

**Charleston County Financial Incentives
for
The Boeing Company
Final Assembly Project**

- The Project:** Final Assembly Facility – Boeing 787
- Capital Investment:** \$750 Million in real property, machinery & equipment, and other business personal property associated with the Final Assembly Plant
- 2 or more Large Cargo Freighters (LCFs) – customized 747 cargo planes used to transport Dreamliner components from supplier locations to final assembly locations in Everett, WA and North Charleston, SC
- Public Revenues:** average \$ 4.6 Million annually
app. \$138.6 Million over 30-year deal term
- The County Incentives:** **Fee-in-lieu-of-taxes (FILOT)**, utilizing the Enhanced Investment Legislation – S.C. Code Section 12-44-30
- FILOT terms will include:
- 4% assessment
 - millage rate fixed at 2008 level for Tax District 4-3 of 269.8 mills over 30-year project term
 - company opted for standard gradually- declining taxation methodology (versus ‘equalized payments’)
- Special Source Revenue Credit (SSRC)**, utilizing S.C. Code Section 4-29-68
- SSRC terms will include:
- 50% of FILOT revenue stream (FILOT payments) will be rebated back to the company during years 1-15
- Multi-County Industrial Park (MCIP) designation**, Utilizing S.C. Code Section 4-1-175
- MCIP terms will include:
- addition of Boeing property to Charleston-Colleton MCIP
 - MCIP enables County to administer SSRC
 - MCIP will enhance “job tax credits” available to the company to offset state corporate income taxes
- Set-Aside and Utility Tax Credit Grants** have been made available to The Boeing Company by the S.C. Coordinating Council and Berkeley Electric Cooperative, respectively.
- a Set-Aside Grant of \$5 Million will be utilized by the company to defray site preparation costs
 - a Set-Aside Grant of \$150,000 will be utilized by the County to perform a traffic study of the Airport area

to identify potential traffic infrastructure improvements necessary to accommodate future growth of the 787 facility and surrounding uses

-a Utility Tax Credit grant of \$100,000 will be utilized by Boeing to defray public infrastructure costs, including such items as taxiway extension, public road improvements, or water & sewer extensions occurring in the public rights-of-way

County will act as “conduit” in the receipt and disbursement of these funds to the company on a reimbursement basis for qualified uses. The Economic Development Department will administer the grants, collaborating with the County Grants Auditor.

Financial Impact:

The Boeing Company will pay app. \$188.4 Million in FILOT payments during 30-year deal term

Taxing entities (including County) will collect app. \$138.6 Million (app. 74% of revenues available during the 30-year term)