

ORDINANCE  
(GREENVILLE COUNTY)

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO INDUCEMENT AGREEMENT AND MILLAGE RATE AGREEMENT DATED NOVEMBER 21, 2006 AND FEE IN LIEU OF TAX AGREEMENT BETWEEN GREENVILLE COUNTY, SOUTH CAROLINA AND PRECISION VALVE CORPORATION DATED MAY 20, 2008 AND OTHER RELATED MATTERS.

WHEREAS, Greenville County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of the South Carolina Constitution (the "Constitution"), the Code of Laws of South Carolina, 1976, as amended (the "Code"), and the case law of the courts of the State of South Carolina, to offer and provide certain privileges, benefits, and incentives to prospective industries as inducements for economic development within the County; and

WHEREAS, the County is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 of the Code (the "Act") to enter into certain agreements with any industry that constructs, operates, maintains, and improves certain properties (which constitute "projects" as defined in the Act) and to accept any grants for such projects; and

WHEREAS, through employment of the powers granted by the Act, the County will promote the economic and industrial development of the State of South Carolina (the "State") and develop its trade by inducing manufacturing and commercial enterprises to locate and remain in the State and thus use and employ the manpower, agricultural products, and natural resources of the State and benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally that provide for the exemption of such project from property taxes and provide for the payment of a fee in lieu of property taxes (a "fee agreement" as defined in the Act); and

WHEREAS, Precision Valve Corporation, a corporation organized and existing under the laws of the State of New York (the "Company") operates and has been expanding a manufacturing facility in the County, has been engaged in the relocation and expansion of a research and development facility in the County, and has been engaged in the relocation of a regional corporate headquarters to the County (as defined in the Fee Agreement, and collectively the "Project"); and

WHEREAS, the County and the Company entered into that certain Inducement Agreement and Millage Rate Agreement dated as of November 21, 2006 (the "Inducement Agreement") and that certain Fee in Lieu of Tax Agreement dated as of May 20, 2008 (the "Fee Agreement" and, collectively with the Inducement Agreement, the "Agreements"), by which there was created a fee-in-lieu-of-tax arrangement with respect to certain property owned by Company and located at the Project; and

WHEREAS, pursuant to the Agreements, the Company committed to invest at least \$50,000,000 (the “Minimum Investment”) and create at least 200 new full-time jobs (the “Jobs Creation Commitment”) at the Project by December 31, 2013 (the “Threshold Date”); and

WHEREAS, further, the Agreements provided for an extension of five (5) years beyond the Threshold Date within which the Company may invest additional property in the County to complete the Project and have such additional property treated as Economic Development Property (as that term is defined in the Fee Agreement), with such extended investment period ending on December 31, 2018; and

WHEREAS, the Agreements also provided for a special source revenue credit equal to 35% of the Company’s fee-in-lieu-of-tax payments for a period of ten (10) years (the “SSRC”); and

WHEREAS, since the date of the Fee Agreement, the Company has met or exceeded the Jobs Creation Commitment; and

WHEREAS, since the date of the Fee Agreement and prior to December 31, 2013, the Company has invested over \$25 million in taxable building additions, improvements, machinery and equipment, as well as other non-taxable investment, at its facility in the County; and

WHEREAS, the Company intends to make continuing and further investment in the Project and has requested the County to amend the Agreements to authorize the reduction of the required Minimum Investment to \$25,000,000 (the “Minimum Investment Reduction”), to authorize the prospective elimination of the SSRC (the “SSRC Elimination”), but that the Agreements shall otherwise remain in full force and effect; and

WHEREAS, the Company will retain the benefit of any SSRC received in all property tax periods of the Company ended on or before May 31, 2013, but will waive any right to claim a refund for fee-in-lieu-of-tax overpayments made for the property tax periods ended May 31, 2008 through and including May 31, 2013; and

WHEREAS, the County and the Company now desire to amend the Agreements to memorialize such agreements; and

WHEREAS, all capitalized terms not specifically defined herein, shall have the meaning as defined in the Fee Agreement, and if not defined therein shall have the meaning as defined in the Act; and

WHEREAS, the County has determined that the amendments provided for herein would directly and substantially benefit the general public welfare of the County by inducing the Company to make further investments in the County, thereby providing for the retention of jobs and employment in the County, the increase of the ad valorem tax base of the County, and other public benefits; and that the amendments provided for herein will give rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either; and

WHEREAS, the purposes to be accomplished by the amendments provided for herein, i.e., economic development, creation or retention of jobs, and addition to the tax base of the County, are proper governmental and public purposes and the inducement of continued utilization of the Project which is located in the County and State are of paramount importance and the benefits of the Project will be greater than the costs; and

WHEREAS, the County Council has caused to be prepared and presented to this meeting the form of the First Amendment of Inducement Agreement and Millage Rate Agreement and Fee in Lieu of Tax Agreement (the "Amendment") by and between the County and the Company memorializing the Minimum Investment Reduction and the SSRC Elimination, and related matters; and

WHEREAS, the County desires to authorize the amendments provided for herein, and related matters, and it appears that the Amendment now before this meeting is an appropriate instrument to be executed and delivered by the County for the purposes intended.

NOW, THEREFORE, BE IT ORDAINED by the County Council of Greenville County, South Carolina, in a meeting duly assembled:

Section 1. Reduction of Minimum Investment. The County hereby approves the Minimum Investment Reduction and the Minimum Investment under the Agreements is to be reduced from \$50 million to \$25 million as set forth in the Amendment. The Agreements shall also be modified so that the amount of \$50 million as stated in each instance in the Agreements shall be deleted and replaced with the amount of \$25 million in each instance and throughout the Agreements.

Section 2. Elimination of SSRC. The County hereby approves the SSRC Elimination, and the SSRC is prospectively eliminated as set forth in the Amendment; provided, however, that the Company shall retain the benefit of the SSRC received in all property tax periods of the Company ended on or before May 31, 2013.

Section 3. Waiver of Overpayments. The County hereby acknowledges and accepts the Company's waiver of any right to claim a refund for fee-in-lieu-of-tax overpayments made for the property tax periods ended May 31, 2008 through and including May 31, 2013.

Section 4. Approval of Amendment to Agreements. The Amendment is approved as follows: The form, terms, and provisions of the Amendment presented to this meeting and filed with the Clerk to County Council (the "Clerk") are approved and all of the terms, provisions, and conditions of the Agreements are incorporated by reference. The Amendment shall be executed on behalf of the County by the Chairman of Greenville County Council (the "Chairman") and the County Administrator, and shall be in substantially the form now before the County Council, and shall include only changes that are approved by the Chairman and County Administrator. The Chairman and County Administrator shall consult with the County Attorney with respect to any changes to the Amendment. The execution of the Amendment by the Chairman, the County

Administrator and the Clerk shall constitute conclusive evidence that all changes to or revisions of the Amendment now before this meeting have been approved.

Section 5. Future Approvals Under Agreement. If under the Agreements any future actions of the Company (including, without limitation, the assignment of all or part of the Project or the assignment of any or all interest in the Agreements) require the approval of the County, such approval, to the extent permitted by law, can be given on behalf of the County by the Chairman and the County Administrator upon affirmative resolution of the County Council. The County officials shall consult the County Attorney with respect to such approval. The execution of a written approval by County Officials shall constitute conclusive evidence that the County has approved the respective actions of the Company.

Section 6. Execution of Documents. The Chairman, the County Administrator and the Clerk are each hereby authorized, empowered and directed to do all things necessary to effect the execution, acknowledgement and delivery of the Amendment and the County's performance of its obligations thereunder.

Section 7. Official Action. It is the intention of the County Council that this Ordinance shall constitute an official action on the part of the County within the meaning of any statute or other legislative enactment relating to the provision of incentives including, without limitation, the approval of the Minimum Investment Reduction and SSRC Elimination, for the inducement of economic development projects.

Section 8. Severability. The provisions of this Ordinance are declared to be separable. If any section, phrase, or provision shall be declared by a court of competent jurisdiction to be invalid or unenforceable for any reason, the remaining sections, phrases, and provisions of the Ordinance shall remain valid.

Section 9. Effectiveness of Ordinance. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed. This ordinance shall take effect and be in full force upon the date of enactment.

First Reading: \_\_\_\_\_  
Public Hearing: \_\_\_\_\_

Second Reading: \_\_\_\_\_  
Third Reading: \_\_\_\_\_

**AND IT IS SO ORDAINED, ENACTED AND ORDERED.**

Dated this \_\_\_ day of \_\_\_\_\_, 2013.

**GREENVILLE COUNTY, SOUTH CAROLINA**

By: \_\_\_\_\_  
Bob Taylor, Chairman, County Council  
of Greenville County, South Carolina

ATTEST:

\_\_\_\_\_  
Theresa Kizer, Clerk to Council  
of Greenville County, South Carolina

By: \_\_\_\_\_  
Joseph Kernell,  
Greenville County Administrator

