

Barnwell County

SOUTH CAROLINA

2020

INVESTMENT
PROSPECTUS

DEAL FLOW: PAGE 16



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Dolton Williams
Project Manager
SouthernCarolina Alliance
803-541-0023
dwilliams@southerncarolina.org

Tommy Boyleston
Executive Director
Barnwell County EDC
803-259-1263
tboyleston@barnwellsc.com

Tim Bennett
County Administrator
Barnwell County
803-541-1010
trbennett@barnwellsc.com

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EXPLORING BARNWELL COUNTY

Barnwell County balances historic charm, natural features, and economic activity. Major quality of life amenities in Barnwell include two major rivers, numerous sites listed on the National Historic Register, and a 100-acre lake in downtown Barnwell.

The county has been able to successfully organize around creating new job growth and is continually developing. The county's Opportunity Zone has experienced significant job growth over the past five years, which has translated into a rise in residential

income. This is in part due to Barnwell County's leadership in supporting the establishment of industrial parks, the increase of certified workers that can support existing businesses, and new business investment.



ABOUT THE REGION

Barnwell 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 significant advantages including access to major U.S. ports, airports, rail, and interstates such as I-20, I-26, and I-95. The region's existing industry assets include aerospace, automotive, advanced

composites, distribution, forest products, and alternative energy. 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 leadership 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 create meaningful economic impact. The SC Department of Commerce and its associated Coordinating Council for Economic Development have developed a unified system to make an 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 government 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 THE OPPORTUNITY ZONE

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. 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.

Barnwell County has one Opportunity Zone located in the southern part of the County. The Zone is home to 3,938 residents and includes approximately 674 jobs, a 191% increase from just five years ago. The Zone also includes the South Carolina Advanced Technology Park, a business park that is in an ideal position for private capital injection.

Barnwell County has strong connectivity to other communities in the State of South Carolina. The strategic location is within a day's drive of two-thirds of the U.S. population with easy interstate, rail, and air transportation access to additional markets in the U.S., as well as destinations around the globe via the nearby ports of Charleston and Savannah.

Barnwell County has significant economic activity from wood product manufacturing, automotive belt manufacturing, and the Savannah River Site (SRS), which employs many of the people living in the county. SRS has also provided spillover economic activity to Barnwell with the addition of new industries that relate to the facility's operations. Barnwell's job growth and existing infrastructure show the area is moving forward. Opportunity Zone investment in Barnwell would allow a prospective investor to leverage a tax incentive while also contributing to equitable and inclusive growth in the region.

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. Investors in Barnwell County will benefit from proximity to the Savannah River Site, access to Augusta and Aiken, and recent job growth. Barnwell 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. Barnwell 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 Barnwell 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 31st, 2026



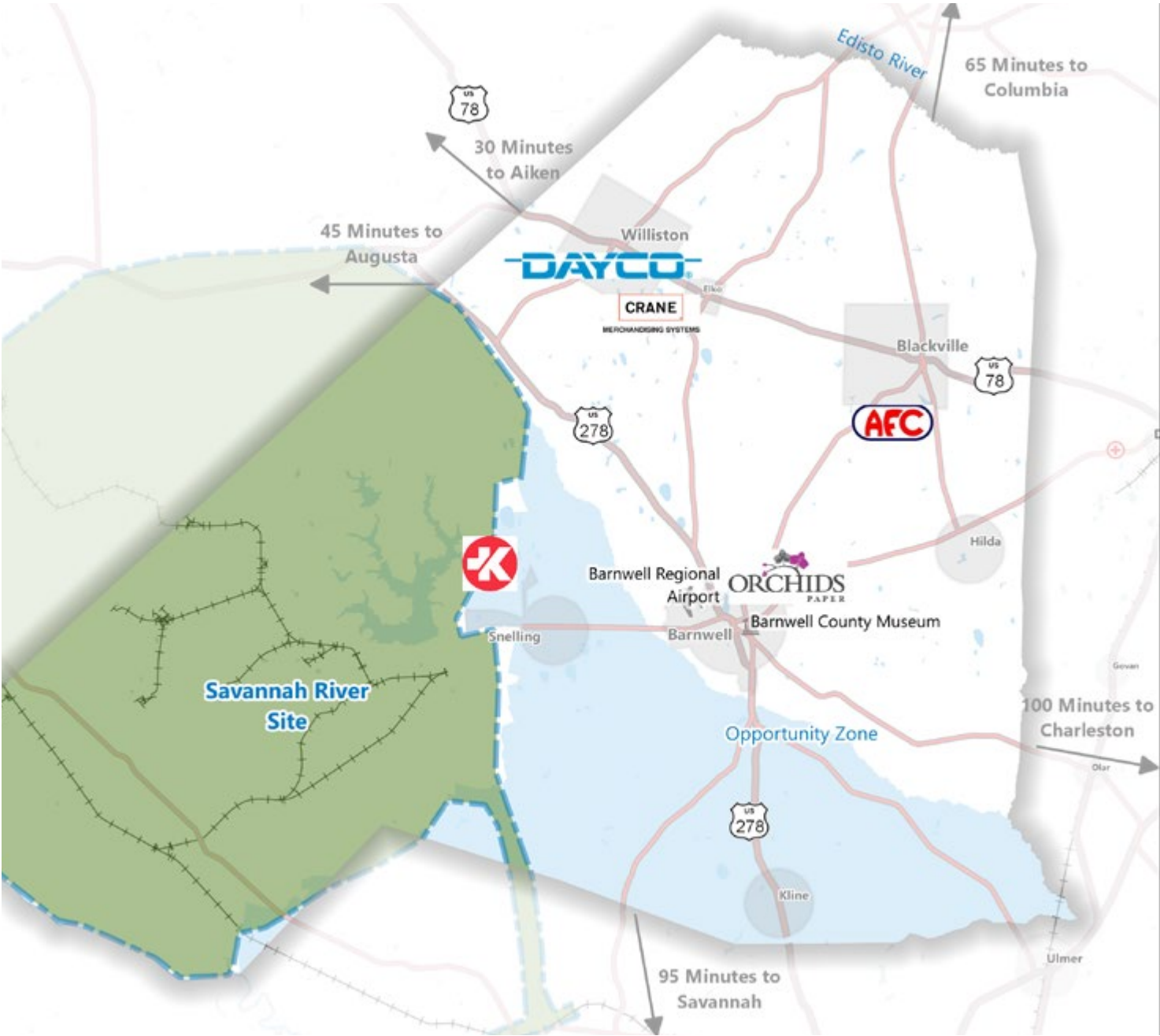
Reduce Owed Taxes –
Opportunity Fund investing reduces the tax investors owe by up to 15% after seven years.



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



COMMUNITY & OPPORTUNITY ZONE ASSETS



Barnwell County is home to a number of large manufacturers including Swiss Krono, Augusta Fiberglass Coatings, Inc., Orchids Paper Products, Crane Merchandising, and Dayco. In addition, Barnwell County is home to small businesses in forest products, agribusiness and other manufacturing sectors. The county offers industrial sites that are fully equipped and shovel ready, with easy access to the Savannah River Site nuclear research facility, as well as the ports of Charleston and Savannah.

COMMUNITY ASSETS

EXPANDING EMPLOYERS



Swiss Krono announced its fourth expansion at their Barnwell County manufacturing facility in 2015, investing nearly half a billion dollars at that location.



Dayco, a leader in the research, design, manufacturing and distribution of belts, tensioners, and pulleys for the automotive industry, has been in the region for more than 40 years and employs 350 people in Barnwell County.

RECREATION AND CULTURE

The County is home to pristine waters including the 100-acre Lake Edgar Brown within the city limits. The new city park, Kilkenny Park is located on the lake and offers a walking area, grills and picnic tables and benches. The Edisto River, the longest free-flowing blackwater river in North America, flows along the Barnwell County line. This river offers canoeing and kayaking, just a 25-minute drive from downtown Barnwell. Other assets include a public library, various locally owned restaurants, bakeries, coffee shops, and hotels. For shopping enthusiasts, there are various locally owned shops and boutiques offering art, pottery, general merchandise, and much more.

HISTORIC MUSEUMS

Barnwell is part of the region of the state that has been designated as a National Heritage Corridor. This includes museums of historic interest such as the Barnwell County Museum in Barnwell, Agricultural Heritage Museum, and the Williston Museum.

Barnwell has historic sites such as the:

- Banksia Hall,
- Bethlehem Baptist Church,
- Church of the Holy Apostles Rectory,
- Church of the Holy Apostles Episcopal, and the Old Presbyterian Church.



Parks and Recreation

- Lake Edgar Brown
- Kilkenny Park
- Edisto River
- God's Acre Healing Springs

COMMUNITY DATA

Market Demand Statistics

Average Daily Traffic on U.S. Highway 278 South of Barnwell	16,900 Vehicles
Manufacturing Supply Chain Gap in Barnwell Country	\$221.8M
Wholesale Trade Supply Chain Gap in Barnwell	\$58.8M
Barnwell County Residents Who Leave the County Daily for Work	6,202
Population Within 1hr Barnwell	318,296

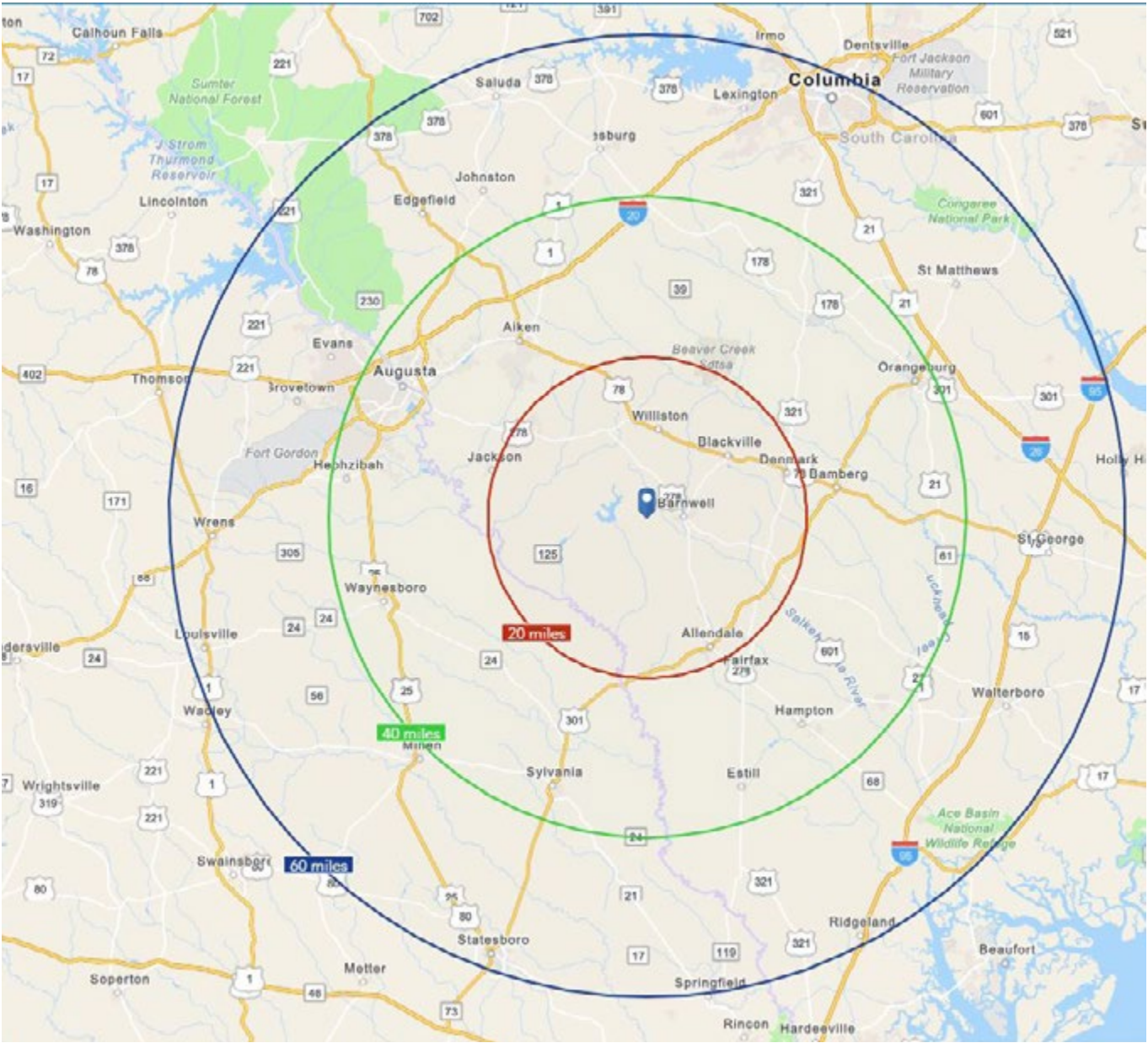
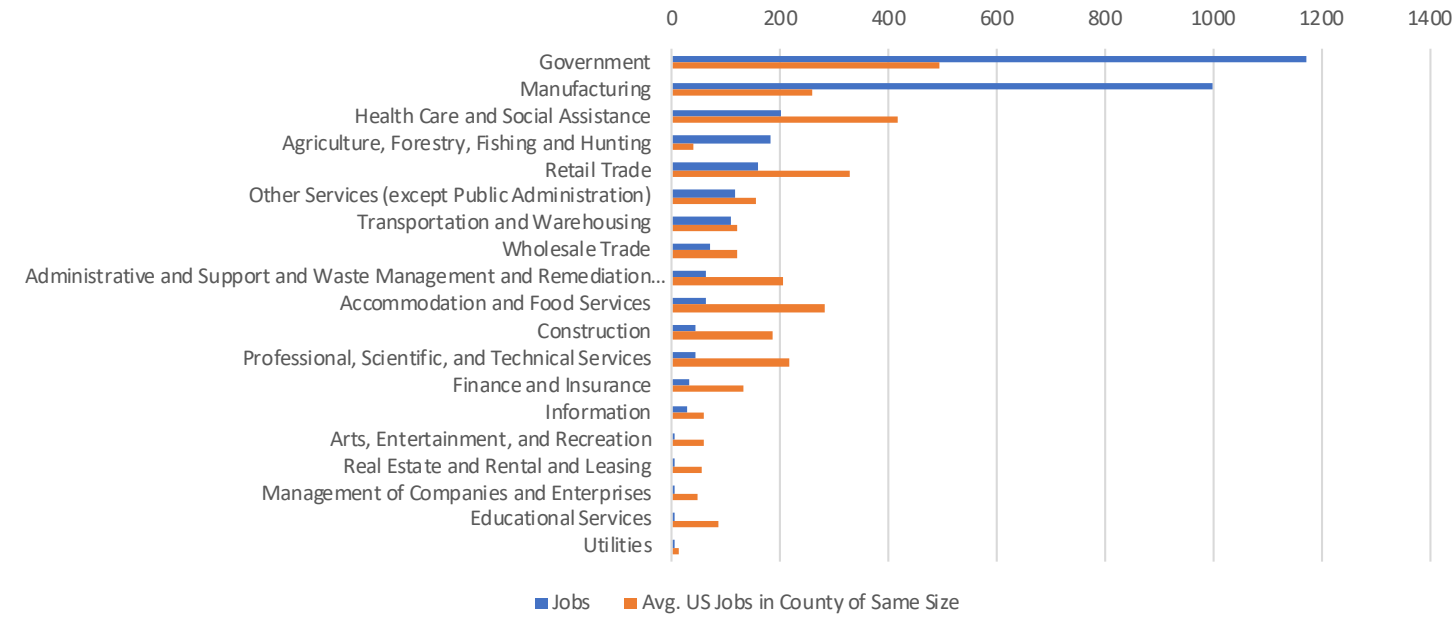
OZ Overview

Population	3,996
Number of Jobs	533
Number of Workers Living in OZ	1,744
Median Household Income	\$40,396
% Bachelor’s Degree Attainment	16.7%

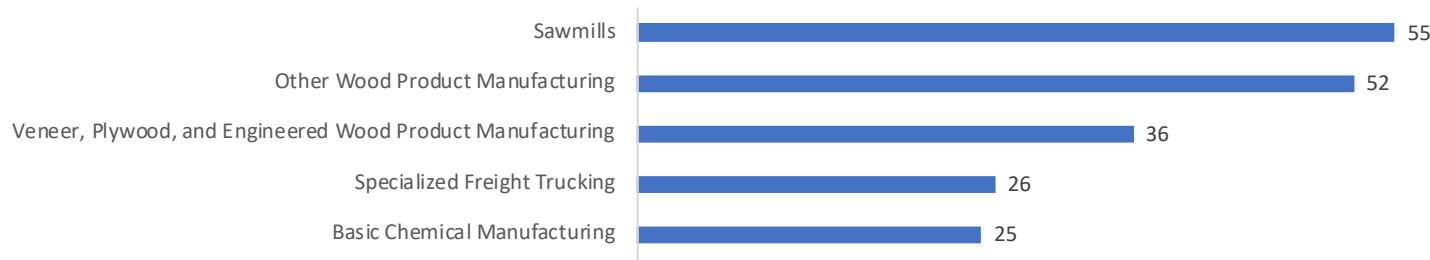
Labor Shed

Distance	Workers	Population
20 Miles	12,326	47,504
40 Miles	209,675	518,191
60 Miles	560,024	1,366,058

Jobs in Barnwell 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 Placemaking

The SCA Region has a growing population of nearly 320,000. Each of SCA's 7 counties has 1 or more placemaking opportunities – small towns. Placemaking opportunities 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.

The initial “deal flow” projects that follow are the tip of the iceberg when considered in the context of the above overarching 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.

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.



OUR DEAL FLOW



South Carolina Advanced Technology Park (SCAT)

A 1,606-acre industrial site that is prime for manufacturing, logistics, or industrial development. The site is shovel-ready and features a range of attractive features ready to be leveraged with Opportunity Zone funding.



Sweetwater Single-Family Housing

A potential executive housing development would utilize the southern Sweetwater parcel, which is approximately 178 acres of undeveloped land neighboring the Sweetwater Country Club and Golf Course.



Sweetwater Multi-Family Housing

This project consists of a conservation mixed-use development that would provide several rental price points to serve various household income levels in the Barnwell area.



SOUTH CAROLINA ADVANCED TECHNOLOGY PARK (SCAT)

OPPORTUNITY DESCRIPTION

This opportunity includes a 1,606-acre industrial site. The site is located at 1321 Technology Drive, off Highway 64 in Barnwell, South Carolina. The site features an array of attractive features such as:

- Rail on site
- Designation as a SC Certified Site
- Shovel ready, with due diligence completed
- Fiber optic cable
- Fully dedicated water and wastewater treatment plant on site
- Reliable utility service at competitive rates
- Close to the aerospace hubs and Ports of Savannah, GA and Charleston, SC

- Adjacent to the Savannah River Site
 - Zoned for industrial usage
- SCAT's fully dedicated infrastructure places it in a prime position for investment. Additionally, I-20, I-26, and I-95 are all within a one-hour drive from the site. The international ports of Savannah and Charleston are within a two-hour drive. In addition, the Columbia Metropolitan airport is only 60 minutes away and two additional international airports are within a 90-minute drive from the site. Moreover, the Barnwell County Civil Airport is ten minutes away. The site's water and wastewater services are provided by Bamberg Public Works and natural gas is provided by Dominion Energy.

POTENTIAL PROJECT

SCAT has 230 acres of land remaining for new development. Available property is likely best suited for manufacturing firms or businesses that align with SCAT's existing tenants' supply chains. Build-out of SCAT's 230 acres could create up to one million square feet of new building improvements over a multi-year period. Upon completion, this project could create hundreds of diverse jobs including both high-skilled positions as well as entry-level jobs with career ladders and training opportunities as part of the State's workforce development program.

The initial phase of this total development program could include a 200,000 SF building on approximately 23 acres. This building could be suitable for a large advanced manufacturing operation or a logistics facility. The total investment for this building would be approximately \$14,000,000.

SOURCES & USES

USES	
Real Estate Acquisition	\$855,000
Construction	\$10,905,000
A/E/C Design	\$700,000
Legal/Finance	\$700,000
Misc. Development Costs	\$840,000
Total	\$14,000,000
SOURCES	
Developer Equity	\$2,800,000
Conventional Debt	\$8,400,000
OZ/ Opportunity Fund Equity	\$2,800,000
Total	\$14,000,000

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



SWEETWATER SINGLE-FAMILY HOUSING

OPPORTUNITY DESCRIPTION

Adjacent to the Sweetwater Country Club, two prime parcels are available for residential development. One of the parcels is well-suited for single-family housing development and the other could support multi-family development. Single-family development could be targeted to executives from regional businesses, as well as executives at the Savannah River Site (SRS). The lack of executive-oriented housing in Barnwell County is substantiated by the fact that only about 6% of the housing in the county is valued at or over \$300,000. Higher-end housing at the Sweetwater site could be attractive to executives who want to live closer to their workplaces while enjoying nearby amenities such as golf, hunting, fishing, and hiking.

The Sweetwater site is conveniently located for commuters as it is approximately 3 minutes from SCAT and approximately 5 minutes from the boundary of SRS. Its proximity to the Sweetwater Country Club and Golf Course makes potential housing development more attractive, as buyers in golf course communities are willing to pay a premium for access to the course and the guarantees that the green space will remain in perpetuity. Currently, executives for large businesses in Barnwell County predominantly live in communities such as Aiken, SC, which is located approximately 50 minutes away. If developed properly, the Sweetwater site could offer business executives quality of life amenities near their workplaces.

POTENTIAL PROJECT

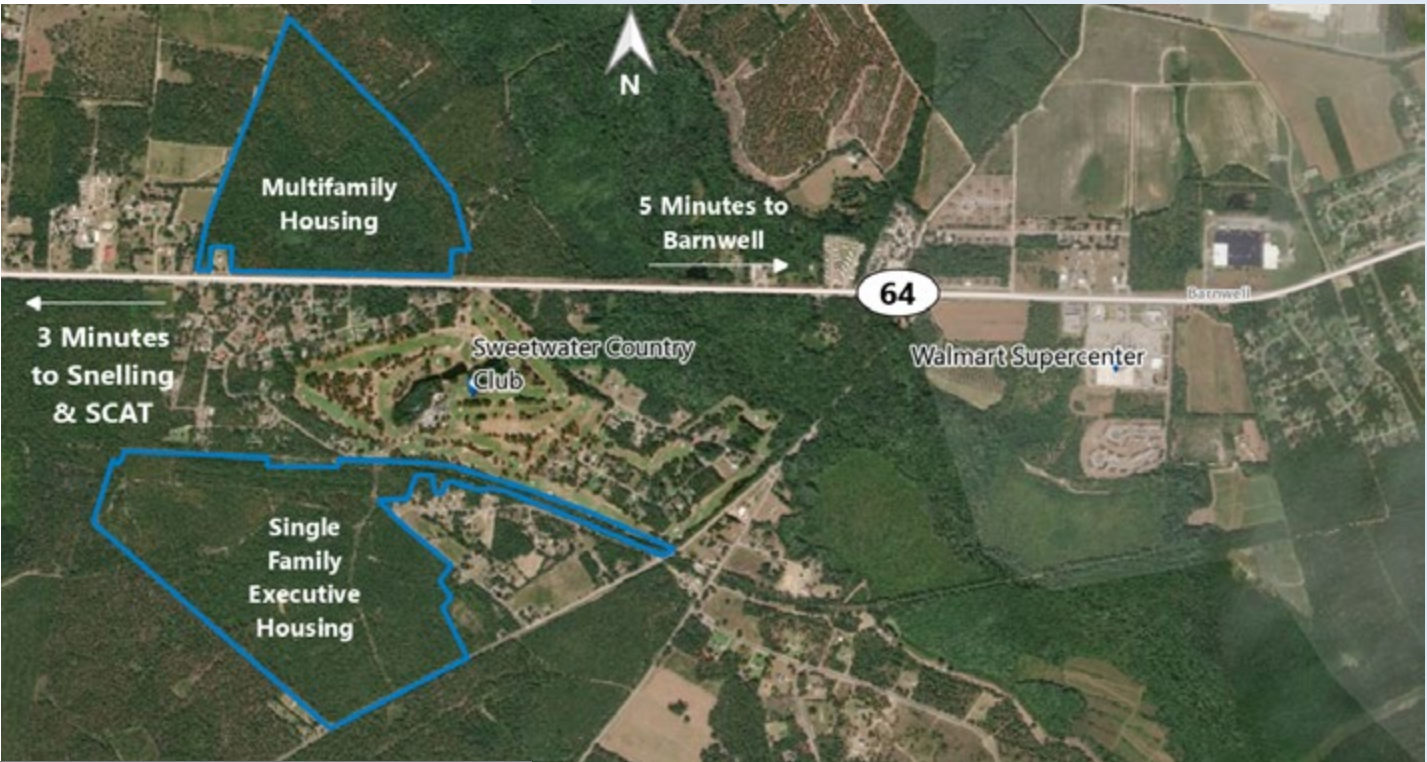
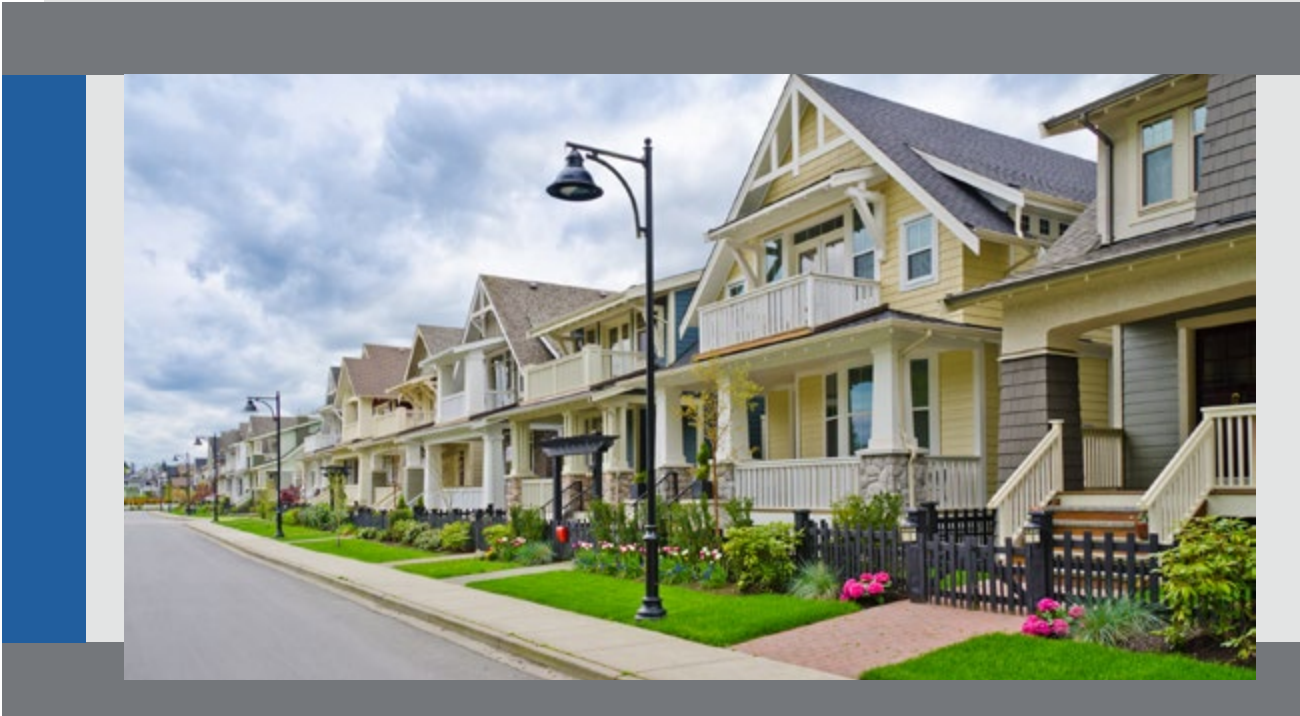
A potential executive housing development would utilize the southern Sweetwater parcel, which is approximately 178 acres of undeveloped land neighboring the Sweetwater Country Club and Golf Course with access to water, sewer, and electric utilities. Some of the single-family homes would have views that overlook the golf course. The Sweetwater site could be developed in phases to accommodate demand. The first phase of development could utilize approximately 25 acres of land with four units developed on each acre, allowing for new housing units. The average sale price for these homes is estimated at \$315,000 per unit, which is a reasonable price point for executive housing adjacent to a golf course.

SOURCES & USES

USES	
Project Development	\$5,055,000
Real Estate Acquisition	\$60,000
Construction	\$19,233,000
A/E/C Design	\$576,000
Legal/Finance	\$576,000
Total	\$25,500,000

SOURCES	
Developer Equity	\$765,000
Conventional Debt	\$6,375,000
OZ/ Opportunity Fund Equity	\$10,800,000
Total	\$25,500,000

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



SWEETWATER MULTI FAMILY MIXED-USE

OPPORTUNITY DESCRIPTION

The second developable parcel associated with the Sweetwater County Club area could support a mix of uses, including multi-family residential and a community center offering retail and restaurant space. This development could be designed as a conservation community that links with executive development next to the golf course. This multi-family development will address the need for quality affordable housing in Barnwell County, similar to how the single-family residential development will address a need for quality market-rate housing. Together, both developments will create desirable and diverse housing stock at a variety of price points. Like the residential demand created by a golf course, buyers of homes in conservation communities are willing to pay for access to protected open space even if that results in smaller lots or a more compact layout. This development could be accessible to individuals with a variety of incomes as some units would be financed with federal affordable housing tax credits. This project has the potential to be one of the most unique, well-rounded, and inclusive residential developments in the state of South Carolina due to diversity of residential housing types, variety of price points, and access to an assortment of amenities.



POTENTIAL PROJECT

This project consists of a conservation mixed-use development that would provide several rental price points to serve various household income levels in the Barnwell area. As a conservation community, this project will incorporate responsible development, open-space preservation, and even organic agriculture.

This scenario assumes that 60% of the 80 total rental units would be at market rate at \$1.20/SF to \$1.50/SF and the other 40% would be at affordable rents to qualify for 4% or 9% federal affordable housing tax credits. This project could score well on federal tax credit applications based on socio-economic conditions in the Opportunity Zone. As a conservation development, 70% of the land (78 acres of the 112 acres) would be kept in conservation and recreation without further development. This land could be connected across SC-64 to the Sweetwater County Club single-family site. The project further provides for about 10,000 SF of small retail/restaurant space to support both the multi-family residential development on the north side of SC-64 and the single-family residential development on the south side of SC-64.

SOURCES & USES

USES	
Project Development	\$1,509,000
Real Estate Acquisition	\$3,360,000
Construction	\$38,389,000
A/E/C Design	\$3,521,000
Legal/Finance	\$3,521,000
Total	\$50,300,000

SOURCES	
Developer Equity	\$12,000,000
Conventional Debt	\$28,800,000
Affordable Housing 4% Tax Credits	\$4,500,000
OZ/Opportunity Fund Equity	\$5,000,000
Total	\$50,300,000

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





www.barnwellcountysc.us
www.southerncarolina.org