



Henry McMaster
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Harry M. Lightsey III
Secretary

April 6, 2022

The Honorable William M. Hixon
Subcommittee Chair
Legislative Oversight Committee
South Carolina House of Representatives
Post Office Box 11867
Columbia, SC 29211

Dear Representative Hixon:

This letter is in response to your March 11, 2022 request for additional information resulting from the South Carolina Department of Commerce's (SC Commerce) testimony during the oversight process.

Enclosed is our response to the questions submitted. SC Commerce looks forward to continuing to work with your committee as you finalize your recommendations and report for our agency.

Thank you for your leadership, and please do not hesitate to contact me if you have further questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Harry M. Lightsey III".

Harry M. Lightsey III

HML/km/vw

Attachment

March 11, 2022

VIA EMAIL

Secretary Harry Lightsey
Department of Commerce
1201 Main Street, Suite 1600
Columbia, South Carolina 29201
hlightsey@sccommerce.com; chuffman@sccommerce.com

Dear Secretary Lightsey:

The Economic Development, Transportation, and Natural Resources Subcommittee appreciates the agency's partnership in the oversight process. Based on information provided during the process, various members request answers to the following questions be gathered.

Vision, Strategy

1. Does establishing vision and strategy flow upward (i.e., county establishes, then region establishes based on understanding of the visions of the counties in the region, then state establishes based on understanding of the visions of the regions in the state) or vice versa?

A region establishes its vision and strategy based on its collective assets, opportunities and competitive advantages (within each of its member counties). At the state level, the strategy development is linear. The state takes into account the unique assets, opportunities and competitive advantages within the regions (which encompass the counties) and overlays that with broader state objectives to develop the overall vision and strategy.

2. Is there a single document that includes the different regions and county visions/strategies with Commerce's summary of them (or what Commerce will use to determine its marketing plan?) If not, would Commerce be willing to produce one? Would one be helpful, why, or why not?

There is not a single document as described above. Commerce communicates regularly with the eight regional alliances, each representing the respective counties in its footprint, regarding marketing visions and strategy. This dialogue provides meaningful feedback for Commerce to build and adjust its marketing plan and strategy. Economic development is a fiercely competitive arena, and a county, region or state's marketing plan and strategy essentially serves as its playbook. Disclosure of the state's strategic planning could hinder South Carolina's competitiveness with other states.

3. Is there a written state strategy for economic development? If no, why?
The agency's annual accountability report outlines the state's strategy for economic development.
4. What is considered when creating the state strategy?
The agency's mission and vision serve as the overarching "lead" in creating a state strategy; considerations include: unique focuses of each of the state's eight regional economic development alliances; rural and community development; workforce development; innovation/technology; trade; infrastructure; small and existing industry support; grant and incentives programs; industry-specific focuses; domestic and international targeting; and key audiences and stakeholders.
5. Where can the public access the state's strategy for economic development?
The agency's annual accountability report on Commerce's website.
6. Is there a regular frequency in which the state's strategy for economic development is updated? If no, why not? If yes, what is it?
The agency's accountability report is updated annually.
7. Explain how Commerce coordinates with other state and federal agencies that issue grants for water and sewer projects?
Recognizing a need for better coordination with other infrastructure funders at the state and federal level to help communities address needs, the SC Rural Infrastructure Authority (RIA) created the SC Infrastructure Funders Coordinating Committee (the Committee). Commerce is part of this is informal, voluntary group that meets regularly to discuss projects, address funding gaps and identify solutions to current challenges. Other Committee participants include SC DHEC, US Department of Agriculture-Rural Development and US Economic Development Administration.

Incentive Package

8. Please provide the value of incentives offered during the last five years.
The only state incentives that are "offered" are discretionary incentives. Statutory incentives are available to any project that meets the requirements for eligibility and require no further qualification or approval.

The only discretionary incentives administered by the CCED are the following:

- Grants
- Job Development Credits or JDCs
- Port Volume Increase Tax Credits
- Agricultural Purchase Credits

Over the years 2017-2021, the CCED awarded a total of \$266,322,564 in grants; and as of March 15, 2022, \$153,440,727 had been disbursed.

Row Labels	Count of Grant Number	Sum of Award Amount	Sum of Drawn Amount
Closing	20	93,000,000	63,593,798
RIF	150	62,977,564	42,176,280
Set-Aside	252	110,345,000	47,670,648
Grand Total	422	266,322,564	153,440,727

The value of JDCs depends on the wages of the jobs when the credit is claimed and the tier ranking of the county when the application is approved. A company may only begin claiming JDCs once it has met the investment and job creation requirements, and a company has at least five years (or longer for larger projects) to meet those requirements. Over the years 2017-2021, the CCED approved 316 applications for JDCs¹; and as of March 15, 2022, only 18 have certified and become eligible to begin claiming JDCs. Based on all quarterly reports submitted to the CCED and reviewed by CCED staff as of March 15, 2022, those 18 projects have claimed a combined \$2,870,822 as of December 31, 2021.

The Port Volume Increase Tax Credits and the Agricultural Purchase Tax Credits are based on increased port volume or agricultural purchases, respectively, and are only awarded based on annual increase. During the years 2017-2021, the CCED approved a total of \$27,053,000 in Port Volume Increase Tax Credits. Any unused credits may be carried forward for up to five years.

Year	Total Credit Amount Awarded	Withholding Tax Credit Amount	Income Tax Credit Amount
2017	\$ 5,561,900	\$ 5,229,000	\$ 332,900
2018	\$ 5,248,100	\$ 4,951,400	\$ 296,700
2019	\$ 5,670,700	\$ 4,348,300	\$ 1,322,400
2020	\$ 7,783,400	\$ 5,928,100	\$ 1,855,300
2021	\$ 2,788,900	\$ 2,492,000	\$ 296,900
Total	\$ 27,053,000	\$ 22,948,800	\$ 4,104,200

Agricultural Purchase Credits were created in 2018 and first awarded in 2019. During the years 2019-2021, the CCED approved a total of \$800,000 in Agricultural Purchase Credits.

Year	Total Credit Amount Awarded	Withholding Tax Credit Amount	Income Tax Credit Amount
2019	\$ 100,000	\$ 100,000	\$ -
2020	\$ 300,000	\$ 100,000	\$ 200,000
2021	\$ 400,000	\$ 100,000	\$ 300,000
Total	\$ 800,000	\$ 300,000	\$ 500,000

Any local discretionary incentives, including Fee-in-Lieu of property taxes or Special Source Revenue Credits, are only offered by local governments and are subject to the approval of the county council or city council, as applicable.

¹ Applications approved include some projects that did not locate in South Carolina.

9. Are there any type of incentives that would not be included in the incentive package provided to the company? If so, which ones?

When Commerce presents an incentive summary to a prospect, the summary will be subject to a set of assumptions based on the information provided by the company and will contain:

- All statutory incentives for which the project will be eligible based on the information presented by the company;
- Any local discretionary incentives that the county wants to offer; and
- Any state discretionary incentives for which the project would qualify and the staff is willing to recommend.

The incentive summary makes clear that any incentives presented are contingent upon submission of all required documentation, staff review, fulfillment of eligibility requirements and the conditions of each program. The incentive summary is a summary only, and prospective companies are advised that the relevant statutory provisions and agency guidelines must be reviewed for a full understanding of the terms and conditions of each incentive. Commerce is not authorized to offer definitive tax commitments – only the South Carolina Department of Revenue, the local elected county council and the CCED have the authority, pursuant to their respective jurisdictions, to do so under South Carolina law.

The only additional incentives that may not be included in the incentive summary would be:

- Special rates or incentives negotiated by a utility provider;
- Any incentives offered by a private entity; and
- Any additional local incentives that weren't presented to Commerce (ex. relocation assistance for management).

10. Who is making the offer(s) to the company (prior to presenting to CCED for approval), Commerce project managers, Coordinating Council for Economic Development (CCED) staff, regional or local economic development personnel? If multiple individuals, please explain the offers made by each.

Although Commerce project managers deliver the incentive summary to the company or consultant, they do not make offers of incentives.

The only state incentives that are “offered” are the discretionary incentives that are administered by the CCED. The CCED staff members review project details to determine whether:

- The project meets the statutory requirements for eligibility for any state discretionary incentive;
- The project meets the guidelines set by the CCED; and
- Any state discretionary incentives are subject to the approval of the CCED.

Local economic developers only make offers of local discretionary incentives, and those are subject to the approval of the county council. Regional economic development personnel, if involved, may support the state and local economic development efforts, but do not make offers of discretionary incentives and have no jurisdiction over state or local incentives.

Any statutory incentives are not “offered” because they are available to any project that meets the requirements for eligibility and are separate and independent from the discretionary incentives.

11. If a company received a job development tax credit (JDC) and a business development grant (BDG), would there ever be a time where the job and investment requirement is not the same in the revitalization agreement (RVA) for the JDC and performance agreement for the BDG?

Most often the requirements are the same, but sometimes a company will be more conservative on its application for JDCs.

12. Is Commerce and/or CCED staff aware of any local incentives provided to a company? If yes, which ones, at what point in the process are they made aware, and which Commerce or CCED personnel are made aware?

Commerce and the CCED staff are only aware of local incentives offered to the company in an incentive summary or included in an application for state incentives. Other than the BDG Performance Agreement, neither Commerce nor the CCED is party to any agreement involving the company and the local government, so Commerce and/or CCED staff may not know the final local incentives provided.

13. What would be the pros and cons of having the locals agree to provide, for publication on Commerce's website, any local incentives offered/accepted, as a prerequisite to the local area receiving any state discretionary funds?²

Many times, local incentives are not finalized at the time JDC applications and/or grant applications are approved. Further, local incentives initially offered may be amended later. With 46 counties, it would not be possible for the CCED or Commerce to accurately monitor and track local incentives.

14. What are the pros and cons of having the same person serve as the Executive Director for CCED (CCED responsible for discretionary incentives) and the Grants Administrator for Commerce (responsible for CDBG and ARC grants), as is currently the case?

The pros are that the state only has to pay one manager, and that one person has ready access to and knowledge of all the tools available. The Secretary of Commerce exercises the authority (and should have the flexibility) to organize the agency's leadership and division duties as is appropriate for the agency.

Incentive Agreements and Responsibilities

15. Please provide a copy of the standard terms included in RVA and grant agreements.

The standard provisions of the RVA and grant agreements are discussed in the applicable annual reports. Attached in Appendixes A – C are the current template agreements. Beginning with the 2022 annual reports, the CCED will outline any changes in the agreements during the year.

16. What responsibility does the local government have in a performance agreement for a BDG, if any?

In the BDG Performance Agreement, the local government takes responsibility to ensure that that grant funds are used for the designated purpose and to submit the requests for reimbursement. The primary responsibilities of the local government in administering the grant funds are set forth in the Grant Award Agreement between the CCED and the local government.

17. What does the JDC application entail/include OR is it the same as the business development grants application?

Although the applications are similar, the JDC application is completed by the company and requires a little more detail about the project, the site selection process, etc.

18. What are the responsibilities of the CCED chair?

The CCED chair calls the meeting to order and leads the participants through the agenda.

19. What authority or power does the CCED chair have that other members do not? (e.g., tie breaker in council votes; veto power; etc.)

² 2021.05.12 - Commerce - Marketing the State and Project Management [00:21:08-00:21:45] Nelson Lindsay, Director of Global Business Development, Department of Commerce: The latest addition to our site is what we call [InformSC]. See, this is the online hub where our recruitment track record and incentives over the last 10 years are put there. So you can go online and have this interactive map, search county by county data and find out the companies that have gone there, the jobs, the investment and the discretionary incentives awarded by the state doesn't include the does not include the local incentives, but it does include the state. So that's our newest addition to the site.

The CCED chair does not have any authority that other members do not have, but historically has been able to add value to the information presented to the CCED because the Secretary of Commerce is involved in economic development as the primary mission of the agency that the Secretary leads.

20. What are the pros and cons of the following scenarios?
- Members of CCED elect the CCED Chair; and/or
 - Secretary of Commerce prohibited from serving as chair

There are no pros to either scenario proposed. The Secretary of Commerce has the best access to staff and information. As leader of the state's economic development agency, the Secretary is integrally involved in the recruitment process for larger projects and is kept informed generally on all economic development activity. The biggest issue is the time required to become familiar with projects. All members of the CCED are full-time state employees or have significant responsibilities as chair of a statewide board. Any member of the CCED other than the Secretary of Commerce will be challenged to have the time necessary to add as much value as the Secretary of Commerce does to the decision-making process.

21. How many CCED members are required for a quorum and how are votes made (i.e., does the Chair have final say)?

The CCED currently has 13 members; therefore, a minimum of seven members is required for a quorum. The Enterprise Committee has five members; therefore, a minimum of three members is required for a quorum. The Chair of either the full CCED or the Enterprise Committee has the same vote as any other member. The Chair does not have any final say.

22. Please list the decisions for which CCED is responsible or makes, and, for each, please explain the way it is made. (e.g., Chair make decision; majority vote)

The CCED approves grants and Agricultural Purchase Credits. The Enterprise Committee approves JDC and Port Volume Increase Credit applications, as well as JEDA projects. All approvals and decisions are made by majority vote.

Amendments, Write-offs, and Waivers

23. What is analyzed when determining whether to recommend accepting an amendment to a grant, RVA, performance or other grant/incentive related agreement?

The CCED considers investment and job creation achieved and all facts and circumstances relating to the project. See response to Question No. 24.

24. Please explain the reasons/parameters for which a grant, RVA, performance or other grant/incentive related agreement may be amended.

The CCED considers all facts and circumstances including:

- How close to performance targets was the company's actual performance?
- Were delays in performance due to circumstances beyond control of the company?
- Did the company use good faith efforts to achieve performance targets?

Some examples of good faith efforts include:

- A company that held jobs fairs and/or events with the local technical colleges but didn't receive enough qualified applications;
- A company made excess hires but had high turnover.

25. During the last three calendar years, how many grant, RVA, performance agreements or other grant/incentive related agreements were amended?

- a. For each with amendments, please state whether it was amended once or multiple times and, for each time it was amended, please state the category/type of change (i.e., lowering incentive and performance requirement; maintaining incentive while lowering job requirement and increasing investment requirement; etc.) and the basis for agreeing to the change.

See Appendix D.

26. When an agreement is amended, what information could be made public without harming the state's ability to negotiate and land businesses?

Beginning with the Annual Report for 2021 that was submitted on March 15, 2022, the CCED started including amendments in the annual report.

27. If a person from the public was told Commerce amended an agreement with a company, what questions may be helpful for the person to ask to obtain reasons for the decision?

- Did the company use good faith efforts to perform?
- Were there factors beyond the company's control (ex. tariffs, industry decline, pandemic)?
- Would the project with the reduced jobs or investment still have a positive cost/benefit to the state?

28. Would Commerce oppose adding information to the map and matrix on InformSC to reflect the final incentive agreements?³

InformSC provides information related to economic development announcements, representing job and investment commitments. Any differences between announcements and final incentive agreements are generally minor but would not necessarily add meaningful detail to a map/matrix, especially since most companies wouldn't show that difference for five years based on the RVA. Additionally, incentive agreements and the actual results of projects would be included in annual report.

29. Please state the pros and cons of the following updates to CCED policies and information included in its annual report:

- a. For repayments CCED votes to write off: Require CCED's vote include a statement as to the reason why CCED determined the repayment was uncollectible and include that reason in the chart in the annual report (see page 24 and Exhibit E on page 31).
- b. For repayments CCED votes to waive in part or full: Require CCED's vote include a statement as to the reason why CCED made the decision and include that reason in the chart in the annual report (see page 24 and Exhibit F on page 32).

The CCED will add this information prospectively in the annual report due on March 15, 2023.

30. Please state the reason clawbacks were waived for the entities listed below as they achieved 60% or less of both the job requirement and the investment requirement:

- a) Con-Pearl North America, Inc.;
The clawback was not waived, but in consideration of good faith efforts by the company, it was reduced from \$109,500 to \$100,000.
- b) PTI Plastic and Rubber Gasket, Inc.; and
The clawback was not waived, but in consideration of good faith efforts by the company, it was reduced from \$11,625 to \$10,000.
- c) Treleoni LLC
The company had been acquired, and expansion plans were anticipated by the new business. Because the project was located in a Tier IV county and in an effort to support the new owner, the CCED decided to waive the repayment.

³ <https://www.sccommerce.com/research-data/inform-sc-performance-map-matrix>

Exhibit F
March 2020 Coordinating Council Approval of Amounts Waived, Grants Closed Prior to November 2019

Grant #	County	Company Name	Grant Amount	Amount Disbursed	Job Requirement	Investment Requirement	Actual Job Creation	Actual Investment	Clawback Amount	Amount Paid	Uncollectible Balance	Jobs	
												Achieved %	Investment Achieved %
CL9043	Sumter County	Apex Tool Group, LLC	\$150,000	\$150,000	33	\$1,400,000	33	\$1,385,418	\$750	Waived	NA	100%	99%
C-13-2164	Cherokee County	Associated Hardwoods, Inc.	\$100,000	\$100,000	28	\$9,800,000	21	\$9,335,330	\$15,000	Waived	NA	75%	95%
C-12-0327	Cherokee County	Bericap SC, LLC	\$100,000	\$100,000	50	\$29,700,000	40	\$27,600,000	\$13,500	Waived	NA	80%	93%
S1953	York County	Bluestar Silicones USA Corp	\$350,000	\$350,000	60	\$14,800,000	48	\$21,767,545	\$35,000	Waived	NA	80%	147%
RIF09240182	Greenwood County	Center Manufacturing, Inc.	\$150,000	\$150,000	50	\$2,500,000	112	\$1,284,137	\$35,750	Waived	NA	224%	51%
S1824	York County	CM Steel, Inc.	\$150,000	\$150,000	70	\$6,000,000	66	\$6,430,554	\$4,500	Waived	NA	94%	107%
C-13-2144	Greenville County	Con-Pearl North America, Inc.	\$150,000	\$150,000	51	\$14,250,000	20	\$2,145,307	\$109,500	\$100,000	Waived	39%	15%
C-13-2228	York County	Coroplast Tape Corporation	\$600,000	\$600,000	153	\$12,075,000	127	\$25,881,191	\$51,000	Waived	NA	83%	214%
C19029	Lexington County	DHL Global Forwarding	\$100,000	\$100,000	350	\$900,000	315	\$900,000	\$5,000	Waived	NA	90%	100%
S1951	Spartanburg County	Eaton Corporation	\$75,000	\$75,000	30	\$7,500,000	85	\$6,142,493	\$6,750	Waived	NA	283%	82%
C-18-2926	Fairfield County	Elite ES	\$100,000	\$100,000	60	\$2,400,000	112	\$1,487,702	\$19,000	Waived	NA	187%	62%
S1984	Greenville County	Encore of Greenville, LLC	\$100,000	\$100,000	89	\$3,900,000	88	\$5,629,629	\$500	Waived	NA	99%	144%
S1831	York County	FedEx Ground Package System, Inc.	\$200,000	\$200,000	22	\$14,855,000	35	\$14,178,105	\$5,000	Waived	NA	159%	95%
C-14-2353	Greenville County	GE Gas Turbines (Greenville), LLC	\$750,000	\$750,000	83	\$73,000,000	0	\$728,830,589	\$375,000	Waived but maintenance required	NA	0%	998%
C-14-2336	Bamberg County	Green Link Wood Industries	\$100,000	\$100,000	44	\$1,200,000	47	\$636,000	\$24,000	Waived	NA	107%	53%
C-13-2230	Spartanburg County	Heiche US Surface Technology LP	\$100,000	\$100,000	38	\$4,000,000	33	\$3,246,491	\$11,000	Waived	NA	87%	81%
C-15-2418	Florence County	ICE Recycling, LLC	\$55,000	\$55,000	25	\$610,000.00	0	\$787,856	\$27,500	Waived	NA	0%	129%
RIF10240233	Greenwood County	Jatco, Inc. - Deemed MOVE	\$50,000	\$50,000	39	\$2,000,000	42	\$1,664,750	\$4,250	Waived	NA	108%	83%
C-13-2141	Richland County	Koyo Corporation of USA	\$750,000	\$750,000	175	\$130,000,000	160	\$120,000,000	\$63,750	Waived	NA	91%	92%
C-12-2119	York County	Lap Tech Industries, Inc.	\$200,000	\$200,000	60	\$4,500,000	60	\$4,010,349	\$11,000	Waived	NA	100%	89%
S1849	York County	Legrand North America	\$200,000	\$200,000	185	\$1,800,000	180	\$2,017,984	3,000	Waived	NA	97%	112%

Exhibit F
March 2020 Coordinating Council Approval of Amounts Waived, Grants Closed Prior to November 2019

Grant #	County	Company Name	Grant Amount	Amount Disbursed	Job Requirement	Investment Requirement	Actual Job Creation	Actual Investment	Clawback Amount	Amount Paid	Uncollectible Balance	Jobs	
												Achieved %	Investment Achieved %
RIF11050269	Bamberg County	Masonite International Inc.	\$1,500,000	\$1,500,000	159	\$14,000,000	187	\$18,019,262	\$366,000	Termination of Lease (building is owned by SouthernCarolina Alliance on behalf of the County)	NA	118%	129%
S1990	York County	Nation Ford Chemical	\$100,000	\$100,000	16	\$5,500,000	18	\$5,998,165	\$0	Waived	NA	113%	109%
CL9040	Greenville County	Protterra, Inc.	\$1,500,000	\$1,500,000	400	\$16,000,000	297	\$29,500,000	\$195,000	Waived	NA	74%	184%
C-14-2296	Richland County	PTI Plastic and Rubber Gasket, Inc.	\$25,000	\$25,000	37	\$1,897,846	19	\$1,062,637	\$11,625	\$10,000	Waived	51%	56%
S1894	Greenville County	Saati Americas Corporation	\$150,000	\$150,000	70	\$14,000,000	67	\$14,985,362	\$0	Waived	NA	96%	107%
S1917	Dorchester County	Showa Denko Carbon, Inc.	\$2,000,000	\$2,000,000	100	\$200,000,000	49	\$340,000,000	\$500,000	Waived	NA	49%	170%
C-13-2172	Clarendon County	Suri Industries, Inc.	\$225,000	\$225,000	60	\$3,500,000	52	\$3,521,183	\$14,625	Waived	NA	87%	101%
RIF10140241	Clarendon County	Treleoni LLC	\$150,000	\$150,000	100	\$7,750,000	60	\$4,569,074	\$78,600	Waived	NA	60%	59%
Total Committed			\$10,180,000		2637	\$599,837,846							
Total Achieved							2373	\$1,403,017,112					
Percent Achieved							90%	234%					

31. Would CCED be willing to include information in annual reports, in a similar format as Exhibits A-F in the 2020 annual report, on agreements that are amended including, but not limited to, the original performance agreed upon, the amendment to the agreement, and the reason for the amendment? If not, why?

The CCED began including information about amendments in its annual report that was submitted on March 15, 2022 and will add the reason for amendments prospectively starting in the report due in 2023.

Audits

32. Regarding JDC audits, CCED documents indicate CCED staff note any corrections in job/investment that result from an SCDOR audit. If an audit is performed and no corrections are needed, does CCED staff still note the audit was performed? (i.e., could CCED staff inform members of the number of companies that should have had an SCDOR audit, but never had one, and the number that have had one in a five, or greater, year period, instead of within the three-year period required by law?)

The CCED staff members generally are not aware when projects are audited and are only contacted by SCDOR if there is a question or a problem. The SCDOR is responsible for tracking the audits. The JDC annual reports require companies to note any corrections made under an audit.

Supplier Outreach, Statewide Company Directory, Small Business Support

33. Is there a central list of all businesses in the state and the services each performs, or industry sector in which they fall? If so, where is that information available? If not, how might the existence of one be beneficial to Commerce?

The SourceSC Industry Directory available at www.SourceSC.com is a no-cost, searchable statewide supplier database that displays company capabilities with more than 8,400 listings of manufacturers, vendors and suppliers. Keyword searches allow an unlimited number of searches by product, county, material type and much more.

34. How, if at all, does Commerce work with the Secretary of State's Office to identify businesses that may benefit from some of Commerce's programs, like supplier outreach events, launching webpage and database portal to store interested suppliers and capabilities⁴, etc.?

Commerce has reached out to the Secretary of State's office for collaboration, and staff at the SOS office has added Commerce's website information on their [Business Resources](#) page and sharing information such as relevant data and metrics. Commerce has a resource card on the scbizdev.scommerce.com webpage that shares information on the Secretary of State's office.

35. What would be the pros and cons of Commerce launching a webpage and database portal to store capabilities and interests of businesses throughout the state?

The capabilities statement of companies already exists on SourceSC.com. Company interests are handled through staff assistance when companies email, call, attend a B2B event or are visited by Supplier Outreach staff through direct outreach or referral from the Existing Industry program staff.

- a. Is this the agency's goal with the industrial directory or is the industrial directory focused on manufacturing type businesses?

The SourceSC directory is intended for both service and manufacturing sector companies. The SC Industry Directory provides a list of small businesses, manufacturers, vendors and other networking opportunities in South Carolina.

- b. Can anyone access the industrial directory? If not, why not?

Yes, anyone can access the SourceSC industry directory by visiting www.SourceSC.com. Companies can request to be added. Staff vets the request to ensure it is legitimate, and then the database is updated with company information after it has been reviewed.

- c. How is information in the industrial directory added and kept current?

Companies visit www.SourceSC.com and select "Add company." An email with the submitted information is then sent to the SourceSC Industry Directory inbox. Commerce staff reviews the information to ensure its accuracy, and then it is added to the internal CRM system that Commerce maintains. Information is kept current through site visits by Existing Industry managers who verify with current staff, business surveys that the Research department conducts working with economic developers and companies updating their information on their own.

⁴ Service After the Sale, Slide 17

36. Regarding the SourceSC Database⁵:

- a. How does the agency measure the efficacy of this program?

The SourceSC database is designed to be a tool to help companies, and the efficacy is measured in several ways. First, the supplier section of Commerce’s website, which includes the SourceSC database tool, is one of the higher traffic areas to the site, as measured by analytics. And, to ensure SourceSC continues to expand its reach and remains a comprehensive tool, staff focuses on marketing and outreach to get more direct suppliers and more companies to provide voluntary listings. When Commerce hosts business-to-business events, staff markets specifically to SourceSC companies. Participation in the events is another way to measure efficacy by maintaining engagement with current companies in the program.

In October 2021, Commerce and OneSpartanburg, Inc. hosted an in-person B2B event for Oshkosh Defense. This supplier event provided approximately 150 South Carolina-based companies the opportunity to meet with representatives from Oshkosh Defense at its Spartanburg County facility. These B2Bs allow supplier companies to promote their services with OEM procurement staff. And, at the South Carolina Auto B2B in March 2022, there were eight suppliers such as Volvo, Oshkosh, Mercedes, Shaeffler, JTEKT and others that met with 150 suppliers who heard about the event from the SourceSC email.

- b. How many companies have been connected with in-state suppliers and vendors since the inception of SourceSC?

SourceSC was rebranded from Buy South Carolina in 2017. Since that time, over 3,000 suppliers and vendors have been connected in-person (or virtual during COVID) specifically through B2B and outreach events.

- c. How many in the past three to four years?

Since 2017, over 4,100 suppliers and vendors have been connected through B2B/outreach events, staff responding to sourcing requests and COVID supplier support.

- d. What enabled Commerce to double the number of companies from 2017 (620 companies) to 2018 (1,310 companies)?

The agency conducted a weeklong SourceSC marketing campaign which also rolled out the new SourceSC website. In addition, there was a concentrated effort to increase awareness and use of the tool that year.

- e. Does the agency know the total number of companies that would qualify for the database if every company the agency wanted to include in the database was included?

Every company qualifies for the database. A company simply has to visit www.SourceSC.com and select “Add company” and complete the necessary information. Commerce staff reviews the information to ensure its completeness, and then it is added to the internal CRM system that Commerce maintains. The company information then gets uploaded and published on the SourceSC website within 48 hours of being added to the CRM database.

37. Please explain the B2B online platform purchased by Commerce, including Commerce’s goals for how it would be used, what it would accomplish and the status on those goals.

⁵ SourceSC Locator Tool - Allows South Carolina companies to source locally-developed materials and service providers, connecting South Carolina companies with in-state suppliers and vendors. OEMs and Tier 1s in the state can leverage this tool to find small and mid-sized businesses and suppliers for supply chain needs. Sourcing locally can improve efficiency, manage supply chain activities, lower operations and freight cost and reduce supplier delivery times.

The B2B online platform was purchased and used only during the pandemic to continue to provide opportunities to SC suppliers. It provided virtual matchmaking. It is no longer used, and the transition to in-person meetings has taken place.

38. How does the agency's Small Business Support interact with the Department of Revenue's Business One Stop, if at all?

Referrals are constantly made between Commerce and SCBOS.

- SCBOS staff regularly attend and are invited to provide input during the Small Business quarterly resource meetings.
- Commerce staff and SCBOS staff meet monthly to catch up and share any new information and events.
- New entrepreneurs or those thinking about starting a business are referred to SCBOS first to review the nine steps of starting a business.
- Commerce is listed as a resource on SCBOS "Relocation" page along with SourceSC: <https://scbos.sc.gov/relocating>.
- SCBOS is also listed on our <https://scbizdev.scommerce.com> site as a business development resource.

Data

39. Where will Commerce be reporting wage levels for new jobs created in connection with grant projects and when will those numbers begin being reported?

As announced via press release on January 14, 2022, and effective for future projects approved for discretionary incentives, Commerce will share the average wage for jobs on which incentive credits are claimed in response to a request for that information, and if a project locating anywhere other than a Tier IV county in South Carolina has average wages less than \$15.00 per hour, Commerce will confirm that fact.

40. Since recruiting and landing a company may be a multiyear process, in what year does Commerce assert it landed a company (e.g., company announcement year)?

When the company officially commits in writing – whether via a confidential closing letter or public announcement.

41. When the agency states a company brought in/created a certain number of jobs or investment, what are the parameters for the term (a) "job" (e.g., is it as of a certain date, or period, or salary, etc.), and (b) "investment"? For example, two maps on the agency webpage list the number of "recruited" jobs and "recruited" capital investment, while another map/image shows "announced" investment and jobs.⁶ If there are different definitions for different times, please list and explain each.⁷

⁶ Marketing the State, Slide 27, slide 28; <https://www.scommerce.com/research-data/inform-sc-performance-map-matrix>

⁷ See below

The terms announced and recruited denote whether a company has publicly announced its intention to locate or expand in South Carolina. For the “announced” map, that illustrates the jobs and capital investment that have been publicly announced by Commerce and/or the company. The “recruited” map illustrates the jobs and capital investment that have not only been publicly announced but also those projects that remained confidential or did not issue a press release, but the project has closed via a confidential closing letter.

42. Please provide a copy of the complete survey results and publications related to the “Site Selection Factors” chart provided in the agency’s presentation.

See Appendix E - 36th Annual Corporate Survey from Area Development.

43. In agency reports, what does each of the letters and numbers signify in the Grant Number and Project Number?

Sample Grant Number: C-18-2884

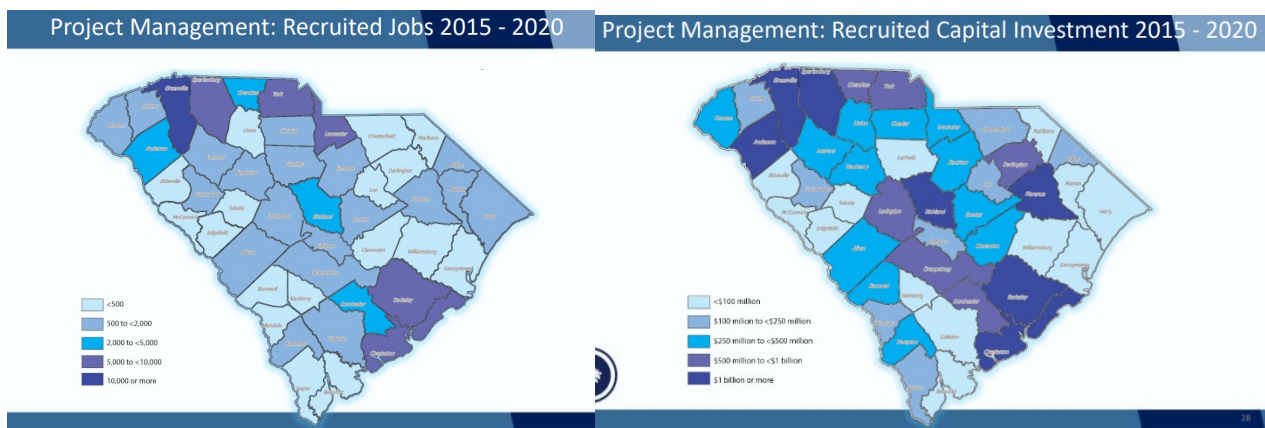
Sample Project Number (from Enterprise Report): EZ2004 3392

“C” represents “CCED”

“18” is the year the grant was approved

“2884” is the assigned file number

Sample Project Number (from Enterprise Report): EZ2004 3392



Company	Investment	Jobs	Grants Award	JDC	Date	County
Mira International Foods, Inc. (SC)	\$2.0M	28	\$0K		9/2/2021	Beaufort
Connect America (SC)	\$0.9M	71	\$0K		8/31/2021	Greenville
TELUS International (SC)	\$3.4M	1200	\$250K	Approved	8/24/2021	Charleston
Lyness Creek Renewables (SC) - Anderson	\$68.0M	0	\$0K		8/19/2021	Anderson
Top Edge Components LLC	\$2.9M	25	\$0K		8/18/2021	Anderson
Interfor US, Inc. (SC) - Summerville Division (Formerly WestRock Co.)	\$30.0M	0	\$0K		8/11/2021	Dorchester
Arcuda/Fish Finishing Systems (SAIMA of North America, Inc.) (SC)	\$4.7M	42	\$0K		8/10/2021	Aiken
Amert Engineered Solutions, LLC (SC)	\$0.0M	19	\$0K		8/10/2021	Bamberg
Southern Current, LLC (SC) - Lee	\$38.8M	0	\$0K		8/10/2021	Lee
MFCART, Inc. (SC)	\$2.0M	50	\$0K		8/4/2021	Greenville
Shenandoah Growers, Inc. (SC) (SC)	\$0.0M	50	\$0K		8/3/2021	Anderson
The Malouf Companies, Inc.	\$47.2M	240	\$200K		7/28/2021	Laurens
TFI Holding, LLC dba Gray Ghost Bakery	\$0.4M	25	\$0K		7/27/2021	Charleston
BNI Sleep Products USA, LLC	\$4.3M	300	\$300K	Approved	7/23/2021	Orangeburg
Barnwell PV 1, LLC	\$75.0M	0	\$0K		7/22/2021	Barnwell
Your Crawspace, Inc. (YCS) (SC) - Awendaw	\$3.6M	40	\$0K		7/22/2021	Charleston
Wind West of Myrtle Beach, Inc.	\$2.5M	40	\$100K		7/21/2021	Horry
Neobron Pharmaceuticals Corporation-Neobron Nitrite	\$100.0M	250	\$0K	Approved	7/15/2021	Lexington
Last Step Recycling, LLC	\$46.4M	50	\$200K		7/12/2021	Chester
Prestige Farms of South Carolina, LLC (SC)	\$150.0M	292	\$1,200K	Approved	7/8/2021	Kershaw
STAR EV Corporation (IH Global Services)	\$8.7M	50	\$0K	Approved	7/7/2021	Greenville

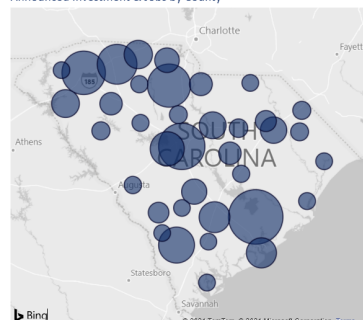
Announced Projects Overview

Monday, September 6, 2021

Announcement Date In (max is last announcement date)

1/1/2020 9/2/2021

Announced Investment & Jobs by County



The preliminary incentive data provided in this report is based on announced project parameters, which may be subject to modification as reflected in final incentive agreements.

“EZ” represents the Enterprise Program
“20” is the date the JDC application was approved
“04” is the code for the county
“3392” is the assigned file number

44. Would Commerce be willing to add the company name of a “project” for which a grant was associated so the grant could be seen side by side with the information from the Enterprise Annual Reports? (Add note about which grants are in which reports and length of time to have agreement signed)

Yes, if the project has announced and agreements have been executed. Otherwise, the project is not yet subject to disclosure under state law.

45. Does each RVA have a job and investment requirement?

Yes.

46. Can a single company submit applications for, and be approved for, multiple benefits (i.e., multiple JDCs), for a single location?⁸

Yes.

a. Would there be different job and investment requirements for each RVA?

Yes.

b. Why would a company have multiple RVA agreements on a single project?

Having multiple applications allows a company to begin collecting earlier on a tiered basis. The opportunity to submit multiple applications is only offered to large or exceptional projects.

c. If a company is locating in SC, can there be multiple “projects” associated with that relocation?

If it is a large or exceptional project, it may be allowed to submit more than one JDC application. As a result, it would have more than one RVA. However, all applications/RVAs combined are part of the project and must be submitted and approved together. The only time a company would have multiple “projects” would be if the company has had more than one expansion or more than one location in the state.

47. Is Commerce willing to perform a cost/benefit analysis of a company after it stops participating in an incentive program or stops being in business, etc.?⁹ In evaluating aggregate benefits, does the agency agree it may be helpful to have the cost/benefit at the end of the process since this information could be provided, without giving the details of the companies’ operations?

If a company does not meet the investment or job creation requirements for JDCs, they will not collect JDCs on any jobs created, so there will be no public costs related to the JDC program. Companies that certify and claim JDCs but later fall out of compliance with job requirements only receive benefits while in compliance. Accordingly, there is no public cost without public benefit.

If a company does not meet the investment or job creation requirements for a grant, it will be required to repay a pro rata portion of the grant. Once repayment is made, any deficit in public benefit versus cost is recovered.

⁸ Sample related Project Numbers (from Enterprise Report): EZ2018 3357A; EZ2018 3357B; EZ2018 3357C

⁹ On the surface, a company not receiving full benefits of the JDC program may appear positive because it means there is a lower public cost than when the project was approved. However, since the company did not meet the requirements for the investment and jobs, there is also a lower benefit than when the project was approved which may raise questions about the last two paragraphs of the last page of the [2020 Report of Enterprise Zone Activity](#) (“Based on these percentages, this performance-based program is achieving the positive result of providing a strong recruitment tool for the Department of Commerce that has a lower public cost than is projected to be available when projects are approved for Job Development Credits.”)

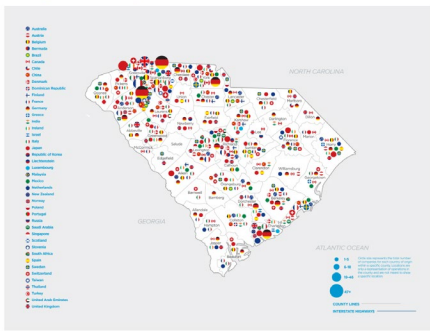
48. Is the agency able to calculate the cumulative number of new jobs in each county (e.g., number gained from new companies locating or companies expanding minus number lost from companies closing, relocating, or downsizing)? If yes, is this information available anywhere online? If no, would this information be beneficial and who may have the information?

Commerce is able to calculate the cumulative new, recruited jobs to each county; this information is also available on the agency's website. That information is not, however, representative of the jobs that have come online, as it often takes years for companies to ramp up operations, nor is it representative of all business – only the companies Commerce works with. The South Carolina Department of Employment and Workforce (DEW) maintains employee numbers for companies that issue a WARN notice (online) and an overall monthly employment report.

49. What is Commerce's definition of "foreign company" (e.g., owner is from another country; company is headquartered in another country; etc.) as shown below from the agency's website?¹⁰

A foreign company is defined as having its ownership or parent company from a country other than the United States.

Foreign Company Map



50. Please provide a timeline for when the agency will:

- determine its top objectives, including where rural areas of the state fit within those objectives¹¹;
- how it will quantifiably measure its performance on those objectives; and
- provide that information to the Committee and public.

In August of 2022, the agency will complete the accountability report for FY21-22 and outcome measures for FY22-23. At that time, the objectives established by Secretary Lightsey and his executive team will have been established for the new year.

Data Sharing

The purpose of the questions below is to determine data available, whether it can be shared, and who else may have data that could be shared

51. Please list government entities that track economic data at the state and local level, and, for each, the type of economic data Commerce understands is tracked.

¹⁰ Marketing the State, slide 14; <https://www.sccommerce.com/area-maps>

¹¹ Rural Development - Grants made to units of local government from the Rural Infrastructure Fund to serve as an incentive to a business to create jobs and make capital investment in the state. These grants are used to assist the state's rural communities to prepare for economic development projects by purchasing property for industrial parks, participating in the construction of speculative buildings, marketing plans and upgrading infrastructure. Also directs efforts to address issues that limit or negatively impact rural development, primarily by forming strategies and marshaling resources to increase the property tax base and increase stability in rural communities.

- a. Revenue and Fiscal Affairs: income statistics, state revenues and budget, school finance data, healthcare utilization, local government revenues and budgets, socioeconomic data through the SC Census State Data Center
- b. SCDOR: sales tax data, state income tax data
- c. DEW: employment, wage and other labor market data
- d. Office of the Treasurer: state and local government debt, bank balances

52. Please list the type of data available to Commerce regarding economic development at a statewide, region, county, city, or other area. For each, please state the source and frequency with which it is updated and whether it is available for sharing.

- a. Statewide employment data – sent monthly by DEW. No strict agreement about sharing, though it is shared in the Economic Outlook publication.
- b. Statewide sales tax data – sent monthly by SCDOR. Considered shareable.
- c. Statewide labor and wage data – U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis. Updated monthly, quarterly and annually, depending on the data. Considered shareable.
- d. Statewide Unemployment Claims – U.S. Dept. of Labor. Updated monthly. Considered shareable.
- e. Statewide Online Labor Demand (data on internet job ads) – The Conference Board (conference-board.org). Updated monthly. Considered shareable.
- f. State and MSA Building permits, population, demographic data – U.S. Census Bureau. Updated monthly and annually, depending on the data. Considered shareable.
- g. State Port shipping volume – South Carolina Ports Authority. Updated monthly. Considered shareable.
- h. Southeast Consumer Price Index -- U.S. Bureau of Labor Statistics. Updated monthly. Considered shareable.
- i. Statewide and regional house closings and median price – South Carolina Realtors Association. Updated monthly. Considered shareable.
- j. Statewide Personal income – U.S. Bureau of Economic Analysis. Updated quarterly. Considered shareable.
- k. Relative Cost of Goods -- U.S. Bureau of Economic Analysis. Updated annually. Considered shareable.
- l. State Gross Domestic Product -- U.S. Bureau of Economic Analysis. Updated quarterly. Considered shareable.
- m. Statewide exports and imports – U.S. Census Bureau. Updated Quarterly. Considered shareable.

53. What types of maps, if any, does Commerce have, or have access to, regarding infrastructure (e.g., roads, highways, water lines, etc.)? If none, would this information be helpful to Commerce?

Commerce has access to a broad range of public infrastructure maps including roads, highways, utilities (water lines, power, etc.). Properties on LocateSC have detailed information and often provide a good picture of infrastructure and utilities near available industrial sites.

54. Does Commerce have maps of land owned by different state, local, and federal entities (e.g., Army Corp of Engineers, Department of Parks, Recreation, and Tourism, Department of Natural Resources, etc.)? If so, how often is it updated and is it available to share online?

No. If needed, Commerce has online access to county offices to determine ownership of property.

55. Please list the data transferred between Commerce and the following entities as well as the method of transfer and frequency:¹²

¹² Question 10. Please provide an Excel chart that lists information, as shown in the example below, about memorandums of understanding (MOUs) the Department of Commerce has had, or currently has, with other agencies or quasi-agencies since Secretary Hitt began in 2011. Under these MOUs, the agency indicates the agreement includes transfer or sharing of data between agencies.

- a. Department of Agriculture:
Commerce sends monthly reports to the Department of Agriculture including active Agriculture-related projects. That information includes the code name of the project (not the company name) along with proposed number of new jobs, proposed amount of new investment and counties the company is evaluating. The CCED shares all applications for the tax credit for increases in agricultural purchases and any supporting documentation when received. The applications are transferred by email.
- b. Rural Infrastructure Authority
The CCED only shares information related to any economic development project that will be or has been awarded a grant through RIA for which a company has a performance agreement with RIA. Any information is transferred by email, phone call or personal conversation. See also Question 7.
- c. Jobs Economic Development Authority
JEDA provides all information about JEDA projects to be presented to the Enterprise Committee or the CCED for approval, and a representative of JEDA is present at Enterprise Committee meetings to present the information. Any information is transferred by email, phone call or personal conversation.
- d. Department of Employment and Workforce
Commerce receives local area unemployment statistics (labor force, number of employed and unemployed and the unemployment rate in the state and its MSAs) and current employment statistics (employment by industry in the state). This happens monthly and is done by emailing excel and text files.

Infrastructure

56. Please list the categories of what Commerce considers “infrastructure” when it references statewide strategic economic development infrastructure investments (e.g., water, roads, internet).
- Transportation (including roads, bridges, rail, air and water ports)
 - Power/Energy (including generation assets and conveyance)
 - Water (including supply, management assets and drinking/sewage/stormwater)
 - Communications (including telephone networks and broadband)
57. Is there a statewide plan of where infrastructure is needed to help make the state as marketable as possible (based upon the industries the state is targeting to achieve its statewide economic development strategy and objectives)?
- There is not currently a statewide plan that outlines comprehensive infrastructure needs.
- a. Would having one be helpful?
Infrastructure is certainly a statewide focus; however, the definition of infrastructure varies depending on the audience.
 - b. What other entities would need to be involved to create one?
South Carolina Ports Authority; SC Department of Transportation; utilities; Office of Regulatory Services (broadband); power companies; RIA; the 300+ water/sewer providers, among others.
58. Please provide examples from other states of how funding of strategic infrastructure independent of specific economic development projects has assisted them in recruiting business.¹³

¹³ March 29, 2021 letter from Commerce to the Subcommittee, Question 39

The agency’s Program Evaluation Report notes infrastructure as a challenge and the state’s lack of a funding mechanism to enable economic infrastructure independent of specific projects.⁶ Please provide any agency recommendations regarding infrastructure funding as well as, if available, examples of states with infrastructure programs that have led to significant economic development and growth in both metropolitan and rural areas.

As the economy continues to diversify, SC Commerce has noted that potential modifications to the state’s incentive infrastructure could help to meet evolving economic needs and keep South Carolina competitive with neighboring states. Specifically, South Carolina does not have a funding mechanism to address significant state infrastructure needs that are necessary for the state to continue and capitalize on its economic development success. Currently, the state addresses the need to modernize or construct new infrastructure based on population density or individual economic development projects. This approach leaves significant infrastructure gaps and

In North Carolina, key economic development stakeholders recognized that historically dominant industries (textiles, furniture makers, etc.) in the region were struggling. To prepare to be able attract future industry and create jobs, state and local governments and partners pieced together parcels of land to create an 1,800-acre megasite with convenient access to highways, airports, seaports and a diverse workforce pool. Investments were also made in onsite rail and renewable energy availability. As a result, Toyota announced in 2021 that it would build a \$1.29 billion lithium battery plant on this site, creating 1,750 jobs.

In Tennessee, the state had struggled to attract industry to its Memphis Regional Megasite despite significant investment over a number of years. A study found that the lack of utility connections was one of the main obstacles for site development. Subsequently, the state committed \$52 million into developing water and wastewater infrastructure to improve the area and the site's marketability. In 2021, Ford announced it would invest \$5.6 billion and create 5,700 at the site where the company will build electric trucks and electric vehicle batteries.

59. Please explain any strategic infrastructure investment ideas Commerce recommends for South Carolina.¹⁴ Strategic economic development infrastructure is infrastructure that cannot always be funded in connection with a specific economic development project, but is essential to attract and maintain South Carolina's economic development success and competitiveness. Commerce will explore opportunities to facilitate enhancement projects that support site and other product development. Conceptually, these projects will facilitate economic development in areas of the state that would be not be able to attract investment and jobs absent the strategic infrastructure investment, and these projects would also support the future resiliency and growth of South Carolina's business community.

Regarding Talent Management Services

60. Is Commerce aware of any state agency with primary responsibility for assisting existing businesses in obtaining workers? If yes, who? If no, please list the agencies that may share in that responsibility and the roles of each.

No, and Commerce cannot speak for the various agencies. However, Commerce is able to assist with identifying the appropriate resources depending on the company's needs.

61. Would Commerce be willing to add information on education and workforce entities from the Subcommittee's February 28, 2022 meeting to its annual CCWD report and update the information regularly?

Yes.

62. Please state where the comprehensive listing of the federal and state workforce available funding and entities through whom they flow is online, or, if not, provide a copy.

A copy of this listing was included in the CCWD 2018 Annual Report.

63. Please state where the Workforce Dictionary is available online, or, if not, provide a copy.

The Workforce Dictionary is in the CCWD 2020 Annual Report located on Commerce's website and on the state legislature's website.

inhibits the state from responding to business needs in a timely fashion. These types of large, strategic state infrastructure projects generally exceed SC Commerce's grant funding resources (except when a project qualifies for economic development bond funding). Accordingly, there is no meaningful way for SC Commerce to fund an infrastructure need without doing so on a project by project basis. SC Commerce is very receptive to work with the General Assembly to explore feasible solutions that would give South Carolina the ability to build strategic economic infrastructure independent of specific projects and supported by an appropriate funding mechanism which is paramount to the state's ability to remain competitive. During the 2019-2020 legislative session, the South Carolina House of Representatives passed H. 4332 to amend the General Obligation Economic Development Bond Act to address this need for strategic infrastructure independent of a specific economic development project.

¹⁴ March 29, 2021 letter from Commerce to the Subcommittee, Question 39

Longitudinal Data

64. Please state where the workforce snapshots, statewide and by county, are available online, or, if not, provide copies.

The Workforce Snapshots are not currently available on the Commerce website, but the agency is working to build a place on the Commerce website to house the Snapshots.

65. Please explain the role longitudinal data may play, and how it may assist in, creation and updating of a statewide workforce plan, and workforce development efforts on state and local levels?

Capturing and analyzing longitudinal data will facilitate more informed decision-making by allowing workforce partners and the state legislature to better understand programmatic outcomes. Decision-makers will be able to assess whether investments in education and training produce employment in specific industries, as well as what combination of programs assist an individual in obtaining economic advancement.

a. Please state where questions/responses/graphics related to this type of data would be posted online for the public to view.

This information, to follow all necessary state and federal data rules, could be housed on any state website. RFA has already built out public-facing platforms where certain data is already publicly available.

b. Please state initial inquiries that will be researched with this data.

Aside from the two questions asked as a result of the February 28, 2022 meeting, no other initial inquiries have been made or are known at this time.

66. Please provide examples of how longitudinal data has assisted other states in their workforce development efforts.

See attached “Best-in-Class State Longitudinal Data Systems (SLDS)” document. Additionally, there are other resources and regional collaboratives happening around the country. See Appendix F.

67. Is there anything else Commerce utilizes United States Bureau of Economic Analysis (U.S. BEA) information and industry codes for other than cost/benefit analysis presentations to CCED for incentive packages?

This information is used by the Research Division, now reorganized under a new division in Commerce, for some projects, actions or activities and at the request of partners or companies.

68. Is the information below currently accessible to Commerce for analysis in an aggregated manner? If not, would it be helpful to Commerce?

a. List of the industry groupings from the U.S. BEA and NAICS codes that correspond to

- i. each of the industry clusters offered within schools in the state,
- ii. each major offered at a technical or four-year college or university within the state,
- iii. each of Commerce’s target industry sectors (e.g., advanced materials (plastic, composites, metal and chemical); aerospace; agribusiness (includes food processing, beverage, wood, and paper); automotive; etc.)
- iv. each business within the state

b. For each school district in the state

- i. Geographic boundaries
- ii. Industry clusters offered, and for each cluster:
 1. Corresponding industry groupings from the U.S. BEA and NAICS codes
 2. Year for the first graduating class of students that utilized each cluster (the year may be different for different clusters if some clusters were added after others)

c. For each technical college and four-year college or university in the state

- i. Number of students from each school district

- ii. Majors offered and, for each
 - 1. Corresponding industry groupings from the U.S. BEA and NAICS codes
 - 2. Number of students enrolled in the degree
 - 3. Number of students graduating in the degree
- d. For each business in the state
 - i. Address
 - ii. Corresponding industry groupings from the U.S. BEA and NAICS codes
 - iii. Number of positions for which it is hiring

Currently, most of this information is not available in an aggregated manner. It is obtainable from a number of different resources and is not centrally located.

69. How do the clusters in a school district relate to industries Commerce targets, if at all?

Simply put, education clusters and industry targets are defined differently. The North American Industry Classification System, or NAICS, is a classification of business establishments by type of economic activity. The 2018 Standard Occupational Classification (SOC) system is a federal statistical system used by federal agencies to classify workers into occupational categories for the purpose of collecting, calculating or disseminating data. All workers are classified into one of 867 detailed occupations according to their occupational definition. The 16 career clusters are broad groups of careers and industries created by the U.S. Department of Education to provide a vital structure for organizing and delivering quality programs career and technical education programs. Career Clusters contain occupations in the same field of work that require similar skills. Commerce targets eight industries: Advanced Manufacturing, Advanced Materials, Aerospace, Agribusiness, Automotive, Distribution and Logistics, Life Sciences and Office/Shared Services. These industries have a variety of occupations and careers within each sector.

70. Do the clusters correlate in any way to the industries Commerce targets? If not, what would be the pros and cons of establishing a correlation?

See response to Question No. 69. Clusters, as currently defined, do not align or relate specifically to industry clusters. Communicating how education clusters, occupations within them and how industry-recognized credentials correlate to occupations within various industries would benefit citizens and businesses alike.

Annual meeting and report to county economic development personnel

71. Please list the ways in which Commerce provides feedback to counties, information provided, and frequency in which it is provided.

Project Managers visit counties on an annual basis to tour any new buildings or sites the counties have in their localities. If it is known why a county was not chosen and what could have been done differently, the Project Manager relays that information.

72. Please explain/list the number of counties each project manager must visit, frequency in which they must visit, and what must occur during the visits.

New Project Managers are required to visit all 46 counties. Thereafter, Project Managers strive to visit eight counties each year. These visits consist of learning about any new strategies the counties have implemented and touring any new buildings and sites.

73. How many Tier III and IV counties have a current strategic plan and vision?

Nine counties have strategic plans. Seven counties have active plans in place, and those counties are actively engaged in implementing the plan. Two counties have plans, but are not actively engaged in implementing the plan.

74. Why are creation and updating of a strategic plan important to the vitality of a county?

These plans can prioritize efforts and resources toward a clearly defined vision with measurable milestones to increase tax base, create jobs and stimulate the local economy by encouraging new business and expansion activity. These plans also can provide a framework to work across administrations and provide goals and steps toward achieving a desired result.

75. Would Commerce be willing to assist each Tier III and IV county in creation or updating of a strategic plan every five to seven years?

Yes, provided the county is committed to the process and the long-term vision needed to accomplish the items included in the plan.

Accessing Information

76. Please list the industry groupings from the U.S. BEA and NAICS codes that correspond to each of Commerce's target industry sectors (e.g., advanced materials (plastic, composites, metal and chemical); aerospace; agribusiness (includes food processing, beverage, wood, and paper); automotive; etc.)

- a. Advanced Manufacturing – Broad umbrella term that doesn't fit specifically into any single NAICS or small group of NAICS. The NAICS supersectors that begin with 31 through 33 include manufacturing companies of many types, including those involved with electronic products (334), motor vehicles (336), textiles (313) and plastics (326).
- b. Advanced Materials – Similarly broad. The same supersectors likely apply, particularly 33, which includes companies engaged in the mechanical, physical or chemical transformation of materials, substances and components into new goods.
- c. Aerospace – Aerospace Product and Parts Manufacturing (3364).
- d. Agribusiness – Crosses sectors, including much of supersector 11, which pertains to agriculture and forestry, while also falling under some manufacturing categories, including food processing (311) and paper making (322).
- e. Automotive – Motor Vehicle Manufacturing (3361) and Motor Vehicle Parts Manufacturing (3363).
- f. Distribution and Logistics – Warehousing and Storage (493).
- g. Life Sciences – Research and Development in the Physical, Engineering, and Life Sciences (541715) and Pharmaceutical Preparation Manufacturing (325412).
- h. Office/Shared Services – Administrative and Support Service (561).

77. Do agency personnel ask companies that locate in the state (and site consultants that land companies in the state), ways in which they accessed information about the state and any feedback?

While there is not a formal process to collect this information, Commerce regularly communicates with site consultants, counties, regional alliance and other stakeholders that may be involved in recruitment.

78. Please provide a list of who is involved and what is considered in preparing the calendar for the upcoming year and determining which trade shows to attend and mission trips to take.¹⁵

Based on target industries, economic development trends and the current business environment, members of the executive team and their staffs develop a list of events, domestic and international, that align with the agency's objectives. Commerce solicits feedback from alliances and key stakeholders to determine which events collectively represent the best opportunity for South Carolina's participation. Based on this feedback, the agency determines the scope of Commerce's presence and participation in each event.

¹⁵ 2021.05.12 - Commerce - Marketing the State and Project Management [00:42:07-00:43:20] Nelson Lindsay, Director of Global Business Development, Department of Commerce: Right. So what we do at the beginning or before the beginning of the year, we all connect with our international partners, my group, marketing, you know, a whole group of us, and look at what we've done in the past, where we've been, where we think is still worth going to. And we'll try to evaluate how many projects we get from that. And we will adjust our calendar. We may drop a trade show if it hasn't been successful for us or drop a change of mission trip to another geography. If we're seeing more projects in a certain part of the country, we will do that as well. And so we do evaluate them. It's not, though, just how many leads we get and projects. That's the primary purpose. But some of these we're trying to build brand awareness and relationships to, again, those auto specific ones or industry specific like auto. We're trying to go back and again, make sure that people know and think about South Carolina that we may evaluate, say, you know, we didn't get as many projects or leads last time, but let's try it again, see if it improves and then we'll see where we go from there.

79. Are there enough funds available to conduct a drone video of every site in LocateSC if each county requested it?

No. The agency committed \$250,000 this fiscal year which will add approximately 50 sites per year. This program is evaluated on an annual basis to determine impact/utilization of program and future funding levels.

International Offices

80. How does Commerce annually evaluate its investment in each international office?

For contracting offices (China/Taiwan, India, Japan and Korea), the contracts stipulate exact metrics for each office. These metrics include:

- Monthly activities;
- At least one annual investment mission;
- An established number of leads required per market; and
- Outreach to companies in established sectors that are in concert with sectors in South Carolina.

For the Europe Office, each employee has been given a state-template position description as well as measurable metrics, provided in annual planning stages.

81. Please provide several examples of changes Commerce has previously made in its investment in international offices based on its annual evaluations (e.g., closing office in Canada, increasing or decreasing investment in another particular office, etc.) and basis for the change.

- The Canadian Office closed in 2009. This market is currently served by a contractor that provides resources for select trips or missions; there are no other contractual responsibilities to the agency after each event has concluded.
- The office in Japan closed in 2008. Then in 2012 and with an increase in the foreign direct investment opportunities coming out of Japan, Commerce contracted to reopen the Japanese Office. In 2018, Commerce changed contractors to Intralink,.
- Because of political and trade issues with China, Commerce increased activities in Taiwan and decreased expectations for projects coming from China for 2021-2022. This also dovetailed with the addition of Japan and Korea via Intralink, resulting in a substantial decrease in monthly fees for China/Taiwan.

82. Would Commerce oppose publishing the metrics by which it evaluates its international offices (and those with whom it contracts in international countries), how they perform on those metrics, and the investment Commerce made in the office on an annual or every three-year basis? If so, why?

Disclosure of Commerce's strategic economic direction and plans may hinder South Carolina's competitiveness with other states and could potentially be misconstrued by foreign-owned companies. See Appendix G.

83. Please provide information on the companies that have located or expanded in South Carolina from each of the countries in which Commerce has an office (and any other countries in that office's sales region), since Commerce opened the office (e.g., name of company, incentives provided, investment and jobs created). See Appendix G.

Regional Alliances

84. Please provide the following for the last three years:

- a. Total amount the state has provided each alliance in funding, which includes expenditures and outcome measures of each alliance;

Alliance	FY2020-21	FY2019-20	FY2018-19
Central SC Alliance	633,441.15	669,912.53	684,965.00
Charleston Regional Development Alliance	725,394.07	671,441.07	669,290.71
Economic Development Partnership	237,162.50	461,441.07	459,290.71
I-77 Alliance	725,394.07	671,441.07	669,290.71
North Eastern Strategic Alliance	810,394.07	756,441.07	754,290.71
Southern Carolina Alliance	665,394.07	611,441.07	609,290.74
The LINK	387,426.00	396,441.05	394,290.71
Upstate Alliance	815,394.07	761,441.07	759,290.71
Total	5,000,000.00	5,000,000.00	5,000,000.00

Proviso 50.13 states that- Any unexpended, unallocated, or undistributed funds appropriated in prior fiscal years for Regional Economic Development Organizations shall first be made available to Regional Economic Development Organizations and any remainder shall be transferred to the Rural Infrastructure Fund at the Department of Commerce. If more than one alliance applies for the same funds, the funds will be distributed pro-rata.

- b. Information the alliances are required to provide, or voluntarily provide, to show how the money is spent (if only what is required in Proviso 50.13¹⁶, you can quote what it requires and include the web address for their annual reports).

Proviso 50.13 states that funds recipients shall provide an annual report by November 1, to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee and the Secretary of Commerce on the expenditure of the funds and on the outcome measures. Fund recipients shall also provide electronic copies of the annual report to the General Assembly by November 1. The Department of Commerce shall post these reports on their website. Copies of these files can be found on the Commerce website -

<https://www.sccommerce.com/sites/default/files/2021-11/FY22%20Regional%20Economic%20Development%20Organizations%20Annual%20Reports.pdf>

¹⁶ Proviso 50.13 states in part, "Each dollar of state funds must be matched with one dollar of private funds. The organization receiving state funds must certify that the private funds are new dollars specifically designated for the purpose of matching state funds and have not been previously allocated or designated for economic development. No funds appropriated in this proviso may be used for routine operating costs of the organization as defined by the Department of Commerce.

Upon receipt of the request for the funds and certification of the matching funds, the Department of Commerce shall disburse the funds to the requesting organization.

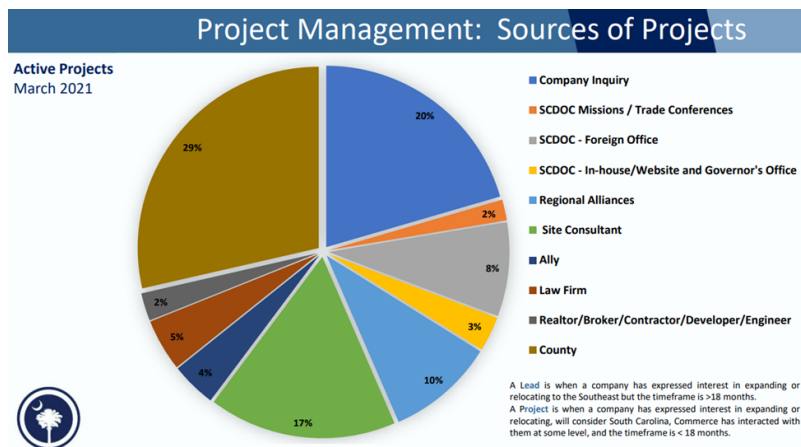
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Sources of Projects

85. Please explain the criteria for something to fall within each category in the source of projects figure from its presentation (e.g., company inquiry, SCDOC Missions/Trade Conferences; Regional Alliance; etc.) since there was testimony that some projects may overlap (e.g., brand awareness from trade shows that led to company inquiries). Please add this to the agency graphic and provide an updated version.¹⁷

The source of the project that is referenced on this chart is the person or entity that actually called in the project. That is the only way to exactly attribute a source even if it was due to multiple levels of marketing. A foreign office team member along with a lawyer or alliance staff could meet an executive at a tradeshow and educate them about the state. That executive then might explore sites online and reach out to a real estate broker for information. The broker could call the county and inquire about a tax break or incentives and the county would contact Commerce. In this scenario, the county would get credit as the project source as the agency is unable to rebuild the chain of events that led to the call about the project.



86. What does the agency mean by “Ally” on the list of sources?¹⁸

An ally is an entity or person who does not fit with simplicity in another category. It could be another government entity, a private company encouraging a supplier to locate in SC or even a citizen.

87. Please provide the following information for each of the last three years by source and industry sector (outcome measure is announced for marketing):¹⁹

- a. Dollar value of resources utilized on each source;

¹⁷ Marketing the State, slide 18

¹⁸ Marketing the State, slide 18

¹⁹ 2021.05.12 - Commerce - Marketing the State and Project Management [01:08:36-01:09:19] Nelson Lindsay, Director of Global Business Development, Department of Commerce: Again, it's not perfect for the very reason you just talk about there is overlap, but we try to evaluate each source and where do we need to put more emphasis and less emphasis in each year that we go through? And I mentioned the consultants there at 17 percent. Again, good, good percentage for us. Now, this is of March 2000 this year, right. End of the month. This thing changes daily because we get projects just about every day and may not change drastically, but it's not the same every month. And then this time I think we were at roughly 350 projects or so. But again, this will change from month to month where those leads come from.

2021.05.12 - Commerce - Marketing the State and Project Management [01:09:19-01:09:40] Rep. Ott: And then just finally, go ahead. Do you have a breakdown of the amount of resources that the department is spending in each of these areas? So in other words, if I wanted to know how much money the state was spending, say, on each of these areas that are generating the sort that the projects, would we be able to take a look at that?

2021.05.12 - Commerce - Marketing the State and Project Management [01:09:40-01:10:39] Nelson Lindsay, Director of Global Business Development, Department of Commerce: Well, some we would not. Every category, of course, the ones that we control, we would have a breakdown of, you know, what resources go to that versus the counties bringing us in. But, you know, for the trade shows and mission trips and things of that nature, we can we can show over time what we've done there. Thanks. I talked about this, I talked about site consultants, again, easier to to develop a relationship with one of them that have multiple projects rather than finding those projects on their own. And we talked about regional alliances. We have eight of them around the state. We talked about them during our TeamsSC concept of working together. So when they are out there marketing their region and they develop a lead, they're going to let their counties know, of course, but they'll also bring us in as well. We're going to we're all working together again, going back to we got to work together as a team. Otherwise we're not going to be successful. Yes, sir.

Entity	EXPENDITURES			
	FY2020-21	FY2019-20	FY2018-19	
Mission/Trade Conferences	194,856	544,723	837,001	
Foreign Offices	975,822	1,038,128	722,649	
Commerce Website	255,934	154,731	185,159	
Site Consultant	5,000	38,368	119,419	
	Total	1,431,612	1,775,950	1,864,228

* These expenditures do not include travel of SC staff to these events, and the pandemic has significantly reduced the number of in-person events.

- b. Average number of projects separated by expansion versus new company location;²⁰
See Appendix H.
- c. Average number of projects that were ultimately landed;
See Appendix I.
- d. Number of announced jobs resulting from projects landed (please explain how Commerce defines this term and whether if it is as of a certain date, or period, etc.);
Commerce considers announced jobs and investment to be the publicly disclosed expectations, as of the date of that disclosure, for an economic development project.
For additional data, see Appendix I.
- e. Actual announced investment by company from projects landed (please explain how Commerce defines this term and whether if it is as of a certain date, or period, etc.).
Commerce considers announced jobs and investment to be the publicly disclosed expectations, as of the date of that disclosure, for an economic development project.
For additional data, see Appendix I.

Economic Development Education

88. Is Commerce aware of any county economic development personnel who have been unable to attend economic development education events (e.g., economic development institute, rural summit institute, advanced symposium) because of inability to afford the event/lodgings?
No.

89. To your knowledge, do staff from regional alliances attend the economic development education opportunities? If so, how many have attended each of the events for the past three years?
Economic Development Institute – 1 Regional Alliance Member, 18 County Council Members and 41 County Development Representatives
Advanced Symposium – 5 Regional Alliance Members and 5 County Development Representatives
Commerce 101 – 2 Regional Alliance Members and 20 County Development Representatives
Economic Development Workshop – 20 Regional Alliance Members and 80 County Development Representatives
Economic Development 101 – 5 County Council Members and 30 County Officials

²⁰ Marketing the State, slide 18

Cost/Benefit Analysis

90. Why are there two different RIF funds, one administered by CCED and one administered by Rural Infrastructure Authority, since the source of funds for both appears to be the same? Does this not increase the operating costs in the number of staff required to administer the different funds?
These are two different funds created by statute, and the funds do not necessarily serve the same purpose. RIA grants are rarely used for economic development projects. Further, the CCED does not have a separate staff for RIF grants within CCED, so there is no overlap with RIA.

Property Taxes

91. Please list the taxes that impact recruiting and expanding businesses (e.g., industrial property tax, etc.) and state where South Carolina ranks in the country for those taxes. Please note the ones in which the state's current position is helpful in recruiting companies and ones in which the state's current position is an obstacle in recruiting companies.
- a. For those that are obstacles, please explain any efforts made in the past five years to address them.
- Tax Foundation rankings for SC for 2021:
- 5th for Corporate Tax Rate
 - 34th for Individual Income
 - 31st for Sales Tax
 - 34th for Property Tax
 - 24th for Unemployment Insurance Tax

Commerce has not found that the state's taxes are a significant obstacle in recruitment. The full picture that companies consider during the recruitment process, for South Carolina and any others in contention, will include labor cost and availability, infrastructure, quality of life, incentives, taxes and other factors.

Commerce is, however, aware that property taxes for manufacturing are, in some cases, higher than those of neighboring states; however, local communities have the ability to offer FILOTs to companies which, if approved by their governing board, significantly reduce the cost burden to companies.

92. Please state the current effective industrial property tax in South Carolina (e.g., taking into consideration refunds, etc.) and the industrial property tax rate in other southeastern states.
Property tax is determined by FMV x assessment rate x local millage rate. The effective tax rate will be different for every location.
93. Please provide examples of deals the state has lost due to the industrial property tax.
Commerce does not always know the reasons the state lost a deal.
94. Where do the industrial property taxes go (e.g., back to general fund, to a particular entity, etc.) (i.e., who would lose the money if the tax rate was lowered more)?
Property taxes go primarily to local government and school districts.

Other items General Assembly can impact

95. Please provide a list of items, which the General Assembly can directly impact, that may have caused the state to lose projects in the past five years, in order of level of impact on a project. Also, please explain any local incentives which may address them (e.g., fee-in-lieu, etc.).

Current incentives are versatile enough to accommodate most recruitment, but there is the ability to put special requests through General Assembly when a project represents significant and unique economic development to the state.

Incentive agreement provisions

96. If the Subcommittee were to recommend Commerce add provisions to grant and incentive related agreements that require companies show good faith effort to utilize Commerce services if struggling to meet job or investment requirement, please provide examples of what “good faith” effort would, and would not, mean to Commerce?

See answer to Question 24 for examples of good faith efforts.

97. What would be the pros and cons of requiring all entities that receive some type of incentive (tax credit or grant) from the state to provide a response, since these surveys do not appear to ask whether Commerce is doing well, just the activities of Commerce that impact the agency and struggles the agency is having?²¹

The pro of such a requirement would be that survey results are guaranteed. However, the con would be that forcing the completion of the survey may (adversely) impact the responses in the survey. Industry best practice is to seek voluntary completion of surveys.

Continuing Business

98. When is a project considered “closed”?

For projects that have received a grant, the CCED will consider a grant to be closed under the following circumstances:

- The company has satisfied all investment and job creation requirements (including maintenance requirements if applicable);
- The company has made repayment of all or a pro rata portion of grant funds disbursed due to failure to satisfy the investment and/or job creation requirements; or
- The grant is terminated because the project did not locate in South Carolina and no grant funds were disbursed.

For projects that were approved for JDCs and have a revitalization agreement, the agreement will be closed once the company has claimed JDCs for 10 years (or 15 years, if applicable) or the company has claimed the total of its eligible expenses, whichever comes first.

99. What is the current process, if any, to hand off closed projects to the business services division?

When a project closes as a win, the Commerce CRM system generates an email that is sent to the manager of the Supplier Outreach team to alert of the successful company location or expansion. In addition, the Project Manager for that company will make an introduction to the Division of Business Services staff at the appropriate time. Depending on the industry sector and what their needs are in the project cycle, a company might be introduced to the Business Services Division early on to discuss opportunities to build local supply chain partnerships with the Supplier Outreach staff or determine the availability of recyclable materials with the Recycling Market Development team. With some new company and expansion projects, it can take months after the project is closed to get established and hire the appropriate decision makers to connect to the Business Services Division staff.

²¹ Service After the Sale, slide 72

Remote working

100. Provide the percentage of Commerce staff who worked remotely during COVID-19 office closures.
The staff worked on a rotating schedule during the COVID-19 office closures; an average of 65% was telecommuting for the closure period. The purpose for the rotating schedule was to be able to accommodate proper social distancing with the agency's floor plan largely configured in cubicles.
101. What Commerce operations were found to be efficient and manageable in a remote environment (e.g., virtual hearings and meetings)?
All agency operations were manageable in a remote environment. Commerce has a self-directed, professional workforce that readily adapted to being remote and modified processes to accomplish tasks. The agency's overall goals were met in 2020 and 2021 for recruitment of companies, jobs and investment within the state. The 2020 and 2021 numbers exceed the 2019 overall goals.
102. Did Commerce survey staff to gauge their interest or support for a continuation of remote work options?
Yes, two agency surveys were completed to assess interest, support and challenges with telecommuting; the responses rates were 85% and 89% respectively. Aspects of interest and support reported by staff included fewer distractions, a better work life balance, increased productivity, flexible hours and reduced commute time. The staff responded to the following question, "If given the opportunity to work remotely, would you?" Staff responses were: Yes= 69%; Maybe = 26%; and No= 5%. The challenges reported were the inability to unplug at the end of the day, technology insufficiencies and decreased internet capabilities. The agency diligently addressed the technology and internet issues during this period.
103. Did Commerce make any investments in IT infrastructure to support the remote work environment? If so, what were they and how much did they cost?
The most significant investment was the purchase of laptops (55) for staff who did not have agency-issued laptops but were utilizing desktop computers in the office. This allowed for all staff to be able to work in the office or remotely with the same agency-issued computer. Total cost was approximately \$97,000.
104. Has Commerce investigated the efficacy of remote work options to reduce the cost of leased office space?
Yes. Remote working and the sharing of office space has been talked about among agency leadership. However, the pandemic prevents the agency from taking full advantage of the sharing of office space. The Department of Administration leasing department assists the agency with its leasing needs, and Commerce's lease includes the following language which will allow the agency to implement any future space saving steps:
13. 1. Notwithstanding the Commencement Date and Termination Date set forth in subparagraph 2.1 of this Lease, Tenant shall have the right to cancel this Lease or to relinquish any portion of the Demised Premises upon giving Landlord thirty (30) days written notice of its cancellation hereof upon the occurrence of any one or more of the following:
- Section C: If at any time during the Term the square footage in the Demised Premises is, in the sole opinion of the South Carolina Budget and Control Board, Division of General Services, inadequate, insufficient or unnecessary for the normal operations and maximum efficiency of Tenant.
105. How much does Commerce spend on leased office space?
Commerce's current lease expires on March 31, 2023, and the agency shares office space with the Rural Infrastructure Authority (RIA) and Jobs Economic Development Authority (JEDA). As of March 15, 2022, Commerce shares a cost of \$31,234 a month with RIA and JEDA.

106. Has Commerce considered permanently implementing remote work options (on a full time, part time, or rotating basis) to recruit and retain staff?
Yes, the agency has created a telecommuting policy and program that was approved by State Division of Human Resources.
107. Are any employees currently working remotely?
Yes, some employees are working remotely for reasons related to COVID or are on a hybrid flexible scheduling model.
108. Has Commerce completed the State Division of Human Resources Toolkit to obtain approval for remote working options? If yes, what decision was made? If no, does the agency plan to do so?
The agency has received approval from State Division of Human Resources for the Telecommuting Policy, program and toolkit.

Salary Head

109. What does Commerce see as the pros and cons of having the Agency Head Salary Commission conduct an exit interview of agency directors?
The pro of having an exit interview process is to use that process to determine the end goal in mind. If the goal is to determine how to recruit a better candidate or how to improve the work environment, then the exit interview process would be beneficial to conduct.
110. What helpful information does Commerce obtain through exit interviews of its staff?
Through exit interviews of its staff (employees who resigned), Commerce has learned: employees are continuing to explore their career growth; compensation is a factor that should be reviewed constantly; and it is important to offer a diverse selection of training opportunities for career pathing, job enlargement and enrichment as well as for professional and personal development.

Pass Through Recommendation

111. Please provide a list of entities that receive pass through funding from Commerce and for each, for the last three years, the following information:
- whether Commerce requested the General Assembly provide funding for the entity;
Commerce did not request any of these appropriations.
 - whether Commerce has any control over how the receiving entity utilizes the funds;
Commerce staff follows the instructions of Proviso 117.21 as it pertains to pass through funding.
 - name of the receiving entity;
 - amount received; and

Entity		FY2018-19
City of Forest Acres *	250,000	
City of Sumter *	100,000	
Paxville Community Development Center Corporation *	250,000	
Town of Eastover *	375,000	
Clarendon County Community Development Corporation *	100,000	
South Carolina State University *	225,000	
	Total	1,300,000

* Appropriated under the line item Economic Development Hubs and Community Development Infrastructure in the amount of \$1,300,000
No Passthrough funding was received by the agency in Fiscal Years 2019-20 and 2020-21.

- e. copy of the information the receiving entity provided Commerce pursuant to Proviso 117.21.
Copies of quarterly and final reports are attached. See Appendix J.

112. Please provide any information discovered about the operations of the entities to whom funding passed through the agency (e.g., \$250,000 passed to entity that did \$40,000 worth of activity the prior year, etc.) The Paxville Community Development Center Corporation submitted its 2017 990-EZ short form return of Organization exempt from Income Taxes to the agency as part of the documentation requirements prior to issuance of a grant. This form reported the entity received \$32,354 in revenue for the calendar year. The entity was appropriated \$250,000.

After expending all of its appropriation, the Clarendon County Community Development Corporation notified the agency that it would close and cease operations by the end of 2021.

113. Please provide suggestions for alternative methods of providing funding to outside entities (e.g., matching, build up over time, incorporation of stated outcome in agreement, reimbursement, etc.). Some of the pass-through-funding appropriations are made to small towns and meant to renovate dilapidated buildings. Small towns do not always have the capacity to complete these projects and granting the funds to the County or Council of Government would increase the likelihood of a successful outcome. In addition, giving a large appropriation to a small entity may assist the entity/community in the short term, but spreading the appropriation over a longer period of time could allow the entity to build public support and allow the entity to attract more resources in the future to sustain the program and entity after the appropriation is expended.

Law Recommendations

114. Please list Commerce's law recommendations in order of priority, from highest to lowest. As Commerce outlined during the agency's testimony, the current statutory framework has not limited in any material way what Commerce can do in fulfilling its mission generally and in implementing specific programs. That said, the review process provides an opportunity to streamline and update the agency's statutory framework for the future, an opportunity that is long overdue. Please note that where noted recommended Law Changes may be dependent upon (or work in concert with) one another whereby it may not make sense to undertake one without undertaking the other.

Law Change #5

In Law Change #5, Commerce has endeavored to modify the objectives of the former State Development Board, Commerce's primary predecessor before 1993 Restructuring to delete obsolete language and update the objectives to match what Commerce does now and anticipates focusing on prospectively. Among other things, the proposed change would add the promotion of strategic planning to Commerce's enabling legislation, moving it from the Coordinating Council's responsibilities, which is also reflected in **Law Change #12**. The change also would add objectives related to rural development and workforce, both of which are ongoing priorities for Commerce and the General Assembly.

Law Changes #7 & #8

Law Changes #7 and #8, in combination, will update Commerce's duties, powers and responsibilities, none of which have been updated since 1993 (and as a practical matter since the 1960s because no substantive changes were made during 1993 Restructuring). The proposed changes eliminate language that is obsolete, unconstitutional, duplicative of duties other agencies are performing or can be updated and consolidated into one statutory section that updates and streamlines Commerce's enabling legislation for the future.

Law Change #12 & #17

Law Change #12 updates the Coordinating Council's enabling legislation. Among other things, it moves a strategic planning mandate that Commerce is fulfilling (see **Law Change #5**), adds programs under the Coordinating Council's jurisdiction that post-date 1993 Restructuring (e.g., approval of job development credits under the Enterprise Zone Act of 1995, as amended; approval of rural infrastructure grants as authorized by the Rural Development Act of 1996; and approval of port volume increase credits), all programs that the Coordinating Council has been and continues administering. The law change would also update reporting requirements related to discretionary grant funding and the funding mechanism for the Council, which has been established by proviso (see **Law Change #17**) for more than 20 years.

Law Change #14

Law Change #14 removes Commerce from involvement with the Prison Industries Program at the Department of Corrections because Commerce does not have the data to provide the statutorily mandated certification. Additionally, Commerce does not recruit these types of companies. The program is working well, and Corrections does not object to Commerce's being removed statutorily from the process.

Law Changes #15 & #20

Law Change #15 would remove the Secretary of Commerce from oversight of housing related matters. These duties were given to the State Development Board director in 1959. For over 60 years, leaders of the former State Development Board, and now Commerce, have advised the General Assembly that housing oversight should not reside at the Development Board, now Commerce. Law Change #20 would remove Commerce as a member of an advisory committee related to housing.

Law Change #21

Law Change #21 removes the Secretary of Commerce as an agent for non-resident operators of aircraft for service of process. This change should have been made when Aeronautics was re-established as a standalone agency, but Legislative Council advised Commerce that Legislative Council could not make the fix.

Law Change #6

Law Change #6 is a good example of why less is more in statutory construction. The law change will remove very specific (and limiting) parameters on how Commerce must be organized and the qualifications senior staff must have, leaving the discretion to the Secretary of Commerce on how to organize the agency and ensure that agency leaders have requisite experience and qualifications. As a practical matter, Commerce views this limiting language as obsolete; therefore, the Secretary has not been constrained by the obsolete language in organizing the agency and establishing a leadership team.

Law Change #11 & Law Change #18

Law Changes #11 and #18 update and codify the manner of funding for the Recycling Market Development Advisory Council (RMDAC) and move its reporting date so RMDAC has the benefit of DHEC's annual report before RMDAC's report is due. This will allow RMDAC to provide better information to the General Assembly.

Law Change #1

Law Change #1 perhaps can be largely implemented by Legislative Council if the Savannah Development Division is repealed as recommended and in light of the reality that the Aeronautics Division is a standalone agency that is no longer a part of Commerce. In addition to some technical changes, Law Change #1 would eliminate references to the Savannah Valley Development Division and the Aeronautics Division.

Law Change #10

Law Change #10 would repeal a law passed, but never implemented regarding an advisory committee that was not established. The proposed change would also move “identification of challenges facing rural communities” to Commerce’s objectives under **Law Change #5**.

Law Change #3

As mentioned, the Aeronautics Division no longer exists at Commerce, but its enabling legislation continues to reside in the middle of Commerce’s enabling statutes, which creates confusion. The Aeronautics legislation should be relocated to an appropriate location in the Code.

Law Change #19

Law Change #19 would repeal the Water Resources Coordinating Council, which is defunct. The Rural Infrastructure Authority also recommended repeal of this council.

Law Change #13

Legislative Council should be able to implement Law Change #13 because it simply requires deletion of language in an Editor’s Note to the Microenterprise Development Act.

Digital Onboarding Tool

115. Please provide ways in which the digital onboarding tool may be useful in state government?²²
The initial Bicycle Corporation of America (Manning SC) project team consisted of researchers from both University Alliance partners (Clemson and UofSC) working with Fraunhofer USA on a digitalization project where digital onboarding tools were conceptualized. Within that context, the onboarding tools that were conceptualized were focused on providing a “gaming type environment” which would provide job candidates with video and task instructions for specific areas within the manufacturing environment.

Depending on the state agencies’ application of similarly developed tools, state agency employment candidates (in field work for example) could also benefit from digital onboarding tools that would simulate their actual work environment if they were selected for employment.

The researchers involved could provide a presentation and discuss how either this project (or others) could be used to improve state agency on-boarding processes, application screening and/or retention of employees.

²² Question 19. Would the agency have any issues discussing the digital onboarding tool with the State Human Resources Division within the Department of Administration to determine if it may be useful in addressing high turnover in some agencies across state government?
No.

Manual Entry

116. What information does the agency have to manually type from NeoGov into its EEOC report?²³
The manual process is converting the downloaded report into Excel from NeoGov to calculate the numbers for EEOC report by EEO category. SCEIS provides the other report that provides the current workforce, sorted by race and sex demographic information.
117. Does Commerce have any recommendations for how to possibly make the process of entering or transferring information for the EEOC easier or more efficient?
To create one report through NeoGov and SCEIS. And, ideally complete an audit process of the report to ensure the numbers are correct.

Unified Workforce Plan

118. To allow the General Assembly and public to access information related to multiple agencies in a single location, would your agency be willing to contact the Revenue and Fiscal Affairs Office (RFA) and provide information necessary for RFA to create and regularly update, through data sharing, maps applicable to your agency? Below is a list of initial maps for consideration (Note: Not all will be applicable to your agency). Please include others agency leadership believes may be useful to members of the General Assembly or public.
Commerce is committed to contributing all relevant and available information to assist in this effort that would not harm South Carolina's economic development competitiveness.

Location/Boundaries

- a. Local Workforce Development Board Areas/Regional Workforce Advisors
- b. S.C. Works Center and Connection Point Locations
- c. Vocational Rehabilitation Facilities and Locations (e.g., job readiness training centers and other facilities)
- d. Vocational Rehabilitation Regions
- e. Commission for the Blind Office Locations
- f. Commission for the Blind Vocational Rehabilitation Office Territories
- g. Department of Veteran's Affairs Regional Modules for Service
- h. First Steps 4K Provider Locations
- i. First Steps Local Partner Office Locations
- j. Public 4K Provider Locations
- k. K-12 School Locations
- l. Local School District Boundaries
- m. SC School Report Card District Comparison
- n. Adult Education Technical Assistance Network Boundaries/Regions
- o. Technical College main and branch campus Locations
- p. Public and Private college and university (non-technical college) Locations
- q. Regional Non-Profit Economic Development Alliance Regions
- r. County Tiers for purposes of incentives
- s. Counties eligible for State Rural Development Grants
- t. Counties eligible for Appalachian Regional Commission Grants

²³ PER, Question 16

Data by County

Following information by county:

- a. Percent of kindergartners who were
 - i. ready for school based on kindergarten readiness assessment in total and by the following: (1) in poverty; (2) race; and (3) subject
- b. Child care supply v. demand
- c. Percent of children age 0-35 months who have full immunization coverage
- d. Percent of children ages 1-5 who have received at least one preventive dental visit in past year
- e. Percent of child care providers participating in ABC Quality

119. Please state any changes that have occurred at your agency, or are planned at your agency because of the meeting with the Subcommittee (e.g., joining labor force participation rate taskforce after learning about during the meeting, etc.)

[Commerce will work with RFA to update our 2019 intergovernmental agreement.](#)

120. To determine where the same information is held by multiple agencies and, therefore, may be used to link information in the different agency systems, please provide a data dictionary for all information the agency maintains related to each of the items below.

- a. S.C. employer – [Commerce maintains data on economic development announcements including: location, industry, capital investment, incentives awarded and jobs created as well as company information on existing industries located in South Carolina.](#)
- b. S.C. job seeker – [No Data.](#)
- c. S.C. K-12 school (public) – [No Data](#)
- d. S.C. student – [No Data](#)

121. Please provide a list of case management and other data systems utilized by your agency and the following for each:

- a. Does it include information on job seekers - [None](#)
- b. Does it include information on employers – [Internal Customer Relationship Management System](#)
- c. Does it include information on students - [None](#)
- d. Does it include information on teaching entities - [None](#)
- e. List of agencies with which the system can integrate data – [None currently established](#)

122. What data, outside of the data currently available to your agency, may be helpful to your agency reaching potential customers, if any?

[Data involving education and training outcomes, information that shows the number of individuals entering into the workforce, as well as skills data would be beneficial.](#)

123. What data, outside of the data currently available to your agency, may be helpful to your agency in determining the results/impact your agency services are having on individuals it serves?

[No known data.](#)

124. Please list all entities, other than those listed in the Education and Workforce one pager from the previous subcommittee meeting, your agency believes may be involved in the education and workforce ecosystem and role of each.

[See non-governmental organizations in Appendix K.](#)

125. What topics does your agency believe may be helpful to have in a statewide unified workforce plan (e.g., marketing plan, central portal for customers to enter information through which their information could be shared with all applicable entities, etc.)?

[Topics that have been brought to the agency's attention include:](#)

- Encouraging students, more effectively, to earn career credentials at the high school level.
- Creating a unified portal to access unemployment, SNAP and other assistance.
- Ensuring dual credit/dual enrollment exists within all school districts.
- Addressing child care access/barriers by working with industry and the community.

126. What potential obstacles can your agency think of that may have to be overcome to successfully implement a statewide unified workforce plan?

The unified plan will set high level goals for each workforce/education program to move South Carolina in a common direction by tackling the impediments that obstruct system improvement to produce better programmatic outcomes.

Please provide responses to the questions by Friday, March 25, 2022.

The agency's responses will be posted online for transparency to the public. Accordingly, please do not provide any information that may not be posted online due to legal or contract prohibitions, that may harm the competitive advantage of the state in recruiting and retaining business, or that may jeopardize the life, health, or safety of anyone.

In responding to these questions, please remember the Committee's expectations, which are provided in the Committee's Standard Practice 6. The Subcommittee looks forward to working collaboratively with the Department of Commerce during the oversight process. Thank you and your team for your service to the citizens of South Carolina.

Sincerely,

Representative William M. "Bill" Hixon
Subcommittee Chair

cc: The Honorable Wm. Weston J. Newton
Economic Development, Transportation, and Natural Resources Subcommittee

APPENDIX A

Question 15

REVITALIZATION AGREEMENT

BETWEEN

**SOUTH CAROLINA
COORDINATING COUNCIL FOR
ECONOMIC DEVELOPMENT**

AND

A large rectangular box with a black border and a light gray fill. Inside the box, there are three horizontal lines for text input, arranged vertically and centered. The lines are of varying lengths, with the top line being the longest and the bottom line being the shortest.

Effective Date: _____

Revised 2/17/2022

REVITALIZATION AGREEMENT

This REVITALIZATION AGREEMENT is made to be effective as of the date specified on the cover hereof between the South Carolina Coordinating Council for Economic Development and the Company (as defined herein).

WHEREAS, the South Carolina General Assembly has determined that the economic well-being of the citizens of the State of South Carolina will be enhanced by the increased development and growth of industry within the State, and that it is in the best interest of the State to induce the location or expansion of certain businesses and facilities within the State in order to promote the public purpose of creating new jobs within the State; and

WHEREAS, the Code authorizes and directs the Council to negotiate and enter into agreements, such as this Agreement, in order to encourage the creation of jobs which would not otherwise exist; and

WHEREAS, based upon, among other things, the willingness of the Council to enter into this Agreement, the Company has determined to locate a Project within this State; and

WHEREAS, the Council has determined that the total benefits of the Project to the public exceed the costs of the Project to the public and that it is appropriate to enter into this Agreement;

NOW THEREFORE, in consideration of the promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Council and the Company agree to the following:

ARTICLE I. DEFINITIONS

“*Agreement*” means this Revitalization Agreement effective as of the Effective Date between the Council and the Company.

“*Application*” means the Application for Qualification of Enterprise Zone Incentives submitted to the Council by the Company regarding the Project.

“*Authorized Company Representative*” means any officer or employee of the Company duly appointed by the Company with responsibility for matters pertaining to this Agreement.

“*Base Employment*” means the number of existing Full-Time jobs, each of which is held by an Employee of the Company who is employed in the County where the Project is located as of the beginning of the taxable year of the Company in which it enters into a Preliminary Revitalization Agreement. Such number is specified in Exhibit A, Item 7.

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

“*Company*” means the company specified on the cover hereof which is organized and existing in the business form specified in Exhibit A under the laws of the state specified in Exhibit A, and its permitted successors and assigns as specified under Section 3.4 of this Agreement.

“*Comprehensive Health Plan*” means a health plan that includes health care benefits that meet or exceed the benefits of the Savings Plan of the State Health Plan made available to eligible State of South Carolina employees by the State Public Employee Benefit Authority. To qualify the plan as a Comprehensive Health Plan, the Company must pay at least 50 percent of the premiums for Employees and must offer equivalent health care coverage for spouses and dependents of its Employees.

“*Council*” means the South Carolina Coordinating Council for Economic Development and its successors.

“*Cut-off Date*” means the fifth anniversary of the Effective Date of this Agreement.

“*Department*” means the South Carolina Department of Revenue and its successors.

“*Effective Date*” means the date the Application is approved by the Council as specified on the cover hereof.

“*Eligible Job*” means a New Job held by an Employee of the Company at the Project that meets the requirements of the applicable statutes relating to Job Development Credits and any stipulations of the Council as reflected in Exhibit D.

“*Eligible Project Costs*” means those items of cost set forth in Exhibit A, Item 5(b), for which Job Development Credits are allowed to be used by Section 12-10-80(C) of the Code, that are incurred within the period beginning on the date that is sixty (60) days before the date of the Council’s receipt of an Application, which is set forth in Item 8 of Exhibit A, and ending on the Cut-off Date, and that are approved by the Council.

“*Employee*” means a person employed by the Company who fills a Full-Time job that is included in the Base Employment or is a New Job that is included in the Minimum Job Requirement but, for purposes of this Agreement, does not refer to an Individual.

“*Final Claim*” means the last proper claim for Job Development Credits, which shall occur no later than the Final Quarter or the quarter immediately preceding the quarter that contains the tenth anniversary of the initial claim for Job Development Credits, whichever is earlier.

“*Final Quarter*” means the earliest of:

- (a) the calendar quarter that contains the Cut-off Date if the Company fails to meet either the Minimum Job Requirement or the Minimum Capital Investment;
- (b) the calendar quarter immediately preceding the calendar quarter that contains the tenth anniversary of the initial claim for Job Development Credits;
- (c) the calendar quarter during which the Company sends notice to the Council and the Department stating that it is making its Final Claim;
- (d) the calendar quarter during which a claim for Job Development Credits was made that brings the total amount claimed up to the total amount of Eligible Project Costs; or
- (e) the calendar quarter in which the Council has notified the Company that the Agreement has been terminated for non-compliance.

“*Final Report*” means the last report to be filed with the Council and the Department as provided in Section 3.7 of this Agreement.

“*FullTime*” has the same meaning as set forth in Section 12-6-3360(M)(4) of the Code, except that two half-time jobs will not be considered to be one Full-Time job.

“*Individual*” means a person who (i) fills a Full-Time job that is included in the Base Employment or that is a New Job included in the Minimum Job Requirement and (ii) who can be identified by name, employee number, identification number or otherwise.

“*Job Development Credit*” means the amount a Qualifying Business may claim as a credit against employee Withholding pursuant to this Agreement and Title 12, Chapter 10 of the Code.

“*Minimum Capital Investment*” means the minimum capital investment in the Project as specified in Exhibit A, Item 5(d), which must be expended by the Company with respect to the Project within the period beginning on the date that is sixty (60) days before the date of the Council’s receipt of the Application, which set forth in Item 8 of Exhibit A and ending on the Cut-off Date and prior to the initial claim for Job Development Credits and must be maintained (without regard to depreciation) as required in Section 4.3 hereof.

“*Minimum Job Requirement*” means the minimum number of net New Jobs specified in Exhibit A, Item 7 that the Company, before claiming any Job Development Credits, has agreed to (i) create at the Project in the time period beginning on the first day of the Company’s taxable year that includes the Effective Date and ending on the Cut-off Date and (ii) maintain at the Project in accordance with Section 4.3 of this Agreement. This number also represents the maximum number of jobs for which the Company may claim Job Development Credits in accordance with this Agreement.

“*New Job*” has the same meaning as set forth in Section 12-6-3360(M)(3) of the Code, except that (i) the Company must offer each Full-Time employee at the Project a Comprehensive Health Plan in order for the job held by that employee to qualify as a New Job, (ii) the job must be Full-Time and (iii) the job must be in addition to the jobs included in the Base Employment. Additionally, jobs held by employees who are not employed directly by the Company, including, but not limited to, leased and third-party contract employees or employees of affiliated entities, do not qualify as New Jobs.

“*Preliminary Revitalization Agreement*” means the Application together with the approval letter from the Council to the Company that is effective as of the Effective Date.

“*Project*” means the facilities to be operated by the Company that are described as such in Exhibit A, Item 4 and used for the purposes specified in Exhibit A, Item 3 at the address listed in Exhibit A, Item 2.

“*Qualifying Business*” means a business that qualifies for the benefits provided in Title 12, Chapter 10 of the Code by meeting the requirements set forth in Section 12-10-50 of the Code and other requirements set forth in this Agreement.

“*Reporting Period*” means each calendar quarter commencing January 1, April 1, July 1 and October 1. The first reporting period shall commence on the date the Company first claims Job Development Credits under this Agreement and shall extend through the following March 31, June 30, September 30 or December 31. The final reporting period is the Final Quarter.

“*Revitalization Document*” means any document, instrument, agreement, certificate, requisition, or report delivered by or on behalf of the Company in connection with this Agreement.

“*State*” means the State of South Carolina.

“*Withholding*” means employee withholding under Title 12, Chapter 8 of the Code.

All capitalized terms used herein and in the Exhibits, not otherwise defined herein, shall have the meanings ascribed thereto in the Code. All references to sections in this Agreement shall refer to sections of the Code unless the context clearly requires otherwise.

ARTICLE II. REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties by the Company.

The Company hereby makes the following representations and warranties and acknowledges and agrees that such representations and warranties have been material to the Council's decision to enter into this Agreement and further agrees that each representation and warranty shall be true, accurate, and complete in all material respects as of the date of execution and delivery of this Agreement and as of the date of any claim for disbursement of Job Development Credits:

- (a) The Company is a business entity as described in Exhibit A, duly organized, validly existing, and in good standing under the laws of the state specified in Exhibit A, with powers adequate for the carrying on of the business now conducted and proposed to be conducted by it, as stated in the Application, and has registered for and is duly qualified to conduct business in, and is validly existing in, the State.
- (b) The execution, delivery, and performance of this Agreement are within the Company's power and authority, and the Company has duly authorized, executed, and delivered such Agreement and has taken or will take all action necessary to carry out and give effect to the transactions contemplated by this Agreement.
- (c) Each part of this Agreement, including exhibits, is a legally valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, or similar laws affecting creditors' rights.
- (d) This Agreement has been signed by an Authorized Company Representative and such signature is recognized by the Company as legally binding.
- (e) All written statements, representations, and warranties made by or on behalf of the Company to the Council in or in connection with the Application, and any materials furnished to the Council in connection with the Application, are true, accurate, and complete in all material respects to the best of the knowledge and belief of the Company at the time made.
- (f) Prior to the Cut-off Date, the Company will invest not less than the Minimum Capital Investment in the Project and the Project will result in the creation of a number of New Jobs at the Project equal to or greater than the Minimum Job Requirement.
- (g) The Company is a Qualifying Business, and the Project, is and will be, located entirely within the County as identified in the Application.
- (h) The Company has not, and will not, claim or use any return of any overpayment of Withholding that results from claiming Job Development Credits for any purpose other than those authorized by this Agreement.

- (i) No consent of any person or entity and no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery, and performance by the Company of this Agreement, or any other Revitalization Document, except such as have been, or will be obtained, before the initial claim for Job Development Credits.
- (j) No alterations, additions, modifications, variations, or changes of any kind have been made to this original Agreement as provided by the Council. Any and all special provisions and/or amendments to the original document are provided for in Exhibit D of this Agreement.

2.2 Representations and Warranties by the Council.

The Council represents and warrants that it is the Coordinating Council for Economic Development described in Section 12-10-30(1) of the Code, and it is authorized to enter into this Agreement by Section 12-10-60 of the Code.

2.3 Survival of Representations.

All representations and warranties by the Company and the Council contained herein shall survive the execution and delivery of this Agreement and any claiming of Job Development Credits. If, during any time prior to the filing of the Final Report, the Company becomes aware of any facts, occurrences, information, statements, or events that render any of the foregoing representations or warranties untrue or misleading or incomplete in any material respect, the Company shall immediately notify the Council in writing of such facts, occurrences, information, statements or events.

ARTICLE III. TERMS AND CONDITIONS OF AGREEMENT

3.1 Compliance.

The Company shall comply with the Code, any applicable regulations, and this Agreement regarding hiring for, and investment in, the Project, documentation and reporting in connection with the claiming and use of Job Development Credits to pay or offset Eligible Project Costs, and any other matter covered by this Agreement.

3.2 Employment.

Within the time period beginning on the first day of the Company's taxable year that includes the Effective Date and ending on the Cut-off Date, the Company shall create New Jobs at the Project in a number equal to or exceeding the Minimum Job Requirement and thereafter must maintain its Base Employment, if applicable, in addition to the Minimum Job Requirement, until after the Final Quarter. Whether the New Jobs have been maintained will be determined as set forth in Section 4.3 of the Agreement.

3.3 Obligations With Respect to the Project.

On or before the Cut-off Date, the Company agrees to acquire and/or construct the Project, to commence operations at the Project, and to expend upon the Project and maintain at the Project amounts equal to or exceeding the Minimum Capital Investment (without regard to depreciation). The Company shall be responsible for all costs, contractual and otherwise associated with the acquisition, construction and operation of the Project. The Council, the State, or any other agency or department of the State, shall not be liable in any manner whatsoever to any person for matters pertaining to or arising in connection with the Project, this Agreement or any other Revitalization Document.

3.4 Corporate Existence, Operation of Project, and Assignment of Agreement

The Company shall maintain its existence, preserve and maintain its rights and privileges to conduct business in the State, and operate and maintain the Project substantially as proposed in the Application and as outlined in Exhibit A.

The Company shall give the Council written notice of any change in the name or the location of its books and records, or of any substantial change in its business structure, or the nature of the operations conducted at the Project within thirty (30) days following the occurrence of such event.

In the event of a merger or consolidation of the Company, or a transfer, sale, lease, assignment, or conveyance of the assets and jobs associated with the Project, the Company may assign this Agreement to the new owner of the Project if it obtains the consent of the Council to the assignment, which consent shall not unreasonably be withheld. In addition to obtaining consent from the Council to the assignment, the surviving entity must (i) assume in writing the Company's obligations under this Agreement, (ii) provide satisfactory evidence that its assets exceed its liabilities before and after the transaction and that it will be able to pay its debts when due, and (iii) represent and warrant that it is a Qualifying Business and that it will be in compliance with this Agreement.

3.5 Inspection and Record Keeping

The Company agrees to make its payroll books and records, Project records, and the Project available for inspection by the Council and the Department at such times and places as the Council or the Department may reasonably request. The Company agrees to maintain records adequate to document compliance with this Agreement.

3.6 Reporting Requirements

- (a) Prior to Certification. Until the Company has notified the Council that it has met the Minimum Job Requirement and the Minimum Capital Investment as set forth in Section 4.1 herein, on the date that is six months after the Effective Date and within thirty (30) days after each anniversary of the Effective Date, the Company shall provide the Council a written status report, signed by an Authorized Company Representative and in the form of Exhibit E, as such form may be updated annually by the Council and provided to the Company, to provide (i) the total number of New Jobs filled and maintained by the Company at the Project as of such date and (ii) the total investment of the Company at the Project as of such date.
- (b) After Certification. After the Company has notified the Council that it has met the Minimum Job Requirement and the Minimum Capital Investment as set forth in Section 4.1 herein, the status reports as described above are no longer required and the Company must comply with the following quarterly reporting requirements. Within thirty (30) days after the end of each quarter, the Company shall provide the Council a written report, signed by an Authorized Company Representative and in the form of Exhibit C, as such form may be updated annually by the Council and provided to the Company, as to: (i) a representation that the Company has maintained its Base Employment, if applicable; (ii) the total number of New Jobs filled and maintained by the Company and the number and wage levels of all Eligible Jobs; (iii) total Eligible Project Costs incurred by the Company, accompanied by such documentation as the Council and the Department shall require; (iv) the amount of Job Development Credits claimed during such Reporting Period; and (v) the total amount of any return of an overpayment of Withholding resulting from the claiming of Job Development Credits used to pay or offset Eligible Project Costs since inception. Reports must be received by the Council at the end of

each Reporting Period as required by this section and shall report such information for the applicable Reporting Period and on a cumulative basis.

3.7 Final Report.

No later than thirty (30) days after the end of the Final Quarter, the Company shall file a Final Report with the Council and the Department setting forth the information requested in Section 3.6(b) above and stating that it is the Final Report.

3.8 Release of Information.

The Company hereby authorizes the Council to provide this Agreement, any Revitalization Document, or any other records and reports relating to the Project or the Revitalization Documents to the Department that the Department may request, and the Company authorizes the Department to provide any records, reports and returns relating to the Project or the Revitalization Documents to the Council that the Council may request.

The Company understands and agrees that (i) the Council and the Department are each a public body within the meaning of the South Carolina Freedom of Information Act, Title 30, Chapter 4 of the Code ("FOIA"); (ii) the Council and the Department are each required to comply with the provisions of FOIA by disclosing certain public records upon receipt of a written request; and (iii) after execution of this Agreement, this Agreement and all documents and other information incidental to this Agreement are subject to disclosure pursuant to Sections 30-4-40(a)(9) and 30-4-40(a)(5) of the Code upon request, unless exempted by Section 12-54-240. If disclosure of this Agreement and related information is required, pursuant to Section 30-4-40(a)(5)(c) of the Code, the Council agrees to redact any information in this Agreement or any documents incidental thereto that is clearly marked by the Company as confidential and proprietary and has been provided to the Council for economic development or contract negotiation purposes. Effective for projects approved on or after January 1, 2023, the Council shall disclose, in response to a valid request pursuant to Section 30-4-10, the average wage for jobs on which the Company claims a Job Development Credit. However, the Council, the Department, and their respective members, employees, and staff shall not be liable for the inadvertent release of any information contained in the Agreement or any other documents related to the Project, absent gross negligence or willful misconduct.

To the extent an action at law or equity is brought to require the disclosure of any information related to the Project, the Council reserves the right to include the Company in such action and the Company hereby agrees to bear all costs (including reasonable attorney's fees) associated with defending such action.

ARTICLE IV. ADMINISTRATION OF BENEFITS

4.1 Initial Claim for Job Development Credits.

- (a) The Company must notify the Council that it has met the Minimum Job Requirement and the Minimum Capital Investment prior to the Company's initial claim for Job Development Credits. The Company must provide all documentation the Council shall require to verify that (i) the Minimum Job Requirement and the Minimum Capital Investment have been met on or before to the Cut-off Date, (ii) the Base Employment, if applicable, has been maintained, and (iii) it has otherwise met the requirements of this Agreement. The documentation to be provided must include the election forms attached hereto as Exhibit F. Within thirty (30) days of the Council's satisfaction that these requirements have been met, the Council shall certify to the Department that the Company is eligible to receive its initial Job Development Credits. The Company may claim its initial Job Development Credits the quarter after the Council has certified to the Department that the Company has met

the required Minimum Capital Investment and Minimum Job Requirement; provided, however, that the term for claiming Job Development Credits shall begin no later than the quarter following the Cut-off Date. Once certified, the Company is authorized to submit claims for Job Development Credits for all Eligible Jobs included in the Minimum Job Requirement and permitted by this Agreement and the Code. In no event shall the Company claim Job Development Credits under this Agreement (i) on Eligible Jobs created in excess of the Minimum Job Requirement, (ii) in excess of its Eligible Project Costs, or (iii) for more than ten (10) years from the earlier of (a) the date of its initial claim for Job Development Credits or (b) the quarter following the Cut-Off Date.

(b) When the Company submits documentation to verify that the Minimum Job Requirement and the Minimum Capital Investment have been met as set forth above, the Company must select one of the following methods for counting New Jobs for purposes of the Minimum Job Requirement and Job Development Credits:

(i) Direct Replacement Method. Upon certification, the Company may select the New Jobs that will be used to calculate the Job Development Credits on a quarter by quarter basis provided that the Company remains in compliance with any stipulations set forth in Exhibit D hereto. At the time of certification, the Company must provide a list of Full-Time jobs included in the Base Employment and a list of the New Jobs to be included as the Minimum Job Requirement. The Company may only claim Job Development Credits on Eligible Jobs included in the list of New Jobs as the Minimum Job Requirement. The Company will be required to keep accurate record of such New Jobs throughout the term of this Agreement, and such records must be sufficient to allow the Council or the Department to verify jobs. If an Individual holding a position included in the Base Employment or the Minimum Job Requirement resigns, is terminated, or otherwise leaves the job, then the Individual who was hired to replace the departed Employee will continue to counted in the Base Employment or the Minimum Job Requirement, as applicable. In addition, if an Individual holding a position included in the Base Employment or the Minimum Job Requirement resigns, is terminated or otherwise leaves the job and no replacement is hired, the job may be replaced for purposes of the Base Employment or the Minimum Job Requirement by a job that has not yet been counted for either purpose under any Revitalization Agreement and for which the Company has not yet claimed Job Development Credits. If the Company does not provide the lists set forth herein to the Council at the time of certification, the method selected for purposes of calculating the Minimum Job Requirement and Job Development Credits will be the date of hire method as discussed below.

(ii) Date of Hire Method. The New Jobs will be listed and counted for purposes of the Minimum Job Requirement and Job Development Credits solely based on the date of hire of the Individual who fills the New Job. For purposes of an Individual who is transferred from another state to fill a New Job, the transfer date will be treated as the date of hire for purposes of this Agreement. The total head count will be sorted by hire dates in ascending order, to include the Base Employment jobs which will then be excluded. New Jobs, exclusive of the Base Employment jobs, filled by Individuals with later hire dates are counted up to the number of the Minimum Job Requirement. The Company may only claim Job Development Credits on Eligible Jobs included in the Minimum Job Requirement. Any New Jobs exceeding the Minimum Job Requirement will only be included up to the number of Individuals who resign, are terminated or otherwise leave a job that is included in the Base Employment or Minimum Job Requirement.

Notwithstanding the above provisions of this Section 4.1(b)(ii), with respect to the following positions, or any similar position, the Direct Replacement Method will always be used. The positions include, but are not limited to, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Information Officer, Chief Marketing Officer, and General Counsel.

4.2 Claims for Job Development Credits.

- (a) Any Job Development Credit must be claimed on a quarterly basis.
- (b) The Company shall be entitled to claim Job Development Credits against its Withholding otherwise owed to this State in an amount not to exceed the lesser of: (i) the amounts provided in Code Section 12-10-80(B) as limited by Code Section 12-10-80(D), subject to any annual cap as set forth in Exhibit D, or (ii) the total amount of Eligible Project Costs listed in Exhibit A, Item 5(b). Notwithstanding the foregoing, any quarterly claim of Job Development Credits may not exceed the total Withholding tax liability of the Company for the applicable quarter. Any overpayment of Withholding resulting from the claiming of a Job Development Credit may result in a return of all or part of the Withholding to the Company. To the extent any return of an overpayment of Withholding that results from claiming a Job Development Credit is not used as permitted by the Code and this Agreement, it must be treated as misappropriated Withholding.
- (c) For purposes of calculating the gross wages of any Eligible Job, the gross wages, as that term is defined in Code Section 12-10-30(4), of the Individual holding such Eligible Job for the calendar quarter, as properly reported to the Department for Withholding purposes, will apply. The Company shall not claim an amount that would result in any Individual's receiving a smaller amount of wages than the Individual would otherwise receive in the absence of this Agreement.
- (d) In addition to maintaining the Minimum Job Requirement as required in Section 4.3 below, the Company shall have satisfied the following conditions prior to claiming a Job Development Credit:
 - (i) All representations and warranties by or on behalf of the Company contained herein or in any Revitalization Document shall be true, accurate and complete in all material respects;
 - (ii) The Company shall not be in default under this Agreement;
 - (iii) The Company shall have complied with this Agreement, the Code, and all Revitalization Documents and shall have satisfied all conditions on its part to be performed or satisfied hereunder; and
 - (iv) The Company shall have provided the Council and the Department with all documentation reasonably requested by the Council or the Department.

The Company may only claim Job Development Credits on Eligible Jobs included in the Minimum Job Requirement as calculated pursuant to Section 4.1 above.

4.3 Maintenance of Minimum Job Requirement and Minimum Capital Investment

The Company may claim Job Development Credits only if it maintains 100% of the Minimum Job Requirement and 100% of the Minimum Capital Investment. Once the Company has met the Minimum Job Requirement and the Minimum Capital Investment, if it fails to maintain 100% of the Minimum Job Requirement or the Minimum Capital Investment during any Reporting Period, the Company shall not claim Job Development Credits for such period. The ten (10) year period for claiming Job Development Credits will continue to run during any period in

which the Company fails to maintain 100% of the Minimum Job Requirement and 100% of the Minimum Capital Investment. Whether the Company has maintained 100% of the Minimum Job Requirement or the Minimum Capital Investment, as applicable, will be determined as follows: (i) the number of New Jobs at the Project and the amount of the capital investment must each be measured three times during each Reporting Period, once monthly, on a day selected by the Company as indicated in Exhibit A, Item 7; (ii) if the number of New Jobs equals at least 100% of the Minimum Job Requirement and the capital investment equals at least 100% of the Minimum Capital Investment on the day selected by the Company for each month of the Reporting Period, then the Company has maintained the Minimum Job Requirement and the Minimum Capital Investment and may claim Job Development Credits for that Reporting Period; and (iii) if the number of New Jobs falls below 100% of the Minimum Job Requirement or the capital investment falls below 100% of the Minimum Capital Investment on the day selected by the Company in any of the three months of the Reporting Period, then the Company is not eligible for Job Development Credits for that Reporting Period. The Company shall also maintain its Base Employment, if any, in addition to meeting and maintaining the Minimum Job Requirement and the Minimum Capital Investment and it shall also be measured once a month on the day selected by the Company.

4.4 Final Requisitions and Disbursements.

The Company shall have no right to claim or receive Job Development Credits after the Final Quarter unless the Council and the Department have approved a claim because of a patent error on the part of the Council or the Department.

4.5 Excess Job Development Credits and Job Development Credits Issued in Error to Be Paid to Department.

Any return of an overpayment of Withholding that results from the claiming of a Job Development Credit may only be used to pay or reimburse the Company for Eligible Project Costs. The Company shall not claim Job Development Credits in excess of 100% of the amount of the Eligible Project Costs listed in Exhibit A, Item 5(b). Any return of an overpayment of Withholding that results from claiming Job Development Credits which are not expended for eligible and approved Eligible Project Costs shall be paid back to the Department with interest and penalties as provided by law, if applicable.

The Company shall remit to the Department any return of an overpayment of Withholding issued in error by the Department within thirty (30) days following discovery. To the extent any return of an overpayment of Withholding that results from claiming Job Development Credits is used in a manner other than as permitted under this Agreement, such use shall be treated as misappropriated Withholding.

ARTICLE V. EVENTS OF DEFAULT

5.1 Events of Default.

The following shall constitute events of default by the Company under this Agreement:

- (a) any representation or warranty made by the Company herein or in any other Revitalization Document that is false or misleading in any material respect at the time made;
- (b) failure of the Company to observe and perform any covenant, condition, or agreement hereunder on its part to be performed and continuance of such failure for a period of thirty (30) days after receipt by the Company of written notice from the Council or the Department specifying the nature of such failure and requesting that it be remedied; provided, however, that if, by reason of the nature of such failure, the same cannot be remedied within the said thirty (30) days and the Company proceeds with reasonable diligence after receipt of the notice to cure the failure, the period may be extended upon the

prior written consent of the Council;

- (c) failure of the Company to comply with any applicable statutory or regulatory requirements necessary to claim Job Development Credits;
- (d) the Company vacating the Project property and/or discontinuing operation of all or a significant portion of the Project for at least thirty (30) consecutive days without the written consent of the Council;
- (e) the Company's consenting to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property, or admitting in writing its inability to pay its debts generally as they come due, or making a general assignment for the benefit of creditors;
- (f) the Company's filing a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy laws (as now or hereafter in effect), or, by voluntary petition, answering or consenting, seeking relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of corporations, or providing for an agreement, composition, extension or adjustment with its creditors;
- (g) the entry of an order, judgment, or decree in any proceeding by any court of competent jurisdiction appointing, without the consent of the Company, a receiver, trustee or liquidator of the Company or of any substantial part of its property, or sequestering any substantial part of its property, and any such order, judgment or decree of appointment or sequestration remaining in force undischarged, unstayed, or unvacated for a period of ninety (90) days after the date of entry thereof;
- (h) a petition against the Company in a proceeding under applicable bankruptcy laws or other insolvency laws as now or hereafter in effect is filed and not withdrawn or dismissed within 120 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of corporations which may apply to the Company, any court of competent jurisdiction shall assume jurisdiction, custody or control of it or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unexpired for a period of 120 days; or
- (i) failure of the Company within thirty (30) days of notification by the Council or the Department to pay any fees or file any report due under Title 12, Chapter 10 of the Code or any other provision of law concerning the Enterprise Zone program contained in the Code.

5.2 Remedies.

If any event of default shall occur and be continuing, then the Council may undertake any of the remedial actions set forth in this Agreement. If any such event of default shall occur and be continuing, then the Council shall, to the extent permitted by law and without notice of any kind to the Company (except to the extent required by law or as expressly required herein), seek to enforce the rights of the Council and the Department hereunder by exercising any of the following remedies:

- (a) Reduce or suspend the rights of the Company under ARTICLE IV of this Agreement until such time as the Company is in full compliance; or -
- (b) Terminate the rights of the Company under ARTICLE IV of this Agreement if Company fails to cure any event of default; or
- (c) Take such other reasonable action as may be necessary to protect its rights and interests

hereunder.

Additionally, if after an audit conducted by the Department in accordance with Title 12, Chapters 10 and 8 of the Code, the Department concludes that the Company has improperly received or used funds pursuant to this Agreement, the Department may institute proceedings to require repayment of any improperly received or used funds and, if applicable, penalties and interest.

5.3 Consent of Council to Benefits during Existence of Default.

Notwithstanding anything herein to the contrary, there shall be no return of any overpayment of Withholding that results from the claiming of Job Development Credits nor any Job Development Credits claimed by the Company against Withholding pursuant to ARTICLE IV hereof, without the written consent of the Council, during any period as to which an event of default exists.

5.4 Additional Remedial Provisions.

(a) No remedy herein conferred or reserved to the Council is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. A waiver of any particular breach or default under any provision hereof shall not operate as a waiver of any further or subsequent breach or default under such provision. The remedies herein provided are cumulative and not exclusive of any remedies provided by law, and any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Council to exercise any remedy reserved to them in this Agreement, it shall not be necessary to give notice other than such notice as may be required in this Agreement.

(b) Neither the Department nor the Council shall be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Company if an event of default shall occur hereunder.

ARTICLE VI. MISCELLANEOUS

6.1 Severability.

Any provision of this Agreement that is or becomes illegal, invalid or unenforceable in any respect shall not in any way affect or impair the legality, validity and enforceability of the other provisions of this Agreement.

6.2 No Set-off.

The existence of any claim, set-off, defense, or other rights which the Company or any successor may have at any time against the Council, the Department, the State or any other agency or department of the State, shall not be deemed to create any right to setoff or counterclaim with respect to any other obligation of the Company or its successors to the State or any of its agencies, departments or political subdivisions in connection with this Agreement, any other Revitalization Document or any of the transactions contemplated hereby or thereby.

6.3 Notices.

All notices, requests, demands, claims and other communications hereunder shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given when received by the recipient or on the fifth day after sending if sent by registered or certified mail, return receipt requested, postage

prepaid, and addressed to the intended recipient as set forth below:

If to the Council:

SC-Coordinating Council for Economic Development
Attn: Senior Program Manager, Enterprise Program

Regular Mail Address

1201 Main Street, Suite 1600
Columbia, South Carolina 29201
Telephone No.: (803) 737-2024
Facsimile No.: (803) 734-0385

Overnight Courier Address

1201 Main Street, Suite 1600
Columbia, South Carolina 29201

Email Address: ccedreport@scommerce.com

If to the Department:

SC Department of Revenue, Field Operations Division
Attn: Job Development Credit
Manager

Regular Mail Address

P.O. Box 12265
Columbia, South Carolina 29211
Telephone No.: (803) 898-5557
Facsimile No.: (803) 898-5147

Overnight Courier Address

300A Outlet Pointe Blvd.
Columbia, South Carolina 29210

If to the Company:

At the address or facsimile number specified in
Exhibit A.

Any party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, overnight courier service, messenger service, facsimile transmission, ordinary mail or electronic mail). Each such notice, request, demand, claim or other communication shall be deemed to have been duly given upon receipt by the intended recipient or on the day following delivery to a nationally recognized overnight courier service. Any party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties notice in the manner herein set forth.

6.4 Governing Laws.

This Agreement is made under and shall be construed in accordance with the laws and regulations of the State of South Carolina. By executing this Agreement, the Company agrees to submit to the jurisdiction of the Council, the Department, and the Courts of South Carolina for all matters arising hereunder. In the event of a dispute, the Department or the Council shall have standing to represent the State of South Carolina.

6.5 Release and Indemnification.

The Company hereby releases the Council, the Department and the State and their respective officers, directors, members, employees, attorneys and agents, (hereinafter collectively referred to as “Indemnified Parties”) from, agrees that such Indemnified Parties shall not be liable for, and agrees to indemnify and hold harmless the Indemnified Parties against, any or all liability or loss, cost or expense, including without limitation, attorneys' fees, fines, penalties and civil judgments, resulting from or arising out of or in connection with or pertaining to any loss or damage to property or any injury to or death of any person occurring in connection with or on or about the Project or resulting from any defect in the fixtures, machinery, equipment or other property used in connection with the Project or arising out of, pertaining to, or having any connection with, the Project or the financing thereof (whether or not arising out of acts, omissions or negligence of the Company or any of its agents, contractors, servants, employees, licensees, lessees or assignees). The Company's obligations under this section shall survive the termination or other expiration of this Agreement.

6.6 Continuing Obligation; Assignment.

All covenants, agreements, representations, and warranties made or incorporated herein and attached as Exhibits or delivered pursuant hereto shall be deemed to have been material and relied on by the Council and the Department, notwithstanding any investigation made by the Council or the Department on its own behalf, and shall survive the execution and delivery of the Agreement and the Revitalization Documents. This Agreement is a continuing obligation and shall (a) be binding upon the parties and their respective successors and assigns and (b) inure to the benefit of, and be enforceable by, the parties and their respective successors, transferees and assigns; provided, however, that the Company may not assign all or part of this Agreement except as provided in Section 3.4 hereof.

6.7 Additional Matters.

(a) The parties understand that the Company may choose not to proceed with all, or part of, the Project as herein provided, subject to the Company's having all benefits hereunder terminated, suspended, or reduced if the Company exercises its right not to proceed with the Project in its entirety as set forth herein, or as may be set forth in any amendment or modification hereof agreed to by the Council and the Company as permitted herein.

(b) This Agreement, together with Exhibits attached hereto, which are hereby incorporated by reference as if set forth in their entirety herein, constitute the entire agreement as to the matters set forth herein, and supersede all prior agreements and understandings, both written and oral among the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. If and to the extent of any direct language conflict between and/or among this Agreement and the other Revitalization Documents, the terms of this Agreement shall control.

(c) Modifications or waivers of any provisions of this Agreement or any other Revitalization Document must be in writing and must be by agreement of both the Company and the Council.

(d) The execution, delivery and performance of this Agreement or any other Revitalization Agreement shall not be deemed a waiver or any deferral of sovereign immunity which may otherwise be available to a governmental body or entity of the State.

(e) To the extent that any provision of this Agreement is determined to be in contradiction of, or in conflict with the Code, any State law, or any regulation, the Code, State law or regulation shall control.

[Signatures on next page]

IN WITNESS WHEREOF, this Agreement has been executed by both parties acting in their official capacity to be effective as of the date specified on the cover hereof.

SOUTH CAROLINA COORDINATING COUNCIL FOR
ECONOMIC DEVELOPMENT

By: _____
Alan D. Young

Its: Executive Director _____

Date: _____

Company: _____

By: _____

Its: _____

Date: _____

EXHIBITS

EXHIBIT A -- PROJECT DETAILS

EXHIBIT B -- APPROVED EMPLOYMENT POSITIONS

EXHIBIT C -- QUARTERLY REPORT FORM – *(not included in RVA)*

EXHIBIT D -- SPECIAL PROVISIONS AND AMENDMENTS
(Complete if project was approved with wage contingency or other special provisions)

EXHIBIT E –STATUS UPDATE

EXHIBIT F – ELECTION FORMS TO BE SUBMITTED AT CERTIFICATION.

**REVITALIZATION AGREEMENT
BETWEEN
SOUTH CAROLINA COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT
FOR THE STATE OF SOUTH CAROLINA
AND**

EXHIBIT A

PROJECT DETAILS

Item 1: Company's name, place of principal office, state of organization or formation, type of entity:

SC Employee Withholding Number:

Federal Employer Identification Number:

Item 2: County and Street Address of Facility:

County:

Street Address:

For Office Use Only

County Tier:

Item 3: Description of Proposed Operations that will be conducted at the Project:

Item 4: Description of Project Facilities:

Item 5: Project Costs and Other Funding:

(a) Total Project Costs
Please itemize:

\$ _____

(b) Eligible Project Costs to be paid through Job Development Credits
Please itemize:

\$ _____

(c) Anticipated Amount of Total Project Costs (*as set forth in Item 5a*) to be paid for from other Public Funds
(Includes Value of Grants in Kind, **Does Not** Include Job Development Credits) Please note that if any of the Public Funds are used to reimburse for any of the Eligible Project Costs, then Item 5(b) must be reduced accordingly.

\$ _____

Please itemize:

(d) Minimum Capital Investment by Company at Project prior to the Cut-off Date (*Total Project Costs less Other Public Funds*)

\$ _____

Item 6: Commencement/Completion Dates of Project

Anticipated Date of Claim for Job Development Credits _____

Item 7: Job Requirement:

Minimum Job Requirement: _____

Date or Anticipated Date of First Individual Hired as New Employee for Job Development Credit Purposes: _____

Day Selected for Purposes of Measuring Maintenance of Minimum Job Requirement: (For example, the first day, the last day, 15th or the first Monday of the month, etc.) _____

Base Employment as of the first day of the Company's fiscal year containing the Effective Date: _____

Item 8: Important Dates for Enterprise Program Application/ Initial Revitalization Agreement:

Date Application was Received
(The date that is 60 days prior to such date represents the earliest date for investment to be included in the Minimum Capital Investment) _____

Effective Date
(Date Application was approved) _____

First Day of Company's Taxable Year that includes Effective Date
(This represents the first date on which New Jobs may be counted for purposes of the Minimum Job Requirement) _____

Item 9: Notices:

To the Company:

Attention:

Title:

Telephone:

Telecopy:

E-mail Address:

Regular Mail Address:

Overnight Courier Address:

With a Copy to:

Attention:

Title:

Telephone:

Telecopy:

E-mail Address:

Regular Mail Address:

Overnight Courier Address:

Item 10: Authorized Company Representatives:

Name(s)

Title(s)

Specimen Signature(s)

**REVITALIZATION AGREEMENT
BETWEEN
SOUTH CAROLINA
COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT
AND**

Please check each box according to instructions below.

EXHIBIT B

Yes No

APPROVED EMPLOYMENT POSITIONS		
Job Title	No. of Positions	Hourly Wage*

*

INSTRUCTIONS

For purposes of the State of South Carolina’s Freedom of Information Act (FOIA), please indicate, in the boxes provided, those sections that contain confidential proprietary information. SC Code Section 30-4-40(a)(5)(c) provides that ...”confidential proprietary information provided to a public body for economic development or contract negotiations purposes is not required to be disclosed.” If the Council receives a request for information about the Application under South Carolina’s FOIA, all information from this document except that which is clearly marked by the Company as confidential proprietary pursuant to these instructions will be released. FOIA requires the Council to release information only after the final Revitalization Agreement is negotiated with and executed by the Company.

EXHIBIT C

QUARTERLY REPORT FORM

INTENTIONAL LEFT BLANK

EXHIBIT D
SPECIAL PROVISIONS AND AMENDMENTS

Eligible Jobs created by the Company at the Project may only include New Jobs held by Individuals who are paid an hourly wage rate equal to or greater than [insert wage] per hour; provided, however, that (i) every five years, beginning with the quarter immediately following the fifth anniversary of the Effective Date, such wage requirement shall be increased to an average hourly wage equal to the per capita income then in effect for the County as of January 1 of that calendar year as determined by the South Carolina Board of Economic Advisors based on the most recent per capita income information data published by the United States Board of Labor Statistics (divided by 2000 hours) and (ii) after each such wage adjustment date, the Company may only claim Job Development Credits for Eligible Jobs held by Individuals who are paid an hourly wage rate equal to or greater than the applicable increased wage requirement.

A New Job held by an Individual who is paid an hourly wage rate below the minimum wage requirement as set forth above may still be counted toward the Minimum Job Requirement even though such New Job is not an Eligible Job and the Company may not claim Job Development Credits on such New Job.

With respect to Eligible Jobs created by the Company at the Project, the Company may claim up to [annual cap] in Job Development Credits per year for each Individual who holds an Eligible Job during that calendar year. The number of Eligible Jobs for which Job Development Credits are claimed in any calendar year may not exceed the Minimum Job Requirement. Once the Company has claimed [annual cap] in a year for any Individual who holds an Eligible Job during that year, the Eligible Job held by that Individual will continue to be counted in calculating the Minimum Job Requirement, but the Company may not claim any more Job Development Credits for that Individual for the rest of that calendar year. In no event may the total amount of Job Development Credits claimed by the Company for a calendar year exceed [annual cap] multiplied by the Minimum Job Requirement.”

EXHIBIT E
STATUS UPDATE

EZ#: _____

Company: _____

County: _____

Report for the Period Ended: _____

Minimum Investment Requirement _____

Minimum Job Requirement: _____

Base Employment: _____

Total investment in real and personal property at the Project as of the date of this report: \$ _____

Total number of new Full-Time jobs filled by the Company at the Project as of the date of this report: _____

Total number of Base Employment jobs retained as of the date of this report: _____

I declare the above information to be correct and complete, and that I am authorized to report this information.

Authorized Company Representative (Signature)

Date

Authorized Company Representative (Printed)

Title

Telephone Number

Please keep the original hard copy for your records and email a scanned copy to:
ccedreport @scommerce.com

Coordinating Council for Economic Development
1201 Main Street, Suite 1600 ■ Columbia, SC 29201

EXHIBIT F
ELECTION FORMS TO BE SUBMITTED AT CERTIFICATION

APPENDIX B

Question 15

**SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT
1201 Main Street, Suite 1600
Columbia, South Carolina 29201**

GRANT AWARD AGREEMENT

In accordance with the provisions of Section 12-28-2910 of the Code of Laws of South Carolina, 1976, as amended (the "Code"), the South Carolina Coordinating Council for Economic Development, hereinafter called the Council, does commit and grant to _____ County, hereinafter called the Grantee, the sum in dollars set forth in Section 3 below for the Project identified in Section 2 below. The acceptance of the Agreement creates a contract between the Council and the Grantee, legally binding the Grantee to carry out the activities and obligations set forth in the Application and this Agreement, all in accordance with the terms and conditions set forth in this Agreement and in any appendices attached hereto and any other documents or conditions referred to herein.

Section 1: DEFINITIONS:

- (a) Agreement means this Grant Award Agreement.
- (b) Application means the grant application forms submitted by the Grantee to the Council.
- (c) Company means the economic development corporate entity that is identified in the Application.
- (d) Contractor means a private contractor who undertakes all or part of the Grant Project.
- (e) Council means the South Carolina Coordinating Council for Economic Development (CCED).
- (f) Grant means the dollars committed by the Council to the Grantee for the Project.
- (g) Grant Project means the portion of the Project that is within the scope of work as described in Section 2.0 hereof and approved by the Council to be reimbursed with Grant funds.
- (h) Grantee means the unit of government designated for the Grant and set forth above.
- (i) Project means the project identified and described in the Application.
- (j) State means the State of South Carolina and any agencies or offices thereof.

Section 2: PROJECT DESCRIPTION: Funds will be used for (Project Description). The Grant Project has been approved by the Council and is included by reference as (Project Name, Grant Number and Project Title)

Section 3: AWARD AMOUNT: The Council hereby commits an amount not to exceed (Grant Amount), to be used only for the Grant Project and related costs, as described in the Application. Eligible costs that can be paid from the Grant shall include only those costs within the scope of work approved by the Council.

3.1: Approval of Third Party Contracts: The Grantee must submit all agreements with a Contractor engaged to perform work within the scope of the Grant Project to the Council when it submits a reimbursement request relating to a payment to that Contractor.

3.2: Notice to Proceed: The Grantee must obtain from the Council written notice to proceed prior to incurring costs against the Grant. If the Grantee or the Company needs to incur expenses prior to the Council's notification to proceed, the Grantee must submit a written request to the Council and obtain prior written approval from the Council. Otherwise, any expenditure made prior to the date of the written notice to proceed is made by the Grantee or the Company at its own risk and expense and is not eligible for payment with Grant funds.

3.3: Engineering Costs: Reimbursement of engineering costs will be capped at 10% of the total grant award amount. Requests that exceed 10% must have substantial justification and require prior approval by the Council to be reimbursable.

3.4. Administrative Fees: The Grantee may not charge an administration fee in connection with the Grant.

Section 4: AMENDMENTS: Any changes in the scope of work of the Grant Project, including change orders or cost increases, must be submitted in writing by the Grantee to the Council as a request for an award adjustment, and such request must clearly identify the need for the change or relief. Any adjustment granted by the Council shall be appended to this Agreement as an amendment.

Section 5: PERFORMANCE: By acceptance of this Grant, the Grantee warrants that it will complete or cause to be completed the Grant Project as described in the approved Application, including any approved amendments appended hereto. Should Grantee fail to cause the completion of all or part of the Grant Project, the Council shall be entitled to reimbursement from the Grantee of any Grant funds that were received by the Grantee for any work that was not performed.

Section 6: FUNDING UNDERRUNS: The Grantee agrees that it will return surplus Grant funds that result from Grant Project cost underruns.

Section 7: AUDIT: The Grantee must include an examination and accounting of the expenditures of Grant funds in its first annual audit following the completion of the Grant Project, and submit a copy of the audit report to the Council. The Grantee agrees that it will reimburse the Council for unauthorized and unwarranted expenditures disclosed in the audit, if so directed by the Council. Upon request of the Council, the Grantee shall make available, and cause the Company to make available, for audit and inspection by

the Council and its representatives all the books, records, files and other documents relating to any matters pertaining to the Grant Project, the Application or this Agreement. The Grantee shall have prepared an audit of Grant funds received under this Agreement that adheres to the following audit requirements, whichever is applicable:

- (a) Generally accepted auditing standards established by the American Institute of Certified Public Accountants, (AICPA);
- (b) The General Accounting Office (GAO) Standards for Audits of Governmental Organizations, Programs, Activities, and Functions, latest revised edition (Yellow Book);

Section 8: CONTRACTOR SELECTION:

- (a) In the event that the Grantee will be engaging a Contractor to undertake all or any part of the scope of work of the Grant Project, then the selection of that Contractor by the Grantee must follow the applicable procurement laws, regulations and guidelines of the county. The use of the grant funds is not subject to the requirements of the State Procurement Code or the regulations promulgated thereunder. If the Grantee fails to adhere to procurement requirements as set forth herein, the Council may call for repayment by the Grantee for Grant funds that were expended in a disallowable manner.

A Contractor must represent that it has, or will secure at its own expense, all personnel required in the performance of the services covered by this Agreement. Such personnel shall not be employees of, or have any contractual relationship with the Council or the Grantee.

All of the services required to complete the Project will be performed by the Grantee and/or a Contractor, or under its supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized under state and local law to perform such services.

The Grantee and/or a Contractor shall be liable for and pay all taxes required by local, state, or federal governments, which may include, but not be limited to, social security, worker's compensation, and employment security as required by law. No employee benefits of any kind shall be paid by the Council to or for the benefit of the Grantee and/or a Contractor or his employee or agents by reason of this Agreement.

- (b) In the event that the Company will be engaging a Contractor to undertake all or any part of the scope of work of the Grant Project, the Grantee warrants that it will ensure that the selection of the Contractor complies with the requirements set forth in Exhibit A attached hereto.

Section 9: CONFIDENTIAL INFORMATION: Any reports, information, data, or other documentation given to or prepared or assembled by the Grantee under this Agreement which the Council requests to be kept confidential shall not be made available to any individual or organization by the Grantee without the prior written approval of the Council.

Section 10: DISCRIMINATION: The Grantee shall not, and in the event it engages Contractors it shall impose on its Contractors the obligation not to, discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, or handicap. The Grantee and any Contractor shall be required to take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, age, sex, national origin, or handicap.

Section 11: INTEREST OF CERTAIN FEDERAL OR STATE OFFICIALS: No elected or appointed State or federal official shall be admitted to any share or part of the Grant funds, this Agreement or to any benefit to arise from the same.

Section 12: INTEREST OF MEMBERS, OFFICERS OR EMPLOYEES OF THE GRANTEE, MEMBERS OF LOCAL GOVERNING BODY OR OTHER PUBLIC OFFICIALS: No member, officer or employee of the Grantee, or its designees or agents, no member of the governing body of the locality in which the Project is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the Project during his tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Grant Project or this Agreement. If the Grantee engages any Contractors for the Grant Project, the Grantee shall incorporate, or cause to be incorporated, in all of its contracts or subcontracts relating to the Grant Project and this Agreement this provision prohibiting such interest.

Section 13: PROHIBITION AGAINST PAYMENTS OF BONUS OR COMMISSION: The assistance and Grant funds provided under this Agreement shall not be used for the payment of any bonus or commission for the purpose of obtaining the Council's approval of the Application, or the Council's approval of any applications for additional assistance or Grant funds, or any other approval or concurrence of the Council required under this Agreement. However, the payment from Grant funds of reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as Grant Project costs.

Section 14: MAINTENANCE OF AND ACCESS TO RECORDS: The Grantee shall retain records for property purchased totally or partially with Grant funds and records relating to procurement matters for a period of three years after the final disposition of the Grant. All other pertinent Grant and Project records including financial records, supporting documents, and statistical records shall be retained for a minimum of three years after notification in writing by the Council of the closure of the Grant. However, if any litigation, claim, or audit is initiated before the expiration of any such period, then records must be retained for three years after the litigation, claim, or audit is resolved. Upon request, the Grantee must make these records available to the Grantee's auditor, the Council, and its representatives.

Section 15: MBE OBLIGATION: The Grantee agrees to use its best efforts to ensure that minority business enterprises, as identified in Article 21, Sections 11-35-5210 through 11-35-5270 of the Code have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Grant funds provided under this Agreement. In this regard, the Grantee and any Contractors shall take all necessary and reasonable steps to ensure that minority business enterprises have the maximum opportunity to compete for and perform contracts

Section 16: PROJECT COMPLETION: The Grantee must complete, or cause to be completed, the Grant Project within 18 months of the Date of Award of this 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 closure of the Grant. The Council may grant extensions to this completion period requirement at its discretion.

Section 17: SANCTIONS: If the Grantee fails or refuses at any time to comply with any of the terms and conditions of this Agreement, the Council may take, in addition to any relief that it is entitled to at law, any or all of the following actions: require repayment of all or a portion of any Grant funds provided; cancel, terminate, or suspend, in whole or in part, the Grant and this Agreement; or refrain from extending any further assistance or Grant funds to the Grantee until such time as the Grantee is in full compliance with the terms and conditions of this Agreement.

Section 18: APPLICABLE LAW: This Agreement is made under and shall be construed in accordance with the laws of the State, without regard to conflicts of laws principles. The federal and state courts within the State shall have exclusive jurisdiction to adjudicate any disputes arising out of or in connection with this Agreement.

Section 19: APPROPRIATIONS: Notwithstanding any other provisions of this Agreement, the parties hereto agree that the Grant funds awarded hereunder are payable by appropriations from the State. In the event sufficient appropriations, grants, and monies are not made available to the Council to pay the compensation and expenses hereunder for any fiscal year, this Agreement shall terminate without further obligation of the Council. In such event, the Council shall certify to the Grantee the fact that sufficient funds have not been made available to the Council to meet the obligations of this Agreement; and such written certification shall be conclusive upon the parties.

Section 20: COPYRIGHT: No material produced in whole or in part under this Grant shall be subject to copyright in the United States or in any other country. The Council shall have the unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data or other materials prepared under this Grant.

Section 21: TERMS AND CONDITIONS: The Council reserves the right to add or delete terms and conditions of this Agreement as may be required by revisions and additions to changes in the requirements, regulations, and laws governing the Council and any other agency of the State.

Section 22: REPORTING REQUIREMENTS: The Grantee agrees to submit quarterly progress reports that provide a status update and identification of any material issues affecting the Project. Progress reports will be due on the first day of the month beginning with the first full month after commencement of the Project. Failure to submit progress reports will be subject to sanctions identified in Section 17 herein. The Grantee further agrees to complete and submit all quarterly progress reports and any other reports, in such form and according to such schedule, to the extent not specified herein, as may be required by the Council.

Section 23: PROJECT START-UP: The Project must begin within three months of the Date of Award of the Grant. If the Grantee or the Company does not begin the Project within three months of the Date of Award of the Grant, the Council reserves the right to rescind the Grant, require the repayment of any Grant funds provided to Grantee and terminate this Agreement. For purposes of this section, the Grantee or the Company shall have begun the Project once it has incurred material obligations in connection with

the Project satisfactory to the Council to indicate that the Project will be timely completed.

Section 24: LIABILITY: The Grantee understands that Council accepts no liability for the Project nor any responsibility other than its agreement to provide the Grantee the Grant funds for the Grant Project in the amount shown in Section 3, insofar as such funds are expended in accordance with the terms and conditions of this Agreement. During the term of the Grant, the Grantee shall maintain tort liability insurance or shall have a self-funded and excess liability program with coverage amounts sufficient to meet the limits set forth under the SC Torts Claims Act in Section 15-78-120, as may be amended.

Section 25: PAYMENT: The Grantee must submit to the Council a certified request for payment for work that is documented by the Grantee. The Council, upon its approval of the request for payment, shall forward such requests to the Finance Department of the South Carolina Department of Commerce. Payments are issued from the Comptroller General's office. Payment requests should be submitted to the Council no more than once a month.

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 this Agreement, and that the payment request is due and payable from Grant funds.

All requests for payment must be certified as valid expenditures by an official representative of the Grantee. Invoices and canceled checks supporting the Grantee's request for reimbursement from Grant funds must be kept on file and be available for inspection at any time.

Section 26: RESPONSIBILITY FOR MAINTENANCE: Maintenance of new roads and other improvements to the Grantee's or Company's right of way and/or property is the sole responsibility of the Grantee. Neither the Council nor the State shall have any responsibility whatsoever to maintain such roads and other improvements relating to the Project. The Grantee may assign this responsibility to any agreeable party.

Section 27: SEVERABILITY: If any provision of this Agreement is or becomes illegal, invalid, or unenforceable in any respect, the legality, validity, and enforceability of the other provisions of this Agreement shall not in any way be affected or impaired thereby.

[Signatures on following page]

This Agreement shall become effective, as of the Date of Award, upon receipt of one copy of this Agreement which have been signed in the space provided below. The agreement must have original signatures and must be returned within fifteen days from the Date.

Date of Award

Alan D. Young
Executive Director
Coordinating Council for Economic Development

ACCEPTANCE FOR THE GRANTEE

Signature of Official with Legal Authority
to Execute this Agreement for the Grantee

Date

Typed Name and Title of Authorized Official

ATTEST:

Signature of Elected City or County Council
Member, as appropriate

Signature of Elected City or County Council
Member, as appropriate

Exhibit A

Bidding Process to be used for Costs to be reimbursed with Grant Funds

1. Use full and open competition to the maximum extent practicable.
2. Permit acquisitions without competition only when the purchasing agent determines in writing, after conducting a good faith review of available sources, that there is only one source for the required timely supply, service, or construction item. A copy of such written determination must be included with any request to disbursement of grant funds to reimburse for the costs of such supply, service or construction item. In addition, the company must maintain a copy of such written determination as set forth in Section 12 of the Agreement.
3. Restrict competition only when necessary to satisfy a reasonable public requirement.
4. Provide clear, adequate, and sufficiently definite information about project needs to allow bidders to enter the acquisition on an equal basis.
5. Use reasonable methods to publicize bidding requirements and timely provide solicitation documents (including amendments, clarifications and changes in requirements).
6. State in solicitations the bases to be used for evaluating bids and proposals and for making the award.
7. Evaluate bids and proposals and make the award based solely on the criteria in the solicitation.
8. Grant maximum public access to procurement information subject to the Company's needs to protect its trade secrets, proprietary or confidential source selection information, and personal privacy rights.
9. Ensure that all parties involved in the bidding process participate fairly, honestly, and in good faith.
10. Recognize that adherence to these bidding process requirements is essential to maintenance of the integrity of the project.

APPENDIX C

Question 15

PERFORMANCE AGREEMENT
(Funding Source Assistance)
C-xx-xxxx

This **Performance Agreement** (“Agreement”) is made to be effective the **XX day of XXXX** (the “Effective Date”), by and among **Name of County** a political subdivision of the State of South Carolina and hereinafter referred to as the “Grantee,” **Name of Company**, hereinafter referred to as the “Company,” and the South Carolina Coordinating Council for Economic Development, hereinafter referred to as the “Council.”

WITNESETH

That for and in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the above parties do hereby agree as follows:

- 1.0 **Agreement.** The parties recognize that this Agreement is based on a **Funding Source (Funding Source)** grant award being awarded or made by the Council to the Grantee in an amount not to exceed **XXX** and No/100 Dollars (**\$XXX**) for the purpose identified in Section 2.0 herein (the “Grant”).
- 2.0 **Use of Proceeds.** The Grantee will use the **Funding Source** grant award to assist the Company with **Describe Use of Proceeds**, hereinafter referred to as the “Assistance.” Any changes in the scope of work, including change orders or cost increases, must be submitted in writing by the Grantee to the Council as a request for an award adjustment, and such request must clearly identify the need for the change or relief. Any adjustment granted by the Council shall be appended to this Agreement as an amendment.
 - 2.1 **Disbursement of Funds.** No funds will be disbursed until the approval of expenditures, through submission of invoices and proof of payment to the Grantee.
 - 2.2 **Third Party Contracts.** The Company must submit all agreements with third party contractors engaged to perform work within the scope of the Grant to the Council.
 - 2.3 **Notice to Proceed.** The Company obtained a conditional notice to proceed from the Council by letter dated (**Date of Conditional Notice to Proceed**). Any expenditure made prior to the date of the written notice to proceed is not eligible for payment with Grant funds.
 - 2.4 **Engineering Costs.** Reimbursement of engineering costs will be capped at 10% of the total grant award amount. Requests that exceed 10% must have substantial justification and require prior approval by the Council to be reimbursable.
 - 2.5 **Compliance with Funding Source Requirements.** The Grantee and the Company must comply with all applicable statutory, policy and regulatory

guidelines of the state government and the Council governing the use of **Funding Source** funds.

- 2.6 **Funding Overruns.** The Company agrees that it will commit and provide monies from its own resources for cost overruns that are required to complete the Project. This Agreement creates no obligation on the part of the Grantee, the Council or the State of South Carolina to provide funds for the cost overruns.
- 2.7 **Use of Grant Funds.** The Company must complete the portion of the Project to be funded in whole or in part with Grant funds within eighteen (18) months of the Effective Date. 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 closure of the Grant. The Council may grant extensions to this completion period requirement at its discretion.
- 3.0 **Project Description.** The Company will **Describe Project** located at **Location**, hereinafter referred to as the “Project.”
- 4.0 **Project Start-Up.** The project must begin within three months of the Effective Date. If the Company does not begin the Project within three months of the Effective Date, the Council reserves the right to rescind the Grant, require the repayment of any Grant funds expended hereunder and terminate this Agreement. For purposes of this section, the Company shall have begun the Project once it has incurred material obligations in connection with the Project satisfactory to the Council to indicate that the Project will be timely completed.
- 5.0 **Contractor Selection.** If the Company desires to select a private contractor to undertake all or any part of the scope of work of any portion of the Project to be funded by the Grant, then the selection of that contractor by the Company must follow at a minimum the bidding requirements set forth in Exhibit A attached hereto. The use of the grant funds is not subject to the requirements of the State Procurement Code or the regulations promulgated thereunder. Any county or municipal procurement laws, rules or regulations may apply depending on the terms of such local requirements.
- 6.0 **Minimum Investment Requirement.** The Company agrees to make and maintain a capital investment of not less than **\$XXX** for at the Project within a **X (X)** year period beginning on **(Date of Conditional Notice to Proceed)** and ending on **End Date** (the “Grant Period”). Such capital investment requirement shall hereinafter be referred to as the “Investment Requirement.” The Company’s investment may be verified at the request of the Grantee or the Council.
- 7.0 **Minimum Job Requirement.** The Company agrees to create and maintain no fewer than **Job Requirement** new, full-time jobs at the Project within the Grant Period. Such job creation requirement shall hereinafter be referred to as the “Job Requirement.” The Company currently employs persons at the Project and a current employee list or payroll has been or will be provided to the Grantee or the Council, as a beginning point to verify new jobs created.

- 8.0 **Maintenance Period; Term.** Once the Company has satisfied both the Job Requirement and the Investment Requirement within the Grant Period, the Company agrees to maintain the Job Requirement and the Investment Requirement at the Project for a period beginning on the first date following the expiration of the Grant Period and ending on the fifth anniversary thereof (the “Maintenance Period”).
- 9.0 **Access to Project Site and Records.** The Company agrees to provide the Grantee and the Council reasonable access to its facilities (i) to confirm that the work for which invoices have been submitted and reimbursed, or is scheduled to be reimbursed, through grant funds has been completed and (ii) to substantiate the employment and investment committed by this Agreement have been satisfied. This covenant shall continue until notified in writing by the Council that the Job Requirement and the Investment Requirement have each been met, the Grant Period and the Maintenance Period have each expired, and funds have been expended and documented, or until repayment of the Assistance occurs in accordance with this Agreement.
- 10.0 **Reporting.** The Company will be required to report to the Council annually as set forth below.
- 10.1 During the Grant Period, within thirty (30) days after ~~December 31 of each yearanniversary of the Effective Date~~, the Company shall provide the Council a written report, signed by an authorized representative of the Company and in the form of Exhibit B, as such form may be updated annually by the Council, to provide (i) the total number of new jobs filled and maintained by the Company at the Project as of such date; and (iii) the total investment of the Company at the Project as of such date.
- 10.2 During the Maintenance Period, within thirty (30) days after each ~~December 31 of each yearanniversary of the expiration of the Grant Period~~, the Company shall provide the Council a written report, signed by an authorized representative of the Company and in the form of Exhibit C, as such form may be updated annually by the Council, to provide (i) the monthly average of new jobs filled and maintained by the Company at the Project as during such year; and (iii) the monthly average of total investment of the Company at the Project during such year. Each such annual report must be accompanied by supporting documentation as set forth in Section 11.0.
- 11.0 **Compliance.** Upon completion of the Grant Period and at the end of each year of the Maintenance Period, the Company shall provide payroll records and property tax returns or invoices and evidence of payment to support its employment and investment levels achieved and maintained. The Council will review such documentation to determine whether the Job Requirement and Investment Requirement have been satisfied. The Council will notify the Company in writing of its compliance or non-compliance with this Agreement. Upon written notification from the Council that both the Job Requirement and the Investment Requirement have been fulfilled and the Grant Period and the Maintenance Period have each expired, this Agreement and all obligations of the Company, unless otherwise stated, hereunder shall terminate.

- 12.0 **Maintenance of Records.** The Company shall retain records for property purchased totally or partially with Grant funds for a period of three years after the final disposition of all Grant funds. The Company shall maintain records relating to the Grant and the Project, including financial records, supporting documents, and statistical records shall be retained for a minimum of three years after notification in writing by the Council of the closure of the Grant. However, if any litigation, claim, or audit is initiated before the expiration of any such period, then records must be retained for three years after the litigation, claim, or audit is resolved.
- 13.0 **Repayment of Assistance.** Failure to satisfy and maintain the Job Requirement and the Investment Requirement as set forth herein may result in repayment of all or a portion of the **Funding Source** Grant funds expended. The Company will make re-payments to the Council.
- 13.1 Upon the expiration of the Grant Period, the number of jobs created by the Company at the Project may not be less than the Job Requirement (**Job Requirement**), and the investment by the Company at the Project may not be less than the Investment Requirement (**\$XXX**). If the Company does not locate in South Carolina or otherwise fails to create any new jobs and make any investment in South Carolina, repayment of all of the Assistance will be immediately due and payable. If the Company does create jobs and/or make investment but fails to meet the Job Requirement and/or the Investment Requirement or meets but then fails to maintain the Job Requirement and/or the Investment Requirement during the Grant Period, the Company will be required to repay a portion of the funds expended as follows:
- 13.1.1 **Pro-Rata Repayment.** The Company shall be required to repay a pro-rata amount of the funds expended under this Agreement based on the actual number of jobs created and/or investment level achieved as of the last day of the Grant Period. For purposes of this subsection 13.1, pro rata repayment for failure to meet either the Job Requirement or the Investment Requirement will be calculated independently with each calculation based on 50% of the grant funds expended hereunder.
- 13.1.2 If required, repayments are due and payable within thirty (30) days of the end of the Grant Period and should be submitted to the Council.
- 13.1.3 If the Company satisfies the Job Requirement and the Investment Requirement by the end of the Grant Period, it shall not have any repayment obligations under this Section 13.1.
- 13.2 During each year of the Maintenance Period and upon the expiration of the Maintenance Period, the number of jobs retained by the Company at the Project may not be less than the Job Requirement (**Job Requirement**) and the investment by the Company at the Project may not be less than the Investment Requirement (**\$XXX**). If the Company fails to maintain the Job Requirement or the Investment

Requirement as required herein, the Company will be required to repay a portion of the funds expended as follows:

13.2.1 **Pro-Rata Repayment.** The Company shall be required to repay a pro-rata amount of the funds expended under this Agreement, based on the actual number of jobs and investment maintained during each year of the Maintenance Period and upon the expiration of the Maintenance Period. The Company's repayment obligation shall be calculated utilizing the monthly average of new, full-time jobs created and existing and the monthly average of investment maintained during the applicable year of the Maintenance Period. For purposes of determining the monthly average, the Company may, after the end of the first year of the Maintenance Period, select a reasonable day, in its sole discretion, upon which such jobs and investment will be determined on a monthly basis. Thereafter, that day in the month shall apply for each applicable year for the remainder of the Maintenance Period. The pro-rata repayment obligation for failure to maintain the Job Requirement or the Investment Requirement during each year of the Maintenance Period and upon expiration of the Maintenance Period will be calculated based on an annual base amount equal to the lesser of 10% of the grant funds expended or \$XXX. For purposes of this subsection 13.2.1, pro rata repayment for failure to meet either the Job Requirement or the Investment Requirement will be calculated independently with each calculation based on 50% of the annual base amount.

13.2.2 If required, repayments are due and payable within thirty (30) days of the end of the applicable year of the Maintenance Period and should be submitted to the Council.

14.0 **Amendments.** If (a) the Investment Requirement is not met or (b) the total number of full time jobs created is less than the Job Requirement or (c) the investment is not made or the jobs are not created within the Grant Period, the Company may provide detailed documentation that a good faith effort was made to achieve both the Job Requirement and the Investment Requirement. To the extent that extenuating circumstances prevent the Company from fulfilling its commitments contained herein, and the Grantee and the Council, in their sole discretion, acknowledge such circumstances in writing, this Agreement may be modified in writing by mutual agreement of the parties.

15.0 **Representations and Warranties.** The Company hereby makes the following representations and warranties and acknowledges and agrees that such representations and warranties have been material to the Council's decision to enter into this Agreement and further agrees that each representation and warranty is true, accurate and complete in all material respects as of the date hereof and will remain true and correct throughout the term of this Agreement.

15.1 **Good Standing.** The Company is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, has the power

and authority to own its property and to carry on its business in each jurisdiction in which it does business, and has registered for and is duly qualified to conduct business in, and is in good standing in, the State of South Carolina.

- 15.2 **Authority and Compliance.** The Company has full power and authority to execute and deliver this Agreement and to incur and perform the obligations provided herein. No consent or approval of any public authority or other third party is required as a condition to the validity of this Agreement, and the Company is in compliance with all laws and regulatory requirements to which it is subject.
- 15.3 **No Conflicting Agreement.** There is no charter, bylaw, stock provision, partnership agreement or other document pertaining to the organization, power or authority of the Company and no provision of any existing agreement, mortgage, deed of trust, indenture or contract binding on the Company or affecting the Company's property which would conflict with or in any way prevent the execution, delivery, or carrying out of the terms of this Agreement.
- 15.4 **Litigation.** To the best of the Company's knowledge, there is no proceeding involving the Company pending or threatened before any court or governmental authority, agency or arbitration authority which if adversely decided would materially affect the Company's ability to meet its obligations under this Agreement and conduct its operations at the Project.
- 15.5 **Compliance with Laws.** To the best of its knowledge, the Company is in compliance with all federal, state and local laws, regulations and governmental requirements including, but not limited to, environmental laws and the applicable federal and state laws, executive orders and regulations concerning discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability, applicable to its facility including without limitation the property, business operations, employees, and transactions thereof.
- 15.6 **Binding Agreement.** Each part of this Agreement is a legally valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights. This Agreement has been signed by an authorized Company representative and such signature is recognized by the Company as legally binding.
- 16.0 **Indemnification.** The Company agrees to defend, indemnify, and hold the Council and the Grantee harmless from and against the costs of any litigation (including reasonable attorney's fees) arising from this Agreement or the Assistance provided by the Council to the Grantee for the direct or indirect benefit of the Company. Please note that the SC Tort Claims Act, Section 15-78-10 et seq. of the S.C. Code of Laws, 1976, as amended (the "Code") provides full or limited immunity to governmental parties from third party claims and prohibits recovery of punitive or exemplary damages. This provision shall

survive the termination of this Agreement for any claim arising during the term of the Agreement.

- 17.0 **Assignability.** The terms of this Agreement may not be assigned to another entity without the written permission of the Grantee and the Council.
- 18.0 **Notification.** The Company must notify the Grantee and the Council if there are any changes in the status of the Company that will impact or alter the Company's ability to comply with this Agreement. All notices required or otherwise provided under this Agreement shall be deemed made upon mailing by first class mail, postage prepaid, and addressed to the other party as follows:

Notices to the Council shall be sent to:

Ms. Dale Culbreth
Senior Program Manager, CCED Programs
South Carolina Coordinating Council for Economic Development
South Carolina Department of Commerce
1201 Main Street, Suite 1600
Columbia, SC 29201

Notices to Grantee shall be sent to:

Notices to Company shall be sent to:

- 19.0 **Severability.** If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the other provisions of this Agreement shall not in any way be affected or impaired thereby.
- 20.0 **Governing Law and Jurisdiction.** This Agreement, any dispute, claim, or controversy relating to this Agreement, and all of the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except its choice of law rules. By executing this Agreement, the Company also agrees to submit to the jurisdiction of the courts of the State of South Carolina for all matters arising hereunder. In the event of a dispute, the Council shall have standing to represent the State of South Carolina.
- 21.0 **Freedom of Information.** The Company understands and agrees that (i) the Grantee and the Council are each a public body within the meaning of the South Carolina Freedom of Information Act, Title 30, Chapter 4 of the Code; (ii) the Grantee and the Council are each required to comply with the provisions of that Act by disclosing certain public records upon receipt of a written request; and (iii) after execution of this Agreement, this Agreement and all documents and other information incidental to this Agreement are

subject to disclosure pursuant to Sections 30-4-40(a)(9) and 30-4-40(a)(5) of the Code upon request. Effective January 1, 2022, for any project approved and locating in a Tier I, II, or III County, the Council will confirm, in response to a valid request under Section 30-4-10, whether a project has average wages below \$15.00 per hour, excluding the top five percent of full-time positions.

If disclosure of this Agreement and related information is required, pursuant to Section 30-4-40(a)(5)(c) of the Code, the Council agrees to redact any information in this Agreement or any documents incidental thereto that is clearly marked by the Company as confidential and proprietary and has been provided to the Council for economic development or contract negotiation purposes. However, the Grantee, the Council, and their respective members, employees, and staff shall not be liable for the inadvertent release of any information contained in the Agreement or any other documents related to the Project, absent gross negligence or willful misconduct.

To the extent an action at law or equity is brought to require the disclosure of any information related to the Project, the Council reserves the right to include the Company in such action and the Company hereby agrees to bear all costs associated with defending such action.

21.022.0 **Events of Default.** The following shall constitute events of default by the Company under this Agreement:

21.122.1 any representation or warranty made by the Company herein that is false or misleading in any material respect at the time made;

21.222.2 failure of the Company to comply with all applicable statutory, policy and regulatory guidelines of the state government and the Council governing the use of **Funding Source** funds;

21.322.3 failure of the Company to observe and perform any covenant, condition or agreement hereunder on its part to be performed and continuance of such failure for a period of thirty (30) days after receipt by the Company of written notice from the Council specifying the nature of such failure and requesting that it be remedied; provided, however, that if, by reason of the nature of such failure, the same cannot be remedied within the said thirty (30) days and the Company proceeds with reasonable diligence after receipt of the notice to cure the failure, the period may be extended upon the prior written consent of the Council;

21.422.4 the Company vacating the Project property and/or discontinuing operation of all or a significant portion of the Project;

21.522.5 the Company's consenting to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property, or admitting in writing its inability to pay its debts generally as they come due, or making a general assignment for the benefit of creditors;

~~21.6~~22.6 the Company's filing a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy laws (as now or hereafter in effect), or, by voluntary petition, answering or consenting, seeking relief under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of corporations, or providing for an agreement, composition, extension or adjustment with its creditors;

~~21.7~~22.7 the entry of an order, judgment, or decree in any proceeding by any court of competent jurisdiction appointing, without the consent of the Company, a receiver, trustee or liquidator of the Company or of any substantial part of its property, or sequestering any substantial part of its property, and any such order, judgment or decree of appointment or sequestration remaining in force undismissed, unstayed, or unvacated for a period of 90 days after the date of entry thereof; or

~~21.8~~22.8 a petition against the Company in a proceeding under applicable bankruptcy laws or other insolvency laws as now or hereafter in effect is filed and not withdrawn or dismissed within 120 days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of corporations which may apply to the Company, any court of competent jurisdiction shall assume jurisdiction, custody or control of it or of any substantial part of its property and such jurisdiction, custody or control shall remain in force unrelinquished, unstayed or unterminated for a period of 120 days.

~~22.0~~23.0 **Remedies.** If any event of default shall occur and be continuing, then the Council may undertake any of the remedial actions set forth in this Agreement. If any such event of default shall occur and be continuing, then the Council shall, to the extent permitted by law and without notice of any kind to the Company (except to the extent required by law or as expressly required herein), seek to enforce the rights of the Council hereunder by exercising any or all of the following remedies:

~~22.1~~23.1 Refrain from extending any further assistance or Grant funds until such time as the Company is in full compliance with the terms and conditions of this Agreement;

~~22.2~~23.2 Require repayment of all or a portion of the funds expended under this Agreement;

~~22.3~~23.3 Cancel, terminate or suspend this Agreement; or

~~22.4~~23.4 Take such other reasonable action as may be necessary to protect its rights and interests hereunder.

~~23.0~~24.0 **Additional Remedial Provisions.**

~~23.1~~24.1 No remedy herein conferred or reserved to the Council is intended to be exclusive of any other available remedy or remedies, but each and every such

remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. A waiver of any particular breach or default under any provision hereof shall not operate as a waiver of any further or subsequent breach or default under such provision. The remedies herein provided are cumulative and not exclusive of any remedies provided by law, and any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Council to exercise any remedy reserved to them in this Agreement, it shall not be necessary to give notice other than such notice as may be required in this Agreement.

23.224.2 Neither the Grantee nor the Council shall be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Company if an event of default shall occur hereunder.

24.025.0 **Counterparts.** This Agreement may be executed in two or more counterparts each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be fully executed by their authorized representation under seal to be effective as of the date first written above.

GRANTEE:

Unit of Local Government

By:
Its: Chief Elected Official

Name of Company

By:
Its:

**COORDINATING COUNCIL FOR
ECONOMIC DEVELOPMENT**

By: Alan D. Young
Its: Executive Director

Exhibit A

Bidding Process to be used for Costs to be reimbursed with Grant Funds

1. Use full and open competition to the maximum extent practicable.
2. Permit acquisitions without competition only when the purchasing agent determines in writing, after conducting a good faith review of available sources, that there is only one source for the required timely supply, service, or construction item. A copy of such written determination must be included with any request to disbursement of grant funds to reimburse for the costs of such supply, service or construction item. In addition, the company must maintain a copy of such written determination as set forth in Section 12 of the Agreement.
3. Restrict competition only when necessary to satisfy a reasonable public requirement.
4. Provide clear, adequate, and sufficiently definite information about project needs to allow bidders to enter the acquisition on an equal basis.
5. Use reasonable methods to publicize bidding requirements and timely provide solicitation documents (including amendments, clarifications and changes in requirements).
6. State in solicitations the bases to be used for evaluating bids and proposals and for making the award.
7. Evaluate bids and proposals and make the award based solely on the criteria in the solicitation.
8. Grant maximum public access to procurement information subject to the Company's needs to protect its trade secrets, proprietary or confidential source selection information, and personal privacy rights.
9. Ensure that all parties involved in the bidding process participate fairly, honestly, and in good faith.
10. Recognize that adherence to these bidding process requirements is essential to maintenance of the integrity of the project.

Exhibit B

GRANT PERIOD ANNUAL REPORT

Grant #: C-XX-XXXX

Grantee: Name of County

Report for the Year Ended: _____

Minimum Investment Requirement \$XXX

Minimum Job Requirement: Job Requirement

Inspection, Record Keeping and Reporting:

Total investment in real and personal property at the Project as of the date of this report: \$ _____

Total number of new fulltime jobs filled by the Company at the Project as of the date of this report: _____

Total amount of grant funds disbursed as of the date of this report: \$ _____

I declare the above information to be correct and complete, and that I am authorized to report this information.

Authorized Company Representative (Signature)

Date

Authorized Company Representative (Printed)

Title

Telephone Number

Please return to:
Coordinating Council for Economic Development
1201 Main Street, Suite 1600 ■ Columbia, SC 29201

Exhibit C

MAINTENANCE PERIOD ANNUAL REPORT

Grant #: C-XX-XXXX

Grantee: Name of County

Report for the Year Ended: _____

Minimum Investment Requirement \$XXXX

Minimum Job Requirement: Job Requirement

Inspection, Record Keeping and Reporting:

Monthly average of the total investment in real and personal property at the Project for the preceding year: \$ _____

Monthly average of the total number of new fulltime jobs filled by the Company at the Project for the preceding year: _____

Total amount of grant funds disbursed as of the date of this report: \$ _____

I declare the above information to be correct and complete, and that I am authorized to report this information.

Authorized Company Representative (Signature)

Date

Authorized Company Representative (Printed)

Title

Telephone Number

Please return to:
Coordinating Council for Economic Development
1201 Main Street, Suite 1600 ■ Columbia, SC 29201

APPENDIX D

Question 25

Amendments Granted by CCED (Calendar Year 2019 – 2021)

The discussion of grants and job development credit (JDC) performance in this attachment is in response to Question No. 25.

COVID-19

On June 3, 2020, the South Carolina Coordinating Council for Economic Development (CCED) voted unanimously to grant staff the authority to allow companies impacted by the COVID-19 pandemic up to a one-year extension to satisfy the performance requirements of economic development grants and/or JDCs. For Enterprise Zone companies that had already certified and begun collecting JDCs, the extension allowed companies up to an additional year to make JDC claims if job losses had caused the company to be out of compliance with performance requirements, resulting in the inability to make claims until job numbers increased to required levels. To date, the CCED has approved some type of extension to 23 JDC agreements and 24 grant agreements. None of the companies receiving standard one-year extensions are included or otherwise discussed below. Not all companies requesting extensions because of COVID were granted, particularly when the delays in performance were unrelated to the pandemic.

Amendments of Performance Agreements for Grants

The CCED considers amendments when a county grantee requests that the CCED change a term or terms of an approved grant. The overwhelming majority of amendments requested are small increases in funding amounts and extensions of time for companies to get reimbursed from grant funds. Two key questions must be answered when an amendment is requested:

1. Would the CCED have approved the deal as amended, if originally requested?
2. Is the amended grant still a good deal for the state?

Economic Development Grants and Amendments Approved 2019 to 2021

Year	Total Economic Development Grants Approved	Total Amendments
2019	77	5
2020	79	12
2021	92	8

2019 Grant Amendments

In 2019, five amendments were requested and approved.

- Two amendments were related to a project in a Tier IV county. One amendment lowered the jobs from 118 to 73 and reduced the capital investment from \$4.2 million to \$3.5 million in consideration of a change in the ownership structure of the company. The other amendment increased the grant by \$63,000 to help offset the cost of rewiring the company's building, which had been vandalized and stripped of its wiring.
- One company requested an amendment to reduce its capital investment from \$9.5 million to \$5.5 million and its job count from 86 to 80 jobs. The reduction in capital investment was because the company found an available building, eliminating the cost of new construction, reducing capital costs and allowing the company to get into production faster. The company also requested a small job reduction to ensure its ability to comply with performance requirements.
- One company in a Tier III county asked for an amendment to extend the time to be reimbursed with grant funds.
- One Tier I county grantee, which had been awarded a grant for road improvements related to product development, requested an amendment to move the funding to a higher priority road project.

2020 Grant Amendments

In 2020, 12 projects requested amendments to Performance Agreements, which were approved as requested unless otherwise noted below.

- One company that had more than 2,000 employees at multiple sites, but was impacted significantly by COVID, asked for a two-year extension increase to complete construction at two of the company's sites.
- Seven companies asked for an additional year to make eligible expenditures and get reimbursed with grant funds.
- One company in a Tier IV county requested reducing its investment in real property because the company identified an existing building available for lease. No reduction in the minimum job requirement was requested.
- For a project in which the Tier IV county held title to the building as a condition of the Grant Award and Performance Agreements, a company requested that title to the building be transferred to the company before it had invested as required. Originally, the CCED had awarded a grant of \$1.3 million that, when combined with funds from the county, had been used to purchase a building that the county then leased to the company based on the company's commitment to invest \$7.5 million and create 500 jobs. The Performance

Agreement provided that once the company had met those thresholds and maintained them for three years, title to the building would be transferred to the company. Taking ownership of the building was an important milestone for company decision-makers as they were hesitant to make improvements to a building the company did not own.

In 2017, new trade tariffs were imposed that greatly impacted the cost of material integral to the company's product. The company had not quite attained its 500-job goal, but had been doing quite well and consistently had 300 or more employees. At that time, the county and the company approached the CCED with a proposal to reduce the headcount and investment to either \$2.5 million and 200 jobs for four years or 325 jobs and \$3 million for two years. The period of time and job/investment totals depended on the company's ability to grow based on the new parameters created by the tariff situation. The request was approved.

By 2020, the company had not yet reached the metrics required to transfer title, but renewed its request to the CCED because the company needed to make new improvements to the building. The CCED agreed to give the company title based on the following conditions:

- Repayment of \$300,000 of grant funds; and
- Investment of an additional \$1.5 million by year's end.

The company ultimately met those conditions, and the title was transferred.

- An existing company in a Tier I county was the beneficiary of a \$1 million grant in 2014 based on a commitment of \$100 million and 65 new jobs. Prior to the company's approaching the CCED regarding this amendment, no grant funds had been disbursed. The company had created 120 jobs but only invested \$72 million, short of the \$100 million committed.

The company requested that reimbursement be allowed outside the 18-month reimbursement period and that the Performance Agreement be amended to reflect the reduced job and investment numbers. The CCED approved the requested amendments with the stipulation that the grant be reduced to \$850,000.

- The final amendment in 2020 was requested by a Tier I county on behalf of a major Boeing supplier. In 2013, the supplier was the beneficiary of two grants for an initial and second phase of the project. One grant was for \$7 million and the other for \$3 million, each with minimum job and investment requirements. The company drew down the funds for both grants. Because of the significant impacts COVID had on aerospace projects, the company was eligible to be granted a one-year extension on the time to perform, which would have given the company until 2024 to meet its requirements.

In spring 2020, the company notified CCED staff that, even with the extra year, the company would not likely meet the job and investment requirements of the second grant. The company offered to repay \$2.5 million of the \$3 million, four years before repayment

would have been due. Based on the ability to get the funds back into the CCED coffers for redeployment in support of other projects and the time value of money, the CCED voted to accept the company's offer, which equaled 83% of the total repayment.

2021 Grant Amendments

In 2021, there were eight requests for amendments.

- Four were to extend time periods for reimbursement.
- Two were for grant increases of \$100,000 or less, one of which was because of a CCED staff error and the other because of cost increases.
- One was for a grant increase that led to a 600-job expansion in what was then a Tier III county.
- The final amendment in 2021 was a request to transfer a grant from a Tier IV county to a neighboring Tier II county so the company in the Tier IV county could be reimbursed for eligible expenditures incurred. For reasons unrelated to the project, the Tier IV county was not allowed to receive funds from the state. To facilitate the company's reimbursement, a neighboring county agreed to administer the grant.

Enterprise Zone Amendments (JDCs)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total New Approved	68	57	48
Total Amended RVA	7	14	11
Total Amended Down	2	9	5

Between January 2019 and January 2021, there were 32 amendments to Revitalization Agreements (RVAs) related to JDCs. Of the 32 amendments, 16, or half of the amendments, did not result in a reduction of the jobs, investment or wage requirement. There are numerous reasons companies request an amendment that do not negatively impact jobs and investment, including:

- Extensions of the time to meet performance requirements.
- Project relocations within the same county.
- Company restructuring that affects an existing agreement.
- Requests to count remote employees.
- Acquisition of the approved company by another company.
- Increases to a company's minimum job and/or investment requirements.

The discussion below focuses primarily on amendments resulting in a reduction of investment and/or job requirements. Since the Great Recession in 2008-09, the Enterprise Zone Committee generally has reduced the number of years a company can collect (most often two or three) when

allowing an amendment down, depending on the size of the reduction and the county where the company is located.

Amendments Down in 2019

In 2019, CCED approved 11 amendments, but only five were requests to reduce job or investment requirements.

- A company in a Tier I county requested a reduction in employees only after meeting both jobs and investment. This amendment allowed the company to maintain fewer employees than originally committed/attained and still claim JDCs. *The Committee approved this request with the stipulation that the number of years the company could collect be reduced from 10 years to seven years.*
- A company in a Tier I county requested to reduce its minimum job requirement by nearly 50% because the company had lost a major contract. *The Committee approved this request with the stipulation that the number of years the company could collect be reduced from 10 years to seven years.*
- A company in a Tier IV county that had purchased an existing company out of bankruptcy requested that it be allowed to assume the Revitalization Agreement of the acquired company that had ceased operating. Although the company was asking for a reduction in the job requirement, it was bringing jobs back to the community and also increasing the taxable investment in the facility. *The Committee approved this amendment request without reducing the number of years the company could collect JDCs.*
- A company in a Tier II County requested a 17% reduction in its investment after creating 15 more jobs than was required. *Because the reduction in investment was less than \$300,000, the Committee approved this amendment request without reducing the number of years the company could collect JDCs.*
- Because of business restructuring, a company in a Tier II County was unable to collect JDCs on all of its eligible employees even though the number of employees at the project remained the same. *Based on that information, the Committee chose not to reduce the number of years the company could collect.*

Requests to Amendment Down in 2020

In 2020, there were 14 amendments approved but only nine were requests to reduce job or investment requirements.

- A company in a Tier I county requested to reduce the wage eligible for it to collect JDCs. Unless stated otherwise, the Enterprise Zone Committee approves companies to collect on employees paid at a wage equal to the per capita income in the county. That wage is adjusted every five years to the current per capita income for the applicable county. The

company making the amendment request previously had been approved to collect on jobs paying at or above \$22.16, which was the average wage of the county at the time of approval. For the amendment request, the company requested that the Committee reduce that wage to \$20. *The Committee approved the request with the stipulation that every five years the eligible wage would be amended up at a rate of 4% a year or the per capita income in that county that year.*

- A company in a Tier I county requested an approximate 20% reduction to its minimum investment requirement. There was no reduction requested in the minimum job requirement. *The Committee approved this amendment request without reducing the number of years the company could collect JDCs.*
- A company in a Tier IV county identified an existing building at a substantially reduced cost and requested to reduce its minimum investment requirement from over \$2 million to less than \$1 million. There was no reduction in job requirement requested. *The Committee approved this amendment request without reducing the number of years the company could collect JDCs.*
- An aerospace supplier in a Tier IV county had been approved for a substantial expansion in 2014. The supplier requested reduction of its minimum job requirement from 275 to 214. *The Committee approved this request with the stipulation that the number of years the company could collect be reduced from 10 years to seven years.*
- A large insurance industry office project in a Tier I county that had substantial revenue losses because of COVID requested a reduction in its job requirement. *In consideration of the actions previously taken by the CCED related to COVID, the Committee approved the reduction with no reduction in the time the company could collect.*
- A company in a Tier IV county requested a reduction from 65 jobs to 30 jobs and a 20% reduction in its investment requirement. The company had purchased an existing building that had environmental issues. The Voluntary Cleanup Contract the company signed with the previous owner took much longer than anticipated which in turn delayed the renovations required to make the building productive. *Based on these circumstances, the Committee took the rare action of approving this amendment request without reducing the number of years the company could collect .*
- A company in a Tier II county requested a reduction in its minimum investment requirement because of the uncertainty created by the COVID pandemic. *The Committee approved this request with the stipulation that the number of years the company could collect be reduced from 10 years to seven years.*
- A company that had been approved during the previous meeting but had made a mistake on its application requested a reduction in its investment requirement to correct the mistake. *The Committee approved the company's request with no penalty.*

- A company that purchased another company in a Tier I county requested reductions in its job and investment minimums because of the restructuring and streamlining of the new company. *The Committee approved this request with the stipulation that the number of years the company could collect be reduced from 10 years to seven years.*

Of the other amendment requests in 2020 that were not reductions, there are two of note:

- A company with multiple locations in an industry substantially impacted by COVID requested an extension of two years to meet job requirements in RVAs for two project sites. The RVAs associated with one of the company's sites had been amended previously. The company was undertaking a major expansion to its facility and temporarily moved some workers to a nearby county. This construction was delayed because of COVID, which resulted in one of the 2020 requests for an extension.
- Generally, Enterprise Applications are approved with a stipulation that a company may only collect on jobs with wages greater than or equal to a wage requirement (usually the average hourly wage of the county) and that wage requirement increases every five years. A company in a Tier II county requested an amendment to reduce the standard wage increase, and that amendment failed for lack of a motion.

Requests to Amend Down in 2021

In 2021, there were seven requested amendments that were not standard one-year extensions associated with the COVID pandemic. Of the seven requested amendments, only two were reductions in job or investment numbers.

- A company in a Tier I county had a change in business plans and requested a \$7 million reduction in investment and a five-job reduction to its minimum job requirement. *The Committee approved this amendment request without reducing the number of years the company could collect JDCs.*
- A company in a Tier I company involved in the COVID response found an available building, eliminating the need for new construction and reducing the timeline to get into production at less cost. This company had a subsequent project that brought more value to the state and community. *The Committee approved this amendment request without reducing the number of years the company could collect JDCs.*

Of the remaining requests:

- A company asked for an extension due to COVID of an additional year beyond the year granted by the CCED staff.
- A company requested that its RVA be moved to another county.
- A company in a Tier IV county that was ramping up production requested that its eligible expenditures be expanded to a third application because the company anticipated that the

county could accommodate additional production capacity. As a result, the company requested to increase its minimum job requirement by 300 jobs.

- A company that increased its total employment to over 1,500 requested that its RVA be extended to 15 years in keeping with the CCED's normal policy of granting 15-year RVAs to companies creating more than 1,000 jobs.
- The final request came from a European company that had purchased an Asian company. The Asian company had previously been approved and had reached its minimum job and investment requirements prior to the cut-off date but not had not submitted the required documentation to certify before the cut-off date. The new owner requested the ability to certify to the investments and have three quarters added to the length of the collection. This request was granted.

APPENDIX E

Question 42

36th Annual Corporate Survey: Executives Focus on Labor, Energy, Shipping Costs

A tight labor market, supply chain challenges, and rising costs have resulted in some surprising changes in corporate respondents' location priorities.

- Geraldine Gambale, Editor, Area Development Magazine

Q1 2022



As 2021 ended, the global coronavirus pandemic continued to surge with a new variant — once again causing restrictions on personal and business activities. Despite this, as we looked at the year-end economic numbers, we saw surprising growth.

According to the Commerce Department, [the U.S. GDP grew at a 5.7 annualized rate in 2021](#), the fastest rate since 1984! This was primarily driven by consumer spending, which was bolstered by stimulus payments and emergency relief during the pandemic. This good news is tempered by the supply chain bottlenecks created by the surge in demand for everything from furniture to appliances to automobiles, and even to household necessities (remember the hoarding of toilet paper?), which is causing manufacturers to rethink their lean manufacturing strategies that minimize inventory.

[There was also much talk of the Great Resignation](#), as workers quit their jobs during the pandemic because of health concerns, lack of childcare, or the desire for better work/life balance. Yet, despite this, [the unemployment rate fell from a high of more than 14 percent in April 2020 to a low of just 4 percent by January of this year](#), exacerbating the labor shortage already faced by businesses pre-pandemic.

All these disruptive events have analysts predicting a “new normal” for industry. Consequently, as Area Development prepared to survey our corporate readers, we wondered if their responses would reflect any drastic changes in their location plans and priorities over the next two years. The survey results follow.

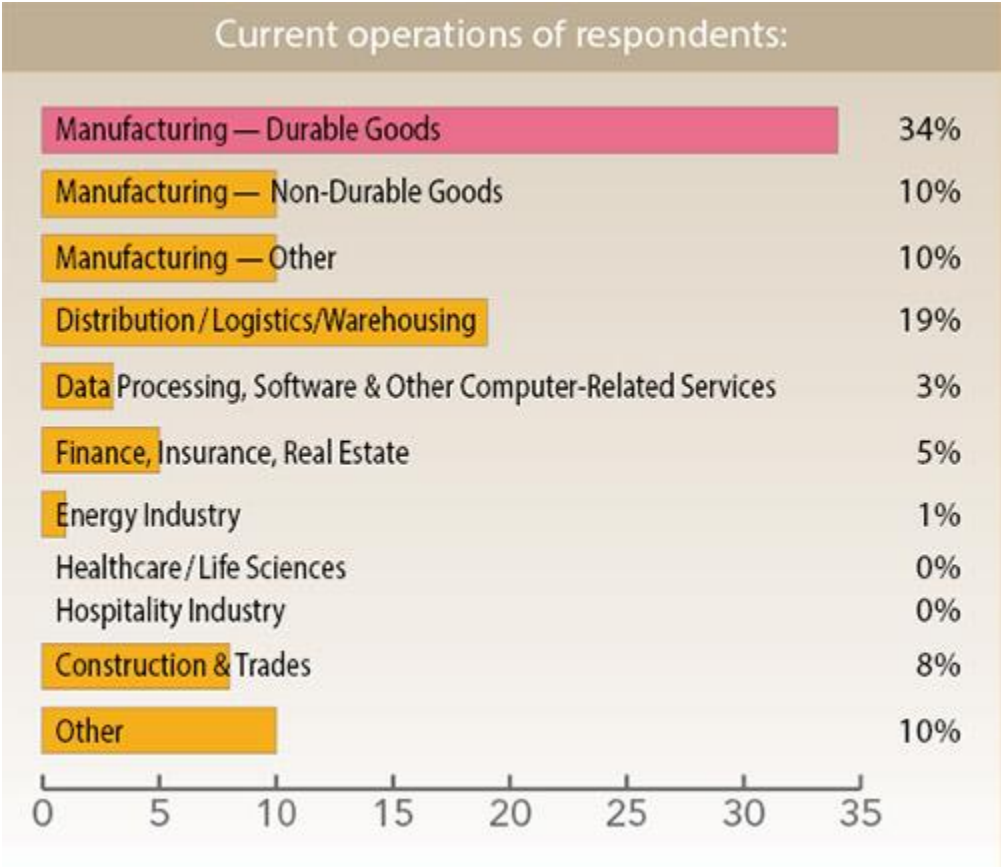
The Corporate Survey Respondents

More than half the respondents to our 36th Annual Corporate Survey are with manufacturing firms, and a fifth represent distribution/warehousing/logistics entities. Also, nearly 60 percent are the top C-level executives at their companies, i.e., chairman, CEO, etc., while 8 percent are their firms’ chief financial officers. It therefore follows that about 60 percent of the survey respondents are also making their companies’ final location decisions, with another quarter making a preliminary recommendation on the final site selection.

More than half of the Corporate Survey respondents operate only one domestic facility. Slightly more than a quarter operate foreign facilities as well. Of those, a third operate two foreign facilities and a fifth have just one. More than 40 percent of the respondents are with mid-size firms in terms of employment numbers (100–499 employees), with a fifth having fewer than 20 workers and 15 percent employing more than 1,000 people.

Three quarters of the survey respondents also had no change in their number of facilities over the last 12 months, with nearly 70 percent saying they had not changed their corporate real estate strategies as a result of the COVID-19 pandemic. Interestingly, 20 percent of the Corporate Survey respondents did increase their number of facilities over the last 12 months, with 17 percent saying the pandemic caused them to geographically diversify their operations. This may have been brought about by their desire to be closer to suppliers and/or markets because of supply chain disruptions since more than three quarters of the survey respondents say supply chain disruptions are severely or moderately affecting their companies.

Slideshow36th Annual Corporate Survey



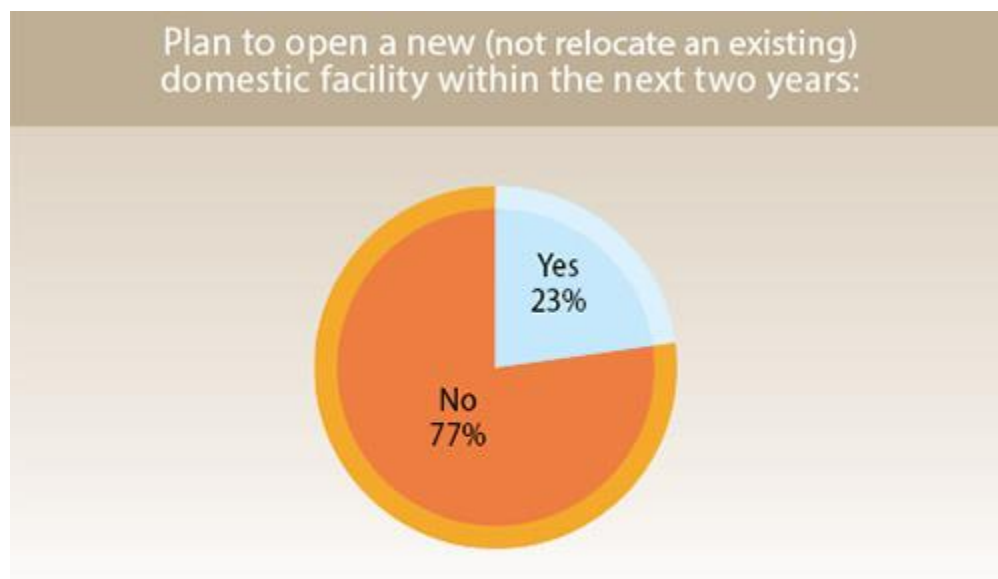
More than half the respondents to our 36th Annual Corporate Survey are with manufacturing firms, and a fifth represent distribution/warehousing/logistics entities.

Corporate Respondents' Facilities Plans

When asked specifically about their facilities plans over the next two years, fewer than one quarter of the Corporate Survey respondents say they have plans to open a new domestic facility.

The South Atlantic States will be home to 21 percent of these planned new facilities. The Mid-Atlantic and South will each garner 14 percent of the new facilities, with 11 percent each going to the Midwest, Plains, and Southwest. These percentages are significantly different from those reported by the respondents to Area Development's prior year survey, when 30 percent of the respondents had plans for new domestic facilities and, of those, the South Atlantic was only to garner 8 percent of the planned new projects and the Plains, only 5 percent.

Thirty-five percent of the planned new facilities will house manufacturing operations, according to the current Corporate Survey respondents, with a quarter representing warehouse/distribution operations. Headquarters and R&D operations will each account for 10 percent of the planned new facilities. Those taking the 36th Annual Corporate Survey were also asked about their expansion plans as well as plans to relocate an existing domestic facility over the next two years. Slightly more than a third of the respondents have plans to expand the footprint of a domestic facility, and just 18 percent say they plan to relocate an existing facility during that time period, similar to what was reported by the prior year's survey respondents.



Fewer than one quarter of the Corporate Survey respondents say they have plans to open a new domestic facility within the next two years.

Corporate Respondents' Location Priorities

We next asked our Corporate Survey respondents to rate 28 site selection factors as either "very important," "important," "minor consideration," or "of no importance." By adding the percentages of the "very important" and "important" ratings, we are able to rank the factors in order of importance.

As to be expected, the top-ranked factor is labor costs, considered "very important" or "important" by 96.4 percent of the respondents, moving up 12.2 percentage points from the fifth place spot in the prior year's survey.

This factor is followed closely by availability of skilled labor, in the #2 spot with a 94.9 percent combined importance rating. With the economy now close to full employment, workers have been able to bargain for higher wages, adding to business costs. And, when asked separately about their predictions for how long the skilled labor shortage will last, about 40 percent of the respondents to our 36th Annual Corporate Survey say it will last through 2023, with nearly 50 percent saying it will last at least five years or "this is the new normal."

Even availability of unskilled labor is up 8.8 percentage points in the combined ratings, although just 61.8 percent of the Corporate Survey respondents consider it “very important” or “important,” placing the factor toward the bottom of the rankings at #21, similar to the prior year’s survey. However, in response to a related question, about two thirds of the Corporate Survey respondents say they are expanding training initiatives in response to the labor shortage.

The energy availability and costs factor maintained its third-place ranking, but now has a combined importance rating of 94.7 percent, as compared to the 85.3 percent importance rating it received in the year prior survey. It seems the global pandemic also took a toll on energy supply and demand — as with goods — but the demand has increased faster than the energy supply chain can handle it, resulting in rising costs.

In response to a separate energy-related question, three quarters of the respondents to our Corporate Survey say access to renewable sources of energy are very or somewhat important to their companies. And more than 90 percent of the survey respondents also say sustainability efforts are very or somewhat important to their companies.

[With images of containerhips waiting to unload clogging the nations ports](#), it’s no surprise that two supply-chain-related location factors took a tremendous jump in the importance ratings and rankings. Inbound/outbound shipping costs jumped from tenth place in the prior year survey to the #4 spot, increasing 16.4 percentage points, and now considered “very important” or “important” by 93.2 percent of the respondents to our 36th Annual Corporate Survey.

And the largest increase in combined importance rating and ranking goes to raw materials availability. This factor increased an astounding 28.7 percentage points, with a combined importance rating of 87.8 percent, jumping from #21 in the prior year survey to #6 in this year’s rankings. Again, when we think of the shortage of so many goods caused by lack of parts or materials, it’s no surprise that this factor has made an historic leap in importance.

COMBINED RATINGS*		
CORPORATE SURVEY		
Site Selection Factors	2021	2020
Ranking		
1. Labor costs	96.4	84.2 (5)**
2. Availability of skilled labor	94.9	91.4 (1)
3. Energy availability and costs	94.7	85.3 (3)
4. Inbound/outbound shipping costs	93.2	76.8 (10)
5. Highway accessibility	93.1	88.7 (2)
6. Raw materials availability	87.8	59.1 (21)
7. Corporate tax rate	87.7	80.0 (7)
8. State and local incentives	84.5	77.2 (9)
9. Environmental regulations	82.5	71.6 (13)
10. Tax exemptions	82.4	78.6 (8)

Expand

All figures are percentages and are the total of the “very important” and “important” ratings of the Area Development Corporate Survey

The heightened importance of inbound/outbound shipping costs and raw materials availability may seem to have caused the decline in the ranking of highway accessibility. This factor has historically been ranked first or second among the site selection considerations. However, if we just look at this factor's "very important" rating, it is still the highest overall at 62.1 percent, but this year it fell from the #2 spot to #5 in the rankings, with 93.1 percent of the Corporate Survey respondents giving it a combined "very important" or "important" rating, which is actually up 4.4 percentage points over the prior year's survey.

For the most part, the financial-related location factors maintained their rankings in the 36th Annual Corporate Survey over the prior year; however, their combined importance ratings did increase slightly. The corporate tax rate factor is still ranked #7, considered "very important" or "important" by 87.7 percent of the respondents, up 7.7 percentage points over the prior year. State and local incentives follows in the #8 spot, now receiving a combined importance rating by 84.5 percent of the survey respondents, up 7.3 percentage points over the prior year. But the tax exemptions factor fell two spots to the #10 position, despite the fact that its combined importance rating of 82.4 percent was up slightly over the prior year. And in a related question, more than 70 percent of the Corporate Survey respondents say they consider tax incentives the most important incentive when making a location decision.

The increasing focus on getting to net-zero emissions for facilities has bumped the environmental regulations factor up to ninth place in the rankings from #13 the prior year. Its combined important rating jumped 10.9 percentage points; 82.5 percent of the Corporate Survey respondents now consider environmental regulations "very important" or "important" when making a site selection decision.

Interestingly, the quality-of-life factor fell from #4 in the prior year's survey rankings to #11(tied) this year, although still considered "very important" or "important" by 82.1 percent of the Corporate Survey respondents. Again, other factors are taking precedence. This factor is actually tied for the #11 spot with occupancy or construction costs, which fell from the #6 spot in the prior year's rankings. With extremely low industrial vacancy rates and delays and rising costs for construction, it was expected that this factor would move up in the rankings, so its middling spot comes as somewhat of a surprise.

Other factors receiving middling or lower rankings did not change much year-over-year, although there are some interesting increases in importance ratings. For example, as mentioned, the pandemic has altered employee demands for increased wages and better working conditions. This development may be responsible for the increase in importance of the right-to-work state factor — more than 80 percent of the respondents to the 36th Annual Corporate Survey rate right-to-work state as "very important" or "important" when making a location decision, up from just over 70 percent in the prior year's survey.

The proximity to innovation commercialization/R&D centers factor, while remaining toward the bottom of the rankings, actually increased 13.7 percentage points in the combined ratings, with 43.6 percent of the survey respondents deeming it "very important" or "important." The speed of technology in improving individuals' health, the health of our planet, and companies' financial health has resulted in a push for innovation in all industries.

The Year Ahead

As we look to the year ahead, there are many unknowns. It is hoped that we will put the global pandemic in the rearview mirror, although cautionary actions will still be in place for what lies ahead in that regard is unknown. As predicted by our survey respondents, labor shortages may still persist, and consumer habits developed during the pandemic that resulted in a rapid surge in e-commerce are here to stay. All of these disruptions will undoubtedly have a bearing on companies' location plans and priorities during the course of 2022 and beyond.

Nonetheless, [according to J.P. Morgan's 2022 Business Leaders Outlook](#), business leaders have stood up to the challenges created by the pandemic over the last two years and are optimistic about the year ahead. Despite tight labor markets, clogged supply chains, and rising costs, nine out of 10 of the mid-size businesses surveyed by the institution expect their businesses to grow and thrive over the next year.

APPENDIX F

Question 66

APPENDIX: Best-in-Class State Longitudinal Data Systems (SLDS)

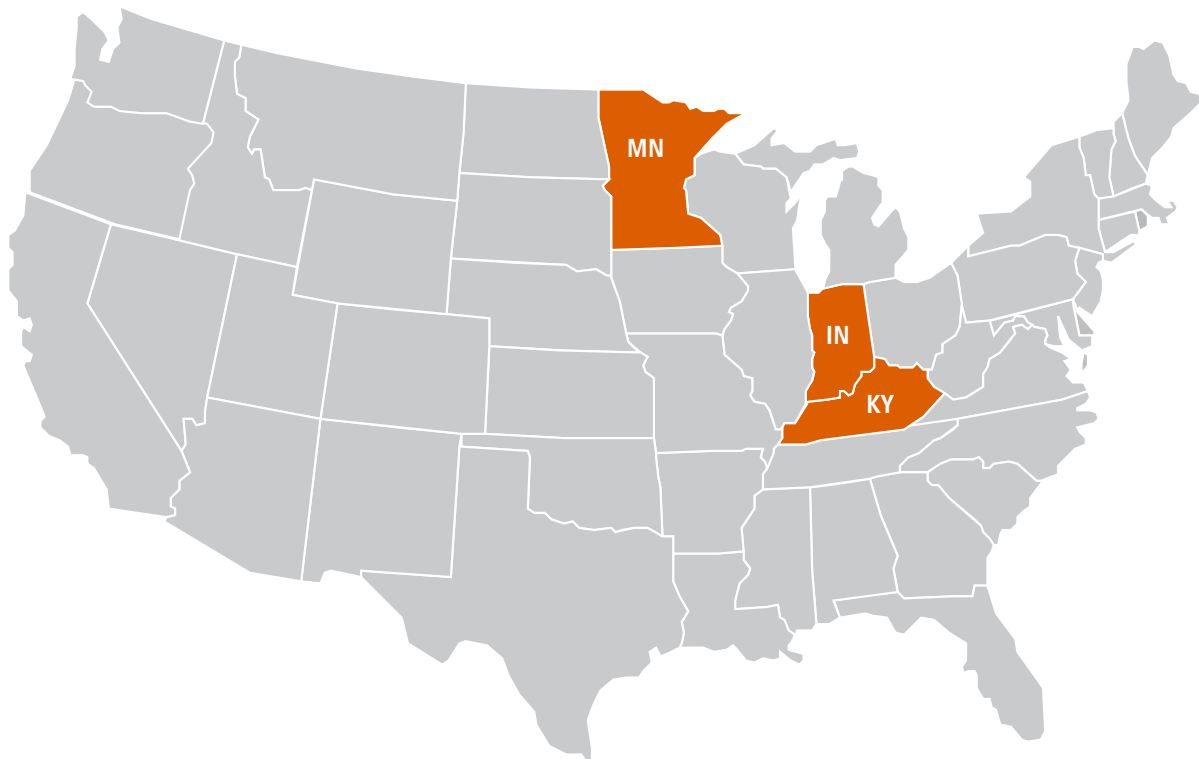


Best-in-Class SLDS

Our research of the Michigan SLDS found a lack of access to longitudinal connections across K-12, post-secondary, and workforce data. Michigan’s SLDS emphasizes student preparedness and performance in post-secondary education and training, rather than providing insight into how education affects employment and wages. In other words, we can determine if students are ready for college, and the likelihood of persistence and degree attainment. But what happens to high school graduates who do not enroll in post-secondary education or training? Are post-secondary graduates better prepared for the workplace? Are they using their credentials in the labor market? Are they finding quality jobs in Michigan?

The current Michigan SLDS is ill-equipped to answer these questions. However, we can look to states such as Indiana, Kentucky, and Minnesota for tangible, best-in-class examples of how to publicly report vital information without compromising privacy. By understanding how other states leverage longitudinal information to evaluate and improve program quality, we can move toward ensuring all residents have equal access and opportunity to economic mobility through informed decision-making.

Best-in-Class SLDS Data Capabilities	Best-in-Class SLDS States			
	Indiana	Kentucky	Michigan	Minnesota
Early Childhood & Elementary Education Available for districts, counties, and state: <ul style="list-style-type: none"> • Early childhood enrollment data • Program quality and demographics • Impact on K-3 performance 	✓		✓	✓
Secondary Education: General Available for high school graduates: <ul style="list-style-type: none"> • Employment and wage outcomes • Industry-level employment data • In-state versus out-of-state outcomes 	✓	✓		✓
Secondary Education: CTE Available for CTE participants: <ul style="list-style-type: none"> • Employment and wage outcomes • Industry-level employment data • In-state versus out-of-state outcomes 	✓	✓		✓
Post-Secondary Education Available for post-secondary graduates by institution: <ul style="list-style-type: none"> • Employment and wage outcomes • Industry-level employment data • In-state versus out-of-state outcomes 	✓	✓		✓
Labor Market Forecasting, Analysis and In-Demand Credentials Available for districts and WFD regions: <ul style="list-style-type: none"> • Supply-demand analyses • Programs for high-demand jobs • Employment and wage forecasts • Includes all/most non-degree credentials 	✓	✓		



The states of **Indiana, Kentucky, and Minnesota** are identified as **best-in-class** examples of how to publicly report vital information without compromising privacy.

Indiana

Since 2013, the Indiana Commission for Higher Education has produced an annual [College Value Report](#) to help residents navigate the complex decisions about post-secondary education. This includes a publicly accessible, interactive Tableau dashboard that details labor force outcomes of higher education pathways. The College Value Report strives to evaluate: (1) graduate earnings and employment rates, (2) the social and community impact of college, and (3) alumni satisfaction, as measured by the Gallup-Indiana Graduate Satisfaction Survey. The report evaluates these criteria through three lenses: Statewide, Industry, and Institution. Statewide refers to the impact on individuals and the economy, how the investment in state financial aid pays off for learners and the state alike. Industry refers to the correlation between economic demands and decisions of what to study, reflecting the perceived value an additional worker (i.e., graduate) is expected to have in a given labor market. Institution refers to tuition costs and student debt, as well as the results of satisfaction surveys distributed to alumni of Indiana public colleges.

In comparison, Michigan's SLDS provides limited information to quantify the potential value of post-secondary credentials. Wage information by program of study is limited to a small survey sample of graduates across the state one and five years after credential attainment. The system does not distinguish whether graduates were employed in-state or out-of-state, nor whether the credential they attained was required for their occupation. Additionally, Michigan's system lacks

information about graduate performance in the labor market among specific institutions, regions, and industries. It lacks any method to measure alumni satisfaction or tuition rates, leaving prospective post-secondary students with limited data to identify which programs and degrees yield the best returns on educational investments.

Kentucky

The primary advantage of Kentucky's statewide longitudinal data system ([KYSTATS](#)) lies in the granularity of labor market outcomes reported for K-12 as well as post-secondary graduates. Unlike Michigan, Kentucky distinguishes between in-state and out-of-state employment. Its data can be further segmented to illustrate employment and wage comparisons across institutions, regions, industries of employment, and average weekly hours worked. It even provides information to compare the effect of high school career technical education on employment and wage outcomes across degree levels, employment status (full-time or part-time), industries, counties, and K-12 institutions for three, five, and 10 years after credential attainment – robust connections that Michigan lacks.

In 2014, the Kentucky Council on Postsecondary Education asked KYSTATS to create a report to examine employment outcomes for graduates by institution. The current iteration of the Postsecondary Feedback Report is a dynamic, public-facing [Tableau dashboard](#) that covers outcomes three, five, and 10 years after graduation, award completion over time, and outcomes for transfer students. Future expansions will allow institutions to break down employment outcomes by major, for two to 10 years post-graduation. The report also will provide information on the share and earnings of graduates at each institution who are employed in-state or out-of-state, further segmented by industry.

KYSTATS also worked with the Kentucky Innovation Workforce Board (KWIB), the Kentucky Department of Education (KDE), and regional employers to create the [CTE Feedback Report](#). This report defines the highest-demand jobs within five key job sectors, such as healthcare and construction. Users can examine high school performance for CTE students, including their pathway completions and college and career readiness. The report also presents post-secondary and workforce outcomes, such as the percentage of students earning 30 or more credit hours during the first year of college, employment rate, and wages for pathway completers who are not enrolled in a post-secondary institution. KWIB and KDE now use the CTE Feedback Report to align high-demand jobs data and employment needs of local employers with certificates accepted for these careers.

Minnesota

Minnesota's longitudinal data system excels in two fundamental areas: tracking labor market outcomes for high school graduates, and tracking labor market outcomes for post-secondary graduates across industries, programs and institutions of study, locations (in-state or out-of-state), and demographics one, five and 10 years after credential attainment. As noted previously, Michigan's ability to track labor market outcomes for graduates is limited to statewide median wages and employment counts one and five years after graduation, based on an extremely small sample of graduates who respond to a survey. Michigan also does not distinguish between in-state and out-of-state employment for any key

performance indicators — which reveals nothing about the share of total graduates employed, their industries of employment, average weekly hours worked, whether high school graduates have attained the knowledge and skills demanded of local employers, and whether labor market disparities persist across Michigan's 10 Prosperity Regions. In 2018, Minnesota's Statewide Longitudinal Education Data System (SLEDS) began reporting labor market outcomes for the 23 percent of Minnesota high school graduates who entered the workforce after graduation rather than enrolling post-secondary education or training. Minnesota's reported outcomes include the number and share of graduates at the district, regional, and state levels who entered the workforce, average weekly hours worked, industries of employment, average hourly wages and employment rates across industry sectors.

Saint Paul Public Schools (SPPS), Minnesota's largest school district, has incorporated performance measures into its [strategic plan](#) using information from SLEDS to gauge how well its graduates are prepared for college, career, and life. In comparison, Michigan's SLDS can gauge only preparedness for college, with limited information about K-12s ability to prepare students for a direct transition into the workforce. The strategic plan developed by SPPS uses longitudinal data to assess many traditional benchmarks, including graduation and enrollment in college, as well the number and share of the district's graduates who are employed and earning a living wage while not being enrolled in post-secondary education in-state or out-of-state. The district used new baseline data from SLEDS to develop five-year targets for outcomes in a variety of areas, including racial and cultural achievement gaps, special education and English learner achievement, kindergarten readiness, college and career readiness, and academic growth for all students. The district continues to leverage SLEDS data to improve programs and align curricula to the needs of local employers based on the outcomes of recent graduates across a plethora of social, demographic, and labor market characteristics. This ensures economic opportunity and mobility for all students, regardless of subsequent participation in post-secondary education and training.

Conclusion

To become a best-in-class SLDS while simultaneously enhancing economic opportunity and mobility for all residents, improvements to Michigan's longitudinal data system should aspire to provide reports, analyses, and insights containing actionable information regarding:

- Employment rates and wage outcomes for high school graduates and CTE participants
- Labor market outcomes by institution, industry, and location of employment (in-state or out-of-state)
- Programs and non-degree credentials associated with high-demand jobs
- Supply-demand analyses for high-demand jobs, available for school districts and WFD regions



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APPENDIX G

Question 82 and 83

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT is effective the 1st day of August, 2019 ("Effective Date"), by and between **Intralink Limited**, whose address is at Suite 4a, Hitching Court, Abingdon, OX14 1RG, United Kingdom, a corporation organised and existing under the laws of England and Wales and hereinafter referred to as "Intralink", and **The of South Carolina, Department of Commerce**, whose address is at 1201 Main Street, Suite 1600, Columbia, South Carolina 29201, USA, a government entity organised and existing under the laws of South Carolina and the United States and hereinafter referred to as "South Carolina". The parties hereto agree as follows:

1. SERVICES

- (a) During the term of this Agreement, Intralink shall perform the following services (collectively, the "Services") in accordance with and subject to the terms and conditions of this Agreement:
 - (i) Intralink shall provide the promotional services ("Promotional Services") as set forth in Schedule A in the Territory ("Territory") as set forth in Schedule C;
 - (ii) Intralink shall provide the facilities and support services as set forth in Schedule B ("Facilities and Support Services") in the Territory;
- (b) Intralink shall be responsible for obtaining and maintaining sufficient personnel, facilities and other resources to provide the Services in accordance with the terms and conditions of this Agreement.
- (c) Subject to Section 2, Intralink shall perform the Services under South Carolina's Trademark applicable to the Territory as specified in Schedule C.
- (d) Intralink shall provide the Facilities and Support Services to enable South Carolina's employees to provide maintenance and support services to South Carolina's investors and partners in the Territory.
- (e) South Carolina shall keep Intralink regularly informed of South Carolina's contacts with, and all enquiries received from, companies located in the Territory via use of South Carolina's Customer Relationship Management software.
- (f) South Carolina shall provide Intralink with sales, marketing, publicity information and materials and other information as may be required by Intralink to perform the Services.

2. TRADEMARKS

- (a) During the term of this Agreement, Intralink shall have the non-exclusive, royalty-free right to use all South Carolina's trademarks, marks, trade names, service marks, logos, and marketing messages ("Trademarks") set forth in Schedule C solely for the purpose of providing the Promotional Services in the Territory. Intralink shall comply with South Carolina's guidelines for the use of the Trademarks and agrees to reasonably cooperate with South Carolina in facilitating South Carolina's monitoring of the nature and quality of the products and services for which the Trademarks are used, including, but not limited to, providing specimens of the use of the Trademarks upon request. Nothing in this Agreement shall grant Intralink any right, title or interest in the Trademarks.

or

3. FEES, INCENTIVES AND PAYMENT

- (a) As consideration for the Services provided hereunder, South Carolina shall pay Intralink on the 30th day following the Effective Date, and on the same day of each subsequent month, by telegraphic bank transfer net of all taxes, duties and bank charges to an account specified by Intralink, the sum of \$14,750 (fourteen thousand seven hundred and fifty United States Dollars). However, in the case where South Carolina and Intralink are working together in China or Japan as well as in Korea in parallel the monthly fee will be discounted to \$14,000 (fourteen thousand United States Dollars).
- (b) In the event of late payment, Intralink reserves the right to suspend the Services with immediate effect and to charge interest on the amount owing to Intralink from the due date of payment until the actual date of payment. Interest shall be calculated on a daily basis at the annual rate of 5% (five percent).

4. PROVISION OF OFFICE SPACE

- (a) Subject to the availability of space, South Carolina shall have the option of locating its own dedicated staff in Intralink's office. As consideration for providing use of a workstation, utilities, common space and conference room, South Carolina shall pay to Intralink in United States Dollars a fee equivalent to KRW 1,400,000 (one million four hundred thousand Korean Won) per person per month. This fee shall not include use of telephone, facsimile or other facilities that shall incur expenses directly attributable to South Carolina's business, which shall be paid for separately by South Carolina.
- (b) In addition, South Carolina shall pay in United States Dollars a one-time fee equivalent to KRW 1,400,000 (one million four hundred thousand Korean Won) per person to cover such set-up expenses as office furniture and telephone line installation at the commencement of this arrangement.
- (c) Either party shall give the other party at least one month's prior written notice in accordance with Section 10. (g) herein if it wishes to terminate the provision or use of space within Intralink's office.
- (d) Notwithstanding anything to the contrary in this section 4. And subject to the availability of space, South Carolina shall have the option of locating an intern from a South Carolina university in Intralink's Seoul office during the Term of this Agreement FREE OF CHARGE in order to work on South Carolina business. Intralink shall provide a workspace and the Intralink team shall help select the intern to ensure the person has the appropriate background and skillset. Any additional costs, such as stipends or expenses, relating to the intern shall be paid for by South Carolina.

5. EXPENSES

- (a) Intralink shall invoice South Carolina for general expenses incurred in the direct performance of the Services each month and provide an itemised expense report for the amounts claimed. South Carolina shall reimburse Intralink net of all bank charges in the currency specified by Intralink by the 30th of the month following invoice receipt.
- (b) Intralink shall not invoice for travel expenses inside the Seoul metropolitan area, and shall get pre-approval for travel/accommodation expenses outside of Seoul (e.g. to Busan, Suwon, etc.), and travel/accommodation expenses to the US for induction and/or in support of inward Korean visits.
- (c) To the extent that South Carolina disputes any invoice South Carolina shall provide written notice in accordance with Section 10. (g) herein within 30 days of receipt of such disputed invoice.

6. REPRESENTATIONS

- (a) Intralink shall provide all Services in a professional and workman-like manner, consistent with the highest standards of the industry.
- (b) Intralink shall use commercially reasonable efforts to advise South Carolina of any legislation, rule, regulation or other law (including but not limited to any customs, tax, trade, intellectual property or tariff law) in the Territory which has or may have a material effect on any provision of this Agreement.

7. CONFIDENTIAL AND PROPRIETARY INFORMATION.

- (a) Intralink agrees to maintain the confidentiality of any business operational and other information provided by South Carolina to Intralink provided such information is marked or otherwise identified by South Carolina as confidential or "Proprietary Information".
- (b) Nothing in this Agreement shall be construed to convey any title or ownership rights to South Carolina's Proprietary Information to Intralink. Intralink shall make commercially reasonable efforts to prevent the theft of any Proprietary Information and/or the disclosure, copying, reproduction, and preparation of derivative works of the Proprietary Information except as expressly authorized herein.
- (c) South Carolina agrees to maintain the confidentiality of business, operational and other information provided by Intralink to South Carolina hereunder, provided such information is marked or otherwise identified by Intralink as confidential or "Proprietary Information".
- (d) The confidentiality obligations of the parties regarding the Proprietary Information of the other shall not apply to any material or information that (i) is or becomes a part of the public domain through no act or omission by the receiving party, (ii) is independently developed by employees of the receiving party without use or reference to the Proprietary Information of the other party, (iii) is disclosed to the receiving party by a third party that, to the receiving party's knowledge, was not bound by a confidentiality obligation to the other party, or (iv) is demanded by a lawful order from any court or any body empowered to issue such an order. Each party agrees to notify the other promptly of the receipt of any such order, and to promptly provide the other with a copy of such order.

8. LIMITATION OF LIABILITY

In no event shall either party be liable to the other for (i) any lost profits, lost revenue or consequential, indirect, punitive, special or incidental damages resulting from breach of this Agreement or (ii) any amounts in excess of the fees, expenses or bonuses paid or payable by South Carolina hereunder during the twelve (12) month period immediately preceding the act or omission giving rise to the cause of action.

9. TERM

- (a) The term of this Agreement shall begin as of the Effective Date and shall continue in full force and effect for 24 (twenty-four) months or until it is earlier terminated in accordance with this Section 10.
- (b) Either party may terminate this Agreement in the event that the other party is in material breach of any of the material terms or conditions of this Agreement, which breach is not cured within sixty (60) days of receipt of written notice of such breach from the non-breaching party.
- (c) Upon termination of this Agreement by either party, (i) all rights and licenses of Intralink hereunder shall terminate; (ii) each party shall immediately return to the other, or dispose of in a manner to be mutually agreed, all confidential and Proprietary Information.

- (d) Upon termination South Carolina shall pay any fees and expenses due under the terms agreed in 3(a) and 5(a) above.

10. GENERAL

- (a) ***Non-Solicitation of Personnel.*** During the Term of this Agreement, and for a period of one (1) year thereafter, neither party shall employ directly or indirectly (whether full-time, part-time, independent consultant or otherwise), solicit for employment or in any way engage the services of the employees of the other party for itself or for any other company without the prior written consent of the other party. If either party is in breach of this section, it agrees to pay the other Party the equivalent of 1.5 (one and one half) times the employee's gross annual salary (including the maximum amount of any performance bonus to which he or she is entitled). Both parties agree that this amount is a fair and reasonable representation of the other party's costs and losses, and is neither punitive nor unreasonable.
- (b) ***Governing Law and Legal Actions.*** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of South Carolina. Any claim brought against the company must be subject to the jurisdiction of the courts of the State of South Carolina.
- (c) ***Force Majeure.*** Neither party to this agreement is liable for failure to perform its obligations if such failure is as a result of the impact of events, which are outside the control of the parties. Such events shall be limited to those events which would reasonably make the delivery of the Services difficult or impossible, such as war, military or usurped power or confiscation, terrorist activities, nationalisation, government sanction, blockage or embargo, and devastating natural disasters such as earthquakes and typhoons (each a "Force Majeure Event"). No party is entitled to terminate this Agreement by reason only of there being a Force Majeure Event. If a party asserts a Force Majeure Event as an excuse for failure to perform its obligation, then the nonperforming party must prove that it:
- i) Took reasonable steps to minimize delay or damages caused by foreseeable Force Majeure Events;
 - ii) Substantially fulfilled all non-excused obligations; and
 - iii) That the other party was timely notified of the likelihood or actual occurrence of a Force Majeure Event.
- (d) ***Relationship of Parties.*** The parties hereto expressly understand and agree that Intralink is an independent contractor in the performance of each and every part of this Agreement.
- (e) ***Assignment.*** This Agreement and the rights hereunder are not transferable or assignable, by operation of law or otherwise, by either party without the prior written consent of the other. Notwithstanding the foregoing, either party may, without the consent of the other party, assign this Agreement to any affiliated entity or any successor in connection with a merger, acquisition, sale of assets, change of control, or other corporate reorganization (a "Permitted Assignment"). Any attempted or purported assignment or delegation by either party in violation of this paragraph will be null and void. Subject to the foregoing, this Agreement will be binding upon, and will inure to the benefit of, the parties and their respective successors and permitted assigns.
- (f) ***Headings.*** Headings and captions are for convenience only and are not to be used in the interpretation of this Agreement.
- (g) ***Notices.*** Notices under this Agreement shall be deemed to have been fully given or made when emailed to the following addresses:

If to Intralink: gregory.sutch@intralinkgroup.com

If to South Carolina: athomson@sccommerce.com


- (h) **Entire Agreement.** This Agreement supersedes all proposals, oral or written, all negotiations, conversations, or discussions between or among parties relating to the subject matter of this Agreement.
- (i) **Severability.** If any provision of this Agreement is held to be illegal or unenforceable, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

IN WITNESS WHEREOF, the parties hereto, each acting under due and proper authority, have executed, by hand or by electronic signature, this Agreement as of the day, month and year first above written.

INTRALINK LIMITED

STATE OF SOUTH CAROLINA

By: 
 Name: Gregory Sutch
 Title: CEO
 Date: July 31st, 2019

By: 
 Name: Chris Hoffman
 Title: CEO
 Date: 8/6/19

Company Registration Number:
England No. 2438141

SCHEDULE A

Promotional Services

Intralink shall:

- a) Develop a target list of no fewer than 30 per month and will make contact with each one to establish their interest in the South Carolina proposition. Companies will operate in one of the following sectors:
 - i. Advanced materials, chemicals, plastics, rubber
 - ii. Automotive
 - iii. Advanced manufacturing and equipment
 - iv. Aerospace
 - v. Life sciences
 - vi. Consumer products
 - vii. Textiles
 - viii. Agribusiness or forestry
- b) Secure and attend meetings with companies from the long-list that express an interest in learning more about South Carolina as a potential investment location.
- c) Identify at least 6 (six) qualified projects per calendar year.
 - i. A project will be deemed to be "qualified" when a company requests a project-specific proposal or information, and/or would like to visit South Carolina.
 - ii. A qualified project must express the potential and have the capability to create more than 10 jobs and invest more than \$1,000,000 USD in South Carolina within the next two calendar years.
- d) After a qualified project has been identified via a new communication or a lead progressing to a project, notify South Carolina headquarters within five business days for project assignment. Intralink is responsible for making an introduction between company and headquarters Project Manager within three business days of project assignment.
- e) In conjunction with the South Carolina home office, facilitate visits from qualified potential investors to the State, allowing them to better understand the business and investment environment in South Carolina and to progress the decision-making progress.
- f) Submit comprehensive monthly international office reports by the first Monday of each month, including spreadsheet and applicable meeting reports, mission reports, and tradeshow reports.
- g) Update the Customer Relationship Management (CRM) software within 15 business days of the communication with company. Company and contact information should be entered, as well as "Lead" opportunities if applicable.
- h) Maintain regular contact every three to six months with "leads" – companies that have not progressed to qualified projects. Update the CRM opportunity with notes from the communication.
- i) Attend at least six trade shows on behalf of South Carolina, having researched the exhibitors and reached out in advance to secure meetings during the event.
- j) Participate in SelectUSA Roadshow events in the Territory on behalf of South Carolina.
- k) Set up and support two FDI Missions or delegations of up to two Tracks to the Territory that leverage and build on the activities being conducted throughout the year. These may include participation at a Trade Show and/or South Carolina Investment event. Specifically, provide support

for October 2019 and Spring 2020 trade and investment delegations (or alternative dates to be agreed).

- l) Host an intern from a South Carolina university within its Seoul office to work with the Intralink team on South Carolina business as per the terms set out in Section 4. (d).
- m) Assist with South Carolina existing industry trade-related requests, not to exceed four hours per month.
- n) Attend annual week-long training seminar in South Carolina in 2020 (date to be agreed).

SCHEDULE B

Facilities and Support Services

- Subject to availability, Intralink shall provide office space for South Carolina's employees in accordance with the terms outlined below:
 - For South Carolina's employees stationed in the Territory for continuous periods of less than two (2) weeks, FREE OF CHARGE;
 - For South Carolina's employees stationed in the Territory for continuous periods of two (2) weeks or more, and for persons employed by Intralink in the Territory for the sole purpose of and wholly dedicated to the business of South Carolina, in accordance with the terms outlined in the Section 4 of this Agreement.
- South Carolina may use the office of Intralink as its "representative" office address in the Territory. Intralink shall provide facilities to respond to any correspondence addressed to South Carolina.

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is made and entered into as of July 1, 2021 (the "Effective Date") by and between T&A Consulting ("Contractor"), and the South Carolina Department of Commerce, 1201 Main Street, Suite 1600, Columbia, SC 29201 ("SCDOC"). SCDOC and Contractor are sometimes referred to collectively as "parties" and each individually as a "party."

RECITALS:

WHEREAS, Contractor is qualified to complete the Scope of Work attached hereto as Exhibit A (the "Services") and desires to provide the Services upon the terms and conditions set forth in this Agreement; and

WHEREAS, SCDOC is exempt from the South Carolina Consolidated Procurement Code when contracting with part-time international business consultants who represent SCDOC in foreign countries; and

WHEREAS, Contractor has a proven track record of delivering high quality, cost effective and successful market information of the Indian Outbound foreign direct investment ("FDI") sector. This also includes an excellent understanding of India's economy, the key growth sectors and the economic dynamics within which the leading Indian companies operate

WHEREAS, SCDOC desires to engage Contractor for the purpose of assisting SCDOC in its endeavor to strengthen ties with the country of India by bringing FDI into the state, as well as by creating opportunities for South Carolina companies to export their products and services.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

- Services.** During the Consulting Term, as defined below, Contractor shall provide the services to SCDOC as set forth in the Scope of Work attached as Exhibit A. Contractor shall participate in bi-monthly conference calls with and/or provide weekly written updates to SCDOC as mutually agreed upon by the parties.
- Term and Termination.** This Agreement shall commence as of the Effective Date and shall continue in effect until June 30, 2022, unless terminated by SCDOC for failure to satisfy in all material respects any deliverable set forth in Exhibit A attached hereto (the "Consulting Term"). Upon termination of this Agreement, Contractor shall be paid for all work performed and expenses approved by SCDOC, such approval not to be unreasonably withheld, incurred through the date of termination. This Agreement can be extended for one year until June 30, 2023 with thirty days' notice under the same terms and conditions with the exception of the monthly fee as described in Exhibit A. Upon mutual agreement of both parties, this Agreement may be terminated with thirty days' written notice.

For T&A Consulting Pvt. Ltd.

Director

Page 1 of 9
CONFIDENTIAL

3. Reimbursement of Expenses. During the Consulting Term, the parties agree that all expenses reasonably related to and incurred by Contractor or any Contractor Representative in connection with the Services performed by Contractor or any Contractor Representative have been budgeted for and are included in the Scope of Work attached as Exhibit A. Reimbursement of expenses shall be in accordance with the following terms:

(a) Contractor will be reimbursed for any prospect-related expenses up to \$500.00 (US) upon submission of a paid receipt accompanied by written justification for such prospect-related expense; provided, however, that expenses in excess of \$500.00 may be approved by the Director of International Strategy & Trade (the "Director") or SCDOC designee on a case by case basis. Contractor will make a good faith effort to notify Director or SCDOC of upcoming prospect-related expenses greater than \$500.00 during monthly conference calls.

(b) Upon prior approval of travel plans by the Director or SCDOC designee, reasonable food, travel and lodging expenses can be reimbursed to the full extent that those expenses are eligible for reimbursement under applicable law, upon (a) submission by Contractor of proper documentation supporting such expenses, and (b) approval of the expenses by Director and SCDOC. Reimbursements may not exceed US Federal per diem rates.

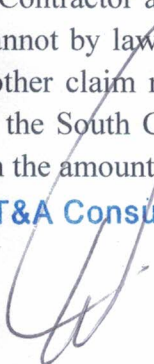
5. Independent Contractor. During the term of this Agreement, Contractor shall be an independent contractor of SCDOC. Neither Contractor nor any agents or representatives of the Contractor are employees, partners or joint venturers with SCDOC. During the term of this Agreement and while Contractor is providing the Services, Contractor shall not be precluded from being engaged in or concerned with any other commercial duties. Contractor agrees and understands that neither Contractor nor any of its Representatives shall be entitled to participate in or receive the benefits of retirement, medical insurance or other employee benefit plan of SCDOC and shall not acquire grievance or other rights hereunder as state employees in permanent positions. Contractor shall be responsible for and pay and discharge any and all obligations to federal, state or local governments for income or earnings taxes, social security contributions, unemployment compensation contributions or any other similar obligations (including withholding taxes) arising out of the activities of Contractor agents or representatives under this Agreement.

6. Indemnification.

(a) Contractor will indemnify, hold harmless and defend SCDOC and its officers, directors, employees, agents, successors and assigns from any and all liabilities, actions, charges, claims, demands, obligations, or expenses, including, but not limited to, reasonable attorneys' fees, arising out of or related to (i) willful or negligent acts or omissions on the part of Contractor or any of the Contractor Representatives; and (ii) breach by Contractor or by any of its Representatives of any representation, warranty, or obligation hereunder.

(b) Contractor acknowledges and agrees that as a governmental agency of the State of South Carolina, SCDOC cannot by law indemnify, defend or hold harmless any third party associated with any contract, tort-based, or other claim made against Contractor. Contractor further acknowledges and agrees that SCDOC is insured by the South Carolina Insurance Reserve Fund under a General Tort Liability Policy with purchased coverage in the amount of One Million Dollars and No/100 (\$1,000,000.00).

For T&A Consulting Pvt. Ltd.



Director

Director

7. Covenant Against Disclosure of Confidential Information. Each party to this Agreement (each, a "Recipient") shall protect and keep confidential all non-public information disclosed by the other party (each a "Discloser") and designated as confidential, trade secret, or carrying a similar designation by the Discloser ("Confidential Information"), and shall not, except as may be authorized by Discloser in writing, use or disclose any such Confidential Information provided to Recipient pursuant to this Agreement. Contractor further agrees that at no time will it divulge, furnish or make accessible to anyone or appropriate for Contractor's own use any Confidential Information. Contractor understands and acknowledges that unauthorized use or disclosure of Confidential Information received from SCDOC for the purpose of completing the Services is or may be a violation of state and/or federal law. Upon the earlier of (i) the termination or expiration of this Agreement, or (ii) any written request to the Recipient by Discloser, Recipient shall return to Discloser all materials which contain or constitute any Confidential Information. The obligations of confidentiality under this Section 7 shall not apply to any information which: (i) was previously known to Recipient; (ii) is or becomes publicly available, through no fault of Recipient; (iii) is disclosed to Recipient by a third party having no obligation of confidentiality to Discloser; (iv) is independently developed by Recipient without the use of any Confidential Information of Discloser; or (v) is required to be disclosed pursuant to a valid and proper requirement of a governmental agency or court of competent jurisdiction, provided that the Recipient shall promptly notify the Discloser in writing of any such disclosure requirements after Recipient becomes aware of such requirements so that the Discloser may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement.

8. Exclusivity. Contractor understands and agrees that neither Contractor nor any of its Representatives shall contact or solicit any of the individuals or businesses contacted pursuant to this Agreement for any purpose inconsistent with the interests of SCDOC during the course of performing the Services. During the course of this agreement, Contractor will perform no services for any other entity involved in local, regional, or state economic development activities for the following US States: Virginia, Tennessee, North Carolina, Mississippi, Georgia, Florida, or Alabama. Contractor understands and agrees that neither Contractor nor any of its Representatives shall use the company contacts or other competitive information obtained during the course of performing the Services for the benefit of any other economic development entity.

Contractor must notify the Director when contacted by SCDOC/state alliances, partners or stakeholders for guidance before any services are rendered. The aforementioned parties should be redirected to Director/HQ to address their needs and requests on an individual basis.

9. Insurance. During the Consulting Term, Contractor shall provide general liability insurance coverage and other insurance as is normal or prudent for a contractor providing comparable services.

10. Disclaimer of Warranties. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, ALL SERVICES PROVIDED UNDER THIS AGREEMENT ARE PROVIDED "AS IS" WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED. CONTRACTOR DOES HEREBY EXPRESSLY DISCLAIM ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

11. Limitation of Liability. EXCEPT AS OTHERWISE PROVIDED IN SECTION 6 HEREIN, EACH PARTY ACKNOWLEDGES AND AGREES THAT IN NO EVENT SHALL EITHER PARTY OR ANY OF

ITS OFFICERS, DIRECTORS, CONSULTANTS, SHAREHOLDERS, AGENTS OR REPRESENTATIVES BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES IN ANY WAY RELATING TO THIS AGREEMENT.

12. Remedies. The remedies contained herein for the breach of this Agreement are not exclusive, but shall be cumulative and the pursuit of one remedy shall not be deemed to exclude any and all other remedies which may be pursued at law or in equity. Each party acknowledges and agrees that a breach of Section 7 (Confidential Information) hereof may not be reasonably or adequately remedied by the payment of damages in an action at law and irreparable injury or damage may result. Therefore, in addition to all of the remedies otherwise available to each party, including, but not limited to, the recovery of damages from the other party, each party further acknowledges and agrees that the other party will be entitled to seek injunctive or equitable relief to restrain and enjoin any actual or threatened breach of Section 7 of this Agreement.

13. Benefit, Assignment, and Subcontracting. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that the Agreement may not be assigned and the Services may not be subcontracted to a third party without the prior written consent of SCDOC, which may be withheld in SCDOC's sole reasonable discretion.

14. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed to have been duly delivered (i) on the date of personal delivery or (ii) on the date of receipt if mailed by registered or certified mail, postage prepaid and return receipt requested, or by overnight courier, to the following addresses:

If to SCDOC: (Director of International Strategy and Trade)

SCDOC Name	South Carolina Department of Commerce
Address	Suite 1600, 1201 Main Street
City, State Zip	Columbia, South Carolina 29201
Attn.:	Amy Thomson

If to Contractor:

Co-Founder and CEO	Tarun Gupta
Company	T&A Consulting
Address	Tower A, 416-418, 4 th Floor Golf Course Extension Rd., Sector 61
City, State Zip	Gurugram 12001 India

15. Captions. The captions of sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

For T&A Consulting Pvt. Ltd.

Director

16. Governing Law; Venue. Any action or proceeding instituted by either party against the other party in connection with this Agreement shall be resolved in the State of South Carolina and, in connection with such action or proceeding, this Agreement shall be governed by and construed in accordance with the substantive laws of the State of South Carolina without regard to principles of conflicts of laws.

17. Entire Agreement. This Agreement, including the exhibits that are attached hereto and incorporated herein by reference, constitutes the entire agreement among the parties with regard to the Services to be provided by Contractor, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter of this Agreement and cannot be amended, supplemented or modified except by an agreement in writing which is signed by the party against which enforcement is sought.

18. No Implied Waivers. The waiver or failure of either party to exercise in any respect any right provided for herein shall not be deemed a waiver of any further right herein.

19. Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable under any applicable statute or rule of law, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

20. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized signatories, all as of the date first above written.

For T&A Consulting Pvt. Ltd.

T&A Consulting.

Director

By: _____

Name: Tarun Gupta

Title: Founder & CEO

SOUTH CAROLINA DEPARTMENT
OF COMMERCE

By: Chris Huffman

Name: Chris Huffman

Title: Chief Financial Officer

Exhibit A

16. Governing Law/Venue: Any action or proceeding instituted by either party in connection with this Agreement shall be resolved in the State of South Carolina and the laws of the State of South Carolina shall govern. This Agreement shall be governed by and construed in accordance with the principles of conflict of laws of the State of South Carolina without regard to principles of conflict of laws.

17. Entire Agreement: This Agreement, together with the attached exhibits, constitutes the entire agreement between the parties with regard to the subject matter hereof. No conditions, express or implied, oral or written, relating to the subject matter of this Agreement, and no amendments, modifications or supplements to this Agreement, shall be binding on either party unless they are in writing and signed by both parties. Enforcement is sought.

18. No Injured Waiver: The waiver or failure of either party to exercise its rights hereunder shall not be deemed a waiver of any further right herein.

19. Severability: If any provision of this Agreement shall be held to be invalid, unenforceable or in violation of any applicable statute or rule of law, the validity, enforceability and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

20. COUNTERPARTS: This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and executed by their duly authorized signatories, all as of the date first above written.

By: _____
Name: Tara Lewis
Title: Founder & CEO
For T&A Consulting Pw. Ltd.
Director

By: _____
Name: Chris Johnson
Title: Chief Financial Officer
SOUTH CAROLINA DEPARTMENT
OF COMMERCE

CONFIDENTIAL

SCOPE OF WORK

T&A Consulting will serve as an extension of the South Carolina Department of Commerce through the T&A office located in New Delhi. This representation includes, but is not limited to: continual follow-up with companies already identified as having investment potential in the Southeastern US; liaising with companies on the ground where SCDOC is already in discussions with said company; continual generation and vetting of FDI opportunities; and assisting South Carolina companies with export of products to India. This office would also be expected to represent South Carolina in an official capacity when, but not limited to: engaging with U.S. Commercial Service; as member in any pre-determined associations; and at events in India with industry representatives and associations where additional FDI opportunities could be generated (including but not limited to: approved trade shows, networking receptions, SelectUSA events, and company meetings).

As needed, support the SCDOC international office network to assist in arranging meetings with Indian companies at international trade shows; assist in recruiting and vetting with inbound delegations and recruiting Indian firms to SelectUSA, S.C. Auto Summit and S.C. Aerospace Summit.

The primary focus of the India office is to uncover FDI opportunities for South Carolina. An FDI opportunity is defined as an India-based company, not already located in South Carolina, interested in creating more than 15 jobs and investing more the \$2 M (US) in the United States within a two year period.

Contractor will be required to achieve targets and milestones in pursuit of the business development and trade services provided pursuant to this agreement and will be required to travel throughout India. The responsibilities include but are not limited to:

1. Annually, identification of at least 10 new FDI opportunities generated directly by SCDOC India Office;
2. Participation annually in one week of training in South Carolina;
3. Attend at least four trade shows annually in India;
4. Organize virtual, group investor meetings – as needed – in advance of annual mission; and
5. Facilitate at least one mission with SCDOC and other South Carolina representatives to India.

The secondary responsibility is providing on-ground support as needed for the South Carolina export team and South Carolina based companies who are selling products to India. Contractor will provide customized service to individual SC companies. Consultant can provide up to 10 days of consulting work (@USD \$500-USD \$750 per day plus taxes) for up to 10 South Carolina Companies in a 12-month period.

The range of services and activities can include the following:


- Focussed market research
- Market screening
- Assessing market readiness
- Market entry strategies to include general advice on export documentation, customs tariffs, recruiting distributors and cultural links between India and S.C.

- Identification of partners / representatives including agent/distributor agreements, licensing, value added resellers, technology transfer and joint ventures
- Lead generation
- Undertaking focussed market research on trends in the market and identifying opportunities for specific products and services in order to be proactive in matching market opportunities with SC sector expertise to determine potential and focus
- Arrangement of one-to-one meetings as part of individual company visit to India or as part of our annual mission
- Inward buyer programs in targeted sectors
- Representation in industry events on behalf of a S.C. company
- Market and sector briefings

The company can avail up to 10 days (or higher/lower number of days as agreed) of consulting services under the Trade Service which can include any of the above activity or a combination of the above activities.

Feedback will be provided during monthly calls with SCDOC and via international office monthly written reports. Reports will provide a detailed overview of the month's activities and will outline upcoming activities. T&A will be responsible for maintaining all new and existing India-based contacts, opportunities, and events in SCDOC's CRM system. New entries and updates should be entered no later than one month following the relevant contact or event.

For T&A Consulting Pvt. Ltd.



Director

For T&A Consulting Pvt. Ltd.

Director

PAYMENT FOR SERVICES/REIMBURSEMENTS

1) Monthly Fee

SCDOC, in consideration for Contractor's services for FDI, will pay Contractor the following amounts per month of service under this Agreement. Contractor fee will be paid on or about the 19th day of each month to an account designated by the Contractor.

Monthly service fee –

Year 1 (July 1, 2021 – June 30, 2022) - \$8,500 (US) (plus applicable GST currently at 18%)

If extended

Year 2 (July 1, 2022 – June 30, 2023) - \$9,250 (US) (plus applicable GST currently at 18%)

2) Trade Fees

This will be payable on providing customized services as mentioned above on a project basis for the South Carolina export team and South Carolina based companies in line with the scope approved by SCDOC team

3) Reimbursements

Reimbursement of authorized expenses received by SCDOC with appropriate documentation on or before the 15th day of the month will added to the monthly fee for that month. Authorized expenses received after the 15th day of the month will be reimbursed the following month.

For T&A Consulting Pvt. Ltd.



Director

ANNOUNCED PROJECTS FROM FOREIGN OFFICES WITH A SCDOD OFFICE SINCE JANUARY 1, 2018

Company	Objective	Country	Announced Date	Announced Investment	Announced Jobs	Business Development Grant	Job Development Credit
Ecomelida, Inc.	New	China	3/8/2018	\$52,000,000	200	750,000.00	Yes
OPDE Group (SC)	New	Spain	4/12/2018	\$63,000,000	0	-	
EAS Change Systems, Inc.	New	Netherlands	4/17/2018	\$0	20	-	
Paul Bippus GmbH (SC)	New	Germany	4/17/2018	\$16,100,000	45	-	
Capsugel Mfg Technologies (a Lonza Company)	Expansion	Switzerland	5/2/2018	\$46,000,000	30	400,000.00	Yes
Koyo Bearings NA, LLC (JTEKT Group) - Walhalla	Expansion	Japan	5/17/2018	\$19,400,000	56	-	
Everris NA, Inc. (ICL Specialty Fertilizers)	Expansion	Israel	6/7/2018	\$0	25	-	
BLG Logistics, Inc. (SC) - Ladson	New	Germany	6/25/2018	\$0	28	-	
Synthomer USA, LLC	Expansion	United Kingdom	6/28/2018	\$16,000,000	10	-	
Fujifilm Manufacturing USA, Inc.	Expansion	Japan	7/2/2018	\$3,900,000	67	-	
Kuehne + Nagel, Inc. (SC) - Ladson	New	Switzerland	7/11/2018	\$0	180	-	
Samsung Electronics America, Inc. (SC) - Simpsonville	Expansion	Korea	7/12/2018	\$0	400	-	
Capgemini Delivery Centre	New	France	8/23/2018	\$0	200	400,000.00	Yes
Organic Standard Solutions (o2si smart solutions)	Expansion	United Kingdom	8/23/2018	\$2,400,000	20	-	
JTEKT North America Corp. (Koyo Bearings NA, LLC)	Expansion	Japan	9/5/2018	\$5,800,000	100	-	
Green Tech Solution, Inc. (USB Recycling)	New	China	9/6/2018	\$75,000,000	200	500,000.00	Yes
Element Materials Technology (SC)	New	United Kingdom	9/26/2018	\$3,400,000	31	200,000.00	
MAHLE Behr Charleston, Inc.	Expansion	Germany	10/3/2018	\$36,000,000	115	250,000.00	
Linde Hydraulics Corporation	New	China	10/9/2018	\$13,400,000	60	100,000.00	Yes
Gnotec Group (SC)	New	Sweden	11/8/2018	\$5,900,000	78	-	Yes
Sundaram-Clayton USA, LLC	Expansion	India	11/29/2018	\$40,000,000	100	200,000.00	Yes
Robert Bosch, LLC (SC) - Anderson	Expansion	Germany	11/30/2018	\$45,000,000	0	-	
DAA Draxlmaier Automotive of America, LLC	Expansion	Germany	12/4/2018	\$42,700,000	460	500,000.00	Yes
KV Final (SC)	New	Czech Republic	12/6/2018	\$2,500,000	50	-	
Healthcare US Co., Ltd. (MLILY USA) (SC) - Winnsboro	New	China	12/11/2018	\$45,000,000	250	300,000.00	
VTL Precision Berkeley, Inc.	New	United Kingdom	1/3/2019	\$8,200,000	10	-	
Fuyao North America, Inc.	New	China	1/17/2019	\$16,100,000	70	100,000.00	
Miwon Specialty Chemical Co. USA	New	Korea	1/18/2019	\$19,500,000	20	-	
AKPA Chemicals US, Inc.	New	Turkey	1/30/2019	\$2,600,000	13	-	
valantic SCE (USA) Inc.	New	Germany	2/7/2019	\$0	15	-	
DHL Global Forwarding North America (SC) - Dorchester	New	Germany	4/2/2019	\$100,000,000	450	-	Yes
Lucideon M+P	Expansion	United Kingdom	5/1/2019	\$7,500,000	28	-	Yes
Pomeroy (formerly Getronics) (SC)	Expansion	Germany	6/11/2019	\$1,630,000	500	-	
KI Logistics (Kimura, Inc.)	Expansion	Japan	6/17/2019	\$4,000,000	25	-	
Alo Tennessee, Inc.	New	Sweden	7/8/2019	\$6,000,000	44	-	Yes
Accurate Brazing	Expansion	Netherlands	7/17/2019	\$13,000,000	8	-	
Adornus Cabinetry, LLC (SC)	New	China	8/15/2019	\$10,000,000	210	-	
KP Components, Inc.	Expansion	Denmark	8/22/2019	\$16,000,000	47	-	Yes
GE Appliances, a Haier Company (SC)	Expansion	China	9/12/2019	\$60,000,000	0	-	
MM Technics LP (SC)	Expansion	Germany	10/3/2019	\$6,000,000	35	100,000.00	
SKF Sumter (Kaydon) - Plant 12A	Expansion	Sweden	11/27/2019	\$26,000,000	10	-	
Airsys Cooling Technologies, Inc.	New	China	12/3/2019	\$5,000,000	116	100,000.00	Yes
Dennis Eagle, Inc. (SC)	New	United Kingdom	12/12/2019	\$500,000	21	-	
Freightliner Custom Chassis Corp. (FCCC)	Expansion	Germany	12/12/2019	\$13,900,000	193	200,000.00	Yes
Kemira Chemicals, Inc.	Expansion	Finland	12/12/2019	\$20,000,000	0	-	
Palmetto Pedic, LLC	New	China	12/17/2019	\$8,500,000	60	250,000.00	
Pierburg US, LLC	Expansion	Germany	12/19/2019	\$27,000,000	95	-	Yes
Refresco North America dba Cott Beverages	Expansion	Netherlands	1/16/2020	\$0	25	-	
abat US, LLC (SC)	New	Germany	2/24/2020	\$10,000,000	35	-	
REMBE, Inc.	New	Germany	2/25/2020	\$3,400,000	22	-	
Adams Products Oldcastle (SC) - Cowpens	Expansion	Ireland	4/21/2020	\$12,500,000	31	200,000.00	Yes
AXISCADES, Inc.	New	India	6/2/2020	\$1,000,000	15	-	
Eaton Corporation (SC) - Greenwood	Expansion	Ireland	6/17/2020	\$0	30	100,000.00	
VELUX Greenwood, LLC (SC)	Expansion	Denmark	6/18/2020	\$26,000,000	0	-	
Refresco North America dba Cott Beverages	Expansion	Netherlands	6/30/2020	\$0	40	100,000.00	
KRA Operations, LLC	New	Korea	8/18/2020	\$11,500,000	57	400,000.00	Yes
Loctek (SC)	New	China	8/19/2020	\$5,000,000	10	-	
Daye North America (SC)	New	China	9/24/2020	\$1,800,000	16	-	
Oldcastle APG (SC) - Fairfield	New	Ireland	10/8/2020	\$25,000,000	100	400,000.00	Yes
Arrival North America	New	United Kingdom	10/12/2020	\$46,000,000	240	500,000.00	Yes
Pure Blue Fish (SC)	New	Israel	10/20/2020	\$28,100,000	82	200,000.00	Yes
Continental Tire the Americas, LLC (SC) - Fort Mill	Expansion	Germany	10/27/2020	\$20,000,000	0	2,600,000.00	
Michelin North America, Inc. (Greenville)	Expansion	France	11/4/2020	\$100,000,000	0	-	

Company	Objective	Country	Announced Date	Announced Investment	Announced Jobs	Business Development Grant	Job Development Credit
Setterstix Corporation (SC)	New	Germany	11/12/2020	\$11,700,000	80	200,000.00	Yes
Michelin North America, Inc. (Greenville)	Expansion	France	11/18/2020	\$75,000,000	0	-	
Techtronic Industries (TTI)	Expansion	China	12/1/2020	\$100,000,000	525	-	
EuWe Eugen Wexler US Plastics, Inc.	Expansion	Germany	12/11/2020	\$8,600,000	16	75,000.00	
Sigmatex Carbon Textile Solutions, Inc.	Expansion	United Kingdom	12/16/2020	\$4,500,000	50	-	
T-Mobile (SC)	Expansion	Germany	3/3/2021	\$10,200,000	540	-	
Basware, Inc.	Expansion	Finland	3/11/2021	\$0	15	-	
Fibertex Nonwovens, Inc. (Mogul Nonwovens)	Expansion	Denmark	3/23/2021	\$49,500,000	39	150,000.00	
DHL Supply Chain (SC) - Cowpens	Expansion	Germany	4/7/2021	\$92,700,000	249	250,000.00	Yes
E&I Engineering USA Corporation	Expansion	Ireland	4/16/2021	\$13,000,000	200	-	Yes
VOCO America, Inc.	New	Germany	4/22/2021	\$3,200,000	15	-	
BASF Corporation (SC) - Seneca	Expansion	Germany	5/12/2021	\$0	50	-	
Siemens Industry, Inc. (SC) - Roebuck	Expansion	Germany	5/17/2021	\$36,000,000	180	200,000.00	Yes
Gissing North America, LLC (SC)	New	China	6/16/2021	\$18,700,000	116	100,000.00	Yes
Volvo Car USA, LLC (SC)	Expansion	Sweden	6/16/2021	\$118,000,000	0	-	
Denkai America, Inc.	Expansion	Japan	6/18/2021	\$14,000,000	10	-	
Sterlite Technologies Limited (STL) (SC)	New	India	6/23/2021	\$23,000,000	120	300,000.00	Yes
MTU America, Inc. (SC)	Expansion	Germany	6/30/2021	\$17,400,000	0	-	
Nestle Prepared Foods Company	Expansion	Switzerland	6/30/2021	\$100,000,000	160	500,000.00	Yes
BRN Sleep Products USA, LLC	New	Turkey	7/23/2021	\$4,300,000	300	300,000.00	Yes
Solvay Specialty Polymers USA, LLC	Expansion	Belgium	9/16/2021	\$0	30	-	
Auria Spartanburg, Inc.	Expansion	United Kingdom	9/28/2021	\$12,400,000	103	-	
Plastic Omnium Auto Exteriors, LLC	Expansion	France	10/6/2021	\$17,700,000	76	-	
Elbit Systems of America, LLC (SC)	New	Israel	11/9/2021	\$0	300	-	
BMW Logistics Center	Expansion	Germany	11/18/2021	\$100,000,000	0	-	
Transcom Worldwide (US), Inc. (SC)	New	Sweden	12/1/2021	\$0	450	-	
Belimed Life Science, Inc.	Expansion	Switzerland	12/6/2021	\$750,000	22	-	
Bosch Rexroth Corporation (SC)	Expansion	Germany	12/15/2021	\$12,800,000	60	-	
Westinghouse Electric Company, LLC (SC) - Columbia	Expansion	Japan	12/15/2021	\$131,000,000	0	-	
Kostwein USA	New	Austria	1/19/2022	\$8,500,000	95	-	Yes

APPENDIX H

Question 87B

Calendar Year 2019		
Objective	Count	%
Expansion	113	31%
New	248	69%
Grand Total	361	100%

Objective	Expansion
2019 Expansion Projects	
Opportunity Source	Count
Allies/Alliances	24
Company	17
Counties	52
Existing Industry Program	1
Governors Office	1
In-House/Internal	1
International Offices	1
Law Firm	7
Realtor/Broker	1
Site Consultant/Consultant	8
Grand Total	113

Objective	New
2019 New Projects	
Opportunity Source	Count
Allies/Alliances	39
City/City of Greenville	2
Company	39
Contractor/Developer/Engineer	1
Counties	43
Governors Office	2
International Offices	21
Law Firm	12
Realtor/Broker	2
Sales/Mission Trip	7
SelectUSA	2
Site Consultant/Consultant	45
Tradeshow	26
Website	7
Grand Total	248

Objective	Expansion
2019 Expansion Projects	
Products/Services	Count
Aerospace & Aviation	2
Ag - Bakery/Perishable	1
Ag - Forestry	2
Ag - Processing/Canning	10
Alternative Energy & Fuels	3
Automotive	12
Composites & Advanced Materials	7
Construction, Building Products, & De	9
Consumer Products	4
Guns/Ammo	1
Life Sciences	2
Machinery & Equipment	7
Marine	2
Metal & Fabricated Metal Products	14
Office, HQ, & R&D	11
Packaging Materials	4
Plastics, Rubber, & Chemicals	12
Recycling	1
Textiles	3
Wood & Paper Products	6
Grand Total	113

Objective	New
2019 New Projects	
Products/Services	Count
Aerospace & Aviation	6
Ag - Aquaculture	2
Ag - Bakery/Perishable	8
Ag - Biomass	1
Ag - Distribution	2
Ag - Forestry	6
Ag - Mining	1
Ag - Processing/Canning	18
Alternative Energy & Fuels	6
Automotive	31
Composites & Advanced Materials	16
Construction, Building Products, & De	9
Consumer Products	17
Electronics & Computers	3
Guns/Ammo	2
Life Sciences	17
Machinery & Equipment	13
Marine	2
Metal & Fabricated Metal Products	14
Office, HQ, & R&D	18
Packaging Materials	2
Plastics, Rubber, & Chemicals	18
Recycling	5
Textiles	8
Unknown	9
Warehousing & Distribution	7
Wood & Paper Products	7
Grand Total	248

Calendar Year 2020		
Objective	Count	%
Expansion	119	34%
New	230	66%
Grand Total	349	100%

Objective	Expansion
2020 Expansion Projects	
Opportunity Source	Count
Allies/Alliances	13
City of Greenville	1
Company	16
Counties	53
Governors Office	1
Law Firm	18
Realtor/Broker	1
Sales/Mission Trip	1
Site Consultant/Consultant	15
Grand Total	119

Objective	New
2020 New Projects	
Opportunity Source	Count
Allies/Alliances	30
City	2
Company	40
Counties	54
Governors Office	2
In-House/Internal	1
International Offices	25
Law Firm	8
Realtor/Broker	3
Sales/Mission Trip	1
SelectUSA	1
Site Consultant/Consultant	58
Tradeshaw	1
Website	4
Grand Total	230

Objective	Expansion
2020 Expansion Projects	
Products/Services	Count
Ag - Bakery/Perishable	2
Ag - Distribution	2
Ag - Forestry	2
Ag - Processing/Canning	11
Alternative Energy & Fuels	2
Automotive	14
Composites & Advanced Mater	2
Construction, Building Products	5
Consumer Products	10
Guns/Ammo	1
Life Sciences	11
Machinery & Equipment	5
Marine	3
Metal & Fabricated Metal Prod	8
Office, HQ, & R&D	12
Packaging Materials	3
Plastics, Rubber, & Chemicals	10
Textiles	9
Utilities	1
Warehousing & Distribution	3
Wood & Paper Products	3
Grand Total	119

Objective	New
2020 New Projects	
Products/Services	Count
Aerospace & Aviation	6
Ag - Aquaculture	3
Ag - Bakery/Perishable	7
Ag - Biomass	1
Ag - Distribution	2
Ag - Forestry	3
Ag - Processing/Canning	16
Alternative Energy & Fuels	4
Automotive	28
Composites & Advanced Mater	8
Construction, Building Products	15
Consumer Products	21
Electronics & Computers	3
Guns/Ammo	1
Life Sciences	20
Machinery & Equipment	14
Metal & Fabricated Metal Prod	16
Office, HQ, & R&D	14
Packaging Materials	1
Plastics, Rubber, & Chemicals	15
Recycling	4
Textiles	6
Unknown	2
Warehousing & Distribution	14
Wood & Paper Products	6
Grand Total	230

Calendar Year 2021		
Objective	Count	%
Expansion	160	33%
New	331	67%
Grand Total	491	100%

Objective	Expansion
2021 Expansion Projects	
Opportunity Source	Count
Allies/Alliances	20
Company	21
Counties	81
Governors Office	1
International Offices	1
Law Firm	16
Realtor/Broker	1
Site Consultant/Consultant	19
Grand Total	160

Objective	New
2021 New Projects	
Opportunity Source	Count
Allies/Alliances	46
Company	42
Counties	72
Governors Office	3
In-House/Internal/Cold Call	9
International Offices	30
Law Firm	15
Lead Generation Services	1
Realtor/Broker	10
SelectUSA	5
Site Consultant/Consultant	84
Website	14
Grand Total	331

Objective	Expansion
2021 Expansion Projects	
Products/Services	Count
Ag - Bakery/Perishable	4
Ag - Biomass	1
Ag - Forestry	4
Ag - Processing/Canning	8
Alternative Energy & Fuels	6
Automotive	19
Composites & Advanced Materials	3
Construction, Building Products, & Demo	12
Consumer Products	9
Electronics & Computers	3
Life Sciences	15
Machinery & Equipment	10
Marine	4
Metal & Fabricated Metal Products	15
Office, HQ, & R&D	9
Packaging Materials	4
Plastics, Rubber, & Chemicals	11
Recycling	1
Textiles	9
Utilities	1
Warehousing & Distribution	8
Wood & Paper Products	4
Grand Total	160

Objective	New
2021 New Projects	
Products/Services	Count
Aerospace & Aviation	10
Ag - Aquaculture	1
Ag - Bakery/Perishable	9
Ag - Distribution	4
Ag - Forestry	7
Ag - Mining	1
Ag - Processing/Canning	27
Alternative Energy & Fuels	16
Automotive	40
Composites & Advanced Materials	10
Construction, Building Products, & Demo	21
Consumer Products	22
Electronics & Computers	5
Guns/Ammo	3
Life Sciences	19
Machinery & Equipment	16
Marine	5
Metal & Fabricated Metal Products	20
Office, HQ, & R&D	25
Packaging Materials	5
Plastics, Rubber, & Chemicals	25
Recycling	5
Textiles	8
Unknown	9
Warehousing & Distribution	14
Wood & Paper Products	4
Grand Total	331

APPENDIX I

Question 87c-87e



2019 YEAR-END HIGHLIGHTS

From January to December 2019, South Carolina won **129** projects, **\$2.4 billion** in investment, and created **9,402** new jobs.



Objective

	Jobs	Investment	Projects
Expansion	5,316	\$1.5B	80
New	4,086	\$915 M	49



Geography

	Jobs	Investment	Projects
Urban	7,805	\$2.1 B	95
Rural	1,597	\$506 M	34



Origin

	Jobs	Investment	Projects
Domestic	5,962	\$1.5 B	89
International	3,440	\$917 M	40



Category

	Jobs	Investment	Projects
Manufacturing	6,151	\$2.0 B	104
Service	2,214	\$72.4 M	11
W & D	994	\$285 M	12
R & D	43	\$8.7 M	2



County Tier

	Jobs	Investment	Projects
Tier 1	6,417	\$1.45 B	75
Tier II	1,388	\$485 M	20
Tier III	873	\$371 M	16
Tier IV	724	\$135 M	18

Industry

Industry	Jobs	Investment
Agribusiness - ALL Ag	980	\$550 M
Automotive	1,834	\$407 M
Alternative Energy	30	\$271 M
Consumer Products	1,158	\$261 M
Metal and Fabricated Metal Products	365	\$208 M
Warehousing and Distribution	601	\$176 M
Plastics, Rubber, and Chemicals	455	\$162 M
Office, HQ, and R&D	2186	\$77 M
Life Sciences	140	\$77 M
Machinery and Equipment	500	\$76 M
Construction, Building Products	416	\$70 M
Composites and Advanced Materials	197	\$29 M
Recycling	100	\$26 M
Packaging Materials	82	\$20 M
Textiles	160	\$18 M
Guns/Ammo	63	\$9 M
Marine	135	\$3 M

FDI

Country	Jobs	Investment
Germany	1,556	\$281 M
China	915	\$209 M
Japan	115	\$120 M
Canada	299	\$81 M
Belgium	30	\$39 M
Austria	76	\$34 M
Sweden	54	\$32 M
Denmark	72	\$28 M
Italy	104	\$23 M
Finland		\$20 M
Korea	25	\$19 M
Netherlands	33	14 M
United Arab Emirates	100	\$3 M
United Kingdom	49	\$3 M
France	12	\$100 K

Top 10 Announcements by Investment

Company	County	Investment
New-Indy Containerboard, LLC	York	\$240 M
Southern Current, LLC	Darlington	\$141M
JUUL Labs, Inc.	Lexington	\$100 M
DHL Global Forwarding N.A.	Dorchester	\$100 M
Eastover Solar, LLC	Richland	\$80 M
A&R Logistics, Inc.	Berkeley	\$60 M
GE, a Haier America	Kershaw	\$60 M
McCall Farms, Inc.	Florence	\$50 M
Pierburg US, LLC	Greenville	\$27 M
SKF Sumter (Kaydon)	Sumter	\$26 M
Flex, Ltd.	Lexington	\$25 M
Perdue Foods, LLC	Dillon	\$25 M
Renewable Properties, LLC	Spartanburg	\$22 M

Top 10 Announcements by Jobs

Company	County	Jobs
Global Lending Services, LLC	Greenville	669
Getronics	Greenville	500
Flex, Ltd.	Lexington	490
DHL Global Forwarding N.A.	Dorchester	450
Spartan Motors, Inc.	Charleston	308
Alorica, Inc.	Charleston	300
Adornus Cabinetry, LLC	Lancaster	210
Freightliner Custom Chassis Corp.	Cherokee	193
The Urban Electric Company	Charleston	180
R&E Automated Systems, LLC	Spartanburg	176



2020 Year-End Review

From January to December 2020, South Carolina won **126 projects, \$4 billion,**
and **11, 147 jobs.**

Jobs

Investment

Projects

Objective

New	5,994
Expansion	5,153

New	\$2.0 B
Expansion	\$2.0 B

New	51
Expansion	75

Geography

Urban	8,043
Rural	3,104

Urban	\$2.9 B
Rural	\$1.1 B

Urban	89
Rural	37

Origin

Domestic	8,389
International	2,758

Domestic	\$2.5 B
International	\$1.4 B

Domestic	86
International	40

Product Category

Manufacturing	7,118
Service	1,601
Warehouse and Distribution	2,259
Research and Development	169

Manufacturing	\$3.0 B
Service	\$470 M
Warehouse and Distribution	\$536 M
Research and Development	\$2.7 M

Manufacturing	91
Service	14
Warehouse and Distribution	19
Research and Development	2

County Tier

Tier I	7,043
Tier II	1,000
Tier III	2,226
Tier IV	878

Tier I	\$2.4 B
Tier II	\$486 M
Tier III	\$850 M
Tier IV	\$272 M

Tier I	62
Tier II	27
Tier III	20
Tier IV	17



Announcements of 2020

Investment

Company	County	Investment	Objective
Mark Anthony Brewing, Inc.	Richland	\$400,000,000	New
Agriculture Technology Campus	Hampton	\$314,000,000	New
Walmart Distribution Center	Dorchester	\$220,000,000	New
Nephron Pharmaceuticals Corporation	Lexington	\$215,800,000	Expansion
DC Blox, Inc.	Greenville	\$200,000,000	New
Vigilent Labs	Charleston	\$104,600,000	New
Fitesa Simpsonville, Inc.	Greenville	\$100,000,000	Expansion
Techtronic Industries (TTI)	Anderson	\$100,000,000	Expansion
Michelin North America, Inc.	Greenville	\$100,000,000	Expansion
Brewer Renewables	Orangeburg	\$85,000,000	New

Jobs

Company	County	Jobs	Objective
Agriculture Technology Campus	Hampton	1,500	New
Walmart Distribution Center	Dorchester	1,000	New
Ross Stores Distribution Center	York	700	Expansion
Techtronic Industries (TTI)	Anderson	525	Expansion
Vigilent Labs	Charleston	400	New
Nephron Pharmaceuticals Corporation	Lexington	380	Expansion
Mark Anthony Brewing, Inc.	Richland	300	New
Call 4 Health	Richland	291	New
Holy City Linen	Charleston	254	Expansion
Arrival North America	York	240	New



2021 Year-End Review

From January to December 2021, South Carolina won **153 projects, \$5.7 billion,** and **18,338 jobs.**

Jobs

Investment

Projects

Objective

New	9,958
Expansion	8,380

New	\$2.2 B
Expansion	\$3.5 B

New	65
Expansion	88

Geography

Urban	14,629
Rural	3,709

Urban	\$4.3 B
Rural	\$1.4 B

Urban	120
Rural	33

Origin

Domestic	12,303
International	6,035

Domestic	\$3.9 B
International	\$1.8 B

Domestic	104
International	49

Product Category

Manufacturing	12,047
Service	3,870
Warehouse and Distribution	2,367
Research and Development	54

Manufacturing	\$4.2 B
Service	\$713 M
Warehouse and Distribution	\$836 M
Research and Development	\$3.2M

Manufacturing	102
Service	25
Warehouse and Distribution	25
Research and Development	1

County Tier

Tier I	8,562
Tier II	6,067
Tier III	2,184
Tier IV	1,525

Tier I	\$2.9 B
Tier II	\$1.4 M
Tier III	\$719 M
Tier IV	\$708 M

Tier I	79
Tier II	41
Tier III	19
Tier IV	14



Announcements of 2021

Investment

Company	County	Investment	Objective
Google Berkeley County Data Center	Berkeley	\$500,000,000	Expansion
Walmart Distribution Center (SC) - Lyman	Spartanburg	\$450,000,000	New
E. & J. Gallo Winery (SC)	Chester	\$423,000,000	New
Shaw Industries, Inc. (SC) - Aiken	Aiken	\$400,000,000	Expansion
Oshkosh Defense, LLC (SC)	Spartanburg	\$155,000,000	New
Prestage Farms of South Carolina, LLC (SC)	Kershaw	\$150,000,000	New
Westinghouse Electric Company, LLC (SC) - Columbia	Richland	\$131,000,000	Expansion
Volvo Car USA, LLC (SC)	Berkeley	\$118,000,000	Expansion
BMW Logistics Center	Spartanburg	\$100,000,000	Expansion
Arthrex, Inc. (SC)	Anderson	\$100,000,000	Expansion
Nephron Pharmaceuticals Corporation-Nephron Nitrile	Lexington	\$100,000,000	Expansion
Nestle Prepared Foods Company	Cherokee	\$100,000,000	Expansion

Jobs

Company	County	Jobs	Objective
TELUS International (SC)	Charleston	1200	New
Oshkosh Defense, LLC (SC)	Spartanburg	1000	New
T-Mobile (SC)	Charleston	540	Expansion
Arthrex, Inc. (SC)	Anderson	500	Expansion
E. & J. Gallo Winery (SC)	Chester	496	New
Generac Power Systems, Inc.	Edgefield	450	New
Transcom Worldwide (US), Inc. (SC)	Greenville	450	New
Pall Corporation (SC)	Spartanburg	425	New
Walmart Distribution Center (SC) - Lyman	Spartanburg	400	New
Scentsy, Inc. (SC)	York	365	New

APPENDIX J

Question 111

Passthru Reports

- 1) Clarendon CDC
- 2) City of Sumter
- 3) Forest Acres
- 4) Paxville Community
- 5) South Carolina State University
- 6) Town of Eastover

Clarendon CDC

Clarendon County Community Development Corporation

P. O. Box 160 – 625 Spencer Street, Manning, SC 29102

e-mail: clarendoncountycdc@ftc-i.net | telephone: 803-435-6639 | Fax: 803-433-6639



August 9, 2021

Joyce Straiter
South Carolina Department of Commerce
1201 Main Street, Suite 1600
Columbia, South Carolina 29201

Mrs. Straiter:

This letter serves as an official notice that the CCCDC has expended all funds in the amount of \$100,000 awarded for the project to support the activities of CCCDC's operations, promote a sustainable housing program, provide supplemental assistance to low to moderate income families. All invoices have been paid and all materials have been delivered and verified by CCCDC, except for \$596 that will be returned to SC Commerce.

Sincerely,

A handwritten signature in blue ink that reads "Paulette King". The signature is written in a cursive style with a large initial "P".

Paulette King, Program Director

**Economic Development Hubs and Community Development
Infrastructure Grant Quarterly Report (April-Jul '21)**

Clarendon County Community Development Corporation (CCCDC) requested and received a budget amendment to move \$20,000 from Office Relocation to Food/Utilities Assistance. Amounts shown in this report reflect what CCCDC spent from the SC Department of Commerce Grant only.

Apr-2021

Expenses	Monthly Beginning Balance	Expenditure	Ending Balance
Postage	\$396.00	\$0.00	\$396.00
Food/Utilities Assistance	\$2,450.00	\$0.00	\$2,450.00
Housing/Fin Literacy	\$1,050.00	\$0.00	\$1,050.00
Office Relocation	\$20,000.00	\$0.00	\$20,000.00
Administration	\$1,876.20	\$1,250.00	\$626.00
Janitorial	\$40.00	\$40.00	\$0.00

May-2021

Expenses	Monthly Beginning Balance	Expenditure	Ending Balance
Postage	\$396.00	\$0.00	\$396.00
Food/Utilities Assistance	\$2,450.00	\$750.00	\$1,700.00
Housing/Fin Literacy	\$150.00	\$0.00	\$150.00
Office Relocation	\$20,000.00	\$0.00	\$20,000.00
Administration	\$626.00	\$626.00	\$0.00

Jun-2021

Expenses	Monthly Beginning Balance	Expenditure	Ending Balance
Postage	\$396.00	\$0.00	\$396.00
Food/Utilities Assistance	\$1,700.00	\$0.00	\$1,700.00
Housing/Fin Literacy	\$1,050.00	\$900.00	\$150.00
Office Relocation	\$20,000.00	\$0.00	\$20,000.00

July-2021

Expenses	Monthly Beginning Balance	Expenditure	Ending Balance
Postage	\$396.00	\$0.00	\$396.00
Food/Utilities Assistance	\$21,700.00	\$21,650.00	\$50.00
Housing/Fin Literacy	\$150.00	\$0.00	\$150.00

As previously reported, the Clarendon County CDC is closing on August 13, 2021. A check to the South Carolina Department of Commerce in the amount of \$596.00 will be sent prior to the closure of the CCCDC corporate office.

City of Sumter



Joyce Straiter
SC Department of Commerce
Economic Development Hubs and Community Development Infrastructure

3/18/2022

RE: City of Sumter Quarter Ending 3/31/2022

Scope of Work:
Additional building and site improvements to Sumter Economic Development building and grounds

Scope of work has slightly changed to include demolition.

Upon demolition finalization of survey and design of new parking should move forward.

Expenditures to date: Architectural Fees \$2,480.00

Thank you for your assistance,

A handwritten signature in cursive script that reads "Beth Reames".

Beth Reames
Finance Director
City of Sumter
803-436-2585

Forest Acres



5209 North Trenholm Road
Forest Acres SC 29206
803.782.9475



Frank J Brunson
MAYOR

COUNCIL
W Shell Suber Jr.
Roy A Powell
Thomas E Andrews III
John H Barnes

C Lee Holloway Jr.
CITY ATTORNEY

Shaun M Greenwood
CITY ADMINISTRATOR

November 21, 2019

Joyce Straiter
Procurement Specialist
South Carolina Department of Commerce
1201 Main Street, Suite 1600
Columbia, South Carolina 29201

Mrs. Straiter,

Please accept this as official notice that the City of Forest Acres has expended all \$250,000 of grant funds awarded for our recycling roll cart project. All invoices have been paid and all materials have been delivered and verified by the City.

Shaun Greenwood, ICMA-CM, AICP
City Administrator
City of Forest Acres

Paxville Community

**PAXVILLE COMMUNITY DEVELOPMENT
CORPORATION**

10183 Lewis Road
Manning, South Carolina 29102

FOURTH QUARTER REPORT

October 1, 2021 – December 31, 2021

**For the
Workforce Development and Rural Technology Center
A Community Economic Stimulus Assistance Program for Underserved
Job Seekers, Low Income Families, Seniors, and Children.**

Submitted to:
South Carolina Department of Commerce
Economic Development Hubs and Community Infrastructure Program

1201 Main Street, Suite 1600
Columbia, South Carolina 29102

Friday, January 21, 2022

Report Summary

During the 4th quarter, the Paxville Community Development Corporation (PCDC) continued to follow the CDC guidelines in regard to COVID-19. All in person services remained closed with the exclusion of our Community Food Pantry. Due to the continuous rise of the coronavirus, PCDC's 4th quarter activities continued virtually in all other program areas. PCDC predominately served populations from the communities of Paxville, Manning, and Summerton in Clarendon County along with Pinewood and lower Sumter County.

Program Highlights

Adult Workforce Readiness:

The PCDC Workforce Readiness computer class continued virtually via Google Meet this quarter. All face to face activities were canceled during the 4th quarter due to COVID-19. The GED program remained closed under the directions of Central Carolina Technical College-Adult Ed. Division, our GED program partner. Participants seeking help with job search can join our virtual Work Force Readiness Workshop via zoom each Thursday from 12-1 p.m. at paxvillecdc99@gmail.com.

Seniors on the Move – Technology Skills Training & Elder Life Skills Development:

During the 4th quarter The Seniors on the Move participated virtually in workshops including elder care life skills, open forum, computer classes, bible study and the COVID 19 pandemic procedure. All face to face activities for senior participants remained closed due to COVID-19.

Community Food Pantry:

During the 4th quarter, PCDC Community Food Pantry aided more than 1,115 community families during the unparalleled COVID-19 impact on Clarendon and lower Sumter Counties. The food distribution reached an average of 16,149 pounds from Harvest Hope. In addition, PCDC were allocated 150 slots during the month of October, 150 slots in November and 146 slots in December due to the USDA 60+ food services for seniors. Our reduced volunteer staff was trained and adhered to COVID-19 safe practices suggested to minimize exposure and further prevent the possible spread of the coronavirus.

Afterschool Intergenerational Tutoring & Mentoring:

This quarter PCDC provided after school supplemental support for 5 enrolled Pre-K through 3rd grade students virtually via zoom. Under the sponsorship of the United Way of Sumter, Clarendon and Lee Counties, PCDC continued Americorps reading success program via zoom as well. PCDC hosted a virtual monthly reading activity for the students featuring the Librarian from the Harvin Clarendon County Library. Three Americorps tutors and Goodwill volunteer provided one-one literacy/math tutoring for 5 enrolled students.

Youth Development Summer Learning and Meals

N/A

PLEASE NOTE:

The Paxville Community Development Corporation (PCDC) will continue to operate virtually under a revised schedule until COVID-19 is better contained. We will engage essential staff in virtual program implementation and planning, staff training, and facilities preparation for reopening when it is safe to do so.

4TH QUARTER REPORT MEASURES & EVALUATION

PROGRAM	PLANNED OUTCOME	ACTIVITIES -YEAR 3	INDICATORS & MEASURES -YEAR 3	4th QUARTER OUTCOMES	4th QUARTER BUDGET ADJUSTMENT
1) Adult Workforce Readiness	1) By December 31, 2021, participants living in our service area will have increased preparation for and access to employment and/or educational opportunities.	1) In collaboration with the Central Carolina College (CCTC) we establish and conduct General Education Development (GED) preparation classes however they were canceled due to COVID 19	1) Successful completion of GED segments by 60% of enrollees.	<p>* A total of 8 students were enrolled for the 4th quarter in our virtual computer class.</p> <p>*GED class was canceled due to COVID-19</p> <p>* Job search workshops was done virtually via zoom.</p> <p>*5 participants enrolled during the 4th quarter.</p>	N/A
	2) By December 31, 2021, participants living in our service area will have acquired functional computer skills	2) Establish and conduct work readiness and job search workshops for 0 participants.	2) A target of 40% of participants will demonstrate job search skills improvement by completing workshops.	<p>* Weekly average of 0 unique visitors for walk-in job search and community resource assistance due to COVID-19.</p> <p>* 5 participants enrolled during the 4th quarter via zoom</p>	N/A
		3) Establish an Employment Resource Service (ERS) component and provide job search assistance for residents. Canceled due to COVID	3) Achievement of activity satisfaction rate at 60% or higher as measured by participant evaluation survey		N/A
		4) Provide basic computer training featuring Microsoft Office and Windows applications for 9 participants.	4) Successful completion of computer training segments by 60% of participants		N/A

4TH QUARTER REPORT MEASURES & EVALUATION

PROGRAM	PLANNED OUTCOMES	ACTIVITIES -YEAR 3	INDICATORS & MEASURES – Year 3	4th QUARTER OUTCOMES	4th QUARTER BUDGET ADJUSTMENTS
2) Seniors on the move – Technology Skills Training & Elder Life Skills Development	1) From January-May and August-December 2021, elderly residents in our area will have increased opportunities to improve computer skills.	1) Established and provide training in computer and internet usage and personal assistance devices for 20-25 participants annually.	1) Successful completion of computer training segments by 75% of participating seniors.	* A total of 9 Senior participants enrolled during 4th quarter. * 9 participants completed online workshops.	N/A
	2) By December 2021, senior residents will have heightened their involvement in social and educational life skills experiences	2) Engage 40-50 Seniors in a variety of virtual workshops, seminars, and events for seniors to help them maintain productivity and self-Sufficiency in collaboration with Santee-Lynches Council on Aging.	2) Achievement of activity satisfaction rate at 80% or higher as measured by participant evaluation survey responses.	* face to face workshops and fieldtrips remain canceled for this quarter due to COVID-19 * all other activities were done virtually during the 4thquarter.	N/A

4TH QUARTER REPORT MEASURES & EVALUATION

PROGRAM	PLANNED OUTCOMES	ACTIVITIES -YEAR 3	INDICATORS & MEASURES -YEAR 3	4th QUARTER OUTCOMES	4th QUARTER BUDGET ADJUSTMENT
3) Community Food Pantry	1) By December 2021, local residents will have increased access to food and nutritional meals.	1) Offer food pantry assistance and educational community outreach workshops that target the distinct nutritional needs of working poor, children and at risk seniors.	1) Serve more than 300 community residents each month.	<p>Provided 16,149 poundage of food the 4th quarter</p> <p>* 1,115 individual families were served during this quarter.</p> <p>*included are 446 food boxes, sponsored by the USDA Emergency Food & Shelter program, provided for Seniors 60+</p>	N/A
		2) Continue to provide emergency assistance through collaborative food service outreach with community partnerships.	2) 60% participant referrals for support services with SC DSS, United Ministries, Harvest Hope, and United Way-Emergency Food and Shelter.	<p>*10 volunteers only during this period due to COVID-19 restrictions and safe distancing practices.</p> <p>*Information and referrals were provided virtually during the 4th quarter.</p>	N/A

4TH QUARTER REPORT MEASURES & EVALUATION

PROGRAM	PLANNED OUTCOMES	ACTIVITIES -YEAR 3	INDICATORS & MEASURES -YEAR 3	4 th QUARTER OUTCOMES	4th QUARTER BUDGET ADJUSTMENT
4) Youth Development Afterschool Intergenerational Tutoring & Mentoring	1) From January-May and August-December 2021, through collaboration with Clarendon County School Districts 1 & 2 and the Paxville Head Start Program, school-aged children will have access to services to aide in improved literacy and test scores.	1) Help students in Pre-k through 3rd grade improve assessed reading/math levels.	1) Target 80% of participants to demonstrate a grade level improvement in reading/math skills as measured by pre & post interim tests administered by the school.	* 5 children were enrolled in the virtual after school program during the 4th quarter.	N/A
	2) From January-May and August-December 2021, school-aged children will participate in intergenerational experiences to promote better study habits.	2) Help students in Pre-k through third grade improve assessed reading /math levels.	2) Strive to have a reduction in absenteeism by 75% of students Enrolled in the PCDC Program.	* all after school program lessons were taught virtually via zoom by 4 volunteer instructors during the 4th quarter	N/A

4TH QUARTER REPORT MEASURES & EVALUATION

PROGRAM	PLANNED OUTCOMES	ACTIVITIES -YEAR 3	INDICATORS & MEASURES -YEAR 3	4th QUARTER OUTCOMES	4thQUARTER BUDGET ADJUSTMENT
5) Youth Development Summer Learning & Meals	1) From June-July 2021, local school-aged children will have access to services to reduce summer learning leakage.	1) Facilitate summer learning classes, recreational and educational field trips for all participating students in Pre-k through tenth grade.	1) Successful completion of the full summer program by 60% of participants.	N/A	N/A
	2) From June-July 2021, provide continuous access to nutritious snacks during summer program	2) In collaboration with Clarendon District 1 and 2 provide free meals during summer recess for all students 18 and under.	2) Serve approximately 2500 summer meals.	N/A	N/A

4TH QUARTER REPORT MEASURES & EVALUATION

PROGRAM	PLANNED OUTCOMES	ACTIVITIES -YEAR 3	INDICATORS & MEASURES -YEAR 3	4th QUARTER OUTCOMES	4th QUARTER BUDGET ADJUSTMENT
Operational Support		Augment administrative, facilities, and operational support functions necessary to ensure success of programs sponsored by the South Carolina Department of Commerce Economic Development, Hubs and Community Infrastructure Program Grant.	<ol style="list-style-type: none"> 1. Enhance outreach and participant recruiting materials. 2. To improve and acquire appropriately web based software for increased virtual activities for all program. 3. Implement facilities maintenance and repairs to ensure safety and security of participants. 	* With the exception of basic operational support, all in person activities were postponed during 4th quarter.	N/A

PAXVILLE COMMUNITY DEVELOPMENT CORPORATION

4TH QUARTER REPORT

Department Group Expense Budget: 01/01/2021 - 12/31/2021 (Excluding IDTs)

Code	Department	2021 Budgeted	2021 Actual	2021 Balance
405	Adult Workforce Readiness	4,000.00	870.00	3,130.00
410	Seniors on the Move & CT & ELSD	4,000.00	2,254.67	1,745.33
415	Community Food Pantry	6,500.00	5,102.60	1,397.40
420	Youth Development-After School & Mentoring	6,500.00	4,963.77	1,536.23
425	Youth Development-Summer Learning & Feeding	6,000.00	229.32	5,770.68
430	SCDCG-Contractual Staff	12,000.00	12,000.00	0.00
435	SCDCG-Consultants	4,400.00	2,150.94	2,249.06
440	SCDCG-Operational Support	24,296.99	15,669.27	8,627.72
	Grand Total	67,696.99	43,240.57	24,456.42

REPORT AUTHORIZATION

<u>AGENCY NAME:</u> Paxville Community Development Center	<u>TELEPHONE</u> <u>803-452-5124</u>
<u>PRIMARY MAILING ADDRESS:</u> 10183 Lewis Road Manning, SC 29102	<u>SECONDARY MAILING ADDRESS:</u>
<u>FEDERAL ID NUMBER:</u> 57-1107730	<u>DUNS:</u> 040942182

AUTHORIZED BY:

Signature: _____

Name: Betty B. Bosier

Title: Director

Phone: 803-452-5124

Town of Eastover

- Award date: January 1, 2017

Amount: \$100,000 (open)

- Award date: February 15, 2019

Amount: \$200,000 (closed)

- Award date: November 20, 2019

Amount: \$175,000 (open)

Historic Preservation Grants Program Final Report

Project Name: JA Byrd Mercantile Store Stabilization

Organization: Town of Eastover

Project Description: Funds will be used to support the renovation of the historic JA Byrd Mercantile Building as contained in Attachment.

1. Summary of work completed this funding cycle.

This JA Byrd Mercantile Store building is on the National Historic Registry and the Town of Eastover has been working on the restoration of this building for several years. The building sits on Main Street, in the heart of the town, and the renewed structure will serve as an economic hub. Plans are for the building to house administrative offices for the Town of Eastover, County Council Chambers, a Visitor's / Welcome Center, a restaurant, and possible office space for businesses to lease. Ideally, the town would like to bring a financial institution back to the community.

The *Boudreaux Group* is the architectural firm overseeing the renovation of this historical treasure. Their major goal during this funding cycle is to oversee the asbestos abatement by HAN Construction & Management. Unfortunately, the first realization was that the structure was unsafe, and work needed to stop immediately. Then, the Boudreaux Group of Columbia, SC conduct a feasibility study of the structure; afterwards, the company facilitated the structural shoring of the Mercantile Store so the roof could be renovated properly. The asbestos removal, feasibility study, and structural shoring were begun during this fiscal cycle.

Another major objective for these funds was to supplement the roof replacement and to get the LED marquee sign mentioned in the original proposal. Lastly, an economic development consultant was contracted to create a project timeline and evaluation rubric in addition to what the Boudreaux Group will create. This will serve as an internal instrument to ensure that the project stays on schedule.

The JA Byrd Mercantile Store Preservation project is a massive restoration effort aimed at transforming the visual aesthetics and the economic pulse of Eastover, SC. The Town of Eastover requested \$100,000 for the stabilization of roof, and this objective was accomplished after many interruptions in the restoration project.


2. List actual expenditures.

(See Attached EXPENSE report)

3. List each source of match, amount and type (cash, donated labor, materials, etc.)
Structural Shoring Project \$0 – match required.

4. How was SC State Legislature funding acknowledged for this project?

Contributions from the SC State Legislature was acknowledged at each Town Hall Meeting when updates were given on the JA Byrd Mercantile Store Restoration Project. The Boudreaux Group was also made aware that the funds from this project was made available by the SC Legislature.

Submitted by:  June 08, 2021
Phillip Gunter, Mayor Date

**TOWN OF EASTOVER
CAPITAL IMPROVEMENT GRANT - A
SE DEPARTMENT OF COMMERCE**

Income:

Type	Date	Num	Name	Memo	Account	Amount
Deposit	03/04/2017		SC Department of Commerce	Deposit	435.2 · CIP Grant	-100,000.00
Total Income						-100,000.00

Expenses:

Type	Date	Num	Name	Memo	Account	Amount
Check	06/14/2017	1005	Alpha-Omega Environmental, I	Asbestos Inspection	Professional Services	3,800.00
Check	12/04/2017	Debit	Ace Hardware	Building Repair Materials for 625 Main Street	Building Supplies	24.60
Check	12/04/2017	Debit	Sherwin Williams	Building Repair Materials for 625 Main Street	Building Supplies	172.10
Check	12/04/2017	Debit	Lowe's	Building Repair Materials 625 Main Street	Building Supplies	444.68
Check	12/05/2017	Debit	Lowe's	Building Repair Materials for 625 Main Street	Building Supplies	265.96
Check	12/07/2017	1012	Mr. Robert Richardson	Repair work to the 625 Main Street Bldg	Professional Services	2,150.00
Check	01/18/2018	1014	HAN Construction & Managem	25% of Mobilization Deposit-625 Main Street	Professional Services	5,875.00
Check	04/12/2018	1018	Boudreaux Group	Feasibility Study and Conditions Assessment Report	Professional Services	3,375.00
Check	05/15/2018	1019	Boudreaux Group	Feasibility Study and Prioritized-Creation of Built Drawing-Rendering-Space Planning& Floor Plan...	Professional Services	12,632.48
Check	06/05/2018	1021	Boudreaux Group	Professional Service Rendered for Project	Professional Services	22,725.00
Check	06/05/2018	1022	Coastal Environmental and Insp	Asbestos PCM area/environmental air monitoring	Professional Services	1,875.00
Check	06/05/2018	1023	HAN Construction & Managem	Invoice#: 201712-02 -Asbestos Removal	Professional Services	8,812.50
Check	08/01/2018	1028	Boudreaux Group	Invoice#: 00005 Traveling/Lodging Expense	Lodging	27.58
Check	12/14/2018	1033	Boudreaux Group	Invoice#: 00002- Reproduction	Office Supplies	47.68
Total Expenses						84,284.66
Variance						-15,715.34

Straiter, Joyce

From: Robert Reese <rreese4@bellsouth.net>
Sent: Tuesday, March 22, 2022 12:20 AM
To: Straiter, Joyce
Cc: Phillip Gunter; Veronica Outing
Subject: GRANTS UPDATE (Eastover, SC)(Supplemental Expense Report)
Attachments: Capital Improvement - 2nd Allocation.pdf

Mrs. Straiter:

Per our discussion, I attached a detailed expense report for the three (3) grants disbursed to the Town of Eastover by the South Carolina Department Of Commerce.

Our records indicate that 100% of the funds from the \$200,000 grant award have been expended, and the attached correspondence lists all applicable expenditures in detail. ***Please CLOSE OUT our \$200,000 grant.***

Additionally, please review the spreadsheet below, and add this supplemental document as an addendum to our previously submitted report.

If you need additional information, we are eager to comply! Thank you for guiding the new administration through the arduous compliance/accountability process.

We look forward to working diligently with you over the next few years to completed this historic renovation, and any other project(s) that addresses the needs of our rural community.

Thanks again!

Robert

Robert Reese, Grants Manager
Town of Eastover
803-312-3086 (cell)

**TOWN OF EASTOVER
CAPITAL IMPROVEMENT GRANT
SC DEPARTMENT OF COMMERCE**

Income:

Type	Date	Num	Name	Memo	Account	Amount
Deposit	03/27/2019		SC Department of Commerce	Deposit	435.2 · CIP Grant	200,000.00
Total Income						200,000.00

Expenses:

Type	Date	Num	Name	Memo	Account	Amount
Check	03/28/2019	1037	Boudreaux Group	Architect Compensation	Professional Services	34,000.00
Check	03/28/2019	1038	Huss, Inc.	Structure Shoring	Professional Services	70,371.05
Check	11/21/2019	1044	J.P. Smith, Inc..	Roof Renovations	Professional Services	30,650.00
Check	12/23/2019	1047	J.P. Smith, Inc..	Application# 2	Professional Services	50,075.00
Check	05/22/2020	1048	J.P. Smith, Inc..	AIA G702 - Certification Payment	Professional Services	14,903.95
Total Expenses						200,000.00
Remaining Balance						0.00

Historic Preservation Grants Program Final Report

Project Name: JA Byrd Mercantile Store Historic Renovation Project

Grant Recipient: Town of Eastover

Project Description: Funds were used to support the renovation of the historic JA Byrd Mercantile Building as described in the funding agreement attached to original award documentation.

1. Summary of work completed this funding cycle.

This JA Byrd Mercantile Store building is on the National Historic Registry and the Town of Eastover has been working on the restoration of this building for several years. The building is located on Main Street, in the heart of the town, and the renovated structure will serve as an economic hub. Final plans for the building accommodate the administrative offices for the Town of Eastover, County Council Chambers, a Visitor's / Welcome Center, a restaurant, and possible office space(s) for businesses to lease. Ideally, the town hopes to bring a financial institution back to the community.

The *Boudreaux Group*, a Columbia-based architectural firm, oversaw this portion of the renovation of this historic treasure. The major goal of the company during this funding cycle was to complete the roof and flooring replacement of this antiquated building. Another major objective, aligned with the use of these funds, was to “shore up” the building’s integrity, before roof replacement, and to install the LED marquee sign purchased during the previous proposal. Finally, an economic development consultant was hired to create a project timeline and evaluation rubric as a supplement to what the Boudreaux Group created. This served as an internal instrument to ensure the project stayed on schedule, and it outlined future renovation requirements and their order of operations / importance to subsequent rehabilitation stages.

The JA Byrd Mercantile Store Preservation project is a massive restoration effort aimed at transforming the visual aesthetics and the economic pulse of Eastover, SC. The Town of Eastover received two (2) installments during this funding cycle totaling \$375,000 for the work outlined above. The two installments were \$200,000 (received on February 19, 2019) and an additional \$175,000, received two months later on November 20, 2019.

The narrative below provides an additional overview of the work completed.

The Boudreaux Group facilitated the structural shoring of the Mercantile Store so the roof could be renovated. Additionally, the walls were stabilized prior to replacing the roof. Full replacement of roof structure, roof decking, insulation and roof membrane occurred. The town continued to work with the Boudreaux group after a subsequent "bid" process identified Boudreaux as the company to replace the roof and to remove the additional asbestos that remained in the building.

Although the feasibility study and structural shoring were completed during this funding cycle, asbestos removal prohibited the contractor from replacing of first and second floor structural wood floor joists and completing the installation of new wood flooring at each level. Additional contractors were solicited to address the asbestos problem.

Below are the actual expenses incurred during this funding cycle.

2. List actual expenditures.

(See Attached EXPENSE report)

3. List match requirement, amount contributed and type (cash, donated labor, materials, etc.).

\$0 – match required.

4. Explain SC State Legislature funding acknowledgement.

Contributions from the SC State Legislature were acknowledged at each Town Hall Meeting when updates were provided on the JA Byrd Mercantile Store Restoration Project. The Boudreaux Group was also made aware that the funds from this project were contributed by the SC Legislature.

Submitted by:


Phillip Gunter, Mayor

June 08, 2021

Date

**TOWN OF EASTOVER
CAPITAL IMPROVMENT GRANT - B
SC DEPARTMENT OF COMMERCE**

Income:

Type	Date	Num	Name	Memo	Account	Amount
Deposit	03/27/2019		SC Department of Commerce	Deposit	435.2 · CIP Grant	-200,000.00
	12/19/2019		SC Department of Commerce	Deposit	435.2 · CIP Grant	-175,000.00
Total Income						<u><u>-375,000.00</u></u>

Expenses:

Type	Date	Num	Name	Memo	Account	Amount
Check	03/28/2019	1037	Boudreaux Group	Architect Compensation	Professional Services	34,000.00
Check	03/28/2019	1038	Huss, Inc.	Structure Shoring	Professional Services	70,371.05
Check	11/21/2019	1044	J.P. Smith, Inc..	Roof Renovations	Professional Services	30,650.00
Check	12/23/2019	1047	J.P. Smith, Inc..	Application# 2	Professional Services	50,075.00
Check	05/22/2020	1048	J.P. Smith, Inc..	AIA G702 - Certification Payment	Professional Services	72,256.40
Check	06/26/2020	1050	J.P. Smith, Inc..	AIA G702- Certification For Payment	Professional Services	72,220.60
Check	07/17/2020	1053	J.P. Smith, Inc..	AIA G702- Certification For Payment	Professional Services	7,990.00
Check	07/20/2020	1054	J.P. Smith, Inc..	AIA G702- Certification For Payment - 2 payment portion of the \$ 17,108.00	Professional Services	9,118.00
Check	08/13/2020	1055	Boudreaux Group	Travel/Lodging	Travel Lodging	73.76
Check	10/06/2020	1058	Boudreaux Group	Reimbursables - Travel/Lodging	Travel Lodging	357.57
Check	10/23/2020	1059	J.P. Smith, Inc..	Final Balance To Finish, Including Retainage	Professional Services	8,490.00
Check	03/08/2021	1061	Rafeal Colay Co.	Roof Renovations	Professional Services	10,000.00
Total Expenses						<u><u>365,602.38</u></u>
Variance						<u><u>-9,397.62</u></u>

**South Carolina
State University**



ORANGEBURG REGIONAL INNOVATION CENTER

Report through Quarter Ending December 31, 2021

Summary

During the 4th quarter of 2021, we were able to officially launch the Orangeburg Regional Innovation Center (ORIC) in a temporary location located at 1515 Henley Street in Orangeburg. The original building needs significant repair as is currently being transferred to South Carolina State University from the Palmetto Development Group. The University is working to have the building renovated will be the eventual permanent home of the Center. Nonetheless, we have opened our doors in temporary location that has space for four on-site businesses with desks and additional room for virtual business owners to come use the space and have access to resources (i.e., Wi-Fi access, a conference room, telephone systems, a printer, an administrative assistant, and a kitchen area). To help us prepare the space for use, the Orangeburg County Development Commission donated three plasma TV screens that are being used as monitors. The Orangeburg County Library donated desks and chairs. The SC SDBC gave us equipment to host virtual meetings. With the help of local volunteers, the building is now setup and ready for client use.

Project Timeline Goals

As of the end of the year, ORIC has made significant programs toward its Year One and Tow Timeline Objectives.

- **Meet with Business Development Organizations.** We have met with all of the partnering organizations and have drilled down on specific programs that can bring direct value to our stakeholders. We are partnering with SC State University's Innovation and Entrepreneurship HUB to identify students with businesses and concepts that have the potential for sustainable growth. We have also met with professors and other individuals in the science and engineering fields to develop an innovation process. Through these conversations, we have also started working on a technology transfer system that can utilized by the Universities to commercialize technology that may come from within the schools. We have also started conversations with OC-Tech to create entrepreneurial pipelines from their various certification programs. In addition to working with the colleges and universities, we have met with some of the municipalities in the region to discuss how ORIC can help with small business creation in those areas as well.
- **Appoint Advisory Board.** We are currently meeting with various stakeholders in our eight-county region to identify individuals to participate on an Advisory Council. As part of that effort, ORIC has established its Board of Directors and conducted its first meeting. The Board has a diverse composition of men, women, ethnic backgrounds, talents, and skills. This is still an ongoing process and we plan to host our first Advisory Board meeting before the end of March.



- **Engage 3-5 entrepreneurs in planning new startups.** We are working on several exciting new projects. We have one client developing and recycling plant in a niche market. We also have a non-profit that is doing some exciting work working with local farmers and the Foodshare program.
- **Meet with existing businesses to discuss status and roadmap for potential growth.** We have two existing businesses looking to move into the incubator space in March. One of the two businesses is currently a home-based operation that cannot expand with moving into an office space. We are also helping another client who has outgrown her current space as she is looking to build a new building.
- **Obtain internships positions for students in existing businesses.** We have identified a number of positions for students. One of our startups has money to hire two students and will be employing 2-3 students to manage their operations. We also have a couple of positions available for students to do consulting work with farmers. In light of these operations, we have made presentations in classrooms and have begun recruiting students for these positions. In addition, we have developed a special internship program to help students learn how to operate a small business by helping other businesses in key functional areas (i.e., accounting, marketing, IT, HR, etc.). Students in this program are being trained to provide direct assistance in these business areas. Right now, we are recruiting students to participate as volunteers as we seek to also find clients who may be willing to pay for their services.
- **Workshops and other events.** Due to COVID and issues with the original building, we are just getting to the point where we have space, equipment, and safety measures in place to be able to host hybrid in-person/virtual events. Consequently, we are planning out a full year of events. Events will include monthly networking meeting in the office and on location in other counties in the region. We will begin hosting training classes for our three primary programs – the Innovation Design Lab, our Business Incubator Academy, and our Franchise Apprenticeship Program. These programs will be composed of monthly classes that are designed to systematically create and launch new businesses. We will begin hosting all of these events in March.
- **Funding.** Bank loans and personal savings have been the primary sources of capital for businesses. Unfortunately, many of the entrepreneurs in our target market don't have enough capital to start or sustain businesses. As a result, we are developing an equity capital fund to help to support local businesses and attract more entrepreneurs to the area. We should be able to launch this part of our efforts by the end of the Summer 2022.

In our next report, we will share more specific information about our clients and where they are in their developmental process. We will also have the full slate of events we are planning and will have some results to share from some of our initial events.



TO: South Carolina Department of Commerce
FROM: Barbara L. Adams
DATE: February 15, 2022
RE: South Carolina Department of Commerce Grant Quarterly Report
For Period Ending 12/31/2021

Expenditures for the quarter are as follows:

	QTR 4
	<u>Expenditures</u>
Personnel Services	12,500
Personnel Services	1,250
Employer Contributions	4,227
Contractual Services	591
Office Supplies and Equipment	2,694
Furniture and Fixtures	2,144
Fixed Charges	
Building Lease	\$ 4,500
Utility Deposit	500
Mailbox Rental	<u>40</u>
	<u>5,040</u>
Total Expenditures for Quarter 4	\$ 28,446
	=====

***\$69,000 was transferred from budget account to the Center for operating expenses.**

Expenditures of \$28,446 include amounts spent from budget and Center operating account.

Reconciliation of Budget and Center Operating Account

As of December 31, 2021

Cash Receipts Operating Account

Funds transferred to Center		\$69,000
Interest Earned		<u>1</u>
Total Cash Receipts		\$69,001

Disbursements

Office Supplies and Equipment	\$ 2,591	
Furniture and Fixtures	2,694	
Rental Lease	4,500	
Mailbox Rental	40	
Utility Deposit	500	
Checks & Bank Fees	220	
IRS Filing Fees	<u>275</u>	<u>(11,144)</u>
Balance, December 31, 2022		\$57,857

Budget Account

Budget Account, December 31, 2022		<u>\$101,265</u>
Grant Balance, December 31		\$159,122

APPENDIX K

Question 124



Actively promotes, builds, supports, expands, and convenes South Carolina's life sciences industry.



Advances education and workforce development through initiatives like South Carolina Business Week.



Manages SC industry clusters and provides them with the research, resources, and networks they need.



Provides educational forums through committee and division conferences and advances SC manufacturing.



A private, non-profit group that helps industry with innovation, solutions, and strategies.



Economic development organization representing the state's 20 electric cooperatives



Provides leadership on issues that impact the quality of life of South Carolina residents.



Fathership Coalition

Provides resources to strengthen fathers for family engagement.



not-for-profit organization committed to helping people become independent and employed through education and training.



Nonprofit that aids community benefit organizations by offering innovative programs and initiatives.



Focused on bringing together South Carolina's leaders and partners to strengthen the state's entire nonprofit community.



Collaborative effort to advance and market South Carolina's aerospace industry cluster.



CyberSecureSC helps ensure stakeholders know how to protect themselves against cyber threats, grows cybersecurity professionals, and spurs cybersecurity innovation.



Works to strengthen South Carolina's economy, create jobs, attract investment, and become a global leader in transportation, distribution, and logistics.



Public-private partnership committed exclusively to the interests of South Carolina's manufacturing community



Online connection platform for engaging current and future job seekers.

SOUTH CAROLINA NON-GOVERNMENTAL ORGANIZATIONS