Oconee manufacturer plans $25M expansion

BY STEVEN BRADLEY
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WALHALLA — An Oconee company is considering an expansion worth at least $25 million in capital investment and potentially more than $60 million.

Tonight's county council agenda includes first reading in title only of an ordinance that would approve a fee-in-lieu-of-tax agreement for Project Wales, the moniker used for the project until it is officially announced.

"It is a competitive project; it deals with a major corporation that could have put this investment in another locality, but they chose to grow it here, which is always good to see," said Oconee economic development director Richard Blackwell, who is under a non-disclosure agreement and can not reveal the name of the company.

The company would have five years to invest the required amount, and the amount of total investment over that period would determine the size of the special source credit against the company's tax liability.

If the company's capital investments exceed $30 million over that five-year span — and is maintained for at least 10 years — it would receive a 20-percent special source credit against its property taxes.

Should the company reach the $60 million level of investment over the same time period, it would receive a 40-percent credit against its taxes.

"By putting that carrot out there, we hope to double our investment," Blackwell said.

Over the 30-year term of the FILOT, Blackwell said a $30 million investment by the

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company would generate approximately $2.8 million in tax revenue for the county. In that scenario, a 20-percent special source credit would save the company about $300,000 in tax liability over 10 years.

If the company reaches the $60 million level of investment, it would mean roughly $4.4 million of new revenue for Oconee. The 40-percent credit in that case would save the company about $1 million in tax liability over 10 years.

There are no new jobs tied to the economic development project, but Blackwell said by virtue of the company's expansion, it would allow the county to retain the existing jobs at the plant.

"It's encouraging when a global company that can put this investment anywhere in the world decides to put it here in Oconee County," Blackwell said, "because it demonstrates their long-term plan with the facility here by putting in this investment. It's going to keep roughly 150 families employed at this facility."

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