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ORDINANCE NO.: 2018-043

*Consenting to the Inclusion of Property in a Multi-County Industrial/Business Park
(Lorick Place, LLC. Richland County TMS Numbers 09213-04-14; 11601-24-01; 11601-24-02;
11601-24-03; 11601-24-04; 11601-24-05; 11601-24-06; 09213-08-01; 09213-08-02;
09213-08-03; 09213-08-04; 09213-08-05; 09213-08-06; 09213-08-07; 09213-08-08;
11601-25-04; 11601-25-05; 11601-25-06; 11601-25-01; 11601-25-02; 11601-25-03;
09213-08-09 and 09213-08-10)*

WHEREAS, the City of Columbia, South Carolina ("City"), is a body, politic and corporate located in Richland County, South Carolina ("County"); and,

WHEREAS, through Columbia City Council ("Council"), the City is entitled to exercise all the powers and privileges provided to municipal corporations in the State of South Carolina; and,

WHEREAS, the City previously condemned the West Avenue Apartments, a rental housing facility located at 3800 West Avenue in the City of Columbia; and,

WHEREAS, the Housing Authority of the City of Columbia (the "CHA") and its affiliate Columbia Housing Authority Developments, Inc. a South Carolina non-profit corporation controlled by CHA ("CHAD") acquired the land and demolished the buildings of the West Avenue Apartments; and,

WHEREAS, the CHA and CHAD intend to develop an 87-unit low income rental housing project on the site of the former West Avenue Apartments to be known as Lorick Place Apartments (the "Project"); and,

WHEREAS, CHA expects that the Project will receive assistance payments from the U.S. Department of Housing and Urban Development ("HUD") under Section 8 of the National Housing Act; and,

WHEREAS, the Project will utilize low income housing tax credits ("LIHTCs") to obtain equity necessary to finance a portion of the costs of the development of the Project; and,

WHEREAS, to access the LIHTCs the Project will be owned by Lorick Place, LLC, a South Carolina limited liability company (the "Company") the managing member of which is Columbia Housing Authority Developments – Lorick, LLC, a South Carolina limited liability company (the "Managing Member") wholly owned by CHAD; and,

WHEREAS, to support the operations of the CHA, the City and CHA entered into that certain cooperation Agreement dated March 21, 1979 attached hereto as Exhibit "A" (the "Cooperation Agreement") under which CHA would make payments to the City in lieu of tax for low rent housing projects exempt from ad valorem tax equal to 10% of "shelter rents" defined in the Cooperation Agreement; and,

WHEREAS, the Project is a "project" as defined under the Cooperation Agreement; and,

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WHEREAS, CHA expects that the 10% of the Shelter Rent to be received under the Project will be \$9,634.00 per year; and,

WHEREAS, rentals charged to tenants in the Project will be restricted to be affordable under HUD guidelines; and,

WHEREAS, due to such rent restrictions and the cost of development, the Project cannot be developed unless it receives a property tax incentive similar to that available under the Cooperation Agreement; and,

WHEREAS, CHA and the Company approached the County seeking certain property tax incentives for the Project; and,

WHEREAS, the County has agreed to offer an infrastructure credit to reduce the property taxes due on the Project ("Credit") pursuant to the terms of Section 4-1-175 of the Code of Laws of South Carolina 1976, as amended ("Credit Act") and an infrastructure credit agreement between the County and the Company ("Credit Agreement"); and,

WHEREAS, to grant the Company the full value of the Credit, the County desires to locate the Project in the multi-county industrial park ("Park") the County has jointly developed with Fairfield County, South Carolina ("Fairfield"), pursuant to Article VIII, Section 13(D) of the South Carolina Constitution and Section 4-1-170 of the Code of Laws of South Carolina, 1976, as amended ("Park Act"); and,

WHEREAS, pursuant to the Park Act and the agreement between the County and Fairfield which governs the operation of the Park ("Park Agreement"), following application of the Credit and distribution of the net fees in lieu of taxes ("FILOT") generated from the Project to Fairfield, the FILOT payment will be distributed on a pro-rata basis to the taxing entities in the County that, at the time the Project is included in the Park, are eligible to levy tax millage on the Project; and,

WHEREAS, pursuant the Park Act, because the Project is located within the City's geographical borders, the City must consent to the inclusion of the Project within the boundaries of the Park; and,
NOW, THEREFORE:

BE IT ORDAINED by the Mayor and City Council this 4th day of September, 2018, that the City hereby consents to the inclusion of the Property in the Park, which consent is conditioned upon the following:

1. The County's approval, execution and delivery of the Credit Agreement with the Company related to the Project.

2. Collectively, the Park Agreement and Credit Agreement will provide that (a) the owner of the Property will pay a FILOT with respect to the Project during the term of the Credit Agreement; (b) the annual FILOT payment due with respect to the Project will be subject to reduction by the Credit, which is equal to the amount necessary to reduce the net FILOT payment to the amounts and for the periods provided in the Credit Agreement, beginning with the first full year for which the Company owes a FILOT payment with respect to the Project; (c) the City will be entitled to receive a portion of

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the net FILOT payment; and (d) the Project will be deemed removed from the Park on the expiration or earlier termination of the Credit Agreement.

3. The City Manager is authorized to execute any documents, and take any further action as may be reasonably necessary to further the intent of this Ordinance.

4. Any prior ordinance, resolution or order, the terms of which are in conflict with this Ordinance, is, only to the extent of that conflict, repealed.

Requested by:

Assistant City Manager Palen



Mayor

Approved by:



City Manager

Approved as to form:



City Attorney

ATTEST:



City Clerk

First Reading: 8/14/2018
Second Reading: 9/4/2018

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EXHIBIT A

DESCRIPTION OF PROPERTY

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Approximately 5.8 acre tract of land located at 3800 West Avenue, Columbia, South Carolina, 29203, TMS Numbers R09213-04-14; R11601-24-01; R11601-24-02; R11601-24-03; R11601-24-04; R11601-24-05; R11601-24-06; R09213-08-01; R09213-08-02; R09213-08-03; R09213-08-04; R09213-08-05; R09213-08-06; R09213-08-07; R09213-08-08; R11601-25-04; R11601-25-05; R11601-25-06; R11601-25-01; R11601-25-02; R11601-25-03; R09213-08-09; and R09213-08-10.

Legal Description: All that certain piece, parcel or tract of land, together with improvements thereon, if any, situate, lying and being in the County of Richland, and State of South Carolina, being shown and delineated on a plat entitled "Recombination Plat Lorick Place Development", prepared for Lorick Place, LLC, by Chao & Associates, Inc., dated May 22, 2018, and recorded in the Office of the Register of Deeds for said County in Record Book 2314 at Page 1052; according to aforesaid plat the within concerned property has the following metes, bounds, courses and distances, to wit; BEGINNING AT A POINT which is an iron pin found at the northeasternmost corner of the subject premises and proceeding therefrom S4°23'30"W for a distance of 373.00 feet along the western side of the right of way of West Avenue to an iron pin found; thence turning and running N87°04'13"E for a distance of 324.00 feet along property now or formerly of CW Haynes & Co., Inc. to an iron pin found; thence turning and running N87°22'36"E for a distance of 245.02 feet along property now or formerly of CW Haynes & Co., Inc. to an iron pin found; thence turning and running N5°20'52"E for a distance of 354.05 feet along property now or formerly of City Housing Co., Inc., to an iron pin found; thence turning and running N50°25'24"E for a distance of 200.32 feet along property now or formerly of City Housing Co., Inc., to an iron pin found; thence turning and running S86°06'20"E for a distance of 432.31 feet along property now or formerly of City Housing Co., Inc., to an iron pin found at the POINT OF BEGINNING; said plat is incorporated herein and reference is craved thereto for a more complete and accurate description of the metes, bounds, courses and distances of the property concerned herein. Be all measurements a little more or less.

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EXHIBIT B

Cooperation Agreement dated March 21, 1979
Between the City of Columbia and the Housing Authority of the City of Columbia