Oconee to vote on $18M

Fee-in-lieu-of-tax agreement would help expand manufacturing plant

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WALHALLA — Oconee County Council is poised to approve a fee-in-lieu-of-tax agreement next week with a holding company that promises to invest $18 million and create 11 jobs.

Hungry for economic development and opportunities to create new jobs, the council is expected to vote in favor of a resolution dealing with the agreement at its meeting Tuesday night.

Background information released by the county on the deal identifies the company making the investment as a general partnership between Eaton Corp. and U.S. Nittan, which is the holding company of US Engine Valve in Westminster.

The resolution to be voted on refers to the investor as "Project Gold Dust."

US Engine Valve has manufactured carburetors, pistons, piston rings and valves at its Oconee County plant since 1987. The local operation employs more than 300 workers.

According to the proposed agreement, the holding company would invest at least $18 million by the end of the fifth year following the execution of the fee agreement, and maintain that level of investment through the initial 10 years of the deal. The agreement calls on the company to maintain a minimum investment of $13 million for the remaining 10 years of the deal.

investment deal

During the 20-year period, the company would make payments in lieu of taxes to the county that would be determined by using an assessment ratio of 6 percent, a fixed 215.3 millage rate that went into effect on June 30, 2009, and the fair market value for the project property. Under the agreement, the property would not be subject to property value reassessment, which is undertaken every five years.

A fee-in-lieu-of tax agreement related to a plant expansion at US Engine Valve failed to advance early last year because of the weak economy.

During a County Council Planning & Economic Development Committee meeting this week, Economic Development Director Jim Alexander indicated that "Project Gold Dust" is one of 12 such projects he is currently working on.

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