

Minutes
York County Economic Development Committee Meeting
Tuesday, February 26, 2019
12:00pm

The York County Economic Development Committee met on the above date for an Economic Development Committee Meeting at 12:00pm at the Economic Development Office, 1830 Second Baxter Crossing, Fort Mill, SC. The following Council members were present: Council member Robert Winkler, Council member Joel Hamilton and Council member Christi Cox. Also present were: County Manager, Bill Shanahan, Assistant County Manager, David Harmon, Assistant County Manager, Kevin Madden, Economic Development Director, David Swenson, County Attorney, Michael Kendree and Clerk to Council, Karen Brogdon.

Meeting called to order by Chairman, Robert Winkler

1. David Swenson, Economic Development Director provided a product development update. Mr. Swenson explained that there are 3 sites - Duke Energy – CSX site evaluation and York Electric Cooperative – Hwy 274 and the Est York Industrial Park Spec Building.
 - a. Duke Energy – CSX Site Evaluation – determined several pros and cons:
 - i. Pros
 1. +/- 343 acres but +/- 276 are unusable
 2. Outside flood plain, in air attainment residential development sparsely distributed
 3. One owner interested in partnering
 4. Good electric and natural gas service
 5. Water lines in area with ample WFP
 6. Wastewater provider has ample WWTP capacity
 7. Good site access and I-77 proximity
 8. Rail access adjacent to CSX main line
 - ii. Cons
 1. Challenging configuration
 2. Moderate to steep topography
 3. Requires rezoning RUD to ID
 4. 50 foot height restriction
 5. Electric – dual feed preferred
 6. Wastewater – long distance to hook up and require pump station
 7. Concern for potential resistance from residential neighbors and environmental activism
 8. Need more technical due diligence on the site
 - iii. Potential next steps:
 1. Discuss and come to agreement on the long term planning and growth implications of a sewer extension to this area of York County.
 2. Talk with CSX and SCDOC about willingness to complete due diligence and further site readiness evaluations
 3. Determine if feasible to address challenges of zoning, utility improvements and overall development partnership.

- b. York Electric – Hwy 274 Site
 - i. County Side Readiness Evaluation – 174 acres
 - ii. Talking to SCDOT about existing entrance and possible adjustment
 - iii. Discussed potential collaboration with neighbor who has 229 additional acres that is zoned industrial.
 - c. East York Industrial Spec Building
 - i. Colliers International representing property
 - ii. Marketing via emails, websites, flyers, signage
 - iii. Recent Showings to include:
 - 1. Food and Beverage product company
 - 2. Chemical Company
 - 3. Energy products company (warehouse)
 - iv. Challenges
 - 1. Base shell +land at \$2M asking = high in market
 - 2. Upfit cost estimates range \$1.5M to \$2M
 - 3. Sale approach v. lease – may have buyer but at discount
 - 4. Needed improvements
 - a. Detention Pond Relocation – completed
 - b. Addition of gravel (road and walkway), modest landscaping
 - c. Clean moss/mildew and interior vegetation
2. Mr. Swenson also reported on the Incentives and Cost Benefit review.
- a. Types of Incentives Offered
 - i. Tax Credits, grants, Property Tax, Exemptions, Fees and Services – which are all either State, Local or Utility provided.
 - ii. Fee In Lieu of Tax Agreement – FILOT
 - 1. Discretionary County incentive
 - 2. Minimum investment requirement - \$2.5M / \$150M + 125 jobs
 - 3. Investment period – 5-7 years
 - 4. Term – up to 30 years with possible extension of 10 years
 - 5. Assessment Ratio
 - a. Manufacturing – 10.5% down to 6% for both R&P property
 - b. Commercial – 10.5% down to 6% for PP; 6% on RP
 - c. Could go to 4% on super fees
 - 6. Millage – fixed or 5 year adjustments
 - 7. Special Source Revenue Credit can add enhanced value
 - 8. Multi-County Industrial Park status reduces FILOT revenue by 1% to County by increase state tax credit
 - iii. Several advantages to the Company:
 - 1. Reduction in assessment ratio
 - 2. Elimination of rollback taxes
 - 3. Sets tax millage rate
 - 4. Often coupled with SSRC
 - iv. Several advantages for Counties:
 - 1. Eliminates manufacturer’s and other industry type abatements – County doesn’t lose first 5 years of property taxes
 - 2. Can facilitate developments of sites or buildings ready for investment by companies at the expense of developer not the county.
 - 3. Helpful to attract or “incent” a company to locate in the county

3. Cost Benefit Analysis
 - a. The county requires a cost benefit analysis as part of the incentive evaluation process in YC which is reported to Council as part of the project summary.
4. Cost Benefit Analysis Inputs:
 - a. General Project Information
 - b. Investment
 - c. Employment
 - d. Construction
 - e. Development fees
 - f. County incentives
 - g. Miscellaneous incentives
5. Cost Benefit Analysis Outputs:
 - a. Project Summary
 - b. Direct Project Benefits
 - c. Direct Project Costs
 - d. Net Benefit or Costs

Motion was made by Council member Joel Hamilton and seconded by Council member Christi Cox to go into Executive Session to discuss FILOT Agreement matters. Motion Carried.

Matters for Consideration Following Executive Session

1. Motion was made by Council member Joel Hamilton and seconded by Council member Robert Winkler to move forward with fee incentives for Project Combat. Motion Carried. **Council member Christi Cox voted in opposition of this motion.**
2. Motion was made by Council member Joel Hamilton and seconded by Council member Christi Cox to move forward with fee incentives for Project Technicolor. Motion Carried.
3. Motion was made by Council member Joel Hamilton and seconded by Council member Christi Cox to move forward with fee incentives for Project Riverwalk Spec. Motion Carried.
4. Motion was made by Council member Joel Hamilton and seconded by Council member Christi Cox to move forward with fee incentives for Project Riverpark @ I-77. Motion Carried.

There being no further business, a motion to adjourn was made by Committee member Christi Cox and seconded by Committee member Joel Hamilton. Motion Carried.