

RICHLAND COUNTY
COUNTY COUNCIL AGENDA



Tuesday, MAY 21, 2019

6:00 PM

COUNCIL CHAMBERS

RICHLAND COUNTY COUNCIL 2019



Bill Malinowski
District 1
2018-2022



Joyce Dickerson
District 2
2016-2020



Yvonne McBride
District 3
2016-2020



Paul Livingston
District 4
2018-2022



Allison Terracio
District 5
2018-2022



Joe Walker, III
District 6
2018-2022



Gwendolyn Kennedy
District 7
2016-2020



Jim Manning
District 8
2016-2020



Calvin "Chip" Jackson
District 9
2016-2020



Dalhi Myers
District 10
2016-2020



Chakisse Newton
District 11
2018-2022





Richland County Council

Regular Session
May 21, 2019 - 6:00 PM
Council Chambers
2020 Hampton Street, Columbia, SC 29201

1. **CALL TO ORDER**

The Honorable Paul Livingston,
Chair Richland County Council

a. ROLL CALL

2. **INVOCATION**

The Honorable Joe Walker

3. **PLEDGE OF ALLEGIANCE**

The Honorable Joe Walker

4. **PRESENTATION OF
RESOLUTIONS/PROCLAMATIONS**

a. Resolution Honoring the Ridgeview High School Boys' Basketball Team on their championship

The Honorable Calvin Jackson

b. Resolution in conjunction with the National recognition that Richland County recognizes May as Lyme Disease Awareness Month

The Honorable Jim Manning

c. A Proclamation Honoring the Magnet Schools of America 2019 National Principal of the Year Dr. Sabrina Suber

The Honorable Gwen Kennedy

5. **APPROVAL OF MINUTES**

The Honorable Paul Livingston

a. Regular Session: May 7, 2019 [PAGES 9-29]

6. **ADOPTION OF AGENDA**

The Honorable Paul Livingston

7. **PRESENTATION**

- a. Experience Columbia SC - March Madness

Bill Ellen, President & CEO,
Columbia Metropolitan Convention
Center

8. REPORT OF THE ATTORNEY FOR EXECUTIVE SESSION ITEMS

Larry Smith,
County Attorney

- a. Adoption of Economic Development Policy

9. CITIZEN'S INPUT

The Honorable Paul Livingston

- a. For Items on the Agenda Not Requiring a Public Hearing

10. CITIZEN'S INPUT

The Honorable Paul Livingston

- a. Must Pertain to Richland County Matters Not on the Agenda (Items for which a public hearing is required or a public hearing has been scheduled cannot be addressed at time.)

11. REPORT OF THE ACTING COUNTY ADMINISTRATOR

Dr. John Thompson,
Acting County Administrator

- a. DHEC/Westinghouse Consent Agreement [PAGES 30-46]
- b. Cherry Bekaert – PDT FY2017 Financial Audit [PAGES 47-59]

12. REPORT OF THE CLERK OF COUNCIL

Kimberly Williams-Roberts,
Clerk to Council

- a. Upcoming Budget Meetings:
 - 1. May 23 - 2nd Reading of Biennium Budget (FY20 and FY21)
 - 2. May 30 - Budget Public Hearing (FY20)
 - 3. June 6 - 3rd Reading of Biennium Budget (FY20)
- b. Public Works Week BBQ, May 22, 12:00 Noon, Public Works Complex, 400 Powell Road
- c. Richland Soil and Water Conservation District's "Conservation Cookout", May 22, 6:00 PM, American Legion, 200 Pickens Street
- d. REMINDER: Committee Meetings - May 23
 - 1. Development and Services Committee - 5:00 PM
 - 2. Administration and Finance Committee - 6:00 PM

- e. Community Relations Council's 55th Anniversary Luncheon and Awards, June 12, 12:00 Noon, Columbia Metropolitan Convention Center, 1101 Lincoln Street

13. REPORT OF THE CHAIR

The Honorable Paul Livingston

- a. COMET Operating/Capital Budget
- b. Lower Richland Sewer Agreement with the City of Columbia (Purchase Option)
- c. Administrator Search Update

14. OPEN / CLOSE PUBLIC HEARINGS

The Honorable Paul Livingston

- a. An Ordinance Authorizing, pursuant to Title 12, Chapter 44, South Carolina Code of Laws, 1976, as amended, the execution and delivery of a fee agreement between Richland County, South Carolina and Kemira Chemicals, Inc., a corporation organized and existing under the laws of the State of Delaware concerning a new project; authorizing and providing with respect to an existing project for the conversion of an arrangement for fee-in-lieu of tax payments between Richland County and Kemira Chemicals, Inc. Under Title 4, Chapter 12, South Carolina Code of Laws, 1976, as amended, to an arrangement under Title 12, Chapter 44, South Carolina Code of Laws, 1976, as amended; and matters relating thereto
- b. Authorizing the execution and delivery of a fee-in-lieu of ad valorem taxes and incentive agreement by and between Richland County, South Carolina and Eastover Solar LLC, a company previously identified as Project ES, to provide for payment of a fee-in-lieu of taxes; authorizing certain special source credits; and other related matters

15. APPROVAL OF CONSENT ITEMS

The Honorable Paul Livingston

- a. 19-012MA
Roger Winn
HI to GC (5.88 Acres)
8911 Farrow Road
TMS # R17200-03-06 [THIRD READING] [PAGES 60-61]

16. THIRD READING ITEMS

The Honorable Paul Livingston

- a. An Ordinance Authorizing, pursuant to Title 12, Chapter 44, South Carolina Code of Laws, 1976, as amended, the

execution and delivery of a fee agreement between Richland County, South Carolina and Kemira Chemicals, Inc., a corporation organized and existing under the laws of the State of Delaware concerning a new project; authorizing and providing with respect to an existing project for the conversion of an arrangement for fee-in-lieu of tax payments between Richland County and Kemira Chemicals, Inc. Under Title 4, Chapter 12, South Carolina Code of Laws, 1976, as amended, to an arrangement under Title 12, Chapter 44, South Carolina Code of Laws, 1976, as amended; and matters relating thereto [PAGES 62-120]

- b. Authorizing the execution and delivery of a fee-in-lieu of ad valorem taxes and incentive agreement by and between Richland County, South Carolina and Eastover Solar LLC, a company previously identified as Project ES, to provide for payment of a fee-in-lieu of taxes; authorizing certain special source credits; and other related matters [PAGES 121-155]

17. REPORT OF ADMINISTRATION & FINANCE COMMITTEE

The Honorable Joyce Dickerson

- a. Total Rewards Implementation [PAGES 156-289]

18. REPORT OF ECONOMIC DEVELOPMENT COMMITTEE

The Honorable Calvin Jackson

- a. Authorizing the expansion of the boundaries of the I-77 Corridor Regional Industrial Park jointly developed with Fairfield County to include certain property located in Richland County; the execution and delivery of an infrastructure credit agreement to provide for infrastructure credits to North Main Senior, LLC; and other related matters [FIRST READING] [PAGES 290-310]

19. REPORT OF RULES & APPOINTMENTS COMMITTEE

The Honorable Chakisse Newton

- a. NOTIFICATION OF VACANCIES
 - 1. a. Accommodations Tax – Three (3) Vacancies (2 applicants must have a background in the lodging industry & 1 applicant must have a background in the cultural industry)
 - b. Hospitality Tax – Three (3) Vacancies (TWO applicants must be from Restaurant Industry)
 - c. Employee Grievance Committee – Six (6) Vacancies (MUST be a Richland County employee; 2 seats are alternates)

- d. Board of Assessment Appeals – Three (3) Vacancies
- e. Board of Zoning Appeals – Four (4) Vacancies
- f. Building Codes Board of Appeals – Four (4) Vacancies (ONE applicant must be from the Architecture Industry, ONE from the GAS Industry, ONE from the Building Industry & ONE from Fire Industry as alternates)
- g. Procurement Review Panel – Two (2) Vacancies – (One applicant must be from the public procurement arena & one applicant must be from the consumer industry)
- h. Planning Commission – Four (4) Vacancies
- i. Internal Audit Committee – Two (2) Vacancies (applicant with CPA preferred)
- j. Community Relations Council – Two (2) Vacancies
- k. Library Board – Four (4) Vacancies
- l. Township Auditorium Board – Two (2) Vacancies
- m. Richland Memorial Hospital Board – Two (2) Vacancies
- n. Midlands Workforce Development Board – One (1) Vacancy (Education seat; must represent education sector)

20. OTHER ITEMS

The Honorable Paul Livingston

- a. FY19 - District 4 Hospitality Tax Allocations [PAGES 311-312]
- b. FY19 - District 7 Hospitality Tax Allocations [PAGES 313-314]
- c. Design of Southeast Water system expansion project (Phase 1) [PAGES 315-324]

21. EXECUTIVE SESSION

Larry Smith,
County Attorney

22. MOTION PERIOD

- a. Resolution honoring John Bryant Lint for earning the rank of Eagle Scout on April 2, 2019

The Honorable Bill Malinowski

23. ADJOURNMENT



Special Accommodations and Interpreter Services Citizens may be present during any of the County's meetings. If requested, the agenda and backup materials will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), as amended and the federal rules and regulations adopted in implementation thereof. Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may request such modification, accommodation, aid or service by contacting the Clerk of Council's office either in person at 2020 Hampton Street, Columbia, SC, by telephone at (803) 576-2061, or TDD at 803-576-2045 no later than 24 hours prior to the scheduled meeting.



Richland County Council
Regular Session
May 7, 2019 – 6:00 PM
Council Chambers

COUNCIL MEMBERS PRESENT: Paul Livingston, Chair; Dalhi Myers, Vice-Chair; Joyce Dickerson, Calvin “Chip” Jackson, Bill Malinowski, Jim Manning, Yvonne McBride, Chakisse Newton, Allison Terracio and Joe Walker

OTHERS PRESENT: Michelle Onley, Beverly Harris, John Thompson, Stacey Hamm, Eden Logan, Larry Smith, Jennifer Wladischkin, Brad Farrar, Trenia Bowers, Ted Powell, Ashiya Myers, Sandra Yudice, Shahid Khan, Allison Stone, Nathaniel Miller, Clayton Voignier, Michael Niermeier, James Hayes, Ashley Powell, Tamara Rodriguez, Dwight Hanna, Eva Prioleau, Dale Welch, Stephen Staley, Ismail Ozbek, Chris Eversmann, John Hopkins, Synithia Williams, Janet Claggett, Christa Sheehan, Tiffany Harrison, and Pam Davis

1. **CALL TO ORDER** – Mr. Livingston called the meeting to order at approximately 6:00 PM.
2. **INVOCATION** – The invocation was led by the Honorable Allison Terracio
3. **PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance was led by the Honorable Allison Terracio
4. **PRESENTATION OF PROCLAMATIONS**
 - a. **A Proclamation Honoring “National Public Works Week”: May 19-25, 2019** – Ms. Myers presented the Proclamation to Mr. Ozbek on behalf of the Public Works Department.
 - b. **A Proclamation Recognizing the Week of May 13-17, 2019 as Employee Safety Week** – Ms. Newton presented the Proclamation to Ms. Rodriguez and Ms. Sheehan on behalf of the Risk Management Department.
5. **APPROVAL OF MINUTES**
 - a. **Regular Session: April 16, 2019** – Ms. Myers moved, seconded by Mr. Jackson, to approve the minutes as presented.

Mr. Walker requested the vote for Item #20(a): “Richland County vs. Program Development Team” to reflect that he voted in favor.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

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The vote in favor was unanimous.

- b. Zoning Public Hearing: April 23, 2019 – Ms. Myers moved, seconded by Mr. Jackson, to approve the minutes as presented.

Mr. Manning moved, seconded by Mr. Jackson, to reconsider Item (c): “19-011MA” on p. #32.

Ms. Dickerson inquired why Mr. Manning is requesting to reconsider this item.

Mr. Manning stated the vote was to deny the re-zoning request. He had spoken with the Zoning Administrator, prior to the meeting, and when the vote came up he got confused. Mr. Price was hoping, as was the applicant, that we would defer this item until the June Zoning Public Hearing. In addition, Mr. Price was hoping that Ms. Kennedy, Mr. Manning, and Planning staff would meet to discuss a plan on how to move forward on the properties on Hardscrabble Road.

Mr. Malinowski inquired, of the Parliamentarian, if any Councilmember can ask for reconsideration, they do not have to be on the prevailing side.

Mr. Smith stated the Councilmember would have to be on the prevailing side, in order to ask for reconsideration.

Mr. Malinowski stated the minutes reflect that Mr. Manning was present but not voting. He inquired if Mr. Manning can make the motion for reconsideration, or will another Councilmember have to make the motion on his behalf.

Mr. Manning stated, he thought, our rules said that you were with the prevailing side, if you did not vote. Therefore, that has him with the prevailing side.

Mr. Smith stated, if Mr. Manning did not vote, his vote would have been counted on the prevailing side.

Ms. Dickerson stated we really need to look at this rule because it is not fair.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Livingston and McBride

Opposed: Dickerson

The vote was in favor.

Mr. Manning moved, seconded by Mr. Malinowski, to defer “19-011MA” be deferred until the June Zoning Public Hearing.

In Favor: Terracio, Malinowski, Jackson, Newton, Manning, Walker, Livingston and McBride

Abstain: Dickerson

Present but Not Voting: Myers

The vote in favor of deferral was unanimous.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Livingston and McBride

Present but Not Voting: Dickerson

The vote in favor of the amended minutes unanimous.

6. **ADOPTION OF THE AGENDA** – Ms. Myers moved, seconded by Ms. Newton, to adopt the agenda as published.

Mr. Smith stated Items #12(a): “County Administrator Search” and #10(b): “City of Columbia – Intergovernmental Agreement for Bulk Water Sale” are Executive Session items. In addition, he requested to add “Richland County vs. SC Dept. of Revenue Update” and “Attorney General’s Opinion RE: Utility Credits” to the Report of the Attorney for Executive Session.

Dr. Thompson requested to defer Item 14(i): “Total Rewards Implementation” to the May 21st Council meeting.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers Walker, Dickerson, Livingston and McBride

Present but Not Voting: Manning

The vote in favor of adopting the amended agenda was unanimous.

7. **REPORT OF THE ATTORNEY FOR EXECUTIVE SESSION ITEMS** – Mr. Smith stated the following items are eligible for Executive Session.

- a. CDBG Flood Recovery Program
- b. Cedar Cove/Stoney Point
- c. Richland County vs. SC Department of Revenue
- d. City of Columbia: Intergovernmental Agreement for Bulk Water Sale
- e. County Administrator Search
- f. Attorney General’s Opinion RE: Utility Credits

8. **CITIZENS’ INPUT: For Items on the Agenda Not Requiring a Public Hearing** – No one signed up to speak.

9. **CITIZENS’ INPUT: Must Pertain to Richland County Matters Not on the Agenda** – No one signed up to speak.

10. **REPORT OF THE ACTING COUNTY ADMINISTRATOR**

- a. Introduction of Financial Advisor: First Tryon – Mr. Walter Goldsmith and Mr. David Cheatwood gave a brief overview of their services, and how those services will apply to Richland County.

Ms. Dickerson inquired if an RFP was put out for these services.

Dr. Yudice stated that auditing and financial professional services are exempt from procurement.

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She stated three (3) firms were interviewed: SMA, Compass and First Tryon. Mr. Gomeau selected First Tryon before he left.

Ms. McBride inquired about the firm's minority participation.

Mr. Goldsmith stated they do not have any African-Americans. They currently have one individual of Indian descent. The firm is approximately 45% female. In their industry, there is not a lot of minority participation, and it is something they trying to target.

Ms. McBride inquired how the goal has been in place.

Mr. Goldsmith stated he became Manager of the department almost 5 years ago, and it is a goal that they have to work on.

Ms. Terracio inquired about how many females hold senior management positions.

Mr. Goldsmith stated their Chief Operating Office, Chief Compliance Officer, one of their Managing Directors, one of the Senior Traders, and 2 Analysts. He can provide a breakdown, but there are a number of females in senior management positions.

11. **REPORT OF THE CLERK OF COUNCIL** – Ms. Roberts reminded Council of the upcoming budget meetings.

a. Upcoming Budget Meetings:

1. May 9 – Budget Work Session, 4:00 – 6:00 PM, Council Chambers
2. May 16 – FY20 Budget Public Hearing, 6:00 PM, Council Chambers
3. May 23 – 2nd Reading of Biennium Budget (FY20 and FY21), 6:00 PM, Council Chambers

12. **REPORT OF THE CHAIR**

- a. Administrator Search Update – This item was taken up in Executive Session

13. **OPEN/CLOSE PUBLIC HEARINGS**

- a. An Ordinance Amending Richland County Code of Ordinances, Chapter 16, Licenses and Miscellaneous Business Regulations, by adding Section 16-23, "Health Massage, Bodywork Therapists, and Massage Establishments" – No one signed up to speak.

14. **APPROVAL OF CONSENT ITEMS**

- a. 19-012MA, Roger Winn, HI to GC (5.88 Acres), 8911 Farrow Road, TMS # R17200-03-06 [SECOND READING]
- b. Revisit the bed and breakfast ordinance to increase the number of rooms up to 20, so the business can be profitable and flourish. This would be in line with keeping the rural character and allow opportunities for small businesses [N. JACKSON] [RECOMMENDATION TO TABLE]
- c. Explore developing municipal enterprises for economically distressed communities with

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conservation and other properties owned by Richland County [N. JACKSON]

- d. Develop incentives and tax credits for Green Economy. This promotes green collar jobs in environmentally focused industries in environmentally sensitive areas [N. JACKSON]
- e. United Way Lease Agreement Renewal – 2000 Hampton St.
- f. Corley Construction, LLC Payment Authorization
- g. Mountainbrook Ditch Stabilization Project
- h. Award for Mobile Home Park Demolition – Percival Road
- i. Airport Overnight EAA Camping Event Request

Ms. Dickerson moved, seconded by Ms. Myers, to approve the Consent Items.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

Ms. Myers moved, seconded by Ms. Dickerson, to reconsider Item 14(h): “Award for Mobile Home Park Demolition”

Opposed: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The motion for reconsideration failed.

15. **THIRD READING ITEMS**

- a. An Ordinance Amending the Richland County Code of Ordinances; Chapter 16, Licenses and Miscellaneous Business Regulations, by adding Section 16-23, “Health Massage, Bodywork Therapists, and Massage Establishments” – Mr. Manning moved, seconded by Mr. Malinowski, to approve this item.

Mr. Malinowski requested that staff provide him all of the cases cited on p. 281, so he can review them.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

16. **SECOND READING ITEMS**

- a. An Ordinance Authorizing, pursuant to Title 12, Chapter 44, South Carolina Code of Laws, 1976, as amended, the execution and delivery of a fee agreement between Richland County, South Carolina

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and Kemira Chemicals, Inc., a corporation organized and existing under the laws of the State of Delaware concerning a new project; authorizing and providing with respect to an existing project for the conversion of an arrangement for fee-in-lieu of tax payments between Richland County and Kemira Chemicals, Inc., under Title 4, Chapter 12, South Carolina Code of Laws, 1976, as amended, to an arrangement under Title 12, Chapter 44, South Carolina Code of Laws, 1976, as amended; and matters relating thereto – Mr. Jackson moved, seconded by Mr. Walker, to approve this item.

Mr. Malinowski stated, in the future, he would like the information regarding the various readings/public hearing be included in the agenda packet.

In Favor: Malinowski, Jackson, Newton, Myers, Walker, Dickerson, and Livingston

Present but Not Voting: Manning and McBride

The vote in favor was unanimous.

- b. Authorizing the execution and delivery of a fee-in-lieu of ad valorem taxes and incentive agreement by and between Richland County and [Project ES] to provide for payment of a fee-in-lieu of taxes; authorizing certain special source credits; and other related matters – Mr. Jackson moved, seconded by Ms. Dickerson, to approve this item.

In Favor: Malinowski, Jackson, Newton, Myers, Walker, Dickerson and Livingston

Present but Not Voting: Manning and McBride

The vote in favor was unanimous.

17. **FIRST READING ITEMS**

- a. An Ordinance to raise revenue, make appropriations, and adopt Biennium Budget II (FY 2020 and FY 2021) for Richland County, South Carolina; authorizing the levying of Ad Valorem property taxes which together with the prior year's carryover and other State Levies and any additional amount appropriated by the Richland County Council prior to July 1, 2019 will provide sufficient revenues for the operations of Richland County Government during the period of the first fiscal year of Biennium Budget II from July 1, 2019 through June 30, 2020 (Fiscal Year 2020) [BY TITLE ONLY] – Mr. Manning moved, seconded by Ms. Dickerson, to approve this item.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

- b. An Ordinance to raise revenue, make appropriations, and adopt Biennium Budget II (FY 2020 and FY 2021) for Richland County, South Carolina; authorizing the levying of Ad Valorem property taxes which together with the prior year's carryover and other State Levies and any additional amount appropriated by the Richland County Council prior to July 1, 2020 will provide sufficient revenues for the operations of Richland County Government during the period of the first fiscal year of Biennium Budget II from July 1, 2020 through June 30, 2021 (Fiscal Year 2021) [BY TITLE ONLY]

Mr. Manning moved, seconded by Ms. McBride, to approve this item.

In Favor: Malinowski, Jackson, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

18. **REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE**

- a. City of Columbia: Permission to Survey – SS7462 Verch Locke Sewer Lift Station Area – Mr. Malinowski stated, on p. 269 of the agenda, it indicates the committee recommended Council grant permission for the City of Columbia to perform its survey and soil sampling. During the meeting, he inquired if we would also need an IGA, and the attorney said an IGA would need to be drafted and reviewed by Council. He stated the IGA was not in the agenda packet.

Mr. Smith stated the intent of the motion was to ensure there was an agreement between the County and the City that they would restore the property to its original conditional. They included language that addresses this matter in the document that both entities have to sign and agree upon.

Mr. Malinowski moved, seconded by Ms. Dickerson, to approve this item.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Dickerson, Livingston and McBride

The vote in favor was unanimous.

19. **REPORT OF THE RULES AND APPOINTMENTS COMMITTEE**

I. NOTIFICATION OF APPOINTMENTS

- a. Building Codes Board of Appeals – Six (6) Vacancies (One applicant must be from the Architecture Industry, One from the Electrical Industry, One from the Gas Industry, One from the Building Industry and Two from the Fire Industry as alternates) – Ms. Newton stated the committee recommended re-appointing Mr. Willie Farmer (Electrical).

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

- b. Midlands Workforce Development Board – One (1) Vacancy (Private Sector Business seat; must represent private sector business with policy-making or hiring authority) – Ms. Newton stated the committee recommended appointing Mr. Scott King.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

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II. ITEMS FOR ACTION

- a. I move that Council consider holding one meeting per quarter in unincorporated Richland County to keep all county needs before its policy makers [MYERS] – Ms. Newton stated the committee recommended tabling this item.

In Favor: Terracio, Malinowski, Jackson, Newton, Walker, Dickerson, Livingston and McBride

Opposed: Myers and Manning

The vote was in favor.

20. REPORT OF THE TRANSPORTATION AD HOC COMMITTEE

- a. Three Rivers Greenway CSX Railroad – Mr. Jackson stated the committee recommended approval of the authorization to conduct the appraisal.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

- b. Approval of the Broad River Corridor Neighborhood Executive Summary and Recommendations – Mr. Jackson stated the committee recommended approve the Executive Summary and recommendations, and move forward.

Mr. Malinowski stated, on p. 393 of the agenda, it mentions that a cost estimate report, dated August 6, 2012, was prepared by the Dennis Corporation. He inquired if there is any update on the cost estimate report.

Mr. Niermeier stated he did not have that information with him.

Mr. Malinowski stated, as we have seen in the past, when appraisals are several years old, they may not be a good one. Secondly, we have been told, companies that are no longer doing business that the information they provided is not considered, so he does not know why we would consider it, at this point. He would move to defer this item until we get those answers.

Mr. Beaty stated a separate cost estimate was prepared. The original cost estimate came up with the entire referendum amount. Prior to going to a public meeting, they updated the cost estimate, presented the different options to the public, and the public provided input. They made sure the recommendation that came to Council was within the original referendum amount.

Mr. Malinowski inquired as to the referendum amount.

Mr. Beaty stated, he believes it was approximately \$20 million.

Mr. Malinowski stated there was a question asked, at the public meeting, as to what entity would be responsible for the maintenance and upkeep of landscaping, if that option was to be selected. He stated, on p.409, Item 1 says, “...raised medians and/or landscaped areas for beautification”, so

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which way are they going.

Mr. Beaty stated the recommendation would be to move forward and begin the design, with those improvements as a part of the design. Again, prior to any final implementation, direction would be provided on whether to include those maintenance items.

Mr. Malinowski stated it looks like we would want to know who is going to be responsible for the maintenance before we approve putting that item in there. He inquired if they have an idea of what maintenance and upkeep costs will be.

Mr. Beaty stated he has an idea, and the costs would be minimal. The intent, of the recommendation, is to move forward with the project design while the decisions and additional information is gathered on the maintenance without delaying the project.

Mr. Malinowski stated, he thinks, they need to go back to the last meeting, when this was discussed. If, in fact, the company doing the design now is not going to be here in a few months, and design work will not be accepted by SCDOT, then why would we move forward and approve the design, at this point. Why would that not be requested once the group being put in place, in the near future, would come up the design.

Mr. Jackson stated we need to have a larger conversation about what works will be continued, and what works we want to bring to a conclusion, as we transition from outside to internally. The challenge we have is that, as we are asked to consider that, projects and work still appear on our agenda. We are discussing them, and moving forward, as appropriate, with recommendations from the committee to the full Council. Until such time as the full Council issues a cease and desist order, the Transportation Ad Hoc Committee's responsibility is to do just that. The scenario of any design work being changed to a new designer is true for all of the projects. In the interest of continuing the work we have been assigned, as the Transportation Ad Hoc Committee, he is recommending, until we have that larger discussion, and make that determination, that we consider the design request.

Mr. Malinowski moved that Council immediately meet with the Transportation, in conjunction with the Acting Administrator, and determine exactly how we want to move forward, and who is going to be responsible for designing these projects. If it is an in-house group, as Council voted, then we must immediately give them authority to begin creating these designs.

Mr. Livingston stated the motion would not be properly before Council, at this time.

Mr. Malinowski stated he is making this motion in lieu of the committee's recommendation.

Mr. Livingston requested Mr. Malinowski to restate his motion.

Mr. Malinowski stated, his motion is, to direct the Transportation Director, Acting Administrator, and staff to immediately have the Transportation Ad Hoc Committee determine what designs need to be done on upcoming projects and begin that design work in-house.

Ms. Myers inquired, for clarification, if the motion is that it be done in-house or that it be directed by in-house staff.

Mr. Malinowski stated that it would be directed by in-house staff.

Ms. Myers seconded Mr. Malinowski's motion.

Mr. Walker proposed a friendly amendment to direct the Acting Administrator, Transportation Director, and the Transportation Ad Hoc Committee, to review the current roster of projects, determine the phases in which they currently sit, and determine which are appropriate to move forward vs. which are to be "tabled", until such time as we have a clear path forward with our Transportation Program.

Mr. Livingston stated he is going to have to get some feedback from the attorney because we are taking the Broad River item and trying to redo the whole Transportation Program. He stated he does not think the motion is properly before us.

Ms. Terracio stated this is a much needed project in the area. It is going to be a benefit to all the constituents. From her experience in talking to people, they seem to be excited about this particular project, and seeing the benefit in the community. She inquired as to the estimated construction date for this project.

Mr. Niermeier stated before you are the Executive Summary, with recommendations. This is 70% design, which should be concluded in February 2020. All of OET's contracts expire in March 2020. He stated they are in the process of drafting a new scope of work.

Ms. Terracio inquired as to when the design would start.

Mr. Niermeier stated design would begin in August, and then construction would begin in approximately 2 years, after you get 100% design, approval and permitting.

Ms. Terracio stated, if we went back and had a discussion about this, would we significantly delaying the design and construction of the project.

Mr. Niermeier stated we would be pushing through February under the current contract, so any further delays could extend beyond. He is reviewing language now to see if it could be extended, or not. If not, we would stop at the 70% to award the contract to another OET or re-contract/continue with the current OET.

Mr. Walker withdrew his amendment.

Mr. Malinowski stated, he is following what was said before, which was, if we allow a company to design something, and then that company is no longer employed or under contract with the County, those designs are all for naught and a new team will have to design it again, in order for it to be accepted by SCDOT. So rather than go through all the steps, and pay to have something designed that we know will not be done by November, when the PDT contract expires, the in-house team should begin moving forward with the design instead.

Mr. Niermeier stated this is under the OET contract, which is different than the PDT contract that is expiring in November.

Mr. Malinowski withdrew his motion.

Mr. Walker stated, when we talk about things being within the referendum amount, this project, particularly, was a bulk referendum amount. He inquired if this project is bound within the

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Neighborhood Program, or is this the entirety of the program.

Mr. Niermeier stated this project is bound within the Neighborhood Improvement Program.

Mr. Walker stated it is easy to say this project is within the referendum amount because it is a huge referendum amount, which is intended for 4 or 5 projects. He inquired, if this particular project is "on" budget, as per the cumulative bucket of funds allocated to this Neighborhood Improvement Project.

Mr. Beaty responded in the affirmative.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

Mr. Jackson moved, seconded by Ms. Terracio, to reconsider this item.

Opposed: Terracio, Malinowski, Jackson, Newton, Myers, Walker, Dickerson, Livingston and McBride

Present but Not Voting: Manning

The motion for reconsideration failed.

- c. Approval of Budget Transfers Between Penny Projects – Mr. Jackson stated the committee recommended approving the revised budget.

Mr. Walker stated, as it relates to the information provided regarding the requested budget transfers between FY19 and FY20, from project to project, some of the dollars in and out, and the various projects they are being moved into, specifically in FY19, there is an attempt to show us which projects are over the referendum amount, but it looks like many more projects, that are contemplated in these transfers, are, in most cases, over the referendum amount. For example, Blythewood Road Area Improvements. The ordinance amount is \$20 million; the estimated cost is \$26.186 million, which equates to a deficit that is not noted as a referendum overage on the spreadsheet. This project is in the acquisition stage; therefore, those are dollars that could potentially be saved without interrupting the construction project. Lower Richland Boulevard Widening is \$875,000 over the referendum, and not noted on the spreadsheet. Polo Road Widening is \$3.175 million over the referendum amount, also not noted on the spreadsheet. He stated he is concerned that the information we are looking at is not an accurate depiction of which project are actually over the referendum amount. What we are doing is transferring funds from one project to another in FY20 to FY19, and accelerating the payment on a project that we know is significantly over the referendum amount. If we are creating the impression that we are getting pregnant with projects, we may not ever be able to do, if, in fact, we transfer these dollars and start spending money on projects that are significantly over the referendum amount. He would like someone to address these discrepancies.

Mr. Niermeier stated the request before you are for projects currently underway that require reallocation of budget to make them whole, pay invoices, and construction. The ones highlighted in red, which indicate they are over referendum, are the projects that are being presented just for the

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budget transfers. He stated you are correct, if we go under the master accounting spreadsheet, there are other ones that are anticipated to be over referendum. As it relates to the request before you now, it is just the 3 that are anticipated to be over referendum.

Mr. Walker stated he would respectfully challenge that. It states very clearly, the amount needed for FY19 being transferred from the Broad River Widening Project, which has a \$1.4 million budget balance. Those dollars were not requested to be spent in FY19. You are now asking for them to be transferred into FY19, and that project is \$1.5 million over the referendum, which is not clearly depicted in the spreadsheet. The need to move that \$700,000+ into FY19 causes him concern. The \$775,000 that we are, in essence, saying go spend, by moving it into FY19, or you have already spent, that you need to pay, on a project that is \$5.2 million over the referendum, that we have not had an opportunity to say yes or no to. It permeates throughout the spreadsheet. We have significant overages, in other projects, that are not highlighted in red, which are within the same category. You are asking us to accelerate payment into project that are significantly over the referendum amount, and not clearly depicting that they are over the referendum amount. As such, he has serious concerns with moving any dollars from project to project without a clear understanding of where these projects really are, and what the true referendum amounts are.

Mr. Beaty stated, although the subject of projects being over the referendum amount does blend into the chart you are looking at, the intent of the chart is to move budgeted funds from a project that is not going to spend the money in FY19 to other projects that may have spent more than what we budgeted. It is easy to mix the 2 together (i.e. what is over the referendum and what's not). The purpose of the chart today is, we thought a project would spend a \$100 in FY19, but the contractor worked faster and did more work than we thought they were going to. Until the budget transfer takes place, that contractor cannot have the invoices paid for anything over \$100. When the original budget was put together in January 2018, a project may have been added, but a budget amendment was not made. The contractor may have gone to work, and is not being paid. The intent of the chart is not to address project overruns, or underruns, but to move the budgeted amount within the fiscal year. He stated that Mr. Walker was correct that there are numerous projects that are over the referendum amount. The subject was addressed approximately a year ago, and it sounds like it may need to be thoroughly vetted again.

Mr. Walker stated what he did was reference only those projects that are still in acquisition, or otherwise not in construction. He could reference some construction projects that fall into the same category (i.e. Shop Road Phase I and II). He attended the last Transportation Ad Hoc Committee meeting, and part of the conversation, to him, sounded as though the budget transfers were needed in the case of projects that were under construction or underway. It did not sound like the request was intended to cover pre-construction costs.

Mr. Beaty stated the primary case is projects that are in design or construction where budget transfers need to be made in order to pay invoices. The chart in front of you, in the right column it says, "Category of Project Transfer From", and there are a bunch of acquisitions in that column. What they showed was the budget had professional services, acquisitions and construction. They anticipated, in January 2018, Broad River Road Widening would be in the acquisition process. They were wrong. They are not in right-of-way acquisition on Broad River Road, so they are proposing a budget transfer, from this pot of money that they are not going to spend, be allocated to the Blythewood Area, where they are spending. The chart may have been more clear, but the intent of the 2nd column from the right is to show you the pot of money that they are not going to spend in FY19, so they could spend the money on projects that are underway.

Mr. Walker stated, with that information, all projects into which funds are being transferred are currently under construction.

Mr. Beaty responded, "or design."

Mr. Walker stated, for clarification, with outstanding invoices to be paid for work.

Mr. Beaty responded in the affirmative.

Ms. Newton stated, as we look at these budget items, are the funds that we are transferring essentially for funds already spent, so this is paying invoices that have already been incurred, or is this we are transferring to pay those outstanding bills and also providing funding to continue the project along.

Mr. Beaty stated the bulk of these transfers are to pay previously spent dollars (i.e. outstanding invoices).

Ms. Newton stated, for clarification, the last column that says, "Category of Project to Transfer From", does not indicate the status of the project that you are asking to transfer to. Every project on this list is under construction or design.

Mr. Beaty responded in the affirmative.

Ms. Newton stated, for the projects that are in design, these are places where we have already incurred the expenses, and we are paying vendors for work that is already done.

Ms. Dickerson stated she is really concerned about Broad River Road, and she is not budging a dime on Broad River Road, so you need to figure out a way to let Blythewood manage. She is going to hold firm on not transferring money from Broad River Road to Blythewood. She requested Mr. Beaty to explain this to her.

Mr. Beaty stated they are not necessarily taking money from one project, in its total budget, to another. They are only transferring the money in this one year. The money was spent quicker on one project, and slower on another, in this calendar year. The total money is going to stay the same. They just spent more of it in FY19, and less of it in FY20.

Mr. Niermeier stated they are borrowing the funding from the project that are not spending the money, and it will go back to those projects in the next fiscal year.

Ms. Dickerson inquired why they were not spending money on Broad River Road.

Mr. Niermeier stated it will be spent. They did not get to that project this year, for whatever reason. It was planned on, anticipated, and budgeted for, but the project did not work its way forward as quickly as it was initially thought.

Ms. Dickerson stated the projects need to get equal attention.

Mr. Beaty stated he will take responsibility. They do pay attention, to all projects, that are under development, but on this section of Broad River Road, there were design delays they did not anticipate a 1 ½ years ago, which is why they have not moved into the right-of-way acquisition as

early they had hoped to. The project is still moving forward. It is just not as quickly as they thought it would.

Ms. Myers stated she is 100% in favor of paying any invoices that we have already incurred. Her concern was that we were shifting money and we had not had a broader discussion where that leaves us with the Penny Program, and what that does to projects within the program. Mr. Walker's point is an excellent one. The narrowly defined task on this chart is, where do we need money, and where is there money that has already been allocated that we can get to without 3 readings and public hearing. She does not think that reaches the substance of what Mr. Walker is pointing out, which is that we may ultimately get to a project, from which we have borrowed money, to spend on a project that is way over the referendum. By virtue of this vote, vote that we are going to overspend, by definition, on those projects, which depletes the amount left for that category without having the broader discussion of what projects should be prioritized, and where the money should be spent. She would like to have a distinction between what the bulk and all is. We are talking about \$17 million over, so it could be the bulk is \$12 million. She would like a broader discussion of where we are with the projects. Where we actually have invoices. This is just a listing of the shifting of money. It does not denote where there are invoices that need to be paid, and are outstanding.

Mr. Malinowski stated p. 411, in the agenda packet, had 22 line items. Prior to this meeting, someone dropped off a page that looks similar that has 37 line items on it. What is the purpose of that one vs. the one in the agenda?

Mr. Niermeier stated what was in the agenda was the old documentation. What was handed out was the revised listing, requested by the ad hoc committee, that takes the overall list that was \$24 million. Now you are looking at one that is \$17 million, and only includes projects under construction, or that have active invoices against it. He stated it was not in the agenda packet because he met the agenda deadline. It was included in the Clerk of Council's weekly report on Friday.

Mr. Malinowski stated on the 1st list, that shows "Widenings", it says, "Amount Needed", almost \$8 million. Yet on the next column over, where it says, "Transfer Project Budget Balance", if you add all those amounts up you are around \$22 million. If you only need \$8 million, why are we transferring \$22 million.

Mr. Beaty stated the balance on the right shows there is an excess of funds available, but we are requesting a less amount.

Mr. Malinowski stated, for clarification, you are showing the amount available, but the amount needed is all that is going to be transferred.

Mr. Beaty responded in the affirmative.

Mr. Malinowski inquired how the funds will be put back into these projects once they are transferred out.

Mr. Beaty stated with a new budget for FY20.

Mr. Malinowski stated, for clarification, we are putting more funds into already overspent projects from projects that are not done yet, and you are telling me that every one of those projects we are

taking money from we will have enough money to replenish.

Mr. Beaty stated, he thinks, you are combining the total cost of the project, over the life of the project vs. the cost that is proposed to be spent in one fiscal year. He thinks we are combining the 2 subject, which is not the intent of the chart. For instance, North Main Street is cost constrained. They thought that \$6 million would be spent in the future, but the contractor is working faster and they need more money this fiscal year to pay the contractor. The total project budget on North Main is not going to change. They just spent more this year than what they thought they were going to.

Mr. Malinowski stated that may be, but you only have some many dollars in the pot to begin with. Once you take them out, where does the dollars come from to put back in.

Mr. Beaty stated that is a broader conversation than what he can present tonight, but the answer is it is going to come out of lower ranked or other projects later in the development process.

Ms. Myers stated, for clarification, we were talking about these all having invoices pending, but there is a column here that says, "No Invoices Pending".

Mr. Niermeier stated they are under construction. That was the instructions they were given at the Transportation Ad Hoc Committee meeting, either under construction or have invoices pending.

Ms. Myers stated, so we have equated acquisition phase, with under construction.

Mr. Niermeier stated the criteria is they either under construction or there is an existing invoice against the project.

Ms. Myers stated, she thought, at the ad hoc committee meeting, we said, "those under construction."

Mr. Jackson stated one of the challenges we have with trying to make a determination about whether or not we are going to complete projects. Whether they are in the acquisition phase, or they are in the construction or right-of-way phase. Until we make that determination, we will have this discussion at every meeting we come to where there is a request for funds to cover acquisitions right-of-way or construction that is being done. We made a determination, as a Council, that we would identify all of the projects that were over the referendum amount, and we would have a plan for how the cost would be covered. The recommendations for that plan was presented, and we voted on that recommendation in the ad hoc committee. It came to Council for discussion, and we were not ready to move forward with that because those modifications to the overall funding plan would impact projects in certain areas of the County. There will be no way that we will move forward with the Penny Projects, as they are designed, and construction underway, until we determine whether or not we want to allow the funding to occur to continue those projects. It is absolutely clear that the schedule that was developed for FY18-19 was a projected schedule. Based upon that projection, some projects were ahead of schedule; therefore, required more funding. Some projects were behind schedule and did not require as much funding. The question is whether or not we are going to figure out a plan beyond this fiscal year, next fiscal year, or the next fiscal year, that will determine which projects can be funded. Which projects will need to be tabled, and which projects will have to be refined or redesigned. We attempted to redesign some projects in here, to shorten some termini. Could not resolve that problem either. If we had shortened some of the termini, on some of those projects, we would have had more funding to be able to move forward. As the Chair of the Transportation Ad Hoc Committee, he would implore every member of

Council to make yourself available for us to have a once, and for all, discussion where we reach a hard and fast decision about which projects are going to continue. Which ones we are going to cease and desist with, as we attempt to bring the overall program in-house. As a reminder, we are only 5 months away from this whole project effort, under the current contract. We need to be vigilant about making sure that we come up with a plan to approve existing projects, and a funding plan to approve those existing projects. As well as, a determination of how we plan to go forward, once we get beyond those we have authorized to be funded, so we do not come back next month the same discussion, about the same issues, when we all know that the funding that is at the end of the road is not enough. He is a little frustrated with us acting as if we do not know that. We have known that since he has been on Council. This is not a new revelation tonight. He would want us to acknowledge that, be honest about that, and make some decisions regarding that rather than continuing to “kick this can down the road” each time this committee attempts to make a report and recommendations to Council.

Ms. Newton wholeheartedly agreed with the comments by Mr. Jackson. She would also add to that institutionalizing how we are going to make these decisions, so every time it comes before us, we can say, this is the process we agreed upon, and that is why we are applying this rubric and criteria. She thinks there is desire, among Councilmembers, to pay outstanding invoices for work that has been done. She wonders if there is mechanism, or motion, that would allow us to pay the vendors that have done good work for Richland County, and then we pause some of these other things so we can have that once and for all conversation.

Ms. McBride stated one of the issues that we raised in the Transportation Ad Hoc Committee was that, by law, based on the referendum, we had established priorities and we could not go back in and change those priorities because they were already established.

Mr. Smith stated he is not certain about the priority issue. He thinks there was a list of projects that were attached to the referendum, which were prioritized, but they also had a dollar amount attached to them. What we talked about was, if you were going to change the dollar, doing a budget amendment, in order to increase some of those numbers. In the same discussion, we also talked about trying to come up with a mechanism, by which Council could determine how it was going to re-prioritize the projects, if you found a need to do so. We had several workshops to talk about that, and what criteria the Council was going to use, if you found a need to re-prioritize those projects.

Ms. McBride stated that is what the ad hoc committee was attempting to do with these issues that are being presented now. The other part, when we are looking at the costs and the design, are we also thinking in the future that we have the funding to do the construction. If not, we are throwing the design money away. There should be a line item budget that we would itemize for construction.

Ms. Dickerson stated she thinks we need to have one final Transportation meeting to discuss the monies. She stated she thought the bond money was supposed to help us out with some of these projects. It seemed to her that we had bond money that we only spent half of, so why are we in debt.

Dr. Thompson stated the bond money was just to accelerate, but we did not use all of the money, so we had to pay the money back. He stated it is a misalignment between construction projects, as well as, the design and acquisition of those projects.

Mr. Livingston stated the committee’s recommendation was to support the budget transfers that were presented to Council.

Mr. Beaty suggested approving only the amounts to pay outstanding invoices.

Mr. Livingston inquired if any of these project may not have an invoice, and may have to stop because they cannot move forward.

Mr. Beaty stated there are some projects in construction where the contractor could be working ahead of the budgeted amount, and that contractor could get caught in the same predicament of not being able to be paid.

Mr. Malinowski stated, what he is not understanding is, if you have a certain amount of dollars in the bank account to pay people doing the work, why are contractors going beyond that and spending more. Were they given the okay to finish the project, and not worry about the costs, or were the contract let saying you have this much dollar amount, and if you want to go over it you have to get permission first.

Mr. Beaty stated, for example, a contractor submitted a bid, and Richland County went into a contract, with that contractor for \$10 million. Separately, Richland County only budgeted \$8 million in that year. The contractor does not know how much was in the budget. He just knows he has a \$10 million contract, and he worked quicker than they thought.

In Favor: Terracio, Jackson, Manning, Livingston and McBride

Opposed: Malinowski, Newton, Myers, Walker and Dickerson

The motion failed.

Mr. Jackson stated he would like for us to make a determination on how we plan for those outstanding invoices, based upon this motion failing.

Ms. Myers moved, seconded by Ms. Terracio, to reconsider this item.

In Favor: Terracio, Jackson, Newton, Myers, Walker, Dickerson, Livingston and McBride

Opposed: Malinowski

The vote was in favor of reconsideration.

Ms. Myers moved, seconded by Ms. Newton, to make the budget transfers, as requested, for all outstanding invoices, and invoices that may come in for work that is currently in progress, as requested by the Transportation Ad Hoc Committee.

Ms. Dickerson stated she will only support this motion if the transfer amounts equal the invoices.

Mr. Walker requested a friendly amendment to allow the transfer for any invoices received, for work performed, prior to May 21st.

Ms. Myers accepted Mr. Walker's friendly amendment.

Mr. Malinowski stated, when you are talking about the invoices to be paid, at some point we have got to put the restriction on when the supplies are purchased. He is not sure about moving 2 weeks

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out. He suggested doing it, as of today. He sees this is as a loophole to allow them to order more.

Mr. Walker stated he is trying to not hamstring Mr. Beaty in moving forward, but there is an implied level of responsibility associated with that time window. He inquired if satisfying invoices of May 7th hampstrings Mr. Beaty, or is it necessary to go to the 21st.

Mr. Beaty stated they could pay everything, and continue to move forward, as of today, or they could extend it to May 21st, and verify all work that is invoiced and recommended for payment, by the PDT and staff, prior to payment.

Mr. Walker inquired as to what Dr. Thompson's recommendation would be.

Dr. Thompson stated you could stop it today. The County has 30 days to make payment, so he does not think we will have any interruption.

Mr. Walker withdrew his friendly amendment.

Mr. Beaty stated no projects would be delayed. What we got is past design, or past construction, that has been performed, and contractors have not been able to get paid. If you move forward with allowing us to pay any invoices we have today, that will catch everybody up, and they will not need to be paid again for 2 - 4 weeks.

In Favor: Terracio, Malinowski, Newton, Myers, Walker, Dickerson, Livingston and McBride

Abstain: Jackson and Manning

The vote in favor was unanimous with Mr. Manning and Mr. Jackson abstaining from the vote.

Ms. Dickerson moved, seconded by Ms. Terracio, to reconsider this item.

Opposed: Terracio, Malinowski, Newton, Myers, Walker, Dickerson, Livingston and McBride

Abstain: Jackson and Manning

The motion for reconsideration failed.

- d. Approval of Letter to Award a Bid for Dirt Road Package J – Mr. Jackson stated the committee recommended approval of the letter to award Dirt Road Package J to Cherokee, Inc.

Mr. Malinowski requested a list of the dirt roads in Package J. He inquired if it should be noted that, prior to utilizing the 10% contingency, it must be approved.

Mr. Beaty stated it is recommended, by the PDT, to County staff. The normal process has been that County staff can approve up to that amount, without coming back to Council.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

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- e. Approval of On-Call Engineering Services Agreement – Mr. Jackson stated the committee recommended to deny the rate increase.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Walker, Dickerson and Livingston

Present but Not Voting: Manning

The vote in favor was unanimous.

21. **REPORT OF THE DIRT ROAD AD HOC COMMITTEE**

- a. County Maintained Roads and Public Works Plan – The committee has requested the Public Works Department to bring back a listing of those roads that are being maintained by Public Works and those that are subject exclusively to the Penny, so we can develop a plan to utilize CTC Funds.
- b. Richland County Road Maintenance Fee – The committee requested Public Works and Administration to provide an accounting of the Road Maintenance Fee from 2017 – 2018, along with projects that have been funded through that fee.
- c. Review of Code Sections dealing with driveways and public vs. private roadways – The committee is awaiting a list of those roads, and who is maintaining what roads.

22. **OTHER ITEMS**

- a. A Resolution to appoint and commission Meghan Ashley Fletcher as a Code Enforcement Officer for the proper security, general welfare, and convenience of Richland County {Animal Services Dept.} – Mr. Manning moved, seconded by Ms. Dickerson, to approve this item.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson and Livingston

Present but Not Voting: McBride

The vote in favor was unanimous.

23. **EXECUTIVE SESSION** – Ms. Dickerson moved, seconded by Ms. Terracio, to go into Executive Session.

In Favor: Terracio, Malinowski Jackson, Newton, Myers, Walker, Dickerson and Livingston

Opposed: Manning

Present but Not Voting: McBride

The vote was in favor of going into Executive Session.

Council went into Executive Session at approximately 8:05 PM and came out at approximately 9:51 PM

Mr. Malinowski moved, seconded by Mr. Manning, to come out of Executive Session.

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In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston

Present but Not Voting: McBride

The vote in favor was unanimous.

- a. CDBG Flood Recovery Program – Ms. Myers moved, seconded by Ms. Newton, to direct staff to select an auditor to undertake a compliance, to include operations and finances of the CDBG Program, as discussed in Executive Session.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

Ms. Newton moved, seconded by Ms. Terracio, to reconsider this item.

Opposed: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The motion for reconsideration failed.

- b. City of Columbia: Intergovernmental Agreement for Bulk Water Sale – Ms. Myers moved, seconded by Ms. Newton, to direct staff to offer the Richland County IGA, and continue policy discussions with the City of Columbia, as discussed in Executive Session.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

- c. County Administrator Search – Ms. McBride moved, seconded by Ms. Terracio, to accept the names of the four (4) finalists, as presented by the Administrator Search Committee, and that those names be shared with the public. In addition, the process to hire a new Administrator proceed, as discussed in Executive Session.

In Favor: Terracio, Malinowski, Jackson, Myers, Manning, Walker, Livingston and McBride

Abstain: Dickerson

The vote in favor was unanimous with Ms. Dickerson abstaining from the vote.

Ms. McBride moved, seconded by Mr. Walker, to reconsider this item.

Opposed: Terracio, Malinowski, Jackson, Newton, Myers, Walker, Livingston and McBride

Present but Not Voting: Manning and Dickerson

The motion for reconsideration failed.

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24. **MOTION PERIOD**

- a. Resolution Honoring Jim Gandy upon his retirement from WLTX News/Weather [LIVINGSTON] – Mr. Manning moved, seconded by Ms. Terracio, to adopt a resolution honoring Jim Gandy.

In Favor: Terracio, Malinowski, Jackson, Newton, Myers, Manning, Walker, Dickerson, Livingston and McBride

The vote in favor was unanimous.

- b. Resolution, in conjunction with the National recognition, that Richland County recognizes May as Lyme Disease Awareness Month [MANNING] – Mr. Manning moved, seconded by Ms. Terracio, to adopt a resolution recognizing May as Lyme Disease Awareness Month.

In Favor: Malinowski, Jackson, Newton, Manning, Walker, Livingston and McBride

Abstain: Dickerson

Present but Not Voting: Myers

The vote in favor was unanimous.

25. **ADJOURN** – The meeting adjourned at approximately 9:56 PM.

**THE STATE OF SOUTH CAROLINA
BEFORE THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL**

**IN RE: WESTINGHOUSE ELECTRIC COMPANY, LLC
WESTINGHOUSE COLUMBIA FUEL FABRICATION FACILITY
RICHLAND COUNTY**

**CONSENT AGREEMENT
19 - 02 - HW**

This Consent Agreement is entered into between the South Carolina Department of Health and Environmental Control (SCDHEC or the Department) and Westinghouse Electric Company LLC (Westinghouse) with respect to the investigation and remediation of contamination at the Site known as the Westinghouse Columbia Fuel Fabrication Facility (“CFFF”) and to establish protocols for communicating and responding to future releases. (The Department and Westinghouse shall individually be referred to as a “Party” and collectively referred to as “Parties”.) Westinghouse’s property is located at 5801 Bluff Road, Hopkins, South Carolina (Property). The Property includes approximately 1200 acres and is bounded generally by Bluff Road to the east, forested rural property to the south, north, and west; beyond which is the Congaree River to the southwest. The Property is identified by the County of Richland as Tax Map Serial Number 18600-01-01 and 18600-01 -02; and a legal description of the Property is attached to this Consent Agreement as Appendix A.

Westinghouse is entering into this Consent Agreement to assess and address releases of pollutants to the environment at the Site. Westinghouse will comply with all environmental laws to minimize the potential for releases from the Site. In the interest of resolving the matters herein without delay, Westinghouse agrees to the entry of this Consent Agreement without litigation and without the admission or adjudication of any issue of fact or law, except for purposes of enforcing this agreement. Westinghouse agrees that this Consent Agreement shall be deemed an admission

of fact and law only as necessary for enforcement of this Consent Agreement by the Department or in subsequent actions by the Department directly related to requirements contained in this Consent Agreement.

DEFINITIONS

Unless otherwise expressly provided, terms used in this Agreement shall have the meaning assigned to them in Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Hazardous Waste Management Act (HWMA) and in regulations promulgated under the foregoing statutes.

“Westinghouse” shall mean Westinghouse Electric Company LLC. Westinghouse is a Delaware Limited Liability Company with offices at 1000 Westinghouse Drive, Cranberry Township, Pennsylvania 16066, USA.

“Contamination” shall mean impact by a Contaminant or Hazardous Substance.

“Department” shall mean the South Carolina Department of Health and Environmental Control or a successor agency of the State of South Carolina that has responsibility for and jurisdiction over the subject matter of this Agreement.

“Hazardous Substance” shall have the same meaning as defined under subparagraphs (A) through (F) of Paragraph (14) of CERCLA § 101, 42 U.S.C. § 9601(14).

“Pollutant” or “Contaminant” includes, but is not limited to, any element, substance,

compound, or mixture, including disease-causing agents, which after release into the environment and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions, including malfunctions in reproduction, or physical deformations, in organisms or their offspring; "Contaminant" does not include petroleum, including crude oil or any fraction of crude oil, which is not otherwise specifically listed or designated as a hazardous substance under subparagraphs (A) through (F) of paragraph (14) of CERCLA § 101, 42 U.S.C. § 9601, et seq. and does not include natural gas, liquefied natural gas, or synthetic gas of pipeline quality or mixtures of natural gas and such synthetic gas.

"Property" as described in the legal description attached as Appendix A, shall mean that portion of the Site, which is subject to ownership, prospective ownership, or possessory or contractual interest of Westinghouse.

"Response Action" shall mean any assessment, cleanup, monitoring, inspection, or closure of a site as necessary to remedy actual or potential damage to public health, public welfare, or the environment.

"Site" shall mean the Property and all areas where a Hazardous Substance, Pollutant or Contaminant has been released, deposited, stored, disposed of, or placed, or otherwise comes to be located as a result of operations by Westinghouse on the Property; "Site" does not include any consumer product in consumer use or any vessel, as defined in CERCLA.

FINDINGS OF FACT

The following facts provide the background of this agreement:

- A. The CFFF located in Hopkins, South Carolina was constructed in 1969. Prior to construction the site consisted of farmland, woodlands, and floodplain. A pre-construction drawing from 1968 indicates that the main plant building and the Waste Water Treatment Plant (WWTP) lagoons were to be part of the original construction. The main activity has been the assembly of fuel rods for the commercial nuclear power industry.
- B. Numerous environmental investigations have been performed since 1980 at the CFFF. The investigations have included assessments of groundwater, surface water, soil, and sediment, and have resulted in the identification and delineation of chemicals of potential concern (COPCs) in these media. Many permanent monitoring wells exist at the site as a result of these investigations. Reports have been submitted to the Department following each assessment. The CFFF has routinely sampled groundwater and surface water and reported the results to the Department. Additionally, remedial activities have been performed for groundwater and in source areas.
- C. Radiological safety and decommissioning at CFFF is regulated by the U.S. Nuclear Regulatory Commission (NRC), in accordance with NRC regulations and special nuclear material license SNM-1107.
- D. On August 23, 2016, Responsible Party Voluntary Cleanup Contract (VCC) 16-4948-RP was executed by the Parties for the further investigation and remediation of the identified volatile organic compound (VOC) contamination.

- E. On July 12, 2018, Westinghouse reported verbally to the Department that they had discovered a release of contamination at the Hydrofluoric (HF) Spiking Station #2 within a diked area inside the plant building that had dissolved a hole through the concrete floor that allowed contaminants to migrate to soils below the floor and potentially to groundwater.
- F. On July 24, 2018, the Department received a letter dated July 18, 2018 from Westinghouse notifying the Department of the hydrofluoric (HF) spiking station #2 dike leak. Included in the letter were laboratory analytical results of soil samples collected from beneath where the hole penetrated the concrete in the spiking station area. The Uranium concentration at the depth of 67 inches was 4,001 parts per million. Westinghouse has continued to keep the Department informed as they continue to characterize the extent of the release and conduct a removal of contaminated material beneath the building floor.
- G. In 2018, through the NRC licensing process, DHEC became aware of two historic additional releases from wastewater lines that had occurred in 2008 and 2011, respectively. Westinghouse requested approval to install direct push borings to investigate groundwater in the area near these releases and the approval was granted on June 11, 2018. On August 29, 2018, Westinghouse requested an additional well approval to install 9 temporary monitoring wells at the same locations of the direct-push borings as they wanted to collect additional samples, since the direct-push borings had already been grouted. DHEC issued the approval on August 31, 2018. The new 9 temporary wells are to be converted to permanent monitoring wells.

CONCLUSIONS OF LAW

The Department has the authority to implement and enforce laws and related regulations pursuant to the South Carolina Hazardous Waste Management Act, S.C. Code Ann. §44-56-10,

et. seq. (Rev. 2002 and Supp. 2013), and the Pollution Control Act, S.C. Code Ann. §48-1-10 et seq. (Rev. 2008 and Supp. 2013). These Acts authorize the Department to issue orders; conduct studies, investigations, and research to abate, control and prevent pollution; and to protect the health of persons or the environment.

NOW, THEREFORE IT IS AGREED, with the consent of Westinghouse and the Department, and pursuant to the South Carolina Hazardous Waste Management Act, and the Pollution Control Act, that Westinghouse shall:

1. Within sixty (60) days of receipt of this fully executed Consent Agreement, submit to the Department for review and approval, a Remedial Investigation Work Plan (Work Plan) for the Property. The Work Plan shall be designed to provide a comprehensive evaluation of groundwater, surface water, sediment and soils at the Property and shall encompass areas of the Site which could be affected by releases by Westinghouse. Additionally, the Work Plan shall outline investigations with the goal to determine the full nature and extent of any such release. The Work Plan shall include a time schedule for implementation of all major activities required by the Work Plan. The Work Plan must include, but is not limited to, provisions for the following: determining the sources(s), nature, and extent of contamination, including an assessment of surface water, groundwater, and soil underlying the Site; and evaluating risks to human health and the environment. The Work Plan shall also include a Conceptual Site Model (CSM) that will provide Westinghouse's current understanding of the hydrogeology, known contaminant sources, and potential pathways of contaminant releases. The CSM will be a living document that will be updated and refined as new information is developed. Westinghouse must respond to any comments generated through the Department's review of the Work Plan in writing within thirty (30) days of receipt of said comments by Westinghouse. Upon Department approval of the

Work Plan and the time schedule for implementation thereof, the Work Plan and schedule shall be incorporated herein and become an enforceable part of this Consent Agreement.

2. Both parties recognize that the Work Plan could entail a phased approach of data acquisition whereby certain areas of the Site, contaminant types, and/or Operable Units ("OU") may require multiple phases of assessment to obtain data. This additional data will be used to guide additional sampling, as appropriate, to delineate the extent of contaminant(s) in various media.
3. Submit, along with but under separate cover from the Work Plan, a Health and Safety Plan (HASP) consistent with Occupational Safety and Health Administration regulations. The HASP shall be submitted to the Department in the form of one (1) electronic copy (.pdf format). Westinghouse agrees the HASP is submitted to the Department for informational purposes only. The Department expressly denies any liability that may result from Westinghouse's implementation of the HASP.
4. Begin implementation of the Work Plan described in paragraph 1 within fifteen (15) days of receipt by Westinghouse of the Department's written approval of the Work Plan.
5. During the Remedial Investigation outlined in the Work Plan, should off-property contamination related to Westinghouse's operations at the Property be suspected, additional off-property investigations shall be proposed to the Department and implemented upon approval to define the full nature and extent of such contamination.
6. Upon completion of the Remedial Investigation Work Plan, submit a Remedial Investigation (RI) Report to include a risk evaluation, in accordance with the schedule in the approved Work Plan and an updated CSM based on information provided by the RI. The Department shall review the RI Report for determination of completion of the field investigation and sufficiency of the documentation within a reasonable period of time. If

the Department determines additional data collection is warranted, Westinghouse shall work with the Department to evaluate and conduct additional field investigation as necessary to further determine the source, nature, and extent of contamination. Alternatively, if the field investigation is determined complete by the Department, but the RI Report, as submitted by Westinghouse is not approved, Westinghouse shall submit a Revised RI Report, which address the Department's comments within thirty (30) days after receipt of the Department's disapproval.

7. Within ninety (90) days of approval of the RI Report, submit a Feasibility Study (FS) Work Plan to evaluate remedial alternatives for the site based upon the following criteria:

- a. Overall protection of human health and the environment
- b. Compliance with applicable or relevant and appropriate standards
- c. Long-term effectiveness and permanence
- d. Reduction of toxicity, mobility or volume
- e. Short-term effectiveness
- f. Implementability
- g. Cost

Westinghouse must respond to any comments generated through the Department's review of the FS in writing within thirty (30) days of receipt of said comments by Westinghouse.

8. After final approval of the FS, the Department shall issue a Record of Decision (ROD) specifying the selected remedy or set of remedies for the Site.
9. Within ninety (90) days of the Department's issuance of the ROD, Westinghouse shall submit a Remedial Design/Remedial Action (RD/RA) Work Plan to implement the ROD. The RD/RA may entail a phased approach whereby certain area of the Site are prioritized based on the information identified in the RI Report. Westinghouse must respond to any

comments generated through the Department's review of the RD/RA Work Plan in writing within thirty (30) days of receipt of said comments by Westinghouse.

10. Within ninety (90) days after the Department's approval of the RD/RA Work Plan, Westinghouse shall submit a Remedial Design (RD) including the design of the selected remedy for any given OU and a schedule of implementation. The schedule of implementation must extend through full completion of the remedy. Westinghouse must respond to any comments generated through the Department's review of the RD in writing within thirty (30) days of receipt of said comments. This thirty (30) day deadline may be extended by mutual agreement of the Parties if the comment resolution requires extensive revision such as re-engineering. Upon Department approval of the Remedial Design and the time schedule for implementation thereof, the RD and schedule shall be incorporated herein and become an enforceable part of this Consent Agreement.
11. Westinghouse shall begin to implement the Remedial Action within forty-five (45) days of the Department's approval of a RD and thereafter take all necessary and reasonable steps to ensure timely completion of the RD.
12. Within ninety (90) days of completion of the RD activities for any given OU, Westinghouse shall submit a Remedial Action Completion Report.
13. Westinghouse shall implement all monitoring and reporting requirements in accordance with the schedule outlined and approved in the RD/RA Work Plan.
14. Westinghouse will submit within thirty (30) days of execution of the Consent Agreement, a protocol to establish lines of communication for monitoring and reporting any future discovery of a release to the environment either from an obvious failure of equipment or from monitoring data from sentry groundwater wells.
15. Upon execution of the Consent Agreement, and as long as Westinghouse remains in

material compliance with the substantive obligations set forth herein, the Department shall not take civil enforcement action in relation to the response actions set forth in the Consent Agreement. If the Department believes Westinghouse is not in material compliance with the substantive obligations set forth in the Consent Agreement, the Department shall notify Westinghouse of the non-compliance and provide Westinghouse thirty (30) days to attempt to cure prior to the Department initiating any legal action against Westinghouse.

16. Upon Westinghouse's successful completion of the terms of this Consent Agreement, submit to the Department a written Final Report. The Final Report shall contain all necessary documentation supporting Westinghouse's remediation of the Site and successful and complete compliance with this Consent Agreement. For such contaminants or areas of contamination, the terms of the Consent Agreement will be considered completed when contaminants or areas of contamination are remedied as specified by the ROD, or where the only remaining activity in the RD/RA Work Plan consists of monitoring and reporting. Once the Department has approved the Final Report, the Department will provide Westinghouse a written approval of completion that provides a Covenant Not to Sue to Westinghouse for the response actions specifically covered in this Consent Agreement, approved by the Department and completed in accordance with the approved work plans and reports.
17. Notwithstanding any other provision of this Consent Agreement, including the Covenant Not to Sue, the Department reserves the right to require Westinghouse to perform any additional work at the Site or to reimburse the Department for additional work if Westinghouse declines to undertake such work, if: (i) conditions at the Site, previously unknown to the Department, are discovered after completion of the work approved by the Department pursuant to this Consent Agreement and warrant further assessment or

remediation to address a release or threat of a release in order to protect human health or the environment, or (ii) information is received, in whole or in part, after completion of the work approved by the Department pursuant to this Consent Agreement, and these previously unknown conditions or this information indicates that the completed work is not protective of human health and the environment. In exigent circumstances, the Department reserves the right to perform the additional work and Westinghouse will reimburse the Department for the work.

18. In consideration for the Department's Covenant Not to Sue, Westinghouse agrees not to assert any claims or causes of action against the Department arising out of response activities undertaken at the Property, or to seek any other costs, damages or attorney's fees from the Department arising out of response activities undertaken at the Property except for those claims or causes of action resulting from the intentional or grossly negligent acts or omissions of the Department. However, Westinghouse reserves all available defenses, not inconsistent with this Consent Agreement, to any claims or causes of action asserted against Westinghouse arising out of response activities undertaken at the Site by the Department.
19. Submit to the Department a written monthly progress report beginning within thirty (30) days of the execution of this Consent Agreement and by the last business day every month thereafter, until completion of the work required under this Consent Agreement. Upon agreement by the Parties, the frequency of this submission may be altered. The progress reports shall include the following: (a) a brief description of the actions which Westinghouse has taken toward achieving compliance with this Consent Agreement during the previous month; (b) results of sampling and tests, in tabular summary format received by Westinghouse during the reporting period; (c) brief description of all actions which are

scheduled for the next month to achieve compliance with this Consent Agreement, and other information relating to the progress of the work as deemed necessary or requested by the Department; and (d) information regarding the percentage of work completed and any delays encountered or anticipated that may affect the approved schedule for implementation of the terms of this Consent Agreement, and a description of efforts made to mitigate delays or avoid anticipated delays.

20. Prepare all Plans and perform all activities under this Consent Agreement following appropriate DHEC and EPA guidelines. All Plans and associated reports shall be prepared in accordance with industry standards and endorsed by a Professional Engineer (P.E.) and/or Professional Geologist (P.G.) duly-licensed in South Carolina. Unless otherwise requested, one (1) paper copy and one (1) electronic copy (.pdf format) of each document prepared under this Consent Agreement shall be submitted to the Department's Project Manager. Unless otherwise directed in writing, all correspondence, work plans and reports should be submitted to the Department's Project Manager at the following address:

Kim Kuhn
South Carolina Department of Health and Environmental Control
Bureau of Land and Waste Management
2600 Bull Street
Columbia, South Carolina 29201
Kuhnkm@dhec.sc.gov

21. Reimburse the Department on a quarterly basis, for all past, present and future costs, direct and indirect, incurred by the Department pursuant to this Consent Agreement and as provided by law. Oversight Costs include, but are not limited to, the direct and indirect costs of negotiating the terms of this Consent Agreement, reviewing plans and reports, supervising corresponding work and activities, and costs associated with public participation. The Department shall provide documentation of its Oversight Costs in sufficient detail to show the personnel involved, amount of time spent on the project for

each person, expenses, and other specific costs. Payments are due to the Department within thirty (30) days of the date of the Department's invoice. Invoices shall be submitted to:

Westinghouse: Diana Joyner
Westinghouse Columbia Fuel Fabrication Facility
Columbia Fuel Site
5801 Bluff Road
Columbia, SC 29061

Westinghouse's payments shall be submitted to:

The Department: Linda Jackson
South Carolina Department of Health and Environmental Control
Bureau of Land and Waste Management
2600 Bull Street
Columbia, SC 29201

All of Westinghouse's payments should reference the Consent Agreement number on page 1 of this Agreement and made payable to:

The South Carolina Department of Health and Environmental Control

If complete payment of the Past Costs or of the quarterly billing of Oversight Costs is not received by the Department by the due date, the Department may bring an action to recover the amount owed and all costs incurred by the Department in bringing the action including, but not limited to, attorney's fees, Department personnel costs, witness costs, court costs, and deposition costs.

22. If any event occurs which causes or may cause a delay in meeting any of the scheduled dates for completion of any specified activity pursuant to this Agreement, Westinghouse shall notify the Department in writing at least five (5) business days before the scheduled date or within seventy-two (72) hours after the occurrence or onset of a *force majeure* of which Westinghouse could not have reasonably foreseen or anticipated, describing in detail the anticipated length of the delay, the precise cause or causes of delay, if ascertainable,

the measures taken or to be taken to prevent or minimize the delay, and the timetable by which Westinghouse proposes that those measures will be implemented. The Department shall provide written notice to Westinghouse as soon as practicable that a specific extension of time has been granted or that no extension has been granted. An extension shall be granted for any scheduled activity delayed by an event of *force majeure* which shall mean any event arising from causes beyond the control of Westinghouse that causes a delay in or prevents the performance of any of the conditions under this Consent Agreement including, but not limited to: a) acts of God, fire, war, insurrection, civil disturbance, explosion; b) adverse weather conditions that could not be reasonably anticipated causing unusual delay in transportation and/or field work activities; c) restraint by court order or order of public authority; d) inability to obtain, after exercise of reasonable diligence and timely submittal of all required applications, any necessary authorizations, approvals, permits, or licenses due to action or inaction of any governmental agency or authority; and e) delays caused by compliance with applicable statutes or regulations governing contracting, procurement or acquisition procedures, despite the exercise of reasonable diligence by Westinghouse. Events which are not *force majeure* include by example, but are not limited to, unanticipated or increased costs of performance, changed economic circumstances, normal precipitation events, or failure by Westinghouse to exercise due diligence in obtaining governmental permits or performing any other requirement of this Consent Agreement or any procedure necessary to provide performance pursuant to the provisions of this Consent Agreement. Any extension shall be granted at the sole discretion of the Department, incorporated by reference as an enforceable part of this Consent Agreement, and, thereafter, be referred to as an attachment to the Consent Agreement.

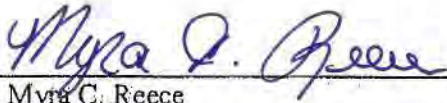
23. For the avoidance of doubt, the Parties agree and acknowledge that Westinghouse's entry into the Consent agreement does not constitute a waiver by Westinghouse of any of its rights, defenses, or arguments, including without limitation preemption, or its ability to contest a Department decision under S.C. Code 44-1-60.
24. Employees of the Department, their respective consultants and contractors will not be denied access during normal business hours or at any time work under this Consent Agreement is being performed or during any environmental emergency or imminent threat situation, as determined by the Department (or as allowed by applicable law).

IT IS AGREED THAT this Consent Agreement shall be binding upon and inure to the benefit of Westinghouse and its officers, directors, agents, receivers, trustees, heirs, executors, administrators, successors, and assigns and to the benefit of the Department and any successor agency of the State of South Carolina that may have responsibility for and jurisdiction over the subject matter of this Consent Agreement. Westinghouse may not assign its rights or obligations under this Consent Agreement without the prior written consent of the Department.

IT IS FURTHER AGREED that failure to meet any deadline or to perform the requirements of this Consent Agreement without an approved extension of time and failure to timely cure as noted below, may be deemed a violation of the Pollution Control Act, and/or the South Carolina Hazardous Waste Management Act, as amended. Upon ascertaining any such violation, the Department shall notify Westinghouse in writing of any such deemed violation and that appropriate action may be initiated by the Department in the appropriate forum to obtain compliance with the provisions of this Consent Agreement and the aforesaid Acts. Westinghouse shall have thirty (30) days to cure any deemed violations of this Consent Agreement or in the alternative, file a Request for Final Review.

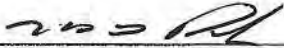
(Signature Page Follows)

FOR THE SOUTH CAROLINA DEPARTMENT
OF HEALTH AND ENVIRONMENTAL CONTROL



Myra C. Reece
Director of Environmental Affairs

Date: 2-26-19



Henry J. Porter, Chief
Bureau of Land and Waste Management

Date: 2-26-2019



Van Keisler, P.G., Director
Division of Compliance and Enforcement

Date: 2/26/19



Attorney
Office of General Counsel

Date: 2-26-19

WE CONSENT:

WESTINGHOUSE ELECTRIC COMPANY LLC



Name: Michael J. Annacone
Title: Vice President - Columbia Fuel Operations

Date: 2/22/19

N/A

Name:
Title:

Date: _____

APPENDIX A

Legal Description of the Property

County of Richland

Tax Map Serial Numbers 18600-01-01 and 18600-01-02

All that certain piece, parcel or tract of land situate in Richland County, South Carolina bounded and described as follows:

Commencing at S.C. Grid Monument "NUCLEAR" point being the point of Commencement; thence S 40-20-51 E 1281.75 feet to a found concrete monument, said point being the point of BEGINNING; thence S 55-46-14 W 1693.17 feet; thence S 37-29-22 E 739.24 feet; thence S 29-43-42 W 383.62 feet; thence South 31-15-31 W 499.41 feet; thence S 31-32-36 W 269.0 feet; thence S 31-28-45 West 2100.0 feet; thence 31-28-52 W 63.57 fee; thence S 41-12-02 W 118.95 feet; thence S 52-33-50 W 230.18 feet; thence S 57-08-28 W 173.08 feet; thence S 40-29-36 W 158.91 feet; thence S 11-22-02 W 73.35 feet; thence S 46-12-42 W 157.29 feet; thence N 83-16-41 W 145.85 feet; thence S 44-19-03 W 124.23 feet; thence S 9-30-35 W 76.82 feet; thence 26-58-23 W 145.59 feet; thence South 50-03-07 West 110.86 feet; thence S 32-08-05 W 64.78 feet; thence S 71-06-27 W 144.84 feet; thence S 61-59-35 W 105.47 feet; thence S 69-18-42 W 25.97 feet; thence N 52-58-30 W 98.54 feet; thence N 49-41-04 W 1535.89 feet to a found concrete monument; thence N 53-04-20 W 148.12 feet to a found concrete monument; thence N 59-08-01 W 1101.08 feet to a found concrete monument; thence N 58-38-52 W 783.91 feet to a found concrete monument; thence N 59-13-48 W 709.99 feet to a found concrete monument; thence N 59-13-51 W 1000.0 feet to a found concrete monument; thence N 59-13-56 W 413.09 feet to an Iron pipe; thence N 59-13-36 W 36.0 feet; thence S 35-14-25 W 233.64 feet; thence S 37-47-49 W 164.50 feet; thence S 55-52-50 W 199.51 feet; thence S 68-54-07 W 330.52 feet; thence S 65-10-12 W 213.57 feet; thence S 82-11-13 W 183.35; thence S 88-21-27 W 598.04 feet; thence N 71-46-21 W 359.87 feet; thence N 54-03-15 W 202.61 feet; thence N. 47-40-27 W 226.53 feet; thence N 31-04-45 W 624.64 feet; thence 19-51-18 W 59.04 feet; thence N 37-10-11 E 93.27 feet; thence N 10-57-59 W 115.10 feet; thence N 34-27-41 W 39.91 feet; thence N 52-27-42 E 87.38 feet to a found concrete monument; thence N 59-25-46 E 701.86 feet to a found concrete monument; thence N 60-13-19 E 719.41 feet to a found concrete monument; thence N 59-01-53 E 1602.38 feet to a found concrete monument; thence N 59-24-40 E 1023.84 feet to a found concrete monument; thence N 59-23-34 E 976.28 to a found concrete monument; thence S 67-39-38 E 720.73 feet to a found Iron pipe; thence N 67-54-40 E 1598.02 feet to a found Iron pipe; thence S 32-03-16 E 117.02 feet; thence D 62-22-36 E 60.84 feet; thence S 67-22-19 E 106.63 feet; thence S 72-50-56 East 35.17 feet; thence N 30-17-41 E 66.02 feet; thence N 75-09-43 E 141.31 feet; thence N 86-02-41 E 100.60 feet; thence N 7-25-02 E 37.85 feet; thence S 83-50-13 E 197.09 feet; thence N 85-12-05 E 100.77 feet; thence N 85-28-32 E 100.72 feet; thence N 41-37-26 W 1125.72 feet to a concrete monument; thence N 42-21-29 E 1080.36 feet to a found Iron pipe; thence S 82-25-26 E 429.03 feet to a found Iron pipe; thence N 42-19-43 E 1034.66 feet to a found concrete monument; thence with the right of way of S.C. State Highway No. 48 S 40-18-05 E 4884.76 feet to the point and place of BEGINNING.

The Partners
Richland PDT, A Joint Venture
Columbia, South Carolina

We were engaged to audit the financial statements of Richland PDT, A Joint Venture (the "Joint Venture") for the year ended June 30, 2017, and have issued our report thereon dated February 4, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 30, 2018. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Joint Venture are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the Joint Venture during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Management's estimate of the allowance for doubtful accounts is based on an analysis of historical collection trends, current customer relations, contract specifications, industry factors, and current and anticipated economic conditions. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 4, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Joint Venture’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Disclaimer of Opinion Due to Material Uncertainty

We encountered difficulty in performing and completing our audit due to a material uncertainty. The Joint Venture is involved in a legal dispute related to a contractual arrangement with its sole customer. We determined the uncertainty surrounding this ongoing legal matter to be both material and pervasive in nature to the financial statements. Because of the significance of this matter, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

This information is intended solely for the use of the Partners of the Joint Venture and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Cherry Bekant LLP". The signature is written in a cursive, flowing style.

Augusta, Georgia
February 4, 2019

The Partners
Richland PDT, A Joint Venture
Columbia, South Carolina

In planning and performing our audit of the financial statements of Richland PDT, A Joint Venture (the "Joint Venture") as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Joint Venture's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Joint Venture's internal control. Accordingly, we do not express an opinion on the effectiveness of the Joint Venture's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Joint Venture's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Joint Venture's internal control to be significant deficiencies:

We noted the internal control structure of the Joint Venture was insufficient to include the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and, therefore, in accordance with your request, we drafted the Joint Venture's financial statements and related disclosures for the year ended June 30, 2017, which included the preparation of significant adjustments to your accounts so that the financial statements comply with accounting principles generally accepted in the United States of America ("U.S. GAAP"). An adjustment noted during the audit indicates a deficiency in the internal control process, as it is evidence that the error was not detected by the Joint Venture's internal control system. Specifically, these deficiencies result from a conscious decision on the part of management to conduct internal financial reporting that does not comply with U.S. GAAP.

We noted a lack of segregation of duties as it relates to the Joint Venture's internal control. Due to the nature of the Joint Venture and the structure of their contract with Richland County, the Joint Venture subcontracts its Partners to perform work as vendors. During the performance of audit procedures, we noted that all change orders on subcontracts and vendor invoices were approved by management of a Partner of the Joint Venture. As a result, there is an inherent conflict of interest due to the lack of an outside party's involvement in the approval process.

This communication is intended solely for the information and use of the Partners of the Joint Venture, and is not intended to be and should not be used by anyone other than these specified parties.



Augusta, Georgia
February 4, 2019

RICHLAND PDT, A JOINT VENTURE

FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2017

And Report of Independent Auditor

RICHLAND PDT, A JOINT VENTURE

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The Partners
Richland PDT, A Joint Venture
Columbia, South Carolina

We were engaged to audit the accompanying financial statements of Richland PDT, A Joint Venture (the “Joint Venture”), which comprise the balance sheet as of June 30, 2017, and the related statements of income, partners’ capital, and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As discussed in Note 4 to the financial statements, the Joint Venture is involved in an ongoing legal matter with its sole customer. Since multiple account balances included in the financial statements of the Joint Venture are driven by the business that is conducted with its sole customer, the uncertainty surrounding this unresolved legal matter is both material and pervasive in nature.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.



Augusta, Georgia
February 4, 2019

RICHLAND PDT, A JOINT VENTURE
BALANCE SHEET

JUNE 30, 2017

ASSETS

Current Assets:

Cash and cash equivalents	\$ 4,806,697
Contracts receivable	<u>1,208,949</u>
Total Current Assets	<u>6,015,646</u>
Total Assets	<u><u>\$ 6,015,646</u></u>

LIABILITIES AND PARTNERS' CAPITAL

Current Liabilities:

Accounts payable	\$ 492,336
Accounts payable - related party	105,673
Accounts payable - partners	<u>1,105,328</u>
Total Current Liabilities	<u>1,703,337</u>
Total Liabilities	<u>1,703,337</u>

Partners' Capital:

Partners' capital	<u>4,312,309</u>
Total Partners' Capital	<u>4,312,309</u>
Total Liabilities and Partners' Capital	<u><u>\$ 6,015,646</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

2

RICHLAND PDT, A JOINT VENTURE
STATEMENT OF INCOME

YEAR ENDED JUNE 30, 2017

Contract revenues earned	\$ 14,682,319
Less cost of revenues earned	<u>11,863,169</u>
Gross profit	2,819,150
Operating expenses	<u>340,805</u>
Operating income	<u>2,478,345</u>
Other Income (Expenses):	
Interest income	<u>989</u>
Total Other Income	<u>989</u>
Net income	<u>\$ 2,479,334</u>

The accompanying notes to the financial statements are an integral part of this statement.

3

RICHLAND PDT, A JOINT VENTURE
STATEMENT OF PARTNERS' CAPITAL

YEAR ENDED JUNE 30, 2017

Partners' capital, beginning of year	\$ 2,432,975
Net income	2,479,334
Distributions to partners	<u>(600,000)</u>
Partners' capital, end of year	<u><u>\$ 4,312,309</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

RICHLAND PDT, A JOINT VENTURE
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2017

Cash flows from operating activities:

Net income	\$ 2,479,334
Increase (decrease) in:	
Contracts receivable	(350,034)
Accounts payable	319,139
Accounts payable - related party	(440,763)
Accounts payable - partners	1,054,385
Net cash from operating activities	<u>3,062,061</u>

Cash flows from financing activities:

Distributions to partners	<u>(600,000)</u>
Net cash from financing activities	<u>(600,000)</u>

Net change in cash and cash equivalents	2,462,061
Cash and cash equivalents, beginning of year	<u>2,344,636</u>
Cash and cash equivalents, end of year	<u>\$ 4,806,697</u>

The accompanying notes to the financial statements are an integral part of this statement.

RICHLAND PDT, A JOINT VENTURE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1—Nature of operations

Nature of Operations – Richland PDT, A Joint Venture (the “Joint Venture”) is a legal entity governed by the Joint Venture Agreement (the “Agreement”), which sets forth the mutual understanding and intent of M.B. Kahn Construction Co., Inc., a South Carolina corporation, ICA Engineering, Inc., a Kentucky corporation, and Brownstone Construction Group, LLC, a South Carolina limited liability company (referred to collectively as the “Partners”), regarding their joint performance of the implementation of the Richland County (South Carolina) Sales Tax Transportation Improvement Program (the “Project”) as detailed in the “Program Management Agreement Between Richland County, South Carolina (the “County”) and the Joint Venture for Program Development, Program Management, and Other Services Relating to the Richland County Sales Tax Transportation Improvement Program” (the “Contract”).

Joint Venture Agreement – The rights and obligations of the Joint Venture are governed by the Agreement dated November 3, 2014. Allocation of income and losses are specifically defined within the Agreement. The Partners’ obligation to the County to perform the Contract shall be joint and several. The term of the Joint Venture shall begin effective November 3, 2014 and, unless terminated sooner as provided in the Agreement, shall expire on a date eight (8) years from the date the Joint Venture’s services under the Contract are completed or terminated, including the receipt of final payment and resolution of any Project disputes. The term may be extended with the consent of all Partners.

Note 2—Summary of significant accounting policies

Cash Equivalents – The Joint Venture considers certificates of deposit and all highly liquid investments purchased with original maturities of three months or less, or which have immaterial penalties resulting from early withdrawals, to be cash equivalents.

Contracts Receivable – Contracts receivable are stated at invoiced amount less an allowance for doubtful accounts. Management’s determination of the allowance for doubtful accounts is based on an evaluation of the contracts receivable, past experience, current economic conditions, and other risks inherent in the Contract. No allowance for bad debts was considered necessary at June 30, 2017.

Revenue and Cost Recognition – The Joint Venture has entered into the Contract, under which the Joint Venture incurs costs for time and expenses as directed by the Contract. Contract revenue is recognized when the Joint Venture has invoiced the County. Management believes this method of revenue recognition is not materially different from the percentage completion method, due to the nature of the Contract with the County.

Contract costs include all direct material and labor costs and indirect costs related to contract performance, such as indirect labor, payroll taxes, insurance, supplies, tools, and repairs.

General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions, and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

RICHLAND PDT, A JOINT VENTURE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 2—Summary of significant accounting policies (continued)

Income Taxes – Under the provisions set forth in the Internal Revenue Code, the Joint Venture does not pay income taxes on its taxable income. Instead, the Partners are liable for individual income taxes on the Joint Venture's federal and state income taxes.

Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on Accounting for Uncertainty in Income Taxes. Management has evaluated all tax positions that could have a significant effect on the financial statements and determined the Joint Venture had no uncertain income tax positions at June 30, 2017.

Concentrations of Credit Risk – Financial instruments that potentially expose the Joint Venture to concentrations of credit risk consist primarily of contracts receivable and cash and cash equivalents.

All 100% of the Joint Venture's contracts receivable was from one customer at June 30, 2017. All 100% of the Joint Venture's contract revenue was from one customer for the year ended June 30, 2017.

The Joint Venture places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Joint Venture from time to time may have amounts on deposit in excess of the insured limits. As of June 30, 2017, the Company had approximately \$4,556,697 which exceeded these insured amounts.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of any contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Warranties – The Joint Venture provides a one-year warranty covering defects specific to its portion of the Contract. No reserve for warranties was considered necessary as of June 30, 2017.

Note 3—Related party transactions

At June 30, 2017, the Joint Venture has accounts payable due to the Partners in the amount of \$1,105,327. The Joint Venture pays expenses to the Partners for subcontract and project management work during the normal course of business. During the year ended June 30, 2017, the Company paid \$8,152,655 and the amount is included in costs of revenues earned in the accompanying statement of income.

At June 30, 2017, the Joint Venture has accounts payable due to an entity related through common ownership of one of the Partners in the amount of \$105,673. The Joint Venture pays expenses to this entity for consulting services. During the year ended June 30, 2017, the Company paid \$618,274 and the amount is included in costs of revenues earned in the accompanying statement of income.

RICHLAND PDT, A JOINT VENTURE
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

Note 4—Material uncertainty

In 2014 the Joint Venture contracted with Richland County South Carolina to serve as the Program Development Team for the Richland County Sales Tax Transportation Improvement Program. On or about January 31, 2017, Richland County requested reimbursement of certain expenses that had previously been approved and paid to the Joint Venture pursuant to this contractual arrangement. At that time, Richland County also began withholding certain "Reimbursable Expenses" from the Joint Venture's monthly billing. The Joint Venture contests Richland County's request for reimbursement and its withholding of Reimbursable Expenses. As of June 30, 2017, the disputed amount was approximately \$1.3 million. Richland County and the Joint Venture continue to discuss these areas of disagreement.

Note 5—Subsequent events

Management has evaluated subsequent events through February 4, 2019, the date which the financial statements were available to be issued. As of this date, there were no material subsequent events requiring adjustment to or disclosure in the financial statements for the year ended June 30, 2017.

Richland County Council Request for Action

Subject:

19-012MA
Roger Winn
HI to GC (5.88 Acres)
8911 Farrow Road
TMS # R17200-03-06

Notes:

First Reading: April 23, 2019
Second Reading: May 7, 2019
Third Reading: May 21, 2019
Public Hearing: April 23, 2019

STATE OF SOUTH CAROLINA
COUNTY COUNCIL OF RICHLAND COUNTY
ORDINANCE NO. ____-19HR

AN ORDINANCE OF THE COUNTY COUNCIL OF RICHLAND COUNTY, SOUTH CAROLINA, AMENDING THE ZONING MAP OF UNINCORPORATED RICHLAND COUNTY, SOUTH CAROLINA, TO CHANGE THE ZONING DESIGNATION FOR THE REAL PROPERTY DESCRIBED AS TMS # R17200-03-06 FROM HEAVY INDUSTRIAL DISTRICT (HI) TO GENERAL COMMERCIAL DISTRICT (GC); AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

Pursuant to the authority granted by the Constitution of the State of South Carolina and the General Assembly of the State of South Carolina, BE IT ENACTED BY RICHLAND COUNTY COUNCIL:

Section I. The Zoning Map of unincorporated Richland County is hereby amended to change the real property described as TMS # R17200-03-06 from Heavy Industrial District (HI) to General Commercial District (GC).

Section II. Severability. If any section, subsection, or clause of this Ordinance shall be deemed to be unconstitutional, or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected thereby.

Section III. Conflicting Ordinances Repealed. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section IV. Effective Date. This ordinance shall be effective from and after _____, 2019.

RICHLAND COUNTY COUNCIL

By: _____
Paul Livingston, Chair

Attest this _____ day of
_____, 2019

Michelle M. Onley
Deputy Clerk of Council

RICHLAND COUNTY ATTORNEY'S OFFICE

Approved As To LEGAL Form Only.
No Opinion Rendered As To Content.

Public Hearing: April 23, 2018
First Reading: April 23, 2018
Second Reading: May 7, 2019
Third Reading: May 21, 2019

Richland County Council Request for Action

Subject:

An Ordinance Authorizing, pursuant to Title 12, Chapter 44, South Carolina Code of Laws, 1976, as amended, the execution and delivery of a fee agreement between Richland County, South Carolina and Kemira Chemicals, Inc., a corporation organized and existing under the laws of the State of Delaware concerning a new project; authorizing and providing with respect to an existing project for the conversion of an arrangement for fee-in-lieu of tax payments between Richland County and Kemira Chemicals, Inc. Under Title 4, Chapter 12, South Carolina Code of Laws, 1976, as amended, to an arrangement under Title 12, Chapter 44, South Carolina Code of Laws, 1976, as amended; and matters relating thereto

Notes:

First Reading: April 16, 2019
Second Reading: May 7, 2019
Third Reading: May 21, 2019 {Tentative}
Public Hearing: May 21, 2019

STATE OF SOUTH CAROLINA
COUNTY COUNCIL FOR RICHLAND COUNTY
ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING, PURSUANT TO TITLE 12, CHAPTER 44, SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED, THE EXECUTION AND DELIVERY OF A FEE AGREEMENT BETWEEN RICHLAND COUNTY, SOUTH CAROLINA AND KEMIRA CHEMICALS, INC., A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE CONCERNING A NEW PROJECT; AUTHORIZING AND PROVIDING WITH RESPECT TO AN EXISTING PROJECT FOR THE CONVERSION OF AN ARRANGEMENT FOR FEE-IN-LIEU OF TAX PAYMENTS BETWEEN RICHLAND COUNTY AND KEMIRA CHEMICALS, INC. UNDER TITLE 4, CHAPTER 12, SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED, TO AN ARRANGEMENT UNDER TITLE 12, CHAPTER 44, SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED; AND MATTERS RELATING THERETO.

WHEREAS, Richland County, South Carolina (“*County*”), acting by and through its County Council (“*County Council*”) is authorized pursuant to the provisions of Title 12, Chapter 44 (“*FILOT Act*”), Code of Laws of South Carolina, 1976, as amended (“*Code*”), to encourage manufacturing and commercial enterprises to locate in the State of South Carolina (“*South Carolina*” or “*State*”) or to encourage manufacturing and commercial enterprises now located in the State to expand their investments and thus make use of and employ the manpower, products, and other resources of the State by entering into an agreement with a sponsor, as defined in the FILOT Act, that provides for the payment of a fee-in-lieu of *ad valorem* tax (“*FILOT Payments*”) with respect to economic development property, as defined in the FILOT Act;

WHEREAS, pursuant to Article VIII, Section 13 of the South Carolina Constitution and Title 4, Section 1, Code of Laws of South Carolina, 1976, as amended (collectively, “*MCIP Act*”), the County is authorized to jointly develop multicounty parks with counties having contiguous borders with the County and, in the County’s discretion, include property within the boundaries of such multicounty parks. Under the authority provided in the MCIP Act, the County has created a multicounty park with Fairfield County, South Carolina more particularly known as I-77 Corridor Regional Industrial Park (“*Park*”);

WHEREAS, Kemira Chemicals, Inc. (successor in interest to FinnChem USA Inc., which was formerly known as Huron Tech Corp.), a corporation organized and existing under the laws of the State of Georgia (“*Sponsor*”), has made significant prior investments in the County, and in connection therewith, pursuant to Title 4, Chapter 12 (“*Old FILOT Act*”) of the Code, the Sponsor entered into November 17, 1998 Inducement and Millage Rate Agreement with the County and a December 15, 1998 Fee-in-Lieu of Taxes Lease Agreement with the County (“*1998 FILOT Agreement*”) concerning certain property (collectively, the two Agreements referenced in this paragraph are referred to herein as the “*Prior Agreements*” and the property subject to the 1998 FILOT Agreement is referred to herein as the “*Original Project*”);

WHEREAS, to date, the Sponsor has met its obligations under the Old FILOT Act and the Prior Agreements, invested a total of approximately \$48 million in the County and currently employ approximately 52 people in the County;

WHEREAS, the Sponsor desires to expand its investment at the manufacturing facility in the County (the “**Expansion Project**”), which Expansion Project will consist of Sponsor’s investment of up to \$20 million over a five-year period;

WHEREAS, (i) the 1998 FILOT Agreement provides for a 20-year term (“**Exemption Period**”) during which property placed in service under that Agreement will receive the fee-in-lieu of tax benefits provided thereunder; and (ii) by a Resolution adopted on December 4, 2018 (“**Resolution**”), County Council granted a 10-year extension of the Exemption Period under that Agreement, for a total Exemption Period under such Agreement of 30 years;

WHEREAS, by its Resolution, County Council also agreed to enter into a new Fee-in-Lieu of Ad Valorem Taxes Agreement (“**New FILOT Agreement**”) with the Sponsor with respect to the Sponsor’s future investments in the County, the form of which proposed New FILOT Agreement is attached hereto as Exhibit A;

WHEREAS, the Sponsor desires to utilize the provisions of the FILOT Act to continue to receive fee-in-lieu of tax benefits with respect to the Original Project without the County having title to any portion thereof;

WHEREAS, the FILOT Act provides, at Section 12-44-170 (the “**Conversion Provision**”) that an entity with property subject to a fee-in-lieu of tax arrangement under the Old FILOT Act, in connection with which title is held by the County, may elect with the consent of the County to convert from such Old FILOT Act arrangement to an arrangement under the FILOT Act in which title is held by such entity, and such property will automatically be considered “economic development property” for purposes of the FILOT Act; and

WHEREAS, the County desires, pursuant to the Conversion Provision and in connection with the Prior Agreements, to enter into a “conversion” FILOT Agreement with the Sponsor (the “**Conversion FILOT Agreement**”) with respect to the Original Project and, in connection therewith, to convey to the Sponsor the County’s right, title, and interest in and to the Original Project; and

WHEREAS, the proposed form of the Conversion FILOT Agreement, which is attached hereto as Exhibit B, relating to the Original Project has been prepared and presented to the County in order (i) to satisfy the requirements of the Conversion Provision and to make certain amendments to update the terms of the 1998 FILOT Agreement as necessary or appropriate, and (ii) to reflect the extension of the term of that Agreement, as converted, by 10 years, as approved by the Resolution;

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

Section 1. Statutory Findings. Based on information supplied to the County by the Sponsor, County Council evaluated the Expansion Project based on relevant criteria including, the purposes the Expansion Project is to accomplish, the anticipated dollar amount and nature of the investment, and the anticipated costs and benefits to the County, and hereby finds:

(a) The Expansion Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally;

(b) The Expansion Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against its general credit or taxing power;

(c) The purposes to be accomplished by the Expansion Project are proper governmental and public purposes and the benefits of the Expansion Project to the public are greater than the costs.

(d) The execution of the New FILOT Agreement and the Conversion FILOT Agreement (collectively, the “*FILOT Agreements*”) will provide a substantial public benefit by supporting and encouraging the Sponsor to maintain its investments and related employment in the County and to make additional investments.

Section 2. *Approval of Incentives; Authorization to Execute and Deliver FILOT Agreements and Related Documents.*

(a) The incentives as described in this Ordinance (“*Ordinance*”) and as more particularly set forth in the FILOT Agreements are hereby approved. The form, terms and provisions of the FILOT Agreements that are before this meeting are approved and all of the FILOT Agreements’ terms and conditions are incorporated in this Ordinance by reference. The Chair of County Council (“*Chair*”) is authorized and directed to execute the FILOT Agreements in the name of and on behalf of the County, subject to the approval of any revisions or changes as are not materially adverse to the County by the County Administrator and counsel to the County, and the Clerk to County Council is hereby authorized and directed to attest the FILOT Agreements and to deliver the FILOT Agreements to the Sponsor.

(b) With respect to the Original Project, the County, pursuant to the FILOT Act, hereby expressly recognizes, consents to, approves and ratifies for any and all purposes (i) the conversion of the Sponsor’s arrangement under the Old FILOT Act to an arrangement under the FILOT Act; and (ii) the transfer of title to the Original Project back to the Sponsor and to the cancellation of the 1998 FILOT Agreement and the related November 17, 1998 Inducement and Millage Rate Agreement (to the extent said Agreements are not cancelled by operation of law) without further payment to the County thereunder.

Section 3. *Ratification of Location in Park; Expansion.* The County ratifies the inclusion of the Original Project in the Park, and the County authorizes and approves the expansion of the Park boundaries as may be necessary to include the Expansion Project. The Chair, the County Administrator and the Clerk to County Council are each authorized to execute such documents and take such further actions as may be necessary to complete the expansion of the Park boundaries. Pursuant to the terms of the agreement governing the Park (“*Park Agreement*”), the expansion of the Park’s boundaries and the related amendment to the Park Agreement is complete on adoption of this Ordinance by County Council and delivery of written notice to Fairfield County of the inclusion of the Expansion Project in the Park.

Section 4. *Further Assurances.* The County Council confirms the authority of the Chair, the County Administrator, the Director of Economic Development, the Clerk to County Council, and various other County officials and staff, acting at the direction of the Chair, the County Administrator, the Director of Economic Development or Clerk to County Council, as appropriate, to take whatever further action and to negotiate, execute and deliver whatever further documents as may be appropriate to effect the intent of this Ordinance and the incentives offered to the Sponsor under this Ordinance and the FILOT Agreements.

Section 5. *Savings Clause.* The provisions of this Ordinance are separable. If any part of this Ordinance is, for any reason, unenforceable then the validity of the remainder of this Ordinance is unaffected.

Section 6. *General Repealer.* Any prior ordinance, resolution, or order, the terms of which are in conflict with this Ordinance, is, only to the extent of that conflict, repealed.

Section 7. *Effectiveness.* This Ordinance is effective after its third reading and public hearing.

RICHLAND COUNTY, SOUTH CAROLINA

Chair, Richland County Council

(SEAL)
ATTEST:

Clerk of Council, Richland County Council

First Reading: April 16, 2019
Second Reading: May 7, 2019
Public Hearing: May 21, 2019
Third Reading: May 21, 2019

EXHIBIT A
FORM OF NEW FILOT AGREEMENT

FEE-IN-LIEU OF *AD VALOREM* TAXES AGREEMENT

BETWEEN

KEMIRA CHEMICALS, INC.

AND

RICHLAND COUNTY, SOUTH CAROLINA

EFFECTIVE AS OF

MAY 21, 2019

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**SUMMARY OF CONTENTS OF
FEE AGREEMENT**

The parties have agreed to waive the requirement to recapitulate the contents of this Fee Agreement pursuant to Section 12-44-55 of the Code (as defined herein). However, the parties have agreed to include a summary of the key provisions of this Fee Agreement for the convenience of the parties. This summary is included for convenience only and is not to be construed as a part of the terms and conditions of this Fee Agreement.

PROVISION	BRIEF DESCRIPTION	SECTION REFERENCE
Sponsor Name	Kemira Chemicals, Inc.	§1.1
Project Location	200 Wateree Station Road, Richland County	Exhibit A
Tax Map No.	See Exhibit A	Exhibit A
FILOT		
<ul style="list-style-type: none"> • Phase Exemption Period 	30 years	
<ul style="list-style-type: none"> • Contract Minimum Investment Requirement 	\$5 million	§1.1 and §5.1
<ul style="list-style-type: none"> • Investment Period 	5 years	§1.1
<ul style="list-style-type: none"> • Assessment Ratio 	6%	§4.1
<ul style="list-style-type: none"> • Millage Rate 	482.5	§4.1
<ul style="list-style-type: none"> • Fixed or Five-Year Adjustable Millage 	Fixed	§4.1
<ul style="list-style-type: none"> • Claw Back Information 	See Section 5.1	§5.1
Multicounty Park	I-77 Corridor Regional Industrial Park (Fairfield County is the partner county)	§1.1
Other Information		

FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT

THIS FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT (“*Fee Agreement*”) is entered into, effective, as of May 21, 2019, between Richland County, South Carolina (“*County*”), a body politic and corporate and a political subdivision of the State of South Carolina (“*State*”), acting through the Richland County Council (“*County Council*”) as the governing body of the County, and Kemira Chemicals, Inc., a corporation organized and existing under the laws of the State of Georgia (successor in interest to FinnChem USA Inc., which was formerly known as Huron Tech Corp.) (“*Kemira*” and also referred to as *Sponsor* as defined herein).

RECITALS:

(a) Title 12, Chapter 44, (“*Act*”) of the Code of Laws of South Carolina, 1976, as amended (“*Code*”), authorizes the County to induce manufacturing and commercial enterprises to locate in the State or to encourage manufacturing and commercial enterprises currently located in the State to expand their investments and thus make use of and employ the manpower, products, and other resources of the State by entering into an agreement with a sponsor, as defined in the Act, that provides for the payment of a fee-in-lieu of *ad valorem* tax (“*FILOT*”) with respect to Economic Development Property, as defined below;

(b) The Sponsor has made significant prior investments in the County, and in connection therewith, the Sponsor (then Huron Tech Corp.) entered into a December 5, 1998 Fee-in-Lieu of Taxes Lease Agreement with the County;

(c) To date, the Sponsor has invested a total of approximately \$48 million in the County and currently employs approximately 52 people in the County;

(d) The Sponsor has committed to expand the investment at its facility (“*Facility*”) in the County, which investment will consist of taxable investment anticipated to be approximately \$20 million over the period January 1, 2019 to December 31, 2024;

(e) The Sponsor wishes to enter into a Fee-in-Lieu of *Ad Valorem* Taxes Agreement (“*FILOT Agreement*”) with the County with respect to future investments in the County;

(f) By a Resolution adopted on December 4, 2018, County Council agreed to enter into a FILOT Agreement with the Sponsor with respect to the Sponsor’s future investments in the County;

(g) By an ordinance enacted on May 21, 2019, County Council authorized the County to enter into this Fee Agreement with the Sponsor to provide for a FILOT to induce the Sponsor to expand its Facility in the County.

NOW, THEREFORE, AND IN CONSIDERATION of the respective representations and agreements hereinafter contained, the parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Terms. The defined terms used in this Fee Agreement have the meaning given below, unless the context clearly requires otherwise.

“*Act*” has the meaning set forth in the Recitals hereto.

“Act Minimum Investment Requirement” means an investment of at least \$2,500,000 in the Project within five years of the Commencement Date.

“Administration Expenses” means the reasonable expenses incurred by the County in the negotiation, approval and implementation of the terms and provisions of this Fee Agreement, including reasonable attorney’s and consultant’s fees. Administration Expenses does not include any costs, expenses, including attorney’s fees, incurred by the County (i) in defending challenges to the FILOT Payments provided by this Fee Agreement brought by third parties or the Sponsor or its affiliates and related entities, or (ii) in connection with matters arising at the request of the Sponsor outside of the immediate scope of this Fee Agreement, including amendments to the terms of this Fee Agreement.

“Code” has the meaning set forth in the Recitals hereto.

“Commencement Date” means the last day of the property tax year during which Economic Development Property is placed in service. The Commencement Date shall not be later than the last day of the property tax year which is three years from the year in which the County and the Sponsor enter into this Fee Agreement. For purposes of this Fee Agreement, the Commencement Date is expected to be December 31, 2019.

“Contract Minimum Investment Requirement” means a taxable investment in real and personal property at the Project of not less than \$5 million.

“County” has the meaning set forth in the Preamble hereto.

“County Council” has the meaning set forth in the Preamble hereto.

“Department” means the South Carolina Department of Revenue.

“Diminution in Value” means a reduction in the fair market value of Economic Development Property, as determined in Section 4.1(a)(i) of this Fee Agreement, which may be caused by (i) the removal or disposal of components of the Project pursuant to Section 4.3 of this Fee Agreement; (ii) a casualty as described in Section 4.4 of this Fee Agreement; or (iii) a condemnation as described in Section 4.5 of this Fee Agreement.

“Economic Development Property” means those items of real and tangible personal property of the Project placed in service not later than the end of the Investment Period that (i) satisfy the conditions of classification as economic development property under the Act, and (ii) are identified by the Sponsor in its annual filing of a PT-300S or comparable form with the Department (as such filing may be amended from time to time).

“Equipment” means all of the machinery, equipment, furniture, office equipment, and fixtures, together with any and all additions, accessions, replacements, and substitutions.

“Event of Default” means any event of default specified in Section 6.1 of this Fee Agreement.

“Facility” has the meaning set forth in the Recitals hereto.

“Fee Agreement” has the meaning set forth in the Preamble hereto.

“Fee Term” means the period from the effective date of this Fee Agreement until the Final Termination Date.

“FILOT” has the meaning set forth in the Recitals hereto.

“**FILOT Agreement**” has the meaning set forth in the Recitals hereto.

“**FILOT Payments**” means the amount paid or to be paid in lieu of *ad valorem* property taxes as provided in Section 4.1.

“**Final Phase**” means the Economic Development Property placed in service during the last year of the Investment Period.

“**Final Termination Date**” means the date on which the last FILOT Payment with respect to the Final Phase is made, or such earlier date as the Fee Agreement is terminated in accordance with the terms of this Fee Agreement. Assuming the Phase Termination Date for the Final Phase is December 31, 2053, the Final Termination Date is expected to be January 15, 2055, which is the due date of the last FILOT Payment with respect to the Final Phase.

“**Improvements**” means all improvements to the Real Property, including buildings, building additions, roads, sewer lines, and infrastructure, together with all additions, fixtures, accessions, replacements, and substitutions.

“**Investment Period**” means the period beginning with the first day of any purchase or acquisition of Economic Development Property and ending five years after the Commencement Date. For purposes of this Fee Agreement, the Investment Period is expected to end on December 31, 2024.

“**Kemira**” has the meaning set forth in the Preamble hereto.

“**Multicounty Park**” means the multicounty industrial or business park governed by the Amended and Restated Master Agreement Governing the I-77 Corridor Regional Industrial Park, dated as of September 1, 2018, between the County and Fairfield County, South Carolina, as amended or restated from time to time.

“**Phase**” means the Economic Development Property placed in service during a particular year of the Investment Period.

“**Phase Exemption Period**” means, with respect to each Phase, the period beginning with the property tax year the Phase is placed in service during the Investment Period and ending on the Phase Termination Date.

“**Phase Termination Date**” means, with respect to each Phase, the last day of the property tax year which is the 29th year following the first property tax year in which the Phase is placed in service.

“**Project**” means all the Equipment, Improvements, and Real Property in the County that the Sponsor determines to be necessary, suitable, or useful by the Sponsor in connection with its investment in the County.

“**Real Property**” means real property that the Sponsor uses or will use in the County for the purposes that Section 2.2(b) describes, and initially consists of the land identified on Exhibit A of this Fee Agreement.

“**Removed Components**” means Economic Development Property which the Sponsor, in its sole discretion, (a) determines to be inadequate, obsolete, worn-out, uneconomic, damaged, unsuitable, undesirable, or unnecessary pursuant to Section 4.3 of this Fee Agreement or otherwise; or (b) elects to be treated as removed pursuant to Section 4.4(c) or Section 4.5(b)(iii) of this Fee Agreement.

“**Replacement Property**” means any property which is placed in service as a replacement for any Removed Component regardless of whether the Replacement Property serves the same functions as the Removed Component it is replacing and regardless of whether more than one piece of Replacement Property replaces a single Removed Component.

“**Sponsor**” means Kemira and any surviving, resulting, or transferee entity in any merger, consolidation, or transfer of assets; or any other person or entity which may succeed to the rights and duties of Kemira under this Fee Agreement.

“**Sponsor Affiliate**” means an entity that participates in the investment at the Project and, following receipt of the County’s approval pursuant to Section 8.1 of this Fee Agreement, joins this Fee Agreement by delivering a Joinder Agreement, the form of which is attached as Exhibit B to this Fee Agreement.

“**State**” has the meaning set forth in the Preamble hereto.

Any reference to any agreement or document in this Article I or otherwise in this Fee Agreement shall include any and all amendments, supplements, addenda, and modifications to such agreement or document.

The term “investment” or “invest” as used in this Fee Agreement includes not only investments made by the Sponsor, but also to the fullest extent permitted by law, those investments made by or for the benefit of the Sponsor in connection with the Project through federal, state, or local grants, to the extent such investments are or, but for the terms of this Fee Agreement, would be subject to *ad valorem* taxes to be paid by the Sponsor.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the County. The County represents and warrants as follows:

(a) The County is a body politic and corporate and a political subdivision of the State and acts through the County Council as its governing body. The Act authorizes and empowers the County to enter into the transactions that this Fee Agreement contemplates and to carry out its obligations under this Fee Agreement. The County has duly authorized the execution and delivery of this Fee Agreement and all other documents, certificates or other agreements contemplated in this Fee Agreement and has obtained all consents from third parties and taken all actions necessary or that the law requires to fulfill its obligations under this Fee Agreement.

(b) Based on representations by the Sponsor, County Council evaluated the Project based on all relevant criteria including the purposes the Project is to accomplish, the anticipated dollar amount and nature of the investment resulting from the Project, and the anticipated costs and benefits to the County and following the evaluation, the County determined that (i) the Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally; (ii) the Project gives rise to no pecuniary liability of the County or any incorporated municipality and to no charge against the County’s general credit or taxing power; (iii) the purposes to be accomplished by the Project are proper governmental and public purposes; and (iv) the benefits of the Project are greater than the costs.

(c) The County identified the Project, as a “project” on December 4, 2018 by adopting an Inducement Resolution, as defined in the Act, on that date.

(d) The County is not in default of any of its obligations (contractual or otherwise) as a result of entering into and performing its obligations under this Fee Agreement.

(e) The County has located the Project in the Multicounty Park.

Section 2.2. Representations and Warranties of the Sponsor. The Sponsor represents and warrants as follows:

(a) The Sponsor is in good standing under the laws of the state of its organization, is duly authorized to transact business in the State (or will obtain such authority prior to commencing business in the State), has power to enter into this Fee Agreement, and has duly authorized the execution and delivery of this Fee Agreement.

(b) The Sponsor intends to operate the Project as a manufacturing facility and for such other purposes that the Act permits as the Sponsor may deem appropriate.

(c) The Sponsor's execution and delivery of this Fee Agreement and its compliance with the provisions of this Fee Agreement do not result in a default under any agreement or instrument to which the Sponsor is now a party or by which it is bound.

(d) The Sponsor will use commercially reasonable efforts to achieve the Contract Minimum Investment Requirement.

(e) The execution and delivery of this Fee Agreement by the County and the availability of the FILOT and other incentives provided by this Fee Agreement has been instrumental in inducing the Sponsor to locate the Project in the County.

(f) The Sponsor has retained legal counsel to confirm, or has had a reasonable opportunity to consult legal counsel to confirm, its eligibility for the FILOT and other incentives granted by this Fee Agreement and has not relied on the County, its officials, employees or legal representatives with respect to any question of eligibility or applicability of the FILOT and other incentives granted by this Fee Agreement.

ARTICLE III THE PROJECT

Section 3.1. The Project. The Sponsor intends and expects to (i) construct or acquire the Project and (ii) meet the Contract Minimum Investment Requirement within the Investment Period. The Sponsor anticipates that the first Phase of the Project will be placed in service during the calendar year ending December 31, 2019. Notwithstanding anything contained in this Fee Agreement to the contrary, the Sponsor is not obligated to complete the acquisition of the Project. However, if the Contract Minimum Investment Requirement is not met, the benefits provided to the Sponsor, or Sponsor Affiliate, if any, pursuant to this Fee Agreement may be reduced, modified or terminated as provided in this Fee Agreement.

Section 3.2 Leased Property. To the extent that State law allows or is revised or construed to permit leased assets including a building, or personal property to be installed in a building, to constitute Economic Development Property, then any property leased by the Sponsor is, at the election of the Sponsor, deemed to be Economic Development Property for purposes of this Fee Agreement, subject, at all times, to the requirements of State law and this Fee Agreement with respect to property comprising Economic Development Property.

Section 3.3. Filings and Reports.

(a) On or before January 31 of each year during the term of this Fee Agreement, commencing on January 31, 2020, the Sponsor shall deliver to the Economic Development Director of the County with respect to the Sponsor and all Sponsor Affiliates, if any, the information required by the terms of the County's Resolution dated December 12, 2017, which is attached hereto as Exhibit C, as may be amended by subsequent resolution.

(b) The Sponsor shall file a copy of this Fee Agreement and a completed PT-443 with the Economic Development Director and the Department and the Auditor, Treasurer and Assessor of the County and of Fairfield County, the County's partner in the Multicounty Park.

(c) On request by the County Administrator or the Economic Development Director, the Sponsor shall remit to the Economic Development Director records accounting for the acquisition, financing, construction, and operation of the Project which records (i) permit ready identification of all Economic Development Property; (ii) confirm the dates that the Economic Development Property or Phase was placed in service; and (iii) include copies of all filings made in accordance with this Section.

**ARTICLE IV
FILOT PAYMENTS**

Section 4.1. FILOT Payments.

(a) The FILOT Payment due with respect to each Phase through the Phase Termination Date is calculated as follows:

- (i) The fair market value of the Phase calculated as set forth in the Act (for the Real Property portion of the Phase, the County and the Sponsor have elected to use the fair market value established in the first year of the Phase Exemption Period), multiplied by
- (ii) An assessment ratio of six percent (6%), multiplied by
- (iii) A fixed millage rate equal to 482.5, which is the cumulative millage rate levied by or on behalf of all the taxing entities within which the Project is located as of June 30, 2018.

The calculation of the FILOT Payment must allow all applicable property tax exemptions except those excluded pursuant to Section 12-44-50(A)(2) of the Act. The Sponsor acknowledges that (i) the calculation of the annual FILOT Payment is a function of the Department and is wholly dependent on the Sponsor timely submitting the correct annual property tax returns to the Department, (ii) the County has no responsibility for the submission of returns or the calculation of the annual FILOT Payment, and (iii) failure by the Sponsor to submit the correct annual property tax return could lead to a loss of all or a portion of the FILOT and other incentives provided by this Fee Agreement.

(b) If a final order of a court of competent jurisdiction from which no further appeal is allowable declares the FILOT Payments invalid or unenforceable, in whole or in part, for any reason, the parties shall negotiate the reformation of the calculation of the FILOT Payments to most closely afford the Sponsor with the intended benefits of this Fee Agreement. If such order has the effect of subjecting the Economic Development Property to *ad valorem* taxation, this Fee Agreement shall terminate, and the

Sponsor shall owe the County regular *ad valorem* taxes from the date of termination, in accordance with Section 4.7.

Section 4.2. FILOT Payments on Replacement Property. If the Sponsor elects to place Replacement Property in service, then, pursuant and subject to the provisions of Section 12-44-60 of the Act, the Sponsor shall make the following payments to the County with respect to the Replacement Property for the remainder of the Phase Exemption Period applicable to the Removed Component of the Replacement Property:

(a) FILOT Payments, calculated in accordance with Section 4.1, on the Replacement Property to the extent of the original income tax basis of the Removed Component the Replacement Property is deemed to replace.

(b) Regular *ad valorem* tax payments to the extent the income tax basis of the Replacement Property exceeds the original income tax basis of the Removed Component the Replacement Property is deemed to replace.

Section 4.3. Removal of Components of the Project. Subject to the other terms and provisions of this Fee Agreement, the Sponsor is entitled to remove and dispose of components of the Project in its sole discretion. Components of the Project are deemed removed when scrapped, sold or otherwise removed from the Project. If the components removed from the Project are Economic Development Property, then the Economic Development Property is a Removed Component, no longer subject to this Fee Agreement and is subject to *ad valorem* property taxes to the extent the Removed Component remains in the State and is otherwise subject to *ad valorem* property taxes.

Section 4.4. Damage or Destruction of Economic Development Property.

(a) *Election to Terminate.* If Economic Development Property is damaged by fire, explosion, or any other casualty, then the Sponsor may terminate this Fee Agreement. For the property tax year corresponding to the year in which the damage or casualty occurs, the Sponsor is obligated to make FILOT Payments with respect to the damaged Economic Development Property only to the extent property subject to *ad valorem* taxes would have been subject to *ad valorem* taxes under the same circumstances for the period in question.

(b) *Election to Restore and Replace.* If Economic Development Property is damaged by fire, explosion, or any other casualty, and the Sponsor does not elect to terminate this Fee Agreement, then the Sponsor may restore and replace the Economic Development Property. All restorations and replacements made pursuant to this subsection (b) are deemed, to the fullest extent permitted by law and this Fee Agreement, to be Replacement Property.

(c) *Election to Remove.* If Economic Development Property is damaged by fire, explosion, or any other casualty, and the Sponsor elects not to terminate this Fee Agreement pursuant to subsection (a) and elects not to restore or replace pursuant to subsection (b), then the damaged portions of the Economic Development Property are deemed Removed Components.

Section 4.5. Condemnation.

(a) *Complete Taking.* If at any time during the Fee Term title to or temporary use of the Economic Development Property is vested in a public or quasi-public authority by virtue of the exercise of a taking by condemnation, inverse condemnation, or the right of eminent domain; by voluntary transfer under threat of such taking; or by a taking of title to a portion of the Economic Development Property which renders continued use or occupancy of the Economic Development Property commercially unfeasible in the judgment of the Sponsor, the Sponsor shall have the option to terminate this Fee Agreement by sending written notice to the County within a reasonable period of time following such vesting.

(b) *Partial Taking.* In the event of a partial taking of the Economic Development Property or a transfer in lieu, the Sponsor may elect: (i) to terminate this Fee Agreement; (ii) to restore and replace the Economic Development Property, with such restorations and replacements deemed, to the fullest extent permitted by law and this Fee Agreement, to be Replacement Property; or (iii) to treat the portions of the Economic Development Property so taken as Removed Components.

(c) In the year in which the taking occurs, the Sponsor is obligated to make FILOT Payments with respect to the Economic Development Property so taken only to the extent property subject to *ad valorem* taxes would have been subject to taxes under the same circumstances for the period in question.

Section 4.6. Calculating FILOT Payments on Diminution in Value. If there is a Diminution in Value, the FILOT Payments due with respect to the Economic Development Property or Phase so diminished shall be calculated by substituting the diminished value of the Economic Development Property or Phase for the original fair market value in Section 4.1(a)(i) of this Fee Agreement.

Section 4.7. Payment of Ad Valorem Taxes. If Economic Development Property becomes subject to *ad valorem* taxes as imposed by law pursuant to the terms of this Fee Agreement or the Act, then the calculation of the *ad valorem* taxes due with respect to the Economic Development Property in a particular property tax year shall: (i) include the property tax reductions that would have applied to the Economic Development Property if it were not Economic Development Property; and (ii) include a credit for FILOT Payments the Sponsor has made with respect to the Economic Development Property.

Section 4.8. Place of FILOT Payments. All FILOT Payments shall be made directly to the County in accordance with applicable law.

**ARTICLE V
CLAW BACK**

Section 5.1. Claw Back. If the Company does not meet the Contract Minimum Investment between January 1, 2019 and December 31, 2024, then the Project shall revert retroactively to ad valorem taxation and this Fee Agreement shall terminate, and the Company shall, by December 31, 2024, make payment to the County of the difference between the FILOT Payments actually made and the total retroactive amount referred to in this Section.

**ARTICLE VI
DEFAULT**

Section 6.1. Events of Default. The following are “Events of Default” under this Fee Agreement:

(a) Failure to make FILOT Payments, which failure has not been cured within 30 days following receipt of written notice from the County specifying the delinquency in FILOT Payments and requesting that it be remedied;

(b) Failure to timely pay any amount, except FILOT Payments, due under this Fee Agreement;

(c) A Cessation of Operations. For purposes of this Fee Agreement, a “*Cessation of Operations*” means (i) a publicly announced closure of the Facility, (ii) a layoff of a majority of the employees working at the Facility, or (iii) a 50% or more reduction in production at the Facility that continues for a period of twelve (12) months;

(d) A representation or warranty made by the Sponsor which is deemed materially incorrect when deemed made;

(e) Failure by the Sponsor to perform any of the material terms, conditions, obligations, or covenants under this Fee Agreement (other than those under (a), above), which failure has not been cured within 30 days after written notice from the County to the Sponsor specifying such failure and requesting that it be remedied, unless the Sponsor has instituted corrective action within the 30-day period and is diligently pursuing corrective action until the default is corrected, in which case the 30-day period is extended to include the period during which the Sponsor is diligently pursuing corrective action;

(f) A representation or warranty made by the County which is deemed materially incorrect when deemed made; or

(g) Failure by the County to perform any of the material terms, conditions, obligations, or covenants hereunder, which failure has not been cured within 30 days after written notice from the Sponsor to the County specifying such failure and requesting that it be remedied, unless the County has instituted corrective action within the 30-day period and is diligently pursuing corrective action until the default is corrected, in which case the 30-day period is extended to include the period during which the County is diligently pursuing corrective action.

Section 6.2. Remedies on Default.

(a) If an Event of Default by the Sponsor has occurred and is continuing, then the County may take any one or more of the following remedial actions:

(i) terminate this Fee Agreement; or

(ii) take whatever action at law or in equity may appear necessary or desirable to collect amounts due or otherwise remedy the Event of Default or recover its damages.

(b) If an Event of Default by the County has occurred and is continuing, the Sponsor may take any one or more of the following actions:

(i) bring an action for specific enforcement;

(ii) terminate this Fee Agreement; or

(iii) in case of a materially incorrect representation or warranty, take such action as is appropriate, including legal action, to recover its damages, to the extent allowed by law.

Section 6.3. Reimbursement of Legal Fees and Other Expenses. On the occurrence of an Event of Default, if a party is required to employ attorneys or incur other reasonable expenses for the collection of payments due under this Fee Agreement or for the enforcement of performance or observance of any

obligation or agreement, the prevailing party is entitled to seek reimbursement of the reasonable fees of such attorneys and such other reasonable expenses so incurred.

Section 6.4. Remedies Not Exclusive. No remedy described in this Fee Agreement is intended to be exclusive of any other remedy or remedies, and each and every such remedy is cumulative and in addition to every other remedy given under this Fee Agreement or existing at law or in equity or by statute.

ARTICLE VII PARTICULAR RIGHTS AND COVENANTS

Section 7.1. Right to Inspect. The County and its authorized agents, at any reasonable time on prior written notice (no less than 48 hours in advance), may enter and examine and inspect the Project for the purposes of permitting the County to carry out its duties and obligations in its sovereign capacity (such as, without limitation, for such routine health and safety purposes as would be applied to any other manufacturing or commercial facility in the County).

Section 7.2. Confidentiality. The County acknowledges that the Sponsor may utilize confidential and proprietary processes and materials, services, equipment, trade secrets, and techniques (“**Confidential Information**”) and that disclosure of the Confidential Information could result in substantial economic harm to the Sponsor. The Sponsor may clearly label any Confidential Information delivered to the County pursuant to this Fee Agreement as “**Confidential Information.**” Except as required by law, the County, or any employee, agent, or contractor of the County, shall not disclose or otherwise divulge any labeled Confidential Information to any other person, firm, governmental body or agency. The Sponsor acknowledges that the County is subject to the South Carolina Freedom of Information Act, and, as a result, must disclose certain documents and information on request, absent an exemption. If the County is required to disclose any Confidential Information to a third party, the County will use its best efforts to provide the Sponsor with as much advance notice as is reasonably possible of such disclosure requirement prior to making such disclosure, and to cooperate reasonably with any attempts by the Sponsor to obtain judicial or other relief from such disclosure requirement. The Sponsor may request any County officials or other representatives to execute its standard confidentiality requirement in case of such a visit by such persons to the Project.

Section 7.3. Indemnification Covenants.

(a) Except as provided in paragraph (d) below, the Sponsor shall indemnify and save the County, its employees, elected officials, officers and agents (each, an “**Indemnified Party**”) harmless against and from all liability or claims arising from the County’s execution of this Fee Agreement, performance of the County’s obligations under this Fee Agreement or the administration of its duties pursuant to this Fee Agreement, or otherwise by virtue of the County having entered into this Fee Agreement.

(b) The County is entitled to use counsel of its choice and the Sponsor shall reimburse the County for all of its costs, including attorneys’ fees, incurred in connection with the response to or defense against such liability or claims as described in paragraph (a), above. The County shall provide a statement of the costs incurred in the response or defense, and the Sponsor shall pay the County within 30 days of receipt of the statement. The Sponsor may request reasonable documentation evidencing the costs shown on the statement. However, the County is not required to provide any documentation which may be privileged or confidential to evidence the costs.

(c) The County may request the Sponsor to resist or defend against any claim on behalf of an Indemnified Party. On such request, the Sponsor shall resist or defend against such claim on behalf of the Indemnified Party, at the Sponsor’s expense. The Sponsor is entitled to use counsel of its choice, manage

and control the defense of or response to such claim for the Indemnified Party; provided the Sponsor is not entitled to settle any such claim without the consent of that Indemnified Party.

(d) Notwithstanding anything in this Section or this Fee Agreement to the contrary, the Sponsor is not required to indemnify any Indemnified Party against or reimburse the County for costs arising from any claim or liability (i) occasioned by the acts of that Indemnified Party, which are unrelated to the execution of this Fee Agreement, performance of the County's obligations under this Fee Agreement, or the administration of its duties under this Fee Agreement, or otherwise by virtue of the County having entered into this Fee Agreement; or (ii) resulting from that Indemnified Party's own negligence, bad faith, fraud, deceit, or willful misconduct.

(e) An Indemnified Party may not avail itself of the indemnification or reimbursement of costs provided in this Section unless it provides the Sponsor with prompt notice, reasonable under the circumstances, of the existence or threat of any claim or liability, including, without limitation, copies of any citations, orders, fines, charges, remediation requests, or other claims or threats of claims, in order to afford the Sponsor notice, reasonable under the circumstances, within which to defend or otherwise respond to a claim.

Section 7.4. No Liability of County Personnel. All covenants, stipulations, promises, agreements and obligations of the County contained in this Fee Agreement are binding on members of the County Council or any elected official, officer, agent, servant or employee of the County only in his or her official capacity and not in his or her individual capacity, and no recourse for the payment of any moneys under this Fee Agreement may be had against any member of County Council or any elected or appointed official, officer, agent, servant or employee of the County and no recourse for the payment of any moneys or performance of any of the covenants and agreements under this Fee Agreement or for any claims based on this Fee Agreement may be had against any member of County Council or any elected or appointed official, officer, agent, servant or employee of the County except solely in their official capacity.

Section 7.5. Limitation of Liability. The County is not liable to the Sponsor for any costs, expenses, losses, damages, claims or actions in connection with this Fee Agreement, except from amounts received by the County from the Sponsor under this Fee Agreement. Notwithstanding anything in this Fee Agreement to the contrary, any financial obligation the County may incur under this Fee Agreement is deemed not to constitute a pecuniary liability or a debt or general obligation of the County.

Section 7.6. Assignment. The Sponsor may assign this Fee Agreement in whole or in part with the prior written consent of the County or a subsequent written ratification by the County, which may be done by resolution, and which consent or ratification the County will not unreasonably withhold. The Sponsor agrees to notify the County and the Department of the identity of the proposed transferee within 60 days of the transfer. In case of a transfer, the transferee assumes the transferor's basis in the Economic Development Property for purposes of calculating the FILOT Payments.

Section 7.7. No Double Payment; Future Changes in Legislation. Notwithstanding anything contained in this Fee Agreement to the contrary, and except as expressly required by law, the Sponsor is not required to make a FILOT Payment in addition to a regular *ad valorem* property tax payment in the same year with respect to the same piece of Economic Development Property. The Sponsor is not required to make a FILOT Payment on Economic Development Property in cases where, absent this Fee Agreement, *ad valorem* property taxes would otherwise not be due on such property.

Section 7.8. Administration Expenses. The Sponsor will reimburse, or cause reimbursement to, the County for Administration Expenses in an amount not exceeding \$7,000 for work and other matters related to (i) the drafting, review, negotiation and approval of (A) this Fee Agreement, (B) a new fee agreement of even date herewith between the Sponsor and the County converting the Sponsor's lease

purchase style agreement with the County to an agreement as authorized under the Act, and (C) any ordinances, deeds, bills of sale, or other documents related to any of such agreements or to the Project, and (ii) any related matters. The Sponsor will reimburse the County for its Administration Expenses on receipt of a written request from the County or at the County's direction, which request shall include a statement of the amount and nature of the Administration Expense. The Sponsor shall pay the Administration Expense as set forth in the written request no later than 60 days following receipt of the written request from the County. The County does not impose a charge in the nature of impact fees or recurring fees in connection with the incentives authorized by this Fee Agreement. The payment by the Sponsor of the County's Administration Expenses shall not be construed as prohibiting the County from engaging, at its discretion, the counsel of the County's choice.

ARTICLE VIII SPONSOR AFFILIATES

Section 8.1. Sponsor Affiliates. The Sponsor may designate Sponsor Affiliates from time to time, including at the time of execution of this Fee Agreement, pursuant to and subject to the provisions of Section 12-44-130 of the Act. To designate a Sponsor Affiliate, the Sponsor must deliver written notice to the Economic Development Director identifying the Sponsor Affiliate and requesting the County's approval of the Sponsor Affiliate. Except with respect to a Sponsor Affiliate designated at the time of execution of this Fee Agreement, which may be approved in the County Council ordinance authorizing the execution and delivery of this Fee Agreement, approval of the Sponsor Affiliate may be given by the County Administrator delivering written notice to the Sponsor and Sponsor Affiliate following receipt by the County Administrator of a recommendation from the Economic Development Committee of County Council to allow the Sponsor Affiliate to join in the investment at the Project. The Sponsor Affiliate's joining in the investment at the Project will be effective on delivery of a Joinder Agreement, the form of which is attached as Exhibit B, executed by the Sponsor Affiliate to the County.

Section 8.2. Primary Responsibility. Notwithstanding the addition of a Sponsor Affiliate, the Sponsor acknowledges that it has the primary responsibility for the duties and obligations of the Sponsor and any Sponsor Affiliate under this Fee Agreement, including the payment of FILOT Payments or any other amount due to or for the benefit of the County under this Fee Agreement. For purposes of this Fee Agreement, "primary responsibility" means that if the Sponsor Affiliate fails to make any FILOT Payment or remit any other amount due under this Fee Agreement, the Sponsor shall make such FILOT Payments or remit such other amounts on behalf of the Sponsor Affiliate.

ARTICLE XI MISCELLANEOUS

Section 9.1. Notices. Any notice, election, demand, request, or other communication to be provided under this Fee Agreement is effective when delivered to the party named below or when deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, addressed as follows (or addressed to such other address as any party shall have previously furnished in writing to the other party), except where the terms of this Fee Agreement require receipt rather than sending of any notice, in which case such provision shall control:

IF TO THE SPONSOR:

Kemira Chemicals, Inc.
1000 Parkwood Circle, Suite 500
Atlanta, GA 30339
Attn: Jason Burlson

WITH A COPY TO (does not constitute notice):

General Counsel, Americas
1000 Parkwood Circle, Suite 500
Atlanta, Georgia 30339

IF TO THE COUNTY:

Richland County, South Carolina
Attn: Richland County Economic Development Director
2020 Hampton Street
Columbia, South Carolina 29204

WITH A COPY TO (does not constitute notice):

Parker Poe Adams & Bernstein LLP
Attn: Ray E. Jones
1221 Main Street, Suite 1100 (29201)
Post Office Box 1509
Columbia, South Carolina 29202-1509

Section 9.2. Provisions of Agreement for Sole Benefit of County and Sponsor. Except as otherwise specifically provided in this Fee Agreement, nothing in this Fee Agreement expressed or implied confers on any person or entity other than the County and the Sponsor any right, remedy, or claim under or by reason of this Fee Agreement, this Fee Agreement being intended to be for the sole and exclusive benefit of the County and the Sponsor.

Section 9.3. Counterparts. This Fee Agreement may be executed in any number of counterparts, and all of the counterparts together constitute one and the same instrument.

Section 9.4. Governing Law. South Carolina law, exclusive of its conflicts of law provisions that would refer the governance of this Fee Agreement to the laws of another jurisdiction, governs this Fee Agreement and all documents executed in connection with this Fee Agreement.

Section 9.5. Headings. The headings of the articles and sections of this Fee Agreement are inserted for convenience only and do not constitute a part of this Fee Agreement.

Section 9.6. Amendments. This Fee Agreement may be amended only by written agreement of the parties to this Fee Agreement.

Section 9.7. Agreement to Sign Other Documents. From time to time, and at the expense of the Sponsor, to the extent any expense is incurred, the County agrees to execute and deliver to the Sponsor such additional instruments as the Sponsor may reasonably request and as are authorized by law and reasonably within the purposes and scope of the Act and this Fee Agreement to effectuate the purposes of this Fee Agreement.

Section 9.8. Interpretation; Invalidity; Change in Laws.

(a) If the inclusion of property as Economic Development Property or any other issue is unclear under this Fee Agreement, then the parties intend that the interpretation of this Fee Agreement be done in a manner that provides for the broadest inclusion of property under the terms of this Fee Agreement and the maximum incentive permissible under the Act, to the extent not inconsistent with any of the explicit terms of this Fee Agreement.

(b) If any provision of this Fee Agreement is declared illegal, invalid, or unenforceable for any reason, the remaining provisions of this Fee Agreement are unimpaired, and the parties shall reform such illegal, invalid, or unenforceable provision to effectuate most closely the legal, valid, and enforceable intent of this Fee Agreement so as to afford the Sponsor with the maximum benefits to be derived under this Fee Agreement, it being the intention of the County to offer the Sponsor the strongest inducement possible, within the provisions of the Act, to locate the Project in the County.

(c) The County agrees that in case the FILOT incentive described in this Fee Agreement is found to be invalid and the Sponsor does not realize the economic benefit it is intended to receive from the County under this Fee Agreement as an inducement to locate in the County, the County agrees to negotiate with the Sponsor to provide a special source revenue or infrastructure credit to the Sponsor to the maximum extent permitted by law, to allow the Sponsor to recoup all or a portion of the loss of the economic benefit resulting from such invalidity.

Section 9.9. Force Majeure. The Sponsor is not responsible for any delays or non-performance caused in whole or in part, directly or indirectly, by strikes, accidents, freight embargoes, fires, floods, inability to obtain materials, conditions arising from governmental orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond the Sponsor's reasonable control.

Section 9.10. Termination; Termination by Sponsor.

(a) Unless first terminated under any other provision of this Fee Agreement, this Fee Agreement terminates on the Final Termination Date.

(b) The Sponsor is authorized to terminate this Fee Agreement at any time with respect to all or part of the Project on providing the County with 30 days' notice.

(c) Any monetary obligations due and owing at the time of termination and any provisions which are intended to survive termination, survive such termination.

(d) In the year following termination, all Economic Development Property is subject to *ad valorem* taxation or such other taxation or payment in lieu of taxation that would apply absent this Fee Agreement. The Sponsor's obligation to make FILOT Payments under this Fee Agreement terminates to the extent of and in the year following the year the Sponsor terminates this Fee Agreement pursuant to this Section.

Section 9.11. Entire Agreement. This Fee Agreement expresses the entire understanding and all agreements of the parties, and neither party is bound by any agreement or any representation to the other party which is not expressly set forth in this Fee Agreement or in certificates delivered in connection with the execution and delivery of this Fee Agreement.

Section 9.12. Waiver. Either party may waive compliance by the other party with any term or condition of this Fee Agreement only in a writing signed by the waiving party.

Section 9.13. Business Day. If any action, payment, or notice is, by the terms of this Fee Agreement, required to be taken, made, or given on any Saturday, Sunday, or legal holiday in the jurisdiction in which the party obligated to act is situated, such action, payment, or notice may be taken, made, or given on the following business day with the same effect as if taken, made or given as required under this Fee Agreement, and no interest will accrue in the interim.

Section 9.14. Agreement's Construction. Each party and its counsel have reviewed this Fee Agreement and any rule of construction to the effect that ambiguities are to be resolved against a drafting party does not apply in the interpretation of this Fee Agreement or any amendments or exhibits to this Fee Agreement.

[Signature pages follow]

IN WITNESS WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and on its behalf by the Chair of County Council and to be attested by the Clerk of the County Council; and the Sponsor has caused this Fee Agreement to be executed by its duly authorized officer, all as of the day and year first above written.

RICHLAND COUNTY, SOUTH CAROLINA

(SEAL)

By: _____
County Council Chair
Richland County, South Carolina

ATTEST:

By: _____
Clerk to County Council
Richland County, South Carolina

[Signature Page 1 to Fee in Lieu of Ad Valorem Taxes Agreement]

KEMIRA CHEMICALS, INC.

By: _____
Its: _____

[Signature Page 2 to Fee in Lieu of Ad Valorem Taxes Agreement]

EXHIBIT A
PROPERTY DESCRIPTION

200 Wateree Station Road
Eastover, SC 29044
Tax Map No. 40900-01-07

191 Wateree Station Road
Eastover, SC 29044
Tax Map No. 40900-01-08

**EXHIBIT B (see Section 8.1)
FORM OF JOINDER AGREEMENT**

Reference is hereby made to the Fee-in-Lieu of *Ad Valorem* Taxes Agreement, effective May 21, 2019 (“Fee Agreement”), between Richland County, South Carolina (“County”) and Kemira Chemicals, Inc.

1. Joinder to Fee Agreement.

[_____], a [STATE] [corporation]/[limited liability company]/[limited partnership] authorized to conduct business in the State of South Carolina, hereby (a) joins as a party to, and agrees to be bound by and subject to all of the terms and conditions of, the Fee Agreement as if it were a Sponsor [except the following: _____]; (b) shall receive the benefits as provided under the Fee Agreement with respect to the Economic Development Property placed in service by the Sponsor Affiliate as if it were a Sponsor [except the following _____]; (c) acknowledges and agrees that (i) according to the Fee Agreement, the undersigned has been designated as a Sponsor Affiliate by the Sponsor for purposes of the Project; and (ii) the undersigned qualifies or will qualify as a Sponsor Affiliate under the Fee Agreement and Section 12-44-30(20) and Section 12-44-130 of the Act.

2. Capitalized Terms.

Each capitalized term used, but not defined, in this Joinder Agreement has the meaning of that term set forth in the Fee Agreement.

3. Representations of the Sponsor Affiliate.

The Sponsor Affiliate represents and warrants to the County as follows:

(a) The Sponsor Affiliate is in good standing under the laws of the state of its organization, is duly authorized to transact business in the State (or will obtain such authority prior to commencing business in the State), has power to enter into this Joinder Agreement, and has duly authorized the execution and delivery of this Joinder Agreement.

(b) The Sponsor Affiliate’s execution and delivery of this Joinder Agreement, and its compliance with the provisions of this Joinder Agreement, do not result in a default, not waived or cured, under any agreement or instrument to which the Sponsor Affiliate is now a party or by which it is bound.

(c) The execution and delivery of this Joinder Agreement and the availability of the FILOT and other incentives provided by this Joinder Agreement has been instrumental in inducing the Sponsor Affiliate to join with the Sponsor in the Project in the County.

4. Governing Law.

This Joinder Agreement is governed by and construed according to the laws, without regard to principles of choice of law, of the State of South Carolina.

5. Notice.

Notices under Section 9.1 of the Fee Agreement shall be sent to:

[_____]

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement to be effective as of the date set forth below.

Date

Name of Entity
By: _____
Its: _____

IN WITNESS WHEREOF, the County acknowledges it has consented to the addition of the above-named entity as a Sponsor Affiliate under the Fee Agreement effective as of the date set forth above.

RICHLAND COUNTY, SOUTH CAROLINA

By: _____
Its: _____

EXHIBIT C (see Section 3.3)
RICHLAND COUNTY DECEMBER 12, 2017 RESOLUTION REQUIRING CERTAIN ACCOUNTABILITY PRACTICES CONCERNING ECONOMIC DEVELOPMENT PROJECTS IN THE COUNTY

WHEREAS, Richland County Council adopted a resolution dated as of December 21, 2010 ("Prior Resolution"), which requires companies receiving economic development incentives from Richland County, South Carolina ("County") to submit annual reports to the Richland County Economic Development Office; and

WHEREAS, the County desires to make the form of the annual reports submitted by such companies uniform in order to make the substantive information contained in the annual reports more easily tracked and documented by the Richland County Economic Development Office.

NOW, THEREFORE, BE IT RESOLVED by Richland County Council as follows:

Section 1. The County affirms that each company awarded an incentive by the County in exchange for the location or expansion of a facility or facilities within the County shall submit an annual report to the Richland County Economic Development Office by January 31 of each year throughout the term of the incentives.

Section 2. The Richland County Economic Development Office is authorized to create (and from time to time, if necessary, amend or recreate) and make available the form of the annual report; however, such form, shall require, at a minimum, the following information:

- a. Name of company;
- b. Cumulative capital investment (less any removed investment) to date as a result of the project;
- c. Net jobs created to date as a result of the project;

Section 3. A copy of the then-current form of the annual report may be obtained from the following address. The annual report shall likewise be submitted to the following address by the required date.

Richland County Economic Development Office
Attention: Kim Mann
1201 Main Street, Suite 910
Columbia, SC 29201

Section 4. This Resolution amends the Prior Resolution and sets forth the County's requirements with respect to the annual reports to be submitted by each company awarded an incentive by the County as described in Section 1.

Section 5. The substance of this Resolution shall be incorporated into the agreement between the County and each company with respect to the incentives granted by the County to the company.

Section 6. In the event that any company shall fail to submit an annual report, or any portion thereof, such company may be required to return all incentives, or a dollar amount equal thereof, to the County. Such incentives, or the dollar amount equal thereto, shall be paid to the County within 60 days after the date upon which the information was originally due.

RESOLVED: December 12 2017

RICHLAND COUNTY, SOUTH CAROLINA


Chair, Richland County Council

(SEAL)
ATTEST:


Clerk to County Council

EXHIBIT B
FORM OF CONVERSION PILOT AGREEMENT

~#4831-2258-4709 v.4~

**FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT
EFFECTING A CONVERSION OF THAT CERTAIN
FEE-IN-LIEU OF TAXES LEASE AGREEMENT
DATED AS OF DECEMBER 15, 1998**

BETWEEN

KEMIRA CHEMICALS, INC.

AND

RICHLAND COUNTY, SOUTH CAROLINA

EFFECTIVE AS OF

MAY 21, 2019

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**SUMMARY OF CONTENTS OF
FEE AGREEMENT**

The parties have agreed to waive the requirement to recapitulate the contents of this Fee Agreement pursuant to Section 12-44-55 of the Code (as defined herein). However, the parties have agreed to include a summary of the key provisions of this Fee Agreement for the convenience of the parties. This summary is included for convenience only and is not to be construed as a part of the terms and conditions of this Fee Agreement.

PROVISION	BRIEF DESCRIPTION	SECTION REFERENCE
Sponsor Name	Kemira Chemicals, Inc.	§1.1
Project Location	200 Wateree Station Road, Richland County	Exhibit A
Tax Map No.	See Exhibit A	Exhibit A
FILOT		
• Phase Exemption Period	30 years	
• Investment Period	5 years	§1.1
• Assessment Ratio	10.5%	§4.1
• Millage Rate	261.1	§4.1
• Fixed or Five-Year Adjustable Millage	Fixed	§4.1
• Claw Back Information	See Section 5.1	§5.1
Multicounty Park	I-77 Corridor Regional Industrial Park (Fairfield County is the partner county)	§1.1
Other Information		

FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT

THIS FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT (“*Fee Agreement*”) is entered into, effective, as of May 21, 2019, between Richland County, South Carolina (“*County*”), a body politic and corporate and a political subdivision of the State of South Carolina (“*State*”), acting through the Richland County Council (“*County Council*”) as the governing body of the County, and Kemira Chemicals, Inc., a corporation organized and existing under the laws of the State of Georgia (successor in interest to FinnChem USA Inc., which was formerly known as Huron Tech Corp) (“*Kemira*” and also referred to as *Sponsor* as defined herein).

WITNESSETH:

(a) Title 12, Chapter 44, (“*Act*”) of the Code of Laws of South Carolina, 1976, as amended (“*Code*”), authorizes the County to induce manufacturing and commercial enterprises to locate in the State or to encourage manufacturing and commercial enterprises currently located in the State to expand their investments and thus make use of and employ the manpower, products, and other resources of the State by entering into an agreement with a sponsor, as defined in the Act, that provides for the payment of a fee-in-lieu of *ad valorem* tax (“*FILOT*”) with respect to Economic Development Property, as defined below;

(b) The Sponsor has made significant prior investments in the County, and in connection therewith, pursuant to Title 4, Chapter 12 of the Code (“*Old Act*”), the Sponsor (then Huron Tech Corp.) entered into a November 17, 1998 Inducement and Millage Rate Agreement with the County (“*1998 Inducement Agreement*”) and a December 15, 1998 Fee-in-Lieu of Taxes Lease Agreement with the County (“*1998 FILOT Agreement*”);

(c) To date, the Sponsor has invested a total of approximately \$48 million in the County and currently employs approximately 52 people in the County;

(d) Pursuant to the 1998 FILOT Agreement, the Sponsor transferred title to the property subject to that Agreement (“*Original Project*”) to the County and leased the Original Project back from the County;

(e) The Sponsor desires to utilize the provisions of the Act to continue to receive FILOT benefits with respect to the Original Project without the County having title to any portion thereof;

(f) Section 12-44-170 (“*Conversion Provision*”) of the Act provides that an entity with property subject to a FILOT arrangement under the Old Act may elect, with the consent of the applicable county, to convert its FILOT arrangement from an arrangement under the Old Act to an arrangement under the Act, and, in connection with such conversion, to obtain from the applicable county title to the property that is subject to such FILOT arrangement;

(g) The Sponsor has satisfied the commitments and other requirements under the Old Act and the 1998 Inducement Agreement and 1998 FILOT Agreement;

(h) The County desires to convey and, pursuant to the Conversion Provision, the County will convey to the Sponsor its right, title and interest in and to the Original Project;

(i) In order (i) to satisfy the requirements of the Conversion Provision, (ii) to reflect the extension of the term of the 1998 FILOT Agreement by 10 years pursuant to a Resolution adopted by County Council on December 4, 2018, and (iii) to make certain amendments to update the terms of the 1998 FILOT Agreement as necessary or appropriate, this Fee Agreement has been prepared and presented to the County;

(j) The County has determined that this Fee Agreement meets the applicable requirements of the Act;

(k) The County has determined that it is in the best interest of the County to enter into this Fee Agreement with the Sponsor subject to the terms and conditions hereof; and

(l) By an ordinance enacted on May 21, 2019, County Council authorized the County to enter into this Fee Agreement with the Sponsor subject to the terms and conditions hereof.

NOW, THEREFORE, AND IN CONSIDERATION of the respective representations and agreements hereinafter contained, the parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Terms. The defined terms used in this Fee Agreement have the meaning given below, unless the context clearly requires otherwise.

“1998 FILOT Agreement” has the meaning set forth in the Recitals hereto.

“1998 Inducement Agreement” has the meaning set forth in the Recitals hereto.

“Act” has the meaning set forth in the Recitals hereto.

“Act Minimum Investment Requirement” means an investment of at least \$2,500,000 in the Project within five years of the Commencement Date.

“Administration Expenses” means the reasonable expenses incurred by the County in the negotiation, approval and implementation of the terms and provisions of this Fee Agreement, including reasonable attorney’s and consultant’s fees. Administration Expenses does not include any costs, expenses, including attorney’s fees, incurred by the County (i) in defending challenges to the FILOT Payments provided by this Fee Agreement brought by third parties or the Sponsor or its affiliates and related entities, or (ii) in connection with matters arising at the request of the Sponsor outside of the immediate scope of this Fee Agreement, including amendments to the terms of this Fee Agreement.

“Code” has the meaning set forth in the Recitals hereto.

“Commencement Date” means December 31, 1998, which was the last day of the property tax year during which Economic Development Property was placed in service.

“Conversion Provision” has the meaning set forth in the Recitals hereto.

“County” has the meaning set forth in the Preamble hereto.

“County Council” has the meaning set forth in the Preamble hereto.

“Department” means the South Carolina Department of Revenue.

“Diminution in Value” means a reduction in the fair market value of Economic Development Property, as determined in Section 5.1(a)(i) of this Fee Agreement, which may be caused by (i) the removal or disposal of components of the Project pursuant to Section 5.3 of this Fee Agreement; (ii) a

casualty as described in Section 5.4 of this Fee Agreement; or (iii) a condemnation as described in Section 5.5 of this Fee Agreement.

“Economic Development Property” means those items of real and tangible personal property of the Project placed in service not later than the end of the Investment Period that (i) satisfy the conditions of classification as economic development property under the Act, and (ii) are identified by the Sponsor in its annual filing of a PT-300S or comparable form with the Department (as such filing may be amended from time to time).

“Equipment” means all of the machinery, equipment, furniture, office equipment, and fixtures, together with any and all additions, accessions, replacements, and substitutions.

“Event of Default” means any event of default specified in Section 6.1 of this Fee Agreement.

“Facility” has the meaning set forth in the Recitals hereto.

“Fee Agreement” has the meaning set forth in the Preamble hereto.

“Fee Term” means the period from the effective date of this Fee Agreement until the Final Termination Date.

“FILOT” has the meaning set forth in the Recitals hereto.

“FILOT Payments” means the amount paid or to be paid in lieu of *ad valorem* property taxes as provided in Section 4.1.

“Final Phase” means the Economic Development Property placed in service during the last year of the Investment Period.

“Final Termination Date” means the date on which the last FILOT Payment with respect to the Final Phase is made, or such earlier date as the Fee Agreement is terminated in accordance with the terms of this Fee Agreement. Assuming the Phase Termination Date for the Final Phase is December 31, 2032, the Final Termination Date is expected to be January 15, 2034, which is the due date of the last FILOT Payment with respect to the Final Phase.

“Improvements” means all improvements to the Real Property, including buildings, building additions, roads, sewer lines, and infrastructure, together with all additions, fixtures, accessions, replacements, and substitutions.

“Investment Period” means the period beginning with the first day of any purchase or acquisition of Economic Development Property and ending five years after the Commencement Date. For purposes of this Fee Agreement, the Investment Period ended on December 31, 2003.

“Kemira” has the meaning set forth in the Preamble hereto.

“Multicounty Park” means the multicounty industrial or business park governed by the Amended and Restated Master Agreement Governing the I-77 Corridor Regional Industrial Park, dated as of September 1, 2018, between the County and Fairfield County, South Carolina, as amended or restated from time to time.

“Old Act” has the meaning set forth in the Recitals hereto

“Original Project” has the meaning set forth in the Recitals hereto.

“**Phase**” means the Economic Development Property placed in service during a particular year of the Investment Period.

“**Phase Exemption Period**” means, with respect to each Phase, the period beginning with the property tax year the Phase is placed in service during the Investment Period and ending on the Phase Termination Date.

“**Phase Termination Date**” means, with respect to each Phase, the last day of the property tax year which is the 29th year following the first property tax year in which the Phase is placed in service.

“**Prior Documents**” means the 1998 FILOT Agreement and the 1998 Inducement Agreement.

“**Project**” means the Equipment, Improvements and Real Property which are eligible for inclusion as economic development property under the Act and have become or may become subject to this Fee Agreement. For purposes of this Fee Agreement, the parties agree that Project property shall consist of such property so identified by the Sponsor in connection with its annual filing with the Department of a Department Form PT-300, or such comparable form, and with such schedules as the Department may provide in connection with projects subject to the Act (as such filing may be amended or supplemented from time to time) for each year within the Investment Period. As of the effective date of this Fee Agreement, the Project shall include the same property as the Original Project.

“**Real Property**” means real property that the Sponsor uses or will use in the County for the purposes that Section 3.2(b) describes, and consists of the land identified on Exhibit A of this Fee Agreement.

“**Removed Components**” means Economic Development Property which the Sponsor, in its sole discretion, (a) determines to be inadequate, obsolete, worn-out, uneconomic, damaged, unsuitable, undesirable, or unnecessary pursuant to Section 5.3 of this Fee Agreement or otherwise; or (b) elects to be treated as removed pursuant to Section 5.4(c) or Section 5.5(b)(iii) of this Fee Agreement.

“**Replacement Property**” means any property which is placed in service as a replacement for any Removed Component regardless of whether the Replacement Property serves the same functions as the Removed Component it is replacing and regardless of whether more than one piece of Replacement Property replaces a single Removed Component.

“**Sponsor**” means Kemira and any surviving, resulting, or transferee entity in any merger, consolidation, or transfer of assets; or any other person or entity which may succeed to the rights and duties of the Sponsor under this Fee Agreement.

“**Sponsor Affiliate**” means an entity that participates in the investment at the Project and, following receipt of the County’s approval pursuant to Section 8.1 of this Fee Agreement, joins this Fee Agreement by delivering a Joinder Agreement, the form of which is attached as Exhibit B to this Fee Agreement.

“**State**” has the meaning set forth in the Preamble hereto.

Any reference to any agreement or document in this Article I or otherwise in this Fee Agreement shall include any and all amendments, supplements, addenda, and modifications to such agreement or document.

The term “investment” or “invest” as used in this Fee Agreement includes not only investments made by the Sponsor, but also to the fullest extent permitted by law, those investments made by or for the

benefit of the Sponsor in connection with the Project through federal, state, or local grants, to the extent such investments are or, but for the terms of this Fee Agreement, would be subject to *ad valorem* taxes to be paid by the Sponsor.

ARTICLE II CONVERSION OF FILOT ARRANGEMENT; REPLACEMENT OF LEASE

Section 2.1. *Election to Convert.* Pursuant to the Conversion Provision, the Sponsor hereby elects to proceed under the Act and to convert the Lease to a non-lease fee agreement under the Act. The County hereby consents to the Sponsor's election to convert as required by the Act.

Section 2.2. *Replacement of Lease and Related Documents.* The Sponsor and the County hereby agree and acknowledge that, from and after the execution and delivery of this Fee Agreement: (i) this Fee Agreement shall replace the Prior Documents in their entirety and (ii) the Act shall govern all fee-in-lieu of tax arrangements pertaining to the Original Project. In furtherance of such replacement, the parties agree that, upon the re-conveyance of the assets described in Section 2.3, the Prior Documents are terminated. The parties also agree that the term, the assessment ratio, the millage rate, and the payments to be made by the Sponsor under this Fee Agreement shall remain the same as under the Prior Documents, except that, as provided in Section 1.1 hereof, the Fee Term hereunder shall be based on a 30 year Phase Termination Date.

Section 2.3. *Conveyance on Conversion.* Simultaneously with the execution and delivery of this Fee Agreement, the County has by one or more quitclaim deeds and bills of sale conveyed to the Sponsor or its designee all assets comprising the Original Project that are currently titled in the County pursuant to the terms of the 1998 FILOT Agreement. The County covenants and agrees to take such further steps and to execute and deliver such further instruments, agreements or other documents as shall be reasonably requested by the Sponsor or its designee to evidence or confirm such conveyance.

ARTICLE III REPRESENTATIONS AND WARRANTIES

Section 3.1. *Representations and Warranties of the County.* The County represents and warrants as follows:

(a) The County is a body politic and corporate and a political subdivision of the State and acts through the County Council as its governing body. The Act authorizes and empowers the County to enter into the transactions that this Fee Agreement contemplates and to carry out its obligations under this Fee Agreement. The County has duly authorized the execution and delivery of this Fee Agreement and all other documents, certificates or other agreements contemplated in this Fee Agreement and has obtained all consents from third parties and taken all actions necessary or that the law requires to fulfill its obligations under this Fee Agreement.

(b) Based on representations by the Sponsor, County Council evaluated the Project based on all relevant criteria including the purposes the Project is to accomplish, the anticipated dollar amount and nature of the investment resulting from the Project, and the anticipated costs and benefits to the County and following the evaluation, the County determined that (i) the Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally; (ii) the Project gives rise to no pecuniary liability of the County or any incorporated municipality and to no charge against the County's general credit or taxing power; (iii) the purposes to be accomplished by the Project are proper governmental and public purposes; and (iv) the benefits of the Project are greater than the costs.

(c) The County is not in default of any of its obligations (contractual or otherwise) as a result of entering into and performing its obligations under this Fee Agreement.

(d) The County has located the Project, inclusive of the Original Project, in the Multicounty Park.

Section 3.2. Representations and Warranties of the Sponsor. The Sponsor represents and warrants as follows:

(a) The Sponsor is in good standing under the laws of the state of its organization, is duly authorized to transact business in the State (or will obtain such authority prior to commencing business in the State), has power to enter into this Fee Agreement, and has duly authorized the execution and delivery of this Fee Agreement.

(b) The Sponsor intends to operate the Project as a manufacturing facility and for such other purposes that the Act permits as the Sponsor may deem appropriate.

(c) The Sponsor's execution and delivery of this Fee Agreement and its compliance with the provisions of this Fee Agreement do not result in a default under any agreement or instrument to which the Sponsor is now a party or by which it is bound.

(d) The execution and delivery of this Fee Agreement by the County and the availability of the FILOT and other incentives provided by this Fee Agreement has been instrumental in inducing the Sponsor to locate the Project in the County.

(e) The Sponsor has retained legal counsel to confirm, or has had a reasonable opportunity to consult legal counsel to confirm, its eligibility for the FILOT and other incentives granted by this Fee Agreement and has not relied on the County, its officials, employees or legal representatives with respect to any question of eligibility or applicability of the FILOT and other incentives granted by this Fee Agreement.

ARTICLE IV THE PROJECT

Section 4.1. The Project. The Sponsor has constructed and/or acquired the Project.

Section 4.2 Leased Property. To the extent that State law allows or is revised or construed to permit leased assets including a building, or personal property to be installed in a building, to constitute Economic Development Property, then any property leased by the Sponsor is, at the election of the Sponsor, deemed to be Economic Development Property for purposes of this Fee Agreement, subject, at all times, to the requirements of State law and this Fee Agreement with respect to property comprising Economic Development Property.

Section 4.3. Filings and Reports.

(a) On or before January 31 of each year during the term of this Fee Agreement, commencing on January 31, 2020, the Sponsor shall deliver to the Economic Development Director of the County with respect to the Sponsor and all Sponsor Affiliates, if any, the information required by the terms of the County's Resolution dated December 12, 2017, which is attached hereto as Exhibit C, as may be amended by subsequent resolution.

(b) The Sponsor shall file a copy of this Fee Agreement and a completed PT-443 with the Economic Development Director and the Department and the Auditor, Treasurer and Assessor of the County and of Fairfield County, the County's partner in the Multicounty Park.

(c) On request by the County Administrator or the Economic Development Director, the Sponsor shall remit to the Economic Development Director records accounting for the acquisition, financing, construction, and operation of the Project which records (i) permit ready identification of all Economic Development Property; (ii) confirm the dates that the Economic Development Property or Phase was placed in service; and (iii) include copies of all filings made in accordance with this Section.

ARTICLE V FILOT PAYMENTS

Section 5.1. *FILOT Payments.*

(a) The FILOT Payment due with respect to each Phase through the Phase Termination Date is calculated as follows:

- (i) The fair market value of the Phase calculated as set forth in the Act (for the Real Property portion of the Phase, the County and the Sponsor have elected to use the fair market value established in the first year of the Phase Exemption Period), multiplied by
- (ii) An assessment ratio of ten and one-half percent (10.5%), multiplied by
- (iii) A fixed millage rate equal to 261.1, which is the applicable millage rate under the 1998 FILOT Agreement.

The calculation of the FILOT Payment must allow all applicable property tax exemptions except those excluded pursuant to Section 12-44-50(A)(2) of the Act. The Sponsor acknowledges that (i) the calculation of the annual FILOT Payment is a function of the Department and is wholly dependent on the Sponsor timely submitting the correct annual property tax returns to the Department, (ii) the County has no responsibility for the submission of returns or the calculation of the annual FILOT Payment, and (iii) failure by the Sponsor to submit the correct annual property tax return could lead to a loss of all or a portion of the FILOT and other incentives provided by this Fee Agreement.

(b) If a final order of a court of competent jurisdiction from which no further appeal is allowable declares the FILOT Payments invalid or unenforceable, in whole or in part, for any reason, the parties shall negotiate the reformation of the calculation of the FILOT Payments to most closely afford the Sponsor with the intended benefits of this Fee Agreement. If such order has the effect of subjecting the Economic Development Property to *ad valorem* taxation, this Fee Agreement shall terminate, and the Sponsor shall owe the County regular *ad valorem* taxes from the date of termination, in accordance with Section 5.7.

Section 5.2. *FILOT Payments on Replacement Property.* If the Sponsor elects to place Replacement Property in service, then, pursuant and subject to the provisions of Section 12-44-60 of the Act, the Sponsor shall make the following payments to the County with respect to the Replacement Property for the remainder of the Phase Exemption Period applicable to the Removed Component of the Replacement Property:

(a) FILOT Payments, calculated in accordance with Section 5.1, on the Replacement Property to the extent of the original income tax basis of the Removed Component the Replacement Property is deemed to replace.

(b) Regular *ad valorem* tax payments to the extent the income tax basis of the Replacement Property exceeds the original income tax basis of the Removed Component the Replacement Property is deemed to replace.

Section 5.3. Removal of Components of the Project. Subject to the other terms and provisions of this Fee Agreement, the Sponsor is entitled to remove and dispose of components of the Project in its sole discretion. Components of the Project are deemed removed when scrapped, sold or otherwise removed from the Project. If the components removed from the Project are Economic Development Property, then the Economic Development Property is a Removed Component, no longer subject to this Fee Agreement and is subject to *ad valorem* property taxes to the extent the Removed Component remains in the State and is otherwise subject to *ad valorem* property taxes.

Section 5.4. Damage or Destruction of Economic Development Property.

(a) *Election to Terminate.* If Economic Development Property is damaged by fire, explosion, or any other casualty, then the Sponsor may terminate this Fee Agreement. For the property tax year corresponding to the year in which the damage or casualty occurs, the Sponsor is obligated to make FILOT Payments with respect to the damaged Economic Development Property only to the extent property subject to *ad valorem* taxes would have been subject to *ad valorem* taxes under the same circumstances for the period in question.

(b) *Election to Restore and Replace.* If Economic Development Property is damaged by fire, explosion, or any other casualty, and the Sponsor does not elect to terminate this Fee Agreement, then the Sponsor may restore and replace the Economic Development Property. All restorations and replacements made pursuant to this subsection (b) are deemed, to the fullest extent permitted by law and this Fee Agreement, to be Replacement Property.

(c) *Election to Remove.* If Economic Development Property is damaged by fire, explosion, or any other casualty, and the Sponsor elects not to terminate this Fee Agreement pursuant to subsection (a) and elects not to restore or replace pursuant to subsection (b), then the damaged portions of the Economic Development Property are deemed Removed Components.

Section 5.5. Condemnation.

(a) *Complete Taking.* If at any time during the Fee Term title to or temporary use of the Economic Development Property is vested in a public or quasi-public authority by virtue of the exercise of a taking by condemnation, inverse condemnation, or the right of eminent domain; by voluntary transfer under threat of such taking; or by a taking of title to a portion of the Economic Development Property which renders continued use or occupancy of the Economic Development Property commercially unfeasible in the judgment of the Sponsor, the Sponsor shall have the option to terminate this Fee Agreement by sending written notice to the County within a reasonable period of time following such vesting.

(b) *Partial Taking.* In the event of a partial taking of the Economic Development Property or a transfer in lieu, the Sponsor may elect: (i) to terminate this Fee Agreement; (ii) to restore and replace the Economic Development Property, with such restorations and replacements deemed, to the fullest extent permitted by law and this Fee Agreement, to be Replacement Property; or (iii) to treat the portions of the Economic Development Property so taken as Removed Components.

(c) In the year in which the taking occurs, the Sponsor is obligated to make FILOT Payments with respect to the Economic Development Property so taken only to the extent property subject to *ad valorem* taxes would have been subject to taxes under the same circumstances for the period in question.

Section 5.6. Calculating FILOT Payments on Diminution in Value. If there is a Diminution in Value, the FILOT Payments due with respect to the Economic Development Property or Phase so diminished shall be calculated by substituting the diminished value of the Economic Development Property or Phase for the original fair market value in Section 5.1(a)(i) of this Fee Agreement.

Section 5.7. Payment of Ad Valorem Taxes. If Economic Development Property becomes subject to *ad valorem* taxes as imposed by law pursuant to the terms of this Fee Agreement or the Act, then the calculation of the *ad valorem* taxes due with respect to the Economic Development Property in a particular property tax year shall: (i) include the property tax reductions that would have applied to the Economic Development Property if it were not Economic Development Property; and (ii) include a credit for FILOT Payments the Sponsor has made with respect to the Economic Development Property.

Section 5.8. Place of FILOT Payments. All FILOT Payments shall be made directly to the County in accordance with applicable law.

ARTICLE VI DEFAULT

Section 6.1. Events of Default. The following are “Events of Default” under this Fee Agreement:

(a) Failure to make FILOT Payments, which failure has not been cured within 30 days following receipt of written notice from the County specifying the delinquency in FILOT Payments and requesting that it be remedied;

(b) Failure to timely pay any amount, except FILOT Payments, due under this Fee Agreement;

(c) A Cessation of Operations. For purposes of this Fee Agreement, a “*Cessation of Operations*” means (i) a publicly announced closure of the Facility, (ii) a layoff of a majority of the employees working at the Facility, or (iii) a 50% or more reduction in production at the Facility that continues for a period of twelve (12) months;

(d) A representation or warranty made by the Sponsor which is deemed materially incorrect when deemed made;

(e) Failure by the Sponsor to perform any of the material terms, conditions, obligations, or covenants under this Fee Agreement (other than those under (a), above), which failure has not been cured within 30 days after written notice from the County to the Sponsor specifying such failure and requesting that it be remedied, unless the Sponsor has instituted corrective action within the 30-day period and is diligently pursuing corrective action until the default is corrected, in which case the 30-day period is extended to include the period during which the Sponsor is diligently pursuing corrective action;

(f) A representation or warranty made by the County which is deemed materially incorrect when deemed made; or

(g) Failure by the County to perform any of the material terms, conditions, obligations, or covenants hereunder, which failure has not been cured within 30 days after written notice from the Sponsor to the County specifying such failure and requesting that it be remedied, unless the County has instituted corrective action within the 30-day period and is diligently pursuing corrective action until the

default is corrected, in which case the 30-day period is extended to include the period during which the County is diligently pursuing corrective action.

Section 6.2. Remedies on Default.

(a) If an Event of Default by the Sponsor has occurred and is continuing, then the County may take any one or more of the following remedial actions:

(i) terminate this Fee Agreement; or

(ii) take whatever action at law or in equity may appear necessary or desirable to collect amounts due or otherwise remedy the Event of Default or recover its damages.

(b) If an Event of Default by the County has occurred and is continuing, the Sponsor may take any one or more of the following actions:

(i) bring an action for specific enforcement;

(ii) terminate this Fee Agreement; or

(iii) in case of a materially incorrect representation or warranty, take such action as is appropriate, including legal action, to recover its damages, to the extent allowed by law.

Section 6.3. Reimbursement of Legal Fees and Other Expenses. On the occurrence of an Event of Default, if a party is required to employ attorneys or incur other reasonable expenses for the collection of payments due under this Fee Agreement or for the enforcement of performance or observance of any obligation or agreement, the prevailing party is entitled to seek reimbursement of the reasonable fees of such attorneys and such other reasonable expenses so incurred.

Section 6.4. Remedies Not Exclusive. No remedy described in this Fee Agreement is intended to be exclusive of any other remedy or remedies, and each and every such remedy is cumulative and in addition to every other remedy given under this Fee Agreement or existing at law or in equity or by statute.

**ARTICLE VII
PARTICULAR RIGHTS AND COVENANTS**

Section 7.1. Right to Inspect. The County and its authorized agents, at any reasonable time on prior written notice (no less than 48 hours in advance), may enter and examine and inspect the Project for the purposes of permitting the County to carry out its duties and obligations in its sovereign capacity (such as, without limitation, for such routine health and safety purposes as would be applied to any other manufacturing or commercial facility in the County).

Section 7.2. Confidentiality. The County acknowledges that the Sponsor may utilize confidential and proprietary processes and materials, services, equipment, trade secrets, and techniques (“**Confidential Information**”) and that disclosure of the Confidential Information could result in substantial economic harm to the Sponsor. The Sponsor may clearly label any Confidential Information delivered to the County pursuant to this Fee Agreement as “**Confidential Information.**” Except as required by law, the County, or any employee, agent, or contractor of the County, shall not disclose or otherwise divulge any labeled Confidential Information to any other person, firm, governmental body or agency. The Sponsor acknowledges that the County is subject to the South Carolina Freedom of Information Act, and, as a result, must disclose certain documents and information on request, absent an exemption. If the County is

required to disclose any Confidential Information to a third party, the County will use its best efforts to provide the Sponsor with as much advance notice as is reasonably possible of such disclosure requirement prior to making such disclosure, and to cooperate reasonably with any attempts by the Sponsor to obtain judicial or other relief from such disclosure requirement. The Sponsor may request any County officials or other representatives to execute its standard confidentiality requirement in case of such a visit by such persons to the Project.

Section 7.3. Indemnification Covenants.

(a) Except as provided in paragraph (d) below, the Sponsor shall indemnify and save the County, its employees, elected officials, officers and agents (each, an “*Indemnified Party*”) harmless against and from all liability or claims arising from the County’s execution of this Fee Agreement, performance of the County’s obligations under this Fee Agreement or the administration of its duties pursuant to this Fee Agreement, or otherwise by virtue of the County having entered into this Fee Agreement.

(b) The County is entitled to use counsel of its choice and the Sponsor shall reimburse the County for all of its costs, including attorneys’ fees, incurred in connection with the response to or defense against such liability or claims as described in paragraph (a), above. The County shall provide a statement of the costs incurred in the response or defense, and the Sponsor shall pay the County within 30 days of receipt of the statement. The Sponsor may request reasonable documentation evidencing the costs shown on the statement. However, the County is not required to provide any documentation which may be privileged or confidential to evidence the costs.

(c) The County may request the Sponsor to resist or defend against any claim on behalf of an Indemnified Party. On such request, the Sponsor shall resist or defend against such claim on behalf of the Indemnified Party, at the Sponsor’s expense. The Sponsor is entitled to use counsel of its choice, manage and control the defense of or response to such claim for the Indemnified Party; provided the Sponsor is not entitled to settle any such claim without the consent of that Indemnified Party.

(d) Notwithstanding anything in this Section or this Fee Agreement to the contrary, the Sponsor is not required to indemnify any Indemnified Party against or reimburse the County for costs arising from any claim or liability (i) occasioned by the acts of that Indemnified Party, which are unrelated to the execution of this Fee Agreement, performance of the County’s obligations under this Fee Agreement, or the administration of its duties under this Fee Agreement, or otherwise by virtue of the County having entered into this Fee Agreement; or (ii) resulting from that Indemnified Party’s own negligence, bad faith, fraud, deceit, or willful misconduct.

(e) An Indemnified Party may not avail itself of the indemnification or reimbursement of costs provided in this Section unless it provides the Sponsor with prompt notice, reasonable under the circumstances, of the existence or threat of any claim or liability, including, without limitation, copies of any citations, orders, fines, charges, remediation requests, or other claims or threats of claims, in order to afford the Sponsor notice, reasonable under the circumstances, within which to defend or otherwise respond to a claim.

Section 7.4. No Liability of County Personnel. All covenants, stipulations, promises, agreements and obligations of the County contained in this Fee Agreement are binding on members of the County Council or any elected official, officer, agent, servant or employee of the County only in his or her official capacity and not in his or her individual capacity, and no recourse for the payment of any moneys under this Fee Agreement may be had against any member of County Council or any elected or appointed official, officer, agent, servant or employee of the County and no recourse for the payment of any moneys or performance of any of the covenants and agreements under this Fee Agreement or for any claims based

on this Fee Agreement may be had against any member of County Council or any elected or appointed official, officer, agent, servant or employee of the County except solely in their official capacity.

Section 7.5. *Limitation of Liability.* The County is not liable to the Sponsor for any costs, expenses, losses, damages, claims or actions in connection with this Fee Agreement, except from amounts received by the County from the Sponsor under this Fee Agreement. Notwithstanding anything in this Fee Agreement to the contrary, any financial obligation the County may incur under this Fee Agreement is deemed not to constitute a pecuniary liability or a debt or general obligation of the County.

Section 7.6. *Assignment.* The Sponsor may assign this Fee Agreement in whole or in part with the prior written consent of the County or a subsequent written ratification by the County, which may be done by resolution, and which consent or ratification the County will not unreasonably withhold. The Sponsor agrees to notify the County and the Department of the identity of the proposed transferee within 60 days of the transfer. In case of a transfer, the transferee assumes the transferor's basis in the Economic Development Property for purposes of calculating the FILOT Payments.

Section 7.7. *No Double Payment; Future Changes in Legislation.* Notwithstanding anything contained in this Fee Agreement to the contrary, and except as expressly required by law, the Sponsor is not required to make a FILOT Payment in addition to a regular *ad valorem* property tax payment in the same year with respect to the same piece of Economic Development Property. The Sponsor is not required to make a FILOT Payment on Economic Development Property in cases where, absent this Fee Agreement, *ad valorem* property taxes would otherwise not be due on such property.

Section 7.8. *Administration Expenses.* The Sponsor will reimburse, or cause reimbursement to, the County for Administration Expenses in an amount not exceeding \$7,000 for work and other matters related to (i) the drafting, review, negotiation and approval of (A) this Fee Agreement, (B) a new fee agreement of even date herewith between the Sponsor and the County, and (C) any ordinances, deeds, bills of sale, or other documents related to any of such agreements or to the Original Project or the Project, and (ii) any related matters. The Sponsor will reimburse the County for its Administration Expenses on receipt of a written request from the County or at the County's direction, which request shall include a statement of the amount and nature of the Administration Expense. The Sponsor shall pay the Administration Expense as set forth in the written request no later than 60 days following receipt of the written request from the County. The County does not impose a charge in the nature of impact fees or recurring fees in connection with the incentives authorized by this Fee Agreement. The payment by the Sponsor of the County's Administration Expenses shall not be construed as prohibiting the County from engaging, at its discretion, the counsel of the County's choice.

ARTICLE VIII SPONSOR AFFILIATES

Section 8.1. *Sponsor Affiliates.* The Sponsor may designate Sponsor Affiliates from time to time, including at the time of execution of this Fee Agreement, pursuant to and subject to the provisions of Section 12-44-130 of the Act. To designate a Sponsor Affiliate, the Sponsor must deliver written notice to the Economic Development Director identifying the Sponsor Affiliate and requesting the County's approval of the Sponsor Affiliate. Except with respect to a Sponsor Affiliate designated at the time of execution of this Fee Agreement, which may be approved in the County Council ordinance authorizing the execution and delivery of this Fee Agreement, approval of the Sponsor Affiliate may be given by the County Administrator delivering written notice to the Sponsor and Sponsor Affiliate following receipt by the County Administrator of a recommendation from the Economic Development Committee of County Council to allow the Sponsor Affiliate to join in the investment at the Project. The Sponsor Affiliate's joining in the investment at the Project will be effective on delivery of a Joinder Agreement, the form of which is attached as Exhibit B, executed by the Sponsor Affiliate to the County.

Section 8.2. Primary Responsibility. Notwithstanding the addition of a Sponsor Affiliate, the Sponsor acknowledges that it has the primary responsibility for the duties and obligations of the Sponsor and any Sponsor Affiliate under this Fee Agreement, including the payment of FILOT Payments or any other amount due to or for the benefit of the County under this Fee Agreement. For purposes of this Fee Agreement, “primary responsibility” means that if the Sponsor Affiliate fails to make any FILOT Payment or remit any other amount due under this Fee Agreement, the Sponsor shall make such FILOT Payments or remit such other amounts on behalf of the Sponsor Affiliate.

**ARTICLE IX
MISCELLANEOUS**

Section 9.1. Notices. Any notice, election, demand, request, or other communication to be provided under this Fee Agreement is effective when delivered to the party named below or when deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, addressed as follows (or addressed to such other address as any party shall have previously furnished in writing to the other party), except where the terms of this Fee Agreement require receipt rather than sending of any notice, in which case such provision shall control:

IF TO THE SPONSOR:

Kemira Chemicals, Inc.
1000 Parkwood Circle, Suite 500
Atlanta, GA 30339
Attn: Jason Burleson

WITH A COPY TO (does not constitute notice):

General Counsel, Americas
1000 Parkwood Circle, Suite 500
Atlanta, Georgia 30339

IF TO THE COUNTY:

Richland County, South Carolina
Attn: Richland County Economic Development Director
2020 Hampton Street
Columbia, South Carolina 29204

WITH A COPY TO (does not constitute notice):

Parker Poe Adams & Bernstein LLP
Attn: Ray E. Jones
1221 Main Street, Suite 1100 (29201)
Post Office Box 1509
Columbia, South Carolina 29202-1509

Section 9.2. Provisions of Agreement for Sole Benefit of County and Sponsor. Except as otherwise specifically provided in this Fee Agreement, nothing in this Fee Agreement expressed or implied confers on any person or entity other than the County and the Sponsor any right, remedy, or claim

under or by reason of this Fee Agreement, this Fee Agreement being intended to be for the sole and exclusive benefit of the County and the Sponsor.

Section 9.3. Counterparts. This Fee Agreement may be executed in any number of counterparts, and all of the counterparts together constitute one and the same instrument.

Section 9.4. Governing Law. South Carolina law, exclusive of its conflicts of law provisions that would refer the governance of this Fee Agreement to the laws of another jurisdiction, governs this Fee Agreement and all documents executed in connection with this Fee Agreement.

Section 9.5. Headings. The headings of the articles and sections of this Fee Agreement are inserted for convenience only and do not constitute a part of this Fee Agreement.

Section 9.6. Amendments. This Fee Agreement may be amended only by written agreement of the parties to this Fee Agreement.

Section 9.7. Agreement to Sign Other Documents. From time to time, and at the expense of the Sponsor, to the extent any expense is incurred, the County agrees to execute and deliver to the Sponsor such additional instruments as the Sponsor may reasonably request and as are authorized by law and reasonably within the purposes and scope of the Act and this Fee Agreement to effectuate the purposes of this Fee Agreement.

Section 9.8. Interpretation; Invalidity; Change in Laws.

(a) If the inclusion of property as Economic Development Property or any other issue is unclear under this Fee Agreement, then the parties intend that the interpretation of this Fee Agreement be done in a manner that provides for the broadest inclusion of property under the terms of this Fee Agreement and the maximum incentive permissible under the Act, to the extent not inconsistent with any of the explicit terms of this Fee Agreement.

(b) If any provision of this Fee Agreement is declared illegal, invalid, or unenforceable for any reason, the remaining provisions of this Fee Agreement are unimpaired, and the parties shall reform such illegal, invalid, or unenforceable provision to effectuate most closely the legal, valid, and enforceable intent of this Fee Agreement so as to afford the Sponsor with the maximum benefits to be derived under this Fee Agreement, it being the intention of the County to offer the Sponsor the strongest inducement possible, within the provisions of the Act, to locate the Project in the County.

(c) The County agrees that in case the FILOT incentive described in this Fee Agreement is found to be invalid and the Sponsor does not realize the economic benefit it is intended to receive from the County under this Fee Agreement as an inducement to locate in the County, the County agrees to negotiate with the Sponsor to provide a special source revenue or infrastructure credit to the Sponsor to the maximum extent permitted by law, to allow the Sponsor to recoup all or a portion of the loss of the economic benefit resulting from such invalidity.

Section 9.9. Force Majeure. The Sponsor is not responsible for any delays or non-performance caused in whole or in part, directly or indirectly, by strikes, accidents, freight embargoes, fires, floods, inability to obtain materials, conditions arising from governmental orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond the Sponsor's reasonable control.

Section 9.10. Termination; Termination by Sponsor.

(a) Unless first terminated under any other provision of this Fee Agreement, this Fee Agreement terminates on the Final Termination Date.

(b) The Sponsor is authorized to terminate this Fee Agreement at any time with respect to all or part of the Project on providing the County with 30 days' notice.

(c) Any monetary obligations due and owing at the time of termination and any provisions which are intended to survive termination, survive such termination.

(d) In the year following termination, all Economic Development Property is subject to *ad valorem* taxation or such other taxation or payment in lieu of taxation that would apply absent this Fee Agreement. The Sponsor's obligation to make FILOT Payments under this Fee Agreement terminates to the extent of and in the year following the year the Sponsor terminates this Fee Agreement pursuant to this Section.

Section 9.11. Entire Agreement. This Fee Agreement expresses the entire understanding and all agreements of the parties, and neither party is bound by any agreement or any representation to the other party which is not expressly set forth in this Fee Agreement or in certificates delivered in connection with the execution and delivery of this Fee Agreement.

Section 9.12. Waiver. Either party may waive compliance by the other party with any term or condition of this Fee Agreement only in a writing signed by the waiving party.

Section 9.13. Business Day. If any action, payment, or notice is, by the terms of this Fee Agreement, required to be taken, made, or given on any Saturday, Sunday, or legal holiday in the jurisdiction in which the party obligated to act is situated, such action, payment, or notice may be taken, made, or given on the following business day with the same effect as if taken, made or given as required under this Fee Agreement, and no interest will accrue in the interim.

Section 9.14. Agreement's Construction. Each party and its counsel have reviewed this Fee Agreement and any rule of construction to the effect that ambiguities are to be resolved against a drafting party does not apply in the interpretation of this Fee Agreement or any amendments or exhibits to this Fee Agreement.

[Signature pages follow]

IN WITNESS WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and on its behalf by the Chair of County Council and to be attested by the Clerk of the County Council; and the Sponsor has caused this Fee Agreement to be executed by its duly authorized officer, all as of the day and year first above written.

RICHLAND COUNTY, SOUTH CAROLINA

(SEAL)

By: _____
County Council Chair
Richland County, South Carolina

ATTEST:

By: _____
Clerk to County Council
Richland County, South Carolina

[Signature Page 1 to Fee in Lieu of Ad Valorem Taxes Agreement]

KEMIRA CHEMICALS, INC.

By: _____
Its: _____

[Signature Page 2 to Fee in Lieu of Ad Valorem Taxes Agreement]

EXHIBIT A
PROPERTY DESCRIPTION

200 Wateree Station Road
Eastover, SC 29044

Tax Map No. 40900-01-07

EXHIBIT B (see Section 8.1)
FORM OF JOINDER AGREEMENT

Reference is hereby made to the Fee-in-Lieu of *Ad Valorem* Taxes Agreement, effective May 21, 2019 (“Fee Agreement”), between Richland County, South Carolina (“County”) and Kemira Chemicals, Inc.

1. Joinder to Fee Agreement.

[_____], a [STATE] [corporation]/[limited liability company]/[limited partnership] authorized to conduct business in the State of South Carolina, hereby (a) joins as a party to, and agrees to be bound by and subject to all of the terms and conditions of, the Fee Agreement as if it were a Sponsor [except the following: _____]; (b) shall receive the benefits as provided under the Fee Agreement with respect to the Economic Development Property placed in service by the Sponsor Affiliate as if it were a Sponsor [except the following _____]; (c) acknowledges and agrees that (i) according to the Fee Agreement, the undersigned has been designated as a Sponsor Affiliate by the Sponsor for purposes of the Project; and (ii) the undersigned qualifies or will qualify as a Sponsor Affiliate under the Fee Agreement and Section 12-44-30(20) and Section 12-44-130 of the Act.

2. Capitalized Terms.

Each capitalized term used, but not defined, in this Joinder Agreement has the meaning of that term set forth in the Fee Agreement.

3. Representations of the Sponsor Affiliate.

The Sponsor Affiliate represents and warrants to the County as follows:

(a) The Sponsor Affiliate is in good standing under the laws of the state of its organization, is duly authorized to transact business in the State (or will obtain such authority prior to commencing business in the State), has power to enter into this Joinder Agreement, and has duly authorized the execution and delivery of this Joinder Agreement.

(b) The Sponsor Affiliate’s execution and delivery of this Joinder Agreement, and its compliance with the provisions of this Joinder Agreement, do not result in a default, not waived or cured, under any agreement or instrument to which the Sponsor Affiliate is now a party or by which it is bound.

(c) The execution and delivery of this Joinder Agreement and the availability of the FILOT and other incentives provided by this Joinder Agreement has been instrumental in inducing the Sponsor Affiliate to join with the Sponsor in the Project in the County.

4. Governing Law.

This Joinder Agreement is governed by and construed according to the laws, without regard to principles of choice of law, of the State of South Carolina.

5. Notice.

Notices under Section 9.1 of the Fee Agreement shall be sent to:

[_____]

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement to be effective as of the date set forth below.

Date

Name of Entity
By: _____
Its: _____

IN WITNESS WHEREOF, the County acknowledges it has consented to the addition of the above-named entity as a Sponsor Affiliate under the Fee Agreement effective as of the date set forth above.

RICHLAND COUNTY, SOUTH CAROLINA

By: _____
Its: _____

EXHIBIT C (see Section 3.3)
RICHLAND COUNTY DECEMBER 12, 2017 RESOLUTION REQUIRING CERTAIN ACCOUNTABILITY PRACTICES CONCERNING ECONOMIC DEVELOPMENT PROJECTS IN THE COUNTY

WHEREAS, Richland County Council adopted a resolution dated as of December 21, 2010 ("Prior Resolution"), which requires companies receiving economic development incentives from Richland County, South Carolina ("County") to submit annual reports to the Richland County Economic Development Office; and

WHEREAS, the County desires to make the form of the annual reports submitted by such companies uniform in order to make the substantive information contained in the annual reports more easily tracked and documented by the Richland County Economic Development Office.

NOW, THEREFORE, BE IT RESOLVED by Richland County Council as follows:

Section 1. The County affirms that each company awarded an incentive by the County in exchange for the location or expansion of a facility or facilities within the County shall submit an annual report to the Richland County Economic Development Office by January 31 of each year throughout the term of the incentives.

Section 2. The Richland County Economic Development Office is authorized to create (and from time to time, if necessary, amend or recreate) and make available the form of the annual report; however, such form, shall require, at a minimum, the following information:

- a. Name of company;
- b. Cumulative capital investment (less any removed investment) to date as a result of the project;
- c. Net jobs created to date as a result of the project;

Section 3. A copy of the then-current form of the annual report may be obtained from the following address. The annual report shall likewise be submitted to the following address by the required date.

Richland County Economic Development Office
Attention: Kim Mann
1201 Main Street, Suite 910
Columbia, SC 29201

Section 4. This Resolution amends the Prior Resolution and sets forth the County's requirements with respect to the annual reports to be submitted by each company awarded an incentive by the County as described in Section 1.

Section 5. The substance of this Resolution shall be incorporated into the agreement between the County and each company with respect to the incentives granted by the County to the company.


Section 6. In the event that any company shall fail to submit an annual report, or any portion thereof, such company may be required to return all incentives, or a dollar amount equal thereof, to the County. Such incentives, or the dollar amount equal thereto, shall be paid to the County within 60 days after the date upon which the information was originally due.

RESOLVED: December 12 2017

RICHLAND COUNTY, SOUTH CAROLINA


Chair, Richland County Council

(SEAL)
ATTEST:


Clerk to County Council

Richland County Council Request for Action

Subject:

Authorizing the execution and delivery of a fee-in-lieu of ad valorem taxes and incentive agreement by and between Richland County, South Carolina and Eastover Solar LLC, a company previously identified as Project ES, to provide for payment of a fee-in-lieu of taxes; authorizing certain special source credits; and other related matters

Notes:

First Reading: April 16, 2019

Second Reading: May 7, 2019

Third Reading: May 21, 2019 {Tentative}

Public Hearing: May 21, 2019

STATE OF SOUTH CAROLINA
COUNTY COUNCIL FOR RICHLAND COUNTY
ORDINANCE NO. _____

AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE-IN-LIEU OF AD VALOREM TAXES AND INCENTIVE AGREEMENT BY AND BETWEEN RICHLAND COUNTY, SOUTH CAROLINA AND EASTOVER SOLAR LLC, A COMPANY PREVIOUSLY IDENTIFIED AS PROJECT ES, TO PROVIDE FOR PAYMENT OF A FEE-IN-LIEU OF TAXES; AUTHORIZING CERTAIN SPECIAL SOURCE CREDITS; AND OTHER RELATED MATTERS.

WHEREAS, Richland County, South Carolina (“County”), acting by and through its County Council (“County Council”) is authorized pursuant to the provisions of Title 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended (“FILOT Act”), to encourage manufacturing and commercial enterprises to locate in the State of South Carolina (“South Carolina” or “State”) or to encourage manufacturing and commercial enterprises now located in the State to expand their investments and thus make use of and employ the manpower, products, and other resources of the State by entering into an agreement with a sponsor, as defined in the FILOT Act, that provides for the payment of a fee-in-lieu of *ad valorem* tax (“FILOT Payments”), with respect to economic development property, as defined in the FILOT Act;

WHEREAS, pursuant to Article VIII, Section 13 of the South Carolina Constitution and Title 4, Section 1, Code of Laws of South Carolina, 1976, as amended (collectively, “MCIP Act”), the County is authorized to jointly develop multicounty parks with counties having contiguous borders with the County and, in the County’s discretion, include property within the boundaries of such multicounty parks. Under the authority provided in the MCIP Act, the County has created a multicounty park with Fairfield County more particularly known as the I-77 Corridor Regional Industrial Park (“Park”);

WHEREAS, pursuant to the FILOT and MCIP Acts, the County is authorized to provide special source revenue credits (“Special Source Credits”) against FILOT Payments derived from economic development property to pay costs of designing, acquiring, constructing, improving or expanding (i) infrastructure serving a project or the County and (ii) improved and unimproved real estate and personal property used in the operation of a commercial enterprise or manufacturing facility (“Infrastructure”);

WHEREAS, Eastover Solar LLC, a company previously identified as Project ES (“Sponsor”), desires to establish and/or expand certain facilities to be located in the County (“Project”) consisting of taxable investment in real and personal property of not less than \$77,000,000; and

WHEREAS, at the request of the Sponsor and as an inducement to locate the Project in the County, the County desires to enter into a Fee-in-Lieu of *Ad Valorem* Taxes and Incentive Agreement with the Sponsor, as sponsor, the final form of which is attached as Exhibit A (“Fee Agreement”), pursuant to which the County will provide certain incentives to the Sponsor with respect to the Project, including (i) providing for FILOT Payments, to be calculated as set forth in the Fee Agreement, with respect to the portion of the Project which constitutes economic development property; (2) locating the Project in the Park; and (3) providing Special Source Credits, as described in the Fee Agreement, to assist in paying the costs of certain Infrastructure.

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

Section 1. Statutory Findings. Based on information supplied to the County by the Sponsor, County Council evaluated the Project based on relevant criteria including, the purposes the Project is to

accomplish, the anticipated dollar amount and nature of the investment, and the anticipated costs and benefits to the County, and hereby finds:

(a) The Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally;

(b) The Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against its general credit or taxing power;

(c) The purposes to be accomplished by the Project are proper governmental and public purposes and the benefits of the Project are greater than the costs.

Section 2. *Approval of Incentives; Authorization to Execute and Deliver Fee Agreement.* The incentives as described in this Ordinance (“Ordinance”), and as more particularly set forth in the Fee Agreement, with respect to the Project are hereby approved. The form, terms and provisions of the Fee Agreement that is before this meeting are approved and all of the Fee Agreement’s terms and conditions are incorporated in this Ordinance by reference. The Chair of County Council (“Chair”) is authorized and directed to execute the Fee Agreement in the name of and on behalf of the County, subject to the approval of any revisions or changes as are not materially adverse to the County by the County Administrator and counsel to the County, and the Clerk to County Council is hereby authorized and directed to attest the Fee Agreement and to deliver the Fee Agreement to the Sponsor.

Section 3. *Inclusion within the Park.* The expansion of the Park boundaries to include the Project is authorized and approved. The Chair, the County Administrator and the Clerk to County Council are each authorized to execute such documents and take such further actions as may be necessary to complete the expansion of the Park boundaries. Pursuant to the terms of the agreement governing the Park (“Park Agreement”), the expansion of the Park’s boundaries and the amendment to the Park Agreement is complete on adoption of this Ordinance by County Council and delivery of written notice to Fairfield County of the inclusion of the Project in the Park.

Section 4. *Further Assurances.* The County Council confirms the authority of the Chair, the County Administrator, the Director of Economic Development, the Clerk to County Council, and various other County officials and staff, acting at the direction of the Chair, the County Administrator, the Director of Economic Development or Clerk to County Council, as appropriate, to take whatever further action and to negotiate, execute and deliver whatever further documents as may be appropriate to effect the intent of this Ordinance and the incentives offered to the Sponsor under this Ordinance and the Fee Agreement.

Section 5. *Savings Clause.* The provisions of this Ordinance are separable. If any part of this Ordinance is, for any reason, unenforceable then the validity of the remainder of this Ordinance is unaffected.

Section 6. *General Repealer.* Any prior ordinance, resolution, or order, the terms of which are in conflict with this Ordinance, is, only to the extent of that conflict, repealed.

Section 7. *Effectiveness.* This Ordinance is effective after its third reading and public hearing.

RICHLAND COUNTY, SOUTH CAROLINA

Chair, Richland County Council

(SEAL)
ATTEST:

Clerk of Council, Richland County Council

First Reading: April 16, 2019
Second Reading: May 7, 2019
Public Hearing: May 21, 2019
Third Reading: May 21, 2019

EXHIBIT A
FORM OF FEE AGREEMENT

FEE-IN-LIEU OF *AD VALOREM* TAXES AND INCENTIVE AGREEMENT

BETWEEN

EASTOVER SOLAR LLC

AND

RICHLAND COUNTY, SOUTH CAROLINA

EFFECTIVE AS OF MAY 21, 2019

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**SUMMARY OF CONTENTS OF
FEE-IN-LIEU OF AD VALOREM TAXES AND
INCENTIVE AGREEMENT (“FEE AGREEMENT”)**

The parties have agreed to waive the requirement to recapitulate the contents of this Fee Agreement pursuant to Section 12-44-55 of the Code (as defined herein). However, the parties have agreed to include a summary of the key provisions of this Fee Agreement for the convenience of the parties. This summary is included for convenience only and is not to be construed as a part of the terms and conditions of this Fee Agreement.

PROVISION	BRIEF DESCRIPTION	SECTION REFERENCE
Sponsor Name	Eastover Solar LLC	Section 1.1, Page 3
Project Location		
Tax Map No.	R39200-02-03	Exhibit A
	R39300-02-02 (portion)	
	R39300-02-06 (portion)	
	R39300-02-05 (portion)	
FILOT		
<ul style="list-style-type: none"> • Phase Exemption Period 	30 years	Section 1.1, Page 3
<ul style="list-style-type: none"> • Contract Minimum Investment Requirement 	\$77,000,000	Section 1.1, Page 2
<ul style="list-style-type: none"> • Investment Period 	5 years	Section 1.1, Page 3
<ul style="list-style-type: none"> • Assessment Ratio 	6%	Section 4.1, Page 6
<ul style="list-style-type: none"> • Millage Rate 	469.0 mills [(lowest allowable)]	Section 4.1, Page 6
<ul style="list-style-type: none"> • Fixed or Five-Year Adjustable Millage 	Fixed	Section 4.1, Page 6
<ul style="list-style-type: none"> • Claw Back Information 	Terminate and claw back if investment does not reach the Standard FILOT Act Minimum Investment Requirement; differential payment due if investment does not reach NPV FILOT Act Minimum Investment Requirement	Section 6.1, Page 8
Multicounty Park	I-77 Corridor Regional Industrial Park	Section 1.1, Page 3
Special Source Credit	77% against each annual FILOT Payment	Section 5.2, Page
<ul style="list-style-type: none"> • Brief Description 	See above	
<ul style="list-style-type: none"> • Credit Term 	See above	
<ul style="list-style-type: none"> • Clawback Information 		
Other Information	FILOT Payment calculation to be made using net present value FILOT terms pursuant to Section 12-44-50(A)(2) of the FILOT Act based net present value calculations	Section 4.1, Page 7

FEE-IN-LIEU OF AD VALOREM TAXES AND INCENTIVE AGREEMENT

THIS FEE-IN-LIEU OF *AD VALOREM* TAXES AND INCENTIVE AGREEMENT (“*Fee Agreement*”) is entered into, effective, as of May 21, 2019 between Richland County, South Carolina (“*County*”), a body politic and corporate and a political subdivision of the State of South Carolina (“*State*”), acting through the Richland County Council (“*County Council*”) as the governing body of the County, and Eastover Solar LLC, a limited liability company organized and existing under the laws of the State of Delaware and previously identified as Project ES (“*Sponsor*”).

WITNESSETH:

(a) The County is authorized pursuant to the provisions of Title 12, Chapter 44, Code of Laws of South Carolina, 1976, as amended (“*FILOT Act*”) and Title 4, Chapter 1, Code of Laws of South Carolina 1976, as amended (the “*MCIP Act*”) to encourage manufacturing and commercial enterprises to locate in the State of South Carolina (“*South Carolina*” or “*State*”) or to encourage manufacturing and commercial enterprises now located in the State to expand their investments and thus make use of and employ the manpower, products, and other resources of the State by entering into an agreement with a sponsor, as defined in the *FILOT Act*, that provides for the payment of a fee-in-lieu of ad valorem tax (“*FILOT Payments*”) with respect to economic development property, as defined below;

(b) Section 4-1-175 of the Code authorizes the County to provide special source revenue credits (“*Special Source Credits*”) against payments in lieu of taxes for purposes of defraying of the cost of designing, acquiring, constructing, improving, or expanding (i) the infrastructure serving the County or a project and (ii) for improved and unimproved real estate, and personal property, including machinery and equipment, used in the operation of a manufacturing facility or commercial enterprise (collectively, “*Infrastructure*”);

(b) The Sponsor has committed to locate or expand certain facilities to be operated as a solar-powered electric generating facility (“*Project*”) in the County, consisting of taxable investment in real and personal property of not less than \$77,000,000;

(c) By an ordinance enacted on May 21, 2019 County Council authorized the County to enter into this Fee Agreement with the Sponsor to provide for a *FILOT* and certain Special Source Credits as an inducement for the Sponsor to locate or expand the Project in the County.

NOW, THEREFORE, AND IN CONSIDERATION of the respective representations and agreements hereinafter contained, the parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. Terms. The defined terms used in this Fee Agreement have the meaning given below, unless the context clearly requires otherwise.

“*Administration Expenses*” means the reasonable expenses incurred by the County in the negotiation, approval and implementation of the terms and provisions of this Fee Agreement, including reasonable attorney’s and consultant’s fees. Administration Expenses does not include any costs, expenses, including attorney’s fees, incurred by the County (i) in defending challenges to the *FILOT Payments*, *Special Source Credits*, or other terms and provisions set forth in this Fee Agreement brought by third parties or the Sponsor or its affiliates and related entities, or (ii) in connection with matters arising at the request of the Sponsor outside of the immediate scope of this Fee Agreement, including amendments to the terms of this Fee Agreement.

“**Affiliate**” shall mean any corporation, limited liability company, partnership or other Person or entity which now or hereafter owns all or part of the Sponsor or any Sponsor Affiliate, as the case may be, or which is now or hereafter owned in whole or in part by the Sponsor or any Sponsor Affiliate, as the case may be, or by any partner, shareholder or owner of the Sponsor or any Sponsor Affiliate, as the case may be, and shall also include any subsidiary, affiliate or other Person, individual, or entity who now or hereafter bears a relationship to the Sponsor or any Sponsor Affiliate, as the case may be, as described in Section 267(b) of the Internal Revenue Code.

“**Code**” means the Code of Laws of South Carolina 1976, as amended.

“**Commencement Date**” means the last day of the property tax year during which the initial Economic Development Property comprising the Project is placed in service. The Commencement Date shall not be later than the last day of the property tax year which is three years from the year in which the County and the Sponsor enter into this Fee Agreement. For purposes of this Fee Agreement, the parties agree that, to the maximum extent permitted by the FILOT Act, the Commencement Date shall be no later than December 31, 2022, though the Sponsor presently anticipates that the Commencement Date will be December 31, 2021.

“**Contract Minimum Investment Requirement**” means a taxable investment in real and personal property in the Project of not less than \$77,000,000 within the Investment Period.

“**County**” means Richland County, South Carolina, a body politic and corporate and a political subdivision of the State, its successors and assigns, acting by and through the County Council as the governing body of the County.

“**County Council**” means the Richland County Council, the governing body of the County.

“**Department**” means the South Carolina Department of Revenue, or any successor entity thereto.

“**Diminution in Value**” means a reduction in the fair market value of Economic Development Property, as determined in **Section 4.1(a)(i)** of this Fee Agreement, which may be caused by (i) the removal or disposal of components of the Project pursuant to **Section 4.3** of this Fee Agreement; (ii) a casualty as described in **Section 4.4** of this Fee Agreement; or (iii) a condemnation as described in **Section 4.5** of this Fee Agreement.

“**Economic Development Property**” means those items of real and tangible personal property comprising the Project placed in service within the Investment Period that (i) satisfy the conditions of classification as economic development property under the FILOT Act, and (ii) are identified by the Sponsor in its annual filing of a PT-300S or comparable form with the Department (as such filing may be amended from time to time).

“**Equipment**” means all of the machinery, equipment, furniture, office equipment, and fixtures, together with any and all additions, accessions, replacements, and substitutions now or hereafter acquired for use on or about the Land.

“**Event of Default**” means any event of default specified in **Section 7.1** of this Fee Agreement.

“**Fee Agreement**” means this Fee-In-Lieu of *Ad Valorem* Taxes and Incentive Agreement, as originally executed and as may be supplemented or amended as permitted herein.

“**FILOT Act**” means Title 12, Chapter 44 of the Code, as amended.

“**FILOT Payments**” means the amount paid or to be paid in lieu of *ad valorem* property taxes as provided in **Section 4.1** of this Fee Agreement.

“**Final Phase**” means the Economic Development Property placed in service during the last year of the Investment Period.

“**Final Termination Date**” means the date on which the last FILOT Payment with respect to the Final Phase is made, or such earlier date as the Fee Agreement is terminated in accordance with the terms of this Fee Agreement. Assuming the Phase Termination Date for the Final Phase is December 31, 2049, the Final Termination Date is expected to be January 15, 2051, which is the due date of the last FILOT Payment with respect to the Final Phase.

“**Improvements**” means all improvements now or hereafter constructed on the Land, including buildings, building additions, roads, sewer lines, and infrastructure, together with all additions, fixtures, accessions, replacements, and substitutions.

“**Infrastructure**” means (i) the infrastructure serving the County or the Project, (ii) improved and unimproved real estate, and personal property, including machinery and equipment, used in the operation of a manufacturing or commercial enterprise, or (iii) such other items as may be described in or permitted under Section 4-29-68 of the Code.

“**Investment Period**” means the period beginning with the first day of any purchase or acquisition of Economic Development Property and ending five years after the Commencement Date, as may be extended pursuant to Section 12-44-30(13) of the FILOT Act. For purposes of this Fee Agreement, the Investment Period, unless so extended, is expected to end on December 31, 2026.

“**Land**” means the land that the Sponsor uses or will use in the County for the purposes that **Section 2.2(b)** describes, and initially consists of the land identified on Exhibit A of this Fee Agreement.

“**MCIP Act**” means Article VIII, Section 13(D) of the Constitution of the State of South Carolina, and Sections 4-1-170, 4-1-172, 4-1-175, and 4-29-68 of the Code.

“**Multicounty Park**” means the I-77 Corridor Regional Industrial Park governed by the Amended and Restated Master Agreement Governing the I-77 Corridor Regional Industrial Park, dated as of September 1, 2018, between the County and Fairfield County, South Carolina, as may be amended.

“**NPV FILOT Minimum Investment Requirement**” means an investment of at least \$45,000,000 in the Project within the period beginning with the first day of any purchase or acquisition of Economic Development Property and ending five years after the Commencement Date, as set forth in Section 12-44-50(A)(3).

“**Net FILOT Payment**” means the FILOT Payment net of the Special Source Credit.

“**Person**” shall mean and include any individual, association, unincorporated organization, corporation, partnership, limited liability company, joint venture, or government or agency or political subdivision thereof.

“**Phase**” means the Economic Development Property placed in service during a particular year of the Investment Period.

“**Phase Exemption Period**” means, with respect to each Phase, the period beginning with the property tax year the Phase is placed in service during the Investment Period and ending on the Phase Termination Date.

“**Phase Termination Date**” means, with respect to each Phase, the last day of the property tax year which is the 29th year following the first property tax year in which the Phase is placed in service.

“**Project**” means all the Equipment, Improvements, and the Land in the County that the Sponsor determines to be necessary, suitable, or useful by the Sponsor in connection with its investment in the County, only to the extent placed in service during the Investment Period.

“**Removed Components**” means Economic Development Property which the Sponsor, in its sole discretion, (a) determines to be inadequate, obsolete, worn-out, uneconomic, damaged, unsuitable, undesirable, or unnecessary pursuant to **Section 4.3** of this Fee Agreement or otherwise; or (b) elects to be treated as removed pursuant to **Section 4.4(c)** or **Section 4.5(b)(iii)** of this Fee Agreement.

“**Replacement Property**” means any property which is placed in service as a replacement for any Removed Component regardless of whether the Replacement Property serves the same functions as the Removed Component it is replacing and regardless of whether more than one piece of Replacement Property replaces a single Removed Component.

“**South Carolina Freedom of Information Act**” shall mean Title 30, Chapter 4 of the Code.

“**Special Source Credits**” means the special source revenue credits provided to the Sponsor pursuant to Section 4-1-175 of the MCIP Act and **Section 5.1** of this Fee Agreement, with respect to the Infrastructure. Special Source Credits are to be used for the payment of, or reimbursement for, Infrastructure constituting real property, improvements and infrastructure before any use for the payment of Infrastructure constituting personal property, notwithstanding any presumptions to the contrary in the MCIP Act or otherwise.

“**Sponsor**” means Eastover Solar LLC, a limited liability company organized and existing under the laws of the State of Delaware and a company previously identified as Project ES, and any surviving, resulting, or transferee entity in any merger, consolidation, or transfer of assets; or any other person or entity which may succeed to the rights and duties of the Sponsor under this Fee Agreement.

“**Sponsor Affiliate**” means an entity that participates in the investment at the Project and, following receipt of the County’s approval pursuant to **Section 9.1** of this Fee Agreement, joins this Fee Agreement by delivering a Joinder Agreement, the form of which is attached as Exhibit B to this Fee Agreement.

“**Standard FILOT Act Minimum Investment Requirement**” means an investment of at least \$2,500,000 in Economic Development Property as of the day ending five years after the Commencement Date, as set forth in Section 12-44-30(14) of the FILOT Act, which investment amount shall be calculated in accordance with, and subject to, Section 12-44-130 of the FILOT Act.

“**State**” means the State of South Carolina.

“**Term**” means the term of this Fee Agreement, as set forth in **Section 10.10(a)** of this Fee Agreement.

Any reference to any agreement or document in this Article I or otherwise in this Fee Agreement shall include any and all amendments, supplements, addenda, and modifications to such agreement or document.

The term “investment” or “invest” as used in this Fee Agreement includes not only investments made by the Sponsor, but also to the fullest extent permitted by law, those investments made by or for the benefit of the Sponsor in connection with the Project through federal, state, or local grants, to the extent such investments are or, but for the terms of this Fee Agreement, would be subject to *ad valorem* taxes to be paid by the Sponsor.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1. *Representations and Warranties of the County.* The County represents and warrants as follows:

(a) The County is a body politic and corporate and a political subdivision of the State and acts through the County Council as its governing body. The FILOT Act authorizes and empowers the County to enter into the transactions that this Fee Agreement contemplates and to carry out its obligations under this Fee Agreement. The County has duly authorized the execution and delivery of this Fee Agreement and all other documents, certificates or other agreements contemplated in this Fee Agreement and has obtained all consents from third parties and taken all actions necessary or that the law requires to fulfill its obligations under this Fee Agreement.

(b) Based on representations by the Sponsor, County Council evaluated the Project based on all relevant criteria including the purposes the Project is to accomplish, the anticipated dollar amount and nature of the investment resulting from the Project, and the anticipated costs and benefits to the County and following the evaluation, the County determined that (i) the Project is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally; (ii) the Project gives rise to no pecuniary liability of the County or any incorporated municipality and to no charge against the County's general credit or taxing power; (iii) the purposes to be accomplished by the Project are proper governmental and public purposes; and (iv) the benefits of the Project are greater than the costs.

(c) The County identified the Project, as a "project" on March 5, 2019 by adopting an Inducement Resolution, as defined in the FILOT Act on March 5, 2019.

(d) The County is not in default of any of its obligations (contractual or otherwise) as a result of entering into and performing its obligations under this Fee Agreement.

(e) The County has located, or will take all reasonable action to locate, the Project in the Multicounty Park on terms, and for a duration, sufficient to facilitate the County's provisions of the Special Source Credits set forth in this Fee Agreement.

Section 2.2. *Representations and Warranties of the Sponsor.* The Sponsor represents and warrants as follows:

(a) The Sponsor is in good standing under the laws of the state of its organization, is duly authorized to transact business in the State (or will obtain such authority prior to commencing business in the State), has power to enter into this Fee Agreement, and has duly authorized the execution and delivery of this Fee Agreement.

(b) The Sponsor intends to operate the Project as a solar-powered electric generating facility and for such other purposes that the FILOT Act permits as the Sponsor may deem appropriate.

(c) The Sponsor's execution and delivery of this Fee Agreement and its compliance with the provisions of this Fee Agreement do not result in a default under any agreement or instrument to which the Sponsor is now a party or by which it is bound.

(d) The Sponsor will use commercially reasonable efforts to achieve the Contract Minimum Investment Requirement within the Investment Period.

(e) The execution and delivery of this Fee Agreement by the County and the availability of the FILOT, Special Source Credits, and other incentives provided by this Fee Agreement has been an inducement for the Sponsor to locate the Project in the County.

(f) The Sponsor has retained legal counsel to confirm, or has had a reasonable opportunity to consult legal counsel to confirm, its eligibility for the FILOT, Special Source Credits, and other incentives granted by this Fee Agreement and has not relied on the County, its officials, employees or legal representatives with respect to any question of eligibility or applicability of the FILOT and other incentives granted by this Fee Agreement.

ARTICLE III THE PROJECT

Section 3.1. *The Project.* The Sponsor intends and expects to (i) construct or acquire the Project and (ii) meet the Contract Minimum Investment Requirement within the Investment Period. The parties hereto agree, to the maximum extent permitted by the FILOT Act, that the first Phase of the Project is anticipated to be placed in service during the calendar year ending December 31, 2021. Notwithstanding anything contained in this Fee Agreement to the contrary, the Sponsor is not obligated to complete the acquisition of the Project. However, if the Contract Minimum Investment Requirement is not met in the Investment Period, the benefits provided to the Sponsor, or Sponsor Affiliate, if any, pursuant to this Fee Agreement may be reduced, modified or terminated as provided in this Fee Agreement.

Section 3.2 *Leased Property.* To the extent that State law allows or is revised or construed to permit leased assets including a building, or personal property to be installed in a building, to constitute Economic Development Property, then any property leased by the Sponsor is, at the election of the Sponsor, deemed to be Economic Development Property for purposes of this Fee Agreement, subject, at all times, to the requirements of State law and this Fee Agreement with respect to property comprising Economic Development Property.

Section 3.3. *Filings and Reports.*

(a) On or before January 31 of each year during the term of this Fee Agreement, commencing the first January 31 following the Commencement Date, the Sponsor shall deliver to the Economic Development Director of the County, pursuant to the instructions set forth in **Section 10.1** of this Fee Agreement, with respect to the Sponsor and all Sponsor Affiliates, if any, the information required by the terms of the County's Resolution dated December 12, 2017, which is attached hereto as Exhibit C, as may be amended by subsequent resolution.

(b) The Sponsor shall file a copy of this Fee Agreement and a completed PT-443 with the Economic Development Director and the Department and the Auditor, Treasurer and Assessor of the County and partner county to the Multicounty Park.

(c) On request by the County Administrator or the Economic Development Director, the Sponsor shall remit to the Economic Development Director records accounting for the acquisition, financing, construction, and operation of the Project which records (i) permit ready identification of all Economic Development Property; (ii) confirm the dates that the Economic Development Property or a Phase thereof was placed in service; and (iii) include copies of all filings made in accordance with this **Section**.

**ARTICLE IV
FILOT PAYMENTS**

Section 4.1. FILOT Payments.

(a) The FILOT Payment due with respect to each Phase through the Phase Termination Date is calculated as follows:

- (i) The fair market value of the Phase calculated as set forth in the FILOT Act (for the Land portion of the Phase, the County and the Sponsor have elected to use the fair market value established in the first year of the Phase Exemption Period), multiplied by
- (ii) An assessment ratio of six percent (6%), multiplied by
- (iii) A fixed millage rate equal to 469.0 mills, which is the cumulative millage rate levied by or on behalf of all the taxing entities within which the Project is located as of **[June 30, 2018]**.

As authorized in, and subject to the provisions of, Section 12-44-50(A)(3) of the FILOT Act, the FILOT Payments shall be calculated pursuant to an alternative payment method yielding (over the Phase Exemption Period for each Phase) a payment stream which has the same net present value as the payment stream which would be generated using the standard FILOT calculation provided under Section 12-44-50(A)(1) of the FILOT Act and the factors set forth above in **Section 4.1** of this Fee Agreement. Such net present value calculations shall be determined using a discount rate which is equivalent to the yield in effect for new or existing United States Treasury bonds of similar maturity as published during the month in which this Fee Agreement is executed, which is [___]% (*i.e.*, the discount rate so in effect on [_____]).

The calculation of the FILOT Payment must allow all applicable property tax exemptions except those excluded pursuant to Section 12-44-50(A)(2) of the FILOT Act. The Sponsor acknowledges that (i) the calculation of the annual FILOT Payment is a function of the Department and is wholly dependent on the Sponsor timely submitting the correct annual property tax returns to the Department, (ii) the County has no responsibility for the submission of returns or the calculation of the annual FILOT Payment, and (iii) failure by the Sponsor to submit the correct annual property tax return could lead to a loss of all or a portion of the FILOT and other incentives provided by this Fee Agreement.

(b) If a final order of a court of competent jurisdiction from which no further appeal is allowable declares the FILOT Payments invalid or unenforceable, in whole or in part, for any reason, the parties shall negotiate the reformation of the calculation of the FILOT Payments to most closely afford the Sponsor with the intended benefits of this Fee Agreement. If such order has the effect of subjecting the Economic Development Property to *ad valorem* taxation, this Fee Agreement shall terminate, and the Sponsor shall owe the County regular *ad valorem* taxes from the date of termination, in accordance with **Section 4.7** of this Fee Agreement.

Section 4.2. FILOT Payments on Replacement Property. If the Sponsor elects to place Replacement Property in service, then, pursuant and subject to the provisions of Section 12-44-60 of the FILOT Act, the Sponsor shall make the following payments to the County with respect to the Replacement Property for the remainder of the Phase Exemption Period applicable to the Removed Component of the Replacement Property:

(a) FILOT Payments, calculated in accordance with **Section 4.1** of this Fee Agreement, on the Replacement Property to the extent of the original income tax basis of the Removed Component the Replacement Property is deemed to replace.

(b) Regular *ad valorem* tax payments to the extent the income tax basis of the Replacement Property exceeds the original income tax basis of the Removed Component the Replacement Property is deemed to replace and such replacement occurs after the Investment Period.

Section 4.3. Removal of Components of the Project. Subject to the other terms and provisions of this Fee Agreement, the Sponsor is entitled to remove and dispose of components of the Project in its sole discretion. Components of the Project are deemed removed when scrapped, sold or otherwise removed from the Project. If the components removed from the Project are Economic Development Property, then the Economic Development Property is a Removed Component, no longer subject to this Fee Agreement and is prospectively subject to *ad valorem* property taxes to the extent the Removed Component remains in the State and is otherwise subject to *ad valorem* property taxes; provided, however, that notwithstanding the foregoing provisions of this **Section 4.3**, if any part of the Economic Development Property is so removed and disposed of, then the Sponsor is obligated to pay to the County an amount equal to the difference between (i) what the Sponsor would have paid to the County with respect to such Economic Development Property using the standard FILOT calculation described in Section 12-44-50(A)(1) of the FILOT Act and the factors set forth in **Section 4.1** of this Fee Agreement and (ii) the amount actually paid by the Sponsor using the alternative payment method FILOT described in Section 12-44-50(A)(3) and the factors set forth in **Section 4.1** of this Fee Agreement (a “Differential Payment”), after taking into account the Special Source Credits that would have applied, or did apply, to each such FILOT Payment, as the case may be. Such Differential Payment will be made and included by the Sponsor with the FILOT Payment due to the County for the tax year corresponding to the property tax year in which such removal and disposal occurs.

Section 4.4. Damage or Destruction of Economic Development Property.

(a) *Election to Terminate.* If Economic Development Property is damaged by fire, explosion, or any other casualty, then the Sponsor may terminate this Fee Agreement. For the tax year corresponding to the property tax year in which the damage or casualty occurs, the Sponsor is obligated to make FILOT Payments with respect to the damaged Economic Development Property only to the extent property subject to *ad valorem* taxes would have been subject to *ad valorem* taxes under the same circumstances for the period in question.

(b) *Election to Restore and Replace.* If Economic Development Property is damaged by fire, explosion, or any other casualty, and the Sponsor does not elect to terminate this Fee Agreement, then the Sponsor may restore and replace the Economic Development Property. All restorations and replacements made pursuant to this subsection (b) are deemed, to the fullest extent permitted by law and this Fee Agreement, to be Replacement Property.

(c) *Election to Remove.* If Economic Development Property is damaged by fire, explosion, or any other casualty, and the Sponsor elects not to terminate this Fee Agreement pursuant to subsection (a) and elects not to restore or replace pursuant to subsection (b), then the damaged portions of the Economic Development Property are deemed Removed Components.

Section 4.5. Condemnation.

(a) *Complete Taking.* If at any time during the Term of this Fee Agreement title to or temporary use of the Economic Development Property is vested in a public or quasi-public authority by virtue of the exercise of a taking by condemnation, inverse condemnation, or the right of eminent domain; by voluntary transfer under threat of such taking; or by a taking of title to a portion of the Economic

Development Property which renders continued use or occupancy of the Economic Development Property commercially unfeasible in the judgment of the Sponsor, the Sponsor shall have the option to terminate this Fee Agreement by sending written notice to the County within a reasonable period of time following such vesting.

(b) *Partial Taking*. In the event of a partial taking of the Economic Development Property or a transfer in lieu, the Sponsor may elect: (i) to terminate this Fee Agreement; (ii) to restore and replace the Economic Development Property, with such restorations and replacements deemed, to the fullest extent permitted by law and this Fee Agreement, to be Replacement Property; or (iii) to treat the portions of the Economic Development Property so taken as Removed Components.

(c) In the year in which the taking occurs, the Sponsor is obligated to make FILOT Payments with respect to the Economic Development Property so taken only to the extent property subject to *ad valorem* taxes would have been subject to taxes under the same circumstances for the period in question.

Section 4.6. Calculating FILOT Payments on Diminution in Value. If there is a Diminution in Value, the FILOT Payments due with respect to the Economic Development Property or Phase so diminished shall be calculated by substituting the diminished value of the Economic Development Property or Phase for the original fair market value in **Section 4.1(a)(i)** of this Fee Agreement.

Section 4.7. Payment of Ad Valorem Taxes. If Economic Development Property becomes subject to *ad valorem* taxes as imposed by law pursuant to the terms of this Fee Agreement or the FILOT Act, then the calculation of the *ad valorem* taxes due with respect to the Economic Development Property for a particular tax year shall: (i) include the property tax reductions that would have applied to the Economic Development Property if it were not Economic Development Property; and (ii) include a credit for FILOT Payments the Sponsor has made with respect to the Economic Development Property.

Section 4.8. Place of FILOT Payments. All FILOT Payments shall be made directly to the County in accordance with applicable law.

Section 4.9. Failure to Satisfy the NPV FILOT Minimum Investment Requirement. In the event that the NPV FILOT Minimum Investment Requirement is not satisfied, but the Standard FILOT Minimum Investment Requirement is nevertheless satisfied, then the FILOT Payments shall revert retroactively and prospectively to the amounts due under the standard FILOT under Section 12-44-50(A)(1) of the FILOT Act and the factors set forth in **Section 4.1** of this Fee Agreement, and in such event, the Sponsor shall pay to the County a Differential Payment as described in **Section 4.3** of this Fee Agreement.

ARTICLE V ADDITIONAL INCENTIVES

Section 5.1. Special Source Credits. To assist in the payment of, or reimbursement for, costs of Infrastructure, the Sponsor is entitled to claim a Special Source Credit to reduce each FILOT Payment due and owing from the Sponsor to the County under this Fee Agreement. The term, amount and calculation of the Special Source Credit is described in Exhibit D. In no event may the Sponsor's aggregate Special Source Credit claimed pursuant to this **Section** exceed the aggregate expenditures by the Sponsor on Infrastructure.

For each property tax year in which the Special Source Credit is applicable ("**Credit Term**"), the County shall, following receipt by the County from the Sponsor of notice setting forth the annual depreciation rate utilized pursuant to Section 12-44-50(A)(1)(c)(ii) of the FILOT Act for such property tax year, which notice shall be in form and substance reasonably acceptable to the County, prepare and issue the annual bills with respect to the Project showing the Net FILOT Payment, calculated in

accordance with Exhibit D. Following receipt of the bill, the Sponsor shall timely remit the Net FILOT Payment to the County in accordance with applicable law.

ARTICLE VI CLAW BACK

Section 6.1. Claw Back. If the Sponsor fails to satisfy the Contract Minimum Investment Requirement by the end of the Investment Period, then the Sponsor is subject to the claw backs as described in Exhibit E with respect to the Special Source Credits. Any amount that may be due from the Sponsor to the County as calculated in accordance with or described in Exhibit E is due within 30 days of receipt of a written statement from the County. If not timely paid, the amount due from the Sponsor to the County is subject to the minimum amount of interest that the law may permit with respect to delinquent *ad valorem* tax payments. The repayment obligation arising under this **Section** and Exhibit E survives termination of this Fee Agreement.

ARTICLE VII DEFAULT

Section 7.1. Events of Default. The following are “Events of Default” under this Fee Agreement:

(a) Failure to make FILOT Payments, which failure has not been cured within 30 days following receipt of written notice from the County specifying the delinquency in FILOT Payments and requesting that it be remedied;

(b) Failure to timely pay any amount, except FILOT Payments, due under this Fee Agreement, which failure has not been cured within 30 days following receipt of written notice from the County specifying the delinquency in such payment and requesting that it be remedied;

(c) A Cessation of Operations. For purposes of this Fee Agreement, a “*Cessation of Operations*” means a publicly announced closure of the Facility made by the Sponsor or a complete cessation of operations at the Project that continues for a period of twelve (12) consecutive months;

(d) A representation or warranty made by the Sponsor which is deemed materially incorrect when deemed made;

(e) Failure by the Sponsor to perform any of the terms, conditions, obligations, or covenants under this Fee Agreement (other than those under (a), above), which failure has not been cured within 30 days after written notice from the County to the Sponsor specifying such failure and requesting that it be remedied, unless the Sponsor has instituted corrective action within the 30-day period and is diligently pursuing corrective action until the default is corrected, in which case the 30-day period is extended to include the period during which the Sponsor is diligently pursuing corrective action;

(f) A representation or warranty made by the County which is deemed materially incorrect when deemed made; or

(g) Failure by the County to perform any of the terms, conditions, obligations, or covenants hereunder, which failure has not been cured within 30 days after written notice from the Sponsor to the County specifying such failure and requesting that it be remedied, unless the County has instituted corrective action within the 30-day period and is diligently pursuing corrective action until the default is corrected, in which case the 30-day period is extended to include the period during which the County is diligently pursuing corrective action.

Section 7.2. Remedies on Default.

(a) If an Event of Default by the Sponsor has occurred and is continuing, then the County may take any one or more of the following remedial actions:

(i) terminate this Fee Agreement; or

(ii) take whatever action at law or in equity may appear necessary or desirable to collect amounts due or otherwise remedy the Event of Default or recover its damages.

(b) If an Event of Default by the County has occurred and is continuing, the Sponsor may take any one or more of the following actions:

(i) bring an action for specific enforcement;

(ii) terminate this Fee Agreement; or

(iii) in case of a materially incorrect representation or warranty, take such action as is appropriate, including legal action, to recover its damages, to the extent allowed by law.

Section 7.3. Reimbursement of Legal Fees and Other Expenses. On the occurrence of an Event of Default, if a party is required to employ attorneys or incur other reasonable expenses for the collection of payments due under this Fee Agreement or for the enforcement of performance or observance of any obligation or agreement, the prevailing party is entitled to reimbursement of the reasonable fees of such attorneys and such other reasonable expenses so incurred.

Section 7.4. Remedies Not Exclusive. No remedy described in this Fee Agreement is intended to be exclusive of any other remedy or remedies, and each and every such remedy is cumulative and in addition to every other remedy given under this Fee Agreement or existing at law or in equity or by statute.

**ARTICLE VIII
PARTICULAR RIGHTS AND COVENANTS**

Section 8.1. Right to Inspect. The County and its authorized agents, at any reasonable time on prior written notice (which may be given by email) to the Sponsor designee identified in **Section 10.1** of this Fee Agreement, may enter and examine and inspect the Project for the purposes of permitting the County to carry out its duties and obligations in its sovereign capacity (such as, without limitation, for such routine health and safety purposes as would be applied to any other manufacturing or commercial facility in the County).

Section 8.2. Confidentiality. The County acknowledges that the Sponsor may utilize confidential and proprietary processes and materials, services, equipment, trade secrets, and techniques (“*Confidential Information*”) and that disclosure of the Confidential Information could result in substantial economic harm to the Sponsor. The Sponsor may clearly label any Confidential Information delivered to the County pursuant to this Fee Agreement as “*Confidential Information.*” Except as required by law, the County, or any employee, agent, or contractor of the County, shall not disclose or otherwise divulge any labeled Confidential Information to any other person, firm, governmental body or agency. The Sponsor acknowledges that the County is subject to the South Carolina Freedom of Information Act, and, as a result, must disclose certain documents and information on request, absent an exemption. If the County is required to disclose any Confidential Information to a third party, the County will use its best efforts to provide the Sponsor with as much advance notice as is reasonably possible of such disclosure requirement

prior to making such disclosure, and to cooperate reasonably with any attempts by the Sponsor to obtain judicial or other relief from such disclosure requirement.

Section 8.3. Indemnification Covenants.

(a) Except as provided in paragraph (d) below, the Sponsor shall indemnify and save the County, its employees, elected officials, officers and agents (each, an “*Indemnified Party*”) harmless against and from all liability or claims arising from the County’s execution of this Fee Agreement, performance of the County’s obligations under this Fee Agreement or the administration of its duties pursuant to this Fee Agreement, or otherwise by virtue of the County having entered into this Fee Agreement (each, a “*Claim*”).

(b) In the event the County resists or defends against any Claim on behalf of itself or any other Indemnified Party, the County is entitled to designate counsel of its choice, subject to approval by the Sponsor, which approval shall not be unreasonably withheld, conditioned or delayed, and the Sponsor shall reimburse the County for all of its reasonable costs, including reasonable attorneys’ fees, incurred in connection with the response to or defense against such Claim. The County shall provide, on a monthly basis, a statement of all such costs incurred in the response or defense during such month, and the Sponsor shall pay the County within 30 days of receipt of the statement, together with reasonable documentation evidencing the costs shown on the statement. However, the County is not required to provide the portions of any such documentation which may be privileged or confidential to evidence the costs.

(c) The County may request the Sponsor to resist or defend against any Claim on behalf of itself or any other Indemnified Party. On such request, the Sponsor shall resist or defend against such Claim on behalf of the Indemnified Party, at the Sponsor’s expense. The Sponsor is entitled to use counsel of its choice, manage and control the defense of or response to such Claim for the Indemnified Party; provided the Sponsor is not entitled to settle any such Claim without the consent of that Indemnified Party.

(d) Notwithstanding anything in this Section or this Fee Agreement to the contrary, the Sponsor is not required to indemnify any Indemnified Party against or reimburse any Indemnified Party for costs arising from any Claim (i) occasioned by the acts of any Indemnified Party, which are unrelated to the execution of this Fee Agreement, performance of the County’s obligations under this Fee Agreement, or the administration of its duties under this Fee Agreement, or otherwise by virtue of the County having entered into this Fee Agreement; or (ii) resulting from any Indemnified Party’s own negligence, bad faith, fraud, deceit, or willful misconduct.

(e) An Indemnified Party may not avail itself of the indemnification or reimbursement of costs provided in this Section unless it provides the Sponsor with prompt notice, reasonable under the circumstances, of the existence or threat of any Claim, including, without limitation, copies of any citations, orders, fines, charges, remediation requests, or other claims or threats of claims, in order to afford the Sponsor notice, reasonable under the circumstances, within which to defend or otherwise respond to a Claim.

Section 8.4. No Liability of County Personnel. All covenants, stipulations, promises, agreements and obligations of the County contained in this Fee Agreement are binding on members of the County Council or any elected official, officer, agent, servant or employee of the County only in his or her official capacity and not in his or her individual capacity, and no recourse for the payment of any moneys under this Fee Agreement may be had against any member of County Council or any elected or appointed official, officer, agent, servant or employee of the County and no recourse for the payment of any moneys or performance of any of the covenants and agreements under this Fee Agreement or for any claims based on this Fee Agreement may be had against any member of County Council or any elected or appointed official, officer, agent, servant or employee of the County except solely in their official capacity.

Section 8.5. *Limitation of Liability.* The County is not liable to the Sponsor for any costs, expenses, losses, damages, claims or actions in connection with this Fee Agreement, except from amounts received by the County from the Sponsor under this Fee Agreement. Notwithstanding anything in this Fee Agreement to the contrary, any financial obligation the County may incur under this Fee Agreement is deemed not to constitute a pecuniary liability or a debt or general obligation of the County.

Section 8.6. *Transfer and Assignment.* The County agrees that the Sponsor and each other Sponsor Affiliate may at any time (a) transfer all or any of its rights and interests hereunder or with respect to all or any part of the Project to any Person; or (b) enter into any lending, financing, leasing, security, or similar arrangement or succession of such arrangements with any financing entity or other Person with respect to this Agreement or all or any part of the Project, including without limitation any sale-leaseback, equipment lease, build-to-suit lease, synthetic lease, nordic lease, defeased tax benefit or transfer lease, assignment, sublease or similar arrangement or succession of such arrangements, regardless of the identity of the income tax owner of such portion of the Project, whereby the transferee in any such arrangement leases the portion of the Project in question to the Sponsor or any Sponsor Affiliate or operates such assets for the Sponsor or any Sponsor Affiliate or is leasing all or a portion of the Project in question from the Sponsor or any Sponsor Affiliate. In the event of any such transfer, lease, financing, or other transaction described above, the rights and interests of the Sponsor or such other Sponsor Affiliate under this Agreement, including, without limitation, the benefits of the FILOT Payments and the Special Source Credits, with respect to any Project property so transferred, leased, financed, or otherwise affected shall be so transferred and preserved, automatically, without action of the County, subject to the following provisions: (i) except in connection with any transfer to any other Sponsor or Sponsor Affiliate or an Affiliate of the Sponsor or any Sponsor Affiliate, or transfers, leases, or financing arrangements pursuant to clause (b) above, as to all of which transfers and other transactions the County hereby preapproves and consents, the Sponsor or such Sponsor Affiliate shall obtain the prior written consent or subsequent written ratification of the County, which consent or subsequent ratification of the County shall not be unreasonably conditioned, withheld, or delayed; (ii) except when a financing entity which is the income tax owner of all or part of the Project property is the transferee pursuant to clause (b) above and such financing entity assumes in writing the obligations of the Sponsor or such other Sponsor Affiliate hereunder, or when the County consents in writing or when the transfer relates to Removed Components, no such transfer shall affect or reduce any of the obligations of the Sponsor or any such other Sponsor Affiliate hereunder; (iii) to the extent the transferee or financing entity shall become obligated to make FILOT Payments hereunder, the transferee shall assume the then current basis of the Sponsor or any such Sponsor Affiliate in the Project property so transferred; (iv) the Sponsor or any such Sponsor Affiliate, transferee or financing entity shall, within sixty (60) days thereof, furnish or cause to be furnished to the County and the Department of Revenue notice of any such transfer agreement. The County acknowledges that, notwithstanding any of the terms of this **Section 8.6** or this Agreement, it has no right of consent or subsequent ratification to a change in the direct or indirect ownership of the Sponsor or any Sponsor Affiliate.

Section 8.7. *No Double Payment; Future Changes in Legislation.* Notwithstanding anything contained in this Fee Agreement to the contrary, and except as expressly required by law, the Sponsor is not required to make a FILOT Payment in addition to a regular *ad valorem* property tax payment in the same year with respect to the same piece of Economic Development Property. The Sponsor is not required to make a FILOT Payment on Economic Development Property in cases where, absent this Fee Agreement, *ad valorem* property taxes would otherwise not be due on such property.

Section 8.8. *Administration Expenses.* The Sponsor will reimburse, or cause reimbursement to, the County for Administration Expenses in the amount of \$5,000. The Sponsor will reimburse the County for its Administration Expenses on receipt of a written request from the County or at the County's direction, which request shall include a statement of the amount and nature of the Administration Expense. The Sponsor shall pay the Administration Expense as set forth in the written request no later than 60 days following receipt of the written request from the County. The County does not impose a

charge in the nature of impact fees or recurring fees in connection with the incentives authorized by this Fee Agreement. The payment by the Sponsor of the County's Administration Expenses shall not be construed as prohibiting the County from engaging, at its discretion, the counsel of the County's choice.

ARTICLE IX SPONSOR AFFILIATES

Section 9.1. Sponsor Affiliates. The Sponsor may designate Sponsor Affiliates from time to time, including at the time of execution of this Fee Agreement, pursuant to and subject to the provisions of Section 12-44-130 of the FILOT Act. To designate a Sponsor Affiliate, the Sponsor must deliver written notice to the Economic Development Director identifying the Sponsor Affiliate and requesting the County's approval of the Sponsor Affiliate. Except with respect to a Sponsor Affiliate designated at the time of execution of this Fee Agreement, which may be approved in the County Council ordinance authorizing the execution and delivery of this Fee Agreement, approval of the Sponsor Affiliate may be given by the County Administrator delivering written notice to the Sponsor and Sponsor Affiliate following receipt by the County Administrator of a recommendation from the Economic Development Committee of County Council to allow the Sponsor Affiliate to join in the investment at the Project. The Sponsor Affiliate's joining in the investment at the Project will be effective on delivery of a Joinder Agreement, the form of which is attached as Exhibit B, executed by the Sponsor Affiliate to the County.

Section 9.2. Primary Responsibility. Notwithstanding the addition of a Sponsor Affiliate, the Sponsor acknowledges that it has the primary responsibility for the duties and obligations of the Sponsor and any Sponsor Affiliate under this Fee Agreement, including the payment of FILOT Payments or any other amount due to or for the benefit of the County under this Fee Agreement. For purposes of this Fee Agreement, "primary responsibility" means that if the Sponsor Affiliate fails to make any FILOT Payment or remit any other amount due under this Fee Agreement, the Sponsor shall make such FILOT Payments or remit such other amounts on behalf of the Sponsor Affiliate.

ARTICLE X MISCELLANEOUS

Section 10.1. Notices. Any notice, election, demand, request, or other communication to be provided under this Fee Agreement is effective when delivered to the party named below or when deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, addressed as follows (or addressed to such other address as any party shall have previously furnished in writing to the other party), except where the terms of this Fee Agreement require receipt rather than sending of any notice, in which case such provision shall control:

IF TO THE SPONSOR:

Eastover Solar LLC
c/o Community Energy Solar, LLC
Attn: Chris Killenberg
151 E. Rosemary St., Suite 202
Chapel Hill, North Carolina 27514

WITH A COPY TO (does not constitute notice):

Nexsen Pruet, LLC
Attn: Tushar V. Chikhliker
1230 Main Street, Suite 700 (29201)
Post Office Drawer 2426
Columbia, South Carolina 29202

IF TO THE COUNTY:

Richland County, South Carolina
Attn: Richland County Economic Development Director
2020 Hampton Street
Columbia, South Carolina 29204

WITH A COPY TO (does not constitute notice):

Parker Poe Adams & Bernstein LLP
Attn: Ray E. Jones
1221 Main Street, Suite 1100 (29201)
Post Office Box 1509
Columbia, South Carolina 29202-1509

Section 10.2. Provisions of Agreement for Sole Benefit of County and Sponsor. Except as otherwise specifically provided in this Fee Agreement, nothing in this Fee Agreement expressed or implied confers on any person or entity other than the County and the Sponsor any right, remedy, or claim under or by reason of this Fee Agreement, this Fee Agreement being intended to be for the sole and exclusive benefit of the County and the Sponsor.

Section 10.3. Counterparts. This Fee Agreement may be executed in any number of counterparts, and all of the counterparts together constitute one and the same instrument.

Section 10.4. Governing Law. South Carolina law, exclusive of its conflicts of law provisions that would refer the governance of this Fee Agreement to the laws of another jurisdiction, governs this Fee Agreement and all documents executed in connection with this Fee Agreement.

Section 10.5. Headings. The headings of the articles and sections of this Fee Agreement are inserted for convenience only and do not constitute a part of this Fee Agreement.

Section 10.6. Amendments. This Fee Agreement may be amended only by written agreement of the parties to this Fee Agreement.

Section 10.7. Agreement to Sign Other Documents. From time to time, and at the expense of the Sponsor, to the extent any expense is incurred, the County agrees to execute and deliver to the Sponsor such additional instruments as the Sponsor may reasonably request and as are authorized by law and reasonably within the purposes and scope of the FILOT Act and this Fee Agreement to effectuate the purposes of this Fee Agreement.

Section 10.8. Interpretation; Invalidity; Change in Laws.

(a) If the inclusion of property as Economic Development Property or any other issue is unclear under this Fee Agreement, then the parties intend that the interpretation of this Fee Agreement be done in a manner that provides for the broadest inclusion of property under the terms of this Fee Agreement and the maximum incentive permissible under the FILOT Act, to the extent not inconsistent with any of the explicit terms of this Fee Agreement.

(b) If any provision of this Fee Agreement is declared illegal, invalid, or unenforceable for any reason, the remaining provisions of this Fee Agreement are unimpaired, and the parties shall reform such illegal, invalid, or unenforceable provision to effectuate most closely the legal, valid, and enforceable intent of this Fee Agreement so as to afford the Sponsor with the maximum benefits to be derived under this Fee Agreement, it being the intention of the County to offer the Sponsor the strongest inducement possible, within the provisions of the FILOT Act, to locate the Project in the County.

(c) The County agrees that in case the FILOT incentive described in this Fee Agreement is found to be invalid and the Sponsor does not realize the economic benefit it is intended to receive from the County under this Fee Agreement as an inducement to locate or expand in the County, the County agrees to negotiate with the Sponsor to provide a special source revenue or infrastructure credit to the Sponsor to the maximum extent permitted by law, to allow the Sponsor to recoup all or a portion of the loss of the economic benefit resulting from such invalidity.

Section 10.9. Force Majeure. The Sponsor is not responsible for any delays or non-performance caused in whole or in part, directly or indirectly, by strikes, accidents, freight embargoes, fires, floods, inability to obtain materials, conditions arising from governmental orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond the Sponsor's reasonable control.

Section 10.10. Term; Termination by Sponsor.

(a) Unless first terminated under any other provision of this Fee Agreement. This Fee Agreement shall be and remain in full force and effect for a term commencing on the effective date of this Fee Agreement, and ending at midnight on the later of (i) the day the last FILOT Payment is made under this Fee Agreement; or (ii) the day all Special Source Credits due from the County hereunder have been fully provided by the County.

(b) The Sponsor is authorized to terminate this Fee Agreement at any time with respect to all or part of the Project on providing the County with 30 days' notice.

(c) Any monetary obligations due and owing at the time of termination and any provisions which are expressly stated in the Fee Agreement to survive termination, shall survive such termination.

(d) In the year following termination, all Economic Development Property is subject to *ad valorem* taxation or such other taxation or payment in lieu of taxation that would apply absent this Fee Agreement. The Sponsor's obligation to make FILOT Payments under this Fee Agreement terminates to the extent of and in the year following the year the Sponsor terminates this Fee Agreement pursuant to this **Section**.

Section 10.11. Entire Agreement. This Fee Agreement expresses the entire understanding and all agreements of the parties, and neither party is bound by any agreement or any representation to the other party which is not expressly set forth in this Fee Agreement or in certificates delivered in connection with the execution and delivery of this Fee Agreement.

Section 10.12. Waiver. Either party may waive compliance by the other party with any term or condition of this Fee Agreement only in a writing signed by the waiving party.

Section 10.13. Business Day. If any action, payment, or notice is, by the terms of this Fee Agreement, required to be taken, made, or given on any Saturday, Sunday, or legal holiday in the jurisdiction in which the party obligated to act is situated, such action, payment, or notice may be taken, made, or given on the following business day with the same effect as if taken, made or given as required under this Fee Agreement, and no interest will accrue in the interim.

Section 10.14. Agreement's Construction. Each party and its counsel have reviewed this Fee Agreement and any rule of construction to the effect that ambiguities are to be resolved against a drafting party does not apply in the interpretation of this Fee Agreement or any amendments or exhibits to this Fee Agreement.

[Signature pages follow]

IN WITNESS WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and on its behalf by the Chair of County Council and to be attested by the Clerk of the County Council; and the Sponsor has caused this Fee Agreement to be executed by its duly authorized officer, all as of the day and year first above written.

RICHLAND COUNTY, SOUTH CAROLINA

(SEAL)

By: _____
County Council Chair
Richland County, South Carolina

ATTEST:

By: _____
Clerk to County Council
Richland County, South Carolina

[Signature Page 1 to Fee in Lieu of Ad Valorem Taxes and Incentive Agreement]

EASTOVER SOLAR LLC

By: _____
Its: _____

[Signature Page 2 to Fee in Lieu of Ad Valorem Taxes and Incentive Agreement]

**EXHIBIT A
PROPERTY DESCRIPTION**

[FULL PROPERTY DESCRIPTION TO BE INSERTED]

TAX MAP NOS.

R39200-02-03

R39300-02-02 (portion)

R39300-02-06 (portion)

R39300-02-05 (portion)

EXHIBIT B (see Section 9.1)
FORM OF JOINDER AGREEMENT

Reference is hereby made to the Fee-in-Lieu of *Ad Valorem* Taxes Agreement, effective _____, 2019 (“Fee Agreement”), between Richland County, South Carolina (“County”) and Eastover Solar LLC, a limited liability company organized and existing under the laws of the State of Delaware (“Sponsor”).

1. Joinder to Fee Agreement.

[_____], a _____ authorized to conduct business in the State of South Carolina, hereby (a) joins as a party to, and agrees to be bound by and subject to all of the terms and conditions of, the Fee Agreement as if it were a Sponsor [except the following: _____]; (b) shall receive the benefits as provided under the Fee Agreement with respect to the Economic Development Property placed in service by the Sponsor Affiliate as if it were a Sponsor [except the following _____]; (c) acknowledges and agrees that (i) according to the Fee Agreement, the undersigned has been designated as a Sponsor Affiliate by the Sponsor for purposes of the Project; and (ii) the undersigned qualifies or will qualify as a Sponsor Affiliate under the Fee Agreement and Section 12-44-30(20) and Section 12-44-130 of the FILOT Act.

2. Capitalized Terms.

Each capitalized term used, but not defined, in this Joinder Agreement has the meaning of that term set forth in the Fee Agreement.

3. Representations of the Sponsor Affiliate.

The Sponsor Affiliate represents and warrants to the County as follows:

(a) The Sponsor Affiliate is in good standing under the laws of the state of its organization, is duly authorized to transact business in the State (or will obtain such authority prior to commencing business in the State), has power to enter into this Joinder Agreement, and has duly authorized the execution and delivery of this Joinder Agreement.

(b) The Sponsor Affiliate’s execution and delivery of this Joinder Agreement, and its compliance with the provisions of this Joinder Agreement, do not result in a default, not waived or cured, under any agreement or instrument to which the Sponsor Affiliate is now a party or by which it is bound.

(c) The execution and delivery of this Joinder Agreement and the availability of the FILOT and other incentives provided by this Joinder Agreement has been instrumental in inducing the Sponsor Affiliate to join with the Sponsor in the Project in the County.

4. Governing Law.

This Joinder Agreement is governed by and construed according to the laws, without regard to principles of choice of law, of the State of South Carolina.

5. Notice.

Notices under **Section 10.1** of the Fee Agreement shall be sent to:

[_____]

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement to be effective as of the date set forth below.

Date

EASTOVER SOLAR LLC

By: _____
Its: _____

IN WITNESS WHEREOF, the County acknowledges it has consented to the addition of the above-named entity as a Sponsor Affiliate under the Fee Agreement effective as of the date set forth above.

RICHLAND COUNTY, SOUTH CAROLINA

By: _____
Its: _____

EXHIBIT C (see Section 3.3)
RICHLAND COUNTY RESOLUTION REQUIRING CERTAIN ACCOUNTABILITY PRACTICES CONCERNING
ECONOMIC DEVELOPMENT PROJECTS IN THE COUNTY

[TO BE ADDED]

**A RESOLUTION TO AMEND THE DECEMBER 21, 2010,
RESOLUTION REQUIRING CERTAIN ACCOUNTABILITY
PRACTICES CONCERNING ECONOMIC DEVELOPMENT
PROJECTS IN RICHLAND COUNTY**

WHEREAS, Richland County Council adopted a resolution dated as of December 21, 2010 (“Prior Resolution”), which requires companies receiving economic development incentives from Richland County, South Carolina (“County”) to submit annual reports to the Richland County Economic Development Office; and

WHEREAS, the County desires to make the form of the annual reports submitted by such companies uniform in order to make the substantive information contained in the annual reports more easily tracked and documented by the Richland County Economic Development Office.

NOW, THEREFORE, BE IT RESOLVED by Richland County Council as follows:

Section 1. The County affirms that each company awarded an incentive by the County in exchange for the location or expansion of a facility or facilities within the County shall submit an annual report to the Richland County Economic Development Office by January 31 of each year throughout the term of the incentives.

Section 2. The Richland County Economic Development Office is authorized to create (and from time to time, if necessary, amend or recreate) and make available the form of the annual report; however, such form, shall require, at a minimum, the following information:

- a. Name of company;
- b. Cumulative capital investment (less any removed investment) to date as a result of the project;
- c. Net jobs created to date as a result of the project;

Section 3. A copy of the then-current form of the annual report may be obtained from the following address. The annual report shall likewise be submitted to the following address by the required date.

Richland County Economic Development Office
Attention: Kim Mann
1201 Main Street, Suite 910
Columbia, SC 29201

Section 4. This Resolution amends the Prior Resolution and sets forth the County’s requirements with respect to the annual reports to be submitted by each company awarded an incentive by the County as described in Section 1.

Section 5. The substance of this Resolution shall be incorporated into the agreement between the County and each company with respect to the incentives granted by the County to the company.

Section 6. In the event that any company shall fail to submit an annual report, or any portion thereof, such company may be required to return all incentives, or a dollar amount equal thereof, to the County. Such incentives, or the dollar amount equal thereto, shall be paid to the County within 60 days after the date upon which the information was originally due.


RESOLVED: December 12 2017

RICHLAND COUNTY, SOUTH CAROLINA



Chair, Richland County Council

(SEAL)
ATTEST:



Clerk to County Council

EXHIBIT D (see Section 5.1)
DESCRIPTION OF SPECIAL SOURCE CREDIT

The Sponsor shall be entitled to receive, and the County shall provide, Special Source Credits against each FILOT Payment due from the Sponsor under this Fee Agreement for the full Term of this Fee Agreement in an amount equal to seventy seven percent (77%) of each such FILOT Payment, commencing with the tax year for which the initial FILOT Payment is due under this Fee Agreement.

Notwithstanding the foregoing provisions of this Exhibit D, (i) in the event that the annual depreciation rate utilized, pursuant to Section 12-44-50(A)(1)(c)(ii) of the FILOT Act, in calculating any FILOT Payment due with respect to all or any portion of the Project, to the extent not already fully depreciated for such purposes, is less than 5%, the above-described initial Special Source Credits percentage (77%) otherwise applicable against the FILOT Payment due with respect to such property shall be increased by an amount sufficient so that such net FILOT Payment due after application of such increased Special Source Credits percentage shall equal the amount of such net payment if calculated using a 5% annual depreciation rate and the above-described initial Special Source Credits percentage (77%); and (ii) in the event that the annual depreciation rate utilized, pursuant to Section 12-44-50(A)(1)(c)(ii) of the FILOT Act, in calculating any FILOT Payment due with respect to all or any portion of the Project, to the extent not already fully depreciated for such purposes, is more than 5%, the above-described initial Special Source Credits percentage (77%) otherwise applicable against the FILOT Payment due with respect to such property shall be decreased by an amount sufficient so that such net FILOT Payment due after application of such decreased Special Source Credits percentage shall equal the amount of such net payment if calculated using a 5% annual depreciation rate and the above-described initial Special Source Credits percentage (77%).

THE SPECIAL SOURCE CREDITS AUTHORIZED HEREIN SHALL NOT CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY, BUT SHALL BE A LIMITED OBLIGATION OF THE COUNTY PAYABLE SOLELY FROM THE FILOT PAYMENTS RECEIVED BY THE COUNTY HEREUNDER WITH RESPECT TO THE PROJECT.

EXHIBIT E (see Section 6.1)
DESCRIPTION OF SPECIAL SOURCE CREDITS CLAW BACK

Repayment Amount = Total Special Source Credits Received x Claw Back Percentage

Claw Back Percentage = 100% - Investment Achievement Percentage

Investment Achievement Percentage = Actual Investment Achieved (based on highest level of Project investment within Investment Period) / Contract Minimum Investment Requirement [may not exceed 100%]

For example, and by way of example only, if the County granted \$[I] in Special Source Credits, and \$[D] is the highest level invested at the Project by the end of the Investment Period, the Repayment Amount would be calculated as follows:

Investment Achievement Percentage = \$[D]/\$[Contract Minimum Investment Requirement] = [F]%

Claw Back Percentage = 100% - F% = H%

Repayment Amount = \$[I] x [H]% = \$[J]

The Sponsor shall pay any amounts described in or calculated pursuant to this Exhibit E within 30 days of receipt of a written statement from the County. If not timely paid by the Sponsor, the amount due is subject to the minimum amount of interest that the law may permit with respect to delinquent *ad valorem* tax payments. The repayment obligation described in this Exhibit E survives termination of this Fee Agreement.

The Sponsor shall continue to be eligible for the Special Source Credits against each FILOT Payment due from the Sponsor for the remaining tax years of the period set forth in **Section 5.1** and **Exhibit D** of this Fee Agreement; provided, however, in the event that determination of the Investment Achievement Percentage results in a positive percentage figure, the initial Special Source Credits percentage set forth in **Section 5.1** and Exhibit D of this Fee Agreement (77%) shall be reduced for the remaining such period by the percentage equal to such Investment Achievement Percentage (*i.e.*, if an Investment Achievement Percentage of 10%, a resulting prospective Special Source Credits percentage of 69.3%); provided, further, however, that in the event that the Actual Investment Achieved (as described above) is less than \$25,000,000, any such Special Source Credits shall terminate prospectively with respect to such remaining tax years.

Richland County Council Request for Action

Subject:

Total Rewards Implementation

Notes:

April 23, 2019 – The committee recommending Council adopt the recommendation of the Total Rewards Study and support the actions necessary for Richland County Government to become an Employer of Choice. In addition, that the Human Resources Department will provide an implementation schedule and additional information for those positions not include in the original analysis.

May 7, 2019 – The item was deferred to the May 21st Council meeting.



Agenda Briefing

To: Committee Chair Joyce Dickerson and Honorable Members of the Committee
Prepared by: Sandra Yúdice, Ph.D., Assistant County Administrator
Dwight Hanna, Director
Department: Human Resources
Date Prepared: April 10, 2019 **Meeting Date:** April 23, 2019

Approved for Council consideration:	Acting County Administrator	John Thompson, Ph.D., MBA, CPM
Committee	Administration & Finance	
Subject:	Total Rewards Implementation	

Recommended Action:

Staff recommends County Council adopt the recommendations of the Total Rewards Study (TRS) and support the actions necessary for Richland County Government (RCG) to become an Employer of Choice.

Motion Requested:

Move to accept staff's recommendation to adopt a total rewards philosophy and strategy and implement the recommendations of the Total Rewards Study in phases through the budget process over the next several years. This will include efforts and actions by departments, supervisors, and employees focused on moving RCG towards an Employer of Choice.

Request for Council Reconsideration: Yes

Fiscal Impact:

Investment in implementation of the Total Rewards program may require approximately \$11.4 million dollars plus associated benefits. These costs include \$1.4 million plus associated benefits to bring employees to the minimum of the new pay ranges, and \$10 million plus associated benefits to make wages more competitive with the Market Rate. These numbers will be fluid as a result of changing employees' salaries because of personnel transactions such as: new hires, retirements, resignations, promotions, etc.

Motion of Origin:

N/A

Council Member	
Meeting	
Date	

Discussion:

Staff briefed County Council on the Total Rewards Study (TRS) during the 2019 Council Retreat as well as provided a more a detailed presentation during a Council Work Session held on March 19, 2019.

Achieving Employer of Choice status will require significant investment and follow up by management, greater accountability for all levels of staff, proper training for and engagement by all employees. By adopting the TRS recommendations, Council will authorize the following:

- Accept the Total Rewards Study Final Report
- Adopt the Employer of Choice Strategy
- Adopt the Total Rewards Focus
- Authorize the Director of Human Resource Services Department to coordinate the necessary analysis, management, training, accountability and follow up on the responses in the Employee Engagement Survey with departments and employees
- Authorize the Director of Human Resources to assign job classifications to the appropriate pay ranges based on appropriate market rate data, internal equity and other relevant job classification information
- Approve the proposed pay structure ranges
- Authorize the County to invest up to \$11.4 million plus associated benefits in the realization of the TRS Program during FY 2019/2021
 - \$1.4 million plus associated benefits to bring employees up to the minimum of the proposed pay structure ranges
 - \$10 million plus associated benefits to make employees' wages more competitive with the Market Rate for their respective jobs considering their years of experience with Richland County Government

Attachments:

1. Total Rewards Study PowerPoint
2. Total Rewards Summary Report
3. Total Rewards Updated Information

Support County Council's Mission and Vision

MISSION STATEMENT:

The mission of the government of Richland County, South Carolina, is to provide essential services, efficiently and effectively, in order to improve the quality of life for its citizens. Richland County Government shall be accessible to all and shall provide cordial, responsible assistance and information in a prompt, equitable, and fair manner. This mission shall be achieved with minimal bureaucracy, with integrity, and within the parameters and power set forth in applicable federal, state, and local laws.

VISION STATEMENT:

Richland County will be a model community for the State and nation. Our county will be a safe, diverse, and sustainable community, with a thriving economy that provides opportunities for all residents to live, work, learn, and grow.



TOTAL REWARDS JOURNEY STUDY FINAL REPORT

Presented by

T. Dwight Hanna, Director of Human Resource Services Department

GOOD NEWS!

**IT'S NOT
Just
ABOUT
THE MONEY**

&

BAD NEWS!

It's More Difficult
Than Just Spending
Money



Richland County Government
Confidential and Privileged

WHY TOTAL REWARDS?

- Reinforce the mission, vision and values of RCG
- Create appropriate competitive advantage for attracting and retaining qualified employees
- Enhance the employee experience with RCG
- Reduce the financial investments necessary
- Offer and communicate rewards which meet the needs of a diverse work force
- Position RCG as an Employer of Choice



WHAT DO TODAY'S EMPLOYEES WANT?

- Competitive wages
- Career development opportunities
- User friendly technology
- Relationship with supervisor
- Reputation of organization
- Civility
- Active listening
- Procedural justice
- Workplace flexibility
- Mental Health
- Work assignments
- Job security
- Accountability
- Health Insurance
- Wellness
- Safety
- Recognition
- Choice



TOTAL REWARDS MAJOR COMPONENTS

- Custom Employer Survey - Peer Group
 - Specific comp, benefit, retirement, work-life questions
- Employee Engagement Survey
 - Conduct Employee Climate Survey and Use Demographic Data
 - Conjoint Analysis
 - Total Rewards Strategy Session
- Classification and Compensation Data Analysis
 - Labor market—lose to/draw from
 - Specific public and private entities
 - Scope and demographics
- Total Rewards Programs and Practices Analysis



TOTAL REWARDS EXECUTIVE SUMMARY

- Achieve and Maintain Desired Positioning vs. Market
 - Internal vs. external pay competitiveness
 - Compensation competitiveness against peers
 - Employee and retiree benefits competitiveness with peers
- Address wage Compression
- Engagement Process with All Departments
 - HRSD began the process with a TRS Committee to gain employee feedback
 - HRSD moved into the department consultation phases with over 100 meetings between HRSD and Department Heads or their designees
 - HRSD will be partnering these groups for the multi-year implementation phases of the project



WHAT IS THE CUSTOM EMPLOYER SURVEY?

- This custom survey of total rewards programs and practices was sponsored by Richland County, South Carolina and conducted by Buck (formerly Conduent HR Consulting) between June and August 2018.
- The primary objective of the survey was to gather benchmark information from selected organizations about compensation, benefit, and human resource programs and policies to determine competitive market practices for hiring, retaining, and rewarding employees.
- This information will enable the County to assess and improve its programs and policies.
- Finding the right mix and delivery of total rewards is essential to creating an organization in which employees can build a successful career and individuals want to join.



WHAT IS THE EMPLOYEE ENGAGEMENT SURVEY?

- Approximately 50% of RC employees responded to the survey, which was **higher than expected and more than previous RC engagement surveys.**
- **The survey was split into six major sections:**
 - About You (Demographics)
 - Your Experience
 - Your Benefits and Compensation
 - Your Career
 - Your Work Environment
 - Anything Else? (Miscellaneous)

Survey Reveals Gaps in Employer of Choice Status

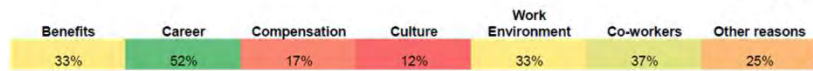


Sample Question 1

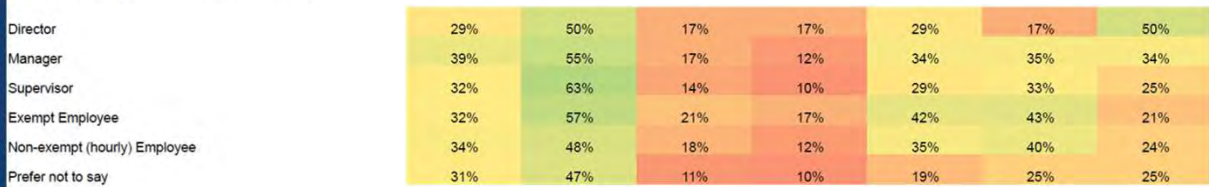
Q9: Why do you still work at Richland County? What motivates you to come to work each day?(Check all that apply)

Overall Results

N=1218



Results by Employee Group

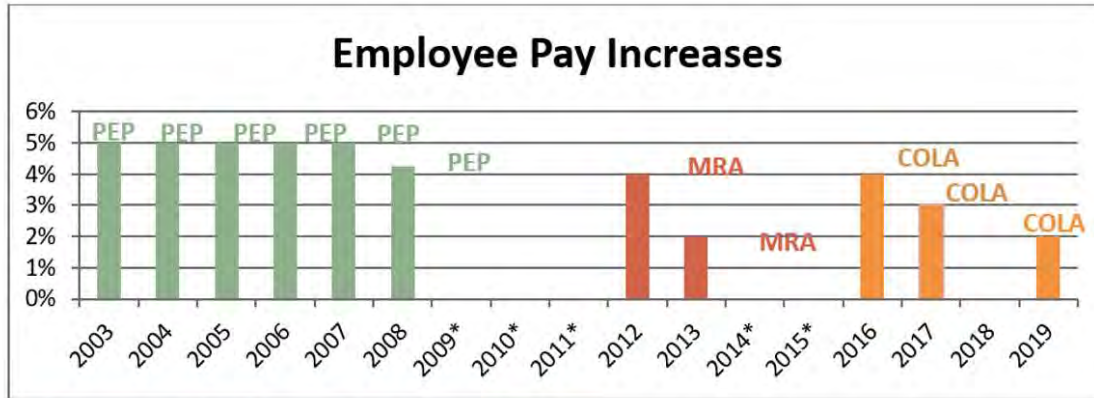


EMPLOYEE ENGAGEMENT SURVEY EXECUTIVE SUMMARY

- One of the final questions asked, “Suppose you were in charge for a day and could make one change to make Richland County an even greater place to work. What would you do?” Thematically, the most frequent responses were:
 - More opportunities for career advancement
 - Additional paid and unpaid time off
 - Flexible work arrangements
 - Compensation aligned with the market



PAY INCREASE HISTORY



*Employees did not receive pay increase this year



WHAT ARE PERCENTILE WAGES

What are Percentile Wages?

The percentile wage estimate is the value of a wage below which a certain percent of workers fall.

The following table provides an example of an occupation's percentile wages:

Percentile	10%	25%	50% Median	75%	90%
Annual Wage	\$22,880	\$31,200	\$41,600	\$49,920	\$60,320

The annual wage estimates in this example indicate that:

- 10% of employees earn less than \$22,880 per year; therefore the remaining 90% earn more than \$22,880 per year.
- 25% earn less than \$31,200; 75% earn more than \$31,200.
- 50% earn less than \$41,600; 50% earn more than \$41,600 (The 50th percentile is called the Median).
- 75% earn less than \$49,920; 25% earn more than \$49,920.
- 90% earn less than \$60,320; 10% earn more than \$60,320.



www.bls.gov

CLASSIFICATION AND COMPENSATION ANALYSIS

Benchmark Analysis

- Buck conducted a competitive benchmarking analysis comparing the County's pay practices for a representative sampling of jobs ("the benchmark jobs") against defined labor markets.
- Buck worked with Richland County to determine the primary labor markets against which the County competes for talent. In addition, Buck and Richland County worked to identify secondary labor markets that the County should be aware of, against which they may compete for talent.



CLASSIFICATION AND COMPENSATION ANALYSIS

Salary Structure

- Based on the market values for the benchmark positions, a competitive salary structure was developed and positions slotted based on their market value and in consideration of internal alignment. The end result is a salary grade and range assignment for each position at the County.
- Richland County's compensation structure consists of:
 - 18 grades
 - Midpoint progression (percent increase from grade midpoint to midpoint) that is 10% at the bottom of the structure, 12% in the middle grades, and 15% at the higher grades.
 - Range spread of 60% (percent difference from minimum to maximum) at the bottom half of the structure, moving to 80% at the higher grades, maintaining a strong link to market data, while allowing for internal equity at Richland County.



Proposed Pay Structure Ranges

Grade	Salary Range					Midpoint Progression	Range Spread
	Min	1st Quartile	Midpoint	3rd Quartile	Max		
18	\$119.5	\$143.4	\$167.3	\$191.2	\$215.1	1.15	80%
17	\$103.9	\$124.7	\$145.5	\$166.3	\$187.1	1.15	80%
16	\$90.4	\$108.4	\$126.5	\$144.6	\$162.7	1.15	80%
15	\$78.6	\$94.3	\$110.0	\$125.7	\$141.4	1.12	80%
14	\$70.2	\$84.2	\$98.2	\$112.3	\$126.3	1.12	80%
13	\$62.6	\$75.2	\$87.7	\$100.2	\$112.8	1.12	80%
12	\$55.9	\$67.1	\$78.3	\$89.5	\$100.7	1.12	80%
11	\$49.9	\$59.9	\$69.9	\$79.9	\$89.9	1.12	80%
10	\$44.6	\$53.5	\$62.4	\$71.3	\$80.3	1.12	80%
9	\$42.9	\$49.3	\$55.7	\$62.2	\$68.6	1.1	60%
8	\$39.0	\$44.8	\$50.7	\$56.5	\$62.4	1.1	60%
7	\$35.4	\$40.7	\$46.1	\$51.4	\$56.7	1.1	60%
6	\$32.2	\$37.0	\$41.9	\$46.7	\$51.5	1.1	60%
5	\$29.3	\$33.7	\$38.1	\$42.5	\$46.9	1.1	60%
4	\$26.6	\$30.6	\$34.6	\$38.6	\$42.6	1.1	60%
3	\$24.2	\$27.8	\$31.5	\$35.1	\$38.7	1.1	60%
2	\$22.0	\$25.3	\$28.6	\$31.9	\$35.2	1.1	60%
1	\$20.0	\$23.0	\$26.0	\$29.0	\$32.0	--	60%



DEPARTMENTAL SUMMARY RESULTS

Market Analysis: Findings

- Base salaries for sixteen (16) departments are at or below the 25th percentile of the market, in aggregate.
 - Base salaries for eleven (11) departments are competitive with the 50th percentile, in aggregate.
 - Two (2) departments, Administration and Coroner, are competitive with the 75th percentile of the market.

Department	# Inc	Base Variance		
		25th	50th	75th
Administration	2	36.6%	21.4%	5.3%
Animal Services	8	-8.3%	-17.1%	-25.7%
Auditor	5	-1.1%	-11.6%	-21.3%
CASA	2	-5.7%	-16.4%	-27.3%
Clerk of Court	23	4.5%	-5.3%	-18.0%
Community and Government Service	1	4.5%	-10.4%	-17.6%
Community Planning and Development	33	11.5%	-2.0%	-12.8%
Coroner	2	38.3%	27.1%	6.7%
Detention Center	157	-12.5%	-18.0%	-23.3%
Economic Development	2	27.3%	5.5%	-7.8%
Emergency Medical Services	126	12.4%	-0.3%	-10.4%
Finance	19	0.2%	-10.7%	-20.8%
Human Resources	7	-6.4%	-16.7%	-25.9%
Information Technology	15	8.3%	-2.7%	-13.4%
Legal	6	7.5%	-3.7%	-16.1%

Department	# Inc	Base Variance		
		25th	50th	75th
Magistrates/Court Administration	54	-5.4%	-16.1%	-26.9%
Master In Equity	2	18.5%	5.9%	-6.0%
Ombudsman	6	-2.2%	-12.5%	-22.0%
Operational Services	43	-8.2%	-19.6%	-30.1%
Probate Court	7	6.2%	-6.9%	-17.5%
Public Defender	47	-13.9%	-23.8%	-33.4%
Public Information	3	-0.4%	-10.5%	-22.0%
Public Works	42	-18.5%	-24.6%	-31.2%
Risk Management	5	-0.3%	-12.6%	-22.8%
Sheriff	222	-7.1%	-13.6%	-21.0%
Solicitor	18	-3.6%	-10.3%	-16.9%
Transportation Penny	2	14.4%	2.1%	-9.7%
Treasurer	5	2.6%	-11.1%	-22.7%
Utilities	8	2.0%	-10.9%	-23.6%
Total	872	-4.0%	-12.8%	-21.4%



STAFF REQUESTS OF COUNTY COUNCIL

- Accept TRS
- Endorse Employer of Choice Strategy
- Endorse Total Rewards Focus
- Authorize County Administrator and Director of Human Resources Authority to Analyze and Follow Up with Employees and Departments on Findings in Employee Engagement Responses
- Authorize Director of Human Resources Authority to work with Consultant to Finalize Multi-Year Implementation Plan with Cost Projections



NEXT STEPS – MARKET COMPETITIVE COMPENSATION

- Current Implementation Steps:
 - January 2019- Implement **2% pay** increase county-wide – **\$1.8 million** + contributions
 - Bring employees **to minimum** of new pay grades -**\$1.4 million** + contributions
 - Finalize plan details to move employees **within structure based on years** of experience – **\$10 million** + contributions



NEXT STEPS

- Present their Employee Engagement Survey Responses to Department Heads
- Follow up on Employee Engagement Survey Responses with Employees
- Develop Training and Guidelines for Departments to Follow up on Employee Engagement Survey
- Present Final Report to Department Heads on TRS
- Present Final Report to Employees on TRS
- Develop an Action Plan for Follow Up and Implementation



DRAFT STRATEGIC PLAN

FY 2019	FY 2020	FY 2021
Update JDs, Org Charts and Job Titles	Design Career Paths	
Determine Funding and Implementation Rules	Decide on Cultural Changes for Employer of Choice	
2% Cola Increase		
Evaluate and Develop Policy Changes	Present Policy Design Changes to Council	Finalize Policy Change Implementation
Design Succession Development Management Program	Implement Succession Development Management Program	Sustain Succession Development Program
Request \$1.4 Million to Bring Employees to Minimum	Request \$9.5 Million to Move Employees Within Structure – multi-year plan	Continue to Implement
Finalize Implementation Details for Market Rate Increases in TRS		



Richland County, South Carolina

Total Rewards Study
Summary Report of Findings
December 21, 2018

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Background

- Richland County engaged Buck Global, LLC to conduct a Total Rewards Assessment to ensure that the County can effectively recruit and retain a high performing workforce within the labor markets that it competes for talent.
 - Buck is one of the world’s leading HR and benefits consulting, administration, and technology companies.
- Buck conducted research and analysis within the following project elements to support the assessment and design of Richland County’s delivery of Total Rewards to include Compensation, Benefits, Work-Life Effectiveness, Recognition, and Talent Development¹:
 - Career Architecture Development
 - Market Analysis
 - Salary Structure Development
 - Custom Total Rewards Programs and Practices Survey
 - Employee Opinion Survey
 - Talent Development Review
 - Benefits Review
 - Communications Strategy Support
- Buck has developed final reports of findings for each project element described above, which have been delivered to Richland County under separate cover.
 - A catalog of titles and delivery dates for these final reports of findings is included in this report as Appendix A.
- The following summary report presents Buck’s overall findings and recommendations across Richland County’s Total Rewards program.

¹ Richland County did not engage Buck to conduct a performance management assessment

Background

Project Elements	Goals and Objectives
Career Architecture	<ul style="list-style-type: none"> • Career Architecture to ensure consistent leveling of jobs across the organization while accommodating differences in competitive job markets and prevalent pay levels.
Market Analysis	<ul style="list-style-type: none"> • Compensation Market Analysis to understand Richland County’s pay practices against the markets within which they compete for talent.
Salary Structure Development	<ul style="list-style-type: none"> • Salary Structure Development, which is both competitive with the external market and supports internal equity to manage jobs at Richland County.
Custom Total Rewards Programs and Practices Survey	<ul style="list-style-type: none"> • Custom Market Study to assess the competitiveness of the total rewards (pay, benefits, and related practices) provided to County employees based on a survey of up to 30 peer organizations.
Employee Opinion Survey	<ul style="list-style-type: none"> • “Voice of the Employee” survey to assist the County in measuring and understanding employee engagement, attitude, motivation and satisfaction with County programs and culture and support the Buck team in developing recommendations tailored to the County’s workforce.
Talent Development Review	<ul style="list-style-type: none"> • Talent Development Review to assess, compare and determine whether the County’s programs align with best practice as well as reflect employee preference (as measured in the Employee Opinion Survey).
Benefits Review	<ul style="list-style-type: none"> • Benefits Review to assess, compare, and determine whether the County’s programs are market competitive, better than market, or worse than market.
Communications Strategy Support	<ul style="list-style-type: none"> • Communications Support to develop a comprehensive communication strategy that recommends the most effective channels for socializing the total rewards study changes with all audiences/stakeholders. • “Train-the-trainer” session for County presenters to help them understand the changes, ask questions and know what they can do to support a culture of accountability.

Executive Summary

Executive Summary

- Buck recommends that Richland County adopt a total rewards philosophy and strategy. Doing so will provide the County with guiding principles and standards that can be used to assess alternatives and make justifiable adjustments and improvements to its total rewards program and practices.
- Compensation levels at Richland County are, in aggregate, at the 25th percentile of the markets against which the County competes for talent, while Richland County seeks to target the 50th percentile of the market.
 - Richland County’s market position is due, in part, to the fact that the County has not provided consistent, ongoing pay increases, when peer organizations have awarded a median total pay increase of between 2.0% and 2.3% annually since 2016.
- To ensure that the County can continue to engage and retain high quality employees, Buck and Richland County partnered to develop a salary structure that targets the 50th percentile of the market.
 - The estimated cost to bring all salaries at Richland County to the minimum of the salary range is \$1,810,000, which decreases to \$1,407,600 after the planned 2.0% county-wide salary increase in January 2019.
- Richland County sought a career oriented compensation program as an important talent management tool that would support Career paths within job families, internal equity across the organization, and hierarchy definitions.
 - Based on input from stakeholders across the County, Buck and Richland County partnered to develop a Career Architecture, defining Career Groups and Career Levels, which will support career development for employees at the County.

Executive Summary

- Overall, Richland County's benefit programs and policies compare favorably against the market. The County's comprehensive benefit program, generous retiree health care benefits and a variety of work schedule options are particularly strong and are valued by employees.
 - The main benefit area in which the County lags the market is the 90-day benefit eligibility waiting period.
- Talent development and recognition programs at Richland County compare favorably to market practices.
 - The majority of Richland County employees feel that they are provided the necessary training to do their jobs efficiently.
 - Richland County may consider implementing formal processes in the areas of Workforce Planning and Recruiting and Onboarding.
- When receiving communications about pay and benefits, employees prefer their Richland County email over other modes of communication.

Career Architecture

Career Architecture: Findings

- As part of the Total Rewards Study, Buck and Richland County collaborated to build a Career Architecture, which is an internal job evaluation methodology designed to support career advancement opportunities within Richland County.
- Clear career paths are not consistently defined at Richland County, and key stakeholders including County Human Resources, Department Heads, and employees have expressed the desire to have a career-oriented compensation program that will support career development.
- A career-oriented compensation program will:
 - Help Richland County integrate decisions on pay, performance, and advancement.
 - Support compensation at the County as a talent management tool and not simply a technically correct way to deliver pay.
 - Help facilitate both lateral and vertical moves within and across departments.
 - Enhance employee understanding of the roadmap to pursue current and potential opportunities.
- Career groupings and level definitions are driven by metrics including scope and responsibility, education requirements, years of experience, and supervisory responsibility.
 - Richland County and Buck worked together to define the groupings and level definitions within the Career Architecture
- Detailed information on the Career Architecture may be reviewed in the **Richland County Career Architecture Level Guide**, which was finalized in November 2018.

Career Architecture: Findings

Richland County's Career Architecture consists of five Career Groups within which Career Levels are defined and all jobs are assigned.

- **Management: Managers of People**
 - Achieves objectives primarily through the coordinated achievements of direct reports
 - Requires formal supervisory responsibility, manages units of varying size and complexity
- **Knowledge Workers: Professional Level Individual Contributors**
 - Typically without formal supervisory responsibility
 - Have mastered the essential, core knowledge
- **Administrative Support: Administrative Process and Organization Support**
 - Skills are acquired through vocational education and/or apprenticeships, certifications, and specialized or on-the-job training
 - No formal supervisory responsibility
- **Technical and Trades: Skilled Trades, Technical and Operational Support**
 - Skills are acquired through vocational education and/or apprenticeships, certifications, and specialized or on-the-job training
 - No formal supervisory responsibility
- **Public Safety: Law Enforcement, Emergency Services**
 - Enforces and/or complies with federal and state laws and County ordinances relating to public safety and welfare.
 - Skills are acquired through vocational education and/or apprenticeships, certifications, and specialized or on-the-job training
 - No formal supervisory responsibility

Career Architecture: Recommendations

Buck recommends that:

- Richland County implement the Career Architecture as the foundation for a career-oriented compensation program at the County.
- Richland County maintain the Career Architecture by adhering to the process of placing jobs within the Architecture as described in the ***RC Job Leveling and Slotting Process*** document, which Buck delivered to Richland County in December 2018.
- Richland County use the Career Architecture to work with Department Heads in the development of succession planning.
- Richland County further leverage the Career Architecture in support of performance management to assist employees in understanding key advancement requirements for Career Groups and Career Levels across the County.

Market Analysis

Market Analysis: Findings

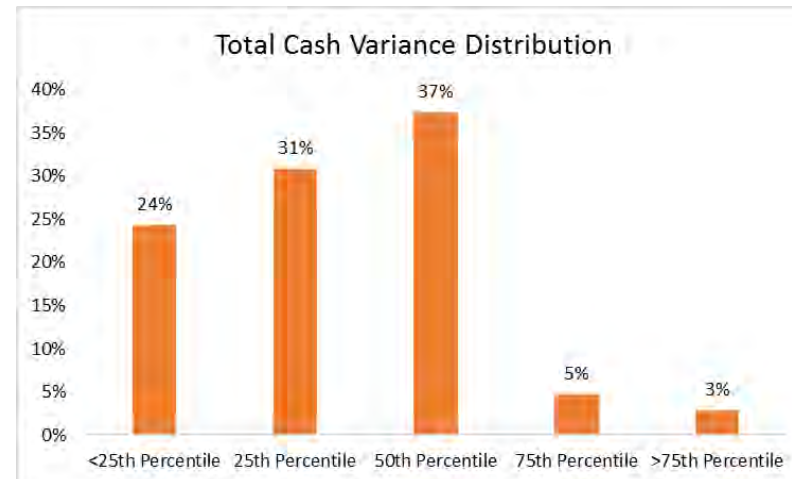
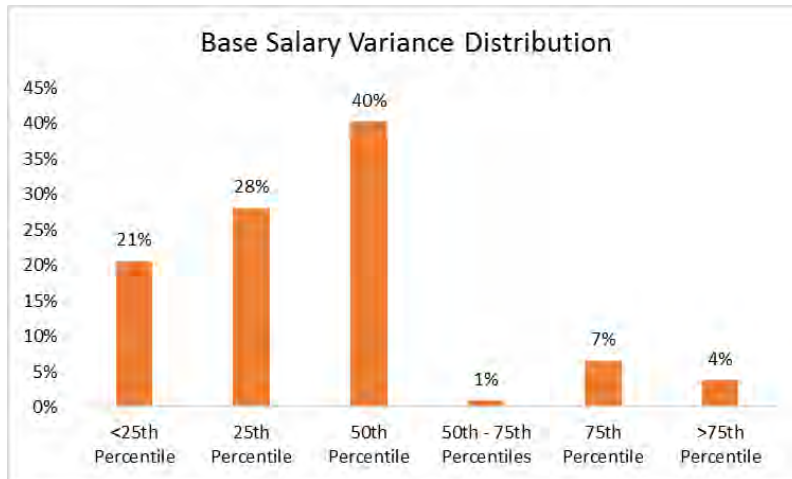
- As part of the Total Rewards Study, Buck and Richland County collaborated on a competitive market analysis of the County’s pay practices for a representative sampling of jobs (“the benchmark jobs”) compared to the labor markets within which they compete for talent.
- In aggregate, compensation levels at Richland County are at the 25th percentile of the market for base salary (-4.0% below).
 - Base salaries for exempt jobs are, in aggregate, at the 25th percentile of the market (0.9% above).
 - Base salaries for non-exempt jobs are, overall, at the 25th percentile of the market (-5.3% below).
- Total cash, overall, is at the low end of the 50th percentile of the market (-13.3% below).
 - Total cash for exempt jobs is, in aggregate, at the low end of the 50th percentile of the market (-13.5% below).
 - Total cash for non-exempt jobs is, overall, at the low end of the 50th percentile of the market (-13.2% below).

Employee Group	# BM	# Inc	Base Variance			Total Cash Variance		
			25th	50th	75th	25th	50th	75th
Exempt	60	111	0.9%	-10.9%	-22.1%	-1.0%	-13.5%	-25.6%
Non-Exempt	47	761	-5.3%	-13.3%	-21.2%	-5.1%	-13.2%	-21.1%
Total	107	872	-4.0%	-12.8%	-21.4%	-4.2%	-13.3%	-22.2%

- Detailed results may be reviewed in the **Richland County – Compensation Market Analysis Report**, which Buck delivered to Richland County in October 2018.

Market Analysis: Findings

- While, in aggregate, base salaries are at the 25th percentile and total cash is at the low end of the market 50th percentile, market position across the benchmark jobs varies.
- Base salaries for 49% of benchmark jobs are at or below the 25th percentile of the market.
 - 40% of jobs are at the 50th percentile of the market
 - 12% of jobs exceed the 50th percentile.
- Total cash for 55% of benchmark jobs is at or below the 25th percentile of the market.
 - 37% of jobs are at the 50th percentile of the market
 - 8% of jobs are at or above the 75th percentile of the market.



Market Analysis: Findings

- Base salaries for sixteen (16) departments are at or below the 25th percentile of the market, in aggregate.
 - Base salaries for eleven (11) departments are competitive with the 50th percentile, in aggregate.
 - Two (2) departments, Administration and Coroner, are competitive with the 75th percentile of the market.

Department	# Inc	Base Variance		
		25th	50th	75th
Administration	2	36.6%	21.4%	5.3%
Animal Services	8	-8.3%	-17.1%	-25.7%
Auditor	5	-1.1%	-11.6%	-21.3%
CASA	2	-5.7%	-16.4%	-27.3%
Clerk of Court	23	4.5%	-5.3%	-18.0%
Community and Government Service	1	4.5%	-10.4%	-17.6%
Community Planning and Development	33	11.5%	-2.0%	-12.8%
Coroner	2	38.3%	27.1%	6.7%
Detention Center	157	-12.5%	-18.0%	-23.3%
Economic Development	2	27.3%	5.5%	-7.8%
Emergency Medical Services	126	12.4%	-0.3%	-10.4%
Finance	19	0.2%	-10.7%	-20.8%
Human Resources	7	-6.4%	-16.7%	-25.9%
Information Technology	15	8.3%	-2.7%	-13.4%
Legal	6	7.5%	-3.7%	-16.1%

Department	# Inc	Base Variance		
		25th	50th	75th
Magistrates/Court Administration	54	-5.4%	-16.1%	-26.9%
Master In Equity	2	18.5%	5.9%	-6.0%
Ombudsman	6	-2.2%	-12.5%	-22.0%
Operational Services	43	-8.2%	-19.6%	-30.1%
Probate Court	7	6.2%	-6.9%	-17.5%
Public Defender	47	-13.9%	-23.8%	-33.4%
Public Information	3	-0.4%	-10.5%	-22.0%
Public Works	42	-18.5%	-24.6%	-31.2%
Risk Management	5	-0.3%	-12.6%	-22.8%
Sheriff	222	-7.1%	-13.6%	-21.0%
Solicitor	18	-3.6%	-10.3%	-16.9%
Transportation Penny	2	14.4%	2.1%	-9.7%
Treasurer	5	2.6%	-11.1%	-22.7%
Utilities	8	2.0%	-10.9%	-23.6%
Total	872	-4.0%	-12.8%	-21.4%

Market Analysis: Findings

- Total cash for eighteen (18) departments is at 50th percentile of the market, in aggregate.
 - Total cash for nine (9) departments is competitive with the 25th percentile, in aggregate.
 - Two (2) departments, Administration and Coroner, are competitive with the 75th percentile of the market.

Department	# Inc	Total Cash Variance		
		25th	50th	75th
Administration	2	32.1%	16.9%	0.5%
Animal Services	8	-8.0%	-17.1%	-25.7%
Auditor	5	-1.5%	-12.4%	-22.8%
CASA	2	-6.2%	-17.2%	-28.2%
Clerk of Court	23	4.9%	-5.8%	-18.1%
Community and Government Service	1	4.2%	-10.8%	-17.9%
Community Planning and Development	33	10.7%	-3.1%	-14.5%
Coroner	2	41.4%	29.8%	9.0%
Detention Center	157	-12.1%	-17.8%	-23.2%
Economic Development	2	24.9%	2.4%	-11.4%
Emergency Medical Services	126	12.9%	0.1%	-10.1%
Finance	19	-2.4%	-13.4%	-23.6%
Human Resources	7	-9.2%	-19.6%	-29.7%
Information Technology	15	7.6%	-3.7%	-14.5%
Legal	6	3.2%	-8.9%	-21.9%

Department	# Inc	Total Cash Variance		
		25th	50th	75th
Magistrates/Court Administration	54	-5.5%	-16.2%	-26.8%
Master In Equity	2	18.1%	5.5%	-6.1%
Ombudsman	6	-3.2%	-13.7%	-23.1%
Operational Services	43	-8.3%	-19.7%	-30.2%
Probate Court	7	7.6%	-5.8%	-16.6%
Public Defender	47	-14.5%	-25.6%	-36.7%
Public Information	3	-2.6%	-12.5%	-23.9%
Public Works	42	-19.3%	-25.5%	-32.2%
Risk Management	5	-4.6%	-16.5%	-27.1%
Sheriff	222	-7.0%	-13.7%	-21.1%
Solicitor	18	-3.3%	-10.1%	-16.7%
Transportation Penny	2	9.3%	-3.2%	-14.4%
Treasurer	5	2.0%	-12.1%	-24.5%
Utilities	8	1.2%	-11.6%	-24.7%
Total	872	-4.2%	-13.3%	-22.2%

Market Analysis: Recommendations

Buck recommends that:

- Richland County budget for annual salary increases that are consistent with market salary increase rates.
- Richland County conduct periodic updates (every 1 – 2 years) of the market analysis to test the movement of the market in years to come.
- Richland County define a title nomenclature that is applied consistently across the county (e.g. “Coordinator of <Job>” vs. “<Job> Coordinator” and “Senior <Job>” vs. “<Job> III”).
 - Ensure that titles capture the level of work conducted and are consistent with the levels of work defined in Richland County’s Career Architecture
- Define job families, the grouping of jobs with similar characteristics, to support career development within the County.
- Manage Exempt and Non-exempt jobs within separate titles (e.g. Accountant vs. Accounting Specialist)
- Consider implementing an online job description development tool to support consistency in job description content and format between descriptions across the County and housed in a centralized location.
- Ensure that employees assigned to a job are conducting the work of the job as defined in the job description.
 - Conduct a specific review of “catch all” titles like “Coordinator” to define the role and ensure that employees assigned to these roles are conducting similar work.
 - Conduct a specific review of the Administrative Support function to include the development of an Administrative Support job family, title consolidation, job description development and an audit of employees assigned to jobs in this family.

Market Analysis: Recommendations

Buck recommends that:

- Richland County consider implementing an online job description development tool to support consistency in job description content and format between descriptions across the County and housed in a centralized location.
- Richland County ensure that employees assigned to a job are conducting the work of the job as defined in the job description.
 - Conduct a specific review of “catch all” titles like “Coordinator” to define the role and ensure that employees assigned to these roles are conducting similar work.
 - Conduct a specific review of the Administrative Support function to include the development of an Administrative Support job family, title consolidation, job description development and an audit of employees assigned to jobs in this family.
- Richland County review the rationale for the difference in the standard workweeks (37.5 vs. 40 hrs) between jobs at the County.
 - Standardization should be considered if there is a compelling business reason to do so.

Salary Structure

Salary Structure: Findings

- As a part of the larger Total Rewards Study, Richland County engaged Buck to develop a market-linked salary structure within which Richland County can efficiently administer pay while ensuring ongoing competitiveness with the external market.
- Multiple salary structures currently exist at Richland County, and the management of salaries within those structures is inconsistent across the County.
 - Key stakeholders including County Human Resources, Department Heads, and employees have expressed the desire to update the compensation program to ensure that it is competitive with the markets against which the County competes for talent.
- Buck developed a salary structure which is competitive with the 50th percentile of the market based on the results of the Market Analysis described above.
 - Richland County Human Resources and Department Heads worked together to finalize the placement of all Richland County jobs in the structure.
- Once the Human Resources Department reviewed and approved the final placement of all jobs within the structure, Buck conducted multiple costing scenarios to estimate the budget required to implement the structure, which can be found on the coming pages.
- Additional details regarding the placement of Richland County jobs within the structure may be found in the ***RC Structure Report***, which Buck delivered to Richland County in December 2018.
- More information on the process of placing jobs within the compensation structure may be found in the ***RC Job Leveling and Slotting Process*** document, which Buck delivered to Richland County in December 2018.

Salary Structure: Findings

- Richland County’s new compensation structure consists of:
 - 18 grades
 - Midpoint progression that is 1.1 at the bottom of the structure, 1.12 in the middle grades, and 1.15 at the higher grades.
 - Range spread of 60% at the bottom half of the structure, moving to 80% at the higher grades, maintaining a strong link to market data, while allowing for internal equity at Richland County.

Grade	# Jobs	# Inc	Avg Base	Avg Mkt Median	Salary Range					Midpoint Progression	Range Spread
					Min	1st Quartile	Midpoint	3rd Quartile	Max		
18	1	0	--	--	\$119.5	\$143.4	\$167.3	\$191.2	\$215.1	1.15	80%
17	5	4	\$132.9	\$142.9	\$103.9	\$124.7	\$145.5	\$166.3	\$187.1	1.15	80%
16	3	3	\$126.2	\$118.8	\$90.4	\$108.4	\$126.5	\$144.6	\$162.7	1.15	80%
15	15	13	\$109.3	\$108.6	\$78.6	\$94.3	\$110.0	\$125.7	\$141.4	1.12	80%
14	27	21	\$87.3	\$101.3	\$70.2	\$84.2	\$98.2	\$112.3	\$126.3	1.12	80%
13	31	49	\$79.6	\$89.3	\$62.6	\$75.2	\$87.7	\$100.2	\$112.8	1.12	80%
12	55	118	\$66.7	\$78.0	\$55.9	\$67.1	\$78.3	\$89.5	\$100.7	1.12	80%
11	49	131	\$54.2	\$70.0	\$49.9	\$59.9	\$69.9	\$79.9	\$89.9	1.12	80%
10	81	241	\$47.7	\$61.4	\$44.6	\$53.5	\$62.4	\$71.3	\$80.3	1.12	80%
9	54	211	\$44.6	\$55.6	\$42.9	\$49.3	\$55.7	\$62.2	\$68.6	1.1	60%
8	67	180	\$43.1	\$49.7	\$39.0	\$44.8	\$50.7	\$56.5	\$62.4	1.1	60%
7	74	275	\$37.9	\$45.3	\$35.4	\$40.7	\$46.1	\$51.4	\$56.7	1.1	60%
6	40	436	\$34.0	\$40.6	\$32.2	\$37.0	\$41.9	\$46.7	\$51.5	1.1	60%
5	43	111	\$32.3	\$38.1	\$29.3	\$33.7	\$38.1	\$42.5	\$46.9	1.1	60%
4	43	69	\$29.8	\$34.8	\$26.6	\$30.6	\$34.6	\$38.6	\$42.6	1.1	60%
3	18	118	\$27.8	\$32.8	\$24.2	\$27.8	\$31.5	\$35.1	\$38.7	1.1	60%
2	5	24	\$24.1	\$32.2	\$22.0	\$25.3	\$28.6	\$31.9	\$35.2	1.1	60%
1	16	96	\$21.7	\$27.0	\$20.0	\$23.0	\$26.0	\$29.0	\$32.0		60%
	627	2,100									

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Salary Structure: Findings

- Buck conducted multiple cost analyses to estimate the budgetary requirements related to the new compensation structure. These scenarios included:
 - Estimated cost based on current compensation for employees at Richland County:
 - The estimated cost to move all employees to the minimum of the salary range.
 - The estimated cost to move all employees to the 1st quartile of the salary range.
 - The estimated cost to move all employees to the midpoint of the salary range.
 - Estimated cost based on a County-wide pay raise of 2.0% which is planned for January 2019:
 - The estimated cost to move all employees to the minimum of the salary range.
 - The estimated cost to move all employees to the 1st quartile of the salary range.
 - The estimated cost to move all employees to the midpoint of the salary range.
 - The estimated cost to move all employees to a position in the salary range consistent with their years of employment with the County.
- The following slides present the results of these cost estimate analyses.

Salary Structure: Findings

- The estimated cost to move all employees to the minimum of the salary range based on current compensation levels at the County is \$1,810,000.
- The estimated cost to move all employees to the 1st quartile of the salary range increases to \$8,924,000.
- The estimated cost to move all employees to the midpoint of the salary range is \$19,866,000.
- 676 employees are paid below the minimum of the salary range and 13 employees are paid above the range maximum.

Cost Analysis: Current Compensation						
Grade	\$ Cost to Min	\$ Cost to 1st Qt	\$ Cost to Midpoint	\$ Over Max	#Inc Under Range Min	#Inc Over Range Max
18	\$0.0	\$0.0	\$0.0	\$0.0	0	0
17	\$0.0	\$8.3	\$52.1	\$0.0	0	0
16	\$0.0	\$0.0	\$13.7	\$0.0	0	0
15	\$0.0	\$22.4	\$77.5	\$0.0	0	0
14	\$0.0	\$39.7	\$231.3	\$0.0	0	0
13	\$6.0	\$104.2	\$466.3	\$0.0	2	0
12	\$139.9	\$516.2	\$1,481.1	\$11.7	13	1
11	\$237.0	\$970.3	\$2,103.7	\$0.0	44	0
10	\$376.5	\$1,716.9	\$3,575.9	\$0.0	122	0
9	\$408.6	\$1,245.1	\$2,419.8	\$21.4	88	1
8	\$60.4	\$608.6	\$1,453.0	\$2.4	31	1
7	\$142.0	\$1,063.9	\$2,312.1	\$0.0	115	0
6	\$253.7	\$1,605.3	\$3,466.1	\$0.0	136	0
5	\$80.3	\$343.9	\$713.3	\$7.9	43	3
4	\$30.2	\$164.6	\$370.9	\$1.0	19	1
3	\$58.7	\$270.8	\$562.6	\$23.2	30	4
2	\$4.8	\$54.1	\$121.7	\$3.8	3	1
1	\$12.1	\$189.7	\$445.2	\$4.0	30	1
	\$1,810.2	\$8,924.0	\$19,866.3	\$75.4	676	13

Salary Structure: Findings

- The County plans to provide a 2.0% county-wide salary increase in January 2019, which has a modeled cost of \$1,771,200.
- A 2.0% county-wide salary increase lowers the estimated cost to range minimum to \$1,407,600.
- The estimated cost to move all employees to the 1st quartile of the salary range after a 2.0% pay increase is \$7,806,300.
- The estimated cost to move all employees to the midpoint of the salary range is \$18,366,500.
- 467 employees are paid below the minimum of the salary range and 16 employees are paid above the range maximum.

Cost Analysis: County-Wide 2.0% Increase

Grade	\$ Cost to Min	\$ Cost to 1st Qt	\$ Cost to Midpoint	\$ Over Max	#Inc Under Range Min	#Inc Over Range Max
18	\$0.0	\$0.0	\$0.0	\$0.0	0	0
17	\$0.0	\$6.0	\$44.4	\$0.0	0	0
16	\$0.0	\$0.0	\$8.9	\$0.0	0	0
15	\$0.0	\$17.2	\$68.4	\$0.0	0	0
14	\$0.0	\$26.3	\$201.4	\$0.0	0	0
13	\$4.7	\$78.2	\$413.6	\$0.0	1	0
12	\$130.3	\$441.6	\$1,359.4	\$13.9	9	1
11	\$199.0	\$877.5	\$1,977.8	\$0.0	40	0
10	\$281.8	\$1,565.7	\$3,358.6	\$0.0	106	0
9	\$352.1	\$1,108.5	\$2,250.1	\$23.2	58	1
8	\$39.5	\$510.2	\$1,321.2	\$4.0	9	2
7	\$88.4	\$919.9	\$2,127.1	\$0.3	26	1
6	\$175.7	\$1,373.0	\$3,197.1	\$0.0	127	0
5	\$59.5	\$301.6	\$660.0	\$10.8	37	3
4	\$23.3	\$140.3	\$339.4	\$1.9	12	1
3	\$46.1	\$237.5	\$518.5	\$26.9	26	5
2	\$3.5	\$46.1	\$111.6	\$4.6	3	1
1	\$3.7	\$156.7	\$408.9	\$4.7	13	1
	\$1,407.6	\$7,806.3	\$18,366.5	\$90.4	467	16

Salary Structure: Findings

- At Richland County's request, Buck modeled the impact of bringing employees to different positions in the salary range based on their most recent hire date.
- The following methodology was applied:
 - Employees with fewer than 5 years with the County were brought to the minimum of the salary range.
 - Employees with at least 5 years and fewer than 10 years with the County were brought to the 1st quartile of the salary range.
 - Employees with at least 10 years and fewer than 15 years with the County were brought to the midpoint of the salary range.
 - Employees with at least 15 years with the County were brought to the 3rd quartile of the salary range.
- The estimated cost to move all employees to the appropriate position within the salary range based on their most recent hire date and after the planned 2.0% pay increase is \$9,523,600.
- 467 employees are paid below the minimum of the salary range and 16 employees are paid above the range maximum.

Salary Structure: Findings

Cost Analysis: Position in Range Based on Years at Richland County							
Grade	1-4.99 Years	5 - 9.99 Years	10 - 14.99 Years	Over 15 Years	Total	#Inc Under Range Min	#Inc Over Range Max
18	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0	0
17	\$0.0	\$0.0	\$0.0	\$123.0	\$123.0	0	0
16	\$0.0	\$0.0	\$0.0	\$2.5	\$2.5	0	0
15	\$0.0	\$0.0	\$28.3	\$68.5	\$96.8	0	0
14	\$0.0	\$1.6	\$9.4	\$205.3	\$216.2	0	0
13	\$0.0	\$29.8	\$76.1	\$169.7	\$275.7	1	0
12	\$0.0	\$53.2	\$130.5	\$1,291.5	\$1,475.2	9	1
11	\$101.7	\$149.6	\$491.8	\$550.1	\$1,293.2	40	0
10	\$178.8	\$564.6	\$655.3	\$946.9	\$2,345.6	106	0
9	\$212.3	\$330.1	\$255.1	\$353.8	\$1,151.3	58	1
8	\$27.1	\$172.1	\$178.2	\$226.3	\$603.6	9	2
7	\$44.4	\$93.4	\$116.7	\$346.6	\$601.0	26	1
6	\$156.4	\$144.2	\$106.5	\$351.5	\$758.5	127	0
5	\$54.1	\$21.5	\$71.4	\$77.3	\$224.3	37	3
4	\$15.6	\$12.8	\$26.3	\$38.2	\$92.9	12	1
3	\$40.0	\$23.4	\$55.4	\$44.0	\$162.8	26	5
2	\$2.7	\$6.6	\$1.2	\$0.0	\$10.6	3	1
1	\$0.7	\$34.6	\$27.3	\$27.8	\$90.4	13	1
	\$833.7	\$1,637.6	\$2,229.5	\$4,822.8	\$9,523.6	467	16

Salary Structure: Recommendations

Buck recommends that:

- Richland County adopt the market-linked salary structure to ensure that the compensation program is competitive with the markets against which the County competes for talent.
- Richland County consider adjusting employees' salaries (for those who fall below minimum) to at least the new salary range minimums of the proposed salary structure. The estimated cost for this adjustment is \$1,810,000, which decreases to \$1,407,600 after the planned 2.0% county-wide salary increase in January 2019.
- Richland County maintain the Salary Structure by adhering to the process of placing jobs within the structure as described in the ***RC Job Leveling and Slotting Process*** document, which Buck delivered to Richland County in December 2018.
- Richland County update the salary structure annually, so that pay levels at the County move with the market. This process is described in the ***RC Salary Structure Administration 121818*** document, which Buck delivered to Richland County in December 2018.
- Finally, Buck recommends that Richland County update or develop pay policies to support Human Resources' ongoing management of the pay program. Policies to consider include promotion, salaries that exceed range maximum, lateral moves, off-cycle requests, and other forms of salary decisions.

Custom Market Survey

Custom Market Survey: Findings

- As part of the Total Rewards Study, Buck and Richland County collaborated on a Custom Market Survey of Total Rewards Programs and Practices which occurred between June and August 2018.
- The primary objective of the survey was to gather benchmark information from selected organizations about compensation, benefit, and human resource programs and policies to determine competitive market practices for hiring, retaining, and rewarding employees.
- The information gathered will enable the County assess and improve its programs and policies. Finding the right mix and delivery of total rewards is essential to creating an organization in which employees can build a successful career and individuals want to join.
- Detailed results may be reviewed in the **Richland County – Total Rewards Programs and Practices Report**, which Buck delivered to Richland County in October 2018.

Custom Market Survey: Findings

- Overall, Richland County's total reward practices compare favorably to those of the survey participants. The County programs and policies that are particularly strong are:
 - A comprehensive benefit program
 - Generous retiree health care benefits
 - A variety of work schedule options
- The main areas in which the County lags the survey participants are:
 - Consistent pay increases
 - Recent and regular pay range adjustments
 - The 90-day benefit eligibility waiting period
- Before there is any consideration of pay or benefit changes, we recommend the County adopt a total rewards philosophy and strategy. Doing so will provide the County with guiding principles and standards that can be used to assess alternatives and make justifiable adjustments and improvements to its total rewards program and practices.

Custom Market Survey: Findings

Culture

- The foremost *work schedule options* the survey participants offer or plan to offer are: 1) flexible start and end times; 2) compressed work week of fewer days but the same total hours; 3) working from home or remotely.
 - Richland County offers all three options.
- The leading service awards the survey participants offer or plan to offer are special recognition, event/celebration, certificate/plaque, and commemorative item.
 - Richland County offers or plans to offer the same benefits.

Benefits

- In most cases, 13 or 14 of the survey participants provide common *employer-sponsored health and welfare plans and retirement programs*, as does Richland County.
- Half of the survey participants have no waiting period for benefits eligibility while the waiting periods for the other half range from one to four weeks, with an average of two weeks and a median of one week.
 - The Richland County waiting period is 90 days (13 weeks).
- Six of the 14 survey participants offer *health care benefits to part-time employees*, provided they work a minimum of 30 hours per week.
 - Richland County does not offer health care benefits to part-time employees.

Custom Market Survey: Findings

Benefits, cont.

- The median percent of *health care premiums paid by the survey participants* ranges from 70% for family coverage to 86% for individual coverage.
 - Richland County pays 69% for family coverage and 95% for individual coverage.
- Survey participants are split on the *type of health care coverage provided to retirees* while Richland County provides comprehensive retiree health care coverage.
- The most common *time-off practice* used by 13 of the 14 survey participants is vacation days based on years of service.
 - Richland County follows this practice and mirrors the other paid time off and unpaid leave practices of the survey participants.
- The top *voluntary and supplemental insurance benefits* the survey participants offer or plan to offer are life, accidental death and dismemberment, accident health, cancer, and critical illness.
 - Richland County offers these insurance benefits, with the exception of cancer coverage.
- The most common *physical and financial wellbeing benefits* the survey participants offer or plan to offer are tobacco cessation, fitness facility/membership, annual biometric testing, wellness incentive, and a formal wellness program.
 - Richland County offers or plans to offer the same benefits.

Custom Market Survey: Findings

Compensation

- Each year between 2016 and 2018, the survey participants awarded a *median total pay increase* between 2.0-2.3%, which included organizations that gave no increases. When these organizations are excluded, the median jumps to 3.0%.
 - Richland County provided a 3.0% pay increase 2017 and did not award a pay increase for 2016 or 2018.
- During this same period, 12 of the 14 survey participants reported adjusting their pay ranges. The *median percent adjustment* was 3.0%.
 - The last time Richland County adjusted its pay ranges was in 2013.
- Seven of the 14 participants, as well as Richland County, *hire employees at or above the minimum of the pay range* based on a formula or specific criteria such as years of experience. This is the most common practice, followed by six of the participants that *hire employees anywhere between the minimum and maximum* based on experience.
 - Richland County does not follow this practice, although there are less prevalent practices the County and other participants follow, such as *hiring between the midpoint and maximum of the pay range*.
- Most survey participants do not offer *cash awards or bonuses* (signing, referral, spot, retention, annual) at any level (executive, exempt, nonexempt) of the organization.
 - Richland County offers referral and retention bonuses.
- About two-thirds of the survey participants use base pay *market premiums* for highly competitive and hard-to-fill jobs.
 - Richland County also uses this approach as well as offering enhanced selected benefits and flexibility in hours worked.

Custom Market Survey: Findings

Compensation, cont.

- A limited number of survey participants were able to match and provide pay information on only one of eight jobs surveyed, *Deputy Sherriff*. The average annual base salary for this job is \$47,180.
 - The Richland County average is \$38,500.

Career

- The top two ways survey participants recognize and retain top performers is through career development opportunities (93% use or plan to use) and base pay increases tied to performance (88% use or plan to use).
 - Richland County uses career development opportunities and plans to link base pay increases to performance.
- All but one of the survey participants offers or plans to offer employee participation in the performance goal-setting process.
 - Richland County does not provide for employee participation in the performance goal-setting process.

Custom Market Survey: Recommendations

Buck recommends that:

- Richland County deliver consistent pay increases to employees that are competitive with market salary increase budgets.
- Richland County maintain their salary structure by regularly adjusting pay ranges at a rate that is competitive with market structure increase amounts.
- Richland County review the 90-day benefit eligibility waiting period against typical market practice.
- Richland County review part-time employee eligibility for benefits based on market practice, however, based on our survey results, this is a minority practice.

Employee Opinion Survey

Employee Opinion Survey: Findings

- As part of the Total Rewards Study, Buck and Richland County collaborated on an Employee Engagement survey to uncover meaningful data and information about the employee population that can inform decisions about County benefits, compensation, culture, career, work environment and communications.
- The survey was distributed to County employees on May 8, 2018 and responses were accepted through May 18, 2018.
- Approximately 50% of RC employees responded to the survey, which was higher than expected and more than previous RC engagement surveys.
- The following executive summary is intended to provide a summary of findings for each area surveyed; in some cases, findings varied by department, employee group, generation, dependent status, medical insurance status, and salary range.
- Detailed results may be reviewed in the **Richland County – Total Rewards Employee Engagement Survey Findings Report**, which Buck delivered to Richland County in November 2018.

Employee Opinion Survey: Findings

Culture

- Most employees would advise family members or friends to apply for a job at RC (the majority agree or strongly agree).
- Most employees feel neither strongly positive nor strongly negative about the amount of recognition they receive, including from RC leadership.

Benefits

- Benefits are valued more than compensation and culture as a reason to stay at the County, and there is little variation between employees with different types of dependents.
 - The biggest variances of how benefits were valued among employees were between women and men (women valued benefits more than men) and age (Gen Z valued benefits the least of all generations).

Compensation

- Compensation is less of a driving factor in attraction of talent to RC than career opportunities, benefits, and work environment.
 - Compensation is even less of a factor as it relates to retention.
 - Most employees believe compensation levels at RC are not competitive with the market.

Employee Opinion Survey: Findings

Career

- Employees generally feel positive about the effectiveness of their managers' coaching and oversight.
- Most employees also express positive sentiment about the learning and development opportunities available to them, but indicated they would value having even more of these opportunities.

Work Environment

- Most employees feel safe in their work environment and believe it to be diverse.
- Most employees also believe RC has a positive impact on the community.

Communications

- All populations believe the clarity of communications they receive from their supervisor/manager is sufficient (directors lead strongly in this category).
- The frequency of communications employees receive from leadership and HR is perceived to be less adequate than the frequency of communications received from their supervisor/manager (leadership's communications lags HR's for most populations).
- The communications from leadership and HR are perceived to be less relevant than those from supervisors/managers.

Employee Opinion Survey: Recommendations

Buck recommends that:

- Richland County deliver consistent pay increases to employees that are competitive with market salary increase budgets.
- Richland County leadership increase the frequency of their County-wide communications.
- The County prompt directors and supervisors to check in with employees on County-wide communications to ensure a common understanding.
- Richland County provide supervisor training to ensure consistent leadership across the organization.

Benefits

Benefits: Findings

- As part of the Total Rewards Study, Buck conducted a review of County benefits to assess, compare, and determine whether the County's programs are market competitive, better than market, or worse than market, as reflected in available survey data.
 - Survey sources leveraged in this review may be seen as Appendix C on slide 82.
- The following benefits at Richland County were reviewed against the market:
 - Medical Plans
 - Dental Plans
 - Vision Plans
 - Life and AD&D Plans
 - Short-Term Disability Plans
 - Other Benefit Plans
 - Retirement Planning
 - Leave Policies
 - Other Policies




Benefits: Findings - Overall










- The plan eligibility waiting period for Medical, Dental, Vision, and Short-Term Disability programs is longer than the requirement typically found in the market.
- The Medical, Dental, and Vision benefits offering by Richland County is generally competitive, although an employee would often have to participate in the “Buy Up” plan to be fully competitive.
- Employee contributions for the Medical Plans are generally lower than those paid in the market for individual coverage, but somewhat higher for family coverage.
- Employee contributions for the Dental and Vision Plans are generally lower than those paid in the market.
- The AD&D benefit for the employee and spouse is generally lower than the market, while the benefit for a child is in the competitive range.
- There are a number of miscellaneous benefit plans that are being introduced into the market, and, while Richland County does not offer any of these benefits at this time, they are relatively uncommon in the market.

Benefits: Findings - Medical Plans




- The plan eligibility waiting period is longer than the requirement typically found in the market.
- The medical benefits offering by Richland County is generally competitive, although an employee would often have to participate in the “Buy Up” plan to be fully competitive (usually designated by a “cautionary” or Yellow circle).
- Employee contributions are generally lower than those paid in the market for individual coverage, but somewhat higher for family coverage.
- Employer contributions are generally higher than those paid by organizations in the market. While employees may consider this to be favorable, from Richland County's perspective, it represents a higher cost.
- A summary of our findings is shown on the following pages.









Benefits: Findings - Medical Plans

Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 




Provision – Medical Plan	Richland County 2017/18 Plans Cigna		Rating	Comments
	Buy-Up Plan (In Network)	Standard Plan (In Network)		
Active Medical Plan Eligibility	91st day after date of hire			Typical eligibility is no waiting period to a period of 30 days
Deductible Single/Family	\$500 / \$1,000	\$1,000 / \$2,000		Typical practice is \$600 or less/ \$1,500 or less
Coinsurance after Deductible	80% / 20%	70% / 30%		Typical practice is 80%
OOP Maximum Single/Family	\$4,000 / \$8,000	\$5,500 / \$11,000		Typical practice is \$4,000 or less/\$7,000 or less
Hospital Copay (Inpatient / Outpatient) - Facility and Professional Services	Deductible + 20% Coinsurance	Deductible + 30% Coinsurance		Most common practice is 100% with copay
Emergency Room Copay	Deductible+20% Coinsurance	Deductible+30% Coinsurance		Most common practice is 100% with copay of \$200 or less
PCP Office Visit	\$20 copay	\$35 copay		Most common practice is 100% with copay of \$20 - \$29
Specialist	\$35 copay	\$45 copay		Most common practice is 100% with copay
Chiropractic Care	\$35 copay (contract year max 20 days)	\$45 copay (contract year max 20 days)		Varies widely, most common practice is 100% with co-pay of \$20 or more


Benefits: Findings - Medical Plans

Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 

Provision – Medical Plan	Richland County 2017/18 Plans Cigna		Rating	Comments
	Buy-Up Plan (In Network)	Standard Plan (In Network)		
Independent Lab	No charge; no deductible	No charge; no deductible		Insufficient data, although some companies report at 20% copay
Generic Rx (Tier I)	\$10 copay retail	\$20 copay retail		Most organizations report a copay of \$20 or less
Preferred Brand (Tier II)	\$35 copay retail	\$50 copay retail		Typical practice is copay of \$25 to \$34
Non-Preferred Brand and Specialty (Tier III)	\$55 copay retail	\$75 copay retail		Typical practice is copay of \$50 to \$60
Specialty	\$55 copay retail	30% coinsurance (\$75 min / \$150 max retail)		Limited data, but some organizations report a copay of \$115
Generic Rx (Tier I)	\$20 copay home delivery ¹	\$40 copay home delivery ¹		Typical practice is 100% with copay of \$20 to \$30
Preferred Brand (Tier II)	\$70 copay home delivery ¹	\$100 copay home delivery ¹		Typical practice is 100% with copay of \$50 to \$70
Non-Preferred Brand and Specialty (Tier III)	\$125 copay home delivery ¹	\$150 copay home delivery ¹		Typical practice is 100% with copay of \$100 or more




Benefits: Findings - Medical Plans







Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 

Provision – Medical Plan	Richland County 2017/18 Plans Cigna		Rating	Comments
	Buy-Up Plan (In Network)	Standard Plan (In Network)		
Specialty	\$125 copay home delivery ¹	30% coinsurance (\$150 min / \$300 max) home delivery ¹		Limited data, but some organizations report a copay of \$179

¹Includes 93-day supply for Rx home delivery.

Benefits: Findings - Medical Plans




Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 









Provision – Medical Plan	Richland County 2017/18 Plans		Rating	Comments
	Cigna			
	Buy-Up Plan (In Network)	Standard Plan (In Network)		
Actives – Monthly Employee Contributions				
Employee Only	\$128.00	\$50.00		Most organizations report a premium of \$100 or more
Employee + Spouse	\$678.34	\$569.40		Limited data, but some organizations report a premium of over \$1,000
Employee + Children	\$381.04	\$303.30		Limited data, but some organizations report a premium of \$450 and up
Family	\$897.34	\$765.54		Varies widely from \$400 and up
Actives – Monthly Employer Contributions				
Employee Only	\$834.60	\$812.35		Generally, cost to Richland County is higher with market data in the \$400 - \$500 range.
Family	\$1,700.19	\$1,561.30		Generally, cost to Richland County is higher with some organizations reporting a premium of about \$1,200

Benefits: Findings - Dental Plans




- The plan eligibility waiting period is longer than the requirement typically found in the market.
- The dental benefits offering by Richland County is generally competitive, although an employee would often have to participate in the “Buy Up” plan to be fully competitive (usually designated by a “cautionary” or Yellow circle).
- Employee contributions are generally lower than those paid in the market.
- There was limited data available with regard to employer contributions, so no conclusions could be drawn.
- A summary of our findings is shown on the following pages.

Benefits: Findings - Dental Plans

Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 

Provision – Dental Plan	Richland County 2017/18 Plans			Rating	Comments
	Cigna				
	Buy-Up Plan (In Network)	Standard Plan (In Network)	Standard Plan (Non-Network)		
Active Dental Plan Eligibility	91 st day after date of hire				Most common practice is no waiting period
Plan Year Benefits Maximum (Class I, II, III and IV Expenses)	\$1,500	\$1,000			Plan maximums commonly range between \$1,500 to \$2,000
Annual Deductible Single / Family	\$50 per person No Limit	\$75 per person No Limit			The most common practice is \$50 individual / \$150 family; about one-third have no deductible
Percent Covered	Plan pays 50%	Not Covered			Most common practice is 50%
Plan Year Maximum	\$1,500	Not Covered			Majority is \$1,500 or less
Eligibility	Dependent children to age 19	Not Covered			Majority practice is children enroll in dental to age 19
Actives – Monthly Employee Contributions					
Employee Only	\$6.30	\$0.00			Above 20% have no contribution, with the majority of organizations charging \$20 or less
Family	\$70.56	\$53.34			Majority practice is less than \$50

Benefits: Findings - Dental Plans




Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 





Provision – Dental Plan	Richland County 2017/18 Plans			Rating	Comments
	Cigna				
	Buy-Up Plan (In Network)	Standard Plan (In Network)	Standard Plan (Non-Network)		
Actives – Monthly Employer Contributions					
Employee Only	\$30.70		\$30.70		Insufficient data
Employee + Spouse	\$30.70		\$30.70		Insufficient data
Employee + Child(ren)	\$30.70		\$30.70		Insufficient data
Family	\$30.70		\$30.70		Insufficient data

Benefits: Findings - Vision Plans

- The plan eligibility waiting period is longer than the requirement typically found in the market.
- The vision benefits offering by Richland County is generally competitive, although an employee must participate in the “Buy Up” plan to be fully competitive.
- Employee contributions are generally lower than those paid in the market for both individual and family.
- A summary of our findings is shown on the next page.

Benefits: Findings - Vision Plans




Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 






Provision – Vision Plan	Richland County 2017/18 Plans Cigna				Rating	Comments
	Buy-Up Plan (In Network)	Buy-Up Plan (Non-Network)	Standard Plan (In Network)	Standard Plan (Non-Network)		
Participation Requirements	91 st day after date of hire (Separate from medical plan)					Most common practice is no participation requirements
Frame retail allowance (Frequency period – 24 months) (One per frequency period)	Covered 100%	Up to \$55	N/A	N/A		Most organizations pay 100% with copay
Actives						
EE monthly contribution – EE Only	\$1.08		\$0.00			Typical contribution is \$10 or less
EE monthly contribution – Family	\$6.20		\$2.75			Typical contribution is \$20 or less

Benefits: Findings - Life and AD&D Plans

- Basic life coverage is competitive with the low end of the competitive market range.
- The plan eligibility waiting period for AD&D coverage is longer than the requirement typically found in the market.
- The AD&D benefit for the employee and spouse is generally lower than the market, while the benefit for a child is in the competitive range.
- A summary of our findings is shown on the next page.

Benefits: Findings - Life and AD&D Plans




Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 



Provision – Life and AD&D	Richland County 2017/18 Plans	Rating	Comments
Basic Life Benefit	\$50,000		Market practices typically fall between one and two times base salary
Participation Requirement (AD&D Insurance)	91 st day after date of hire		Most common practice is no waiting period
AD&D Benefit	\$10,000		Market practices typically fall between one and two times base salary
Spouse Life Benefit	\$5,000 \$10,000 \$20,000 \$30,000		A majority of organizations provide a benefit of \$50,000 or more
Child Life Benefit	\$5,000 \$10,000		Majority practice is \$10,000

Benefits: Findings - Short-Term Disability Plans

- The plan eligibility waiting period for short-term disability coverage is longer than the requirement typically found in the market.
- The benefit duration period is slightly lower than market practices.
- A summary of our findings is shown on the next page.

Benefits: Findings - Short-Term Disability Plans




Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 














Provision – Short-Term Disability Plans	Richland County 2017/18 Plans	Rating	Comments
Participation Requirement	91 st day after date of hire		Most organizations have either no waiting period or a 30 day waiting period
Benefit Duration	24 weeks		Most common practice is 26 weeks

Benefits: Findings - Other Benefit Plans

- There are a number of miscellaneous benefit plans that are being introduced into the market (as listed on the next page).
- While Richland County does not offer any of these benefits at this time, they are relatively uncommon in the market.
- As such, we would consider Richland County to be in line with market practices.
- A summary of our findings is shown on the next page.

Benefits: Findings - Other Benefit Plans




Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 



Provision – Other Benefit Plans	Richland County 2017/18 Plans	Rating	Comments
Childcare – Subsidized	Currently Not Offered		Limited data; subsidized coverage is a minority practice
Childcare – Onsite	Currently Not Offered		Limited data; coverage is a minority practice
Childcare – Resource and Referral	Currently Not Offered		Insufficient data
Group Auto Insurance	Currently Not Offered		A minority practice, not provided by most organizations
Group Homeowners Insurance	Currently Not Offered		A minority practice, not provided by most organizations
Hospital Indemnity	Currently Not Offered		A minority practice, not provided by most organizations
ID Theft	Currently Not Offered		A minority practice, not provided by most organizations
Lactation Room	Currently Not Offered		Limited data; coverage is a minority practice
Legal Benefit	Currently Not Offered		A minority practice, not provided by most organizations
Long Term Care	Currently Not Offered		A minority practice, where provided, it is usually not subsidized by the organization
Onsite Medical Clinic	Currently Not Offered		A minority practice, not provided by most organizations
Pet Insurance	Currently Not Offered		A minority practice, not provided by most organizations
Telemedicine	Currently Not Offered		Limited data, but reported in a number of large organizations

Benefits: Findings - Retirement Planning

- Some organizations are introducing programs related to retirement planning into the market (as listed on the next page).
- While Richland County does not offer any of these benefits at this time, they are relatively uncommon in the market.
- As such, we would consider Richland County to be in line with market practices, however these programs are emerging trends.
- A summary of our findings is shown on the next page.

Benefits: Findings - Retirement Planning




Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 







Provision – Retirement Planning	Richland County 2017/18 Plans	Rating	Comments
Group Financial Planning	Currently Not Offered		While not a majority practice, it is reported in a number of large organizations
Investment Advisory Services	Currently Not Offered		Coverage is a minority practice that is most often found in larger organizations

Benefits: Findings - Leave Policies

- Richland County currently does not provide programs under a Leave Policy that are not mandated.
- The practice for several of these policies are relatively small and, as such, we would consider Richland County to be in line with market practices.
- However, the practice for Flex Time and Paid Maternity Leave are found in an increasing number of organizations and, as such, we would not consider Richland County to be in line with market practices.
- A summary of our findings is shown on the next page.

Benefits: Findings - Leave Policies




Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 








Provision – Leave Policies	Richland County 2017/18 Plans	Rating	Comments
Annual Leave 1 year of service 5 years of service 10 years of service 20 years of service	10 days 15 days 20 days 20 days		Most common practice 10 – 14 days Most common practice 15 – 19 days Most common practice 15 – 19 days Most common practice 20 – 24 days
Elder Care	Currently Not Offered		Not offered at most organizations
Flex Time	Currently Not Offered		Provided by most organizations
Paid Maternity Leave	Currently Not Offered		Found in a number of organizations, but not a majority practice
Paternity Leave	Currently Not Offered		Provided by some organizations, but a minority practice
Sick Leave Participation Requirements	None		Most organizations do not have a waiting period; for those that do, it is usually two weeks

Benefits: Findings - Other Policies

- Richland County's practice for holidays is ahead of market practices.
- While Richland County does not offer some of the other policies being introduced into the market, these are clearly minority practices.
- As such, we would consider Richland County to be in line with market practices.
- A summary of our findings is shown on the next page.
- While a number of organizations have moved to PTO plans, the transition from traditional programs to PTO programs is not always easy.
 - While PTO plans may be easier to administer for the organization, employees may find it difficult to budget their PTO time to accommodate illness or other unexpected absence.

Benefits: Findings - Other Policies

Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 

Provision – Other Policies	Richland County 2017/18 Plans	Rating	Comments
Adoption Benefits	Currently Not Offered		Not offered by a majority of organizations; those that do, usually partially subsidize
Discount Purchase Program	Currently Not Offered		Limited data; a minority practice found in some larger organizations
Employer Scheduled Holidays	12 days		Most common practice is 9 to 10 days
Job Sharing	Currently Not Offered		Limited data, but typically not provided
On-Site Fitness Center	None		Found in a number of organizations, but not a majority practice; where found, may be fully or partially subsidized
Spousal Surcharge	Currently not assessed		Limited data, but most companies do not assess a surcharge
Tobacco Surcharge	Currently not assessed		Limited data, but most companies do not assess a surcharge

Benefits: Recommendations

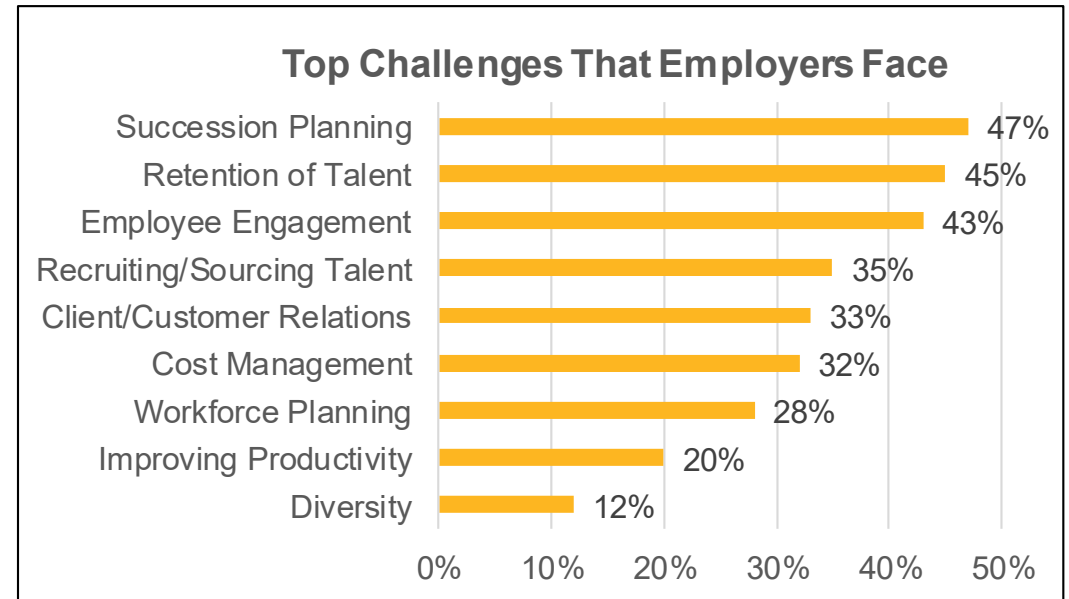
Buck recommends that:

- Richland County review the 90-day benefit eligibility waiting period for Medical, Dental, Vision, and Short-Term Disability programs against typical market practice.
- Richland County review the practice for Flex Time and Paid Maternity Leave relative to market practice.
- Richland County review the benefit duration period for the short-term disability plan, which is slightly lower than market practice.
- Richland County review the AD&D benefit for the employee and spouse, which is generally lower than the market.

Talent Development

Talent Development: Findings

- As part of the Total Rewards Study, Buck examined and assessed Richland County’s Talent Development practices.
- Buck organizes Talent Development into six groupings of human resource processes and programs.
 - Workforce Planning
 - Recruiting and Onboarding
 - Performance Management
 - Reward and Recognition
 - Employee and Leadership Development
 - Diversity and Inclusion
- Grouping human resource practices in this manner provides a systematic approach for assessing the effectiveness and thoroughness of an organization’s talent development practices.
- The six talent development groupings also correspond with the top challenges employers face, according to the *2019 Compensation Planning Survey* conducted by Buck.

















Talent Development: Findings

- Richland County has sound practices in place that address most of the key issues associated with talent development.
- The Richland County groupings that compare favorably to best practices are:
 - Performance Management
 - Reward and Recognition
 - Employee and Leadership Development
 - Diversity and Inclusion
- The Richland County groupings with gaps that may be filled are:
 - Workforce Planning
 - Recruiting and Onboarding
- Feedback from the *Employee Opinion Survey* focused primarily on two groupings of Talent Development – Reward & Recognition and Employee & Leadership Development. Following are summaries of the feedback:
 - Most employees feel neither strongly positive nor strongly negative about the amount of recognition they receive, including from RC leadership.
 - Employees generally feel positive about the effectiveness of their managers' coaching and oversight.
 - Most employees also express positive sentiment about the learning and development opportunities available to them, but indicated they would value having even more of these opportunities.

Talent Development: Findings




The following table summarizes the assessment of Richland County’s Workforce Planning and Recruiting & Onboarding practices.









Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 

Talent Development Features	Rating	Source for Richland County Practice	Comments
Workforce Planning			
Headcount forecasting			Consider developing a formal process
Creating new jobs			Consider developing a formal process
Job analysis and evaluation			Consider developing a formal process
Requisition process		Employee Handbook Hiring/Recruiting	Consider developing a formal process
Recruiting & Onboarding			
Sourcing Talent			Consider developing a policy
Interview and selection process			Consider developing a formal process
Job offer approvals			Consider developing a formal process
I-9 verification			Likely exists, needs confirmation
Day 1			Consider developing a formal process
Orientation		Richland County University - New Employee Training	
Probationary period		Employee Handbook - Employment, Probationary Period	

Talent Development: Findings

The following table summarizes the assessment of Richland County’s Reward & Recognition and Performance Management practices.

Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 

Talent Development Features	Rating	Source for Richland County Practice	Comments
Reward & Recognition			
Pay-for-Performance		Richland County HR Guidelines – Compensation Plan and Performance Enhancement Plan (PEP)	
Non-cash Performance Award		Golden Apple Award	Consider more criteria
Service Awards		Longevity Bonus Pay	
Spot Awards			Consider adding
Performance Management			
Performance Planning, Review, Evaluation		Employee Handbook - Performance Evaluations, Performance Enhancement Program (PEP)	
Discipline policy and procedure		Employee Handbook - Employee Performance, Discipline	
Sexual Harassment		Richland County HR Guidelines - EEO and Harassment	Verify that it is current
Attendance		Employee Handbook - Employee Relations, Attendance; Richland County HR Guidelines - Attendance	

Talent Development: Findings




The following table summarizes the assessment of Richland County’s Employee & Leadership Development practices.


Gap that may need to be filled
Verify or consider improvement
Consistent with best practices

Talent Development Features	Rating	Source for Richland County Practice	Comments
Employee & Leadership Development			
Internships		Internship Program	
Job Training		Richland County HR Guidelines – Training and Development; Richland County University	
Skill and competency training		Richland County HR Guidelines – Training and Development; Richland County University	
Certifications		Richland County University - The Training Plan	Consider adding to Current Employees
Tuition assistance		Employee Handbook - Tuition Assistance Plan	
Promotions		Employee Handbook- Compensation, Wage & Hours of Work - Personnel Actions	
Career Development		Richland County University - Career Planning and Development Course	Consider developing a formal process
Succession Planning		Richland County University - Succession Development Course	Consider developing a formal process
Mentoring		Richland County University - Coaching and Mentoring Others Course	Consider developing a formal program

Talent Development: Findings

The following table summarizes the assessment of Richland County’s Diversity & Inclusion practices.

Gap that may need to be filled  Verify or consider improvement  Consistent with best practices 

Talent Development Features	Rating		Source for Richland County Practice	Comments
Diversity & Inclusion				
Diversity & Inclusion			Employee Handbook - Diversity, Richland County HR Guidelines - Diversity; Richland County University - Supervisor, Management & Leadership Training - Advanced Civility and Inclusion	

Talent Development: Recommendations

Buck recommends that:

- Richland County develop formal processes in the areas of Workforce Planning and Recruiting and Onboarding.
- Richland County should continue to offer flexible work schedules to employees where appropriate.
- Richland County should continue to offer training opportunities both at the county level and within departments to foster career development.

Next Steps

Next Steps

Summary Report of Findings (this report):

- January 11, 2019: Richland County provide feedback on draft summary report of findings to Buck.
- January 25, 2019: Buck provide Richland County with updates to draft report of findings.
- February 1, 2019: Richland County provide final feedback on 2nd draft report of findings.
- February 8, 2019: Buck provide Richland County with FINAL report of findings.

Train the Trainer PowerPoint Presentation on Total Rewards Study Findings (20 slide presentation):

- January 11, 2019: Buck and Richland County meet to discuss training content, exhibits.
- January 18, 2019: Buck present Richland County with draft training document.
- January 25, 2019: Richland County provide feedback on draft training document.
- February 1, 2019: Buck present Richland County with FINAL training document.
- Week of February 11, 2019: Buck present Train-the-Trainer session to participants selected by Richland County.
 - Four-hour block that Richland County may break into 2 x 2-hour sessions or 1 x 4-hour session.
 - Richland County to determine onsite or via WebEx.

Appendices

Appendix A: Catalog of Deliverables

Buck has delivered the following final reports of findings across each project element, the results of which have been summarized in this report of findings:

- Compensation Documents
 - Richland County Market Analysis 101818 (PDF)
 - Richland County Survey Match Detail (Excel)
- Salary Structure Documents
 - RC Salary Structure Alternatives Discussion Guide 10192018 (PDF)
 - RC Structure Report 121818 (PDF)
 - RC Structure_Ees Under Min Over Max 121818 (Excel)
 - RC Job Leveling and Slotting Process 121418 (PDF)
 - RC Salary Structure Administration 121818 (PDF)
 - RC Compensation Program Detail 121919 (Excel)
- Career Architecture Documents
 - FINAL Richland County Career Architecture Leveling Guide (PDF)
 - Richland County Career Architecture Training 082118 (PDF)
- Employee Engagement
 - RC Employee Engagement – Survey Findings Report-181018 final (PDF)
 - RC Results by Dept (Excel in Zip File)
- 2018 Richland County Custom Total Rewards Survey_Client(PDF)

Appendix B: Glossary of Terms

Term	Definition
Compensation Program	
Benchmark Job	Benchmark jobs exist both within the organization and are prevalent in the labor market (not every job is a “benchmark” job) with duties comparable to jobs in other organizations. When identifying benchmark jobs we seek to capture a large percentage of employees within the organization.
Job Analysis	Job analysis is the study of a job to determine which activities and responsibilities it requires, its relative importance to other jobs, the personal qualifications necessary for performance of the job and the conditions under which the work is performed.
Job Classification	Job Classification is a process used to differentiate between jobs on the basis of tasks, duties and responsibilities involved while performing the job. It takes into account the knowledge, skills and abilities that an employee requires to perform the job.
Job Description	A job description is an internal document that clearly states the essential job requirements, job duties, job responsibilities, and skills required to perform a specific role.
Job Evaluation	An assessment of the relative worth of various jobs on the basis of a consistent set of job and personal factors, such as qualifications and skills required.
Job Title	A job title is a simple description that refers to the responsibilities of a job and the level of the position.
Labor Market	Defines the organizations within specific industries and/or regions against which an organization competes for talent.
Market Analysis	The process of assessing the degree to which an organization’s salaries are competitive compared to their labor market(s).
Salary Structure	The Salary Structure is made up of salary grades and salary ranges. A salary structure is the foundation for administering base salary within an organization.
Salary Grade	Salary Grades provide a framework for compensation by defining the amount of pay available at each step in the employment process.
Salary Range	Salary Ranges set the upper and lower bounds of possible compensation for individuals whose jobs fall in a pay grade. A pay range is created for each grade.

Appendix B: Glossary of Terms

Term	Definition
Compensation Program, cont.	
Salary Grade Minimum	The lowest established salary that may be paid to an employee that meets the minimum qualifications for the position in that salary grade.
Salary Grade Midpoint	The salary grade midpoint is typically the middle of the salary range and is tied to the target market based on the organization's compensation philosophy (e.g. 50th percentile).
Salary Grade Maximum	The highest salary that may be paid to an employee in that salary grade. Generally, employees should not be paid above maximum.

Term	Definition
Career Architecture	
Career Architecture	Career Architecture is a talent management tool that ensures the consistent leveling of jobs across the organization in support of career development, internal equity and hierarchy definitions.
Career Grouping	Broad job groupings that have specific characteristics and career/leveling progressions (Management, Knowledge Worker, Administrative Support, Technical and Trades, and Public Safety).
Career Grouping: Management	Achieves objectives primarily through the coordinated achievements of direct reports. Requires formal supervisory responsibility. Manages units of varying size and complexity.
Career Grouping: Knowledge Workers	Professional level individual contributors. Typically without formal supervisory responsibility. Have mastered the essential, core knowledge.
Career Grouping: Administrative Support Staff	Office support, process and organization delivery. Skills are acquired through vocational education and/or apprenticeships, certifications, and specialized or on-the-job training. No formal supervisory responsibility.
Career Grouping: Technical and Trades Employees	Operational and technical service delivery. Skills are acquired through vocational education and/or apprenticeships, certifications, and specialized or on-the-job training. No formal supervisory responsibility.
Career Grouping: Public Safety Employees	Enforces and/or complies with federal and state laws and County ordinances relating to public safety and welfare. Skills are acquired through vocational education and/or apprenticeships, certifications, and specialized or on-the-job training. No formal supervisory responsibility.

Appendix B: Glossary of Terms

Term	Definition
Career Architecture, cont.	
Career Ladder	Career ladders are the progression of jobs in an organization's specific occupational fields ranked from highest to lowest based on level of responsibility and pay.
Career Level	Career Levels define the hierarchical position of jobs within a Career Grouping based on the degree of scope and responsibility required for each job.

Appendix C: Benefits Review Survey Sources

Benefits currently provided at Richland County were compared to general market practices using the following benchmark reports:

- Willis Towers Watson General Industry Employee Benefit Policies and Practices 2016 Report: (Southeast Region - Population Size Under 2,500 Employees)
- ADP Annual Health Benefits Report: 2016 Benchmarks and Trends for Large Organizations
- Mercer National Survey of Employer-Sponsored Health Plans 2016 Survey Report: (South Region- Large Employers - 500 or More Employees)
- The Kaiser Foundation and Health Research & Educational Trust: Employer Health Benefits 2017 Annual Survey, (Large Firms - 200 or More Workers)
- Economic Research Institute Benchmarking Survey: 2016 Health Care Benefits, Southeast Region
- International Foundation of Employee Benefit Plans: 2016 Employee Benefits Survey (Public Employers)
- Society for Human Resource Management: 2017 Employee Benefits (Large Employers - 2,500 or More Employees)



Total Rewards Study Implementation Plan



	TRS Implementation Plan	Date
PHASE I	\$1.4 million to bring all employees below the bottom of the new pay ranges up to the minimum.	FY 2019 / 2020
PHASE II	Start bringing all employees closer to the range midpoint based on years of experience.**	January 2020
PHASE III	Future market pay range adjustment increases.	TBD based on approved budget. FY 2020 / 2021
PHASE IV	Future annual PEP increases.	TBD based on approved budget. FY 2020 / 2021

****The County will not be funding the total implementation cost of the Total Rewards Study at this time. There is an estimated investment needed of \$10 million to bring employees up to the market based on years of service. This will be funded in future years' contingent on budget approval.**



Richland County Elected and Appointed Officials - Market Data



Job	# Inc.	RC Base	RC TC	Market Base Salary			Base Salary Variance		
				25th%ile	50th%ile	75th%ile	25th%ile	50th%ile	75th%ile
Auditor	1	\$97.4	\$100.9	\$83.2	\$90.5	\$105.2	17.00%	7.60%	-7.50%
Clerk Of Court	1	\$125.7	\$127.0	\$92.3	\$94.4	\$120.3	36.30%	33.10%	4.50%
Coroner	1	\$128.5	\$132.4	\$82.7	\$89.4	\$108.5	55.30%	43.70%	18.40%
County Attorney	1	\$163.4	\$163.4	\$148.2	\$163.6	\$192.0	10.20%	-0.10%	-14.90%
Probate Judge	1	\$125.7	\$129.6	\$111.4	\$129.0	\$145.6	12.80%	-2.60%	-13.70%
Treasurer	1	\$104.7	\$108.5	\$88.0	\$100.3	\$109.0	19.00%	4.40%	-3.90%
Council Member		Currently not a benchmark job. Buck has been requested to evaluate.							
County Administrator		Currently not a benchmark job. Buck has been requested to evaluate.							
Election Commission Member		Currently not a benchmark job. Buck has been requested to evaluate.							
Executive Director Bd. Elec. Vot.		Currently not a benchmark job. Buck has been requested to evaluate.							
Executive Director Of Legislat.		Currently not a benchmark job. Buck has been requested to evaluate.							
Magistrate		Currently not a benchmark job. Buck has been requested to evaluate.							
Master-In-Equity		Currently not a benchmark job. Buck has been requested to evaluate.							
Sheriff		Currently not a benchmark job. Buck has been requested to evaluate.							

PLEASE NOTE: All monetary amounts are listed in thousands.

Council Work Session March 2019

Total Rewards Study 2019

HRSD Responses:

Council Request 1

- Evaluate the current number of employees below the current pay grade minimum pay rate.
 - There are 31 employees below the current pay grade minimum pay rate. Approximately 90% work for Elected Officials and about 71% are part-time employees (see exhibit # 1).

Council Request 2

- Evaluate the new proposed pay ranges in comparison to:
 - Federal minimum wage
 - Federal poverty levels
 - County health insurance coverage
 - Pay rates for local jobs
- Both current pay ranges and proposed pay ranges exceed the federal minimum pay wage.
- The federal poverty levels are based on both the total household income and the number of individuals in the household. RCG does not have data on number in household or total household income for employees. Therefore, HRSD is providing some estimates using information from County health insurance and RCG wages only (see exhibit # 2).

Council Request 3

- Update salary range chart to include data qualifiers (1,000's).
 - The chart has been updated (see exhibit # 3).

Council Request 4

- Provide the year the last study was completed and what resulted from the study.
 - The last County study (abbreviated) was done in 2012. Only the minimums of the pay ranges were increased and employees were brought up to at least the new minimums.
 - There have been several small scale (i.e. a department) reviews conducted since 2012 (see exhibit # 4).

Council Request 5

- Pay close attention to the bottom two pay grades.
 - HRSD completed a careful reassessment of all jobs proposed for the lowest two pay ranges. This review showed all jobs will be classified consistent with external market analysis and internal department equity defined by the respective departments.

Council Request 6

- Would HRSD recommend including performance ratings when moving employees to the middle of the pay range?
 - Yes, HRSD recommends that this be included, along with other factors that could be considered.
 - There is the ability to link job performance to market rate pay increases. This will require all supervisors and department heads to accurately conduct performance appraisals on each employee prior to implementation.

Council Request 7

- What percent of employees is the County losing to general industry?

- RCG does not have the exact percentages on employees who have left to go to the private sector. However, it is known RCG, as all local state and federal employees, competes with the private sector for employees. Consequently, it is prudent to use some market survey mix inclusive of the private sector.
- Based on HRSD's review of exit interviews and interaction with department heads – HRSD estimated 25-35% employees who voluntarily resign go to the private sector (see exhibit # 5).

Council Request 8

- How many employees are in each group of the employee survey?
 - HRSD is providing several attachments to illustrate the generation, gender, employee group, and salary range for responding employees (see exhibit # 6).
 - The Employee Engagement Survey is about 228 pages. HRSD is glad to provide details on any specific questions if the Council desires.
 - There were **1218** employees included in the survey, meaning 50% of County employees responded.

Council Request 9

- What are the number of favorable or unfavorable responses?
 - HRSD prepared a few color coded sheets to illustrate a summary of favorable (green), neutral (yellow), and unfavorable (red) responses (see exhibit # 7).

Council Request 10

- Request work session presentation be provided in color to all Council.
 - This has been completed.

EXHIBIT # 1



How many employees are below the current minimum of their pay range?

31 employees are currently being paid below the bottom of their current pay grades.

- 28 of these employees work for Elected and Appointed officials
- 22 of these employees are part-time
- 9 of these employees are full-time employees
 - 1 is full-time non-exempt
 - 8 are full-time exempt

How many employees are below the current minimum of their pay range?



Jobs Below Min of Current Range

Department	Position	Type
BUILDING INSPECTIONS	DEPUTY DIRECTOR BUILDING INSPE	Full-time Exempt
INFORMATION TECHNOLOGY	GIS TECHNICIAN II	Full-time Exempt
DNA BACKLOG FY18	CHEMIST ANALYST	Full-time Exempt
SHERIFF	MGR STRATEGY & LEADERSHIP DEV	Full-time Exempt
SHERIFF	MANAGER OF LAB QUALITY	Full-time Exempt
SHERIFF	DIRECTOR OF POLYGRAPH, FUNDS &	Full-time Exempt
SHERIFF	CHEMIST ANALYST	Full-time Exempt
SHERIFF	CHEMIST ANALYST	Full-time Exempt
DELEGATION	VET. AFFAIRS CLAIMS ANALYST	Full-time Non-exempt
CORONER	DEPUTY CORONER	Part Time
CORONER	DEPUTY CORONER	Part Time
CORONER	DEPUTY CORONER	Part Time
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CORONER	DEPUTY CORONER	Part Time
CORONER	DEPUTY CORONER	Part Time
CORONER	DEPUTY CORONER	Part Time
EMS	ASSISTANT MEDICAL CONTROL PHYS	Part Time
SHERIFF	PILOT	Part Time
SHERIFF	PILOT	Part Time
SHERIFF	PILOT	Part Time
SHERIFF	PILOT	Part Time

EXHIBIT # 2

Estimate: Richland County Government Employees Possibly Below the Federal Poverty Levels

Data as of March 26, 2019

Presented by



Richland County

HUMAN RESOURCES



Federal Poverty Level

- **Poverty** = people earning less than the Federal Poverty Level pay rates, which are based on the number of family members/people living in their household.

NUMBER IN HOUSEHOLD	2019 FEDERAL POVERTY LEVELS
# in Family 1	Below \$12,490
# in Family 2	Below \$16,910
# in Family 3	Below \$21,330
# in Family 4	Below \$25,750
# in Family 5	Below \$30,170
# in Family 6	Below \$34,590
# in Family 7	Below \$39,010
# in Family 8	Below \$43,430

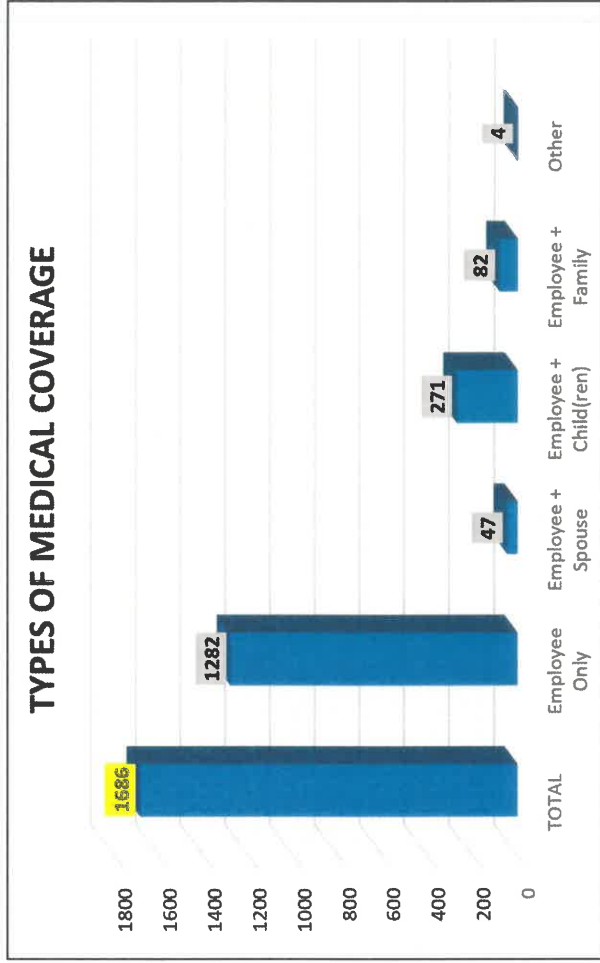
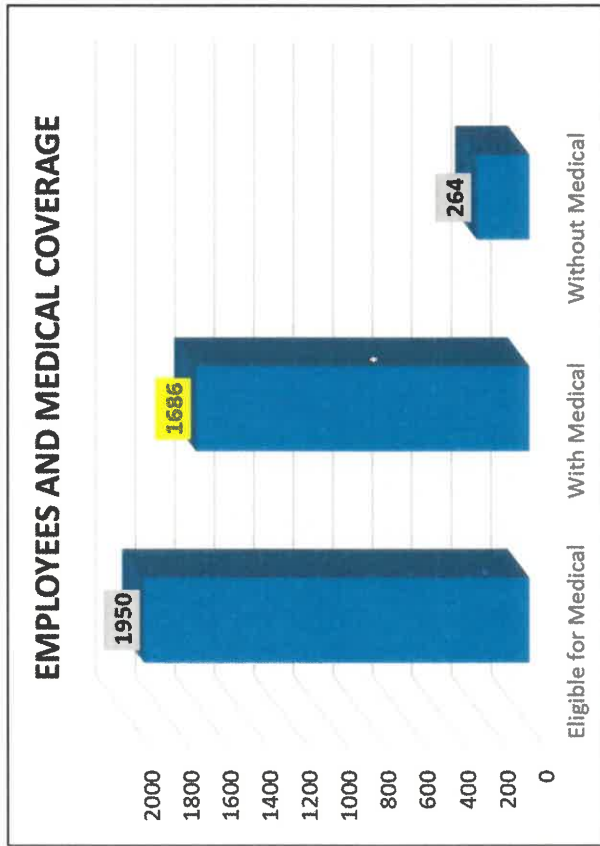
RCG Employees Below Poverty Levels – Estimate Based on Dependent Medical Coverage Election Data



Assumptions

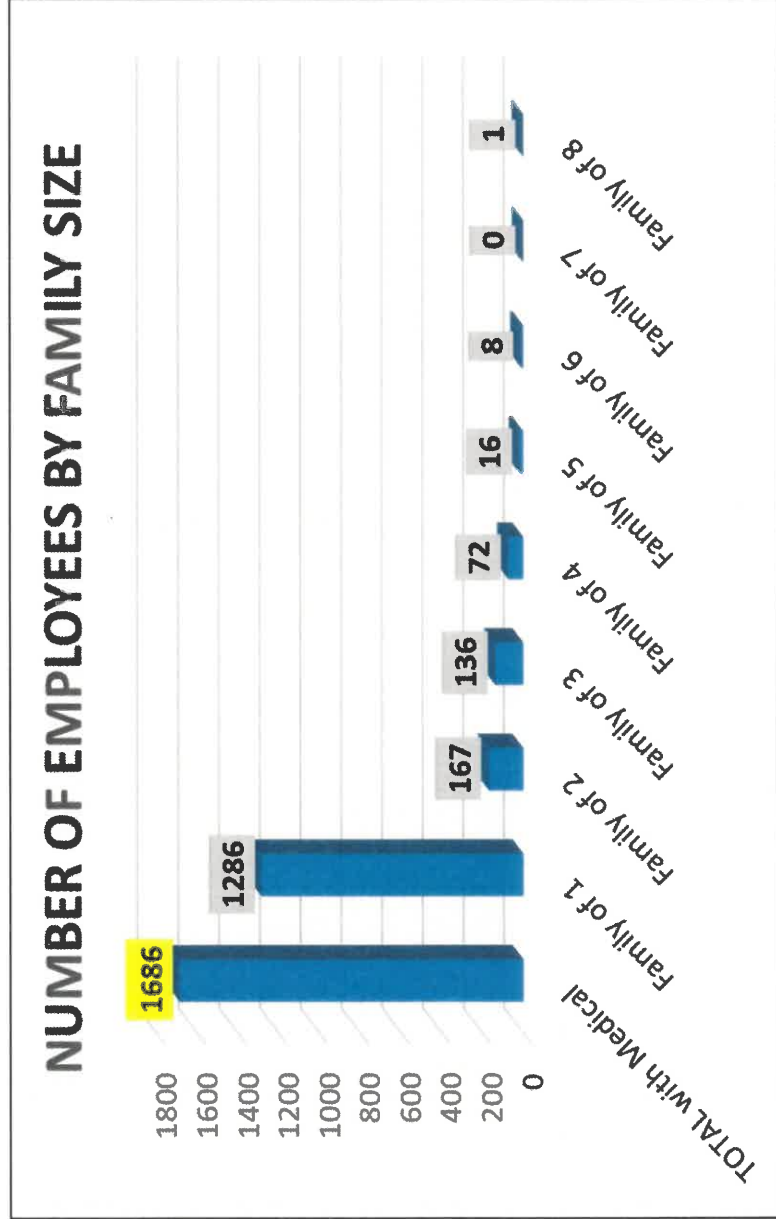
- All households only have one source of income – Richland County
- All members of the household are covered by RC medical coverage
- Only benefits eligible employees are included (APPT, ELEC, FTEX, FTNE)
- All employees are only eligible for medical coverage through RC

Note: Only 20.7% of employees elected dependent medical coverage

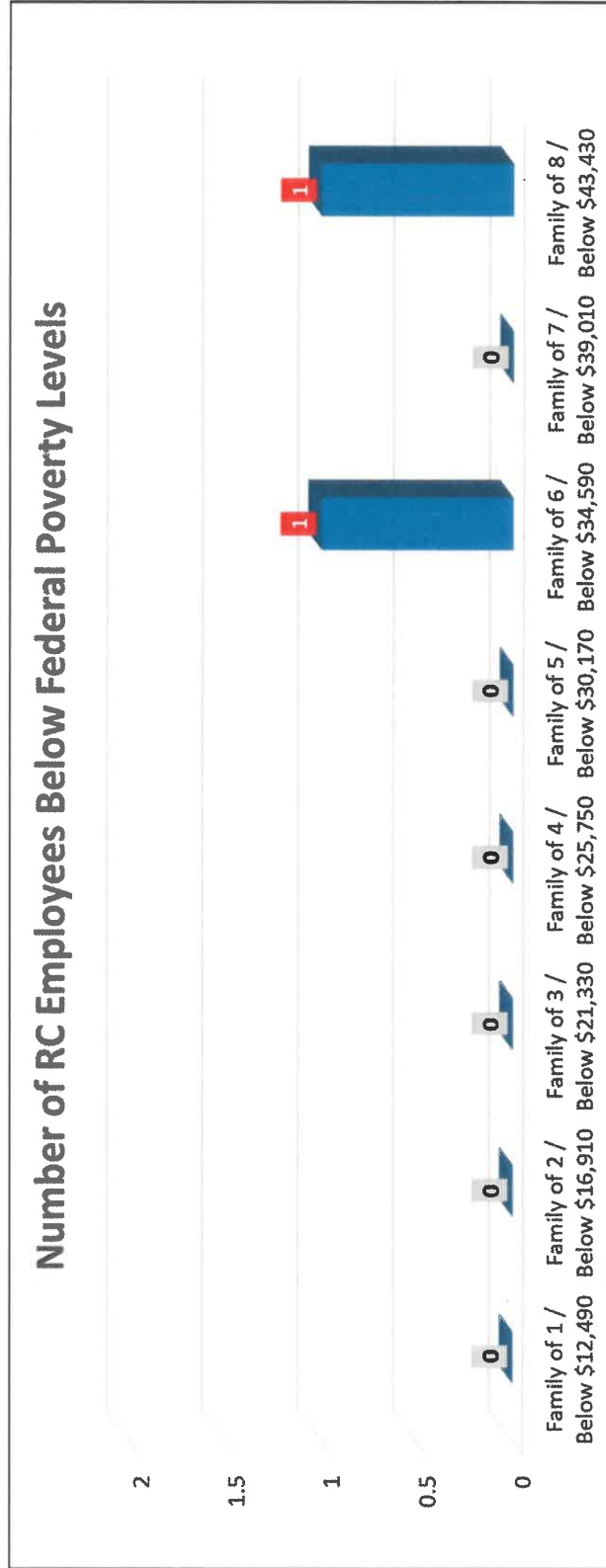




RCG Employees Below Poverty Levels – Estimate Based on Dependent Medical Coverage Election Data



RCG Employees Below Poverty Levels – Estimate Based on Dependent Medical Coverage Election Data



Size of Family	Division	Department	Position	Salary	FPL
6	PUBLIC WORKS	ROAD MAINTENANCE	CUSTOMER SERVICE REPRESENTATIV	\$28,099.54	\$34,590.00
8	DETENTION CENTER	DETENTION CENTER	ASSISTANT WATCH COMMANDER	\$39,094.90	\$43,430.00

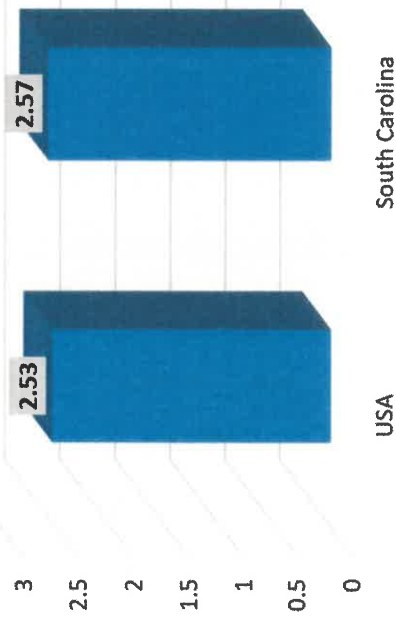
RCG Employees Below Poverty Levels – Estimate Based on National and State Statistics of Average Family Size



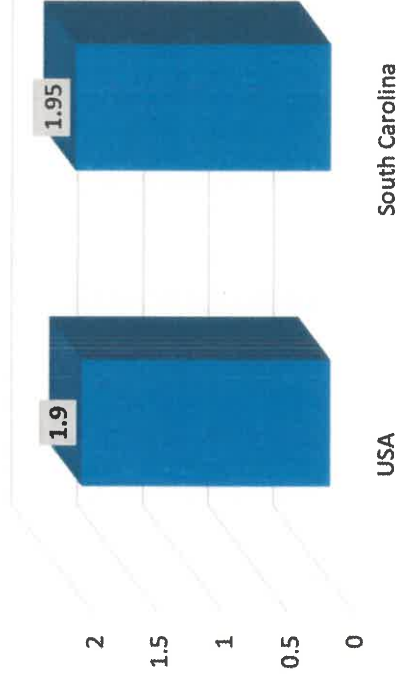
Assumptions

- All households only have one source of income – Richland County
- All RC employees have the USA and State average family size of 3

2018 Average Family Size



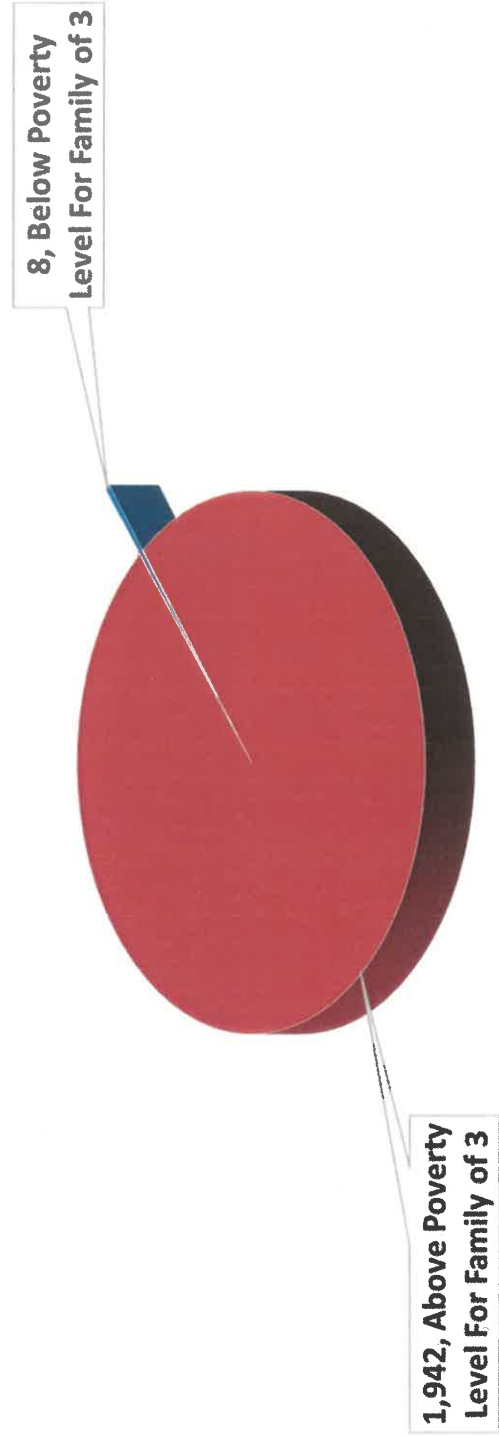
2018 Average Number Children Per Family



RCG Employees Below Poverty Levels – Estimate Based on National and State Statistics of Average Family Size



Number of RC Employees Below FPL - National Average

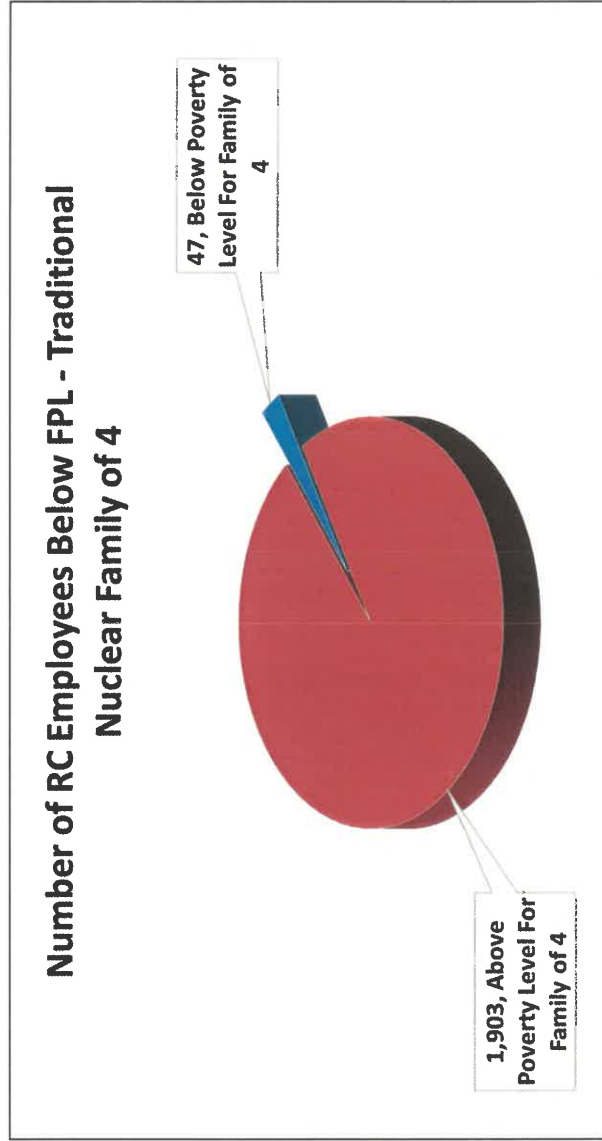
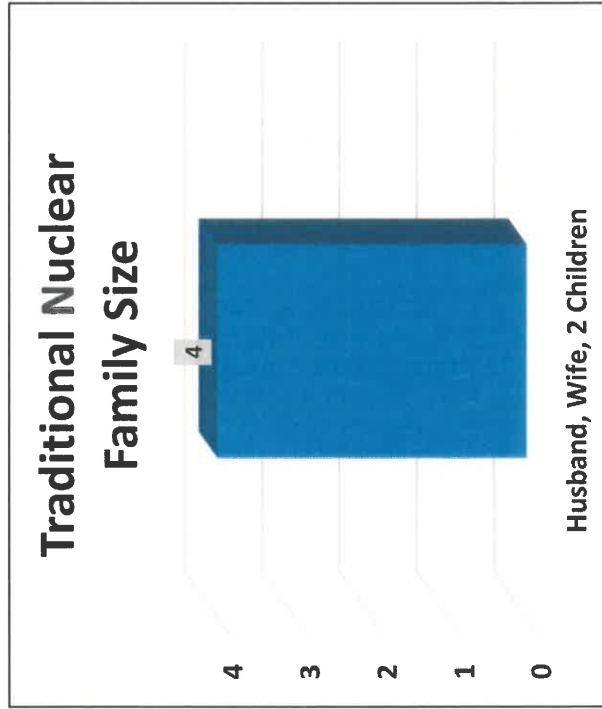


RCG Employees Below Poverty Levels – Estimate Based on Traditional Nuclear Family of 4



Assumptions

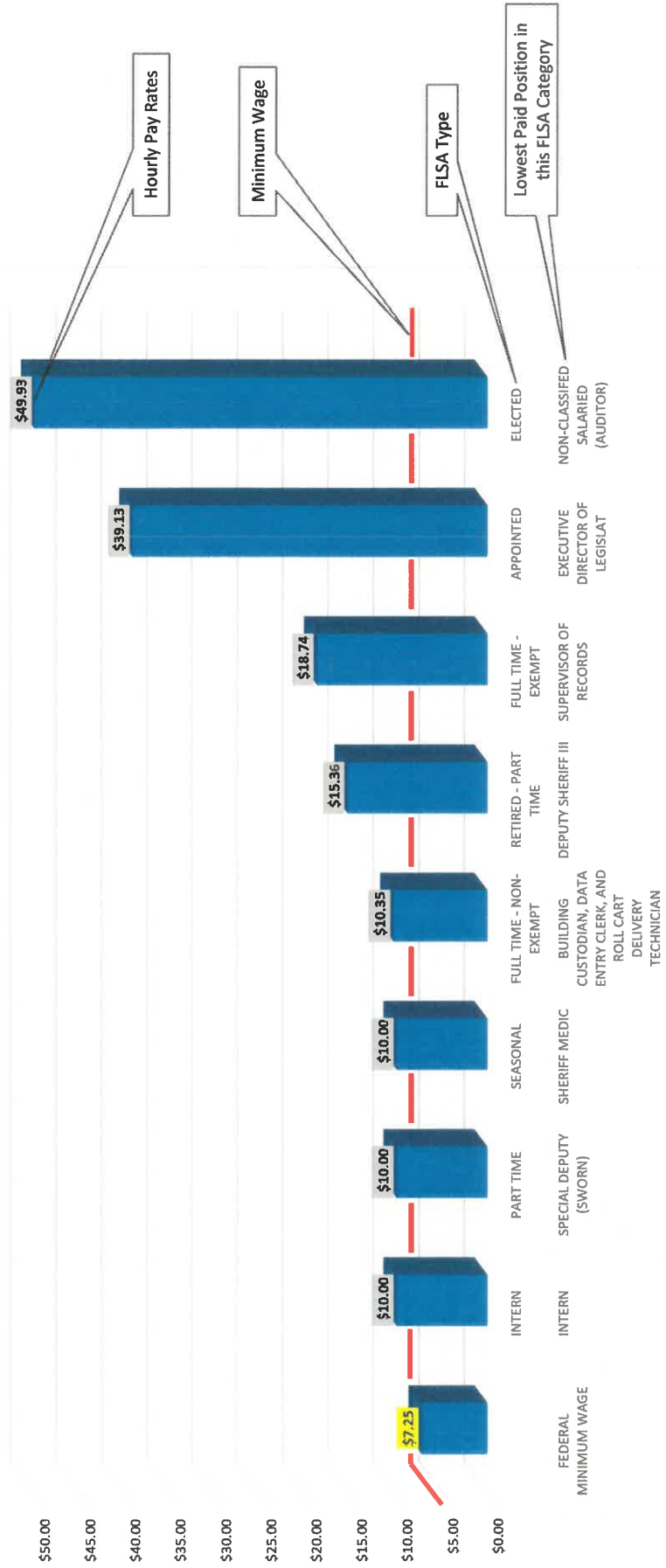
- The traditional family includes a husband, wife, and 2 children
- All households only have one source of income – Richland County
- All RC employees have the Traditional Nuclear family size of 4



Federal Minimum Wage vs. The Lowest Paid RCG Employees



LOWEST PAID RCG EMPLOYEES BY FLSA TYPE AND JOB TITLE





Proposed Pay Grades 1 and 2 - Evaluation

- Jobs showing the Market 50th were identified as benchmark jobs and were verified by multiple sources
- All other jobs were slotted into pay grades by each Department with HRSD's review

Title	Richland County		Buck MKT 50th	Career Level	Final Structure Placement			
	# Inc	RC Avg Base			Grade	Minimum	Midpoint	Maximum
Building and Grounds Custodian	6	\$23,863.86	\$27,848.17	T2	2	\$22,000.00	\$28,600.00	\$35,200.00
Data Entry Technician	9	\$22,308.00	\$29,300.00	A2	2	\$22,000.00	\$28,600.00	\$35,200.00
Senior Supply Mail Clerk - Operational Services	2	\$29,015.14	--	A1	2	\$22,000.00	\$28,600.00	\$35,200.00
Tax Clerk	6	\$24,921.33	--	T2	2	\$22,000.00	\$28,600.00	\$35,200.00
Building Custodian	26	\$20,916.92	\$27,000.00	T2	1	\$20,000.00	\$26,000.00	\$32,000.00
Clerk Receptionist	43	\$23,650.24	--	A1	1	\$20,000.00	\$26,000.00	\$32,000.00
Field Technician	4	\$19,778.85	--	T1	1	\$20,000.00	\$26,000.00	\$32,000.00
Intern	3	\$18,378.75	--	A1	1	\$20,000.00	\$26,000.00	\$32,000.00
Intern II	1	\$25,350.00	--	A2	1	\$20,000.00	\$26,000.00	\$32,000.00
Roll Cart Delivery Technician	3	\$24,134.46	--	T1	1	\$20,000.00	\$26,000.00	\$32,000.00
School Guard Patrolman	14	\$20,350.06	--	S1	1	\$20,000.00	\$26,000.00	\$32,000.00

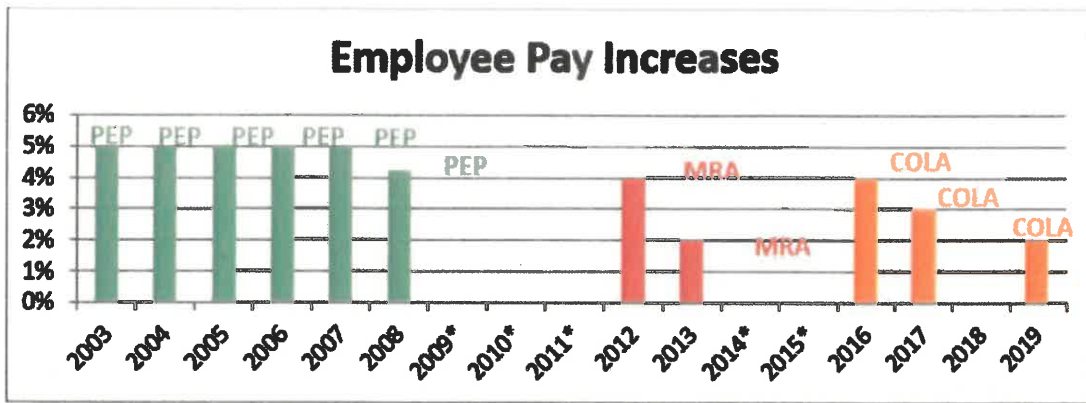
EXHIBIT # 3



Proposed Annual Pay Grade Ranges

Grade	Salary Range			Range Spread
	Min	Mid	Max	
18	\$119,505.65	\$167,307.91	\$215,110.18	80%
17	\$103,917.96	\$145,485.14	\$187,052.33	80%
16	\$90,363.44	\$126,508.82	\$162,654.20	80%
15	\$78,576.91	\$110,007.67	\$141,438.43	80%
14	\$70,157.95	\$98,221.13	\$126,284.31	80%
13	\$62,641.03	\$87,697.44	\$112,753.85	80%
12	\$55,929.49	\$78,301.29	\$100,673.08	80%
11	\$49,937.04	\$69,911.86	\$89,886.68	80%
10	\$44,586.65	\$62,421.31	\$80,255.97	80%
9	\$42,871.78	\$55,733.31	\$68,594.84	60%
8	\$38,974.34	\$50,666.64	\$62,358.95	60%
7	\$35,431.22	\$46,060.59	\$56,689.95	60%
6	\$32,210.20	\$41,873.26	\$51,536.32	60%
5	\$29,282.00	\$38,066.60	\$46,851.20	60%
4	\$26,620.00	\$34,606.00	\$42,592.00	60%
3	\$24,200.00	\$31,460.00	\$38,720.00	60%
2	\$22,000.00	\$28,600.00	\$35,200.00	60%
1	\$20,000.00	\$26,000.00	\$32,000.00	60%

EXHIBIT # 4



**Employees did not receive pay increase this year*

Year	PEP (max)	Longevity	MRA	Pay Range Increase	Sheriff Rank Structure Increases	COLA	CPI (Elected and Appointed)	Health Insurance Increase	Other Increases and Notes
2003	5.00%				2%-4%		1.60%	2%	
2004	5.00%				2%-4%		2.30%	9%	C&C Study completed & implemented
2005	5.00%	1%-3%			2%-4%		2.70%	12%	
2006	5.00%	1%-3%			2%-4%		3.40%	2%	
2007	5.00%	1%-3%			2%-4%		3.20%	1%	
2008	4.25%	1%-3%			2%-4%		2.80%	-6%	
2009					2%-4%		3.80%	8%	
2010					2%-4%		-0.40%	6%	
2011					2%-4%		1.64%	11%	
2012			4%		2%-4%		3.16%	14%	C&C Minor Study completed, only minimums implemented
2013		1%-3%	2%	6%	2%-4%		2.10%	11%	Employees below the new range min increased
2014		1%-3%			2%-4%		1.46%	-2%	Increases to Sheriff employees
2015		1%-3%			2%-4%		1.62%	20%	ASGDC - Starting pay increase
2016		1%-3%			2%-4%	4%	0.12%	4%	
2017		1%-3%			2%-4%	3%	1.26%	28%	Custodian, EMS & Detention Center increases*
2018		1%-3%			2%-4%		2.13%	6%	Department Head Study completed and implemented
2019						2%			TRS completed



Richland County

HUMAN RESOURCES

*Beginning effective November 13, 2017, the beginning pay for new hires in the following jobs will increase by 10%.

Emergency Medical Technician Basic--\$16.987 per hour
Emergency Medical Technician Intermediate--\$18.483 per hour
Paramedic--\$20.668 per hour
Detention Officer--\$14.262 per hour

*Beginning effective November 25, 2017, pay will be increased a minimum of 5% for current employees in the following jobs. Pay was increased more than 5% for some employees in the following jobs to ensure pay was not less than new hire starting pay.

Emergency Medical Technician Basic
Emergency Medical Technician Intermediate
Paramedic
Paramedic Crew Leader
Senior Paramedic
Detention Officer

*Effective 2017, hiring pay rates for custodial workers were increased by 40% from \$7.25 to \$10.14.

EXHIBIT # 5



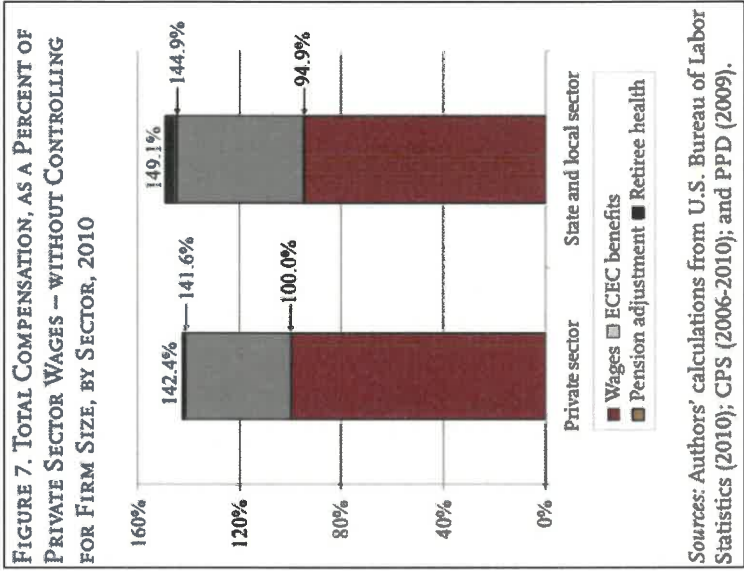
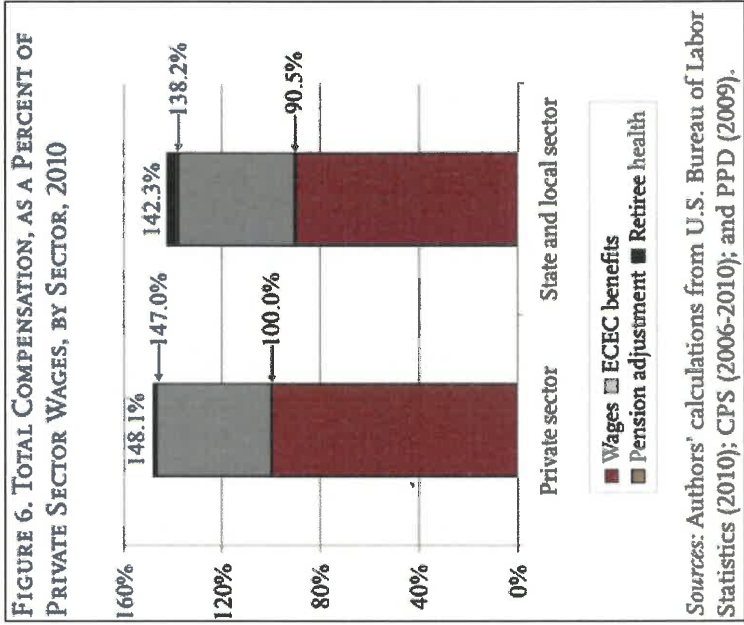
Comparing Compensation: State-Local Versus Private Sector Workers (Sept. 2011)

C E N T E R *for*
RETIREMENT
RESEARCH
at BOSTON COLLEGE

- Critics claim that the compensation of state-local workers is overly generous.
- Previous studies have found mixed results.
- Our analysis finds that compensation of state-local and private sector workers is roughly similar:
 - state-local workers earn 9.5 percent less than comparable private sector workers; but
 - this wage gap is mostly offset by higher pension and retiree health benefits.
- Thus, before making major changes to public compensation, policymakers should carefully consider the specifics of their state or locality.



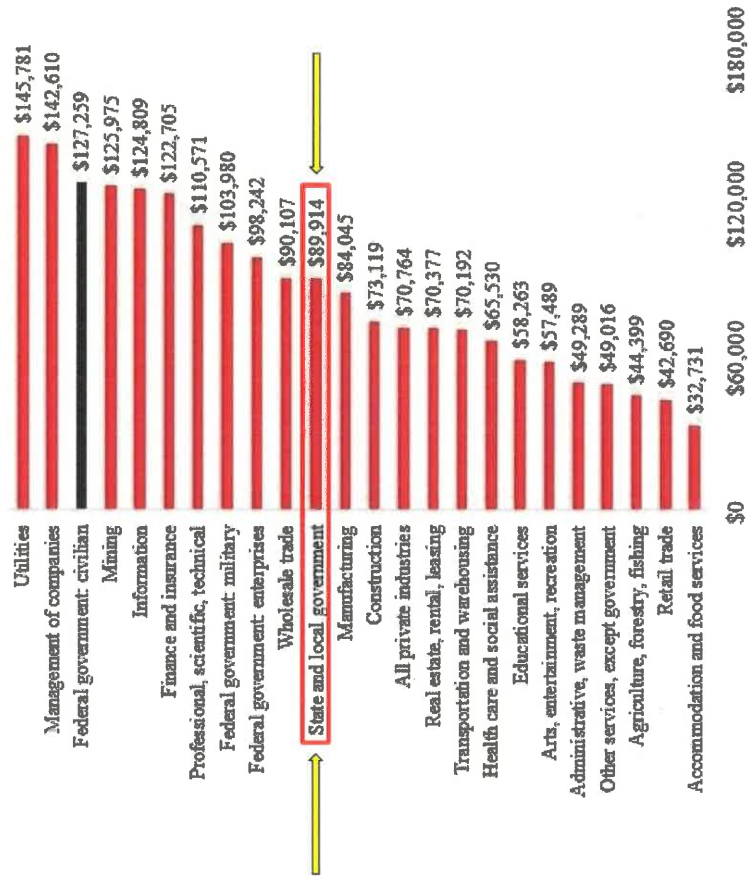
Comparing Compensation: State-Local Versus Private Sector Workers (Sept. 2011)





2016 Average Annual Pay Wages

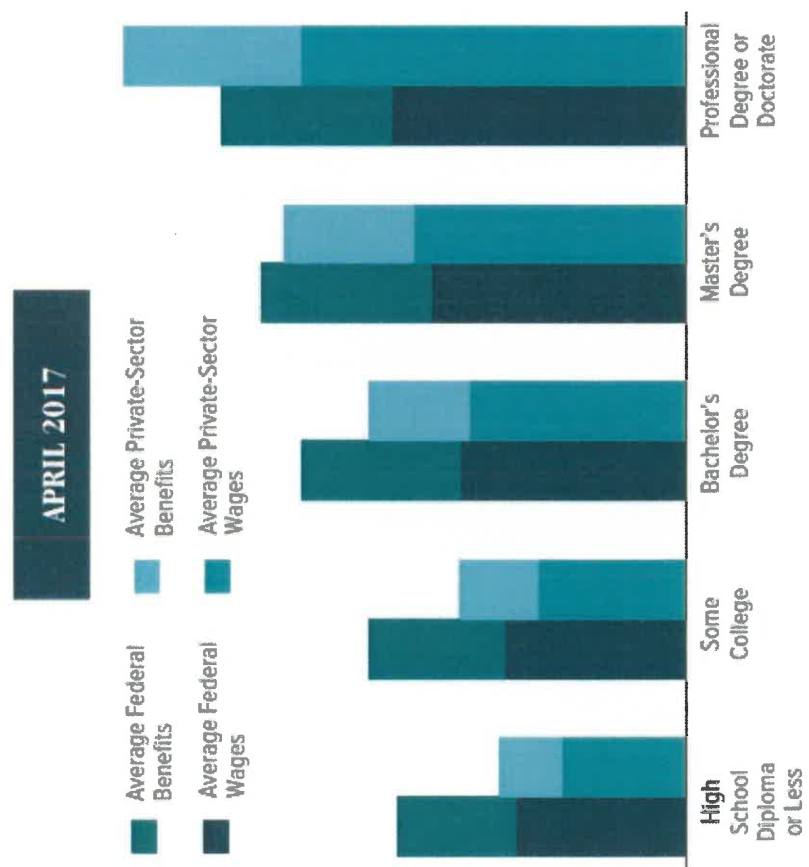
Average Annual Worker Compensation, 2016



- From the Federal News Network
- All data is as of 2016



Federal Government Pay vs. Private Sector Pay



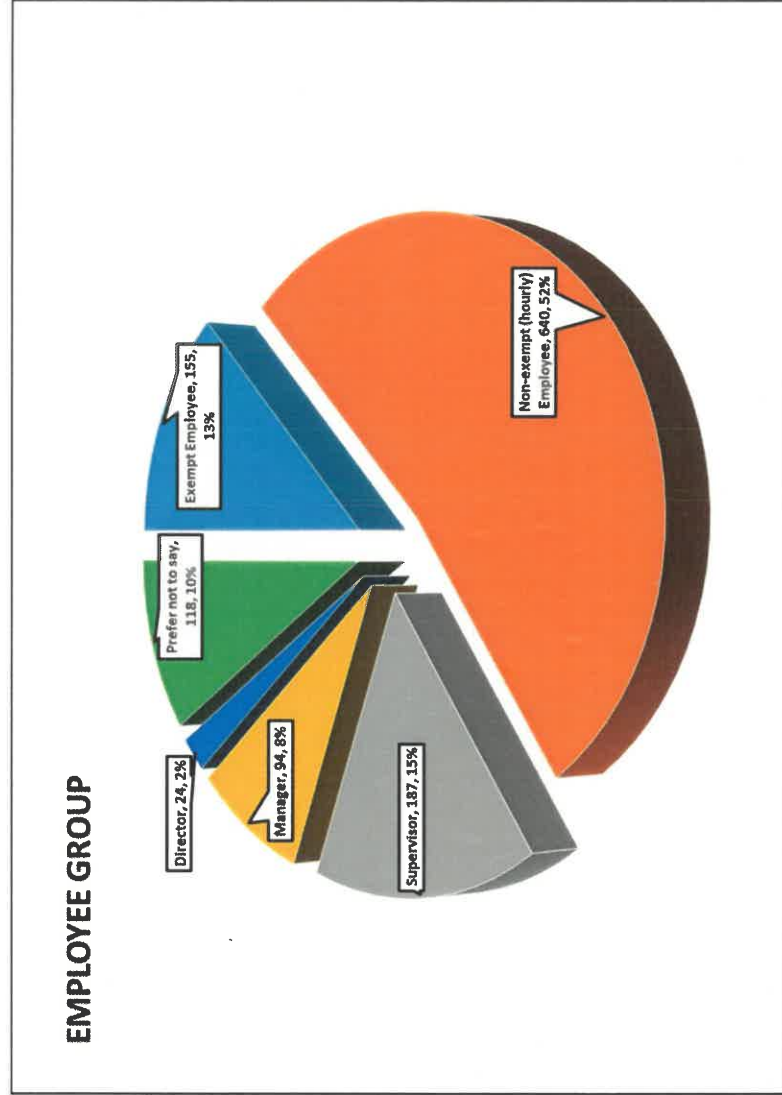
- Results from a study performed by the Congressional Budget Office as of January 2012

EXHIBIT # 6

Demographics – Numbers of Employees in Different Groups



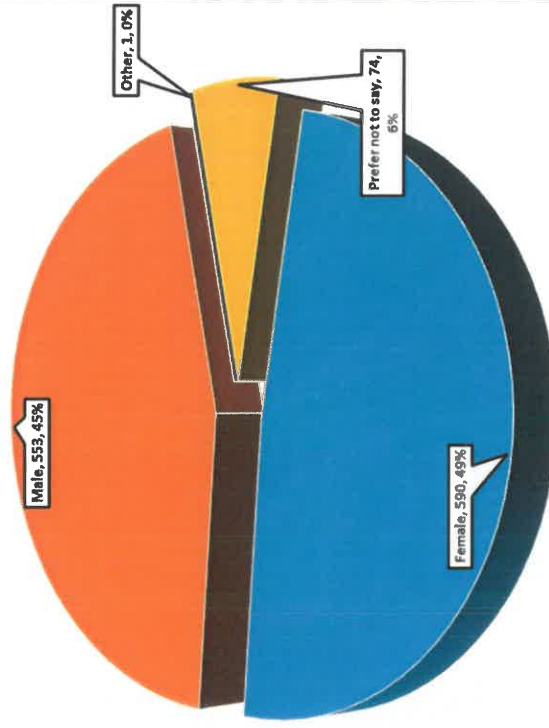
DEPARTMENT	NUMBER OF RESPONSES	% OF TOTAL RESPONSES
Sheriff	462	37.93%
Emergency Medical Services	110	9.03%
Community Planning & Development	62	5.09%
Clerk of Court	59	4.84%
Magistrates/Court Administration	41	3.37%
Public Works	41	3.37%
Detention Center	40	3.28%
Operational Services	36	2.96%
Administration	35	2.87%
Information Technology	32	2.63%
Prefer not to say	32	2.63%
Assessor	31	2.55%
Treasurer	29	2.38%
Solicitor	26	2.13%
Auditor	23	1.89%
Finance	19	1.56%
Public Defender	16	1.31%
Animal Services	14	1.15%
Human Resources	14	1.15%
Coroner	12	0.99%
CASA	11	0.90%
Registration/Election Commission	11	0.90%
Community & Government Service	10	0.82%
Utilities	10	0.82%
Probate Court	8	0.66%
Ombudsman	6	0.49%
Legal	5	0.41%
Public Information	5	0.41%
Economic Development	4	0.33%
Risk Management	4	0.33%
Clerk of Council	3	0.25%
Legislative Delegation	3	0.25%
Master in Equity	2	0.16%
Transportation Penny	2	0.16%
TOTAL:	1218	100.00%



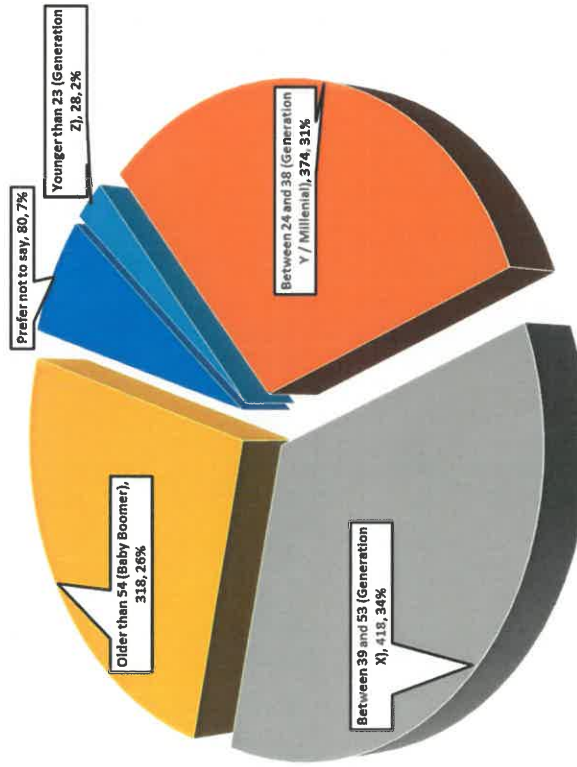
Demographics – Numbers of Employees in Different Groups



GENDER



GENERATION / AGE





Demographics – Numbers of Employees in Different Groups

EMPLOYEE GROUP	NUMBER OF RESPONSES	% OF TOTAL RESPONSES
Exempt Employee	155	13%
Non-exempt (hourly) Employee	640	52%
Supervisor	187	15%
Manager	94	8%
Director	24	2%
Prefer not to say	118	10%
TOTAL:	1218	100%

GENDER	NUMBER OF RESPONSES	% OF TOTAL RESPONSES
Female	590	49%
Male	553	45%
Other	1	0%
Prefer not to say	74	6%
TOTAL:	1218	100%

GENERATION / AGE	NUMBER OF RESPONSES	% OF TOTAL RESPONSES
Younger than 23 (Generation Z)	28	2%
Between 24 and 38 (Generation Y / Millennial)	374	31%
Between 39 and 53 (Generation X)	418	34%
Older than 54 (Baby Boomer)	318	26%
Prefer not to say	80	7%
TOTAL:	1218	100%

SALARY RANGE	NUMBER OF RESPONSES	% OF TOTAL RESPONSES
Under \$29,999	183	15%
Between \$30,000 and \$49,999	656	54%
Between \$50,000 and \$74,999	221	18%
Between \$75,000 and \$99,999	42	4%
Between \$100,000 and \$150,000	15	1%
Over \$150,000	1	0%
Prefer not to say	100	8%
TOTAL:	1218	100%



Demographics – Numbers of Employees in Different Groups

DEPENDENT STATUS	NUMBER OF RESPONSES	% OF TOTAL RESPONSES
I do not have any dependents	370	30.00%
I have a spouse and a child / children	469	39.00%
I have a child / children, but no spouse	137	11.00%
I have a spouse, but no children	152	13.00%
Prefer not to say	90	7.00%
TOTAL:	1218	100.00%

MEDICAL INSURANCE STATUS	NUMBER OF RESPONSES	% OF TOTAL RESPONSES
I do not have any dependents	426	35%
My dependents are NOT on Richland County's medical insurance	419	35%
My dependents ARE on Richland County's medical insurance	297	24%
Prefer not to say	76	6%
TOTAL:	1218	100%

EXHIBIT # 7



Employee Engagement Survey – Favorable vs. Unfavorable

- All FAVORABLE and UNFAVORABLE responses shown
- Listed In Numerical Question Order

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Q.10 I would advise a family member or friend to apply for a job at Richland County.	7%	9%	32%	34%	18%
Q.11 The benefits offered to me at Richland County meet my needs.	6%	16%	31%	39%	7%
Q.15.1 Compensation levels are competitive with other organizations like Richland County.	23%	32%	28%	13%	3%
Q.15.2 I am paid fairly for the work I perform at Richland County.	23%	33%	23%	17%	4%
Q.15.3 I am adequately rewarded and recognized for my contributions at work.	18%	25%	30%	22%	5%
Q.17.1 I understand what is expected of me in my current role.	0%	2%	6%	43%	49%
Q.17.2 My direct supervisor / manager has a deep understanding of my day-to-day responsibilities.	3%	7%	13%	35%	41%
Q.17.3 My direct supervisor/manager effectively supports me as I conduct my role at a high level and develops my career.	23%	33%	23%	17%	4%
Q.17.4 My direct supervisor/manager provides the coaching necessary for me to develop my career.	6%	11%	25%	29%	29%
Q.17.5 I am sufficiently recognized for my contributions by my direct supervisor/manager.	10%	12%	24%	31%	23%
Q.17.6 I am sufficiently recognized for my contributions by Richland County leadership.	15%	17%	36%	21%	11%
Q.17.7 I believe that advancement opportunities will exist when I am ready to advance.	17%	18%	31%	24%	10%
Q.17.8 I am satisfied with the learning and development opportunities resources and tools offered to me at Richland County.	7%	15%	34%	32%	11%
Q.17.9 Richland County is accommodating with respect to my personal responsibilities outside of work.	5%	6%	25%	41%	23%
Q.17.10 I am provided the necessary training to do my job efficiently.	5%	8%	21%	44%	23%
Q.19 I am given the proper resources, development, training, certifications and equipment I need to perform my job safely.	2%	7%	22%	48%	20%
Q.23.1 I believe the Richland County work environment is safe.	3%	6%	18%	49%	24%
Q.23.2 I feel my Dept.'s work has a positive impact on the community.	1%	2%	10%	42%	43%
Q.23.3 My department values diversity, inclusion, and civility.	2%	5%	12%	41%	39%
Q.24.1 The communication I receive from my direct supervisor/manager is clear.	3%	7%	16%	41%	33%
Q.24.2 I receive communication from my direct supervisor/manager at the right frequency.	3%	9%	17%	41%	31%
Q.24.3 The communication received from my direct supervisor/manager is relevant to my job.	2%	4%	13%	48%	33%
Q.24.4 The communication I receive from Richland County leadership is clear.	4%	11%	31%	38%	16%
Q.24.5 I receive communication from Richland County leadership at the right frequency.	4%	11%	35%	36%	14%
Q.24.6 The communication receive from Richland County leadership is relevant to my job.	3%	10%	33%	38%	16%
Q.24.7 The communication I receive from Human Resources is clear.	5%	9%	29%	41%	16%
Q.24.8 I receive communication from Human Resources at the right frequency.	4%	10%	31%	40%	15%
Q.24.9 The communication receive from Human Resources is relevant to my job.	3%	9%	34%	40%	14%



Employee Engagement Survey – Favorable vs. Unfavorable

- All FAVORABLE average answer results
- Listed from highest to lowest average score

	1	2	3	4	5	Scale 1-5
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Average
Q.17.1 I understand what is expected of me in my current role.	0%	2%	6%	43%	49%	4.39
Q23.2 I feel my Dept.'s work has a positive impact on the community.	1%	2%	10%	42%	43%	4.18
Q.24.3 The communication received from my direct supervisor/manager is relevant to my job.	2%	4%	13%	48%	33%	4.08
Q23.3 My department values diversity, inclusion, and civility.	2%	5%	12%	41%	39%	4.07
Q.17.2 My direct supervisor / manager has a deep understanding of my day-to-day responsibilities.	3%	7%	13%	35%	41%	4.01



Employee Engagement Survey – Favorable vs. Unfavorable

- All UNFAVORABLE average answer results
- Listed from lowest to highest average score

	1	2	3	4	5	Scale 1-5
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Average
Q.15.1 Compensation levels are competitive with other organizations like Richland County.	23%	32%	28%	13%	3%	2.38
Q.17.3 My direct supervisor/manager effectively supports me as I conduct my role at a high level and develops my career.	23%	33%	23%	17%	4%	2.46
Q.15.2 I am paid fairly for the work I perform at Richland County.	23%	33%	23%	17%	4%	2.46
Q.15.3 I am adequately rewarded and recognized for my contributions at work.	18%	25%	30%	22%	5%	2.71
Q.17.7 I believe that advancement opportunities will exist when I am ready to advance.	17%	18%	31%	24%	10%	2.92
Q.17.6 I am sufficiently recognized for my contributions by Richland County leadership.	15%	17%	36%	21%	11%	2.96



Employee Engagement Survey – Favorable vs. Unfavorable

- All NEUTRAL average answer results
- Listed from highest to lowest average score

	1	2	3	4	5	Scale 1-5
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Average
Q.24.1 The communication I receive from my direct supervisor/manager is clear.	3%	7%	16%	41%	33%	3.95
Q.24.2 I receive communication from my direct supervisor/manager at the right frequency.	3%	9%	17%	41%	31%	3.89
Q.23.1 I believe the Richland County work environment is safe.	3%	6%	18%	49%	24%	3.85
Q17.10 I am provided the necessary training to do my job efficiently.	5%	8%	21%	44%	23%	3.75
Q.19 I am given the proper resources, development, training, certifications and equipment I need to perform my job safely.	2%	7%	22%	48%	20%	3.74
Q17.9 Richland County is accommodating with respect to my personal responsibilities outside of work.	5%	6%	25%	41%	23%	3.71
Q.17.4 My direct supervisor/manager provides the coaching necessary for me to develop my career.	6%	11%	25%	29%	29%	3.64
Q.24.7 The communication I receive from Human Resources is clear.	5%	9%	29%	41%	16%	3.55
Q.24.9 The communication receive from Human Resources is relevant to my job.	3%	9%	34%	40%	14%	3.54
Q.24.8 I receive communication from Human Resources at the right frequency.	4%	10%	31%	40%	15%	3.53
Q.24.6 The communication receive from Richland County leadership is relevant to my job.	3%	10%	33%	38%	16%	3.53
Q.24.4 The communication I receive from Richland County leadership is clear.	4%	11%	31%	38%	16%	3.52
Q.10 I would advise a family member or friend to apply for a job at Richland County.	7%	9%	32%	34%	18%	3.47
Q.24.5 I receive communication from Richland County leadership at the right frequency.	4%	11%	35%	36%	14%	3.46
Q.17.5 I am sufficiently recognized for my contributions by my direct supervisor/manager.	10%	12%	24%	31%	23%	3.45
Q.11 The benefits offered to me at Richland County meet my needs.	6%	16%	31%	39%	7%	3.22
Q17.8 I am satisfied with the learning and development opportunities resources and tools offered to me at Richland County.	7%	15%	34%	32%	11%	3.22

Richland County Council Request for Action

Subject:

Authorizing the expansion of the boundaries of the I-77 Corridor Regional Industrial Park jointly developed with Fairfield County to include certain property located in Richland County; the execution and delivery of an infrastructure credit agreement to provide for infrastructure credits to North Main Senior, LLC; and other related matters

Notes:

First Reading:
Second Reading:
Third Reading:
Public Hearing:

STATE OF SOUTH CAROLINA
COUNTY COUNCIL FOR RICHLAND COUNTY
ORDINANCE NO. _____

AUTHORIZING THE EXPANSION OF THE BOUNDARIES OF THE I-77 CORRIDOR REGIONAL INDUSTRIAL PARK JOINTLY DEVELOPED WITH FAIRFIELD COUNTY TO INCLUDE CERTAIN PROPERTY LOCATED IN RICHLAND COUNTY; THE EXECUTION AND DELIVERY OF AN INFRASTRUCTURE CREDIT AGREEMENT TO PROVIDE FOR INFRASTRUCTURE CREDITS TO NORTH MAIN SENIOR, LLC; AND OTHER RELATED MATTERS.

WHEREAS, Richland County (“County”), acting by and through its County Council (“County Council”), is authorized pursuant to the provisions of Article VIII, Section 13(D) of the South Carolina Constitution and the provisions of Title 4, Chapter 1 of the Code of Laws of South Carolina, 1976, as amended (collectively, “Act”), to (i) develop a multicounty park with counties having contiguous borders with the County; and (ii) include property in the multicounty park which inclusion under the terms of the Act (A) makes such property exempt from *ad valorem* property taxes, and (B) changes the character of the annual receipts from such property to fees-in-lieu of *ad valorem* property taxes in an amount equal to the *ad valorem* taxes that would have been due and payable but for the location of the property in such multicounty park (“Fee Payments”);

WHEREAS, the County is further authorized by Section 4-1-175 of the Act, to grant credits against Fee Payments (“Infrastructure Credit”) to pay costs of designing, acquiring, constructing, improving or expanding (i) infrastructure serving a project or the County, and (ii) improved and unimproved real estate and personal property used in the operation of a manufacturing facility or commercial enterprise (collectively, “Infrastructure”);

WHEREAS, pursuant to the authority provided in the Act, the County has developed with Fairfield County, South Carolina, the I-77 Corridor Regional Industrial Park (“Park”) and executed the Amended and Restated Master Agreement Governing the I-77 Corridor Regional Industrial Park, dated September 1, 2018 (“Park Agreement”), which governs the operation of the Park;

WHEREAS, North Main Senior, LLC (“Company”) desires to establish a low-income rental housing project within the County (“Project”), consisting of taxable investments in real and personal property of not less than \$10,000,000;

WHEREAS, at the Company’s request, the County desires to expand the boundaries of the Park and amend the Park Agreement to include the real and personal property relating to the Project, specifically including property located at 3700 and 3706 North Main Street, Columbia, South Carolina and bearing tax map numbers R09209-20-04 and R09209-20-03 (“Property”) in the Park; and

WHEREAS, the County further desires to enter into an Infrastructure Credit Agreement between the County and the Company, the substantially final form of which is attached as Exhibit A (“Agreement”), to provide Infrastructure Credits against certain of the Company’s Fee Payments with respect to the Project for the purpose of assisting in paying the costs of certain Infrastructure.

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

Section 1. *Statutory Findings.* Based on representations made by the Company to the County, the County finds that the Project and the Infrastructure will enhance the economic development of the County.

Section 2. *Expansion of the Park Boundaries, Inclusion of Property.* The expansion of the Park boundaries and an amendment to the Park Agreement to include the Property in the Park is authorized. The Chair of County Council (“Chair”), is authorized to execute such documents and take such further actions as may be necessary to complete the expansion of the Park boundaries and the amendment to the Park Agreement. Pursuant to the terms of the Park Agreement, the expansion of the Park’s boundaries to include the Property is complete on the adoption of this Ordinance by County Council and delivery of notice to Fairfield County of the inclusion of the Property in the Park.

Section 3. *Approval of Infrastructure Credit; Authorization to Execute and Deliver Agreement.* The Infrastructure Credits, as more particularly set forth in the Agreement, against the Company’s Fee Payments with respect to the Project are approved. The form, terms and provisions of the Agreement that is before this meeting are approved and all of the Agreement’s terms are incorporated in this Ordinance by reference as if the Agreement was set out in this Ordinance in its entirety. The Chair is authorized and directed to execute the Agreement in the name of and on behalf of the County, subject to the approval of any revisions or changes as are not materially adverse to the County by the County Administrator and counsel to the County, and the Clerk to County Council is hereby authorized and directed to attest the Agreement and to deliver the Agreement to the Company.

Section 4. *Further Assurances.* The County Council confirms the authority of the Chair, the County Administrator, the Director of Economic Development and the Clerk to County Council, and various other County officials and staff, acting at the direction of the Chair, the County Administrator, the Director of Economic Development or Clerk to County Council, as appropriate, to take whatever further action and to negotiate, execute and deliver whatever further documents as may be appropriate to effect the intent of this Ordinance and the incentives offered to the Company under this Ordinance and the Agreement.

Section 5. *Savings Clause.* The provisions of this Ordinance are separable. If any part of this Ordinance is, for any reason, unenforceable then the validity of the remainder of this Ordinance is unaffected.

Section 6. *General Repealer.* Any prior ordinance, the terms of which are in conflict with this Ordinance, is, only to the extent of that conflict, repealed.

Section 7. *Effectiveness.* This Ordinance is effective after its third reading and public hearing.

RICHLAND COUNTY, SOUTH CAROLINA

Chair, Richland County Council

(SEAL)
ATTEST:

Clerk of Council, Richland County Council

First Reading: May 21, 2019
Second Reading:
Public Hearing:
Third Reading:

EXHIBIT A
FORM OF AGREEMENT

INFRASTRUCTURE CREDIT AGREEMENT

by and between

RICHLAND COUNTY, SOUTH CAROLINA

and

NORTH MAIN SENIOR, LLC, a South Carolina limited liability company

Effective as of: _____ 2019

INFRASTRUCTURE CREDIT AGREEMENT

This INFRASTRUCTURE CREDIT AGREEMENT, effective as of _____, 2019 (“Agreement”), is by and between RICHLAND COUNTY, SOUTH CAROLINA, a body politic and corporate, and a political subdivision of the State of South Carolina (“County”), and NORTH MAIN SENIOR, LLC, a South Carolina limited liability company (“Company” together with the County, “Parties,” each, a “Party”).

WITNESSETH:

WHEREAS, the County, acting by and through its County Council (“County Council”), is authorized and empowered under and pursuant to the provisions of Article VIII, Section 13(D) of the South Carolina Constitution and the provisions of Title 4, Chapter 1 of the Code of Laws of South Carolina, 1976, as amended (collectively, “Act”), to (i) develop multicounty parks with counties having contiguous borders with the County; and (ii) include property in the multicounty park, which inclusion under the terms of the Act (A) makes such property exempt from *ad valorem* property taxes, and (B) changes the character of the annual receipts from such property to fees-in-lieu of *ad valorem* property taxes in an amount equal to the *ad valorem* taxes that would have been due and payable but for the location of the property in such multicounty park (“Fee Payments”);

WHEREAS, the County is further authorized by Section 4-1-175 of the Act to grant credits against Fee Payments (“Infrastructure Credit”) to pay costs of designing, acquiring, constructing, improving or expanding (i) infrastructure serving a project or the County and (ii) improved and unimproved real estate and personal property used in the operation of a commercial enterprise or manufacturing facility (collectively, “Infrastructure”);

WHEREAS, pursuant to the authority provided in the Act, the County has developed with Fairfield County, South Carolina, the I-77 Corridor Regional Industrial Park (“Park”) and executed the “Amended and Restated Master Agreement Governing the I-77 Corridor Regional Industrial Park” dated September 1, 2018 (“Park Agreement”), which governs the operation of the Park;

WHEREAS, the Company with the sponsorship and involvement of the Columbia Empowerment Zone, Inc. through its wholly owned subsidiary The Veranda at North Main, LLC (a co-managing member of the Company) has committed to establish a low-income rental housing project for seniors in the County (“Project”) on property more particularly identified by Exhibit A (“Land”), consisting of taxable investment in real and personal property of not less than \$10,000,000;

WHEREAS, the Project is encumbered by an Agreement as to Restrictive Covenants between the South Carolina State Housing Finance and Development Authority (“State Housing”) and the Company dated December 27, 2017 (“Restrictive Covenants”) pursuant to which the Company will agree that at least 40% of the completed dwelling units in the Project will be rented continuously to individuals or families whose total aggregate income at the time of initial occupancy does not exceed 60% of the area median gross income as computed by HUD at rents not in excess of the fair market rent as determined by HUD (“Low Income Rental Restrictions”); and

WHEREAS, by an ordinance enacted on _____, 2019 (“Ordinance”), the County authorized the expansion of the boundaries of the Park and an amendment to the Park Agreement to include the Land and other real and personal property relating to the Project (“Property”) in the Park; and

WHEREAS, pursuant to the Ordinance, the County further authorized the execution and delivery of this Agreement to provide Infrastructure Credits against the Company’s Fee Payments with respect to the

Project for the purpose of assisting in paying the costs of certain Infrastructure, subject to the terms and conditions below.

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the County and the Company agree as follows:

ARTICLE I REPRESENTATIONS

Section 1.1. *Representations by the County.* The County represents to the Company as follows:

- (a) The County is a body politic and corporate and a political subdivision of the State of South Carolina;
- (b) The County is authorized and empowered by the provisions of the Act to enter into and carry out its obligations under this Agreement;
- (c) The County has duly authorized and approved the execution and delivery of this Agreement by adoption of the Ordinance in accordance with the procedural requirements of the Act and any other applicable state law;
- (d) The County is not in default of any of its obligations (contractual or otherwise) as a result of entering into and performing its obligations under this Agreement;
- (e) The County has approved the inclusion of the Property in the Park; and
- (f) Based on representations made by the Company to the County, the County has determined the Project and the Infrastructure will enhance the economic development of the County. Therefore, the County is entering into this Agreement for the purpose of promoting the economic development of the County.

Section 1.2. *Representations by the Company.* The Company represents to the County as follows:

- (a) The Company is in good standing under the laws of the State of South Carolina, has power to conduct business in the State of South Carolina and enter into this Agreement, and by proper company action has authorized the officials signing this Agreement to execute and deliver it;
- (b) The Company will comply with the Restrictive Covenants and will use commercially reasonable efforts to provide low-income housing at the Project for the balance of the units;
- (c) The Company will use commercially reasonable efforts to achieve the Company Commitment, as defined below; and
- (c) The Company's execution and delivery of this Agreement, and its compliance with the provisions of this Agreement do not result in a default under any agreement or instrument to which the Company is now a party or by which it is bound.

**ARTICLE II
INFRASTRUCTURE CREDITS**

Section 2.1. *Company Commitment.* The Company shall invest not less than \$10,000,000 in taxable property to acquire, construct, furnish and equip the Project (“Company Commitment”) by the Certification Date, as defined below. The Company shall certify to the County completion of the Project by no later than December 31, 2019 (“Certification Date”), by providing documentation to the County sufficient to reflect completion of the Project. If the Company fails to achieve and certify the Company Commitment by the Certification Date, the County may terminate this Agreement and, on termination, the Company is no longer entitled to any further benefits under this Agreement. In the event of a default of the Company under the Restrictive Covenants, the Company is subject to the clawback requirements set forth in Section 2.3 below.

Section 2.2. *Infrastructure Credits.*

(a) To assist in paying for costs of Infrastructure, the County shall provide an Infrastructure Credit against certain of the Company’s Fee Payments due with respect to the Project. The term, amount and calculation of the Infrastructure Credit is described in Exhibit B.

(b) For each property tax year in which the Company is entitled to an Infrastructure Credit (“Credit Term”), the County shall prepare and issue the Company’s annual property tax bill with respect to the Project net of the Infrastructure Credit set forth in Section 2.3 (a) (“Net Fee Payment”). Following receipt of the annual bill, the Company shall timely remit the Net Fee Payment to the County in accordance with applicable law.

(c) THIS AGREEMENT AND THE INFRASTRUCTURE CREDITS PROVIDED BY THIS AGREEMENT ARE LIMITED OBLIGATIONS OF THE COUNTY. THE INFRASTRUCTURE CREDITS ARE DERIVED SOLELY FROM AND TO THE EXTENT OF THE FEE PAYMENTS MADE BY THE COMPANY TO THE COUNTY PURSUANT TO THE ACT AND THE PARK AGREEMENT. THE INFRASTRUCTURE CREDITS DO NOT AND SHALL NOT CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY OR ANY MUNICIPALITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION AND DO NOT AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY OR ANY MUNICIPALITY OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE COUNTY OR ANY MUNICIPALITY. THE FULL FAITH, CREDIT, AND TAXING POWER OF THE COUNTY OR ANY MUNICIPALITY ARE NOT PLEDGED FOR THE PROVISION OF THE INFRASTRUCTURE CREDITS.

Section 2.3. *Clawback.* In the event of a default of the Company under the Restrictive Covenants (after the expiration of any notice or remedial period contained thereunder) resulting from the Company's failure to satisfy the Low Income Rental Restrictions for any calendar year, the Company shall repay the Infrastructure Credits received for such year. The portion of the Infrastructure Credit to be repaid (“Repayment Amount”) is based on the percentage of the occupied dwelling units in the Project which failed to satisfy the Low Income Rental Restrictions divided by the total number of occupied dwelling units in the Project for the prior calendar year, calculated as follows:

Repayment Amount = Total Received x Clawback Percentage

Clawback Percentage = 100% - Low Income Rental Percentage

Low Income Rental Percentage = Number Of Occupied Dwelling Units Which Failed To Satisfy the Low Income Rental Restrictions Divided By The Total Number Of Occupied Dwelling Units in the Project Subject to the Low Income Rental Restrictions For the Prior Calendar Year.

For example, and by way of example only, if the Company had received \$500,000 in Infrastructure Credits, the Project contained 24 occupied dwelling units subject to The Low Income Rental Restrictions in any year and an event of default under the Restrictive Covenants had occurred due to the failure of the Company to satisfy the Low Income Rental Restrictions as to 8 occupied dwelling units in that calendar year, the Repayment Amount would be calculated as follows:

Low Income Rental Percentage = $8/24 = 33.33\%$

Clawback Percentage = $100\% - 33.33\% = 66.66\%$

Repayment Amount = $\$500,000 \times 66.66\% = \$33,330$

All percentages will be rounded to the nearest two decimal places. The Company shall prepare and return the Credit Certificate, attached hereto as Exhibit C ("*Credit Certificate*"), within 60 days of receiving the Annual Bill certifying that the Company satisfied the Low Income Rental Restrictions or certifying that an event of default occurred under the Restrictive Covenants due to the Company's failure to satisfy the Low income Rental Restrictions. The Credit Certificate shall calculate and set forth the Repayment Amount for the prior calendar year, if any, and the Company shall remit the Repayment Amount along with the Credit Certificate. If not timely paid, the Repayment Amount is subject to the minimum amount of interest that South Carolina law may permit with respect to delinquent *ad valorem* tax payments. The repayment obligation arising under this Section survives termination of this Agreement.

Section 2.4. Filings. To assist the County in administering the Infrastructure Credits, the Company shall, for the Credit Term, prepare and file a separate schedule to the SCDOR PT-100, PT-300 with respect to the Property.

Section 2.5 Cumulative Infrastructure Credit. The cumulative dollar amount expended by the Company on Infrastructure shall equal or exceed the cumulative dollar amount of all the Infrastructure Credits received by the Company.

Section 2.6. Termination Upon Receipt of Statutory Exemption. If the South Carolina law provides that the Project qualifies for an exemption under South Carolina law, the Company shall be required to diligently pursue such exemption. This Agreement shall automatically terminate if the Project is determined to be exempt from *ad valorem* property taxes under South Carolina law.

**ARTICLE III
DEFAULTS AND REMEDIES**

Section 3.1. *Events of Default.* The following are “Events of Default” under this Fee Agreement:

(a) Failure by the Company to make a Net Fee Payment, which failure has not been cured within 30 days following receipt of written notice from the County specifying the delinquency in payment and requesting that it be remedied;

(b) A Cessation of Operations. For purposes of this Agreement, a “Cessation of Operations means closure of the Project for a continuous period of twelve (12) months or an event of default under the Restrictive Covenants, in which the Company fails to meet the Low Income Rental Restrictions for a period of 12 months;

(c) A representation or warranty made by the Company which is deemed materially incorrect when deemed made;

(d) Failure by the Company to perform any of the terms, conditions, obligations, or covenants under this Agreement (other than those described in Section 2.1 under (a) above), which failure has not been cured within 30 days after written notice from the County to the Company specifying such failure and requesting that it be remedied, unless the Company has instituted corrective action within the 30-day period and is diligently pursuing corrective action until the default is corrected, in which case the 30-day period is extended to include the period during which the Company is diligently pursuing corrective action;

(e) A representation or warranty made by the County which is deemed materially incorrect when deemed made; or

(f) Failure by the County to perform any of the terms, conditions, obligations, or covenants hereunder, which failure has not been cured within 30 days after written notice from the Company to the County specifying such failure and requesting that it be remedied, unless the County has instituted corrective action within the 30-day period and is diligently pursuing corrective action until the default is corrected, in which case the 30-day period is extended to include the period during which the County is diligently pursuing corrective action.

Section 3.2. *Remedies on Default.*

(a) If an Event of Default by the Company has occurred and is continuing, then the County may take any one or more of the following remedial actions:

(i) terminate the Agreement; or

(ii) take whatever action at law or in equity may appear necessary or desirable to collect amounts due or otherwise remedy the Event of Default or recover its damages.

(b) If an Event of Default by the County has occurred and is continuing, the Company may take one or more of the following actions:

(i) bring an action for specific enforcement;

(ii) terminate the Agreement; or

(iii) in case of a materially incorrect representation or warranty, take such action as is appropriate, including legal action, to recover its damages, to the extent allowed by law.

Section 3.3. *Reimbursement of Legal Fees and Other Expenses.* On the occurrence of an Event of Default, if a Party is required to employ attorneys or incur other reasonable expenses for the collection of payments due under this Agreement or for the enforcement of performance or observance of any obligation or agreement, the prevailing Party is entitled to seek reimbursement of the reasonable fees of such attorneys and such other reasonable expenses so incurred.

Section 3.4. *Remedies Not Exclusive.* No remedy described in this Agreement is intended to be exclusive of any other remedy or remedies, and each and every such remedy is cumulative and in addition to every other remedy given under this Agreement or existing at law or in equity or by statute.

Section 3.5. *Nonwaiver.* A delay or omission by the Company or County to exercise any right or power accruing on an Event of Default does not waive such right or power and is not deemed to be a waiver or acquiescence of the Event of Default. Every power and remedy given to the Company or County by this Agreement may be exercised from time to time and as often as may be deemed expedient.

ARTICLE IV MISCELLANEOUS

Section 4.1. *Examination of Records; Confidentiality.*

(a) The County and its authorized agents, at any reasonable time on prior notice, may enter and examine the Project and have access to and examine the Company's books and records relating to the Project for the purposes of (i) identifying the Project; (ii) confirming achievement of the Investment Commitment; and (iii) permitting the County to carry out its duties and obligations in its sovereign capacity (such as, without limitation, for such routine health and safety purposes as would be applied to any other manufacturing or commercial facility in the County).

(b) The County acknowledges that the Company may utilize confidential and proprietary processes and materials, services, equipment, trade secrets, and techniques ("Confidential Information") and that disclosure of the Confidential Information could result in substantial economic harm to the Company. The Company may clearly label any Confidential Information delivered to the County pursuant to this Agreement as "Confidential Information." Except as required by law, the County, or any employee, agent, or contractor of the County, shall not disclose or otherwise divulge any labeled Confidential Information to any other person, firm, governmental body or agency. The Company acknowledges that the County is subject to the South Carolina Freedom of Information Act, and, as a result, must disclose certain documents and information on request, absent an exemption. If the County is required to disclose any Confidential Information to a third party, the County will use its best efforts to provide the Company with as much advance notice as is reasonably possible of such disclosure requirement prior to making such disclosure and to cooperate reasonably with any attempts by the Company to obtain judicial or other relief from such disclosure requirement.

Section 4.2. *Assignment.* The Company may assign or otherwise transfer any of its rights and interest in this Agreement on prior written consent of the County, which may be given by resolution, and which consent will not be unreasonably withheld.

Section 4.3. Provisions of Agreement for Sole Benefit of County and Company. Except as otherwise specifically provided in this Agreement, nothing in this Agreement expressed or implied confers on any person or entity other than the County and the Company any right, remedy, or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the County and the Company.

Section 4.4. Severability. If any provision of this Agreement is declared illegal, invalid, or unenforceable for any reason, the remaining provisions of this Agreement are unimpaired, and the Parties shall reform such illegal, invalid, or unenforceable provision to effectuate most closely the legal, valid, and enforceable intent of this Agreement.

Section 4.5. Limitation of Liability.

(a) The County is not liable to the Company for any costs, expenses, losses, damages, claims or actions in connection with this Agreement, except from amounts received by the County from the Company under this Agreement.

(b) All covenants, stipulations, promises, agreements and obligations of the County contained in this Agreement are binding on members of the County Council or any elected official, officer, agent, servant or employee of the County only in his or her official capacity and not in his or her individual capacity, and no recourse for the payment of any moneys or performance of any of the covenants and agreements under this Agreement or for any claims based on this Agreement may be had against any member of County Council or any elected official, officer, agent, servant or employee of the County except solely in their official capacity.

Section 4.6. Indemnification Covenant.

(a) Except as provided in paragraph (d) below, the Company shall indemnify and save the County, its employees, elected officials, officers and agents (each, an “Indemnified Party”) harmless against and from all liability or claims arising from the County’s execution of this Agreement, performance of the County’s obligations under this Agreement or the administration of its duties pursuant to this Agreement, or otherwise by virtue of the County having entered into this Agreement.

(b) The County is entitled to use counsel of its choice and the Company shall reimburse the County for all of its costs, including attorneys’ fees, incurred in connection with the response to or defense against such liability or claims as described in paragraph (a) above. The County shall provide a statement of the costs incurred in the response or defense, and the Company shall pay the County within 30 days of receipt of the statement. The Company may request reasonable documentation evidencing the costs shown on the statement. However, the County is not required to provide any documentation which may be privileged or confidential to evidence the costs.

(c) The County may request the Company to resist or defend against any claim on behalf of an Indemnified Party. On such request, the Company shall resist or defend against such claim on behalf of the Indemnified Party, at the Company’s expense. The Company is entitled to use counsel of its choice, manage and control the defense of or response to such claim for the Indemnified Party; provided the Company is not entitled to settle any such claim without the consent of that Indemnified Party.

(d) Notwithstanding anything herein to the contrary, the Company is not required to indemnify any Indemnified Party against or reimburse the County for costs arising from any claim or liability (i) occasioned by the acts of that Indemnified Party, which are unrelated to the execution of this Agreement, performance of the County’s obligations under this Agreement, or the administration of its

duties under this Agreement, or otherwise by virtue of the County having entered into this Agreement; or (ii) resulting from that Indemnified Party's own negligence, bad faith, fraud, deceit, or willful misconduct.

(e) An Indemnified Party may not avail itself of the indemnification or reimbursement of costs provided in this Section unless it provides the Company with prompt notice, reasonable under the circumstances, of the existence or threat of any claim or liability, including, without limitation, copies of any citations, orders, fines, charges, remediation requests, or other claims or threats of claims, in order to afford the Company notice, reasonable under the circumstances, within which to defend or otherwise respond to a claim.

Section 4.7. Notices. All notices, certificates, requests, or other communications under this Agreement are sufficiently given and are deemed given, unless otherwise required by this Agreement, when (i) delivered and confirmed by United States first-class, registered mail, postage prepaid or (ii) sent by facsimile, and addressed as follows:

if to the County:	Richland County, South Carolina Attn: Director of Economic Development 2020 Hampton Street Columbia, South Carolina 29204 Phone: 803.576.2043 Fax: 803.576.2137
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with a copy to (does not constitute notice):	Parker Poe Adams & Bernstein LLP Attn: Ray E. Jones 1221 Main Street, Suite 1100 (29201) Post Office Box 1509 Columbia, South Carolina 29202 Phone: 803.255.8000 Fax: 803.255.8017
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if to the Company:	North Main Senior, LLC c/o Integral Development LLC 191 Peachtree Street NE, Suite 4100 Atlanta, Georgia 30303
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with a copy to (does not constitute notice):	The Veranda at North Main, LLC c/o Columbia Empowerment Zone, Inc. 3200 Grand Street Columbia, South Carolina 29203
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with a copy to (does not constitute notice):	Haynsworth Sinkler Boyd, P.A. Attn: Benton D. Williamson 1201 Main Street, 22 nd Floor Columbia, South Carolina 29201
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The County and the Company may, by notice given under this Section, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 4.8. *Administrative Fees.* The Company will reimburse, or cause reimbursement to, the County for the Administration Expenses in the amount of \$3,000. The Company will reimburse the County for its Administration Expenses on receipt of a written request from the County or at the County's direction, which request shall include a statement of the amount and nature of the Administration Expense. The Company shall pay the Administration Expenses as set forth in the written request no later than 60 days following receipt of the written request from the County. For purposes of this Section, "Administration Expenses" means the reasonable expenses incurred by the County in the negotiation, approval and implementation of the terms and provisions of this Agreement, including reasonable attorneys' fees. Administration Expenses do not include any costs, expenses, including attorneys' fees, incurred by the County (i) in defending challenges to the Fee Payments or Infrastructure Credits brought by third parties or the Company or its affiliates and related entities, or (ii) in connection with matters arising at the request of the Company outside of the immediate scope of this Agreement, including amendments to the terms of this Agreement. The payment by the Company of the County's Administration Expenses shall not be construed as prohibiting the County from engaging, at its discretion, the counsel of the County's choice.

Section 4.9. *Entire Agreement.* This Agreement expresses the entire understanding and all agreements of the Parties with each other, and neither Party is bound by any agreement or any representation to the other Party which is not expressly set forth in this Agreement or in certificates delivered in connection with the execution and delivery of this Agreement.

Section 4.10 *Agreement to Sign Other Documents.* From time to time, and at the expense of the Company, to the extent any expense is incurred, the County agrees to execute and deliver to the Company such additional instruments as the Company may reasonably request and as are authorized by law and reasonably within the purposes and scope of the Act and this Agreement to effectuate the purposes of this Agreement.

Section 4.11. *Agreement's Construction.* Each Party and its counsel have reviewed this Agreement and any rule of construction to the effect that ambiguities are to be resolved against a drafting party does not apply in the interpretation of this Agreement or any amendments or exhibits to this Agreement.

Section 4.12. *Applicable Law.* South Carolina law, exclusive of its conflicts of law provisions that would refer the governance of this Agreement to the laws of another jurisdiction, governs this Agreement and all documents executed in connection with this Agreement.

Section 4.13. *Counterparts.* This Agreement may be executed in any number of counterparts, and all of the counterparts together constitute one and the same instrument.

Section 4.14. *Amendments.* This Agreement may be amended only by written agreement of the Parties.

Section 4.15. *Waiver.* Either Party may waive compliance by the other Party with any term or condition of this Agreement but the waiver is valid only if it is in a writing signed by the waiving Party.

Section 4.16. *Termination.* Unless first terminated under any other provision of this Agreement, this Agreement terminates on the expiration of the Credit Term and payment by the Company of any outstanding Net Fee Payment due on the Project pursuant to the terms of this Agreement.

Section 4.17. *Business Day.* If any action, payment, or notice is, by the terms of this Agreement, required to be taken, made, or given on any Saturday, Sunday, or legal holiday in the jurisdiction in which

the Party obligated to act is situated, such action, payment, or notice may be taken, made, or given on the following business day with the same effect as if taken, made or given as required under this Agreement, and no interest will accrue in the interim.

*[TWO SIGNATURE PAGES FOLLOW]
[REMAINDER OF PAGE INTENTIONALLY BLANK]*

IN WITNESS WHEREOF, Richland County, South Carolina, has caused this Agreement to be executed by the appropriate officials of the County and its corporate seal to be affixed and attested, effective the day and year first above written.

RICHLAND COUNTY, SOUTH CAROLINA

Chair, Richland County Council

(SEAL)
ATTEST:

Clerk to Council, Richland County Council

[SIGNATURE PAGE 1 TO INFRASTRUCTURE CREDIT AGREEMENT]

IN WITNESS WHEREOF, Company has caused this Agreement to be executed by its authorized officer(s), effective the day and year first above written.

**NORTH MAIN SENIOR, LLC, A SOUTH
CAROLINA LIMITED LIABILITY COMPANY**

By: INTEGRAL NORTH MAIN, LLC, a Georgia
limited liability company, its co-managing member

By: _____
Name: Daryl C. Jones
Its: Vice President

[SIGNATURE PAGE 2 TO INFRASTRUCTURE CREDIT AGREEMENT]

EXHIBIT A

LAND DESCRIPTION

All those certain pieces, parcels or lots of land with the improvements thereon, known as 3700 North Main Street, Columbia, South Carolina being situate, lying and being in the City of Columbia, County of Richland, State of South Carolina, containing **1.873** acres, more or less, and being shown on that certain plat prepared for Integral Development, LLC by Site Design, Inc. dated November 27, 2017 and last revised December 27, 2017.

AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED ON THE EASTERN RIGHT OF WAY OF MAIN STREET (U.S. HWY. 21) AT THE NORTHWESTERN END OF A MITERED CORNER MARKING THE INTERSECTION OF SAID EASTERN RIGHT OF WAY OF MAIN STREET (U.S. HWY 21) AND THE NORTHERN RIGHT OF WAY OF MILLER AVENUE, SAID POINT ALSO BEING LOCATED N 15-51-27 E 15.00 FEET FROM AN IRON PIN OLD 3/4" OPEN TOP LOCATED AT THE INTERSECTION OF SAID RIGHTS OF WAY IF EXTENDED; THENCE RUNNING ALONG SAID EASTERN RIGHT OF WAY OF MAIN STREET (U.S. HWY. 21) N 15-51-27 E 144.55 FEET TO AN IRON PIN OLD 1/2" REBAR; THENCE N 15-38-03 E 156.89 FEET TO POINT LOCATED AT THE SOUTHWESTERN END OF A MITERED CORNER MARKING THE INTERSECTION OF THE EASTERN RIGHT OF WAY OF MAIN STREET (U.S. HWY 21) AND THE SOUTHERN RIGHT OF WAY OF ELMORE STREET; THENCE TURNING AND LEAVING SAID EASTERN RIGHT OF WAY AND RUNNING ALONG SAID MITERED CORNER N 54-44-45 E 31.04 FEET TO A POINT LOCATED AT THE NORTHEASTERN END OF SAID MITERED CORNER, SAID POINT BEING LOCATED ON THE SOUTHERN RIGHT OF WAY OF ELMORE STREET; THENCE TURNING AND RUNNING WITH SAID SOUTHERN RIGHT OF WAY S 86-08-32 E 139.18 FEET TO AN IRON PIN OLD 1-1/2" OPEN TOP; THENCE S 87-41-46 E 64.88 FEET TO IRON PIN OLD 1/2" REBAR AT THE JOINT CORNER OF FJ TUCKER PROPERTY, NOW OR FORMERLY; THENCE TURNING AND LEAVING SAID SOUTHERN RIGHT OF WAY AND RUNNING WITH THE COMMON LINES OF THE TUCKER PROPERTY S 15-07-21 W 122.01 FEET TO AN IRON PIN OLD 1/2" REBAR; THENCE S 15-13-29 W 50.06 FEET TO IRON PIN OLD 1/2" REBAR; THENCE S 87-41-55 E 25.38 TO AN IRON PIN OLD 1/2" REBAR AT THE JOINT CORNER OF 1216 MILLER LLC PROPERTY, NOW OR FORMERLY; THENCE TURNING AND RUNNING WITH THE COMMON LINE OF SAID 1216 MILLER LLC PROPERTY S 00-37-38 W 164.18 FEET TO AN IRON PIN OLD 1/2" REBAR (BENT) LOCATED ON THE NORTHERN RIGHT OF WAY OF MILLER AVENUE, CROSSING OVER AN IRON PIN OLD 1" OPEN TOP AT 161.45 FEET; THENCE TURNING AND RUNNING ALONG SAID NORTHERN RIGHT OF WAY N 85-57-12 W 279.24 FEET TO A POINT LOCATED AT THE SOUTHEASTERN END OF A MITERED CORNER MARKING THE INTERSECTION OF SAID NORTHERN RIGHT OF WAY OF MILLER AVENUE AND THE EASTERN RIGHT OF WAY OF MAIN STREET (U.S. HWY. 21); THENCE LEAVING THE NORTHERN RIGHT OF WAY OF MILLER AVENUE AND RUNNING ALONG SAID MITERED CORNER N 35-02-52 W 18.92 FEET TO THE POINT AND PLACE OF BEGINNING.

Tax Map Numbers: 09209-20-04 and 09209-20-03

EXHIBIT B

DESCRIPTION OF INFRASTRUCTURE CREDIT

The Company is entitled to an Infrastructure Credit equal to 97% of the annual Fee Payment due with respect to the Project for a period of 30 years commencing with the first Fee Payment due with respect to the Project.

EXHIBIT C

FORM OF CREDIT CERTIFICATE

Reference is made to that certain Infrastructure Credit Agreement effective as of _____, 2019 (“*Credit Agreement*”), by and among Richland County, South Carolina (“*County*”), and North Main Senior, LLC (“*Company*”). Each capitalized term not defined herein has the meaning ascribed thereto in the Credit Agreement. Company shall in each respective tax year, submit this Certification to County.

As set forth in Section 2.2 of the Credit Agreement, County has agreed to provide Infrastructure Credits against Fee Payments made by the Company as part of the Project. Pursuant to Section 2.2 of the Credit Agreement, the Company is entitled to an Infrastructure Credit in an amount equal to 97% of the annual Fee Payment due with respect to the Project for a term of 30 years. Pursuant to Section 2.3 of the Credit Agreement, the Company shall be required to pay the Repayment Amount in the event there is an Event of Default occurring under the Restrictive Covenants. The Repayment Amount shall be calculated based on the percentage of occupied dwelling units in the Project which fail to satisfy the Low Income Rental Restrictions divided by the total number of occupied dwelling units in the Project for the prior calendar year.

In accordance with the terms of the Credit Agreement, the undersigned authorized agent of the Company certifies Items 1 through 5 as follows:

1. For tax year [YEAR], the Company hereby certifies that the Project contains [] occupied units.
2. For tax year [YEAR], the Company hereby certifies that _____ occupied units failed to satisfy the Low Income Rental Restrictions.
3. For tax year [YEAR], the Company received \$ _____ in Infrastructure Credits, which is the amount required to reduce the Company's tax liability \$ _____.
4. Pursuant to Section 2.3 of the Credit Agreement, the Repayment Amount shall be calculated as follows:
$$\text{Low Income Rental Percentage} = \underline{\hspace{2cm}}$$
$$\text{Clawback Percentage} = 100\% - \% \underline{\hspace{2cm}}$$
$$\text{Repayment Amount} = \$ \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} \% = \$ \underline{\hspace{2cm}}$$
5. For tax year [YEAR], the Company is remitting the Repayment Amount equal to \$ _____ along with this Credit Certificate.

Should the County have a genuine dispute as to the validity or accuracy of the Repayment Amount calculations set forth in this Credit Certificate, the Company agrees to pay County's costs and fees, including its attorneys' fees and costs, associated with the certification, calculation, or adjustment of the Credit, in an amount up to \$250 per year.



REQUEST OF ACTION

Subject: FY19 - District 4 Hospitality Tax Allocations

A. Purpose

County Council is being requested to approve a total allocation of **\$6,000** for District 4.

B. Background / Discussion

For the 2018 - 2019 Fiscal Year, County Council approved designating the Hospitality Discretionary account funding totaling \$164,850.00 for each district Council member as approved during the FY17-18 fiscal year and as amended during the May 15th Regular Session. The details of these motions are listed below:

Motion List for FY19: Hospitality Tax discretionary account guidelines are as follows: (a) Establish a H-Tax discretionary account for each Council District; (b) Fund the account at the amount of \$164,850.00; (c) Council members will recommend Agencies to be funded by their allocation. Agencies and projects must meet all of the requirements in order to be eligible to receive H-Tax funds; (d) All Council recommendation for appropriations of allocations to Agencies after the beginning of the fiscal year will still be required to be taken back to Council for approval by the full Council prior to the commitment of funding. This would only require one vote.

Regular Session – May 15, 2018: Motion that all unspent H-Tax funding for FY17-18 be carried over and added to any additional funding for FY18-19 to Council districts. Because of the failure of the Grants Office to notify councilmembers of problems from changes to the grants process my district, and others, did not get to have some or all of their events. I was never notified of any problems until I was contacted by some organizations that they were having problems. Now eleven months later it is too late and it is not fair. Established organizations in Columbia had theirs but as for the unincorporated areas where they are developing programs and event, there were problems.

Pursuant to Budget Memorandum 2017-1 each district Council member was approved \$164,850.00 to allocate funds to Hospitality Tax eligible organizations of their own discretion. As it relates to this request, District 4 H-Tax discretionary account breakdown and its potential impact is listed below:

Initial Discretionary Account Funding	\$164,850
FY2018 Remaining Amount	\$ 35,850
FY2019 Amount Previously Allocated	\$154,500
Main Street Latin Festival	\$ 6,000
Total	\$ 6,000
Remaining Balance	\$ 40,200

C. Legislative / Chronological History

- 3rd Reading of the Budget – June 8, 2017
- Regular Session - May 15, 2018
- Budget to 3rd Reading of Budget FY19 June 21 ,2018

D. Alternatives

1. Consider the request and approve the allocation.

2. Consider the request and do not approve the allocation.

E. Final Recommendation

Staff does not have a recommendation regarding this as it is a financial policy decision of County Council. The funding is available to cover the request. Staff will proceed as directed.



REQUEST OF ACTION

Subject: FY19 - District 7 Hospitality Tax Allocations

A. Purpose

County Council is being requested to approve a total allocation of **\$10,000** for District 7.

B. Background / Discussion

For the 2018 - 2019 Fiscal Year, County Council approved designating the Hospitality Discretionary account funding totaling \$164,850.00 for each district Council member as approved during the FY17-18 fiscal year and as amended during the May 15th Regular Session. The details of these motions are listed below:

Motion List for FY18: Hospitality Tax discretionary account guidelines are as follows: (a) Establish an H-Tax discretionary account for each Council District; (b) Fund the account at the amount of \$164,850.00; (c) Council members will recommend Agencies to be funded by their allocation. Agencies and projects must meet all of the requirements in order to be eligible to receive H-Tax funds; (d) All Council recommendation for appropriations of allocations to Agencies after the beginning of the fiscal year will still be required to be taken back to Council for approval by the full Council prior to the commitment of funding. This would only require one vote.

Regular Session – May 15, 2018: Motion that all unspent H-Tax funding for FY17-18 be carried over and added to any additional funding for FY18-19 to Council districts. Because of the failure of the Grants Office to notify councilmembers of problems from changes to the grants process my district, and others, did not get to have some or all of their events. I was never notified of any problems until I was contacted by some organizations that they were having problems. Now eleven months later it is too late and it is not fair. Established organizations in Columbia had theirs but as for the unincorporated areas where they are developing programs and event, there were problems.

Pursuant to Budget Memorandum 2017-1 each district Council member was approved \$164,850.00 to allocate funds to Hospitality Tax eligible organizations of their own discretion. As it relates to this request, District 7 H-Tax discretionary account breakdown and its potential impact is listed below:

Initial Discretionary Account Funding		\$164,850
FY2018 Remaining Amount		\$157,850
FY2019 Amount Previously Allocated		\$190,000
Remaining Balance		\$132,700
	Kim's Kids Foundation	\$ 10,000
Total		\$ 10,000
Remaining Balance		\$122,700

C. Legislative / Chronological History

- 3rd Reading of the Budget – June 8, 2017
- Regular Session - May 15, 2018
- Budget to 3rd Reading of Budget FY19 June 21 ,2018

D. Alternatives

1. Consider the request and approve the allocation.
2. Consider the request and do not approve the allocation.

E. Final Recommendation

Staff does not have a recommendation regarding this as it is a financial policy decision of County Council. The funding is available to cover the request. Staff will proceed as directed.



Agenda Briefing

To: Richland County Council
Prepared by: Shahid Khan, Director, Richland County Utilities
Department: Utilities
Date Prepared: May 14, 2019 **Meeting Date:**

Legal Review		Date:	
Budget Review		Date:	
Finance Review		Date:	
Other Review:		Date:	
Approved for Council consideration:	Assistant County Administrator	Sandra Yúdice, Ph.D.	

Committee

Subject: Design of Southeast Water system expansion project (Phase 1)
 Design of Southeast Utility System expansion

Recommended Action:

- a. A change order to the engineering services contract with Joel Wood & Associates for the Southeast sewer expansion project. The change order would require the reallocation of funds (\$270,000) from the sewer expansion project to initiate the procurement process for engineering services for the Southeast water expansion project.
- b. Include the reallocated funds in the FY 2020 budget to replenish funds for the sewer expansion project.
- c. Replace connector along Cabin Creek Road to accommodate citizen input provided to Council in public meetings, and most recently during a Community Meeting attended by Acting County Administrator Thompson, Councilwoman Myers, and Councilwoman Newton. This addition will allow approximately 100 additional homes to connect to the sewer system, reducing overall costs. (See figure 2).

Motion Requested:

“Move that Council approve (1) the design and construction of the Southeast Water the reallocation of \$270,000 from the Southeast sewer expansion project to the Southeast water expansion project; (2) a change order to the contract with Joel Wood & Associates for the Southeast sewer expansion project to allow engineering services for Southeast water expansion project; and (3) to authorize the reallocated funds (\$270,000) to be included back in the Southeast sewer expansion project in FY 2020.

“Move that Council approve that proposed Southeast sewer expansion layout as modified to extend the sewer line along Cabin Creek to connect to the sewer line on Congaree road.”

Fiscal Impact:

At this time, there is no fiscal impact for this project as previously appropriated funds will be reallocated from the sewer project to water project. Funds required are available in the allocation of engineering services for sewer expansion project. Reallocated funds will be replenished in the FY 2020 budget for the sewer expansion project.

Motion of Origin:

<i>Council Member</i>	Dalhi Myers, Vice-Chair, District 10
<i>Meeting</i>	n/a
<i>Date</i>	5/14/2019

Discussion:

The Southeast region has been identified as a community with urgent need for safe water supply. Currently, the majority of citizen in this region depend largely on the use of privately owned wells many of which are in poor conditions and considered a health risk to its users. The unavailability of county owned/managed water facility within this region has limited the capacity to expand water services and provide safe water supply to the citizens within the Lower Richland area. To address this need and following directives by County Council, a feasibility study was conducted and presented to Council’s Development and Services Committee on October 23, 2018. This study identified areas for potential growth, recommended best engineering alternatives and the most cost-effective method to meet the desired goals for water supply in the region. Subsequently, County Council reviewed and approved the Water Feasibility Study on November 13, 2018, which recommended the system expansion for Southeast water as indicated in Fig 1 attached. It was also stated that the such system expansion will provide:

- Opportunity for safe dependable water supply and distribution system for existing customers and future users.
- Availability of a safe and dependable water source that meets SCDHEC standards to the residents.
- Prevents residences from reliance on currently contaminated individual wells for water supply.

Summary of Feasibility Report Southeast:

Richland County Utilities (RCU) owns, operates and maintains water systems in the planning area (i.e. Hopkins and Pond drive). The feasibility study proposed the expansion of the existing Hopkins water system. Figure 1 shows the planning areas and the recommended layout out for proposed water expansion. The proposed plan was presented as a preliminary layout with the potential to evolve to address identified needs and citizen’s inputs.

Pending Issue(s):

On October 2, 2019, the County Council approved the design of an amended layout for the Southeast sewer expansion project and consequently approved funds (\$750,000) to procure engineering services for the approved layout. Following the required procurement process, engineering services for the approved layout was awarded to Joel Woods & Associate. A review of the approved layout for sewer expansion and

the preliminary layout for water expansion shows that a significant portion of the proposed sewer lines will be installed along the same route of the proposed for water expansion. (See Figures 1 & 2). Typically, the design and construction of “similar” utilities (such as sewer and water lines) requires a number of project items that are either interdependent of the same activity (e.g. survey, land clearing, engineering design, permit approval etc.). Since both the sewer and water projects are within the same region, a simultaneous execution of both projects can potentially save time and total projected cost. Also, because both projects are within the same area, communications with citizens within the community is optimized to address both projects at every scheduled meeting. Richland County Utilities recently requested for a proposal from Joel Woods & Associates for engineering services for Southeast water expansion project. The proposal received is attached.

Attachments:

- Joel E. Wood & Associates Change Order Cost Proposal
- October 23, 2018, Presentation to the D&S Committee (excerpt)

Figure 1: Preliminary Layout Water Expansion

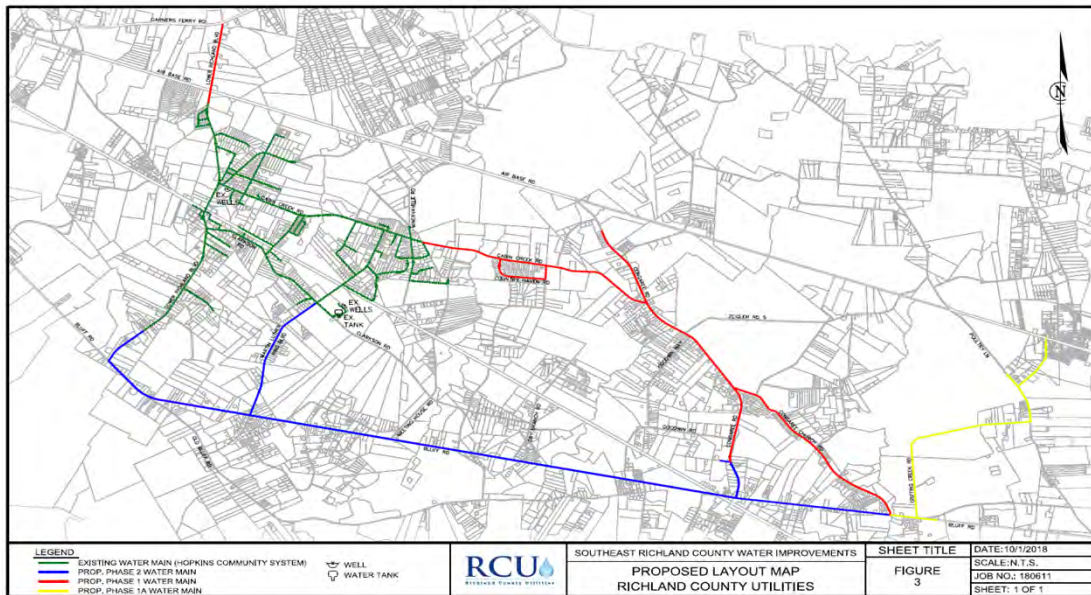
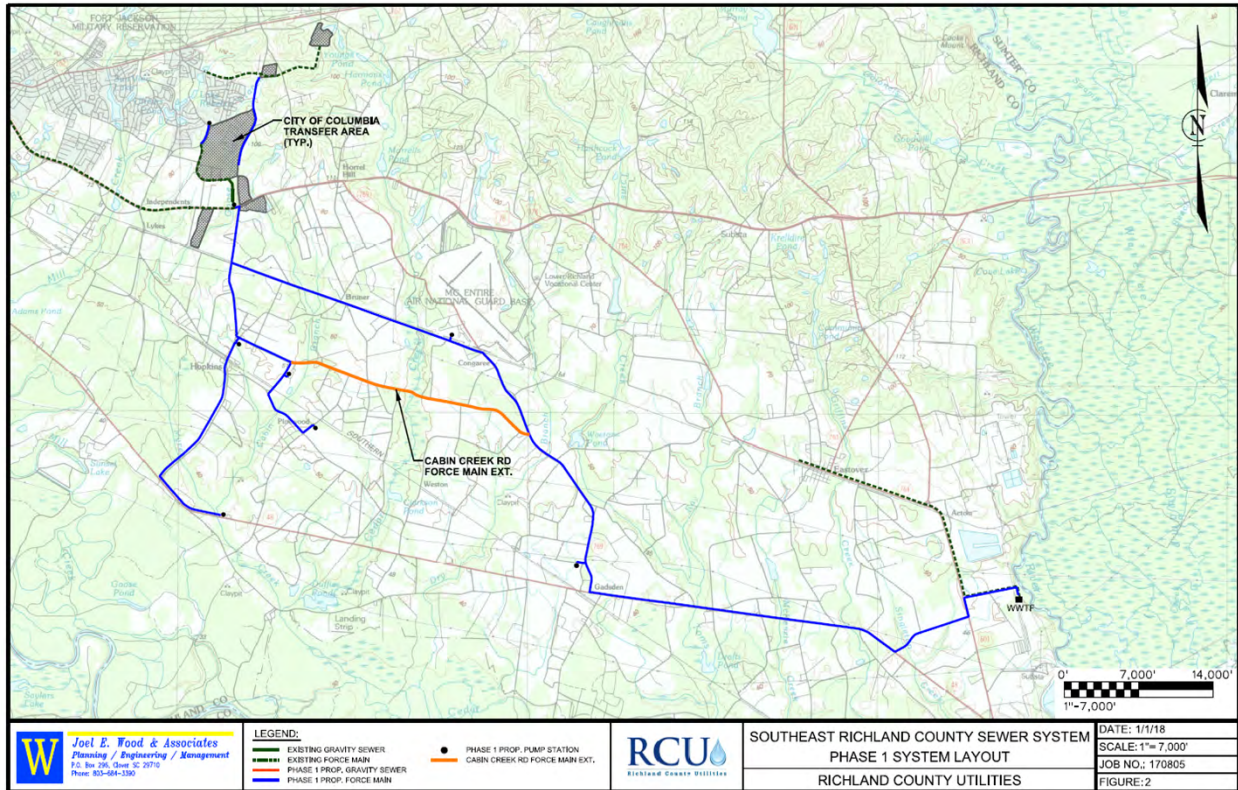




Figure 2: Proposed Layout Sewer Expansion





May 15, 2019

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Mr. Shahid Khan, Director
Richland County Department of Utilities
7525 Broad River Road
Irmo, South Carolina 29063

**REF: SOUTHEAST RICHLAND COUNTY WATER PROJECT
FEE PROPOSAL CO #1**

Dear Mr. Khan:

In the Kick-Off Meeting for the Southeast Richland County Sewer Project on April 30, 2019, Councilwoman Myers expressed a concern that we were not also preparing plans for water lines to serve the area that will be served by the sewer project. As you know, we prepared and presented a "Feasibility Study" for providing water service to Southeast Richland County and we were the design engineers for the original Hopkins Community Water System. We are now working on field surveys and plan preparation for the Southeast Richland County Sewer System. The proposed project location for the water lines as outlined in the "Feasibility Study" is in essentially the same area that we are now working in for the sewer project. I am attaching a map showing the proposed location of the water project that is similar to the route for the Southeast Richland County Sewer Project.

Richland County staff has asked us to provide a cost to prepare plans for Phase 1 of the water system as shown on the attached map. While we are surveying in this area and providing plans for the sewer system, we can prepare the plans for submittal to South Carolina Department of Health and Environmental Control (SCDHEC) for a lump sum fee of \$201,450.00.

Subsequently, staff has requested that we include the waterlines as shown on the attached map as Phase 1A in the revised project that will provide water service to Southeast Richland County. While we are surveying in this area and providing plans for the sewer system, we can include Phase 1A as a part of this project for a lump sum fee of \$55,000.00. This design will be done under the consideration that no new water sources (wells) or storage will be necessary. If the need for either arises during the design phase additional change orders may be required.

This change order will also include the design of a force main along Cabin Creek Road for the Southeast Richland County Sewer Project utilizing information developed on previous projects for Richland County. We can include the proposed force main extension down Cabin Creek Road as a part of this project for a lump sum fee of \$13,550.00. I am attaching a map showing the proposed location of the proposed force main extension in relation to the Southeast Richland County Sewer Project.

In addition, there could possibly be cost savings in construction if the projects are built together and the lines can be installed simultaneously. Sediment and erosion control features could be greatly reduced, the limits of disturbance would be reduced, seeding and mulching reduced and other similar items. We would be able to inspect the water and sewer projects for the same fee as in our original proposal for the sewer project and there would be no increase in construction period fees from those in our original proposal.

We have taken into consideration the variations in the routes and have included this in our cost. Richland County would be required to pay all review fees and arrange for project financing. We will provide any needed information to your financing agency for the project. Time is of the essence and we need to have an answer prior to the 30% project submittal date of June 7, 2019 for the sewer project if we are going to include the water project along with the sewer project and stay on schedule. Also, this will no longer be just a sewer project but a utility project providing both water and sewer service to the community.

As a summary see below for the lump sum fee of design for each additional item that will be added to the project scope as part of Change Order #1.

Item 1 - Southeast Richland County Water Phase 1 :	\$201,450.00
Item 2 - Southeast Richland County Water Phase 1A :	\$55,000.00
Item 3 - Cabin Creek Rd Force Main Extension :	<u>\$13,550.00</u>
Total Increase for CO #1 :	\$270,000.00

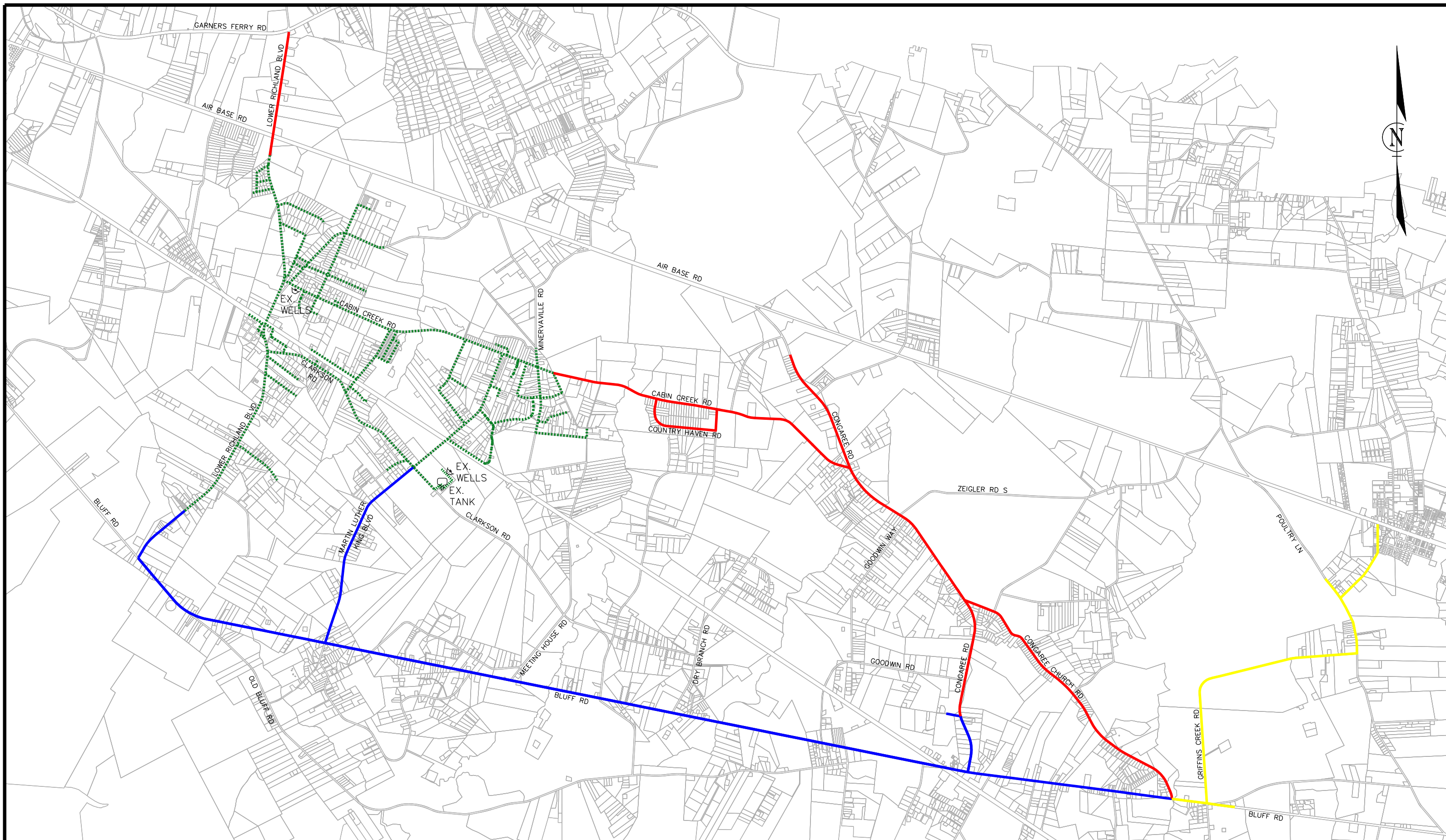
Should you have any questions or need any additional information, please feel free to contact me. We are available to meet and discuss the proposed change in project scope at your convenience.

Sincerely,

JOEL E. WOOD & ASSOCIATES, L. L. C.



Joel E. Wood, PE
Managing Partner



LEGEND

- EXISTING WATER MAIN (HOPKINS COMMUNITY SYSTEM)
 - PROP. PHASE 1 WATER MAIN
 - PROP. PHASE 1A WATER MAIN
 - PROP. PHASE 2 WATER MAIN
- WELL
 - WATER TANK



SOUTHEAST RICHLAND COUNTY WATER IMPROVEMENTS

**PROPOSED LAYOUT MAP
RICHLAND COUNTY UTILITIES**

SHEET TITLE

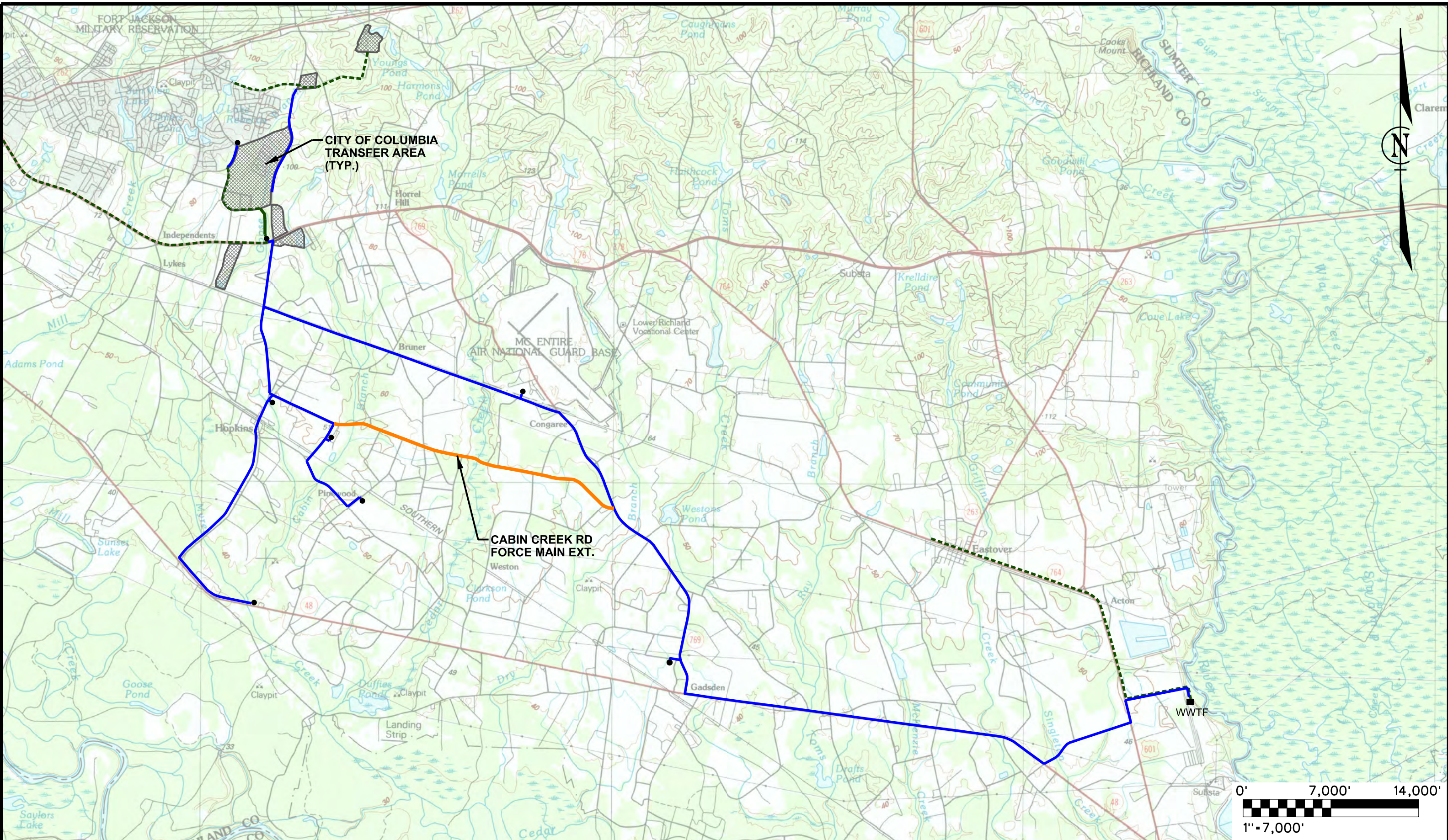
**FIGURE
3**

DATE: 10/1/2018

SCALE: N.T.S.

JOB NO.: 180611

SHEET: 1 OF 1



W
Joel E. Wood & Associates
 Planning / Engineering / Management
 P.O. Box 296, Clover SC 29710
 Phone: 803-684-3390

LEGEND:

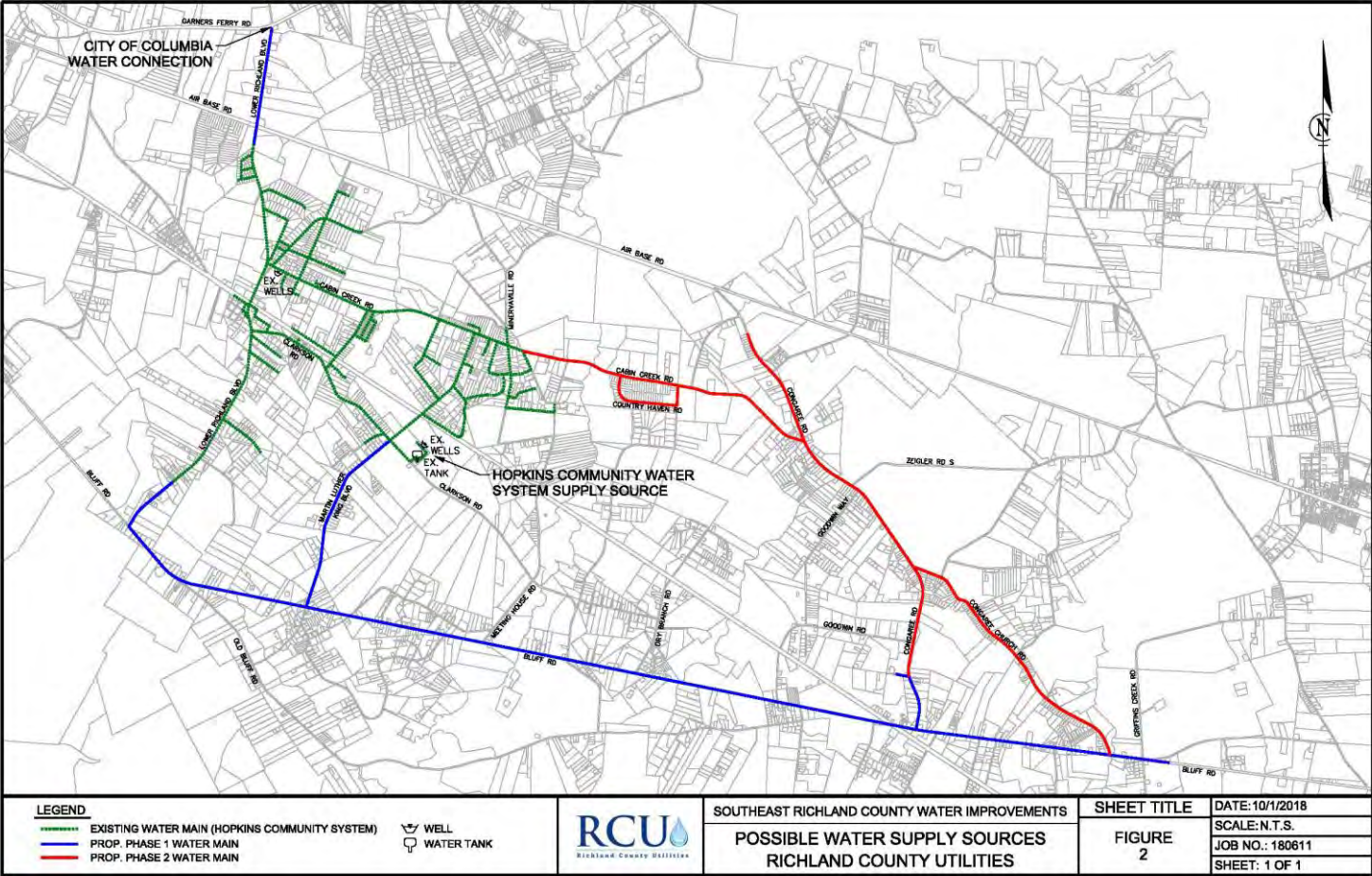
- EXISTING GRAVITY SEWER
- - - EXISTING FORCE MAIN
- PHASE 1 PROP. GRAVITY SEWER
- PHASE 1 PROP. FORCE MAIN
- PHASE 1 PROP. PUMP STATION
- CABIN CREEK RD FORCE MAIN EXT.

RCU
 Richland County Utilities

SOUTHEAST RICHLAND COUNTY SEWER SYSTEM
PHASE 1 SYSTEM LAYOUT
RICHLAND COUNTY UTILITIES

DATE: 1/1/18
 SCALE: 1" = 7,000'
 JOB NO.: 170805
 FIGURE: 2

IV. POTENTIAL PROJECTS & WATER SOURCES



VII. Summary & Recommendations for Southeast Project Area

SUMMARY

System Expansion Will Provide :

- Opportunity to provide safe dependable water supply and distribution system for approximately 505 existing customers and future users.
- Availability of a safe and dependable water source that meets SCDHEC standards to the residents.
- Prevents residences from reliance on currently contaminated individual wells for water supply.

The project as defined by this Report should not have an adverse impact on the environment.