

HENRY MCMASTER  
GOVERNOR

April 8, 2019

The Honorable Thomas Alexander  
South Carolina Senate  
313 Gressette Building  
Columbia, South Carolina 29201

Dear Senator Alexander,

As you are aware, the NFL's Carolina Panthers are interested in moving the team's entire corporate, training and practice operations to a Tier I county in South Carolina.

The new team complex will be modeled after the Dallas Cowboys' renowned sports and entertainment district, "The Star," and is expected to attract a state-of-the-art sports medical facility along with top flight hotel and convention space, restaurant and retail facilities.

The Panthers have committed to investing a minimum of \$200 million for the construction of their new team complex where they will headquarter their 150 employees and their annual payroll of \$190 million.

Using these figures, the fifteen-year cost-benefit analysis conducted by the Department of Commerce, using a model created by the Revenue and Fiscal Affairs Office, projects the following:

• Present-day dollar value from Panthers to the State ( <i>Panthers construction, investment and payroll and indirect investment and job creation</i> )	+\$295,541,655.00
• Present-day costs to the State for related incentives to Panthers ( <i>Job tax/development credits + I-77 enhancements</i> )	-\$107,362,491.00
• Total net positive value to the State	= +\$188,179,164.00

Resulting in:

• Economic impact to the region and to the State	\$3,788,814,441.00
--	--------------------

The Honorable Thomas Alexander  
April 8, 2019  
Page Two

These are significant returns on the State's investment. However, statutory changes are required to make professional sports teams eligible for Job Tax Credits (JTCs) and Job Development Credits (JDCs); these are the same incentives that have delivered manufacturing, distribution and service jobs and investment for decades and, more recently, agribusiness jobs and investment to South Carolina.

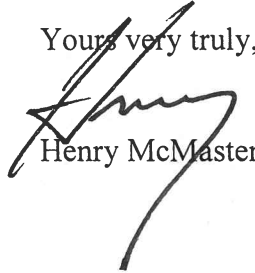
Importantly, incentives like the JTC or JDC would only be available *after* the Panthers' development is completed, their South Carolina operations are up and running and further certification that the Panthers have delivered on the agreed-upon job and investment numbers. Neither JTCs nor JDCs create upfront costs to the State. The upfront costs for the project that are anticipated at this time are for the construction of an interchange to enhance Interstate 77, which is estimated to be approximately \$40 million.

This is a great deal. It will create economic growth and prosperity for our citizens. It will bolster South Carolina's prestige and "brand" around the world. And it will provide our state with a distinct advantage in the global competition for jobs and capital investment.

Without these statutory changes, the State will be walking away from an extraordinary and transformative opportunity. I ask that you support S. 655 and join us in welcoming the Carolina Panthers to South Carolina.

Thank you for your consideration and assistance.

Yours very truly,



Henry McMaster

HDM/tw

**Illustration of Potential State Impact  
Of a Professional Sports Team  
Locating in a Tier 1 County**

**Assumptions:**

\$200 million direct investment  
150 jobs  
\$190 million payroll for federal income tax purposes  
80% of payroll taxable in South Carolina

**PROJECT DATA**

---

**ANNOUNCED CAPITAL INVESTMENT**

Land	\$	-
Existing Building	\$	-
New Building	\$	190,000,000
Machinery & Equipment	\$	10,000,000
<b>Total Investment</b>	<b>\$</b>	<b>200,000,000</b>

**NEW EMPLOYMENT/TOTAL PAYROLL**

Employment		150
Annual Payroll	\$	152,000,000
Average Salary*		\$1,013,333
Average Hourly Wage		\$506.67

\*Wages increase at a conservative rate of 3% annually

**PROJECT MULTIPLIERS**

---

SIC Code		79
Income		2.00
Investment -- Construction		1.60
Investment -- Machinery		0.20
Employment		39.10
SC Average Annual Salary		\$26,596

**EMPLOYMENT IMPACTS**

---

Employment -- Direct		150
Employment -- Indirect		5,715
<b>Total Employment Impact</b>		<b>5,865</b>

## COST/BENEFIT ANALYSIS

	FIRST YEAR	PRESENT VALUE 15-YEAR TOTAL
<b>PUBLIC COSTS</b>		
Corporate Jobs Tax Credit	\$0	\$937,557
Multi-County Industrial Park	-	625,038
AFDC Jobs Tax Credit	-	-
Job Development Credit (JDC)	-	65,332,113
Special Schools	-	-
Economic Development Set-Aside Fund	-	-
Interchange	40,000,000	40,000,000
Increased State Education Costs	38,763	467,783
Infrastructure Improvements	-	-
Increased Local Education Costs	30,497	368,031
Other Costs	-	-
<b>Total Public Costs</b>	<b>\$40,069,260</b>	<b>\$107,730,522</b>
<b>INCOME BENEFITS</b>		
Total New Building (Direct & Indirect)	\$220,400,000	\$220,400,000
Total Machinery & Equipment (Direct & Indirect)	4,000,000	4,000,000
Total Payroll (Direct & Indirect)	304,000,000	3,668,603,813
State Revenues	39,630,000	291,975,286
Rural Infrastructure Fund	\$0	3,266,606
Reduction of AFDC Costs	24,840	299,764
<b>Total Income Benefits</b>	<b>\$568,054,840</b>	<b>\$4,188,545,468</b>
<b>PRESENT VALUES</b>		
<i>Private</i>		
<b>Total Value of Private Benefits</b>	<b>\$488,770,000</b>	<b>\$3,601,028,527</b>
<i>State</i>		
Present Value of State Benefits	\$39,654,840	\$295,541,655
Present Value of State Costs	40,038,763	107,362,491
<b>Total State Value</b>	<b>(\$383,923)</b>	<b>\$188,179,164</b>
<b>OVERALL NET IMPACT</b>	<b>\$488,354,534</b>	<b>\$3,788,814,441</b>

Source: SC Department of Commerce  
4-8-19