

RESOLUTION #15-05 OF DORCHESTER COUNTY COUNCIL

A RESOLUTION AUTHORIZING:

- (1) *THE EXECUTION AND DELIVERY OF (A) A FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT BY AND BETWEEN THE COUNTY AND THE COMPANY, PURSUANT TO WHICH THE COUNTY SHALL COVENANT TO ACCEPT CERTAIN NEGOTIATED FEES IN LIEU OF AD VALOREM TAXES WITH RESPECT TO THE ESTABLISHMENT AND/OR EXPANSION OF CERTAIN FACILITIES IN THE COUNTY, AND (B) TO PERMIT INVESTORS TO CLAIM SPECIAL SOURCE REVENUE CREDITS AGAINST THEIR FILOT PAYMENTS TO REIMBURSE SUCH INVESTORS FOR EXPENDITURES IN CONNECTION WITH INFRASTRUCTURE SERVING THE COUNTY OR IMPROVED OR UNIMPROVED REAL ESTATE AND PERSONAL PROPERTY INCLUDING MACHINERY AND EQUIPMENT USED IN THE OPERATION OF A MANUFACTURING OR COMMERCIAL ENTERPRISE IN ORDER TO ENHANCE THE ECONOMIC DEVELOPMENT OF THE COUNTY;*
- (2) *THE BENEFITS OF A MULTI-COUNTY INDUSTRIAL OR BUSINESS PARK TO BE MADE AVAILABLE TO THE COMPANY IN CONNECTION THE FOREGOING FACILITIES; AND*
- (3) *OTHER MATTERS RELATING THERETO.*

RECITALS

WHEREAS, Dorchester County, South Carolina (the “**County**”), acting by and through its County Council (the “**Council**”), is authorized and empowered under and pursuant to the provisions of the Code of Laws of South Carolina 1976, as amended (the “**Code**”), particularly Title 12, Chapter 44 of the Code (the “**Negotiated FILOT Act**”), and Title 4, Chapter 1 and Section 4-1-17 of the Code (the “**Multi-County Park Act**” and the “**Special Source Act**”, respectively) (collectively, the “**Act**”) and by Article VIII, Section 13(D) of the South Carolina Constitution to:

- (i) Enter into agreements with certain investors to construct, operate, maintain, and improve certain projects through which the economic development of the State of South Carolina (the “**State**”) will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products, and natural resources of the State;
- (ii) Covenant with such investors to accept a certain fee in lieu of otherwise appertaining *ad valorem* tax (“**FILOT**”) payments, including, but not limited to,

negotiated FILOT payments made pursuant to the Negotiated FILOT Act, with respect to a project;

- (iii) Permit investors to claim special source revenue credits against their FILOT payments (“**Special Source Credits**”) to reimburse such investors for expenditures in connection with infrastructure serving the County or improved or unimproved real estate and personal property including machinery and equipment used in the operation of a manufacturing or commercial enterprise in order to enhance the economic development of the County (“**Special Source Improvements**”); and
- (iv) Maintain, in conjunction with one or more other counties, a multi-county industrial or business park; and

WHEREAS, CRG-Venture One Development, L.L.C., a limited liability company organized and existing under the laws of the State of Missouri, acting for itself or one or more affiliates or other project sponsors (the “**Company**”) proposes to establish and/or expand certain facilities at one or more locations in the County (the “**Project**”), and anticipates that, should its plans proceed as expected, the Company will invest, or cause to be invested, at least Two Million Five Hundred Thousand Dollars (\$2,500,000.00) in the Project and will create, or cause to be created, at least fifty (50) new, full-time jobs within the County;

WHEREAS, on the basis of the information supplied to it by the Company, the County has determined, *inter alia*, that the Project would serve the purposes of the Act and would be directly and substantially beneficial to the County, the taxing entities of the County and the citizens and residents of the County due to the investment to be made, or caused to be made, and the jobs to be created, or caused to be created, by the Company, all of which contribute to the tax base and the economic welfare of the County, and, accordingly, the County wishes to induce the Company to undertake the Project by offering certain negotiated FILOT and multi-county industrial or business park benefits with respect to the Project, as set forth herein, all of which shall be further described and documented in a Fee in Lieu of Tax Agreement to be entered into by the County and the Company (the “**FILOT Agreement**”);

RESOLUTION

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

Section 1. As contemplated by Section 12-44-40(I) of the Negotiated FILOT Act, the County makes the following findings and determinations:

- (a) The Project will constitute a “project” within the meaning of the Negotiated FILOT Act; and
- (b) The Project, and the County’s actions herein, will serve the purposes of the Negotiated FILOT Act; and
- (c) The Project is anticipated to benefit the general public welfare of the State and the County by providing services, employment, recreation, or other public benefits not otherwise provided locally; and

- (d) The Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against its general credit or taxing power; and
- (e) The purposes to be accomplished by the Project are proper governmental and public purposes; and
- (f) The benefits of the Project are greater than the costs.

Section 2.

(a) The County hereby agrees to enter into the FILOT Agreement with the Company, whereby the Company will agree to satisfy, or cause to be satisfied, certain investment requirements with respect to the Project within certain prescribed time periods in accordance with the Negotiated FILOT Act and the County, under certain conditions to be set forth in the FILOT Agreement, will agree to accept a negotiated fee in lieu of *ad valorem* tax payments with respect to the Project (the “**Negotiated FILOT**”).

(b) The Negotiated FILOT shall be determined using:

- (1) An assessment ratio of six percent (6%);
- (2) The lowest millage rate allowed with respect to the Project pursuant to Section 12-44-50(A)(1)(d) of the Negotiated FILOT Act, which millage rate shall be fixed pursuant to Section 12-44-50(A)(1)(b)(i) of the Negotiated FILOT Act for the full term of the Negotiated FILOT;
- (3) The fair market value of the Project, determined in accordance with the Negotiated FILOT Act; and
- (4) Such other terms and conditions as will be specified in the FILOT Agreement, including, without limitation, that the Company, in its sole discretion, may dispose of property and replace property subject to Negotiated FILOT payments to the maximum extent permitted by the Negotiated FILOT Act.

Section 3. In addition, pursuant to the Special Source Act, the County hereby agrees that the FILOT Agreement shall require the County to provide, under certain conditions to be set forth in the FILOT Agreement, Special Source Credits against each Negotiated FILOT payment due from each credit eligible entity with respect to the Project for a period of ten (10) consecutive tax years in an amount equal to forty percent (40%) of each such Negotiated FILOT payment, commencing with the tax year for which the initial Negotiated FILOT payment is due from any such credit eligible entity; *provided, however, that* in accordance with the Special Source Act, the Special Source Credits shall not, in the aggregate, exceed the aggregate cost of Special Source Improvements funded from time to time in connection with the Project by the Company and all other sponsors or sponsor affiliates

Section 4. The County will use its best efforts to insure that the Project will remain within the boundaries of a multi-county industrial or business park pursuant to the provisions of

the Multi-County Park Act and Article VIII, Section 13(D) of the State Constitution on terms which provide the Company and the Project with any additional jobs creation tax credits afforded by the laws of the State for projects located within multi-county industrial or business parks.

Section 5. The provisions, terms, and conditions of the FILOT Agreement shall be subject to approval by subsequent Ordinance of the Council. The FILOT Agreement are to be in substantially the form customarily used by the County for similar transactions with such changes therein as shall be approved by said Ordinance.

Section 6. The Chairman of the Council, the County Administrator, and the Clerk to the Council, for and on behalf of the County, are hereby each authorized, empowered, and directed to do any and all things necessary or proper to effect the performance of all obligations of the County under and pursuant to this Resolution.

Section 7. The execution and delivery of the FILOT Agreement are subject to the enactment by the Council of an ordinance authorizing the same and, in conjunction therewith, compliance with the provisions of the Home Rule Act regarding the procedural requirements for enacting ordinances.

Section 8. 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 upon adoption by the Council.

[End of Resolution]

Done in meeting duly assembled this 16th day of March, 2015.

DORCHESTER COUNTY, SOUTH CAROLINA

By:



C. David Chinnis, Chairman, County Council
Dorchester County, South Carolina

[SEAL]

Attest:

By:



Sally Hebert, Clerk to County Council
Dorchester County, South Carolina