



CITY OF CAYCE

MAYOR
ELISE PARTIN

MAYOR PRO-TEM
JAMES E. JENKINS

COUNCIL MEMBERS
TARA S. ALMOND
EVA CORLEY
TIMOTHY M. JAMES

CITY MANAGER
REBECCA VANCE

ASSISTANT CITY MANAGER
SHAUN M. GREENWOOD

**City of Cayce
Special Council Meeting
September 17, 2014
5:00 p.m. – Council Chambers – 1800 12th Street
www.cityofcayce-sc.gov**

I. Call to Order

A. Invocation and Pledge

II. Executive Session

- A. Receipt of legal advice relating to claims and potential claims by the City and other matters covered by the attorney-client privilege
- B. Discussion of negotiations concerning proposed contractual matters for settlement of a lawsuit
- C. Discussion of negotiations concerning proposed contractual arrangements as it relates to the 12,000 Year History Park

III. Possible Actions by Council in follow up to Executive Session

- A. Approval of Ordinance Establishing an Incentive Reimbursement Grant Program for Insurance Companies with Corporate Headquarters in the City – First Reading

IV. Adjourn

SPECIAL NOTE: Upon request, the City of Cayce will provide this document in whatever form necessary for the physically challenged or impaired.

STATE OF SOUTH CAROLINA) ORDINANCE
) ESTABLISHING AN INCENTIVE
COUNTY OF LEXINGTON) REIMBURSEMENT GRANT PROGRAM
) FOR INSURANCE COMPANIES WITH
CITY OF CAYCE) CORPORATE HEADQUARTERS IN THE CITY

WHEREAS, the Council has determined that it is in the public interest of the City, and that it serves the public purpose of economic development, to encourage the location of the corporate headquarters of insurance companies within the City; and

WHEREAS, the Council has determined that a fair and appropriate economic incentive to encourage the location of such corporate headquarters within the City is to provide for reimbursement of a portion of business license taxes paid by a qualified insurance company with a corporate headquarters within the City; and

WHEREAS, the Council further has determined that such reimbursements are best administered through an established program of the City.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Cayce, in Council, duly assembled, as follows:

The City Code is hereby amended to add a new Article VI ("Incentive Reimbursement Grant Program for Corporate Headquarters of Insurance Companies") to Chapter 12 ("Businesses") to read:

Section 12-149. Creation of the Program.

The Incentive Reimbursement Grant Program for Corporate Headquarters of Insurance Companies is hereby established for the City. The Program will be administered by the City Manager.

Section 12-150. Purpose of the Program.

The purpose of the Program is to provide reimbursement equivalent to a portion of business license taxes paid by a qualified insurance company that has or locates its corporate headquarters within the City.

Section 12-151. Definition of Qualified Insurance Company.

For purposes of the Program, a "qualified insurance company" is defined as a fire and casualty insurance company (also known as a direct property and casualty insurance carrier), as described in the City's business license ordinance, and as further described in NAICS number 524126 (or such other comparable identifying code for a fire and casualty insurance company or property and casualty insurance company as may be utilized in the future by the City business license ordinance), that is licensed with the South Carolina Department of Insurance and that pays a business license tax to the City of Cayce at the rate of 2% of gross premiums.

Section 12-152. Definition of Corporate Headquarters.

For purposes of the Program, "corporate headquarters" is defined as the facility or portion of a facility at which (1) a majority of corporate staff employees are physically present and employed, and (2) a majority of each of the company's financial, premium collection, personnel, planning, information technology, or other headquarters related functions are handled on a state, multi-state, national, or global basis.

A majority of premium collection means collection of all South Carolina statewide premium not allocated to other South Carolina municipalities for purposes of municipal business license taxes.

In order to qualify for the Program, a "corporate headquarters" must be the state, multi-state, national or global corporate headquarters of the company or of a company associated with that company through common management, a joint expense agreement, and a unified shared sales force (hereinafter "Associated Company"). In addition, in order to qualify under the Program, at least [85] full-time employees of the company and/or associated company must be physically present and employed at the facility within the city. Notwithstanding the foregoing, the City shall waive the [85] employee requirement for corporate headquarters that previously have qualified for the reimbursement grant under this Article if the South Carolina Department of Insurance determines that, due to exceptional circumstances, such reduction is necessary to avoid impairment or insolvency.

Section 12-153. Provision for Reimbursement.

A. Under the Program, the City will reimburse a qualifying insurance company, as the Grantee, for sixty-two and one-half percent (62.5%) of the amount of the yearly City of Cayce business license tax paid by the Grantee beginning with the license year of Grantee's application for the Program. The City will make this reimbursement to the Grantee within fifteen (15) business days of the City's receipt of payment from the MASC of the City's yearly business license taxes due from the Grantee. Reimbursement and the calculation of the amount of reimbursement shall not include any late payment of taxes or any amount paid as penalties. The City understands that this Ordinance may not receive Second Reading until after Grantees have made their license tax payments to the MASC or City in 2014, and that such reimbursements under this ordinance will include any business license tax payments made in 2014.

B. Any qualifying insurance company which receives a grant and subsequently relocates to another location outside of the City shall repay the grant as follows:

1. If the qualifying insurance company relocates within the first three years after receiving the grant, it shall reimburse the City the lower of (1) the grant received for prior years or (2) \$2,000,000.

2. If the qualifying insurance company relocates three or more years but less than four years after receipt of the first grant payment, it shall reimburse the City the lower of (1) the grant received for prior years or (2) \$1,000,000.

3. If the qualifying insurance company relocates four or more years but less than five years after receipt of the first grant payment, it shall reimburse the City the lower of (1) the grant received for prior years or (2) \$500,000.

4. If the company relocates five or more years after receipt of the first grant payment, then no reimbursement is due.

Section 12-154. Exclusive Use and Termination of Reimbursement.

The right to reimbursement under the Program is specific and personal solely to the Grantee, is not assignable to any other entity or person, and terminates immediately upon Grantee's cessation of business within the City or the cessation of location of the corporate headquarters anywhere within the City, provided that cessation of business does not include reorganizations, mergers, the creation of new companies, or acquisitions by a grantee company provided that the successor or new company has its corporate headquarters in Cayce.

Section 12-155. Application and Documentation for the Program.

The business seeking a grant under the Program must apply yearly for the Program by the application due date of May 1 (September 15 for 2014), provide documentation of qualification as requested in the application, and agree to furnish any other information as may be needed by the City to determine qualification and reimbursement.

This Ordinance shall be effective from the date of final reading and adoption and effective for the City's 2014 business license year.

DONE IN MEETING DULY ASSEMBLED, this ____ day of _____,

2014.

Elise Partin, Mayor

ATTEST:

Mendy C. Corder, Municipal Clerk

First reading: _____

Second reading and adoption: _____

Approved as to form: _____
City Attorney