Oconee would provide land for new company

Project Mackinaw also in line for state incentives

BY STEVEN BRADLEY
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WALHALLA — The county would provide a 300,000-square-foot pad site at no cost as part of the incentives to lure a BMW supplier to an Oconee industrial park.

County council tabled third and final reading of the economic development deal Tuesday, as expected, but more details were revealed about "Project Mackinaw," which would invest $19.5 million and bring 89 new jobs over five years to the Oconee Industry and Technology Park on S.C. Highway 11.

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

In return for bringing the capital investment and jobs to the county, Oconee would bestow the land at no cost, while the state would provide job development credits and a grant toward construction.

Blackwell provided those and other details in a letter addressed to council, as well as the county's citizens, included in the backup material for Tuesday's meeting on the county website.

In terms of the incentives offered, Blackwell told The Journal a cost/benefit analysis and economic impact study showed it was "a positive deal" for Oconee.



Blackwell

He admitted council had a "tough call" to make, but said given all aspects of the deal, providing land at a reduced cost was still a "good choice" for the county to land the first tenant in OITP.

Blackwell said Mackinaw was a "competitive project," and Oconee needed to offer incentives that "aligned with company's parameters" in order to land the project.

Third and final reading was delayed in order to make amendments to the ordinance approving the company's fee-in-lieu-of-tax agreement that include giving authority to "transfer the subject property directly to the company and/or its developer"

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and increase the company's mandatory minimum investment.

Mackinaw, whose real name will be revealed at the public hearing on the ordinance at council's next meeting, is a limited liability company taxed as a partnership, and would locate an automotive components manufacturing facility at OITP near Westminster.

The company is a plastic injection molding operation that is establishing its new South Carolina operation to supply BMW. Another side of its business is in tool repairs and design for other plastic injection molding operations.

The family-owned-and-operated company began in 1998 and has two locations in the United States.

Mackinaw plans to construct an estimated 90,000-square-foot building in its initial construction phase.

"Their plan is to expand quickly on this 'ready site' as the book of business grows," Blackwell said. "Construction will begin within the next 60 days, as they must supply BMW production in 2017."

Of the company's $19.5 million investment in the project, it is estimated $4.5 million will be in real property (land and building) and $15 million will be tangible personal property (machinery and equipment).

With approval, the county would grant Mackinaw a FILOT agreement of 30 years to drop its property tax assessment from 10.5 percent to 6 percent and lock its millage.

Blackwell said the deal includes performance-based clawback provisions, as well as "reverter language" if the involved companies — Mackinaw and AgriCel, the firm that will oversee construction — do not build as anticipated on the property.

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