Michelin to decide in 'next couple months'

Company would create high-bay distribution center near Fair Play

BY STEVEN BRADLEY
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WALHALLA — A Michelin spokesman said the company hopes to have a decision "in the next couple months" after Oconee County Council finalized an incentive package to lure it into the county Tuesday.

Council voted unanimously to pass on third and final reading Ordinance 2014-29, which authorizes a fee-in-lieu-of-tax and incentive agreement for Michelin North America, Inc., previously identified as Project Sarah in chambers.

Roy Chamblee, the director of local and state government relations for Michelin, spoke at the meeting and indicated there is nothing further the county could have done to see the project come together.

"As with any project of this nature, there are really many, many moving parts, essentially all over the world, and at some time they begin to come together and coalesce," he said. "At this stage we feel they're beginning to come together where we'll be able to make a decision here in the next couple months.

"I know there is a schedule that is in place, and we're hoping this will be a good decision and that we'll be coming to Oconee County."

The project would be a high-bay distribution center at the Golden Corner Commerce

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Park off S.C. Highway 59 in the Fair Play area, Oconee Economic Alliance executive director Richard Blackwell said.

"We have come this far, and it's looking good for us," Blackwell said. "But part of tonight is to finish up the incentive agreement work on our side of the plate and then allow Michelin to do some necessary due diligence work on their side, and we hope that in the not-too-distant future we will all be able to put a shovel in the ground and to celebrate the way that we should for this potential victory that we have forthcoming."

Michelin would invest at least $175 million as part of the deal over a five-year period and hire up to 170 employees at an average wage of $22.50 per hour if it accepts the incentive package.

Council chairman Joel Thrift said the county appreciated being in consideration for the project and hoped to see it come to fruition in the near future.

Ryan Honea, a resident of the Fair Play area who serves on the county planning commission, also commended council and the Oconee Economic Alliance for bringing the project to the GCCP.

"We've been working a long time there to get something in the lower part of this county, and you brought a first-class company in there. ... Lifelong residents of Fair Play, we're glad to have them coming to this community if they decide on it," he said.

County administrator Scott Moulder told The Journal this week that his understanding is Michelin's final decision would not come until after the first of the year.

Moulder has previously characterized the deal as potentially "the largest investment this county has seen other than Duke Energy from a particular, single-point source."

The fee-in-lieu-of-tax agreement would reduce Michelin's assessment ratio to 6 percent from the standard 10.5 percent industrial rate and also give the company a fixed millage for the full term of the agreement, as well as special source tax credits for the first 10 years.

The ordinance reads that "the annual Negotiated FILOT payments shall be payable for an aggregate payment period of forty (40) years, which period shall be comprised of an initial period of thirty (30) years and an automatic extension period of ten (10) years."

The compliance period runs for five property tax years, through Dec. 31 of the fifth year after the project is placed into service. So if the project were placed into service in 2016, Michelin would have through Dec. 31, 2021, to make the requisite investment and create the promised jobs.

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