

RESOLUTION NO: R-2010-006

A RESOLUTION (1) AFFIRMING THE DESIGNATION OF THE AREA LOCATED AT 1601 MAIN STREET, 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) ALLOCATING NINE HUNDRED SEVENTY-THREE THOUSAND AND NO/100 (\$973,000.00) DOLLARS OF RECOVERY ZONE FACILITY BOND ALLOCATION RECEIVED BY THE CITY PURSUANT TO THE ARRA TO MAST GENERAL STORE, INC., AS THE ULTIMATE BENEFICIARY OF THE PROPOSED BONDS ("MAST"); (3) AUTHORIZING MAST 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 (4) OTHER MATTERS RELATING THERETO.

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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" and to designate certain 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, the City of Columbia, South Carolina (the "City") received an allocation of Nine Hundred Seventy-three Thousand and No/100 (\$973,000.00) Dollars pursuant to the ARRA for recovery zone facility bonds and has not to date designated any portion of such allocation to any recovery zone facility bonds or ultimate beneficiaries pursuant to the ARRA; and

WHEREAS, Mast General Store, Inc., a corporation organized and existing under the laws of the State of North Carolina ("Mast"), has requested 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 commercial retail facility 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 by allocating to Mast, as the ultimate beneficiary of the proposed recovery zone facility bonds, Nine Hundred Seventy-three Thousand and No/100 (\$973,000.00) Dollars from the City's allocation for recovery zone facility bonds under the ARRA; and

WHEREAS, Mast has represented to the City that Richland County, South Carolina (the "County") has agreed or will agree to facilitate the issuance on behalf of Mast of recovery zone facility bonds to finance a portion of the cost of the Project by allocating to Mast, as the ultimate beneficiary of the proposed recovery zone facility bonds, One Million Twenty-seven Thousand and No/100 (\$1,027,000.00) Dollars from the County's allocation for recovery zone facility bonds under the ARRA; and

WHEREAS, the City has determined, based upon information provided by Mast, that the Project will benefit the general welfare of the City by provided 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 this 3rd day of February, 2010, as follows:

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

(a) Based solely upon information provided by Mast, the City anticipates that the cost of the Project will be not less than Four Million and No/100 (\$4,000,000.00) Dollars 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 Mast, 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 16 full-time jobs and 22 part-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 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 Mast 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.

(d) The allocation by the City of Nine Hundred Seventy-three Thousand and No/100 (\$973,000.00) Dollars from its recovery zone facility bond allocation pursuant to the ARRA will be required to facilitate the issuance of the Bonds to defray a portion of the cost of the Project.

Section 2.

(a) Mast 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 or any agency thereof. In order to facilitate the issuance of such Bonds, the City hereby allocates Nine Hundred Seventy-three Thousand and No/100 (\$973,000.00) Dollars of its recovery zone facility bond allocation to Mast, as the ultimate beneficiary of the proposed Bonds, the proceeds of which will be used to defray a portion of the cost of the Project, all in accordance with the provision of Section 5.04 of Notice 2009-50 by the U.S. Dept. of the Treasury ("Notice 2009-50"); provided, however, that such allocation to Mast shall expire and revert to the City, without further action or notice, if Mast has not arranged for the Bonds to be issued on or before June 30, 2010, or Mast indicates in writing its desire to release such allocation prior to such date.

(b) In accordance with Section 5.06 of Notice 2009-50, the City, hereby affirms and approves the designation of the area of the City located at 1601 Main 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 Mast 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 Mast, is not exceeding Four Million and No/100 (\$4,000,000.00) Dollars; and (e) the documents to be delivered by Mast 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 Mast shall maintain the Project and carry all proper insurance with respect thereto.

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.

Requested by:

Economic Development



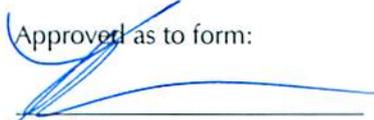
Mayor Pro Tem

Approved by:



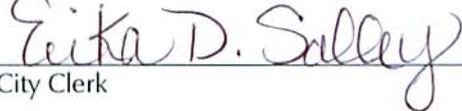
City Manager

Approved as to form:



City Attorney

ATTEST:



City Clerk

Introduced: 2/3/2010

Final Reading: 2/3/2010

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