

NEWBERRY COUNTY COUNCIL
ECONOMIC DEVELOPMENT COMMITTEE
MINUTES
May 23, 2022

The Newberry County Council Economic Development Committee met on Monday, May 23, 2022, at 6:00 p.m. in Council Chambers at the Courthouse Annex, 1309 College Street, Newberry, SC, for its regularly scheduled meeting.

Notice of the meeting was duly advertised, as required by law.

PRESENT: Henry H. Livingston, III, Committee Chair
Travis Reeder, Council Member
Rick Farmer, Economic Development Director
Christopher Inglese, County Administrator (6:20 p.m.)
Jackie Lawrence, Clerk to Council
Susan Fellers

ABSENT: Robert N. Shealy, Council Member

1. Call to Order

Mr. Livingston called the meeting to order at 6:08 p.m. and determined a quorum to be present.

2. Additions, Deletions and Adoption of Agenda

Mr. Reeder moved to adopt the Agenda, as presented; seconded by Mr. Livingston. Vote was unanimous.

3. Public Comments

Mr. Mac Flores introduced himself as working for Ecoplexus and that he is grateful for having already had a couple of presentations in Chambers and looking forward to more. He ultimately just wanted to show his face and to let the Council and Committee know that they are very excited about bringing the project forward to the County and getting everything passed by working with Rick and the rest of the County. He was not to present at this meeting but wanted to make their presence known.

4. Staff Report

a. Project activity

Mr. Farmer stated that the Project Activity is high. He had 6 RFI's last quarter as well as the previous quarter. There are several expansions in the works. Activity is fairly robust.

b. Product Development

- i. Mr. Farmer updated the Mid-Carolina Commerce Park Expansion. This is the road extension project in the original Mid-Carolina Commerce Park that commenced last summer. Construction continues although with some delays. Most notably by the weather but there have been delays with materials. The completion date will be pushed back a couple of months. It will probably be complete by late summer. This does open about eight (8) new sites for development in the backside of Mid-Carolina Commerce Park. The largest picture is the skeleton of the bottomless culvert. Instead of building a bridge, this is a more cost-effective way to do it. However, having said that it is still a very expensive proposition.
- ii. Mr. Farmer stated that Daeyoung construction continues in Mid-Carolina Commerce Park II. He, the Administrator, the Fire Marshall, and the Building Official have been onsite and have toured the construction site and discussed some schedules

for completion. It is a very, very tight project. It has lost a couple of months due to weather delays, but it is still moving forward.

- iii. Mr. Farmer addressed the Mawsons Way Repairs, Resurfacing and Extension project. These were two projects submitted in the Capital Project Sales Tax. Both projects were cut by the Capital Project Sales Tax Commission, so we are back to square one on both. The need to fix the road was first identified back in 2017 during the recruitment of Samsung. A study was commissioned in 2019 to evaluate the road. The recommendation from the study was a full depth reclamation and overlay. The 2022 estimate for the repair is \$1,600,000.00. Currently there is no identified source for funding for this project. The Extension would add a second entrance to the park, making the park safer having two points of ingress and egress instead of one. The total cost to build this road is \$2,800,000.00. We have a verbal commitment from the coordinating council for a \$2,500,000.00 grant. Samsung needs to announce that it has invested much more and created more jobs than they originally promised to open that grant. Newberry County would need to come up with the remaining \$300,000.00. He has applied for \$167,000 from the Newberry Electric Cooperative for the utility tax credits. That decision is currently pending but the hope is to apply those funds to the Newberry County's portion. Mr. Livingston asked that with the credit then Newberry County would only be responsible for roughly \$135,000.00? Mr. Reeder stated that this project did not include the resurfacing project. Mr. Farmer affirmed that the extension project and the resurfacing project were independent of one another.

c. Prospect Development

- i. Staff is working actively with the City of Newberry on grocery store recruitment. There have been numerous meetings over the last several weeks. Marketing materials are being updated to show new growth and jobs coming to make a compelling case with grocers and developers. There is a promising new lead from North Carolina. Once the marketing information is updated there will be a meeting set. Two things that grocers look for is income and residential growth. Newberry is making progress in both of those areas.
 - ii. Staff has asked the company that built and hosts the website to make some recommendations for changes and improvements in effort to not need a complete overhaul which would cost \$15,000.00 to \$30,000.00
- d. Other
- i. Council accepted on May 18, 2022, a proposal for Creative Economic Development Strategic Planning to facilitate and create the plan for \$52,615.00. That firm has been contacted and notified that their proposal has been accepted. A meeting should take place soon to start laying the groundwork. The time frame for this is about 7 months. There were 24 applications received for the 10 spots to be filled for Economic Development Strategic Plan Task Force.
 - ii. Staff requested approval for payment of the quarterly invoice for Central SC in the amount of \$18,000.00.
Mr. Reeder moved to send the invoice to full Council for approval, seconded by Mr. Livingston. Mr. Livingston called for the vote. Vote was unanimous.
Staff made a request of the Committee that since Council approves payment of these invoices when it passes the annual budget that it be allowed to dispense with quarterly reviews and

approvals. Invoices would go straight to the Administrator for payment.

Mr. Reeder moved that the invoice be approved one time through the budget. Mr. Livingston agreed.

- .iii. Mr. Inglese stated the public safety needs for the County have evolved over the last several years as industry has come to Newberry. There has been a good deal of growth and we have not grown our Public Safety investment, we have not grown our Parks & Rec. investment, our Public Works has been stagnant as well. Industry and job creation has an impact on Public Safety, more calls for fire alarms, more accidents on our roads, more garbage at the transfer station and more people looking for recreational opportunities. During the budget process Staff pitched the idea for a special fund for Parks & Recreation partially funding Parks & Rec. from FILOT fees. That died. It did not win favor with Council, but a good discussion came from that which was how do we fund Capital Equipment Purchases in the future. Do we really want to rely on FILOT fees ongoing, recurring operational expenses, which we are already doing but should we continue? Those discussion points lead to ask questions of our Economic Development Attorneys, If Council want to direct funds specifically to Public Safety, i.e., create a fund for purchasing fire trucks, ambulances, and equipment that are constantly being updated, approved, and need to continuously be purchased to stay up to date. The response was positive one. The suggestion was that Council has the option at the time a MCIP is created or even later if you want to do an Industrial Park Agreement to divert funds in any way that you want to. For Example, if a new MCIP was going to be created and an industry was going to invest in that park and create jobs there, put in a building, make investments in the real estate, bring millions of dollars in equipment that would be taxed, that new revenue source could be diverted by Council. Council could direct 50% of the new revenue from this new

park to go to capital purchases for Public Safety, 25% to go to capital purchases for Parks & Recreation or to help cover equipment costs at the transfer station. Over the last several years we have learned where the impact is from the new industries. Through an Ordinance process Council would divert funds in a particular way. He wanted to bring it to the Committees attention so that they are aware that this option is available.

Mr. Reeder believes this will be easier than trying to create Bonds and pay it back later if we already had a fund available. This would be something we would put in on a yearly basis.

Mr. Inglese stated that the fund could be started at the time MCIP is created. The revenue could be diverted at that time.

Mr. Livingston stated that the disadvantage is that those funds that were once going into the General Fund could offset taxes for our citizens would be going into another fund. However, eventually the citizens are going to have to pay for the rolling stock or whatever any way, so it is a wash.

Mr. Inglese added that it is a wash on the dollars as we must get the dollars and the equipment, but it is a mitigation of risk benefit because we are not relying on it for operations but diverting it to capital and we save on the interest for not having a lease purchase on large purchases.

Mr. Livingston stated that the need for also diverting ten or fifteen percent over into Economic Development, whether it be for road improvement, etc. that we need now and where is the money coming from.

Mr. Inglese stated that at the MCIP is being created, the revenue would be divided to the needed places.

- iv. Staff has had recent, existing industry contact. The goal is to visit each industry, even if nothing is going on, to visit once a year. Some of the industries the visitation is much more common. There is an extensive list of existing industries visited in the last several months to include Georgia-Pacific, MacLean, West Frazer, Big Gun Robotics, Komatsu, KRA, MM Technics, Pioneer, Kiswire, Comfort Care, Creative Liquid Coatings, SMW, Metal Masters, Samsung, etc.

5. Comments by and discussion items from Committee Members.

No comments or discussion from Council

6. Executive Session

30-4-70(a)(2) and (a)(5): Discussion of matters incident to proposed contractual arrangements, and related to the proposed location, expansion, or the provision of services encouraging location or expansion of industries or other business in the area served by the public body, including Projects Eco, Peru, Ram, Voltage, Nona, Benefit, Uncle Sam, Green, Viking, PB&J, and others.

Mr. Reeder moved to go into Executive Session for the above stated reasons; seconded by Mr. Livingston. Vote was unanimous.

EXECUTIVE SESSION

6:20 P.M. – 6:52 P.M.

Mr. Reeder moved to come out of Executive Session.

Mr. Reeder stated that the Sheriff brought to his attention that the salaries for Law Enforcement continues to go up in the surrounding counties.

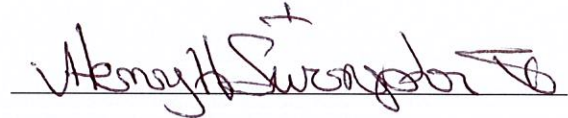
Mr. Inglese stated that the Comp Class Study should be complete in four months and then maybe it can be revisited for budget.

Mr. Reeder moved to adjourn the meeting, seconded by Mr. Livingston. Vote was unanimous.

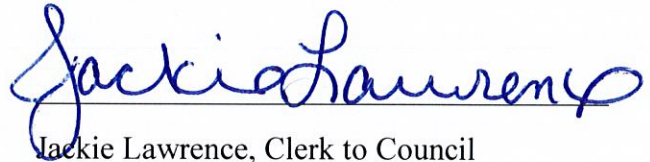
Mr. Livingston declared the meeting adjourned at 7:08 p.m.

Newberry County Council

Economic Development Committee



Henry H. Livingston - Chairman



Jackie Lawrence, Clerk to Council

Minutes approved: July 6, 2022