

STATE OF SOUTH CAROLINA
COUNTY COUNCIL FOR GREENVILLE COUNTY
ORDINANCE NO.

AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE-IN-LIEU OF *AD VALOREM* TAXES AND INCENTIVE AGREEMENT BY AND AMONG GREENVILLE COUNTY, SOUTH CAROLINA, AND DRIVE AUTOMOTIVE INDUSTRIES OF AMERICA, INC., AS SPONSOR, AND MI DEVELOPMENTS (AMERICA) INC., AS SPONSOR AFFILIATE, TO PROVIDE FOR A FEE IN LIEU OF *AD VALOREM* TAXES INCENTIVE, GRANTING OF CERTAIN SPECIAL SOURCE REVENUE CREDITS AND OTHER MATTERS RELATED THERETO.

WHEREAS, Greenville 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 (“State”) 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; and (ii) to covenant with such industry to accept certain payments in lieu of *ad valorem* taxes (“FILOT”) with respect to such investment;

WHEREAS, pursuant to Title 4, Section 1, Code of Laws of South Carolina, 1976, as amended (“MCIP Act”), the County is authorized to develop multi-county industrial parks with other qualifying counties and, the County may, in its discretion, include within the boundaries of such parks the property of qualifying industries. Under the authority provided in the MCIP Act and by the “Agreement for Development of Joint County Industrial Park” dated October 6, 1998, the County has jointly developed a multi-county park with Anderson County, South Carolina (“Park”) and has included or will include certain real property located in the County, on which the below-defined Project will be located and as more particularly described in Exhibit A (“Real Property”), in the Park;

WHEREAS, pursuant to Section 4-1-175 of the MCIP Act, the County is authorized to grant credits (“Infrastructure Credit”) to industry in reimbursement of certain qualifying expenditures related to a project (“Infrastructure”);

WHEREAS, Drive Automotive Industries of America, Inc., as sponsor (“Sponsor”), and MI Developments (America) Inc., as sponsor affiliate (“Sponsor Affiliate,” collectively, “Company”) are planning a total non-exempt investment in the County, anticipated to be at least \$50,000,000, to expand the Company’s existing automotive component manufacturing facility located on the Real Property (“Project”);

WHEREAS, the County identified the Project by a Resolution dated June 5, 2012, as required by the Act, and reiterates in this Ordinance the determinations relating to the Project set forth in that Resolution;

WHEREAS, the County previously considered and approved a FILOT incentive for the Project by Ordinance No. [], enacted November 20, 2012, which FILOT incentive was to be memorialized in a fee agreement among the County, the Sponsor and MID Realty Holdings, L.L.C. (“MID”);

WHEREAS, subsequent to the enactment of Ordinance No. [] but prior to the execution of the fee agreement among the Sponsor, MID and the County, MID underwent a corporate reorganization and merged into the Sponsor Affiliate;

WHEREAS, because the fee agreement has not yet been executed, the County and the Company desire to present a new fee agreement for approval by the County, which new fee agreement identifies the current Sponsor Affiliate;

WHEREAS, the County desires to offer the Company the FILOT incentive package approved by Ordinance No. [], which FILOT incentive includes (i) an assessment ratio of 6% and a fixed millage of 272.1 rate for 20 years; and (ii) an Infrastructure Credit against FILOT payments made in connection with the Project for purposes of reimbursing the Company for Infrastructure expenditures relating to the Project;

WHEREAS, the terms and conditions of the FILOT incentive are more fully described in the Fee-in-Lieu of *Ad Valorem* Taxes and Incentive Agreement (“Fee Agreement”) the substantially final form of which is attached as Exhibit B, to be executed by the Company; and

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

Section 1. *Authorization to Execute and Deliver Fee Agreement.* The Chairman of County Council and the County Administrator are authorized and directed to execute the Fee Agreement, which is in substantially final form and attached as Exhibit B, in the name of and on behalf of the County, subject to any revisions not materially adverse to the County as may be approved by the Chairman and the County Administrator upon receipt of advice from counsel to the County, and the Clerk to Council is hereby authorized and directed to attest the Fee Agreement; and the Chairman is hereby further authorized and directed to deliver the Fee Agreement to the Company.

Section 2. *Statutory Findings.* The County finds: (i) the Project will benefit 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 3. *Approval of Sponsor Affiliate.* Pursuant to Section 12-44-130 of the Act, MI Developments (America) Inc. is approved as a sponsor affiliate, so long as MI Developments (America) Inc. agrees to be bound by the terms of the Fee Agreement. The Company may request the addition of one or more additional sponsor affiliates to the Fee Agreement. Following each request, if the proposed sponsor affiliate agrees to be bound by the Fee Agreement, then following approval of the proposed sponsor affiliate by subsequent County Council resolution, the proposed sponsor affiliate shall become a party to, and be eligible for the benefits under, the Fee Agreement.

Section 4. *General Repealer.* All ordinances, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

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

GREENVILLE COUNTY, SOUTH CAROLINA

Bob Taylor, Chair
Greenville County Council

Joseph Kernell
Greenville County Administrator

(SEAL)
ATTEST:

Theresa Kizer, Clerk to Council
Greenville County Council

READINGS:

First Reading: [], 2013
Second Reading: [], 2013
Third Reading: [], 2013
Public Hearing: [], 2013

EXHIBIT A

Description of Project Site

All that piece or parcel of land, together with any and all improvements thereon, situate, lying and being in Greenville County, and being more particularly described as follows: to wit,

BEGINNING at a point at the intersection of Blakely Road (SC 23-316) and Moon Acres Road (County Road E57); thence, with the centerline of Moon Acres Road, North 11-48-55 EAST, a distance of 1163.15 feet; thence, North 11-26-41 East, a distance of 1129.97 feet to a railroad spike; thence, leaving the centerline of said Moon Acres Road with the line of Southern Region Industrial Realty, Inc., South 70-26-32 East, a distance of 1140.20 feet to an iron pin; thence, with the line of Keycon Hardware Products, Inc., South 20-33-32 East, a distance of 1525.49 feet to an iron pin; thence, continuing with the Keycon line, South 41-01-28 West, a distances 1,384.28 feet passing through an iron pin at 1357.73 feet to a point in the centerline of Blakely Road, thence, with the centerline of Blakely Road, the following 10 courses and distances, North 62-45-24 West, a distance of 130.00 feet; North 61-48-54 West, a distance of 233.41 feet; North 61-49-50 West, a distance of 175.00 feet; North 61-56-00 West, a distance of 115,00 feet; North 61-50-16 West a distance of 120.00 feet; North 61-48-54 West, a distance of 170.00 feet; North 62-30-34 West, a distance of 75.00 feet; North 63-12-40 West, a distance of 80.00 feet; North 63-50-12 West, a distance of 115.00 feet; and North 64-10-24 West a distance of 100.00 feet to the point of beginning; containing 86.485 acres, more, or less, and being located substantially as shown on plat entitled "Survey for Drive Automotive Industries of America, Inc.," prepared by James R. Freeland, South Carolina Registered Land Surveyor No. 4781 dated June 30, 1993 attached hereto and made a part hereof.

SUBJECT to those exceptions that have been identified in Schedule B-Section 2 of Lawyers Title Insurance Corporations' Commitment For Title Insurance No. PHG 93-0755 effective July 27, 1993; and

FURTHER SUBJECT to any conditions, restrictions, encumbrances, licenses or easements, whether or not of record.

EXHIBIT B

**Form of
Fee In Lieu of Ad Valorem Taxes Agreement**