

*NEWBERRY COUNTY COUNCIL
ECONOMIC DEVELOPMENT COMMITTEE MINUTES
AUGUST 15, 2022*

The Newberry County Council Executive Committee met on Monday, August 15, 2022, at 6:00 p.m. in Council Chamber at the Courthouse Annex, 1309 College Street, Newberry, SC, for a regular scheduled meeting.

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

*PRESENT: Henry H. Livingston, III, Committee Chairman
Travis Reeder, Committee Member
Robert N. Shealy, Committee Member
Les Hipp, County Council Member
Christopher Inglese, County Administrator
Rick Farmer, Economic Development Director
Jacquelyn R. Lawrence, Clerk to Council*

Mr. Livingston called the meeting to order and determined a quorum to be present.

Additions, Deletions & Adoption of the Agenda

Mr. Shealy moved to adopt the agenda, seconded by Mr. Reeder. With no further discussion Mr. Livingston called for the vote. The vote was unanimous.

Public Comments

No public comments.

Staff Report – Rick Farmer, Economic Development Director

Mr. Farmer reported that the project activity remains fair to strong with five new projects last quarter and several potential projects in the works.

Product development for MCCP Expansion – *Construction is back on track after resolving an issue with the contractor. Those delays have pushed the completion to some time in the fall. Upon completion this will open eight to ten new sites. Some of these sites are already being pitched to potential prospects.*

Product Development for MCCP II – Daeyoung construction continues. The company has received partial Temporary Certificate of Occupancy (TCO). Installation and testing of machinery has begun. Construction is expected to be final by the end of November. This will be a \$51,000,000 or more project and should open up 224 jobs to the area. The road issue has been up and down but seems to be coming under control.

Mawsons Way Extension – An outside attorney is now working with the three landowners that own the land needed for the road construction. It is estimated to cost \$2,800,000 to build the road. Currently, there are commitments for \$3,600,000 in funding for this project. The breakdown of the funds committed are, \$2,000,000 from the Coordination Council for Economic Development based on Samsung's growth above its guarantees, County Transportation Committee has committed \$1,500,000 over the next three years, Newberry Electric Cooperative has given a check for \$167,000 in Utility Tax Credits instead of paying taxes to the state.

Mawsons Way Repairs and Resurfacing – Staff originally identified the need to fix the existing road in 2017 while recruiting Samsung. A study was performed in 2019 to evaluate the existing road and to obtain recommendations for the necessary repairs. The recommended repairs were full depth reclamation and overlay. The repair was estimated to cost \$1,600,000. The Department of Public Works received an estimate for around \$700,000. With the cost of the new road at \$2,800,000 and the repairs at \$700,000, the department should have enough funds to cover the costs with the \$3,667,000 in committed grants. It may be beneficial to hire an outside source to do a detailed report regarding this project.

Prospect Development – Grocery Store incentives – Staff is working closely with the City of Newberry to recruit grocery stores. There is currently a policy in affect that will expire in September 2022. Staff asked for a renewal of the incentive policy.

Mr. Reeder agreed that the incentive policy should be renewed. Staff suggested that the policy be amended or revised as there are some ways that the policy could be improved. Mr. Livingston also agreed that the policy needs to be enhanced, if possible, to make it more appealing.

Staff has learned that the grocery stores that have shown interest in Newberry are seeking to be placed near the Wal-Mart and not at the interstate.

Korea Mission - Staff will be traveling to Korea in October 2022. It will include five days of meetings. Daeyoung that is building a \$50,000,000 project in Newberry County was part of the Mission meeting from 2020. Staff will reach out to Samsung during the travel time to check in with them and see how things are going for them.

Economic Development Strategic Planning – The Committee has had its first meeting with about 25 people in attendance. Whitmire, Pomaria, and Prosperity have their meetings soon. Little Mountain is being added to the list of meetings also. Chappells is also requesting a meeting, however finding a facility to hold the meeting there is posing a problem. Once that is worked out staff will advise. County Council will have a session August 23, 2022, at 1852 Wilson Road. Staff hopes that all of Council will be able to attend. There will hopefully be a

Zoom option if anyone is unable to attend. The Economic Development Strategic Plan Task Force is made up of 10 very strong members from the Newberry Community.

Discussion of Capital Fund – Staff believes that this may be the time to capture some of the revenue streams from Daeyoung and Ecoplexis that have come into Newberry. The idea, with respect to Daeyoung, is to get the County's return on the investment repaid first. If that revenue is captured first, it will take about three years for the investment to be repaid. Otherwise, it will take about twelve years. Regarding Ecoplexis, it has the potential for additional revenue. Pluses regarding revenue from a solar company is there is no school tax or emergency services tax that would have to split up.

Mr. Inglese proposed that a specific portion of the revenue proceeds be divided up and used for specific projects. This would commit a specific amount of the FILOT revenues to the Capital Fund should there be a large drop in the current flow of revenue. The hope would be that the County does not struggle to make the financial obligations it has yearly with this money set aside. The existing MCIP would need an amendment. For example, MCCPI and MCCPII are in a multicounty industrial park, an amendment could be done to state that 50% of the revenue from this park will go to the Capital Fund. Within that Capital Fund monies could be specified to be designated to certain projects or needs. The question to committee is what would be the amount to take to full council to be designated?

Committee members stated that coming up with an exact streaming amount is unclear. Also, that the stream may need to be designated just for Economic Development. Without a decent surplus the County would not be able to help bring in additional businesses to Newberry. This matter should remain up for discussion before being brought to full council.

Discussion of recent changes in State Law on FILOTS – Staff reports that the recent changes will lower manufacturing assessments from 10% to 6%, the same is for commercial assessments. There will be no impact on any companies operating under FILOTS. The change is good for older and smaller manufacturers that are unlikely to operate under a FILOT deal. The State will be reimbursing counties for lost taxes.

Committee would like to potentially do a "workshop" regarding the current FILOTS and BONDS so that Council would be aware of which ones are expiring, the ones that no revenue is being collected, etc. This would probably be scheduled for some time in September or October.

Existing Fee Agreements that will be expiring soon –

Komatsu - \$20,000,000, 225 jobs, 2001 deal was set to expire in 2021, Council added an additional 10 years in 2018 making the new expiration 2031.

Pioneer Frozen Foods - \$32,500,000, 143 jobs, expires in 12/2022, 257 mills

Kraft - \$10,000,000, expires 10/2022, 257 mills

Consideration of dedication to former County Administrator – Staff noted that at the request of Council a couple of ideas for a possible dedication could be the extension of Commerce Park

Avenue that is in MCCPI. The road name could be Wayne Adams Way or Wayne Adams Lane. The other option would be in MCCPII that the park itself be dedicated to Wayne Adams.

Committee is in favor of the options presented and the proposal being taken before full Council.

Councilman Hipp expressed his opposition to the proposal.

Mr. Reeder made a motion to move forward with presenting the proposal to full Council, seconded by Mr. Shealy. With no further discussion Mr. Livingston called for the vote. The vote was unanimous.

Recent Existing Industry Contacts - *Staff has made contact with the following: Maclean, Sea Pro Boats, Komatsu, Samsung, Trucast, Kiswire, MM Technics, KRA, Trane, Creative Liquid Coatings, Metal Masters, West Fraser.*

Upcoming Existing Industry Meetings – *Staff will be meeting with the following soon: Comfort Care, West Fraser, Carolina Pet Beds/ KT MFG.*

Executive Session

Code Section §30-4-70 (a)(2) and (a)(5) of the Code of Laws of SC, as amended, 1976

(1) 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, Viking, Motion, Osema, Singularity, Scout, and others.

Mr. Shealy moved to go into Executive Session to discuss the matters as set forth above; seconded by Mr. Reeder. Mr. Livingston called for the vote. The vote was unanimous.

Executive Session

6:53 P.M. - 8:15 P.M.

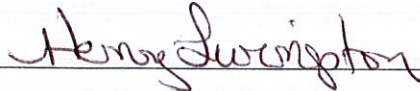
Mr. Reeder moved to return from Executive Session, seconded by Mr. Shealy. Mr. Livingston called for the vote. The vote was unanimous.

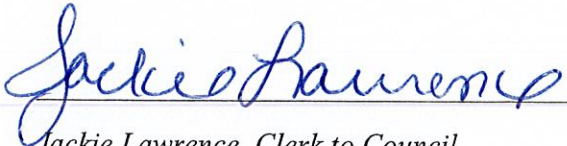
Mr. Reeder stated no action was taken in Executive Session.

Adjournment

Mr. Reeder moved to adjourn the meeting, seconded by Mr. Shealy. Mr. Livingston called for the vote. The vote was unanimous. Meeting adjourned at 8:17 p.m.

Newberry County Council


Henry Livingston, Chairman


Jackie Lawrence, Clerk to Council

Minutes approved: October 19, 2022