

AN ORDINANCE

AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO THE FEE AGREEMENT BETWEEN CHARLESTON COUNTY, SOUTH CAROLINA, AND TWL PRECISION, INC., ITS AFFILIATES AND ASSIGNS, TO PROVIDE FOR AN EXTENSION OF THE INVESTMENT PERIOD, PROVIDE FOR SPECIAL SOURCE REVENUE CREDITS, ALLOCATE FEES-IN-LIEU OF TAXES UNDER A MULTI-COUNTY BUSINESS OR INDUSTRIAL PARK AGREEMENT; AND OTHER RELATED MATTERS.

WHEREAS, Charleston County, South Carolina ("County"), acting by and through its County Council ("County Council") is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended ("Act"), (i) to enter into agreements with qualifying industry to encourage investment in projects constituting economic development property through which the industrial development of the State of South Carolina will be promoted by inducing new and existing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ manpower and other resources of the State; (ii) to covenant with such industry to accept certain payments in lieu of *ad valorem* taxes ("FILOT") with respect to such investment;

WHEREAS, TWL Precision, Inc., a South Carolina corporation, along with one or more existing or to-be formed or acquired subsidiaries or affiliated or related entities (collectively, "Company"), operates an automotive component manufacturing and production facility in the County ("Project");

WHEREAS, the Company entered into a "Fee-in-Lieu of *Ad Valorem* Taxes Agreement," dated as of September 18, 2007, a copy of which is attached as Exhibit A ("Fee Agreement"), with respect to the Company's estimated investment of approximately \$7,000,000 ("Project Commitment");

WHEREAS, the Company has invested over \$7,000,000 and created approximately 55 new, full-time jobs;

WHEREAS, the Company expects to invest an estimated, additional \$5,000,000 ("Additional Investment") and create an estimated, additional 35 jobs ("Additional Jobs"), both over the next five calendar years, so that the total expected investment in the Project would be approximately \$12,000,000 and the total expected employment at the Project would be approximately 90 people;

WHEREAS, in consideration of the Additional Investment and Additional Jobs, the County has determined to amend the Fee Agreement to provide for the amendments as set forth in "First Amendment to the Fee Agreement," a copy of which is attached in substantially final form as Exhibit B ("First Amendment"), a summary of which follows:

(a) *Investment Period Extension.* The Fee Agreement's Investment Period is extended by five years so that the Investment Period ends on December 31, 2017, and each other Section of the Fee Agreement is revised to reflect the Investment Period's five-year extension;

(b) *Special Source Revenue Credit.* According to South Carolina Code Annotated section 12-44-70, the Company is entitled to claim an annual Special Source Revenue Credit ("Credit") against each FILOT Payment equal to 38% of the FILOT Payment, commencing in the calendar year following the calendar year in which the Company begins placing the Additional Investment in service and continuing for a total of 10 consecutive years against, up to an aggregate of \$150,000. The County shall provide the Credit as a rebate to the Company no more than 75 days after the County receives the Company's current FILOT Payment.

((a) through (b) are, collectively, "Incentives").

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

Section 1. Statutory Findings. The County affirms: (i) the Project benefits the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally; (ii) the Project gives rise to no pecuniary liability of the County or incorporated municipality or to no charge against its general credit or taxing power; (iii) the purposes to be accomplished by the Project are proper governmental and public purposes; and (iv) the benefits of the Project to the public are greater than the costs to the public.

Section 2. Authorization to Execute and Deliver First Amendment to Fee Agreement. The Chair of County Council, or in the Chair's absence, the Vice-Chair, is authorized and directed to execute and deliver the First Amendment, which restates the nature of the Incentives, and which is in substantially final form as attached to this Ordinance and presented before this meeting, with any revisions that are not materially adverse to the County, as may be approved by the Chair of County Council in the name of and on behalf of the County, and the Clerk to County Council is authorized and directed to attest the same; and the Chair of County Council is further authorized and directed to deliver the executed First Amendment to the Company.

Section 3. Distribution of FILOT Payments. The County shall distribute each FILOT Payment as follows:

First: to Colleton County according to the Agreement for Development for Joint County Industrial Park, dated as of September 1, 1995, as amended;

Second: to the County's Economic Development Fund according to the Agreement for Development for Joint County Industrial Park, dated as of September 1, 1995, as amended;

Third: to provide for the Company's Special Source Revenue Credit with respect to the Project; and

Fourth: as the County would have otherwise distributed a fee-in-lieu of tax payment.

Section 4. General Repealer. The County Council repeals any part of an ordinance, or a resolution that conflicts with any part of this Ordinance.

Section 5. Severability. Should any part, provision, or term of this Ordinance be deemed unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such finding or determination shall not affect the rest and remainder of the Ordinance or any part, provision or term thereof, all of which is deemed separable.

This Ordinance takes effect and is in full force only after the County Council has approved it following three readings and a public hearing.

CHARLESTON COUNTY, SOUTH CAROLINA

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

ATTEST:

Beverly T. Craven, Clerk to County Council

READINGS:

First Reading:	November 10, 2011
Second Reading:	December 6, 2011
Public Hearing:	December 6, 2011
Third Reading:	December 20, 2011