after its passage and approval.

[SIGNATURE PAGE FOLLOWS]
[REMAINDER OF PAGE INTENTIONALLY BLANK]

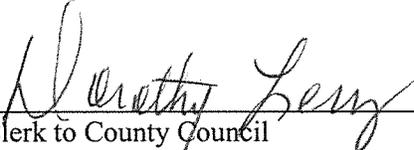
CLARENDON COUNTY, SOUTH CAROLINA



(SEAL)
ATTEST:



Chairman, County Council
Clarendon County, South Carolina



Clerk to County Council
Clarendon County, South Carolina

First Reading: November 2, 2015
Second Reading: November 9, 2015
Public Hearing: November 16, 2015
Third Reading: November 16, 2015

EXHIBIT A
PROPERTY DESCRIPTION

As contained on Exhibit A of the Fee Agreement between Clarendon County, South Carolina and Project Jacket, dated as of December 31, 2015.

EXHIBIT B
FORM OF THE FEE AGREEMENT