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RESOLUTION NO.: R-2018-054

IN SUPPORT OF THE ISSUANCE BY THE SOUTH CAROLINA JOBS ECONOMIC DEVELOPMENT AUTHORITY OF ITS EDUCATION FACILITIES REFUNDING REVENUE BONDS (BENEDICT COLLEGE) IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$30,000,000

WHEREAS, the South Carolina Jobs-Economic Development Authority ("Authority"), acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended ("Act"), to (i) utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to qualified business enterprises in order to promote and develop the economic welfare of the State of South Carolina ("State") and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and (ii) act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State; and,

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, as defined in the Act, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues in order to provide funds for any program authorized by the Act; and,

WHEREAS, Benedict College, a South Carolina nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, and one or more related or affiliated entities, as amended (collectively, "Borrower") has applied to the Authority to issue its not exceeding \$30,000,000 Education Facilities Refunding Revenue Bonds (Benedict College) ("Bonds") in one or more series, taxable or tax-exempt, to (i) provide funds necessary to refund and defease all or a portion of certain outstanding indebtedness of the Borrower used to finance and refinance various capital projects of the Borrower ("Refunding"), including, without limitation, (A) the acquisition and construction of a 10,000-seat football stadium and related facilities located at Two Notch Road and Read Street Extension, Columbia, South Carolina 29204 ("Stadium Project"), (B) the acquisition of certain real property on or adjacent to the campus of the Borrower located between Harden Street to the West, Two Notch Road to the East, Taylor Street to the South and Richland Street to the North and centered at 1600 Harden Street, Columbia South Carolina, 29204 ("Real Property Project"), and (C) the acquisition and construction of the Business Development Center located at 2601 Read Street, Columbia, South Carolina 29204 ("Business Center Project" and together with the Stadium Project and Real Property Project, the "Facilities"), (ii) provide for certain fees and expenses to be incurred in connection with the issuance of the Bonds, and (iii) fund reserves and related costs in respect of the Bonds. Proceeds of the Bonds allocated to refinance the Stadium Project will be in an amount not to exceed \$20,000,000. Proceeds of the Bonds allocated to refinance the Real Property Project will be in an amount not to exceed \$15,000,000. Proceeds of the Bonds allocated to refinance the Business Center Project will be in an amount not to exceed \$5,000,000. For the avoidance of doubt, in no event will the aggregate amount of the Bonds allocated to refinance the Facilities exceed \$30,000,000; and

WHEREAS, the Facilities to be refinanced with the Bonds are owned and operated by the Borrower; and,

WHEREAS, the Borrower has represented to the City of Columbia, South Carolina ("City") that it anticipates that the Refunding will benefit the State, generally, and the City in particular, by assisting the Borrower (i) to retain the employees of the Borrower, which represents approximately 457 jobs that are held by citizens of the City and adjacent areas, and (ii) to provide public benefits not otherwise provided locally, including the operation of the Borrower as a full opportunity college with high quality programs of teaching, research, and public service; and,

WHEREAS, for purposes of complying with Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 5f.103-2(f) of the Treasury Regulations, as amended (collectively, "Federal Tax Regulations") and the Act, prior to the issuance of the Bonds by the Authority, and after a public hearing held following reasonable public notice, the Bonds must be approved by the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Facilities are located; and,

WHEREAS, the City is the governmental unit having jurisdiction over the area in which the Facilities are located and the City Council ("Council") is applicable representative body of the City; and,

WHEREAS, prior to any deliberations regarding this Resolution, Council held a public hearing, at which all interested persons were given a reasonable opportunity to express their views; and

WHEREAS, the Borrower has represented to the City that the public hearing was duly noticed by the Borrower, by publication of a Notice of Public Hearing in *The State*, a newspaper having general circulation in the City, not less than 15 days prior to the date hereof; NOW, THEREFORE,

BE IT RESOLVED by the Mayor and City Council of the City of Columbia, South Carolina this 19th day of June, 2018, as follows:

Section 1. As required by the Act, and based solely on information received by the City from the Borrower, Council finds that (a) the Refunding and refinancing of the Facilities will serve the purposes of the Act; (b) the Refunding is anticipated to benefit the general public welfare of the State and City by assisting the Borrower in its ability to provide services, employment, or other public benefits not otherwise provided locally, including the operation of the Borrower as a full opportunity college; (c) the Bonds and the Refunding will give rise to no pecuniary liability of the City, or a charge against its general credit or taxing power; (d) the amount of Bonds required to undertake the Refunding is not exceeding \$30,000,000; and (e) the documents to be delivered by the Borrower and the Authority with respect to the Bonds will provide, among other things, (i) for the amount necessary in each year to pay the principal of and interest on the Bonds, (ii) the reserve funds, if any, to be established with respect to the retirement of the Bonds and the maintenance of the Facilities (and, if any such reserve funds are established, the amount necessary to be paid each year into such funds), and (iii) that the Borrower shall maintain the Facilities and carry all proper insurance with respect thereto.

Section 2. For purposes of satisfying the Federal Tax Regulations, the Refunding, the Facilities to be refinanced with the Bonds and the Bonds are hereby granted "public approval."

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Section 3. The Bonds are not an obligation or liability of the City. The Bonds are special limited obligations of the Authority payable solely from the loan repayment to be made by the Borrower to the Authority and certain funds and accounts established by any trust indenture for the Bonds.

Section 4. The Mayor, the City Manager and the City Clerk, or their designees, are each hereby authorized and directed to execute such documents as may be necessary to evidence the City's approval required pursuant to the Federal Tax Requirements and the Act and given by this Resolution.

Section 5. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this Resolution shall take effect and be in full force and effect from and after its adoption.

Requested by:

Assistant City Manager Palen



Mayor

Approved by:



City Manager

Approved as to form:



City Attorney

ATTEST:



City Clerk

Public Hearing: 6/19/2018
Introduced: 6/19/2018
Final Reading: 6/19/2018