



DUE TO THE COVID-19 STATE OF EMERGENCY, IN-PERSON COUNCIL MEETINGS ARE REPLACED WITH ELECTRONIC MEETINGS.

Watch Live via YouTube at:

https://www.youtube.com/channel/UCBmloqX05cKAsHm_ggXCjIA

To Participate in Public Comment, please email to comments@jaspercountysc.gov or mail to Attn: Clerk to Council P.O. Box 1149 Ridgeland, SC 29936. To be called for public Comment, please email at the mentioned email address. ***Public Comments must be submitted by Monday, September 20, 2021, at 3:00pm.***

Instructions may also be found at the Jasper County website www.jaspercountysc.gov

FOR MORE INFORMATION, PLEASE CALL (843) 717-3696



JASPER COUNTY COUNCIL

VIRTUAL MEETING

Jasper County Clementa C. Pinckney Government Bldg
358 3rd Avenue Ridgeland, SC 29936

Monday, September 20, 2021

AGENDA

5:00 P.M.

I. Call to Order by Chairwoman Barbara B. Clark

Clerk's Report of Compliance with the Freedom of Information Act.

II. Executive Session

SECTION 30-4-70. Meetings which may be closed; procedure; circumvention of chapter; disruption of meeting; executive sessions of General Assembly.

(a) A public body may hold a meeting closed to the public for one or more of the following reasons:

(1) Discussion of employment, appointment, compensation, promotion, demotion, discipline, or release of an employee, a student, or a person regulated by a public body or the appointment of a person to a public body - [Application of the Salary Study to specific employees / positions.](#)

(2) Discussion of negotiations incident to proposed contract arrangements and proposed purchase or sale of property, the receipt of legal advice where the legal advice related to a pending, threatened, or potential claim or other matters covered by the attorney-client privilege, settlement of legal claims, or the position of the public agency in other adversary situations involving the assertion against the agency of a claim - [Sgt. Jasper Park; Levy VFD; Exit 3](#)

(5) Discussion of matters relating to the proposed location, expansion, or the provision of services encouraging location or expansion of industries or other businesses in the area served by a public body - [Jasper Ocean Terminal \(JOT\); Okatie Crossings; Prospect Update](#)

ANY EXECUTIVE SESSION MATTER ON WHICH DISCUSSION HAS NOT BEEN COMPLETED MAY HAVE DISCUSSION SUSPENDED FOR PURPOSES OF BEGINNING THE OPEN SESSION AT ITS SCHEDULED TIME, AND COUNCIL MAY RETURN TO EXECUTIVE SESSION DISCUSSION AFTER THE CONCLUSION OF THE OPEN SESSION AGENDA ITEMS

6:30 P.M.

III. Return to Open Session

IV. Pledge of Allegiance

V. Invocation

VI. Approval of Agenda

VII. Approval of the Minutes of August 16, 2021 and August 30, 2021.

VIII. Presentation:

A: **Kimberly Burgess** – Status of Jasper County’s Coronavirus State and Local Fiscal Recovery Funds in the amount of \$5,841,328.

IX. Open Floor to the Public per Ordinance 08-17 any citizen of the County may sign to speak before the Council on matters pertaining to County Services and Operations. Presentations will be limited to three (3) minutes and total public input will be limited to 30 minutes.

**Please submit Public Comments via email at comments@jaspercountysc.gov or via US Mail at Attention: Clerk to Council P.O. Box 1149 Ridgeland, SC 29936. If you would like to be contacted by phone during Open Floor, please email your name, address and phone number to the email address listed above.*

X. Resolutions:

A. **Kimberly Burgess** – Resolution # 2021-20 to implement Premium Pay and Vaccine Incentive Program to be funded by Coronavirus State and Local Fiscal Recovery Funds not to exceed \$1.65 million.

B. **David Tedder** - Consideration of an Inducement Resolution # 2021-21 providing for Fee In Lieu of Tax Agreement between Jasper County and a Project known at this time as Project Ocean.

XI. Ordinances:

A. **Lisa Wagner** – **3rd reading** of Ordinance # 2021-25 to amend the Official Zoning Map of Jasper County so as to transfer a property bearing Jasper County Tax Map Number 063-38-01-013 from the Residential Zone to the Community Commercial Zone on the Jasper County Official Zoning Map – 76 Sweet William Road.

B: **Andrew Fulghum** – **3rd reading** of Ordinance # 2021-24 to adopt a new organizational chart.

C: **David Tedder** – Consideration of the **1st reading** of an ordinance authorizing the execution and delivery of a fee in lieu of tax agreement by and between Jasper County, South Carolina and a Project known at this time as Project Ocean with

respect to certain economic development property in the County, whereby such property will be subject to certain payments in lieu of taxes, including the provision of certain special source credits; and other matters related thereto.

XII. New Business: None

XIII. Old Business:

A: [Chief Russell Wells](#) – COVID update

XIV. Council Members Comments

XV. Administrator’s Report

XVI. Possible Return to Executive Session to Continue Discussion on Matters Regarding Agenda Item II.

XVII. Adjourn

***Council may act on any item appearing on the agenda including items discussed in executive session.**

In accordance with South Carolina Code of Laws, 1976, Section 30-4-80(d), as amended, notification of the meeting was posted on the County Council Building at a publicly accessible place and on the county website at least 24 hours prior to the meeting. A copy of the agenda was given to the local news media and posted at the meeting location twenty-four hours prior to the meeting.

***Special Accommodations Available Upon Request to Individuals with Disabilities*
*(843) 717-3696***

AGENDA ITEM:

VII

Approval of the Minutes



**JASPER COUNTY COUNCIL
VIRTUAL MEETING**

**Jasper County Clementa C. Pinckney Government Bldg
358 3rd Avenue Ridgeland, SC 29936**

**August 16, 2021
AGENDA**

Workshop:

David Tedder - Review County Road ordinance and requirements.

Mr. Tedder was present to address this request. Mr. Tedder noted that paving roads and maintenance roads is a long-standing problem in almost every county in the state given our rural nature, as well as how we have moved forward in how to get the paving done in the last 50 to 50 years. A long time ago in Jasper County land was subdivided and lots were sold along the dirt roads. Not much attention was paid to the requirements to the width, drainage, or number of people on those roads. That has changed when the state became more urbanized and road standards became more stringent in most development standards that were adopted. In 1998 it was recognized that there were a number of private roads that the county had been maintaining historically that were subgrade in their width, drainage or composition and Jasper County passed an ordinance that said this is how we are going to deal with the roads. The County Council passed an ordinance listing the roads in the County that the County may have maintained, and they publicized it in the paper for a significant length of time noting that if the people wanted the County to maintain these roads they must come forward. It was required that they ask that the roads be in the County system and that there easements or ROW provided of proper width. This ordinance was passed, and the publications were made. For whatever reason there was no adequate follow through for a number of years.

Mr. Tedder noted that now if we fast forward to 2004-2005 it became a serious issue with a couple of subdivisions when they were built by a land developer here and in the ordinance, he was supposed to have provided for maintenance of those roads himself, and in some cases was to create a property owners associations. He did not do that, nor did he maintain the roads. A number of citizens came to the County Council repeatedly to complain eventually leading to a lawsuit with the citizens against the Developer making the County a party in the suit. The decision on that case was that the developer go maintain the roads as it was their responsibility. In several instances he did for a while. The property owners thinking the developer would do it never formed a property owners association. Here we are 15 years later and many roads are still in a state of disrepair in those subdivisions. That led to a 2017-2018 revisit of the road ordinance in Jasper County, the County built upon the 1998 Ordinance and enacted several new provisions. He said the period of 1998 to 2017-2018 however, was important. He said he had sent Council a package of materials Attorney Opinions and several law cases noting that public funds cannot be used to repair private roads, because it simply just cannot be done.

Mr. Tedder noted that there is an indication of ownership when you use public funds, and in these cases, there is no ownership of the roads. Sometime in 2015 a storm came through and flooded Columbia, broke dams across the state, and one of the County's asked for the Attorney General's Opinion. They asked that with the county being flooded, if there was relief to the long-standing rule of going onto private property with public funds in a state of emergency to fix driveways, etc.; however, the answer was no. Not far after that in 2016 another Attorney General Opinion was requested done by a lawyer representing Richland County. The question was proposed, what if they put in their ordinance an inclusion that for emergency services that may need to be able to access these properties for health and safety reasons, if that would that work. The answer again was no, as there is a strict prohibition unless you had ownership interest in the road. This is the same for Counties and Cities. The 20-year period from 1988-2018 had a significance because it was a series of years, we looked at adverse possession and prescriptive easements. He noted that if you possess something long enough you either own it or acquire an easement on it depending where you are. In this case the County Council made a finding that maintenance had continued for 20 years at least on certain roads and the County was going to claim a prescriptive easement on those roads because the County made the decision that they didn't want to stop working on these roads and maintaining them. If challenged the County ran the risk of having to stop maintaining the roads.

At the same time, he noted, the County had looked at the standards of acceptance of the roads, but the roads weren't built to County Standards. We tried to tighten up during this time on the standards. In doing a minor subdivision you have to have a certain width and withstand the weight of capacity of our Emergency Vehicles, and we created an encroachment permit for them to tie into the County roads. The State Department has an encroachment system that if you want to get into their ROW you get an encroachment permit so we created a similar situation. As it stands, we know what roads we have, they are filed on record, have a road survey, we know which roads we have deeds or easements to, which ones we have prescriptive easements on, however, most of the prescriptive easements we have are too small to turn into a normal county road. There are provisions in there for bring a road up to standards, and have the County consider it. We have about 175 miles of roads that we maintain that are gravel or dirt. There is a lot of work to bring them up to standards. So where does this leave the County when a citizen says I live up here and can't get to the property, and I can't get help. This is a tough spot, several years ago we had a wet season, and we couldn't put in culverts and such, because we cannot authorize taxpayer money to be spend on private roads. Finally, what can citizens do: they can fix the road on their own, they can form their own association and self-assess themselves creating a property owner association and come up with assessments to collect to pay for this. I have seen in some areas back in the 1960's several subdivisions in other areas wanted roads upgraded a special taxing district was done in some counties for a special financing methodology over a long period of time where tax bills had an assessment the county would use to pay the loan off.

Councilman Sauls said on Driggers Lane, where Mr. Walker developed off Bees Creek where there have been numerous complaints on this private dirt road. He noted that we have tried to help, we tried to help with the buildup on ditches and help all we can. He noted he seemed to recall that the County must have approval by all in from all property owners along that road, and they all have to agree. They would then be responsible for the cost of a ditch culvert. Mr. Tedder said they would all have to grant an easement to the County. He asked if the County can we change our ordinance to streamline this process for residents. He noted we need a cost assessment per road and we need to

be able to help these people and take steps to get the process worked out. He also stated that when children can't go to school and ambulances can't get in we have a problem and need to do something so we must figure out a way. Councilman Kemp asked if there was possibly a Quasi Federal Group could help in some way. Chairwoman Clark noted that council needed to talk about this amongst themselves. Council discussed this issue a little further in hopes of finding a way to pursue this issue. Mr. Fulghum noted that he could present the current ordinance to them and also look over the requirements relating to what it takes to bring roads up to standards. He said he would work with Mr. Tedder to see what they could do regarding this information. The workshop closed.

Chairwoman Clark called the meeting to order at 5:02 PM.

Officials Present: Chairwoman Barbara B. Clark, Councilman L. Martin Sauls, Councilman Pastor Alvin Adkins and Councilman John Kemp. Absent - Vice Chairman Dr. Curtis Brantley

Staff Present: County Administrator Andrew Fulghum, Clerk to Council Wanda H. Simmons, County Attorney David Tedder, Administrative Services Director Kimberly Burgess, Emergency Services Director Chief Russell Wells, Lisa Wagner Director of Planning and Building, and Jonathan Dunham.

Others Present: Danny Black and Sandy Steele of Southern Carolina Alliance; Ashley Feaster of Palmetto Electric; John Fleming

Chairwoman Clark asked the Clerk to Council to read the Report of Compliance to the Freedom of Information Act. Wanda Simmons, Clerk to Council read the Clerk's Report of Compliance with the Freedom of Information Act.

Chairwoman Clark read the information below for the executive session and asked for a motion to go into executive session.

Motion to go into executive session: Councilman Adkins

Second: Councilman Kemp

Vote: Unanimous

The motion passed.

Executive Session

SECTION 30-4-70. Meetings which may be closed; procedure; circumvention of chapter; disruption of meeting; executive sessions of General Assembly.

(a) A public body may hold a meeting closed to the public for one or more of the following reasons:

(1) Discussion of employment, appointment, compensation, promotion, demotion, discipline, or release of an employee, a student, or a person regulated by a public body or the appointment of a person to a public body – [County Administrator](#)

(2) Discussion of negotiations incident to proposed contract arrangements and proposed purchase or sale of property, the receipt of legal advice where the legal advice

related to a pending, threatened, or potential claim or other matters covered by the attorney-client privilege, settlement of legal claims, or the position of the public agency in other adversary situations involving the assertion against the agency of a claim – Exit 3; Nickel Plate MCIP; Jasper Ocean Terminal (JOT); Carolina Metal Castings; Brown v Jasper County et al; Hwy 170 IGA; TMS# 087-00-04-003

(5) Discussion of matters relating to the proposed location, expansion, or the provision of services encouraging location or expansion of industries or other businesses in the area served by a public body – Jasper Ocean Terminal (JOT); Prospect Update; Project Lite; Project Ocean

ANY EXECUTIVE SESSION MATTER ON WHICH DISCUSSION HAS NOT BEEN COMPLETEDMAY HAVE DISCUSSION SUSPENDED FOR PURPOSES OF BEGINNING THE OPEN SESSION AT ITS SCHEDULED TIME, AND COUNCIL MAY RETURN TO EXECUTIVE SESSION DISCUSSION AFTER THE CONCLUSION OF THE OPEN SESSION AGENDA ITEMS.

Return to Open Session:

Motion to return to open session: Councilman Sauls

Second: Chairwoman Clark

Vote: Unanimous

Business Motions from Executive Session:

Motion # 1:

Motion to approve the proposed scope of services and compensation provided by Burr Forman regarding further services involving the Jasper Ocean Terminal, and authorize the Administrator to take such actions and execute the agreement as discussed in Executive

Session: Councilman Kemp

Second: Councilman Sauls

Vote: Unanimous

Motion # 2:

Motion to approve the law offices of D. Thomas Johnson subject to confirmation by County Administrator to work on the Jasper Port.

Second: Sauls

Vote: Unanimous

Motion # 3:

Motion to expand the scope of work authorized to be undertaken by Ray Jones of the Parker Poe Law Firm on behalf of Jasper County to include discussions and negotiations involving economic development projects in the City of Hardeeville, with compensation to be the same rates as in the existing agreement with the Parker Poe Law Firm: Councilman Kemp

Second: Councilman Sauls

Vote: Unanimous

The Pledge of Allegiance was led by Councilman Kemp and the invocation was given by Councilman Sauls.

Approval of Agenda:

Motion to approve: Councilman Sauls

Second: Councilman Kemp

Vote: Unanimous

Approval of the Minutes of 06.07.2021:

Motion to approve: Councilman Sauls

Second: Councilman Adkins

Vote: Unanimous

Presentation:

Danny Black, President and CEO of SouthernCarolina Alliance presenting on the Sherwood Tract.

Mr. John Fleming started off the presentation, and he would tag team with Sandy Steele and Danny Black. This presentation he noted was to be an in-person presentation so the screens would have been larger, and he offered his apologies.

He noted that this presentation would be discussing the Sherwood Tract and all of the public items around the Sherwood Tract. He reviewed the items and noted the items on the board were labeled as follows:

- # 1 – Sherwood Tract. He noted that southern Carolina alliance had purchased 550 acres in the Sherwood tract. He noted this and other public infrastructure would be bringing in jobs.
- # 2 – Exit number 3.
- # 3 – Widening of Interstate 95 from the state line two exit 33 (completion date of 2028)
- # 4 – Working to widen highway 17 into four lanes (completion date 2025)
- # 5 – Georgia DOT replacing the Houlihan Bridge
- # 6 – Beaufort / Jasper Water Sewer Authority – Water and Sewer Study. He noted that the Sherwood site is right in the middle of this area.
- # 7 – Related to Dominion Power bringing transmission level power to Sherwood and the surrounding areas (completion date of 2023)

Sandy Steel said the mega site needs several things but has it all. She noted that in 2017 she noted SouthernCarolina Alliance had obtained the option for the entire 1400 acres. In 2019 the SouthernCarolina Alliance had purchased 550 acres. She noted they had had a lot of activity on this. Sandy showed the Sherwood plantation masterplan exhibit and noted that there were a remaining 800 or so acres looking at development in different logistics areas. She noted they are in conversation with the development company regarding this.

Mr. Danny Black went through the process on how to develop this property and the right of way. He said they had received the money to get the 500 acres and had hoped to buy it all but just couldn't get all of the money. He noted that logistics is a core user and that a development company had been selected. He noted that they had spent three years doing due diligence on the 1400 acres. He noted they needed to have infrastructure (electricity, natural gas, etc) and that there are also wetlands that they must contend with. He noted that they have worked with the Core of Engineers on this matter. He noted they are working with the Beaufort / Jasper Water and Sewer Authority for both sides of Sherwood Park and that they have to find a cost for only Sherwood at this point. He said they are working with the City of Hardeeville through their development partner then they will be coming to Jasper County on the tax side. He noted that they would be working with the state on incentives to get the process started. He said they hoped for an announcement in September about and they were hoping to have the whole 1400 acres ready with logistics warehousing on one end and regular warehousing on the other. For further information on this item, please go to the https://www.youtube.com/channel/UCBmloqX05cKAsHm_ggXCIIA , the 08.16.21 video.

Open Floor to the Public per Ordinance 08-17 any citizen of the County may sign to speak before the Council on matters pertaining to County Services and Operations. Presentations will be limited to three (3) minutes and total public input will be limited to 30 minutes.

There were no public comments.

Resolutions:

A. David Tedder – Resolution # 2021-16 amending the employment agreement between Jasper County and Andrew P. Fulghum.

Mr. Tedder noted that this was to amend the employment agreement to include the 2.5% increase that all employees had received.

Motion to approve: Councilman Sauls

Second: Councilman Adkins

Vote: Unanimous

B. Andrew Fulghum – Resolution # 2021-17 to declare certain property to be surplus and authorize its sale or disposition – School District used vehicle.

Mr. Fulghum reviewed and presented this resolution to Council.

Motion to approve: Councilman Sauls

Second: Councilman Kemp

Vote: Unanimous

Ordinances:

A. Lisa Wagner – 3rd Reading of Ordinance # 2021-22 to amend the Official Zoning Map of Jasper County so as to transfer a property bearing Jasper County Tax Map Number

084-00-02-065 from the Residential Zone to the Community Commercial Zone on the Jasper County Official Zoning Map – 358 Chippa Willow Road.

Ms. Wagner was present to address this request. She said that the subject property consisted of .90 acres and is located at 358 Chippa Willow Road. The Applicant has requested a Zoning Map Amendment to have the property designated as Community Commercial (CC). The property is currently zoned Residential. The property was developed as a commercial property prior to 1975 and has previously served as a store and a night club. The county-wide re-zoning project in 2007 made the commercial use non-conforming. The applicant would like to establish a non-profit social club, which is not allowed in the Residential Zoning District; however, a social club is allowed in the Community Commercial Zoning District.

She noted that according to the 2018 Jasper County Comprehensive Plan, the Future Land Use Map identifies this area as a “Hamlet,” which serves as commercial centers for everyday needs. Small scale commercial developments should be allowed, with proper design. The adjacent parcels are zoned Residential, with Community Commercial nearby. Adjacent land uses are residential and vacant property. There are several commercial businesses nearby which includes two churches, a store, restaurant, and a fire protection business. The subject property is accessed by Chippa Willow Road, which is a two-lane state-maintained highway, classified as a limited local road.

She stated that the Planning Commission recommends approval of the request to have the property designated as Community Commercial.

Motion to approve: Councilman Kemp

Second: Councilman Adkins

Vote: Unanimous

B. Lisa Wagner - Consideration of the 1st Reading of an Ordinance to amend the Official Zoning Map of Jasper County so as to transfer a property bearing Jasper County Tax Map Number 063-38-01-013 from the Residential Zone to the Community Commercial Zone on the Jasper County Official Zoning Map – 76 Sweet William Road.

Ms. Wagner was present to address this request. She noted that the subject property consisted of .55 acres and is located at 76 Sweet William Road. The Applicant has requested a Zoning Map Amendment to have the property designated as Community Commercial (CC). The property is currently zoned Residential. The applicant would like to establish a restaurant at this location. The property was re-developed in February 2007 as a restaurant. The Countywide Re-zoning Project made this property non-conforming in November 2007. While the property has previously been used as a restaurant, the use has ceased for more than 12 months, losing its legal non-conforming status.

She noted that according to the 2018 Jasper County Comprehensive Plan, the Future Land Use Map identifies this area as “Urban Transition,” which are pockets of unincorporated Jasper County that are partially or entirely surrounded by the municipality. For these areas that experience new development or redevelopment, consideration should be given to working with the adjacent municipality for annexation. The adjacent parcels are zoned Residential with the Town limits of Ridgeland nearby. Adjacent land uses are residential and commercial. The subject property is

accessed by Sweet William Road, which is a two-lane state-maintained highway, classified as a limited local road.

She stated that from a land use perspective, staff recommends approval of the request to have the property designated as Community Commercial.

Motion to approve: Councilman Sauls

Second: Councilman Adkins

Vote: Unanimous

C. Andrew Fulghum - Public Hearing and 3rd reading of Ordinance # [2021-23](#) Authorizing (1) The Execution and Delivery of a Fee In Lieu Of Tax And Incentive Agreement by and between Jasper County, South Carolina (The "County"), a Company Known to the County as Palmetto Electric Cooperative Inc., Acting for Itself, One or More Affiliates, and/or Other Project Sponsors(Collectively, 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 (The "Project"); and (2) Other Matters Relating Thereto. (formerly known as Project Lite).

Mr. Fulghum was available to present this request. He noted that this was the public hearing and the 3rd reading. There were no public comments for this item. Ms. Feaster said she wanted to take a moment to thank Jasper County Council, Mr. Fulghum, and staff for supporting Palmetto Electric Cooperative in its efforts to make broadband a reality for all in Jasper County. She noted that they value the partnership we have with Jasper County and look forward to great announcements and advancements in the days to come.

Motion to approve: Councilman Sauls

Second: Councilman Kemp

Vote: Unanimous

D. Andrew Fulghum - 2nd reading of Ordinance # [2021-24](#) to adopt a new organizational chart.

Mr. Fulghum presented and reviewed this ordinance for Council. Mr. Fulghum stated that this ordinance was to adopt a new organizational chart. He noted that this chart builds the Developmental Services Division and reduces the number of direct reports to the County Administrator from 12 direct reports to 8 direct reports.

Motion to approve: Councilman Sauls

Second: Councilman Adkins

Vote: Unanimous

New Business:

A. Chief Russell Wells - COVID update

Chief Wells gave the updated COVID statistics. Chief Wells noted that the SC positivity rate was at 14.9% and Jasper County positivity rate was at 23.1%. He noted that the date range was from 07.29.2021-08.11.2021 noting that that the county had went from 1300 to 1778 tests since the last update to Council. For further information on this item, please go to the https://www.youtube.com/channel/UCBmloqX05cKAsHm_ggXCIIA , the 08.16.21 video.

Old Business:

A: Kimberly Burgess - Consideration of proposed expenditure of CSLFRF (Coronavirus State and Local Fiscal Recovery Funds).

Ms. Burgess was present to address this item. She noted that they were asking for Council consideration and approval to begin the process necessary to provide premium pay for certain employees who worked during the declared South Carolina public health emergency period (March 16, 2020 to June 11, 2021) using Coronavirus State and Local Fiscal Recovery Funds. She noted that per the Department of The Treasury interim final rule 31 CFR Part 35, "Fiscal Recovery Funds payments may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency." The interim final rule defines eligible worker to mean "those workers needed to maintain continuity of operations of essential critical infrastructure sectors," and essential work "as working involving regular in-person interactions or regular physical handling of items that were handled by others."

Ms. Burgess noted that if it is the desire of County Council to remunerate essential workers (as defined in the Department of The Treasury interim final rule 31 CFR Part 35) for the elevated health risks they faced during the public health emergency that the Council approve staff to begin the process of identifying those County employees whose positions required in-person contact with members of the public and therefore could not perform their duties from home or remotely and to calculate an amount deemed "premium pay" not to exceed \$3 per hour for the hours worked for the period March 16, 2020 to June 11, 2021. The total premium pay including FICA taxes and appropriate retirement amounts shall not exceed \$2 million if that is approved. The balance of remaining Fiscal Recovery Funds is approximately \$3.9 million.

Motion to approve: Councilman Sauls

Second: Councilman Adkins

Vote: Unanimous

Council Members Comments:

Councilman Kemp:

Councilman Kemp said he had been working with the Sun City Veteran's Association. He noted that they had donated \$1500 for a Korean Monument in Washington DC. He said they had 4 people who had been killed in action in the Korean War: Joseph Williams; Charlie Browning; James Hill Jr. and William Clyde preacher. He asked if anyone knew the families of these men to please let him know so they could be informed that these names would be on the wall in Washington DC.

Councilman Adkins:

Councilman Adkins gave thanks to God and said without his blessing we could not do anything. He said he had gone to the conference in HHI and had attended training in Beaufort for SCEDA. He said he was proud of the landscaping that had been done and that he would be out riding around. He noted that he hoped everyone would be blessed and urged them to stay safe and protected.

Councilman Sauls:

Councilman Sauls urged everyone to keep the Wall Family in their thoughts and prayers. He noted he had attended the City of Hardeeville Recreation building ribbon cutting and banquet. He said this was a great resource of recreational activities for people of all ages. Councilman Sauls thanked Danny black and the SouthernCarolina Alliance for all of their hard work that they do and for their Economic Development in the County. He also thanked Palmetto Electric for all they had done for Jasper County. He thanked Chairwoman Clark for all she does and for being their leader.

Chairwoman Clark:

Chairwoman Clark also urged everyone to keep the Wall Family in prayer. She noted that some of Council had asked her to give a report on the Corners Office. She said that Council is doing more than they are supposed to be for the Corner and he is not paid on an hourly rate. She noted that he is paid on a salary in accordance to what other Corners are paid. She said they want to be fair to everyone and must do things across the board. She noted she had been told that on social media, that it was being said that he had no way to transport, however he uses a transport company to transport from the scene to the morgue. She urged everyone to understand that everything you see on social media is not always accurate information and that Council is handling everything correctly. She also offered her deepest sympathies to Corner Aiken as he had lost a first cousin on Saturday night. She also asked for God's blessings over everyone.

Administrator's Report:

Mr. Fulghum noted that he had prepared his Administrator's Report and it was in Council's packet for their review. He noted that he did want to touch on one item, which was the Newspaper of General Circulation. He said that the County had been notified that the Jasper County Sun would no longer be a printed publication. Jasper County has traditionally published all of our legal and public hearing advertisements in this weekly publication. We are required, he noted, to publish such notices in a newspaper of general circulation which must have a print edition. Going forward he stated, we will be publishing our legal ads and public hearing notices in the Beaufort Gazette and / or the Island Packet which are daily publications and meet the standard for serving as a newspaper of general circulation.

Possible Return to Executive Session to Continue Discussion on Matters Regarding Agenda Item II.

Adjourn:

Motion to approve: Councilman Adkins

Second: Chairwoman Clark

Vote: Unanimous

The motion passed and the meeting adjourned at 8:08pm.

Respectfully submitted:

Approved:

Wanda H. Simmons
Clerk to Council

Barbara B. Clark
Chairwoman



JASPER COUNTY COUNCIL

VIRTUAL MEETING

**Jasper County Clementa C. Pinckney Government Bldg
358 3rd Avenue Ridgeland, SC 29936**

August 30, 2021

MINUTES

Chairwoman Clark called the meeting to order at 8:36AM.

Officials Present: Chairwoman Barbara B. Clark, Councilman L. Martin Sauls, Councilman Pastor Alvin Adkins and Councilman John Kemp. **Absent - Vice Chairman Dr. Curtis Brantley**

Staff Present: County Administrator Andrew Fulghum, Clerk to Council Wanda H. Simmons, County Attorney David Tedder, and Jonathan Dunham.

Chairwoman Clark asked the Clerk to Council to read the Report of Compliance to the Freedom of Information Act. Wanda Simmons, Clerk to Council read the Clerk's Report of Compliance with the Freedom of Information Act.

Approval of the Agenda:

Motion to approve: Councilman Sauls

Second: Councilman Adkins

Vote: Unanimous

The motion passed.

Resolution:

A: Andrew Fulghum – Resolution # 2021-18 authorizing and adopting the terms of the first amendment to that certain agreement between Jasper County and the South Carolina State Ports Authority regarding the Jasper Port site, and authorizing the County Administrator and County Attorney to perform certain tasks related thereto.

Mr. Fulghum was present and reviewed this item for Council.

Motion to approve: Councilman Sauls

Second: Councilman Adkins

Vote: Unanimous

The motion passed.

Adjourn:

Motion to approve: Councilman Adkins

Second: Chairwoman Clark

Vote: Unanimous

The motion passed and the meeting adjourned at 8:08pm.

Respectfully submitted:

Approved:

Wanda H. Simmons
Clerk to Council

Barbara B. Clark
Chairwoman

AGENDA ITEM:

VIII

Presentation Item A

Coronavirus State and Local
Fiscal Recovery Funds
Premium Pay Recommendation

Jasper County Council Meeting

September 20, 2021

Coronavirus State and Local Recovery Funds

The American Rescue Plan Act of 2021
("ARPA")

- Signed into law March 11, 2021
- \$350 billion additional funding for state and local governments
- \$130 billion local funding portion
 - \$65 billion for cities and Community Development Block Grant (CDBG) entitlement jurisdictions
- **\$65 billion for counties**
 - **Based on population**
 - Larger portion for CDBG recipients

Coronavirus
State and Local
Recovery Funds

TOTAL ALLOCATION

\$5.8M

TRANCHE 1 AMOUNT (7/19/2021) \$2.9M

TRANCHE 2 AMOUNT (2022)

\$2.9M

Coronavirus State and Local Recovery Funds

Eligible Uses of Funds

- Revenue replacement
- COVID-19 expenditures or negative economic impacts of COVID-19
- **Premium pay for essential workers**
- Investments in water, sewer, and broadband infrastructure

Restrictions

- Allocations to states cannot be used to directly or indirectly offset tax reductions or delay a tax or tax increase
- Cannot be deposited into any pension fund

Must be spent by December 31, 2024

Source: Government Financial Officers Association

Premium Pay

Fiscal Recovery Funds payments may be used to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency.

Source: Federal Register Vol. 83, No. 93/Monday, May 17, 2021/Rules and Regulations. Department of the Treasury, Interim final rule p. 97

Premium Pay Definitions

Eligible Worker

“those workers needed to maintain continuity of operations of essential critical infrastructure sectors”

Essential Work

“work involving regular in-person interactions or regular physical handling of items that were also handled by others.”

Source: Federal Register Vol. 83, No. 93/Monday, May 17, 2021./Rules and Regulations. Department of the Treasury. Interim final rule, p. 2979

Premium Pay Considerations

Caps & Thresholds

\$13/hour
cap on hourly rate
for premium pay

\$25K total cap per
eligible worker

150% of SC avg annual
wage
for all occupations
threshold (req. written
justification)

Focus & Priority

Prioritize lower
income eligible
workers

Recognize that all
workers met the
criteria for essential
work

Reward workers based on
hours worked during the
declared state of
emergency (3/16/20 thru
6/7/21)

Application

Greater for workers
with potential in-
person exposure
while performing
duty

All workers included • 227 Employees

1st level \$3/hr
2nd level \$2/hr

Elected Officials,
Magistrates & Judges

not included

- Regular & OT hours worked, employee & employer portion of Social Security and Medicare taxes
- Pay from first tranche

\$1,518,813 Total Premium Pay
(26% of Total Jasper County CSLR Funds)

Premium Pay Recommendation

| | |
|--|--------------|
| Fire/Rescue, Sheriff, Detention Center, & Solid Waste | \$ 1,092,069 |
| Other County Employees | \$ 426,744 |

Disbursement includes ER & EE Medicare and Social Security Taxes and is not subject to Retirement Contribution.



Vaccine
Incentive

Coronavirus Vaccine Incentive Program

Not to Exceed \$130,000

AGENDA ITEM:

X

Resolution: Item A

EXHIBIT A RESOLUTION NO. 2021-20

**Jasper County
Coronavirus State and Local Fiscal Recovery Funds
Premium Pay and Vaccine Incentive Program**

Total CSLFR Funds \$5,841,328

| | | |
|--|----|---------------------|
| First Tranche (paid 7/19/2021) | \$ | 2,920,664.00 |
| Proposed Premium Pay | | |
| Level #1--Fire/Rescue, Sheriff, Detention, Solid Waste | * | 947,154.75 |
| Level #2--All Other County Employees | # | 370,116.00 |
| Medicare and Social Security Taxes (EE and ER) | | 201,542.42 |
| Vaccine Incentive Program | | <u>130,000.00</u> |
| Balance After Premium Pay Distribution | | 1,271,850.83 |
| Second Tranche (2022) | | <u>2,920,664.00</u> |
| | \$ | <u>4,192,514.83</u> |

Based on the following:

- 1) Applies to active employees on the date of payment
- 2) Calculated using regular and OT hours for the period 3/16/2020 through 6/11/2021
- 3) Salaried employees hours were calculated using 8 hours per day from 3/16/2020 or date of hire whichever is later to 6/11/2021.
- 4) Not subject to retirement contributions
- 5) Includes employee and employer portion of Medicare and Social Security taxes

* Hourly rate \$3 per hour

Hourly rate \$2 per hour

| Employee Name | Job Title | Hours Worked | Premium Pay |
|---------------------------|----------------------------------|--------------|--------------|
| Prince, Jonathan R | Firefighter/EMT | 708.00 | \$ 2,124.00 |
| Rangel, Gabriel T | Firefighter/EMT | 203.75 | \$ 6,101.25 |
| Arrington, Neal | Firefighter/EMT | 393.50 | \$ 11,794.50 |
| Barton, Brian M | Battalion Chief | 346.25 | \$ 10,380.75 |
| Blankenship, Justin | Firefighter/AEMT | 1380.25 | \$ 4,140.75 |
| Butler, Andrew M | Fire Lieutenant | 387.75 | \$ 11,630.25 |
| Davis, Mike | Firefighter/Paramedic Lieutenant | 4206.00 | \$ 12,618.00 |
| Dittman, John J | Firefighter/EMT | 4080.25 | \$ 12,240.75 |
| Dontje, Peter E | Firefighter/EMT On-call | 453.50 | \$ 1,360.50 |
| Ellis, Richard T | Firefighter/Paramedic On-call | 1616.25 | \$ 4,848.75 |
| Fixler, Darrell Wayne | Firefighter/Paramedic On-call | 491.50 | \$ 1,474.50 |
| Fludd, Christopher | Firefighter/Paramedic On-call | 148.75 | \$ 446.25 |
| Freeman, Brian J | Firefighter/EMT (uncertified) | 1103.25 | \$ 3,309.75 |
| Frie, Michael | Firefighter/EMT | 5558.00 | \$ 16,674.00 |
| Graham, Arvel D | Firefighter/EMT On-call | 1900.25 | \$ 5,700.75 |
| Hawley, Danny R | Firefighter/EMT | 3679.75 | \$ 11,039.25 |
| Hughes, Richard Manning | FIRE LIEUTENANT | 4129.75 | \$ 12,389.25 |
| Inniss, Alexander W | FIRE LIEUTENANT | 3959.00 | \$ 11,877.00 |
| Isreal, Jeremy | Firefighter/EMT | 112.00 | \$ 336.00 |
| Justice, Kenneth C | Firefighter/AEMT | 1180.00 | \$ 3,540.00 |
| Kearnes, Dalton | Firefighter/EMT | 4051.00 | \$ 12,153.00 |
| Kennedy, Brian | Firefighter/EMT | 2096.50 | \$ 6,289.50 |
| Krause, Phillip R | Firefighter/Paramedic Lieut | 3855.50 | \$ 11,566.50 |
| Kugler, Anthony | Firefighter/EMT | 2480.25 | \$ 7,440.75 |
| Langford, Haley M | Firefighter/Paramedic | 4108.00 | \$ 12,324.00 |
| Lassiter, Robert | FIRE LIEUTENANT | 3769.50 | \$ 11,308.50 |
| Lee, Joseph W | Firefighter/EMT | 2601.00 | \$ 7,803.00 |
| Lewis, Jeffrey | Firefighter/EMT | 3274.00 | \$ 9,822.00 |
| Lowery, Kelly M | Firefighter/EMT | 3600.00 | \$ 10,800.00 |
| Lucas, Clay E | Battalion Chief | 3452.25 | \$ 10,356.75 |
| Lucas, Garrett T | EMT FIRE LIEUTENANT | 3546.75 | \$ 10,640.25 |
| Marsden, Sydney A | Firefighter/EMT | 802.25 | \$ 2,406.75 |
| Meadows, Ryan R | Firefighter/Paramedic | 1251.00 | \$ 3,753.00 |
| Moore, Timothy | Firefighter/EMT | 3444.50 | \$ 10,333.50 |
| Novak, Steven | Firefighter/EMT | 3822.50 | \$ 11,467.50 |
| Padgett, Charles | Firefighter/EMT | 3764.25 | \$ 11,292.75 |
| Parks, Coy Alan | Firefighter/Paramedic | 3611.50 | \$ 10,834.50 |
| Perry, Allen M | Firefighter/Paramedic | 3894.50 | \$ 11,683.50 |
| Recchia, Chad A | Firefighter/Paramedic | 3655.75 | \$ 10,967.25 |
| Recchia, Kimberly | Firefighter/Paramedic | 3097.25 | \$ 9,291.75 |
| Ronberg, Jason | FIRE LIEUTENANT | 3531.00 | \$ 10,593.00 |
| Rounds, Collyn S | Firefighter/EMT | 1371.50 | \$ 4,114.50 |
| Royals, Michael | Firefighter/Paramedic | 5295.75 | \$ 15,887.25 |
| Scheuerer, David | Fire Marshal | 1856.00 | \$ 5,568.00 |
| Sickler, Eugene E | Firefighter/EMT | 3226.50 | \$ 9,679.50 |
| Smith, Christopher | Firefighter/EMT On-call | 532.25 | \$ 1,596.75 |
| Smith, Miles S | Battalion Chief | 3854.25 | \$ 11,562.75 |
| Story, Patrick A | Firefighter/EMT | 1389.00 | \$ 4,167.00 |
| Strazzella, Christopher P | Firefighter/EMT | 1212.25 | \$ 3,636.75 |
| Terry, Mandy | Firefighter/Paramedic On-call | 3771.75 | \$ 11,315.25 |
| Truluck, Justin D | Firefighter/Paramedic On-call | 353.25 | \$ 1,059.75 |
| Washington, Bernard | Firefighter/EMT Lieut | 5047.75 | \$ 15,143.25 |

| Employee Name | Job Title | Hours Worked | Premium Pay |
|------------------------------|-------------------------------------|--------------|-------------|
| Williams, Brian | Firefighter/Paramedic | 3391.25 \$ | 10,173.75 |
| Jernigan, Blake J | FIRE LIEUTENANT | 4403.75 \$ | 13,211.25 |
| Jobczynski, Jeffrey A | FIRE LIEUTENANT | 4169.25 \$ | 12,507.75 |
| Metz, David | Firefighter/EMT | 18.00 \$ | 54.00 |
| Ashby, Stephan | Corporal-School Resource Officer | 2699.25 \$ | 8,097.75 |
| Bailey, Joseph C | Sergeant | 3221.25 \$ | 9,663.75 |
| Bailey, Tamika J | Deputy Sheriff | 2254.25 \$ | 6,762.75 |
| Bapties, Doriyan | Deputy Sheriff | 255.50 \$ | 766.50 |
| Brown, Jason A | Lance Corporal | 3216.75 \$ | 9,650.25 |
| Brown, Steven | Deputy Sheriff | 3272.00 \$ | 9,816.00 |
| Butler, Jasmine | Lance Corporal | 2466.50 \$ | 7,399.50 |
| Crasby, Jeffery D | Chief Deputy | 912.00 \$ | 2,736.00 |
| Daley, Debra A | Administrative Secretary II | 2362.75 \$ | 7,088.25 |
| Dodson, Eric J | Deputy Sheriff | 2432.75 \$ | 7,298.25 |
| Edwards, Robert W | Deputy Sheriff | 2783.25 \$ | 8,349.75 |
| Ellis, Michael A | Sergeant-Sheriff | 2701.25 \$ | 8,103.75 |
| Evans, Curtis | Deputy Sheriff | 3304.50 \$ | 9,913.50 |
| German, Harry R | Detective | 3069.00 \$ | 9,207.00 |
| Hubbard, James D | Lieutenant | 1618.50 \$ | 4,855.50 |
| Jenkins, James J | Lieutenant | 1874.25 \$ | 5,622.75 |
| Johnson, Laclisha M | Sergeant-Sheriff | 2739.50 \$ | 8,218.50 |
| Lowery, Clarence J | Sergeant-Sheriff | 2354.50 \$ | 7,063.50 |
| Lowther, John H | Lance Corporal | 2646.75 \$ | 7,940.25 |
| Mikell, Stephanie | Administrative Secretary II | 727.00 \$ | 2,181.00 |
| Morgan, Daniel | Deputy Sheriff Part Time Temp | 1690.00 \$ | 5,070.00 |
| O'Quinn, Allison | Deputy Sheriff PT (Class III) | 602.00 \$ | 1,806.00 |
| Orr, Deloris B | Administrative Assistant | 322.00 \$ | 966.00 |
| Riley, Dominique R | Corporal-Sheriff's Office | 2699.50 \$ | 8,098.50 |
| Rivers, Felicia D | Administrative Clerk | 2369.50 \$ | 7,108.50 |
| Rivers, Gregory O | Detective | 3018.00 \$ | 9,054.00 |
| Russell, Tiffany L | Lance Corporal | 2369.00 \$ | 7,107.00 |
| Sons, Gary Scott | Sergeant- School Resource Officer | 2602.00 \$ | 7,806.00 |
| Spikes, Deanne W | Evidence Custodian-Class III Deputy | 2374.00 \$ | 7,122.00 |
| Thompson, Adam C | Lieutenant | 912.00 \$ | 2,736.00 |
| Tomlin, Brock | Deputy Sheriff | 3181.75 \$ | 9,545.25 |
| Williams, Charles | Staff Sergeant - Sheriff | 2713.75 \$ | 8,141.25 |
| Wright, Elvin F | Lieutenant | 912.00 \$ | 2,736.00 |
| Zafarakis, Justin T | Deputy Sheriff | 265.00 \$ | 795.00 |
| Alexander, Cantrice L | Detention Officer | 3101.75 \$ | 9,305.25 |
| Alston, Herbert I | Sergeant | 2816.50 \$ | 8,449.50 |
| Baliste, Kadijah M | Corporal | 2184.25 \$ | 6,552.75 |
| Benjamin, Arthur S | Detention Director | 2616.00 \$ | 7,848.00 |
| Carrall, Donald A | Corporal | 3074.25 \$ | 9,222.75 |
| Doctor-Harley, Jasmine | Administrative Assistant | 2486.50 \$ | 7,459.50 |
| Ellis, Nicole S | Sergeant | 2595.00 \$ | 7,785.00 |
| Gray, Mary C | Corporal | 2653.50 \$ | 7,960.50 |
| Hewitt, Gary D | Detention Officer | 987.00 \$ | 2,961.00 |
| Judson, Rauqule | Detention Officer | 848.00 \$ | 2,544.00 |
| Marsh, Melinda R | Detention Officer | 1271.25 \$ | 3,813.75 |
| Mitchell, Wakisha | Detention Officer | 1449.75 \$ | 4,349.25 |
| Moore, Loretta J | Sergeant | 2687.50 \$ | 8,062.50 |
| Murphy, Rebecca | Civilian Booking Specialist | 2462.75 \$ | 7,388.25 |
| Orr, Beverly J | Detention Lieutenant | 2584.75 \$ | 7,754.25 |
| Orr, Harry A | Captain | 2616.00 \$ | 7,848.00 |
| Peebles, Shakeisha | Sergeant | 2419.50 \$ | 7,258.50 |
| Perry, Eric L | Detention Officer | 1313.00 \$ | 3,939.00 |
| Robinson, Kenneth L | Corporal | 2422.00 \$ | 7,266.00 |
| Rodd, James J | Lance Corporal | 2654.00 \$ | 7,962.00 |
| Simpson, Lateefah K | Detention Officer | 1867.25 \$ | 5,601.75 |
| Smith, Cody W | Detention Officer | 2940.50 \$ | 8,821.50 |
| Stokes, Sylvia W | Sergeant | 2496.75 \$ | 7,490.25 |
| Vargas-Torres, Rebeca | Corporal | 2989.25 \$ | 8,967.75 |
| White Witherspoon, Elmetta D | Purchasing Clerk | 2389.50 \$ | 7,168.50 |
| Alexandre, Sauveur | Refuse Collection Worker I (Temp | 204.00 \$ | 612.00 |
| Bowers, Robert J | Refuse Collection Worker I (Temp | 360.00 \$ | 1,080.00 |
| Boyles, Leon | Refuse Collection Worker I | 1413.50 \$ | 4,240.50 |
| Broman, Bruce | Refuse Collection Worker I | 1639.00 \$ | 4,917.00 |
| Denton, Teresa G | Refuse Collection Worker I (Temp | 1448.00 \$ | 4,344.00 |
| Hugue, Bessie M | Refuse Collection Worker I | 1598.25 \$ | 4,794.75 |
| Jenkins, Edward | Refuse Collection Worker I | 1727.00 \$ | 5,181.00 |
| King, Don | Refuse Collection Worker I | 449.00 \$ | 1,347.00 |
| Miller, Earl | Refuse Collection Worker I | 1312.00 \$ | 3,936.00 |
| Miller, Eugene | Refuse Truck Driver | 316.50 \$ | 949.50 |
| Murphy, Arthur A | Refuse Collection Worker I (Temp | 1742.00 \$ | 5,226.00 |
| Nettles, Joseph H | Refuse Collection Worker I (Temp | 1819.00 \$ | 5,457.00 |
| Robinson, Joseph | Refuse Collection Worker I | 2440.00 \$ | 7,320.00 |
| Scanlon, Regenea | Refuse Collection Worker I | 1000.00 \$ | 3,000.00 |
| Shaw, Julius C | Refuse Collection Worker I (Temp | 1607.00 \$ | 4,821.00 |
| Smith, Morris L | Refuse Collection Worker I (Temp | 1322.00 \$ | 3,966.00 |
| Smith, Ralph | Refuse Collection Worker I | 1250.00 \$ | 3,750.00 |
| Sullivan, Michael | Refuse Truck Driver | 3285.00 \$ | 9,855.00 |
| Ulmer, Gladys | Refuse Collection Worker I | 1250.00 \$ | 3,750.00 |
| White, Yolanda Nicole | Refuse Collection Worker I (Temp | 977.00 \$ | 2,931.00 |
| Yatro, Donna F | Refuse Collection Worker I (Temp | 1608.00 \$ | 4,824.00 |
| McNair, Pamela S | Victims Advocate | 472.00 \$ | 1,416.00 |
| Brendlen, Chelsea | Communication Officer (on call) | 795.25 \$ | 1,590.50 |
| Carr, Monique J | Communication Officer | 2803.75 \$ | 5,607.50 |
| Cothran, Philip | CAD Coordinator | 3301.50 \$ | 6,603.00 |
| Deweese, Megan E | Communication Officer (on call) | 245.00 \$ | 490.00 |

| Employee Name | Job Title | Hours Worked | Premium Pay |
|----------------------------|-------------------------------------|--------------|-------------|
| Ellsworth-Bilyard, Karey J | Communication Supervisor | 2744.25 \$ | 5,488.50 |
| Freeman, Marisa M | Communication Officer | 192.00 \$ | 384.00 |
| Hall, Meionda | Communication Officer | 841.50 \$ | 1,683.00 |
| Haupt, Tasha L | Communication Officer (on call) | 669.25 \$ | 1,338.50 |
| Lucas, Kelli R | Communication Officer | 2936.75 \$ | 5,873.50 |
| Morris, Selena | Communication Supervisor | 3139.25 \$ | 6,278.50 |
| Nettles, Kimberly A | Communication Supervisor | 2977.75 \$ | 5,955.50 |
| Ortega, Jessica M | Communication Officer | 2795.25 \$ | 5,590.50 |
| Phillips, Stacey J | Communication Officer | 2979.00 \$ | 5,958.00 |
| Roberts, Sydney M | Communication Officer | 83.50 \$ | 167.00 |
| Thompson, Kenzie C | Communication Officer (on call) | 1861.50 \$ | 3,723.00 |
| Thompson, Melissa C | Communication Officer (on call) | 99.75 \$ | 199.50 |
| Bostick, Earl | IT Director | 2616.00 \$ | 5,232.00 |
| Brown, Lekisha A | Systems Administrator | 2640.00 \$ | 5,280.00 |
| Givens, Shantrece | Helpdesk Website Coordinator | 434.50 \$ | 869.00 |
| Simmons, Wanda H | Clerk to Council | 1936.00 \$ | 3,872.00 |
| Fulghum, Andrew P | County Administrator | 2616.00 \$ | 5,232.00 |
| Williams, Tisha L | Administrative Assistant | 1760.00 \$ | 3,520.00 |
| King, Lasherah | Administrative Assistant | 2317.00 \$ | 4,634.00 |
| Mitchell, Rhonda R | Tax Collector | 2616.00 \$ | 5,232.00 |
| Kitty, Renty E | License & Permitting Technician | 2616.00 \$ | 5,232.00 |
| Deloach, Georgia | Administrative Secretary | 2254.25 \$ | 4,508.50 |
| Rogers, Rachel | Billing Clerk | 32.00 \$ | 64.00 |
| Wells, Russell | Director of Emergency Services | 2616.00 \$ | 5,232.00 |
| Lawson, Bonnie | Planning & Zoning Coordinator | 2616.00 \$ | 5,232.00 |
| Wagner, Lisa P | Planning & Bldg Svcs Director | 2616.00 \$ | 5,232.00 |
| Burgess, Kimberly M | Director of Administrative Services | 2616.00 \$ | 5,232.00 |
| Epperson, Darlene S | Accounting Generalist | 2229.50 \$ | 4,459.00 |
| Mikell, Alfreda D | Court Clerk II | 2264.00 \$ | 4,528.00 |
| Timmons, Lynn J | Court Clerk II | 1390.50 \$ | 2,781.00 |
| Truesdale, Quatray | Deputy Clerk of Court | 2288.00 \$ | 4,576.00 |
| Witter, Jennifer | Court Clerk II | 1158.25 \$ | 2,316.50 |
| Jaynes, Peggy M | Court Clerk | 2352.00 \$ | 4,704.00 |
| Roberts, Kayla R | Court Clerk II | 2416.00 \$ | 4,832.00 |
| Strobhart, Cheryl E | Court Clerk | 2336.00 \$ | 4,672.00 |
| Ford, Dixie S | Associate Probate Judge | 2528.00 \$ | 5,056.00 |
| Washington, Kanetta L | Court Clerk I | 2528.00 \$ | 5,056.00 |
| Mole, Shakia T | Deputy Auditor | 339.75 \$ | 679.50 |
| Robertson, Sherelle | Administrative Clerk II | 24.25 \$ | 48.50 |
| Garvin, Thelma | Clerk Temporary | 1818.25 \$ | 3,636.50 |
| Johnson, Lashea M | Accounting Clerk | 2474.00 \$ | 4,948.00 |
| Sheppard, Claudette B | Deputy Clerk (formerly) | 2186.00 \$ | 4,372.00 |
| Jenkins, Alton | Veterans Affairs Director | 708.75 \$ | 1,417.50 |
| Bolden, Ashley J | Administrative Clerk | 1100.00 \$ | 2,200.00 |
| Cuylear, Cytierah A | Mapper I | 2386.75 \$ | 4,773.50 |
| Dara, Carla M | Appraiser | 2247.50 \$ | 4,495.00 |
| Goethe, KayCee D | Mapper I | 2494.00 \$ | 4,988.00 |
| Hall, Jerri D | Chief Appraiser | 2312.00 \$ | 4,624.00 |
| Jimenez-Rodriguez, Andrea | Appraiser | 2034.50 \$ | 4,069.00 |
| McCallister, Kari S | Appraiser | 2333.75 \$ | 4,667.50 |
| Ramos-Lozano, Jessica | Administrative Clerk | 143.75 \$ | 287.50 |
| Sticht, Deborah K | Administrative Clerk | 1128.00 \$ | 2,256.00 |
| Waite, Susan L | Assistant | 2616.00 \$ | 5,232.00 |
| Williams, Gwen | Administrative Clerk | 1603.50 \$ | 3,207.00 |
| Bostick, Jeanine M | Elect & Voter Reg Director | 2616.00 \$ | 5,232.00 |
| Thompson, Crystal | Administrative Clerk | 2279.75 \$ | 4,559.50 |
| Lucas, Danny O | Development Coordinator | 2616.00 \$ | 5,232.00 |
| Vaigneur, Jeremiah E | Part Time Coroner | 500.00 \$ | 1,000.00 |
| Clark Alston, Anitra | Court Clerk II | 2387.00 \$ | 4,774.00 |
| Hamilton, Willie Ann | Court Clerk (Temporary PT) | 1332.75 \$ | 2,665.50 |
| Beard, Wendy J | Administrative Assistant | 2311.25 \$ | 4,622.50 |
| Smith, Clifton R | Park Ranger | 2354.50 \$ | 4,709.00 |
| Bush, Reginald | Maintenance Worker | 2253.25 \$ | 4,506.50 |
| Davis, Johnny M | Parks and Recreation Director | 2616.00 \$ | 5,232.00 |
| Jenkins, Dashawn | Maintenance Worker | 2159.75 \$ | 4,319.50 |
| Lykes, Dorique E | Recreation Assistant PT | 2378.50 \$ | 4,757.00 |
| Lassiter, Dallas Y | Office Manager | 2558.50 \$ | 5,117.00 |
| Terry, Dale R | Director Public Works/Engineering | 2616.00 \$ | 5,232.00 |
| Bell, Cassandra | Custodian | 1241.50 \$ | 2,483.00 |
| Lowther, Krey L | Equipment Operator II | 2254.50 \$ | 4,509.00 |
| Miller, Eugene | Refuse Truck Driver | 1439.25 \$ | 2,878.50 |
| Stanley, Hance D | Equipment Operator II | 2119.00 \$ | 4,238.00 |
| Strobhart, Winfred | Equipment Operator I | 2482.50 \$ | 4,965.00 |
| Switzer, Amanda M | Equipment Operator I | 2441.75 \$ | 4,883.50 |
| Crosby, Jeffery A | Vehicle Maintenance Supervisor | 2538.50 \$ | 5,077.00 |
| Hudson, Eryka | Custodian | 2355.50 \$ | 4,711.00 |
| Roberts, Olan W | Building Maintenance Supervisor | 2371.75 \$ | 4,743.50 |
| Greene, Patsye | Register of Deeds | 2616.00 \$ | 5,232.00 |
| Barker, Jeffrey C | Building Inspector | 2616.00 \$ | 5,232.00 |
| Campbell, Ryan | Building Inspector | 2468.00 \$ | 4,936.00 |
| Durst, Sharon | Planning and Building Technician | 2335.00 \$ | 4,670.00 |
| Mervin, Janie | Court Clerk | 2044.50 \$ | 4,089.00 |
| Drayton, Doneza | Court Clerk | 2340.00 \$ | 4,680.00 |
| Graham, Martha | Human Resources Assistant | 2359.00 \$ | 4,718.00 |
| Holt, Nicole S | Human Resources Director | 2616.00 \$ | 5,232.00 |
| McLemore, Tina K | Human Resources Generalist | 2616.00 \$ | 5,232.00 |
| Tedder, David L | County Attorney | 2616.00 \$ | 5,232.00 |

AGENDA ITEM:

X

Resolution: Item B

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 30 years for each component of the Project placed in service during the investment period (the “FILOT Term”) under the Act. The FILOT shall be calculated using a 6% assessment ratio and a fixed millage rate of 0.3450 for a period of 30 years for each component of the Project 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 Project is located in the Park for at least the longer of a 30-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. This resolution shall constitute “preliminary approval” pursuant to Section 12-44-110(2) of the Act by which property may be placed in service prior to the execution of a FILOT agreement but still constitute economic development property under the Act.

Section 7. 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.

Adopted this ____ day of ____, 2021.

JASPER COUNTY, SOUTH CAROLINA

Signature: _____

Name: Barbara Clark

Title: Chair of County Council

(SEAL)

ATTEST:

Reviewed for form and draftsmanship

By the Jasper County Attorney:

Signature: _____

Name: Wanda Simmons

Title: Clerk to County Council

Name: David L. Tedder

Date



South Carolina
Department of Commerce

Just right for business.

South Carolina Coordinating Council for Economic Development

South Carolina
Incentive Summary for
Project Ocean
In Jasper County

June 25, 2021



South Carolina
Department of Commerce

Just right for business.

1201 Main Street, Suite 1600 | Columbia, S.C. 29201
Info@SCcommerce.com | (803) 737-0400 | SCcommerce.com



TABLE OF CONTENTS

SUMMARY OF POTENTIAL INCENTIVES 3

INCOME TAXES 5

STATE GRANT 6

JOB DEVELOPMENT CREDITS 6

INCOME TAX CREDITS 8

SALES & USE TAX AND EXEMPTIONS 10

SOUTH CAROLINA'S WORKER TRAINING PROGRAM (readySC™) 11

LOCAL PROPERTY TAXES 14

OFFSETTING PROPERTY TAX LIABILITY 15



SUMMARY OF POTENTIAL INCENTIVES

The State of South Carolina is pleased to work with Project Ocean as you consider locating your building products manufacturing facility in Jasper County, South Carolina. South Carolina is a leader in business and economic development. From renowned workforce training methods, unparalleled business tax incentives, unbeatable logistical advantages, to a business friendly climate, South Carolina offers a collection of resources all working in your favor. On behalf of South Carolina, we are pleased to outline a number of incentives for which Project Ocean may be eligible.

The possible incentives and established values provided below are based on information provided to Julius Weathers, your project manager, either orally or in writing. These key assumptions are as follows:

- Project Ocean, a limited liability company (LLC) taxed as a partnership, will locate a building products manufacturing facility in Jasper County, South Carolina.
- Project Ocean will invest \$16,021,000 in the project, of which \$4,155,000 will be in real property (land and building) and \$11,866,000 will be in new tangible personal property (machinery and equipment).
- The \$4,155,000 in real property will be used to purchase and renovate a spec building that has not yet been on the tax rolls.
- Project Ocean will create 126 new jobs over 5 years.



Summary of Potential Incentives

Project Ocean
Jasper County

| Incentive Type | Availability | Incentive Value |
|---------------------------------------|--------------|----------------------------|
| <u>STATE INCENTIVES</u> | | |
| <u>Cash Grant</u> | | |
| State Grant | One Time | \$750,000 |
| <u>Withholding Tax Rebates</u> | | |
| Job Development Credit | 10 Years | \$1,935,000 |
| <u>Income Tax Credits</u> | | |
| Corporate Income Tax | | |
| Job Tax Credits | 5 Years | \$13,387,500 |
| Investment Tax Credit | One Time | \$177,990 |
| <u>Exemptions</u> | | |
| Sales Tax | Ongoing | \$1,067,940 |
| <u>In-Kind Services</u> | | |
| readySC™ | Variable | \$180,000 |
| <u>LOCAL INCENTIVES</u> | | |
| <u>Property Tax Incentives</u> | | |
| Fee-In-Lieu of Property Tax | 30 Years | \$1,821,657 |
| <u>Other</u> | | |
| Special Source Revenue Credit | 30 Years | \$1,028,241 |
| Reduction in Cost of Building* | One Time | \$465,000 |
| Total Value of All Incentives | | <u>\$20,813,327</u> |

Please note that all incentives discussed herein are contingent upon submission of all required documentation, staff review, fulfillment of eligibility requirements, and the conditions of each program. This document is a summary only. The relevant statutory provisions and agency guidelines must be reviewed for a full understanding of the terms and conditions of each incentive. The incentives presented in this report are performance based and will increase or decrease in direct proportion with jobs, wages, and/or actual investment. The South Carolina Department of Commerce is not authorized to offer definitive tax commitments – only the South Carolina Department of Revenue, the local elected county council, and the South Carolina Coordinating Council for Economic Development have the authority to do so under South Carolina law. This synopsis should only be used by the company to assist in their evaluation of South Carolina taxes and incentives. Assumptions underlying the analyses are identified and should be taken into account by the company.

** Southern Carolina Alliance is willing to reduce the purchase price of the building from \$2,800,000 to \$2,335,000.*



INCOME TAXES

Income tax in South Carolina is based primarily on federal gross and taxable income. Businesses engaged in multi-state activities will only pay taxes on the income derived from business activity conducted in South Carolina.

Calculating South Carolina Income — The First Step in Lowering Tax Liability

The first step to maintaining low income tax liabilities is the state's formula for calculating income allocated and apportioned to South Carolina. Project Ocean's annual income is based on the following:

- *Income allocated to South Carolina operations.* Certain income not connected with the business is allocated for South Carolina tax purposes. This income includes interest, dividends, royalties, rents, property sale gains and losses, and personal services income associated with the South Carolina facility; and
- *Income apportioned to South Carolina.* South Carolina offers a single factor sales apportionment formula for companies engaged in business in multiple states. A company's net income subject to apportionment will be apportioned to South Carolina by multiplying the net income by a fraction, the numerator of which is the value of sales made in South Carolina and the denominator is the total value of sales of the taxpayer. This formula is advantageous for a manufacturer whose majority of sales occurs outside the State of South Carolina.

As a general rule, a partnership's income or loss flows through to the individual partners (or members if the entity is a limited liability company taxed as a partnership) and the partner or member will report this income or loss on their South Carolina income tax returns and will be taxed at a rate between 3%-7% based on their South Carolina taxable income. Active trade or business income is treated differently. An individual partner or member may decide annually to have eligible active trade or business income as defined by the statute taxed at a reduced rate of 3% or continue to use the standard graduated 0% to 7% rates. Recently, South Carolina enacted a statute that allows for the payment of the tax at the entity level (instead of at the partner or member level) on active trade or business income in certain instances.



South Carolina Coordinating Council for Economic Development

After reviewing the information that you provided us, we have concluded that the following incentives may be applicable to Project Ocean should you decide to locate in Jasper County.

STATE GRANT

The Coordinating Council for Economic Development ("Coordinating Council") administers the State discretionary grant funds and evaluates each project on a case-by-case basis. Based on Project Ocean's commitment to create 126 new jobs and invest \$16,021,000 in Jasper County, Secretary Hitt, as Chairman of the Coordinating Council, will recommend approval of a grant in the amount of \$750,000 to assist Project Ocean with the costs of building improvements. This recommendation is contingent on the company submitting financials to demonstrate to the satisfaction of the Coordinating Council that Project Ocean has the financial wherewithal to support and maintain this project.

In order to receive a grant, an application must be completed by Jasper County and submitted to the Coordinating Council. Based on the assumption that the Coordinating Council approves the grant award, Project Ocean will be required to enter into a performance agreement with the Coordinating Council and Jasper County. Such performance agreement will set forth a minimum job requirement and a minimum capital investment that must be satisfied within a designated time period and then maintained for an additional five years. If the requirements are not satisfied within the designated time period or maintained as required, Project Ocean will be required to repay a pro rata portion of the grant funds that have been disbursed.

JOB DEVELOPMENT CREDITS

South Carolina has the Job Development Credit, a discretionary incentive that can address the specific needs of individual companies. The company's eligibility for the Job Development Credit will be assessed on a case-by-case basis.

The credit is a unique incentive that can potentially reduce, or in some cases completely offset, certain approved capital expenditures. Unlike tax credits or exemptions, this incentive is credited quarterly as a direct cash contribution. Project Ocean can only expect to collect Job Development Credits from employees earning an hourly wage (before benefits) that is equal to or more than that of Jasper County's average hourly wage of \$15.74 per hour. Such minimum wage requirement will be adjusted every five years to equal Jasper County's average hourly wage as of the date of the adjustment as determined by the most current available data.

To be eligible to apply for Job Development Credits, Project Ocean must create at least 10 net new full-time jobs and must provide a benefits package that includes a comprehensive health plan. Project Ocean must pay at least 50% of an eligible employee's cost of health plan premiums to qualify for Job Development Credit benefits. Project Ocean must submit an Application for Qualification for Enterprise Program Incentives to the Coordinating Council. The application process includes a \$4,000 non-refundable application fee, and the program has a \$500 annual renewal fee. As a general rule, a company has 30 days from the date of approval to commit to the project in South Carolina or the approval for Job Development Credits will be rescinded.

Only qualifying capital investments made within five years after the application has been approved (and any similar investments made sixty days prior to approval) can be considered. Project Ocean may be reimbursed for portions of the following types of expenditures:

- Land acquisition, building construction, site/building improvements including some tenant improvements to leased property, and in certain instances, lease costs;



South Carolina Coordinating Council for Economic Development

- Public and private utility system upgrades (water, wastewater, electricity, natural gas, and telecommunications);
- Transportation facilities;
- Purchase/acquisition of "pollution control equipment" (equipment required to meet federal and state environmental requirements);
- Approved training costs not covered by readySC™, training facilities, export training, and apprenticeship programs;

Project Ocean will be required to enter into a Revitalization Agreement with the Coordinating Council that establishes Project Ocean's investment and employment commitments and completion dates used to claim the credit and identifies eligible expenditures. Project Ocean must meet the investment and employment commitments before the completion date and certify to the Coordinating Council. Once Project Ocean meets the investment and job creation targets outlined in the agreement, the earning window for collecting Job Development Credits begins. Companies may collect Job Development Credits for 10 years. Project Ocean must maintain the investment and employment commitments 100% during the 10-year period in order to continue claiming Job Development Credits. The amount of the Job Development Credit depends on the development status of the county in which Project Ocean is located at the time the application is received, the number of jobs created, and the average wage rate. Job Development Credits will be capped at \$3,250 annually per employee.

The Job Development Credit calculation is based on these criteria:

- The hourly wage rate paid to individual employees (shown in Table 1), and
- The development designation of the county (shown in Table 2).

Table 1: Enterprise Program Wage Guidelines

| Average Hourly Wage (or Equivalent) ¹ | Maximum Rebate (As % of Gross Wages) |
|---|---|
| \$14.03 - \$17.53 | 3% |
| \$17.54 - \$26.30 | 4% |
| \$26.31 and greater | 5% |

¹ These values are adjusted annually.

Table 2: Enterprise Program
Classification & Credit Guidelines

| County Classification | Maximum Credit (% Retained by Co.) |
|--------------------------|---------------------------------------|
| Tier I | 55% |
| Tier II | 70% |
| Tier III | 85% |
| Tier IV | 100% |

Jasper County is currently a Tier III county so Project Ocean would be able to retain 85% of its calculated Job Development Credits.



South Carolina Coordinating Council for Economic Development

The following illustration outlines an estimated value of Job Development Credits for Project Ocean. This estimate is based on 126 new jobs, all of which have an hourly wage rate greater than the average hourly wage rate of \$15.74 in Jasper County.

| <u>Estimated Job Development Credit</u> | | | | | | |
|---|-------------|-----------|-----------|-------------|-----------|--------------------|
| <u>Project Ocean</u> | | | | | | |
| <u>Jasper County</u> | | | | | | |
| County Average Wage | | | | | | \$15.74 |
| Number of Employees | 78 | 14 | 12 | 20 | 2 | |
| x Estimated Hourly Wage | \$19.00 | \$23.00 | \$24.00 | \$32.00 | \$73.16 | |
| x 2000 hours/year | \$2,964,000 | \$644,000 | \$576,000 | \$1,280,000 | \$292,640 | |
| x JDC Rebate (%) | 4% | 4% | 4% | 5% | 5% | |
| Net JDC | \$118,560 | \$25,760 | \$23,040 | \$64,000 | \$14,632 | |
| x County Classification | 85% | 85% | 85% | 85% | 85% | |
| Annual JDC (as adjusted for annual cap) | \$100,776 | \$21,896 | \$19,584 | \$54,400 | \$6,500 | |
| x Maximum Years | 10 | 10 | 10 | 10 | 10 | |
| | \$1,007,760 | \$218,960 | \$195,840 | \$544,000 | \$65,000 | |
| Total Value | | | | | | \$2,031,560 |

Please note that the amount of Job Development Credits cannot exceed the amount of eligible expenditures approved by the Coordinating Council and not reimbursed with other public funds.

INCOME TAX CREDITS

Job Tax Credits

By creating new jobs in South Carolina, Project Ocean is eligible for an income tax credit. The value of these credits is determined by the development tier of the county and the number of jobs created. Jasper County is currently a Tier III county, providing an annual credit of \$20,250 per job. The counties are re-ranked every year based on unemployment rates and per capita income, and the ranking of a county may change from year to year.

Companies planning significant expansions may lock-in the current county designation without regard to whether the ranking of the particular county in which the company is planning its project changes by filing a Form SC616 with the South Carolina Department of Revenue ("DOR"). In order to ensure qualification for a planned expansion of jobs, companies should file Form SC616 before the initial staffing of the new facility or expansion begins. Although this form is not required, it will ensure the company that DOR is aware of the planned expansion and that the company will be entitled to the designated credits in future years without regard to whether a particular county's designation changes in a later year.

In addition, Jasper County has agreed to designate the site as a "multi-county industrial park." This designation allows Project Ocean to take advantage of an additional \$1,000 per net new job — meaning, Job Tax Credits of \$21,250 per job are available to Project Ocean.

The credit is available for a five-year period provided that the jobs are maintained. The credit is first claimed on the income tax return for Year 2 (the year following the creation of the new jobs). The credit will be adjusted for job increases or decreases each year. For pass through entities, the credit passes through to the shareholder, partner, or member based on their ownership interests and **may be used to offset up to 50% of that individual's South Carolina taxable income**. Unused credits can be carried forward for up to 15 years and **are not transferable or refundable**. To be eligible for Job Tax Credits, Project Ocean must create a monthly average of 10 net new jobs at the facility in a single taxable year.



South Carolina Coordinating Council for Economic Development

During the original credit period, Job Tax Credits are allowed a credit for additional jobs created (even if fewer than 10.)

The number of "new jobs" is determined at the end of each tax year, as the net difference between the following:

- the monthly average number of full-time employees subject to South Carolina income tax withholding, in the applicable county for the current tax year; and
- the monthly average number of full-time employees in the applicable county for the prior tax year. The net increase equals the number of net new jobs created.

The following table illustrates the value of Job Tax Credits assuming the creation of 126 net new jobs over 5 years.

Illustration of Estimated Job Tax Credits

Project Ocean

Jasper County

| <u>Year</u> | <u>Credit</u> | <u>Number of Job Credits</u> | <u>Annual Total</u> |
|--------------------|---------------|------------------------------------|-----------------------------------|
| 1 | | Establish Qualification for Credit | |
| 2 | \$21,250 | 65 | \$1,381,250 |
| 3 | \$21,250 | 81 | \$1,721,250 |
| 4 | \$21,250 | 95 | \$2,018,750 |
| 5 | \$21,250 | 112 | \$2,380,000 |
| 6 | \$21,250 | 126 | \$2,677,500 |
| 7 | \$21,250 | 61 | \$1,296,250 |
| 8 | \$21,250 | 45 | \$956,250 |
| 9 | \$21,250 | 31 | \$658,750 |
| 10 | \$21,250 | 14 | \$297,500 |
| Total Value | | | <u><u>\$13,387,500</u></u> |

Please note, the number of new jobs is calculated as the increase in average monthly employment from one year to the next. Should the number of jobs created also increase or decrease, the total credit will likewise vary. We have calculated these amounts assuming that Jasper County remains a Tier III county.

Investment Tax Credit

South Carolina allows manufacturers locating in South Carolina a one-time credit against income tax of up to 2.5% of a company's investment in new production equipment.

The actual value of the credit depends on the applicable recovery period for property under the Internal Revenue Code. The following table illustrates the credit value for the various years outlined in the code.



South Carolina Coordinating Council for Economic Development

| Recovery Period | Credit Value |
|------------------------|---------------------|
| 3 years | 0.5% |
| 5 years | 1% |
| 7 years | 1.5% |
| 10 years | 2% |
| 15 years or more | 2.5% |

For pass through entities, the credit passes through to the shareholder, partner, or member based on their ownership interests. Unused credits may be carried forward for up to ten years.

The table below illustrates the potential value of the Investment Tax Credit for Project Ocean. This example assumes a total investment of \$11,866,000 in eligible new production machinery, with a useful life of 7-9 years (11% depreciation annually), which allows for a 1.5% credit.

Illustration of Estimated Investment Tax Credits

Project Ocean
Jasper County

| | |
|---|------------------|
| Total New Production Equipment Investment | \$11,866,000 |
| x Credit Value | 1.5% |
| Total Value | \$177,990 |

Please note, the depreciation schedule of the equipment determines the percentage value of the credit. If the life of the equipment increases or decreases, the value of this incentive may change.

Research and Development Tax Credit

In order to reward companies for increasing research and development activities in a taxable year, South Carolina offers a credit equal to 5% of the taxpayer's qualified research expenses in the state. The term "qualified research expenses" is defined in Section 41 of the Internal Revenue Code.

The credit taken in any one taxable year may not exceed 50% of the company's remaining tax liability after all other credits have been applied. Any unused portion of the credit can be carried forward for 10 years from the date of the qualified expenditure.

SALES & USE TAX AND EXEMPTIONS

South Carolina's sales and use tax rate is 6%. Jasper County (by approval of a majority of county voters) assesses an additional 3% local option sales tax. Proceeds go toward infrastructure improvements or rollback of property taxes.

Sales and Use Tax Exemptions

In addition to maintaining a low sales tax rate, South Carolina offers a number of sales and use tax exemptions for manufacturers including:

- Manufacturing production machinery and applicable repair parts;
- Manufacturing materials that become an integral part of the finished product;



South Carolina Coordinating Council for Economic Development

- Industrial electricity and other fuels used in manufacturing tangible personal property;
- Research and development equipment;
- Manufacturers' air, water and noise pollution control equipment;
- Packaging materials; and
- Long distance telecommunication services, including 800 services.

Illustration of Sales and Use Tax Exemption

Project Ocean
Jasper County

| | |
|--|---------------------------|
| Total Manufacturing Equipment Investment | \$11,866,000 |
| x State and Local Option Sales Tax | 9.0% |
| Total Value | <u>\$1,067,940</u> |

Sales Tax Caps

In addition to the sales tax exemptions, South Carolina further reduces Project Ocean's tax burden by providing a valuable cap of \$500 for sales tax or infrastructure maintenance fee, as applicable, on the sale or lease of automobiles, trucks, boats, and aircraft.

SOUTH CAROLINA'S WORKER TRAINING PROGRAM (readySC™)

For more than 50 years, readySC™, has been one of the state's most powerful economic development incentives for companies relocating to or expanding in South Carolina. readySC™ (www.readysc.org) is one of the oldest, most experienced and highly touted workforce training programs in the country. Its skilled professionals have unparalleled experience in helping organizations start-up quickly and efficiently in today's competitive environment. From workforce recruiting and assessment to curriculum and materials development, from innovative, customized training design and delivery to experienced project management through every step of the process, readySC™ helps new and expanding industries by developing a motivated, high-quality workforce specific to an organization's individual needs. All of these services are provided for the company at little to no cost.

readySC™ is not a grant application program. Instead, the program makes a commitment to client organizations to provide a qualified pipeline of training candidates and train those candidates to the set specifications identified for entry level employees as set forth in the mutually agreed upon scope of work developed by the company and readySC™.

Hallmarks of readySC™'s highly-acclaimed program include: flexibility, responsiveness, quality control, proven project management, experience, and the ability to help create highly functioning work teams. Ultimately, readySC™ provides new and expanding companies that choose to locate in South Carolina the ability to find and train the right people at the right time with the right skills and motivation.

Why readySC™ is Unique

Constantly blazing new trails, readySC™ is the benchmark among state training programs in the United States. The following represents a few of the qualities that set this program apart.



South Carolina Coordinating Council for Economic Development

- **Centrally Administered, Yet Locally Managed:** The expertise of the statewide network of technical colleges is available to each of readySC™'s clients while still being managed locally and focused specifically on the individual needs of the client company's workforce.
- **Experienced and Dedicated Personnel:** Unlike other training programs, readySC™ has unparalleled experience in start-ups. The dedicated personnel of readySC™, many of whom come from industry, have successfully helped with hundreds of start-ups and expansions in a wide array of industries.
- **Extensive Resources and Infrastructure:** When readySC™ commits to recruit, screen, and train a company's new employees, the process can begin immediately because of its well-equipped facilities, trained instructors, and established and productive relationships.
- **No Red Tape:** Unlike some states where grant funding is used to offset training costs and can often get bogged down with strict requirements, South Carolina's program boasts no red tape to hinder the process. readySC™ can move quickly to find and train the right people for your organization.
- **Quality of Trainees:** Because trainees who attend pre-hire training sign a statement certifying that they are not guaranteed a job, their motivation to train is based on the opportunity to improve their existing skills and hopefully transition to a better career. As a result, the program attracts self-motivated and disciplined individuals who are capable of helping your company better compete in the global marketplace.
- **Project Management:** readySC™ prides itself on its project management approach. They will assign an experienced project manager supported by a team of recruitment and training specialists to develop a project plan for your company. The plan will include scope, schedule, processes for change management and feedback, and quality assurance processes.

Qualifications:

In order to qualify, a company must be creating new jobs in South Carolina with competitive wage and benefits packages. readySC™ will commit to providing client organizations with the recruiting and training services necessary to build their initial workforce.

Please note that readySC™ recruits and trains for new full-time, permanent direct hire employees, including skilled and semi-skilled positions. readySC™ does not re-train existing employees or train for attrition.

Training Services:

readySC™ will work with the client organization to determine the best methods for supporting the project's training needs including basic, safety and job-specific training. This training can be conducted on either of both of a pre-or post-employment basis. readySC™ training services will be driven by the utilization of a proven 3D Training Process to ensure a successful transfer of knowledge and ultimately, a successful project for your company

- **Discovery:** readySC™ will work with key knowledge holders at the client company to determine the skills, knowledge and abilities needed and define the desired culture and working environment. Upon completion of the discovery phase, a mutually agreed upon scope of work will be developed.
- **Design:** readySC™ will design recruiting activities and needed training in accordance with the mutually agreed upon scope of work to meet the project's specific needs. The curricula, materials,



South Carolina Coordinating Council for Economic Development

instructional requirements, trainers and delivery options will be determined in cooperation with the company.

- **Delivery:** readySC™ is completely flexible in delivery options, which could include: hands-on simulations, computer based training, online training, workstation training, virtual recreations, hand-held video delivery options and classroom training.

The training services provided by readySC™ will include:

- Providing logistical assistance throughout the project, including such activities as: overseeing all curriculum development activities, reproducing and constructing training manuals, hiring and certifying professional instructors, maintaining training records, monitoring and adjusting training for quality assurance and ensuring the number of graduating trainees matches company's hiring matrix.
- Supporting training provided by client organization for employees, including reimbursement of travel costs needed for technology transfer, a state mandated per diem and instruction fees for instructors. The number of instructors and length of stay will be determined during the discovery phase of the project.
- Working with the local technical college and economic developer to secure space for the delivery of both pre- and post-employment training for the project. The space will be up-fitted with the appropriate equipment and tools to deliver effective and realistic training strengthening the bridge from training to workplace. The space will be available for your organization's use throughout the life of the project as defined in the mutually agreed upon scope of work.

Customization is Key

readySC™ believes strongly that a cookie-cutter approach is not the solution. The program has a process for customizing the solution to meet the needs of individual clients.

First, readySC™ staff will visit your facility to observe your processes and technology as well as to experience first-hand your company philosophy and culture. Next, readySC™ will work with you to develop a plan for reaching your recruiting and training needs.

Once a plan is in place readySC™ will begin the process of recruiting. The recruiting phase includes advertising, pre-screening and assessment of trainees. After trainees are selected by the company, readySC™ delivers pre-employment training, structured OJT or a combination of the two.

South Carolina is one of the few states in the nation that provides project management staff for the duration of the training project. Most customers find this to be an invaluable asset when in a startup or expansion status. readySC™'s staff has been in the training business for over 50 years and brings to each project a level of professionalism and experience that only enhances the overall effort.

Value of readySC™ services

In order for organizations to make reliable comparisons between the values of training services provided by prospective states, readySC™ provides companies with the estimated market value of services. As stated above, readySC™ is not a grant program but instead will commit to providing client organizations with the recruiting and training services necessary to build their initial workforce. readySC™ bases the value of its services by calculating deferred costs for such activities as:

- Advertising the positions and screening applications
- Preliminary screening and assessment of applicants



South Carolina Coordinating Council for Economic Development

- Logistics associated with interviewing candidates
- Coordination and up-fit of appropriate training space
- Recruitment, scheduling and paying instructors
- Developing and designing customized instructional material
- Delivering customized training
- Reimbursing travel expenses associated with the effective transfer of knowledge
- Developing internal training experts through train the trainer
- Providing a dedicated project manager for the entirety of the project

The staff of readySC™ is committed to ensuring Project Ocean’s success in South Carolina and will help Project Ocean gain the competitive advantage through training. The illustration below is an estimated value of the readySC™ services provided to Project Ocean to recruit and train potential employees based on the creation of 90 qualifying jobs.

Illustration of readySC™ Value

Project Ocean
Jasper County

| | |
|--------------------------------------|--------------------------------|
| Estimated Value of readySC™ Services | \$2,000 |
| x Number of Employees | <u>90</u> |
| Total Value | <u><u>\$180,000</u></u> |

It is important to note that readySC is not a grant program. This is an estimated value of readySC's contribution to the project through deferred financial costs and resource allocation. The actual value may be more or less than estimated. This illustration does not create a commitment on the part of readySC or any other agency to provide training or assistance at the estimated monetary value, and to the extent the services provided by readySC do not rise to the monetary level outlined above, the company is not entitled to any payment or rebate of money based on the estimate.

LOCAL PROPERTY TAXES

Some of Project Ocean’s property may be exempt from property tax. Unlike some states, South Carolina exempts all **inventories** (raw materials, work-in-progress, and finished goods), all **intangible property**, and **pollution control equipment** from property taxation. Three factors are used to determine property taxes in South Carolina:

- **Value:** As a manufacturer, Project Ocean's personal property (machinery, equipment, etc.) is allowed to depreciate annually (once it is placed in service) at a rate established by state law. Based on the assumption that Project Ocean is a building products manufacturer, this rate will be 11%. However, the ultimate determination of the appropriate depreciation rate will be determined by the property tax division at the Department of Revenue. Project Ocean will be allowed to depreciate its machinery and equipment down to a residual level of 10% of the original property value. Project Ocean’s real property will be appraised.
- **Assessment:** As a manufacturer, Project Ocean's real and personal property is assessed at 10.5% of fair market value. Pursuant to new legislation, 14.2857% of the property tax value of manufacturing property assessed for property tax purposes will be exempt from property taxation;



South Carolina Coordinating Council for Economic Development

provided, however, that the total amount of the exemption for all entities in the State for that fiscal year will not exceed \$85 million. For any year in which the amount is projected to exceed \$85 million, the exemption amount shall be proportionally reduced. This new exemption is being phased in in equal installments over six years beginning in 2018. Please note that this exemption does not apply to property under a Fee-in-Lieu agreement as discussed below.

- **Millage Rate:** The local millage rate is applied to the assessed value of real and personal property. A mill is equal to \$0.001. The current millage rate for the location being considered by Project Ocean in Jasper County is 0.345.

OFFSETTING PROPERTY TAX LIABILITY

Fee-in-Lieu of Property Tax

South Carolina law allows Jasper County to enter into a negotiated agreement for a Fee-in-Lieu of local property taxes with Project Ocean if total capital investment is \$2.5 million or greater. The long-term savings of the Fee-in-Lieu is based on the actual investment and is dependent on both the assessment and millage rates negotiated with Jasper County.

By law, Project Ocean has 5 years to meet the minimum investment threshold, and Jasper County can offer an additional 5-year extension to complete the project. Project Ocean may include both real and personal property under the Fee-in-Lieu agreement. However, property that has been on the tax rolls in the state previously, including existing buildings, is not eligible for the Fee-in-Lieu (This restriction is waived for companies investing an additional \$45 million or more in new investment.)

The Fee-in-Lieu may result in substantial benefits for Project Ocean:

- **Savings:** Payments to local government are significantly reduced through the negotiation of a lower assessment rate (from 10.5% to as low as 6%).

With a Fee-in-Lieu, personal property depreciates, but real property is fixed at the original cost for the life of the fee. However, the county and the company may instead provide that any real property subject to the fee may be reported at its fair market value as determined by the appraisal of the South Carolina Department of Revenue and may be re-appraised every 5 years.

- **Planning:** Payments to local government are stabilized for the term of the agreement. This ultimately allows a company greater flexibility in financial planning for the term of the agreement.
- **Replacement Property:** Property that is replacing property previously under the Fee-in-Lieu is allowed to go under the agreement up to the original income tax basis of the original fee property it is replacing at any time during the agreement.

The following table illustrates the impact of the Fee-in-Lieu offered by Jasper County for an investment of \$16,021,000 in Jasper County with a 6% assessment rate and a 0.345 millage rate (locked for the 30-year life of the agreement).

A 25% Special Source Revenue Credit for 30 years is included in the Fee-in-Lieu illustration. This incentive is offered at the discretion of Jasper County as a way for the county to assist Project Ocean with specific project costs. The value of the credit is derived directly from the Fee stream payments.



**Illustration of Fee-In-Lieu of Property Tax
Project Ocean
Jasper County
6%, 30-Year Fee, Locked Millage, Normal Fee Schedule**

| Year | Taxes with Abatement | Fee Payment | | | SSRC 25% | Total Payment After SSRC |
|---------------|----------------------|-------------------------|--------------------|--------------------|--------------------|--------------------------|
| | | Yr 1 Invest. 16,021,000 | Savings with Fee | | | |
| 2022 | \$209,626 | \$304,616 | (\$94,990) | \$76,154 | \$228,462 | |
| 2023 | \$187,728 | \$277,597 | (\$89,869) | \$69,399 | \$208,198 | |
| 2024 | \$171,151 | \$250,578 | (\$79,427) | \$62,645 | \$187,934 | |
| 2025 | \$154,223 | \$223,559 | (\$69,336) | \$55,890 | \$167,669 | |
| 2026 | \$136,940 | \$196,540 | (\$59,600) | \$49,135 | \$147,405 | |
| 2027 | \$267,253 | \$169,521 | \$97,732 | \$42,380 | \$127,141 | |
| 2028 | \$226,904 | \$142,503 | \$84,401 | \$35,626 | \$106,877 | |
| 2029 | \$185,721 | \$115,484 | \$70,238 | \$28,871 | \$86,613 | |
| 2030 | \$179,599 | \$110,571 | \$69,028 | \$27,643 | \$82,928 | |
| 2031 | \$181,395 | \$110,571 | \$70,824 | \$27,643 | \$82,928 | |
| 2032 | \$183,209 | \$110,571 | \$72,638 | \$27,643 | \$82,928 | |
| 2033 | \$185,041 | \$110,571 | \$74,470 | \$27,643 | \$82,928 | |
| 2034 | \$186,891 | \$110,571 | \$76,320 | \$27,643 | \$82,928 | |
| 2035 | \$188,760 | \$110,571 | \$78,189 | \$27,643 | \$82,928 | |
| 2036 | \$190,648 | \$110,571 | \$80,077 | \$27,643 | \$82,928 | |
| 2037 | \$192,554 | \$110,571 | \$81,983 | \$27,643 | \$82,928 | |
| 2038 | \$194,480 | \$110,571 | \$83,909 | \$27,643 | \$82,928 | |
| 2039 | \$196,425 | \$110,571 | \$85,854 | \$27,643 | \$82,928 | |
| 2040 | \$198,389 | \$110,571 | \$87,818 | \$27,643 | \$82,928 | |
| 2041 | \$200,373 | \$110,571 | \$89,802 | \$27,643 | \$82,928 | |
| 2042 | \$202,377 | \$110,571 | \$91,806 | \$27,643 | \$82,928 | |
| 2043 | \$204,400 | \$110,571 | \$93,829 | \$27,643 | \$82,928 | |
| 2044 | \$206,444 | \$110,571 | \$95,873 | \$27,643 | \$82,928 | |
| 2045 | \$208,509 | \$110,571 | \$97,938 | \$27,643 | \$82,928 | |
| 2046 | \$210,594 | \$110,571 | \$100,023 | \$27,643 | \$82,928 | |
| 2047 | \$212,700 | \$110,571 | \$102,129 | \$27,643 | \$82,928 | |
| 2048 | \$214,827 | \$110,571 | \$104,256 | \$27,643 | \$82,928 | |
| 2049 | \$216,975 | \$110,571 | \$106,404 | \$27,643 | \$82,928 | |
| 2050 | \$219,145 | \$110,571 | \$108,574 | \$27,643 | \$82,928 | |
| 2051 | \$221,336 | \$110,571 | \$110,765 | \$27,643 | \$82,928 | |
| TOTALS | \$5,934,619 | \$4,112,962 | \$1,821,657 | \$1,028,241 | \$3,084,722 | |

Assumptions

| | |
|---------------|---------------------|
| \$ 11,866,000 | Taxable M&E |
| \$ 4,155,000 | Land/Bldg* |
| \$ 16,021,000 | Total Investment |
| 0.3450 | Millage Rate |
| 0.1910 | County Abateable |
| 1.00% | Millage Growth Rate |
| 11% | Annual Deprec. |
| 90% | Max Total Deprec. |
| 6.00% | Fixed Assess. Rate |

*This assumes the value of real property (land and building) invested each year remains stable at \$4,155,000 for 30 years.

*All new manufacturing establishments or additions to existing manufacturing establishments in which an investment of \$50,000 or more is made are entitled to a statutory abatement/exemption from county operating taxes for a period of 5 years from the year of investment. However, if a company enters into a FILOT, they may not take advantage of the abatement. In order to show the savings that are solely attributable to the FILOT, we have included the abatement in our annual tax schedule calculation for illustration purposes only.

AGENDA ITEM:

XI-A

Ordinance item A



Jasper County Planning and Building Services

358 Third Avenue - Post Office Box 1659
Ridgeland, South Carolina 29936
Phone (843) 717-3650 Fax (843) 726-7707

Lisa Wagner, CFM
Director of Planning and Building Services
lwagner@jaspercountysc.gov

Jasper County Council Staff Report

| | |
|------------------------|---|
| Meeting Date: | September 20, 2021 |
| Project: | Zoning Map Amendment – Community Commercial |
| Applicant: | 76 Sweet William Road |
| Tax Map Number: | 063-38-01-013 |
| Submitted For: | 3 rd Reading |
| Recommendation: | Planning Commission recommends approval of Community Commercial |

Description: The subject property consists of .55 acres and is located at 76 Sweet William Road. The Applicant has requested a Zoning Map Amendment to have the property designated as Community Commercial (CC). The property is currently zoned Residential. The applicant would like to establish a restaurant at this location. The property was re-developed in February 2007 as a restaurant. The countywide re-zoning project made this property non-conforming in November 2007. While the property has previously been used as a restaurant, the use has ceased for more than 12 months, losing its legal non-conforming status.

Analysis: The Zoning Map Amendment application and request is reviewed by considering the following factors:

- **Comprehensive Plan:** According to the 2018 Jasper County Comprehensive Plan, the Future Land Use Map identifies this area as “Urban Transition,” which are pockets of unincorporated Jasper County that are partially or entirely surrounded by the municipality. For these areas that experience new development or redevelopment, consideration should be given to working with the adjacent municipality for annexation.
- **Adjacent Zoning:** The adjacent parcels are zoned Residential with the Town limits of Ridgeland nearby.
- **Adjacent Land Use:** Adjacent land uses are residential and commercial.

- **Traffic and Access:** The subject property is accessed by Sweet William Road, which is a two-lane state-maintained highway, classified as a limited local road.

Planning Commission Recommendation: From a land use perspective, the Planning Commission recommends approval of the request to have the property designated as Community Commercial.

Attachments:

1. Application by the applicant
2. Ordinance
3. Aerial map of property and surrounding area
4. Aerial map with zoning layer



Jasper County Planning and Building Services

358 Third Avenue - Post Office Box 1659
Ridgeland, South Carolina 29936
Phone (843) 717-3650 Fax (843) 726-7707

Zoning Map Amendment Application

| | |
|--|---|
| Owner or Owner-Authorized Applicant: | Fidel Aranza |
| Address: | 76 Sweet William Rd Ridgeland, SC 29936 |
| Telephone/Fax: | 843-384-5681 |
| Email: | fidelaranza@hotmail.com |
| Property Address or Physical Location: | 76 Sweet William Rd. Ridgeland, SC 29936 |
| Tax Map Number(s): | 063-38-01-013 |
| Gross Acreage: | 0.55 |
| Current Zoning: | Residential |
| Proposed Zoning: | Community Commercial - Restaurant |
| Administrative Fee: (\$250 per lot) | \$250 check is attached |
| Date Mailed or Hand Delivered: | Fidel Aranza 06/02/2021 12:37 AM GMT |
| Reason for Request: (attach narrative if necessary) | Want to re-zone for a restaurant |

owner signed on top line

Signature of Owner or Owner-Authorized Applicant _____ Date _____
(Proof of owner-authorization required)

| Internal Use Only | |
|-------------------------|---------------|
| Date Received: | June 08, 2021 |
| Amount Received: | \$ 250.00 |
| Staff Member: | Lisa Wagner |

**STATE OF SOUTH CAROLINA
COUNTY OF JASPER**

ORDINANCE: 2021-25

**AN ORDINANCE
OF JASPER COUNTY COUNCIL**

To amend the Official Zoning Map of Jasper County so as to transfer a property bearing Jasper County Tax Map Number 063-38-01-013 from the Residential Zone to the Community Commercial Zone on the Jasper County Official Zoning Map.

WHEREAS, the owner of the parcel consisting of approximately .55 acres bearing Jasper County Tax Map Number 063-38-01-013 located at 76 Sweet William Road, has requested rezoning of the parcel on the Official Zoning Map of Jasper County from the Residential Zone to the Community Commercial Zone and the property owner submitted that request to the Jasper County Planning Commission and County Council; and

WHEREAS, the Jasper County Planning Commission has concurred with the recommendations of the staff report as reflected in this Ordinance and recommends approval by Council; and

WHEREAS, this matter is now before the Jasper County Council for determination;

NOW THEREFORE BE IT ORDAINED, by the Jasper County Council in council duly convened and by the authority of the same:

1. Jasper County Council finds that in accordance with the staff report and the recommendation of the Planning Commission, the proposed zoning is consistent with the continued pattern of growth in the vicinity and is in harmony with the Jasper County Comprehensive Plan. Good cause having been shown, approximately .55 acres bearing Jasper County Tax Map

Number 063-38-01-013, located at 76 Sweet William Road, depicted on the Jasper County Official Zoning Map in the Residential Zone shall be transferred to the Community Commercial Zone.

2. This ordinance shall take effect upon approval by Council.

Ms. Barbara B. Clark
Chairwoman

ATTEST:

Wanda Simmons
Clerk to Council

ORDINANCE: # 2021-25

First Reading: August 16, 2021

Second Reading: September 7, 2021

Public Hearing: September 7, 2021

Adopted: September 20, 2021

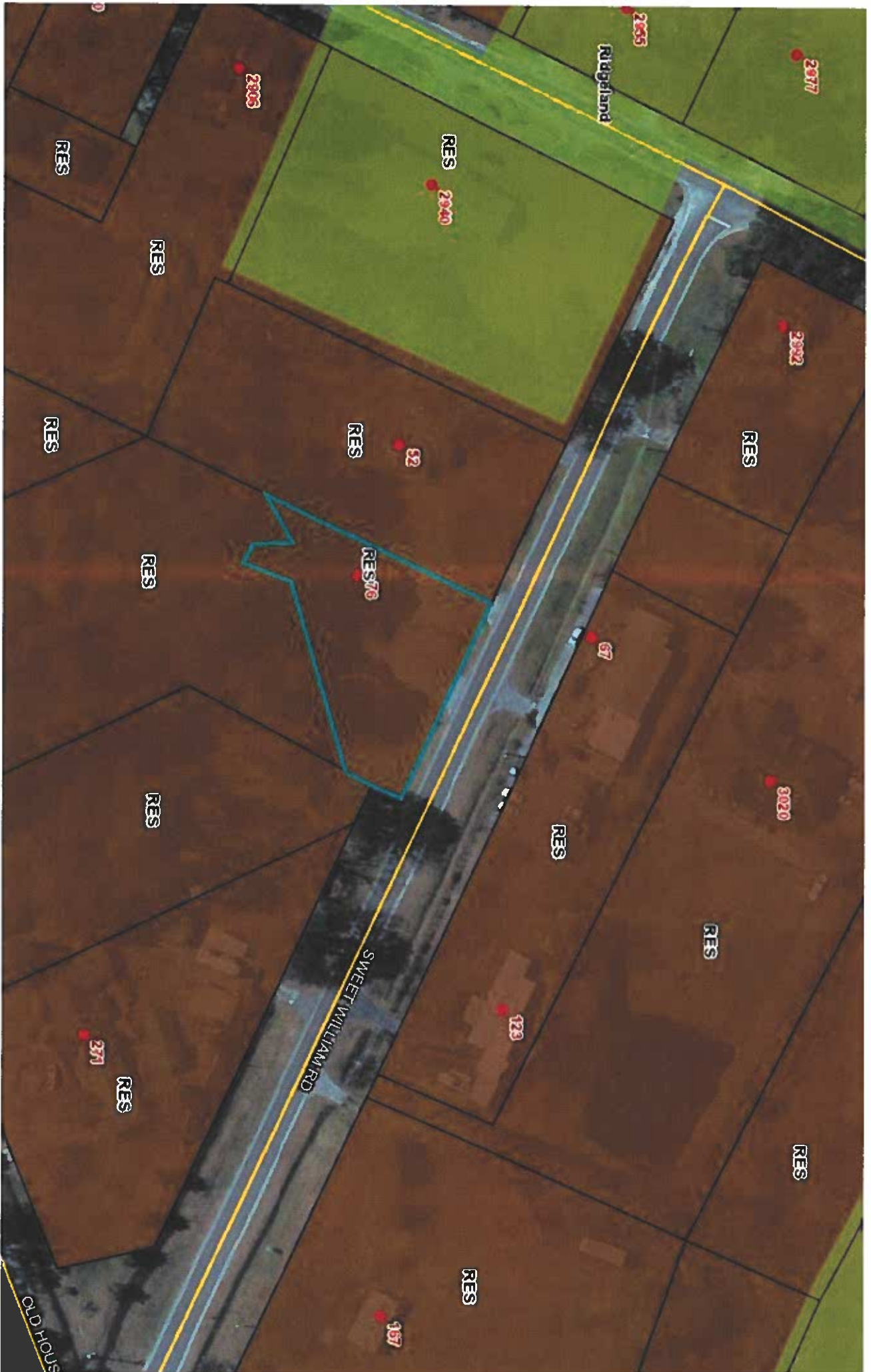
Considered by the Jasper County Planning Commission at it's meeting on
July 13, 2021 and recommended for approval.

Reviewed for form and draftsmanship by the Jasper County Attorney.

David Tedder

Date





AGENDA ITEM:

XI-B

Ordinance item B

STATE OF SOUTH CAROLINA
COUNTY OF JASPER

ORDINANCE NO: 2021-24

AN ORDINANCE
OF JASPER COUNTY COUNCIL

To amend the Jasper County, South Carolina
Organizational Chart.

WHEREAS, by Ordinance No. 09-25 adopted October 5, 2009, the Jasper County Council did adopt an Official Organizational Chart for the County; and

WHEREAS, due to the passage of time, changes in departmental responsibilities, and a comprehensive examination and re-defining of certain of job descriptions and reporting responsibilities, it has become desirable to make certain amendments to the organization of the County administration; and

WHEREAS, the Administration recommends the attached Jasper County, South Carolina Organizational Chart to be the official organizational chart for the County;

NOW, THEREFORE BE IT ORDAINED by the Jasper County Council in council duly convened and by the authority of the same:

1. The Jasper County, South Carolina Organizational Chart dated September 20, 2021, a copy of which is attached hereto, is hereby adopted as the official Organizational Chart for Jasper County Government, and all previous versions of the Organizational Chart are hereby repealed.
2. This ordinance shall take effect upon approval by Council.

Barbara B. Clark, Chairwoman

ATTEST:

Wanda Simmons, Clerk to Council

Ordinance #: 2021-24

First Reading: 07.19.2021

Second Reading: 08.16.2021

Public Hearing: 09.07.2021

Adopted: 09.20.2021

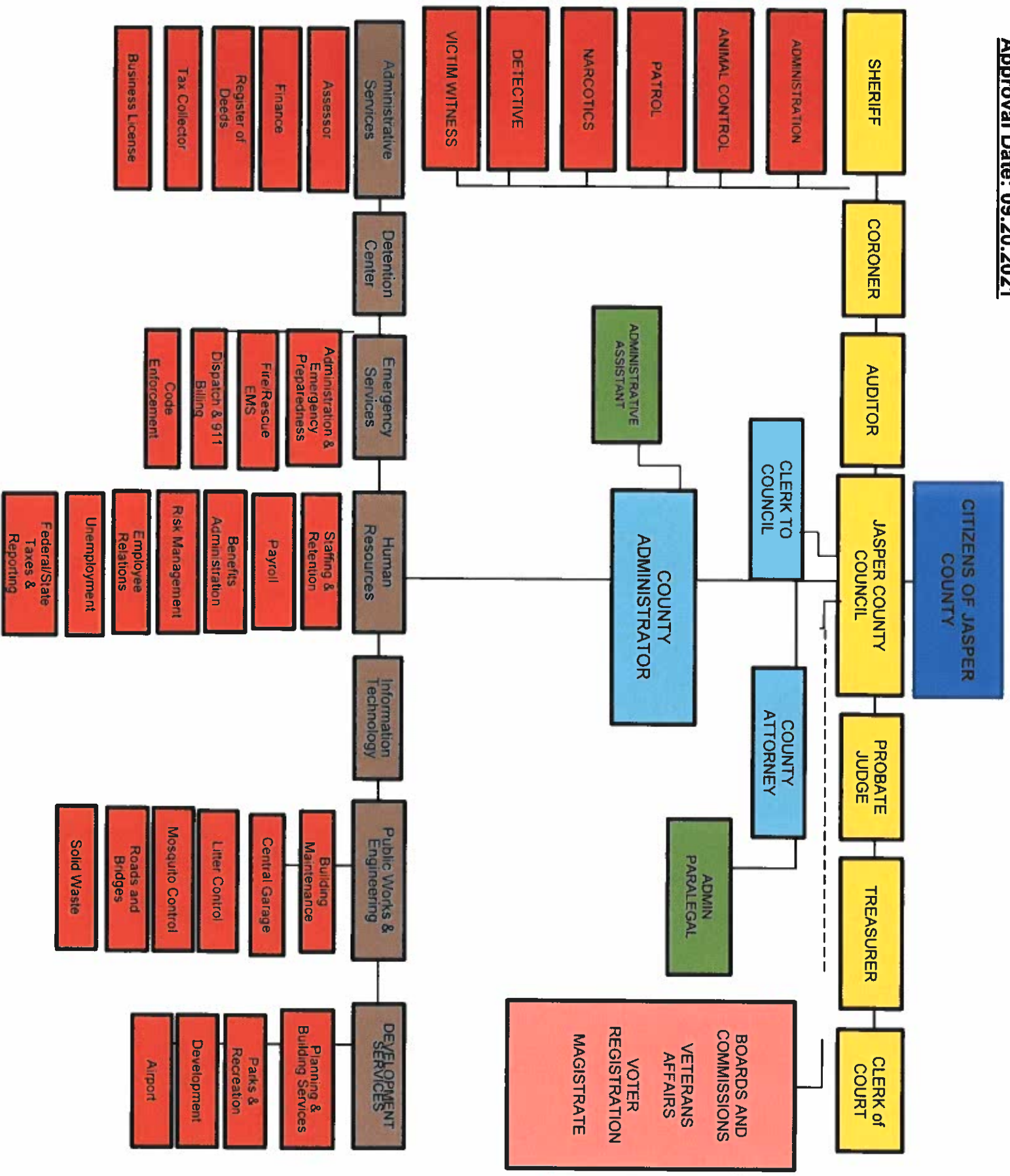
The following document is required to be attached prior to 3rd Reading:

Jasper County, South Carolina Organizational Chart dated September 20, 2021.

Reviewed for form and draftsmanship by the Jasper County Attorney.

David L. Tedder

Date



LEGEND



Elected Officials



Employees reporting to County Council



Board & Commission/Appointed/Elected Officials



Functional Areas



Directors

AGENDA ITEM:

XI-C

Ordinance item C

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 has entered into a qualifying agreement with Hampton County (the “Park Agreement”) for the establishment of a multi-county industrial and business park (the “Park”); and

WHEREAS, the Project is wholly located within the boundaries of the Park; and

WHEREAS, pursuant to the Inducement Resolution, the County has agreed to, among other things, (a) enter into a FILOT Agreement with the Company (the “Fee Agreement”), whereby the County would provide therein for a payment of a fee- in-lieu-of taxes by the Company with respect to the Project, and (b) provide for certain infrastructure credits to be claimed by the Company against its payments of fees-in-lieu-of taxes with respect to the Project pursuant to Section 4-1-175 of the Multi-County Park Act; and

WHEREAS, the County Council has caused to be prepared and presented to this meeting the form of the Fee Agreement which the County proposes to execute and deliver; and

WHEREAS, it appears that the documents above referred to, which are now before this meeting, are in appropriate form and are an appropriate instrument to be executed and delivered or approved by the County for the purposes intended;

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

Section 1. Based on information supplied by the Company, it is hereby found, determined and declared by the County Council, as follows:

(a) The Project will constitute a “project” and “economic development property” as said terms are referred to and defined in the FILOT Act, and the County’s actions herein will subserve the purposes and in all respects conform to the provisions and requirements of the FILOT Act;

(b) 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;

(c) The Project will give rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power of either;

(d) 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;

(e) The Project will be located entirely within the County; and

(f) The benefits of the Project are anticipated to be greater than the costs.

Section 2. The form, terms and provisions of the Fee Agreement presented to this meeting are hereby approved and all of the terms and provisions thereof are hereby incorporated

herein by reference as if the Fee Agreement was set out in this Ordinance in its entirety. The County Administrator is hereby authorized, empowered and directed to execute, acknowledge and deliver the Fee Agreement in the name of and on behalf of the County, and the Clerk to County Council is hereby authorized and directed to attest the same, and thereupon to cause the Fee Agreement to be delivered to the Company and cause a copy of the same to be delivered to the Jasper County Auditor and Assessor. The Fee Agreement is to be in substantially the form now before this meeting and hereby approved, or with such minor changes therein as shall be approved by the County Administrator, upon advice of counsel, the execution thereof to constitute conclusive evidence of the approval of any and all changes or revisions therein from the form of Fee Agreement now before this meeting.

Section 3. The County Administrator, for and on behalf of the County, is 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 thereunder.

Section 4. The provisions of this ordinance are hereby declared to be separable and if any section, phrase or provisions 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 5. The recitals above are hereby incorporated into and made part of this ordinance.

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

ENACTED in meeting duly assembled this ___ day of _____, 2021.

**JASPER COUNTY, SOUTH
CAROLINA**

(SEAL)

Signature: _____
Name: Barbara Clark
Title: Chair of County Council

ATTEST:

Signature: _____
Name: Wanda Simmons
Title: Clerk to County Council

Reviewed for form and draftsmanship
By the Jasper County Attorney

David L. Tedder Date

First Reading: September 20, 2021
Second Reading: October __, 2021
Third Reading: October __, 2021
Public Hearing: October __, 2021

STATE OF SOUTH CAROLINA

COUNTY OF JASPER

I, the undersigned Clerk to County Council of Jasper County, South Carolina, do hereby certify that attached hereto is a true, accurate and complete copy of an ordinance which was given reading, and received unanimous approval, by the County Council at its meetings of September __, 2021, October __, 2021, and October __, 2021, at which meetings a quorum of members of County Council were present and voted, and an original of which ordinance is filed in the permanent records of the County Council.

Clerk, Jasper County Council

Dated: _____, 2021

103445.000132 4814-5318-6040 1

FEE IN LIEU OF TAX AND
SPECIAL SOURCE CREDIT AGREEMENT

between

JASPER COUNTY, SOUTH CAROLINA

and

PROJECT OCEAN

Dated as of _____, 2021

FEE IN LIEU OF TAX AND SPECIAL SOURCE CREDIT AGREEMENT

THIS FEE IN LIEU OF TAX AND SPECIAL SOURCE CREDIT AGREEMENT (the "*Fee Agreement*") is made and entered into as of November ____, 2021 (the "*Effective Date*") by and between **JASPER COUNTY, SOUTH CAROLINA** (the "*County*"), a body politic and corporate and a political subdivision of the State of South Carolina (the "*State*"), acting by and through the Jasper County Council (the "*County Council*") as the governing body of the County, and Project Ocean, a _____ (the "*Company*" together with the County, the "*Parties*").

RECITALS

1. Title 12, Chapter 44 (the "*FILOT Act*"), Code of Laws of South Carolina, 1976, as amended (the "*Code*"), authorizes the County to (a) induce industries to locate in the State; (b) encourage industries now located in the State to expand their investments and thus make use of and employ manpower, products, and other resources of the State; and (c) enter into a fee agreement with entities meeting the requirements of the FILOT Act, which identifies certain property of such entities as economic development property and provides for the payment of a fee in lieu of tax with respect to such property.

2. Sections 4-1-17 and 12-44-70 of the Code authorize the County to provide special source revenue credit ("*Special Source Revenue Credit*") financing secured by and payable solely from revenues of the County derived from payments in lieu of taxes for the purposes set forth in Section 4-29-68 of the Code, namely: the defraying of the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the County and for improved and unimproved real estate, and personal property, including but not limited to machinery and equipment, used in the operation of a manufacturing facility or commercial enterprise in order to enhance the economic development of the County (collectively, "*Infrastructure*").

3. The Company (as a Sponsor, within the meaning of the FILOT Act) desires to provide for the acquisition and construction of the Project (as defined herein) to constitute a facility in the County for the manufacture of retail lumber and other building material products.

4. Based on information supplied by the Company, the County Council has evaluated the Project based on relevant criteria that include, but are not limited to, the purposes the Project is to accomplish, the anticipated dollar amount and nature of the investment, employment to be created or maintained, and the anticipated costs and benefits to the County. Pursuant to Section 12-44-40(1)(1) of the FILOT Act, the County finds that: (a) 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; (b) the Project will give rise to no pecuniary liability of the County or any incorporated municipality therein and to no charge against their general credit or taxing powers; (c) the purposes to be accomplished by the Project are proper governmental and public purposes; and (d) the benefits of the Project are greater than the costs.

5. The Project is located in a joint county industrial or business park created with Hampton County pursuant to agreement entered into on _____ [insert] pursuant to Section 4-1-170 of the Code and Article VIII, Section 13(D) of the South Carolina Constitution.

6. By enactment of an Ordinance on _____, 2021 [insert], the County Council has authorized the County to enter into this Fee Agreement with the Company which classifies the Project as Economic Development Property under the F1LOT Act and provides for the payment of fees in lieu of taxes and the provision of Special Source Revenue Credits to reimburse the Company for payment of the cost of certain Infrastructure in connection with the Project, all as further described herein.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions

The terms that this Article defines shall for all purposes of this Fee Agreement have the meanings herein specified, unless the context clearly requires otherwise:

“Administration Expenses” shall mean the reasonable and necessary expenses incurred by the County with respect to this Fee Agreement, including without limitation reasonable attorney fees; provided, however, that no such expense shall be considered an Administration Expense until the County has furnished to the Company a statement in writing indicating the amount of such expense and the reason it has been or will be incurred; provided that no expense incurred by the County in defense of an alleged or actual breach of this Fee Agreement shall be deemed part of Administration Expenses.

“Affiliate” shall mean any corporation, limited liability company, partnership or other entity which owns all or part of the Company (or with respect to a Sponsor Affiliate, such Sponsor Affiliate) or which is owned in whole or in part by the Company (or with respect to a Sponsor Affiliate, such Sponsor Affiliate) or by any partner, shareholder or owner of the Company (or with respect to a Sponsor Affiliate, such Sponsor Affiliate), as well as any subsidiary, affiliate, individual or entity who bears a relationship to the Company (or with respect to a Sponsor Affiliate, such Sponsor Affiliate), as described in Section 267(b) of the Internal Revenue Code of 1986, as amended.

“Code” shall mean the Code of Laws of South Carolina 1976, as amended.

“Commencement Date” shall mean the last day of the property tax year during which the Project is Placed in Service.

“Company” shall mean _____ [insert] organized and existing under the laws of the State of _____, and any surviving, resulting, or transferee entity in any merger, consolidation, or transfer of assets; or any other person or entity which may succeed to the rights and duties of the Company.

“*Condemnation Event*” shall mean any act of taking by a public or quasi-public authority through condemnation, reverse condemnation or eminent domain.

“*Contract Minimum Investment Requirement*” shall mean, with respect to the Project, investment by the Company and any Sponsor Affiliates of at least \$14,000,000 in Economic Development Property subject (non-exempt) to *ad valorem* taxation (in the absence of this Fee Agreement).

“*County*” shall mean Jasper County, South Carolina, a body politic and corporate and a political subdivision of the State, its successors and assigns, acting by and through the County Council as the governing body of the County.

“*County Administrator*” shall mean the Jasper County Administrator, or the person holding any successor office of the County.

“*County Assessor*” shall mean the Jasper County Assessor, or the person holding any successor office of the County.

“*County Auditor*” shall mean the Jasper County Auditor, or the person holding any successor office of the County.

“*County Council*” shall mean Jasper County Council, the governing body of the County.

“*County Treasurer*” shall mean the Jasper County Treasurer, or the person holding any successor office of the County.

“*Defaulting Entity*” shall have the meaning set forth for such term in Section 6.02(a) hereof.

“*Department*” shall mean the South Carolina Department of Revenue.

“*Diminution in Value*” in respect of the Project shall mean any reduction in the value, using the original fair market value (without regard to depreciation) as determined in Step I of Section 4.01 of this Fee Agreement, of the items which constitute a part of the Project and which are subject to FILOT payments which may be caused by the Company’s or any Sponsor Affiliate’s removal and/or disposal of equipment pursuant to Section 4.04 hereof, or by its election to remove components of the Project as a result of any damage or destruction or any Condemnation Event with respect thereto.

“*Economic Development Property*” shall mean those items of real and tangible personal property of the Project which are eligible for inclusion as economic development property under the FILOT Act, selected and identified by the Company or any Sponsor Affiliate in its annual filing of a SCDOR PT-300S or comparable form with the Department (as such filing may be amended from time to time) for each year within the Investment Period.

“*Equipment*” shall mean machinery, equipment, furniture, office equipment, and other tangible personal property, together with any and all additions, accessions, replacements, and substitutions thereto or therefor.

“*Event of Default*” shall mean any event of default specified in Section 6.01 hereof.

“*Exemption Period*” shall mean the period beginning on the first day of the property tax year after the Commencement Date and ending on the Termination Date.

“*Fee Agreement*” shall mean this Fee in Lieu of Tax and Special Source Credit Agreement.

“*FILOT*” or “*FILOT Payments*” shall mean the amount paid or to be paid in lieu of *ad valorem* property taxes as provided herein.

“*FILOT Act*” shall mean Title 12, Chapter 44, of the Code, and all future acts successor or supplemental thereto or amendatory thereof.

“*Improvements*” shall mean improvements to the Land, including buildings, building additions, roads, sewer lines, and infrastructure, together with any and all additions, fixtures, accessions, replacements, and substitutions thereto or therefor.

“*Infrastructure*” shall mean infrastructure serving the County and improved or unimproved real estate and personal property, including machinery and equipment, used in the operation of the Project, within the meaning of Section 4-29-68 of the Code.

“*Investment Period*” shall mean shall mean the period beginning with the first day of any purchase or acquisition of Economic Development Property and ending five (5) years after the Commencement Date.

“*Land*” means the land upon which the Project will be located, as described in Exhibit A attached hereto, as Exhibit A may be supplemented from time to time in accordance with Section 3.01(c) hereof.

“*MCIP Act*” shall mean Title 4, Chapter 1, of the Code, and all future acts successor or supplemental thereto or amendatory thereof.

“*MCIP Agreement*” shall mean the Agreement for the Development of a Joint Industrial and Business Park _____ [insert], as amended, between the County and Hampton County, South Carolina, as the same may be further amended or supplemented from time to time, or such other agreement as the County may enter with respect to the Project to offer the benefits of the Special Source Revenue Credits to the Company hereunder.

“*MCIP*” shall mean (i) the joint county industrial park established pursuant to the terms of the MCIP Agreement and (ii) any joint county industrial park created pursuant to a successor park agreement delivered by the County and a partner county in accordance with Section 4-1-170 of the MCIP Act, or any successor provision, with respect to the Project.

“*Placed in Service*” means the state or condition of readiness and availability for specifically assigned functions.

“*Project*” shall mean all the Equipment and Improvements on the Land that the Company determines to be necessary, suitable or useful for the purposes described in Section 2.02(b) hereof,

to the extent determined by the Company and any Sponsor Affiliate to be a part of the Project and placed in service during the Investment Period, and any Replacement Property.

"Removed Components" shall mean components of the Project or portions thereof which the Company or any Sponsor Affiliate in its sole discretion, elects to remove from the Project pursuant to Section 4.04 hereof or as a result of any Condemnation Event.

"Replacement Property" shall mean any property which is placed in service as a replacement for any item of Equipment or any Improvement previously subject to this Fee Agreement regardless of whether such property serves the same functions as the property it is replacing and regardless of whether more than one piece of property replaces any item of Equipment or any Improvement to the fullest extent that the FILOT Act permits.

"Scheduled Special Source Revenue Credit" shall have the meaning set forth for such term in Section 4.02(a) hereof.

"Special Source Revenue Credits" shall mean the annual special source revenue credits provided to the Company pursuant to Section 4.02 hereof.

"Sponsor Affiliate" shall mean an entity that joins with the Company and that participates in the investment in, or financing of, the Project and which meets the requirements under the FILOT Act to be entitled to the benefits of this Fee Agreement with respect to its participation in the Project, all as set forth in Section 5.13 hereof.

"State" shall mean the State of South Carolina.

"Termination Date" shall mean the end of the last day of the property tax year which is the 29th year following the first property tax year in which the Project is Placed in Service; provided, that the intention of the parties is that the Company will make at least 30 annual FILOT payments under Article IV hereof with respect to the Project; and provided further, that if this Fee Agreement is terminated earlier in accordance with the terms hereof, the Termination Date shall mean the date of such termination.

"Transfer Provisions" shall mean the provisions of Section 12-44-120 of the FILOT Act, as amended or supplemented from time to time, concerning, among other things, the necessity of obtaining County consent to certain transfers.

Any reference to any agreement or document in this Article I or otherwise in this Fee Agreement shall include any and all amendments, supplements, addenda, and modifications to such agreement or document.

Section 1.02 Project-Related Investments

The term "investment" or "invest" as used herein shall include not only investments made by the Company and any Sponsor Affiliates, but also to the fullest extent permitted by law, those investments made by or for the benefit of the Company or any Sponsor Affiliate with respect to the Project through federal, state, or local grants, to the extent such investments are subject to *ad valorem* taxes or FILOT payments by the Company.

ARTICLE II

REPRESENTATIONS, WARRANTIES, AND AGREEMENTS

Section 2.01 Representations, Warranties, and Agreements of the County

The County hereby represents, warrants, and agrees as follows:

(a) The County is a body politic and corporate and a political subdivision of the State and acts through the County Council as its governing body. The County has duly authorized the execution and delivery of this Fee Agreement and any and all other agreements described herein or therein and has obtained all consents from third parties and taken all actions necessary or that the law requires to fulfill its obligations hereunder.

(b) Based upon representations by the Company, the Project constitutes a “project” within the meaning of the FILOT Act.

(c) The County has agreed that each item of real and tangible personal property comprising the Project which is eligible to be economic development property under the FILOT Act and that the Company selects shall be considered Economic Development Property and is thereby exempt from *ad valorem* taxation in the State.

(d) The initial millage rate set forth in Step 3 of Section 4.01(a) hereof is 0.3450 mills, which is the millage rate in effect with respect to the location of the proposed Project as of June 30, 2020 as permitted under Section 12-44-50(A)(1)(d) of the FILOT Act.

(e) The County will use its reasonable best efforts to cause the Project to be located in a MCIP for a term extending at least until the end of the period of FILOT Payments against which a Special Source Revenue Credit is to be provided under this Fee Agreement.

Section 2.02 Representations, Warranties, and Agreements of the Company

The Company hereby represents, warrants, and agrees as follows:

(a) The Company is organized and in good standing under the laws of the State of _____, is duly authorized to transact business in the State, has power to enter into this Fee Agreement, and has duly authorized the execution and delivery of this Fee Agreement.

(b) The Company intends to operate the Project as a “project” within the meaning of the FILOT Act as in effect on the date hereof. The Company intends to operate the Project for the manufacture and distribution of lumber products, and for such other purposes that the FILOT Act permits as the Company may deem appropriate.

(c) The execution and delivery of this Fee Agreement by the County has been instrumental in inducing the Company to locate the Project in the County.

(d) The Company, together with any Sponsor Affiliates, will use commercially reasonable efforts to meet, or cause to be met, the Contract Minimum Investment Requirement within the Investment Period.

ARTICLE III

COMMENCEMENT AND COMPLETION OF THE PROJECT

Section 3.01 The Project

(a) The Company intends and expects, together with any Sponsor Affiliate, to (i) construct and acquire the Project, and (ii) meet the Contract Minimum Investment Requirement within the Investment Period. The Company anticipates that the Project will be Placed in Service during the calendar year ending December 31, 2022. The Company shall notify the County if it anticipates that the Project will be Placed in Service more than 180 days after such date.

(b) Pursuant to the FILOT Act and subject to Section 4.03 hereof, the Company and the County hereby agree that the Company and any Sponsor Affiliates shall identify annually those assets which are eligible for FILOT payments under the FILOT Act and which the Company or any Sponsor Affiliate selects for such treatment by listing such assets in its annual PT-300S form (or comparable form) to be filed with the Department (as such may be amended from time to time) and that by listing such assets, such assets shall automatically become Economic Development Property and therefore be exempt from all *ad valorem* taxation during the Exemption Period.

(c) The Company may add to the Land such real property, located in the same taxing District in the County as the original Land, as the Company, in its discretion, deems useful or desirable. In such event, the Company, at its expense, shall deliver an appropriately revised Exhibit A to this Fee Agreement, in form reasonably acceptable to the County.

Section 3.02 Diligent Completion

The Company agrees to use its reasonable efforts to cause the completion of the Project as soon as practicable, but in any event on or prior to the end of the Investment Period.

Section 3.03 Filings and Reports

(a) Each year during the term of the Fee Agreement, the Company and any Sponsor Affiliates shall deliver to the County, the County Auditor, the County Assessor, and the County Treasurer a copy of their most recent annual filings with the Department with respect to the Project, not later than thirty (30) days following delivery thereof to the Department.

(b) The Company shall cause a copy of this Fee Agreement, as well as a copy of the completed Form PT-443 of the Department, to be filed with the County Auditor and the County Assessor, and to their counterparts in the partner county to the MCIP Agreement, the County Administrator and the Department within thirty (30) days after the date of execution and delivery of this Fee Agreement by all parties hereto.

(c) Each of the Company and any Sponsor Affiliates agree to maintain complete books and records accounting for the acquisition, financing, construction, and operation of the Project. Such books and records shall (i) confirm the dates on the Project was Placed in Service; and (ii) include copies of all filings made by the Company and any such Sponsor Affiliates in accordance with Section 3.03(a) or (b) above with respect to property Placed in Service as part of the Project.

ARTICLE IV

FILOT PAYMENTS

Section 4.01 FILOT Payments

(a) Pursuant to Section 12-44-50 of the FILOT Act, the Company and any Sponsor Affiliates, as applicable, are required to make payments in lieu of *ad valorem* taxes to the County with respect to the Economic Development Property. Since the Company anticipates an initial investment of sums sufficient for the Project to qualify for a fee in lieu of tax arrangement under Section 12-44-50(A)(1) of the FILOT Act, the County and the Company have negotiated the amount of the FILOT Payments, as determined pursuant to the procedure below, in accordance therewith. The Company and any Sponsor Affiliates, as applicable, shall make payments in lieu of *ad valorem* taxes on all Economic Development Property which comprises the Project and is Placed in Service, as follows: the Company and any Sponsor Affiliates, as applicable, shall make payments in lieu of *ad valorem* taxes during the Exemption Period with respect to the Economic Development Property, said payments to be made annually and to be due and payable and subject to penalty assessments on the same dates and in the same manner as prescribed by the County for *ad valorem* taxes. The determination of the amount of such annual FILOT Payments shall be in accordance with the following procedure (subject, in any event, to the procedures required by the FILOT Act):

Step 1: Determine the fair market value of the Economic Development Property Placed in Service during the Exemption Period using original income tax basis for State income tax purposes for any real property and Improvements without regard to depreciation (provided, the fair market value of real property, as the FILOT Act defines such term, that the Company and any Sponsor Affiliates obtains by construction or purchase in an arms-length transaction is equal to the original income tax basis, and otherwise, the determination of the fair market value is by appraisal) and original income tax basis for State income tax purposes for any personal property less depreciation for each year allowable for property tax purposes, except that no extraordinary obsolescence shall be allowable. The fair market value of the real property for the first year of the Exemption Period remains the fair market value of the real property and Improvements for the life of the Exemption Period. The determination of these values shall take into account all applicable property tax exemptions that State law would allow to the Company and any Sponsor Affiliates if the property were taxable, except those exemptions that Section 12-44-50(A)(2) of the FILOT Act specifically disallows.

Step 2: Apply an assessment ratio of six percent (6%) to the fair market value as determined in Step 1 to establish the taxable value of the Economic Development Property in the year it is Placed in Service and in each of the 29 years thereafter or such longer period of years in

which the FILOT Act permits the Company and any Sponsor Affiliates to make annual FILOT payments.

Step 3: Use a millage rate of 0.3450 mills which millage rate shall be adjusted every five (5) years [subject to review of historical millage rates] in accordance with Section 12-44-50(A)(I)(b)(ii) of the FILOT Act, during the Exemption Period against the taxable value to determine the amount of the FILOT Payments due during the Exemption Period on the applicable payment dates.

(b) In the event that a final order of a court of competent jurisdiction from which no further appeal is allowable declares the FILOT Act and/or the herein-described FILOT Payments invalid or unenforceable, in whole or in part, for any reason, the parties express their intentions to reform such payments so as to effectuate most closely the intent thereof (without increasing the amount of incentives being afforded herein) and so as to afford the Company and any Sponsor Affiliates with the benefits to be derived herefrom, the intention of the County being to offer the Company and such Sponsor Affiliates a strong inducement to locate the Project in the County. If the Economic Development Property is deemed to be subject to *ad valorem* taxation, this Fee Agreement shall terminate, and the Company and any Sponsor Affiliates shall pay the County regular *ad valorem* taxes from the date of termination, but with appropriate reductions equivalent to all tax exemptions which are afforded to the Company and such Sponsor Affiliates. Any amount determined to be due and owing to the County from the Company and such Sponsor Affiliates, with respect to a year or years for which the Company or such Sponsor Affiliates previously remitted FILOT Payments to the County hereunder, shall (i) take into account all applicable tax exemptions to which the Company or such Sponsor Affiliates would be entitled if the Economic Development Property was not and had not been Economic Development Property under the Act; and (ii) be reduced by the total amount of FILOT Payments the Company or such Sponsor Affiliates had made with respect to the Project pursuant to the terms hereof.

Section 4.02 Special Source Revenue Credits

(a) In accordance with and pursuant to Section 12-44-70 of the FILOT Act and Section 4-1-175 of the MCIP Act, in order to reimburse the Company for qualifying capital expenditures incurred for costs of the Infrastructure during the Investment Period, the Company shall be entitled to receive, and the County agrees to provide, annual Special Source Revenue Credits against the Company's FILOT Payments in accordance with the schedule set forth on Exhibit C (collectively, the "*Scheduled Special Source Revenue Credits*").

(b) Unless otherwise requested by the Company, the dollar amount of the Special Source Revenue Credit shall be applied in its entirety against FILOT Payments to be made for the year in question on the real property portion of the Project, and not to any personal property, including any machinery or equipment. Pursuant to Section 4-29-68(A)(2)(ii)(a) of the Code, to the extent any Special Source Revenue Credits shall be applied against both real property and personal property, including machinery and equipment, investments by the Company, then for Special Source Revenue Credit purposes, such credits will be presumed to be first used for personal property. Pursuant to Section 4-29-68(a)(2)(ii) of the Code, to the extent any Special Source Revenue Credits are applied against personal property, including machinery and equipment, and the personal property is removed from the Project at any time prior to the Termination Date, then

the amount of FILOT Payments due on such personal property for the year of such removal shall also be due for the two (2) years following the removal; provided, that if such removed personal property is replaced with Replacement Property, then such personal property shall not be considered removed from the Project for these purposes.

(c) In no event shall the aggregate amount of Special Source Revenue Credits provided to the Company exceed, at any point in time, the aggregate amount of expenditures incurred by the Company in respect of the Infrastructure. As a condition to the Special Source Revenue Credit benefit provided herein, the Company agrees to provide the County Administrator, the County Auditor and the County Treasurer with a certification as to compliance with the provisions of the preceding sentence. Such certification shall be in substantially the form attached hereto as Exhibit D, and shall be due no later than the May 1 following the immediately preceding December 31 of each year as to which any Special Source Revenue Credit shall relate.

(d) Each annual Special Source Revenue Credit shall be reflected by the County Auditor or other authorized County official or representative on each bill for FILOT Payments sent to the Company by the County for each applicable property tax year, by reducing such FILOT Payments otherwise due by the amount of the Special Source Revenue Credit to be provided to the Company for such property tax year.

(e) The Special Source Revenue Credits are payable solely from the FILOT Payments, are not secured by, or in any way entitled to, a pledge of the full faith, credit or taxing power of the County, are not an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation, are payable solely from a special source that does not include revenues from any tax or license, and are not a pecuniary liability of the County or a charge against the general credit or taxing power of the County.

Section 4.03 Minimum Investment Reporting

As a condition to the FILOT benefit provided herein, the Company agrees to provide the County Administrator, the County Assessor, the County Auditor and the County Treasurer with an annual certification as to investment in the Project. Such certification shall be in substantially the form attached hereto as Exhibit B, and shall be due no later than the May 1 following the immediately preceding December 31 of each year during the Investment Period.

Section 4.04 Removal of Equipment

Subject, always, to the other terms and provisions of this Fee Agreement, the Company and any Sponsor Affiliates shall be entitled to remove and dispose of components of the Project from the Project in its sole discretion with the result that said components shall no longer be considered a part of the Project and, to the extent such constitute Economic Development Property, shall no longer be subject to the terms of this Fee Agreement. Economic Development Property is disposed of only when it is scrapped or sold or removed from the Project. If it is removed from the Project, it is subject to *ad valorem* property taxes to the extent the Property remains in the State and is otherwise subject to *ad valorem* property taxes.

Section 4.05 FILOT Payments on Replacement Property

If the Company or any Sponsor Affiliate elects to replace any Removed Components and to substitute such Removed Components with Replacement Property as a part of the Economic Development Property, or the Company or any Sponsor Affiliate otherwise utilizes Replacement Property, then, pursuant and subject to the provisions of Section 12-44-60 of the FILOT Act, the Company or such Sponsor Affiliate shall make statutory payments in lieu of *ad valorem* taxes with regard to such Replacement Property in accordance with the following:

(i) Replacement Property does not have to serve the same function as the Economic Development Property it is replacing. Replacement Property is deemed to replace the oldest Economic Development Property subject to the Fee, whether real or personal, which is disposed of in the same property tax year in which the Replacement Property is placed in service. Replacement Property qualifies as Economic Development Property only to the extent of the original income tax basis of Economic Development Property which is being disposed of in the same property tax year. More than one piece of property can replace a single piece of Economic Development Property. To the extent that the income tax basis of the Replacement Property exceeds the original income tax basis of the Economic Development Property which it is replacing, the excess amount is subject to annual payments calculated as if the exemption for Economic Development Property were not allowable. Replacement Property is entitled to treatment under the Fee Agreement for the period of time remaining during the Exemption Period for the Economic Development Property which it is replacing; and

(ii) The new Replacement Property which qualifies for the FILOT shall be recorded using its income tax basis, and the calculation of the FILOT shall utilize the millage rate and assessment ratio in effect with regard to the original property subject to the FILOT.

Section 4.06 Reductions in Payment of Taxes Upon Diminution in Value

In the event of a Diminution in Value of the Economic Development Property, the Payment in Lieu of Taxes with regard to the Economic Development Property shall be reduced in the same proportion as the amount of such Diminution in Value bears to the original fair market value of the Economic Development Property as determined pursuant to Step 1 of Section 4.01(a) hereof.

ARTICLE V

PARTICULAR COVENANTS AND AGREEMENTS

Section 5.01 Cessation of Operations

Notwithstanding any other provision of this Fee Agreement, each of the Company and any Sponsor Affiliates acknowledges and agrees that County's obligation to provide the FILOT incentive ends, and this Fee Agreement is terminated, if the Company ceases operations at the Project. For purposes of this Section, "ceases operations" means closure of the facility or the cessation of production and shipment of products to customers for a continuous period of twelve (12) months.

Section 5.02 Confidentiality

The County acknowledges and understands that the Company and any Sponsor Affiliates may utilize confidential and proprietary processes and materials, services, equipment, trade secrets, and techniques (herein "Confidential Information"). In this regard, the Company and any Sponsor Affiliates may clearly label any Confidential Information delivered to the County "Confidential Information." The County agrees that, except as required by law, neither the County nor any employee, agent, or contractor of the County shall disclose or otherwise divulge any such clearly labeled Confidential Information to any other person, firm, governmental body or agency, or any other entity unless specifically required to do so by law. Each of the Company and any Sponsor Affiliates acknowledge that the County is subject to the South Carolina Freedom of Information Act, and, as a result, must disclose certain documents and information on request, absent an exemption. In the event that the County is required to disclose any Confidential Information obtained from the Company or any Sponsor Affiliates to any third party, the County agrees to provide the Company and such Sponsor Affiliates with as much advance notice as is reasonably possible of such requirement before making such disclosure, and to cooperate reasonably with any attempts by the Company and such Sponsor Affiliates to obtain judicial or other relief from such disclosure requirement.

Section 5.03 Limitation of County's Liability

Anything herein to the contrary notwithstanding, any financial obligation the County may incur hereunder, including for the payment of money, shall not be deemed to constitute a pecuniary liability or a debt or general obligation of the County (it being intended herein that any obligations of the County with respect to the Special Source Revenue Credits shall be payable only from FILOT payments received from or payable by the Company or any Sponsor Affiliates)]; provided, however, that nothing herein shall prevent the Company from enforcing its rights hereunder by suit for *mandamus* or specific performance.

Section 5.04 Mergers, Reorganizations and Equity Transfers

Each of the Company and any Sponsor Affiliates acknowledges that any mergers, reorganizations or consolidations of the Company and such Sponsor Affiliates may cause the Project to become ineligible for negotiated fees in lieu of taxes under the FILOT Act absent

compliance by the Company and such Sponsor Affiliates with the Transfer Provisions; provided that, to the extent provided by Section 12-44-120 of the FILOT Act or any successor provision, any financing arrangements entered into by the Company or any Sponsor Affiliates with respect to the Project and any security interests granted by the Company or any Sponsor Affiliates in connection therewith shall not be construed as a transfer for purposes of the Transfer Provisions. Notwithstanding anything in this Fee Agreement to the contrary, it is not intended in this Fee Agreement that the County shall impose transfer restrictions with respect to the Company, any Sponsor Affiliates or the Project as are any more restrictive than the Transfer Provisions.

Section 5.05 Indemnification Covenants

(a) Notwithstanding any other provisions in this Fee Agreement or in any other agreements with the County, the Company agrees to indemnify, defend and save the County, its County Council members, elected officials, officers, employees, servants and agents (collectively, the "Indemnified Parties") harmless against and from all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on the Project or the Land by the Company or any Sponsor Affiliate, their members, officers, shareholders, employees, servants, contractors, and agents during the Term, and, the Company further, shall indemnify, defend and save the Indemnified Parties harmless against and from all claims (collectively, "*Losses*") arising during the Term from (i) entering into and performing its obligations under this Fee Agreement, (ii) any condition of the Project, (iii) any breach or default on the part of the Company or any Sponsor Affiliate in the performance of any of its obligations under this Fee Agreement, (iv) any act of negligence of the Company or any Sponsor Affiliate or its agents, contractors, servants, employees or licensees, (v) any act of negligence of any assignee or lessee of the Company or any Sponsor Affiliate, or of any agents, contractors, servants, employees or licensees of any assignee or lessee of the Company or any Sponsor Affiliate, or (vi) any environmental violation, condition, or effect with respect to the Project which arises or occurs on or after the date that the Company acquires the Property. Notwithstanding the foregoing, the Company shall have no obligations to indemnify any Indemnified Party for Losses that result from the negligence, fraud or willful misconduct of one or more Indemnified Parties. Except as limited herein, the Company shall indemnify, defend and save the County harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon, and upon notice from the County, the Company shall defend it in any such action, prosecution or proceeding with legal counsel acceptable to the County (the approval of which shall not be unreasonably withheld).

(b) Notwithstanding the fact that it is the intention of the parties that the Indemnified Parties shall not incur pecuniary liability by reason of the terms of this Fee Agreement, or the undertakings required of the County hereunder, by reason of the granting of the FILOT, by reason of the execution of this Fee Agreement, by the reason of the performance of any act requested of it by the Company or any Sponsor Affiliate, or by reason of the County's relationship to the Project or by the operation of the Project by the Company or any Sponsor Affiliate, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the County or any of the other Indemnified Parties should incur any such pecuniary liability, then in such event the Company shall indemnify, defend and hold them harmless against all claims by or on behalf of any person, firm or corporation, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection

with any action or proceeding brought thereon, and upon notice, the Company shall defend them in any such action or proceeding with legal counsel acceptable to the County (the approval of which shall not be unreasonably withheld); provided, however, that such indemnity shall not apply to the extent that any such claim is attributable to (i) the negligence of one or more Indemnified Parties, or (ii) any breach of this Fee Agreement.

Section 5.06 Qualification in State

Each of the Company and any Sponsor Affiliates warrant that it is duly qualified to do business in the State (or will obtain such authority prior to commencing business in the State), and covenants that it will continue to be so qualified so long as it operates any portion of the Project.

Section 5.07 No Liability of County's Personnel

All covenants, stipulations, promises, agreements and obligations of the County contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the County and shall be binding upon any member of the County Council or any elected official, officer, agent, servant or employee of the County only in his or her official capacity and not in his or her individual capacity, and no recourse shall be had for the payment of any moneys hereunder against any member of the governing body of the County or any elected official, officer, agent, servants or employee of the County and no recourse shall be had against any member of the County Council or any elected official, officer, agent, servant or employee of the County for the performance of any of the covenants and agreements of the County herein contained or for any claims based thereon except solely in their official capacity.

Section 5.08 Assignment, Leases or Transfers

The County agrees that the Company and any Sponsor Affiliates may at any time (a) transfer all or any of their rights and interests under this Fee Agreement or with respect to all or any part of the Project, or (b) enter into any lending, financing, leasing, security, or similar arrangement or succession of such arrangements with any financing or other entity with respect to this Fee Agreement or all or any part of the Project, including without limitation any sale-leaseback, equipment lease, build-to-suit lease, synthetic lease, nordic lease, defeased tax benefit or transfer lease, assignment, sublease or similar arrangement or succession of such arrangements, regardless of the identity of the income tax owner of such portion of the Project, whereby the transferee in any such arrangement leases the portion of the Project in question to the Company or any Sponsor Affiliate or operates such assets for the Company or any Sponsor Affiliate or is leasing the portion of the Project in question from the Company or any Sponsor Affiliate. In order to preserve the FILOT benefit afforded hereunder with respect to any portion of the Project so transferred, leased, financed, or otherwise affected: (i) except in connection with any transfer to an Affiliate of the Company or of any Sponsor Affiliate, or transfers, leases, or financing arrangements pursuant to clause (b) above (as to which such transfers the County hereby consents), the Company and any Sponsor Affiliates, as applicable, shall notify the County of such transaction at least 30 days prior to the consummation of such transaction and, if requested by the Company, the County shall ratify and/or consent such action; (ii) except when a financing entity which is the income tax owner of all or part of the Project is the transferee pursuant to clause (b) above and such financing entity assumes in writing the obligations of the Company or any Sponsor Affiliate,

as the case may be, hereunder, or when the County consents in writing, no such transfer shall affect or reduce any of the obligations of the Company and any Sponsor Affiliates hereunder; (iii) to the extent the transferee or financing entity shall become obligated to make FILOT Payments hereunder, the transferee shall assume the then current basis of, as the case may be, the Company or any Sponsor Affiliates (or prior transferee) in the portion of the Project transferred; (iv) the Company or applicable Sponsor Affiliate, transferee or financing entity shall, within sixty (60) days thereof, furnish or cause to be furnished to the County and the Department a summary of any such transfer agreement; and (v) the Company, the Sponsor Affiliates and the transferee shall comply with all other requirements of the Transfer Provisions.

The County agrees to take such further action or execute such further agreements, documents, and instruments as may be reasonably required to effectuate the assumption by any such transferee of all or part of the rights of the Company or such Sponsor Affiliate under this Fee Agreement and/or any release of the Company or such Sponsor Affiliate pursuant to this Section.

Each of the Company and any Sponsor Affiliates acknowledges that such a transfer of an interest under this Fee Agreement or in the Project may cause all or part of the Project to become ineligible for the FILOT benefit afforded hereunder or result in penalties under the FILOT Act absent compliance by the Company and any Sponsor Affiliates with the Transfer Provisions.

Section 5.09 Administration Expenses

The Company agrees to pay Administration Expenses, not to exceed \$2,500.00 in any given calendar year, to the County when and as they shall become due, but in no event later than the date which is the earlier of any payment date expressly provided for in this Fee Agreement or the date which is forty-five (45) days after receiving written notice from the County, accompanied by such supporting documentation as may be necessary to evidence the County's or Indemnified Party's right to receive such payment, specifying the nature of such expense and requesting payment of same.

Section 5.10 Priority Lien Status

The County's right to receive FILOT payments hereunder shall have a first priority lien status pursuant to Sections 12-44-90(E) and (F) of the FILOT Act and Chapters 4, 49, 51, 53, and 54 of Title 12 of the Code.

Section 5.11 Interest; Penalties

In the event the Company or any Sponsor Affiliate should fail to make any of the payments to the County required under this Fee Agreement, then the item or installment so in default shall continue as an obligation of the Company or such Sponsor Affiliate until the Company or such Sponsor Affiliate shall have fully paid the amount, and the Company and any Sponsor Affiliates agree, as applicable, to pay the same with interest thereon at a rate, unless expressly provided otherwise herein and in the case of FILOT payments, of 5% per annum, compounded monthly, to accrue from the date on which the payment was due and, in the case of FILOT payments, at the rate for non-payment of *ad valorem* taxes under State law and subject to the penalties the law provides until payment.

Section 5.12 Sponsor Affiliates

The Company may designate from time to time any Sponsor Affiliates pursuant to the provisions of Sections 12-44-30(20) and 12-44-130 of the FILOT Act, which Sponsor Affiliates shall join with the Company and make investments with respect to the Project, or participate in the financing of such investments, and shall agree to be bound by the terms and provisions of this Fee Agreement pursuant to the terms of a written joinder agreement with the County and the Company, in form reasonably acceptable to the County. The Company shall provide the County and the Department with written notice of any Sponsor Affiliate designated pursuant to this Section within ninety (90) days after the end of the calendar year during which any such Sponsor Affiliate has placed in service any portion of the Project, in accordance with Section 12-44-130(B) of the FILOT Act.

ARTICLE VI

DEFAULT

Section 6.01 Events of Default

The following shall be “Events of Default” under this Fee Agreement, and the term “Event of Default” shall mean, whenever used with reference to this Fee Agreement, any one or more of the following occurrences:

(a) Failure by the Company or any Sponsor Affiliate to make the FILOT Payments described in Section 4.01 hereof, or any other amounts payable to the County under this Fee Agreement when due, which failure shall not have been cured within thirty (30) days following receipt of written notice thereof from the County; provided, however, that the Company and any Sponsor Affiliates shall be entitled to all redemption rights granted by applicable statutes; or

(b) A representation or warranty made by the Company or any Sponsor Affiliate hereunder which is deemed materially incorrect when deemed made; or

(c) Failure by the Company or any Sponsor Affiliate to perform any of the terms, conditions, obligations, or covenants hereunder (other than those under (a) above), which failure shall continue for a period of thirty (30) days after written notice from the County to the Company and such Sponsor Affiliate specifying such failure and requesting that it be remedied, unless the Company or such Sponsor Affiliate shall have instituted corrective action within such time period and is diligently pursuing such action until the default is corrected, in which case the 30-day period shall be extended to cover such additional period during which the Company or such Sponsor Affiliate is diligently pursuing corrective action; or

(d) Failure by the County to perform any of the terms, conditions, obligations, or covenants hereunder, which failure shall continue for a period of thirty (30) days after written notice from the Company to the County and any Sponsor Affiliates specifying such failure and requesting that it be remedied, unless the County shall have instituted corrective action within such time period and is diligently pursuing such action until the default is corrected, in which case the

30-day period shall be extended to cover such additional period during which the County is diligently pursuing corrective action.

Section 6.02 Force Majeure

(a) The Company shall not be responsible for any delays or non-performance caused in whole or in part, directly or indirectly, by strikes, accidents, pandemics, freight embargoes, fires, floods, inability to obtain materials, conditions arising from governmental orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond the Company's reasonable control.

Section 6.03 Remedies Upon Default

(a) Whenever any Event of Default by the Company or any Sponsor Affiliate (the "Defaulting Entity") shall have occurred and shall be continuing, the County may take any one or more of the following remedial actions as to the Defaulting Entity, only:

- (i) terminate this Fee Agreement; or
- (ii) take whatever action at law or in equity may appear necessary or desirable to collect the amounts due hereunder.

In no event shall the Company or any Sponsor Affiliate be liable to the County or otherwise for monetary damages resulting from the Company's (together with any Sponsor Affiliates) failure to meet the FILOT Act Minimum Investment Requirement or the Contract Minimum Investment Requirement other than as expressly set forth in this Fee Agreement.

In addition to all other remedies provided herein, the failure to make FILOT payments shall give rise to a lien for tax purposes as provided in Section 12-44-90 of the FILOT Act. In this regard, and notwithstanding anything in this Fee Agreement to the contrary, the County may exercise the remedies that general law (including Title 12, Chapter 49 of the Code) provides with regard to the enforced collection of *ad valorem* taxes to collect any FILOT payments due hereunder.

(b) Whenever any Event of Default by the County shall have occurred or shall be continuing, the Company and any Sponsor Affiliate may take one or more of the following actions:

- (i) bring an action for specific enforcement;
- (ii) terminate this Fee Agreement as to the acting party; or
- (iii) take such action as is appropriate, including legal action, to recover its damages, to the extent allowed by law.

Section 6.04 No Waiver

No failure or delay on the part of any party hereto in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such

right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy hereunder. No waiver of any provision hereof shall be effective unless the same shall be in writing and signed by the waiving party hereto.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Notices

Any notice, election, demand, request, or other communication to be provided under this Fee Agreement shall be effective when hand delivered to the party named below, when deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, or by recognized overnight courier service addressed as follows (or addressed to such other address as any party shall have previously furnished in writing to the other party), except where the terms hereof require receipt rather than sending of any notice, in which case such provision shall control:

If to the Company:

With a copy to:

Dykema Gossett, PLLC
10 South Wacker Drive, Suite 2300
Chicago, IL 60606
Attn: Andrew P. Scott

If to the County:

Jasper County
358 Third Avenue
Ridgeland, SC 29936
Attn: County Administrator

With a copy to:

Section 7.02 Binding Effect

This Fee Agreement and each document contemplated hereby or related hereto shall be binding upon and inure to the benefit of the Company and any Sponsor Affiliates, the County, and their respective successors and assigns. In the event of the dissolution of the County or the consolidation of any part of the County with any other political subdivision or the transfer of any rights of the County to any other such political subdivision, all of the covenants, stipulations, promises, and agreements of this Fee Agreement shall bind and inure to the benefit of the successors of the County from time to time and any entity, officer, board, commission, agency, or instrumentality to whom or to which any power or duty of the County has been transferred.

Section 7.03 Counterparts

This Fee Agreement may be executed in any number of counterparts, and all of the counterparts taken together shall be deemed to constitute one and the same instrument.

Section 7.04 Governing Law

This Fee Agreement and all documents executed in connection herewith shall be construed in accordance with and governed by the laws of the State.

Section 7.05 Headings

The headings of the articles and sections of this Fee Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Fee Agreement.

Section 7.06 Amendments

The provisions of this Fee Agreement may only be modified or amended in writing by any agreement or agreements entered into between the parties.

Section 7.07 Further Assurance

From time to time, and at the expense of the Company and any Sponsor Affiliates, the County agrees to execute and deliver to the Company and any such Sponsor Affiliates such additional instruments as the Company or such Sponsor Affiliates may reasonably request and as are authorized by law and reasonably within the purposes and scope of the FILOT Act and this Fee Agreement to effectuate the purposes of this Fee Agreement.

Section 7.08 Invalidity: Change in Laws

In the event that the inclusion of property as Economic Development Property or any other issue is unclear under this Fee Agreement, the County hereby expresses its intention that the interpretation of this Fee Agreement shall be in a manner that provides for the broadest inclusion of property under the terms of this Fee Agreement and the maximum incentive permissible under the FILOT Act, to the extent not inconsistent with any of the explicit terms hereof. If any provision of this Fee Agreement is declared illegal, invalid, or unenforceable for any reason, the remaining provisions hereof shall be unimpaired, and such illegal, invalid, or unenforceable provision shall

be reformed to effectuate most closely the legal, valid, and enforceable intent thereof and so as to afford the Company and any Sponsor Affiliates with the maximum benefits to be derived herefrom, it being the intention of the County to offer the Company and any Sponsor Affiliates the strongest inducement possible, within the provisions of the FILOT Act, to locate the Project in the County. In case a change in the FILOT Act or South Carolina laws eliminates or reduces any of the restrictions or limitations applicable to the Company and any Sponsor Affiliates and the FILOT incentive, the parties agree that the County will give expedient and full consideration to reformation of this Fee Agreement, and, if the County Council so decides, to provide the Company and any Sponsor Affiliates with the benefits of such change in the FILOT Act or South Carolina laws.

Section 7.09 Termination by Company

The Company is authorized to terminate this Fee Agreement at any time with respect to all or part of the Project upon providing the County with thirty (30) days' written notice; *provided, however,* that (i) any monetary obligations existing hereunder and due and owing at the time of termination to a party hereto (including without limitation any amounts owed with respect to Section 4.03 hereof); and (ii) any provisions which are intended to survive termination shall survive such termination. In the year following such termination, all property shall be subject to *ad valorem* taxation or such other taxation or fee in lieu of taxation that would apply absent this Agreement. The Company's obligation to make FILOT Payments under this Fee Agreement shall terminate in the year following the year of such termination pursuant to this section.

Section 7.10 Entire Understanding

This Fee Agreement expresses the entire understanding and all agreements of the parties hereto with each other, and neither party hereto has made or shall be bound by any agreement or any representation to the other party which is not expressly set forth in this Fee Agreement or in certificates delivered in connection with the execution and delivery hereof.

Section 7.11 Waiver

Either party may waive compliance by the other party with any term or condition of this Fee Agreement only in a writing signed by the waiving party.

Section 7.12 Business Day

In the event that any action, payment, or notice is, by the terms of this Fee Agreement, required to be taken, made, or given on any day which is a Saturday, Sunday, or legal federal holiday, such action, payment, or notice may be taken, made, or given on the following business day with the same effect as if given as required hereby, and no interest shall accrue in the interim.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and behalf by the County Administrator and to be attested by the Clerk of the County Council; and the Company has caused this Fee Agreement to be executed by its duly authorized officer, all as of the day and year first above written.

**JASPER COUNTY, SOUTH
CAROLINA**

By: _____
Title: _____

ATTEST:

Wanda Simmons
Clerk to Jasper County Council

By: _____
Its: _____

EXHIBIT A

LEGAL DESCRIPTION

All that certain piece, parcel or tract of land, situate, lying and being in the County of Jasper, State of South Carolina, and being shown and designated as ____ acres on a plat prepared for Builders FirstSource – Southeast Group, LLC by HGBD Surveyors, LLC, dated ____ and recorded on ____ in Book ____ at page ____ [to be verified].

Being a portion of the 181.81 acres conveyed to Point South Ventures, LLC by deed of Stanford W. Boozer, Jr. as shown on plat recorded in Plat Book 28, page 74.

EXHIBIT B

INVESTMENT CERTIFICATION

I _____, the _____ of _____ (the "Company"), do hereby certify in connection with Section 4.03 of the Fee in Lieu of Tax and Special Source Credit Agreement dated as of _____, 20__ between Jasper County, South Carolina and the Company (the "Agreement"), as follows:

(1) The total investment made by the Company and any Sponsor Affiliates in the Project during the calendar year ending December 31, 20__ was \$ _____.

(2) The cumulative total investment made by the Company and any Sponsor Affiliates in the Project from the period beginning _____, 20__ (that is, the beginning date of the Investment Period) and ending December 31, 20__, is \$ _____.

All capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, I have set my hand this ____ day of _____, 20__.

Name: _____
Its: _____

EXHIBIT C

FEE ILLUSTRATION TABLE

[To be inserted from State Summary of Incentives]

EXHIBIT D

INFRASTRUCTURE INVESTMENT CERTIFICATION

I _____, the _____ of _____ (the "Company"), do hereby certify in connection with Section 4.02 of the Fee in Lieu of Tax and Special Source Credit Agreement dated as of _____, 20__ between Jasper County, South Carolina and the Company (the "Agreement"), as follows:

(1) As of the date hereof, the aggregate of the Special Source Revenue Credits previously received by the Company any Sponsor Affiliates is \$ _____.

(2) As of December 31, 20__, the aggregate amount of investment in costs of Infrastructure incurred by the Company and any Sponsor Affiliates during the Investment Period is not less than \$ _____.

(3) Of the total amount set forth in (2) above, \$ _____ pertains to the investment in personal property, including machinery and equipment, at the Project. The applicable personal property, and associated expenditures, are listed below

| <u>Personal Property Description</u> | <u>Investment Amount</u> |
|--------------------------------------|--------------------------|
|--------------------------------------|--------------------------|

All capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, I have set my hand this ____ day of _____, 20__.

Name: _____
Its: _____

AGENDA ITEM:

XIII- A

Old Business item A

COVID Update by Chief Wells

No packet information. Update will be given on a shared screen during the meeting in order to provide the latest statistics

AGENDA ITEM:

XIV

Council Members Comments

AGENDA ITEM:

XV

Administrator's Report



OFFICE OF THE JASPER COUNTY ADMINISTRATOR

358 Third Avenue - Courthouse Square - Post Office Box 1149
Ridgeland, South Carolina 29936 - 843-717-3690 - Fax: 843-726-7800

Andrew P. Fulghum
County Administrator
afulghum@jaspercountysc.gov

Administrator's Report September 20, 2021

1. Transportation Sales Tax Program:

I am preparing a presentation for County Council on the status of the County's Transportation Sales Tax Program to be presented at the Oct. 4 County Council meeting. Other items related to the program that will be coming before the Council are:

- Legal opinion about the use of funds and ability for Council to amend original Ordinance
- Amending Transportation Sales Tax Ordinance removing items from the project listing that will not be completed and adding the following items to the project list:

NTE \$13.5 million for CONSTRUCTION OF NEW I-95 INTERCHANGE
(EXIT 3)

NTE \$750,000 for US HIGHWAY 278 CORRIDOR WIDENING,
STORMWATER IMPROVEMENTS, AND MALPHRUS ROAD INTERSECTION
REALIGNMENT

NTE \$1,000,000 for SC 170 CORRIDOR ACCESS MANAGEMENT STUDY
NEAR-TERM IMPROVEMENTS

- Resolution to amend Intergovernmental Agreement (IGA) between SCDOT and Jasper County re: services to be provided for the US Highway 278 Corridor Widening, Stormwater Improvements, and Malphrus Road Intersection Realignment Project

2. Ridgeland-Claude Dean Airport:

Received an anonymous complaint letter and an airport sponsor complaint notification from the FAA. Both letters follow this report. Staff will respond to the FAA by the required response date of Oct. 15.

The County Administrator's Progress Report and any miscellaneous correspondence, agendas, and minutes follow this report.



U.S. Department
of Transportation
Federal Aviation
Administration

Southern Region Airports Division
1701 Columbia Ave.
Atlanta, GA 30337-2747
(404) 305-6700 FAX: (404) 305-6730

September 13, 2021

Danny Lucas, Airport Manager
Ridgeland-Claude Dean Airport
134 Airport Road
Ridgeland, SC 29936

Andrew Fulghum, County Administrator
County of Jasper
P.O. Box 1149
Ridgeland, SC 29936-8785

Via Email

**Informal 14 CFR § Part 13.1 Complaint Report
Airport Sponsor Complaint Notification**

Dear Messrs.:

This letter concerns anonymous complaints the Federal Aviation Administration (FAA) has received during the month of August 2021. These complaints are concerning the Ridgeland-Claude Dean Airport (3J1), which is owned and operated by the County of Jasper, SC (County). They have been filed under Federal Aviation Regulation (FAR) Part 13, *FAA Investigative and Enforcement Procedures* (14 Code of Federal Regulations (CFR) Part 13.1)¹. The complainants allege that the County, as a grant sponsor for the airport, is in violation of its federal obligations outlined in grant agreements with the FAA.

Violations Alleged

First, the complainants all allege that the County has been allowing incompatible, nonaeronautical uses of aeronautical airport property without requiring the users to pay fair market value (FMV) rates for the use. They have provided the FAA with photographs of storage of boats, tractors, and other nonaeronautical items in airport hangars. There have also been reports of nonaeronautical derelict aircraft that are allowed to be stored on airport

¹ Please see the Airport Sponsor & Airport User Rights and Responsibilities document published on FAA's Airports Compliance website for more information on the complaint process @ https://www.faa.gov/airports/airport_compliance/media/airportSponsorAndUserRightsBrochure.pdf

property indefinitely, and there have been reports of motor and recreational vehicles (i.e., RV Homes and other nonaeronautical transportation vehicles) being allowed to park on aeronautical property inappropriately. Next, some complainants allege that they have observed unsafe aerobatic operations, landing in restricted areas, and unauthorized take-off procedures (contrary to the airport's written rules and regulations and minimum standards) being allowed at the airport/on the airfield.

Also, the complainants have alleged there is an unauthorized operation adjacent to the airport that allows a private party to ingress and egress to private property across the airport's property boundary "through-the-fence," or TTF. Reportedly, the private property owner placed an access gate in the airport's fence without airport authorization and often leaves the fence open, allowing hazardous wildlife to enter the airfield and potentially causing security threats to the airport. Moreover, the private property owner is allegedly not paying the airport appropriate rates for the TTF access.

Next, it has been alleged that many tenants do not have written agreements in place to use the airport's property, and many others that do have agreements are not actually being required to adhere to them. Next, some tenants have allegedly sold their leased property improvements (i.e., private hangars) and have assigned the underlying land lease to a new party without the required airport approval. One complainant also alleged that the County is allowing a local municipality to build a residential subdivision of homes in the very close vicinity of the airport (across the street) without actively lobbying against the action in order to protect the airport environs from incompatible land uses. Lastly, all complainants have alleged that the County has been notified of the issues they raised, but the County has refused to address them.

Request for Information and Complaint Response

These complaints essentially allege many different violations of the County's grant agreement with FAA including, but not limited to, Grant Assurance 22, *Economic Nondiscrimination*, Grant Assurance 23, *Exclusive rights*, Grant Assurance 21, *Compatible Land Use*, Grant Assurance 25, *Airport Revenue*, Grant Assurance 29, *Airport Layout Plan*, Grant Assurance 19, *Operations and Maintenance*, and Grant Assurance 5, *Preserving Rights and Powers*. Please respond to all the complaint allegations above, and please disclose in detail whether the County has taken any compliance actions (i.e., conducting inspections, investigations, inquiries, processing lease terminations, conducting lobbying efforts, etc.) to resolve any of the issues. Please also provide the status of any efforts to resolve these issues. In your response, please provide the following items as well:

1. Airport's Hangar Leasing and Inspection Policies
2. Airport's Land Use Compatibility Planning Policy
3. Local Zoning Ordinances that affect the airport and/or the airport environs (within a 5-mile radius)
4. Airport's Rules and Regulations Document
5. Airport's Minimum Standards Document

6. Diagram or drawing of the alleged TTF operation overlaying the ALP map & explanation of the nature of the operation (Is it a residential, commercial, aeronautical/nonaeronautical, and/or hybrid operation? Is the airport being paid fees for the TTF access?).
7. Copy of the Airport's Hangar Lease Template
8. Copy of the Airport's Ground Lease Template
9. Copies of any complaints received from tenants or other stakeholders concerning noncompliance related to the above allegations since 2011
10. Any correspondence sent to tenants/users from the airport and/or County concerning noncompliance related to the above allegations since 2011 (i.e. emails, letters, etc. sent to address noncompliance).
11. Any correspondence received from tenants by the airport and/or County concerning noncompliance related to the above allegations since 2001 (i.e. emails, letters, etc. to address noncompliance).

Please provide this information no later than October 15, 2021. If any of the requested information is not available or does not exist, simply explain in the complaint response. If you have any questions regarding the allegations or the informal 14 CFR Part 13.1 complaint process, please contact me via email at Keturah.Pristell@faa.gov.

Sincerely,

Keturah A. Pristell

KETURAH
A PRISTELL

Digitally signed by
KETURAH A PRISTELL
Date: 2021.09.13
16:10:54 -04'00'

Keturah Pristell, Regional Airport Compliance Specialist
FAA Airports Division, Southern Region, Safety and Standards Branch

cc:

Steve Hicks, Director, FAA Airports Division, Southern Region
Melissa Rivera, Acting Manager, FAA Airports Division, Southern Region, Safety and Standards Branch
Larry Clark, Manager, Atlanta Airport District Office
Kyle Cody, Airport Program Manager/Engineer, Atlanta Airport District Office

Ridgeland-Claude Dean Airport (3J1)

Hello all and thank you for hearing my concerns,

The Ridgeland-Claude Dean Airport (3J1) has aviation roots dating back to the 1930's when a group of enthusiastic pilots created a landing strip with a tractor and some elbow-grease. Since then it has been the "home airport" to some truly amazing people and pilots. I am writing today to voice my concerns regarding current mismanagement of the airport which has resulted in hostile environment and unsafe conditions which are neither conducive to airport sustainability nor the community of Ridgeland's economic prosperity.

Under the airports previous management, and through the years it has always been a friendly, welcoming small airport where everyone was accepted with open arms. The grass was always kept nice, facilities clean, and a welcoming airport manager that would greet all the landing aircraft with a wave and big smile. However, in the recent year or so, it has become apparent that airport is being mismanaged in a plethora of ways.

As a pilot community we are always accepting of any criticism and willing to listen to anything someone may consider a safety concern. However, management has begin to engage in a variety of unscrupulous activities that have made a significant number of pilots no longer feel welcomed and at home at the airport such as video taping and taking photos inside of private hangars or of flights without talking to anyone on the airfield. To many, this is becoming a hostile environment and has reduced the amount of activity being conducted at the airport. As a life long military and civilian aviator, hanger owner, and active member of the aviation community I am both concerned and saddened by the current state of the airport.

There has also been an egregious mismanagement of airport funding and lack of forethought on the potential impact to safety, the local community, and economy. While the runway extension is a notable improvement there have been no improvements on weather reporting, instruments approaches, or Jet-A. All of this would make 3J1 a viable option for various charter companies to operate and in-turn, help the local economy and county. Additionally, the visual appearance of the airport has never been worse. The grass is always high, weeds are growing, and there is nowhere for transient aircraft to tie-down because the gate at the new parking area is locked, which also restricts emergency vehicles if needed. The implications for this is an unsafe environment for everyone that keeps an aircraft at the airport, or any transient traffic.

Many individuals have approached the new manager to offer candid suggestions and the ideas always fall on deaf ears. His inability to take criticism or communicate has proven

troublesome for many. Pilots, current hangar owners, and investors have attempted to make communications in regard to building new hangars (at their own expense) on land leased from the county. Unfortunately, individuals are never able to get the ball rolling and things seem to always fizzle out at the management level before it gets to the next appropriate steps. This is unacceptable and the addition of new hangars, at no cost to the county, would do wonders for the airport, community, and local economy. As a passionate aviator, I always wish to promote aviation in any possible way I can. I, along with the entire pilot community of 3J1 believe that the current management is a hinderance to the airport, local community, and aviation.

To the state of South Carolina, Aeronautics Commission, and Jasper County... Thank You for hearing my concerns. Below is the contact information for the county administrator and current airport manager. I invite everyone to reach out to Andrew or Danny anytime with questions regarding the airport. Please feel free to come out and look at the visual appearance of the airfield, and meet the local pilots to hear their concerns in person.

Andrew P. Fulghum
County Administrator
PO Box 1149
358 Third Avenue Ridgeland, SC 29936
Phone: 843-717-3690
Office Hours: Monday - Friday 9:00 AM - 5:00 PM

Danny Lucas
Airport Manager
dlucas@jaspercountysc.gov
(843) 726-7759
(843) 929-4159
P.O Box 653
134 Airport Road
Ridgeland, SC 29936



CHARLESTON SC 294

26 AUG 2021 PM 3 L

Andrew Fulghum
P.O. Box 1149
358 3rd Ave
Ridgeland, SC 29936

29936-876558





OFFICE OF THE JASPER COUNTY ADMINISTRATOR

358 Third Avenue - Courthouse Square - Post Office Box 1149
Ridgeland, South Carolina 29936 - 843-717-3690 - Fax: 843-726-7800

Andrew P. Fulghum
County Administrator

afulghum@jaspercountysc.gov

Progress Report September 8, 2021-September 20, 2021

1. **Exit 3:**
Received letter from SC Transportation Infrastructure Bank regarding meeting in Columbia for all parties on Sept. 30 or Oct. 1. A copy of the letter follows this report.
2. **Farmers' Market Facility:**
Reviewed condition of landscaping and structure on Sept. 8. Landscaping improvements and renovation are in order. Will staff out proposals, budget, and funding and report to Council.
3. **Debt Refinancing:**
Participated in two conference calls on Sept. 15 re: rating agency's review.
4. **Various Development Projects:**
Participated in conference calls on Sept. 8 and Sept. 15 with County staff, SCA, and outside counsel to review active economic development prospects. Attended virtual meeting on Sept. 8 with County staff and SCA re: an existing business expansion. Prepared and sent comments to City of Hardeeville re: Okatie Crossings project. Prospect update scheduled for County Council in executive session on September 20.
5. **Implementation of Salary Study and Premium Pay:**
Attended meeting with County staff on Sept. 13 to review details of each for discussion and presentation to County Council at Sept. 20 County Council meeting.
6. **Other Meetings/Events Attended or Scheduled to Attend:**
Met with the Chairwoman and Mayor and City Manager of the City of Hardeeville on Sept. 13.

BOARD OF DIRECTORS

John B. White, Jr., *Chairman*

Ernest Duncan, *Vice Chairman*

J. Barnwell Fishburne

Senator Hugh K. Leatherman, Sr.

H.B. "Chip" Limehouse, III

David B. Shehan

Representative J. Gary Simrill

**South Carolina
Transportation Infrastructure Bank**



955 Park Street
Room 120 B
Columbia, SC 29201
P: (803) 737-2825
Fax: (803) 737-2014

September 13, 2021

Andrew P. Fulghum, Jasper County Administrator
Post Office Box 1149
Ridgeland, South Carolina 29936

Michael J. Czymbor, Hardeeville City Manager
P.O. Box 609
Hardeeville, SC 29927

Re: Exit 3 Project

Dear Gentlemen:

The Bank awarded financial assistance to Jasper County and the City of Hardeeville for the construction of an interchange at Exit 3 on I-95 and the balance of those available funds to go toward the completion of the North Parkway subject to certain conditions. The application and public presentation on the project stated this project was shovel ready. Clearly, it was not. I recognize there are significant and complex issues in this project; however, it is time to finish the negotiations and execute an Intergovernmental Agreement and other relevant necessary documents.

Therefore, I am calling a meeting with all the relevant parties. The decision makers for the County, City, and developer should attend the meeting. Secretary Hall completely agrees with this approach and has graciously agreed to host a meeting at the Department of Transportation headquarters in Columbia. The proposed dates are September 30, or October 1. Tami Reed or Rob Tyson will be reaching out to you to confirm the date. Please note the meeting will be scheduled for all day or until the parties agree to the final details.

Please let me know if you have any questions.

Sincerely,

John B. White, Jr.
Chairman

Cc: Secretary Hall

Andrew Fulghum

From: Andrew Fulghum
Sent: Tuesday, September 14, 2021 4:55 PM
To: 'Michael Czymbor'
Cc: Matt Davis; Katie Woodruff; Brana Snowden; Harry Williams
Subject: RE: Amendments to Okatie Crossing PDD and Development Agreement
Attachments: Sembler Home MCIP Book 781 at 32.pdf

Mike:

Thanks again for discussing this project with us yesterday and hearing some of our concerns. This property is truly unique. It is located in the City of Hardeeville, but also in both Beaufort and Jasper Counties. Its watershed impacts multiple jurisdictions. It is supported by an already stressed transportation system with near site transportation costs for US 170 recently identified by the LATS as totaling \$39.3 to \$44.3 million. The project also proposes the annexation of two parcels currently located in unincorporated Jasper County and included in a County fire district. There have been several proposed development projects for the property in the last 15 years. Based on the scope of a previous, proposed development, a multi-county industrial park (MCIP) was created by the County in 2009. That development proposal failed and a subsequent development proposal was brought to the County by the City in 2016 for consideration of incentives. At that time, the City and the County actively discussed the potential of a project with yet a different scope. For all of these reasons, this proposed development is one of regional significance. Although you mentioned that the City has been working on this project for months, we were totally unaware of that fact or that the City had already conducted readings of ordinances for the PDD, DA, and annexations until you kindly sent me the information last week. Based on our review of what you have provided us, we offer the following comments for your consideration:

Proposed Development Agreement:

- Definition section-- it is noted that "Development Fees" or "Developer Fees" shall have the meaning set forth in Section XII(K). There is no Section XII(K) in the document.
- Voluntary development fees for County services (schools and libraries) included in the previous 2008 DA have been removed in this version and new City voluntary development fees have been added for "Administrative Fund" and "Community Facilities Fund". I trust that the City has notified the Jasper County School District and Allendale/Hampton/Jasper Regional Library System of these changes.
- There are references for potential FILOTs, MCIPs, SSRCS, etc., but we are of the understanding now that none of those incentives are being sought.
- X. M. It is unclear if the City intends to use the new SOLOCO endorsed stormwater management best practices manual for the entire project.
- In the 2009 development scenario, a percentage of the project was dedicated to providing affordable housing. It is unclear if the City is requiring affordable housing at this time.
- Road Development Fees have been removed in the fee chart.
- X.B.2(b) Add back in "future county impact fees".
- XI.D. 4 language should be changed to allow for application of future Jasper County impact fees for qualifying capital improvement projects as contemplated with Beaufort County.
- XI.D. 8 "required roadway improvements" is not a defined term.

Annexation (Parcels 079-00-00-002 and 079-00-00-003):

- Both parcels are located in the Cherry Point Fire District and have a separate fire millage assessed to them which the City will be required to pay. I was able to discuss this issue with the applicant and encouraged him to obtain written confirmation that the fire millage will be paid after annexation.

Thank you very much for providing the information for our review. For the sake of regional cooperation, environmental concern, and traffic impact, we hope that the City will share this same information with neighboring jurisdictions and environmental stakeholders for comment prior to the City taking action.

--Andy



Andrew P. Fulghum, ICMA-CM
County Administrator
Jasper County
Post Office Box 1149
Ridgeland, South Carolina 29936

Location: 358 Third Avenue, Suite 306-A
Jasper County Clementa C. Pinckney Government Building
Telephone Number: 843-717-3690
Facsimile: 843-726-7800
Email: afulghum@jaspercountysc.gov

An Equal Opportunity Employer.

Special Accommodations Available Upon Request to Individuals with Disabilities.

From: Michael Czymbor <mczymbor@hardeevillesc.gov>
Sent: Tuesday, September 7, 2021 9:24 AM
To: Andrew Fulghum <afulghum@jaspercountysc.gov>
Cc: Matt Davis <mdavis@hardeevillesc.gov>; Katie Woodruff <kwoodruff@hardeevillesc.gov>; Brana Snowden <bsnowden@hardeevillesc.gov>; Harry Williams <hwilliams@hardeevillesc.gov>
Subject: FW: Amendments to Okatie Crossing PDD and Development Agreement
Importance: High

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good morning Andy. City staff has been working with the developer (Horne Properties) of Okatie Crossing for several months on amending the PDD and development agreement for the site to reflect the changing retail and commercial market as online shopping becomes prevalent impacting the demand for brick and mortar store fronts. I have discussed the need for the loop road connecting 278 and 170 with the developer. The City Council approved first reading on September 2nd and will consider second reading on the 16th. I've attached the ordinances for your convenience. Please feel free to contact me with any questions or concerns. Thank you.



SOUTH CAROLINA ASSOCIATION OF COUNTIES

Paul A. Cain, President
Oconee County

Timothy C. Winslow
Executive Director

August 26, 2021

Arthur S. Benjamin Jr.
Jasper County
Detention Center Director
PO Drawer 2140
Ridgeland, SC 29936

Dear Director Benjamin:

Thank you for your interest in being considered for the Jail Administrator's Slot on the SC Association of Counties' Local Detention Committee. At its meeting on August 3, 2021, the SCAC Board of Directors appointed Florence County Detention Center Director Michael Brown to serve.

We truly appreciate your interest in serving on this important committee and for your commitment to public safety for Jasper County and for our state.

Sincerely,

Timothy C. Winslow
Executive Director

cc: Ms. Barbara B. Clark, Jasper County Council Chairwoman
Mr. Andrew P. Fulghum, Jasper County Administrator