

**NEWBERRY COUNTY COUNCIL
MINUTES
SEPTEMBER 4, 2019**

Newberry County Council met on Wednesday, September 4, 2019, at 7:00 P.M. in Council Chambers at the Courthouse Annex, 1309 College Street, Newberry, S.C., for a regular scheduled meeting.

PRESENT: Henry H. Livingston, III, Chairman
Kirksey Koon, Vice-Chairman
Steve Stockman, Council Member
Travis Reeder, Council Member
Dr. Harriett Rucker, Council Member
Johnny Mack Scurry, Council Member
Wayne Adams, County Administrator
A.J. Tothacer, County Attorney
Debbie S. Cromer, Finance Director
Karen Brehmer, Assistant to County Administrator
Susan C. Fellers, Clerk to Council

ABSENT: Scott Cain, Council Member

MEDIA: Andrew Wigger, Newberry Observer

Mr. Livingston called the meeting to order at 7:00 p.m.

Mr. Scurry had the invocation followed by the Pledge of Allegiance.

1. Additions, Deletions and Adoption of Agenda.

There being no additions or deletions to the Agenda, Dr. Rucker moved to adopt the agenda as presented; seconded by Mr. Stockman. Vote was unanimous.

2. Personal Appearances.

A. Samantha Baird Snyder - Community Christmas Tree Funding Request.

Ms. Snyder, Chairperson of the 2019 Community Christmas Tree Funding Committee, requested \$1,500 from County Council to assist with the tree purchase and decorating.

Motion by Dr. Rucker to approve the request of \$1,500; second by Mr. Reeder. There being no discussion, Mr. Livingston called for the vote. Voting for the Motion: Dr. Rucker, Mr. Reeder, Mr. Livingston, Mr. Stockman and Mr. Scutty. Voting against the Motion: Mr. Koon (cannot support special interest groups or non-essentials). Motion passed by majority vote.

B. Andrew Wigger and Carlton Kinard - Graduates of the Leadership Program Class 2018-2019.

Mr. Kinard and Mr. Wigger presented information to Council regarding the Leadership Newberry County Class of 2018-19, from which they graduated this year. There were 15 in their class this year. Mr. Wigger won an award for emerging leader of the year.

3. Ordinance #07-09-19: An Ordinance authorizing (1) the execution and delivery of a fee-in-lieu of *ad valorem* taxes and incentive agreement by and among Newberry County, South Carolina (the "County"), a company identified for the time being as Project Sam Operating Company, and a company identified for the time being as Project Sam Real Property Owner, each acting for itself, one or more affiliates, and/or other project sponsors (collectively, the "Companies"), pursuant to which the Companies shall be entitled to certain negotiated fees in lieu of ad valorem taxes with respect to the establishment of certain facilities in the County (the "Project"); (2) the addition of the Project to a multi-county industrial or business park; (3) the provision of certain special source revenue credits in connection with the Project; and (4) other matters relating thereto. (KRA Operations, LLC, and KRA Real Estate, LLC).

A. Public Hearing

EXPLANATION: Project Sam, which we now know as KRA, refers to a top-tier Samsung supplier - the first to locate in South Carolina. The Project is committing to the creation of at least 57 jobs and the investment of at least \$11.5 Million. The County would agree to a 30 year fee-in-lieu of Taxes schedule, a 6% assessment ratio, a locked taxation rate of 382 mills and certain Special Source Revenue Credits. These Special Source Revenue Credits would reduce scheduled fee payments by 100% in the first year, by 66% in year two, and by 40% for the remainder of the agreement term; except that, if investment reaches \$12.5 Million, the reduction for each year in the remainder of the term would be 50%. Additionally, the County is providing 15.65 acres of property (two parcels) and a site grant of \$450,000, which is budgeted in the

current fiscal year. Total site development costs are approximately \$1.5 Million. Construction investment is right now estimated at \$10 Million.

Motion by Mr. Scurry for the public hearing; second by Mr. Stockman. There being no discussion, Mr. Livingston called for the vote. Vote was unanimous.

Mr. Livingston declared this to be the public hearing.

Kenneth Brooks asked how this would benefit the taxpayers and how it would affect the taxpayers if the company does not hold up their end of the agreement. He felt 30 years was a long time.

Mr. Livingston said the County was fortunate to have this industry and that we have a good attorney on staff, as well as other attorneys. They still have to continue paying taxes on the building, even if it is empty.

Mr. Adams said Caterpillar built a building, left and sold the building to Samsung before it was even empty. KRA is taking property in the Industrial Park and investing over \$1 Million of their money to make it buildable and then another \$10 or \$11 Million dollars in a building. In the worst case if they left, we would have another opportunity just like with Caterpillar, only on a smaller scale. There is no debt associated with this for the county. We would lose the tax on the taxable equipment inside if they moved out but they would still have to pay taxes on the building until it is sold.

There being no further comments from the public, Mr. Reeder moved that the public hearing come to a close; seconded by Mr. Stockman. Vote was unanimous.

Mr. Livingston declared the public hearing closed.

4. Ordinance #07-09-19: An Ordinance authorizing (1) the execution and delivery of a Fee-In-Lieu of Tax and Incentive Agreement by and among Newberry County, South Carolina (the "County"), KRA Operations, LLC, a company previously identified as Project Sam Operating Company, KRA Real Estate, LLC, a company previously identified as Project Sam Real Property Owner, each acting for itself, one or more affiliates, and/or other project sponsors and previously identified collectively as Project Sam (collectively, the "Companies"), pursuant to which the companies shall be entitled to certain negotiated fees in lieu of ad valorem taxes with respect to the establishment of certain facilities in the County (the "Project"); (2) the addition of the Project to a Multi-County Industrial or

Business Park; (3) the provision of certain Special Source Revenue Credits in connection with the Project; and (4) other matters relating thereto.

A. Third Reading

EXPLANATION: Same as Agenda Item #4. This company will make plastic injection parts for Samsung washing machines.

Motion for third reading by Mr. Stockman; second by Mr. Reeder. There being no discussion, Mr. Livingston called for the vote. Vote was unanimous.

Mr. Livingston recognized William Chang. Mr. Chang expressed appreciation to Council for their support.

5. Ordinance #08-10-19: An Ordinance authorizing the execution of an Equipment Lease-Purchase Agreement in an amount not exceeding \$965,000 relating to the purchase of certain equipment by Newberry County, authorizing the execution of other necessary documents and papers, and other matters relating thereto.

A. Second Reading

EXPLANATION: Since 2010, Newberry County has purchased heavy rolling stock and other big-ticket items for emergency services and public works utilizing the lease-purchase method. This method provides considerable fiscal benefit in that 1) it avoids the use of general operating millage, which is subject to millage limitations under Act 388; 2) it minimizes impact on the County's statutory borrowing capacity by limiting each year's debt issue to one-fifth of the purchase price, i.e., utilizing a series of five one-year bonds rather than a single five year amortization. The items budgeted for purchase by this method in the current fiscal year are as follows: one pumper-tanker fire truck (\$325,000), one backhoe (\$98,604), three pick-up trucks (\$98,853), two ambulances (\$350,000), and two heart monitors (\$90,000). The total cost of these purchases is \$962,457. This same Ordinance also includes indebtedness on the County's public works facility, which also takes the form of installment debt (serial one-year notes).

Motion by Mr. Koon for second reading; second by Mr. Stockman. There being no discussion, Mr. Livingston called for the vote. Vote was unanimous.

6. Ordinance #08-11-19: An Ordinance authorizing the execution and delivery of a fee in lieu of ad valorem taxes and incentive agreement by and between Newberry County,

South Carolina and Valmont Industries, Inc. to provide for payment of a fee in lieu of taxes; authorizing certain infrastructure credits; and other related matters.

A. Second Reading

EXPLANATION: Valmont Industries is an existing company in Newberry County that is pledging new investment of \$13.75 Million and the creation of 50 additional jobs. For incentive purposes, the County would offer a 20-year fee-in-lieu of taxes schedule, a 6% assessment ratio, a locked taxation rate of 382 mills, and certain Special Source Revenue Credits. These Special Source Revenue Credits would reduce scheduled fee payments by 40% for each of the first 10 years.

Motion by Mr. Scurry for second reading; second by Dr. Rucker. There being no discussion, Mr. Livingston called for the vote. Vote was unanimous.

7. Ordinance #08-13-19: An Ordinance acting on a request to amend the official zoning map established pursuant to Zoning Ordinance #06-11-16, Codified in Chapter 153 of the Newberry County Code of Ordinances, so as to rezone a two and five-hundredths (2.05) acre portion of one real estate parcel thirty-nine and eighty-eight hundredths (39.88) acres designated as TMS Parcel No. 690-23 from R2 Rural (R2) to General Commercial (GC).

A. Second Reading

EXPLANATION: This property is located on Highway 176 outside the Pomaria Town Limits and near the intersection of SC Highway 202. The stated purpose of the rezoning is to locate a Dollar General (retail commercial use) on this property, which is next to the Pomaria Post Office. No member of the public expressed opposition when the matter was considered by the Planning Commission.

Motion by Mr. Stockman for second reading; second by Mr. Reeder. There being no discussion, Mr. Livingston called for the vote. Vote was unanimous.

8. Ordinance #09-14-19: An Ordinance authorizing the termination of the agreement governing the Lexington-Newberry Industrial Park dated July 28, 1998, between Lexington County, South Carolina and Newberry County, South Carolina. (Title Only)

A. First Reading

EXPLANATION: The County's existing multi-county park agreement with Lexington County calls for a termination date of July 29, 2019, but requires an Ordinance to complete the termination process. In recent years Newberry County has placed all new multi-county park projects into its agreement with Greenwood County. The revenue sharing with Lexington County is 1% of the proceeds; with Greenwood County it is one-tenth of one per cent. Any industries covered under the Lexington County agreement with automatically transfer to the Greenwood County multi-county agreement.

Motion by Mr. Koon for first reading by title only; second by Mr. Stockman. There being no discussion, Mr. Livingston called for the vote. Vote was unanimous.

9. Ordinance #09-15-19: An Ordinance approving the transfer of certain property located in Newberry County; and other matters related thereto. (Title Only)

A. First Reading

EXPLANATION: This Ordinance transfers the 15.65 acres (two parcels) referenced in agenda items 3 and 4 above to KRA. Code Section 4-9-30(2) of the SC Code of Laws allows counties to "sell or otherwise dispose of real and personal property." Code Section 4-9-130(6) requires that a public hearing be held whenever counties "sell, lease or contract to sell or lease real property owned by the county."

Motion by Mr. Reeder for first reading by title only; second by Mr. Scurry. There being no discussion, Mr. Livingston called for the vote. Vote was unanimous.

10. Appointments

Mr. Reeder recommended the reappointment of Ms. Vina Abrams to the Central Midlands Council of government; second by Mr. Scurry. Vote was unanimous.

GLEAMNS recommends the following appointments:

- Mamie Shippy, Public Sector
- Travis Reeder, Private Sector
- Zebbie Goudelock, Low Income Sector

Motion by Mr. Scurry to approve recommendation of GLEAMNS; second by Dr. Rucker. Vote was unanimous.

11. Committee Reports

No committee reports.

12. Public Comments (by those who signed up at the meeting)

No public comments.

13. Executive Session (if needed)

No Executive Session needed.

14. Comments/Requests from County Administrator.

Mr. Adams expressed thanks for William Chang locating his business here.

15. Comments/Requests from Council Members

Mr. Scurry thanked everyone for coming, especially Leila Caldwell.

Dr. Rucker welcomed William Chang.

Mr. Reeder expressed appreciation for the leadership in Newberry County and thanked William Chang for his business in Newberry County.

Mr. Stockman thanked Rick Farmer for all he does and thanked William Chang for coming to Newberry.

Mr. Koon asked for prayers those persons suffering damages from the storm.

Mr. Livingston thanked everyone for coming out and participating tonight.

Mr. Reeder mentioned the NAACP Freedom Fund Banquet coming up in October and reminded everyone to get tickets.

16. Future Meetings:

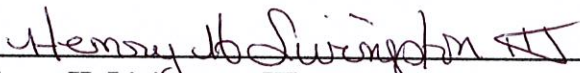
- A. **Personnel and Intergovernmental Relations Committee - 9/9/19 @ 6:00 p.m.**
(Meeting has been cancelled)
- B. **County Council - 9/18/19 @ 7:00 p.m.**
- C. **Economic Development Committee - 9/23/19 @7:00 p.m.**
- D. **County Council - 10/2/19 @ 7:00 p.m.**
- E. **Public Safety and Courts - 10/7/19 @ 5:00 p.m.**

17. Adjournment.

There being no further business to come before the County Council, Mr. Reeder moved to adjourn; seconded by Mr. Stockman. Vote was unanimous.

Mr. Livingston declared the meeting adjourned at 7:50 p.m.

NEWBERRY COUNTY COUNCIL



Henry H. Livingston, III, Chairman



Susan C. Fellers, Clerk to Council

Minutes Approved: 10-16-19