

Lancaster County Council Administration Committee Regular Meeting Agenda

Thursday, November 16, 2017

County Council Conference Room
County Administration Building
101 N. Main Street
Lancaster, SC 29720

1. **Call to Order – Committee Chair Charlene McGriff** 4:00 p.m.
2. **Approval of the agenda** *[deletions and additions of non-substantive matters]*
3. **Citizens Comments**
4. **Approval of Minutes from the October 12, 2017 Administration Committee regular meeting – pgs. 3-6**
5. **Discussion / Action Items**
 - a. **Resolution 0980-R2017 regarding Reimbursement of Certain Expenditures Prior to the Issuance By The County Of Its Tax-Exempt Debt**
Resolution Title: A Resolution Relating To The Declaration Of Intent By Lancaster County, South Carolina, To Reimburse Certain Expenditures Prior To The Issuance By The County Of Its Tax-Exempt Debt. - *Veronica Thompson/Francenia Heizer – pgs. 7-9*
 - b. **Ordinance 2017-1481 regarding Adding Property of Project Shamrock to the Multi-County Park Agreement Between Chesterfield County and Lancaster County**
Ordinance Title: An Ordinance To Amend The Amended And Restated Master Multi-County Park Agreement Between Chesterfield County, South Carolina And Lancaster County, South Carolina, As Amended And Restated As Of November 9, 2015, Exhibits Updated Through February 13, 2017, So As To Further Update The Exhibits By Adding Property Located In Lancaster County (Project Shamrock). – *Jamie Gilbert – pgs. 10-13*
 - c. **Ordinance 2017-1484 regarding Authorization of a Fee Agreement Between Lancaster County and Project Shamrock**
Ordinance Title: An Ordinance To Authorize The Execution And Delivery Of A Fee Agreement By And Between Lancaster County And Project Shamrock, Providing For The Payment Of A Fee-In-Lieu Of Taxes And The Provision Of Special Source Revenue Credits; To Express The Intention Of Council To Provide Monies To The Economic Development Fund. – *Jamie Gilbert – pgs. 14-45*

d. Ordinance 2017-1486 regarding Extending the Fee Agreement for Founders Federal Credit Union

Ordinance Title: An Ordinance To Approve The Extension Of The Investment Period Under The Fee Agreement Dated September 14, 2009 By And Between Lancaster County And Founders Federal Credit Union; To Authorize And Approve An Investment Period Extension And Infrastructure Credit Agreement Providing For, Among Other Things, Special Source Revenue Credits In Connection With The Extension. – *Jamie Gilbert – pgs. 46-65*

- e. Proposal to change the bylaws for the Health and Wellness Commission – *Steve Willis - pgs. 66-74*
- f. Creation of Accommodations Tax Advisory Committee – *Steve Willis – pgs. 75-79*
- g. Revisiting the concept of Impact Fees in the panhandle – *Steve Willis – pgs. 80-106*
- h. Request by Time Warner to serve the remaining portion of Lancaster County – *Steve Willis – pgs. 107-114*
- i. Discussion of 2018 calendar (Final adoption will be held at the November 27th Council Meeting) – *Steve Willis – pgs. 115-118*
- j. Update on Municipalities and Parks and Recreation – *Steve Willis/Hal Hiott – pg. 119*
- k. Monthly Report – *Kimberly Hill*

6. Adjournment

Anyone requiring special services to attend this meeting should contact 285-1565 at least 24 hours in advance of this meeting.

Lancaster County Council Administration Committee agendas are posted at the Lancaster County Administration Building and are available on the Website: www.mylancastersc.org



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Members of Lancaster County Council
Administration Committee

Charlene McGriff, District 2, Chairwoman
Steve Harper, District 5
Terry Graham, District 1

Minutes of the Lancaster County Council Administration Committee Regular Meeting

101 N. Main Street, Lancaster, SC 29720

Thursday, October 12, 2017

Council Members present were Charlene McGriff, Steve Harper and Terry Graham. Also present were Steve Willis, John Weaver, Sherrie Simpson, Veronica Thompson and various Department Heads. A quorum of the Lancaster County Administration Committee was present for the meeting.

The following press were notified of the meeting by e-mail in accordance with the Freedom of Information Act: *Lancaster News*, *Kershaw News Era*, *The Rock Hill Herald*, *Fort Mill Times*, Cable News 2, Channel 9 and the local Government Channel. The agenda was posted in the lobby of the County Administration Building and also on the county website for the required length of time.

Call to Order

Chairwoman Charlene McGriff called the meeting to order at approximately 6:00 p.m.

Approval of the agenda

Terry Graham moved to approve the agenda. Seconded by Steve Harper. The Committee approved the agenda by unanimous vote of 3-0.

Citizens Comments

There were no citizens that came forward for comments.

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Consent Agenda

Terry Graham moved to approve all of the items on the Consent Agenda. Seconded by Steve Harper. The motion to approve the September 12, 2017 Special Meeting minutes and the September 14, 2017 Regular Meeting minutes passed by unanimous vote of 3-0.

Discussion / Action Items

Ordinance 2017-1478 regarding First Amendment to the Avondale Development Agreement

Ordinance Title: An Ordinance To Approve A First Amendment To The Development Agreement Avondale Development; To Authorize Certain County Officials To Execute And Deliver The First Amendment To The Development Agreement Avondale Development.

John Weaver explained that the original Development Agreement for the Avondale Development called for the developer to pay \$225,000 to the County for upgrades at the intersection of Calvin Hall Road and Harrisburg Road. He stated that the County staff has recommended a roundabout at the intersection. He noted that this Amendment to the Avondale Development Agreement will change the Developer's obligations in regards to this intersection. First, he explained that, with this Amendment, the Developer will be responsible for all costs of completing the roundabout for the intersection and, second, that the \$225,000 payment to the County will be removed because the Developer will now be solely responsible for the costs.

He noted that the South Carolina Department of Transportation has approved the design for the intersection. Terry Graham moved that Ordinance 2017-1478 be moved to full Council with a favorable recommendation from the Administration Committee. Seconded by Steve Harper. The motion passed by unanimous vote of 3-0.

Resolution 0967-R2017 regarding an Inducement Resolution for Rhyno Partners BR Holdings, LLC.

Resolution Title: A Resolution To State The Commitment Of Lancaster County To Enter Into A Fee Agreement With Rhyno Partners BR Holdings, LLC, And A Special Source Revenue Credit Agreement With The Blythe Company, An Affiliate Of Rhyno Partners BR Holdings, LLC; To Provide The General Terms Of The Fee Agreement And Special Source Revenue Credit Agreement Including The Provision Of Special Source Revenue Credits; To Provide That This Resolution Is An Inducement Resolution For Purposes Of The Fee In Lieu Of Tax Simplification Act; To State The Commitment Of Lancaster County To Place Project Property In A Multi-County Park.

John Weaver explained that he was addressing the information for Resolution 0967-R2017 and Ordinance 2017-1479 at the same time. He stated that Resolution 0967-R2017 is the inducement resolution and Ordinance 2017-1479 is the ordinance that authorizes the details of the Fee Agreement for the project. He noted that this project is a small economic development project. The Fee In Lieu Of Tax is for 20 years and the project will result in 21 jobs.

Steve Harper moved that Resolution 0967-R2017 be moved to full Council with a favorable recommendation from the Administration Committee. Seconded by Terry Graham. The motion passed by unanimous vote of 3-0.

Ordinance 2017-1479 regarding Authorization of Fee Agreement Between Lancaster County and Rhyno Partners BR Holdings, LLC

Ordinance Title: An Ordinance To Authorize The Execution And Delivery Of A Fee Agreement By And Among Lancaster County And Rhyno Partners BR Holdings, LLC, Providing For, Among Other Things, The Payment Of A Fee-In-Lieu Of Taxes And The Provision Of Special Source Revenue Credits; To Authorize The Execution Of A Special Source Revenue Credit Agreement By And Among Lancaster County And The Blythe Company, LLC, Providing For, Among Other Things, The Provision Of Special Source Revenue Credits; To Express The Intention Of Council To Provide Monies To The Economic Development Fund.

Steve Harper moved that Ordinance 2017-1479 be moved to full Council with a favorable recommendation from the Administration Committee. Seconded by Terry Graham. The motion passed by unanimous vote of 3-0.

Ordinance 2017-1480 regarding Approval of a Fifth Amendment to the Agreement of the Joint Industrial and Business Park Between Lancaster County And Chester County

Ordinance Title: An Ordinance To Approve A Fifth Amendment To The Agreement For The Development Of A Joint Industrial And Business Park Dated As Of December 1, 2008 Between The County And Chester County So As To Remove Certain Property Previously Added To The Park Agreement.

John Weaver explained that Haile Gold Mine is asking to remove a parcel of land with a house on it from the Multi-County Park and from the FILOT agreement.

Terry Graham moved that Ordinance 2017-1480 be moved to full Council with a favorable recommendation from the Administration Committee. Seconded by Steve Harper. The motion passed by unanimous vote of 3-0.

Hospitality Tax funds for Buford Recreation Center.

Hal Hiott discussed a list of 10 things that the Joint Recreation Commission would like to finish at the Buford Recreation Center to make it a viable facility for tournaments and he stated that they would like to use Hospitality Tax funds to make the upgrades. He stated that the first items they would like to complete would be field lighting, fencing and irrigation. He stated that it would be cheaper to complete the lighting of the fields all at once. He explained that the remainder of the items for the Buford Recreation Center, including parking, would be completed later. Kim Hill stated the money is already in the Hospitality funds but it would require a Resolution to transfer the money for expenditure. The Committee discussed how making the Buford Recreation Center "tournament ready" could potentially effect tourism in Lancaster. The Committee and staff discussed potential phases for using the Hospitality Tax funds.

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Steve Harper asked if spending the money now would effect the County's bonding capacity. Steve Willis responded that bonding is based on collection history.

Steve Harper moved that the staff be allowed to prepare a resolution to transfer Hospitality Tax funds for use for the Buford Recreation Center. Seconded by Terry Graham. The motion passed by unanimous vote of 3-0.

Grants from VOCA, SCDPS and JAG for the Solicitor's office.

Randy Newman reviewed the 3 separate grants (from VOCA, SCDPS and JAG) that the solicitor's office has received. He stated that the 20% match for the VOCA grant has been covered for this budget year but that the solicitor's office will need help covering that 20% match in the next budget year.

Information only for grants for Sheriff's Office.

Steve Willis discussed the grants that have been received by the Sheriff's office: (1) Traffic Unit Grant; (2) Domestic Violence Investigator; (3) Domestic Violence Victim's Advocate; and (4) Victim's Advocate working from the Detention Center. He stated that the match is being covered through in kind services.

Monthly Report.

Kim Hill reviewed the Budget Monitoring Report for the month of September 2017, attached as Schedule A. She reviewed the revenues and expenditures for the month of September.

Adjournment

Steve Harper moved to adjourn the Administration Committee meeting. Seconded by Terry Graham. The motion to adjourn the Administration Committee meeting passed by a vote of 3-0. The Administration Committee meeting adjourned at approximately 6:55 p.m.

Respectfully Submitted:

Approved by the Administration Committee

Sherrie Simpson
Clerk to Council

Charlene McGriff, Chairwoman

Agenda Item Summary

Ordinance # / Resolution#: 0980-R2017

Contact Person / Sponsor: Veronica C. Thompson, County CFO

Department: Financial Management Division

Date Requested to be on Agenda: Admin Committee 11/16/2017

County Council Agenda 11/27/2017

Issue for Consideration:

Potential General Obligation Bond Reimbursement Resolution- Animal Shelter & Fleet Maintenance Buildings

Points to Consider:

A few months ago, County Council passed a resolution prioritizing two capital projects: the Animal Shelter and Fleet Maintenance Buildings. Request for Qualifications have been advertised for Architectural Services for both projects. The selection process will soon be underway. After the contracts are awarded, I expect the firms will begin billing for services rendered. To receive reimbursement from bond proceeds for these and any other preliminary expenditures, a resolution is needed. The County intends to enter the bond market after the building plans are drafted & approved and a firm construction price has been established.

Funding and Liability Factors:

The GO Bond Fund will owe the General Fund, temporarily, for preliminary expenditures prior to construction. Once the County receives the bond proceeds, the General Fund will be reimbursed.

Council Options:

Recommend or not recommend to full Council for approval.

Recommendation:

Approve the resolution to prevent any delays in the project timeline.

STATE OF SOUTH CAROLINA)
)
COUNTY OF LANCASTER)

RESOLUTION NO. 0980-R2017

A RESOLUTION

RELATING TO THE DECLARATION OF INTENT BY LANCASTER COUNTY, SOUTH CAROLINA, TO REIMBURSE CERTAIN EXPENDITURES PRIOR TO THE ISSUANCE BY THE COUNTY OF ITS TAX-EXEMPT DEBT.

WHEREAS, the Internal Revenue Service and U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations (the "Regulations") that authorizes an issuer to reimburse itself from the proceeds of tax-exempt debt; and

WHEREAS, Lancaster County, South Carolina (the "County"), anticipates incurring expenditures (the "Expenditures") related to certain capital improvements including but limited to constructing and equipping an animal shelter and a fleet facility (the "Project") prior to the issuance by the County of tax-exempt debt for such purpose; and

WHEREAS, the County intends to fund the Project from proceeds of tax-exempt debt not to exceed \$5,500,000; and

WHEREAS, the Regulations require that the governing body of the political subdivision declare an official intent to reimburse an expenditure prior to the incurrence of the expenditure.

NOW, THEREFORE, BE IT RESOLVED by the Council of Lancaster County, South Carolina:

Section 1. The County Council hereby declares that this Resolution shall constitute its declaration of official intent pursuant to Section 1.150-2 of the Regulations to reimburse the County from the proceeds of tax exempt debt of the County to be issued pursuant to South Carolina state law, for Expenditures with respect to the Project. The County Council anticipates incurring Expenditures with respect to the Project prior to the issuance by the County of its tax-exempt debt for such purposes.

Section 2. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the Expenditures were paid, or (b) the date the Project was placed in service, but in no event more than three (3) years after the original Expenditures.

Section 3. The Expenditures are incurred solely to acquire, construct or rehabilitate property having a reasonably expected economic life of at least one (1) year.

Section 4. The County Council hereby authorizes the use of general fund monies or other funds on hand as the source of funds for the Expenditures with respect to the Project.

Section 5. This Resolution shall be in full force and effect from and after its adoption as provided by law. This Resolution shall be made available for inspection during normal business hours by the general public at the offices of the County.

Adopted this _____ day of _____, 2017.

LANCASTER COUNTY, SOUTH CAROLINA

[SEAL]

Steve Harper, Chair, County Council

Larry Honeycutt, Secretary, County Council

Attest:

Sherrie Simpson, Clerk to Council

Administration Committee Agenda Item Summary

Ordinance # / Resolution#: Ordinance #2017-1481 and Ordinance #2017-1484
Contact Person / Sponsor: Jamie Gilbert
Department: Economic Development
Date Requested to be on Agenda: November 16, 2017

Issue for Consideration:

Project Shamrock is an existing advanced manufacturer looking to invest and create new jobs in Lancaster County. The project is expected to invest over \$5.7 million over five years and create 88 new jobs with the lowest wage being \$17/hour. The project has considered expanding in Lancaster County or other states.

The Lancaster County Department of Economic Development in working with Project Shamrock to ensure the project expands in the county has recommended the following property tax incentives for the project:

- 1) A 25 Year Fee-In-Lieu-of-Tax (FILOT) agreement which provides a reduced property tax assessment rate of 6% and locked in millage rate of 301 mills.
- 2) A 12 Year Special Source Revenue Credit (SSRC) of 57 ½ % annually to be applied against the FILOT payments.
- 3) Job requirements include the creation of at least 64 new full time jobs over five years, a capital investment of \$4 million, a wage rate that is 85% of the county average and at least 90% of the jobs to be held by United States citizens.

Points to Consider:

The county has expressed a commitment to support existing industry project that create good jobs which provide a living wage. Project Shamrock does this. Over half of the company's employees live in Lancaster County. The project may also provide excellent employment opportunities for displaced Duracell workers. Over 29 years the project without discretionary incentives would generate an estimated \$1,804,973 in total property tax revenue. With the FILOT and SSRC, the project will generate an estimated \$745,038 in property taxes resulting in savings to the company of \$1,059,935 or an annual average of \$415 per job. The LOCI cost benefit analysis shows a return of \$4.20 for every incentive dollar offered. The State of South Carolina is recommending discretionary incentives for the project.

Funding and Liability Factors:

There is no funding required or liability factors.

Council Options:

Vote to approve or decline sending Ordinance #2017-1481 and Ordinance #2017-1484 which sets FILOT and SSRC conditions for Project Shamrock and places the property in a multi-county park to the County Council for consideration.

Recommendation:

Approve sending Ordinance #2017-1481 and Ordinance #2017-1484 to the County Council.

STATE OF SOUTH CAROLINA)
)
COUNTY OF LANCASTER)

ORDINANCE NO. 2017-1481

AN ORDINANCE

TO AMEND THE AMENDED AND RESTATED MASTER MULTI-COUNTY PARK AGREEMENT BETWEEN CHESTERFIELD COUNTY, SOUTH CAROLINA AND LANCASTER COUNTY, SOUTH CAROLINA, AS AMENDED AND RESTATED AS OF NOVEMBER 9, 2015, EXHIBITS UPDATED THROUGH FEBRUARY 13, 2017, SO AS TO FURTHER UPDATE THE EXHIBITS BY ADDING PROPERTY LOCATED IN LANCASTER COUNTY (PROJECT SHAMROCK).

Be it ordained by the Council of Lancaster County, South Carolina:

Section 1. Findings and determinations; Purpose.

(a) The Council finds and determines that:

(1) Lancaster County, South Carolina ("Lancaster County") is authorized by Article VIII, Section 13(D) of the South Carolina Constitution and by Sections 4-1-170, -172 and -175 of the Code of Laws of South Carolina 1976, as amended, to jointly develop, in conjunction with contiguous counties, industrial and business parks (each a "Multi-County Park");

(2) Lancaster County and Chesterfield County, South Carolina ("Chesterfield County"), are contiguous counties which, pursuant to Ordinance No. 2013-14-08, enacted by Chesterfield County Council on December 4, 2013, and Ordinance No. 2013-1230 enacted by Lancaster County Council on December 9, 2013, established a Multi-County Park pursuant to the Master Multi-County Park Agreement dated as of December 9, 2013 (the "Park Agreement");

(3) Lancaster County, pursuant to Ordinance No. 2015-1352 enacted by Lancaster County Council on November 9, 2015, Resolution No. 0903-R2015 enacted on December 14, 2015, Ordinance No. 2015-1381 enacted on January 11, 2016, Ordinance No. 2016-1407 enacted on September 12, 2016, Ordinance No. 2016-1420 enacted on November 28, 2016, and Ordinance No. 2016-1427 enacted on December 12, 2016 and Chesterfield County, pursuant to Ordinance No. 14-15-20 enacted by Chesterfield County Council on November 4, 2015, Ordinance No. 15-16-10 enacted on December 16, 2015, Resolution No. 2016-01 enacted on January 6, 2016, Resolution No. 2016-11 enacted on September 7, 2016, Resolution No. 2016-16 enacted on December 7, 2016, and Resolution No. 2016-15 enacted on December 7, 2016 authorized an Amended and Restated Master Multi-County Park Agreement dated as of November

9, 2015 with Exhibits Updated Through February 13, 2017 (the “Amended and Restated Park Agreement”); and

(4) the County has committed itself by passage of an inducement resolution to include the PROJECT SHAMROCK property in a multi-county park; and

(5) the Amended and Restated Park Agreement provides that property may be added to the Multi-County Park upon the passage of an approving ordinance of the county in which the subject property is located and a resolution of the non-host county.

(b) It is the purpose of this ordinance to approve the addition of the properties identified in Section 2 of this ordinance to the Amended and Restated Park Agreement.

Section 2. Approval of amendment.

Council approves the amendment of Exhibit A (Lancaster County) of the Amended and Restated Park Agreement by adding at the end of Exhibit A (Lancaster County):

/I. Properties included pursuant to Lancaster County Ordinance No. 2017-14__, enacted on _____, 2017, and Chesterfield County Resolution No. 2017-__, enacted on _____, 2017:

PROJECT SHAMROCK ROAD

Tax Map No.

Owner

PROJECT SHAMROCK NO.

PROJECT SHAMROCK/

Section 3. Preparation of amended Park Agreement.

When Chesterfield County has passed a resolution approving the addition of the property identified in Section 2 of this ordinance, the County Administrator, in consultation with the County Administrator of Chesterfield County, shall cause to be prepared an Amended and Restated Park Agreement with Exhibit A (Lancaster County) revised as set forth in Section 2 of this ordinance. A copy of the revised Amended and Restated Park Agreement with a revised Exhibit A (Lancaster County) shall be provided to the Administrator, Clerk to Council, Assessor, Auditor and Treasurer of Lancaster County and Chesterfield County.

Section 4. Conflicting provisions.

To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Lancaster County Code or other County ordinances, resolutions, policies, procedures and actions, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 5. Severability.

If any section of this ordinance is, for any reason, determined to be void or invalid by a court of competent jurisdiction, it shall not affect the validity of any other section of this ordinance which is not itself void or invalid.

Section 6. Effective Date.

This ordinance is effective upon Third Reading.

AND IT IS SO ORDAINED

Dated this _____ day of _____, 2017.

LANCASTER COUNTY, SOUTH CAROLINA

Steve Harper, Chair, County Council

Larry Honeycutt, Secretary, County Council

ATTEST:

Sherrie Simpson, Clerk to Council

First Reading:	November 13, 2017	
Second Reading:	November 27, 2017	(Tentative)
Public Hearing:	December 11, 2017	(Tentative)
Third Reading:	December 11, 2017	(Tentative)

Administration Committee Agenda Item Summary

Ordinance # / Resolution#: Ordinance #2017-1481 and Ordinance #2017-1484
Contact Person / Sponsor: Jamie Gilbert
Department: Economic Development
Date Requested to be on Agenda: November 16, 2017

Issue for Consideration:

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The Lancaster County Department of Economic Development in working with Project Shamrock to ensure the project expands in the county has recommended the following property tax incentives for the project:

- 1) A 25 Year Fee-In-Lieu-of-Tax (FILOT) agreement which provides a reduced property tax assessment rate of 6% and locked in millage rate of 301 mills.
- 2) A 12 Year Special Source Revenue Credit (SSRC) of 57 ½ % annually to be applied against the FILOT payments.
- 3) Job requirements include the creation of at least 64 new full time jobs over five years, a capital investment of \$4 million, a wage rate that is 85% of the county average and at least 90% of the jobs to be held by United States citizens.

Points to Consider:

The county has expressed a commitment to support existing industry project that create good jobs which provide a living wage. Project Shamrock does this. Over half of the company's employees live in Lancaster County. The project may also provide excellent employment opportunities for displaced Duracell workers. Over 29 years the project without discretionary incentives would generate an estimated \$1,804,973 in total property tax revenue. With the FILOT and SSRC, the project will generate an estimated \$745,038 in property taxes resulting in savings to the company of \$1,059,935 or an annual average of \$415 per job. The LOCI cost benefit analysis shows a return of \$4.20 for every incentive dollar offered. The State of South Carolina is recommending discretionary incentives for the project.

Funding and Liability Factors:

There is no funding required or liability factors.

Council Options:

Vote to approve or decline sending Ordinance #2017-1481 and Ordinance #2017-1484 which sets FILOT and SSRC conditions for Project Shamrock and places the property in a multi-county park to the County Council for consideration.

Recommendation:

Approve sending Ordinance #2017-1481 and Ordinance #2017-1484 to the County Council.

STATE OF SOUTH CAROLINA

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COUNTY OF LANCASTER

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ORDINANCE NO. 2017-1484

AN ORDINANCE

TO AUTHORIZE THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND BETWEEN LANCASTER COUNTY AND PROJECT SHAMROCK, PROVIDING FOR THE PAYMENT OF A FEE-IN-LIEU OF TAXES AND THE PROVISION OF SPECIAL SOURCE REVENUE CREDITS; TO EXPRESS THE INTENTION OF COUNCIL TO PROVIDE MONIES TO THE ECONOMIC DEVELOPMENT FUND.

Be it ordained by the Council of Lancaster County, South Carolina:

Section 1. Findings.

The Lancaster County Council finds that:

(a) Lancaster County, South Carolina (the "County") acting by and through its County Council (the "Council") is authorized and empowered pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina 1976 (the "Code"), as amended (the "Act"), to enter into fee-in-lieu of tax ("FILOT") agreements with any industry, with said agreements identifying certain properties of such industries as economic development property, through which powers the industrial development of the State of South Carolina (the "State") and the County will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate, remain, and expand in the State and the County and thus utilize and employ the manpower, products, and natural resources and benefit the general public welfare of the State and County by providing services, employment, or other public benefits not otherwise adequately provided locally;

(b) the County is authorized by Sections 4-1-175 and 4-29-68 of the Code, as amended, and Section 12-44-70 of the Act to provide special source revenue credits for the purpose of defraying 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 machinery and equipment, used in the operation of a manufacturing facility or commercial enterprise in order to enhance the economic development of the County;

(c) Project Shamrock, a corporation organized and existing under the laws of the State of _____ (the "Sponsor") is considering investing, through itself and/or one or more existing or to be formed affiliated entities, in personal property and certain real estate improvements located in the County which would constitute a project within the meaning of the Act and which are eligible for inclusion as economic development property, the cost of which is estimated to be at least Four Million Dollars (\$4,000,000.00) (the "Project");

(d) pursuant to Resolution No. 0979-R2017, adopted _____, 2017, the Council approved an Inducement Resolution providing for, among other things, the agreement of the County to enter into a fee-in-lieu of tax incentive with the Sponsor and the provision of special source revenue credits;

(e) the Sponsor has caused to be prepared and presented to the Council the form of the Fee Agreement by and between the County and the Sponsor (the "Fee Agreement"), which provides for fee-in-lieu of tax payments utilizing a six percent (6%) assessment ratio and fixed millage rate of 301.1 mills, if the Fee Agreement is executed in calendar year 2017, or 313.0 mills, if the Fee Agreement is executed in calendar year 2018, for a period of twenty-five (25) years for the Project or each component thereof placed in service during the Investment Period (as defined in the Fee Agreement), including any extension to the Investment Period to which the County and the Sponsor agree, and also provides for special source revenue credits equal to fifty-seven and five-tenths percent (57.5%) of the fee-in-lieu of tax payments for twelve (12) consecutive years in which fee-in-lieu of tax payments are required to be made thereunder; and

(f) it appears that the Fee Agreement, which is attached to this ordinance, is in appropriate form and is an appropriate instrument to be executed and delivered by the County for the purposes intended.

Section 2. Approval of Fee Agreement.

Subject to the provisions of Section 4 of this ordinance, and, in order to promote industry, develop trade, and utilize and employ the manpower, products, and natural resources of the State by assisting the Sponsor to expand or locate an industrial facility in the State, the Fee Agreement is hereby authorized, ratified, and approved.

Section 3. Statutory Findings.

Council makes the following additional findings:

(a) The Project will constitute a "project" as the term is referred to and defined in the Act, and the County's actions herein will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) The Project and the payments in lieu of taxes set forth herein are beneficial to the County, and the County has evaluated the Project based upon all criteria prescribed by law, including the anticipated dollar amount and nature of the investment to be made.

(c) 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.

(d) The Project gives rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power of either.

(e) The purposes to be accomplished by the Project, *i.e.*, economic development and addition to the tax base of the County, are proper governmental and public purposes.

(f) The inducement of the location or expansion of the Project within the County and State is of paramount importance.

(g) The benefits of the Project to the public will be greater than the costs to the public.

Section 4. Approval and Execution of Fee Agreement.

The form, terms, and provisions of the Fee Agreement, attached hereto as Exhibit A, are approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the Fee Agreement was set out in this ordinance in its entirety. The Council Chair and Council Secretary are authorized, empowered, and directed to execute and acknowledge the Fee Agreement in the name of and on behalf of the County, and thereupon to cause the Fee Agreement to be delivered to the Sponsor. The Fee Agreement is to be in substantially the form as attached to this ordinance and hereby approved, with such changes therein as shall not be materially adverse to the County and as shall be approved by the officials of the County executing the same, upon the advice of counsel to the County, such officer's execution thereof to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form of the Fee Agreement attached to this ordinance.

Section 5. Economic Development Fund.

(A) Council finds that (i) by passage of Ordinance No. 2014-1260, Council created an Economic Development Fund with the intent to make monies available to the fund from new revenues to the County derived from new and expanded businesses and industry, and (ii) the ability to make monies available to the Economic Development Fund can be difficult because of complexities and legalities applicable to fee-in-lieu of tax arrangements and multi-county parks.

(B) It is the intent of Council, in the annual County budget, to appropriate monies to the Economic Development Fund based on the new revenue that the County receives pursuant to the Fee Agreement. Specifically, it is Council's intent to appropriate from the General Fund of the County an amount based on the following formula: Seven percent (7%) times the amount of money received pursuant to the Fee Agreement by the County after distribution to other taxing entities in the most recently completed tax year.

Section 6. Authority to Act.

The Council Chair, Council Secretary, Clerk to Council, County Administrator, County Attorney and all other appropriate officials of the County are 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 under and pursuant to the Fee Agreement.

Section 7. Severability.

If any section, subsection or clause of this ordinance is held to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected.

Section 8. Controlling Provisions.

To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Lancaster County Code or other County ordinances, resolutions or orders, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 9. Effective Date.

This ordinance is effective upon Third Reading.

AND IT IS SO ORDAINED

Dated this _____ day of _____, 2017.

LANCASTER COUNTY, SOUTH CAROLINA

Steve Harper, Chair, County Council

Larry Honeycutt, Secretary, County Council

ATTEST:

Sherrie Simpson, Clerk to Council

First Reading:	November 13, 2017	
Second Reading:	November 27, 2017	(Tentative)
Public Hearing:	December 11, 2017	(Tentative)
Third Reading:	December 11, 2017	(Tentative)

Exhibit A to Ordinance No. 2017-1484

Fee Agreement

See attached.

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FEE AGREEMENT

by and between

LANCASTER COUNTY, SOUTH CAROLINA,

and

PROJECT SHAMROCK

Dated as of December 11, 2017

FEE AGREEMENT

This FEE AGREEMENT (this “Agreement”) is dated as of December 11, 2017, by and between LANCASTER COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (the “County”) and PROJECT SHAMROCK, a _____ (“Sponsor” and “Company” and, together with any subsequently joined Sponsor Affiliate(s), the “Companies”).

WITNESSETH:

WHEREAS, the County, acting by and through its County Council, is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 (the “Act”) of the Code of Laws of South Carolina 1976, as amended (the “Code”) and Sections 4-1-170, 4-1-172, and 4-1-175 of the Code and Article VIII, Section 13(D) of the South Carolina Constitution (the “Multi-County Park Act”): (i) to enter into agreements with certain investors to construct, operate, maintain, and improve certain industrial and commercial properties through which the economic development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products, and natural resources of the State; (ii) to covenant with such investors to accept certain payments in lieu of *ad valorem* taxes with respect to the project (a “FILOT”); and (iii) to maintain, create or expand, in conjunction with one or more other counties, a multi-county industrial park in order to afford certain enhanced income tax credits to such investors; and

WHEREAS, the Companies propose to renovate and expand the Company’s existing manufacturing facility in the County (the “Project”); and

WHEREAS, the Companies anticipate that the Project will result in the creation of at least sixty-four (64) new, full-time jobs and an investment of at least \$4,000,000 in the County; and

WHEREAS, the County Council approved on November 13, 2017, Resolution No. 0979-R2017 (the “Inducement Resolution”) to identify, reflect and induce the Project under the Act and to state the commitment of the County to, among other things, enter into this Agreement; and

WHEREAS, as a result of the Companies locating the Project in the County, the Companies requested that the County complete the FILOT arrangement referred to in the Inducement Resolution by entering into this Agreement with the Companies pursuant to the Act, and the Companies elect to enter into such FILOT arrangement with the County in an effort to implement the terms of the Project and allow the Companies to make FILOT payments pursuant to the Act; and

WHEREAS, it is presently anticipated, but not required, that Sponsor will initially own that portion of the Project comprised of the Land (as defined herein), certain real property improvements, and personal property now or hereafter constructed thereon; and

WHEREAS, for the Project, the parties have also determined that Sponsor is a Project Sponsor, and that the Project constitutes Economic Development Property within the meaning of the Act; and

WHEREAS, for the purposes set forth above, the County has determined that it is in the best interests of the County to enter into this Agreement with the Companies, subject to the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, and the sum of \$1.00 in hand, duly paid by the Companies to the County, the receipt and sufficiency of which are hereby acknowledged, the County and the Companies agree as follows:

ARTICLE I

DEFINITIONS AND RECAPITULATION

Section 1.01. Statutorily Required Recapitulation.

(a) Pursuant to Section 12-44-55(B) of the Act, the County and the Companies agree to waive the recapitulation requirements of Section 12-44-55 of the Act. Subsection (b) of this section is inserted for convenience only and does not constitute a part of this Agreement or a summary compliant with Section 12-44-55 of the Act.

(b) Summary of Agreement.

1. Legal name of each initial party to this Agreement:
Project Shamrock, Lancaster County, South Carolina.
2. County, street address, parcel number or other location identifier of the Project and property to be subject to this Agreement:
Lancaster County, South Carolina
Portion of Parcel No.
3. Minimum investment agreed upon: \$4,000,000.
4. Length and term of this Agreement: 25 years for each annual increment of investment in the Project during the Investment Period.
5. Assessment ratio applicable for each year of this Agreement: 6%, except as otherwise provided in the Agreement.
6. Millage rate applicable for each year of this Agreement: 301.1 mills, if the Agreement is executed in calendar year 2017, and 313.0, if the Agreement

is executed in calendar year 2018, except as otherwise provided in the Agreement.

7. Statements

- (a) The Project is to be located in a multi-county park;
- (b) Disposal of property subject to payments-in-lieu-of-taxes is allowed;
- (c) Special Source Revenue Credits shall be given to the Economic Development Property in amounts equal to 57.5% of Negotiated FILOT Payments for each of the first twelve (12) consecutive years in which Negotiated FILOT Payments are required to be made hereunder;
- (d) Payment will not be modified using a net present value calculation; and
- (e) Replacement property provisions will apply.

Section 1.02. Definitions. In addition to the words and terms elsewhere defined in this Agreement, the following words and terms as used herein and in the preambles hereto shall have the following meanings, unless the context or use indicates another or different meaning or intent.

“*Act*” or “*Simplified FILOT Act*” shall mean Title 12, Chapter 44 of the Code, as amended through the date hereof.

“*Administration Expense*” shall mean the reasonable and necessary out-of-pocket expenses, including attorneys’ fees, incurred by the County with respect to: (i) the preparation, review, approval and execution of this Agreement, (ii) the preparation, review, approval and execution of other documents related to this Agreement and any multi-county park documents; and (iii) the fulfillment of its obligations under this Agreement and any multi-county park documents.

“*Affiliate*” shall mean any person or entity directly or indirectly controlling, controlled by, or under common control with such other person or entity. For purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the person or entity, whether through the ownership of voting securities, by contract, or otherwise.

“*Agreement*” shall mean this Fee Agreement by and among the County and the Companies, as originally executed and from time to time supplemented or amended as permitted herein, and dated as of December 11, 2017.

“*Code*” shall mean the Code of Laws of South Carolina 1976, as amended through the date hereof, unless the context clearly requires otherwise.

“*Company*” shall mean the Sponsor.

“*Companies*” shall mean the Sponsor together with any subsequently joined Sponsor Affiliate(s).

“*County*” shall mean Lancaster County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina, and its successors and assigns.

“*County Council*” shall mean the governing body of the County and its successors.

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

“*Economic Development Property*” shall mean each item of real and tangible personal property comprising the Project, except Non-Qualifying Property, within the meaning of that term as defined and used in Sections 12-44-30(6) and 12-44-40(C) of the Code and in this Agreement.

“*Equipment*” shall mean all machinery, equipment, furnishings, and other personal property acquired by Sponsor and installed as part of the Project during the Investment Period in accordance with this Agreement.

“*Event of Default*” shall mean an Event of Default as defined in Section 11.01 hereof.

“*Existing Property*” shall mean property proscribed from becoming Economic Development Property pursuant to Section 12-44-110 of the Code, including, without limitation, property which has been subject to *ad valorem* taxes in the State prior to the execution and delivery of this Agreement and property included in the Project as part of the repair, alteration, or modification of such previously taxed property; provided, however, that Existing Property shall not include: (a) the Land; (b) property acquired or constructed by Sponsor during the Investment Period which has not been placed in service in this State prior to the Investment Period notwithstanding that *ad valorem* taxes have heretofore been paid with respect to such property; or (c) modifications which constitute an expansion of Existing Property.

“*FILOT*” shall mean the fee-in-lieu of taxes, which Sponsor is obligated to pay to the County pursuant to Section 5.01 hereof.

“*FILOT Payments*” shall mean the payments to be made by Sponsor pursuant to Section 5.01 hereof.

“*FILOT Revenues*” shall mean the revenues received by the County from the payment of the FILOT.

“*Investment Commitment*” shall mean the agreement of the Companies to make investments with respect to the Project as set forth in Section 4.01(a) of this Agreement.

“*Investment Period*” shall mean the period beginning with the first day that Economic Development Property is purchased or acquired and ending on the date that is seven (7) years from the end of the property tax year in which this Agreement is executed by the Companies and the County, unless extended by agreement of the County and the Companies pursuant to Section 12-44-30(13) of the Code.

“Jobs Commitment” shall mean the commitment of Sponsor to create jobs with respect to the Project as set forth in Section 4.01(b) of this Agreement.

“Land” shall mean the real estate upon which the Project is to be located, as described in Exhibit A attached hereto. Additional real estate may be included in Exhibit A by amendment as provided in the Section 12.12 of this Agreement.

“Multi-County Park” means the multi-county park established pursuant to the Amended and Restated Master Multi-County Park Agreement, Amended and Restated as of November 9, 2015, between the County and Chesterfield County, South Carolina, as from time to time amended and updated, and as authorized by the MCP Laws.

“Multi-County Park Act” shall mean Sections 4-1-170, 4-1-172, and 4-1-175 of the Code and Article VIII, Section 13(D) of the South Carolina Constitution, as amended through the date hereof.

“Negotiated FILOT Payment” shall mean the FILOT due pursuant to Section 5.01(b) hereof with respect to that portion of the Project consisting of Economic Development Property.

“New Full-Time Job” means a new, full-time job (*i.e.*, at least thirty (30) hours per week), with health care benefits. As used in this definition and as applicable to the Project, “New Full-Time Job” includes only those jobs created for the Project in or after the first year in which Economic Development Property is purchased or acquired for the Project. Jobs relocated from other states to the Project shall be counted as New Full-Time Jobs. Not less than ninety percent (90%) of the persons filling the New Full-Time Job positions must be U.S. citizens.

“Non-Qualifying Property” shall mean that portion of the Project consisting of: (i) property as to which Sponsor incurred expenditures prior to the Investment Period or, except as to Replacement Property, after the end of the Investment Period; (ii) Existing Property; and (iii) any Released Property or other property which fails or ceases to qualify for Negotiated FILOT Payments, including without limitation property as to which the Companies have terminated the Negotiated FILOT pursuant to Section 4.03(iii) hereof.

“Person” shall mean and include any individual, association, unincorporated organization, corporation, partnership, limited liability company, joint venture, or government or agency or political subdivision thereof.

“Project” shall mean, collectively herein, the Project, and shall include the buildings and other improvements on the Land to the extent placed thereon by or on behalf of the Companies, including water, sewer treatment and disposal facilities, and other machinery, apparatus, equipment, office facilities, and furnishings which are necessary, suitable, or useful, including the Equipment, and any Replacement Property.

“Project Commitment” shall mean the (i) Investment Commitment, and (ii) Jobs Commitment.

“Released Property” shall mean any portion of the Project removed, scrapped, traded in, sold, or otherwise disposed of pursuant to Section 4.03 hereof, any portion of the Project stolen, damaged, destroyed, or taken by condemnation or eminent domain proceedings as described in Article VII hereof, and any infrastructure which any Company dedicates to the public use (within the meaning of that phrase as used in Section 12-6-3420(C) of the Code).

“Replacement Property” shall mean all property installed in or on the Land in substitution of, or as replacement for, any portion of the Project, but only to the extent that such property may be included in the calculation of the Negotiated FILOT pursuant to Section 5.01(g) hereof and Section 12-44-60 of the Code.

“Special Source Revenue Credits” shall mean the Special Source Revenue Credits described in Section 5.01 hereof.

“Sponsor Affiliate” shall mean any entity who agrees to be bound by the terms and provisions of this Agreement and is approved by the County in writing pursuant to the provisions of Section 8.04 of this Agreement.

“State” shall mean the State of South Carolina.

“Term” shall mean the term of this Agreement, as set forth in Section 10.01 hereof.

“Transfer Provisions” shall mean the provisions of Section 12-44-120 of the Code, as amended through the date hereof.

“Wage Requirement” means Seventeen Dollars (\$17.00) per hour, and, for purposes of satisfying the Wage Requirement, it is applicable in Years 1 through 5 with Year 1 being the first year in which Special Source Revenue Credits are taken (the *“Initial Hourly Wage”*). The County shall change the Initial Hourly Wage at the end of the first five-year period to not more than eighty-five percent (85%) of the Department of Revenue’s then most recently published average hourly wage for the County and the changed Wage Requirement shall apply to Years 6-10 and at the end of Year 10 the County shall change the Wage Requirement to not more than eighty-five percent (85%) of the Department of Revenue’s then most recently published average hourly wage for the County and the changed Wage Requirement shall apply to Years 11-12. The County shall provide notice to the Sponsor and Sponsor Affiliate of any adjustment to the Wage Requirement.

Section 1.03. References to Agreement. The words “hereof”, “herein”, “hereunder”, and other words of similar import refer to this Agreement as a whole.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties by County. The County represents and warrants that: (i) it is a body politic and corporate and a political subdivision of the State; (ii) it is authorized by the Act to enter into this Agreement; (iii) it has approved this Agreement in accordance with the procedural requirements of the Act and any other applicable state law; and (iv) it has authorized its officials to execute and deliver this Agreement.

Section 2.02. Representations and Warranties by Sponsor. The Sponsor makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Sponsor is a corporation, validly existing and in good standing under the laws of [REDACTED] and authorized to do business in the State; has all requisite power to enter into this Agreement; and by proper action has been duly authorized to execute and deliver this Agreement.

(b) The agreements with the County with respect to the FILOT have been instrumental in inducing Sponsor to locate its portion of the Project within Lancaster County and the State.

(c) Except as otherwise disclosed to the County, no actions, suits, proceedings, inquiries, or investigations known to the undersigned representatives of Sponsor are pending or threatened against or affecting Sponsor in any court or before any governmental authority or arbitration board or tribunal, which could materially adversely affect the transactions contemplated by this Agreement or which could, in any way, adversely affect the validity or enforceability of this Agreement.

(d) The income tax year of Sponsor for federal and state income tax purposes ends December 31.

(e) No event has occurred and no condition currently exists with respect to Sponsor, which would constitute a Default or an "Event of Default" as defined herein.

(f) Sponsor intends to operate the Project for the purpose of manufacturing [REDACTED]. The Project constitutes a "project" and "economic development property" as provided under the Act.

ARTICLE III

UNDERTAKINGS OF THE COUNTY

Section 3.01. Agreement to Accept FILOT Payments. The County hereby agrees to accept FILOT Payments made by the Companies in accordance with Section 5.01 hereof in lieu of *ad valorem* taxes with respect to the Project until this Agreement expires or is sooner terminated.

Section 3.02. No Warranties by County. Each Company acknowledges that the County has made no warranties or representations, either express or implied, as to the condition or state of the Project or as to the design or capabilities of the Project or that it will be suitable for such Company's purposes or needs. No representation of the County is hereby made with regard to compliance by the Project or any Person with laws regulating: (i) the construction or acquisition of the Project; (ii) environmental matters pertaining to the Project; (iii) the offer or sale of any securities; or (iv) the marketability of title to any property.

Section 3.03. Invalidity. The parties acknowledge that the intent of this Agreement is to afford the Companies the benefits of the Negotiated FILOT Payments in consideration of the Companies' decision to locate the Project within Lancaster County and that this Agreement has been entered into in reliance upon the enactment of the Simplified FILOT Act. In the event that, for any reason, the Act and/or the Negotiated FILOT or any portion thereof is, by a court of competent jurisdiction following allowable appeals, declared invalid or unenforceable in whole or in part, or the portion of the Project consisting of Economic Development Property is deemed not to be eligible for a Negotiated FILOT pursuant to the Act in whole or in part, the Companies and the County express their intentions that such payments be reformed so as to afford the Companies benefits commensurate with those intended under this Agreement as then permitted by law, including without limitation any benefits afforded under the Code, to the extent allowed by law. Absent the legal authorization to effect such reformation, the Companies and the County agree that there shall be due hereunder, with respect to the portion of the Economic Development Property affected by such circumstances, *ad valorem* taxes and that, to the extent permitted by law, each Company shall be entitled: (1) to enjoy the five-year exemption from *ad valorem* taxes (or fees in lieu of taxes) provided by Article X, Section 3 of the Constitution of the State, and any other exemption allowed by law; (2) to enjoy all allowable depreciation; and (3) to receive other tax credits which would be due if such Company were obligated to pay *ad valorem* taxes hereunder. To the extent that under such circumstances the Negotiated FILOT Payments hereunder are required by law to be subject to retroactive adjustment, then there shall be due and payable by such Company to the County with respect to the portion of the Economic Development Property in question an amount equal to the difference between the Negotiated FILOT Payments theretofore actually paid and the amount which would have been paid as *ad valorem* taxes, together with, but only if required by law, interest on such deficiency as provided in Section 12-54-25(D) of the Code. Each Company agrees that if this Agreement is reformed as provided in this Section or if retroactive adjustments are made, then under no circumstances shall the County be required to refund or pay any monies to the Companies.

In addition to and notwithstanding the foregoing paragraph, the County shall not be obligated to perform any of its obligations or promises under this Section 3.03 unless the

Companies have otherwise complied with or provided satisfactory evidence to the County that it intends to comply with its obligations and responsibilities under this Agreement.

Section 3.04. Multi-County Park Status. The County agrees to take action to place the Land in the Multi-County Park until the date this Agreement is terminated. If it becomes necessary to move the Land from one multi-county park to another prior to the termination of this Agreement, the County agrees to use its best efforts to place the Land in a multi-county park established pursuant to the Multi-County Park Act and to maintain the multi-county park designation until the date this Agreement is terminated. The parties acknowledge and agree that the County's agreement to place and maintain the Land in a multi-county park may be 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.

ARTICLE IV

INVESTMENT BY COMPANIES IN PROJECT; MAINTENANCE AND MODIFICATION OF PROJECT

Section 4.01. Investment by Companies in Project.

(a) For the Project, the Companies agree and commit to invest at least Four Million Dollars (\$4,000,000) in Economic Development Property by the end of the Investment Period. The investment amount shall not include any amount paid by any Company for real estate improvements on the Land existing as of the date of this Agreement. Investments made by Sponsor and Sponsor Affiliates in Economic Development Property shall be included in any determination whether the Companies have fulfilled their commitment made in this Section to invest in the Project.

(b) For the Project, together with any Sponsor Affiliates, the Sponsor agrees and commits to the following Jobs Commitment: the creation and maintenance of the number of New Full-Time Jobs, paying an hourly wage rate not less than the Wage Requirement, at the following employment levels and in the designated timeframes with the "Year" number referring to the year that corresponds with the earlier of either the year following the year in which economic development property is first placed in service or the first year Special Source Revenue Credits are taken, with Year 1 being the first year:

(1) to have employed, as measured over the base number of employees of _____ () (the "Base Number of Employees"), in New Full-Time Jobs an average of not less than seventeen (17) during Year 1, for a total of _____ () jobs at the facility,

(2) to have employed, over the Base Number of Employees, in New Full-Time Jobs an average of not less than thirty-one (31) during Year 2, for a total of _____ () jobs at the facility,

(3) to have employed, over the Base Number of Employees, in New Full-Time Jobs an average of not less than forty-one (41) during Year 3, for a total of _____ () jobs at the facility,

(4) to have employed, over the Base Number of Employees, in New Full-Time Jobs an average of not less than fifty-nine (59) during Year 4, for a total of _____ () jobs at the facility, and

(5) to have employed, over the Base Number of Employees, in New Full-Time Jobs an average of not less than sixty-four (64) during Year 5 and each year thereafter in which the Company is receiving a special source revenue credit, for a total of _____ () jobs at the facility.

The number of New Full-Time Jobs shall be based on the average number of New Full-Time Jobs for each month during the year.

Section 4.02. Reporting and Filing.

(a) Each Company agrees to provide a copy of Form PT-443 filed with the Department of Revenue no later than thirty (30) days after execution and delivery of this Agreement to the Auditor, Treasurer and Assessor of the County and any multi-county park partner county and the Economic Development Director of the County. Each year during the term of this Agreement, each Company shall deliver to the Auditor, Treasurer and Assessor of the County and any multi-county park partner county and the Economic Development Director of the County a copy of their most recent annual filings made with the Department of Revenue with respect to the Project, no later than thirty (30) days following delivery thereof to the Department of Revenue.

(b) (1) Sponsor agrees, as soon as reasonably practicable following the end of each tax year of the Sponsor, to submit to the County Economic Development Director a certification on Sponsor letterhead listing the amount of capital investment and aggregate New Full-Time Jobs maintained by the Companies at the end of such tax year.

(2) For purposes of determining compliance with the Jobs Commitment, Sponsor agrees to provide to the County Economic Development Director, by January 30 of each year, a copy of all of Sponsor's filings with the State (if required to file by the State) for the preceding calendar year including: (i) reports submitted to the South Carolina Coordinating Council for Economic Development with respect to any Job Development Credits awarded in connection with the Project; (ii) Department of Revenue Form SC SCH. TC 4 (New Jobs Credit); and (iii) South Carolina Department of Employment and Workforce quarterly contribution and wage reports (such as Form UCE 120). Company agrees to redact any personally identifying information and proprietary and confidential information prior to submitting any form to the County Economic Development Director. In lieu of providing any of the forms specifically identified in this subsection, Company and the County Economic Development Director may agree on an alternative method for the Company to demonstrate compliance with the Jobs Commitment.

(c) (1) Each Company agrees to maintain such books and records with respect to the Project as will permit the identification of those portions of the Project placed in service in each

property tax year during the Investment Period, the amount of investment with respect thereto and its computations of all FILOT Payments made hereunder and will comply with all reporting requirements of the State and the County applicable to property subject to FILOT Payments under the Act, including the reports described in subsection (a) and (b) of this section (collectively, "Filings").

(2) Each Company agrees that the County and its authorized agents have the right at all reasonable times and upon prior reasonable notice to enter upon and examine and inspect the Project and to have access to and examine and inspect all the of Companies' books and records pertaining to the Project and the Filings. The right of examination and inspection shall be exercised only upon reasonable and necessary terms and conditions prescribed by any Company to protect such Company's confidentiality and proprietary rights. Any such entrance upon and examination and inspection of the Project and Filings shall be at the County's expense.

(d) The County acknowledges and understands that the Companies may have and maintain at the Project certain confidential and proprietary information, including, but not limited to, trade secrets, financial, sales or other information concerning the Companies' operations and processes ("Confidential Information") and that any disclosure of the Confidential Information could result in substantial harm to the Companies and could have a significant detrimental impact on the Companies' employees and also upon the County. Except as required by law, including, without limitation, court orders, the County agrees to use its best reasonable efforts to keep confidential, and to cause employees, agents and representatives of the County to keep confidential, the Confidential Information which may be obtained from the Companies, their agents or representatives, when the Confidential Information is clearly marked and identified as Confidential Information and known to the County to be Confidential Information. The County shall not knowingly and willfully disclose and shall cause all employees, agents and representatives of the County not to knowingly and willfully disclose the marked and identified Confidential Information to any person or entity other than in accordance with the terms of this Agreement. If a demand is made for the release, under color of law, to a third party of any Confidential Information, the County shall notify the Companies and give the Companies the opportunity to contest the release.

Section 4.03 Modification of Project.

As long as no event of default exists hereunder, the Companies shall have the right at any time and from time to time during the Term hereof to undertake any of the following:

(i) Each Company may, at its own expense, add to the Project any real and personal property as such Company in its discretion deems useful or desirable.

(ii) In any instance where a Company, in its discretion, determines that any items included in the Project have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary for operations at the Project, such Company may remove such items or portions from the Project and sell, trade in, exchange, or otherwise dispose of them (as a whole or in part) without the consent of the County; as such may be permitted under the Simplified FILOT Act.

(iii) Each Company may, at any time in its discretion by written notice to the County, remove any real or personal property from the Negotiated FILOT (as defined in Section 5.01) set forth in this Agreement, and thereafter such property will be considered Non-Qualifying Property and will be subject to FILOT Payments as set forth in Section 5.01(b)(i) hereof.

ARTICLE V

PAYMENTS IN LIEU OF TAXES

Section 5.01. Payments in Lieu of *Ad Valorem* Taxes.

(a) In accordance with the Act, the parties hereby agree that, during the Term of the Agreement, the Companies shall pay annually, with respect to the Project, a FILOT in the amount calculated as set forth in this Section, to be collected and enforced in accordance with Section 12-44-90 of the Act.

(b) The FILOT Payment due with respect to each property tax year shall equal:

(i) With respect to any portion of the Project consisting of undeveloped land, land under development, other property not yet placed in service or Non-Qualifying Property, as long as such property is located in the Multi-County Park, a payment equal to the *ad valorem* taxes that would otherwise be due on such undeveloped land, land under development, other property not yet placed in service or Non-Qualifying Property if it were taxable giving effect to all credits, exemptions, rebates and abatement that would be available if such undeveloped land, land under development, other property not yet placed in service or Non-Qualifying Property were taxable; and

(ii) With respect to those portions of the Project consisting of Economic Development Property, for each of the twenty consecutive years following the year in which such portion of the Project is placed in service, a payment calculated each year as set forth in paragraphs (c) and (d) of this Section 5.01 (a "Negotiated FILOT").

(c) The Negotiated FILOT Payments shall be calculated with respect to each property tax year based on: (1) the fair market value (determined in accordance with Section 12-44-50(A)(1)(c) of the Code) of the improvements to real property and Equipment included within the Project theretofore placed in service (less, for Equipment, depreciation allowable for property tax purposes as provided in Section 12-44-50(A)(1)(c) of the Code), (2) a fixed millage rate equal to 301.1 mills, for the Term, if this Agreement is executed in calendar year 2017, or 313.0 mills, if this Agreement is executed in calendar year 2018, and (3) an assessment ratio of six percent (6%). All such calculations shall take into account all deductions for depreciation or diminution in value allowed by the Code or by the tax laws generally, as well as tax exemptions which would have been applicable if such property were subject to *ad valorem* taxes, except the exemption allowed pursuant to Section 3(g) of Article X of the Constitution of the State of South Carolina and the exemptions allowed pursuant to Sections 12-37-220(B)(32) and (34) of the Code.

(d) Special Source Revenue Credits shall be granted to the Economic Development Property in amounts equal to fifty-seven and five-tenths percent (57.5%) of Negotiated FILOT

Payments for the first twelve (12) consecutive years in which Negotiated FILOT Payments are required to be made hereunder.

(e) The FILOT Payments are to be recalculated:

(i) to reduce such payments in the event a Company disposes of any part of the Project within the meaning of Section 12-44-50(B) of the Code and as provided in Section 4.03 hereof, by the amount applicable to the Released Property;

(ii) to increase such payments, based on the methodology set forth in Section 5.01(c) hereof, in the event a Company adds property (other than Replacement Property) to the Project; or

(iii) to adjust such payments if a Company elects to convert any portion of the Project from the Negotiated FILOT to the FILOT required by Section 5.01(b)(i) above, as permitted by Section 4.03(iii).

(f) To the extent permitted by law, because the FILOT Payments agreed to herein are intended to be paid by the Companies to the County in lieu of taxes, it is agreed that said FILOT Payments shall not, as to any year, be in any amount greater than what would otherwise be payable by the Companies to the County in property taxes if the Companies had not entered into a fee-in-lieu of taxes arrangement with the County (except it is not intended that said FILOT Payments would necessarily be less than such property taxes to the extent that the constitutional abatement of property taxes set forth in Section 3(g) of Article X of the Constitution of the State of South Carolina would otherwise apply).

(g) Upon any Company's installation of any Replacement Property for any portion of the Project removed under Section 4.03 hereof and sold, scrapped, or disposed of by any Company, such Replacement Property shall become subject to Negotiated FILOT Payments to the fullest extent allowed by law, subject to the following rules:

(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 property subject to the FILOT, whether real or personal, which is disposed of in the same property tax year as the Replacement Property is placed in service. Replacement Property qualifies for Negotiated FILOT Payments up to the original income tax basis of the Economic Development Property which it is replacing. More than one piece of property can replace a single piece of 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 payments equal to the *ad valorem* taxes which would have been paid on such property but for this Agreement. Replacement property is entitled to the FILOT Payment for the period of time remaining on the FILOT period for the property which it is replacing.

(ii) The new Replacement Property which qualifies for the Negotiated FILOT Payment shall be recorded using its income tax basis, and the Negotiated FILOT Payment shall be calculated using the millage rate and assessment ratio provided on the original property subject to FILOT Payment.

(h) In the event that the Act or the FILOT or any portion thereof, are declared, by a court of competent jurisdiction following allowable appeals, invalid or unenforceable, in whole or in part, for any reason, the Companies and the County express their intentions that such payments be reformed so as to afford the Companies the maximum benefit then permitted by law, including, without limitation, the benefits afforded under Section 12-44-50 of the Code and, specifically, that the Companies may, at the Companies' expense, exercise the rights granted by Section 12-44-160 of the Code. If the Project is deemed not to be eligible for a Negotiated FILOT pursuant to the Act in whole or in part, the Companies and the County agree that the Companies shall pay an alternate fee-in-lieu of tax calculated in the manner set forth in Section 5.01(b)(i) hereof. In such event, the Companies shall be entitled, to the extent permitted by law: (1) to enjoy the five-year exemption from *ad valorem* taxes (or fees in lieu of taxes) provided by Section 3(g) of Article X of the Constitution of the State of South Carolina, and any other exemption allowed by law; and (2) to enjoy all allowable depreciation. The Companies agree that if the FILOT Payments or this Agreement is reformed pursuant to this subsection (h), that under no circumstance shall the County be required to refund or pay any monies to the Companies.

(i) For the Project, this Agreement is automatically terminated in the event that the investment in the Project in land, buildings, and personal property, including machinery and equipment, by Sponsor does not exceed Two Million Five Hundred Thousand Dollars (\$2,500,000.00) by the end of the Investment Period ("Act Minimum Investment Requirement"). If terminated pursuant to this subsection (i), the Negotiated FILOT Payments shall revert retroactively to payments equivalent to what the *ad valorem* taxes would have been with respect to the property absent this Agreement. At the time of termination, the Companies shall pay to the County an additional fee equal to the difference between the total amount of property taxes that would have been paid by the Companies had the project been taxable, taking into account exemptions from property taxes that would have been available to the Companies, and the total amount of fee payments actually made by the Companies. This additional amount is subject to interest as provided in Section 12-54-25. The Companies agree, if the Negotiated FILOT Payments revert to payments equivalent to what the *ad valorem* taxes would be pursuant to this subsection (i), that under no circumstance shall the County be required to refund or pay any monies to any Company.

(j) The Companies agree that a portion of the Special Source Revenue Credits for a year shall be reduced to the extent that the Companies fail to meet the Jobs Commitment. Specifically, in any year in which the Company fails to meet the Jobs Commitment, the annual Special Source Revenue Credit shall be reduced in the same proportion that the Company failed to meet the Jobs Commitment. For example, if in Year 3, the Company should have employed, over the Base Number of Employees, as defined in Section 4.01(b), in New Full-Time Jobs an average of not less than forty-one (41), for a total of _____ () jobs at the facility, but the Company employed an average of thirty-five (35), then the Special Source Revenue Credit would be set at 85.37% (35 divided by 41 equals 85.37%) of the amount set in Section 5.01(d) (57.5%) which results in a Special Source Revenue Credit in Year 3 of 49.09% (85.37% times 57.5% equals 49.09%).

(k) In any year after December 31, 2019 in which the Company fails to have employed, as measured over the Base Number of Employees, as defined in Section 4.01(b), in New Full-Time

Jobs an average of not less than ten (10), for a total of not less than _____ () jobs at the facility, the Company shall pay to the County an additional fee equal to the difference between the Negotiated FILOT Payments made by the Company and the FILOT Payment that would be due for the Economic Development Property if calculated, notwithstanding the provisions of Section 5.01(c), using the then current millage rate and the assessment ratios that would be applicable to the Economic Development Property if it were subject to *ad valorem* taxes (the "Hypothetical FILOT Payment"), if Sponsor in the immediately prior year failed to maintain for the Project at least ten (10) New Full-Time Jobs, for a total of not less than _____ () jobs at the facility.

As an example of the calculation set forth in this subsection (k), and by way of example only, assume Economic Development Property is first placed in service with respect to the Project in 2017, and that in the tax year ending December 31, 2020, that the maintained number of New Full-Time Jobs was 8, that the millage rate applicable for tax bills to be sent in the following year is 375, and all of the Economic Development Property classified as personal property would have a 10.5% assessment ratio applied if such property were subject to *ad valorem* taxation, then, the Hypothetical FILOT Payment for the tax year ending December 31, 2021, would be computed using the millage rate of 375 (instead of 301.1, or 313.0, if applicable) and the 10.5% assessment ratio for the Economic Development Property classified as personal property (instead of 6%).

(l) Unless otherwise provided by the Act, any amounts due to the County under this Section 5.01 by virtue of the application of subsections (h) through (k) shall be paid within 90 days, following written notice thereof from the County to the Companies.

(m) Notwithstanding any other provision of this Agreement, the Companies acknowledge and agree that County's obligation to provide the FILOT incentive and the Special Source Revenue Credits ends, and this Agreement is terminated, if the Companies cease operations. For purposes of this Section 5.01(m), "**cease operations**" means permanent closure of the facility. The Companies agree that if this Agreement is terminated pursuant to this Section 5.01(m), that under no circumstance shall the County be required to refund or pay any monies to the Companies.

ARTICLE VI

PAYMENTS BY COMPANIES

Section 6.01. Defaulted Payments. In the event any Company should fail to make any of the payments required under this Agreement, the item or installment so in default shall continue as an obligation of such Company until the amount in default shall have been fully paid. The Companies agree that the collection and enforcement of the defaulted payment shall be as provided in Section 12-44-90 of the Code.

ARTICLE VII

CASUALTY AND CONDEMNATION

Section 7.01. Adjustments in the Event of Damage and Destruction or Condemnation. In the event that the Project or any portion thereof is damaged or destroyed, lost or stolen, or the subject of condemnation proceedings, any Company, in its sole discretion, may determine whether or not to repair or replace the same. The parties hereto agree that if the Companies decide not to repair or replace all or any portion of the Project pursuant to this Section, the FILOT required pursuant to Section 5.01 hereof shall be abated in the same manner and in the same proportion as if *ad valorem* taxes were payable with respect to the Project.

ARTICLE VIII

PARTICULAR COVENANTS AND AGREEMENTS

Section 8.01. Use of Project for Lawful Activities. During the Term of this Agreement, each Company shall use the Project for the purposes identified in Section 2.02(f) of this Agreement and for any lawful purpose that is authorized pursuant to the Act.

Section 8.02. Assignment. The County agrees that, to the maximum extent allowable under the Act (or any amendments thereto), each Company may assign (including, without limitation, absolute, collateral, and other assignments) all or a part of its rights or obligations under this Agreement, and any lease agreement, lease purchase agreement, or fee agreement, as the case may be, or any other agreement related hereto or thereto, or transfer any and all assets of such Company, to one or more Related Entities (as defined in Section 9.01 below) without adversely affecting the benefits of such Company or its assignees pursuant to any such agreement or the Act. Such Company shall provide the County and the Department of Revenue with notice of any such assignment, transfer, or investment in accordance with the Act, and the County agrees, upon the request of such Company, to take all further action necessary to implement such assignment, transfer, or investment in accordance with the provisions of the Act. To the extent that the Act may require the consent, approval or ratification of or by the County for the assignment of this Agreement, in whole or in part, the County agrees to not unreasonably withhold its consent, approval or ratification.

Section 8.03. Indemnification. Sponsor releases the County, including the members of the governing body of the County, and the employees, officers, attorneys and agents of the County (herein collectively referred to as the "Indemnified Parties") from, agrees that the Indemnified Parties shall not be liable for, and agrees to hold the Indemnified Parties harmless against, any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to this Agreement, the Project or the use thereof, except for that occasioned by grossly negligent or intentional acts of an Indemnified Party. Sponsor further agrees to indemnify and save harmless Indemnified Parties against and from any and all costs, liabilities, expenses, and claims arising from any breach or default on the part of the Companies in the performance of any covenant or agreement on the part of the Companies to be performed pursuant to the terms of this Agreement or arising from any act or negligence of, or

negligent failure to act where there is a duty to do so by any Company, or any of their agents, attorneys, contractors, servants, employees, or licensees, and from and against all cost, liability, and expenses incurred in or in connection with any such claim or action or proceeding brought thereon.

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 not of any member of the County Council or any officer, agent, attorney, servant, or employee of the County in his or her individual capacity, and, no recourse shall be had for the payment of any moneys hereunder or the performance of any of the covenants and agreements of the County herein contained or for any claims based thereon against any member of the governing body of the County or any officer, attorney, agent, servant, or employee of the County.

Notwithstanding the fact that it is the intention of the Indemnified Parties hereto that none of them shall incur any pecuniary liability by reason of the terms of this Agreement, any related agreements or the undertakings required of the County hereunder by reason of the performance of any act requested of the County by any Company, including all claims, liabilities, or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if any Indemnified Party shall incur any such pecuniary liability, then in such event the Sponsor shall indemnify and hold them harmless against all claims by or on behalf of any Person, firm, or corporation or other legal entity 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, provided, however, that nothing herein shall absolve the Indemnified Parties from, or entitle the Indemnified Parties to indemnification from, any obligation such Indemnified Party has specifically agreed to undertake (including, without limitation, the obligation to place and maintain the Land within a multi-county park). If any action, suit, or proceeding is brought against any Indemnified Party to which such Indemnified Party is entitled to indemnification, such Indemnified Party shall promptly notify the Companies, and the Companies shall have the sole right and duty to assume, and shall assume, the defense thereof, at its expense, with full power to litigate, compromise, or settle the same in its sole discretion; provided the Companies shall obtain the prior written consent of the County to settle any such claim unless such claim is for monetary damages for which the Companies have the ability to, and do, pay. Notwithstanding the foregoing, if the Indemnified Party is the County, in the event the County reasonably believes there are defenses available to it that are not being pursued or that the counsel engaged by the Companies reasonably determines that a conflict of interest exists between the County and the Companies, the County may, in its sole discretion, hire independent counsel to pursue its own defense, and the Companies shall be liable for the reasonable cost of such counsel.

The indemnity specified in this Section shall be in addition to any heretofore extended by the Companies to any Indemnified Party and shall survive the termination of this Agreement with respect to liability arising out of any event or act occurring prior to such termination.

Section 8.04. Sponsors and Sponsor Affiliates. Sponsor may designate from time to time other Sponsors or Sponsor Affiliates pursuant to the provisions of Sections 12-44-30(19) or (20), respectively, and Section 12-44-130 of the Simplified FILOT Act, which Sponsors or Sponsor Affiliates shall be Persons who join with the Companies and make investments with

respect to the Project, or who participate in the financing of such investments, who agree to be bound by the terms and provisions of this Agreement and who shall be Affiliates of Sponsor, Sponsor Affiliate or other Sponsors or Sponsor Affiliates, or other Persons described in Section 8.02 hereof. All other Sponsors or Sponsor Affiliates who otherwise meet the requirements of Section 12-44-30(19) or (20) and Section 12-44-130 of the Simplified FILOT Act must be approved by the County in writing. To the extent that the aggregate investment in the Project by the end of the Investment Period by all Sponsors and Sponsor Affiliates exceeds \$5,000,000, to the extent permitted by Section 12-44-30(19) of the Simplified FILOT Act, all investment by such Sponsors and Sponsor Affiliates during the Investment Period shall qualify for the FILOT pursuant to Section 5.01 of this Agreement (subject to the other conditions set forth therein) regardless of whether each such entity invested amounts equal to the Act Minimum Investment Requirement by the end of the Investment Period. Sponsor shall provide the County and the Department of Revenue with written notice of any other Sponsor or Sponsor Affiliate designated pursuant to this Section 8.04 within ninety (90) days after the end of the calendar year during which any such Sponsor or Sponsor Affiliate has placed in service property to be used in connection with the Project and subject to the Negotiated FILOT Payment, all in accordance with Section 12-44-130(B) of the Simplified FILOT Act.

ARTICLE IX

FINANCING ARRANGEMENTS; CONVEYANCES; ASSIGNMENTS

Section 9.01. Conveyance of Liens and Interests; Assignment. Each Company may at any time: (a) transfer all or any of its rights and interests hereunder or with respect to the Project to any Person; or (b) enter into any lending, financing, security, or similar arrangement or succession of such arrangements with any financing entity with respect to the Agreement or the Project, including without limitation any sale, leaseback, or other financing lease arrangement; provided that, in connection with any of the foregoing transfers: (i) except in connection with any transfer to Sponsor or Sponsor Affiliate (collectively, the “Related Entities”), or transfers pursuant to clause (b) above (as to which such transfers the County hereby consents), such Company shall first obtain the prior written consent or subsequent ratification of the County; (ii) except where 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 transferee or financing entity assumes in writing the obligations of such Company hereunder, or where the County consents in writing, no such transfer shall affect or reduce any of the obligations of such Company hereunder, but all obligations of such Company hereunder shall continue in full force and effect as the obligations of a principal and not of a guarantor or surety; (iii) such Company, transferee, or financing entity shall, within 60 days thereof, furnish or cause to be furnished to the County and the Department of Revenue a true and complete copy of any such transfer agreement; and (iv) such Company and the transferee shall comply with all other requirements of the Transfer Provisions.

Each Company acknowledges that such a transfer of an interest under this Agreement or in the Project may cause the Project to become ineligible for a Negotiated FILOT Payment or result in penalties under the Act absent compliance by the Companies with the Transfer Provisions.

Section 9.02. Relative Rights of County and Financing Entities as Secured Parties.

The parties acknowledge the application of the provisions of Section 12-44-90 of the Act, and that the County's right to receive FILOT Payments hereunder shall be the same as its rights conferred under Title 12, Chapter 49 and 54, among others, of the Code relating to the collection and enforcement of *ad valorem* property taxes. The County's rights under this Agreement, except for its rights to receive FILOT Revenues, shall be subordinate to the rights of any secured party or parties under any financing arrangements undertaken by the Companies with respect to the Project pursuant to Section 9.01 hereof, such subordination to be effective without any additional action on the part of the County; provided, however, that the County hereby agrees, at the Companies' expense, to execute such agreements, documents, and instruments as may be reasonably required by such secured party or parties to effectuate or document such subordination.

ARTICLE X

TERM; TERMINATION

Section 10.01. Term. Unless sooner terminated pursuant to the terms and provisions herein contained, this Agreement shall be and remain in full force and effect for a term commencing on the date on which the Companies execute this Agreement, and ending at midnight on the last day of the property tax year in which the last Negotiated FILOT Payment is due hereunder. The Project has a term of twenty years, as calculated pursuant to the respective dates when the relevant portions of the Project are placed in service, and as discussed in greater detail in this Agreement. The County's rights to receive indemnification and payment of Administration Expenses pursuant hereto shall survive the expiration or termination of this Agreement.

Section 10.02. Termination. The County and the Companies may agree to terminate this Agreement at any time, or the Sponsor may, at its option, terminate this Agreement at any time upon providing the County 30 days' notice of such termination, in which event the Project shall be subject to *ad valorem* taxes from the date of termination. In the event that this Agreement is terminated by the operation of this Section 10.02 at any time during the initial Investment Period prior to the Companies' meeting the Project Commitment, amounts due to the County as a result thereof, if any, shall be calculated as provided in Section 5.01(i) hereof. The County's rights to receive payment for such *ad valorem* taxes and its rights to enforce the terms of this Agreement shall survive termination of this Agreement.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. Events of Default by Companies.

(a) Any one or more of the following events (herein called an "Event of Default", or collectively "Events of Default") shall constitute an Event of Default by the Companies:

(1) if default shall be made in the due and punctual payment of any FILOT Payments, indemnification payments, or Administration Expenses, which default shall not have been cured within 30 days following receipt of written notice thereof from the County; or

(2) if default shall be made by any Company in the due performance of or compliance with any of the terms hereof, including payment, other than those referred to in the foregoing paragraph (1), and such default shall continue for 90 days after the County shall have given the Companies written notice of such default, provided, such Company shall have such longer period of time as necessary to cure such default if such Company proceeds promptly to cure such default and thereafter to prosecute the curing of such default with due diligence; and provided further, that no Event of Default shall exist under this paragraph (2) during any period when there is pending, before any judicial or administrative tribunal having jurisdiction, any proceeding in which such Company has contested the occurrence of such default.

(b) The failure of the Companies to meet any Project Commitment set forth herein shall not be deemed to be an Event of Default under this Agreement.

Section 11.02. Remedies on Event of Default by Company. Upon the occurrence of any Event of Default, the County may exercise any of the following remedies, any of which may be exercised at any time during the periods permitted under the following clauses:

(a) terminate this Agreement by delivery of written notice to the Companies not less than 30 days prior to the termination date specified therein;

(b) have access to and inspect, examine, and make copies of the books, records, and accounts of the Companies pursuant to Section 4.02(c); or

(c) take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due or to enforce observance or performance of any covenant, condition, or agreement of the Companies under this Agreement.

Section 11.03. Default by County. Upon the default of the County in the performance of any of its obligations hereunder, any Company may take whatever action at law or in equity as may appear necessary or desirable to enforce its rights under this Agreement, including without limitation, a suit for mandamus or specific performance. Provided, however, that 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.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Rights and Remedies Cumulative. Each right, power, and remedy of the County or of the Companies provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or now or hereafter existing at law or in equity, in any jurisdiction where such rights, powers and remedies are sought to be enforced; and the exercise by the County or by the Companies of any one or more of the rights, powers or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the

simultaneous or later exercise by the County or by the Companies of any or all such other rights, powers or remedies.

Section 12.02. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns as permitted hereunder.

Section 12.03. Intentionally Omitted.

Section 12.04. Administration Expenses.

(a) The Companies agree to reimburse the County from time to time for its Administration Expenses promptly upon written request therefore, but in no event later than thirty (30) days after receiving the written request from the County. The written request shall include a description of the nature of the Administration Expenses.

(b) The Companies agree to reimburse the County for expenses incurred by the County for accountants and similar experts used by the County in the computation, preparation and verification of the annual FILOT Payments and any special source revenue credits, *provided, however*, the maximum annual reimbursement pursuant to this subsection is capped at Five Hundred and No/100 dollars (\$500.00).

Section 12.05. Rules of Construction. The County and the Companies acknowledge and agree that each has been represented by legal counsel of its choice throughout the negotiation and drafting of this Agreement, that each has participated in the drafting hereof and that this Agreement will not be construed in favor of or against either party solely on the basis of such party's drafting or participation in the drafting of any portion of this Agreement.

Section 12.06. Notices; Demands; Requests. All notices, demands and requests to be given or made hereunder to or by the County or the Companies shall be in writing and shall be deemed to be properly given or made if sent by United States first class mail, postage prepaid or via facsimile or other commonly-used electronic transmission or reputable courier service, addressed as follows or to such other persons and places as may be designated in writing by such party.

(a) As to the County:

County of Lancaster, South Carolina
ATTN: Steve Willis, County Administrator
101 N. Main St. (29720)
P.O. Box 1809 (29721-1809)
Lancaster, South Carolina
Phone: (803) 416-9300
Email: swillis@lancastercountysc.net

With a copy to (which shall not constitute notice):

Mr. Jamie Gilbert
Economic Development Director, Lancaster County
P.O. Box 1809
Lancaster, South Carolina 29721
Telephone: (803) 286-3633
Fax: (803) 416-9497
Email: jgilbert@lancastercountysc.net

(b) As to the Sponsor:

Project Shamrock
ATTN: _____

Telephone: _____
Email: _____

With a copy, in each case, to (which shall not constitute notice):

Burnet R. Maybank, III, Esq.
Nexsen Pruet, LLC
1230 Main Street, Suite 700
Columbia, South Carolina 29201
Phone: (803) 540-2048
Email: bmaybank@nexsenpruet.com

Section 12.07. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

Section 12.08. Entire Understanding. This 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 Agreement or in certificates delivered in connection with the execution and delivery hereof.

Section 12.09. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any of the remaining provisions hereof.

Section 12.10. Headings and Table of Contents; References. The headings of the Agreement and any Table of Contents annexed hereto are for convenience of reference only and shall not define or limit the provisions hereof or affect the meaning or interpretation hereof. All references in this Agreement to particular articles or Sections or paragraphs of this Agreement are references to the designated articles or Sections or paragraphs of this Agreement.

Section 12.11. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

Section 12.12. Amendments. Subject to the limitations set forth in the Act, this Agreement may be amended, or the rights and interest of the parties hereunder surrendered, only by a writing signed by both parties.

Section 12.13. Waiver. Either party may waive compliance by the other party with any term or condition of this Agreement only in a writing signed by the waiving party.

Section 12.14. Force Majeure. The Companies shall not be responsible for any delays or non-performance caused in whole or in part, directly or indirectly, by strikes, accidents, freight embargoes, labor shortages, fire, floods, inability to obtain materials, conditions arising from government orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond the Companies' reasonable control.

[SIGNATURE PAGE TO FOLLOW]

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

LANCASTER COUNTY, SOUTH CAROLINA

Steve Harper, Chair, County Council

Larry Honeycutt, Secretary, County Council

ATTEST:

Sherrie Simpson, Clerk to Council

PROJECT SHAMROCK

[Name, Title]

EXHIBIT A

Land

[To be inserted]

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Administration Committee Agenda Item Summary

Ordinance # / Resolution#:	Ordinance #2017-1486
Contact Person / Sponsor:	Jamie Gilbert
Department:	Economic Development
Date Requested to be on Agenda:	November 16, 2017

Issue for Consideration:

Founders Federal Credit Union (Founders) has an existing fee-in-lieu-of-taxes (FILOT) and special source revenue credit (SSRC) agreement that was entered into with Lancaster County in September 2009 that was for their headquarters in Lancaster. The FILOT is for twenty years and provides an assessment rate of 6% for all real and personal property with a locked in millage rate of 386 mills. The FILOT has a five year investment period that runs from 2011-2015. The minimum investment required was \$2.5 million. To date the company has invested over \$50 million. In addition to the FILOT, Founders has a twenty year SSRC of 50% annually that applies to the FILOT payments. The headquarters facility employs approximately 350 associates.

Founders and the Lancaster County Department of Economic Development are requesting the following:

- 1) A five year extension of the investment period that will apply for all taxable property investments made from 2016-2020.
- 2) A second SSRC that will only be applied if the five year extension of the investment period is considered or found to be invalid. If that were to occur, the second SSRC would allow those investments from 2016-2020 to be calculated as if they were under the FILOT agreement.

Points to Consider:

Founders is the 9th largest employer in Lancaster County and has been a strong contributor to the community's economic and social fabric for many decades. A five year extension of Founders FILOT investment period and a second SSRC if needed, will greatly assist the company with both its headquarters operations and the work it does in the community.

Funding and Liability Factors:

There is no funding required or liability factors.

Council Options:

Vote to approve or decline sending Ordinance #2017-1486 to the County Council for consideration.

Recommendation:

Approve sending Ordinance #2017-1486 to the County Council for consideration.

STATE OF SOUTH CAROLINA

)

ORDINANCE NO. 2017-1486

COUNTY OF LANCASTER

)

AN ORDINANCE

TO APPROVE THE EXTENSION OF THE INVESTMENT PERIOD UNDER THE FEE AGREEMENT DATED SEPTEMBER 14, 2009 BY AND BETWEEN LANCASTER COUNTY AND FOUNDERS FEDERAL CREDIT UNION; TO AUTHORIZE AND APPROVE AN INVESTMENT PERIOD EXTENSION AND INFRASTRUCTURE CREDIT AGREEMENT PROVIDING FOR, AMONG OTHER THINGS, SPECIAL SOURCE REVENUE CREDITS IN CONNECTION WITH THE EXTENSION.

Be it ordained by the Council of Lancaster County, South Carolina:

Section 1. Findings and Determinations.

The Lancaster County Council finds and determines that:

a. Lancaster County, South Carolina (the "County"), acting by and through its County Council (the "Council"), is authorized and empowered under and pursuant to the provisions of the South Carolina Constitution and the Code of Laws of South Carolina 1976, as amended, and the case law of the Courts of the State of South Carolina (the "State") to offer and provide certain privileges, benefits, and incentives to certain industries and other commercial enterprises as inducements for economic development within the County; is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44, Code of Laws of South Carolina 1976, as amended (the "Act"), to enter into agreements with any industry to provide a fee in lieu of taxes payment pursuant to the Act for certain qualifying projects and to provide special source revenue credits against those fee in lieu of taxes payments;

b. the County, acting by and through the Council, is authorized by Sections 4-1-170, -172 & -175 of the Code of Laws of South Carolina 1976, as amended, Sections 4-29-68 and 12-44-70 of the Code of Laws of South Carolina 1976, as amended, and Article VIII, Section 13(D) of the South Carolina Constitution (collectively, the "MCP Act"), to create multicounty parks and to provide special source revenue credits to projects that are located in the multi-county park in order to enhance the economic development of the County;

c. in the exercise of the foregoing powers, the County and Founders Federal Credit Union (the "Company"), have heretofore entered into a Fee Agreement dated September 14, 2009 (the "Fee Agreement"), providing for certain incentives, including without limitation, payment of a fee-in-lieu of taxes ("FILOT") with respect to the Company's Project (as defined in the Fee Agreement);

d. the Fee Agreement provides for an Investment Period (as defined in the Fee Agreement) of five (5) years (the "Investment Period");

e. the Company has requested that the County extend the Investment Period, as permitted by Section 12-44-30(13) of the Act, by five (5) years so that the Investment Period will end on December 31, 2020;

f. the Company and the County acknowledge that due to the uncertainty surrounding the timing of the application of the extension request by the Company and the actual expiration date of the Investment Period, the parties desire to implement the extension through an Investment Period Extension and Infrastructure Credit Agreement providing for, among other things, special source revenue credit agreements, in the form attached hereto as Exhibit A (the "Extension Agreement"); and

g. the Company has made additional investments in the County and anticipates making additional investments in the County in the future and the County would like to provide an incentive to the Company to continue to operate and maintain employment at the Project and to continue to invest in the Project, and hereby finds that substantial public benefit will be derived from the Company continuing the operation of the Project and continuing the investments in the County.

Section 2. Statutory Findings.

Council makes the following additional findings and determinations:

a. The Project will constitute a "project" as the term is referred to and defined in the Act, and the County's actions to extend the Investment Period and provide special source revenue credits, as set forth in the Extension Agreement, will subserve the purposes and in all respects conform to the provisions and requirements of the Act;

b. The Project and the payments in lieu of taxes set forth in the Fee Agreement and the Extension Agreement are beneficial to the County, and the County has evaluated the Project, the Fee Agreement and the Extension Agreement based upon all criteria prescribed by law, including the anticipated dollar amount and nature of the investment to be made;

c. The Project has and 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;

d. The Project, the Fee Agreement and the Extension Agreement gives rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power of either;

e. The purposes to be accomplished by the Project, the Fee Agreement and the Extension Agreement, *i.e.*, economic development and addition to the tax base of the County, are proper governmental and public purposes;

f. The benefits of the Project, the Fee Agreement and the Extension Agreement to the public will be greater than the costs to the public; and

g. The extension of the Investment Period would directly and substantially benefit the general public welfare of the County by supporting and encouraging the Company to maintain the Project and the employment related thereto and to make additional investments in the County.

Section 3. Approval of Extension of Investment Period and Extension Agreement.

A. Pursuant to Section 12-44-30(13) of the Act, the County approves an extension of the Investment Period under the Fee Agreement, so that the total Investment Period under the Fee Agreement is ten (10) years. The first reading of this ordinance shall constitute approval of the extension of the Investment Period to the maximum extent permitted by law.

B. The form, terms, and provisions of the Extension Agreement, attached hereto as Exhibit A, are approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the Extension Agreement was set out in this ordinance in its entirety. The Council Chair and Council Secretary are authorized, empowered, and directed to execute and acknowledge the Extension Agreement in the name of and on behalf of the County, and thereupon to cause the Extension Agreement to be delivered to the Company. The Extension Agreement is to be in substantially the form as attached to this ordinance and hereby approved, with such changes therein as shall not be materially adverse to the County and as shall be approved by the officials of the County executing the same, upon the advice of counsel to the County, such officer's execution thereof to constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form of the Extension Agreement attached to this ordinance.

C. The purpose of the Extension Agreement is to provide, as authorized pursuant to the MCP Act, for a special source revenue credit equal to the savings that would be realized by the Company in case the extension of the Investment Period by five (5) years, as approved in subsection A of this Section 3, is considered or found to be invalid.

Section 4. Further Actions.

The Council Chair, Council Secretary, Clerk to Council, County Administrator, County Attorney and all other appropriate officials of the County are authorized and directed to do any and all things necessary to effect the approval of the extension of the Investment Period, the execution and delivery of the Extension Agreement and the performance of all obligations of the County under and pursuant to the Extension Agreement.

Section 5. Severability.

If any section, subsection or clause of this ordinance is held to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected.

Section 6. Controlling Provisions.

To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Lancaster County Code or other County ordinances, resolutions or orders, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 7. Effective Date.

This ordinance is effective upon Third Reading, except that the provisions of Section 3.A., relating to the extension of the Investment Period, is effective November 27, 2017.

SIGNATURES FOLLOW ON NEXT PAGE.

AND IT IS SO ORDAINED

Dated this _____ day of _____, 2018.

LANCASTER COUNTY, SOUTH CAROLINA

Steve Harper, Chair, County Council

Larry Honeycutt, Secretary, County Council

ATTEST:

Sherrie Simpson, Clerk to Council

Administration Committee:	November 16, 2017	
First reading:	November 27, 2017	(Tentative)
Second reading:	December 11, 2017	(Tentative)
Public hearing:	December 11, 2017	(Tentative)
Third reading:	January 8, 2018	(Tentative)

Exhibit A to Ordinance No. 2017-1486

Investment Period Extension and Infrastructure Credit Agreement

See attached.

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Draft
11/3/17

INVESTMENT PERIOD EXTENSION AND INFRASTRUCTURE CREDIT AGREEMENT

among

LANCASTER COUNTY, SOUTH CAROLINA;

and

FOUNDERS FEDERAL CREDIT UNION,
a federal credit union

Dated as of ___, 2018

INVESTMENT PERIOD EXTENSION AND INFRASTRUCTURE CREDIT AGREEMENT

This INVESTMENT PERIOD EXTENSION AND INFRASTRUCTURE CREDIT AGREEMENT, dated as of _____, 2018 (the "Agreement"), is between LANCASTER COUNTY, SOUTH CAROLINA, a body politic and corporate, and a political subdivision of the State of South Carolina (the "County"); and FOUNDERS FEDERAL CREDIT UNION, a federal credit union (the "Company").

WITNESSETH:

WHEREAS, the County, acting by and through its County Council (the "County Council"), is authorized and empowered pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended (the "FILOT Act"), to enter into fee agreements with any industry, with said agreements identifying certain properties of such industries as economic development property, through which powers the industrial development of the State of South Carolina (the "State") and the County will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate, remain, and expand in the State and the County and thus utilize and employ the workforce, products, and natural resources and benefit the general public welfare of the State and County by providing services, employment, or other public benefits not otherwise adequately provided locally; and

WHEREAS, the Company and the County entered into a Fee Agreement dated September 14, 2009 pursuant to the FILOT Act (the "Fee Agreement") in connection with the Company's investment in the establishment of a new corporate headquarters facility which constituted a project within the meaning of the Act, the cost of which exceeded \$30,000,000 (the "Project"), all as more fully set forth in the Fee Agreement; and

WHEREAS, the Company wishes to extend the Investment Period (as defined in the Fee Agreement) by an additional five (5) years in order to continue to invest in the Project and the County desires to extend the Investment Period in order to encourage the Company to continue to make investments in the County and to create additional jobs; and

WHEREAS, there is uncertainty about the efficacy of the authorization of the extension of the Investment Period under Section 12-44-30(13) of the FILOT Act as a result of the timing of the extension request and the County and the Company wish to ensure the Company receives the benefits of a five (5) year extension of the Investment Period; and

WHEREAS, the County, acting by and through the County Council, as authorized by Sections 4-1-170, -172 & -175 of the Code of Laws of South Carolina 1976, as amended, Sections 4-29-68 and 12-44-70 of the Code of Laws of South Carolina 1976, as amended, and Article VIII, Section 13(D) of the South Carolina Constitution (collectively, the "MCBP Act"), has previously created a multicounty business park encompassing the site upon which the Project is located in order to enhance the economic development of Lancaster County (the "Park"); and

WHEREAS, the County desires to authorize the extension of the Investment Period and, to the extent required should such authorization not be valid or recognized, to provide a special source revenue credit (the "SSRC") against the payments due by the Company as a result of the

location of the Project in the Park in order to provide the savings that the Company would have realized in the case of an extension of the Investment Period by five (5) years, which SSRC will reimburse the Company for the costs of acquiring and constructing certain infrastructure, real estate and improvements with respect to the Project (the "Infrastructure"); and

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the County and the Company agree as follows:

ARTICLE I

DEFINITIONS

The terms defined in this Article I shall for all purposes of this Agreement have the meanings herein specified, unless the context clearly otherwise requires. Except where the context otherwise requires, words importing the singular number shall include the plural number and *vice versa*.

"Agreement" shall mean this Investment Period Extension and Infrastructure Credit Agreement, as the same may be amended, modified or supplemented in accordance with the terms hereof.

"Code" means the Code of Laws of South Carolina 1976, as amended.

"Company" shall mean, collectively, Founders Federal Credit Union, a federal credit union.

"Cost" or "Cost of the Infrastructure" shall mean the cost of acquiring, by construction and purchase, the Infrastructure and shall be deemed to include, whether incurred prior to or after the date of this Agreement: (a) obligations incurred for labor, materials, and other expenses to builders and materialmen in connection with the acquisition, construction, and installation of the Infrastructure; (b) the cost of construction bonds and of insurance of all kinds that may be required or necessary during the course of construction and installation of the Infrastructure, which is not paid by the contractor or contractors or otherwise provided for; (c) the expenses for test borings, surveys, test and pilot operations, estimates, plans and specifications and preliminary investigations therefore, and for supervising construction, as well as for the performance of all other duties required by or reasonably necessary in connection with the acquisition, construction, and installation of the Infrastructure; and (d) all other costs which shall be required under the terms of any contract for the acquisition, construction, and installation of the Infrastructure.

"County" shall mean Lancaster County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina and its successors and assigns.

"Event of Default" shall mean, with reference to this Agreement, any of the occurrences described in Section 6.01 hereof.

“Fee Agreement” means the Fee Agreement by and between Lancaster County, South Carolina and Founders Federal Credit Union, a federal credit union, dated as of September 14, 2009.

“FILOT Act” shall mean Title 12, Chapter 44, of the Code.

“Infrastructure” shall mean the Project’s infrastructure, real estate and all improvements thereon, as are permitted under the MCBP Act.

“Investment Period” shall have the meaning assigned to it in the Fee Agreement.

“Lancaster Fee Payments” shall mean payments in lieu of taxes made to the County by the Company with respect to the Project.

“MCBP Act” shall mean, collectively, Sections 4-1-170, -172 & -175 of the Code, Sections 4-29-68 and 12-44-70 of the Code and Article VIII, Section 13(D) of the South Carolina Constitution.

“Ordinance” shall mean Ordinance No. 2017-____ enacted by the County Council on _____, 2018, authorizing the execution and delivery of this Agreement.

“Park Agreement” shall mean the Agreement for the Development of a Joint Industrial and Business Park, dated December 1, 2008, between the County and Chester County, South Carolina, as amended or supplemented, or any other park agreement providing for the establishment of a park in which the Project is to be included.

“Park” shall mean the Joint County Industrial and Business Park established pursuant to the terms of the Park Agreement.

“Person” shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, or a government or political subdivision.

“Special Source Revenue Credits” or “SSRCs” shall mean the credits to the Company’s fee in lieu of tax payments to reimburse the Company for the Cost of the Infrastructure in the amounts set forth in Section 3.02 hereof.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01 Representations by the County. (a) The County represents and warrants that: (i) it is a body politic and corporate and a political subdivision of the State of South Carolina; (ii) it is authorized by the FILOT Act and MCBP Act to enter into this Agreement; (iii) it has approved this Agreement in accordance with the procedural requirements of the FILOT Act, the MCBP Act and any other applicable state law; and (iv) it has authorized its officials to execute and deliver this Agreement.

(b) The County agrees it will take all reasonable actions and use its best efforts to ensure that the Project remains located in the Park. If it becomes necessary to move the land on which the Project is located from the Park to another park prior to the termination of this Agreement, the County agrees to use its best efforts to place the land in a multi-county park established pursuant to the MCBP Act and to maintain the multi-county park designation until the date this Agreement is terminated. The parties acknowledge and agree that the County's agreement to place and maintain the land in a multi-county park may be 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 2.02 Representations by the Company. The Company represents and warrants that it: (i) is validly existing and in good standing under the laws of the State; (ii) is authorized to transact business in the State; (iii) has the power to enter into this Agreement; (iv) has by proper action approved this Agreement; and (v) has authorized its officials to execute and deliver this Agreement.

SECTION 2.03 Covenants of County and Company.

The County and Company covenant, each to the other, that they will from time to time and at the expense of the Company execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose of this Agreement; *provided, however, that* such instruments or actions shall never create or constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power or pledge the credit or taxing power of the State, or any other political subdivision of the State.

ARTICLE III

APPROVAL OF EXTENSION OF INVESTMENT PERIOD AND AUTHORIZATION OF SPECIAL SOURCE REVENUE CREDITS

SECTION 3.01 Approval of Investment Period Extension. The County hereby agrees to the extension of the Investment Period under the Fee Agreement by five (5) years.

SECTION 3.02 Payment of Costs of Infrastructure. (a) The Company has paid and, to the extent not yet paid, agrees to pay, or cause to be paid, all Cost of the Infrastructure as and when due. The Company agrees to complete the acquisition and construction of the Infrastructure pursuant to the plans and specifications approved by the Company to the extent such are not yet complete. The plans and specifications for the Infrastructure may be modified from time to time as deemed necessary by the Company.

(b) The Company agrees that, as of any date during the term of this Agreement, the cumulative dollar amount expended by the Company on the Costs of Infrastructure shall equal or exceed the cumulative dollar amount of all the Special Source Revenue Credits received by the

Company pursuant to Section 3.03 of this Agreement. For purposes of determining the amount expended on the Costs of Infrastructure and for determining whether the Company has met or exceeded the investment requirement in Section 3.03(a), the County and Company agree that the County may rely on the gross costs of property reported by the Company on its most recently filed PT-300 series form (or comparable form) of the South Carolina Department of Revenue as equivalent to the cumulative dollar amount expended by the Company on the Costs of Infrastructure and the amount invested in the Project.

SECTION 3.03 Special Source Revenue Credits.

(a) If the extension of the Investment Period approved in Section 3.01 of this Agreement is determined to be invalid or ineffective, then the County agrees to provide Special Source Revenue Credits as follows: the Company shall receive a Special Source Revenue Credit but only to the extent and in the amount needed to lower the Company's annual Lancaster Fee Payment to an amount equal to the amount that would be due under the Fee Agreement if the Company had received a five (5) year extension of the Investment Period.

(b) The SSRC shall be applied as a set-off against the Lancaster Fee Payment for the year in question.

(c) This Agreement and the SSRCs in this Agreement are limited obligations of the County provided by the County solely from the Lancaster Fee Payments derived from the Company pursuant to the Park Agreement and Fee Agreement, and do not and shall never constitute an indebtedness of the County within the meaning of any constitutional or statutory provision and do not and shall never constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power. The full faith, credit, and taxing power of the County are not pledged for the special source revenue credits.

(d) No breach by the County of this Agreement shall result in the imposition of any pecuniary liability upon the County or any charge upon its general credit or against its taxing power. The liability of the County under this Agreement or of any warranty herein included or for any breach or default by the County of any of the foregoing is limited solely and exclusively to the provision of Special Source Revenue Credits against the Company's Lancaster Fee Payments. The County is not be required to execute or perform any of its duties, obligations, powers, or covenants in this Agreement except to the extent of the Lancaster Fee Payments received from the Company.

SECTION 3.04 Cessation of Operations. Notwithstanding any other provision of this Agreement, the Company acknowledges and agrees that County's obligation to provide the SSRC ends if the Company closes the Project or otherwise ceases operations at the Project. The Company agrees that if the Agreement is terminated pursuant to this Section 3.04, that under no circumstance shall the County be required to refund or pay any monies to the Company.

ARTICLE IV

CONDITIONS TO DELIVERY OF AGREEMENT; TITLE TO INFRASTRUCTURE

SECTION 4.01 Documents to be Provided by County. Prior to or simultaneously with the execution and delivery of this Agreement, the County shall provide to the Company:

(a) A copy of the Ordinance certified by the Clerk to Council to have been duly enacted by the County Council and to be in full force and effect on the date of such certification; and

(b) Such additional certificates relating to the proceedings for the adoption of the Ordinance as the Company may reasonably request.

SECTION 4.02 Transfers of Project. The County hereby acknowledges that the Company may from time to time and in accordance with applicable law, sell, transfer, lease, convey, or grant the right to occupy and use the Project, in whole or in part, to others. No sale, lease, conveyance, or grant shall relieve the County from the County's obligations to provide Special Source Revenue Credits to the Company or its assignee, *provided, however, that* the assignee has agreed to be bound by the Company's obligations under this Agreement.

SECTION 4.03 Assignment by County. The County shall not assign, transfer, or convey its obligations to provide Special Source Revenue Credits hereunder to any other Person.

ARTICLE V

THIS ARTICLE IS INTENTIONALLY LEFT BLANK.

ARTICLE VI

EVENTS OF DEFAULT; LEGAL PROCEEDINGS; REMEDIES; NONWAIVER

SECTION 6.01 Events of Default. The following shall be "Events of Default" under this Agreement, and the term "Events of Default" shall mean, whenever used with reference to this Agreement, any one or more of the following occurrences:

(a) Failure by the Company to make any payments within the times specified in this Agreement, which failure shall not have been cured within 30 days following receipt of written notice thereof from the County; *provided, however, that* the Company shall be entitled to all redemption rights granted by applicable statutes; or

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

(c) Failure by the Company 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 30 days after written notice from the County to the Company specifying such failure and requesting that it be remedied, unless the Company 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 is diligently pursuing corrective action; or

(d) A representation or warranty made by the County which is deemed materially incorrect when deemed made; or

(e) Failure by the County to perform any of the terms, conditions, obligations, or covenants hereunder, which failure shall continue for a period of 30 days after written notice from the Company to the County 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 Remedies on Default.

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

- (1) terminate this Agreement; or
- (2) 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 be liable to the County under this Agreement or otherwise for monetary damages resulting from the Company's failure to meet any investment, wage and job requirements.

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

- (1) bring an action for specific enforcement;
- (2) terminate this Agreement;
- (3) unless otherwise provided by law, withhold so much of the payment as is in dispute with the County until such dispute is fully and finally resolved; or
- (4) in case of a materially incorrect representation or warranty, take such action as is appropriate, including legal action to the extent allowed by law.

SECTION 6.03 Reimbursement of Legal Fees and Expenses and Other Expense.

Upon the occurrence of an Event of Default hereunder, should a party be required to employ attorneys or incur other reasonable expenses for the collection of payments due hereunder or for the enforcement of performance or observance of any obligation or agreement, the successful party

shall be entitled, within 30 days of demand therefore, to reimbursement of the reasonable fees of such attorneys and such other reasonable expenses so incurred.

SECTION 6.04 Nonwaiver. No failure or delay on the part of any party hereto in exercising any right, power, or remedy in this Agreement 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 in this Agreement. No waiver of any provision in this Agreement shall be effective unless the same shall be in writing and signed by the waiving party hereto.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01 Successors and Assigns. All the covenants, stipulations, promises, and agreements in this Agreement contained, by or on behalf of, or for the benefit of, the County, shall bind or inure to the benefit of the successors of the County from time to time and any officer, board, commission, agency, or instrumentality to whom or to which any power or duty of the County, shall be transferred.

SECTION 7.02 Provisions of Agreement for Sole Benefit of County and Company. Except as in this Agreement otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any Person other than the County and the Company any right, remedy, or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the County and the Company.

SECTION 7.03 Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, the illegality or invalidity shall not affect any other provision of this Agreement, and this Agreement and the Special Source Revenue Credits shall be construed and enforced as if the illegal or invalid provisions had not been contained herein or therein.

SECTION 7.04 No Liability for Personnel of County or Company. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member, agent, or employee of the County or its governing body or the Company or any of its officers, employees, or agents in an individual capacity, and neither the members of the governing body of the County nor any official executing this Agreement shall be liable personally on the Special Source Revenue Credits or the Agreement or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 7.05 Notices. All notices, certificates, requests, or other communications under this Agreement shall be sufficiently given and shall be deemed given, unless otherwise required by this Agreement, when (i) delivered or (ii) sent by facsimile or other commonly-used electronic transmission and confirmed by United States first-class registered mail, postage prepaid

or (iii) reputable courier service, addressed as follows or to such other persons and places as may be designated in writing by such party.

(a) if to the County:

County of Lancaster, South Carolina
ATTN: Steve Willis, County Administrator
101 N. Main St. (29720)
P.O. Box 1809 (29721-1809)
Lancaster, South Carolina
Phone: (803) 416-9300
Email: swillis@lanastercountysc.net

With a copy to (which shall not constitute notice):

Mr. Jamie Gilbert
Economic Development Director, Lancaster County
P.O. Box 1809
Lancaster, South Carolina 29721
Telephone: (803) 286-3633
Fax: (803) 416-9497
Email: jgilbert@lanastercountysc.net

(b) if to the Company:

Founders Federal Credit Union
Attn: Larry Higgins
737 Plantation Road
Lancaster, SC 29720

with a copy to:

Nelson Mullins Riley & Scarborough, LLP
Attn: Edward G. Kluiters
1320 Main Street, 17th Floor
Columbia, South Carolina 29201

The County and the Company may, by notice given under this Section 7.05, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

SECTION 7.06 Applicable Law. The laws of the State of South Carolina shall govern the construction of this Agreement.

SECTION 7.07 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 7.08 Amendments. This Agreement may be amended only by written agreement of the parties hereto.

SECTION 7.09 Administrative Expenses.

(a) The Company agrees to reimburse the County from time to time for its Administrative Expenses promptly upon written request therefore, but in no event later than thirty (30) days after receiving the written request from the County. The written request shall include a description of the nature of the Administrative Expenses. As used in this Section 7.09(a), "Administrative Expenses" means the reasonable and necessary out-of-pocket expenses, including attorneys' fees, incurred by the County with respect to (i) this Agreement, (ii) the fulfillment of its obligations under this Agreement; and (iii) the implementation and administration of the terms and provisions of the documents after the date of execution thereof but only in case such are incurred as a result of a request by the Company for a modification, assignment, or a termination of such documents by the Company, or as a result of a bankruptcy of the Company or a default by the Company under the terms of this Agreement.

(b) The Company agrees to reimburse the County for expenses incurred by the County for accountants and similar experts used by the County in the computation, preparation and verification of the annual fee payments and the Special Source Revenue Credits, *provided, however*, the maximum annual reimbursement pursuant to this Section 7.09(b) is capped at Five Hundred and No/100 dollars (\$500.00).

SECTION 7.10 Confidentiality/Limitation on Access to Project.

(a) The Company agrees that the County and its authorized agents have the right at all reasonable times and upon prior reasonable notice to enter upon and examine and inspect the Project and to have access to and examine and inspect all the Company's books and records pertaining to the Project. The right of examination and inspection shall be exercised only upon reasonable and necessary terms and conditions prescribed by the Company to protect the Company's confidentiality and proprietary rights. Any such entrance upon and examination and inspection of the Project shall be at the County's expense.

(b) The County acknowledges and understands that the Company may have and maintain at the Project certain confidential and proprietary information, including, but not limited to, trade secrets, financial, sales or other information concerning the Company's operations and processes ("Confidential Information") and that any disclosure of the Confidential Information could result in substantial harm to the Company and could have a significant detrimental impact on the Company's employees and also upon the County. Except as required by law, including, without limitation, court orders, the County agrees to use its best reasonable efforts to keep confidential, and to cause employees, agents and representatives of the County to keep

confidential, the Confidential Information which may be obtained from the Company, its agents or representatives, when the Confidential Information is clearly marked and identified as Confidential Information and known to the County to be Confidential Information. The County shall not knowingly and willfully disclose and shall cause all employees, agents and representatives of the County not to knowingly and willfully disclose the marked and identified Confidential Information to any person or entity other than in accordance with the terms of this Agreement. If a demand is made for the release, under color of law, to a third party of any Confidential Information, the County shall notify the Company and give the Company the opportunity to contest the release.

SECTION 7.11 Entire Understanding. This 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 Agreement or the Fee Agreement or in certificates delivered in connection with the execution and delivery of this Agreement. To the extent that this Agreement contains provisions that conflict or are inconsistent with provisions contained in the Fee Agreement, the provisions of this Agreement supersede the other provisions and this Agreement is controlling.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, Lancaster County, South Carolina, has caused this Agreement to be executed by the Chair and Secretary of its County Council and its corporate seal to be hereunto affixed and attested by the Clerk to Council, and Founders Federal Credit Union has caused this Agreement to be executed by its authorized officer, all as of the day and year first above written.

LANCASTER COUNTY, SOUTH CAROLINA

(SEAL)

Steve Harper, Chair, County Council

Larry Honeycutt, Secretary, County Council

ATTEST:

Sherrie Simpson, Clerk to Council

FOUNDERS FEDERAL CREDIT UNION

Signature: _____

Name: _____

Title: _____

EXHIBIT A
LEGAL DESCRIPTION

All that certain piece, parcel or tract of land, lying, being and situate in the City of Lancaster, Lancaster County, South Carolina, on the south side of Plantation Road and on the West side of Gillsbrook Road, containing twenty-six and eight hundred eighty-three thousandths (26.883) acres, more or less, and being shown, described and designated as "AREA = 26.883 AC" on plat of survey made by J.C. Crumpler, SCRLS, dated October 23, 2007, revised March 4, 2008, entitled "Plat of Property of Founders Federal Credit Union" and recorded in the Office of the Register of Deeds for Lancaster County, South Carolina in Plat Book 2008, page 204. Reference to said plat is made for a more minute description.

DERIVATION: Being property conveyed to Springland Associates, LLC by deed of Springland, Inc., dated December 28, 1995, and recorded in the Office of the Register of Deeds for Lancaster County, South Carolina in Deed Book S-13, page 51.

Tax Map No. 0067F-0D-001.00

~#4828-4625-8770 v.1~

Agenda Item Summary

Ordinance # / Resolution#: N/A

Contact Person / Sponsor:

Department: Administration

Date Requested to be on Agenda: November 16, 2017 Administration Committee

Issue for Consideration:

To change the bylaws for the Health and Wellness Commission regarding the number of members required for a quorum. The bylaws currently require 9 members present to have a quorum; however, the Commission would like to change the bylaws regarding a quorum for a meeting. The Health and Wellness Commission held a meeting on August 9, 2017 and voted to approve for a change to the bylaws to state that "A quorum shall consist of the presence of thirty (30%) of members of the commission."

Points to Consider:

The Commission sometimes does not have enough members present for a quorum and, therefore, cannot hold votes.

Funding and Liability Factors:

This would not require any additional funding from Council.

Council Options:

Approve or deny the change of the bylaws for the Health and Wellness Commission.

Recommendation:

N/A

Lancaster County Health and Wellness Commission
Minutes of Meeting Held
August 9, 2017

Present:	Jessica Beard Cindi Blackmon Chris Bundrick Jennifer Ersek Nancy Fleming	Shirley Howie-Garett Graceann Jones Lori Moseley - Chair Sally Sherrin
Excused:	Lisa Hallman	Cheryl Plyler
Absent:	Tammy Davis Janet Ellis Pam Giardiello	Lisa Hallman Lori Roney

Call to Order:

Welcome and Introduction:

Moseley welcomed those present to the meeting. New members, Cindi Blackmon, Chris Bundrick and Jennifer Ersek, were sworn in.

Discussion of Last Meeting:

Since there was no quorum at the meeting held June 14, 2017, the notes from that meeting were discussed, with no vote.

Proposal for Bylaw Change:

Currently, Sec. 2-335. – Organization. (b) of the Division 3. – Health and Wellness Commission Ordinance (aka bylaws) reads as follows: "A quorum shall consist of the presence of nine (9) members of the commission." Members present at today's meeting agreed that Sec. 2-335. – Organization. (b) of the Division 3. be amended to read as follows: "A quorum shall consist of the presence of thirty percent (30%) of members of the commission." A motion was made by Howie-Garrett to accept the proposed amendment to the Commission bylaws. Ersek seconded the motion, and the motion carried. Copies of the bylaws will be sent to all Commission members.

Old Business:

Moseley reported that we have a surplus of budget funds from the last fiscal year. She hasn't yet received the budget numbers for 2017-2018.

Mental Health Activities:

Moseley brought new members up to speed regarding the purpose and current activities of the Mental Health subcommittee. She indicated that one of the members of this subcommittee is updating a list of resources.

Sherrin informed the group that, in late September 2017, the staff of the Lancaster County Council on Aging will receive training in mental health issues. Sherrin offered to send details to Commission members.

In answer to a question about mental health issues in Lancaster County, Sherrin indicated that the J. Marion Sims Foundation has done extensive research regarding community needs in this area and that perhaps former Commission member, Lauren Vincent-Thomas would provide information at a future Commission meeting. Bundrick stated that he will contact Lauren to see if she will speak at our next Commission meeting.

Ersek mentioned seeing DUI billboard signs in Indian Land and indicated that she has been told that the Indian Land area has a high rate of STDs.

Sally announced an event planned for National Senior Health and Fitness Day. This event is scheduled for May 31, 2018.

Eat Smart Move More:

There was no report.

New Business:

Plans for the Fiscal Year:

Moseley distributed a list of resources on various health awareness issues to those present and suggested Commission members brainstorm topics for health-related articles to be submitted to *The Lancaster News*.

Sherrin made a motion that interested Commission members research and electronically submit health-related articles tied to specific topics to *The Lancaster News*. Howie-Garrett seconded the motion, and the motion carried.

Topics and Commission Members include:

- Flu Vaccines – Moseley
- November - Lung Cancer Awareness Month – Ersek (tying the article to the Great American Smoke-out campaign)
- January – Thyroid Awareness Month – Howie-Garrett
- March 22 – American Diabetes Alert Day – Moseley
- April – Alcohol Awareness Month and National Donate Life Month – Howie-Garrett
- May 31 – National Senior Health & Fitness Day - Sherrin
- June – Men's Health Month – Sherrin
- July 28 – World Hepatitis Day - Jones
- September 23 – Falls Prevention Awareness Day – Sherrin
- October – Breast Cancer Awareness – Beard

A motion was made by Howie-Garrett to try to get information to *The Lancaster News* on a monthly basis regarding the health of Lancaster County residents. Bundrick seconded the motion, and the motion carried.

In connection with American Heart Health month (February), and to support National Wear Red Day on February 3, 2017, Howie-Garrett suggested Commission members consider purchasing red dress lapel pins with budgeted funds. Information may be available at the Cardia Rehab Unit at Springs Memorial Hospital.

Adjourn:

Fleming made a motion that today's meeting be adjourned. Jones seconded the motion, and the motion carried.

The next Health and Wellness Commission meeting is scheduled for 11:45 a.m. on October 11, 2017 at 309 S. Plantation Rd. (Lancaster County Council on Aging).

Respectfully submitted,
Nancy Fleming

DIVISION 3. - HEALTH AND WELLNESS COMMISSION^[16]

Footnotes:

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Editor's note—Ord. No. 244, adopted July 25, 1994, repealed Ord. No. 196, adopted Oct. 7, 1991, in its entirety from which former Div. 3, §§ 2-331—2-338, derived. The provisions of Ord. No. 244 have been included by the editor as a new Div. 3 as herein set out and are similar in subject matter to the provisions of the former division.

Sec. 2-331. - Purpose.

The purpose of the Lancaster County Health and Wellness Commission is to serve as an advisory body to county council and as a coordinating and educational body for the people of Lancaster County in matters concerned with the health and well-being of the community.

(Ord. No. 244, 7-25-94)

Sec. 2-332. - Membership.

- (a) The health and wellness commission shall consist of seventeen (17) members appointed by county council as follows:
- (1) Each council member shall recommend one (1) member to represent the council member's district; however, residency in the council member's district is not required.
 - (2) Four (4) members shall be appointed by county council at-large.
 - (3) County council will consider representation from business and industry, the clergy, city and town governments, and interested citizens.
 - (4) One (1) member shall be appointed by the county council to represent each of the following six (6) institutions:
 - Lancaster County Department of Social Services;
 - Lancaster County School District—Student Health Services;
 - Lancaster County School District—Comprehensive Health Education Curriculum;
 - Springs Memorial Hospital;
 - University of South Carolina at Lancaster; and
 - Lancaster County Council on Aging.

Each institution shall nominate an individual to represent the institution and the nominated individual shall be formally appointed by the county council.

- (b) (1) The term of office for all commission members is four (4) years. All terms end on June 30. A person who has served two (2) consecutive terms on the commission is ineligible for appointment for an additional term unless a period of at least two (2) years has elapsed since the expiration of the person's last term; provided, however, upon a two-thirds (2/3) vote of the county council members, a person may be reappointed to the commission notwithstanding the term limitation. Time served in filling a vacancy is not included in the term limitation. Members serve until their successors are appointed and qualified. Vacancies must be filled for the unexpired term in the same manner as the original appointment.
- (2) A member of the commission who misses three (3) consecutive meetings of the commission during any fiscal year or a total of five (5) meetings in any fiscal year vacates the office to which the member is appointed. The vacancy in the office exists as of the end of the meeting missed by the member that triggers the vacancy and the vacancy shall be filled in the same manner as other vacancies. When a vacancy occurs pursuant to this item, the commission chair or the chief administrative officer of the commission shall notify the clerk to council in writing as soon as possible.
- (3) Members of the commission serve at the pleasure of county council.
- (c) All members serve without compensation, but may be reimbursed for actual expenses and mileage pursuant to county policy after approval by the commission chair and the county administrator.
- ✓ (d) Within one (1) year of the member's appointment and at such other times as may be required by county council, the member shall attend a training session provided by the county on the topics of fiduciary duties, county fiscal and personnel policies, and other responsibilities and duties of a commission member.

(Ord. No. 244, 7-25-94; Ord. No. 898, 4-7-08; Ord. No. 998, § 6.A, 4-26-10; Ord. No. 1258, § 5, 3-10-2014)

Sec. 2-333. - Reserved.

Editor's note— Ord. No. 998, § 6.B, adopted April 26, 2010, repealed former § 2-333 in its entirety which pertained to membership terms of health and wellness commission and derived from Ord. No. 244, 7-25-94.

Sec. 2-334. - Duties.

The duties of the health and wellness commission shall be to identify health issues in the county, to coordinate existing services and/or the establishment of additional services or programs to meet those needs. The commission will seek the advice of the citizens by appropriate means (i.e. hearings, surveys, etc.) in identifying concerns and solutions.

The commission shall also serve county council as an advisory body in dealing with health-related matters.

(Ord. No. 244, 7-25-94)

Sec. 2-335. - Organization.

- (a) The internal structure of the county health and wellness commission shall consist of a chairman, a vice-chairman, and a recording secretary to be elected by the membership of the commission. Terms of these offices shall be one (1) year, with the option of re-election.
- (b) The transaction of business shall be by Robert's Rules of Order. A quorum shall consist of the presence of nine (9) members of the commission.

(Ord. No. 244, 7-25-94)

Sec. 2-336. - Meetings.

The frequency of commission meetings shall be determined by the membership with a minimum frequency of bi-monthly (January, March, May, July, September, November). More frequent meetings may be called by the chair as the need exists or on requests by a member of the commission or by county council.

(Ord. No. 244, 7-25-94; Ord. No. 998, § 6.A, 4-26-10)

Sec. 2-337. - Freedom of information.

The health and wellness commission is a public body within the meaning of Section 30-4-10 et seq. of the Code of Laws of South Carolina of 1976, as amended, also known as the Freedom of Information Act and, as such, is required to give public notice of its meetings and agendas and attempt to notify the press thereof as required by the Act. Meetings may be closed only in accordance with statutory procedures in the Act. Executive session may be declared by the chairman in the event personnel or other confidential matters should arise. All meetings and records shall be open to the public. All voting shall be conducted in open session.

(Ord. No. 244, 7-25-94)

Sec. 2-338. - Records and reports.

- (a) The commission shall maintain records of its meetings and shall forward copies of the minutes of each meeting to the county council within thirty (30) days of each meeting. The minutes shall reflect the date of the meeting, the members present, and the business considered and decided. The secretary of the commission will transcribe the minutes of each meeting and forward them to the office of the county administrator.
- X (b) The commission shall deliver to county council, during regular session, a written and oral report of activities on an annual basis.

(Ord. No. 244, 7-25-94)

Sec. 2-339. - Budget and financial structure.

- (a) Annually, at the time designated by the county council, the commission shall submit to the county council an operating budget for the ensuing fiscal year adequate to fund the operation and programs of the commission.
- (b) The expenditure of funds by the commission is subject to the purchasing rules and financial procedures of the county as adopted by county council. The commission shall designate a person on the commission as liaison with the offices of the county administrator and county finance director to ensure compliance with these rules and procedures.
- (c) The county shall include the commission in the annual independent audit of the financial records of the county.
- (d) The commission shall be empowered to seek available funding (i.e., grants) for specific activities with prior approval of county council only.
- (e) The commission is subject to the county's personnel policies including wage and salary guidelines.

(Ord. No. 244, 7-25-94; Ord. No. 998, § 6.D, 4-26-10)

Sec. 2-340. - Legal counsel.

In the event the commission requires the advice of legal counsel, the commission shall first contact the county attorney. If for any reason the county attorney is unable to represent the commission, the county attorney shall so advise the commission and the council. The council, upon recommendation of the commission, may provide substitute counsel if deemed necessary by council.

10/6/2017

Lancaster County, SC Code of Ordinances

(Ord. No. 244, 7-25-94)

Secs. 2-341—2-350. - Reserved.

Agenda Item Summary

Ordinance # / Resolution#:	Action Item
Contact Person / Sponsor:	Steve Willis
Department:	Administration
Date Requested to be on Agenda:	November Administration Committee

Issue for Consideration:

Creation of Accommodations Tax Advisory Committee.

Points to Consider:

SC § 6-4-24 (A), reads:

(A) A municipality or county receiving more than fifty thousand dollars in revenue from the accommodations tax in county areas collecting more than fifty thousand dollars shall appoint an advisory committee to make recommendations on the expenditure of revenue generated from the accommodations tax. The advisory committee consists of seven members with a majority being selected from the hospitality industry of the municipality or county receiving the revenue. At least two of the hospitality industry members must be from the lodging industry where applicable. One member shall represent the cultural organizations of the municipality or county receiving the revenue. For county advisory committees, members shall represent the geographic area where the majority of the revenue is derived.

A copy of Ordinance 2017-1467, previously adopted by Council, is attached.

Funding and Liability Factors:

The committee is advisory in nature only and Council retains all financial control.

Council Options:

Council must appoint members to the new body. Council retains appointive authority of the members and is free to consider other members.

Staff Recommendation:

Consideration of the following nominees:

Two from the lodging industry – Nash Patel, Manager of the Executive Inn in Kershaw and Johannes Trump, Owner/ Operator of Kilburnie

One from the food and beverage industry – Mike Dial, Owner of 521 BBQ and Grill

One from Council of the Arts – Council of the Arts Executive Director Debbie Jaillette

One from the Chamber of Commerce – Chamber President Dean Faile

Ex-officio: Chief Financial Officer and Budget Analyst – Veronica Thompson and Kim Hill

Committee Recommendation:

To be determined.

STATE OF SOUTH CAROLINA)
)
COUNTY OF LANCASTER)

ORDINANCE NO.: 2017-1467

AN ORDINANCE

TO ESTABLISH AN ACCOMMODATIONS TAX ADVISORY COMMITTEE AND TO DESIGNATE THE OLDE ENGLISH DISTRICT AS THE ORGANIZATION SELECTED TO RECEIVE THE THIRTY (30%) PERCENT PORTION OF THE ACCOMMODATIONS RECEIPTS.

WHEREAS, pursuant to South Carolina Code Section 6-4-25(A), a county receiving more than Fifty Thousand (\$50,000.00) Dollars in revenue from the two (2%) percent portion of the state accommodations sales tax as established by South Carolina Code Section 12-36-2630 shall appoint an advisory committee to make recommendations on the expenditure of revenue generated from the state accommodations tax. Further, it appears to the satisfaction of this Council that the most recent annual receipts of state accommodations tax funds exceeded Fifty Thousand (\$50,000.00) Dollars; and

WHEREAS, pursuant to South Carolina Code Section 6-4-10(3), thirty (30%) percent of the state accommodations sales tax received by Lancaster County must be allocated to a special fund and used only for advertising and promotion of tourism through the generation of publicity. Further, Lancaster County is required to select a nonprofit organization which has an existing, ongoing tourist promotion program to receive and administer the use of the funds; and

WHEREAS, the advisory committee referenced herein shall consist of seven (7) members with a majority being selected from the hospitality industry, with it being mandated that two members shall be from the lodging industry and one member shall be from a cultural organization. Lastly, membership shall represent the geographic area where the majority of the revenue is derived; and

WHEREAS, in order to accomplish these mandates, it is necessary that an amendment be made to the existing Lancaster County Code of Ordinances by the addition of wording to Chapter 2, Article XI as noted hereinafter.

NOW THEREFORE, by the power and authority granted to the Lancaster County Council by the Constitution of the State of South Carolina and the power granted to the County by the general assembly of the State, it is ordained and enacted that the Lancaster County Code of Ordinances hereby is amended so as to add to Chapter 2, Article XI to the Code the following Division and Sections, namely:

Section 1. Division 6. – ACCOMMODATIONS TAX ADVISORY COMMITTEE

Sec. 2-380. Establishment and Statement of Purpose.

Lancaster County Council hereby establishes the Lancaster County Accommodations Tax Advisory Committee and charges said committee with the sole responsibility of making recommendations to the Lancaster County Council on the expenditure of the revenue received from the state accommodations tax that is received by the County. Additionally, the Olde English District, a nonprofit organization with an ongoing tourist promotion program, hereby is designated as the organization to receive the thirty (30%) percent monies as required by the South Carolina statutory law noted herein.

Section 2-381. Use of Funds.

Pursuant to South Carolina Code Section 6-4-10, the funds collected by Lancaster County shall be allocated in the manner noted therein. In making its recommendations, particular attention by the Accommodations Tax Advisory Committee shall be given to subsection (4)(a) therein so as to insure compliance with the remaining allocation being used for those tourism-related expenditures noted in subsection (4)(b).

Sec. 2-382 Membership.

The Lancaster County Accommodations Tax Advisory Committee shall be composed of seven (7) regular members. Membership shall be in compliance with the applicable state statute, with the majority of the membership being selected from the hospitality industry of Lancaster County, including two from the lodging industry and one from a cultural organization. To that end, the committee shall be composed of the following:

- Two representatives from the lodging industry;
- One representative from the food and beverage industry;
- One representative from the Lancaster County Council of the Arts;
- One representative from the Lancaster County Chamber of Commerce;
- The Lancaster County Chief Financial Officer;
- The Lancaster County Budget Analyst.

Sec. 2-383 Term of Office.

All members shall be appointed by County Council and shall serve at the pleasure of the Council. Appointments shall be for a four year period except that the initial term of the two lodging industry representatives shall be for a two (2) year period. But for the Lancaster County Chief Financial Officer and the Lancaster County Budget Analyst, no member shall serve for more than two successive four year terms.

Sec. 2-384. Freedom of Information Compliance.

The Accommodations Tax Advisory Committee is a public body within the meaning of Section 30-4-10 et seq. of the South Carolina Code of Laws and, as such, is required to give public notice of its agendas and meetings. Meetings may be closed only for those reasons and purposes cited in the referenced Freedom of Information Act.

Section 2-385. Records and Reports

South Carolina statutory law previously cited herein sets forth the reporting requirements of both the Olde English District and the Accommodations Tax Advisory Committee. Full compliance therewith is expected.

Section 2. Severability.

If any section, subsection or clause of this ordinance is held to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected.

Section 3. Conflicting Provisions.

To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Lancaster County Code or other County ordinances, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

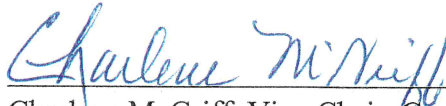
Section 4. Effective Date.

This ordinance is effective upon Third Reading.

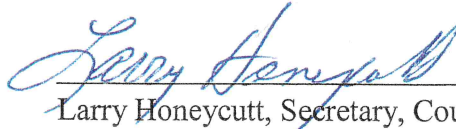
AND IT IS SO ORDAINED

Dated this 25th day of September, 2017.

LANCASTER COUNTY, SOUTH CAROLINA

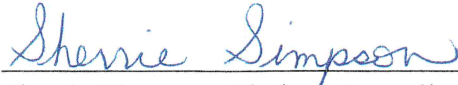


Charlene McGriff, Vice-Chair, County Council



Larry Honeycutt, Secretary, County Council

Attest:



Sherrie Simpson, Clerk to Council

First Reading: 8-28-2017

Second Reading: 9-12-2017

Third Reading: 9-25-2017

Agenda Item Summary

Ordinance # / Resolution#:	Discussion Item
Contact Person / Sponsor:	Steve Willis
Department:	Administration
Date Requested to be on Agenda:	November 2017
	All Three Committees

Issue for Consideration:

Revisiting the concept of Impact Fees in the panhandle.

Points to Consider:

Council had previously wanted to consider such a fee but only in the panhandle (north of SC 5) area of Lancaster County. This would mean that the proceeds from such a fee may only be spent in that portion of Lancaster County and not in other areas.

At this time I am only asking that the Committees (since this would affect all three areas I am sending this to all three Committees) refresh themselves on this idea and pose any questions they may have in December. Discussions would not commence until the January meetings.

Funding and Liability Factors:

Sample financial impacts are shown but the final financial effect would of course depend upon the fee that is established.

Council Options:

This is for discussion only at the Committee level at this time.

Staff Recommendation:

Resume consideration of the idea with an eye towards implementing this fee to offset the cost of growth in the area that is generating most of the growth related problems.

Committee Recommendation:

To be determined.



Indian Land/Van Wyck Impact Fee Study

August 2017

Prepared by:



www.catawbacog.org

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OVERVIEW

The adoption of a Capital Improvements Program (CIP) is a statutory prerequisite to the imposition of impact fees. The CIP 2017-2026 prepared by Catawba Regional Council of Governments (CRCOG) and adopted by the Lancaster Council on June 26, 2017 is the companion report to this study and meets the requirements as stated in the South Carolina Development Impact Fee Act, SC Code of Laws Chapter 1, Article 9.

An impact fee system may be a useful tool for Lancaster County; however, impact fees have some limitations including:

- Can only be used to offset the proportion of capital expenses that may be attributed to a new development.
- May not be used to meet existing capital deficiencies.
- Capital equipment and vehicles must have an individual unit purchase price of at least \$100,000.
- Must be expended within five years of receipt or the County must return the funds to the developer who paid them.

This study contains analyses of the total capacity, the level of current usage and commitments of usage of capacity of existing public facilities. Robby Moody, AICP, Senior Planner, Catawba Regional Council of Governments prepared these analyses in consultation with responsible officials of Lancaster County and using generally accepted principles and professional standards. The geographic area for this study is the Indian Land/Van Wyck portion of Lancaster County and is further defined as census tracts 112.01 and 112.02.

POPULATION TRENDS

The population of Lancaster County has grown significantly over the last decade primarily due to rapid development of the Indian Land/Van Wyck community. The US Census Bureau reported the population as 7,059 in 2000 and 19,729 in 2010 for a ten-year growth rate of 179.5%. Lancaster County as a whole grew to 76,652 residents or 24.9% during the decade of the 2000s. American Community Survey (ACS) data estimates for 2014 show continued population growth for Indian Land/Van Wyck to 21,810 residents; a 10.5% increase from 2010.

This accelerated rate of growth for Indian Land/Van Wyck reflects its premier location in the county and proximity to the Charlotte metropolitan area. Table 1 provides a summary of the population trend in Indian Land/Van Wyck and Lancaster County.

Table 1 - Population 2000-2014

Locality	2000 US Census	2010 US Census	2014 ACS Estimate	% change 2000-10	% change 2000-14
Lancaster Co.	61,351	76,652	79,515	24.9%	29.6%
Indian Land/Van Wyck	7,059	19,729	21,810	179.5%	209.0%

Source: US Census Bureau

Figure 1 shows the location of the Indian Land/Van Wyck study area in relation to Lancaster County and surrounding counties in the region.

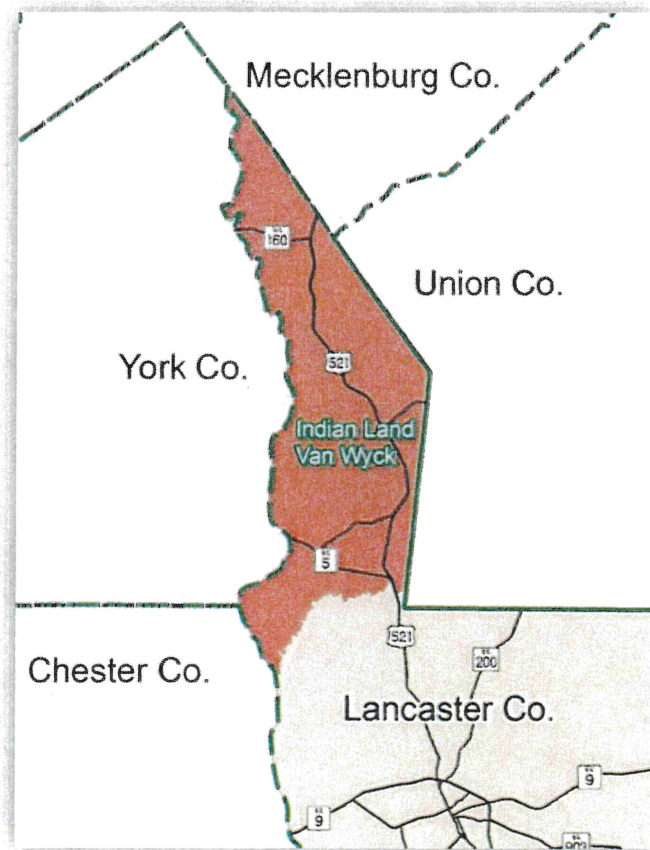


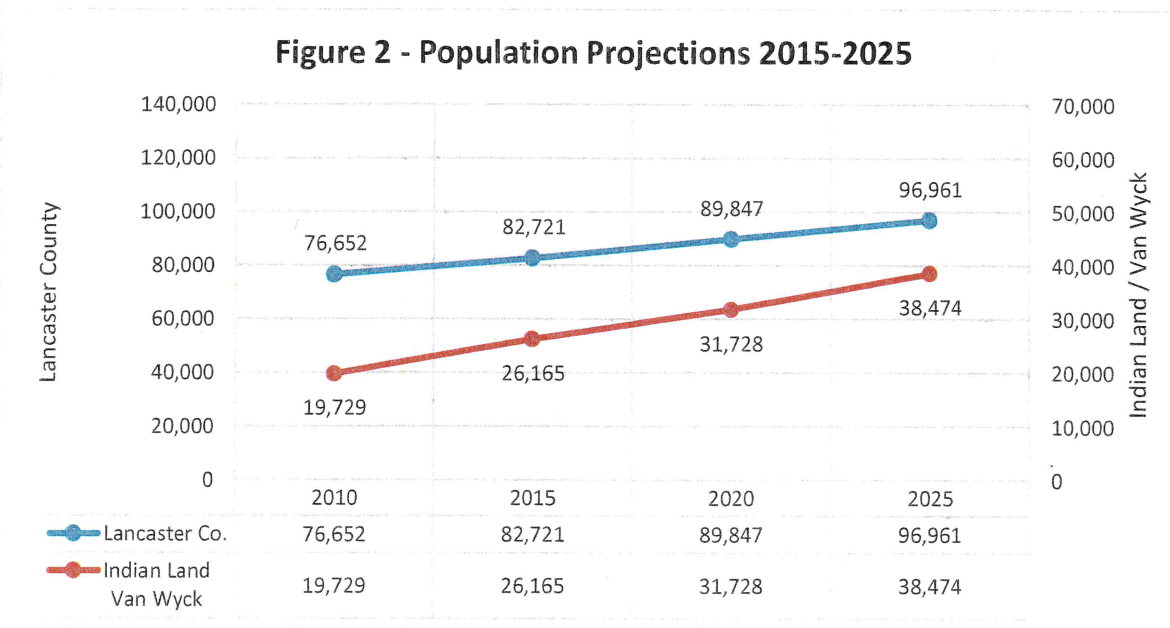
Figure 1 -- Indian Land/Van Wyck Study Area

POPULATION PROJECTIONS

While population estimates are prepared annually by the American Community Survey, reliable population projections are not as readily available. *CONNECT: Our Future*, a recent bi-state regional planning effort, set population and employment benchmarks for 2050. Based on this data Lancaster County is projected to have 119,800 residents and 32,400 employees. Esri's *Business Analyst* produced estimates and projections for Indian Land/Van Wyck and Lancaster County for 2015 and 2020.

Using these sources projections have been devised for the population of Indian Land/Van Wyck over the next ten years. These types of projections necessarily involve a level of speculation, because future growth rates could change dramatically from recent trends based on economic forces or policy modifications. However, in order to plan for the future, some projections of population need to be made.

Figure 2 – Population Projections 2015-2025 provides a summary of population projections that show marked growth in both the County (96,961) and Indian Land/Van Wyck (38,474) to 2025. These projections assume that the rate of development will continue on average at 3% per year within Indian Land/Van Wyck.



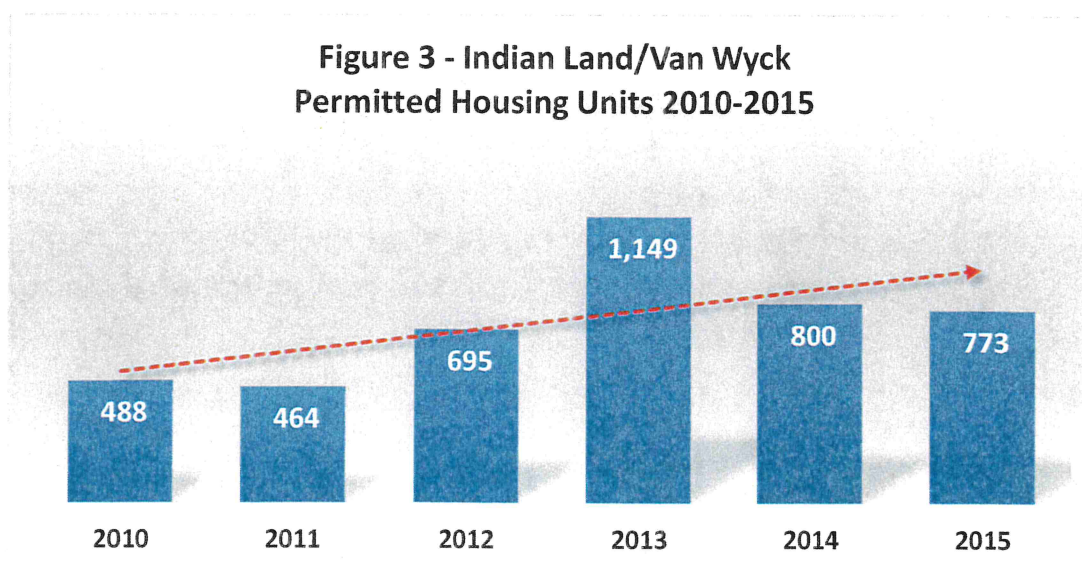
Sources: US Census Bureau, 2010, Table DP01; Esri Business Analyst 2015 & 2020 with computations by CRCOG

PROJECTED LAND USE, GROWTH & DEVELOPMENT

Indian Land/Van Wyck is a rapidly developing community in northern Lancaster County. Its proximity and direct access via US Highway 521 to Charlotte has spurred the proliferation of single-family subdivisions and strip commercial developments along this corridor. Residential is the predominant land use in Indian Land/Van Wyck, with single-family housing out-pacing multi-family at a rate of almost 12:1.

Catawba Regional COG produces a report for its four-county region (Chester, Lancaster, Union and York) that examines building permit activity. This data provides valuable information and can be assigned to individual census tracts to help identify trends and prepare projections for future development. In the case of this study, Census Tracts 112.01 and 112.02 encompass the Indian Land/Van Wyck study area.

Figure 3 depicts residential building permit activity from 2010 to 2015 in the study area. It is apparent construction activity accelerated in the post-recession years with a peak in 2013. The trend line has been positive and promises to continue based on the inventory of approved developments.



Source: Catawba Regional COG Building Permit Database

Several residential projects are in various stages of development in the study area. Some are under construction and others have received plan level approval. This study makes the assumption that developments that have been approved, but that are awaiting building permits will be completed during the 10-year horizon of the study.

The following series of tables was created to help calculate the average number of persons per household by housing category based on American Community Survey data as reported by the US Census Bureau.

Table 2.1 – Occupied Housing Units

Housing Category	Units
Single-family (Attached or Detached)	8,238
Mobile Home	809
Multi-family (2 or more units)	364
Total	9,411

Source: US Census Bureau, American Community Survey, 2010-2014, Table DP04

Table 2.2 – Population in Occupied Housing Units

Housing Category	Units
Single-family (Attached or Detached)	19,348
Mobile Home	2,049
Multi-family (2 or more units)	408
Total	21,805

Source: US Census Bureau, American Community Survey, 2010-2014, Table B25033

Table 2.3 – Persons per Household in Occupied Housing Units

Housing Category	Units
Single-family (Attached or Detached)	2.35
Mobile Home	2.53
Multi-family (2 or more units)	1.12
Study Area Average	2.32

Sources: US Census Bureau, American Community Survey, 2010-2014, Tables DP04 & B25033 with computations by CRCOG

Indian Land/Van Wyck averages 2.32 persons per occupied housing unit. **Table 3 - Projected Housing Units & New Residents by 2025** provides a summary of future housing units and residents per housing category.

Table 3 - Projected Housing Units & New Residents by 2025

Housing Category	Approved	Permitted	Projected	Residents
Single-family (Attached or Detached)	15,250	8,890	6,360	14,937
Multi-family (2 or more units)	3,200	1,994	1,206	1,352
TOTAL	18,450	10,884	7,566	16,289

Source: Lancaster County Planning Department as of December 31, 2015

Single-family housing units are projected to make up 84.1% of new residential development in Indian Land/Van Wyck resulting in approximately 15,000 new residents. The remaining 15.9% share of the housing market will consist of multi-family units drawing almost 1,400 additional residents. These projections exceed those shown in Figure 2 which forecasts approximately 10,000 new residents in Indian Land/Van Wyck by 2025.

The pace at which developments are approved, permitted and sold is market dependent and subject to change; therefore, these projections are intended to be informational for the purposes of this study.

Using 2010 US Census data, estimates from Esri's *Business Analyst* and incorporating the data from Table 3, the resulting figures and rate of change for population and housing units are shown in **Table 4 – Projected Growth Rates for Housing & Population**. Specifically, the projected number of new housing units and residents was added to the figures for 2015 to calculate the total for 2025. Data for 2020 was produced by Esri's *Business Analyst*. The annual growth rates for housing and population show strong consistency for the 15-year period. This sustained and accelerated growth will continue to strain County resources.

Table 4 - Projected Growth Rates for Housing & Population

Year	Occupied Housing Units	% Change	Population	% Change
2010	8,008	--	19,729	--
2015	10,715	33.8%	26,165	32.6%
2020	12,997	21.3%	31,728	21.3%
2025	18,281	40.7%	42,454	33.8%

Sources: US Census Bureau 2010, Table DP04, Esri Business Analyst; CRCOG

These new homes and residents will increase the demand for all public services. In particular, demands on public safety including law enforcement, fire protection and emergency medical service and community facilities like recreation centers, parks and libraries create the need for additional facilities and equipment.

Therefore, it is prudent for local leaders to thoughtfully consider the tools available to ensure that the quality of life and existing levels of service (LOS) are not compromised for both current and future residents. To this end, there are several capital projects recommended in the Capital Improvements Program that are consistent with and supportive of the long term goals of Lancaster County.

EXISTING LEVELS OF SERVICE



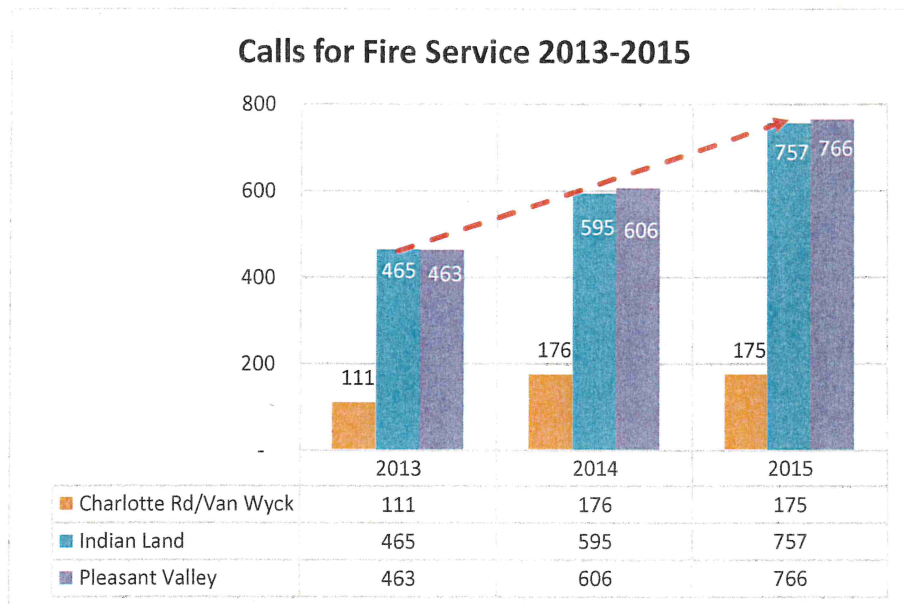
The following section provides information on the current levels of service for selected capital facilities and public services for Indian Land/Van Wyck that are provided by various Lancaster County departments and agencies. In addition, projects that may be funded with impact fees are specifically listed. The Lancaster County CIP has a complete list of equipment and services for the FY2016-2025 period. Current levels of service are provided for approximately 26,165 residents and approximately 10,715 occupied housing units.

Public Safety

Fire Service

The existing level of fire protection service is based on Insurance Services Office (ISO) ratings and National Fire Protection Association standards. There are three fire districts (FD) that serve Indian Land/Van Wyck—Pleasant Valley, Indian Land and Charlotte Road/Van Wyck—see **Figure 4**.

Several factors are involved with the ISO rating including response time, fire protection equipment and personnel. The countywide level of service is ISO 6. Population and land use trends indicate accelerated growth in the ten-year planning horizon for the CIP and this study, therefore, the ISO rating may be in jeopardy. The following capital facility and equipment needs are necessary to maintain the current LOS.



Calls for fire service have increased in each of the three districts based on the data supplied by Lancaster County Fire Rescue Service and shown in the chart above. Over this three-year period Charlotte Road/Van Wyck FD saw a 57.7% increase, Indian Land FD saw a 62.8% increase and Pleasant Valley FD saw a 65.4% increase in service call volumes. New and expanded fire stations and equipment will be needed in each of the three fire districts noted above to maintain the current level of service provided.

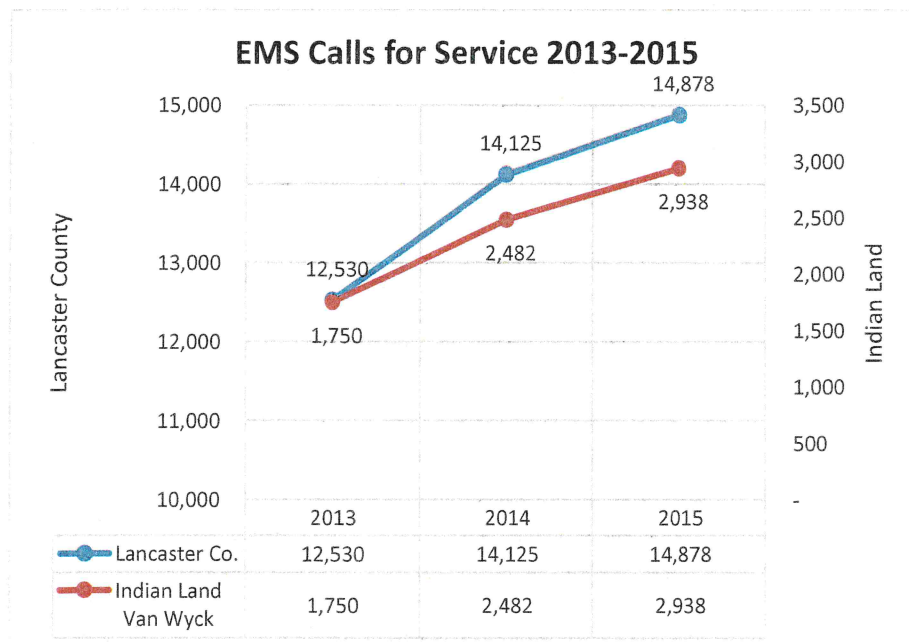
The Charlotte Road/Van Wyck FD station is a new facility that will house existing vehicles and equipment while providing room for a new engine. The Indian Land FD station is a new sub-station that will need a parcel of land (estimated 15% of the construction cost) and new vehicles/equipment. The Pleasant Valley FD station is a re-build to accommodate comprehensive plan goals and to provide expanded space for personnel, vehicles and equipment. The project cost is \$7,300,000.

Fire Department	Land	Projected Facility	Cost
Charlotte Rd/Van Wyck	\$0	\$2,000,000	\$2,000,000
Indian Land	\$300,000	\$2,000,000	\$2,300,000
Pleasant Valley	\$0	\$3,000,000	\$3,000,000
TOTAL			\$7,300,000

Emergency Medical Services (EMS)

Calls for service have increased across the board according to data supplied by Lancaster County Emergency Medical Services and shown in the chart below. The Indian Land/Van Wyck study area saw a steady increase in calls from 2013 to 2015 that resulted in a 67.9% growth rate.

The countywide level of service for ambulances is 1:10,000 population. Based on the location and capacity of existing EMS stations that serve Indian Land/Van Wyck and the projected number of new residents shown in Figure 2, EMS station 4 will need a significant expansion. Plans are under development to re-build this station to accommodate four ambulances for a net increase of three ambulances. An additional ambulance is also designated for EMS station 8 to meet growing demand. The project cost is \$1,511,000.



Projected Facility/Equipment	Cost
4 Ambulances	\$1,000,000
EMS Stations Construction / Relocation	\$511,000
TOTAL	\$1,511,000

Parks & Recreation

Lancaster County Parks & Recreation services and facilities are actively used in Indian Land/Van Wyck by approximately 2,000 participants per week. With the projected 62.3% increase in population over the next decade, the corresponding number of participants in recreation activities is likely to increase at a comparable rate. Therefore, facilities will need to be constructed to meet this demand in order to maintain the current LOS. In anticipation of this demand, the CIP shows the significant upgrades at the Indian Land recreation center to include a gymnasium, playground, picnic shelter and practice fields. The current recreation center is at capacity and additional space will be needed. The project cost is \$5,498,500.

Projected Facility/Equipment	Cost
Gym / Playground / Picnic / Practice Fields	\$5,498,500
TOTAL	\$5,498,500

Library

Lancaster County Library's Del Webb branch serves the Indian Land/Van Wyck community. Although it is the library system's newest facility, it is at capacity and an addition is planned to accommodate the future demand for services at a cost of \$614,000.

Projected Facility/Equipment	Cost
Del Webb Library – addition	\$614,000
TOTAL	\$614,000

OTHER PUBLIC FACILITIES

Transportation

The County's transportation facilities include a system of roads, streets and bridges within the county limits, including rights-of-way, sidewalks, signage and signaling, drainage, curbing and appurtenant facilities.

IMPACT FEE CALCULATION METHODOLOGY

The conceptual basis for the calculation of the proposed impact fees for fire service, emergency medical services, recreation and library for Indian Land/Van Wyck will be addressed in this section. There are generally two approaches for calculating impact fees:

- **System buy-in method** – concentrates on the cost of providing facilities based upon the net equity of the existing assets and is used in cases where facilities have additional excess capacity already in place to serve new growth.
- **Incremental cost method** – concentrates on the cost of adding additional facilities to serve new growth and is used in cases where facilities do not have available capacity to provide service to new customers.

Each of the impact fees was determined based on the incremental cost method and calculated based on a uniform service area. This means that all development will be assessed the same uniform impact fees regardless of the location of the development within the Indian Land/Van Wyck service area. The uniform service area approach is the most appropriate due to the development pattern of Indian Land/Van Wyck, the uniqueness of its panhandle shape due to jurisdictional lines and because it is the most common and defensible approach.

Because Indian Land/Van Wyck is served by three volunteer fire departments—Pleasant Valley, Indian Land and Charlotte Road—their service areas were aggregated for the purposes of this study so that a uniform fire service impact fee could be developed. Emergency medical services are provided by the county-wide system with individual units assigned as first-responders based on districts shown on the accompanying map. Recreation is offered to all residents through a system of public parks, playfields and trails throughout the service area. Library services are provided through the Del Webb Library.

Table 5 - Growth Rates 2010-2025

	Housing Units	% Change	Population	% Change	Employment	% Change
2010	8,008	---	19,729	---	5,901	---
2015	10,715	338%	26,165	32.6%	10,218	72.2%
2020	12,997	21.3%	31,728	21.3%	13,551	32.6%
2025	18,281	35.3%	42,454	33.8%	16,432	21.3%
Net Growth 2015-2025	7,566	70.6%	16,289	62.3%	6,214	60.8%

Sources: US Census Bureau 2010, Table DP04; OnTheMap; Esri Business Analyst; InfoGroup and CRCOG

The number of employees in 2020 and 2025 were projected using the same approximate rate of change as the population growth for the previous 5-year period since job creation tends to lag behind housing growth. This assumption is founded on the notion that the number of employees in Indian Land/Van Wyck will parallel the rate of population growth.

Based on the data shown in **Table 5 – Growth Rates 2010-2025**, Indian Land/Van Wyck can expect to see 7,566 additional housing units, 16,289 new residents and 6,214 new jobs between 2015 and 2025. These figures will be used in each of the following sections to calculate the respective impact fees. Additionally, a large number of Development Agreements have been approved by Lancaster County Council and the projects covered by these contracts are not subject to an impact fee assessment. The resulting effect is that only 1,060 or 14% of the 7,566 proposed new housing units are subject to be charged impact fees.

Service Units

While the impact fees will be determined individually, some common ‘service units’ will be used in the calculation of each fee. The service units are meant to create an equitable assignment of the fees based on the number of new residents and employees projected to demand services from Lancaster County in the future. The residential service unit includes all single- and multi-family homes in Indian Land/Van Wyck. The non-residential service unit has several sub-categories in order to provide for more distinction in allocating the cost per employee based on a service unit that represents the average number of employees per 1,000 square feet of non-residential development.¹ **Appendix A – ITE Employee Space Ratio Calculations** contains the information for non-residential service units used to develop the following impact fees.

Fire Service Impact Fee

The previous discussion and justification for additional fire protection facilities and equipment resulted in the specific need for a new fire station in each of the three fire districts. The table below provides some detail for each district and shows a discount rate based on expansion of existing facilities that already serve existing customers.

Fire Department	Project Cost	Discount	Net Cost
Charlotte Road/Van Wyck	\$2,000,000	0%	\$2,000,000
Indian Land	\$2,300,000	0%	\$2,300,000
Pleasant Valley	\$3,000,000	50%	\$1,500,000
TOTAL			\$5,800,000

The Charlotte Road/Van Wyck FD station is a new facility that will house existing vehicles and equipment while providing room for one new fire engine. The Indian Land FD station is a new sub-station that will need a parcel of land, new vehicles and equipment. The Pleasant Valley FD

¹ Averages based on the study contained in *Trip Generation*, Ninth Edition by the Institute of Transportation Engineers.

station is a re-build/re-location to accommodate comprehensive plan goals and to provide expanded space for personnel, vehicles and equipment.

The proportionate share of the new Pleasant Valley FD station to serve existing customers and accommodate new customers results in a 50-50 share of the projected capital cost of the facility. Therefore, a 50% rate was applied as a discount to the cost estimate resulting in a net cost of \$1,500,000. A review of the fire service calls from January 1, 2015 to June 7, 2016 shows that the average split of residential to non-residential calls is 82:18. Assuming that this trend will continue, the project cost of \$5,800,000 is assigned as 82% residential or \$4,756,000 and 18% non-residential or \$1,044,000.

Residential Fire Service Impact Fee:

$$\text{Cost per Capita} = \frac{\text{Cost of New Facilities } (\$4,756,000)}{\text{Net Population Growth } (16,289)}$$

Based on this analysis, the calculated cost per capita to provide new fire service facilities and equipment is \$291.98.

Example Residential Fire Service Impact Fee:

100-lot Single-family Subdivision:

$$\text{Cost per Capita} \times \text{\# of Households} \times \text{Persons per Household} = \text{Impact Fee}$$

$$\$291.98 \times 100 \times 2.35 = \$68,615.30$$

Non-Residential Fire Service Impact Fee:

$$\text{Cost per Employee} = \frac{\text{Cost of New Facilities } (\$1,044,000)}{\text{Net Employment Growth } (6,214)}$$

Based on this analysis, the calculated cost per employee to provide new emergency medical services facilities and equipment is \$168.01.

Example Non-Residential Fire Service Impact Fee:

10,000 s.f. General Office Building:

$$\text{Cost per Employee} \times \frac{\text{Building size}}{1,000 \text{ s.f.}} \times \text{Employee Space Ratio} = \text{Impact Fee}$$

$$\$168.01 \times \frac{10,000 \text{ s.f.}}{1,000 \text{ s.f.}} \times 3.32 = \text{Impact Fee}$$

$$\$168.01 \times 10 \times 3.32 = \$5,577.93$$

Emergency Medical Services Impact Fee

The emergency medical services impact fee is calculated to recover the capital costs of one new station and four new ambulances in anticipation of increased calls for service based on population and employment projections. This cost is then allocated to new development based on the idea that the relative demand for services from new customers will be proportionally equal to the present demand and that the current staffing levels and available space are now at capacity. Because emergency medical services are location-based, failure to add additional locations will result in a decrease in the present level of service provided by this department.

A discount rate is applied to the construction cost of EMS station 4 since it already has one ambulance and serves a relative share of customers. Increasing its capacity to four ambulances results in a 3:4 ratio or 75% proportionate share of the construction cost of the new station. Therefore, the cost attributable to building the new station is 75% of \$511,000 or \$383,250. The cost of the ambulances is not discounted since all vehicles will be new and not replacements. The discounted projected cost is \$1,383,250.

Residential Emergency Medical Services Impact Fee:

$$\text{Cost per Capita} = \frac{\text{Cost of New Facilities } (\$1,383,250)}{\text{Net Population Growth } (16,289)}$$

Based on this analysis, the calculated cost per capita to provide new emergency medical services facilities and equipment is \$84.92.

Example Residential Emergency Medical Services Impact Fee:

100-lot Single-family Subdivision:

Cost per Capita X # of Households X Persons per Household = Impact Fee

$$\$84.92 \times 100 \times 2.35 = \$19,956.20$$

Non-Residential Emergency Medical Services Impact Fee:

$$\text{Cost per Employee} = \frac{\text{Cost of New Facilities } (\$1,383,250)}{\text{Net Employment Growth } (6,214)}$$

Based on this analysis, the calculated cost per employee to provide new emergency medical services facilities and equipment is \$222.58.

Example Non-Residential Emergency Medical Services Impact Fee:

10,000 s.f. General Office Building:

Cost per Employee X $\frac{\text{Building size}}{1,000 \text{ s.f.}}$ X Employee Space Ratio = Impact Fee

$$\$222.58 \times \frac{10,000 \text{ s.f.}}{1,000 \text{ s.f.}} \times 3.32 = \text{Impact Fee}$$

$$\$222.58 \times 10 \times 3.32 = \$7,389.66$$

Parks & Recreation Impact Fee

Residential customers are the primary users of parks and recreation facilities in Indian Land/Van Wyck. The new facilities that will be constructed to accommodate growth are directly attributed to the proliferation of new residents. The new recreation facilities are estimated to cost \$5,498,500. Therefore, calculating the cost per capita is necessary to determine the proportionate share of the new facilities.

$$\text{Cost per Capita} = \frac{\text{Cost of New Facilities (\$5,498,500)}}{\text{Net Population Growth (16,289)}}$$

Based on this analysis, the calculated cost per capita to construct the new parks and recreation facilities is \$337.56.

**Table 6 - Maximum Allowable Impact Fee Schedule
Parks & Recreation**

Housing Category	Cost per Person	Persons per Household	Maximum Allowable Impact Fee
Single-family (Attached or Detached)	\$337.56	2.35	\$793.27
Mobile Home	\$337.56	2.53	\$854.03
Multi-family (2 or more units)	\$337.56	1.12	\$378.07

Example Residential Parks & Recreation Impact Fee:

100-lot Single-family Subdivision:

Cost per Capita X # of Households X Persons per Household = Impact Fee

$$\$337.56 \times 100 \times 2.35 = \$79,326.60$$

Library Facilities Impact Fee

Residential customers are the primary users of library facilities in Indian Land/Van Wyck. The new facilities that will be constructed to accommodate growth are directly attributed to the proliferation of new residents. The new library addition is estimated to cost \$614,000. Therefore, calculating the cost per capita is necessary to determine the proportionate share of the new facilities.

$$\text{Cost per Capita} = \frac{\text{Cost of New Facilities (\$614,000)}}{\text{Net Population Growth (16,289)}}$$

Based on this analysis, the calculated cost per capita to construct the new library addition is \$37.69.

A maximum allowable impact fee schedule was developed to quantify a fair share for each housing category based on persons per household.

**Table 7 - Maximum Allowable Impact Fee Schedule
Library Facilities**

Housing Category	Cost per Person	Persons per Household	Maximum Allowable Impact Fee
Single-family (Attached or Detached)	\$37.69	2.35	\$88.57
Mobile Home	\$37.69	2.53	\$95.36
Multi-family (2 or more units)	\$37.69	1.12	\$42.21

Example Library Facilities Impact Fee:

100-lot Single-family Subdivision:

Cost per Capita X # of Households X Persons per Household = Impact Fee

$$\$37.69 \times 100 \times 2.35 = \$8,857.15$$

**Table 8 - Summary of Impact Fees
Cost per Person and Employee**

Impact Fee	Project Cost	Cost per Person	Cost per Employee
Emergency Medical Services	\$1,383,250	\$84.92	\$222.58
Fire Service	\$5,800,000	\$291.98	\$168.01
Library Facilities	\$614,000	\$37.69	-
Parks & Recreation	\$5,498,500	\$337.56	-
TOTALS	\$13,295,750	\$752.15	\$390.59

The following examples are for illustrative purposes only.

Typical Single-family Impact Fee

Cost per Person	\$752.15
Persons per Household	2.35
TOTAL	\$1,767.55

Typical General Office Impact Fee

Cost per Employee	\$390.59
Employee Space Ratio	3.32
Building Size (square feet)	10,000
TOTAL	\$12,967.59

DISCOUNT RATE

Lancaster County Council may choose to apply a discount rate to the maximum allowable impact fees presented herein. The discount rate could be used to provide a reasonable fee for continued residential or non-residential investment or to ensure that impact fees collected for county facilities do not exceed the cost of providing capital improvements identified to accommodate new growth.

Maximum allowable impact fees may be adopted at less than 100% of the amounts presented in previous sections. The discount rate does not need to be the same across all four impact fee

categories; however, a discount rate for any one impact category must be applied uniformly across all the land use categories represented in the schedule.

AFFORDABLE HOUSING

The South Carolina Development Impact Fee Act specifically mandates that local governments understand the effect that impact fees will have, if any, on affordable housing in their jurisdictions. Under SC Law, affordable housing is defined as:

“housing affordable to families whose incomes do not exceed eighty percent of the median income for the service area or areas within the jurisdiction of the governmental entity.”

In May 2007, the South Carolina Priority Investment Act further refined the definition of affordable housing to read:

‘Affordable housing’ means in the case of dwelling units for sale, housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than twenty eight [28%] percent of the annual household income for a household earning no more than eighty percent [80%] of the area median income, by household size, for the metropolitan statistical area as published from time to time by the U.S. Department of Housing and Community Development (HUD) and, in the case of dwelling units for rent, housing for which the rent and utilities constitute no more than thirty percent [30%] of the annual household income for a household earning no more than eighty percent [80%] of the area median income, by household size for the metropolitan statistical area as published from time to time by HUD.

Household Income

The median annual household income reported for the study area is \$61,076 (US Census Bureau, 2011-2015 American Community Survey). Annual household income assumed for a family making 80% of the reported median is \$48,861. This would translate to a monthly household income of \$4,072 for these families.

Cost of Homeownership

Purchase Price:

The median home value was used to estimate the purchase price of a home. The American Community Survey estimates the median value of a home is \$245,300 (US Census Bureau, 2011-2015 American Community Survey).

Mortgage Payment:

A conventional, fixed-rate 30-year mortgage was used to estimate typical monthly costs of principle and interest on a home loan. The down payment was assumed to be 20% of the

purchase price ($\$245,300 \times 20\% = \$49,060$). The loan amount for the mortgage was determined by subtracting the down payment from the purchase price ($\$245,300 - \$49,060 = \$196,240$). An interest rate of 3.75% was assumed according to the current rate at www.bankrate.com. The estimated monthly payment for this mortgage is \$908.82.

Property Tax:

The Lancaster County Tax Assessor calculates property tax using a millage rate of 0.1635 per \$1,000 of value for residential properties that are owner-occupied. For this analysis, property taxes for a home valued at \$245,300 would be \$1,604.26 or \$133.69 per month.

Electric Utilities:

According to Electricity Local, the electricity rate in Lancaster County is 9.84¢/kWh. The average electricity consumption in South Carolina is 1,119kWh/month. This would result in a monthly bill of approximately \$110. (www.electricitylocal.com/states/south-carolina/lancaster/)

Water & Sewer:

Lancaster County Water and Sewer District is the primary service provider in the study area. A typical residential customer's average consumption is 4,500 gallons per month and results in a monthly charge of \$71.70 based on current rates.

Storm Water Fee:

Lancaster County will begin collecting a residential stormwater fee of \$75/year (\$6.25/month) on January 1, 2018.

Telephone, Cable & Internet:

Comporium is the primary provider for telephone, cable and internet services in Lancaster County. The Comporium website estimates the following fees for services in Lancaster County zip codes: Telephone - \$15.37 per month, Cable (Basic) - \$15.95 per month, and Internet (Entry Package) - \$34.94 per month. (www.comporium.com)

Homeowners Insurance:

Homeowners insurance provides financial protection against natural disasters. It generally insures the home and the belongings in it. The price of homeowners insurance varies depending on the location of the home, deductible levels, size of the home and the insurance company providing the policy. The average cost of homeowners insurance for a home in Lancaster County in the price range of \$200,000-\$249,999 is \$1,338 per year or \$112 per month. (www.vhomeinsurance.com)

**Table 9 - Estimated Monthly Cost
Owner-Occupied Single-Family Residential**

Category	No Impact Fees	With Impact Fees
Purchase Price	\$245,300	\$245,300
Single-Family Residential Impact Fee	-	\$1,768
Down Payment	\$49,060	\$49,414
Loan Amount	\$196,240	\$197,654
Loan Length (Years)	30	30
Yearly Interest Rate	3.75%	3.75%
Mortgage Payment	\$908.82	\$915.37
Property Tax	\$133.69	\$133.69
Electric, Water and Sewer Utilities	\$181.70	\$181.70
Telephone, Cable and Internet	\$66.26	\$66.26
Storm Water Fee	\$6.25	\$6.25
Fire Service Fee*	\$6.25	\$6.25
Homeowners Insurance	\$112.00	\$112.00
Total Monthly Cost	\$1,414.97	\$1,421.52

*Indian Land and Pleasant Valley fire districts only.

Cost of Renting

The cost of renting a multi-family unit was estimated based on information from the US Census Bureau. The median gross rent (including all utilities and rental insurance) in the study area was estimates as \$1,118 (US Census Bureau, 2011-2015 American Community Survey, Table B25064).

Table 10 - Maximum Allowable Impact Fees

Impact Fee Category	Per Capita	Owner-Occupied	Renter-Occupied
Emergency Medical Services	\$84.92	\$199.56	\$95.11
Fire Service	\$291.98	\$686.15	\$327.02
Library Facilities	\$37.69	\$88.57	\$42.21
Parks & Recreation	\$337.56	\$793.27	\$378.07
Total Fees	\$752.15	\$1,767.55	\$842.41

Cost Burden Analysis

Cost burden for affordable housing is measured as the ratio between payments for housing (including property taxes, fees, utilities and insurance) and reported gross household income. A cost burden analysis for Indian Land/Van Wyck was prepared for residents that purchase single-family residences and residents that rent multi-family units. Average monthly income was used to compute maximum allowable monthly payments for buying or renting a home. For the study area, a cost burden ratio of 30% for owner-occupied housing and 28% for renter-occupied housing was used to calculate housing affordability.

Cost Burden Analysis with No Impact Fees

Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$4,072	\$1,415	34.7%
Renter-Occupied	\$4,072	\$1,118	27.5%

Based on these figures, renter-occupied housing is affordable to residents in the study area, however, owner-occupied housing costs exceed the threshold of affordability. This situation remains unchanged after calculating the monthly cost of impact fees for both groups as noted in the table below. Under current conditions, owner-occupied housing in the study area is not affordable for households earning 80% or less than the median family income based on the HUD maximum of 30% of monthly income.

Cost Burden Analysis with Impact Fees

Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$4,072	\$1,422	34.9%
Renter-Occupied*	\$4,072	\$1,141	28.0%

* Monthly cost assumes 36-month payback period for landlord to recoup impact fees.

Conclusion

The South Carolina Development Impact Fee Act requires preparation of a report that estimates the effect of imposing development impact fees on the affordability of housing in the jurisdiction or study area. The results of this analysis determined that the impact fees would increase the monthly cost burden by \$7 (0.46% change) for owner-occupied housing and \$23 for renter-occupied housing (2.09% change).

Appendix A

ITE Employee Space Ratio Calculations

Land Use Category	ITE Code	Units	Reported Trips per Unit	Reported Trips per Employee	Employee Space Ratio
Hotel/Motel					
Hotel	310	room	8.17	14.34	0.57
Business Hotel	312	room	7.27	72.67	0.10
Recreational					
Golf Course	430	hole	35.74	20.52	1.74
Multiplex Movie Theater	445	1,000 s.f.	4.91	4.45	1.10
Institutional					
Elementary School	520	1,000 s.f.	15.43	15.71	0.98
Middle/Junior High School	522	1,000 s.f.	13.78	16.39	0.84
High School	530	1,000 s.f.	12.89	19.74	0.65
Junior/Community College	540	1,000 s.f.	27.49	15.55	1.77
University/College	550	student	1.71	8.96	0.19
Day Care Center	565	1,000 s.f.	74.06	26.73	2.77
Library	590	1,000 s.f.	56.24	52.52	1.07
Medical					
Hospital	610	bed	12.94	4.50	2.88
Nursing Home	620	bed	2.74	3.26	0.84
Assisted Living	254	bed	2.66	3.93	0.68
Clinic	630	1,000 s.f.	31.45	8.01	3.93
Medical/Dental Office	720	1,000 s.f.	36.13	8.91	4.05
Commercial-Office					
General Office Building	710	1,000 s.f.	11.03	3.32	3.32
Office Park	750	1,000 s.f.	11.42	3.50	3.26
Business Park	770	1,000 s.f.	12.44	4.04	3.08
Commercial-Retail					
Shopping Center	820	1,000 s.f.	42.70	N/A	2.22*
Building Materials/Lumber Store	812	1,000 s.f.	45.16	32.12	1.41
Free Standing Discount Store	815	1,000 s.f.	57.24	28.84	1.98
Nursery/Garden Center	817	1,000 s.f.	68.10	21.83	3.12
New Car Sales Center	841	1,000 s.f.	32.30	21.14	1.53
Tire Store	848	1,000 s.f.	24.87	5.03	4.94
Supermarket	850	1,000 s.f.	102.24	92.74**	1.10
Furniture Store	890	1,000 s.f.	5.06	12.19	0.42
Industrial					
General Light Industrial	110	1,000 s.f.	6.97	3.02	2.31
General Heavy Industrial	120	1,000 s.f.	1.50	0.82	1.83
Industrial Park	130	1,000 s.f.	6.83	3.34	2.04
Warehousing	150	1,000 s.f.	3.56	3.89	0.92
Services					
Drive-In Bank	912	1,000 s.f.	148.15	30.94	4.79
High-Turnover Sit Down Restaurant	932	1,000 s.f.	127.15	N/A	5.64*
Fast Food w/ Drive-Thru Window	934	1,000 s.f.	496.12	N/A	5.00*

Notes:

*An employee space ratio could not be calculated using rates published in ITE's Trip Generation Manual. The employee ratio used in this analysis was developed by TischlerBise as part of the Development Impact Fee Study completed in May 2002.

**An employee space ratio could not be calculated using rates published in ITE's Trip Generation Manual. The employee ratio used in this analysis was developed by Stantec as part of the Development Impact Fee Study prepared for the Town of Fort Mill in 2015.

SUMMARY TABLE-UPDATED

Impact Fee	Project Cost	Cost per Person	Cost per Employee
Emergency Medical Services	\$1,383,250	\$84.92	\$222.58
Fire Service	\$5,800,000	\$291.98	\$167.99
Library Facilities	\$614,000	\$37.69	-
Parks & Recreation	\$5,498,500	\$337.56	-
TOTALS	\$13,295,750	\$752.15	\$390.57

Typical Single-family Impact Fee

Cost per Person	\$752.15
Persons per Household	2.35
TOTAL	\$1,767.55

Typical General Office Impact Fee

Emergency Medical Services	\$222.58
Fire Service	\$167.99
Cost per Employee	\$390.57
Employee Space Ratio	3.32
Building Size (s.f.)	10,000
TOTAL	\$12,966.92

Typical Commercial (Discount Store) Impact Fee

Emergency Medical Services	\$222.58
Fire Service	\$167.99
Cost per Employee	\$390.57
Employee Space Ratio	1.98
Building Size (s.f.)	10,000
TOTAL	\$7,733.29

Dollar General

Typical Industrial Park Impact Fee

Emergency Medical Services	\$222.58
Fire Service	\$167.99
Cost per Employee	\$390.57
Employee Space Ratio	2.04
Building Size (s.f.)	60,000
TOTAL	\$47,805.77

Spec. building in a business park

Typical Service (Fast Food w/ Drive-thru) Impact Fee

Emergency Medical Services	\$222.58
Fire Service	\$167.99
Cost per Employee	\$390.57
Employee Space Ratio	5.00
Building Size (s.f.)	4,000
TOTAL	\$7,811.40

Chick-Fil-A

Agenda Item Summary

Ordinance # / Resolution#:	Discussion Item
Contact Person / Sponsor:	Steve Willis
Department:	Administration
Date Requested to be on Agenda:	November Administration Committee

Issue for Consideration:

Request by Time Warner to serve the remaining portion of Lancaster County they do not currently serve.

Points to Consider:

This request per state law is coming through the Secretary of States Office.

Statutory questions from Secretary of State – current franchise fee is 5% as found in SC Code 58-12-330(A) and we have two (2) public/educational/ and governmental access channels.

If Council objects a reason for such must be stated.

Comporium has been notified of the request.

Funding and Liability Factors:

N/A

Council Options:

Consent to the request or file an objection.

Staff Recommendation:

I know of no reason to object.

Committee Recommendation:

To be determined.

State of South Carolina
Office of the Secretary of State
The Honorable Mark Hammond

1205 PENDLETON STREET, SUITE 525
COLUMBIA, SC 29201

803-734-2170
www.sos.sc.gov



October 3, 2017

Steve Willis, County Administrator
Lancaster County
101 N. Main St.
Lancaster, SC 29720

RE: Amend a State-Issued Certificate

Dear Mr. Willis:

Enclosed please find a Notice of Application for a State-Issued Certificate of Franchise Authority and Request for Information. This Notice is in regards to an Application for a State-Issued Certificate of Franchise Authority filed with this office by Time Warner Cable Southeast LLC, a copy of which is attached.

S.C. Code Ann., Section 58-12-310(C) requires that, within five days of receipt of an application or amended application, the Secretary of State must notify each affected municipality and county of its receipt of the application and request certain information. Section 58-12-310(D) provides that the county or municipality must respond to the request issued by the Secretary of State within sixty-five (65) days of the date of such request. Please return the Notice, completed, dated and signed, to the address on the filing instructions.

If you have any questions, please contact me at (803) 734-0367.

With kindest regards,

Allyson Green

/amg

Enclosures

STATE OF SOUTH CAROLINA
SECRETARY OF STATE



NOTICE OF APPLICATION FOR STATE-ISSUED CERTIFICATE
OF FRANCHISE AUTHORITY AND REQUEST FOR INFORMATION

Pursuant to S.C. Code Section 58-12-310(C), the Secretary of State hereby notifies you that:
On October 3, 2017, Time Warner Cable Southeast LLC filed an application with this Office for a state-issued certificate of franchise authority or an application to amend a certificate of franchise authority to provide cable or video service in your area. Attached is a copy of the application including a description of the area(s) to be served.

You must complete and return this form to the Office of the Secretary of State within sixty-five (65) days from the date of this request. This form must be received by the Secretary of State's Office no later than December 7, 2017.

1. What is the franchise fee rate imposed on the incumbent cable or video service provider, if any, as of the date of the application or amended application?

2. How many public, educational, and governmental (PEG) access channels does your municipality or county have activated under the incumbent cable or video provider's franchise agreement on the date of the application or amended application?

3. Does your municipality or county consent to the state-issued certificate of franchise authority sought in the application or amended application?

☐ Yes.

☐ No.

If your municipality or county does not consent to the authority sought, you must provide an explanation of the reasons for the denial of the requested consent.

Date _____

Signature of Chief Executive of City or County

Type or Print Name

Address

Telephone Number

FILING INSTRUCTIONS

1. This completed form must be returned to the Secretary of State within sixty-five (65) calendar days of the date of the request.
2. If the space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form.
3. Return to: Secretary of State
Attn: Cable Franchise Division
1205 Pendleton Street, Suite 525
Columbia, SC 29201

SPECIAL NOTES

PURSUANT TO STATE LAW, A PERSON OR ENTITY SEEKING TO PROVIDE CABLE OR VIDEO SERVICE MUST HAVE A CERTIFICATE OF FRANCHISE AUTHORITY, EITHER AN EXISTING CERTIFICATE ISSUED BY A LOCAL GOVERNMENT UNDER PRIOR LAW, OR UPON EXPIRATION OF THAT CERTIFICATE ISSUED BY A LOCAL GOVERNMENT, A STATE-ISSUED CERTIFICATE OF FRANCHISE AUTHORITY ISSUED BY THE SECRETARY OF STATE UNDER S.C. CODE OF LAWS §58-12-310(B).

PURSUANT TO S.C. CODE §58-12-310(B)(3), A HOLDER OF A STATE-ISSUED CERTIFICATE OF FRANCHISE AUTHORITY MUST BEGIN TO DEPLOY SERVICE IN EACH OF THE MUNICIPALITIES AND IN EACH OF THE UNINCORPORATED AREAS OF COUNTIES DESCRIBED IN THE APPLICATION WITHIN ONE YEAR FROM THE DATE OF ISSUANCE OR THE CERTIFICATE BECOMES NULL AND VOID.

PURSUANT TO S.C. CODE §58-12-310(K), THE HOLDER OF A STATE-ISSUED CERTIFICATE OF FRANCHISE AUTHORITY MUST GIVE WRITTEN NOTIFICATION TO A MUNICIPALITY OR COUNTY OF THE DATE IT WILL ACTUALLY BEGIN PROVIDING SERVICE IN ANY PART OF SUCH MUNICIPALITY OR COUNTY.

STATE OF SOUTH CAROLINA
SECRETARY OF STATE



APPLICATION TO AMEND A STATE-ISSUED
CERTIFICATE OF FRANCHISE AUTHORITY

RECEIVED

OCT 03 2017

SC SECRETARY
OF STATE

Pursuant to state law, a person or entity seeking to provide cable or video service must have a certificate of franchise authority, either an existing certificate issued by a local government under prior law, or upon expiration of that certificate issued by a local government, a state-issued certificate of franchise authority issued by the Secretary of State under S.C. Code of Laws §58-12-310(B).

TYPE OR PRINT CLEARLY WITH BLACK INK

Pursuant to S.C. Code Section 58-12-310(B), the undersigned hereby applies for authorization to amend its state-issued certificate of franchise authority to provide cable or video service.

1. The name of the applicant is Time Warner Cable-Southeast-LLC

2. The applicant is providing ☒ Cable Service OR ☐ Video Service

3. The street address of the applicant is 3347 Platt Springs Road

		Street Address	
West Columbia	Lexington	SC	29170
City	County	State	Zip Code

The mailing address of the applicant is 3347 Platt Springs Road West Columbia SC 29170

3. Date Certificate of Franchise Authority issued by S.C. Secretary of State October 3, 2012

4. The additional municipalities and unincorporated areas of counties that are proposed to be served by the applicant are to be described in the accompanying Affidavit in Support of State-Issued Certificate of Franchise Authority. For each of the additional municipalities and unincorporated areas of counties so described, provide the name, address and telephone number for the person to whom the Notice of Application to Amend a State-Issued Certificate of Franchise Authority should be provided.

Municipality/Area	Name & Title	Address	Telephone Number
Lancaster County	Steve Willis, County Administrator	101 N. Main St. Lancaster SC 29720	803-416-9300

6. This application is accompanied by an affidavit signed by an officer or general partner of the applicant as required by S.C. Code Section 58-12-310(B).

Date

October 3, 2017

Officer/General Partner's Signature

Benjamin Breazeale

Type or Print Name

3347 Platt Springs Road

Address

West Columbia SC 29170

803-251-5320

Telephone Number

AFFIDAVIT IN SUPPORT OF APPLICATION TO AMEND
STATE-ISSUED CERTIFICATE OF FRANCHISE AUTHORITY

PERSONALLY appeared before me the undersigned who being duly sworn according to law, deposes and says on oath:

My name is Benjamin Breazeale and my title/position is
Regional Sr. Director of Government Affairs-South Region. This affidavit is
based upon my personal knowledge of the facts contained in the Application to Amend the State-Issued
Certificate of Franchise Authority and this affidavit. I certify and affirm that all such facts are true and
correct. I affirm that the applicant agrees to comply with all applicable federal and state laws and
regulations.

In this application the applicant seeks to provide cable or video services in the following additional
areas:

Lancaster County

(Written description of the additional municipalities and unincorporated areas of the counties to be served in whole or in part.
A map or other graphic representation may supplement, but not substitute for, the written description.)

Dated this 3rd day of October, 2017.

SWORN to and subscribed before me, this
3rd day of October, 2017

[Signature]

Notary Public for South Carolina
My Commission Expires: _____

My Commission Expires
February 13, 2018

[Signature]
Officer/General Partner's Signature

Benjamin Breazeale
Type or Print Name

3347 Platt Springs Road
Address
West Columbia SC 29170

803-251-5320
Telephone Number

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or conformed copy, must be filed.
2. If the space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form.
3. Filing Fee (payable to the Secretary of State at the time of filing this document) - \$110.00

Return to: South Carolina Secretary of State
ATTN: Cable Franchise Division
1205 Pendleton Street, Suite 525
Columbia, SC 29201

SPECIAL NOTES

PURSUANT TO STATE LAW, A PERSON OR ENTITY SEEKING TO PROVIDE CABLE OR VIDEO SERVICE MUST HAVE A CERTIFICATE OF FRANCHISE AUTHORITY, EITHER AN EXISTING CERTIFICATE ISSUED BY A LOCAL GOVERNMENT UNDER PRIOR LAW, OR UPON EXPIRATION OF THAT CERTIFICATE ISSUED BY A LOCAL GOVERNMENT, A STATE-ISSUED CERTIFICATE OF FRANCHISE AUTHORITY ISSUED BY THE SECRETARY OF STATE UNDER S.C. CODE OF LAWS §58-12-310(B).

PURSUANT TO S.C. CODE §58-12-310(B)(3), A HOLDER OF A STATE-ISSUED CERTIFICATE OF FRANCHISE AUTHORITY MUST BEGIN TO DEPLOY SERVICE IN EACH OF THE MUNICIPALITIES AND IN EACH OF THE UNINCORPORATED AREAS OF COUNTIES DESCRIBED IN THE APPLICATION WITHIN ONE YEAR FROM THE DATE OF ISSUANCE OR THE CERTIFICATE BECOMES NULL AND VOID.

PURSUANT TO S.C. CODE §58-12-310(K), THE HOLDER OF A STATE-ISSUED CERTIFICATE OF FRANCHISE AUTHORITY MUST GIVE WRITTEN NOTIFICATION TO A MUNICIPALITY OR COUNTY OF THE DATE IT WILL ACTUALLY BEGIN PROVIDING SERVICE IN ANY PART OF SUCH MUNICIPALITY OR COUNTY.

S.C. CODE §58-12-360 PROVIDES THAT THE S.C. DEPARTMENT OF CONSUMER AFFAIRS MUST RECEIVE COMPLAINTS FROM CUSTOMERS OF COMPANIES WHICH HOLD A STATE-ISSUED CERTIFICATE OF FRANCHISE AUTHORITY IN ACCORDANCE WITH S.C. CODE §37-6-117. CONTACT INFORMATION FOR THE DEPARTMENT OF CONSUMER AFFAIRS MUST BE PRINTED ON THE CUSTOMER'S BILL.

Agenda Item Summary

Ordinance # / Resolution#:	Action Item
Contact Person / Sponsor:	Steve Willis
Department:	Administration
Date Requested to be on Agenda:	All November Council Committees November 27, 2017 Council Meeting

Issue for Consideration:

Adoption of Lancaster County 2018 calendar.

Points to Consider:

We are required by state law to adopt and publish an annual calendar.

This version has been reviewed by applicable departments and Boards. It needs to be reviewed by the three Council Committees prior to coming to Council..

Nothing prevents the calendar from being amended at a later date.

Funding and Liability Factors:

N/A

Council Options:

Approve as presented or amend the 2018 calendar. One must be adopted.

Staff Recommendation:

Approve as presented. A motion and vote by Council is needed.

Committee Recommendation:

To be determined.

Lancaster County Meeting and Holiday Schedule

Anyone requiring special services to attend any meeting should contact 803-285-1565 at least 24 hours in advance of the meeting

County Council meets the second and fourth Monday in the County Administration Building Council Chambers, 101 North Main Street, Lancaster, South Carolina at 6:00 p.m. *Please Note: There is only one meeting scheduled in July. It will be the 3rd Monday.

January	Monday	January 8, 2018	July	Monday	July 16, 2018
	Monday	January 22, 2018		*changed to the 3 rd	Monday of the month**
February	Monday	February 12, 2018	August	Monday	August 13, 2018
	Monday	February 26, 2018		Monday	August 27, 2018
March	Monday	March 12, 2018	September	Monday	September 10, 2018
	Monday	March 26, 2018		Monday	September 24, 2018
April	Monday	April 09, 2018	October	Monday	October 08, 2018
	Monday	April 23, 2018		Monday	October 22, 2018
May	Monday	May 14, 2018	November	Monday	November 12, 2018
	Monday	May 28, 2018		Monday	November 26, 2018
June	Monday	June 11, 2018	December	Monday	December 10, 2018
	Monday	June 25, 2018		December 24, 2018	MEETING
					CANCELLED (Christmas Holidays)

The Lancaster County Community Relations Commission meets the third Thursday at the Marine Corps League Lodge, 347 East Brooklyn Ave Lancaster, South Carolina at 6:30 p.m.

January	Thursday	January 18, 2018	June	Thursday	June 28, 2018
February	Thursday	February 15, 2018	August	Thursday	August 16, 2018
March	Thursday	March 15, 2018	September	Thursday	September 20, 2018
April	Thursday	April 19, 2018	October	Thursday	October 18, 2018
May	Thursday	May 17, 2018	November	Thursday	November 15, 2018
June	Thursday	June 21, 2018	December	Thursday	December 20, 2018

The Lancaster County Fire Commission meets the first Thursday in the Emergency Operations Center, 111 Covenant Place, Lancaster, South Carolina at 7:00 pm.

January	Thursday	January 4 2018	July	Thursday	July 05, 2018
February	Thursday	February 01, 2018	August	Thursday	August 02, 2018
March	Thursday	March 01, 2018	September	Thursday	September 06, 2018
April	Thursday	April 05, 2018	October	Thursday	October 04, 2018
May	Thursday	May 03, 2018	November	Thursday	November 01, 2018
June	Thursday	June 07, 2018	December	Thursday	December 06, 2018

The Lancaster County Health and Wellness Commission meets the second Wednesday – EVERY OTHER MONTH, at the Lancaster Council on Aging Building, 309 S. Plantation Road, Lancaster, South Carolina at 11:45 am.

February	Wednesday	February 14, 2018	August	Wednesday	August 8, 2018
April	Wednesday	April 11, 2018	October	Wednesday	October 10, 2018
June	Wednesday	June 13, 2018	December	Wednesday	December 12, 2018

The Lancaster County Historical Commission meets the second Tuesday at the Lancaster County Historic Courthouse, 100 North Main Street, Lancaster, South Carolina at 6:00 pm, and at other times at the call of the chair.

January	Tuesday	January 09, 2018	July	Tuesday	July 10, 2018
February	Tuesday	February 13, 2018	August	Tuesday	August 14, 2018
March	Tuesday	March 13, 2018	September	Tuesday	September 11, 2018
April	Tuesday	April 10, 2018	October	Tuesday	October 09, 2018
May	Tuesday	May 08, 2018	November	Tuesday	November 13, 2018
June	Tuesday	June 12, 2018	December	Tuesday	NO MEETING SCHEDULED

The Indian Land Fire Protection District Commission meets the 3rd Wednesday of each month at the Indian Land Fire Station, 285 Six Mile Creek Road, Indian Land, South Carolina at 7:00 pm.

January	Wednesday	January 17, 2018	July	Wednesday	July 18, 2018
February	Wednesday	February 21, 2018	August	Wednesday	August 15, 2018
March	Wednesday	March 21, 2018	September	Wednesday	September 19, 2018
April	Wednesday	April 18, 2018	October	Wednesday	October 17, 2018
May	Wednesday	May 16, 2018	November	Wednesday	November 21, 2018
June	Wednesday	June 20, 2018	December	Wednesday	December 19, 2018

The Lancaster County Library Board meets the last Tuesday of the month, every other month, at the County Library, 313 South White Street, Lancaster, South Carolina at 6:30 pm.

January	Tuesday	January 30, 2018
March	Tuesday	March 27, 2018
May	Tuesday	May 29, 2018
July	Tuesday	July 31, 2018
September	Tuesday	September 25, 2018
November	Tuesday	November 27, 2018

The Lancaster Planning Commission meets in the County Administration Building, 101 North Main Street, Lancaster, South Carolina at 5:00 pm on the first Thursday for Work Session/ 6:30 pm on the third Tuesday for Regular Meeting.

January	Work Session	Thursday	January 4, 2018
	Regular Meeting	Tuesday	January 16, 2018
February	Work Session	Thursday	February 1, 2018
	Regular Meeting	Tuesday	February 20, 2018
March	Work Session	Thursday	March 1, 2018
	Regular Meeting	Tuesday	March 20, 2018
April	Work Session	Thursday	April 5, 2018
	Regular Meeting	Tuesday	April 17, 2018
May	Work Session	Thursday	May 3, 2018
	Regular Meeting	Tuesday	May 15, 2018
June	Work Session	Thursday	June 7, 2018
	Regular Meeting	Tuesday	June 19, 2018
July	Work Session	Thursday	July 5, 2018
	Regular Meeting	Tuesday	July 17, 2018
August	Work Session	Thursday	August 2, 2018
	Regular Meeting	Tuesday	August 21, 2018
September	Work Session	Thursday	September 6, 2018
	Regular Meeting	Tuesday	September 18, 2018
October	Work Session	Thursday	October 4, 2018
	Regular Meeting	Tuesday	October 16, 2018
November	Work Session	Thursday	November 1, 2018
	Regular Meeting	Tuesday	November 20, 2018
December	Work Session	Thursday	December 6, 2018
	Regular Meeting	Thursday	December 18, 2018

The Pleasant Valley Fire Protection District Commission meets on the third Tuesday at the Pleasant Valley Fire Station #1, 9370 Possum Hollow Road, Indian Land, South Carolina at 7:00 pm.

January	Tuesday	January 16, 2018	July	Tuesday	July 17, 2018
February	Tuesday	February 20, 2018	August	Tuesday	August 21, 2018
March	Tuesday	March 20, 2018	September	Tuesday	September 18, 2018
April	Tuesday	April 17, 2018	October	Tuesday	October 16, 2018
May	Tuesday	May 15, 2018	November	Tuesday	November 20, 2018
June	Tuesday	June 19, 2018	December	Tuesday	December 18, 2018

The Lancaster Joint Recreation Commission meets on the second Tuesday in the Springdale Recreation Center, 260 South Plantation Road, Lancaster, South Carolina at 6:30 pm. Special meetings are held at the call of the chair.

January	Tuesday	January 09, 2018	July	NO MEETING SCHEDULED	
February	Tuesday	February 13, 2018	August	Tuesday	August 14, 2018
March	Tuesday	March 13, 2018	September	Tuesday	September 11, 2018
April	Tuesday	April 10, 2018	October	Tuesday	October 09, 2018
May	Tuesday	May 08, 2018	November	Tuesday	November 13, 2018
June	Tuesday	June 12, 2018	December	Tuesday	December 12, 2018

The Lancaster County Board of Zoning Appeals meets on the 1st Tuesday in the County Administration Building, 101 North Main Street, Lancaster, South Carolina at 6:00 pm.

January	Tuesday	January 02, 2018	July	Tuesday	July 03, 2018
February	Tuesday	February 06, 2018	August	Tuesday	August 07, 2018
March	Tuesday	March 06, 2018	September	Tuesday	September 04, 2018
April	Tuesday	April 03, 2018	October	Tuesday	October 02, 2018
May	Tuesday	May 01, 2018	November	Tuesday	November 06, 2018
June	Tuesday	June 05, 2018	December	Tuesday	December 04, 2018

The following Boards or Commissions meet at the call of the Chair:

Lancaster County Airport Commission
 Lancaster County Board of Assessment Appeals
 Lancaster County Construction Board of Appeals
 Lancaster County Fire Code Appeals Board
 Lancaster County Transportation Commission

Council Standing Committees

The Public Safety Committee will now meet the Tuesday following the 1st Council Meeting of the month in the County Administration Building, Council Conference Room, 101 N. Main Street, Lancaster, South Carolina at 5:00 p.m., and at other times as called by the Chair.

January	Tuesday	January 09, 2018	July	Tuesday	July 17, 2018
February	Tuesday	February 13, 2018	August	Tuesday	August 14, 2018
March	Tuesday	March 13, 2018	September	Tuesday	September 11, 2018
April	Tuesday	April 10, 2018	October	Tuesday	October 09, 2018
May	Tuesday	May 15, 2018	November	Tuesday	November 13, 2018
June	Tuesday	June 12, 2018	December	Tuesday	December 11, 2018

The Infrastructure and Regulation Committee meets on the Tuesday following the 1st Council Meeting of the month in the County Administration Building, Council Conference Room, 101 N. Main Street, Lancaster, South Carolina at 3:00 p.m., and at other times as called by the Chair.

January	Tuesday	January 09, 2018	July	Tuesday	July 17, 2018
February	Tuesday	February 13, 2018	August	Tuesday	August 14, 2018
March	Tuesday	March 13, 2018	September	Tuesday	September 11, 2018
April	Tuesday	April 10, 2018	October	Tuesday	October 09, 2018
May	Tuesday	May 15, 2018	November	Tuesday	November 13, 2018
June	Tuesday	June 12, 2018	December	Tuesday	December 11, 2018

The Administration Committee meets on the Thursday following the 1st Council Meeting of the month in the County Administration Building, Council Conference Room, 101 N. Main Street, Lancaster, South Carolina at 6:00 p.m., and at other times as called by the Chair.

January	Thursday	January 11, 2018	August	Thursday	August 16, 2018
February	Thursday	February 15, 2018	September	Thursday	September 13, 2018
March	Thursday	March 15, 2018	October	Thursday	October 11, 2018
April	Thursday	April 12, 2018	November	Thursday	November 15, 2018
May	Thursday	May 17, 2018	December	Thursday	December 13, 2018
June	Thursday	June 14, 2018			
July	Thursday	July 19, 2018			

HOLIDAY OBSERVANCES FOR THE YEAR 2017

Holiday	Date Observed
New Year's Day	Monday, January 1, 2018
Martin Luther King Day	Monday, January 15, 2018
Easter Monday	Monday, April 02, 2018
Memorial Day	Monday, May 28, 2018
Independence Day	Wednesday, July 4, 2018
Labor Day	Monday, September 3, 2018
Thanksgiving Day Day After Thanksgiving	Thursday, November 22, 2018 and Friday, November 23, 2018
Christmas Eve Christmas Day Day after Christmas	Monday, December 24, 2018 Tuesday, December 25, 2018 Wednesday, December 26, 2018
New Year's Day 2019	Tuesday, January 1, 2019

Agenda Item Summary

Ordinance # / Resolution#:	Discussion Items
Contact Person / Sponsor:	Hal Hiott/ Steve Willis
Department:	Parks and Recreation/ Admin.
Date Requested to be on Agenda:	November I&R Meeting for Discussion Administration Committee as Information at this time

Issue for Consideration:

We have two issues for discussion at the Committee level:

1. The City of Lancaster Public Works Committee will be making a recommendation to full Council, which we would anticipate receiving an affirmative recommendation, to withdraw from the Joint Recreation Commission. The City would assume operation and maintenance responsibility for all parks. We would maintain responsibility for major recreation centers – Springdale and the ballfields at Buckelew. The swimming pool would continue under the special joint agreement. We would lose funding from the City in FY 18-19. Discussion of handling the other municipalities also needs to begin.
2. We have been informed that the Town of Kershaw would like for the Parks and Recreation Commission to consider assuming operation of the Kershaw Parks Department. At the time of this report that request has not been formally presented. Staff would have concerns over assuming responsibility for non-traditional venues such as a bowling alley and golf course. The swimming pool would continue under a cost sharing arrangement regardless of who operates it.

Points to Consider:

None of these issues have come before the Parks and Recreation Commission at this time. That said, these are significant issues and staff does not want the Council Committees to be hit cold with this as we start work on the upcoming budget. Per ordinance a formal recommendation will come to Council from the Commission as these are matters for them to consider and advise Council.

Funding and Liability Factors:

Potential loss of municipal funding, some of which could be offset by a loss of maintenance responsibility.

Council Options:

N/A at this time.

Staff Recommendation:

N/A at this time.

Committee Recommendation:

N/A at this time.