

AN ORDINANCE

AUTHORIZING THE APPROVAL OF LEIDOS, INC. AS A SPONSOR AFFILIATE UNDER THE FEE-IN-LIEU OF TAX AGREEMENT BETWEEN CHARLESTON COUNTY, SOUTH CAROLINA AND SUN LIFE ASSURANCE COMPANY OF CANADA ORIGINALLY DATED OCTOBER 27, 2015, AS AMENDED AND ASSIGNED; AUTHORIZING THE EXTENSION OF THE TERM THEREOF; AUTHORIZING THE ISSUANCE OF CERTAIN SPECIAL SOURCE REVENUE CREDITS THEREUNDER; AND OTHER MATTERS RELATED THERETO

WHEREAS, Charleston County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), entered into a Fee-in-Lieu of Tax Agreement with Stoney Ladson, LLC and Sea Pac, LLC dated October 27, 2017 (the "FILOT Agreement") pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended (the "FILOT Act"), which was subsequently assigned to Sun Life Assurance Company of Canada (the "Sponsor"); and

WHEREAS, Leidos, Inc. (the "Sponsor Affiliate") is contemplating an investment in the County, within a portion of the facility owned by the Sponsor, which is anticipated to result in capital expenditures of at least \$17,000,000 and the creation of approximately 150 new, full-time jobs (the "New Project"); and

WHEREAS, the FILOT Act provides that the investments of the Sponsor Affiliate are eligible for inclusion as a part of the "Project" and "Economic Development Property" as the FILOT Act defines such terms, provided that the minimum investment requirements and any other applicable provisions of the FILOT Act must be satisfied; and

WHEREAS, the Sponsor and Sponsor Affiliate have requested that the County approve the Sponsor Affiliate as a "Sponsor Affiliate" under the FILOT Agreement such that the investments of the Sponsor Affiliate are part of the "Project", as defined in the FILOT Agreement, and "Economic Development Property," as defined in the FILOT Act, and as each term is used herein; and

WHEREAS, the Sponsor and Sponsor Affiliate have requested that the County agree to extend the term of the FILOT Agreement by an additional 10 years in accordance with Section 12-44-30(21) of the FILOT Act; and

WHEREAS, the Sponsor Affiliate has requested the issuance of certain special source revenue credits ("SSRCs") to be applied to its payments in lieu of taxes under the FILOT Agreement as an inducement to secure the location of the New Project within the County; and

WHEREAS, the County Council has considered these requests and has agreed to provide such approvals, which are consistent with the underlying intent of the FILOT Agreement to promote the economic development of the County; and

WHEREAS, the County Council has caused to be prepared and presented to this meeting this ordinance, which the County Council concludes is an appropriate ordinance to be executed and approved by the County for the purposes intended.

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

Section 1. The County Council hereby approves the Sponsor Affiliate as a "Sponsor Affiliate" under the FILOT Agreement such that the investments of the Sponsor Affiliate are part of the "Project" and "Economic Development Property."

Section 2. The County Council hereby approves a ten-year extension of the term of the FILOT Agreement as defined in Section 5.5 thereof. As amended, the term shall end, with respect to each phase of the Project (as defined in the FILOT Agreement), on the last day of the twenty-ninth year following the year assets comprising that phase of the Project (as defined in the FILOT Agreement) are initially placed in service, with the result that the Sponsor or Sponsor Affiliate, as applicable, will make not more than 30 fee in lieu of tax payments with respect to each phase of the Project (as defined in the FILOT Agreement). In accordance with Section 12-44-30(21) of the FILOT Act, the County hereby finds that there is a substantial public benefit in extending the term of the FILOT Agreement

Section 3. The County Council approves the issuance of SSRCs to the Sponsor Affiliate as further described in the Amendment to FILOT Agreement attached hereto as Exhibit A (the "Amendment").

Section 4. The Amendment is hereby approved, together with such changes as are not materially adverse to the County, and the County Administrator and Clerk to Council, for and on behalf of the County, are hereby authorized, empowered and directed to do any and all things necessary to effect the execution and delivery of this ordinance, the Amendment, and any further documentation necessary to effectuate the intentions of the County Council as reflected in this ordinance.

Section 5. The provisions of this ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereunder.

Section 6. All ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed. This ordinance shall take effect and be in full force from and after its passage by the County Council.

ENACTED this 10th day of _October 2023.

CHARLESTON COUNTY, SOUTH CAROLINA

By: _____
Herbert R. Sass, III, Chair of County Council

[SEAL]

ATTEST:

By: _____

Kristen Salisbury, Clerk to County Council

First Reading: September 12, 2023
Second Reading: September 26, 2023
Third Reading: October 10, 2023
Public Hearing: October 10, 2023

