Oconee finalizes deal with Baxter

BMW supplier to invest $20.7M at industrial park

BY STEVEN BRADLEY
THE JOURNAL

WALHALLA — Oconee put the finishing touches Tuesday on a deal to bring a BMW supplier worth $20.7 million in capital investment to a county industrial park near Westminster.

County council passed third and final reading of the ordinance approving a fee-in-lieu-of-tax agreement with Baxter Manufacturing LLC, which plans to establish operations at the Oconee Industry and Technology Park on S.C. Highway 11.

The South Carolina Department of Commerce announced last month that Baxter Enterprises and Hi-Tech Mold & Engineering, full-service suppliers for the plastics industry, would invest $20.7 million in the project and create 87 new jobs over the next five years.

A summary analysis of the economic development impact included in the backup material for Tuesday's meeting showed the total benefit of the project at more than $9.3 million, with the bulk of that ($6.1 million) labeled as facility operation benefit.

The total costs of the project — development, operational and employ-

SEE DEAL, PAGE A5

ee costs — are about $1.2 million, according to the analysis.

The benefit to cost for the county of the project in the first year is $7.70 for every dollar invested, and for two years and beyond, $20.11 per dollar spent.

With the approval of the ordinance, the county granted the companies a FILOT deal of 30 years to drop their property tax assessment from 10.5 percent to 6 percent and lock its millage. The county is also providing a 300,000-square-foot pad site at no cost as part of the incentives.

To accommodate the new Oconee operations, the companies will be moving into a new 87,000-square-foot facility. Hi-Tech Mold & Engineering's operations are expected to comprise 17,500 square feet of the new facility, according to the DOC.

The average wage for the 87 new jobs is estimated at $26.35 per hour, according to county economic development director Richard Blackwell.

Blackwell said the deal includes performance-based clawback provisions, as well as "reverter language" if the involved companies do not build as anticipated on the property.

With complementing operations, Hi-Tech Mold & Engineering, which was founded in 1982, designs, builds and repairs molds and provides mold services, while Baxter Enterprises, which was founded in 1997, manufactures injection-molded parts.

In other economic developments, council also passed second reading of a FILOT deal with a company known as "Project Switch."

That agreement, which will result in a minimum capital investment of $2.5 million in the county, is between Oconee and the Nason Company, an Ohio corporation, which operates an industrial equipment supplier on S.C. 11 near Walhalla.

sbradley@upstatetoday.com | (864) 973-6128