

Colleton County

SOUTH CAROLINA



2020 INVESTMENT
PROSPECTUS

DEAL FLOW: PAGE 16



MEET YOUR REGIONAL PARTNERS

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EXPLORING COLLETON COUNTY



ABOUT COLLETON COUNTY



Colleton County is a community ready to leverage new investment. The area is primed for growth and investment due to its favorable location, existing assets, and diverse workforce. The county is well connected with superb access to major highways for efficient transportation, both along the coast and inland. The county has also experienced a rapid growth in residential incomes over the past five years in part due to the rise of successful small businesses, increase in manufacturing operations, and growth in the Colleton County I-95 Industrial Corridor. Colleton County's leadership is actively working to promote economic development, provide programs to enhance workforce and quality of life, and to invest in real estate and infrastructure needed to further ensure a resilient future.

ABOUT THE REGION

Colleton County is an integral part of the SouthernCarolina Alliance (SCA) region—a seven county area in the southern tip of South Carolina. In close proximity to Aiken, Augusta, Savannah, and Charleston, the region has strong access to major U.S. ports, airports, rail, I-20, I-26, and I-95. The region's existing industry assets include aerospace, automotive, advanced composites,

distribution, forest products, and alternative energy. Furthermore, there are amenities to build upon in the SouthernCarolina region, with natural and cultural assets such as Hilton Head Island, the Savannah River, and Edisto Beach. The region and its leaders have created a climate that is supportive of growth and are ready to help you realize your vision of success.



SOUTH CAROLINA'S COMMITMENT

The State of South Carolina is a willing partner with investors, businesses, and individuals who wish to help it create meaningful economic impact. The SC Department of Commerce, and its associated Coordinating Council for Economic Development, have developed a coordinated and unified system to make investment

in South Carolina seamless. The Council's 2018 investments and partnerships generated over 1.8 billion dollars in economic activity and approximately 9,800 jobs. In 2019, Area Development Magazine ranked South Carolina as the 3rd best U.S. State for doing business.

Opportunity Zones have the full attention of the State of South Carolina's governmental leadership. State leaders have identified the following focus areas for OZ investment:

- Promoting economic vitality in parts of the state that have not shared in the general prosperity over the past few years
- Funding the development of workforce and affordable housing in areas with escalating prices and inventory shortages
- Funding new infrastructure to support population and economic growth
- Investing in the startup businesses that have potential for rapid increases in scale
- Upgrading the capability of existing underutilized assets through capital improvement investments

"The typical profile of an OZ real estate investor is someone who is interested in tax savings, wealth-building, and preservation with a medium- to long-term hold period." -Meg Epstein, Forbes Councils

ABOUT OPPORTUNITY ZONES

Opportunity Zones offer a new economic development tool that promotes investment in distressed census tracts through legislation enacted by the Federal Tax Cuts and Jobs Act of 2017. More than 8,700 census tracts across the United States have been designated as Opportunity Zones by the U.S. Department of Treasury, incentivizing investments in business growth, housing improvements, and infrastructure updates in these distressed census tracts.

U.S. investors held an estimated \$6.1 trillion in unrealized capital gains at the end of 2017. Opportunity Zones leverage this pool of money to promote economic development by providing federal capital gains tax advantages for investments made in these areas. Investors can realize deferral and reduction of capital gains taxes in investments held for at least 5 years with additional incentives available for investments maintained in Opportunity Zones for 7 and 10 years. To be eligible, investments must be made through Qualified Opportunity Funds which are vehicles formed for investing in qualified Opportunity Zone property.

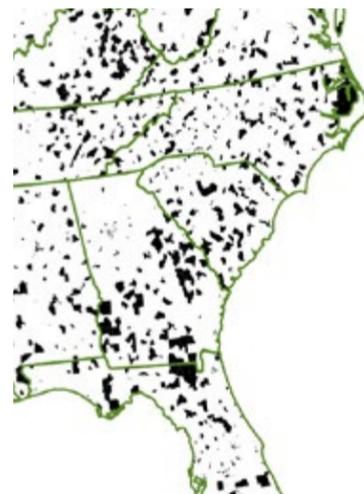
The large number of Opportunity Zones throughout the United States creates competition among communities to attract investment. **Colleton County has two Opportunity Zones, located in the northern part**

of the County. They are home to 7,731 residents and include over 400 businesses that create over 3,029 jobs. These Zones include the Colleton County Commerce Center, a business park that has seen significant recent and ongoing investment as well as large tracts of land suitable for industrial, commercial, residential, and mixed-use development.

Colleton County has strong connectivity to other communities in the State of South Carolina, the United States, and World with I-95 passing through each of the County's Opportunity Zones, and proximity to the Ports of Savannah and Charleston. **The largest City in Colleton County is Walterboro, a thriving location with unique amenities due to a strong downtown. Downtown Walterboro is just south of the Opportunity Zones, but development in**

the Zones could capitalize on Walterboro's resources and amenities.

Colleton County's Opportunity Zones include a variety of new development opportunities that are ideal for industrial and commercial development due to their proximity to I-95. The County has worked diligently to identify investment grade projects which are included in this prospectus.



OPPORTUNITY FUNDS

"To create a brighter tomorrow for communities that have been left behind, we need to capitalize on the private-sector resources that can help boost these areas in ways we haven't seen before."

Senator Tim Scott, (R - South Carolina)

While each Opportunity Zone offers investors the same federal capital gains tax advantages, all Zones are not created equal. All Opportunity Zones will compete for the large pool of investment, but some Zones will stand out immediately due to obvious pro-investment market conditions. With interstate access, investment-ready sites, rising resident incomes, and a variety of business amenities, Colleton County's Zones are poised for growth. Colleton County offers a stable framework for sustainable and collaborative capital investment

because of committed local leadership and a favorable business environment. Most Zones, given their designation as "distressed," will have to strategically position themselves to attract investors. Colleton County has positioned its Opportunity Zones through months of planning and engagement with local stakeholders and residents to create a strategic vision. This vision is conveyed in the following prospectus which positions Colleton County to leverage its strengths and macroeconomic opportunities to promote transformative development.

BENEFITS OF OPPORTUNITY FUND INVESTING:

Defer Payment – Opportunity Funds allow investors to defer payment of the capital gains until December 31, 2026



Reduce Owed Taxes – Opportunity Fund investing reduces the tax investors owe by up to 15% after seven years.



Pay Zero Tax on Gains – Investors can enjoy tax free capital gains earned from investments through the Opportunity Fund



COMMUNITY & OPPORTUNITY ZONE ASSETS



Colleton County is home to the Lowcountry Regional Airport (RBW), and a short drive away from the Charleston International Airport (CHS), Savannah/Hilton Head International Airport (SAV), the Port of Charleston, and the Port of Savannah. With fully developed industrial sites along I-95, Colleton County offers excellent access to transportation routes.

COMMUNITY ASSETS

TRANSPORTATION ASSETS

LOWCOUNTRY AIRPORT

The Lowcountry Regional Airport (RBW) is the largest general aviation airport in South Carolina. Surrounding the airport is an approximately 480 airside acres, zoned industrial, with 113 acres designated as a “multi-county” Industrial Park.

INTERSTATE 95

I-95 runs parallel to the Atlantic Ocean approximately 50 miles inland from Miami, through D.C. and NYC, to Maine on the East Coast. I-95 has five exits in Colleton County, each with approximately 40,000 vehicles passing every day.

WATER

The Port of Charleston:

- Is a 75-minute drive from the OZ
- Is the 8th ranked U.S. port for cargo value
- Serves ships of up to 19,000 twenty-foot equivalent units (TEUs)
- Has more than 30 different shipping lines serving 150 different countries

EDUCATIONAL ASSETS

South Carolina has developed a network of public K-12, community, and technical colleges that work in collaboration to prepare the workforce for Colleton County businesses.

The Colleton County School District offers the Thunderbolt Career & Technology Center for career and technical education. It serves approximately 800 students each semester in one or more of fifteen instructional labs.

For higher education, Colleton County is home to the University of South Carolina Salkehatchie campus. The location awards associate degrees as well as credits for the first 2 years of a USC 4-year degree. Enrollment for USC Salkehatchie is approximately 1,100 students. A mechanical engineering curriculum was added in 2018, preparing students to be part of a skilled workforce.

RECREATION & CULTURE ASSETS

RECREATION

Colleton County is a safe and family-friendly community offering a leisurely lifestyle with recreation, arts, and cultural events.

The Ernest F. Hollings Wildlife Refuge, the Colleton State Park, and the Walterboro Wildlife Sanctuary offer a unique glimpse into the region’s environmental assets and heritage. In addition, Dogwood Hills Golf Course offers a challenging experience for even experienced golfers. For shopping enthusiasts, Downtown Walterboro offers a mix of antique shops and other retail. Colleton County also includes the Ace Basin Sports Complex, which features:

- 12 baseball fields,
- 1 indoor and 2 outdoor basketball courts,
- 2 tennis courts,
- A Fitness Center which opened in 2019, and
- Indoor recreation options.

ARTS & CULTURE

Cultural activities offered in Colleton County are a significant community asset. The South Carolina’s Artisans Center showcases and markets the hand-crafted work of the state’s leading artists and artisans.

The award winning Colleton Museum and farmers market offers natural history exhibit about the ACE Basin, along with historical exhibits showcasing artifacts that depict the rich history of the county. The Colleton Civic Center serves as an arts and entertainment center, serving the interests and talents of diverse low country residents and visitors. The Center also offers reasonable rental rates for a wide variety of events.

HEALTH ASSETS

The Colleton Medical Center, a full-service emergency care facility specializing in advanced care rehabilitation, is in Walterboro and has a longstanding history as a community leader committed to patient centered care. Additionally, a variety of community health clinics provide critical medical services to the community.

COMMUNITY DATA

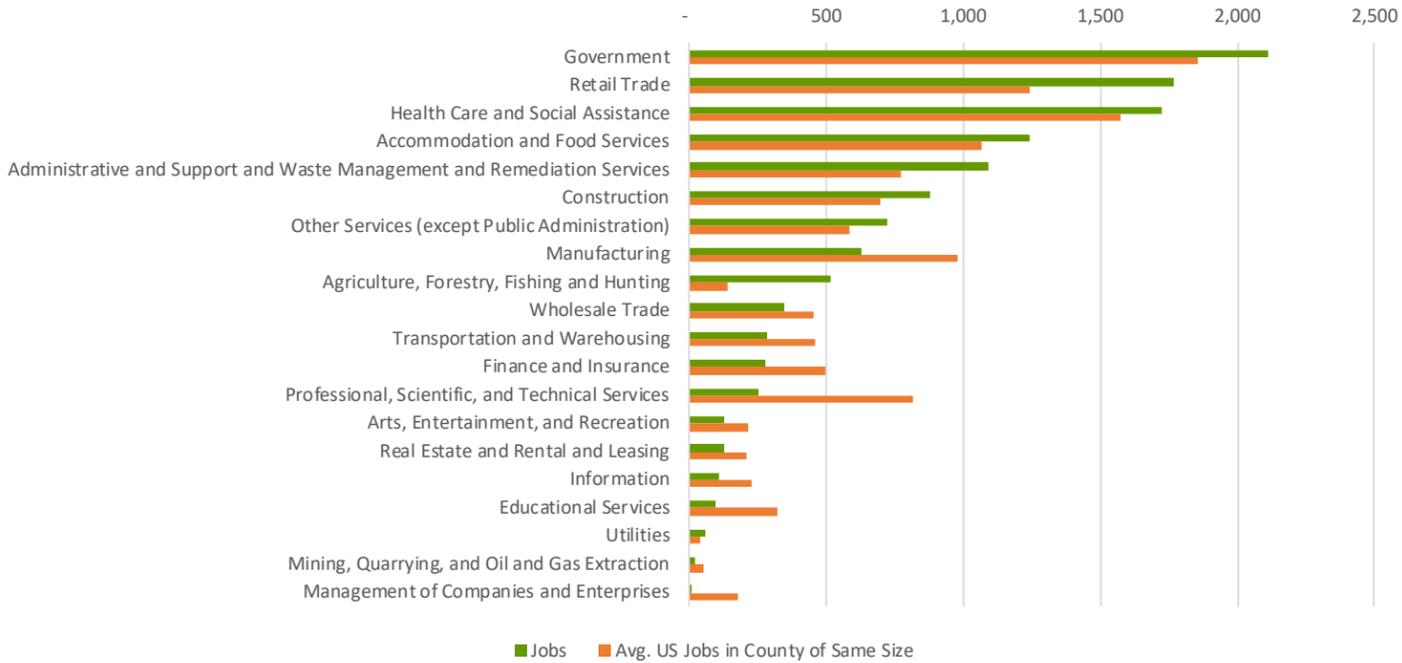
COLLETON COUNTY OZ OVERVIEW

Market Demand Statistics	
Average Daily Traffic on I-95 at Exit 62	42,400 vehicles
Manufacturing Supply Chain Gap in Colleton County	\$295.9M
Unmet Retail Demand in Colleton County	\$105.6M
Colleton County Residents Who Leave the County Daily for Work	7,541
Population within 1-hr of Colleton	450,659

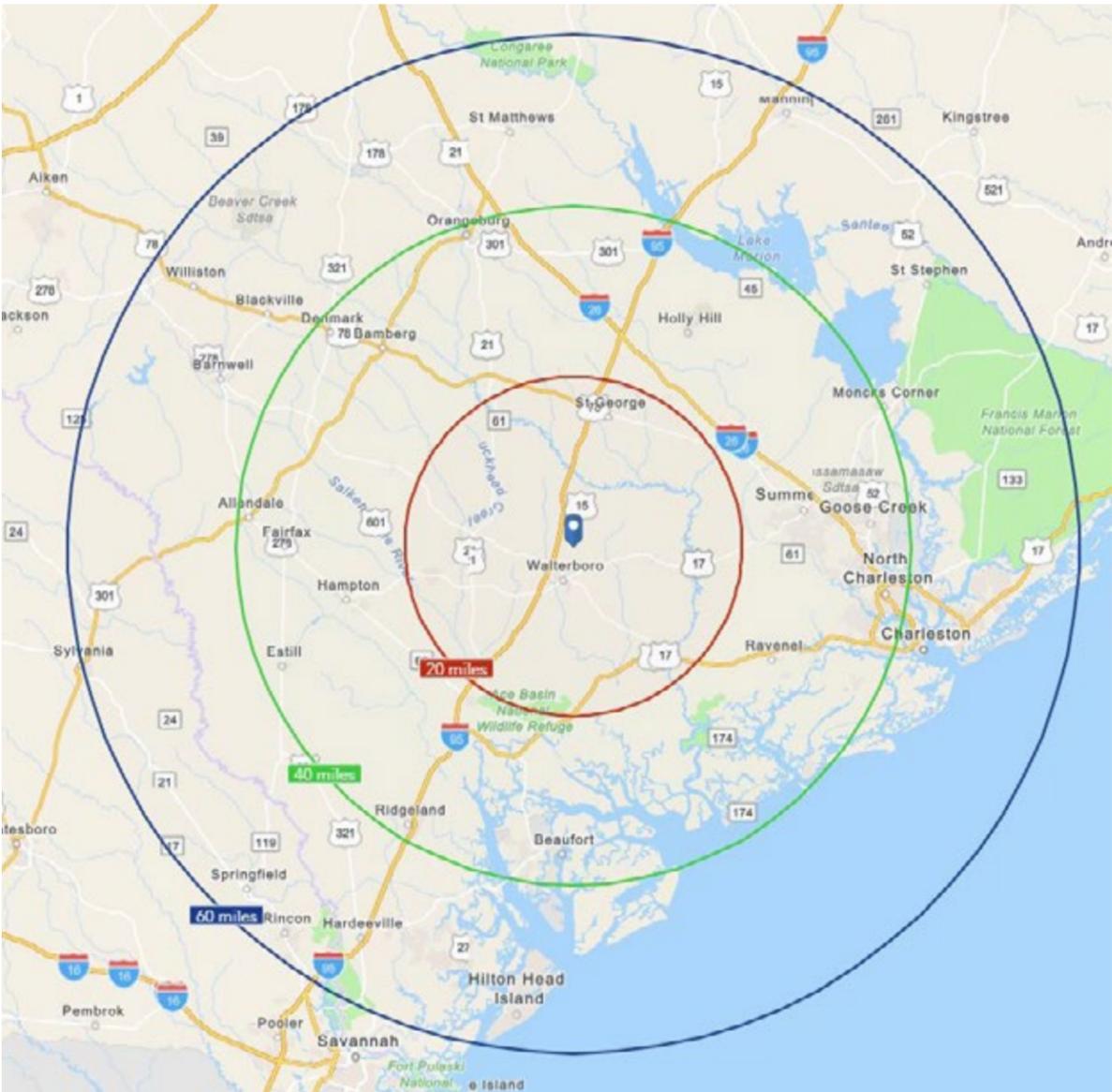
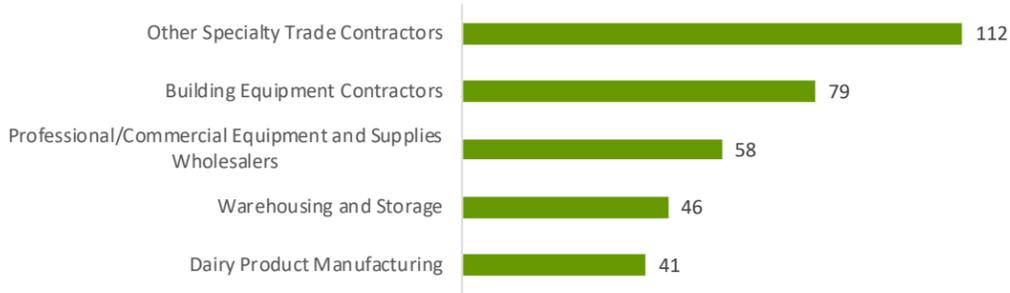
2019 OZ Profile	
Population	3,471
Number of Jobs	2522
Number of Workers Living in OZ	1,588
Median Household Income	\$49,758
% Bachelor's Degree Attainment	27.9%

Labor Shed		
Distance	Workers	Population
20 Miles	16,723	52,909
40 Miles	262,892	771,463
60 Miles	535,800	1,315,209

Jobs in Colleton County, vs U.S. Average



Fast-Growing Industries, Jobs Added Since 2014



SCA REGION BIG PICTURE OPPORTUNITIES

Agribusiness - A Dominant Cluster

Each of SCA's seven counties have a strong agricultural base including cotton, livestock, forest production, and more recently industrial hemp. The region contains over 600,000 acres dedicated to harvesting crops and raising livestock. The SCA Region comprises a significant part of the state's "lumber basket," with approximately 24 forest product companies contributing to an \$18.6 billion economic impact, over 90,000 jobs, and \$4.1 billion in payroll.

Proximity to an international port, improved logistics for moving agricultural products, and the continued automation and downstream opportunities for wood, hemp, and other locally produced materials demonstrate future growth and diversification for the SCA region.



Small Town Development - SCA Place Making

The SCA Region has a growing population of nearly 320,000. Each of SCA's 7 counties has 1 or more place-making opportunities - small towns. Opportunities that concentrate services, connect people to jobs, and establish community gathering places and identity. There are multiple placemaking investment opportunities throughout the SCA region which include activating storefronts with needed services, encouraging local entrepreneurs to start and expand small businesses, and diversifying an aging housing stock. These place-making investment opportunities can serve as the epicenter for a growing workforce, business services, and new families looking for an affordable quality of life.

Workforce - An Investment Resource

The SCA region is truly unique with its combination of economic and workforce opportunities. The region is growing in population, and a labor force participation rate (55%) lower than the national average (63%) indicates a potential surplus of workers ready to fill open jobs. In addition, 6 of the 7 counties see the majority of residents commute outside their county of residence for work.

SCA wishes to encourage investor driven solutions that link place of work to place of residence, increase labor force participation, and grow workforce by supporting community growth strategies.



The initial "deal flow" projects that follow are the tip of the iceberg when considered in the context of the above over-arching opportunities. These opportunities will attract people, new housing, business start-ups, and investment. SCA leadership will continue to add projects to the deal flow in 2020 and beyond. Make sure to engage with us to take advantage of our future growth.

OUR DEAL FLOW



Colleton County Industrial Properties

This opportunity includes the Colleton Industrial Campus and the Colleton Industrial Park. These adjacent sites are both South Carolina Certified Sites and have optimal access to I-95.



Exit 57 Mixed Use Development

Exit 57 is a hub for commercial lodging, restaurants, and retail. This 52-acre site provides prime opportunities for mixed-use development adjacent to I-95.



Newsome Site Residential

A potential project on this site could build a total of 120 homes over a three-year period. This would allow a developer to build 40 homes per year, based on the estimated demand for housing. The total investment for this project would be approximately \$36.8 million.

COLLETON COUNTY COMMERCE CENTER & COLLETON COUNTY INDUSTRIAL CAMPUS

OPPORTUNITY DESCRIPTION

This opportunity includes two adjoining industrial parks, the Colleton County Commerce Center and Colleton County Industrial Campus. The Colleton Commerce Park, owned by the county, has attracted industrial investment, and is positioned to attract additional development. The Colleton Industrial Campus, owned by local utility provider Coastal Electric Cooperative, is located directly south of Colleton Commerce Park.

Both opportunities are just off exit 62 on I-95—which sees 39,400 vehicles a day. Both parks are South Carolina Certified Sites and have had development due diligence

completed. Additionally, both parks are close to the Aerospace Hubs and Ports of Charleston SC and Savannah GA and feature reliable utility service at competitive rates. The utilities for both locations include a 500,000-gallon on site water service tank and a 750 gpm pump station on site with wastewater system service from the City of Walterboro. Dominion Energy provides natural gas service to both parks and the primary electric provider for both locations is Dominion Energy. Lastly both sites are in a Foreign Trade Zone.

COLLETON COUNTY INDUSTRIAL CAMPUS

The Colleton Industrial Campus is 307 acres. The site is on McLeod Road, just off SC exit 62 on I-95 and is in an industrial zone. Currently, the site is used for forestry use and features elevation of 79' to 84'. Due diligence that has been completed on the site includes a boundary service, an endangered species survey, and a topographical survey among others.



POTENTIAL PROJECT

The Colleton Commerce Center is shovel ready and the area has already attracted investment, with a manufacturing tenant located within the park. The center features a spec building that is actively marketed and ready for investment. The 100,000 SF spec building is currently for sale for \$2,250,000 and can be expanded to 600,000 SF to accommodate an industrial or logistics user. Future phases of investment could focus on greenfield development.

Colleton County Commerce Center has approximately 120 acres of undeveloped land available for industrial development. SCA and Colleton County Economic Alliance could be willing to work with a development partner to bring new tenants to the park. Development in the park could be packaged and phased over five years with the goal of attracting three to five new users over the next five years.

The first phase of this development could be a project that includes development of a new 500,000 square foot building with total investment of \$33,000,000. Most of these costs would be incurred through construction of the building, which could total approximately \$27,000,000 million but could vary depending on the type of user and their equipment needs.

This potential project would require approximately 57 acres of land. Due to the Colleton County Commerce Center's direct connectivity to I-95, this type of development could be attractive to a logistics business as well as a manufacturer looking to leverage the region's supply chain advantages and favorable business climate.

SOURCES & USES

USES	
Project Development	\$990,000
Real Estate Acquisition	\$855,000
Construction	\$27,855,000
A/E/C Design	\$1,650,000
Legal/Finance	\$1,650,000
Total	\$33,000,000
SOURCES	
Developer Equity	\$6,468,000
Conventional Debt	\$16,500,000
OZ/Opportunity Fund Equity	\$10,032,000
Total	\$33,000,000

* A public-private partnership is possible with this project. Potential public investment and terms subject to project details and quantifiable community benefit.



EXIT 57 - MIXED USE DEVELOPMENT

OPPORTUNITY DESCRIPTION

Off Interstate 95, Exit 57 is situated in Walterboro. The exit is currently a hub for commercial lodging, a diverse range of restaurants, auto services, retail shopping, medical and health places, and local financial institutions. Much of the commercial activity is restaurant and shopping-related.

Consumer spending data in the area suggests there is an opportunity for lucrative development. Within 45 minutes from the exit, consumers spend an approximate total of \$7 million on food away from home and approximately \$85 million on apparel and services. Furthermore, average daily traffic on I-95 past exit 57 is

approximately 42,700 vehicles. The population within 15 minutes of the exit is estimated to be approximately 13,845 people, with a total of 34,059 people within 30 minutes of the exit. Within 45 minutes from the exit there is an approximate population of 118,205. Lastly, the market is growing; Colleton County has seen its median household income increase to \$50,699, a 40% rise from 2012 to 2017.

Aside from retail prospects, the area would be suitable for mixed income apartments, with about 50% of the proposed units capable of leveraging federal affordable housing tax credits.

POTENTIAL PROJECT

The ideal project would be mixed-use development located in the southwest corner of the intersection. This corner includes 52 acres of land that is currently for sale. The site previously supported a timber manufacturing facility - which has been closed and completely cleared from the site.

Projects for the area could include retail, restaurants, commercial, or residential development. Ultimately, the priority projects will be those that grow the County's economic opportunities while focusing on commercial/asset diversification.

A potential mixed-use project could incorporate both apartments and retail. The retail component would take advantage of the highway retail corridor around exit 57. This initial project would include a two-story building with a total of 120,000 SF. The total cost is estimated at \$20.2 million. This project would incorporate 15,000 SF of retail and an additional 105,000 SF of apartment housing. Because the site is 52 acres there is an opportunity to phase additional development over time as demand allows.

SOURCE & USES

USES	
Project Development	\$605,640
Real Estate Acquisition	\$1,000,000
Construction	\$15,756,040
A/E/C Design	\$1,413,160
Legal/Finance	\$1,413,160
Total	\$20,188,000
SOURCES	
Developer Equity	\$3,956,848
Conventional Debt	\$9,205,728
OZ/ Opportunity Fund Equity	\$4,125,424
LIHTC 4% (50%) Units	\$2,900,000
Total	\$20,188,000

* A public-private partnership is possible with this project. Potential public investment and terms subject to project details and quantifiable community benefit.



NEWSOME SITE RESIDENTIAL

The 179.5-acre Newsome site is adjacent to Highway 15 and features 1.5 acres of road frontage. The frontage is zoned commercial while the other 178 acres is zoned agricultural. This zoning would likely need to be shifted to residential in order to incorporate single-family development—which is the preferred development type for this property.

OPPORTUNITY DESCRIPTION

The property owner is looking to sell the land in support of residential development. The land has access to utilities including sewer, water, natural gas, and electric. This site is directly across the street from Colleton County High School, and about three miles from downtown Walterboro, making the location attractive for families. Walterboro offers residents commercial and quality of life amenities in its historic downtown. The site is

also directly north of Colleton County Middle School, Colleton Preparatory Academy, and the Lowcountry Area Health Education Center, all important quality of life amenities located in the City of Walterboro.

Further, phased residential development could help address an estimated demand for housing; preliminary review indicates that the market has potential to absorb 300 homes per year.



SOURCES & USES

USES	
Project Development	\$5,540,000
Real Estate Acquisition	\$1,260,000
Construction	\$25,000,000
A/E/C Design	\$2,400,000
Legal/Finance	\$2,400,000
Total	\$36,800,00
SOURCES	
Developer Equity	\$1,840,000
Conventional Debt	\$16,560,000
OZ/ Opportunity Fund Equity	\$18,400,000
Total	\$36,800,000

POTENTIAL PROJECT

A potential project on this site could build a total of 120 homes over a three year period.

This would allow a developer to build 40 homes per year, based on the estimated demand for housing. The total investment for this project would be approximately \$36.8 million. The average development cost per unit would be \$250,000. This project would create market rate housing funded mostly by Opportunity Zone equity and conventional debt.

* A public-private partnership is possible with this project. Potential public investment and terms subject to project details and quantifiable community benefit.



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