

November 18, 2014
Charleston, SC

A meeting of County Council of Charleston County was held on the 18th day of November 2014, in the Beverly T. Craven Council Chambers, Second Floor of the Lonnie Hamilton, III Public Services Building, located at 4045 Bridge View Drive, Charleston, South Carolina.

Present at the meeting were the following members of Council: Teddie E. Pryor, Sr., Chairman, who presided; Colleen Condon; Henry E. Darby; Anna Johnson; Joseph K. Qualey; A. Victor Rawl; Herbert R. Sass, III; Dickie Schweers and Elliott J. Summey.

Also present were County Administrator Kurt Taylor and County Attorney Joseph Dawson, III.

Council Member Henry Darby, requested a silent moment of pray, and Deputy Clerk of Council Kristen Salisbury led in the pledge to the flag.

The Clerk of Council reported that in compliance with the Freedom of Information Act, notice of meetings and agendas were furnished to all news media and persons requesting notification.

Mr. Rawl moved approval of the minutes of November 3, 2014, seconded by Mr. Sass and carried.

**Recognitions
and
Resolutions**

The Chairman stated that the next item on Council's agenda was Recognitions and Resolutions, and requested Mr. Jim Ledbetter to come forward and update Council on the activities of ITN Charleston.

Mr. Pryor requested Deputy Administrator for Transportation and Public Works Jim Armstrong, Public Works Director Jim Neal, and Mr. Frank Pandullo, Storm Water Manager and Technology Manager to come forward to be recognized as Public Works Life Fellowship Members.

**County
Council
Salaries
Ordinance
3rd Reading**

An Ordinance increasing salaries for the Chairman and Members of County Council was given third reading by title only.

**AN ORDINANCE
INCREASING SALARIES FOR CHARLESTON COUNTY
COUNCIL MEMBERS AND THE CHAIRMAN OF CHARLESTON
COUNTY COUNCIL
AND OTHER MATTERS RELATED THERETO**

WHEREAS, Title 4 of the Code of Laws of South Carolina, 1976, as amended, ("Authority") gives County Council the authority to adjust the salary for its members by ordinance; and,

WHEREAS, at one of Council's regular meetings on October 22, 2014, Charleston County Council voted to increase its members salary from Fourteen Thousand Three Hundred Fifty Two (\$14,352.00) Dollars per year to Twenty Thousand Seven Hundred Thirty Eight (\$20,738.00) Dollars per year and to increase the Chairman of County Council's salary from Seventeen Thousand Three Hundred Forty Seven (\$17,347.00) Dollars per year to Twenty Six Thousand One Hundred Forty Two (\$26,142.00) Dollars per year; and,

WHEREAS, the salary increase shall become effective on the date of commencement of terms of at least two members of County Council at the next general election following the enactment of the ordinance; and,

WHEREAS, the salaries may further increase by any Cost of Living Adjustments (COLAs) adopted by ordinance of County Council; and,

WHEREAS, the proposed ordinance is consistent with state law and the Charleston County Code of Ordinances;

NOW, THEREFORE, BE IT ORDAINED by County Council of Charleston County, South Carolina in meeting duly assembled, finds as follows:

SECTION I. FINDINGS INCORPORATED

The above recitals and findings are incorporated herein by reference and made a part of this Ordinance.

SECTION II. PURPOSE AND INTENT

Charleston County Council increases the salary of its members from Fourteen Thousand Three Hundred Fifty Two (\$14,352.00) Dollars per year to Twenty Thousand Seven Hundred Thirty Eight (\$20,738.00) Dollars per year and to increase the Chairman of County Council's salary from Seventeen Thousand Three Hundred Forty Seven (\$17,347.00) Dollars per year to Twenty Six Thousand One Hundred Forty Two (\$26,142.00) Dollars per year.

The salary increase shall become effective on the date of commencement of terms of at least two members of County Council at the next general election following the enactment of the ordinance.

The salaries may further increase by any Cost of Living Adjustments (COLAs) adopted by ordinance of County Council.

SECTION III. SEVERABILITY

If, for any reason, any part of this Ordinance is invalidated by a court of competent jurisdiction, the remaining portions of this Ordinance shall remain in full force and effect.

SECTION IV. EFFECTIVE DATE

This Ordinance shall become effective immediately upon approval following third reading.

ADOPTED and APPROVED in meeting duly assembled this 18th day of November, 2014.

CHARLESTON COUNTY COUNCIL

Teddie E. Pryor, Chairman

ATTEST:

Beverly T. Craven
Clerk to County Council

First Reading: October 30, 2014
Second Reading: November 3, 2014
Third Reading: November 18, 2014

The Chairman called for a roll call vote on third reading of the proposed ordinance.

The roll was called and votes recorded as follows:

Condon	- aye
Darby	- aye
Johnson	- aye
Qualey	- nay
Rawl	- nay
Sass	- aye
Schweers	- abstain
Summey	- aye
Pryor	- aye

The vote being six (6) ayes, two (2) nays and one (1) abstention, the Chairman declared the ordinance to have received third reading approval.

A report was read from the Planning/Public Works Committee under date of November 13, 2014 that it considered the information furnished by Kurt Taylor, County Administrator and Dan Pennick, Director of Zoning and Planning, regarding a requested

Zoning Change from the Neighborhood Commercial (CN) and Mixed Style Residential 12 (M-12) Districts to the Community Commercial (CC) District on real property located at 2456 Savannah Highway.

Committee recommended that Council approve the requested change and give approval to the appropriate Ordinance.

Ms. Condon moved approval of Committee recommendation, seconded by Mr. Sass, and carried.

The ordinance was given first reading by title only.

AN ORDINANCE

REZONING THE REAL PROPERTY LOATED AT 2455 SAVANNAH HIGHWAY, PARCEL IDENTIFICATION NUMBER 310-06-00-032, FROM THE NEIGHBORHOOD COMMERCIAL (CN) AND MIXED STYLE RESIDENTIAL 12 (M-12) ZONING DISTRICTS TO THE COMMUNITY COMMERCIAL (CC) ZONING DISTRICT.

The Ordinance in its entirety will appear in the County Council Minutes at the time of third reading.

A report was read from the Planning/Public Works Committee under date of November 13, 2014 that it considered the information furnished by Kurt Taylor, County Administrator and Dan Pennick, Director of Zoning and Planning, regarding Amendments to the Mount Pleasant Overlay District.

Committee recommended that Council approve the requested amendments and give approval to the appropriate Ordinance.

Mr. Schweers moved approval of Committee recommendation, seconded by Ms. Condon and carried.

An Ordinance amending Ordinance Number 1202, as amended, was given first reading by title only.

AN ORDINANCE

AMENDING THE CHARLESTON COUNTY ZONING AND LAND DERVELOPMENT REGULATIONS ORDINANCE, NUMBER 1202, AS AMENDED, CHAPTER 5, OVERLAY AND SPECIAL PURPOSE ZONING DISTRICTS.

The Ordinance in its entirety will appear in the minutes of Charleston County Council at the time of third reading.

A report was read from the Planning/Public Works Committee under date of November 13, 2014 that it considered the information furnished by Kurt Taylor,

November 18, 2014

County Administrator and Dan Pennick, Director of Zoning and Planning, regarding amendments to the Folly Road Overlay District.

Committee recommended that Council approve and give first reading to the amended Charleston County Zoning and Land Development Regulations Ordinance, regarding the Folly Road Overlay District.

Ms. Johnson asked Mr. Pennick if the properties previously zoned Community Commercial at Battery Island Drive would retain their Community Commercial zoning. Mr. Pennick responded by stating that staff would prepare an amendment that would include all these previously zoned Community Commercial parcels in the Folly Road Overlay Zoning District that would enable them to retain their previous Community Commercial designation.

Mr. Rawl moved approval of Committee recommendation, seconded by Ms. Johnson, and carried.

An Ordinance to amend the Charleston County Zoning and Land Development Ordinance was given first reading by title only.

**AN ORDINANCE
AMENDING THE CHARLESTON COUNTY ZONING AND LAND
DEVELOPMENT REGULATIONS ORDINANCE, NUMBER 1202,
AS AMENDED, CHAPTER 5, OVERLAY AND SPECIAL
PURPOSE ZONING DISTRICTS.**

The Ordinance in its entirety will appear in the Minutes of Charleston County Council at the time of third reading.

A report was read from the Planning/Public Works Committee under date of November 13, 2014 that it considered the information furnished by Kurt Taylor, County Administrator and Dan Pennick, Director of Zoning and Planning, regarding Towing and Impoundment Yard amendments.

Committee recommended that Council approve and give first reading to the amended Charleston County Zoning and Land Development Regulations Ordinance, regarding towing and impoundment amendments.

Mr. Rawl moved approval of committee recommendation, seconded by Ms. Johnson and carried.

An Ordinance amending the Charleston County Zoning and Land Development Regulations regarding Chapter 6, Use Regulations and Chapter 12, Definitions was given first Reading by title only.

**AN ORDINANCE
AMENDING THE CHARLESTON COUNTY ZONING AND LAND
DEVELOPMENT REGULATIONS ORDINANCE, NUMBER 1202,**

**AS AMENDED, CHAPTER 6, USE REGULATIONS AND
CHAPTER 12, DEFINITIONS.**

The Ordinance in its entirety will appear in the Minutes of Charleston County Council at the time of third reading.

The Chairman announced that the next item on Council's Agenda was the Consent Agenda.

Mr. Rawl moved approval of the Consent Agenda, seconded by Mr. Summey.

Mr. Qualey requested that Item D be considered separately. This was approved by Common Consent.

A vote was taken on items A, B and C, and carried.

Items A, B and C of the Consent agenda are as follows:

A report was read from the Finance Committee meeting of November 13, 2014 that it considered the information furnished by County Administrator Kurt Taylor and the St. Andrew's Parks and Playground Commission regarding a request that Council adopt a resolution in support of the issuance of not exceeding \$200,000 in revenue bonds. It was stated that the bond proceeds will be used to defray the cost of facility improvements at the District's Family Recreation Center at 1642 Sam Rittenberg Boulevard. It was further stated that because this obligation is secured by revenues and not a pledge of ad valorem taxes, no increase in debt service millage will result, and the issuance of this debt is estimated to have minimal, if any, impact on the District's operating millage because other debt issued for the purchase of the Family Recreation Center is being retired.

It was shown that the legislation pursuant to which this revenue debt is being issued requires "...the written consent of a majority of the public officials who are authorized to make recommendations to the Governor for appointment of members of the governing body of the district," and that body is Charleston County Council.

Committee recommended that Council adopt a resolution consenting to the issuance of revenue bonds by St. Andrew's Parish Parks and Playgrounds District in an amount not to exceed \$200,000.

The Resolution is as follows:

**A RESOLUTION PURSUANT TO SECTION 6-11-1050 OF THE
SOUTH CAROLINA CODE OF LAWS EVIDENCING, THE
CONSENT OF COUNTY COUNCIL TO THE ISSUANCE OF A
\$200,000 REVENUE BOND OF ST. ANDREW'S PARISH, PARKS
AND PLAYGROUNDS DISTRICT.**

WHEREAS, the Commission (the "Commission") of the St. Andrew's Parish Parks and Playgrounds District (the "District") adopted on October 23, 2014 a resolution (the

"Resolution") authorizing the issuance of a \$200,000 Revenue Bond of the District (the "Bond"); and

WHEREAS, the Resolution provides in part at Section 2.16 as follows:

Section 6-11-1050 of the Act provides as follows:

The governing body of any recreation district in this State that has authority to issue revenue bonds is authorized to issue additional revenue bonds upon the written consent of a majority of the public officials who are authorized to make recommendations to the Governor for appointment of members of the governing body of the district; and

WHEREAS, Charleston County Council ("County Council") makes recommendations to the Governor for appointment of members of the Commission and therefore is the appropriate entity to provide written consent to be provided in order to meet the provisions of Section 6-11-1050.

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

SECTION 1. County Council consents to the issuance of the Bond on the terms and conditions set forth in the Resolution, a copy of which is available in the office of the Clerk of Council.

SECTION 2. This Resolution shall take effect and be in full force from and after its adoption.

ADOPTED THIS 18th DAY OF NOVEMBER, 2014.

CHARLESTON COUNTY COUNCIL

Teddie E. Pryor, Sr., Chairman,

ATTEST:

Beverly T. Craven, Clerk

A report was read from the Finance Committee under date of November 13, 2014 that it considered the information furnished by County Administrator Kurt Taylor and Environmental Management Director Arthur Braswell regarding the Environmental Management Department request for Council's approval to pursue a DHEC's FY15 RecycleMoreSC grant to implement the RecycleMoreSC campaign in Charleston County. It was stated that this program has been designed to reinvigorate recycling in South Carolina by promoting the economic and environmental benefits of recycling and the main purpose of the RecycleMoreSC campaign is to provide local governments with tools to present a clear, consistent message across the state and challenge residents, businesses and others to do their part and recycle more. It was stated that campaign material is available and can be customized for use by Charleston County Government

and funding can be applied to the costs of printing materials, advertising and distribution. It was shown that the RecycleMoreSC campaign is the centerpiece effort of the 40by2020 Partnership, a group of public and private stakeholders dedicated to sharing knowledge, coordinating resources and working together to help South Carolina meet or exceed its 40 percent recycling goal set for the year 2020. For and accept, if awarded, the SCDHEC FY2015 RecycleMoreSC grant, with the understanding that no FTEs or matching funds are required and the grant award will have a fund end date of June 30, 2015.

Committee recommended that Council approve the Environmental Management Department's request to apply for and accept, if awarded, the SCDHEC FY2015 RecycleMoreSC grant, with the understanding that no FTEs or matching funds are required, and the grant award will have a fund end of June 30, 2015.

A report was read from the Finance Committee under date of November 13, 2014 that it considered the information furnished by County Administrator Kurt Taylor and Coroner Rae Wooten regarding a request from the Charleston County Coroner's Office to apply for and accept, if awarded, a FY 2014 SC Department of Public Safety, Office of Highway Safety and Justice Programs, Paul Coverdell Forensic Science Improvement Grant Special Solicitation. It was stated that this grant program provides funding to improve the quality and timeliness of forensic services and medical examiner services. It was shown that the Coroner's Office is requesting \$15,000.00 from the SC Department of Public Safety to fund training, education and certifications for the investigative staff of the Charleston County Coroner's Office. It was further shown that the Charleston County Coroner's Office is required by state law to ensure that each medicolegal death investigator receives, at a minimum, 16 hours of qualified certificates of education each year. The office currently has one Coroner and six Deputy Coroners who must receive that training each year as well as one Forensic Evidence Technician who must maintain their property and evidence management certification.

Committee recommended that Council approve the Coroner's Office request to apply for and accept, if awarded, a SC Department of Public Safety, Office of Highway Safety and Justice Programs, Paul Coverdell Forensic Science Improvement Grant Program Special Solicitation in the amount of \$15,000.00, with the understanding that no match is associated with this grant, there are no grant funded positions associated with this request, the grant period is April 1, 2015 through September 30, 2015, and there is no ongoing commitment for the County associated with this request.

Committee recommended that Council approve the Coroner's Office request to apply for and accept, if awarded, a SC Department of Public Safety, Office of Highway Safety and Justice Programs, Paul Coverdell Forensic Science Improvement Grant Program Special Solicitation in the amount of \$15,000.00, with the understanding that no match is associated with this grant, there are no grant funded positions associated with this request, the grant period is April 1, 2015 through September 30, 2015, and there is no ongoing commitment for the County associated with this request.

At Mr. Qualey's request Item 7D of the Consent Agenda was taken separately. This agenda item is as follows:

A report was read from the Finance Committee meeting of November 13, 2014 that it considered the information furnished by County Administrator Kurt Taylor and Contracts and Procurement Director Barrett Tolbert regarding a request from the Environmental Management Department for a non-competitive procurement to purchase a 2013 Autocar Hybrid Vehicle from Advantage Truck Center, in the amount of \$380,300, which is a drive demonstration unit available for immediate purchase. It was stated that the Environmental Management Department will be able to test the benefits of the hybrid's drive system to lower fuel and maintenance cost, and determine if the hybrid technology is a valid alternative to a Compressed Natural Gas (CNG) powered vehicle, and are requesting approval of a non-competitive procurement and award a contract under Section 2-187 (b), (2) where an item is required for trial use.

Committee recommended that Council approve a non-competitive procurement and award a contract to Advantage Truck Center for the Environmental Management Department in the amount of \$380,300.00 with the understanding that funding is available in the Environmental Management Budget.

Mr. Qualey questioned Environment Management Director Art Braswell and Hal Crawford, Environmental Collections Manager regarding the need to and value of purchasing this particular Autocar Hybrid Vehicle and the reasons as to why this transaction needed to be a non-competitive bid. It was stated that in this year's budget several trucks were approved to be replaced and this would be one of the replacements. It was further stated that this is a demonstration pilot program to see if the County would reap any cost savings from using a hybrid vehicle and this company is the only manufacturer of this type of vehicle.

Mr. Qualey asked what the useful life of this equipment would be.

Mr. Crawford stated that the useful life of the equipment in question was ten years.

Mr. Qualey asked if we need the truck in the fleet.

Mr. Crawford said that his department did, and Council had approved the purchase of several trucks in the budget and this would be one of those.

Mr. Qualey asked why a 2013 truck instead of a new one.

Mr. Crawford said this was a demo, with a limited number of hours of usage and readily available.

Mr. Qualey asked if the County had asked other governments using these for their opinion of this equipment.

Mr. Crawford said yes and that they had highly recommended this equipment.

Ms. Johnson stated that this item should have come through the Environmental Management Committee first.

The Finance Committee recommended approval, moved by Mr. Rawl and seconded by Mr. Summey carried. Ms. Johnson and Mr. Qualey voted nay.

A report was read from the Finance Committee under date of November 13, 2014 that it considered the information furnished by County Administrator Kurt Taylor, Contracts and Procurement Director Barrett J. Tolbert, and Transportation Development Director Steve Thigpen regarding the need to award a contract for the McKnight Road Roadway Improvements Project and a request to use eminent domain to obtain right-of-way to construct the project. It was stated that the project will improve McKnight Road (an existing dirt road) in the unincorporated area of Mount Pleasant in Charleston County. It was stated that the project will consist of paving approximately 1,100 feet beginning at the US17 apron and providing a macadam surface for the last 100 feet of the roadway and will also provide driveway aprons and an improved drainage system that consists of standard ditches, piping, bioretention ditches, and infiltration trenches. It was shown that bids were received in accordance with the terms and conditions of Invitation for Bid No. 4901-15C. The mandatory Small Business Enterprise (SBE) utilization for this solicitation is 12.2% and the Disadvantaged Business Enterprise (DBE) goal is 20%.

Bidder	Total Bid Price	SBE Percentage	DBE Percentage
Allston Farrell, LLC, Mount Pleasant, South Carolina Principal: Matthew Farrell	\$259,895.60	100%	9.69%
Truluck Construction, Inc. Charleston, South Carolina 29407 Principal: Charles E. Truluck	\$288,831.25	12.5%	11.84%

It was further shown that McKnight Road is a private road in unincorporated Charleston County, connecting US Highway 17 in the Mount Pleasant area. The road itself is owned by the heirs of Henry McKnight and many years ago property owners adjacent to the road requested that Charleston County take action to receive the road for public use, construct road improvements, and take over maintenance of the road. It was further shown that past efforts to grant that request were not successful for various reasons; however, County Council recently approved two actions that have moved the project through the construction bidding process:

In April of 2011, Council Directive 11-066 authorized acceptance of McKnight Road into the County's Private Road Improvement Program list and this action qualified a project for McKnight Road improvements to be evaluated and scored in the Transportation Sales Tax Allocation Program. In May of 2012, the project was evaluated and scored for the 2013 TST Allocation Program and based on its score and available funding, it was recommended for approval. In June of 2012, Council Directive 12-133 approved funding the McKnight Road improvements project

Committee recommended that Council:

1. Authorize award of bid for the McKnight Road Roadway improvements (TST) to Allston Farrell, LLC, the lowest responsive and responsible bidder, in the amount of 259,895.60, with the understanding that funds are available in the roads portion of the Transportation Sales Tax.
2. Authorize the use of eminent domain on McKnight road to convey the platted existing road and its right-of-way to the County for public use.

Ms. Condon moved approval of Committee recommendation, seconded by Mr. Rawl, and carried.

A report was read from the Finance Committee under date of November 13, 2014 that it considered the information furnished by County Administrator Kurt Taylor and Facilities Director Dan Chandler regarding the need to renew a lease for space in the Charleston Heights Shopping Center. It was stated that on July 27, 1993, Council approved a ten-year Lease Agreement, with two, five-year options, for space in the Charleston Heights Shopping Center to house several County and State Agencies, one of which is the Department of Juvenile Justice, suites A and B. It was shown that the current lease will expire on December 31, 2014, and the landlord has agreed to renew the lease for five years, with the option to renew for an additional five year period at the current rate of \$9.72 per square foot, plus expenses, beginning January 1, 2015, and with the landlord being responsible for the replacement of major components in the suites and an annual increase thereafter based on the CPI. The initial annual amount is \$76,856.04.

Committee recommended that Council:

1. Authorize the Chairman of Council to execute a five-year Lease Agreement, with the option to renew for an additional five year period, with 3346 Rivers Avenue, LLC, for 7,907 square feet located at 3346 Rivers Avenue, suites A and B, North Charleston, South Carolina, to house the Department of Juvenile Justice with the understanding that the rental amount is \$76,856.04, to be increased by the CPI annually.
2. If approved, authorize the County Administrator to approve the exercise of future options, and all other matters related thereto.

Mr. Rawl moved approval of Committee recommendation, seconded by Mr. Qualey, and carried.

A report was read from the Finance Committee meeting of November 13, 2014, that it considered the information furnished by County Administrator Kurt Taylor and Economic Development Director Steve Dykes regarding financial incentives extended to Kapstone Charleston Kraft, LLC. It was stated that the paper mill opened by the Westvaco Corporation in the 1930s has been a legacy employer in Charleston County for over 75 years, operated as Westvaco Corporation until

2002, when the company merged with paper-maker Mead Corporation, and in 2008, Kapstone Charleston Kraft, LLC purchased the paper mill and adjacent co-generation facility from MeadWestvaco. In the six years since the purchase, Kapstone Charleston Kraft, LLC has retained an entire workforce of 980 employees and a sizeable annual payroll of approximately \$85 million, which remains among the Top 5 manufacturers in the Charleston region. The company has also consistently re-invested in the plant, most recently replacing one of the plants aging paper machines in 2011. It was shown that in the current highly competitive economic environment, plants worldwide vie with similar sister plants for corporate capital to enhance productive capacity and the Economic Development Director, working closely with company executives, developed a financial incentives package which helped make the business case to move forward with the proposed expansion at Kapstone's North Charleston facility, and as part of the expansion, the company will spend \$115 million to replace another paper machine and to make other plant improvements geared to increase their productive capacity and efficiency. It was further stated that the incentives offered by the Economic Development Director include fee-in-lieu-of-taxes (FILOT), with terms including a 6% assessment ratio and the millage rate being 'fixed' at 274.3 over the next thirty (30) years. This expansion will safeguard the current 980-person workforce, and create an additional \$21 million in public revenues over the next thirty (30) years for the various taxing entities. During that timeframe, approximately \$3.3 million in projected collections will come due to Charleston County.

Committee recommended that Council:

1. adopt an Inducement Resolution for Kapstone Charleston Kraft, LLC.
2. approve and give first reading to an ordinance authorizing the execution and delivery of fee-in-lieu of-taxes (FILOT) for Kapstone Charleston Kraft, LLC to facilitate the company's \$115 million capital expansion. FILOT terms will include: 6% assessment ratio; and millage rate fixed at 274.3 over the thirty (30) year term.

Mr. Summey moved approval of Committee recommendation, seconded by Mr. Sass and carried.

CHARLESTON COUNTY RESOLUTION

A RESOLUTION AUTHORIZING (1) THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT BY AND BETWEEN CHARLESTON COUNTY, SOUTH CAROLINA (THE "COUNTY") AND KAPSTONE CHARLESTON KRAFT LLC, ACTING FOR ITSELF, ONE OR MORE AFFILIATES OR OTHER PROJECT SPONSORS (THE "COMPANY"), PURSUANT TO WHICH THE COUNTY SHALL COVENANT TO ACCEPT CERTAIN NEGOTIATED FEES IN LIEU OF AD VALOREM TAXES WITH RESPECT TO THE

ESTABLISHMENT AND/OR EXPANSION OF CERTAIN FACILITIES IN THE COUNTY (COLLECTIVELY, THE "PROJECT"); (2) THE BENEFITS OF A MULTI-COUNTY INDUSTRIAL OR BUSINESS PARK TO BE MADE AVAILABLE TO THE COMPANY AND THE PROJECT; AND (3) OTHER MATTERS RELATING THERETO.

WHEREAS, Charleston County, South Carolina (the "County"), acting by and through its County Council (the "Council"), is authorized and empowered under and pursuant to the provisions of the Code of Laws of South Carolina 1976, as amended (the "Code"), particularly Title 12, Chapter 44 of the Code (the "Negotiated FILOT Act") and Title 4, Chapter 1 of the Code (the "Multi-County Park Act") (collectively, the "Act") and by Article VIII, Section 13(D) of the South Carolina Constitution: (i) to enter into agreements with certain investors to construct, operate, maintain, and improve certain projects through which the economic development of the State of South Carolina (the "State") will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products, and natural resources of the State; (ii) to covenant with such investors to accept certain fee in lieu of *ad valorem* tax ("FILOT") payments, including, but not limited to, negotiated FILOT payments made pursuant to the Negotiated FILOT Act, with respect to a project; and (iii) to create, in conjunction with one or more other counties, a multi-county industrial or business park in order to afford certain enhanced income tax credits to such investors; and

WHEREAS, Kapstone Charleston Kraft LLC, a limited liability company organized and existing under the laws of the State of Delaware, acting for itself or one or more affiliates or other project sponsors (the "Company") proposes to establish and/or expand certain facilities at one or more locations in the County (the "Project"), and anticipates that, should its plans proceed as expected, it will invest, or cause to be invested, at least \$10,000,000 in the Project; and

WHEREAS, on the basis of the information supplied to it by the Company, the County has determined, *inter alia*, that the Project would subserve the purposes of the Act and would be directly and substantially beneficial to the County, the taxing entities of the County and the citizens and residents of the County due to the investment to be made, or caused to be made, by the Company, which contribute to the tax base and the economic welfare of the County, and, accordingly, the County wishes to induce the Company to undertake the Project by offering certain negotiated FILOT and multi-county industrial or business park benefits with respect to the Project, as set forth herein and as shall be further described and documented in a Fee in Lieu of Tax and Incentive Agreement to be entered into by the County and the Company (the "Incentive Agreement").

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

As contemplated by Section 12-44-40(l) of the Negotiated FILOT Act, the County makes the following findings and determinations:

The Project will constitute a "project" within the meaning of the Negotiated FILOT Act; and

The Project, and the County's actions herein, will subserve the purposes of the Negotiated FILOT Act; and

The Project is anticipated to benefit the general public welfare of the State and the County by providing services, employment, recreation, or other public benefits not otherwise provided locally; and

The Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against its general credit or taxing power; and

The purposes to be accomplished by the Project are proper governmental and public purposes; and

The benefits of the Project are greater than the costs.

The County hereby agrees to enter into the Incentive Agreement with the Company, whereby the Company will agree to satisfy, or cause to be satisfied, certain investment requirements with respect to the Project within certain prescribed time periods in accordance with the Negotiated FILOT Act and the County, under certain conditions to be set forth in the Incentive Agreement, will agree to accept negotiated fee in lieu of *ad valorem* tax ("Negotiated FILOT") payments with respect to the Project.

(i) The Negotiated FILOT shall be determined using: (1) an assessment ratio of 6%, (2) a millage rate of 274.3 mills pursuant to Section 12-44-50(A)(1)(d) of the Negotiated FILOT Act, which millage rate shall be fixed pursuant to Section 12-44-50(A)(1)(b)(i) of the Negotiated FILOT Act for the full term of the Negotiated FILOT; (3) the fair market value of the Project, determined in accordance with the Negotiated FILOT Act; and (4) such other terms and conditions as will be specified in the Incentive Agreement, including, without limitation, that the Company, in its sole discretion, may dispose of property and replace property subject to Negotiated FILOT payments to the maximum extent permitted by the Negotiated FILOT Act.

(ii) The Negotiated FILOT shall be calculated as provided in this Section 2(b) for that portion of the Project consisting of economic development property under the Negotiated FILOT Act. For each annual increment of investment in such economic development property, the annual Negotiated FILOT payments shall be payable for a payment period of thirty (30) years. Accordingly, if such economic development property is placed in service during more than one year,

each year's investment shall be subject to the Negotiated FILOT for a payment period of thirty (30) years.

The County will use its best efforts to insure that the Project will be included, if not already included, and will remain, within the boundaries of a multi-county industrial or business park pursuant to the provisions of the Multi-County Park Act and Article VIII, Section 13(D) of the State Constitution on terms which provide the Company and the Project with any additional jobs creation tax credits afforded by the laws of the State for projects located within multi-county industrial or business parks.

The provisions, terms, and conditions of the Incentive Agreement shall be subject to approval by subsequent Ordinance of the Council. The Incentive Agreement is to be in substantially the form customarily used by the County for similar transactions with such changes therein as shall be approved by said Ordinance.

The Chairman of the Council, the County Administrator, and the Clerk to the Council, for and on behalf of the County, are hereby each authorized, empowered, and directed to do any and all things necessary or proper to effect the performance of all obligations of the County under and pursuant to this Resolution.

The execution and delivery of the Incentive Agreement is subject to the enactment by the Council of an ordinance authorizing the same and, in conjunction therewith, compliance with the provisions of the Home Rule Act regarding the procedural requirements for enacting ordinances.

All orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This Resolution shall take effect and be in full force upon adoption by the Council.

Done in meeting duly assembled this 18th day of November, 2014.

CHARLESTON COUNTY, SOUTH CAROLINA

Teddie E. Pryor, Chairman, County Council
Charleston County, South Carolina

Attest:

Beverly T. Craven, Clerk to County Council
Charleston County, South Carolina

An Ordinance authorizing a Fee in Lieu of Tax and Incentive Agreement was given first reading by title only

AN ORDINANCE

AUTHORIZING (1) THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AND INCENTIVE AGREEMENT BY AND BETWEEN CHARLESTON COUNTY, SOUTH CAROLINA (THE "COUNTY") AND KAPSTONE CHARLESTON KRAFT, LLC, ACTING FOR ITSELF, ONE OR MORE AFFILIATES OR OTHER PROJECT SPONSORS (THE "COMPANY"), PURSUANT TO WHICH THE COUNTY SHALL COVENANT TO ACCEPT CERTAIN NEGOTIATED FEES IN LIEU OF AD VALOREM TAXES WITH RESPECT TO THE ESTABLISHMENT AND/OR EXPANSION OF CERTAIN FACILITIES IN THE COUNTY (COLLECTIVELY, THE "PROJECT"); (2) THE BENEFITS OF A MULTI-COUNTY INDUSTRIAL OR BUSINESS PARK TO BE MADE AVAILABLE TO THE COMPANY AND THE PROJECT; (3) PROVIDING FOR THE ALLOCATION OF FEES IN LIEU OF AD VALOREM TAXES PAID WITH RESPECT TO THE PROJECT; AND (4) OTHER MATTERS RELATING THERETO.

The Ordinance in its entirety will appear in the Minutes of Charleston County at the time of third reading.

A report was read from the Finance Committee meeting of November 13, 2014 that it considered the information furnished by County Administrator Kurt Taylor and Public Works Director James Neal regarding the need to negotiate a contract to operate a private wastewater treatment plant for South Island Development (formerly Johns Island Junction). It was stated that this planned development was first approved in July 1985 and allowed for sewage treatment facilities on site. The BCD-COG approved a Waste Water Treatment Plant for the development on November 19, 2009. It was shown that under County Council's current policy for waste water treatment, private wastewater treatment plants are acceptable but are required to have a public entity operate and maintain the wastewater treatment facilities within the County's jurisdiction. It was further shown that the North Charleston Sewer District (NCSD) is the only public operator that has expressed an interest in operating systems within the County's jurisdiction and they have agreed to operate the South Island Development Wastewater Treatment Plant (WWTP) subject to county approval.

was further stated that the current developer has proposed a specific WWTP for the development. County Staff has met with the developer's representative, the developer's consulting engineer, representatives of the NCSD, staff of DHEC's Bureau of Water, and

representatives of the manufacturers of the proposed plant and our initial findings and conclusions support the use of the proposed plant.

Staff advised that In addition to the contract negotiations and approval of this action, further approvals will be required prior to the development proceeding to construction, including actions needed to protect the interests of the County.

Committee recommended that Council authorize staff to complete contract negotiations with the North Charleston Sewer District for operation of the Waste Water Treatment Facility for the South Island Development and bring the negotiated contract back to Council for approval.

Mr. Rawl moved approval of Committee recommendation, seconded by Ms. Condon, and carried.

A report was read from the Finance Committee under date of November 13, 2014 that it considered the information provided by County Administrator Kurt Taylor, Facilities Director Dan Chandler, Chief Deputy Administrator for Finance Keith Bustraan, and architect Jerry English of Cummings and McCrady regarding the Master Plan for 995 Morrison Drive. It was stated that a proposed Master Plan had been developed by a team composed of members of County staff, Planning Commission, City of Charleston Planning Department, and architect consultants which could provide information as a baseline for the issuance of a Request for Proposals for the development of 995 Morrison Drive.

Committee recommended that Council:

1. Approve the 995 Morrison Drive Master Plan in concept.
2. Direct staff to continue to work with the City of Charleston to ensure the Master Plan meets with the City's Tech Corridor concepts.
3. Direct staff to provide a public process which would allow technology companies the opportunity to provide input to ensure the Master Plan meets the needs of the technology companies which may develop at 995 Morrison Drive in the future.

Mr. Rawl moved for approval of the Committee recommendation. The motion was seconded by Mr. Pryor.

Ms. Condon stated that she would like the motion amended to state that the County would specifically move forward with selling a portion of the property to Project Open House. Mr. Rawl stated that he would amend the motion to direct staff to include representatives of Project Open House in the planning process for 995 Morrison Drive. Mr. Pryor accepted the amendment. The motion carried.

The Chairman asked if any Member of Council wished to bring a matter before the Body.

Mr. Rawl stated that since Planning and Zoning staff recommend that using natural features to mark the Urban Growth Boundary is preferred, he would like staff to remind him to move that the Urban Growth Boundary be moved in the Brownswood Road area to align with natural water features. He also thanked staff, particularly Marie Schultz, for assistance with the Consolidation Committee.

Ms. Johnson said that the Election Commission needed to increase their budget to allow for mailing new voter registration cards.

Ms. Condon said that today was a great day for marriage equality when the Fourth Circuit refused a stay on Condon –versus- Haley, et al.

Mr. Sass said he was fortunate to attend the Vietnam Experience. He stated that they had done a great job, and were grateful for the assistance Council and particularly Mr. Darby had given towards this project.

The Chairman stated that there was need to go into executive session to receive legal advice and to discuss a contractual matter regarding the State Infrastructure Bank and the Charleston Regional Development Authority.

Mr. Qualey moved for Council to go into executive session, seconded by Mr. Summey, and carried.

At the conclusion of the Executive Session the Chairman stated that no action had been taken during Executive Session and that Council had received legal advice and discussed contractual matters.

There being no further business to come before the Body, the Chairman declared the meeting to be adjourned.

Beverly T. Craven
Clerk of Coucil