

**TO: State Budget & Control Board  
Senate Finance Committee  
House Ways & Means Committee**

**FROM: Alan D. Young, Executive Director, Coordinating Council  
South Carolina Department of Commerce**

**DATE: March 29, 2006**

**SUBJECT: Coordinating Council Annual Report of Fund Activity  
and Enterprise Program Activity for 2005**

On behalf of the Coordinating Council for Economic Development, I am pleased to submit the 2005 Coordinating Council for Economic Development Annual Report of Fund Activity. In accordance with Sections 12-10-85(D) and 12-10-100(C) of the Enterprise Zone Act of 1995, this report details activities of the Council regarding the Economic Development Set-Aside Fund, the State Rural Infrastructure Fund, the Tourism Infrastructure Fund and the Enterprise Zone Programs managed by the Department of Commerce's Coordinating Council Division.

Please call me at 803-737-0448 should you have questions or need additional information.

cc: The Honorable Joe E. Taylor, Jr.  
Secretary of Commerce  
Chairman, Coordinating Council for Economic Development

Enclosure

**South Carolina  
Coordinating Council  
Economic Development**

**2005 Annual Report**

**Economic Development Set-Aside Fund  
Rural Infrastructure Fund  
Tourism Infrastructure Fund  
Enterprise Zone Programs**

**March 2006**

# SC Coordinating Council for Economic Development 2005 Annual Report

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## EXECUTIVE SUMMARY

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The Coordinating Council for Economic Development was formed in response to a general need for improved coordination of efforts in the area of economic development by those state agencies involved in the recruitment of new business and the expansion of current enterprises throughout the State. Formally established in 1986 by the General Assembly (13-1-1710), the Council is currently comprised of the heads of the 10 state agencies concerned with economic development. These agency heads are either board chairmen or cabinet officials, and they meet quarterly to conduct the Council's business.

The Council's administrative staff is housed within the Department of Commerce Grants Administration Division and administers the Enterprise Program and the Council's three grant funds. The Council also certifies economic development projects as representing a "significant economic impact" on the surrounding area, for the purposes of qualifying for income tax apportionment and income tax moratoriums. Grants Administration also manages two federal grant programs, the Community Development Block Grant (CDBG) and Appalachian Regional Commission (ARC) programs. The Coordinating Council and Enterprise Zone programs and their 2005 accomplishments are described in detail in the following sections of this report.

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## HIGHLIGHTS OF 2005 PERFORMANCE

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### COORDINATING COUNCIL GRANT PROGRAMS

The Economic Development Set-Aside Fund is the Coordinating Council's primary business development tool for assisting local governments with road, water/sewer infrastructure or site improvements related to business location or expansion. The Rural Infrastructure Fund is used mainly to assist local governments in the state's rural areas with economic development preparation through a variety of activities, but funds may also be used for building, site or infrastructure improvements related to business location or expansion. The Water Wastewater Fund represented one-time tobacco-related funding which was used to fund infrastructure projects throughout the state. Though all funds were awarded in previous years, some recaptured funds did become available in 2005 and were used to fund additional water/sewer infrastructure grants. In 2005:

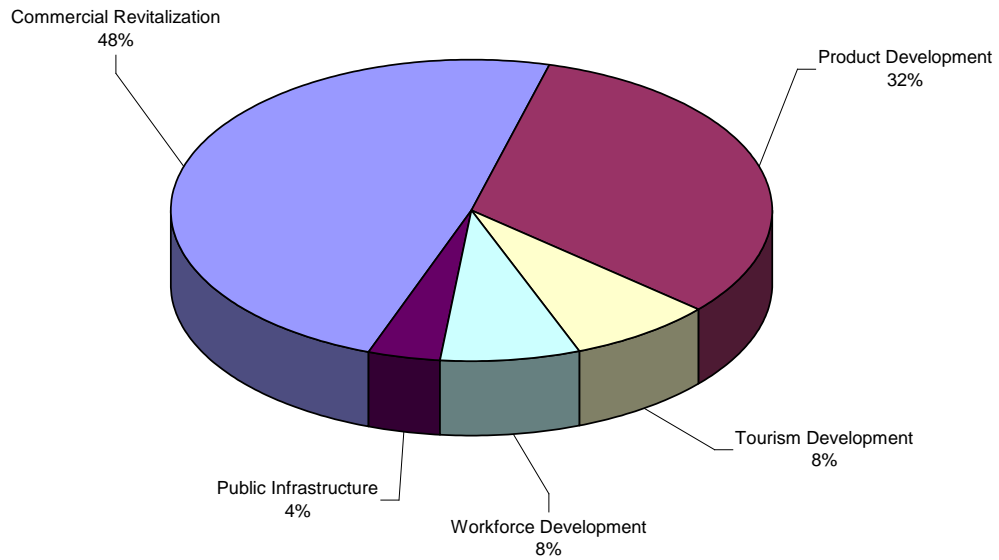
- \$14.6 million in business development assistance was awarded to 21 local governments in 20 counties for water, sewer, roads, site preparation, building improvements (RIF only) or other infrastructure necessary to facilitate business expansions or locations. The related businesses will create 2,670 new jobs and \$775.9 million in new capital investment.

- 4 communities in Distressed counties received a total of \$2.9 million for revitalizing downtown commercial areas and stimulating economic development.
- \$1.9 million was awarded to 3 communities in Distressed counties for projects aimed at developing buildings and sites and equity resources, which in turn can be used to attract jobs and investment.
- 2 Least Developed counties were awarded a total of \$452,850 for projects that will help stimulate tourism and boost local economies hit hard by manufacturing job losses.
- \$460,000 was awarded to 3 Distressed counties to improve equipment and infrastructure for centers housing training and workforce development programs.
- 3 communities received a total of \$225,000 for public infrastructure.

The above amounts include only new grant awards during 2005 and do not include amendments or adjustments to any previously approved grant funds.

<b>2005 COORDINATING COUNCIL BUSINESS DEVELOPMENT GRANTS AND RELATED JOBS AND INVESTMENT</b>			
<b>COUNTY TIER</b>	<b>TOTAL AWARDS</b>	<b>NEW JOBS</b>	<b>NEW CAPITAL INVESTMENT</b>
Developed	\$2,599,900	653	\$57,559,000
Moderately Developed	\$3,608,993	752	\$153,198,981
Under Developed	\$300,000	60	\$10,000,000
Least Developed	\$3,700,000	725	\$232,336,200
Distressed	\$4,420,000	480	\$322,904,641
<b>TOTALS</b>	<b>\$14,628,893</b>	<b>2,670</b>	<b>\$775,998,822</b>

## 2005 Coordinating Council Non-Business Development Grants



CATEGORY	AMOUNT
Commercial Revitalization	\$2,905,500
Product Development	\$1,918,000
Tourism Development	\$452,850
Workforce Development	\$460,000
Public Infrastructure	\$225,000
<b>TOTAL</b>	<b>\$5,961,350</b>

## BUSINESS DEVELOPMENT GRANTS AWARDED IN 2005

COUNTY	COUNTY TIER	SCOPE OF WORK	FUNDING SOURCE	GRANT AMOUNT	PROJECTED NEW JOBS	PROJECTED INVESTMENT
Aiken	Developed	Water/Sewer	Setaside	\$2,500,000	500	\$40,000,000
Aiken	Developed	Sewer	Tobacco	\$25,000	100	\$6,720,000
Allendale	Least Developed	Road, Water/Sewer and Site Prep	Setaside	\$2,500,000	125	\$206,500,000
Anderson	Developed	Water	Tobacco	\$24,900	30	\$1,849,000
Beaufort	Moderately Developed	Road	Setaside	\$450,000	150	\$3,800,000
Chester	Distressed	Road	Setaside	\$300,000	15	\$14,900,000
Chester	Distressed	Road and Water	Setaside	\$325,000	32	\$4,400,000
Chesterfield	Distressed	Road	Rural Infrastructure	\$65,000	25	\$1,700,000
Clarendon	Distressed	Road, Water/Sewer and Site Prep	Setaside	\$2,500,000	125	\$208,828,400
Dillon	Distressed	Road	Setaside	\$20,000	10	\$3,100,000
Fairfield	Distressed	Rail	Rural Infrastructure	\$700,000	188	\$86,000,000
Florence	Moderately Developed	Road, Water/Sewer and Site Prep	Setaside	\$2,000,000	400	\$88,180,000
Florence	Moderately Developed	Water	Tobacco	\$223,993	72	\$20,390,000
Greenville	Developed	Site Prep	Setaside	\$50,000	23	\$8,990,000
Horry	Moderately Developed	Road	Setaside	\$700,000	45	\$22,328,981
Kershaw	Moderately Developed	Road	Setaside	\$175,000	35	\$14,000,000
Lancaster	Least Developed	Road and Sewer	Setaside	\$1,200,000	600	\$25,836,200
Lee	Distressed	Site Prep	Rural Infrastructure	\$50,000	40	\$2,500,000
Marion	Distressed	Building	Rural Infrastructure	\$260,000	273*	N/A
Orangeburg	Distressed	Building	Rural Infrastructure	\$150,000	35	\$1,151,241
Pickens	Under Developed	Water/Sewer	Tobacco	\$300,000	60	\$10,000,000
Williamsburg	Distressed	Building	Rural Infrastructure	\$50,000	10	\$325,000
York	Moderately Developed	Road	Setaside	\$60,000	50	\$4,500,000
		<b>TOTALS</b>		<b>\$14,628,893</b>	<b>2,670</b>	<b>\$775,998,822</b>

*Please Note: Job retention not included in new job totals*



## ENTERPRISE ZONE PROGRAMS

### Job Development Credit Program

The Job Development Credit (JDC) Program is a discretionary incentive implemented in 1996 to reward companies for creating new jobs and investing in South Carolina, especially in less-developed areas. The JDC acts like a rebate, refunding some or all of a company's qualifying and eligible capital expenditures. The JDC can only be claimed, however, after a company has proven that it has met an agreed-on level of new capital investment and net new job creation. The JDC is performance-based: A company must perform—in a manner consistent with its approval for the program and the level of job creation and new capital investment on which the approval was based—before it can benefit from the program.

#### 2005 JOB DEVELOPMENT CREDIT APPROVALS (BY COUNTY DEVELOPMENT TIER)

COUNTY DESIGNATION	TOTAL PROJECTS APPROVED	TOTAL JOBS	TOTAL INVESTMENT	AVERAGE COMPANY HOURLY WAGE
Developed	34	3,551	\$480,580,302	\$23.41
Moderately Developed	26	2,521	\$ 293,657,304	\$18.01
Under Developed	3	487	\$49,210,000	\$13.06
Least Developed	15	3,030	\$4,769,934,000	\$28.42
Distressed	18	1,566	\$369,359,271	\$14.75
<b>Totals</b>	<b>96</b>	<b>11,155</b>	<b>\$5,962,740,877</b>	

### Enterprise Zone Retraining Credit Program

The Enterprise Zone Retraining Credit Program helps existing industries maintain their competitive edge and retain their existing workforce by allowing them to claim a Retraining Credit for existing production employees. If approved for the Enterprise Zone Retraining Credit, companies can reimburse themselves up to 50% of approved training costs for eligible production workers (not to exceed \$500 per person per year).

- In 2005, 19 retraining applications were approved, enabling 13 companies to retrain an estimated 5,803 employees over a five-year period.

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## **OVERVIEW OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT**

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The Coordinating Council for Economic Development was formed in response to a general need for improved coordination of efforts in the area of economic development by those state agencies involved in the recruitment of new business and the expansion of current enterprises throughout the State.

Formally established in 1986 by the General Assembly (13-1-1710), the Council is currently comprised of the heads of the 10 state agencies concerned with economic development. These agency heads are either board chairmen or cabinet officials, and they meet quarterly to conduct the Council's business. The Council's responsibilities include: establishing guidelines and procedures for all its programs, implementing the state's strategy for economic development, review of all Economic Development Set-Aside commitments and grant applications, Tourism Infrastructure Development projects, Income Apportionment applications, and Rural Infrastructure applications. Due to the high volume of Enterprise Program applications, a six-member sub-committee known as the Enterprise Committee was created to review and approve all Enterprise Program applications and agreements.

### **AGENCY MEMBERS OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT**

SC Department of Commerce	*SC Department of Revenue
SC Department of Parks, Recreation & Tourism	*SC Research Authority
Santee Cooper	*Employment Security Commission
State Ports Authority	*SC Department of Agriculture
*State Board Technical/Comprehensive Education	*Jobs Economic Development Authority

*\*Denotes Enterprise Committee member*

## **RESPONSIBILITIES OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT AND STAFF**

1. By statute, the Council must meet at least once a quarter to conduct the Council's business.
2. The Council is responsible for reviewing and responding to requests for funding from the Economic Development Set-Aside account.
3. The members of the Full Council must review all guidelines and procedures pertaining to the programs administered by the Coordinating Council.

## **2005 ADMINISTRATIVE CHANGES**

Robert A. Faith, Secretary of Commerce, acted as Chairperson of the Coordinating Council throughout 2005. Burnet R. Maybank, III, Director of the South Carolina Department of Revenue, acted as Chairperson of the Enterprise Program Committee of the Coordinating Council throughout 2005. The heads of one member agency, however, changed during 2005.

Council membership after all changes in calendar year 2005 was as follows:

Robert A. Faith	Secretary, SC Department of Commerce
Burnet R. Maybank, III	Director, SC Department of Revenue
Harry Butler	Chairperson, State Ports Authority
Chad Prosser	Director, SC Department of Parks, Recreation & Tourism
Guerry Green	Chairperson, Santee Cooper
Jennie M. Johnson	Chairperson, SC Research Authority
Hugh E. Weathers	Commissioner, SC Department of Agriculture
Joe Taylor	Chairperson, Jobs and Economic Development Authority
J. William McLeod	Chairperson, SC Employment Security Commission
Ralph A. Odom, Jr.	Chairperson, State Board for Technical & Comprehensive Education

Coordinating Council for Economic Development staff:

Daniel Young	Executive Director, Coordinating Council for Economic Development
Marcella S. Forrest	Senior Program Manager, Enterprise Zone Program
Tiffany S. Harrison	Senior Program Manager, CCED Grant Programs

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# ECONOMIC DEVELOPMENT SET-ASIDE FUND

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## OVERVIEW

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In 1987 the General Assembly passed a bill that provided for an additional 3 cents per gallon tax on the sale of gasoline in the State. The General Assembly charged the Coordinating Council for Economic Development with administering this new initiative known as the Economic Development Set-Aside Program. At inception, the fund was created from the first \$10 million received through state gas tax revenues. The \$10 million was later increased to \$18 million and as of June 2005 is now \$19 million and funding is split between the utility and gas tax revenues. By 2008 utility taxes will be the sole funding source and the Set-Aside revenue will be capped at \$20 million. The Set-Aside fund is dedicated to improving the economic well being of the state by providing funds to local government to develop the infrastructure necessary for new and expanding business.

## TYPES OF PROJECTS FUNDED

The Economic Development Set-Aside Fund's purpose is to assist companies in locating or expanding in South Carolina. The Program provides funding for competitive projects that, but for Set-Aside participation, would not locate in South Carolina. Set-Aside funds are utilized as grants for road improvements, water and sewer infrastructure, and site improvement costs related to business location and expansion.

## FUNDING CONSIDERATIONS

The Council considers funding for projects on an individual basis. In evaluating projects, the Council will consider:

- the competitiveness of the project,
- the number and type of jobs created,
- the type of industry (e.g., manufacturing, distribution, corporate headquarters, research and development),
- unemployment rate in county where the project locates,
- the total invested dollars (land, building, machinery and equipment cost),
- the cost of the project,
- the cost-effectiveness of the project,
- future tax revenues anticipated,
- the time frame for completion of the construction of the facility,

- infrastructure needs of the region,
- funding sought from other sources,
- the financial viability of the company,
- whether the company is a good corporate citizen.

## **FUNDING GUIDELINES**

- Set-Aside funding approval is tied directly to specific economic development projects with new job creation and capital investment.
- As a general rule, Set-Aside funding will not exceed \$10,000 per new job created.
- A DOC Business Development project manager must be actively involved in the recruitment of the economic development project for which funding is requested.
- But for Set-Aside funding the project will not locate or expand in South Carolina.
- If the company fails to meet either the job or the capital investment guarantee, Council reserves the right to require that funds be paid back on a pro rata basis.
- Reimbursement of engineering costs may be limited to the “Percentage of Net Construction Cost” table published by the USDA.
- Project contingencies will be limited to 10% of the project budget.

## **OVERVIEW OF THE FUNDING PROCESS**

1. DOC Business Development Division works with the local government to identify specific funding needs for the project. Preliminary details such as cost estimates, project scope, number of jobs and level of investment expected, and company financials are submitted to Business Development.
2. Preliminary information is reviewed, and if it is determined that the project is consistent with the economic development goals of the state and meets established evaluation criteria, the local government is invited to submit a formal application for funding.
3. The application is submitted to the Division of Grants Administration at the DOC and is processed by staff.
4. Funding requests are presented to the Council at its quarterly meetings. The Council has the discretion to approve or disapprove all funding requests and may negotiate funding terms and amounts as it sees fit.
5. If the funding is approved, staff sends an approval packet to the local government applicant. The packet includes the approval letter, grant award agreement and performance agreement.
  - a. The grant award agreement is to be signed by representatives with the authority to enter into contracts on behalf of the local government. Once signed, the agreement becomes an executed contract between the Coordinating Council and the local government. There are specific requirements contained in the grant award agreement

and they are discussed in detail in the “Grant Award Agreement” section of this manual.

- b. The performance agreement is a contract between the company, the local government applicant and the Coordinating Council. This agreement must also be signed by representatives that have the legal authority to enter into a contract on behalf of their respective entity. The performance agreement has specific criteria and they are discussed in detail in the “Performance Agreement” section of this manual.
6. Once contracts related to the grant project are signed, copies are sent to the Council for its review.
7. The Set-Aside grant is a reimbursement of approved project costs. The cost estimates provided at application will serve as the project budget. Only those approved budget items and the respective amounts will be eligible for reimbursement.
8. As project invoices for approved budget items are paid, they are submitted to DOC staff to be processed for payment. Staff monitors the grantee’s compliance with grant terms and reserves the right to deny payment for ineligible project costs or for failure to comply with grant requirements.
9. Once the project is complete, the grantee notifies the Council in writing and a closeout packet is sent.
10. The grantee returns the closeout packet and all required documentation to the Council. The packet is reviewed, and if it is determined that the grantee has complied with all terms of the grant agreement, the grant is officially closed.

## **ELIGIBLE & INELIGIBLE ACTIVITIES**

Effective July 1, 2001 a proviso defining eligible uses of Set-Aside funds was passed by the legislature. Specifically, the proviso limited the use of Set-Aside funds to road construction/improvement projects, water and sewer projects and site preparation. Site preparation is defined as surveying, environmental and geo-technical study and mitigation, clearing, filling, and grading.

Below is a list of eligible and ineligible activities as defined either by statute or Council guideline.

### **ELIGIBLE ACTIVITIES**

#### **PUBLIC IMPROVEMENTS - ROADS, WATER AND WASTEWATER INFRASTRUCTURE:**

- Planning
- Engineering
- Right-of-way
- Drainage
- Curb and Gutter – *only when necessary for drainage*
- Construction
- Cantilevered flashing light signals and/or gates at railroad crossings *when necessary*
- Re-surfacing
- Widening
- Turn Lanes
- Acceleration and/or deceleration lanes

#### **SITE PREPARATION, INCLUDING:**

- Clearing
- Fill
- Grading
- Surveying, geo-technical and environmental studies, and mitigation

## INELIGIBLE ACTIVITIES

### FUNDING SHALL NOT BE USED FOR THE FOLLOWING:

- Speculative purposes
- Opening up access to undeveloped property
- State government funded project
- Maintenance of industrial/research parks
- Shopping centers/strip malls
- Signage (*except project signs required as part of the grant award agreement or permanent construction signs required by the Department of Transportation*)
- Paving of parking lots or lighting
- Civic centers and/or auditoriums; however, road improvements for civic centers may be funded (up to \$1,000,000.00) if associated with substantial economic development projects
- Curb and guttering if for aesthetic purposes
- Concrete loading docks pads/area
- Equipment and moving expenses
- Residential developments

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## 2005 ACCOMPLISHMENTS

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During calendar year 2005, the Economic Development Set-Aside Fund awarded thirteen (13) new grants totaling \$12.78 million to twelve (12) local governments each representing a different county. Projected capital investment from the associated projects is \$645.4 million, and projected new jobs total 2,110. These totals only represent new grants awarded in 2005 and do not reflect amendments made to previously approved grants or funds committed by the Council.

On the following pages are tables that outline the project placement by county development status and the distribution of funds between economic development projects associated with companies new to South Carolina and existing companies expanding in South Carolina. Also included is a table that provides specifics on all projects approved during calendar year 2005.

**2005 ECONOMIC DEVELOPMENT SET-ASIDE GRANT AWARDS  
- BY COUNTY CLASSIFICATION -**

<b>COUNTY CLASSIFICATION</b>	<b>NUMBER OF PROJECTS</b>	<b>PROJECTED INVESTMENT</b>	<b>PROJECTED JOBS</b>
Least Developed & Distressed	6	\$463,564,600	907
Under Developed	0	\$0	0
Moderately Developed	5	\$132,808,981	680
Developed	2	\$48,990,000	523
<b>Totals</b>	<b>13</b>	<b>\$645,363,581</b>	<b>2,110</b>

**2005 ECONOMIC DEVELOPMENT SET-ASIDE GRANT AWARDS  
- BY PROJECT TYPE -**

<b>PROJECT TYPE</b>	<b>FIRMS</b>	<b>PROJECTED INVESTMENT</b>	<b>PROJECTED JOBS</b>
Existing	8	\$307,626,200	1,473
New	5	\$337,737,381	637
<b>Totals</b>	<b>13</b>	<b>\$645,363,581</b>	<b>2,110</b>



**ECONOMIC DEVELOPMENT SET-ASIDE PROGRAM  
- 2005 NEW GRANT AWARDS -**

<b>GRANT NBR</b>	<b>GRANT RECIPIENT</b>	<b>COUNTY</b>	<b>COUNTY TIER</b>	<b>SCOPE OF WORK</b>	<b>GRANT AMOUNT</b>	<b>PROJECTED JOBS</b>	<b>PROJECTED INVESTMENT</b>
S1708	Aiken County	Aiken	Developed	Water/Sewer	\$2,500,000	500	\$40,000,000
S1717	Allendale County	Allendale	Least Developed	Road, Water/Sewer and Site Prep	\$2,500,000	125	\$206,500,000
S1712	Town of Bluffton	Beaufort	Moderately Developed	Road	\$450,000	150	\$3,800,000
S1707	Chester County	Chester	Distressed	Road	\$300,000	15	\$14,900,000
S1719	Chester County	Chester	Distressed	Road and Water	\$325,000	32	\$4,400,000
S1725	Clarendon County	Clarendon	Distressed	Road, Water/Sewer and Site Prep	\$2,500,000	125	\$208,828,400
S1710	Dillon County	Dillon	Distressed	Road	\$20,000	10	\$3,100,000
S1726	Florence County	Florence	Moderately Developed	Road, Water/Sewer and Site Prep	\$2,000,000	400	\$88,180,000
S1711	Greenville County	Greenville	Developed	Site Prep	\$50,000	23	\$8,990,000
S1713	City of Myrtle Beach	Horry	Moderately Developed	Road	\$700,000	45	\$22,328,981
S1722	Kershaw County	Kershaw	Moderately Developed	Road	\$175,000	35	\$14,000,000
S1718	Lancaster County	Lancaster	Least Developed	Road and Sewer	\$1,200,000	600	\$25,836,200
S1715	City of York	York	Moderately Developed	Road	\$60,000	50	\$4,500,000

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# RURAL INFRASTRUCTURE FUND

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## OVERVIEW

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The South Carolina Rural Development Act was enacted by the legislature in 1996 (SC Code 12-10-80). This act established the Rural Infrastructure Fund (RIF) with the purpose of providing financial assistance to local governments, primarily the rural counties, for infrastructure and other economic development activities. The goal of the RIF program is to promote and encourage economic growth and prosperity in the state's rural areas.

The enabling legislation for the RIF gives the SC Coordinating Council for Economic Development responsibility for the rural infrastructure funds generated by the provisions of the Rural Development Act.

Funding for the RIF comes from companies participating in a Revitalization Agreement with the Council. This agreement permits companies to claim a refund for a portion of the employee state payroll taxes the company sends to the SC Department of Revenue each quarter. This refund is designated as a Job Development Credit (JDC) and may be used by the company to offset certain company expenses for training and real property associated with its operations.

Participating companies located in the least developed counties of the state are eligible to claim a refund of up to 100% of the JDCs to which they are entitled under their Revitalization Agreement. Participating companies in under developed counties may claim only 85% of the JDCs for which they are otherwise eligible; and, in moderately developed counties companies may claim only 70%; and in the developed counties, only 55%.

The JDC funds which participating companies cannot claim as a result of being located in an under, moderately or developed county are the source of funding for the RIF grant program. The SC Department of Revenue collects and transfers these monies to the RIF each quarter.

The Council has designated the Department of Commerce's Community and Rural Development and Grants Administration Divisions to develop and administer the RIF grant program. RIF grant applications are reviewed by a screening committee comprised of members from both Divisions and the Department of Commerce leadership. The screening committee then makes funding recommendations to the Council.

The Council normally meets at least once each calendar quarter. If Council approves a county's RIF application, the Grants Administration Division administers the funds and works with the county to ensure successful implementation of the project.

## 2005 JOBS TAX CREDIT DESIGNATIONS

<b>DISTRESSED</b>	<b>LEAST DEVELOPED</b>	<b>UNDER DEVELOPED</b>	<b>MODERATELY DEVELOPED</b>	<b>DEVELOPED</b>
Chester	Allendale	Abbeville	Beaufort	Aiken
Chesterfield	Bamberg	Calhoun	Charleston	Anderson
Clarendon	Barnwell	Colleton	Darlington	Berkeley
Dillon	Cherokee	Edgefield	Florence	Dorchester
Fairfield	Georgetown	Newberry	Horry	Greenville
Hampton	Greenwood	Pickens	Kershaw	Lexington
Lee	Jasper	Saluda	Oconee	Richland
Marion	Lancaster	Sumter	Spartanburg	
Marlboro	Laurens		York	
McCormick				
Orangeburg				
Union				
Williamsburg				

### TYPES OF PROJECTS FUNDED

In the past, RIF funds were used primarily for “product development”; however, in 2005, the Council adopted a formal investment strategy that broadened the use of the RIF funds to other activities aimed at preparing qualified areas for economic development. As a result of the investment strategy, RIF funds are now targeted towards assisting with the following activities:

- Tourism development
- Commercial revitalization
- Workforce development
- Business development

### APPLICANT QUALIFICATION

Under the enabling legislation, only local governments that are or are located within counties with a “least developed” or “distressed” designation are qualified to apply for a RIF funding. However, when annual deposits exceed \$10 million, 25% of the amount over \$10 million must be made available to counties qualified as “under developed”, “moderately developed” or “developed” and grants can be made for projects to benefit the underdeveloped areas of those counties.

The “development level” of each county corresponds to the “Jobs Tax Credit” ranking that is determined and published at the beginning of each calendar year by the SC Department of Revenue. The criteria for this determination was established by the legislature (SC Code of Laws §12-6-3360.)

## **APPLICATION EVALUATION**

In evaluating an application, the Council will consider the following:

- Competitiveness of the project;
- Economic viability of the project;
- Cost effectiveness of the project activities;
- The benefit to the state/region/county/municipality;
- The ability of local government(s) to carry out and maintain the project;
- Consistency with the state's strategic development goals;
- The level of financial commitment from the county (and the municipality, if appropriate) in which the project is located.

The consistency of the proposed project with the county's strategic development plan and the degree to which carrying out the project will further the success and implementation of that plan.

## **ELIGIBLE & INELIGIBLE ACTIVITIES**

RIF grant assistance may only be used for certain infrastructure and economic development activities. These activities must be part of a project that supports the implementation of a county's strategic development plan or directly related to the economic development of the area.

### **ELIGIBLE PROJECT ACTIVITIES**

Eligible activities may include:

- Engineering
- Right of Way Acquisition
- Drainage
- Roads
- Rail Spurs
- ED Program Enhancement
- Speculative Building Assistance
- Training costs and facilities
- Improvements to regionally planned public and private water and sewer systems.
- Fixed transportation facilities including highway, rail, water and air.
- Improvements to both public and private electricity, natural gas, and telecommunications systems including, but not limited to, an electric cooperative, electrical utility, or electric supplier described in Chapter 27 of Title 58.
- Environmental Studies
- Feasibility Studies
- Community Revitalization
- Marketing (studies, materials)
- Small Business Incubators
- Industrial Park Development & Improvement

## **INELIGIBLE PROJECT ACTIVITIES**

Activities involved in the following types of projects are not eligible for grant assistance through the RIF program:

- Projects that do not have local political and public support;
- Projects that do not have significant community financial support. (The RIF grant program will not typically fund 100% of any request. Projects will be considered for the RIF grant program only when all other available sources of funding have been committed. There should be a demonstrable shortfall that can only be met with RIF assistance);
- Projects that do not have all other sources of needed funds committed;
- Projects that cannot proceed to completion within a reasonable period of time;

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## **2005 ACCOMPLISHMENTS**

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The Coordinating Council funded seventeen (17) regular Rural Infrastructure Fund projects. These RIF grants assisted (11) rural counties with a variety of economic development preparation activities ranging from development of sites, buildings and industrial parks to attract economic development, commercial revitalization, public infrastructure improvements, tourism development and workforce development. Of the seventeen RIF grants, six (6) project-related business development grants were awarded to assist rural counties with infrastructure and other improvements necessary to win economic development projects involving job creation and new capital investment. Approximately \$3.9 million was awarded in RIF program fund grants.

In 2005, the RIF fund exceeded \$10 million, and for the first time a grant was made to benefit two lesser developed communities in developed counties. A \$198,000 grant was awarded to assist two towns, the Town of Eastover and the City of Lake City, with establishing Magic Johnson Community Empowerment Centers. Also in 2005, legislative changes broadened the definition of qualifying local governments to include municipalities in addition to counties, and as a result, two (2) grants were made to two municipalities, the City of Manning and the City of Orangeburg.

A total of \$2.85 million in Phase II Opportunity Grants were awarded to three (3) communities to assist with continuing the downtown redevelopment/streetscape projects originally approved for Opportunity Grant funding in 2004.

Each of the RIF and Opportunity Grants are detailed below.

**RURAL INFRASTRUCTURE FUND PROGRAM  
CALENDAR YEAR 2005 – NEW GRANT AWARDS**

<b>GRANT NUMBER</b>	<b>GRANT RECIPIENT</b>	<b>COUNTY</b>	<b>GRANT AWARD</b>	<b>SCOPE OF WORK</b>
RIF05120066	Chester County	Chester	\$200,000	Water & Sewer infrastructure for the new York Technical College Educational Center
RIF05130067	Chesterfield County	Chesterfield	\$25,000	Wastewater study to address ways to increase sewer capacity for the towns of Pageland and Jefferson
RIF05130080	Chesterfield County	Chesterfield	\$65,000	Road improvements for an economic development project
RIF05140074	City of Manning	Clarendon	\$55,500	Master Plan to guide future development within the commercial district
RIF05170068	Dillon County	Dillon	\$200,000	Sewer expansions to serve Gateway Industrial Park
RIF05170075	Dillon County	Dillon	\$110,000	Upfit the Northeastern Technical College Tech Lab with computers, workstations and other equipment necessary for Information Technology instruction
RIF05200084	Fairfield County	Fairfield	\$700,000	Off-site rail improvements to serve an economic development project
RIF05220077	Georgetown County	Georgetown	\$100,000	Develop a tourism plan for the state's 22 rural counties
RIF05240073	Greenwood County	Greenwood	\$152,850	Assist with development of the Dr. Benjamin E. Mays Visitors/Interpretive Center
RIF05240078	Greenwood County	Greenwood	\$200,000	Assist with renovation of the old Federal Building to house the new Greenwood Regional Visitor & Tourism Center
RIF05310082	Lee County	Lee	\$50,000	Construction of a stormwater drainage system for an economic development project
RIF05340069	Marion County	Marion	\$260,000	Assist with upfitting vacant industrial building for an economic development project
RIF05340087	Marion County	Marion	\$750,000	Creation of the BCI Rural Equity Fund to assist small businesses
RIF05380072	City of Orangeburg	Orangeburg	\$708,000	Infrastructure development, branding/marketing, technical assistance and site evaluation for projects in cities of Orangeburg, Greenwood and Bennettsville
RIF05380076	Orangeburg County	Orangeburg	\$150,000	Upfit Orangeburg/Calhoun Technical College labs with computers, workstations and other equipment
RIF05380085	Orangeburg County	Orangeburg	\$150,000	Building improvements for an economic development project
RIF05450086	Williamsburg County	Williamsburg	\$50,000	Improvements to the vacant O'Neita building for an economic development project

**RURAL INFRASTRUCTURE FUND PROGRAM  
CALENDAR YEAR 2005 – NEW OPPORTUNITY GRANT AWARDS**

<b>GRANT NUMBER</b>	<b>GRANT RECIPIENT</b>	<b>COUNTY</b>	<b>GRANT AWARD</b>	<b>SCOPE OF WORK</b>
RIF04310062B	City of Bishopville	Lee	\$950,000	Phase II Opportunity Grant to fund Phase II of the City's downtown beautification project
RIF04350061B	City of Bennettsville	Marlboro	\$950,000	Phase II Opportunity Grant to fund Phase II of the City's downtown beautification project
RIF04440063B	City of Union	Union	\$950,000	Phase II Opportunity Grant to fund Phase II of the City's downtown beautification project

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# TOURISM INFRASTRUCTURE FUND

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## OVERVIEW

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Created by the South Carolina General Assembly in 1993 (SC Code 12-21-6510), the Tourism Infrastructure Admissions Tax Act allows fifty percent (50%) of the state admissions tax on a qualified new or expanding tourism or recreation establishment to be used for public infrastructure. The funds, collected for a period of 15 years, are allocated accordingly:

- 25% of the state admissions tax is directed to a special infrastructure development fund for disbursement by the South Carolina Coordinating Council based on an application made by the local government, and
- 25% of the state admissions tax is directed to the county or municipality where the facility is located.

## TYPES OF PROJECTS FUNDED

Eligible projects include new or expanding tourism or recreation facilities or designated development areas with an investment of at least \$20 million in land and new capital assets. An investment period cannot exceed five years (60 consecutive months).

A designated development area may have more than one investment period; however, the investment periods cannot overlap. Only the projects that open within the \$20 million/five-year investment period will qualify the local government for this incentive. New projects locating within an established designated development area must initiate a new investment period and create an additional \$20 million to qualify.

The full \$20 million investment must be made prior to qualifying for this incentive. Funds included in the minimum investment may be for public or private funds, or a combination of both public and private funds. In achieving the minimum investment requirement, secondary support facilities (hotels, food, and retail services) that are located within or adjacent to the major tourism or recreation facility or major tourism or recreation area and directly supports the qualified development may also be included in the total investment.



## **RESPONSIBILITIES OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT AND STAFF**

1. The SC Department of Revenue deposits tax (equal to  $\frac{1}{4}$  of state admission tax revenue received from new and expanding projects that exceed a \$20 million investment over five years) into a special account for each qualified facility. Funds are transferred to a special account at the Department of Commerce on a quarterly basis.
2. Coordinating Council staff must classify each tourism or recreation facility as a new tourism or recreation facility or an expansion to an existing tourism or recreation facility.
3. Council staff determines the amount of a grant based on review of a completed application submitted by the local government.
4. The Executive Committee of the Council must review and approve applications to fund additional infrastructure improvements as defined in the statute.
5. Staff ensures that a final grant award agreement is executed between the Coordinating Council and the local government.
6. Council may pay expenses for administering the Tourism Infrastructure Development Grant from the funds in the special account. CCED currently retains 10% of each pay request for administration of the program.
7. Staff processes pay requests and monitors grant through the duration of the project.
8. Funds that have not been applied for within one year after the end of the benefit period may be used at the discretion of the Coordinating Council for any infrastructure project in the state that will aid tourism.

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## **2005 ACCOMPLISHMENTS**

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Council reviewed and approved four (4) Tourism Infrastructure Fund grants during calendar year 2005. Funds awarded will equal 100% of the funds available in the related Tourism Infrastructure Fund account, or 100% of deposits net of administrative fees.

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## ENTERPRISE ZONE PROGRAMS

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The South Carolina General Assembly enacted the Enterprise Zone legislation in 1995. Since that time, the incentives contained in this legislation have created a significant competitive advantage for this state. They have also greatly enhanced South Carolina's ability to compete for and win high quality, high wage economic development projects. As Enterprise Zone incentives are most valuable to companies locating or expanding in Distressed, Least Developed and Under Developed counties, Enterprise incentives have also helped attract needed jobs and industry to the most rural areas of the state.

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### THE JOB DEVELOPMENT CREDIT

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The most significant incentive created by the Enterprise Zone legislation is the Job Development Credit ("JDC"). The JDC acts like a rebate, refunding some or all of a company's qualifying and eligible expenditures. The JDC can only be claimed, however, *after a company has proven that it has met an agreed level of new capital investment and net new job creation*. Companies must perform, in a manner consistent with their approval for the program, the level of job creation and the new capital investment on which the approval was based, before they can benefit from the program. Companies can take up to 5 years to complete their investment and job creation. At this point, they are "certified" by the Council to begin receiving JDC reimbursements.

After certification, the JDC can be claimed only *quarterly*. The reimbursement process is slow, designed to reimburse companies over a 10-year period for projects which entered into a preliminary revitalization agreement. (Should all eligible expenditures be recouped before 10 years, the process ends. In no case does the statute allow total JDCs received to exceed eligible expenditures.) Even over 10 years, many companies will recover only a small percentage of their total eligible expenditures. All eligible expenditures represent permanent capital investment that will stay in the state, regardless of what the company may do in the future and regardless of whether the company recoups these expenditures in the form of JDC reimbursement.

It is important to note that the statute does *not* allow reimbursement for moveable personal property, such as machinery and equipment and/or furniture and fixtures. These items typically represent the majority of an economic development project's total capital costs, and as a result, the state and locality gain much more than simply the eligible capital investment. In order to benefit from any reimbursement in the future, the company must *guarantee and meet* a level of total capital investment typically *2 to 8 times greater* than the reimbursable amount. In this way,

the Enterprise Zone JDC has proven extremely effective in stimulating a guaranteed increase in capital investment, and a related increase in local tax base for counties all across South Carolina.

**ANNUALLY ADJUSTED JOB DEVELOPMENT CREDIT FACTORS**

The amount a company can claim as a JDC depends on three factors: 1) wage levels for qualified new jobs, 2) development status of the county where the project locates or expands, and 3) maximum eligible expenditures. In no case can a company receive more than the total cost of its eligible expenditures.

**1) Wage Levels**

The maximum value of the JDC depends on the hourly pay rate for new positions. Since the statute was designed to encourage higher paying jobs, the higher the pay rate, the greater the benefit to the company. A company with positions that all pay \$19.50 per hour will be able to claim a JDC equal to 5% of the taxable wages for those positions. Conversely, a lower paying employer may qualify to claim only 2 or 3% of taxable wages for his positions. The SC Budget and Control Board adjusts the scale each year. The scale below shows the scale for calendar year 2005.

PERCENTAGE OF TAXABLE WAGES COMPANIES MAY CLAIM AS A JOB DEVELOPMENT CREDIT 2005	
Hourly Wage	Maximum % Claimed as JDC
\$7.64 to \$10.17	2%
\$10.18 to \$12.72	3%
\$12.73 to \$19.08	4%
\$19.09 and over	5%

**2) County Development Status & Contributions to the State Rural Infrastructure Fund**

Of the maximum, companies can actually claim 55% to 100%, depending on the status of the county at the time of approval for the program. Greatest benefit goes to companies locating or expanding in “distressed” and “least developed” counties. The difference between the maximum and the amount the company can claim goes to the State Rural Infrastructure Fund (RIF). As the Enterprise Program matures, ***the RIF will represent a significant source of assistance to rural counties for infrastructure development***, and thus is key to preparing the state’s rural areas for economic development.

For the purposes of determining development status, the classifications correspond to those established for the Jobs Tax Credit corporate income tax credit. The state’s 46 counties are divided into five classifications, primarily based on unemployment rates and per capita income levels. The five classifications and the percentages of maximum Job Development Credits that can be claimed in each are shown on the following page.

**COUNTY CLASSIFICATIONS FOR THE  
JOB DEVELOPMENT CREDIT**

<b>County Classification</b>	<b>Allowable Credit as % of Total JDC</b>
Least Developed & Distressed	100%
Under Developed	85%
Moderately Developed	70%
Developed	55%

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## **JOB RETRAINING CREDIT**

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South Carolina's existing industry must remain competitive and profitable in order to win a share of the parent company's capital investment budget and avoid loss of jobs to other states and countries. To assist with this, the Enterprise Act of 1995 also provided a retraining incentive for existing industry. This "retraining credit" allows eligible businesses to claim a credit against withholding tax for the cost of retraining existing production employees, provided the training is necessary for the company to remain competitive or to introduce new technologies.

The Enterprise Zone legislation requires that retraining be approved and performed by the technical college serving the designated site. The technical college may provide the retraining program directly or contract with other training entities to accomplish the training outcomes.

The Coordinating Council defines production employees as employees who are directly engaged in the actual making of tangible personal property or who are directly involved in manufacturing, processing operations or distribution. Eligible businesses may not claim more than \$500 per calendar year, or \$2,000 over a five-year period, per production employee. Furthermore, a company must match – on a dollar for dollar basis – the employee's withholding share claimed for the training. Finally, companies may not claim both the Job Development Credit and the Retraining Credit on the same position.

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## **RESPONSIBILITIES OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT**

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The Enterprise Zone Act gives the South Carolina Coordinating Council for Economic Development authority to administer this incentive in a manner consistent with the Act. The Act charges the Coordinating Council with establishing criteria for approval of qualifying businesses, conducting an adequate cost/benefit analysis with respect to proposed projects and incentives proposed to be granted, and preparing a public document that summarizes each revitalization agreement concluded during the prior calendar year. Per Section 12-10-100 (c), this report shall list each revitalization agreement, the results of each cost/benefit analysis, and receipts and expenditures of application fees.

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## **2005 ACCOMPLISHMENTS**

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During calendar year 2005, 96 projects were approved for the Job Development Credit, and these projects have made an initial commitment to create 11,155 new jobs and to invest \$5.9 billion in capital land, building or equipment. Projected 10-year net economic benefit is \$15.7 billion in value to the state, the locality and private citizens in the form of wages.

Also in 2005, companies continued to apply for, and be approved for, 5-year retraining agreements. Having negotiated training plans with the technical college serving their area, 19 retraining plans were approved for the Enterprise Zone retraining credit, representing 13 companies. Under these 5-year plans, the 13 companies indicated that a total of 5,803 employees represent qualified “production employees” eligible for retraining credits.

**SUMMARY OF 2005 ENTERPRISE ZONE PROGRAM ACTIVITY  
& APPLICATION FEES**

<b>SOUTH CAROLINA ENTERPRISE PROGRAM 2005 PROJECT APPROVALS</b>	
<b>JOB DEVELOPMENT CREDITS:</b>	
Number of Approved Projects	96
Projected Jobs	11,115
Projected Capital Investment	\$5,962,740,877
Net Economic Benefit (over 10 years)	\$15,755,440,242
<b>RETRAINING CREDITS:</b>	
Number of Retraining Agreements	19
Employees to be Retrained (over 5 years)	5,803

<b>APPLICATION FEES</b>	
<b>RECEIPTS:</b>	
January 1 – December 31, 2005	\$478,250
<b>EXPENDITURES:</b>	
Personnel & Administration	\$225,491

## SUMMARY OF 2005 ENTERPRISE ZONE PROGRAM ACTIVITY

### 2005 JOB DEVELOPMENT CREDIT PROJECTS - BY COUNTY CLASSIFICATION -

COUNTY CLASSIFICATION	NUMBER OF PROJECTS	PROJECTED INVESTMENT	PROJECTED JOBS
Least Developed & Distressed	33	\$5,139,293,271	4,596
Under Developed	3	\$49,210,000	487
Moderately Developed	26	\$293,657,304	2,521
Developed	34	\$480,580,302	3,551
<b>Totals</b>	<b>96</b>	<b>\$5,962,740,877</b>	<b>11,155</b>

### 2005 JOB DEVELOPMENT CREDIT PROJECTS - BY PROJECT TYPE -

PROJECT TYPE	FIRMS	PROJECTED INVESTMENT	PROJECTED JOBS
Expansion	46	\$4,761,911,062	4,352
New	50	\$1,200,829,815	6,803
<b>Totals</b>	<b>96</b>	<b>\$5,962,740,877</b>	<b>11,155</b>

**ENTERPRISE ZONE PROGRAM  
PRELIMINARY REVITALIZATION AGREEMENTS  
CALENDAR YEAR 2005 APPROVALS**

*Note: Not all projects have been announced*

<b>PROJECT NUMBER</b>	<b>COUNTY</b>	<b>PROJECTED INVESTMENT</b>	<b>PROJECTED JOBS</b>	<b>PROJECTED 15-YEAR NET ECONOMIC BENEFIT</b>	<b>PROJECT TYPE</b>
EZ05022064	Aiken	\$40,900,000	130	\$132,197,858	Expansion
EZ05021963	Aiken	\$6,190,000	60	\$59,204,132	New
EZ05031997	Allendale	\$206,500,000	120	\$278,227,529	New
EZ04041943	Anderson	\$8,100,000	10	\$73,406,077	New
EZ05042020	Anderson	\$32,000,000	20	\$41,316,901	Expansion
EZ04081935	Berkeley	\$7,806,500	50	\$92,917,649	Expansion
EZ04101940	Berkeley	\$9,500,000	200	\$274,425,817	New
EZ05081970	Berkeley	\$110,348,000	250	\$156,866,790	New
EZ05102086	Charleston	\$45,000	73	\$44,761,783	Expansion
EZ05102025	Charleston	\$6,955,400	133	\$217,421,737	Expansion
EZ05101987	Charleston	\$14,939,414	150	\$119,718,279	Expansion
EZ04101928	Charleston	\$10,900,000	50	\$39,208,243	Expansion
EZ05102001	Charleston	\$3,410,000	10	\$15,601,297	Expansion
EZ05112087	Cherokee	\$4,322,000,000	500	\$3,938,956,981	Expansion
EZ05111950	Cherokee	\$11,650,000	30	\$28,885,785	New
EZ05292047	Chester	\$3,500,000	60	\$57,962,270	New
EZ05122006	Chester	\$4,650,000	32	\$22,791,663	New
EZ05121962	Chester	\$4,000,108	30	\$26,336,790	New
EZ05122005	Chester	\$8,000,000	30	\$27,257,063	Expansion
EZ05141998	Clarendon	\$206,500,000	120	\$255,867,542	New
EZ05172059	Dillon	\$470,000	40	\$15,302,010	Expansion
EZ05192044	Edgefield	\$5,210,000	100	\$71,130,290	Expansion
EZ05191991	Edgefield	\$29,000,000	200	\$149,628,991	New
EZ05202051	Fairfield	\$42,000,000	135	\$130,891,869	New
EZ05202003	Fairfield	\$500,000	100	\$64,929,345	New
EZ05212077A	Florence	\$54,782,550	400	\$258,964,470	New
EZ05212077B	Florence	\$26,982,450	200	\$112,573,155	New
EZ05212081	Florence	\$17,949,000	175	\$93,936,986	New
EZ05222002	Georgetown	\$2,670,000	65	\$50,564,421	New
EZ05231965	Greenville	\$15,000,000	40	\$41,592,706	Expansion
EZ05001952	Greenville	\$2,440,000	50	\$89,280,102	New
EZ04421918	Greenville	\$2,440,000	50	\$92,996,346	New
EZ05001951	Greenville	\$2,440,000	50	\$88,418,208	Expansion
EZ05001953	Greenville	\$2,440,000	50	\$89,849,379	New
EZ05001955	Greenville	\$2,440,000	50	\$94,021,451	New
EZ05001954	Greenville	\$2,440,000	50	\$89,694,111	New
EZ05232023E	Greenville	\$5,030,000	100	\$88,059,922	Expansion



**ENTERPRISE ZONE PROGRAM  
PRELIMINARY REVITALIZATION AGREEMENTS  
CALENDAR YEAR 2005 APPROVALS  
(CONTINUED)**

*Note: Not all projects have been announced*

<b>PROJECT NUMBER</b>	<b>COUNTY</b>	<b>PROJECTED INVESTMENT</b>	<b>PROJECTED JOBS</b>	<b>PROJECTED 15-YEAR NET ECONOMIC BENEFIT</b>	<b>PROJECT TYPE</b>
EZ05232023D	Greenville	\$5,030,000	100	\$88,059,922	Expansion
EZ05232023C	Greenville	\$5,030,000	100	\$88,059,922	Expansion
EZ05232023A	Greenville	\$5,030,000	100	\$88,059,922	Expansion
EZ05232023B	Greenville	\$5,030,000	100	\$88,059,922	Expansion
EZ05232023F	Greenville	\$5,030,000	100	\$88,059,922	Expansion
EZ05231966	Greenville	\$6,000,000	18	\$18,567,600	Expansion
EZ05231958	Greenville	\$12,100,000	63	\$71,716,690	Expansion
EZ05232028	Greenville	\$20,200,000	90	\$169,453,732	Expansion
EZ05232035	Greenville	\$2,160,000	175	\$137,420,785	Expansion
EZ05242019	Greenwood	\$36,000,000	130	\$125,985,570	New
EZ05262043	Horry	\$2,120,000	100	\$95,181,112	New
EZ05261994	Horry	\$4,410,000	40	\$31,900,557	New
EZ05281946	Kershaw	\$5,530,000	65	\$52,240,598	Expansion
EZ05381945	Kershaw	\$14,000,000	35	\$28,432,168	New
EZ05291978	Lancaster	\$13,677,380	420	\$599,830,430	New
EZ05292013	Lancaster	\$850,000	18	\$23,839,061	New
EZ05292073	Lancaster	\$13,740,000	140	\$247,600,820	New
EZ05291968	Lancaster	\$2,653,820	82	\$166,708,766	New
EZ05291974	Lancaster	\$4,082,800	114	\$212,852,279	New
EZ05292080A	Lancaster	\$97,960,000	900	\$1,468,347,254	New
EZ05292084	Lancaster	\$8,750,000	253	\$513,690,345	New
EZ05292054	Lancaster	\$1,200,000	35	\$55,809,658	New
EZ05301961	Laurens	\$28,000,000	30	\$44,222,519	Expansion
EZ05312012	Lee	\$4,950,000	42	\$35,012,934	Expansion
EZ05322093	Lexington	\$5,514,000	50	\$65,258,909	Expansion
EZ05322062	Lexington	\$100,000,000	400	\$436,956,480	New
EZ05321980	Lexington	\$2,909,000	150	\$106,668,356	Expansion
EZ05341956	Marion	\$1,798,707	40	\$22,545,758	Expansion
EZ05351990	Marlboro	\$26,200,000	120	\$83,160,196	Expansion
EZ05362045	Newberry	\$15,000,000	187	\$142,195,808	Expansion
EZ05371983	Oconee	\$2,000,000	28	\$22,804,289	Expansion
EZ05382092	Orangeburg	\$20,200,000	193	\$139,396,065	Expansion
EZ05382053	Orangeburg	\$1,151,241	20	\$12,001,533	Expansion
EZ06382065	Orangeburg	\$12,000,000	40	\$49,003,544	New
EZ04401934	Richland	\$14,000,000	250	\$229,704,551	Expansion
EZ05402026	Richland	\$5,785,002	150	\$138,673,185	New

**ENTERPRISE ZONE PROGRAM  
PRELIMINARY REVITALIZATION AGREEMENTS  
CALENDAR YEAR 2005 APPROVALS  
(CONTINUED)**

*Note: Not all projects have been announced*

<b>PROJECT NUMBER</b>	<b>COUNTY</b>	<b>PROJECTED INVESTMENT</b>	<b>PROJECTED JOBS</b>	<b>PROJECTED 15-YEAR NET ECONOMIC BENEFIT</b>	<b>PROJECT TYPE</b>
EZ05401982	Richland	\$2,625,000	95	\$69,600,538	Expansion
EZ05401923	Richland	\$1,576,800	75	\$83,109,032	Expansion
EZ05422024	Spartanburg	\$16,772,000	20	\$23,829,613	Expansion
EZ05421999	Spartanburg	\$16,968,000	165	\$131,655,373	Expansion
EZ05422066	Spartanburg	\$10,300,000	116	\$88,142,122	New
EZ05231976	Spartanburg	\$8,600,000	70	\$70,046,149	New
EZ05421996	Spartanburg	\$4,075,000	30	\$22,550,960	New
EZ05421882	Spartanburg	\$7,000,000	80	\$60,540,565	Expansion
EZ05421937	Spartanburg	\$8,000,000	50	\$39,649,049	New
EZ05422017	Spartanburg	\$2,000,000	26	\$23,603,314	Expansion
EZ05422048	Spartanburg	\$24,000,000	65	\$65,367,671	Expansion
EZ05442095	Union	\$45,000,000	75	\$86,868,457	New
EZ04441929	Union	\$1,022,580	50	\$28,311,847	New
EZ04441872	Union	\$5,396,635	517	\$440,537,830	New
EZ05452033A	Williamsburg	\$1,260,000	65	\$35,075,431	New
EZ05452033B	Williamsburg	\$960,000	50	\$27,739,229	New
EZ05462061	York	\$23,000,000	145	\$275,039,795	New
EZ05462016	York	\$4,000,000	125	\$140,801,670	Expansion
EZ05462032	York	\$11,000,000	104	\$77,090,907	Expansion
EZ04461919	York	\$7,478,000	140	\$101,176,480	New
EZ05462074	York	\$8,000,000	100	\$84,334,267	Expansion
EZ05462069	York	\$9,086,490	176	\$213,041,792	New
EZ05462055	York	\$2,400,000	25	\$54,681,041	New

**ENTERPRISE ZONE PROGRAM  
FINAL REVITALIZATION AGREEMENTS  
CALENDAR YEAR 2005 APPROVALS**

COMPANY NAME	COUNTY	PROJECTED 15-YEAR NET ECONOMIC BENEFIT
Alemite Corporation	Lancaster	\$49,135,497
Allvac - An Allegheny Technology Co.	Chester	\$184,375,833
BBA Fiberweb, Reemay, Inc.	Kershaw	\$68,819,795
Belden CDT Networking, Inc.	Lancaster	\$131,797,034
Blue Cross Blue Shield of South Carolina	Richland	\$229,704,551
CL & D Graphics, Inc.	York	\$23,988,145
Coastal Glass Distributors, LLC	Charleston	\$25,010,226
Colleton Medical Center	Colleton	\$28,421,357
Drive Automotive (Magna International)	Greenville	\$190,464,287
Eagle Alloys, Inc.	York	\$42,810,892
Edscha Spartanburg, LLC	Spartanburg	\$65,315,552
Firestone Building Products	Williamsburg	\$31,615,312
Greenville Metalcraft div Southwark Metal Mfg Co	Greenville	\$63,192,172
Haven Homes Southeast, Inc.	Jasper	\$36,810,222
Hengst North America, Inc.	Kershaw	\$34,973,969
Holset Engineering Co. (Cummins, Inc.)	Charleston	\$51,424,109
Honda of South Carolina Mfg., Inc.	Florence	\$126,939,902
J M Smith Corporation	Spartanburg	\$60,798,531
Kawashima Textile USA, Inc.	Kershaw	\$78,809,586
Michelin North America, Inc.	Lexington	\$162,538,828
Patterson Dental Supply, Inc.	Richland	\$30,836,902
Sea Fox Boat Company, Inc.	Berkeley	\$113,094,207
Siemens VDO Automotive Corporation	Richland	\$117,501,959
Stone Interiors East LLC	Calhoun	\$23,630,559
Superior Essex Communications, LLC	Chester	\$24,178,092
Wells Fargo Bank, N.A.	York	\$348,170,030
WLR Carlisle, LLC (DE)	Union	\$440,537,830

**ENTERPRISE ZONE PROGRAM  
5-YEAR RETRAINING AGREEMENTS  
CALENDAR YEAR 2005 APPROVALS**

COMPANY NAME	COUNTY	EMPLOYEES ELIGIBLE TO BE RETRAINED DURING 5-YEAR AGREEMENT
Beneteau USA, Inc.	Marion	275
Honeywell Nylon	Anderson	410
Avery Dennison-Security Printing Div.	Laurens	200
Roy Metal Finishing Company, Inc.	Greenville	60
Freightliner Custom Chassis Corp.	Cherokee	600
Nevamar Company, LLC	Hampton	400
International Paper Company	Richland	225
Detyen's Shipyard Inc.	Charleston	400
Rioux Vision, Inc.	Richland	21
Honeywell Nylon, LLC	Pickens	300
Milliken & Company	Spartanburg	999
Milliken - Milmer, Inc., Hillcrest Plant	Greenville	68
Milliken & Company	Williamsburg	67
Milliken & Company	Barnwell	155
Milliken & Company	Greenville	435
Milliken & Company	Anderson	598
Milliken Packaging	Spartanburg	25
Milliken & Co - Gilliland Industrials Corp.	Laurens	85
Milliken & Company	Abbeville	480

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## GRANT PROGRAM COMPLIANCE

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Economic Development Set-Aside, Rural Infrastructure Fund and Tourism Infrastructure Fund grants are made under and in accordance with the laws of the State of South Carolina. The federal and state courts within the State of South Carolina have exclusive jurisdiction to adjudicate any disputes arising out of or in connection with these grants.

Failure to comply with any of the terms and conditions of the grant can cause the Council to take, in addition to any relief that it is entitled to by law, any or all of the following actions:

- require repayment of all or a portion of any grant funds provided; cancel, terminate, or suspend the grant, in whole or in part; or,
- refrain from extending any further assistance or grant funds until such time as the grantee is in full compliance with the terms and conditions of the grant agreement.

### **MONITORING**

Projects must be completed by the grantee within eighteen (18) months of the date of award of the grant. Completion is defined as the final documentation by grantee to Council of grant funds expended and issuance by Council of a notification in writing of the closure of the grant. The Council may grant extensions to the completion period requirement at its discretion.

All projects must begin within three (3) months of the date of award of the grant. If the grantee does not begin the project within three (3) months of the date of award of the grant, the Council reserves the right to rescind the grant, require the repayment of any grant funds provided to grantee and terminate the agreement.

### **PROCUREMENT**

Records for property purchased totally or partially with grant funds must be retained for a period of three years after its final disposition. The grantee will maintain records relating to procurement matters for the period of time prescribed by applicable procurement laws, regulations and guidelines, but no less than three years. All other pertinent grant and project records including financial records, supporting documents, and statistical records will be retained for a minimum of three years after notification in writing by the Council of the closure of the grant.

The grantee will certify, to the best of its knowledge, information and belief, that the work on the project for which reimbursement is requested has been completed in accordance with the terms and conditions of the Agreement. The grantee will return surplus grant funds that result from project cost underruns, and commit and provide monies from its own resources for cost overruns that are required to complete the project.