

STATE OF SOUTH CAROLINA

COUNTY OF LANCASTER

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LANCASTER, SC

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ORDINANCE NO. 2019-1555

2019 FEB 14 PM 4:16

CLERK OF COURT
LANCASTER, SC

TO AUTHORIZE THE ISSUANCE AND SALE OF A NOT TO EXCEED \$700,000 GENERAL OBLIGATION BOND, OF LANCASTER COUNTY, SOUTH CAROLINA, SERIES 2019B, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, FOR THE FUNDING OF THE REPAIR AND UPGRADE OF ROADS IN THE REID POINTE SPECIAL TAX DISTRICT; TO FIX THE FORM AND DETAILS OF THE BOND; TO AUTHORIZE THE COUNTY ADMINISTRATOR OR THE LAWFULLY-AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BOND; TO PROVIDE FOR THE PAYMENT OF THE BOND AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

Be it ordained by the Council of Lancaster County, South Carolina:

Section 1. Findings and Determinations. The County Council (the "County Council"), of Lancaster County, South Carolina (the "County"), hereby finds and determines:

(a) Pursuant to Section 4-9-10, Code of Laws of South Carolina 1976, as amended (the "Code"), and the results of a referendum held in accordance therewith, the Council-Administrator form of government was adopted and the County Council constitutes the governing body of the County.

(b) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that each county shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law within the limitations set forth in Section 14 and Section 12 of Article X.

(c) Article X, Section 12 of the Constitution provides that no law shall be enacted permitting the incurring of bonded indebtedness by any county for infrastructure benefiting only a particular geographical section of the county unless a special assessment, tax or service charge in an amount designed to provide debt service on bonded indebtedness incurred for such purpose shall be imposed upon the area or persons receiving the benefit therefrom.

(d) Article X, Section 14 of the Constitution further provides that general obligation debt may be incurred only for a purpose which is a public purpose and which is a corporate purpose of the County. The power to incur general obligation debt shall include general obligation debt incurred by the County within the limitations prescribed by Article X, Section 12 of the Constitution.

(e) In determining the debt limitations imposed by the provisions of Article X, Section 14 of the Constitution, bonded indebtedness incurred pursuant to Article X, Section 12 shall not be considered.

(f) Pursuant to Title 4, Chapter 15 of the Code (the same being and hereinafter referred to as the "County Bond Act"), the governing bodies of the several counties of the State may each issue general obligation bonds to defray the cost of any authorized purpose and for any amount not exceeding its applicable constitutional limit.

(g) The County Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27 of the Code provides that if an election be prescribed by the provisions of the County Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the County Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(h) The County, acting by and through the Council, is authorized pursuant to Section 4-9-30(5) of the Code, to assess property and levy ad valorem property taxes and uniform service charges, including the power to tax different areas at different rates related to the nature and level of governmental services provided.

(i) Council, pursuant to Section 4-9-30(5)(a)(i) of the Code of Laws of South Carolina 1976, as amended, may, upon certification of a petition signed by fifteen percent or more of the electors in a proposed special tax district, provide for a referendum to be conducted by the county election officials on the question of the creation of the proposed special tax district. By passage of Resolution No. 1001-R2018, Council certified to the Lancaster County Voter Registration and Elections Board (the "Elections Board") a petition that proposed the creation of the Reid Pointe Special Tax District and provided for a referendum to be held on the question of the creation of the Reid Pointe Special Tax District.

(j) On November 6, 2018, the Elections Board held a referendum on the question of the creation of the Reid Pointe Special Tax District. The Board of Canvassers certified that 257 votes were cast in the referendum, of which, 246 votes were cast in favor of the creation of the special tax district and 11 votes were cast in opposition. Council published the results of the referendum in Resolution No. 1033-R2018.

(k) Pursuant to Ordinance No. 1554, enacted on 2-11-19, County Council created the Reid Pointe Special Tax District.

(l) In order to upgrade the roads in the Reid Pointe Special Tax District to County standards so that the roads may be accepted into the County road system, the County is in the process of undertaking repairs and upgrades of roads in the Reid Pointe Special Tax District and all costs associated therewith (the "Project").

(m) It is necessary and in the best interest of the County for the County Council to provide for the issuance and sale of a not exceeding \$700,000 General Obligation Bond (Reid Pointe Special Tax District), Series 2019B, or such other appropriate series designation (the "Bond") of the County pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina, the proceeds of which will be used: (a) to defray the cost of the Project; (b) to pay costs of issuance of the Bond; and (c) for such other lawful corporate and public purposes as the County Council shall determine.

Section 2. Delegation of Authority to Determine Certain Matters Relating to the Bond.

Without further authorization, the County Council hereby delegates to the County Administrator or his lawfully-authorized designee the authority to determine (a) the payment schedule of the Bond and the respective principal amounts due on such dates; (b) the interest payment dates of the Bond; (c) redemption provisions, if any, for the Bond; (d) the time and date of sale of the Bond; and (e) whether the Bond shall be designated as a "qualified tax-exempt obligation," as defined in the Internal Revenue Code of 1986 (the "Code"). The County Council further delegates to the County Administrator or his lawfully-authorized designee the authority to receive bids on behalf of the County and the authority to award the Bond to the low bidder therefor, provided the true interest cost does not exceed 6%. After the sale of the

Bond, the County Administrator or his lawfully authorized designee shall submit a written report to County Council setting forth the details of the Bond as set forth in this paragraph.

Section 3. Authorization and Details of Bond. Pursuant to the aforesaid provisions of the Constitution and laws of the State, there is hereby authorized to be issued a not exceeding Seven Hundred Thousand Dollars (\$700,000) aggregate principal amount general obligation bond of the County to be designated “\$700,000 (or such lesser amount issued) General Obligation Bond, Series 2019B (or such other appropriate series designation), of Lancaster County, South Carolina” (the “Bond”), for the purpose set forth in Section 1(m) and other costs incidental thereto, including without limiting the generality of such other costs, engineering, financial and legal fees.

The Bond shall be issued in fully registered form; shall be registered as to principal and interest in the name of the purchaser thereof; shall be dated as of the date of its delivery or such other date as the County Administrator determines; shall be in the denomination of not exceeding \$700,000; shall bear interest on the unpaid principal balance at the interest rate shown thereon; and shall be payable as determined by the County Administrator.

Interest shall be calculated on a 30-day month and 360-day year basis, unless otherwise agreed upon by the County Administrator and the purchaser of the Bond.

Both the principal of and interest on the Bond shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts.

Section 4. Execution of Bond. The Bond shall be executed in the name of the County with the manual or facsimile signature of the Chair of County Council attested by the manual or facsimile signature of the Clerk to County Council under the seal of the County to be impressed or affixed thereon.

Section 5. Form of Bond. The Bond and the provisions for registration to be endorsed thereon shall be in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

Section 6. Form of Notice of Sale. The Bond shall be sold at public sale. The Notice of Sale shall be in substantially the form attached hereto as Exhibit B and incorporated herein by reference.

Section 7. Publication of Summary Notice of Sale. A summary of the Notice of Sale shall be published in a newspaper of general circulation in the State of South Carolina not less than seven (7) days prior to the date set for such sale.

Section 8. Security for the Bond. The Bond is payable from an ad valorem tax to be levied annually by the County Auditor and collected by the County Treasurer, in the same manner as other County taxes are levied and collected, on all taxable property in the District sufficient to pay the principal of and interest on the Bond as they respectively mature and to create such sinking fund as may be necessary therefor. The Bond is additionally secured by the full, faith and taxing power of the County.

Section 9. Notice of Public Hearing. The County Council hereby ratifies and approves the publication of a notice of public hearing regarding the Bond and this Ordinance, such notice in substantially the form attached hereto as Exhibit C, having been published in *The Lancaster News*, a newspaper of general circulation in the County, not less than fifteen (15) days prior to the date of such public hearing.

Section 10. Exemption from State Taxes. Both the principal of and interest on the Bond shall be exempt, in accordance with the provisions of Section 12-2-50 of the South Carolina Code, from all State, county, municipal, school district, and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

Section 11. Deposit and Use of Proceeds. The proceeds derived from the sale of the Bond shall be deposited with the County Treasurer in a special fund, separate and distinct from all other funds, and applied solely to the purposes for which the Bond is issued.

Section 12. Tax Covenants. The County hereby covenants and agrees with the holder of the Bond that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bond to become includable in the gross income of the holders of the Bond for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986 as amended and regulations promulgated thereunder in effect on the date of original issuance of the Bond. The County further covenants and agrees with the holders of the Bond that no use of the proceeds of the Bond shall be made which, if such use had been reasonably expected on the date of issue of the Bond, would have caused the Bond to be "arbitrage bonds," as defined in Section 148 of the Code, and to that end the County hereby shall:

(a) comply with the applicable provisions of Sections 103 and 141 through 150 of the Code and any regulations promulgated thereunder so long as the Bond is outstanding;

(b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the Code relating to required rebates of certain amounts to the United States; and

(c) make such reports of such information at the time and places required by the Code.

Section 13. Filings with Central Repository. In compliance with Section 11-1-85 of the South Carolina Code, the County covenants that it will file or cause to be filed with a central repository for further availability in the secondary bond market when requested: (a) a copy of the annual audit of the County within thirty (30) days of the County's receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which, in the opinion of the County, adversely affects more than five percent (5%) of the County's revenue or its tax base.

Section 14. Authorization to Issue General Obligation Bond Anticipation Note(s). Pursuant to Title 11, Chapter 17 of the Code, pending the issuance of the Bond, County Council hereby authorizes the issuance of one or more general obligation bond anticipation notes in an amount not to exceed \$700,000 (the "Note(s)") for the purposes set forth in Section 1(m) herein. In the event Note(s) are issued prior to issuing the Bond, County Council hereby delegates to the County Administrator the authority, upon advice of Bond Counsel, to determine the specific details of the Note(s). The Note(s) will be secured by an irrevocable pledge to issue the Bond and further secured in the same manner as the Bond pursuant to Section 8 hereof. If Notes are issued pending the issuance and sale of the Bonds, County Council may determine it to be in the best interest of the County to refund or renew an outstanding Note. Therefore, the County Council hereby authorizes the Note(s) to be refunded or renewed and such authorization to be effected by a resolution of County Council incorporating the terms of this Ordinance.

Section 15. Miscellaneous. The County Council hereby authorizes the Administrator and the Clerk to County Council to execute such documents and instruments as may be necessary to effect the issuance of the Bond. The Council hereby retains Burr & Forman LLP as Bond Counsel and Compass Municipal Advisors LLC as financial advisor in connection with the issuance of the Bond and authorizes Bond Counsel to obtain such other professional services as shall be necessary including financial advisor.

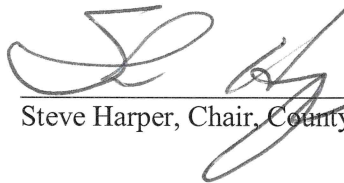
Section 16. Conflicting Provisions. To the extent this ordinance contains provisions that conflict with provisions contained elsewhere in the Lancaster County Code or other County ordinances, the provisions contained in this ordinance supersede all other provisions and this ordinance is controlling.

Section 17. Severability. If any section of this ordinance is, for any reason, determined to be void or invalid by a court of competent jurisdiction, it shall not affect the validity of any other section of this ordinance which is not itself void or invalid.

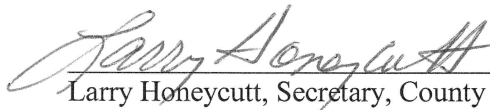
Section 18. Effective Date. This Ordinance is effective upon third reading.

Enacted this 11th day of FEBRUARY, 2019.

LANCASTER COUNTY, SOUTH CAROLINA

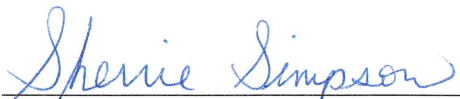


Steve Harper, Chair, County Council



Larry Honeycutt, Secretary, County Council

Attest:



Sherrie Simpson, Clerk to Council

Date of First Reading:	January 14, 2019
Date of Second Reading:	January 28, 2019
Date of Public Hearing:	January 28, 2019
Date of Third Reading:	February 11, 2019

Approved as to form:


County Attorney

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
LANCASTER COUNTY
GENERAL OBLIGATION BOND, SERIES 2019B

\$ _____

KNOW ALL MEN BY THESE PRESENTS, that Lancaster County, South Carolina (the "County"), is justly indebted and, for value received, hereby promises to pay to _____ in _____, South Carolina (the "Bank"), its successors or registered assigns, the principal sum of \$ _____ together with interest thereon at the rate of ____% per annum. This Bond is payable in annual installments of principal and interest on _____, _____ to and including _____ in the amount of \$ _____.

Both the principal of and interest on this Bond are payable at the principal office of the Bank, in _____, in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts.

[Redemption provisions, if any]

For the payment hereof, both principal and interest, as they respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the County are irrevocably pledged and there shall be levied annually by the Auditor of the County and collected by the Treasurer of the County, in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on this Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

This Bond is issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X of the Constitution of the State of South Carolina, 1895, as amended; Title 4, Chapter 15, Code of Laws of South Carolina 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and Ordinance No. _____ duly enacted by the County Council on _____, 2019.

This Bond and the interest hereon are exempt from all State, county, municipal, school district and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in the State of South Carolina a fee or franchise tax computed on the entire net income of such bank which would include any interest paid on this Bond to any such bank.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other indebtedness of the County, does not exceed the applicable limitation of indebtedness under the laws of the State of South Carolina.

IN WITNESS WHEREOF, Lancaster County, South Carolina, has caused this Bond to be signed with the manual or facsimile signature of the Chairman of the County Council, attested by the manual or facsimile signature of the Clerk to County Council under the seal of the County impressed, imprinted or reproduced hereon and this Bond to be dated the _____ day of _____, 2017.

LANCASTER COUNTY, SOUTH CAROLINA

(SEAL)

Chairman, County Council

ATTEST:

Clerk, County Council

REGISTRATION

This Bond has been registered in the name of _____ in
_____, _____, on the registration books kept by the Clerk to County Council of
Lancaster County, South Carolina.

Dated this _____ day of _____, 2019.

Clerk, County Council, Lancaster County,
South Carolina

EXHIBIT B

FORM OF NOTICE OF SALE

\$ _____ GENERAL OBLIGATION BOND, SERIES 2019B,
OF LANCASTER COUNTY, SOUTH CAROLINA

Bid Date: _____, 2019; 11:00 a.m.

Time and Place of Sale: NOTICE IS HEREBY GIVEN that sealed proposals or facsimile bids addressed to the undersigned will be received by the County Administrator on behalf of Lancaster County, South Carolina (the "County"), in the County Administrator's Office at 101 N. Main Street, 2nd Floor, Lancaster, South Carolina, until 12:00 noon, South Carolina time, on _____, _____, 2019, at which time said proposals will be publicly opened for the purchase of a \$ _____ General Obligation Bond, Series 2019B, of Lancaster County, South Carolina (the "Bond"). Proposals may be delivered by hand or by mail or by facsimile transmission, but no proposal shall be considered which is not actually received by the County at the place, date and time appointed and the County shall not be responsible for any failure, misdirection, delay or error resulting from the selection by any bidder of any particular means of delivery of bids. The County will take reasonable steps to ensure the confidentiality of all bids transmitted to it by facsimile transmission, but cannot guarantee the confidentiality of information transmitted by such means. Bids by facsimile transmission should be transmitted to the attention of Steve Willis, County Administrator, Fax: (803) _____.

The Bond: The Bond will be issued in fully registered form, as one single fully registered bond; will be dated the date of delivery; will bear interest (computed on a 360-day year, 30-day month basis); and will be payable on _____ in each of the years _____ to and including _____ in approximately equal annual installments.

Interest shall be calculated on a 30-day month and a 360-day year basis, unless otherwise agreed upon by the County Administrator and the purchaser of the Bond.

Redemption: The Bond [will] [will not] be subject to redemption prior to maturity.

Bid Requirements: Bidders shall specify a single, fixed rate of interest for the Bond. Bidders shall specify the rate of interest per annum which the Bond is to bear, to be expressed in multiples of 1/100 of 1%. A bid for less than the entire issue, or a bid at a price less than par, will not be considered. The Bond will be awarded to the bidder or bidders offering to purchase the Bond at the lowest net interest cost to the County, such interest cost to be determined by computing the total dollar interest cost from the date of the Bond to the respective maturity dates. Any fees or costs to be paid by the County to the bidder will be treated as additional interest cost. The County reserves the right to reject any and all bids or to waive irregularities in any bid. Bids will be accepted or rejected no later than 3:00 p.m., South Carolina time, on _____, 2019.

Bid Form: No good faith check is required. It is requested, but not required, that your bid be submitted on the attached bid form.

Security: The Bond is payable from an ad valorem tax to be levied annually by the County Auditor and collected by the County Treasurer, in the same manner as other County taxes are levied and collected, on all taxable property in the District sufficient to pay the principal of and interest on the Bond as they respectively mature and to create such sinking fund as may be necessary therefor. The Bond is additionally secured by the full, faith and taxing power of the County.

Legal Opinion: The issuance of the Bond is subject to the approving opinion of McNair Law Firm, P.A., Bond Counsel, attached hereto, as to the validity of the issuance of the Bond under the Constitution and laws of the State.

Tax Exemption and Other Tax Matters: The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions that relate to tax-exempt obligations, such as the Bond, including, among other things, permitted uses and investment of the proceeds of the Bond and the rebate of certain net arbitrage earnings from the investment of such proceeds to the United States Treasury. Noncompliance with these requirements may result in interest on the Bond becoming subject to federal income taxation retroactive to the date of issuance of the Bond. The County has covenanted to comply with the requirements of the Code to the extent required to maintain the exclusion of interest on the Bond from gross income for federal tax purposes. Failure of the County to comply with the covenant could cause the interest on the Bond to be taxable retroactively to the date of issuance.

The Code imposes an alternative minimum tax on a taxpayer's alternative minimum taxable income. Interest on the Bond is not an item for tax preference for purposes of the individual and corporate alternative minimum tax. However, interest on the Bond will be includable in the adjusted net book income or adjusted current earnings of a corporation for purposes of computing the alternative minimum tax imposed on corporations.

Purchasers of the Bond should consult their tax advisors with respect to collateral tax consequences of ownership of the Bond, such as the calculation of alternative minimum tax, environmental tax or foreign branch profits tax liability, the tax on passive income of S corporations, the inclusion of Social Security or other retirement payments in taxable income, or the portion of interest expense of a financial institution which is allocable to tax-exempt interest.

South Carolina Taxation: The interest on the Bond is exempt from all State taxation except estate or other transfer taxes. Section 12-11-20 of the South Carolina Code of Laws 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed at the rate of 4-1/2% of the entire net income of such bank. Regulations of the South Carolina Department of Revenue and Taxation require that the term "entire net income" includes income derived from any source whatsoever including interest on obligations of any state and any political subdivision thereof. Interest on the Bond will be included in such computation.

Investment Letter: The successful purchaser of the Bond will be required to execute a letter to the County acknowledging, among other things, that (1) no official statement or other offering material has been furnished other than the Request for Proposals; (2) the purchaser had an opportunity to make inquiries of, and receive answers from such officials, employees, agents and attorneys of the County; (3) the purchaser has knowledge and experience in financial and business matters and that it is capable of evaluating the merits and risks of its investment in the Bond and is financially able to bear the economic risk of its investment in the Bond; (4) the purchaser is acquiring the Bond as a vehicle for making a commercial loan and without a present view to the distribution or resale thereof (subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be under its control) within the meaning of the Federal securities laws; and (5) the purchaser is acquiring the Bond solely for its own account and no other person now has any direct or indirect beneficial ownership or interest therein.

The purchaser will also be requested to covenant that it will not voluntarily dispose of all or any portion of the Bond unless it procures from each assignee thereof representations and covenants in form and content substantially the same as those made by the purchaser.

Miscellaneous: Bidders are requested to indicate their intentions with respect to subsequent sales or transfers of the Bond. Bidders are also requested to indicate whether any commitment fee will be required or whether the County will be requested to reimburse the successful bidder for out-of-pocket expenses and counsel fees.

Delivery: The Bond will be delivered on or about _____, 2019 in Lancaster, South Carolina or Columbia, South Carolina. The purchase price then due must be paid in federal funds or other immediately available funds. The costs of issuance of the Bond will be borne by the County.

Additional Information: Bidders may not rely on this Request for Proposals as to the complete information concerning the Bond. Persons seeking additional information should communicate with the County's bond counsel, Francenia B. Heizer, Esquire, McNair Law Firm, P.A., Post Office Box 11390, Columbia, South Carolina 29211, Phone: (803) 799-9800; E-mail Address: fheizer@mcnair.net.

LANCASTER COUNTY, SOUTH CAROLINA

FORM OF NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held by the County Council of Lancaster County, South Carolina (the "County"), in County Council Chambers located at 101 N. Main Street, Lancaster, South Carolina, at 6:30 p.m. or as soon thereafter as possible, on Monday, January 28, 2019, or at such other location as proper notice on the main entrance to the said building might specify.

The purpose of the public hearing is to consider an Ordinance providing for the issuance and sale of a General Obligation Bond (Reid Pointe Special Tax District), Series 2019B, of Lancaster County, South Carolina, in the principal amount of not exceeding \$700,000 (the "Bond"). The proceeds of the Bond will be used for (i) undertaking repairs and upgrades of roads in the Reid Pointe Special Tax District and all costs associated therewith; (ii) paying the costs of issuance of the Bond; and (iii) such other lawful purposes as the County Council shall determine.

The Bond is payable from an ad valorem tax to be levied annually by the County Auditor and collected by the County Treasurer, in the same manner as other County taxes are levied and collected, on all taxable property in the District sufficient to pay the principal of and interest on the Bond as they respectively mature and to create such sinking fund as may be necessary therefor. The Bond is additionally secured by the full, faith and taxing power of the County.

At the public hearing all taxpayers and residents of the County and any other interested persons who appear will be given an opportunity to express their views for or against the Ordinance and the issuance of the Bond.

COUNTY COUNCIL OF LANCASTER COUNTY,
SOUTH CAROLINA

/s/ _____

Chair