

Sponsor(s) : County Council
Adopted : June 6, 2023
Committee Referral : N/A
Committee Consideration Date : N/A
Committee Recommendation : N/A

RESOLUTION NO. 23-R-43

COUNCIL-ADMINISTRATOR FORM OF GOVERNMENT FOR COLLETON COUNTY

[COMMITTING TO NEGOTIATE A FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT BETWEEN COLLETON COUNTY AND PROJECT PALMETTO GREEN; IDENTIFYING THE PROJECT; AND OTHER MATTERS RELATED THERETO]

WHEREAS, Colleton County, South Carolina (“County”), acting by and through its County Council (“County Council”) is authorized pursuant to the provisions of Title 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended (the “FILOT Act”), to encourage manufacturing and commercial enterprises to locate in the State of South Carolina (“South Carolina” or “State”) or to encourage manufacturing and commercial enterprises now located in the State to expand their investments and thus make use of and employ the manpower, products, and other resources of the State by entering into an agreement with a sponsor, as defined in the FILOT Act, that provides for certain fee-in-lieu of *ad valorem* tax (the “FILOT”) with respect to economic development property, as defined in the FILOT Act, and by providing special source revenue or infrastructure credits (“SSRCs”) pursuant to Section 4-1-175 and 4-29-68 of the Code of Laws of South Carolina 1976, as amended (the “SSRC Act”); and

WHEREAS, Project Palmetto Green, an entity whose name cannot be publicly disclosed at this time (“Sponsor”), desires to invest capital in the County in order to establish a plastics recycling facility in the County (“Project”); and

WHEREAS, the Project is anticipated to result in an investment of approximately \$56,250,000 in taxable real and personal property and the creation of approximately 50 new, full-time equivalent jobs; and

WHEREAS, the Sponsor has informed the County that it intends to make or cause to be made the Investment eligible for FILOT incentives under the FILOT Act and SSRCs under the SSRC Act over the first five (5) years of the Project (the “Investment Period”), and the County intends to commit itself to entering into a fee-in-lieu of tax agreement with the Sponsor under the FILOT Act and the SSRC Act so that the Sponsor may qualify the Project for benefits under such Acts.

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

Section 1. The adoption of this Resolution is an official action by the County Council to identify, reflect, and induce the Project under the FILOT Act. For purposes of the FILOT Act, this Resolution is an “Inducement Resolution.” For purposes of Section 12-44-110 of the FILOT Act, this Resolution constitutes preliminary approval by the County prior to the execution of a fee agreement.

Section 2. If the Sponsor decides to locate the Project in Colleton County, the County Council, upon request of the Sponsor, hereby commits to enter into a negotiated FILOT arrangement with the Sponsor for the Project, the terms of which shall be set forth in a separate Fee-in-Lieu of Tax Agreement with the Sponsor (a “FILOT Agreement”), in form and manner satisfactory to the County and the Sponsor, that will provide the Sponsor with a calculation of such FILOT payments on the basis of an assessment ratio of 6%, at a fixed millage rate for the entire 25-year term of the FILOT Agreement (being the millage rate

which is the lower of (i) the cumulative property tax millage rate levied on behalf of all taxing entities within which the Project is located on June 30 of the year preceding the calendar year in which the FILOT Agreement is executed or (ii) the cumulative property tax millage rate levied on behalf of all taxing entities within which the Project is located on June 30 of the calendar year in which the FILOT Agreement is executed), and a valuation of property as provided in Section 12-44-50(A)(1)(c) of the FILOT Act.

Section 3. The County Council hereby commits to provide SSRCs against FILOT payments to be made during the first eight (8) years of the term of the FILOT Agreement, in the amount of thirty percent (30%) of FILOT payments for year one (1) of the term of the FILOT Agreement; in the amount of fifty percent (50%) of FILOT payments for years two (2) through six (6) of the term of the FILOT Agreement; in the amount of twenty percent (20%) of FILOT payments for year seven (7) of the term of the FILOT Agreement; and in the amount of ten percent (10%) of FILOT payments for year eight (8) of the term of the FILOT Agreement. There shall be no SSRCs against FILOT payments in years nine (9) through twenty-five (25) of the term of the FILOT Agreement. Such SSRCs shall be subject to reduction at the discretion of the County if certain investment thresholds or job creation are not met during the Investment Period.

Section 4. The County Council finds that: (i) the Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally; (ii) the Project gives rise to no pecuniary liability of the County or incorporated municipality and to no charge against the general credit or taxing power of either the County or any incorporated municipality; (iii) the purposes to be accomplished by the Project are proper governmental and public purposes; and (iv) the benefits of the Project to the public are greater than the costs to the public.

Section 5. The County Council commits to use its commercially reasonable efforts to designate the land on which the Project is to be located as a multi-county industrial and business park, 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(D) of the South Carolina Constitution, and to maintain the multi-county park designation for a period not less than the term of the FILOT Agreement provided for in this Resolution. The County Council's commitment to place the Project land in a multi-county park is subject to the exercise of discretion by a governmental entity other than the County and the exercise of that discretion is not controlled by the County.

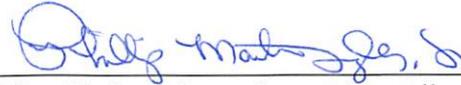
Section 6. The County agrees to provide the incentives set forth in this Resolution as long as the Sponsor agrees to the payment of all costs and expenses, including legal fees, incurred by the County due to the grant of the incentives set forth herein for the Project.

Section 7. The County Council must approve the FILOT Agreement, and any other agreement or document contemplated by this Resolution, in accordance with South Carolina law and the rules and procedures of the County Council, in order for the FILOT Agreement and such other agreements or documents to be legally effective.

Section 8. This Resolution is effective after its approval by the County Council.

RESOLVED: June 5, 2023

COLLETON COUNTY, SOUTH CAROLINA



Vice Chair, Colleton County Council

(SEAL)

ATTEST:



Clerk to County Council

COUNCIL VOTE: UNANIMOUS
OPPOSED: