

June 17, 2021
North Charleston, SC

A meeting of Charleston County Council's Finance Committee was held at 5:00 PM on June 17, 2021 in the Beverly T. Craven Council Chambers, Second Floor of the Lonnie Hamilton, III Public Services Building, located at 4045 Bridge View Drive, North Charleston, South Carolina.

The following committee members were present: Teddie E. Pryor, Sr., Chairman who presided; Jenny Costa Honeycutt, Anna Johnson, Kylon Jerome Middleton, Brantley Moody, Herb Sass, Dickie Schweers, and Robert L. Wehrman. Henry Darby was absent.

County Administrator Bill Tuten and County Attorney Natalie Ham were also present.

Mr. Sass moved for approval of the minutes for the Finance Committee of June 3 & 8, 2021. Mrs. Honeycutt seconded the motion, which carried.

The Chairman announced the next item on the agenda was the Resolution honoring Teresa Tidestrom.

The resolution is as follows:

Resolution
Honoring Teresa
Tidestrom

Request to Adopt

**A RESOLUTION
OF CHARLESTON COUNTY COUNCIL**

Honoring the community service of Teresa Tidestrom

WHEREAS, Charleston County Council recognizes that the foundation of our community is grounded in those who give of themselves selflessly to help others; and,

WHEREAS, Charleston County Council from time to time has the privilege of recognizing an individual who exemplifies such a commitment; and,

WHEREAS, Teresa Tidestrom is a native Charlestonian, growing up on James Island, and living her adult life in the West Ashley area; and,

WHEREAS, Teresa Tidestrom tirelessly serves the people of West Ashley as the founder of West Ashley Connects and West Ashley Recommendations and as a member of the West Ashley Revitalization Committee, Keep West Ashley Beautiful, and the Charleston County Greenbelt Advisory Board; and,

WHEREAS, West Ashley Connects has become the pre-eminent social media outlet for people seeking to connect with West Ashley citizens or gain information about the West Ashley area; and,

WHEREAS, Teresa Tidestrom credits her mother for her strong calling to community service as she recalls many years of her mother cooking Thanksgiving dinners for Hospice families, even when she was under Hospice care herself; and,

WHEREAS, Teresa Tidestrom first saw the need to become involved when her friends and neighbors had trouble finding information about how to do business with various government entities, she educated herself and others, then saw the benefit of sharing this information with the community at large through social media platforms; and,

WHEREAS, Teresa Tidestrom has organized litter cleanups, candidate forums, numerous donation drives, business fairs, artisan and crafters fairs, and meet and greets as a way to make West Ashley a great place to live, work, and play.

NOW THEREFORE, BE IT RESOLVED by the County Council of Charleston County, that Teresa Tidestrom be commended for outstanding service to her community and the genuine appreciation of Charleston County Council be extended to her on behalf of all the citizens of this County.

CHARLESTON COUNTY COUNCIL

Teddie E. Pryor, Sr. Chairman
June 22, 2021

Mr. Moody moved for approval of the resolution, seconded by Mr. Middleton, and carried.

The Chairman announced the next item on the agenda was the Consent Agenda.

Ms. Johnson moved for approval of the Consent Agenda. The motion was seconded by Mr. Moody, and carried.

The Consent Agenda items are as follows:

**FY22 Corona
Emergency
Supplemental
Funding
(Sheriff)**

**Request to
Approve**

Item A:

County Administrator Bill Tuten and the Sheriff Kristin Graziano provided a request to accept a grant for the FY22 Corona Emergency Supplemental Funding. It was stated that the Coronavirus Emergency Supplemental Funding (CESF) Program was authorized by the Emergency Appropriations for Coronavirus Health Response and Agency Operation (Division B. of H.R. 748, Pub. L. No. 116-136; 28 U.S.C 530C. This program is offered through the South Carolina Department of Public Safety (SC DPS) as the State Administering Agency (SAA) for the JAG Program through the U.S. Department of Justice (DOJ), Office of Justice Programs (OJP), and the Bureau of Justice Assistance (BJA). The purpose of the program was to provide funding to prevent, prepare for, and respond to the coronavirus.

The Sheriff's Office is requesting permission to apply for and accept, if awarded, funding from the SC DPS's FY 22 CESF Grant Program to provide Unmanned Aerial Systems (UAS's or drones) to prevent, prepare for, and respond to the coronavirus.

Business and other restrictions are easing; however, social distancing and other measures are still helping to ensure the community's safety. Individuals who do not take appropriate precautions present an on-going problem that puts law enforcement officers at risk. Using a drone with a thermal camera will allow law enforcement to evaluate an incident or situation while social distancing. UAS flight technology is very effective in overhead monitoring of hot spots where social distancing and mask wearing are not being adhered to.

The grant of \$63,926 will pay for four UAS's, required peripherals licensing, maintenance. There is no match requirement. The grant period is for one year from October 1, 2021 through October 30, 2022.

The Sheriff and County Administrator recommended that Council allow the Sheriff's Office to apply for and accept, if awarded, the 2022 Coronavirus Emergency Supplemental Funding Program for \$63,926 with the understanding that:

- The grant period is October 1, 2021 through September 30, 2022.
- There is no match requirement.
- No FTE's will be requested.

**Paul Coverdell
Forensic
Science
Improvement
Grant/Forensic
Autopsy Tech
(Coroner)**

Item B:

County Administrator Bill Tuten and the Coroner Bobbi Jo O'Neal provided a request for permission to apply for a grant for the Paul Coverdell Forensic Science Improvement Grant/Forensic Autopsy Tech. It was stated that the Charleston County Coroner's Office is requesting permission to apply for the FY2021 Paul Coverdell Forensic Science Improvement Grants Program. This grant program provides funds to improve forensic science and medical examiner/coroner services.

**Request to
Approve**

The Coroner's Office is requesting \$55,000 to hire a forensic autopsy technician, to purchase personal protective equipment and supplies needed in the autopsy room to improve the quality and timeliness of services and to provide formal training to autopsy and investigative personnel.

There is a no match with this federal program.

There is one grant funded FTE associated with this request. The grant period runs from October 1, 2021 through September 3, 2022.

The Coroner and County Administrator recommended that Council approve the Coroner's request to apply for, and if awarded, accept the FY2021 Paul Coverdell Forensic Science Improvement Grants Program. The request is for \$55,000.00 to hire a forensic autopsy technician and purchase supplies with the understanding that:

- The County is under no obligation to support the costs associated with this FTE position at the end of the grant period.
- No match is associated with this grant.
- The grant period is October 1, 2021 through September 30, 2022.
- There is no ongoing commitment for the County associated with this request.

**Paul Coverdell
Forensic
Science
Improvement
Grant/Epidemiologist
(Coroner)**

Item C:

County Administrator Bill Tuten and the Coroner Bobbi Jo O'Neal provided a request for permission to apply for a grant for the Paul Coverdell Forensic Science Improvement Grant/Epidemiologist. It was stated that the Charleston County Coroner's Office is requesting permission to apply for the BJA FY2021 Paul Coverdell Forensic Science Improvement Grants Program-Competitive. This grant program provides funds to improve forensic science and medical examiner/coroner services and is particularly interested in programs that address emerging forensic science issues and technology.

**Request to
Approve**

The Coroner's Office is requesting \$175,000.00 for a 24-month project to hire an Epidemiologist/Forensic Analyst and purchase supplies/software in order to develop and maintain detailed statistical analysis and data regarding fatalities in Charleston County. During 2020, the role of accurate statistics, related to morbidity and mortality, became

paramount as we all learned, due to the pandemic. The Coroner's Office however, is continually approached and asked to provide detailed statistical analysis regarding death investigation data to include not only deaths related to COVID-19 but many other categories such as: Opioid and other drug related deaths, Suicide, Gun Violence, deaths involving our homeless population, deaths in custody, child fatalities, traffic fatalities, other public health threats and more. The data requested has become more and more detailed and complex.

The Coroner's Office is required to provide detailed information to the National Violent Death Reporting System (NVDRS), the State Unintentional Drug Overdose Reporting System (SUDORS), the SLED Child Fatality Task Force, the South Carolina Department of Public Safety regarding blood alcohol and drug screen for traffic fatality victims and U.S. Department of Justice Death in Custody Reporting system. This office also provides and inputs data into the Overdose Detection Mapping Application Program (ODMAP), the National Missing and Unidentified Persons System (NamUs) as well as responds to weekly, often daily, requests for data and statistical information from local law enforcement agencies, health care facilities, the media and social service organizations.

Currently the responsibility to respond to all of the mandated, and non-mandated requests for information, are shared among a variety of individuals within the office as we do not have a dedicated position to search, analyze and respond to all of the above requests. Epidemiologists are being employed by Coroner/Medical Examiner offices around the country and this would be a program that would address an emerging forensic science issue in Charleston County, which is to provide accurate statistical data and information and create efficient mechanisms to do so.

There is a no match with this federal program.

There is one grant funded FTE associated with this request. The grant period runs from October 1, 2021 through September 30, 2023.

The Coroner and County Administrator recommended that Council approve the Coroner's request to apply for, and if awarded, accept the BJA FY21 Paul Coverdell Forensic Science Improvement Grants Program-Compleative. The request is for \$175,000.00 to hire an Epidemiologist/Forensic Analyst and to purchase supplies/software with the understanding that:

- The County is under no obligation to support the costs associated with this FTE position at the end of the grant period.
- No match is associated with this grant.
- The grant period is October 1, 2021 through September 30, 2023.
- There is no ongoing commitment for the County associated with this request.

Item D:

**Cottingham
Drive Sidewalk
Funding**

**Request to
Accept**

County Administrator Bill Tuten and Public Works Director Steve Thigpen provided a request to accept funds for the Cottingham Drive Sidewalk Funding. It was stated that the Cottingham Drive Sidewalk project is located within the Town of Mount Pleasant. The project shall consist of construction of approximately 3,700 feet of new concrete sidewalk from Johnnie Dodds Frontage Road to Pelzer Drive along Cottingham Drive. Work will include, but is not limited to, concrete sidewalk installation, erosion and sediment control, and traffic control.

The Town of Mount Pleasant has agreed to provide a cost-share commitment of \$140,000.00 for the Cottingham Drive Sidewalk project.

Department Head recommended that Council authorize staff to enter into and execute an Intergovernmental Agreement to accept funds from the Town of Mount Pleasant in the amount of \$140,000.00 with the understanding that all documents will be reviewed by the Legal Department.

Item E:

**Cummins Set
Aside Grant**

**Request to
Approve**

County Administrator Bill Tuten and Economic Development Director Steve Dykes provided a request to accept a set-aside grant for utilization by Cummins Inc. It was stated that Cummins Inc., a leading global manufacturer of turbochargers for diesel engines, is pursuing a \$5.75 million, 252-person competitive expansion adding capacity to its North Charleston-based operations in order to meet increasing North American market demand.

At its June 3rd meeting, the S.C. Coordinating Council for Economic Development approved a \$500,000 Set-Aside grant for Charleston County designed to be passed thru and utilized by Cummins Inc. to offset site prep and building improvements related to their expansion project.

The Economic Development Department administers Set-Aside grants and will provide reimbursement to Cummins Inc. for pre-approved expense items upon receipt of proper documentation in the normal fashion.

Department Head recommended that Council authorize the formal acceptance of a \$500,000 Set-Aside grant from the S.C. Coordinating Council for Economic Development for utilization by grant for Cummins Inc. to offset site prep and building improvement costs with the understanding that the grant will be administered by the Economic Development Department on a reimbursable basis.

Item F:

**MC Dean Set
Aside Grant**

**Request to
Approve**

County Administrator Bill Tuten and Economic Development Director Steve Dykes provided a request to accept a set-aside grant for utilization by M.C Dean. It was stated that M.C. Dean provides engineering, testing, and integration operations for federal, state, and local governments and commercial clients. This Virginia-based company is expanding their operations as they open a \$7.5 million, 126-employee facility in North Charleston.

At its June 3rd meeting, the S.C. Coordinating Council for Economic Development approved a \$200,000 Set-Aside grant for Charleston County designed to be passed thru and utilized by M.C. Dean to offset building construction costs related to their expansion.

The Economic Development Department administers Set-Aside grants and will provide reimbursement to M.C. Dean for pre-approved expense items upon receipt of proper documentation in the normal fashion.

(NOTE: On May 11, 2021, the company received public hearing and favorable 3rd reading by Charleston County Council, approving Special Source Revenue Credit (SSRC) financial incentives to the company in order to facilitate their competitive expansion in Charleston County.)

Department Head recommended that Council authorize the formal acceptance of a \$200,000 Set-Aside grant from the S.C. Coordinating Council for Economic Development for utilization by grant for M.C. Dean to offset building construction costs with the understanding that the grant will be administered by the Economic Development Department on a reimbursable basis.

Item G:

**Mercedes Benz
Vans Set Aside
Grant**

**Request to
Approve**

County Administrator Bill Tuten and Economic Development Director Steve Dykes provided a request to accept a set-aside grant for utilization by Mercedes-Benz Vans. It was stated that located at 8501 Palmetto Commerce Park in North Charleston, Mercedes-Benz Vans, LLC has assembled the world-class Sprinter van since 2006. Their global corporate focus has now shifted to include production of the next generation eSprinter electric van in three world-wide locations, including North Charleston. As they integrate the new electric vehicle manufacturing, the company will make an initial investment of approximately \$59 million in the North Charleston facility.

At its June 3rd meeting, the S.C. Coordinating Council for Economic Development approved a \$200,000 Set-Aside grant for Charleston County designed to be passed thru and utilized by Mercedes-Benz Vans to offset building construction costs.

The Economic Development Department administers Set-Aside grants and will provide reimbursement to Mercedes-Benz Vans for pre-approved expense items upon receipt of proper documentation in the normal fashion.

Department Head recommended that Council authorize the formal acceptance of a \$200,000 Set-Aside grant from the S.C. Coordinating Council for Economic Development for utilization by Mercedes-Benz Vans to offset building construction costs with the understanding that the grant will be administered by the Economic Development Department on a reimbursable basis.

The previous item was the last item on the Consent Agenda.

The Chairman announced the next item on the agenda was the award of contract for the Design/Build Services for Azalea Complex.

**Design/Build
Services for
Azalea
Complex**

**Award of
Contract**

County Administrator Bill Tuten and Contracts & Procurement Director Barrett J. Tolbert provided a report regarding an award of contract for the design/build services for Azalea Complex. It was stated that proposals were received in accordance with the terms and conditions of RFP 5534-21R to Provide Design/Build Services for the Azalea Complex from the following qualified firms:

Edifice, LLC Charleston, SC Michael A. Carlisto, Vice President Parent Company Location: Charlotte, NC	HITT Contracting Charleston, SC Jamie Shipman, Senior Project Manager Parent Company Location: Charleston, SC
Evans General Contractors, LLC North Charleston, SC Darryl Strunk, Senior Vice President Parent Company Location: North Charleston, SC	M. B. Kahn Construction Co., Inc. Charleston, SC William W. Cram, Executive Vice President Parent Company Location: Columbia, SC

Freese Johnson, LLC Mount Pleasant, SC Henry Johnson, Owner/Chief Strategy Officer Parent Company Location: Mount Pleasant, SC	Samet Corporation North Charleston, SC Carson Knizevski, Regional Vice President Parent Company Location: North Charleston, SC
Harkins Builders, Inc. Charleston, SC Ben Nichols, Vice President Parent Company Location: Columbia, MD	Trident Construction, LLC North Charleston, SC Tim Kennedy, President Parent Company Location: North Charleston, SC
Hill Construction Services of Charleston, Inc. Charleston, SC John W. Crane, Jr., President and CEO Parent Company Location: Charleston, SC	

An evaluation committee reviewed the proposals for compliance with the RFP requirements. The capabilities and qualifications of each firm were evaluated. Based on the proposals submitted, the committee determined Trident Construction, LLC's proposal to be the most advantageous to the County.

Department Head recommended that Council authorize staff to enter into contract with Trident Construction, LLC, the firm deemed most advantageous to the County for Design/Build services for the Azalea Complex per the fee submitted in proposal for master planning, programming and schematic design scope of service with the understanding that:

- If unsuccessful, authorize staff to enter into contract with the firm deemed to be next most advantageous to the County.
- At completion of this scope, staff will return to County Council for approval of GMP (Guaranteed Maximum Price).
- Appropriate \$31,810,000 for Azalea Complex project and authorize reimbursement from the 2021 General Obligation Bond for expenditure of the appropriated funds prior to borrowing.

Ms. Johnson moved to approve the Department Head recommendation, seconded by Mr. Moody, and carried.

The Chairman announced the next item on the agenda was Economic Development items.

Mr. Middleton moved for approval of the Economic Development items. The motion was seconded by Mr. Wehrman, and carried.

The Economic Development items are as follows:

Item A:

**Charleston
Coffee
Roasters
Financial
Incentives**

**Request to
Consider**

County Administrator Bill Tuten and Economic Development Director Steve Dykes provided a request to approve a resolution and first amendment to the 2017 Stall Road LLC Fee-In-Lieu-Of-Tax agreement to add Charleston Coffee Roasters, Inc. as a sponsor affiliate. It was stated that in the summer of 2020, the Existing Industry Specialist began conversations with Charleston Coffee Roasters, Inc. regarding a multi-year growth plan, adding capacity to accommodate new contracted customers. The company's coffee products are distributed across the United States and can be found locally in Costco and Harris Teeter. In operation since 2004, the company recently relocated from downtown Charleston to a North Charleston site which will host their roasting, packaging, and distribution activities.

Charleston Coffee Roasters, Inc. will invest \$2,200,000 in the project, divided between real property (land and building) and new tangible personal property (machinery and equipment). The company will create 28 new jobs averaging \$37,000 /yr. with a combined annual payroll of \$1,054,560. Revenues to the taxing entities over the next 20 years will approximate \$198,967, with \$33,492 of that figure coming to Charleston County.

To facilitate this competitive decision to expand, the Economic Development Director pledged to add Charleston Coffee Roasters, Inc. as a sponsor affiliate to the 2017 Stall Road, LLC FILOT agreement, keeping the existing terms of a 6% assessment ratio and millage rate of 281.0.

Economic impact analysis of the project was conducted by the Director of Research, indicating additional impacts from the project. During annual operation, the 28 direct jobs (27 full-time-equivalent) being created by the project are anticipated to support an additional 34 jobs (32 full-time-equivalent jobs) through indirect and induced economic activity, supporting an additional \$1.8 million in total labor income. The leasehold improvement will support an additional job and more than \$44,000 in total labor income.

Department Head recommended that Council adopt a resolution authorizing the execution and delivery of the first amendment to the 2017 Stall Road, LLC agreement adding Charleston Coffee Roasters, Inc. as a sponsor affiliate providing the same FILOT tax arrangement to support the location of its operations to North Charleston. (NOTE: Previous FILOT features: assessment ratio of 6%; term of 20 years; and millage fixed at the 2016 rate for Tax District 4-3 City of North Charleston of 281.0 mills.)

The resolution is as follows:

A RESOLUTION

AUTHORIZING A FIRST AMENDMENT TO FEE-IN-LIEU OF TAX AGREEMENT BY AND AMONG CHARLESTON COUNTY, SOUTH CAROLINA, STALL ROAD, LLC AND CHARLESTON COFFEE ROASTERS, INC., SUCH THAT CHARLESTON COFFEE ROASTERS, INC. IS ADDED TO AN EXISTING FEE-IN-LIEU OF TAX AGREEMENT AS A SPONSOR AFFILIATE; AND OTHER RELATED MATTERS

WHEREAS, Charleston County, South Carolina (the "County"), acting by and through its County Council (the "Council"), is authorized by the Code of Laws of South Carolina, 1976, as amended (the "Code"), particularly Title 12, Chapter 44 (the "FILOT Act"): (i) to enter into a fee agreement with companies meeting the requirements of the FILOT Act, which identifies certain property of such companies as economic development property, to induce such companies to locate in the State of South Carolina (the "State")

and to encourage companies now located in the State to expand their investments and thus make use of and employ workers and other resources of the State; and (ii) to covenant with such companies to accept certain fee in lieu of ad valorem tax payments with respect to a project; and

WHEREAS, Stall Road, LLC (the "Existing Party") and the County are party to that certain Fee-in-Lieu of Tax Agreement dated as of April 6, 2017 (as amended, restated, supplemented and assigned, the "Fee Agreement"); wherein, in relevant part, the Existing Party agreed to locate certain facilities and other property in the County located on the real property more particularly described in the Fee Agreement (such property collectively, the "Project"); and

WHEREAS, the Existing Party and the County desire to enter into that certain First Amendment to Fee-in-Lieu of Tax Agreement (the "Amendment"), wherein and whereby: (i) Charleston Coffee Roasters, Inc. ("Sponsor Affiliate"), will be added to the Fee Agreement as a party and Sponsor Affiliate (as such term is defined in the FILOT Act); and (ii) the investment period under the Fee Agreement will be extended from five to eight years; and

WHEREAS, Sponsor Affiliate intends to invest \$2,200,000.00 and create 28 new, full-time, jobs related to the Project; and

WHEREAS, the Existing Party and Sponsor Affiliate have requested that the County approve such Amendment in accordance with the provisions of the Code, including the addition of Sponsor Affiliate as a party to the Fee Agreement; and

WHEREAS, based on the information provided by Sponsor Affiliate, the Council has made a finding of substantial public benefit to be derived from approving the Amendment.

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

Section 1. The Council having made a finding, based on information provided by Sponsor Affiliate, that the Project has brought and, due in part to the Amendment, will continue to bring benefits to the County as set forth in Section 3 of this Resolution, expresses its intention that this Resolution shall fulfill the requirement under the Act as an official action on the part of the Council amending the Fee Agreement to contain and incorporate the Amendment.

Section 2. The Chair of the Council is hereby authorized and directed to execute the Amendment in substantially the form attached hereto in the name of and on behalf of the County, and the Clerk of Council is hereby authorized and directed to attest to the same; and the Chair of the Council is hereby further authorized and directed to deliver said executed Amendment to the Existing Party and Sponsor Affiliate.

Section 3. The County hereby finds, based on information provided by Sponsor Affiliate, that: (i) the Project has benefited and, as amended by the Amendment, will continue to benefit the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally; (ii) the Project, as amended by the Amendment, gives rise to no pecuniary liability of the County or any incorporated municipality and gives rise to no charge against the general credit or taxing power of either; (iii) the purposes to be accomplished by the Project, as amended by the Amendment, are proper governmental and public purposes; and (iv) the benefits of

the Project, as amended by the Amendment, to the public are greater than the costs to the public.

Section 4.

- (a) This Resolution shall be construed and interpreted in accordance with the laws of the State of South Carolina;
- (b) This Resolution shall become effective immediately upon approval by the County Council;
- (c) The provisions of this Resolution are hereby declared to be severable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, that declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder; and
- (d) All resolutions and parts thereof in conflict herewith are, to the extent of the conflict, hereby repealed.

Adopted this 22nd day of June, 2021.

CHARLESTON COUNTY, SOUTH CAROLINA

Teddie E. Pryor, Sr., Chair of County Council

ATTEST:

Kristen Salisbury
Clerk to County Council
Charleston County, South Carolina

**Cummins Inc.
Financial
Incentives**

**Request to
Consider**

Item B:
County Administrator Bill Tuten and Economic Development Director Steve Dykes provided a request to approve a Fee-In-Lieu of Taxes and first amendment to the 2013 Fee-In-Lieu-Of-Tax agreement for Cummins Inc. It was stated that Cummins Inc., a leading global manufacturer of turbochargers for diesel engines, has had a presence in the Charleston area since 1990 and has enjoyed the support of the Economic Development Department since its inception. In the fall of 2020, the Economic Development Director and Business Development Director, along with the S.C. Department of Commerce began collaborating with Cummins Inc. on a competitive expansion project. The company was seeking to add new productive capacity to meet increasing market demand. A site in North Charleston located at Palmetto Commerce Park was carefully analyzed and eventually chosen from sites among other communities within the U.S. to host the new facility.

Cummins Inc. will invest approximately \$5,750,000 over a two-year period, adding 252 new full-time jobs (\$44,387/yr. average), equating to an additional \$11,185,408 in annual payroll to the region. Over the next twenty years, annual property tax revenues to the various taxing entities from this expansion should approximate \$1.6 million, with approximately \$256,000 of that figure coming due to Charleston County.

An economic impact analysis of the Cummins Inc. expansion was conducted by the Director of Research, indicating that additional economic stimulus will occur during the leasehold improvement phase, as well as during the annual operation. During annual operations, the 252 direct jobs created by the project are anticipated to support an additional 185 jobs through indirect and induced economic activity, supporting an additional \$11.2 million in total labor income. The leasehold improvements are estimated to support a total of 32 jobs (direct, indirect and induced) and \$2.3 million in total labor income.

To support this expansion, the Economic Development Director committed to amend the 2013 Cummins Inc. Fee-in-Lieu-of-Taxes (FILOT) agreement, adding a Special-Source-Revenue-Credit (SSRC) to help defray facility development costs. The SSRC will be equivalent to 22% of 20-year FILOT revenues, not-to-exceed \$500,000. Under the 2013 FILOT agreement, terms include a 6% assessment rate, with the millage rate fixed at 274.3 mills (tax district 4-3 City of North Charleston) over the twenty-year term.

Department Head recommended that Council approve and give first reading to an ordinance authorizing the execution of fee-in-lieu-of-taxes (FILOT) as well as a first amendment to the previous FILOT agreement made in 2013 by County Council with Cummins Inc. adding a Special-Source-Revenue-Credit (SSRC) equivalent to 22% of 20-year FILOT revenues, not-to-exceed \$500,000 with the understanding that terms for the 2013 FILOT include a 6% assessment ratio and millage fixed at 274.3 (for tax district 4-3 North Charleston) for the entire twenty-year FILOT term.

**Palmetto Park
Industrial, LLC
Financial
Incentives**

**Request to
Consider**

Item C:

County Administrator Bill Tuten and Economic Development Director Steve Dykes provided a request to approve a Fee-In-Lieu of Taxes for Palmetto Park Industrial LLC. It was stated that in the fall of 2020, the Economic Development Director and Business Development Director, along with the South Carolina Department of Commerce, began collaborating with Cummins Inc. on a competitive expansion project slated to occupy a new industrial building located at 7770 Palmetto Commerce Parkway in North Charleston. Leasing this additional space, owned by Palmetto Park Industrial LLC, allows Cummins Inc. to grow and meet increasing market demand.

The developer Palmetto Park Industrial, LLC has invested approximately \$15 million in the new building, and the expansion by its anchor tenant Cummins Inc. will create 252 new jobs (average annual salary of \$44,386) with an added annual payroll of \$11,185,408 million.

Over the next twenty years, annual property tax revenues to the various taxing entities from this new industrial building should approximate \$4.85 million, with approximately \$772,000 of that figure coming due to Charleston County.

To support this expansion, the Economic Development Director committed to a Fee-In-Lieu-of-Tax (FILOT) agreement with terms to include a 6% assessment rate, with millage fixed at the 2019 level of 297.2 mills (tax district 4-3 City of North Charleston) over the 20-year term.

Department Head recommended that Council approve and give first reading to an ordinance authorizing the execution and delivery of fee-in-lieu-of-tax (FILOT) incentives for Palmetto Park Industrial, LLC associated with their \$15 million industrial building located at 7770 Palmetto Commerce Parkway in North Charleston, which will host the expansion of anchor-tenant Cummins Inc. with the understanding that FILOT terms for Palmetto Park Industrial, LLC to include 6% assessment ratio, with the millage rate of 297.2 (the 2019 level for tax district 4-3 North Charleston) to remain fixed throughout the 20-year project term.

**Project
Thunder
Financial
Incentives

Request to
Consider**

Item D:

County Administrator Bill Tuten and Economic Development Director Steve Dykes provided a request to approve a Fee-In-Lieu of Taxes and special source revenue credit financial incentives for Project Thunder. It was stated that in fall 2019, the Economic Development Director began discussions with 'Project Thunder' about their competitive relocation project with interest in the Charleston area. 'Project Thunder' is a leading global source of innovative, technology-based systems for diverse defense, homeland security, and commercial applications. Working diligently alongside the S.C. Department of Commerce, an attractive package was assembled which advanced the selection of the Charleston region over sites in competing communities. The new North Charleston facility will be integral in the growth of the company's stateside operations.

The company plans to invest approximately \$35 million in the project, including \$25 million in new construction (real property) and \$10 million in associated business personal property (machinery & equipment). The company will create 302 new jobs (average annual salary of \$54,092) with an added annual payroll of \$16.3 million.

Over the next twenty years, annual property tax revenues to the various taxing entities from this relocation project should approximate \$4.98 million with approximately \$1.19 million of that figure coming due to Charleston County.

Economic impact analysis of 'Project Thunder' was conducted by the Director of Research, indicating that additional economic stimulus will occur during the initial facility construction phase as well as during the annual operation. Specifically, some 167 direct jobs (some part-time and temporary) are anticipated to be created during facility construction, supporting an estimated \$13.7 million in total labor income over four years. During annual operation, the 305 direct jobs (302 full-time-equivalent) being created by Project Thunder are anticipated to provide support to an additional 102 jobs (101 full-time-equivalent jobs) through indirect and induced economic activity, supporting an additional \$5.7 million in total labor income.

To support this expansion, the Economic Development Director committed to the use of Fee-In-Lieu-of-Tax (FILOT) incentives and Special-Source-Revenue-Credits (SSRC). FILOT terms will include a 6% assessment rate, with millage fixed at the 2019 level of 297.2 mills (tax district 4-3 City of North Charleston) over the twenty-year term. SSRC will be equivalent to 18% of the twenty-year FILOT revenues, not-to-exceed (NTE) \$2 million.

(NOTE: 'Project Thunder' has requested to begin the incentives approval process under a code-name, but will make a public announcement revealing its identity and project prior to the required public hearing.)

Department Head recommended that Council approve and give first reading to an ordinance authorizing the execution and delivery of fee-in-lieu-of-tax (FILOT) and special-source-revenue-credit (SSRC) incentives to facilitate the \$35 million, 302-person relocation project by 'Project Thunder' with the understanding that:

- FILOT terms to include 6% assessment ratio, millage of 297.2 (the 2019 level for tax district 4-3 North Charleston), to remain fixed throughout the project term.
- SSRC will be equivalent to 18% of the twenty-year FILOT revenues, not-to-exceed (NTE) \$2 million.

The Chairman announced the next item on the agenda was a discussion regarding the American Rescue Plan Spending.

**American
Rescue Plan
Spending
Discussion**

Mrs. Honeycutt asked if Council could appropriate the American Rescue Plan Spending funds to an account. Deputy County Administrator of Community Services Christine DuRant stated that as the interim final rule is currently written, it is not permissible to put the funds in a savings account. Mrs. Honeycutt stated that she understood there was a timeframe to spend the money in and asked if Council put funds in a Housing Trust Fund could they be spent within that timeframe. Mrs. DuRant stated that the funding has to be obligated by December 2024 and spent in total by December 2026.

Mr. Moody asked what is land banking and is it allowed with this funding. Mrs. DuRant stated that land banking is allowed in general, but not under the American Rescue Plan funds. Mr. Moody asked if there has to be a project teed up to be funded. Mrs. DuRant stated that there are specifics about dealing with housing and affordable housing, homelessness, vertical affordable housing builds, housing rehab and repair, housing vouchers, residential counseling, and housing navigation assistance. She stated that the overarching guidance of the American Rescue Plan funds are public health, economic hardship, revenue loss, premium pay, water, sewer, and broadband.

Mr. Wehrman asked what is meant in the regulations by development of affordable housing. Mrs. Durant stated that it could mean housing rehab by preserving naturally occurring affordable housing. She stated that it is unclear if the language permits placing funds in a trust, but what is clear is that these funds can only restore funds to pre-pandemic levels. Mr. Wehrman asked if there will be a spending plan submitted. Mrs. DuRant stated that a strategic plan to establish priorities will be submitted to Treasury by August 31, 2021, then it will be up to staff to create a process that will identify how to accomplish those priorities. The spending will occur when the recommendations are brought back to Council based on the priorities and the strategic plan and then Council will appropriate funding.

Mr. Wehrman moved to approve an ordinance to establish a trust fund to allocate \$15 million from the first and second tranche of the American Rescue Plan funds. He stated that since Council will be forming a strategic plan by August 31, 2021, this is the time Council is going to have to decide if they want this going towards affordable housing or not. He stated that the issues regarding affordable housing are going to be much harder to solve the longer Council waits. He added that he did not see any reason why Council could not figure this out over the course of three readings of an ordinance because the American Rescue Plan specifically says that funds can go to the development of affordable housing. Mr. Middleton seconded the motion.

Chairman Pryor asked if the County Attorney had vetted the ordinance. Mrs. Ham stated that she had not seen this version, but received a different ordinance from Mr. Wehrman last month.

Chairman Pryor stated that in the future, ordinances need to be given to the County attorney for review before they are presented to Council. He added that while affordable housing is an issue and he fully supports it, he did not understand why the advocates were only coming to County Council for this funding. He did not see people going to any of the municipalities asking for funding. He stated that he is willing to go along with another referendum when there is a plan on how the money is going to be spent.

Mr. Middleton stated that this is not the first time that the ordinance has been circulated and it needs to seriously be considered. He stated that Council needed to enshrine affordable housing in the budget so that there would be a revolving source of funds to pull from to make certain that the County was investing its portion into this crisis. Mr. Middleton stated that the county should be a convening body that provides leadership between the municipalities in this area.

Mrs. Honeycutt stated that the American Rescue Plan requires the County to develop a strategic plan with priorities for this spending and then develop a process to meet those priorities. She stated that she understood affordable housing was the top priority for some, but it might not be the top priority for the majority of Council or it might be a top priority, but not for funding with this money. She stated that affordable housing is important to her, however there are other priorities for this money such as sewer in Snowden and the public safety HUB both of which would take millions of dollars to complete. She added that Council should have an overarching discussion and strategize before deciding where funds will be allocated. She stated that she does not think these funds can be used for a Housing Trust Fund, which was the revision made to this ordinance, and that this entire discussion about allocating funding is out of order from the process set forth for the American Rescue Plan.

Mr. Wehrman stated that if it is true that these funds cannot be used for a Housing Trust Fund, then the ordinance could be amended before third reading just as the ordinance for designating Phillips as a historic community was passed with the idea of amending prior to third reading. He stated that he understood that everyone wants their priorities captured and he advised Council members who have strong priorities to start advocating for them. He also understood that this ordinance was not the end all to be all solution for affordable housing. He indicated that there needed to be a revolving fund for affordable housing and if the expectation is that a referendum will create that funding stream, then maybe using this ordinance could show how the money would be spent and create some buy in.

Mr. Moody thanked Mr. Wehrman for his passion for affordable housing. He stated that this would take time and he believed developers could do it better, faster, and cheaper than the County could. Mr. Moody stated that the government trying to solve this problem scared him. He added that seven months ago the public told Council that they did not want them involved in this business and until the public says otherwise, he will not support it.

Ms. Johnson stated that Council was not running a housing department. She added that she did not understand why some do not see that there needs to be a plan in place and that staff was in the process of hiring a consultant to help with the plan. There was no housing expert on staff and the current staff is overwhelmed with their day to day job, learning about this new funding, and vetting ideas from Councilmembers. Council should set policies and let the Administrator figure out how to carry out the policies. She stated that there was money in the budget to hire a housing coordinator. Council had put

thought and money into that decision and that is something tangible that the County could point to as a step in the right direction. Ms. Johnson stated that if a man has a cart, he cannot do a thing unless he finds a horse, and it seems like Council is putting the cart before the horse. Ms. Johnson stated that she had been working on affordable housing since 2014 however she could not support allocating money without a plan.

Mr. Wehrman stated that while he agreed the County did need qualified people on staff to address affordable housing, there was a plan. This ordinance was a plan. He stated that this ordinance would put money into the hands of qualified people with experience in affordable housing. He added that this issue has lapped Council at this point and there should be a sense of urgency.

Mr. Sass stated that he agreed with a lot what had been said. He stated that the County had been through a very trying last one and a half years and this money was coming as a result of that. He added that it was incumbent on Council to allocate the funds properly by identifying what the County needed to get back on track following the pandemic. He also credited the Administrator for keeping the County moving forward, which is resulting in all of the funding not being used to make the County whole.

Mrs. Honeycutt referred to Mr. Wehrman's earlier statement regarding amending the ordinance at third reading and stated that the difference was in that case Council had approved a request regarding the historic designation of an area and there was no question whether Council had the legal authority to pass that ordinance. There were some questions about some specific properties in the district that can be worked out throughout the process. She stated that the ordinance being proposed by Mr. Wehrman may not be legally acceptable and the legal team had not seen it.

Mr. Schweers raised a point of order because Mr. Middleton, who seconded the motion, left the meeting. Chairman Pryor stated that the second would still stand because it was made before Mr. Middleton left the meeting.

Chairman Pryor stated that the Chamber, CAJM, the realtors association, and others had no skin in the game and he encouraged those organizations to come to the table with money if they are serious about this issue.

Mr. Wehrman stated that Council definitely needed others to contribute to a trust fund, but he does not know how individuals could contribute to something that does not exist.

Chairman Pryor stated that they could start their own fund. There is nothing that says Charleston County has to run this fund.

Mr. Wehrman stated that it does not make sense for a bunch of different organizations to be working on the same thing and that he believed there could be a regional solution if Council would start by laying the groundwork.

Mr. Moody called for the question.

The Chairman called for a roll call vote on the motion. The roll was called and votes recorded as follows:

Darby	- absent
Honeycutt	- nay

Johnson	- nay
Middleton	- absent at the time of voting
Moody	- nay
Sass	- nay
Schweers	- nay
Wehrman	- aye
Pryor	- nay

The vote being one (1) aye, six (6) nays, and two (2) absents, the Chairman declared the motion to have failed.

Mrs. Honeycutt made a motion to direct staff to identify permissible uses of funds from the American Rescue Plan to address affordable housing issues if such use is identified as a priority through the strategic planning process. The motion was seconded by Mr. Wehrman, and carried.

The Chairman announced the next item on the agenda was the Evaluation Form for Council Employees.

**Evaluation Form
for Council
Employees
Recommendation**

Mr. Moody moved to approve the committee recommendation from the Human Resources Special Committee meeting under date of June 17, 2021, to direct staff to gather evaluation forms using a combination of samples from other counties and current evaluation forms, then, in consultation with the County Administrator, County Attorney, Clerk of Council, and Internal Auditor, develop a unique evaluation form for each of Council's employees and bring back the proposed forms for Council's consideration. The motion was seconded by Mrs. Honeycutt, and carried.

Chairman Pryor asked for Council to have a moment of silence in memory of the Emanuel 9 and Charleston 9.

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

Kristen L. Salisbury
Clerk of Council