

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

NO. _____

INDUCEMENT RESOLUTION

WHEREAS, Greenville County, South Carolina (the “County”), acting by and through its County Council (the “Council”), is authorized and empowered under and pursuant to the provisions of the Code of Laws of South Carolina, 1976, as amended (the “Code”), and specifically, Title 12, Chapter 44 thereof (the “FILOT Statute”) and Title 4, Chapter 1 thereof (the “Multi-County Park Act”), to enter into agreements with any industry whereby the industry would pay fees-in-lieu-of taxes with respect to qualified projects; to provide credits against payments in lieu of taxes for reimbursement in respect of investment serving the County or the project, including improved or unimproved real estate and personal property, including machinery and equipment, used in the manufacturing or industrial enterprise (collectively, “Infrastructure”); through which powers the development of the State of South Carolina (the “State”) will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate or remain in the State and thus utilize and employ the manpower, products and resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally;

WHEREAS, the County is presently recruiting an investment in the County by a company identified to the County as “Project Foundation” (the “Company”), in the form of new and/or additional manufacturing, distribution, testing, research, development, office, headquarters and/or operational facilities in the County (the “Project”);

WHEREAS, it is anticipated that the Project will represent an investment of at least \$400 million in taxable property in the County;

WHEREAS, the Company has previously made investments in the State in excess of \$500 million dollars and employs more than 1,000 people in the State;

WHEREAS, based on information supplied by the Company, the County has determined and found after considering all relevant factors and criteria as prescribed by law that the Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally; and that the Project gives rise to no pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing power of either; that the purposes to be accomplished by the Project, i.e., economic development, keeping of jobs, and addition to the tax base of the County, are proper governmental and public purposes; that the inducement of the location or expansion of the Project within the County and State is of paramount importance; and that the benefits of the Project will be greater than the costs; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Company that the Project would be a “project” as that term is defined in the FILOT Statute and that the Project would serve the purposes of the FILOT Statute.

NOW, THEREFORE, BE IT RESOLVED by the Greenville County Council that:

1. If the Company locates the Project in the County, the Council, upon request by the Company, hereby agrees to enter into one or more agreements under the FILOT Statute (the "FILOT Agreement") that will provide the Company, subject to the provisions of Section 8 hereof, with the benefits allowed pursuant to a FILOT agreement for forty (40) years for each component placed in service during the standard "Investment Period" and "Exemption Period" for an "Enhanced Investment" (as those terms are defined in the FILOT Statute), the calculation of the fee on the basis of an assessment ratio of 4%, a millage rate equal to the millage rate effective June 30, 2013 as to the site or sites in the County upon which the Project will be located, and a net present value payment method based on equal annual payments ("NPV Payment Method") with respect to project property placed in service during each year of the Investment Period.
2. Pursuant to the FILOT Agreement, the County will provide the Company with the most favorable provisions allowable under the FILOT Statute with respect to the disposal and replacement of real and personal property.
3. The Council agrees that the County will use its best efforts to cause the Project to be placed, if not already so placed, in a multi-county industrial park as provided in Article VIII, Section 13, of the Constitution of the State of South Carolina, as amended, and the Multi-County Park Act, in connection with entering into the FILOT Agreement.
4. Pursuant to Section 4-1-175 of the Multi-County Park Act and applicable provisions of the FILOT Statute, the County will cause the Company to be reimbursed for investment by the Company in Infrastructure with respect to the Project through the provision of a special source revenue credit, in the form of a 50% annual credit against FILOT payments by the Company with respect to the Project for the first twenty (20) years that such FILOT payments are made.
5. Pursuant to the FILOT Agreement, and to the extent of compliance by the Company with the provisions of the fifth (5th) sentence of Section 12-44-30(13) of the FILOT Statute, the Company will be afforded a 10-year initial investment period plus, as permitted under said Section 12-44-30(13), a five-year extension of time, in order that the Company will have the maximum investment period allowed under the Act to complete the Project, which is a total investment period of fifteen (15) years.
6. The County will enter into and execute the FILOT Agreement with the Company at such time as the Company may request, which agreement will reflect the provisions of this Inducement Resolution and such other provisions as the Company may request consistent with this Inducement Resolution and allowed by the Code.
7. To the extent permitted by the FILOT Statute, the Council agrees to waive the recapitulation requirements set forth in the FILOT Statute.

8. If the Company does not meet the required investment of \$400 million within the period required under the Act and no longer qualifies as an Enhanced Investment under the Act, then (a) the Project will, pursuant to Section 12-44-100 of the Act, continue to qualify as a FILOT arrangement and the FILOT payment under the FILOT Agreement will thereafter be calculated based upon an assessment ratio of 6%, (b) the term of the FILOT Agreement will then be for a reduced term of thirty (30) years and the fixed millage rate shall continue to be based upon the millage rate as of June 30, 2013 levied by or on behalf of all taxing entities within which the subject property is to be located, and (c) the Company will be liable to the County for any difference between FILOT payments previously paid to the County and the amounts which would have been payable under the FILOT Agreement had the FILOT payments been calculated in accordance with the provisions reflected in (a) and (b) above, plus any interest required by the FILOT Statute at the rate provided by statute.
9. If the Company does not invest at least \$45 million within the period required under the Act so that the Company is no longer eligible to calculate its FILOT payments pursuant to the NPV Payment Method, the Company will be liable to the County for any difference between FILOT payments previously paid to the County and the amounts which would have been payable under the FILOT Agreement had the FILOT payments not been calculated pursuant to the NPV Payment Method, plus any interest required by the FILOT Statute at the rate provided by statute.
10. This Resolution shall constitute action reflecting and identifying the Project for purposes of the FILOT Statute with respect to the Company.
11. The above provisions are adopted by Council (a) with the understanding that pursuant to the FILOT Agreement, the Company shall agree to (i) hold the Council members, the County and its elected officials, officers, employees and agents harmless from all pecuniary liability resulting from the County's entering into any agreement contemplated in this Resolution, all in form satisfactory to the County, and (ii) reimburse the County for reasonable out-of-pocket administrative costs incurred by the County in connection with the FILOT, including the County's reasonable attorneys' fees, and (b) with the understanding, based on representations by the Company to the County, that the Company will reimburse the County for its reasonable attorneys' fees incurred in the inducement of the Project and review of proposed documentation submitted by the Company in connection with the Project, whether or not the Company proceeds with the Project or executes the FILOT Agreement.
12. Notwithstanding anything in this Resolution to the contrary, the County's compliance with all agreements set forth herein are subject to (a) compliance by the County (and in the case of any multi-county industrial park, the partner county) with the requirements of South Carolina law and all applicable local codes and ordinances with respect to the enactment of appropriate authorizing ordinances, and (b) the delivery of implementing agreements in form acceptable to the County.

13. All resolutions or parts thereof that are in conflict herewith are, to the extent of such conflict, hereby repealed, and this Resolution shall take effect and be in full force from and after its passage.

APPROVED AND ADOPTED IN MEETING DULY ASSEMBLED THIS _____
DAY OF _____, 2014.

Chairman, Greenville County Council

County Administrator, Greenville County

ATTEST:

Clerk of Council