



**Henry McMaster**  
Governor

**SOUTH CAROLINA**  
DEPARTMENT OF COMMERCE

**Robert M. Hitt III**  
Secretary

**TO: Michael McInerney, Director of External Affairs  
South Carolina Department of Commerce**

**FROM: Alan D. Young, Executive Director,  
South Carolina Coordinating Council for Economic  
Development  
South Carolina Department of Commerce**

**DATE: March 15, 2020**

**SUBJECT: Economic Development Set-Aside Fund,  
Closing Fund and  
Rural Infrastructure Fund Activity for 2019**

On behalf of the South Carolina Coordinating Council for Economic Development, I am pleased to submit the 2019 Annual Report of Fund Activity. In accordance with Sections 12-10-85(D) and 12-28-2910(E), this report details activities of the Council regarding the Economic Development Set-Aside Fund, the Closing Fund and the Rural Infrastructure Fund. These funds are managed by the South Carolina Department of Commerce's Grants Administration Division. Please forward to the Governor's Office, the State Fiscal Accountability Authority, the Senate Finance Committee and the House Ways & Means Committee.

I am available at 803-737-0448 should you have questions or need additional information.

cc: The Honorable Robert M. Hitt III, Secretary, SC Department of Commerce  
Chairman, Coordinating Council for Economic Development  
Hartley Powell, Director, SC Department of Revenue  
Chairman, Coordinating Council Enterprise Committee  
The Honorable Hugh E. Weathers, Commissioner, SC Department of Agriculture  
Gregory B. Askins, Chairman, State Board for Technical and Comprehensive Education  
Don Herriott, Chairman, SC Research Authority  
Michael W. Nix, Chairman, Jobs Economic Development Authority  
Duane N. Parrish, Director, SC Department of Parks, Recreation and Tourism  
William H. Stern, Chairman, State Ports Authority  
Dan Ellzey, Executive Director, SC Department of Employment and Workforce  
Christie A. Hall, Secretary, SC Department of Transportation

Enclosure

**South Carolina  
Coordinating Council for  
Economic Development**

**2019 Annual Report of  
Economic Development Set-Aside Fund,  
Closing Fund and  
Rural Infrastructure Fund Activity**

**March 2020**

**SC Coordinating Council for Economic Development  
2019 Report of Economic Development Set-Aside Fund,  
Closing Fund and Rural Infrastructure Fund Activity**

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## **OVERVIEW OF THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT**

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The Coordinating Council for Economic Development (the “Council”) was formed in response to a general need for improved coordination of efforts in the area of economic development by those state agencies involved in the recruitment of new business and the expansion of current enterprises throughout South Carolina (the “State”). Formally established in 1986 by the General Assembly (SC Code § 13-1-1710), the purpose of the Council is to enhance economic growth and development in the State through strategic planning and coordination. As such, the Council is chaired by the Secretary of Commerce. Ten additional members are drawn from other state agencies involved in economic development, and the member agency heads are either board chairmen or cabinet officials.

The Council’s administrative staff is housed in the Grants Administration Division of the South Carolina Department of Commerce (the “Department of Commerce”), which manages the Council’s state grant funds as well as the Enterprise Zone programs. Grants Administration also manages two federal grant programs, the Community Development Block Grant and Appalachian Regional Commission programs.

The Department of Commerce Division of Small Business and Rural Development assists with non-business development projects that are eligible for the Rural Infrastructure Fund (“RIF”) program. If the Council approves a RIF grant award, the Grants Administration Division administers the funds and the Small Business and Rural Development Division works with the county to ensure successful implementation of the project.

### **COUNCIL RESPONSIBILITIES AND MEMBERSHIP**

By statute, the full body of the Council is required to meet at least quarterly. Its responsibilities include: establishing guidelines and procedures for all Council programs; implementing the state’s strategy for economic development; reviewing and approving all applications for grants from the Economic Development Set-Aside, Rural Infrastructure, Closing and Tourism Infrastructure Funds; and reviewing and approving all applications for Enterprise Zone Job Development Credit and all applications for International Trade Incentives. The Council also certifies economic development projects as representing “significant economic impact” on areas surrounding them for the purposes of qualifying for income tax apportionment and income tax moratoriums. In addition, the Council provides recommendations to the South Carolina Infrastructure Bank regarding projects that will have a positive impact on economic development in the State.

Following enactment of the Enterprise Zone legislation in 1995, the Council formed a specialized, five-member subcommittee (the “Enterprise Committee”) to handle the substantial volume of new activity and related policy decisions. This committee meets monthly to review and approve

applications for Enterprise Zone incentives and applications for International Trade incentives, and to respond to issues and recommend policies for adoption by the full Council at its quarterly meetings. Current membership of the Council is shown below.

**AGENCY MEMBERS OF THE COORDINATING COUNCIL**

- |   |   |
|---|---|
| SC Department of Commerce                           | *SC Department of Revenue                       |
| Santee Cooper                                       | *SC Department of Agriculture                   |
| SC Department of Transportation                     | *SC Department of Parks, Recreation and Tourism |
| SC Research Authority                               | *State Ports Authority                          |
| State Board for Technical & Comprehensive Education | * Jobs Economic Development Authority           |
| SC Department of Employment and Workforce           |   |

*\*Denotes Enterprise Committee member*

**2019 ADMINISTRATIVE CHANGES**

Robert M. Hitt III was appointed Secretary of Commerce by Governor Nikki Haley in January 2011, and has acted as Chairperson of the Council since then, and throughout 2019. Hartley Powell was appointed Director of the SC Department of Revenue by Governor Haley on November 21, 2016, and has chaired the Enterprise Committee since then, and throughout 2019.

There were several administrative changes in 2019. Council membership following changes in 2019, including an unfilled vacant position, was as follows:

- |                    |   |
|--------------------|---|
| Robert M. Hitt III | Secretary, SC Department of Commerce<br>Chairman, Coordinating Council for Economic Development |
| Hartley Powell     | Director, SC Department of Revenue<br>Chairman, Coordinating Council Enterprise Committee       |
| Dan Ellzey         | Executive Director, SC Department of Employment and Workforce                                   |
| Hugh E. Weathers   | Commissioner, SC Department of Agriculture  |
| Gregory B. Askins  | Chairman, State Board for Technical and Comprehensive Education                                 |
| Don Herriott       | Chairman, SC Research Authority   |
| Michael W. Nix     | Chairman, Jobs and Economic Development Authority   |
| Vacant             | Chairman, Santee Cooper   |
| William H. Stern   | Chairman, State Ports Authority   |
| Duane N. Parrish   | Director, SC Department of Parks, Recreation and Tourism  |
| Christie A. Hall   | Secretary, SC Department of Transportation  |

Current Council staff:

Alan D. Young	Executive Director, Coordinating Council
Cynthia S. Turnipseed	Legal Counsel, Coordinating Council
Marcella Forrest	Senior Program Manager, CCED Programs
Beverly Belton	Program Manager, Enterprise Zone Program
Donna Tucker	Data Manager
Feonia Wilson	Grant Administrator
Wanda Wright	Administrative Assistant

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# COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT STATE GRANT FUNDS

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## OVERVIEW OF STATE GRANT FUNDS

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### ECONOMIC DEVELOPMENT SET-ASIDE

In 1987, the General Assembly passed a bill that provided for an additional 3 cents per gallon tax on the sale of gasoline in the State. The General Assembly charged the Council with administering this new initiative known as the Economic Development Set-Aside Program (“Set-Aside”). The Set-Aside Fund is dedicated to improving the economic well-being of the State by providing funds to local government to develop the infrastructure necessary for new and expanding business. At inception, the fund was created from the first \$10 million received through State gas tax revenues. The annual \$10 million appropriation was later increased to \$18 million, and then in July 2006, to \$20 million. The funding source was also changed to be split between utility and gas tax revenues. By 2008, utility taxes were the sole funding source and Set-Aside revenue was capped at \$20 million.

For Fiscal Year 2018-2019, the Council received \$20 million in utility tax receipts and recaptured \$335,000 as a result of performance agreement repayments. Transfers out of the fund for program administration and GIS totaled \$460,000.

### CLOSING FUND

The Closing Fund (“Closing Fund”) was created in 2006 when additional, more flexible funding was needed to assist with high impact economic development projects. Funding was originally dependent on annual appropriations from the General Assembly, which included an initial \$7 million for FY 06-07 and a second \$7 million for FY 07-08, but additional appropriations were limited in some years. To meet the need for adequate funding for economic development projects, and “to provide maximum flexibility to encourage the creation of new jobs and capital investment,” the General Assembly voted to give the Council the authority to “transfer economic development funds at its disposal to the Closing Fund.” This provision was first included in the General Appropriations Bill for Fiscal Year 2009-2010 in Proviso 40.30. Transfers must be approved by a majority vote of the Council members in a public meeting. The Council did not use this authority in 2019.

For Fiscal Year 2018-2019, the Council received \$24 million in appropriations and an additional \$53,248 was recaptured as a result of performance agreement repayments. There is still an outstanding interagency loan to the Department of Commerce’s Division of Public Railways (“Public Railways”) that will be repaid in future years.

## **RURAL INFRASTRUCTURE FUND**

The South Carolina Rural Development Act was enacted by the legislature in 1996 (SC Code § 12-10-80). This act established the Rural Infrastructure Fund (“RIF”) with the purpose of providing financial assistance to local governments, primarily in rural counties, for infrastructure and other economic development activities. The goal of the RIF program is to promote and encourage economic growth and prosperity in the State’s rural areas.

Enabling legislation gave the Council responsibility for funds generated by the provisions of the Rural Development Act, as well as for developing policies and procedures. Funding comes from companies participating in an Enterprise Zone Revitalization Agreement with the Council, which permits companies to claim a refund for a portion of the employee state payroll tax withholding sent to the Department of Revenue each quarter. This refund is designated as a Job Development Credit (“JDC”) and may be used by the company to offset certain eligible company expenses, such as real property expenses, associated with its new or expanded operation.

Participating companies located in Tier IV counties, which are generally the least developed counties in the state, are eligible to claim a refund of 100% of the JDCs to which they are entitled under their Revitalization Agreement. Participating companies in Tier III and II counties may claim only 85% and 70%, respectively, of the JDCs for which they are otherwise eligible, and in the most developed Tier I counties participating companies may claim only 55%.

The JDC funds which participating companies cannot claim as a result of being located in a Tier I, II or III county are the source of funding for the RIF grant program. Quarterly, the Department of Revenue collects and transfers JDC funds that participating companies cannot claim (as a result of location in Tier I, II or III counties) to the Department of Commerce for deposit into RIF . (Note that the first \$12 million of such funds collected by the Department of Revenue are transferred to the RIF fund administered by the Council. The next \$5 million collected by the Department of Revenue are transferred to the RIF fund administered by the Rural Infrastructure Authority. Any funds collected by the Department of Revenue in excess of \$17 million are transferred to the RIF fund administered by the Council.)

During Fiscal Year 2018-2019, deposits received from the Department of Revenue for the RIF fund totaled \$16.2 million, of which \$1.8 million was reserved in what Council refers to as the RIF Reserve Fund. An additional \$305,570 was recaptured as a result of performance agreement repayments, and transfers out of the fund included \$800,000 for program administration and \$500,000 to satisfy a legislative mandate.

Generally, only local governments located in counties designated as Tier III or Tier IV for Jobs Tax Credit purposes are eligible for RIF funds. An exception exists when annual deposits exceed \$10 million, in which case up to 25% of the amount over \$10 million is reserved for other purposes. The Council refers to this amount as the RIF Reserve Fund. These RIF Reserve funds must be made available to counties qualified as Tier I or II counties for projects that will benefit underdeveloped areas of those counties, pursuant to SC Code of Laws §12-10-85, or as allowed by Proviso 50.19 which was first included in the FY 2018-2019 budget. Proviso 50.19 specifies that the funds appropriated under SC Code § 12-10-85(B) may be utilized toward state-owned rail infrastructure projects. During 2019, the Council voted to direct current unobligated funds in the RIF Reserve account, as well as current and future year receipts, to projects under development by Public

Railways. The unobligated balance as of fiscal year end was \$431,059 and receipts for FY 2018-2019 were \$1.8 million, totaling \$2.2 million in RIF Reserve directed toward public rail. The Council also awarded \$16 million from the Rural Infrastructure Fund and Closing Fund for two public rail projects in Colleton and Charleston Counties. The Colleton County project will rehabilitate a publicly owned portion of short-line rail, which is owned by Public Railways and will open up new rail-served sites for business development projects currently considering locations in the county. The Charleston County project will provide funding to offset the costs related to the development by Public Railways of an intermodal container transfer facility at the former Charleston Naval Base.

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## **TYPES OF PROJECTS FUNDED**

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The purpose of both the Set-Aside and Closing Funds is to assist companies in locating or expanding in South Carolina. Together, these programs provide funding necessary to encourage competitive projects to locate or expand in South Carolina. Generally, “but for” or without Council participation, these projects would not locate or expand in South Carolina. Set-Aside grants are used primarily to fund land acquisition, road improvements, water and sewer infrastructure and site preparation costs related to business location and expansion. Closing Fund grants are more flexible and can be used to meet a wider variety of economic development project needs.

For counties that are eligible for RIF funding, RIF can be used for economic development project assistance, as well as assistance needed to prepare the State’s most rural areas to support economic development. Initially, RIF funds were used primarily for “product development,” but in 2005 the Council adopted a formal investment strategy that broadened the use of RIF funds to other types of activities necessary to improve economic competitiveness.

Accomplishments for RIF are described both in terms of grants used for business development assistance, which are tied to jobs and investment, and for more general community development, encompassing product development activities such as industrial parks and sites, as well as community revitalization and workforce development.

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## **APPLICANT ELIGIBILITY**

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The Council can approve Set-Aside and Closing Fund assistance for projects anywhere in the State, regardless of location or county status. RIF, on the other hand, is geographically targeted according to the program’s enabling legislation. Generally, only local governments located in counties designated as Tier III or Tier IV for Jobs Tax Credit purposes are eligible for RIF funds, except that, as previously stated, when annual deposits exceed \$10 million, up to 25% of the amount over \$10 million must be made available to counties qualified as Tiers I or II for projects that will benefit underdeveloped areas of those counties (SC Code of Laws §12-10-85) or as allowed by Proviso 50.19 to be utilized toward state-owned rail infrastructure projects.

The four-tier “development level” of counties for the “Jobs Tax Credit” is a ranking determined by the Department of Revenue and published at the beginning of each calendar year. The criteria for

this determination was established by the legislature (SC Code of Laws §12-6-3360.) The rankings for 2019 are shown below.

**2019 JOBS TAX CREDIT DESIGNATIONS**

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

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**FUNDING PROCESS**

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**FUNDING CONSIDERATIONS**

For competitive economic development projects, the Council considers funding for projects on an individual basis and evaluates each of the following when determining whether funding is an appropriate and effective use of state grant funds:

- Competitiveness of the project;
- Number and type of jobs created;
- Type of industry (e.g., manufacturing, distribution, corporate headquarters, research and development);
- Unemployment rate in county where the project locates;
- Total invested dollars (land, building, machinery and equipment costs);
- Cost of the project;
- Cost-effectiveness of the project;
- Future tax revenues anticipated;
- Time frame for completion of construction of the facility;
- Infrastructure needs of the region;
- Funding sought from other sources;
- Financial viability of the company; and
- Company status as a good corporate citizen.

For RIF community development and product development grants, the Council considers a variety of factors, including:

- Economic viability of the project;
- Cost effectiveness of the project activities;
- Benefit to the state/region/county/municipality;
- Ability of local government(s) to carry out and maintain the project; and
- Ability to proceed to completion within a reasonable period of time.

The RIF project must also support the implementation of a county's strategic development plan, or be directly related to economic development in the area, and must demonstrate local political and public support. The Council also looks for significant community financial support and will typically not approve 100% of any request for RIF assistance. To ensure this, projects are considered for RIF funding only once all other available sources of funding have been committed. There generally must be a demonstrable shortfall that cannot be met without RIF assistance.

## **FUNDING GUIDELINES FOR BUSINESS DEVELOPMENT GRANTS**

- Council business development funding approval is tied directly to specific economic development projects with new job creation and capital investment.
- As a general rule, funding is limited to \$10,000 per new job created, but assistance may be higher where more substantial economic benefit is anticipated.
- A Department of Commerce Global Business Development Division project manager must be actively involved in the recruitment of the economic development project for which funding is requested.
- Without Council funding, the project will not locate or expand in South Carolina.
- Performance Agreements are required for all Council grant funds used as economic development tools to help recruit new or expand existing employers in the State. If the company fails to meet either the job or the capital investment guarantee, the use of Performance Agreements provides the Council with the ability to recapture funding by requiring pro-rata repayment of grant funds.

## **FUNDING PROCESS**

For business development grants awarded from any funding source, the process is integrated with the Business Development project activities and functions of the Department of Commerce.

1. The Department of Commerce Global Business Development Division project manager works with local governments to identify specific funding needs for projects. In rural counties where RIF funding may be used for business development purposes, the Small Business and Rural Development Division may liaison with the county. Preliminary details such as cost estimates, project scope, company financials and number of jobs and level of investment expected are submitted to Global Business Development.

2. Preliminary information is reviewed by the Council staff, and if it is determined that the project is consistent with the economic development goals of the State and meets established evaluation criteria, the local government is invited to submit a formal application for funding.

The remainder of the process is similar for both business development and non-business development grants:

3. Applications are submitted to the Department of Commerce Grants Administration Division and processed by staff. The related requests for funding are presented to the Council at its quarterly meetings.
4. The Council has the discretion to approve or disapprove all funding requests and may negotiate funding terms and amounts as it sees fit.
5. If funding is approved, approval letters and grant award agreements are sent to the local government. The grant award agreements must be signed by representatives with the authority to enter into contracts on behalf of the local government. Once signed, the agreement becomes an executed contract between the Council and the local government, containing the specific requirements and provisions associated with the grant award.
6. For business development projects, performance agreements are also required. These are contracts between the company, the local government applicant and the Council, and as such, they must be signed by company representatives that have the legal authority to enter into contracts on behalf of their respective entity. Performance agreements contain specific requirements for job creation and new capital investment.
7. The Council staff reviews all signed agreements and maintains copies in its grant files.
8. Once all agreements have been signed, Council grants may be used to reimburse approved project costs. Cost estimates provided at application serve as the project budget, and only those approved budget items and amounts are eligible for reimbursement.
9. Grant recipients submit paid invoices to Grants Administration to request reimbursement of approved project costs. Council staff monitors compliance with grant terms and budgets and reserves the right to deny payment for ineligible project costs or for failure to comply with grant requirements.
10. Once the portion of a project to be reimbursed with grant funds is complete, the grant recipient notifies the Council in writing and the Council staff initiates grant financial closeout.
11. For business development grants, final closeout does not occur until the company on whose behalf the project was undertaken submits documentation related to its performance under the grant. Jobs and investment are evaluated to determine whether they are sufficient to satisfy the terms of the agreement, and where appropriate, the Council reserves the right to require pro-rata repayment of grant funds.
12. In all cases, once all required closeout documentation has been submitted to the Council, and has been reviewed and determined to be in compliance with all terms and conditions of the grant award agreement and the performance agreement, if applicable, grants are officially closed.

## ELIGIBLE AND INELIGIBLE ACTIVITIES

### **SET-ASIDE**

Effective July 1, 2001, a proviso defining eligible uses of Set-Aside funds was passed by the legislature. Specifically, the proviso limited the use of Set-Aside funds to road construction improvement projects, water and sewer projects and site preparation, and it further defined allowable site preparation activities. In July 2006, the legislature passed a second proviso expanding eligible activities to include fiber optic cable, rail spurs and the purchase of land. Next, in 2010, the Economic Development Competitiveness Act added additional eligible activities that went into effect on January 1, 2011. Finally, also effective January 1, 2011, the proviso terms defining eligible activities for Set-aside grants were moved to SC Code § 12-28-2910 (E).

Below is a list of eligible and ineligible activities.

#### **Eligible Activities**

- Public Improvements - Roads, Water and Wastewater Infrastructure
  - Planning
  - Engineering – *limited to 10%*
  - Right-of-way
  - Drainage
  - Curb and gutter – *only when necessary for drainage*
  - Construction
  - Cantilevered flashing light signals and/or gates at railroad crossings *when necessary*
  - Road re-surfacing or widening
  - Turn lanes and acceleration and deceleration lanes
- Site preparation
  - Surveying
  - Environmental and geotechnical study and mitigation
  - Clearing, filling and grading
- Fiber optic cable
- Rail spurs
- Land acquisition
- Relocation expenses for employees paid at least two (2) times the lower of the State or county per capita income
- Acquiring and improving real property
- Pollution control equipment

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

- Speculative projects
- Opening up access to undeveloped property
- State government funded projects
- Maintenance of industrial/research parks
- Shopping centers/strip malls
- Signage (*except project signs required as part of the grant award agreement or permanent construction signs required by the Department of Transportation*)
- Paving of parking lots or lighting
- Civic centers and/or auditoriums, except that road improvements for civic centers may be funded (up to \$1,000,000) if associated with substantial economic development projects

- Curb and guttering for aesthetic purposes
- Concrete loading docks or pads
- Equipment and moving expenses
- Residential developments

***RURAL INFRASTRUCTURE FUND***

Eligible activities are listed in Section 12-10-85(A) and generally include infrastructure and economic development activities. Examples are listed below:

- Engineering – *limited to 10%*
- Right-of-way acquisition
- Drainage
- Roads
- Rail spurs
- Economic development program enhancement
- Speculative building assistance
- Training costs and facilities
- Improvements to regionally planned public and private water and sewer systems
- Fixed transportation facilities including highway, rail, water and air
- Improvements to both public and private electricity, natural gas and telecommunications systems
- Environmental studies
- Feasibility studies
- Community revitalization
- Marketing for counties (studies, materials)
- Small business incubators
- Industrial park development and improvement
- Relocation expenses for employees paid at least two (2) times the lower of the State or county per capita income
- Site preparation
- Acquiring or improving real property

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## 2019 COORDINATING COUNCIL FUNDING ACTIVITY AND ACCOMPLISHMENTS

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### BUSINESS DEVELOPMENT

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During calendar year 2019, the Council awarded 77 new business development grants from the Set-Aside Fund, the Closing Fund and the Rural Infrastructure Fund. A total of \$30.9 million was awarded to 36 county governments. Projected capital investment from the associated projects is \$1.8 billion, and projected new jobs total 6,503. Commitments were also made for an additional 47 projects which are not yet decided. If won, these projects will represent over 4,800 additional jobs and \$1.3 billion in additional investment.

On the following pages are tables that outline the distribution of funds awarded between counties of different development status or tiers, project type (i.e., economic development projects associated with companies new to South Carolina or existing companies expanding in South Carolina) and funding source. Also included is a table that provides specifics on all projects approved during calendar year 2019. The totals shown on these charts only represent new grants awarded in 2019 and do not reflect amendments made to previously approved grants or funds committed by the Council.

Funding for business development projects was awarded out of Set-Aside, RIF and the Closing Fund, with the majority awarded out of Set-Aside.

<b>2019 BUSINESS DEVELOPMENT GRANT AWARDS - BY FUNDING SOURCE -</b>		
<b>FUNDING SOURCE</b>	<b># GRANTS</b>	<b>TOTAL AWARDED</b>
Set-Aside Fund	51	\$23,465,000
Rural Infrastructure Fund	26	\$7,475,000
<b>TOTAL</b>	<b>77</b>	<b>\$30,940,000</b>

**2019 BUSINESS DEVELOPMENT GRANT AWARDS  
- BY COUNTY CLASSIFICATION -**

<b>COUNTY CLASSIFICATION</b>	<b>NUMBER OF PROJECTS</b>	<b>PROJECTED INVESTMENT</b>	<b>PROJECTED JOBS</b>
Tier I	34	\$1,029,759,191	3,901*
Tier II	17	\$358,069,964	1,192
Tier III	12	\$175,711,531	694
Tier IV	14	\$235,225,614	716
<b>TOTALS</b>	<b>77</b>	<b>\$1,798,766,300</b>	<b>6,503</b>

**2019 BUSINESS DEVELOPMENT GRANT AWARDS  
- BY PROJECT TYPE -**

<b>PROJECT TYPE</b>	<b>FIRMS</b>	<b>PROJECTED INVESTMENT</b>	<b>PROJECTED JOBS</b>
Existing/Expanding	48	\$1,300,946,006	3,901*
New	29	\$497,820,294	2,602
<b>TOTALS</b>	<b>77</b>	<b>\$1,798,766,300</b>	<b>6,503</b>

*\* Note that 3,901 jobs are to be created by companies locating in Tier 1 counties, but these are not all existing/expanding companies, despite the same projected number of jobs. Existing/expanding companies will create 2,496 jobs in Tier 1 counties, 635 in Tier 2, 488 in Tier 3 and 282 in Tier 4 counties.*

**COORDINATING COUNCIL GRANT ACTIVITY & ACCOMPLISHMENTS**  
**NEW BUSINESS DEVELOPMENT AWARDS**  
**CALENDAR YEAR 2019**

Grant Number	Funding Source	Recipient	Tier	Scope of Work	Award Amount	Jobs Requirement	Investment Requirement
C-16-2772	Setaside	Berkeley County	1	Real Property Improvements (land/building/site/infra)	\$100,000	26	\$15,146,500
C-17-2830	Setaside	Berkeley County	2	Building Upfit/Improvements	\$100,000	125	\$7,000,000
C-17-2859	RIF	Orangeburg County	4	Building Construction	\$100,000	48	\$26,465,970
C-17-2860	Setaside	Richland County	1	Building Construction	\$200,000	25	\$19,297,000
C-18-2879	RIF	Chesterfield County	3	Building Upfit/Improvements	\$50,000	31	\$3,830,000
C-18-2888	Setaside	Georgetown County	2	Water/Sewer	\$100,000	7	\$34,750,000
C-18-2890	Setaside	Anderson County	1	Roads	\$1,600,000	120	\$30,000,000
C-18-2897	Setaside	Spartanburg County	1	Roads	\$75,000	42	\$15,110,000
C-18-2898	RIF	Marion County	4	Building Upfit/Improvements	\$100,000	21	\$1,833,785
C-18-2900	RIF	Allendale County	4	Building Construction	\$200,000	13	\$2,600,000
C-18-2901	Setaside	Spartanburg County	1	Building Upfit/Improvements	\$100,000	43	\$2,090,422
C-18-2902	Setaside	Greenville County	1	Building Construction	\$50,000	4	\$39,497,487
C-18-2906	Setaside	Greenville County	1	Real Property Improvements (land/building/site/infra)	\$150,000	72	\$16,375,000
C-18-2915	Setaside	Greenville County	1	Building Upfit/Improvements	\$100,000	24	\$15,253,000
C-18-2917	RIF	Clarendon County	4	Building Upfit/Improvements	\$500,000	65	\$5,040,000
C-18-2920	RIF	Marion County	4	Real Property Improvements (land/building/site/infra)	\$250,000	64	\$6,400,000
C-18-2921	Setaside	Charleston County	1	Real Property Improvements (land/building/site/infra)	\$250,000	184	\$10,915,000
C-18-2926	RIF	Dillon County	4	Building Upfit/Improvements	\$750,000	154	\$22,950,000
C-18-2927	Setaside	Oconee County	2	Real Property Improvements (land/building/site/infra)	\$540,000	125	\$20,000,000
C-18-2928	Setaside	Laurens County	2	Real Property Improvements (land/building/site/infra)	\$350,000	114	\$18,500,000
C-18-2930	Setaside	Pickens County	2	Real Property Improvements (land/building/site/infra)	\$500,000	55	\$19,250,000
C-18-2931	Setaside	Spartanburg County	1	Real Property Improvements (land/building/site/infra)	\$10,000,000	500	\$400,000,000
C-18-2932	Setaside	Greenville County	1	Site Preparation	\$200,000	30	\$40,000,000
C-18-2935	RIF	Cherokee County	3	Building Upfit/Improvements	\$350,000	100	\$50,000,000
C-18-2936	Setaside	Dorchester County	1	Water/Sewer	\$900,000	450	\$93,445,000
C-18-2937	Setaside	Anderson County	1	Real Property Improvements (land/building/site/infra)	\$200,000	68	\$8,500,000
C-18-2939	Setaside	Spartanburg County	1	Site Preparation	\$500,000	112	\$5,231,430
C-18-2942	Setaside	Greenville County	1	Real Property Improvements (land/building/site/infra)	\$100,000	59	\$35,040,000
C-18-2944	Setaside	Charleston County	1	Building Upfit/Improvements	\$100,000	308	\$1,150,000
C-18-2945	Setaside	Newberry County	2	Real Property Improvements (land/building/site/infra)	\$400,000	57	\$11,500,000
C-18-2946	RIF	Williamsburg County	4	Building Upfit/Improvements	\$75,000	22	\$2,700,000
C-18-2948	Setaside	Greenville County	1	Building Construction	\$200,000	250	\$39,145,500
C-18-2949	RIF	Abbeville County	3	Water-Sewer Infrastructure	\$100,000	30	\$672,312
C-18-2950	Setaside	Lexington County	1	Infrastructure Improvements	\$300,000	20	\$5,150,000

**COORDINATING COUNCIL GRANT ACTIVITY & ACCOMPLISHMENTS**  
**NEW BUSINESS DEVELOPMENT AWARDS**  
**CALENDAR YEAR 2019**

<b>Grant Number</b>	<b>Funding Source</b>	<b>Recipient</b>	<b>Tier</b>	<b>Scope of Work</b>	<b>Award Amount</b>	<b>Jobs Requirement</b>	<b>Investment Requirement</b>
C-18-2951	Setaside	Lexington County	1	Building Upfit/Improvements	\$500,000	510	\$22,000,000
C-18-2952	RIF	Marion County	4	Multiple - site, infrastructure, roads	\$250,000	25	\$12,550,000
C-18-2953	RIF	Cherokee County	3	Building Upfit/Improvements	\$250,000	60	\$8,500,000
C-18-2954	Setaside	Charleston County	1	Building Upfit/Improvements	\$100,000	22	\$14,642,152
C-18-2956	RIF	Darlington County	3	Roads	\$100,000		\$75,000,000
C-18-2961	RIF	Chester County	4	Building Upfit/Improvements	\$300,000	60	\$6,764,999
C-18-2962	Setaside	Lancaster County	2	Building renovations and other real property improvements	\$425,000	210	\$10,141,000
C-18-2965	Setaside	Aiken County	2	Real Property Improvements (land/building/site/infra)	\$500,000	50	\$60,000,000
C-18-2966	Setaside	Charleston County	1	Real Property Improvements (land/building/site/infra)	\$100,000	45	\$3,000,000
C-18-2967	Setaside	Spartanburg County	1	Building Upfit/Improvements	\$100,000	116	\$4,240,000
C-18-2972	RIF	Darlington County	3	Building Upfit/Improvements	\$100,000	21	\$2,500,000
C-18-2973	Setaside	Greenville County	1	Building Construction	\$150,000	22	\$10,370,000
C-18-2974	Setaside	York County	1	Real Property Improvements (land/building/site/infra)	\$250,000	150	\$26,500,000
C-18-2975	RIF	Dillon County	4	Site Preparation	\$1,000,000	90	\$94,750,000
C-18-2976	RIF	Horry County	3	Building Upfit/Improvements	\$150,000	115	\$2,500,000
C-18-2977	RIF	Dillon County	4	Real Property Improvements (land/building/site/infra)	\$400,000	30	\$31,493,860
C-18-2978	Setaside	Berkeley County	1	Real Property Improvements (land/building/site/infra)	\$100,000	69	\$61,500,000
C-18-2979	Setaside	Kershaw County	2	Building Upfit/Improvements	\$100,000	40	\$5,956,848
C-19-2983	Setaside	Newberry County	2	Building Construction	\$100,000	16	\$3,780,393
C-19-2985	RIF	Cherokee County	3	Building Upfit/Improvements	\$200,000	141	\$13,919,219
C-19-2986	Setaside	Beaufort County	1	Building Upfit/Improvements	\$200,000	55	\$15,150,000
C-19-2987	Setaside	Newberry County	2	Building Construction	\$100,000	50	\$13,050,000
C-19-2988	Setaside	Greenville County	1	Water/Sewer	\$200,000	22	\$22,334,100
C-19-2991	Setaside	Lexington County	1	Water/Sewer	\$150,000	40	\$18,000,000
C-19-2992	Setaside	Newberry County	2	Site Preparation	\$100,000	35	\$6,000,000
C-19-2996	RIF	Clarendon County	4	Site Preparation	\$50,000	11	\$1,790,000
C-19-2997	RIF	Fairfield County	3	Acquisition and Real Property Improvements	\$1,250,000	120	\$3,000,000
C-19-2998	RIF	Fairfield County	3	Building Upfit/Improvements	\$300,000	15	\$7,710,000
C-19-2999	Setaside	Florence County	2	Real Property Improvements (land/building/site/infra)	\$1,200,000	140	\$50,000,000
C-19-3000	RIF	Bamberg County	4	Building Upfit/Improvements	\$100,000	113	\$1,100,000
C-19-3002	Setaside	Richland County	1	Roads	\$200,000	74	\$11,566,000
C-19-3004	Setaside	Anderson County	1	Building Upfit/Improvements	\$100,000	81	\$1,460,000
C-19-3005	Setaside	Spartanburg County	1	Building Upfit/Improvements	\$75,000	44	\$8,775,000
C-19-3008	Setaside	Florence County	2	Building Upfit/Improvements	\$100,000	23	\$4,141,723
C-19-3009	RIF	Barnwell County	4	Infrastructure Improvements	\$200,000	-	\$18,787,000
C-19-3013	Setaside	Sumter County	2	Building Upfit/Improvements	\$100,000	10	\$26,000,000
C-19-3014	Setaside	Aiken County	2	Real Property Improvements (land/building/site/infra)	\$750,000	65	\$60,000,000
C-19-3017	Setaside	York County	1	Building Upfit/Improvements	\$150,000	100	\$3,860,600
C-19-3021	Setaside	Georgetown County	2	Building Construction	\$200,000	70	\$8,000,000

**COORDINATING COUNCIL GRANT ACTIVITY & ACCOMPLISHMENTS  
NEW BUSINESS DEVELOPMENT AWARDS  
CALENDAR YEAR 2019**

<b>Grant Number</b>	<b>Funding Source</b>	<b>Recipient</b>	<b>Tier</b>	<b>Scope of Work</b>	<b>Award Amount</b>	<b>Jobs Requirement</b>	<b>Investment Requirement</b>
C-19-3026	RIF	Colleton County	3	Real Property Improvements (land/building/site/infra)	\$200,000	28	\$4,650,000
C-19-3028	Setaside	Charleston County	1	Building Upfit/Improvements	\$200,000	180	\$10,775,000
C-19-3035	Setaside	Greenville County	1	Building Upfit/Improvements	\$100,000	34	\$4,240,000
C-19-3143	RIF	Fairfield County	3	Building Upfit/Improvements	\$150,000	33	\$3,430,000
<b>Totals</b>					<b>\$30,940,000</b>	<b>6,503</b>	<b>\$1,798,766,300</b>

*Please note: this table only includes grants that have been formally approved by the Council and accepted by the company involved. Contingent commitments are not included.*

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## **RURAL DEVELOPMENT & PUBLICLY OWNED INFRASTRUCTURE AND FACILITIES PROJECTS**

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### **Rural Development**

During 2019, the Council allocated funding for specific rural development efforts. Out of the Rural Infrastructure Fund, \$2.5 million was set-aside for “Targeted Rural Strategies” and \$1 million was set aside for “Rural Stabilization” projects. These grants provide funding for specialized efforts to benefit the state’s most rural counties.

Under the Targeted Rural Strategies program, grant funds will be used to assist identified rural counties with expenses related to targeted strategies that will help address the weaknesses of the counties. Department of Commerce staff will work with each county to identify potential projects that include expenses eligible to be reimbursed with RIF funds in accordance with the statute governing the RIF program.

The Rural Stabilization program is an economic development loan program to be used to assist existing businesses in identified rural counties with expenses related to the modernization and improvements of the machinery and equipment at their facility. In conjunction with an approved loan through the Business Development Corporation, the approved companies would be eligible for a loan repayment of up to 25%, not to exceed \$250,000, provided that they held their current level of employment for a period of at least 3 years after the loan is approved.

Funds out of these programs in 2019 included:

- \$400,250 for two Rural Stabilization grants; and
- \$281,500 for two Targeted Rural Strategies grants to two counties for commercial revitalization and marketing/branding efforts.

### **Publicly Owned Infrastructure and Facilities Projects**

Also during 2019, the Council approved \$4.2 million in funding from the Rural Infrastructure Fund for product development grants among 15 different counties. These grants will assist rural counties and communities with activities that will help improve economic competitiveness and the ability to attract and sustain employers. The related projects involve development or improvement of sites and industrial parks, spec buildings and road improvements.

Funds were also awarded out of the Rural Infrastructure Fund and the Closing Fund for three publicly owned projects that enhance the state’s economic development competitiveness. Of these funds, \$16 million was awarded for rail infrastructure projects in Charleston and Colleton Counties, and \$500,000 was awarded to Spartanburg County for a facility that will be used by business development projects for temporary office space while their facilities are under construction. The two rail projects include: rehabilitating a portion of short-line rail in Colleton County, which is owned by Public Railways and will open up new rail-served sites in the county; and funding through Charleston County to offset costs related to the development of an intermodal container transfer facility under development by Public Railways at the former Charleston Naval Base.

2019 funding for rural development and other non-business development projects is detailed below.

<b>NEW RURAL DEVELOPMENT &amp; OTHER NON-BUSINESS DEVELOPMENT ACTIVITY CALENDAR YEAR 2019</b>					
<b>Grant Number</b>	<b>Funding Source</b>	<b>Recipient</b>	<b>County Tier</b>	<b>Scope of Work</b>	<b>Award Amount</b>
RIF-PD-19-3155	RIF	Allendale County	Tier 4	Spec Building Development	\$700,000
RIF-PD-19-3162	RIF	Allendale County	Tier 4	Industrial Park Improvements	\$22,988
RIF-PD-19-3163	RIF	Bamberg County	Tier 4	Industrial Park Improvements	\$7,500
RIF-TRS-001	RIF	Bamberg County	Tier 4	Branding and Marketing Efforts	\$118,500
RIF-TRS-002	RIF	Bamberg County	Tier 4	Commercial Revitalization - Streetscapes and Facades	\$100,000
RIF-PD-19-3156	RIF	Barnwell County	Tier 4	Site Improvements	\$60,000
RIF-PD-19-3164	RIF	Calhoun County	Tier 3	Industrial Park Improvements	\$20,325
C-18-2960	Closing	Charleston County	Tier 1	Rail	\$15,000,000
RIF-PD-19-3157	RIF	Cherokee County	Tier 3	Road Improvements	\$228,428
RIF-PD-19-3165	RIF	Chester County	Tier 4	Industrial Park Improvements	\$32,250
RIF-PD-19-3166	RIF	Clarendon County	Tier 4	Site Improvements	\$35,000
C-18-2924	RIF	Colleton County	Tier 3	Rail	\$1,000,000
RIF-PD-19-3158	RIF	Colleton County	Tier 3	Site Improvements	\$300,000
RIF-PD-19-3167	RIF	Colleton County	Tier 3	Industrial Park Development	\$1,500
RIF-PD-19-3174	RIF	Fairfield County	Tier 3	Road Improvements	\$1,200,000
RIF-PD-19-3159	RIF	Hampton County	Tier 3	Spec Building Development	\$700,000
RIF-PD-19-3168	RIF	Hampton County	Tier 3	Industrial Park Improvements	\$60,000
RIF-PD-19-3160	RIF	Jasper County	Tier 3	Miscellaneous	\$400,000
RIF-PD-19-3169	RIF	Jasper County	Tier 3	Industrial Park Improvements	\$11,925
RIF-RSF-001	RIF	Lee County	Tier 4	Equipment modernization loan partial repayment	\$150,250
RIF-PD-19-3161	RIF	McCormick County	Tier 3	Industrial Park Improvements	\$300,000
RIF-PD-19-3170	RIF	McCormick County	Tier 3	Industrial Park Development	\$19,425
RIF-PD-19-3171	RIF	Orangeburg County	Tier 4	Industrial Park Development	\$34,988
C-18-2934	Closing	Spartanburg County	Tier 1	Temporary Office Space for Business Development Projects	\$500,000
RIF-PD-19-3172	RIF	Union County	Tier 4	Industrial Park Improvements	\$28,125
RIF-PD-19-3173	RIF	Williamsburg County	Tier 4	Industrial Park Development	\$39,000
RIF-RSF-002	RIF	Williamsburg County	Tier 4	Equipment modernization loan partial repayment	\$250,000
<b>Totals</b>					<b>\$21,320,204</b>

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## **GRANT PROGRAM COMPLIANCE**

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Grants from any of the funds managed by the Council, including the Set-Aside Fund, Rural Infrastructure Fund and Closing Fund, are made under and in accordance with the laws of the State of South Carolina. The federal and state courts within South Carolina have exclusive jurisdiction to adjudicate any disputes arising out of or in connection with these grants.

Failure to comply with any of the terms and conditions of the grant can cause the Council to take, in addition to any relief that it is entitled to by law, any or all of the following actions:

- Require repayment of all or a portion of any grant funds provided; and/or cancel, terminate, or suspend the grant, in whole or in part.
- Refrain from extending any further assistance or grant funds until such time as the grantee is in full compliance with the terms and conditions of the grant agreement.

### **MONITORING**

The portion of projects to be funded in whole or in part with grant funds must generally be completed by the grantee within 18 months of the date of award of the grant. Completion is defined as the final documentation by the grantee to the Council of grant funds expended and issuance by the Council of a notification in writing of the financial closure of the grant. The Council may grant extensions to the completion period requirement at its discretion.

All projects must generally begin within three (3) months of the date of award of the grant. If the grantee does not begin the project within three (3) months of the date of award of the grant, the Council reserves the right to rescind the grant, require the repayment of any grant funds provided to the grantee and terminate the agreement.

After financial closeout, final closeout of economic development grants does not occur until the terms of the performance agreement are satisfied.

### **PROCUREMENT**

Records for property purchased totally or partially with grant funds must be retained for a period of three (3) years after its final disposition. The grantee will maintain records relating to procurement matters for the period of time prescribed by applicable procurement laws, regulations and guidelines, but no less than three (3) years. All other pertinent grant and project records including financial records, supporting documents and statistical records will be retained for a minimum of three (3) years after notification in writing by the Council of the closure of the grant.

The grantee will certify, to the best of its knowledge, information and belief, that the work on the project for which reimbursement is requested has been completed in accordance with the terms

and conditions of the grant agreement. The grantee will return surplus grant funds that result from project cost underruns and commit and provide monies from its own resources for cost overruns that are required to complete the project.