

INDUCEMENT RESOLUTION NO. 16-09

A RESOLUTION AUTHORIZING, UNDER CERTAIN CONDITIONS, THE EXECUTION AND DELIVERY BY DORCHESTER COUNTY, SOUTH CAROLINA OF A FEE IN LIEU OF TAXES AGREEMENT WITH PROJECT HARRINGTON WITH RESPECT TO A PROJECT IN THE COUNTY WHEREBY THE PROJECT WOULD BE SUBJECT TO PAYMENT OF CERTAIN FEES IN LIEU OF TAXES, AND WOULD BE PROVIDED CERTAIN SPECIAL SOURCE CREDITS AGAINST FEE PAYMENTS; AND RELATED MATTERS

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 Title 12, Chapter 44 Code of Laws of South Carolina, 1976, as amended (the "FILOT Statute"), to enter into agreements with any qualifying industry whereby the industry would pay fees-in-lieu-of taxes with respect to qualified projects; through which powers the development of the State of South Carolina (the "State") will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate or remain in the State and thus utilize and employ the manpower, products and resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally;

WHEREAS, the County is recruiting an investment in the County by Project Harrington (the "Company"), for the expansion of and improvements to its facility to be used for manufacturing to be located in the County (the "Project");

WHEREAS, the Council, in order to induce the Company to locate the Project in the County, has been asked to commit to the Company that the Council will take certain actions and provide certain incentives, including entering into a fee-in-lieu of taxes agreement (the "Fee Agreement"), which will provide certain benefits to the Company, if the Company locates the Project in the County;

WHEREAS, it is anticipated that the Project will represent a minimum investment of One Hundred Fifty Million Dollars (\$150,000,000) in taxable investment within the County in an eight year period and that the Project may exceed the investment of One Hundred Fifty Million Dollars (\$150,000,000) in taxable investment;

WHEREAS, it is anticipated that the Project will employ 125 employees in addition to those employed by the Company as of January 1, 2016;

WHEREAS, the County agrees to provide a special source credit (the "SSC") of Thirty percent (30%) of the Company's fee in lieu of tax liability for the Project in the Park for Fifteen (15) years provided the Company agrees to invest not less than One Hundred Fifty Million Dollars (\$150,000,000) in new, qualifying, taxable investment in the County by the end of the eighth (8th)

year after the year of execution of the Fee Agreement, which investment will be maintained for not less than ten (10) years from the initial date of the Fee Agreement, with not less than Forty-Five Million Dollars (\$45,000,000) of that new investment being maintained for the remaining term of the Fee Agreement.

WHEREAS, the County has determined and found after considering all relevant factors and criteria as prescribed by law that the Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally; that 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; that the purposes to be accomplished by the Project, i.e., economic development, keeping of jobs, and addition to the tax base of the County, are proper governmental and public purposes; that the inducement of the location or expansion of the Project within the County and State is of paramount importance; and that the benefits of the Project will be greater than the costs; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Company that the Project would be a "project" and "economic development property" as such terms are defined in the FILOT Statute and that the Project would serve the purposes of the FILOT Statute.

NOW, THEREFORE, BE IT RESOLVED by the Dorchester County Council that:

1. If the Company locates the Project in the County and invests not less than One Hundred Fifty Million (\$150,000,000) of new taxable investment in the Project prior to December 31, 2024, the Council, upon request by the Company, hereby agrees to enter into one or more agreements under the FILOT Statute ("Super FILOT Agreement") that will provide the Company with the benefits allowed pursuant to a FILOT agreement for thirty (30) years for each component of the Project placed in service during the standard "Investment Period" (as that term is defined in the FILOT Statute), the calculation of the annual FILOT payments on the basis of an assessment ratio of 4%, and a fixed millage rate of the rate applicable to the Project site, for all taxing entities, as of June 30, 2016, which the Parties hereto believe to be 331 mills. If after the initial ten (10) years of the Fee Agreement the investment remaining in the Fee Agreement is less than One Hundred Fifty Million (\$150,000,000) but more than Forty-Five Million (\$45,000,000), the County agrees to allow the Fee Agreement to convert to a standard Fee Agreement at an Assessment Rate of 6%.

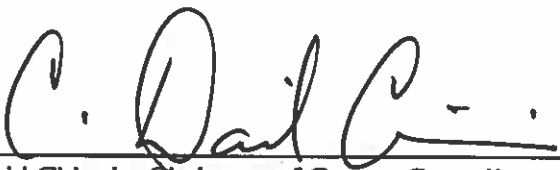
2. The County agrees to provide an SSC of Thirty percent (30%) of the Company's fee in lieu of tax liability for the Project in the Park for Fifteen (15) years provided the Company agrees to invest not less than One Hundred Fifty Million Dollars (\$150,000,000) in new, qualifying, taxable investment in the County by the end of the eighth (8th) year after the end of the tax year of execution of the Fee Agreement, which investment will be maintained for not less than ten (10) years, with not less than Forty-Five Million Dollars (\$45,000,000) of that new investment being maintained for the remaining term of the Fee Agreement.

3. The provisions, terms and conditions of the FILOT Agreement shall be prescribed and authorized by subsequent ordinance(s) of the Council, which, to the extent not prohibited by law, shall be consistent with the terms of this Resolution.

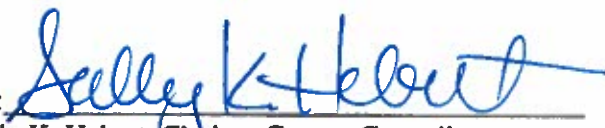
4. All orders, resolutions and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed. This resolution shall take effect and be in full force from and after its passage by the Council.

5. It is the intention of the Council that this resolution shall constitute an inducement resolution with respect to the Project, within the meaning of the FILOT Statute.

APPROVED AND ADOPTED IN A MEETING THIS 3rd day of October 2016.

By: 
C. David Chinnis, Chairman of County Council
Dorchester County, South Carolina

ATTEST:

By: 
Sally K. Hebert, Clerk to County Council
Dorchester County, South Carolina