

AN ORDINANCE AUTHORIZING, PURSUANT TO CHAPTER 44 OF TITLE 12, SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED, THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BY AND AMONG CHARLESTON COUNTY, SOUTH CAROLINA, TIGHTCO INC. AND AVIAN AEROSPACE, INC.; PROVIDING FOR SPECIAL SOURCE REVENUE OR INFRASTRUCTURE IMPROVEMENT CREDITS; PROVIDING FOR THE ALLOCATION OF FEES-IN-LIEU OF TAXES UNDER THE AGREEMENT FOR DEVELOPMENT FOR JOINT COUNTY INDUSTRIAL PARK BETWEEN CHARLESTON COUNTY AND COLLETON COUNTY; AND MATTERS RELATING THERETO (THE "ORDINANCE").

WHEREAS, Charleston County (the "County") desires to enter into a Fee Agreement with TIGHTCO INC. and Avian Aerospace, Inc. (TIGHTCO INC. and Avian Aerospace, Inc. referred to herein together as the "Company"), which shall provide for payments of fees-in-lieu of taxes for a project qualifying under the Fee provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended (the "Act");

WHEREAS, the County and the Company desire to enter into a Fee Agreement, as defined in the Act, concerning the Company's investment in Charleston County for the purpose of the development of approximately 25 acres in Palmetto Commerce Park for the design, fabrication and repair of engineered components and integrated systems for aerospace and industrial applications (which properties constitute a project under the Act and are referred to hereinafter as the "Project"). The Project is expected to provide significant economic benefits to the County and surrounding areas with its approximately \$14.5 million capital investment and the creation of approximately 300 jobs with anticipated annual payroll of approximately \$9,000,000. In order to induce the Company to locate the Project in the County, the County hereby agrees to charge a fee-in-lieu of taxes with respect to the Project and otherwise make available to the Company the benefits intended by the Act;

WHEREAS, Charleston County Council (the "County Council") has caused to be prepared and presented to this meeting the form of the Fee Agreement by and between the County and the Company, which the County proposes to execute and deliver;

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

WHEREAS, the ordinance previously considered by County Council related to the Project is to be replaced in its entirety by this Ordinance; and

NOW, THEREFORE, BE IT ORDAINED by the County Council in meeting duly assembled as follows:

Section 1. Pursuant to the Act, and particularly Section 12-44-40(H) and (I) thereof, and based on information supplied to the County by the Company, the County Council has made and hereby makes the following findings:

- Section (a) The Project constitutes a “project” as said term is referred to and defined in 12-44-30 of the Act;
- County (b) It is anticipated that the Project will benefit the general public welfare of the by providing services, employment and other public benefits not otherwise adequately provided locally;
- and (c) The purposes to be accomplished by the Project are proper governmental public purposes;
- public; (d) The benefits of the Project to the public are greater than the costs to the
- County in (e) Neither the Project nor any documents or agreements entered into by the connection therewith will give rise to any pecuniary liability of the County or incorporated municipality or to any charge against their general credit or taxing power; and
- of the (f) Having evaluated the purposes to be accomplished by the Project as proper governmental and public purposes, the anticipated dollar amount and nature the investment to be made, and the anticipated costs and benefits to the County, the County has determined that the Project, based on factual representations to the County by the Company, will be properly classified as economic development property.

Section 2. In order to promote industry, develop trade and utilize the workers, agricultural products and natural resources of the State, the form, terms and provisions of the Fee Agreement which is before this meeting and filed with the County Administrator is hereby approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the Fee Agreement was set out in this Ordinance in its entirety. In sum, the Fee Agreement establishes a 6% assessment ratio for real and personal property for a term of 20 years, locks in the applicable mileage rate for the 20 year term, and also provides for a 30% Special Source Revenue Credit on real and personal property for the 20 year term. The Chair of the County Council is hereby authorized, empowered and directed to execute, acknowledge and deliver the Fee Agreement to the Company. The Fee Agreement is to be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall not be materially adverse to the County or the Company and as shall be approved by the officials of the County executing the same, upon advice of counsel, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Fee Agreement now before this meeting.

Section 3. (a) By separate ordinance (the “MCIP Ordinance”) of the County Council, the County, and with the consent of Colleton County and the City of North Charleston, has previously designated the site of the Project as a multi-county business park pursuant to the terms of the Agreement for Establishment of Multi-County Business/Industrial Park (the “MCIP Agreement”). In the FILOT Agreement, the County will agree to maintain such designation for a term of at least 20 years to fund the SSRC’s.

(b) Pursuant to the terms of Section 4-1-170 of the Code of Laws of South Carolina 1976, as amended, and the MCIP Agreement, the County hereby provides that for 20 years,

commencing with the first tax year in which the fee-in-lieu of *ad valorem* tax revenue is generated by the Project and payable to the County in accordance with the terms of the MCIP Agreement, revenues with respect to the Project and the County Economic Development Fund under the MCIP Agreement will be distributed as follows:

(1) After deducting amounts due to the partner county under the MCIP Agreement, to the County an amount equal to the total SSRC's to be provided in such year pursuant to Section 2 hereof; and

(2) After making the allocations under paragraph (1) of this Section, to be distributed to the taxing districts in accordance with ordinance of County Council.

Section 4. The Chair of County Council and the County Administrator, for and on behalf of the County, are hereby each 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 5. The consummation of all transactions contemplated by the Fee Agreement is hereby approved.

Section 6. This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina.

Section 7. The provisions of this Ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 8. All orders, resolutions, ordinances and parts thereof in conflict herewith are, including but not limited to the ordinance previously considered by County Council and related to the Project, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

DONE, RATIFIED AND ADOPTED this 24th day of September, 2012.

CHARLESTON COUNTY, SOUTH CAROLINA

Chair
Charleston County Council

ATTEST:

Clerk to Charleston County Council