AN ORDINANCE TO PROVIDE FOR THE AMENDMENT AND ALLOCATION OF REVENUES UNDER THE AGREEMENT FOR DEVELOPMENT OF A JOINT COUNTY INDUSTRIAL PARK, BY AND BETWEEN CHARLESTON COUNTY, SOUTH CAROLINA AND COLLETON COUNTY, SOUTH CAROLINA, PROVIDING FOR THE DEVELOPMENT OF A JOINTLY OWNED AND OPERATED INDUSTRIAL/BUSINESS PARK.

WHEREAS, Charleston County, South Carolina (the “County” or “Charleston County”) and Colleton County, South Carolina (“Colleton County” and jointly with Charleston County, the “Counties”) are authorized under Article VIII, Section 13 of the South Carolina Constitution to jointly develop an industrial or business park within the geographical boundaries of one or more of the member Counties; and

WHEREAS, in order to promote the economic welfare of the citizens of the Counties by providing employment and other benefits to the citizens of the Counties, the Counties entered into an Agreement for Development for a Joint County Industrial Park effective as of September 1, 1995 (the “Original Agreement”), to develop jointly an industrial and business park (the “Park;” and that portion of the Park located within the boundaries of Charleston County shall be referred to herein as the “Charleston Park”), as provided by Article VIII, Section 13 of the South Carolina Constitution and in accordance with Section 4-1-170 of the Code of Laws of South Carolina, 1976, as amended, (the “Act”); and

WHEREAS, the Original Agreement was initially approved by Charleston County Council Ordinance 972, adopted September 19, 1995; was further amended from time-to-time to add or remove property to the Park; and, in particular, was substantively amended by (i) that First Modification to Agreement for Development for Joint County Industrial Park, effective December 31, 2006 (the “First Modification”), which First Modification was approved by Charleston County Council Ordinance 1475, adopted December 5, 2006; and by Colleton County Council Ordinance 06-O-20 enacted January 2, 2007; and (ii) the Second Modification to Agreement for Development for Joint County Industrial Park, dated as of December 31, 2014 (the “Second Modification”), which Second Modification was approved by Charleston County Council Ordinance 1828, enacted on September 9, 2014, and by Colleton County Council Ordinance 14-O-13 enacted on December 11, 2014; and

WHEREAS, the Original Agreement, as amended, is referred to herein as the “Agreement,” and

WHEREAS, Section 6 of the Agreement provides that revenues generated by the Charleston Park shall be allocated and distributed in the following proportions: to Charleston County 98.25% and to Colleton County 1.75% (the “Colleton Distribution”); and

WHEREAS, Section 9 of the Agreement provides that revenues generated by the Park and distributed to Charleston County (the “Revenues”) shall be distributed within Charleston County to the political subdivisions in Charleston County (the “Charleston Participating Taxing Entities”) in accordance with an ordinance to be enacted by Charleston County; and

WHEREAS, pursuant to Title 12, Chapter 44 of the Code of Laws South Carolina 1976, as amended (the “Negotiated FILOT Act”) and Ordinance No. ____ enacted by the County Council on ___________, 2017, the County and Mercedes-Benz Vans, LLC, a limited liability
company organized and existing under the State of Delaware (the “Company”), entered into that certain First Amended and Restated Fee in Lieu of Tax and Incentive Agreement, dated as of __________, 2017 (the “Fee Agreement”), pursuant to which, among other things, the Company agreed to make, and the County agreed to accept, Negotiated FILOT Payments (as defined in the Fee Agreement) with respect to certain manufacturing and related facilities to be acquired or constructed by the Company within the County (as defined more fully in the Fee Agreement, the “Project”); and

WHEREAS, pursuant to Section 3.02 of the Fee Agreement, the County agreed to issue Special Source Revenue Bonds (the “SSRBs”) and/or to allow the Company to claim Special Source Credits (the “SSRCs”) to provide funding for infrastructure improvements constituting a portion of the Project; and

WHEREAS, the Company now anticipates investing approximately $495,000,000 in taxable property as part of the Project (as defined more fully in the Fee Agreement, the “Base Investment”); and

WHEREAS, pursuant to the Fee Agreement, the Company affirmed its commitment to make minimum Negotiated FILOT Payments with respect to the Base Investment annually in amounts sufficient to pay (i) debt service on any SSRBs supported by the revenues from such Base Investment (the “Base Investment Special Source Revenue Bonds”); (ii) certain fixed amounts due to Colleton County pursuant to the Agreement; (iii) certain fixed deposits to the County’s Economic Development Fund (the “ED Fund”); and (iv) certain fixed amounts to be distributed to the Charleston Participating Taxing Entities (collectively, the “Base Investment Minimum FILOT Payments”); and

WHEREAS, in accordance with the Fee Agreement, the Counties have agreed to amend the provisions of the Agreement to provide that during the period of time that any Base Investment Special Source Revenue Bonds are outstanding, that the Colleton Distribution under the Agreement with respect to revenues from the Project consisting of the Base Investment shall be a fixed annual amount as set forth in the attached Schedule 1, instead of 1.75% of such Charleston Park revenues; and

WHEREAS, in accordance with the Fee Agreement, Charleston County has agreed to amend the provisions of Charleston County Council Ordinance 1626, enacted February 2, 2010, to provide that during the period of time that any Base Investment Special Source Revenue Bonds are outstanding, that ED Fund distribution under the Agreement with respect to revenues from the Project consisting of the Base Investment shall be a fixed annual amount as set forth in the attached Schedule 2 (the “ED Fund Distribution”), instead of 7.5% of such Charleston Park revenues; and

WHEREAS, in accordance with the Fee Agreement, Charleston County has agreed to provide that during the period of time that any Base Investment Special Source Revenue Bonds are outstanding, that after funding any debt service on SSRBs, any SSRCs, the Colleton Distribution, and the ED Fund Distribution, distributions to the remaining taxing districts (the “Base Investment Taxing Entities”) from the Project consisting of the Base Investment shall be a fixed annual amount as set forth in the attached Schedule 3 (the “Base Investment Taxing Entities Distribution”);

NOW, THEREFORE, BE IT ORDAINED BY THE CHARLESTON COUNTY COUNCIL:

SECTION 1. Amendment of MCIP Agreement. (a) Section 6 of the MCIP Agreement is hereby amended by adding the following provision to the end of Section 6: “provided, however, that during the period of time that any Base Investment Special Source Revenue Bonds are outstanding, the Colleton County allocation of revenues from the Project consisting of the Base
Investment shall be a fixed annual amount as set forth in the attached Schedule 1, instead of 1.75% of such Charleston Park revenues. All capitalized terms used in this paragraph that are not otherwise defined herein shall have the meaning ascribed to such terms in the First Amended Fee-in-lieu- of Taxes and Incentive Agreement, dated as of _______, 207, between Charleston County. South Carolina and Mercedes Benz Vans, LLC.”

(b) Attached hereto is the Third Modification to Agreement for Development for Joint County Industrial Park (the “Third Modification”). The Chairman of the County Council is authorized to execute the Third Modification on behalf of the County and, after such execution on behalf of Colleton County, the Third Modification shall become effective on the date set forth in the Third Modification.

SECTION 2. Amendment of Ordinance 1626. Charleston County Council Ordinance 1626, enacted February 2, 2010, is hereby amended by adding the following provision to the end of Section __ thereof as follows: “ provided, however, that during the period of time that any Base Investment Special Source Revenue Bonds are outstanding, that ED Fund Distribution under the MCIP Agreement with respect to revenues from the Project consisting of the Base Investment shall be a fixed annual amount as set forth in the attached Schedule 2, instead of 7.5% of such Charleston Park revenues. All capitalized terms used in this paragraph that are not otherwise defined herein shall have the meaning ascribed to such terms in the First Amended Fee-in-lieu- of Taxes and Incentive Agreement, dated as of _______, 207, between Charleston County. South Carolina and Mercedes Benz Vans, LLC.”

SECTION 3. Allocations to Taxing Entities. Notwithstanding the provisions of any other ordinance of Charleston County Council, during the period of time that any Base Investment Special Source Revenue Bonds are outstanding, after funding any SSRBs, any SSRCs, the Colleton Distribution, and the ED Fund distribution, distributions to the Base Investment Taxing Entities from the Project consisting of the Base Investment shall be a fixed annual amount as set forth in the attached Schedule 3 (the “Base Investment Taxing Entities Distribution”).

SECTION 4. SSRCs and SSRBs. The County will provide to the Company, but only under the terms and conditions set forth in the Fee Agreement, SSRCs and SSRBs, as follows:

(a) Alternative Base Investment Special Source Credits;
(b) Base Investment Special Source Credits;
(c) Base Investment Special Source Revenue Bonds; and
(d) Expansion Special Source Credits.

SECTION 5. Allocation of MCP FILOT Revenue. Pursuant to the terms of the MCIP Act and the Agreement, the County hereby provides that for the term of the Fee Agreement, commencing with the first tax year in which the Negotiated FILOT Payments are generated by the Project and payable to the County, Negotiated FILOT Payments will be distributed in accordance with the terms of the Agreement as amended hereby, as follows:

(a) First, (i) to Colleton County in the amount of the Colleton Distribution, (ii) to the ED Fund in the amount of the ED Fund Distribution, and (iii) to the Base Investment Taxing Entities Distribution, to be divided among the Base Investment Taxing Entities as provided in separate Ordinance; and

(b) After deducting the Colleton Distribution, the ED Fund Distribution, and the Base Investment Taxing Entities Distribution to be distributed as described in paragraph (a) of this Section, to the County an amount equal to the total debt service on any SSRBs and any SSRCs to be provided in such year pursuant to Section 4 hereof; and
(c) After making the allocations under paragraphs (a) and (b) of this Section, any remaining balance is to be distributed among the taxing districts in Charleston County in accordance with the applicable provisions of Section 9 of the Agreement.

SECTION 6. Except as expressly amended hereby, Ordinance 1626 is hereby confirmed in its entirety. All other resolutions, ordinances, or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

SECTION 7. This Ordinance shall become effective on the date of enactment of this Ordinance by the Charleston County Council, after third and final reading and public hearing.

CHARLESTON COUNTY, SOUTH CAROLINA

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

ATTEST:

________________________________
Clerk to County Council
Charleston County, South Carolina

First Reading:
Public Hearing:
Second Reading:
Third Reading:

SCHEDULE 1
Colleton Distribution

SCHEDULE 2
ED Fund Distribution

SCHEDULE 3
Base Investment Taxing Entities Distribution