

ORDINANCE

AUTHORISING THE EXECUTION AND DELIVERY OF A FEE-IN-LIEU OF TAX AGREEMENT BY AND AMONG CHARLESTON COUNTY AND SENIOR OPERATIONS LLC AND JAMESTOWN-CK CROSSPOINT IV, L.P., WHEREBY CHARLESTON COUNTY WILL ENTER INTO A FEE-IN-LIEU OF TAXES ARRANGEMENT WITH SENIOR OPERATIONS LLC AND JAMESTOWN-CK CROSSPOINT IV, L.P.; PROVIDING FOR PAYMENT BY SENIOR OPERATIONS LLC AND JAMESTOWN-CK CROSSPOINT IV, L.P. 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 authorised 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 (“Negotiated FILOT Payments”) for a project qualifying under the FILOT Act; and

WHEREAS, the County, acting by and through the County Council, is further authorised 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 “MCIP Act”), to provide for payments in lieu of taxes (“PILOT Payments”) with respect to property located in a multi-county business or industrial park created under the MCIP Act and to create, in conjunction with one or more other counties, a multi-county park in order to afford certain enhanced tax credits to such investors; and

WHEREAS, Senior Operations LLC, a Delaware limited liability company (the “Company”), intends to acquire and equip facilities for the subassembly and assembly of high precision machinery and equipment for use in the aerospace industry (the “Project”); the Project is to be located at 9004-S Sightline Drive, Ladson, in Charleston County (the “Project Site”); and

WHEREAS, the Project Site is owned by Jamestown-CK Crosspoint IV, L.P., a Delaware limited liability company (the “Landlord”), who will make an investment in the construction of an approximately 273,000 square foot building (the “Building”) of not less than \$2,500,000 (the Landlord’s Investment”), of which the Company will lease approximately 39,000 square feet for the operation of the Project; and

WHEREAS, the Project when completed will represent an anticipated “investment” (as defined in the FILOT Act) (the “Investment”) by the Company in the aggregate not less than \$3,000,000 in new machinery and equipment to be located at the Project Site; and

WHEREAS, the County has been advised that upon the completion of the Project, the Project will initially create employment for approximately 8 full-time employees, and the Company expects that additional employment for approximately 12 persons will be created within seven months of completion of the Project; and that employment for an additional 40 employees is expected to be created within 12 months of the completion of the Project; and

WHEREAS, the Project Site is located entirely within Charleston County and within the incorporated limits of the City of North Charleston and has previously been included in and subject to a multi-county park; and

WHEREAS, the County has made specific proposals, including proposals to offer certain economic development incentives set forth herein, for the purpose of inducing the Company to invest its funds to acquire and equip the Project and the Landlord to construct the Building (the “Incentives”); and

WHEREAS, it is in the public interest, for the public benefit, and in furtherance of the public purposes of the FILOT Act that the County Council provide final approval for qualifying the Project and the Building under the FILOT Act for the Incentives;

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

Section 1. Evaluation of the Project. County Council have evaluated the Project and the Building 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 and the Building 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 and the Landlord, County Council’s investigation of the Project and the Building, 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 necessary, County Council hereby find that:

- (a) the Project and the Building each constitutes a “project” as that term is defined in the FILOT Act;
- (b) the Project and the Building will serve the purposes of the FILOT Act;
- (c) the Investment by the Company in the Project will be approximately \$3,000,000, and the Investment by the Landlord in the Building will be not less than \$2,500,000, all to be invested within the “investment period” (as defined in the FILOT Act); and the County has been advised that upon the completion of the Project, the Project will initially create employment for approximately 8 full-time employees, the Company expects that additional employment for approximately 12 persons will be created within seven months of completion of the Project, and that employment for an additional 40 employees is expected to be created within 12 months of

the completion of the Project, as is provided in the Fee-in-Lieu of Tax Agreement (the “FILOT Agreement”) among the County, the Company, and the Landlord;

- (d) the Project Site will be located entirely within Charleston County and within the incorporated limits of the City of North Charleston;
- (e) the Project and the Building are 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 and the Building give 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 and the Building are proper governmental and public purposes;
- (h) the inducement of the location of the Project and the Building is of paramount importance; and
- (i) the benefits of the Project and the Building 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, the Project and the Building 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 and the Landlord which will provide Negotiated FILOT Payments to be made with respect to the Project and the Building based upon a 6% assessment ratio with the millage rate which is the lower of (a) the cumulative property tax millage rate levied on behalf of all taxing entities within which the Project Site is located on June 30 of the year preceding the calendar year in which the FILOT Agreement is executed or (b) the cumulative property tax millage rate levied on behalf of all taxing entities within which the Project Site is located on June 30 of the calendar year in which the FILOT Agreement is executed, such rate to be fixed for the entire 20-year term of the fee-in-lieu of taxes, all as more fully set forth in the FILOT Agreement.

Section 4. Multi-County Park Incentive.

By separate ordinance (the “MCIP Ordinance”) of the County Council, the County, the County has previously designated the Project Site as a multi-county business park pursuant to Article VIII, Section 13 of the South Carolina Constitution, and the terms of the Agreement for the Establishment of a Multi-County Industrial/Business Park. The County agrees to maintain that designation for at least 20 years.

Section 5. Execution of the Fee Agreement. The form, terms, and provisions of the FILOT 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 FILOT 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 authorised and directed to execute and deliver the FILOT Agreement in the name and on behalf of the County, and thereupon to cause the FILOT Agreement to be delivered to the Company. The FILOT Agreement is to be in substantially the form now before this meeting of County Council at which this Ordinance received third reading and hereby approved, or with any changes therein as shall not materially adversely affect the rights of the County thereunder, upon the advice of legal counsel, by 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 FILOT Agreement now before this meeting.

Section 6. 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, SOUTH CAROLINA

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

ATTEST:

Clerk to County Council
Charleston County, South Carolina

First Reading: December 9, 2014
Second Reading: December 18, 2014
Public Hearing: December 18, 2014
Third Reading: January 6, 2015