



**Mark Sanford**  
Governor

**SOUTH CAROLINA**  
DEPARTMENT OF COMMERCE

**Joe E. Taylor, Jr.**  
Secretary

**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 15, 2008**

**SUBJECT: Coordinating Council Annual Report of Fund Activity  
and Enterprise Program Activity for 2007**

On behalf of the Coordinating Council for Economic Development, I am pleased to submit the 2007 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, Governor's Closing Fund, Rural Infrastructure Fund, Tourism Infrastructure Fund, Motion Picture Incentives and the Enterprise Zone Programs managed by the South Carolina Department of Commerce's Grants Administration 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  
Ralph A. Odom, Jr., Chairman, State Board for Technical and Comprehensive Education  
Chairman, Coordinating Council Enterprise Committee  
The Honorable Rebecca D. Richardson, Commissioner, SC Employment Security  
Commission  
The Honorable Hugh E. Weathers, Commissioner, SC Department of Agriculture  
Ray Stevens, Director, SC Department of Revenue  
Dr. David Moody, Chairman, SC Research Authority  
Peter Brown, Chairman, Jobs Economic Development Authority  
O. L. Thompson, Chairman, Santee Cooper  
Chad Prosser, Director, SC Dept. of Parks, Recreation and Tourism  
David J. Posek, Chairman, State Ports Authority

Enclosure

**South Carolina  
Coordinating Council for  
Economic Development**

**2007 Annual Report**

**Economic Development Set-Aside Fund**

**Governor's Closing Fund**

**Rural Infrastructure Fund**

**Tourism Infrastructure Fund**

**Motion Picture Incentives**

**Enterprise Zone Programs**

**March 2008**

# SC Coordinating Council for Economic Development 2007 Annual Report

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## EXECUTIVE SUMMARY

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The Coordinating Council for Economic Development (“Council”) 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 (SC Code 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 in the Grants Administration Division of the South Carolina Department of Commerce (“Department of Commerce”) and manages the Council’s grant funds as well as the Enterprise Zone and Motion Picture Incentives programs. Grants Administration also manages two federal grant programs, the Community Development Block Grant and Appalachian Regional Commission programs. The Council’s grant programs, the Enterprise Zone Program, the Motion Picture Incentives and related 2007 accomplishments are described in detail in this report.

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## HIGHLIGHTS OF 2007 PERFORMANCE

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### COORDINATING COUNCIL GRANT PROGRAMS

The Economic Development Set-Aside Fund (“Set-Aside”) is the Coordinating Council’s primary business development tool for assisting local governments with roads, water/sewer infrastructure or site improvements related to business location or expansion. The Governor’s Closing Fund (“Closing Fund”) was created in 2006 to assist when additional funding is necessary to recruit or retain high impact economic development projects in the state. The Rural Infrastructure Fund (“RIF”) 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 Infrastructure Fund (“WWIF”) 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 and were used to fund additional water/sewer infrastructure grants. In 2007:

- \$11.9 million in Business Development Assistance was awarded to local governments in 24 counties for water, sewer, roads, rail, site preparation, building improvements (RIF and Closing Fund only) or other assistance necessary to facilitate business expansions or

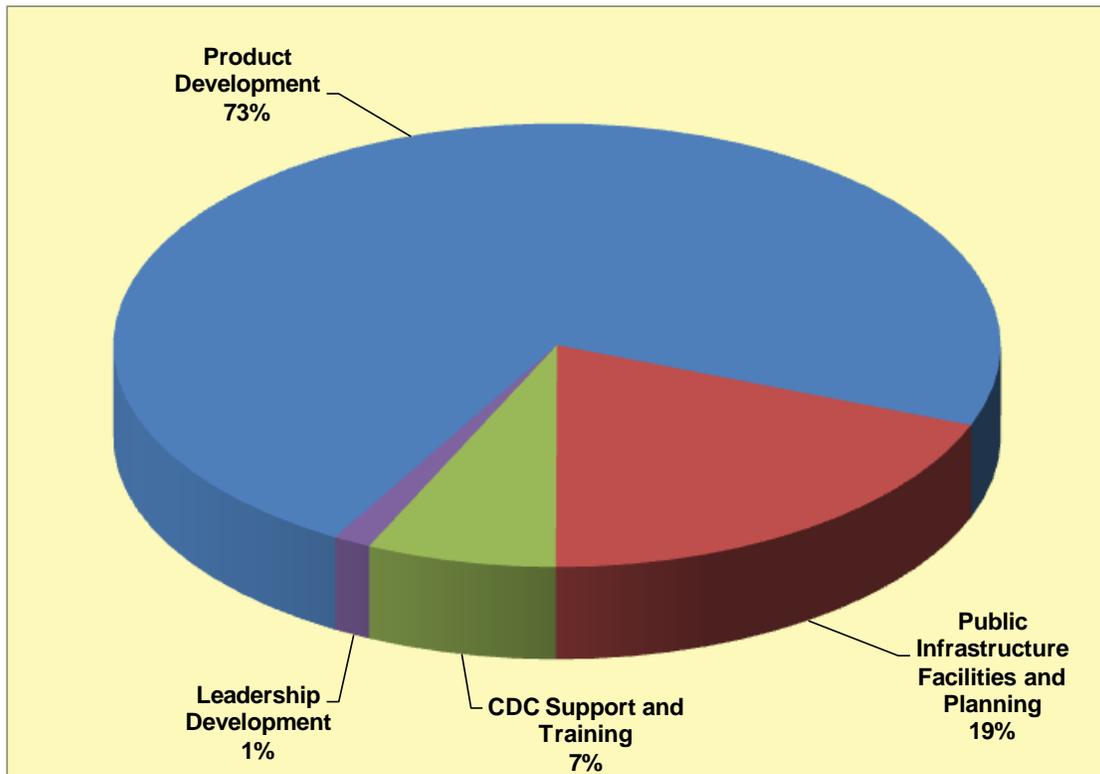
locations (Closing Fund only). The related businesses will create 4,128 new jobs and \$620 million in new capital investment.

- An additional \$13.6 million was committed to undecided projects which, if won, will create an additional 1,900 jobs and \$600 million in investment.
- A total of \$2.6 million was awarded to four of the “Least Developed” counties for projects aimed at improving economic competitiveness by developing parks and sites that can, in turn, can be used to attract jobs and capital investment.
- Seven communities located primarily in “Distressed”, “Least Developed” and “Under Developed” counties were awarded approximately \$700,000 for public water/sewer infrastructure or planning related to infrastructure regionalization.
- \$300,000 was awarded from the Rural Infrastructure Fund to continue assisting with leadership development and to fund technical assistance, training and financial support for Community Development Corporations (CDCs).

The amounts below only include new grant awards during 2007 and do not include committed funds or amendments or adjustments to any previously approved grant funds.

<b>2007 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>
Distressed	\$2,640,000	731	\$228,600,000
Least Developed	\$1,730,000	837	\$80,500,000
Under Developed	\$2,875,000	417	\$100,600,000
Moderately Developed	\$3,125,000	1,363	\$187,300,000
Developed	\$1,518,000	780	\$22,747,000
<b>TOTALS</b>	<b>\$11,888,000</b>	<b>4,128</b>	<b>\$619,747,000</b>

## 2007 COORDINATING COUNCIL NON-BUSINESS DEVELOPMENT GRANTS



CATEGORY	AMOUNT
Product Development	\$2,625,000
Public Infrastructure Facilities and Planning	\$693,690
CDC Support and Training	\$250,000
Leadership Development	\$50,000
<b>TOTAL</b>	<b>\$3,618,690</b>

## 2007 BUSINESS DEVELOPMENT GRANTS

County	County Tier	Scope Of Work	Funding Source	Grant Amount	Projected New Jobs	Projected Investment
Abbeville	Least Developed	Roads, Water/Sewer and Site Prep	Set-aside	350,000	24	7,900,000
Aiken	Least Developed	Water/Sewer	Set-aside	100,000	100	5,500,000
Aiken	Least Developed	Water/Sewer	Set-aside	100,000	14	1,100,000
Barnwell	Distressed	Building Upfit	Closing Fund	500,000	300	15,000,000
Barnwell	Distressed	Site Prep	RIF	1,000,000	200	150,000,000
Berkeley	Developed	Relocation	Closing Fund	250,000	31	4,300,000
Calhoun	Under Developed	Roads, Water/Sewer, Site Prep and Other Assistance	Set-aside & Closing Fund	2,250,000	160	71,000,000
Cherokee	Least Developed	Water/Sewer	RIF	150,000	144	14,000,000
Clarendon	Distressed	Roads	RIF	300,000	50	4,000,000
Edgefield	Least Developed	Roads, Water/Sewer and Site Prep	Set-aside	250,000	225	16,200,000
Fairfield	Least Developed	Water/Sewer	RIF	230,000	90	8,000,000
Florence	Moderately Developed	Water/Sewer	WWIF	75,000	13	2,300,000
Greenwood	Least Developed	Roads	RIF	200,000	40	13,800,000
Greenwood	Least Developed	Building	RIF	200,000	50	9,500,000
Hampton	Distressed	Roads	Set-aside	100,000	50	3,000,000
Lancaster	Least Developed	Site Prep	Set-aside	150,000	150	4,500,000
Laurens	Under Developed	Roads	RIF	225,000	73	8,000,000
Lexington	Developed	Site Prep	Set-aside	135,000	78	12,000,000
Marion	Distressed	Water/Sewer	RIF	260,000	36	13,600,000
Marlboro	Distressed	Site Prep	RIF	300,000	65	40,500,000

County	County Tier	Scope Of Work	Funding Source	Grant Amount	Projected New Jobs	Projected Investment
Newberry	Moderately Developed	Roads, Water/Sewer and Site Prep	Closing Fund	750,000	100	15,000,000
Oconee	Under Developed	Roads	Set-aside	250,000	170	18,000,000
Orangeburg	Under Developed	Rail	Set-aside	150,000	14	3,600,000
Richland	Developed	Other Assistance	Closing Fund	250,000	300	1,300,000
Richland	Developed	Relocation	Closing Fund	800,000	325	4,147,000
Spartanburg	Moderately Developed	Roads, Water/Sewer and Site Prep	Set-aside	2,000,000	1,200	150,000,000
Spartanburg	Moderately Developed	Roads	Set-aside	300,000	50	20,000,000
Williamsburg	Distressed	Rail	Set-aside	180,000	30	2,500,000
York	Developed	Water/Sewer	WWIF	83,000	46	1,000,000
		<b>Total</b>		<b>\$11,888,000</b>	<b>4,128</b>	<b>\$619,747,000</b>

## 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.

**2007 JOB DEVELOPMENT CREDIT APPROVALS (BY COUNTY DEVELOPMENT TIER)**

<b>COUNTY DESIGNATION</b>	<b>TOTAL PROJECTS APPROVED</b>	<b>TOTAL JOBS</b>	<b>TOTAL INVESTMENT</b>	<b>AVERAGE COMPANY HOURLY WAGE</b>
Developed	19	4,359	\$733,094,500	\$26.14
Moderately Developed	8	437	\$103,265,000	\$16.80
Under Developed	9	625	\$290,863,063	\$17.08
Least Developed	19	1,801	\$265,892,925	\$20.28
Distressed	6	275	\$194,100,000	\$15.49
<b>TOTALS</b>	<b>61</b>	<b>7,497</b>	<b>\$1,587,215,488</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 2007, 16 retraining applications were approved, enabling 15 companies to retrain an estimated 6,478 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 established by the General Assembly in 1986 (SC Code 13-1-1710) for the purpose of enhancing economic growth and development in the State through strategic planning and coordination. As such, the Council is chaired by the Secretary of Commerce and the nine additional members are drawn from other state agencies involved in economic development.

### **COUNCIL RESPONSIBILITIES AND MEMBERSHIP**

By statute, the full body of the Council is required to meet at least quarterly. Its responsibilities include: establishing guidelines and procedures for all Council programs; implementing the state's strategy for economic development; review and approval of all applications for grants from the Set-Aside, Rural Infrastructure, Closing and Tourism Infrastructure Funds; and review and approval of all applications for Enterprise Zone Job Development Credit and Retraining incentives and Motion Picture wage and supplier rebates. The Council also certifies economic development projects as representing "significant economic impact" on areas surrounding them, for the purposes of qualifying for income tax apportionment and income tax moratoriums.

Following enactment of the Enterprise Zone legislation in 1995, the Council formed a specialized, six-member subcommittee ("Enterprise Committee") to handle the substantial volume of new activity and related policy decisions. This committee meets monthly to review and approve applications for Enterprise Zone incentives, respond to issues and recommend policies for adoption by the full Council at its quarterly meetings. Current membership of the Council is shown below.

### **AGENCY MEMBERS OF THE COORDINATING COUNCIL**

SC Department of Commerce  
SC Department of Parks, Recreation and Tourism  
Santee Cooper  
State Ports Authority  
\*State Board for Technical and Comprehensive  
Education

\*SC Department of Revenue  
\*SC Research Authority  
\*Employment Security Commission  
\*SC Department of Agriculture  
\*Jobs Economic Development  
Authority

*\*Denotes Enterprise Committee member*

## 2007 ADMINISTRATIVE CHANGES

Joe E. Taylor, Jr., who was appointed Secretary of Commerce by Governor Sanford in March 2006, acted as Chairperson of the Coordinating Council throughout 2007. Ralph A. Odom, Jr., Chairman of the State Board for Technical and Comprehensive Education, chaired the Enterprise Committee of the Coordinating Council throughout 2007.

Council membership after all changes in calendar year 2007 was as follows:

Joe E. Taylor, Jr.	Secretary of Commerce Chairman, Coordinating Council for Economic Development
Ralph A. Odom, Jr.	Chairman, State Board for Technical and Comprehensive Education Chairman, Coordinating Council Enterprise Committee
Rebecca D. Richardson	Commissioner, SC Employment Security Commission
Hugh E. Weathers	Commissioner, SC Department of Agriculture
Ray Stevens	Director, SC Department of Revenue
David Moody	Chairman, SC Research Authority
Peter Brown	Chairman, Jobs and Economic Development Authority
O.L. Thompson	Chairman, Santee Cooper
Bill H. Stern	Chairman, State Ports Authority
Chad Prosser	Director, SC Department of Parks, Recreation and Tourism

Coordinating Council staff:

Alan D. Young	Executive Director, Coordinating Council
Scott Hulstrand	Assistant to the Director
Marcella S. Forrest	Senior Program Manager, Enterprise Zone Program
Jackie Calvi	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. 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. At inception, the fund was created from the first \$10 million received through state gas tax revenues. The annual \$10 million appropriation was later increased to \$18 million, and then in July 2006, to \$20 million. The funding source was also changed to be split between utility and gas tax revenues. By 2008 utility taxes will be the sole funding source and Set-Aside revenue will be capped at \$20 million.

## TYPES OF PROJECTS FUNDED

The purpose of the Set-Aside Fund is to assist companies in locating or expanding in South Carolina. The Program provides funding for competitive projects that, without Set-Aside participation, would not locate in South Carolina. Set-Aside grants are used primarily to fund road improvements, water and sewer infrastructure and site preparation 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:

- Competitiveness of the project,
- Number and type of jobs created,
- Type of industry (e.g., manufacturing, distribution, corporate headquarters, research and development),
- Unemployment rate in county where the project locates,
- Total invested dollars (land, building, machinery and equipment costs),
- Cost of the project,
- Cost-effectiveness of the project,
- Future tax revenues anticipated,

- Time frame for completion of construction of the facility,
- Infrastructure needs of the region,
- Funding sought from other sources,
- Financial viability of the company, and
- Company status as 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 Department of Commerce Business Development project manager must be actively involved in the recruitment of the economic development project for which funding is requested.
- Without 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. The Department of Commerce Business Development Division works with the local government to identify specific funding needs for the project. Preliminary details such as cost estimates, project scope, company financials and number of jobs and level of investment expected 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 Department of Commerce Grants Administration Division 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.

- 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 related to jobs and investment.
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 Grants Administration 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 AND 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, and it further defined allowable site preparation activities. In July 2006, the legislature passed a second proviso expanding eligible activities to include fiber optic cable, rail spurs and the purchase of land.

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*
  - Road re-surfacing or widening
  - Turn lanes and acceleration and deceleration lanes

- Site preparation
  - Surveying
  - Environmental and geotechnical study and mitigation
  - Clearing, filling and grading
- Fiber optic cable
- Rail spurs
- Land acquisition

**Activities Not Eligible for Set-Aside Funding**

- Speculative projects
- Opening up access to undeveloped property
- State government funded projects
- 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, except that road improvements for civic centers may be funded (up to \$1,000,000) if associated with substantial economic development projects
- Curb and guttering for aesthetic purposes
- Concrete loading docks or pads
- Equipment and moving expenses
- Residential developments

**2007 ACCOMPLISHMENTS**

During calendar year 2007, Council awarded fourteen (14) new Set-Aside grants totaling \$5.8 million to twelve (12) local governments each representing a different county. Projected capital investment from the associated projects is \$315 million, and projected new jobs total 2,265. Commitments were also made for an additional \$8.6 million for projects which are not yet decided. If won, these projects will represent an additional 1,380 jobs and \$225 million in investment.

On the following pages are tables that outline project placement by county development status and the distribution of awarded 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 2007. The totals shown on these charts only represent new grants awarded in 2007 and do not reflect amendments made to previously approved grants or funds committed by the Council.

**2007 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>
Distressed	2	\$5,500,000	80
Least Developed	5	\$35,200,000	513
Under Developed	3	\$92,600,000	344
Moderately Developed	3	\$170,000,000	1,250
Developed	1	\$12,000,000	78
<b>TOTALS</b>	<b>14</b>	<b>\$315,300,000</b>	<b>2,265</b>

**2007 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	7	\$191,000,000	1,628
New	7	\$124,300,000	637
<b>TOTALS</b>	<b>14</b>	<b>\$315,300,000</b>	<b>2,265</b>

**NEW GRANT AWARDS  
ECONOMIC DEVELOPMENT SET-ASIDE FUND  
CALENDAR YEAR 2007**

<b>Grant Number</b>	<b>Grant Recipient</b>	<b>County</b>	<b>County Tier</b>	<b>Scope of Work</b>	<b>Grant Amount</b>	<b>Projected New Jobs</b>	<b>Projected Investment</b>
S1746	Abbeville County	Abbeville	Least Developed	Roads, Water/Sewer and Site Prep	350,000	24	\$7,900,000
S1773	Aiken County	Aiken	Least Developed	Water/Sewer	100,000	100	\$5,500,000
S1768	Aiken County	Aiken	Least Developed	Water/Sewer	100,000	14	\$1,100,000
S1776	Calhoun County	Calhoun	Under Developed	Roads, Water/Sewer and Site Prep	1,650,000	160	\$71,000,000
S17	Charleston County	Charleston	Moderately Developed	Environmental Assessment	\$75,000	**	**
S1775	Edgefield County	Edgefield	Least Developed	Roads, Water/Sewer and Site Prep	250,000	225	\$16,200,000
S1762	Hampton County	Hampton	Distressed	Roads	100,000	50	\$3,000,000
S1766	Lancaster County	Lancaster	Least Developed	Site Prep	150,000	150	\$4,500,000
S1761	Lexington County	Lexington	Developed	Site Prep	135,000	78	\$12,000,000
S1767	Oconee County	Oconee	Under Developed	Roads	250,000	170	\$18,000,000
S1760	Orangeburg County	Orangeburg	Under Developed	Rail	150,000	14	\$3,600,000
S1778	Spartanburg County	Spartanburg	Moderately Developed	Roads, Water/Sewer and Site Prep	2,000,000	1,200	\$150,000,000
S1774	Spartanburg County	Spartanburg	Moderately Developed	Roads	300,000	50	\$20,000,000
S1763	Williamsburg County	Williamsburg	Distressed	Rail	180,000	30	\$2,500,000
<b>TOTALS</b>					<b>\$5,790,000</b>	<b>2,265</b>	<b>\$315,300,000</b>

*\*\* This grant will assist Charleston County with environmental assessment related to airport improvements required by existing employers who collectively announced approximately 1,000 jobs and \$600 million in new investment.*

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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 in 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.

Enabling legislation gave the Coordinating Council responsibility for funds generated by the provisions of the Rural Development Act, as well as for developing policies and procedures. Funding comes from companies participating in an Enterprise Zone Revitalization Agreement with the Council, which permits companies to claim a refund for a portion of the employee state payroll tax withholding sent to the 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 eligible company expenses, such as real property, associated with its new or expanded operation.

Participating companies located in the least developed counties of the state are eligible to claim a refund of 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; in moderately developed counties companies may claim only 70%; and in 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 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, which normally meets once per quarter.

If the 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.

## 2007 JOBS TAX CREDIT DESIGNATIONS

<b>DISTRESSED 100%</b>	<b>LEAST DEVELOPED 100%</b>	<b>UNDER DEVELOPED 85%</b>	<b>MODERATELY DEVELOPED 70%</b>	<b>DEVELOPED 55%</b>
Allendale Bamberg Barnwell Chesterfield Clarendon Dillon Hampton Lee Marion Marlboro McCormick Williamsburg	Abbeville Aiken Cherokee Edgefield Fairfield Greenwood Lancaster Orangeburg Union	Calhoun Chester Colleton Darlington Georgetown Jasper Laurens Oconee Pickens Saluda Sumter	Anderson Beaufort Charleston Florence Horry Newberry Spartanburg	Berkeley Dorchester Greenville Kershaw Lexington Richland York

### 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 RIF funds to other types of activities necessary to improve economic competitiveness. As a result of the investment strategy, RIF funds are now targeted towards four areas:

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

### APPLICANT QUALIFICATION

Under the enabling legislation, only local governments that are located within counties with a “least developed” or “distressed” designation are qualified to apply for RIF funds. 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 considers a variety of factors, including:

- Competitiveness of the project.
- Economic viability of the project.
- Cost effectiveness of the project activities.
- Benefit to the state/region/county/municipality.
- Ability of local government(s) to carry out and maintain the project.
- Consistency with the state's strategic development goals.
- Level of financial commitment from the county and, if appropriate, the municipality where the project is located.
- Consistency of the proposed project with the county's strategic development plan and degree to which carrying out the project will further the success and implementation of that plan.

## **ELIGIBLE PROJECTS AND ACTIVITIES**

RIF grant assistance may only be used for eligible projects and for eligible activities. Both are described below.

### **Eligible Projects**

To be eligible to apply for RIF funds, a project must support the implementation of a county strategic development plan, or the project must be directly related to economic development in the area. In addition, projects must demonstrate:

- Local political and public support.
- Ability to proceed to completion within a reasonable period of time.
- Significant community financial support, including commitments from all other sources of funding. (RIF grants typically will not fund 100% of any request. To ensure this, projects are considered for RIF funding only once all other available sources of funding have been committed. There generally must be a demonstrable shortfall that cannot be met without RIF assistance.)

### **Eligible Activities**

Eligible activities generally include infrastructure and economic development activities. Examples are listed below.

- Engineering
- Right-of-way acquisition
- Drainage
- Roads
- Rail spurs
- Economic development 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
- Environmental studies
- Feasibility studies
- Community revitalization
- Marketing (studies, materials)
- Small business incubators
- Industrial park development and improvement

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## **2007 ACCOMPLISHMENTS**

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During 2007, the Coordinating Council awarded a total of thirteen (13) community and economic development related Rural Infrastructure Fund projects. These RIF grants assisted a total of ten (10) rural counties. Eight (8) counties received grants to assist in providing roads, water/sewer infrastructure, site improvements or building improvements required to support new business locations or expansions involving new jobs and capital investment. Four (4) counties received funds for economic development preparation activities, including:

- Product development or development of sites, buildings and industrial parks to attract new businesses or encourage existing businesses to expand, and
- Public infrastructure water/sewer improvements and plans related to regionalization of these key systems.

Of the ten (10) counties assisted, two received both types of assistance.

In addition, the Coordinating Council awarded funds for leadership development and for training, support and financing of Community Development Corporations (CDCs). Approximately \$6 million was awarded in RIF program fund grants during calendar year 2007.

The RIF grants awarded during the year are detailed on the following page(s).

**NEW BUSINESS DEVELOPMENT GRANT AWARDS  
RURAL INFRASTRUCTURE FUND  
CALENDAR YEAR 2007**

Grant Number	Grant Recipient	County	County Tier	Scope of Work	Grant Amount	Projected New Jobs	Projected Investment
RIF07060141	Barnwell County	Barnwell	Distressed	Site Prep	\$1,000,000	200	\$150,000,000
RIF07110132	Cherokee County	Cherokee	Least Developed	Water/Sewer	\$150,000	144	\$14,000,000
RIF07140140	Clarendon County	Clarendon	Distressed	Roads	\$300,000	50	\$4,000,000
RIF06200110	Fairfield County	Fairfield	Least Developed	Water/Sewer	\$230,000	90	\$8,000,000
RIF07240128	Greenwood County	Greenwood	Least Developed	Roads	\$200,000	40	\$13,800,000
RIF07240130	Greenwood County	Greenwood	Least Developed	Building Improvements	\$200,000	50	\$9,500,000
RIF07300135	Laurens County	Laurens	Under Developed	Roads	\$225,000	73	\$8,000,000
RIF07340137	Marion County	Marion	Distressed	Water/Sewer	\$260,000	36	\$13,600,000
RIF07350136	Marlboro County	Marlboro	Distressed	Site Prep	\$300,000	65	\$40,500,000

**NEW NON-BUSINESS DEVELOPMENT GRANT AWARDS  
RURAL INFRASTRUCTURE FUND  
CALENDAR YEAR 2007**

Grant Number	Grant Recipient	County	County Tier	Scope of Work	Grant Amount
RIF07110119	Cherokee County	Cherokee	Least Developed	Roads and Infrastructure	\$1,100,000
RIF07200142	Fairfield County	Fairfield	Least Developed	Site Prep	\$150,000
RIF07290129	Lancaster County	Lancaster	Least Developed	Water/Sewer	\$375,000
RIF07380134	Orangeburg County	Orangeburg	Least Developed	Roads and Infrastructure	\$1,000,000
RIF07120143	Town of Fort Lawn	Chester	Under Developed	Water/Sewer	\$250,000
RIF07020127	City of Gaffney on behalf of SC Community Development Intermediary			CDCs Training, Technical Assistance and Financial Support	\$250,000
RIF07000060B	SC Economic Developers School			Leadership Training	\$50,000

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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 into a special infrastructure development fund for disbursement by the Coordinating Council following review and approval of application(s) submitted by the local government.
- 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. The 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 public or private funds or a combination of both. 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 designated development area, and which directly support the qualified development, may also be included in the total investment.

## **RESPONSIBILITIES OF THE COORDINATING COUNCIL AND STAFF**

1. The Department of Revenue deposits tax (equal to 25% 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 of 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 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 Council and the local government applicant.
6. The Council may pay expenses for administering Tourism Infrastructure Fund grants from funds deposited in the special account. Council currently retains 4% of each pay request for administration of the program.
7. Staff processes pay requests and monitors grants 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 Council for any infrastructure project in the state that will aid tourism.

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## **2007 ACCOMPLISHMENTS**

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Council did not receive any applications for Tourism Infrastructure Fund grants during calendar year 2007. However, the Council did approve one request to increase the funds awarded for a grant approved in a prior year by \$750,000, which is nearly equal to 100% of the funds available in the related Tourism Infrastructure Fund account, or 100% of deposits net of administrative fees.

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# MOTION PICTURE INCENTIVES

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## OVERVIEW

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In May 2005, the South Carolina General Assembly passed the South Carolina Motion Picture Incentives Act (“Act”) creating incentives for motion pictures and television production companies that choose to film all or in part in South Carolina. The incentives require that both the production company and the production itself meet specific statutory requirements. Partial rebates of wages paid to employees who work on the production in the state and expenditures within the state are available, as well as sales and use tax exemptions for goods purchased in the state.

For qualifying companies that will spend at least \$1 million in South Carolina on eligible productions within one year, the Film Commission and the Coordinating Council for Economic Development may approve wage and supplier rebates in amounts equal to, respectively, up to 20% of certain South Carolina wages and 30% of in-state non-wage expenditures. These percentages reflect an increase in the incentives that became effective July 1, 2006. Funds are applied for and reserved before a company begins filming.

## TYPES OF PROJECTS FUNDED

Under the Act, a motion picture production company is a company engaged in the business of producing productions intended for a national theatrical release or for television viewing. Under the Act, a motion picture production company must film all or part of its production in South Carolina in order to even be considered for the incentives offered under the Act.

A “motion picture” is a feature-length film, video, television series or commercial made in whole or in part in South Carolina, and intended for national theatrical or television viewing or a television pilot produced by a production company.

The purpose of the incentives is to encourage the use of South Carolina as a site for film and television production, to advocate the hiring of South Carolina residents as staff, cast or crew and to support and encourage the use of other South Carolina services and equipment companies by the entertainment industry in these productions.

## RESPONSIBILITIES OF THE COORDINATING COUNCIL AND STAFF

1. The Film Commission, Department of Commerce and Coordinating Council determine whether particular motion picture and television productions, and the expenditures associated with those productions, qualify for incentives under the Act.
2. Staff processes wage and supplier rebates at the end of production upon final verification and recommendation of the Incentives Auditor.

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## 2007 ACCOMPLISHMENTS

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In 2007, the Council approved wage and supplier rebates for four new productions that will spend nearly \$55.6 million in the state.

<b>MOTION PICTURE PRODUCTIONS CALENDAR YEAR 2007</b>			
<b>PRODUCTION</b>	<b>TOTAL SOUTH CAROLINA SPENDING</b>	<b>TOTAL ESTIMATED REBATE</b>	<b>LOCATION</b>
Reinventing the Wheelers	\$3,978,000	\$961,470	Charleston County
Gospel Hill	\$3,924,061	\$971,000	York County
The New Daughter	\$7,333,782	\$1,850,000	York County
Army Wives Series 2	\$40,338,207	\$8,801,903	York County
<b>Totals</b>	<b>\$55,574,050</b>	<b>\$12,584,373</b>	

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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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### 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. However, the JDC can only be claimed *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 \$25 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 Budget and Control Board adjusts the scale each year. The scale below shows the scale for calendar year 2007.

<b>PERCENTAGE OF TAXABLE WAGES COMPANIES MAY CLAIM AS A JOB DEVELOPMENT CREDIT 2007</b>	
<b>Hourly Wage</b>	<b>Maximum % Claimed as JDC</b>
\$8.18 - \$10.89 / hour	2%
\$10.90 - \$13.63 / hour	3%
\$13.64 - \$20.44 / hour	4%
\$20.45 and over	5%

**2) County Development Status & Contributions to the 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 Rural Infrastructure Fund (“RIF”). As the Enterprise Program has matured, *the RIF has begun to represent a significant source of assistance to rural counties*, both for infrastructure and product development activities related to economic development preparedness, and for roads, water/sewer, site preparation and other activities necessary secure new business locations or expansion.

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 initially based on unemployment rates and per capita income levels. The five classifications and the Job Development Credit percentages that can be claimed in each category are shown below.

<b>COUNTY CLASSIFICATIONS FOR THE JOB DEVELOPMENT CREDIT</b>	
<b>County Classification</b>	<b>Allowable Credit as % of Total JDC</b>
Developed	55%
Moderately Developed	70%
Under Developed	85%
Least Developed & Distressed	100%

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## **JOB RETRAINING CREDIT**

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South Carolina’s existing industry must remain competitive and profitable in order to 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**

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The Enterprise Zone Act (“Act”) gives the Coordinating Council 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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## **2007 ACCOMPLISHMENTS**

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During calendar year 2007, 61 projects were approved for the Job Development Credit, and these projects have made an initial commitment to create 7,497 new jobs and to invest \$1.6 billion in capital land, building or equipment. Projected 10-year net economic benefit is \$9.5 billion in value to the state, the locality and private citizens in the form of public revenues and wages.

Also in 2007, companies continued to apply for, and be approved for, 5-year retraining agreements. Having negotiated training plans with the technical college serving their area, 16 retraining plans were approved for the Enterprise Zone retraining credit, representing 15 companies. Under these 5-year plans, these 15 companies indicated that a total of 6,478 employees represent qualified “production employees” eligible for retraining credits.

**SUMMARY OF 2007 ENTERPRISE ZONE PROGRAM ACTIVITY  
& APPLICATION FEES**

<b>SOUTH CAROLINA ENTERPRISE PROGRAM 2007 PROJECT APPROVALS</b>	
<b>JOB DEVELOPMENT CREDITS:</b>	
Number of Approved Projects	61
Projected Jobs	7,497
Projected Capital Investment	\$1,587,215,488
Net Economic Benefit (over 10 years)	\$9,555,960,007
<b>RETRAINING CREDITS:</b>	
Number of Retraining Agreements	16
Employees to be Retrained (over 5 years)	6,478

<b>2007 ENTERPRISE ZONE APPLICATION FEES</b>	
<b>APPLICATION FEES RECEIVED:</b>	
January 1 – December 31, 2007	\$372,500.00
<b>EXPENDITURES:</b>	
Personnel & Administration	\$238,807.08

## SUMMARY OF 2007 ENTERPRISE ZONE PROGRAM ACTIVITY

<b>2007 JOB DEVELOPMENT CREDIT PROJECTS - BY COUNTY CLASSIFICATION -</b>			
<b>COUNTY CLASSIFICATION</b>	<b>NUMBER OF PROJECTS</b>	<b>PROJECTED INVESTMENT</b>	<b>PROJECTED JOBS</b>
Developed	19	\$733,094,500	4,359
Moderately Developed	8	\$103,265,000	437
Under Developed	9	\$290,863,063	625
Least Developed	19	\$265,892,925	1,801
Distressed	6	\$194,100,000	275
<b>TOTALS</b>	<b>61</b>	<b>\$1,587,215,488</b>	<b>7,497</b>

<b>2007 JOB DEVELOPMENT CREDIT PROJECTS - BY PROJECT TYPE -</b>				
<b>PROJECT TYPE</b>	<b>NUMBER OF PROJECTS</b>	<b>NUMBER OF COMPANIES</b>	<b>PROJECTED INVESTMENT</b>	<b>PROJECTED JOBS</b>
Expansion	26	23	\$953,197,711	4,877
New	35	35	\$634,017,777	2,620
<b>TOTALS</b>	<b>61</b>	<b>58</b>	<b>\$1,587,215,488</b>	<b>7,497</b>

**ENTERPRISE ZONE PROGRAM  
PRELIMINARY REVITALIZATION AGREEMENTS  
CALENDAR YEAR 2007 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>
EZ07352281	Marlboro	\$40,500,000	70	\$81,382,640	Expansion
EZ07022316	Aiken	\$3,450,159	50	\$58,988,701	New
EZ07082279	Berkeley	\$18,500,000	25	\$32,274,833	Expansion
EZ07102321	Charleston	\$1,500,000	40	\$38,333,205	Expansion
EZ07382249	Orangeburg	\$1,612,500	103	\$58,798,299	Expansion
EZ07462300	York	\$15,540,000	48	\$67,769,593	Expansion
EZ07022238	Aiken	\$5,560,210	100	\$79,861,941	Expansion
EZ07292273	Lancaster	\$3,651,162	30	\$53,807,311	New
EZ07462301	York	\$600,000	113	\$124,011,343	New
EZ07292242	Lancaster	\$1,100,000	50	\$34,535,818	Expansion
EZ07372272	Oconee	\$25,950,000	113	\$103,671,930	Expansion
EZ07342303	Marion	\$13,550,000	30	\$28,485,779	New
EZ07402235	Richland	\$4,000,000	107	\$148,330,952	New
EZ07402290	Richland	\$3,445,000	300	\$340,119,093	Expansion
EZ07402265	Richland	\$100,300,000	300	\$315,265,548	Expansion
EZ07042286	Anderson	\$5,300,000	30	\$30,961,921	New
EZ07432177	Sumter	\$3,275,000	28	\$22,016,070	New
EZ07462327	York	\$2,990,000	100	\$198,071,012	Expansion
EZ06382212	Orangeburg	\$14,300,000	38	\$31,778,713	Expansion
EZ07112266	Cherokee	\$3,780,000	217	\$159,165,224	New
EZ07402229	Richland	\$3,800,000	81	\$132,390,777	New
EZ07082325	Berkeley	\$300,000,000	100	\$307,025,848	Expansion
EZ07172225	Dillon	\$120,000,000	42	\$108,790,228	New
EZ07402294	Richland	\$1,955,000	70	\$142,874,429	New
EZ07122309	Chester	\$118,150,000	45	\$127,871,625	New
EZ07062277	Barnwell	\$11,950,000	100	\$65,701,624	New
EZ07392320	Pickens	\$14,000,000	115	\$77,759,582	Expansion
EZ07192231	Edgefield	\$16,200,000	200	\$142,087,416	New
EZ07292324	York	\$14,000,000	200	\$311,789,417	Expansion
EZ07292302	York	\$55,600,000	300	\$462,308,669	New
EZ07292313	Lancaster	\$83,200,000	450	\$754,112,662	Expansion
EZ07292314	York	\$105,000,000	1,650	\$2,574,871,287	Expansion
EZ07122205	Chester	\$2,000,000	58	\$33,032,259	New
EZ07292285	Lancaster	\$1,867,200	35	\$56,220,670	New
EZ07142295	Clarendon	\$3,100,000	18	\$13,084,004	New
EZ07422305	Spartanburg	\$15,400,000	100	\$89,845,732	Expansion
EZ07242275	Greenwood	\$6,250,000	140	\$125,498,114	New
EZ07122226	Chester	\$3,760,000	82	\$58,191,492	New
EZ07022246	Aiken	\$14,000,000	30	\$39,003,344	Expansion

**ENTERPRISE ZONE PROGRAM  
PRELIMINARY REVITALIZATION AGREEMENTS  
CALENDAR YEAR 2007 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>
EZ07022288	Aiken	\$45,000,000	35	\$67,078,821	Expansion
EZ07292289	Lancaster	\$13,275,000	50	\$62,490,916	New
EZ07382298	Orangeburg	\$3,210,000	18	\$19,426,338	New
EZ07362271	Newberry	\$15,300,000	70	\$88,113,662	New
EZ07432328	Sumter	\$7,896,000	64	\$44,392,092	New
EZ06322223	Lexington	\$25,200,000	72	\$65,768,433	Expansion
EZ07122308	Chester	\$109,826,062	60	\$125,718,486	New
EZ07042259	Anderson	\$1,200,000	30	\$26,705,676	New
EZ07292312	Lancaster	\$9,421,694	90	\$108,150,851	New
EZ07082243	Berkeley	\$10,000,000	80	\$68,016,287	New
EZ07012270	Abbeville	\$31,000,000	25	\$47,192,384	Expansion
EZ07252287	Hampton	\$5,000,000	15	\$19,152,374	Expansion
EZ07362269	Newberry	\$20,000,000	37	\$33,370,495	New
EZ07322322	Lexington	\$60,300,000	350	\$272,322,434	Expansion
EZ07382105	Orangeburg	\$2,310,000	20	\$12,276,291	New
EZ07122234	Chester	\$6,006,000	60	\$60,102,513	New
EZ07462263	York	\$2,064,500	15	\$11,029,927	New
EZ07462230	York	\$2,300,000	148	\$228,933,171	Expansion
EZ07232241	Greenville	\$7,500,000	300	\$337,096,636	Expansion
EZ07102253	Charleston	\$36,015,000	80	\$85,885,012	New
EZ07192232	Aiken	\$6,705,000	120	\$103,280,682	New
EZ07042258	Anderson	\$8,550,000	50	\$39,367,421	New

**ENTERPRISE ZONE PROGRAM  
FINAL REVITALIZATION AGREEMENTS  
CALENDAR YEAR 2007 APPROVALS**

COMPANY NAME	COUNTY	PROJECTED 15-YEAR NET ECONOMIC BENEFIT
Ahlstrom USA	Lee	\$42,068,068
Ahlstrom USA	Lee	\$42,068,068
Baja Broadband Management, Inc.	Lancaster	\$53,807,311
Boysen USA, LLC	Cherokee	\$46,634,523
Clariant Corporation	Allendale	\$16,022,974
EC & M Company, LLC	Calhoun	\$42,248,607
EchoStar DBS Corporation	Spartanburg	\$141,389,614
Forgitron, LLC	Kershaw	\$28,432,168
Global Performance Holdings, Inc.	Greenville	\$92,996,346
Hand Held Products, Inc.	Lancaster	\$247,600,820
Kimberly-Clark Corporation	Aiken	\$128,526,566
Michelin North America, Inc.	Anderson	\$41,316,901
PBR Columbia, LLC	Lexington	\$27,854,526
Robert Bosch, LLC	Anderson	\$224,751,953
Roechling Automotive Duncan LLP	Spartanburg	\$52,180,538
Scout Boats, Inc.	Dorchester	\$49,533,404
Sunbelt Rentals, Inc.	York	\$221,804,212
SYNNEX Information Technologies, Inc.	Greenville	\$163,186,257
Union Underwear Company, Inc.	Berkeley	\$84,510,578
Verizon Wireless (Cellco)	Charleston	\$602,504,094

**ENTERPRISE ZONE PROGRAM  
5-YEAR RETRAINING AGREEMENTS  
CALENDAR YEAR 2007 APPROVALS**

COMPANY NAME	COUNTY	EMPLOYEES ELIGIBLE TO BE RETRAINED DURING 5-YEAR AGREEMENT
Actaris U.S. Liquid Measurement	Greenwood	75
Cryovac - Sealed Air Corporation	Greenville	1,054
Cryovac - Sealed Air Corporation	Oconee	87
Emitec, Inc.	Greenville	55
ESAB Welding & Cutting Products	Florence	350
Exopack, LLC	Spartanburg	399
Fiberweb (Reemay)	Greenville	52
Greenwood Mills, Inc.	Greenwood	440
Hydro Aluminum North America	Anderson	200
INVISTA International S.à r.l.	Kershaw	680
Orian Rugs, Inc.	Anderson	210
Pfizer, Capsugel Division	Greenwood	616
RE Phelon Company, Inc.	Aiken	160
Robert Bosch, LLC	Anderson	1,000
VELUX-Greenwood, Inc.	Greenwood	300
Westinghouse Electric Company, LLC	Richland	800

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## **GRANT PROGRAM COMPLIANCE**

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Grants from any of the funds managed by the Council, including the Set-Aside Fund, Rural Infrastructure Fund, Governor's Closing Fund and Tourism Infrastructure Fund, are made under and in accordance with the laws of the State of South Carolina. The federal and state courts within 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.
- 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 grant 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.