

ORDINANCE

AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AGREEMENT AND OTHER INSTRUMENTS RELATING THERETO BY AND BETWEEN CHARLESTON COUNTY AND DAIMLERCHRYSLER MANUFACTURING INTERNATIONAL, LLC, WHEREBY, CHARLESTON COUNTY WILL PROVIDE CERTAIN ECONOMIC DEVELOPMENT INCENTIVES TO DAIMLERCHRYSLER MANUFACTURING INTERNATIONAL LLC, INCLUDING A FEE-IN-LIEU OF TAXES ARRANGEMENT; PROVIDING FOR PAYMENT BY DAIMLERCHRYSLER MANUFACTURING INTERNATIONAL, LLC, OF CERTAIN FEES IN LIEU OF AD VALOREM TAXES; 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 the Code of Laws of South Carolina 1976, as amended (the "Code"), and particularly Title 12, Chapter 44 thereof (referred to as 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 for the industrial and economic development of the State of South Carolina (the "State") for the purpose of inducing new manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ manpower and other resources of the State; and

WHEREAS, County Council has adopted an Inducement Resolution (the "Inducement Resolution ") for the benefit of DaimlerChrysler Manufacturing International LLC, a Delaware limited liability company, directly or through its affiliates, subsidiaries, or parent (the "Company"), for the Company intends to acquire, or has acquired, and construct a semi-knocked down ("SKD") assembly plant and relocate its vehicle preparation center ("VPC") to the site (the "Site") located at 8501 Palmetto Commerce Parkway, Ladson, South Carolina 29456, previously occupied by American LaFrance Corporation ("ALF") at Palmetto Commerce Park in Charleston County (the "Initial Facility") , to include among other activities assembling and inspecting and possibly painting and welding vehicles for commercial and personal uses ("Intended Uses"); the Company anticipates that, should its plans proceed as expected, the Initial Facility will result in total investment in real and personal property by the Company within Charleston County of approximately \$35,000,000 (such investment together with any additional investment in property by the Company and any "sponsor affiliates" (as defined in the FILOT Act) during Phase I, the "Investment Property") and the employment of approximately 204 people full time or full time equivalent ("Phase I"), on or before December 31, 2007; and

WHEREAS, the Company further contemplates, subject to various market and economic contingencies, a second phase of the Project (as defined below) for full final assembly which would require an additional investment by the Company of up to \$80,000,000 and support the creation of an additional 410 jobs ("Phase II"), and a third phase of the Project (as defined below) for full industrialization which would require an additional investment by the Company of up to \$320,000,000 and support the creation of an additional 1,170 jobs ("Phase III") (collectively, Phases I, II, and III are referred to herein as the "Project"), if the Company proceeds with Phase II or Phase III of the Project, the Company would undertake to cause an expansion of the Initial Facility planned to occur at a 70 acre site immediately adjoining the Initial Facility (the "Expansion Site"), and to facilitate such expansion, the Company is presently seeking an option to purchase the Expansion Site needed in Phase III on or before December 31, 2011 to be exercised by the Company or its assigns; and

WHEREAS, Phase I when completed will represent an investment, as defined in the FILOT Act by the Company of approximately \$35,000,000; and

WHEREAS, the County and Dalmatian Corporation, formerly ALF ("Dalmatian"), are parties to that certain Lease Purchase Agreement, by and between the County and Victoria 1998 Trust, dated as of June 2, 1999 and assigned to Western Star Trucks US Inc., by that certain Assignment and Assumption of Lease dated October 1, 1999 and further assigned to Dalmatian by that certain Agreement as to Assignment and Assumption of FILOT Agreement and Release, dated August 26, 2002 (as assigned the "Lease"), whereby Dalmatian leases certain manufacturing facilities from the County (the "ALF Project"), with respect to which Dalmatian is obligated to make FILOT Payments to the County, and whereby, in consideration of the investment and employment created within Charleston County by the ALF Project, the County agreed to accept negotiated FILOT Payments with respect thereto; and to designate the ALF Project site as a multi-county business park; and

WHEREAS, Dalmatian has transferred and assigned to the Company all of its right, title, and interest in and to the ALF Project and under the Lease pursuant to the terms of an Agreement as to Assignment and Assumption of FILOT Agreement and Release, executed on May 4, 2006, but effective as of January 1, 2006, by which the County consented to such assignment and under which the Company has assumed the commitments made by Dalmatian in the Lease.

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

Section 1. Evaluation of the Project. County Council has evaluated Phase I on the following criteria based upon information provided by the Company and the advice and assistance of the South Carolina Department of Revenue and the Board of Economic Advisors:

(a) the purposes to be accomplished by Phase I 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 their investigation of Phase I and information provided by the Company, including the criteria described in Section 1 above, and based upon 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) Phase I constitutes a “project” as that term is defined in the FILOT Act;

(b) Phase I will serve the purposes of the FILOT Act;

(c) the investment by the Company in Phase I will be approximately \$35,000,000 to be invested within five (5) years from the end of the property tax year in which the investor and the County execute the Inducement and Millage Rate Agreement;

(d) Phase I will be located entirely within Charleston County;

(e) Phase I 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) Phase I gives rise to no pecuniary liability of the County or no charge against its general credit or taxing power;

(g) the purposes to be accomplished by Phase I are proper governmental and public purposes;

(h) the inducement of the location of the Project is of paramount importance;
and

(i) the benefits of Phase I to the public are greater than the cost to the public.

Section 3. Fee-in-Lieu of Taxes Arrangement. Pursuant to the authority of the FILOT Act, Phase I is 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 255.1 mils, all as more fully set forth in the Fee Agreement, between the County and the Company authorized hereby.

Section 4. Multi-County Industrial Park. The County has taken sufficient action necessary to place the Site in a Multi-County Industrial Park (the "Park") established under Title 4, Chapter 1 of the Code of Laws of South Carolina 1976, as amended, pursuant to the agreement between Charleston County and Colleton County (the "Park Agreement"). The County will diligently take all reasonable acts to ensure that the Site will be included within the boundaries of the Park or another multi-county park for a term of ten (10) years. The County agrees to extend the term of the Park Agreement with respect to Phase I upon the request of the Company in the event that (a) re-designation is needed to cover residual hiring associated with Phases I, II, or III, (b) the request is made in connection with an expansion of the Project at that time, or (c) documentation is provided demonstrating that the Company can utilize the multi-county park designation in obtaining enhanced "job tax credits" during such extended term.

Section 5. Execution of the Fee Agreement.

(a) 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.

(b) The County covenants to file a copy of the fully executed Fee Agreement within 30 days of the date of execution and delivery thereof with (i) the South Carolina Department of Revenue, (ii) the Charleston County Assessor, (iii) the Charleston County Auditor, (iv) the Colleton County Assessor, and (v) the Colleton County Auditor, all in accordance with Section 12-44-90(G) of the Code of Laws of South Carolina 1976, as amended.

Section 6. Miscellaneous.

(a) The Chairman and all other appropriate officials of the County are hereby authorized 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 authorized by this Ordinance, including the transfer of the ALF Project.

(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 by County Council 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 provisions 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 orders, resolutions, and parts thereof in conflict herewith are, to the extent of the conflict, hereby repealed.

CHARLESTON COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council of
Charleston County, South Carolina

ATTEST:

Clerk to County Council
Charleston County, South Carolina

First Reading: October 17, 2006
Second Reading: November 14, 2006
Public Hearing: November 14, 2006
Third Reading: December 5, 2006