

AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AGREEMENT AND CERTAIN INSTRUMENTS RELATING THERETO BY AND BETWEEN CHARLESTON COUNTY AND VERIZON WIRELESS, WHEREBY CHARLESTON COUNTY WILL ENTER INTO A FEE IN LIEU OF TAXES ARRANGEMENT WITH VERIZON WIRELESS; PROVIDING FOR PAYMENT BY VERIZON WIRELESS OF CERTAIN FEES IN LIEU OF AD VALOREM TAXES; PROVIDING CERTAIN SPECIAL SOURCE REVENUE CREDITS, AND OTHER MATTERS RELATING THERETO.

WHEREAS, Charleston County, South Carolina (the **County**), acting by and through its County Council (the "County Council") is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina 1976, as amended (the **FILOT Act**), to designate real and tangible personal property as **economic development property** and to enter into an arrangement which provides for payment in lieu of taxes (**FILOT Payments**) for a project qualifying under the FILOT Act; and

WHEREAS, the County is authorized and empowered under and pursuant to the provisions of Title 4, Chapter 1 of the Code of Laws of South Carolina 1976, as amended (the **Multi-County Park Act**), to include property upon which a project is located in a multi-county industrial park, with the appropriate consents and approvals of a partnering county and, if necessary, the municipality within which such property is located; and

WHEREAS, the County is authorized to provide special source revenue credits (the **Special Source Credits**) against FILOT Payments made with respect to a project pursuant to the provisions of Sections 4-1-175 and 4-29-68 of the Code of Laws of South Carolina 1976, as amended (the **SSRC Act**); and

WHEREAS, Verizon Wireless (the **Company**) intends to expand its customer care center operations in Charleston County by leasing certain real property located at 2401 Mall Drive, North Charleston, South Carolina and the acquisition and installation therein of approximately \$10,000,000 of machinery and equipment, all of which will constitute a project within the meaning of the FILOT Act (and are hereinafter collectively referred to herein as the **Project**); and

WHEREAS, the Project when completed will represent an investment by the Company, as defined in the FILOT Act (the **Investment**), of approximately \$10,000,000; and

WHEREAS, the Company has informed the County that the Project is anticipated to employ 850 full-time employees by the time the Project is placed in service; and

WHEREAS, the County Council, in order to induce the location of the Project in

Charleston County, has previously agreed in that certain Inducement Agreement with the Company to provide for a FILOT arrangement with respect to the Project, Special Source Credits with respect to the FILOT Payments, and the expansion of the Park established pursuant to the Agreement for the Development of a Joint County Industrial and Business Park (the "Multi-County Park Agreement") between the County and Colleton County, dated September 1, 1995, as amended, to include the Project site within the Park.

NOW, THEREFORE, BE IT ORDAINED by the County Council as follows:

Section 1. Evaluation of the Project. County Council have evaluated the Project on the following criteria based upon the advice and assistance of the South Carolina Department of Revenue and the Board of Economic Advisors:

- (a) the purposes to be accomplished by the Project are proper governmental and public purposes;
- (b) the anticipated dollar amount and nature of the investment to be made;
and
- (c) the anticipated costs and benefits to the County.

Section 2. Findings by County Council. Based upon information provided by and representations of the Company, County Council's investigation of the Project, including the criteria described in Section 1 above, and the advice and assistance of the South Carolina Department of Revenue and the Board of Economic Advisors, as required, County Council hereby find that:

- (a) the Project constitutes a "project" as that term is defined in the FILOT Act;
- (b) the Project will serve the purposes of the FILOT Act;
- (c) the Investment in the Project will be approximately \$10,000,000 to be invested within five (5) years from the end of the property tax year in which the Company and the County execute a fee agreement;
- (d) the Project will be located entirely within Charleston County;
- (e) the Project is anticipated to benefit the general public welfare of Charleston County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally;
- (f) the Project gives rise to neither a pecuniary liability of the County nor a charge against its general credit or taxing power;
- (g) the purposes to be accomplished by the Project are proper governmental

and public purposes;

- (h) the inducement of the location of the Project is of paramount importance;
- (l) the benefits of the Project to the public are greater than the cost to the public; and
- (j) The Special Source Credits will be used to provide improved real property in order to enhance the economic development of Charleston County.

Section 3. Fee-in-Lieu of Taxes Arrangement. Pursuant to the authority of the FILOT Act, those portions of the Project constituting an investment by the Company are designated as economic development property under the FILOT Act and there is hereby authorized a fee-in-lieu of taxes arrangement with the Company which will provide FILOT Payments to be made based upon a 6% assessment ratio with the millage rate to be fixed for the entire term of the fee-in-lieu of taxes arrangement at 273 mils, all as more fully set forth in the Fee Agreement between the County and the Company (the Fee Agreement).

Section 4. Special Source Credits. The County agrees to grant the Company Special Source Credits against its FILOT Payments pursuant to the SSRC Act in the amount of 25% of the FILOT Payments to be collected over the term of the Fee Agreement (but in no event to exceed \$200,000). Such Special Source Credits will be made available to the Company during the first two tax years of the Project. If the Company ceases operations at the Project prior to the end of the fifth tax year from the time the Project is placed in service, the Company shall pay to the County an amount equal to the Special Source Credits theretofore claimed by the Company.

Section 5. Multi-County Industrial Park. With the consent of the City of North Charleston and the cooperation of Colleton County Council, the County has taken, or agrees to take by separate ordinance, sufficient action pursuant to the Multi-County Park Act that is necessary to place the Project site in the Park. The County will diligently take all reasonable acts to ensure that the Project will continuously be included within the boundaries of the Park or another multi-county park in order that the maximum tax benefits afforded by the laws of the State of South Carolina for projects located within multi-county industrial parks will be available to the Company.

Section 6. Execution of the Fee Agreement. The form, terms, and provisions of the Fee Agreement presented to this meeting and filed with the Clerk of the County Council be and hereby are approved, and all of the terms, provisions, and conditions thereof are hereby incorporated herein by reference as if such Fee Agreement were set out in this Ordinance in its entirety. The Chairman of the County Council and the Clerk of the County Council be and they are hereby authorized, empowered, and directed to execute, acknowledge, and deliver the Fee Agreement in the name and on behalf of the County, and thereupon to cause the Fee Agreement to be delivered to the Company. The Fee Agreement is to be in substantially the form now before this meeting and hereby approved, or with any changes therein as shall not materially adversely affect

the rights of the County thereunder and as shall be approved by the County Attorney and the officials of the County executing the same, their execution thereof to constitute conclusive evidence of their approval of all changes therein from the form of Fee Agreement now before this meeting.

Section 7. Miscellaneous.

(a) The Chairman and all other appropriate officials of the County are hereby authorised to execute, deliver, and receive any other agreements and documents as may be required by the County in order to carry out, give effect to, and consummate the transactions authorised by this Ordinance.

(b) This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina.

(c) This Ordinance shall become effective immediately upon approval following third reading by the County Council.

(d) The provisions of this Ordinance 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.

(e) All ordinances, resolutions, and parts thereof in conflict herewith are, to the extent of the conflict, hereby repealed.

CHARLESTON COUNTY COUNCIL
Curtis E. Bostic, Vice Chairman,

ATTEST:
Beverly T. Craven, Clerk

First Reading: October 19, 2004
Second Reading: November 9, 2004
Public Hearing: November 9, 2004
Third Reading: November 23, 2004