

**AN ORDINANCE  
AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX  
AGREEMENT BY AND AMONG COSMOS GRANITE CHARLESTON, LLC,  
LCG LOGISTICS LLC, DEFENSE ENGINEERING SERVICES LLC,  
DOGWOOD PROPCO SC IV, L.P. AND CHARLESTON COUNTY, WHEREBY  
CHARLESTON COUNTY WILL ENTER INTO A FEE IN LIEU OF TAX  
AGREEMENT WITH THE COMPANIES AND PROVIDING FOR PAYMENT BY  
THE COMPANIES OF CERTAIN FEES IN LIEU OF *AD VALOREM* TAXES;  
AND OTHER MATTERS RELATING THERETO**

WHEREAS, Charleston County, South Carolina (the "County") desires to enter into a Fee in Lieu of Tax Agreement with Dogwood PropCo SC IV, L.P., a Delaware limited partnership (the "Sponsor"), Cosmos Granite Charleston, LLC, a North Carolina limited liability company, LCG Logistics LLC, a South Carolina limited liability company and Defense Engineering Services LLC, a South Carolina limited liability company (collectively with the Sponsor and any affiliated entities of each, the "Companies") (such agreement, the "FILOT Agreement"), as the Companies have expressed their intent to the County to each make a capital investment in the County;

WHEREAS, as a result of the Companies' desire to undertake such investment, the Companies have asked the County to enter into the FILOT Agreement in order to encompass the terms of the Negotiated FILOT Project (as defined below);

WHEREAS, 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 payments in lieu of taxes ("Negotiated FILOT Payments") for a project qualifying under the FILOT Act;

WHEREAS, the Companies propose to develop a facility in the County by acquiring, constructing, equipping and furnishing machinery, equipment and other real and personal property (the "Negotiated FILOT Project");

WHEREAS, the Sponsor intends to invest at least Twenty-Two Million Dollars (\$22,000,000.00) in connection with the Negotiated FILOT Project;

WHEREAS, the Negotiated FILOT Project is located entirely within the County and will be included in and subject to the multi-county park and fee in lieu of tax arrangements as described herein;

WHEREAS, the County has made specific proposals, including proposals to offer certain economic development incentives set forth herein, for the purpose of inducing the Companies to invest their funds to acquire and equip the Negotiated FILOT Project (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 and the MCIP Act that the County Council provide approval for qualifying the Negotiated FILOT Project under the FILOT Act and the MCIP Act for the Incentives;

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

Section 1. Evaluation of the Negotiated FILOT Project. The County Council has evaluated the Negotiated FILOT Project on the following criteria based upon the advice and assistance of the South Carolina Revenue and Fiscal Affairs Office and the South Carolina Department of Revenue:

- (a) whether the purposes to be accomplished by the Negotiated FILOT 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, the County Council's investigation of the Negotiated FILOT Project, including the criteria described in Section 1 above, and the advice and assistance of the South Carolina Revenue and Fiscal Affairs Office and the South Carolina Department of Revenue, as required, the County Council hereby find that:

- (a) the Negotiated FILOT Project constitutes a "project" as that term is defined in the FILOT Act;
- (b) the Negotiated FILOT Project will serve the purposes of the FILOT Act;
- (c) the Negotiated FILOT Project will likely consist of capital investment by the Sponsor of at least Twenty-Two Million Dollars (\$22,000,000.00) within ten (10) years from the end of the property tax year in which the initial portion of the Negotiated FILOT Project is placed in service under the FILOT Agreement;
- (d) the Negotiated FILOT Project will be located entirely within the County;
- (e) the Negotiated FILOT Project will benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise adequately provided locally;
- (f) the Negotiated FILOT Project will neither give rise to a pecuniary liability of the County or any municipality thereof nor a charge against the general credit or taxing power of the County or any municipality thereof;
- (g) the purposes to be accomplished by the Negotiated FILOT Project are proper governmental and public purposes;
- (h) the inducement of the location of the Negotiated FILOT Project is of paramount importance; and
- (i) the benefits of the Negotiated FILOT Project to the public are greater than the costs to the public.

Section 3. Fee in Lieu of Taxes Arrangement. Pursuant to the authority of the FILOT Act, the Negotiated FILOT Project is designated as "economic development property" under the FILOT Act and there is hereby authorized a fee in lieu of taxes arrangement with the Companies, which will provide Negotiated FILOT Payments to be made with respect to each Company's portion of the Negotiated FILOT Project based upon a 6% assessment ratio and a millage rate which shall be fixed for the full term of the FILOT Agreement and shall be the lower of the cumulative property

tax millage rate levied on behalf of all taxing entities within which the Project is to be located on either (1) the June 30 preceding the year in which the FILOT Agreement is executed, or (2) the June 30 of the year in which the FILOT Agreement is executed, for a term of twenty (20) years, all as more fully set forth in FILOT Agreement.

Section 4. Execution of the FILOT 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 Chair 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 FILOT Agreement in the name and on behalf of the County, and thereupon to cause the FILOT Agreement to be delivered to the Companies. The FILOT 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 FILOT Agreement now before this meeting.

Section 5. Miscellaneous.

(a) The Chair of County Council and all other appropriate officials of the County are hereby authorized, empowered and directed 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;

(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; and

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

Adopted this 26<sup>th</sup> day of September 2023.

**CHARLESTON COUNTY, SOUTH CAROLINA**

By: \_\_\_\_\_  
Herbert Ravenel Sass, III, Chair of County Council

ATTEST:

\_\_\_\_\_  
Kristen Salisbury, Clerk to County Council

First Reading: August 22, 2023  
Second Reading: September 12, 2023  
Public Hearing: September 26, 2023  
Third Reading: September 26, 2023