

RESOLUTION NO. R-2010-076

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A RESOLUTION (1) AFFIRMING THE DESIGNATION OF THE AREA LOCATED AT 1001 SENATE STREET, IN THE CITY OF COLUMBIA, SOUTH CAROLINA (THE "CITY") AS PART OF A RECOVERY ZONE WITHIN THE MEANING OF SECTION 1400U-1 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (THE "ARRA") BY VIRTUE OF THE LOCATION OF SUCH PROPERTY WITHIN THE COLUMBIA/SUMTER SC EMPOWERMENT ZONE; (2) AUTHORIZING CAPITOL PLACES VII, LLC AS ULTIMATE BENEFICIARY TO MAKE ARRANGEMENTS FOR THE ISSUANCE OF RECOVERY ZONE FACILITY BONDS, AS DEFINED IN THE ARRA, BY ANY ELIGIBLE ISSUER WITHIN THE MEANING OF THE ARRA, INCLUDING WITHOUT LIMITATION THE STATE OF SOUTH CAROLINA OR ANY AGENCY THEREOF; AND (3) OTHER MATTERS RELATING THERETO.

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the "ARRA") authorizes certain counties and larger municipalities to designate areas within their jurisdictions as "recovery zones" in connection with the issuance of certain state or local bonds as "recovery zone facility bonds" within the meaning of the ARRA, the interest on such recovery zone facility bonds being excluded from gross income to holders thereof for federal income tax purposes; and

WHEREAS, Capitol Places VII, LLC, a South Carolina limited liability company (the "Company"), has requested the City of Columbia, South Carolina (the "City") to facilitate the issuance on its behalf of recovery zone facility bonds under the ARRA to finance a portion of the cost of acquiring by construction and/or purchase certain land, a building or buildings and other improvements and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein, for the purpose of establishing a mixed use, commercial/residential facility, located at 1001 Senate Street, within the City (the "Project") by affirming the designation of the site where the Project is to be located as part of a recovery zone within the meaning of the ARRA; and

WHEREAS, the City has determined, based upon information provided by the Company, that the Project will benefit the general welfare of the City by providing employment, additions to the tax base and services not generally available in the area of the City in which the Project is located and, as a result, wishes to take such steps as may be necessary to facilitate the issuance of recovery zone facility bonds within the meaning of the ARRA as set forth in more detail herein below;

NOW, THEREFORE, BE IT RESOLVED, by the City Council on behalf of the City as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) Based solely upon information provided by the Company, the City anticipates that the cost of the Project will be not less than \$3,500,000 and that such investment will enhance the tax base of the City and other governmental entities having jurisdiction over the Project. The City further anticipates, based solely upon information provided by the Company, that the Project will benefit the general public welfare of the City by providing employment for those engaged in construction of the Project, and by creating approximately 33 full-time jobs for people from the City and adjacent areas when the Project is placed in full operation with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of commercial/residential operations not otherwise provided locally in the area in which the Project is located.

(c) Neither the Project, the Bonds (as defined herein) proposed to be issued on behalf of the Company to fund a portion of the cost of the Project, nor any documents or agreements entered into by the City in connection therewith will constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power.

Section 2.

(a) The Company is hereby authorized to arrange for the issuance of recovery zone facility bonds (the "Bonds"), as defined in the ARRA, by any eligible issuer within the meaning of the ARRA, including without limitation, the State of South Carolina or any agency thereof.

(b) In accordance with Section 5.06 of Notice 2009-50 published by the U.S. Department of the Treasury, the City, hereby affirms and approves the designation of the area of the City located at 1001 Senate Street, Columbia, South Carolina, at which address the Project is or will be located, as part of a recovery zone within the meaning of the ARRA due to the fact that such area is part of the Columbia/Sumter SC Empowerment Zone, such empowerment zone having become a recovery zone pursuant to Section 1400U-1(b) of the ARRA upon enactment of the ARRA.

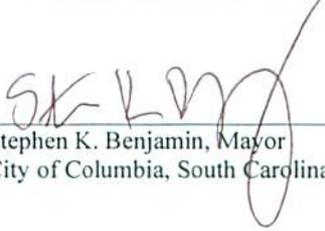
(c) To the extent that the South Carolina Jobs-Economic Development Authority (the "Authority") issues the Bonds on behalf of the Company to finance the Project, this Resolution shall constitute a resolution in support of the Project to the extent required by Title 41, Chapter 43 of the Code of Laws of South Carolina, 1976, as amended, and pertinent regulations issued pursuant thereto (the "Act"), and, in connection with such resolution in support of the Project finds and determines 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 charge against its general credit or taxing powers; (d) the amount of the Bonds required to finance the Project, based solely on information provided by the Company, is not exceeding \$3,500,000; and (e) the documents to be delivered by the Company 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 Company shall maintain the Project and carry all proper insurance with respect thereto. The City reserves the right to withdraw or modify such statement of support and findings following the public hearing to be held in connection with the issuance of the Bonds; provided that, any such withdrawal or modification shall occur no later than the next subsequent meeting of City Council following such public hearing.

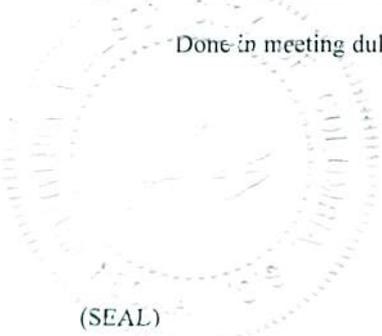
Section 3. The City Manager is hereby authorized and directed to execute and deliver such inducement agreements, instruments, or other documents reflecting the approvals granted herein and as may be deemed appropriate by the City Manager, upon the advice of counsel, and the Clerk of the City Council is hereby authorized and directed to affix thereto the seal of the City Council and to attest the same.

Section 4. All orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and after its passage by the City Council.

Done in meeting duly assembled this 8th day of September, 2010.

CITY OF COLUMBIA, SOUTH CAROLINA

By: 
Stephen K. Benjamin, Mayor
City of Columbia, South Carolina



(SEAL)

ATTEST:

By: 
Erika D. Salley, Clerk of the City Council
of City of Columbia, South Carolina