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RESOLUTION NO.: R-2018-024

AUTHORIZING THE ISSUANCE AND SALE OF A NOT EXCEEDING \$3,125,000 GENERAL OBLIGATION BOND ANTICIPATION NOTE, SERIES 2018A, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF CITY OF COLUMBIA, SOUTH CAROLINA; FIXING THE FORM AND DETAILS OF THE 2018A NOTE; AUTHORIZING THE MAYOR, THE CITY MANAGER AND THE ASSISTANT CITY MANAGER FOR FINANCE AND ECONOMIC SERVICES, OR ANY TWO OF THEM ACTING TOGETHER TO PRESCRIBE CERTAIN MATTERS RELATING TO THE 2018A NOTE; PROVIDING FOR THE PAYMENT OF THE 2018A NOTE AND DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO

BE IT RESOLVED by the Mayor and City Council of the City of Columbia, South Carolina this 20th day of March, 2018, as follows:

SECTION 1. The City Council (the "Council") of City of Columbia, South Carolina (the "City"), hereby finds and determines:

(a) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that each municipality shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law. Such debt must be incurred for a public purpose and a corporate purpose in an amount not exceeding eight percent of the assessed value of all taxable property of such City. Bond anticipation notes may be issued under such terms and conditions that the General Assembly may prescribe by general law and such bond anticipation note may be renewed or refunded.

(b) The Council heretofore enacted Ordinance 2017-023 on March 21, 2017 (the "Ordinance"), authorizing the issuance and sale of not exceeding \$8,135,000 principal amount of its general obligation bonds, in one or more series, and general obligation bond anticipation notes issued in anticipation thereof, in one or more series. The Ordinance further provides that, in the event such general obligation bond anticipation notes are issued, the City would pledge the proceeds of such general obligation bonds and its full faith, credit and taxing power of the City for the payment of principal of and interest, if necessary, on such notes as they respectfully mature. The Ordinance contains a provision authorizing the outstanding general obligation bond anticipation note authorized therein to be renewed or refunded by a resolution of Council incorporating the terms of the Ordinance (the "Resolution").

(c) Pursuant to the Ordinance, the City issued on June 20, 2017, a \$3,000,000 principal amount General Obligation Bond Anticipation Note, Series 2017 (the "2017 Note") with a maturity date of June 20, 2018.

(d) The Council desires to incorporate by reference the provisions of the Ordinance relating to the issuance and sale of general obligation bonds of the City (the "Bonds") and the renewal of the 2017 Note.

(e) The Council wishes to renew the 2017 Note and increase the size thereof in order to pay the interest due on the 2017 Note and the cost of issuance of the 2018A Note (hereinafter defined).

(f) Pending the issuance and sale of the general obligation bonds authorized by the Ordinance (the "Bonds"), it is now in the best interest of the City to provide for the issuance of a single bond anticipation note (the "2018A Note") to be used for the purposes of paying the outstanding principal balance of the 2017 Note, as well as interest due on the 2017 Note and the cost of issuance of the 2018A Note.

SECTION 2. The Council hereby incorporates by reference the provisions of the Ordinance with respect to the issuance and sale of the Bonds and such provisions shall be a part of this Resolution, and the Council will issue general obligation bonds in a sufficient amount to pay the principal and interest on the 2018A Note herein authorized.

SECTION 3. Pursuant to the provisions of the Constitution and laws of the State of South Carolina (the "State"), and to obtain funds to pay the principal of and, if necessary, interest on the 2018A Note hereinafter authorized, there is hereby authorized to be issued, and the City irrevocably obligates and binds itself to effect the issuance of, general

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obligation bonds of the City in a sufficient amount to retire the 2018A Note issued pursuant to the Ordinance and this Resolution.

SECTION 4. Pending the issuance and delivery of the Bonds authorized by the Ordinance and for the purpose of paying at maturity the 2018A Note, there is hereby authorized to be issued a bond anticipation note in fully-registered form payable to a named payee as may be designated by the purchaser thereof.

The Council hereby delegates to the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, the authority to negotiate with the existing holder of the 2017 Note or offer the 2018A Note for sale at such time as deemed to be in the best interest of the City. The Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, may arrange the sale of the 2018A Note by negotiation or may cause the 2018A Note to be advertised and bids received therefor. If so advertised, a Notice of Sale may be prescribed and distributed as deemed advisable. The City further delegates to the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, the authority to receive responses on behalf of the City and the authority to award the sale of the 2018A Note to the bank offering to purchase the 2018A Note at the lowest net interest cost to the City provided the interest rate on the 2018A Note shall not exceed 4%. After the sale of the 2018A Note, the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, shall prepare a written report setting forth the results of the sale of the 2018A Note.

The 2018A Note issued in fully-registered form shall be registered as to both principal and interest; shall be dated as of the date of delivery; shall mature not later than one (1) year from the date thereof; and shall not be subject to penalty if paid prior to maturity.

Both the principal of and interest on the 2018A Note shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts at a bank or trust company organized under the laws of the State or the laws of the United States of America.

The 2018A Note shall be executed in the name of the City with the manual or facsimile signature of the Mayor of the City attested by the manual or facsimile signature of the Clerk of the Council under the seal of the City to be imprinted, impressed or reproduced thereon.

SECTION 5. The 2018A Note in fully-registered form shall be registered as to principal in the name of the holder at the office of the Clerk to Council of City of Columbia, in Columbia, South Carolina, on registry books to be kept for that purpose, and such registration shall be noted on the 2018A Note after which no transfer of the 2018A Note shall be effectual unless made on said books by the registered holder in person, or by his duly authorized attorney and similarly noted on the 2018A Note but the 2018A Note may be discharged from registration by being in like manner transferred to bearer, after which it shall again be transferable by delivery and may again and from time to time be registered or discharged from registration in like manner.

SECTION 6. The 2018A Note in fully-registered form shall be issued in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 7. The City covenants that it has not issued nor will it cause to be issued, any note or other certificates of indebtedness of any type in anticipation of the issuance of the Bonds other than the 2018A Note.

SECTION 8. For the payment of the principal of and interest on the 2018A Note as the same respectively mature there are hereby pledged the proceeds of the general obligation bonds authorized herein. The City at its option may also utilize any other available funds for the payment of the principal of and interest on the 2018A Note.

SECTION 9. The proceeds of the 2018A Note shall be applied to the purpose of paying at maturity the principal and interest on the 2017 Note. Upon the delivery of the Bonds in anticipation of which the 2018A Note was issued, sufficient proceeds of the Bonds shall be applied by the City to meet the payment of the principal of and, if necessary, interest on the 2018A Note.

SECTION 10. Both the principal of and interest on the 2018A Note and the Bonds shall be exempt, in

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accordance with the provisions of Section 12-2-50 of the Code of Laws of South Carolina, 1976, as amended, from all State, City, municipal, school district, and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

SECTION 11. The City covenants that no use of the proceeds of the sale of the 2018A Note shall be made which, if such use had been reasonably expected on the date of issue of the 2018A Note would have caused the 2018A Note to be "arbitrage bonds," as defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and to that end the City shall comply with the applicable regulations of the Treasury Department previously promulgated under Section 103 of the Code, and any regulations promulgated under the Code so long as the 2018A Note is outstanding.

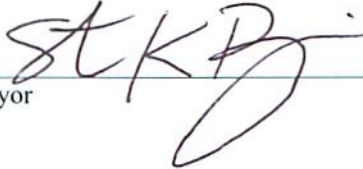
SECTION 12. The Council hereby authorizes the Mayor, the City Manager and the Assistant City Manager for Finance and Economic Services, or any two of them acting together, City Attorney and Clerk to Council to execute such documents and instruments as necessary to effect the issuance of the 2018A Note.

SECTION 13. All orders, resolutions, ordinances and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the 2018A Note is, to the extent of such conflict, are hereby repealed, and this Resolution shall take effect and be in full force from and after its passage and approval.

SECTION 14. This Resolution shall become effective this date.

Requested by:

Assistant City Manager Palen




Mayor

Approved by:

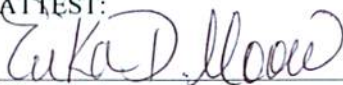


City Manager *ACTING CITY MANAGER*

Approved as to form:



City Attorney

ATTEST:


City Clerk

Introduced: 3/20/2018
Final Reading: 3/20/2018

(FORM OF FULLY-REGISTERED NOTE)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF COLUMBIA
GENERAL OBLIGATION BOND ANTICIPATION NOTE, SERIES 2018A

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No. R-__

\$ _____

<u>INTEREST</u>	<u>MATURITY</u>	<u>ORIGINAL</u>
<u>RATE</u>	<u>DATE</u>	<u>ISSUE DATE</u>

KNOW ALL MEN BY THESE PRESENTS, that the City of Columbia, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay to First Citizens Bank and Trust Company (the "Bank"), and its successors and assigns, the principal sum of Three Million Dollars (\$3,000,000) on the maturity date shown above, and to pay interest on such principal sum from the date hereof at the interest rate per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) and on the maturity date shown above, payable by check or draft mailed to the person in whose name this Note is registered on the registration books of the City. The principal and interest on this Note are payable without presentation or surrender in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts.

This Note is a general obligation bond anticipation note issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 5, Chapter 21, Article 5, and Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and Ordinance No. 2017-023 duly enacted on March 21, 2017, and a Resolution duly adopted on _____, 2018, by the City Council of the City (the "Ordinance"), in anticipation of the issuance of general obligation bonds to be issued by the City, and is payable, both as to principal and interest, from the proceeds thereof. This Note is a general obligation of the City and there is hereby pledged to the payment of the principal hereof and interest hereon, the full faith, credit and taxing power of the City. The City at its option may also utilize any other funds available therefor for the payment of the principal of and interest on this Note.

This Note has been initially registered in the name of the Bank as to principal and interest at the office of the City Clerk, on registry books to be kept for such purpose, such registration to be noted hereon. After such registration, the principal of and interest on this Note shall be payable only to the registered owner hereof. No transfer shall be valid unless made on such books by the registered owner, or by its legal representative, and similarly noted on this Note. This Note may be assigned, and if assigned, the assignor shall promptly notify the Treasurer of the City by registered mail of such assignment.

This Note shall be subject to redemption at the option of the City as a whole or in part at any time within 90 days of the maturity date, at a redemption price equal to 100% of the principal amount to be redeemed together with the interest accrued on such principal amount to the date fixed for redemption.

Under the laws of the State of South Carolina, this Note and the interest hereon are exempt from all State, county, municipal, City and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Note exist, have happened and have been performed in regular and due time, form and manner as required by law; that the City has irrevocably obligated itself to issue and sell, prior to the stated maturity hereof, the general obligation bond in anticipation of which this Note is issued; and that the amount of this Note, together with all other indebtedness of the City, does not exceed the applicable limitation of indebtedness under the laws of the State of South Carolina and that provision has been made for the issuance of the aforesaid general obligation bond.

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IN WITNESS WHEREOF, the City of Columbia, South Carolina, has caused this Note to be executed in its name by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Clerk of the City Council under the seal of the City, and this Note to be dated the ___ day of _____, 2018.

CITY OF COLUMBIA, SOUTH CAROLINA

By  _____
Mayor

(SEAL)

ATTEST:

Clerk, City Council

[Form of Registration]

This Note has been registered in the name of _____, in _____, South Carolina, on registry books kept by the Clerk to City Council of City of Columbia, South Carolina.

Dated this ___ day of _____, 2018.

Clerk, City Council, City of Columbia, South Carolina

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(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ (Name and Address of Transferee) the within Note and does hereby irrevocably constitute and appoint _____ attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

(Authorized Officer)

Notice: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agents Medallion Program ("STAMP") or similar program.

Notice: The signature to the assignment must correspond with the name of the registered holder as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

A copy of the final approving opinion to be attached to the 2018A Note, and preceding the same a certificate shall appear, which shall be signed on behalf of the City with a facsimile signature of the Clerk of City Council. The certificate shall be in substantially the following form:

CERTIFICATE

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the respective final legal opinions (except for date and letterhead) of McNair Law Firm, P.A., Columbia, South Carolina, and Johnson, Toal & Battiste, P.A., Columbia, South Carolina, approving the issue of bonds of which the within bond is one, the originals of which opinions were manually executed, dated and issued as of the date of delivery of and payment for such bonds, and copies of which is on file with the City of Columbia, South Carolina.

CITY OF COLUMBIA, SOUTH CAROLINA

By: _____
Clerk