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**RESOLUTION NO.: R-2015-077**

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 ISSUED BY OR ON BEHALF OF THE CITY TO REIMBURSE CERTAIN EXPENDITURES PRIOR TO THE ISSUANCE OF SUCH BONDS OR OTHER OBLIGATIONS

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 bonds 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, on July 31, 2013, the City of Columbia, South Carolina (the "City") entered into a Development Agreement with Hughes Development Corporation (the "Development Agreement"), pursuant to which the City 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 (collectively, the "Project"); and,

WHEREAS, in connection with the Development Agreement, the City anticipates incurring approximately Twenty-six Million Six Hundred Seventy-five Thousand and No/100 (\$26,675,000.00) Dollars of expenditures (the "Expenditures") with respect to the Project in the next 18-24 months, which 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; NOW, THEREFORE,

BE IT RESOLVED, by the Mayor and City Council of the City of Columbia, South Carolina this 18th day of August, 2015, as follows:

Section 1. The City Council hereby declares its intent to use the proceeds of tax-exempt debt, which may be in the form of bonds or other obligations issued directly by or on behalf of the City, including but not limited to installment purchase revenue bonds (collectively, the "Bonds"), to finance a portion of the costs of the Project.

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 Bonds for any Expenditures made prior to the issuance of the Bonds, subject to other limitations contained herein.

Section 3. The City understands that Expenditures that may be reimbursed are limited to Expenditures that 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 (2) certain de minimis or preliminary expenditures satisfying the requirements of Regulation §1.150-2(f).

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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, storm water fund, parking system fund and/or hospitality fee account, as may be applicable to the type of Expenditure and as 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 Expenditures were paid, or (b) the date the 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 Clerk, 3rd Floor, City Hall, 1737 Main Street, Columbia, South Carolina.

Requested by:

Assistant City Manager Palen \_\_\_\_\_

  
\_\_\_\_\_  
Mayor

Approved by:

  
\_\_\_\_\_  
City Manager

Approved as to form:

  
\_\_\_\_\_  
City Attorney

ATTEST:

  
\_\_\_\_\_  
City Clerk

Introduced: 8/18/2015  
Final Reading: 8/18/2015