

RESOLUTION NO. R-2017-110

A RESOLUTION RELATING TO THE DECLARATION OF INTENT BY THE CITY OF COLUMBIA, SOUTH CAROLINA, TO USE PROCEEDS OF TAX-EXEMPT BONDS OR OTHER OBLIGATIONS (INCLUDING A LEASE AGREEMENT TO BE ENTERED INTO BY THE CITY) TO REIMBURSE CERTAIN EXPENDITURES PRIOR TO THE ISSUANCE OR EXECUTION THEREOF

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WHEREAS, the Internal Revenue Service and U.S. Treasury Department have promulgated Section 1.150-2 of the Treasury Regulations (the "Regulations") that authorizes an issuer to reimburse itself for expenditures made with respect to projects prior to the issuance of tax-exempt obligations (including lease agreements) for such projects; and,

WHEREAS, the Regulations require that the governing body of the political subdivision declare an official intent to reimburse an expenditure not later than sixty (60) days after the payment of the expenditure; and,

WHEREAS, the City of Columbia, South Carolina (the "City") has previously agreed to fund the acquisition, by construction or purchase, renovation, installation and equipment of certain improvements and other expenditures located or to be located on or relating to all or a portion of the 183-acre tract of land generally known as the Bull Street Campus, situated in the heart of the City, the main entrance to which is marked by the intersection of Elmwood Avenue and Bull Street (generally known as the "Bull Street Campus"), more particularly consisting of road construction, paving, storm drainage, stormwater ponds and/or improvements; water and sewer infrastructure and other utilities; landscaping, lighting, earthwork and erosion control, asbestos abatement and demolition and site clearing; stream daylighting and/or restoration; and development of parks, plazas, ponds and parking facilities; and land acquisition related to the foregoing (the "Bull Street Project"); and,

WHEREAS, the City also intends to fund the acquisition, by construction or purchase, renovation, installation and equipment of certain improvements and other expenditures relating to its stormwater system (the "Stormwater Project") and certain vehicles and other rolling stock, including but not limited to automobiles, trucks or sport utility vehicles to be used for public safety purposes (the "Public Safety Project" and, together with the Bull Street Project and the Stormwater Project, the "Projects"); and,

WHEREAS, the City anticipates incurring approximately \$9,500,000 of expenditures for the Bull Street Project (the "Bull Street Expenditures") in the next 18-24 months, and approximately \$21,000,000 of expenditures for the Stormwater Project (the "Stormwater Expenditures") in the next 6-9 months, which Bull Street Expenditures and/or Stormwater Expenditures may be made prior to the issuance by or on behalf of the City of tax-exempt bonds or other obligations for such purposes, and the City has incurred or anticipates incurring approximately \$1,000,000 of expenditures for the Public Safety Project (the "Public Safety Expenditures" and, together with the Bull Street Expenditures and the Stormwater Expenditures, the "Expenditures") prior to the execution by the City of a tax-exempt lease agreement to finance the costs of Public Safety Project as well as other equipment and personal property; NOW, THEREFORE,

BE IT RESOLVED, by the Mayor and City Council of the City of Columbia, South Carolina this 21st day of November, 2017, as follows:

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Section 1. The City Council hereby declares its intent to use the proceeds of tax-exempt bonds or other obligations issued directly by or on behalf of the City, including one or more lease agreements (collectively, the "Obligations"), to finance a portion of the costs of the Projects.

Section 2. The City Council hereby declares that this Resolution shall constitute its declaration of official intent pursuant to Regulation §1.150-2, to reimburse the City from the proceeds of the Obligations for any Expenditures made prior to the issuance of the Obligations, subject to other limitations contained herein.

Section 3. The City understands that Expenditures which may be reimbursed are limited to Expenditures which are (a) properly chargeable to capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Regulation §1.150-2) under general federal income tax principles; or (b) certain de minimis or preliminary expenditures satisfying the requirements of Regulation §1.150-2(f).

Section 4. The source of funds for the Expenditures with respect to the Project will be the City's general fund, water and sewer fund, stormwater fund, parking system fund and/or hospitality fee account, as may be applicable to the type of Expenditure and otherwise permitted under South Carolina law.

Section 5. To be eligible for reimbursement of the Expenditures, the reimbursement allocation must be made not later than 18 months after the later of (a) the date on which the applicable Expenditures were paid, or (b) the date the applicable Project was placed in service, but in no event more than three (3) years after the original Expenditures.

Section 6. This Resolution shall be in full force and effect from and after its adoption as provided by law. This Resolution shall be made available for inspection during normal business hours by the general public at the office of the City.

Requested by:

Assistant City Manager Palen




Mayor

Approved by:



City Manager

Approved as to form:



City Attorney

ATTEST:


City Clerk

Introduced: 11/21/2017
Final Reading: 11/21/2017