

RESOLUTION NO. ____

A RESOLUTION AUTHORIZING CERTAIN ACTIONS BY OFFICIALS OF THE CITY OF ROCK HILL, SOUTH CAROLINA IN FURTHERANCE OF THE EXECUTION AND DELIVERY OF AN INFRASTRUCTURE REIMBURSEMENT AGREEMENT BY AND BETWEEN THE CITY AND A COMPANY KNOWN TO THE CITY AS "PROJECT DAISY" PURSUANT TO TITLE 4, CHAPTER 1 AND CHAPTER 29, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; AND OTHER MATTERS RELATING TO THE FOREGOING.

WHEREAS, the City of Rock Hill, South Carolina (the "City"), acting by and through its City Council (the "City Council"), is authorized by Sections 4-1-175 and 4-29-68 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), to provide a credit against or payment derived from the revenues received and retained by the City from a payment in lieu of taxes pursuant to Section 13 of Article VIII of the South Carolina Constitution and Section 4-1-170 of the Code of Laws of South Carolina, 1976, as amended, for the purpose of paying the cost of designing, acquiring, constructing, improving, or expanding, among other things: (a) the infrastructure serving the issuer or the project, and (b) for improved or unimproved real estate and personal property including machinery and equipment used in the operation of a manufacturing or commercial enterprise, which property is determined by the City to enhance the economic development of the City; and

WHEREAS, the City is presently recruiting an investment in the City by a company identified to the City as "Project Daisy" and/or one or more existing or to-be-formed subsidiaries or affiliated entities of such company (collectively, the "Company") in the form of certain buildings, improvements, apparatus, machinery, equipment, furnishings, fixtures and materials for the operation of a facility (the "Project") on a certain piece, parcel or lot of land located in the City (the "Land"); and

WHEREAS, it is anticipated that the Land will be located in a Joint County Industrial and Business Park (the "Park") established by and between York County, South Carolina ("York County") and a partner county pursuant to an agreement for the development of such Park (the "Park Agreement") in accordance with the provisions of Article VIII, Section 13 of the South Carolina Constitution and § 4-1-170 of the Code of Laws of South Carolina, 1976, as amended; and

WHEREAS, in connection with the Park Agreement, the Company or other owners of the Project property located on the Land will be obligated to make or cause to be made payments in lieu of taxes to York County (the "Park Fees") in the total amount equivalent to the *ad valorem* property taxes that would have been due and payable but for the location of the Project within the Park; and

WHEREAS, in order to induce the Company to located the Project in the City, the City

has decided to commit to the Company that the City will reimburse the Company from City Park Fees (as such term is defined below) a portion of the costs incurred by the Company to acquire and construct certain (a) infrastructure serving the City or the Project, and (b) improved or unimproved real estate used in the operation of the Project (collectively, the “Infrastructure”), upon such terms and conditions to be set forth in an Infrastructure Reimbursement Agreement (as such term is defined below); and

WHEREAS, the Project and the Infrastructure will enhance the economic development of the City in that, based on representations of the Company, the Project is anticipated to (i) involve a capital investment of approximately \$150,000,000, and (ii) result in the creation of approximately 550 full time or full time equivalent new jobs in the City; and

WHEREAS, the Project will provide public benefits incident to conducting business operations, and in order to implement the public purposes enumerated in the Act and in furtherance thereof to assist the Company in locating the Project in the City, the City intends to enter into an Infrastructure Reimbursement Agreement (“Infrastructure Reimbursement Agreement”) with the Company, in the form to be subsequently authorized by an ordinance (“Ordinance”) to be enacted by City Council, in order to reimburse to the Company for a portion of the Infrastructure costs incurred by the Company with respect to the Project by and through the making of Infrastructure Reimbursement Payments (as such term is defined below) from City Park Fees.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROCK HILL, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

Section 1. Authorization of Reimbursement. In order to promote industry, develop trade and utilize and employ the manpower and natural resources of the State of South Carolina by assisting the Company to locate and develop the Project in the State of South Carolina and in the City, the preparation of the Ordinance and the drafting and/or negotiation of the Infrastructure Reimbursement Agreement, and such other documents and instruments as may be deemed necessary or appropriate by the City Manager of the City to effect the reimbursement of a portion of the costs of the Infrastructure incurred by the Company in the manner described herein, is hereby authorized and approved. In furtherance of the foregoing, the City Manager is hereby authorized and directed to have prepared by legal counsel to the City a draft of the Ordinance authorizing the execution of an Infrastructure Reimbursement Agreement, under which Ordinance and Infrastructure Reimbursement Agreement the City shall make five (5) annual payments (“Infrastructure Reimbursement Payments”) to the Company. The amount of each respective Infrastructure Reimbursement Payment shall be derived from, and shall equal that portion of, the Park Fees distributed by York County to the City (pursuant to the terms of the Park Agreement and the York County ordinance approving such Park Agreement) to the extent such Park Fees are derived from assessments against property comprising part of the Project (“City Park Fees”), if any, for the prior year’s property tax bills (and fee-in-lieu of tax bills). For example, the 2015 Infrastructure Reimbursement Payment shall equal the City Park Fees with respect to the 2014 property tax bills (and fee-in-lieu of tax bills), such bills to be due and payable by the Company on or before January 15, 2015. The City’s commitment to make Infrastructure Reimbursement Payments to the Company is based upon the Company’s investment of approximately \$150,000,000 (but not less than \$125,000,000), and creation of approximately 550 (but not less

than 400) full time or full time equivalent jobs, in connection with the Project on or before the date which is five (5) years after the last day of the property tax year during which the first Project property is placed in service. Accordingly, the Infrastructure Reimbursement Agreement shall provide for some proportional recapture of the Infrastructure Reimbursement Payments to the extent that the Company's investment and job creation is less than anticipated.

Section 2. Consent to Park. In accordance with Section 4-1-170(c) of the Code of Laws of South Carolinian, 1976, as amended, the City hereby consents to the inclusion of the Land and the Project in the Park.

Section 3. Limited Obligation. The obligation to make Infrastructure Reimbursement Payments to the Company shall be a limited obligation of the City payable by the City solely from the City Park Fees, if any. The obligation to make Infrastructure Reimbursement Payments shall never constitute an indebtedness of the City within the meaning of any state constitutional provision (other than the provisions of Article X, Section 14(10) of the South Carolina Constitution) or statutory limitation and shall never constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power. Nothing in this Resolution, the Ordinance or the Infrastructure Reimbursement Agreement shall be construed as an obligation of or commitment by the City to expend any of its funds for such reimbursement other than the City Park Fees distributed by York County to the City with respect to the Project, if any. In addition, the obligation to make Infrastructure Reimbursement Payments to the Company is conditioned upon the designation of the Land as part of a Park, a designation to which the City consents in Section 2 hereof.

Section 4. Further Actions and Documents. The Mayor of the City, the City Manager and the Municipal Clerk of the City, and any other proper officer of the City, be and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution. In furtherance thereof, the Mayor of the City or the City Manager are authorized to consent to the designation of the Land as part of a Park, on behalf of the City, upon such terms and conditions as determined by the Mayor of the City or the City Manager.

Section 5. Provisions Separable. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 6. Conflicts. All orders, resolutions and parts thereof in conflict herewith are, to the extent of such conflict only, hereby repealed and this Resolution shall take effect and be in full force from and after its passage and approval.

Adopted by the City Council of the City of Rock Hill, South Carolina, this 27th day of June, 2011.

(SEAL)

CITY OF ROCK HILL, SOUTH CAROLINA

A. Douglas Echols, Jr., Mayor

John A. Black, III

ATTEST:

Susie B. Hinton

Anne H. Poag
Municipal Clerk

Kathy Pender

James C. Reno, Jr.

Osbey Roddey

Kevin Sutton