

STATE OF SOUTH CAROLINA)
) ORDINANCE NO. _____
COUNTY OF GREENVILLE)

AN ORDINANCE AUTHORIZING THE AMENDMENT AND BIFURCATION OF THAT CERTAIN FEE IN LIEU OF AD VALOREM TAXES AND INCENTIVE AGREEMENT BY AND BETWEEN GREENVILLE COUNTY, SOUTH CAROLINA, DRIVE AUTOMOTIVE INDUSTRIES OF AMERICA, INC., DECOSTAR INDUSTRIES INC., AND MGSC001 LLC, TOGETHER WITH ANY RELATED ENTITIES AND SPONSOR AFFILIATES, ORIGINALLY ENTERED INTO IN 2013 AND AS AMENDED IN 2015; EXECUTION AND DELIVERY OF TWO AMENDED, BIFURCATED, AND RESTATED FEE IN LIEU OF AD VALOREM TAXES AND INCENTIVE AGREEMENTS WITH RESPECT TO CERTAIN ECONOMIC DEVELOPMENT PROPERTY IN THE COUNTY, WHEREBY SUCH PROPERTY WILL CONTINUE TO BE SUBJECT TO CERTAIN PAYMENTS IN LIEU OF TAXES, INCLUDING THE PROVISION OF CERTAIN SPECIAL SOURCE CREDITS; THE AMENDMENT OF THAT CERTAIN FEE IN LIEU OF AD VALOREM TAXES AND INCENTIVE AGREEMENT BY AND BETWEEN GREENVILLE COUNTY, SOUTH CAROLINA, DRIVE AUTOMOTIVE INDUSTRIES OF AMERICA, INC., AND CERTAIN SPONSOR AFFILIATES, ORIGINALLY ENTERED INTO IN 2002 AND AS AMENDED IN 2004; AND OTHER MATTERS RELATED THERETO.

WHEREAS, Greenville County (the "County") is a political subdivision of the State of South Carolina and, as such, has all powers granted to counties by the Constitution and the general law of this State;

WHEREAS, the County, acting by and through its County Council, is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended (collectively, the "Fee in Lieu of Tax Act"), Title 4, Section 1, Code of Laws of South Carolina, 1976, as amended ("MCIP Act"), and Section 4-1-175, Code of Laws of South Carolina, 1976, as amended ("Infrastructure Credit Act"), (i) to enter into agreements with qualifying companies to encourage investment in projects constituting economic development property through which the economic development of the State of South Carolina will be promoted by inducing new and existing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ manpower and other resources of the State; (ii) to covenant with such industry to accept certain fee payments in lieu of *ad valorem* taxes ("FILOT Payments") with respect to such investment; (iii) to develop multi-county industrial parks with other qualifying counties and, in its discretion, include within the boundaries of such parks the property of qualifying industries; and (iv) to provide certain credits against FILOT Payments made in connection with property included within the boundaries of such parks for purposes of reimbursing taxpayers for infrastructure expenditures;

WHEREAS, under the authority provided in the MCIP Act and an Agreement for Development for Joint County Industrial Park dated October 6, 1998, as amended, the County has jointly developed a multi-county park with Anderson County, South Carolina ("Park"), and included the real property on which the Project (as defined herein) is located within the boundaries of the Park;

2013 FILOT Arrangement

WHEREAS, the County, acting by and through its County Council, entered into that certain Fee-in-lieu of *Ad Valorem* Taxes and Incentive Agreement (a “Fee Agreement”) effective September 3, 2013 (the “2013 Fee Agreement”), between the County, Drive Automotive Industries of America, Inc. (“Sponsor”), and Granite REIT America Inc. (formerly known as MI Developments (America) Inc. and MID Realty Holdings, L.L.C.) (“Granite”), as a sponsor affiliate;

WHEREAS, the County, acting by and through its County Council, entered into that certain First Amendment to Fee Agreement effective November 3, 2015 among Greenville County, Sponsor, Granite, and Decostar Industries Inc. (“Decostar”) as an additional sponsor affiliate (the “First Amendment to 2013 Fee Agreement” and, together with the 2013 Fee Agreement, the “Amended 2013 Fee Agreement”), which (1) extended the Fee Term by ten (10) years for a total Fee Term of thirty (30) years, (2) extended the forty-five percent (45%) Investment Period by five (5) years for a total Investment Period of ten (10) years, (3) increased the forty-five percent (45%) Infrastructure Credit by ten (10) years for a total of twenty (20) years, and (4) made other conforming changes;

WHEREAS, the County, acting by and through its County Council, enacted Resolution No. 1568 on February 16, 2016, which approved the addition of South Carolina Becknell Investors 2007 LLC, a Delaware limited liability company (“Becknell”), and Proper Polymers – Greenville, LLC, a Michigan limited liability company (“Proper Polymers”), as sponsor affiliates under Section 3.13 of the Amended 2013 Fee Agreement, and thereafter, Becknell, Proper Polymers, and Sponsor executed Joinder Agreements binding Becknell and Proper Polymers to the terms of the Amended 2013 Fee Agreement, as required by S.C. Code Ann. § 12-44-130(A);

WHEREAS, on or about September 13, 2018, MGSC001 LLC, a Delaware limited liability company (“MGSC”), purchased all of the real property owned by Granite that was previously placed in service as economic development property pursuant to the Amended 2013 Fee Agreement (“Transfer”) and leased the property back to Sponsor;

WHEREAS, the County, acting by and through its County Council, enacted Resolution No. 1731 on December 3, 2019, which documented the Transfer and formally reflected the replacement of Granite with MGSC as a sponsor affiliate under Section 3.13 of the Amended 2013 Fee Agreement, and thereafter, MGSC and Sponsor executed a Joinder Agreement binding MGSC to the terms of the Amended 2013 Fee Agreement, as required by S.C. Code Ann. § 12-44-130(A);

WHEREAS, Decostar acquired all of Proper Polymers' interest in both real and personal property previously placed in service as economic development property under the Amended 2013 Fee Agreement pursuant to an Asset Purchase Agreement dated February 7, 2020 by and among Decostar and Proper Polymers and the County, acting by and through its County Council, enacted Resolution No 1774 on November 3, 2020 documenting the same and removing Proper Polymers as a Sponsor Affiliate to the Amended 2013 Fee Agreement;

WHEREAS, pursuant to the terms and conditions of the Amended 2013 Fee Agreement, the Sponsor, MGSC, Decostar, Becknell, and any other sponsor affiliates collectively committed to invest \$100 million in the County by December 31, 2022, which marks the end of the investment period under the Amended 2013 Fee Agreement (the “Project”);

WHEREAS, as of December 31, 2022, Sponsor, MGSC, Decostar, and Becknell have collectively invested over \$147,000,000 at the Project, surpassing the \$100 million investment requirement;

WHEREAS, the Amended 2013 Fee Agreement covers real and personal property located at three distinct locations in the County – (1) 120 Moon Acres Road, Piedmont, SC 29673 (tax map number 0593040101323), (2) 1940 Old Grove Road, Piedmont, SC 29673 (tax map number 0409000100125), and (3) 393 Grove Reserve Parkway, Piedmont, SC 29673 (tax map number 0409000100124);

WHEREAS, on or about April 25, 2023, Exeter 1940 Old Grove, L.P., a Delaware limited partnership (“Exeter”), purchased all of the real property owned by Becknell that was previously placed in service as economic development property pursuant to the Amended 2013 Fee Agreement (“2023 Transfer”) and leased the property back to Decostar;

WHEREAS, the County and the Company desire to further amend the 2013 Fee Agreement to (i) bifurcate the 2013 Fee Agreement into two separate Fee Agreements with one governing the properties located at 120 Moon Acres Road and the other governing the properties located at both 1940 Old Grove Road and 393 Grove Reserve Parkway (the “Bifurcation” and (ii) formally reflect the 2023 Transfer and the replacement of Becknell with Exeter as a sponsor affiliate under Section 3.13 of the Amended 2013 Fee Agreement); and

WHEREAS, County Council has caused to be prepared and presented to this meeting the form of two Amended, Bifurcated, & Restated Fee in Lieu of Tax Agreements (“AB&R FILOT Agreements”), attached hereto as **Exhibits A & B**, respectively, which are reflective of the Bifurcation, the 2023 Transfer, and the agreement of the parties, and which the County proposes to execute and deliver; and

WHEREAS, it appears that the AB&R FILOT Agreements above referred to, which are now before this meeting, are in appropriate form and are appropriate instruments to be executed and delivered or approved by the County for the purposes intended; and

2002 FILOT Arrangement

WHEREAS, the County, acting by and through its County Council, previously enacted Ordinance No. 3580 on April 2, 2002, whereby the County entered into that certain Fee-in-lieu of Ad Valorem Taxes and Incentive Agreement dated April 2, 2002 (the “2002 Fee Agreement”), between the County, Sponsor, and Granite, as subsequently amended by the County’s enactment of Ordinance No. 3861 on November 30, 2004, which documented the addition of Mercedes Benz U.S. International, Inc. (“Mercedes”) as a sponsor affiliate (the “2004 Amendment”), and as subsequently amended by the County’s enactment of Resolution No. 1731 on December 3, 2019, which formally reflected the replacement of Granite with MGSC as a sponsor affiliate (the “2019 Amendment”); and

WHEREAS, the County, acting by and through its County Council, approved the extension of the beneficial term of the 2002 Fee Agreement from 20 years to 30 years by enactment of that certain Resolution No. 1906 on December 6, 2022, (the “2022 Amendment” and, together with the 2002 Fee Agreement, the 2004 Amendment, and the 2019 Amendment, the “Amended 2002 Fee Agreement”); and

WHEREAS, as a result of the 2022 Amendment, the County, Sponsor, Mercedes, and MGSC desire to convert the calculation of the FILOT payments for tax year 2023 and all future years from the net present value calculation method permitted under Section 12-44-50(A)(3) of the Fee in Lieu of Tax Act to the standard calculation method permitted under Section 12-44-50(A)(1) of the Fee in Lieu of Tax Act but desire to make no further changes to the Amended 2002 Fee Agreement (the “NPV Conversion”); and

WHEREAS, the County, Sponsor, Mercedes, and MGSC have executed an amendment to the Amended 2002 Fee Agreement (the “NPV Amendment”), attached hereto as **Exhibit C**, which reflects the NPV Conversion.

NOW, THEREFORE, BE IT ORDAINED, by the County Council as follows:

Section 1. The form, terms and provisions of the AB&R FILOT Agreements and the NPV Amendment presented to this meeting are hereby approved and all of the terms and provisions thereof are hereby incorporated herein by reference as if the AB&R FILOT Agreements and the NPV Amendment were set out in this Ordinance in their entirety. The County Administrator is hereby authorized, empowered and directed to execute, acknowledge and deliver the AB&R FILOT Agreements and the NPV Amendment in the name of and on behalf of the County, and the Clerk to County Council is hereby authorized and directed to attest the same, and thereupon to cause the AB&R FILOT Agreements and the NPV Amendment to be delivered to the Company and cause a copy of the same to be delivered to the Greenville County Auditor and Assessor. The AB&R FILOT Agreements and the NPV Amendment are to be in substantially the form now before this meeting and hereby approved, or with such minor changes therein as shall be approved by the County Administrator, upon advice of counsel, her execution thereof to constitute conclusive evidence of her approval of any and all changes or revisions therein from the form of AB&R FILOT Agreements and the NPV Amendment now before this meeting.

Section 2. The County Administrator, for and on behalf of the County, is hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the AB&R FILOT Agreements and the NPV Amendment and the performance of all obligations of the County thereunder.

Section 3. The provisions of this ordinance are hereby declared to be separable and if any section, phrase or provisions 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 4. All ordinances, 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 from and after its passage by the County Council.

[SIGNATURES APPEAR ON NEXT PAGE]

ENACTED in meeting duly assembled this _____ day of _____, 2024.

GREENVILLE COUNTY, SOUTH CAROLINA

Dan Tripp, Chairman
Greenville County Council

Joseph Kernell
Greenville County Administrator

(SEAL)

ATTEST:

Regina McCaskill, Clerk to Council
Greenville County Council

First Reading: December 5, 2023
Second Reading: January 2, 2024
Public Hearing: _____, 2024
Third Reading: _____, 2024

Exhibit A

Amended, Bifurcated, & Restated Fee in Lieu of Tax Agreement between

Drive Automotive Industries of America, Inc.,

MGSC001 LLC,

&

Greenville County

Exhibit B

Amended, Bifurcated, & Restated Fee in Lieu of Tax Agreement between

Decostar Industries Inc.,

Exeter 1940 Old Grove, L.P.,

&

Greenville County

Exhibit C

Amendment to Fee in Lieu of Tax Agreement between

Drive Automotive Industries of America, Inc.,

MGSC001 LLC,

Mercedes Benz U.S International, Inc.,

&

Greenville County

STATE OF SOUTH CAROLINA

COUNTY OF GREENVILLE

I, the undersigned Clerk to County Council of Greenville County, South Carolina, do hereby certify that attached hereto is a true, accurate and complete copy of an ordinance which was given reading, and received unanimous approval, by the County Council at its meetings of December 5, 2023, _____, 2024, and _____, 2024, at which meetings a quorum of members of County Council were present and voted, and an original of which ordinance is filed in the permanent records of the County Council.

Clerk, Greenville County Council

Dated: _____, 2024