

MARLBORO COUNTY COUNCIL

MARLBORO COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP BUILDING

COUNCIL CHAMBERS

TUESDAY, MARCH 10, 2015

WORK SESSION MEETING

4:30 PM

CHAIRMAN

RON MUNNERLYN

VICE-CHAIRMAN

JASON STEEN

ADMINISTRATOR

JIM HAYNES

CLERK TO COUNCIL

PATRICIA M. BUNDY

COUNTY ATTORNEY

HARRY EASTERLING, JR.

COUNCIL:

JASON STEEN,
RON MUNNERLYN,
DR. CAROLYN PRINCE,
STEVE BLACKMON, AND

WILLIE GLADDEN,
CORRIE H. PLATO,
KEN ALLEN,
ANTHONY WOODS

*

*Absent

Others Present: Ms. Lynn McQueen, Herald-Advocate

A notice of the work session of Marlboro County Council and a copy of the agenda was emailed to Lynn McQueen of the Herald Advocate, and posted on the front door of the William P. Wallace, Sr. Administration Building and on the county's website (www.marlborocounty.sc.gov).

Mr. Ron Munnerlyn, Chairman, opened the meeting by advising this work session was to hear from Mr. Ron King, Executive Director of Economic Development, regarding incentives that are/may be offered to various prospective industries. He stated that staff ran out of time during the last work session and this meeting was scheduled to hear about some of the incentives being offered.

Chairman Munnerlyn recognized Mr. Ron King, Executive Director of Economic Development, to brief members of Council on various incentives being offered.

Mr. King reported that two federal incentives were available in Marlboro County. He stated that the first was the Work Opportunity Tax Credit (WOTC), for which a company may receive anywhere from \$2,400 to \$9,600 for hiring a resident of Marlboro County. The amount of the credit is determined upon other qualifiers such as Veteran, disabled, Snap recipients, etc. He stated that Marlboro County is the only county in South Carolina that

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qualifies for this credit and is determined by the 1990 census. He stated that the second federal incentive was defined as the New Market Tax Credit (NMTC) community which allows for special capital project funding opportunities.

Mr. King reported some state incentives that were available. He reported that Chesterfield, Dillon and Marlboro Counties were eligible for a company moratorium on state income tax for up to 15 years for hiring and maintaining a certain level of employment. He also reported that SC Direct and Indirect Grants were available to companies that were looking to locate a competitive (multi-state search) capital investment that would create employment of more than 10 employees. He also stated that some companies may be reimbursed for capital investments or required public infrastructure costs such as water, sewer, natural gas, roads, etc. Mr. King stated that other state incentives are the same for all counties which include certain tax exemptions, training, etc.

Mr. King briefed members of Council about the local property taxes and incentives and stated that in our state only local government levies property taxes. He stated that there is no state tax on real or personal property. He stated that the SC Department of Revenue determines the property value or fair market value of a business' real and personal property to assure equitable local treatment.

Mr. King stated that the manufacturer assessment rates for the fair market value is assessed at 10.5% for all personal property and 6% for real property.

Mr. King reported that depreciation rates are determined by the SC Department of Revenue based on the type of machinery and manufacturing process.

Mr. King stated that local property tax exemptions are available in South Carolina for three classes of property which were (1) all inventories of raw materials, work-in-progress, and finished products; (2) all intangible property; and (3) all pollution control equipment.

Mr. King stated that a 5-year property tax abatement by law for manufacturer and research and development facilities investing \$50,000 or more and distribution of headquarters' facilities investing \$50,000 or more creating 75 new full-time jobs were entitled to the tax abatement from county ordinary operating taxes with the abatement representing usually a reduction of 20-50% of the total millage, depending upon the county. He stated that counties also use discretionary incentives at the local level to address the specific needs of individual companies on a case-by-case basis. He stated that a company could either use the statutory abatement or the discretionary fee-in-lieu of tax, but not both.

Mr. King stated that Fee-in-Lieu of Property Taxes (FILOT) were available to companies that invested more than \$5 million and that under this type of arrangement, the assessment rate can be lowered from 10.5% to as low as 5%. The company would have up to five years to meet the investment requirement and the qualifying property would be subject to the fee for 20 years up to 30 years. He stated that real and personal property may be

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included under a FILOT agreement and existing buildings already on the tax rolls may not be included in the FILOT unless new equipment investment is over \$45 million.

Mr. King reported that Super Fee-in-Lieu of Property Taxes (Super FILOT) may be negotiated by the county with a company that meets certain qualifications.

Mr. King stated that the county has the discretion to offer a Special Source Revenue Credit (SSRC) to help offset a project's infrastructure and/or machinery and equipment costs. Also, a Manufacturer's Warehouse Property Tax which results in 6% assessment ratio on the associated property tax is available for manufacturers that own or lease real property for the primary purpose of warehousing and wholesale distribution. He stated that the warehouse must not be physically attached to a manufacturing plat unless the distribution area is separated by a permanent wall in order to get this credit.

He stated that all other inducements were not codified and could be offered by counties on an individual basis.

Chairman Munneryn asked if there were any other state programs in South Carolina that Mr. King felt we should consider to help make our county more competitive. Mr. King responded that in talking with the other surrounding counties, they seem to be doing the same things that we are doing and he was not aware of any other state programs that could help our county become more competitive.

Mr. King advised that there were some private organizations that are collecting capital monies and trying to organize programs for small business loans with businesses that of 15 jobs. He also stated that Pee Dee Council of Governments has a revolving loan program but it has a diminishing return and such a high demand.

Dr. Carolyn Prince advised that the Pee Dee COG has about \$4 million available for small businesses and it is being handled by the Catawba County COG to manage pooling resources. Mr. King advised that he would follow up on that because he had talked with Mr. Glenn Lane of the Pee Dee COG a while back and was advised that there were no funds available.

Dr. Prince confirmed that there were requirements for these loans but that the money was available.

Chairman Munneryn stated that his experience in Richmond County was that the larger loans seemed to be a lot of trouble but that the smaller loans were workable.

Mr. Ken Allen stated that with banks these days you have to have more or at least be worth more than you need to borrow. He stated that it is very difficult these days to get loans for small businesses. He stated that banks were not going to lose on loans.

Chairman Munneryn stated that a small company in years past could go to a bank and ask for \$50,000 loan on a 90 day note just to get them through but this is not done anymore.

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Mr. Ron King stated that cooperatives are putting a push on building buildings but they want to build the building and manage the building and then make a quarter of a million dollars for managing it and then will sell it to a county and allow the county to pay interest only for a few years. The county's eventually have to pay for the whole thing. The cooperatives have money to do this with but are getting a good fee for doing it and the building has to be built on a cooperative-served property. Mr. King stated that this is difficult for Marlboro county because Duke Energy has the rights to most of the highways in county. It might be a good thing to put a building in our own park but other than we don't have anything. Duke does not build buildings as the cooperatives do, but they will help counties get properties certified.

Chairman Munnerlyn thanked Mr. King for the presentation and stated that we needed to be sure that we can market what we do have on some type of website program and that the information is readily available at any given time for those looking for areas. He stated that the sites should be ready to view in PDF format. He stated that Marlboro county is centrally located but when an industry far away looks for places close to the Interstate this area, Marlboro County loses out.

Mr. King advised that GIS systems will allow companies to view what properties may be available within a ten mile radius of a particular location. The website for South Carolina that we currently use is not able to do provide this service and will not be able to in future. The system is advanced as it is ever going to be. He stated that for us to do something significantly better than what we currently have that we would have to go to host and build it from there and have it managed by someone. He stated that the state has a good program but it is not innovative and it is as good as it's going to get.

Chairman Munnerlyn stated that administration will be presenting a mapping program during the council meeting later in the evening. He stated that most companies begin by googling properties in certain areas and he thought that Marlboro County would get many more looks and visit once that type mapping program was in place. He stated that Marlboro County is close to I-95 and that the available sites needed to be easily accessible and viewed so that they may be considered. He also stated that such program would need to be looked at periodically and updated as needed. Chairman Munnerlyn stated that the program did not need to be fancy but it did need to appear clean and easy to navigate and linked to other sites. Chairman Munnerlyn stated that very few people want to look about communities when they begin searching for sites but are interested in basic incentives and location. He stated that it was a good time to push what Marlboro County has to offer since we do not have much and if that means building another spec building closer to the interstate rather than in Bennettsville, then maybe members of Council would need to look at that.

Mr. King stated that other counties in the State have made alternative arrangements with landowners as long as there is infrastructure authority available.

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Dr. Carolyn Prince mentioned that Council had discussed looking for available lands a few years ago and we needed to look at that again. Chairman Munnerlyn agreed that members of Council needed to look at that again and that many times, things are discussed but not followed up on as they should be.

Chairman Munnerlyn stated that Marlboro County should be able to be considered by companies because we are only eight to ten miles away from the interstate and are connected to a four-lane access directly to the interstate. He stated that with where Marlboro County is located in comparison to everywhere and the incredible incentives that can be offered, staff should be able to have prospects look at our area.

Mr. King stated that he is hopeful that Marlboro County will get some companies to assist with the new Wyman-Gordon plant which is being located in Dillon County at Hwy. 34 and I-95. He stated that the company would be hiring a minimum of 400 people to manufacture items that will need some services to have fittings and piping made for their production. He stated that Marlboro County could possibly get a company of this type.

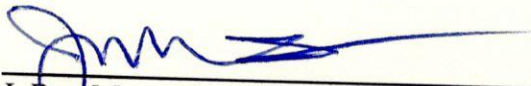
Chairman Munnerlyn suggested that Mr. King put an aggressive plan together and that we meet again in thirty to sixty days to discuss the plan as there are many opportunities here.

Chairman Munnerlyn thanked Mr. King again for his information presented on incentives and stated that Council would end the work session and break before the 6:00 p.m. Council meeting. He advised members of Council that there were refreshments waiting for them.

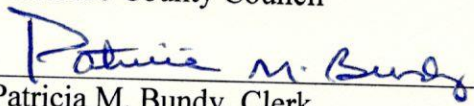
The work session meeting ended at 5:30 p.m.

(SEAL)

ATTEST:



J. Roy Munnerlyn, Chairman
Marlboro County Council



Patricia M. Bundy, Clerk
Marlboro County Council

Adopted: April 14, 2015