

STATE OF SOUTH CAROLINA)
)
 DARLINGTON COUNTY) INDUCEMENT RESOLUTION NO. 772

IDENTIFYING A PROJECT TO SATISFY THE REQUIREMENTS OF TITLE 12, CHAPTER 44 OF THE SOUTH CAROLINA CODE, SO AS TO ALLOW INVESTMENT EXPENDITURES INCURRED BY A COMPANY KNOWN TO THE COUNTY AS PROJECT TREE, ITS AFFILIATES AND RELATED ENTITIES, TO QUALIFY AS EXPENDITURES ELIGIBLE FOR A FEE-IN-LIEU OF AD VALOREM TAXES ARRANGEMENT WITH DARLINGTON COUNTY, SOUTH CAROLINA; PROVIDING FOR OTHER RELATED ECONOMIC DEVELOPMENT INCENTIVES, INCLUDING SPECIAL SOURCE REVENUE CREDITS; AND OTHER MATTERS RELATED THERETO.

WHEREAS, Darlington County (the "County") is a political subdivision of the State of South Carolina (the "State") and as such has all powers granted to counties by the Constitution and the general law of this State; and

WHEREAS, the County, acting by and through its County Council, is authorized and empowered (i) under and pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended (the "Act") to enter into agreements with qualifying companies to encourage investment in projects constituting economic development property through which the economic development of the 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 to covenant with such industry to accept certain fee payments in lieu of *ad valorem* taxes ("FILOT") with respect to such investment; and (ii) to make and execute contracts pursuant to Section 4-9-30 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, pursuant to Title 4, Section 1, Code of Laws of South Carolina, 1976, as amended ("MCIP Act"), the County is authorized (i) to develop multi-county industrial or business parks in partnership with counties having contiguous borders with the County, (ii) to include within the boundaries of such parks the property of eligible companies; and (iii) to grant special source revenue credits against FILOT payments to qualifying companies to offset qualifying infrastructure related expenditures ("Special Source Revenue Credits"); and

WHEREAS, a company known to the County as Project Tree, as Sponsor, along with one or more existing, or to-be-formed or acquired subsidiaries, or affiliated or related entities and any Sponsor Affiliates that the Sponsor may designate and the County may approve in accordance with the Act (collectively, the "Company"), contingent upon satisfaction of certain commitments made by and on behalf of the County, as set forth herein and to be further set forth in future agreements, and to the extent allowed by law, plans to establish a solar energy generation facility ("PV Facility"), which may include, but shall not be required to include, a solar energy generation storage facility ("Storage Facility"), in the County through the acquisition, lease, construction and/or purchase of certain land, buildings, furnishings, fixtures, apparatuses, and equipment (collectively, the "Project"), which will result in approximately \$79,550,000 in new investment in real and personal property in the County ("Investment"); and

WHEREAS, as an inducement for the Project, the Company requests and the County desires to provide certain incentives, including, but not limited to, the following: (1) the incentive of a FILOT for a term of

at least 30 years, but not more than 40 years, and having a fixed assessment ratio of 6% with a millage rate equal to the lowest millage rate permitted pursuant to Section 12-44-50(A)(1)(d) of the Act, the terms of which shall be further set forth in a fee-in-lieu of ad valorem taxes agreement between the County and the Company (“Fee Agreement”); (2) the placement of the Project in a multi-county industrial or business park of which the County is a member county, pursuant to the MCIP Act; (3) the provision of an annual Special Source Revenue Credit against each FILOT payment made by the Company to the County with respect to the Project corresponding to each tax year during the term of the FILOT incentive (e.g., tax year 2027 would correspond to the FILOT payment due to the County on or about January 15, 2028) in an amount equal to the difference between the annual gross FILOT payment calculation (prior to application of any Special Source Revenue Credits) due for such tax year and an annual net FILOT payment liability due to the County for such tax year, which shall be calculated annually as follows: a) For tax years 1-10, the sum of \$4,000 per megawatt of alternating current generation capacity of the PV Facility plus \$4,000 per megawatt of alternating current nameplate storage capacity of any Storage Facility at the Project; and b) For property tax years 11-30, the sum of \$3,500 per megawatt of alternating current generation capacity of the PV Facility plus \$3,500 per megawatt of alternating current nameplate storage capacity of the Storage Facility, if any (for example, if the anticipated megawatts of alternating current generation capacity of the PV Facility plus the nameplate storage capacity of any Storage Facility is 70.0, then the annual net FILOT payment due with respect to the Project (including, both the PV Facility and the Storage Facility) after application of the Special Source Revenue Credit would be \$280,000 for property tax years 1-10 and \$245,000 for property tax years 11-30); and (4) any other incentives that may be set forth in the Fee Agreement or other agreements by and between the County and the Company (collectively, the “Incentives”); and

WHEREAS, the parties recognize and acknowledge that the Company would not otherwise locate the Project in the County but for the delivery of the Incentives and the Company is relying on the offer of the Incentives to proceed with its development activities for the Project; and

WHEREAS, in accordance with Section 12-44-40 of the Act, and based on information provided by the Company, the County has determined that (i) the Project will benefit the general public welfare of the County by providing services, employment, recreation or other public benefits, not otherwise adequately provided locally; (ii) the Project will not give rise to any pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of the County or any incorporated municipality; (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.

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

Section 1. Project Identification for Purposes of the Act. The County hereby identifies the Project as a “project” as contemplated by Section 12-44-40 of the Act.

Section 2. Project Findings. Based on information provided by the Company, the County hereby finds and affirms its determination that: (i) the Project will benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally; (ii) the Project will not give rise to any pecuniary liability of the County or incorporated municipality and or a 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. Authorization to Negotiate Incentives. The County shall negotiate in good faith the Incentives and the agreements relating thereto, including but not limited to the Fee Agreement. The County

acknowledges that the Company is relying upon the Incentives set forth herein for purposes of considering the development of the Project in the County.

Section 4. **Placement of Project in a Multi County Industrial or Business Park.** The County shall use its best efforts to cause the Project, if not already so placed, to be located and to remain within the boundaries of a multi county industrial or business park as provided in Article VIII, Section XIII of the South Carolina Constitution and the MCIP Act on terms which facilitate the County's provision, and the Company's receipt, of the Special Source Revenue Credits described herein, and as shall be further described in the Incentive Agreement.

Section 5. **Past and Future Acts.** The County Council hereby authorizes the Chair of the County Council and other County staff, along with any designees or agents designated thereby, including the County's attorney for this Project, in the name of and on behalf of the County (each an "Authorized Individual"), to take whatever further actions, and enter into whatever further agreements, as are allowed by law and as any Authorized Individual deems to be reasonably necessary and prudent to effect the intent of this Resolution and induce the Company to locate the Project in the County, and authorizes and ratifies all actions previously undertaken by Authorized Individuals with respect to the Project and the actions contemplated by this Resolution.

Section 6. **Severability.** Should any part, provision, or term of this Resolution be deemed unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such finding or determination shall not affect the rest and remainder of the Resolution or any part, provision or term thereof, all of which is hereby deemed separable.

Section 7. **Repealer Clause.** All orders, resolutions, or any parts of either, in conflict with this Resolution are, to the extent of that conflict, repealed. This Resolution is effective and remains in effect as of its adoption by the County Council.

Resolved: January 2, 2024

DARLINGTON COUNTY, SOUTH CAROLINA



Bobby Hudson
Chairman, Darlington County Council

Attest:



JaNet Bishop
Clerk to Council