

RESOLUTION NO.: R-2014-061

A RESOLUTION IN SUPPORT OF THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS (USC DF – WEST CAMPUS, LLC PROJECT) IN ONE OR MORE SERIES, TAXABLE OR TAX-EXEMPT, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$92,700,000.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the “Authority”) 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 (the “Act”), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act 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 of South Carolina; and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds 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 purpose authorized by the Act, and to refund such bonds; and

WHEREAS, the Authority and USC DF – West Campus, LLC (the “Borrower”), a wholly-owned subsidiary of The University of South Carolina Development Foundation (the “Foundation”), a South Carolina nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 and established as a support organization for the benefit of the University of South Carolina (the “University”), entered into an Inducement Agreement dated May 14, 2014 (the “Inducement Agreement”), pursuant to which and in order to implement the public purposes enumerated in the Act, and in furtherance thereof to comply with the undertakings of the Authority pursuant to the Inducement Agreement, the Authority proposes to issue not exceeding \$92,700,000 aggregate principal amount of its Economic Development Revenue Bonds (USC DF – West Campus, LLC Project), in one or more series, taxable or tax-exempt (the “Bonds”), under and pursuant to Section 41-43-110 of the Act, proceeds of which will be used by the Borrower to (i) defray the cost, including the payment of interim financing costs, of construction, acquisition and equipping of an approximately 878-bed rental housing facility for students of the University, including related parking and ground floor retail facilities (collectively, the “Project”), located in the City of Columbia, South Carolina (the “City”), and (ii) pay certain costs of issuance of the Bonds; and

WHEREAS, the Borrower is projecting that the assistance of the Authority by the issuance of the Bonds to finance the Project will result in the creation of an estimated 75 new jobs, with a resulting alleviation of unemployment and a substantial increase in payrolls, capital investment and tax revenues; and

WHEREAS, the City Council of the City of Columbia (the “Council”) and the Authority have on this date jointly held a public hearing with respect to the issuance of the Bonds for the Project, duly noticed by publication in a newspaper having general circulation in the City and Richland County, not less than 15 days prior to the date hereof, at which all interested persons have been given a reasonable opportunity to express their views; and

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WHEREAS, pursuant to the Act, the Authority seeks the support of the Council with respect to the Authority's determination to issue the Bonds; and

WHEREAS, such support of the Council will not financially obligate the City in any respect;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Columbia, South Carolina this 15th day of July, 2014, as follows:

SECTION 1. It is hereby found, determined and declared that (a) the Project will subserve the purposes of the Act, (b) the Project is anticipated to benefit the general public welfare of the City by providing services, employment, recreation or other public benefits not otherwise provided locally, (c) the Project 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 finance the Project is approximately \$92,700,000; 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) whether reserve funds of any nature will be established with respect to the retirement of the Bonds and the maintenance of the Project (and, if any such reserve funds are to be so established, the amount necessary to be paid each year into such funds), and (iii) that the Borrower shall maintain the Project and carry all proper insurance with respect thereto.

SECTION 2. The Council supports the Authority in its determination to issue the Bonds to defray the costs of financing related to the Project, and such support does not financially obligate the City.

SECTION 3. 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 from and after its adoption.

Requested by:

University of South Carolina




Mayor

Approved by:



City Manager

Approved as to form:



City Attorney

ATTEST:


City Clerk

Introduced: 7/15/2014

Final Reading: 7/15/2014