

Lancaster County Council Regular Meeting Agenda

Monday, May 8, 2017

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

1. **Call to Order Regular Meeting – Chairman Steve Harper** 6:00 p.m.
2. **Welcome and Recognition – Chairman Steve Harper**
3. **Pledge of Allegiance and Invocation – Council Member Larry Honeycutt**
4. **Approval of the agenda** *[deletions and additions of non-substantive matter]*
5. **Special Presentations**
6. **Citizen Comments** *[Speakers are allowed approximately 3 minutes. If there are still people on the list who have not spoken at the end of thirty (30) minutes, Council may extend the citizen comments section or delay it until a later time in the agenda]*
7. **Consent Agenda**
 - a. Minutes of the April 24, 2017 regular meeting – *pgs. 5-12*
 - b. **3rd Reading of Ordinance 2017-1437 regarding the rezoning of property owned by Thomas Wheeler**

Ordinance Title: An Ordinance To Amend The Official Zoning Map Of Lancaster County So As To Rezone ± 21.146 Acre Portion Of Property Of Mr. Thomas Wheeler, Located At 2402 Flat Creek Road From GB, General Business District To RN, Rural Neighborhood District. – *Planning Commission recommended approval by a vote of 7-0. Passed 6-0 at the April 10, 2017 County Council Meeting. Passed 7-0 at the April 24, 2017 County Council Meeting. – Alex Moore– pgs. 13-14*
 - c. **3rd Reading of Ordinance 2017-1438 regarding amending the text of the UDO – Chapter 6**

Ordinance Title: An Ordinance To Amend The Text Of The Lancaster County Unified Development Ordinance, Chapter 6, Subdivision And Infrastructure Standards, Section 6.9.2A.2-Improvement Guarantees, Types Of Guarantees. – *Planning Commission recommended approval by a vote of 7-0. Passed 6-0 at the April 10, 2017 County Council Meeting. Passed 7-0 at the April 24, 2017 County Council Meeting. – Alex Moore – pgs. 15-16*

d. **2nd Reading of Ordinance 2017-1440 regarding Amendment to Fee Agreement for Rico Industries, Inc., And Rico SC Realty, LLC**

Ordinance Title: An Ordinance To Authorize The Execution And Delivery Of An Amendment To The Fee Agreement Among Lancaster County, South Carolina, Rico Industries, Inc., And Rico SC Realty, LLC – *(Favorable Recommendation – Administration Committee). Passed 7-0 at the April 24, 2017 County Council Meeting. – Jamie Gilbert/John Weaver – pgs. 17-25*

8. **Non-Consent Agenda**

a. **Resolution 0960-R2017 regarding the Local Option Sales Tax Credit Factor for 2017-2018 Tax Year**

Resolution Title: A Resolution Establishing The Local Option Sales Tax Credit Factor For The 2017-2018 Tax Year. – *Steve Willis – pgs. 26-28*

b. **Public Hearing and 3rd Reading of Ordinance 2017-1434 regarding Fee Agreement Between Lancaster County CompuCom Systems, Inc. And TKC Bailes Ridge Parkway, LLC**

Ordinance Title: An Ordinance To Authorize The Execution And Delivery Of A Fee Agreement By And Among Lancaster County CompuCom Systems, Inc. And TKC Bailes Ridge Parkway, LLC, 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. – *Passed 6-0 at the April 10, 2017 County Council Meeting. Passed 7-0 at the April 24, 2017 County Council Meeting. – Jamie Gilbert/John Weaver – pgs. 29-70*

c. **Public Hearing and 3rd Reading of Ordinance 2017-1439 regarding Fee Agreement Between Lancaster County And Movement Mortgage, LLC And TKC CCII, LLC**

Ordinance Title: An Ordinance To Authorize The Execution And Delivery Of A Fee Agreement By And Among Lancaster County And Movement Mortgage, LLC And TKC CCII, LLC, 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. – *Passed 6-0 at the April 10, 2017 County Council Meeting. Passed 7-0 at the April 24, 2017 County Council Meeting. – Jamie Gilbert/John Weaver – pgs. 71-113*

d. **Public Hearing and 2nd Reading of Ordinance 2017-1441 regarding Fee Agreement with Company Known As Project DON**

Ordinance Title: An Ordinance To Authorize The Execution And Delivery Of A Fee Agreement By And Among Lancaster County And A Company Known To The County As Project DON, 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. – *Passed 7-0 at the April 24, 2017 County Council Meeting. - Jamie Gilbert/John Weaver – pgs. 114-147*

e. **1st Reading of Ordinance 2017-1442 regarding the rezoning of property owned by James B. Kirk, Represented By Robert Woodson, III**

Ordinance Title: An Ordinance To Amend The Official Zoning Map Of Lancaster County So As To Rezone Property Owned By James B. Kirk, Represented By Robert Woodson III, Located At Kirk Air Base, ± 2,300 FT. Off Kirk Air Base Road, From INS, Institutional District To RN, Rural Neighborhood District. – ***Planning Commission recommended approval by a vote of 7-0.***
– ***Alex Moore – pgs. 148-155***

f. **1st Reading of Ordinance 2017-1443 regarding the rezoning of property of UHF Development Group, LLC**

Ordinance Title: An Ordinance To Amend The Official Zoning Map Of Lancaster County So As To Rezone Property Of William Holt Earnheart, Jr. (0013-00-027.00), Johnny Wayne Jordan (0013-00-035.02), Howard And Dovie Monroe (0013-00-036.00), Doris Mack Farley (0013-00-039.00), Charlie Eugene Smith (0013-00-040.00), And James Randall Porter (0013-00-042.00). Each Of These Parcels Is Located Within The Indian Land Section Of Lancaster County, South Carolina. The Applicant Has Requested A Zoning Change For These Properties From RN, Rural Neighborhood District To RMX, Residential Mixed-Use District (0013-00-035.02, 0013-00-036.00, 0013-00-039.00, 0013-00-040.00, 0013-00-042.00). From LDR, Low Density Residential District To RMX, Residential Mixed Use District (0013-00-027.00). – ***Planning Commission recommended denial by a vote of 4-3.*** – ***Alex Moore – pgs. 156-186***

g. **1st Reading of Ordinance 2017-1444 regarding the rezoning of property of PCI Group**

Ordinance Title: An Ordinance To Amend The Official Zoning Map Of Lancaster County So As To Rezone Property Of LTRR Realty, LLC, Located At 11632 Harrisburg Road From IMX, Industrial Mixed-Use District To LI, Light Industrial District. – ***Planning Commission recommended approval by a vote of 6-1.*** – ***Alex Moore – pgs. 187-216***

9. Discussion and Action Items

- a. Appointment to the Fire Commission for an unexpired term for Camp Creek – ***Steve Willis – pgs. 217-218***
- b. Adoption of 2017 Priority Needs List – ***Steve Willis – pgs. 219-220***
- c. Amend the display of County Ordinary tax millage on the property tax bills – ***Steve Willis – pgs. 221-229***
- d. Discussion of Ordinance 2015-1327 – ***Jack Estridge***

10. Status of items tabled, recommitted, deferred or held

None at this time.

11. Miscellaneous Reports and Correspondence

- a. Quarterly Report on Lancaster Area Ride Service (LARS) – ***pg. 230***
- b. Charter Communications – ***pg. 231***

12. Citizens Comments [if Council delays until end of meeting]

13. Executive Session

- a. *Economic Development Discussion: Project Current. SC Code 30-4-70(a)(5).*
- b. *Economic Development Discussion: Project Pineapple. SC Code 30-4-70(a)(5).*

14. Calendar of Events – pg. 232

15. 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 agendas are posted at the Lancaster County Administration Building and are available on the Website: www.mylancastercsc.org



Members of Lancaster County Council
Steve Harper, District 5, Chairman
Charlene McGriff, District 2, Vice Chairwoman
Larry Honeycutt, District 4, Secretary
Brian Carnes, District 7
Jack Estridge, District 6
Terry Graham, District 1
Billy Mosteller, District 3

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Minutes of the Lancaster County Council Regular Meeting

101 N. Main Street, Lancaster, SC 29720

Monday, April 24, 2017

Council Members present were Brian Carnes, Jack Estridge, Terry Graham, Steve Harper, Larry Honeycutt, Charlene McGriff and Billy Mosteller. Also present were John Weaver, Sherrie Simpson, Chelsea Gardner, Penelope Karagounis, Veronica Thompson, the press and spectators. A quorum of Lancaster County Council was present for the meeting.

The following press were notified of the meeting by e-mail or by fax 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 also posted in the lobby of the County Administration Building and on the county website the required length of time.

Call to Order regular meeting

Chairman Steve Harper called the regular meeting of Council to order at 6:00 p.m.

Welcome and Recognition/Pledge of Allegiance and Invocation

Chairman Steve Harper welcomed everyone to the meeting and announced the press notification was met. Jack Estridge led the Pledge of Allegiance to the American Flag and delivered the invocation.

Approval of the agenda

Charlene McGriff moved to approve the agenda. Seconded by Brian Carnes. John Weaver requested that the agenda be amended to remove Item 9E (amend the display of County ordinary tax millage on the property tax bills) since additional information is needed before Council can discuss it and to place Item 9E on the agenda at the next Council meeting.

Brian Carnes moved to amend the agenda and remove Item 9e from the agenda. Seconded by Larry Honeycutt. Council approved the amended agenda by a unanimous vote of 7-0.

Special Presentations

Mr. Jim Taylor, Indian Land VFW, presented Phil Polston, Lancaster County EMS, with 3 awards for exceptional service: the VFW Post Award, the State VFW Award and the National VFW Award. This year is the third year in a row that Lancaster EMS has made it to the national award level.

Mr. Jim Taylor, Indian Land VFW, presented Lt. Jeremy Lear, Sheriff's Office, with the Deputy Sheriff of the Year Award for the Indian Land VFW.

John Weaver stated that the County has hired a new engineer by the name of Scott Edgar and he reviewed his qualifications. He will begin his employment with the County in June.

Grazier Rhea, Catawba Regional Council of Governments, provided an update and close out hearing on the Midway Neighborhood Revitalization Project and public hearing for the Lancaster County Needs Assessment. She discussed Lancaster County's Citizens Participation Plan and provided a handout attached as Schedule A. She stated that the Midway Neighborhood project, which is a Community Development Block Grant, is finishing up and that project included clearing 4 vacant lots, demolishing 3 structures, adding sidewalks and providing upgraded sewer services. The City of Lancaster collaborated with Lancaster County on the Midway Neighborhood Revitalization Project.

Grazier Rhea then discussed the Lancaster County Needs Assessment. She stated that Community Development Block Grants have to be used to benefit low and moderate income people. She reviewed the various programs for which Lancaster County can apply. She reviewed and updated the Lancaster County Prioritized Community Needs list with the Council. The revised Lancaster County Prioritized Community Needs list will be reviewed and adopted at the next County Council meeting.

Chairman Steve Harper opened the floor for the public hearing for Lancaster County's Needs Assessment and for the Midway Neighborhood Revitalization Project close out hearing. He asked if any citizens would like to come forward and speak. No citizens came forward for comments during the public hearing. Chairman Harper closed the public hearing.

Citizens Comments

Sara Phillips, 2045 Robert H. Kirk Road, Lancaster, SC, spoke regarding Trap/Neuter/Return.

Waylon Wilson, 15117 Legend Oaks Court, Fort Mill, SC, spoke regarding his concerns about Resolution 0958-R2017.

Consent Agenda

Larry Honeycutt moved to approve consent agenda item a. Seconded by Charlene McGriff. Passed by unanimous vote of 7-0.

- a. Minutes of the April 10, 2017 regular meeting

Non-Consent Agenda

Resolution 0958-R2017: A Resolution Authorizing The Execution And Delivery Of An Amendment To The Fee-In-Lieu Of Tax And Incentive Agreement By And Between Lancaster County And Lancaster Real Estate Group, LLC, So As To Extend The Investment Period.

Jamie Gilbert explained that the amendment to the agreement is in regards to the machinery owned by the Company and not the real property owned by them. The amendment will extend the agreement for two years.

Charlene McGriff moved to approve the Resolution. Seconded by Billy Mosteller. Council voted 7-0 to approve Resolution 0958-R2017.

Resolution 0959-R2017: A Resolution To State The Commitment Of Lancaster County To Enter Into A Fee Agreement With Project DON, And/Or Its Designee Or Nominee; To Provide The General Terms Of The Fee Agreement Including The Provision Of Special Source Revenue Credits; To Identify The Project 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.

Brian Carnes moved to approve the Resolution. Seconded by Larry Honeycutt. Council voted 7-0 to approve Resolution 0959-R2017.

2nd Reading of Ordinance 2017-1437 regarding the rezoning of property owned by Thomas Wheeler

Ordinance Title: An Ordinance To Amend The Official Zoning Map Of Lancaster County So As To Rezone ± 21.146 Acre Portion Of Property Of Mr. Thomas Wheeler, Located At 2402 Flat Creek Road From GB, General Business District To RN, Rural Neighborhood District.

Billy Mosteller moved to approve the 2nd Reading of Ordinance 2017-1437. Seconded by Larry Honeycutt. The 2nd Reading passed by unanimous vote of 7-0.

2nd Reading of Ordinance 2017-1438 regarding amending the text of the UDO – Chapter 6

Ordinance Title: An Ordinance To Amend The Text Of The Lancaster County Unified Development Ordinance, Chapter 6, Subdivision And Infrastructure Standards, Section 6.9.2A.2-Improvement Guarantees, Types Of Guarantees.

Charlene McGriff moved to approve the 2nd Reading of Ordinance 2017-1438. Seconded by Brian Carnes. The 2nd Reading passed by unanimous vote of 7-0.

2nd Reading of Ordinance 2017-1434 regarding Fee Agreement Among Lancaster County CompuCom Systems, Inc. And TKC Bailes Ridge Parkway, LLC

Ordinance Title: An Ordinance To Authorize The Execution And Delivery Of A Fee Agreement By And Among Lancaster County CompuCom Systems, Inc. And TKC Bailes Ridge Parkway, LLC, 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.

Brian Carnes noted that this economic development project is listed as one of the top 10 projects in the Southeast.

Larry Honeycutt moved to approve the 2nd Reading of Ordinance 2017-1434. Seconded by Jack Estridge. The 2nd Reading passed by unanimous vote of 7-0.

2nd Reading of Ordinance 2017-1439 regarding Fee Agreement Among Lancaster County And Movement Mortgage, LLC And TKC CCII, LLC

Ordinance Title: An Ordinance To Authorize The Execution And Delivery Of A Fee Agreement By And Among Lancaster County And Movement Mortgage, LLC And TKC CCII, LLC, 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.

Brian Carnes stated that this economic development project is also listed as one of the top 10 projects in the Southeast.

Brian Carnes moved to approve the 2nd Reading of Ordinance 2017-1439. Seconded by Terry Graham. The 2nd Reading passed by unanimous vote of 7-0.

1st Reading of Ordinance 2017-1440 regarding Amendment to Fee Agreement for Rico Industries, Inc., And Rico SC Realty, LLC

Ordinance Title: An Ordinance To Authorize The Execution And Delivery Of An Amendment To The Fee Agreement Among Lancaster County, South Carolina, Rico Industries, Inc., And Rico SC Realty, LLC.

Charlene McGriff moved to approve the 1st Reading of Ordinance 2017-1440. Seconded by Billy Mosteller. The 1st Reading passed by unanimous vote of 7-0.

1st Reading of Ordinance 2017-1441 regarding Fee Agreement with Company Known As Project DON

Ordinance Title: An Ordinance To Authorize The Execution And Delivery Of A Fee Agreement By And Among Lancaster County And A Company Known To The County As Project DON, 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.

Brian Carnes moved to approve the 1st Reading of Ordinance 2017-1441. Seconded by Larry Honeycutt. The 1st Reading passed by unanimous vote of 7-0.

Discussion and Action Items

Committee Reports:

I&R Committee:

Larry Honeycutt reported that the I&R Committee met on April 11, 2017. He stated that it has come to his attention that the Library Board is having problems and he requested that County Council meet in Executive Session at the next Council meeting to discuss the issues on this Board. He stated that the animal shelter has serious problems from the inadequate conditions at the shelter and that the I&R Committee recommended a new shelter be built. The Committee recommended approval of a Fleet Operations facility once a site has been selected.

Public Safety Committee:

Brian Carnes reported that the Public Safety Committee met on April 10, 2017. The Committee received a presentation from Steve Willis regarding the town of Heath Springs not renewing their contract for law enforcement services with the Sheriff's Office. After a presentation on a potential land donation to the Indian Land Fire Department, the Public Safety Committee moved that this land donation to go to full Council with a favorable recommendation. This donation will require an ordinance and will be on the County Council agenda at a later date. The Committee agreed that the excess funds from EMS billing should not be reserved to build a new EMS station until after an audit has been conducted so that the exact amount of funds available can be determined.

Administration Committee:

Charlene McGriff reported that the Administration Committee met on April 11, 2017. The Committee reviewed and made favorable recommendations to full Council regarding Resolution 0958-R2017 and Ordinance 2017-1440. The Committee agreed that more information is needed regarding amending the display of County ordinary tax millage on the property tax bills before being heard by full Council. After a presentation on a potential land donation to the Indian Land

Fire Department, the Administration Committee moved that this land donation to go to full Council with a favorable recommendation. This donation will require an ordinance and will be on the County Council agenda at a later date. The Committee agreed that the excess funds from EMS billing need to be audited to determine the exact amount of overage available before any money is reserved to build an EMS station. The Committee reviewed the updated Capital Improvement Plan and Development Agreement funds. Kimberly Hill reviewed and discussed the proposed FY 2017-2018 budget with the Committee.

Nominations for appointments to the Historical Commission and the Airport Commission.

Charlene McGriff moved to approve the appointment of Cathie Catoe to the Historical Commission for District 2. Seconded by Billy Mosteller. Passed by unanimous vote of 7-0.

Larry Honeycutt moved to approve the appointment of Sam Rinard to the Airport Commission for District 2. Seconded by Charlene McGriff. Passed by unanimous vote of 7-0.

Serve as lead entity for the annual Council of Governments Planning Grant.

Charlene McGriff moved to approve that Lancaster County serve as the lead entity for the annual Council of Governments Planning Grant. Seconded by Brian Carnes. Passed by unanimous vote of 7-0.

Amendment to the Airport engineering contract for alternate design related to airport lighting.

Larry Honeycutt moved to approve the amendment to the Airport engineering contract for the alternate design related to airport lighting. Seconded by Billy Mosteller. Passed by unanimous vote of 7-0.

Fleet Operations building.

John Weaver stated that the information regarding a Fleet Operations building is for information only for the Council. The site to build the Fleet Operations facility still has to be determined.

Information update on amendment to plans for improvements to Kershaw parks.

Hal Hiott explained that the plans for improvements to the Kershaw area parks has been amended. There is water but no sewer for restrooms. Therefore, portable toilets will be used instead of building restrooms. The Parks and Recreation Commission recommended building a

playground at the AJ Recreation Complex to take the place of the restroom project. John Weaver stated this item is for information only since the budget has not changed.

Jack Estridge stated that the town of Kershaw is trying to build a playground also and he asked if the County could work with the town of Kershaw on this project. Hal Hiott stated that the land the town of Kershaw would like to use for a playground is not county owned property, whereas the playground at the AJ complex would be on county owned property and would be used for the Parks and Recreation afterschool program, summer day camp programs and other Parks and Recreation programs.

Information on updated Capital Improvement Plan.

John Weaver stated that the updated Capital Improvement Plan (CIP) is for information only. He stated that there are new council members who may not have had an opportunity to review the CIP previously.

Information update on “Lancaster Safe & Thriving Community Project” grant.

John Weaver stated that this grant item is for information only for the Council. This grant would not require a match from the County. Charlene McGriff stated that this grant is one of several grants that are being applied for and involves a wide variety of community groups.

Legal briefing on Ordinance 650.

John Weaver reviewed the history of Ordinance 650. He provided a handout attached as Schedule B. Mr. Weaver stated that it is his legal opinion that this Council should take no action in regards to Ordinance 650.

Jack Estridge read a statement regarding Ordinance 650, attached as Schedule C. During the reading of his statement, Mr. Estridge stated that “...this Council needs to correctly record the adopted version...” of Ordinance 650. Mr. Estridge also provided another handout to the Council members attached as Schedule D.

Charlene McGriff and Larry Honeycutt stated that the Council does not need to keep discussing Ordinance 650, especially now that a legal opinion has been rendered. Charlene McGriff moved that Ordinance 650 not be brought back to Council for discussion. Seconded by Larry Honeycutt. The motion to have no further discussion regarding Ordinance 650 passed 4-3. Steve Harper, Charlene McGriff, Larry Honeycutt and Billy Mosteller voted in favor of the motion and Terry Graham, Brian Carnes and Jack Estridge opposed.

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Adjournment

Larry Honeycutt moved to adjourn the meeting. Seconded by Terry Graham. Passed by unanimous vote of 7-0.

Respectfully Submitted:

Approved by Council, May 8, 2017

Sherrie Simpson
Clerk to Council

Larry Honeycutt, Secretary

STATE OF SOUTH CAROLINA

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COUNTY OF LANCASTER

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ORDINANCE NO. 2017-1437

AN ORDINANCE

TO AMEND THE OFFICIAL ZONING MAP OF LANCASTER COUNTY SO AS TO REZONE ± 21.146 ACRE PORTION OF PROPERTY OF MR. THOMAS WHEELER, LOCATED AT 2402 FLAT CREEK ROAD FROM GB, GENERAL BUSINESS DISTRICT TO RN, RURAL NEIGHBORHOOD DISTRICT.

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

Section 1. Findings and Determinations.

The Council finds and determines that:

(a) Mr. Thomas Wheeler applied to rezone ± 21.146 portion of property located at 2402 Flat Creek Road from GB, General Business District, to RN, Rural Neighborhood District.

(b) On March 21, 2017, the Lancaster County Planning Commission held a public hearing on the proposed rezoning and, by a vote of (7-0), recommended approval of the rezoning.

Section 2. Rezoning.

The Official Zoning Map is amended by changing the zoning district classification from GB, General Business District to RN, Rural Neighborhood District for the following property(ies) as identified by tax map number or other appropriate identifier:

Tax Map No. Portion of 0080-00-094.00.

Section 3. 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 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, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 5. Effective Date.

This ordinance is effective upon third reading.

And it is so ordained, 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: 4-10-17 Passed 6-0

Second Reading: 4-24-17 Passed 7-0

Third Reading: 5-8-17

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STATE OF SOUTH CAROLINA

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COUNTY OF LANCASTER

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ORDINANCE NO. 2017-1438

AN ORDINANCE

TO AMEND THE TEXT OF THE LANCASTER COUNTY UNIFIED DEVELOPMENT ORDINANCE, CHAPTER 6, SUBDIVISION AND INFRASTRUCTURE STANDARDS, SECTION 6.9.2A.2- IMPROVEMENT GUARANTEES, TYPES OF GUARANTEES.

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

6.9.2 Guarantees

A. Types of Guarantees

2. A letter of credit duly executed by a U.S. bank payable to Lancaster County wherein the letter of credit contains the following, or similar, language: Drawings may also be presented to us by facsimile transmission to facsimile number xxx-xxx-xxxx (each such drawing, a "fax drawing"); provided, however, that a fax drawing will not be effectively presented until you confirm by telephone our receipt of such fax drawing by calling xxx-xxx-xxxx. If you present a fax drawing under this letter of credit, you do not need to present the original of any drawing documents. Such letters of credit must include the development or subdivision name and phase.

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 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, this _____ day of _____, 2017.

LANCASTER COUNTY, SOUTH CAROLINA

Steve Harper, Chair, County Council

Larry Honeycutt, Secretary, County Council

ATTEST:

Sherrie M. Simpson, Clerk to Council

First Reading: April 10, 2017 Passed 6-0
Second Reading: April 24, 2017 Passed 7-0
Third Reading: May 8, 2017

Agenda Item Summary

Ordinance # / Resolution#: 2017 - 1440

Contact Person / Sponsor: Jamie Gilbert / John Weaver

Department: Economic Development / County Attorney

Date Requested to be on Agenda: Administration Committee – April 10, 2017

County Council – April 24, 2017

Issue for Consideration: Whether or not it is appropriate for County Council to consider the passage of this ordinance that authorizes a first amendment to the original Fee Agreement.

Points to Consider: See attached letter from the company's President dated December 28, 2016. Provided that the company meets the requirements noted in Section 2 of the first amendment relating to both capital investment and job creation, the Investment Period authorized by the Fee Agreement will be extended by an additional five (5) years, 2017 through 2021.

Funding and Liability Factors: N/A

Council Options: Approve or reject the ordinance and the terms of the amendment.

Recommendation: The Director of Economic Development recommends Council's approval of the amendment.



December 28, 2016

sent via email & USPS
swillis@lanastercountysc.net

Mr. Steve Willis
101 N. Main Street
Lancaster, SC 29720

Dear Mr. Willis,

Rico Industries, Inc. has been doing business in Lancaster County since July 2000 and broke-ground on its new facility on March 1, 2011. Since March 1, 2011, Rico has invested over \$6,300,000 and created 67 new full time jobs since then (for a total of 132 current active employees; see attached). I have attached a copy of our 2016 property tax return and our most current payroll register for your information. We have therefore met the requirements under Section 4.2(b) of the Fee Agreement dated as of March 1, 2011, among Lancaster County, Rico Industries, and Rico SC Realty, LLC

Our business continues to grow and we anticipate additional investments and jobs to be created at our facility in Lancaster County. For this reason, we request that Lancaster County extend the investment period under our Fee Agreement by an additional five years so that the additional investments can be included in the fee in lieu of taxes incentive that was offered by the county in order to induce us to locate there. This letter therefore constitutes an application pursuant to S.C. Code Ann. 12-44-30(13) for an extension of the investment period.

We look forward to hearing back from you.

Sincerely yours,

Cary Schack
President

STATE OF SOUTH CAROLINA)
)
COUNTY OF LANCASTER)

ORDINANCE NO. 2017-1440

AN ORDINANCE

TO AUTHORIZE THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THE FEE AGREEMENT AMONG LANCASTER COUNTY, SOUTH CAROLINA, RICO INDUSTRIES, INC., AND RICO SC REALTY, LLC.

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 (hereinafter referred to as the "County"), acting by and through its Council (the "Council"), is empowered under and pursuant to the provisions of the Fee in Lieu of Tax Simplification Act, codified as Chapter 44, Title 12 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to enter into fee agreements with industries in connection with the acquisition, enlargement or improvement of industrial and commercial enterprises within the State of South Carolina (the "State");

(b) the County has previously entered into that certain Fee Agreement among the County, Rico Industries, Inc. ("RI"), and Rico SC Realty, LLC ("RLLC") dated as of March 1, 2011, as amended, modified and supplemented from time to time (the "Fee Agreement");

(c) in recognition of the substantial investment by RI and RLLC (collectively, "Rico") in land, improvements and business personal property in the County (collectively, the "Project") during the term of the Fee Agreement, and at the request of Rico, the County desires to provide further assistance to Rico, and in connection therewith to make certain amendments to the Fee Agreement pursuant to the terms of a First Amendment to the Fee Agreement to be entered into among the County and Rico (the "First Amendment"); and

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

Section 2. Statutory Findings.

Council makes the following additional findings:

(a) the Project will continue to constitute a “project” as said term is referred to and defined in Section 12-44-30(16) of the Act, and the First Amendment will promote the purposes enumerated in the Act, and in all respects conform to the provisions and requirements of the Act;

(b) the Project will continue to benefit the general public welfare of the County by providing or maintaining services, employment, recreation, and other public benefits not otherwise provided locally;

(c) neither the Project, the First Amendment, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to any pecuniary liability of the County or an incorporated municipality or a charge against its general credit or taxing power;

(d) the purposes to be accomplished by the Project and the First Amendment are proper governmental and public purposes; and

(e) the inducement of the expansion of the Project within the County and State is of paramount importance, and the benefits of the Project to the public will be greater than the costs.

Section 3. Approval and Execution of First Amendment.

The form, terms, and provisions of the First Amendment, attached hereto as Exhibit A, are approved, and all of the terms, provisions, and conditions thereof are incorporated herein by reference as if the First Amendment 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 First Amendment in the name of and on behalf of the County, and thereupon to cause the First Amendment to be delivered to Rico. The First Amendment 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 First Amendment attached to this ordinance.

Section 4. 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 Amendments and the performance of all obligations of the County under and pursuant to the First Amendment.

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.

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: April 24, 2017 Passed 7-0
Second Reading: May 8, 2017
Public Hearing: May 22, 2017 Tentative
Third Reading: May 22, 2017 Tentative

Exhibit A to Ordinance No. 2017-1440

**First Amendment to Fee Agreement
Among
Lancaster County and Rico Industries, Inc., and Rico SC Realty, LLC**

See attached.

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**FIRST AMENDMENT TO THE FEE AGREEMENT
AMONG
LANCASTER COUNTY, SOUTH CAROLINA, RICO INDUSTRIES, INC.,
AND RICO SC REALTY, LLC**

This FIRST AMENDMENT TO THE FEE AGREEMENT among LANCASTER COUNTY, SOUTH CAROLINA, RICO INDUSTRIES, INC., AND RICO SC REALTY, LLC (the "First Amendment"), is made as of this ____ day of _____, 2017, by and among RICO INDUSTRIES, INC. ("RI"), RICO SC REALTY, LLC ("RLLC"), and LANCASTER COUNTY, SOUTH CAROLINA (the "County").

RECITALS

WHEREAS, RI and RLLC (collectively, the "Company") and the County, acting by and through its County Council (the "County Council"), previously entered into a fee in lieu of tax agreement dated as of March 1, 2011 (the "Fee Agreement") pursuant to Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended (the "Act"), in order to provide for the payment of a fee in lieu of taxes with respect to the Company's proposed manufacturing facilities in the County (the "Project"); and

WHEREAS, the Company is contemplating an additional investment of at least \$350,000 (the "Additional Investment") in the Project, as the Fee Agreement defines that term, which is anticipated to result in the creation of at least 15 new full-time jobs (the "Additional Jobs"), all over a five (5) year period; and

WHEREAS, the Company applied to the County prior to the expiration of the Investment Period (as defined in the Fee Agreement) for a five (5) year extension of the Investment Period in order to include the Additional Investment in the Fee Agreement; and

WHEREAS, the Company has invested significant capital and has created valuable jobs meeting the minimum investment and minimum job requirements pursuant to Section 4.2(b) of the Fee Agreement that have provided significant benefits to the County; and

WHEREAS, by passage of Ordinance No. 2017-____, the County Council approved this First Amendment.

FIRST AMENDMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the County and the Company hereby agree as follows:

1. The definition of "Investment Period," as contained in Section 1.1 of the Fee Agreement, is amended to read:

“‘Investment Period’ shall mean the period beginning with the first day of any purchase or acquisition of Economic Development Property and ending ten years after the Commencement Date, provided that the Company and County may agree to a later date if authorized by the Act.”

2. Section 4.2(b) of the Fee Agreement is amended to read:

“If the Company does not invest at least \$4,350,000 in the Project (excluding the value of real property contributed by the County to the Company) or create at least 45 new full-time jobs (calculated by reference to the Company’s FORM SC SCH. TC4 “NEW JOBS CREDIT” line 3 “monthly average of full time employees”) (collectively, “New Jobs”), including jobs transferred from outside of the County, in connection with the Project by the end of the Investment Period, then the Company shall pay to the County a pro-rata portion of the Infrastructure Credits received pursuant to Section 4.1(c) during years five through ten of the Investment Period (2017–2021) based on the average of the following proportions: (i) the proportion the investment level achieved (excluding the value of real property contributed by the County to the Company) is to \$4,350,000, not to exceed 100%; and (ii) the proportion the number of New Jobs is to 45, not to exceed 100%. The amount due pursuant to this subsection (b) shall be collected and enforced in accordance with Section 12-44-90 of the Act. The Company agrees that if this Fee Agreement is terminated pursuant to this subsection, under no circumstance shall the County be required to refund or pay any monies to the Company.

For purposes of calculating New Jobs under this Agreement, the County and the Company agree that the Company’s base employment is 91 full-time jobs as of calendar year 2010 (“Base Employment”) and any New Jobs are only those New Jobs created in excess of such Base Employment in subsequent years.”

3. Section 4.2(c) of the Fee Agreement is amended to read:

“After expiration of the Investment Period, the Company agrees that if in any year the Company fails to maintain an investment of at least \$4,350,000 (excluding the value of real property contributed by the County to the Company) in the Project and fails to maintain at least 45 New Jobs, including jobs transferred from outside of the County, in connection with the Project, then the annual Payment in Lieu of Taxes due for the Economic Development Property for the following year shall be calculated, notwithstanding the provisions of Section 4.1(a), 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* taxation. The Fee Agreement shall, however, not terminate, unless the Company fails to maintain these requirements for three consecutive years, in which case this Fee Agreement is terminated on a prospective basis and no repayment obligation to the County shall arise if the Fee Agreement is terminated pursuant to this subsection (c).”

4. Except as amended hereby, the Fee Agreement shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, **LANCASTER COUNTY, SOUTH CAROLINA, RICO INDUSTRIES, INC., AND RICO SC REALTY, LLC** each pursuant to due authority, have duly executed this First Amendment to the Fee Agreement, all as of the date first above written.

LANCASTER COUNTY, SOUTH CAROLINA

Steve Harper, Chair, County Council

Larry Honeycutt, Secretary, County Council

ATTEST:

Sherrie Simpson, Clerk to Council

RICO INDUSTRIES, INC.

By: _____
Its: _____

RICO SC REALTY, LLC

By: _____
Its: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF LANCASTER)

RESOLUTION NO. 0960-R2017

A RESOLUTION

**ESTABLISHING THE LOCAL OPTION SALES TAX CREDIT FACTOR FOR THE
2017-18 TAX YEAR**

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

Whereas, County Council has established the local option sales tax revenue for the 2017 tax year shall be distributed on the basis of 71% to the property tax credit fund and 29% to the county revenue fund, and

Whereas, a local option sales tax credit factor must be established for the 2017 tax year, which factor is the result, carried to 6 decimal positions, of dividing estimated local option sales tax credit fund revenue by total taxable appraised value within the county as estimated by the County Auditor.

Now therefore be it resolved that the County Auditor, with concurrence of the Lancaster County Council, as evidenced by signature below, hereby establishes the local option sales tax credit factor as follows:

| | |
|-------------------------------------|------------------|
| Credit fund estimate | \$ 5,110,915.45 |
| Divided by | |
| Taxable appraised value | \$ 6,981,085,867 |
| Estimate equals | |
| Tax credit factor for tax year 2017 | .000732 |

This credit estimate to be revised near the end of the fiscal year to adjust for actual credit given to taxpayers

AND IT IS SO RESOLVED this _____ day of _____, 2017.

LANCASTER COUNTY, SOUTH CAROLINA

Cheryl H. Morgan, County Auditor

(SEAL)

Steve Harper, Chair, County Council

Larry Honeycutt, Secretary, County Council

ATTEST:

Sherrie Simpson, Clerk to Council

ESTIMATED CREDIT REVENUE: 2017-18:

| | | |
|-------------------------------|----------------------------|---|
| <u>Year Revenue:</u> | \$ 3,431,402.04- | Collected 7/16-3/17 |
| | 1,143,800.67- | Estimated April-June 2016 |
| | + 1,103,592.23- | Carry Over June 2017 |
| | \$ 5,678,794.94 | |
| | X90% | |
| | \$ 5,110,915.45 | Estimated Credit Revenue 2017/18 |
| <u>Carry Over:</u> | \$ 4,575,202.71 | Checks estimated to receive through 6/17 |
| | + 1,165,609.12 | Carry Over 7/16 w/interest |
| | \$ 5,740,811.83 | Balance in Fund |
| | - 4,638,144.60- | Credit through 6/17 |
| | \$ 1,102,667.23 | Balance in Fund 6/30/17 less interest |
| | + 925.00 | Interest Estimated thru 6/17 |
| | \$ 1,103,592.23 | Balance on Hand 6/30/17 |

Balance in Account 04/20/17 per Finance Dept: (per Sarah Jenkins)

\$397,735.97 (Based on Receipts through March 2017)

CREDIT FACTOR:

\$ 5,110,915.45- Credit Fund Estimate
6,981,085,867- Divided by Taxable Appraised Value
.000732- CREDIT FACTOR 2017-18 FISCAL YR

Agenda Item Summary

Ordinance # / Resolution#: 2017 - 1434

Contact Person / Sponsor: Jamie Gilbert / John Weaver

Department: Economic Development / County Attorney

Date Requested to be on Agenda: County Council – April 10, 2017

TLW

Issue for Consideration: Whether or not it is appropriate for County Council to consider the passage of this ordinance that authorizes a Fee Agreement between the county and Compucom Systems, Inc. as Sponsor and TKC Bailes Ridge Parkway, LLC, a Sponsor Affiliate?.

Points to Consider: On September 26, 2016, Council approved Resolution No. 0934 – R2016, an Inducement Resolution (attached) that committed Lancaster County to a FILOT with Project 2016-5 (Compucom) that included, among other things:

- a. An investment of at least Thirty Six Million (\$36,000,000.00) Dollars;
- b. At least seven hundred (700) new full-time jobs;
- c. An initial average wage of \$17.47;
- d. a seven (7) year Investment Period
- e. A thirty (30) year Fee Agreement;
- f. An initial Special Source Revenue Credit for five (5) consecutive years equal to fifty (50%) of the FILOT payments.

The ordinance being considered by Council formalizes, memorializes and expands the terms and conditions outlined in the Inducement Resolution.

Funding and Liability Factors: N/A

Council Options: Approve or reject the ordinance.

Recommendation: The Director of Economic Development recommends Council's approval of the Ordinance and the Fee Agreement.

STATE OF SOUTH CAROLINA)
)
COUNTY OF LANCASTER)

RESOLUTION NO. 0934-R2016

A RESOLUTION

TO STATE THE COMMITMENT OF LANCASTER COUNTY TO ENTER INTO A FEE AGREEMENT WITH PROJECT 2016-5, AND/OR ITS DESIGNEE OR NOMINEE; TO PROVIDE THE GENERAL TERMS OF THE FEE AGREEMENT INCLUDING THE PROVISION OF SPECIAL SOURCE REVENUE CREDITS; TO IDENTIFY THE PROJECT 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; AND TO PROVIDE FOR OTHER MATTERS RELATED THERETO.

WHEREAS, Lancaster County, South Carolina (the "County"), acting by and through its County Council (the "County Council") is authorized and empowered under and pursuant to the provisions of the Fee in Lieu of Tax Simplification Act, codified as Title 12, Chapter 44, Code of Laws of South Carolina 1976, as amended (the "Act"), to enter into a fee in lieu of tax agreement (the "Fee Agreement") with respect to a project which requires the industry to make a payment of a fee in lieu of taxes, through which powers the industrial development of the State of South Carolina and the County will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and the County and thus to utilize and employ the manpower, products, and natural resources of the State of South Carolina to benefit the general public welfare of the County by providing services, employment, and other public benefits not otherwise provided locally; and

WHEREAS, Project 2016-5, on its own or together with one or more of its subsidiaries, affiliates, successors, assigns, sponsors, lessors, and others (collectively, the "Company"), desires to invest capital in the County in order to construct and install one or more facilities in the County (the "Project"), provided that approvals of various incentives contemplated for the Project are formalized by the State and/or County; and

WHEREAS, the Project is anticipated to result in an investment of at least \$36,000,000 and the creation of at least 700 new, full-time jobs; and

WHEREAS, the Company has requested that the County enter into a Fee Agreement, thereby providing for fee-in-lieu of tax ("FILOT") payments ("FILOT Payments") and special source revenue credits ("SSRCs") with respect to the Project; and

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

WHEREAS, pursuant to the authority of Section 4-1-170 of the Code of Laws of South Carolina 1976, as amended and Article VIII, Section 13(D) of the South Carolina Constitution

(collectively, the "MCP Laws"), the County is authorized to create a multi-county park (an "MCP Park") pursuant to a qualifying agreement with one or more contiguous South Carolina counties (the "Park Agreement"); and

WHEREAS, the County intends by this Resolution to commit itself to: (i) enter into a negotiated fee-in-lieu of tax agreement with the Company under the Act; (ii) provide for SSRCS against the FILOT Payments to be made by the Company in connection with the foregoing fee-in-lieu of tax arrangements; and (iii) locate the Project in an MCP Park.

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

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

2. The County commits to enter into a negotiated FILOT arrangement with the Company for the Project, the terms of which shall be set forth in a Fee Agreement in form and manner satisfactory to the County and the Company containing substantially the following terms:

- a. an investment period of seven (7) years (the "Investment Period"); and
- b. the Company's commitment to invest at least thirty-six million dollars (\$36,000,000.00) in economic development property for the Project, not later than the end of the Investment Period (the "Investment Commitment"); and
- c. the Company's commitment to create, not later than the earlier of either the fifth year following the issuance of an occupancy permit for the main building of the Project or the end of the Investment Period, and thereafter to maintain for as long as the Company is receiving a special source revenue credit, at least seven hundred (700) new full-time jobs (*i.e.*, at least thirty (30) hours per week), with health care benefits and an hourly wage rate not less than the County's average hourly wage rate as published by the South Carolina Department of Revenue (the "Jobs Commitment"). The initial average hourly wage rate is seventeen dollars and forty-seven cents (\$17.47) and will be adjusted periodically beginning in year six of the Fee Agreement. The Company and County will agree upon the number of new full-time jobs that must be created in each year prior to the year in which the seven hundred (700) new full-time jobs must be created and the annual number is included in the Jobs Commitment; and
- d. calculation of FILOT Payments using an assessment ratio of six percent (6%) and a fixed millage rate of 301.1 mills (the millage rate applicable as of June 30, 2016) for the entire term of the Fee Agreement; and
- e. a term of thirty (30) years for the Fee Agreement and for each phase of the Project; and

- f. a special source revenue credit equal to fifty percent (50%) of the FILOT Payments for five (5) consecutive years beginning not later than the fifth year of the Investment Period and a special source revenue credit equal to twenty-five percent (25%) of the FILOT Payments for five (5) consecutive years beginning in the year immediately following the year in which the fifty percent (50%) special source revenue credit ends. If, in the event Company were to add, at a minimum, nine hundred (900) full-time jobs with health-care benefits and an hourly wage rate not less than the County's average hourly wage rate as stated above by the end of the fifth year of the Investment Period, then the County agrees to increase the applicable special source revenue credit beginning in the sixth year of the Investment Period from twenty-five percent (25%) to fifty percent (50%) for a period of five (5) consecutive years. 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; and
- g. for year eleven of the Fee Agreement, and for each year thereafter, the Company must maintain an investment in economic development property of not less than eighteen million dollars (\$18,000,000.00) and an employment base of at least three hundred fifty (350) full-time jobs (*i.e.*, at least thirty (30) hours per week), with health care benefits and an hourly wage rate not less than the County's average hourly wage rate as published by the South Carolina Department of Revenue. Consequences for failing to maintain the investment and jobs level shall be set in the Fee Agreement; and
- h. the Company's commitment to reimburse the County for its administrative expenses associated with the review, negotiation and preparation of all documentation and authorizing proceedings, including attorney's fees, for the Project and for its administrative expenses associated with the annual computation of the special source revenue credits.

3. Council shall use its best efforts to adopt a new Park Agreement or amend an existing Park Agreement to include the land on which the Project is located, to the extent that the land, or any portion thereof, is not currently subject to a Park Agreement. The period of time for inclusion of the land in an MCP Park shall be for the same period that the Fee Agreement is effective.

4. (A) The County shall use its best efforts to (i) assist the Company in locating potential grants from the state and utilities for any public infrastructure costs associated with the Project, (ii) assist the Company in applying for state economic development incentives that flow through the County, and (iii) assist the Company in securing job training through the ReadySC program.

(B) As used in this Section 4, "best efforts" include, without limitation, filing all required and necessary documents and applications relating to the grants or assistance, formally recommending approval of the grants or assistance and making the grants or assistance available at the commencement of the construction of the Project if provided by the granting or assisting entity and giving the Company written evidence of the grants or assistance when approved.

5. Council's commitments and agreements contained in Sections 3 and 4 are subject to the exercise of discretion by granting or approving entities other than the County and the exercise of that discretion is not controlled by the County.

6. Council shall approve the Fee Agreement, and any other agreement or document contemplated by this Resolution in accordance with South Carolina law and the rules and procedures of the Council.

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

8. To the extent this Resolution contains provisions that conflict with other orders, resolutions, and parts thereof, the provisions contained in this Resolution supersede all other orders, resolutions and parts thereof and this Resolution is controlling.

9. This Resolution takes effect upon its adoption.

AND IT IS SO RESOLVED

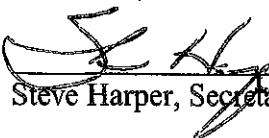
Dated this 26 day of September, 2016.

LANCASTER COUNTY, SOUTH CAROLINA

[SEAL]




Bob Bundy, Chair, County Council



Steve Harper, Secretary, County Council

Attest:



Debbie C. Hardin, Clerk to Council

STATE OF SOUTH CAROLINA

)

COUNTY OF LANCASTER

)

ORDINANCE NO. 2017-1434

)

AN ORDINANCE

TO AUTHORIZE THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND AMONG LANCASTER COUNTY COMPUCOM SYSTEMS, INC. AND TKC BAILES RIDGE PARKWAY, LLC, 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 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) CompuCom Systems, Inc., a Delaware corporation (the "Sponsor"), is considering investing, through itself and/or one or more existing or to be formed affiliated entities and/or one or more unrelated parties, including TKC Bailes Ridge Parkway, LLC, a North Carolina limited liability company (the "Sponsor Affiliate"), 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 Thirty Six Million Dollars (\$36,000,000.00) over seven (7) years (the "Project");

(d) pursuant to Resolution No. 0934-R2016, adopted September 26, 2016, 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 and Sponsor Affiliate have caused to be prepared and presented to the Council the form of the Fee Agreement by and among the County, the Sponsor and the Sponsor Affiliate (the "Fee Agreement"), which provides, generally, for fee-in-lieu of tax payments utilizing a six percent (6%) assessment ratio and fixed millage rate as of June 30, 2016 (which is understood to be 301.1 mills) for a period of thirty (30) years for the Project or each component thereof placed in service during the initial investment period and any investment period extension to which the County, the Sponsor and the Sponsor Affiliate agree, and for special source revenue credits equal to fifty percent (50%) of the fee-in-lieu of tax payments for Years One through Five and twenty-five percent (25%) for Years Six through Ten; 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 and Sponsor Affiliate 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 and the Sponsor Affiliate. 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: April 10, 2017 Passed 6-0
Second Reading: April 24, 2017 Passed 7-0
Public Hearing: May 8, 2017
Third Reading: May 8, 2017

Exhibit A to Ordinance No. 2017-1434

Fee Agreement

Lancaster County, CompuCom Systems, Inc. and TKC Bailes Ridge Parkway, LLC

See attached.

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FEE AGREEMENT

by and among

LANCASTER COUNTY, SOUTH CAROLINA,

COMPUCOM SYSTEMS, INC.

and

TKC BAILES RIDGE PARKWAY, LLC

Dated as of May 8, 2017

FEE AGREEMENT

This FEE AGREEMENT is dated as of May 22, 2017, by and among Lancaster County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina, CompuCom Systems, Inc., a Delaware corporation ("Sponsor"), and TKC Bailes Ridge Parkway, LLC, a North Carolina limited liability company ("Sponsor Affiliate") (collectively, Sponsor and Sponsor Affiliate are the "Companies").

WITNESSETH:

WHEREAS, the County, acting by and through its County Council (the "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 workforce, 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; 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 locate certain of their business operations in the County (the "Project"); and

WHEREAS, the Companies anticipate that the Project will result in an investment of Thirty-Six Million Dollars (\$36,000,000.00) in the County and the creation of at least seven hundred (700) new, full-time jobs; and

WHEREAS, the County Council approved on September 26, 2016 Resolution No. 0934-R2016 (the "Inducement Resolution"), an 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 certain operations 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 encompass the terms surrounding the Project and allowing the Companies to make FILOT payments pursuant to the Act; and

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

WHEREAS, it is presently anticipated, but not required, that Sponsor will hereafter own, that portion of the Project composed of personal property now or hereafter located on the Land; and

WHEREAS, for the Project, the parties have 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 One Dollar (\$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; Summary Agreement.

(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:

CompuCom Systems, Inc., a Delaware corporation
TKC Bailes Ridge Parkway, LLC, a North Carolina limited liability
company
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:

Portion of Parcel Id. 0007-00-025.00
Old Lancaster Highway
Indian Land, SC 29707

3. Minimum investment agreed upon: \$36,000,000.00

4. Length and term of this Agreement: Thirty (30) 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, the millage rate in effect on June 30, 2016, 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 provided for the qualifying Economic Development Property in amounts equal to fifty percent (50%) of the Negotiated FILOT for years one through five (beginning in the year in which such portion of the Project is placed in service, but not later than the fifth year of the Investment Period) and twenty-five (25%) of the Negotiated FILOT for years six through ten. Notwithstanding the foregoing, in the event that the Companies create, collectively with any Co-Investors, at least 900 (instead of the 700 contained in the Jobs Commitment) new, full-time jobs (*i.e.*, at least thirty (30) hours per week), with health care benefits and in compliance with the Wage Requirements prior to the end of the fifth year of the Investment Period, then the twenty-five percent (25%) Special Source Revenue Credits is increased to fifty percent (50%).
 - (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 hereof 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, and in the implementation and administration of the terms and provisions of the documents after the date of execution thereof.

“Affiliate” shall mean any Person directly or indirectly controlling, controlled by, or under common control with such other Person. 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, 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 or by the Act, and dated as of May 22, 2017.

“Co-Investors” shall mean the Companies, any other Sponsor or Sponsor Affiliate within the meaning of Sections 12-44-30(19) and (20) of the Act, any Affiliate of the Companies or of any such other Sponsor or Sponsor Affiliate, any developer in a build-to-suit arrangement or other leasing arrangement with respect to the Project, any lessor of Equipment or other property comprising a part of the Project, and any financing entity or other third party investing in, or providing funds for, the Project. The Companies shall notify the County in writing of the identity of any other Sponsor, Sponsor Affiliate or other Co-Investor and shall, to the extent the Companies and any such other Sponsor, Sponsor Affiliate, or other Co-Investor intend to extend the benefits of the Negotiated FILOT to property owned by any such Sponsor, Sponsor Affiliate, or other Co-Investor, comply with any additional notice requirements, or other applicable provisions, of the Act. As of the original execution and delivery of this Agreement, the Companies are the only Co-Investors.

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

“Companies” shall mean Sponsor and Sponsor Affiliate, collectively.

“Company” shall mean each of Sponsor and Sponsor Affiliate.

“Confidential Information” shall have the meaning set forth in Section 4.02(d) hereof.

“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.

“*Equipment*” shall mean all machinery, equipment, furnishings, and other personal property acquired by a Company or any Co-Investor 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) property acquired or constructed by a Company or any Co-Investor 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 (b) modifications which constitute an expansion of Existing Property.

“*Filings*” shall have the meaning set forth in Section 4.02(c) hereof.

“*FILOT*” shall mean the fee-in-lieu of taxes, which a Company or any Co-Investor is obligated to pay to the County pursuant to Section 5.01 hereof.

“*FILOT Payments*” shall mean the payments to be made by any Company or Co-Investor to Section 5.01 hereof.

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

“*Indemnified Party*” shall have the meaning ascribed to it in Section 8.03 hereof.

“*Investment Commitment*” shall mean the agreement and commitment of the Companies, together with any Co-Investors, to make investments with respect to the Project as set forth in Section 4.01(a) hereof.

“*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 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 agreement and commitment of the Companies, together with any Co-Investors, to create and maintain New Full-Time Jobs with respect to the Project as set forth in Section 4.01(b) hereof.

“*Land*” shall mean the real estate upon which the Project is to be located, as described in Exhibit A attached hereto and incorporated herein by reference, as Exhibit A may be supplemented from time to time in accordance with the provisions hereof.

"Multi-County Park" shall mean the multi-county park established pursuant to the Agreement for the Development of a Joint Industrial and Business Park (Lancaster and Chester Counties), dated December 5, 2005, and authorized and approved by Lancaster County Ordinance No. 701 and Chester County Ordinance No. 12-05-05-I, as amended by the party counties, and any successor multi-county park arrangement in which the Land is included.

"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" shall have the meaning set forth in Section 5.01(b)(i)(2) hereof.

"Negotiated FILOT Payment" shall mean the FILOT payment 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.

"Non-Qualifying Property" shall mean that portion of the Project consisting of: (i) property as to which the Companies or any Co-Investors 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(a)(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 Land, buildings and other improvements on the Land to the extent placed thereon by or on behalf of the Companies or any Co-Investors, 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 Commitments" shall mean, collectively, the Investment Commitment and the 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 or Co-Investor 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” shall mean CompuCom Systems, Inc., a Delaware corporation, and any surviving, resulting, or transferee entity in any merger, consolidation, or transfer of assets permitted under Section 8.02 or Article IX hereof; or any assignee hereunder which is designated by the Sponsor and approved or ratified by the County. Except as required by law, the County’s subsequent approval or ratification of an assignee hereunder shall not be required if the subsequent Assignee is Sponsor or Sponsor Affiliate.

“Sponsor Affiliate” shall mean TKC Bailes Ridge Parkway, LLC, a North Carolina limited liability company, and any surviving, resulting, or transferee entity in any merger, consolidation, or transfer of assets permitted under Section 8.02 or Article IX hereof, or affiliated or related entities as qualified under Section 12-44-30(20) of the Code; provided, however, that such affiliate or related entity must be approved by the County as a sponsor affiliate and must agree in writing to be bound by 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 Requirements” means Seventeen Dollars and Forty-Seven Cents (\$17.47) 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 following the year in which Economic Development Property is first placed in service (the “Initial Hourly Wage”). The County shall change the Initial Hourly Wage at the end of the first five-year period (and at the end of every five-year period thereafter, if applicable) to the Department of Revenue’s then most recently published average hourly wage and the changed Wage Requirement shall apply to the subsequent five-year period. 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 to the County 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 Delaware 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 and Special Source Revenue Credits 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, and accordingly the property tax year, for federal income tax purposes is a 52/53 week fiscal year ending on the Saturday closest to 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 its portion of the Project as a part of its technology based sales and marketing businesses and the Project constitutes a "project" and "economic development property" as provided under the Act.

Section 2.03. Representations and Warranties by Sponsor Affiliate. Sponsor Affiliate makes the following representations and warranties to the County as the basis for the undertakings on its part herein contained:

(a) Sponsor Affiliate is a limited liability company, validly existing and in good standing under the laws of North Carolina 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 and the Special Source Revenue Credits have been instrumental in inducing Sponsor Affiliate to locate its portion of the Project within Lancaster County and the State.

(c) The income tax year of Sponsor Affiliate, and accordingly the property tax year, for federal income tax purposes is a 52/53 week fiscal year ending on the Saturday closest to December 31.

(d) Except as otherwise disclosed to the County, no actions, suits, proceedings, inquiries, or investigations known to the undersigned representatives of Sponsor Affiliate are pending or threatened against or affecting Sponsor Affiliate 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.

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 and any Co-Investor 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 and any Co-Investors 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, each Company 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 or Co-Investor 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 or Co-Investor 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 or any Co-Investors.

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 provides 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 maintain the Land in the Multi-County Park until the date this Agreement is terminated. If it becomes necessary to remove the Land from the Multi-County Park prior to the termination of this Agreement, the County agrees to use its best efforts to place the Land in another 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 AND JOBS COMMITMENT BY COMPANIES IN PROJECT; MAINTENANCE AND MODIFICATION OF PROJECT

Section 4.01. Investment and Job Creation by Companies in Project.

(a) For the Project, the Companies agree and commit to invest, collectively with any Co-Investors, at least Thirty-Six Million Dollars (\$36,000,000.00) in Economic Development Property by the end of the Investment Period (the "Investment Commitment"). 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, Sponsor Affiliate

or any Co-Investor in Economic Development Property shall be included in any determination whether the Companies have fulfilled their commitment made in this subsection (a) to invest in the Project.

(b) For the Project, together with any Sponsor Affiliates and any Co-Investors, the Sponsor agrees and commits to the creation and maintenance of the number of New Full-Time Jobs, paying an average hourly wage rate not less than the Wage Requirement, by year as follows: (i) Year 1 – not less than 140; (ii) Year 2 – not less than 280; (iii) Year 3 – not less than 420; (iv) Year 4 – not less than 560; (v) Years 5 through 10 – not less than 700 (the “Jobs Commitment”). As used in this subsection (b), the “Year” number refers to the year following the year in which Economic Development Property is first placed in service with Year 1 being the first year. 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 and all Co-Investors at the end of such tax year.

(2) For purposes of determining compliance with the Jobs Commitment and determining whether the Enhanced Credit is applicable, Sponsor agrees to provide the County Economic Development Director a copy of Sponsor’s (i) most recently filed Quarterly Report Form submitted to the South Carolina Coordinating Council for Economic Development with respect to Job Development Credits awarded in connection with the Project, within thirty days of the filing of the form with the state, and (ii) most recently filed Department of Revenue Form SC SCH. TC 4 (New Jobs Credit). Sponsor agrees to redact any personally identifying information and proprietary and confidential information prior to submitting either form to the County Economic Development Director. In lieu of providing either the Job Development Credit form or New Jobs Credit form, or both, Sponsor and the County Economic Development Director may agree on an alternative method for the Sponsor to demonstrate compliance with the Jobs Commitment and to determine whether the Enhanced Credit is applicable.

(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) 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 and Co-Investors 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' and Co-Investors' operations and processes ("Confidential Information") and that any disclosure of the Confidential Information could result in substantial harm to the Companies and Co-Investors 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 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, Co-Investors and their respective 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 and any Co-Investor 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 and Co-Investor may, at its own expense, add to the Project any real and personal property as such Company or Co-Investor in its discretion deems useful or desirable.

(ii) In any instance where any Company or Co-Investor, 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 or Co-Investor 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 and Co-Investor 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)(1) 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 and any Co-Investors shall pay annually, with respect to the applicable portions of 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) For the Project:

- (1) With respect to any portion of the Project consisting of 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 Non-Qualifying Property if it were taxable giving effect to all credits, exemptions, rebates and abatement that would be available if such undeveloped land or Non-Qualifying Property were taxable; and
- (2) With respect to those portions of the Project consisting of Economic Development Property, for each of the thirty 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 of 301.1 mills, the millage rate in effect on June 30, 2016, for the entire Term of this Agreement, 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 given to the Economic Development Property in amounts equal to (i) fifty percent (50%) of the Negotiated FILOT Payments for each of years one through five following the year in which such portion of the Project is placed in service, but beginning not later than the fifth year of the Investment Period; and (ii) twenty-five (25%) of the Negotiated FILOT Payments for each of years six through ten following the year in which such portion of the Project is placed in service; *provided, however*, that in the event the Companies create, collectively with any Co-Investors, at least nine hundred (900) (instead of the seven hundred (700) contained in the Jobs Commitment) by the end of the fifth year of the Investment Period, then the Special Source Revenue Credits provided pursuant to this clause (ii) shall be increased to fifty percent (50%) of the Negotiated FILOT Payments for each of years six through ten in which the nine hundred (900) New Full-Time Jobs are maintained (the "Enhanced Credit"). The provisions of Section 4.02(b)(2) apply for purposes of determining whether the Enhanced Credit is applicable.

(e) The FILOT payments are to be recalculated:

(i) to reduce such payments in the event any Company or Co-Investor 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 any Company or Co-Investor 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)(1) above, as permitted by Section 4.03(a)(iii).

(f) To the extent permitted by law, because the FILOT Payments agreed to herein are intended to be paid by the Companies or any Co-Investor 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 or any Co-Investor 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 would otherwise apply).

(g) Upon any Company's or any Co-Investor'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 or Co-Investor, 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 thirty-year 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 and Co-Investors 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)(1) hereof. In such event, the Companies and any Co-Investors 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 or Sponsor Affiliate, collectively with any Co-Investors, does not exceed Five Million Dollars (\$5,000,000.00) by the end of the applicable Investment Period. 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 or Co-Investor.

(j) (1) The Companies agree that a portion of the Special Source Revenue Credits for a year shall be reduced, prospectively, for such year to the extent that the Companies, collectively with any Co-Investors, fail to meet the Jobs Commitment, in a percentage amount equal to (A) the amount by which the number of jobs satisfying the Jobs Commitment at the Project at the end of such year is less than the number of jobs contained in the Jobs Commitment for such year, *divided by* (B) the number of jobs contained in the Jobs Commitment for such year. For example, and by way of example only, if, at the end of Year 3, the Jobs Commitment provides for the maintenance of not less than 420 jobs satisfying the Jobs Commitments, the actual number of jobs satisfying the Jobs Commitment is 210, and the Special Source Revenue Credit to which the Companies would otherwise be entitled for Year 4 is Five Hundred Thousand Dollars (\$500,000.00), then the reduction of the Special Source Revenue Credit pursuant to this subsection (j)(1) would be calculated as follows:

Jobs Commitment at the end of Year 3: 420 New Full-Time Jobs

Jobs Maintained at the Project at the end of Year 3: 210 New Full-Time Jobs

Special Source Revenue Credit reduction for Year 4:

$$[420 - 210] / 420 = 210 / 420 = 50.0\%$$

$$50.0\% \times \$500,000.00 = \mathbf{\$250,000.00}$$

As an additional example, and by way of example only, if, at the end of Year 5, the Jobs Commitment provides for the maintenance of not less than 700 jobs satisfying the Jobs Commitment, the actual number jobs satisfying the Jobs Commitment is 630, and the Special Source Revenue Credit to which the Companies would otherwise be entitled for Year 6 is One Million Dollars (\$1,000,000.00), then the reduction of the Special Source Revenue Credit pursuant to this subsection (j)(1) would be calculated as follows:

Jobs Commitment at the end of Year 5: 700 New Full-Time Jobs

Jobs Maintained at the Project at the end of year 5: 630 New Full-Time Jobs

Special Source Revenue Credit reduction for Year 6:

$$[700 - 630] / 700 = 70 / 700 = 10\%$$

10% x \$1,000,000.00: **\$100,000.00**

(k) Beginning with the year following the end of the tenth (10th) tax year after Economic Development Property is first placed in service, and for each year thereafter, Sponsor and Sponsor Affiliate agree that the FILOT Payment due for the Economic Development Property shall be 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, if Sponsor in the immediately prior year

(i) failed to maintain investment in the Project for Economic Development Property, without regard to depreciation or other diminution in value, of not less than Eighteen Million Dollars (\$18,000,000.00), or

(ii) failed to maintain for the Project at least 350 New Full-Time Jobs paying an average hourly wage rate not less than the Wage Requirement.

As an example of the calculation set forth in this subsection (k), and by way of example only, assume that in Year 13 the investment level set in this subsection (k) has not been maintained, that the millage rate applicable for tax bills to be sent in Year 14 is 350, and all of the Economic Development Property would have a 10.5% assessment ratio applied if the property were subject to *ad valorem* taxation, then the FILOT Payment for Year 14 would be computed using the millage rate of 350 (instead of 301.1) and the 10.5% assessment ratio (instead of 6%). As an additional example, and by way of example only, assume that in Year 22 the investment level set in this subsection (k) has been maintained, but that the maintained number of New Full-Time Jobs paying an average hourly wage not less than the Wage Requirement was 300, that the millage rate applicable for tax bills to be sent in Year 23 is 375, and all of the Economic Development Property would have a 10.5% assessment ratio applied if the property were subject to *ad valorem* taxation, then, the FILOT Payment for Year 23 would be computed using the millage rate of 375 (instead of 301.1) and the 10.5% assessment ratio (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 Section 5.01(h)-(k) hereof shall be paid within ninety (90) days, following written notice thereof from the County to the Companies.

(m) Notwithstanding any other provision of this Fee Agreement, the Companies acknowledge and agree that County's obligation to provide the FILOT incentive and the Special Source Revenue Credits ends, and this Fee Agreement is terminated, if the Sponsor ceases operations. For purposes this Section 5.01(m), "**ceases operations**" means 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 or Co-Investor 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 or Co-Investor 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 or Co-Investor, 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 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 Affiliates 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 and further agrees to consider such assignment in the form of a Resolution of Council.

Section 8.03. Indemnification. Each Company 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" and each, an "Indemnified Party") 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. Each Company 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 or Sponsor Affiliate 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 Five Million Dollars (\$5,000,000.00), 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 Investment Commitment by the end of the Investment Period. Sponsor or Sponsor Affiliate 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 Economic Development Property to be used in connection with the Project, all in accordance with Section 12-44-130(B) of the Simplified FILOT Act. The parties agree that, if any Sponsor or Sponsor Affiliate ceases to become party to this Agreement, the Agreement shall continue to remain in effect with respect to any remaining Sponsors or Sponsor Affiliates.

Section 8.05. Chamber of Commerce Membership. During any year in which Special Source Revenue Credits are awarded to Sponsor pursuant to the terms of this Agreement, Sponsor shall maintain membership in good standing with the Lancaster County Chamber of Commerce.

ARTICLE IX

FINANCING ARRANGEMENTS; CONVEYANCES; ASSIGNMENTS

Section 9.01. Conveyance of Liens and Interests; Assignment. Each Company or Co-Investor 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 or their Affiliated 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, which consent or ratification shall not be unreasonably withheld, conditioned or delayed and may be given by resolution of County Council; (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 sixty (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 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 thirty (30) 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 or Sponsor Affiliate may, at its option, terminate this Agreement at any time with respect to its portion of the Project, upon providing the County thirty (30) days' notice of such termination, in which event the applicable portion of the Project shall be subject to *ad valorem* taxes from the date of termination. In the event that this Agreement is fully terminated by the operation of this Section 10.02 at any time during the initial Investment Period prior to the Companies' meeting the Investment Commitment, amounts due to the County as a result thereof shall be calculated as provided in Section 5.01(j) 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. 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, but in each case, only with respect to the defaulting entity:

- (a) 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 thirty (30) days following receipt of written notice thereof from the County; or
- (b) 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 (a), and such default shall continue for ninety (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.

The failure of the Companies, collectively with any Co-Investors, to meet the Project Commitments 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 and the expiration of any applicable cure periods, 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, solely with respect to the defaulting entity, by delivery of written notice to the Companies not less than thirty (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 defaulting entity pertaining to the construction, acquisition, or maintenance of the Project; 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 defaulting entity 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. 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 Dollars (\$500.00).

Section 12.04. 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 12.05. 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:

Lancaster County
Attn: Steve Willis, County Administrator
101 N. Main St. (29720)
P.O. Box 1809 (29721-1809)
Lancaster, South Carolina
Telephone: (803) 416-9300
Fax: (803) 285-3361
Email: swillis@lancastercountysc.net

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

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:

CompuCom Systems, Inc.
Attn: Finance Director
3800 Arco Corporate Dr.
Charlotte, NC 28273

Email: Kwang.Elder@CompuCom.com

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

Womble Carlyle Sandridge & Rice, LLP
Attn: Ms. Stephanie L. Yarbrough
5 Exchange Street
Charleston, South Carolina 29401
Phone: (843) 720-4621
Email: styarbrough@wcsr.com

As to the Sponsor Affiliate

The Keith Corporation
Attn: Brendan Pierce
5935 Carnegie Blvd.
Suite 200
Charlotte, NC 28209
Email: bpierce@thekeithcorp.com

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

The Keith Corporation
Attn: Keith R. Beuley
5935 Carnegie Blvd.
Suite 200
Charlotte, NC 28209
Email: ken@thekeithcorp.com

Section 12.06. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

Section 12.07. 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 12.08. 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 12.09. 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 12.10. 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 12.11. 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 all parties.

Section 12.12. 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 12.13. 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 WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and behalf by the 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

By: _____
Name: Steve Harper
Title: Chair, County Council

By: _____
Name: Larry Honeycutt
Title: Secretary, County Council

ATTEST:

By: _____
Sherrie Simpson, Clerk to Council

[Companies signatures follow on next page.]

COMPUCOM SYSTEMS, INC.

By: _____
Name: _____
Title: _____

TKC BAILES RIDGE PARKWAY, LLC

By: _____
Name: _____
Title: _____

[The remainder of this page is intentionally left blank.]

EXHIBIT A

Land

Being 19.400 acres known as Future Tract 19-A of the Bailes Ridge Business Park as recorded in Lancaster County Register of Deeds in Plat Book _ Page _ and located in Indian Land Township, Lancaster County, South Carolina

Commencing from a found mag nail in the northern right of way of Bailes Parkway as recorded in Lancaster County Register of Deeds in Plat Book 2015 Page 108 with SCGS (NAD 83/2011) grid coordinates N=1,151,168.37, E=2,038,267.32 and a combine factor = 1.00003893, thence S47°01'19"W 107.26' to a set mag nail a common corner to Tract 19-B, being the Point of Beginning, thence with Bailes Parkway southern right of way the following 12 courses and distances, 1) a curve to the left with a radius of 640.00', a length of 76.42' and chord bearing and distance of S84°51'26"E 76.37' to a found mag nail, 2) S 88°16'41"E 303.29' to a found mag nail, 3) a curve to the right with a radius of 30.00', a length of 31.42' and a chord bearing and distance of S58°16'41"E 30.00' to a found rebar with a cap, 4) a curve to the left with a radius of 110.00', a length of 57.60' and a chord bearing and distance of S43°16'41"E 56.94' to a found rebar with a cap, 5) a curve to the right having a radius of 30.00', a length of 31.42' and a chord bearing and distance of S28°16'41"E 30.00' to a found mag nail, 6) S01°43'18"W 34.72' to a found rebar with cap, 7) S88°16'41"E 80.00' to a found rebar with cap, 8) N01°43'19"E 34.72' to a found pk nail, 9) a curve to the right with a radius of 30.00', a length of 31.42' and a chord bearing and distance of N31°43'19"E 30.00' to a found pk nail, 10) a curve to the left with a radius of 110.00', a length of 57.60' and a chord bearing and distance of N46°43'19"E 56.94' to a found pk nail, 11) a curve to the right with a radius of 30.00', a length of 31.42' and a chord bearing and distance of N61°43'19"E 30.00' to a found rebar with cap, 12) S88°16'41"E 34.72' to a found rebar with cap, a common corner to Bailes Investments Associates, LLC as recorded in Deed Book 164 Page 328, thence creating a common line S88°16'41"E 88.94' to a found 1/2" pipe a common corner to Lancaster County as recorded in Deed Book 411 Page 163, thence with the common line of Lancaster County the following 29 courses and distances, 1) S26°34'39"W 53.98' to a set #4 rebar, 2) S44°19'29"W 55.12' to a set #4 rebar, 3) S12°58'26"W 72.85' to a set #4 rebar, 4) S08°18'20"W 84.76' to a set #4 rebar, 5) S39°24'09"E 49.14' to a set #4 rebar, 6) S24°17'52"E 75.95' to a found rebar with cap, 7) S33°56'58"W 57.49' to a found rebar with cap, 8) S05°52'35"E 36.31' to a found rebar with cap, 9) S25°47'42"W 55.30' to a found rebar with cap, 10) S07°56'35"W 67.07' to a found rebar with cap, 11) S43°35'45"W 80.58' to a found rebar with cap, 12) S10°40'36"W 48'67" to a found rebar with cap, 13) S06°43'09"W 53.85' to a found rebar with cap, 14) S30°33'08"E 54.71' to a found rebar with cap, 15) S67°31'46"W 92.25' to a found rebar with cap, 16) S19°53'30"W 37.80' to a found rebar with cap, 17) S30°53'36"W 49.73' to a found rebar with cap, 18) S23°43'22"W 87.12' to a found rebar with cap, 19) S27°50'09"E 75.57' to a found rebar with cap, 20) S33°13'04"W 83.48' to a found rebar with cap, 21) S00°09'25"E 77.56' to a found rebar with cap, 22) S59°48'09"W 108.62' to a found rebar with cap, 23) S03°54'48"W 124.21' to a found rebar with cap, 24) S13°11'38"W 4.54' to a found

rebar with cap, 25) S60°42'02"W 55.48' to a found rebar with cap, 26) N79°06'43"W 67.86' to a found rebar with cap, 27) S66°18'06"W 65.56' to a found rebar with cap, 28) S88°52'36"W 63.32' to a found rebar with cap, 29) S83°42'47"W 72.62' to a found rebar with cap a common corner to Tract 20, thence with the following 5 division line, 1) N11°54'00"E 474.69' to a set #4 rebar, 2) N77°18'17"W 384.19' to a set #4 rebar a common corner to Tract 19-B, 3) N11°29'47"E 462.94' to a set #4 rebar, 4) S77°37'38"E 53.00' to a set #4 rebar, 5) N12°29'47"E 444.84' to the Point of Beginning. Containing 19.400 Acres.

Portion of Parcel Id. 0007-00-025.00

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The Lancaster News

701 North White Street
PO Box 640
Lancaster, SC 29721
803-283-1133

NOTICE OF PUBLIC
HEARING
Lancaster County Council
A public hearing has been
scheduled by the Lancaster
County Council for Monday,
May 8, 2017, at 6:00 p.m.
in the Lancaster County
Council Chambers, second
floor, County Administration
Building, 607 North Main
Street, Lancaster, South
Carolina. The purpose of the
hearing is to receive public
comment on the proposed
resolution to authorize
the execution and
delivery of a fee
agreement by and
among Lancaster
County, Compucom
Systems, Inc. and TKC
Bales Ridge Parkway
LLC, providing for
the payment of a
fee in lieu of taxes
and the provision
of special source
revenue credits.
The purpose of the
hearing is to express the
intention of Council
to provide a means
to the economic
development fund
and to provide
for other matters
related thereto. At
the public hearing and any
subsequent level, inter-
ested parties may be heard
either in person or by their
designees.
117-45 LE Womble Carlyle
BH

This is to certify that the attached Legal Notice was published in The Lancaster
News in the issue of April 14, 2017.

Karen D. Graham

Notary Public of South Carolina

My Commission Expires June 29, 2022

Agenda Item Summary

Ordinance # / Resolution#: 2017 - 1439

Contact Person / Sponsor: Jamie Gilbert / John Weaver

Department: Economic Development / County Attorney

Date Requested to be on Agenda: County Council – April 10, 2017

Issue for Consideration: Whether or not it is appropriate for County Council to consider the passage of this ordinance that authorizes a Fee Agreement between the county and Movement Mortgage, LLC, as Sponsor and TKC CCII, LLC, a Sponsor Affiliate?.

Points to Consider: On October 10, 2016, Council approved Resolution No. 0938 – R2016, an Inducement Resolution (attached) that committed Lancaster County to a FILOT with Movement Mortgage that included, among other things:

- a. An investment of at least Eighteen Million Five Hundred Thousand (\$18,500,000.00) Dollars;
- b. At least seven hundred (700) new full-time jobs;
- c. An initial average wage of \$17.47; a seven (7) year Investment Period
- d. A thirty (30) year Fee Agreement;
- e. A Special Source Revenue Credit of ten (10) years equal to fifty (50%) of the FILOT payments.

The ordinance being considered by Council formalizes and memorializes the terms and conditions outlined in the Inducement Resolution.

Funding and Liability Factors: N/A

Council Options: Approve or reject the ordinance.

Recommendation: The Director of Economic Development recommends Council's approval of the Ordinance and the Fee Agreement.

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

RESOLUTION NO. 0938-R2016

A RESOLUTION

TO STATE THE COMMITMENT OF LANCASTER COUNTY TO ENTER INTO A FEE AGREEMENT WITH PROJECT 2016-10, AND/OR ITS DESIGNEE OR NOMINEE; TO PROVIDE THE GENERAL TERMS OF THE FEE AGREEMENT INCLUDING THE PROVISION OF SPECIAL SOURCE REVENUE CREDITS; TO IDENTIFY THE PROJECT 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; AND TO PROVIDE FOR OTHER MATTERS RELATED THERETO.

WHEREAS, Lancaster County, South Carolina (the "County"), acting by and through its County Council (the "County Council") is authorized and empowered under and pursuant to the provisions of the Fee in Lieu of Tax Simplification Act, codified as Title 12, Chapter 44, Code of Laws of South Carolina 1976, as amended (the "Act"), to enter into a fee in lieu of tax agreement (the "Fee Agreement") with respect to a project which requires the industry to make a payment of a fee in lieu of taxes, through which powers the industrial development of the State of South Carolina and the County will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and the County and thus to utilize and employ the manpower, products, and natural resources of the State of South Carolina to benefit the general public welfare of the County by providing services, employment, and other public benefits not otherwise provided locally; and

WHEREAS, the County has previously entered into a Fee Agreement with respect to a previously announced investment and job creation project with Project 2016-10 ("Prior Project"); and

WHEREAS, Project 2016-10, on its own or together with one or more of its subsidiaries, affiliates, successors, assigns, sponsors, lessors, and others (collectively, the "Company"), desires to invest additional capital in the County in order to construct and install one or more additional facilities in the County (the "Additional Project"), provided that approvals of various incentives contemplated for the Additional Project are formalized by the State and/or County; and

WHEREAS, the Additional Project is anticipated to result in an investment of at least \$18,500,000 and the creation of at least 700 new, full-time jobs; and

WHEREAS, the Company has requested that the County enter into a Fee Agreement, thereby providing for fee-in-lieu of tax ("FILOT") payments ("FILOT Payments") and special source revenue credits ("SSRCs") with respect to the Additional Project; and

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

WHEREAS, pursuant to the authority of Section 4-1-170 of the Code of Laws of South Carolina 1976, as amended and Article VIII, Section 13(D) of the South Carolina Constitution (collectively, the "MCP Laws"), the County is authorized to create a multi-county park (an "MCP Park") pursuant to a qualifying agreement with one or more contiguous South Carolina counties (the "Park Agreement"); and

WHEREAS, the County intends by this Resolution to commit itself, as it relates to the Additional Project, to: (i) enter into a negotiated fee-in-lieu of tax agreement with the Company under the Act; (ii) provide for SSRs against the FILOT Payments to be made by the Company in connection with the foregoing fee-in-lieu of tax arrangements; and (iii) locate the Additional Project in an MCP Park.

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

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

2. The County commits to enter into a negotiated FILOT arrangement with the Company for the Additional Project, the terms of which shall be set forth in a Fee Agreement in form and manner satisfactory to the County and the Company containing substantially the following terms:

- a. an investment period of seven (7) years (the "Investment Period"); and
- b. the Company's commitment to invest at least eighteen million five hundred thousand dollars (\$18,500,000.00) in economic development property for the Additional Project, not later than the end of the Investment Period (the "Investment Commitment"); and
- c. the Company's commitment to create, not later than the earlier of either the fifth year following the issuance of an occupancy permit for the main building of the Additional Project or the end of the Investment Period, and thereafter to maintain for as long as the Company is receiving a special source revenue credit, at least seven hundred (700) new full-time jobs (*i.e.*, at least thirty (30) hours per week), with health care benefits and an hourly wage rate not less than the County's average hourly wage rate as published by the South Carolina Department of Revenue (the "Jobs Commitment"). The initial average hourly wage rate is seventeen dollars and forty-seven cents (\$17.47) and will be adjusted periodically beginning in year six of the Fee Agreement. The Company and County will agree upon the number of new full-time jobs that must be created in each year prior to the year in which the seven hundred (700) new full-time jobs must be created and the annual number is included in the Jobs Commitment; and
- d. the Company's commitment to create, under the Fee Agreement for the Prior Project and the Fee Agreement for the Additional Project, by the end of the fifth year of the Investment Period for the Fee Agreement for the Additional Project and to maintain in years six through ten of the Additional Project a total of eight hundred (800) full time jobs with health care benefits and an hourly wage rate of seventeen dollars and forty-seven cents (\$17.47) (the "Total Jobs Commitment"); and
- e. calculation of FILOT Payments using an assessment ratio of six percent (6%) and a millage rate fixed for the term of the Fee Agreement at the lower of the cumulative property tax millage rate for all taxing entities within which the Additional Project is located on either June thirtieth of the year preceding the calendar year in which the Fee Agreement is executed or the millage rate in effect on June thirtieth of the calendar year in which the Fee Agreement is executed; and

- f. a term of thirty (30) years for the Fee Agreement and for each phase of the Additional Project; and
- g. a special source revenue credit equal to fifty percent (50%) of the FILOT Payments for ten (10) consecutive years beginning not later than the fifth year of the Investment Period. In any year in which the Company fails to meet the Jobs Commitment or the Total Jobs Commitment, the annual special source revenue credit shall be reduced in the same proportion that the Company failed to meet the Jobs Commitment or Total Jobs Commitment; and
- h. for year eleven of the Fee Agreement, and for each year thereafter, the Company's agreement that the Fee Agreement is suspended for the then current year if the Company fails to maintain an investment in economic development property for the Additional Project of not less than nine million two-hundred fifty thousand dollars (\$9,250,000.00) and for the Prior Project of not less than ten million six hundred thousand dollars (\$10,600,000.00) or fails to maintain under the Fee Agreement for the Additional Project an employment base of at least six hundred fifty (650) full-time jobs (*i.e.*, at least thirty (30) hours per week), with health care benefits and an hourly wage rate not less than the County's average hourly wage rate as published by the South Carolina Department of Revenue; and
- i. the Company's commitment to reimburse the County for its administrative expenses associated with the review, negotiation and preparation of all documentation and authorizing proceedings, including attorney's fees, for the Project and for its administrative expenses associated with the annual computation of the special source revenue credits.

3. Council shall use its best efforts to adopt a new Park Agreement or amend an existing Park Agreement to include the land on which the Project is located, to the extent that the land, or any portion thereof, is not currently subject to a Park Agreement. The period of time for inclusion of the land in an MCP Park shall be for the same period that the Fee Agreement is effective.

4. (A) The County shall use its best efforts to (i) assist the Company in locating potential grants from the state and utilities for any public infrastructure costs associated with the Project, (ii) assist the Company in applying for state economic development incentives that flow through the County, and (iii) assist the Company in securing job training through the ReadySC program.

(B) As used in this Section 4, "best efforts" include, without limitation, filing all required and necessary documents and applications relating to the grants or assistance, formally recommending approval of the grants or assistance and making the grants or assistance available at the commencement of the construction of the Project if provided by the granting or assisting entity and giving the Company written evidence of the grants or assistance when approved.

5. Council's commitments and agreements contained in Sections 3 and 4 are subject to the exercise of discretion by granting or approving entities other than the County and the exercise of that discretion is not controlled by the County.

6. Council shall approve the Fee Agreement, and any other agreement or document contemplated by this Resolution in accordance with South Carolina law and the rules and procedures of the Council.

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

8. To the extent this Resolution contains provisions that conflict with other orders, resolutions, and parts thereof, the provisions contained in this Resolution supersede all other orders, resolutions and parts thereof and this Resolution is controlling.

9. This Resolution takes effect upon its adoption.

SIGNATURES FOLLOW ON NEXT PAGE.

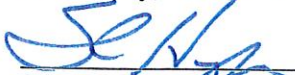
Adopted this 10th day of October, 2016.

LANCASTER COUNTY, SOUTH CAROLINA

[SEAL]

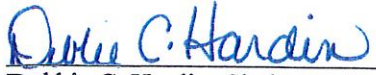


Bob Bundy, Chair, County Council



Steve Harper, Secretary, County Council

Attest:



Debbie C. Hardin, Clerk to Council

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STATE OF SOUTH CAROLINA

)

ORDINANCE NO. 2017-1439

COUNTY OF LANCASTER

)
)

AN ORDINANCE

TO AUTHORIZE THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND AMONG LANCASTER COUNTY AND MOVEMENT MORTGAGE, LLC AND TKC CCH, LLC, 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 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) Movement Mortgage, LLC (the "Sponsor") is considering investing, through itself and/or one or more existing or to be formed affiliated entities and/or one or more unrelated parties, including TKC CCH, LLC (the "Sponsor Affiliate"), 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 Eighteen Million, Five Hundred Thousand Dollars (\$18,500,000.00) over seven (7) years (the "Project");

(d) pursuant to Resolution No. 0938-R2016, adopted October 10, 2016, 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 and Sponsor Affiliate have caused to be prepared and presented to the Council the form of the Fee Agreement by and among the County, the Sponsor and the Sponsor Affiliate (the "Fee Agreement"), which provides for fee-in-lieu of tax payments utilizing a six percent (6%) assessment ratio and fixed millage rate as of June 30, 2016 (which is understood to be 301.1 mills) for a period of thirty (30) years for the Project or each component thereof placed in service during the initial investment period and any investment period extension to which the County, the Sponsor and the Sponsor Affiliate agree, and for special source revenue credits equal to fifty percent (50%) of the fee-in-lieu of tax payments for ten consecutive years beginning not later than the fifth year of the investment period; 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 and Sponsor Affiliate 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 and the Sponsor Affiliate. 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: April 10, 2017 Passed 6-0
Second Reading: April 24, 2017 Passed 7-0
Public Hearing: May 8, 2017
Third Reading: May 8, 2017

Exhibit A to Ordinance No. 2017-1439

**Fee Agreement
Lancaster County, Movement Mortgage, LLC and TKC CCH, LLC**

See attached.

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FEE AGREEMENT

by and among

LANCASTER COUNTY, SOUTH CAROLINA,

MOVEMENT MORTGAGE, LLC, as Sponsor

and

TKC CCII, LLC, as Sponsor Affiliate

Dated as of May 22, 2017

FEE AGREEMENT

This FEE AGREEMENT is dated as of May 22, 2017, by and among Lancaster County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), Movement Mortgage, LLC, a Delaware limited liability company, or affiliated or related entities (the "Sponsor") and TKC CCII, LLC, a North Carolina limited liability company, or affiliated or related entities (the "Sponsor Affiliate" and together with the Sponsor referred to herein as the "Companies").

WITNESSETH:

WHEREAS, the County, acting by and through its County Council (the "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 workforce, 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; 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 Sponsor proposes to make new taxable investments in the County (the "Project"); and

WHEREAS, the Sponsor Affiliate owns the property where the Project will be located and improvements made thereon and thereto; and

WHEREAS, the Sponsor anticipates that the Project will result in the creation of approximately 700 new, full time jobs and, and the Companies anticipate that the Project will result in an investment of approximately \$18,500,000.00 in the County; and

WHEREAS, the County Council approved on October 10, 2016 Resolution No. 0938 – R2016 (the "Inducement Resolution"), an 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 Sponsor making new and taxable investments in the County and the Companies requested that the County complete the FILOT arrangement referred to in the Inducement Resolution by entering into this Fee 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 encompass the terms surrounding the Project and allowing the Sponsor to make FILOT payments pursuant to the Act; and

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

WHEREAS, it is presently anticipated, but not required, that Sponsor will hereafter own that portion of the Project composed of personal property now or hereafter located on the Land; and

WHEREAS, for the Project, the parties have determined that the Companies are 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 One Dollar (\$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; Summary Agreement.

(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:

Movement Mortgage, LLC, a Delaware corporation (Sponsor)
TKC CCII, LLC, a North Carolina limited liability company (Sponsor
Affiliate)
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:

Parcel Id. No. 0007-00-025.06
Old Bailes Ridge Road
Indian Land, SC 29707

- Lancaster County
3. Minimum investment agreed upon:
\$18,500,000.00
 4. Length and term of this Agreement:
Thirty (30) 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, the millage rate in effect on June 30, 2016, 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 provided for the qualifying Economic Development Property in amounts equal to fifty percent (50%) of the Negotiated FILOT Payments for ten consecutive years, beginning not later than the fifth year of the Investment Period, subject to reduction if the Jobs Commitment or Total Jobs Commitment is unmet;
 - (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, and in the implementation and administration of the terms and provisions of the documents after the date of execution thereof.

“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 or by the Act, and dated as of May 22, 2017.

“Co-Investors” shall mean the Companies, any other Sponsor or Sponsor Affiliate within the meaning of Sections 12-44-30(19) and (20) of the Act, any Affiliate of the Companies or of any such other Sponsor or Sponsor Affiliate, any developer in a build-to-suit arrangement or other leasing arrangement with respect to the Project, any lessor of Equipment or other property comprising a part of the Project, and any financing entity or other third party investing in, or providing funds for, the Project. The Companies shall notify the County in writing of the identity of any other Sponsor, Sponsor Affiliate or other Co-Investor and shall, to the extent the Companies and any such other Sponsor, Sponsor Affiliate, or other Co-Investor intend to extend the benefits of the Negotiated FILOT to property owned by any such Sponsor, Sponsor Affiliate, or other Co-Investor, comply with any additional notice requirements, or other applicable provisions, of the Act. As of the original execution and delivery of this Agreement, the Companies are the only Co-Investors.

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

“Company” or *“Companies”* shall mean, individually or collectively as the context may require, Sponsor or Sponsor Affiliate and any surviving, resulting, or transferee entity in any merger, consolidation, or transfer of assets permitted under Section 8.02 or Article IX hereof; or any assignee hereunder which is designated by the Companies and approved or ratified by the County. Except as required by law or as otherwise required by this Agreement, the County’s subsequent approval or ratification of an assignee hereunder shall not be required if the subsequent assignee is an Affiliate of the assignor.

“Confidential Information” shall have the meaning set forth in Section 4.02(d) hereof.

“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.

“Equipment” shall mean all machinery, equipment, furnishings, and other personal property acquired by the Companies 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) property acquired or constructed by the Companies or Co-Investors 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 (b) modifications which constitute an expansion of Existing Property.

“Filings” shall have the meaning set forth in Section 4.02(c) hereof.

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

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

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

“Indemnified Party” shall have the meaning ascribed to it in Section 8.03 hereof.

“Investment Commitment” shall mean the agreement and commitment of the Companies to make capital 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 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 agreement and commitment of the Companies to create and maintain jobs with respect to the Project as set forth in Section 4.01(b)(1) of this Agreement.

“Land” shall mean the real estate upon which the Project is to be located, as described in Exhibit A attached hereto and incorporated herein by reference, as Exhibit A may be supplemented from time to time in accordance with the provisions hereof.

"Multi-County Park" shall mean the multi-county park established pursuant to the Agreement for the Development of a Joint Industrial and Business Park (Lancaster and Chester Counties), dated December 5, 2005, and authorized and approved by [Lancaster County Ordinance No. 701] and Chester County Ordinance No. 12-05-05-I, as amended by the party counties, and any successor multi-county park arrangement in which the Land is included.

"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" shall have the meaning set forth in Section 5.01(b)(i)(2) hereof.

"Negotiated FILOT Payment" shall mean the FILOT payment 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. As used in this definition and as applicable to the Prior Project, "New Full-Time Job" includes only those jobs created for the Prior Project in or after the first year in which Economic Development Property is purchased or acquired for the Prior Project.

"Non-Qualifying Property" shall mean that portion of the Project consisting of: (i) property as to which the Companies 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(a)(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.

"Prior Project" shall mean the "Project" as defined in that certain Fee Agreement by and among Lancaster County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina and Movement Mortgage, Inc. a Delaware limited liability company and TKC CCII, LLC a North Carolina limited liability company, dated November 23, 2015.

"Project" shall mean, collectively herein, the Project, and shall include the Land, the buildings and other improvements on the Land to the extent placed thereon by 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.

“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 the Companies dedicate 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” shall mean Movement Mortgage, LLC, a Delaware limited liability company and any surviving, resulting, or transferee entity in any merger, consolidation, or transfer of assets permitted under Section 8.02 or Article IX hereof; or any assignee hereunder which is designated by the Sponsor and approved or ratified by the County. Except as required by law, the County’s subsequent approval or ratification of an assignee hereunder shall not be required if the subsequent Assignee is Sponsor or Sponsor Affiliate.

“Sponsor Affiliate” shall mean TKC CCII, LLC, a North Carolina limited liability company, and any surviving, resulting, or transferee entity in any merger, consolidation, or transfer of assets permitted under Section 8.02 or Article IX hereof, or affiliated or related entities of any Sponsor or Sponsor Affiliate as qualified under Section 12-44-30(20) of the Code; provided, however, that such affiliate or related entity must be approved by the County as a sponsor affiliate and must agree in writing to be bound by 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.

“Total Jobs Commitment” shall mean the agreement and commitment of the Companies to create and maintain jobs with respect to the Project as set forth in Section 4.01(b)(2) of this Agreement.

“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 and Forty-Seven Cents (\$17.47) 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 following the year in which Economic Development Property is first placed in service (the “Initial Hourly Wage”). The County shall change the Initial Hourly Wage at the end of the first five-year period (and at the end of every five-year period thereafter, if applicable) to the Department of Revenue’s then most recently published average hourly wage and the changed Wage Requirement shall apply to the subsequent five-year period. 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 to the County as the basis for the undertakings on its part herein contained:

(a) Movement Mortgage, LLC is a limited liability company, validly existing and in good standing under the laws of the State of Delaware 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 and Special Source Revenue Credits have been instrumental in inducing the Sponsor to locate 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 the Sponsor are pending or threatened against or affecting the 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 the Sponsor, and accordingly the property tax year, for federal income tax purposes is January 1st through December 31st.

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

(f) The Sponsor intends, with the Project, to make new, taxable investments in the County, and the Project constitutes a “project” and “economic development property” as provided under the Act.

Section 2.03. Representations and Warranties by Sponsor Affiliate. The Sponsor Affiliate makes the following representations and warranties to the County as the basis for the undertakings on its part herein contained:

(a) TKC CCII, LLC is a limited liability company validly existing and in good standing under the laws of the State of North Carolina 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 Affiliate 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 the Sponsor Affiliate are pending or threatened against or affecting the Sponsor Affiliate 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.

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 and any Co-Investor 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. The Companies acknowledge 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 the Companies' 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 and any Co-Investor 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, any Company 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 or Co-Investor 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 or Co-Investor 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 or any Co-Investors.

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 provides 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 maintain the Land in the Multi-County Park until the date this Agreement is terminated. If it becomes necessary to remove the Land from the Multi-County Park prior to the termination of this Agreement, the County agrees to use its best efforts to place the Land in another 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.

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ARTICLE IV

INVESTMENT AND JOBS COMMITMENTS BY SPONSOR AND SPONSOR AFFILIATE IN PROJECT; MAINTENANCE AND MODIFICATION OF PROJECT

Section 4.01. Investment and Jobs Commitments by Sponsor and Sponsor Affiliate.

(a) For the Project, together with any Sponsor Affiliates and any Co-Investors, the Sponsor agrees and commits to a total investment of at least Eighteen Million Five Hundred Thousand Dollars (\$18,500,000.00) in Economic Development Property, at the Project by not later than the end of the Investment Period (the "Investment Commitment"). The investment amount shall not include any amount paid by the Companies for real estate improvements on the Land existing as of the date of this Agreement. Investments made by Sponsor Affiliate and any Co-Investors in Economic Development Property for the Project shall be included in the determination whether Sponsor has fulfilled its commitment made in this subsection (a) to invest in the Project.

(b) (1) For the Project, together with any Sponsor Affiliates and any Co-Investors, the Sponsor agrees and commits to the creation and maintenance of the number of New Full-Time Jobs, paying an average hourly wage rate not less than the Wage Requirement, by year as follows: (i) Year 1 – not less than 100; (ii) Year 2 – not less than 200; (iii) Year 3 – not less than 300; (iv) Year 4 – not less than 400; (v) Year 5 – not less than 500; (vi) Year 6 – not less than 600; and (vii) Years 7 through 10 – not less than 700 (the "Jobs Commitment"). As used in this subsection (b), the "Year" number refers to the year following the year in which Economic Development Property is first placed in service with Year 1 being the first year. 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.

(2) In addition to the Jobs Commitment, Sponsor, together with any Sponsor Affiliates and any Co-Investors, agrees and commits to create, under the Fee Agreement for the Prior Project and this Agreement for the Project, by the end of the fifth year of the Investment Period a combined total of at least 800 New Full-Time Jobs paying an average hourly wage of Seventeen Dollars and Forty-Seven Cents (\$17.47) and to maintain in Years 6 through 10 a combined total of at least 800 New Full-Time Jobs paying an average hourly wage of Seventeen Dollars and Forty-Seven Cents (\$17.47) for the Project and Prior Project (the "Total Jobs Commitment").

Section 4.02. Reporting and Filing.

(a) The Companies agree 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, the Companies 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 and all Co-Investors at the end of such tax year.

(2) For purposes of determining compliance with the Jobs Commitment and the Total Jobs Commitment, Sponsor agrees to provide the County Economic Development Director a copy of Sponsor's (i) most recently filed Quarterly Report Form submitted to the South Carolina Coordinating Council for Economic Development with respect to Job Development Credits awarded in connection with the Project, within thirty days of the filing of the form with the state, and (ii) most recently filed Department of Revenue Form SC SCH. TC 4 (New Jobs Credit). Sponsor agrees to redact any personally identifying information and proprietary and confidential information prior to submitting either form to the County Economic Development Director. In lieu of providing either the Job Development Credit form or New Jobs Credit form, or both, Sponsor and the County Economic Development Director may agree on an alternative method for the Sponsor to demonstrate compliance with the Jobs Commitment and Total 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) 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) County acknowledges and understands that the Companies and Co-Investors 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' and Co-Investors' operations and processes ("Confidential Information") and that any disclosure of the Confidential Information could result in substantial harm to the Companies and Co-Investors and could have a significant detrimental impact on the Sponsor's and Sponsor Affiliate's employees and also upon the County. Except as required by law, including, without limitation,

court orders, the County agrees to use 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 and Co-Investors, 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 Companies and give the Companies the opportunity to contest the release.

Section 4.03 Modification of Project.

(a) As long as no Event of Default exists hereunder, the Companies and any Co-Investor shall have the right at any time and from time to time during the Term hereof to undertake any of the following:

(i) The Companies and any Co-Investors may, at their own expense, add to the Project any real and personal property as the Companies and Co-Investors in their discretion deem useful or desirable.

(ii) In any instance where the Companies and any Co-Investors in their discretion determine that any items included in the Project have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary for operations at the Project, the Companies and any Co-Investors 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) The Companies and any Co-Investors may, at any time in their 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)(1) 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 and any Co-Investors shall pay annually, with respect to the applicable portion of 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) For the Project:

- (1) With respect to any portion of the Project consisting of 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 Non-Qualifying Property if it were taxable giving effect to all credits, exemptions, rebates and abatement that would be available if such undeveloped land or Non-Qualifying Property were taxable; and
- (2) With respect to those portions of the Project consisting of Economic Development Property, for each of the thirty 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 of 301.1, mills, the millage rate in effect on June 30, 2016, for the entire Term of this Agreement 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 given to the Economic Development Property in amounts equal to fifty percent (50%) of the Negotiated FILOT Payments for ten consecutive years, beginning not later than the fifth year of the Investment Period.

(e) The FILOT payments are to be recalculated:

- (i) to reduce such payments in the event the Companies or any Co-Investors dispose 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 in the event the Companies or any Co-Investors add property (other than Replacement Property) to the Project; or

(iii) to adjust such payments if the Companies elect to convert any portion of the Project from the Negotiated FILOT to the FILOT required by Section 5.01(b)(i)(1) above, as permitted by Section 4.03(a)(iii).

(f) To the extent permitted by law, because the FILOT Payments agreed to herein are intended to be paid by the Companies or any Co-Investor 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 or any Co-Investor 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 would otherwise apply).

(g) Upon the Companies' or any Co-Investor'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 the Companies or any Co-Investor, 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 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 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 thirty-year 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 and Co-Investors 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)(1) hereof. In such event, the Companies and any Co-Investor 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 the Companies and any Co-Investor does not exceed Five Million Dollars (\$5,000,000.00) by the end of the applicable Investment Period. 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 or Co-Investor.

(j) (1) The Companies agree that the Special Source Revenue Credits for a year shall be reduced, prospectively, for such year to the extent that the Companies, collectively with any Co-Investors, fail to meet the Jobs Commitment, in a percentage amount equal to (A) the amount by which the number of jobs satisfying the Jobs Commitment at the Project at the end of such year is less than the number of jobs contained in the Jobs Commitment for such year, *divided by* (B) the number of jobs contained in the Jobs Commitment for such year. For example, and by way of example only, if, at the end of Year 3, the Jobs Commitment provides for the maintenance of not less than 300 jobs satisfying the Jobs Commitment, the actual number of jobs satisfying the Jobs Commitment is 240, and the Special Source Revenue Credit to which the Companies would otherwise be entitled for Year 4 is Five Hundred Thousand Dollars (\$500,000.00), then the reduction of the Special Source Revenue Credit pursuant to this subsection (j)(1) would be calculated as follows:

Jobs Commitment at the end of Year 3: 300 New Full-Time Jobs

Jobs Maintained at the end of Year 3: 240 New Full-time Jobs

Special Source Revenue Credit reduction for Year 4:

$$[240 - 300] / 300 = 60 / 300 = 20\%$$

$$20\% \times \$500,000.00: \textbf{\$100,000.00}$$

As an additional example, and by way of example only, if at the end of Year 7, the Jobs Commitment provides for the maintenance of not less than 700 jobs satisfying the Jobs Commitment, the actual number of jobs satisfying the Jobs Commitment is 630, and the Special Source Revenue Credit to which the Companies would otherwise be entitled for Year 8 is One Million Dollars (\$1,000,000.00), then the reduction of the Special Source Revenue Credit pursuant to this subsection (j)(1) would be calculated as follows:

Jobs Commitment at the end of Year 7: 700 New Full-Time Jobs

Jobs Maintained at the end of Year 7: 630 New Full-Time Jobs

Special Source Revenue Credit reduction for Year 8:

$$[700 - 630] / 700 = 70 / 700 = 10\%$$

$$10\% \times \$1,000,000.00: \textbf{\$100,000.00}$$

(2) Notwithstanding the provisions of subsection (j)(1), the Companies agree that the Special Source Revenue Credits for a year shall be reduced, prospectively, for such year to the extent that the Companies, collectively with any Co-Investors, fail to meet the Total Jobs Commitment, in a percentage amount equal to (A) the amount by which the number of jobs satisfying the Total Jobs Commitment at the Project at the end of such year is less than the number of jobs contained in the Total Jobs Commitment for such year, *divided by* (B) the number of jobs contained in the Total Jobs Commitment for such year. For example, and by way of example only, if, at the end of Year 6, the Total Jobs Commitment provides for the maintenance of not less than 800 jobs satisfying the Total Jobs Commitment, the actual number of jobs satisfying the Jobs Commitment is 730, and the Special Source Revenue Credit to which the Companies would otherwise be entitled for Year 7 is One Million Dollars (\$1,000,000.00), then the reduction of the Special Source Revenue Credit pursuant to this subsection (j)(1) would be calculated as follows:

Total Jobs Commitment at the end of Year 6: 800 New Full-Time Jobs

Total Jobs Maintained at the end of Year 6: 730 New Full-Time Jobs

Special Source Revenue Credit reduction for Year 7:

$$[800 - 730] / 800 = 70 / 800 = 11.49\%$$

$$11.49\% \times \$1,000,000.00: \textbf{\$114,900.00}$$

(k) Beginning with the year following the end of the tenth (10th) tax year after Economic Development Property is first placed in service, and for each year thereafter, Sponsor and Sponsor Affiliate agree that the FILOT Payment due for the Economic Development Property shall be 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, if Sponsor in the immediately prior year

(i) failed to maintain investment in the Project for Economic Development Property, without regard to depreciation or other diminution in value, of not less than Nine Million Two-Hundred Fifty Thousand Dollars (\$9,250,000.00) and investment in the Prior Project for Economic Development Property, without regard to depreciation or other diminution in value, of not less than Ten Million Six Hundred Thousand Dollars (\$10,600,000.00), or

(ii) failed to maintain for the Project at least 650 New, Full-Time Jobs paying an average hourly wage rate not less than the Wage Requirement.

As an example of the calculation set forth in this subsection (k), and by way of example only, assume that in Year 13 one or both of the investment levels set in this subsection (k) have not been maintained, that the millage rate applicable for tax bills to be sent in Year 14 is 350, and all of the Economic Development Property would have a 10.5% assessment ratio applied if the property were subject to *ad valorem* taxation, then the FILOT Payment for Year 14 would be computed using the millage rate of 350 (instead of 301.1) and the 10.5% assessment ratio (instead of 6%). As an additional example, and by way of example only, assume that in Year 22 both of the investment levels set in this subsection (k) have been maintained, but that the maintained number of New, Full-Time Jobs paying an average hourly wage not less than the Wage Requirement was 600, that the millage rate applicable for tax bills to be sent in Year 23 is 375, and all of the Economic Development Property would have a 10.5% assessment ratio applied if the property were subject to *ad valorem* taxation, then, the FILOT Payment for Year 23 would be computed using the millage rate of 375 (instead of 301.1) and the 10.5% assessment ratio (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 Section 5.01(h)-(k) hereof shall be paid within ninety (90) days, following written notice thereof from the County to the Companies.

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

ARTICLE VI

PAYMENT OF EXPENSES BY SPONSOR

Section 6.01. Defaulted Payments. In the event the Companies or any Co-Investor 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 the Companies or any Co-Investor

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, the Companies or any Co-Investor, in their 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, the Companies shall use the Project for any lawful purpose 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), the Companies 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 the Companies, to one or more Affiliates without adversely affecting the benefits of the Companies or their assignees pursuant to any such agreement or the Act. The Companies 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 the Companies, 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 and further agrees to consider such assignment in the form of a Resolution of Council.

Section 8.03. Indemnification of the County. Each Company 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" and each an "Indemnified Party") 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. The Companies further agree 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, the Companies, 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 the Companies, 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 Companies 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 their 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 or Sponsor Affiliate 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 \$5,000,000.00, 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 Investment Commitment by the end of the Investment Period. Sponsor or Sponsor Affiliate 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 Economic Development Property to be used in connection with the Project, all in accordance with Section 12-44-130(B) of the Simplified FILOT Act. The parties agree that, if any Sponsor or Sponsor Affiliate ceases to become party to this Agreement, the Agreement shall continue to remain in effect with respect to any remaining Sponsors or Sponsor Affiliates.

Section 8.05. Chamber of Commerce Membership. During any year in which Special Source Revenue Credits are awarded to Sponsor pursuant to the terms of this Agreement, Sponsor shall maintain membership in good standing with the Lancaster County Chamber of Commerce.

ARTICLE IX

FINANCING ARRANGEMENTS; CONVEYANCES; ASSIGNMENTS

Section 9.01. Conveyance of Liens and Interests; Assignment. The Companies and any Co-Investors 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 the Companies, any of the Affiliates of the Companies, or transfers pursuant to clause (b) above (as to which such transfers the County hereby consents), the Companies shall first obtain the prior written consent or subsequent

ratification of the County, which consent or ratification shall not be unreasonably withheld, conditioned or delayed and may be given by resolution of County Council; (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 the Companies hereunder, or where the County consents in writing, no such transfer shall affect or reduce any of the obligations of the Companies hereunder, but all obligations of the Companies hereunder shall continue in full force and effect as the obligations of a principal and not of a guarantor or surety; (iii) the Companies, transferee, or financing entity shall, within sixty (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) the Companies and the transferee shall comply with all other requirements of the Transfer Provisions.

The Companies acknowledge 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 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 Sponsor's 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 thirty (30) 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 Companies, may, at their option, terminate this

Agreement at any time upon providing the County thirty (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 Investment Commitment, amounts due to the County as a result thereof shall be calculated as provided in Section 5.01(j) 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. 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 a Company, but solely with respect to such defaulting company:

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

(b) if default shall be made by a 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 (a), and such default shall continue for ninety (90) days after the County shall have given such Company written notice of such default, provided, that 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.

The failure of the Companies, collectively with any Co-Investors, to meet the Investment Commitment and/or the Jobs 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. Upon the occurrence of any Event of Default and the expiration of any applicable cure periods, 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, solely with respect to the defaulting entity, by delivery of written notice to the Companies not less than thirty (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 defaulting entity pertaining to the construction, acquisition, or maintenance of the Project; 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 defaulting entity under this Agreement.

Section 11.03. Default by the County. Upon the default of the County in the performance of any of its obligations hereunder, the Companies 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. Administration Expenses.

(a) The Sponsor agrees 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 Sponsor 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 FILOT Payments and any Special Source Revenue Credits, *provided, however*, the maximum annual reimbursement pursuant to this subsection is capped at five hundred dollars (\$500.00).

Section 12.03. 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 12.04. 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 12.05. 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:

Lancaster County
Attn: Steve Willis, County Administrator
101 N. Main St. (29720)
P.O. Box 1809 (29721-1809)
Lancaster, South Carolina
Telephone: (803) 416-9300
Fax: (803) 285-3361
Email: swillis@lancastercountysc.net

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

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:

Mr. Eric Mager
Director of Financial Performance and Analysis
8024 Calvin Hall Road
Indian Land, SC 29707
Telephone: (980) 263-2508
Email: eric.mager@movement.com

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

Ms. Stephanie L. Yarbrough
Womble Carlyle Sandridge & Rice, LLP
5 Exchange Street

Charleston, South Carolina 29401
Phone: (843) 720-4621
Email: styarbrough@wcsr.com

(c) as to the Sponsor Affiliate

The Keith Corporation
Attn: Brendan Pierce
5935 Carnegie Blvd.
Suite 200
Charlotte, NC 28209
Email: bpierce@thekeithcorp.com

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

The Keith Corporation
Attn: Keith R. Beuley
5935 Carnegie Blvd.
Suite 200
Charlotte, NC 28209
Email: ken@thekeithcorp.com

Section 12.06. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

Section 12.07. 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 12.08. Severability. In the event that any clause or provisions 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 12.09. 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 12.10. 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 12.11. 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 all parties.

Section 12.12. 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 12.13. 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 pages follow]

IN WITNESS WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and behalf by the 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

Name: Steve Harper
Title: Chair, County Council

Name: Larry Honeycutt
Title: Secretary, County Council

ATTEST:

Sherrie Simpson, Clerk to Council

[Companies' signatures follow on next page.]

MOVEMENT MORTGAGE, LLC,
a Delaware limited liability company

By: _____
Name: Eric Mager
Title: Director of Financial Performance and Analysis

TKC CCII, LLC,
a North Carolina limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

**PROPERTY DESCRIPTION
LANCASTER COUNTY**

That certain parcel and tract of Land lying and being situated in Bailes Ridge Business Park, Lancaster County, South Carolina and being more particularly described as follows:

All that certain piece, parcel or tract of land situate, lying and being on the southwestern side of SC Highway No. 160 and the northwestern side of Calvin Hall Road, in the County of Lancaster, State of South Carolina and being shown and designated as Tract 17, containing 11.819 acres, more or less, as shown on plat of survey entitled "Record Plat – 29.178 acres, Bailes Parkway & Calvin Hall Road of Bailes Ridge Business Park" prepared by Yarbrough-Williams & Houle, Inc. dated February 11, 2015, recorded in the Office of the Clerk of Court for Lancaster County in Plat Book 2015 at Page 108, on February 23, 2015, reference to which is hereby craved for a metes and bounds description thereof.

Parcel Id. No. 0007-00-025.06

The Lancaster News

701 North White Street
PO Box 640
Lancaster, SC 29721
803-283-1133

NOTICE OF PUBLIC
HEARING
Lancaster County Council
A public hearing has been
scheduled by the Lancaster
County Council for Monday,
May 8, 2017, at 6:00 p.m.
in the Lancaster County
Council Chambers, second
floor, County Administration
Building, 1017 North Main
Street, Lancaster, South
Carolina 29721. The
purpose of the public hearing
is to receive public com-
ment and to authorize
the execution and
delivery of a FREE
AGREEMENT BY AND
AMONG LANCASTER
COUNTY AND MOVEMENT
MORTGAGE FUND AND THE
CITY OF LANCASTER, 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
AND TO PROVIDE
FOR OTHER MATTERS
RELATED THERETO. At
the public hearing and any
adjournment of it, all inter-
ested persons may be heard
either in person or by their
designees.
116-46-1F-WombleCarlyle
BRI

This is to certify that the attached Legal Notice was published in The Lancaster
News in the issue of *April 14, 2017.*

Karen T. Graham

Notary Public of South Carolina

My Commission Expires June 29, 2022

STATE OF SOUTH CAROLINA

)

COUNTY OF LANCASTER

)

ORDINANCE NO. 2017-1441

)

AN ORDINANCE

TO AUTHORIZE THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND AMONG LANCASTER COUNTY AND A COMPANY KNOWN TO THE COUNTY AS PROJECT DON, 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 Don, a _____ [entity] (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 Six Million, Two Hundred Thirty-Three Thousand Dollars (\$6,233,000.00) (the "Project");

(d) pursuant to Resolution No. 0959-R2017, adopted April 24, 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 313.0 mills for a period of twenty (20) 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 (i) fifty percent (50%) of the fee-in-lieu of tax payments for the first seven (7) consecutive years of the Project and (ii) thirty percent (30%) of the fee-in-lieu of tax payments for the succeeding three (3) consecutive years of the Project; 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 M. Simpson, Clerk to Council

| | | |
|-----------------|----------------|-------------|
| First Reading: | April 24, 2017 | Passed 7-0 |
| Second Reading: | May 8, 2017 | |
| Public Hearing: | May 8, 2017 | |
| Third Reading: | May 22, 2017 | (Tentative) |

Exhibit A to Ordinance No. 2017-1441

Fee Agreement

See attached.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.

Exhibit A to Ordinance No. 2017-1441

Fee Agreement

See attached.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.

FEE AGREEMENT

by and between

LANCASTER COUNTY, SOUTH CAROLINA,

and

[PROJECT DON]

Dated as of May 22, 2017

FEE AGREEMENT

This FEE AGREEMENT (this "Agreement") is dated as of May 22, 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 Don, a _____ [entity] ("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 (the "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 locate a manufacturing business in the County (the "Project"); and

WHEREAS, the Companies anticipate that the Project will result in the creation of at least eighteen (18) new, full-time jobs and an investment of at least \$6,233,000 in the County; and

WHEREAS, the County Council approved on April 24, 2017, Resolution No. [NUMBER]-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 Don]; 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
s/o Old Camden Road, Lancaster
Portion of Parcel No. 0081-00-031.00
3. Minimum investment agreed upon: \$6,233,000
4. Length and term of this Agreement: 20 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: 313.0 mills, 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 (i) 50% of Negotiated FILOT Payments for each of the first seven (7) consecutive years of the Project, and (ii) 30% of Negotiated FILOT Payments for each of the succeeding three (3) consecutive years of the Project.
- (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 May 22, 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) 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 (b) 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 five 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 Multi-County Park Act and the Amended and Restated Master Multi-County Park Agreement between Chesterfield County, South Carolina and Lancaster County, South Carolina, Originally Dated as of December 9, 2013 and Effective July 1, 2014, as Amended and Restated as of November 9, 2015 with Exhibits Updated Through December 12, 2016, and as may be further amended and updated by the party counties, and any successor multi-county park arrangement in which the Land is included.

“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.

“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; (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(a)(iii) hereof; and (iv) property that would otherwise qualify as Economic Development Property, but is primarily used as retail space, hotels or restaurants; provided, however, that restaurants located on the Project that primarily serve employees of the Companies or their Affiliates and the families and guests of such employees shall not be deemed to be “Non-Qualifying Property.” The Companies agree that the real estate improvements on the Land as of the date of this Agreement shall constitute Non-Qualifying Property for purposes of this Agreement.

“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.

“Streamlined FILOT Act” shall mean Title 4, Chapter 12 of the Code, as amended through the date hereof.

“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 Sixteen Dollars and Forty-Two Cents (\$16.42) per hour, which is ninety-four percent (94%) of Seventeen Dollars and Forty-Seven Cents (\$17.47), 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 (and at the end of every five-year period thereafter, if applicable) to ninety-four percent (94%) of the Department of Revenue’s then most recently published average hourly wage for the County and the changed Wage Requirement shall apply to the subsequent five-year period. 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 [ENTITY], validly existing and in good standing under the laws of [STATE] 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 as a part of its manufacturing business. 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, any Company 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 maintain 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 Six Million Two Hundred Thirty-Three Thousand Dollars (\$6,233,000) 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 creation and maintenance of the number of New Full-Time Jobs, paying an average hourly wage rate not less than the Wage Requirement, by year as follows: (i) Year 1 – not less than 2; (ii) Year 2 – not less than 6; (iii) Year 3 – not less than 8; (iv) Year 4 – not less than 12; (v) Years 5 through 10 – not less than 18 (the "Jobs Commitment"). As used in this subsection (b), the "Year" number refers 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. 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 the County Economic Development Director a copy of Sponsor's (i) most recently filed Quarterly Report Form submitted to the South Carolina Coordinating Council for Economic Development with respect to Job Development Credits awarded in connection with the Project, within thirty days of the filing of the form with the state, and (ii) most recently filed Department of Revenue Form SC SCH. TC 4 (New Jobs Credit). Sponsor agrees to redact any personally identifying information and proprietary and confidential information prior to submitting either form to the County Economic Development Director. In lieu of providing either the Job Development Credit form or New Jobs Credit form, or both, Sponsor and the County Economic Development Director may agree on an alternative method for the Sponsor 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.

(a) 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)(1) 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) For the Project:

- (1) With respect to any portion of the Project consisting of 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 Non-Qualifying Property if it were taxable giving effect to all credits, exemptions, rebates and abatement that would be available if such undeveloped land or Non-Qualifying Property were taxable; and
- (2) 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 313.0 mils, for the entire term of this Agreement, 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 (i) 50% of Negotiated FILOT Payments for each of the first seven (7) consecutive years of the Project and (ii) 30% of Negotiated FILOT Payments for each of the succeeding three (3) consecutive years of the Project.

(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)(1) above, as permitted by Section 4.03(a)(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 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 twenty-year 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)(1) 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 applicable 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 in the prior year, in a percentage amount equal to (A) the amount by which the number of jobs satisfying the Jobs Commitment at the Project at the end of such year is less than the number of jobs contained in the Jobs Commitment for such year, *divided by* (B) the number of jobs contained in the Jobs Commitment for such year. For example, and by way of example only, if, at the end of Year 3, the Jobs Commitment provides for the maintenance of not less than 8 jobs satisfying the Jobs Commitments, the actual number of jobs satisfying the Jobs Commitment is 6, and the Special Source Revenue Credit to which the Companies would otherwise be entitled for Year 4 is Fifty Thousand Dollars (\$50,000.00), then the reduction of the Special Source Revenue Credit pursuant to this subsection (j)(1) would be calculated as follows:

Jobs Commitment at the end of Year 3: 8 New Full-Time Jobs

Jobs Maintained at the Project at the end of Year 3: 6 New Full-Time Jobs

Special Source Revenue Credit reduction for Year 4:

$$[8 - 6] / 8 = 2 / 8 = 25.0\%$$

$$25.0\% \times \$50,000.00 = \mathbf{\$12,500.00}$$

As an additional example, and by way of example only, if, at the end of Year 5, the Jobs Commitment provides for the maintenance of not less than 18 jobs satisfying the Jobs Commitment, the actual number jobs satisfying the Jobs Commitment is 12, and the Special Source Revenue Credit to which the Companies would otherwise be entitled for Year 6 is One Hundred Thousand Dollars (\$100,000.00), then the reduction of the Special Source Revenue Credit pursuant to this subsection (j)(1) would be calculated as follows:

Jobs Commitment at the end of Year 5: 18 New Full-Time Jobs

Jobs Maintained at the Project at the end of year 5: 12 New Full-Time Jobs

Special Source Revenue Credit reduction for Year 6:

$$[18 - 12] / 18 = 6 / 18 = 33.33\%$$

$$33.33\% \times \$100,000.00: \$33,333.33$$

(k) Beginning with the year following the end of the tenth (10th) tax year after Economic Development Property is first placed in service, and for each year thereafter, Sponsor and Sponsor Affiliate agree that the FILOT Payment due for the Economic Development Property shall be 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, if Sponsor in the immediately prior year

(i) failed to maintain investment in the Project for Economic Development Property, without regard to depreciation or other diminution in value, of not less than Two Million Five Hundred Thousand Dollars (\$2,500,000.00), or

(ii) failed to maintain for the Project at least 15 New Full-Time Jobs.

As an example of the calculation set forth in this subsection (k), and by way of example only, assume that in Year 13 the investment level set in this subsection (k) has not been maintained, that the millage rate applicable for tax bills to be sent in Year 14 is 350, and all of the Economic Development Property would have a 10.5% assessment ratio applied if the property were subject to *ad valorem* taxation, then the FILOT Payment for Year 14 would be computed using the millage rate of 350 (instead of 313) and the 10.5% assessment ratio (instead of 6%). As an additional example, and by way of example only, assume that in Year 19 the investment level set in this subsection (k) has been maintained, but that the maintained number of New Full-Time Jobs was 10, that the millage rate applicable for tax bills to be sent in Year 20 is 375, and all of the Economic Development Property would have a 10.5% assessment ratio applied if the property were subject to *ad valorem* taxation, then, the FILOT Payment for Year 20 would be computed using the millage rate of 375 (instead of 313) and the 10.5% assessment ratio (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(l), "**cease operations**" means permanent closure of the facility. The Companies agree that if this Agreement is terminated pursuant to this Section

5.01(l), 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, agree that the Indemnified Parties shall not be liable for, and agree 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 Negotiated FILOT Property to be used in connection with the Project, 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 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(j) 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;

(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 (a), 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 (b) 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; or

(3) a cessation of operations at the Project.

(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 Fee 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 DON]
ATTN: [NAME]
[ADDRESS]
[CITY], South Carolina [ZIP]
Telephone: [NUMBER]
Email: [ADDRESS]

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

George Pretty
Parker Poe Adams & Bernstein LLP
Three Wells Fargo Center
401 South Tryon Street, Suite 3000
Charlotte, North Carolina 28202
Phone: (704) 335-9073
Email: georgepretty@parkerpoe.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 M. Simpson, Clerk to Council

[PROJECT DON]

By: _____
Name: _____
Title: _____

EXHIBIT A

All that piece or parcel of land lying in Lancaster County, South Carolina and shown as Tract C (9.625 Acres) on that certain Plat of Survey and Subdivision Plan for KCH Real Estate, LLC prepared by Enfinger & Associates, dated March 2, 2017 and recorded in Plat Book 2017 at Page _____.

Portion of Parcel No. 0081-00-031.00

The Lancaster News

701 North White Street
PO Box 640
Lancaster, SC 29721
803-283-1133

NOTICE OF PUBLIC HEARING

Lancaster County Council
A public hearing has been scheduled by the Lancaster County Council for Monday, May 8, 2017, at 6:00 p.m. in the Lancaster County Council Chambers, second floor, County Administration Building, 101 North Main Street, Lancaster, South Carolina, or at such other location in or around the complex posted at the main entrance. The purpose of the public hearing is to receive public comment on an ordinance captioned "AN ORDINANCE TO AUTHORIZE THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND AMONG LANCASTER COUNTY AND A COMPANY KNOWN TO THE COUNTY AS PROJECT DON, 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; AND TO PROVIDE FOR OTHER MATTERS RELATED THERETO." At the public hearing and any adjournment of it, all interested persons may be heard in accordance with the rules of the Lancaster County Council.
134-48-1F-ParkerPoe-Paid

This is to certify that the attached Legal Notice was published in The Lancaster News in the issue of *April 21, 2017*.

Karen V. Khakam

Notary Public of South Carolina

My Commission Expires June 29, 2022

Agenda Item Summary

Ordinance # / Resolution# 2017-1442-(RZ-017-009)

Contact Person / Sponsor: Nick Cauthen

Department: Planning

Date Requested to be on Agenda: 5/8/17

Issue for Consideration:

- * The applicant has petitioned Lancaster County to rezone \pm 5.1 acres of property from INS, Institutional District to RN, Rural Neighborhood District. The applicant is proposing to construct a house on a portion of the property. The other portion of property already contains a house.
- * The subject properties consist of a Tract A and a Tract B. Tract A contains a 2 story house, consists of 2.765 acres, and is a portion of TMS 0100-00-001.03. Tract B is the proposed site for a new house, consists of 2.340 acres and is a portion of TMS 0088-00-107.00. They are located on the west side of the Kirk Air Base runway and are approximately $\frac{1}{2}$ mile from Kirk Air Base Road.
- * A survey of the subdivision will have to be approved and recorded by the time of 3rd reading.

Points to Consider:

- * This property is designated as Rural Living on the Future Land Use map. Rural Living is a community type that includes a variety of residential types, from farmhouses, to large acreage rural family dwellings, to ecologically-minded "conservation subdivisions" whose aim is to preserve open landscape, and traditional buildings, often with a mixture of residential and commercial uses that populate crossroads in countryside locations. This is defined by the *Lancaster County Comprehensive Plan 2014-2024*.
- * The Rural Neighborhood zoning district is adjacent to this area and a residential house is very well suited for this area considering the existing conditions of the area and the Future Land Use map.

Funding and Liability Factors:

N/A

Council Options:

To approve or deny the rezoning request.

Recommendation:

- * It is the recommendation of the planning staff that the rezoning request be approved. This is primarily due to the fact of the rural residential nature of the surrounding area and the fact that this rezoning conforms to the Future Land Use map.
- * At the Lancaster County Planning Commission meeting on Tuesday, April 18, 2017 the Commission voted to approve the rezoning application of Robert Woodson III by a vote of (7-0).
- * The complete staff report can be located on www.mylancasterc.org - Click on Planning Department and go to 2017 Agendas.

STATE OF SOUTH CAROLINA

)

ORDINANCE NO. 2017-1442

COUNTY OF LANCASTER

)

)

AN ORDINANCE

TO AMEND THE OFFICIAL ZONING MAP OF LANCASTER COUNTY SO AS TO REZONE PROPERTY OWNED BY JAMES B. KIRK, REPRESENTED BY ROBERT WOODSON III, LOCATED AT KIRK AIR BASE, ± 2,300 FT. OFF KIRK AIR BASE ROAD, FROM INS, INSTITUTIONAL DISTRICT TO RN, RURAL NEIGHBORHOOD DISTRICT.

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

Section 1. Findings and Determinations.

The Council finds and determines that:

(a) Robert Woodson III applied to rezone property located at Kirk Air Base, ± 2,300 ft. off Kirk Air Base Road from INS, Institutional District, to RN, Rural Neighborhood District.

(b) On April 18, 2017, the Lancaster County Planning Commission held a public hearing on the proposed rezoning and, by a vote of (7-0), recommended approval of the rezoning.

Section 2. Rezoning.

The Official Zoning Map is amended by changing the zoning district classification from INS, Institutional District to RN, Rural Neighborhood District for the following property as identified by tax map number or other appropriate identifier:

Portion of Tax Map No. 0088-00-107.00, Portion of Tax Map No. 0100-00-001.03

Section 3. 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 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, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 5. Effective Date.

This ordinance is effective upon third reading.

And it is so ordained, 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: 5-8-17

Second Reading: 5-22-17 (Tentative)

Third Reading: 6-12-17 (Tentative)

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PLANNING STAFF REPORT: RZ-017-009

I. FACTS

A. GENERAL INFORMATION

Proposal: This is a rezoning application of Robert Woodson III to rezone \pm 5.1 acres from INS, Institutional District to RN, Rural Neighborhood District. The applicant is proposing to construct a house on a portion of the property. The other portion of property already contains a house.

Property Location: The property is located at 1007 Kirk Air Base Road, directly adjacent and located to the west of the Kirk Air Base.

Legal Description: P/O TMS # 0088-00-107.00, P/O TMS # 0100-00-001.03

Zoning Classification: Current: INS, Institutional

Voting District: District 5, Steve Harper

B. SITE INFORMATION

Site Description: The subject properties consist of a Tract A and a Tract B. Tract A contains a 2 story house, consists of 2.765 acres, and is a portion of TMS 0100-00-001.03. Tract B is the proposed site for a new house, consists of 2.340 acres and is a portion of TMS 0088-00-107.00. They are located on the west side of the Kirk Air Base runway and are approximately $\frac{1}{2}$ mile from Kirk Air Base Road.

C. VICINITY DATA

Surrounding Conditions: The adjacent properties are zoned RN (Rural Neighborhood), and INS (Institutional). This is a rural area with vacant wooded property along with a number of residences in the area. The Bear Creek Reservoir is also located near the subject properties.

D. EXHIBITS

1. Zoning Map
2. Aerial Map
3. Future Land Use Map

II. FINDINGS

CODE CONSIDERATIONS

INS, Institutional District,

This Institutional District is intended to allow for the continued and future use, expansion, and new development of academic and religious campuses and of governmental and health facilities. The goal is to promote the many varied uses

Date of 1st Reading: 5-8-17

☐ Approved ☐ Denied ☐ No Action

Date of 2nd Reading: 5-22-17

☐ Approved ☐ Denied ☐ No Action

Date of 3rd Reading: 6-12-17

☐ Approved ☐ Denied ☐ No Action

associated with such institutions while maintaining the overall design integrity of the campus setting and minimizing any adverse impacts on the neighboring residential areas. In the attempt to meet this goal numerous requirements are included, such as but not limited to buffers, landscaping, outdoor lighting, parking, signage, building height, setbacks, open space, and the like.

RN, Rural Neighborhood District,

The Rural Neighborhood District is established to protect the residential character of communities and neighborhoods in the rural area at a density of 1.0 dwelling unit per acre. The district is intended to promote rural living, protect farmland, and to maintain the low density residential.

III. CONCLUSIONS

The facts and findings of this report show that the property is designated as Rural Living on the Future Land Use map. Rural Living is a community type that includes a variety of residential types, from farmhouses, to large acreage rural family dwellings, to ecologically-minded "conservation subdivisions" whose aim is to preserve open landscape, and traditional buildings, often with a mixture of residential and commercial uses that populate crossroads in countryside locations. This is defined by the *Lancaster County Comprehensive Plan 2014-2024*. As previously stated a portion of the subject property contains a house and the other subject portion is the proposed area for a new house. The Rural Neighborhood zoning district is adjacent to this area and a residential house is very well suited for this area considering the existing conditions of the area and the Future Land Use map.

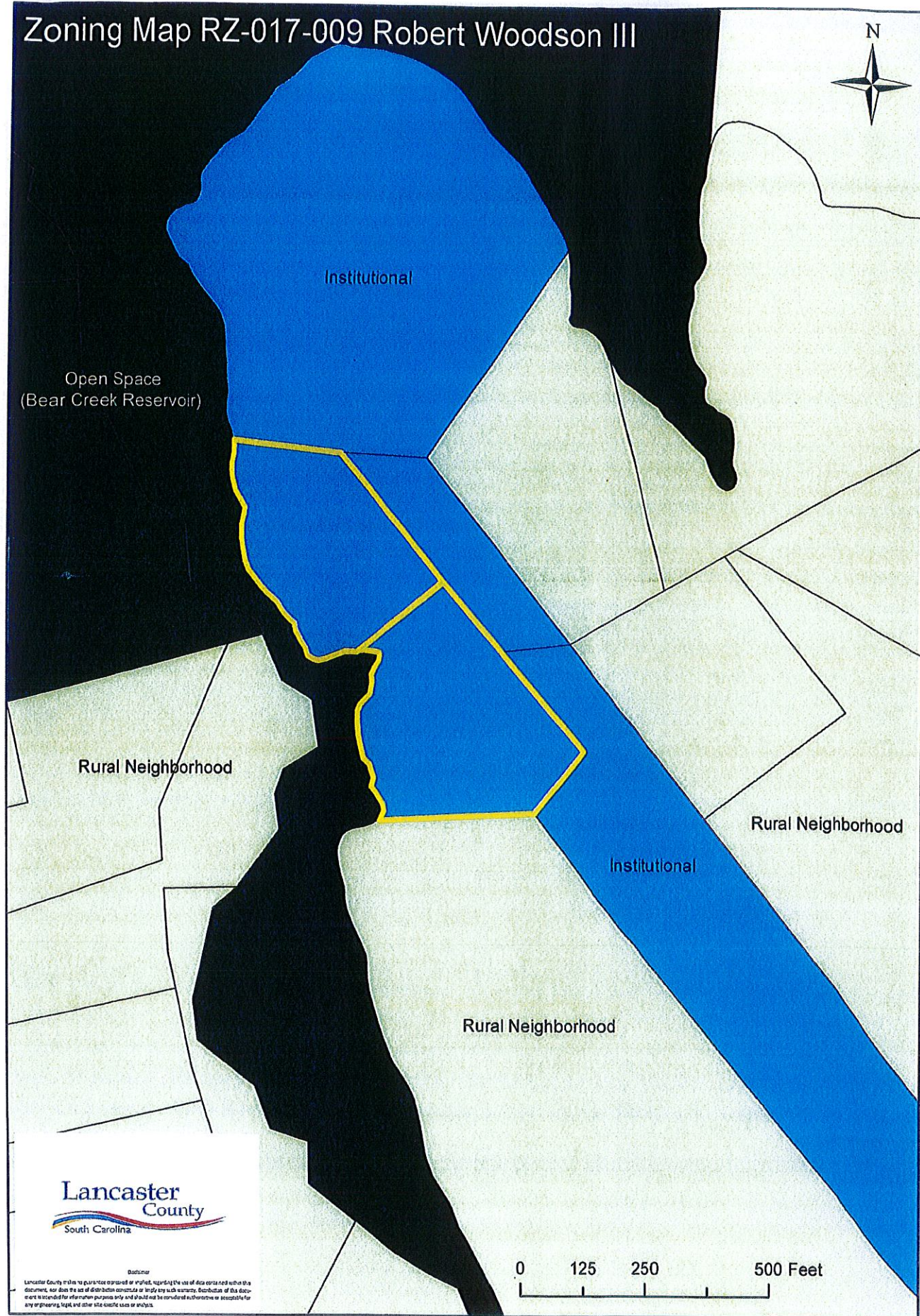
IV. RECOMMENDATION:

Based on the information above the planning staff is recommending that the rezoning request for the property located directly adjacent and to the west of the Kirk Air Base be **approved**. This is primarily due to the fact of the rural residential nature of the surrounding area and the fact that this rezoning conforms to the Future Land Use map.

V. RECOMMENDATION FROM PLANNING COMMISSION MEETING

At the Lancaster County Planning Commission meeting on Tuesday, April 18, 2017 the Commission voted to **approve** the rezoning application of Robert Woodson III by a vote of (7-0).

Zoning Map RZ-017-009 Robert Woodson III



Lancaster
County
South Carolina

Disclaimer

Lancaster County makes no guarantee expressed or implied, regarding the use of data contained within this document, nor does the use of this document constitute or imply any such warranty. Distribution of this document is intended for information purposes only and should not be considered authoritative or acceptable for any engineering, legal, and other site specific uses or analysis.

0 125 250 500 Feet

Aerial Map RZ-017-009 Robert Woodson III



Open Space
(Bear Creek Reservoir)



Lancaster
County
South Carolina

Disclaimer

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0 125 250 500 Feet

Future Land Use Map RZ-017-009 Robert Woodson III



Rural Living

Rural Living

Rural Living

Rural Living



Disclaimer

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Agenda Item Summary

Ordinance # / Resolution# 2017-1443 (RZ-017-010)

Contact Person / Sponsor: Andy Rowe

Department: Planning

Date Requested to be on Agenda: 5/8/17

Issue for Consideration:

Rezoning application of UHF Development Group, LLC to rezone six (6) properties. The applicant is requesting a zoning change from RN, Rural Neighborhood District, and LDR, Low Density Residential District, to RMX, Residential Mixed-Use District. The applicant states they wish to construct a Master Planned/Mixed-Use Development that will contain commercial, single-family homes, and attached/detached townhomes on the site.

Points to Consider:

The Future Land Use Map identifies this property as Neighborhood Mixed-Use based on the *Lancaster County Comprehensive Plan 2014-2024*. Neighborhood Mixed-Use according to the *Comprehensive Plan* is identified as a "Walkable Neighborhood". The walkable neighborhood allows land uses to produce more economically and environmentally attractive places to live, work, and play. The properties are also located near the third pedestrian center in Indian Land, which is identified on the future land use map of the *Lancaster County Comprehensive Plan 2014-2024* as a pedestrian node.

The purpose of a Residential Mixed-Use District is to provide for mixed-use transitional areas immediately adjacent to or in close proximity of mixed-use centers that permit some limited commercial uses and a wide variety of housing types in pedestrian-scaled, residential-style structures. The close location to the Indian Land schools would allow a mixture of residential options and access to pedestrian activity. The site is also part of the Carolina Thread Trail Overlay and a natural surface trail would be created to provide connectivity from the neighborhood to the surrounding schools. We are also working on a new collector road study for the RFATS (Rock Hill Fort Mill Area Transportation Study) area of Indian Land, where we need to build new collector roads to alleviate traffic on Highway 521. Based on our collector road study, a collector road would need to be created to sustain the Residential-Mixed Use District for these properties. Staff would only recommend approval of this project if the Collector Road is built to help accommodate the traffic in the area. This rezoning is the first Mixed-Used Districts rezoning that an applicant has filed since the approval of the new Unified Development Ordinance on November 28, 2016.

We would like to explain the process for Mixed-Used Districts. A rezoning needs to take place through a public hearing with the Planning Commission and then three readings with the County Council. Once the property is rezoned, then the applicant will have to submit a Master Development Plan Application. This process would go through the Technical Review Committee and a public hearing for the Planning Commission. After the Planning Commission recommends approval or approval with conditions, then the plan would be forwarded to County Council for one reading to approve, approve with conditions, or deny the Master Development Plan. Therefore, this rezoning is only one step of many with the Master Development Plan process. Please keep in mind, any of the Mixed-Use Districts rezoning does not automatically mean the applicant can start building or using their property without an approval of the Master Development Plan.

Funding and Liability Factors:

N/A

Council Options:

To approve or deny the rezoning request.

Recommendation:

Based on the information above the planning staff is recommending that the rezoning application of UHF Development Group, LLC to rezone six (6) properties be **approved**.

At the Lancaster County Planning Commission meeting on Tuesday, April 18th, 2017 the Commission voted to **deny** the rezoning application of UHF Development Group, LLC by a vote of (4-3). At the above referenced meeting one citizen spoke at the public hearing expressing concerns with traffic. The applicant presented two slides for the project and spoke in favor of the rezoning and emphasized this rezoning is the 1st step of many they must undertake with this project including a Master Development Plan.

STATE OF SOUTH CAROLINA

)

COUNTY OF LANCASTER

)

ORDINANCE NO. 2017-1443

AN ORDINANCE

TO AMEND THE OFFICIAL ZONING MAP OF LANCASTER COUNTY SO AS TO REZONE PROPERTY OF WILLIAM HOLT EARNHEART, JR. (0013-00-027.00), JOHNNY WAYNE JORDAN (0013-00-035.02), HOWARD AND DOVIE MONROE (0013-00-036.00), DORIS MACK FARLEY (0013-00-039.00), CHARLIE EUGENE SMITH (0013-00-040.00), AND JAMES RANDALL PORTER (0013-00-042.00). EACH OF THESE PARCELS IS LOCATED WITHIN THE INDIAN LAND SECTION OF LANCASTER COUNTY, SOUTH CAROLINA. THE APPLICANT HAS REQUESTED A ZONING CHANGE FOR THESE PROPERTIES. FROM RN, RURAL NEIGHBORHOOD DISTRICT TO RMX, RESIDENTIAL MIXED-USE DISTRICT (0013-00-035.02, 0013-00-036.00, 0013-00-039.00, 0013-00-040.00, 0013-00-042.00). FROM LDR, LOW DENSITY RESIDENTIAL DISTRICT TO RMX, RESIDENTIAL MIXED USE DISTRICT (0013-00-027.00).

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

Section 1. Findings and Determinations.

The Council finds and determines that:

(a) UHF Development Group, LCC applied to rezone six (6) properties. From RN, Rural Neighborhood District to RMX, Residential Mixed-Use District (0013-00-035.02, 0013-00-036.00, 0013-00-039.00, 0013-00-040.00, 0013-00-042.00). From LDR, Low Density Residential District to RMX, Residential Mixed Use District (0013-00-027.00).

(b) On April 18, 2017, the Lancaster County Planning Commission held a public hearing on the proposed rezoning and, by a vote of (4-3), recommended to deny the rezoning.

Section 2. Rezoning.

The Official Zoning Map is amended by changing the zoning district for classification from RN, Rural Neighborhood District, and LDR, Low Density Residential District to RMX, Residential Mixed-Use District for the following property(ies) as identified by tax map number or other appropriate identifier:

Tax Map No. 0013-00-027.00, 0013-00-035.02, 0013-00-036.00, 0013-00-039.00, 0013-00-040.00, 0013-00-042.00.

Section 3. 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 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, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 5. Effective Date.

This ordinance is effective upon third reading.

And it is so ordained, 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: 5-8-17

Second Reading: 5-22-17 (Tentative)

Third Reading: 6-12-17 (Tentative)

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PLANNING STAFF REPORT: RZ-017-010

I. Facts

A. General Information

Proposal: Rezoning application of UHF Development Group, LLC to rezone six (6) properties. The applicant is requesting a zoning change from RN, Rural Neighborhood District, and LDR, Low Density Residential District, to RMX, Residential Mixed-Use District. The applicant states they wish to construct a Master Planned/Mixed-Use Development that will contain commercial, single-family homes, and attached/detached townhomes on the site.

Property Location: The 1st property consists of ± 46.05 acres and located off Doby's Bridge Road near the Lancaster/York County line. The 2nd property consists of ± 2.29 acres and located at 286 Little River Road. The 3rd property consists of ± 8.9 acres and located at 236 Little River Road. The 4th property consists of ± 4.58 acres and located at 7961 River Road. The 5th property consists of ± 5.1 acres and located at 7945 River Road. The 6th property consists of ± 8.58 acres and located at 7981 Little River Road. All six (6) properties are located in the Indian Land section of Lancaster County, SC.

Legal Description: Tax Map 13, Parcels 27.00, 35.02, 36.00, 39.00, 40.00, 42.00.

Zoning Classification: Current: RN, Rural Neighborhood District, and LDR, Low Density Residential District.

Voting District: District 1 – Terry Graham

B. Site Information

Site Description: The parcels that comprise this rezoning application are located in the panhandle area of Lancaster County. The property consists of existing homes and vacant land.

C. Vicinity Data

Surrounding Conditions: The five subject properties located off River Road and Little River Road contain the following adjacent zoning districts: Adjacent parcels to the north include INS, Institutional District (Indian Land High School). Adjacent parcels to the west include RN, Rural Neighborhood District, INS, Institutional District, and HDR, High Density Residential District. Adjacent parcels to the east include INS, Institutional District. Adjacent parcels to the south include RN, Rural Neighborhood District. The single parcel located on Doby's Bridge Road contain the following adjacent zoning districts: Adjacent parcels to the north include LDR, Low Density Residential District.

Adjacent parcels to the east include HDR, High Density Residential District, and RN, Rural Neighborhood District. Adjacent parcels to the south include RN, Rural Neighborhood District. Adjacent parcels to the west include LDR, Low Density Residential, and RN, Rural Neighborhood District.

D. Exhibits

1. Rezoning Applications
2. Vicinity Map
3. Zoning Map
4. Future Land Use Map/Future Land Use Map Activity Centers
5. Tax Inquiry Sheet
6. UDO – Section: 2.3 – Districts
7. UDO- Chapter 3-Mixed-Use Districts- Section 3.4- Building Types Allowed By District/Section 3.5 Urban District Standards/Section 3.9.1-RMX District
8. UDO- Chapter 9- Administration- Section 9.2.9- Site Plan & Master Development Plan Process Flow Chart/Section B- Mixed-Use District/Master Development Plan
9. Collector Road Proposed Map
10. Table of Uses

II. Findings

Code Considerations:

2.3 DISTRICTS:

Rural Neighborhood District (RN)

The Rural Neighborhood District is established to protect the residential character of communities and neighborhoods in the rural area at a density of 1.0 dwelling unit per acre. The district is intended to promote rural living, protect farmland, and to maintain the low density residential.

Low Density Residential District (LDR)

The Low Density Residential District is established to maintain previously developed or approved single-family residential subdivisions and their related recreational, religious, and educational facilities at a density of 1.5 dwelling units per acre. Intended to act as a transitional zoning district between rural living and urban development, these regulations are further intended to discourage any use which would be detrimental to the predominately residential nature of the areas included within the district.

Residential Mixed-Use District (RMX)

The Residential Mixed-Use District is intended to provide for mixed-use transitional areas immediately adjacent to or in close proximity of mixed-use centers that permit some limited commercial uses and a wide variety of housing types in pedestrian-scaled, residential-style structures.

UNIFIED DEVELOPMENT ORDINANCE | Adopted 11.28.2016

III. Conclusions

The Future Land Use Map identifies this property as Neighborhood Mixed-Use based on the *Lancaster County Comprehensive Plan 2014-2024*. Neighborhood Mixed-Use according to the *Comprehensive Plan* is identified as a “Walkable Neighborhood”. The walkable neighborhood allows land uses to produce more economically and environmentally attractive places to live, work, and play. The properties are also located near the third pedestrian center in Indian Land, which is identified on the future land use map of the *Lancaster County Comprehensive Plan 2014-2024* as a pedestrian node.

The purpose of a Residential Mixed-Use District is to provide for mixed-use transitional areas immediately adjacent to or in close proximity of mixed-use centers that permit some limited commercial uses and a wide variety of housing types in pedestrian-scaled, residential-style structures. The close location to the Indian Land schools would allow a mixture of residential options and access to pedestrian activity. The site is also part of the Carolina Thread Trail Overlay and a natural surface trail would be created to provide connectivity from the neighborhood to the surrounding schools. We are also working on a new collector road study for the RFATS (Rock Hill Fort Mill Area Transportation Study) area of Indian Land, where we need to build new collector roads to alleviate traffic on Highway 521. Based on our collector road study, a collector road would need to be created to sustain the Residential-Mixed Use District for these properties. Staff would only recommend approval of this project if the Collector Road is built to help accommodate the traffic in the area.

This rezoning is the first Mixed-Used Districts rezoning that an applicant has filed since the approval of the new Unified Development Ordinance on November 28, 2016. We would like to explain the process for Mixed-Used Districts. A rezoning needs to take place through a public hearing with the Planning Commission and then three readings with the County Council. Once the property is rezoned, then the applicant will have to submit a Master Development Plan Application. This process would go through the Technical Review Committee and a public hearing for the Planning Commission. After the Planning Commission recommends approval or approval with conditions, then the plan would be forwarded to County Council for one reading to

Date of 1st Reading: 5-8-17
___ Approved ___ Denied ___ No Action

Date of 2nd Reading: 5-22-17
___ Approved ___ Denied ___ No Action

Date of 3rd Reading: 6-12-17
Approved ___ Denied ___ No Action

approve, approve with conditions, or deny the Master Development Plan. Therefore, this rezoning is only one step of many with the Master Development Plan process. Please keep in mind, any of the Mixed-Use Districts rezoning does not automatically mean the applicant can start building or using their property without an approval of the Master Development Plan.

IV. Recommendation

Based on the information above the planning staff is recommending that the rezoning application of UHF Development Group, LLC to rezone six (6) properties be **approved**.

V. Recommendation from Planning Commission Meeting:

At the Lancaster County Planning Commission meeting on Tuesday, April 18th, 2017 the Commission voted to **deny** the rezoning application of UHF Development Group, LLC by a vote of (4-3). At the above referenced meeting one citizen spoke at the public hearing expressing concerns with traffic. The applicant presented two slides for the project and spoke in favor of the rezoning and emphasized this rezoning is the 1st step of many they must undertake with this project including a Master Development Plan.

Exhibit 2

RZ-017-010
Vicinity Map



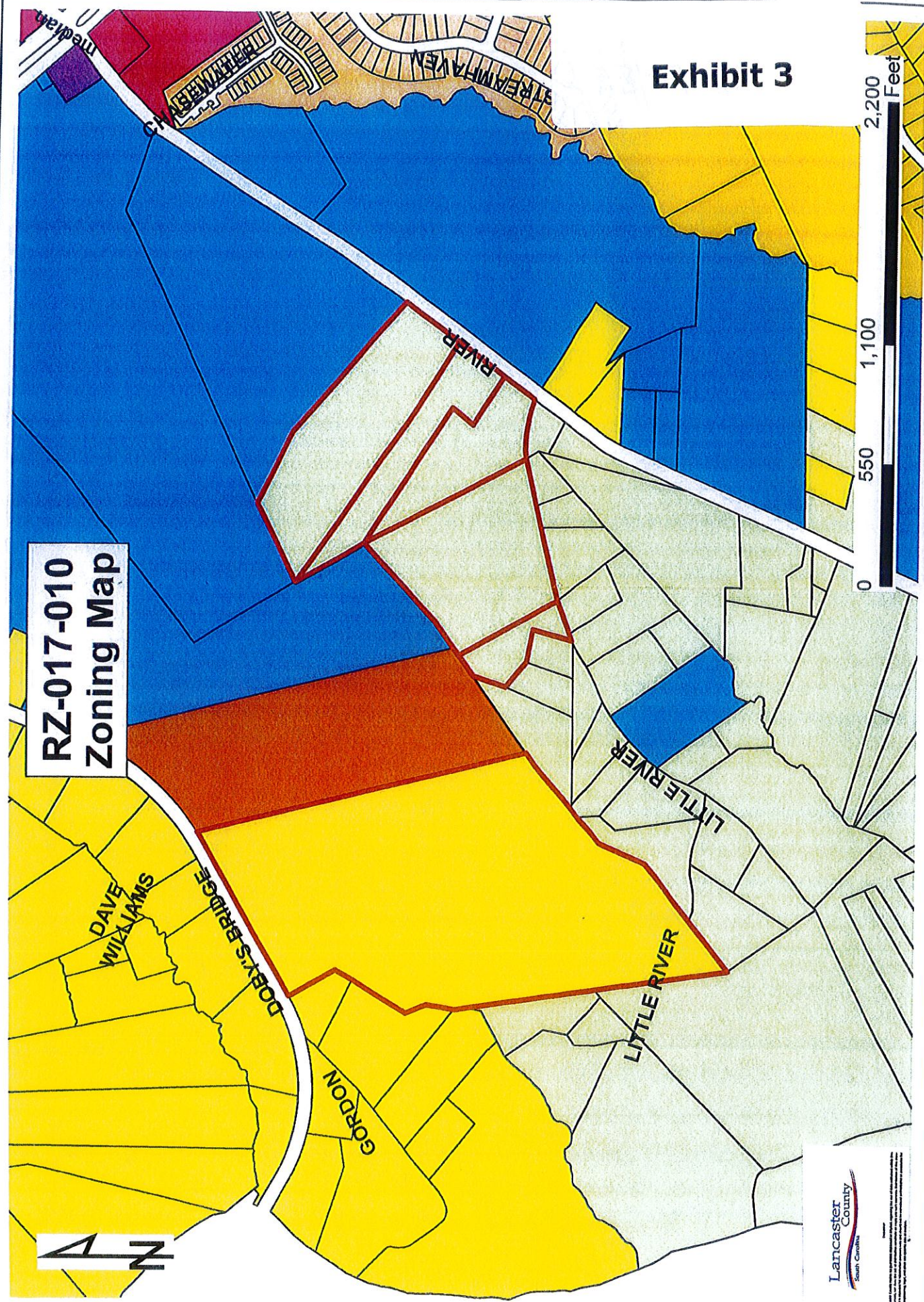
Lancaster
County
South Carolina

This map was prepared for the purpose of showing the location of the property described in the accompanying plat. It is not intended to be a survey or to show boundaries. The map is based on aerial photography and is not guaranteed to be accurate. The map is provided for informational purposes only and should not be used for legal or financial purposes.

Exhibit 3



**RZ-017-010
Zoning Map**



Lancaster County
South Carolina

This map was prepared by the Planning and Zoning Department of Lancaster County, South Carolina. It is intended to provide a general overview of the zoning map and does not constitute a legal document. For more information, please contact the Planning and Zoning Department.

Exhibit 4

RZ-017-010
Future Land Use Map

**PEDESTRIAN
CENTER**

LITTLE RIVER

LITTLE RIVER

GORDON

DOCK'S BRIDGE

**DAVE
WILLIAMS**



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Exhibit 4

FUTURE LAND USE MAP

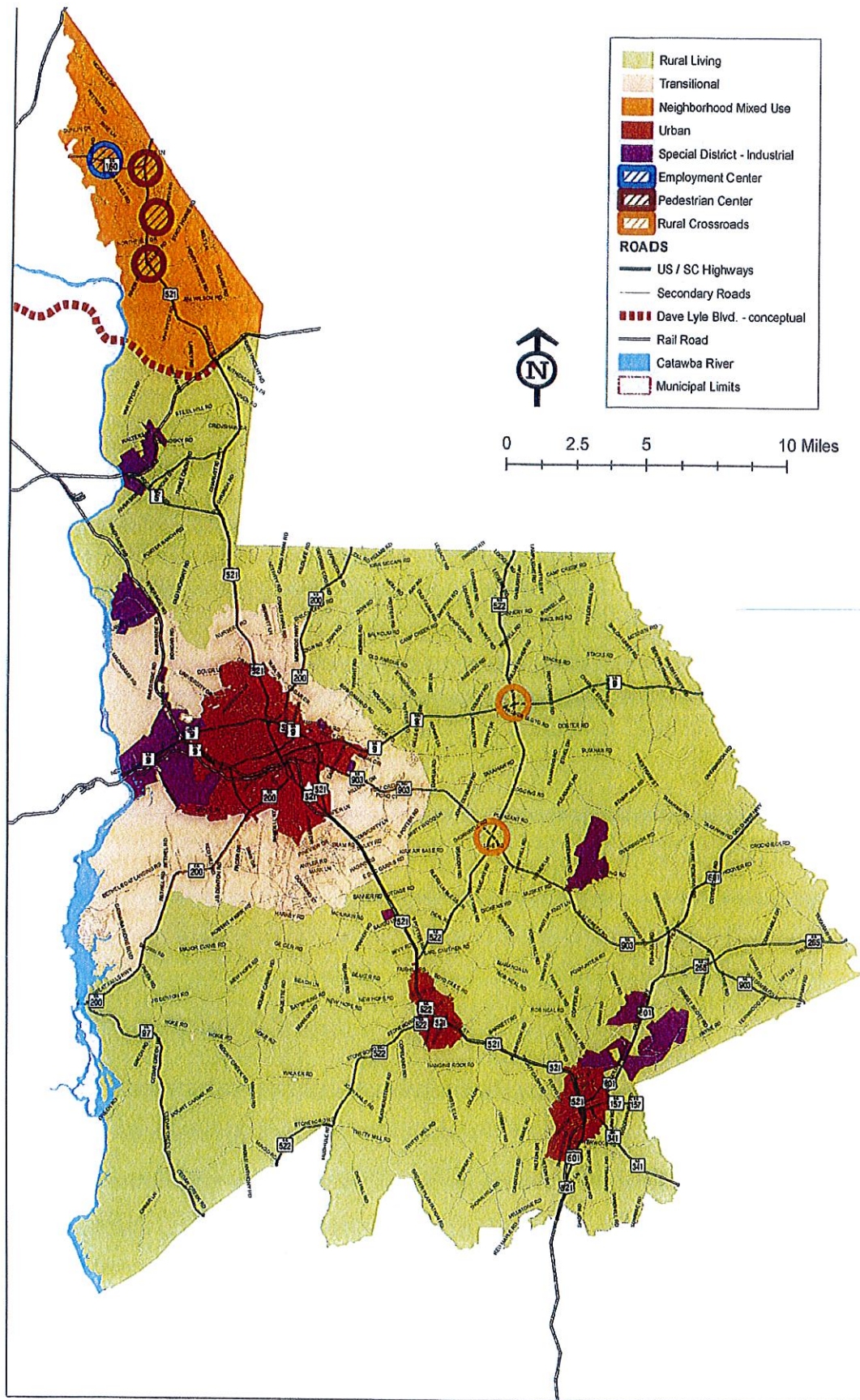


Exhibit 6








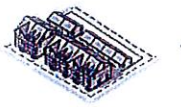


| BASE DISTRICT | DESCRIPTION |
|--|---|
| Agricultural Residential District (AR) | The Agricultural Residential District is established as a district in which the principal uses of the land are restricted due to lack of available utilities, unsuitable soil types, steep slopes, or for the protection of prime agricultural lands. |
| Rural Residential District (RR) | The Rural Residential District is established as a district where the principal use of the land is for large rural living tracts of property with an abundance of open space, agricultural lands, and a high degree of separation between buildings. |
| Rural Neighborhood District (RN) | The Rural Neighborhood District is established to protect the residential character of communities and neighborhoods in the rural area at a density of 1.0 dwelling unit per acre. The district is intended to promote rural living, protect farmland, and to maintain the low density residential. |
| Rural Business District (RUB) | The Rural Business District is established for rural crossroads that represent the small nodes of commercial activity along rural highways. This district will accommodate small-scale businesses, such as gas stations, convenience stores, or restaurants, and serve some daily needs of the surrounding rural population. |
| Manufactured Home District (MH) | The Manufactured Home District accommodates manufactured homes in a variety of settings, including manufactured home parks, manufactured home subdivisions, and a single-lot mobile home district. |
| Low Density Residential District (LDR) | The Low Density Residential District is established to maintain previously developed or approved single-family residential subdivisions and their related recreational, religious, and educational facilities at a density of 1.5 dwelling units per acre. Intended to act as a transitional zoning district between rural living and urban development, these regulations are further intended to discourage any use which would be detrimental to the predominately residential nature of the areas included within the district. |
| Medium Density Residential District (MDR) | The Medium Density Residential District is established to maintain previously developed or approved single-family residential subdivisions and their related recreational, religious, and educational facilities at a density of 2.5 dwelling units per acre. Intended to act as a transitional zoning district between rural and urban development, these regulations are further intended to discourage any use which would be detrimental to the predominately residential nature of the areas included within the district. |

| BASE DISTRICT | DESCRIPTION |
|---|--|
| Professional Business District (PB) | The Professional Business District is generally located adjacent to neighborhoods and provides opportunities for the provision of office and professional services that do not adversely impact the surrounding communities. |
| Neighborhood Business District (NB) | The Neighborhood Business District is generally located on thoroughfares and provides opportunities for the provision of neighborhood services that serve as an acceptable transition to generally auto-dependent neighborhoods. |
| General Business District (GB) | The General Business District is generally located on thoroughfares and provides opportunities for the provision of offices, services, and retail goods in proximity to generally auto-dependent, community neighborhoods. The regulations for this district are intended to accommodate the predominately auto-oriented pattern of existing development while encouraging the transition to pedestrian-friendly, mixed-use areas that avoid strip commercial development. |
| Regional Business District (RB) | The Regional Business District is generally located on the major thoroughfares in the community and provides opportunities for the provision of offices, services, and retail goods to meet the surrounding region. The regulations for this district are intended to accommodate the predominately auto-oriented pattern of existing development until such time that transportation network is retrofitted to accommodate more urban development patterns. |
| Institutional District (INS) | This Institutional District is intended to allow for the continued and future use, expansion, and new development of academic and religious campuses and of governmental and health facilities. The goal is to promote the many varied uses associated with such institutions while maintaining the overall design integrity of the campus setting and minimizing any adverse impacts on the neighboring residential areas. In the attempt to meet this goal numerous requirements are included, such as but not limited to buffers, landscaping, outdoor lighting, parking, signage, building height, setbacks, open space, and the like. |
| Open Space Preservation District (OSP) | The Open Space Preservation District is established to preserve and protect environmentally sensitive lands (e.g. floodways, wetlands) and properties that are already under public ownership and/or otherwise restricted for use for passive or active recreational use. |

| BASE DISTRICT | DESCRIPTION |
|--|---|
| Light Industrial District (LI) | The Light Industrial District is established for activities that can be operated in a relatively clean and quiet manner, and which will not be obnoxious to adjacent residential or business districts. This includes warehousing and wholesaling activities with limited contact with the general public. It is designed to prohibit most heavy industry, which should be properly segregated, and to prohibit any other use which would substantially interfere with the development of industrial establishments in the district. Limited opportunities for retail sales and services are also provided. |
| Heavy Industrial District (HI) | The Heavy Industrial District is established to accommodate those industrial, manufacturing, or large-scale utility operations that, by their nature, may create some nuisance and which are not properly associated with, nor compatible with, residential, commercial, and service establishments. Retailing of manufactured items may be permitted in certain instances when it is conducted on the same building site as the principal use. |
| Mining District (M) | The Mining District is established for large-scale operations that extract and process mineral materials. This district may create some nuisance which is not properly associated with, nor compatible with, residential, commercial, and service establishments. |
| Urban Residential District (UR) | The Urban Residential District is established to accommodate a variety of housing types in a neighborhood setting with a density of 4 dwellings units per acre. The regulations of this district are intended to provide areas of the community for those persons desiring urban-sized in relatively high density neighborhoods within walking or biking distance from mixed-use centers. |
| High Density Residential District (HDR) | The High Density Residential District is established to serve as a transitional zoning district between rural and urban developments at a density of 8.0 dwelling units per acre. These regulations are further intended to discourage any detrimental effects to the predominately single-family residential areas adjacent to the district that provides for multiple family residential dwellings. |
| Residential Mixed-Use District (RMX) | The Residential Mixed-Use District is intended to provide for mixed-use transitional areas immediately adjacent to or in close proximity of mixed-use centers that permit some limited commercial uses and a wide variety of housing types in pedestrian-scaled, residential-style structures. |

3.4 BUILDING TYPES ALLOWED BY DISTRICT

Building types are allowed by district as set forth below:

| BUILDING TYPE | Urban Residential (UR) | High Density Residential (HDR) | Residential Mixed-Use (RMX) | Mixed-Use (MX) | Industrial Mixed-Use (IMX) |
|--|------------------------|--------------------------------|-----------------------------|----------------|----------------------------|
|  Mixed-Use Building | | | | P | P |
|  General Building | | | | P | P |
|  Civic Building | P | P | P | P | P |
|  Apartment Building | | P | | P | P |
|  Apartment Court | | P | | P | P |
|  Garden Apartment | | P | P | P | P |
|  Stacked Flat | | | P | P | |
|  Townhouse | P | P | P | P | P |
|  Cottage Court | P | | P | | |
|  Detached House | P | | P | | |

Key: P = Permitted Blank Cell = Not Permitted

* In RMX, a stacked flat is only allowed on a lot located at the intersection of streets.

3.5 URBAN DISTRICT DEVELOPMENT STANDARDS

| Base Districts | Urban Residential UR | High Density Residential HDR | Residential Mixed-Use RMX | Mixed-Use MX | Industrial Mixed-use IMX |
|--------------------------------|-------------------------------------|-------------------------------------|---|-------------------------------------|-------------------------------------|
| 1. BUILDING TYPE | Section 3.4 | Section 3.4 | Section 3.4 | Section 3.4 | Section 3.4 |
| 2. PERMITTED BUILDING ELEMENTS | Section 3.6 | Section 3.6 | Section 3.6 | Section 3.6 | Section 3.6 |
| 3. DEVELOPMENT STANDARDS | | | | | |
| A. Max. Density (Units/Acre) | 4 dua | 8 dua | Attached - 12 dua * Detached - 9 dua | 15 dua * and ** | 12 dua |
| B. Minimum Development Size | 25 acres | 25 acres | 25 acres | 25 acres | 25 acres |
| 4. BUILDING PLACEMENT | Section 3.6 | Section 3.6 | Section 3.6 | Section 3.6 | Section 3.6 |
| 5. ACCESSORY STRUCTURE | Section 3.6 | Section 3.6 | Section 3.6 | Section 3.6 | Section 3.6 |
| 6. PARKING CONFIGURATION | By building type – See Chapter 7 | By building type – See Chapter 7 | By building type – See Chapter 7 | By building type – See Chapter 7 | By building type – See Chapter 7 |
| 7. HEIGHT | | | | | |
| A. Min. Height | Section 3.6 | Section 3.6 | Section 3.6 | Section 3.6 | Section 3.6 |
| B. Max. Height | Section 3.6 | Section 3.6 | Section 3.6 | Section 3.6 | Section 3.6 |

*A density bonus of up to 15% may be considered by the Planning Commission and County Council when the development provides 10% of the total housing units for affordability and housing diversity. This may be achieved through smaller square footage units being incorporated into the Master Development Plan for families with moderate incomes of at least 50% but less than 80% of median incomes for the Charlotte –Gastonia-Salisbury Combined Statistical Area.

**Additional density may be considered during the Mixed-Use District / Master Development Plan process by the Planning Commission and County Council.

For the purposes of this ordinance, the standards and provisions for mixed-use districts including UR, HDR, RMX, MX, and IMX require the development and approval of a Mixed-Use District / Master Development Plan in accordance with Chapter 9. Such plans must be approved prior to the issuance of any other land development permits except for a preliminary or final plats necessary to subdivide the development to provide access to the tract.

Exhibit 7

5. **Alternate Materials:** Alternate building materials or those not normally permitted as primary materials may be approved by the Midtown Development Review Committee.

3.9 LAND USE

- 3.9.1. **RMX District – Attached Building Types** Permitted retail uses such as art galleries, personal services, repair services (not including repairs to cars and trucks), restaurant, and retail sales are permitted in a RMX – Attached Building subject to the following:

- The use must be located on the first floor of a stacked flat.
- The stacked flat must be on a lot located at the intersection of two public streets; and
- The use cannot exceed 1,500 square feet in gross floor area.

3.9.2 PERMITTED USES

- A. Uses allowed in each district are shown in Chapter 2. A lot or building must be occupied with only the uses allowed on the permitted use table in Section 2.5.3 Use Table.
- B. Any one or more land uses allowed in a district may be established on any lot within that district, subject to the permitted use table and in compliance with all applicable requirements of the UDO.

3.10 SITE DEVELOPMENT

3.10.1 PARKING

- A. **Applicability:** No permit for the construction, reconstruction, extension or alteration of any building, structure or use of land and no building or land, or any part of any building or land, may be occupied or used until parking has been provided in accordance with the requirements of the UDO.

B. Vehicle Parking

1. The minimum vehicle parking spaces are required in Chapter 7.
2. Outdoor dining areas that are located in the build-to-zone or a forecourt allowed under *Building Elements* are exempt from the calculation of required vehicle parking spaces.
3. In each parking lot or garage containing over 100 parking spaces, at least 2 spaces within the 10 spaces closest to the primary entrance to the building must be reserved for a hybrid or electric vehicle and must have a sign indicating that reservation.

- C. **Location of Parking:** Required vehicle parking must be located on the same lot as the use they are intended to serve, except as listed below.

1. On-Street Parking

- a. One on-street parking space may be substituted for every required parking space, provided the on-street space is located on a public right-of-way immediately abutting the subject property.
- b. Each on-street parking space may only be counted for one property. Where a space straddles an extension of a property line, the space may only be counted by the owner whose property abuts 50% or more of the on-street parking space.

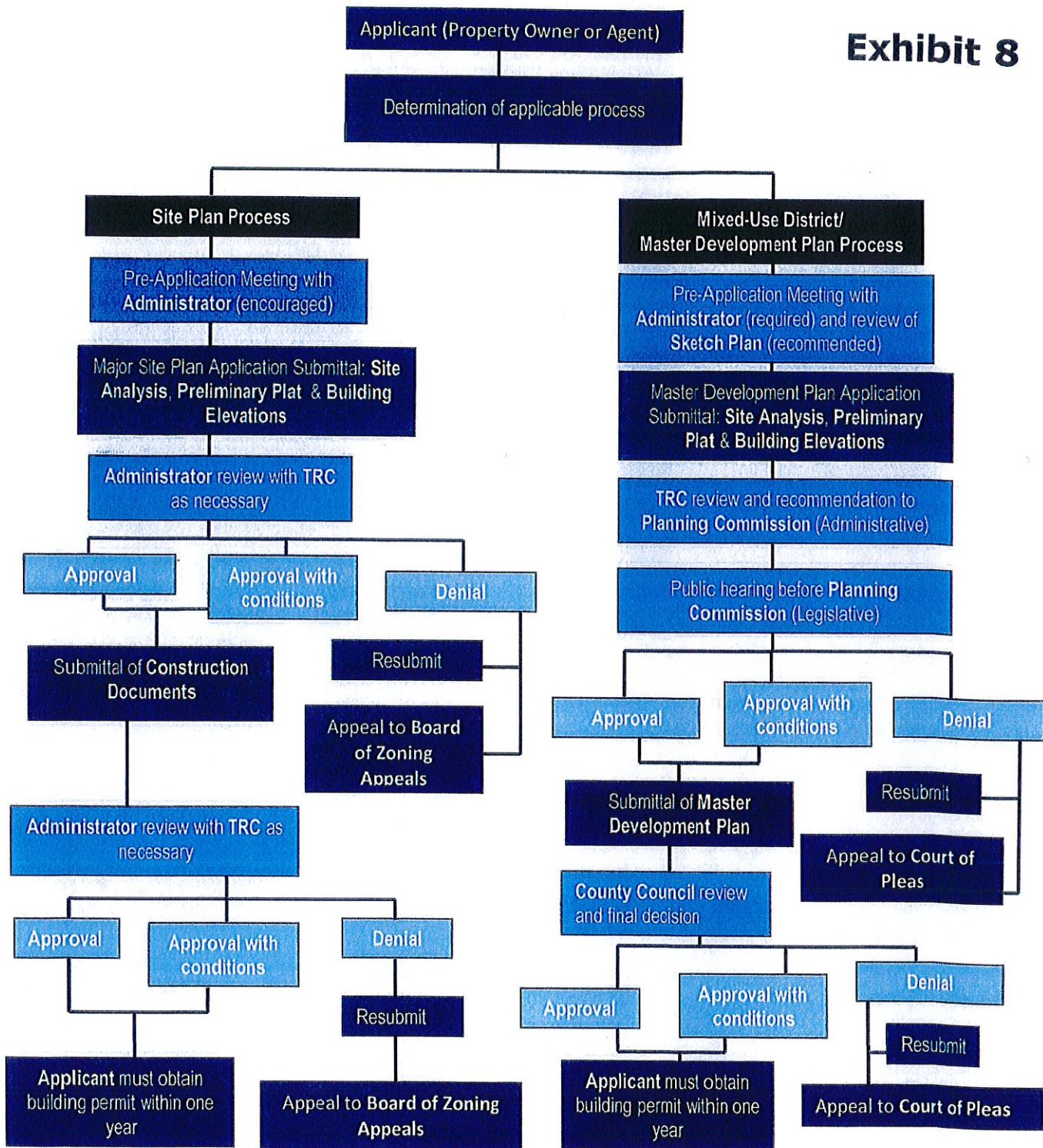
2. Remote Off-Site Parking

- a. All required parking spaces, except required accessible spaces, can be located off-site if

V. FEMA 499 Home Builder's Guide to Coastal Construction Technical Fact Sheets

9.2.9 SITE PLAN & MASTER DEVELOPMENT PLAN PROCESS CHART

Exhibit 8



A. SITE PLAN

1. **Applicability:** The Site Plan process shall apply to all development types for which discretionary review is NOT required unless a discretionary review is requested by the applicant.
2. **Process Type:** Administrative.
3. **Pre-Application Procedure:** No meeting is required, but applicants are encouraged to call or visit the Administrator to determine what information is required for the application.
4. **Required Application Information:** Site Analysis, Preliminary Plat & Building Elevations, (may be waived by Administrator as appropriate), and a Stormwater Permit shall be required as prerequisite approvals.
5. **Determination of Compliance:** Once an application is deemed complete by the Administrator, the Administrator and TRC shall review the application and approve, deny, or approve with conditions the Site Plan based on compliance with the standards contained in this ordinance. All decisions shall be in writing. Following an approval or approval with conditions, the applicant shall be directed to prepare detailed Construction Documents for final approval by the Administrator and TRC (as necessary).
6. **Public Notification:** None required.
7. **Appeals:** Appeals of the decisions of the Administrator or TRC shall be heard by the Board of Zoning Appeals.
8. **Permit Validity:** Upon the approval of the Site Plan, the applicant shall have one year to obtain a building permit. Failure to secure building permits for the permitted work within this time shall render the compliance void. Any change to the approved plans that has not been authorized by the Administrator shall invalidate the Site Plan and any subsequent building permits.
9. **Permit Extension:** The Administrator may grant a single extension of this time period of up to one year upon submittal by the applicant of sufficient justification for the extension.

B. MIXED-USE DISTRICT/MASTER DEVELOPMENT PLAN

1. **Applicability:** The Mixed-Use District/Master Development Plan process shall apply to all development types for which discretionary review is required, and in any other instance where discretionary review is requested by the applicant.
2. **Process Type:** Legislative.
3. **Pre-Application Procedure:** It is required that every applicant for a Mixed-Use District/Master Development Plan meet with the Administrator in a conference prior to the submittal of an application. The purpose of this conference is to provide clarification and assistance in the preparation and submission of plats for approval. It is recommended that the applicant provide a Sketch Plan to the Administrator prior to or at the pre-application conference. The provision of a sketch plan will allow the Administrator an opportunity to review the proposal before the applicant expends funds on the preparation of a detailed Site Plan.
4. **Required Application Information:** Site Analysis, Preliminary Plat & Building Elevations for Design Review (may be waived by Administrator as appropriate), and a Stormwater Permit shall be required as prerequisite approvals as per the following table:

Exhibit 8

| Mixed-Use District Master Development Plan//Required Information |
|--|
| General Information |
| Date, north point, and scale |
| Name and firm address of the professional individual responsible for preparing master development plan |
| Name and address of the property owner or applicant |
| Location sketch |
| Legal description of the subject property |
| Size of subject property in acres (square feet if less than two (2) acres) |
| Boundary survey |
| Preparer's professional seal |
| Existing Conditions |
| Existing zoning classification of subject property |
| Property lines and required setbacks (dimensioned) |
| Location, width and purpose of all existing easements |
| Location and dimension of all existing structures on the subject property |
| Location of all existing driveways, parking areas and total number of existing parking spaces on subject property |
| Abutting street right-of-way width |
| Location of all existing structures, driveways, and parking areas within 100 feet of the subject property's boundary |
| Location of all existing structures, driveways, and parking areas within 300 feet of the subject property's boundary |
| Existing water bodies (lakes, rivers, creeks, wetlands, etc.) |
| Existing landscaping and vegetation on the subject property, including a tree survey, if required |
| Size and location of existing utilities |
| Location of all existing surface water drainage facilities |
| Proposed Development |
| Location and dimensions of all proposed buildings |
| Location of all proposed drives (including dimensions and radii), acceleration/deceleration lanes, sidewalks, walls, fences, signs, exterior lighting, curbing, parking areas (including dimensions of a typical parking space and the total number of spaces to be provided), and unloading areas |
| Recreation areas, common use areas, dedicated open space and areas to be conveyed for public use |
| Floodplain areas and basement and finished floor elevations of all buildings |
| Landscape plan (showing location of proposed materials, size and type) |
| Layout and typical dimensions of proposed parcels and lots |
| Number of proposed dwelling units (by type) |
| Number and location of affordable dwelling units |
| All deed restrictions or covenants |
| Brief narrative description of the project including proposed use, existing floor area (square feet), size of proposed expansion (square feet), and any change in the number of parking spaces |
| Lighting plan |
| Engineering |
| Location and size of proposed utilities, including connections to sewer and water supply systems |
| Location and spacing of fire hydrants |
| Location and type of all proposed surface water drainage facilities |
| Grading plan at no more than two foot contour intervals ¹ |
| Proposed streets (including pavement width, materials, and easement or right-of-way dimensions) |

| Mixed-Use District Master Development Plan/Required Information |
|---|
| Building Details |
| Typical elevation views of all sides of each building type |
| Gross and net floor area |
| Elevation views of building additions |
| Building height |
| Building materials |
| Additional Information |
| Any other information required by the planning director or planning commission to demonstrate compliance with other applicable provisions of this ordinance including, but not limited to, traffic impact analysis, environmental impact assessment and market feasibility studies. |

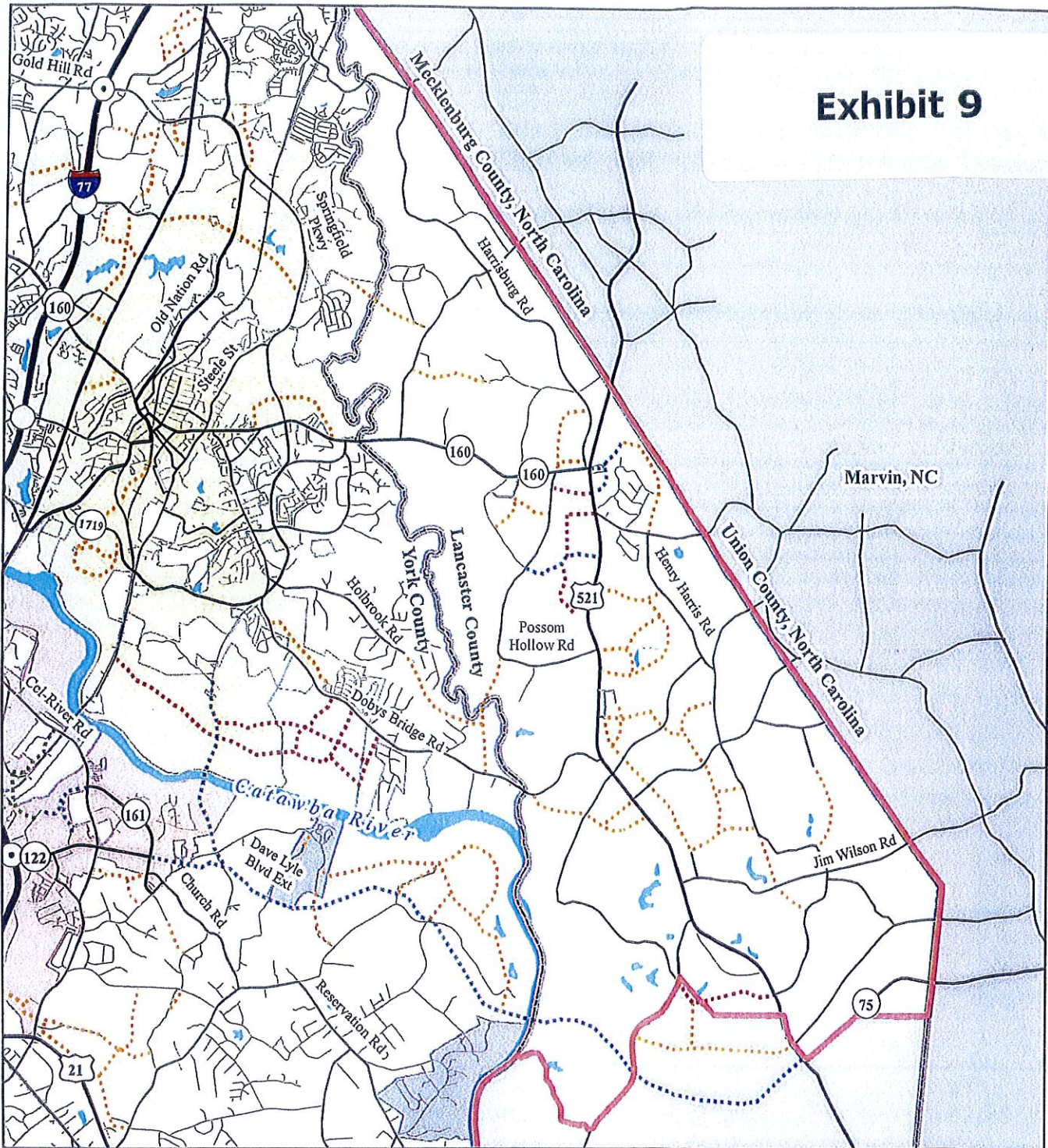
5. **Determination of Completeness:** The Technical Review Committee (hereafter referred to as the "TRC") shall review the application to ensure that it is complete, prepare a report and recommendation on the application, and schedule the matter for a public hearing before the Planning Commission.
6. **Public Notification:** Level 1, 2 and 3.
7. **Neighborhood Meeting:** Required.
8. **Public Hearing:** The Planning Commission shall hold a hearing on the proposal. The applicant and other property owners likely to be materially affected by the application shall be given an opportunity to be heard.
9. **Decisions/Findings of Fact:** Following the public hearing the Planning Commission may approve, deny, or approve with conditions the application for a Mixed-Use District/Master Development Plan. No Mixed-Use District/Master Development Plan shall be granted unless the following "findings of fact" can be made:
 - a. **Consistency with Comprehensive Plan.** All mixed use development shall be designed, constructed and maintained in conformance with the applicable guidelines and standards established by the Lancaster County Comprehensive Plan.
 - b. **Integration with Transportation System.** Mixed use developments shall be designed to integrate into the adjacent transportation system relative to:
 - i. Pedestrian connections to ensure accessibility to current or future transit service, if applicable;
 - ii. Connectivity to existing and future roadways, sidewalks and pathways;
 - iii. Complete streets roadway design that accommodates multiple transportation modes;
 - iv. Strategic locations of parking lots and structures;
 - v. Compatibility with the regional transportation system of arterials and collectors; and
 - vi. Access management to provide internal connections between uses and prohibit individual driveway access to perimeter roads.
 - c. **Impact on Infrastructure.** The development is staged in a manner that allows for and facilitates the timely provision of public utilities, facilities and services.
 - d. **Compatibility of Uses and Structures.** The mixed use development is planned so land uses and densities create an appropriate transition to existing or planned uses and densities on adjoining properties.
 - e. **General Site Design:** The following characteristics shall be incorporated into the mixed-use development:

- i. Pedestrian accessibility/concentration of development (critical mass) in a compact, walkable area.
 - Uses are concentrated to promote convenient pedestrian access. Large projects concentrate uses in multiple nodes, each preferably within a quarter-mile diameter.
 - Pedestrian circulation is clearly defined and connects all uses.
 - Bicycle and pedestrian access are provided to adjacent developments.
 - Sidewalks are provided on each side of rights-of-way or private streets throughout the development.
 - Strip commercial development characterized by single story uncoordinated, unconnected buildings with large street frontage parking lots is specifically prohibited. Strip malls with uncoordinated, unconnected out parcels are prohibited. All structures are fully integrated into the mixed use project through common design themes (including, but not limited to, lighting, benches, landscaping, other decorative features but not necessarily building design), integration with a variety of uses, nonlinear arrangement, common spaces, pedestrian walkways, vehicular access connections and other features.
- ii. Plazas, courtyards and other common areas are provided for public gathering and interaction. Amenities, such as benches, planters, lighting, fountains, art and landscaping that further the design theme of the project and encourage interaction shall be provided.
- iii. Mixed use projects require special attention to building design because of the relationship of land uses in close proximity. Functional integration of residential and commercial uses shall be considered during design of mixed use projects. The following standards are intended to guide development of mixed-use projects:
 - The mixed use development shall be designed and developed to provide an appropriate interrelationship between the various uses and structures within the development through the use of complementary materials, unified streetscape treatment, buffering, connectivity for vehicular and pedestrian movement, building orientation, parking location and height transition.
 - Residential and commercial uses may be located within the same or adjoining structures, provided applicable health and safety regulations are followed.
 - Structures shall provide architectural relief and interest, with emphasis at building entrances and along sidewalks, to promote and enhance a comfortable pedestrian scale and orientation. Structures shall have consistent scale and massing to create a unified project. Compatibility with the immediate context is required. However, gradual transitions in scale and massing are permitted.
 - Blank walls shall be avoided by including ground floor windows, recesses, extensions and breaks in roof elevation.
 - Design shall provide differentiation between ground level spaces and upper stories. For example, bays or balconies for upper levels, and awnings, canopies or other similar treatments for lower levels can provide differentiation. Variation in building materials, trim, paint, ornamentation, windows, or other features such as public art, may also be used.
 - Design shall ensure privacy in residential sectors through effective window placement, soundproofing, landscape screening or orientation of outdoor living areas (e.g., balconies, porches and patios). Opposite

facing windows at close distances should be offset vertically or horizontally, or employ appropriate materials (e.g., glazed or tinted) to protect privacy.

- f. Housing diversity shall be required within the district - At least two (2) different residential types (attached, detached, multiple family, or two family) with a range of prices and sizes shall be incorporated into the development. Single-family lot sizes shall be varied to provide a mixture of lot sizes.
 - g. Permitted flexibility in lot sizes, setbacks, street widths and landscaping shall result in a more livable development, preservation of natural features and creation of open space consistent with the policies of the comprehensive plan and this ordinance.
 - h. Mixed-use developments shall not be gated and shall be interconnected to surrounding developments. Mixed-use projects shall be designed as an integral part of the surrounding community and not as an isolated development.
10. **Review by Planning Commission:** Applications for Mixed-Use District/Master Development Plan shall be acted upon within 90 days after filing, otherwise the application shall be deemed approved and a permit shall be issued. An extension of time may be granted by mutual consent of the Planning Commission and the applicant. Following an approval or approval with conditions, the applicant shall be directed to submit the Mixed-Use District/Master Development Plan for final approval by the County Council.
11. **Appeals:** An appeal from the decision of the County Council regarding a Mixed-Use District/Master Development Plan request may be made by an aggrieved party and shall be made to the Court of Common Pleas in the nature of certiorari. Any such petition to the Court of Common Pleas shall be filed with the court no later than 30 days after the applicant receives the written copy of the decision of the Planning Commission.
12. **Permit Validity:** Upon the approval of the Mixed-Use District/Master Development Plan, the applicant shall have one year to obtain a building permit. Failure to secure building permits for the permitted work within this time shall render the compliance void. Any change to the approved plans that has not been authorized by the Administrator shall invalidate the Zoning Permit and any subsequent building permits.
13. **Permit Extension:** The Administrator may grant a single extension of this time period of up to one year upon submittal by the applicant of sufficient justification for the extension.

Exhibit 9



RFATS Collector Street Plan - DRAFT

Lancaster County, SC

Figure 7 of 10

Legend

- | | |
|-----------------------|-----------------------------------|
| RFATS Boundary | Interchange |
| Fort Mill | Grade Separation |
| Rock Hill | Proposed 2-lane Collector |
| Catawba Indian Nation | Proposed 2-lane Divided Collector |
| Water Features | Proposed 3-lane Collector |
| | Proposed 4-lane Divided Collector |

Map Date: January 2017



0 0.5 1 2 Miles

RFATS
Rock Hill Fort Mill Area Transportation Study

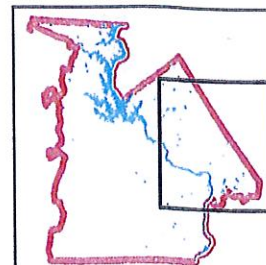


Exhibit 10

Section 2.5.3 Use Table (For detailed Use Definitions see Chapter 10.)

| USE TYPES | | RURAL | | | | TRANSITIONAL | | | | SPECIAL | | | | NEIGHBORHOOD | | | | | | | | |
|---|----|-------|----|----|-----|--------------|-----|-----|----|---------|----|----|-----|--------------|----|----|----|----|-----|-----|----|-------|
| | | AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | IMX |
| A. RESIDENTIAL | | | | | | | | | | | | | | | | | | | | | | |
| Dwelling - Single Family | P | P | P | P | - | P | P | P | P | - | - | - | - | - | - | - | - | P | - | P | - | - |
| Dwelling - Two Family | - | - | - | - | - | - | - | PR | PR | - | - | - | - | - | - | - | - | - | PR | - | - | - |
| Dwelling - Townhome | - | - | - | - | - | - | - | - | P | - | - | - | - | - | - | - | - | P | P | P | P | P |
| Dwelling - Multifamily | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | PR | PR | PR | - |
| Dwelling - Accessory | PR | PR | PR | PR | - | PR | PR | PR | PR | - | - | - | - | - | - | - | - | PR | PR | - | - | - |
| Halfway Homes | - | - | - | - | - | - | - | - | - | SE | - | SE | - | - | - | - | - | - | - | - | - | - |
| Live-Work Units | - | - | - | PR | - | - | - | PR | PR | - | - | - | - | - | - | - | - | - | - | PR | PR | PR |
| Manufactured Housing | PR | PR | - | - | PR | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.2.5 |
| Manufactured Home Park | SE | - | - | - | SE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.2.6 |
| Residential/Family Care Home (5 or fewer residents) | P | P | P | P | - | P | P | - | - | - | - | - | - | - | - | - | - | - | P | P | P | 5.2.6 |
| Residential Care Facilities (6 or more residents) | - | - | - | PR | - | - | - | - | - | PR | PR | PR | - | - | - | - | - | - | - | - | PR | PR |
| B. LODGING | | | | | | | | | | | | | | | | | | | | | | |
| Bed and Breakfast Homes (up to 8 rooms) | PR | PR | PR | PR | - | PR | - | PR | PR | - | - | PR | - | - | - | - | - | PR | PR | - | PR | PR |
| Bed and Breakfast Inn (up to 12 rooms) | - | - | - | - | - | - | - | - | PR | - | - | PR | - | - | - | - | - | - | - | - | PR | PR |
| Boarding or Rooming House | - | - | - | - | - | - | - | - | - | - | - | PR | - | - | - | - | - | - | - | - | - | 5.3.1 |
| Campground | SE | SE | - | - | - | - | - | - | - | - | - | - | SE | - | - | - | - | - | - | - | - | 5.3.2 |
| Dormitory | - | - | - | - | - | - | - | - | - | - | - | P | - | - | - | - | - | - | - | - | - | 5.3.3 |
| Fraternity/Sorority House | - | - | - | - | - | - | - | - | - | - | - | P | - | - | - | - | - | - | - | - | - | - |
| Hotel/Motel | - | - | - | - | - | - | - | - | - | P | P | P | - | - | - | - | - | - | - | - | P | P |
| C. OFFICE/SERVICE | | | | | | | | | | | | | | | | | | | | | | |
| ATM | - | - | - | - | P | - | - | - | - | P | P | P | P | - | P | - | - | - | - | - | P | P |
| Banks, Credit Unions, Financial Services | - | - | - | - | P | - | - | - | - | P | P | P | P | - | P | - | - | - | - | - | P | P |
| Business Support Services | - | - | - | - | - | - | - | - | - | P | P | P | P | - | P | - | - | - | - | - | P | P |
| Crematoria | - | - | - | - | - | - | - | - | - | - | - | CU | - | - | CU | - | - | - | - | - | - | 5.4.1 |
| Dry Cleaning and Laundry Services | - | - | - | - | - | - | - | - | - | P | P | P | - | - | P | - | - | - | - | - | P | P |
| Funeral Homes | - | - | - | - | P | - | - | - | - | P | P | P | - | - | - | - | - | - | - | - | P | P |
| Home Occupation | PR | PR | PR | PR | PR | PR | PR | PR | - | - | - | - | - | - | - | - | PR | PR | PR | PR | PR | 5.4.2 |
| Kennels, Indoor | PR | PR | PR | PR | - | - | - | - | - | PR | PR | PR | PR | - | PR | - | - | - | - | - | PR | PR |
| Kennels, Outdoor | PR | PR | CU | PR | - | - | - | - | - | - | - | CU | CU | - | CU | - | - | - | - | - | - | - |
| Medical Clinic | - | - | - | PR | - | - | - | PR | PR | PR | PR | PR | PR | - | - | - | - | - | - | - | PR | PR |

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SE – Special Exception Required

UNIFIED DEVELOPMENT ORDINANCE | Adopted 11.28.2016

2-10

Lancaster County Unified Development Ordinance – Use Table

| USE TYPES | | | RURAL | | | | TRANSITIONAL | | | | SPECIAL | | | | NEIGHBORHOOD | | | | | | |
|--|----|----|-------|----|-----|-----|--------------|----|----|----|---------|-----|----|----|--------------|----|-----|-----|----|-----|--------|
| AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | IMX | REF |
| C. OFFICE/SERVICES (CONTINUED) | | | | | | | | | | | | | | | | | | | | | |
| Personal Services | - | - | P | - | - | - | - | P | P | P | P | - | P | - | - | - | - | - | P | P | P |
| Personal Services, Restricted | - | - | - | - | - | - | - | - | - | PR | - | - | - | - | - | - | - | - | - | - | 5.4.6 |
| Post Office | - | - | P | - | - | - | P | P | P | P | P | - | - | - | - | - | - | - | P | P | |
| Professional Services | - | - | P | - | - | - | P | P | P | P | P | - | P | - | - | - | - | - | P | P | |
| Small Equipment Repair/Rental | - | - | P | - | - | - | - | - | P | P | - | - | P | - | - | - | - | - | P | P | |
| Veterinary Clinic | - | - | P | - | - | - | - | P | P | P | - | - | P | - | - | - | - | - | P | P | - |
| D. COMMERCIAL/ENTERTAINMENT | | | | | | | | | | | | | | | | | | | | | |
| Alcoholic Beverage Sales Store | - | - | P | - | - | - | - | - | P | P | - | - | - | - | - | - | - | - | P | - | |
| Amusements, Indoor | - | - | P | - | - | - | - | - | P | P | - | - | P | - | - | - | - | - | P | P | |
| Amusements, Outdoor | - | - | PR | - | - | - | - | - | - | CU | - | - | CU | - | - | - | - | - | - | - | 5.5.1 |
| Bar/Tavern/Brew Pub | - | - | CU | - | - | - | - | - | CU | PR | - | - | - | - | - | - | - | - | PR | - | 5.5.2 |
| Billiard/Pool Hall | - | - | CU | - | - | - | - | - | - | P | - | - | - | - | - | - | - | - | - | - | |
| Brewery | - | - | P | - | - | - | - | - | P | P | - | - | - | - | - | - | - | - | - | P | |
| Distillery | - | - | - | - | - | - | - | - | - | P | - | - | P | - | - | - | - | - | - | - | |
| Food Truck | - | - | - | - | - | - | - | - | PR | PR | PR | - | PR | PR | - | - | - | - | PR | PR | 5.5.3 |
| General Commercial | - | - | PR | - | - | - | - | PR | PR | PR | - | - | - | - | - | - | - | - | PR | PR | 5.5.4 |
| Night Club | - | - | - | - | - | - | - | - | - | PR | - | - | - | - | - | - | - | - | - | - | |
| Outside Sales | - | - | PR | - | - | - | - | PR | PR | PR | PR | - | - | - | - | - | - | - | PR | PR | 5.5.5 |
| Outside Sales, Sidewalk Sales | - | - | PR | - | - | - | - | PR | PR | PR | PR | - | - | - | - | - | - | - | PR | PR | 5.5.6 |
| Pawnshops | - | - | PR | - | - | - | - | - | PR | PR | - | - | - | - | - | - | - | - | - | - | 5.5.7 |
| Racetrack | - | - | - | - | - | - | - | - | - | - | - | - | - | CU | - | - | - | - | - | - | 5.5.8 |
| Restaurant | - | - | PR | - | - | - | - | CU | PR | PR | PR | - | - | - | - | - | - | - | PR | PR | 5.5.9 |
| Riding Stables | P | P | P | - | - | - | - | - | - | - | - | P | - | - | - | - | - | - | - | - | |
| Sexually Oriented Business/Adult Entertainment | - | - | - | - | - | - | - | - | - | - | - | - | - | SE | - | - | - | - | - | - | 5.5.10 |
| Shooting Range, Indoor | - | - | PR | - | - | - | - | - | PR | PR | - | - | PR | PR | - | - | - | - | - | - | 5.5.11 |
| Shooting Range, Outdoor | SE | - | - | - | - | - | - | - | - | - | - | - | SE | SE | - | - | - | - | - | - | 5.5.12 |
| Theater, Indoor Movie or Live Performance | - | - | - | - | - | - | - | - | P | P | P | - | - | - | - | - | - | - | P | P | |
| Theater, Outdoor (Amphitheater) | PR | - | PR | - | - | - | - | - | - | PR | PR | PR | - | - | - | - | - | - | PR | PR | 5.5.13 |

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Lancaster County Unified Development Ordinance – Use Table

| USE TYPES | RURAL | | | | TRANSITIONAL | | | | SPECIAL | | | | NEIGHBORHOOD | | | | | | | | | |
|---|-------|----|----|-----|--------------|-----|-----|----|---------|----|----|-----|--------------|----|----|----|----|-----|-----|----|-----|-------|
| | AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | IMX | REF |
| E. CIVIC | AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | IMX | REF |
| Cemetery | PR | PR | PR | PR | - | PR | PR | - | PR | PR | PR | PR | - | - | - | - | - | PR | - | - | PR | 5.6.1 |
| Conference/Convention Center | - | - | - | - | - | - | - | - | - | P | P | P | - | - | - | - | - | - | - | P | P | |
| Cultural or Community Facility | - | - | - | P | - | - | - | - | P | P | P | P | - | - | - | - | - | - | - | P | P | |
| Event Venue/Banquet Hall | P | P | PR | PR | - | PR | PR | PR | PR | PR | PR | PR | - | - | - | - | - | - | - | - | PR | 5.6.2 |
| Places of Assembly | PR | PR | PR | PR | CU | CU | CU | PR | PR | PR | PR | PR | - | PR | - | - | - | CU | - | CU | CU | 5.6.3 |
| Private Recreation Facilities | - | - | - | PR | - | - | - | - | PR | PR | PR | PR | - | - | - | - | - | - | - | - | PR | 5.6.4 |
| Public Recreation Facilities | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | - | - | - | PR | PR | PR | PR | PR | 5.6.5 |
| Public Safety Station | P | P | P | P | - | - | - | P | P | P | P | P | - | P | P | - | - | - | - | P | P | |
| Sports Arena/Stadium (4,000 or more seats) | - | - | - | - | - | - | - | - | - | - | CU | CU | - | CU | - | - | - | - | - | - | CU | 5.6.6 |
| F. EDUCATIONAL/INSTITUTIONAL | AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | IMX | REF |
| Child/Adult Day Care Home (5 or fewer persons) | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | - | - | - | - | PR | PR | - | PR | PR | 5.7.1 |
| Child/Adult Day Care Home (6 or more persons) | - | - | - | - | - | - | - | - | PR | PR | PR | PR | - | - | - | - | - | - | - | PR | PR | 5.7.2 |
| College/University | - | - | - | - | - | - | - | - | - | - | - | P | - | - | - | - | - | - | - | P | P | |
| Community Support Facility | - | - | - | PR | - | - | - | - | - | PR | PR | PR | - | - | - | - | - | - | - | - | - | 5.7.3 |
| Correctional Institution | - | - | - | - | - | - | - | - | - | - | - | CU | - | SE | SE | - | - | - | - | - | - | 5.7.4 |
| Day Treatment Center | - | - | - | - | - | - | - | - | - | PR | PR | PR | - | PR | PR | - | - | - | - | - | - | 5.7.5 |
| Hospital | - | - | - | - | - | - | - | - | - | - | P | P | - | P | - | - | - | - | - | - | - | |
| Schools – Elementary and Secondary | PR | PR | PR | PR | PR | PR | CU | CU | CU | CU | CU | PR | - | - | - | - | CU | CU | CU | CU | CU | 5.7.6 |
| Schools – Vocational/Technical | - | - | - | P | - | - | - | - | P | P | P | P | - | P | P | - | - | - | - | P | P | |
| Studio – Art, dance, martial arts, music | P | - | - | P | - | - | - | P | P | P | P | P | - | P | - | - | - | - | - | P | P | |
| G. AUTOMOTIVE | AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | IMX | REF |
| Drive-Thru/Drive-In Facility | - | - | - | PR | - | - | - | - | CU | PR | PR | PR | - | PR | PR | - | - | - | - | - | PR | 5.8.1 |
| Electric Vehicle Charging Stations | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | 5.8.2 |
| Heavy Equipment/Manufactured Home Rental/Sales/Repair | - | - | - | - | - | - | - | - | - | - | SE | - | - | PR | PR | - | - | - | - | - | - | 5.8.3 |
| Parking Lot/Structure – Principal Use | - | - | - | - | - | - | - | - | - | PR | PR | PR | - | PR | PR | - | - | - | - | PR | PR | 5.8.4 |
| Vehicle Rental/Leasing/Sales | - | - | - | PR | - | - | - | - | - | CU | PR | - | - | - | - | - | - | - | - | - | CU | 5.8.5 |
| Vehicle Services – Minor Maintenance/Repair | - | - | - | P | - | - | - | - | CU | CU | PR | - | - | PR | PR | - | - | - | - | CU | CU | 5.8.6 |
| Vehicle Services – Major Repair/Body Work | - | - | - | PR | - | - | - | - | CU | CU | PR | - | - | PR | PR | - | - | - | - | - | - | 5.8.7 |

SE – Special Exception Required

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UNIFIED DEVELOPMENT ORDINANCE | Adopted 11.28.2016

Lancaster County Unified Development Ordinance – Use Table

| USE TYPES | RURAL | | | | TRANSITIONAL | | | | | | | | SPECIAL | | | | NEIGHBORHOOD | | | | | REF |
|--|-------|----|----|-----|--------------|-----|-----|----|----|----|----|-----|---------|----|----|---|--------------|-----|-----|----|-----|---------|
| | AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | IMX | |
| H. INDUSTRY/WHOLESALE/STORAGE | | | | | | | | | | | | | | | | | | | | | | |
| Artist Studio/Light Manufacturing Workshops | - | - | - | P | - | - | - | - | - | P | P | - | - | P | P | - | - | - | - | P | P | |
| Industry, Light | - | - | - | - | - | - | - | - | - | - | - | - | - | P | P | - | - | - | - | - | - | |
| Industry, Heavy | - | - | - | - | - | - | - | - | - | - | - | - | - | - | P | - | - | - | - | - | - | |
| Industry, Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - | - | PR | - | - | - | - | - | - | |
| Junkyard | - | - | - | - | - | - | - | - | - | - | - | - | - | - | PR | - | - | - | - | - | - | 5.9.1 |
| Landfill – Class Two | - | - | - | - | - | - | - | - | - | - | - | - | - | SE | SE | - | - | - | - | - | - | 5.9.2 |
| Landfill – Class Three | - | - | - | - | - | - | - | - | - | - | - | - | - | SE | SE | - | - | - | - | - | - | 5.9.3 |
| Mining - Major In-Depth Resource Extraction | - | - | - | - | - | - | - | - | - | - | - | - | - | - | SE | P | - | - | - | - | - | 5.9.4 |
| Mining - Minor Surface Resource Extraction | PR | PR | PR | PR | - | - | - | - | - | PR | PR | PR | - | PR | PR | P | - | - | PR | PR | PR | 5.9.5/6 |
| Private Recycling Collection Stations | - | - | - | - | - | - | - | - | - | - | - | PR | - | PR | PR | - | - | - | - | - | - | 5.9.8 |
| Public Recycling and Waste Collection Facilities | - | - | - | PR | - | - | - | - | - | - | - | PR | - | PR | PR | - | - | - | - | - | - | 5.9.9 |
| Research and Development Facilities | - | - | - | - | - | - | - | - | - | P | P | - | - | P | P | - | - | - | - | - | P | |
| Storage – Outdoor Storage Yard | - | - | - | - | - | - | - | - | - | - | PR | - | - | PR | PR | - | - | - | - | - | - | 5.9.10 |
| Storage – Self Service (Mini) | - | - | - | - | - | - | - | - | - | PR | PR | - | - | PR | PR | - | - | - | - | - | - | 5.9.11 |
| Storage – Warehouse Indoor | - | - | - | - | - | - | - | - | - | CU | PR | - | - | PR | PR | - | - | - | - | - | PR | 5.9.12 |
| Storage – Warehouse Indoor, Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - | PR | PR | - | - | - | - | - | - | 5.9.13 |
| Wholesaling and Distribution | - | - | - | - | - | - | - | - | - | - | PR | - | - | P | P | - | - | - | - | - | P | 5.9.14 |
| Wholesaling and Distribution, Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - | PR | PR | - | - | - | - | - | - | 5.9.15 |

| | | | | | | | | | | | | | | | | | | | | | | |
|--|----|----|----|-----|----|-----|-----|----|----|----|----|-----|-----|----|----|---|----|-----|-----|----|-----|--------|
| I. AGRICULTURE | AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | IMX | REF |
| Agriculture and Crop Production/Harvesting | P | P | P | P | - | - | - | - | - | - | - | P | P | P | P | - | - | - | - | - | - | - |
| Agricultural Support Services/Nurseries | P | P | P | P | - | - | - | - | P | P | P | - | - | P | P | - | - | - | - | - | P | - |
| Agritourism | P | P | P | P | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Animal Production | PR | PR | PR | PR | - | PR | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Animal Production Facilities, Non-Swine | PR | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.10.1 |
| Animal Production Facilities, Swine | SE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.10.2 |
| Apiculture (Bee Keeping) | P | P | P | P | - | P | - | - | P | - | - | P | P | - | - | - | - | - | - | - | P | - |
| Backyard Pens/Coops | P | P | P | P | - | P | PR | PR | - | - | - | PR | - | - | - | - | - | - | - | - | PR | 5.10.4 |

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UNIFIED DEVELOPMENT ORDINANCE | Adopted 11.28.2016

Lancaster County Unified Development Ordinance – Use Table

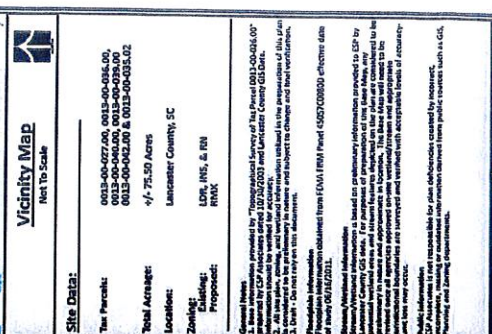
| USE TYPES | | | RURAL | | | | TRANSITIONAL | | | | SPECIAL | | | | NEIGHBORHOOD | | | | | | | |
|---|----|----|-------|----|-----|-----|--------------|----|----|----|---------|-----|----|----|--------------|----|-----|-----|----|-----|--------|--|
| AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | IMX | REF | |
| I. AGRICULTURE (CONTINUED) | | | | | | | | | | | | | | | | | | | | | | |
| Commercial Stables | P | P | P | P | - | - | - | - | P | P | - | - | - | - | - | - | - | - | - | - | - | |
| Ecotourism | P | P | P | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Farmer's Markets and Roadside Stands | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | 5.10.5 | |
| Forestry | P | P | P | P | - | - | - | - | P | P | P | P | P | P | P | - | - | - | - | - | - | |
| Gardens (Community and Private) | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | - | P | P | P | P | | |
| Wineries | PR | PR | PR | PR | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.10.6 | |
| J. INFRASTRUCTURE | | | | | | | | | | | | | | | | | | | | | | |
| Airstrip/Airport | - | - | - | - | - | - | - | - | - | - | PR | - | - | PR | - | - | - | - | - | - | 5.11.1 | |
| Geothermal Energy Systems | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | 5.11.2 | |
| Solar Energy Systems | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | 5.11.3 | |
| Solar Farms | CU | CU | CU | - | - | - | - | - | - | - | - | - | CU | CU | - | - | - | - | - | - | 5.11.4 | |
| Utilities – Class 1 | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | | |
| Utilities – Class 2 | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | P | | |
| Utilities – Class 3 | P | P | - | - | - | - | - | - | - | - | - | - | P | P | - | - | - | - | - | - | | |
| Wireless Communication Facility (Concealed) | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | - | PR | PR | PR | PR | PR | PR | PR | PR | 5.11.5 | |
| Wireless Communication Facility (Up to 60.00') | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | - | PR | PR | PR | PR | PR | PR | PR | PR | 5.11.5 | |
| Wireless Communication Facility (60.01 to 199.99) | SE | SE | SE | SE | SE | SE | PR | PR | PR | PR | PR | - | PR | PR | PR | SE | SE | SE | SE | SE | 5.11.5 | |
| Wireless Communication Facility (200' and Over) | - | - | - | - | - | - | - | - | - | - | - | - | SE | SE | SE | - | - | - | - | - | 5.11.5 | |
| K. OTHER | | | | | | | | | | | | | | | | | | | | | | |
| Temporary Uses | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | 5.12 | |

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UHF
INVESTMENT GROUP, LLC
COMMERCIAL REAL ESTATE

Agenda Item Summary

Ordinance # / Resolution# 2017-1444 (RZ-017-008)

Contact Person / Sponsor: Andy Rowe

Department: Planning

Date Requested to be on Agenda: 5/8/17

Issue for Consideration:

Rezoning application of the PCI Group to rezone a ± 31.89 acres of property from IMX, Industrial Mixed-Use District, to LI, Light Industrial District. This was the zoning classification for this property prior to the adoption of the new zoning map adopted on November 28th, 2016.

Points to Consider:

The Future Land Use Map identifies this property as Neighborhood Mixed-Use based on the *Lancaster County Comprehensive Plan 2014-2024*. Neighborhood Mixed-Use according to the *Lancaster County Comprehensive plan 2014-2024* is identified as a "Walkable Neighborhood". The Future Land Use Map also references Special-Use Industrial areas, none of which are located in this area (Exhibit 4). During the UDO update and Zoning Map update, staff felt this parcel being adjacent to a residential subdivision (Aumond Glen) would be better suited for the Industrial Mixed-Use (IMX) zoning district. Staff felt that zoning this property to IMX would allow future redevelopment of the existing building for this property and provide a mixed-use district to complement the surrounding residential properties. The IMX zoning classification allows for limited commercial, some industrial uses and a wide variety of residential uses. This district serves to encourage redevelopment of existing warehouses and the development of a pedestrian-oriented neighborhoods. This district also promotes mixed-use environments supported by artists, craftsman, and cultural activities and may be located in transitional areas previously occupied by industrial development. The property location was viewed by staff as an excellent location for redevelopment and by zoning this parcel to IMX would allow a less intense industrial use. This less intense industrial use would be ideal due to the close proximity to the Aumond Glen subdivision. If the applicant plans on expanding this property it must construct a type C buffer yard per the Unified Development Ordinance. A type C buffer has a minimum width of 40 feet that must include evergreen trees, canopy trees, understory trees and evergreen shrubs. Staff would also note that the buffer per the Unified Development Ordinance must be completely opaque having no horizontal openings from the ground to a height of 8 feet within 2 years of planting.

Funding and Liability Factors:

N/A

Council Options:

To approve or deny the rezoning request.

Recommendation:

Planning staff believes that the recommendation should be to deny because the subject property is not defined as a Special Use-Industrial District which conflicts with the Future Land Use Map. Based on the residential nature of this area staff recommends this property stay as it is currently zoned Industrial Mixed-Use District (IMX). The Planning Department would like to allow a future redevelopment of this area to promote a pedestrian friendly environment that will complement the surrounding residential properties.

At the Lancaster County Planning Commission meeting on Tuesday, April 18th, 2017 the Commission voted to **approve** the rezoning application of the PCI Group by a vote of (6-1). At the above referenced meeting one citizen spoke against the rezoning at the public hearing expressing concerns with noise from the property and lack current of buffers. A letter was also submitted by the Lancaster County Economic Development Director, Mr. Jamie Gilbert in favor of the rezoning. The applicant presented a statement in favor of the rezoning explaining they were not aware of the zoning change, and emphasized the property has always been zoned industrial even before the adjacent neighborhood existed.

STATE OF SOUTH CAROLINA

)

COUNTY OF LANCASTER

)
)

ORDINANCE NO. 2017-1444

AN ORDINANCE

TO AMEND THE OFFICIAL ZONING MAP OF LANCASTER COUNTY SO AS TO REZONE PROPERTY OF LTRR REALTY, LLC, LOCATED AT 11632 HARRISBURG ROAD FROM IMX, INDUSTRIAL MIXED-USE DISTRICT TO LI, LIGHT INDUSTRIAL DISTRICT.

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

Section 1. Findings and Determinations.

The Council finds and determines that:

(a) Walter Pawul Jr. (PCI Group, LLC) applied to rezone property located at 11632 Harrisburg Road from IMX, Industrial Mixed-Use District, to LI, Light Industrial District.

(b) On April 18, 2017, the Lancaster County Planning Commission held a public hearing on the proposed rezoning and, by a vote of (6-1), recommended approval of the rezoning.

Section 2. Rezoning.

The Official Zoning Map is amended by changing the zoning district classification from IMX, Industrial Mixed-Use District to LI, Light Industrial District for the following property as identified by tax map number or other appropriate identifier:

Tax Map No. 0002-00-028.00.

Section 3. 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 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, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 5. Effective Date.

This ordinance is effective upon third reading.

And it is so ordained, 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: 5-8-17

Second Reading: 5-22-17 (Tentative)

Third Reading: 6-12-17 (Tentative)

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PLANNING STAFF REPORT: RZ-017-008

I. Facts

A. General Information

Proposal: Rezoning application of the PCI Group to rezone a ± 31.89 acres of property from IMX, Industrial Mixed-Use District, to LI, Light Industrial District. The applicant would like to rezone the property back to the original zoning classification (Light Industrial) prior to the adoption of the new zoning map adopted November 28th, 2016.

Property Location: The property is located at 11632 Harrisburg Road in the Indian Land section of Lancaster County, SC.

Legal Description: Tax Map 2, Parcel 28.00

Zoning Classification: Current: IMX, Industrial Mixed-Use District.

Voting District: District 7 – Brian Carnes

B. Site Information

Site Description: The parcel is currently occupied by an industrial building.

C. Vicinity Data

Surrounding Conditions: Adjacent parcels to the north are zoned MDR, Medium Density Residential District, UR, Urban Residential District (Aumond Glen), INS, Institutional District, and OSP, Open Space Preservation District. Adjacent parcels to the south are zoned MDR, Medium Density Residential District. Adjacent parcels to the east are zoned OSP, Open Space Preservation District. Adjacent parcels to the east are MDR, Medium Density Residential District. Majority of the property on the southern and eastern boundary are surrounded by open vacant land, while the northern boundary of the property is adjacent to residential homes.

D. Exhibits

1. Rezoning Application
2. Vicinity Map
3. Zoning Map
4. Future Land Use Map/Future Land Use Map (County)
5. Tax Inquiry Sheet
6. UDO – Section: 2.3 - Districts
7. UDO- Section: 7.1.5A – Required Buffer Yards/ 7.1.5B- Buffer Yard Types
8. UDO-7.1.7- General Installation and Maintenance Standards

9. UDO- Section: 2.5 - Uses Permitted

II. Findings

Code Considerations:

2.3 DISTRICTS:

Industrial Mixed-Use District (IMX)

The Industrial Mixed-Use District is established to promote the development of mixed-use environments supported by artists, craftsman, and cultural activities and may be in transitional areas previously occupied by industrial development. These areas will accommodate limited commercial and institutional uses, some light industrial uses, and a wide variety of residential uses in order to encourage the redevelopment of existing warehouses and the development of a pedestrian-oriented neighborhood.

Light Industrial District (LI)

The Light Industrial District is established for activities that can be operated in a relatively clean and quiet manner, and which will not be obnoxious to adjacent residential or business districts. This includes warehousing and wholesaling activities with limited contact with the general public. It is designed to prohibit most heavy industry, which should be properly segregated, and to prohibit any other use which would substantially interfere with the development of industrial establishments in the district. Limited opportunities for retail sales and services are also provided.

UNIFIED DEVELOPMENT ORDINANCE | Adopted 11.28.2016

III. Conclusions

The Future Land Use Map identifies this property as Neighborhood Mixed-Use based on the *Lancaster County Comprehensive Plan 2014-2024*. Neighborhood Mixed-Use according to the *Lancaster County Comprehensive plan 2014-2024* is identified as a “Walkable Neighborhood”. The Future Land Use Map also references Special-Use Industrial areas, none of which are located in this area (Exhibit 4). During the UDO update and Zoning Map update, staff felt this parcel being adjacent to a residential subdivision (Aumond Glen) would be better suited for the Industrial Mixed-Use (IMX) zoning district. Staff felt that zoning this property to IMX would allow future redevelopment of the existing building for this property and provide a mixed-use district to complement the surrounding residential properties.

The IMX zoning classification allows for limited commercial, some industrial uses and a wide variety of residential uses. This district serves to encourage redevelopment of existing warehouses and the development of a pedestrian-oriented neighborhoods. This district also promotes mixed-use environments supported by artists, craftsman, and cultural activities and may be located in transitional areas previously occupied by industrial development. The property location was viewed by staff as an excellent location for redevelopment and by zoning this parcel to IMX would allow a less intense industrial use. This less intense industrial use would be ideal due to the close proximity to the Aumond Glen subdivision. Staff believes that we should be cognizant of the residential nature of the surrounding region and concurrently promote economic development opportunities.

If the applicant plans on expanding this property it must construct a type C buffer yard per the Unified Development Ordinance. A type C buffer has a minimum width of 40 feet that must include evergreen trees, canopy trees, understory trees and evergreen shrubs. This type of buffer also offers options of providing less buffer width and less vegetation, but requires either a berm or wall/ fence (Exhibit 7). Staff would also note that the buffer per the Unified Development Ordinance must be completely opaque having no horizontal openings from the ground to a height of 8 feet within 2 years of planting. The type C buffer yard required will further help screen any new constructed buildings from all adjacent properties including the Aumond Glen subdivision. In addition, the installation of the buffer yard must also be maintained (Exhibit 8).

IV. Recommendation

Planning staff believes that the recommendation should be to deny because the subject property is not defined as a Special Use-Industrial District which conflicts with the Future Land Use Map. Based on the residential nature of this area staff recommends this property stay as it is currently zoned Industrial Mixed-Use District (IMX). The Planning Department would like to allow a future redevelopment of this area to promote a pedestrian friendly environment that will complement the surrounding residential properties. It is therefore the recommendation of the planning staff that the rezoning request for the property located at 11632 Harrisburg Road be **denied**.

V. Recommendation from Planning Commission Meeting:

At the Lancaster County Planning Commission meeting on Tuesday, April 18th, 2017 the Commission voted to **approve** the rezoning application of the PCI Group by a vote of (6-1). At the above referenced meeting one citizen spoke against the rezoning at the public hearing expressing concerns with noise from the property and lack of current buffers. A letter was also submitted by the Lancaster County Economic Development Director, Mr. Jamie Gilbert in favor of the rezoning. The applicant presented a statement in favor of the rezoning explaining they

Date of 1st Reading: 5-8-17
__ Approved __ Denied __ No Action

Date of 2nd Reading: 5-22-17
__ Approved __ Denied __ No Action

Date of 3rd Reading: 6-12-17
Approved __ Denied __ No Action

were not aware of the zoning change, and emphasized the property has always been zoned industrial even before the adjacent neighborhood existed.

March 23, 2017

Lancaster County Planning
Planning Department
PO Box 1809
Lancaster, SC 29721

RE: Rezoning of 11632 Harrisburg Rd, Fort Mill, SC 29707

To whom it may concern:

Please find the attached Zoning Map Amendment Application as previously emailed to Ms. Penelope Karagounis in regards to our request to reclassify the zoning of the property belonging to LTRR Realty, LLC located at 11632 Harrisburg Rd, Fort Mill, SC 29707.

Thank you for your attention.

Sincerely yours,



Robert Maietta, CFO

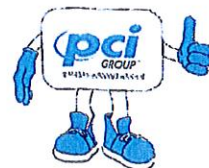


Exhibit 2

RZ-017-008
Vicinity Map

Subject Property

0 490 980 1,960 Feet



Exhibit 3

RZ-017-008 Zoning Map

Subject Property



Lancaster County
Planning Commission

Exhibit 4

RZ-017-008 Future Land Use Map

Subject Property

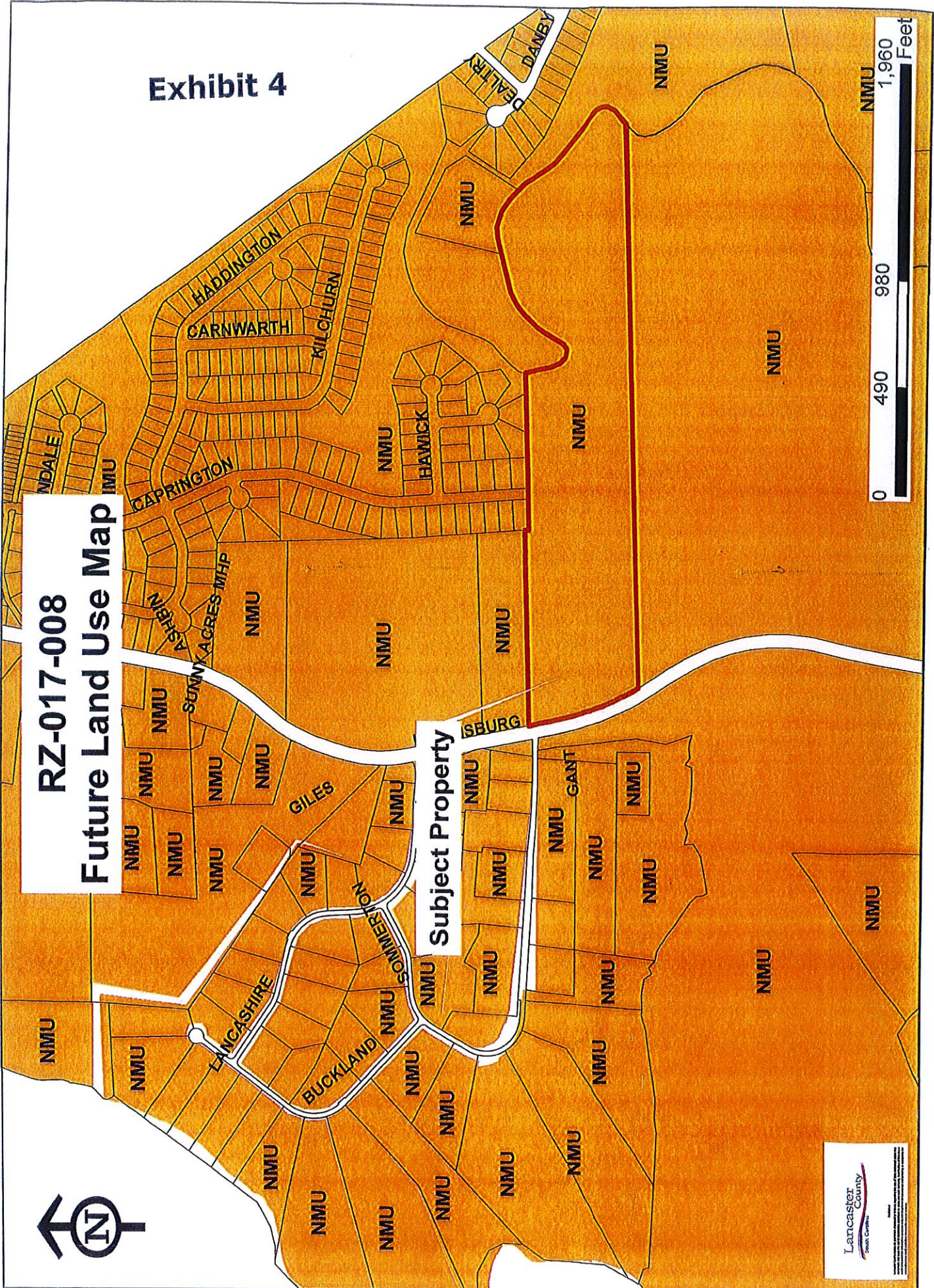


Exhibit 4

FUTURE LAND USE MAP

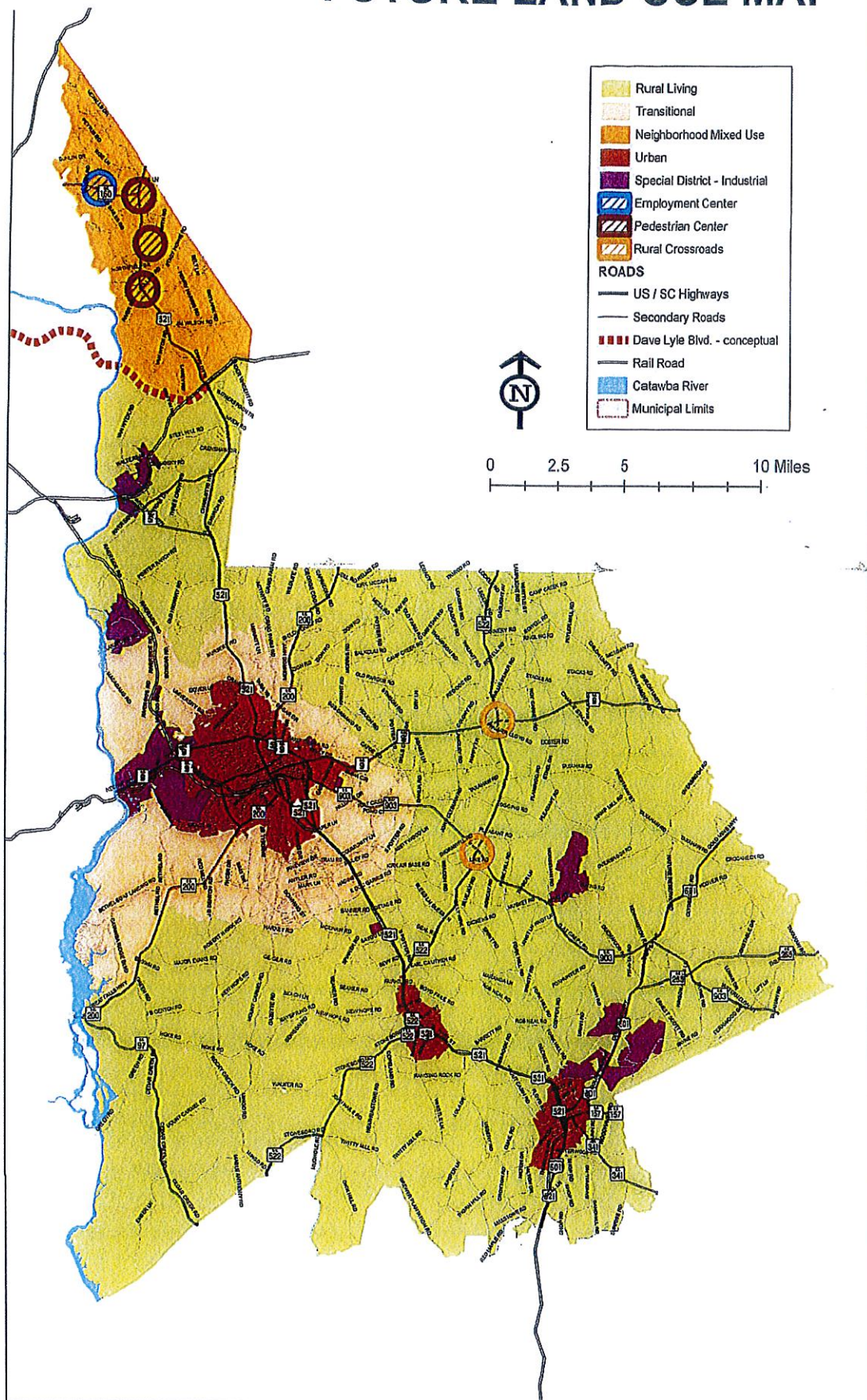


Exhibit 6

DISTRICT STANDARDS
2.3 DISTRICTS

2

| BASE DISTRICT | DESCRIPTION |
|--|---|
| Light Industrial District (LI) | The Light Industrial District is established for activities that can be operated in a relatively clean and quiet manner, and which will not be obnoxious to adjacent residential or business districts. This includes warehousing and wholesaling activities with limited contact with the general public. It is designed to prohibit most heavy industry, which should be properly segregated, and to prohibit any other use which would substantially interfere with the development of industrial establishments in the district. Limited opportunities for retail sales and services are also provided. |
| Heavy Industrial District (HI) | The Heavy Industrial District is established to accommodate those industrial, manufacturing, or large-scale utility operations that, by their nature, may create some nuisance and which are not properly associated with, nor compatible with, residential, commercial, and service establishments. Retailing of manufactured items may be permitted in certain instances when it is conducted on the same building site as the principal use. |
| Mining District (M) | The Mining District is established for large-scale operations that extract and process mineral materials. This district may create some nuisance which is not properly associated with, nor compatible with, residential, commercial, and service establishments. |
| Urban Residential District (UR) | The Urban Residential District is established to accommodate a variety of housing types in a neighborhood setting with a density of 4 dwellings units per acre. The regulations of this district are intended to provide areas of the community for those persons desiring urban-sized in relatively high density neighborhoods within walking or biking distance from mixed-use centers. |
| High Density Residential District (HDR) | The High Density Residential District is established to serve as a transitional zoning district between rural and urban developments at a density of 8.0 dwelling units per acre. These regulations are further intended to discourage any detrimental effects to the predominately single-family residential areas adjacent to the district that provides for multiple family residential dwellings. |
| Residential Mixed-Use District (RMX) | The Residential Mixed-Use District is intended to provide for mixed-use transitional areas immediately adjacent to or in close proximity of mixed-use centers that permit some limited commercial uses and a wide variety of housing types in pedestrian-scaled, residential-style structures. |

| BASE DISTRICT | DESCRIPTION |
|--|---|
| Mixed-Use District (MX) | The Mixed-Use District is established as a pedestrian-scaled, mixed-use district which caters to the everyday needs of nearby neighborhoods, stressing accessibility by automobiles, bicycles, and pedestrians. This district accommodates an active, pedestrian-friendly area of community-scale commercial, residential, office, and civic uses in both vertically mixed-use, as well as free-standing buildings. Retail should be placed at street level, with residential uses in rear or upper stories. |
| Industrial Mixed-Use District (IMX) | The Industrial Mixed-Use District is established to promote the development of mixed-use environments supported by artists, craftsman, and cultural activities and may be in transitional areas previously occupied by industrial development. These areas will accommodate limited commercial and institutional uses, some light industrial uses, and a wide variety of residential uses in order to encourage the redevelopment of existing warehouses and the development of a pedestrian-oriented neighborhood. |

A. REQUIRED BUFFER YARDS

1. **Required Yards by District:** Buffer yards shall be required in accordance with the table below, and the buffer yard types defined Section 7.1.5.B.

| | Adjacent Zoning District | | | | | |
|--|------------------------------------|--------------|--------|---------------------|----|------------------------|
| | AR, RR, RM, OSP, MH, LDR, MDR, HDR | UR, RMX, INS | NC, GB | MX, IMX, PB, NB, GB | RB | LI, HI, M |
| District of Proposed Development | AR, RR, RN, OSP, MH, LDR, MDR, HDR | X | X | X | C* | C* |
| | UR, RMX, INS** | A | X | X | X | X |
| | NB, GB** | B | A | X | X | X |
| | MX, IMX, PB, NB, GB | A | A | X | X | X |
| | RB | C | C | B | A | X |
| | LI, HI, M | C | C | C | C | B |
| * Only required where adjacent, more intense use is pre-existing and no equivalent buffer is provided on the adjacent property | | | | | | X = No Buffer Required |
| ** Only multifamily and non-residential uses shall provide buffers between adjacent single family uses in detached homes | | | | | | |

2. **Required Buffer Yards around Existing Single Family Homes in the NB, GB, RB, LI, and HI Districts:** A Type A buffer shall be required for any non-residential development that occurs immediately adjacent to an existing single family home located within the NB, GB, RB, LI, and HI Districts. This buffer may be removed at such time that the existing single family home changes to a multifamily or non-residential use.
3. **Additional Buffer and Screening Requirements for Specific Uses:** Additional buffer and screening requirements for certain specific uses are included in use regulations for each use found in Chapter 5.
4. **Location:** Buffer yards are intended to be constructed along the perimeter of the property; however, when there is irregular topographic conditions such as when the perimeter of the property is at a lower grade than the use being screened, the Administrator may require the relocation of the required buffer yard in order to better serve its purpose.
5. **Relationship to Required Yards and Setbacks:** Where front, side, and rear yards are required by this chapter, buffer yards may be established within such yards. If a yard requirement is less than the minimum buffer requirement, the buffer width requirement shall override the minimum yard requirement.
6. **More Restrictive to Apply:** Where a proposed use or development-type abuts multiple use types or zoning districts along the same side or rear yard, the largest buffer requirement will apply along the entire side or rear property line.

7. **Buffer Location Restrictions:** Buffers shall not be located on any portion of any existing or proposed street right-of-way or utility easement (unless permitted by the easement holder).

B. BUFFER YARD TYPES

1. **Type A Buffer Yard:** A Type A buffer yard is a planting strip intended to separate uses, provide vegetation in densely developed areas, and enhance the appearance of individual properties.

| Type A Buffer Yard Options | Minimum Depth | Minimum Plantings per 100 linear feet | Wall, Fence, or Berm | Required Opacity |
|----------------------------|---------------|---|----------------------|--|
| Option 1 | 20 feet | 1 Canopy Tree 2 Understory Trees 8 Evergreen Shrubs | Not Required | Semi-opaque (i.e., having only seasonal horizontal openings not exceeding 25% of the total width from the ground to a height of 6 feet within 2 years of planting) |
| Option 2 | 10 feet | 2 Canopy Trees 2 Understory Trees 12 Evergreen Shrubs | Not Required | |

2. **Type B Buffer Yard:** A Type B buffer yard is a medium density screen which is intended to create a visual separation between uses and zoning districts.

| Type B Buffer Yard Options | Minimum Depth | Minimum Plantings per 100 linear feet | Wall, Fence, or Berm | Required Opacity |
|----------------------------|---------------|---|----------------------|--|
| Option 1 | 20 feet | 2 Evergreen Trees 1 Canopy Tree 2 Understory Trees 12 Evergreen Shrubs | Not Required | Semi-opaque (i.e., having only seasonal horizontal openings not exceeding 10% of the total width from the ground to a height of 8 feet within 2 years of planting) |
| Option 2 | 10 feet | 1 Evergreen Tree 1 Canopy Tree 3 Understory Trees 24 Evergreen Shrubs | Not Required | |

3. **Type C Buffer Yard:** A Type C buffer yard is intended to provide a very dense all-season sight barrier to significantly separate uses and zoning districts. It is intended to reduce intrusive lighting and noise from adjacent properties.

| Type C Buffer Yard Options | Minimum Depth | Minimum Plantings per 100 linear feet | Wall, Fence, or Berm | Required Opacity |
|----------------------------|---------------|--|----------------------|--|
| Option 1 | 40 feet | 4 Evergreen Trees 4 Canopy Trees 4 Understory Trees 36 Evergreen Shrubs | Not Required | Completely opaque (i.e., having no horizontal openings from the ground to a height of 8 feet within 2 years of planting) |
| Option 2 | 25 feet | 4 Evergreen Trees 4 Canopy Trees 4 Understory Trees | Wall or Fence | |
| Option 3 | 10 feet | 2 Evergreen Trees 2 Canopy Trees 2 Understory Trees 12 Evergreen Shrubs | Berm | |

C. BUFFER DETAILS

1. **Fences and Walls:** Any required 6-foot-tall privacy fence or wall shall be made of any combination of treated and stained wood, brick, stone, wrought iron, polymer, decorative face block, or other composite material as approved by the Administrator and maintained in a like-new manner with the finished side facing towards the zone to be buffered (protected). The material(s) used shall provide an opaque fence. All required vegetation shall be placed on the unfinished side of the fence or wall. A chain link fence with slats is not considered a solid fence for purposes of this section.
2. **Berms:** All berms, if provided, shall not exceed a slope with maximum rise of 1 foot to a run of 2 feet (a ratio of 1:2) and a maximum height of 4 feet with a compacted flat top of at least 15 inches wide. All berms, regardless of size, shall be stabilized with a ground cover or other suitable vegetation or permanent slope retention device. A combination of trees and shrubs are to be installed in an appropriate design scheme along the berm for appearance, durability, and maintenance as approved by the Administrator. Berms taller than 4 feet shall be approved by the Administrator on a case-by-case basis.
3. **Existing Vegetation, Fences, Walls, and Berms:** Existing vegetation berms, walls, or fences within the landscaped area, but not including chain link fencing, may be used to fulfill the standards for the type of landscaping required provided that these elements are in good condition as determined by the Administrator. Where existing vegetative areas are to be credited, they shall be shown on the plan with a certification by a licensed landscape architect that the existing vegetation fully complies with the landscape requirements.
4. **Riparian Buffer:** Any required riparian buffer may be used to satisfy other buffer requirements, provided the plants are equivalent in number and type required by the landscape ordinance. Additional plant materials shall be installed in the riparian buffer to satisfy any remaining plant requirements. Additional plantings shall meet best management practices as determined by the Administrator.

Section 2.5.3 Use Table (For detailed Use Definitions see Chapter 10.)

| USE TYPES | | RURAL | | | | | | TRANSITIONAL | | | | | | SPECIAL | | | | | | NEIGHBORHOOD | | | | | |
|---|----|-------|----|----|-----|----|-----|--------------|----|----|----|----|-----|---------|----|----|----|----|-----|--------------|-------|--|--|--|--|
| | | AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | IMX | | | | |
| A. RESIDENTIAL | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dwelling - Single Family | P | P | P | - | P | P | P | P | - | - | - | - | - | - | - | - | - | P | - | P | - | | | | |
| Dwelling - Two Family | - | - | - | - | - | - | PR | PR | - | - | - | - | - | - | - | - | - | - | PR | - | - | | | | |
| Dwelling - Townhome | - | - | - | - | - | - | - | P | - | - | - | - | - | - | - | - | - | P | P | P | P | | | | |
| Dwelling - Multifamily | - | - | - | - | - | - | - | - | - | - | PR | - | - | - | - | - | - | - | PR | PR | - | | | | |
| Dwelling - Accessory | PR | PR | PR | - | - | PR | PR | PR | - | - | - | - | - | - | - | - | - | PR | PR | - | - | | | | |
| Halfway Homes | - | - | - | - | - | - | - | - | - | SE | - | SE | - | - | - | - | - | - | - | - | - | | | | |
| Live-Work Units | - | - | - | PR | - | - | - | PR | PR | - | - | - | - | - | - | - | - | - | - | PR | PR | | | | |
| Manufactured Housing | PR | PR | - | - | PR | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | |
| Manufactured Home Park | SE | - | - | - | SE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | |
| Residential/Family Care Home (5 or fewer residents) | P | P | P | - | P | P | P | - | - | - | - | - | - | - | - | - | - | - | P | P | P | | | | |
| Residential Care Facilities (6 or more residents) | - | - | - | PR | - | - | - | - | PR | PR | PR | PR | - | - | - | - | - | - | - | PR | PR | | | | |
| | | | | | | | | | | | | | | | | | | | | | 5.2.5 | | | | |
| | | | | | | | | | | | | | | | | | | | | | 5.2.6 | | | | |
| | | | | | | | | | | | | | | | | | | | | | 5.2.6 | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| B. LODGING | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bed and Breakfast Homes (up to 8 rooms) | PR | PR | PR | PR | - | PR | - | PR | PR | - | - | PR | - | - | - | - | - | PR | PR | - | PR | | | | |
| Bed and Breakfast Inn (up to 12 rooms) | - | - | - | - | - | - | - | - | PR | - | - | PR | - | - | - | - | - | - | - | - | PR | | | | |
| Boarding or Rooming House | - | - | - | - | - | - | - | - | - | - | - | PR | - | - | - | - | - | - | - | - | - | | | | |
| Campground | SE | SE | - | - | - | - | - | - | - | - | - | - | SE | - | - | - | - | - | - | - | - | | | | |
| Dormitory | - | - | - | - | - | - | - | - | - | - | - | P | - | - | - | - | - | - | - | - | - | | | | |
| Fraternity/Sorority House | - | - | - | - | - | - | - | - | - | - | - | P | - | - | - | - | - | - | - | - | - | | | | |
| Hotel/Motel | - | - | - | - | - | - | - | - | - | P | P | P | - | - | - | - | - | - | - | P | P | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | |
| C. OFFICE/SERVICE | | | | | | | | | | | | | | | | | | | | | | | | | |
| ATM | - | - | - | P | - | - | - | - | P | P | P | P | - | P | - | - | - | - | - | P | P | | | | |
| Banks, Credit Unions, Financial Services | - | - | - | P | - | - | - | - | P | P | P | P | - | P | - | - | - | - | - | P | P | | | | |
| Business Support Services | - | - | - | - | - | - | - | - | P | P | P | P | - | P | - | - | - | - | - | P | P | | | | |
| Crematoria | - | - | - | - | - | - | - | - | - | - | CU | - | - | CU | - | - | - | - | - | - | 5.4.1 | | | | |
| Dry Cleaning and Laundry Services | - | - | - | - | - | - | - | - | P | P | P | - | - | P | - | - | - | - | - | P | P | | | | |
| Funeral Homes | - | - | - | P | - | - | - | - | P | P | P | - | - | - | - | - | - | - | - | P | P | | | | |
| Home Occupation | PR | PR | PR | - | PR | PR | PR | - | - | - | - | - | - | - | - | - | PR | PR | PR | PR | 5.4.2 | | | | |
| Kennels, Indoor | PR | PR | PR | PR | - | - | - | - | PR | PR | PR | PR | - | PR | - | - | - | - | - | PR | 5.4.3 | | | | |
| Kennels, Outdoor | PR | PR | CU | PR | - | - | - | - | - | - | CU | CU | - | CU | - | - | - | - | - | - | 5.4.4 | | | | |
| Medical Clinic | - | - | - | PR | - | - | - | PR | PR | PR | PR | - | - | - | - | - | - | - | - | PR | 5.4.5 | | | | |

P – Permitted by Right

PR – Permitted with Review

CU – Conditional Use Required

SE – Special Exception Required

• 2

SE – Special Exception Required

PR – Permitted with Review

P – Permitted by Right

UNIFIED DEVELOPMENT ORDINANCE | Adopted 11.28.2016

Lancaster County Unified Development Ordinance – Use Table

| USE TYPES | RURAL | | | | | TRANSITIONAL | | | | | SPECIAL | | | | | NEIGHBORHOOD | | | | | REF | |
|---|-------|----|----|-----|----|--------------|-----|----|----|----|---------|-----|-----|----|----|--------------|----|-----|-----|----|-----|-------|
| | AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | | IMX |
| E. CIVIC | | | | | | | | | | | | | | | | | | | | | | |
| Cemetery | AR | PR | PR | PR | - | PR | PR | - | PR | PR | PR | PR | - | - | - | - | - | PR | - | - | PR | 5.6.1 |
| Conference/Convention Center | | - | - | - | - | - | - | - | - | P | P | P | - | - | - | - | - | - | - | P | P | |
| Cultural or Community Facility | | - | - | P | - | - | - | - | P | P | P | P | - | - | - | - | - | - | - | P | P | |
| Event Venue/Banquet Hall | P | P | PR | PR | - | PR | PR | PR | PR | PR | PR | PR | - | - | - | - | - | - | - | PR | PR | 5.6.2 |
| Places of Assembly | PR | PR | PR | PR | CU | CU | CU | PR | PR | PR | PR | PR | - | PR | - | - | - | CU | - | CU | CU | 5.6.3 |
| Private Recreation Facilities | - | - | - | PR | - | - | - | - | PR | PR | PR | PR | - | - | - | - | - | - | - | PR | PR | 5.6.4 |
| Public Recreation Facilities | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | - | - | - | PR | PR | PR | PR | PR | 5.6.5 |
| Public Safety Station | P | P | P | P | - | - | - | P | P | P | P | P | - | P | P | - | - | - | - | P | P | |
| Sports Arena/Stadium (4,000 or more seats) | - | - | - | - | - | - | - | - | - | - | CU | CU | - | CU | - | - | - | - | - | - | CU | 5.6.6 |
| F. EDUCATIONAL/INSTITUTIONAL | | | | | | | | | | | | | | | | | | | | | | |
| Child/Adult Day Care Home (5 or fewer persons) | AR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | - | - | - | - | PR | PR | - | PR | PR | 5.7.1 |
| Child/Adult Day Care Home (6 or more persons) | | - | - | - | - | - | - | - | PR | PR | PR | PR | - | - | - | - | - | - | - | PR | PR | 5.7.2 |
| College/University | | - | - | - | - | - | - | - | - | - | - | P | - | - | - | - | - | - | - | P | P | |
| Community Support Facility | | - | - | PR | - | - | - | - | - | PR | PR | PR | - | - | - | - | - | - | - | - | - | 5.7.3 |
| Correctional Institution | | - | - | - | - | - | - | - | - | - | - | CU | - | SE | SE | - | - | - | - | - | - | 5.7.4 |
| Day Treatment Center | | - | - | - | - | - | - | - | - | PR | PR | PR | - | PR | - | - | - | - | - | - | - | 5.7.5 |
| Hospital | | - | - | - | - | - | - | - | - | - | P | P | - | P | - | - | - | - | - | - | - | |
| Schools – Elementary and Secondary | PR | PR | PR | PR | - | PR | CU | CU | CU | CU | CU | PR | - | - | - | - | CU | CU | CU | CU | CU | 5.7.6 |
| Schools – Vocational/Technical | | - | - | P | - | - | - | P | P | P | P | P | - | P | P | - | - | - | - | P | P | |
| Studio – Art, dance, martial arts, music | P | - | - | P | - | - | - | P | P | P | P | P | - | P | - | - | - | - | - | P | P | |
| G. AUTOMOTIVE | | | | | | | | | | | | | | | | | | | | | | |
| Drive-Thru/Drive-In Facility | AR | - | - | PR | - | - | - | - | CU | PR | PR | - | - | PR | PR | - | - | - | - | PR | PR | 5.8.1 |
| Electric Vehicle Charging Stations | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | PR | 5.8.2 |
| Heavy Equipment/Manufactured Home Rental/Sales/Repair | | - | - | - | - | - | - | - | - | - | SE | - | - | PR | PR | - | - | - | - | - | - | 5.8.3 |
| Parking Lot/Structure – Principal Use | | - | - | - | - | - | - | - | - | PR | PR | PR | - | PR | PR | - | - | - | - | PR | PR | 5.8.4 |
| Vehicle Rental/Leasing/Sales | | - | - | PR | - | - | - | - | - | CU | PR | - | - | - | - | - | - | - | - | CU | CU | 5.8.5 |
| Vehicle Services – Minor Maintenance/Repair | | - | - | P | - | - | - | - | CU | CU | PR | - | - | PR | PR | - | - | - | - | CU | CU | 5.8.6 |
| Vehicle Services – Major Repair/Body Work | | - | - | PR | - | - | - | - | - | CU | PR | - | - | PR | PR | - | - | - | - | - | - | 5.8.7 |

P – Permitted by Right

PR – Permitted with Review

CU – Conditional Use Required

SE – Special Exception Required

UNIFIED DEVELOPMENT ORDINANCE | Adopted 11.28.2016

2-12

Lancaster County Unified Development Ordinance – Use Table

| USE TYPES | RURAL | | | | | | | | | | TRANSITIONAL | | | | | | | | | | SPECIAL | | | | | | | | | | NEIGHBORHOOD | | | | | | | | | | REF |
|--|-------|----|----|-----|----|-----|-----|----|----|----|--------------|-----|-----|----|----|---|----|-----|-----|----|---------|--------|---------|--|--|--|--|--|--|--|--------------|--|--|--|--|--|--|--|--|--|-----|
| | AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | IMX | | | | | | | | | | | | | | | | | | | | |
| H. INDUSTRY/WHOLESALE/STORAGE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Artist Studio/Light Manufacturing Workshops | - | - | - | P | - | - | - | - | - | P | P | - | - | P | P | - | - | - | - | - | P | P | - | | | | | | | | | | | | | | | | | | |
| Industry, Light | - | - | - | - | - | - | - | - | - | - | - | - | - | P | P | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | |
| Industry, Heavy | - | - | - | - | - | - | - | - | - | - | - | - | - | - | P | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | |
| Industry, Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - | - | PR | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | |
| Junkyard | - | - | - | - | - | - | - | - | - | - | - | - | - | - | SE | - | - | - | - | - | - | - | 5.9.1 | | | | | | | | | | | | | | | | | | |
| Landfill – Class Two | - | - | - | - | - | - | - | - | - | - | - | - | - | SE | SE | - | - | - | - | - | - | - | 5.9.2 | | | | | | | | | | | | | | | | | | |
| Landfill – Class Three | - | - | - | - | - | - | - | - | - | - | - | - | - | - | SE | - | - | - | - | - | - | - | 5.9.3 | | | | | | | | | | | | | | | | | | |
| Mining - Major In-Depth Resource Extraction | - | - | - | - | - | - | - | - | - | - | - | - | - | - | SE | P | - | - | - | - | - | - | 5.9.4 | | | | | | | | | | | | | | | | | | |
| Mining - Minor Surface Resource Extraction | PR | PR | PR | PR | - | - | - | - | - | PR | PR | PR | - | PR | PR | P | - | - | PR | PR | PR | PR | 5.9.5/6 | | | | | | | | | | | | | | | | | | |
| Private Recycling Collection Stations | - | - | - | - | - | - | - | - | - | - | - | PR | - | PR | PR | - | - | - | - | - | - | - | 5.9.6/7 | | | | | | | | | | | | | | | | | | |
| Public Recycling and Waste Collection Facilities | - | - | - | PR | - | - | - | - | - | - | - | PR | - | PR | PR | - | - | - | - | - | - | - | 5.9.8 | | | | | | | | | | | | | | | | | | |
| Research and Development Facilities | - | - | - | - | - | - | - | - | - | P | P | - | - | P | P | - | - | - | - | - | - | - | 5.9.9 | | | | | | | | | | | | | | | | | | |
| Storage – Outdoor Storage Yard | - | - | - | - | - | - | - | - | - | - | PR | - | - | PR | PR | - | - | - | - | - | - | P | - | | | | | | | | | | | | | | | | | | |
| Storage – Self Service (Mini) | - | - | - | - | - | - | - | - | - | PR | PR | - | - | PR | PR | - | - | - | - | - | - | - | 5.9.10 | | | | | | | | | | | | | | | | | | |
| Storage – Warehouse Indoor | - | - | - | - | - | - | - | - | - | CU | PR | - | - | PR | PR | - | - | - | - | - | PR | 5.9.11 | | | | | | | | | | | | | | | | | | | |
| Storage – Warehouse Indoor, Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - | PR | PR | - | - | - | - | - | - | 5.9.12 | | | | | | | | | | | | | | | | | | | |
| Wholesaling and Distribution | - | - | - | - | - | - | - | - | - | - | PR | - | - | P | P | - | - | - | - | - | P | 5.9.13 | | | | | | | | | | | | | | | | | | | |
| Wholesaling and Distribution, Restricted | - | - | - | - | - | - | - | - | - | - | - | - | - | PR | PR | - | - | - | - | - | - | 5.9.14 | | | | | | | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | PR | PR | - | - | - | - | - | - | 5.9.15 | | | | | | | | | | | | | | | | | | | |
| I. AGRICULTURE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agriculture and Crop Production/Harvesting | P | P | P | P | - | - | - | - | - | - | - | P | P | P | P | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | |
| Agricultural Support Services/Nurseries | P | P | P | P | - | - | - | - | P | P | P | - | - | P | P | - | - | - | - | - | - | P | - | | | | | | | | | | | | | | | | | | |
| Agribourism | P | P | P | P | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | |
| Animal Production | PR | PR | PR | PR | - | PR | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.10.1 | | | | | | | | | | | | | | | | | | |
| Animal Production Facilities, Non-Swine | PR | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.10.2 | | | | | | | | | | | | | | | | | | |
| Animal Production Facilities, Swine | SE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.10.3 | | | | | | | | | | | | | | | | | | |
| Apiculture (Bee Keeping) | P | P | P | P | - | P | - | - | P | - | - | P | P | - | - | - | - | - | - | - | - | P | - | | | | | | | | | | | | | | | | | | |
| Backyard Pens/Coops | P | P | P | P | - | P | PR | PR | - | - | - | PR | - | - | - | - | - | - | - | - | PR | 5.10.4 | | | | | | | | | | | | | | | | | | | |

P – Permitted by Right

PR – Permitted with Review

CU – Conditional Use Required

SE – Special Exception Required

UNIFIED DEVELOPMENT ORDINANCE | Adopted 11.28.2016

Lancaster County Unified Development Ordinance – Use Table

| USE TYPES | RURAL | | | | | | | | | | TRANSITIONAL | | | | | | | | | | SPECIAL | | | | | | | | | | NEIGHBORHOOD | | | | | | | | | | REF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | AR | RR | RN | RUB | MH | LDR | MDR | PB | NB | GB | RB | INS | OSP | LI | HI | M | UR | HDR | RMX | MX | IMX | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| I. AGRICULTURE (CONTINUED) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Commercial Stables | P | P | P | P | - | - | - | - | -P | P | P | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

SE – Special Exception Required

CU – Conditional Use Required

PR – Permitted with Review

P – Permitted by Right

Schedule A-1



April 17, 2017

Ms. Penelope G. Karagounis
Director
Lancaster County Planning and Zoning Department
P.O. Box 1809
Lancaster, South Carolina 29721

Dear Ms. Karagounis,

By way of this letter, the Lancaster County Department of Economic Development (LCDED) is notifying the Lancaster County Planning and Zoning Department (Planning), Lancaster County Planning Commission (Commission) and Lancaster County Council (Council) of our support for PCI Group's (PCI) request to rezone its property located at 11632 Harrisburg Road in Indian Land from Industrial-Mixed Use (IMX) to Light Industrial (LI).

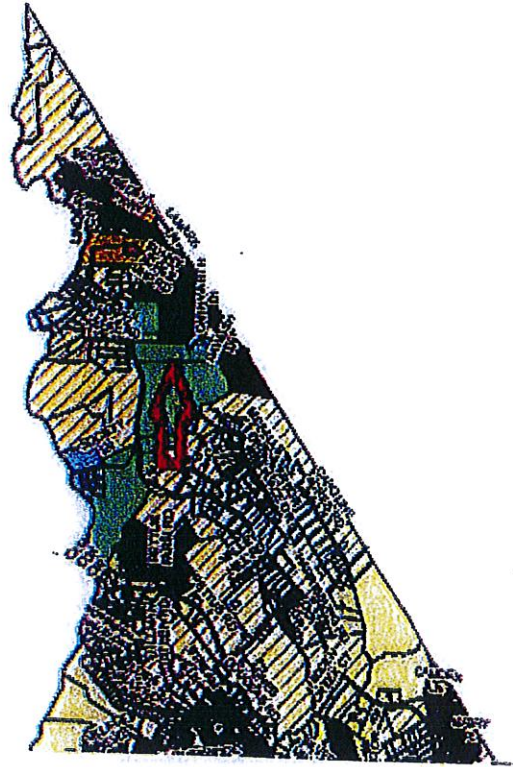
PCI prints and delivers mission critical documents for clients in a variety of industries. The company has been at this location since relocating from New York in 2008 when it acquired the land and building from Virtual Image Technology. The company has grown from 89 employees in 2014 to over 230 at the end of 2016. PCI's operation is extremely clean, quiet and unnoticed by those in the areas. The property was zoned I1 until the UDO resulted in a zoning change to IMX in November 2017.

The points that follow outline the reasons LCDED supports PCI's request to change its zoning from IMX to LI.

- Prior to adoption of the UDO in November 2016, the Harrisburg Road area where PCI is located had approximately 273 acres of contiguous and mostly adjacent I1 property (including PCI's 32 acres). The I1 properties are shown in teal on the zoning map on the following page. PCI's property is indicated by the red arrow. This zoning was in effect prior to November 28, 2016.

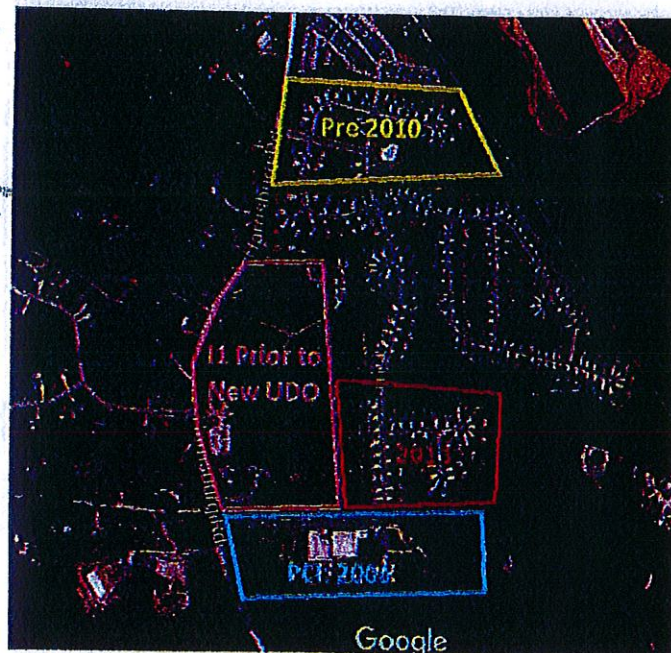
Jamie Gilbert | Director
Lancaster County Department of Economic Development
P: 803.286.3633 | C: 803.288.4324
jgilbert@lancastercountysc.net
1033 W Meeting Street | P.O. Box 1809 | Lancaster, SC 29721
www.mylancaster.org





- LCDED did not exist at the time the 2014-2024 comprehensive plan and future land use map were adopted; however, the department would have worked closely with the planning department, planning commission and county council to ensure that the I1 zoned properties in the Harrisburg Road corridor remained on the future land use map as a "special industrial district". In the event that any of the properties zoned I1 wanted to be downzoned to a residential zoning by their owners, LCDED would have recommended that these requests be carefully evaluated; however, it is clear that if PCI had been familiar with the comprehensive plan and future land use process they would have wanted their property to be placed on the future land use map. LCDED believes that even if other property owners with I1 zoning wanted their properties to eventually be developed for residential purposes, PCI would have opposed their property being excluded as an industrial location from the future land use map if they knew that their removal would result in a zoning change to their property that would substantially impact their current and future operations.
- New residential development in the immediate area is primarily concentrated in the Aumond Glen subdivision which is adjacent to PCI on the north side of their property. The majority of the homes are within 250'-500' of PCI and were constructed in 2013 or later, a full five years

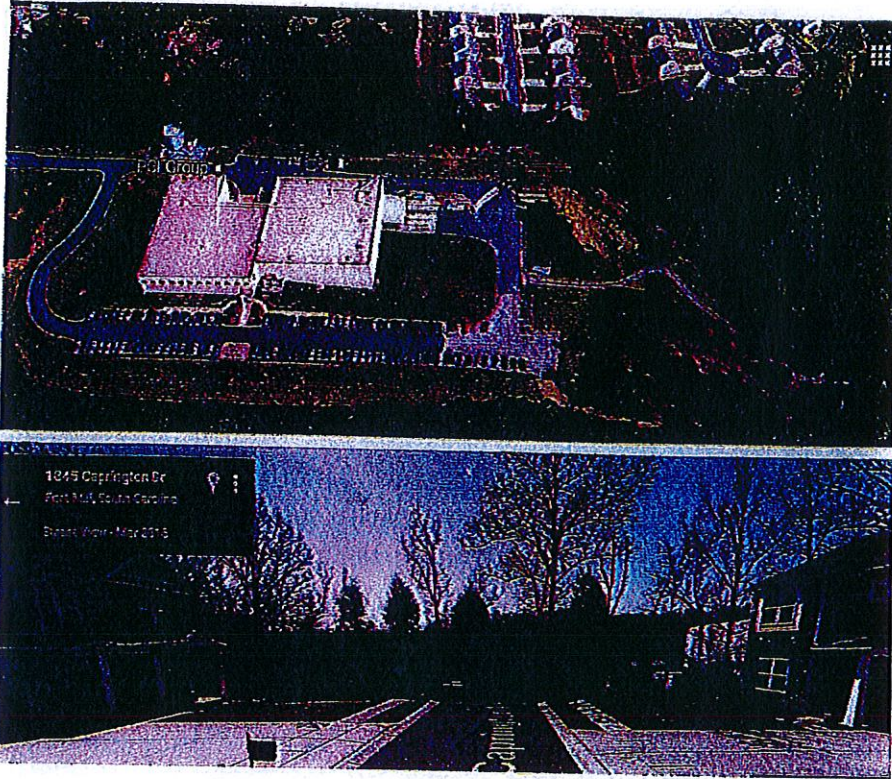
after PCI purchased their property which had been zoned I1 since the county enacted zoning. These properties are outlined in red on the aerial photo below. In addition to PCI's I1 property located directly to the south, the property immediately to west (shown in pink) was zoned I1 at the time the homes were constructed. The second oldest section of Aumond Glen has homes constructed between 2010 and 2012. This section of the development is highlighted in maroon and had I1 zoned property located to the west at the time of their construction. These properties are 500'-1,500' from the PCI property. The oldest section of the development has homes primarily constructed in 2008 and 2009. This section, highlighted in yellow, has other homes within the development separating them from the previous I1 zoned properties to the south. The PCI property is at least 1,500' from these homes.



LCDED believes that both the developer and buyers in the Aumond Glen subdivision were well aware of the I1 zoning surrounding their homes and the presence did not impact the development of the neighborhood as evidenced by the strong build-out that has occurred. As a result, LCDED doesn't believe the presence of residential property to the north should be a factor or consideration in the decision to rezone PCI's property to LI.

- PCI's 93,000 square foot facility on 32 acres is a beautifully maintained industrial property. As you can see by the aerial photos on the following page the property is well buffered from surrounding uses. Also, the Google street view from Carrington Drive shows the closest

existing homes to PCI's existing building and the minimal impact the company's operation is to the neighborhood. It bears repeating that these homes were built five years after PCI occupied the property which was zoned I1.



- LCDED became a staffed department in July 2016 just three months prior to the adoption of the UDO. The department had very little engagement and input on the UDO in that short window; however, staff did attend several county council and planning commission meetings in which the UDO was presented and discussed. The commission, council and citizens were told that if a property owner liked their current zoning the new UDO would not impact them and that any changes would be in name only. For example an I1 property would be rezoned to LI. The planning commission and county council all voiced their support for a transition in this manner. Unfortunately in the case of PCI, their zoning change from I1 to IMX did not allow this to happen. Also, the company received no notification that a zoning change to a less intensive was going to occur. LCDED believes that as a result of the zoning change PCI has now become a nonconforming use. While a nonconforming uses allows a business to continue to operate the reality is that a business becomes restricted from physically expanding their operations in the future as was the case with McClancy Seasonings being zoned residential.

As a result of the public discussion and intent of planning, commission and council not to have property owners lose their zoning with the transition to the new UDO, LCDED believes this to be a strong factor in approving the rezoning of PCI's property to LI.

- The 240 acres of previously zoned I1 property in the Harrisburg Road area that is now residential has no residential development on it at this time. If the PCI property is rezoned to LI, any buyers seeking to construct a home on these properties should be fully aware they that there is an adjacent or nearby parcel zoned LI (light industrial). Additionally, LCDED doesn't believe Lancaster County has a responsibility to take into account the concerns of property owners who took their industrial zoned property and converted it to residential zoning. These property owners made a decision to develop their property in another manner; therefore, their decision should not negatively impact PCI which had no desire to lose their industrial zoning and its subsequent benefits which was in place prior to the residential development and rezoning.
- LCDED believes that the Mixed Industrial (IMX) zoning restricts most industrial uses listed on pages 2-10 to 2-14. As seen below and on page 2-13 IMX does not allow for light industrial uses. Also, PCI is primarily a printing operation and according to page 10-6 of the UDO, shown on the following page, printing is a light industrial use.

Lancaster County Unified Development Ordinance-- Use Table

| USE TYPES | RURAL | | | | TRANSITIONAL | | | | | | | | CITY | | | | NEIGHBORHOOD | | | | | | | | | |
|--|-------|----|----|-----|--------------|-----|----|----|----|----|----|----|------|----|----|---|--------------|----|-----|----|----|-----|--|--|--|--------|
| | AR | RR | RM | RUB | MR | MDR | MR | NR | NR | CB | CB | NS | OSP | U | H | M | UR | MR | R/M | MR | UR | REF | | | | |
| H POLYSTYRENE/WHOLESALE STORAGE | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Detailing/Manufacturing Workshops | | | | P | | | | | | | P | P | | P | P | | | | | P | P | | | | | |
| Industry, Light | | | | | | | | | | | | | | P | P | | | | | | | | | | | |
| Industry, Heavy | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Industry, Restricted | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Junkyard | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Landfill - Class Two | | | | | | | | | | | | | | | | | | | | | | | | | | § 9.1 |
| Landfill - Class Three | | | | | | | | | | | | | | | | | | | | | | | | | | § 9.2 |
| Mining - Major In-Depth Resource Extraction | | | | | | | | | | | | | | | | | | | | | | | | | | § 9.3 |
| Mining - Minor Surface Resource Extraction | PR | PR | PR | PR | | | | | | | PR | PR | PR | | PR | P | | | | PR | PR | | | | | § 9.4 |
| Private Recycling Collection Stations | | | | | | | | | | | | | | PR | PR | | | | | | | | | | | § 9.5 |
| Public Recycling and Waste Collection Facilities | | | | PR | | | | | | | | | | PR | PR | | | | | | | | | | | § 9.6 |
| Research and Development Facilities | | | | | | | | | | | P | P | | P | P | | | | | | | | | | | § 9.7 |
| Storage - Outdoor Storage Yard | | | | | | | | | | | | | | PR | PR | | | | | | | | | | | § 9.8 |
| Storage - Self Service (Min) | | | | | | | | | | | PR | PR | | PR | PR | | | | | | | | | | | § 9.9 |
| Storage - Warehouse Indoor | | | | | | | | | | | CU | PR | | PR | PR | | | | | | | | | | | § 9.10 |
| Storage - Warehouse Indoor, Restricted | | | | | | | | | | | | | | PR | PR | | | | | | | | | | | § 9.11 |
| Wholesaling and Distribution | | | | | | | | | | | | | | P | P | | | | | | | | | | | § 9.12 |
| Wholesaling and Distribution, Restricted | | | | | | | | | | | | | | PR | PR | | | | | | | | | | | § 9.13 |

INDUSTRY, LIGHT Such facilities are typically designed to look and generate impacts like a typical office building, but rely on special power, water, or waste disposal systems for operation. Noise, odor, dust, and glare of each operation are completely confined within an enclosed building, insofar as practical. Such uses include medical and testing laboratories; facilities for scientific research; facilities for the design, development, and testing of electrical, electronic, magnetic, optical, computer and telecommunications components in advance of product manufacturing; the assembly of products from parts produced off-site, where the manufacturing activity is secondary to the research and development activities; laundry/dry cleaning plants engaged primarily in high-volume laundry and garment services; carpet and upholstery cleaners; diaper services; commercial laundries; the production of small consumer goods such clothes, shoes, furniture, consumer electronics and home appliances; and any use included in any of the industry sectors of the North American Industry Classification System outlined in the table below.

| NAICS Code | NAICS Industry Sector |
|------------|---|
| 312 | Beverage & Tobacco Manufacturing |
| 315 | Apparel Manufacturing |
| 323 | Printing and Related Support Activities |
| 334 | Computer & Electronic Product Manufacturing |
| 335 | Electrical Equipment, Appliance & Component Manufacturing |
| 337 | Furniture & Related Product Manufacturing |
| 339 | Miscellaneous Manufacturing |

- It may be suggested that changing the uses allowed in IMX to include printing would satisfy PCI's needs; however, LCDED disagrees. Our concern about IMX zoning for an industrial operation such as PCI is that the zoning targets and advocates for the redevelopment of industrial properties. As a result the zone places extraordinary burdens on any new and expanding industrial operations. PCI or any other industrial operation would have to adhere to design and site development requirements that are extremely difficult, costly and impractical for industrial users. LI does not present any such issues and according to the LI definition PCI's operation perfectly aligns with it.

It is for the reasons outlined in this letter that LCDED strongly recommends that PCI Group's rezoning request to change their property from IMX to LI be approved by the Lancaster County Planning Commission. Thank you.

Sincerely,

Jamie Gilbert

Jamie Gilbert
Director

- c: Charles K. Deese, Chairman, Lancaster County Planning Commission
Steve Harper, Chairman, Lancaster County Council
Steve Willis, Administrator, Lancaster County

Schedule A-2

Stefanie & Matthew Philmon
1845 Caprington Dr.
Indian Land, SC 29707

4/18/2017

Dear Lancaster County Council Members:

Thank you so much for taking the time to hear me in regards to the matter of the mixed use zoned PCI group property adjacent to our home in the Almond Glen Subdivision. When we bought our home we fell in love with the property. Despite being in a subdivision our backyard was wooded on two sides. On the left side there was a small building that we were told was a shipping company. We were assured by Lennar homes the the property was zoned as mix use which would protect the area around us by ensuring a balance of land development in the community. In regards to the small industrial company next door we were assured zoning would prevent the company from becoming intrusive and/or a nuisance. We moved into our home May, 2013. For the first couple of months we hardly noticed the small industry next door. It was quiet and appeared to only operate within business hours. Gradually the industry became louder, larger, and began operating more often. And then when leaves fell off the trees we had no barrier to this industry that was becoming more and more intrusive. This spring the industrial site has become so loud and large and bright from lights that our family can no longer enjoy our backyard. PCI Group has not provided any type of additional barrier between our property and their site. Trucks come and go all hours of the night loudly honking their horns and there is always a hum inside our home from the noise next door. Our dog, Bear, is so disturbed by the lights and noise he runs up and down along the fence barking. He can no longer enjoy our beautiful yard either.

Then, already concerned about the continued growth of the PCI Group we received the letter informing us of the possible rezoning of the property and the property directly behind our house. This was devastating and our hopes for the American Dream of increasing our property value is now threatened. The change from mixed use property to light industrial removes any hope of balance between PCI's industrial plant and the surrounding residential areas. The area behind us would be a lovely spot for restaurants and boutiques increasing the county's revenue and surrounding property values. If rezoning is permitted it will allow for industrial growth, rather than community growth. The community has the potential to be much more than an industrial plant. I respectfully request that council members please consider the potential for community growth and development and property value increases and vote "No" in regards to PCI Group's request to rezone the land as light industrial.

Lancaster County Council Members

4/18/2017

Page 2

Sincerely,

Stefanie Philmon

Agenda Item Summary

| | |
|---------------------------------|--|
| Ordinance # / Resolution#: | Board Appointment to Fill Unexpired Term |
| Contact Person / Sponsor: | Steve Willis |
| Department: | Administration |
| Date Requested to be on Agenda: | May 8, 2017 |

Issue for Consideration:

Appointment to Lancaster County Fire Commission.

Points to Consider:

This comes from the Camp Creek Fire Department. They recommend Brandon E. Roberts for Council's consideration.

This would be to fill an unexpired term that ends June 30, 2020.

Funding and Liability Factors:

N/A

Council Options:

Accept or reject the recommendation.

Staff Recommendation:

Accept the recommendation.

Committee Recommendation:

Not applicable as this is a Board appointment.



**Lancaster
County
Fire Rescue**

PO Box 1809
Lancaster, SC
29721

Business Phone
803-283-8888

Fax
803-283-6333

E-mail
LCFR@comporium.net



Proud and Progressive

TO: Sherrie Simpson, Clerk to Council
FROM: Rocky A. Hudson, Fire Commission Chairman *RAH*
DATE: April 20, 2017
SUBJECT: Replacement for Fire Commission—Camp Creek

The Lancaster County Fire Commission respectfully submits the name of a new member from the Camp Creek fire district for approval by the Lancaster County Council. This member will replace the current member who is unable to fulfill the remainder of their term through June 2020.

Camp Creek Fire Department
Brandon E. Roberts
109-D Pond Ridge Lane
Lancaster, SC 29720

If you have questions or need any additional information, please contact the Fire Rescue office.

RAH/dmg

cc: Darren Player, Lancaster County Fire Rescue

Agenda Item Summary

| | |
|---------------------------------|--------------------------------|
| Ordinance # / Resolution#: | Discussion/ Adoption by Motion |
| Contact Person / Sponsor: | Steve Willis/ Grazier Rhea |
| Department: | Admin/ Council of Governments |
| Date Requested to be on Agenda: | May 8, 2017 |

Issue for Consideration:

Adoption of 2017 Priority Needs List.

Points to Consider:

At the last meeting Mrs. Rhea conducted the required Public Hearing for adoption of the list.

The list as presented by the Council of Governments (COG), following amendment by Council at the prior meeting, is attached.

Funding and Liability Factors:

If a need is addressed through grant funding the potential budget would be developed at that time. Adoption of the Priority Needs List does not authorize any funding for the items.

Council Options:

Council may adopt the list as presented by the COG, amend it by deleting an item, or amend it by adding an item.

Staff Recommendation:

Adopt as presented by the COG.

Committee Recommendation:

N/A; this is going directly to Council following the Public Hearing.

LANCASTER COUNTY
PRIORITIZED COMMUNITY NEEDS
APRIL 2017

Lancaster County will hold a Needs Assessment Public Hearing on Monday, April 24, 2017, at which time the following community needs will be prioritized.

1. Upgrade and extension of water and sewer services for low and moderate income areas, including the Kings Circle area, the Kershaw Mill area, the Dobson School area and the Emerald Estates area.
2. Upgrade and construct facilities, including ADA accessibility, for the Department of Social Services, Health Department, the library and other public agencies serving low and moderate income persons.
3. Development of greenways and trails, including the Lindsay Pettus Greenway.
4. Neighborhood revitalization activities in low and moderate income areas, including the Midway area, Dobson School area, Kershaw Mill area, Erwin Farm area, and Emerald Estates area to include the following:
 - Clearance and clean-up
 - Infrastructure upgrades to include, but not limited to, transportation, sidewalks, transit, water, sewer, gas, electrical, and communications to include Internet/ wireless/ broadband.
 - Housing rehabilitation
 - Activities to increase affordable housing
 - Job training and educational opportunities
 - Socioeconomic assistance
 - Franchised curbside solid waste collection in target areas
5. Promote economic development and job creation activities through provision of infrastructure to potential and expanding businesses and industries and through the provision of Workforce Development Training to residents and industries through direct county grant match funding and provision of in-kind services.
6. Construct permanent EMS and fire stations where needed to replace mobile and/or inadequate facilities.
7. Improve transportation between Lancaster's three municipalities, City of Lancaster, Town of Heath Springs, and Town of Kershaw, including highway (US 521) and rail (L&C Railway) modes of transportation.
8. Add turning lanes for the Buford elementary and middle schools.
9. Improve transportation between the City of Lancaster and the Chesterfield County line on SC 9 South, a segment of the South Carolina Department of Transportation Strategic Freight Network.
10. Locate recreational, social service agency and county agency facilities in the northern panhandle of the county. This would put these services within closer proximity to the people who use them and eliminate the need for driving into the City of Lancaster.
11. Seek funding to address housing needs, to include rehabilitation, affordable housing and down payment and closing cost assistance.
12. Renovation and preservation of the Lancaster historic jail.
13. Undertake activities to promote fair housing opportunities for all citizens.

Agenda Item Summary

| | |
|---------------------------------|-----------------|
| Ordinance # / Resolution#: | Discussion Item |
| Contact Person / Sponsor: | Steve Willis |
| Department: | Admin |
| Date Requested to be on Agenda: | April 24, 2017 |

Issue for Consideration:

Amending the way we display County Ordinary tax millage on the property tax bills.

Points to Consider:

We currently pay for unfunded state mandates within our County Ordinary tax millage. I propose we break this out to clearly display what the unfunded state mandates cost us. This would be a change in the display and NOT an increase in tax millage above the capped limitation.

We are currently shorted \$1.2 million in the Local Government Fund. That will worsen by just under \$150,000 in this year's state budget. This alone is just over 4 mils at the current millage rate.

The amount we will pay in additional Retirement System payments, not total Retirement System payments, will exceed \$2 million by the end of the 5 year phase in period. Obviously that number will fluctuate depending upon future staffing levels and salary changes. At the current mil value this would work out to somewhere between 8 to 10 mils but could go higher.

The citizens need to see just how much of their county tax millage is going towards paying unfunded state mandates. I would propose this be limited to unfunded mandates and should the Local Government Fund be restored in future years we would deduct such from this displayed millage.

We are still bound by the state tax caps. In calculating the annual limitation we must insure we combine the County Ordinary and Unfunded State Mandate millages to avoid exceeding our limitations. As always, the unfunded mandates impact how much you can do for the Sheriff, EMS, Parks and Recreation, etc.

County Auditor Cheryl Morgan advises we have space on the bills to do this.

Funding and Liability Factors:

N/A

Council Options:

Accept or reject the Committee's recommendation. If approved staff will coordinate this with the Auditor's Office.

Staff Recommendation:

Amend the millage display to clearly show what the Unfunded State Mandates cost our citizens.

Committee Recommendation:

Recommend approval.

Attached is my property tax bill from last year.

For the purpose of this example the following assumptions are made:

The unfunded mandate is the shortage in the Local Government Fund is \$1,200,000. It is not an exactly even number in real life and for the coming year the shortage in the Local Government Fund will likely exceed this amount.

Last years mil value was just under \$300,000 but for ease in calculation we will assume it was exactly \$300,000.

A \$1.2 million unfunded mandate with a mil value of \$300,000 equals a shortfall of 4 tax mils.

If this change is approved the following lines would change:

The Line marked as **COUNTY** would decrease from \$629.14 (83 mils) to \$598.82 (79 mils)

There would be a new line named **UNFUNDED STATE MANDATES** that would have a value of \$30.32 (4 mils).

Over time as we have further LGF cuts and new mandates such as the greatly increased retirement system costs this line would grow significantly.

LANCASTER COUNTY S.C.
PROPERTY TAX NOTICE - TAX YEAR 2016

LANCASTER COUNTY

CARRIE W. HELMS
 COUNTY TREASURER
 P.O. BOX 729
 LANCASTER, S.C. 29721

| | | | | |
|------------------------------------|--------------|------------------|----------|--------------|
| RECEIPT # 045163-16-3 | TAX DISTRICT | ASSESSMENT VALUE | TAX LEVY | PROPERTY TAX |
| LANCASTER COUNTY | 01 | 7,580 | 489.40 | 3709.65 |
| | COUNTY | CITY | TOTAL | |
| PROPERTY TAX | 2,372.54 | 1,337.11 | 3,709.65 | |
| LESS HOMESTEAD EXEMPTION | | | 0.00 | |
| LESS SCHOOL TAX CREDIT | 1,133.21 | | 1,133.21 | |
| LESS L.O.S.T. | 132.27 | 758.00 | 890.27 | |
| PLUS FIRE FEE | | | 0.00 | |
| PLUS ASSESSMENT FEES | | | 0.00 | |
| NET AMOUNT DUE | 1,107.06 | | | |
| PAY THIS AMOUNT BY: 01/17/2017 ==> | | | | 1,686.17 |

| | | | |
|--|------------|----------------|-------------------|
| APPROVED BY BOARD OF EDUCATION | LEVY MILLS | TAX | PERSONAL PROPERTY |
| SCHOOL | | 1,648.85 | |
| APPROVED BY COUNTY COUNCIL | LEVY MILLS | TAX | |
| COUNTY | | 629.14 | |
| USC-LANCASTER | | 32.59 | APPRaisal |
| CAPITAL IMPROVEMENT | | 34.87 | |
| COURT SECURITY | | 27.29 | |
| FIRE FEE | | | |
| ASSESSMENT FEES | | | RATIO |
| APPROVED BY CITY COUNCIL | LEVY MILLS | TAX | |
| MUNICIPAL TAX | | | |
| | | | |
| DESCRIPTION OF REAL OR PERSONAL PROPERTY | | | ASSESSED VALUE |
| 522 BRIARWOOD DR DB 381 23 | | | 7,580 |
| CLASS | ACRES/LOTS | LAND APPRAISAL | # BLDGS |
| R | 0/1 | 30800 | 1 |
| | | | BLDGs APPRAISAL |
| | | | 158700 |
| | | | RATIO |
| | | | |
| | | | ASSESSED VALUE |
| | | | 7580 |

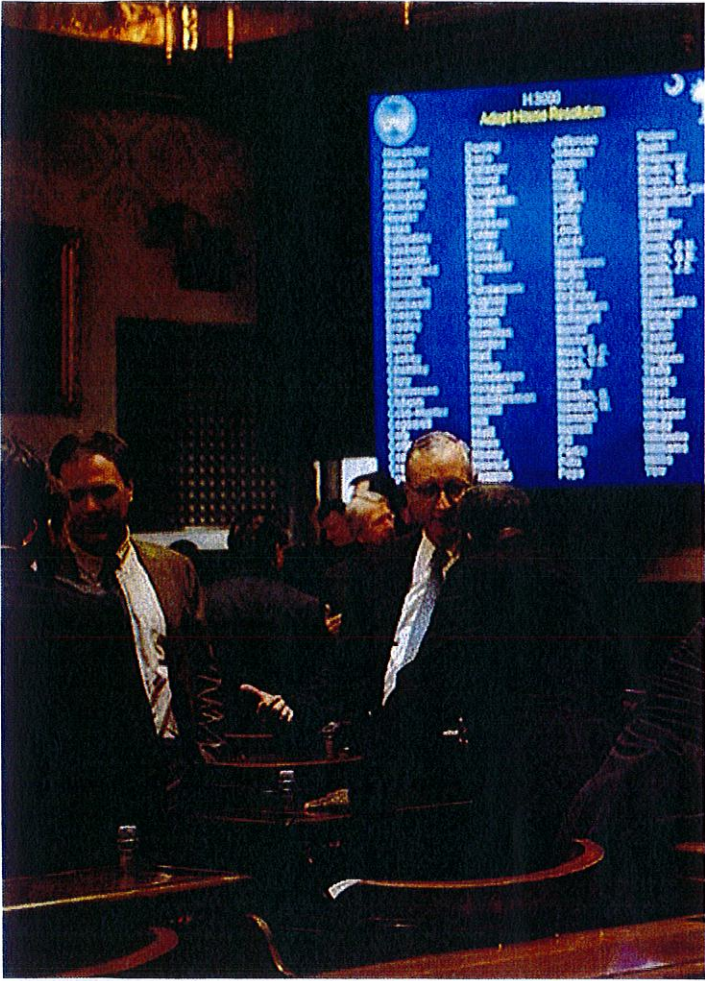
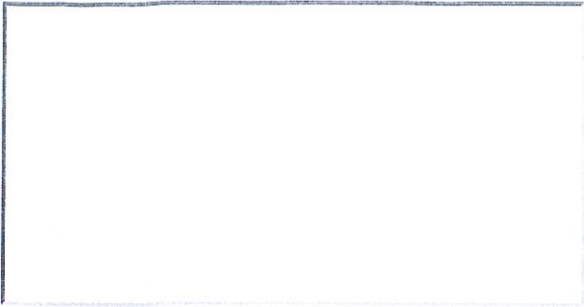
| |
|--|
| NAME WILLIS JOHN STEPHEN & LISA PAR |
| RECEIPT # 045163-16-3 |
| TAX MAP # 0067N-0C-019.00 |
| PROPERTY DESCRIPTION |
| 522 BRIARWOOD DR DB 381 23 |
| Taxable Appraisal |
| Prior Year Taxes: |
| GROSS TAXES DUE: 3,709.65 |
| LESS HOMESTEAD EXEMPTION 0.00 |
| LESS SCHOOL TAX CREDIT 1,133.21 |
| LESS L.O.S.T. 890.27 |
| PLUS FEES 0.00 |
| PAY THIS AMOUNT BY 01.17.2017 1,686.17 |

| PENALTY AMOUNTS DUE AFTER JANUARY 17, 2017 | |
|--|------|
| After JANUARY 17, 2017 Plus 3% | 0.00 |
| After FEBRUARY 1, 2017 Plus 10% | 0.00 |
| After MARCH 16, 2017 Plus 15% | 0.00 |
| 15% Penalty added after March 16th to unpaid taxes (including Fire Fees) will be forwarded to the Delinquent Tax Collector and will be subject to additional penalties and costs. Contact the Delinquent Tax Collector's Office for current tax amounts due before paying. | |

☐ Please check here if you would like a receipt mailed. Receipts are available on our website www.mylancastersctax.org

☐ Check here if a change of address is being returned

| | | |
|---|---|---|
| CURRENT NAME AND ADDRESS WILLIS JOHN STEPHEN & LISA PAR 522 BRIARWOOD RD LANCASTER SC, 29720 | NOTICE # 045163-16-3 TAX MAP # 0067N-0C-019.00 | ADDRESS CHANGE (RETURN THIS PORTION ONLY IF CHANGING ADDRESS) ADDRESS _____ CITY _____ STATE _____ ZIP _____ _ HOME ADDRESS _ MAILING ADDRESS _ BOTH |
|---|---|---|



SC House members await the start of the day's session.
Tim Dominick - tdominick@thestate.com

CINDI ROSS SCOPPE

MARCH 18, 2017 5:47 PM

How our deadbeat

Legislature is shorting cities and counties — again

CINDI ROSS

SCOPPE

Associate Editor

COLUMBIA, SC — TWO EXTRAORDINARY things happened in the House the other day: Representatives rejected an opportunity to take a slap at the environment, and even more surprisingly, they rejected an opportunity to take yet another slap at local governments.

The vehicle they chose not to board for both trips was H. 3529, which would have banned cities and counties from banning plastic bags, which coastal communities are doing because of the devastating damage the bags can do to sea creatures that swallow them. If you haven't seen any pictures, you should. Or maybe you shouldn't; it's pretty gruesome.



Cindi Ross Scoppe

Effort to prevent plastic bag bans crashes in Legislature

This business-friendly bill is friendly to some businesses — but not most

SC towns, counties and schools to pay for shoring up pensions

For cities and counties, this was a significant win — which is defined in the State House as the absence of a loss. And it came just one week after House Labor, Commerce and Industry Chairman Bill Sandifer was forced to at least temporarily back away from his business license bill that, among other things, would force cities and counties to give 25 percent discounts to out-of-state businesses. Seriously.

But that doesn't mean the environment has turned friendly for local governments. Rep. Cezar McKnight summed up the general attitude with a tongue-in-cheek amendment to the plastic bag bill. "Notwithstanding another provision of law," he proposed to write into state law, "no county, municipality, or other local government may enact any ordinance, regulation, or other law." About *anything*.

Thank goodness the amendment was ruled out of order. It might have passed.

You can sometimes make a legitimate case for insisting on a statewide policy instead of letting cities and counties create a patchwork of contradictory laws. We wouldn't let them write

their own open-records laws or ethics laws, for instance; those do need to be one-size-fits-all, or at least adhere to a minimum statewide standard. The legitimacy of other one-size mandates can be less clear.

But here's one thing that is clearly not legitimate: ordering cities and counties to perform services for the state, but refusing to pay for that work. The standard word for people who do that sort of thing is deadbeat.

It's bad enough to short state agencies. Recall when the Legislature kept forcing the Corrections Department to lock up more prisoners for longer periods yet refused to allocate more money for the additional guards who were needed (but could not be hired) to keep the prisons safe. Or when the Legislature refused to provide enough money for the Medicaid agency to provide the services it was required by federal and state law to provide — and also prohibited it from implementing cost-savings measures. While those are irresponsible policy choices, they are clearly choices the Legislature has a legitimate right to make.

But cities and counties are run by elected officials, many of whom represent more people than House members do. And under our state constitution, they are responsible for running city and county governments.

State law requires cities and counties to provide such state services as running election and voter registration offices and jails and providing security at the courthouse and indigent defense for people charged with state crimes. State law also requires the Legislature to provide cities

and counties with an amount of money equal to 4.5 percent of the previous year's state budget. That's supposed to pay for providing those services.

That means they should be getting \$313 million this year, but they're only getting \$223 million. That's just 71 percent of what the law requires and the lowest portion the Legislature has provided since ... ever. It's a smaller percent than the Legislature provided at the depths of the recession.

That will change next year if the House gets its way. Under the budget the House passed this week, local governments would receive ... less. Not just less as a portion of the legal mandate: 65 percent. Less in total dollars: just \$213 million.

Some legislators apparently think it's OK to reduce the Local Government Fund because they're picking up part of the cost cities and counties otherwise would have to pay to shore up the State Retirement System. But it was legislators' decision to make government agencies pick up more of the cost for the fix rather than splitting it evenly with employees — perhaps a legitimate decision, but one cities and counties had no say about, even though they employ a quarter of those employees.

Further reducing reimbursements to local governments would be bad enough if our deadbeat Legislature allowed the duly elected representatives of cities and counties to levy taxes as they and their constituents saw fit. But as you might have guessed from the Sandifer tax-breaks-for-Wal-Mart bill, it doesn't.

Beyond mandating tax give-aways, the Legislature limits both the type of taxes local governments can collect and how much they can increase them. So it's often illegal for local officials to raise taxes enough to make up for the money the Legislature is required but refuses to provide them. So they have to reduce services.

Returning the power of fiscal autonomy to cities and counties wouldn't excuse the Legislature's refusal to pay its bills. But at least it would give our local officials the option of providing the level of service that the people who live in the cities and counties are willing to pay for.

Ms. Scoppe writes editorials and columns for The State. Reach her at cscoppe@thestate.com or (803) 771-8571 or follow her on Twitter or like her on Facebook @CindiScoppe.



**SUGGESTED
FOR YOU**

COMMENTS

Report to Lancaster County Council
on Lancaster Area Ride Service (LARS)

Report Period: 10/01/2012- 1/1/2013- 4/1/2013-
12/31/2012 3/31/2013 6/30/2013

FY 2012 - 2013 LARS Only

| | Fiscal Year | | | | Total | 2013 Average |
|--------------------------------------|--------------|--------------|--------------|--|--------------|--------------|
| Trips | 1810 | 1894 | 1974 | | 5678 | 1893 |
| Unduplicated Individuals | 69 | 49 | 52 | | | 57 |
| Passenger Miles | 24,605 | 22,159 | 21,182 | | 67946 | 22649 |
| Operational Costs | \$ 25,331.74 | \$ 26,402.00 | \$ 28,877.71 | | \$ 80,611.45 | \$ 26,870.48 |
| Capital Costs | \$ - | | | | | |
| Total Costs: | \$ 25,331.74 | \$ 26,402.00 | \$ 28,877.71 | | \$ 80,611.45 | \$ 26,870.48 |
| Operational Cost Per Trip | \$ 14.00 | \$ 13.94 | \$ 14.63 | | | \$ 14.19 |
| Operational Cost Per Individual | \$ 367.13 | \$ 538.82 | \$ 555.34 | | | \$ 487.09 |
| Operational Cost Per Passenger Miles | \$ 1.03 | \$ 1.19 | \$ 1.36 | | | \$ 1.19 |

Report Period: 7/1/2013- 10/01/2013- 1/1/2014- 4/1/2014-
9/30/2013 12/31/2013 3/31/2014 6/30/2014

FY 2013 - 2014 Includes JARC; SMTP and LARS Trips

| | Fiscal Year | | | | Total | 2014 Average |
|--------------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Trips | 2091 | 1953 | 2167 | 1974 | 8185 | 2046 |
| Unduplicated Individuals | 132 | 77 | 66 | 53 | | 82 |
| Passenger Miles | 22,764 | 22,198 | 20,511 | 20,674 | 86147 | 21537 |
| Operational Costs | \$ 21,562.52 | \$ 28,729.14 | \$ 25,971.24 | \$ 34,115.00 | \$ 110,377.90 | \$ 27,594.48 |
| Capital Costs | \$ - | | | | \$ - | |
| Total Costs: | \$ 21,562.52 | \$ 28,729.14 | \$ 25,971.24 | \$ 34,115.00 | \$ 110,377.90 | \$ 27,594.48 |
| Operational Cost Per Trip | \$ 10.31 | \$ 14.71 | \$ 11.98 | \$ 17.28 | | 13.57 |
| Operational Cost Per Individual | \$ 163.35 | \$ 373.11 | \$ 393.50 | \$ 643.68 | | 393.41 |
| Operational Cost Per Passenger Miles | \$ 0.95 | \$ 1.29 | \$ 1.27 | \$ 1.65 | | 1.29 |

Report Period: 7/1/2014- 10/01/2014- 1/1/2015- 4/1/2015-
9/30/2014 12/31/2014 3/31/2015 6/30/2015

FY 2014 - 2015 Includes JARC; SMTP and LARS Trips

| | Fiscal Year | | | | Total | 2015 Average |
|--------------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Trips | 2173 | 2259 | 1802 | 1810 | 8044 | 2011 |
| Unduplicated Individuals | 205 | 55 | 46 | 48 | | 89 |
| Passenger Miles | 25,160 | 25,547 | 20,458 | 22,382 | 93547 | 23387 |
| Operational Costs | \$ 24,834.00 | \$ 27,524.00 | \$ 30,543.00 | \$ 32,615.35 | \$ 115,516.35 | \$ 28,879.09 |
| Capital Costs | \$ - | | | | \$ - | |
| Total Costs: | \$ 24,834.00 | \$ 27,524.00 | \$ 30,543.00 | \$ 32,615.35 | \$ 115,516.35 | \$ 28,879.09 |
| Operational Cost Per Trip | \$ 11.43 | \$ 12.18 | \$ 16.95 | \$ 18.02 | | 14.65 |
| Operational Cost Per Individual | \$ 121.14 | \$ 500.44 | \$ 663.98 | \$ 679.49 | | 491.26 |
| Operational Cost Per Passenger Miles | \$ 0.99 | \$ 1.08 | \$ 1.49 | \$ 1.46 | | 1.25 |

Report Period: 7/1/2015- 10/01/2015- 1/1/2016- 4/1/2016-
9/30/2015 12/31/2015 3/31/2016 6/30/2016

FY 2015 - 2016 Includes JARC; SMTP and LARS Trips

| | Fiscal Year | | | | Total | 2016 Average |
|--------------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Trips | 2081 | 2186 | 1931 | 1973 | 8171 | 2043 |
| Unduplicated Individuals | 190 | 60 | 42 | 49 | 373 | 93 |
| Passenger Miles | 23,113 | 24,912 | 22,937 | 24,121 | 95083 | 23771 |
| Operational Costs | \$ 40,284.02 | \$ 40,332.08 | \$ 33,903.00 | \$ 35,606.72 | \$ 150,125.82 | \$ 37,531.46 |
| Capital Costs | | | | | | |
| Total Costs: | \$ 40,284.02 | \$ 40,332.08 | \$ 33,903.00 | \$ 36,606.72 | \$ 151,125.82 | \$ 37,781.46 |
| Farebox Revenue | \$ 5,435.00 | \$ 5,168.00 | \$ 4,612.00 | \$ 4,885.00 | \$ 20,100.00 | \$ 5,025.00 |
| Operational Cost Per Trip | \$ 19.36 | \$ 18.45 | \$ 17.56 | \$ 18.55 | | 18.48 |
| Operational Cost Per Individual | \$ 212.02 | \$ 672.20 | \$ 807.21 | \$ 747.08 | | 609.63 |
| Operational Cost Per Passenger Miles | \$ 1.74 | \$ 1.62 | \$ 1.48 | \$ 1.52 | | 1.59 |

Report Period: 7/1/2016- 10/01/2016- 1/1/2017- 4/1/2017-
9/30/2016 12/31/2016 3/31/2017 6/30/2017

FY 2016 - 2017 Includes JARC; SMTP and LARS Trips

| | Fiscal Year | | | | Total | 2017 Average |
|--------------------------------------|--------------|--------------|--------------|---------|--------------|--------------|
| Trips | 2128 | 2254 | 1903 | | 6285 | 2095 |
| Unduplicated Individuals | 181 | 51 | 71 | | 373 | 124 |
| Passenger Miles | 24,678 | 28,576 | 22,244 | | 75498 | 25166 |
| Operational Costs | \$ 28,545.13 | \$ 30,763.00 | \$ 26,774.00 | | \$ 86,082.13 | 28694 |
| Capital Costs | \$ - | | | | | 0 |
| Total Costs: | \$ 28,545.13 | \$ 30,763.00 | \$ 26,774.00 | | \$ 86,082.13 | 28694 |
| Farebox Revenue | \$ 5,593.00 | \$ 5,425.00 | \$ 6,324.00 | | \$ 17,342.00 | 5781 |
| Operational Cost Per Trip | \$ 13.41 | \$ 13.65 | \$ 14.07 | #DIV/0! | | 13.71 |
| Operational Cost Per Individual | \$ 157.71 | \$ 603.20 | \$ 377.10 | #DIV/0! | | 379.33 |
| Operational Cost Per Passenger Miles | \$ 1.16 | \$ 1.08 | \$ 1.20 | #DIV/0! | | 1.15 |

JARC-Job Access Reverse Commute Funding-Funding for Transportation to Jobs and Job Training
SMTP-State Mass Transit Program-funding those persons living in Urbanized Areas until 6/30/2017
LARS-5311 Public Transit Funding



April 27, 2017

Mr. Steve Willis
County Administrator, Lancaster
101 N. Main St., 2nd Floor
Lancaster SC 29721

Dear Mr. Willis:

On or around April 30, 2017, the following change will be made to the channel lineup for your community:

Blue Highways TV will cease operations and be removed.

Customers with questions are encouraged to call **1-888-GET CHARTER**. Should you need my assistance or have any questions related to this change, please do not hesitate to contact me at 803-251-5320 or via email at ben.breazeale@charter.com.

Sincerely,

A handwritten signature in black ink that reads "Ben Breazeale". The signature is written in a cursive, flowing style.

Ben Breazeale
Sr. Director, State Gov't Affairs-South Region
Charter Communications

MEETINGS & FUNCTIONS – 2017

| DAY/DATE | TIME | FUNCTION/LOCATION |
|------------------------------|-----------|---|
| Monday, May 8 th | 6:00 p.m. | Council Meeting Council Chambers, Administration Building |
| Tuesday, May 9 th | 3:00 p.m. | Infrastructure and Regulation Committee (I&R) Council Conference Room, Administration Building |
| Tuesday, May 9 th | 4:00 p.m. | Public Safety Committee Council Conference Room, Administration Building |
| Tuesday, May 9 th | 5:00 p.m. | Administration Committee Council Chambers, Administration Building |
| Monday, May 22 nd | 6:00 p.m. | Council Meeting Council Chambers, Administration Building |

LANCASTER COUNTY STANDING MEETINGS

The Tuesday following 1st Council meeting (most of the time it is the 2nd Tuesday)
 5:00 p.m. ... Public Safety Committee
 The Tuesday following the 1st Council meeting (most of the time it is the 2nd Tuesday)
 3:00 p.m. ... Infrastructure and Regulation Committee
 The Tuesday following the 1st Council meeting (most of the time it is the 2nd Thursday)
 5:00 p.m. ... Administration Committee
 1st Thursday of each month 7:00 p.m. ... Fire Commission, Covenant Street EOC Building
 3rd Monday of each month 6:30 p.m. ... Zoning Appeals Board, County Council Chambers
 2nd Tuesday of each month 6:30 p.m. ... Recreation Commission, 260 S. Plantation
 Last Tuesday of each month (Every other month – Beginning with Feb.) 6:00 p.m. Library Board, Carolinian Room, Library
 2nd Wed (Jan/March/May/July/Sept/Nov) 11:45 a.m. ... Health & Wellness Comm., various locations
 2nd Tuesday 6:00 p.m. ... Historical Commission, Library Conference Room
 3rd Thursday of each month 6:30 p.m. ... Community Relations Commission, County Council Chambers
 1st Thursday of each month 5:00 p.m. ... Planning Commission work session, County Council Chambers
 3rd Tuesday of each month 6:30 p.m. ... Planning Commission, County Council Chambers