

STATE OF SOUTH CAROLINA)
)
COUNTY OF CLARENDON)

RESOLUTION NO. 2014-03
CLARENCE COUNTY, SC

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Benjamin S. Roberts
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BEULAH G. ROBERTS
CLERK OF COURT
CLARENCE COUNTY, SC

**INDUCEMENT RESOLUTION PROVIDING FOR A
FEE IN LIEU OF TAX AGREEMENT
BETWEEN CLARENDON COUNTY AND KENT INTERNATIONAL INC.**

WHEREAS, Clarendon County, South Carolina (the "County"), acting by and through its County Council (the "County Council") is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended (the "Act"), to enter into a fee in lieu of tax agreement (the "Fee Agreement") with respect to a project which requires the industry to make a payment of a fee in lieu of taxes, through which powers the industrial development of the State of South Carolina and the County will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and the County and thus to utilize and employ the manpower, products, and natural resources of the State of South Carolina to benefit the general public welfare of the County by providing services, employment, and other public benefits not otherwise provided locally; and

WHEREAS, Kent International Inc., a Delaware corporation, on its own or together with one or more of its subsidiaries, affiliates, successors, assigns, sponsors, lessors, and others (collectively, the "Company"), desires to invest capital in the County in order to establish a manufacturing facility in the County (the "Project"), provided that approvals of various incentives contemplated for the Project are formalized by the State and/or County; and

WHEREAS, the Project is anticipated to result in an investment of at least \$6,000,000 and the creation of approximately 175 new, full-time jobs (including the investment and job creation of Outspoken Partners, LLC, an entity that is related to the Company and that intends to invest in certain real property that is associated with the Project but not eligible for benefits under the Fee Agreement); and

WHEREAS, the Company has requested that the County enter into a Fee Agreement, thereby providing for a fee in lieu of tax ("FILOT") and infrastructure and/or special source revenue credits ("SSRCs") with respect to the qualifying portions of the Project; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Company that the portion of the Project not previously subject to *ad valorem* tax in the State of South Carolina would be a "project" and "economic development property" as such terms are defined in the Act and that the Project would serve the purposes of the Act; and

WHEREAS, pursuant to the authority of Section 4-1-170 of the Code of Laws of South Carolina, 1976, as amended and Article VIII, Section 13 of the South Carolina Constitution, the County agrees to use its best efforts to ensure that the Project is located in a multi-county industrial and business park established, or to be established, by the County (the "Park") pursuant to a qualifying agreement with one or more contiguous South Carolina counties (the "Park Agreement").

NOW, THEREFORE, BE IT RESOLVED by the County Council as follows:

Section 1. The County Council hereby finds that: (i) 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; (ii) the Project gives rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iii) the purposes to be accomplished by the Project are proper governmental and public purposes and the inducement of the location of the Project within South Carolina is of paramount importance and the benefits of the Project to the public are greater than the cost (which latter finding has been made using an appropriate cost-benefit analysis); and (iv) it has evaluated the Project considering all relevant and required factors, including, but not limited to, the anticipated dollar amount and nature of the investment to be made and the anticipated costs and benefits to the County, and all other criteria prescribed by law.

Section 2. The County hereby agrees to enter into a fee in lieu of tax arrangement with the Company under the Act. The County agrees to provide for a fee in lieu of *ad valorem* taxes (“FILOT”) for a period of 20 years (“FILOT Term”) for each component of the Project which qualifies as economic development property and is placed in service during the investment period all as described in the Act. The FILOT shall be calculated using a 6% assessment ratio and a fixed millage rate equal to the lowest millage rate allowable under the Act for a period of 20 years, for each component of the Project which qualifies as economic development property and is placed in service during the investment period.

Section 3. The further details of the FILOT and the SSRCs shall be prescribed by subsequent ordinance of the County to be adopted in accordance with South Carolina law and the rules and procedures of the County.

Section 4. The County agrees to use its best efforts to ensure that the Property is already located in or to include the Property in a Park for at least the longer of a 20-year period or the period of time the FILOT arrangement is in place.

Section 5. This resolution shall constitute an inducement resolution for this Project within the meaning of the Act.

Section 6. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed. This resolution shall take effect and be in full force from and after its passage by the County Council.

(Signature Page Follows)

Adopted this 10 day of March, 2014.



CLARENDON COUNTY, SOUTH CAROLINA

Signature: *William J. Kriverson*
Name: William J. Kriverson
Title: Vice Chairman

(SEAL)
ATTEST:

Signature: *Dorothy M. Levy*
Name: Dorothy M. Levy
Title: Clerk to County Council